

## Staff Report

**KELLOGG-CLARK CORRIDOR STUDY**

December 14, 2010

**Background**

On August 24, 2010, City Council reviewed a staff report on changing the land use policies and zoning standards for the properties on both sides of Kellogg Avenue between the Union Pacific Railroad and Lincoln Way (see Location Map attached). The land use policies and zoning standards for this area are for Highway-Oriented Commercial development, as on Lincoln Way and South Duff Avenue. However, most of the existing development along this one block is more similar to the buildings on Main Street, which is zoned Downtown Services Center (see Current Zoning attachment). Although current zoning standards no longer allow this type of development, the size of the lots and existing buildings make it difficult to redevelop these sites in a manner consistent with the current policies and standards. A summary of advantages and disadvantages of changing these policies and standards to match those on Main Street is attached.

The City Council is also considering making the properties on Kellogg Avenue eligible for the Downtown Façade Improvement Program. This program provides grants and partial property tax abatement for façade improvements that meet design guidelines. Because the design guidelines for the program are based on the characteristics of Main Street buildings, if the Downtown Façade Improvement Program is to be extended south of the Union Pacific Railroad, the Land Use Policy Plan Map and the zoning should first be changed to the designations that apply on Main Street: Downtown Services Center.

City Council directed staff to find out what Kellogg Avenue property owners think about changing the City's policies and standards. Of 11 property owners, staff has spoken with seven, plus one tenant (see attached interview form). Of the seven owners, five also owned the business in the building. The other three property owners have not responded to letters, e-mails, and/or phone messages. From these discussions staff has learned that:

- Most have owned their buildings for less than ten years, but one has owned it for 20 years, and another for 50 years.
- In the past six years, five of the owners who responded have made improvements to their buildings. Improvements have been made to all three additional buildings whose owners' staff could not contact. These improvements include exterior painting, replacing or enlarging windows and even the major consolidation of multiple buildings and exterior renovation at Mr. Money. All of the buildings used for retail sales or services have made some improvements. The owner of the largest professional office building (the north building on the east side) has made interior improvements and made a substantial investment in

buying the adjacent parking lot. The results of all of this private investment, combined with the City's investment in complete street, curb, sidewalk, and lighting replacement, have made a strong improvement in the appearance of this entrance corridor for downtown Ames.

- Only two of the owners said that they are interested in making additional building improvements at this time.
- Four of the owners stated that lack of adequate, convenient parking is an issue that may make it difficult to invest in or sell their properties. Those who did not cite this issue owned buildings with office uses, which have adjacent off-street parking.
- Reactions to the possible zoning change were mixed:
  - The owner of one building that conforms to the current zoning in most respects favors the current zoning.
  - The owner of another building that conforms to the current zoning in most respects, and two who do not plan major changes to their buildings, concluded that the proposed zoning does not cause a problem.
  - The owner of another building that conforms to the current zoning in most respects, favors the proposed zoning as good for Kellogg, but off-street parking would still be an issue. A professional office tenant in another building had the same viewpoint.
  - One owner/occupant supports proposed zoning so that the building could be re-built as is.
  - One owner, whose property may soon be for sale, favors the zoning with the least restrictions.
- No one was considering improvements that might be eligible for the Downtown Façade Improvement Program at this time, but five would support the program because future owners might make use of it. Three owner/occupants who have no plans to sell their buildings are not interested in the Downtown Façade Improvement Program.

**Zoning non-conformities** will be present on this block with either of the zoning options. Current non-conformities include lack of adequate parking, lack of setbacks, lack of landscaping, and floor area ratio and building coverage larger than permitted. Only one property appears to meet the current standards. If the zoning is changed to Downtown Services Center, only two buildings will conform to the requirement that all buildings have at least two stories and the minimum floor area ratio of one. However, in the downtown area north of the railroad, with Downtown Services Center zoning, many buildings exist that do not meet these standards. Such nonconforming buildings can be maintained, remodeled, enlarged, and even rebuilt, unless they are destroyed resulting in loss of more than 70% of value. It is possible to amend the zoning text to allow one-story buildings and buildings that do not meet minimum floor area ratio and building coverage requirements if built before the date the ordinance was enacted. This technique permits pre-existing duplexes in the City's Residential Low-Density zoning districts.

