

Staff Report
Growth Priority Areas
July 13, 2010

At the April 13 City Council meeting, the Council approved an amendment to the Ames Urban Fringe Plan to designate a portion of the area lying north and west of Ada Hayden Heritage Park as “Urban Residential.” This change established the area lying south of 190th Street and east of the Union Pacific railroad tracks as a “new lands” area, able to be annexed and developed for residential purposes. This change **did not** designate the North area as a growth priority area eligible for incentives to assist in development. However, following that action, the City Council directed staff to come back with a proposal previously presented to the City Council as Scenario 4 (in July 2008) to change the City’s “growth priority areas” to include Southwest B, Northwest A, and North B, but with incentives for oversizing that apply only to Southwest B and Northwest A.

At that same April 13 City Council meeting, the Council also referred to staff a letter from Frank Feilmeyer representing Fieldstone Development, LC. The letter requested changes to the Ames Urban Fringe Plan to accommodate proposed residential development in the Northwest A area, currently designated as Urban Residential. Specifically, the letter asks a) the City to change the Urban Services designation to Rural Residential; b) the City to clarify the extent of the Natural Area to better reflect the situation on the ground; and c) the County to amend the zoning designation to A-R Agricultural/Residential.

This staff report will present background history on the recent growth priority studies and Scenario 4 that was previously presented to the City Council. During internal discussions, staff realized that there was some ambiguity in the terms used in the 2008 Targeted Growth Study and subsequent reports. This report will clarify those ambiguities and put forward a more coherent strategy for annexation and an amended policy on incentives.

This report will also provide background on the proposed Fieldstone development. The Fieldstone request differs from Scenario 4 in how future development in Northwest A occurs. This report will provide some options for development in the Northwest A for which the developer is seeking changes, as well as the impacts of those options.

