

**COUNCIL ACTION FORM**

**SUBJECT:** PURCHASING LAND AT 5658 ONTARIO STREET (SANDS-MCDORMAN PROPERTY) TO BE DEVELOPED AS A COMMUNITY PARK

**BACKGROUND:**

In approximately 2011-12, City staff had initial conversations with the owners of the property at 5658 Ontario Street regarding purchasing this land for a City park. The owners eventually decided not to sell at that time. Subsequently, Staff was approached by the owners in 2021 to see if the City was still interested in purchasing this approximately 78-acre piece of property. Staff indicated the City may be interested, and since then there have been several conversations about this proposal. Because of recent personal issues, the owners desire to sell the property has been accelerated. The primary desire of the owners is to have this land developed into a City park. However, if the City is not interested, the owners will reach out to developers regarding their interest in this property.

Provided below is information about the property and what has taken place over the last several months.

**SANDS – MCDORMAN PROPERTY OVERVIEW:**

The Sands – McDorman (SMD) property is located at 5658 Ontario Street and is shown in green in Figure 1 (North is at the top). The City of Ames boundaries are the red lines in Figure 1.

**Figure 1**



The SMD property consists of three parcels as shown in Figure 2. Parcel 1 is 8.6 acres; Parcel 2 is 40.0 acres; Parcel 3 is 27.28 acres; and Public Roads is 1.97 acres for a total of 77.85 acres. **Staff is interested in purchasing Parcels 1 & 2 which would then be developed into an approximately 50-acre community park. The owners most likely will work with a developer regarding the sale of Parcel 3.**

**Figure 2**



Figure 3 shows the current uses of the property. On the south end (bottom of picture), approximately 32 acres are in crop production. In the middle of the property, approximately 17 acres (9.00 & 7.91) are enrolled in the Conservation Reserve Program (CRP). At the North end, just over 26 acres consist of pasture divided by a stream. There is also a house, barn, and other buildings on this north section.

**Figure 3**



## **PARK DEVELOPMENT IN EXISTING CITY PLANS:**

There are two City plans that speak to adding community park space to the west side of Ames which are detailed below:

### **1. Parks Master Plan**

**This plan does include adding a community park on the west edge of town.** A community park has a service area of two miles and often contains facilities/amenities that serve the entire community. The size of community parks varies from 30 to 100 acres. **These parks generally contain sport fields/courts, unique natural elements (forest, hills, ponds, streams, etc.), and any other facilities designed for community-wide use. Amenities include large shelters, restrooms, playground equipment, and hard-surfaced parking lots.**

### **2. City of Ames 2040 Plan**

In the Parks, Trails, and Greenways section of the recently adopted Comprehensive Plan, there is reference to building new parks to service new growth areas, which does include the west edge of the City. Specifically, it states **“As the city grows, so should its park system. Future development will require provision of new neighborhood parks as well as a larger community parks within designation growth areas.”**

## **APPRAISAL AND COST OF PROPERTY:**

In 2013, the Iowa Natural Heritage Foundation (INHF) contracted with Hertz Farm Management to have an appraisal done on this property with the appraised value being \$1,100,000. When the City was made aware in 2021 of the seller’s renewed interest in selling the property, the INHF contracted with Hertz Farm Management to update the 2013 appraisal on this property. The new appraised value of the entire property is approximately \$1,790,000. A breakdown of each parcels appraised value follows:

<b>Parcel</b>	<b>Appraised Value</b>
1	\$202,874
2	\$943,600
3	\$643,486
<b>Total</b>	<b>\$1,789,960</b>

## **FUNDING FOR LAND ACQUISITION:**

Funding for this land acquisition could come from two sources (1 & 2 below) at this time with future development funding (3 below) to be determined.

### 1. Park Development Fund

The City has a Park Development Fund (PDF) which has been designated for just this purpose. This fund is to be used for purchasing land for future parks and/or developing parks once land is secured. The fund is built up over time by contributing \$100,000 of Local Option Sales money annually. The PDF balance at the end of FY 2021/22 is \$1,240,669. If the City were to purchase Parcels 1 & 2 for \$1,146,474, the remaining fund balance would be \$94,195.

