

ITEM #:	<u>29</u>
DATE:	<u>01-14-25</u>
DEPT:	<u>P&H</u>

COUNCIL ACTION FORM

**SUBJECT: INITIATION OF VOLUNTARY ANNEXATION WITHIN NORTH AMES OF
MULTIPLE PROPERTIES GENERALLY BETWEEN GEORGE W. CARVER
AVENUE AND HYDE AVENUE**

BACKGROUND:

The City has received annexation petitions from the Robert J. Borgmeyer Trust and Margaret A. Borgmeyer Trust, Northridge Height's Homeowners Association, and Erben and Margaret Hunziker Apartments, LLC, for seven properties east of George W. Carver Avenue extending to Hyde Avenue and south of Ames Golf and Country Club (AGCC).

An annexation plat is included in Attachment A. With this application for annexation, it triggers consideration by City Council of including non-consenting properties and use of previously agreed upon covenants for future annexation of properties to eliminate islands and to make more uniform boundaries as provided for under state statute for voluntary annexation.

The Borgmeyer properties are the largest property ownership within the annexation petition. The Borgmeyer properties are also the last significant area of unincorporated land in the Ames Plan 2040 north Urban Growth Scenario. They represent an important development opportunity that is readily serviceable with relatively short extensions of City infrastructure, based upon previous infrastructure planning.

Along with Borgmeyer property annexation, it would be appropriate to review infrastructure needs for development of the area with the future developer and prepare a developer agreement. This would address construction of infrastructure needed to support the Borgmeyer development, such as a traffic study, extension of Stange Road concurrent with development, looping of water lines, extension of a sanitary sewer, development of shared use paths and trails, and neighborhood park dedication. The Addendum includes more discussion regarding these issues and consistency with Plan 2040.

A local development group that includes Friedrich and Hunziker Companies has a purchase agreement for the Borgmeyer property. Their intent is to develop the property as a residential neighborhood with a commercial area as identified within the existing Ames Plan 2040 designations of Residential Neighborhood 4 (RN-4: Walkable Urban) and Neighborhood Core - Mixed Use (see Future Land Use Map in Attachment B).

In order to eventually approve the proposed Annexation petition as presented, the City Council will be required to include several nonconsenting properties. There is a long history of annexations and covenants for consent to annex property in this area. The overall amount of territory with the annexation, depending on the decision of the Council on the initiation, could be approximately 400 acres of land. This amount would include the original application, the Ames Golf and Country Club, The Irons Subdivision, a railroad corridor, and other properties along Hyde Avenue.

Under Iowa Code Section 368, up to 20% of the total land area of a voluntary annexation may be

comprised of nonconsenting properties (referred to as the 80/20 rule). This is allowed by statute to avoid creating islands or to create more uniform city boundaries. With the annexation of the Borgmeyer properties, three properties along George W. Carver Avenue would need to be annexed as they would otherwise be islands. Additionally, with the annexation of the Hunziker properties, the lands east of the railroad along Hyde would be considered islands and also need to be annexed. Lands along Hyde would also include the implementation of previous agreements for voluntary annexation of property owned by the Iowa Natural Heritage Foundation (INHF) and the Sturges property.

A number of alternatives exist for Council to consider in terms of both annexation configuration and timing. The first step in the annexation process is for the City Council to accept the application and define the boundaries that they desire for annexation. With Council's decision on what territory to include in the annexation, the final territory description will be completed based upon all consenting applications and incorporation of nonconsenting properties. Once this is accepted, the formal notification process will begin, which includes a series of notifications to property owners and governmental entities, a referral of the application to the Planning & Zoning Commission for recommendation, and ultimately a public hearing with the City Council for formal approval. Once the City Council makes a final decision, the annexation will then be reviewed by the State City Development Board for final approval. City Development Board approval is required as the annexation will be both 1) an 80/20 annexation and 2) within two miles of Gilbert, another urbanized area. The total time to complete an 80/20 annexation process with State approval is likely seven months, potentially more.

ANNEXATION TERRITORY BOUNDARIES:

Since 2013 there have been two annexations within this general area and three rural subdivisions authorized by the City Council contingent upon agreement to voluntarily annex in the future. The City has agreements in place for voluntary annexation of the Ames Golf and Country Club and the homes created as a rural subdivision known as The Irons. Additionally, property was divided along Hyde Avenue for purchase from the Sturges family by the Iowa Natural Heritage Foundation that included an agreement for future annexation to allow for the rural division at that time. Two other properties owned by Hunziker are part of the submitted application.

City Council is being asked with this annexation petition to determine what territory to include in annexation at this time to achieve the applicants' goals and whether to implement the existing annexation covenants either in whole or in part to support a comprehensive annexation strategy for the area to complete more uniform boundaries of the City.

Staff has generated three territory description choices for authorizing the voluntary annexation (a map of the areas is included in Attachment C and a table of all affected properties, and their acreage, are included in the Addendum):

1. Initiate 80/20 Annexation of requested Borgmeyer-related properties and Hyde Avenue properties, and defer AGCC and the Irons annexation applications until completion of the submitted annexation.

This alternative would involve an initial annexation of the four consenting Borgmeyer properties, the consenting Northridge Height's HOA property west of the railroad, and the consenting Hunziker properties along Hyde. The City would obtain voluntary annexation applications from, at least Sturges, and INHF, consistent with their prior agreements, and include City ROW along Hyde.

With these consenting properties, there would be three properties along George W. Carver, the railroad, a parcel owned by Hayden's Preserve LLC, and four privately owned properties along Hyde Avenue, which all may be nonconsenting (See Attachment C). Staff under this alternative, would contact the nonconsenting property owners to see if they now would desire to voluntarily join the annexation process. Previously, the City had offered owners a reduced water and sewer connection fee to participate voluntarily in an annexation.

The annexation of the Borgmeyer properties would create an island of three parcels along George W. Carver that must be annexed with the Borgmeyer property (See Attachment C). The Hunziker lands near Hyde would also fill in a previously created gap and create islands that are not permissible by state code. Adding the Hunziker land would allow for its development with their planned Auburn Trail development. City services are available in this area and the City owns and maintains the Hyde right-of-way proposed to be annexed on which the nonconsenting properties have frontage. More information on City infrastructure in this area is included in the Addendum.

To achieve the 80/20 ratio of consenting to nonconsenting lands, at a minimum, the INHF and Sturges property need to be consenting. **If the properties along Hyde and railroad were not annexed with the Borgmeyer or AGCC and Irons Subdivision properties, there would be insufficient acreage alone remaining south of 190th to facilitate a future 80/20 voluntary annexation of this area without some other combination of land.**

Additionally, after completion of this annexation, annexation of the properties that are part of the Irons Subdivision or otherwise part of the Ames Golf and Country Club to the north of the Borgmeyer properties would occur.

Prior to the development of the Irons Subdivision, the Ames Golf and Country Club agreed to future annexation at the City's discretion through a Covenant & Agreement for Annexation. More information on this agreement can be found in the Addendum. Deferring the AGCC and Irons annexation would allow time to obtain the voluntary annexation applications needed from these property owners while allowing the other areas to proceed with annexation at this time. Given the number of properties involved in the annexation of the Irons Subdivision and AGCC properties, this Alternative would include initiating their annexation potentially within 6 months of finalizing the initial annexation involving the Borgmeyer properties. This annexation would have to repeat all of the steps of an annexation with Council initiation, notice, Council approval, and state approval.

In total, this Alternative with both annexations occurring consecutively would include approximately 400 acres of land. The acreage of the Borgmeyer and associated properties and the properties along Hyde are broken down by consenting and nonconsenting owners as follows in Table 1. **Nonconsenting property owners would total less than 20% of the annexation area, meeting the 80/20 voluntary annexation rule for the initial annexation.** Road right-of-way owned by the County is included as nonconsenting property, but permitted to be annexed by State Code. The separate, 100% voluntary annexation of the Irons and AGCC properties with acreage is included in Table 2.

Table 1: Borgmeyer and Properties Along Hyde Annexation Acreage Breakdown (80/20 Voluntary)

	Consenting (Property and City ROW)	Nonconsenting (Property, Railroad, County ROW)
Estimated Acres	196.17	41.99

Percent of Annexation Area	82%	18%
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Table 2: AGCC and the Irons Annexation Acreage Breakdown (100% Voluntary)

	Consenting (Property)	County ROW
Estimated Acres	154.08	7.59
Percent of Annexation Area	100%	n/a if 100% voluntary

2. A second alternative would be to complete the annexation with the AGCC and The Irons concurrently with the properties within Alternative 1 as one application.

This Alternative will alter the timing of the annexation described in the first alternative—the annexation of the Irons and AGCC would occur at the same time and as part of the 80/20 annexation of the Borgmeyer properties and properties along Hyde. **The benefit of this Alternative is the efficiency of processing one application for annexation by the City. The downside is likely an extended amount of time to obtain all the required annexation applications, which would delay the annexation of the new development areas.** The acreage breakdown of this 80/20 annexation would be as follows in Table 3.

Table 3: Borgmeyer, Properties Along Hyde, and AGCC and the Irons Annexation Acreage Breakdown (80/20 Voluntary)

	Consenting (Property and City ROW)	Nonconsenting (Property, railroad, County ROW)
Acres	350.25	49.58
Percent of Annexation Area	88%	12%

3. Initiate annexation of Borgmeyer related properties only at this time, and defer annexation of the Hyde Avenue properties, AGCC, and the Irons to a later time

This final Alternative would be to annex the Borgmeyer and associated properties only. The Irons and AGCC properties along with the Hyde properties could be annexed at a later time. As part of this Alternative, Council would not authorize the annexation of the Hunziker properties east of the railroad to avoid the creation of an island along Hyde. The acreage breakdown of this 80/20 annexation would be as follows in Table 4.

Table 4: Borgmeyer West of the Railroad Annexation Acreage Breakdown (80/20 Voluntary)

	Consenting (Property)	Nonconsenting (Property, County ROW)
Acres	158.48	10.54
Percent of Annexation Area	94%	6%

A subsequent annexation of the Irons and AGCC properties along with the Hyde properties as an 80/20 annexation would be possible, with the acreage breakdown as follows in Table 5.

Table 5: Properties Along Hyde, AGCC, and the Irons, Annexation Acreage Breakdown (80/20

Voluntary)

	Consenting (Property and City ROW)	Nonconsenting (Property, railroad, County ROW)
Estimated Acres	191.77	39.03
Percent of Annexation Area	83%	17%

ALTERNATIVES:

1.
 - a. Initiate an 80/20 annexation of approximately 238 acres along George W. Carver and Hyde, including the consenting Borgmeyer properties, Northridge Height's property, and Hunziker properties, obtain applications from other consenting properties, and include the nonconsenting properties along George W. Carver and Hyde as shown in Attachment C Alternative 1 in order to avoid creating islands and to make more uniform boundaries.
 - b. Additionally, direct staff to prepare a developer agreement related to the consenting Borgmeyer properties to address construction of infrastructure needed to support the development, including but not limited to a traffic study for intersection improvements, extension of Stange Road concurrent with development, looping of water lines to Northridge Heights, extension of a 15" transitioning to a 12" sewer trunk line from Hyde Avenue west to the site, development of shared use paths and trails, and neighborhood park dedication. The agreement will include consideration of developer obligations and oversizing cost sharing options with the City.
 - c. Direct staff to initiate 100% voluntary annexation, based upon previously approved covenants, of the properties that are part of the Irons Subdivision or otherwise part of the Ames Golf and Country Club (AGCC) to the north of the Borgmeyer properties, totaling approximately 162 acres. This will include property owner notification and outreach to obtain voluntary annexation applications. Provide an update of the status of this process to the Council within 6 months of the completion of the first annexation.
2. Initiate an 80/20 annexation of all the properties described above (approximately 400 acres) concurrently and direct staff to prepare a developer agreement for the Borgmeyer development properties as described above, this is consistent with Attachment C Alternative 2. The overall process will require obtaining additional voluntary annexation applications and delay initiation of the annexation process until adequate applications have been received.
3. Initiate an 80/20 annexation of approximately 169 acres along George W. Carver including the Borgmeyer related properties only located west of the railroad and defer annexation of the remaining properties to the north and to the east as their own annexation.
4. Decline to proceed with initiating the Borgmeyer property annexation request in whole or in part.

CITY MANAGER'S RECOMMENDED ACTION:

Annexation of the Borgmeyer properties is consistent with Ames Plan 2040 and a final piece of the City's north growth planning. Their annexation and annexation of other consenting properties

part of the annexation petition requires Council to proceed with an 80/20 annexation of adjacent nonconsenting properties along George W. Carver and Hyde Avenue that would otherwise be an island. Railroad property is also included for more uniform boundaries.

Authorizing an 80/20 annexation would reflect the City's practice to look at annexations strategically and logically, so that future annexation was not impeded by enclaves of unincorporated area and the City's boundaries facilitate efficient service delivery. If Council does not authorize annexation of the properties along Hyde as outlined in Alternative #1, they would need to be annexed in the future with additional lands. This could include additional lands north of 190th Street or the AGCC and Irons.

Annexation of the AGCC and the Irons is consistent with previous agreements for development. Additionally, once development of Borgmeyer properties progresses the agreements also require the residential properties to connect to City water and to connect to a sanitary sewer extension and abandon septic systems at the owners' costs. These events would be triggered at a much later date as the Borgmeyer site is developed over many years. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1.

ATTACHMENT(S):

[Attachment A - Annexation Plat](#)

[Attachment B - Future Land Use Map](#)

[Attachment C - Alternative Maps.pdf](#)

[Addendum.pdf](#)