

Staff Report

**ROSE PRAIRIE ANNEXATION REQUEST**

September 29, 2009

On June 9, 2009, the City Council directed the City staff to engage in negotiations that may lead to a settlement in the case of Story County Land, L.C. v. the City of Ames. Because the court case is an appeal of the City's denial of Rose Prairie's subdivision, any settlement would involve the Rose Prairie development proceeding in some form with City approval.

Over the past months discussions between Rose Prairie and City staff have focused on the major issues involving infrastructure improvements (Grant Avenue improvements, water main extension, sanitary sewer extension, electric distribution line extension, other off-site improvements) as well as specific conditions that might be expected for this development. Because the City's major infrastructure is not immediately adjacent to the proposed Rose Prairie development, it is important for the parties to agree how these major cost items will be handled before a decision can be made by either party as to whether or not annexation should be pursued.

Our objectives for this special meeting are: 1) to brief the City Council on the conceptual agreements that have been reached between the parties, and 2) to obtain an indication from the City Council as to whether or not the concepts being presented are acceptable and warrant further efforts to transform these concepts into a contractual document.

The staff is very pleased with the cooperative nature of our discussions with the developers of Rose Prairie. While they are appropriately concerned with any City requirement that adds to the cost of their project, they are willing to make certain major concessions that will help overcome gaps in the infrastructure.

In order to obtain annexation from the City, the developer of Rose Prairie has agreed in concept to do the following:

**SANITARY SEWER TRUNK EXTENSION**

The developer has agreed to up-front the cost of extending the City's sanitary sewer main from its terminus at the northeastern edge of the Bloomington Heights Subdivision northwest through Ada Hayden Heritage Park up to and through the Rose Prairie subdivision as shown on Attachment I.

In return for up-fronting these costs, the City staff agrees with the developer's expectation that a sanitary sewer utility connection fee district should be established. Rose Prairie would then be reimbursed proportionately when any property owner in the benefitted district takes advantage of the interceptor sewer through Hayden Park and the over-sizing of this line within the subdivision by hooking up for sewer service.

It should be emphasized that this agreement eliminates the environmental worries caused by having a privately owned and operated sanitary sewer plant in the Hayden Lake watershed.

### **WATER MAIN EXTENSION**

The developer has agreed to up-front the cost of extending the City's water main from its terminus in Hyde Road in the northern edge of Bloomington Heights north along Grant Avenue and through Rose Prairie subdivision to West 190<sup>th</sup> Street as shown on Attachment II.

In return for up-fronting these costs, the City staff agrees with the developer's expectation that a water utility connection fee district should be established. Rose Prairie would then be reimbursed proportionately when any property owner in the benefitted district takes advantage of the extension of the water main from Bloomington Heights and the over-sizing of the water line within the subdivision by hooking up for water service.

### **ELECTRIC LINE EXTENSION**

The City's electric utility will serve only the southwest portion of the Rose Prairie subdivision that is within our service territory, and the line will not have to be extended until land within our service territory is developed.

The developer has agreed to extend an electric distribution line from its terminus near the Bloomington Road Water Tower north to the southern edge of the Rose Edge subdivision as shown on Attachment III. Consistent with the policy of Electric Services, the developer is responsible for the incremental cost of placing the distribution system underground with the City absorbing the amount equal to providing the service overhead.

One issue that will require Council attention involves the requirement to place underground electric utility lines adjacent to residential development. This requirement was established to maintain the aesthetics of our residential neighborhoods. Given this unique situation where a small finger of land cannot be served easily from other directions, the City could install an overhead line running north to this area adjacent to the existing railroad track. If this exception to the policy is granted to the developers, they would save almost \$96,000.

