

Staff Report
STATUS OF NEGOTIATIONS WITH ROSE PRAIRIE DEVELOPERS REGARDING A
PRE-ANNEXATION AGREEMENT

July 20, 2010

On July 13, 2010, the City staff briefed the City Council on the progress of the negotiations with the Rose Prairie Developers regarding a pre-annexation agreement. At this meeting, a report was presented that highlighted the unique features of a proposed agreement, the issues that were at impasse, and the concerns generated by the proposed agreement. After reviewing the status of the negotiations, the City Council directed staff to continue discussions in an effort to reach a settlement. Since last Tuesday both parties have revised their earlier positions regarding a number of critical issues.

Attached for your review is a draft agreement. The information provided below summarizes how the areas of concern identified last week are now being addressed.

Conditions Precedent (Page 2)

The initial position of the Developer was if the Council does not 1) amend the LUPP to designate the site as a Urban Service/Urban Residential Area, 2) grant an initial subdivision of the site as requested by the Developer, 3) accept the voluntary annexation of the site, 4) rezone the site to Suburban Residential Low-Density, 5) approve the preliminary plat for the site, and 6) approve the final plat for the site, then upon consent of all of the owners of the site, the property may de-annexed from the City and the agreement will become null and void.

It was clear from your discussions that this provision caused the Council significant concern. In an attempt to respond to your comments, the Developer is now proposing that the agreement would become null and avoid and the land thereby de-annexed only if the Council does not 1) amend the LUPP to designate the site as a Urban Service/Urban Residential Area (which was previously accomplished), 2) approve the division of land as requested in Section VI, page 10, 3) accept the voluntary annexation of the Site, and 4) rezone the site to Suburban Residential Low-Density. **Therefore, the Developer has dropped the requirement for approvals of a Preliminary and Final Plat as conditions precedent.**

City's Remedies (Page 2, B & D)

The Staff have indicated a concern with attempting to identify all of the responsibilities for infrastructure improvements in the pre-annexation. Typically, these responsibilities are set out in a development agreement approved at the time of the preliminary plat approval. Given the fact that there is no deadline to submit a preliminary plat, it might be possible that the City's policies may change by the time the platting process begins.

In order to protect the City in this event, the proposed contract specifies that no permits will be issued until the work is undertaken in accordance with regulations in effect at the time the platting documents are submitted. In addition, the agreement specifies that "ordinances,

regulations, and policies of the City now existing, or as may hereafter be enacted, so long as they are not inconsistent with the terms of this Agreement, shall apply to activity on the site.”

Street Improvements (Page 3 to 5)

The negotiations initially bogged down over the off-site improvements to Grant Avenue. The proposed contract calls for the City to provide the incentive of improving Grant Avenue and recouping a portion of this cost through a special assessment process. However, this assessment benefit will be offered only if pre-annexation agreements and assessment waivers from both Hunziker and Friedrich/Johansen have been approved by the Council.

These street improvements are currently estimated to cost \$2,700,000 in 2012 dollars. The City’s share of these road improvements could cost as much as \$620,000.

The agreement provides that the street improvements cannot be initiated any sooner than two years from the execution of the contract. After this time, the City will be responsible to construct the improvements within two years of the request of the Developer or whenever the City so chooses. Therefore, the Developer will be financially responsible for assessment payments even if the platting of their site has not commenced.

If, however, the other two developers (Hunziker/Friedrich & Johansen) do not enter into the pre-annexation agreement, in lieu of a special assessment, the Rose Prairie developer will be required to deposit cash with the City in an amount equal to the proportional share of half the cost of the Grant Avenue Improvements adjacent to the Sturges property and their property as each phase of Rose Prairie receives final plat approval. Under this process, the amount owed the City will be adjusted after each final plat to reflect the updated construction costs. The funds received will be placed in escrow for the future construction of the road improvements. **As you can see, since the payments are piecemeal, it will take a significant amount of time until sufficient funds are accumulated to pay for the street improvements.**

Water and Sanitary Sewer Improvements (Pages 6 to 8)

In order to avoid the City incurring any costs related to this growth area, the original proposal called for the Developer to install the water and sewer lines that will facilitate development along Grant Avenue up to 190th Street. One of the major concerns from the previous proposal dealt with the uncertainty as to when the Develop would install these improvements, which could adversely impact the other developers in the area.

