

## Staff Report

**Strategy For Land Use Policy Plan Update**

September 15, 2015

**BACKGROUND:**

City Council reviewed a proposed Land Use Policy Plan (LUPP) Update process on June 23, 2015 that was designed to extend the planning horizon of the LUPP to 2040 and address specific deficiencies identified by Council. After a discussion of the scope and approach of doing the 2040 update, City Council directed staff to prepare an alternative approach to updating the LUPP that focused on a two phase strategy that included:

Phase 1- Addressing immediate needs and to ensure that the development needs of the City for the next five to ten years are accommodated.

-and-

Phase 2- Completing a total rewrite of the LUPP in the next five years.

**PHASE 1:**

To address Council's comments of ensuring that adequate land is available to meet the needs of development for the next 5-10 years, staff has assessed what the readily serviceable areas are for the development. **Readily serviceable residential land is defined for this report as vacant land within the City or in a Growth Area abutting the City that is owned by a developer who is likely to seek development of the land (Attachment A).** To be conservative on the yield of homes in the New Lands, staff has only assumed development of FS-RL where no precise plan has been provided to the City. Additionally, there are a handful of pending requests for Residential High Density that are included in this assessment. **Readily serviceable commercial and industrial lands include vacant land zoned for development in the City (Attachment B).**

**Single Family-** The most easily built upon lands are areas that have received preliminary plat approvals to create individual lots. Staff counts approximately 370 single-family lots that are approved, but not yet final platted, i.e. Quarry Estates, Hayden's Crossing, Sunset Ridge, Scenic Valley. This count does not include existing platted vacant lots that are within additions of subdivisions that are already final platted, such as Somerset and Northridge Heights<sup>1</sup>. In accordance with the LUPP, there is

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<sup>1</sup> There are also approximately 40 manufactured home lots available in the developing mobile home park along Dayton

roughly an additional 300 gross acres available to be zoned to FS-RL and subdivided for single-family homes for the potential development of 750 to 1,000 single family homes<sup>2</sup>. **In total, staff estimates that there is readily available land to accommodate single-family development of 1,100 to 1,370 homes for 3,000 to 3,800 people without any changes to the current LUPP.** This estimate does not include any buildout of the Southwest Growth area along South Dakota, or the Northwest Growth area, or adding additional lands to the North Growth Area.

The supply calculation is only part of the assessment. Staff has not projected future housing needs in terms of mix of housing types (this is a specific issue related to the LUPP update), but has accounted for single-family home development trends. The 15 year trend for single family is approximately 100 units per year, with recent construction at approximately 80 homes a year. The peak production was approximately 264 units in 2003. **At the long term average of 100 units per year, there is a ten year supply of readily developable land for single-family home development. Even with development at the highest peak of 264 units a year, there is approximately 5 years of development potential.**

Developable Areas	Gross Acres	Minimum # of Houses	Estimated People
Preliminary Plat Lots	NA	370	1030
Land in the City	180	380	1060
Land within Urban Service Areas abutting City	128	350	980
<b>TOTALS</b>	<b>308</b>	<b>1100</b>	<b>3070</b>

**Multi-Family Housing and Apartments-** In regards to multi-family housing of medium and high density apartments, there are approvals for more than 300 units and 1,050 bedrooms to be constructed in the next two years that have permits issued for construction or with site plan approvals. Additionally, ISU is adding 784 dorm bedrooms in the next year.

The availability of high density zoned land was discussed by City Council in January 2015 and it was noted that the Council traditionally looks at apartments on a case-by-case basis rather than pre-designate expansion areas for apartments (RH land availability is a specific issue for the LUPP Update). There are pending requests at various stages of review to designate 110 gross acres of additional land for multi-family apartment housing. If these pending requests were to all be developed along with the small amount of existing medium and high density zoned land, it would yield an additional 900 to 1,400 apartment units and 2,000 to 3,500 bedrooms. **The total of approved but not yet built projects with pending requests is 1,200 to 1,700 apartments for 3,000 to 4,500 bedrooms of development.** This does not include ISU housing expansion.

<sup>2</sup> Assumed 210 net acres of developable area and density of 3.75 to 4.7 units per acre with 2.8 persons per household.

Developable Areas	Gross Acres	Estimated Range of Units	Estimated Range of Bedrooms
Vacant RH Land	3	40-60	120-180
Vacant FS-RM	10	80-100	200-250
Approved Apartments*	NA	300	1050
Pending Apt. Requests	110	780-1240	1700-3020
<b>TOTALS</b>	<b>113</b>	<b>1200-1700</b>	<b>3070-4500</b>

\*Includes all zoning types of CSC, HOC/LMU, and RH

It is important to note that this estimate of apartments does not follow the LUPP projection that 20% of the New Lands areas described as FS-RL above will be developed with apartments rather than single-family homes. If 20% of the net acres of FS-RL land were developed as apartments, there would be approximately 420 additional apartment units available and 80 less single family homes.