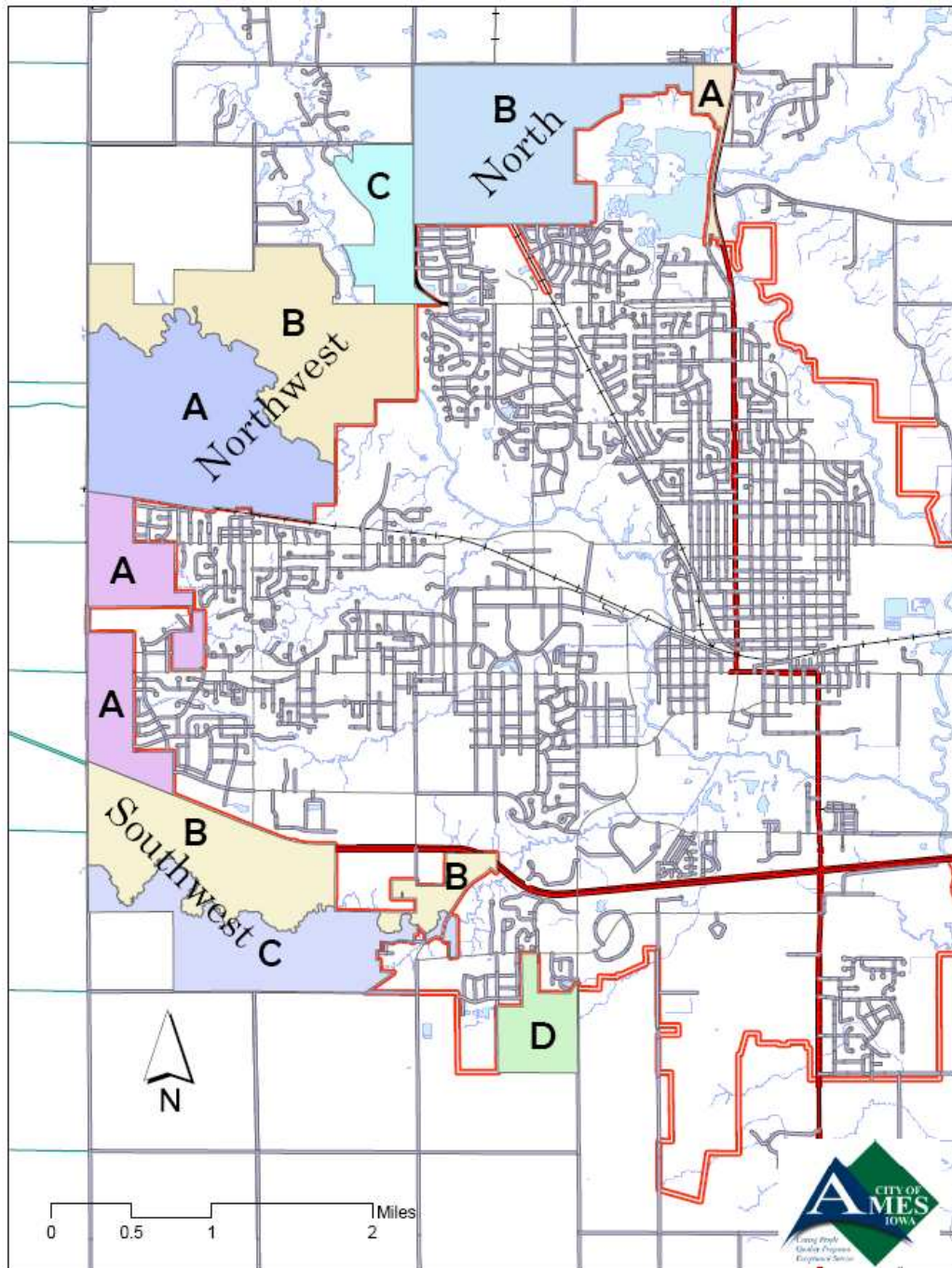
Background of Scenario 4

In April 2008, City staff presented the 2008 Targeted Growth Analysis to the City Council.¹ As its actual title implies, the report was helpful in determining the relative costs of residential development in the North, Northwest, and Southwest as well as determining the capacity for growth in each direction.

¹ The various studies and reports to the City Council can be found at <http://www.cityofames.org/HousingWeb/Planningweb/Documents/Index.htm>.

A previous study done in 2006 identified the subareas for the Northwest and Southwest areas. The 2008 study retained the delineations of Northwest A and B, and Southwest A, B, C and D but also included the North growth area, delineating that area further into three subareas A, B, and C based on direction from City Council, natural topography, and ability to extend city infrastructure into the areas.

Figure 1—Growth Areas



The map above shows the various subareas that were analyzed for the 2008 study. The subareas identified as growth areas in Scenario 4 were North B, Northwest A, and Southwest B. It was not intended that these would be the only areas in which growth can occur. Annexation and development can still occur, for example, in Southwest D. But because of the costs and the recommended changes to the Capital Investment Strategy (which would limit City participation to Northwest A and Southwest B), it was probable that these other areas would not be developed immediately.

The 2008 study presented estimates of the costs of providing full city services to the annexed areas, including the costs of sanitary sewer, city water, and street improvements. These infrastructure costs included total costs as well as oversize costs to assist the City Council in determining the impact to the City by the implementation of the Capital Investment Strategy of the Land Use Policy Plan². The capital costs of new fire stations and buses to serve the new areas were also estimated as were the annual operating costs of providing services. Improvements to the traffic network were identified but not assigned to any particular growth area because, according to the Long Range Transportation Plan, these improvements were needed regardless of direction of growth.

City staff also determined for the 2008 study, an estimate of how residential development in the various subareas would help accommodate the projected population in 2030 of between 60,000 and 62,000. The staff estimated the amount of developable land within each subarea by calculating the net developable acres. This was done by reducing the gross acreage within each subarea to reflect identified natural areas, flood plains, steep slopes, wetlands, land owned by Iowa State University and its affiliates, existing rights of way, and previously developed land. To estimate population, the staff applied a historical development density of 5 dwelling units per acre and the average household size of 2.3 persons per household as determined by the U.S. Census Bureau.

Later in April 2008, City staff presented four options to assist the City Council to “define desired growth” (a Council goal established in January of that year). The Council (after a tie-breaking vote by the Mayor) directed staff to prepare amendments to the Land Use Policy Plan to implement “Scenario 4.” The actual adoption of Scenario 4, at the July 15, 2008 meeting, failed on a 3-3 vote.

Scenario 4 identified three subareas as priorities for growth. These are North B, Northwest A, and Southwest B. The three subareas for this scenario were chosen because they were immediately adjacent to the current City limits, had an identified, willing property owner, and/or were a prerequisite for further development in that study

² The Capital Investment Strategy of the LUPP identifies those situations in which the City Council would assist in development by paying for a portion of the oversize infrastructure costs. The strategy states that for residential development in the Northwest and Southwest, the City will pay for the necessary oversize costs of infrastructure. In addition, for a village-type residential development in the Southwest, the City may pay some percentage of the non-oversize costs. That percentage would be negotiated between the City and developer.



area. Scenario 4 also limited the area in which the City would apply its Capital Investment Strategies to only Northwest A and Southwest B.

The ambiguity noted in the introduction to this report is that the 2008 report inadvertently and unintentionally uncoupled the link between the terms “priority growth area” and the areas eligible for incentives. The intent was that the term “priority growth area” would apply to only those areas that would be eligible for City incentives for the installation of infrastructure. The North B, Northwest A, and Southwest B would be the subareas most likely to be developed due to proximity to the existing City limits and existing infrastructure. It was not intended that the other areas (Northwest B, Southwest A, C, and D) would not be eligible for development. It is just thought that they were unlikely to develop until after the other areas developed.

While the Capital Investment Strategy would reduce the area (in that 2008 report) in which incentives would be offered to only the Northwest A and Southwest B, staff now believes that Southwest A (lying between the existing City limits and the Boone County line) would also be appropriate for offering incentives. This is because the Southwest A area is a natural extension of development that has already occurred in the southwest—street and utility extensions are in place. It needs only a willing property owner to proceed.

