

COUNCIL ACTION FORM

SUBJECT: ZONING TEXT AMENDMENTS RELATING TO MIXED USE DEVELOPMENT STANDARDS IN CAMPUSTOWN SERVICE CENTER (CSC) ZONING

BACKGROUND:

The developer of the 1.8 acre site within the 2700 Block of Lincoln Way requested that City Council initiate a text amendment to allow for a mixed use development to be constructed in a manner similar to mixed use developments in Campustown Service Center (CSC) zoning, but to allow for some household living residential uses on the ground floor. **City Council consented to initiating a text amendment at its June 14, 2016 meeting to consider either changes to the CSC base zoning requirements or to potentially create a new combining district for mixed use along Lincoln Way. City Council is now asked to provide direction on a specific approach for drafting of an ordinance.**

Campustown has long been recognized as a center of activity and intensity of use in Ames due to proximity to the University and its historical roots as a commercial area. A map of the Campustown area is included as Attachment 1. There are significant differences in the zoning standards for Campustown compared to the typical commercial zoning districts in the City, such as HOC. A primary interest within CSC zoning is to allow for intense development in an urban rather than suburban format that maintains Campustown's identity as a pedestrian-oriented commercial area. This approach fulfills the vision of the Land Use Policy Plan for the Service Center designation.

This goal of creating a walkable urban environment with commercial uses is built into the zoning standards. Restricting household living (apartments) to floors above the first floor of a building to ensure there is commercial frontage is a key component of this approach. Additional related standards promoting commercial use include: no building setbacks along a street, no parking allowed between a building and a street, requirements for 50% of street facades with windows or display cases along the ground level, use of clay brick on 50% of each façade for quality and interest, minimum height and Floor Area Ratio requirements, and reduced parking requirements. The full list of uses and development standards is shown in Attachment 2 to this report. These standards are designed to work together to shape the built environment for mixed use development that supports an engaged pedestrian streetscape environment and to support compatible commercial development in general for Campustown.

The only comparable zoning districts to CSC in terms of standards for urban development and mixed use are the Downtown Service Center (DSC) zoning and the Village zoning. However, DSC has fewer design requirements than CSC and the

Somerset Village does not allow for the intensity of use of CSC. Although the City's High Density Residential Zoning District does permit for commercial development with a mixed use building (E.g., the recent Aspen Heights project), it still requires full parking compliance and setbacks for the site. The Lincoln Way Mixed Use Overlay district for HOC zoned sites restricts development to three stories and does not provide for setback or parking reductions.

The 2700 Block developer desires the ability to build a mixed use development that includes commercial on the ground floor of a building, but could also have household living for apartments or a hotel on the first floor of a building. The two main issues for the upcoming project are that it may include 1) a hotel component with apartment units above, or 2) some ground floor apartment units where they do not believe commercial space is viable. In either situation they desire to have residential apartments in the rear of the building on the first floor. To fully meet this interest for household living to occur, without being above commercial uses, staff believes two primary provisions of CSC zoning are likely to need changes to permit the developer's plan, and a change to one minor provision for window percentage is also likely. These changes are described below:

- 1) Allow for household living on the ground floor of a "non-commercial street."
- 2) Allow household living above a short term lodging (hotel) use. (Note that hotels are already an allowed use, but not with apartments above.)
- 3) Reduce the window percentage requirement for residential facades, but maintain the 50% requirement for commercial uses.

The developer's request for the text amendment is rooted within the location of the 2700 Block site as having close proximity to campus and also ties to the commercial areas of Campustown, although not the core areas. The developer believes that due to the periphery location in Campustown that the project could not successfully tenant a development that provided 100% commercial space on the ground floor of the Hyland, Lincoln Way, and Sheldon street frontages. However, the site is appropriate for siting of a large scale student housing development and some commercial uses. Staff estimates that, under the current CSC language for a mixed use development, the developer's 1.8 acre site would likely result in a range of 10,000 to 20,000 square feet depending upon building configuration and size of apartments. The developer believes that well less than 10,000 square feet is marketable when considering the site location and the competition of available space under construction further west along Lincoln Way.

Although one project is motivating this potential change, as a text amendment it is important to remember any change would apply to all CSC zoned properties. Altering the CSC base zone requirement in regards to apartment development could have potentially significant effects on other parts of Campustown and how future redevelopment occurs.

