ITEM # 33 b→ C DATE 10/09/07

COUNCIL ACTION FORM

SUBJECT: URBAN REVITALIZATION AREA AND PLAN FOR 405/415 HAYWARD AVENUE

BACKGROUND:

On August 28, 2007, City Council directed staff to prepare an Urban Revitalization Plan for property at 405 and 415 Hayward Avenue, allowing partial property tax abatement to support redevelopment of this former Greek house into the Iowa House Bed and Breakfast. The property is located in the West University Impacted Area, for which the City Council is separately considering establishing an Urban Revitalization Program. The following criteria would apply:

- Properties are located within the West University Impacted Overlay Zoning District, and
- The National Park Service has determined that one or more of the properties has a structure(s) that meets the National Register Evaluation Criteria, and
- Improvements are being made to one of the National Register eligible structures, which preserve 70% or more of the area of existing exterior walls of the structure or restores original or historic materials and designs.

The proposed project plans for work on the building and site are attached. The property at 405 and 415 Hayward Avenue meets these criteria, based on staff review of the project and on the attached National Park Service letter.

The total assessed value of the property is \$525,400. Due to the unique nature of the project, staff is unable to estimate the value once the project is completed. The value must increase by at least 5% to be eligible for tax abatement. The property owner could request a three-, five- or ten-year abatement schedule. After the project is completed, staff would review the completed project and report to the City Council, which takes action annually in February to approve projects in any of the City's Urban Revitalization Areas as qualifying for tax abatement.

ALTERNATIVES:

- The City Council can approve an ordinance establishing the 405/415 Hayward Urban Revitalization Area and a resolution establishing the Urban Revitalization Plan for 405/415 Hayward.
- 2. The City Council can deny approval of the 405/415 Hayward Urban Revitalization Area and deny approval of the Urban Revitalization Plan for 405/415 Hayward.
- 3. City Council can direct staff to work with the developer to revise the Urban Revitalization Plan in accordance with alternatives set forth by the City Council.

MANAGER'S RECOMMENDED ACTION:

The City has already adopted specific policies that support tax abatement as a tool for historic preservation in the University Impacted Areas. This property qualifies for the National Register of Historic Places and the entire exterior of the building is to remain intact, except for a new fire escape being added to the west side, and an ADA accessible entrance to the south side. The partial tax abatement available under the Urban Revitalization Plan will help to preserve this historic property and adapt it to a new use, which has the support of the Planning and Zoning Commission, the Zoning Board of Adjustment, the Historic Preservation Commission, and the neighborhood.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, to approve an ordinance establishing the 405/415 Hayward Urban Revitalization Area and a resolution establishing the Urban Revitalization Plan for 405/415 Hayward.

URBAN REVITALIZATION PLAN 405 Hayward

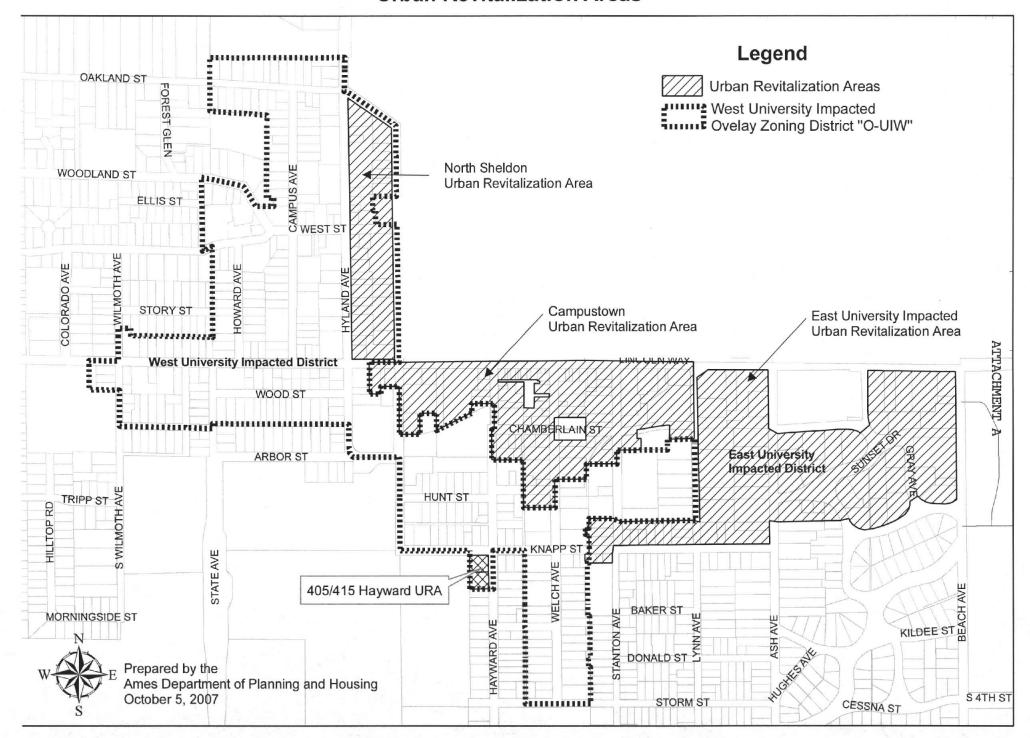
1. Property Address: 405 – 415 Hayward. See Attachment A

