

**COUNCIL ACTION FORM**

**SUBJECT:** PUBLIC HEARING FOR AUBURN TRAIL ANNEXATION

**BACKGROUND:**

The City of Ames received an annexation petition from Hunziker Land Development, LLC, representing a 68.19-acre parcel owned by Erben and Margaret Hunziker Apartments, LLC. The property has an address of 4605 Hyde Avenue, lying on the west side of Hyde Avenue immediately north of Bloomington Heights and south of Rose Prairie. The owner refers to it as Auburn Trail. A location and ownership map is found in Attachment A.

Staff presented this annexation request to the City Council on December 13, 2016, for direction on annexation boundary options. One of the main issues was that it was not possible to annex the entire original parcel at this time as it would create an island of unincorporated area surrounded by the City of Ames. Staff presented future annexation options that would allow for all of the properties along Hyde Avenue to eventually be annexed. **The City Council directed staff to require the applicant to create a 50-foot strip of land along the north edge of the property and then to proceed with annexation (Subdivision approved in January 2017). Staff was also directed to maximize the amount of property that could be included in an 80/20 annexation to assist in future annexation efforts that could eliminate the county enclave along Hyde Avenue. To that end, four non-consenting owners on the east side of Hyde Avenue are also part of the annexation.**

The proposed annexation territory is designated Urban Residential in the Ames Urban Fringe Plan. This designation allows for the annexation and development of the land. An excerpt from the Urban Fringe Plan (AUF) is found in Attachment B.

The territory is also designated as part of the Allowable North Growth Area. This Land Use Policy Plan designation is intended to identify the residential areas of the City needed to accommodate the future population growth of Ames. An excerpt from the LUPP is found in Attachment C.

This Hunziker property was the subject of a pre-annexation agreement in 2013. The owner entered into an agreement with the City of Ames for, among other things, cost sharing on infrastructure and to seek annexation. The agreement noted that the property owner would try to complete a voluntary annexation application with the remaining property owners along Hyde Avenue to close the current gap. **If the voluntary annexation was not possible, Hunziker could propose annexation with a 50-foot wide remainder strip along the north boundary that would not be included in the annexation. The proposed annexation is consistent with the 2013 agreement.**

### Inclusion of Non-consenting Owners

Annexations are governed by the *Code of Iowa* Section 368. Annexation petitions initiated by individuals or entities are classified as a voluntary application. 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 allowed to avoid creating islands (the *Code of Iowa* does not allow islands to be created by annexations) or create more uniform boundaries (to make the provisions of services more efficient and promote orderly growth). This rule is often referred to as the 80/20 rule for a minimum of 80 percent consenting land owner area and a maximum of 20 percent non-consenting land owner area.

At the December 13 City Council meeting, several owners of land proposed for annexation spoke in opposition to the annexation of their properties. They did not see a benefit to being annexed and paying higher taxes for city services. They were also concerned about the potential costs of water and sanitary sewer service connection fees to take advantage of access to City sewer and water. **Note that the connection fees are not associated with annexation.** Fees are only paid if someone chooses to connect to City utilities. In this case, the non-consenting property owners are able to continue to use their private septic systems and to receive water from Xenia upon annexation. **Attached to this report are answers to common questions regarding annexation, utilities, and the effects of being annexed to the City.**

Notwithstanding the comments of property owners, City Council directed staff to include additional properties under the 80/20 allowance. Four property owners (three of whom live in the proposed territory) are included. Their ownership is shown on Attachment A and are listed in the table below.

<b>Proposed Annexation Property Owners</b>	<b>Acres</b>
Erben and Margaret Hunziker Apartments, LLC	68.19
Paul and Margot Eness (non resident)	5.10
Mark Taylor and Allison Eness (resident)	1.24
Clayton Gregg and Julie Schwery (resident)	1.17
Roger and Lori Hamblin (resident)	6.99
<b>Total</b>	<b>82.69</b>
<b>Percent Consenting/Non-consenting</b>	<b>82.46% / 17.54%</b>

**The proposed annexation boundary also allows the future annexation of the remainder of the North Growth Area without further concerns about creating islands. By maximizing the non-consenting properties with this annexation, it allows for future annexations (also using the 80/20 allowance) to complete the annexation of the North Growth Area and complete uniform boundaries for the City.**

### Annexation Considerations

The City has a policy requirement that annexations be consistent with the LUPP and the AUF. The growth areas identified in these documents are areas that were selected on, among other things, the ability to provide services to allow for annexation and

development. In this circumstance, the annexation area is consistent with the existing LUPP and Fringe Plan, the pre-annexation agreement signed with the owner in 2013, and the recent installation of infrastructure (sanitary sewer, water mains, paved roadway).

