

MINUTES OF THE REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

SEPTEMBER 8, 2015

The Regular Meeting of the Ames City Council was called to order by Mayor Ann Campbell at 6:00 p.m. on the 8th day of September, 2015, in the City Council Chambers in City Hall, 515 Clark Avenue. Present were Council Members Gloria Betcher, Amber Corrieri, Tim Gartin, Matthew Goodman, Chris Nelson, and Peter Orazem. *Ex officio* Member Sam Schulte was also present.

Mayor Campbell announced that Item No. 36 pertaining to Eastgate Subdivision had been pulled by staff at the request of Scott Bauer, President of First National Bank.

PROCLAMATION FOR ATTENDANCE AWARENESS MONTH: Mayor Campbell proclaimed September 2015 as Attendance Awareness Month. Accepting the Proclamation were members of Jean Kresse, United Way of Story County; Allie Prusa, AmeriCorps Vista member; Carolyn Jons and Kim Hannah, Raising Readers; Emma Caster, Volunteer Center of Story County; Lacey Mellott, Youth & Shelter Services; Ashley Maurer, Sawyer Elementary; Barb Parker, Story County Community Foundation; and Johnny Lewis, Boys & Girls Club.

CONSENT AGENDA: Mayor Campbell pulled Item No. 14, Ames High Homecoming Committee Requests, to allow representatives of the Committee to speak. Council Member Orazem asked that Item No. 16 (Memorandum of Understanding with Friends of Emma McCarthy Lee Park and Munn Woods) be pulled for separate discussion.

Moved by Goodman, seconded by Corrieri, to approve the following items on the Consent Agenda:

1. Motion approving payment of claims
2. Motion approving minutes of Special Meeting of August 18, 2015, and Regular Meeting of August 25, 2015
3. Motion approving Report of Contract Change Orders for August 16-31, 2015
4. Motion approving certification of civil service applicants
5. Motion authorizing Mayor to sign letter of support for Sheldon-Munn Hotel to apply for Main Street Iowa Challenge Grant
6. Motion approving renewal of the following Beer Permits, Wine Permits, and Liquor Licenses:
 - a. Class E Liquor, C Beer & B Wine - Cyclone Liquors, 626 Lincoln Way
 - b. Class C Liquor – Corner Pocket/DG’s Taphouse, 125 Main Street
 - c. Class B Liquor & Outdoor Service – Hilton Garden Inn Ames, 1325 Dickinson Avenue
 - d. Class C Liquor – Whiskey River, 132-134 Main Street
 - e. Class C Liquor, B Wine, & Outdoor Service - +39 Restaurant, Market, & Cantina, 2640 Stange Road
 - f. Class C Liquor & Outdoor Service – Wallaby’s Grille, 2733 Stange Road
7. Motion approving expanded Outdoor Service Privilege on September 26 and 27 for The Mucky Duck Pub, 3100 South Duff Avenue
8. Motion approving Special Class C Liquor License for Triple Double, 223 Welch Avenue
9. Motion approving 5-day (September 23-27) Special Class C Liquor License for Olde Main at Reiman Gardens, 1407 University Boulevard

10. Motion approving 5-day (September 10-14) Class B Beer License for Olde Main at Jack Trice Stadium Auxiliary Tent #28, 1800 South 4th Street
11. Motion approving Sunday sales privileges for Botanero Latino, 604 East Lincoln Way
12. 5-day Class C Liquor Licenses for Olde Main at the ISU Alumni Center, 420 Beach Avenue:
 - a. September 9-13
 - b. September 14-18
13. RESOLUTION NO. 15-539 approving Street Lighting Agreement with Midland Power Cooperative for ownership and maintenance responsibilities of Ames Street Lighting System in Midland territory
14. RESOLUTION NO. 15-541 approving Addendum to Memorandum of Understanding between Iowa State University and the City regarding law enforcement services at University-leased residential properties
15. RESOLUTION NO. 15-542 setting September 22, 2015, as date of public hearing to deed ingress/egress rights to Woodbridge Subdivision
16. RESOLUTION NO. 15-543 approving Cooperative Agreement with Iowa Civil Rights Commission for processing and investigation of civil rights complaints
17. RESOLUTION NO. 15-544 approving modification to Personnel Policies and Procedures dealing with Family Medical Leave Act application submittal time frame
18. RESOLUTION NO. 15-545 approving preliminary plans and specifications for Highway 30 and Orchard Drive Lift Station Modifications project; setting October 14, 2015, as bid due date and October 27, 2015, as date of public hearing
19. RESOLUTION NO. 15-546 approving preliminary plans and specifications for Evaporative Condenser Replacement at Ames/ISU Ice Arena; setting October 6, 2015, as bid due date and October 13, 2015, as date of public hearing
20. RESOLUTION NO. 15-547 awarding contract to Mechdyne Corporation of Marshalltown, Iowa, for Library Digital Displays in the amount of \$112,889.37
21. RESOLUTION NO. 15-548 awarding contract to Unified Contracting Services for CyRide Fluids Management System in an amount not to exceed \$68,750
22. RESOLUTION NO. 15-549 awarding contract to Peterbilt of Des Moines, Iowa, for Street Sweeper and Chassis (Public Works Streets) in the total net amount of \$213,737
23. RESOLUTION NO. 15-550 accepting completion of pedestrian sidewalk ramps required and reducing security for Northridge Heights Subdivision, 16th Addition
24. RESOLUTION NO. 15-551 accepting completion of erosion control (seeding) required and reducing security for Northridge Heights Subdivision, 17th Addition
25. RESOLUTION NO. 15-552 accepting completion of sanitary sewer, storm sewer, subgrade preparation, curb and gutter, and asphalt base required and reducing security for Scenic Valley Subdivision, 1st Addition
26. RESOLUTION NO. 15-553 accepting completion of sanitary sewer, storm sewer, subgrade preparation, curb and gutter, and asphalt base required and reducing security for Sunset Ridge Subdivision, 6th Addition
27. 2010/11 Airport Improvements (West Apron Rehabilitation):
 - a. RESOLUTION NO. 15-554 approving Change Order No. 4
 - b. RESOLUTION NO. 15-555 accepting completion
28. RESOLUTION NO. 15-556 accepting completion of landscaping required and releasing security for Final Plat for 2722 Aspen Road

