

ITEM #: 19a-c
DATE: 02/10/09

COUNCIL ACTION FORM

SUBJECT: REQUEST FOR PRIOR APPROVAL OF URBAN REVITALIZATION TAX EXEMPTION FOR PROPERTY LOCATED AT 116 WELCH AVENUE

BACKGROUND:

Campustown Acquisitions has recently proposed removing the existing buildings at 116-120 Welch Avenue and constructing a multiple-use building. The developer is requesting prior approval for a 3-year, 100% tax exemption on the increased value in the Campustown Urban Revitalization Area (see letter attached). The expected construction cost or increase in taxable property value for the project are not known at this time.

Without prior approval, the property owner would be taking substantial risk to proceed with a project expecting to receive property tax abatement without knowing if the City Council would agree that the project meets the criteria set by the Campustown Urban Revitalization Plan. A future City Council could modify the Campustown Urban Revitalization Plan and change the criteria before the project was completed. Therefore, Chapter 404.4 of the *Code of Iowa* provides for prior approval of eligibility, by resolution approved by the City Council. Furthermore the *Code of Iowa* states that the City "shall, by resolution, give its prior approval for an improvement project if the project is in conformance with the plan for revitalization developed by the city or county." However, the *Code of Iowa* does not mandate a time frame for approval.

The attached concept plan document describes a five-story building, with about 2,200 square feet of commercial space on the ground floor, with enclosed parking making up the rest of the ground floor. The upper four floors would contain 28 residential units, with a total of about 88 bedrooms. An access drive and fire lane would extend along the south property line, which also provides access for the property to the south. A five-to ten-foot separation from the north property line may be provided. A ten-foot setback is required on the east property line. The west wall of the ground floor of the building would be on the Welch Avenue property line. Above the second floor, the west wall of the building would step back 15 feet from the Welch Avenue property line, as required by the zoning code. There are several unresolved issues with the site development, such as the relationship between setbacks and penetrations in the building walls, access to the electrical transformer, existing easements, and a possible grade elevation difference between proposed enclosed parking and the existing parking lot on the property to the south.

The developer intends to meet the Parking and Mixed Use required criteria and the Design Standards criteria (see matrix attached). No parking is required for the commercial use in this zoning district. Required parking for 28 residential units is 28 parking spaces. Enclosed parking is provided for 20 spaces, which meets the 70% required by the criteria. (The remaining required parking is provided in the Legacy Tower to the east, which has

parking beyond its requirement.) The uses shown in the building meet the mixed use criteria. The attached drawings show that the design criterion for pedestrian access directly from the street is met. Compliance for the signage criterion would be confirmed at the time a sign permit is requested. The criteria require that 100% of the street facing exterior façade and 80% of the three remaining exterior facades have clay brick facing for the first four stories. Only the elevation for the front façade has been submitted and it meets the brick material criteria. The City has not yet received the architectural elevation drawings for the three remaining exterior facades.

Since the approval of the current Campustown Urban Revitalization Plan in 2006, the City has gained more experience with the on-going impacts of the larger residential buildings in the area and the management of those impacts. Many of these impacts are related to the safety and security of the public and the residents. The Police Chief reports that maintaining safety and security has required more City resources than expected or than other high density residential areas. Based on this experience, staff concludes that the following additional design requirements could reduce these impacts, improve safety and security, and perhaps reduce required City resources:

1. prohibit commercial space on the top floor, reducing public access to the whole building
2. reduce shared common areas that the public can access
3. location and design of entrances and access control to minimize risk
4. prohibit all balconies
5. natural daylight requirements of applicable codes be achieved with exterior windows
6. fixed windows only facing the street
7. install windows that the building owner can lock and the tenants can't unlock
8. exterior glass for interior stairwells
9. security measures for separations between buildings
10. increase capacity of fire exits

These measures could be included in the building and zoning code requirements, and be mandatory for all construction in the Campustown Service Center zoning district. A voluntary and less restrictive approach would be to require them only for those projects for which tax abatement is granted. This would be accomplished by an amendment to the Campustown Urban Revitalization Plan. The City Council could consider amending the Plan through the following process: At this time the City Council would direct staff to prepare the Plan amendments and by resolution also set a date for a public hearing on the Plan amendments. Required notice would be given to the public and to property owners in the Campustown Urban Revitalization Area. Then the City Council would conduct a public hearing on the amendments. At the same meeting, the City Council could by resolution approve amendments to the Plan.

