

Staff Report

**TRINITAS REQUEST TO INITIATE AN URBAN FRINGE LAND USE FRAMEWORK
MAP AMENDMENT TO ALLOW FOR ANNEXATION AND FUTURE
CONSIDERATION OF A STUDENT HOUSING DEVELOPMENT IN WEST AMES**

September 13, 2016

BACKGROUND:

At its August 9, 2016 meeting, the City Council referred a letter from Travis J. Vencel, representing Trinitas, for staff to prepare an explanatory review of their multi-tiered request. The letter from Mr. Vencel asked Council to authorize staff to move forward with four requests. The property in reference consists of two parcels (Belitsos/Wolfe and Crane properties) that total approximately 39 gross acres. A third property owned by Belitsos/Wolfe with an existing home would also be included in the proposed changes, but ultimately would not be part of the development. The area is adjacent to and immediately west of the Ames corporate limits on the south side of Lincoln Way and along the Boone County line of 500th Avenue (see Attachment A). The Trinitas letter is included as Attachment E.

Staff has prepared this report to provide City Council with background information on the request and to determine Council's interest in moving forward with the approval process for the developer's desired project.

The request of Trinitas is for the City Council to initiate the following changes. These are described below and would generally occur sequentially:

1. Initiate an amendment to the Ames Urban Fringe Plan Land Use Framework Map from Highway Oriented Commercial to Urban Residential (Attachment D).
2. Initiate the annexation.
3. Authorize staff to proceed with a traffic study and sanitary sewer analysis of capacity to serve the proposed development.
4. Initiate a Zoning Text Amendment to allow the use type, "dwelling house", as an allowable use in an F-PRD zone to allow for up to 5-bedroom rental homes.

Trinitas has requested initiation of the above items to support construction of a "cottage" style residential development at a proposed density level similar to that allowed in an FS-RL district. Section 29.1202(5) limits FS-RL to a maximum density level of 10 dwelling units per acre. The developer will seek a rezoning to a Planned Residential Development (PRD) to meet their design interests to allow for rental homes known as dwelling houses that are larger than what is permitted within FS-RL.

ISSUE #1: AMES URBAN FRINGE LAND PLAN AND LUPP AMENDMENT

There are two key components to this issue. The first is that, if the site is to be annexed, it must be an Urban Service Area in the Ames Urban Fringe Plan (AUFPP). Secondly, part of the area desired for development along Lincoln Way is presently shown as commercial in the AUFPP. If the area is annexed, a decision will be needed as to whether some or all of this area should be retained for commercial uses, rather than residential.

The site lies outside of and adjacent to the Ames corporate limits. Parcels outside of the corporate limits and within two miles of the City are included in the AUFPP. This document is a shared land use plan with administrative oversight by Story County, the City of Ames, and the City of Gilbert. According to the policies and guidelines of the Plan, the entire site will need to be designated as an Urban Service Area with an Urban Residential designation in order for the entire site to be annexed and developed as proposed.

The AUFPP currently designates the site as Highway-Oriented Commercial and Urban Residential (See Attachment B). The north half of the Belitsos/Wolfe parcel adjacent to Lincoln Highway is designated as Highway Oriented Commercial, generating the need for the Fringe Plan Amendment. The west and southern portion of the site is already designated as Urban Residential. There is also a small area designated as Natural Areas that divides the Belitsos/Wolfe parcel.

Although there is a commercial node shown in the vicinity of the site, which is an Urban Service Area Designation, the Highway Commercial designation is not part of the Urban Services designation. Highway Oriented Commercial is categorized under Rural Urban Transition Area. The stated policies of the fringe plan for Rural Urban Transition Areas are “to be rural in character as it develops, but within an urban setting at some time in the future [page 28]. It is intended to provide an orderly and efficient transition between existing or future urban area and the rural unincorporated areas [page 31]. The area adjacent to Lincoln Highway with the Highway Oriented Commercial designation will need to be amended to allow for annexation.

The lands to the north and west of this site are designated Highway Oriented Commercial. Existing commercial uses already exist in some locations to the north and west. There is also a Convenience Commercial Node shown on the Urban Fringe Map located just to the west, at the intersection of Lincoln Highway and 500th Avenue. Convenience Commercial Nodes represent areas for “neighborhood scale commercial development for conventional suburban residential developments and support a population base of 2000-3000 persons within a one to two mile radius.” [See page 39 of the Ames Urban Fringe Plan].

