

ITEM #: 21
DATE: 08-22-23
DEPT: P&H

Staff Report

**DOWNTOWN STAKEHOLDER DEVELOPMENT AND REDEVELOPMENT
OUTREACH**

August 22, 2023

BACKGROUND:

City Council discussed an initial referral request from Ames Economic Development (AEDC) staff regarding tax abatement incentives in November of 2022 and provided direction to staff on proposed options and public outreach. In response to this initial direction, staff provided a staff report in January of 2023 summarizing the public input from an online survey and in person meetings. The report also presented options on how to proceed with changes related to property tax abatement.

City Council tabled the January report and later in May 2023 directed staff to conduct additional public outreach targeted to Downtown business and property owners. In combination with Downtown Ames and AEDC staff. Two public outreach meetings were held in June 2023 concerning broader development and redevelopment issues for Downtown, approximately 20 total business and/or property owners attended. This report addresses the original City Council referral and includes the new June 2023 Downtown stakeholder input. All public input is included as attachments to this report. Additionally, Attachment G includes preferred initiatives identified by the Ames Chamber to respond to comments.

NOVEMBER 2022 - ORIGINAL REFERRAL:

On August 12, 2022, City Council received a request from Dylan Kline of the Ames Economic Development Commission (AEDC) to consider two changes to the current Downtown URA (Attachment A). One requested change was to allow for a partial property tax abatement schedule of 3, 5, or 10 years compared to the current 3-year allowance. The second request was to allow for additional projects to qualify for abatement by changing the eligibility criteria. The letter describes an interest in supporting investment Downtown regardless of whether front façades of a building are part of the improvements to a building.

The City Council has a number of programs and policies in place for development and redevelopment Downtown. The two most significant are the Façade Program matching grants and an Urban Revitalization Area (URA) for the Downtown area with tax abatement on new improvements. This URA was established in 2001 to promote façade rehabilitation for the buildings in this district. Financial assistance and tax incentives are

available for rehabilitation projects that meet specific criteria related to building facades and uses (Attachment B). The tax abatement program is designed to complement the current Downtown Façade Program with its design guidelines for exterior improvements. Improving the visual image and building quality of Downtown through exterior renovations is the primary goal of the programs.

In response to Mr. Kline's request, [a staff report was presented to Council on November 8, 2022](#). The initial report described the history of the program and presented four options for changes to the incentive policies regarding downtown.

City Council discussed the priorities of the programs and different concepts related to the November options. The discussion focused on whether incentives would inadvertently promote demolition of historic buildings, what are the priorities for investment downtown in physical improvements, and what are priorities for specific uses that warrant changes to the current incentive programs. **City Council approved two motions in November 2022 directing staff and to complete public outreach on these options:**

1. Motion 1: To amend the program to offer abatement for schedules of 3, 5, and 10 years, 3-yr 100% and 5-yr and 10-yr as sliding scales.
2. Motion 2:
 - a. To have staff explore Option Three (Allow for abatement for pre-existing Compliant Historic Façade in addition to a newly Improved Historic Façade) with the definition of a compliant historic façade and the addition of not allowing projects that involve demolition; and
 - b. To do outreach on Option Four (Allow for abatement regardless of façade status and tied to targeted uses) to gauge the interest of downtown stakeholders in identifying targeted options.

Per City Council's direction, staff prepared an online survey available to the public and downtown stakeholders. A stakeholder meeting was held on January 18th. Staff provided written notice to property owners of the meeting and the online survey. Staff also posted a link to the survey through City social media accounts. Attachment C includes a comparison of community member with downtown stakeholder responses. Attachment D consists of written response to an opened question about Downtown priorities.

Online Survey

An online survey included a short introduction explaining the current priorities for incentive improvements downtown. One hundred forty-eight (148) responses were received by Friday, the 20th. The following is a summary of the survey and responses.

Question 1: Please help us to identify you by checking all that apply:

- 13 Downtown Business Owners
- 5 Downtown Property Owners
- 21 Downtown Residents
- 18 Downtown Employees
- 111 Community Members

Question 2: Should URA incentives be given for rehabilitations/renovations that do not involve exterior improvements to a building. Please check all that apply.

- 63 responses (41%): Yes – We should broadly support all improvements and uses
- 42 responses (27%): Yes – But only for specific priority uses
- 28 responses (18%): Yes – For any use if the building already has an updated façade or storefront
- 15 responses (9%): No – Improving the appearance of the buildings is very important (current program)

Question 3: If we allow incentives without exterior improvements, what uses should be a priority? For each of these, please rank from 1 to 3:

- 1 being the greatest priority
- 2 being neutral
- 3 being the least priority

Each project type can be ranked 1, 2, or 3.

	Top Priority	Neutral	Least Priority
Restaurants	86 (62%)	39	13
Clubs/Bars	21	49	50
Entertainment*	76 (58%)	41	14
Office**	16	36	65
Personal Service***	21	64	33
Retail/Boutiques	67 (51%)	40	24
Residential (upper floors)	41	42	41

- *Entertainment includes uses such as brewery/distillery, dinner theater/performance venue, and gaming venue.
- **Office includes professional office, co-work or co-op office, and financial services.
- ***Personal services include dry cleaners, beauty parlors, etc. These uses are not found under office.

Question 4: Do you believe that tax abatement incentives should be given for projects that involve demolition of an existing historic building for redevelopment of a site?

- 92 Responses (60%): No - Incentives should only apply to rehabilitation projects and not demolition
- 42 Responses (27%): Yes - If the redevelopment meets the City's design guidelines and has a priority use
- 19 Responses (13%): Yes - Redevelopment of all types enhances Downtown

Question 5: What are your priorities for private investment in Downtown Ames?

(A sampling of representative answers, all responses included in Attachment D:)

- More restaurants will foster even more restaurants. Ames needs much better food options!
- Maintaining historical integrity while enhancing the vibrancy of downtown.
- Locally owned shops & boutiques. I like to spend my money locally and on Main St.
- Ames should have a dedicated live music venue downtown, a place with a dedicated stage and sound system that hosts live music several times a week.

Restaurants and dining were the most common comments.

Outreach Meetings January 2023

Staff held two stakeholder meetings, one in the morning and one in the afternoon, on January 18, 2023 in a meeting room at the Library.

Morning:

The three attendees were interested in:

- Seeing incentives given for redevelopment not tied to obtaining a façade grant.
- Seeing tax incentives given for more residences, restaurants, and entertainment uses (excluding bars).
- Seeing buildings preserved (generally).

Afternoon:

The seven attendees, mostly business owners and property owners, were interested in:

- Seeing incentives given for redevelopment not tied to obtaining a façade grant.
- Seeing incentives given for all uses.
- Seeing incentives given even if a building was demolished.

The afternoon attendees were also very interested in seeing public funds, outside of tax abatement, given for maintenance of older, private structures. The maintenance discussed included stabilization of masonry walls, replacement of plumbing, and replacement of electrical systems. Staff explained that the current discussion regarding the URA does not relate to creating a new business support grant program. Attendees

expressed significant interest in having additional conversations about creating such a program.

Historic Resources

City Council asked staff to provide information for a definition of what would be considered a historic building where its demolition would make the project ineligible for tax incentives.