29. RESOLUTION NO. 15-557 accepting completion of pedestrian ramps and releasing security for Final Plat for Northridge Heights Subdivision, 15th Addition
30. RESOLUTION NO. 15-558 accepting completion of Stange Road - Lane Widening and releasing security for Final Plat for Heartland Baptist Church
31. RESOLUTION NO. 15-559 approving Final Plat for University Towers Subdivision, First Addition
Roll Call Vote: 6-0. Resolutions/Motions declared adopted/approved unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

AMES HIGH HOMECOMING COMMITTEE REQUESTS FOR HOMECOMING PARADE ON MONDAY, SEPTEMBER 21, 2015: Members of the Ames High School Homecoming Committee Ashlyn Neppel, Maddie Lynch, Madi Franco, Lynette Kwaw-Mensah, Mackinzie Daughton,

Hannah Sumpter, Abby Kummer, and Jaci Johnson were present. Ms. Neppel and Ms. Lynch highlighted some of the activities that will be held during Ames High Homecoming Week.

Moved by Nelson, seconded by Betcher, to adopt/approve the following Resolutions/Motions:

- a. RESOLUTION NO. 15-536 approving closure of Parking Lot MM, south half of Parking Lot M, portions of CBD Lot Z, and portions of Main Street, Burnett Avenue, Kellogg Avenue, Fifth Street, Clark Avenue, and Pearle Avenue from 5:30 p.m. to approximately 7:30 p.m.
- b. RESOLUTION NO. 15-537 approving waiver of parking meter fees in Main Street Cultural District from 1:00 p.m. to 6:00 p.m. and for Parking Lot N from 4:00 p.m. to 6:00 p.m.
- c. RESOLUTION NO. 15-538 approving waiver of fee for Fireworks Permit
- d. Motion approving fireworks permit for display after football game (approximately 8:15 p.m.) on September 25, 2015

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

MEMORANDUM OF UNDERSTANDING (MOU) WITH FRIENDS OF EMMA MCCARTHY LEE PARK AND MUNN WOODS: Council Member Orazem noted that, per the MOU, the City is responsible for decisions regarding the Park and Woods. He wondered if, as the City continues to grow and additional parks are developed, this type of arrangement was something that the City is desirous of having for all the parks. City Manager Steve Schainker said the arrangement was not something that staff is pushing, but the City certainly welcomes it. Mr. Schainker explained that the citizens will serve as an advisory group, providing feedback to staff, perhaps fund-raise, and support public awareness.

Moved by Orazem, seconded by Nelson, to adopt RESOLUTION NO. 15-540 approving Memorandum of Understanding with Friends of Emma McCarthy Lee Park and Munn Woods.

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

PUBLIC FORUM: Mayor Campbell opened Public Forum. Richard Deyo, 505-8th Street, #2, Ames, said he would make his comments during Council Comments. Mayor Campbell instructed him that that was a time for the Council to make its comments, and Public Forum was the time for him to speak. Mr. Deyo made no further comments.

Mayor Campbell closed Public Forum after no one else requested to speak.

AMES ECONOMIC DEVELOPMENT COMMISSION (AEDC) OFFER PERTAINING TO CONSTRUCTION OF NEW AIRPORT TERMINAL: City Manager Schainker recalled that the City Council had been informed that there was a projected \$750,000 shortfall in the budget for site preparation and building construction projects related to the proposed Airport Terminal. In response, Iowa State University agreed to modify its existing agreement with the City and commit to up to an additional \$250,000. It was also noted that, on July 14, 2015, the Council had also authorized up to additional \$250,000 from the Hotel/Motel Fund balance toward the project. The remaining portion of the shortfall was to be eliminated by working with the City's consulting firm to reduce the square footage of the proposed terminal. After the concept for reduced terminal square footage was presented, the AEDC offered to contribute up to \$250,000 towards the Terminal so that the square footage could remain at 6,985. Pledges totaling \$150,000 have been secured, which leaves an additional \$100,000 yet to be raised.

Mr. Schainker advised that if the City Council accepts the offer of the AEDC, the City's design engineers will be advised to prepare construction documents based on the larger 6,985-square-foot terminal with the expectation that the terminal project would be bid in February 2016 and construction would begin in Spring 2016. Also, in order to ensure that the total \$250,000 will be available to the City when the contract for the terminal project is let, Iowa State University (ISU) has offered to loan up to \$100,000 to the AEDC for the remaining amount committed should the AEDC not be able to secure the total funding by the time it is needed.

The Council was informed by Mr. Schainker that the bids could come in less than expected; in which case, the parties would pull in less than \$250,000. If the bids come in higher, the project will have to be reviewed.

