

**JOINT MEETING OF THE AMES CITY COUNCIL  
AND PARKS & RECREATION COMMISSION  
AND REGULAR MEETING OF THE AMES CITY COUNCIL**

**AMES, IOWA**

**SEPTEMBER 11, 2012**

**JOINT MEETING WITH PARKS & RECREATION COMMISSION**

The Ames City Council met in special session at 6:00 p.m. with the Parks & Recreation Commission on the 11<sup>th</sup> day of September, 2012, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Mayor Ann Campbell presiding and the following Council members present: Jeremy Davis, Jami Larson, Peter Orazem, Victoria Szopinski, and Tom Wacha. *Ex officio* Member Sawyer Baker was also present. Alisa Frandsen, Michaelleen Gerken, Leo Milleman, Edward Moran, Julie Johnston, and Jason Schaben representing the Parks & Recreation Commission, were present. Commission Member Victoria Feilmeyer was absent. Council Member Goodman arrived at 6:15 p.m.

**BEQUEST OF GEITEL WINAKOR:** Alisa Frandsen explained that Dr. Geitel Winakor, long-time resident and Iowa State University professor, passed away on August 15, 2011. Her estate included an unrestricted gift of approximately \$1.7 million to the Department of Parks and Recreation.

According to Ms. Frandsen, it was the Parks & Recreation Commission's understanding, after researching her life, that Dr. Winakor was a land preservationist and environmental enthusiast. The motivation that drove her donations to the City was her desire to enhance the quality of life of Ames residents. Based upon that understanding, the Commission established two overriding criteria for determining how best to utilize the gift: (1) enhance the quality of life for both current and future generations and (2) ensure an impressive, long-lasting investment in the community.

Ms. Frandsen reported that the Commission had held a public-input gathering meeting. Several emails had already been received by the Commission prior to that meeting. Thirty-two projects were identified through that process; of those 32, 25 were from residents of Ames. Seven of the projects met the first criterion, which meant that they had been included in an existing or previously adopted City plan. Those seven were: indoor warm-water recreational pool, gymnasiums, community gathering venue; and parks in West Ames, Northwest Ames, Southwest Ames, and Southeast Ames.

Nancy Carroll, Director of Parks and Recreation, explained the six criteria that were included in a Decision-Making Matrix. The Matrix had been created and used by the Parks and Recreation Commissioners to further assist them in making a recommendation. Ms. Carroll said that the seven projects were all very good projects and would be carried over to the budget discussion to occur in the fall with the City Manager.

Ms. Frandsen reported that, recently, land owners in West Ames had informed staff that they would be willing to sell a tract of approximately 80 acres to the City for the sole purpose of developing it into a passive/natural park. The owners had emphasized that they had no interest in selling off parts of that total acreage. It was pointed out by Ms. Frandsen that the offer coincides with the Park Master Plan, which calls for a park to be developed in that part of Ames between the years of 2005 and 2015. Residential growth can continue in West Ames to the south, west, and northwest of the parcel in question, and the area is in the Ames School District.

Commission Member Leo Milleman stated that the Commissioners toured the site in June. He

showed pictures of it, pointing out its natural beauty and existing park-like setting. There is a creek that runs through the parcel, as well as established prairie, wildflowers, and rolling pasture land. In addition, there are approximately 40 acres of existing row crop land that is a part of the parcel and an existing barn and corn crib that could be restored.

Ms. Frandsen said that the Commissioners believe “this is a once-in-a-lifetime opportunity,” and they are recommending that the City Council approve a resolution at its October 9 meeting to utilize the bequested funds to proceed with the purchase and subsequent development of an approximate 80-acre parcel of parkland in West Ames. If that is the Council’s desire, at its October 9 meeting, City staff will outline the necessary steps to accomplish the purchase and present a Conceptual Park Master Plan and project budget.

Ms. Frandsen indicated that if there were any members of the community who would like to see the prospective parkland, Director Nancy Carroll and/or Commission members would be happy to give a tour of the site.

At the inquiry of Council Member Orazem, Ms. Carroll defined passive/natural as being a “mixture between Ada Hayden Heritage Park and Moore Memorial Park.” She envisioned that it would probably be heavy in trails and have a restroom and a parking lot.

Council Member Larson said that he would like the City to receive input from the residents of West Ames as to whether they want just trails and prairie or if they would want recreational (soccer, basketball, etc.). Ms. Carroll indicated that the sellers probably would not sell the land in question to the City if it were going to be used for sports-related venues. Noting that Dr. Winakor had previously contributed funding for the construction of the dog park, Council Member Szopinski asked if any of the land could be used for another dog park. Ms. Carroll said that a dog park would not meet the desires of the sellers.

Council Member Larson said he was very appreciative of the bequest; however, he was not so impressed by the sellers’ demands unless they would donate the land or make the offer very appealing to the City.

After being questioned by Council Member Davis, Director Carroll stated that the 40 acres of cropland would continue to be farmed for about a year because it would take that long for the park to be developed.

Council Member Goodman noted that parks generally make an area more appealing for residential development, and in his opinion, that is a form of economic development. Council Member Larson concurred; however, he wanted to ensure that the land in question provides the quality of life that the majority of community residents are wanting.

Council Member Orazem asked Ms. Carroll what options the prospective sellers would have if they wanted the land to remain in a natural state and the City was not interested in purchasing it. Ms. Carroll advised that she did not know what other options existed for the prospective sellers.

In the opinion of Council Member Goodman, the Decision-Making Matrix appeared to be a little vague. He would like the criteria to be weighted.

