

**MINUTES  
CITY OF AMES  
PLANNING AND ZONING COMMISSION**

Date: January 4, 2012	Debra Lee	2012
	Chuck Jons	2012
Call to Order: 6:00 p.m.	Elizabeth Beck, Chairperson	2012
	Norman Cloud, Vice-Chairperson	2013
Place: Ames City Hall	Mark Stenberg	2013
Council Chambers	Jeff Johnson	2014
	Troy Siefert	2014
Adjournment: 7:59 p.m.		

All Members Were Present

**MAJOR TOPICS DISCUSSED:**

1. Adaptive Reuse for 2501 & 2801 Grand Avenue and 2801 Ferndale Avenue (North Grand Mall)

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CALL TO ORDER: Elizabeth Beck, Chairperson, called the meeting to order at 6:00 p.m.

**APPROVAL OF AGENDA:**

MOTION: (JONS/SIEFERT) to approve the Agenda for the meeting of January 4, 2012.

MOTION PASSED: 7-0

**APPROVAL OF THE MINUTES OF THE MEETING OF DECEMBER 21, 2011:**

MOTION: (CLOUD/STENBERG) to approve the Minutes of the meeting of December 21, 2011.

MOTION PASSED: 7-0

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PUBLIC FORUM: There were no public comments.

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**Adaptive Reuse for 2501 & 2801 Grand Avenue and 2801 Ferndale Avenue (North Grand Mall)**

Charlie Kuester, planner, gave an overview of the proposed Adaptive Reuse/Major Site Development Plan for North Grand Mall.

The City Council approved an adaptive reuse plan in 2007 for North Grand Mall. That approval was for the entire mall site from 24<sup>th</sup> Street to 30<sup>th</sup> Street, including a small parcel on the west side of Ferndale Avenue west of the mall. Since the approval of that site plan, only the Walgreens store has been built. The KFC building has been demolished and the Wells Fargo and Furman buildings are now vacant.

Since the approval of that plan, the site was also subdivided to create Lot 1 (the south lot comprising the Sears and everything south), Lot 2 (the north lot containing the mall), Lot 3 (Walgreens and its immediate parking area), and Outlot A (the small triangular parcel on the west side of Ferndale Avenue).

The owner now requests changes to the adaptive reuse plan as a response to the changing economic environment since 2007 and to meet the space needs of the specific potential tenants. The Sears auto center and buildings south of that will be demolished, as will the Wells Fargo and Furman buildings. The owner is seeking to renovate the former Sears store, build new retail space, improve landscaping, and change traffic flow into and within the site.

A question and answer period occurred between staff and the Commission pertaining to the proposed landscaping for this project and what is being done to ensure that what is being planted will survive. The discussion included making sure there is compliance at the beginning of the process versus enforcement if there is a compliance issue later.

Steve Osguthorpe, director, mentioned that the owner has indicated that, at some future time, Retail A will want to be on its own separately platted lot. The owner states that the platting will be needed by the tenant of Retail A for leasing and tax purposes. This will require the submittal of a subdivision plat for review and action by the City Council, and because of the lot split, will require the Adaptive Reuse/Major Site Development Plan to be updated to reflect the new lots.

Jeff Johnson left the meeting at 7:05 p.m.

Troy Siefert expressed concern about the quality of life for those that live on Ferndale because of the commercial traffic that will be entering the site from this street.

Mr. Kuester explained that the trucks have traditionally used Ferndale to access the loading docks and service entrances that have always been located on the west side of the mall.

Mr. Siefert said in looking at the plan, it appears that there are a lot of conflicts with regard to circulation.

Mr. Osguthorpe explained that the City's Traffic Engineer was concerned about how circulation would occur on this site, particularly with potential traffic at the access where the easement is located. Different things were discussed about how we might minimize that, and our Traffic Engineer was comfortable with creating a visual draw to get people to move towards that western driveway. If there are conflicts after that, there are still things the City might consider doing in the right-of-way to further address the concerns.

Ms. Beck also expressed concern about the trucks coming down Ferndale, especially in light of the street parking that is allowed on this street.

Mr. Osguthorpe suggested that perhaps the Commission should take into consideration the compromise that needs to be struck between ensuring the success of a mall site that is not doing well, and how we can mitigate the impact to the residents because of the truck traffic on Ferndale.

Greg Kveton, GK Development, Barrington, Illinois, representing owners of Lots 1 and 2, said he is excited to be here to talk about the update to the Mall. He said they have been working on enticing two major tenants for quite some time with some success and setbacks along the way. The current status is that they do have a signed lease with one of the anchor tenants for the

particular buildings that would be Retail C and D. The other major tenant that is on the south end of the site (labeled proposed retail A) has in concept approved the site and being in Ames, and is currently finishing up negotiations on a ground lease. A ground lease means the Mall will lease the ground to the tenant. The tenant is then responsible for building their own building, which is done primarily for tax purposes but will also help them facilitate financing for their building.