Moved by Gartin, seconded by Corrieri, to adopt RESOLUTION NO. 15-560 accepting the proposal from the AEDC to provide up to \$250,000 to fund a 6,985-square-foot terminal building. Roll Call Vote: 5-1. Voting aye: Corrieri, Gartin, Goodman, Nelson, Orazem. Voting nay: Betcher. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

EASTGATE SUBDIVISION ROAD WIDENING COSTS: This item had been pulled at the request of Scott Bauer, President of First National Bank

OUTSIDE FUNDING REQUEST PROCESS: Management Analyst Brian Phillips reported that City staff uses an application process to evaluate and make recommendations to the City Council as to how to fund requests from outside organizations that are not compatible with the ASSET or COTA processes. Applicants make requests for funding in the fall each year that are evaluated by a review team, and recommendations are made to the City Council during the Budget Wrap-up session in February.

Mr. Phillips reminded the City Council members that earlier this year, they had directed staff to change the process in the following three ways:

1. Have a City Council discussion about how much funding to allocate in total for outside funding requests during the Budget Guidelines session.
2. Amend the application to have organizations propose specific tangible services that are in the organization's priority order.
3. Have a City Council discussion regarding the City Council's priorities to fund services under this program.

Mr. Phillips said that having a discussion regarding the City Council's priorities provides clearer direction to the applicants who are seeking to provide services for the City. It is also critical for the review team, since the City Council will establish a specific amount of funding to allocate to these requests. That amount will be determined by the City Council at the same time direction is given at the Budget Guideline Session in November for the ASSET and COTA. According to Mr. Phillips, historically, the application instructions have contained the following statement regarding preferences: "Preference will be given to requests that meet the following conditions, in decreasing order of importance: (a) a program or activity that would otherwise be operated by the City at a greater cost; (b) requests that have broad-based appeal to the community; © requests that provide a unique benefit or service to the community."

It was reported by Mr. Phillips that in FY 2014-15 and FY 2015-16, additional detail was inserted into contracts to help categorize the types of activities taking place using City funds. In evaluating those contracts, the funded activities appeared to fall into broad categories, i.e., Commercial Coordination/Economic Development; Community Events; Historical Preservation/Education; International Relationships; Public Space Beautification; and Sports/Recreation. Within those categories, "Community Events" includes activities such as the Homecoming Pancake Feed, Summerfest in Campustown, the Ames Sesquicentennial Celebration, and the Fourth of July Parade. "Commercial Coordination/Economic Development" includes subscription to the Buxton retail analysis, CAA's coordination of Campustown business input into the Long-Range Transportation Plan, and MSCD's facilitation of the technical services provided through Main Street Iowa.

According to Mr. Phillips, the FY 2014-15 "Community Events" funding was substantially higher than the following year due to one-time sesquicentennial activities. Both VEISHEA and the Young Professionals of Ames requested funds for events that were not contracted, and the Iowa Youth Basketball Foundation requested funds for sporting activities that were not funded. Additionally, Main Street Cultural District's contract was focused primarily on "Community Events" in FY 2014-15, but then shifted towards "Commercial Coordination" the following year.

Mr. Phillips advised that the requests and awards can be compared on the basis of the amount funded in each category as compared to the amount requested in each category or the amount funded for each category compared to the total amount funded through the entire application process. He provided three options to the Council, as follows:

Option 1. The City Council can prioritize the categories developed by City staff (Commercial Coordination/Economic Development, Community Events, Historical Preservation/Education, International Relationships, Public Space Beautification, and Sports/Recreation).

According to Mr. Phillips, if the City Council agrees that these categories are a reasonable way to differentiate requests, a decision would need to be made to determine how to prioritize those categories for funding. He explained two possible approaches. One approach would be to prioritize them in accordance with the total funding each has received in FY 2015-16. Since the City Council has historically supported some of the lower cost activities, such as “International Relationships,” those types of activities might not receive funding if this method of prioritization were to be used. The second approach would be to prioritize the categories based on which had been awarded the greatest percentage of the amount requested.

Mr. Phillips noted that, regardless of which approach is utilized, there would be a lack of direction to the review team should funding be requested for an activity that does not fall within the six categories. If a unique request were to be received, the City Council could create a new category.

Option 2. The City Council can continue to give preference, in descending order, to:

1. Programs or activities that would otherwise be operated by the City at a greater cost.
2. Requests that have broad-based appeal to the community.
3. Requests that provide a unique benefit or service to the community.

It was reported by Mr. Phillips that that option continues the preferences that were originally established by the City Council when the program was set up. It provides flexibility to the review team in evaluating the requests and makes it clear when a proposal likely does not fit into this funding process at all. He told the Council that requests for activities that are not open to the public are easily rejected using those criteria.

Option 3. Identify some other criteria upon which to evaluate these requests.

If the City Council has other metrics against which it feels the review team should evaluate requests, it may choose to identify those instead.

Council Member Gartin asked if staff saw any downsides to go with Option 2, which appeared to him to be the most similar to the current process. Mr. Phillips answered that it would provide less direction to the review team than Option 1.

Council Member Betcher said she thought that the Council members had commented during a previous discussion that they wanted to incorporate their goals into the process. She clarified that if some of the services requested to be funded met some of the Council’s goals, it would be rated higher.

Council Member Orazem pointed out that, historically, the Council has not reduced the amounts funded. He would like to leave the option open to fund new activities.

Moved by Goodman, seconded by Betcher, to go with Option 2, and just maintain the bullet points (a - c) with an additional one - that being incorporating the Council goals.

