ITEM # <u>32 a & b</u> DATE: 10-23-12

# **COUNCIL ACTION FORM**

<u>SUBJECT</u>: SOUTHEAST 16TH STREET FIRST URBAN REVITALIZATION AREA

# **BACKGROUND:**

Brad Deery, representing the Deery Brothers, is requesting the designation of four existing lots on SE 16<sup>th</sup> Street as an Urban Revitalization Area (Area), and approval of an Urban Revitalization Plan (Plan) in accordance with the Urban Revitalization Policy (Policy) for this area approved by the City Council on June 12, 2012. The four lots requested for the Area are currently addressed as 1400, 1500, 1598, and 1698 SE 16<sup>th</sup> Street. The lots are proposed to be reconfigured as a four-lot "Deery Subdivision", resulting in a 6.37acre Lot 1 for the Deery Brothers automotive dealership, Lots 2 and 3 for future commercial development (2.77 & 3.34 acres, respectively), and a 11.10 acre Outlot A encompassing the floodway portion of the site. The requested Area designation will allow the Deery Brothers to receive a property tax exemption incentive on Lot 1. (See the Deery Subdivision Council Action Form for a map.)

On September 11, 2012, the City Council determined that the Urban Revitalization Policy for Southeast 16<sup>th</sup> Street is or can be met, accepted the application of Deery Brothers for the establishment of the Urban Revitalization Area, and directed staff to prepare an Urban Revitalization Plan and ordinance.

Code of lowa Chapter 404 provides authority for municipalities to establish Urban Revitalization Areas and associated Plans as the mechanism for providing property tax exemption in areas which the City Council has identified for economic development. In addition to approving the proposed Plan, the resolution contains a finding that the "economic development of the area is necessary in the interest of public health, safety, or welfare of the residents of the city...."

The Plan for the Southeast 16<sup>th</sup> Street First Urban Revitalization Area comprises two parts. Part 1 of the Plan meets the statutory requirements as described in Chapter 404.2(2). Part 2 of the Plan is the site plan for the proposed Deery site. The Plan encompasses the entire four parcels, although development is proposed on only proposed Lot 1 at this time. The western lot (Outlot A on the proposed final plat) will be extensively graded to create a detention pond. In addition, the river channel will be modified to facilitate the flow of the Skunk River. **The proposed Deery Brothers** 

automotive dealership will be located on Lot 1. Proposed Lots 2 and 3 will likely be developed in the future for commercial purposes. At the time development is proposed (and if the development were to seek a tax exemption), the applicant would need to seek an amendment to the Plan to include the site plans of those developments on Lots 2 and 3 so that the City Council can determine whether the criteria set forth in the Policy have been met.

The Urban Revitalization Policy for this area established six criteria that must be met in order for the City Council to consider designation of an Urban Revitalization Area. Below are the criteria, followed by City staff comments.

1. The properties have frontage on Southeast 16<sup>th</sup> Street between South Duff Avenue and South Dayton Avenue.

<u>Staff Comments</u>. The four properties associated with the site all have frontage on Southeast 16<sup>th</sup> Street between S. Duff Avenue and S. Dayton Avenue.

2. Fill or other flood proofing will be placed on the site up to an elevation of, at least, 887 feet (NGVD 29), when an engineer registered in lowa provides written certification that raising the land would result in "no rise" to the Base Flood Elevation (100 year flood levels).

Staff Comments. The proposed Plan indicates that the finished floor elevation of the Deery Brothers building will be at 888 (NGVD 29). The engineer for the project has provided a letter certifying that the proposed improvements (the fill being placed on the site, the excavation within the Floodway, and channel straightening) will result in "no-rise" to the Base Flood Elevation. The required elevation will be confirmed when the applicant submits an Elevation Certificate prior to occupancy of the building indicating that the lowest finished floor is no less than 888.0 (NGVD 29). Failure to meet the elevation requirement on any lot, or any other aspect of the site plan, may result in the tax exemption not being certified when the project is complete.

3. The cost incurred after making the request for tax abatement for the placement of fill for flood proofing up to an elevation of 887 feet or above and/or channel improvements (See Criterion 6), if applicable, is expected to be equal to or greater than the value of the City's portion of the tax abatement.

<u>Staff Comments</u>. This criterion requires the project to expend as much or more for the placement of fill and/or channel improvements than for the benefits received by the exemption (specifically, the value of the City's portion

of the exemption). The Development Agreement accompanying this Plan specifies that the final costs of fill will need to be greater than the final value of the exemption or the "claw back" provisions will be initiated.

4. A public sidewalk is to be constructed along the south side of the Southeast 16<sup>th</sup> Street adjacent to the property.

<u>Staff Comments</u>. The City Council directed staff to prepare an agreement that defers the placement of the sidewalk adjacent to Outlot A until such time as the City builds a shared use path on the south side of the SE 16<sup>th</sup> Street bridge. A Covenant for Assessment and Waiver is included as an action item on the agenda. This covenant waives the owner's rights to protest an assessment for the sidewalk when the time comes for the sidewalk to be installed.

The sidewalk adjacent to the other lots will be installed in the usual manner—prior to the occupancy of any buildings on the lot as allowed by the Agreement for Sidewalks and Street Trees included as part of the final plat documents.