Approved amendments to the Plan would apply to all future tax abatement projects in the Campustown Urban Revitalization Area. If the City Council delays action on the request for prior approval of tax abatement for 116 Welch until after it amends the Campustown Urban Revitalization Plan, then that project would also have to comply with those amendments.

ALTERNATIVES:

1. The City Council can
 - a. direct staff to prepare amendments to the Campustown Urban Revitalization Plan; and
 - b. set a date of February 24, 2009 for a public hearing for approval of the amendments; and
 - c. defer consideration of prior approval of tax abatement for 116-120 Welch Avenue until after action on the amendments and a complete application for prior approval of tax abatement is received.

Under this alternative, the amendments to the current criteria for tax abatement under the Campustown Urban Revitalization Plan will apply to this project.

2. The City Council can approve eligibility for urban revitalization tax abatement for property located at 116-120 Welch Avenue under the following conditions:
 - a. the structure shall fully conform to the attached development plan, consisting of:
 - i. Site Plan dated 12-22-08
 - ii. All Schematic Elevations documenting compliance with the criteria for tax abatement
 - iii. First Floor Plan – Option 2 dated 1-19-09
 - iv. Second floor Plan dated 12-22-08
 - v. Third – Fifth Floor Plan dated 12-22-08
 - b. the entire project shall be completed in conformity to an approved Minor Site Development Plan and all other requirements of the *Ames Municipal Code*.

Under this alternative, any amendments to the current criteria for tax abatement under the Campustown Urban Revitalization Plan will not apply to this project.

3. The City Council can deny prior approval for urban revitalization tax abatement for property located at 116-120 Welch Avenue, if it finds that the project as proposed does not conform to the current criteria for tax abatement under the Campustown Urban Revitalization Plan.

4. The City Council can refer the request to staff for further information.

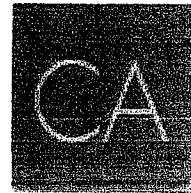
MANAGER'S RECOMMENDED ACTION:

If the City finds that a completed project, or a proposed project for which prior approval is requested, meets the requirements of an Urban Revitalization Plan, it must approve that project for tax abatement. Staff does not have enough information to make a recommendation on whether the Plan requirement will be met. In addition, the City Council should remember that State law does not mandate a time frame for that decision, even if all of the information is provided.

A benefit of delaying this request for prior approval and considering amendments to the Campustown Urban Revitalization Plan is that the City may be able to reduce public risk and better protect public resources for projects that seek public incentives. Therefore, the City Manager recommends that the City Council:

- a. direct staff to prepare amendments to the Campustown Urban Revitalization Plan as described above; and
- b. set a date of February 24, 2009 for public hearing for approval of the amendments; and
- c. defer consideration of prior approval of tax abatement for 116-120 Welch Avenue until after action on the amendments and a complete application for prior approval of tax abatement is received.

This recommendation allows the City to consider changes to this incentive program that would apply equally to all future projects in Campustown seeking tax abatement. It will also give the applicant the opportunity to provide further information needed to demonstrate compliance with the Campustown Urban Revitalization Plan.



2234 W North Ave
Chicago, IL 60647
Ph- 312.278.6937

Request for Prior Approval of Tax Abatement
116 – 120 Welch Ave.
Ames, Iowa 50014

Jeff Benson, Planner
Department of Planning and Housing
Room 214, City Hall
515 Clark Ave.
Ames, IA 50010
Ph. 515.239.5400

January 15, 2009

Mr. Benson,

I kindly request consideration for 'Prior Approval' of a Tax Abatement through the University Area Urban Revitalization Program for our proposed site development at 116-120 Welch Ave. Campus Acquisitions files the request under the Campustown Criteria Matrix through the Parking and Mixed Use categories.

The proposed development will have ground floor retail and parking in a structured garage with residential units above on floors 2 through 5. The proposed development intends to meet the criteria for design standards as listed in the matrix. The development will have building signage per design guidelines as well as 100% brick on the front façade as indicated by the concept elevation.