Council Member Orazem said that he did not object to Option 2, but some groups would not fit into those categories.

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

TAX ABATEMENT REQUEST FOR 2320 LINCOLN WAY: Planning and Housing Director Kelly Diekmann advised that the Gilbane Development Company had asked for pre-approval of their mixed-use project with alternative methods of meeting the fixed window requirement along Lincoln Way. He said that Gilbane is interested in preapproval at this time to ensure the project as built complies with the tax abatement criteria and would be unaffected by any potential changes to the criteria that Council may enact in the near future.

Mr. Diekmann reported that the applicant originally sought compliance with the Mixed Use Design Criteria and with the mandatory public safety elements with their request dated July 9, 2016. He advised that staff from the Police Department and Planning and Housing Department completed a site inspection of the building on August 12, 2015. At that time, staff determined that the project complied with all of the tax abatement criteria with one exception to the fixed windows standard. The applicant's plans indicated that the Lincoln Way façade would include fixed windows to be consistent with the tax abatement criteria. There was no further discussion of the precise window to be installed. The applicant then installed single-hung windows that included stops with tamper-resistant screws to make the lower sash of the window inoperable. Upon inspection, staff found that the tamper-resistant windows did not meet the definition of a fixed window because they are modified operable windows. Additionally, the Police Department did not find the tamper-resistant screws to meet the spirit of the rule, which is to ensure windows could not be opened and items thrown out of the windows onto public rights-of-ways. The Police Department believes the tamper-resistant screws can easily be defeated with minimal effort and tools if someone wanted to get a window open. Additionally, removing the screw and making the windows operable after the expiration of the tax exemption would not be difficult either, compared to if actual fixed windows had been installed. Staff communicated that concern to and advised the applicant that the City would not support a determination of conformance with criteria for the project as constructed.

According to Director Diekmann, Gilbane believes that they can more securely restrict the single-hung window operation to meet the spirit of a fixed window. It intends to work on an alternative that adds an adhesive into the channel of the windows that would further inhibit the opening of the windows beyond just the tamper-resistant screws. The Council was told by Mr. Diekmann that an example of that had not yet been provided to staff for review.

It was noted by Director Diekmann that the City Council could approve a measure of equivalence as a substitute for a stated public safety standard. He noted that, at this time, Gilbane seeks either Council acceptance of the current tamper-resistant single-hung window as meeting the definition of a fixed window, or to accept a pre-approval of their application for tax abatement while they pursue alternative measures to more securely restrict the operation of the windows along Lincoln Way. According to Director Diekmann, staff believes that it may be possible to add something to the windows to meet the intent of the standard, but needs to evaluate a mock-up of the modifications before accepting the approach.

Council Member Gartin asked City Attorney Parks what would happen if the City granted pre-approval and then the developer could not make the plan for the windows work. City Attorney Parks said that she had just been asked that question a few hours ago and had not yet found a recent case that would allow

her to make an opinion on it. Council Member Gartin asked staff if there would be a down-side to a short delay in order to allow the City Attorney time to further review this. Mr. Diekmann said that Council either needs to grant pre-approval or deny the request at this meeting. He advised that, if denied, the developer could reapply.

Council Member Betcher noted that when staff saw the plans, fixed windows were included. Director Diekmann pointed out that staff development review was for the site plan, not specifically for tax abatement purposes. Ms. Betcher does not believe the requirement was met by Gilbane. She pointed out that the developers were aware of the requirement, yet did not install the type of windows that were required. Ms. Betcher offered her opinion that Gilbane risked millions of dollars in tax abatement when it made the decision not to install the type of windows that were required. She said she did not want to pre-approve anything at this time; she would like to deny the request for modification. It was pointed out by Ms. Betcher that this is a safety issue. If Gilbane were to come back with an alternative that would be acceptable to the Police and staff, she might be willing to consider it.

Council Member Gartin asked if the developer had given staff a reason for not installing the windows that were required for the granting of the tax abatement. Director Diekmann said the developer had told him that they had built the building consistent with similar projects that they had built.

Council Member Betcher expressed her frustration that the developer had ignored the requirement for fixed windows. She noted the tendency of the City Council to not enforce the requirements that it had directed. It was pointed out by Ms. Betcher that if the developer had done what was required of them, the Council could have approved the tax abatement at this meeting. Council Member Goodman said that he found it strange that the developer chose not to follow the existing criteria.

At the inquiry of Council Member Nelson, Director Diekmann advised that the developer had made the decision to install windows that it felt were adequate. Mr. Nelson said that perhaps the developer felt the type of window that was installed met the requirement for a fixed window.

Moved by Betcher, seconded by Goodman, to deny the request for approval of tax exemption for the mixed-use project located at 2320 Lincoln Way.

According to Director Diekmann, the applicant could make modifications to the project to meet the criteria and submit a new request for tax abatement.

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

CAMPUSTOWN URBAN REVITALIZATION CRITERION REGARDING NON-FORMULA RETAIL: Director Diekmann referenced a staff report that had been presented to the Council on June 9, 2015, which reviewed options for including criteria for Non-Formula Retail businesses and an item to allow for adaptive reuse of any building greater than 50 years of age. He noted that the Council had directed staff to make changes to the criteria regarding the 50-year-old building standard and to draft changes and then hold a public outreach meeting for standards requiring Non-Formula Retail space within redevelopment projects.

