ITEM # <u>50</u> DATE: 03-27-18

COUNCIL ACTION FORM

<u>SUBJECT</u>: SET PUBLIC HEARING DATE FOR URBAN REVITALIZATION AREA AT 415 STANTON AVENUE

BACKGROUND:

The Crawford Ames, LLC, owner and developer, are requesting the designation of an Urban Revitalization Area for the property located at 415 Stanton Avenue. The subject site consists of six platted lots and other parts of properties for a total of approximately 1.6 acres that are currently zoned Residential High Density (RH). A location map is included as an exhibit to the Draft URA Plan in Attachment A.

The history of the site includes a prior use as a former elementary school, most recently used as the Ames Community School District Offices. The developer will renovate the existing building and construct and addition that consist of an atrium, apartments and attached parking. The total number of residential units is thirty.

On November 28, 2018, City Council determined that the Crawford School site at 415 Stanton Avenue is eligible for designation as an Urban Revitalization Area (URA), under Section 404.1(3) of the Code of lowa, in that this is "An area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use." Due to procedural requirements to meet the developer's interest in preceding with new construction, designating the site under Section 404.1(5) of the Code of Iowa as "An area designated as appropriate for public improvements related to housing and residential development, or construction of housing and residential development, including single or multifamily housing" would allow the developer to proceed more quickly. As a residential only project it can be found to be eligible under this criterion. This change in criteria for the designation does not modify the URA Plan requirements, only the finding for the basis of creating a URA Area.

In order to receive the tax abatement, the developer must meet the criteria established in an Urban Revitalization Plan. In regards to this project, the City Council previously directed that the Minor Site Development Plan along with the following requirements must be satisfied for the developer to receive the tax abatement incentive.

- 1. The existing building is no longer occupied as a public school, and has not been converted to another use prior to designation as an Urban Revitalization Area; and,
- 2. Structured parking (enclosed garage parking) is provided on site with at least one covered stall per unit; and,

- 3. The character of the existing building on the south and east elevations is maintained and preserved. The proposed addition matches the architectural style of the existing building.
- 4. The original school structure will remain, and historic materials will be preserved or adaptively reused when possible. This includes a requirement that 100% of the exterior walls of the south and east façade of the existing building remains brick.
- 5. The site and building substantially conforms to the site and architectural plans approved by the City Council as part of the URA Plan.

URBAN REVITALIZATION PLAN:

The draft Urban Revitalization Plan (Attachment A) includes the statutory content and also includes qualifying criteria. These criteria are found in Attachment 3 of the Urban Revitalization Plan and require substantial conformance to the Concept Plans as depicted in Attachment 4 of the Draft Urban Revitalization Plan. Staff proposes that the URA Plan expire on December 31, 2020. This would mean all improvements used as a basis for requesting property tax abatement as qualified real estate would need to be complete prior to the expiration date. Previously approved abatements would continue for the duration of the tax exemption schedule.

If City Council is satisfied with the draft Urban Revitalization Plan and qualifying criteria, it must next set a public hearing date to consider approval of the plan. The next available Council meeting that meets public notice requirements is May 8, 2018. At that meeting, the City Council will conduct a public hearing, act on a resolution to approve the Urban Revitalization Plan, and act on the first reading of an ordinance exempting the improvements from property taxes within the Urban Revitalization Area for projects that meet the qualifying criteria.

ALTERNATIVES:

- 1. If the City Council accepts the draft Urban Revitalization Plan for 415 Stanton Avenue, it can set May 8, 2018 as the date of the public hearing for the adoption of the Plan and the approval of the Urban Revitalization Area.
- 2. The City Council may amend the draft Urban Revitalization Plan for 415 Stanton Avenue and direct staff to set May 8, 2018 as the date of the public hearing for the adoption of the Plan and the approval of the Urban Revitalization Area.
- 3. The City Council may choose not to proceed with establishing an Urban Revitalization Area for the subject site.

CITY MANAGER'S RECOMMENDED ACTION:

The attached plan is in conformance with the direction that was given in November for

drafting an Urban Revitalization Plan for 415 Stanton Avenue. Staff believes using the designation criterion referenced in Section 404.1(5) rather than Section 404.1(3) allows the developer to proceed more quickly on consolidating the existing lots and proceeding with the development.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as described above.

ATTACHMENT A: DRAFT URA PLAN



Urban Revitalization Plan

Approved by the Ames City Council on _______, 2018
In accordance with Chapter 404, Code of Iowa

Legal Descriptions (See Attachment 1: Location Map)

415 Stanton Avenue

PARCEL D, LOTS 2-7 (EX S 5' LOT 7) W.T.SMITH'S ADDITION & E 15' LOTS 3-8 (EX S 15', E 15' LOT 8) LEE & LITTLE'S ADDITION, CITY OF AMES, STORY COUNTY, IOWA.

