

Staff Report

URBAN REVITALIZATION TAX ABATEMENT FOR GREEK HOUSING

November 28, 2017

BACKGROUND:

Justin Dodge, representing the Greek Alumni Association, is asking to initiate a tax abatement program for new construction of Greek houses in the East University Urban Revitalization Area. The City Council appears to have directed staff to initiate such a change following the request of Sigma Chi in 2011, but no such changes were ever brought back to the City Council to approve. Another Greek House, Delta Tau Delta asked again in 2014 and the City Council declined to move forward at that time. This report is intended to provide background information on the East University Urban Revitalization program and seek direction from the City Council.

In 2006, the City Council created the Urban Revitalization Area for the East University Impacted Area. This area lies east of Campustown and south of Lincoln Way and is the home of many Greek houses. As an incentive to encourage and support adaptive reuse of Greek houses, property tax abatement was offered to Greek houses that made improvements that raised the assessed valuations of their buildings by 5 percent. The final criteria, as adopted in 2006, to receive tax abatement were:

- The building is an existing or former residence recognized by Iowa State University as part of the Greek residence system; and
- 70% of the area of existing walls of the structure will remain.

The City Council adopted the urban revitalization plan following the unanimous recommendation of the Planning and Zoning Commission and the Historic Preservation Commission.

On May 10, 2011, the Sigma Chi fraternity sought an allowance from the Zoning Code to demolish their building at 2136 Lincoln Way in order to construct a new chapter residence. At that same meeting, Sigma Chi asked for an amendment to the urban revitalization criteria that would allow them tax abatement for the construction of their new chapter house since the current standards allow abatement only if 70 percent of the existing exterior walls remain.

Minutes show that the demolition was approved by the City Council on a 6-0 vote. The City Council also approved a motion (5-1) to direct staff to amend the urban revitalization criteria “to support new construction in accordance with the following criteria: that the building is an existing or former residence recognized by Iowa State University as part of the Greek residence system; and that 70% of the area of existing exterior walls of the structure will remain.” **No follow-up to this outstanding council referral was made and no changes to the criteria were adopted.**

A review of the Council video of that meeting makes clear that the City Council wanted the Staff to bring back a proposal for the City Council to consider a new criterion of allowing for tax abatement for new construction of Greek houses in addition to retaining the existing criteria for renovations. The minutes, as read, do not appear to reflect that distinction.

In February 2014, Delta Tau Delta, at 2121 Sunset Drive, also sought demolition of their Greek house in order to construct a new house. The City Council granted that request (4-2) upon reviewing the required findings of hardship. **In September 2014, the Delta Tau Delta asked the City Council to amend the urban revitalization criteria to allow them to seek tax abatement for new construction. At the October 14 meeting, the City Council declined to direct staff to pursue this request (5-0-1).**

STAFF COMMENTS:

The East University Impacted Zoning Overlay and the Urban Revitalization Area were established to preserve the historic residences of the Greek neighborhoods. This is exemplified by the Zoning Ordinance (Section 29.1110) that prohibits demolition of structures that are or were Greek houses unless it can be established that no reasonable use can be made and that no alternative uses are feasible. To date, four requests for demolition of Greek houses have been submitted and approved by the City Council. All made findings that the City Council accepted of having economic hardships for the reuse of the existing Greek houses. Two of these, Sigma Chi and Delta Tau Delta, have completed the demolition and constructed new Greek houses on the same site. One, Acacia at 138 Gray Avenue, received approval of a site plan, but have not yet demolished and started construction. The fourth was a house owned by St. Thomas Aquinas that was last used as a Greek House in 1936. The church sought the demolition in order to construct a parking deck.

In order to receive tax abatement under the current urban revitalization criteria, a structure has to have been or is currently a Greek house and that any remodeling, reconstruction, or addition has to retain 70 percent of the area of the exterior walls. These criteria, in conjunction with the design standards of the East University Impacted Overlay District, have allowed several Greek houses to expand. Most of these expansions have not added significant numbers of beds, but have added mostly amenity spaces—meeting rooms, study areas, larger dining areas, or theater spaces.

At the time of the adoption of the urban revitalization criteria in 2006, the Council Action Form described the reaction of the Greek community to these criteria:

“Greek organizations support both the demolition provision and the Urban Revitalization Area as a single program to manage these resources in the East University Impacted Area. Together, these would help them preserve and update the Greek buildings and thus keep the Greek neighborhood intact. This incentive would also be available for interior renovation, such as is required to install fire sprinklers as long as the value of the improvement is more than 5% of the existing building value. Greek residents and alumni believe that without the support of tax abatement, the zoning provision that discourages demolition would harm the

Greek neighborhood, because it might prevent certain Greek chapters from continuing if they cannot afford to renovate their house.”

From this, it appears that the tax abatement was clearly tied to the desires of the City Council and the Greek community to retain the existing Greek houses and to encourage their renovation.