Mr. Diekmann reviewed the Council's direction for public comment, which included the following components:

1. Define Formula Retail in manner that includes businesses providing the same services and have the same appearance as other operating businesses, this would include individual franchises and not just company owned stores.
2. Formula Retail definition to include a minimum threshold of 10 or more businesses in operation at the time of the initial request for tax abatement approval.
3. A minimum of 30% of a project's commercial space must be leased to a Non-Formula Business and occupied at the time of the initial request for tax abatement.
4. Consider exceptions to the 30% requirement for large restaurants, entertainment venues, or grocery stores.
5. The restrictions on Formula Retail would be a mandatory prerequisite for all projects that are new construction or additions to existing buildings.

The Council was apprised by Director Diekmann that staff had held an outreach meeting on August 13, 2015, with notice of the meeting to property owners and to the Campustown Action Association (CAA). Two property owners and three members of the CAA had been present for that meeting.

According to Mr. Diekmann, staff also reached out to discuss the changes with two current redevelopment project developers, i.e., the Foundry by Opus and "23twenty" by Gilbane. It was noted that Opus recently constructed The Foundry with approximately 7,400 square feet of commercial on the ground floor with 2,000 square feet leased to Starbucks and 3,500 square feet leased to Barefoot Campus Outfitters. At this time, there is 1,900 square feet available for lease. (This does not include space used for the residential lobby, leasing office, or service areas.) The two occupied commercial spaces would count as Formula Retail; they occupy 74% of the available commercial space.

Director Diekmann stated that any changes to the Campustown matrix would not affect The Foundry, as it received its tax abatement approval on August 25, 2015. Gilbane developed the "23twenty" project with 5,300 square feet of commercial space, exclusive of residential leasing and lobby space. Approximately 3,100 square feet has been leased to a collegiate clothier (Campustown Spirit); that equals approximately 58% of the total commercial space. The remaining 42% is area subject to a letter of intent to lease to an undisclosed tenant. Gilbane has not yet received Council tax abatement approval for the project, and if the changes to the criteria were made prior to Council approval, the changes may apply to the project.

Tax Abatement Criteria Changes. Mr. Diekmann said that the general definition of Formula Retail would be based upon providing a standard array of sales activities or services with elements of the business that have the appearance of other business establishments. Director Diekmann said that the Council must decide if the Formula Retail definition is meant to apply to all types of commercial uses or specific types of uses. The general language of the definition would be the same; the only differences in its approach would be to specify uses, rather than broadly apply to all commercial uses. According to Mr. Diekmann, the Council could apply the definition to only trade uses, restaurants, and entertainment uses; and exclude offices, such as insurance and financial establishments.

Mr. Diekmann recommended keeping the definition broad to capture all types of commercial uses as Formula Retail if the percentage limitation is 30% or less. If the percentage limitation was greater, it would be appropriate to narrow the definition to have a wider range of allowances for more uses to fill the space. According to Director Diekmann, staff believes defining a broad range of uses as Formula Retail approach would have the greatest effect on creating space available for Non-Formula Retail. He noted that allowing for uses such as banks to be exempt from the definition would not necessarily promote diversification of businesses types in the area as it would lead to an incentive to fill the reserved space with other corporate businesses.

Number of Establishments. The threshold of exceeding ten businesses in operation or permits/approvals to operate appears to staff to be a reasonable approach to separate small and regional businesses from larger chains. Mr. Diekmann said that staff had not identified any other standards that would be more appropriate than that threshold. The Council was told by Director Diekmann that Formula-Retail is defined as a use that is an Office or Trade Use described in Article V of Chapter 29 Zoning Ordinance of the *City of Ames Municipal Code* that provides a standardized array of services or goods or contractually branded goods or services that make it substantially similar to 11 or more other businesses located in the United States, regardless of ownership or operation, with at least one of the following additional traits of standard employee uniforms, architectural décor, façade appearance, trademarks, signage, menu, or similar standardized features so as make it nearly identical to another business. Real estate or leasing offices of any type are included as Formula Retail regardless of the number of locations. The intent is to apply this threshold and definition to a project at the time of approval of tax abatement or pre-approval of tax abatement if a tenant is named. The example of Barefoot Outfitters provides an instance of how this could be complicated from the property owners leasing perspective. According to Director Diekmann, Barefoot Outfitters is a small growing company with approximately 13 outlets. At the time the developer signed the lease, the business in Ames may have been the tenth outlet and meets the Non-Formula threshold, whereas by waiting six months to apply for tax abatement, it may exceed the threshold. This is likely a unique circumstance, but could happen with small chains that are rapidly expanding.

Director Diekmann noted that Campustown has looked to diversify the mix of uses and acknowledges the desire for this as one of the optional criteria for tax abatement for under-represented businesses. Campustown Action Association (CAA) asked that Council consider exemptions for large-scale restaurants, entertainment uses, or grocery establishments. Tax abatement criteria must be based upon objective standards if they affect a sub-set of assessment classifications. Mr. Diekmann advised that if the Council desires to include an exemption, it would need to either state a size of space for the use or be specific in the exemption for the type of use and be easily distinguished from similar uses. He said that staff was recommending not creating an exemption at this time and would prefer to see if there is a need or demand for that that could trigger a future change to the criteria based on an individual circumstance.