The Ames Main Street Historic District was added to the National Register of Historic Places in 2018. The District is a subset of area within the Downtown URA (see Attachments B and E). In the Main Street Historic District, many of the buildings were constructed in the 19th century. Starting in the early part of the 20th century, the original Victorian façades of the buildings were replaced with simple, unadorned, utilitarian façades that are still seen today. New buildings were also constructed in the same architectural style. The period of significance for identifying contributing resources is from 1891 to 1967. The contributing properties are included within the map shown as Attachment E **This means for part of the Downtown URA eligibility criteria, Council could specify contributing resources to the District that are demolished are ineligible to take advantage of a tax abatement incentive for redevelopment.**

A broader option would be to apply criteria related to whether a building has a “compliant historic façade” as described by the Downtown Façade Grant program. This option would apply to all properties in the URA and focus on essentially buildings with a “Main Street style storefront” at street level. These guidelines were originally based upon the style of buildings from the period of significance related to the Main Street Historic District. **This approach would not include more modern architectural examples that do not meet the historic façade guidelines and apply through the URA area, not just the Historic District.**

City Council could also establish an initial year built as the threshold without regard for whether it is a contributing resource to the Historic District or whether it currently has a compliant historic façade. If this option was selected City Council could focus on structures from the earlier timeframe of period of significance. **This would then apply throughout the URA, not just within the historic district.**

Although the Historic District does not include all the URA area, staff believes that the simplest way to identify a historic resource is to use the map of contributing resources to the Historic District. While not all these façades are compliant with the adopted design guidelines, this method of stating which structures are historic involves no subjectivity and will be the simplest to administer.

JUNE 2023 STAKEHOLDER INPUT:

As requested by City Council in May 2023, two public meetings with Downtown stakeholders at the Ames Chamber of Commerce building were held on June 12 and 13th. Notice was provided directly by City staff via mail and by Ames Chamber staff. **A**

total of twenty people attended both meetings representing building owners, business owners, and developers. The meetings were opened-ended and were intended to take any feedback related to development or redevelopment issues. Staff did not ask any specific questions, though prompts were given, and staff did facilitate the discussion. The comments were mostly interests expressed by individuals. Reaching a consensus or prioritizing any specific issue was not part of the outreach meetings.

Although the meetings did not have high attendance, there was a wide array of individual comments made. **Ames Chamber staff have provided a bulleted list of the comments is included as Attachment F.**

After review of the individual comments, staff believes that the following categories are a useful grouping of the comments in order to review specific issues.

- Downtown Uses/Business Types
- Downtown Façade Grant Program
- Tax Abatement Incentive
- Permitting (Zoning, Building, Fire, ADA, etc.)
- Other or New Incentive Programs
- General Downtown Planning

The following is a summary of each topic, including current context, summary of stakeholder comments, and staff comments regarding the input and issue.

Downtown Uses/Business Types

Current Conditions:

Current Downtown zoning allows for all types of commercial uses and residential units in the rear of buildings or on upper floors (residential units at the front of buildings in DSC are not permitted). On-site parking requirements for smaller apartments were recently eliminated for buildings with 18 units or fewer for units with two bedrooms or fewer.

Stakeholder Summary

The attendees:

- Support adding residential units in Downtown,
- Want to see smaller ground floor retail spaces, and
- Want more entertainment and restaurant uses.

Staff Comments:

Current zoning does not appear to constrain the types of uses desired for Downtown. The current Downtown zoning district, Downtown Service Center (DSC) allows for residential units. The on-site parking requirement was modified several years ago so that buildings with 18 units or fewer do not need on-site parking if those units have two bedrooms or

fewer. Some of the comments were directed at leasing activities of landlords that are not within City control.

Other potential constraints related to uses are discussed below in regards to incentives and permitting.

Downtown Façade Grants:

Current Conditions:

- The program is for street-facing façades and is a 50/50 matching grant. The proposed design must comply with the adopted guidelines, which are centered on historic commercial designs (recessed entries, transom windows, plate glass windows above kickplates, etc.).
- The program was recently modified to allow for buildings that are contributing resources to the National Register Historic District to be able to rehabilitate features rather than replace them. Windows original to the façade, including prism glass transoms, are now eligible to receive funding.
- The annual funding for the program was increased this fiscal year from \$50,000 to \$75,000.
- The amount of an individual matching grant was also increased from \$15,000 to \$25,000.

Stakeholder Summary

The attendees:

- Feel that the grant amount should be increased,
- Do not like the design requirements, which are based on the period of significance for Downtown, want to pursue individual styles or modern materials.
- Feel that the eligibility rules are too restrictive related to improving the facade. There is a desire to see money given for maintenance instead.

Staff Comments:

The Downtown Façade Grant was designed to improve facades where alterations had been made over the decades such as filling in windows or installing façades in a later architectural style. The historic architecture of Downtown is one defining element of its character and appeal to the community and the program supports its character.

*A total of 56 grants have been awarded with 52 implemented. A number of those awards included multiple façades, such as corner buildings or projects where the adjacent buildings were constructed separately. **Staff believes the meeting attendees were unaware of City Council's recent increases in total and individual grant funding. Specific dollar amounts were not discussed at the meetings.***

Two Façade Grant themes emerged at the two meetings: 1) that the façade maintenance or replacement of existing features in-kind should be eligible whether or not a project is removing non-compliant features and 2) some individuals has an interest to change the design guidelines to support different aesthetic treatments rather than the historic façade design guidelines.

Adjusting in response to these themes would result in a significant change to the current program goals and how the program is structured.

Tax Abatement Incentives:

Current Conditions:

The current program allows abatement for 3 years and 100% abatement of new value, the base value is retained. Assessed value must increase by a minimum of 5%. To be eligible for tax abatement Downtown, the current program requires a building to make exterior improvements consistent with the Downtown Façade design guidelines. Eligible uses are restricted to retail, restaurant, entertainment, or existing uses. New Office or residential uses are not eligible.

As part of the November direction, City Council has directed staff to modify the abatement schedule to the 3-yr, 5-yr, 10-yr options used for other URAs within the City.

Stakeholder Summary

The attendees:

- Desire to expand options for more abatement, thereby creating an incentive for more investment,
- Do not want abatement eligibility tied only to receiving a façade grant, and
- Want to include rehabilitation and remodeling of the interior of buildings or adding fire sprinklers as improvements eligible for abatement.

Staff Comments:

In January 2023, the City Council discussed two options about expanding eligibility for specific uses and whether to continue to require eligibility in relation to buildings having an historic façade. Final direction is still needed from Council. New eligibility criteria can be crafted to address specific uses and/or required design features.

It should be noted that interior work, remodeling, maintenance, fire sprinklers may not result in an increase in value and this program may not be financial incentive. Typically, improving new space or investing in a change of use creates additional value that benefits from tax abatement for the increased value. The base value and its property taxes are not abated.