For any change that is approved to the zoning standards, staff believes that key requirements should be retained to require commercial along the primary commercial streets and to require transparency (windows) that allow for visual interest and an engaging activated pedestrian environment. With these concerns in mind, staff believes there are four primary approaches to addressing the developer's request. Once City Council provides direction on how to proceed, a specific text amendment can be drafted for the Council's consideration.

Alternative #1 – Require a specified amount of commercial floor area based upon frontage. This approach would specify that a mixed use building must provide for a certain defined formula of commercial square footage. However, it would provide flexibility so that, once the minimum square footage or linear frontage requirement is met, other uses could be located along the ground floor. One example of this approach would be to state that 70% of a building's frontage must be a non-residential use (commercial use). This would not dictate the overall size of the building to be built, but would affect how the building is configured. A slightly different variation would be for 70% of the street frontage to be commercial, which would dictate the size of the building making a mandatory requirement to construct commercial.

With a building frontage standard, there would no longer be a restriction on apartments being located above commercial uses, but it would require commercial to be included within any mixed use building and that any area not used for commercial could be used for residential uses or accessory uses. A standalone use of residential would not be permitted in this scenario. The 70% limit would be reserved for non-residential uses and would not include residential uses, lobbies, amenity spaces, or parking garage entrances within the building.

This approach could meet the developer's interest depending on how low the formula is set and if a hotel would count as part of the square footage. Staff believes a hotel lobby could count as non-residential, but hotel rooms themselves would not meet this expectation. The ramifications of Option 1 would be to maintain a commercial requirement, but in many circumstances household living uses and amenity spaces would likely be located along the street level and it would clearly allow for residential uses on the first floor at the rear of the building.

Alternative #2 – Allow for sites with multiple street frontages to place residential uses across from another residentially zoned sites. This approach would only be applicable to the periphery of Campustown and to corner properties with multiple frontages. The core areas in the center of Campustown would not abut residential zoned land and would not be able to locate residential uses along the street. **This change would allow for residential uses to be proposed along a street that is across from an already existing residential area.** This approach allows developers to consider the viability of commercial uses when a site is not located along a two-sided commercial street.

All properties within Campustown along Lincoln Way other than the developer's site are across from the University which is zoned S-GA, and those properties would not be able

to avoid having commercial uses on the ground floor. The ramifications of this approach would be that there is no certainty on the amount of commercial space that would exist in a project. However, there would be very few sites that would be able to meet the requirement of being across from residential zoning and to not have commercial uses. This type of change would allow for residential units and amenity spaces to exist along the street level and not have such uses restricted to being above commercial.

This approach could meet the developer's interest because two of the street frontages (Hyland and Lincoln Way) are across from residentially zoned land. Development along Sheldon would need to meet the commercial requirements and have apartments located only above the commercial uses. In this case staff would advocate the developer keep commercial along Lincoln Way as well as Sheldon.

Alternative #3 – Residential and Mixed Use Combining District. This type of zoning tool would rely upon many of the base zone standards for uses, but would create either allowances for variations to the base zoning district standards or a permitting process that allows for a variation in development requirements based upon a specific site's circumstances. This approach would have the fewest predictable standards due to the inherent flexibility of the approval process to design a mixed use project for a specific site. This approach could be time intensive in that an applicant would be subject to a rezoning process and a project approval process to vet a project design and to gauge its merit against City expectations. The benefit of this option is the level of flexibility to meet project objectives for a site. It could provide greater flexibility than what has been requested by the developer. The City currently does not have a "Planned Commercial" zoning type that has this type of flexibility. Planned Commercial was a zoning district that existed in the prior Zoning Ordinance before 2000.

The concern with this type of zoning tool is the amount of time that can go into project review for concepts that may not meet the desires or goals of the City. The Combining District should be limited to applicability to a CSC or DSC base zoning district to mitigate these concerns for undesirable projects in other commercial areas. This type of combining district may be a recommendation for implementation of the Lincoln Corridor Plan where focus areas have been identified and need support for redevelopment with flexibility in design. However, it may be premature to expect that such a tool would be needed as a result of the Corridor Plan, since the focus area planning stage has not yet been completed for the draft Plan.

This option would likely meet all of the developer's interests with potentially the exception of the amount of time to enact the ordinance and review the project concurrently. The developer may also seek other variations in design if this option was selected. Approving the project under this method would not be a precedent for other projects or affect how other Campustown properties are used unless they also sought rezoning to the combining district.

