Staff Report

## OVERVIEW OF AMES' URBAN REVITALIZATION PROGRAM

August 25, 2020

## BACKGROUND:

The City Council included a review of the established Urban Revitalization Areas (URA) and Programs in the Planning Division Workplan so that the Council may determine if any adjustments are needed to meet their current goals. City Council also directed staff to prepare options to revise the University Area URA in relation to construction of new Greek houses.

The Urban Revitalization Areas are allowed by Iowa Code Chapter 404 as a means to encourage reinvestment, removal of "blight", or for economic development by allowing a City to grant partial property tax abatement for new improvements to qualified real estate. Tax abatement is the elimination of property taxes, both the general levies and debt service, for all taxing entities related to the increased value of the project as a result of new improvements. The base value of the property before improvements and related taxes are not abated. The value of property tax abatements can be as much as 100% of the increased value or a set schedule of reduced percentages as defined by the Code of Iowa and approved by the City Council.

The City also has established Programs that describe under what circumstances the City Council would consider creating a formal URA. The Programs do not in and of themselves establish property tax abatement incentives, they are only policies intended to guide consideration of a specific request to create a URA. The Addendum includes information regarding each current Program.

Since 1981, the City has been administering the Urban Revitalization Area (URA) Program as allowed under Code of Iowa Section 404.2(2). The URA program initially occurred with the designation of <u>five</u> URAs that contained blighted and under-utilized conditions. An in-depth review of the URA Program in 1998 resulted in the City Council phasing out most of the URAs that existed at that time in order to gain more control over the tax incentive that was given for new development. Several transitional URA areas were established at that time to allow for the continuation of tax abatement for existing projects. City Council also established new URAs as a result of the comprehensive review. Additional changes have occurred since then on a case-by-case basis. The Addendum includes additional details on current URAs, including eligibility criteria, area maps, and the applicable value-added increase approved at time of adoption.

## PROGRAM AREA OBJECTIVES:

By individual resolutions the City Council approve "Programs" that identified City priorities that would support creating a Revitalization Area upon request. These Programs are nonbinding for creating Revitalization Areas and granting tax abatement. Currently the City has four Program areas.

- Commercial Urban Revitalization Program in HOC Zoning
- Roosevelt School Area Urban Revitalization Program
- SE 16th St Commercial Urban Revitalization Program
- University Impacted Area West Program

## URBAN REVITALIZATION AREAS:

In accordance with Chapter 404 of the Code of Iowa, the City Council has established multiple Urban Revitalization Areas (URAs). Urban Revitalization Areas may be established when an area meets one or more of the following criteria as established by the State:

- Conditions exist that are detrimental to the public health, safety, or welfare.
- Conditions exist that arrest sound growth, retard housing accommodation, constitute economic or social liability and menace public health, safety, or welfare.
- Buildings exist needing preservation or restoration because of age, history, architecture, or significance.
- The area has been designated an economic development area.
- The area has been designated a housing or residential development area.

Establishment of an Urban Revitalization Area requires a public hearing and adoption of an Ordinance. An Area Map and Criteria are defined that fulfill certain policy objectives related to that particular area. Project Specific URAs often include approved project site plans and building elevations in place of an area map. Once an URA is established by Ordinance, properties located within the URA may apply for tax abatement with the City Assessor if they meet the established criteria and are determined to be eligible by the City Council upon competition of improvements.

Some project specific URAs have included expiration dates for the completion of the project and eligibility for URA tax abatement – but not all. Those which have not included an expiration date may be considered expired, due to the completion of the project, but it is staff's opinion that a formal action on the part of the Council to eliminate these completed projects would be beneficial to avoid inadvertent subsequent property tax incentives for future improvements.

Current URAs (map included in Addendum):

- Downtown URA; No expiration
- Campustown URA; No expiration

- South Lincoln Neighborhood URA; No expiration
- East University Impacted Area URA; No expiration
- North Sheldon URA; No expiration
- 405 & 415 Hayward URA [lowa House] (Project Specific); No expiration
- SE 16<sup>th</sup> Street First URA [Deery Brothers] (Project Specific); No expiration
- 921 9th Street URA [Roosevelt School] (Project Specific); No expiration
- 517 Lincoln Way URA [Squeaky Clean] (Project Specific); No expiration
- 205 South Wilmoth URA [Breckenridge] (Project Specific); Expires 12-31-2021
- Walnut Ridge URA [3505-15 Lincoln Way] (Project Specific); Expires 12-31-2021
- The Union URA [2700 Lincoln Way] (Project Specific); Expires 12-31-2021
- 415 Stanton URA [The Crawford] (Project Specific); Expires 12-31-2021

Under Code of Iowa Section 404.7, the State grants the city authority to repeal the ordinance establishing a revitalization area, if the city determines that "the desired level of revitalization has been attained or if the city determines that economic conditions are such that the continuation of the URA abatement would cease to be of benefit to the city". If a repeal of a URA should occur, existing tax abatements, based upon approved eligibility, continue until the completion of the tax abatement cycle of three, five or ten years.

## **OPTIONS RELATED TO EXISTING URAS AND PROGRAM OBJECTIVES:**

URAs have generally been successful at incentivizing projects prioritized by the City Council over the past two decades. However, as time goes on the goals and objectives for an area or program may become stale, not support current priorities, or are ineffective at achieving their goals. Staff believes that some of these circumstances exist and that City Council may wish to repeal some URAs that that have been completed, have not achieved their purpose, or may not coincide with the preliminary direction on future changes related to Ames Plan 2040. City Council could also direct staff to revisit the criteria within a URA to update the expectations. Staff is not recommending creating any new URAs at this time.

Extensive details on the current URAs and program objectives are included in the Addendum to assist in answering the following questions as City Council considers whether to update or repeal specific URAs:

- Has the URA been effective in achieving its purpose?
- Has the desired level of revitalization has been attained?
- Has it had the impact on revitalization envisioned?
- Are the individual criteria supportive of current goals and expectations for development?
- With the upcoming completion of the Ames Plan 2040, will it still have relevance as a priority?
- Are the economic conditions such that the continuation of the URA abatement would cease to be of benefit to the city?

