

Staff Report

**REQUEST TO REVIEW ZONING REQUIREMENTS FOR GROUND FLOOR
RESIDENTIAL USE FOR A CCR ZONED PROPERTY AT 4820 MORTENSEN ROAD**

January 25, 2022

BACKGROUND:

The owner of property located at 4820 Mortensen Road is requesting that they be permitted to accommodate residential on the ground floor of their buildings where they have unused space. (see letter date October 6th, 2021, *Attachment A*) The issue of use of the site was brought up in regards the draft Ames Plan 2040 Lands Use map and a request by the owner to have it designated as residential rather than commercial. City Council determined the issue identified by the owner was not relevant directly to Plan 2040 and should be put on an agenda for a specific discussion of the issue.

The current zoning is commercial as Convenience Commercial/Residential (CCR). The buildings were constructed as 3-story mixed use buildings in 2005. The site was developed originally with the requirement to have mixed-use development, meaning that commercial would be on the ground floor and then residential could be above. Standalone residential uses were not permitted.

CCR zoning is not a common zoning district in the City. It applies to properties in the vicinity of Mortenson, Dickinson, and South Dakota Avenue. Two properties are developed as mixed use, one with a hotel, one with a sports practice facility, and four properties are vacant.

The owner has also been providing space for short-term lodging uses in the form of short stay efficiency rentals in some of the ground level units since 2017. This use is permitted in commercial zones as it falls under the same category as hotels and motels. In these types of uses the average stay cannot exceed 60 days.

The owner claims that the buildings are more adequately utilized if household living style residential is allowed on all floors as the commercial component has struggled since the construction of the buildings. Household living allows for regular residential dwelling units to be on the ground floor. The owner would maintain existing commercial spaces if allowed to have residential in other ground floor tenant spaces.

The underlying Land Use in the Ames 2040 Comprehensive Plan is a commercial designation as Neighborhood Commercial (NC-MU). **In order to allow ground level residential the zoning designation would need to be a purely residential zone such Residential High-Density (RH). The NC-MU designation does not identify a corresponding residential zoning district so there is no residential zoning that can be allowed under that designation.**

OPTIONS:

If City Council is interested in addressing the owner's concern about the use of vacant commercial tenant space, there are two primary options available.

Option 1- Zoning Text Amendment to CCR Zoning

The City Council could choose to initiate a Text Amendment to the CCR zoning standards to allow for limited allowances for residential units to be located on ground floors. CCR is intended to be a commercial zone, allowing for ground floor residential without limitations would effectively make it a residential zone first and commercial zone second. A limited amount of residential could be allowed that would be capped at a certain amount in any CCR development based on site size or design considerations. Additionally, a Special Use Permit or Major Site Development Plan could be required before any ground level residential is permitted.

Option 2- Initiate an amendment to the Ames 2040 Comprehensive Plan Land Use Designation and subsequently rezone the property to Residential High-Density (RH)

The City Council could choose to initiate a Land Use Change from NC-MU to a new land use designation that supports residential, such as the RN-5 designation which is designated on the multi-family housing property to the immediate west. This would permit rezoning of the property to Residential High-Density (RH).

The RH zoning designation would permit for residential units on ground floor as well as limited commercial in a mixed-use building type. This option allows for the residential use and can by Major Site Development Plan allow for the existing commercial to remain, but it would create a non-conforming site due to front yard parking located along Mortenson Road.

If this option is pursued, a requirement to keep commercial in specified tenant spaces would be advisable by staff to meet the planned commercial interests for the general area. This option would only affect this site and not other CCR zoned properties. However, other adjacent property owners may desire the same ability depending on market interests.

STAFF COMMENTS:

Due to the originally approved site development plan, the site has struggled to achieve the commercial development goals of the City within the CCR zoning. The CCR zoning was designed to benefit the City overall by supporting needed west side commercial development and allowing hopefully for the added benefit and efficiency of mixed use with residential development. The existing development exemplifies how details on design and configuration are critical components of building marketable commercial space and how just allowing for commercial use does not necessarily result in desirable commercial development when residential use can drive the profitability of a project.

The site could potential se additional demand for commercial space in west Ames as we grow and some additional space could be used for commercial purposes. However, due to the lack of visibility of the commercial space and its current use as short-term lodging units it may not change to another use as well and remain underutilized.

For City Council to select an option it must first answer the question of its priority in promoting the original intent of the current zoning and the original site plan compared to the owner's current proposed use. Staff believes that any change made to the zoning or associated text amendment would need to take into consideration the existing conditions of the site and the uses currently in these buildings. At a minimum existing commercial use should remain and potentially additional square footage should be reserved for commercial uses.

If the City Council believes that a change is desirable, Staff believes the best course of action is a text amendment (Option 1). This approach maintains the existing zoning, but works toward permitting the change the owner is requesting. The text change would impact a handful of other properties as well. The text amendment would be a minor change and could either be fit into available time later this spring or prioritized with the overall Work Plan as part of the evaluation of citywide commercial zoning standards that would occur later in 2022.

A change of land use and rezoning (Option 2) would require consideration of the zoning change creating either use or site non-conformities. This approach of change the zoning of the site, does not impact any other CCR zoned properties. The first step with Option 2 would be to change the land use designation within Plan 2040. The Plan 2040 amendment process would be project specific and treated as a development project that is not included as Department Work Plan project.

