

COUNCIL ACTION FORM

SUBJECT: **INITIATION OF EAST INDUSTRIAL ANNEXATION**

BACKGROUND:

The City of Ames has received annexation petitions from property owners representing 1,082.78 acres on both sides of Lincoln Highway between Ames and Nevada in the planned East Industrial expansion area. The petitions are signed by nine separate owners representing 36 separate parcels. Most have signed a waiver of their right to withdraw from the annexation process.

The annexation petitions include properties recently designated as Planned Industrial in the Ames Urban Fringe Plan map. That designation was completed in March, 2016 with the approval of the City Councils of Ames and Gilbert and the Story County Supervisors. An excerpt of the Ames Urban Fringe (AUF) Plan Map is found in Attachment 1. The 28E Agreement that implements the AUF Plan requires the City to consider annexation applications only for those areas designated as Urban Residential or Planned Industrial in the Ames Urban Fringe Plan.

Inclusion of Non-consenting Owners

Annexations are governed by the Code of Iowa Section 368.7. Annexation petitions initiated by individuals or entities are classified as a voluntary application. With a voluntary application, the City may include up to 20 percent of the total annexed land area with additional non-consenting property owners. This is allowed to avoid creating islands (the Code of Iowa does not allow islands to be created by annexations) or create more uniform boundaries (to make the provisions of services more efficient). This rule is often referred to as the 80/20 rule, where you have a minimum of 80 percent consenting land area and a maximum of 20 percent non-consenting land area.

In order to annex all 1,083 acres represented in the petitions, the City Council will need to use the 80/20 rule to annex non-consenting properties. Eight additional properties need to be included in order to avoid creating islands. Staff also recommends the inclusion of nine additional properties in order create more uniform boundaries. The proposed annexation with uniform boundaries totals 1,349.63 acres, plus additional railroad and highway rights-of-way. Attachment 2 includes a map identifying the consenting and proposed non-consenting properties owners. **The consenting owners comprise 80.23 percent of the entire annexation area represented in Attachment 2.** A table showing the names of the owners, their acreages, and whether or not they are consenting is included in Attachment 3.

City staff met with several of the owners of the non-consenting parcels on Monday, August 15th to describe the impacts of annexation and measure their interest in joining the annexation. The owners had a number of questions about City services, taxes, and the timing of a possible annexation. None indicated a desire to join the annexation.

Annexation Considerations

Accepting an annexation petition is a discretionary act of the City Council. The Council has no obligation to initiate an annexation process or ultimately annex property. Consideration of the merits of a request to annex and the effect it may have on City services and city land needs will be weighed at the time of the public hearing.

The City has a policy requirement that annexations be consistent with the LUPP and the AUF. The growth areas identified in these documents are areas that were based on the ability to provide services to allow for industrial development. In this circumstance, the annexation area is consistent with the recent LUPP and Fringe Plan amendments intended to identify the desired location of an east industrial expansion area.

Upon annexation, a property automatically assumes the LUPP land use designation consistent with its use designation as described in the AUF. In this case, the Planned Industrial LUPP designation would be assigned to these properties upon annexation.

All newly-annexed property is automatically zoned Agriculture. Zoning would not change unless a request is initiated by the owner or by the City Council. Any proposed zoning would need to be consistent with the Land Use Policy Plan. Staff believes that at this time rezoning would not occur without a property owner request subsequent to approval of annexation. City Council has directed staff to consider a master planning project for the east industrial expansion area to review infrastructure demands and the types of industrial uses allowed for the area.

Also upon annexation, the City of Ames would provide fire and police protection, replacing the rural fire service (in this case, Nevada Fire Department) and the County sheriff, respectively. Property taxes would change based on the next calendar year assessment. The new levy would be reflected in the tax statement in the fall of the following calendar year.

Traditionally, water service areas have been managed by the City at the time of annexation. Prior to the AUF amendment, the City entered into an agreement with Central Iowa Water Association to establish rates for the buyout of the CIWA territory and incorporation into the Ames service area. The property owners have the obligation to secure buyouts of rural water requirements before development of any properties can occur within the City.