Council Member Larson reiterated that he did not like the prospective sellers dictating to the City

how the property could be used, especially if the City has to pay market value for it. He especially did not understand the inclusion of the 40 acres of cropland. Council Member Orazem added that cropland is currently selling at a very high price, so if the City has to pay market value for that 40 acres, there might not be much left of the bequest to pay for the park development.

Council Member Szopinski added that Sawyer School playground has been used as a community park because there isn't any other play equipment in the vicinity. She feels that there is a contingency of families in West Ames who want that type of park.

Director Carroll advised that she would have a discussion with the prospective sellers in hopes of addressing the aforementioned concerns of the Council.

Council Member Goodman said that he would like to be told at the October 9, 2012, meeting if the Commission's vision was for a natural area park prior to the offer being extended. Ms. Frandsen replied that the Decision-Making Matrix had been created prior to the offer being received.

**ADJOURNMENT:** The meeting adjourned at 6:50 p.m.

### **REGULAR MEETING OF THE AMES CITY COUNCIL**

The Ames City Council met in special session at 6:55 p.m. on the 11<sup>th</sup> day of September, 2012, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law with Mayor Ann Campbell presiding and the following Council members present: Davis, Goodman, Larson, Orazem, Szopinski, and Wacha. *Ex officio* Member Baker was also present

**PROCLAMATION:** Mayor Campbell read a Proclamation for 11 Days of Global Unity, which will be observed from September 11-21, 2012. Lynne Carey, Terry Lowman, Mary Nakadate, Sue Stanton, and Heather Withers accepted the Proclamation. Ms. Stanton said that the 11 Days of Global Unity represents a worldwide movement of optimism in the face of violence and terror. She described several events that will be occurring in the next 11 days.

**CONSENT AGENDA:** Moved by Davis, seconded by Larson, to approve the following items on the Consent Agenda:

1. Motion approving payment of claims
2. Motion approving Minutes of Regular Meeting of August 28, 2012, and Special Meeting of August 30, 2012
3. Motion approving Report of Contract Change Orders for August 16-31, 2012
4. Motion approving renewal of the following beer permits, wine permits, and liquor licenses:
  - a. Class B Liquor & Outdoor Service – Hilton Garden Inn Ames, 1325 Dickinson Avenue
  - b. Class C Liquor – Whiskey River, 132-134 Main Street
  - c. Class C Liquor & Outdoor Service – Wallaby's Grille, 3720 W. Lincoln Way
  - d. Class C Liquor & Outdoor Service – Brewer's, 2704 Stange Road
  - e. Class C Liquor – La Fuente Mexican Restaurant, 217 South Duff Avenue
5. RESOLUTION NO. 12-475 authorizing issuance of \$12,660,000 General Obligation Corporate Purpose Bonds, Series 2012, and providing for the levying of taxes
6. RESOLUTION NO. 12-476 approving Annual Street Finance Report
7. RESOLUTION NO. 12-477 approving FAA grant for construction of 2010/11 Airport Improvements Program for West Apron Rehabilitation

8. RESOLUTION NO. 12-478 approving preliminary plans and specifications for Flood Damage - Bank Erosion (Near 326 N. Riverside and Stuart Smith Park); setting October 3, 2012, as bid due date and October 9, 2012, as date of public hearing
  9. RESOLUTION NO. 12-479 approving preliminary plans and specifications for South Duff Avenue/Southeast 16<sup>th</sup> Street Frontage Road Rehabilitation; setting September 19, 2012, as the due date and September 25, 2012, as date of public hearing
  10. RESOLUTION NO. 12-480 approving preliminary plans and specifications for Motor Control Center No. 1 Replacement Project; setting October 16, 2012, as bid due date and October 23, 2012, as date of public hearing
  11. RESOLUTION NO. 12-481 authorizing additional funding for the Sustainable Living Solutions contract to continue performing energy audits
  12. RESOLUTION NO. 12-482 approving contract and bond for WPC Facility Ultraviolet Wastewater Disinfection Project
  13. RESOLUTION NO. 12-483 approving contract and bond for Squaw Creek Pedestrian Bridge Project
  14. RESOLUTION NO. 12-484 approving contract and bond for WPC Facility Diesel Tank Replacement Project
  15. RESOLUTION NO. 12-485 approving contract and bond for WPC Facility Raw Wastewater Pumping Station Pipe Supports and Check Valve Replacement
  16. RESOLUTION NO. 12-486 approving Change Order 3 for Grand Avenue Extension (S. 16<sup>th</sup> Street - Coldwater Golf Links)
  17. RESOLUTION NO. 12-487 accepting completion of Resource Recovery Plant Secondary Feed System Project
  18. RESOLUTION NO. 12-488 approving completion of Heat Pump Replacement Project in City Hall
  19. RESOLUTION NO. 12-489 approving Plat of Survey for 129 South Duff Avenue
  20. RESOLUTION NO. 12-490 approving Plat of Survey for 1505 and 1511 Curtiss Avenue
- Roll Call Vote: 6-0. Resolutions declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

**PUBLIC FORUM:** Aaron Fultz, 1115 Orchard Drive, Ames, spoke as Chairperson of the Ames Human Relations Commission. He invited the public to attend FACES, its annual diversity celebration, which will be held in Downtown Ames on September 22, 2012 from 11 AM to 5 PM.

Dan Culhane, 1601 Golden Aspen Drive, Ames, President and Chief Executive Officer of the Chamber of Commerce, reported that the Chamber is one of the sponsors of the FACES celebration. He echoed Mr. Fultz's invitation for the community to attend the festivities.