At this time, Sigma Chi and Delta Tau Delta, through Mr. Dodge representing the Greek Alumni Association, have resurrected their requests to seek tax abatement for their newly constructed Greek houses. Both these projects saw a significant increase in valuations in 2016. After speaking with the City Assessor, these two projects could still be eligible for some level of abatement if the City Council amends the criteria and they submit their application by February 1, 2018. The Iowa Administrative Code allows a project to seek tax abatement up to two years following completion of the project but they would forfeit the first two years of whatever abatement they were seeking (3 years at 100 percent or five and ten years at a sliding percent). After two years, the IAC precludes a property owner from seeking any abatement.

This request is being brought forward without an initial referral from the City Council for two reasons. The first is that it seeks to clarify and initiate direction already given by the City Council in 2011. The second is the time-sensitive nature of the tax abatement process. If the criteria are not amended and an application from the property owner is not received by February 1, 2018, the property will not be eligible for any abatement as more than two years will have passed since the new assessment of the completed project.

The video of the 2011 meeting makes clear that the City Council wished to consider a proposal to add “new construction of Greek houses” as an eligible criterion for tax abatement (and not the other two options presented by staff of offering abatement if the design of the new house exceeds the mandatory zoning standards or if the project adds a structured parking component). Staff cannot account for why this referral was not brought back or why Delta Tau Delta did not refer to it in 2014 when they, too, sought tax abatement. **In any case, staff supported the initial request to include new construction of Greek houses as eligible for tax abatement as an additional criterion in the East University Urban Revitalization Area.**

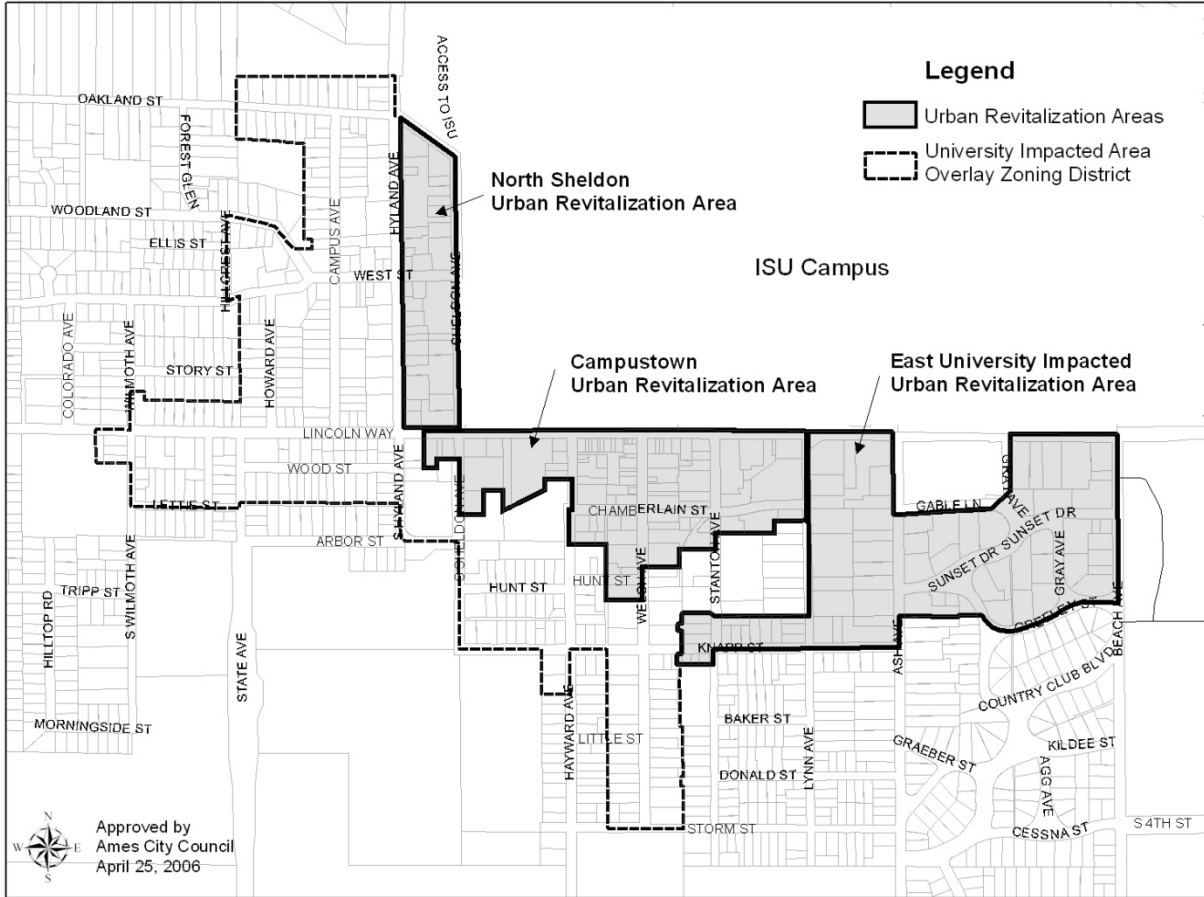
If the City Council concurs, staff will return to the City Council with a resolution amending the criteria in time for these two Greek houses to submit an application for tax abatement prior to the February 1, 2018, deadline.