Other public services will vary in newly annexed areas based on state established district boundaries. For example, electric service territories and school district boundaries are not set by city boundaries and are unaltered by annexation.

Annexation Process

The first step in this annexation is for the City Council to accept the petitions and refer them to the Planning and Zoning Commission for a recommendation. The City Council will also designate a staff member for the consultation with the Supervisors of Story County and the Trustees of Grant Township. Prior to approval of an annexation, the City

Council is required to hold a public hearing. Because the proposed annexation request lies within two miles of another city (Nevada) and because there are non-consenting owners, the City Development Board of the Iowa Economic Development Authority would need to act on the request following their own public hearing. If the process is initiated as proposed, the total time to complete the annexation is estimated to be five months.

ALTERNATIVES:

1. The City Council can initiate the annexation of 1,349.63 acres of land, including 266.85 acres of non-consenting property as shown on Attachment 2. This alternative designates staff of the Planning and Housing Department as the representative to the consultation with township trustees and county supervisors. The petitions will also be forwarded to the Planning and Zoning Commission for review and a recommendation.

The annexation request would return to the City Council for a public hearing and action. The petitions would then be forwarded to the City Development Board for their public hearing and action.

2. The City Council can initiate an annexation of less than 1,349.63 acres by identifying which properties to exclude.
4. City Council could choose not to initiate annexation at this time.

MANAGER'S RECOMMENDED ACTION:

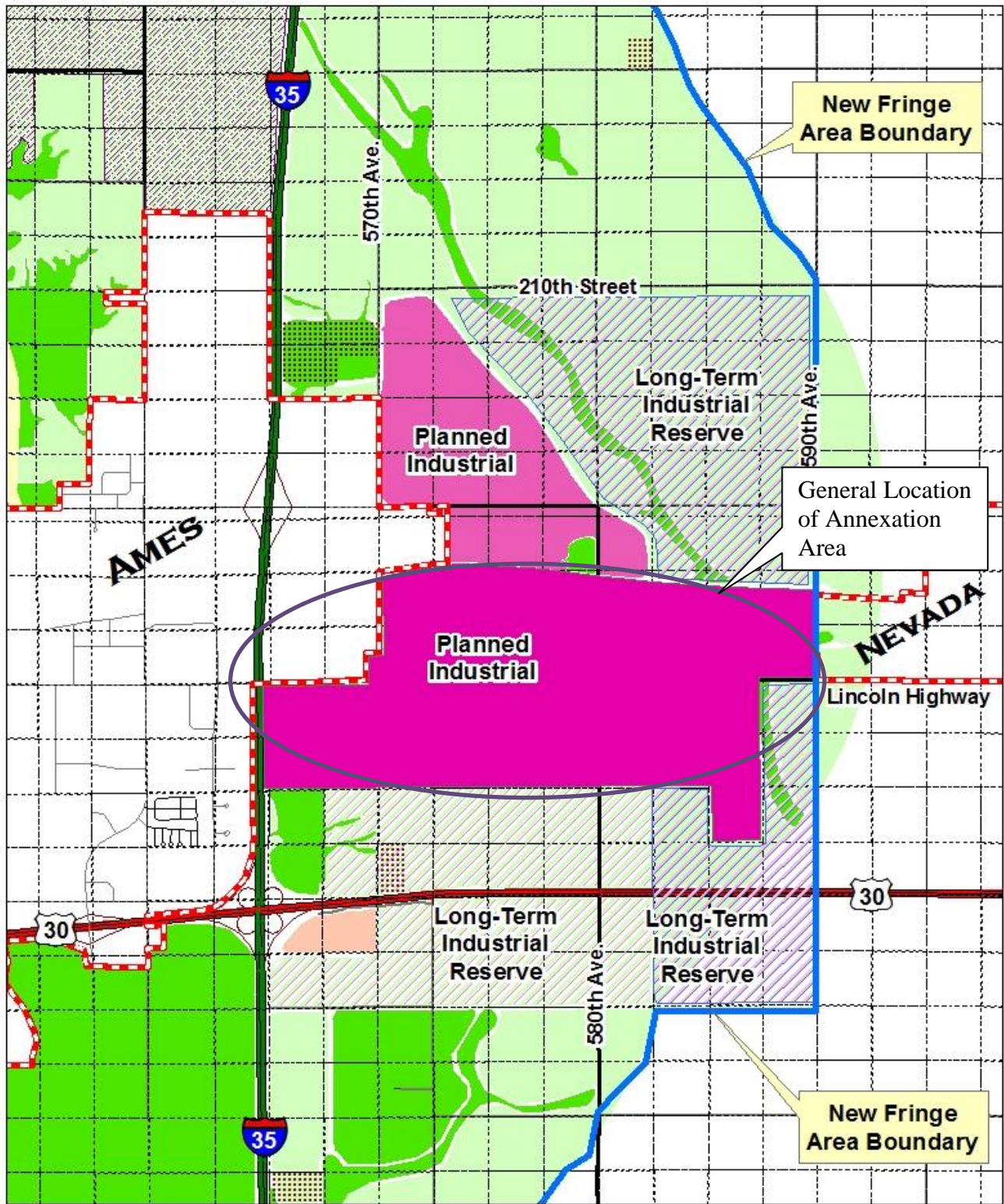
This annexation request represents the direction given by the City Council to prepare and make available vacant land for industrial uses. The proposed boundaries for the annexation follow the designation of this land as Planned Industrial in the Ames Urban Fringe Plan. The proposed boundaries also reflect the "buyout area" which is included in an agreement with the Central Iowa Water Association and the City of Ames which became effective on March 21, 2016.