Non-Formula Retail Percentage. According to Director Diekmann, the draft standard is for 30% of the commercial space to be reserved for Non-Formula Retail and to have the space occupied by a Non-Formula Retail tenant at the time of approval of tax abatement. The 30% standard appears to ensure that one tenant space (approximately 1,200 to 1,500 square feet) would be available in each redevelopment project, and if there is more commercial space built, potentially two normal-sized small tenant spaces. If it was a large redevelopment project of a whole block, similar to Kingland, there would be space for three to four small tenants or some combination of medium and large tenants. Mr. Diekmann cautioned

that the 30% as a hard rule does have the potential to make awkward divisions of space internally for a building to meet the allocation requirement. It might also deter someone from maximizing commercial space out of concern over filling the 30% requirement and having the space occupied. He told the Council that alternative choices could be to establish either a percentage of the frontage as Non-Formula Retail or have a tiered system that guarantees a minimum size expectation regardless of overall size of commercial. A standard based on frontage may generate more overall storefronts than a total area requirement due to the depth of the commercial space. Mr. Diekmann gave an example of a tiered system. He said staff was recommending a tiered approach that approximates a 30% expectation as it ensures that at least a usable Non-Formula Retail tenant space is created no matter the size of the project and it likely promotes more commercial use overall in Campustown.

Non-Formula Retail Occupancy. It was reported by Mr. Diekmann that the discussion on June 9, 2015, considered many issues about filling the Non-Formula Retail space and included options concerning just reserving the space, proof of leasing, or actual occupancy of an operating business. He stated that, based on the recent experience of the two projects this summer, occupied space may be a challenge as the commercial space has not been occupied at the same rate as the residential components. Based on the typical construction schedule of a student apartment project needing to be complete by August 15 to meet residential demands, it would mean that a property owner would have approximately five months from completing the shell of the building to the deadline of February 1 of the next year to get its Non-Formula space occupied. If they did not meet this requirement, they would be delayed by one year in seeking tax abatement; however, they would not necessarily lose a year of eligibility for tax abatement.

According to Director Diekmann, if Council finds that the occupied standard is burdensome, it could alternatively require that only one tenant be in business rather than the whole amount of square footage; require proof of a lease with occupancy within six months; require that interior space be finished, rather than a shell regardless of its status as leased; or choose to not have a standard on occupancy. He said that one detail on the occupancy that needs direction is whether the space can be occupied by any use that is not a Formula Retail Business or if it must be actually occupied by a Non-Formula Retail Business. Mr. Diekmann emphasized that it was important to distinguish whether it was okay to allow use of the space by any user, such as an exhibit by a non-profit, versus the actual operation of business to meet the occupancy requirement.

Mr. Diekmann informed the Council that staff was recommending language that requires occupancy or an agreed-upon schedule for occupancy by the City Council, similar to the equivalency language of the public safety standards, in order to qualify for tax abatement.

Additional Design Issues. Director Diekmann advised that staff had worked through applying the criteria with three projects over the summer and believes that some additional changes might be beneficial to help clarify expectations. He emphasized, however, that those issues were not reviewed at the outreach meeting as site inspections had not been completed that led to the concerns. Additional design issues included signage, architectural design, parking garage access and driveways, and windows. Mr. Diekmann said that some of the issues may be more appropriately changed in the Zoning Ordinance than as tax abatement criteria. This would be the case when the changes are appropriate for most properties and are more of a community expectation than an issue viewed as an incentive supported by tax abatement. Additionally, a text amendment to zoning would not affect previously approved projects that are under construction; it would only affect new development proposals.

Effect on Current Projects. Director Diekmann pointed out that it had been staff's understanding from the June meeting that Council did not intend for any changes regarding leasing to apply to projects that were nearly complete at that time (e.g., the Opus Foundry Project and Gilbane 2320 Lincoln Way project). Mr. Diekmann told the Council that if Council wanted to ensure that any changes to the criteria do not affect a project that is nearly complete, it may want to delay changing any criteria until after 2320 Lincoln Way had received final approval for tax abatement.

Council Member Nelson said he had concerns about Option 1b; specifically, establishing a size threshold for Non-Formula Retail. He is concerned about putting an undue burden on smaller businesses in that it might mean that smaller businesses would have to be all Non-Formula Retail. Council Member Orazem offered that he did not think the requirement for Non-Formula Retail made sense. In his opinion, it is difficult enough to get tenants. He does not want to come up with artificial constraints and feels that there will be enough space. At the request of Council Member Goodman, Mr. Diekmann stated that there are at least two projects in the Campustown area under 2,500 square feet.

Ryan Jeffrey, Chair of Business Improvement Committee for the Campustown Action Association, said he was reasonably pleased with the staff's recommendation and thought staff had done a great job with it. He advised that he had no personal objection to requiring a size threshold, but he had not discussed it with the Campustown Action Association.

Director Diekmann reviewed the five options developed by staff for the Council's consideration. He also explained the time frame; the earliest staff could return with the changes to the criteria would be October 13. Mr. Diekmann pointed out that if that were the case, it is possible that Gilbane's request for tax abatement would not yet be approved by the Council.

Moved by Goodman to approve Option 1 and 3, splitting the first bullet under 1b to add 0 to 2,500 where there would be no requirement and state development of 2,500 to 5,000 square feet of commercial must have a minimum of 30% or 750 square feet of Non-Formula Retail.

Mr. Diekmann suggested that if a number were to be used, he would suggest 1,000 square feet as the minimum for Non-Formula Retail.

Motion withdrawn.

Mr. Goodman asked for an explanation from Director Diekmann as to how the minimum size thresholds were established. Mr. Diekmann provided the method he had used to come up with the numbers.

Council Member Nelson recommended at some point looking at the brick requirement. He would like to create greater flexibility on the materials used. He would also like the requirement for lighting to be more simple; change it to an LED lamp with 6,500 lumen output. At the request of Council Member Gartin, Mr. Diekmann stated that the materials would be a zoning issue.