Attachments:

1. East University Urban Revitalization Area
2. East University Urban Revitalization Criteria
3. East University Urban Revitalization Abatement Schedules
4. May 10, 2011 Staff Report of Tax Abatement for New Greek House
5. Minutes of May 10, 2011
6. Delta Tau Delta request of September 18, 2014
7. Minutes of October 14, 2014

EAST UNIVERSITY URBAN REVITALIZATION AREA

University Area Urban Revitalization Areas



EXISTING EAST UNIVERSITY URBAN REVITALIZATION CRITERIA

EAST UNIVERSITY IMPACTED

REQUIRED

Existing or former residence recognized by Iowa State University as part of the Greek Residence system.

AND

Seventy percent (70%) of the area of the existing exterior walls of the structure will remain.

NOTE: Sprinkler retrofit projects within this area qualify if all improvements add 5% or more to the actual value of the property.

EAST UNIVERSITY URBAN REVITALIZATION ABATEMENT SCHEDULES

All qualified real estate located in the designated Urban Revitalization Area is eligible to receive a partial exemption from taxation on the Actual Value added by the improvements as specified by the schedules below. Any qualified real estate may elect one of the three schedules.

The exemption period for ten (10) years. The amount of the partial exemption is equal to a percent of the Actual Value added by the improvements, determined as follows:

For the first year	80%
second	70%
third	60%
fourth	50%
fifth	40%
sixth	40%
seventh	30%
eighth	30%
ninth	20%
tenth	20%

The exemption period for five (5) years.

For the first year	100%
second	80%
third	60%
fourth	40%
fifth	20%

The exemption period for three (3) years. All qualified real estate is eligible to receive a 100% exemption on the Actual Value added by the improvements for each of the three years.

STAFF REPORT

TAX ABATEMENT FOR NEW GREEK HOUSE AT 2136 LINCOLN WAY

May 10, 2011

The Beta Omicron Chapter of Sigma Chi proposes to demolish their residence at 2136 Lincoln Way and build a new chapter residence at that location. The chapter seeks tax abatement for this project. (See attached letter.)

This property is located in the Greek house neighborhood south across Lincoln Way from the Iowa State University campus, within the East University Impacted Urban Revitalization Area (See Attachments A & B). Demolition of a Greek house in this location requires that the City Council determine that specific criteria are met, including economic hardship. A separate Council Action Form addresses an application to the Council for permission to demolish the existing Greek house in order to construct the proposed new residence. Generally, the applicant is making the case that the current building does not meet the needs of current students, that it is economically more feasible to build a new Greek house than to renovate the current house to meet these needs, and that donors will support new construction but will not support renovation adequately.

Setting a high standard for allowing demolition of Greek houses recognizes that the concentration of Greek houses makes this neighborhood distinctive from the other parts of the University Impacted Area and Ames. The East University Impacted Urban Revitalization Area provides partial property tax abatement as an incentive to encourage and support adaptive reuse of Greek houses. The abatement is available under the following criteria:

- The building is an existing or former residence recognized by Iowa State University as part of the Greek residence system; and,
- 70% of the area of existing exterior walls of the structure will remain.

This incentive is available for any improvement to a qualifying property that adds more than 5% of the existing building value. **Because City policy emphasizes preservation in the East University Impacted Area, tax abatement is not currently available for new construction.**

All of the City's Urban Revitalization Programs provide tax abatement under the common objective of helping development happen with qualities and characteristics that benefit the community and that may not be built without the tax abatement. With this overall objective in mind, the City Council could consider the following qualities and characteristics in order to offer tax abatement:

A. New Construction By Greek Organizations

The proposed new Greek house will be an attractive asset for one of the most important and attractive corridors in Ames that leads to Iowa State University. Even more important, approval of this project will allow this Greek chapter to help this neighborhood endure. City policies recognize that the Greek organizations are a major reason for some of the outstanding qualities of in this neighborhood. **The City Council can structure a tax abatement policy that would apply to new construction of residences by Greek organizations.**

B. Design That Exceed Mandatory Standards

The architecture of many buildings in the area are noteworthy because of building scale, stylized architecture, enduring materials, variety in form, richness of detail, and attractive front landscapes. The architectural design standards in the zoning ordinance for this area reflect these characteristics. The proposed plan for the building and site for the Sigma Chi chapter meets these design standards and in fact exceeds the standards in the following respects (See Attachment C):

- Building Materials: accents of stone and contrasting brick patterns,
- Building trim and detail materials: lintels, sills, finials and balustrades of cut stone or cast concrete
- Building Form: more variation in plane of facades
- Roof types: cascading roof forms, steeper pitch, greater variety in shapes, facing all directions
- Pedestrian entrance: cast accents around door, heavy wood door
- Windows: window proportions, segmented windows, true divided or leaded glass panes and stone or cast lintels

If the City Council concludes that the extent to which the proposed design exceeds the required design standards benefits the community, Council can structure a tax abatement policy to encourage design that exceeds the mandatory standards.