Mr. Kveton said they would like to begin construction of the site in late April. The complete renovation of the Sears building and construction of the buildings adjacent to the Sears building will likely begin in May. There is the potential that one of the tenants (Retail D) would occupy their space and open this fall. The Retail A building will be a spring 2013 opening, assuming everything goes as planned. The building that is shown as Retail E, which is on 24<sup>th</sup> Street, will be built when there is significant leasing in order to begin construction of that building. The demolition of everything south of the Sears building will likely begin in late February. He said things are moving along pretty well and will begin site work as soon as the weather breaks.

Mark Stenberg asked how many malls they own or manage. Mr. Kveton replied that they manage seven malls, as well as other retail properties. Mr. Stenberg asked if they see a momentum for the rest of the existing mall in terms of tenants because of the new development. Mr. Kveton said there is definitely a synergy. More retail is usually a good thing even though sometimes individual retailers don't like to see their competition right next to them. The reality is that it usually helps the retailers because it tends to draw more traffic and generate more activity, which is something that will benefit the Mall and hopefully fill up some of the vacancies.

Mr. Stenberg asked if they are going to address the exterior of the larger portion of the Mall sometime down the road. Mr. Kveton said they were hopeful that they would be able to address that at the same time they addressed the rest of the elevations, but there are two things that are preventing them from doing that now. One is trying to work through the details of what they are doing. There are some challenges with the front of the Mall because of the service doors, electrical cabinets, infrastructure, and a very narrow sidewalk and corridor. What they would like to do is introduce more store fronts to the front of the building, which means reconfiguring some of the spaces inside. The second aspect is a financial one. Renovations are typically done when you are adding income to the property either through an addition or some other method, which is how those things are financed and paid for. He said they are still working through the design aspect, as well as trying to figure out how to pay for it. It is important to get the south end going because that will be a catalyst that will bring more retail and more traffic to the Mall and will help out all the way around with the entire property.

Norm Cloud asked for clarification that the current owner of Lot 1 will be doing the renovation for Retails D, C, and B, and that the third party for Lot A will be leasing the space and will be doing its own construction. Mr. Kveton said that is correct.

Mr. Cloud asked if the current owners of Lot 1 would do the renovation of the current space for Retails D and C, and also build the proposed Retail B. Mr. Kveton said that is correct.

Mr. Cloud asked if it is a requirement that Retails D, C, and B be fully renovated and up and going before Retail A can be built, or can Retail A be built independently. Mr. Kveton said Retail A can be built independently. What likely will happen is Retail B and C will not be occupied until Retail A opens. Oftentimes the retailers want to try to open together; however, Retail D has expressed an interest in opening before Retail A, which is the one that may be opening in September.

Mr. Cloud said the reason there may need to be a subdivision is for tax purposes for occupant A. He asked if it is the desire that after subdivision occurs, the owners of Lot 1 will maintain ownership, or will they sell that lot to occupant A when they build. Mr. Kveton said it is possible that the lot would be sold. So far it is unlikely that occupant A would be the purchaser of that lot. Initially the subdivision would occur and ownership would not change. There is no ownership change envisioned at the time of subdivision; however, that could always happen down the road.

Mr. Cloud said there is a significant amount of proposed landscaping that would occur on Lots 1 and 2. He asked if there is an estimate of the total cost for the landscaping versus the renovation. Mr. Kveton said he doesn't know off of the top of his head the break down of the landscaping numbers, but the cost of the site work on Lot 1, which would include landscaping and everything else, exceeds 1-½ million dollars.

Chuck Jons thanked staff for doing a great job of creating the flexibility necessary to keep this project moving forward.

MOTION: (JONS/STENBERG) to accept Alternative #1, which states:

The Planning and Zoning Commission can recommend that the City Council approve the Adaptive Reuse/Major Site Development Plan for 2501 and 2801 Grand Avenue and 2801 Ferndale Avenue with the specific waivers requested. This alternative is accompanied by the following conditions:

- a. A remote parking agreement be submitted and approved by the City Council allowing the excess parking spaces on Lot 1 to make up the deficit of parking on Lot 2.
- ~~b. The existing cross access and shared parking agreements be submitted to the City for review to determine consistency with the remote parking agreement.~~
- b. The existing development agreement between the mall owners and the City be updated to reflect the new site plan and any other issues the City Council deems necessary to address.
- c. The agreement for the 45-foot access easement be submitted for review by the City prior to seeking authorization for Alternative A for Retail E. If not submitted for review, the Retail E layout as shown on sheet C3.0 is approved.
- d. The entire area of all landscaped traffic islands be excavated to a depth one foot below the bottom of the root ball of the proposed trees and clean soil be installed.
- e. Prior to occupancy of any new structure on Lot 1, all landscaping on Lot 1 shall be installed. Prior to occupancy of any new structure on Lot 2, all landscaping on Lot 2 shall be installed.

