

Staff Report

**Request for Urban Revitalization Area Designation
127, 121 and 115 Dotson Drive**

July 31, 2018

BACKGROUND:

Hendra Hardi has made an inquiry as to whether the City Council would consider creating an Urban Revitalization Area (URA) for his Highway Oriented Commercial (HOC) zoned properties along Dotson Drive (see attached map). His initial request was via an email dated June 6th (Attachment A). Mr. Hardi desires to redevelop the 0.81 acre site with a new multi-tenant commercial building. Mr. Hardi is interested in a preliminary finding of eligibility for creating a commercial URA. The property at 127 Dotson Drive currently contains an 1,844 square foot single story building constructed in 1973. The properties at 115 and 121 Dotson are vacant. The property is located inside the boundaries of the Lincoln Way Corridor Plan area. The site is located south of Lincoln Way on the west side of Dotson Drive.

The City currently has a policy for considering establishing new commercial URAs. The policy includes mandatory criteria for eligibility, which are partially met by the applicant (Attachment B). Mr. Hardi describes that two of the three properties have been vacant for over seven years, while the third currently contains a building with an operating restaurant.

Even if a project meets the prerequisites, City Council is not obligated to create a URA and has discretion on what qualifying criteria would apply to an eligible project at the time of establishment of a URA. The City has not commonly created commercial URAs without a demonstrated impediment to development or a City specified desired type of development. In this area, the City Council established a URA for the Walnut Ridge Mixed-Use project based upon removal of former mobile home park and specific design criteria and secondly created a URA for the Aspen Heights Apartments and Mixed-Use development with specific design criteria.

The subject site is located within the boundaries of the Westside Retail Focus Area of the Lincoln Way Corridor Plan. The Plan includes objectives supporting commercial redevelopment of underutilized properties to serve the west Ames area with select areas for potential multi-family redevelopment. The current HOC zoning allows for a diverse set of uses including, restaurants, offices, retail, and service uses. The Plan does not specify a desire for specific uses in this area due to the wide range of property types and commercial opportunities that exist in the area. The design goals for the area are to promote pedestrian oriented design features along the corridor with mobility enhancements. This particular site on Dotson does not have any specific streetscape or transportation enhancements identified for it within the Plan. Incentives for redevelopment have not been discussed or prioritized for this area within the context of the Corridor Plan.

OPTIONS:

If the City Council indicates an interest in creating a URA it can proceed with one of two options:

OPTION #1. PROPERTY OWNER APPLICATION FOR A COMMERCIAL URBAN REVITALIZATION AREA

The City's policy for a commercial URA outlines a requirement that a property owner file an application for consideration by the City Council based upon the current Commercial URA policies. The property owner would include a site plan and building plans with the application for the Council to consider establishing a URA. At the time of the application, City Council would then determine if the project was consistent with City goals for revitalization and what, if any, specific qualifying criteria would apply. **However, it would be beneficial to Mr. Hardi if City Council could indicate an interest in supporting the interpretation of his site meeting the current criteria before proceeding with a site plan.**

OPTION #2. CITY INITIATED URA WITH PREDEFINED ELIGIBILITY CRITERIA

If the City Council is interested in establishing pre-defined incentives for redevelopment the City Council could initiate creation of a URA for this area that may benefit Mr. Hardi's property on Dotson. This approach would require City Council to prioritize a review of the area and define the needs for revitalization and what criteria are desirable for revitalization. Currently there are no defined objectives for the area other than support of commercial zoning for redevelopment.

STAFF COMMENTS:

At this time the City has not established a specific policy or goals for incenting revitalization in this area. The current commercial policy does apply to HOC land in the area, but does not fully address the property owner's situation of a partially vacant site.

Creating a URA for the overall area, Option 2, is a moderate to high level of staff time to review development priorities with Council and to establish criteria. Such an undertaking would need to be prioritized with other referrals. This type of project may not get completed this fall and meet the interests of the requesting property owner as it would be focused on priorities for the overall area rather than one site.

Establishing a site specific URA, Option 1, could be a low to moderate level of staff time depending on Council's interests in specific criteria and review of a plan for the site. This option would take less time than an overall area option, but may still need to be prioritized as a project for this fall to meet the property owner's interest to look at developing this fall.