### **GRANT AVENUE**

Staff is well aware that the Council directed staff to deal with only the Rose Prairie developers. However, as our discussions progressed, it became apparent that the developer is willing to install one lane along Grant Avenue that abuts their property. While they are content that their subdivision can be adequately served by 190<sup>th</sup> Street, which is a paved County road, City staff is concerned that a significant amount of traffic generated by the development will use Grant Avenue as residents travel to and from the heart of the City, even if the road is gravel for the majority of its length.

Realizing that some Council members have experienced frustration with other developments that resulted in a checkerboard of infrastructure improvements (paving, street widening, bike paths, sidewalks), City staff initiated discussions with other property owners along Grant Avenue to determine their interest in being included in the annexation. It was hoped that by annexing the

property on both sides of the road, two lanes of Grant Avenue between Bloomington Heights and W. 190<sup>th</sup> Street could be paved all at once. Admittedly, this strategy requires the annexation of more land to the north than the Council was originally asked to consider.

In order to determine if this expanded strategy is viable, the City staff began discussions with all of the property owners along Grant Avenue up to W. 190<sup>th</sup> Street. These properties are shown and numbers on Attachment IV. Meetings were conducted with Hunziker Land Development (#4, #10), Quarry Estates LC. (#13, #20, #19), Paul and Margot Eness (#7, #8), Mark Taylor & Allison Eness (#9), Julie Schwery & Clayton Gregg (#6), Roger & Lorie Hamblin (#5), Jamie & Brian Frame (#12), Harold & Bette Frame (#11), and Sue & LeRoy Sturges (#3).

It became very clear from our discussions with the private home owners along Grant Avenue that the vast majority of them are opposed to the annexation of their properties. This is due to the perception of the negative impact on their lifestyles caused by being subjected to City requirements, as well as the large costs of infrastructure (Grant Avenue paving, water hookup fees, sewer hookup fees) that that would be required when their properties are annexed. Many of them expressed concerns that these costs were so high that they would be forced out of their homes.

In an attempt to make the annexation of private property owners less objectionable, the City staff has explored with the three developers who own land along Grant Avenue the possibility of sharing the costs of bringing gravel road up to City paved standards in accordance with the following percentages: Rose Prairie 37%, Hunziker Land Development 23%, Quarry Estates LC. 17%, and the City of Ames 23%. In order to make this funding arrangement workable for all three developers, the staff supports special assessing these entities so that their costs can be spread over a number of years. In this way, the costs of construction, inspection, design, street lights, bond issuance costs, interest, etc., will be paid back to the City over a 10-12 year period. The Council should know that the cost to the City for our share of Grant Avenue under this arrangement is currently estimated to be \$474,000. However, as we have cautioned everyone to whom we have talked, our estimated cost is not based on design documents and not adjusted for future costs should the project be delayed. Therefore, the actual cost of the road improvement might end up being significantly different from this estimate.

It is important to emphasize that the only way to bring the Hunziker property on the west side of Grant Avenue into the City is to require the annexation of properties #3, #5, #6, #7, #8, and #9 under the 80-20 rule allowed under State law so that illegal "islands" are not created.

An additional issue that must be addressed by the Council should the private properties be annexed is when will the City require the properties to incur the costs of water and sewer hookups. The private property owners would like to maintain the status quo as it relates to septic tanks and connections to Xenia Rural Water until they are ready to hookup or redevelop their property. Normally, the staff would not support the existence of a rural water utility within the City limits. However, this situation might be unique enough to warrant support for this option.

## **OTHER ISSUES**

- **Conservation Subdivision**

The staff has indicated that the Council might want to consider protecting Ada Hayden watershed by placing a zoning overlay on any property annexed within the Hayden Park watershed that would require only conservation subdivisions to be built. The Rose Prairie developer is in general agreement with this proposed requirement as long as the subdivision that they are proposing would qualify as a conservation subdivision. (See Attachment V) They are not willing to make major adjustments to their subdivision to meet some, yet to be determined, guidelines for a conservation subdivision.

