



# Urban Renewal Plan For Urban Renewal Area Number Five

DRAFT 12-05



Prepared by:  
Dept. of Planning and Housing

# Table of Contents

Urban Renewal Plan Components.....	2
Plan Preparation and Adoption .....	2
Industrial Urban Renewal in Ames .....	3
Agricultural Land .....	3
Property Description .....	4
Urban Renewal Project Description .....	4
Urban Renewal Plan Objectives .....	5
Conformance with Land Use Policy Plan .....	5
Conformance with Zoning.....	10
City’s Debt Obligations .....	10
Map 1 Project Area.....	13
Map 2 Land Use Policy Plan Map .....	14
Map 3 Zoning.....	15
Map 4 FEMA Designated Flood Plain .....	16
Appendix A: Recommendation of the Ames Planning and Zoning Commission.....	17
Appendix B: Affected Taxing Entities and their Representatives .....	18
Appendix C: Notice of Consultation sent to Affected Taxing Entities .....	19
Appendix D: Written recommendations for modifications by the Taxing Entities to the Plan and the City’s responses to their recommendations for modifications .....	20
Appendix E: Notice of public hearing published in a newspaper of general circulation and mailed to the affected Taxing Entities.....	21

## Urban Renewal Plan

This Urban Renewal Plan for Urban Renewal Area Number Five (the Plan) was prepared at the direction of the Ames City Council and in conformance with the Code of Iowa Chapter 403 Urban Renewal. This Plan comprises the necessary components as described in Chapter 403.17(24). In addition, it describes and documents the procedures followed in bringing the Plan forward, in approving the Plan, and in allowing the division of revenues from taxation (tax increment financing).

This Plan designates the proposed urban renewal area as an economic development area as defined in Chapter 403.17(10).

## Plan Preparation and Adoption

### PREPARATION AND COMMISSION ACTION

The City of Ames Department of Planning and Housing (the Department) prepared this Plan, initially presenting it to the Ames City Council on December 9, 2008. The City Council directed the Department to submit the Plan to the Planning and Zoning Commission (the Commission) for their review and recommendation as to its conformity with the general plan of the City—the Ames Land Use Policy Plan.

The Commission met on [December 17, 2008]<sup>\*</sup> and heard a summary of the report and a recommendation from the Department. The Commission heard public input then formulated their recommendation for the City Council. The recommendation of the Commission was [*insert recommendation here*].<sup>†</sup>

### NOTIFICATION AND CONSULTATIONS

During the preparation of this Plan, the City met the notification and consultation requirements of Code of Iowa Chapter 403.5. Notice was provided to the affected taxing entities as required to allow for the division of revenues from taxation (tax increment financing). Notice was provided to the Story County Board of Supervisors, the Ames Community School District, and the Des Moines Area Community College. The notice of a consultation and a copy of the Plan were sent by regular mail to the taxing entities on [December 10, 2008] for a consultation to be held on [December 16, 2008]. The taxing entities, their addresses and their designated representatives are listed in the appendix.

The taxing entities were notified that they had seven days following the consultation to provide any recommendations for modifications of the Plan. The comments from the affected taxing entities can be summarized as follows: [*summarize comments here*].

---

<sup>\*</sup> Tentative dates are in brackets. Actual dates will be inserted prior to final adoption by the City Council.

<sup>†</sup> Future comments are in bracketed italics. Actual text will be inserted prior to final adoption by the City Council.

The City responded to the recommendations by [January 6, 2009], this date being at least seven days prior to the public hearing of the City Council. The written recommendations from the taxing entities as well as the City's responses are included in the appendix.

### **CITY COUNCIL ACTION**

The Ames City Council held a public hearing on [January 13, 2009] to consider the adoption of the Plan, the resolution to establish the urban renewal area and the ordinance to allow for the division of revenue from taxation (tax increment financing). Notification for the public hearing was as prescribed by Code of Iowa Chapter 403.5(3). Public notice was published in the Ames Tribune, a copy of which is included in the appendix. In addition, a copy of the notice was sent by regular mail to the affected taxing entities.

At the public hearing, the City Manager presented a summary of the report and a recommendation to the City Council. The City Council was also presented with the written recommendation of the Planning and Zoning Commission. The City Council gathered public input then took action on the Plan.