It could be inferred that changing the north half of the Belitsos/Wolfe property from Highway Oriented Commercial to Urban Residential would not change the intent of the Ames Urban Fringe Plan, given the location of the Convenience Commercial Node designation and its proximity to the proposed site. The node does present the option to consider a small portion of the site to keep the Highway Oriented Commercial designation. The appropriateness of residential could be evaluated adjacent to Lincoln

Way and existing commercial uses developed in the County through the rezoning process.

If the City Council is interested in pursuing the amendment to the Ames Urban Fringe Plan, staff will then forward the request to both the City of Gilbert and Story County for their consideration to initiate an amendment. If initiated, staff will create either a text amendment for annexation of areas in the vicinity of the Node or a map amendment to Urban Residential to allow for annexation. This will then be reviewed by the Planning and Zoning Commission and the City Council before being forwarded to Story County Board of Supervisors and Gilbert. Ultimately, it will take all three jurisdictions to agree to any change to (or to waive their interest in) the Ames Urban Fringe Plan. Once in the City, the question of establishing any commercial zoning for the frontage would be considered at the time of rezoning.

ISSUE #2: ANNEXATION

The applicant's letter requests that Council authorize an application for annexation once the AUFPP is amended. The site is within the Southwest I Allowable Growth Area of the LUPP, which signifies the intent of the City to ultimately annex this area for future growth needs.

The key issue for annexation will be if City Council is willing to consider annexation of only the developer's site as a voluntary annexation, or if there is a desire to try to expand the annexation area through either outreach to other property owners or through the use of the 80/20 rule for non-consenting properties.

City Council could choose to direct staff to assess interest in annexation by adjoining property owners. At that time, staff would contact possible interested property owners to gauge their interest in consenting to the annexation, and would invite them to submit applications as consenting properties. **However, the City may not want to annex additional properties that already contain County development that would become nonconforming within the City. Without a comprehensive strategy for development in the area, staff believes annexation south of Lincoln Way is the most appropriate approach at this time.**

If there is no interest in expanding the annexation, the City Council could consider a 100% voluntary annexation for the site, since it already touches the City and would not create islands or irregularities if all of the Belitsos/Wolfe property is annexed with the Crane property. **Staff believes that no annexation should proceed without receipt of a waiver to withdraw from the current property owner(s) to ensure that City resources are not wasted by a withdrawal from the process.**

Staff also believes that it will be in the City's interest to seek a pre-annexation development agreement for this area. It is likely a number of infrastructure improvements will be needed for development, such as paving of 500th Avenue, improvements to Lincoln Way, and extension of water and sewer to serve the area.

ISSUE #3: TRAFFIC AND SANITARY SEWER ANALYSIS

As part of a proposed annexation, City staff reviews the potential to serve a new area with City utilities. Utilities exist east of the site under Lincoln Way and Norris Street that would need to be extended to the site in order to serve development. A full evaluation of utilities services and infrastructure capacity will need to be done before approval of a specific development.

A traffic study analysis would also be required. The traffic study would analyze the effects of development on the operations of nearby street intersections and consistency of the project with the Long Range Transportation Plan. Public Works staff would define the scope of work and the study would be paid for by the applicant. As mentioned above, there would be a need for frontage street improvements along with this development.

This site is situated within the West Ames sanitary sewer basin that is known to be at or near capacity. Development of the site would feed into the same system that was evaluated by Public Works staff last spring for development impacts. To proceed with annexation and eventual development, sewer modeling must be conducted to analyze the density and type of development to determine if there are negative impacts downstream in the system.

ISSUE #4: TEXT AMENDMENT AND ZONING

The key policy issues for the proposed concept at this stage are whether the type of use for exclusive student housing in a planned F-S area is appropriate for the housing needs of the City, and whether Council is interested in allowing for the 4 and 5 bedrooms rental houses as desired by the applicant.

Once the property is annexed, the developer is clear about their intent for a student housing development of large individual rental homes. Due to the rental provisions and definitions of a “family,” the developer would need a text amendment to proceed with their project within the PRD zoning district rather than a High Density Residential Zoning District. As stated in the attached letter, the developer intends to seek rezoning of the property to Planned Residential Development. A Planned Residence District (Section 29.1203) by definition is intended to promote housing variety that may differ in its design from a standard base zone, such as attached and detached dwellings, clustered housing, and innovative multiple family housing projects. Residential use types allowed within an F-PRD are Single Family House, Two-Family House, Apartment Building, Townhouse and Group Living (Table 29.1203(4)).

