

**Staff Report**  
**Urban Revitalization Commercial Criteria**  
**May 11, 2010**

**BACKGROUND:**

At its April 27 meeting, the City Council reviewed possible new Commercial Criteria for designating Urban Revitalization Areas and thereby eligibility to our partial tax abatement incentive program. These criteria would replace the existing Commercial Matrix (Attachment A) that had been used by the City Council to guide decisions regarding requests for tax abatement. It appeared from the April 27<sup>th</sup> discussion that the Council would prefer to be more conservative in its approach to offering tax abatement than was suggested in the fourteen criteria presented by staff (Attachment B). In addition, there was no mandate to make sure that any new criteria that were developed would guarantee tax abatement for the Petco project, as requested by the developers.

Based on this dialogue with the Council, staff is now suggesting consideration of the new eligibility criteria reflected on Attachment C. You will note that several of the original criteria have been deleted and some of the remaining ones have been clarified. Because of the smaller list of criteria, it is now being suggested that only one of the criteria be met to qualify for tax abatement.

Prior to finalizing this revised list of qualifying criteria, several policy questions require the Council's consideration.

- **Does the City Council agree with staff's position that this reduced number of sub-categories now justifies an applicant having to meet only one of the six criteria to qualify for tax abatement?**
- The revised commercial tax abatement program is designed only for properties in the Highway Oriented (HOC) areas to qualify. Therefore, **does the City Council support the position suggested by the Staff that this incentive program is only warranted in this one commercial zoning district (HOC) to stimulate redevelopment?**
- The second criterion under Economic Development requires that a property be vacant for a certain number of years. Everyone seemed to agree that the original number of three was not long enough. Therefore, **how many years should a property be vacant after the principal building has been removed in order to qualify for tax abatement?**
- The Council referred the request from the Petco developers for tax incentives to help their project because of the development limitations placed on their property due to the proximity to the City's water well, compounded with the fact that they are in the floodway-fringe. Based on current zoning, it appears that there are only two undeveloped properties that would be eligible for tax abatement under the second criterion of the Environmental Protection category, and one of the properties would be the Petco development. (See Attachment D) However, there

appears to be substantially more property that *potentially* would be eligible for tax abatement under this criterion if the City Council rezones "agricultural" properties that have the LUPP designation of HOC and are within 1,000 feet of a City water well and within the floodplain. (See Attachment D) The total land covered by these properties is 217 acres, including both the floodway fringe and the floodway. Therefore, **does the City Council want to add the second criteria under Environmental Protection in light of the potentially broadened area for tax abatement?** As written, it will help the Petco project, but will also potentially result in much more property being eligible for tax abatement.

- Staff believes there are several uses that are permitted in HOC that do not contribute to the continuing improvement or vitality of a commercial area to a degree that warrants City support through tax abatement. **Does the City Council agree with the proposal that eliminates certain "Non-Qualifying Uses" from eligibility for tax abatement as reflected on the bottom of the revised criteria listing on Attachment C?**

**Attachment A**  
**URBAN REVITALIZATION**  
**COMMERCIAL**  
**CRITERIA MATRIX**  
**(EXCLUSIVE OF THE DOWNTOWN & CAMPUSTOWN AREAS)**

**VOID**

<b>REQUIRED</b>	<b>OPTIONAL</b>	<b>OPTIONAL</b>
<p><b>Slum &amp; Blighted</b></p> <ul style="list-style-type: none"> <li>◆ Properties where a majority of the assessed valuation of the properties has been determined to be <b>substantially</b> unsafe or to have an unsafe use by the City Council.</li> </ul> <p><b>OR</b></p> <p><b>Underutilized</b></p> <ul style="list-style-type: none"> <li>◆ Properties that are vacant in an in-fill area and were previously developed and have had the principal structure removed; <b>OR</b></li> <li>◆ Properties that are non-conforming with respect to the base zone that will be brought into conformance;</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>◆ Properties that are non-conforming with respect to the flood way fringe that will be brought into conformance with applicable flood plain regulations.</li> </ul>	<p><b>Underrepresented</b></p> <ul style="list-style-type: none"> <li>◆ 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).</li> </ul>	<p style="text-align: center; border: 1px solid black; width: 30px; margin: 0 auto;"><b>OR</b></p> <p><b>Design Standards</b></p> <ul style="list-style-type: none"> <li>◆ Properties where the structure that is constructed on the property meets the design standards where applicable; <b>AND</b></li> </ul> <p><b>Landscaping</b></p> <ul style="list-style-type: none"> <li>◆ Properties where 25% of the area of the lot is landscaped and the landscaped area is located where the benefit is provided to a view of the lot from the street or adjacent property; <b>AND</b></li> </ul> <p><b>Signage</b></p> <ul style="list-style-type: none"> <li>◆ Properties that utilize wall mounted, ground mounted, or monument signs; <b>AND</b></li> </ul> <p style="text-align: center; border: 1px solid black; width: 30px; margin: 10px auto;"><b>OR</b></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Shared Parking</b></p> <ul style="list-style-type: none"> <li>◆ Properties where two or more commercial properties share the same parking supply as provided for in the zoning ordinance of the City; <b>AND</b></li> <li>◆ Properties where the parking lot design provides for joint access and/or drive aisle movement between two properties and the proper cross-easements have been recorded.</li> </ul> </div> <div style="width: 45%; border-left: 1px solid black; padding-left: 10px;"> <p><b>Structured Parking</b></p> <ul style="list-style-type: none"> <li>◆ Properties where the gross floor area of the principal structures is less than 200,000 square feet and 50% of the parking is provided in a parking structure.</li> <li>◆ Properties where the gross floor area of the principal structure is greater than 200,000 square feet and 25% of the parking is provided in a parking structure.</li> </ul> </div> </div>