## Option 1 – Determine if any changes are desired to the Program Objectives

Are the following Program Objectives still needed?

- Commercial Urban Revitalization Program In HOC
- SE 16th St Commercial Urban Revitalization Program
- Roosevelt School Area Urban Revitalization Program
- University Impacted Area West Program

Each of the Programs are unique and established at different times over the past 20 years. The Roosevelt School Area program has served its purpose of supporting adaptive reuse of the former school building and should be repealed.

The remaining three Programs are not often utilized and City Council has not always chosen to create URA's based upon their polices. Staff's primary concern for these programs is looking forward, especially for the HOC Program, that they align with future redevelopment goals of Plan 2040. With Plan 2040's focus on new Redirection Areas encouraging future context sensitive development, Sub-areas with planned broader areas of change, a general reorganization of commercial designations, and environmental policies, these Programs may not be relevant any longer.

Although these Programs do not lock City Council in to creating URA and may not be a high priority at this time, it would be helpful to get direction on generally maintaining, repealing, or updating the Programs. If Council is interested in changes or updates, Staff would address specific changes at a follow up meeting based upon Council input. However, staff believes repealing Programs is preferable to making substantive changes to multiple areas in anticipation of Plan 2040. New Programs and areas can then be created based upon City Council priorities for implementation in 2021 when Plan 2040 is complete. Changes to the Programs only requires City Council to adopt a new resolution amending the Programs.

## <u>Option 2 – Determine if any changes are desired to the URA Criteria Matrix and Map</u> <u>Areas</u>

Are the following URAs still needed and effective?

- Downtown URA
- Campustown URA
- East University Impacted URA (addressed separately in following section)
- North Sheldon URA
- South Lincoln Neighborhood URA

Establishment of Urban Revitalization Areas has been a useful tool to expedite project qualification. Its primary benefit is that the applicant is not subject to a lengthy approval process and discussion of unique criteria as generally applicable criteria apply to all projects that meet preestablished criteria. This approach emphasizes general area benefits rather than project specific benefits. The downside is that discretion on the desirability or need of providing the incentive for an individual project is limited. The most commonly used URAs are the Downtown and East University Impact URAs.

combination of demand for development in these areas related to ISU and the economic incentives encouraged substantial investments and changes to the areas.

Of the current URAs, staff believes the South Lincoln Neighborhood URA should be repealed. Minimal redevelopment has occurred in this area and the structure of the criteria has not yielded the specific desired results in terms design and character. This area is labeled in Plan 2040 as an area to be revisited for an updated sub-area plan and it would be appropriate to consider a new URA in the future once that planning work is complete and to not encourage potentially undesirable redevelopment in the interim.

Additionally, it is also staff's recommendation that the Council modify the Downtown URA and request staff to develop eligibility criteria relate to the recent addition of the Ames Main Street Historic District on the National Register of Historic Places. Based upon the requirements of increasing assessed value to benefit from tax abatement, adding criteria related to historic preservation may or may not be economically valuable to a property owner, but it would encourage preservation. This type of update would require follow up with City Council to discuss appropriate criteria before proceeding with any changes.

The other remaining URAs could be maintained as generally consistent with current goals and are not likely to conflict with Ames Plan 2040. They may need updates in future years based upon final decisions on redirection areas and sub-area plans (i.e. North Sheldon), but are not necessarily pressing needs at this time.

Any URAs that are to be repealed require adoption by Ordinance. Any desired amendments to the criteria are made by resolution.

## <u>Option 3 – Determine if project specific URAs which do not have a stated expiration</u> date should be repealed to ensure closure

Are the following project specific URAs still needed?

- 405 & 415 Hayward URA [lowa House]
- SE 16<sup>th</sup> Street First URA [Deery Brothers]
- 921 9<sup>th</sup> Street URA [Roosevelt School]
- 517 Lincoln Way URA [Squeaky Clean]

Several project specific URAs have not included an expiration date. Although the approval of the Urban Revitalization Area referenced specific attached project plans, a stated expiration date or limitation on the applicable time period for tax abatement qualification was not included.

Staff recommends that for housekeeping purposes, all project specific URA ordinances adopted since 2000 without an expiration date be repealed. The exception would be the SE 16<sup>th</sup> Street First URA due to a companion development agreement for the properties.

## STAFF COMMENTS:

The City Council should determine based on the data and analysis included in this report what changes to Ames' Urban Revitalization Program and Urban Revitalization Areas should be considered. With the completion of *Ames Plan 2040,* guidance for new redevelopment areas will become apparent. Each of the options listed above include some recommended changes. Staff recommends moving forward with these changes in based upon current need or interest in the URAs and anticipation of *Ames Plan 2040.* 

It is staff's intent that the material provided herein provides clarity for the Council to provide direction to staff on their preferences for changes, so that next steps can be defined. Although there will be some staff time involved to implement changes directed by Council, it is not anticipated that it will be burdensome to staff, given the background materials already compiled.

Overall staff recommends that City Council repeal Programs and Areas that are complete, appear to not align with current priorities for economic development or preservation, or may conflict with future goals of Ames Plan 2040. Although many changes could be made, staff recommends prioritizing changes to the following as a first step.

- 1. Repeal Roosevelt Program and URA
- 2. Repeal South Lincoln Neighborhood URA
- 3. Repeal 405 & 415 Hayward URA -lowa House
- 4. Repeal 517 Lincoln Way URA -Squeaky Clean
- 5. Update of Downtown to include Historic Preservation Criteria

If City Council chooses to keep the other Programs or Areas in place at this time, the HOC program will need to be modified/repealed in 2021 to address the substantial changes in commercial designations planned with Ames Plan 2040.