### 2. Grants

To help with funding for the land acquisition, the State's Resource Enhancement and Protection (REAP) grant can be pursued. A maximum award of \$200,000 could be obtained through the REAP process. **Since the application deadline was August 15 for REAP funding, staff worked with the Iowa Natural Heritage Foundation on developing and submitting an application for the purchase of this land in the event that the City Council decides to purchase this land for a park.**

A component of the REAP application process is having City Council pass a resolution supporting the application submittal. Staff did provide a memo with the application stating City Council would be discussing the land acquisition and REAP grant on September 13. **If Council wishes to move forward with acquiring the land, a resolution approving the grant application could be done at that time.**

As part of the REAP process, Story County has a review committee that provides feedback to applicants prior to an application being submitted. Staff presented this land acquisition proposal to the Story County Review Committee on Thursday, August 4 and feedback was overwhelmingly in favor of submitting a grant application for this project.

### 3. Future Development

The City Council should understand that purchasing this land for a future park is the first step in the park development process. Ultimately, the cost to fully develop this park over time could be a multi-million dollar project.

A concept plan will need to be developed for this new park. Therefore, Staff will need to host a series of community-wide meetings to determine how residents would like to see the park developed. **Since the costs to develop this park would be significant, a phased plan would need to be created so the park could be developed over time.** In addition, grant funding will be applied for

regarding trails, facilities/amenities, and natural elements (i.e. pollinator gardens, streambank stabilization, nutrient reduction in waterways, etc.).

### **REPLENISHING THE PARK DEVELOPMENT FUND:**

In addition to contributing \$100,000 of Local Option Sales Tax dollars each year to the fund, Staff believes there is another strategy worthy of consideration. Given the current volatility in the construction environment, Staff will most likely need to increase the funding for projects included in the Capital Improvement Plan (CIP). This will cause some projects to be delayed and will be an opportunity for staff to get caught up on incomplete projects. By doing this, any CIP money not used for Parks and Recreation projects in a given year could be transferred to the PDF to replenish it quicker than through only the normal \$100,000 annual appropriation. For example, if \$1,000,000 is allocated for a given year and staff determines to do only \$800,000 of projects, the remaining \$200,000 could be reallocated to the PDF.

### **PARKS AND RECREATION COMMISSION COMMENTS:**

This land acquisition proposal was presented to the Parks and Recreation Commission at its August 18 meeting. The Commission was unanimously in favor of the City purchasing this land for a future community park. Commissioners felt very strongly about developing a park on this land rather than developing homes on these parcels. The Commission approved a motion supporting the purchase of this land for a park and directed staff to work to obtain easements along the creek on the west parcels all the way to County Line Road.

### **ALTERNATIVES:**

1. City Council can pass the following in relation to the Sands-McDorman property:
  - a. Resolution directing staff to negotiate a purchase agreement for Parcel 1 and 2 of Sands-McDorman Property (5658 Ontario Street) in the amount not to exceed \$1,146,474
  - b. Resolution approving the submittal of an Iowa Department of Natural Resources (IDNR) Resource Enhancement and Protection (REAP) grant application in the amount of \$200,000.
2. Do not pursue the purchase of the Sands-McDorman Property.
3. Refer back to staff.

### **CITY MANAGER'S RECOMMENDED ACTION:**

**Admittedly, the expenditure of this magnitude which has not been approved in the budget typically is not requested by Staff. However, in this instance there has been a long-standing goal of the Park Master Plan to add a Community Park, the availability of sufficient land to accommodate this type of park is limited, and the property owner is requiring an immediate response to the offer to sell. Therefore,**

**in order to take advantage of this unique opportunity, the Staff is approaching the City Council to take action as soon as possible regarding the purchase of Parcels 1 and 2 of the Sands-McDorman property. Fortunately, the Park Development Fund was created to allow the City Council to respond in a timely manner to opportunities to expand our park system without having to wait for the annual budget process, and there are sufficient funds available to accomplish this purchase. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1, as described above.**

It is important to consider two issues should the City Council approve the purchase of this land. First, once purchased, our citizens will likely expect that the land be developed into a park immediately. It must be remembered that the ultimate development of this land into a Community Park will be a multi-million dollar project. Given the significant number of major park projects already planned for and yet to be accomplished in our park system, the development of this new park will not occur in the immediate future.

Second, the Community Park which is envisioned at this location includes active as well as passive features. Many times neighboring residents oppose the more active features that are incorporated into a Community Park.

Therefore, the City Council should expect some negative feedback related to both of these issues.