The fire department has preliminarily approved our proposed access to our site development. Campus Acquisitions will continue to work with City of Ames engineers to achieve a mutually acceptable resolution with respect to electrical transformers, site grading issues as well as shared easement access.

I am readily available to answer any questions you have with respect to our proposed development at 116-120 Welch Ave. I look forward to working with the City of Ames to achieve a high quality building that we both can be proud of.

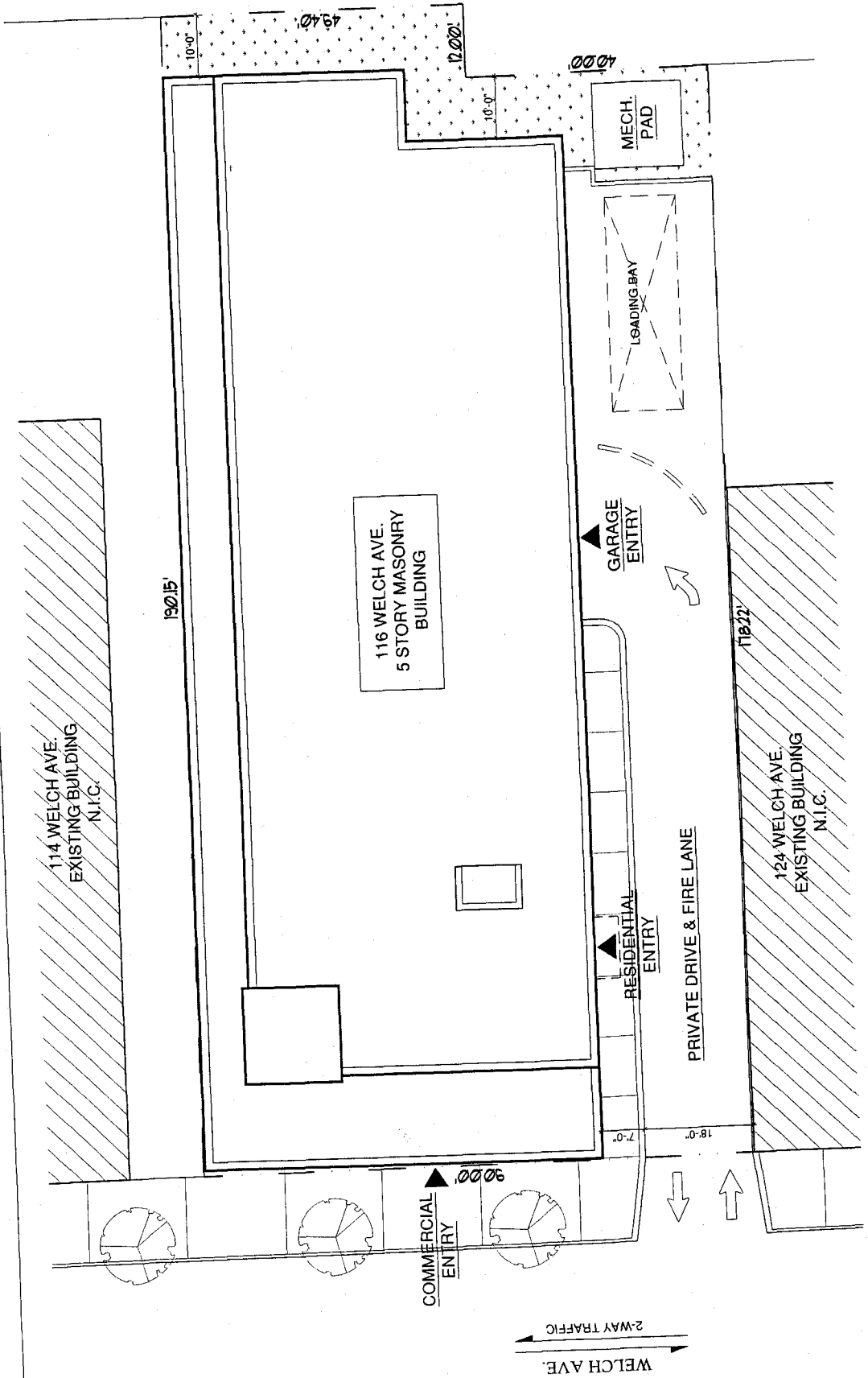
Sincerely,

A handwritten signature in black ink, appearing to read 'J.J. Smith', with a long horizontal line extending to the right.

