

COUNCIL ACTION FORM

SUBJECT: DEVELOPMENT AGREEMENT FOR PROPERTY AT 605 AND 615 EAST LINCOLN WAY, INCLUDING TEMPORARY REMOTE PARKING ON PROPERTY AT 615 EAST LINCOLN WAY

BACKGROUND:

A change in use is proposed for the commercial building at 605 East Lincoln Way, which is zoned as "HOC" (Highway-Oriented Commercial). The building is presently vacant, but was previously occupied by a biologics laboratory for the United States Department of Agriculture (USDA), and includes 10,000 total square feet of floor area. A health club, permitted as a use in the HOC zone, wants to use 5,500 square feet of the building leaving 4,500 square feet of vacant floor area for other tenants.

Table 29.406(2) of the *Municipal Code* requires a minimum of 5 parking spaces for every 1,000 square feet of floor area occupied by a health club. Twenty-eight parking spaces would be required for the floor area to be occupied by the health club. There are a total of 22 existing parking spaces on-site for use by the businesses that occupy this building. Twelve of the 22 parking spaces would be available for use by the customers and employees of the health club, since this business would occupy slightly more than one-half of the building. **This leaves a deficiency of 16 parking spaces to meet the minimum requirement of 28 spaces for the health club.**

A solution to address the deficiency in on-site parking would be to provide remote parking on an adjacent property. The *Municipal Code* allows remote parking in the HOC zone on a lot within 300 feet of the lot on which the principal building is located. The property to the east of this lot is 615 East Lincoln Way. Both properties are owned by Friedrich, R & Sons, Inc. To provide the remote parking for the health club on the property at 615 East Lincoln Way, there must be excess parking spaces available above the minimum number of spaces required for the uses in the building on that site. **The approved site plan for the property at 615 East Lincoln Way shows a total of 94 parking spaces on-site with a minimum parking requirement of 92 spaces for the uses in the building.** Therefore, to provide remote parking for the health club will require the construction of at least 16 additional parking spaces to meet the minimum parking requirement. **The approval of a site plan amendment, the construction of an expanded parking lot at 615 East Lincoln Way, and the granting of a remote parking easement would all be necessary in order to satisfy the parking requirements for the health club.**

As a means of accommodating the building owner and proposed tenant, given the deficiency in the minimum number of required parking spaces and their desire to proceed expeditiously with remodeling for occupancy by the health club, the attached Development Agreement has been drafted by the City Attorney's Office. This agreement is being offered as a means of enabling the

issuance of permits at this time, to allow the new tenant to proceed with the remodeling followed by occupancy of the building, provided that all 22 on-site parking spaces and 6 remote parking spaces on the adjacent property are reserved on a temporary basis until such time that permanent remote parking spaces are constructed on the site at 615 East Lincoln Way. This Agreement will require that the 4,500 square feet of vacant floor area in the building at 605 East Lincoln Way and 1,500 square feet of floor area in the building at 615 East Lincoln Way remain vacant while the Development Agreement is in effect.

The Development Agreement will no longer be in effect once an amendment to the site plan for the property at 615 E. Lincoln Way is approved by staff, the parking lot is constructed, and a remote parking easement for the newly constructed spaces is approved by the City Council.

ALTERNATIVES:

1. The City Council can approve the Development Agreement for property at 605 and 615 East Lincoln Way, including temporary remote parking on property at 615 East Lincoln Way.
2. The City Council can deny the Development Agreement for property at 605 and 615 East Lincoln Way, including temporary remote parking on property at 615 East Lincoln Way.
3. The City Council can refer this item to staff for further information.

MANAGER'S RECOMMENDED ACTION:

Off-street parking spaces must be provided in accordance with the minimum requirements as set forth in the *Municipal Code* for any new use of a building. The change in use of the building at 605 East Lincoln Way triggers the parking requirements for the proposed health club. To meet these requirements it will be necessary to construct additional remote parking on the adjacent site, as described in this report. It will take time to prepare and approve plans for a new parking lot, which would delay the opening of a new business at this location if the parking spaces must be constructed prior to the issuance of permits for the interior remodeling work. **As a means of accommodating the needs of the health club business to do the remodeling work and open for business, the Development Agreement will enable work to begin while the required parking is provided on a temporary basis until such time that the new parking lot is constructed and a Remote Parking Easement is approved by the City Council.**

Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1, thereby approving the attached Development Agreement for 605 and 615 East Lincoln Way.

