ITEM #: 6

DATE: <u>02-04-15</u>

COMMISSION ACTION FORM

REQUEST: Rezone from "HOC" (Highway-Oriented Commercial) to "RH" (Residential

High Density) for property located at 516 S. 17th Street.

BACKGROUND INFORMATION:

The developer is interested in rezoning approximately 12 acres of land at 516 S. 17th Street from "HOC" (Highway-Oriented Commercial) to "RH" (High-Density Residential) for the purpose of constructing a multi-family development of approximately 272 apartment units.

The subject property is an undeveloped parcel accessed through the Aspen Business Park from the west end of S. 17th Street. The site is located between U. S. Highway 30 and S. 16th Street. (see Attachment A-Existing Zoning Map). Property to the north and to the west of the site has been developed with apartments (Pheasant Run, The Grove, and Copper Beech) and property to the east of the site has been developed with an office business park (Aspen Business Park).

The applicant intends to develop a mix of apartment unit types marketed to professionals and students. Development intensity is approximately 700 bedrooms with 272 units, generally divided into a 50% student and 50% household living for other occupants. The developer has indicated a willingness to enter into a development agreement to address housing design interests and financial security for future traffic signal installation at S. 16th Street and Golden Aspen Road. A full description of the project is included in Attachment D through Attachment G.

The property was recently designated as High Density Residential in October 2014. At the time of the analysis for the LUPP change, staff identified issues pertaining to traffic, transit, access to S. 16th Street, and housing type to be further analyzed at the time of a rezoning request. Additionally, City Council directed on January 13, 2015 to include with each zoning application a Residential High Density Evaluation checklist as a measure of a project's LUPP consistency. The RH checklist reviews topics of Location/Surroundings; Site Features; Housing Variety/Design; Transportation; Utility; Investment/Catalyst (See Attachment I). A full evaluation of the request is included in the addendum.

ALTERNATIVES:

1. The Planning and Zoning Commission can recommend that the City Council approve the request for rezoning from "HOC" (Highway-Oriented Commercial) to "RH" (Residential High Density) for the property located at 516 S. 17th Street, based upon the applicant's project description and staff's analysis as found in the addendum, and subject to conditions:

- A. Property owner posts a financial security for 100% of the cost of construction of traffic improvements, to be built at the direction of the City.
- B. Create a deed restricted no-build area in the southwest corner of the site for future South Grand extension.
- C. Development of the site includes extension of S. 17th Street to the west property line.
- D. Provision of clubhouse and recreational amenities in the first phase of development.
- E. Mix of floor plans and leasing terms that do not require an August to August lease.
- 2. The Planning and Zoning Commission can recommend that the City Council deny the request for rezoning of the property located at 516 S. 17th Street, if the Commission finds that the project is not consistent City's regulations and policies.
- 3. The Planning and Zoning Commission can defer action on this request and refer it back to City staff and/or the applicant for additional information.

RECOMMENDED ACTION:

The City has recently experienced a strong growth in the construction of apartments over the past five years. This has been a product of high enrollment growth at ISU, job growth, and a high desirability for Ames by retirement age households. In response, the City has had multiple requests for new RH development through LUPP amendments and rezoning, including the subject site.

The subject site was granted an LUPP Amendment in October 2014 with expressed concerns about the timing of development of the site. At the time of the LUPP Amendment, specific issues concerning need, site access and transportation issues were identified for the applicant to further address before rezoning. The applicant has partially addressed these interests as described in this report. Notably, the applicant has been unable to secure direct vehicular or pedestrian access to S. 16th Street at this time. Staff believes the lack of direct access to S. 16th is a significant deficiency in the site's overall suitability.

Review of the RH Checklist indicates the site has a variable mix of high and low ratings. The transportation ratings low for the site due to general connectivity and transit services. Despite the findings of the applicant's traffic study that most intersections are not significantly impacted by the project's development, staff finds the study incomplete in some of its LOS calculations. The site has limited walkable access to neighborhood service, but does have fairly high access to employment areas in the immediate vicinity of the site. Staff rate the project as high for housing variety with the applicant's commitment to address housing variety meets current City interests for apartment development not designed and marketed primarily to students. Note that full details are not available on the complete design of the site and buildings as they seek rezoning entitlement.

At the time of approval of the LUPP Map change to Residential High Density, it was decided that resolution of the access constraints could be delayed until a more detailed

traffic analysis was completed as part of the request to rezone the property to RH. It was stated in the LUPP Map report to the Commission and City Council that; "Zoning becomes a timing control for the appropriate use if the general interest of high density residential exists for the site." However, now that the applicant is requesting rezoning, the access issue has not been able to be resolved by the applicant. The applicant has not been able to secure vehicular, nor pedestrian access, in a direct route between the site and S. 16th Street. Since there is a lack of the direct connection, the timing for rezoning to RH may be premature.

Therefore, it is the recommendation of the Planning and Housing Department that the Planning and Zoning Commission act in accordance with Alternative #2, which is to recommend that the City Council deny the request for rezoning of the property, located at 516 S. 17th Street, from "HOC" (Highway-Oriented Commercial) to "RH" (High-Density Residential), as depicted in *Attachment B.*

ADDENDUM

APPLYING THE RH SITE EVALUATION TOOL:

(see Attachment I–RH Site Evaluation Matrix)

Location/Surroundings

Does the site integrate into an existing neighborhood with appropriate interfaces and transitions? Staff rates the site as "High" in that it integrates well into the existing High Density Residential area. The proposed zoning would be an extension of the RH zoning to the west (Copper Beech), north (Pheasant Run) and on the other side of S. 16th Street to the northwest (The Grove). High Density Residential land use can interface well with the HOC land in Aspen Business Park to the east.

Is the site located near daily services and amenities (school, park, variety of commercial)? Staff rates the site as "Low" in this subcategory. Commercial land use abuts the east boundary of the site (Aspen Business Park); however, there is not a variety of retail and service commercial businesses in this business park to serve the needs of residential tenants. A major concentration of retail, restaurants, and service-type businesses lines South Duff Avenue, the center of which is approximately one (1) mile from the site. Within a distance of approximately one-half (0.5) mile, tenants could access Ames Christian School (grades K-6), and Coldwater Golf Links. The applicant does propose private recreational amenities for the site.

Does this create a new neighborhood, not an isolated project? (if not part of neighborhood, does it create a critical mass or identifiable place, support to provide more services?) Staff rates the site as "Average" in this subcategory. This is a growing neighborhood of high density residential development. Development as RH would be an expansion of, and continued growth of rental housing. Overall, the area has critical mass but lacks a sense of identity due to incremental development and planning for the area. Even with approval of the project, it is not anticipated additional services would be added to the area.

Is the site located near employment centers or ISU campus? Staff rates the site as "High" in this subcategory. The Iowa State campus, Iowa State Research Park, Iowa Department of Transportation, and Mary Greeley Medical Center are all easily accessed by arterial roadways from the subject site. Aspen Business Park, abutting the east property line of the site, could potentially be a location of employment for tenants in the proposed apartment complex.

Site Features

Does the site contain no substantial natural features on the site (woodlands, wetlands, waterways)? Is the site located outside the Floodway Fringe? Staff rates the site as "High" in these subcategories. There are no existing natural features on the site, that would be impacted, or require mitigation of any kind to protect, or preserve waterways, natural wetlands, or woodland resources. There are no designated floodplains that cross the subject property.