Upon annexation, a property will automatically assume the LUPP land use designation consistent with its use designation as described in the AUF. In this case, the Village/Suburban Residential designation would be assigned to these properties upon annexation.

All newly-annexed property is automatically zoned Agriculture. Zoning would not change unless a request is initiated by an individual property owner or by the City Council. Any proposed zoning would need to be consistent with the Land Use Policy Plan. City policy would require a Master Plan designating the types and numbers of housing units or other development at the time of rezoning consideration.

Also upon annexation, the City of Ames would provide fire and police protection, replacing the rural fire service (in this case, Gilbert Fire Department) and the County sheriff, respectively. Property taxes would change based on the next calendar year assessment. The new levy would be reflected in the tax statement in the fall of the following calendar year.

Traditionally, water service areas have been managed by the City at the time of annexation. The Hunziker property has secured an agreement with Xenia Rural Water Association on the terms of the buyout of service territory. The property falls within a City water connection district and sanitary sewer connection district whose fees would be paid at the time of development. The property is also subject to a special assessment for the costs of the paving of Hyde Avenue.

**The non-consenting owners are not obligated to disconnect from Xenia and may remain customers indefinitely.** If they wish to connect to City water, however, they can do so under the terms that are in place at the time they wish to connect. The properties are also on private septic systems. That may continue although if the system fails, a property owner may be obligated to connect to the City sanitary sewer system if the house lies within 200 feet of a city sanitary main. It appears that only one house (Eness/Taylor) would be subject to this state standard in the future. If they choose to connect to the City sanitary sewer, they can do so consistent with the policies and fees at the time they seek connection. These properties lie within sanitary sewer and water connection districts and fees for future connections are based on a per acre fee.

This land lies within the Gilbert School District and also within the Ames Electric service territory. These boundaries are not altered by annexation.

#### Land Use Policy

In 2010, the Ames Urban Fringe Plan—a component of the Land Use Policy Plan—was amended to designate the area between H.P. Jenson Subdivision (west of the former Oaks golf course) and the Union Pacific Railroad as Urban Residential. The areas identified as Natural Area were retained. As Urban Residential, the policy of the City is

that development will not occur on the land unless and until the land is annexed and full City services are extended to the site.

The Allowable Growth Area map of the Land Use Policy Plan was also amended in January 2011 to designate the area between the H.P. Jenson Subdivision and George Washington Carver Avenue as the North Allowable Growth Area.

The proposed territory is consistent with these goals of meeting the residential needs of the City and of requiring annexation prior to development.

**Planning and Zoning Commission Recommendation:** At the January 18, 2017 meeting of the Planning and Zoning Commission, the Commission voted 4-1 to recommend the annexation of 82.69 acres of land, including 14.50 acres owned by four non-consenting owners. At the public hearing, one owner and resident of the area spoke against the inclusion of the non-consenting properties. He expressed concerns about the costs of connecting to City utilities and the increased taxes.

**ALTERNATIVES:**

1. The City Council, following the public hearing, can approve the annexation of 82.69 acres of land, including 14.50 acres of non-consenting property as shown on Attachment 1 and direct staff to file the annexation with the state City Development Board if there has been no withdrawal of the consenting property owner within three days of the conclusion of the public hearing.
2. The City Council can approve an annexation of less than 82.69 acres by identifying which properties to exclude from the current proposal.
3. The City Council can deny the annexation.