Petitions for annexation have been submitted by owners of 1,082.78 acres in the area. City staff reached out to the owners of the remaining 266.85 acres to gauge their level of interest in joining the annexation. As of this writing, no others have sought annexation.

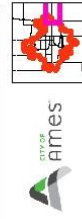
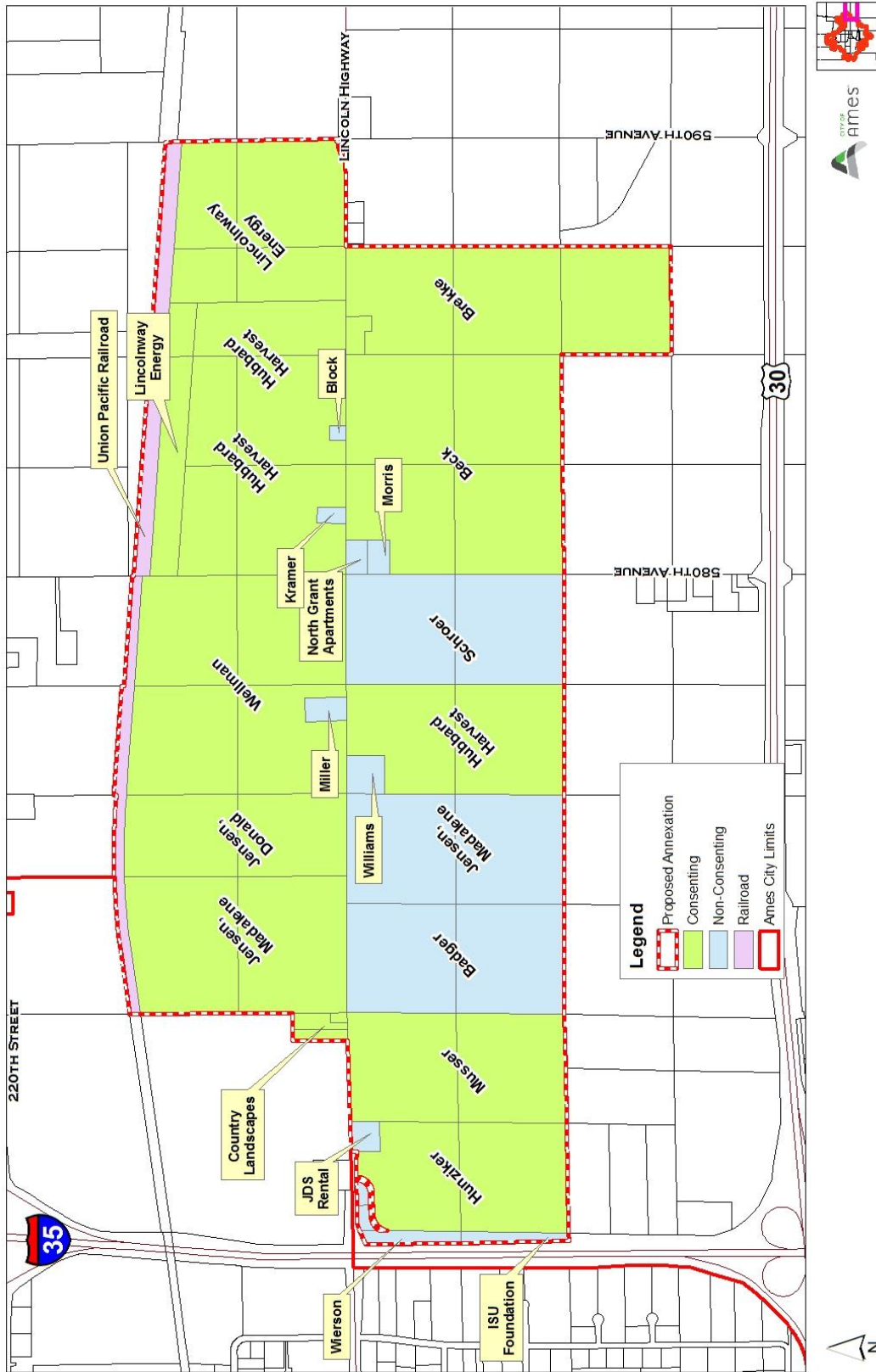
Annexation requests in the past have typically included only those non-consenting properties necessary to avoid creating islands. In some instances, however, the result has been very irregular boundaries that have prevented or delayed later annexations. Irregular boundaries also lead to questions of jurisdiction and provision of services when, for instance, half of a road right-of-way is within the City and half remains within the unincorporated portion of the county. Because of this, staff recommends the inclusion of these 266.85 acres to ensure both sides of Lincoln Way have properties within the City's jurisdiction.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, initiating the annexation of 1,349.63 acres, forwarding the petitions to the Planning and Zoning Commission for a recommendation, and designating staff of the Planning and Housing Department as representatives for the consultations with Grant Township and Story County.