2. <u>Legal Description</u>: Lots 1, 2, 3, & 4 of Lee's 2nd Addition

3.	Assessed Valuation:	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
	Lots 1 & 2	\$185,200	\$160,400	\$345,600
	Lots 3 & 4	<u>\$176,400</u>	<u>\$ 3,400</u>	<u>\$179,800</u>
	Totals	\$361,600	\$163,800	\$525,400

- 4. Owners: Name: Iowa House Building, LLC. Address: 119 Stanton #201, Ames
- 5. Zoning District and Classification: Residential High Density (RH) with West University Impacted Area Overlay (O-WUI).
- 6. <u>City Services</u>: No enhancements are planned.
- 7. <u>Applicability of Revitalization</u>: Revitalization shall be applicable only to that subset of eligible property within the above legal description that qualifies under the University Impacted Area West Criteria for Urban Revitalization (Attachment B) and in accordance to the attached building and site plans (Attachment C).
- 8. <u>Duration</u>: There is no end date.
- 9. <u>Relocation</u>: The plan does not require the displacement of any persons, and there will be no relocation benefits provided.
- 10. <u>Percent Increase in Value Required</u>: The value-added requirement is a five (5) percent increase in actual value.
- 11. <u>Federal, State, or Private Grant/Loan Programs for Residential Improvements</u>: There are no grants or loans.
- 12. Existing Land Use: Vacant. Previously Residential Group Living.
- 13. Geocode: 09-09-175-020 and 09-09-175-025.
- 14. <u>Tax Exemption Schedule</u>: The exemption period is for either three (3) years, 5 years, or 10 years. All qualified real estate is eligible for tax exemption of the value added by the improvements according to the terms of the exemption selected. The overall improvement value to the property will need to be at least 105% of the current assessed value to qualify for the program.

University Area Urban Revitalization Areas



URBAN REVITALIZATION CRITERIA FOR UNIVERSITY IMPACTED AREA – WEST

An area will be considered for establishing an Urban Revitalization Area and Plan if one or more properties meet <u>all</u> of the following criteria:

1. Properties are located within the West University Impacted Overlay Zoning District

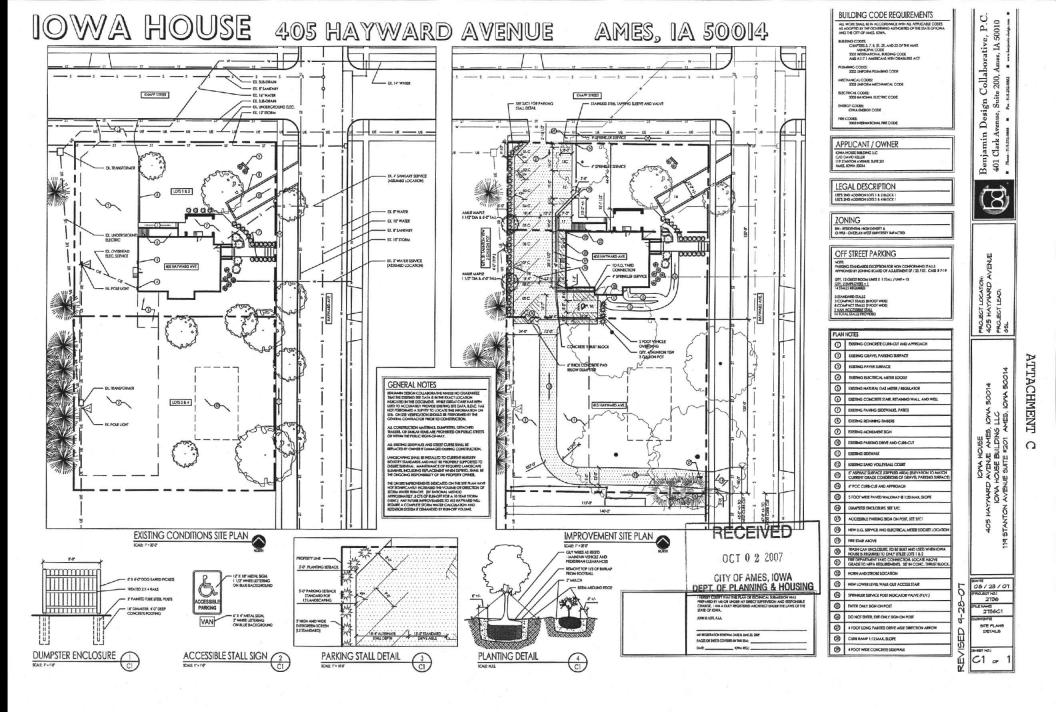
and

2. The National Park Service has determined that one or more of the properties has a structure(s) that meets the National Register Evaluation Criteria,

and

3. Improvements are being made to one of the National Register eligible structures which preserve 70% or more of the area of existing exterior walls of the structure or restore original or historic materials and designs.

