

ITEM #: 45
DATE: 05-28-24
DEPT: P&H

COUNCIL ACTION FORM

**SUBJECT: TEXT AMENDMENT TO ALLOW MIXED-USE RESIDENTIAL
DEVELOPMENT WITHIN THE HUB ACTIVITY AREA OF THE RESEARCH
PARK INNOVATION DISTRICT ZONING DISTRICT
(IOWA STATE RESEARCH PARK)**

BACKGROUND:

On February 27, 2024, the Ames City Council initiated a text amendment at the request of the Iowa State University Research Park (ISURP) to add household living as an allowed use within the Research Park Innovation District (RI) Zoning District in the form of mixed-use development. **The current RI zoning, which applies to the Third Phase or southern-most portion of the ISURP, does not allow residential uses. The proposed amendment is limited to permitting apartments primarily on upper floors and in conjunction with commercial or office spaces in the Hub Activity Area of the RI District.**

The RI District was established in 2015 to support the expansion of the ISURP. At that time, residential uses were not included in part to see how the development of the ISURP progressed and in part due to the City's use of Tax Increment Financing (TIF) and RISE Grant limitations. The TIF and RISE Grant use limitations no longer apply. Additional housing development has occurred to the west of University Boulevard in correlation to the increased employment opportunities of the ISURP.

The intent of the applicant is to facilitate mixed-use development within the current Hub Activity Area in the ISURP along Collaboration Way. The Hub Activity area has specific site design standards and is the only area where commercial uses are allowed, distinguishing it from the rest of the ISURP. **Specifically, mixed-use development is being requested for two sites in the Hub Activity Area—1705 and 1726 Collaboration Place (see attached Master Plan for the Third Phase of the ISURP for a map of locations).** The applicant's text amendment application letter is attached. **Also note that to the north of the Hub Area, the applicant is also in process of considering a Land Use Map Amendment to Residential from Industrial to support apartment development at the intersection of Cottonwood and University.**

RESEARCH PARK INNOVATION DISTRICT (RI) ZONING DISTRICT:

The RI zone is distinguished from typical industrial zoning districts by focusing on research and development facilities, related office uses, and supportive commercial uses in a Hub area. These uses are supported by design elements creating a people-centered collaborative environment, including in the ISURP the central natural area of the Tedesco Environmental Learning Corridor (TELC), a County Park.

Also unique to the RI District is the use of a Master Plan to identify a Hub Activity Area, Public Space Areas, which include general open space areas and TELC in the ISURP, and Research Industrial Areas for research, development, and office facilities typical of a research park. The attached Master Plan for the ISURP shows these planned areas. **Other industrial areas in the City are not master-planned and typically individual subdivided without coordination of overall uses.**

Ames Plan 2040 Future Land Use Map designates the ISURP as Employment (see attachment). Land to the west outside of the ISURP is designated as mixed use commercial and residential. **Plan 2040 further identifies the purpose of Employment designations as serving the business needs of the community. Incompatible uses are generally discouraged so as to preserve industrial land for the unique needs of industrial users.**

Given the RI District's focus on industrial users, one key element for consideration of the amendment is ensuring that it does not impact the desirability of industrial land in the area. The City has invested a substantial amount TIF into the extension of infrastructure to support job growth in this area. City staff believes there is a potential downside to allowing residential uses within the Research Park and the Hub area that creates a more limited range of potential industrial users because the proximity to residential uses could affect their business operations. Some industrial users are concerned about adjacent uses while others are not.

In response to this concern, the Research Park staff believes that a residential use can be compatible with other industrial uses as they (ISURP) are the property owner/developer. They can address compatibility issues through their future marketing and siting of industrial businesses in the area.

Adding mixed use can increase efficiency of use on a lot, but it can also impact the commercial uses targeted for development on a site. Accommodating housing can reduce the amount of site area that supports commercial development, largely due to residential parking occupying more site. The Research Park staff believes they can still deliver commercial space in the Hub as originally intended along with housing and that cultivating a live, work, play environment within the Hub Area would be supported by their interests in residential development at this time. They maintain that building more commercial with mixed-use above is beneficial to the purpose of the RI District.

In support of the Research Park staff's belief that a mixed-use element is an important part of its environment, the Ames Plan 2040 Future Land Use Map includes a Neighborhood Commercial - Mixed Use node across University Boulevard from the ISURP. (See the attached Future Land Use Map Attachment) This designation is meant to serve adjacent neighborhoods' commercial service needs, like the Neighborhood Core designation, but with a residential element that has a high level of connectivity with the commercial areas. Also adjacent are several residentially designated properties, including the Wessex Apartments and an area to the south designated for future low-density residential development.

Staff believes that the concept of mixed-use development fits with the goals for the applicant. However, the question presented by the requested text amendment is if the location of mixed-use development within the RI District and Hub Activity Area is appropriate to their overall expected industrial development of the ISURP.