In order to promote a settlement and protect the other developers from excessive delays, the staff is proposing an option whereby the City, at our discretion, can install the water lines necessary to serve all properties in the area from Point 1 to Point 2 on Attachment G and sewer lines from Point 1 to Point 3 on Attachment H. The cost of these lines eventually will be recouped by the City when each developer hooks on to the City lines. The remaining segments of the water and sewer lines as reflected on these attachments will be the responsibility of the Developer.

This new proposal is being offered as an inducement for the other developers to approve pre-annexation agreements so that the Grant Avenue improvements can be accomplished at one time. If their support is not forthcoming, the assessment financing option will be

eliminated and the Developer will proceed to install the water and sewer infrastructure in accordance with Rose Prairie's timeframe.

This new offer will require the City to upfront a portion of the water and sewer improvements totaling an estimated \$1,800,000.

It should be emphasized that this is a rather complex agreement that required the staff's attention up to the end of the day on Friday. The attached agreement represents the City staff's final proposal to accomplish a settlement and was transmitted to the Developer late on Friday. Therefore, at the time of this writing we have not received final acceptance of the proposal. In addition, we will work over the weekend to complete the companion pre-annexation agreements with the other two developers with the hope to have them finalized by Tuesday night.

City's
Proposal
7/16/10
4:00 PM

**PRE-ANNEXATION AGREEMENT PERTAINING TO THE
VOLUNTARY ANNEXATION, REZONING AND
SUBDIVISION PLATTING AND DEVELOPMENT
OF LAND TO BE IN THE CITY OF AMES CALLED
ROSE PRAIRIE SUBDIVISION**

THIS AGREEMENT, made and entered into this _____ day of _____, 20____, by and between the CITY OF AMES, IOWA (hereinafter called "City"), and Story County Land, L.C. (hereinafter called "Developer"), their successors and assigns,

WITNESSETH THAT:

WHEREAS, the parties hereto desire the improvement and development of an area legally described as set out on Attachment A (as modified by Section VI herein), and, at Developer's sole discretion, upon written notice to the City, an area legally described as set out in Attachment B, hereinafter called the Site; and,

WHEREAS, Developer intends to apply to the City for voluntary annexation and rezoning of the Site with the intent to seek platting of subdivision in the future; and,

WHEREAS, an agreement between the Developer and the City with respect to public improvements is jointly sought by the Developer and the City.

NOW, THEREFORE, the parties hereto have agreed and do agree as follows:

**I.
INTENT AND PURPOSE**

A. It is the intent of this Agreement to:

1. Recognize that the Developer is the owner of the Site which is located outside of the City limits but is within the two-mile fringe area set forth in Iowa Code § 354.8.
2. Acknowledge that the City and Developer desire to have the Site developed within the City if, but only if, certain conditions precedent identified herein (the "Conditions Precedent") are satisfied.

B. It is the purpose of this Agreement to:

1. Document, record, and give notice of, a certain plan of development, and the public and private measures and undertakings essential to the implementation of that plan of development, for the Site.
2. Provide remedies to the City in the event the said plan of development is not adhered to or achieved by the Developer.
3. Provide remedies to the Developer in the event certain Conditions Precedent, as set forth herein, do not take place.

II. CONDITIONS PRECEDENT

The City and Developer agree that for the rights, duties and responsibilities of this Agreement to become effective as to either party, all of the following must first occur:

- A. The City of Ames Land Use Policy Plan must be amended to designate the Site as a Urban Service/Urban Residential Area; and
- B. The Division of Land set out in Part VI herein, if requested by Developer, must be approved by the City Council; and
- C. The Voluntary Annexation of the Site into the City of Ames must be accepted and the Site must become a part of the City as contemplated by law; and
- D. The Site must be rezoned as Suburban Residential Low-Density (FS-RL).

The parties agree that in the event the Site has been voluntarily annexed into the City and the City Council fails to rezone the Site as Suburban Residential Low-Density (FS-RL), upon unanimous consent of all owners of the area comprising the Site, the Site shall be severed from the City pursuant to Iowa Code § 368.8. Contemporaneously herewith, the City Council agrees to pass the Resolution attached hereto as Attachment C and by this reference made a part hereof. In the event of severance, the terms of this Agreement are deemed null and void.