While the other developers within the proposed annexation area are also supportive of conservation subdivisions, they are not willing to commit to coming into the City and paying their share of the infrastructure costs unless the requirements for this type of subdivision are clearly articulated by the Council in advance of annexation.

Since the City Council has not yet created conservation subdivision guidelines, the development an ordinance of this type is necessary if we hope to have support for voluntary annexation from the property owners who are developers.

- **Sprinkerling in Homes**

The current emergency response time goal for the City that has been approved by the City Council is to be able to respond to 85% of the area within the city limits within 5 minutes. Consistent with the current Land Use Policy Plan with the Southwest and Northwest priority growth areas, it is anticipated that the City will be able to meet this goal with a three fire station scenario (if Station #2 is moved to North Dakota Avenue). The addition of the Rose Prairie subdivision would lead to the need for a fourth fire station and accompanying personnel.

In order to assist the City with this issue, the developer has agreed in an unprecedented move to install fire sprinklers in all residential units constructed within the subdivision. While this offer will help deal with the fire response issue related to this area, it still does not address the medical assist needs of the subdivision. The annexation will require a change in our response time goal or an acceptance that we will fall short of this goal in the near future.

- **Off-site Traffic Improvements**

A traffic study previously performed by Rose Prairie's consultant identified the off-site traffic improvements that are necessitated should the total North Growth Area be developed. Rose Prairie developers have agreed to contribute \$185,900 for their pro-rata share of the intersection and signal improvements at Grand Avenue and Bloomington Road and at Bloomington and Hyde.

- **Sidewalks on both sides of streets and along Grant Avenue**

The proposed development does not include sidewalks on both sides of the street. The City's subdivision ordinance requires sidewalks on both sides of streets, including along collector streets such as Grant Avenue. In some existing City subdivisions, the Council has allowed

walkways along the rear of properties to replace one of the street-side sidewalks. As the City considers “conservation subdivisions,” there may also be reasons to modify the traditional location of pedestrian ways.

The responsibility to determine subdivision requirements can not be handled in a developer agreement. This legislative responsibility must occur at the time that the developer seeks subdivision approval (platting). Therefore, it might not be possible that Council can assure the developer that this request for waiver of the sidewalk requirements is approved prior to annexation.

- **Shared Use Paths**

The City’s long-range transportation plan calls for a shared use path to be extended alongside the west side of Rose Prairie in an easement along the railroad tracks. It is possible that the location of that path may also need to be adjusted to better fit into the conservation subdivision concept.

- **Street Lengths**

It appears there is one street being proposed in the subdivision that will exceed the maximum street length allowed by the subdivision ordinance. The City Council will be requested by the developer to consider a waiver of this requirement at the time of platting.

- **Preliminary Subdivision of Rose Prairie property to facilitate annexation**

Should Council agree desire to annex the Rose Prairie property, Story County Land L.C. desires to first divide off the 100’ by 1320’ strip of land along the southern edge of parcel #3 (see Attachment 4). This strip of land would not be annexed at this time, which would maintain the Sturges property outside the city limits.

### **OTHER REQUIREMENTS**

The parties have agreed that, other than the issues raised in this report, the developer will adhere to the obligations required in our current policies, regulations, and laws related to subdivision developments.

### **OPTIONS**

Option 1 - The Council could decide that the tentative agreements reached by the City staff and the Rose Prairie developer are unacceptable and, therefore, determine a satisfactory settlement is not possible. Action in support of this option will cause the staff to defend against the lawsuit that has been filed.

Option 2 - The Council could decide only to consider the annexation of the proposed Rose Prairie subdivision. Action in support of this option will result in the developer up-fronting the costs of extending the water and sewer lines and extending electric distribution lines. In addition, a commitment to sprinkling homes, building a conservation subdivision, and funding for a pro-rata share of off-site traffic improvements will be accomplished. However, financing by the developer for improvements to Grant Avenue would be limited to only one lane adjacent to their property. Pursuing this option will make it difficult to assure timely

completion of the total roadway segment between Bloomington Heights and W. 190<sup>th</sup> Street at a reasonable cost to the City.