Although North B was described as a “priority growth area” in the 2008 recommendation, it was intended that all costs of development in that subarea would be borne by the owners and developers of that area. It would probably be more appropriate to describe all the Urban Residential lands outside the City as “eligible for development” and reserve the term “growth priority area” for those areas in which the Capital Investment Strategy allows for City incentives.

Scenario 4 was recommended for adoption because of several advantages over the other options that were presented. These advantages are:

- Scenario 4 better meets the targeted population of 62,000 by the year 2030.
- Scenario 4 encompasses and anticipates fewer acres for development, resulting in a more compact city.
- Scenario 4 reduces the City’s financial obligations to participate in the costs of oversized infrastructure by reducing in area in which the Capital Investment Strategy will be applied.
- Scenario 4 sets the stage for post-2030 growth since the identified subareas are necessary prerequisites for future growth.

Many of the impacts of Scenario 4 can be found in the April 22, 2008 Staff Report and the July 15, 2008 Council Action Form¹. The April staff report briefly described the four scenarios while the July action form more fully explained the fiscal impacts of Scenario 4 and its ability to accommodate the expected population at full buildout. The table below summarizes the estimated population capacity of the three subareas and the costs for infrastructure, other capital costs, and annual operating costs.



Table 1—Summary of Scenario 4

	Current Policy³ of SW, NW and 2/3 of N	Scenario 4 of SW-A and B, NW-A, and N-B⁴
Net Developable Acres (NDA)	1,908	1,278
Total Population	21,957	14,701
Total Infrastructure Costs	\$33,181,458	\$25,105,356
Total Oversize Costs	\$6,320,608	\$3,994,472
Total Capital Costs	\$7,355,000	\$7,355,000
Annual Operating Costs	\$1,338,374	\$1,338,374
Number of Households in Ames Schools	3,406	2,923

Infrastructure costs are the costs of water, sanitary sewer, and streets to serve the proposed growth area.

Oversize costs include the incremental cost of the increased size of the infrastructure as well as system improvements that may be needed but not considered specific to a particular development. These are included only in the Southwest and Northwest areas as the Capital Investment Strategy is not extended to the North.

Capital costs are the investments in fire stations and buses to serve the proposed growth area.

Operating costs are the increase costs of a new fire station and bus service to the proposed growth areas.

The impact of Scenario 4 is that the identified subareas, if built to historic densities of 5 units per acre, could accommodate an additional population of 11,546 persons. This additional population, if added to the 2006 population estimate of 51,557⁵ and the projected population of 2,277 that the City could still accommodate within the City limits would result in a population of 65,380 persons. This result acknowledges that these areas, when fully built out, would exceed the 2030 goal of 60,000 to 62,000 persons by from five to nine percent. However, it is not known whether the rate at which these areas will be fully built out by 2030 can be achieved. Further, it is unlikely that all of the subareas identified for development will be entirely and fully developed.

The fiscal impact to the City is that the Capital Investment Strategy would limit the City's participation in oversize costs to a smaller geographic area—only Northwest A and Southwest B (and Southwest A as staff is now proposing) If the City were to assist in the oversize costs for all of the Northwest and Southwest growth areas, the impact would be over \$6.3 million. The amended Scenario 4 limits this exposure to \$4 million. The City's participation might be greater than these figures because the Capital

³ Following the April 13, 2010 City Council meeting, in which the City Council approved adding an area in the north as Urban Residential, the City's growth priority areas are Southwest A, B, C, and D; Northwest A and B; and about two-thirds of North B. The Capital Investment Strategy obligates the City to participate in infrastructure oversize costs in Southwest A, B, C, and D; and Northwest A and B.

⁴ This table reflects the **amended** Scenario 4, which includes Southwest A and B, Northwest A, and North B. The Capital Investment Strategy applies to Southwest A and B and Northwest A.

⁵ It is important to note that the annual population estimates from the U.S. Census Bureau are revised each year as new estimates are prepared. The estimate used in the 2008 study included the then latest Census estimate for Ames of 51,557 persons in 2006. The most recent estimate for Ames in 2009 is 56,814. However the previous estimate for 2006 was revised upward to 53,974. The validity of any of these estimates can be verified only when the 2010 Census counts are released, likely in the spring of 2011.

Investment Strategy states that, for a village-type development in the Southwest, the City may pay a portion of infrastructure costs normally covered by the developer. That percentage would be negotiated prior to approval of annexation and development. However, based on development patterns within the past decade, it appears unlikely that a village development would occur in the priority growth areas.

However, the growth to the North would include the cost of an additional fire station, needed to meet the City's current policy of providing a 5-minute response to 85 percent of the geographic area of the City. It should be emphasized that construction of this fourth fire station would require the approval of 60 percent of the voters in a bond referendum. These voters will decide whether property taxpayers will invest in the capital costs of \$3.34 million for a new station and its associated annual operating costs of nearly \$1 million. Alternatively, the City Council could re-evaluate the current response time policy to see if it is still the most appropriate measure of public safety. As discussions move forward on the annexation to the North and the development of Fieldstone, the City Council must address this issue.

