

COUNCIL ACTION FORM

SUBJECT: SOUTHWEST ANNEXATION FOR MCCAY PROPERTIES

BACKGROUND:

The City of Ames recently received two annexation petitions for several properties in the Southwest Growth Area. On the north side of US Highway 30, a single property owned by John Crane and addressed as 896 S. 500th Avenue comprises 52.36 acres. On the south side of US Highway 30, property owned by the Wanda Chaffin McCay Trust and the Douglas Rex McCay Trust along 540th Street comprises 251.28 acres. The McCay annexation includes 6.72 acres of non-consenting land in order to avoid creating an island. Katherine Frame owns one parcel and John Moore owns the other.

The McCay annexation is sought to allow a subdivision split of one of the existing parcels to accommodate the sale of an existing home and keep a large tract of undeveloped area available for development. Since the proposed split is within the Urban Residential designation of the Ames Urban Fringe Plan, the policy precludes subdivision unless annexation occurs. Other than the proposed lot split, no other development activity is expected. A map of the McCay, Frame, and Moore properties is found in Attachment A.

Staff previously brought this annexation request to the City Council on July 28, 2015 for direction on how to proceed. The City Council asked staff to meet with neighboring property owners and see if others were interested in joining.

SOUTHWEST ALLOWABLE GROWTH AREA:

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

MCCAY ANNEXATION:

Staff spoke with several property owners in the area south of US Highway 30 and north of Zumwalt Station Road, on both sides of South Dakota Avenue. None were interested in joining the proposed annexation, although several indicated a desire to have a discussion when plans for the extensions of utilities and the provisions of full City services were developed.

After staff's meeting with property owners and reviewing the potential boundaries of the McCay request, staff does not find a substantial benefit to maximizing the 80/20 options of adding territory to the annexation at this time. While there are two islands that must

come in with a full McCay annexation, other abutting properties are at least ten acres in size and do not appear to inhibit logical future expansion.

Additionally, while staff reviewed the options for configuring the annexation boundaries, it became apparent that annexing all of the land now may not be in the City's interest as we begin a master planning process next year. When the master plan identified in the LUPP Update strategy is completed, there may be a way to grow interest in annexation. There then may be benefits of a coordinated annexation that included the McCay property with other properties. **With the receipt of an agreement to annex within the next two years by McCay prior to any subdivision of land for the existing house, there would be no harm in waiting to complete the annexation while working on the master plan.**

ALTERNATIVES:

1. The City Council can direct staff to initiate the annexation of the McCay properties as an 80/20 annexation that includes the Moore and Frame properties.

Mr. McCay would still need to submit the water service agreement and the waiver of the right to withdraw before we proceed to noticing of the hearings for the annexation.

This option would allow Mr. McCay to proceed with the subdivision plat concurrent with the annexation process. Because of the time needed to complete an 80-20 annexation, it is anticipated that the lot split would occur while the property was still in unincorporated Story County.

2. The City Council can defer annexation at this time and direct Mr. McCay to file a Minor Subdivision application with binding agreements to seek annexation at the City's request. However, the agreement would not require Mr. McCay to annex prior to October 13, 2017. In addition, this alternative would require him to sign an agreement to cover the costs of the buyout of rural water service territory.

This option would defer the initiation of annexation of the McCay properties for at least two years from this City Council meeting. This deferral would allow others in the Southwest Growth Area to consider annexation at that future time and for the City to prepare the master plan for development in this Growth Area.

This deferral would also allow McCay to submit the subdivision plat, action on which would not occur until receipt of the annexation and water service agreements.

