

**COUNCIL ACTION FORM**

**SUBJECT:**           **SETTING THE DATE OF HEARING FOR AN AMENDMENT  
TO THE ANNEXATION MORATORIUM AGREEMENT WITH  
THE CITY OF NEVADA**

**BACKGROUND:**

On December 14, 2010, the City of Ames entered into an Annexation Moratorium Agreement with the City of Nevada. The two cities agreed for a period of 10 years that neither city would pursue annexation beyond 590<sup>th</sup> Street, meaning west of 590<sup>th</sup> would only be annexed by the City of Ames and east of 590<sup>th</sup> Street would only be annexed by Nevada. **This agreement has proven to be successful in eliminating the motivation for a rush by either party to annex up to the city limits of the other municipality as a defensive move to protect their growth future plans.**

In August 2020, the City Council received a request from Verbio for the City of Ames to allow Nevada to annex their 100 acres west of 590<sup>th</sup> Street and north of the railroad tracks. In order to accommodate the request, the existing 28E agreement with Nevada will have to be modified. In addition to the request to modify this Annexation Moratorium Agreement, the City of Nevada indicated support for extending the agreement for an additional ten years.

As Verbio explains in their request, they have a desire to build a rail facility for the transport of ethanol to work with their existing plant located at the corner of 590<sup>th</sup>/Lincoln Way (formerly known as the Dupont Plant). The site is located north of the Union Pacific rail line and could be annexed to either the City of Ames or Nevada, if not for the current agreement. Verbio indicates minimal city services would be needed to serve the site and the primary improvement would be a rail loop to service tanker cars.

On September 8, 2020, the City Council directed staff to prepare an amendment to the existing Annexation Moratorium Agreement to satisfy Verbio's request as well as extend the agreement for an additional ten years.

**ALTERNATIVES:**

- 1) Approve a resolution setting the date of hearing for December 8, 2020 to consider an amendment to the Annexation Moratorium Agreement with the City of Nevada that satisfies Verbio's request and extends the agreement until December 14, 2030.
- 2) Decline Verbio's request to alter the existing Annexation Moratorium Agreement thereby requiring the company to pursue annexing their 100 acres into the City of Ames.
- 3) Decline Verbio's request, but inquire if the City of Nevada would support extending the existing Annexation Moratorium Agreement an additional ten years.

### **CITY MANAGER'S RECOMMENDED ACTION:**

Although the 100-acre site could be annexed to Ames, it is not in a critical location related to other future residential or industrial development envisioned by the City. The City is focused on serving industrial development on the south side of the Union Pacific railroad line and the evaluation of East Growth Scenario for Plan 2040 did not contemplate that development would occur up 590<sup>th</sup> Street north of the railroad during the next 20 years. In addition, extending the agreement would benefit both cities by making it clear what annexation expectations exist in this area to avoid disputes on future boundaries of the cities. Finally, the stated use of the 100 acres for a rail yard will not reflect in a significant tax revenue loss to the City of Ames if it were allowed to be annexed into Nevada.

Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1 and **thereby approving a resolution setting the date of hearing for December 8, 2020 to consider an amendment to the Annexation Moratorium Agreement with the City of Nevada that satisfies Verbio's request and extends the agreement until December 14, 2030.**