Steps to Implement Scenario 4

The City Council directed staff on April 13, 2010 "to come back with a proposal relating to changing the City's Priority Growth Areas to include Southwest B, Northwest A, and North B, with incentives for oversizing only applying to Southwest B and Northwest A." At that April meeting, the City Council also amended the Urban Fringe Plan to designate the area lying east of the Union Pacific railroad and south of 190th Street as Urban Residential. This area lies within the subarea identified as North B, but does not include all of North B, which extends farther west to George Washington Carver Road.

The implementation of Scenario 4 would require an amendment to the Land Use Policy Plan and Urban Fringe Plan. Many of the necessary amendments were described in the July 2008 Council Action Form. The amendments include:

- A change to the Urban Fringe Plan map to designate the remainder of the North B subarea as Urban Residential.
- A text change to the Land Use Policy Plan that applies the Capital Investment Strategy to only the Northwest A and Southwest A and B areas.

Should the City Council so desire, staff can move forward with these actions by first presenting the proposed amendments to the Planning and Zoning Commission, then returning to the City Council for final action.

However, staff has been asked to explore two mutually exclusive outcomes. Scenario 4 includes the development of the Northwest A subarea at urban densities (a minimum of 3.75 dwelling units per acre) and only after it is annexed and City infrastructure and services extended. The request from Fieldstone is to allow development at something much less than urban densities now—without annexation and without the extension of City infrastructure and services. Below, this report describes the request by Fieldstone and offers some alternatives. The report



describes the impacts if the City Council were to select an alternative for Northwest A other than that described in Scenario 4.

Background of Fieldstone Request

In February, 2006, Fieldstone Development (then a partnering of Regency Homes and a Friedrich-affiliated company) requested the annexation of 442 acres. The proposal envisioned a village-type residential development north of 215th Street, south of Onion Creek and east of County Line Road (County Road R38). The area lies outside the city limits but within our jurisdiction for subdivision review. It also lies within the area designated by the Urban Fringe Plan as Urban Residential. As Urban Residential, development must be preceded by annexation and by the extension of City infrastructure and services. In order to qualify for City incentives⁶, the developer sought changes to the F-VR (Village Residential) zoning designation, as well as changes to the Capital Investment Strategy of the Land Use Policy Plan.

In March, 2006, the City Council reviewed the developer's request for a change to the Capital Investment Strategy to provide incentives for a village in the Northwest. The City Council directed staff to undertake a comprehensive comparison of the costs and benefits associated with extending services to the Southwest and the Northwest. That report determined that the more cost-efficient growth was to the Southwest, largely due to the increased cost of infrastructure to serve the Northwest—notably a Dakota Avenue overpass crossing the Union Pacific railroad tracks.

The City Council has not taken any direct action on the 2006 annexation request. However, it should be noted that several changes have occurred since that request was first submitted.

- Regency Homes is no longer a partner in Fieldstone. Some portion of the original Fieldstone development has been sold while the company retains approximately 231 acres. Figure 2, below, identifies the previous and current Fieldstone properties.
- The City completed a Northwest Sanitary Sewer Study to provide better routing and cost information to provide services to this area. The study emphasized the protection of the wildlife and stream banks of Onion Creek. The study recommended the construction of sanitary sewers to avoid the stream bed, resulting in the need for separate sewer lines to serve the north and south sides of Onion Creek. Because of this routing of the sewers, multiple lift stations also would be needed. The total estimated costs to service the area south of Onion Creek is \$2.858 million.
- In late 2007, the City Council directed staff to review the comparative cost study completed in 2006 to update it to include a North priority growth option. That study was presented to the City Council in April 2008. That was followed by a

⁶ Under the Capital Investment Strategy, the City would pay for all infrastructure oversize costs for development in the priority growth area. Since this site is with the Northwest priority growth area, Fieldstone would have benefitted from this incentive. A further incentive allows the City to pay for a portion of all on-site infrastructure costs if the proposed development is a Village located in the Southwest. Fieldstone did not qualify for this due to its location in the Northwest.



report describing four possible scenarios to redefine the priority growth areas and, later, a recommendation to adopt Scenario 4. The adoption of Scenario 4 failed to obtain majority support of the City Council in July 2008.

- On April 13, 2010, the City Council designated an area lying north and west of Ada Hayden Heritage Park as Urban Residential in the Ames Urban Fringe Plan. This area lies within the subarea identified as North B in the 2008 study, although it does not include the entire North B.
- Also in April 2010, the City Council waived the City's jurisdiction of subdivision approval to allow a split of a 40-acre tract to allow Fieldstone to sell off a 5-acre parcel containing an existing homestead. A no-build designation was established over the remaining parcel until such time as it is re-platted in a manner consistent with the designations of the Urban Fringe Plan.
- Also on April 13, 2010, the City Council directed staff to bring back for consideration the recommendation that was presented to the City Council in July 2008 (from a follow-up to the 2008 Growth Study) to redefine the Priority Growth Areas as North B, Northwest A, and Southwest B as well as the change described in the Capital Investment Strategy. The subsequent referral in April that was requested by Fieldstone is **mutually exclusive** with this direction from the Council.