Permitting:

Current Conditions:

- Most of Downtown has DSC zoning, which allows for a wide range of uses.
- New construction or additions must:
 - o Be at least two stories.
 - o Have a floor-area-ratio (FAR) of 1.00 (meaning that the square footage of the building must equal or exceed the square footage of the lot)
- Nonconforming 1-story buildings have options for rehabilitation/remodeling, but additions without full compliance to standards are not permitted

- There are no zoning standards for materials or design features in DSC, unlike in Campustown that have window, brick, and other standards
- Building, Fire, and ADA codes apply to all buildings.
 - o The State of Iowa requires all jurisdictions to adopt some form of building and trade codes. In the case of the Energy, Plumbing, Mechanical and Electrical Codes, the State requires jurisdictions to adopt the same Code as the State and does not allow for amendments that would make the Code less restrictive. The State does not require specific versions of the Fire or Building Codes to be adopted so long as the adopted Codes are no less restrictive than those adopted by the State. The City of Ames has historically followed the same Code cycle as the State because it provides consistency for customers that work in multiple jurisdictions. The City uses the 2015 codes.
 - o Chapter 11 of the International Building Code (adopted as the State Building Code with amendments) regulates accessibility by determining which areas of construction should be made accessible. The same chapter references the ICC A117.1, a publication by the International Code Council that sets a standard for accessibility for specific portions or elements of a structure. This is a nationally recognized standard that aligns very closely with the ADA and Fair Housing Standards of which the Federal Government is responsible for administering, the City does not directly administer these standards.
 - o Building permits can be issued as new construction under the International Building Code (2015) **OR** permits issued under the Existing Building Code. Existing Building Code is a project-by-project assessment by a licensed architect to determine how best to meet code requirements for proposed changes while considering existing conditions.
 - o The Building Official can consider project-based code modifications or a decision on standards or permits can be appeal to the City's Building Code Board of Appeals.

Stakeholder Summary

The attendees:

- Like the historic charm of Downtown but would also like flexibility for the design for their buildings,
- Would like to see different thresholds or triggers for making improvements when remodeling buildings that require other upgrades,
- Feel that Building and Fire codes are the most common impediments to redeveloping buildings – specific issues mentioned at the meetings included egress windows, stair design (old buildings have staircases with noncompliant

rises and runs), the installation of fire sprinklers, and accessibility requirements of the Americans with Disabilities Act (ADA),

- Find the installation of fire sprinklers burdensome and question need,
- Perceive that Inspections staff is inconsistent and do not apply the codes uniformly,
- Are frustrated when a code compliance issue is identified at the end of the process rather than the beginning,
- Are concerned about the length of time that it takes to final a permit, which causes delays and increases costs,
- Would like more flexibility and feel that each project is unique and would like to see a process for waivers and exceptions to address unique issues,
- Would like to see Zoning and Building code flexibility in the Downtown (perhaps a special process for exceptions within DSC),
- Feel that installing a grease trap and ventilation systems for kitchens is very expensive for small uses,
- Would like to see more a more customer supportive attitude about getting permits issued and completed,

Staff Comments:

The remodeling of existing buildings is more complicated than most new construction and bringing old buildings up to current standards can be challenging. For the most part, old buildings are allowed to remain in their pre-existing condition. Remodeling or changing uses can trigger conformance with contemporary standards.

Most of the Building, Fire, and ADA requirements are not local or discretionary, the City cannot be less restrictive than minimum established by the State. This is in contrast to Zoning ordinance, which is almost completely discretionary. Simultaneously balancing the need for consistency and the desire for flexibility is challenging. Staff senses from the comments that there is a gap in understanding expectations for plans, permits, and final inspections between contractors and property owners on one side and City staff on the other side.

The Council can choose to change almost any zoning standard. Recently, Council considered the minimum floor-area-ratio in DSC and choose to retain it. A means for administrative relief or exceptions could be added to the Zoning Ordinance. The City also has flexibility in setting the requirements for its Urban Renewal Areas. If the Council chooses to amend the Downtown Façade Grant Program and URA, it may be appropriate to add material and window requirements to DSC to ensure the aesthetic of Main Street is preserved.

Inspections does have some relief in the form of code modifications for individual projects. Many of the requirements in the building codes are performance based and are not prescriptive. For instance, a fire safety requirement might be met by installing sprinklers or by installing fire separation along paths of egress. An architect would assess the code issue and propose how to comply with the code.

The Building and Fire Code are the same as used in cities throughout Iowa with historic downtown buildings, such as Cedar Falls, Dubuque, etc.

It may be beneficial to gain a greater understanding of the design options available and to have an educational session with designers, owners, and architects. City staff can also address specific zoning or building standards and options that are identified by City Council as a follow up to this report.

Other or New Incentive Programs:

Current Conditions:

Currently, property owners can individually seek out and apply for state and federal incentives through historic tax credits and through the Iowa Economic Development Agency (IEDA) Main Street program grants. Some individual business owners have taken advantage of these programs.

Stakeholder Summary.

The attendees:

- Would like to have financial support for internal and external maintenance through City grants or loans,
- Would like to have public resources that would support changes in building use, such as for sprinklers, grease traps, and ventilation and hoods for restaurants,
- Would like financial support for reinvestment in and maintenance of old buildings to forestall the structures becoming unstable.

Staff Comments:

These ideas are considered separately from the Downtown Façade Grant Program as they are outside of its current scope. These suggestions could be part of a separate program or incorporated into a revised Downtown Façade Grant Program. In many instances, the investment pertains to the interior of the structure and not to the façade.

Providing City funding for building maintenance will prove challenging because it would require creating a definition about what types of maintenance is appropriate as sustaining a historic buildings integrity and sustainability versus regular property owner maintenance obligations.

Funding has not been identified for these program suggestions. If additional City funds are used for incentives, the Council will have to decide how much, from what source this money will come, and to which areas of the city will these incentives be offered (for example Campustown) these incentives. In addition, the City Council could consider whether a SSMID (Self-Sustaining Municipal Improvement District – which would need the approval of the property owners within a new district) should be expected as a match for the City funding?

Downtown Planning:

Current Conditions:

- *Ames Plan 2040* was adopted in December of 2021. Priorities for redevelopment and investment were identified for Downtown and surrounding areas. Goals include maintaining the historic Downtown appearance while allowing for infill and intensification.
- The Lincoln Way Corridor Plan and the Downtown Gateway Focus Area serve to support Main Street and the rest of Downtown.
- Other redirection and redevelopment areas nearby are:
 - o Northwestern and 6th Street
 - o South of Lincoln Way from 2nd to 4th Streets
 - o The new indoor aquatics center with a Lincoln Corridor Focus Area designation for the area
- There are long-term goals to evaluate the Power Plant and the Resource Recovery Center to the east of Downtown, but they are planned to remain beyond the foreseeable future. These are part of the larger conversation within the Climate Action Plan.
- Steven L Schainker Plaza is part of the City's efforts to invest in a Downtown gathering space and to create a year-round attraction.
- The City has invested in redoing the pavers and streetscapes Downtown. These capitol improvements occurred over the past 20 years.

Stakeholder Summary.