Development trends for apartment buildings have averaged 296 units and 725 beds a year for the past six years of 2010 to 2015 (Attachment C Annual Building Permits Apartments). Much of the apartment growth has been fueled by substantial increases in student enrollment at ISU. Apartment bedroom estimates are highly variable depending on assumptions of whether apartments are more traditional with a substantial number of 2 bedroom units versus apartments designed as student apartments that have a large percentage of 4 and 5 bedroom units. **Following the recent apartment development trends, staff estimates between 4-8 years of potential multi-family development capacity at the high level of demand that the City has seen recently. If demand returns to a more normal rate due to slower enrollment growth by ISU, the apartment development potential is probably more of 7- 15 year supply compared to the 4-8 year estimate.**

**Staff's conclusion is that there is readily available residential land for development that meets the immediate development needs (single-family and multi-family) of the City. However, diversity is challenged by having single-family mostly focused in the north and multi-family options are scattered through the central and southern areas of the City.**

**Commercial and Industrial-**In terms of land for commercial and industrial uses, the City has a substantial amount of land available as vacant commercial and industrial land. (Attachment B Vacant Lands Map) This includes the substantial amounts of commercial area on 13<sup>th</sup> Street, the recent Research Park Expansion, and various lots around Bell Avenue and Dayton Avenue.

There are approximately 150 net acres of vacant General Industrial, 100 net acres of Planned Industrial, and 107 net acres of Research Innovation District zoned land currently available for development. **The existing inventory of zoned industrial land totals 357 acres and provides development opportunities for 3,500 to 8,000 jobs depending on industrial uses versus more employee intensive office uses.**

Additionally, the City is contemplating an industrial area expansion along Lincoln Way east of I-35. Preliminary estimates are that it would allow for near terms opportunities of 1,000 gross acres of land for industrial development. It's assumed much of this area would be general industrial with lower employee counts per square foot. Even with lower employee estimates, it could provide opportunities for roughly 10,000 jobs.

The City is estimated to have approximately 31,000 jobs as measured by the U.S. Census Bureau Longitudinal Employer Household Dynamics Program for 2013. With just the existing zoned lands projected 8,000 jobs, we have capacity for a 25% increase in employment. With the additional area of the East Industrial Expansion we would have a 60% increase in employment. **Therefore, it appears that there is enough available industrial land to far exceed the City's potential employment growth for the next ten years.**

There are approximately 200 net acres of vacant commercial land plus the 235 net acres of regional commercial. Commercial land needs are difficult to evaluate as they are often location specific to certain uses. Retail will need to be in easily accessible and visible areas, hotels desire to be by highways, and office users can locate in many areas. **Therefore, there appears a substantial amount of land overall to meet the varied commercial business needs for the next 5 to 10 years.**

**Phase 1 Scope of Work-**If Council accepts the staff conclusions in this report that there is sufficient land that is readily serviceable to accommodate growth for the next 5-10 years, then there remains a few specific issues few specific issues to address concerning implementation of the LUPP and serving new development.

Staff believes the following tasks are of the highest priority to address in the near term of the next two years as part of Phase 1 of updating the LUPP.

**1. Include Residential High Density Policies in the LUPP**

Based on Council discussion in January and Council comments to explore housing variety and diversity, it is believed there is a need to add language to the LUPP to describe the City's interests in multi-family housing. The existing LUPP does not address high density housing expansion and only includes assumptions of developing small scale medium density apartments in New Lands. At a minimum, text amendments to the LUPP are needed to address potential expansion of high density housing options. The process may or may not lead to changes to the Future Land Use Map. (Related Planning Division work plan issues are a Housing Background Report and drafting RH Design Guidelines.)

**2. Update the Circulation Element to reflect City policies on transportation infrastructure**

Chapter 3 of the LUPP is the Circulation Element and it is outdated in addressing multi-modal transportation options. Staff believes the work from the recent 2040 Long Range Transportation Plan (LRTP) provides the technical background to review policy needs for the City and to adopt city specific policies to guide planning and infrastructure for transportation needs. This would include updating the arterial/collector street maps, bike routes and pedestrian facilities, and

policies for transportation impacts and mitigation. This work would need to be coordinated with the Public Works Department.