C. Providing Structured Parking

The need for parking in and around this neighborhood is an issue the City Council hears about frequently. It is especially challenging for new construction that must meet modern parking requirements on properties where this parking was never anticipated. In the case of the Sigma Chi chapter, a variance allowed front yard parking to accommodate the required parking. This approach will not always be adequate or appropriate on other properties. In other parts of the community, structured parking has been the best response and the City Council has offered tax abatement when parking structures are built, such as in Campustown. **The City Council can offer tax abatement for structured parking in the East University Impacted Urban Revitalization Area.**

STAFF COMMENTS:

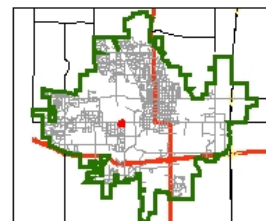
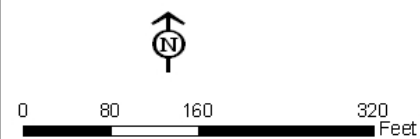
The current tax abatement policy promotes preservation of Greek houses. Staff believes that broadening this policy to include new construction of Greek houses could be warranted only if either combination of A and B or of A and C are offered. It appears that the Sigma Chi proposal meets criteria A and B. If the City Council would like to consider these criteria for tax abatement in the East University Impacted Urban Revitalization Area, it can direct staff to prepare a proposal to amend the tax abatement criteria to support new construction in accordance with the combination of criteria being proposed above.

S:\PLAN_SHR\Council Boards Commissions\CC\Urban Revite\University Impacted - East\2136-Lincoln-tax abatement - 05-10-11.doc

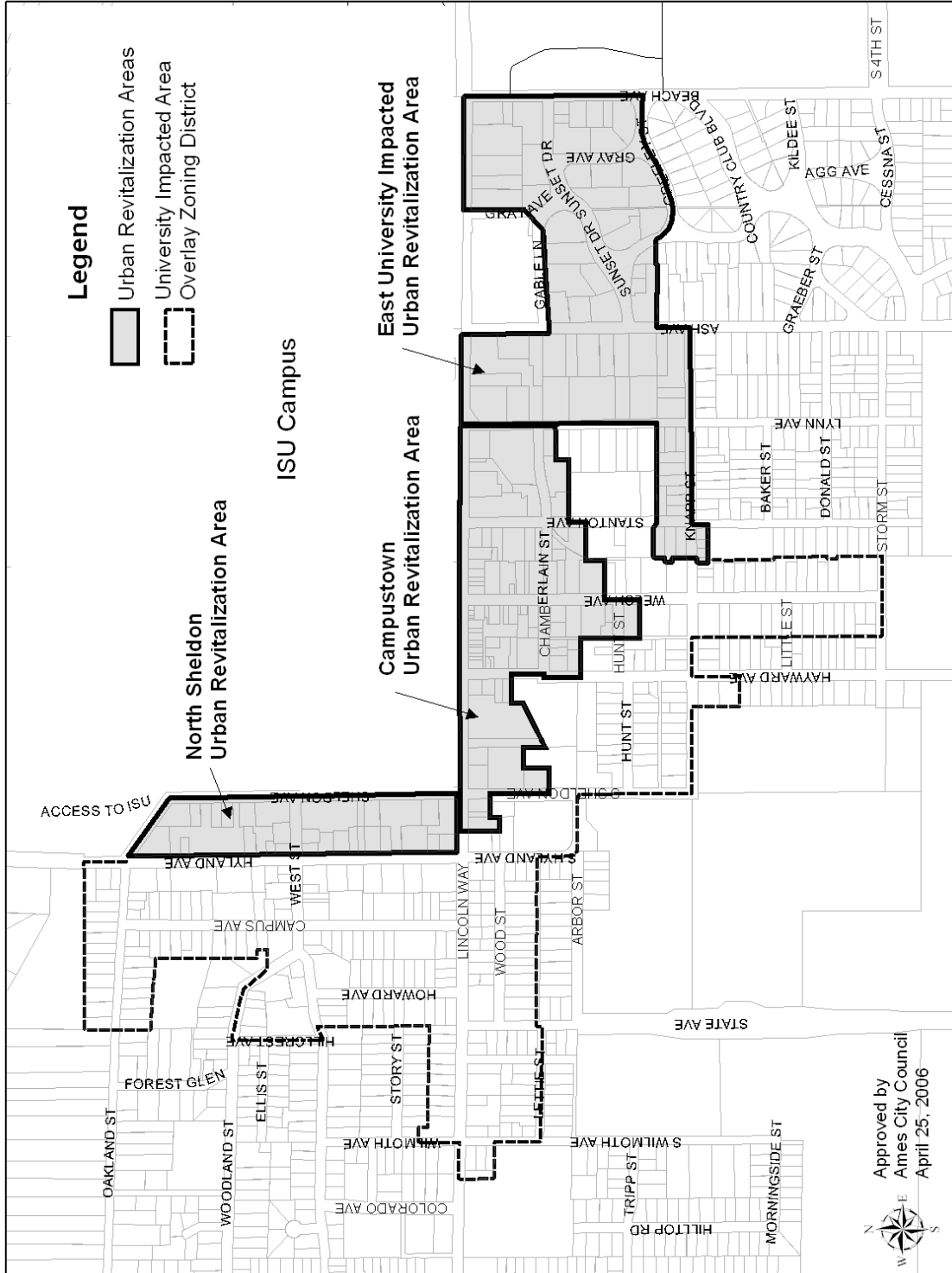
Attachment A



Location Map
2136 Lincoln Way



University Area Urban Revitalization Areas



Attachment C



Front Elevation
scale: 3/16" = 1'-0"

