

Staff Report

ALTERNATIVE SITES FOR INDOOR AQUATIC CENTER

July 26, 2022

BACKGROUND:

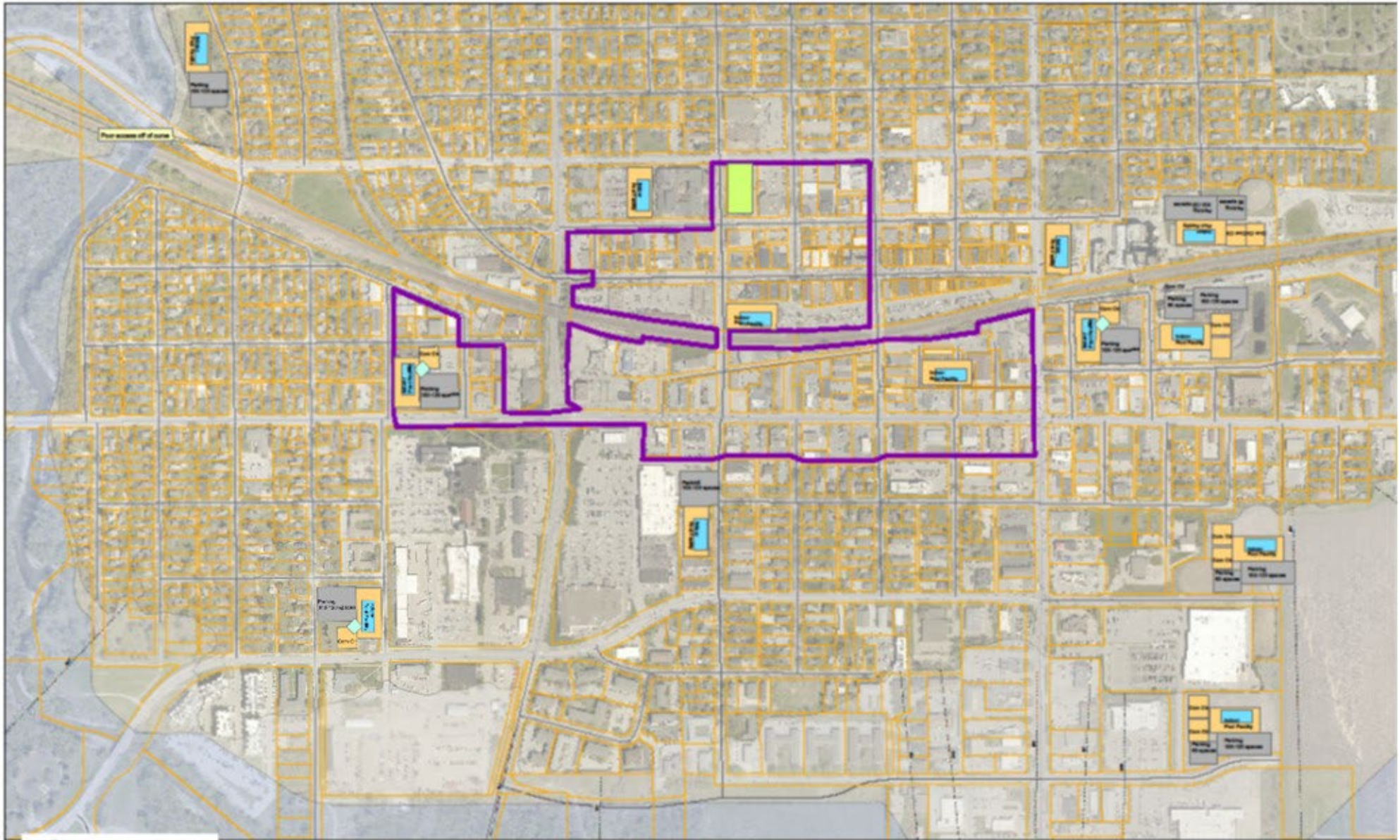
On July 12, 2022, City staff presented the City Council with a report regarding the potential acquisition of property at 122 North Oak Avenue for the construction of the Fitch Family Indoor Aquatic Center (IAC).

The report detailed the environmental contamination documented on the site, potential costs to address the contamination, and the costs to acquire the property from the Iowa Department of Transportation (IDOT), which owns the site. The report explained that the purchase price would be \$2.9 million for the IDOT property, and the City could potentially face up to approximately \$1 million in additional costs for construction alterations and mitigation measures related to the contamination.

