



188

**recommendation and by a vote of 2 in favor 3 opposed the motion did not pass.**

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Motion by \_\_\_\_\_, seconded by \_\_\_\_\_ to approve CP-16, an amendment to the Comprehensive Plan from Medium Density Residential to Commercial/Office or Mixed Uses for the southwest quadrant of the NW 54th Avenue/NW 86th Street intersection with in the Roughwood Neighborhood to be known as the Roughwood Sub Area Plan, utilizing Scenario 1 of said Sub Area Plan.

**RESOLUTION NO. 09-64**

**A RESOLUTION APPROVING CP-16, AN AMENDMENT TO THE COMPREHENSIVE PLAN FROM MEDIUM DENSITY RESIDENTIAL TO COMMERCIAL/OFFICE OR MIXED USES FOR THE SOUTHWEST QUADRANT OF THE NW 54TH AVENUE/NW 86TH STREET INTERSECTION WITH IN THE ROUGHWOOD NEIGHBORHOOD TO BE KNOWN AS THE ROUGHWOOD SUB AREA PLAN.**

WHEREAS, a request has been made to consider an amendment to the Comprehensive Plan for the area southwest of the NW 54<sup>th</sup> Avenue/NW 86<sup>th</sup> Street intersection area.

WHEREAS, the Comprehensive Plan Advisory Board and the Planning and Zoning Commission reviewed this proposed amendment at joint meetings on December 9, 2008, February 23, 2009 and March 23, 2009.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JOHNSTON, IOWA, that:**

The Roughwood Sub Area Plan, utilizing Scenario 1 of said plan, as attached, is hereby adopted as an amendment to the Johnston Comprehensive Plan to guide growth and development in the Roughwood Area.

**PASSED AND APPROVED** this 20<sup>th</sup> day of April 2009.

\_\_\_\_\_  
PAULA S. DIERENFELD, MAYOR

**ATTEST:**

\_\_\_\_\_  
CYNDEE D. RHAMES, CITY CLERK

| <u>ROLL CALL VOTE:</u> | <u>Aye</u> | <u>Nay</u> | <u>Absent</u> | <u>Abstain</u> |
|------------------------|------------|------------|---------------|----------------|
| Clabaugh               | —          | —          | —             | —              |
| Culbert                | —          | —          | —             | —              |
| Hibbs                  | —          | —          | —             | —              |
| Kallen                 | —          | —          | —             | —              |
| Tingley                | —          | —          | —             | —              |
|                        | —          | —          | —             | —              |

BACKGROUND AND  
PRIOR APPROVALS:

The background and prior approvals for the Roughwood area are detailed in the attached Roughwood Sub Area Plan.

COMP PLAN  
ADVISORY BOARD  
AND P&Z REVIEW:

This item was reviewed by the Planning and Zoning Commission and Comprehensive Plan Advisory Board at three joint meetings, a summary of each of those meetings follows:

December 8, 2008:

The December 8, 2008, meeting was the first review of the proposed plan amendments before the joint committees. At this meeting the Scott proposal was reviewed and staff provided three options for the committees to review: do nothing (make no changes to the Comp Plan), amend Comp Plan for the corner development (similar to what was requested by Steve Scott), amend Comp Plan for larger portion of Roughwood area (specific area not defined).

The committees reviewed these options and took public comment. Both committees elected to defer action to a later date and requested staff to assemble market and assessed value data for the affected properties.

February 23, 2009:

Responding to the requests from the committees, staff developed the draft "Roughwood Sub Area Plan" this plan outlined the history of the area, reviewed the market conditions based upon the assumptions used in the Merle Hay Road Redevelopment Study adopted in 2007, developed three redevelopment scenarios and developed action steps and policies to guide future development. Based upon the market review, staff recommended adoption of the Roughwood Sub Area Plan utilizing Scenario 1, which was the redevelopment of the corner (similar to what was requested by Steve Scott). Based upon this recommendation, notice of this meeting was only sent to those properties affected by Scenarios 1 and 2.

The committees reviewed the three scenarios and took public comment. The Comprehensive Plan Advisory Board by a vote of 4-0 and the Planning and Zoning Commission by a vote of 3-1 supported Scenario 3, modifying the Comp Plan for the entire Roughwood subdivision. Staff advised that the Sub Area Plan as written did not fit with Scenario 3 and noted that not all of the properties affected by Scenario 3 had been notified. The committees concurred with staff recommendation to conduct a subsequent meeting to allow the Sub Area plan to be rewritten utilizing Scenario 3 and to allow additional public notice.

