

**COUNCIL ACTION FORM**

**SUBJECT: INITIATION OF ANNEXATION FOR 896 S. 500<sup>th</sup> AVENUE IN THE SOUTHWEST ALLOWABLE GROWTH AREA**

**BACKGROUND:**

The City of Ames received an annexation petition for the property at 896 S. 500<sup>th</sup> Avenue within the Southwest Allowable Growth Area. The petitioner is the property owner, John R. Crane. The property is one parcel containing 52.36 acres on the north side of US 30, west of South Dakota Avenue at the west end of Mortensen Road. A map of the requested annexation is found in Attachment A. The property owners seeks annexation in order to sell the property to development interests that are interested in an extension of Mortenson Road and approximately 1/3 of the land as single family homes and 2/3 of the land as medium density.

Southwest Allowable Growth Area: The Land Use Policy Plan (LUPP) has identified areas intended to be annexed and developed for residential purposes and these are known as Allowable Growth Areas. A map of these areas is found in Attachment B. The subject property is within the Southwest I Allowable Growth Area.

Service and Infrastructure Issues: The area currently is served by most City infrastructure. Part of the Southwest Growth Area is within the Xenia water service territory and part is within the City's. The subject property is in an area within the City's water service territory. The City has an existing water main that runs through the middle of the property and sanitary sewer connections are available along the north and east property lines of the subject property. Capacity for sanitary sewer service will need to be verified once development plans are submitted for review for the property.

Part of the Southwest Growth area is within the Ames School District and the remainder is within the United School District. The subject property is entirely within the Ames School District. Electric services are split between Ames Electric and Alliant Energy for the subject site.

Annexations are governed by the Code of Iowa Section 368.7, and are initiated by the City Council. Annexation requests filed as an application are classified as a voluntary application with consenting property owners. With a voluntary application, the City may include up to 20 percent of the total annexed land area with additional non-consenting property owners. This is often times done to create more uniform boundaries, or to avoid creating islands, since the Code of Iowa does not allow islands to be created as land is annexed into the city. This is commonly referred to as the "80/20 rule." The owners of a minimum of 80 percent of the total land area must consent to annexation, leaving no more than 20 percent of the land area under the ownership of non-consenting owners.

In addition to requirements of the Code of Iowa, the City's intergovernmental agreement implementing the Ames Urban Fringe Plan (AUF) requires the City to consider annexation applications only for those areas designated as "Urban Residential" or "Planned Industrial" in the Ames Urban Fringe Plan. The land area proposed for annexation is consistent with this agreement, and is identified on the AUF as "Urban Residential."

There are six properties lying north of the subject site between the subject property and Lincoln Way, east of the Boone County line. All six properties are designated within the priority Southwest I Growth Area and identified as Urban Residential in the LUPP. **Properties to the south of the subject site are owned by Mr. Doug McCay and already subject to a voluntary annexation petition initiated by Council back in July. The City owns one property (1.28 acres) at the intersection of Hwy 30 and S. 500<sup>th</sup> Avenue which contains the existing water tower which is abutting the subject property and could be included in the annexation area.**

When considering the potential extent of annexation, there is not an opportunity to use the 80/20 rule to add additional properties to the north of the Crane property by itself as the abutting property to the north (39.12 acres) is in excess of the the 20% land area permitted under state code to be non-consenting annexation. However, in looking at the broader area with the McCay annexation request for the Southwest, this site could be combined into one southwest annexation and broaden the options for 80/20 annexations. **Combing the sites may be more efficient for the City, but could slow down the development process of the Crane property which could be a 100% voluntary application that does not need State Development Board approval.**

#### Next Steps:

Typically, when an annexation request is submitted, especially one of substantial size, the City Council has directed City staff to meet with other property owners to gauge their interest in joining an annexation. Since the southwest growth area has had a longstanding interest by the City for annexation for residential development, maximizing this opportunity would be prudent again at this time. Staff believes awaiting the results of the McCay outreach is appropriate before initiating the Crane application as a separate voluntary application or merging it with the McCay request.

