

ITEM #:	<u>25</u>
DATE:	<u>12-16-25</u>
DEPT:	<u>P&H</u>

COUNCIL ACTION FORM

SUBJECT: REZONING PROPERTY AT 200, 204, 210, 214, 220 SOUTHEAST 2ND STREET AND 210 SUMNER AVENUE FROM HIGHWAY-ORIENTED COMMERCIAL (HOC) TO NEIGHBORHOOD COMMERCIAL (NC) WITH MASTER PLAN

BACKGROUND:

KHDB Enterprises desires to purchase the subject site and on behalf of the property owner Over Flow Thrift Store Inc., is requesting to rezone property located at 200, 204, 210, 214, 220 Southeast 2nd Street and 210 Sumner Avenue from "HOC" (Highway-Oriented Commercial) to "NC" (Neighborhood Commercial) with a Master Plan (See Attachment A- Location & Zoning). **The rezoning would enable the developer to build a mixed-use building containing commercial use and apartments, whereas only a commercial use would be allowed under the current zoning. Although the site is currently represented as multiple lots, a Plat of Survey has been approved to combine the properties into a single consolidated parcel for development.**

The subject site is a total of 1.29 acres of vacant land located along SE 2nd Street between the intersections with High Avenue and Sumner Avenue, which is one block east of S Duff Avenue. **The Land Use Designation for the general area is Community Commercial Retail (Com-CR) transitioning to Redirection Area to the north of SE 2nd Street. The Council will need to determine that the rezoning is consistent with the planned land use for this area as described within Ames Plan 2040 Growth and Land Use Element Principles and Policies and the Principles for Neighborhoods, Housing and Subareas Element.**

The land is adjacent to existing commercial development to the south, east, and west and a mix of commercial and residential development to the north. Former Sumner Avenue right-of-way and an alley right-of-way were vacated and sold by the City in 2011. The land previously had single family homes on the east side that were subsequently demolished. The site has been zoned commercial since before 2000.

The applicant is interested in developing a medium-size apartment building on the site. The current HOC zoning does not permit residential development or mixed-use development. The rezoning is proposed to allow for residential use on the site in a mixed-use format. The requested NC base zoning allows for both commercial and residential uses, subject to specific design guidelines and due to overall development size, approval of a Special Use Permit by the Zoning Board of Adjustment.

Due to range of uses permitted in NC zoning, staff recommended the applicant propose a Master Plan with the rezoning request to address the balance of residential use with commercial use on the site.

The applicant has proposed a Master Plan to address the general uses and layout of

development of the site with a mixed-use building. **The proposal includes a three-story approximately 36,000 square-foot mixed-use building with commercial and residential uses on the main level and residential on the second and third stories (See Attachment B- Proposed Rezoning). The developer plans for 6,000 square feet of commercial space and 5,000 square feet of residential space on the first floor and two additional stories of approximately 10,000 square feet of residential above. The total residential units will not exceed 30 units. Development of a building exceeding 20,000 square feet in NC zoning will require ZBA approval of a Special Use Permit to address design compatibility.**

The Master Plan will help govern certain basic elements of the site within the proposed NC zoning. The plan conceptually shows how the site can be developed as proposed. This includes the minimum amount of commercial square footage on the ground level and parking needs relative to the commercial use. Staff emphasized to the applicant that the attributes needed for successful commercial space are the priority for the Master Plan, specifically planning for a enough parking to serve a range of commercial uses. An option to include a small restaurant space is also preferred, but not required. With NC zoning approval, it may be possible to include on street parking space in support of the site as well, this will be determined with the Special Use Permit needed to build the project. A Zoning Agreement for the Master Plan will address site details of the Master Plan and be provided to Council prior to third reading of the rezoning ordinance. (See Addendum and Attachment C- Master Plan).

AMES PLAN 2040:

Approval of the requested NC zoning requires the City Council to determine the proposal conforms to Ames Plan 2040 planning for the area as it is a transition area between two designations. Principles from the Growth and Land Use Element and Neighborhood, Housing, and Sub Areas Element are all applicable to this request. **The site could be viewed as commercial priority or as a transition area that includes an option for residential infill. The proposed Master Plan with the rezoning is the applicant effort to blend the priorities for the site with one mixed use project. Policy considerations applicable to both the idea of commercial use and as infill housing are described below, with more information in the Addendum and attached excerpts from Plan 2040.**