## OPTIONS RELATED TO EAST UNIVERSITY IMPACTED URA AND CONSTRUCTION OF NEW GREEK HOUSING:

The East University Impacted URA has had 13 properties seek tax abatement since 2006. Originally the criteria were designed to encourage preservation and expansion of existing Greek houses with the goal of incentivizing reinvestment in the area and supporting the Greek system to maintain its presence near campus. During the rapid expansion of ISU enrollment during the past decade, several things started to occur more frequently than were anticipated in the early 2000s. Staff saw a steady increase in the size of Greek houses due to a reduction in required parking as a result of 2014 zoning text amendment with the desire to upgrade and add amenity space, even if there is little or no increase in the bed capacity of the facility. Additional new chapters decided to locate in the area due to its location. Due to the desire to upgrade facilities there have been three approved demolitions and new construction approvals in the past five years years. With the change in the URA criteria in 2018 to allow for either additions or new construction to be eligible for tax abatement, the City created somewhat opposing policies between its current restrictive demolition standards in the Zoning Ordinance and its financial incentives for Greek homes in the URA. The map on page 15 of this report illustrates the location of current Greek Housing structures, those receiving tax abatement and those with new construction receiving tax abatement.

City Council directed staff to address this difference with proposed adjustments to the URA criteria to not allow for new construction to be eligible for tax abatement. Council noted the intent was to allow for the Kappa Kappa Gamma house at 120 Lynn to proceed under the current rules as it was approved for demolition in December 2019. Rather than solely amend the criteria for new construction, it is also possible the Council could conclude that incentives for Greek house expansions are no longer necessary either due to the desirability of the area for locating Greek houses or the need to support expansion of amenity spaces. There does not appear to be a push to locate in other areas that are less costly or easier to develop than the areas adjacent to campus.

Staff also identified an error by the City regarding one property's eligibility for tax abatement as a result of mapping the approved tax abatements for the East University Area. The property at 313 Lynn applied for tax abatement under the East University Area URA and approved by the City per staff's recommendation in 2018. This was an error as the property is not within the East University Area URA, it is in the West University Program Area to create a URA. City Council will need to provide direction on how to proceed with correcting this error in addition to future policy changes for the general East University URA.

## Option 1 – Direct that "new construction" be eliminated as an eligibility criterion.

The change in focus of the URA from preserving existing Greek houses in this area to the greatest extent possible to now allowing tax abatement after demolition and new construction, will over time eliminate some of the historic characteristics of the area that once made it distinctive. Although the Criteria does not include specific historic preservation standards, it was one of the reasons for the initial standards for only

addressing expansions. Eliminating new construction as an eligibility criterion restores tax abatement as an incentive to encourage and support adaptive reuse of Greek houses (some of which are likely to be historically and architecturally significant).

Ames *Municipal Code* Section 29.1110(2) requires City Council approval for demolition of an existing or former Greek house in the East University Impacted Area. Five Greek houses have received approval for demolition in recent years— four houses (Kappa Kappa Gamma at 120 Lynn Avenue, Delta Tau Delta at 2121 Sunset Drive, Sigma Chi at 2136 Lincoln Way and Acacia at 138 Gray Ave) in order to construct new, larger homes for the increased Greek population. Two of these properties have thus far received tax abatement. The house at (129 Ash Avenue) was demolished to allow the construction of a parking ramp for a church and the Kappa Kappa Gamma house has not yet proceeded with their project.

Even though demolition must be approved based upon hardship, concern has been expressed that the City might be incentivizing the demolition of historic buildings, contrary to city goals, objectives and policies for cultural resources. Additionally, with an incentive available to start afresh (with new construction), the motivation to renovate an existing structure is severely reduced.

This option returns the URA to the former eligibility criteria:

- The building is an existing or former residence recognized by the Iowa State University as part of the Greek residence system; and
- 70% of the area of the existing exterior walls of the structure will remain.
- Construction of a new Greek residence recognized by Iowa State University as part of the Greek residence system if built on a site that was formerly a Greek residence with a demolition approved by City Council prior to January 1, 2021-new

## Option 2 – Eliminate the East University Impacted URA altogether.

Since the inception of the URA, 13 different properties have received tax abatement with one property receiving a second approval for a subsequent abatement. A list of these properties is included in the Addendum.

The URA could be eliminated based upon the success of the program in solidifying the neighborhood with Greek housing and the clear market demand for this type of housing to be in areas adjacent to Campus. Some of the improvements incentivized by the program have been increases in amenity space more than an increase in capacity or renovation of the existing facilities to maintain their presence in the area. Ending the program could be through the repeal of the URA or establishing a date in the future where it is no longer in effect to allow projects planning to occur in the next year to proceed.

## <u>Option 3 – Determine that no changes are needed to meet the City Council's desired</u> goals for the East University Impacted URA.

This option leaves the current eligibility criteria as amended in 2017, in place.

• 5% increase in assessed value

- Properties must be located within the designated East University Impacted Urban Revitalization Area.
- Existing or former residences recognized by Iowa State University as part of the Greek residence system, and which, following rehabilitation, 70% of the area of existing exterior walls of the structure will remain; OR
- Construction of a new Greek residence recognized by Iowa State University as part of the Greek residence system if built on a site that was formerly a Greek residence.

The criteria align with the City's land use policy for this area- to support the concentration of Greek housing in this area by continuing to house students who are members of the Greek organizations. Although the incentive and focus no longer is on supporting the reuse of existing Greek housing facilities, the criteria continues to provide tax abatement funding supporting a desired use for the area. However, it is more likely the program would support demolition requests rather than renovation and expansion as it is currently written.

## STAFF COMMENTS:

Staff is most supportive of Option 1, but sees merit in either of the first two options. Staff does not support Option 3. Council could also indicate an interest in changing some of the criteria related to eligibility to address other specific concerns.

If City Council chooses to eliminate the URA, all current tax abatements would continue to the end of their approved abatement schedules.

## **OPTIONS RELATED 313 LYNN AVENUE:**

The boundaries of the East University Impacted URA were implemented to replicate the O-UIE (East University Impacted Overlay District). The boundary of the URA has not changed since its initial adoption in 2006. The boundary encompasses the majority of Greek housing facilities that have historically been associated with ISU's Greek Housing program.

In 2018, the property at 313 Lynn Avenue was approved for tax abatement. This was in error. The application misstated that the property was located within the East University Impacted Area Overlay District, which is incorrect. It is rather, abutting the East University Impacted Area Overlay District, but located within the West University Impacted Area Overlay District.