III. CITY'S REMEDIES

- A. In that the Developer seeks to persuade and induce the City to approve an official plat of the Site by presenting a plan for the development and improvement of the Site in its entirety, it is understood and agreed that the City shall not issue any building permits with respect to any place on the Site for which a Final Plat of subdivision has not been approved and filed for record.
- B. The City shall not issue a building permit, zoning permit, or any other permit of the City with respect to any excavation, construction, reconstruction or remodeling on the Site unless said work is undertaken in accordance with the provisions of this Agreement, and all applicable statutes, ordinances, and regulations in effect at the time that platting documents are submitted. The City agrees that the provisions of this Agreement, to the level of detail specified in Attachments A through I herein, satisfy all presently enacted statutes, ordinances and regulations.
- C. The City shall not approve any Final Plat of any phase of development on the Site unless said plat is in accordance with and meets the provisions and conditions of this Agreement.
- D. All ordinances, regulations, and policies of the City now existing, or as may hereafter be enacted, so long as they are not inconsistent with the terms of this Agreement, shall apply to activity on the site.
- E. Prior to the issuance of a Final Plat, and unless otherwise agreed by the parties, the

Developer shall cause the creation of an Owners' Association by means of a declaration of covenants that shall run with the land that constitutes the Site; and at least ninety-five percent (95%) of the total number of platted lots within the boundary of the Site shall be members of that Owners' Association. If any obligation or duty of the Owners' Association, as prescribed by this Agreement, is not met or performed, the City may bring suit against the Owners' Association for court-ordered specific performance of the duty owed to the City by the Owners' Association; alternatively, the City may undertake the required obligation and may assess each property at the Site which is a member of the Owners' Association a prorated portion of the cost of said cure and such assessment shall constitute a lien on the real estate.

IV. PLATTING PROCESS

The Developer may, at a time of Developer's choosing, undertake the official platting of subdivisions of the Site and said platting shall be done pursuant to the procedures established by the statutes of the State of Iowa and the ordinances of the City. The City may establish specific requirements for improvements of the Site, as a condition for approval of any plat of subdivision, and require a performance bond or other security for the performance of such improvements by the Developer as set forth herein and in accordance with applicable subdivision ordinances and standards. The requirements of improvements relative to the approval of any official plat of the Site may reiterate the provisions of this Agreement; and, may state additional required improvements allowed by law that are not inconsistent with the intent and terms of this Agreement and all applicable statutes, ordinances, and regulations

V. IMPROVEMENTS

A. Streets and Street Improvements

1. The Developer shall, with respect to all streets as shown on the Site, dedicate and convey fee title for the right-of-way to the City at no charge or cost to the City, said conveyance to occur at the time of final subdivision plat approval. After improvements have been completed, certified and accepted by the City Council, costs of operation and maintenance of the streets and street improvements shall be undertaken and paid by the City.
2. The Developer shall, in accordance with the specifications of the City, construct street improvements to the specifications of the City as follows:
 - a. With regard to streets **within the Site** that are to be dedicated to the City, those streets shall be constructed as follows (unless agreed otherwise by both parties in writing):
 - i. As generally shown on Attachment D attached hereto and made a part hereof;
 - ii. In compliance with City ordinances and standards with regard to width, depth, curbing, gutter and markings except that curb outflow areas shall be allowed as generally shown on Attachment E and a preliminary plat and in accordance with a public improvement plan, that is consistent with the terms

of this Agreement, to be approved by the Municipal Engineer after preliminary plat approval.

- b. With regard to streets **outside the Site** (unless agreed otherwise by both parties in writing) the following terms shall apply:
 - i. If, at the time of annexation of Site, City has received annexation applications and special assessment contracts and waivers from all owners of property located within the area included in Attachment J, and if those properties are included within the area of annexation in addition to the Site, the only street to be assessed to Rose Prairie shall be Grant Avenue; and said assessment shall be as provided by contract and waiver agreement, Attachment F, which shall be consistent with the terms of this Agreement;
 - ii. Grant Avenue shall be constructed by the City as a standard two-lane, collector city street that is in compliance with City ordinances and standards with regard to width, depth, curbing, gutter, storm sewer pipe and structures, and street lights, and markings except that curb outflow areas shall be allowed as generally shown on Attachment E;
 - iii. Costs associated with construction of Grant, including but not limited to design, bond issuance costs, interest, construction, administration, permits and fees, and engineering inspections shall be paid 37% by Developer (determined as being one-half of the costs of the road for the 2737 lineal feet of the road abutting Rose Prairie, and the 1190 lineal feet of the road abutting the Sturges property). Neither Developer nor the current or future owner of the property identified on Attachment B shall be required to pay any percentage for Grant Avenue in excess of or in addition to this percentage. The amount shall be payable by Developer no sooner than the City obtains bond financing for the project and Developer shall pay in accordance with Attachment F. The street shall be installed by the City at the desire of the City or, alternatively, the City shall initiate construction within two years of the request of the Developer provided, however, that the Developer cannot request, and the City may not undertake, installation of the street sooner than two years from the execution of this Agreement, and the City cannot require payment from Developer until issuance of bonds for the street is obtained, and such payment shall be distributed equally over the term of the bonds in annual installments, not exceeding fifteen, as provided in Iowa Code section 384.60.
 - iv. In the event Developer requests approval of the initial Final Plat for Site and at the time of such request the properties, **other than the properties shown in Attachment A and B**, that are located within the area included in Attachment J have not been annexed into the City of Ames, Developer agrees to pay to the City cash in an amount determined by the City to be proportionate to the total obligation of the Developer for the construction of Grant Avenue as provided in Paragraph V.A.2.b.ii and iii, supra attributable to the developable lots included within final plat for the Site, based on the Municipal Engineer's estimate of costs associated with construction of Grant Avenue, including but not limited to design, bond issuance costs, interest, construction,