The attendees:

- Would like to see Downtown maintained as an attractive destination for the community,
- Expand planning for areas adjacent to Downtown,
- Support commercial entertainment and retail uses as a priority,
- Feel that significant historic buildings should be kept,
- Want to see the creation of "centers of gravity" in the Downtown. Some ideas that were expressed included:
 - o Closing City streets for pedestrian malls permanently or on an as-needed basis
 - o Creating more outdoor gathering space for dining
 - o Creating space for hosting Downtown festivals

Staff Comments:

Overall City Policy for development and investment is defined in Ames Plan 2040. Once the Steven L Schainker Plaza is completed, additional opportunities for outdoor space and activities should be reviewed. Tom Evans Plaza and connections to The Linc development will likely be a priority over the next several years.

Compiling a summary of City policies and plans for the Downtown and the surrounding area would help with clarity on planning for future investments and marketing of the area. Individual planning efforts and projects are subject to the annual work plan prioritization by City Council.

STAFF COMMENTS:

To address the original referral regarding property tax abatement incentives, staff believes the public input generally supports creating a second pathway for gaining tax abatement in Downtown. The survey results from January indicated community and downtown stakeholder support and for specific types of uses downtown. **Staff believes that a pathway related to new improvements for properties that renovate/rehabilitate existing buildings into priority uses would be beneficial. Staff proposes that the priorities be limited to restaurants, entertainment, retail, and residential when the building has an historic façade or would be improved consistent with the Façade guidelines. This would exclude office use and personal services from eligibility. While supported by Staff, the City Council still needs to provide direction on whether to change the criteria related exterior improvements to then be included with amendments related to the 3-yr, 5-yr, 10-yr schedule changes.**

Although public input was split regarding incentives where demolition would occur, staff supports making ineligible those projects that demolish any building listed as a contributing resource to the National Register of Historic Places Downtown Ames District. This policy would be consistent with the general character of Main Street and policies of Ames Plan 2040 for considering community character and context balanced with infill interests.

The additional issues and comments identified through stakeholder engagement require consideration by City Council and for Council to identify any specific priorities for direction to staff. City Chamber staff identified multiple initiatives within Attachment G to address comments of stakeholders. **Staff believes the most immediate need is to address the questions and issues related to building, fire, and ADA related codes. Working through examples with building owners, contractors, and design professionals could be beneficial for existing buildings.**

There were a number of comments regarding changes to the façade program or use of City grants for maintenance. To address these issues, staff would need to have some definition from Council on the scope and intent of changes and what type of funding may be attached to any program changes. Staff would then develop options to make changes and return for City Council review and authorization. Additional public input would also be necessary for any substantial program changes.

Attachment A
Request to Council



August 12, 2022

Dear Mayor and Council:

In exploring potential projects that will help strengthen Downtown, we discovered a couple of issues with existing programs that, if addressed, will promote investment in the area.

They are:

As currently written, to qualify for tax abatement on downtown projects, a project must first qualify to receive a façade grant. Projects that provide a meaningful investment in downtown in a building that does not need façade improvements would therefore be excluded from the program. While the overall façade program is beneficial, we would like to see the tax abatement program decoupled from the façade grant program so that tax abatement is available in both cases.

Comparing two sample scenarios, a \$1 million dollar investment that qualifies to receive a \$15,000 façade grant will be eligible to have the entire project abated. However, a \$1 million dollar investment that does not qualify to receive a façade grant is not eligible for any abatement. We would like to see investment incentivized more globally and not be tied to a relatively small and narrowly defined program.

Secondly, under the current façade grant program, abatement is limited to a three-year, 100% abatement schedule. This is not consistent with the Campustown redevelopment abatement program, which allows 3-, 5-, and 10-year schedules. We would ask that the same 5- and 10-year schedules be added to the Downtown program.

We are excited about what is currently happening Downtown and believe these two changes will encourage future investment to strengthen it as a thriving, energetic district.

Thank you for your consideration!

Sincerely,

A handwritten signature in black ink that reads 'Dylan Kline'. The signature is fluid and cursive, with the first and last names being clearly legible.

Dylan Kline
Director of Business Development
Ames Economic Development Commission

Attachment B
Current Eligibility Criteria for Downtown URA

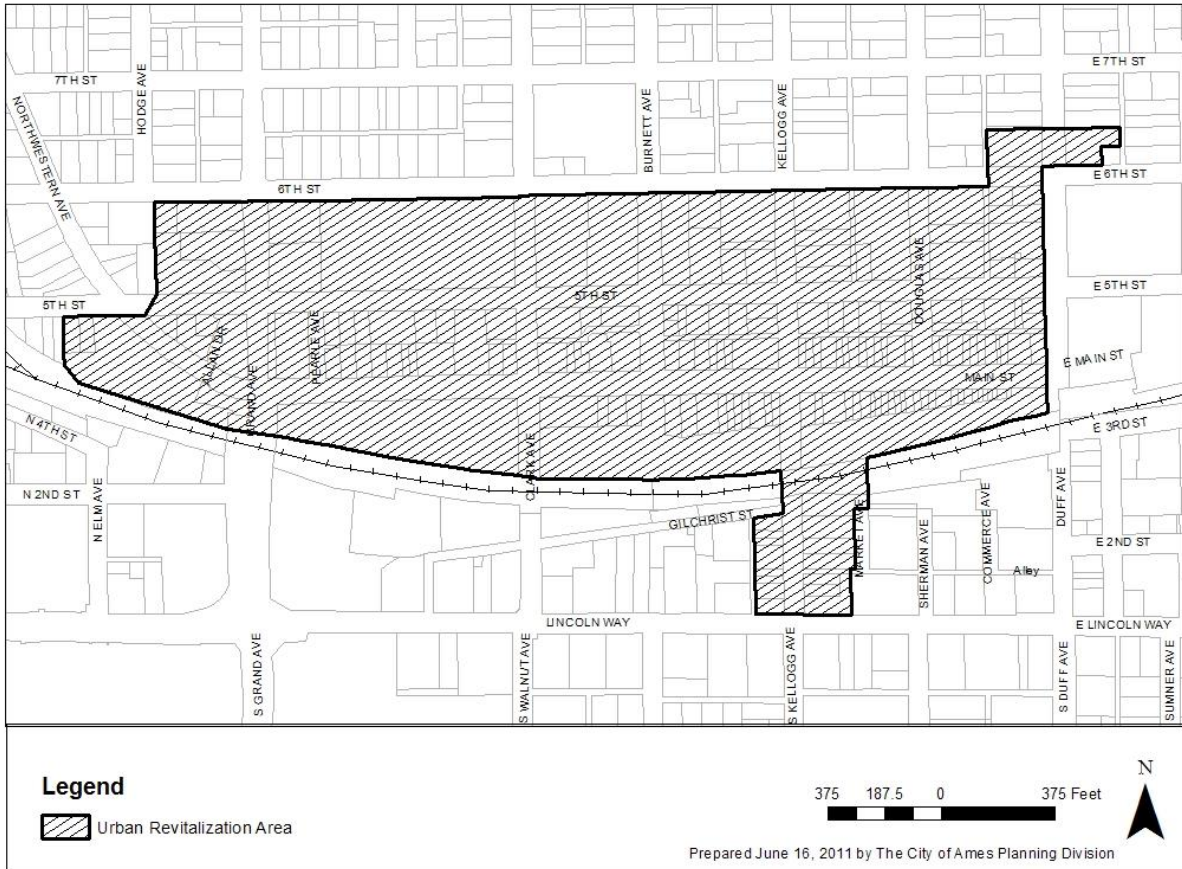
The current criteria for eligibility the Downtown URA are as follows:

1. Properties must be located within the designated Downtown Urban Revitalization Area.
2. Façade Improvements and the scope of work must follow the current Downtown Design Guidelines as approved by City Council. If additional interior or exterior improvements are part of the same project, the entire project is eligible for tax abatement, as long as the project includes façade improvements whose scope and design follow the Guidelines.

