



# Memo

City Manager's Office

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**TO:** Mayor and City Council

**FROM:** Steven L. Schainker, City Manager

**DATE:** October 9, 2009

**SUBJECT:** Request For Qualifications (RFQ) For Campustown Developer

One of the top goals of the Ames City Council is to redevelop Campustown so that its customer focus is expanded and all segments of the Ames population are drawn to this business district.

Through our analysis of this situation it has been evident that the successful redevelopment of Campustown will take the commitment and leadership of Iowa State University officials. I am excited to report that President Geoffroy and other ISU administrators have stepped up to assume this leadership responsibility. As you know, ISU financed the work of RDG, as this consulting firm provided a conceptual plan for how the block west of Welch Avenue, south of Lincoln Way could be redeveloped by adding public gathering, office, retail, and entertainment spaces. In addition, Mayor Campbell and President Geoffroy personally engaged in conversations with major property owners in the Campustown Business District as well as firms who have similar redevelopment experiences in university towns to learn what it might take to accomplish this redevelopment goal.

We have reached the point where the next step is to solicit developers to determine if there is any interest from experienced firms to engage in a private development project. I have attached for your review a copy of the proposed RFQ. You will note from this document that we are not seeking consulting services, so no fees are anticipated. Rather, we hope to identify a Master Developer who will take the lead in accomplishing a redevelopment project in Campustown. Therefore, this selection process is unique and should not be confused with a typical solicitation for consulting services.

The review committee that will evaluate the interested firms will consist of Warren Madden, Cathy Brown, and Dean Morton from Iowa State University; Steve Osguthorpe and myself from the City of Ames, and Dan Culhane from the Chamber of Commerce/Economic Development Commission. This committee will be making a recommendation as to the

preferred Master Developer. Ultimately, an agreement will have to be finalized between the City and Master Developer before we proceed.

In order to attract a developer to this project, the University and City should be prepared to offer some level of incentives. Pages 3 and 4 of the RFQ specify what we would be willing to offer if we are able to identify an exciting opportunity that reflects our redevelopment goals for the area. I have suggested the use of Tax Increment Financing and investment of city-owned land (parking lot) at no cost to the project. One incentive I have left off the list is the City's willingness to assemble property for a selected project. The success or failure of this type of project rests with the ability of the developer to have land available for a project. If negotiations between the developer and land owners fail, the willingness of the City to acquire the necessary land will be critical. I would be interested to know the Council's position on this incentive.

I want to emphasize that University and City staff have agreed that the solicitation process should focus on a limited number of companies who have already expressed some level of interest in our Campustown project. This group includes: Pierce Education Properties from San Diego, California; Vermillion Development from Chicago, Illinois; Ryan Companies from West Des Moines, Iowa; and Balfour Beatty from Newtown Square, Pennsylvania. In addition, next week Steve Osguthorpe will be attending a National Trust For Historic Preservation conference. It is our hope that he will come in contact with companies at this conference who might have an interest in investing in this historic commercial area of our city. Finally, both the City and University will post this RFQ on our web sites in the event other parties are interested in participating.

Before proceeding with this effort, I want to make sure the City Council understands how we propose to progress with your goal of Campustown Redevelopment and seek your support for this process.

REQUEST FOR QUALIFICATIONS

**CAMPUSTOWN BUSINESS DISTRICT  
REDEVELOPMENT PROJECT**

Ames, Iowa



**IOWA STATE UNIVERSITY**  
OF SCIENCE AND TECHNOLOGY

October 2009

**Background:**

In an unprecedented move, the Ames City Council and the President of Iowa State University have established a joint priority to redevelop the Campustown Business District. As a first step in accomplishing this goal, a conceptual plan for a one block area within the District was created by the RDG Planning & Design firm in October 2008 (to review the total report see [http://www.fpm.iastate.edu/planning/Campustown\\_Study.pdf](http://www.fpm.iastate.edu/planning/Campustown_Study.pdf)). The conceptual plan calls for the redevelopment of this area and addition of approximately 53,000 square feet of net new commercial and office space. This block was selected because it is central to the Campustown Business District and the land ownership is consolidated in a relatively small number of property owners, including a substantial parcel that is currently a city-owned parking lot.

The City of Ames and Iowa State University are seeking experienced firms that have demonstrated success in executing highly complex, mixed-use redevelopment projects. The selected entity will be the Master Developer for the project. It is expected that, once selected, the Master Developer will be involved in a two-step process.

The first step will require the Master Developer to commit to invest in pre-project activities that will include, but not be limited to, the following items: conceptual site plans, market and economic feasibility studies, marketing materials, funding strategy, land acquisition strategy, and an appropriate level of environmental/historic site assessments. The selected Master Developer will be required to enter into an agreement with the City to assure that the first step activities are performed.

If after reviewing the information generated in Step 1, the Master Developer and Ames City Council agree that the proposed project is feasible and agree to move ahead with implementation, it is anticipated that the City Council will enter into a second agreement with the Master Developer. The Master Developer will be responsible for coordinating all development activities, including, but not limited to: constructing the project elements; acquiring the necessary property; creating conceptual and final site plans; developing a project pro-forma; identifying and establishing strategic partnerships, possibly including existing landowners and other developers; securing private sector equity and financing; and partnering with the City of Ames and Iowa State University to facilitate all project components, including the use of public incentives.