administration, permits and fees as of the date of the final plat . Upon such payment by Developer, City agrees to release from the obligations of the special assessment contract and waiver those developable lots included within the final plat. In such event the City may construct Grant Avenue at such time as the City deems appropriate. For each subsequent request from Developer for approval of a final plat for Site, Developer agrees to pay to the City at the time of final plat approval cash in an amount proportionate to the total obligation of the Developer for the construction of Grant Avenue as provided in V.A.2.b.ii and iii, supra, attributable to the developable lots included within that final plat for the Site, based on the Municipal Engineer's estimate of costs associated with construction of Grant Avenue, including but not limited to design, bond issuance costs, interest, construction, administration, permits and fees as of the date of that final plat.

- v. In order to facilitate the extension of the sanitary sewer, some grading of Grant Avenue may be required prior to the actual construction of the street. In the event such grading is conducted by Developer, then the cost of the additional grading shall be added to the cost of construction of Grant Avenue and Developer shall be given credit for the full amount of the costs of the additional grading against his allocated share of Grant Avenue costs.
- vi. In order to facilitate the development of a detention basin or pond on the property identified on Attachment B, some additional grading or reinforcement of Grant Avenue may be required. Developer may, at its sole discretion, require such additional grading or reinforcement of Grant Avenue at the time of the grading of Grant Avenue. Developer shall pay in cash to the City at such time as the improvements are initiated with the award of the contract all costs for such additional grading or reinforcement that are in excess of the costs of grading Grant Avenue without such improvements, including City's costs attributable to engineering and construction inspection fees.
- c. With regard to **off-Site** traffic improvements, Developer shall pay, prior to approval of the initial Final Plat for the Site, the amount of \$185,000.00 which is an agreed-upon assessment for Developer's share of the cost of the traffic signal to be installed at Hyde Avenue and Bloomington Road together with Developer's share of the cost of the widened intersection and traffic signal at Grand Avenue and Bloomington Road. No other amounts for these improvements will be required to be paid by Developer or the current or future owner of the property identified on Attachment B.

B. Water System Improvements

- 1. Unless otherwise agreed by the Parties, the Developer, at a time of Developer's choosing but not later than the approval of the initial Final Plat, shall install or deposit cash or security in a form satisfactory to the City Attorney, for all of the water system improvements located **outside of the Site**, as generally shown on Attachment G, and in accordance with a public improvement plan, that is consistent with the terms of this Agreement, to be approved by the Municipal Engineer after preliminary plat approval, and shall install or deposit cash or security in a form

acceptable to the City Attorney for water system improvements located **within the Site** as necessary for the specific plat being approved by the City, all at the sole cost and expense of the Developer. Upon certification of acceptance and completion by the City Council of the water system improvements, costs of operation and maintenance of the system shall be undertaken and paid for by the City.