Based on the Council's discussion and direction given on August 24, staff has identified advantages for three possible policy options for this area:

**Option 1: Maintain current Highway-Oriented Commercial Zoning.** Currently the zoning map follows the railroad as the logical boundary line between the zoning of pedestrian-oriented commercial area along Main Street and a vehicle-oriented commercial area along Lincoln Way. Properties along Kellogg Avenue can be consolidated and then redevelopment can occur that will provide more viable retail uses, oriented toward Lincoln Way and providing their own adequate off-street parking. This process has been the pattern on Lincoln Way and South Duff Avenue. **If the City Council prefers the current Highway-Oriented Commercial zoning for properties on both sides of Kellogg Avenue between the Union Pacific Railroad and Lincoln Way, no further action is necessary.**

**Option 2: Change to Downtown Services Center Zoning.** The properties along Kellogg Avenue are not suited for vehicle-oriented commercial development due to lack of exposure to Lincoln Way and lower traffic counts. This is why these properties have not already been purchased, consolidated, and redeveloped. The existing pattern of buildings is already similar to the Main Street streetscape, and Kellogg Avenue serves as a vehicle and pedestrian entrance to the downtown area from the major arterial street in Ames. The Downtown Services Center zoning will help preserve these characteristics and, with the Downtown Façade Improvement Program, provide an incentive for redevelopment that improves Kellogg Avenue as a traditional retail block and as an entrance to the downtown.

**If City Council prefers the Downtown Services Center zoning, it should direct the Planning and Zoning Commission to hold a public hearing on a change to the Land Use Policy Plan designation for properties on both sides of Kellogg Avenue between the Union Pacific Railroad and Lincoln Way from Highway-Oriented Commercial to Downtown Services Center.** After receiving the Planning and Zoning Commission recommendation, if the City Council then approves the change to the Land Use Policy Plan, the area can be rezoned and the Downtown Façade Improvement Program can be revised to apply to this area.

**Option 3: Apply Downtown Services Center Land Use designation to the Larger Area.** One block of Kellogg Avenue, separated from the Main Street Cultural District and its off-street parking by distance and the railroad, can never be a viable pedestrian oriented commercial district on its own. It is questionable whether any redevelopment and infill in this one block will be sufficient in scale to draw traffic off of Lincoln Way. However, the larger area between the railroad and Lincoln Way is well-situated to serve as an expansion area for downtown and as a transition between the Main Street district and the South Lincoln Neighborhood, a pedestrian-oriented mix of commercial and residential uses. The redevelopment of a larger area north of Lincoln Way could provide the mass and scale for a viable commercial area to make this transition, and the visual impact needed to connect the Main Street environment to the commercial corridor and the neighborhood to the south. **If the City Council prefers the downtown style for future redevelopment of the larger area west of Kellogg Avenue to Clark Avenue**

**and/or east of Kellogg Avenue to Duff Avenue, it should direct the Planning and Zoning Commission to hold a public hearing on a change to the Land Use Policy Plan designation from Highway-Oriented Commercial to Downtown Services Center for the larger area.** Changing the land use policy does not create any non-conformities and even allows current and future property owners to continue with Highway-Oriented Commercial development. However, it would communicate that the City supports a downtown urban core redevelopment alternative for this area.