**3. East Industrial Area Expansion and Master Planning**

Creating opportunities for a new industrial area east of I-35 requires review of the LUPP's policies for employment and growth expectations along with Fringe Plan amendments to allow for annexation. Master planning is required to project land use needs and coordinate facility infrastructure extensions to serve the area. This will require coordination with the Public Works Department, Water and Pollution Control Department, and City Manager's Office.

**4. Fringe Plan Review and Master Plan for the North Growth area (GW Carver/Cameron School Road)**

The North Growth Area has the highest concentration of growth in the next few years. The LUPP and Fringe Plan are not in complete sync about future annexation and growth interests for the City. Additionally, there is developer interest to add area that could be annexed to the City. Staff needs to review potential development options for the area and review the City's ability to serve the area, especially for sanitary sewer and transportation capacity. The result would be a master plan of generally acceptable development types of housing and commercial, location and intensities of development, and the general circulation needs for areas that may be annexed to the City. This would potentially require amendments to the LUPP and to the Fringe Plan.

**5. Southwest Growth Area Master Planning**

This area has long been a priority for growth of the City, but it needs a more in-depth review of utility service plans and expectations of development types to make it ready for development. The Master Plan would involve the types of uses desired for the area coordinated with an overall circulation system and utility services. The goal would be to have a master plan in place to guide expectations for utility extensions and for development to be able to begin in 2020.

**6. Lincoln Way Corridor Plan**

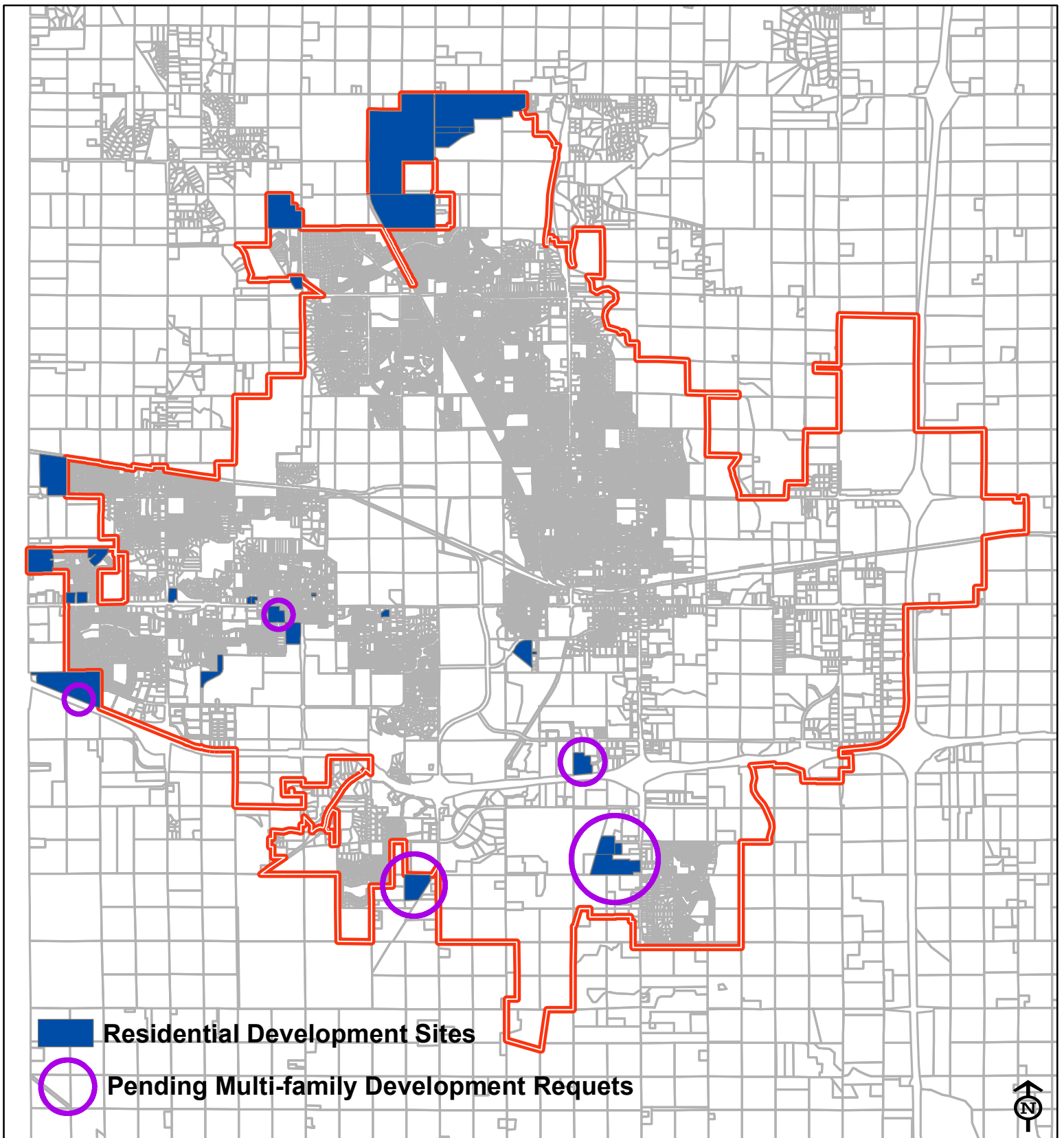
Council has separately directed staff to work on a corridor plan for Lincoln Way. Staff will initiate an RFP for a consultant to carry out this project this Fall. The Lincoln Way Corridor Plan will take the approach of an urban design plan to identify opportunity sites for revitalization and enhancement and to address Lincoln Way's potential as a signature street for Ames. The plan will consider the diversity of uses along the corridor, strategic opportunities for redevelopment and infill opportunities, transportation facilities, and creating a cohesive identity and beautification along Lincoln Way. The plan will specifically include options for new building types for neighborhood infill and revitalization. It will also look at options for commercial/residential mixed-use options in the HOC zones along the corridor. Outreach for the plan will include assessments of neighborhood interests, commercial and employment interests, ISU, and Department of Transportation.