## **Industrial Urban Renewal in Ames**

In 1991, the City sought proposals for the development of an industrial area in Ames. A proposal from Ford Street Development for approximately 40 acres along Interstate 35 was selected and the City Council established an urban renewal area (Urban Renewal Area Number 3) creating the Ames Community Industrial Park. The Park included a tax increment component to finance the necessary public improvements. The development proceeded with the installation of Alexander Avenue, Graham Street, and Bell Avenue.

In 1997, the City established another urban renewal area (Urban Renewal Area Number 4) lying south of the previous area. The City created a tax increment component and entered into a development agreement, again with Ford Street Development. This area extended Bell Avenue southward to its current terminus. The City received a state RISE grant to assist with fifty percent of the street costs.

In 2008, the City Council, following a request from the landowner south of and adjacent to the previous areas, directed staff to initiate steps to provide tax increment financing for the construction of infrastructure to serve approximately 37 acres of industrial land along South Bell Avenue. This Plan was prepared at the direction of the City Council and identifies an urban renewal project for a newly created Urban Renewal Area Number 5.

## **Agricultural Land**

Code of Iowa Chapter 403.17.10 allows agricultural land (as defined by Code of Iowa Chapter 403.17.3) to be included in an economic development area only with the consent of the owner of the land. The proposed urban renewal area

comprises two parcels—both owned by Dayton Park, LLC. One parcel is less than 10 acres and does not meet the definition of agricultural land. The other parcel is 28.3 acres and is classified as agricultural by the City Assessor. However, the property owner has provided information that the land does not meet the definition of “agricultural land” as defined in Code of Iowa Chapter 403.17.3.

## **Property Description**

The proposed urban renewal area comprises two parcels. The legal descriptions are:

Outlot ‘Z’, Four Seasons Park Subdivision, and  
Parcel ‘L’, in the SW ¼ of Section 7, T83N, R23W.

The land is currently classified as agricultural for assessment purposes but lies fallow.

Following its designation as an urban renewal area, a subdivision plat will be prepared creating lots consistent with this Plan.

## **Urban Renewal Project Description**

The proposed urban renewal area (hereinafter referred to as the “Area”) comprises 37 acres of land in the Southwest Quarter of Section 7, Township 83 North, Range 23 West of the Fifth Principle Meridian. Its eastern boundary abuts the west right-of-way of Interstate 35. The west right-of-way of Interstate 35 is also the eastern corporate boundary of the City of Ames. The Area lies immediately south of Ames Community Development Park, Second Addition and immediately north of Dayton Park Subdivision, Fifth Addition.

The project connects the two dead-end portions of South Bell Avenue as they currently lie within the Ames Community Development Park and Dayton Park Subdivision. The necessary utilities will also be installed and the Area platted for industrial development. This industrial development will include the uses currently allowed under the General Industrial (GI) zoning district unless otherwise limited through restrictive covenants.

Cost estimates have been prepared for two development scenarios. The cost estimate for the larger of the two scenarios—and the potential amount of bonds to be issued—is \$2.3 million. These costs include grading, streets, storm sewer, sanitary sewer, water mains, electric improvements, construction administration, and an adequate contingency reserve. The project costs include only the grading necessary for the installation of the streets and utilities. Grading of the lots themselves will be borne by the property developer. Also not included are costs for engineering design work or right-of-way acquisition. The City will not bear these costs.

The project will rely on the use of tax-increment financing to pay for some or all of the improvements. The necessary improvements may be done in phases.

## **Urban Renewal Plan Objectives**

This urban renewal area is being created to expand the available inventory of fully serviced industrial land within Ames. The objectives of this plan are consistent with the Land Use Policy Plan and are listed below.

- To make industrial zoned lots available for immediate development.
- To provide these lots at below-market prices as an incentive for development.
- To ensure high quality development by establishing design criteria through restrictive covenants.
- To build out further the city's industrial area lying immediately west of Interstate 35.
- To provide employment opportunities in the industrial sector and increase the employment base.
- To increase the assessed valuations of the property tax base of the city.
- To install the public improvements necessary to allow for industrial development.
- To connect a link in the City's transportation network.
- To create a public-private partnership to encourage development in the new lands.