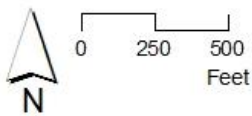
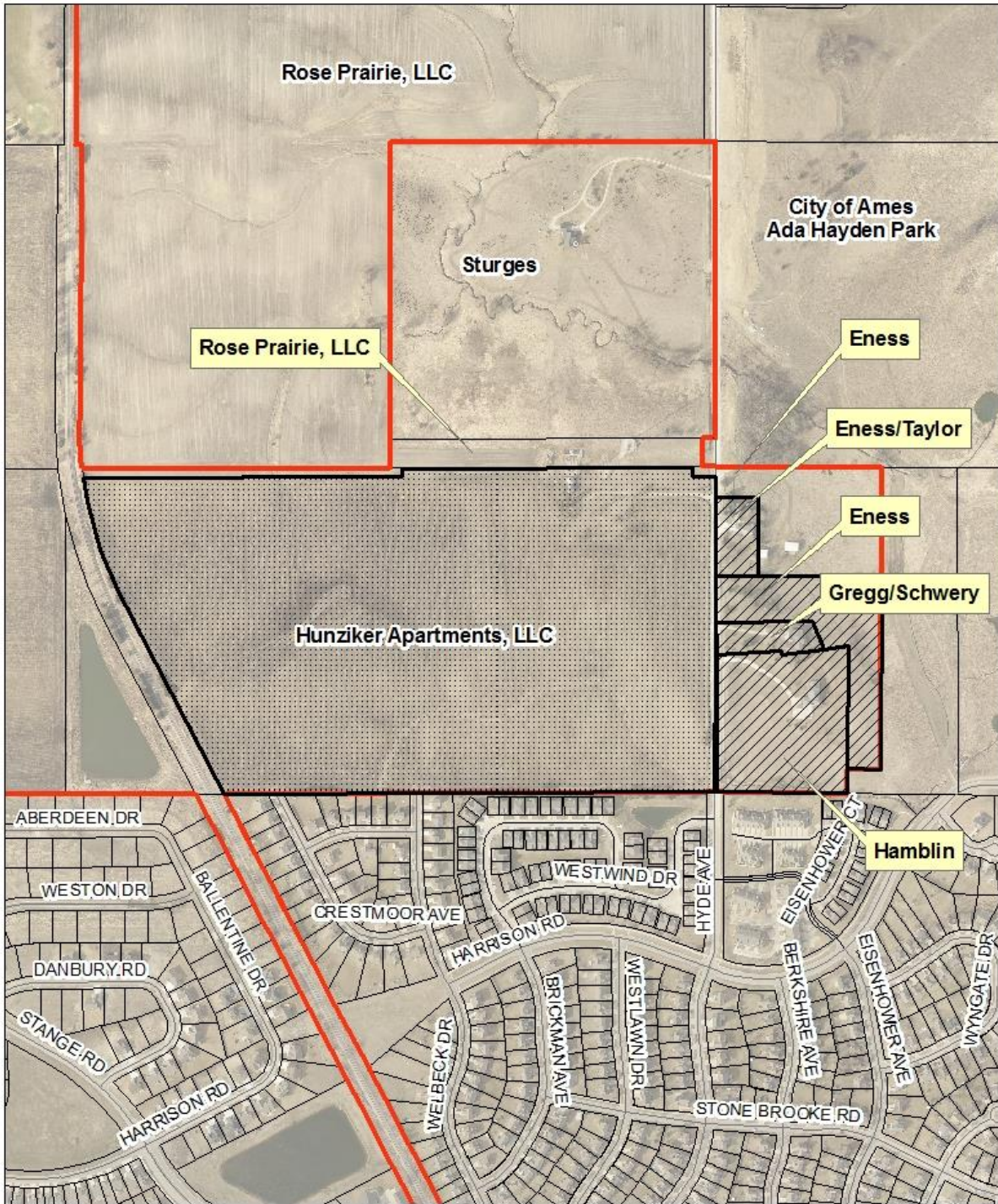
**CITY MANAGER'S RECOMMENDATION:**

Since the Urban Fringe Plan and LUPP were amended in 2010 and 2011 respectively, the policy of the City has been to annex and allow development in the North Growth Area. Recent annexations in this area include the Rose Prairie, Quarry Estates, and Hayden's Crossing. This Auburn Trail development is the last significant development parcel along Hyde Avenue.

The orderly development of the North Growth Area requires the annexation of these four properties and the eventual annexation of two additional non-consenting parcels adjacent to Auburn Trail in a future annexation. This two-phased approach using the 80/20 allowances will result in a more uniform boundary reflecting the limits of the North Growth Area.