After referral by the City Council in April 2010, staff reviewed Mr. Feilmeyer's letter and met several times with Mr. Friedrich. Mr. Friedrich wishes to develop some of the Fieldstone land lying south of Onion Creek. As this lies within the Urban Residential and Natural Area designations of the Ames Urban Fringe Plan, development is not expected unless and until the land is annexed and City services are extended. These services include the installation of City sanitary sewer (with attendant lift stations) and City water. In order to provide emergency response in a timely manner, the construction of the Dakota Avenue overpass is also needed.

However, since annexation is not imminent and the City services will be extensive and expensive, Mr. Friedrich asks for changes to the Urban Fringe Plan that would allow the more immediate development of all or some portion of the Fieldstone property for large lot residential uses. While Mr. Friedrich's letter specifically requested a change to Rural Residential, staff has developed four alternatives which would accomplish Mr. Friedrich's desire, but would have varying degrees of impact on the long-term interests of the City.

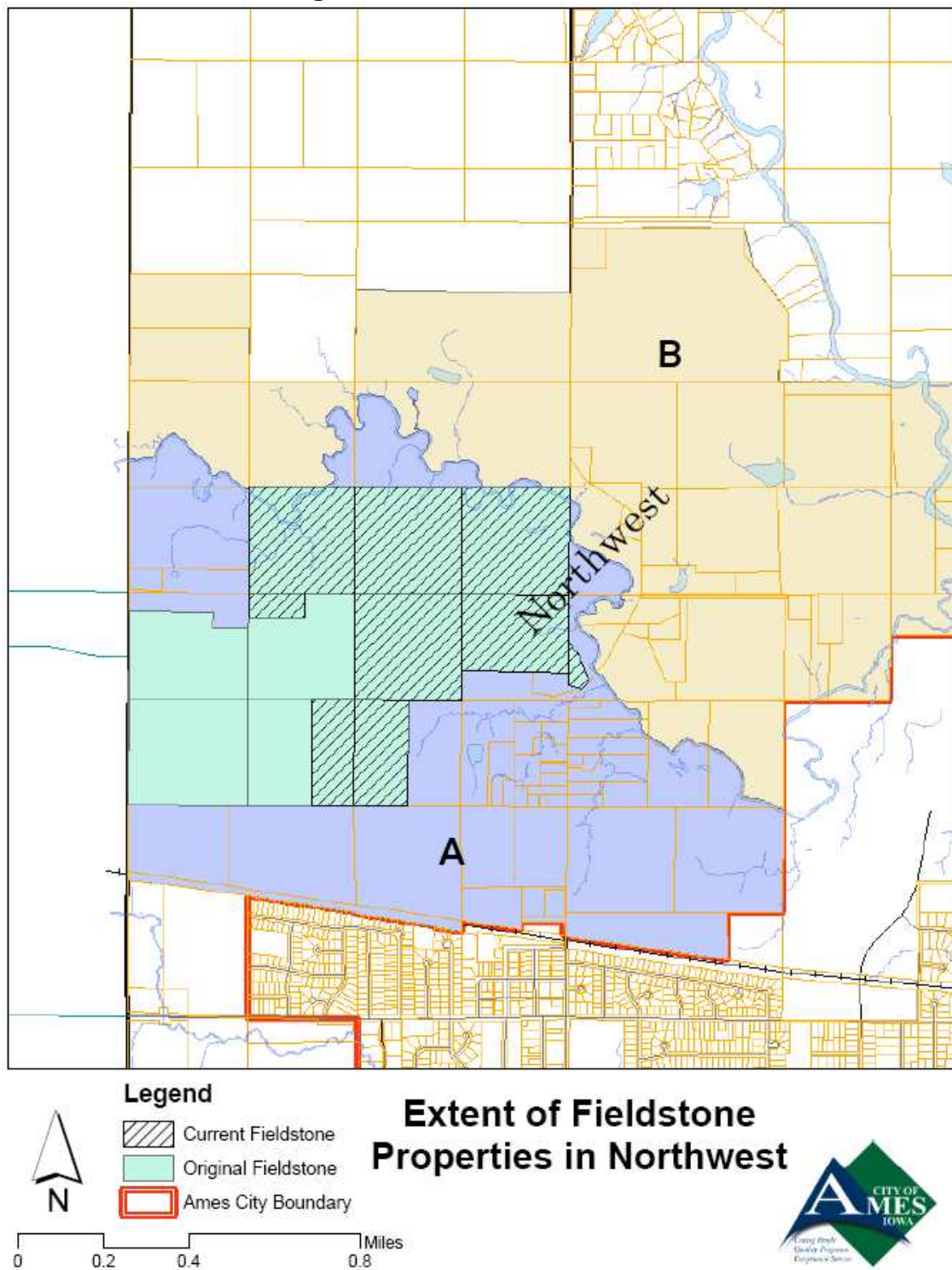
The City's Interests

It would be useful to define how the proposals outlined in the letter from Mr. Feilmeyer affect the interests of the City. First, the City cannot allow itself to be ringed by rural development so that the City is unable to extend its corporate boundaries. As long as Ames anticipates an increasing population, land necessary to accommodate that population needs to be identified and protected against development patterns that would preclude or make it unnecessarily expensive or cumbersome to annex. Some areas on the periphery of Ames, notably to the Northeast, have developed in patterns that would make it difficult to annex in that direction. That difficulty lies in the



substandard right-of-way widths, rural water systems, sanitary septic systems, lot arrangements, and unpaved roads.