## **Conformance with Land Use Policy Plan**

The Land Use Policy Plan, adopted by the City Council in 1997 and subsequently amended, provides guidance on the adoption of an urban renewal plan.

### **GROWTH DETERMINANTS (LUPP PP. 6-11)**

The target population for the City of Ames and of the unincorporated planning area is expected to be 65,000 to 67,000 by the year 2030. These population targets lead to employment projections of 33,700 to 35,050 by 2030.

Manufacturing, as an employment sector, is targeted to rise 48 percent in that time frame. This increase in employment needs to be accommodated through the development of new industrial sites or the redevelopment of existing sites. The Land Use Policy Plan anticipates that this increase in manufacturing-related employment requires an additional 300 to 375 acres of industrial land.

### **GOALS FOR A NEW VISION (LUPP PP. 14-23)**

Goals for a New Vision of the Land Use Policy Plan describe ten goals in broad categories, as well as a number of objectives to meet those goals. Those that more greatly influence the development of an industrial urban renewal area are quoted below. Some goals are not included as they bear little relationship to this economic development issue. The text of the LUPP is shown below in serif font. **Emphasis is added to the more pertinent passages.**

**Goal No. 1.** Recognizing that additional population and economic growth is likely, it is the goal of Ames to plan for and manage growth within the context of the community's capacity and preferences. It is the further goal of the community to manage its growth so that it is more sustainable, predictable and assures quality of life.

Objectives. In managing growth, Ames seeks the following objectives.

1.A. Ames seeks to diversify the economy and create a more regional employment and market base. While continuing to support its existing economic activities, the community seeks to broaden the range of private and public investment.

1.B. Ames seeks to integrate its growth with an economic development strategy for the Central Iowa region.

1.C. Ames seeks to manage a population and employment base that can be supported by the community's capacity for growth. A population base of 60,000-62,000 and **an employment base of up to 34,000 is targeted within the City.** Additionally, it is estimated that the population in the combined City and unincorporated Planning Area could be as much as 67,000 **and the employment base could be as much as 38,000 by the year 2030.**

**Goal No. 2.** In preparing for the target population and employment growth, **it is the goal of Ames to assure the adequate provision and availability of developable land.** It is the further goal of the community to guide the character, location, and compatibility of growth with the area's natural resources and rural areas.

Objectives. In assuring and guiding areas for growth, Ames seeks the following objectives.

2.A. **Ames seeks to provide between 3,000 and 3,500 acres of additional developable land within the present City and Planning Area by the year 2030. Since the potential demand exceeds the supply within the current corporate limits, alternate sources shall be sought by the community through limited intensification of existing areas while concentrating on the annexation and development of new areas. The use of existing and new areas should be selective rather than general.**

2.B. **Ames seeks to assure the availability of sufficient suitable land resources to accommodate the range of land uses that are planned to meet growth. Sufficient land resources shall be sought to eliminate market constraints.**

2.C. Ames seeks a development process that achieves greater compatibility among new and existing development.

2.D. Ames seeks a development process that achieves greater conservation of natural resources and compatibility between development and the environment.

2.E. Ames seeks to integrate its planning with that of Story County and surrounding counties in assuring an efficient and compatible development pattern, and in assuring that there are adequate agricultural resources to serve the region.

**Goal No. 4.** It is the goal of Ames to create a greater sense of place and connectivity, physically and psychologically, in building a neighborhood and overall community identity and spirit. It is the further goal of the community to assure a more healthy, safe, and attractive environment.

Objectives. In achieving an integrated community and more desirable environment, Ames seeks the following objectives.

4.A. Ames seeks to establish more integrated and compact living/activity areas (i.e. neighborhoods, villages) wherein daily living requirements and amenities are provided in a readily identifiable and accessible area. Greater emphasis is placed on the pedestrian and related activities.

4.B. **Ames seeks to physically connect existing and new residential and commercial areas** through the association of related land uses and provision of an intermodal transportation system.

4.C. Ames seeks to psychologically connect the various living/activity areas through closer proximity of residential areas and supporting commercial uses, common design elements, and inclusion of community amenities such as parks and schools. The connections should promote community identity.