## **PHASE 2:**

Phase 2 would be a complete rewrite of the LUPP. The intent is to have a new LUPP in place in approximately 5 years. To accomplish this there would need to start the update in earnest in approximately 2 years and allow 2 to 3 years of time to complete the project. Significant issues would be addressed by Council prior to initiating Phase 2. City Council would need to define the extent and approach to civic engagement, style and format of the plan, planning horizon for technical evaluation, and specific topics or issues to be addressed in the update.

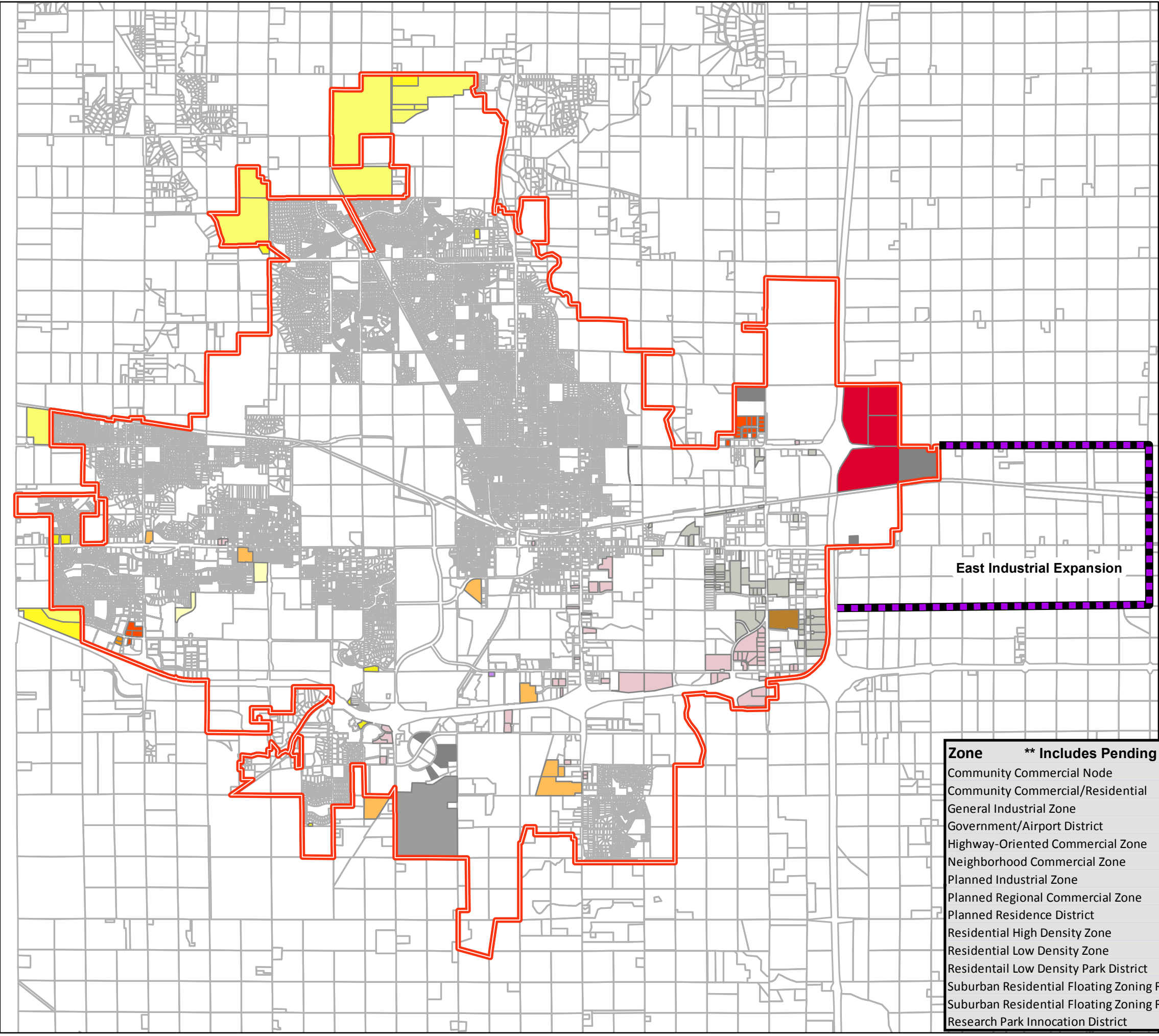
## **FUNDING FOR PHASE 1 AND 2:**

The City Council appropriated \$225,000 for the LUPP Update, \$80,000 for the Lincoln Way Corridor Plan, and \$50,000 for the East Industrial Master Plan. Staff will perform the majority of the tasks described above in Phase 1 for added information to the LUPP. It is believed staff will only rely upon consultant assistance for specific projects that require significant studies or creation of plans, such as the Lincoln Way Corridor Plan and the Southwest Master Plan. In accordance with the phasing suggested above, most of the \$275,000 will be carried forward until needed for Phase 2.



## Readily Servicable Residential Areas

# Vacant Land Intended or Available for Development



**Legend**

**Residential**

- Residential Low Density Zone "RL" (sec 29.701)
- Residential High Density Zone "RH" (sec 29.704)
- Residential Low Density Park Zone "RLP" (sec 29.705)

**Commercial**

- Neighborhood Commercial Zone "NC" (sec 29.801)
- Community Commercial Node "CCN" (sec 29.802)
- Highway-Oriented Commercial Zone "HOC" (sec 29.804)
- Planned Regional Commercial Zone "PRC" (sec 29.805)
- Community Commercial/Residential "CCR" (sec 29.806)

