

COUNCIL ACTION FORM

SUBJECT: URBAN REVITALIZATION TAX ABATEMENT FINAL APPROVAL REQUEST FOR 2311 CHAMBERLAIN (THE EDGE)

BACKGROUND:

In accordance with Chapter 404 of the Code of Iowa, the City Council has established Urban Revitalization Areas (URAs) with Plans specifying standards for types and elements of physical improvements that provide public benefits. When property within one of these URAs is developed, redeveloped, rehabilitated, or remodeled in accordance with the URA standards, the property owner is eligible for abatement of property taxes on the incremental increase in property value after the improvements are completed. This abatement can extend for three, five or ten years, based on the individual Urban Revitalization Plan approved by Council.

Property owners within an approved URA may apply for tax exemption for a complete project or preapproval for project that is planned to be built. **The City must determine if the completed improvements meet the standards in the Urban Revitalization Plan in order to grant tax abatement and forward the determination to the Assessor.** If the project complies with the criteria, it must be approved for tax abatement. In this instance, the project was begun under the prior set of criteria for Campustown that were amended in January 2016. The project must comply with the current criteria that are included within Attachment B. The most significant changes for this project was the inclusion of design guidelines for building design and to have a sign program approved by the Planning Director prior to tax abatement approval. The other criteria for public safety measures, mixed use and parking, clay brick, all remained the same from the time the project was initiated.

The Gilbane Development Company is seeking final approval of their mixed-use project at 2311 Chamberlain earlier than our customary annual approval cycle of February. Staff does not typically bring individual requests to the Council before February. The developer desires final approval in advance of February 2017 to assist in setting up the long term financing of the project this fall.

Gilbane estimates cost of the project at \$12,526,000. The estimate is based on construction cost or sales price provided by the property owner and may not be the same as the added property value upon which the abatement is based. The applicant indicates they will choose the 10-year abatement option.

The project includes 5,389 square feet of commercial space along the ground floor of the building along Chamberlain Street. Above the first floor is 86 apartments totaling 289 beds. The project includes below ground structured parking as well as ground level parking. More than 80% of required parking is within a structure. The site is also subject to previously approved shared and remote parking agreements with 111 Lynn and 2335

Chamberlain Street. Residential access occurs from a direct path to Lincoln Way and also to Chamberlain.

Planning and Police Department staff met with Gilbane representatives and walked the site in August 2016 to determine compliance with all of the criteria for eligibility. Police is satisfied with the lighting, windows, and visibility and residential access points as meeting the criteria. The site has been cleared for compliance with all of the other public safety measures as well. Planning staff also believes it is in conformance with the design requirements of the URA.

ALTERNATIVES:

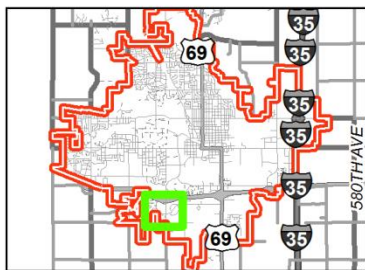
1. The City Council can approve the request for approval of tax exemption for the mixed use project located at 2311 Chamberlain Street, if it finds that it substantially conforms to the Campustown Urban Revitalization Area Criteria adopted in January 2016 by the City Council.
2. The City Council can deny the request for approval of tax exemption for the mixed use project located at 2311 Lincoln Way, if it finds that the improvements are not in conformance with the Campustown Urban Revitalization Area Criteria. If denied, the applicant may make modifications to the project to meet the criteria and submit a new request for tax abatement.

MANAGER'S RECOMMENDED ACTION:

Although final approvals do not normally occur during the regular calendar year, staff has attempted to meet a customer interest by bringing this request forward prior to February 2017. **Staff has completed an on-site inspection of the improvements constructed, and finds that the work completed conforms to the Campustown Urban Revitalization Area Criteria.**

Therefore, it is the recommendation of the City Manager that the City Council accept Alternative #1, thereby approving the request for tax exemption as conforming to the Campustown Urban Revitalization Criteria. Approval of the request for tax exemption will enable the City Assessor to process tax exemption for this property and determine the value of the respective exemption.

Attachment A



**Location Map
(Pre-Redevelopment)**

CAMPUSTOWN URBAN REVITALIZATION PLAN - Criteria for Renovation or New Construction

(A)

Project must meet one criterion of three options from Column (A).

- (1) **Slum and Blighted**
 Properties where a majority of the assessed valuation has been determined to be substantially unsafe or to have an unsafe use by the City Council.
 -OR-
- (2) **Parking & Mixed Use**
- A minimum of 70% of the total required parking is provided in a structure. If utilizing a parking deck, the restrictions in Chapter 29.406(12) of the Municipal Code must be adhered to.
 - The first floor must be used for permitted commercial and retail uses as shown in Table 29.809 (2) of the Municipal Code or for a small production facility. The second floor must be used for either commercial or retail uses as shown in Table 29.809 (2) or for household living. All floors above the second floor must be used for household living.