J.J. Smith
Campus Acquisitions

URBAN REVITALIZATION CAMPUSTOWN CRITERIA MATRIX

PROJECT MUST MEET CRITERIA OF ONE OF THESE COLUMNS		PROJECT MUST MEET CRITERIA OF ONE OF THESE COLUMNS	
<p>Slum and Blighted Properties where a majority of the assessed valuation of the properties has been determined to be substantially unsafe or to have an unsafe use by the City Council.</p>	<p>Parking A minimum of 70% of the total required parking is provided in a structure. If utilizing a parking deck, the restrictions in Chapter 29.406 12 of the Municipal Code must be adhered to.</p> <p>AND</p> <p>Mixed Use The first floor must be used for permitted commercial and retail uses as shown in Table 29.803(2) of the Municipal Code. The second floor must be used for either commercial or retail uses as shown in the Table 29.803(2) or for household living. All floors above the second floor must be used for household living.</p>	<p>Adaptive Reuse The building on the site was originally built before 1941.</p> <p>AND</p> <p>70% of the area of existing exterior walls of the structure will remain</p> <p>AND</p> <p>Historic materials and designs are preserved and/or restored.</p>	<p>Underrepresented Properties that are to include a business use where that actual sales of the business use is below the expected sales for the business use as determined by the City Council to be of benefit to the City (should be supported by a retail leakage study).</p>
<p>Design Standards Retail and office uses on the first floor adjacent to a public sidewalk must have direct access to the public sidewalk.</p> <p>AND</p> <p>Signage The signage design, scale, materials, and colors shall be in proportion to and consistent with the architecture of the building and support the business identity.</p> <p>AND</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> <p style="text-align: center;">OR</p> </div> <p>Brick Material 100% of the front and 80% of the three remaining sides of the structure shall be faced with clay brick for the first four stories. On stories five through seven any other building material except vinyl will be allowed.</p> <p>Alternative Siding Material If historically significant - use and repair of historically appropriate siding material is permitted and must be maintained for the term of the selected tax abatement schedule.</p>	<p>Design Standards Retail and office uses on the first floor adjacent to a public sidewalk must have direct access to the public sidewalk.</p> <p>AND</p> <p>Signage The signage design, scale, materials, and colors shall be in proportion to and consistent with the architecture of the building and support the business identity.</p> <p>AND</p> <p>Brick Material 100% of the front and 80% of the three remaining sides of the structure shall be faced with clay brick for the first four stories. On stories five through seven any other building material except vinyl will be allowed.</p> <p>Alternative Siding Material If historically significant - use and repair of historically appropriate siding material is permitted and must be maintained for the term of the selected tax abatement schedule.</p>		



