

Staff Report

**REQUEST TO AMEND ROSE PRAIRIE
PRE-ANNEXATION DEVELOPMENT AGREEMENT**

August 11, 2015

BACKGROUND:

Prior owners of the 170 acre site at the corner of Grant Avenue and 190th Street requested approval of rural subdivision in 2009. **Since the request to develop further north was not supported in the LUPP, the City Council denied the request and was subsequently sued for its denial by the property owner. City Council then directed staff to negotiate a mutually agreeable development agreement as a pre-annexation agreement that included dismissal of the lawsuit.** City Council approved on July 20, 2010 a pre-annexation agreement that included acquiescence to annexation of the 170 acre site and laid out development parameters, obligations for utility costs to serve the area, and a conceptual plan for development of 292 single-family homes in the manner of conservation subdivision. The original agreement is include as Attachment A.

Although the property was annexed to the City in 2010, development of the site did not progress and the property was transferred to other parties. The current owner of the property, Rose Prairie LLC, is represented by Terry Lutz and they acquired title to the property in May 2014.

The Developer has identified 13 issues they would like to have addressed in an amendment to the current Agreement (Attachment B-Developer Letter). The key topics related to the original agreement include exceeding the 292 unit plan for development of site with up to 678 housing units and convenience commercial, repayment of water costs, repayment of sanitary sewer costs, agreement to move the shared use path from railroad side of the project to Grant Avenue, costs for electric transmission extension, delete the phosphors fertilizer prohibition, and eliminate the fire sprinkler requirement.

Additional issues not in the current agreement that the Developer would like addressed in a revised contract include: neighborhood park, assignment of obligations to successor interest in selling off parts of the overall development, location of convenience commercial zoning at the corner of 190th Street and Grant Avenue, high density apartments of 162 units along 190th Street, and street layout of loop roads that does not include an east/west through street connection to Grand Avenue.

It is important to note that approval of any of the amendments suggested by the Developer and supported by the City Council will not occur on August 11, 2015.

With Council's direction to proceed with specified amendments, the Developer will continue with their rezoning request preliminary plat process. The revised Pre-Annexation Agreement will be considered at the same time as the rezoning requests are considered by the Council.

DEVELOPER SUGGESTED CHANGES TO THE PRE-ANNEXATION AGREEMENT:

ISSUE 1. *Section II.D - Section II.D- States the land is to be rezoned as suburban residential low density (FS-RL). We are requesting rezoning of the site with a Master Plan for FS-RL, FS-RM, or F-PRD and for convenience commercial zoning. We request to remove from the agreement the development plan that is shown as Exhibit D.*

Staff Comments: The existing agreement mandates rezoning to FS-RL and includes a concept design with 292 single family housing units. The current Developer is pursuing a different concept with up to 8 acres of commercial area and development of single family detached, single family attached, and apartments that require different zoning districts than FS-RL that is identified in the existing agreement. The total development request by the Developer is a maximum of 678 units. An example of their master plan is contained in Attachment C.

In order for the Planning staff to move forward to assist the Developer in accomplishing this new design concept, the staff needs to know that the Council is willing to consider a development plan that is different than the one that was approved for the previous owner as shown on Exhibit D in the existing Pre-Annexation Agreement. **Therefore, if Council is willing to accept an alternative concept plan, this provision must be changed to consider alternatives.**

ISSUE 2. *Section V.B.6.a - This section requires that a pro-rata share of the water cost be paid each time a parcel is platted. In addition its states the total connection fee for the water costs on Grant Avenue are to be paid in full 10 years after the date of the original agreement. Therefore 100% of Rose Prairie's portion of the water main on Grant is to be paid in full by July 10, 2020 (only 5 years from now). The City just installed the water and sewer project last year.*

Given the size of our development (170 acres) the existing requirement to pay 100% of this cost in 5 years from now (regardless of whether or not anything is platted) is extremely onerous. We believe this puts our development at a competitive disadvantage with neighboring developers, as they have less than half of the land to develop. It is not reasonable to assume we will have all 170 acres of our land developed at the same time as our competing developers, given the size of our development compared to theirs.