March 23, 2009: Responding to the direction provided by the committees, staff revised the Roughwood Sub Area plan utilizing Scenario 3, including modifications to the action steps contained in the plan. The City Attorney also provided an opinion regarding notification requirements for Comprehensive Plan Amendments. Staff maintained a recommendation of Scenario 1.

The committees reviewed the revised plan and took public comment. The Comprehensive Plan Advisory Board by a vote of 3-2 approved a recommendation to adopt the Roughwood Sub Area Plan utilizing Scenario 1. The Planning and Zoning Commission then considered the same motion which failed by a vote of 2-3. Those commissioners who did not support the motion noted their support for a larger redevelopment area.

SCENARIO 1 –  
SIMPSON AND  
CRUIKSHANK  
PROPERTIES:

Scenario 1 as prepared by Staff includes two parcels owned by the Simpson's and Cruikshank's that were not included in the initial request by Steve Scott. Staff included these parcels within Scenario 1 to be proactive to potential future requests for commercial development. Combined, the two parcels would be large enough for commercial development, and could share access to the east to the proposed development. Modifying the designation within the Comp Plan at this time does not change the allowed uses of the property and these parcels would not have to be included in a rezoning of the other parcels, they could be rezoned at a later date when/if the parcels were sold.

Staff has included a map labeled as Scenario 1A which removes these two parcels, should the Council desire to remove these two parcels from the Comp Plan amendment area.

CITY ATTORNEY  
REVIEW:

The committees inquired about public notice and disclosure requirements related to a change in the Comp Plan designation. Staff requested review by the City Attorney, who provided the attached opinion regarding the City's notification requirements for making changes to the Comp Plan (attachments are not included but can be provided upon request).

Staff also discussed with the City Attorney the issue of whether a property owner would be required to disclose the Comp Plan change to potential sellers. For liability reasons, since this would be a private party transaction not involving the City, the City Attorney declined to provide an opinion on this issue and suggested that individual property owners should seek their own legal opinion.

PROJECT  
EXAMPLES:

Steve Scott prepared the attached December 20, 2008 memo and graphics that depict similar commercial projects adjacent to single family residential uses. In addition, Mr. Scott prepared the attached property valuation data dated March 23, 2009.

ADJACENT  
NEIGHBOR  
COMMENTS:

A post card notice has been sent to all properties within Roughwood. A copy of the notice is attached. Correspondences received to date are attached; in addition a petition was presented at the December 2008 meeting and is also attached.

RECOMMENDATION:

Based upon the direction provided at the February 23, 2009 joint meeting of the Comprehensive Plan Advisory Board and Planning and Zoning Commission, the Roughwood Sub Area Plan has been amended and it attached.

Attachments: Roughwood Sub Area Plan, dated April 20, 2009;  
Scenario 1A Map, dated April 7, 2009;  
Memo from City Attorney, dated March 5, 2009;  
Email correspondence from Steve Scott, dated October 20, 2008;  
Development Concept Plan, prepared by Confluence, dated October 20, 2008;  
Memo and Project Examples from Steve Scott, dated December 20, 2008;  
Property Valuation Analysis from Steve Scott, dated March 23, 2009;  
Neighborhood Mailing Post Card and Mailing List;  
Email Correspondence and Petition from adjacent neighbors; and,  
Joint P&Z/Comp Plan Advisory Board Minutes from December 8, 2008, February 23, and March 23, 2009.

## Introduction

The Roughwood subdivision is located in the southwest quadrant of NW 86<sup>th</sup> Street and NW 54<sup>th</sup> Avenue just north of Interstates 35/80, as depicted on the attached Vicinity Map labeled Exhibit A. The subdivision was developed in unincorporated Polk County without public utilities (water and sewer) and at a time before the interstate interchange was constructed at NW 86<sup>th</sup> Street. The construction of the interstate interchange in 1993 drove a commercial boom in this area that coincided with the extension of public utilities by both the cities of Johnston and Urbandale. The resulting development has left a large portion of the residential development surrounded by commercial and office development. This study has been undertaken to further refine the Comprehensive Plan based upon existing development trends and policies of the City of Johnston and to develop policy guidance for the potential redevelopment of the Roughwood subdivision.

## Background and Previous Actions

The Roughwood neighborhood was developed in unincorporated Polk County on septic systems and a private water system. In 1989, the Cities of Urbandale and Johnston entered into a 28E agreement regarding the NW 86<sup>th</sup> Street area and identified the Roughwood area as being annexed by Johnston in the future if there were petitions submitted by the property owners. In 1995, the City completed an 80/20 annexation of the area with approximately 84% of the properties requesting annexation.