Owners and Addresses

Property	Owner Name	Owner Address
Parcel 1	The Crawford Ames, LLC	2519 Chamberlain St., Ste 101
		Ames, IA 50014-2525

Assessed Valuation

Property	Land Value	Building Value	Total Value
Parcel 1	75,000	0	75,00

Zoning and Land Uses (See Attachment 2: Zoning of Proposed URA)

		Existing		
Property	Zoning	Land Use		
Parcel 1	RH	Residential High Density		

Proposed Expansion of Services

The proposed urban revitalization area will continue to receive all services from the City of Ames. There is no proposed extension or increase in the level of service.

Applicability

Revitalization is applicable only to new construction and only in conformance with the approved site development plan and that the principal buildings have received building certificates of occupancy. Revitalization is available to this site provided that qualifying criteria found in Attachment 3 of this Plan are met.

Relocation Plan

There is only one building within the boundaries of the URA the building is to be retained and renovated to a residential use as condition of the Zoning Agreement. No relocations will occur.

Tax Exemption Schedule

The property owner may choose one of the following options:

The exemption period for ten (10) years. The amount of the partial exemption is equal to a percent of the Actual Value added by the improvements, determined as follows:

For the first year	80%
second	70%
third	60%
fourth	50%
fifth	40%
sixth	40%
seventh	30%
eighth	30%
ninth	20%
tenth	20%

The exemption period for five (5) years.

For the first year	100%
second	80%
third	60%
fourth	40%
fifth	20%

The exemption period for three (3) years. All qualified real estate is eligible to receive a 100% exemption on the Actual Value added by the improvements for each of the three years.

Required Increase in Valuation

The project shall require an increased in assessed valuation of at least fifteen percent.

Federal, State or Private Funding

No federal, state, or private funding (other than the developer's financing) is anticipated for this project.

Duration

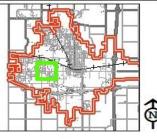
The Urban Revitalization Area shall expire on December 31, 2020. All projects seeking tax abatement must have been completed prior to expiration. Projects already determined to be eligible for tax abatement shall continue to receive tax abatement consistent with the chosen schedule for abatement and in accordance with state law.

Additional Criteria

In order to be eligible for tax abatement, improvements must be consistent with City ordinances and also meet the criteria in Attachment 3.