Consistent with every other City we develop in, we are requesting to only pay the connection fee for the water at the time a final plat is approved, which is when an end user will actually connect to the water system. A payment schedule could be developed whereby the City would be reimbursed for 100% of the cost of the water main at such time only 80% of the 170 acre parcel is developed. We are requesting that there would be no requirement to pay the balance in full after 10 years, if there is still undeveloped ground.

Staff Comments:

The timely repayment for the advanced funding provided by the City for sanitary sewer and water improvements was the goal of the language included in the agreement. The Council can choose to accept the Developer's new proposal to repay the utilities or modify the agreement to mirror the language that was included in the subsequent Pre-Annexation Agreements with the other two developers along Grant Avenue in this Northern Growth Area; Quarry Estates and Hunziker. This language requires full payment with the first final plat occurring more than ten years after the annexation.

Staff believes a more equitable solution would be to revise the agreement requiring full payment of remaining connection fees with the first plat after December 30, 2023. This alternative would keep the Rose Prairie obligation consistent with the other annexed projects along Grant Avenue.

ISSUE 3. Section V.C.5.a - This section is similar to Section V.B.6.a, except V.C.5.a deals with the sanitary sewer connection fees instead of water. We are requesting the same method of paying the sewer connection fees as we have requested for water. Payments only at the time of final platting with no 10 year "pay in full" requirement.

Staff Comments:

The staff comments presented for Issue 2 would be the same for this issue.

ISSUE 4. Section V.C.6 - States the Developer is to finance 100% of the cost of any sanitary sewer that may be required to serve the land west and north of Rose Prairie designated as the line from point 2 to point 4 and from point 3 to point 4 on Attachment H. If and when the land outside of the Rose Prairie property develops, the City would reimburse the Developer the pro-rata cost of the sewer benefiting land outside the development with connection fees paid by others.

We believe this is an unfair method of financing this sewer as it places the burden of cost and financing sewer improvements that do not benefit our property, on our development. This places our development in an uncompetitive situation to our neighboring competing developments by driving up our costs (the other developments do not have this cost).

Not only does this put our development at a competitive disadvantage, the City is suggesting we "up-front" the utility costs for other land owners, in hopes of further development by these land owners.

We are requesting the City pay any cost of water or sewer extensions to Rose Prairie that benefits land outside of Rose Prairie. The City can recoup that cost from future development through connection fees the same way you are doing the work on Grant Avenue. We request this cost be paid by the City to Rose Prairie at the time these specific water or sewer extensions are constructed in our development.

Staff Comments:

The requirement specified in the agreement for the Developer to extend utilities to the north and west limits of his property is in keeping with the City's current policy for

infrastructure extensions. What is unusual about the provisions of this contract is that, rather than the developer pay for the whole cost of the sanitary sewer line across the property in a non-incentivized growth area, the City agreed to consider creating a connection district to repay the developer a pro-rated share in the future. **Therefore, staff sees no reason to change the agreement unless Council is willing to make a radical shift in its policy regarding the City's participation in extending infrastructure in non-incentivized growth areas**

ISSUE 5. Section V.E.2 - States the Developer shall install a "shared use path" adjacent to the railroad tracks within two years of the initial final plat. We understand this shared use path is to be constructed along Grant Avenue instead of adjacent to the Railroad Tracks. We understand Rose Prairie will only be required to pay for one placed per the City's direction along Grant Avenue.

Staff Comments:

At the time of the original agreement, a trail was planned to run along the railroad and continue north in the County along the railroad right-of-way and connect to Gilbert. Since that time, the County has changed plans from installing a trail along the railroad to placing a trail along Grant Avenue. City staff believes we should match the County's plan and now have the shared use path along the west side of Grant Avenue. The Developer desires to only construct one shared use path and not be required to build both the original path along the railroad and the Grant Avenue path. **Therefore, staff supports this contract change to match current plans.**

ISSUE 6. Section V.F.1-3 - States the Developer shall pay for the electric extensions, lights, etc. We are requesting Rose Prairie pay for whatever costs were agreed to by the Hunziker and Friedrich's Development south and east of Rose Prairie.