Staff has a outreach meeting scheduled for September 24<sup>th</sup> and anticipates returning to City Council on October 13, 2015 with further information regarding the outreach to property owners on the McCay Annexation. At the October meeting, staff would provide options to the City Council regarding enlarging the initial annexation request by including other owners who wish to be annexed, or by including non-consenting owners that may be needed to avoid creating islands or to create more uniform boundaries as allowed by state law.

#### ALTERNATIVES:

1. The City Council can accept the petition for annexation from John R. Crane and direct staff to seek other owners in the Southwest Allowable Growth Area who may wish to seek annexation and return with a report on October 13, 2015.

*This option would delay the initiation of annexation of Mr. Crane's property until a report is provided to the Council about the interest from other property owners joining in the annexation. At that time the City Council can determine the extent of the boundaries of the proposed annexation. In addition, this alternative will include having Mr. Crane submit a binding waiver of his right to withdraw his petition prior to commencing statutory noticing requirements for the annexation area.*

2. The City Council can accept the petition for annexation from John R. Crane as a 100% consenting annexation without seeking whether other owners wish to annex.

*This option would allow the owner and intended developers to proceed with annexation and development of the property without the added process time of a potential 80/20 annexation. Like Alternative 1, this option would include having Mr. Crane submit a binding waiver of his right to withdraw their petition prior to commencing statutory noticing requirements for the annexation area.*

3. The City Council can choose to not move forward with this annexation request at this time.

#### **MANAGER'S RECOMMENDED ACTION:**

The Southwest Allowable Growth Area has long been considered the next development area on the periphery of Ames. Because of that expectation, the City has made several investments in water service and traffic infrastructure. The annexation of this area would, however, be the next step in ensuring that this land is available for residential development in the near term horizon.

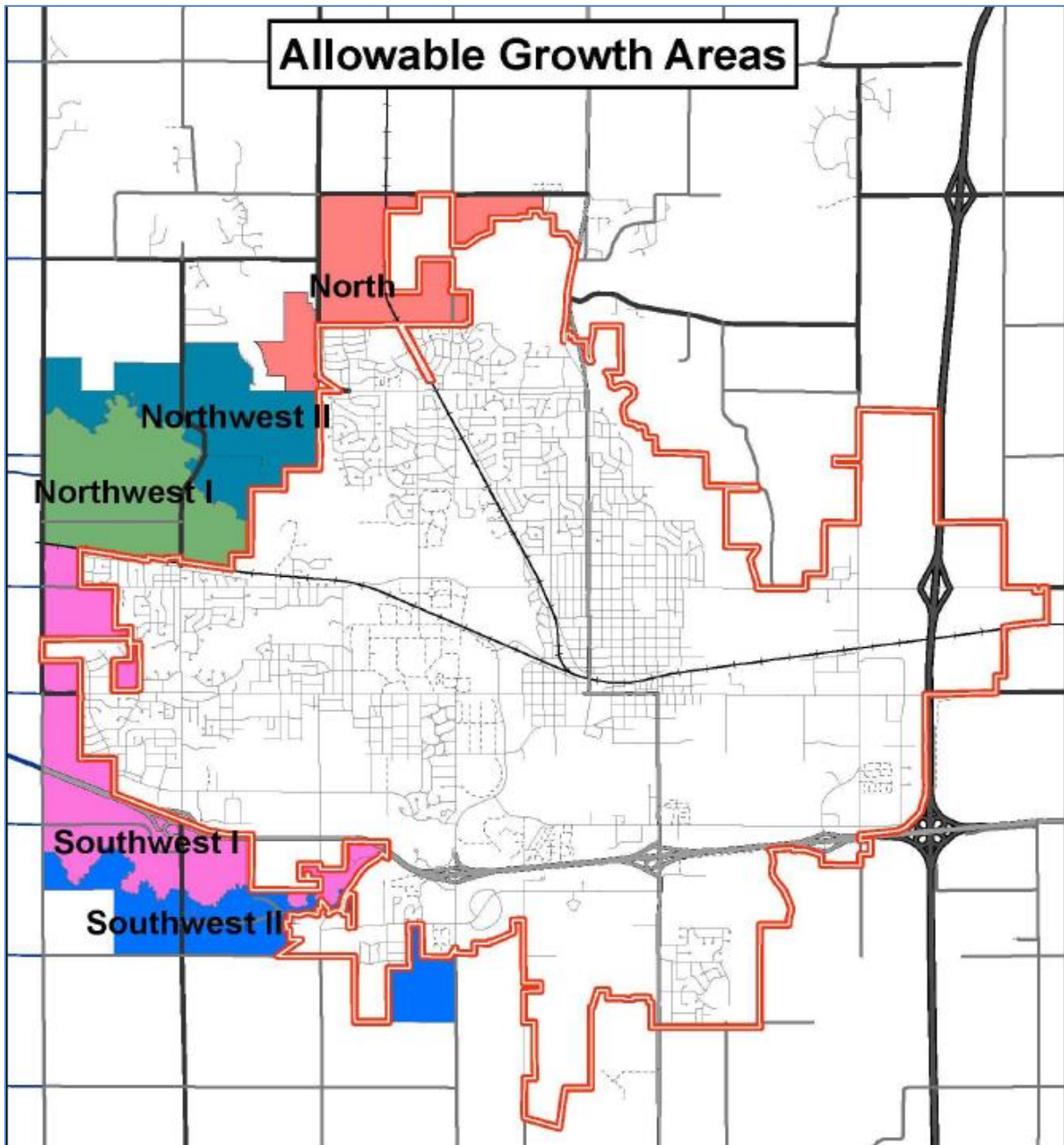
Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative 1, accepting the annexation petition of the John R. Crane with a waiver of his right to withdraw and to return on October 13, 2015 with a report on the boundary extent of the annexation.