Note that the eligibility is based on improvements complying with the Façade Design Guidelines, not that a project was in fact awarded a façade grant.

3. If the first floor is vacant before the façade improvements are made, then the front half of the first floor is required to have a retail use after the improvements are completed. If the first floor has a permitted use before the façade improvements are made, then it is eligible. No residential structures are eligible.
4. Improvements must be made to the property increasing its actual value by 5% or more. The property is eligible to receive abatement of 100% of this added value for each of three (3) years.
5. The improvements must be maintained for three (3) years.

Downtown Urban Revitalization Area



Attachment C
Comparison of Community Response to Downtown Stakeholders

Question 1 on the public, online survey asked:

Please help us to identify you by checking all that apply:

- Downtown Business Owner
- Downtown Property Owner
- Downtown Resident
- Downtown Employee
- Community Member Not Included Above

The following breaks out the responses by those that checked ‘Community’ and those that checked one of the ‘Downtown’ options. Please note that several responses checked both one of the ‘Downtown’ options and ‘Community’. These results are thus counted twice in the numbers below.

Question 2: Should URA incentives be given for rehabilitations/renovations that do not involve exterior improvements to a building. Please check all that apply.

	Community Total 111	Downtown Total 42
No – Improving the appearance of the buildings is very important (current program)	11(10%)	4(9%)
Yes – But only for specific priority uses	33 (30%)	10(24%)
Yes – For any use if the building already has an updated façade or storefront	20 (18%)	10(24%)
We should broadly support all improvements and uses	47 (42%)	18(43%)

Question 3: If we allow incentives without exterior improvements, what uses should be a priority? For each of these, please rank from 1 to 3:

- 1 being the great priority
- 2 being neutral
- 3 being the least priority

Each project type can be ranked 1, 2, or 3.

	Top Priority		Neutral		Least Priority	
	Community	Downtown	Community	Downtown	Community	Downtown
Restaurants	64	25	32	8	8	5
Clubs/Bars	15	9	40	9	37	13
Entertainment *	56	23	31	10	11	3
Office**	12	4	26	10	51	17
Personal Service***	18	3	49	17	23	11
Retail/ Boutiques	50	18	32	10	18	7
Residential (upper floors)	29	13	32	13	32	9

Question 4: Do you believe that tax abatement incentives should be given for projects that involve demolition of an existing historic building for redevelopment of a site?

	Community Total 111	Downtown Total 42
Yes - Redevelopment of all types enhances Downtown	15 (13%)	4(9%)
Yes - If the redevelopment meets the City's design guidelines and has a priority use	28(25%)	14(22%)
No - Incentives should only apply to rehabilitation projects and not demolition	68(61%)	24(57%)

**Attachment D
Responses to Question 5 by Identifier**

Downtown Business Owner	Downtown Property Owner	Downtown Resident	Downtown Employee	Community Member	What are your priorities for private investment in Downtown Ames?
				1	None
				1	More restaurants will foster even more restaurants. Ames needs much better food options!
				1	Shops & boutiques
				1	
				1	Outdoor gathering spaces. The area in front of the Sheldon munn is delightful but it needs a shade canopy to actually be useful. A beautiful arched entrance on the east side would be very welcoming.
				1	
				1	Community building
				1	More restaurants
				1	Improving options in the evening. There is nothing to do after dinner. It's a ghost town. Why are all of the shops closed??
			1	1	
				1	Housing units, streetscape revitalization including wider sidewalks, bike lane, more bike parking, removing parking on one side could help alleviate this issue, there is significant parking behind the buildings and a parking garage is coming in with the linc project (I think).
				1	Keep character, no demolition, improve interior of high traffic areas such as paint, better lighting (!!!), and for residents. Support local businesses to make updates and improvements. Beautification and landscaping, hanging flower pots in the spring, etc.
				1	
				1	
				1	Get rid of parking meters

Downtown Business Owner	Downtown Property Owner	Downtown Resident	Downtown Employee	Community Member	What are your priorities for private investment in Downtown Ames?
				1	Need to get some retail. Our \$ are going to Ankeny and Des Moines. There is no affordable family retail downtown..
				1	
				1	
				1	
				1	More locally owned restaurants
				1	
				1	
				1	We should at all costs preserve the integrity of the old town Historic Ames Main St. facades just like we do the Historic homes in downtown Ames.
				1	Drop downtown as a priority and focus on expanding outer edges of town.
				1	Locally owned shops & boutiques. I like to spend my money locally and on main st.
			1	1	Restaurants
				1	Entertainment
		1		1	More bar, restaurant and entertainment venues
		1		1	More affordable/quick lunch places- like a bagel shop :) maybe potable water fountain that's beautiful and resourceful (drinking water on hot days!)
				1	A cafe which features salads & sandwiches for lunch, and a casual clothing store for middle age women
				1	A playground for kids on Main Street
				1	
				1	No parking meters
				1	
				1	
				1	Aesthetics. Seating. Third places (cafes, bars), walkability
				1	
				1	

Downtown Business Owner	Downtown Property Owner	Downtown Resident	Downtown Employee	Community Member	What are your priorities for private investment in Downtown Ames?
				1	More businesses that support the economy, areas for employees that will frequent shops and restaurants in n the area like office spaces or light manufacturing
				1	Updating the exteriors of many downtown building for more appealing and or structurally sound areas
				1	
1				1	Restaurants, places to go, fun destinations
				1	
				1	Continue to make it a walkable and utility dense place. I love walking through downtown and used to live nearby. I miss my regular visits and go back as often as I can.
				1	I would love to see family/children/teen orientated space. Teens could really benefit from having some time of club/entertainment space to hangout. A children's play museum downtown would be amazing!
				1	
				1	smart energy & water, locally owned, diversity of uses, walkable district
				1	I feel like we should get more communities in there
				1	
				1	Very low, personally
				1	
				1	
				1	Maintaining the small town feeling of downtown. I don't want to see rampant urbanization of a historic and tranquil part of town.
				1	
				1	
				1	cultural attractions
				1	Parking!
				1	

Downtown Business Owner	Downtown Property Owner	Downtown Resident	Downtown Employee	Community Member	What are your priorities for private investment in Downtown Ames?
				1	Bring more businesses owned by a diverse group of people (women, people of color). High quality retail, high quality restaurants (not sports bars, or restaurants aimed at football crowds). High quality meaning very thoughtful and well curated, with welcoming and well designed interior environments, not necessarily expensive.
				1	NA
				1	
				1	Downtown needs to be a vibrant arts and cultural hub
				1	
				1	Increased reasons to go to downtown in the evenings
				1	
				1	
				1	Unique Restaurants with food options
				1	Safety and accessibility
				1	Revitalization and increased usage for the entire community (including students)
				1	
				1	Quality retail stores. No tattoo shops....
				1	If it's truly private investment, then it shouldn't matter what my priorities are. If someone is investing with their own money, then we should let them do what they want. Ideally it's something family-friendly, but if it's not, let the market decide if it will survive.
				1	Attracting diverse businesses and their continued support
				1	
				1	Bring in more businesses
				1	
				1	Ames should have a dedicated live music venue downtown, a place with a dedicated stage and sound system that hosts live music several times a week.
				1	No parking meters
				1	Bring back the trees