Staff Comments:

The agreement anticipates that should the development of Rose Prairie occur prior to the development of the Hunziker South property, Rose Prairie would be responsible to bring electricity to their site. The City Council did not want to promote the "leapfrogging" of development to the north. **The staff sees no reason to change this section of the agreement at this time.** Because the initial portion of the Rose Prairie development to the north will occur within the Midland Power Cooperative service territory, it is highly probable that the City's electric distribution lines will be extended to Rose Prairie's southern boundary when Hunziker develops its southern property in the near future.

ISSUE 7. Section V.H.1 - Requires the Developer to include a covenant prohibiting the use of fertilizer or lawn additive that contains phosphate. Rose Prairie requests we be treated consistent with the Hunziker and Friedrich's property to the south and east of Rose Prairie. We will address this in our covenants.

Staff Comments:

The current language in the two other Pre-Annexation Agreements match the language in the existing Rose Prairie agreement. **Therefore, staff does not believe a change is warranted.**

ISSUE 8. *Section V.H.2 - Requires sprinkler systems be installed in residential buildings. We request this section be entirely deleted similar to the Hunziker and Freidrich's property to the south and east of Rose Prairie.*

Staff Comments:

When first considered by the City Council, this subdivision was outside of the City Council's emergency response time standard. Therefore, the requirement for sprinklered houses was meant to address this issue. The City Council eliminated this standard when a decision was made to grow further to the north, and this language was then removed from the Hunziker and Quarry Estates Pre-Annexation Agreements. **Therefore, the staff can support the request that this section be removed from the agreement.**

ISSUE 9. *The City is requesting, and the Developer is willing, to sell up to five (5) acres of land to the City for a public park. The park will be located approximately as shown on Attachment D and have access off a road. We are proposing to sell the land for \$30,000 per acre to the City, plus the per acre cost charged to the Rose Prairie land for all off-site streets, water, sewer, electric, etc., plus the cost of extending roads and/or utilities adjacent to the park property. These costs will be determined and paid for by the City at the time the developer constructs the adjacent infrastructure to serve the park land.*

Staff Comments:

Staff has identified that the proposed development of the Rose Prairie with its requested intensification combined with the Hunziker South development trigger the need for a City Neighborhood Park. Neighborhood parks are active areas that provide small recreational facilities and a shelter. The LUPP identifies the need for parkland at a ratio of 5 acres per 1,000 people and we try to site neighborhood parks with a ½ mile service area. Rose Prairie projects to 1,500 people and with Hunziker South development the population may exceed 1,900 people. Currently, there are no Neighborhood Parks within a half mile radius of the vast majority of this area. The closest park is Lloyd Kurtz at the corner of Bloomington and Hyde.

Staff believes the park is a necessary component of public infrastructure to support rezoning and platting of the area for both projects. As needed infrastructure related to this project, staff does not believe that the acquisition of land for a park should be a City cost. Staff has requested that land be dedicated to the City in the south to central area of Rose Prairie and be in a developable condition. The City would incur costs for construction of improvements within the park, but not street improvements abutting the park. Our most recent neighborhood park in Northridge Heights was provided for in this manner. **Staff believes the agreement should reflect the arrangement as described by staff rather than the City paying for the land and improvements.**

ISSUE 10. *As the Rose Prairie developer, we may plat outlots as part of the overall master plan and these outlots may be sold to other developers. Therefore we are requesting to assign the terms of this agreement to potential other developers and therefore the connection fees for utilities and/or any street assessments imposed on Rose Prairie, will be transferred to the buyer of these outlots and the obligation to make whatever infrastructure payments, connection fees, etc. required by these outlots, will*

be an obligation of the buyer(s) of the outlots at the time of their platting, consistent with the terms of this agreement.