PROJECT NORTH	SCALE	DRAWING	SK#
	AS NOTED	PRELIMINARY	1
	DATE	REVIEW	
	12/22/08		

AMES, IOWA

1 SITE PLAN
1/16" = 1'-0"

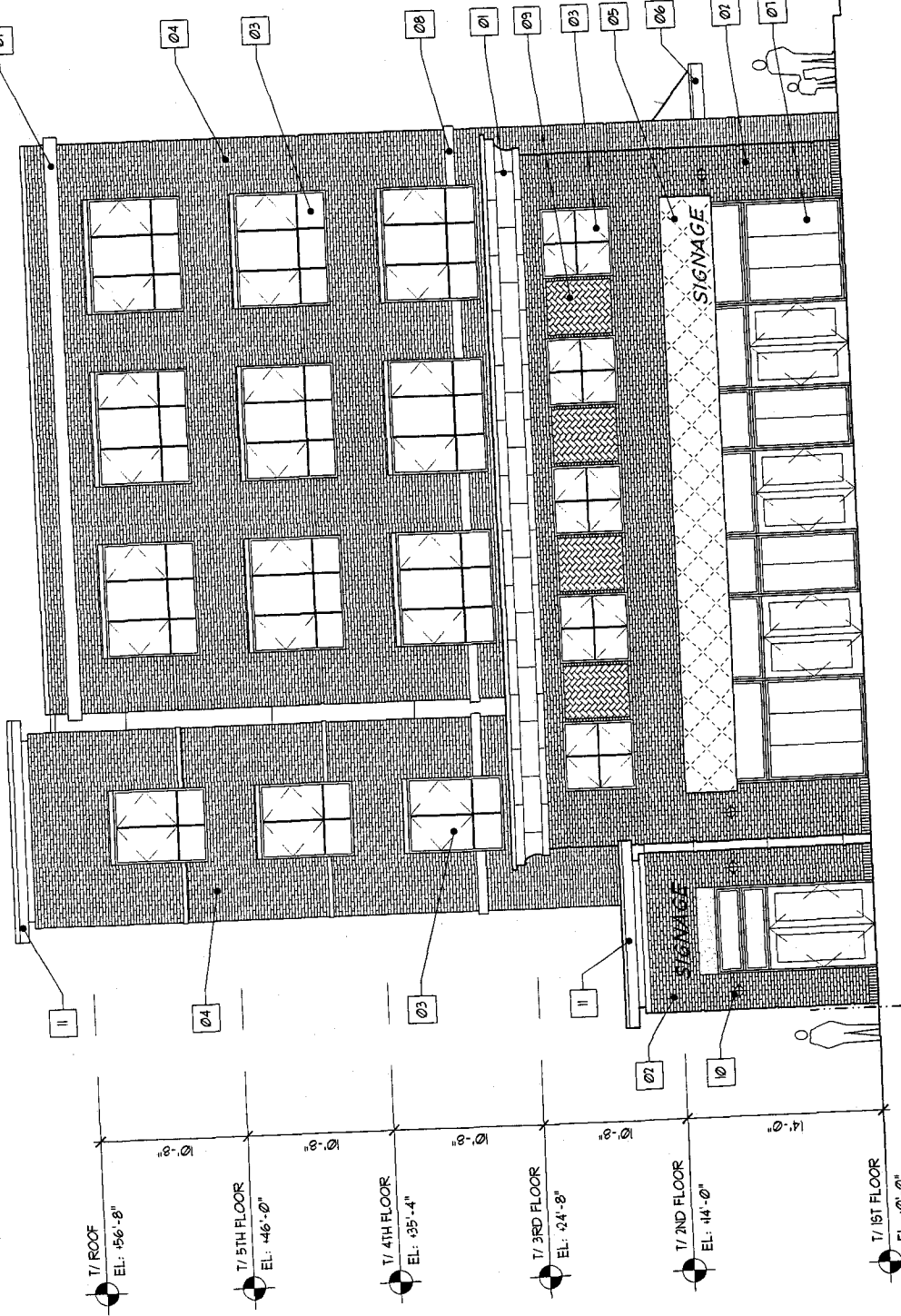
Proposed Development - 116 Welch Ave.

hpa
Hershey's Plunkard Architects

224 North Carpenter
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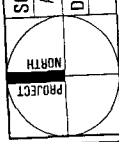
SET: Project 011, Current: Project 000001013, Location: 116 WELCH AVE AMES, IOWA, 5/27/2008, Current: 5/27/2008, Project: 000001013, Date: 5/27/2008

MATERIAL LEGEND	
01	STONE CORNICE
02	FACE BRICK COLOR #1
03	RESIDEN WINDOW
04	FACE BRICK COLOR #2
05	COMMERCIAL CANOPY
06	RESIDEN CANOPY
07	COMMERCIAL STOREFRONT
08	STONE BANDING
09	DECORATIVE BRICK INFILL
10	DECORATIVE LIGHT FIXTURE
11	METAL ROOF CORNICE



① SCHEMATIC ELEVATION - WELCH AVE.

1/8" = 1'-0"



SCALE
AS NOTED
DATE
12/22/08

DRAWING
PRELIMINARY
REVIEW

SK#

2

AMES, IOWA

Proposed Development - 116 Welch Ave.

