

Staff Report

North Growth Annexation

January 8, 2013

In 2010, the City Council amended the Land Use Policy Plan to designate land extending west of the Oaks Golf Course to George Washington Carver Avenue as the North Growth Area. In 2011, the City Council approved the annexation of Rose Prairie. That annexation was preceded by an agreement that, among other things, identified how the property owners along Grant Avenue (including the City) would contribute for the paving of that road. Rose Prairie signed and the City executed that agreement prior to annexation. During this same time, Quarry Estates signed a similar developer agreement, but it was not approved by the City Council since not all of the three developers signed the annexation agreements. The developers for Lots 2 and 11, as reflected on the attached map, chose not to execute an agreement regarding the reimbursement for the extension of the infrastructure along Grant Avenue.

Subsequently, on July 6, 2012 the City of Ames received an annexation petition from Kurt Friedrich for the Quarry Estates property. More recently, on December 21, 2012 the City also received an annexation petition from Chuck Winkleblack for the Athen property. A map is attached showing the North Growth Area, followed on the next page by an index identifying the individual property owners. A separate annexation agreement(s) still needs to be prepared for the Athen annexation for the cost-sharing of the sanitary sewer improvements, the zoning use limitations, and to require the proposed senior living facility.

The first step in any request for annexation is for the City Council to accept the application and refer it to the Planning and Zoning Commission for a recommendation. This referral also triggers a number of steps outlined in the Code of Iowa, Chapter 368 concerning consultations with Township Trustees and the Board of Supervisors, notification of abutting property owners and public utilities, and a public hearing.

The City Council should refer the annexation petitions only if 1) the proposed annexation is consistent with the Allowable Growth Areas of the Land Use Policy Plan and 2) any required annexation agreement is ready or expected to be ready by the time the City Council is asked to act on the annexation. In this case, if the City Council were to refer the Quarry Estates and Athen petitions on January 8th, a public hearing would be held on March 26 and action would be scheduled for April 9 (or some other date if the necessary agreements are not yet ready).

Another issue to consider is a strategy to ensure that other areas in the North Growth Area are not precluded from a later annexation. State law allows for a voluntary annexation to include up to 20 percent of land owned by non-consenting owners. The Quarry Estates petition, as currently submitted, contains 85.45 acres, of which 81

percent is consenting. The 121.02 acres of the Athen property is 100 percent consenting.

However, the Hunziker/Sturgis property south of Rose Prairie does not have a sufficient number of consenting land owners. Because conversations with those land owners indicate a very low interest, it is likely that only 56 percent of these 129.27 acres would seek voluntary annexation. Therefore, this area would not be able to be annexed under the 80/20 rule unless the landowners changed their position regarding annexation.

Staff, therefore, is suggesting two options for the City Council to consider.

Option One

The City Council can forward either or both the Quarry Estates (Area C) and Athen (Area A) annexation petitions to the Planning and Zoning Commission and begin the necessary steps to bring these to a public hearing on March 26. Concurrently, staff would continue to develop the annexation agreements so that each applicant would have time to review and sign it prior to the request for action in April (or soon thereafter). If ultimately approved by the City Council, these annexations would result in an annexation of 226 acres.

Pros: This process would lead to newly annexed land by the end of the spring with, at least in the case of the Athen property, possible rezoning and subdivision soon to follow.

Cons: This process would make the annexation of the larger Hunziker property (Lot 2 in Area B) problematic in the future. If the interests of the various parties don't change, this large part of the North Growth Area could be annexed only by property owners lying west of the railroad track seeking voluntary annexation to achieve the 80/20 ratio; or by an involuntary annexation process (a process the City has traditionally tried to avoid due to the high costs, time involved, and political considerations). Without an agreement with Hunziker on the cost-sharing of Grant Avenue paving, it would be very difficult to find another mechanism to pay for the Grant Road improvements except for totally City tax funding. Any development in Quarry Estates or Rose Prairie will need Grant Avenue paved in order to provide safe and direct access to other parts of the community.