Alternative #4 – Allow for a short term lodging use on the ground floor with household living above. This option would allow for a hotel to be on the ground floor of a mixed use building and to have apartments located above it. No apartments or

accessory uses would be permitted on the ground level. There would be no other change to the CSC development standards concerning commercial square footage due to likely market constraints on construction of hotels in Campustown.

This options would provide for the fewest changes to the CSC zoning, but opens up questions about oversight of “short term lodging” versus household living. This has been a concern in other mixed use areas, as it is difficult to monitor lease lengths and renewals to ensure a facility operates as a hotel with changeover of guests on a regular basis. Additionally, the hotel could be oriented along the street right-of-way and preclude commercial uses that are desired along most streets.

This change to allow hotel with apartments above would meet the developer’s interest in some of the design scenarios presented to staff. It may not fully meet their interest depending on the constraints of hotel design and the requirement for commercial to be built along all other frontages of the project for which apartments are proposed in the upper levels of the buildings. If the developers were to pursue the large hotel that would be standalone for the residential uses, then this option would not be necessary.

Approval Process for Mixed Use Buildings

With all of the options described above there is a layer of permit authority that can be added to review individual requests if changes are made to the standards. Currently, almost all development in CSC is approved at the staff level. If the Council believes that a public hearing for a project specific review is needed, it could require a permit process for a Major Site Development Plan or a Special Use Permit before a project could take advantage of any of the zoning options described above. A Major Site Development Plan would require a noticed public hearing before the Planning and Zoning Commission and a hearing before the City Council to receive approval. A Special Use Permit relies upon more qualitative standards to determine appropriateness of use through a noticed public hearing subject to the Zoning Board of Adjustment for approval.

Planning and Zoning Commission Recommendation:

At the meeting of July 20, 2016, the Planning and Zoning Commission discussed the four options noted above. The Commission discussed the intended character of Campustown and the need to have active and walkable commercial frontages. They noted a concern about the management of short term lodging uses (hotel) long term and the ramifications of allowing for such a use on the first floor if the use would be discontinued in the future.

The Commission also discussed the concern for the loss of small commercial spaces for larger corporate tenant spaces. With a vote of 5-0, the Commission recommended that the City Council approve text amendments that allowed for the following combination of requirements:

- a. Allow sites with multiple street frontages to place ground floor residential uses across from another residentially-zoned site (Alternative 2).
- b. Allow for short-term lodging to be located on the ground floor and to allow household living located above (Alternative 4).
- c. Reduce the window percentage requirement for residential facades to a minimum of 30 percent and maintain a 50 percent requirement for non-residential facades.

MANAGER'S RECOMMENDED ACTION:

The intent of CSC zoning is to ensure that it continues to be a walkable commercial environment while allowing for intensification of housing in a well served infill area of the City. Any text amendment needs to ensure that the basic design and use interests for the area are preserved to meet the goals for Campustown as identified within the LUPP.

Mixed Use development is a complicated process with many competing interests. In Ames, the primary driver of mixed use is the apartment use, while the commercial space is a secondary concern to most developers. Staff believes ensuring that well designed and located commercial spaces is critical to supporting Campustown as it grows and evolves and it cannot solely cater to the market for apartment development. Redevelopment in Campustown over the past three years has resulted in demolition of approximately 83,000 square feet of commercial building space (1st and 2nd levels) replaced with approximately 43,000 square feet of ground floor commercial and 49,000 square feet of upper level office space (Kingland Building). This redevelopment has also resulted in the construction of approximately 1,000 additional bedrooms as well.

With that said, there are limits on commercial viability related to both market size and location. Not all areas of Campustown are created equal in regards to the need and desire for commercial development along all street frontages. The edges of Campustown are a transition away from the pedestrian oriented commercial areas and begin to compete with other commercial areas outside of Campustown, this is evident to the west as over 25,000 square feet of new commercial development is under construction and will be completed in the next year.