- 5. The property will be used for uses permitted in the applicable zoning district except for the following as further defined and described in the Ames Zoning Ordinance:
  - a. Wholesale trade
  - b. Mini-storage warehouse facilities
  - c. Transportation, communications, and utility uses
  - d. Institutional uses
  - e. Adult entertainment businesses
  - f. Detention facilities
  - g. Agricultural or industrial equipment sales
  - h. Agricultural and farm related activities

<u>Staff Comments</u>. The Development Agreement restricts these uses in order to receive property tax exemption. These restrictions will remain after the term of the exemption.

6. Owners of property abutting a river must perform channel improvements (widening, straightening, clearing, etc.) and provide certification from an engineer registered in lowa that the improvements will mitigate flooding. These improvements must be approved by the DNR, Army Corps of Engineers, and the City of Ames. Staff Comments The applicant has submitted a grading plan for the straightening of the upper banks of the Skunk River on the east bank adjacent to their property. The engineer for the applicant states in his certification letter that the "project will mitigate flooding by providing an improved and stabilized channel in addition to the no-rise condition." He further states that "the channel improvements will remove large trees that are in imminent danger of falling into the river during the next major flood event. These trees will potentially lodge in the downstream Highway 30 bridge and create blockages that will catch debris and severely restrict water flow through the bridge." Finally, calculations submitted with the no-rise certificate indicate that although there would be up to 0.08 increase in the 100 year water surface elevation (WSEL) resulting from the fill alone, the river channel realignment in combination with the fill will result in a 0.05 decrease in the WSEL.

The policy of Criterion 6 also requires that the "...improvements must be approved by the DNR, Army Corps of Engineers, and the City of Ames." To date, only the City of Ames has approved the proposed improvements by means of a conditional use permit approved by the Zoning Board of Adjustment. The applicant states that IDOT, IDNR, and Corp of Engineer approvals are pending. The improvements will also require City approval of a flood plain development permit prior to construction, which would be approved by City staff contingent upon compliance with all conditions of the conditional use permit and all other required approvals from other agencies.

Again, the Development Agreement has provisions for repayment of the tax exemption if this criteria is not met or maintined.

As noted in the September 11, 2012 staff report, the proposed Plan demonstrates that these Policy criteria are met or will be met. The accompanying Development Agreement ensures that if the criteria fail to be met, then the City will recoup its lost property tax revenue from the owner.

# <u>ALTERNATIVES</u>:

 City Council can approve the resolution adopting the Urban Revitalization Plan for the Southeast 16th Street First Urban Revitalization Area and the ordinance designating the Southeast 16th Street First Urban Revitalization Area and establishing the tax exemption schedule as allowed by Code of Iowa Chapter 404.

- 2. City Council can choose to not approve the Urban Revitalization Plan for the Southeast 16th Street First Urban Revitalization Area and the designation of the Southeast 16th Street First Urban Revitalization Area.
- 3. City Council can refer this issue to staff for further information.

## MANAGER'S RECOMMENDED ACTION:

A property tax exemption in support of commercial development is, wisely, a rare occurrence in the City of Ames. In this instance along Southeast 16<sup>th</sup> Street, the City Council established a policy requiring a proposed project to demonstrate certain public benefits These benefits include ensuring that the project will mitigate flooding in a 100-year flood event, that public sidewalks will be required along the length of the property, and that certain incompatible uses will be prohibited from this gateway to the City.

In approving a property tax exemption, the *Code of Iowa* describes the procedural steps that a City must undertake. These include preparing an Urban Revitalization Plan, conducting a public hearing, making a finding of necessity, adopting an Urban Revitalization Plan, and establishing an Urban Revitalization Area.

The Plan has been prepared and meets the requirements of the *Code of Iowa*. The proposed Plan and Development Agreement assures that the Policy will be met or the lost property tax revenue will be recovered by the City. Therefore, it is the recommendation of the City Manager that the City Council accept Alternative #1, thereby approving the Urban Revitalization Plan for Southeast 16<sup>th</sup> Street First Urban Revitalization Area and establishing said Area.

If the City Council approves the Urban Revitalization Plan, Area, and Development Agreement, as well as the Final Plat, City staff will still need to approve the Minor Site Development Plan and Flood Plain Development Permits before any construction or excavation can begin. The Minor Site Development Plan can be approved only after the Final Plat is recorded. The Flood Plain Development Permits require approval from IDNR, Army Corps of Engineers, and IDOT.

Once the project is complete and occupied, the owner may then apply for the tax exemption after they demonstrate that the project complies with the plan. The City Council acts on these applications in January for every project completed the previous year.

# URBAN REVITALIZATION PLAN

# Southeast 16<sup>th</sup> Street First Urban Revitalization Area

The following is the Urban Revitalization Plan for the Southeast 16<sup>th</sup> Street First Urban Revitalization Area. The plan contents are defined by Code of Iowa Section 404.2(2) and are provided below. In addition, the proposed Deery Bros' Motors site plan is hereby made a part of this Plan.

a) <u>Legal Description:</u> A subdivision of Parcel E, as shown on the Plat of Survey filed on September 3, 1998 at Inst. No. 98-12413, and Parcel G and Parcel H, as shown on the Plat of Survey (Corrected) filed on February 8, 2001 at Inst. No. 01-01457, all being in the North Half of Section 13, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Story County, Iowa, all together containing 23.58 acres.

b) Existing Valuations:

Address	Parcel Identification Number	Owner	Assessed Valuation Land	Assessed Valuation Buildings
1400 SE 16 <sup>th</sup> Street	09-13-100-215	Pyle Land, LLC c/o Dennis Pyle	\$9,100	\$0
1500 SE 16 <sup>th</sup> Street	09-13-100-230	Pyle Land, LLC c/o Dennis Pyle	\$8,700	\$0
1598 SE 16 <sup>th</sup> Street	09-13-100-245	Family Realty, LLC c/ Dennis Pyle	\$21,700	\$0
1698 SE 16 <sup>th</sup> Street	09-13-200-010	Family Realty, LLC	\$14,600	\$0

c) Owners and Addresses:

Address	Parcel	Owner	Owner Address
	Identification		
	Number		
1400 SE 16 <sup>th</sup> Street	09-13-100-215	Pyle Land, LLC	PO Box 763
		c/o Dennis Pyle	Ames, IA 50010
1500 SE 16 <sup>th</sup> Street	09-13-100-230	Pyle Land, LLC	PO Box 763
		c/o Dennis Pyle	Ames, IA 50010
1598 SE 16 <sup>th</sup> Street	09-13-100-245	Family Realty, LLC	PO Box 763
		c/ Dennis Pyle	Ames, IA 50010
1698 SE 16 <sup>th</sup> Street	09-13-200-010	Family Realty, LLC	PO Box 763
			Ames, IA 50010

d) Zoning and Land Uses:

Address	Existing Zoning	<b>Existing Land</b>	Proposed
		Use	Land Use
1400 SE 16 <sup>th</sup> Street	A-Agriculture;	Vacant	Greenway
	Floodway Overlay		
1500 SE 16 <sup>th</sup> Street	HOC-Highway Oriented	Vacant	Commercial
	Commercial;		
	O-GSE-Southeast		
	Gateway Overlay		

1598 SE 16 <sup>th</sup> Street	HOC-Highway Oriented	Vacant	Commercial
	Commercial;		
	O-GSE-Southeast		
	Gateway Overlay		
1698 SE 16 <sup>th</sup> Street	HOC-Highway Oriented	Vacant	Commercial
	Commercial;		
	O-GSE-Southeast		
	Gateway Overlay		

Zoning District Boundaries GI S. Dayton Avenue Α HOC SE 16th Street HOC HOC **US Highway 30** S-GA Α Proposed Urban Revitalization Area Feet 400 Ames City Boundary

e) <u>City Services:</u> No improvement or expansions of City services are proposed.

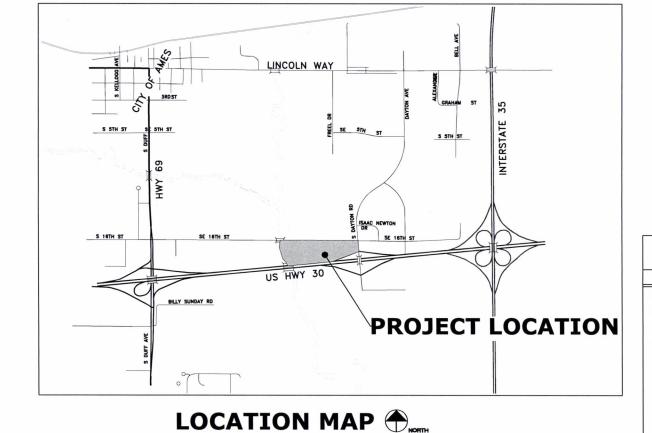
- f) <u>Applicability of Revitalization</u>: Revitalization shall be applicable only to that subset of eligible property within the above legal description that qualifies under the *SE* 16<sup>th</sup> Street Criteria Matrix.
- g) <u>Relocation</u>: The plan does not require the displacement of any persons, and there will be no relocation benefits provided.
- h) <u>Tax Exemption Schedule</u>: The exemption period is for either three (3) years, five (5) years, or ten (10) years. All qualified real estate is eligible for tax exemption of the value added by the improvements according to the terms of the exemption selected.
- i) <u>Percent Increase in Value Required</u>: The value-added requirement is a fifteen (15) percent increase in actual value.
- j) <u>Federal, State, or Private Grant/Loan Programs for Residential Improvements:</u> There are no grants or loans involved. There are no residential improvements proposed.

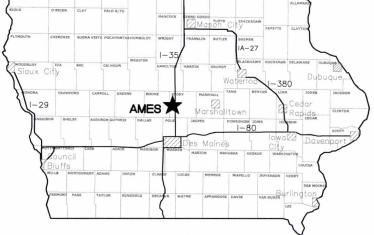
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**LEGEND** 

# DEERY BROTHERS' MOTORS

# SITE PLAN **SE 16TH STREET** AMES, IOWA







GENERAL NOTE: ALL UTILITIES ARE ONLY GENERALLY LOCATED.
CONTRACTOR IS RESPONSIBLE FOR LOCATING AND EXPOSING ALL
UTILITIES THAT MAY INTERFERE WITH CONSTRUCTION BEFORE

ALL CONSTRUCTION MATERIALS, DUMPSTERS, DETACHED TRAILERS OR SIMILAR ITEMS ARE PROHIBITED ON PUBLIC STREETS OR WITHIN THE PUBLIC RIGHT-OF-WAY.

THIS PROJECT IS COVERED BY THE IOWA DEPARTMENT OF NATURAL RESOURCES NPDES GENERAL PERMIT NO. 2. THE CONTRACTOR SHALL CARRY OUT THE TERMS AND CONDITIONING OF GENERAL PERMIT NO. 2 AND STORM WATER POLLUTION PREVENTION PLAN WHICH IS PART OF THESE CONTRACT DOCUMENTS. REFER TO SECTION 2602 OF THE DOT STANDARD SPECIFICATION FOR ADDITIONAL INFORMATION.