Figure 2—Fieldstone Location



Second, development outside the City should not expect City services. However, if land is annexed, then it should pay its share of the costs of providing those services so as not to place an unfair burden on the existing taxpayers and ratepayers of the City.

Third, the Urban Fringe Plan was specifically prepared to identify those areas outside but adjacent to the City limits where responsible, cost-efficient growth is expected to occur. The Northwest growth area is one component of the Urban Services Area where annexation and development is anticipated in the near-term.

Fourth, the Onion Creek sanitary sewer study identified a “high quality woodland habitat capable of supporting a high diversity of plant and animal species.” There are stable streambeds and diverse flora and fauna within the immediate vicinity of the creek which the study recommended for protection through appropriate buffers and reserve areas. Specifically, the study identified “lone wolf” trees—remnants of the oak savannah near the creek; juvenile bald eagles; and various species of butterflies. While the study did not address whether development should occur, it did indicate that development densities should be respectful of the unique habitat along the creek. The study suggested that development should incorporate appropriate buffers to lessen its impact on the habitat.

Fifth, inextricably woven into the Land Use Policy Plan is the concept of maintaining certain minimum densities. The LUPP recognizes that densities are important to achieve a number of goals. Creating a dense urban environment promotes cost-effective and efficient provisions of services, including fire and police responses, transit services, and the extensions of sewer and water lines. A denser environment creates a greater sense of place, strengthening the connectivity of neighborhoods and building community identity and spirit. A denser development pattern also allows for a more efficient use of private transportation, reducing the number of trips and trip lengths. By reducing trip length from the periphery of the city to the center, the downtown remains a community focal point.

With this background information in mind, the City Council can consider five options to handle the request from Fieldstone development.

Option 1: Maintain the Status Quo as Urban Residential [Develop Within the City Limits; Minimum 3.75 Units/Acre; Full City Services]

This option maintains the Urban Residential designation for the Fieldstone properties, as well as all the land lying south of Onion Creek. It would not allow residential development until City services are extended and the land is annexed. While the previous growth studies indicate that growth to the Northwest is cost-effective, there would still be considerable expense in extending the sanitary sewer lines and building the lift stations, extending City water lines, and constructing the Dakota Avenue overpass. Once annexed, though, residential densities would have to be to urban standards. For Suburban Residential Low Density (FS-RL), densities of 3.75 units per acre need to be achieved—for Suburban Residential Medium Density (FS-RM), densities of 10.0 units per acre are required. These densities may not be compatible



with the recommendations of the Northwest Priority Area Sanitary Sewer Study, which anticipated lower densities in the area immediately adjacent to Onion Creek.

If built to urban standards, the entire Northwest A subarea could accommodate as many as 2,272 dwelling units—or a population of about 5,225 persons.

Option 2: Priority Transitional Residential [Develop Outside City Limits: Minimum 3.75 Units/Acre; Full City Services or Equivalent]

This option designates all or some portion of the Fieldstone properties as Priority Transitional Residential (PTR). As PTR, the property can be developed without annexation. However, development would be to urban densities of no less than an average of 3.75 units per acre. This option would allow the development of Fieldstone without annexation. However, the City's review of the subdivision plat, and especially of the preliminary plat, would seek to ensure that once the Northwest A was annexed, the development would be seamlessly integrated into the City. **Urban subdivision standards, including street paving and right-of-way widths, would be required.** Water and sanitary sewer services would not be connected to the City system at this time since this area is would not be annexed immediately. However, the subdivision shall be served in a manner prescribed by the City and by the Iowa Department of Natural Resources. It would be designed so that sanitary sewer and water could be readily connected to the City's system upon annexation.

A subdivision would require the owner to submit three covenants. These covenants bind the owners and successors to (1) agree to annexation at the time the City requests, (2) waive objections to assessments that may be imposed in the future if public improvements are brought to the site as an assessment project, and (3) pay any fees associated with rural water. These covenants are not a substitute for installing the necessary infrastructure as part of the creation of the subdivision.

Because of the interest in protecting the Onion Creek corridor through reduced developmental impacts, these urban densities, even if averaged over the entire Fieldstone property or even the entire Northwest A subarea, may still be at a density that would negatively impact the riparian corridor along Onion Creek. Because the density standards are the same as for Urban Residential, Northwest A could accommodate the same 2,272 dwelling units.