-OR-

- (3) **Adaptive Reuse**
- The building on the site is at least 50 years or older.
- and
- 70% of the area of existing walls of the structure will remain.
- and
- Historic materials and designs are preserved and/or restored.

(B)

Project must meet one criterion of two options from Column (B).

- (1) **Underrepresented**
 Properties that are to include a business use where that actual sales of the business use is below the expected sales for the business use as determined by the City Council to be of benefit to the City.
 -OR-
- (2) **Design Standards**
- Retail and office uses on the first floor adjacent to a public sidewalk must have direct access to the public sidewalk.
 - Buildings greater than 3-stories shall include architectural features that create visual interest and variation in building design by differentiating building facade elements and include visual relief for long facades.
- and
- Approval of master sign program by the Planning and Housing Director with signage designs that are complimentary to the building design and supports business identity
- and
- Limit driveways along Lincoln Way and Welch Avenue if alternative means of access are available. No drive-troughs are allowed along the Lincoln Way and Welch Avenue.
- and
- 100% of the front facades and 80% of the remaining sides of the structure shall be faced with clay brick for the first four stories. On stories five through seven any other building materials except vinyl will be allowed.
- OR-
- An adaptive reuse project (A3) may use siding materials that are historically significant for all stories of a building.

(C)

All projects with residential uses shall also meet the following criteria or equivalent as approved by City Council.

1. Limit commercial space in the same building to the ground floor.
2. Provide separate entrances for commercial and residential uses.
3. Residential entrances are visible from the street and provide secure access.
4. Prevent access from the exterior to the interior through doors that serve only as fire exits.
5. Prohibit public access to structured parking, using overhead door and secure access control.
6. Provide transparent glass windows into all stairwells.
7. Provide camera monitoring of all pedestrian and vehicle entrances and areas.
8. Minimum widths of all exit routes: 48" for halls, 42" for doors, 60" between rails for stairs.
9. No balconies are permitted.
10. Provide for natural daylight requirements of applicable codes with exterior windows.
11. On facades facing any street use only fixed windows, note modified tamper resistant windows do not comply.
12. Design of all other windows to pre-vent passing of sphere larger than 4" diameter.
13. Prevent by physical means access to all roofs.
14. Where access is not required, pro- vide security fencing controlling access to all areas between new or existing buildings.
15. Provide a minimum of four 100w metal halide or LED 6,500 lumens light fixtures on each building façade: two at elevation between first and second floors and two at elevation between third and fourth floor.

Campustown URA Criteria Appendix

1. All Projects must comply with an option from both column A and column B. Additionally, projects with residential uses must also comply with all requirements of column C.
2. Projects requesting final tax abatement approval must be compliant with an approved Site Development Plan and have received a certificate of building occupancy from the City of Ames Inspection Division.
3. All features incorporated into a project to meet URA criteria must be maintained for the life of the tax abatement.
4. Applications for final tax abatement approval must include supporting documentation for each of the relevant criteria.

5. Architectural Design Guidelines:

The intent of this criterion is to promote building variation appearance within Campustown. The relative scale of new buildings can lead to similar building appearances due to construction techniques, uniform roof lines, and long building lengths; whereas, Campustown historically had diversity in building appearance and scale.

Visual interest of a building means incorporating architectural features that define buildings elements, such as the base, middle, and top of a building. Appropriate architectural features can include window details, brick and material color variations that highlight building elements and support building identity, parapets, or expressive storefront glazing systems.

Variation and Relief means building offsets that affect the apparent massing of the building at the ground level or for upper stories. For example, a uniform storefront at the base of building may have upper floor relief with a courtyard or changes in façade planes, alternatively, the lower levels of the building may have the appearance of multiple facades with a building offset that differentiates the façades and has a minimum depth of 6 inches. Recessed storefronts creating outdoor usable space at the ground floor can also provide variation and relief. The degree of needed facade relief will correspond to the scale of the building and length of the facade to achieve the desired effect of the URA criteria. Long facades are generally in excess of 60 feet, substantially longer facades may necessitate additional elements of relief.

6. Master Sign Program

Sign program details in the plan shall include the style of signs (blade, channel letters, etc.) location of signs, size and scale, lighting details, method of attachment to buildings.