Applicant
The Rose Companies ATTN Fred Rose 915 Technology Parkway Cedar Falls, IA 50613

Owner
Deery, Deery, and Deery

### Plan Preparation

FOX Engineering Associates Inc. 414 South 17th Street, Suite 107 Ames, IA 50010 Contact: Scott Renaud, P.E. ph (515) 233-0000 fax (515) 233-0103

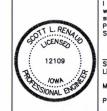
Legal Description
LOT 1 Deery Subdivision

**Zoning**HOC-Highway Oriented Commercial
O-GSE-Southeast Entryway Gateway Overlay District

Setbacks
Front 20ft
Side 5ft
Rear 10ft

### **INDEX OF SHEETS**

No.	Description
G1.0	COVER SHEET/ LOCATION MAP/LEGEND
C1.0	EXISTING CONDITIONS
C2.0	SITE LAYOUT AND DIMENSIONING PLAN
C2.1	PARKING SUMMARY
C3.0	SITE GRADING PLAN
C3.1	SITE GRADING PLAN
C3.2	GRADING PLAN (SKUNK RIVER REPAIR)
C4.0	UTILITY PLAN (SAN, WATER, AND ELEC)
C4.1	UTILITY PLAN (STORM SEWER)
C5.0	SITE LANDSCAPING PLAN
C5.1	LANDSCAPING SPECIES TABLES
C5.2	POND AREA SEEDING PLAN
C6.0	DETAILS
C6.1	DETAILS