As proposed by the applicant, the site would be developed as a mix of 1, 2, 3, 4, and 5 bedroom dwelling homes and duplex homes. The only way to allow for 4 and 5 bedroom homes to be built with the intent to allow for rental to unrelated individuals is if the use type, “dwelling house” is an allowed use in the F-PRD zoning district. The letter to City Council includes a request to allow consideration of and to initiate a Zoning Text Amendment to allow the use type, dwelling house, within the Planned Residence District (F-PRD).

A “dwelling house” is defined within the Zoning Code as “any building in an “RM” and “RH” district consisting of no more than one dwelling unit designed for and occupied exclusively by a single family, or by not more than one more person than the number of bedrooms, up to five people, provided there is one parking space per bedroom for units with two bedrooms or more...”

Council may see the addition of “dwelling house” in line with the intent of allowing various housing types within a PRD. The F-PRD district also allows for a wide range of densities, including low, medium, and high density as listed in Table 29.1203(5), though the applicant’s letter states that they would not be proposing a density higher than allowed in an FS-RL (residential low density) district. Otherwise, the developer would need to build housing with at least three attached units to be classified as apartments, which would also allow for rental of up to 5 unrelated individuals.

A PRD text amendment would occur in sequence after annexation of the property and at the time of zoning of the property.

STAFF COMMENTS:

The developer has a clear desire for a specific project type on the subject site. At this time the developer seeks input from the City Council on Council’s willingness to consider their proposed concept and to then initiate a number of steps for review and eventual approval of the project. If the City Council is not interested in the type of project or project location proposed by the developer, they would like that feedback before investing their time and the City’s resources in the Fringe Plan Amendment and annexation process.

Staff believes the interest in annexation and development of the site is consistent with the City’s general plans for growth due to the designation of the area as Southwest I Allowable Growth Area. However, there are project specific issues that need to be resolved in terms of infrastructure needs, desirability of the proposed use, and ultimately the configuration and layout of the development as a PRD. Although the developer will have a density similar to FS-RL, the housing type and use will be more consistent with the types of uses seen in FS-RM. City Council will need to consider this question of use as a policy issue for housing needs for the City where the LUPP would expect single-family home development rather than larger scale rental developments.

If the City Council chooses to initiate the Fringe Plan Amendment, the overall timeframe to complete all of the steps, including subdivision and site plan approvals, is 7 to 9 months. The Fringe Plan amendment and annexation would be sequential. City Council would then need to decide whether to consider the text amendments and PRD rezoning concurrently or sequentially.

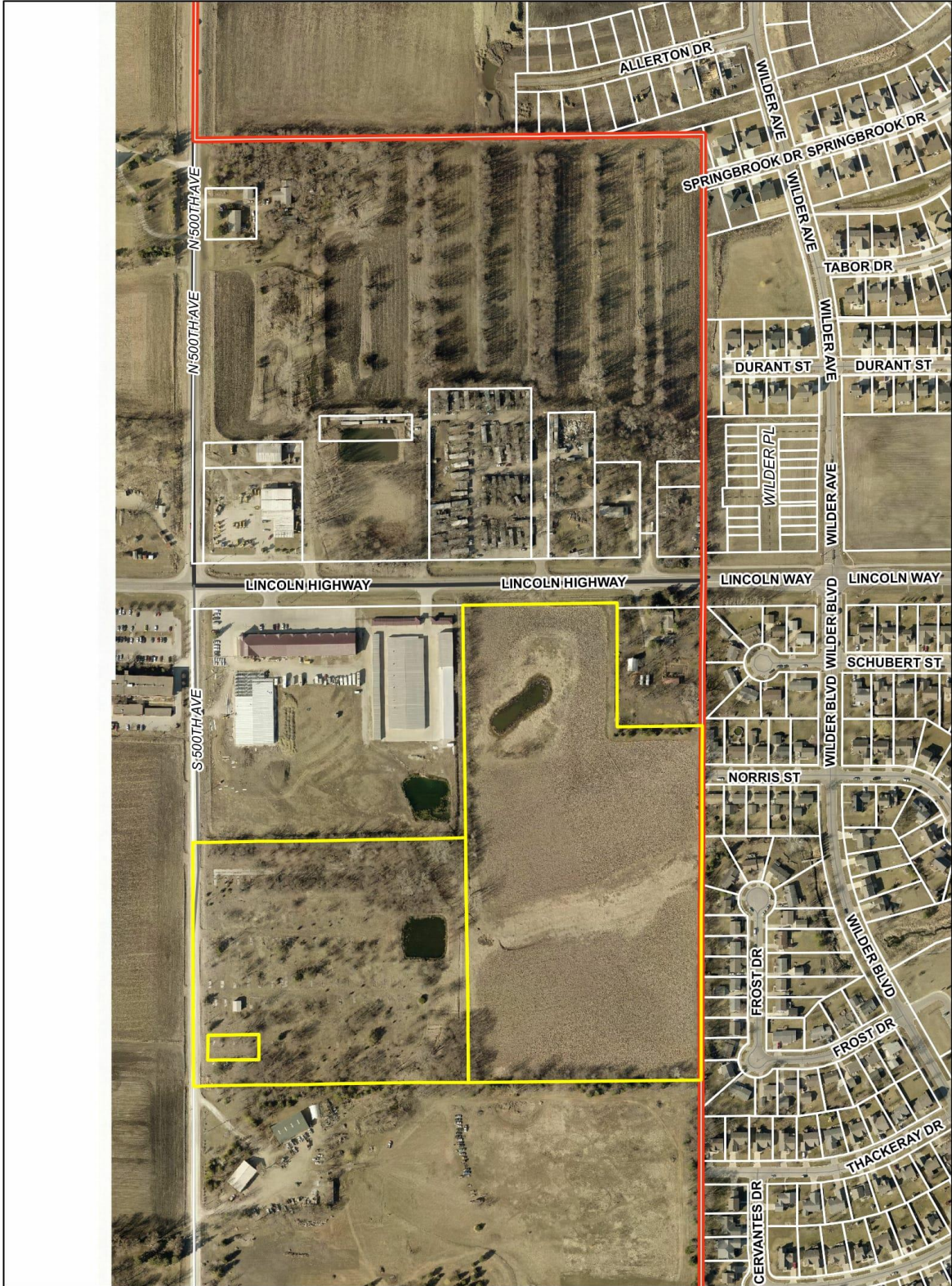
In summary, the following major activities are needed for the proposed project to proceed:

- **Amendment to the Ames Urban Fringe Plan and LUPP** for a portion of the site from Highway Oriented Commercial to Residential. An Amendment would require

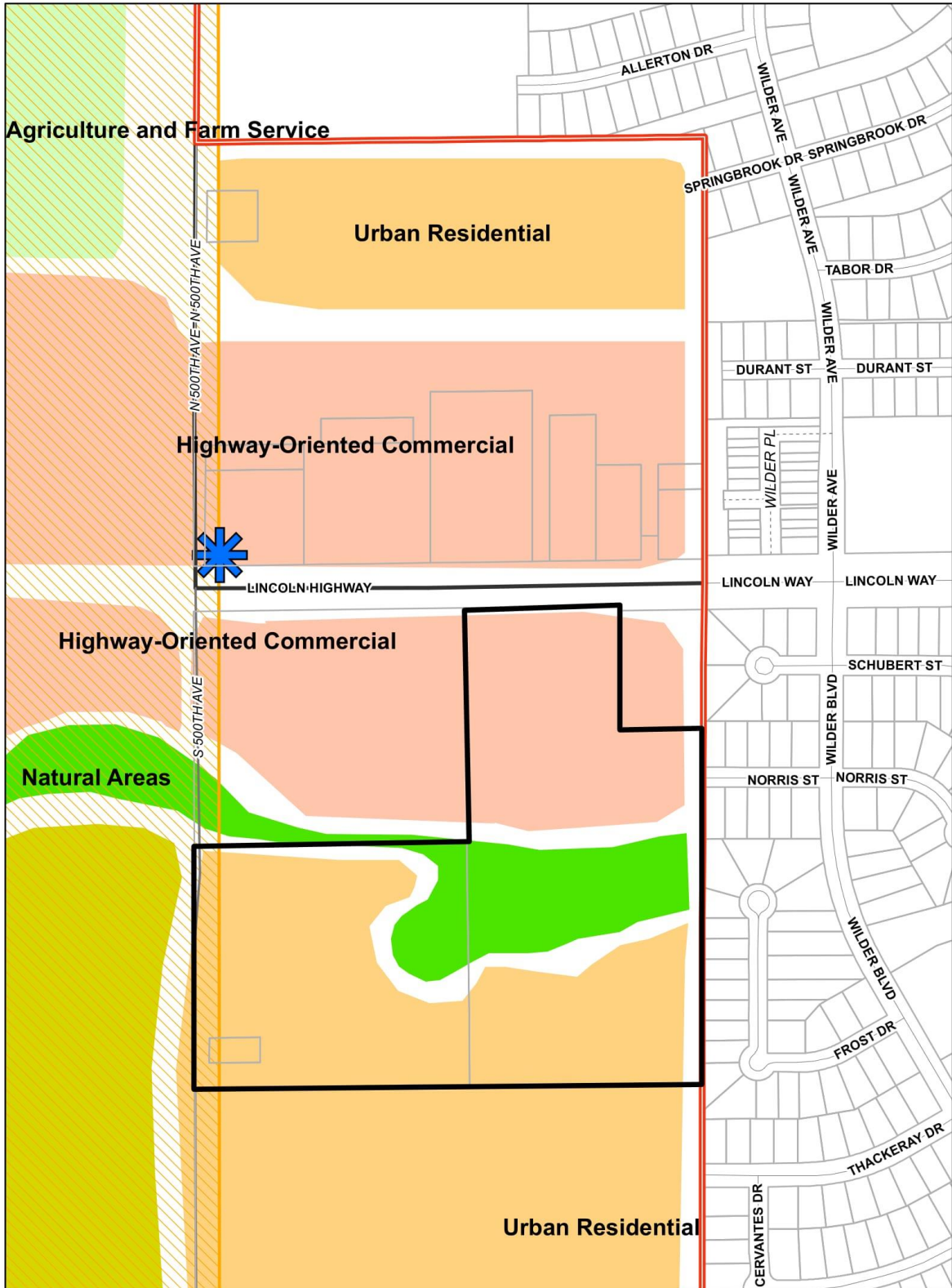
approval by Story County and the City of Gilbert. This would then go before the Ames Planning and Zoning Commission and the City Council. Approximate time line would be approximately 3- 4 months (mid-September to late November).