Downtown Business Owner	Downtown Property Owner	Downtown Resident	Downtown Employee	Community Member	What are your priorities for private investment in Downtown Ames?
				1	Have a better night life
				1	Take away all parking meters in downtown. They are unwelcoming and inhibit my shopping there.
				1	Down town stays walking safe area for families. The college students have campus town. I want a place where my family and I can feel safe.
				1	Restaurant and boutique shops
				1	Arts and entertainment
				1	
				1	
				1	Keeping people in Ames. Not going to Des Moines or larger cities for food, entertainment, and shopping. Building community and opportunities for social events (including parades, downtown trick or treat etc.)
				1	Historic preservation, small businesses
				1	Tax breaks or other incentives to promote local mom-n-pop shops; make them more competitive with big box stores (i.e. Walmart, Target, etc.)
				1	Business that attract consumers downtown. Valuable real estate locations should have attractive business that pull consumers in.
				1	
				1	
				1	More retail, restaurants, entertainment. Less offices.
				1	
				1	Make sure to use the space efficiently! Both design and land use should be high priority.
				1	Entertainment
				1	
				1	
				1	Recreation and beautification
				1	More free parking
				1	
				1	

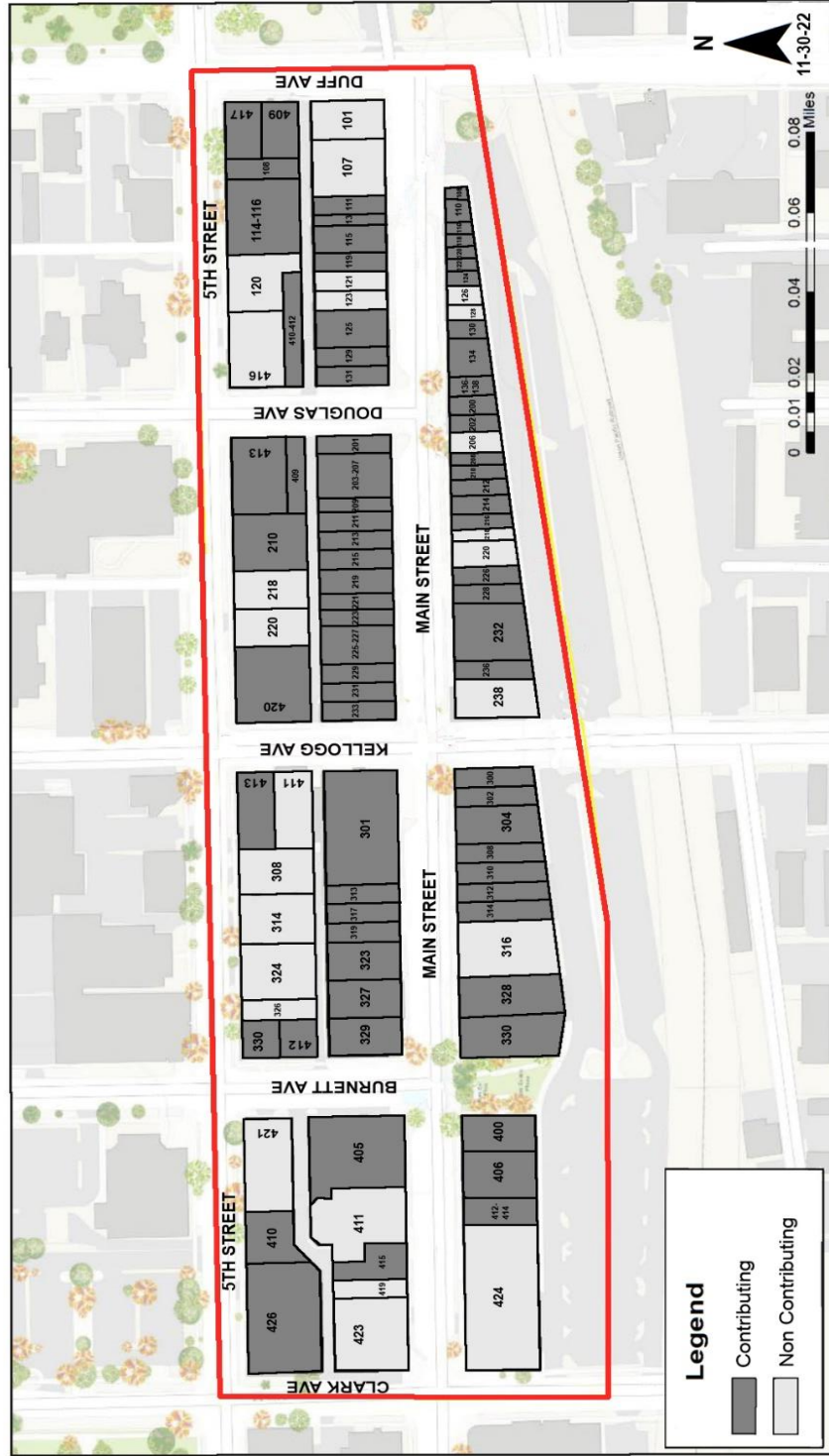
Downtown Business Owner	Downtown Property Owner	Downtown Resident	Downtown Employee	Community Member	What are your priorities for private investment in Downtown Ames?
				1	Store like CVS or an independent drug/personal item store. I would probably shop downtown more if I could also get my prescriptions filled and personal care, make-up items. I end up going to Target instead.
				1	
				1	
				1	More dining and entertainment
				1	Exterior improvement
				1	increase attractiveness of downtown while maintaining character, similar to Cedar Falls
				1	Encourage a destination retail environment
				1	
			1		Downtown is lacking fast casual dining. It's hard to grab a quick lunch as a downtown employee.
			1		Would love to see investment in shops owned by and target non-white residents. As someone who works on Main St and sees who is spending time downtown, I think it would be great for the City to find ways to alleviate barriers and incentivize business ownership for people of color. Currently neither our businesses nor patronage of Main St reflect the interesting cultural diversity that exists in town.
1			1		Create more residential units in the area.
		1	1		I would like to see more options for establishments that are open in the evenings, whether it be restaurants, bars, breweries, or any other form of entertainment.
		1			
			1		Extend improvements beyond Main Street to establish a larger attraction. Make downtown vibrant both day and evening. Consider closing part of Main Street, make one way and create a greater pedestrian and bike friendly corridor.