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

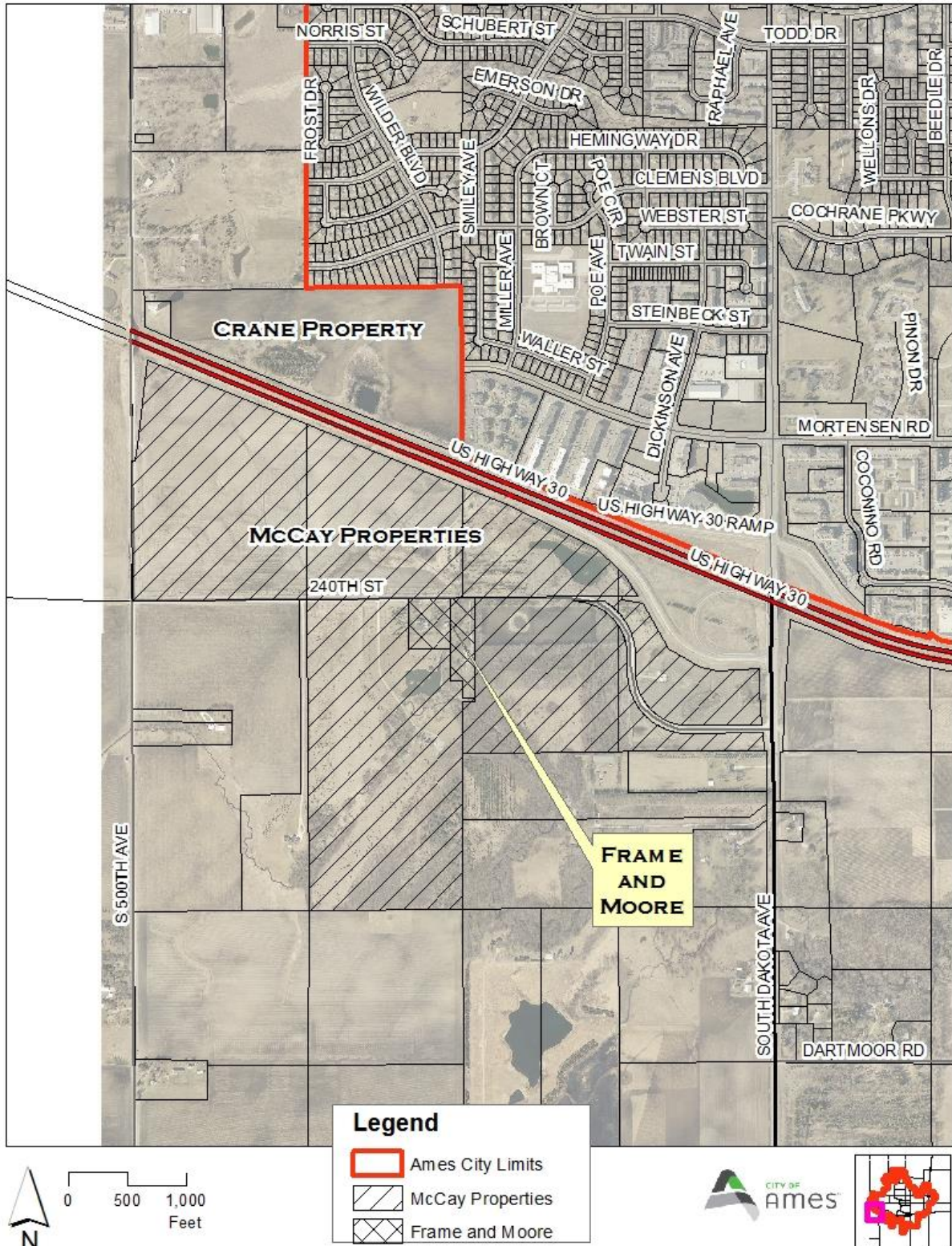
MANAGER'S RECOMMENDED ACTION:

Unlike the Crane annexation noted in the previous agenda item, there are still obstacles for the immediate development of the McCay property. The owner is seeking annexation, not because of a pending development project, but to facilitate a proposed subdivision lot split.

While staff's outreach to nearby property owners did not find anyone willing to seek annexation at this time, several expressed interest in annexation and development when infrastructure is brought to the area. Additionally, Council identified a need for a Master Plan for the Southwest as part of the LUPP Update strategy. Completing the Master Plan may help build stronger interest in annexation in the general area and deferring annexation of the McCay land until a later date may be the most beneficial approach to a logical expansion in the Southwest.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative 2, deferring annexation of the McCay property for at least two years, but require Mr. McCay to sign annexation and water service buyout agreements described above. With these agreements, McCay may then seek approval of the proposed two-lot subdivision.

ATTACHMENT A: REQUESTED McCAY ANNEXATION



ATTACHMENT B: LUPP EXCERPT