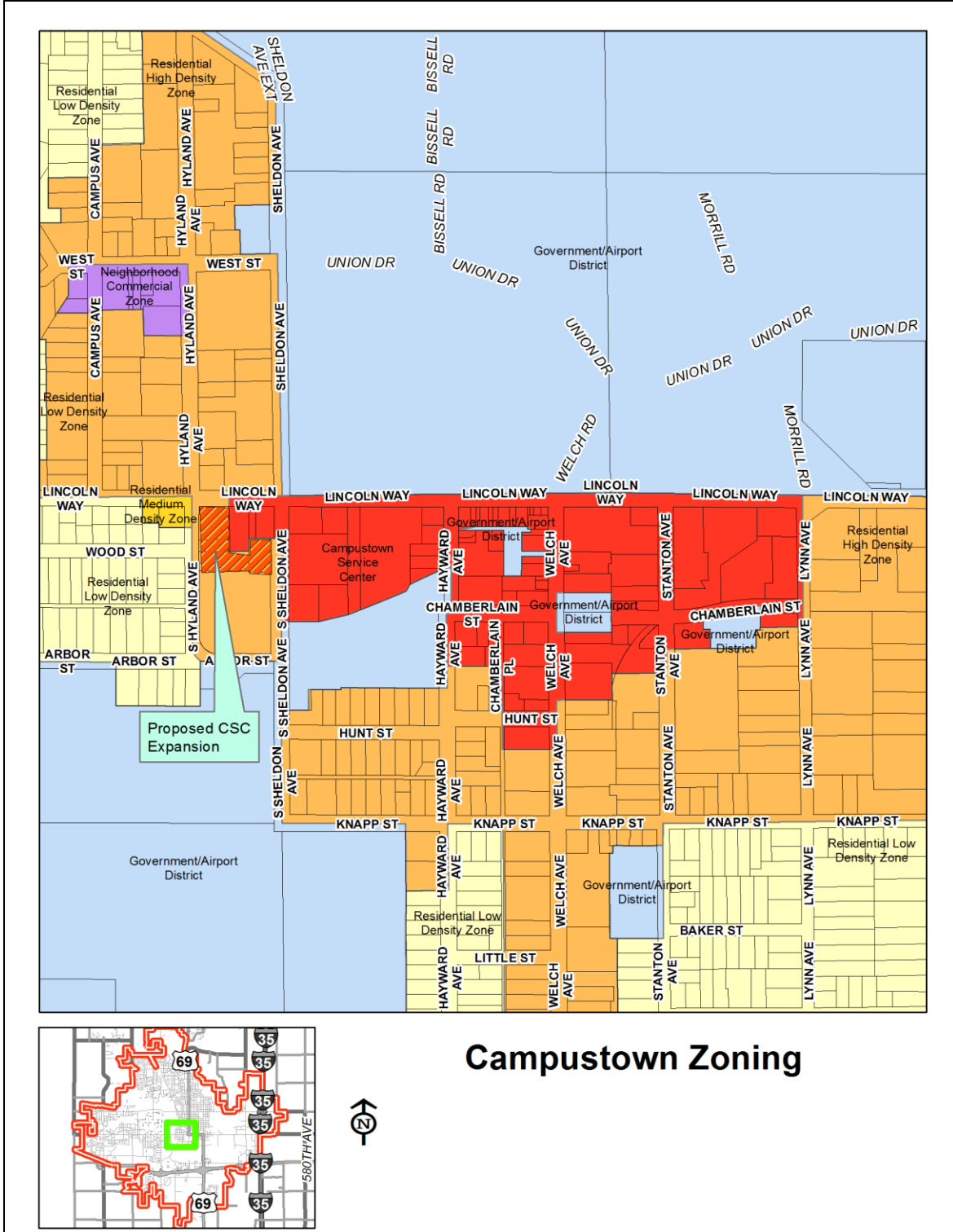
The overall structure of CSC zoning standards could be altered for a better approach to guide commercial development in Campustown and meet our street level design interests. However, due to time constraints staff believes a minor amount of adjustments should be made at this time and that the four options described above are generally appropriate choices. With a need to maintain a commercial identity for Campustown, any of the options described above will address that goal and provide some additional flexibility in the configuration of a mixed-use building at the 2700 block of Lincoln way. The main question within these options is what degree of latitude is needed to support the developer and ensure the remaining areas of Campustown also meet the City's goals.