Mr. Culhane also reported that a new company, Solum, Inc., a soil-testing company based in Mountainview, California, chose Ames as the location for a new production and research and development facility. According to Mr. Culhane, the project came together in a very short time frame; they needed to be in the building on South Bell Avenue in approximately 45 days from June 1. The general contractor, developer, and subcontractors collectively "pressed hard" on the City of Ames to make it happen. Mr. Culhane congratulated the City staff for the masterful job well done. He had heard the comment that the process had gone very smoothly. Council Member Goodman inquired as to the number of jobs created by Solum. According to Mr. Culhane, the average wage of employees at Solum is \$50,000/year. It currently employs 25, with plans to increase to 40.

**ART FESTIVAL ON SEPTEMBER 23, 2012:** Moved by Davis, seconded by Wacha, to

adopt/approve the following:

- a. RESOLUTION NO. 12-491 approving closure of portions of Main Street, Burnett Avenue, Kellogg Avenue, and Douglas Avenue from 6:00 a.m. to 6:00 p.m.; waiver of fee for usage of electricity; and waiver of fee for Blanket Vending License
- b. Motion approving Blanket Temporary Obstruction Permit for the Central Business District
- c. Motion approving Blanket Vending License

Heather Johnson, 310 Topaz Court, Ames, representing the Octagon Center for the Arts, stated that this is the tenth year that the Festival will have been held in Downtown Ames. She invited all to attend the free family event.

Roll Call Vote: 6-0. Resolution/motions declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

**CAMPUSTOWN ACTION ASSOCIATION FRIDAY AFTERNOON CELEBRATION ON OCTOBER 26, 2012:** Moved by Davis, seconded by Larson, to adopt/approve the following:

- a. RESOLUTION NO. 12-492 approving closure of Welch Lot T from 12:00 to 9:00 p.m., waiver of parking meter fees, and waiver of fee for Blanket Vending License
- d. Motion approving Blanket Temporary Obstruction Permit and Blanket Vending License
- e. Motion approving 5-day Class B Beer Permit with Outdoor Service

Ann Taylor, 217 Welch Avenue, Ames, explained events that will be part of the Friday Afternoon Celebration; this is part of the ISU Alumni Association's 100<sup>th</sup> Anniversary celebration. Ms. Taylor introduced Kim Hanna, the new Director of the Campustown Action Association.

Roll Call Vote: 5-0-1. Voting aye: Davis, Larson, Orazem, Szopinski, Wacha. Voting nay: None. Abstaining due to a conflict of interest: Goodman. Resolution/motions declared adopted, signed by the Mayor, and hereby made a portion of these minutes.

**NEW CLASS B BEER & B WINE PERMIT FOR A.J.'S LIQUOR III:** Moved by Goodman, seconded by Davis, to approve a new Class B Beer and B Wine Permit for A.J.'s Liquor III, 129 Welch Avenue.

Vote on Motion: 6-0. Motion declared carried unanimously.

**5-DAY LICENSES AT THE ISU ALUMNI CENTER, 420 BEACH AVENUE:** Moved by Davis, seconded by Larson, to approve the following 5-day licenses:

- a. Gateway Hotel & Conference Center - Class C Liquor (September 14-18)
- b. Olde Main Brewing Company - Special Class C Liquor (September 15-19)
- c. Christiani's Events - Class C Liquor (September 20-24)
- d. Gateway Hotel & Conference Center - Class C Liquor (September 25-29)
- e. Olde Main Brewing Company - Special Class C Liquor (September 28 - October 2)

Vote on Motion: 6-0. Motion declared carried unanimously.

**5-DAY CLASS B PERMIT FOR WHISKEY RIVER:** Moved by Davis, seconded by Goodman, to approve a 5-Day Class B Beer Permit for Whiskey River at the 3M Building, 900 Dayton Avenue.

Vote on Motion: 6-0. Motion declared carried unanimously.

**HEARING ON PROPOSAL TO ISSUE HOSPITAL REVENUE BONDS:** Mayor Campbell

opened the public hearing. No one requested to speak, and the hearing was closed.

Moved by Goodman, seconded by Davis, to adopt RESOLUTION NO. 12-493 approving taking additional action to enter into Loan Agreement.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**HEARING ON ZONING TEXT AMENDMENTS TO ALLOW LIMITED RESIDENTIAL USES ON THE FIRST FLOOR IN THE DOWNTOWN SERVICE CENTER (DSC) ZONE:**

Planning and Housing Director Steve Osguthorpe explained the request of Attorney William Talbot, on behalf of property owners Craig and Beth Marrs, to amend the Zoning Ordinance to allow limited residential use on the first floor in the Downtown Service Center Zone. The request was prompted by an application for a Building Permit to renovate the original McFarland Clinic building, which most recently has been used as the Ames Tribune business offices. The submitted floor plans for the renovation indicated four residential units that would be accessed from the second floor via a staircase on the back of the building, but with portions of two units being located on the first floor of the building.

Director Osguthorpe further stated that the proposed ordinance would allow residential use on the first floor in the Downtown Service Center Zone if 75% were on the second floor and at least the front 50% of the building was retained for non-residential purposes. This would ensure that it wasn't just a visual issue, but that practical functional space was available. According to Mr. Osguthorpe, staff believes that residential use in the Downtown is "a healthy thing."

It was noted by Mr. Osguthorpe that the Planning and Zoning Commission had recommended approval of the text amendment.