At that meeting, the City Council directed staff to explore whether any other alternative sites to construct the IAC exist, either within or in the vicinity of the City's current Downtown Reinvestment District Urban Renewal Area (URA). The boundaries of the URA were established by the City Council on August 24, 2021 (figure 1). The URA is a tool that allows the City to use a variety of powers and authorities to remove slum and blight and support economic development, as defined by Chapter 403 of the Code of Iowa. The current URA comprises approximately 75 acres of land in and near downtown Ames.

The Iowa Reinvestment District Program allows a city to capture new State sales and Hotel/Motel tax revenue generated within an approved district up to an approved amount. Under this program, the City is pre-approved to receive up to \$10 million in State taxes received from new downtown developments, which would be used to help abate some of the debt incurred for the construction of the new indoor aquatic facility. The Reinvestment District Program requires a URA to be established, and the indoor aquatic center must be located within that URA. If the aquatic center were located outside the URA, the URA boundaries could be amended to include it, but the overall area of the URA could not exceed 75 acres.

Figure 2: Potential Aquatic Center Sites in or Near Existing Iowa Reinvestment District Urban Renewal Area



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Downtown Indoor Pool Options

Date: 7/13/2022



1 inch = 500 feet



-Orange Bld footprint is 40k sq. ft. and 140 x280'

-Blue Pool 72x175'

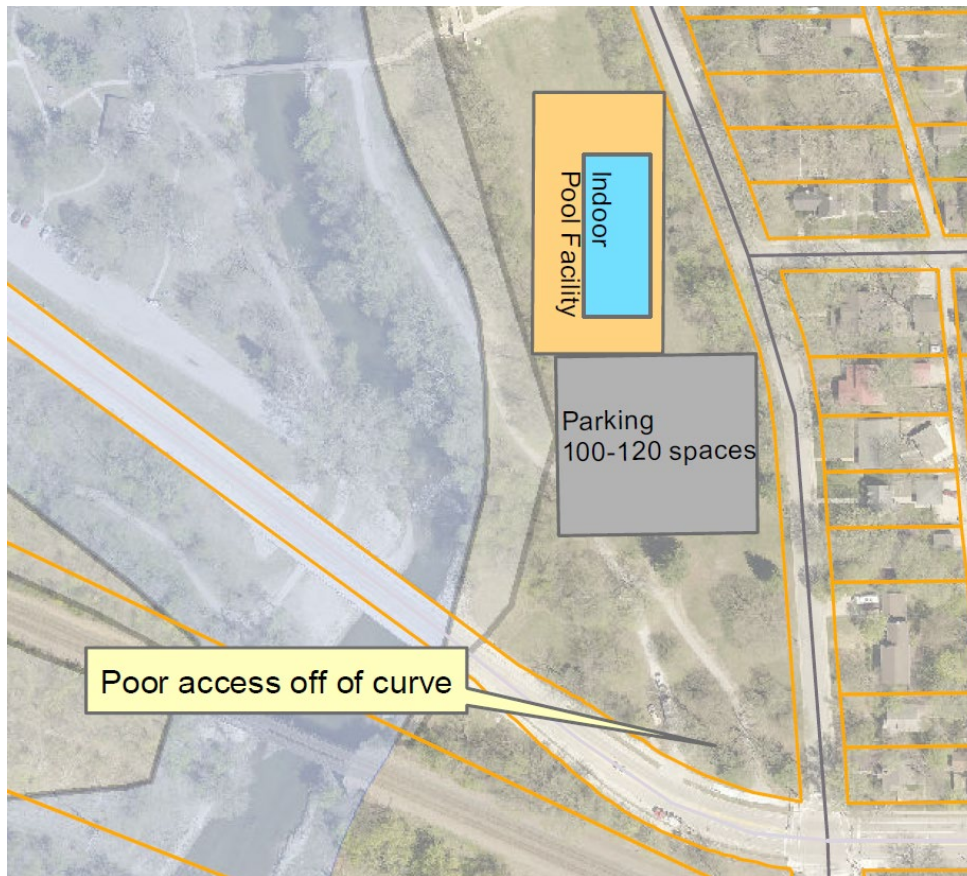
-Com Bld Square 13k sq ft 120x110'

Of these 13 locations, City staff believes only three would be potentially feasible as an alternative to the 2.9-acre site at 122 North Oak Avenue:

2. Brookside Park (east of Ioway Creek, along Brookridge Avenue)
3. O'Neil Park (300 S. Maple Avenue)
4. City Hall (Parking Lot M, west of the building)

These three properties are already under the City's control and would not require a lengthy acquisition process. Properties 7, 11, 12, and 13 are privately owned and would need to be acquired; properties 5 and 6 are City-owned, but are committed to other development projects; properties 8, 9, and 10 are occupied by existing utility infrastructure and may involve environmental mitigation similar or more involved than what would be required at 122 North Oak (property #1 on the list above).