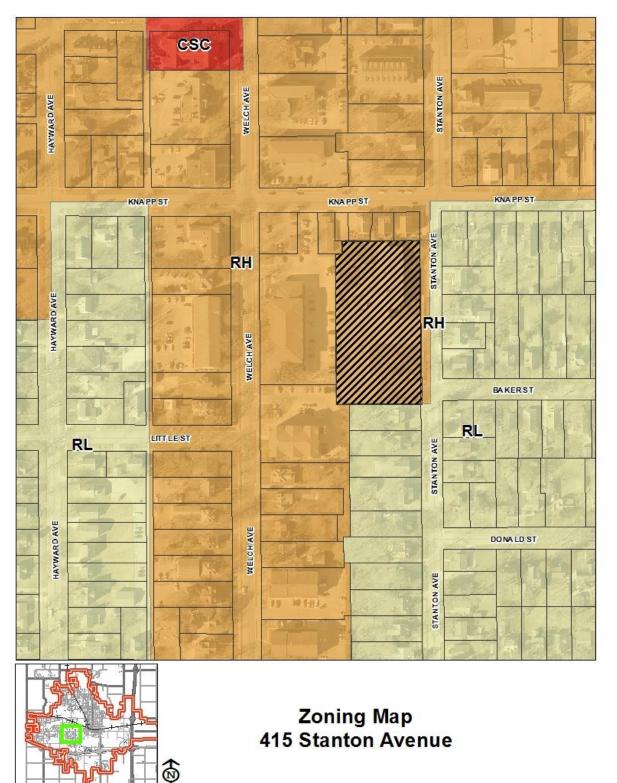
ATTACHMENT 1: LOCATION OF PROPOSED URBAN REVITALIZATION AREA





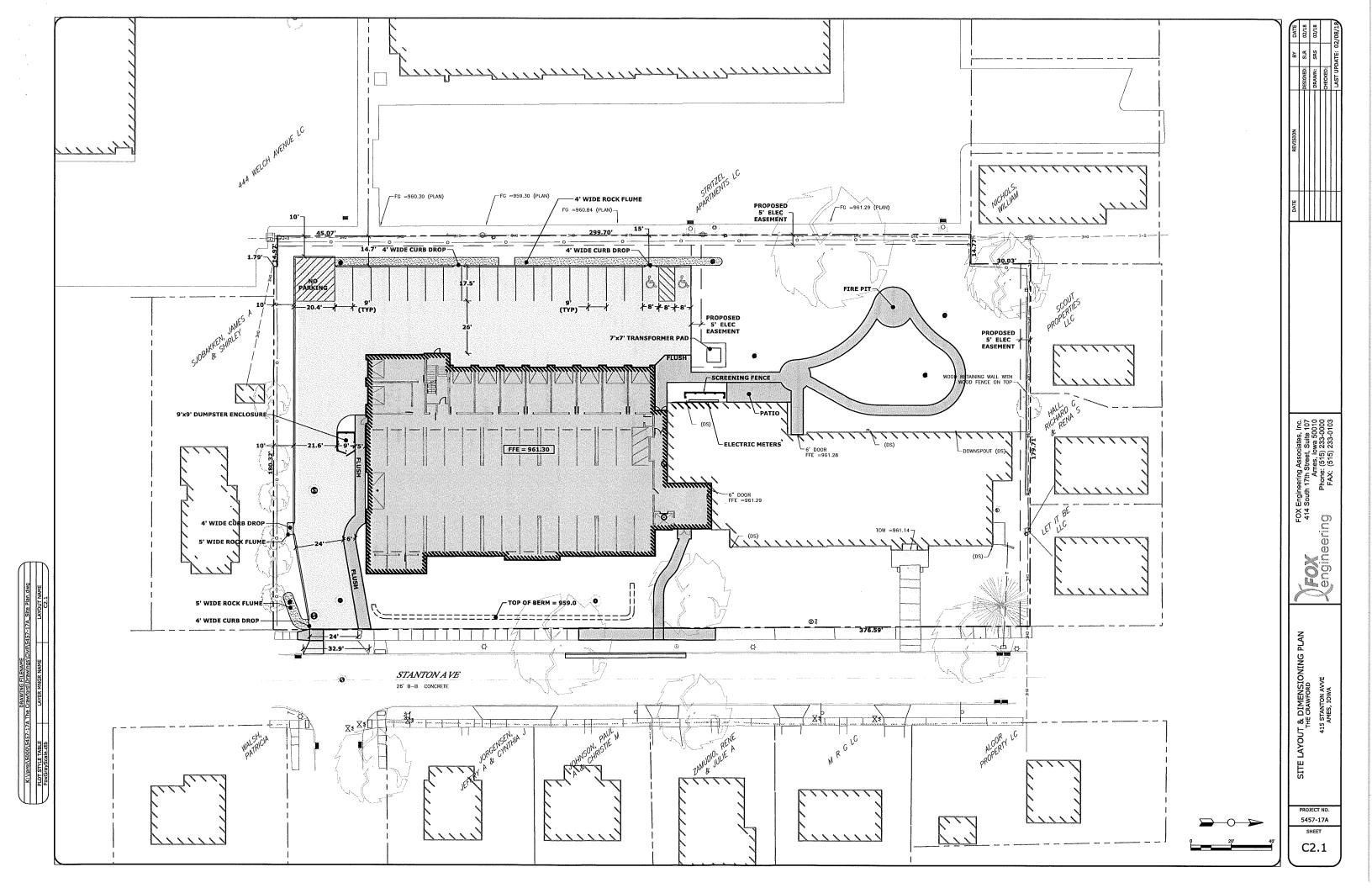
Location Map 415 Stanton Avenue

ATTACHMENT 2: ZONING OF PROPOSED URBAN REVITALIZATION AREA



ATTACHMENT 3: ADDITIONAL QUALIFYING CRITERIA

- 1. The building is no longer occupied as a public school, and has not been converted to another use prior to designation as an Urban Revitalization Area; and,
- 2. Structured parking (enclosed garage parking) is provided on site with at least one covered stall per unit; and,
- 3. The character of the existing building on the south and east elevations is maintained and preserved. The proposed addition matches the architectural style of the existing building.
- 6. The original school structure will remain, and historic materials will be preserved or adaptively reused when possible. This includes a requirement that 100% of the exterior walls of the south and east façade of the existing building remains brick.
- 4. The site and building substantially conforms to the site and architectural plans approved by the City Council as part of the URA Plan.









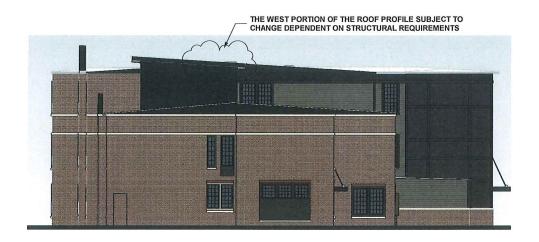
3 3D View - SE

2 3D View - West













SCALE: 3/32" = 1'-0"

THE WEST PORTION OF THE ROOF PROFILE SUBJECT TO CHANGE DEPENDENT ON STRUCTURAL REQUIREMENTS

WEST ELEVATION
SCALE: 3/32" = 1'-0"



EAST ELEVATION
SCALE: 3/32" = 1'-0"