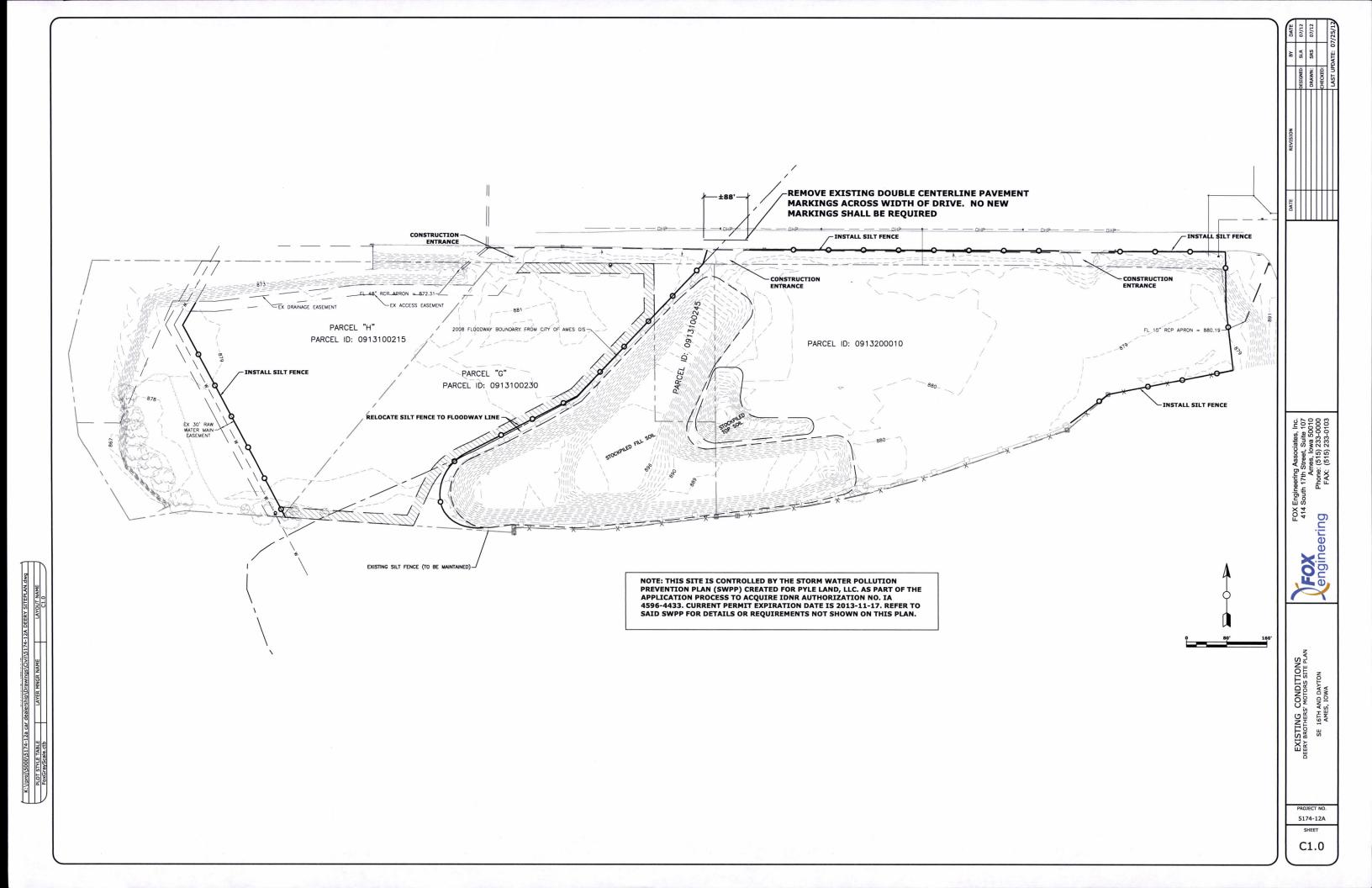


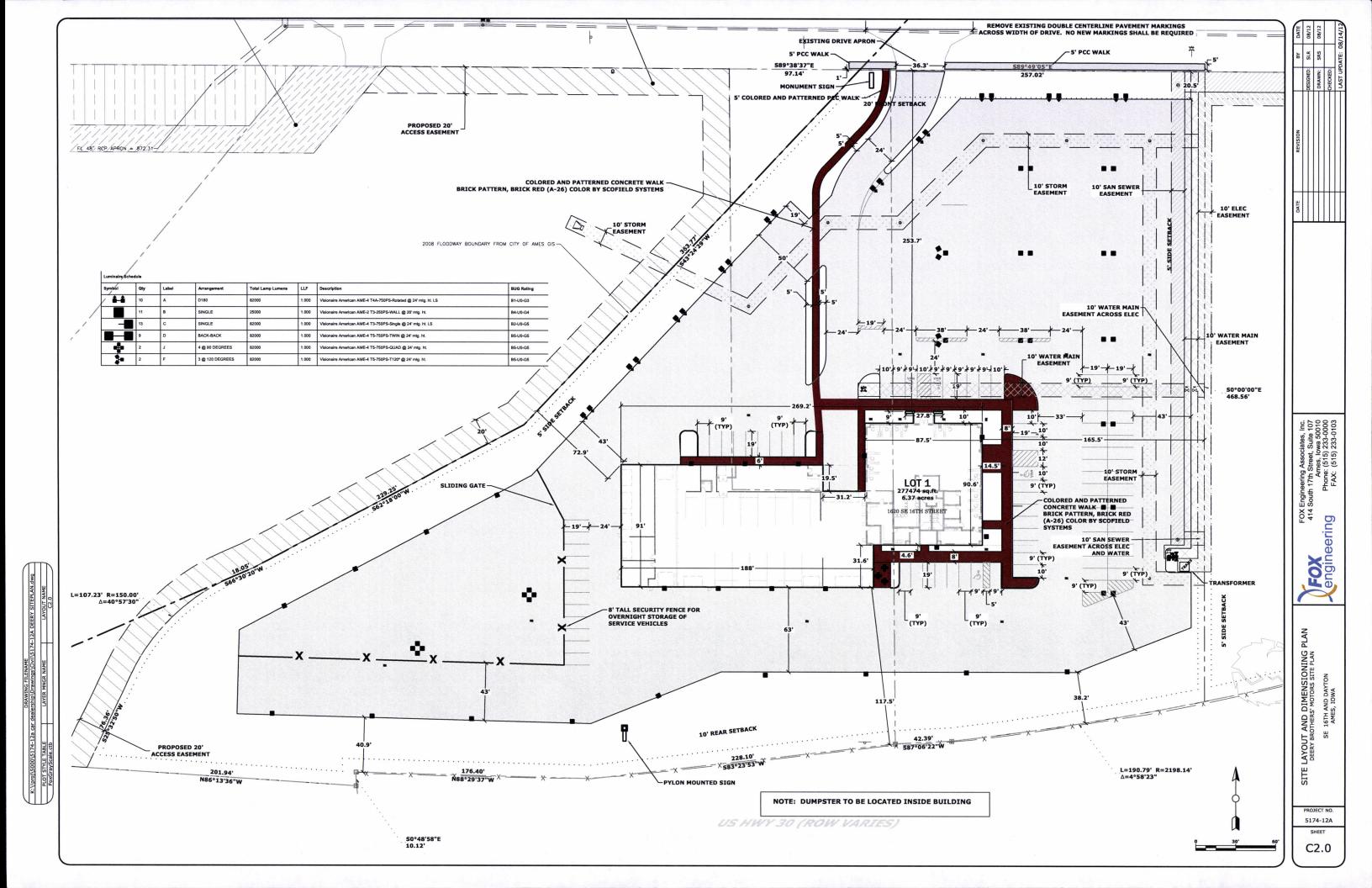
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