Moved by Goodman, seconded by Orazem, to approve Option 1 and 3, splitting the first bullet under 1b - adding that development of 0 to 2,500 square feet of commercial would not have any requirement for Non-Formula Retail and adding that development of 2,500 to 5,000 commercial must have a

minimum of 1,000 square feet Non-Formula Retail, and the rest of staff's recommendation would remain.

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

AMES MUNICIPAL AIRPORT: Brief explanations of the State of Iowa Aviation Grants were given by Traffic Engineer Damion Pregitzer.

Moved by Orazem, seconded by Gartin, to adopt RESOLUTION NO. 15-562 approving a State of Iowa Aviation Grant for Phase 1 of Airport Improvement Project (Terminal Building Site Improvements).

Roll Call Vote: 5-1. Voting aye: Betcher, Corrieri, Gartin, Nelson, Orazem. Voting nay: Goodman. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Gartin, seconded by Betcher, to adopt RESOLUTION NO. 15-563 approving a State of Iowa Aviation Grant in the amount of \$150,000 for Rehabilitation of Taxiway for Runway 01/19.

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

Moved by Goodman, seconded by Betcher, to adopt RESOLUTION NO. 15-564 approving a Professional Services Agreement with Bolton & Menk, Inc., of Ames, Iowa, for 2015/16 Airport Improvements Taxiway Rehabilitation (Runway 01/19) project in an amount not to exceed \$26,000.

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

GENERAL OBLIGATION CORPORATE PURPOSE AND REFUNDING BONDS, SERIES 2015: Moved by Nelson, seconded by Betcher, to adopt RESOLUTION NO. 15-565 authorizing issuance of General Obligation Corporate Purpose and Refunding Bonds, Series 2015A.

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

HEARING ON GT1 COMBUSTION TURBINE - GENERATOR PRE-ACTION SPRINKLER SYSTEM, CARBON DIOXIDE SYSTEM, AND FIRE ALARM UPDATE: Mayor Campbell opened the public hearing. There being no one wishing to speak, the hearing was closed.

Moved by Goodman, seconded by Betcher, to accept the report of bids and delay award of the contract.

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

HEARING ON POWER PLANT FUEL CONVERSION - UNINTERRUPTED POWER SUPPLY (UPS) SYSTEM: The public hearing was opened by the Mayor. No one came forward to speak, and the hearing was closed.

Moved by Gartin, seconded by Betcher, to adopt RESOLUTION NO. 15-566 approving final plans and specifications and awarding a contract to Graybar Electric of Des Moines, Iowa, in the amount of \$98,560 (inclusive of Iowa sales tax).

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

HEARING ON REZONING WITH MASTER PLAN PROPERTIES IN IOWA STATE UNIVERSITY RESEARCH PARK, PHASE III: The Mayor opened the public hearing. She closed same after no one came forward to speak.

Moved by Nelson, seconded by Gartin, to pass on first reading an ordinance rezoning properties with a Master Plan in Iowa State University Research Park, Phase III, from Planned Industrial (PI) to Research Park Innovation District (RI).

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

Moved by Nelson, seconded by Corrieri, to adopt RESOLUTION NO. 15-567 accepting the Master Plan.

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

HEARING ON REZONING PROPERTY AT 2400 NORTH LOOP DRIVE: Director Diekmann advised that staff had recommended HOC zoning on the four acres. According to Mr. Diekmann, staff did not believe that the site should be part of a RI zoning request. He explained that staff supports the rezoning of the site without the need for a Land Use Policy Plan amendment based on the surrounding uses, commercial needs of the area, and zoning pattern for commercial uses that currently exists.

Mayor Campbell opened the public hearing and closed same when there was no one wishing to speak.

Moved by Goodman, seconded by Corrieri, to pass on first reading an ordinance rezoning property at 2400 North Loop Drive from Planned Industrial (PI) to Highway-Oriented Commercial (HOC).

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

3505 AND 3515 LINCOLN WAY: Director Diekmann explained that the project site consists of two existing lots and a small portion of vacated right-of-way. The small portion of vacated right-of-way is zoned Residential Low Density and will require rezoning to HOC with the Overlay, while the other two properties will requirement only rezoning for application of the Overlay. The applicants have also submitted a Plat of Survey, which once approved by the City Council, will ultimately create the two parcels currently depicted on the Major Site Development Plan.

The Mayor declared the hearing open on the rezoning 3505 and 3515 Lincoln Way from Highway-Oriented Commercial (HOC) and Residential Low Density (RL) to Highway-Oriented Commercial (HOC) with Lincoln Way Mixed-Use Overlay (O-LMU) Zone.

Rachel Irwin, 3626 Story Street, Ames, expressed her concern over the plans to make the alleyway an access point into the proposed residential area. She said that the alleyway is already used by the existing property owners to access their homes; rather than use Lincoln Way. Mr. Irwin is concerned that this project will greatly increase the traffic through the alleyway. She does not believe that the alleyway is

wide enough to accommodate the additional traffic. Ms. Irwin definitely wants the developer to be required to pave the alleyway. She is very concerned about the increase in the traffic through the area.