- **Annexation of the approximately 40 acres** as proposed in the applicant's letter and possibly a larger area of annexation if staff is directed by Council to conduct outreach to adjacent properties. Annexations are governed by Code of Iowa Section 368.7. An annexation would take approximately 3-4 months and cannot proceed without the Fringe Plan amendment's approval. (mid/late November to mid-February).
 - Staff recommends that the annexation efforts be focused south of Lincoln Way and not be expanded to consider areas north of Lincoln Way at this time.
 - Staff also recommends that future annexation not occur without a pre-annexation agreement addressing future development issues for the site.
- **Text Amendment to the Planned Residential District to allow “dwelling house” as a permitted use type** within the zoning district. The text amendment would be needed in order for the applicant to develop the site as proposed. Such an amendment could be reviewed concurrently with the PRD rezoning and site plan request.
- **Rezoning from Agricultural to F-PRD** as indicated by the applicant. The rezoning would likely proceed only in the event that a text amendment is approved to allow dwelling houses as a permitted use within the Planned Residential District. A rezoning would take approximately 3 months (February to May).

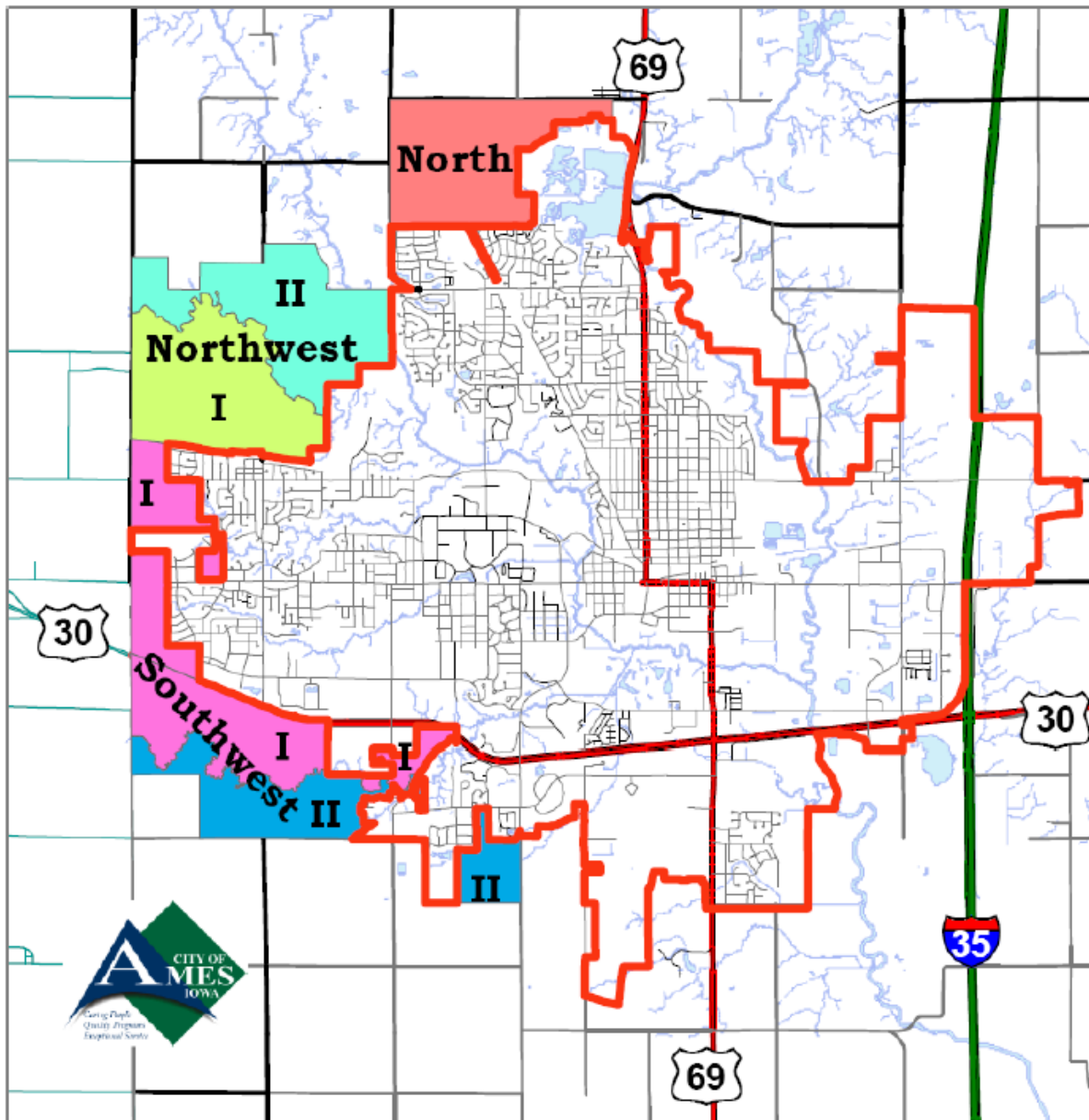
Attachment A: Location Map



**Attachment B: Ames Urban Fringe Plan
Land Use Designations**



**Attachment C: Allowable Growth Areas
(Excerpt from Land Use Policy Plan)**



Attachment D: Land Use Policies (Excerpts from Ames Urban Fringe Plan)

HIGHWAY-ORIENTED COMMERCIAL (HOC)

This designation applies to commercial land uses along arterial corridors that are primarily designed to accommodate the automobile. It is intended to provide for an orderly and efficient transition between existing or future urban areas and the rural, unincorporated areas.

HOC Policy 1: Highway-Oriented Commercial designation includes commercial uses that are more compatible with the characteristics of rural areas than with urban commercial corridors and centers.

HOC Policy 2: Strategically locate Highway-Oriented Commercial in targeted areas along high traffic transportation corridors. (Relates to RUTA Goal 3.2, 3.5)