BROOKSIDE PARK OPTION:



Most of the land in Brookside Park is leased to the City from Iowa State University and is in the floodway. However, the City owns the portion of Brookside Park located between Ioway Creek and Brookridge Avenue, which is upslope from the creek. This portion of the property was purchased by the City in 1925. Aerial photography records show no development on the property since it was acquired. The eastern portion of the

property includes a relatively flat open area of approximately 2.3 acres. The pros and cons of this site include:

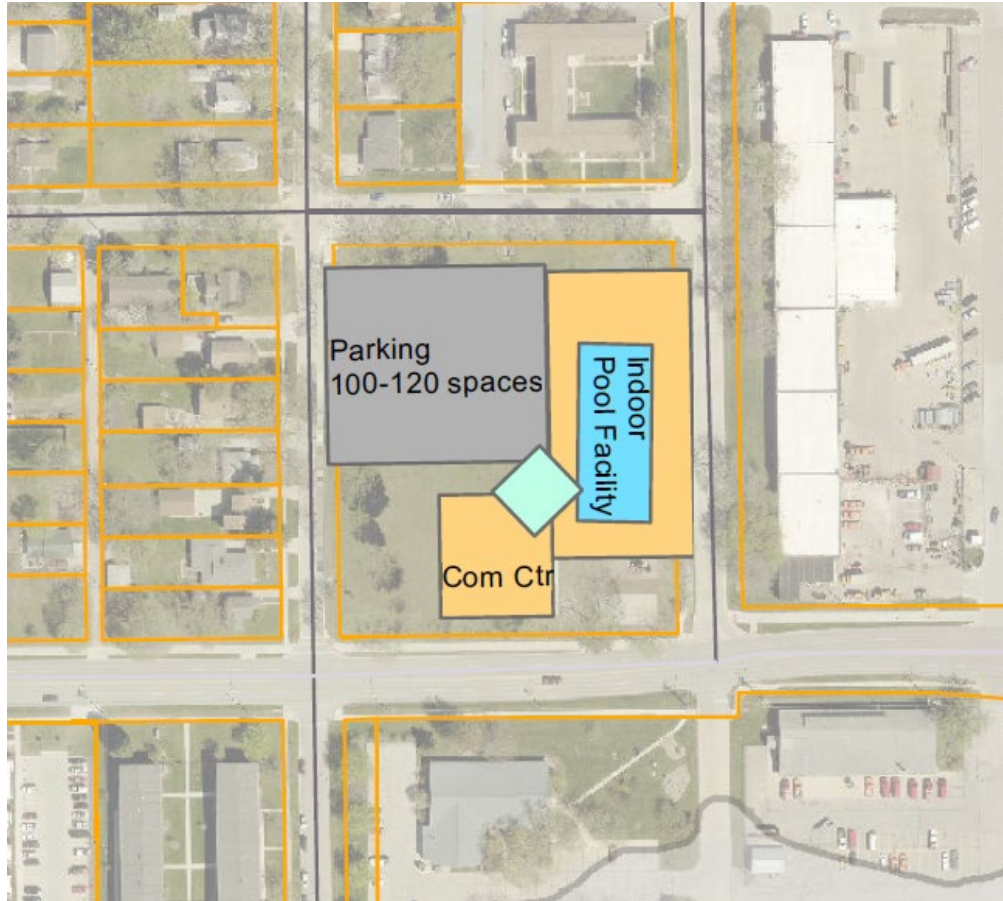
Pros

- Undeveloped land/no demolition required
- CyRide access on 6th Street
- Room for storm water management
- Room for parking
- Adjacent off-street bicycle paths

Cons

- Access only from one street (6th Street); poor visibility at intersection
- Smallest of the three potential sites
- Long, narrow area limits building configuration options
- Adjacent slopes may require additional stabilization or special construction techniques
- Adjacent single-family homes on Brookridge would look directly at building wall/roof
- Loss of green space
- Furthest site from existing Reinvestment District and URA boundaries

O'NEIL PARK OPTION:



The O'Neil Park property is owned by the City. The park consists of approximately 3.1 acres and includes play structures, a basketball pad, and a ballfield. Aerial photography records show no development on the property since it was acquired. The park was conveyed from the O'Neil Dairy Company to the Parks Commission (at the time a separate legal entity from the City) in 1941. The Parks Commission then conveyed the property to the City of Ames in 1975.