**ATTACHMENT A: REQUESTED ANNEXATION**



**Annexation Request  
896 S. 500th Avenue**

**ATTACHMENT B: ALLOWABLE GROWTH AREAS**



## **ATTACHMENT C: SOUTHWEST ALLOWABLE GROWTH POLICIES (LUPP, CHAP. 6, PAGE 111)**

**Southwest Allowable Growth Area.** Portions of the City and Planning Area near the western limit of Highway 30 are recommended for designation as an Allowable Growth Area. To the extent that major landholders can make sites available, new development should be concentrated in the area. These areas are identified as Southwest I and II.

The concentration of new lands for development should be readily served by public infrastructure. Such a concentration can be found immediately north and south of Highway 30. If the presence of the limited-access highway is utilized as a spine for future development rather than a barrier, the potential for growth to the southwest increases. Although a new interceptor sewer is required, the location of the wastewater treatment plant further south and in the same watershed makes expanding the City's wastewater facilities in the southwest area more cost effective.

Access to the southwest area is provided by the Highway 30 and University Drive interchange and by South Dakota Avenue. An additional interchange with Highway 30 serving the southwest area is recommended. Representatives of the Iowa Department of Transportation have voiced general support for using Highway 30 as access for the southwest growth area and for locating an interchange further west on Highway 30.

Development Policies for the Southwest Allowable Growth Area. Ames should establish the following policies to guide the development of the Southwest Allowable Growth Area.

- A. A new interchange further west along Highway 30 should be pursued. Location of the interchange should be coordinated with any major thoroughfare improvements in the northwest.
- B. In order to increase and accelerate growth opportunities in preferred but currently constricted locations, a major new development area should be targeted in the southwest associated with Highway 30.
- C. The City should encourage ISU's consolidation/relocation of its agricultural farms from north and south of Highway 30. Provided that ISU releases some holdings in this area, the City should coordinate its infrastructure improvements with the timing of development in the area.
- D. If, through the relocation of any ISU agricultural farms, a large undeveloped location is created in the southwest area, the location should be recommended for more intensive residential use and supporting commercial.
- E. Designation of a Southwest Allowable Growth Area should not preclude growth from occurring in areas that are currently zoned for development and have adequate capacity in the infrastructure serving them.