

COUNCIL ACTION FORM

REQUEST: **2ND AMENDMENT TO PRE-ANNEXATION AGREEMENT
WITH ROSE PRAIRIE, LLC.**

BACKGROUND:

Rose Prairie is a 170-acre site at the corner of Hyde Avenue and 190th Street (*Attachment A - Location Map*). The site's development is subject to a 2010 Pre-annexation agreement and a 2016 addendum to that agreement. The owners of Rose Prairie are requesting a second amendment to the agreement.

The developer strongly desires to proceed with a development consistent with the allowed number and mix of housing units that are part of the approved Master Plan. The developer will also continue to move forward in a manner consistent with the City's Conservation Subdivision ordinance standards. **However, the developer believes that current limitations related to the sequencing of development coupled with the timing and cost of infrastructure installation have made the project financially infeasible over the past five years.**

City Council last reviewed the rezoning of the site and an addendum to the pre-annexation agreement on October 11, 2016. City Council ultimately approved the current Master Plan that allows for a mix of development of single-family housing and multi-family housing totaling a maximum of 620 units, along with 10 acres of commercial land (*Attachment B - Approved Master Plan*).

The 2016 approval included a number of changes to the original agreement reflecting the rezoning, extensions to connection fee payoffs from 2020 to 2023, dedication of a city neighborhood park, requirements for a shared use path along Hyde Avenue, removal of fire sprinkler requirements for single-family homes, and changes to required sanitary sewer extension to the west to occur at the developer's cost.

Since the 2016 approval, the developer prepared a preliminary plat for the division of the site into outlots and for the first phase of development. However, the developer did not proceed due to a number of development cost financing issues and a particular issue under state law to fully pay off the current street assessment for Hyde Avenue improvements. As of 2021, the outstanding assessment balance is approximately \$866,000 after three years of annual payments by the developer.

To create more financial flexibility for the project to proceed, the developer now proposes the following amendments to the Pre-annexation agreement and Master Plan (Attachment C):

1) Hyde Avenue Assessment - Waiver of Final Plat Requirement to Create Two Parcels

Under state law all subdivisions with a Final Plat must fully clear liens and assessments prior to their approval, regardless of the size of the subdivision. In this case the developer must pay the full remaining assessment with the first phase of development, which would be approximately \$866,000 for 35 homes. This is financially infeasible for the developer to do.

To help allow for phased development and payment of the assessment as was originally contemplated before establishing the assessment, staff has identified an option for the developer to avoid the full street assessment payoff with the first development phase while continuing to make the annual payments. If City Council would approve a waiver of the Major Subdivision requirements and allow for a Plat of Survey to be recorded dividing the site into two parcels, one for future development and one for immediate development, the developer could proceed without full payoff of the assessment by the City assigning the assessment to the future development parcel.

Staff believes this request is critical to having the project moving forward while there is an outstanding assessment balance and supports the procedural waiver of a Major Subdivision. Allowing for this would not change the total financial obligations of the developer and they would continue to make the required annual assessment.

2) Water and Sewer Assessments - Extend payoff to 2031

The current agreement requires payoff of connection fees with the development of each phase and a full payoff for all remaining areas at the time of the first Final Plat after June 30, 2023, regardless if the total area is developed. The developer asks for a payoff extension to 2031, which is a ten-year period from the start of development as was originally contemplated with Pre-annexation agreement. **Staff supports this change as being consistent with the original intent of the agreement.**

3) East-West Sanitary Sewer Line – Reduce Extension to the West property line

The current agreement requires the developer to complete the extension of an oversized sanitary sewer to the west for future development at their sole cost. Extending utilities through a site for future development is consistent with City policy. However, due to size and length of the extension the developer is concerned about the total cost and benefit to the project as structured in the agreement.

Staff supports exploring this request to reduce the Developer's obligation to fully extend this sewer line at their sole cost. However, a precise endpoint

for the Developer's project still needs to be negotiated before staff can make a final recommendation regarding this issue.

4) Hyde Avenue Pedestrian Trail - Partial Deferral of Extension

The Developer has a requirement to complete a 10-foot shared-use path along the Rose Prairie frontage along Hyde (approx. ½ mile) plus an additional ¼ of a mile to the south along Hyde across the neighboring Sturges frontage, all within two years of the first final plat. The proposed change would require, with development of the first Phase, completion of the path along Rose Prairie's Hyde Avenue frontage from 190th to the south end of the first phase (approx. ½ mile) and then allow for deferral of the remainder until such time as it can be connected with other improvements to the south that are expected with the planned Hunziker development of Auburn Trail.

Staff supports this change of potentially deferring part of the cost of the trail while also ensuring there is no gap in the shared use path system once a connection can be made with the Auburn Trail subdivision to the south.