Option 3 - The Council could decide to consider annexing the properties on both sides of Grant Avenue from Bloomington Heights to W. 190<sup>th</sup> Street. The benefits realized from this option are the same as in Option 2, with the addition of an assurance that Grant Avenue will be improved to City standards at one time in the near future.

While staff has worked on the terms of this agreement with Rose Prairie for some time, the newness of this broader strategy to involve the other two developers (Hunziker and Quarry Estates) has not allowed enough time for their questions and concerns to be adequately addressed by the City staff in time to satisfy Rose Prairie's time constraints. Therefore, while both Hunziker and Quarry Estates are in overall support of this concept, there are still too many legitimate details that need to be worked out before they can agree to this partnership. This includes defining the City's requirements for conservation subdivisions, agreeing to cost-sharing arrangements for off-site public improvements, and the timing of the road construction and repayments of special assessments. Therefore, while it appears that both of these developers are in overall support of this expanded strategy, in all fairness, they do not feel comfortable enough given their brief exposure to our proposal to commit to this agreement without further discussions.

Therefore, in order to meet the deadline proposed by the Rose Prairie developers, it appears that Option 3 is not possible at this time. If Council decides to adopt Option 2, hopefully there will still be time for staff to work with Hunziker and Quarry Estates to see if agreements can be reached in time to annex their properties along with Rose Prairie and hard surface Grant Avenue through this entire area.

### **NEXT STEPS**

A motion by the City Council in support or modification of one of the above options is being requested. It appears from our discussions with the Rose Prairie developers that they are willing to accept either Option 2 or Option 3. In order to move closer to a resolution of the appeal, the next step would be to direct staff to finalize a developer agreement to reflect the concepts tentatively agreed to and to initiate steps to change the Land Use Policy Plan, annex the approved land area, and rezone the properties.

### **FINAL COMMENTS**

Staff acknowledges and would reiterate the positive approach which all three developers demonstrated through these negotiations, as well as the high degree of respect shown by all seven families whose homesteads would be impacted by possible annexation. Should urban development in this northern area ultimately occur, each of these parties has important interests that they trust the City Council will take into consideration. All of these parties will likely be represented at the Council meeting.