ATTACHMENT 1: AMES URBAN FRINGE PLAN MAP [EXCERPT]



ATTACHMENT 2: PROPOSED ANNEXATION



ATTACHMENT 3: OWNERS, ACREAGES, CONSENTING

| Name | # of Parcels | Total Acres | Consenting |
|--|---------------------|--------------------|-------------------|
| Badger, Micheal | 2 | 80.00 | No |
| Beck, Judd | 4 | 155.00 | Yes |
| Block, Justin | 1 | 0.80 | No |
| Brekke, Randy | 3 | 116.21 | Yes |
| Brekke, Randy and Suzanne | 1 | 2.79 | Yes |
| Country Landscapes | 3 | 4.84 | Yes |
| Hubbard Harvest, LLC | 7 | 198.30 | Yes |
| Hunziker, Erben and Margaret Apts, LLC | 2 | 73.20 | Yes |
| ISU Achievement Foundation | 1 | 4.04 | No |
| JDS Rental Properties, LLC | 1 | 2.97 | No |
| Jensen, Donald | 2 | 62.99 | Yes |
| Jensen, Ivan and Madalene | 2 | 78.49 | No |
| Jensen, Ivan and Madalene | 2 | 68.59 | Yes |
| Kramer, Dwight and Zoeann | 1 | 1.57 | No |
| Lincolnway Energy LLC | 6 | 117.90 | Yes |
| Miller, Malcom and Nancy | 1 | 3.00 | No |
| Morris, Cheryl and Danny | 1 | 2.50 | No |
| Musser, Virginia Revoc Trust | 2 | 80.00 | Yes |
| North Grant Apartments LLC | 1 | 2.50 | No |
| Schroer, Janice Revoc Trust | 2 | 80.00 | No |
| Wellman, Paul Trustee | 4 | 152.29 | Yes |
| Wierson, Gayland and Janice | 3 | 5.98 | No |
| Williams, Christopher | 1 | 5.00 | No |
| | | | |
| Totals | 53 | 1,349.63 | |
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