**Industrial**

- General Industrial Zone "GI" (sec 29.901)
- Research Park Innovation District "RI"
- Planned Industrial Zone "PI" (sec 29.902)

**Special Purpose**

- Government/Airport District "S-GA" (sec 29.1002)

**Floating Zones**

- Suburban Residential Zone Residential Low Density "FS-RL" (sec 29.1202(4)-1)
- Suburban Residential Zone Residential Medium Density "FS-RM" (sec 29.1202(4)-2)
- Planned Residence District "F-PRD" (sec 29.1203)



Map Created September 9, 2015

Zone	** Includes Pending Requests	Parcels	Acres
Community Commercial Node		20	31.60
Community Commercial/Residential		2	2.15
General Industrial Zone		54	156.64
Government/Airport District		1	0.57
Highway-Oriented Commercial Zone		52	174.77
Neighborhood Commercial Zone		1	1.04
Planned Industrial Zone		8	100.99
Planned Regional Commercial Zone		4	235.75
Planned Residence District		7	15.19
Residential High Density Zone		8	84.75
Residential Low Density Zone		2	19.34
Residential Low Density Park District		1	23.33
Suburban Residential Floating Zoning Residential Low Density		10	507.38
Suburban Residential Floating Zoning Residential Medium Density		3	49.60
Research Park Innovation District		22	107.00



## Attachment C

APARTMENT UNITS/BEDROOMS CONSTRUCTED OR UNDER CONSTRUCTION					
2010 - 2015					
YEAR	BUILDING PERMITS ISSUED		IOWA STATE NEW BR CONSTRUCTION	SENIOR & GROUP LIVING FACILITIES BUILDING PERMITS ISSUED	
	Units	Bedrooms		Units	Bedrooms
2010	95	211			
2011	356	872			
2012	279	563			
2013	286	824	720		
2014	416	1190		123	182
2015	186	508	784		
<b>Permits Iss.</b>	<b>1,618</b>	<b>4,168</b>	<b>1504</b>	<b>123</b>	<b>182</b>
Site Plan Approvals	233	628			
<b>Totals (Permits and Site Plans)</b>	<b>1,851</b>	<b>4,796</b>	<b>1504</b>	<b>123</b>	<b>182</b>