

COUNCIL ACTION FORM

SUBJECT: RURAL WATER SERVICE REQUEST FOR 2126 STATE AVENUE

BACKGROUND:

City Council recently referred a letter to staff from Xenia Rural Water District regarding water service to 2126 State Avenue. This property is in unincorporated Story County on the east side of State Avenue directly across from Wiley/Blackwell Press (formerly the Iowa State University Press property), and is part of a peninsula of unincorporated land reaching into the City. A 12" City of Ames water main currently runs through the lot in the east ditch of State Avenue (see attached map). In the letter, it states that a request was made for Xenia Rural Water to provide water service to the property, which was denied by their board of directors because service could not reasonably be extended to the property in an efficient and cost effective manner. Due to the existence of a City water main on the property, Xenia released the property to the City of Ames for the purpose of providing water service.

It has been long standing City policy to only provide municipal services to properties that have been incorporated into the City limits. There have been several recent cases where owners of property near the corporate boundary have requested that the City allow service to be provided by rural water districts, such as Xenia. Some of these requests were denied by the City due to these locations being within planned City of Ames service (growth) areas. In those cases, state code requires that the municipality provide water service within four years of the request and subsequent denial. In response, the Ames Municipal Code was modified in 2009 to establish procedures to temporarily provide water service to rural customers until they are incorporated into the City limits.

This particular request is different, in that the rural water utility denied the service request (rather than the City denying rural water request to provide service within our growth area) due to their desire to not extend rural water to this unincorporated area. **However, had Xenia made such a request, it would have been staff's recommendation that the Council deny the request and commit to serve this property within four years, since this unincorporated peninsula lays within Southwest Growth Area 1.**

This request for water service could easily be granted if the property at 2126 State Avenue annexed into the City. Staff would support such an annexation as a step to decrease the size of the unincorporated land in this area. Despite the lot's proximity to the City, however, it does not quite abut current City limits, and thus cannot currently be annexed.

In this situation, the property owner desires water service and is willing to be annexed whenever this property becomes contiguous to the City. **Given the fact that the City's long-term interests would be served by this annexation, this creates a unique situation that may merit an exception to the City's policy of not providing utilities outside the City.**

It should be noted that, after this letter was referred to staff, owners of Wiley/Blackwell Press also approached staff and indicated their desire to be annexed in order to procure both water and sanitary sewer service. Staff will need to further analyze the City's ability to provide sewer service to this upland area, since an 18 inch sewer main would need to be extended up from the Worle Creek main.

It is possible to facilitate approval of the present request now and still delay a decision on the annexation of either property until the sewer situation is better understood. This could be accomplished by authorizing the 2126 State Avenue property to connect onto City water in accordance with the requirements set up by Council in 2009, and by also requiring that the owner agree to voluntary annexation of the property either when it becomes contiguous, or at a later date, at the discretion of the City Council. It would also be appropriate to seek a guarantee that the property will not be further subdivided, in order to make it clear that this exception is for only one home on the property.

ALTERNATIVES:

1. Approve the request to provide rural water service to 2126 State Avenue with the following two requirements recorded with the property deed:
 - that the owner agree to voluntarily annex into the City either when the property becomes contiguous, or at a later date, at the discretion of the City Council, and
 - that no further division of the lot or construction of additional homes be allowed on the property.
2. Deny the service request until such time as 2126 State Avenue is annexed into the City's corporate limits.

MANAGER'S RECOMMENDED ACTION:

Although the City's Land Use Policy Plan would indicated that this property should be annexed and thereby served by City water, it is currently not contiguous to the corporate boundary. Annexation would require that a neighboring property adjacent to the City limits also be annexed at the same time. Such annexation is not likely to occur within the time constraints faced by this requestor.

The Ames Municipal Code has been modified to establish provisions by which water service can be temporarily provided to individual rural customers who are in our growth areas. Service would immediately be available to this property from an adjacent 12" City of Ames water main.

Should Council decide to approve this service, it is strongly recommended that the property owner be required to enter into an agreement with the City including stipulations that the owner agrees to voluntarily annex into the City either when the property becomes contiguous, or at a later date, with the actual timing of that annexation at the discretion of the City Council. Further, no further division of the lot or construction of additional homes on the property should be allowed.

In this very unique situation, staff could support providing water service outside the City limits in order to facilitate the City's long-term land use goal of annexing this peninsula-shaped area within Southwest Growth Area 1 into the City. Actual timing of annexation would be at the discretion of the City Council. This would allow the requestor to move forward and purchase this property within his current time constraints, and would allow City staff time to develop answers to the sewer service question related to the Wiley/Blackwell Press property.

Therefore, because of this very unique situation, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.