The proposed change is unusual in that is aimed at improving conditions for a property owner's unique situation of how a site was developed originally at the choice of developer. A change that allows for ground floor residential at this site has limited public benefit and interest in that it would allow for potentially more efficient use of existing space but compared to a compelling housing need of the community or the initial desire of the City for more commercial opportunities in west Ames it does not have the same broad value.

Changes to ground floor standards supporting affordable housing would be an example of city benefit and property owner benefit to expand the use of underutilized space. Alternatively, supporting a change would not appear to negatively affect our commercial goals for the City due to the site's current condition and it could be found to be compatible with our land use goals of Plan 2040.

Attachment A- Request Letter



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INFO@HAVERKAMP-PROPERTIES.COM

To: City Council, City of Ames

CC: Kelly Diekmann, Planning and Housing Director

From: Brent Haverkamp

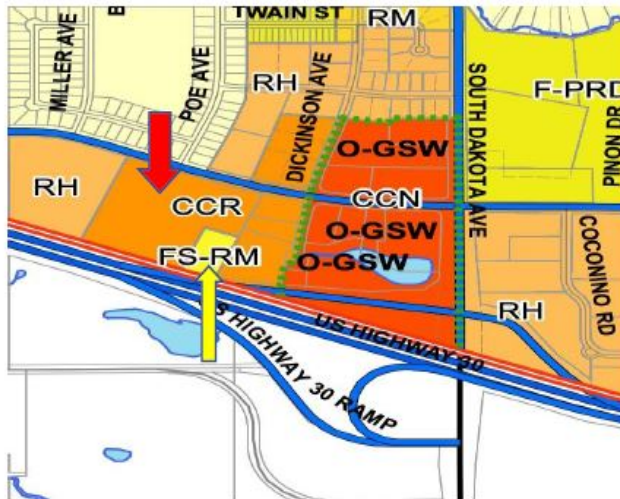
Date: October 6, 2021

RE: Request for Map Change to the Ames Plan 2040

I am the sole owner and Manager of West Towne Condos, L.C. ("West Towne"), an apartment and business community that resides in West Ames off Mortensen Rd. Currently this property resides in the Community Commercial/Residential (CCR) Zoning designation.

The CCR Zoning has the following definitions, Sec.29.806: "Residential uses are permitted only in combination with a commercial building and only above the first floor, which shall be devoted to commercial space." One of the permitted uses for the first floor is defined as "Short-Term Lodging."

When this property was developed, the first-floor spaces were finished with a mixture of commercial and "Short-Term Lodging." You can see the designated area on the map below (red arrow). This is a unique zoning designation that is not widely used in the City of Ames.



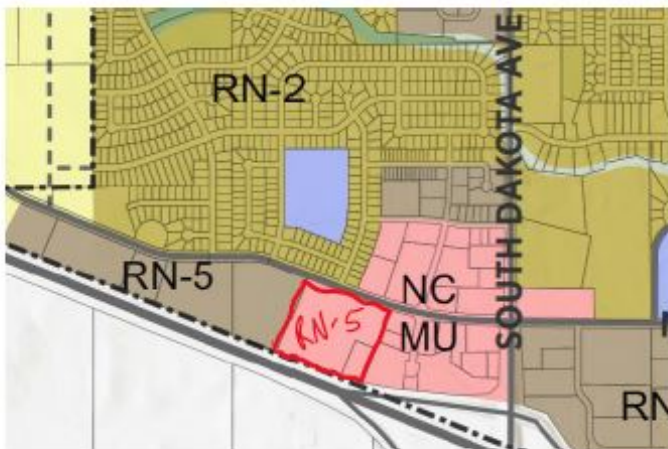
While the West Towne property that was developed starting in 2006 is included in this CCR Zoning, the three additional buildings that were developed in 2012 in the very same lot are zoned for medium density zoning (yellow arrow).

In conversations with Kelly Diekmann from Planning and Housing we believe that a change to the Ames Plan 2040 would be the best solution possible.

The Plan 2040 proposes a designation of Neighborhood Core which is much like the current CCR land use designation, meaning that it would continue to restrict the first floor to Short-Term Lodging.

We believe that normal high-density zoning would help to best serve the community. There are multiple reasons that have led us to make this request to better serve the residents of Ames.

- There is a certain amount of difficulty in attracting the type of resident who is looking for Short-Term Lodging as opposed to more permanent rental housing. They tend to be a person who is more transient in nature and not providing the long-term benefit to the community that we all would like to see.
- In working with federal financing authorities such as Fannie, Freddie, and HUD, they view the transient nature of Short-Term Lodging in a negative light and will often not finance such a property.
- Short-term lodging both in Ames and the greater region has been developing into it's own sub-industry with the addition of businesses such as TownePlace, GrandStay, Staybridge Suites, to the point where it no longer makes sense to have Short-Term Lodging mixed in with residential.



In addition, as you can see from the map above, the land immediately adjacent to the west is both currently, and proposed to be, zoned for high density zoning similar to much of the rest of Ames multi-family sites.

We would like to see the Council change the Plan 2040 to carry the RN-5 zoning designation further to the east encompassing the West Towne property.

Sincerely,

Brent Haverkamp
Brent Haverkamp