Staff believes the most limited effect on Campustown overall is found in Alternatives 2 and 4, which allow for residential uses across from other residentially zoned properties and for hotels with apartments above. Allowing residential across from other residential would have no effect on the core commercial areas of Campustown, but would allow for residential apartments to be on the ground floor when located in the periphery of Campustown. There would be no obligation for commercial along residential areas if not desired by a developer. Language to allow the hotel would need to be tailored to limited situations with the allowance of residential.

In the case of 2700 Block project, Alternative 2 would work well with their large hotel option since the hotel would be placed along Sheldon and apartments would then be along Hyland (across from residential zoning). In the event the project is a version with a boutique hotel along Hyland, the developer would need to adjust the Sheldon configuration to remove most of the area that is shown as accessory to residential uses above. An allowance for a lobby on Sheldon could still be made, but it would need to be minimized in size to be consistent with the intent for commercial.

Therefore, it is the recommendation of the City Manager that the City Council direct staff to prepare a zoning ordinance text amendment consistent with the Planning and Zoning Commission recommendation to incorporate Alternative 2 and Alternative 4 with the change to window percentages for residential uses.

Attachment 1 Campustown Zoning Map



Campustown Zoning

Attachment 2 (CSC Zoning Requirements)

Sec. 29.809. "CSC" CAMPUSTOWN SERVICE CENTER.

(1) **Purpose.** The Campustown Service Center (CSC) zone is intended to provide high-density development within an area of the city adjacent to Iowa State University. A broad range of uses is allowed to serve the needs of people who wish to be near ISU, including students and staff, and their families. Development is intended to encourage lively commercial activity in the building at the street level and pedestrian activity, with a strong emphasis on safe, vital and attractive streets.

Development is intended to be very dense with high building coverage, large buildings in scale with the predominant building pattern in the Campustown commercial area, and buildings placed close together, while also conserving and preserving existing valuable characteristics by assuring compatibility between existing and new development. Building placement, scale at the street, design and materials reinforce a dynamic, pedestrian-friendly neighborhood character.

(2) **Permitted Uses.** The uses permitted in the CSC Zone are set forth in Table 29.809 below:

**Table 29.809(2)
Campustown Service Center (CSC) Zone Uses**

USE CATEGORY	STATUS	APPROVAL REQUIRED	APPROVAL AUTHORITY
RESIDENTIAL USES			
Group Living	N	--	--
Housing Living	N, except in combination with permitted non-residential use or uses, in which case Household Living shall be located above the first floor.	SDP Minor	Staff
Short-term Lodgings	Y	SDP Minor	Staff
OFFICE USES			
	Y	SDP Minor	Staff
TRADE USES			
Retail Sales and Services – General	Y	SDP Minor	Staff
Retail Trade – Automotive, etc.	N	--	--
Entertainment, Restaurant and Recreation Trade	Y	SDP Minor	Staff
Wholesale Trade	N	--	--
INDUSTRIAL USES			
Industrial Service	N	--	--
Small Production Facility	Y	SP	ZBA
INSTITUTIONAL USES			
Colleges and Universities	Y	SP	ZBA
Community Facilities	Y	SDP Minor	Staff
Social Service Providers	Y	SP	ZBA
Medical Centers	N	--	--
Parks and Open Areas	Y	SDP Minor	Staff
Religious Institutions	Y	SP	ZBA
Schools	N	--	--
TRANSPORTATION, COMMUNICATIONS AND UTILITY USES			
Passenger Terminals	Y	SDP Minor	Staff
Basic Utilities	Y	SDP Major	City Council
Commercial Parking	Y	SDP Minor	Staff
Radio and TV Broadcast Facilities	Y	SP	ZBA
Rail Line and Utility Corridors	Y	SP	ZBA
Railroad Yards	N	--	--
MISCELLANEOUS USES			
Commercial Outdoor Recreation	N	--	--
Child Day Care Facilities	Y	SP	ZBA
Detention Facilities	N	--	--
Major Event Entertainment	Y	SP	ZBA
Vehicle Service Facilities	N	--	--
Adult Entertainment Business	Y	SDP Minor	Staff

Y = Yes: permitted as indicated by required approval

N = No: prohibited

SP = Special Use Permit required: See Section 29.1503

SDP Minor = Site Development Plan Minor: See Section 29.1502(3)

SDP Major = Site Development Plan Major: See Section 29.1502(4)

ZBA = Zoning Board of Adjustment

(Ord. No. 3872, 03-07-06; Ord. No. 3949, 3-4-08; Ord. No. 4216, 5-12-15)