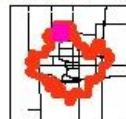
**Therefore, the City Manager recommends that the City Council approve the annexation of 82.69 acres, including the additional 14.50 acres of non-consenting land and direct staff to file the annexation with the City Development Board.**

**ATTACHMENT 1: PROPOSED ANNEXATION TERRITORY AND OWNERSHIP**

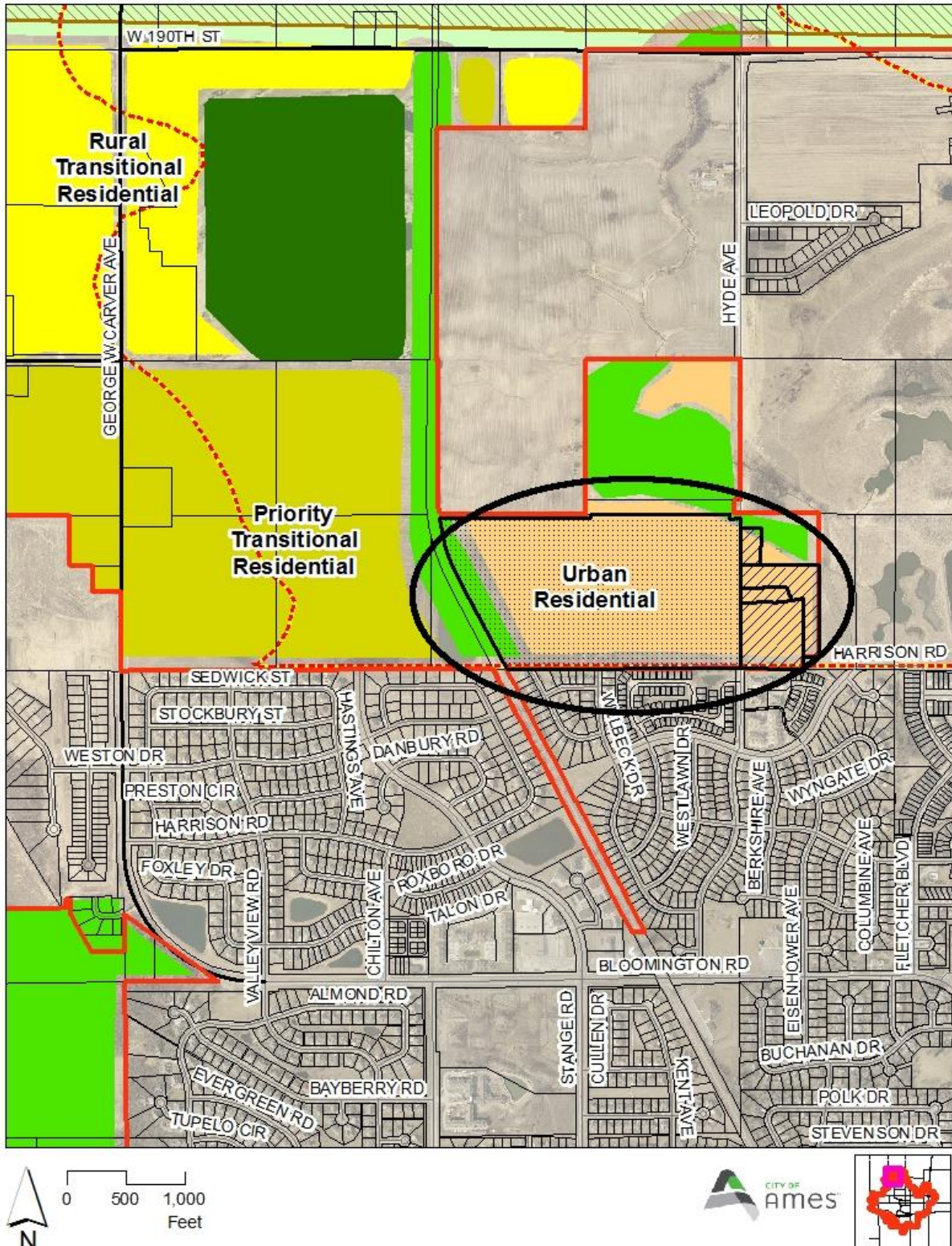


**Legend**  
 Ames City Limits

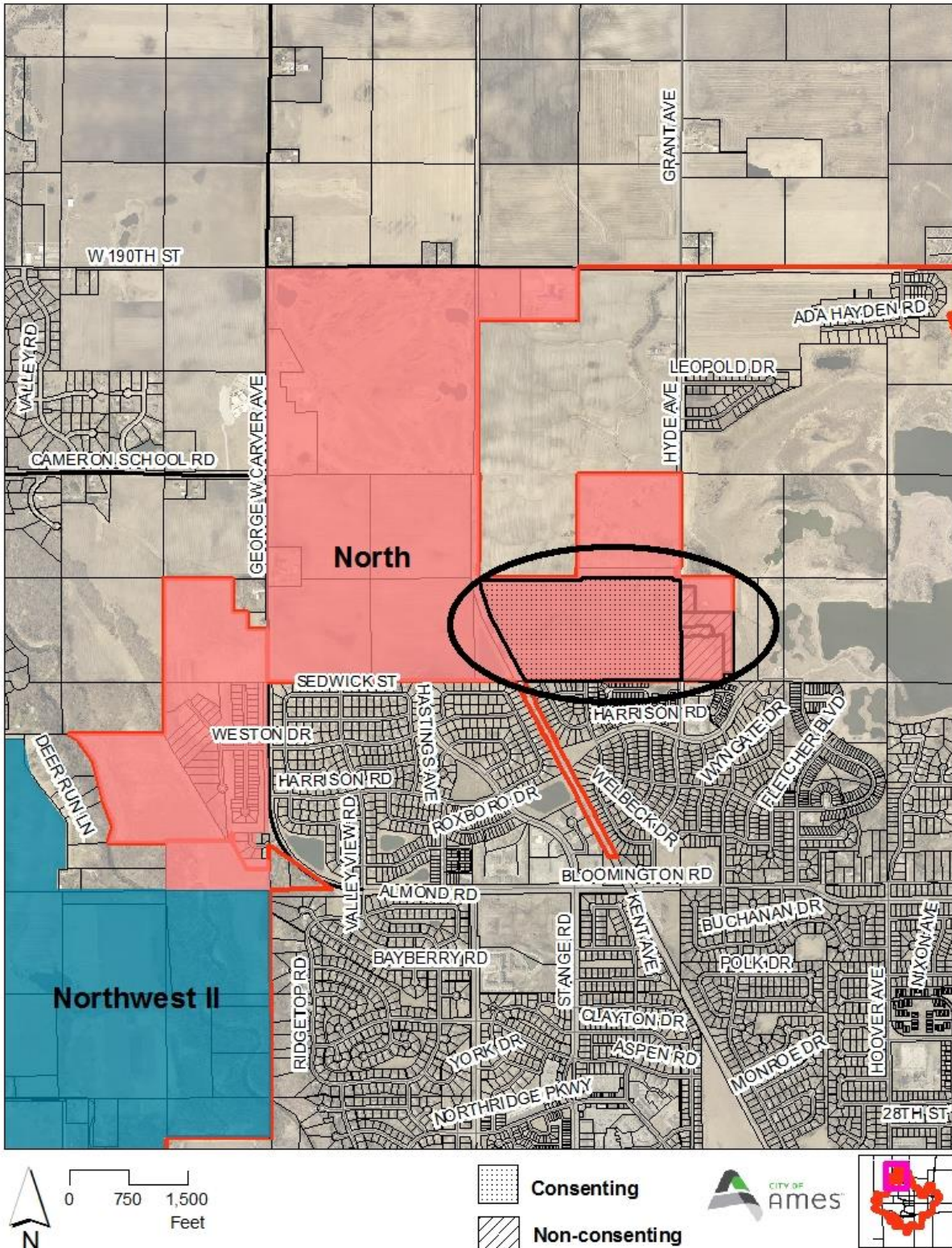
Consenting  
 Non-consenting



ATTACHMENT 2: AMES FUTURE LAND USE MAP [AUF EXCERPT]



**ATTACHMENT 3: AMES ALLOWABLE GROWTH AREAS [LUPP EXCERPT]**



## **ATTACHMENT 4: QUESTIONS REGARDING ANNEXATION**

1. What will be the zoning of my property after annexation and what does that mean? Will it have to change?

Upon annexation, a property is automatically zoned A-Agriculture. It will remain A-Agriculture until action by the City Council to change the zoning map. According to Ames City Code, the property owner, the Planning and Zoning Commission, or the City Council can initiate a zoning map change.

The property will be subject to all the zoning requirements of the City. For any specific question about how the requirements impact a particular property, please contact the Planning Division. However, a residential property in the A-Agriculture zoning district would be allowed to maintain that use indefinitely. If damaged or destroyed, a residential use could be re-established subject to the zoning requirements regarding setback, height, etc. There may be greater restrictions than the county would have on accessory and out buildings.

Inside the City, there are other restrictions that are often not found in the county. For example, discharging a firearm (except on agricultural land) and the burning of garbage is prohibited.