350 North Carpenter
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www.hpbarchitect.com

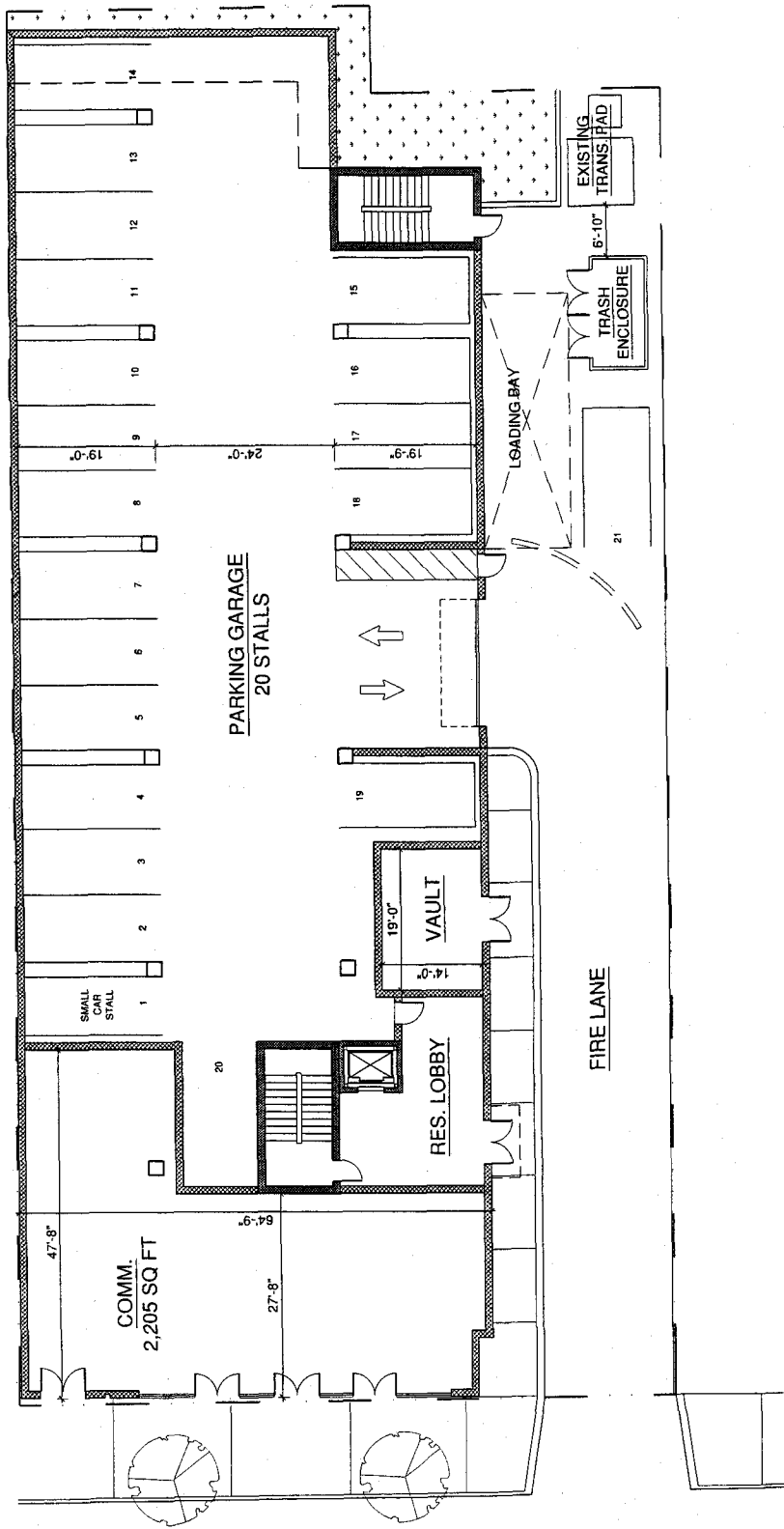


Hennrichsen Plunkard Architects

531 Project, Current Project/02/13/08 116 Welch Ave., AM, Drawing/01, Current Sign/01/Rev/02, 2008/10/15/08

Dec 22, 2008 11:54 AM

#2

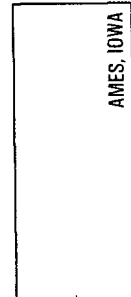



① FIRST FLOOR PLAN - OPTION #2
1/16" = 1'-0"

Proposed Development - 116 Welch Ave.