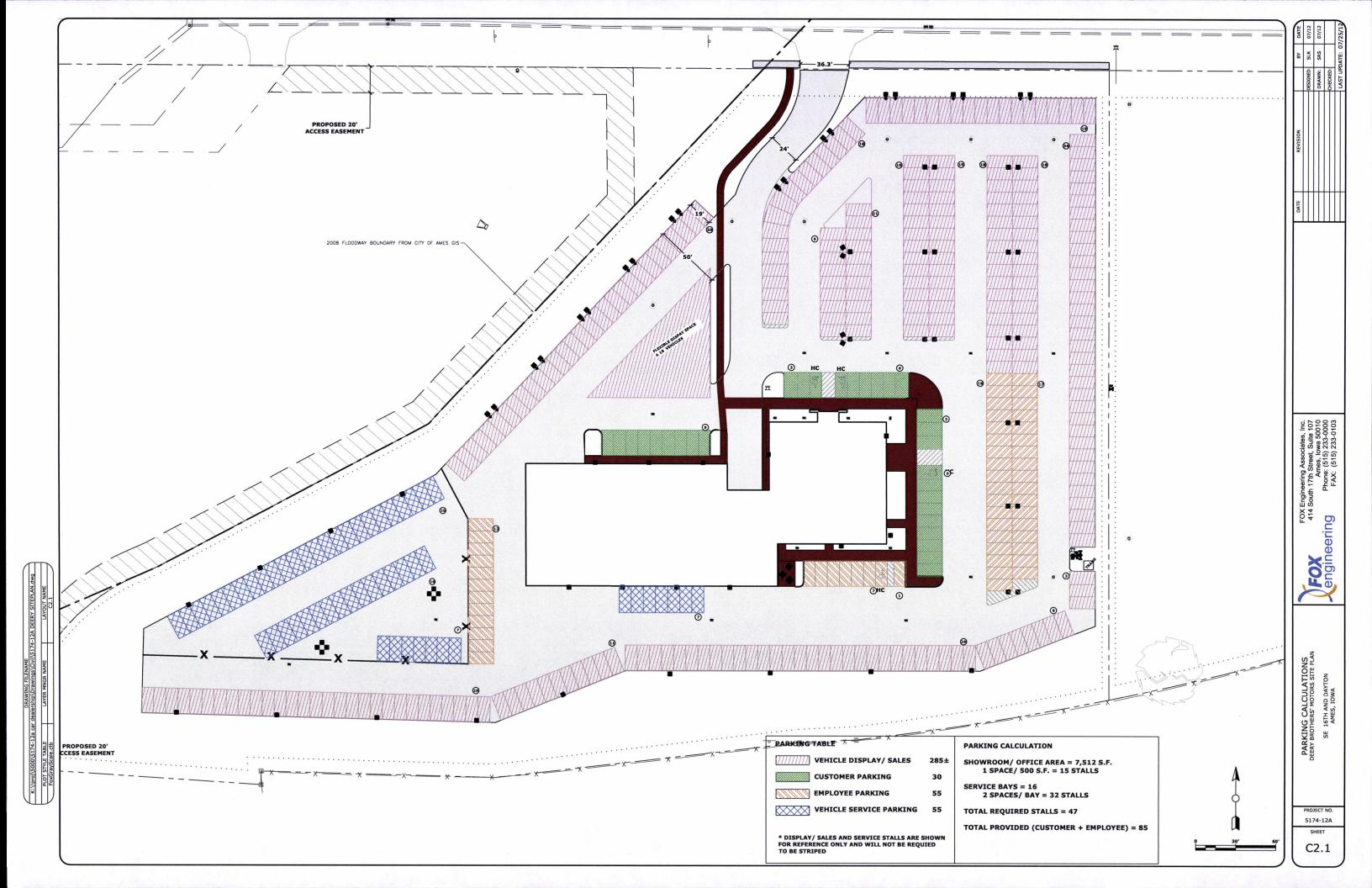
SHEET/ LOCATION MAP/ LEGEND EERY BROTHERS' MOTORS SITE PLAN