HOC Policy 3: Give preference to clustering of uses in order to limit the short-term and long-term costs associated with infrastructure improvements and the distribution of public services. (Relates to RUTA Goal 3.2, 3.4)

HOC Policy 4: Require urban transportation infrastructure to meet the demands of high vehicular movement. (Relates to RUTA Goal 3.2, 3.3)

HOC Policy 5: Require full urban infrastructure standards under certain conditions such as location with respect to existing or planned urban infrastructure, intensity or size of development improvements, timing of development, development design, and commercial use, such as a restaurants, water intensive uses, or places designed for the gathering of people. Such urban infrastructure standards may include, but not be limited to, wastewater treatment and potable water distribution of sufficient size to support emergency services. If these improvements are not installed at the time of development, require infrastructure assessment agreements. (Relates to RUTA Goal 3.2, 3.3)

HOC Policy 6: Where the city does not require urban standards, require temporary common wastewater collection systems that meet IDNR and city specifications, and temporary common water distribution systems, such as wells or rural water services, that meet specifications of the City of Ames or City of Gilbert. Require agreements that if and when the property is annexed to a city, the land developer and/or landowner shall be responsible for the full cost of abandoning the rural systems and connecting to urban infrastructure. (Relates to RUTA Goal 3.2, 3.3)

HOC Policy 7: Make provisions to protect environmental resources, environmentally sensitive areas and adjacent Natural Areas. (Relates to RUTA Goal 3.4)

HOC Policy 8: Mitigate and manage stormwater run-off, soil erosion, and wastewater discharge according to IDNR, county and city standards. (Relates to RUTA Goal 3.4)

HOC Policy 9: Require annexation and development agreements to guide future transition of the subdivision/development into the City of Ames or City of Gilbert. (Relates to RUTA Goal 3.2)

URBAN RESIDENTIAL (UR)

This land use designation applies to areas reserved for future city growth. Residential land uses within Urban Residential designated areas are annexed and then developed at an urban density and with infrastructure and subdivision according to urban standards.