- The underlying Land Use in Ames Plan 2040 is currently designated as Community Commercial Retail (Com-CR) and is also located in the East Lincoln Sub Area Redirection Plan. The Redirection (Redir) area designation indicates the City intends to evaluate the specific mix of uses and redevelopment options on a neighborhood level. At the time of preparation of Ames Plan 2040, the Sub-area was conceptually reviewed for redevelopment as mixed-use medium density neighborhood that included this location. Due to multiple influences on this area, including planned uses north of Lincoln Way no specific determination on redevelopment priorities was made. Currently no specific sub-area plan is prioritized by the Council for this area.
- The Com-CR designation extends from this site to the south and west and includes all the lands along S. Duff as a large business area serving the commercial needs of the city. Staff believes that very clearly the Com-CR land further to the south and down the hill from the site is intended for community commercial development to match the surroundings. The area to the north of the site is a Redirection Area that may support a change of use from current conditions. This area to the north has been zoned for commercial for a very long time and has had a slow evolution from housing to

commercial, most commonly service commercial or industrial service uses.

- Plan 2040 does not definitively answer the question of appropriate context sensitive development within the Redirection Area designation. Therefore, at this point the rezoning can be considered on a case-by-case basis as proposed, or deferred for a broader neighborhood planning effort.
- Based upon staff's review of this particular site's attributes it is viable for a new commercial building. While the site can be developed with a commercial building, reasonably estimated between 8,000 square feet and 20,000 square, it is more of a secondary location for a business because of its distance from South Duff and steep slopes of the site. Although it is a secondary type of a commercial location, it is same situation that that applies to many of the businesses in this general area where high visibility is not critical to the business success.
- Mixed Use has been successful in some parts of the community, but it is not guaranteed as the space layouts and location heavily influence the viability of renting commercial space as the format is not as flexible as a stand-alone commercial buildings.
- **To add a residential component you must evaluate compatibility and neighborhood context, meaning is it a desirable living environment and it is compatible with the land use intent of the area. While there are no specific residential features for this area, such as a park or linkages to other neighborhoods, there are older homes in the area. Businesses have operated in this area with legacy residential uses and adding apartments at this location should not affect their operation.**

Planning & Zoning Commission:

At the December 3rd, 2025 Planning & Zoning Commission Meeting the Commission reviewed the proposed Rezoning with Master Plan. Staff explained the request. The developer then spoke to the Commission regarding their request. No members of the public spoke regarding the matter.

The Planning & Zoning Commission voted 6-0 to recommend the City Council approve the Rezoning request from Highway-Oriented Commercial (HOC) to Neighborhood Commercial (NC) with a Master Plan.

ALTERNATIVES:

1. Approve on first reading the Master Plan for Rezoning the property at 200, 204, 210, 214, 220 Southeast 2nd Street & 210 Sumner Avenue from "HOC" Highway Oriented Commercial to "NC" Neighborhood Commercial with a Master Plan and approval of a Zoning Agreement for Master Plan details prior to third reading.
2. Deny the Master Plan for Rezoning the property at 200, 204, 210, 214, 220 Southeast 2nd Street & 210 Sumner Avenue from "HOC" Highway Oriented Commercial to "NC" Neighborhood Commercial on the basis that the City Council finds the Master Plan is not consistent with the policies of Ames Plan 2040 and the Com-CR and Redirection Area land use designations.

3. Refer this matter back to staff or the applicant for more information to be reconsidered within 30 days of this date.

CITY MANAGER'S RECOMMENDED ACTION:

The subject site is at the crossroads of two policy interests incorporated into Ames Plan 2040.

The first is maintaining land needed for various commercial enterprises and secondly to promote context sensitive infill when appropriate. The land use designations in this case are somewhat fluid and are open to interpretation for SE 2nd Street as the boundary of two designations with their relationship to policy interests of commercial use and context sensitive infill.

Staff believes the Master Plan includes a reasonable amount of viable commercial space based upon this location in the project and the parking configuration available for the project. The addition of housing should not impact the viability of the commercial, it only limits the amount of area that is dedicated to the use. Adding residential should not affect businesses in this area based upon the older residential homes that are also in the area.

Staff further believes that, although the overall planning for the area is incomplete as a Redirection Area, the proposed NC zoning and Master Plan can achieve the dual interests of Plan 2040 for commercial and residential infill options. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative 1.

ATTACHMENT(S):

[Addendum SE 2nd Master Plan.pdf](#)

[Attachments \(Maps, Master Plan & Plan 2040 Excerpts.pdf](#)