Staff Comments:

The current structure of the agreement for repayment of infrastructure costs is triggered by final plats. The Developer desires to create large parcels with the intent of selling off the parcels and then have them subsequently platted for development. The Developer would like the agreement amended to reflect creation of these large parcels as an intermediate step that does not meet the intent of a “final plat” where fees are due. Fees would then be due with final plat for development of each large parcel.

This type of revision will negatively impact the City's recapture of the water and sewer connection fees and street assessment as contemplated in the current agreement. **In order to accomplish this request, a revised agreement would need to include the terms and conditions for the payment of connection fees and assessments for all proposed "neighborhoods/outlots".**

ISSUE 11. *We are requesting the City Council approve the location of our proposed village center at the corner of 190th and Grant Ave. as shown on our previously submitted concept plan approved by the City Council and P&Z.*

Staff Comments:

In May 2015, the City Council approved an LUPP Amendment to create a Convenience Commercial Node for the North Growth Area. Development of commercial uses will be a later phase of the project, but the Developer wants to address whether commercial zoning will be at the corner of 190th and Grant or pushed south on Grant to a more central location. Location of the commercial will alter their approach to residential development and the Developer would like guidance on their proposed Master Plan that is Attachment C.

Locating commercial at a corner of major streets is a common interest for shopping center design and it would have easy vehicular access for many customers. A more centrally located center south on Grant would typically be more desirable and consistent with the LUPP goals as it would be closer to more homes and not on the edge of the City. However, in this case with no significant east/west road connections through the Growth Area, it is difficult to project the success of locating a shopping center further south on Grant. **Therefore, staff believes either location for commercial zoning could be acceptable.**

ISSUE 12. *We are requesting the City Council approve the location of the multi-family apartments we are proposing along 190th (not to exceed 162 dwelling units) as shown on our previously submitted concept plan.*

Staff Comments:

If the City Council believes that apartments are a desirable housing type in the Rose Prairie development, then the proposed location along 190th Street is acceptable to the staff.

ISSUE 13. *We are requesting the City Council adopt our proposed “Neighborhood Parcel” concept whereby we are proposing individual neighborhoods, served with a*

“looped” street, providing two access points into each parcel. We have proposed this concept to maintain individual neighborhoods connected with pedestrian trails and green space, while minimizing traffic volumes within each neighborhood. Each neighborhood will connect to our proposed north-south interior collector street.

Staff Comments:

The attached Master Plan illustrates the developer’s ideal method of circulation with loop streets and a central open space feature. Most neighborhoods in Ames are not developed in this style, with the noted exception of Parkview Heights.

Staff has identified two street circulation issues related to the concept. 1) The original Exhibit D in the agreement included an east/west street connecting to Grant Road and taking traffic into the development as well as a north/south street system. 2) The second issue relates to subdivision standards for block lengths and connections tying neighborhoods together and creating extensions to other abutting properties for development. The Developer is seeking direction on these issues regarding the Master Plan as it strongly influences the design of the project.

Staff recommends that an east/west street connection to Grant be included in the design based on our street and block length standards and how typical roadways are planned in Ames. Without the east/west road connection, street spacing exceeds our normal standards of not to exceed a ¼ mile for major intersections. Including the roadway, and not just trail connections would facilitate a typical roadway network spacing and circulation route for the development. The east/west connection may impact the developers desire to locate the lake/stormwater detention feature as shown in the Master Plan.

In general, **staff believes some loop roads for the neighborhoods are acceptable. Lacking the details that will be presented in the preliminary plat application, staff is unable to determine how the circulation for some of the larger areas will be impacted by the proposed loop road system. Staff also believes some street stubs to the abutting properties where developable land may exist is beneficial to the City.**

August 8, 2015

Honorable Mayor and City Council,

We appreciate your cooperation and support of our efforts to develop the 170 acre Rose Prairie Development in North Ames. As part of the development process, we are hereby requesting revisions to the original pre-annexation agreement dated July 20, 2010 and would like clarification on a few items before we proceed further.