Council Member Wacha indicated his concerns about residential uses in commercial buildings. Recognizing that the proposed ordinance would allow flexibility in the use of buildings, he voiced his concerns about using commercially designed properties in Commercial Zoning Districts to be used for living space. He questioned the use of the words "commercial appearance" and asked for an exact definition. Director Osguthorpe said that that was the original language proposed by the applicant; staff had changed the language to state that at least the front 50% of the first story be maintained for non-residential use. He also noted that the only time building design enters into play is when there is a facade grant request.

Council Member Orazem said he had initially shared Mr. Wacha's concerns; however, the 75% requirement would mean the dominant use would be commercial.

The public hearing was opened by the Mayor. She closed same after no one came forward to speak.

Moved by Larson, seconded by Orazem, to pass on first reading an ordinance to allow limited residential uses on the first floor in the Downtown Service Center (DSC) Zone.

Roll Call Vote: 5-1. Voting aye: Davis, Goodman, Larson, Orazem, Szopinski. Voting nay: Wacha. Motion declared carried.

**HEARING ON ZONING TEXT AMENDMENT PERTAINING TO MULTIPLE**

**RESIDENTIAL BUILDINGS ON A SINGLE LOT:** Director Osguthorpe explained that this item was being brought to the Council as a correction. There was some text inadvertently deleted the last time a change was made to this section; that needed to be put back in the ordinance. It was the request of Mr. Osguthorpe and the recommendation of the Planning and Zoning Commission that the City Council pass on the ordinance in question on all three readings at this meeting since there is a pending project that is dependent on the ordinance being adopted.

The Mayor opened the hearing. No one asked to speak, and the hearing was closed.

Moved by Davis, seconded by Larson, to pass on first reading an ordinance repealing Section 29.401(5) and adopting a new Section 29.401(5) for purposes of reinserting standards pertaining to multiple residential buildings on single lots.

Roll Call Vote: 6-0. Motion declared carried unanimously.

Moved by Larson, seconded by Davis, to suspend the rules necessary for the adoption of an ordinance.

Roll Call Vote: 6-0. Motion declared carried unanimously.

Moved by Larson, seconded by Davis, to pass on second and third readings and adopt ORDINANCE NO. 4122 repealing Section 29.401(5) and adopting a new Section 29.401(5) for purposes of reinserting standards pertaining to multiple residential buildings on single lots.

Roll Call Vote: 6-0. Ordinance declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**HEARING ON ZONING TEXT AMENDMENT PERTAINING TO RE-ESTABLISHING DIMENSIONAL STANDARDS FOR COMPACT PARKING STALLS:** Director Osguthorpe told the Council that this item also represented a correction; text had been retained that should have been deleted.

Mayor Campbell opened the public hearing and closed same after no one came forward to speak.

Moved by Davis, seconded by Larson, to pass on first reading an ordinance repealing Table 29.406(9)-2 and adopting a new Table 29.406(9)-2 for purposes of re-establishing dimensional standards for compact parking stalls.

Roll Call Vote: 6-0. Motion declared carried unanimously.

Moved by Davis, seconded by Larson, to suspend the rules necessary for the adoption of an ordinance.

Roll Call Vote: 6-0. Motion declared carried unanimously.

Moved by Davis, seconded by Szopinski, to pass on second and third readings and adopt ORDINANCE NO. 4123 repealing Table 29.406(9)-2 and adopt a new Table 29.406(9)-2 for purposes of re-establishing dimensional standards for compact parking stalls.

Roll Call Vote: 6-0. Ordinance declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**HEARING ON WPC FACILITY EQUALIZATION BASIN AND SLUDGE BASIN REPAIRS:** The public hearing was opened by Mayor Campbell. There was no one wishing to speak, and the Mayor closed the hearing.

Moved by Davis, seconded by Wacha, to adopt RESOLUTION NO. 12-494 approving final plans and specifications and awarding a contract to Ames Trenching & Excavating, Inc., of Ames, Iowa, in the amount of \$105,900.00.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**REQUEST FROM DEERY BROTHERS FOR URBAN REVITALIZATION AREA DESIGNATION:**

Planning and Housing Director Steve Osguthorpe stated that Brad Deery of the Deery Brothers had submitted an application requesting the designation of four existing lots of SE 16<sup>th</sup> Street as an Urban Revitalization Area (URA) and approval of an Urban Revitalization Plan in accordance with the URA Policy for the area that was approved by the City Council on June 12, 2012. The lots are proposed to be reconfigured under a separate Preliminary Plat application, resulting in a 6.37-acre lot for the Deery Brothers automotive dealership site, two lots for future commercial development (2.77 and 3.34 acres, respectively) and a 11.10-acre outlot encompassing the floodway portion of the site. The requesting URA designation will allow the Deery Brothers to receive a property tax abatement incentive on their three developable lots.

According to Mr. Osguthorpe, normally, the application process requires submittal of a site plan approved by the Planning and Housing Director. The submitted site plan has not yet received final approval due to a few issues that still need to be addressed. Because the items are minor and easily satisfied and because compliance does not rely upon third-party cooperation outside the applicant's or City's control, the Director had granted tentative approval of the site plan to facilitate early submittal of the URA application. Director Osguthorpe stated that the site plan is complete enough for the City Council to determine compliance with the adopted criteria for the URA.

Council Member Szopinski asked for the history as to how it came to the point of recommending river channel straightening. Director Osguthorpe recollected that the channel straightening suggestion came from discussions around the dais about ways to mitigate flooding in the area.