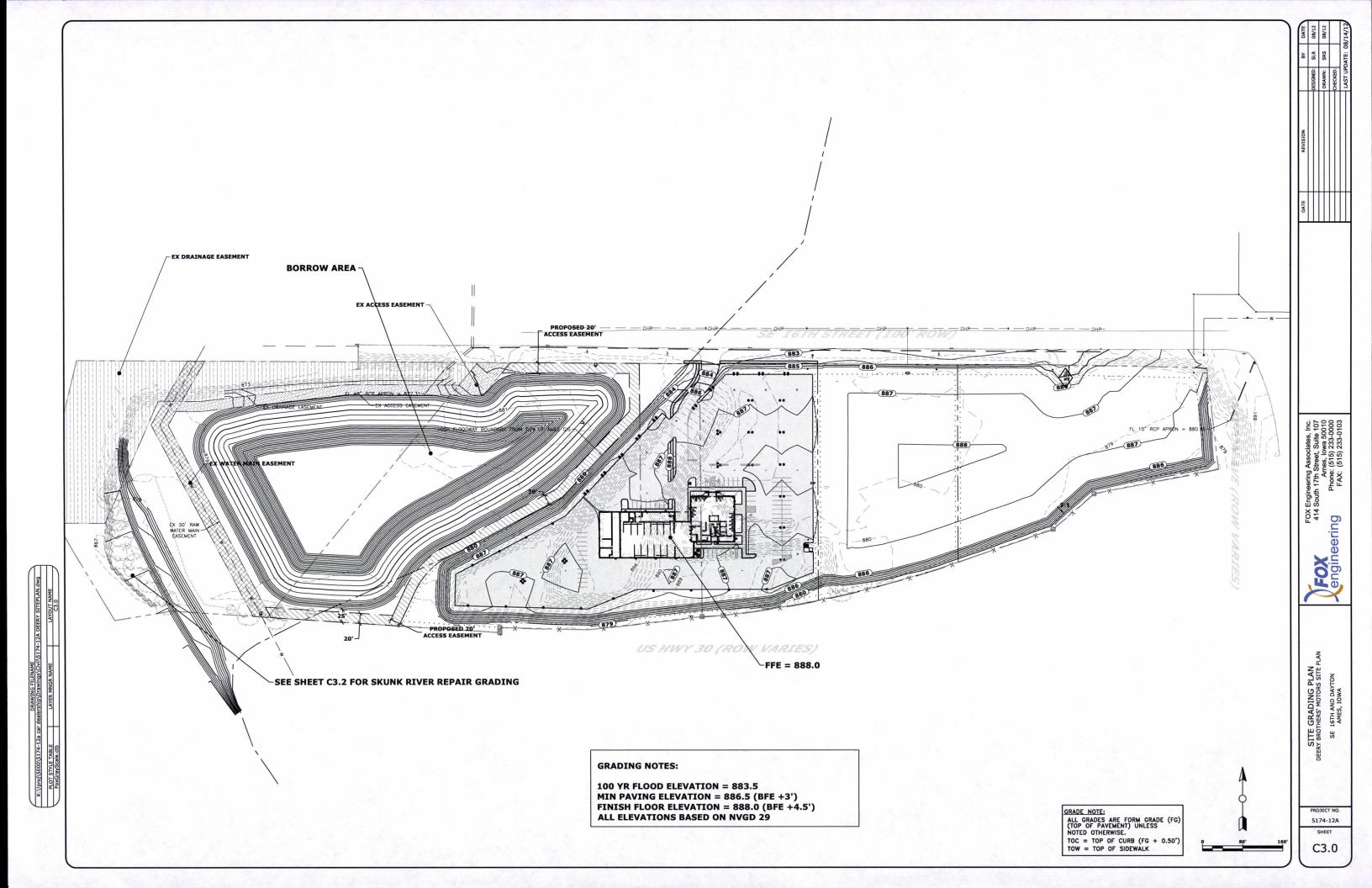
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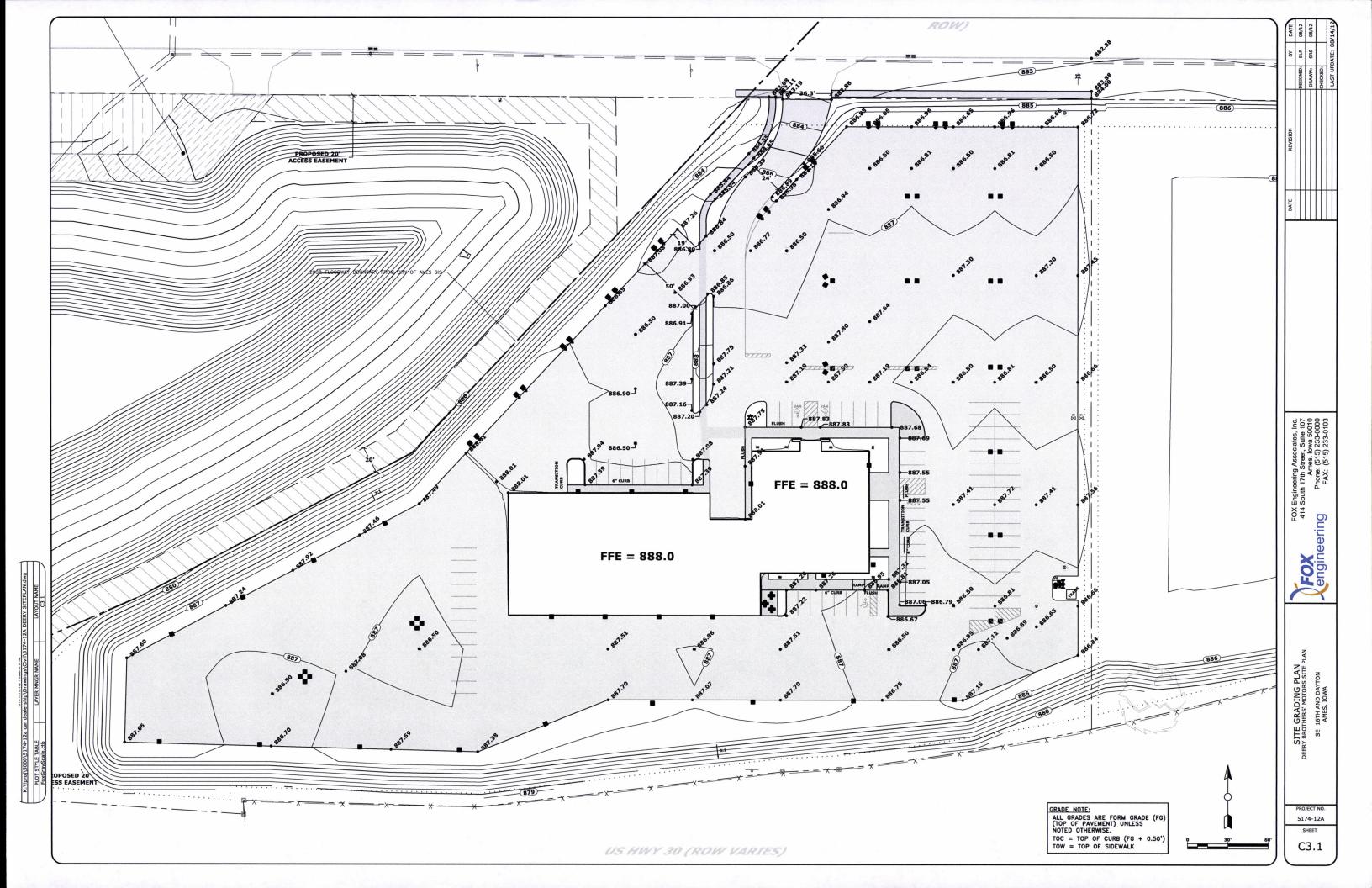
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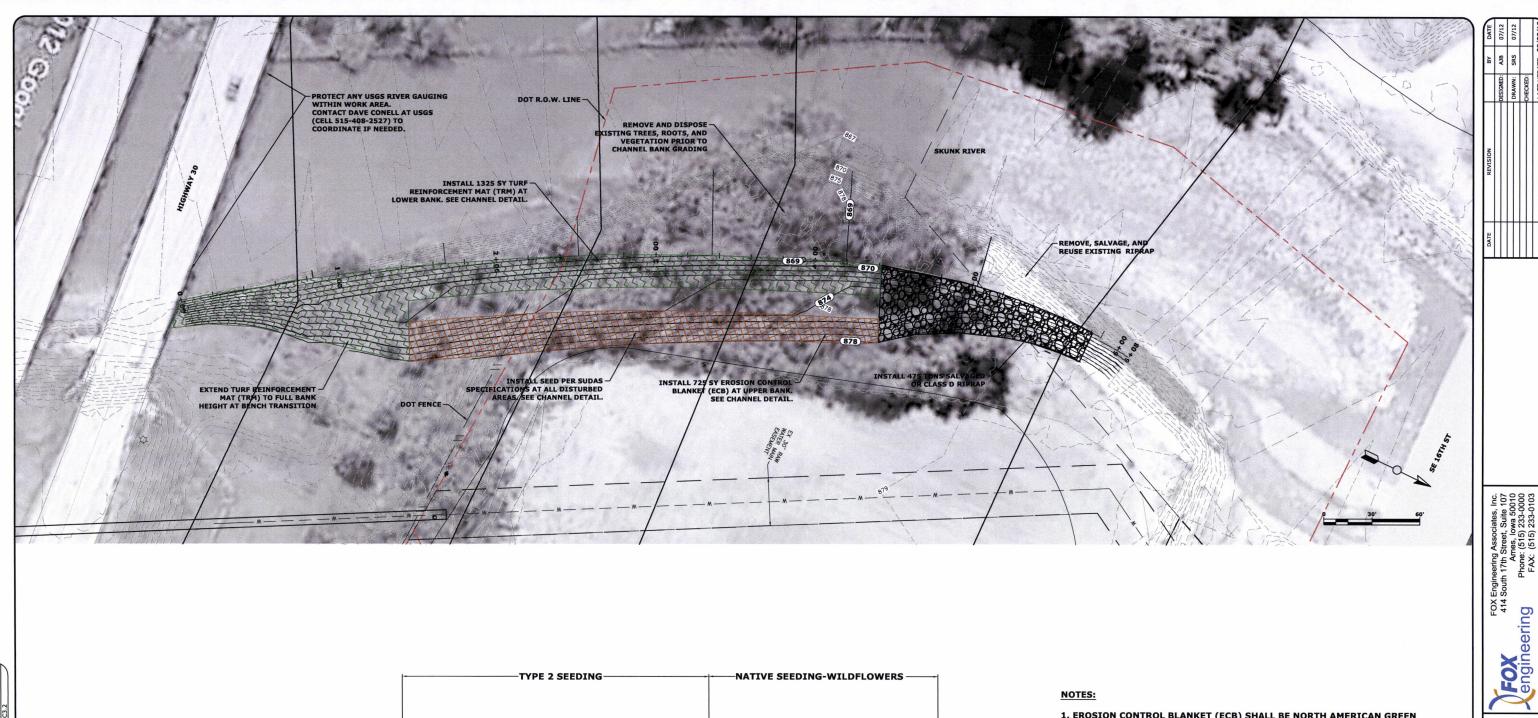












