

Staff Report

NEVADA REQUEST FOR AMES URBAN FRINGE PLAN MAP AMENDMENT

April 13, 2021

BACKGROUND:

City Council received a request from John Hall (Attached), representing the Nevada Economic Development Council, for Ames to consider initiating an Ames Urban Fringe Plan (AUFPP) Amendment to exclude approximately 103 acres of land from the Ames Fringe Plan boundary in order to allow for its interim development in Story County and eventual annexation to Nevada.

This is the same land planned for use by Verbio for an ethanol rail shipping facility that was the subject of the recent 28-E Agreement regarding annexation limitations along 590th Street. The City of Ames agreed in December 2020 that this property could be annexed to Nevada, despite its location to the west of 590th Street.

Nevada has been unsuccessful in completing the annexation and Verbio desires to move forward with its ethanol rail shipping plan. Verbio has therefore requested permission to proceed with development in the County. The subject land is zoned agricultural in the County and cannot be developed with an industrial use per the terms of the AUFPP or the County's C2C Plan. This has led to the request to exclude the land from the Fringe Plan and allow for Story County to proceed with considering land use designation amendments and rezoning to accommodate the use before it is annexed into Nevada.

Staff's understanding is that Nevada continues to work on the annexation process and identifying additional property owners to voluntarily agree to annexation, but it will take time to secure others' participation, if that can occur. **Since the March request, Nevada has prepared a new annexation application with 100% consenting property owners, including the railroad property. This replaces the previous 80/20 application that was rejected by the State.**

Although the City gave up territorial rights to the land for annexation, the land remains within the AUFPP as Industrial Reserve Area, and Story County and Ames are bound to follow the current plan and its amendment procedures. Support of the request would require a Minor Amendment process with the City and Story County. Staff's primary concern is allowing for development in the County rather than a city. City and County plans do not support this concept

OPTIONS:

Option 1 - Take No Action at this Time

If City Council does not initiate an amendment process, Nevada is allowed to continue with its annexation efforts, and it would not involve any additional time from the City or the County. Nevada has prepared a new annexation application that is 100% voluntary and it appears to be approvable by the State without having the City amend the AUPF.

In the event the application is rejected by the state, the City could reconsider this request on a future agenda.

Option 2 - Initiate a Change to Exclude this 100-acre Area from the AUPF

City Council could initiate a Minor Amendment Process to exclude this property from the AUPF. This would require Story County to also initiate a change. Then the issue would proceed through public hearings with both governmental bodies to obtain approval to exclude the area from the Fringe Plan.

Excluding the land would allow for Story County to consider how the proposal meets its planning standards and the City would no longer be involved in the situation. This approach does not address staff's concern about rural development, but it allows for Story County to determine what is appropriate and meet Verbio's interests.

Staff favors excluding the land over revising the Fringe Plan and adding text and designations for industrial development in the county. If this option was selected, staff believes it would be appropriate to add a condition that if Nevada does not complete the annexation within two years that it would be annexed to Ames so as to limit the rural development aspects of this unique situation.

STAFF COMMENTS:

Staff's preference is for Council to proceed with Option 1. With no compelling interest for the City in this issue it would be appropriate to allow Nevada to proceed with its annexation process, while preserving the City's current AUPF policies with Story County concerning rural development.



3/3/2021

TO: Mayor John Haila
Gloria Betcher
Tim Gartin
David Martin
Rachel Junck
Amber Corrieri
Bronwyn Beatty-Hansen
Nicole Whitlock
Steve Schainker, City Manager

FROM: John Hall
Executive Director
Nevada Economic Development Council

DATE: March 3rd, 2021

RE: **Ames Urban Fringe Plan Amendment**

On December 8th, 2020 the City of Ames held a public hearing and approved an updated 28E Agreement with the City of Nevada in order to better facilitate expansion and development of Verbio Nevada LLC. We sincerely thank the City Council and City Staff for their assistance in getting that moved forward. Unfortunately, we have run into issues regarding the annexation process that were unforeseen at the time of this agreement.

We are asking for your assistance in beginning the Ames Urban Fringe Plan Amendment process in order to remove the property recently purchased by Verbio Nevada LLC from that plan. This will allow for Story County to rezone the property to allow the development to begin on schedule, while providing adequate time to annex the property as originally planned.

Certainly, this is an unfortunate challenge that we are facing, and our hope is that by moving forward with this amendment we can better keep the project on track.

Thank you for your consideration,

A handwritten signature in blue ink that reads "John Hall". The signature is written in a cursive style with a large initial "J" and a distinct "H".

John Hall
Executive Director
Nevada Economic Development Council

CC: Sara Clausen, Nevada Economic Development Council
Brett Barker, Mayor of City of Nevada
Jordan Cook, Nevada City Administrator
Kelly Diekmann, City of Ames Planning & Zoning Director
Dan Culhane, Ames Economic Development Commission