2. With regard to water system improvements located **within this Site**, the Developer shall show on the final Plat of any subdivision of this Site, and grant to the City by executed instruments, without charge to the City, easements in a form acceptable to the City, for installation and maintenance of water system improvements required for approval of any plat of subdivision for those locations not within the public right-of-way and for those portions of the water system that have not yet been constructed by Developer but that are necessary for the development of adjacent properties.
3. With regard to water mains located **outside of the Site**, the City must, at its sole cost and expense, obtain an interest in real property sufficient to allow the Developer to install the water main in the location generally shown on Attachment G.
4. Developer agrees that it shall be responsible for payment of any amounts that may become due and owing to any rural water cooperative as a result of any lot in Rose Prairie connecting to City water.
5. Water Extension Benefits Adjustment. For the purpose of assessing the costs of water utility extension on the basis of benefit to land areas, it is recognized that the City has the authority, and shall take all necessary action, to establish water utility connection fee districts pursuant to the procedures provided for by Iowa Code §384.38(3). The City shall, subject to its governmental discretion, establish such districts with respect to the areas of land that are not a part of the Site, but which will be served and benefited by the extension of water utilities pursuant to paragraph B.1 of this Agreement; and the money collected by the City by virtue of such districts shall be disbursed to the Developer to such extent and in such amounts as the City shall determine to be an equitable adjustment for the benefit provided to the areas within such districts by virtue of the Developer's construction of water utility facilities as required by this Agreement.
6. City Installation of Water Improvements Outside of the Site. Notwithstanding the above provisions, in the event the City, at its sole discretion, chooses to install the water system improvements as shown generally extending from Point 1 to Point 2 on Attachment G and to establish water utility connection fee districts pursuant to the procedures provided for by Iowa Code §384.38(3), Developer shall not be required to install, fund or otherwise provide security for the installation of such improvements and Developer will be allowed to connect to the City-installed water system improvements in like manner and at similar cost-assessment basis as others with developable land who may connect to such improvements. In such event that the City chooses to install the water system improvements described above, Developer shall grant to the City by executed instruments, without charge to the City, easements in a form acceptable to the City for those locations not within the public right-of-way that are necessary for the development of adjacent properties.

C. Sanitary Sewer Improvements

1. Unless otherwise agreed by the Parties, the Developer shall install, at a time of Developer's choosing but no later than the approval of a Final Plat i, or deposit cash or security in a form satisfactory to the City Attorney, sanitary sewer improvements located **outside the Site** as generally shown on Attachment H and in accordance with a public improvement plan that is consistent with the terms of this Agreement and to be approved by the Municipal Engineer after preliminary plat approval, and shall install, or deposit cash or security in a form satisfactory to the City Attorney, sanitary sewer mains located **within the Site** as necessary for the specific plat being approved by the City, all at the sole cost and expense of the Developer.
2. With regard to sanitary sewer mains located **within the Site**, the Developer shall show on the Final Plat of any subdivision of the site, and grant to the City by executed instruments, without charge to the City, easements in a form acceptable to the City, for installation of sanitary sewer mains required for approval of any plat of subdivision of the Site and for those portions of the sanitary sewer system that have not yet been constructed by Developer but that are necessary for the development of adjacent properties.
3. With regard to sanitary sewer mains located **outside of the Site**, the City will, at its sole cost and expense, obtain an interest in real property sufficient to allow the Developer to install the sanitary sewer main in the location generally shown on Attachment H.
4. Sanitary Sewer Extension Benefits Adjustments. For the purpose of assessing the costs of sanitary sewer utility extension on the basis of benefit to land areas, it is recognized that the City has the authority, and shall take all necessary action, to establish sanitary sewer utility connection fee districts pursuant to the procedures provided for by Iowa Code §384.38(3). The City shall, subject to its governmental discretion, establish such districts with respect to the areas of land that are not a part of the Site, but which will be served and benefited by the extension of sanitary sewer utilities pursuant to this Agreement; and the money collected by the City by virtue of such districts shall be disbursed to the Developer to such extent and in such amounts as the City shall determine to be an equitable adjustment for the benefit provided to the areas within such districts by virtue of the Developer's construction of sanitary sewer utility facilities as required by this Agreement.
5. City Installation of Sanitary Sewer Improvements Outside the Site. Notwithstanding the above provisions, in the event the City, at its sole discretion, chooses to install the sanitary sewer system improvements as shown generally from Point 1 to Point 2 on Attachment I and to establish sanitary sewer utility connection fee districts pursuant to the procedures provided for by Iowa Code §384.38(3) , Developer shall not be required to install, fund or otherwise provide security for the installation of such improvements and Developer will be allowed to connect to the City-installed sanitary sewer system improvements in like manner and at similar cost-assessment basis as others with developable lots who may connect to such improvements. In such event that the City chooses to install the sanitary system improvements described above, Developer shall grant to the City by executed instruments, without charge to the City, easements in a form acceptable to the City for those locations not within the public right-of-way that are necessary for the development of adjacent properties.

