

STAFF REPORT

TAX ABATEMENT FOR NEW GREEK HOUSE AT 2136 LINCOLN WAY

May 10, 2011

The Beta Omicron Chapter of Sigma Chi proposes to demolish their residence at 2136 Lincoln Way and build a new chapter residence at that location. The chapter seeks tax abatement for this project. (See attached letter.)

This property is located in the Greek house neighborhood south across Lincoln Way from the Iowa State University campus, within the East University Impacted Urban Revitalization Area (See Attachments A & B). Demolition of a Greek house in this location requires that the City Council determine that specific criteria are met, including economic hardship. A separate Council Action Form addresses an application to the Council for permission to demolish the existing Greek house in order to construct the proposed new residence. Generally, the applicant is making the case that the current building does not meet the needs of current students, that it is economically more feasible to build a new Greek house than to renovate the current house to meet these needs, and that donors will support new construction but will not support renovation adequately.

Setting a high standard for allowing demolition of Greek houses recognizes that the concentration of Greek houses makes this neighborhood distinctive from the other parts of the University Impacted Area and Ames. The East University Impacted Urban Revitalization Area provides partial property tax abatement as an incentive to encourage and support adaptive reuse of Greek houses. The abatement is available under the following criteria:

- The building is an existing or former residence recognized by Iowa State University as part of the Greek residence system; and,
- 70% of the area of existing exterior walls of the structure will remain.

This incentive is available for any improvement to a qualifying property that adds more than 5% of the existing building value. **Because City policy emphasizes preservation in the East University Impacted Area, tax abatement is not currently available for new construction.**

All of the City's Urban Revitalization Programs provide tax abatement under the common objective of helping development happen with qualities and characteristics that benefit the community and that may not be built without the tax abatement. With this overall objective in mind, the City Council could consider the following qualities and characteristics in order to offer tax abatement:

A. New Construction By Greek Organizations

The proposed new Greek house will be an attractive asset for one of the most important and attractive corridors in Ames that leads to Iowa State University. Even more important, approval of this project will allow this Greek chapter to help this neighborhood endure. City policies recognize that the Greek organizations are a major reason for some of the outstanding qualities of in this neighborhood. **The City Council can structure a tax abatement policy that would apply to new construction of residences by Greek organizations.**

B. Design That Exceed Mandatory Standards

The architecture of many buildings in the area are noteworthy because of building scale, stylized architecture, enduring materials, variety in form, richness of detail, and attractive front landscapes. The architectural design standards in the zoning ordinance for this area reflect these characteristics. The proposed plan for the building and site for the Sigma Chi chapter meets these design standards and in fact exceeds the standards in the following respects (See Attachment C):

- Building Materials: accents of stone and contrasting brick patterns,
- Building trim and detail materials: lintels, sills, finials and balustrades of cut stone or cast concrete
- Building Form: more variation in plane of facades
- Roof types: cascading roof forms, steeper pitch, greater variety in shapes, facing all directions
- Pedestrian entrance: cast accents around door, heavy wood door
- Windows: window proportions, segmented windows, true divided or leaded glass panes and stone or cast lintels

If the City Council concludes that the extent to which the proposed design exceeds the required design standards benefits the community, Council can structure a tax abatement policy to encourage design that exceeds the mandatory standards.

C. Providing Structured Parking

The need for parking in and around this neighborhood is an issue the City Council hears about frequently. It is especially challenging for new construction that must meet modern parking requirements on properties where this parking was never anticipated. In the case of the Sigma Chi chapter, a variance allowed front yard parking to accommodate the required parking. This approach will not always be adequate or appropriate on other properties. In other parts of the community, structured parking has been the best response and the City Council has offered tax abatement when parking structures are built, such as in Campustown. **The City Council can offer tax abatement for structured parking in the East University Impacted Urban Revitalization Area.**

STAFF COMMENTS

The current tax abatement policy promotes preservation of Greek houses. Staff believes that broadening this policy to include new construction of Greek houses could be warranted only if either combination of A and B or of A and C are offered. It appears that the Sigma Chi proposal meets criteria A and B. If the City Council would like to consider these criteria for tax abatement in the East University Impacted Urban Revitalization Area, it can direct staff to prepare a proposal to amend the tax abatement criteria to support new construction in accordance with the combination of criteria being proposed above.

Attachment A



Legend

-  Urban Revitalization Areas
 University Impacted Area
 Overlay Zoning District

ISU Campus

**North Sheldon
Urban Revitalization Area**

Campustown
Urban Revitalization Area / East University Impacted
Urban Revitalization Area

Approved by
Ames City Council
April 25, 2006

Attachment C



Front Elevation
scale: 3/16" = 1'-0"



Attachment C



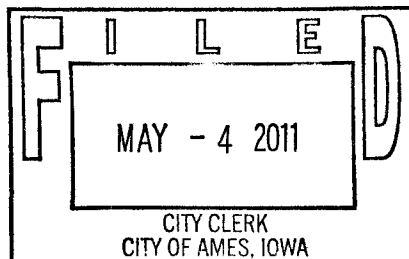
Schematic Design
Sigma Chi Fraternity

Beta Omicron Chapter - Iowa State University - Ames, Iowa



April 11, 2011
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*Pride in Our Past,
Securing Our Future*



Honorable Mayor and Members of the City Council:

Subject: Request for consideration of tax abatement for new construction

The Sigma Chi Fraternity at 2136 Lincoln Way, Ames, Iowa is planning to construct a new Chapter House at the Lincoln Way location.

We are aware of a tax abatement program for renovation projects in the East University Impacted Area (O-UIE), East RH District of Ames. We understand that we do not qualify for this program under current rules because our project is new construction.

We would ask for consideration to participate in this program and would like to know what can be done to qualify. The start date for our project is approximately June 1, 2012 with completion in July 2013.

Sigma Chi has chosen to construct an entirely new Chapter House rather than renovate the existing structure for the following reasons:

- Cost - due to the age, condition and design of the current house a renovation would cost considerably more than new construction.
- The ability to provide exceptional quality, appearance and livability in a newly constructed house.
- The lack of financial support by Alumni for a renovation.
- Superior long term maintenance and operational aspects of a totally new design.

We believe that our new Chapter House accomplishes the following which are in line with the best interests of the City of Ames and Iowa State University.

- A Greek residence will remain on this prominent site thus helping to maintain the character of the area.
- The building will be of the highest quality construction and design which will improve the appearance of this very visible gateway area.
- The building will have a much higher valuation than a typical Greek house.
- The Sigma Chi fraternity will set a new high standard of quality for the Greek system.

We respectfully ask for your consideration in this matter. Our goal in this project is to develop a top flight product that has long term financial stability. We sincerely believe that this new Chapter House for the Sigma Chi fraternity is of considerable benefit to the Ames community and to Iowa State University.

Respectfully,

Rick Burnett Corporation Board Member-at-Large on behalf of Jon Hall

Jon Hall
Corporation Board President
Beta Omicron Chapter
Sigma Chi

Beta Omicron Chapter of Sigma Chi Fraternity
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