

**COUNCIL ACTION FORM**

**SUBJECT: REQUEST TO AMEND DEVELOPER AGREEMENT REGARDING  
PARKING REQUIREMENTS AT 605 EAST LINCOLN WAY**

**BACKGROUND:**

On June 12, 2012 the City Council referred the attached letter from Kurt Friedrich requesting that he be given additional time to meet his obligation to construct additional parking spaces at his building at 605 East Lincoln Way.

The building at 605 East Lincoln Way which previously housed USDA offices has 10,000 square feet. Mr. Friedrich approached the City staff four months ago seeking our assistance in renting a portion of the building (5,500 square feet) for a health club. The problem was that there are 28 parking spaces available on the site and, according to the Municipal Code, the health club use would require all 28 spaces. Therefore, there were not enough parking spaces to satisfy the requirements for the remaining 4,500 square feet of vacant space.

**Traditionally, staff would have required all of the parking spaces for the total building be in place before allowing any permits to be issued. However, in order to assist the property owner so he would not lose a major tenant for his building, the staff offered an innovative approach through the use of the attached Development Agreement. The agreement granted temporary occupancy to the health club and use of all 28 parking spaces on the site. In exchange, the owner agreed to 1) install an asphalt drive along the north side of 615-719 East Lincoln Way, 2) construct a new parking lot which abuts the east side of 605 East Lincoln Way with not less than 13 spaces by no later than July 1, 2012, and 3) not rent nor occupy the remaining space at 605 East Lincoln Way until the new remote parking lot is completed.**

**ALTERNATIVES:**

- 1) The City Council can approve the request and authorize the Mayor to execute an amendment to the March 2012 Development Agreement with R. Friedrich and Sons, Inc. to allow for the completion of the required new remote parking lot no later than July 1, 2013.
- 2) The City Council can approve the request and authorize the Mayor to execute an amendment to the March 2012 Development Agreement with R. Friedrich and Sons, Inc. to allow for the completion of the required new remote parking lot no later than some other specified date.
- 3) The City Council can deny the request to extend the deadline to construct the required new remote parking lot.

## **MANAGER'S RECOMMENDED ACTION:**

In an attempt to promote economic development and reflect a "Can Do" attitude, the staff has been working on recommendations that would reduce the number of off-street parking spaces required of business owners. An example of this effort is reflected on this agenda where a recommendation is being made to reduce the parking requirements for retail uses throughout the City. In order to promote redevelopment, staff will be studying parking requirements for all existing buildings. Unfortunately, other priorities have temporarily taken staff time away from this effort.

It is possible that a City policy change might occur as a result of a staff recommendation from this future study. Mr. Friedrich would like to delay the cost of installing this additional lot if a policy change could reduce or eliminate his obligation.

As long as the other protections reflected in the current Development Agreement are maintained (temporary occupancy for the health club and no occupancy for the remaining vacant space at 605 East Lincoln Way) until the required parking is provided, staff has no objection to extending the deadline for installing the parking lot. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1 and authorize the Mayor to execute an amendment to the March 2012 Development Agreement with R. Friedrich and Sons, Inc. to allow for the completion of the required new remote parking lot no later than July 1, 2013.

The Council should understand, however, that given our current staff workload, it is not possible to predict when the comprehensive parking study will be completed. Further, there is no assurance that the recommendations emanating from that study will relieve this property owner from any or all of the parking requirements currently in effect.

Kurt Friedrich Broker/Owner, CRS

to:

Steve Schainker

06/07/2012 10:39 AM

Show Details

June 7, 2012

Mayor and Council:

It has come to my attention that Staff and Council will be reviewing parking requirements for various types of commercial uses. In lieu of this, I would ask for an extension of time in our Developer Agreement for 605, and 619-719 East Lincoln Way, relating to the requirements for paving a drive aisle and additional parking spaces by July 1, 2012, to some later date after Staff and Council have fully reviewed and considered potential changes to its commercial parking requirements (which may affect what we would be required to provide).

Thank you,

Kurt Friedrich, President  
R. Friedrich and Sons, Inc.

**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 28 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 and this site has the driveways through which access to 605 East Lincoln Way is attained.

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

Because there is unleased space at 605 East Lincoln Way, some parking spaces are temporarily available for use at that location, and because Developer is in a

position to control the leasing of those premises, the City agrees to allow Developer to temporarily use all 28 available spaces at 605 East Lincoln Way for the use by the Health Club tenant and to provide access through 615-719 East Lincoln Way to 605 East Lincoln Way.

In exchange, the Developer agrees that it shall not rent nor allow occupancy or use of the other 4500 square feet of existing vacant space at 605 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 as temporary on-site parking mat commence on execution by the parties of this agreement, and immediately after Developer provides clearly marked parking stalls at 605 East Lincoln Way and placement of directional signage as may be necessary to show access and directions.

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 13 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 at 615-719 East Lincoln Way to indicate access to for 605 East Lincoln Way. Access for 605 East Lincoln Way shall be permanently provided via recorded access easement across 615-719 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, or shall provide a revised site plan for 615-719 East Lincoln Way for approval, and upon approval of the revised plan, shall complete all improvements required by that plan.

Dated this 6<sup>th</sup> day of March, 2012.

**CITY OF AMES, IOWA**

**R. FRIEDRICH AND SONS, INC.**

By Ann H. Campbell

Ann H. Campbell, Mayor

By Kurt Friedrich

Kurt Friedrich, President