As a point of reference, this agreement was signed by a previous Developer prior to the recession. When the property went back to the bank, it was sold to an investor. We purchased the property from that investor. As we have been revising the original design concept to create more density at the City's request and enhance other aspects of the project, it has become evident that some of the original terms of the agreement are very onerous on our development. We are therefore asking for your consideration to modify the agreement. The following outlines our requested modifications to the terms of that agreement:

1. Section II.D - Section II.D- States the land is to be rezoned as suburban residential low density (FS-RL). We are requesting rezoning of the site with a Master Plan for FS-RL, FS-RM, or F-PRD and for convenience commercial zoning. We request to remove from the agreement the development plan that is shown as Exhibit D.
2. Section V.B.6.a - This section requires that a pro-rata share of the water cost be paid each time a parcel is platted. In addition its states the total connection fee for the water costs on Grant Avenue are to be paid in full 10 years after the date of the original agreement. Therefore 100% of Rose Prairie's portion of the water main on Grant is to be paid in full by July 10, 2020 (only 5 years from now). The City just installed the water and sewer project last year.

Given the size of our development (170 acres) the existing requirement to pay 100% of this cost in 5 years from now (regardless of whether or not anything is platted) is extremely onerous. We believe this puts our development at a competitive disadvantage with neighboring developers, as they have less than half of the land to develop. It is not reasonable to assume we will have all 170 acres of our land developed at the same time as our competing developers, given the size of our development compared to theirs.

Consistent with every other City we develop in, we are requesting to only pay the connection fee for the water at the time a final plat is approved, which is when an end user will actually connect to the water system. A payment schedule could be developed whereby the City would be reimbursed for 100% of the cost of the water main at such time only 80% of the 170 acre parcel is developed. We are requesting that there would be no requirement to pay the balance in full after 10 years, if there is still undeveloped ground.

3. Section V.C.5.a - This section is similar to Section V.B.6.a, except V.C.5.a deals with the sanitary sewer connection fees instead of water. We are requesting the same method of paying the sewer connection fees as we have requested for water. Payments only at the time of final platting with no 10 year "pay in full" requirement.
4. Section V.C.6 - States the Developer is to finance 100% of the cost of any sanitary sewer that may be required to serve the land west and north of Rose Prairie designated as the

line from point 2 to point 4 and from point 3 to point 4 on Attachment H. If and when the land outside of the Rose Prairie property develops, the City would reimburse the Developer the pro-rata cost of the sewer benefiting land outside the development with connection fees paid by others.

We believe this is an unfair method of financing this sewer as it places the burden of cost and financing sewer improvements that do not benefit our property, on our development. This places our development in an uncompetitive situation to our neighboring competing developments by driving up our costs (the other developments do not have this cost).

Not only does this put our development at a competitive disadvantage, the City is suggesting we "up-front" the utility costs for other land owners, in hopes of further development by these land owners.

We are requesting the City pay any cost of water or sewer extensions to Rose Prairie that benefits land outside of Rose Prairie. The City can recoup that cost from future development through connection fees the same way you are doing the work on Grant Avenue. We request this cost be paid by the City to Rose Prairie at the time these specific water or sewer extensions are constructed in our development.

5. Section V.E.2 - States the Developer shall install a "shared use path" adjacent to the railroad tracks within two years of the initial final plat. We understand this shared use path is to be constructed along Grant Avenue instead of adjacent to the Railroad Tracks. We understand Rose Prairie will only be required to pay for one placed per the City's direction along Grant Avenue.
6. Section V.F.1-3 - States the Developer shall pay for the electric extensions, lights, etc. We are requesting Rose Prairie pay for whatever costs were agreed to by the Hunziker and Freidrich's Development south and east of Rose Prairie.
7. Section V.H.1 - Requires the Developer to include a covenant prohibiting the use of fertilizer or lawn additive that contains phosphate. Rose Prairie requests we be treated consistent with the Hunziker and Freidrich's property to the south and east of Rose Prairie. We will address this in our covenants.
8. Section V.H.2 - Requires sprinkler systems be installed in residential buildings. We request this section be entirely deleted similar to the Hunziker and Freidrich's property to the south and east of Rose Prairie.