Council Member Wacha noted that he was not an expert on flood mitigation; however, channel straightening has been used by many communities as a means to mitigate flooding because it allows for the water to move through more quickly, and therefore, mitigates flooding. Mr. Wacha recalled that he had had a strong opposition to allowing tax abatement for this project due to the past flooding of the area in question unless flood mitigation was a part of the improvement.

Director Osguthorpe clarified that staff was not asking for the Council's approval of the Urban Revitalization Area; but rather for the Council to decide whether or not to accept the application for an Urban Revitalization Area. If it accepts the application, Council would need to direct staff to prepare the Urban Revitalization Plan and to set a date for a public hearing on that Plan.

City Planner Charlie Kuester reviewed in detail the six Urban Revitalization Criteria that must be met in order for the City Council to consider designation of an Urban Revitalization Area. The Criteria had been approved by the City Council at its meeting held on June 12, 2012. Under Criteria No. 2, Mr. Kuester emphasized that, ultimately, the required elevation would need to be confirmed when the applicant submits an Elevation Certificate prior to occupancy of the building.

Council Member Goodman asked for clarification as to whether the fill plays any role in flood mitigation. Planner Kuester advised that the fill dirt itself does not mitigate flooding.



City Manager Schainker emphasized that if the Council approves the Urban Revitalization Plan and the Ordinance is adopted creating the Urban Revitalization Area, the affected lot will always receive the tax abatement. However, if the owner fails to meet all six of the criteria, they will have to pay the City back for the costs of that abatement.

Under Criteria No. 4, Planner Kuester pointed out that a sidewalk is not shown or proposed along the frontage of Proposed Outlot A. It was noted that the applicant had submitted a request with the Preliminary Plat application to formally waive the sidewalk requirement for the area along Proposed Outlot A. Mr. Kuester pointed out that the submitted site plan does show a sidewalk extending along the length of the Deery Brothers auto dealership site (proposed Lot 1) and the separately submitted Preliminary Plat provides for sidewalks along all of the proposed developed lots (Lots 1 - 3). Council Member Szopinski expressed her concerns over that since she believes the area will continue to develop and pedestrian traffic will increase. City Manager Schainker noted that a portion of the Outlot's frontage abuts the river and river bank and there is no pedestrian access across the bridge along that frontage. Mr. Kuester said that staff believes that a safer location to cross the road is at the east end of Proposed Outlot A rather than next to the bridge. Municipal Engineer Tracy Warner indicated that staff prefers what is being proposed by the applicant from a traffic safety standpoint. Planner Kuester told the Council that it should consider whether a sidewalk along a portion of the site's frontage meets the intent of the criterion to have a public sidewalk constructed "adjacent to the property." Council Member Goodman noted that the sidewalks for the future development lots could be required at the time of lot development per the provisions of the Preliminary and Final Plats.

Under Criterion No. 5, Planner Kuester noted the uses that would not be permitted on the land in question. He advised that there had been no evidence that any of the non-permitted uses would be located on the lot; however, the Development Agreement would need to address how long the use restrictions would be retained for the abated properties.

Mr. Kuester stated that the Council had included Criterion No. 6, which was to require the owners of the property abutting a river to perform channel improvements and provide certification from an engineer registered in Iowa that the improvements will mitigate flooding. Those improvements must be approved by the DNR, Army Corps of Engineer, and the City of Ames. According to Mr. Kuester, the Urban Revitalization Policy approved by the City Council did not provide a definition of "mitigate." Mr. Kuester said that the engineer had stated in his certification letter that the "project will mitigate flooding by providing an improved and stabilized channel in addition to the no-rise condition." That letter further stated that "the channel improvements will remove large trees that are in imminent danger of falling into the river during the next major flood event...will potentially lodge in the downstream Highway 30 Bridge and create blockages that will catch debris and severely restrict water flow through the Bridge." It was stated by Mr. Kuester that calculations submitted with the no-rise certificate indicate that although there would be up to 0.08 increase in the 100-year water surface elevation (WSEL) resulting from the fill alone, the river channel realignment in combination with the fill will result in a 0.05 decrease in the WSEL.

City Manager Schainker reiterated that the City Council needed to consider whether the reduction of the Base Flood Elevation discharge by between 0.00 feet and 0.05 feet as a result of the channel project meets the Council's expectations to mitigate flooding as required under Criterion 6 and whether compliance with the no-rise requirement under Criterion 2 can also satisfy the requirement to mitigate flooding under Criterion 6.

Planner Kuester stated that, on September 6, 2012, the Iowa Department of Transportation issued a revised position regarding the approval of the proposed Deery development by stating: “It appears the Department will be able to meet DNR criteria for the 100-year flood on US 30 by lengthening our existing bridges when they are replaced in the future. Our analysis indicates that replacing the existing 320-foot structures with longer structures will allow us to meet DNR criteria for the 100-year flood. An overflow channel through the Deery site plan will not be necessary to meet the 100-year flood requirements. In addition, the Department does not have any concerns with the proposed channel excavation along the Skunk River just north of US 30. This channel excavation will require a work on ROW Permit from the Department.”

City Manager Schainker explained that the policy adopted by the City Council on June 12, 2012, included criteria that must be met for the establishment of an Urban Revitalization Area along SE 16th Street. The nature of some of the criteria does not allow a determination to be made prior to the establishment of the URA and the property tax abatement. The policy also includes a requirement for a Development Agreement that would ensure that the value of the property tax abatement (the City’s portion of the abatement) would be repaid to the City if the owner failed to meet or maintain any of the criteria. In order to proceed with the URA request, the City Council must conclude from the information provided that the applicant has a viable plan for meeting all of the six qualifying criteria in an acceptable time frame.