1 inch = 1,276 feet  
 690 345 0 690 Feet

 Sanitary Service Area







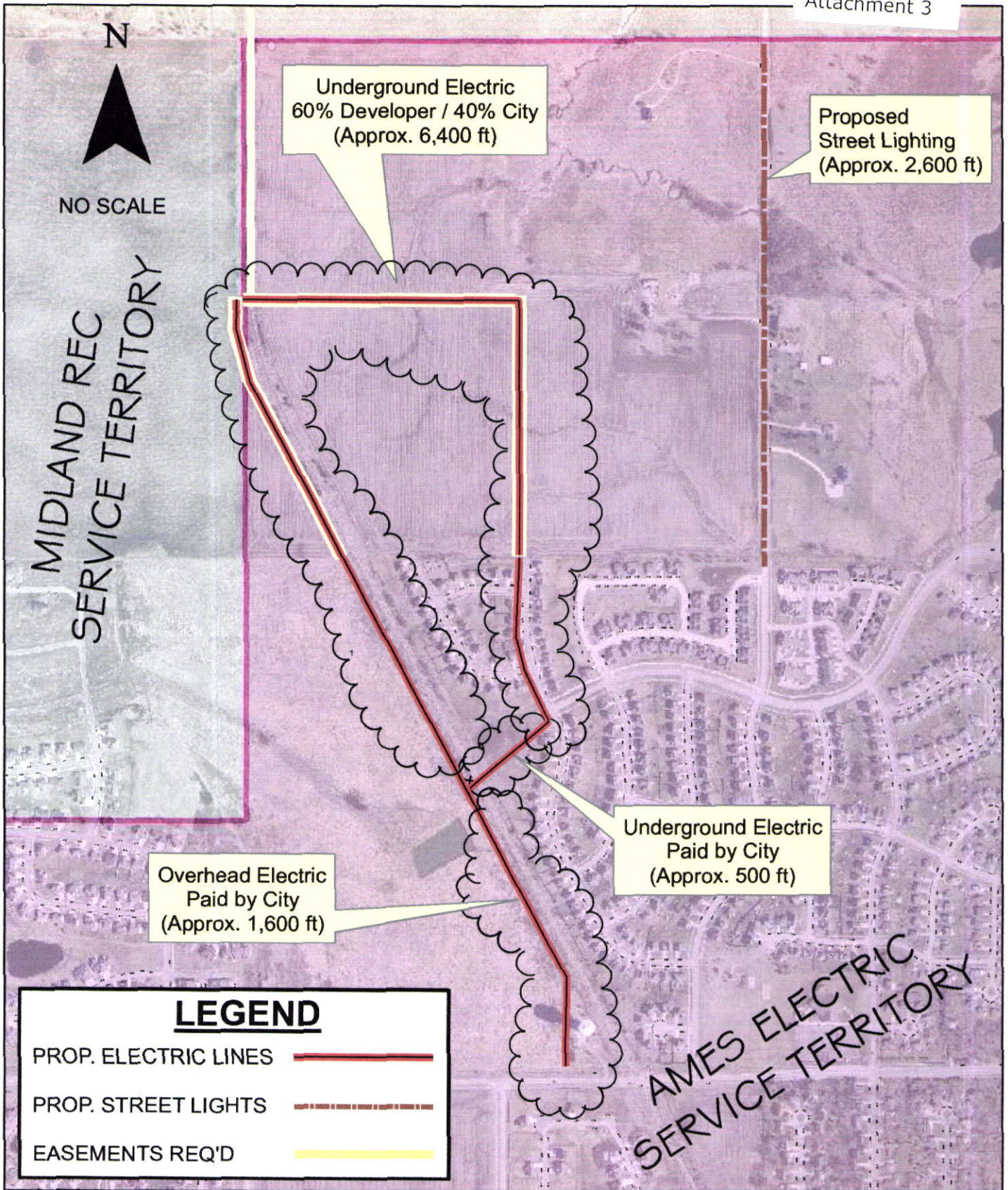
7537 LF of 12" Water Main



1 inch = 800 feet  
440 220 0 440 Feet







**LEGEND**

PROP. ELECTRIC LINES —