In 1993, the Iowa DOT opened the NW 86<sup>th</sup> Street interchange at I-35/80. Prior to that time, only a bridge over the interstate existed. This significantly changed the dynamics of the NW 86<sup>th</sup> Street corridor.

In 2000/2001, the City denied a request to change the Comprehensive Plan designation from Medium Density Residential to Commercial and to rezone the corner parcel at 5370 NW 86<sup>th</sup> Street from R-1(100) to C-2 to allow for the development of a fast food restaurant (PZ Case 01-35).

## Current Comprehensive Plan and Land Uses

As depicted on the attached Exhibit B, the entire Roughwood subdivision is currently identified as medium density residential in the Comprehensive Plan, which allows single family development up to a density of six units per acre. The area currently encompasses approximately 33 acres and contains 62 single family lots (1.88 units per acre). The land uses adjacent to the Roughwood subdivision are as follows:

North: Between NW 86<sup>th</sup> Street and NW 88<sup>th</sup> Court north of Roughwood is zoned C-2 and identified as commercial in the Comprehensive Plan. This has

developed as the Dahl's grocery store. Between NW 88<sup>th</sup> Court and NW 89<sup>th</sup> Court is zoned C-2 and identified as commercial in the Comprehensive Plan and developed as the Westfield Office Park with uses generally limited to office uses. West of NW 89<sup>th</sup> Court is zoned R-1(60) and identified as Medium Density Residential in the Comprehensive Plan and developed as the Longmeadow subdivision.

**Northeast:** Immediately northeast of the Roughwood Subdivision along NW 86<sup>th</sup> Street are a number of properties zoned within a Planned Unit Development and identified as Office in the Comprehensive Plan. These properties originally were developed as single family residential at a similar time and style as the Roughwood subdivision. All but one of these properties has since redeveloped to office uses.

**South:** Immediately south of the Roughwood subdivision is the Northpark subdivision which is located within the City of Urbandale. Several buildings have been constructed between NW 86<sup>th</sup> Street and NW 88<sup>th</sup> Court which contain office, retail and residential units. The lot immediately south of NW 89<sup>th</sup> Court has been zoned to allow a health club or bowling alley; all remaining lots to the west are currently zoned to only allow office uses.

**East:** Immediately east of the Roughwood subdivision on the east side of NW 86<sup>th</sup> Street is the Birchwood Crossing subdivision and the American TV retail store.

**West:** The property immediately west of Roughwood is owned by the First Assembly of God, but remains undeveloped. The property is zoned for office uses within the City of Urbandale.

### **Utilities**

Public water and sanitary sewer service are available immediately adjacent to the Roughwood subdivision. The subdivision is served by private water service through the Thorpe water service, which does not provide fire protection or fire hydrants internal to the subdivision. Each of the properties also utilizes onsite septic systems. Sanitary sewer can be extended into the subdivision via an extension from the NW 86<sup>th</sup> Street/NW 54<sup>th</sup> Street intersection. In 2004, based upon requests from the neighborhood, the City completed a feasibility study to provide sanitary sewer service to the area, however at that time there was not the necessary 60% support within the area and the City did not proceed with installation of sanitary sewer. A copy of the two alternative sanitary sewer plans is attached as Exhibit C.

## Market Conditions

To study the potential market conditions that would affect the potential redevelopment of the Roughwood subdivision, city staff utilized the information contained in the Market Potential Analysis – Merle Hay Road Corridor prepared by Economics Research Associates in September 2007, which is attached as an Appendix to this report. While this study was focused on the Merle Hay Road corridor, it also analyzed the retail market city wide and addressed many of the same redevelopment factors that would affect the redevelopment of Roughwood. Table 26, on Page 32 of the Market Analysis contains the land value range estimates for various types of land uses. Staff utilized this table, particularly the values listed for the Mixed Use (retail) and Office I uses, in order to analyze the feasibility of the redevelopment scenarios discussed in this report. Staff would also highlight the following findings of the Market Analysis that factor into the potential redevelopment of the Roughwood subdivision:

- Within Johnston the maximum price per square foot would most likely not exceed \$8 for any use, unless the property was being purchased by a national retailer or other high traffic user such as a bank or convenience store (Page 31).
- Based upon market conditions, a total of 100,000 to 200,000 square feet of additional retail space could be supported by the community. 100,000 square feet is planned for the town center at Merle Hay Road/NW 62<sup>nd</sup> Avenue, leaving additional square footage that can be supported if the project is "...well planned and tenanted" (Page 21).
- Additional office development can be supported within the community; however, recent office projects have met slow development and likely will continue to due to the availability of higher visibility sites, particularly the Northpark subdivision immediately south of this study area (Page 24).