(3) **Zone Development Standards.** The zone development standards for the CSC Zone are set forth in Table 29.809(3) below:

**Table 29.809(3)
Campustown Service Center (CSC) Zone Development Standards**

DEVELOPMENT STANDARDS	CSC ZONE
Minimum FAR	1.0 [1] , Except that the Zoning Board of Adjustment may determine through review of a use subject to approval of a Special Use Permit Use that such a proposed use and design is compatible in character with its surrounding and is exempt from meeting minimum FAR and minimum height.
Minimum Lot Area	No minimum, except for mixed uses, which shall provide 250 sf of lot area for each dwelling unit
Minimum Lot Frontage	No minimum, except for mixed uses, which shall provide 25 ft.
Minimum Building Setbacks: Front Lot Line Side Lot Line Rear Lot Line Lot Line Abutting a Residentially Zoned Lot	0 0 10 ft. 10 ft.
Minimum Landscaped Area	No minimum
Landscaping in Setbacks Abutting an R Zoned Lot	5 ft. @ L3. See Section 29.403
Maximum Building Coverage	100%
Openings between buildings	In order to provide access for vehicles and/or utilities to the interior of the block, there shall be a twenty foot wide opening between buildings, at the approximate mid-point of each face of each block. In addition to this mid-block areaway or drive, any lot without other means of access from a public street or alley may have one driveway from the street of up to 20-ft in width.
Minimum Height	25 feet [1] , Except that the Zoning Board of Adjustment may determine through review of a use subject to approval of a Special Use Permit Use that such a proposed use and design is compatible in character with its surrounding and is exempt from meeting minimum FAR and minimum height.
Maximum height in portions of CSC bounded by: Lincoln Way Stanton Avenue Hunt Street Hayward Avenue	115 feet
Maximum height within fifteen (15) feet of the right-of-way lines of: Lincoln Way from Hayward Avenue to Stanton Avenue Welch Avenue from Lincoln Way to Chamberlain Street	30 feet, except buildings of three stories height or fewer with frontage on Lincoln Way and without residential use
Maximum Height in all other locations	75 feet.
Parking Allowed Between Buildings and Streets	No
Windows	More than 50% of the area of primary or secondary façade between the ground line and the second floor line shall be windows that allow views into the interior space or be a display window.
Building Materials	Clay brick shall comprise more of the exterior wall surface of the building than any other material. Exterior surface does not include windows or doors or their trim. This requirement does not apply to additions to buildings which do not have brick as an exterior material.
Entrance	There shall be at least one functional pedestrian entrance facing a street.
Balconies	There shall be no exterior balconies above the third floor.

Site materials	No rocks, brick fragments or other hard, loose material over ¾-inch in size shall be used.
Drive-Through Facilities Permitted	Yes
Outdoor Display Permitted	Yes, See Section 29.405
Outdoor Storage Permitted	No
Trucks and Equipment Permitted	Yes

(4) **Standards for the Granting of Exceptions to the Minimum Requirement** for Two Story Buildings in the CSC (Campustown Service Center) District. Before an exception to the requirement for two-story buildings in the CSC (Campustown Service Center) can be granted, the Zoning Board of Adjustment shall establish that the following standards have been, or shall be satisfied:

(a) **Standards.** The Zoning Board of Adjustment shall review each application for the purpose of determining that each proposed one-story building, in the CSC zone, meets the following standards:

(i) Physical circumstances exist for the property which result in a lot with a size and shape that is not conducive to a multi-story structure, and

(ii) It can be demonstrated that there is a direct benefit to the community to have a one-story structure, at the proposed location, as opposed to a multi-story structure.

(b) **Procedure.** The procedure to follow for an “exception” is described in Section 29.1506(3).

(5) **Compliance.** New buildings shall be constructed in full compliance with the above standards for building design. In building additions or remodeling it is not required that the entire building be brought into full compliance with the above standards for building design. It is only required that the addition or remodeling comply. It is required that the addition or remodeling does not have the effect of increasing the level or degree of nonconformity of the building as a whole.

(Ord. No. 3872, 03-07-06)

[1] Except that the Zoning Board of Adjustment may determine through review of a use subject to approval of a Special Use Permit Use that such a proposed use and design is compatible in character with its surrounding and is exempt from meeting minimum FAR and minimum height.