PROP. STREET LIGHTS - - -

EASEMENTS REQ'D —

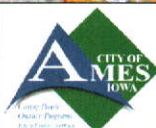
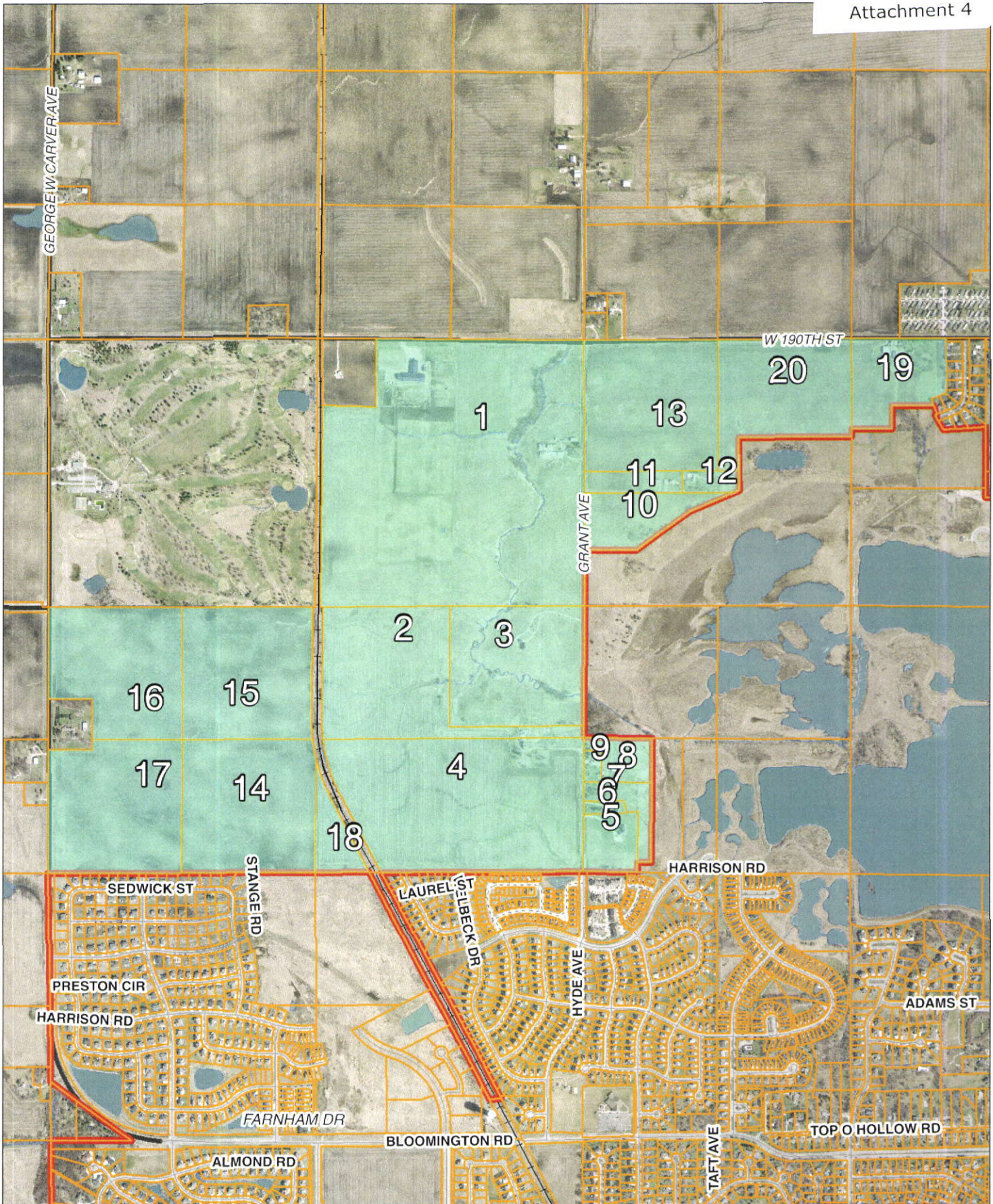
N. Ames Development  
Proposed Electric Facilities

MEI 9/24/09

REV. (3)