6. In the event the City installs the sanitary sewer system improvements outside of the Site as described in paragraph 5 above, Developer agrees to install sewer main extensions in the dimensions and locations generally described and indicated from Point 2 to Point 4 and from Point 3 to Point 5 on Attachment H. Upon completion of said sewer main extensions and at the request of Developer, the City shall, subject to its governmental discretion, establish such districts with respect to the areas of land that are west of the Site depicted on Attachment H, but that may be served and benefited by the extension of sanitary sewer utilities from Point 2 to Point 4 pursuant to this Paragraph; and the money collected by the City by virtue of such districts shall be disbursed to the Developer to such extent and in such amounts as the City shall determine to be an equitable adjustment for the benefit provided to the areas within such districts by virtue of the Developer's construction of the sanitary sewer utility facilities as described in the Paragraph.

D. Storm Sewers and Storm Water Management

1. The Developer shall show on the Final Plat of any subdivision of the Site, and grant to the City, without charge, easements in a form acceptable to the City for installation and maintenance of public storm sewers and public storm water conveyances and storm water management facilities required for approval of any plat of subdivision of the Site for those locations not within the public right-of-way.
2. Unless otherwise agreed by the Parties, the Developer shall, at a time of Developer's choosing, but no later than the approval of a Final Plat, install or deposit cash or security in a form acceptable to the City Attorney for storm sewers, storm sewer appurtenances, and storm water structures, as generally shown on Attachment E and a preliminary plat at the sole cost and expense of the Developer, and at no cost or charge to the City, for the purpose of managing both the quantity and quality of storm water discharge.
3. The Owners' Association shall be responsible for routine maintenance of the storm water management facilities and surface water flowage areas that are deemed necessary by the City, including maintenance and repair of the subdrain pipes associated with the storm water management facilities, collection of trash and debris that is found on such areas, and the management of grass and vegetation on such areas and controlled as appropriate and permitted. If the Owners' Association fails to perform such maintenance work, City may provide written notice and reasonable time to perform said work. If the required work is not done within the time specified by the City, the City may perform the work and the City's cost to do so shall be the obligation and the debt of the Owners' Association and a lien against any and all benefited properties.
4. The City shall assist and support any efforts by the Developer to obtain DNR, WIRB, or other funding for the Developer's project that may be available for the storm water quality systems, wetlands, dams, prairie restoration or the like.

E. Sidewalks and Shared Use Paths

1. Developer shall cause sidewalks and shared use path way system to be constructed at the Developer's expense and to the specifications of the City with respect to each platted lot at such time as a principal building is completed on the lot, but not later than two years after approval of the plat of subdivision for such lot. Sidewalks shall be required only on one side of streets. All lots, however, shall have direct access to sidewalks or the pathway system.
2. The Developer shall install a shared use path, to the specifications of the City, adjacent to the railroad tracks, within two years of approval of the initial Final Plat. The City shall maintain this shared use path. Developer shall provide easement at no cost to City as indicated on a preliminary plat.

F. Electric

1. Street Lights. Within the service territory of the Ames Municipal Electric System, the City shall install street lights in accordance with City standards, and the Developer shall pay all of the City's costs of said installation within the Ames Electric Service Area. Thereafter, costs of operation and maintenance of the street lights shall be paid by the City.
2. Outside the Ames Electric Service Territory, Developer shall arrange with Midland Cooperative for installation of street lights in accordance with City standards. Thereafter, the City shall pay costs of operation.
3. Miscellaneous. Extension of electric service and any relocation of existing electric facilities, as required by the Developer's construction, will be at the Developer's sole expense and in conformity with City's policy.

G. Street Tree Planting Plan

The Developer shall install, at its sole cost and expense, trees to be planted on the Site in accordance with the subdivision ordinance requirements.

H. Building Requirements

1. Phosphate-Free Fertilizer. The Developer shall include a covenant binding on all platted lots, prohibiting the use or application of any fertilizer or lawn additive that contains phosphate.
2. Sprinkler System. The Developer shall include a covenant, binding on all platted lots, that any residential building shall include a fire sprinkler system that is in accordance with National Fire Protection Standard 13D and, if applicable, in compliance with the Building Code.

**VI.
DIVISION OF LAND**

Developer may request, prior to a voluntary annexation of the area legally described in Attachment A, the separate platting of a lot included within the south side of said area that is no more than one hundred and thirty (130) feet from north to south and extends in an east/west direction along all, or a portion of, the area legally described in Attachment A (this lot shall hereinafter be referred to as "Lot AA"). In such event, if the City fails to approve the platting of Lot AA and to allow Developer to exclude Lot AA from the area sought to be voluntarily annexed, this agreement shall be null and void.

**VII.
MODIFICATION OF AGREEMENT**

The parties agree that this Agreement may be modified, amended or supplemented by written agreement of the parties.

