

COUNCIL ACTION FORM

SUBJECT: INITIATION OF TRINITAS ANNEXATION AND DEVELOPMENT AGREEMENT

BACKGROUND:

The City of Ames has received annexation petitions from two property owners representing 35.69 acres of land on the south side of Lincoln Highway. The site is immediately west of the Ames corporate limits and extends to the Boone County line of South 500th Avenue. Waivers of the ability to withdraw from the annexation have been requested by staff to proceed with the process, though none have yet been received.

The annexation petitions include four properties designated as Urban Service Area within the Ames Urban Fringe Plan. The properties are also designated as Highway Oriented Commercial, Natural Area, Urban Residential and Convenience Commercial Node on the Ames Urban Fringe Plan Land Use Framework Map (Attachment 1). A recent amendment to the AUF Plan was approved that allows a property to be annexed if it is either Urban Residential or Highway-Oriented Commercial property within close proximity of a Convenience Commercial Node. This change was completed in December 2016 with the approval of the Ames City Council and the Story County Board of Supervisors. The Gilbert City Council waived their right to review the Fringe Plan amendment, as permitted by the 28E Agreement. An excerpt of the amendment to Ames Urban Fringe (AUF) Plan is found in Attachment 2.

ANNEXATION:

The developer (Trinitas) requests that the City Council initiate a 100% voluntary annexation of the four properties. The subject area is within the Southwest I Allowable Growth Area (Attachment 2). The subject annexation area would be designated as Village/Suburban upon its annexation with Agricultural zoning. The developer intends to pursue rezoning of the property to develop a student housing development configured with a mix of attached and detached housing types and public and private streets. The developer intends to propose a development with approximately 850 for-rent bedrooms. The applicant's desired residential development would be consistent with a Village/Suburban Residential land use designation and the applicant would propose a Planned Residential Development for the layout and design of the project.

Staff has reached out to the commercial property to the northwest of the proposed annexation area, owned by Campus Fortress LC, to inquire if there is any interest in being included with this annexation application. The property owner has stated they have no interest in annexation at this time. The property owner to the south of the site (Dan Wedemeier) has previously stated that he has no interest in annexing to the City at this time as well. Neither of these two properties would be precluded from future annexation if they are not part of the annexation at this time.

The first step for annexation is for the City Council to accept the petitions and refer them to the Planning and Zoning Commission for a recommendation. The City Council will also designate a staff member for the consultation meeting between the Supervisors of Story County and the Trustees of Washington Township. Prior to approval of an annexation, the City Council is required to hold a public hearing. The public hearing on the annexation will likely be at the end of February or beginning of March. **As a 100% voluntary annexation with none of the area within two miles of another city, the annexation will not need a hearing with the state City Development Board and will be final with City Council approval.**

DEVELOPMENT AGREEMENT ISSUES:

City Council first reviewed the Trinitas request to pursue an approximate 800-850 bedroom student housing development in September 2016. Staff noted at that time that a number of infrastructure improvements would be needed to serve the area as it develops. The site currently abuts the City, but does not have complete infrastructure improvements in place to serve the site. **Water, sanitary sewer, storm sewer, street paving, sidewalk, and shared use path improvements are all needed to serve the proposed development and connect it to existing infrastructure east of the site. Staff recommends formulating a development agreement to address known future development issues along with the annexation review.**

Although the site is within the Southwest I Allowable Growth Area and could be considered for “oversizing” incentives at City Council’s discretion, the type of development and needed improvements would not generally be supported through oversizing cost sharing. The identification of the development improvements needs and potential costs in advance will assist the developer in understanding their obligations as they pursue development of the site. It will also afford the City the broadest level of discretion in consideration of off-site impacts with development of the site.

Staff has held a preliminary review meeting with the applicant and identified the infrastructure issues below for consideration by the City Council. Site development and layout concerns have not been highlighted for consideration in a pre-annexation development agreement and may be considered along with a rezoning request.

1. Lincoln Way Road Improvements

A traffic study is underway that will identify necessary improvements along Lincoln Way and potential impacts to intersection operations adjacent to the site. The preliminary findings of the traffic study will be known prior to the annexation public hearing.

Staff expects that an additional east-bound lane along the property frontage will be needed with development of the site. The City’s Capital Improvement Program (CIP) 2015-2020, includes pavement improvements (not an extra lane) in 2017 along a section of Lincoln Way from the current corporate limits at the east edge of this site to S. 500th Avenue. This CIP project could be postponed and the scope may change depending on the outcome of the traffic study and the developer’s project. It may be beneficial to coordinate developer improvements with the City’s project through a developer contribution for their share of improvements.

2. Lincoln Way Shared Use Path

Currently the sidewalk and shared use path system is incomplete along the western edge of the City. The subject property does not connect to the current system that starts at Wilder Boulevard on the north side of Lincoln Way. The developer would be responsible for frontage improvements, but they would also need to extend those improvements off-site to the east to connect them to the City's existing infrastructure at Wilder.