ECB SLOPE PROTECTION

**SEE PLAN** 

-20-FT BENCH-

TRM ANCHOR

TRENCH (TYP)

TYPICAL CHANNEL CROSS SECTION

TRM SLOPE-

SEE PLAN

PROTECTION

NORMAL POOL = 868±  $\nabla$ 

ECB ANCHOR
TRENCH (TYP)

- 1. EROSION CONTROL BLANKET (ECB) SHALL BE NORTH AMERICAN GREEN SC150 OR APPROVED EQUIVALENT. INSTALL PER MANUFACTURERS RECOMMENDAIONS FOR CHANNELS.
- 2. TURF REINFORCEMENT MAT (TRM) SHALL BE PROPEX LANDLOK 450 OR APPROVED EQUIVALENT. INCREASE ANCHOR LENGTH AT TOE OF SLOPE NEAR WATER EDGE. EXTEND TRM 5-FT BEYOND TOP OF BANK. INSTALL PER MANUFACTURERS RECOMMENDATIONS FOR CHANNELS.
- 3. INSTALL TYPE 2 SEEDING AT LOWER BANKS AND BENCHES AND NATIVE SEEDING WITH WILDFLOWERS AT UPPER BANKS AND ADJACENT TO CHANNELS. MULCH SHALL BE INSTALLED AT ALL LOCATIONS NOT COVERED BY ECB OR TRM.
- 4. SEEDING SHALL BE COMPLETED DURING SEEDING DATES SPECIFIED BY SUDAS. IF DORMANT SEEDING (PRIOR TO DECEMBER 25) OR FROST SEEDING (FEBRUARY 1-APRIL 1) IS NECESSARY, SPECIFIED SEEDING RATES SHALL BE DOUBLED.

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PLOT STYLE TABLE
FoxGrayScale.ctb

GRADING PLAN (SKUNK RIVER REPAIR)
DEERY BROTHERS MOTORS SITE PLAN
SOUTH 16TH STREET
AMES, IOWA

PROJECT NO. 5174-12A

C3.2