Attachment C



Side Elevation
scale: 3/16" = 1'-0"



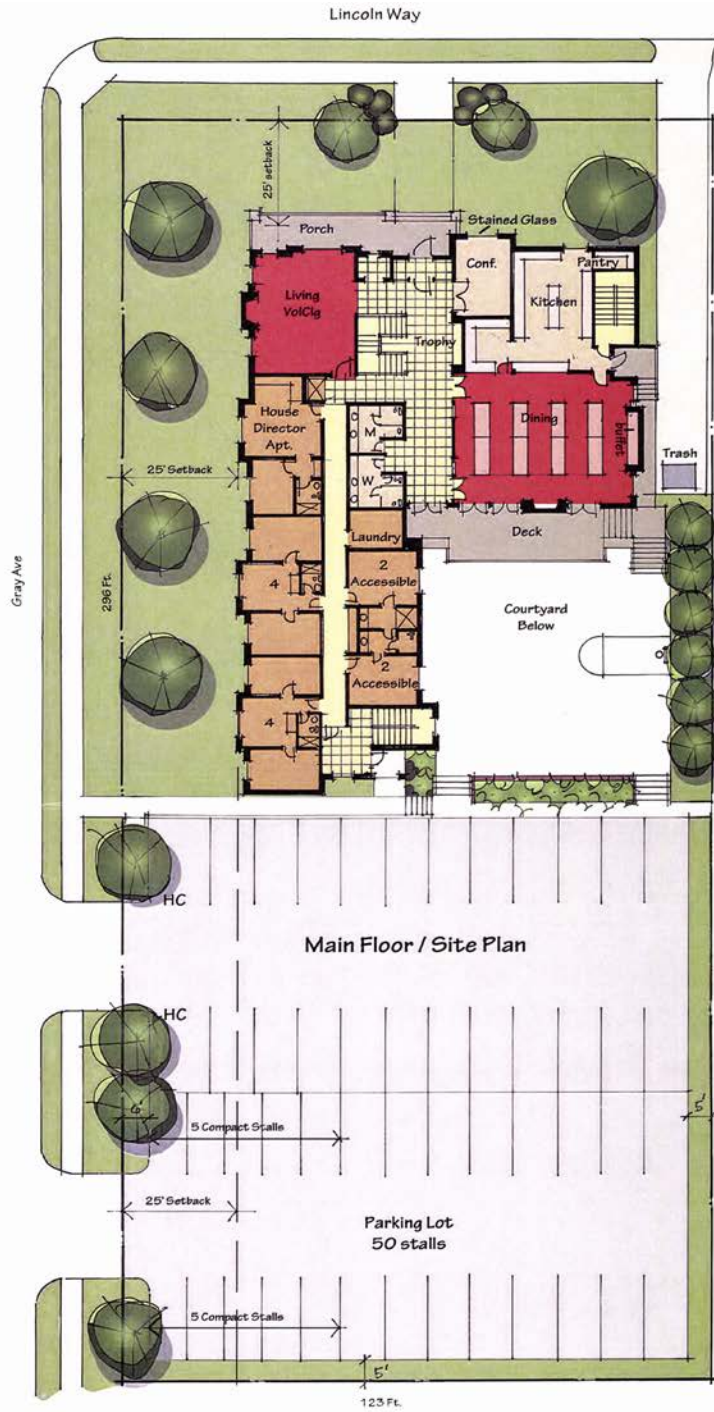
Sigma Chi Fraternity

Beta Omicron Chapter - Iowa State University - Ames, Iowa



04-11-11
© 2011 BSB Design, Inc.

Attachment C



RECEIVED
 APR 12 2011
 CITY OF AMES, IOWA
 DEPT. OF PLANNING & HOUSING

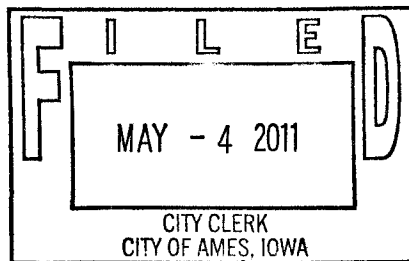


Schematic Design Sigma Chi Fraternity

Beta Omicron Chapter - Iowa State University - Ames, Iowa



April 11, 2011
 © 2011 BSB Design



*Pride in Our Past,
Securing Our Future*



Ames City Hall
P.O. Box 811
Ames, Iowa 50010

Honorable Mayor and Members of the City Council:

Subject: Request for consideration of tax abatement for new construction

The Sigma Chi Fraternity at 2136 Lincoln Way, Ames, Iowa is planning to construct a new Chapter House at the Lincoln Way location.

We are aware of a tax abatement program for renovation projects in the East University Impacted Area (O-UIE), East RH District of Ames. We understand that we do not qualify for this program under current rules because our project is new construction.

We would ask for consideration to participate in this program and would like to know what can be done to qualify. The start date for our project is approximately June 1, 2012 with completion in July 2013.

Sigma Chi has chosen to construct an entirely new Chapter House rather than renovate the existing structure for the following reasons:

- Cost - due to the age, condition and design of the current house a renovation would cost considerably more than new construction.
- The ability to provide exceptional quality, appearance and livability in a newly constructed house.
- The lack of financial support by Alumni for a renovation.
- Superior long term maintenance and operational aspects of a totally new design.