UR Policy 1: This land use designation includes residential use in "traditional" Village Residential Development with minimum average net density of 8 units per acre. It also includes conventional single-family/suburban residential development with minimum average net residential densities of 3.75 units per acre and conventional suburban/medium density residential development with minimum average net residential densities of 10 units per acre. When combined in a development or area, conventional suburban single-family and conventional suburban medium density residential developments should not exceed 5 dwelling units per net acre.

UR Policy 2: Require annexation by the city before land is developed or further subdivided.

UR Policy 3: Require urban infrastructure and subdivision standards, including urban right-of-way standards, urban street construction, urban sanitary and potable water systems and urban storm water management systems.

UR Policy 4: Require land development agreements with the city before land is developed or further subdivided.

UR Policy 5: Mitigate and manage stormwater run-off, soil erosion, and wastewater discharge according to IDNR and city standards.

CONVENIENCE COMMERCIAL NODE (CVCN)

Convenience Commercial Nodes represent areas for neighborhood scale commercial development for conventional suburban residential developments and support a population base of 2000 – 3000 persons within a one to two mile radius. Total land area of a Convenience Commercial Node is generally between one and ten acres. Land use and standards for building placement and materials, landscaping and screening, signage and lighting ensure compatibility between the commercial activity and adjacent residential land uses will be.

CVCN Policy 1: Require land uses that serve convenience and localized neighborhood needs and are functionally and aesthetically compatible with surrounding residential land uses.

CVCN Policy 2: Each commercial building can be no larger than 35,000 square feet, and is located within a cluster of other commercial land uses, which cannot exceed a total of 100,000 square feet.

CVCN Policy 3: Locate Convenience Commercial Nodes on streets of collector class or greater.

CVCN Policy 4: Require clustering of uses to limit the short-term and long-term costs associated with infrastructure improvements and the distribution of public services.

CVCN Policy 5: Require annexation by the city before land is developed or further subdivided. In some cases, depending on the initial square footage to be developed, type of commercial use, or timing of development, the City may determine that convenience commercial node is to be rural in character and may not be required to be annexed until some time after initial development.

CVCN Policy 6: Require urban infrastructure standards and subdivision standards, including urban right-of-way standards, urban street construction, urban sanitary and water systems and urban storm water management systems.

CVCN Policy 7: Where the city does not require annexation before development, require temporary common wastewater collection systems that meet IDNR and city specifications, and temporary common water distribution systems, such as wells or rural water services, that meet specifications of the City of Ames or City of Gilbert. Require agreements that if and when the property is annexed to a city, the land developer and/or landowner shall be responsible for the full cost of abandoning the rural systems and connecting to urban infrastructure.

CVCN Policy 8: Mitigate and manage stormwater run-off, soil erosion, and wastewater discharge according to IDNR, county and city standards.

CVCN Policy 9: Where the city does not require annexation, require annexation and development agreements to guide future transition of the subdivision/development into the City of Ames or City of Gilbert.

Attachment E: Applicant's Request

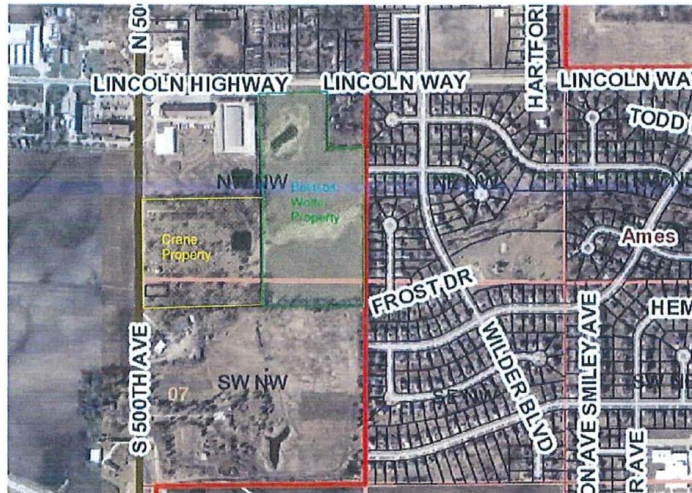
August 5, 2016

Honorable Mayor & City Council
City of Ames
515 Clark Avenue
Ames, Iowa 50010

RE: Request for a Council Action on Parcels in West Ames

Honorable Mayor & City Council:

Trinitas has acquired options to purchase two parcels for residential development in west Ames. The Crane and Beltsos/Wolfe properties are shown on the map below. The Crane parcel is 13+ acres (including County right of way) and the Beltsos/Wolfe property is 21 acres, for a total of approximately 39 acres.