**Goal No. 5.** It is the goal of Ames to establish a cost-effective and efficient growth pattern for development in new areas and in a limited number of existing areas for intensification. It is a further goal of the community to link the timing of development with the installation of public infrastructure including utilities, multi-modal transportation system, parks and open space.

Objectives. In defining the growth pattern and timing of development, Ames seeks the following objectives.

5.A. **Ames seeks to establish priority areas for growth in which there are adequate and available land resources and infrastructure to meet the major development requirements through the year 2030.**

5.B. **Ames seeks to attract public and private capital investment in the priority areas for growth on a concurrency basis (i.e. having infrastructure available at the time of development approval). Public capital improvements (e.g. trunk lines and a major street system) could be used to leverage the location of development and the availability of land.**



**5.C. Ames seeks the continuance of development in emerging and infill areas where there is existing public infrastructure and where capacity permits.**

5.D. Ames seeks to have the real costs of development borne by the initiating agent when it occurs outside of priority areas for growth and areas served by existing infrastructure.

5.E. Ames seeks to integrate its planning with that of Story County and regional planning agencies.

**Goal No. 7.** It is the goal of Ames to provide greater mobility through more efficient use of personal automobiles and enhanced availability of an integrated system including alternative modes of transportation.

Objectives. In achieving a more mobile community, Ames seeks the following objectives.

7.A. Ames seeks to establish a comprehensive and integrated transportation system that includes automotive, public transit, pedestrian, bicycle and ride-sharing modes.

**7.B. Ames seeks a transportation system that is linked with the desired development pattern of the overall community and areas therein.**

**7.C. Ames seeks to establish new transportation corridors that have been planned, in part, to minimize impacts on significant natural resources.**

**7.D. Ames seeks to increase the efficiency of existing traffic movement in reducing air pollutants from automobiles (e.g. improving intersection movements to minimize delays and conserve energy).**

7.E. Ames seeks a development pattern that protects and supports the airport and its flight approach zones.

**Goal No. 9.** It is the goal of Ames to promote expansion and diversification of the economy in creating a base that is more self-sufficient and that is more sustainable with regard to the environment.

Objectives. In creating an economic base that is more self-sufficient and environmentally sustainable, Ames seeks the following objectives.

**9.A. Ames seeks more diversified regional employment opportunities involving technology-related services and production, office centers and retail centers.**

**9.B. Ames seeks to attract and support a small- and medium-size business center that utilizes the skills and products of the area's trained workforce.**

9.C. **Ames seeks to expand its research and technology development through greater private, public and university coordination and cooperation.**

9.D. Ames seeks economic activities that are compatible and sustainable with its environment.

**FUTURE LAND USE ALLOCATIONS (LUPP P. 29)**

“An additional 300-375 acres are allotted for future industrial uses. Included are approximately 225-275 acres for planned industrial involving industrial park-type settings, plus 75-100 acres for general industrial involving non-park settings.”

**FUTURE LAND USE POLICY PLAN MAP (LUPP FOLLOWING P. 36)**

The area of the proposed urban renewal area is identified on the Land Use Policy Plan Map as General Industrial.

**NEW LANDS POLICY OPTIONS (LUPP PP. 59-60)**

The area of the proposed urban renewal is described as New Lands Area. The New Lands Area proposes the following information relating to industrial land.

“**Industrial Expansion Areas.** In further supporting the community’s goal for economic expansion, additional industrial uses are needed. Expansion areas are recommended for both private sector activities and ISU-research park activities. It is recommended that the New Lands area provide the base for the community’s industrial expansion....”

“**General Industrial.** It is recommended that general industrial activities be limited in their scale and location. The intent is to minimize their impact on the community’s current land resources and infrastructure.”

“Uses. All future general industrial should involve mostly smaller scale activities. Light assembly and other low impact uses are recommended.”

“Location. An expansion area adjacent to the City’s current industrial area is recommended for general industrial. A site of 75 to 100 acres is available. As the only general industrial site remaining, the location is important in meeting the community’s near-term needs. Development of the planned industrial site to the east of Interstate 35 is probably a long-term option. Extension of utilities to the proposed planned industrial location will be costly due to the barrier presented by Interstate 35.”