We believe that our new Chapter House accomplishes the following which are in line with the best interests of the City of Ames and Iowa State University.

- A Greek residence will remain on this prominent site thus helping to maintain the character of the area.
- The building will be of the highest quality construction and design which will improve the appearance of this very visible gateway area.
- The building will have a much higher valuation than a typical Greek house.
- The Sigma Chi fraternity will set a new high standard of quality for the Greek system.

We respectfully ask for your consideration in this matter. Our goal in this project is to develop a top flight product that has long term financial stability. We sincerely believe that this new Chapter House for the Sigma Chi fraternity is of considerable benefit to the Ames community and to Iowa State University.

Respectfully,

Rick Burnett Corporation Board Member-at-Large on behalf of Jon Hall

Jon Hall
Corporation Board President
Beta Omicron Chapter
Sigma Chi

Beta Omicron Chapter of Sigma Chi Fraternity
P.O. Box 396 • Ankeny, IA 50021

**MINUTES OF THE JOINT MEETING OF THE AMES CITY COUNCIL AND THE
HUMAN RELATIONS COMMISSION, AND
REGULAR MEETING OF THE AMES CITY COUNCIL**

AMES, IOWA

MAY 10, 2011

Excerpt

DEMOLITION OF SIGMA CHI HOUSE AT 2136 LINCOLN WAY: Planner Benson explained that the property is located in the Greek house neighborhood south across Lincoln Way from the Iowa State University (ISU) campus on the southeast corner of Lincoln Way and Gray Avenue. This property is owned by the Beta Omicron Chapter of Sigma Chi. The Sigma Chi Fraternity house was built in 1964. This area has a special zoning classification because of the concentration of Greek houses and because of the architecture of those houses in the neighborhood. Therefore, the *Municipal Code* requires the Council to approve any demolition of an existing or former Greek house in the East University-Impacted Area. The purpose of the strict demolition standards in this district is to assure "...architectural compatibility with the valued characteristics of existing structures and landscapes, such as location, height, materials, and the appearance of variety of forms and of architectural styles..." Therefore, demolition of existing (Greek) structures is prohibited unless "the structure cannot be used for the original intended purpose and/or no alternative reasonable use can be identified and the property owner can show evidence that an economic hardship will be created if the structure cannot be removed."

Mr. Benson reported that the applicant proposed to demolish the existing Greek house and construct a new one. The applicant provided a "case for economic hardship" that explains the background and reasons for the proposed project. Generally, the applicant is making the case that the current building does not meet the needs of current students, that it is economically more feasible to build a new Greek house than to renovate the current house to meet these needs, and that donors will support new construction but will not adequately support renovation. Planner Benson explained that the key element in the application for "economic hardship" is the number of people that have to live there to sustain a chapter house. There are expenses, and the house has to have enough residents (at a charged rate) to sustain the house. The Sigma Chi Chapter is at a point that it can no longer be sustained with the number of people living in the house. The house no longer meets the needs of the students living there. Mr. Benson indicated that according to the architect's proposal, it would cost \$2.6 million to renovate the house. To construct a new building would cost about \$2.5 million. A brand new facility with all of the new amenities would attract more students, and throughout the Chapter, there is much more support for the new construction proposal.

Mr. Benson pointed out that the Sigma Chi Chapter would have to meet all of the standards of the East University-Impacted Overlay District and City staff's evaluation of the design. Since the Chapter hasn't gotten permission to demolish the house, site and architectural plans haven't been fully developed. This will be a condition, subject to the City Council's approval. He further noted that a variance from the Zoning Board of Adjustment was received to the existing parking. The parking capacity for the house will be 50. Mr. Benson said that approval of the demolition should be conditional upon receiving the Minor Site Development Plan along with submittal of complete plans for a building permit application.

Doug Sharpe, managing partner with BSB Design, reported that the existing building was built

in the 1960s, and that it is in a significant location along Lincoln Way, which is the entry into the “Greek community.” He explained more details of the new Greek house. Mr. Sharpe stated that the Chapter is asking for the opportunity to “raise the bar” for the Greek community and improve its property. He advised that this will also solidify the standing of the Sigma Chi Fraternity.

Moved by Larson, seconded by Davis, to adopt RESOLUTION NO. 11-232 approving the demolition of the Greek residence at 2136 Lincoln Way provided the following conditions are met before the demolition permit is issued: a) a Minor Site Development Plan is approved by the Planning and Housing Department; b) submittal of complete plans for a building permit application consistent with the building elevations reflected on the schematic design of the Sigma Chi Fraternity and with any applicable design standards; and, c) proof of financing for the building as reflected on the schematic design of the Sigma Chi Fraternity is approved by the City Attorney.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these minutes.

TAX ABATEMENT FOR NEW SIGMA CHI HOUSE AT 2136 LINCOLN WAY: City Planner Jeff Benson reported that the Beta Omicron Chapter of Sigma Chi proposes to build a new chapter residence at the 2136 Lincoln Way location, and the chapter seeks tax abatement for this project. Generally, the applicant is making the case that the current building does not meet the needs of current students, that it is economically more feasible to build a new Greek house than to renovate the current house to meet these needs, and that donors will support new construction, but will not support renovation adequately.

