

## Staff Report

**HIGHWAY ORIENTED COMMERCIAL FLOOR AREA RATIO (FAR) STANDARDS**

April 14, 2015

**BACKGROUND:**

Council directed staff to provide an overview of the Floor Area Ratio (FAR) limitation of Highway Oriented Commercial (HOC) zoning district in response to a developer request on March 9<sup>th</sup>. (Attachment A). The developer seeks relief from FAR limitations as they apply to parking structures for a project he would like to develop on a 4-acre HOC site on SE 5<sup>th</sup> Street.

“Floor Area Ratio (FAR)” is the amount of gross floor area in relation to the amount of the lot area, determined by dividing the gross floor area of all buildings on a lot by the area of that lot. FAR is a zoning regulation (development standard) with two purposes. It can be used to limit the intensity of use of a site or to control the massing of the building. FAR can lead to a predictable building design and building size when lots are of the same general size, but the results will vary greatly when there is a large difference in lot sizes.

FAR can be stated as either a percentage or in a decimal format. FAR of 50% is the same as saying 0.5 FAR. Other related zonings standards to intensity and massing include maximum building coverage, minimum required setbacks, minimum landscaped/open space area, and maximum height limits.

FAR can be an abstract term within a City the size of Ames that is mostly a suburban development pattern. FAR often correlates to parking standards and the number of stories of a building in its relationship to design. The 0.5 FAR allowed in the HOC zoning district would generally lead to one and two story buildings, even though taller buildings could be built under the HOC zoning. A development standard with a 1.0 FAR would relate to more urban setting as it would require full use of site or multi-story buildings. FAR of 1.0 or greater is a common situation along Main Street or in parts of Campustown. Other examples of how FAR translates to building design with standards parking requirements include:

- 1-Story retail commercial development will be typically 0.2 to 0.25 FAR of a site with 100% surface parking.
- 2-Story retail commercial development at 0.5 FAR with primarily surface parking and some structured parking
- 1-Story industrial/professional office building will be 0.3 FAR with 100% surface parking
- 3 to 4-Story industrial/office building of 0.5 FAR with 100% surface parking

- 5 to 7-Story office building of 0.7 FAR with a mix of parking structures and surface parking.

In accordance with the Ames Municipal Code, FAR maximum development standard in non-residential zoning districts are as follows:

<u>Zoning District</u>	<u>Max. FAR</u>
Highway Oriented Commercial (HOC)	0.50
Neighborhood Commercial (NC)	0.70
Community Commercial Node (CCN)	0.75
Community Commercial/Residential Node (CCR)	0.75
Downtown Service Center (DSC)	None*
Campustown Service Center (CSC)	None*
South Lincoln Sub Area (S-SMD) Mixed Use District	0.75
Planned Regional Commercial (PRC)	None
Planned Industrial (PI)	0.35
General Industrial (GI)	None

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\*CSC and DSC zoning having a minimum FAR of 1.0 to ensure buildings match the historic pattern of the surroundings. An exception process exists to reduce minimum FAR in unique situations.

The current definition in the Zoning Ordinance for FAR includes gross floor area of all buildings on a site. Buildings are any structure that encloses or covers property or persons. This means a parking structure that covers property, i.e. vehicles, is a building by definition for all development standards. This means we would apply setbacks, coverage, height, and FAR limits to a parking structure during site plan review.

**The key question regarding the definition of FAR is whether to consider it as a measure of the intensity of activity on a site or as a building design regulation. In cities where the chief design issue is the level of use and activity on a site rather than building massing, exemptions may exist for floor area that is not house employees or customers.** Examples may include exemptions of large corporate lobbies, accessory amenity spaces of dining facilities or fitness areas, bike lockers and showers, or parking structures. In some cases different uses may have different FAR limits because of the concentration of people, e.g. hotels vs. office buildings. **However, in circumstances where the overall size of a building(s) is a concern then the uses described above would not be exempted from floor area because they would increase the amount of building area on a lot and increase the size of a building.**

### **OPTIONS FOR PARKING STRUCTURE FAR EXEMPTIONS FOR HOC:**

There are many options available to consider adding flexibility to project design in relation to FAR standards based on the purpose of the standard. Some are as simple as exempting parking structures while a broader approach would be to allow for increased development levels with a design review process and a higher maximum limit.

- 1) Exempt Parking Structures for Definition of Floor Area Ratio**

This option satisfies the developer's request. Total floor area for commercial buildings would still be controlled by the 0.5 FAR level of HOC. Parking structure design would still need to comply with all other building and site standards, such as setbacks, 15% landscaped area, and 50% building coverage limitations. This approach would consider FAR as a measure of intensity rather than massing.
- 2) Exempt Parking Structure for Definition of a Building.**

This option satisfies the developer's request and provides additional flexibility in siting of a stand-alone parking structure as it would be exempt from building standards. Total floor area for commercial buildings would still be controlled by the 0.5 FAR level of HOC. If floor area was built above a parking structure it would still be required to meet building coverage, height, setbacks, etc.. This approach would consider FAR as a measure of intensity rather than massing.
- 3) Create an Exception Process to Exceed FAR limits**

This option would allow for a situational evaluation of a proposal to exceed the FAR limits and may meet the developer's interest through a permitting process. The process could be a Planning Director discretionary allowance or minor exception process through the Zoning Board of Adjustment. The intent would be for less stringent criteria than a variance and could apply to parking structures or to all building types. Examples of exception criteria could be whether there would be an unanticipated increase in traffic from increased use, how a larger facility is located on a lot, or if the design promotes natural resource protection. This approach would try to balance FAR as a measure of intensity and massing from discretionary review of exceeding maximum levels.
- 4) Raise the FAR Ratio to 1.0**