The property at 313 Lynn Avenue was purchased in 2016 by Delta Gamma for Greek housing. It formerly was home to the non-profit Assault Care Center and was constructed in 1972. The renovation retained 70% of the area of the exterior walls of the structure, resulting in it qualifying as having met the criteria of the URA (except for the mistaken location).

The location discrepancy was only recently discovered as part of the preparation for this staff report. Staff has identified the following options to rectify the error and is requesting a determination from the City Council on how to proceed.

<u>Option 1 – Amend the boundary of the boundaries of the East University Impacted</u> Urban Revitalization Area as described in Ordinance 3880, to include the 313 Lynn Avenue property; or

<u>Option 2 – Reverse the approval of the tax abatement for the property located at</u> 313 Lynn Avenue, which became effective in 2018 and stop abatement for the remainder of its abatement schedule; or

<u>Option 3 – I</u>dentify another course of action to be implemented to rectify the situation.

## **STAFF COMMENTS:**

Staff recommends proceeding with Option 1.

## ADDENDUM

## URBAN REVITALIZATION AREAS (URAs):

**Current URAs:** 

- Downtown URA; No expiration
- Campustown URA; No expiration
- South Lincoln Neighborhood URA; No expiration
- East University Impacted Area URA; No expiration
- North Sheldon URA; No expiration
- 405 & 415 Hayward URA [lowa House] (Project Specific); No expiration
- SE 16<sup>th</sup> Street First URA [Deery Brothers] (Project Specific); No expiration
- 921 9th Street URA [Roosevelt School] (Project Specific); No expiration
- 517 Lincoln Way URA [Squeaky Clean] (Project Specific); No expiration
- 205 South Wilmoth URA [Breckenridge] (Project Specific); Expires 12-31-2021
- Walnut Ridge URA [3505-15 Lincoln Way] (Project Specific); Expires 12-31-2021
- The Union URA [2700 Lincoln Way] (Project Specific); Expires 12-31-2021
- 415 Stanton URA [The Crawford] (Project Specific); Expires 12-31-2021



## The following text includes Criteria Matrix and Map Areas for each URA:

#### Campustown URA - Criteria: Masonry/Structured Parking/Mixed Use

established 10-23-2001 by ORD # 3636; plan 10-09-2001 by RES # 01-462; amended criteria 03-28-2006 by RES # 06-113; 02-24-2009 by RES # 09-076; and12-14-2010 by RES # 10-563; amended map 12-13-2016 by ORD # 4285; NO EXPIRATION

The value-added requirement is a 5% increase in value. Since its establishment, 13 properties have received tax abatement:

- 120-124 Hayward Ave [Campus Plaza LC] in 2018;
- 2311 Chamberlain St [Cyclone Inns LLC]in 2017;
- 2300 Lincoln Way [The Foundry] in 2016;
- 2320 Lincoln Way [23 Twenty Lincoln] in 2016;
- 127 Stanton Ave [Campus Acquisitions; The Resort] in 2013
- 111 Lynn Ave [Cyclone Inns LLC] in 2011;
- 217 Welch Ave [Dickson D & LuAnn Jensen] in 2006;
- 2420 Lincoln Way in 2005;
- 121 Beach Ave [121 Beach LLC] in 2005;
- 2519 Chamberlain St [Chamberlain LLC] in 2005;
- 119 Stanton St [117 Stanton, LLC] in 2005;
- 117 Stanton Ave [117 Stanton, LLC] in 2004; and
- 215 Stanton Ave [Cyclone Plaza 2, LLC] in 2004.

#### Current Eligibility Criteria:

(A)	(B)	(C)
Project must meet one criterion of three options from	Project must meet one criterion of two options from	All projects with residential uses shall also meet the
Column (A).	Column (B).	following criteria or equivalent as approved by City
		Council
(1) Slum and Blighted	(1) Underrepresented	
Properties where a majority of the assessed valuation has	Properties that are to include a business use where the	1. Limit commercial space in the same building to the
been determined to be substantially unsafe or to have an	actual sales of the business use is below the expected sales	ground floor.
unsafe use by the City Council.	for the business use as determined by the City Council to	<ol> <li>Provide separate entrances for commercial and residential uses.</li> </ol>
-OR-	be of benefit to the City. -OR-	<ol> <li>Residential entrances are visible from the street and</li> </ol>
-OK-	(2) Design Standards	provide secure access.
(2) Parking & Mixed Use	<ul> <li>Retail and office uses on the first floor adjacent to a</li> </ul>	4. Prevent access from the exterior to the interior through
• A minimum of 70% of the total required parking is	public sidewalk must have direct access to the public	doors that serve only as fire exits.
provided in a structure. If utilizing a parking deck, the	sidewalk.	5. Prohibit public access to structured parking, using
restrictions in Chapter 29.406(12) of the Municipal	and	overhead door and secure access control.
Code must be adhered to.	<ul> <li>Buildings greater than 3-stories shall include</li> </ul>	6. Provide transparent glass windows into all stairwells.
and	architectural features that create visual interest and	7. Provide camera monitoring of all pedestrian and vehicle
<ul> <li>The first floor must be used for permitted commercial</li> </ul>	variation in building design by differentiating building	entrances and areas.
and retail uses as shown in Table 29.809(2) of the	façade elements and include visual relief for long	8. Minimum widths of all exit routes: 48" for halls, 42"
Municipal Code or for a small production facility. The	facades.	for doors, 60" between rails for stairs.
second floor must be used for either commercial or	and	9. No balconies are permitted.
retail uses as shown in Table 29.809(2) or for	<ul> <li>Approval of master sign program by the Planning and</li> </ul>	<ol> <li>Provide for natural daylight requirements of applicable codes with exterior windows.</li> </ol>
household living. All floors above the second floor must be used for household living.	Housing Director with signage designs which are	11. On facades facing any street use only fixed windows,
must be used for nousehold living.	complimentary to the building design and supports business identity.	note modified tamper resistant windows do not comply.
-OR-	and	12. Design of all other windows to prevent passing of
- OK	<ul> <li>Limit driveways along Lincoln Way and Welch</li> </ul>	sphere larger than 4" diameter.
(3) Adaptive Reuse	Avenue if alternative means of access are available.	13. Prevent by physical means access to all roofs.
<ul> <li>The building on the site is at least 50 years or older.</li> </ul>	No drive-throughs are allowed along Lincoln Way and	14. Where access is not required, provide security fencing
and	Welch Avenue.	controlling access to all areas between new or existing
<ul> <li>70% of the area of existing walls of the structure will</li> </ul>	and	buildings.
remain.	<ul> <li>100% of the front facades and 80% of the remaining</li> </ul>	15. Provide a minimum of four 100w metal halide or LED
and	sides of the structure shall be faced with clay brick for	6,500 lumens light fixtures on each building façade: two at
<ul> <li>Historic materials and designs are preserved and/or</li> </ul>	the first four stories. On stories five through seven any	elevation between first and second floors and two at elevation between third and fourth floors.
restored.	other building materials except vinyl will be allowed.	elevation between unit a and tourun moors.
	-OR-	
	An adaptive reuse project (A3) may use siding materials	
	that are historically significant for all stories of a building.	
	and are mover builty significant for an stories of a building.	