AMES, IOWA

SCALE AS NOTED	DRAWING PRELIMINARY REVIEW	SK# 3

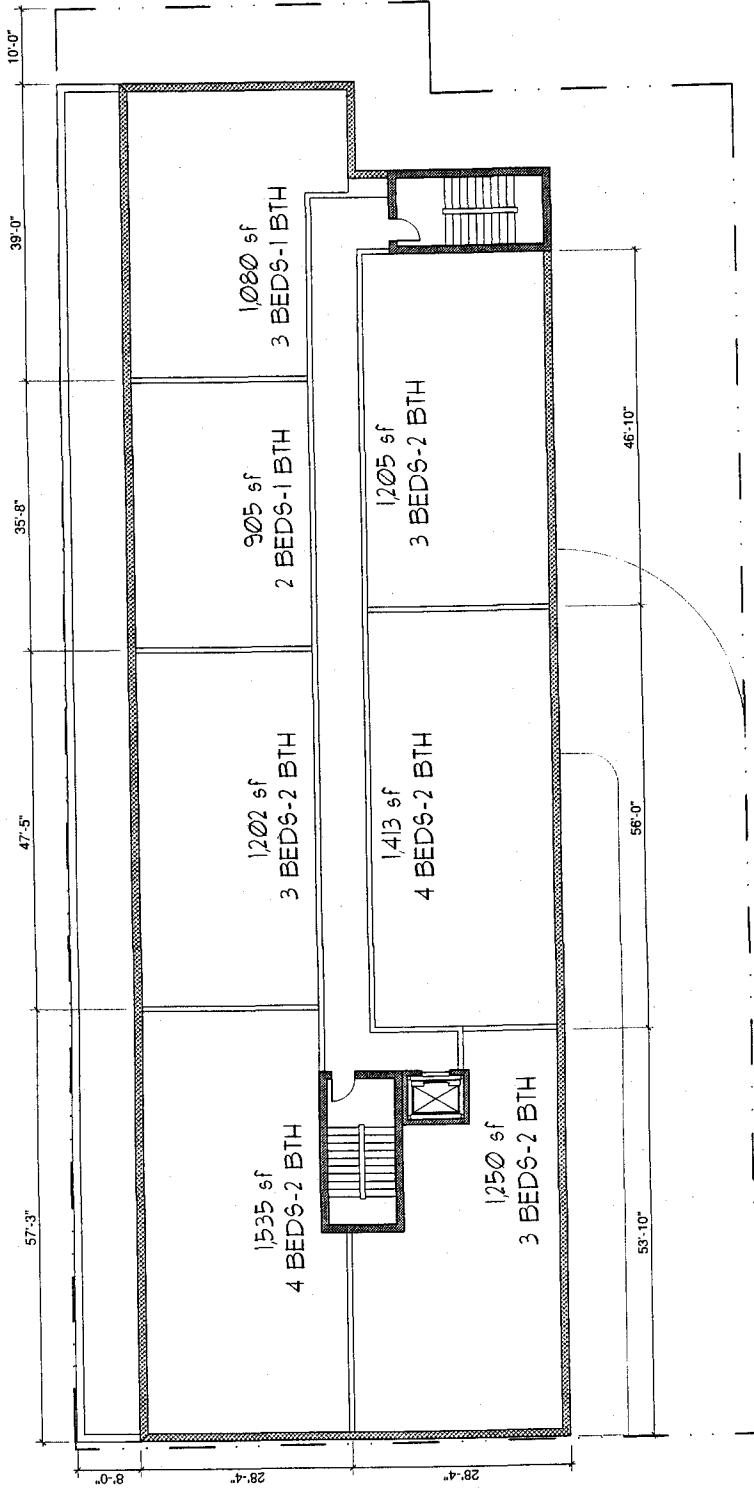




 Hensel Phelps Architects

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 info@henselphelps.com

S-11 Project: I-Corridor Project 2007123 116 Welch Ave Ames, IA | Client: City of Ames | Date: 01-19-09



1 SECOND FLOOR PLAN
1/16" = 1'-0"

Proposed Development - 116 Welch Ave.