Option Two

The City Council can choose not to forward the annexation petitions at this time. Instead, the Council can direct staff to finish the annexation agreements with Quarry Estates and Hunziker for Areas B and C and further require that Hunziker seek annexation, not only for the Athen property and the 12-acre parcel located south of the Quarry Estates property on the east side of Grant Avenue, but also for the 70-acre parcel south of Rose Prairie and on the west side of Grant Avenue (Lot 2 in Area B).

The combined annexation of Areas A, B and C comprises 355 acres, of which 82 percent would be consenting. This would allow the entire area to be annexed under the 80/20 rule as allowed by State Code.

Pros: This process would annex nearly all of the North Growth Area identified in the LUPP. It would also, with the annexation agreements in place, have funding mechanisms in place for all the costs associated with developing the entire 355 acres. These 355 acres, in addition to the 170-acre Rose Prairie development (annexed in 2011), would likely accommodate all the growth needs of the City for some time.

Cons: This process would delay the beginning of the annexation process for Quarry Estates and the Athen property by two to four weeks. This delay is only needed for Hunziker to prepare and submit annexation petitions for the 12-acre and 70-acre parcels along Grant Avenue. This approach would also involve the non-consenting annexation of eight individual landowners comprising about 64 acres. Most of these landowners are also residents of the land which the City seeks to annex.

The City Council can, by motion, select either option. If the Council selects Option One, there will be a consultation with the Franklin Township trustees and the Story County Board of Supervisors on January 22. The Planning and Zoning Commission will provide a recommendation on the annexation at their meeting on February 6. The City Council will conduct a public hearing on the annexation on March 26. Action could occur at the following meeting.

If the City Council selects Option Two, staff will finalize an annexation agreement that will provide a cost-sharing arrangement for the paving of Grant Avenue. Hunziker would prepare and submit annexation petitions for their properties in Area B and Area C. Staff would begin the annexation process for all of Areas A, B, and C concurrent with finalizing the annexation agreement with Hunziker.

Staff Comments

City policy is to allow development only if full City services and infrastructure are provided. In this case, that includes the paving of Grant Avenue. But because of the multiple owners along Grant Avenue and the anticipated costs of the road improvements, an agreement that commits all three developers plus the City to pay their share of the road is the best identified mechanism that would result in a paved, improved road.