#### Campustown URA Criteria Appendix

- All Projects must comply with an option from both column A & column B. Additionally, projects with residential uses must also comply with all requirements of column C.
- Projects requesting final tax abatement approval must be compliant with an approved Site Development Plan and have received a certificate of building occupancy from the City of Ames Inspection Division.
- All features incorporated into a project to meet URA criteria must be maintained for the life of the tax abatement.
- Applications for final tax abatement approval must include supporting documentation for each of the relevant criteria.
- Architectural Design Guidelines:

The intent of this criterion is to promote building variation appearance within Campustown. The relative scale of new buildings can lead to similar building appearances due to construction techniques, uniform roof lines, and long building lengths; whereas, Campustown historically had diversity in building appearance and scale.

Visual interest of a building means incorporating architectural features that define buildings elements, such as the base, middle, and top of a building. Appropriate architectural features can include window details, brick and material color variations that highlight building elements and support building identity, parapets, or expressive storefront glazing systems.

Variation and Relief means building offsets that affect the apparent massing of the building at the ground level or for upper stories. For example, a uniform storefront at the base of building may have upper floor relief with a courtyard or changes in façade planes, alternatively, the lower levels of the building may have the appearance of multiple facades with a building offset that differentiates the façades and has a minimum depth of 6 inches. Recessed storefronts creating outdoor usable space at the ground floor can also provide variation and relief. The degree of needed facade relief will correspond to the scale of the building and length of the facade to achieve the desired effect of the URA criteria. Long facades are generally in excess of 60 feet; substantially longer façades may necessitate additional elements of relief.

• Master Sign Program

Sign program details in the plan shall include the style of signs (blade, channel letters, etc.) location of signs, size and scale, lighting details, method of attachment to buildings.

Signage shall be orientated to the pedestrian level, internal illuminated cabinet signs with white or light color backgrounds are prohibited, channel letters should be affixed directly to the building without a visible raceway or have a backing panel that covers a creating the appearance of an overall sign face. Preferred signage would be decorative in appearance through its use of sign face materials, design, lighting, and style of signage.

In consideration of approval of the Sign Program, the Planning Director will review the Campustown Idea Book signage guidelines, scale of signage and location in relation to the building features, and lighting type. Once a sign program is approved, individual sign permits must be consistent with the sign program.

Properties must be located within the designated Campustown Urban Revitalization Area. See Map entitled, *University Area Urban Revitalization Areas Map*, on page 15.

## East University Impacted URA – Purpose: Greek Housing

established 04-25-2006 by ORD # 3880; amended criteria 12-19-2017 by RES # 17-716; NO EXPIRATION

The value-added requirement is a 5% increase in value. Since its establishment, 13 different properties have received tax abatement:

- 201 Gray Ave [Alpha Gamma Rho] in 2020;
- 313 Lynn Ave [Delta Gamma] in 2018;
- 2136 Lincoln Way [Sigma Chi] in 2018 (demolition & new construction);
- 2121 Sunset Dr [Delta Tau Delta] in 2018 (demolition & new construction);
- 117 Ash Ave [Delta Upsilon] in 2013;
- 325 Ash Ave [Phi Gamma Delta] in 2012;
- 228 Gray Ave [Sigma Phi Epsilon] in 2012;
- 2125 Greeley St [Alpha Delta Pi] in 2011;
- 2102 Sunset Dr [Kappa Delta] in 2011;
- 233 Gray Ave [Sigma Kappa] in 2011;
- 302 Ash Ave [Delta Delta Delta] in 2010;
- 2007 Greeley St [Alpha Omicron Pi] in 2010;
- 201 Gray Ave [Alpha Gamma Rho] in 2010; and
- 227 Gray Ave [Chi Omega] in 2008.

Current Eligibility Criteria:

- Properties must be located within the designated East University Impacted Urban Revitalization Area.
- Existing or former residences recognized by Iowa State University as part of the Greek residence system, and which, following rehabilitation, 70% of the area of existing exterior walls of the structure will remain; OR
- Construction of a new Greek residence recognized by Iowa State University as part of the Greek residence system if built on a site that was formerly a Greek residence.

See Map entitled, University Area Urban Revitalization Areas Map, on page 15.

<u>North Sheldon URA</u> – *Purpose: Historic Preservation;* established 04-25-2006 by ORD # 3881; NO EXPIRATION

The value-added requirement is a 5% increase in value. Since its establishment, one property has received tax abatement:

• 2709 Lincoln Way [Suites on Lincolnway, LLC] in 2007.

Current Eligibility Criteria:

- The building on the site was originally built before 1941; and
- Seventy percent (70%) of the area of the existing exterior walls of the structure will remain; and
- Original or historical materials and designs will be preserved and/or restored.

Properties must be located within the designated North Sheldon Urban Revitalization Area. See Map entitled, *University Area Urban Revitalization Areas Map*, below.





#### **Downtown URA** – Purpose: Retail Façade Improvement Standards

eliminated in 1999; reinstated 05-22-2001 by ORD # 3615; repealed map 12-16-2008 and reinstated new map 12-16-2008 by ORD # 3978; amended map 06-14-2011 by RES # 11-286; NO EXPIRATION

The value-added requirement is a 5% increase in value.

