

Staff Report

**ANNEXATION AGREEMENTS WITH HUNZIKER LAND DEVELOPMENT L.L.C.
AND QUARRY ESTATES**

January 22, 2013

Background:

The City Council has decided to delay any final action regarding a request to annex the Athen property until a funding strategy for the paving of Grant Avenue has been finalized to accommodate the expansion of the allowable growth area to the north that was recently approved with the change in the Land Use Policy. (You will recall the City Council has already committed to invest \$1,400,000 to extend water and sewer lines to this area.) Therefore, the Council has directed the staff to negotiate two annexation agreements with Hunziker, since they own two separate parcels along Grant Avenue.

The City Council will also remember that there currently is an approved annexation agreement with the owners of Rose Prairie. Relying on the language from this document as a model, both representatives from Hunziker and Quarry Estates previously were provided an annexation agreement for their approval. While Quarry Estates representatives signed the proposed agreement, it was not approved by the City Council. Rather, the Council had hoped to approve agreement with Hunziker and Quarry Estates at the same time. **Based on our most recent discussions, there appears to be two policy issues that will need City Council direction before we can move ahead to prepare a mutually acceptable agreement for your approval.**

Issue 1: Sprinklers in Homes

During negotiations with the developers of Rose Prairie, it became apparent that any new development north along Grant Avenue would impact our overall emergency response time that was in effect at the time. In order to address this concern, the developer suggested that we include in their annexation agreement that “any residential building shall include a fire sprinkler system that is in accordance with the National Fire Standard 13D and, if applicable, in compliance with the Building Code.”

It was acknowledged that while the sprinkler requirement would help offset the longer response times projected for fire incidents to this area, it would not improve the situation for emergency medical calls.

Chuck Winkleblack who represents the Hunziker Land Development is adamant that no agreement can be reached for their two properties unless this sprinkler requirement is eliminated. Officials from Quarry Estates subsequently have stated that although we do have a signed agreement from them that includes this sprinkler requirement, they will

not proceed with their development unless this requirement is removed from the agreement.

The issue before the City Council is whether or not to include this residential sprinkler requirement in the annexation agreements with Hunziker and Quarry Estates?

Issue 2: Extension of Electric Utility Lines to Area B?

Relying on the previous Land Use Policy Plan that did not anticipate any development to the north, the developer of Bloomington Heights was not required to extend the electric distribution system to the northern edge of his property up to Hunziker property. Therefore, in order to develop the Hunziker property once it is annexed, someone must pay for this extension of the distribution system up to the Hunziker property as shown on the attached map.

Electric Services has indicated the current estimated cost to extend the electric system to Area B is as follows:

Overhead Lines from Bloomington Road to Southern Edge of Area B	\$150,000	Underground Lines from Bloomington Road to Southern Edge of Area B	\$300,000
Harrison east, north on Welbeck (Underground)	\$130,000	Harrison east, north on Welbeck (Underground)	\$130,000
Total Estimated Cost	\$280,000	Total Estimated Cost	\$430,000

Chuck Winkleblack has indicated that he expects the City to pay for the cost to extend the electric distribution system up to his property. From there, the developer will pay for the electric system improvements throughout its subdivision in accordance with our existing Subdivision Code.

The issue before the City Council is who should be responsible for extending the electric distribution system from Bloomington Road up to the southern boundary line of the Hunziker property?

Staff Comments:

Knowing that these are two important issues for the developers, it seems more appropriate to obtain Council guidance at this time, so that staff can move ahead with completing annexation agreements that can be supported by all parties.