Location Map- 115-127 Dotson



Attachment A-Email Request for URA Designation

Good morning, Diane Voss,
Charles Kuester and John Hall has been very kind to suggest that I could submit my request for your consideration in establishing an urban revitalization plan with 10 years tax abatement program, for a piece of land waiting to be redeveloped.

The land property consists of three parcels, as follows,

- 1) **121 Dotson**, (HOC zone), with the building demolished in December of 2009, recorded and photographed on 17th of February, 2010.
 - = **0.2641 acre (11,502 Sq Ft) (land)**
 - = **\$ 51,750.00 (net taxable value)**
 - = **\$ 1,182.00 (net taxes yearly)**
- 2) **115 Dotson**, (HOC zone) has always been vacant and had served as driveway to the demolished building.
 - = **0.2135 acre (9,300 Sq Ft) (land)**
 - = **\$ 75,330.00 (net taxable value)**
 - = **\$ 1,720.00 (net taxes yearly)**
- 3) **127 Dotson**, (HOC zone) current tenant Indian Delight restaurant agreeing for early lease termination.
 - = **0.3444 acre (15,000 Sq Ft) (land)**
 - = **Building (1,844 Sq Ft)**
 - = **\$ 189,090.00 (net taxable value)**
 - = **\$ 4,316.00 (net taxes yearly)**

Based on the Urban Revitalization Redevelopment Criteria, it looks like

A) 121 Dotson parcel (meets the criteria)

B) 115 Dotson (meets the criteria but needs your final judgement and verification)

** as it has been the live line for and the only entrance to 121 Dotson parcel.

** Please pardon me for my English and explanation, technically, 121 and 115 Dotson has been living in common law marriage, and assuming common recognition and understanding in Ames community.

C) 127 Dotson parcel,

** If possible, I'd like to appeal for your special consideration to include 127 Dotson parcel in an urban revitalization plan and as a package deal, so that

I could proceed to plan out a build-up of ~7000-8000 Sq Ft of quality strip stores (~4-6 units).

** Your approval would definitely add tremendous and inviting dynamic to the surrounding area.

** Your approval of tax abatement in the revitalization plan, would definitely help providing incentives to retain all potential small business tenants.

** With continual rising construction cost, your approval would definitely provide me, as a small businessman, some leverage to compete with bigger developers.

After consulting with a Banker about a loan for strip stores build-up, I have been encouraged to take out a loan of \$1,200,000.00, for the project.

I hope and pray that the opportunity to develop the land and to contribute to the City of Ames would be just as a great news for you and me in the many year to come.

Wish you the best of Year 2018.

Thank your so much in advance for all your efforts, time and consideration for my special request.

Looking forward to hearing from you soon.

Respectfully,
Hendra Hardi and Chenchen Hartono
(515-289-9089).(jsastore@yahoo.com)

Attachment B – Commercial Criteria

URBAN REVITALIZATION HIGHWAY ORIENTED COMMERCIAL (HOC) REDEVELOPMENT CRITERIA

Properties eligible for tax abatement must be within the Highway-Oriented Commercial zoning district, and also fit within one or more criteria.

1. Properties from which the principal building has been removed and the property has been vacant for at least seven years.
2. Properties with a principal building that has been determined by the Building Official as meeting the definition of “Public Nuisance” in the Ames *Municipal Code*, Chapter 5, “Building, Electrical, Mechanical and Plumbing Code” (Currently Section 5.401(7)).
3. Development or redevelopment of Brown Fields. Brown Fields include abandoned or underused industrial and commercial facilities or sites available for re-use or redevelopment. Expansion or redevelopment of such a facility or site is complicated by environmental contaminations.
4. Properties with at least 20% of the property area being within 1,000 feet of a City of Ames water well and within the Floodway-Fringe Overlay zoning district. The Developer must demonstrate that the proposed project cannot be configured or designed in a manner to avoid significant extra impact to the project because of its location near a City well head.

Non-qualifying Uses. Notwithstanding compliance under the above categories, tax abatement shall not be granted for properties developed for or otherwise used for the following uses:

1. Mini-storage warehouse facilities or other industrial uses.
2. Transportation, communications, and utility uses.
3. Institutional uses.
4. Automotive, boat, and/or RV sales.
5. Adult entertainment businesses.
6. Detention facilities.
7. Agricultural or industrial equipment sales.