## Attachment B

### URBAN REVITALIZATION HIGHWAY ORIENTED COMMERCIAL (HOC) REDEVELOPMENT CRITERIA

Properties eligible for tax abatement must be within the Highway-Oriented Commercial zoning district, and also fit within one or more subcategories in at least two of the following broad categories.

#### I. Economic Development:

1. Developed properties for which the improvement values are less than XX% of land values, based on current Ames Assessor data.
2. Properties from which the principal building has been removed and the property has been vacant for at least three years.
3. Developed properties on which the existing improvement values are XX% greater than land values, based upon current Ames Assessor data, and which improvements the City Council has determined will adversely affect the ability to assemble properties for redevelopment purposes, and which existing improvements would not be a viable or desirable component of a redevelopment plan.
4. Properties that will include a new principle use that the City Council has determined are underrepresented in Ames based on (to be determined).

#### II. Aesthetic Improvement or Blight:

1. Developed properties that the Council has deemed are currently substantially substandard, or previously developed properties that were substantially substandard within the past three years, due to the following types of conditions, and which will be fully redeveloped under all current development standards:
  - a. Lack of paved parking areas.
  - b. Lack of landscaping as otherwise required under current code.
  - c. Lack of compliance with existing design standards.
  - d. Uses that are out of character with desirable retail development, or that otherwise detract from a viable retail center or corridor.
  - e. Structures designed for uses that are nonconforming in the HOC district, and which are out of character with desirable retail development and style.
  - f. Structures originally designed to reflect the signature architecture of a corporate business, but which have been vacated by said business.
2. Properties with a principle building that has been determined by the Building Official as meeting the definition of "Public Nuisance" in the *Ames Municipal Code*, Chapter 5, "Building, Electrical, Mechanical and Plumbing Code" (Currently Section 5.401(7)).

### **III. Environmental Protection:**

1. Properties which include riparian corridors, and which riparian corridors will (if necessary) be restored to their natural state, and which riparian corridors will be protected through appropriate design and erosion control techniques.
2. Properties with at least 20% of the property area being within 1,000 feet of a City of Ames water well.
3. Properties that will be developed according to LEED Gold standards.
4. Development or redevelopment of Brown Fields. Brown Fields include abandoned or underused industrial and commercial facilities or sites available for re-use or redevelopment. Expansion or redevelopment of such a facility or site may be complicated by real or perceived environmental contaminations.

**Non-qualifying Uses.** Notwithstanding compliance under the above categories, tax abatement shall not be granted for properties developed for or otherwise used for the following uses:

1. Mini-storage, warehouse facilities, or other industrial uses
2. Transportation, communications, and utility uses
3. Institutional uses
4. Automotive, boat, and/or RV sales
5. Adult entertainment business
6. Expansion of currently developed and code-conforming sites

Attachment C

**URBAN REVITALIZATION  
HIGHWAY ORIENTED COMMERCIAL (HOC)  
REDEVELOPMENT CRITERIA**

Properties eligible for tax abatement must be within the Highway-Oriented Commercial zoning district, and also fit within one or more criteria.

**I. Economic Development:**

1. Developed properties for which the improvement values are less than XX% of land values, based on current Ames Assessor data.
2. Properties from which the principal building has been removed and the property has been vacant for at least xxx years.