This option would likely meet the developer's interest as it would allow for increased intensity of use of building area or parking structure area. This change is similar to the hotel related FAR request from 2014 that the City Council decided not to pursue. This measure would be broad and allow for intensification of sites in many parts of the city. As described earlier in the report, a 1.0 FAR would likely rely upon structured parking to support the intensified use of a site.
- 5) Create a Planned Commercial Zoning Overlay**

This option would allow for a situational evaluation of a proposal to exceed the FAR limits and other development standards. This could satisfy the developer's interest through a permitting process. This option is more far reaching and would create a highly flexible tool to address unique projects. Prior to 2000, the City had a Planned Commercial Zoning District that allowed for customized review of a project to consider trade-offs for uses and design. Creating a Planned Commercial Zoning Overlay would allow for an optional process of a developer to propose a project that does not fit standard zoning parameters, but may still have additional beneficial attributes. Once the overlay is applied, it could be either Council or staff approval of a project. The Overlay approach would try to balance

design and intensity of a project while considering the trade offs in design flexibility.

### **STAFF COMMENTS:**

While FAR can be an abstract tool for the City's design objectives in its zoning districts, at times, it does fit community expectations for development patterns. FAR is helpful in promoting our goals for intensification and character in the CSC and DSC zoning districts. However, it has had limited applicability in other areas of the City. Standard development with surface parking rarely reaches the FAR limits applied to other zoning districts. The difference in how FAR works in the zoning districts also is a balance of promoting intensification in the core and limiting more outward development. However, when considering how FAR works for HOC zoning it can be viewed as both an infill area and a growth area due to the diverse areas of the City zoned HOC.

If the Council is interested in a text change for FAR allowances it has an array of choices. Exempting Parking Structures from the definition does incentivize alternative development styles and probably a fuller use of a site. Excluding parking structures does not fundamentally alter the intensity of use planned for the base zoning, but would promote more building area and a larger size overall. Alternatively, raising FAR levels would promote more use of sites and overall intensity.

**Staff believes that exempting parking structures is a simple and direct solution that is not a time consuming project due to its small definitional change. This change will have limited utility in the near term as very few projects include parking structures, but would meet this particular developer's interests. Once the text amendment is approved, review of the project design would be through a staff administered minor site plan review.**

Alternatively, a more comprehensive tool to address this project's interest and future projects would be to create a tool for individual review such as the Planned Commercial Overlay. This would provide a tool with greater flexibility and discretion and may have more use in the redevelopment of sites in the future as well as for creative new development. This approach, however, will require additional time to spell out the process and objectives of allowing for design flexibility.

If Council proceeds with direction to draft a text amendment for parking structures it will have minor effect on the Planning Division's work plan. A small definition change without a need to do community outreach would be a minor project of 5 hours to complete a Planning and Zoning Commission and City Council public hearing. Creating a Planned Commercial Zone would include an additional 8 to 12 hours of time, but would also be minor project overall that could be accomplished within the next two months. If Council pursues a different text amendment that requires community outreach this would likely take substantially more than 12 hours of time and should be prioritized as a work plan item.

## Attachment A

March 9, 2015

Honorable Mayor & City Council  
City of Ames  
515 Clark Avenue  
Ames, Iowa 50010

### **RE: Request to Amend the Code of Ordinance Definition of the Floor Area Ratio**

Honorable Mayor & City Council:

We are working on development of a Highway-Oriented Commercial (HOC) zoned property in Ames and as part of the project are contemplating the use of covered parking. However, if covered parking is used, then the amount of building development is *reduced* as the covered parking is measured as part of the Floor Area Ratio (FAR) for the project. For example; on a 200,000 square foot (s.f.) lot code would allow a 100,000 s.f. commercial building ( $100,000/200,000 = \text{FAR of } 0.50$ ). But, if the building had covered parking, then only a 50,000 square foot building could be constructed *as the 50,000 s.f. of covered parking would count against the FAR of 0.50*. It would seem to be in the best interest of the City to maximize the use of prime commercial lots and allow the full use of a site with covered parking. It is a more efficient use of land resources to promote the use of covered parking and provides more value per acre of building construction.

The pertinent portions of the FAR definitions are found in Code Section 29.201 Definitions as shown below:

**(77) Floor Area, Gross** means the sum of the gross horizontal area of floors of a building, including interior balconies and mezzanines. All horizontal dimensions are to be between the exterior faces of walls or from the center line of walls separating 2 buildings.

**(78) Floor Area, Net** means the total square foot area of all space within the outside line of a wall, including the total area of all floor levels, but excluding porches, garages, or unfinished space in a basement or cellar.

**(79) Floor Area Ratio (FAR)** means the amount of floor area in relation to the amount of lot area, determined by dividing the gross floor area of all buildings on a lot by the area of that lot.

We are not asking for a change to the HOC zoning's FAR limit of 0.50. We do request the definition of the Floor Area Ratio to be changed by changing the "gross floor area" to "net floor area" such that it reads:

**79) Floor Area Ratio (FAR)** means the amount of floor area in relation to the amount of lot area, determined by dividing the *net* floor area of all buildings on a lot by the area of that lot.

The City's definition of "net floor area" excludes garages from the calculations and would allow the project to move forward. This small (one word) change would allow for the full 100,000 s.f. of building to be constructed as detailed in the example above.

Our due diligence period for purchase of the property is by the end of April. We would like to have the Council move forward with the change expeditiously such that we can be assured the change will be in process before the end of our due diligence period. Thank you for your assistance. Please call me if you have any questions.

Sincerely,



Martin Stern  
Cell Phone (515)-779-7301

cc: Kelly Diekmann, Planning & Housing Director  
Steve Schainker, City Manager