Setting a high standard for allowing demolition of Greek houses recognizes that the concentration of Greek houses makes the neighborhood distinctive from other parts of the University-Impacted Area. The East University-Impacted Urban Revitalization Area provides partial property tax abatement as an incentive to encourage and support adaptive reuse of Greek houses. This incentive is available for any improvement to a qualifying property that adds more than 5% of the existing building value, but because City policy emphasizes preservation in the East University-Impacted Area, tax abatement is not currently available for new construction. Mr. Benson stated that the reasoning behind this is to be consistent with the City’s goals and policies for this area, in that it is a Greek neighborhood. It is a benefit to the community to have a Greek house remain in the neighborhood rather than having the property turn over to some other use. He said that by approving the tax abatement, it would be done as an incentive to keep the Greek Chapter at its current location. Through the City’s various tax abatement programs around the community, staff tries to focus incentivizing qualities that projects would not have otherwise. If the City finds that individuals are building “quality” into a project above and beyond what is required by *Code*, that would be a basis for tax abatement incentives. If the design proposed exceeds the minimum standards to a certain level, that would be incentivized through tax abatement. Mr. Benson further indicated that if parking is provided through a parking structure, as is done throughout Campustown, and if a party performs a development that adheres to the *Code* and provides the required parking in a “structure,” tax abatement can also be provided in these situations.

Council Member Larson asked if the current facility has installed a sprinkler system yet. It was reported that the system was installed back in 1994. He said that this project would be worthy of a tax abatement. He said that the assessed value for property taxes will bring a much more attractive facility to the area.

Moved by Larson, seconded by Mahayni, directing staff to prepare a proposal to amend the tax abatement criteria to support new construction in accordance with the following criteria: that the building is an existing or former residence recognized by Iowa State University as part of the Greek residence system; and, that 70% of the area of existing exterior walls of the structure will remain.

Council Member Wacha advised that tax abatement is in place for the renovation of existing buildings. He said that this is the new construction of the fraternity and that it goes above and beyond the minimum standards. Council Member Wacha stated that he didn't like setting a precedent that would allow tax payers money to pay for that "above and beyond" use.

Council Member Goodman said that he was not a strong supporter of tax abatement in most situations. However, it comes down to whether or not there is an appreciable community benefit to the subsidy. In this case, he feels that there is.

Vote on Motion: 5-1. Voting Aye: Davis, Goodman, Larson, Mahayni, Orazem. Voting Nay: Wacha. Motion declared carried.

* * *

COUNCIL COMMENTS: Council Member Larson requested that staff update the Council on the proposed Flood Buy-Out through the Hazard Mitigation Grant Program. City Manager Schainker indicated that it could be placed on the Council's next agenda.

Moved by Larson, seconded by Wacha, to refer to staff the letter from the Ames Chamber of Commerce and the Ames Economic Development Commission regarding infrastructure costs associated with annexation of approximately 630 acres of property along East Lincoln Way.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Wacha, seconded by Goodman, to refer to staff the letter from Manatt's, Inc., regarding the portable concrete plant located at the Cyclone Truck Stop (1811 South Dayton Avenue).

Vote on Motion: 6-0. Motion declared carried unanimously.

Mayor Campbell reported that County Auditor Lucy Martin is willing to speak to the Council about the City's redistricting since the Census. The Council is interested in hearing her report.

ADJOURNMENT: Moved by Davis to adjourn the meeting at 10:21 p.m.

Diane R. Voss, City Clerk

Ann H. Campbell, Mayor

Jill L. Ripperger, Recording Secretary



Gamma Pi of Delta Tau Delta Inc.

September 18, 2014

Honorable Mayor and Honorable Members
of the Ames City Council
City of Ames
Room 238, City Hall
515 Clark Ave.
Ames, IA 50014

CITY MANAGER'S OFFICE

SEP 22 2014

CITY OF AMES, IOWA

Re: Request for Tax Abatement at 2121 Sunset Drive

Dear Mayor and Council Members:

The Delta Tau Delta fraternity building is located at 2121 Sunset Drive and located in the East University Impacted Area and the Historic Greek Neighborhood. Over the last 9-months we have been working with the Ames Planning and Zoning department to finalize the site plan for a new structure as well as parking variances to comply with current zoning requirements. The site plan was approved and the zoning variances have been granted. We received approval from the City Council in February 2014 to demolish the existing building structure and construct a new building for the fraternity on the same site. The demolition was completed in July/August of this year and construction of the new building has begun. In consideration of the substantial investment in the new building, we are requesting a property tax abatement be granted for the new building.

Guided by the Land Use Policy Plan (LUPP) and subarea plan for the University Impacted Area (UIA), we are submitting this request to establish new criteria to help support our project, and possibly support other Greek housing corporations that might invest in remodeling of existing structures or construct entirely new structures. The UIA calls out for the City to support investments that preserve or enhance the neighborhood through property tax abatement (Page 8, UIA, 2005). See attached letter and supporting pages from the LUPP and UIA. The current version of the plan for the Historic Greek neighborhood grants consideration of tax abatement only for remodeling of existing structures.