**VIII.
SECURITY**

The Developer shall install, and dedicate to the City, as set forth herein, all public improvements required for approval of any or each plat of subdivision of the Site prior to approval of such Final Plat or execute an improvement agreement to guarantee the completion of all such required public improvements, and provide to the City as security for the completion of that work, an "improvement guaranty" as stated in Section 23.409 of the Municipal Code of the City of Ames, Iowa.

**IX.
COVENANTS RUN WITH THE LAND**

This Agreement shall run with the Site and shall be binding upon the Developer, its successors and assigns. Each party hereto agrees to cooperate with the other in executing a Memorandum of Agreement that may be recorded in place of this document.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed effective as of the date first above written.

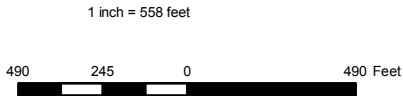
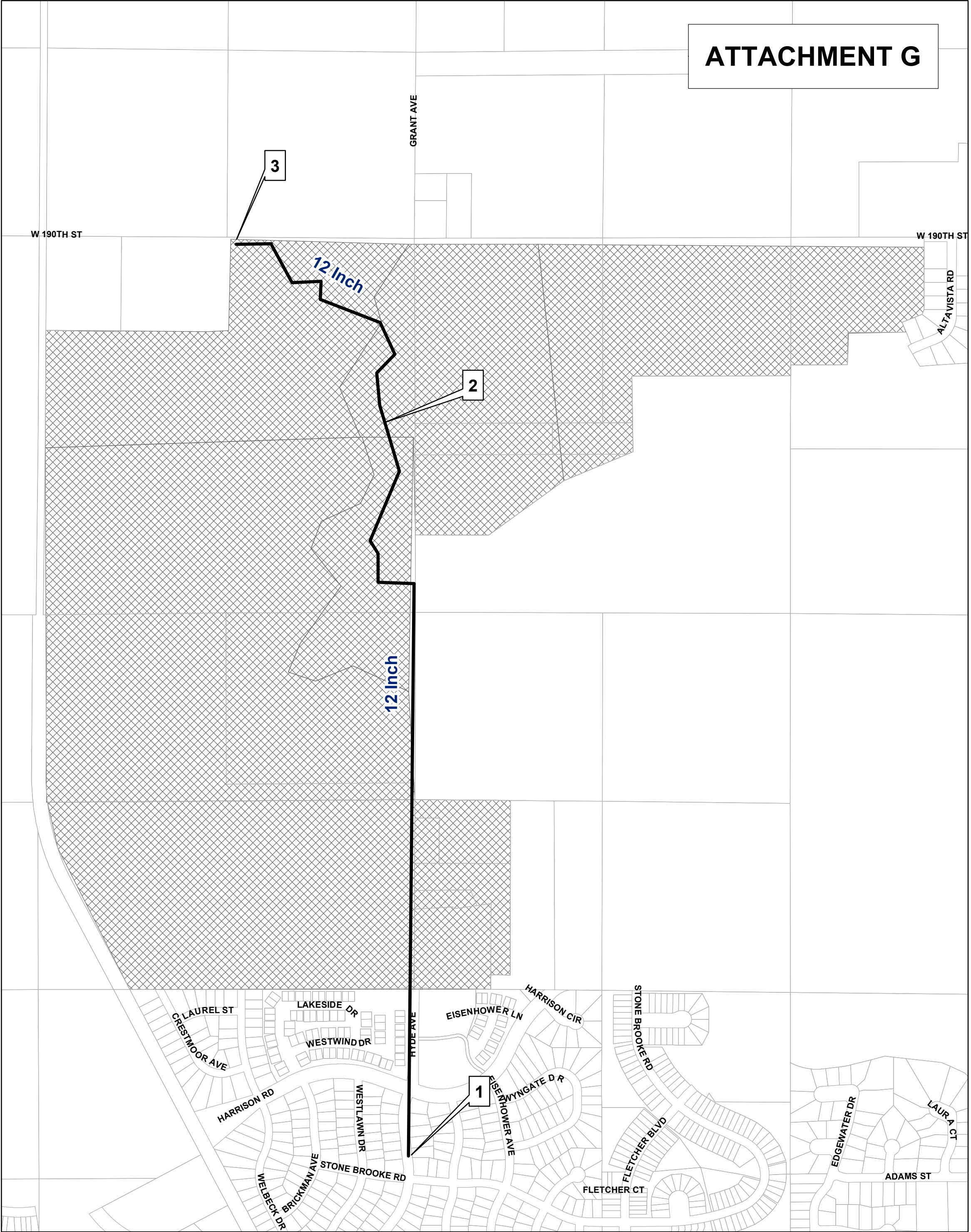
CITY OF AMES, IOWA

STORY COUNTY LAND, L.C.