ATTACHMENT A




Location Map

Address: 605 E. Lincoln Way

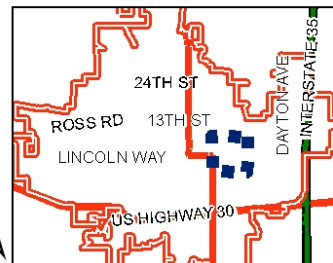
Map Created by:
Department of Planning and Housing

Date: March 01, 2012

Legend

 605ELincolnWay

2.5 1.25 0 2.5 Miles



ATTACHMENT B



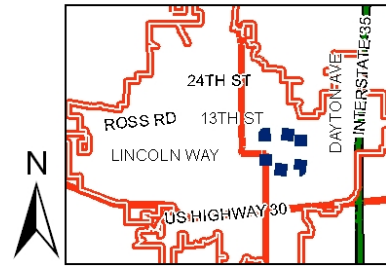
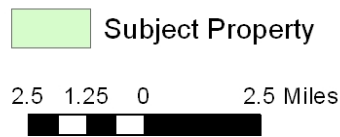
Location Map

Address: 615 E. Lincoln Way

Map Created by:
Department of Planning and Housing

Date: March 01, 2012

Legend



**DEVELOPMENT AGREEMENT FOR
605 and 615-719 EAST LINCOLN WAY**

THIS AGREEMENT is made and entered into between **the City of Ames, Iowa** (hereafter “City”) and **R. Friedrich and Sons, Inc.** (hereafter “Developer”).

Recitals

1. The Developer desires to provide sufficient parking for a new tenant that will be opening a health club at 605 East Lincoln Way;
2. The City of Ames desires to provide for temporary accommodation of the parking needs for that new business pending completion of a permanent remote parking lot for use by that business.

In Consideration of the Mutual Promises Contained Herein, It Is AGREED:

1. Ownership of Premises

Developer is the owner of real estate located at 605 East Lincoln Way and at 615-719 East Lincoln Way. These two sites are adjacent to one another, with 605 being the property immediately to the west of 615 East Lincoln Way. The Developer also owns undeveloped land abutting the east side of 605 East Lincoln Way and north of the building at 615-719 East Lincoln Way.

605 East Lincoln Way is a property occupied by a vacant building containing 10,000 gross square feet of floor area with 22 parking spaces. Developer is leasing 5,500 square feet in this building to a new tenant for use as a health club. This use will require 28 parking spaces.

615 East Lincoln Way is a mixed use strip mall containing nine suites, most of which are leased to tenants but with some space which is not currently leased. The total amount of parking available for uses at 615 East Lincoln Way is 94 spaces.

2. Temporary On Site and Remote Parking for 605 East Lincoln Way

Because there is unleased space both at 605 East Lincoln Way and at 615-719 East Lincoln, some parking spaces are temporarily available for use at both locations, and because Developer is in a position to control the leasing of those

premises, the City agrees to allow Developer to use 6 spaces at the west end of the parking lot in front of 615-719 East Lincoln Way as temporary remote parking for 605 East Lincoln Way and to temporarily use all 22 available spaces at 605 East Lincoln Way for the use by the Health Club tenant.

In exchange, the Developer agrees that it shall not rent nor allow occupancy or use of any of the existing vacant space at 605 and 615-719 East Lincoln until the permanent remote parking lot for 605 East Lincoln Way is completed.

The use of all parking spaces at 605 East Lincoln Way and 6 parking spaces at 615-719 East Lincoln Way as temporary on-site and remote parking for the use of 605 East Lincoln Way may commence immediately on execution by the parties of this agreement and placement of reserved signage.

This temporary parking arrangement shall be allowed until the completion of the permanent remote parking lot or until July 1, 2012, whichever occurs first.

3. Permanent Remote Parking for 605 East Lincoln Way

The Developer agrees to construct a new parking lot on the undeveloped land it owns which is abutting the east side of 605 East Lincoln Way and north of the building at 615-719 East Lincoln Way to provide remote parking for uses in the building at 605 East Lincoln Way. The Developer agrees to provide not less than 16 parking spaces in that new lot to meet the additional number of spaces needed for anticipated uses in the building at 605 East Lincoln Way. The Developer will enter into a permanent remote parking agreement with the City to memorialize that arrangement.

The Developer shall promptly commence planning and site plan submittal of the new parking for approval by the City so that the new parking lot is completed no later than July 1, 2012.

4. Other Conditions

The Developer shall provide conspicuously posted signage for the 6 spaces at 615-719 East Lincoln Way to indicate that they are reserved for 605 East Lincoln Way.

The Developer agrees that it shall complete all landscaping, pavement markings, signage, storm water management and other code and site plan requirements for the new parking lot prior to its use. Developer shall also provide signage to indicate its use as reserved remote parking for 605 East Lincoln Way.

The Developer understands that the Health Club will be granted a Temporary Occupancy Permit that allows occupancy through July 1, 2012 and will not be

allowed further occupancy nor will they be issued a full Occupancy Permit until Developer has completed the permanent remote parking.

The Developer further agrees that it shall complete installation of an asphalt drive along the north side of the building on 615-719 East Lincoln Way as shown on and in accordance with the site plan which was approved for that site on December 12, 2008.

Dated this _____ day of March, 2012.

CITY OF AMES, IOWA

R. FRIEDRICH AND SONS, INC.

By _____

By _____

Ann H. Campbell, Mayor

Kurt Friedrich, President