Since its establishment, 15 properties have received tax abatement:

- 301 Main St [301 Main LLC; Sheldon-Munn] in 2018;
- 413 Northwestern Ave [Ronald J McMillen; Wheatsfield Coop] in 2017;
- 328-330 Main St [328-330 Main Street LLC] in 2015;
- 123 Main St [Margaret Newton; Sportsmen's] in 2014;
- 313 5<sup>th</sup> St [Fifth Street 313 LC; Marr's Wealth Management] in 2014;
- 208 5<sup>th</sup> St [Fifth Street 208 LC] in 2013;
- 203 Main St [turnkey Investments LLC] in 2013;
- 410 5<sup>th</sup> St [Merrill Kim Sharp] in 2012;
- 132-134 Main St [Main Street 134 WR LLC] in 2012;
- 101 Main St [Richardson Worldwide LLC] in 2010;
- 413 Northwestern Ave [Ronal J McMillen; Wheatsfield Coop] in 2010;
- 216 Main St [Wescar Inc] in 2008;
- 411 Kellogg Ave [Nyle H. Nims]
- 220 Main St [Y2 LC] in 2005
- 229 Main St [Malone & Company Inc] in 2005

Current Eligibility Criteria:

- Properties must be located within the designated Downtown Urban Revitalization Area; and
- Improvements must be made to one or more of the facades of a building on the property that follow the current Downtown Design Guidelines for façade improvements as approved by City Council; and
- The scope of the work must follow the current Downtown Design Guidelines for façade improvements as approved by City Council; and
- If the first floor is vacant before the façade improvements are made, then the front half of the first floor is required to have a retail use after the improvements are completed. If the first floor has a permitted use before the façade improvements are made, then it is eligible. No residential structures are eligible; and
- Improvements must be made to the property increasing its actual value by 5% or more. The property is eligible to receive abatement of 100% of this added value for each of three years.
- The improvements must be maintained for the three years.



#### Downtown Urban Revitalization Area Location Map

<u>South Lincoln Neighborhood URA</u> - *Purpose: Commercial Development;* established 09-23-03 by ORD # 3733; criteria established by RES 03-347; amended 12-13-2005 by RES # 05-489; NO EXPIRATION

The value-added requirement is a 5% increase in value. Since its establishment, two properties have received tax abatement:

- 306 S 3rd Street [D&N Ventures LLC (Celebrations)] in 2018; and
- 207 S Third Street [Max Dallas LLC] in 2006.

Current Eligibility Criteria:

REQUIRED AND OPTIC	ONAL OR	OPTIONAL	OF	R OPTIONAL	OR	OPTIONAL	
Underutilized       Commercial or M         Properties must be       If within a "Key         located within the       designated South         Lincoln Urban       Lincoln Sub-area         Revitalization Area.       1,500 square feet         Properties within       floor must be use         the designated       permitted Office         South Lincoln       urban         Revitalization Area       are all considered to         be underutilized.       Hore Municipal	Site" as I South c Plan, at least I of the first I or Trade Uses f e 29.1003(2) U Code. 2	Mixed Use Mixed Use If <u>not</u> within a "Key Redevelopment Site" as designated by the South Lincoln Urban Revitalization Plan, at least 4,000 square fe of the first floor must be use for permitted Office or Trade Uses as shown in Table 29.1003(2) of the <u>Municipal</u> <u>Code</u> . There must be at leas one floor above that is to be used exclusively for househo living.	n æt d e t	<ul> <li>Activity Node</li> <li>Must provide space for, construct, and provide public access in perpetuity to an activity node at a location identified in the South Lincoln Sub-area Plan, which shat include: <ul> <li>at least 500 square feet of space with facilities for casual use by two to four people, if the development property is less than or equal to 15,000 square feet;</li> <li>at least 1,200 square feet of space with facilities for casual use by ten or more than 15,000 square feet, and let the development property is more than 15,000 square feet;</li> <li>at least 2,500 square feet of space with facilities for casual use by ten or more than 15,000 square feet;</li> <li>at least 2,500 square feet of space with a roofed structure and other facilities for special events for at least thirty people, if the development property is more than 25,000 square feet.</li> </ul> </li> <li>AND</li> <li>Provide distinctive paving, lighting, furnishings, plantings, architectural elements, and other improvements as approved by the City (See Guidelines).</li> </ul>	M n control of the product of the p	fecreation Site fust provide space for, construct, and provide ublic access in perpetuity o a recreation site at a socation identified in the outh Lincoln Sub-area lan, which shall include at east 5,000 square feet of pace with facilities for ctive, structured recreation y groups of people, if the evelopment property is ess than or equal to 15,000 quare feet. ND rovide facilities for half- ourt basketball, volleyball, r other active recreation nd lighting furnishings, lantings, architectural lements, and other mprovements as approved y the City (See fuidelines).	
The improvements must be maintained for the life of the tax abatement schedule applied for.							

#### Activity Node

All Activity Nodes must meet the following guidelines:

- One side of space must be on public street right-of-way line
- · Visible and easily and universally accessible
- Separated physically and visually from parking lots and driveways

Development sites up to 15,000 square feet – at least 500 square feet of public-use space with facilities for casual use by two to four people.