This alternative also includes the explicit authorization of the City Council to allow the Planning and Housing Director to approve the development of Retail E and Restaurant F upon the review and submittal of a minor site development plan that meets the following conditions:

- a. The minor site development plan for Retail E must be consistent with the approved adaptive reuse plan for North Grand Mall and comply with the specific waivers granted therein.

- b. The minor site development plan for Retail E must include elevation drawings that indicate that the finish materials and architectural features are consistent on all four sides of the structure. Window and door patterns (or equivalent design features) will also need to be carried around the building in a manner that ensures the design of the rear of the structure is appropriate for such a prominent public exposure.
- c. The minor site development plans for Restaurants F must be consistent with the approved adaptive reuse plan for North Grand Mall and comply with the specific waivers granted herein.
- d. The minor site development plan for Restaurants F must not allow for a deficit of parking to occur on Lots 1 and 2 combined.

The minor site development plan for Restaurant F must contain a minimum of 960 square feet of landscape. This equivalent to a three-foot border of landscaping around the proposed building although this landscaping can be placed anywhere within the 0.45 acre Restaurant F site.

MOTION PASSED: 6-0

Jeff Johnson was not present when this vote was taken.

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COMMISSION COMMENTS: Elizabeth Beck said last night the Commission held an open work session to discuss what they would like to send forward to City Council regarding the Commission's priorities and concerns for a future joint meeting in the spring. Tonight the Commission will choose between two draft memos to forward to the City Council.

MOTION: (CLOUD/JONS)

The Planning and Zoning Commission approved forwarding the memo labeled "Draft Two" with edits from Jeff Johnson and Chuck Jons.

MOTION PASSED: 6-0

Chuck Jons stated that he has a couple of concerns that he would like to talk about. His first concern pertains to the Commission's recent discussions about quality of life issues. He asked staff to give the Commission some guidance about the Commission's charge when dealing with quality of life issues because quality of life can often be in the "eyes of the beholder."

Mr. Jons said his second concern is on the basis of tonight's discussion pertaining to landscaping. He said he would like to be reassured that the City isn't asking more than most communities do with regard to landscaping.

Steve Osguthorpe referenced a landmark court case from 1954 (Berman vs. Parker), which established the notion that cities can address quality of life issue such as aesthetics. He explained that, planning is largely a quality of life issue, and it is the Commission's right to express concerns over quality of life as you describe it, with whatever code provisions you think will adequately and necessarily address it.

Mr. Osguthorpe mentioned the PowerPoint presentation that was given to Council describing the landscaping challenges, how it is applied in different communities in the Midwest, and how what we currently have on the books compares and contrasts to other jurisdictions. He offered to share this presentation with the Commission members individually or collectively if they are interested.

Ms. Beck thanked everybody for working so diligently on the memo the Commission is sending forward to the Council regarding the Commission's priorities. She also thanked Charlie for the presentation tonight on the Mall. She stated that she and everyone else is excited about this development and hopes that it happens quickly.

Mr. Cloud said he was cognizant tonight that he really didn't want the pursuit of perfection to get in the way of getting things done. He said it is his belief that the City should have high standards for its virgin developments, but in this case we were constrained by the fact that there is only so much that can be done with this site. The current owners have come to the City with a good faith attempt to improve things to the best of their ability. He said one of the reasons he asked about the cost of the landscaping is because of the significant cost, even if it might not be the landscaping that we would ideally like. Let's get some tenants in the mall, get some income, and if it becomes a draw again there may be a desire to "pretty the place up" once it's making money,

Mark Stenberg said the redevelopment of the Mall is an example of what we can do to encourage economic growth in Ames, and an opportunity to make improvements to an existing site that will spur growth and bring in more tenants. The same can be said of a new development. He said he can agree that we should possibly have higher standards for new development, but we shouldn't have such high standards that we are stifling potential economic development.

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STAFF COMMENTS: Staff reviewed the tentative agenda for the meeting of January 18, 2012.

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MOTION TO ADJOURN:

MOTION: (STENBERG/CLOUD) to adjourn the meeting.

MOTION PASSED: 6-0

The meeting adjourned at 7:59 p.m.

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Elizabeth C. Beck, Chairperson  
Planning & Zoning Commission

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Cindy L. Hollar, Recording Secretary  
Department of Planning & Housing