## Redevelopment Scenarios

The fiscal analysis provided in each of the following scenarios is intended to be a simple analysis reviewing the feasibility of each of the scenarios; therefore, there are a number of factors that could influence these scenarios that haven't been addressed by this simple analysis. In reviewing redevelopment scenarios staff utilized the following assumptions:

- Only for the purposes of analyzing feasibility, all properties proposed for redevelopment in a given scenario would be sold for their assessed valuation.
- Any structure that would need to be removed for redevelopment would cost an average of \$35,000, the same assumption that was used in the Merle Hay Road Redevelopment Study.
- Retail uses would cover 15% of a development parcel (i.e. a one acre parcel would contain 6,534 square feet of retail space), which is based upon the average cover area of retail site plans approved in Johnston over the past three years.
- Office uses would cover 22.5% of a development parcel (i.e. a one acre parcel would contain 9,800 square feet of office space), which is based upon the

average cover area of retail site plans approved in Johnston over the past three years.

- No carrying costs have been factored in (i.e. the costs of holding properties while other parcels are purchased) these costs would likely be excessive for larger redevelopment areas due to the time required to assemble multiple properties.

The land uses noted in each of the scenarios are defined in the Comprehensive Plan as follows:

- **MDR (Yellow):** Medium density residential accommodates somewhat higher residential densities ranging from 1 to 6 units per gross acre. Uses in this classification include single-family detached homes and attached housing such as townhome developments, all with full public utilities. This category accommodates most of the "typical" forms of housing now found in Johnston.
- **Commercial (Red):** The commercial land use category includes retail and service commercial land uses that serve neighborhood, community and regional markets. The areas are located to provide convenient access for customers. Community and regional commercial has higher demands for traffic and accessibility, and are suitable for only certain areas, because they rely upon customers from outside the community.
- **Office (Purple):** The office land use category includes lots or parcels that contain professional offices and services such as medical, law, real estate and financial businesses. In the land use plan, office uses are designated along Merle Hay Road and will also be found within the industrial/office parkland use category that is discussed later in this section.
- **MUC (Pink):** Mixed-use areas are intended to provide a unique mix of commercial, residential, public and related uses in a pedestrian friendly environment and a community hub. They would consist of a mix of retail and service commercial, office, institutional, higher density residential, public uses and/or park and recreation uses.

## Scenario 1

As depicted in Exhibit D, Scenario 1 reflects the initial request to redevelop a portion of the Roughwood subdivision adjacent to NW 86<sup>th</sup> Street and NW 54<sup>th</sup> Avenue west to NW 88<sup>th</sup> Court with retail uses. The remaining portion of the Roughwood subdivision would remain as medium density residential. The size and shape of this potential redevelopment area and its frontage on the two major arterials would appear to be most desirable for retail type uses. A summary of the redevelopment scenario is as follows:

- Existing Parcels – 12
- Area – 6.1 acres
- Total Existing Valuation – \$1,898,700
- Estimated Demolition Costs – \$420,000 (12 structures)
- Total Acquisition Cost (Purchase price plus demolition costs) – \$2,318,700
- Cost Per Square Foot – \$9.45

- Potential Building Square Footage – 39,860 square feet

The acquisition costs show that this area would be near the maximum that could be anticipated without a national tenant or other high traffic user. However, given the location of this parcel, proximity to the interstate and frontage to the NW 86<sup>th</sup> Street/NW 54<sup>th</sup> Avenue intersection these costs seem reasonable and this scenario would appear to be feasible.

## **Scenario 2**

As depicted in Exhibit E, Scenario 2 depicts the redevelopment of the eastern portion of Roughwood from NW 86<sup>th</sup> Street westerly to NW 88<sup>th</sup>/NW 89<sup>th</sup> Courts allowing mixed uses, including retail, office and high density residential. The use of the mixed use designation would accommodate a wide array of uses allow greater flexibility than what would be allowed with only commercial or office designations. The remaining western portion of the Roughwood subdivision would remain as medium density residential. A summary of the redevelopment scenario is as follows:

- Existing Parcels – 26
- Area – 12.65 acres
- Total Existing Valuation – \$4,329,600
- Estimated Demolition Costs – \$910,000 (26 structures)
- Total Acquisition Cost (Purchase price plus demolition costs) – \$5,239,600
- Cost Per Square Foot – \$9.50
- Potential Building Square Footage – 82,655 square feet retail or 124,000 square feet office or some combination thereof.