In 2012, the Gamma Pi of Delta Tau Delta house corporation conducted a feasibility study with RDG Planning and Design in Ames on options for either an extensive remodeling of our existing 1952 building or starting over with a completely new building on the same site. That analysis led us to a decision for demolition of the existing structure and constructing a new building as the most economic viable alternative. The Gamma Pi Chapter of Delta Tau Delta was the first fraternity on the Iowa State campus in 1875 and we've had a continuous presence on campus since 1911. Our current building housed 56 students and the new building will house 64. We had made substantial investments in the

existing structure since 1952, including a major addition in 1971, additional internal remodeling in 1990-1994, and the addition of full facility fire sprinkling in 2007-2008. However, when considering current building codes, a remodel of the existing structure was going to be cost prohibitive when compared with a new structure. The new building will be 100% compliant with the current building code (IBC 2012) and will also be 100% ADA compliant.

We do understand the current policy in effect (Page 6 – East UIA Revialilization Plan) limits tax abatement for situations in which:

- a. Existing or former residences recognized by Iowa State University as part of the Greek Residence system.
AND
- b. Seventy percent (70%) of the area of the existing exterior walls of the structure will remain.

In our case, we are replacing an older fraternity structure with a new fraternity structure on the same site. The old structure no longer met the architectural standards for the East University Impacted Area and the cost to bring it into compliance as well as configuring the old building with an extensive remodel to meet current building codes was not economically feasible. An extensive remodel would also been very difficult from a structural perspective and leaving 70% of the 1951 original structure and 1971 addition in place would limit future programmatic use in the building. A copy of the current application packet for the “University Area Urban Revitalization Program” is enclosed as a point of reference for this letter. Under the current criteria, as noted above, our current project would not meet the criteria for consideration of a tax abatement.

A building permit for the new structure has been granted and, as noted above, construction of the new building has begun. The building will be complete and ready for occupancy by August 1, 2015. The new building has been designed in accordance with the architectural and site development standards established for the East University Impacted Area. We realize the timeline for consideration of a tax abatement might take 4-5 months and we are asking for your consideration in the last part of this year.

We are requesting your consideration of an abatement schedule similar to what is currently in place for the East University Impacted Area. A tax abatement in the early years of our project will provide a financial buffer for the annual operations of the facility during the time the remainder of the capital campaign contributions from alumni are received. The total construction cost for the project is \$6.3 million, not including soft costs for engineering and architectural.

The new building will be a great addition to the Greek neighborhood and a great facility for the young men who will reside there over the next 80-years. A set of before and after illustrations are enclosed with this letter.

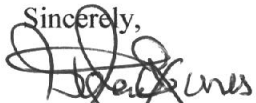
My contact information, as well as our corporate address, are included below.

Stephen E. Jones, P.E.
President, Gamma Pi Delta Tau Delta Inc.
30530 Doe Circle
Huxley, IA 50124
515-450-0311; sejones@iastate.edu

Charles Safris
Gamma Pi Delta Tau Delta, Inc. (corporate address)
4107 Greenview
Urbandale, IA 50322
515-276-2996; safris@mac.com

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen E. Jones". The signature is written in a cursive style with some loops and flourishes.

Stephen E. Jones, P.E.
President
Gamma Pi of Delta Tau Delta, Inc.

Enclosure: Sub-area Plan for the University Impacted Area.

cc: Steve Schainker, City Manager, City of Ames



New Delta Tau Delta building (view to north from Sunset Drive)



Current Delta Tau Delta building (view to north from Sunset Drive)



New Delta Tau Building (view to south from Gable Lane)



Current Delta Tau Building (view to south from Gable Lane)

**MINUTES OF THE JOINT MEETING OF THE AMES CITY COUNCIL
AND ELECTRIC UTILITY OPERATIONS REVIEW & ADVISORY BOARD
AND REGULAR MEETING OF THE AMES CITY COUNCIL**

AMES, IOWA

OCTOBER 14, 2014

Excerpt

COUNCIL COMMENTS: ...

Moved by Goodman, seconded by Corrieri, to direct staff to respond to Gamma Pi of Delta Tau Delta, Inc., to convey that the City Council is not interested in pursuing a tax abatement program for new construction.

Vote on Motion: 5-0-1. Voting aye: Betcher, Corrieri, Gartin, Goodman, Orazem. Voting nay: None. Abstaining due to a conflict of interest: Nelson. Motion declared carried.

Moved by Gartin, seconded by Nelson, to refer to staff the letter from Heartland Baptist Church to start the process for a text amendment for steeple height.

Vote on Motion: 4-2. Voting aye: Betcher, Gartin, Nelson, Orazem. Voting nay: Corrieri, Goodman. Motion declared carried.

Moved by Gartin, seconded by Corrieri, to refer to staff to defer the request to change the LUPP for Eastgate (Dayton/E. 13th Street) for discussion at a later date.

Vote on Motion: 6-0. Motion declared carried unanimously.

ADJOURNMENT: Moved by Orazem to adjourn the meeting at 11:20 p.m.

Diane Voss, City Clerk

Ann H. Campbell, Mayor