- 150 to 300 square feet of hard surface paving with decorative, modular paving units
- · Decorative fence, trellis, arbor or other decorative structure
- · Two or three benches, six feet or more in length
- One decorative trash receptacle
- Three to five trees, one of which must be Japanese Tree Lilac
- 15 to 20 deciduous or coniferous shrubs (not including low-growing shrubs less than 18-inches in mature height)
- Decorative lights, flowers, bulbs, groundcovers, public art, and other enriching features are encouraged, but not required

Development site from 15,000 to 25,000 square feet – at least 1,200 square feet of public use space with facilities for casual use by ten or more people

- · 300 to 500 square feet of hard surface paving with decorative, modular paving units
- Trellis, arbor, pergola, or other overhead structure
- Three to six benches, six feet or more in length
- One decorative trash receptacle
- Three to five trees, one of which must be Japanese Tree Lilac
- 20 to 40 deciduous or coniferous shrubs (not including low-growing shrubs less than 18-inches in mature height)
- One or two decorative lights no more than 16 feet in height
- Flowers, bulbs, groundcovers, public art, and other enriching features are encouraged, but not required

Development site larger than 25,000 square feet – at least 2,500 square feet of public use with roofed structure or other facilities for special events for at least 30 people

- · 800 to 1,500 square feet of hard surface paving with decorative, modular paving units
- Gazebo, pergola, or other overhead structure suitable for use as shelter or performance space
- Three to six benches, six feet or more in length
- Two decorative trash receptacles
- · Five to seven trees, one of which must be Japanese Tree Lilac
- 40 or more deciduous or coniferous shrubs (not including low-growing shrubs less than 18-inches in mature height)
- Two to four decorative lights no more than 16 feet in height

#### **Recreation Site**

٠

- One side of space must be on public street right-of-way line
- · Visible and easily and universally accessible
- · Facilities and equipment for active recreation such as
  - Basketball half-court with hard surfacing, hoops, nets, backboards, etc.
    - Volleyball sand-pit with net and supports
    - Children's play equipment
    - Other types of active recreation
  - Two or three benches, six feet or more in length
- One decorative trash receptacle
- Three to five trees, one of which must be Japanese Tree Lilac
- · Decorative fence, trellis, arbor, or other decorative structure
- Decorative lights, flowers, bulbs, groundcovers, and other enriching features are encouraged, but not required

#### The improvements must be maintained for the life of the tax abatement schedule applied for.

Properties must be located within the designated South Lincoln Neighborhood URA:



South Lincoln Neighborhood URA Location Map

## PROJECT SPECIFIC – URBAN REVITALIZATION AREAS (URAs):

(These have no expiration date.) For Project Specific URAs, revitalization is applicable only to that subset of eligible property within the legal description that qualifies under the Criteria for Urban Revitalization and in accordance to the approved building and site plans.

**405 & 415 Hayward URA [lowa House Building LLC]** – *Criteria: Historic Preservation* established 11-20-2007 by ORD # 3932; Project Specific, NO EXPIRATION

The value-added requirement is 5% increase in value. Tax Abatement was approved in 2009 over a 3-yr period.

Current Eligibility Criteria:

An area will be considered for establishing an Urban Revitalization Area and Plan if one or more properties meet <u>all</u> of the following criteria:

- Properties are located within the West University Impacted Overlay Zoning District; and
- The National Park Service has determined that one or more of the properties has a structure(s) that meets the National Register Evaluation Criteria; and
- Improvements are being made to one of the National Register eligible structures which preserve 70% or more of the area of existing exterior walls of the structure or restore original or historic materials and designs.

NOTE: Improvements made to the structure or site on the property that the National Park Service has determined meets the National Register Evaluation Criteria are eligible for tax abatement, if the property value increases by 5% or more.



## 405 & 415 Hayward URA Location Map

## <u>SE 16<sup>th</sup> Street First URA [Deery Brothers]</u> – Criteria: Flood Mitigation established 11-27-2012 by ORD # 4131; Project Specific. NO EXPIRATION

The value-added requirement is 15% increase in value. Tax Abatement was approved in 2015 over a 3-yr period.

Current Eligibility Criteria (same as SE 16th Street Commercial Urban Revitalization Program):

- The properties have frontage on Southeast 16<sup>th</sup> Street between South Duff Avenue and South Dayton Avenue.
- Fill or other flood proofing will be placed on the site up to an elevation of, at least, 887 feet (NGVD29), when an engineer registered in Iowa provides written certification that raising the land would result in "no rise" to the Base Flood Elevation (100 year flood level).
- The cost incurred after making the request for tax abatement for the placement of fill for flood proofing up to an elevation of 887 feet or above and/or channel improvements (See Criterion 6), if applicable, is expected to be equal to or greater than the value of the City's portion of the tax abatement.
- A public sidewalk is to be constructed along the south side of the Southeast 16th Street adjacent to the property.
- The property will be used for uses permitted in the applicable zoning district <u>except</u> for the following as further defined and described in the Ames Zoning Ordinance:
  - o Wholesale trade
  - o Mini-storage warehouse facilities
  - o Transportation, communications, and utility uses
  - Institutional uses
  - o Adult entertainment businesses
  - Agricultural or industrial equipment sales
  - o Agricultural and farm related activities
- Owners of property abutting a river must perform channel improvements (widening, straightening, clearing, etc.) and provide certification from an engineer registered in Iowa that the improvements will mitigate flooding. These improvements must be approved by the DNR, Army Corps of Engineers, and the City of Ames.

Since satisfaction of criterion 3, 5, and 6 cannot be guaranteed at the time of approving the tax abatement incentive, a developer agreement prior to the approval of the Urban Revitalization Plan will be required to assure that the City will repaid an amount equal to the tax abatement received for any criterion not met. In addition, the developer agreement should require that the conditions that allowed the determination of "no rise" be maintained by the property owner.



SE 16<sup>th</sup> Street First URA Location Map

<u>921 9<sup>th</sup> Street URA [Roosevelt School]</u> - Criteria: Historic Preservation/Adaptive Reuse established 11-12-2013 by ORD # 4162; Amended 01-27-2015 by RES # 15-049; Project Specific, NO EXPIRATION

The value-added requirement is 5% increase in value. Tax Abatement was approved in 2015, 2016, & 2017 for 3-yr, 5-yr, or 10-yr periods

Current Eligibility Criteria: (same as Roosevelt School Area Urban Revitalization Program)

- The property includes a former public school building that is no longer used as a school; and,
- The National Park Service has determined that one or more of the properties has a structure that meets the National Register Evaluation Criteria; and,
- The renovation and remodeling of structures will not destroy or obscure essential architectural features. In addition, such architectural features must be enhanced to the extent that it is feasible and prudent to do so.