5) East-West Pedestrian Trail - New City Greenway and Creek Crossing

Originally, the development plan included a private HOA-maintained five-foot walking path trail as an east west connection. As part of the recently approved Forward 2045 Transportation Plan, the City identified a desire for an east/west greenway that would eventually connect from GW Carver to the Ada Hayden Trailhead on Hyde. This would be a city-maintained 10-foot paved path in a 20-foot greenway. Therefore, the City staff is now requesting the creation of a 20-foot greenway within the development. The Developer is willing to agree to this requirement if there is an ability to construct it in phases and the City participates in the costs of creating a bridge to cross the central waterway.

Staff believes this new greenway is a valuable long-term infrastructure component for the City and enhancement beyond what otherwise would be required to be built and supports making this addition to the agreement. The cost of the crossing is estimated at \$100,000 to \$200,000 for a steel bridge crossing. This would be a City cost and would be budgeted for by the City in the future once a connection is needed over the waterway with future development phases. Additional details are needed during the preliminary plat stage to verify crossing location and feasibility.

6) Flexibility in the Concept - Master Plan Changes Including East West Road Connector (Attachment D)

A. Since the original approval of Rose Prairie an east-west road from Hyde Avenue to the center of the project has been part of the Master Plan. The developer had previously requested removing the road connection requirement, but it was ultimately required to be retained with the 2016 approval. The developer

requests removing the road connection due to the cost of crossing the central waterway.

Since 2016 the City has evaluated North Growth in greater detail with Ames Plan 2040 scenarios and Forward 2045 Transportation Plan. The connector road was planned to help disperse traffic and connect the neighborhood to Hyde Avenue with an intersection corresponding with Hayden's Crossing. The City's Traffic Engineer has modeled traffic volumes with and without the connection and determined, from purely from a vehicular traffic performance level, the transportation system would operate acceptably despite the more limited connections into the development.

Staff's opinion is that although the connection is desirable for general access and system performance, when considering the traffic performance level and the initial cost of making the extension over the waterway and long-term bridge/culvert maintenance, removing the requirement can be justified at this time.

B. The developer also wants to acknowledge with the Master Plan update that they will stay within the maximum allowed development totals of 620 units, but would like to develop fewer multi-family apartments and additional single-family dwellings. **Staff believes the developer is within the originally approved ranges of housing types and unit counts and this is not a significant change.**

7) Park Land Dedication - Extend Dedication to 2031

The 2016 agreement added a requirement to provide a 5-acre park to the City after the development of four phases or by 2023. Because of the proposed change of having no east-west connector road, it is likely the delivery of the park will be at the end of the 10-year range due to the need to have a north-south spine road extension occur to reach the centrally located park. **Staff supports modifying the requirement to provide the parkland based upon some level of phasing, but no later than 2031.**

ALTERNATIVES

1. A. Direct staff to work with the developer to proceed with changes to the Master Plan and Pre-annexation agreement, and
 - B. Allow for the developer to proceed with proposing a Plat of Survey to divide the site into two parcels with the intent of assigning the street assessment solely to the future development parcel.
2. Deny the request to make changes to the Master Plan and Pre-annexation agreement.

3. Defer action and refer the request back to City staff and/or the applicant for additional information.

CITY MANAGERS RECOMMENDATION:

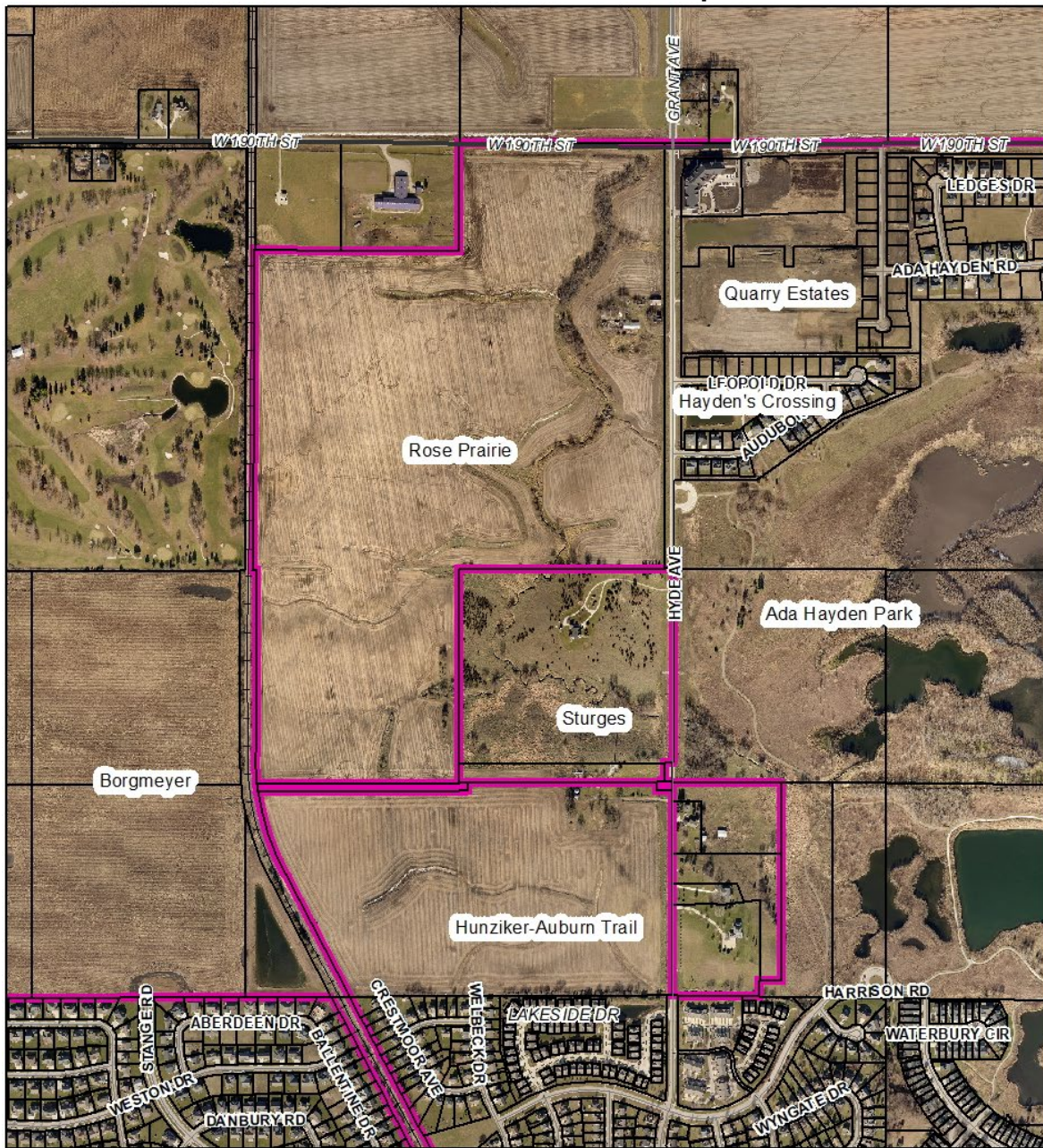
The site has been evaluated and selected as a preferred growth area as part of Ames Plan 2040 scenarios because of significant prior City infrastructure investments and its desirable and marketable location. The Rose Prairie site is a significant land resource planned to meet the City's immediate housing development needs. The overall development concept was vetted in 2016 as it related to the Conservation Subdivision standards for open space and water quality protection along with our housing needs. Staff believes the proposed changes do not significantly affect those earlier findings for the 2016 approval.

The developer has stated that if the proposed changes are approved, they would move forward with platting and creation of two phases of development in 2021. Moving ahead with the proposed changes will help the developer secure financing for the development where costs are distributed on a more phased approach than in such a front-loaded manner as currently required. The City would not have any additional costs from the changes in the timing and structure of repayment of assessments and fees. There is currently minimally available residential land for residential development and having the developer proceed with the project would open up desirable housing options for the next few years.

The proposal does include a new feature of a City greenway that would include a City cost for creating a crossing of the waterway. Staff finds this to be a beneficial investment in our future bicycle and pedestrian infrastructure and can be included in future budgets when it is needed.

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

Attachment A-Location Map



Location Map



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Attachment B-2016 Master Plan



DEVELOPMENT SUMMARY

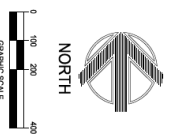
TOTAL AREA - 170.53 ACRES
 F-S-RM = 6.07 ACRES (3.5%)
 F-S-RM = 13.54 ACRES (7.9%)
 PUBLIC ROW (IN CGS & R5-M) = 4.04 ACRES (2.4%)
 DEDICATED OPEN SPACE = 43.55 ACRES (25.5%)
 PUBLIC PARK = 5.07 ACRES (3.0%)

