

Staff Report

Council Referral of Request from Mays and from Others Being Annexed for Reduced Fees for Future Connection to City Water and Sanitary Sewer Services

January 18, 2019

BACKGROUND

Steve Burgason, representing the interests of a number of property owners considering participating in an annexation request between Cedar Lane and University Boulevard, requested that City Council consider creating a pre-annexation agreement to encourage voluntary annexation. (Attachment A-Location Map, B-Email) Mr. Burgason has referenced the “Frame” pre-annexation agreement as a model to entice voluntary participation in an annexation as was done for the property owners in North Ames along Hyde Avenue (formerly Grant Avenue) in 2013.

The City has no current policy regarding pre-annexation agreements to encourage voluntary annexation. The Hyde Avenue annexation was a complicated annexation due to individually negotiated developer agreements for street assessments and connection districts for water and sewer with developers and the existence of smaller existing parcels with homes that impacted the amount of territory that could be annexed. The City Council directed staff to reach out to existing homeowners along Hyde Avenue in 2013 to encourage their voluntary annexation in combination with the large Friedrich and Hunziker controlled parcels to try and complete a holistic annexation rather than piecemeal. Ultimately, only one property owner, the Frame’s, voluntarily annexed in conjunction with the larger development parcels.

The Hyde Avenue pre-annexation agreement for existing homeowners addressed four primary issues.

1. Water

- A. At the time of the property owners choosing, a single connection to City water to serve an existing home at a one-time reduced frontage calculation based upon a typical urban lot frontage of 80 feet regardless of the actual frontage. (Currently the rate is \$20.00 per linear foot) All hook up costs were the responsibility of the property owner. At the time of any future development, the remainder of the property would be subject to established connection fees.
- B. If a property owner was subject to the requirements of Rural Water, the property owner must obtain approval of the transfer of service rights to the City prior to connecting.

2. Sanitary Sewer

- A. At the time of the property owners choosing, a single connection to City sanitary sewer to serve an existing home at a one-time reduced frontage calculation based upon a typical urban lot frontage of 80 feet regardless of the actual frontage. (Currently the rate is \$20.00 per linear foot) All hook up costs were the responsibility of the property owner. At the time of any future development, the remainder of the property would be subject to established connection fees.

3. Street Paving

- A. The City agreed to not special assess existing homeowners for planned Hyde Avenue improvements. Note that the primary developers in the area had already negotiated with the City on how to distribute the costs of the street improvements. Any other future traffic improvements needed as a result of their development were the requirement of the property owner.

4. Easements

- A. The property owner would provide to the City any needed temporary or permanent easements related to road, water, and sewer improvements. The City would bear the cost related to surveying, construction, and restoration.

STAFF COMMENTS:

The Frame agreement provides an example of minor concessions related to existing homes entering the City voluntarily. **The agreement does not address in detail obligations that a developer would assume for the development of the property, nor do the agreements address zoning and subdivision standards.** The deferred revenue of a limited connection fee is not significant to the City as there is no anticipated income from this area. The City would potentially benefit from the agreement in helping to facilitate a more complete annexation that helps create logical boundaries and could assist in the deployment of infrastructure with the easement provisions of the agreement.

If the City Council is interested in facilitating the request of Mr. Burgason it would choose to place this item on agenda for discussion and to provide direction to staff on drafting a pre-annexation agreement for existing homeowners.

If City Council is not interested in this issue at this time, no action is needed and Mr. Burgason could still proceed with forming an annexation application for review by the City.