Mr. Schainker asked the Council to provide direction on the following: (1) Whether the developer’s intent not to construct a sidewalk along the undeveloped outlot is consistent with the Criterion 4, which states that, “A public sidewalk is to be constructed along the south side of the Southeast 16<sup>th</sup> Street adjacent to the property.” (2) The City Council should determine whether the channel straightening proposed by the developer will “mitigate flooding” as stated in Criterion 6.

It was noted that the developer’s engineer had provided projections that the channel straightening would reduce base flood discharges between 0.00 feet and 0.05 feet (0.6 inch). The engineer also maintains that the removal of the trees along the bank will prevent their dislocation during a flood event and the subsequent blocking of water through the US Highway 30 bridge.

Moved by Larson, seconded by Davis, to approve the application and direct staff to develop the Urban Revitalization Plan and Ordinance.

Council Member Wacha said that it was clear to him that the developers had definitely met three of the six criteria. He stated that he was also comfortable that the sidewalk requirement was being met by what the applicant was proposing and that the work that was being done on the channel suffices for the no-rise requirement.

Council Member Szopinski reminded the other Council members that they had other options to suggest criteria for development of the area without it being attached to tax abatement.

Council Member Goodman reiterated that, to him, it was a matter of equity and fairness. However, one of the most compelling arguments for him was that the developer would be receiving “\$1 million to \$1.2 million for one-quarter of an inch in flood mitigation;” that was not enough of a benefit. Council Member Larson pointed out that there would be a lot more benefit than that if you consider what would actually happen if the property didn’t develop over the next five years.

Vote on Motion: 4-2. Voting aye: Davis, Larson, Orazem, Wacha. Voting nay: Goodman, Szopinski. Motion declared carried.

Moved by Davis, seconded by Larson, to adopt RESOLUTION NO. 12-495 setting October 23, 2012, as the date of public hearing.

Roll Call Vote:6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

City Manager Schainker explained that in order to protect the City, should it be determined at a later date that not all of the required qualifying criteria had been met, staff would need to negotiate a Development Agreement with the Deery Brothers for approval prior to the October 23, 2012, public hearing that ensures the City will be reimbursed (if Deery fails to satisfy all six criteria) for the amount the developer receives in tax abatement. Mr. Schainker explained in detail ten specific issues and asked for City Council concurrence and direction on what to specifically address in the Development Agreement.

Moved by Wacha, seconded by Orazem, to direct staff to negotiate a Development Agreement based on the information submitted in the staff report (Item 32C) presented on this item.

Vote on Motion: 5-1. Voting aye: Davis, Larson, Orazem, Szopinski, Wacha. Voting nay: Goodman. Motion declared carried unanimously.

The meeting recessed at 8:30 p.m. and reconvened at 8:40 p.m.

**EASTERN ANNEXATION:** City Manager Schainker noted that the adopted Fiscal Year 2012/13 Budget included infrastructure improvements for extension of water and sewer utilities for eastern industrial growth. He noted that Council members had requested that the need for industrial land be confirmed and that a financial analysis be performed.

Dan Culhane, Executive Director of the Ames Economic Development Commission (AEDC), presented the Industrial Land Needs Analysis. He reported that communities are competing for fewer projects and the communities that successfully land projects are those that have been prepared with the necessary infrastructure to facilitate development. According to Mr. Culhane, in the last six years, the AEDC, in partnership with the City, has landed 17 projects resulting in 1,185 jobs and over \$217,900,000 in capital investment. If Ames had not had the necessary sites ready for those companies, most likely they would have located elsewhere. Mr. Culhane contended that the proposed annexation east of Interstate 35 would give Ames a competitive advantage long into the future for large-scale projects. One reason is the fact that Phase I of the proposed annexation would provide the community with sites that could facilitate companies that need railroad access. Mr. Culhane pointed out that Ames has missed and will continue to miss out on jobs and capital investment because it does not have a site that can clearly meet the needs of many potential large-scale businesses.

A map identifying industrially zoned properties that are currently vacant was shown by Mr. Culhane. It has been determined that there are 53 vacant properties remaining, totaling 254.66 acres. Those properties range in size from 0.36 acres to 55 acres, with the mean average being 4.80 acres. The AEDC has found that out of the 254 acres, only 58.15 acres are available for development with the largest property at 10.62 acres in size. It was pointed out that when the mall development across Interstate 35 did not come to fruition, the opportunity to connect to the

agreed-upon infrastructure east of I-35 was lost.

Mr. Culhane referenced the 2002 Industrial Study, which clearly pointed to the area east of I-35 as the most viable location for industrial expansion. He stated that the benefit of pursuing annexation along the Lincoln Way corridor is that it allows for incremental growth from the Union Pacific Railroad south to U. S. Highway 30. In addition, the AEDC has already met with landowners in Phase I and the majority of land owners have committed to voluntary annexation. It is also known that the owners of the major parcels are willing sellers.

In summary, Mr. Culhane stated that, if voluntary annexation is combined with willing sellers, railroad access, proximity to two I-35 interchanges, the pieces of a successful development come together very well. He noted that the other very visible benefit to this corridor is that there are anchor industrial tenants in this area: Barilla is located on one end and DuPont's new cellulosic ethanol plant and Lincoln Way Energy area are located on the other end of the corridor. This indicates that the area in question is poised for further industrial growth and development. The AEDC firmly believes that this is a viable location for companies of the future to create employment opportunities and deploy large sums of capital investment in facilities that will generate significant tax base.