Roosevelt School Area Urban Revitalization Program Location Map



## 517 Lincoln Way URA [Squeaky Clean] – Criteria: Economic Development

established 02-24-2015 by ORD # 4209; Establishes HOC Redevelopment Criteria as a Plan requirement; does not establish site specific improvement or architectural plans. RES #15-048 01-27-2015 Plan Project Specific. NO EXPIRATION

The value-added requirement is 5% increase in value. Tax Abatement was approved in 2016 over a 3-yr period.

Current Eligibility Criteria: (same as Commercial Urban Revitalization Program In HOC)

- Properties eligible for tax abatement must be within the Highway-Oriented Commercial zoning district and also fit within one or more criteria:
  - Properties from which the principal building has been removed and the property has been vacant for at least seven years; and/or
  - 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); and/or
  - 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.
  - 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:
  - o Mini-storage warehouse facilities or other industrial uses.
  - o Transportation, communications, and utility uses.
  - o Institutional uses.
  - Automotive, boat, and/or RV sales.
  - Adult entertainment businesses.
  - Detention facilities.
  - Agricultural or industrial equipment sales.

## 517 Lincoln Way [Squeaky Clean] Location Map



## PROGRAM POLICY AREA OBJECTIVES:

<u>Commercial Urban Revitalization In HOC</u> – *Purpose: Economic Redevelopment* established 08-10-1999 by RES # 99-305; amended 2009; NO EXPIRATION

The value-added requirement is a 5% increase in value. Since its establishment, 517 Lincoln Way [Squeaky Clean] is the only property that has been established as an URA and developed under the following objectives.

Current Eligibility Criteria:

- Properties must be within the Highway-Oriented Commercial zoning district, and also fit within one or more criteria:
  - Properties from which the principal building has been removed and the property has been vacant for at least seven years.
  - 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)).
  - 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.
  - 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 wellhead.
- 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:
  - o Mini-storage warehouse facilities or other industrial uses
  - Transportation, communications, and utility uses
  - o Institutional uses
  - o Automotive, boat, and/or RV sales
  - Adult entertainment businesses
  - o Detention facilities
  - Agricultural or industrial equipment sales

(See Map that follows.)

#### **Commercial Urban Revitalization Program**



# **Roosevelt School Area Urban Revitalization Program** – *Purpose: Historic Reuse* established RES # 13-265; NO EXPIRATION

The value-added requirement is a 5% increase in value. Since its establishment, Roosevelt School Area URA is the only URA that has been established and developed under the Roosevelt School Area Urban Revitalization Program objectives

#### Current Eligibility Criteria:

An area will be considered for establishing an Urban Revitalization Area and Plan if one of the properties meets all of the following criteria:

- The property includes a former public school building that is no longer used as a school; and,
- The National Park Service has determined that one or more of the properties has a structure that meets the National Register Evaluation Criteria; and,
- The renovation and remodeling of structures will not destroy or obscure essential architectural features. In addition, such architectural features must be enhanced to the extent that it is feasible and prudent to do so.
- Improvements have been made to the property that conform to the approved Urban Revitalization Plan for that area and increase the actual value by 5% or more.

Roosevelt School Area Urban Revitalization Program Location Map



<u>SE 16th St Commercial Urban Revitalization Program</u> – Purpose: Flood Proofing established 06-12-2012; NO EXPIRATION

The value-added requirement is a 5% increase in value. Since its establishment, SE 16<sup>th</sup> Street First URA [Deery Bros.] is the only URA that has been established and developed under the SE 16<sup>th</sup> Street Commercial Urban Revitalization Program objectives. Its value-added requirement is a 15% increase in value.

Current Eligibility Criteria:

- The properties have frontage on Southeast 16<sup>th</sup> Street between South Duff Avenue and South Dayton Avenue.
- Fill or other flood proofing will be placed on the site up to an elevation of, at least, 887 feet (NGVD29), when an engineer registered in Iowa provides written certification that raising the land would result in "no rise" to the Base Flood Elevation (100 year flood level).
- The cost incurred after making the request for tax abatement for the placement of fill for flood proofing up to an elevation of 887 feet or above and/or channel improvements (See Criterion 6), if applicable, is expected to be equal to or greater than the value of the City's portion of the tax abatement.
- A public sidewalk is to be constructed along the south side of the Southeast 16th Street adjacent to the property.
- The property will be used for uses permitted in the applicable zoning district <u>except</u> for the following as further defined and described in the Ames Zoning Ordinance:
  - o Wholesale trade
  - Mini-storage warehouse facilities
  - o Transportation, communications, and utility uses
  - o Institutional uses
  - o Adult entertainment businesses
  - o Agricultural or industrial equipment sales
  - o Agricultural and farm related activities

• Owners of property abutting a river must perform channel improvements (widening, straightening, clearing, etc.) and provide certification from an engineer registered in Iowa that the improvements will mitigate flooding. These improvements must be approved by the DNR, Army Corps of Engineers, and the City of Ames.

Since satisfaction of criterion 3, 5, and 6 cannot be guaranteed at the time of approving the tax abatement incentive, a developer agreement prior to the approval of the Urban Revitalization Plan will be required to assure that the City will repaid an amount equal to the tax abatement received for any criterion not met. In addition, the developer agreement should require that the conditions that allowed the determination of "no rise" be maintained by the property owner.



SE 16th St Commercial Urban Revitalization Program Location Map

<u>University Impacted Area West Program</u> – *Purpose: Historic Preservation / Reuse* established 02-14-2006 by RES # 06-059; NO EXPIRATION

The value-added requirement is a 5% increase in value. 405 Hayward URA is the only URA that has been established and developed under the University Impacted Area West Program.

Current Eligibility Criteria:

- Properties are located within the West University Impacted Overlay Zoning District; and
- The National Park Service has determined that one or more of the properties has a structure(s) that meets the National Register Evaluation Criteria; and
- Improvements are being made to one of the National Register eligible structures which preserve 70% or more of the area of existing exterior walls of the structure or restore original or historic materials and designs.
- Improvements made to the structure or site on the property that the National Park Service has determined meets the National Register Evaluation Criteria are eligible for tax abatement, if the property value increases by 5% or more.
- City Council must designate the proposed project site as an Urban Revitalization Area with an approved Urban Revitalization Plan.

See Map entitled, University Area Urban Revitalization Areas Map, on page 15.