Trinitas met with the Planning Director Kelly Diekmann on July 22nd and was advised that City Council action is required before these parcels can be annexed into the City of Ames for residential development. Trinitas is proposing a townhome/cottage style development in the area using the F-PRD zoning process at an FS-RL density level. In order to proceed with the annexation process Trinitas needs City Council to permit the following:

- Authorize City Staff to proceed with an amendment to the Ames Urban Fringe Joint and Cooperative Agreement (the "Plan") and the related Land Use Framework Map of the Plan to designate the parcels as being within the Urban Service Area.
- Authorize City Staff to initiate the annexation into the City of Ames, once the Plan is amended.
- Authorize consideration of an ordinance change to allow the "dwelling house"¹ as an allowable use in an F-PRD zone. This would allow for 4-5 bedroom units with unrelated tenants. The "dwelling house" is currently only allowed in the RM and RH zones.
- Authorize City Staff to proceed with a sanitary sewer analysis of the property to make sure there is sufficient capacity for the development's planned density.

¹ Section 29.201(60) of the Ames Municipal Code defines a "Dwelling House" as any building in an "RM" or "RH" district consisting of no more than one dwelling unit designed for and occupied exclusively by a single family, or by not more than one more person than the number of bedrooms, up to five people, provided there is one parking space per bedroom for units with two bedrooms or more, or in University Impacted areas 1.25 parking spaces per bedroom in units with two or more 4 bedrooms, and one bedroom units shall have 1.5 parking spaces per unit.

- Authorize City Staff to proceed with a traffic study, at the expense of Trinitas, with respect to the proposed development's impact on traffic in the area.

Trinitas is asking City Council to authorize proceeding with an amendment to the Plan to change the designation of the area adjacent to Lincoln Way on the Belitsos/Wolfe property from Highway Oriented Commercial ("HOC") within the Rural/Urban Transition Area to Urban Residential within the Urban Service Area. A strip of land adjacent to Lincoln Way is shown as HOC. Trinitas does not see a need for HOC in this area and, additionally, there is a wetland on that strip of land that severely limits any possible commercial development next to Lincoln Way. Furthermore, a commercial node is planned at the nearby intersection of Lincoln Way and 500th Avenue. There is sufficient HOC to serve the area.

Trinitas is planning for a mix of 1, 2, 3, 4 and 5 bedroom dwelling homes and duplex homes. Trinitas would prefer to rezone to F-PRD once annexation is complete. The residential densities planned for the parcel are appropriate for FS-RL zoning.

Trinitas is asking for change to allow the "dwelling house" in the F-PRD zone. The F-PRD process is at City Council's discretion and involves considerable planning with City Staff, Planning & Zoning review, and City Council approval of the site plan and architecture as part of the rezoning process. As such, the City will be able to exercise considerable control over the location of dwelling houses as part of the rezoning process. The F-PRD zone has the ability to assure adequate parking for the 4 and 5 bedroom dwellings.

Trinitas is also asking City Council to direct City Staff to begin the process to see if there is adequate sanitary sewer capacity to serve the development and to initiate a traffic study to determine the traffic impact of the development. Staff has informed Trinitas of the issue but would not proceed to study the issue unless directed by City Council.

Trinitas is looking to start construction of the project in Summer of 2017 with occupancy in August of 2018. In order to meet that schedule it is the desire of Trinitas that the Plan amendment be completed by the end of 2016, with annexation and the remaining action items to follow shortly thereafter and commence in the beginning of 2017. Annexation will be entirely voluntary and will not require any additional non-consenting parcels to be included in the annexation. Following annexation will be rezoning to F-PRD. The rezoning process is estimated to take 3-4 months which puts the construction start date at Summer 2017.

Trinitas is very interested in developing in Ames. After being turned down for development on S. 16th we asked City Staff for the best location for a Trinitas cottage style development, a product which will be new to Ames, and Trinitas was directed to the west Ames area. Fortunately for Trinitas we found property owners willing to sell in the area that City Staff felt appropriate for our development. We look forward to bringing our product to Ames in the near future.

Sincerely,



Travis J. Vencel

cc: Diane Voss, City Clerk
Kelly Diekmann, Director, Planning & Housing
Steve Schainker, City Manager