Downtown Business Owner	Downtown Property Owner	Downtown Resident	Downtown Employee	Community Member	What are your priorities for private investment in Downtown Ames?
		1			Maintaining historical integrity while enhancing the vibrancy of downtown.
		1			More restaurants please! And specifically more types of restaurants - BBQ is fine, but I think we're good on that in Ames currently
	1	1	1		More food options and better wheelchair accessibility
		1			None
1	1	1			
		1			Restaurants, children's museum or indoor play/climbing center (not video games),
1					I think all projects should be considered. It makes a difference where certain types of businesses want to operate. I would prefer retail and restaurant/bar business on the ground level and office, service base, and residential on upper floors.
1		1	1		late night entertainment besides bars! there's plenty of this in similar size cities' downtowns, but you can't even get a bite to eat that isn't bar food past 8pm around here. other than bar hopping there's nearly nothing else to do past that time as well.
1					Improve density of all types; residential, commercial office/services, retail (restaurants and goods)
1					Drawing in customers for a great shopping experience
1					Parking, residential, hotels
		1	1		Attract a greater variety of retail and dining establishments; emphasize the "C" of MSCD by supporting the Arts in our community, hopefully doing so leads to more performance spaces being established (look at Massachusetts St. in Lawrence if you need inspiration); don't let the development Lincoln corridor development turn downtown into "just-another-bar-district"
1					Parking structure

Downtown Business Owner	Downtown Property Owner	Downtown Resident	Downtown Employee	Community Member	What are your priorities for private investment in Downtown Ames?
1	1				Maintain the historical character of buildings but update them according to a modern day purpose to attract people of all ages.
		1			Maintain and enhance the historic character of the area while improving livability for those within walking distance
	1				Let people invest their own money
		1			
			1		
		1			More restaurants and entertainment spots
1		1	1		Businesses that encourage families to spend time downtown and adult date night activities
			1		More entertainment to draw people
		1			Children's entertainment
		1			Access, culture
			1		Get rid of parking meters
1					
		1	1		
			1		
		1			
1	1		1		owners maintain your buildings front & back
			1		Small businesses and non-profits
		1			Eliminate parking meters. More residential options

Attachment E National Register Historic District

Classification of Properties in Ames Main Street Historic District National Register of Historic Places



Attachment F
Summary of Public Meetings on June 12 & June 13, 2023

Downtown Input Sessions

- June 12 – 5:30pm to 7pm (13 attendees)
- June 13 – 8:30am to 10am (7 attendees)

City of Ames

- Kelly Diekmann
- Benjamin Campbell

Ames Main Street

- Crystal Davis

AEDC

- Dylan Kline

Priorities of Types of Spaces

- Retail
 - o Variety
 - o Pop-up shops
 - o Smaller sf footprints for retail
- More events space
- Smaller events like food truck showdown, evening farmers markets, 515 week, etc.
- More parking/ramp
- Incubator Space
- More downtown living opportunities
- Create “centers of gravity” or gathering spaces in downtown to attract people to spend time and money in the downtown

Barriers to Development/Redevelopment

- Building code enforcement
 - o “Triggers” in projects that cause additional upgrades or code compliances in more areas than are being worked on
 - o Stairs rise and run, fitting into old buildings
 - o ADA compliance in inaccessible areas
 - ADA Bathroom at the bottom of a set of stairs with no elevator
 - o Fire sprinklers
 - o Code requirements for old structures
 - o ADA compliance
- Personal opinion or judgement at the inspection level, and inconsistency in how rules are applied among inspectors/departments

- Code non-compliance (perceived or actual) missed on initial approval documents, identified too late in the process or at final inspection which causes delays and are very costly to rectify.
- Grease trap – financial barrier with fitting into old building
- Lack of outdoor patio space
- Façade grant coupled with tax abatement
- Façade grant is too restrictive
 - o Required historic materials too expensive and not as durable as modern materials
 - o Targeted era of design standards not appealing aesthetically
 - o Misses target of goals for development
 - o Dollar amount too small to make a meaningful difference in the project
- Updating old buildings with new infrastructure can be very complicated and expensive
 - o Utilities, hoods/HVAC, fire sprinklers
- Deferred maintenance of old structures leads to deterioration causing extensive and expensive repairs or demo of old building. No funding support for maintaining old buildings
- Processes to move through approvals/inspections take too long, which adds delay and additional cost to projects
- Surprises/inconsistencies in inspections and approvals cause delays and expensive rework late in the project
-

Support

- Internal advocate on city staff that “champions” projects
- More continuous, frequent interaction between stakeholders and city staff/officials
 - o Examples are Marion, Cedar Falls, Dubuque
 - o Includes mayor, city manager, economic development, planning dept, inspections, chamber, main st., university, campustown,
- Develop and design review board for downtown design/façade approval
 - o Comprised of community members, city staff, credentialed professionals (architect, contractor, engineer, etc.)
- Seed fund, neighborhood fund group, forgivable loans
- Make better use of the Historic Tax Credit program – 40 – 45% of project paid for

Flexibility

- Allow for “variances” (code modifications and text amendment)
 - o Fast process
 - o staff-level decisions (more power to make decisions without going through council process)
 - o Enough of the same or similar request triggers to code changes that affect everyone
 - o Culture of flexibility or “can-do” approach, especially for unusual projects
 - o Review city processes to make more practical

- Council or appeals board approval process takes too long. The added time costs businesses money and often forego pursuing the process
 - Applicants are actively (told) or passively (process too hard/time consuming) discouraged from asking for variances
 - Allowance for Case-by-case exceptions to rules to accommodate development in old structures or in atypical situations.
 - Rule doesn't have to change for everyone if it is a special circumstance
 - Allow for exceptions with proper documentation to justify the allowance in the future
- Maintenance "Grant"
 - Bring old buildings up to stable condition
 - Sunset period on the program of 20 +/- years
 - Focus on a specific area ("downtown development" or "city center" zone)
- Review process takes too long to navigate

Vision

- City Center or Downtown Development Zone
 - 30 year plan
 - Flexibility in ordinances within this zone
 - Create "centers of gravity" in the downtown design for attraction and activity
 - Closing city streets for ped malls or on an as-needed basis for events
 - More outdoor gathering space for dining
 - Places for hosting downtown festivals
 - Preserve duality of old and new structures to maintain historic charm and incorporate modern amenities and designs
 - High-density housing
 - Multi-use structures
 - Keep "downtown charm"
 - Preserve meaningful historic structures]

Attachment G
Report from Dylan Kline, Ames Chamber of Commerce

DOWNTOWN DEVELOPMENT FEEDBACK SESSIONS
REPORT & RECOMMENDATIONS

August 2023



DOWNTOWN DEVELOPMENT FEEDBACK SESSIONS REPORT & RECOMMENDATIONS

August 2023

In May of this year, council directed staff to work with the Ames Chamber of Commerce (ACC) and the Ames Main Street (AMS) organizations to coordinate feedback session to gather input from building and business owners in downtown, and developers with a history of investment in this community, about the barriers to development in the downtown area. City Staff coordinated with the ACC and AMS to schedule and promote two feedback sessions focused on this topic. These meeting took place on the evening of June 12th and the morning of June 13th at the Ames Chamber of Commerce office.

During the feedback sessions, a brief overview was given providing the context for the meeting, and attendees were asked to identify what they perceive as hindering investment in development in downtown Ames and offer suggestions for what may mitigate those barriers. In addition to these meetings, the ACC and AMS have continued discussions with these stakeholders to further refine those concepts.