PROPOSED ORDINANCE:

The proposed text amendment is narrowly defined to limit residential uses to the current Hub Activity Area. The residential use must be primarily above first-floor commercial or office uses. The developer is requesting that a small percentage of the first floor also be allowed to have residential units to more easily meet building code requirements for distribution of accessible units within an apartment building.

The City addresses the issue of minimum commercial space differently in each zone that allows mixed-use development. **Staff proposes a continued priority for commercial space within the Hub Activity Area through a standard that 90% of the building's first-floor area must be occupied by trade or office use(s) in order to permit household living in the remainder of the building.** Staff review of existing development indicates that the most common small-scale mixed-use buildings (3 stories or less) seen in Ames are roughly 7,000 to 12,000 square feet on the ground floor. For a 12,000-square-foot ground floor, the proposed requirement would result in 10,800 square feet of commercial or office space and up to 1,200 square feet of space for residential use on the ground floor. **It should be noted that nothing in the proposed text amendment requires residential uses in the Hub Activity Area.**

The intent of the proposed amendment is twofold. The first being to guarantee a substantial amount of commercial square footage in a development project, regardless of location on a site. This approach does not dictate a certain amount of square footage or building size. Secondly, the design requirements of the Hub Area support commercial space along streets and having this space at ground level will be beneficial to the design intent.

OTHER NEW REQUIREMENTS:

- **Minimum depth, height of commercial spaces, and glazing have been added to the proposed amendment to ensure the buildings have a more commercial character than residential design.**
- **For design compatibility of additional accessory structures for covered parking that may result from mixed-use development, accessory structures are proposed to be required to be located away from pedestrian areas and behind the principal buildings. This provision of the RI District currently applies only to equipment and mechanical areas and does not address accessory structures.**
- **Due to the variability of uses and design considerations in the ISURP, a mixed-use development will require a Major Site Development Plan (SDP) approved by City Council.**
- **A provision is included that requires screening for the benefit of residential mixed-use buildings of storage and equipment areas be provided in addition to the existing provision for the screening of these areas for the benefit of trails and streets.**
- **A provision that requires the City Council to find that the proposed mixed-use development is compatible with, and does not detract from, these other uses.**

The full text of the proposed amendment is attached.

PLANNING AND ZONING COMMISSION RECOMMENDATION:

The Planning and Zoning Commission reviewed the proposed amendment at its May 1, 2024, meeting. No notice of the P&Z meeting item was required, except posting of the agenda.

The Commission's lengthy discussion focused on compatibility issues between industrial and residential users and the displacement of commercial space in the Hub Activity Area. However, the Commission also recognized the desirability of housing to serve the ISURP for those who work in the Research Park and need to provide more housing options for ISURP employees. The applicant spoke at the meeting in

support of their project and describing their intent for the area. No members of the public spoke at the meeting.

The Commission voted (4-2) to recommend the City Council amend the Research Park (RI) Zoning District to permit Mixed-Use Development in the Hub Activity Area as recommended by the City staff.

ALTERNATIVES:

1. Approve the first reading of a text amendment to the Research Park (RI) Zoning District to permit Mixed-Use Development in the Hub Activity Area as shown in the attached ordinance.
2. Approve the first reading a text amendment with alternative language suggested by the City Council.
3. Do not approve the proposed text amendment.
4. Request additional information from staff.

CITY MANAGER'S RECOMMENDED ACTION:

Staff's main concerns in allowing household living in the RI Zone are issues of compatibility with industrial development targeted for the zone and decreasing the available commercial space that supports business uses in the District as a result of residential development.

The proposed ordinance addresses the concerns about compatibility by allowing residential uses in a building with only commercial (trade) or office uses and exclusively in the Hub Activity Area, which is for the most part set away from the primary industrial sites of the Park. It further requires that residential uses do not detract from industrial or other uses. However, there still may be future adjacent industrial uses, and the presence of residential development may discourage these users or cause nuisances for residents.

With the two remaining sites in the Hub Area that are planned for mixed-use development, there is approximately 8 acres of developable land. This means there is potential for significant amount of commercial square footage for these two sites. Even with the provision that requires 90% of a building's first-floor area be dedicated to commercial and office uses, staff estimates there is a tradeoff of space and there will be a loss of potential commercial area on a project site. Staff believes allowing mixed-use development may result in a loss of the opportunity for additional commercial or office floor area that would have typically resulted from a site being developed solely for these uses.

Despite these issues, the ISURP has indicated that adding residential uses will benefit the overall collaborative environment and activity in the Hub area, the sites can be designed to be compatible with the intent of area, and they can manage potential compatibility issues between uses.

The approval required of a Major Site Development Plan by the City Council provides an opportunity for review and consideration of site conditions and the relationship to the surroundings. This process provides the strongest basis for supporting an allowance for mixed-use developments. **Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, as described above.**

ATTACHMENT(S):

Master Plan.pdf

Applicant's Request

Ames Plan 2040 Future Land Use Map

DRAFT zoning text amendment for limited mixed-use residential in RI zone.pdf