**OTHER LUPP ISSUES**

The Land Use Policy Plan presents no contradiction in the use of this land as industrial. There are no issues associated with the proposed industrial land use that are contradicted by the Natural Resources Inventory or Natural Resources Suitability Analysis (pp.77-78). Neither is this Area within an indentified Flood-Prone Area (p. 80) nor have issues with Soil Analysis that would preclude development (p.83). Water, waste water and storm water capacities are adequate for the proposed industrial uses.

## **SUMMARY**

The urban renewal plan and the proposed urban renewal project within the proposed urban renewal area are consistent with and supported by the goals of the Ames Land Use Policy Plan. This is demonstrated by:

- The Area will support an increased employment base moving the City closer to its 2030 employment projections.
- The Area provides 32 acres of land moving the City closer to its anticipated increase of 300 to 375 acres of new industrial land.
- Development of the Area assures the immediate availability of industrial developable land.
- The Project provides a vital connection in the City's transportation network.
- The Project provides intensification of development in the new lands.
- The Project leverages private development with its investment of public resources.
- The Project supports and the Area is within an industrial infill area where public infrastructure is immediately adjacent.
- The Project will allow for the expansion and diversification of the industrial base by providing below-market rate lots to accommodate a variety of uses.
- The Area lies within a general industrial designation of the Land Use Policy Plan Map.
- The scale of the Project is consistent with the Land Use Policy Plan's description of general industrial as for "mostly smaller scale activities" and "low impact uses."
- The Area lies within the new lands, which is identified for the community's industrial expansion.
- There are no identified issues that make the development of Project within this Area inconsistent with the Land Use Policy Plan.

## **Conformance with Zoning**

The Area is currently zoned GI General Industrial. This zoning designation is consistent with the Land Use Policy Plan Map. It is also consistent with the uses proposed for the Area—no change of zone is proposed for this Area.

A portion of the Area also lies within the Southeast Entryway Gateway overlay district. This district establishes design and landscaping standards necessary to maintain the district as a distinct entryway into Ames.

## **City's Debt Obligations**

This urban renewal area will include a provision for tax increment financing. In accordance with Code of Iowa Chapter 403.17(24)(c), the following financial information is provided.

**CURRENT GENERAL OBLIGATION AND REVENUE BOND DEBT**

					As of 6/30/08
	Date of Issue	Interest Rates	Amount Originally Issued	Maturity Date	Outstanding June 30, 2008
<b>General obligation bonds:</b>					
Corporate purpose	6/1998	4.13 - 4.25%	\$ 5,130,000	6/2010	\$ 850,000
Corporate purpose	6/1999	3.60 - 4.45%	\$ 4,045,000	6/2011	\$ 1,190,000
Corporate & Ice Arena	7/2000	4.75 - 5.15%	\$ 5,870,000	6/2012	\$ 2,355,000
Corporate purpose	8/2001	4.00 - 4.70%	\$ 10,080,000	6/2013	\$ 4,495,000
Fire station	12/2001	2.50 - 4.10%	\$ 1,310,000	6/2013	\$ 590,000
Ames Quarry	5/2002	4.00 - 5.13%	\$ 3,475,000	6/2021	\$ 2,655,000
Corporate purpose 2002B	10/2002	2.25 - 3.60%	\$ 5,885,000	6/2014	\$ 3,170,000
Resource Recovery GO refunding 2002C	10/2002	2.50 - 3.50%	\$ 3,976,194	6/2010	\$ 860,000
Corp & Ada Hayden Park	09/2003	1.10 - 3.70%	\$ 6,555,000	6/2015	\$ 3,815,000
Corp, Fire & Ada Hayden	10/2004	2.75 - 3.25%	\$ 6,030,000	6/2014	\$ 3,790,000
Corp, Fire & GO refunding	09/2005	3.50 - 3.65%	\$ 5,495,000	6/2017	\$ 3,395,000
Corporate purpose 2006	10/2006	4.00%	\$ 5,285,000	6/2018	\$ 4,645,000
Corporate, Pool & Water	11/2007	3.75 - 4.15%	\$ 9,630,000	6/2019	\$ 9,385,000
<b>Total general obligation bonds</b>					<b><u>\$ 41,195,000</u></b> (a)
<b>Revenue bonds:</b>					
Mary Greeley Medical Center 2003 Refunding	6/2003	3.00 - 5.00%	\$ 29,385,000	6/2022	\$ 22,555,000
<b>Total Mary Greeley Medical Center revenue bonds</b>					<b><u>\$ 22,555,000</u></b> (b)
<b>TOTAL ALL BONDS</b>					<b><u>\$ 63,750,000</u></b>