**II. Nonconforming Uses or Blight:**

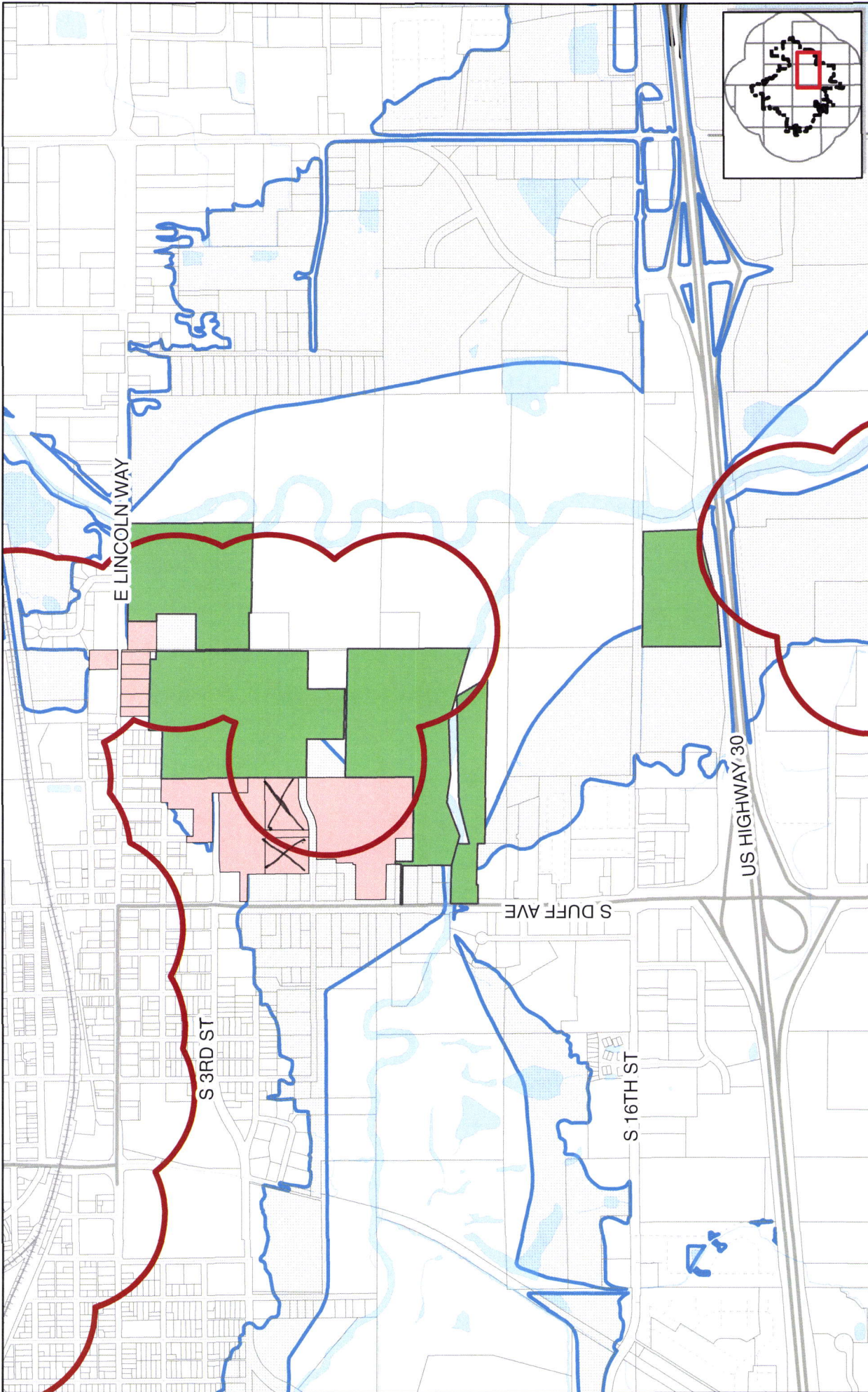
1. Developed properties with structure(s) designed for uses that are nonconforming in the HOC district, and which the City Council has determined are substantially out of character with desirable retail development and style.
2. Properties with a principal building that has been determined by the Building Official as meeting the definition of "Public Nuisance" in the *Ames Municipal Code*, Chapter 5, "Building, Electrical, Mechanical and Plumbing Code" (Currently Section 5.401(7)).

**III. Environmental Protection:**

1. Development or redevelopment of Brown Fields. Brown Fields include abandoned or underused industrial and commercial facilities or sites available for re-use or redevelopment. Expansion or redevelopment of such a facility or site is complicated by real or perceived environmental contaminations.
2. Properties with, at least, 20% of the property area being within 1,000 feet of a City of Ames water well and within the Floodway-Fringe Overlay zoning district.

**Non-qualifying uses.** Notwithstanding compliance under the above categories, tax abatement shall not be granted for properties developed for or otherwise used for the following uses:

1. Mini-storage warehouse facilities or other industrial uses.
2. Transportation, communications, and utility uses
3. Institutional uses
4. Automotive, boat, and/or RV sales
5. Adult entertainment business
6. Detention facilities



**Legend**

- 1000\_foot\_well\_Buffers
- ag-fringe-wellbuffer
- hoc-fringe-wellbuffer
- Floodway Fringe Overlay



HOC parcels intersected with well buffer and flood fringe: 56.65 acres  
AG parcels intersected with well buffer and flood fringe: 216.19 acres



**Urban Revitalization Potential Areas Commercial Program**

Map Created by Planning & Housing Dept 5/6/10

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