

COUNCIL ACTION FORM

REQUEST: DEVELOPMENT AGREEMENT ON PROPERTY LOCATED AT 896 SOUTH 500TH STREET FOR CRANE FARM SUBDIVISION

BACKGROUND:

The Crane Farm Subdivision is a 50 acre site located in the Southwest I Allowable Growth Area. Southwest I is an area identified within Chapter 6 of the land Use Policy Plan where incentives may be granted for costs of major infrastructure. Specifically, non-village development may request incentives for the “over-sizing” of infrastructure improvements. Over-sizing infrastructure applies when improvements are sized to a degree that exceeds the demands of the proposed development. City Council has discretion within the LUPP to grant incentives “if the improvements are determined necessary to meet future planning objectives within and outside the time frame of the LUPP, and deemed fiscally responsible and appropriate by the City of Ames.

The Preliminary Plat for the Crane Farm Subdivision was approved on May 24th to allow for development of a mix of single-family home lots and FS-RM lots for development of apartments. The Preliminary Plat includes requirements for the extension of Mortensen Road to the property boundary as a Minor arterial street, reservation of area for a bus turn around for Cy-Ride, pedestrian easement to the north, frontage improvements along 500th Avenue, and improvements to the intersection of 500th Avenue and Lincoln Way.

Staff estimates that approximately 1/3, or \$580,000, of the public improvement costs for Mortenson and Wilder will be related to oversizing. Therefore, the developer has requested that the City Council enter into a development agreement to defray the costs of over-sizing. Additionally, the developer has offered, as part of the Development Agreement, to not only reserve space for a CyRide bus turnaround, but also to construct the permanent bus turn around at their cost.

If the City Council decides to incentivize this Southwest I area project, then the City could either (1) take on the responsibility to construct Mortensen Road and Wilder Avenue with the Developer paying to the City the cost of the standard improvements, or (2) agree with the Developer that the City will assume the cost of separate infrastructure projects in an amount that equals the estimated cost for oversizing.

Due to increased costs attributable to the State’s public bidding regulations, staff believes it is in the best interest of both parties to divide responsibility for the required improvements, rather than the Developer paying a pro-rata share of the cost of an

improvement to the City. The attached Development Agreement (Attachment A) includes certain obligations to reflect this tradeoff. The conditions are as follows:

- 1) The Developer will be responsible to construct Mortensen Road and Wilder Avenue (which includes oversizing).
- 2) The Developer will be relieved of the 500th street frontage improvements as well as the improvements at the intersection of Lincoln Way and 500th Street.

The City will assume responsibility to complete these improvements as needed in the future. However, the need for these road improvements are not anticipated until the extension of Mortenson to 500th Avenue.

- 3) The Developer will grade and prepare the land for paving of a shared use path along Mortensen Road with the City being responsible to install the pavement for the path.

The shared use path would be installed by the City at the time of its choosing. Staff recommends the shared use path project be added to the FY 2017-18 budget so it will be completed in a similar timeframe as the first phase of development on this site. The estimated cost to the City of paving the shared use path is \$285,000.

This agreement obligates the City to share in these development costs as an incentive for development within this Growth Area. Without such an agreement, the Developer would be responsible to pay for obligations 1, 2, and 3. In order to provide the incentive for oversizing in a way that meets the State's bidding regulations, the agreement calls for the City to assume the responsibility for items 2 and 3.

The Developer has the obligation to extend Mortenson Road through the site by December 31, 2019. Additionally, the Developer has the obligation of providing for easements and construction of the bus turnaround prior to the use and occupancy of development of the first phase of apartments.

ALTERNATIVES

1. The City Council can approve the attached Development Agreement for the Crane Farm Subdivision if it finds that the proposed Development Agreement meets the improvement requirements of the Subdivision Code and is in the City's interest, as defined by the LUPP, to provide incentives to this project in the Southwest I Allowable Growth Area.
2. The City Council can deny approval of the Development Agreement if it finds that the proposed agreement does not meet the City's interest for incentivizing this

project within the Southwest I Allowable growth area in the LUPP.

3. The City Council can defer action on this request and refer it back to City staff and/or the applicant for additional information.

MANAGERS RECOMMENDATION:

Assuming that the City Council believes providing a financial incentive for this project within the Southwest I Growth Area is warranted, the attached agreement provides an equitable distribution of financial obligations. In addition, the agreement covers all necessary public improvements. To meet its responsibility under this agreement, the most immediate financial obligation of the City will be a \$285,000 investment in the shared use path in FY 2017/18.

Therefore, it is the recommendation of the City Manager that the City Council act in accordance with Alternative #1, thereby approving the attached Development Agreement for the Crane Farm Subdivision.

DO NOT WRITE IN THE SPACE ABOVE THIS LINE, RESERVED FOR RECORDER

Prepared by: Judy K. Parks, City of Ames Legal Department, 515 Clark Ave., Ames, IA 50010 (515-239-5146)
Return recorded document to: City Clerk, City of Ames, 515 Clark Ave., Ames, IA 50010

**DEVELOPER’S AGREEMENT WITH
GW LAND HOLDINGS LLC REGARDING SITE IMPROVEMENT
OBLIGATIONS FOR THE CRANE FARM SUBDIVISION**

THIS AGREEMENT, made and entered into this _____ day of June, 2016, by and between the City of Ames, (hereinafter called “City”) and GW Land Holdings, LLC (hereinafter called “Developer”), their successors and assigns,

WITNESSETH THAT:

WHEREAS, the Developer desires the improvement and development of an area legally described as set out on Attachment A, to be known as “Crane Farm Subdivision”, and generally described as set out in Attachment B, hereinafter called the “Site”; and

WHEREAS, the Site, located at 896 South 500th Avenue, contains approximately 50 acres of land, which, at Developer’s request, has recently been annexed to, and rezoned by, the City; and,

WHEREAS, Developer has received approval from the City of a Preliminary Plat in Resolution No. 16-312 and as part of that process, certain necessary public improvements for the development of Site have been identified; and,

WHEREAS, it is intention and representation of the Developer that the development of the Site will be carried out in Phases; and (See Exhibit A)

WHEREAS, the Developer is seeking Final Subdivision Plat approval, and the City desires that the Site be compliant with City infrastructure requirements, transportation system needs, and incorporation into the City’s street design as the phases of the development take place, and that the land needed and costs for those improvements attributable to Developer are appropriately allocated to Developer; and

WHEREAS, an agreement between the Developer and the City with respect to public improvements is required by the City as a condition of approval of subdivision plats pursuant to section 354.8 of the Code of Iowa, and section 23.304 of the Ames Municipal Code.

WHEREAS, The City Council has an interest in supporting growth in the Southwest I Allowable Growth Area consistent with the Land Use Policy Plan by providing an incentive of cost sharing on the oversizing of infrastructure for a minor arterial street.

NOW, THEREFORE, the parties hereto have agreed and do agree as follows:

I. PURPOSE

It is the purpose of this agreement to document, record and give notice of grants of easements and cost sharing for certain public roadway and transportation system improvements which are necessary as a result of development of the Site. More specifically, these improvements will provide for construction of Mortensen Road as a Minor Arterial street; Wilder Avenue as a residential collector street; and will provide for bus turnaround improvements that will allow the CyRide mass transit system to have routes to and through the Site. Additionally, the development requires improvements for the intersection of 500th Avenue and Lincoln Way. Therefore the City and Developer have agreed on improvement costs through assigning responsibility to on site and off site improvements for individual improvements.

II. TRANSPORTION AND TRANSIT SYSTEM STREET IMPROVEMENTS

In anticipation of the needs of the transportation and mass transit systems for extension of roadways and mass transit routes westward into this subdivision, and acknowledging Developers desire to have this site accessible to mass transit, the Developer agrees to provide to the City all of the following:

- A. An easement on Outlot B that allows for development of a public transit system bus turnaround in a design that is similar to the public transit system bus turnaround that is presently found at the intersection of California Avenue and Ontario Street. The size and dimension of the easement are subject to approval of the Public Works Director.
- B. Construction of a bus turnaround to City specifications and standards on Outlot B at Developers sole cost prior to the use and occupancy of Lot 55. (See Exhibit A)
- C. The Developer shall construct all street improvements within the site to City specifications and standards and at the sole cost of the Developer. The Developer must complete said improvements for Mortensen Road to the City specifications and standards by December 31st, 2019.
- D. The City will be responsible for improvements to 500th Avenue and the intersection of Lincoln Way and 500th Avenue at the City's discretion of timing and scope of

improvements. The Developer shall bear no further costs associated with these improvements.

- E. Developer shall provide an easement having a minimum width of ten (10) feet on Outlot B, for the construction of a sidewalk to the north property line and with a ten (10) foot wide easement also provided along the north property line prior to the final plat of lots 25-28.
- F. The Developer has posted financial security for its improvement obligations which has been determined to be acceptable to the City. This obligation shall be ongoing until the secured improvements are complete and accepted by the City.
- G. Along Mortensen Road, Developer shall grade and prepare the land for construction of a shared use path. The City, at a time of its choosing and at its cost, will install the pavement for the path.

III. NON INCLUSION OF OTHER IMPROVEMENT OBLIGATIONS

The parties acknowledge and agree that this Agreement is being executed in contemplation of a conceptual plan for development, without further review or approval of subsequent specific plans for development of the Site. The parties acknowledge and agree that it is not possible to anticipate all the infrastructure and code requirements that the Developers may be required to complete or comply with to properly develop the site. Therefore, the parties agree that all work done by and on behalf of the Developers with respect to other improvements, including but not limited to, building design, building construction, and utilities, both on-site and off-site, with the specific exception of the costs for improvements as noted above in II, shall be made in compliance with the Iowa Code, SUDAS, and all other federal, state and local laws and policies of general application, including but limited to building and zoning codes, whether or not such requirements are specifically stated in this Agreement.

IV. COVENANT WITH THE LAND

This agreement shall run with the Site and be binding upon the Developer, its successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed effective as of the date first above written.

CITY OF AMES, IOWA

By: _____
Ann H. Campbell, Mayor

Attest by: _____
Diane R. Voss, City Clerk

STATE OF IOWA, STORY COUNTY ss:

On this _____ day of _____, 2016, before me, a Notary Public in and for the State of Iowa, personally appeared Ann H. Campbell and Diane R. Voss, to me personally known, and, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Ames, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Resolution No. _____ adopted by the City Council on the _____ day of _____, 20____, and that Ann H. Campbell and Diane R. Voss acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

Notary Public in and for the State of Iowa

GW LAND HOLDINGS, LLC

By: _____
Alex P. Galyon, Manager

STATE OF IOWA, STORY COUNTY ss:

This instrument was acknowledged before me on _____, 2016, by Alex P. Galyon, as Manager of GW LAND HOLDINGS, LLC.

Notary Public in and for the State of Iowa