Additional requests not in the original pre-annexation agreement:

9. The City is requesting, and the Developer is willing, to sell up to five (5) acres of land to the City for a public park. The park will be located approximately as shown on Attachment D and have access off a road. We are proposing to sell the land for \$30,000 per acre to the City, plus the per acre cost charged to the Rose Prairie land for all off-site streets, water, sewer, electric, etc., plus the cost of extending roads and/or utilities adjacent to the park property. These costs will be determined and paid for by the City at the time the developer constructs the adjacent infrastructure to serve the park land.
10. As the Rose Prairie developer, we may plat outlots as part of the overall master plan and these outlots may be sold to other developers. Therefore we are requesting to assign the terms of this agreement to potential other developers and therefore the connection fees for utilities and/or any street assessments imposed on Rose Prairie, will be transferred to the buyer of these outlots and the obligation to make whatever infrastructure payments,

connection fees, etc. required by these outlots, will be an obligation of the buyer(s) of the outlots at the time of their platting, consistent with the terms of this agreement.

11. We are requesting the City Council approve the location of our proposed village center at the corner of 190th and Grant Ave. as shown on our previously submitted concept plan approved by the City Council and P&Z.
12. We are requesting the City Council approve the location of the multi-family apartments we are proposing along 190th (not to exceed 162 dwelling units) as shown on our previously submitted concept plan.
13. We are requesting the City Council adopt our proposed "Neighborhood Parcel" concept whereby we are proposing individual neighborhoods, served with a "looped" street, providing two access points into each parcel. We have proposed this concept to maintain individual neighborhoods connected with pedestrian trails and green space, while minimizing traffic volumes within each neighborhood. Each neighborhood will connect to our proposed north-south interior collector street.

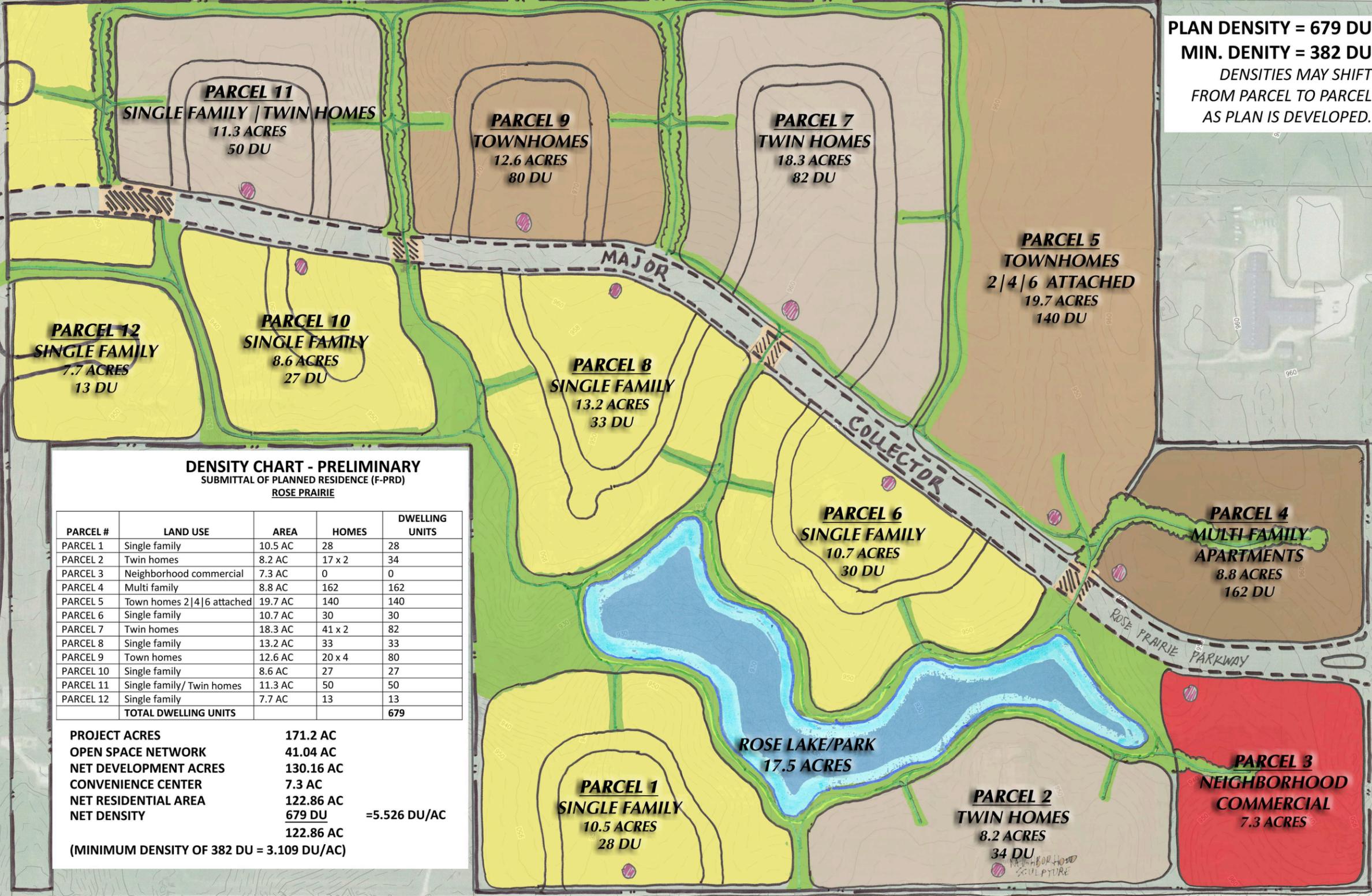
We appreciate your cooperation and look forward to bringing a significant and unique development to Ames.