Option 3: Rural Transitional Residential [Develop Outside City Limits: Minimum 1.00 Unit/Acre; Rural Infrastructure Allowed]

This option designates all or some portion of the Fieldstone properties as Rural Transitional Residential (RTR). As RTR, the Urban Fringe Plan allows development to rural standards at an average of between 3.75 and 1.00 units per acre. It would have rural services (sewer and water) and would not be served by the Ames Fire Department. This option would allow the development of Fieldstone without annexation. However, it would be to standards that may not be compatible once annexed into the City. **It would allow streets and roads to be built to County design and**



infrastructure standards. This would, of course, make annexation into the City problematic at some point in the future.

A subdivision would require the owner to submit the three covenants. These covenants bind the owners and successors to (1) agree to annexation at the time the City requests, (2) waive objections to assessments that may be imposed in the future if public improvements are brought to the site as an assessment project, and (3) pay any fees associated with rural water.

And while the densities would be less than that required for more urban designations, it may still be at a density that would impact the riparian corridor along Onion Creek.

If Fieldstone is allowed to build to RTR densities, it would then be likely that the remaining property owners in the Northwest A would also seek similar treatment. Assuming all of Northwest A at develops at RTR densities, all of the Northwest A could accommodate approximately 450 dwelling units—or about 1,035 persons.

Option 4: Rural Residential [Develop Outside City Limits; No Density requirement; Rural Infrastructure Allowed]

This option most closely reflects the request by Fieldstone. It allows the property to be developed to rural design and infrastructure standards at densities less than one unit per acre. **However, most significantly, it assumes that the City would not grow to the Northwest within the horizon of the Urban Fringe Plan (the year 2030). While this would save the expense of extending infrastructure and building the overpass in the future, it begin to create a ring of residential development to the northwest which would preclude the eventual annexation and growth in that direction, even after the 2030 planning horizon of the Land Use Policy Plan.** A subdivision would require the owner to submit the three covenants. These covenants bind the owners and successors to (1) agree to annexation at the time the City requests, (2) waive objections to assessments that may be imposed in the future if public improvements are brought to the site as an assessment project, and (3) pay any fees associated with rural water.

Mr. Friedrich recently had a conceptual development layout prepared and submitted to City staff. Within the entire extent of the Fieldstone properties (231 acres), there are 48 residential lots proposed. This average lot size is about 4.8 acres and is consistent with the Rural Residential designation. The concept drawings did not include information about utility infrastructure.

If Fieldstone is allowed to build to Rural Residential densities, it would then be likely that the remaining property owners in the Northwest A would also seek similar treatment. Assuming all of Northwest A at develops at Rural Residential densities, all of the Northwest A could accommodate approximately 120 dwelling units—or about 276 persons.



Option 5: Exempt Density Requirements Adjacent to Natural Areas

This option proposes exempting residential development in Urban Residential areas that lay within or adjacent to Natural Areas (as shown on the Urban Fringe Plan) from the area calculations for determining overall density of the development. This would be applied only if it could be demonstrated through a study of the area, that reduced densities would better protect the resources of that Natural Area. As this is a new approach affecting the traditional goal of maintaining minimum densities, the City Council would need to weigh this against the other goals of the Land Use Policy Plan.

This option would be combined with either option 1, 2 or 3 above. Both Urban Residential and Priority Transitional Residential require development to attain minimum densities—no less than 3.75 units per acre. Rural Transitional Residential requires densities of no less than 1 unit per acre for RTR. These average densities are to be measured over the entire extent of the development. In order to provide larger lots (and the resulting lesser densities) to protect the Onion Creek watershed and riparian corridor, it may be necessary to create much smaller lots or multi-family further south. While maintaining minimum densities remains a goal of the City, should some consideration be given to reflect the other goal of assuring an “environmentally-friendly” community?

Assuming that the Urban Fringe Plan is amended to exclude residential development within 200 feet of a defined Natural Area to be excluded from the density calculations, and if this area developed at an average of five-acre units, then the Northwest could accommodate 1,643 dwelling units if the remainder of the Northwest were developed as Urban Residential or Priority Transitional Residential. This comprises a population of about 3,779.

Summary of Options

Under all the options, staff may better identify the extent of the Natural Areas through ground observation and aerial photography. When the Urban Fringe Plan layers are overlain on aerial photographs, areas designated as Natural Areas include farmland with row crops. It is beneficial to better delineate the extent of the Natural Areas.

Under Options 1 and 2, the City can expect to see development to urban densities with urban infrastructure. The difference is that Option 1 would create Ames property taxpayers while Option 2 would not. These options would create development that would be within the City or could be annexed readily and seamlessly.

Under Options 3 and 4, the City can expect to see development to rural densities with rural infrastructure. Option 3 would require densities of at least one unit per acre. Option 4 has no density standard. Both options would allow rural right-of-way and road standards. Both options would allow on-site septic and well systems.

Option 5 allows a limited amount of residential at rural densities. This would be confined to areas within 200 feet of the Natural Area. But this option would require that rights-of-



way and streets be built to City standards and that provisions for connection to the City sewer and water systems be made, once the utilities are extended in the future.