2. Am I required to disconnect from Xenia and hook up to water service when it comes near my property? Will there be connection fees? Can I connect to the new water main with my existing service line? What inspections will I need?

There is no requirement to connect to city water upon annexation unless you are subject to a covenant with the City of Ames to connect and pay the costs associated with the buyout of rural water. You may continue to use a well or, if you are already an existing Xenia customer, you may continue to purchase water from Xenia. If you choose to connect to the City of Ames water system, you may have to pay the costs of buying out water service territory from Xenia. New connections to Xenia will not be possible.

If you choose to connect to the public water system, you may be subject to an inspection of your plumbing system to determine whether the system has adequate venting and backflow protection to protect the public water system. You will need to correct any deficiencies found in that inspection prior to connecting to the public water system. It may be possible to use your existing service lines if it can be verified that they are made of approved materials and are in a safe condition. Any connection will need a plumbing permit and an inspection. The properties along Hyde Avenue are included in a water connection district which established fees based on the size of the property. The connection fee is currently (February, 2017) \$1,194.00 per acre. The fee increases five percent every July 1. The fee schedule can be found in Appendix W of the Ames Municipal Code and at <http://www.cityofames.org/home/showdocument?id=17754>.



3. Am I required to hook up to the sanitary sewer when it comes near my property? Will there be connection fees? What inspections will I need?

A connection to the City sanitary sewer system is required only if the existing system needs to be repaired and it is within 200 feet of a public sanitary sewer. The owner will need to obtain a plumbing permit and the connection is subject to review by the Inspections Division. The properties along Hyde Avenue are included in a sanitary sewer connection district which established fees based on the size of the property. The connection fee is currently (February, 2017) \$1,807.00 per acre. The fee increases five percent every July 1. The fee schedule can be found in Appendix W of the Ames Municipal Code and at <http://www.cityofames.org/home/showdocument?id=17754>.

The Story County Environmental Health Department does not determine if the septic system is functioning at the time of annexation, nor does the City. The County does inspect on-site septic systems when a house with a septic system is sold, whether it is in the city or out in the county.

If an on-site septic system is abandoned, the septic tank shall be pumped, the tank lid crushed into the tank, and the tank filled with sand or soil. The Story County Environmental Health Department can provide further information.

4. How will my taxes change after annexation?

After annexation, your property will be subject to the City of Ames levy, but no longer subject to the Rural Service Basic levy. Other levies, for example school district and county, will remain. The total levy for properties in Ames and in the Gilbert School District (for taxes payable July 1, 2016 through June 30, 2017) is \$36.23845 per \$1,000 of taxable valuation. This compares with \$29.75465 per \$1,000 of taxable valuation for property owners in Franklin Township in the Ames Community School District. The new levy will not be applied immediately upon annexation but will appear in your property tax statements about 20 months after the first day of the year that the City assessor revalues the property. The Story County web site has a tool to help you estimate your taxes, based on the city and school district in which your property is located. It can be found at: <http://www.storycountyiowa.gov/index.aspx?nid=486>.

5. Can I continue to heat using LP gas? Am I required to connect to natural gas? If so, when will that be brought to my property?

There are no prohibitions on LP tanks in the A-Agriculture zoning district. If you were to seek a change in zoning to some other residential district, there may be restrictions and be subject to the approval of the Ames Fire Department.

The City's natural gas provider is Alliant Energy. Under the terms of the franchise agreement, the provider must provide natural gas to the property line of anyone who requests in writing to Alliant Energy, to be served. If you wish to connect to natural gas, you will need a permit from the City and have the work inspected.

6. Under what circumstances can I get a burn permit for trees and brush? Are there fees?

The burning of yard waste is prohibited unless you apply for and obtain a burn permit from the Ames Fire Department. When evaluating an application for a burn permit, the Shift Commander will look at a number of factors, such as hydrant location, fire department access, proximity to combustibles, weather conditions, etc. There is no guarantee that a permit will be issued but the department will always do their best to work with you to find a solution. There is no fee for a burn permit.

7. I have a building under construction. If I am annexed prior to finishing it, will I need permits to complete it?

The County and the City have different permitting requirements and every project is unique. Please coordinate directly with the Ames Inspection Division to determine permitting needs. Also, please contact the Planning Division to determine zoning requirements for your project.

Important Numbers:

Planning Division.....	515-239-5400
Inspections Division.....	515-239-5153
Fire Department .....	515-239-5108
Story County Environmental Health Department.....	515-382-7241