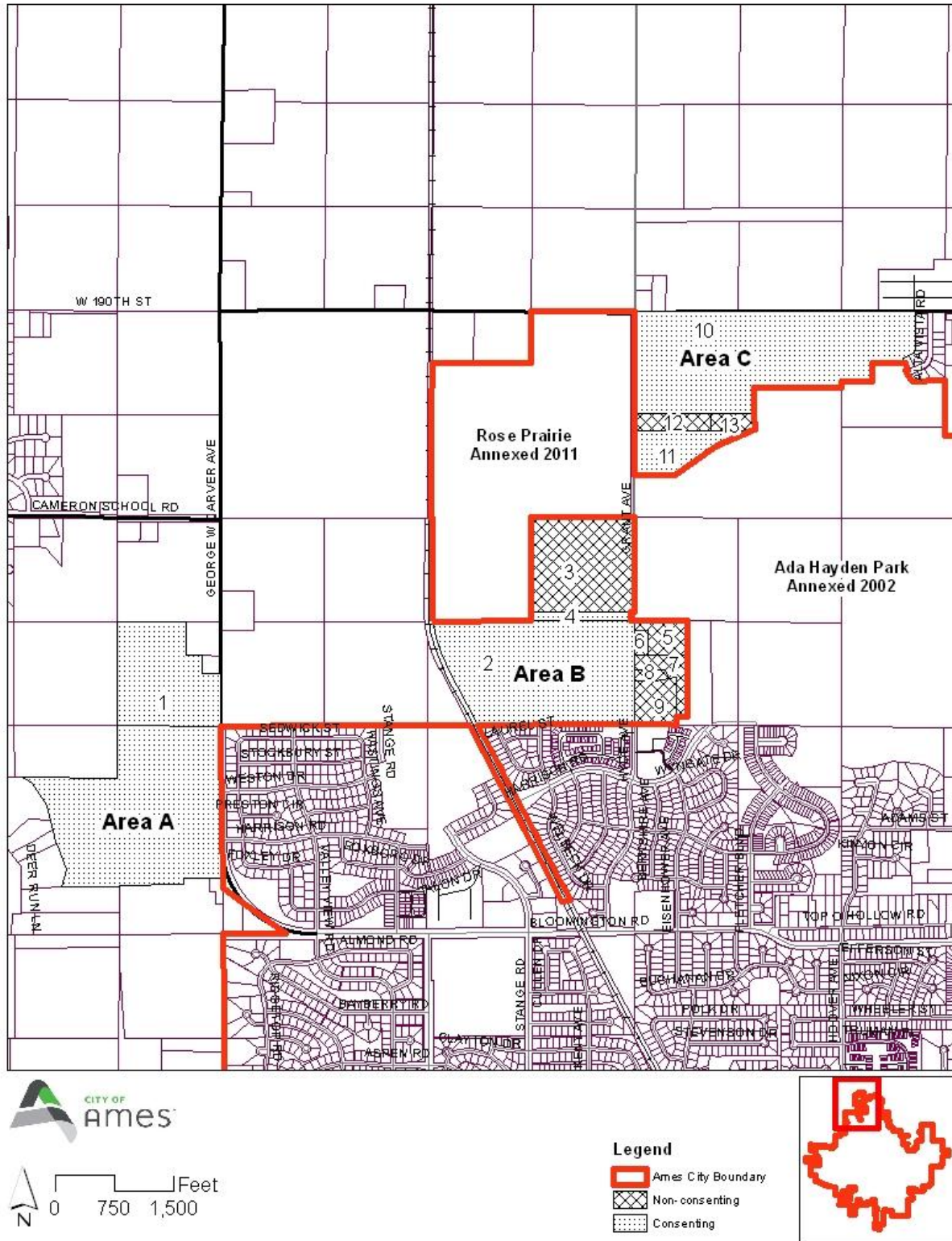
If the City Council wishes to move forward immediately with an annexation process for Athen and Quarry Estates, the Council should select Option One. However, it may lead to residential development along an unpaved County road (Grant Avenue) since the City has no mechanism in place to pay for total road improvement. This option, on the other hand, would create new housing in the Athen property rather quickly (since no major extensions of utilities are needed). Quarry Estates would develop a bit slower as the City would still need to extend sanitary sewer and water to the north.

If the City Council wishes to ensure that developers pay for the cost of Grant Avenue prior to approving any of the annexation requests, the Council should select Option

Two. This would allow the annexation and development of 355 acres to move forward with two to four weeks delay.

Based on previous comments from the City Council, it appears that the City Council wishes to ensure that the Athen annexation occurs in concert with development along Grant Avenue where a financial commitment to extend water and sewer lines by the City have already been made. Therefore, it appears that Option Two would be the Council's preferred alternative.

ANNEXATION MAP



OWNERSHIP LIST

This table identifies the owners of land within the three areas noted in the staff report. Column 1 is the number corresponding to the map on the previous page. Columns 2 and 3 are the owners and total acres of their land. Column 4 is the total acres seeking annexation with the presumption that the major landowners (Athen, Quarry Estates, Hunziker will seek annexation). So far, only Athen and Quarry Estates have petitioned for annexation. Column 5 is the percent of consenting owners within each area and overall.

Map Index	Name	Gross Acres	Consent?	Percent Consent
	Area A			
1	Athen	121.02	Y	
	Subtotal	121.02	121.02	100.00
	Area B			
2	Hunziker	69.80	Y	
3	Sturgis	36.12		
4	Fidelity	3.42	Y	
5	Eness	5.43		
6	Eness	1.24		
7	Eness	5.10		
8	Gregg	1.17		
9	Hamblin	6.99		
	Subtotal	129.27	73.22	56.64
	Area C			
10	Quarry Estates	85.45	Y	
11	Hunziker	12.00	Y	
12	Frame	4.84		
13	Frame	2.83		
	Subtotal	105.12	97.45	92.70
	Total	355.41	291.69	82.07

Area A and Area B, each, have a high enough percentage of owners consenting to annexation to proceed. Area C does not. However, if all three areas are combined as a single annexation, the percentage is high enough (82.07%) to proceed with an annexation under the 80/20 rule allowed by state law.