The City has been routinely requiring covenants that, when recorded in the County Recorder's office, bind all future owners to the expectation that they may be annexed in the future and subject to certain assessments for infrastructure costs. These covenants have been upheld in other jurisdictions and would likely be upheld in Ames. However, a roomful of concerned and possible angry rural homeowners during an annexation hearing may give a future City Council pause. The best way to ensure that City infrastructure is installed is prior to approving a subdivision final plat.

If the City Council selects an option to allow large-lot residential development in the Northwest, the City Council can expect to see a type of development that is not anticipated under the current policies of the Land Use Policy Plan; that is, housing lots with net densities of less than 3.75 units per acre. This may be contrary to goals in the LUPP to “establish a cost-effective and efficient growth pattern for development in new areas and in a limited number of existing areas for intensification. (Goal No. 5, LUPP).” However, some allowance for larger lots may be necessary to protect environmental resources, as anticipated under Objective 2.D., which seeks “a development process that achieves greater conservation of natural resources and compatibility between development and the environment.” By allowing larger lots in areas necessary to protect environmentally sensitive areas, the City may also facilitate a housing type that is otherwise not cost-effective in an urban environment, but is nonetheless sought after by those individuals wanting a country atmosphere with the conveniences of urban services.

Impacts on Growth Capacity

Staff determined the impacts on the capacity for growth in the Northwest A growth priority area. Also, the costs of extending City services and installing the necessary infrastructure were also calculated. The results are shown in Table 2, below. This table was developed using the same data as for that of the April 2008 study.

Table 2—Projected Growth in Northwest A Under Each Option

	Option 1	Option 2	Option 3	Option 4	Option 5
Net Developable Acres	454.31	454.31	454.31	454.31	454.31
Total Housing Units	2,272	2,272	450	120	1,643
Total Population	5,225	5,225	1,035	276	3,779
Total Infrastructure Costs	\$2,916,414	\$0	\$0	\$0	\$2,916,414
Total Oversize Costs	\$838,019	\$0	\$0	\$0	\$838,019

As Table 2 shows, as residential development becomes less dense, total housing units and, hence, estimated population decline proportionally. This is important to note because as densities decrease, more rural land will need to be developed for residential purposes to accommodate the same population.



It is also important to note that the cost to the City for allowing the Northwest A to develop as Priority Transitional Residential, Rural Transitional Residential, or Rural Residential is less than if it remains as Urban Residential. However, these other options will effectively seal off the Northwest as an area for future annexation, requiring the City to grow in other directions to accommodate its anticipated population.

Other directions for annexation and growth have been explored in the Urban Fringe Plan and discounted for various reasons. For example, the East has been designated for commercial and industrial development due to the proximity of the railroad and the I-35 interchange. The Southeast contains flood prone areas. The Northeast already contains rural residential development that would be difficult to assimilate into the City. The West lies in Boone County and also contains rural residential and commercial that would be difficult to bring into the City.

The Urban Fringe Plan identified the Southwest as suitable for residential growth, but that direction is limited due to extensive ISU land holdings. The Plan also identified the North, but that direction is also constrained by the proximity to the City of Gilbert. The Northwest, both north and south of Onion Creek have few constraints.

City Manager's Comments

Staff was asked to return to the City Council with the proposed Scenario 4 from the July 2008 recommendation. In the first part of this report, staff brought forth clarification regarding this scenario to indicate that the allowable growth areas should now include the North B (along with all of the Northwest and the Southwest), but that the Growth Priority Areas should be defined as those areas in which the City would offer incentives through its Capital Investment Strategy. While Scenario 4 limited those areas to Northwest A and Southwest B, staff now feels that there is merit (and minimal cost) in also including Southwest A as a Growth Priority Area.

In addressing the request from the owners of Fieldstone, there are a number of criteria to which the City Council may want to give consideration. These include:

- The option that provides sufficient land to meet the population projections of the Land Use Policy Plan for 2030.**
- The option that facilitates post-2030 expansion of the City by avoiding sub-standard development on the periphery.**
- The option that protects environmentally-sensitive land within or on the periphery of the City.**
- The option that helps a developer who wishes to start offering home sites for sale prior to the City's timetable for providing assistance.**

It is the observation of staff that the best way to meet these considerations is through a combination of Options 1, 2, and 5. Under this approach the bulk of the Fieldstone development would remain as an Urban Residential area, ready for development only upon annexation and the full extension of City services. However, a 200-foot area south of the Natural Area could be designated as



Priority Transitional Residential (allowed outside of the City) with a text amendment waiving density requirements in areas that have been proven by a separate study to require protection from higher densities. This approach would still require the portion of the subdivision developed outside of the city limits to be built to Urban subdivision standards, including street paving and right-of-way widths.

The City must retain the ability to annex and grow to the Northwest. While the City could integrate lower-density residential developments into its allowable growth areas, substandard or non-existent infrastructure is more problematic. It is important to ensure that residential development in the allowable growth areas have infrastructure consistent with the standards of the City. This blended option that is being suggested for Fieldstone appears to accomplish this objective.