**Development Objective:**

The Campustown Business District is situated adjacent to the Iowa State University campus, which is home to 28,000 students and 6,000 faculty/staff (see Attachment I). Currently, this commercial area primarily serves the needs of the university students. It is the vision of the City and University that the customer focus for this business district be expanded so that all segments of the Ames population are drawn to this area. It is hoped that new retail, entertainment, and office uses can be included in the project to accomplish this city-wide appeal.

While no minimum or maximum square footage or investment amounts have been established for the project, the City is seeking a Master Developer who is committed to

redeveloping, at least, one full block in the Campustown Business District. While the Master Developer will not be bound to the RDG conceptual plan, it should serve as a guide as many of the following concepts reflected in the plan are important goals of the City and University:

- Enhancement of Campustown can improve the entire community
- Additional mixed-use development is desired with retail/service/entertainment on first floors, and offices on second floors and above
- Campustown can serve as a critical link to the College Creek Greenbelt Corridor between southwest Ames and the ISU campus
- Pedestrian /bike linkages are critical to this development
- Green space gathering areas must also be incorporated into the design along with a pleasant commercial streetscape
- Additional public parking is needed to accommodate customers

While most of the preliminary analysis has focused on the block west of Welch Avenue, the City of Ames and Iowa State University are open to exploring other areas within the Campustown Business District should the Master Developer so desire.

### **Current Conditions:**

- **Zoning.** The land in the project area is currently zoned Downtown/Campustown Service Center (DCSC). This zoning district will allow office, general retail sales, entertainment, restaurant, short-term lodging uses, and household living above the first floor of the approved uses.
- **Proper Ownership.** All of the properties in the project area, other than the City-owned parking lot, are currently under private ownership. The Master Developer will be expected to create an effective acquisition strategy.
- **Environmental.** No Phase I, Phase II, or Baseline Environmental Assessments have been completed for the site.
- **Parking.** The area includes a city-owned parking lot. While this city-owned land is available for redevelopment, it is expected that the project will include public parking to, at least, replace the current number of spaces.
- **Intermodal Facility.** The City of Ames has applied for a federal grant to construct an intermodal facility east of Hayward Avenue across from Chamberlain Street. If approved, this new facility will include approximately 750 parking spaces and University law enforcement offices.

### **Available Incentives:**

1. **Tax Increment Financing.** The City will consider creating a TIF District over the one block area that is being redeveloped.
2. **Land Contribution.** The City will consider contributing the City-owned land, which currently serves as a surface public parking lot. Subject to accommodating existing university parking requirements, if the intermodal facility that has been proposed is not funded, the University also will

consider how its parking lot located immediately to the west might be utilized in the development project.

3. **Pre-lease of Office Space.** The University will consider leasing 25,000 to 40,000 square feet of office space in the project.
4. **Assistance with Land Acquisition.** The University will consider how it might assist in the acquisition of land, if needed for the project. The land ultimately would be purchased by the Master Developer from the University as the project proceeds.
5. **State and Federal Incentives.** The City and the University will consider working with the Master Developer to pursue various programs and funding that will enhance the financial feasibility of this project.

### **Submission Requirements & Deadlines**

The City of Ames and Iowa State University are requesting that interested developers submit qualifications and a letter of interest that include the following:

1. **Development Entity.** Identify the development entity that would enter into a contract with the City of Ames, including all intended partners, to the extent known at this time. Please indicate complete listing of the names of key individuals who will work on the project, their relevant experience, and responsibility of all those individuals who will participate in the project.
2. **Project History.** Provide evidence of at least one substantial mixed-use project that the development entity has previously completed or is currently undertaking. A substantial project is defined as having a minimal private sector investment of \$50 million and includes retail, commercial, and office use components. Preference will be given to those entities who have completed a substantial mixed-use project in a university community.
3. **In-house Capabilities.** Explain your company's experience with the full range of expertise needed to complete the project.
4. **Due Diligence.** Demonstrate the commitment to invest in the pre-project costs necessary to prove the feasibility of the project.

Submission of qualifications and the letter of interest are to be submitted no later than 5:00 p.m. on December 1, 2009. Six copies of the completed proposal must be submitted. All submittals and inquiries should be addressed to Steve Schinker, City Manager, 515 Clark Avenue, Ames, Iowa 50010, (515)239-5101.

The City of Ames and Iowa State University intend to select a top candidate by February 1, 2010. Prior to determining the top candidate, interviews and public presentations may be required with a selected group of finalists, if deemed necessary.

***The City of Ames and Iowa State University reserve the right to reject or accept any and all proposals received.***

Other project references:

- Campustown Study:  
[http://www.fpm.iastate.edu/planning/Campustown\\_Study.pdf](http://www.fpm.iastate.edu/planning/Campustown_Study.pdf)
  
- City of Ames:  
<http://www.cityofames.org/>
  
- Ames Chamber of Commerce:  
<http://www.ameschamber.com/>
  
- Ames Economic Development Commission:  
<http://www.amesedc.com/>
  
- Iowa State University:  
<http://www.iastate.edu/>