(a) Excludes unamortized premiums of \$33,295 and unamortized charges arising from refunding of \$7,614.

(b) Excludes unamortized premiums of \$568,710 and unamortized charges arising from refunding of \$449,400.

**CURRENT CONSTITUTIONAL DEBT LIMIT AND CAPACITY**

	As of 10/31/08
Total Actual Valuation	\$ 3,215,637,638
State Mandated Debt Limit*	\$ 160,781,882
City Reserve (25% of Limit) <sup>†</sup>	\$ 40,195,471
Un-Reserved Debt Capacity	<u>\$ 120,586,411</u>
Outstanding Debt	\$ 49,550,000
Proposed Issues	
Balance of Proposed Issues	
Total Debt Subject to Limit	\$ 49,550,000
Available Un-Reserved Debt	\$ 71,036,411

Capacity (\$)

Available Un-Reserved Debt  
Capacity (%) 58.91%

**Total Debt Capacity Available (\$) \$ 111,231,882**

**Total Debt Capacity Available (%) 69.18%**

**Notes:**

\*Iowa statutory debt limit is 5 percent of total city valuation

†City policy reserves 25 percent of available debt capacity

**PROPOSED AMOUNT OF INDEBTEDNESS**

The City intends to issue bonds in an amount not to exceed \$1.152 million. The final bond amount will be determined by the chosen scenario any possible phasing. The bonds may be sold in multiple issues.