Is the site separated adequately from adjacent noise, business operations, air quality (trains, highways, industrial uses, airport approach)? Staff rates the site as "Low" in this subcategory. The southern boundary of the site is U.S. Highway 30, a four-lane divided major roadway. The Ames Municipal Airport is located in the general vicinity of the site, across Highway 30 and Airport Road to the south.

Is there an ability to preserve or sustain natural features? The site rates as "Average" in terms of consistency with the Land Use Policy Plan (LUPP) policies regarding natural features. The site is vacant and does not include significant natural features to be preserved, or sustained.

Housing Type and Design

Is there a need for housing or building type or variety of housing types? Staff rated this category as "High" based upon types of proposed housing design and features of the development. Based on the project design and marketing, the project would not be available to low and median income households without Section 8 vouchers or other affordable housing assistance.

The developer believes there is a need for apartment units. The developer intends to design a project with 50% student oriented housing and 50% as workforce oriented housing. In addition to housing construction for ISU students, there is a desire on the part of the developer to provide a housing type that would appeal, in terms of design and amenities, to the young professional market. Apartment units with one (1), two (2), or three (3) bedrooms would be designed to cater to the young professionals demographic, while four (4) bedroom units are typical of student apartments. Community amenities planned for students and young professionals in this apartment development include: a fitness room, billiard rooms, community rooms, computer center with printer station, clubhouses, and outdoor patios with barbeque grilling station, fire pits, sun deck, volleyball court, etc. The developer is willing to provide the City with the assurance that the primary focus will be on providing young professional housing by allocating 65 percent, or more, of the unit mix to three (3) bedrooms, or less, per unit. The approximate unit mix breakdown is as follows:

APPROXIMATE UNIT MIX					
Number of	Number of	Number of	Percent of the Total		
Bedrooms/Unit	Units	Bedrooms	Number of Units		
1	69	69	25.4%		
2	81	162	29.8%		
3	26	78	9.6%		
4	96	384	35.3%		
Total	272	693	100%		

The project is planned to be built in two phases. The first phase is construction of the largest building, which is located on the south side of the S. 17th Street extension, which bisects the site. Phase two would complete development of the site with the construction of two smaller apartment buildings, clubhouse and parking lots. All three buildings are anticipated to be four (4) stories in height (see Attachment G).

Transportation

Is the site adjacent to the CyRide line to employment/campus? Staff rates the site as "Low" in this subcategory. The site is not adjacent to a transit stop for CyRide due to the lack of a direct connection to CyRide on S. 16th Street. The walk distance along S. 17th to a bus stop at Golden Aspen and S. 16th is in excess of a ¼ mile for the majority of the site area. Access to CyRide was one of the major issues identified by staff in analysis of the LUPP Map change of the site from HOC to RH. While always desirable to have transit access for high-density residential uses, it has been an essential element in support of student oriented developments to meet student interests and service levels of CyRide. The transit service in this part of the community does not function as a convenient means of access to major employment areas in the community for the demographic of young professionals targeted for a large percentage of the units to be constructed on the site.

Does CyRide service have adequate schedule and capacity? Staff rates the site as "Low" in this subcategory. The nearest route (CyRide Gray Route) follows S. 16th Street. **The Gray Route already exceeds ridership capacity.** The Gray Route brings students from this area as well as picks up students from lowa State Center transit station. The Gray Route consists of one bus every 30 minutes, between 7:00 a.m. and 5:30 p.m., and one bus hourly between 5:30 p.m. and 10:00 p.m., Monday through Friday, while school is in session. There is no weekend service.

The applicant completed a survey of bus ridership along S. 16th Street and concluded that a worst case scenario would be 20% of the students using the bus. This would equal approximately 10-15 riders for a bus during peak hours. CyRide provides comments that a standard bus has a capacity for 38 seated persons and 20 additional standing individuals. Adding 15 riders may not be accommodated in combination with demand from the other three nearby apartment complexes and the riders that are already present on the bus or with the needed seats at the Iowa State Center transfer point.

Are there pedestrian and bike paths, or lanes, with connectivity to neighborhoods, or for commuting? Are site access and safety provided? Staff rates the site as "Low" in these subcategories. Sidewalks exist along S. 17th Street and Golden Aspen Drive to access S. 16th Street. However, there is no direct pedestrian, nor bike path, connection between the site and the bike path and sidewalks along S. 16th Street. There is a strong need for this connection to provide the necessary means of convenient access to the site from S. 16th Street. If the pedestrian/bike connection to the site was constructed, the S. 16th Street bike path would serve as a link to other parts of the community. There are stretches of right-of-way along the south side of S. 16th Street where sidewalk has not been constructed. These missing sections of sidewalk are needed to provide pedestrians with a continuous link to other sidewalks/bike paths throughout the community.

Are there roadway capacity and intersection operations (existing and planned at Level of Service (Average) "C"? Staff rates the site as "Low" in this subcategory. A traffic impact analysis (TIA) has been conducted by the traffic consultant, Duane Smith, PE. The analysis found deficient intersection operations under existing conditions and projected conditions for the major intersections of University/S. 16th and Duff/S .16th. New impacts occur at Golden Aspen Drive.

In the "Conclusions and Recommendations" section of the TIA, Mr. Smith explains that: The TIA Conclusions and Recommendations states that: "The condition of the intersections in 2035, form the Iowa DOT Model, indicate that the LOS for Grand Avenue and Kellogg Avenue will decline and there may be a need for a traffic signal at these locations. Grand Avenue will be extended from South 4th Street to S. 16th Street at this time and the actual impact of this change in the street network will need to be evaluated at that time. The extension of Grand Avenue will most likely impact the travel patterns for the entire area."

"Conditions of intersections in 2015, when Cyclone Village is constructed, indicates low LOS values at Christensen Drive (Vet Med College Access) and Golden Aspen Drive. The condition at Christensen Drive is due to the fact that there are only two travel lanes on South 16th Street indicating adequate gaps in the traffic are not allowing left turning vehicles to proceed. No mitigation is identified. At Golden Aspen Drive, the decline in LOS is due to the increased traffic coming from the Cyclone Village Apartments. A traffic signal is the most likely solution to improving LOS."

The developer is agreeable to paying the cost of improvements to the intersection of S. 16th Street and Golden Aspen Drive, to include a signalized traffic light intersection, as needed to safely absorb the additional pedestrian and vehicular traffic generated by the development contemplated on the parcel. The City would require financial security from the developer for the estimated cost of the traffic signal improvements, for installation at a time to be determined by the City. It would not be installed at the time of development. This would be documented in the Developers Agreement, if required by the City as a condition of approval of the rezoning to RH.

Although the applicant completed a Traffic Impact Analysis at the request of the City, Damion Pregitzer, City Traffic Engineer, did not accept a final report for the project. Staff requested that the Level of Service (LOS) analysis calculations not include a mitigation of adjusted signal timing. Staff would not assume that all signals would be optimized as indicated in the analysis. If re-optimizing of signal timings are to be a solution to a LOS or other operational problem caused by the proposed development, it should be one of the recommended actions for the City to consider, rather than assumed. This issue applies to existing signalized intersections and assumptions for their coordinated timing.

A second significant interest was for analysis of a scenario where project traffic had direct access to S. 16th Street via a South Grand Extension. The consultant declined to do the analysis believing it was premature to forecast future 2035 conditions at this time. Additionally, the applicant has not been able to secure access for near term conditions.

The developer has informed staff that he has diligently pursued an agreement with the owner of the Copper Beech property to allow vehicular and pedestrian access, by the tenants of the new development, to the driveway and sidewalk on the Copper Beech property. The Copper Beech driveway is the location of S. Grand Avenue, once it is extended past S. 16th Street. The developer informs staff that negotiations with the Copper Beech property owner have not been productive, and there is no interest, on the part of the Copper Beech owner, to allow the use of their driveway (future extension of S. Grand Avenue) as a means of access between S. 16th Street and the site proposed for rezoning. The applicant has also been unable to secure permission to circulate through the Pheasant Run apartments north of the site.

The current Long Range Transportation Plan (LRTP) includes an illustrative planning project for the extension of Grand Avenue under Highway 30. The City has not committed to the Grand extension south of S. 16th Street at this time; although the project will again be evaluated as part of the current "LRTP" (Long Range Transportation Plan) Update. This site may be encumbered by slope easements restricting development in the southwest corner, and may include a need for developer contributions towards road and access improvements along the Grand extension corridor. Street right-of-way for the future extension of S. Grand Avenue will be needed on the southwest corner of the subject property to accommodate the proper alignment for the U.S. Highway 30 underpass. The width of right-of-way needed for the S. Grand Avenue extension would be a minimum of 80 feet, and the template design for the underpass would require approval by the Iowa Department of Transportation (IDOT). This would occur at the time of site plan approval. A U.S. Highway 30 underpass, adjacent to this property, can be accommodated with agreement by the developer. The developer is amenable to reservation of the southwest corner of the site for the eventual extension of S. Grand Avenue.

Public Utilities & Services

Are there adequate storm, water, sewer capacity for intensification?

Staff rates the site as "High" in this subcategory. For all rezoning proposals, City staff examines the possible impacts of a change in the zoning designation, including intensification, to public utilities, such as storm sewer, sanitary sewer and water capacity, storm drainage. This review is based on overall system capacities and the information available to staff at this point in the development process. For the subject property, staff finds that the capacities of storm sewer, sanitary sewer, and water are adequate to serve the proposed high density residential development.

Is the proposal consistent with emergency response goals? Staff rates the site as "Average" in this subcategory. The site is within a three (3) to five (5) minute emergency response time. The nearest fire station from which emergency response would be dispatched is located on S. Duff Avenue at the Airport Road intersection.

Investment/Catalyst

Does this proposal support prior City sponsored neighborhood/district investments or sub-area planning? Does this proposal create character/identity/sense of place? Does this proposal encourage economic development of diversification of retail commercial (Mixed Use Development)? Staff rates the site as "Low" in these subcategories due to no LUPP direction

concerning this area or type of project. Staff's rating of this category is based on unique situations of projects related to LUPP objectives and implementation interests. This development request will not have a substantial influence on its surroundings within this meaning.

REZONING BACKGROUND:

Existing Land Use Policy Plan. (see Attachment C - Existing LUPP Map Designation) The LUPP designation of the subject property, which includes twelve (12) acres, is "High Density Residential." This change in designation of the property from "Highway-Oriented Commercial" was approved by the City Council on October 14, 2014.

Existing Zoning. (see Attachment A - Existing Zoning) The site is zoned as "HOC" (Highway-Oriented Commercial). Zoning of abutting properties to the west and north/northwest is "RH" (Residential High Density). The immediate area to the northeast and east is zoned the same as the subject property, "HOC." Bordering the south property line is the right-of-way for U. S. Highway 30. Directly to the south of Highway 30 is land zoned as "S-GA" (Government/Airport) as part of the land area reserved for the Ames Municipal Airport.

Existing Land Use. The existing land use of the subject property and all other abutting properties is as follows:

EXISTING LAND USE			
Location	Land Use		
Subject Property	Vacant		
West	Apartment Buildings		
North/Northwest	Apartment Buildings		
North/Northeast	Commercial Office Buildings		
East	Commercial Office Buildings		
South	U. S. Highway 30 right-of-way		

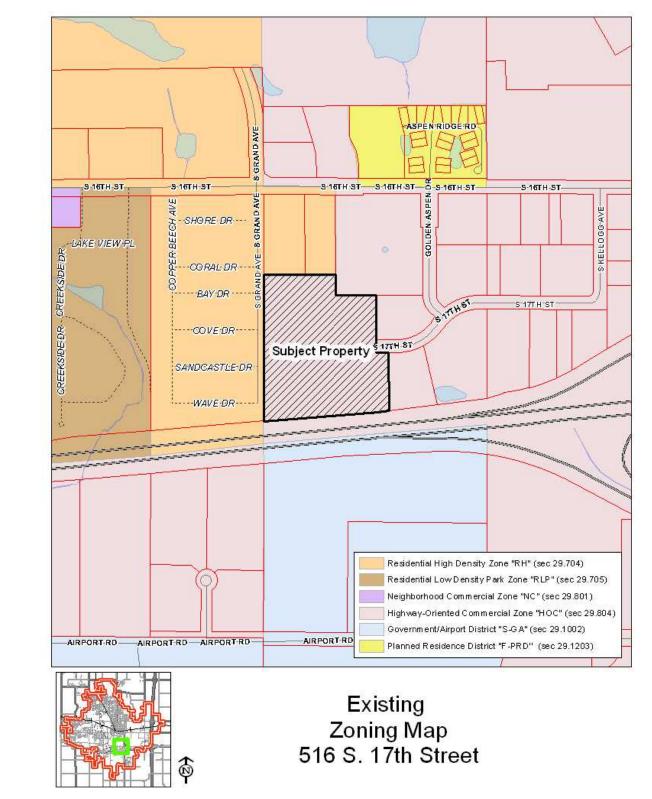
Applicant's Statements. (see Attachment D - Applicant's Statement/Project Summary/Conceptual Site Plan, Attachment E - Applicant's Reasons for Rezoning, Attachment F - Reasons for Rezoning Addendum, and Attachment G - Project Summary). The applicant has provided an explanation of the reasons for the rezoning, and a Project Summary, and requests the rezoning in order to construct apartment buildings on the site to meet housing needs for ISU students and young professionals in Ames.

Public Notice. Notice was mailed to property owners within 200 feet of the subject site. As of this writing, no comments have been received.

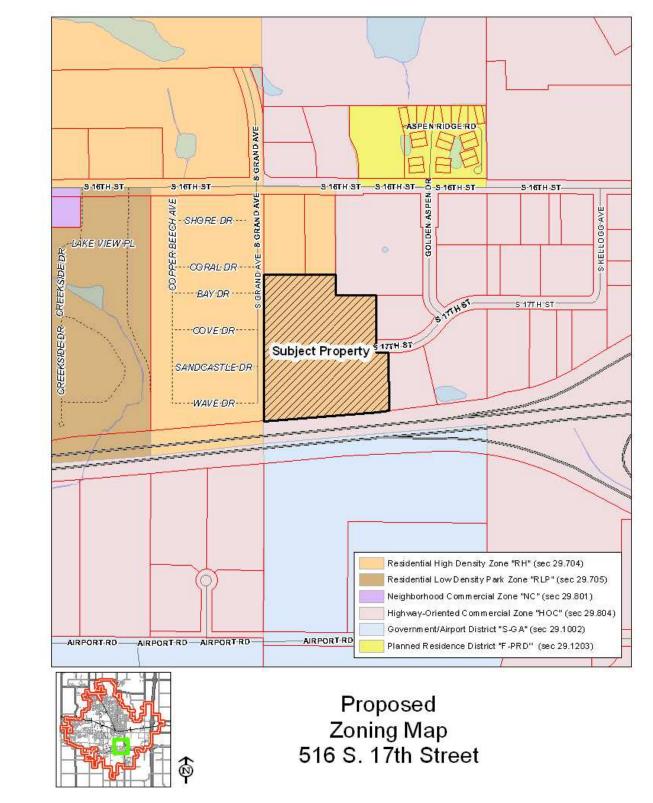
Findings of Fact. Based upon an analysis of the proposed rezoning and laws pertinent to the applicant's request, staff makes the following findings of fact:

- 1. Ames *Municipal Code Section 29.1507(2)* allows owners of fifty percent (50%) or more of the area of the lots in any district desired for rezoning to file an application requesting that the City Council rezone the property. The owner of this single parcel has requested the rezoning.
- 2. The subject property has been designated on the Land Use Policy Plan (LUPP) Future Land Use Map as "Residential High Density."
- 3. The "Residential High Density" land use designation supports the "RH" (Residential High Density) zoning designation. Under the "RH" zoning designation, the proposed multiple-family residential development can be accommodated subject to the Zone Development Standards allowed within this zone, as described in Chapter 29, Article 7, of the Municipal Code.
- 4. Infrastructure is available to this site. The owner will need to obtain any necessary easements for service line connections to the site.
- 5. Access to this site is from S. 17th Street, a public street right-of-way. There is no direct access to the minor arterial roadway of S. 16th Street.
- 6. The project has potential impacts on bus service due to capacity limits of the Gray Route.
- 7. The traffic impact analysis for the site is incomplete for purposes of comparing background conditions with project conditions.

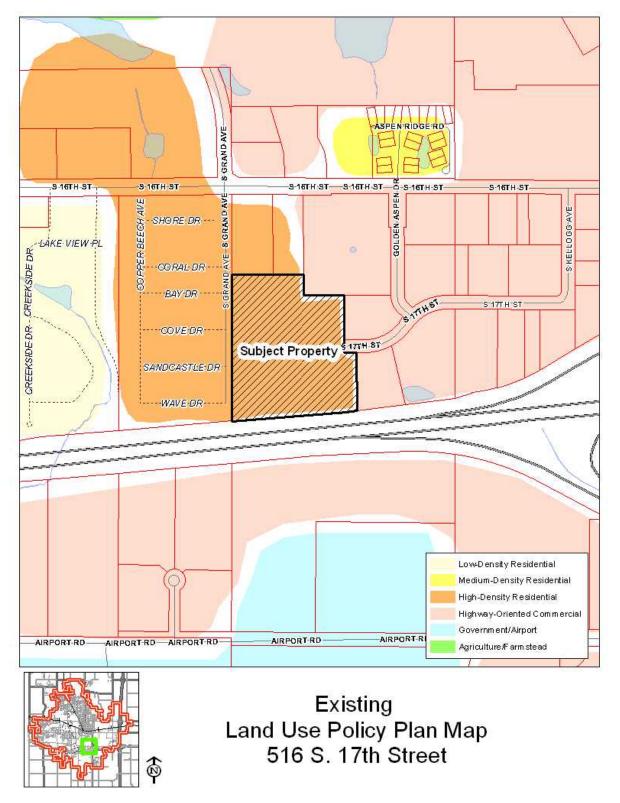
Attachment A – Existing Zoning



Attachment B - Proposed Zoning



Attachment C – Existing LUPP Map Designation



Attachment D – Applicant's Statement/Project Summary/ Conceptual Site Plan

Project Overview:

The project at 516 South 17th Street shall be an approximate 272 unit apartment development primarily designed to cater to the young professional demographic market in Ames, IA. The developer plans to cater to the young professional market by delivering an amenity rich living environment that younger professionals desire as well as primarily focus the unit mix on 3 bedrooms or less. Through market knowledge and experience, the developer has found that the more community amenities (fitness room, billiard rooms, community rooms, outdoor patios, etc.) and nicer quality finishes and designs in the units (granite counters, stainless steel appliances, washer/dryer in unit, upgrading flooring, etc.), the more we can differentiate ourselves from the market and deliver what the young professionals desire. Traditionally student housing is geared towards more low cost, basic finishes, laminate countertops, linoleum flooring, and limited community rooms in order to compete on price. Our development is not engaged in being the low cost leader in the Ames market and as such, we aim to deliver a higher quality, aesthetically pleasing development. For more information on the market need, designs, and greater details on the project, please reference the attached project overview document.

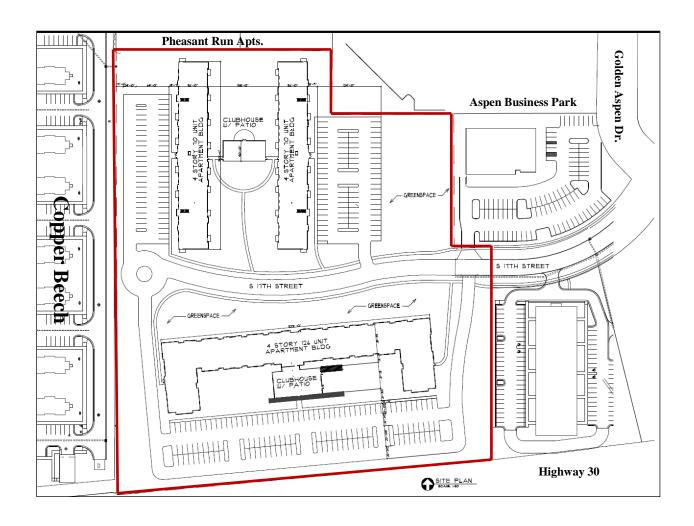
The approximate unit mix breakdown shall be:

BDS	Units	Percent
1	69	25.4%
2	81	29.8%
3	26	9.6%
4	96	35.3%
Total	272	

This project is planned to be built in a two phase approach, with South 17th Street bisecting the North and South phases. Phase I (south) is planned to be built this spring and Phase II (North) is planned to be built in spring of 2016.

Jeff Koch
Partner, Roers Investments

Ph: 952-221-0712



Conceptual Site Plan

Attachment E – Applicant's Reasons for Requesting Rezoning (Pg. 1)







November 10, 2014

From: DANIEL D. OBERPRILLER, PRESIDENT, CPM Companies

2919 Knox Ave So # 200 Minneapolis, MN 55408 Daniel@cpmcos.com

JEFF KOCH, PARTNER, ROERS INVESTMENTS

13774 Reimer Drive Maple Grove MN, 55311 Jeff@roersinvestments.com

To: Members, Ames City Council

Ames City Council P.O. Box 811 Ames, IA 50010

Re: Rezoning Checklist

Rezoning Checklist-Property at 516 S 17Th

REASONS FOR REQUESTING REZONING

CPM Development, LLC, a Minnesota based limited liability company ("Buyer"), entered into a real estate agreement on November 20th, 2013 to purchase the 12.59 acre parcel located at 516 S 17TH street (The "Property") from Scott and Jane Randall ("Seller"). That purchase offer is contingent upon amending the city of Ames Land Use Policy Plan (LUPP) to allow for a high density student housing development to be constructed. The Buyer has partnered with Roers Investments, LLC; a Minnesota based Limited Liability Corporation to co-develop this project.

Currently the Property is designated as HOC (Highway Oriented Commercial) on the LUPP map, however on October 14, 2014 Ames city council approved an amendment to designate the land as High Density Residential use. Abutting the property to the East is the Aspen Business Park development, owned and developed by the Seller. When discussing the subject Properties future development plans with Mr. Randall, he advised he has no intentions on developing the land into further commercial business offices as the demand is not present. Abutting the property to the South is US Highway 30. Abutting the property to the West is the Copper Beech student housing development and to the North is the Pheasant Run apartment complexes, both of which are zoned RH (Residential High Density). The buyers seek to continue this RH zoning designation into the subject Property to create a natural buffer and minimize public impact as there is no low density residential, medium density residential, or manufactured home zoned land abutting the Property. This change to RH zoning would be consistent with the future LUPP map, which was recently approved by city council to be changed from HOC to RH zoning.

Market Need:

Through market research and land availability studies, the city of Ames Planning and Zoning concluded that there is currently no High Density or medium density land available in the city of Ames and over 237 Acres of land available for HOC use¹. In terms of market need for housing, over the past five years the Ames community has added over 5,000 jobs and 6,050 students to Iowa State University student body. "The 52,900 jobs as of September 2014 are the most ever for the Ames metro (defined as Story County by the Bureau of Labor Statistics). With job growth at 2.5% since September 2014, Ames is still adding jobs more than twice as fast as the Iowa average and outpacing the 2% job growth nationwide. Ames is the only Iowa metropolitan labor market growing more rapidly than the national average. Looking over a longer time frame, Ames has added 5,000 jobs since September 2010, 56% of them in the private sector" ². Couple that intense job growth along with rapid student body growth to portray the demand for over 11,050 additional bedrooms to keep pace with the population growth. According to the city of Ames Planning and Zoning commission, only 3,468 bedrooms or 1,360 units have been constructed or are under construction during that same five year time

Attachment E – Applicant's Reasons for Requesting Rezoning (Pg. 2)







period¹. In a September 14th, 2014 Ames Tribune article, Michael Crum, ISU vice president of economic development & industry relations, told the board the university expects to see significant growth in the research park in coming years. "Crum said the 10 to 15 year predictions are for the research park to have more than 1.8 million square feet of development and to be home to nearly 6,000 employees with salaries totaling more than \$174 million."³

CONSISTENCY OF THIS REZONING WITH THE LAND USE POLICY PLAN

On October 14th, 2014 Ames city council adopted RESOLUTION NO. 14-541 approving an amendment to the LUPP Future Land Use Map to change the land use designation of the property located at 516 S. 17th Street from Highway-Oriented Commercial to High-Density Residential. This proposed land rezoning would therefore be consistent with the Land Use Policy Plan as High-Density Residential land.

CURRENT ZONING

HIGHWAY ORIENTED COMMERCIAL (HOC)

PROPOSED ZONING

HIGH DENSITY RESIDENTIAL (RH)

PROPOSED USE

Multifamily housing development to meet the housing needs of both young professional and ISU students.

LEGAL DESCRIPTION

ASPEN BUSINESS PARK SD FIRST ADDITION OUTLOT B. TOWNSHIP 9, SECTION 14, GEO-CODE 105 CONSISTING OF APPROXIMATELY 12.59 ACRES.

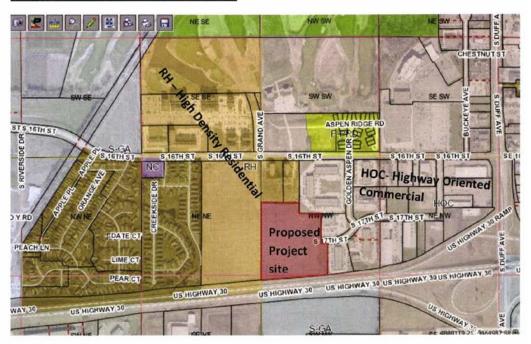
Attachment E – Applicant's Reasons for Requesting Rezoning (Pg. 3)







Image 1- MAP OF SUBJECT PROPERTY





Attachment E – Applicant's Reasons for Requesting Rezoning (Pg. 4)







- Property Boundaries- Image 2, Bold Red Line
- · Dimensions of property boundaries- Image 2, Bold black numbers
- · Location of adjacent streets Image 1
- Current LUPP Map designation: HOC
- Proposed LUPP Map designation : RH

Impact to LUPP Goals

Pertinent LUPP Goals stated under Goals for a New Vision beginning on pg. 18 of the Plan include:

Goal No. 2, which pertains to ensuring the availability of sufficient suitable land resources to accommodate the range of land uses that are planned to meet growth and to eliminate market constraints. This goal also speaks to achieving greater compatibility among new and existing development. Currently there is no RH zoned land available to purchase in order to develop to meet the increasing need for student housing.

Goal No. 4, which speaks to achieving a more integrated and compact living/activity areas where daily living requirements are provided in readily identifiable and accessible areas. This proposed development seeks to align with this goal by providing many on site amenities including: study lounges, community rooms, a swimming pool, volleyball courts, basketball courts, fitness center, along with many other amenities.

Goal No. 5, which speaks to the continuance of development in emerging and infill areas where there is existing public infrastructure and where capacity permits. This site would continue the already established high density residential zoned developments with the capability to leverage the pre-existing public infrastructure (city water, sewer, storm drainage, electricity, gas, bus service, etc.).

Goal No. 6, which speaks to increasing housing opportunities through various means, Including: increasing overall supply of low and moderate-income housing; increased densities; higher densities in existing areas where residential intensification is designated with the further objective that there shall be use and appearance compatibility among existing and new development; and relieving the current constraints to land supply/availability by such means as releasing lands for development that are currently controlled by institutions.

Addressing the Identified LUPP Workshop Themes -

The following 7 themes (A-G) were identified during the June 28, 2012 City of Ames LUPP Workshop. We realize these themes can help the city determine whether the subject properties land rezoning application should be approved and therefore has taken the liberty of addressing these seven major themes:

- A. <u>Traffic:</u> The Property is currently only accessible via S 17th street which is a minor arterial street. Under the City's long term transportation plan, Grand Avenue will be extended to SE 16th Street as an arterial or minor arterial street. Currently the Copper Beech development has paved a private street which is an extension of Grand Avenue that extends South of S 16th Street. We continue to attempt to partner with Campus Crest (developer of the "Copper Beech" and "The Grove" developments) to extend S 17th running East to West through the middle of the property to connect up with this Grand Avenue extension South of S 16th Street. So far Campus Crest has been unwilling to partner together to extend a curb cut on their private street. We also understand the lack of available CyRide service via the #4 Gray Route. The traffic study we conducted will speak to the impacts our development will have to this service.
- B. <u>Sanitary Sewer:</u> No additional sanitary sewer capacity is required. The change from HOC to RH does not impact the current sanitary sewer system. The sanitary sewer system adjacent to the development is a 54-inch diameter trunk sewer for the West side of Ames. Eric Cowles with the City of Ames Public Works believes the Copper Beech development has an 8" connection off of this main line that this proposed development would connect to.

Attachment E – Applicant's Reasons for Requesting Rezoning (Pg. 5)







- C. <u>Stormwater:</u> The Property is 6-8 feet above the 100 year flood elevation of Squaw Creek and the property would not directly discharge to Squaw Creek. The property would be designed to convey and treat all the storm water from the surrounding area via water retention. The property drains generally Northwest to Southeast.
- D. <u>Natural Resources</u>: The property will contain natural resources that will serve dual purposes. Tree lined streets and property lines will provide a natural buffer to transition into the surrounding properties as well as absorb and filter out storm water. The trees will also filter out sound from the surrounding highway traffic. Retention ponds will be positioned to provide water quality improvement, groundwater recharge, flood protection, as well as an esthetic improvement to the property. As such, the water retention pond will be designed to blend into neighborhood and viewed as an amenity
- E. <u>Economic Impacts:</u> Immediate economic benefits of this proposal include long term job creation as well as a drastic increase in tax generation for the city. Currently the property is classed as Agricultural land assessed in 2013 with a land value of \$16,900. This land classification and assessed value generated \$182 in property taxes for the city for the 2012 tax year. Initial calculations based on the size and scale of the project would generate over \$450,000 in annual taxes for the city. Short term benefits include an influx of need for over 150 construction workers in the area for over a year, which would benefit construction, hotel, apartment, and retail business owners in the area. Long term job creation includes a projected staff of 12 to maintain operations of the apartment development.
- F. <u>Alternative Sites:</u> Currently there is no RH (High Density Residential) land available in the existing city limits for sale.
- G. <u>Contract Rezone</u>: This theme specifically benefits the City staff to decide if there will be conditions to address some of the issues raised during the review of the LUPP request via a contract rezoning agreement with the developer.

Through this land rezoning application, we believe we are working within the confines of the goals the LUPP city staff set out to achieve for the city of Ames. We view this journey as a partnership between CPM/Roers and staff and the City of Ames staff to successfully accomplish our goals together. We are truly excited about the potential this project has for the city of Ames and we look forward to working with the city staff every step of the process to help achieve that potential. We greatly appreciate your consideration of this land rezone application for the cities review and look forward to hear the proposed next steps the city advises.

Respectfully,

Daniel D. Oberpriller, President CPM Companies.

Jeff Koch, Partner Roers Investments

Daniel Olevall

Attachment E – Applicant's Reasons for Requesting Rezoning (Pg.6)







Sources:

- Diekmann, K. (February 24, 2014). BACKGROUND INFORMATION FOR A HIGH DENSITY LUPP AMENDMENT REFERRAL REQUEST FOR 516 S. 17th STREET. Planning and Zoning Commission report, Ames, IA.
- Orazem, P. F. (November, 2014). Ames Economic Outlook, November 2014. Iowa State University, Ames, IA. Retrieved from:
 - http://www2.econ.iastate.edu/faculty/orazem/Ames/Ames%20Economic%20Outlook 11-2014.pdf
- 3. Erickson, M. (September 10, 2014). ISU Research Park Breaks Ground on New Facility, Ames Tribune, Retrieved from: http://amestrib.com/news/isu-research-park-breaks-ground-new-facility

Attachment F – Reasons for Requesting Rezoning (Addendum) (Pg.1)







From: DANIEL D. OBERPRILLER, PRESIDENT, CPM Companies

December 10, 2014

2919 Knox Ave So # 200 Minneapolis, MN 55408 Daniel@cpmcos.com

JEFF KOCH, PARTNER, ROERS INVESTMENTS

13774 Reimer Drive Maple Grove MN, 55311 Jeff@roersinvestments.com

To: Members, Ames City Council

Ames City Council P.O. Box 811 Ames, IA 50010

Re: Rezoning Checklist Addendum

Rezoning Checklist Addendum-Property at 516 S 17Th

This addendum was created to accompany the rezoning request for the property located at 516 S 17th Street in Ames Iowa. Via email on 11/20/2014, Ray Anderson with the city of Ames Planning and Zoning department asked Roers Investments to address the following questions in addition to the rezoning checklist:

REASONS FOR REQUESTING REZONING

1. How this site will be provided with direct access from S. 16th Street, including roadway reservations?

The property at 516 S 17th street will be accessed via one of two following scenarios:

- Golden Aspen Drive (Confirmed) Tenants of this housing development will access the site from South 16th street via Golden Aspen Drive. Entering the development, South 16th street is a four lane major arterial roadway. As cars approach the development via South 16th street coming from the East, they can wait in the lane with their turn signal on and traffic will continue to flow around them in the second lane as they wait to safely cross. Exiting the development, the most challenging is to turn left or West across two lanes of oncoming traffic on South 16th Street. The peak traffic time where this causes congestion is around 5PM to 6PM when all the office park employees are trying to exit the development after work. As discussed in the LUPP amendment request, rezoning this property from HOC to RH will actually improve traffic congestion overall for the development vs further developing this land into office space as this would create additional density of cars attempting to exit the development from 5PM to 6PM. To assist with traffic congestion occurring while exiting the development, we have worked with the development owner, Scott Randall, to get a secondary turn lane planned in to assist in allowing exiting cars from the Golden Aspen development two turn lanes to exit either East or West. Alternatively, tenants in the development can continue on South 17th street onto South Kellogg Avenue to exit or enter the development.
- b. Grand Avenue South (pending) We have made several attempts to partner with the Campus Crest group to allow a curb cut onto South Grand Avenue (currently a private road). So far discussions have been difficult as Copper Beech (Campus Crest) traditionally doesn't partner with other developers on infrastructure and they view us as a

Attachment F – Reasons for Requesting Rezoning (Addendum) (Pg.2)







competitor to their development. In other towns we have been able to partner with other developments to bring a better overall product to the community which in turn helps us have a better investment. So far they have rejected various proposals we have submitted to them which include sharing in build cost of the road as well as maintenance of the road. We have also proposed that the city step in and attempt to work with the developer as it is in the cities best interest to gain access and control South Grand Ave. South Grand Ave. is currently in the cities long range transportation plan to extend South Grand Ave south of HWY 30 to connect up with Airport Road. It also would be the most efficient use to route the majority of the traffic from Golden Aspen to a signalized intersection at Grand Ave and South 16th Street. The connection of South 17th to South Grand Avenue is key to making this happen.

2. A thorough explanation of how the proposed apartment project will be differentiated in the market, so as not to be geared toward students.

Through market studies we've identified the two largest housing demand groups in Ames being (1) young professional housing for employees being added to the expanding business park to the south of HWY 30 and (2) student housing in support of the vast enrollment growth at lowa State University. As mentioned in our rezoning application in terms of the market need for housing, over the past five years the Ames community has added over 5,000 jobs and 6,050 students to lowa State University student body.

Couple the intense job growth along with rapid student body growth to portray the demand for over 11,050 additional bedrooms to keep pace with the population growth. According to the city of Ames Planning and Zoning commission, only 3,468 bedrooms or 1,360 units have been constructed or are under construction during that same five year time period. In a September 14th, 2014 Ames Tribune article, Michael Crum, ISU vice president of economic development & industry relations, told the board the university expects to see significant growth in the research park in coming years. "Crum said the 10 to 15 year predictions are for the research park to have more than 1.8 million square feet of development and to be home to nearly 6,000 employees with salaries totaling more than \$174 million." Ames is in a unique and fast growing population phase and to prohibit additional housing solutions to meet the 7,000+ beds required to meet the housing demand would have direct impacts to the city, local business owners, and ISU longevity.

Through traffic studies we have identified a trend of commuters including students and young business owners commuting from other cities like Ankeny, Des Moines, etc. into Ames. This represents a lost opportunity for the city to capture those commuting individuals and maintain them as members of the community that pay taxes and shop at local businesses.

To solely market our development to only one group would limit the potential for the development to meet the variety of housing needed in Ames. Even with all of the student geared housing recently built in Ames, the vacancy rate remains extremely low and the number of available bedrooms hasn't kept up with the rapidly increasing enrollment and need for student housing.

Young professional geared housing is a niche that hasn't been met to date in the Ames market so we intend to design a development that caters to both students and young professionals, primarily through design, development location, and amenities. As with anything in real estate, the key to success is location. We believe this location is perfectly situated between ISU, the Technology Park,

Attachment F – Reasons for Requesting Rezoning (Addendum) (Pg.3)







and retail establishments along South Duff Ave. If you were to create a triangle by pinpointing these three locations on a map (ISU, Technology Park, and main retail corridor) our development would be perfectly situated in the middle of this triangle. Positioning our development in this key location of the city will help cater to the two main demographics the city needs housing. From a design perspective, we have partnered with Elness Swenson Graham (ESG) architects, who is an award winning design firm with a national practice in urban residential, hospitality, workplace environments, higher education, branding and graphic design. Headquartered in Minneapolis where the firm enjoys a leadership position in redevelopment, ESG won the American Institute of Architects Firm Award for "innovation in urban residential mixed use design." ESG architects has experience designing developments around intended uses, from corporate housing, to urban residential developments, to student living communities. Their knowledge and expertise in these markets will help us design our buildings with our core two groups in mind. We've worked with them on updates and interior amenities that haven't been implemented in the Ames market before (which is discussed in item #5 below) which will continue to drive our two key groups into our development.

We will also provide non-traditional lease options that aren't based off of the August to July annual lease options primarily dominating the rental market which is based off of student need. This will help to cater our development to young professionals not looking to adhere to the same rental terms traditional to the Ames market. We will also rent our units by the units, not by the bed, to continue this theme of catering to the young professional and non-student market. This project will feature a variety of studio, one, two, three and four bedroom dwelling units with studio and two bedroom units specifically designed with single occupancy bedrooms to meet the privacy needs of the upper level undergraduate and young professional residents. Apartments will feature full kitchens, living/ dining areas, bathrooms, and in unit laundry.

3. A floor plan of the units proposed, including the number of bedrooms for each unit;

Attached

4. The proposed layout and design of the site

Attached site plan and imaging

5. Descriptions and examples of the amenities that will be included in the development to attract the target market of occupants, who are not students.

The majority of the amenities we provide are enjoyed and appreciated by students and non-students alike, and we will continue our general theme of providing a community that is rich in design and added amenities not traditionally experienced in the Ames market. These amenities include:

- Underground heated parking
- Fitness center
- Community room
- Resident market stocked with basic conveniences like food, toiletries, and home goods.
- · Internet lounge with shared printer
- Theater room
- Pool

Attachment F – Reasons for Requesting Rezoning (Addendum) (Pg.4)







We greatly appreciate your consideration of this land rezone application for the cities review and look forward to hear the proposed next steps the city advises.

Respectfully,

Daniel D. Oberpriller, President CPM Companies.

Jeff Koch, Partner Roers Investments

Daniel Olegall

Attachment G - Project Summary (Pg.1)

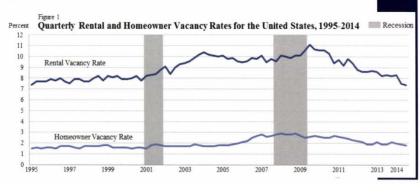


Attachment G – Project Summary (Pg.2)

MACRO ENVIRONMENT – US HOUSING MARKET Quarterly Homeownership Rates and Seasonally Adjusted Homeownership Rates Percent 70 for the United States, 1995-2014 69 68 67 66 65 64 63 2007 2009 2013 2014 vnership Rate Seasonally Adjusted Home wnership Rate

Current US Housing Homeownership Summary:

- Decreasing Homeownership rates: Homeownership rates dropped to their lowest levels in 20 years in Q3 2014 to 64.4%
 - Gen Y (age 18-32) saw the greatest homeownership decline to 35.9%
- Increasing rental demands: Rental vacancy rates are the lowest in 20 years due to the increased demand for rental units and lack of supply to meet the demand.
- · Increasingly difficult to obtain homeownership:
 - Home values diminishing or underwater
 - The great recession of 2008
 - Unemployment
 - · Increasing personal debt burdens
 - Tighter credit lending



Attachment G – Project Summary (Pg.3)

AMES, IA HOUSING MARKET

Ames Housing Market need

- · Job growth
 - Ames has added 5,000 jobs since September 2010, 56% of them in the private sector
 - The 52,900 jobs as of September 2014 are the most ever for the Ames metro (defined as Story County by the Bureau of Labor Statistics).
 - With job growth at 2.5% since September 2014, Ames is still adding jobs more than twice as fast as the lowa average and outpacing the 2% job growth nationwide.
 - Ames is the only lowa metropolitan labor market growing more rapidly than the national average.
- ISU Student body growth
 - **6,050 students added** to Iowa State University student body over the past 5 year timeframe.
- Land Availability
 - Through market research and land availability studies, the city of Ames Planning and Zoning concluded that there is currently no High Density or medium density land available in the city of Ames and over 237 Acres of land available for HOC use.

Housing Availability

- According to the city of Ames Planning and Zoning commission, 3,468 bedrooms or 1,360 units have been constructed or are under construction during the same five year time period.
- Couple the intense job growth of 5,000 jobs along with rapid student body growth of 6,050 students to portray the **demand for over 11,050 additional bedrooms** to keep pace over the past 5 years.
- 7,582 bedrooms still needed to meet the population growth
- An additional 6,000 jobs are expected over the next 10 to 15 years with salaries totaling more than \$174 million according to Michael Crum, ISU VP of economic Development.



Attachment G - Project Summary (Pg.4)



Attachment G - Project Summary (Pg.5)



Attachment G - Project Summary (Pg.6)

Community Amenities





Community Amenities

- · Club Room with fireplaces, large flat screen HD TV's
- Game Lounge with billiards and shuffle board
- · Resident market with coffee, bottled drinks, food, and toiletries.
- Separate Fitness room with large screen HD TV's
- · Private comunity rooms and nooks
- Security Cameras
- Electronic key "Fob" entry system for units and building
- · Computer center with printer station
- Wi-Fi hotspots
- Outdoor Patio with Barbeque grilling station, Fire pits, Sun deck, Volleyball court, and Game Day outdoor TV







COMMUNITY AMENITIES

Attachment G - Project Summary (Pg.7)

Interior Design- Apartments





Residential Amenities

- SPACIOUS LIVING AREAS WITH OPEN FLOOR PLAN TO THE KITCHEN.
- ACCESS TO THE FITNESS CENTER AND COMMUNITY ROOM
- GRANITE COUNTERTOPS
- ALL UNITS HAVE 9 FT CEILING HEIGHTS
- PRIVATE PATIOS IN EVERY HOME
- HIGH-END DESIGNER FINISHES
- WASHER AND DRYER IN EVERY UNIT.
- KITCHEN APPLIANCE PACKAGE INCLUDES DISHWASHER, RANGE/ OVEN, MICROWAVE, AND REFRIGERATOR.
- WOODEN CABINETS WITH MODERN WHITE FINISH.
- INDIVIDUALLY CONTROLLED HEATING AND AIR CONDITIONING IN EACH UNIT.
- QUIET WALL SYSTEM TECHNOLOGY FOR NOISE REDUCTION BETWEEN UNITS.
- ENVIRONMENTALLY FRIENDLY LOW FLOW FAUCETS AND TOILETS
- CONTROLLED ENTRANCE ACCESS ON APARTMENTS
- SECURITY VIDEO MONITORING ON APARTMENTS





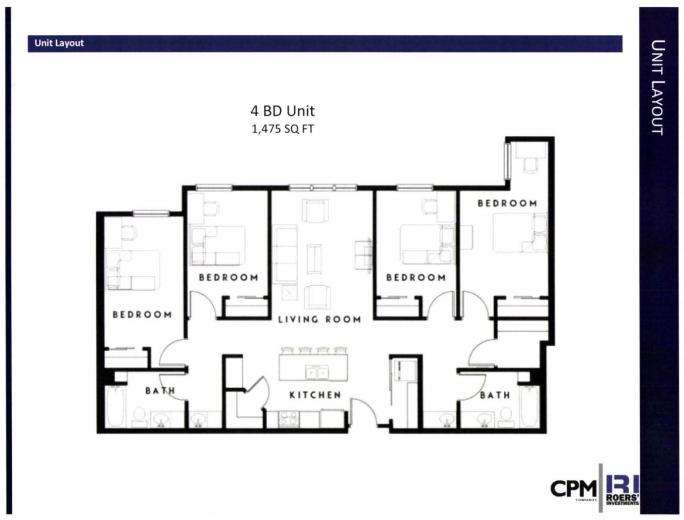
Attachment G - Project Summary (Pg.8)



Attachment G - Project Summary (Pg.9)



Attachment G - Project Summary (Pg.10)



Attachment H – Applicable LUPP Goals & Objectives

- Goal No. 1. Recognizing that additional populations and economic growth is likely, it is the goal of Ames to plan for and manage growth within the context of the community's capacity and preferences. It is further the goal of the community to manage its growth so that it is more sustainable, predictable and assures quality of life.
- Goal No. 2. In preparing the target populations and employment growth, it is the goal of Ames to assure the adequate provision and availability of developable land. It is the further goal of the community to guide the character, location, and compatibility of growth within the area's natural resources and rural areas.
- 2.A. Ames seeks to provide at least 600 to 2,500 acres of additional developable land within the present City and Planning Area by the year 2030. Since the potential demand exceeds the supply within the current corporate limits, alternate sources shall be sought by the community through limited intensification of existing areas while concentrating on the annexation and development of new areas. The use of existing and new areas should be selective rather than general.
- Goal No. 5. It is the goal of Ames to establish a cost-effective and efficient growth pattern for development in new areas and in a limited number of existing areas for intensification. It is a further goal for the community to link the timing of development with the installation of public infrastructure including utilities, multimodal transportation system, parks and open space.
- Goal No. 6. It is the goal of Ames to increase the supply of housing and to provide a wider range of housing choices.
- 6.C. Ames seeks to establish higher densities in existing areas where residential intensification is designated with the further objective that there shall be use and appearance compatibility among existing and new development.
- Goal No. 7. It is the goal of Ames to provide greater mobility through more efficient use of personal automobiles and enhanced availability of an integrated system including alternative modes of transportation.
- 7.B. Ames seeks a transportation system that is linked with the desired development pattern of the overall community and areas therein.

Attachment I – RH Site Evaluation Matrix

REZONING of 516 S. 17th STREET

RH Site Evaluation Matrix		Project Consistency		
		Average	Low	
Location/Surroundings				
Integrates into an existing neighborhood with appropriate interfaces and transitions High=part of a neighborhood, no significant physical barriers, includes transitions; Average=adjacent to neighborhood, some physical barriers, minor transitions; Low=separated from an residential existing area, physical barriers, no transitions available	✓			
Located near daily services and amenities (school, park ,variety of commercial) High=Walk 10 minutes to range of service; Average=10 to 20 minutes to range of service; Low= Walk in excess of 20 minutes to range of service. *Parks and Recreation has specific service objectives for park proximity to residential			√	
Creates new neighborhood, not an isolated project (If not part of neighborhood, Does it create a critical mass or identifiable place, support to provide more services?)		✓		
Located near employment centers or ISU Campus (High=10 minute bike/walk or 5 minute drive; Average is 20 minute walk or 15 minute drive; Low= exceeds 15 minute drive or no walkability)	✓			
Site				
Contains no substantial natural features on the site (woodlands, wetlands, waterways)	✓			
Located outside of the Floodway Fringe	✓			
Separated adequately from adjacent noise, business operations, air quality (trains, highways, industrial uses, airport approach)			✓	
Ability to preserve or sustain natural features		✓		
Housing Types and Design				
Needed housing or building type or variety of housing types				
Architectural interest and character		✓		
Site design for landscape buffering		√		
Includes affordable housing (Low and Moderate Income))			✓	
Continued next page				
Transportation				

Adjacent to CyRide line to employment/campus			
High=majority of site is 1/8 miles walk from bus stop;			
Average= majority of site 1/4 mile walk from bus stop;			•
Low= majority of site exceeds 1/4 miles walk from bus stop.			
CyRide service has adequate schedule and capacity			
High=seating capacity at peak times with schedule for full service			
Average=seating capacity at peak times with limited schedule			 √
Low=either no capacity for peak trips or schedule does not provide			
reliable service			
Pedestrian and Bike path or lanes with connectivity to neighborhood			
or commute			•
Roadway capacity and intersection operations (existing and planned			
at LOS C)			V
Site access and safety		\checkmark	√
Site access and safety		•	,
Dublic Hailities / Compiess			
Public Utilities/Services			
Adequate storm, water, sewer capacity for intensification			
High=infrastructure in place with high capacity			
Average=infrastructure located nearby, developer obligation to extend and serve	✓		
Low=system capacity is low, major extension needed or requires			
unplanned city participation in cost.			
Consistent with emergency response goals			
High=Fire average response time less than 3 minutes			
Average=Fire average response time within 3-5 minutes		V	
Low=Fire average response time exceeds 5 minutes, or projected			
substantial increase in service calls			
Investment/Catalyst			
Support prior City sponsored neighborhood/district investments or			
sub-area planning			
Creates character/identity/sense of place			✓
Encourages economic development or diversification of retail			
commercial (Mixed Use Development)			•