The acquisition costs show that this area would be near the maximum that could be anticipated without a national tenant or other high traffic retail user. In addition, with the larger area carrying costs would drive up the cost of redevelopment. Under this scenario, it is quite likely that redevelopment would occur in phases.

## **Scenario 3**

As depicted in Exhibit F, Scenario 3 reflects the redevelopment of the entire Roughwood subdivision allowing mixed uses, including retail, office and high density residential. This scenario essentially enlarges the area depicted in Scenario 2. A summary of the redevelopment scenario is as follows:

- Existing Parcels – 62
- Area – 30.23 acres
- Total Existing Valuation – \$9,815,800
- Estimated Demolition Costs – \$2,170,000 (62 structures)
- Total Acquisition Cost (Purchase price plus demolition costs) – \$11,985,800
- Cost Per Square Foot – \$9.10

- Potential Building Square Footage – 197,500 square feet retail, 296,300 square feet office or some combination thereof.

The acquisition costs show that this area would be near the maximum that could be anticipated without a national tenant or other high traffic retail user. While this scenario depicts a lower per square foot cost than the previous scenarios, it does not factor in the carrying costs which would be much greater in this scenario due to the number of properties involved. As with Scenario 2, it is quite likely that redevelopment would occur in phases.

### **Roughwood Sub Area Policies**

The policies and action steps below are new additions to the Comprehensive Plan and are intended to supplement those contained in the 1998 Johnston Comprehensive Plan, as amended. They are unique to the Roughwood Sub Area.

- RWAP-1** Facilitate the extension of municipal utilities (water and sanitary sewer) to the Roughwood subdivision, both to the potential redevelopment areas and the existing single family residential areas.
- RWAP-2** Accommodate redevelopment that is consistent with the existing development and traffic patterns along NW 54<sup>th</sup> Avenue/NW 86<sup>th</sup> Street but that also maintains and protects the adjacent single family residential uses.
- RWAP-3** Ensure adequate traffic patterns and movements are maintained along NW 54<sup>th</sup> Avenue and NW 86<sup>th</sup> Street.

### **Roughwood Sub Area Action Steps**

1. Consider the rezoning of properties within the Roughwood subdivision that would facilitate redevelopment to commercial, office or high density residential uses as depicted in Scenario 1. Due to the likely phased redevelopment of the Roughwood area, such rezonings should be sufficiently sized so as to provide sufficient developable area to meet all zoning ordinance bulk requirements, including adequate buffering, traffic access and open space.
2. As part of the rezoning of any parcels, the following items should be addressed:
  - a. Specific buffer and screening standards shall be required between commercial and existing residential uses, even if such residential units are identified as commercial or office uses in the future.
  - b. Commercial uses that are less compatible with residential neighbors, such as convenience stores, car washes and fast food restaurants with drive through windows shall not be permitted.
  - c. Sites shall be designed in a manner which orients the active portions of the site away from the adjacent single family residential uses. As such traffic movements, parking lots, lighting and other active uses should be oriented to NW 86<sup>th</sup> Street or NW 54<sup>th</sup> Avenue while open spaces and landscaping are oriented to the boundary with existing residential uses. This type of site design may require flexibility in setbacks and other bulk requirements.

- d. A traffic study shall be conducted that analyzes the development impact on NW 54<sup>th</sup> Avenue/NW 86<sup>th</sup> Street and the overall transportation system in the area. This study should also address the appropriate locations and restrictions on any proposed driveways or street connections.
3. Any development or redevelopment within the sub area shall extend and connect to the City's sanitary sewer and water system, including fire protection.
4. Upon majority request of the property owners or other regulatory mandate, City sanitary sewer and water service, including fire protection, shall be extended into the single family residential areas. These services would be funded through traditional funding methods including property assessments or connection fees.

Exhibits:

- Exhibit A – Aerial Ownership/Vicinity Map
- Exhibit B – Existing Comprehensive Plan Map
- Exhibit C – Sanitary Sewer Alternative Map
- Exhibit D – Scenario 1 Comprehensive Plan Map
- Exhibit E – Scenario 2 Comprehensive Plan Map
- Exhibit F – Scenario 3 Comprehensive Plan Map

Appendix:

Market Potential Analysis – Merle Hay Road Corridor prepared by Economic Research Associates, dated September 7, 2007.