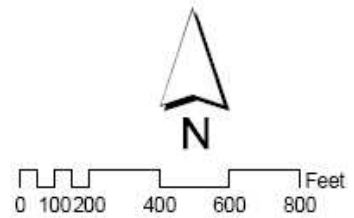


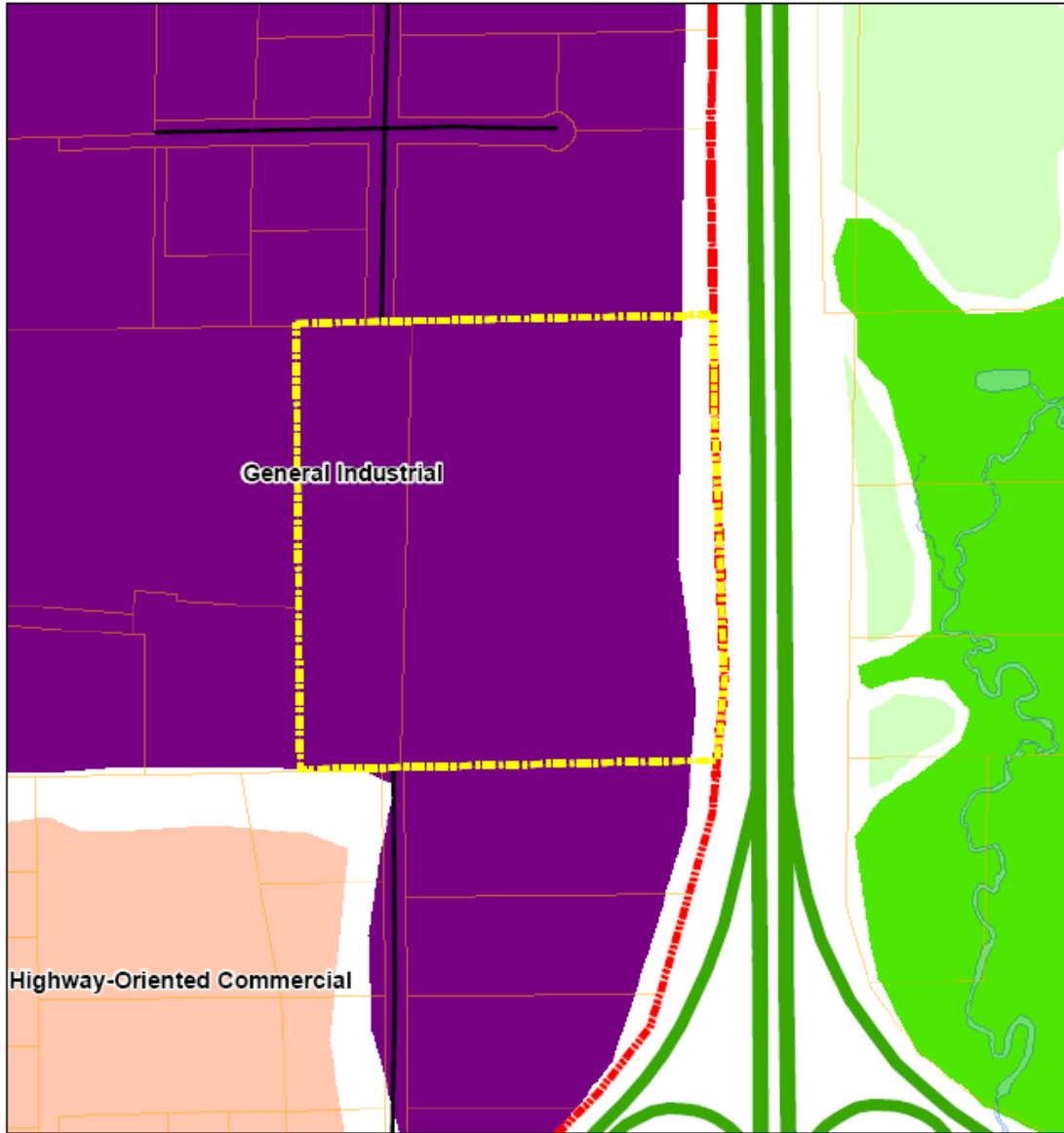
## Proposed Urban Renewel Area #5



-  Proposed URA #5
-  Ames City Boundary
-  Interstate
-  Interstate Ramp
-  City Road



**Map 1 Project Area**

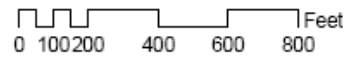




Proposed Urban Renewal Area #5



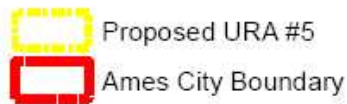
-  Proposed URA #5
-  Ames City Boundary



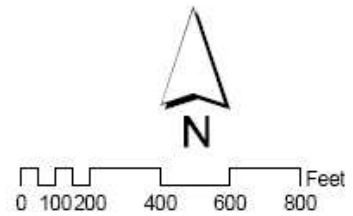
Map 2 Land Use Policy Plan Map



Proposed Urban Renewel Area #5



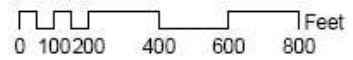
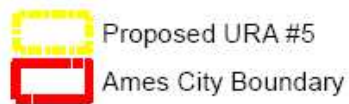
Map 3 Zoning







## Proposed Urban Renewel Area #5



### Map 4 FEMA - Designated Flood Plain

## **Appendix A**

Recommendation of the Planning and Zoning Commission of December 17, 2008.

## Appendix B

Affected Taxing Entities, their addresses, and representatives to the consultation.

Affected Taxing Entity	Mailing Address	Representative to Consultation
Ames City Council	PO Box 811, Ames, IA 50010	
Ames Community School District Board of Education	415 Stanton Avenue, Ames, IA 50014	
Story County Board of Supervisors	900 6th Street, Nevada, IA 50201	
Des Moines Area Community College	2006 South Ankeny Boulevard, Ankeny, IA 50023 (?)	

## **Appendix C**

Notice of consultation provided to Affected Taxing Entities.

## **Appendix D**

Written recommendations for modifications by the Affected Taxing Entities to the Plan and the City's responses to their recommendations for modifications.

## **Appendix E**

Notice of public hearing published in a newspaper of general circulation and mailed to the Affected Taxing Entities.