Management Analyst Brian Phillips presented the staff report on the Financial Analysis of Industrial Growth. It was noted by City Manager Schainker that the estimated costs to deliver service to the 590-acre area are \$800,000 (water) and \$3.5 million (sewer). The adopted FY 2012/13 Budget includes increases to water and sewer rates to pay debt service for the utility extensions.

Mr. Phillips reviewed the current industrial valuations. He presented four development assumptions: (1) The focus was on 40 parcels that are currently in industrial use. (2) The industrial property tax structure will remain unchanged into the future and that the City's tax levy and water and sewer use charges will remain stable. (3) The level of water consumption, sewer use, and land area historically used by industrial properties will equal their 2012 totals. (4) when considering a property with the several structures, the year that the largest structure was built is used as the year the property was absorbed. Three different absorption scenarios were then given: 10.25 acres/year, 16.03 acres/year, and 20.04 acres/year.

Mr. Phillips said that, if the City Council approves extension of water and sewer utilities, the City will issue General Obligation Bonds; repayment of the debt will be made from water and sewer revenues. The debt for proposed water and sewer lines will most likely be placed on a 20-year repayment schedule. Annual estimated debt service payments are \$54,000 for the water line and \$235,000 for the sewer line, for a total of \$289,000/year.

The Analysis indicated that the anticipated new water revenues are likely to be sufficient to pay back the capital investment for a new water line in a reasonable period of time provided that new development occurs at or above Ames' historical absorption rates. However, if elevated water storage is required for fire protection early on in the development of the area, the payback could lengthen considerably. Council Member Orazem noted that if elevated water storage is necessitated, it means that the project is very successful.

It was also noted by Mr. Phillips that, due to the higher cost of sewer infrastructure, sewer revenues area less likely to be sufficient to cover the debt service in fewer than 20 years. Only

if development includes heavier sewer uses at the more rapid absorption rates does the breakeven point occur before 20 years.

The property tax analysis was then reviewed by Mr. Phillips, which provided some insight into the overall value added to the community by the industrial growth.

Regarding sales tax, purchases of materials that are not used in production would be taxable and 1% would return to the City through the Local Option Sales Tax. Mr. Phillips noted that, due to a lack of individual-level data on Local Option Sales Tax, it was difficult to determine how large a contribution the increase in sales tax would have on City revenues.

Pertaining to jobs, it is estimated that 590 acres of development with a similar lot-building coverage ratio would produce between 3,900 and 7,100 direct jobs. However, due to the varied industries that might locate in the tract, the number of jobs associated with industrial expansion could not be precisely estimated.

Council Member Orazem noted that he had checked Internet sites to see what communities had shovel-ready locations to place industry. Ames showed no sites. He believes it is a fundamental issue as to whether Ames wants to be “in the game or not.”

Council Member Szopinski noted that what the Analysis pointed out was that the payback period would be long. She also pointed out that the issue with Central Iowa Water Association has not been resolved; at this point, it has not been confirmed that water can even be provided to the area in question. Council Member Larson pointed out that, by a binding agreement, Central Iowa Water has to provide water to the area; if it is not capable of doing so, the Agreement would not be binding.

Council Member Goodman said he believes Ames “wants to be in the game,” but he wants to know exactly what the long-term costs will be to extend infrastructure across the Interstate.

Seana Perkins, Business Development Coordinator, informed the Mayor and City Council on the next steps needed to bring the project to fruition. Ms. Perkins noted that the project is complex “with many moving parts.” Some need to occur simultaneously, and some cannot overlap. She explained the project flowchart in an attempt to clarify expectations of the time frame for development of the area. This includes a revision to the Urban Fringe Plan, annexation, rezoning, and land consolidation. Ms. Perkins advised that she had had discussions with the property owners within the annexation area. She explained potential incentives that had been discussed with the City’s Legal Department, which included partial tax exemption and/or waiver of water and/or sanitary sewer connection fees. Three affected residential property owners had been contacted and presented with the opportunity of offering partial tax exemption and waiving connection fees. The response from one property owner continues to be non-consenting. It was noted by City Manager Schainker that the incentive of waiver of water connection fees may not be possible if the water is provided by the Central Iowa Water Association.

Assistant City Manager Bob Kindred advised that a response had been received from Central Iowa Water Association (CIWA). Due to the fact that CIWA has outstanding loans from the USDA’s rural Utilities Programs, CIWA has a protected right to provide service to the proposed annexed lands. However, federal law excuses CIWA from the responsibility to provide fire protection to the area. City Manager Schainker said that the Council should not stall its decision

on this because the City will find a way to resolve the issue.

Water and Pollution Control Director John Dunn told the Council that the City's current capacity is 12 million gallons/day. The peak this year was 9.5 million gallons/day. Long-term plans call for an additional capacity of six million gallons/day. Mr. Dunn also stated that the City had already secured land for additional well sites, if needed.

Moved by Orazem, seconded by Larson, to approve the following four steps: (1) Direct staff to initiate an amendment to the Urban Fringe Plan to reflect the new industrial uses planned for this area. (2) Authorize the AEDC staff to secure signed annexation agreements with consenting property owners to include only the sanitary sewer hook-up fee waiver for future Council consideration. (3) Direct staff to solicit engineering proposals for design of this infrastructure. (4) Direct staff to continue discussions with CIWA and to bring back viable options for providing potable water and fire flow protection to this area, in anticipation of using the \$3.5 million to build a sewer main across the Interstate, which implies that the City is committed to moving toward allowing development of an Industrial Park on the east of Interstate 35.