By: _____

By: _____

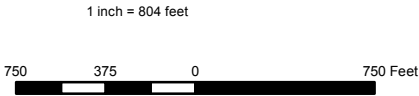
ATTACHMENT G



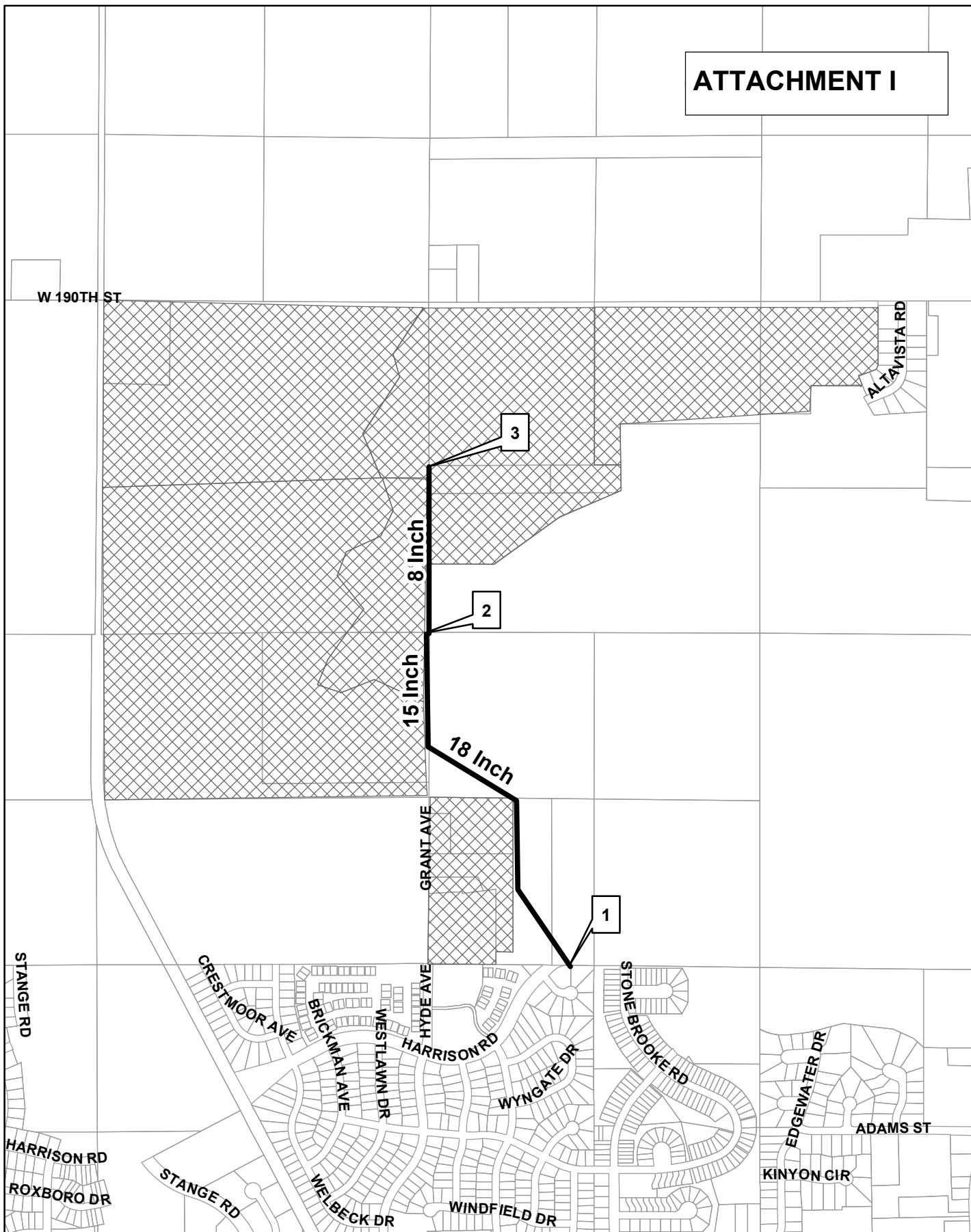
— Water Main Potential Water Connection District



ATTACHMENT H



ATTACHMENT I



1 inch = 1,039 feet
520 260 0 520 Feet

Sanitary Sewer Main Potential Sanitary Connection District



ATTACHMENT J



 Grant Ave Paving Special Assessment Area