ESTIMATED RESIDENTIAL UNIT COUNT

Parcel	Land Use	Area	Min. Density	Max. Units	Max. Density	Max. Units
3	Medium Density	11.75 Ac	10.0 DU/AC	118 Units	14.0 DU/AC	176 Units
4	Medium Density	13.54 Ac	10.0 DU/AC	138 Units	14.0 DU/AC	201 Units
5	Single Family Attached	6.11 Ac	2.20 DU/AC	16 Units	5.5 DU/AC	34 Units
6	Single Family Attached	16.62 Ac	2.20 DU/AC	45 Units	7.0 DU/AC	116 Units
7	Single Family Attached	4.04 Ac	2.20 DU/AC	11 Units	7.0 DU/AC	28 Units
8	Single Family Attached	30.72 Ac	2.20 DU/AC	83 Units	7.0 DU/AC	206 Units
9	Single Family	9.66 Ac	2.20 DU/AC	26 Units	4.0 DU/AC	39 Units
10	Single Family	3.80 Ac	2.20 DU/AC	10 Units	4.0 DU/AC	16 Units
11	Single Family	11.47 Ac	2.20 DU/AC	31 Units	4.0 DU/AC	46 Units
12	Single Family	3.80 Ac	2.20 DU/AC	10 Units	4.0 DU/AC	16 Units
13	Single Family	8.09 Ac	2.20 DU/AC	22 Units	4.0 DU/AC	40 Units
14	Single Family	3.76 Ac	2.20 DU/AC	11 Units	4.0 DU/AC	16 Units
F.S.R. (Overlaid) Subtotal		50.19 Ac		136 Units		213 Units
Total Residential		94.45 Ac		325 Units		470 Units

NOTES

- 1) ALL OPEN SPACE AREAS AND LOT CONFIGURATIONS INSIDE THE PARCEL BOUNDARIES ARE TO BE DEPICTED AND DESIGNED BY FUTURE PRELIMINARY PLATS. OPEN SPACE AREAS INSIDE INDIVIDUAL PARCEL BOUNDARIES IN RED HAVE NOT BEEN INCLUDED IN THE OVERALL OPEN SPACE CALCULATIONS.
- 2) STREET ALIGNMENTS ARE GENERALIZED.
- 3) NO MORE THAN TWO BEDROOMS SHALL BE ASSUMED PER BUILDING UNIT. BUILDINGS SHALL CONTAIN THREE BEDROOMS. ALL OTHER UNITS SHALL BE ONE- OR TWO-BEDROOM UNITS.



Attachment C

March 3, 2021

Rose Prairie LLC 1360 NW 121st St.
Clive, IA 50325

Attn: Mr. Kelly Diekmann, Director Planning & Housing
City of Ames, Iowa

RE: Rose Prairie

Dear Kelly:

We appreciate the opportunity to work with the City of Ames to bring a family-oriented development to the community.

It has been a pleasure working with you over the last several months, cooperatively, in an effort to move this project forward. As we regroup on Rose Prairie we'd like to propose some changes to the pre-annexation agreement that will make the agreement more current and the project more viable.

1. Hyde Avenue Street Assessment

We would like to propose dividing our parcel one time, approximately in half. Subsequently, we'd like to apply the outstanding balance of the Hyde Avenue roadway assessment to one of the parcels. This will allow us to begin development without requiring immediate repayment of the entire outstanding assessment balance.

2. Water and Sewer Assessments

The current agreement requires the pending assessments for the water and sewer costs to be paid in full either when the first plat is created or by 2023. We are requesting these costs be spread on a per acre basis across all of the 173 acres of the Rose Prairie property, these costs would be paid at the time of platting a parcel. We'd also like to request the deadline to pay all water and sewer assessments be extended to 10 years from the start of development.

3. East-West Sanitary Sewer Line – extension to the west property line

We would like to propose that the Rose Prairie development pay for the sewer extension extending as far as Rose Prairie has a need for it and request the city extend the sewer as far west as desired in an effort to open up future development ground at the time it's needed.

4. Hyde Avenue Pedestrian Trail

The original agreement requires construction within 2 years of the first final plat. We would like to build the section of trail in front of Parcels 8 and 5 in the first phase of development but hold off on building the trail in front of the Sturges property until there is something to connect to. This would connect the county trail to the north to the Ada Haden trail. It is understood that the city's desire is to connect this trail system to the south as soon as possible.

5. East-West Pedestrian Trail

As we have discussed the east/west trail extension it has become clear the city desires a more substantial greenway through this corridor. The challenge has always been the expensive creek crossing. We would propose to dedicate a 20' easement from east to west across the site on the north side of the Sturges property. We propose to build the trail up to the creek crossing and allow the city to design and build the crossing itself. We will build the trail on the east side of the creek as a part of phase 1. Trail on the west side of the creek would come with future phases. We will work with the city to establish construction estimates on the crossing.

6. Flexibility in the Concept

We are requesting the flexibility to layout a different master plan that may show a different street network and lot layout configuration. We are not requesting more density and we still intend to comply with the conservation development concept.

7. Park Land Dedication

The original agreement requires park land to be dedicated no later than 2023. We request this be extended to 2030 to better align with project timing.

Thank you again for your consideration and help moving this project forward. Respectfully submitted:

Casey Schafbuch Development Manager Rose Prairie, LLC

Attachment D-2021 Proposed Conceptual Master Plan and Lot layout