Both conveyances included a deed restriction indicating "Said premises at all times to be used as a public park and playground, and if abandoned as to such use, said premises to revert to the grantor herein." It should be noted that Iowa law limits deed restrictions to a period of 21 years, unless notice is filed to renew the restriction. Staff does not have evidence that such a renewal was filed; therefore, the City would be permitted to use the property for other purposes.

It should also be noted that the Iowa Department of Transportation was granted a permanent easement in 1978 to install and operate an underground steam line in the southeastern corner of the property (approximately 55 feet by 27 feet). City staff understands from recent conversations with DOT staff that the steam line has since been abandoned.

A review of DNR records indicate that the DOT property due east of the site has had two instances where leaking underground storage tanks containing gasoline and diesel were discovered. One tank was located just south of the DOT repair building, which is approximately 700 feet east of O'Neil Park. This tank was discovered to be leaking in 1989. Cleanup of the leak was completed in February 2000. The other tanks were These tanks were located east of the repair building, which is 812 feet from the eastern edge of O'Neil Park. The tanks were reported leaking in 1990. Cleanup of this tank occurred in June 1999. No other records could be found by City staff indicating an apparent environmental concern relating to O'Neil Park.

The pros and cons of this site include:

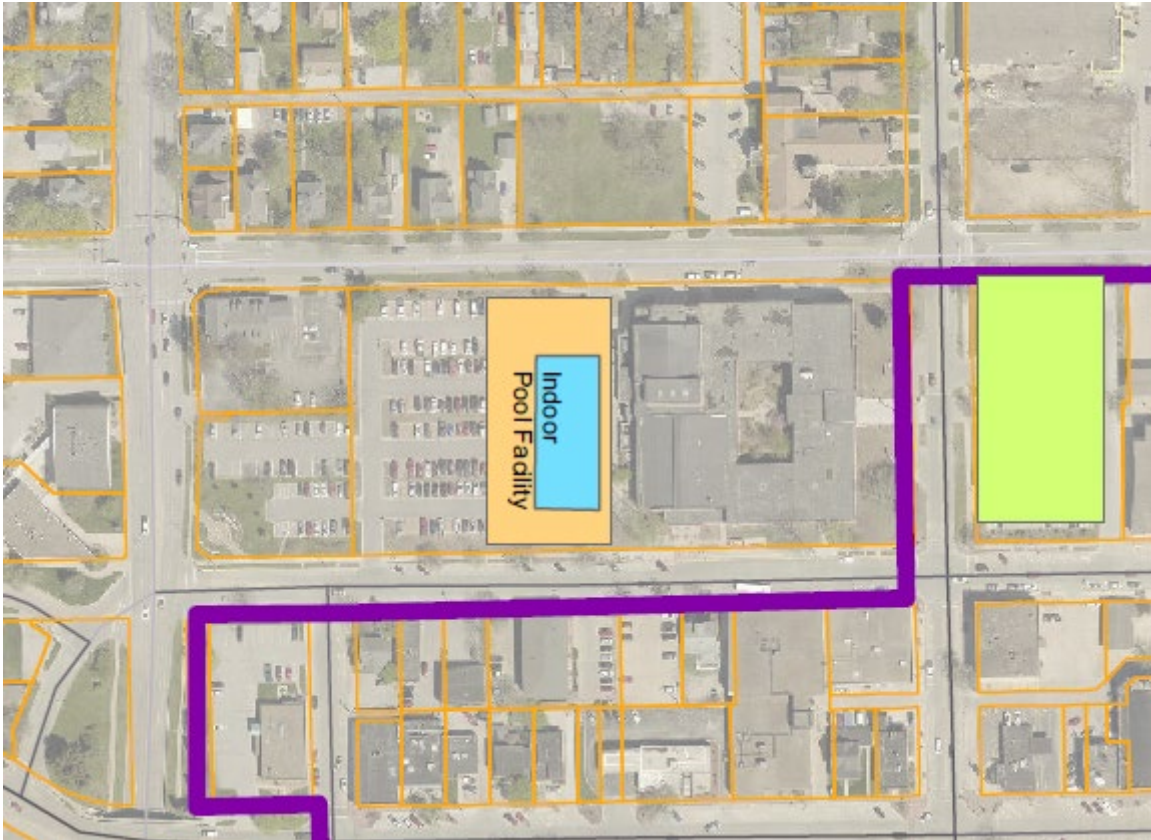
Pros

- Undeveloped land/no demolition required
- Largest of the three potential sites; slightly larger than DOT site and similar configuration
- CyRide access on South 4th Street
- Room for storm water management
- Room for parking
- Access from all four sides
- Adjacent off-street bicycle paths
- In close proximity (three blocks) to existing Reinvestment District and URA boundaries

Cons

- Loss of green space and park features
- Steam line easement would need to be vacated
- Patrons traveling to the site from north or west may add to neighborhood traffic
- Based on initial resident feedback, there is substantial neighborhood opposition to the use of this site

CITY HALL PARKING LOT OPTION:



The City owns the property to the west of City Hall, where Parking Lot M is located. This parking lot serves a combination of public users, City employees, and official City vehicles. City Hall was constructed as Ames High School in the late 1930s; the area that is now the parking lot contained houses until the 1960s, when it was converted to green space. The parking lot is approximately 2.1 acres in size; Lot MM and the Veterans' Memorial contain another 0.75 acres, for a total of approximately 2.85 acres.

The property was purchased from the Ames Community School District in 1988. The groundwater hazard statement produced when the property was acquired indicates no wells, tanks, hazardous materials, or other groundwater issues on the property.

The parking lot was reconstructed in 2016, and currently contains 191 parking spaces. Additional spaces are located in Lot MM, to the west, and in the new Lot N, to the north. Construction of the Aquatic Center would require removal of at least 125-150 parking spaces. The loss of these spaces may necessitate construction of structured parking over the remaining spaces to replace the lost parking.

It should also be noted that the 2016 parking lot reconstruction was funding partly with a \$100,000 Water Quality Grant from the Iowa Department of Agriculture and \$373,125 in DNR Revolving Loan funds. Further research would need to be conducted to determine

whether these funding sources limit the City's ability to remove the improvements without repayment penalties.

The pros and cons of this site include:

Pros

- Closest site to the existing Reinvestment District and URA boundaries
- Access from north and south
- CyRide access on 5th Street
- Connection to existing recreation facilities and resources at City Hall

Cons

- Only alternative site that requires demolition
- Replacement of lost parking and lost stormwater capacity required – structured parking costs between \$30,000 to \$40,000 per space; replacing the spaces lost to the facility plus the additional spaces needed to serve the aquatic center customers (approximately 300 total) would be approximately \$9 million to \$12 million.
- Potential to require repayment of grant and revolving loan funds used to construct the existing parking lot/storm water (\$475,000)
- Disruption to City Hall, Auditorium, and Community Center users and employees during construction
- Possible need to acquire credit union property and relocate the Veterans' Memorial
- No adjacent off-street bicycle paths