Sincerely,

Terry J. Lutz, P.E.
Manager
Rose Prairie, LLC

DENSITY PLAN

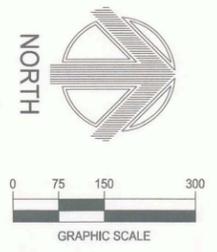
PLAN DENSITY = 679 DU
MIN. DENSITY = 382 DU
DENSITIES MAY SHIFT
FROM PARCEL TO PARCEL
AS PLAN IS DEVELOPED.



DENSITY CHART - PRELIMINARY
SUBMITTAL OF PLANNED RESIDENCE (F-PRD)
ROSE PRAIRIE

PARCEL #	LAND USE	AREA	HOMES	DWELLING UNITS
PARCEL 1	Single family	10.5 AC	28	28
PARCEL 2	Twin homes	8.2 AC	17 x 2	34
PARCEL 3	Neighborhood commercial	7.3 AC	0	0
PARCEL 4	Multi family	8.8 AC	162	162
PARCEL 5	Town homes 2 4 6 attached	19.7 AC	140	140
PARCEL 6	Single family	10.7 AC	30	30
PARCEL 7	Twin homes	18.3 AC	41 x 2	82
PARCEL 8	Single family	13.2 AC	33	33
PARCEL 9	Town homes	12.6 AC	20 x 4	80
PARCEL 10	Single family	8.6 AC	27	27
PARCEL 11	Single family/ Twin homes	11.3 AC	50	50
PARCEL 12	Single family	7.7 AC	13	13
TOTAL DWELLING UNITS				679

PROJECT ACRES	171.2 AC	
OPEN SPACE NETWORK	41.04 AC	
NET DEVELOPMENT ACRES	130.16 AC	
CONVENIENCE CENTER	7.3 AC	
NET RESIDENTIAL AREA	122.86 AC	
NET DENSITY	679 DU	=5.526 DU/AC
	122.86 AC	
(MINIMUM DENSITY OF 382 DU = 3.109 DU/AC)		



ROSE PRAIRIE
AMES, IOWA
2212007
FEBRUARY 2014

REVISIONS
.
.
.

ENGINEER: CAS
DRAWN BY: CLS
CHECKED BY: CAS
FIELD BOOK NO.:
DRAWING NO.: SHEET