Motion withdrawn.

Moved by Orazem to commit \$3.5 million to build a sewer main across the Interstate. Motion died for lack of a second.

Moved by Davis, seconded by Goodman, to approve the following four steps: (1) Direct staff to initiate an amendment to the Urban Fringe Plan to reflect the new industrial uses planned for this area. (2) Authorize the AEDC staff to secure signed annexation agreements with consenting property owners to include only the sanitary sewer hook-up fee waiver for future Council consideration. (3) Direct staff to solicit engineering proposals for design of this infrastructure. (4) Direct staff to continue discussions with CIWA and to bring back viable options for providing potable water and fire flow protection to this area.

Council Member Wacha said that he was very supportive of the proposal. Council Member Davis indicated that he was also supportive of the proposal, but requested to have a concrete cost estimate from staff. Council Member Goodman expressed his disapproval in that there was no expectation of jobs to be provided.

Council Member Goodman withdrew the second to the motion.

Moved by Davis, seconded by Larson, to approve the following four steps: (1) Direct staff to initiate an amendment to the Urban Fringe Plan to reflect the new industrial uses planned for this area. (2) Authorize the AEDC staff to secure signed annexation agreements with consenting property owners to include only the sanitary sewer hook-up fee waiver for future Council consideration. (3) Direct staff to solicit engineering proposals for design of this infrastructure. (4) Direct staff to continue discussions with CIWA and to bring back viable options for providing potable water and fire flow protection to this area.

Vote on Motion: 5-1. Voting aye: Davis, Larson, Orazem, Szopinski, Wacha. Voting nay: Goodman. Motion declared carried.

**LIBRARY RENOVATION PROJECT:** Interim Library Director Lynne Carey told the Council that, due to the complexity of the major renovation and expansion project, the Library must

relocate its public operations and business offices during the construction. Ms. Carey stated that space had been identified in two stores in the Lincoln Center, 620 Lincoln Way, which were formerly occupied by Hastings and Harrison Sports. Based on the projected construction time line, the existing building at 515 Douglas Avenue must be vacated prior to December 3, 2012.

Moved by Wacha, seconded by Szopinski, to adopt RESOLUTION NO. 12-496 proposing to lease space from Midwest Centers, L.P., at Lincoln Center, Ames, for temporary relocation of Ames Public Library and setting the date of public hearing for September 25, 2012.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Ms. Carey gave an update on the building renovation project. She specifically highlighted temporary locations, delegation of authority for the public bidding process, the budget and cash flow, and anticipated upcoming contracts. The proposed project time line was shared with the Council. Conceptual designs for the interior of the new and renovated spaces were shown.

Municipal Engineer Warner advised that it had been determined that the library project needed an area at the south end of the north/south alley between Kellogg Avenue and Douglas Avenue on the west side of the Library in order to construct a new Bookmobile facility. Therefore, the southern portion of the public alley needed to be vacated.

Moved by Davis, seconded by Wacha, to adopt RESOLUTION NO. 12-497 setting the date of public hearing for September 25, 2012, on vacating an alley west of the Ames Public Library.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Construction Manager Brad Heemstra, Integrity, Inc., explained the different phases of the project.

Moved by Davis, seconded by Goodman, to adopt RESOLUTION NO. 12-498 approving preliminary plans and specifications for Asbestos Abatement at Ames Public Library; setting October 11, 2012, as bid due date and October 23, 2012, as date of public hearing.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**COUNCIL COMMENTS:** Moved by Wacha, seconded by Orazem, to refer to staff the letter dated August 27, 2012, from Pat Brown, representing the South Duff Business Association, proposing to work with City staff to create a design to improve the entrance into Ames on Duff Avenue from Highway 30.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Goodman, seconded by Davis, to refer to staff the letter from the Ames Human Relations Commission pertaining to reducing the size of the Commission from seven to five members.

Vote on Motion: 6-0. Motion declared carried unanimously.

In light of receiving many email messages indicating concerns over the changes to the City's Lighting Ordinance as a result of the Deery Brothers' request, Council Member Szopinski requested that staff provide pictures of what parking lots would look like with the changes for auto/marine lots, e.g., what having the glare shields would mean. Director Osguthorpe indicated

that staff would attempt to provide examples to the Council. Council Member Goodman clarified that Council was asking that staff provide locations that currently exist that will model what the changes made will look like.

Moved by Szopinski, seconded by Goodman, to direct staff to provide pictures of parking lots that indicate what the lighting changes would look like.

Vote on Motion: 6-0. Motion declared carried unanimously.

Mayor Campbell noted that a request had come in from Stumbo & Associates requesting a waiver of LUPP density requirements for property located at 3618 Cedar Lane.

Moved by Goodman, seconded by Szopinski, to direct City Manager Schainker to notify Stumbo & Associates that the City Council had seen its request and chose not to refer it to staff.

Vote on Motion: 6-0. Motion declared carried unanimously.

*Ex officio* Member Baker told the Council that Iowa State University had a record enrollment this fall of 31,040 students, which was an increase of 4%. Ms. Baker also made the Council aware that the College of Design had opened a satellite office on Main Street. She highlighted the upcoming September 14, 2012, presidential installation ceremony for Steven Leath as the 15<sup>th</sup> President of Iowa State University.

**ADJOURNMENT:** Moved by Davis to adjourn the meeting at 10:40 p.m.

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Diane R. Voss, City Clerk

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Ann H. Campbell, Mayor