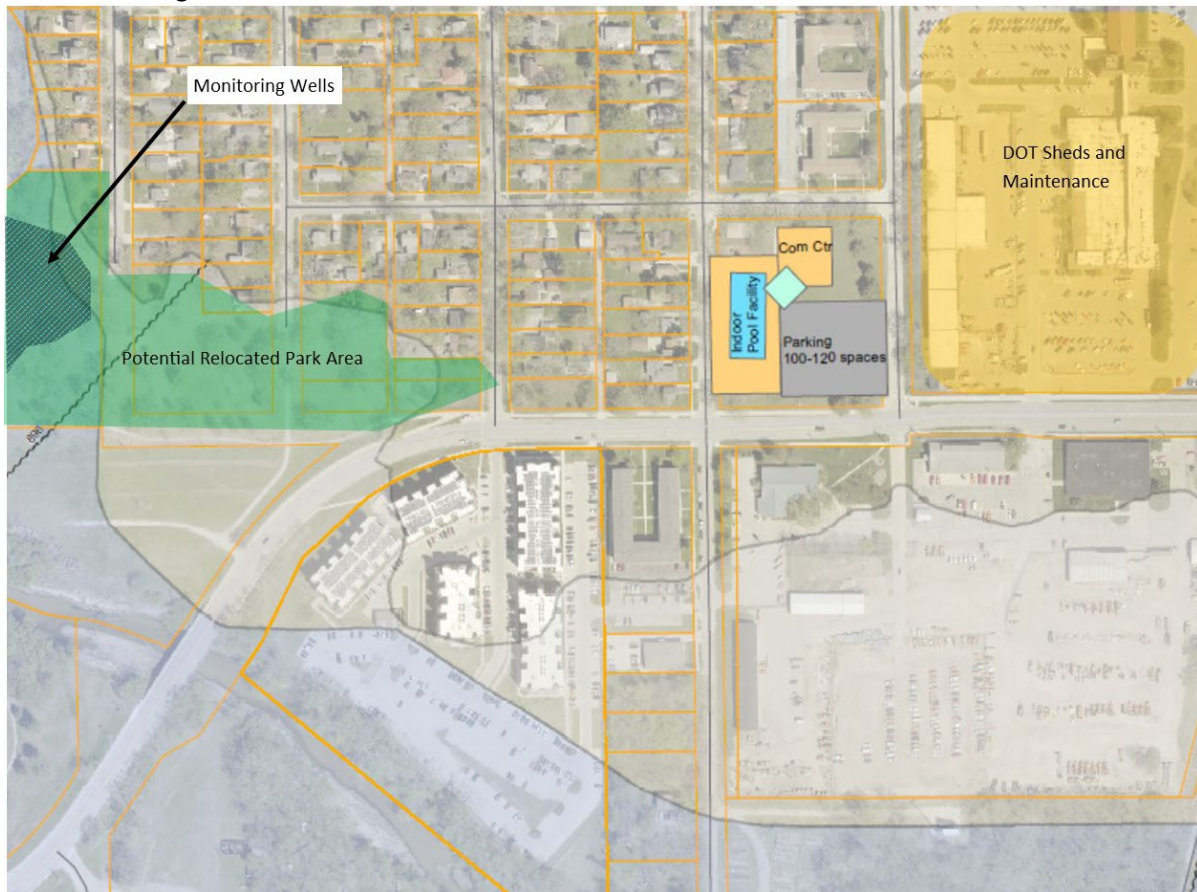
STAFF COMMENTS:

Of the three potential sites for an indoor aquatic center, O'Neil Park appears to be the most feasible site to construct the facility in a cost-effective manner. A key challenge with the O'Neil Park site is the loss of the park for the neighborhood.

To mitigate the loss of the current O'Neil Park green space for the community, staff believes relocating O'Neil Park to the flood buyout area 2-3 blocks to the west could be investigated (Figure 3). This area, on the east bank of Ioway Creek and across from Stuart Smith Park, was populated by several homes until the flood of 1993. In 1994, the

City bought out most of the flood-prone properties in this area using federal funds. At least one other home was purchased by the City as a flood buy-out in 2007.

Figure 3: Current O'Neil Park Site and Potential Relocation Area



This area totals approximately six acres. It contains a mix of open space and trees, and currently hosts a mini shelter and a seating area overlooking the creek in the northwest corner. There are several monitoring wells in the area south and west of Riverside Drive, which are part of the ISU Field Hydrology Station. These wells are used to study the relationship between loway Creek and the groundwater in that area and have historically been used for teaching purposes.

Typically, a new park would include improvements such as parking, shelter structure(s), playground amenities, electricity and water, and other features. The Parks and Recreation Department's approach to determining the specific amenities in a new park involves discussions with neighbors to identify the features and locations that will best serve their desires. A budget-level estimated cost to develop a park is \$500,000.

However, because this area was purchased using federal flood buy-out funds, restrictions were agreed to between the City and the federal government regarding what could be placed on these properties in the future. Staff is aware that within these restrictions there exist allowable uses (e.g., outdoor recreation, unimproved parking),

and uses that are generally not allowed without approval (e.g., walled buildings, paved roads or parking).

It appears that open structures (such as a park shelter) may be allowed. However, any potential improvements to this area would need to obtain advance approval from FEMA to ensure compliance. In addition, there may be portions of the area (such as the original road right-of-way), that were not purchased using federal funds. More research needs to be done to determine whether the entire area is subject to the same restrictions.