3. Paving of S. 500th Avenue

The development has frontage along S. 500th Avenue, which is an unimproved county gravel road between Boone and Story County. Development of the site requires frontage improvements and for paved road access to the site. The development will have one point of access to S. 500th Avenue as a secondary means of access. In addition to paving the frontage of the property, an additional 725 feet of paving is needed to connect the site to Lincoln Way to the north. In addition to paving the road, enlargement of a culvert to the north is also needed with the road improvements. These road improvements are needed for full access and service to the site consistent with the subdivision ordinance for street improvements.

3. Water Main Extension

Water lines will need to be extended along Lincoln Way to the western boundary of the proposed development and looped through the site at the cost to the developer. The City's master planning for water service includes a future looped system that connects south to the water tower on S 500th Avenue. A full extension south is not planned by the City at this time making it difficult for the developer to complete their share of the water line and installing a dry water main may not be beneficial to the City. The City could consider accepting a financial security in the development agreement for a future water main rather than construct an improvement at this time.

4. Stormwater Improvements

Storm sewer lines will need to be extended into the site and to the edge of the development at the developers cost. Development of the property will need to follow all stormwater treatment and control requirements of Chapter 5B of the Municipal Code. It should be noted the property is within a county drainage district and is at the initial starting point of College Creek. A full review of the stormwater improvements will be part of the site plan review of the project. No specific issues are known at this time to be addressed with a development agreement.

5. Sanitary Sewer Improvements

The sanitary sewer system is nearing its capacity downstream from the site. Staff has modeled the proposed project density along with development of the vacant 40-acre property (Wiedemeier) south of the site and determined that system can serve the proposed use. However, the additional density requested by the developer that exceeds

typical single-family home development rates utilizes the remaining capacity in the system. **Therefore, the City Council should be aware that any significant intensification or redevelopment in the drainage basin, after development of this area, would need future sewer system improvements to ensure adequate capacity.** The known constraint is the pipe lying between Sheldon and Hayward within Lincoln Way. This area was previously identified as a constraint during the review of the Aspen Heights and 2700 Block of Lincoln Way projects.

6. Transit Service

Transit usage is usually quite high by students and there is limited vehicle parking for students at or near campus. Currently, the CyRide purple route does not go beyond Thackeray Avenue on Lincoln Way and there is no direct access to the system from the subject site. The nearest stop is approximately a half-mile east of the proposed development. The developer has indicated that they would be willing to commit to a private shuttle service for their residents. **However, CyRide has indicated an opposition to private shuttle services because they are not coordinated with our transit operations. Therefore, staff is not recommending that private shuttles be part of a development agreement. It should be noted, however, that nothing will prevent the property owner from operating a private shuttle in the future if they desire.**

ALTERNATIVES:

1. A. The City Council can initiate the annexation of 35.69 acres of land as a 100% voluntary annexation subject to the receipt of a property owner waiver to withdraw and designate the staff of the Planning and Housing Department as the representative to the consultation with township trustees and county supervisors.

B. Direct staff to negotiate terms for a development agreement to address issues listed in this report and prepare a development agreement for City Council review concurrent with the annexation public hearing.
2. City Council could choose to initiate the annexation and address development requirements at the time of project review without preparation of a development agreement at this time.
3. City Council could choose not to initiate annexation at this time.

CITY MANAGER'S RECOMMENDED ACTION:

The proposed annexation is consistent with the Allowable Growth Areas of the Land Use Policy Plan and the Ames Urban Fringe Plan. Proceeding with a 100% voluntary annexation is appropriate at this time as it does not affect adjacent properties ability to annex in the future. Staff has requested a property owner waiver to withdraw agreements to proceed with the annexation process to ensure the City does not unnecessarily use its resources for the proposed project if they are not certain to proceed.

Due to the size of the project and the number of infrastructure improvements needed to support development of the site, staff believes a development agreement would be prudent to consider concurrent with the annexation. Staff believes the listed infrastructure items above address all of the currently known issues for serving the site. Staff would approach the development agreement review with the expectation that the developer will bear the costs of providing infrastructure improvements to serve the site. Although the site is within the Southwest I Allowable Growth Area, consideration of providing “oversizing” incentives should be limited because of the proposed type of development that exceeds typical single-family development densities. Council will review any City costs or obligations related to development of the site as part of the development agreement review with the annexation.

Staff has not addressed potential layout or density issues of the developer’s desired project with the development agreement issues. To date staff has primarily discussed use of private streets within the project, configuration of multiple buildings on the lot, planning for street connections to abutting areas, and how to address the transition to single-family home areas abutting the site to south and east. Details of these issues will be considered further as part of the subsequent PRD rezoning and site plan review. **However, if the City Council has reservations about the potential 850 bed intensity of development or the arrangement of the exclusively rental configuration of dwelling units, it could address those issues generally within a pre-annexation development agreement.**

It is the recommendation of the City Manager that the City Council approve Alternative #1 to (A) initiate a 100% voluntary annexation and (B) direct staff to negotiate a development agreement to address infrastructure issues described in this report concurrent with the annexation process.

ATTACHMENT 1: AMES URBAN FRINGE PLAN MAP [EXCERPT]