### **Summary**

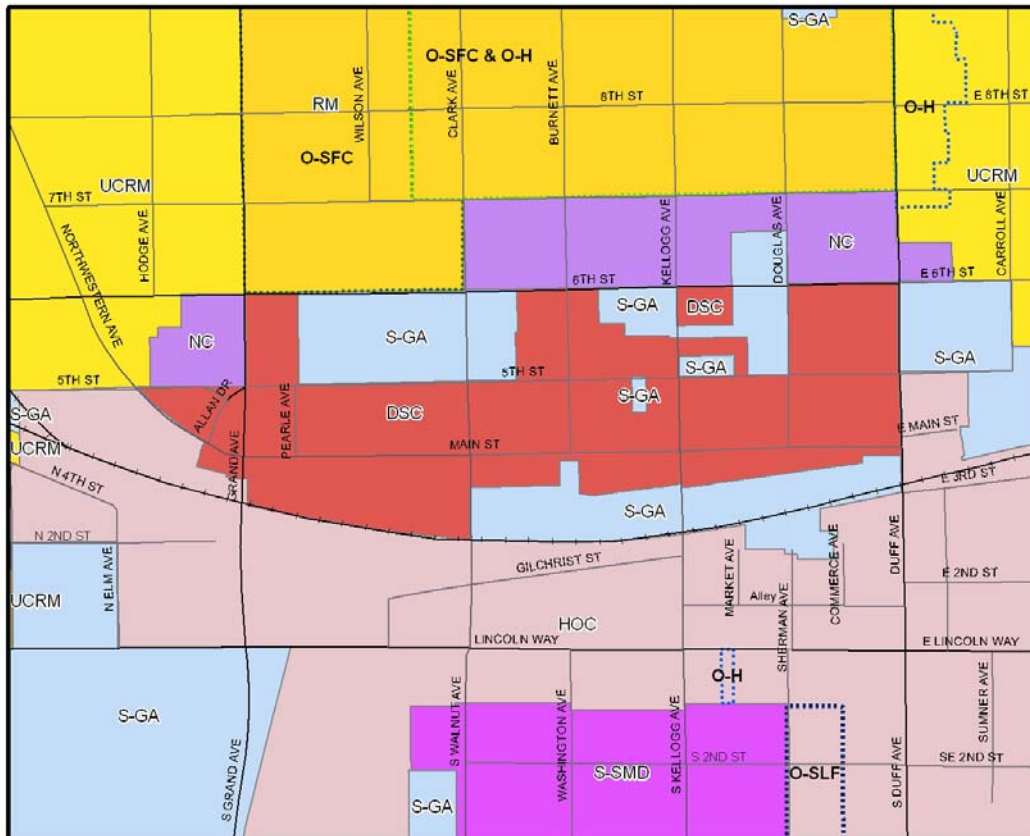
The Main Street Cultural District (MSCD) originally proposed that the Kellogg Avenue corridor be included in the downtown façade improvement program. At the MSCD's request, the Council also expanded the Kellogg Avenue street reconstruction project to include sidewalk and lighting features that tie into the downtown area. Reaction from existing property and business owners was mixed. It also appears that, should the façade improvement program be expanded to the area, there are currently no further building improvement projects imminent.

While rezoning of this corridor may have adverse impacts on those property owners who desire to remain under HOC zoning, it may benefit other property owners who may prefer to make incremental improvements to single parcels. It would also be consistent with the streetscape improvements recently completed by the City that visually tied this corridor to the downtown.

## Location Map



## Current Zoning



## **Advantages and disadvantages of changing zoning**

### **Redevelopment under Current Commercial Land Use & Zoning**

#### PROS

- Similar to surrounding development
- More visible parking
- Accommodates more customers arriving by car
- May yield higher revenues & rents per area
- More space for entry features at corners

#### CONS

- Less suitable for incremental change
- May require public investment different from Façade Improvement Program
- Different character than Main Street
- Less attractive to pedestrians
- May displace current businesses

### **Redevelopment under Downtown Zoning**

#### PROS

- Similar character to Main Street area
- More suitable for incremental change
- More attractive to pedestrians
- May only require public investment in facades
- Does not displace current businesses

#### CONS

- Less convenient parking
- Lack of space for entry features at corners

## Kellogg Property/Business Owner Survey

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Property Address: \_\_\_\_\_

Businesses: \_\_\_\_\_

\_\_\_\_\_

How long have you owned/occupied this building? \_\_\_\_\_

What improvements have been made in the past five years? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

What other improvements are needed/desired? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Are there other issues that make it difficult to invest in, expand or sell property here? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Explain/show current and proposed zoning options, pros and cons. What questions do you have about these options?

Do you have any opinions about which zoning district would be best for this property? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Describe Downtown Façade Improvement program. Might this program be useful to you? \_\_\_\_\_

You can get this and further information about this study and proposals at the City web site.

<http://www.cityofames.org/HousingWeb/Planningweb/Planning/planIndex.htm>