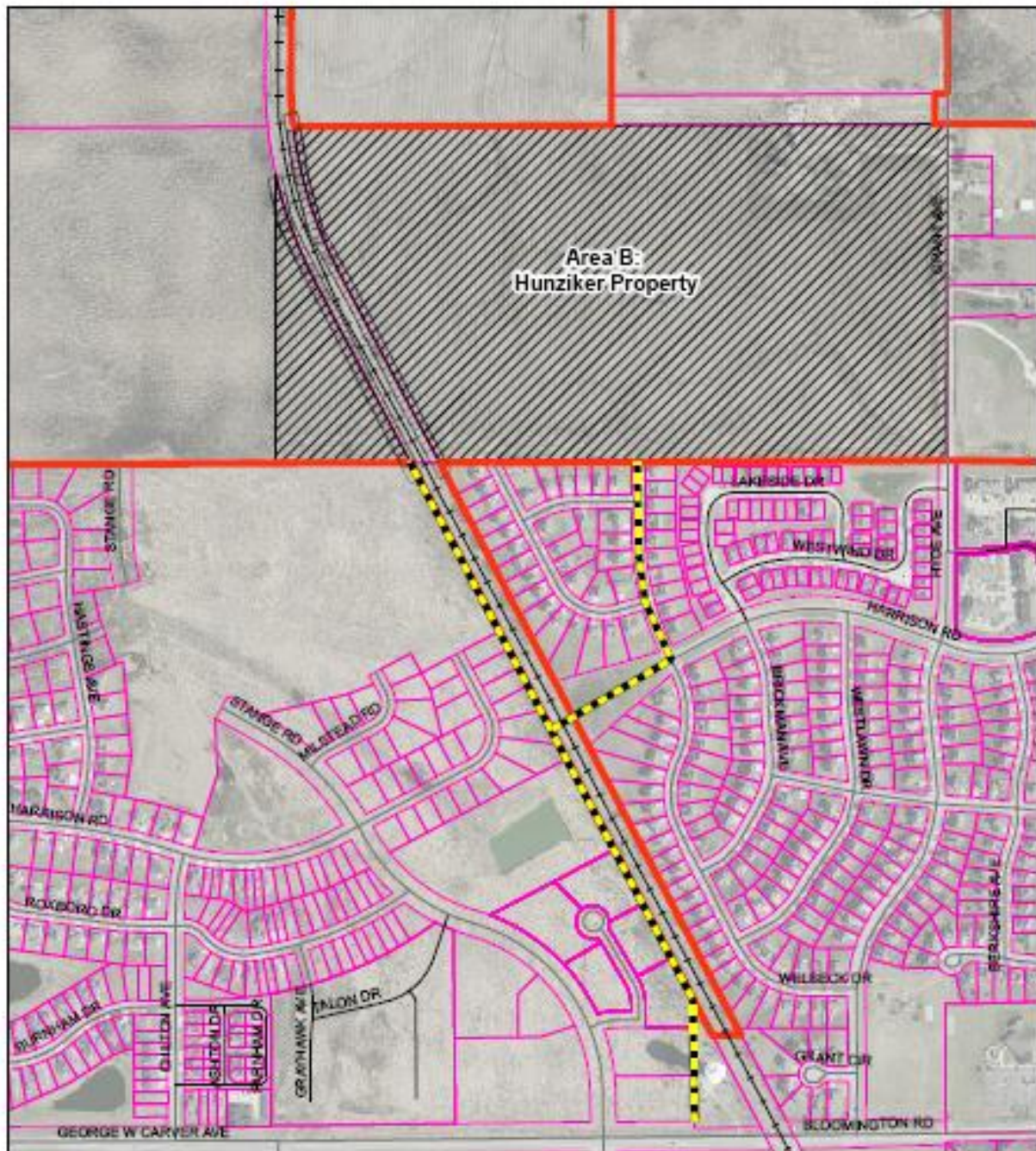
An argument can be made that with the change in how we measure and utilize the emergency response time measurement, as well as the move away from a targeted growth policy in the Land Use Policy Plan, the requirement for residential sprinklers in the developments along Grant Avenue will no longer help eliminate the need for a fourth fire station. Therefore, the elimination of this requirement can now be justified.

In regards to the extension of the electric distribution systems, either of the following two positions could be supported. First, it could be reasoned that the developer of Area B should not be held financially responsible because the City did not require the developer to the south to extend the electric system to the northern edge of his property. Therefore, it should be the City's responsibility to finance the electric line extension.

On the other hand, with the change in the LUPP that allowed property along Grant Avenue to be developed, it was expected that all infrastructure costs would be borne by the developer. Therefore, it could be argued that the developer should bear the cost of the electric line extension to his property.

Regardless of which positions the City Council takes regarding these two issues, a decision will have to be made whether the electric line from Bloomington Road along the railroad right-of-way up to Area B and northward to 190th Street should be constructed underground or overhead. Current Council policy would have this segment of distribution system installed underground, since it abuts residential land. However, it should be noted that the electric utility's long-term plans call for this route to also serve as a corridor for a future 161kv transmission line, which would normally be constructed with overhead poles.

The policy question for Council is whether the current distribution lines along the tracks should be installed overhead. Doing so would be a visible precursor to what could someday be larger overhead lines.



Legend



Ames City Boundary



Hunziker Property



Proposed Electric Line Paid For by City



30' Easement for Future Transmission Line



0 260 520 Feet