Signage shall be orientated to the pedestrian level, internal illuminated cabinet signs with white or light color backgrounds are prohibited, channel letters should be affixed directly to the building without a visible raceway or have a backing panel that covers a creating the appearance of an overall sign face. Preferred signage would be decorative in appearance through its use of sign face materials, design, lighting, and style of signage.

In consideration of approval of the Sign Program, the Planning Director will review the Campustown Idea Book signage guidelines, scale of signage and location in relation to the building features, and lighting type. Once a sign program is approved, individual sign permits must be consistent with the sign program.

September 21, 2015

Kelly Diekmann
Planning and Housing Director
Department of Planning and Housing
City of Ames
City Hall, 515 Clark Avenue,
Ames, IA 50010

Dear Mr. Diekmann,

**ISU Student Housing – 2311 Chamberlain Street, Ames, IA 50014
Request for Prior Approval for Eligibility for Tax Abatement**

Our above project is located within the Campustown Revitalization District which offers a Tax Abatement Program incentive to encourage new development and help enhance the community in the university area.

In pursuant to Section 404.4 of the Iowa Code, we submit herewith the necessary application form for Prior Approval for Eligibility for tax abatement on this project.

Our approved Minor Site Plan drawings were designed and submitted to meet the development standards in the zoning code as well as the tax abatement program. Every effort will be made to ensure that the conditions in the approval letter dated April 24, 2015 and the criteria listed on tax abatement application form are complied. In addition, we understand that it will be subjected to the improvements being completed and inspected to ensure that these requirements are fulfilled.

The construction of the student housing project is in progress and is expected to be completed in July 2016. Over the course of construction, we will continue to work diligently with the Staff and the Police Department to address any concerns.

Please note that even though the Subdivision Plat was approved early this month, the parcel has not been assigned a Parcel Identification from the Assessor's Office as yet.

We hope this written request will be considered favorably and we look forward to hearing from you soon.

Please do not hesitate to contact me for any other information you may need.

Sincerely,



Andrew Ang
Development Director
Gilbane Development Company

University Area Urban Revitalization Program Application Form

(This form must be filled out completely before your application will be accepted.)

- 1. **Property Address:** 2311 Chamberlain Street, Ames, IA 50014
- 2. **Property Identification Number (Geocode):** To Be Determined
- 3. **Urban Revitalization Area:** Campustown Urban Revitalization Area
- 4. **Legal Description** (attach, if lengthy): See Attached
- 5. **Description of Improvements - Attach if lengthy:** LOT 1 OF UNIVERSITY TOWERS SUBDIVISION, FIRST ADDITION TO AMES, STORY COUNTY, IOWA.

Improvement costs: \$ <u>12,526,286.00</u>
Beginning construction date: <u>July 2015</u>
Estimated or actual completion date: <u>July 31, 2016</u>
Assessment year for which exemption is being claimed: <u>2017</u>
Exemption schedule (3, 5, or 10 years): <u>10 years</u>

6. **Property Owner:** _____

Business: Cyclones Inns, LLC

Address: 7 Lincoln Walkway, Providence, RI 020903

(Street)	(City)	(State)	(Zip)
215-256-4516	aang@gilbaneco.com		
(Phone)	(Fax)	(e-mail)	

I (We) certify that I (we) have submitted all the required information to apply for approval of the University Area Urban Revitalization Program and that the information is factual.

Signed by:  Date: 9/21/15

Property Owner(s)

MATTHEW LAWRENCE

Print Name

(Note: No other signature may be substituted for the Property Owner's Signature.)

2311 Chamberlain Street Project Description

The project is a mixed-use development with 289 beds in 83 apartment units and 5,390 SF of retail. The building is a 5-story wood structure over a 2-story structured parking podium with an all brick façade on the first four floors along Chamberlain Street. The building will have a gross floor area of 187,000 SF including the retail and amenity space, plus 169 parking spaces.

Amenities include a fitness center, social lounge and a coffee bar. The lobby on the first level will have secured access to the residential floors above. Additionally, there is a clubhouse and TV lounge on the first residential floor that directly opens out into a semi-enclosed courtyard on the roof deck of the parking structure.

Ground Level Commercial Space (5,390 sf) is accessible from the street level fronting Chamberlain Street with service access from the parking garage on the same level. There are a total of three (3) commercial condominium units located on the 1st and 2nd Floor. The 2-level parking garage comprises of 196 spaces for residential and commercial use. A common trash area is located on the 1st level of the parking garage where it is accessible for the commercial units. There are 2-common enclosed stairways, each connecting the parking levels to the residential levels above.

Centralized entry to the residential units is located on the First Floor Level via a common lobby. Other residential entry points from garage and exterior are electronically controlled and limited to residents only. There are a total of 83 residential units comprising of 2, 3 and 4-bedroom units. Unit sizes and configuration vary.