NEIGHBORHOOD FEEDBACK:

City staff held a virtual neighborhood meeting on July 18. Following a presentation from City staff regarding the status of the DOT site and the direction from City Council to explore alternatives, comments were received from two dozen residents. Additional feedback has been received via email. A summary of the meeting feedback and copies of correspondence received have been attached to this report (Attachments 1 and 2, respectively).

The response from neighbors of O'Neil Park is overwhelming opposition to the siting of the aquatic facility on the existing park site. The following is a list of the major themes of the feedback:

1. Building on the current site of O'Neil Park will exchange green space for more impervious surfaces in the area, which is contrary to the City's sustainability goals. In contrast, the DOT site is already developed with impervious surface, so developing a pool there would not diminish the absorption of storm water and carbon.
2. O'Neil Park is used extensively, not only by adjacent residents, but by people throughout the community for a variety of recreation purposes.
3. The current O'Neil Park site provides open sight lines for police and others to observe activity, whereas the proposed relocated park site is wooded and presents safety concerns.
4. The proposed relocated park site is located in the floodway and becomes unusable and contaminated with silt when flooded, which happens quite frequently.
5. Some residents believe that the Oak-to-Riverside Neighborhood has been negatively impacted by many recent and proposed changes, including the construction of the Stadium View Suites apartments and the Lincoln Way Corridor Plan, and the elimination of this park is another threat to the stability of the neighborhood.

6. The residential streets to the north of the site will be affected by more traffic from aquatic center patrons.
7. If a replacement park is built to the west, the location is further away for the majority of the residents in the neighborhood.
8. Because some neighbors live in nearby apartments, the park space is their only open, green area to recreate. The indoor aquatic center would remove some of the available green space available for their use.
9. Several “better” sites were identified by neighbors as alternatives to the DOT site or O’Neil Park.
10. Property values will decrease by replacing a neighborhood park with the aquatic center.
11. The removal of the park from a low-income neighborhood is contrary to the Council’s goal of ensuring equitable treatment for all segments of our population.
12. Developing O’Neil Park into an aquatics facility is contrary to the wishes of the O’Neil family when the property was gifted to the City for a park.

OPTIONS:

The City Council must determine whether any of the three identified alternative sites is suitable to pursue, or if the Council wishes to commit to the IDOT site at 122 North Oak Avenue and develop plans to address the contamination.

Time is of the essence—a new location must be explored to ensure it can be included in the Iowa Reinvestment District boundaries, and to take the steps necessary to designate the area as an Urban Renewal Area for the purpose of authorizing the bond financing, which staff hopes to complete in September.

An extensive delay in making a final site decision is likely to result in higher construction costs, and missing key design and construction windows, which will delay the opening of the facility.

OPTION 1:

If the Council does not wish to pursue a different site and prefers instead to proceed with the acquisition of the 122 N. Oak Avenue (IDOT) site, the Council could choose from two potential paths to do so.

- a. Direct staff to prepare for an Offer to Buy equal to the appraised value of \$2.9 million and proceed with the purchase agreement as soon as possible (note – actual payment would not take place until the City takes possession in October).

- OR -

- b. Request that IDOT obtain a new appraisal for the 122 N. Oak Avenue site which would consider the existence of the environmental contamination.

The Council should be aware that **Option 1b could reduce the purchase price, but it also comes with considerable risk.** Although a new appraisal would potentially reduce the value of the property in light of the contamination, there is no guarantee that the reduction will completely offset the City's costs to mitigate it. In addition, the value of comparable properties may have increased in the time since the original appraisal was conducted in October 2021. These increases may offset some or all of any deduction granted due to the contamination. In the event a new appraisal is obtained and it is higher than the original \$2.9 million appraisal, staff does not believe it is likely that the property could be obtained for less than the new appraisal amount.

OPTION 2:

If the City Council wishes to pursue the O'Neil Park site, direction must be provided to City staff to do the following:

1. Further explore the desired site by authorizing staff to conduct preliminary geotechnical and environmental studies.
2. Consult with RDG regarding modifications to the conceptual designs to fit the site.
3. Consult with FEMA regarding park improvements that would be allowed or not allowed on the flood buy-out area.
4. Return to the City Council to amend the City's Iowa Reinvestment District Program application and Urban Renewal Area to incorporate the new site.

OPTION 3:

If the Council wishes to pursue any of the other alternatives to 122 N. Oak Avenue, the Council would need to identify the desired site for staff, and then similar steps would be required to those described in Option 2 above (with the exception of consulting with FEMA).