The information in this report is intended to be supplementary to the report developed by the staff at the City of Ames and scheduled for presentation to the City Council on August 22nd and is not a comprehensive overview of the feedback meetings that took place. Rather, the focus of this report is to detail the broader concepts that were identified in the meetings and begin to paint a picture of what the future of Ames could look like.

Thank you for initiating the conversations between City Staff, the ACC organizations, and downtown stakeholders. We look forward to working together to build the future of the City of Ames.

INTRODUCTION

Through visionary leadership and meticulous execution by the leadership and staff at the City of Ames, the Ames City Council, and many other people and organizations with a passion for this future of this community, many of the foundational building blocks for a vibrant downtown are either in place or are currently being executed. With a focused effort to capitalize on the work that has already been accomplished, and intentional visioning for the future of the area, downtown Ames can grow to be thriving city center that serves the needs of residents and visitors for years to come.

We will begin by identifying the perceived **Barriers to Development/Redevelopment** in downtown Ames, followed by suggested actions that could help navigate these barriers.

BARRIERS TO DEVELOPMENT/REDEVELOPMENT

Age of existing building stock – Historic buildings, by definition, essential to the vibrancy and attraction of Historic Downtown District. However, because the codes and regulations in place at the time these buildings were constructed was so drastically different than modern building standards, retrofitting these buildings for necessities such as ADA accessibility, fire protection, modern utility infrastructure, and specialty equipment (exhaust hoods, grease traps, etc.) is challenging from a design and construction perspective as well as financially.

City Processes – As described above, work on old structures with modern construction methods often requires creativity and flexibility to ensure the outcome is both safe and functional for the end users. Members of the group felt that the City’s current processes lack the flexibility to address these challenges on a case-by-case basis. The perception is that the current approach involves drafting changes that apply to all projects instead of a robust “variance” process that can quickly and effectively address challenges that may be “one of a kind”.

Group members also alluded to errors and inconsistencies in the plan review and inspections process that have led to lengthy project delays, expensive rework late in the project timeline, and identified projects that went through the established processes for variance only to find that not all issues with the project were addressed. Others felt that there was too much subjectivity in the inspections and plan review process, allowing for confusion on expectations and execution.

Existing Incentive Programs – Currently, the Tax Abatement schedule for downtown is tied with qualifying for the Façade Grant program. This means that projects that do not require façade work or are not updating the exterior of the building are disqualified from receiving tax abatement. This structure may not make sense today in the way it did when the program was established. Additionally, some felt the Façade Grant program misses the target for redevelopment downtown and should be audited for content and effectiveness. The current provides a monetary incentive that does not make a meaningful difference in the overall cost of the project and requires standards some felt were counterproductive to goals of downtown development.

Deferred Maintenance of Old Structures – Maintaining the historic elements of an old structure are expensive and labor-intensive, leading some property owners to “defer” the maintenance of their structures. These deferrals can cause structures to deteriorate beyond what is feasible or practical to repair, ultimately leading to the demolition of a contributing building. Currently, items considered “maintenance” of a structure are not covered by an incentive program. These can include tuck-pointing of brick, repairing of rotted wood facades, window repair, etc.



SUPPORT, FLEXIBILITY, VISION

The suggested actions to address the identified challenges largely fit into three categories: **SUPPORT**, **FLEXIBILITY**, and **VISION**. Though the focus of the discussion was specific to the downtown area, many of the items identified could also be applied more broadly within the city of Ames. The following section expounds on these concepts.

SUPPORT

- By design, the review and inspections process focuses on identifying areas of the project that are not compliant with established codes and ordinances. This can be perceived as approaching a project with a focus on why a project won't work instead of an attitude of "how can we make this work". It was suggested that a development advocate be established that is present and accessible at all stages of a project to approach projects with a "why not" attitude. This person would coordinate with City leadership, staff, and officials, and with project stakeholders to shepherd projects through the process.
- Established meetings between members of the development community, City Staff, leadership and officials, and other relevant organizations (AMS, AEDC, Campustown, University) to discuss, coordinate, and champion a comprehensive approach to development in the Ames community.
- Establish a Design Review Board to evaluate and approve the aesthetic standards of downtown projects. The board would be comprised of members representing residents, City Staff, credentialed design professionals, and other relevant organizations with vested interest in downtown. The group would evaluate and establish design guidelines consistent with City and development goals.
- Establish a seed fund or forgivable loan program targeted at specific types of essential development.
- Educate developers on the rules and use of the Historic Tax Credit program for an additional funding source for qualifying projects.
- Establish a "Maintenance Grant" targeted at bringing aging buildings up to a stable condition with a sunset period of +/- 20 years. This program would be focused on a "Downtown Development" or "City Center" zone with the goal of preventing historical structures from falling into significant disrepair.

FLEXIBILITY

- Establish a robust and accessible "variance" process that can be applied on a per-project basis. Staff would be granted the power to make reasonable modifications to established codes on a per-project basis and provide documentation as to the reasoning behind the allowance that can be accessed for future projects. Should enough "variances" of a similar type be identified, a formal code modification or text amendment process can be initiated to make the change applicable more broadly.
- Evaluate current "code modification" and "text amendment" processes with a focus on expediting the decision-making processes. Addressing issues through a formal Council review or Board of Appeals process is time-consuming, intimidating, and often not practical when trying to keep a project on time and on budget. Establishing a process that is more concise and immediate, with staff-level approval expedites the process.
- Additional educational opportunities for staff on "soft skills" to approach project challenges with a "can-do" attitude.

VISION

- Establishment of a “City Center” or “Downtown Development District,” where targeted programs and project flexibility encourage investment in established development goals. This zone would look at established goals and plans for surrounding areas (Main Street, Lincoln Way Corridor, and surrounding areas targeted for future development in the near-term) and connect these pieces into a unified plan. When considering only Main Street proper, the opportunity for redevelopment is limited by the historic buildings that make the area special, and many of the foundational building blocks for a thriving downtown that the City has worked so hard to establish are excluded. Expanding the vision to include a larger area broadens the possibilities for development and redevelopment, and the infrastructure and amenities the City has worked hard to establish become part of the plan.
- Embrace the duality of old and new structures to maintain the attraction of historic charm and incorporate modern amenities and designs where appropriate.
 - Focus on preserving historic structures on and around Main St. with established guidelines on constitutes “historic” and incent the maintenance and use of these structures.
 - Encourage redevelopment where appropriate to achieve the overarching goals of the vision.
 - Focus on projects that meet the goals of the City, including density of housing, essential amenities, entertainment and retail attractions, and recreation opportunities.
- Develop spaces in the development district intended to encourage gathering.
 - Evaluate closing sections of streets, ether permanently to create a ped mall or by use of removable bollards on an as-needed basis for events.
 - More outdoor gathering space for dining.
 - Spaces designed to host downtown festivals more easily.

The future of Ames is bright. With coordinated effort and a strategic vision, we can maximize that potential for the betterment of generations to come. Thank you for your time and careful consideration. The AEDC and AMS organizations look forward to partnering with you on this exciting vision.