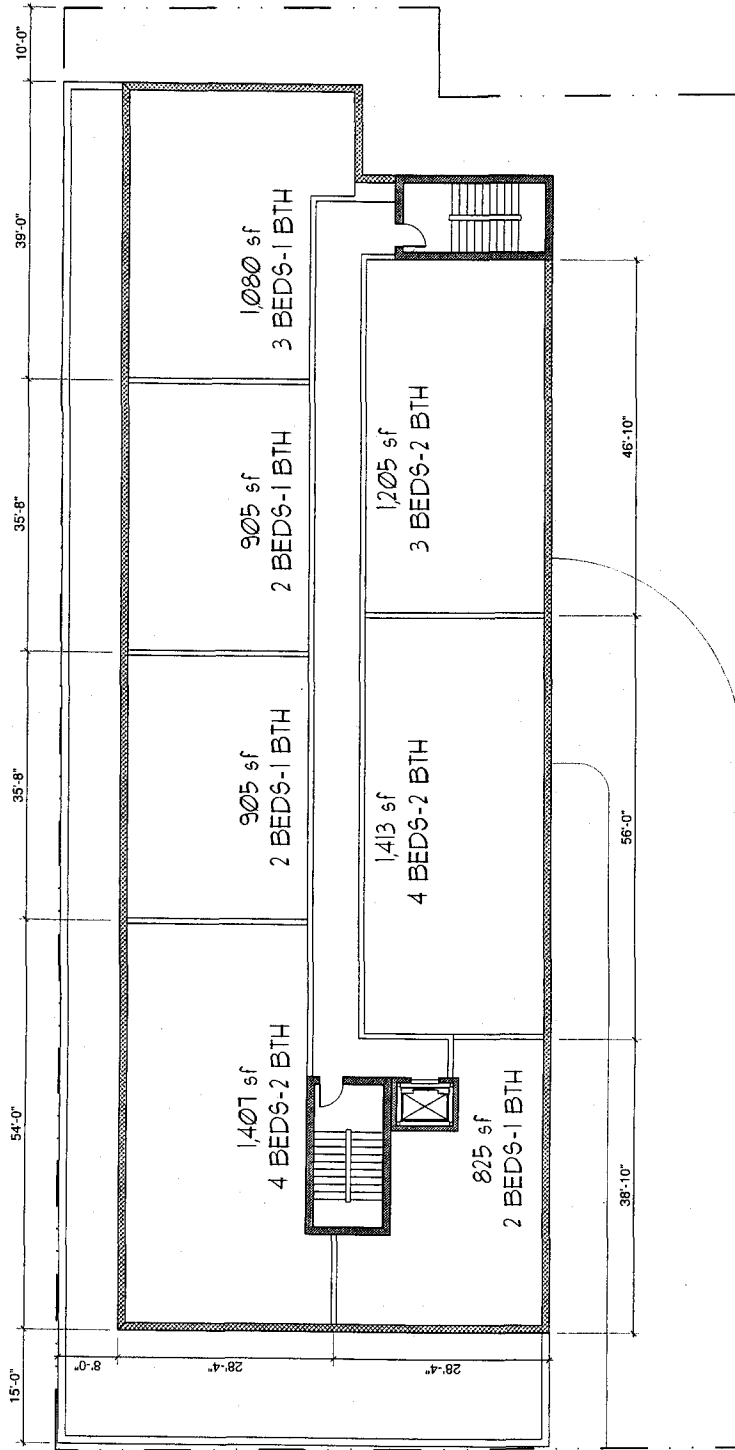
AMES, IOWA

PROJECT NORTH	SCALE	DRAWING	SK#
	AS NOTED	PRELIMINARY REVIEW	4
	DATE		
	12/22/08		

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Hatchbarnes Plunkard Architects




1 THIRD - FIFTH FLOOR PLAN

1/16" = 1'-0"

Proposed Development - 116 Welch Ave.

PROJECT	SCALE	DRAWING	SK.#
	AS NOTED	PRELIMINARY	5
	DATE	REVIEW	
	12/22/08		

AMES, IOWA



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