Catherine Huisman, 200 Crane Avenue, Ames, said that her property does not abut the proposed project, but her property will still be directly affected. She only has lived in her home for a year and one-half. Ms. Huisman said she chose to build her home in an established neighborhood in Ames as she felt that these types of changes would not occur in Ames, Iowa. Ms. Huisman noted that the structures being proposed will totally block her view. She asked if anyone had talked to the adjacent property owners, i.e., Friendship Ark or the owners of the May House restaurant. Ms. Huisman expressed her disappointment that the Ames City government is going to allow this development to occur. The residents of her neighborhood knew that the property would be sold. They know that it is along Lincoln Way, which is a commercial area, but thought perhaps a strip mall would be built there, not two three-story structures. Ms. Huisman said that that she had talked to the owners of the May House restaurant and believes that they are opposed to the project. When she spoke to them, the gentleman said he didn't speak English very well and didn't feel comfortable talking before the City Council. Ms. Huisman said she is very concerned about the number of cars that will be parked at the apartment buildings and the amount of traffic that will be generated. She also asked that the developer be required to repair existing or install new fences along the affected area.

The Mayor closed the public hearing was closed after no one else came forward to speak.

Chuck Winkleblack, 105 S. 16th Street, Ames, asked what the height limitation is in the HOC area along Lincoln Way. Director Diekmann advised that it was seven stories. Mr. Winkleblack noted that they have worked extensively with staff in an attempt to buffer the residential area as much as possible. The developer intentionally did not put decks on the building so that tenant noise would be mitigated. He agreed that there will be more traffic on Marshall. It is his belief that more traffic will come in on Lincoln Way and exit on Marshall. Mr. Winkleblack cited his concerns about having to make improvements, such as fencing, on properties he does not own.

Council Member Gartin asked if notifications were made to the existing neighborhood residents about the proposed development. Director Diekmann stated that notices were sent to the residents within 200 feet of the proposed development. Staff had not had any inquiries from area residents, and no one had spoken at the Planning and Zoning Commission meeting when this was on the agenda.

Council Member Betcher wondered if there would be any money to fund improvements to the alley to install an impervious surface.

Council Member Goodman asked what changes could be made that would not be drastic for the development, but improve the situation for the existing residents. Director Diekmann advised that requirements are already in place. He pointed out that the new buildings would be 100 feet from the property line.

Council Member Gartin pointed out that the area in question previously was a mobile home park. It was a high-crime area. He believes that the development in question is certainly an improvement to the mobile home park.

Moved by Goodman, seconded by Orazem, to approve Alternative 1, but ask staff to ensure that it is doing everything it can to shield the existing neighborhood from excessive traffic, noise, and cut-throughs. Alternative 1 was to pass on first reading an ordinance rezoning 3505 and 3515 Lincoln Way from Highway-Oriented Commercial (HOC) and Residential Low Density (RL) to Highway-Oriented Commercial (HOC) with Lincoln Way Mixed-Use Overlay (O-LMU) Zone; and to adopt RESOLUTION NO. 15-568 approving the Major Site Development Plan for 3505 and 3515 Lincoln Way, with the following stipulations:

1. Passage of third reading of the ordinance rezoning from property from Highway Oriented Commercial and Residential Low Density to Highway Oriented Commercial with the Lincoln Way Mixed-Use Overlay.
2. Approval and recording of a Plat of Survey to create the identified parcels as depicted in the Major Site Development Plan.
3. Revision of the landscape trees to substitute an under-story street type along the north and east property lines due to the presence of overhead power lines.
4. Require paving of the 50 feet of gravel alley between the existing paved area of 3605 Lincoln Way and the subject site.
5. Accept use of existing wooden fence along R-L property lines with the requirement to replace or repair such fence at the sole cost of the mixed-use project.

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

ORDINANCE FOR REMOVAL OF 90-MINUTE PARKING PROHIBITION ON NORTH 2ND STREET: Moved by Corrieri, seconded by Betcher, to pass on second reading an ordinance removing the 90-minute parking prohibition on North 2nd Street.

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

COUNCIL COMMENTS: Council Member Betcher advised that she had been contacted by a constituent living in the Old Town Historic District about some possible violations of the Historic Preservation Ordinance. Ms. Betcher clarified that people were making changes to their homes without approval and without Certificates of Appropriateness being issued.

Moved by Betcher, seconded by Goodman, to ask staff to investigate whether alterations that had been made violated the Historic Preservation Ordinance, and if so, for staff to ensure that the structures are put back to their original; “in other words, enforce the Ordinance.”

Vote on Motion: 4-2. Voting aye: Betcher, Corrieri, Gartin, Goodman. Voting nay: Nelson, Orazem. Motion declared carried.

Moved by Gartin, seconded by Goodman, to refer to staff the letter from Ames Solar dated August 31, 2015, for a memo back from staff.

Council Member Goodman said he would like staff to investigate tax credits pertaining to solar energy.

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

Moved by Gartin, seconded by Corrieri, to refer to staff, for a memo back to the Council, the letter dated September 4, 2015, from MWF Properties.

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

Moved by Corrieri, seconded by Gartin, to refer to staff, for a staff report, the letter from Chuck Winkleblack dated September 2, 2015, relating to 3505 and 3515 Lincoln Way.

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

CLOSED SESSION: Council Member Gartin asked City Attorney Parks if there was a legal reason to go into Closed Session. Ms. Parks replied in the affirmative.

Moved by Goodman, seconded by Gartin, to hold a Closed Session, as provided by Section 21.5(1)©, *Code of Iowa*, to discuss matters pending or presently in litigation.

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

The meeting resumed in Open Session at 9:08 p.m.

ADJOURNMENT: Moved by Goodman, seconded by Nelson, to adjourn the meeting at 9:10 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor