

Iowa House

119 Stanton, Suite #201
Ames, Iowa 50014-1099

Phone (515) 598-9100

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July 13, 2007

Honorable Mayor and
Honorable Members of the Ames City Council
City of Ames
Room 238, City Hall
515 Clark Ave.
Ames, IA 50014

Re: Request for Tax Abatement at 405 Hayward

Dear Mayor and Council Members:

Contrary to our prior beliefs, we have learned that our redevelopment project at 405 Hayward does not qualify for tax abatement under the current standards. We are converting the fraternity into a Bed and Breakfast. A tax abatement on the improvements we will be doing provides a buffer during our early operations so that our new business can grow into something Ames will be proud of.

Guided by the Land Use Policy Plan (LUPP) and Sub-Area plan for the University Impacted Area (UIA), Jeff Benson has recommended that we write this letter to request that new criteria be established to help our project and to encourage other people to preserve historically significant buildings. As he pointed out to us, the UIA calls out for the City to "support investments that preserve and reuse historic resources through property tax abatement" (p.8, UIA, 2005). See attached letter and supporting pages from LUPP and UIA.

Our plans are nearing completion and we are hopeful to be open this fall. Jeff informed us that from the time this letter is first acted on until an abatement program can be in place could be a 4-5 month process. It is critical for our project to have this issue in the 2007 pipeline.

Please help our project become a viable reality and ensure that in the future others will be able to count on assistance in preserving worthy historic structures.

Thank you for your consideration of this request.

Sincerely,



Russ K. McCullough Ph.D.
President



DEPARTMENT OF PLANNING & HOUSING

515 Clark Avenue, P.O. Box 811, Ames, IA 50010
Phone: 515-239-5400 ♦ Fax: 515-239-5404
jbenenson@city.ames.ia.us

July 12, 2007

Russ McCullough, Ph.D.
Gateway Real Estate
207 Stanton Avenue
Ames, Iowa 50014

RE: Urban Revitalization Tax Abatement for Iowa House project

Dear Russ,

You inquired about establishing an Urban Revitalization Area at 405 Hayward so that the Iowa House project can apply for partial property tax abatement. City staff has concluded that the project does not qualify for any of the existing programs and that the preferred approach would be for you to ask City Council to set up new criteria within the City's Urban Revitalization Programs.

Since the 405 Hayward property is not within any existing Urban Revitalization Area, a new Area would need to be established. There are two such programs now: Sprinkler Retrofitting and Commercial. Since the proposed use is not a high-rise building, dormitory, or an institution or residence with occupants who have impractical evacuation capabilities, it does not meet the criteria for the Sprinkler Retrofitting Urban Revitalization Program. It also does not meet the criteria for the Commercial Urban Revitalization Program for the following reasons:

- A bed and breakfast is a residential use, not a commercial use.
- Although the building has been vacant, the principal structure has not been removed, which is a requirement to qualify as "underutilized."
- We have no knowledge that a bed and breakfast is an unrepresented business use.
- There is no parking structure or shared parking, defined as "Joint Use Parking" in *Municipal Code* Section 29.406(17) as double counting parking spaces due to off-setting times of peak parking demand of two uses.

The proposed Iowa House property is within the University Impacted Area. The City's Lands Use Policy Plan policy options for that area support conservation measures for where there is a "substantial presence of historically and architecturally significant residential structures . . ." (enclosed). The policies in the Sub Area Plan for the University Impacted Area include "Using the Urban Revitalization Program to support investments that preserve and reuse historic resources through property tax abatement" (enclosed). If you have evidence that the property at 405 Hayward is historically and/or architecturally significant, then the best way to proceed is to send a letter to the Mayor and City Council requesting they consider establishing a new set of criteria for new Urban Revitalization Areas that would reflect these policies. If the City Council is willing to consider this request, they will refer it to staff for analysis and recommendations.

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Since we are currently working on quite a few Council priorities, I suggest that you state clearly any schedule needs you have. It could take four or five months to complete all of the steps necessary for a new Urban Revitalization Program, Area, and Plan to be approved. If you intend to make improvements that will affect the assessed value established for 2007, then it would be best for the Urban Revitalization Area and Plan to be approved during 2007. You would then need to apply for actual tax abatement by February 1, 2008.

Please contact me at (515)239-5400 if you have any questions pertaining to this process.

Sincerely,



Jeffrey Benson, AICP, ASLA
Planner

JB\clh
Enclosures

c: Doug Marek, City Attorney
Steve Osguthorpe, Director, Planning & Housing Department
Steve Schinker, City Manager

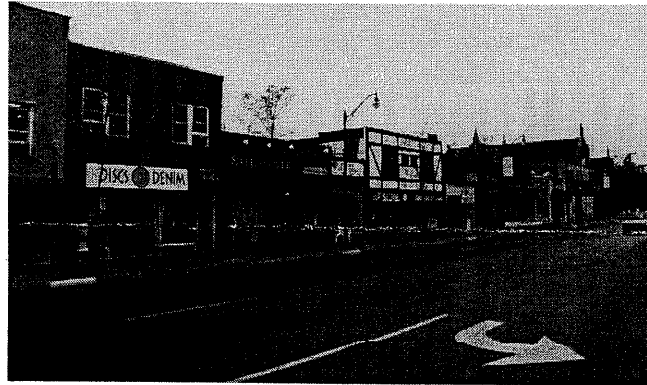
Architectural and Historical Resources

This plan includes the following policies and recommendations to preserve historical characteristics of the UIA:

1. Preserves the street grid and reinforce the consistent relationship of buildings to the street with setbacks and build-to lines.
2. Design compatibility standards based on the existing building elements in the UIA to continue the general historic context.
3. The following “Areas of Emphasis,” are the most likely locations for of historically and architecturally significant structures, due to the historical pattern of development of housing for students and faculty and the route of the historic Lincoln Highway:
 - Lincoln Way from Beach Avenue to Sheldon Avenue
 - Sheldon Avenue, from Lincoln Way north to Hyland Avenue
 - The East RH District, containing many of the current Greek houses
- * 4. Using the Urban Revitalization program to support investments that preserve and reuse historic resources through property tax abatement.
5. Establishing an appropriate historic context and themes to be used as a basis for designating resources as historic, by amending the Multiple Property Documentation Form or “cover document” for Ames.
6. Conducting reconnaissance and intensive surveys to identify properties that relate to the historic contexts and to establish historic preservation districts. It is important to recognize that establishing a local historic district is the action that protects the historic integrity of resources, while listing on the National Register of Historic Places is the action that qualifies owners for income tax credits and other forms of financial assistance.
7. Improving communication and public awareness about the benefits of historic preservation and the resources for preservation.

See the *Background Report* for a detailed review of the currently available information on historic resources. Further historic research, documentation, and analysis is needed to establish policies to implement many of these recommendations

It is also recommended that where there is a substantial presence of historically and architecturally significant residential structures within a block, conservation measures should be applied to the block. One means of conserving these blocks is the use of a conservation overlay zone similar to that recommended for the Urban Core single-family conservation area. In the University - Impacted area the designation might be limited to a single block and the percentage of multi-family intensification might be higher. The area should also have associated with it compatibility standards and more stringent parking provisions.



Campustown

Uses. The University Impacted Area will be a distinct, unique area within the community with a great deal of variety in activities and appearance. It will be made up of districts, each with a distinct character, well defined by building use, type, scale, setting, intended activity level, and other characteristics. Compatibility will characterize transitions among these districts.

At the core, in the Campustown Service Center, buildings will be the largest and residential densities will be the highest, supporting lively commercial activity at the street level. Building placement, design, and materials reinforce a dynamic, pedestrian-friendly neighborhood character. In the surrounding areas, uses will be multi-family residential, with densities in the lower end of the density range for high density residential uses, and building heights will be limited.

Parking. One means of discouraging the higher end of the density range is through more stringent site provisions involving parking. The following on-site and off-site parking provisions should be considered.

On-Site Parking. On-site parking should be provided at the ratio of one space per bedroom. Parking should be limited to locations to either the sides or the rear of the residential structure. All parking that is visible from the street should be permanently screened with natural landscaping materials.

Off-Site Parking. Parking on the street is currently permitted in several locations. In the locations around Campustown where the streets do not connect through the campus, additional off-site parking may be provided using modifications to the streets. One means of increasing street parking is to convert streets to one-way pairs and to use the saved right-of-way for angular parking.