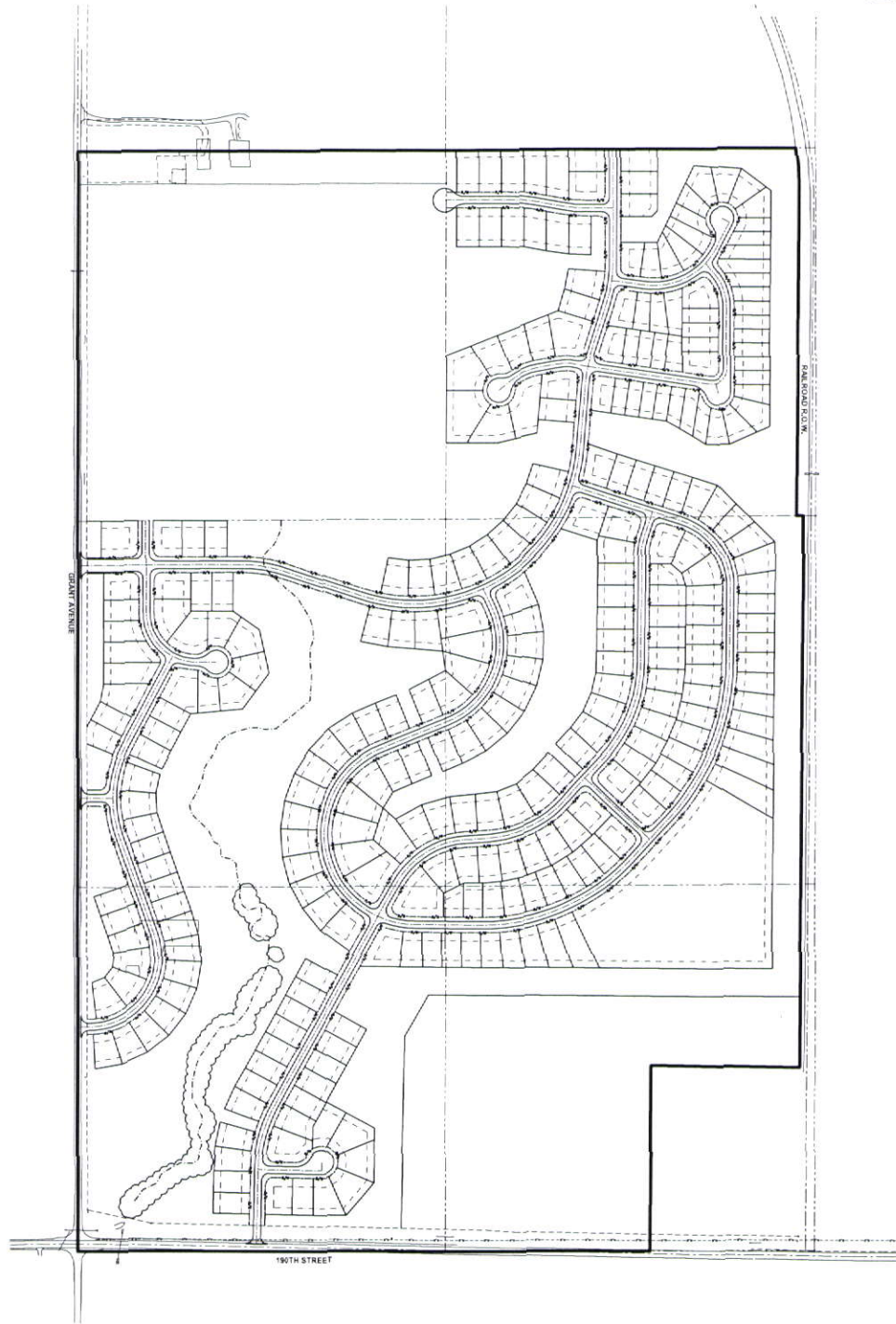


Information in this map is a representation only. All information should be field verified.



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Date:	



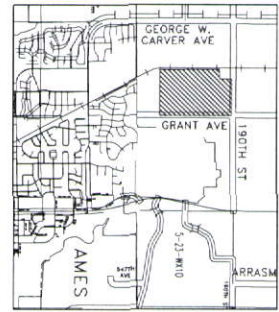


**SITE DATA**

NUMBER TOTAL LOTS	728
TOTAL AREA	818,865 SF (18.79 AC)
OPEN SPACE	2,261,981 SF (51.83 AC)
ROW AREA	31,757,372 SF (728.34 AC)
STREETS	16,028.76 LF
PERMITS CONCEPT STREETS	14,123.71 LF

**OWNER/DEVELOPER**

STORY COUNTY LAND COMPANY  
 5501 NW 112th SUITE G GRIMES, IOWA 50118  
 PH: (515) 369-4400 FAX: (515) 369-4410



VICINITY MAP