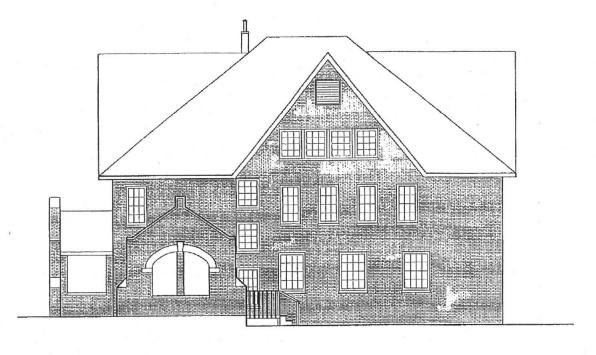
NOTE: Improvements made to the structure or site on the property that the National Park Service has determined meets the National Register Evaluation Criteria are eligible for tax abatement, if the property value increases by 5% or more.



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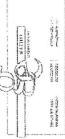
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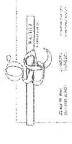


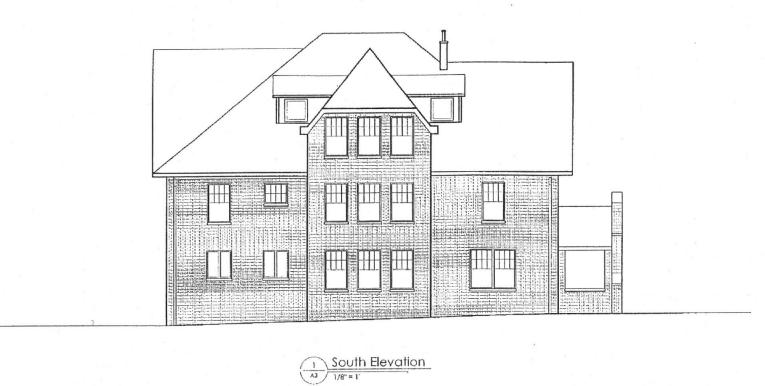


SOUTH ELECTION

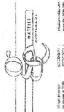
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ATTACHMENT C



United States Department of the Interior

NATIONAL PARK SERVICE 1849 C Street, N.W. Washington, D.C. 20240

IN REPLY REFER TO: July 16, 2007

Russ McCullough, Ph.D. Iowa House Building, L.L.C. 119 Stanton Avenue P.O. Box 1099 Ames, IA 50014

PROPERTY: Sigma Sigma-Delta Chi Fraternity House, 401 Hayward Avenue, Ames, IA 50014

PROJECT NUMBER: 20248

TAXPAYER ID NUMBER: 25-8591518

Dear Mr. McCullough:

The National Park Service has determined that the subject property appears to meet the National Register Criteria for Evaluation and will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer according to the procedures set forth in 36 CFR Part 60. This determination is made in response to the Historic Preservation Certification Application — Part 1 submitted to this office.

Please be advised that Federal regulations require submission of interior and exterior photographs of the building before the start of rehabilitation work. No photographs of the interior were submitted with the Part 1 application. While the four photographs of the exterior of the building are minimally sufficient for us to make this preliminary determination, these photographs do not provide enough information about the pre-rehabilitation appearance and condition of the property to evaluate a Part 2 application. Photographs showing the building interior prior to the start of the rehabilitation as well as additional photographs of the exterior must be submitted, in duplicate, to the State Historic Preservation Office with the Part 2 application.

Obtaining "certified historic structure" status is the first step in qualifying for maximum tax benefits under Federal Laws. These benefits apply only to structures that have either undergone or are about to undergo rehabilitation that can be certified in accordance with the Secretary of the Interior's "Standards for Rehabilitation."

If you have any questions, please call the State Historic Preservation Office or me at (202) 354-2028.

Sincerely,

Anne Grimmer

Technical Preservation Services Branch

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Enclosure

cc:

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IA SHPO

ORDINANCE NO	ORDIN	ANCE	NO.	
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AN ORDINANCE TO DESIGNATE THE 405 AND 415 HAYWARD AVENUE URBAN REVITALIZATION AREA

HAI WAKD A	WENUE UNDAI	KEVITALIZATION AKEN						
BE IT ORDAINED, I	by the City Counci	1 for the City of Ames, Iowa, that:						
Section One. The land	Section One. The land described as:							
Lots 1, 2, 3 and 4, Block 1 of Lee's 2 nd Addition to the City of Ames, Story County,								
is hereby designated, pursuant to Chapter 404, <u>Code of Iowa</u> , as the 405 and 415 Hayward Avenue Urban Revitalization Area.								
Section Two. This ord and publication as required by		full force and effect from and after its passage						
Passed this	day of	, 2007.						
Diane R. Voss, City Clerk		Ann H. Campbell, Mayor						