

COUNCIL ACTION FORM

SUBJECT: DEVELOPMENT AGREEMENT WITH IOWA STATE UNIVERSITY RESEARCH PARK CORPORATION FOR PHASE III EXPANSION PROJECT

BACKGROUND:

Many of the recent economic development successes we have experienced in the City of Ames are attributable to the presence of the Iowa State University Research Park within our city limits.

In years past, the City of Ames played a major role in the development of the initial two phases of the Research Park. Because of specific covenants contained in past development agreements, not only does the City reap the benefits of the increase in high quality job opportunities from businesses locating in the Research Park, the City has also benefitted because 1) the improvements continue to generate property tax revenues to help fund City operations, and 2) fully developed land can be offered to attract prospective companies as an incentive at a below market rate.

With Phase II of the Research Park nearly full, it is now time to begin development of the next phase. To assist with this new venture, the Research Park Corporation is once again seeking substantial financial assistance from the City. Staff has attached the proposed Development Agreement that outlines the parties' responsibilities to accomplish Phase III. The agreement is basically patterned after the previous agreements for the initial two phases of the Research Park, as well as after the development agreement for the Ames Community Development Park in east Ames; and anticipates that City funding will come from a Tax Increment Financing (TIF) incentive.

A summary of the development agreement's highlights are outlined below:

The Project (See Exhibit B of attached agreement)

Phase III will include a total of approximately 79 gross acres, with approximately 34 acres of this total available for development. Through the financial assistance from the State of Iowa, \$12 million was appropriated to the Research Park for construction of the first building in this phase. It is anticipated that most of the economic development support offices that are currently spread throughout the ISU campus will be centralized in this new Hub building. In addition, many of the tenants occupying buildings adjacent to the Hub building will be businesses that provide professional and commercial support services to Research Park companies and employees. **For this reason, the City Council will need to approve a new zoning classification for the Research Park to accommodate these types of mixed uses (industrial/commercial/retail) in order for their plan to be accomplished.**

The City's Responsibilities

Section IV(A) of the agreement outlines the City's responsibilities for designing and installing the water mains, sanitary sewer mains, and street improvements. The street improvements will primarily be funded by IDOT through a RISE grant, which covers 80 percent of the costs up to \$3,778,833. This covers improvements related to street lighting, associated storm water facilities, a sidewalk on the west side of University Boulevard, on-street bike paths, and roundabouts.

Although the parking areas along North Drive were included in the approved RISE grant application, IDOT staff recently informed City staff that RISE funds cannot be used to pay for this parking. Unless that interpretation is altered, the parking costs will need to be borne locally. In that event, the agreement provides that the City will pay one third and the Research Park will pay two thirds of the cost of providing on-street parking.

The City's only other responsibility beyond those described above is to share equally with Iowa State University in the cost of one off-site traffic improvement project. This is the signalization of the west bound off ramp at Highway 30 and University Boulevard, which is estimated to cost \$250,000.

Based on the most recent cost estimates, the City's financial obligation associated with this Phase III agreement is \$2,897,324 for the improvements reflected below.

<u>Street</u>	
RISE Grant from IDOT	\$3,978,833
City of Ames	\$ 944,708
	\$4,923,541
<u>On-Street Parking (Hub Loop)</u>	
City of Ames	\$ 83,334
Research Park Corporation	<u>166,666</u>
	\$ 250,000
<u>Water</u>	
City of Ames	\$ 900,000
<u>Sanitary Sewer</u>	
City of Ames	\$ 505,000
<u>Contingency for Projects</u>	
RISE Grant from IDOT	\$ 31,895
City of Ames	<u>339,282</u>
	\$ 371,177
Total TIF Funded City Obligation	\$2,772,324

<u>Off-site Traffic Improvements</u>	
Iowa State Research Park	\$ 125,000
City of Ames (Road Use Tax)	<u>125,000</u>
	\$ 250,000

Total City Financial Obligation \$2,897,324

The Research Park Corporation's Responsibilities

Section IV(B) of the agreement specifies that, in addition to paying for two-thirds of the cost of the on-street parking area for the Loop Drive, all other improvements needed to fully develop Phase III are the responsibility of the Research Park Corporation. Therefore, the design and installation of these other improvements will be accomplished by the Research Park itself or else delegated to some other entity through a separate agreement.

For example, it is important to note that Story County has been considering creative ways to become a partner in this type of economic development because of the positive financial impact this project will have on the County as a whole. **To accomplish this participation, it is anticipated that the County will finance the improvement of the large open space situated between Phase II and Phase III. This area will serve as a naturalized storm water conveyance area for Phase III, and will also provide green space for the development. Therefore, this area will be designated as a County park to be maintained by Story County.**

Job Creation

In order to qualify for the RISE grant, the City must guarantee to the IDOT that 365 new jobs will be created at Workiva (formerly WebFilings) within three years of the completion of the road improvements reflected in Exhibit B. Failure to accomplish this job creation would subject the City to a financial penalty.

While we are very optimistic that Workiva will continue to experience success with its corresponding job growth, there is still a risk to the City by entering into the RISE grant agreement. **To mitigate this risk, Section VII of the agreement provides for the Research Park to share equally in any amount the City is required to reimburse the State for non-attainment of jobs.**

Cap On Land Price

The City's justifications for financial participation in the development of our research and industrial parks include the City's interest to facilitate growth in high paying jobs, to provide below market land cost as an incentive to companies new to or expanding within the community, and to permanently expand our property tax base.

In order to assure that the lots within our TIF districts are not sold for the going market rate, even though their development costs were reduced substantially by City subsidy, our TIF area development agreements have historically included a

provision that caps the amount for which the land can be sold. That helps assure that the subsidy provided by the City is passed on to the companies creating jobs, rather than being retained by the land owner.

Due to the reduction in State support over the years, proceeds from the sale of land have become a major source of revenue to finance the operations of the Research Park. Therefore, Section VI of the agreement offers a unique twist to our standard approach that will allow the Research Park and City both to generate additional operating funds from the sale of land.

A per acre selling point of \$72,000 has been established that will allow the Research Park to recapture the cost of their land-related responsibilities specified in Section IV(B). This includes such expenses as land, rural water buyout, natural gas, electric and landscaping. In accordance with Section VI, the Research Park will thus be entitled to retain the first \$72,000 per acre in land sale price. However, it is further agreed that the parties will share equally in proceeds from the sale of land that exceeds \$72,000 per acre. The City will agree to utilize these funds for incentives to encourage existing businesses to expand or new businesses to locate in the Research Park, or to reduce our debt service obligation.

Property Taxes

As was stated previously, the City's financial investment in this project is justified in part because of the on-going property taxes that will be generated. This revenue stream will help cover the City's operating costs to serve this area, which include street maintenance, snow removal, fire/medical assistance services, police protection, etc.

In order to assure that the growth within this area pays property taxes, Section IX of the agreement was included. According to this section, all improvements on the land in Phase III will be subject to real estate taxes, even if they obtain a tax exempt or abatement status. Should the land and improvements become tax exempt, the Research Park Corporation will be required to pay to the City an amount equivalent to the tax receipts the City and other taxing jurisdictions would have received had the property not become tax exempt or abated.

Research Park officials feel very strongly that at least a portion of the first building constructed, the Hub building, should be tax exempt. This building will house many of the economic development support University offices that are currently scattered throughout the ISU campus.

In breaking with previous requirements, this agreement allows the Research Park Corporation to apply for tax exempt status for the Hub building. However, for that portion of the Hub building that becomes tax exempt, it further requires them to make payments in lieu of tax until the time that the City's TIF debt incurred to pay for the public improvement costs specified in Section IV(A) is totally retired.

Minimum Assessment

Two techniques have been utilized in previous agreements to minimize the City's risk associated with this type of TIF-funded venture. These were to establish minimum assessments, and to require that the developer build speculative buildings to assure there is some level of taxable value to pay a portion of the annual debt payment. In this case, the annual debt service is estimated to be approximately \$300,000.

Section X of the proposed agreement once again provides for a minimum assessment for all buildings that are constructed within the TIF District, except for the Hub building. For these other buildings, the minimum assessment agreed to is \$500,000 per acre.

Furthermore, even if the Hub building gains some level of tax exempt or tax abatement status, this agreement provides for the Research Park to make property tax payments to the City based on a minimum value of \$11 million. That obligation will continue until the City's debt for the outstanding public infrastructure is totally retired.

In return for these minimum assessment commitments, the agreement specifies that 1) for every additional dollar of non-abated taxable valuation added in the TIF district for all lots except the Hub building, the minimum assessment on the Hub building will be reduced by \$.50; and 2) the minimum assessment and payment requirement for the Hub building will not take effect until January 1, 2016, for taxes payable beginning in September 2017.

TIF District

It is staff's recommendation that the City Council enter into "deals" that result in a ten year payback for TIF funded projects. Since there are only four developable lots in Phase III to generate TIF proceeds, staff will be recommending that the TIF district be extended to include the majority of the undeveloped lots in Phase II of the Research Park.

It is hoped that the addition of these lots will assure an earlier payback of the TIF debt. However, it is important to note that the Phase II agreement includes no prohibition for tax exemption for the lots that phase. Therefore, the incremental taxes generated in from Phase II lots will be delayed due to the availability of five-year industrial tax abatements.

Rural Water Buyout

Section XII(E) requires the Research Park Corporation to pay the Xenia Rural Water District for any buyout of service territory. Even though City staff strongly believes that the right to serve the northern portion of Phase III was never transferred to Xenia, the Research Park has felt compelled to negotiate a buyout agreement with Xenia whereby Xenia will be paid \$687,234 to release their claims to the Phase III and Phase IV land. Because of the urgency of completing the HUB building by June 2016 as required by the State appropriation, the Research Park does not want to become involved in protracted City/Xenia

negotiations or legal actions to verify the City's right to serve the northern half of Phase III. As is the case with most of their other development costs, the Research Park Corporation will cover this expenditure out of proceeds from the sale of lots in this phase.

Zoning Ordinance Text Amendments

In order to accomplish the proposed Phase III expansion as envisioned by Research Park officials, the City Council must be willing to make two significant changes to our Zoning Ordinance.

First, the existing Research Park is currently zoned Planned Industrial (PI). The new vision is to locate a limited array of retail and commercial land uses within the Park to provide services to Park tenants in close proximity to their offices and laboratories. This would include such uses as restaurants, attorneys' offices, laundries and child care facilities, among others. **This vision will necessitate the creation of a new zoning category that will be unique to Research Parks.**

The City's LUPP does not identify a precise commercial node for this location, but adding commercial may fit the parameters of having additional services available to neighborhoods and districts. It is likely that the new zoning would apply to both the existing Research Park and to the new expansion area, and would require a master plan for implementation. A draft zoning ordinance will be presented to the Council this winter. **Therefore, the HUB building will originally be started under PI zoning and end up being completed under the new zoning district.**

Second, in order to reap the efficiencies of combining Loop Road with parking for the Hub building, the Hub building has been designed without off-street parking. Instead, it is envisioned that all parking needs for this centralized facility will be accommodated with expanded public parking around the Hub loop. This will be similar to the parking arrangement found in many county seat communities where the centralized County Courthouse is surrounded by on-street parking. Here again, **a special provision will need to be added in the Zoning Ordinance to relieve the Hub building from any on-site parking requirements and to consider the adjacent on-street parking supply on the Plaza Loop.** As is shown in Section XII(F), it is contemplated that the Research Park will assume responsibility for maintaining Loop Road and for administering its associated parking spaces. **The parties have agreed that, should the IDOT not provide RISE grant funding for this on-street parking, then the City will pay one third and the Research Park will pay two thirds of the cost of constructing this parking area.**

During the staff's discussions with the Research Park officials, an inquiry was made regarding the possibility of including mixed-use housing in Phase III. However, after checking with the City's bond attorney, it was determined that the Iowa Code places more restrictions when TIF financed projects include a housing component. Two critical requirements are that the TIF must be completely paid

off within ten years, and that a certain percentage of the TIF proceeds must be directed to affordable housing and not to pay off the infrastructure debt. **Since there is not a specific housing proposal to analyze at this time, it was agreed that the Urban Renewal Plan/TIF project for Phase III will only allow for industrial/commercial/retail uses.** However, staff has indicated its willingness to consider a housing component once a specific proposal is offered that can be analyzed for compliance to the Iowa Code.

Off-Site Transportation Improvements

As the City Council would expect, a traffic study was conducted to identify off-site traffic system improvements that might be needed due to the growth of Phase III. It appears from this study that only one off-site location will need improvements due to Phase III growth. This is the intersection of US Highway 30 and University Boulevard, where motorists have challenges on the westbound off-ramp when attempting to turn south. The addition of a traffic signal at this intersection will be needed by the time Phase III is built out, at an estimated cost of \$250,000.

It should be noted that the traffic study indicates that the current situation already justifies this traffic improvement because of traffic from Phases I and II of the Research Park and other city traffic. Therefore, Phase III will make a challenging situation even worse. **Realizing that both the City and the University have some responsibility for this traffic improvement, Warren Madden, Senior Vice President for Business and Finance, has indicated that the University is committed to share equally in the cost of this traffic signal.** The City's share of this project will be programmed in the next Capital Improvements Plan from Road Use Tax funds. Any other needed future traffic improvements will be studied prior to the Council's approval of subsequent phases of the Research Park.

Next Steps

After this development agreement and the RISE agreement are signed, the City Council must take a number of additional actions in order to facilitate Phase III. These steps are time sensitive, since construction on the HUB building must begin early next spring in order for it to be completed and occupied by June 2016. With annexation already completed, the following subsequent steps must also take place:

- Establish Urban Renewal Area (URA)
- Establish Tax Increment Financing District
- Hire engineering firm to design streets, water and sewer infrastructure
- Award contract for construction of infrastructure
- Rezone one existing parcel to Planned Industrial to facilitate Hub building
- Approve minor site development plan (administrative action)
- Issue building permit for Hub building (administrative action)
- Develop zoning text amendment to create new Research Park zone
- Rezone entire Research Park to new zoning designation

Staff is also bringing the URA to City Council for action on October 14. This includes a draft Urban Renewal Plan detailing the intended uses for the area and the types of

projects anticipated in support of economic development. It is anticipated that the URA process and creation of the TIF District can be completed by November 10. Creating a TIF District requires adoption of an ordinance, and that action on November 10 will require Council approval of all three ordinance readings in order to authorize expenditures for the engineering design contract that same evening. Engineering design must begin in November in order for infrastructure bids to be taken in January or February. Installation of the water main will hopefully begin in March, since construction on the Hub building requires a public water supply. Prior to approval of the building permit, the Hub lot must also be rezoned to Planned Industrial and the site plan must be approved.

ALTERNATIVES:

1) The City Council can approve the attached development agreement with the ISU Research Park as proposed.

This alternative should be supported if the City Council is satisfied with a) the development concept that has been proposed for Phase III, b) the amount and source of City financial support that is required in the proposed agreement, and c) the unique changes that will be required in the Zoning Ordinance to accomplish this expansion.

2) The City Council can approve the attached agreement with the ISU Research Park after making modifications specified by the City Council.

This alternative should be supported if the City Council desires changes to the proposed agreement. Specific direction from Council regarding changes will be required under this alternative.

3) The City Council can decide not to approve an agreement with the ISU Research Park that obligates the City to financially support the development of Phase III.

This alternative should be supported if the City Council determines that the extent of the financial support that is being requested, the risk that is associated with this venture, or the needed changes to the Zoning Ordinance are unacceptable.

MANAGER'S RECOMMENDED ACTION:

It must be emphasized that the ISU Research Park has become a foundational component of the City's economic development strategy. The prudent use of City funds to assist in the development of Phase III is justified because of the additional high quality jobs, property tax revenue increase, and collaboration with ISU in economic development that will result from this expansion.

It appears that the most viable source of funding for this phase is through a Tax Increment Financing incentive. Staff has warned the Council in the past that use of this incentive poses a level of risk should the property not develop as quickly as hoped. The risk is heightened when a debt is incurred to build public infrastructure in advance of sufficient incremental tax valuation growth to cover the debt payments. While the staff

has included many provisions in this agreement that somewhat mitigate this risk, it still remains. However, given the overwhelming success of Phases I and II, the benefits associated with the further expansion of the Research Park outweigh the level of risk involved with this next phase.

Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1, thereby approving the attached development agreement with the ISU Research Park as proposed.

DO NOT WRITE IN THE SPACE ABOVE THIS LINE; RESERVED FOR RECORDER

Prepared by: Judy K. Parks, Ames City Attorney, 515 Clark Ave., Ames, IA 50010; 515-239-5146
Return recorded document to: Ames City Clerk, P.O. Box 811, Ames, IA 50010

**AGREEMENT FOR PUBLIC IMPROVEMENTS
AND OTHER WORK PERTAINING TO
THE IOWA STATE UNIVERSITY RESEARCH PARK
PHASE III**

THIS CONTRACT AND AGREEMENT, made and entered into this 14th day of October, 2014, by and between IOWA STATE UNIVERSITY RESEARCH PARK (an Iowa non-profit corporation hereinafter called "Research Park") and THE CITY OF AMES, IOWA (hereinafter called the "City");

WITNESSETH:

WHEREAS, it is the intention and representation of the Research Park to undertake an expansion of the Iowa State University Research Park, heretofore known as Phase III, at below market cost located in the City of Ames, Iowa; and,

WHEREAS, the Research Park has applied for annexation of the Phase III real estate into the City, and the City Council and State of Iowa's City Development Board have approved said annexation; and,

WHEREAS, the Research Park desires that the City assist the aforesaid project by designing, constructing, financing, and facilitating certain public improvements and other work to serve Phase III of the Iowa State University Research Park; and,

WHEREAS, the parties desire that the cost of constructing and financing the City's public improvements be abated by an increment in the property taxes based on the progress of the project as well as by funding from the Iowa Department of Transportation's Revitalize Iowa's Sound Economy (RISE) program; and,

WHEREAS, it is found that the work and improvements related to Phase III of the Iowa State University Research Park will serve the public purpose of economic development

by encouraging private development that will increase permanent employment opportunities, add revenue support for government services, and expand the property tax base; and,

WHEREAS, the Research Park controls the land necessary to accomplish Phase III expansion of the Iowa State University Research Park.

(See Exhibit A for Legal Description)

NOW, THEREFORE, in consideration of these premises and of the mutual promises hereinafter set out, the parties hereto do agree and covenant as follows:

I PARTIES

A. The Parties to this agreement are the City and the Research Park. No other parties shall be admitted to this agreement, nor shall there be any assignment of this agreement without the express written consent of the existing parties hereto.

B. It is not the intention of the parties to this agreement that any new legal entity be created by virtue of this agreement, and the provisions of this agreement shall not be deemed to have created a partnership, trust or other legal entity.

II DURATION

This agreement shall endure and remain in effect until all parties agree in writing that its purpose has been fully and completely served, or mutually agree to terminate this agreement sooner for whatever reason and on whatever terms the parties may then agree to.

III PURPOSE

A. **In general.** The purpose of this agreement is to provide for a joint and cooperative effort by the parties hereto, in the prompt development of Phase III of the Iowa State University Research Park, by performance of the respective tasks and duties stated in this agreement.

B. **Research Park Development.** The Research Park, either directly or by means of agreements with other parties of its choice, shall construct and market facilities and sites on land shown on the Conceptual Development Plan attached hereto as Exhibit B, and by this reference incorporated herein and made part hereof. Said Plan may be amended by written agreement of the parties hereto.

The Research Park covenants that all structures on and other improvements on land in Phase III as generally described on the Conceptual Development Plan shall be done in compliance with the ordinances, policies, and rules of the City of Ames, Iowa, and all said requirements for plans, permits, or approvals shall be adhered to by the Research Park.

The Research Park shall comply with all other federal, state, and local regulations applicable to the development of the said Phase III of the Iowa State University Research Park. This obligation expressly includes compliance with the City's Zoning and Subdivision ordinances, and applies both to the original uses and any future reuses of land within Phase III of the Research Park.

The making of agreements by the Research Park with developers of its choice shall not relieve the Research Park of the obligations, duties, and tasks stated in this agreement that are not expressly those of the City.

C. **Official Platting.** The Research Park shall prepare and submit for final City approval an official plat of subdivision lots as generally shown on the aforesaid Conceptual Development Plan.

D. **Design.** The Research Park will be responsible for the design of all infrastructure and building improvements within the area reflected on the Conceptual Development Plan, except for the design of the City public improvements specified in Section IV(A).

IV INFRASTRUCTURE

A. **City Public Improvements.** As generally shown on Exhibit C, the City shall be responsible for the design and installation for the following public improvements to complete Phase III:

1. Water mains.
2. Sanitary sewer mains.
3. Street improvements funded through the IDOT RISE grant, including street lighting, street related storm sewer facilities, sidewalk on the west side of University Blvd., on-street bike lanes, and roundabouts.

In the event that the IDOT RISE grant does not cover the cost of constructing on-street parking adjacent to Loop Drive, the City shall be responsible for one third of the cost of such parking areas.

The Research Park shall convey to the City, without cost, all land needed for City funded infrastructure improvements, including streets, sidewalks, utility easements, rights-of-way, and other public facilities as determined by the City's Public Works

Director. The Research Park shall also convey to the City, without cost, any easements needed to facilitate construction of these street improvements and utilities prior to platting. These conveyances shall occur prior to the City awarding each contract for public improvements specified in this section.

In accordance with the RISE grant program, the Research Park shall cooperate with the City to meet the following requirements:

1. Acquire all rights-of-way in accordance with 761 Iowa Administrative Code, Chapter 111 and the Federal Uniform Relocation Assistance and Real Property Acquisition Act of 1970;
2. Obtain IDOT environmental concurrence before acquiring or conveying all rights-of-way; and
3. Certify that any needed environmental permits have been received and all environmental regulations have been met prior to letting of RISE funded public improvements.

B. **Other Improvements.** For the area shown on Exhibit D, the Research Park shall be responsible for funding or otherwise procuring the design and installation of all other improvements necessary to complete Phase III, which shall include, but not be limited to the following:

1. Storm water management and drainage facilities not funded by the RISE grant.
2. Open space and natural areas.
3. Natural gas distribution system to bring natural gas to each platted lot.
4. Construction of all streets, sidewalks, and walking/bike trails not funded by the RISE grant.
5. Signage.
6. Telecommunication facilities to serve each platted lot.
7. Electric distribution system to serve each platted lot.

For that portion of the Research Park served by the Ames Municipal Electric Utility, the City will contribute to these electric facilities in accordance with current City policies applicable to all new development.

8. Gateway features.
9. Grading of the site.

10. Hub Square.

11. Landscaping, including completion of all landscaping materials to be installed in the public right-of-way that are not funded by the RISE grant. Said landscaping shall be installed within two years of the final acceptance of the RISE funded project by the City.

In the event that the IDOT RISE grant does not cover the cost of constructing on-street parking adjacent to Loop Drive, the Research Park shall be responsible for two thirds of the cost of such parking areas.

V

URBAN RENEWAL AREA AND TAX INCREMENT FINANCING

The City agrees to be responsible for establishing a new urban renewal area pursuant to Chapter 403 of the Code of Iowa. At a minimum, the urban renewal area will include all property identified in the legal description of property shown on Exhibit A to this Agreement, as well as all property upon or through which any of the City Public Improvements shown on Exhibit C to this Agreement will be constructed or installed. The City reserves the right to include other property in the urban renewal area that the City determines would be beneficial to the purposes of this Agreement. In accordance with commitments made in this Agreement by property owners to pay property taxes, the City may make provisions to collect incremental property tax revenues generated from a Tax Increment Financing District (TIF) which may be established within the urban renewal area and may devote those tax revenues to pay principal of and interest on debt incurred by the City to finance the construction of the City Public Improvements as described in Section IV(A).

The City shall not be responsible for any other development cost associated with the development of the Phase III of the proposed Iowa State University Research Park expansion.

VI

ALLOCATION OF PROCEEDS FROM SALE OF LAND

The Research Park has the right to set the price charged for land in the Phase III expansion. In recognition of the significant land value that the Research Park has assembled for this expansion, it is agreed that the Research Park shall be entitled to charge and retain the first \$72,000 per acre, or an equivalent lease rate, for lots shown in the Conceptual Development Plan.

In recognition of the significant investment made by the City in public infrastructure to serve this expansion for lots shown in the Conceptual Development Plan, it is further agreed that both parties will share equally in any proceeds of land sold at a price

greater than \$72,000 per acre, or an equivalent per acre amount calculated as part of a lease agreement.

For land sales, the Research Park shall pay the City one half of this added increment after closing on any such land sale. For land lease agreements, the Research Park shall pay the City one half of the land cost greater than \$72,000 per acre that has been calculated in any such monthly lease rate. Payments under this lease obligation for each calendar year shall be accumulated and paid to the City by December 30 of each year.

In order to determine how each land lease rate compares to the aforementioned per acre land sale amount, the Research Park shall provide to the City each such lease agreement, along with the calculation for land cost included in such agreement. Such agreements and calculations shall be provided to the City upon signing of each lease agreement.

The funds received by the City in accordance with this section will be reserved by the City to be used as incentives to encourage existing businesses to expand or new businesses to locate in the Iowa State University Research Park, or to be used to pay off the City's debt service obligation for improvements specified in Section IV(A).

VII JOB CREATION

As a condition of the RISE grant from the Iowa Department of Transportation to help finance certain public improvements in and adjacent to Phase III, the City will be required to covenant that, within three years after the completion of the RISE funded projects, the number of additional persons employed at the Iowa State University Research Park as required by the RISE grant shall be not less than 365 full-time equivalents. If the City is required to make any payments due to non-attainment of the aforesaid job creation goal, fifty percent of the amount of such payment shall be immediately reimbursed to the City by the Research Park.

VIII CONDITIONS PRECEDENT

The City shall not be under an obligation to award a contract related to any of the public improvements identified in Section IV(A) until after the City has received:

- A. Written evidence from the Research Park that written commitments have been made or funds have been secured to finance the costs of all other work referred to in Section IV(B), and
- B. A signed agreement between the City and the Iowa Department of Transportation for a RISE Grant to pay 80% of the total costs for all transportation related improvements specified in Section IV(A).

IX PROPERTY TAXES

It is expressly understood, covenanted, and agreed by the parties hereto that all of the land encompassed by the aforesaid Phase III Conceptual Development Plan and any and all improvements now or hereafter pertaining to said land, shall be subject to any and all taxes on real estate that normally would be generated as a commercial or industrial classified parcel, regardless of each parcel's actual classification or exempt status; and that the Research Park shall not claim or apply for any exemption from or abatement of property taxes for said land or improvements. In the event that said property in the Iowa State University Research Park, or any portion thereof, becomes tax exempt or receives tax abatement, by legislation or other process, the Research Park, its successor or assigns, shall make payments to the City in lieu of taxes in such amounts as are equivalent to the tax receipts the City and other local taxing jurisdictions would have received had the property not become tax exempt or received an abatement. This obligation upon the Research Park applies regardless of ownership of the property subject to tax exemption or abatement.

Consistent with the above restrictions, after the total debt incurred by the City to pay for the costs associated with the City's public improvements as specified in Section IV(A) has been totally retired and the property is no longer subject to payments-in-lieu of tax, the owner of the Hub Building designated on Lot 3 may apply for, or make a claim for property tax exemption per the provisions of Chapter 427.1 of the Iowa Code.

All payments in lieu of taxes shall be due and payable in accordance with the statutory schedule for payment of property tax and any minimum assessment agreement then in effect.

The Research Park agrees to allow and cooperate with the City Assessor as the City Assessor calculates the assessed value of any properties within Phase III that may be tax-exempt.

The Research Park further agrees to include clauses in all ground leases and real property sales agreements which notify the lessees or buyers of the obligations under this subsection.

X MINIMUM ASSESSMENT

In conjunction with this agreement, the Research Park hereby enters into two separate Minimum Assessment Agreements (Exhibits E and F) with the City for all lots within the boundaries of the City's TIF district that authorize the City Assessor to accomplish the following tasks:

A) Establish an assessment for the first building constructed in Phase III designated as the HUB building on Lot 3 of Exhibit B, at an assessed value of at least \$11,000,000. This minimum assessment requirement will be reduced in accordance to the following formula as other assessed value for building improvements are added within the TIF District established under Section V.

- i) For every additional dollar of non-abated assessed valuation added in the TIF District for all lots except Lot 3, the minimum assessment for the HUB building on Lot 3 will be reduced by \$.50. The minimum assessment will be adjusted in accordance with this provision on January 1st of each year.

This minimum assessment requirement will terminate once the total debt incurred by the City to pay for the costs associated with the City's public improvements as specified in Section IV(A) has been totally retired. These costs include, but are not limited to the design, construction, inspection, principal, interest, bond issuance cost, etc. The minimum assessment for the Hub building on Lot 3 will not take effect until January 1, 2016 for taxes payable beginning September, 2017.

B) For all other lots on which buildings are constructed in the TIF district, establish a minimum assessment value of at least \$500,000 per acre.

XI

TIMELINE FOR CONSTRUCTING BUILDINGS

The parties agree that the purchasers of lots within Phase III of the Iowa State University Research shall make improvements promptly and not hold the property in an undeveloped state or delay making improvements. Therefore, if the purchaser of any lot within Phase III of the Iowa State University Research Park does not complete construction of all buildings within twenty-four (24) months of taking title to the land, then the Research Park shall make payments to the City in lieu of taxes in such amounts as are equivalent to the tax receipts the City and other local taxing jurisdictions would have received had the property been assessed at \$500,000 per acre.

XII

MISCELLANEOUS

A. Maintenance. The traveled portion of the City streets within the area reflected on Conceptual Development Plan shall be maintained by the City. The Research Park shall maintain the landscaped area on both sides of those public roadways. In addition, all green space, storm water management areas, and trail system (off-street bike and pedestrian paths) within the area reflected on the Conceptual Development Plan (Exhibit B) shall be maintained by the Research Park or its assigns.

B. Records. The parties hereto shall keep all contracts, change orders, invoices, payroll time sheets, memoranda, and other accounting documents needed to document and substantiate the actual cost of designing, constructing, and financing the said City public improvements specified in Section IV(A) for a period of at least five years following completion and acceptance of said improvements. Photocopies of all such documents shall be exchanged by the parties on request.

C. Land Covenant. This contract and agreement, and all promises and covenants herein expressed, shall be a covenant running with the land described herein and be binding on the Research Park, its successors and assigns, and upon the Research Park's grantees of rights in said land, including tenants and mortgagees, except the land granted to the City for streets, utility easements, and other right-of-ways shall not be subject to said covenant.

D. Time of the Essence. It is agreed and understood by the parties to this agreement that time is of the essence in performance of any action provided in this agreement.

E. Rural Water Buyout. Research Park agrees that it is responsible for payment of any amounts that may become due and owing to Xenia Rural Water District as a result of annexation of the land within the Conceptual Development Plan or connection of any lot to City water, including but not limited to the buyout of territory and demolition or removal of infrastructure, as provided in Iowa Code Chapter 357A.

F. Loop Drive. It is recognized that a City zoning code text amendment will be needed to allow parking for the Hub Building to be located on Loop Drive, a public street, rather than on the Hub Building parcel as currently required by the City's zoning code. Upon passage of that zoning code text amendment and approval by the parties of a separate use agreement, Research Park shall assume the following responsibilities for Loop Drive and the adjacent parking areas: ongoing surface maintenance, snow and ice control, and the administration and enforcement of said parking.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their authorized representatives as of the date first above written.

ISU RESEARCH PARK

CITY OF AMES

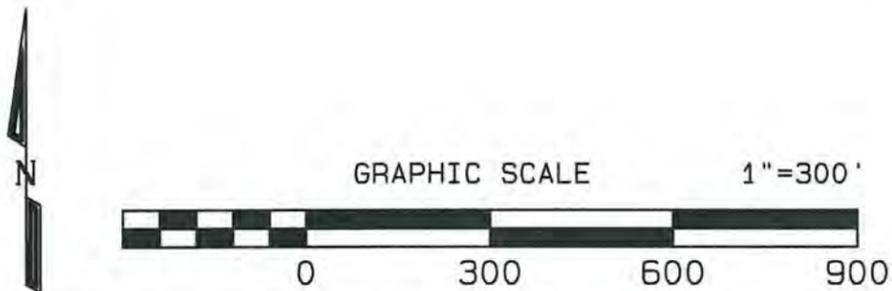
By: _____
Steven Carter, President
Iowa State University Research Park

By: _____
Ann H. Campbell, Mayor

Attest: _____
Diane Voss, City Clerk

Survey Description:

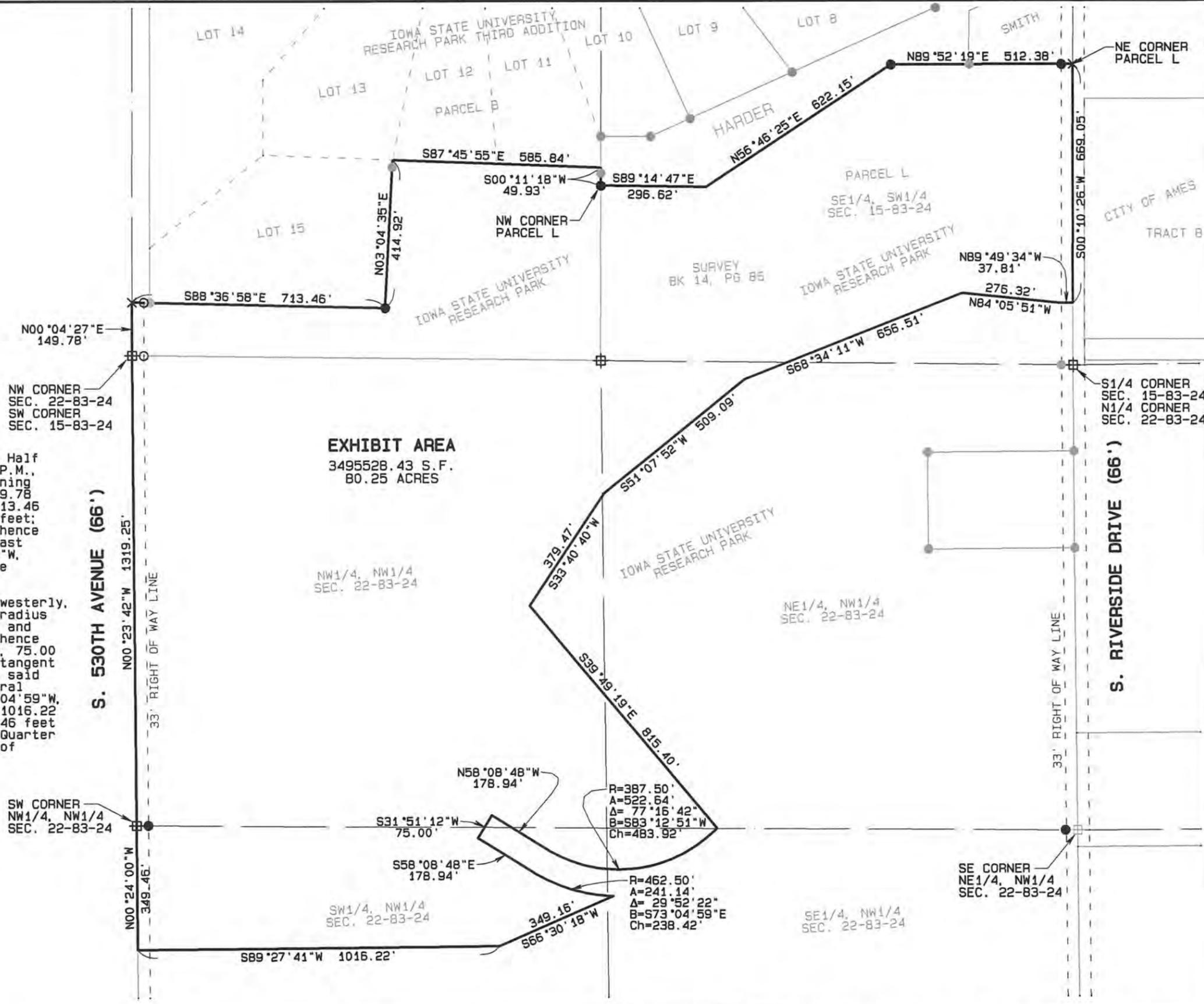
Part of the Southwest Quarter of Section 15, and part of the North Half of Section 22, all in Township 83 North, Range 24 West of the 5th P.M., Story County, Iowa, all together being described as follows: Beginning at the Northwest Corner of said Section 22; thence N00°04'27"E, 149.78 feet along the West line of said Section 15; thence S88°36'58"E, 713.46 feet; thence N03°04'35"E, 414.92 feet; thence S87°45'55"E, 585.84 feet; thence S00°11'18"W, 49.93 feet; thence S89°14'47"E, 296.62 feet; thence N56°46'25"E, 622.15 feet; thence N89°52'19"E, 512.38 feet to the East line of the Southwest Quarter of said Section 15; thence S00°10'26"W, 669.05 feet along said line; thence N89°49'34"W, 37.81 feet; thence N84°05'51"W, 276.32 feet; thence S68°34'11"W, 656.51 feet; thence S51°07'52"W, 509.09 feet; thence S33°40'40"W, 379.47 feet; thence S39°49'19"E, 815.40 feet to the beginning of a curve; thence southwesterly, westerly and northwesterly, 522.64 feet along said curve having a radius of 387.50 feet, concave to the north, a central angle of 77°16'42" and being subtended by a chord which bears S83°12'51"W, 483.92 feet; thence N58°08'48"W tangent to said curve, 178.94 feet; thence S31°51'12"W, 75.00 feet; thence S58°08'48"E, 178.94 feet to the beginning of a curve tangent to said line; thence southeasterly and easterly, 241.14 feet along said curve having a radius of 462.50 feet, concave to the north, a central angle of 29°52'22" and being subtended by a chord which bears S73°04'59"W, 238.42 feet; thence S66°30'18"W, 349.16 feet; thence S89°27'41"W, 1016.22 feet to the West line of said Section 22; thence N00°24'00"W, 349.46 feet to the Southwest Corner of the Northwest Quarter of the Northwest Quarter of said Section 22; thence N00°23'42"W, 1319.25 feet to the point of beginning, containing 80.25 acres.



S. 530TH AVENUE (66')

S. RIVERSIDE DRIVE (66')

EXHIBIT AREA
3495528.43 S.F.
80.25 ACRES



STUMBO & ASSOCIATES
LAND SURVEYING

510 S. 17TH STREET, SUITE #102 • AMES, IOWA 50010
PH. 515-233-3689 • FAX 515-233-4403

EXHIBIT A

JOB #16649EXB DATE: 9/17/14 PAGE 1 of 1



Certification: I hereby certify that this land surveying document was prepared and the related survey work was performed by me or under my direct personal supervision and that I am a duly licensed Land Surveyor under the laws of the State of Iowa.
R. Bradley Stumbo Date: 9/17/14
R. Bradley Stumbo License #17161
My license renewal date is December 31, 2015

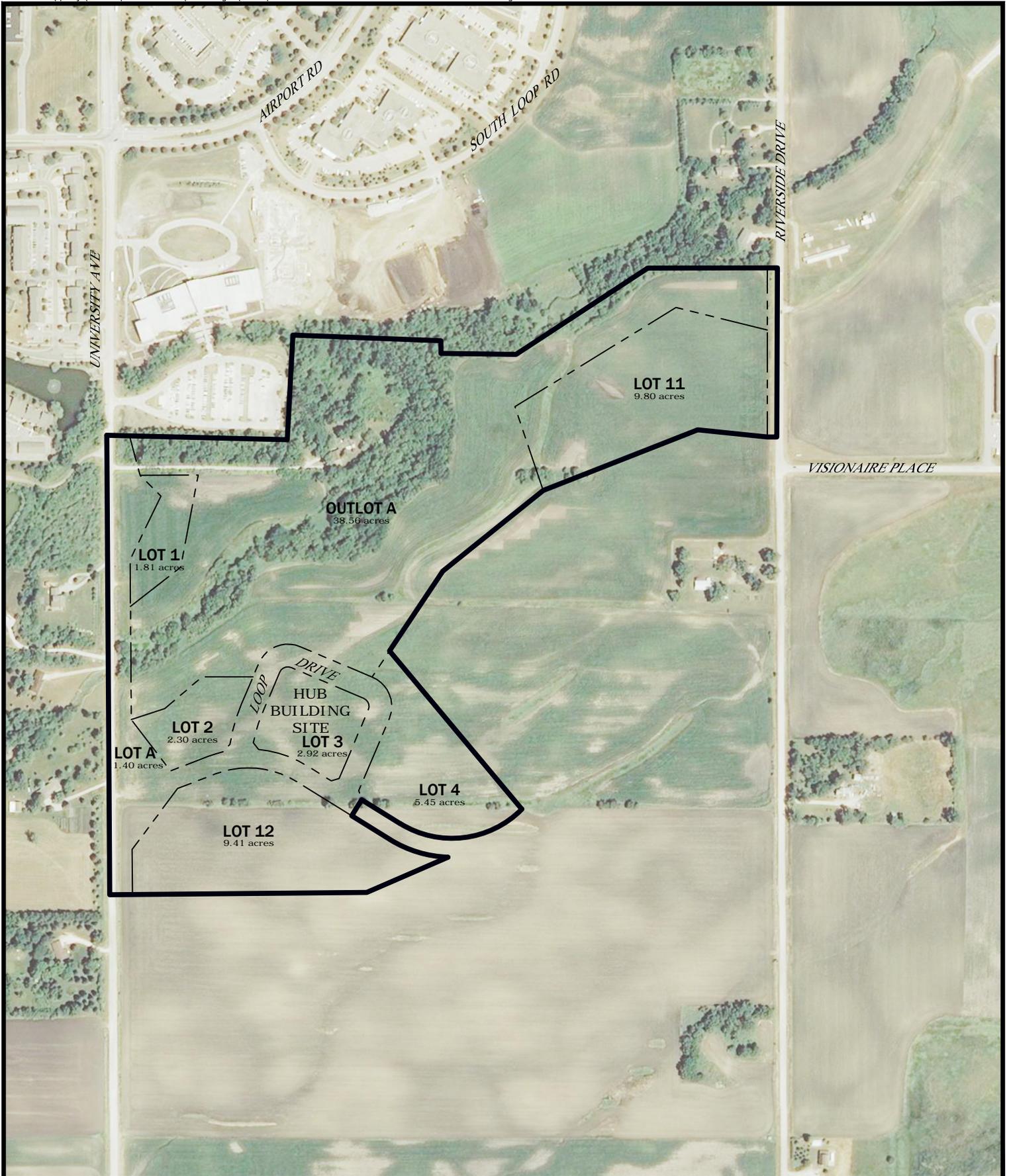
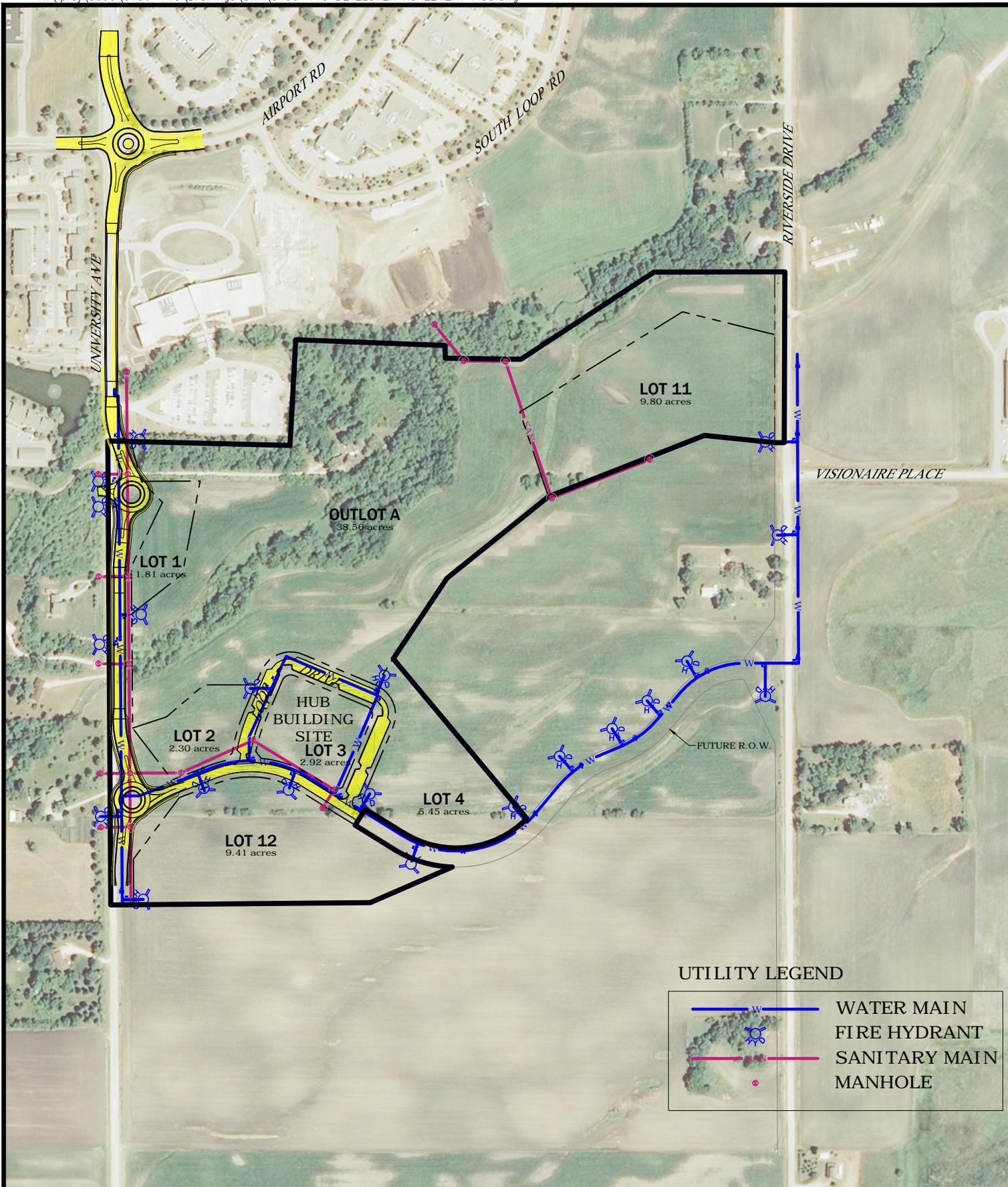


EXHIBIT B
CONCEPTUAL DEVELOPMENT PLAN

EXHIBIT:		B	
REVISION	NO.	DATE	
DRAWN SRS	PROJECT NO. 5136-11C	DATE 10/07/14	



UTILITY LEGEND

	WATER MAIN
	FIRE HYDRANT
	SANITARY MAIN
	MANHOLE



EXHIBIT C
CITY PUBLIC IMPROVEMENTS

EXHIBIT:	C	
REVISION	NO.	DATE
DRAWN SRS	PROJECT NO. 5136-11C	DATE 10/07/14

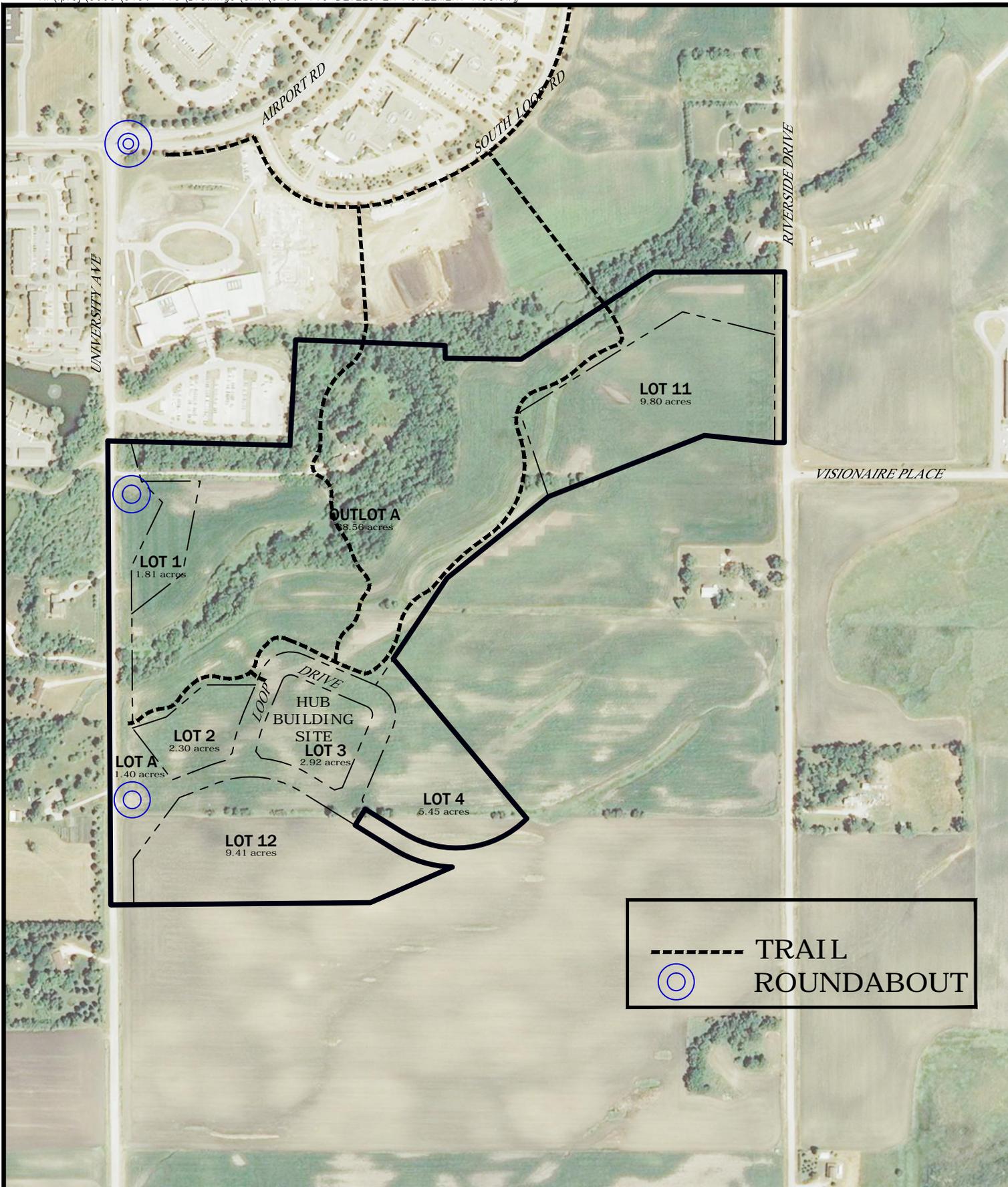


EXHIBIT D
AREA COVERED FOR OTHER
IMPROVEMENTS

EXHIBIT:		D
REVISION	NO.	DATE
DRAWN SRS	PROJECT NO. 5136-11C	DATE 10/07/14

DO NOT WRITE IN THE SPACE ABOVE THIS LINE; RESERVED FOR RECORDER

Prepared by: Judy K. Parks, Ames City Attorney, 515 Clark Ave., Ames, IA 50010; 515-239-5146

Return recorded document to: Ames City Clerk, P.O. Box 811, Ames, IA 50010

Exhibit E

MINIMUM ASSESSMENT AGREEMENT FOR PHASE III HUB BUILDING

This Minimum Assessment Agreement is entered into this ____ day of _____, 2014, by and between the City of Ames, Iowa (hereinafter referred to as “City”), Iowa State University Research Park (an Iowa non-profit corporation hereinafter referred to as “Research Park”) and the City Assessor for the City of Ames, Iowa (hereinafter referred to as “Assessor”).

WITNESSETH:

WHEREAS, on or about _____, 2014, City and Research Park entered into an Agreement for Public Improvements and Other Work Pertaining to The Iowa State University Research Park Phase III (hereinafter referred to as the “Phase III Agreement”) regarding certain real property located in the city of Ames, Iowa; and

WHEREAS, it is contemplated that pursuant to said Agreement, Research Park controls the land necessary to undertake an expansion of the Iowa State University Research Park, heretofore known as Phase III, located in the city of Ames, Iowa (hereinafter referred to as “Property”) which is described as follows:

See Exhibit A of the Phase III Agreement for Legal Description

and

WHEREAS, pursuant to section 403.6 of the Code of Iowa, as amended, City and Research Park desire to establish a minimum actual value for the improvements to be constructed or placed upon the Property by Research Park pursuant to the Phase III Agreement, which shall be effective upon substantial completion of such improvements and from then until this

Minimum Assessment Agreement is terminated pursuant to the terms herein, and which is intended to reflect the minimum actual value of such improvements, exclusive of the value of the unimproved land; and

WHEREAS, City and Assessor have reviewed the preliminary plans and specifications, including Research Park's agreement applicable to the improvements contemplated to be erected.

NOW, THEREFORE, the parties to this Minimum Assessment Agreement, in consideration of the promises, covenants and agreements made by each other, do hereby agree as follows:

1. Upon construction of the first building constructed pursuant to the terms of the Phase III Agreement, designated as the HUB building on Lot 3 of Exhibit B of the Phase III Agreement, the Assessor shall establish an assessed value of at least \$11,000,000. This minimum assessment requirement will be reduced in accordance with the following formula as other assessed values for building improvements are added within the TIF District established under Section V of the Phase III Agreement.
 - i) For every additional dollar of non-abated assessed valuation added in the TIF District for all lots except Lot 3, the minimum assessment for the HUB building on Lot 3 will be reduced by \$.50. The minimum assessment will be adjusted in accordance with this provision on January 1st of each year.

This minimum assessment requirement will terminate once the total debt incurred by the City to pay for the costs associated with the City's public improvements as specified in Section IV(A) of the Phase III Agreement has been totally retired. These costs include, but are not limited to the design, construction, inspection, principal, interest and bond issuance cost. The minimum assessment for the HUB building on Lot 3 will not take effect until January 1, 2016, for taxes payable beginning September, 2017.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their authorized representatives as of the date first above written.

CITY OF AMES, IOWA

**IOWA STATE UNIVERSITY
RESEARCH PARK**

By _____
Ann H. Campbell, Mayor

By _____
Steven Carter, President

Attest _____
Diane R. Voss, City Clerk

By _____
Dick Johnson, Secretary

STATE OF IOWA, COUNTY OF STORY, ss:

On this _____ day of _____, 2014, before me, a Notary Public in and for the State of Iowa, personally appeared Ann H. Campbell and Diane R. Voss, to me personally known, and who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Ames, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Resolution No. _____ adopted by the City Council and the _____ day of _____, 2014, and that Ann H. Campbell and Diane R. Voss acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

Notary Public in and for the State of Iowa

STATE OF IOWA, COUNTY OF STORY, ss:

This instrument was acknowledged before me on _____, 2014, by Steven Carter and Dick Johnson, as President and Secretary, respectively, of Iowa State University Research Park.

Notary Public in and for the State of Iowa

CERTIFICATE OF ASSESSOR

The undersigned, having reviewed the plans and specifications for the improvements to be constructed upon the land described in the Agreement for Public Improvements and Other Work Pertaining to The Iowa State University Research Park Phase III, and the market value assigned to such improvements, and being of the opinion that the minimum market value contained in the foregoing Minimum Assessment Agreement appears reasonable, hereby certifies as follows: the undersigned Assessor, being legally responsible for the assessment of the Property as described above, upon completion of improvements to be made on it and in accordance with the Minimum Assessment Agreement, certifies that the actual value assigned to land, building, equipment and other improvement shall be _____

(\$ _____), until termination of this Minimum Assessment Agreement pursuant to the terms hereof.

Dated this _____ day of _____, 2014.

Gregory P. Lynch, Ames City Assessor

STATE OF IOWA, COUNTY OF STORY, ss:

On this _____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Gregory P. Lynch, Ames City Assessor, to me known to be the identical person named in and who executed the foregoing instrument, and acknowledged that the executed the same as his voluntary act and deed.

Notary Public in and for the State of Iowa

DO NOT WRITE IN THE SPACE ABOVE THIS LINE; RESERVED FOR RECORDER

Prepared by: Judy K. Parks, Ames City Attorney, 515 Clark Ave., Ames, IA 50010; 515-239-5146

Return recorded document to: Ames City Clerk, P.O. Box 811, Ames, IA 50010

Exhibit F

MINIMUM ASSESSMENT AGREEMENT FOR PHASE III TIF DISTRICT BUILDINGS

This Minimum Assessment Agreement is entered into this ____ day of _____, 2014, by and between the City of Ames, Iowa (hereinafter referred to as “City”), Iowa State University Research Park (an Iowa non-profit corporation hereinafter referred to as “Research Park”) and the City Assessor for the City of Ames, Iowa (hereinafter referred to as “Assessor”).

WITNESSETH:

WHEREAS, on or about _____, 2014, City and Research Park entered into an Agreement for Public Improvements and Other Work Pertaining to The Iowa State University Research Park Phase III (hereinafter referred to as the “Phase III Agreement”) regarding certain real property located in the city of Ames, Iowa; and

WHEREAS, it is contemplated that pursuant to said Agreement, Research Park controls the land necessary to undertake an expansion of the Iowa State University Research Park, heretofore known as Phase III, located in the city of Ames, Iowa (hereinafter referred to as “Property”) which is described as follows:

See Exhibit A of the Phase III Agreement for Legal Description

and

WHEREAS, pursuant to section 403.6 of the Code of Iowa, as amended, City and Research Park desire to establish a minimum actual value for the improvements to be constructed or placed upon the Property by Research Park pursuant to the Phase III Agreement, which shall be effective upon substantial completion of such improvements and from then until this

Minimum Assessment Agreement is terminated pursuant to the terms herein, and which is intended to reflect the minimum actual value of such improvements, exclusive of the value of the unimproved land; and

WHEREAS, City and Assessor have reviewed the preliminary plans and specifications, including Research Park’s agreement applicable to the improvements contemplated to be erected.

NOW, THEREFORE, the parties to this Minimum Assessment Agreement, in consideration of the promises, covenants and agreements made by each other, do hereby agree as follows:

Upon construction of any buildings constructed in the TIF District pursuant to the terms of the Phase III Agreement, the Assessor shall establish an assessed value of at least \$500,000 per acre. This Minimum Assessment applies to all buildings except the building designated as the HUB building on Lot 3 of Exhibit B of the Phase III Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their authorized representatives as of the date first above written.

CITY OF AMES, IOWA

**IOWA STATE UNIVERSITY
RESEARCH PARK**

By _____
Ann H. Campbell, Mayor

By _____
Steven Carter, President

Attest _____
Diane R. Voss, City Clerk

By _____
Dick Johnson, Secretary

STATE OF IOWA, COUNTY OF STORY, ss:

STATE OF IOWA, COUNTY OF STORY, ss:

On this _____ day of _____, 2014, before me, a Notary Public in and for the State of Iowa, personally appeared Ann H. Campbell and Diane R. Voss, to me personally known, and who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Ames, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Resolution No. _____ adopted by the City Council and the _____ day of _____, 2014, and that Ann H. Campbell and Diane R. Voss acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

This instrument was acknowledged before me on _____, 2014, by Steven Carter and Dick Johnson, as President and Secretary, respectively, of Iowa State University Research Park.

Notary Public in and for the State of Iowa

Notary Public in and for the State of Iowa

CERTIFICATE OF ASSESSOR

The undersigned, having reviewed the plans and specifications for the improvements to be constructed upon the land described in the Agreement for Public Improvements and Other Work Pertaining to The Iowa State University Research Park Phase III, and the market value assigned to such improvements, and being of the opinion that the minimum market value contained in the foregoing Minimum Assessment Agreement appears reasonable, hereby certifies as follows: the undersigned Assessor, being legally responsible for the assessment of the Property as described above, upon completion of improvements to be made on it and in accordance with the Minimum Assessment Agreement, certifies that the actual value assigned to land, building, equipment and other improvement shall be _____ (\$_____), until termination of this Minimum Assessment Agreement pursuant to the terms hereof.

Dated this _____ day of _____, 2014.

Gregory P. Lynch, Ames City Assessor

STATE OF IOWA, COUNTY OF STORY, ss:

On this _____ day of _____, 2014, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Gregory P. Lynch, Ames City Assessor, to me known to be the identical person named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.

Notary Public in and for the State of Iowa

COUNCIL ACTION FORM

**SUBJECT: RISE GRANT FOR IOWA STATE UNIVERSITY RESEARCH PARK
PHASE III EXPANSION**

BACKGROUND:

On April 8, 2014, the Iowa DOT Transportation Commission approved a Revitalize Iowa's Sound Economy (RISE) grant to the City of Ames associated with the Phase III expansion of the ISU Research Park. This grant will include improvements to reconstruct the intersection of University Avenue and Airport Road into a roundabout, to widen and extend the paving of University Avenue south through the newly planned intersection with North Drive, to construct North Drive through Plaza Loop, and the construction of Plaza Loop. Additional items included in the RISE grant funded project are on-street bike lanes, an off-street pathway (sidewalk) on the west side of University Boulevard, relocation of the City's electric lines, street lighting, on-street storm sewer facilities, and a bus stop pad. (See Exhibit C from the ISU Research Park Phase III development agreement.)

The costs for roadway design, construction, and administration for the RISE project were approved by the Iowa Department of Transportation in the amount of \$5,013,410. The RISE grant cannot exceed 80% of the total eligible cost, or a maximum of \$4,010,728. The City is responsible for the 20% local contribution of \$1,002,682, as well as for any amount above the \$5,013,410. The local match and any additional amount above the original estimate will be funded through General Obligation Bonds that will be abated through Tax Increment Financing (TIF) from the area. **As evidenced in the previous Council Action Form, the current cost estimate for the RISE funded road improvements is \$4,923,541 without any contingency.**

This grant funding is tied to the creation of at least 365 new jobs at Workiva (formerly known as Webfilings). Within three years of the road improvements being constructed and open to traffic, the City must certify that these jobs have been created. The City must also certify that these jobs have been maintained for six continuous months during this three year monitoring period and that the jobs satisfy the average wage requirement of \$18.34 per hour.

It is currently anticipated that plans and specifications will be approved for bidding in January 2015 with the project bids received in February. This will make it possible for construction to start as early as March with completion expected in Fall 2015.

In addition to street-related work under the RISE grant, additional infrastructure required of the City to complete Phase III includes water mains and sanitary sewers. This work is estimated to cost \$900,000 for the water mains and \$505,000 for the sanitary sewer mains. Here again, these costs will be paid for through a TIF financing strategy.

It should be noted that the original RISE grant application included on-street parking along Plaza Loop as a requested item. Although the cost for that parking was included in the application approved by the Iowa Transportation Commission, IDOT staff has since informed the City that the parking is an ineligible cost. In the event that determination by IDOT is not altered, the Research Park development agreement provides for the costs of this parking to be paid one third by the City and two thirds by the Research Park. The City's share of that cost would likewise be included in the TIF financing.

ALTERNATIVES:

1. Approve the IDOT RISE grant agreement associated with the Phase III expansion of the ISU Research Park.
2. Direct staff to request changes to the RISE grant agreement.
3. Reject the RISE grant agreement.

MANAGER'S RECOMMENDED ACTION:

The Phase III expansion of the Iowa State University Research Park is anticipated to create many new, high-paying jobs and to expand our local tax base. Phase III will create an administrative support center, as well as a few developable lots. Acceptance of the RISE grant will leverage 80% state funding for the critical roadway infrastructure, which could be as much as \$4,010,728 in state funding for the Park.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the IDOT RISE grant agreement associated with the Phase III expansion of the ISU Research Park.

**Iowa Department of Transportation
Agreement for a
Revitalize Iowa's Sound Economy Program (RISE) Project**

RECIPIENT: City of Ames

PROJECT NO: RM-0155(686)--9D-85

IOWA DOT

AGREEMENT NO.: 2014-R-013

This is an agreement between the city of Ames (hereinafter referred to as Recipient) and the Iowa Department of Transportation (hereinafter referred to as the DOT). The Recipient submitted an application to the DOT for funding through the Revitalize Iowa's Sound Economy (RISE) fund under Iowa Code Chapter 315 (2011), and the application was approved by Transportation Commission Order No. PPM-2014-52 on April 8, 2014.

Pursuant to the terms of this agreement, and applicable statutes and administrative rules the DOT agrees to provide funding to the Recipient for the authorized and approved costs for eligible items associated with the development of an expansion of the Iowa State University Research Park; facilitating the creation of 365 new jobs at Workiva (formerly WebFilings).

In consideration of the foregoing and the mutual promises contained in this agreement, the parties agree as follows:

1. The Recipient shall be the lead organization for carrying out the provisions of this agreement.
2. All notices required under this agreement shall be made in writing to the DOT's and/or the Recipient's contact person. The DOT's contact person shall be Jennifer Kolacia, Office of Systems Planning, 800 Lincoln Way, Ames, Iowa 50010, 515-239-1738, email Jennifer.Kolacia@dot.iowa.gov. The Recipient's contact person shall be John C. Joiner, P.E., City of Ames, 515 Clark Avenue, Ames, IA 50010, jjoiner@city.ames.ia.us.
3. The Recipient shall be responsible for the development and completion of the following described project:

Infrastructure improvements include: the reconstruction of University Avenue at Airport Road and approximately 800 feet to the south, as well as the construction of approximately 2,500 feet of new roadway along University Avenue extended south, approximately 800 feet of North Drive, and Plaza Loop. The associated economic development is the creation of 365 new jobs at Workiva (formerly WebFilings) with an average wage of at least the current average laborshed wage of \$18.34/hour. See Exhibit A.

4. Eligible project costs for the project described in Section 3 of this agreement, listed above, which are incurred after the effective date of this agreement shall be paid as follows:

City RISE Funds (Grant):	\$4,010,728
City Local Contribution:	<u>\$1,002,682</u>
Project Total:	\$5,013,410

5. The local contribution stated above may include cash or non-cash contributions to the project. The Recipient shall certify to the DOT the value of any non-cash contribution to the project prior to it being incurred. For right of way contributions, the recipient shall submit an appraisal from a qualified independent appraiser. The DOT reserves the right to review the Recipient's certificate of value and has sole authority to determine the value of the Recipient's non-cash contribution for the purposes of this agreement. If, as a result of the DOT's determination, the Recipient's total cash and non-cash contribution is below that stated in the terms of this agreement, the Recipient shall increase its cash contribution in order to complete the Recipient's local contribution, or the grant and/or loan amount associated with this project shall be reduced accordingly.
6. The portion of total project costs paid by the grant shall not exceed the amount stated above (\$4,010,728) or (80) percent of the total cost of the eligible items, whichever is the smaller amount. Any cost overruns shall be paid solely by the applicant.
7. Project activities or costs eligible for funding include only those items (including the cost items identified) set out in Exhibit B which is attached hereto and by this reference incorporated into this agreement, and which are necessary to complete the project as described in Section 3.
8. Activities or costs ineligible for funding include but are not limited to those items set out in Exhibit C which is attached hereto and by this reference incorporated into this agreement.
9. Notwithstanding any other provisions of this contract, if funds anticipated for the continued fulfillment of this contract are at any time not forthcoming or insufficient, either through the failure of the State of Iowa to appropriate funds or discontinuance or material alteration of the program for which funds were provided, the DOT shall have the right to terminate this contract without penalty by giving not less than ninety (90) days written notice.
10. The DOT reserves the right to delay reimbursement of funds to the Recipient if necessary to maintain a positive cash flow. If such a delay is necessary and lasts more than five

working days, the DOT shall so notify the Recipient in writing and shall give the Recipient an estimate of when reimbursement might be expected. The DOT shall establish a system to equitably make reimbursements to all Recipients so affected.

11. At the time this agreement is executed, the project implementation schedule is as set forth in Exhibit D. The Recipient shall update the DOT's contact person if the project implementation schedule is revised.
12. The Recipient must have let the contract or construction started within three years of the date this project is approved by DOT. If the Recipient does not do this, they will be in default for which the DOT can revoke funding commitments. This agreement may be extended for periods up to six months upon receipt of a written request from the Recipient at least sixty (60) days prior to the deadline.
13. If any part of this agreement is found to be void and unenforceable, the remaining provisions of this agreement shall remain in effect.
14. It is the intent of both parties that no third party beneficiaries be created by this agreement.
15. This agreement shall be executed and delivered in two or more copies, each of which so executed and delivered shall be deemed to be an original and shall constitute but one and the same instrument.
16. This agreement is not assignable without the prior written consent of the DOT.
17. If the project described in Section 3 of this agreement crosses a DOT primary road, then:
 - A. The Recipient shall convey title to the State of Iowa, by quit claim deed, to any right of way necessary for the primary road crossing, all at no cost to the DOT. However, the DOT shall prepare detailed legal descriptions and plats. The general configuration of the right of way to be conveyed shall be agreed to by the Recipient and the DOT prior to the survey.
 - B. The Recipient shall submit six copies of plans for all primary road system crossings to the DOT contact person for review and approval by the District Offices for necessary permits, Offices of Road Design and Maintenance with regard to crossing design and location, signing, fencing, safety, maintenance, compliance with access control policy, etc. Said approval shall be obtained before the Recipient proceeds with the construction of any primary road system crossing.
 - C. The use of primary highway right of way for this projects' purpose shall be subject to any rights enjoyed by any existing utility lines presently within the right of way. If excavation of a utility line over which this project has been placed is necessary for any reason, the utility shall be responsible for proper backfilling of

said excavation to ground level. The Recipient shall be responsible for any necessary resurfacing or restoration.

- D. The use of primary highway right of way for this projects' purposes shall be subject to any future plans for reconstruction, improvement, maintenance, and/or relocation of the highway by the DOT. Any relocation of this project necessary because of said plans shall be at the expense of the Recipient, all at no cost to the DOT.
18. The Recipient shall acquire the project right of way, whether by lease, easement or fee title and shall provide relocation assistance benefits and payments in accordance with the procedures set forth in the DOT's Right of Way manual. The Recipient shall contact the DOT for assistance, as necessary, to ensure compliance with the required procedures, even if no federal funds in the right of way purchase are involved. The Recipient will need to get environmental concurrence before acquiring any needed right of way. With prior approval, hardship and protective buying is possible. If the Recipient requests Federal-aid participation for right of way acquisition, the Recipient will need to get environmental concurrence and Federal Highway Administration (FHWA) authorization before purchasing any needed right of way.
19. The Recipient shall comply with the Policy for Accommodating Utilities on City and County Federal-aid Highways Right of Way and the Policy for Accommodating Utilities on Primary Road system when on the DOT's right of way. Certain utility relocation, alteration, adjustment, or removal costs to the Recipient for the project may be eligible for Federal-aid reimbursement in accordance with the FHWA rules applicable to the type of utility involved and Iowa Code Chapter 306A.
20. The Recipient shall be responsible for obtaining any permits, such as the Right to Occupy and/or Perform Work Within the Right of Way, Permit of Access, Utility Accommodation, Right to Install and Maintain Traffic Control Devices, and/or other construction permits required for the project prior to the start of construction.
- In addition, the Recipient shall certify to the DOT's contact person that all known required environmental permits have been received and that all environmental regulations have been complied with before funds are reimbursed or credited.
- Neither the approval of the project application for funding nor the signing of this agreement shall be construed as approval of any required permit from DOT.
21. Traffic control devices, signing, or pavement markings installed within the limits of this project shall conform to the "Manual on Uniform Traffic Control Devices for Streets and Highways" per 761 Iowa Administrative Code Chapter (IAC) 130. The safety of the general public shall be assured through the use of proper protective measures and devices such as fences, barricades, signs, flood lighting, and warning lights as necessary.

22. In the event that right of way is required for the project, said right of way will be acquired in accordance with 761 IAC Chapter 111, Real Property Acquisition and Relocation Assistance, and the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.
23. The project plans, specifications and cost estimate shall be prepared and certified by a professional engineer, architect and or landscape architect (whichever applies), licensed to practice in the State of Iowa. The Recipient shall submit the plans, specifications and other agreement documents to the DOT for review. This submittal may be in divisions and in the order of preference as determined by the Recipient. However, the plans, specifications and other agreement documents for each division must be submitted at least thirty (30) days prior to the project letting of each division. The DOT shall review said submittal(s) recognizing the Recipient's development schedule and shall, after satisfactory review, authorize in writing the Recipient to proceed with implementation of the project. The work on this project shall be in accordance with the survey, plans, and specifications on file. Any modification of these plans and specifications must be approved by the DOT prior to the modification being put into effect.
24. The recipient shall be responsible for the daily inspection of the project. For projects let to contract, the Recipient shall compile a daily log of materials and quantities. For projects constructed with local forces, the Recipient shall compile a daily log of materials, equipment and labor on the project. The DOT reserves the right to inspect project activities and to audit claims for funding reimbursement. The purpose of the inspection or audit is to determine substantial compliance with the terms of this agreement.
25. The Recipient shall maintain all books, documents, papers, accounting records, reports and other evidence pertaining to costs incurred for the project. The Recipient shall also make such materials available at all reasonable times during the construction period and for three years from the date of final reimbursement, for inspection by the DOT, FHWA, or any authorized representatives of the Federal government. Copies of said materials shall be furnished by the Recipient if requested.
26. The Recipient may submit to the DOT periodic itemized claims for reimbursement for eligible project costs. Reimbursement claims shall include certification that all eligible project costs, for which reimbursement is requested, have been completed in substantial compliance with the terms of this agreement.
27. The DOT shall reimburse the Recipient for properly documented and certified claims for eligible project activity costs less a retainage of not more than ten percent, either by state warrant, or by crediting other accounts from which payment may have been made initially. If, upon audits of contracts, the DOT determines the Recipient is overpaid, the Recipient shall reimburse the overpaid amount to the DOT.
28. Upon completion of the project described in this agreement, a professional engineer, architect and or landscape architect (whichever applies), licensed to practice in the State

of Iowa, shall certify in writing to the DOT that the project activities were completed in substantial compliance with the plans and specifications set out in this agreement.

In addition, prior to final reimbursement for the project the Recipient shall furnish three sets of "as-built" plans of the project to the DOT.

Final reimbursement of funds, including retainage, shall be made only after the DOT accepts the project as complete.

29. If, in the opinion of the Recipient, the specific provisions of this agreement requiring the services of a professional engineer, architect and or landscape architect (whichever applies), licensed to practice in the State of Iowa, prove to be burdensome to the Recipient or otherwise not in the public interest, and if the Recipient decides that the provisions of this agreement can be otherwise complied with without endangering public safety, the Recipient may request that said provisions be waived on all or specific parts of the project identified by the Recipient. Such request shall be made in writing to the DOT's contact person who shall, after consultation with other DOT staff, as necessary, make the final determination concerning said waiver. If said waiver is granted, all provisions of this agreement requiring the services of a professional engineer, architect and or landscape architect (whichever applies), licensed to practice in the State of Iowa, shall be performed by the Recipient's contact person or designee.
30. The Recipient agrees to indemnify, defend and hold the DOT harmless from any action or liability arising out of the design, construction, maintenance, placement of traffic control devices, inspection or use of this project. This agreement to indemnify, defend and hold harmless applies to all aspects of the DOT's application review and approval process, plan and construction reviews and funding participation.
31. This agreement may be declared to be in default by the DOT if the DOT determines that the Recipient's application for funding contained inaccuracies, omissions, errors or misrepresentations; or if the DOT determines that the project is not developed as described in the application.
32. If the Recipient fails to perform any obligation under this agreement, the DOT shall have the right, after first giving thirty (30) days written notice to the Recipient by certified mail return receipt requested, to declare any part or all of this agreement in default. The Recipient shall have thirty (30) days from date of mailing of the notice to cure the default. If the Recipient cures the default, the Recipient shall notify DOT no later than five (5) days after cure or before the end of said thirty (30) day period given to cure the default. Within ten (10) working days of receipt of Recipient's notice of cure, the DOT shall issue either a notice of acceptance of cure or a notice of continued default.
33. In the event a default is not cured the DOT may revoke funding commitments and/or seek repayment of funds loaned or granted by this agreement. By signing this agreement the Recipient agrees to repay said funding if they are found to be in default. Repayment methods must be approved by the DOT Commission and may include cash repayment,

installment repayments with negotiable interest rates, charges against the Recipient's share of road use tax funds, or other methods as approved by the Commission.

34. In case of dispute concerning the terms of this agreement, the parties shall submit the matter to arbitration pursuant to Iowa Code Chapter 679A (2011). Either party has the right to submit the matter to arbitration after ten (10) days notice to the other party of their intent to seek arbitration. The written notice must include a precise statement of the disputed question. DOT and the Recipient agree to be bound by the decision of the appointed arbitrator. Neither party may seek any remedy with the state or federal courts absent exhaustion of the provisions of this section for arbitration.
35. The Recipient shall maintain, or cause to be maintained for the intended public use, the improvement for twenty (20) years from the completion date in a manner acceptable to the DOT. Failure to comply with this provision may be considered a default of this agreement.
36. The Recipient shall comply with all provisions of the equal employment opportunity requirements prohibiting discrimination and requiring affirmative action to assure equal employment opportunity as required by the Iowa Code Chapter 216 (2011) and IAC 160. No person shall, on the grounds of age, race, creed, sex, color, national origin, religion, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Recipient receives state funds from the DOT.
37. The Recipient shall use positive efforts to solicit bids from and to utilize Targeted Small Business (TSB) enterprises as contractors and ensure that the contractors make positive efforts to utilize these enterprises as subcontractors, suppliers or participants in the work covered by this agreement. Efforts shall be made and documented in accordance with Exhibit E which is attached hereto and by this reference incorporated into this agreement.
38. The Recipient shall conduct the project development and implementation in compliance with applicable laws, ordinances and administrative rules. For portions of the project let to bid, the Recipient shall advertise for bidders, make a good faith effort to get at least three bidders and hold a public letting for the project work. Prior to awarding the contract, the Recipient shall provide the DOT file copies of project letting documents within five (5) working days after the letting. The Recipient must wait for DOT concurrence before making the final award.
39. The Recipient shall include in their Notice to Bidders that Sales Tax Exemption Certificates will be issued, as provided for by Iowa Code section 423.3, subsection 80. The Recipient shall be responsible for obtaining the sales tax exemption certificates through the Iowa Department of Revenue and Finance. The Recipient shall issue these certificates to the successful bidder and any subcontractors to enable them to purchase qualifying materials for the project free of sales tax.

40. The Recipient shall notify the DOT's contact person within thirty (30) days of the date the RISE project was constructed and open to traffic. The Recipient will provide an initial payroll from Workiva (formerly WebFilings) to the DOT's contact person to establish a baseline from which to measure job creation and retention. The Recipient shall certify to the DOT's contact person within three years of the date the RISE project is constructed and open to traffic that the associated economic development has been substantially completed. The Recipient will certify that jobs created are maintained for a six-month continuous period during the three-year monitoring period and that said jobs satisfy the average wage required in this agreement. This certification by the Recipient is subject to audit by the DOT and the DOT has sole authority to determine whether the associated economic development has been accomplished.

The DOT shall monitor the progress of the associated economic development following the construction of the RISE project. Failure to certify the associated economic development shall be considered a default under this agreement.

41. This agreement as set forth in sections 1 through 41 herein, including referenced exhibits, constitutes the entire agreement between the DOT and the Recipient concerning this project. Representations made before the signing of this agreement are not binding, and neither party has relied upon conflicting representations in entering into this agreement. Any change or alteration to the terms of this agreement must be made in the form of an addendum to this agreement. Said addendum shall become effective only upon written approval of the DOT and Recipient.

IN WITNESS WHEREOF, each of the parties hereto has executed Agreement No. 2014-R-013 as of the date shown opposite its signature below.

RECIPIENT: _____

By: _____ Date: _____, 20__
Title: _____

I, _____, certify that I am _____
_____, and that _____, who
signed said Agreement for and on behalf of _____ was duly
authorized to execute the same by virtue of a formal Resolution duly passed and adopted
by _____, on the _____ day of
_____, 20__.

Signed: _____ Date: _____, 20__

Address: _____

IOWA DEPARTMENT OF TRANSPORTATION
Planning, Programming and Modal Division
800 Lincoln Way, Ames, Iowa 50010

By: _____ Date _____, 20__
Craig Markley
Director
Office of Systems Planning

Exhibit A

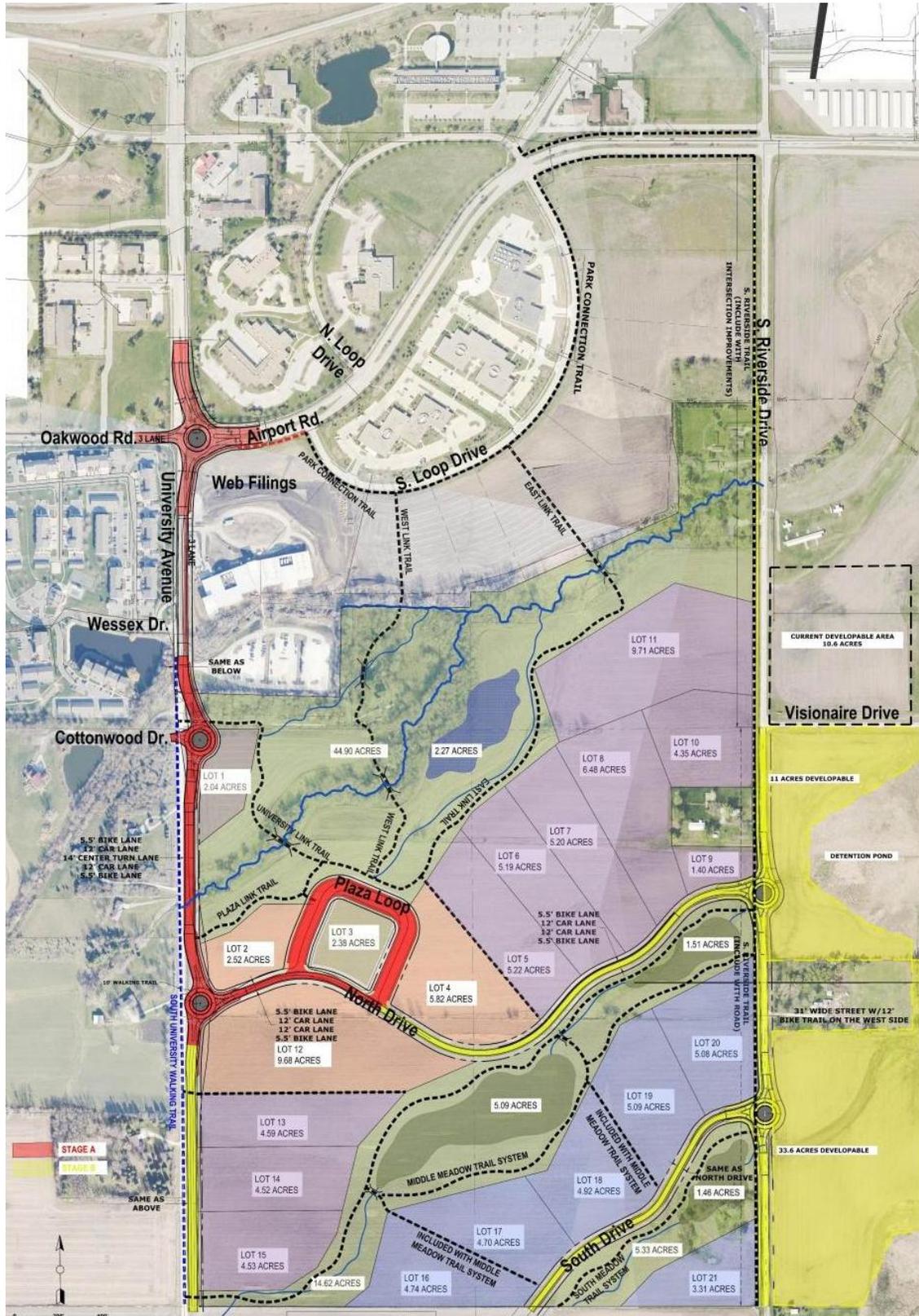


Exhibit B

Project activities or costs eligible for RISE funding include only the following:

- a. Roadway resurfacing, rehabilitation, modernization, upgrading, reconstruction or initial construction, including grading and drainage, paving, erosion control, pavement overlays and shoulder widening and stabilization.
- b. Bridge and culvert repair, modernization, replacement or initial construction.
- c. Roadway intersection and interchange improvements including warranted traffic signalization when it is integral to the improvement.
- d. Right of way purchase.
- e. Construction or improvement of motorist rest areas, welcome centers and information centers.
- f. Design engineering costs and construction inspection costs associated with RISE-financed projects.
- g. County and City bond principal and interest payments associated with RISE projects. No financing expenses incurred prior to funding commitment shall be eligible.
- h. Storm drainage and storm sewer costs to the extent needed for draining the roadway.
- i. Eligible Cost Items included in the project cost estimate as approved by the Commission:
 - Mobilization
 - Traffic Control & Staging
 - Clearing and Grubbing
 - Locating Tile Lines
 - Removal of Sign
 - Relocate Mailboxes
 - Remove & Replace Research
 - Removal of Paved Driveway
 - Removals of Mainline Paving
 - Removal of Sidewalk
 - Removal of Gravel Road
 - Remove Light Pole
 - Relocate Utility Pole
 - Telephone Ped Relocation
 - Relocate Bus Stop & Pour Pad
 - Temporary Bypass Pavement
 - Removal of Temporary Bypass
 - Removal of Existing Structures
 - Fire Hydrant Adjustment
 - Water Valve Box Adjustment

Sanitary Sewer, Manhole
Repair, Drainage and Subdrain
Subdrain, 8 inch Diameter
Subdrain, Cleanout
Storm Sewer, 15 Inch Diameter
Storm Sewer, 18 Inch Diameter
Storm Sewer, 24 Inch Diameter
Intake, Single Open Throat
Storm Manhole
Culvert, 8' x 8' RCB
Apron, 15 Inch Diameter
Apron, 24 Inch Diameter
Revetment, Class E
Topsoil, Strip & Stockpile
Topsoil, Respread
Excavation, Class 10, Roadway
Subgrade Preparation, 12-inch
Fly Ash Treatment
Engineering Fabric
Modified Subbase, 6-inch
Median, P.C. Concrete, 6 IN.
Pavement, PCC, Truck
Pedestrian Ramps, PCC, 6-inch
Detectable Warning Panels
Pavement, PCC, 9-inch. Road
PCC Testing
Lighting Poles
Pavement, Sidewalk/Trail, PCC
Reinstall Sign as per Plan
Painted Pavement Markings,
Grooves Cut for Pavement
Grooves Cut for Symbols
Permanent Signage
Erosion Control (Silt Fence)
Silt Fence, Cleanout
Seeding, Mulching & Fertilizer
Urban Seeding, Mulching
Electric Relocation 1.0

Exhibit C

Activities or costs ineligible for RISE funding (except for the items that have been identified in Attachment B) include but are not limited to the following:

- a. Any and all costs incurred prior to a funding commitment by the Transportation Commission except advance right of way costs to protect or preserve a project corridor.
 - (1) If there is an extreme urgency involving right of way acquisition, a potential applicant may formally request from the department a written waiver which, if granted, will permit the applicant to acquire the right of way immediately without jeopardizing the eligibility of the acquisition costs for future RISE funding. Granting of the waiver shall not imply or guarantee that a subsequent application which includes the acquisition costs will be funded. The request for the advance eligibility must include justification regarding the urgency of the acquisition, a description of the land to be acquired, and a map showing its location.
 - (2) The advance eligibility waiver must be requested and approved prior to the applicant's acquisition of the land in question, and the RISE application which included the acquisition costs must be received by the DOT within two years following the granting of the waiver, or the waiver is not valid.
- b. Routine roadway, bridge and culvert maintenance, including pothole filling, crack sealing, seal coating, patching, shoulder maintenance, gravel or earth roadway maintenance, and bridge painting.
- c. Winter roadway and bridge maintenance, including snow plowing, sanding and salting.
- d. Overhead and operating costs associated with eligible project activities, including auditing.
- e. Expenses associated with the preparation and submission of applications for RISE funding.
- f. Pre-design engineering expenses.
- g. Traffic signalization, except as an integral part of a roadway project.
- h. Pavement marking and traffic signs, except as an integral part of a roadway project.
- i. Electric, water, natural gas, telephone and other utility construction, reconstruction or adjustment except when utilities located on private property are replaced or relocated for project construction.
- j. Safety appurtenances, except as an integral part of a roadway project.

- k. Lighting, except as an integral part of a roadway project.
- l. Lighting energy and maintenance costs.
- m. Sidewalks, bicycle paths and railroad-highway crossings, except when replacing those facilities in service and affected by the project, or as an integral part of a roadway project.
- n. Parking expenditures, including those for structure, lots, meters and marking.
- o. Non-roadway transportation expenditures, including those for railway, aviation, public transportation and inland waterway facilities and equipment.
- p. Purchase of furnishings, construction equipment and personal property.
- q. General government expenses and expenses associated with the provision of any public service which are not eligible for RISE program assistance.
- r. Sanitary sewers.
- s. Water mains.
- t. Donated right of way.

Exhibit D

Commission Approval Date: April 8, 2014
Construction: March 2015
Project Closeout: September 2015

Exhibit E

CONTRACT PROVISION

**Targeted Small Business (TSB)
Affirmative Action Responsibilities**
on
Non-Federal Aid Projects (Third-Party State-Assisted Projects)

April 2012

CONTRACT PROVISION

Targeted Small Business (TSB) Affirmative Action Responsibilities on Non-Federal-aid Projects (Third-party State-Assisted Projects)

1. TSB DEFINITION

A TSB is a small business, as defined by Iowa Code Section 15.102(5), which is 51% or more owned, operated and actively managed by one or more women, minority persons or persons with a disability. Generally this is a for-profit small business enterprise under single management, is located in Iowa and has an annual gross income of less than 3 million dollars computed as an average of the three preceding fiscal years.

2. TSB REQUIREMENTS

In all State-assisted projects made available through the Iowa Department of Transportation, local governments have certain affirmative action requirements to encourage and increase participation of disadvantaged individuals in business enterprises. These requirements are based on Iowa Code Section 19B.7 and 541 Iowa Administrative Code Chapter 4. These requirements supersede all existing TSB regulations, orders, circulars and administrative requirements.

3. TSB DIRECTORY INFORMATION

Available from: Iowa Department of Inspections and Appeals
Targeted Small Business
Lucas Building
Des Moines, IA 50319
Phone: 515-281-7102
Website: <http://dia.iowa.gov/page7.html>

4. THE CONTRACTOR'S TSB POLICY

The contractor is expected to promote participation of disadvantaged business enterprises as suppliers, manufactures and subcontractors through a continuous, positive, result-oriented program. Therefore the contractor's TSB policy shall be:

It is the policy of this firm that Targeted Small Business (TSB) concerns shall have the maximum practical opportunity to participate in contracts funded with State-assisted funds which are administered by this firm (e.g. suppliers, manufactures and subcontractors). The purpose of our policy is to encourage and increase the TSB participation in contracting opportunities made available by State-assisted programs.

5. CONTRACTOR SHALL APPOINT AN EQUAL EMPLOYMENT OPPORTUNITY (EEO) OFFICER

The contractor shall designate a responsible person to serve as TSB officer to fulfill the contractors affirmative action responsibilities. This person shall have the necessary statistics, funding, authority and responsibility to carry out and enforce the firm's EEO policy. The EEO officer shall be responsible for developing, managing and implementing the program on a day-to-day basis. The officer shall also:

- A. For current TSB information, contact the Iowa Department of Inspections and Appeals (515-281-7102) to identify potential material suppliers, manufactures and contractors.
- B. Make every reasonable effort to involve TSBs by soliciting quotations from them and incorporating them into the firm's bid.
- C. Make every reasonable effort to establish systematic written and verbal contact with those TSBs having the materials or expertise to perform the work to be subcontracted, at least two weeks prior to the time quotations are to be submitted. Maintain complete records of negotiation efforts.

TSB Affirmative Action Responsibilities

- D. Provide or arrange for assistance to TSBs in seeking bonding, analyzing plans/specifications or other actions that can be viewed as technical assistance.
- E. Ensure the scheduled progress payments are made to TSBs as agreed in subcontract agreements.
- F. Require all subcontractors and material suppliers to comply with all contract equal opportunity and affirmative action provisions.

6. COUNTING TSBs PARTICIPATION ON A PROJECT

TSBs are to assume actual and contractual responsibilities for provision of materials/supplies, subcontracted work or other commercially useful function.

A. The bidder may count:

- (1) Planned expenditures for materials/supplies to be obtained from TSB suppliers and manufacturers; or
- (2) Work to be subcontracted to a TSB; or
- (3) Any other commercially useful function.

B. The contractor may count:

- (1) 100% of an expenditure to a TSB manufacturer that produces/supplies goods manufactured from raw materials.
- (2) 60% of an expenditure to TSB suppliers that are not manufacturers; provided the suppliers perform a commercially useful function in the supply process.
- (3) Only those expenditures to TSBs that perform a commercially useful function in the work of a contract, including those as a subcontractor.
- (4) Work the Contracting Authority has determined that it involves a commercially useful function. The TSB must have a necessary and useful role in the transaction of a kind for which there is a market outside the context of the TSB program. For example, leasing equipment or purchasing materials from the prime contractor would not count.

7. REQUIRED DATA, DOCUMENTS AND CONTRACT AWARD PROCEDURES FROM BIDDERS/CONTRACTORS FOR PROJECTS WITH ASSIGNED GOALS

A. Bidders

Bidders who fail to demonstrate reasonable positive efforts may be declared ineligible to be awarded the contract. Bidders shall complete the bidding documents plus a separate form called "TSB Pre-Bid Contact Information". This form includes:

- (1) Name(s) of the TSB(s) contacted regarding subcontractable items.
- (2) Date of the contract.
- (3) Whether or not a TSB bid/quotation was received.
- (4) Whether or not the TSB's bid/quotation was used.
- (5) The dollar amount proposed to be subcontracted.

B. Contractors Using Quotes From TSBs

Use those TSBs whose quotes are listed in the "Quotation Used in Bid" column along with a "yes" indicated on the Pre-bid Contact Information form.

TSB Affirmative Action Responsibilities

C. Contractors NOT Using Quotes From TSBs

If there are no TSBs listed on the Pre-bid Contract Information form, then the contractor shall document all efforts made to include TSB participation in this project by documenting the following:

- (1) What pre-solicitation or pre-bid meetings scheduled by the contracting authority were attended?
- (2) Which general news circulation, trade associations and/or minority-focused media were advertised concerning the subcontracting opportunities?
- (3) Were written notices sent to TSBs that TSBs were being solicited and was sufficient time allowed for the TSBs to participate effectively?
- (4) Were initial solicitations of interested TSBs followed up?
- (5) Were TSBs provided with adequate information about the plans, specifications and requirements of the contract?
- (6) Were interested TSBs negotiated with in good faith? If a TSB was rejected as unqualified, was the decision based on an investigation of their capabilities?
- (7) Were interested TSBs assisted in obtaining bonding, lines of credit or insurance required by the contractor?
- (8) Were services used of minority community organization, minority contractors groups; local, State and Federal minority business assistance offices or any other organization providing such assistance.

The above documentation shall remain in the contractor's files for a period of three (3) years after the completion of the project and be available for examination by the Iowa Department of Inspections and Appeals.

8. POSITIVE EFFORT DOCUMENTATION WHEN NO GOALS ARE ASSIGNED

Contractors are also required to make positive efforts in utilizing TSBs on all State-assisted projects which are not assigned goals. Form "TSB Pre-bid Contact Information" is required to be submitted with bids on all projects. If there is no TSB participation, then the contractor shall comply with section 7C. of this document prior to the contract award.

Contractor _____

Page# _____

Project# _____

TARGETED SMALL BUSINESS (TSB)
PRE-BID CONTACT INFORMATION

County _____

City _____

(To Be Completed By All Bidders Per The Current Contract Provision)

In order for your bid to be considered responsive, you are required to provide information on this form showing your Targeted Small Business contacts made with your bid submission. This information is subject to verification and confirmation.

In the event it is determined that the Targeted Small Business goals are not met, then before awarding the contract, the Contracting Authority will make a determination as to whether or not the apparent successful low bidder made good faith efforts to meet the goals.

NOTE: Every effort shall be made to solicit quotes or bids on as many subcontractable items as necessary to achieve the established goals. If a TSB's quote is used in the bid, it is assumed that the firm listed will be used as a subcontractor.

TABLE OF INFORMATION SHOWING BIDDERS PRE-BID
TARGETED SMALL BUSINESS (TSB) CONTACTS

SUBCONTRACTOR	TSB	DATES CONTACTED	QUOTES RECEIVED		QUOTATION USED IN BID	
			YES/ NO	DATES CONTACTED	YES/ NO	DOLLAR AMT. PROPOSED TO BE SUBCONTRACTED

Total dollar amount proposed to be subcontracted to TSB on this project \$ _____

List items by name to be subcontracted:

**UTILIZATION OF TARGETED SMALL BUSINESS (TSB) ENTERPRISES
ON NON-FEDERAL AID PROJECTS
(THIRD-PARTY STATE-ASSISTED PROJECTS-LET LOCALLY)**

In accordance with Iowa Code Section 19B.7 and 541 Iowa Administrative Code (IAC) Chapter 4, it is the policy of the Iowa Department of Transportation (Iowa DOT) that Targeted Small Business (TSB) enterprises shall have the maximum practicable opportunity to participate in the performance of contracts financed in whole or part with State funds.

Under this policy, and for locally let projects, the Recipient shall be responsible to make a positive effort to solicit bids or proposals from TSB firms and to utilize TSB firms as contractors or consultants. The Recipient shall also ensure that the contractors or consultants make positive efforts to utilize TSB firms as subcontractors, subconsultants, suppliers, or participants in the work covered by this agreement.

The Recipient's "positive efforts" shall include, but not be limited to:

1. Obtaining the names of qualified TSB firms from the Iowa Department of Inspections and Appeals (515-281-7102) or from its website at: <http://dia.iowa.gov/page7.html>.
2. Notifying qualified TSB firms of proposed projects involving State funding. Notification should be made in sufficient time to allow the TSB firms to participate effectively in the bidding or request for proposal (RFP) process.
3. Soliciting bids or proposals from qualified TSB firms on each project, and identifying for TSB firms the availability of subcontract work.
4. Considering establishment of a percentage goal for TSB participation in each contract that is a part of this project and for which State funds will be used. Contract goals may vary depending on the type of project, the subcontracting opportunities available, the type of service or supplies needed for the project, and the availability of qualified TSB firms in the area.
5. For construction contracts:
 - a) Including in the bid proposals a contract provision titled "TSB Affirmative Action Responsibilities on Non-Federal Aid Projects (Third-Party State-Assisted Projects)" or a similar document developed by the Recipient. This contract provision is available on-line at:

http://www.dot.state.ia.us/local_systems/publications/tsb_contract_provision.pdf
 - b) Ensuring that the awarded contractor has and shall follow the contract provisions.
6. For consultant contracts:
 - a) Identifying the TSB goal in the Request for Proposal (RFP), if one has been set.
 - b) Ensuring that the selected consultant made a positive effort to meet the established TSB goal, if any. This should include obtaining documentation from the consultant that includes a list of TSB firms contacted; a list of TSB firms that responded with a subcontract proposal; and, if the consultant does not propose to use a TSB firm that submitted a subcontract proposal, an explanation why such a TSB firm will not be used.

The Recipient shall provide the Iowa DOT the following documentation:

1. Copies of correspondence and replies, and written notes of personal and/or telephone contacts with any TSB firms. Such documentation can be used to demonstrate the Recipient's positive efforts and it should be placed in the general project file.
2. Bidding proposals or RFPs noting established TSB goals, if any.
3. The attached "Checklist and Certification." This form shall be filled out upon completion of each project let by the Recipient and forwarded to: Iowa Department of Transportation, Civil Rights Coordinator, Office of Employee Services, 800 Lincoln Way, Ames, IA 50010.

CHECKLIST AND CERTIFICATION
For the Utilization of Targeted Small Businesses (TSB)
On Non-Federal-aid Projects (Third-Party State-Assisted Projects-Locally Let)

Recipient: _____ Project Number: _____

County: _____ Agreement Number: _____

1. Were the names of qualified TSB firms obtained from the Iowa Department of Inspections and Appeals? YES NO

If no, explain _____

2. Were qualified TSB firms notified of project? YES NO

If yes, by letter, telephone, personal contact, or other (specify) _____

If no, explain _____

3. Were bids or proposals solicited from qualified TSB firms? YES NO

If no, explain _____

4. Was a goal or percentage established for TSB participation? YES NO

If yes, what was the goal or percentage? _____

If no, explain why not: _____

5. Did the prime contractor or consultant use positive efforts to utilize TSB firms on subcontracts? YES NO

If no, what action was taken by Recipient? _____

Is documentation in files? YES NO

6. What was the dollar amount reimbursed to the Recipient from the Iowa Department of Transportation?

\$ _____

What was the final project cost?

\$ _____

What was the dollar amount performed by TSB firms?

\$ _____

Name(s) and address(es) of the TSB firm(s) _____

(Use additional sheets if necessary)

Was the goal or percentage achieved? YES NO

If no, explain _____

As the duly authorized representative of the Recipient, I hereby certify that the Recipient used positive efforts to utilize TSB firms as participants in the State-assisted contracts associated with this project.

Title

Signature

Date

COUNCIL ACTION FORM

SUBJECT: **PROPOSED IOWA STATE UNIVERSITY RESEARCH PARK URBAN RENEWAL AREA**

BACKGROUND:

The proposed urban renewal area comprises approximately 285 acres of land adjacent to and within the existing Iowa State University Research Park (ISURP) and the Phase III expansion area to the south. In general, it is bounded on the west by University Boulevard, on the east by S. Riverside Drive, on the south by the Ames city limits, and on the north by Airport Road. It also includes a parcel on the north side of Airport Road. A map is included in Attachment 1.

This Urban Renewal Project is intended to promote economic development for the Iowa State University Research Park. This will primarily be done with extensions of necessary public infrastructure. The plan contemplates use of Tax Increment Financing (TIF) in multiple phases to fund the City infrastructure. This will include the streets, water mains, sanitary sewer, storm sewer, and other public improvements. **The Plan identifies that the use of the area will be for commercial and industrial uses. No housing uses are contemplated within the project area. New zoning will need to be adopted and applied to the Research Park in the future to allow for incorporation of supportive commercial uses with permitted research and development (R&D) and industrial uses.**

URBAN RENEWAL AREA:

Code of Iowa Chapter 403 allows cities to create urban renewal areas to remove slum and blight or to promote economic development. Within an urban renewal area, a City may establish tax increment financing districts to financially support the purpose of the urban renewal area. The creation of an urban renewal area first requires the City Council to adopt a resolution of necessity to initiate the process of adopting the Urban Renewal Plan for an area. Staff has drafted the plan and is now submitting it to the City Council.

Subsequent steps include a referral to the Planning and Zoning Commission for recommendation on conformance to the Land Use Policy Plan, formal consultation with affected taxing entities of the County and School District, and notice of a public hearing to adopt the plan. Important dates and steps are outlined below:

October 14

Staff presents the Urban Renewal Plan to the City Council. Council adopts a resolution of necessity to initiate the statutory process for the urban renewal area.

October 21

City staff meets with interested taxing entities for consultation. The taxing entities have 7 days to make written recommendations for modifications to the plan. Staff will respond to those written recommendations no later than November 3.

October 21

The Story County Board of Supervisors will be asked to approve a resolution consenting to the inclusion of land with the University Boulevard/530th Avenue right-of-way that is within the unincorporated County in the urban renewal area.

November 5

The Planning and Zoning Commission will make a recommendation as to whether the Urban Renewal Plan is consistent with the Land Use Policy Plan. No official public hearing is required, but public input may be gathered.

November 10

The City Council conducts a public hearing on the Plan. The Council then approves a resolution adopting the plan and a resolution establishing an urban renewal area.

The City Council also conducts a public hearing on adopting a TIF ordinance. **To accelerate design work for the Phase III infrastructure improvements, Council will be asked to waive the required three readings of the ordinance at the time of approval on November 10th.**

URBAN RENWAL PLAN:

Included with the City Council packet is a draft Urban Renewal Plan. The plan includes the necessary components described by the Code of Iowa. It describes the project and its objectives, and includes a summary of the process of its preparation and adoption. The bulk of the plan identifies those components of the Land Use Policy Plan that are supported by the proposed urban renewal area.

Two unique features of the Urban Renewal Area are the need to include the western 33 feet of County right-of-way along University Boulevard/ 530th Avenue and to have the property owners of agricultural land in the area consent to being included. No land outside of the existing County right-of-way easement is needed to support the installation of infrastructure, only the area within the current right-of-way easement. Prior to the City's public hearing on November 10th, Story County will be asked to consent to allowing the west half of the right-of-way to be part of the Urban Renewal Area. The ISU Research Park and Hunziker Development are the only two property owners currently classified as agricultural within the Urban Renewal Area. They have both already consented to the process and it will be reflected in the final Plan.

The Urban Renewal Area must reflect where any TIF funds will be used. TIF funds can be generated from a smaller area than the entire urban renewal area, but must be spent within the Urban Renewal Area. As highlighted in the previous staff report regarding the Development Agreement, certain public improvements

(water mains and the large street roundabout) will be constructed outside of Phase III of the Research Park. For this reason, the boundaries of the Urban Renewal Area are greater than the boundaries of Phase III.

The Iowa Code also requires that the Plan contain a summary of the City's current debt obligations, the City's limits on issuing debt, and an estimate of the amount of tax increment financed (TIF) debt that would be incurred due to the multiple phases of this project. Since the staff is assuming a TIF strategy will be used to fund the future Phase IV as well as Phase III, the Plan reflects our best estimate at this time of up to \$7 million for the infrastructure costs for the next two phases.

It should be emphasized that the Plan is still in draft form. Some portions of the plan may change when tentative dates are confirmed and events happen. The appendices will be completed as the process moves forward. **All of these draft items will be finalized prior to the City Council being asked to adopt the plan on November 10.**

REPRESENTATIVE TO CONSULTATION:

Since this proposed urban renewal area will also include tax increment financing, the Code of Iowa requires that the City hold a consultation with the other affected taxing entities (the School District and the County). Following the consultation, the taxing entities are allowed to make recommendations for any changes to the Urban Renewal Plan. The City must then respond to those recommendations for changes.

The City Council may appoint a representative to the consultation and to respond back on any requests by the taxing entities for modifications to the plan. The Planning and Housing Director can be appointed to fulfill this role as the Council's representative to the consultation. In this instance, the consultation is scheduled for October 21st. Any comments from the taxing entities would then be received within seven days (by October 28). The City's representative would then respond back to those comments no later than seven days prior to the public hearing on November 10th (responding back to taxing entities by November 3).

ALTERNATIVES:

1. Council can adopt a resolution of necessity to initiate the proceedings for creating the urban renewal area, and
 - a. forward the draft Urban Renewal Plan to the Planning and Zoning Commission for a recommendation, and
 - b. appoint the Planning and Housing Director as the City's representative to the consultation with the affected taxing entities on October 21st, and
 - c. set the public hearing date for the Urban Renewal Plan on November 10, 2014.

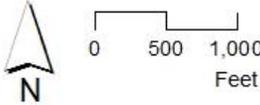
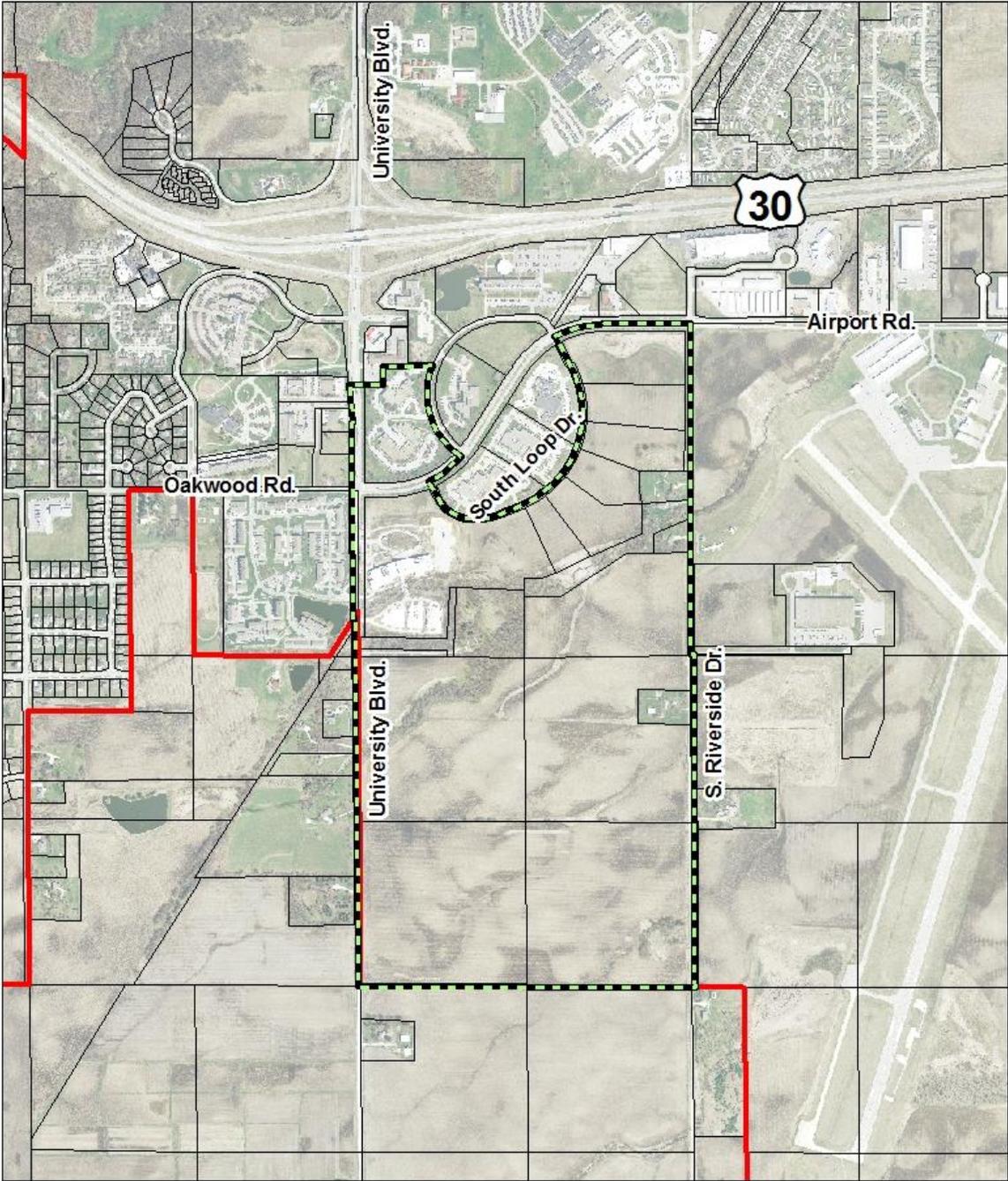
2. The City Council can choose not to adopt a resolution of necessity and ask for more information or direct specific changes to the plan before proceeding.
3. The City Council can decline to initiate creating an Urban Renewal Area for the ISU Research Park expansion and direct the City staff to identify another funding source for the infrastructure in Phase III.

CITY MANAGER'S RECOMMENDED ACTION:

The ISU Research Park has proven itself to be a valuable asset to this community which has attracted quality employers, facilitated the creation of numerous high paying jobs, and influenced the expansion of the City's property tax base.

Therefore, it is the recommendation of the City Manager that the City Council act in accordance with Alternative 1.

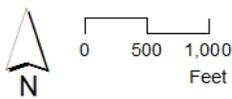
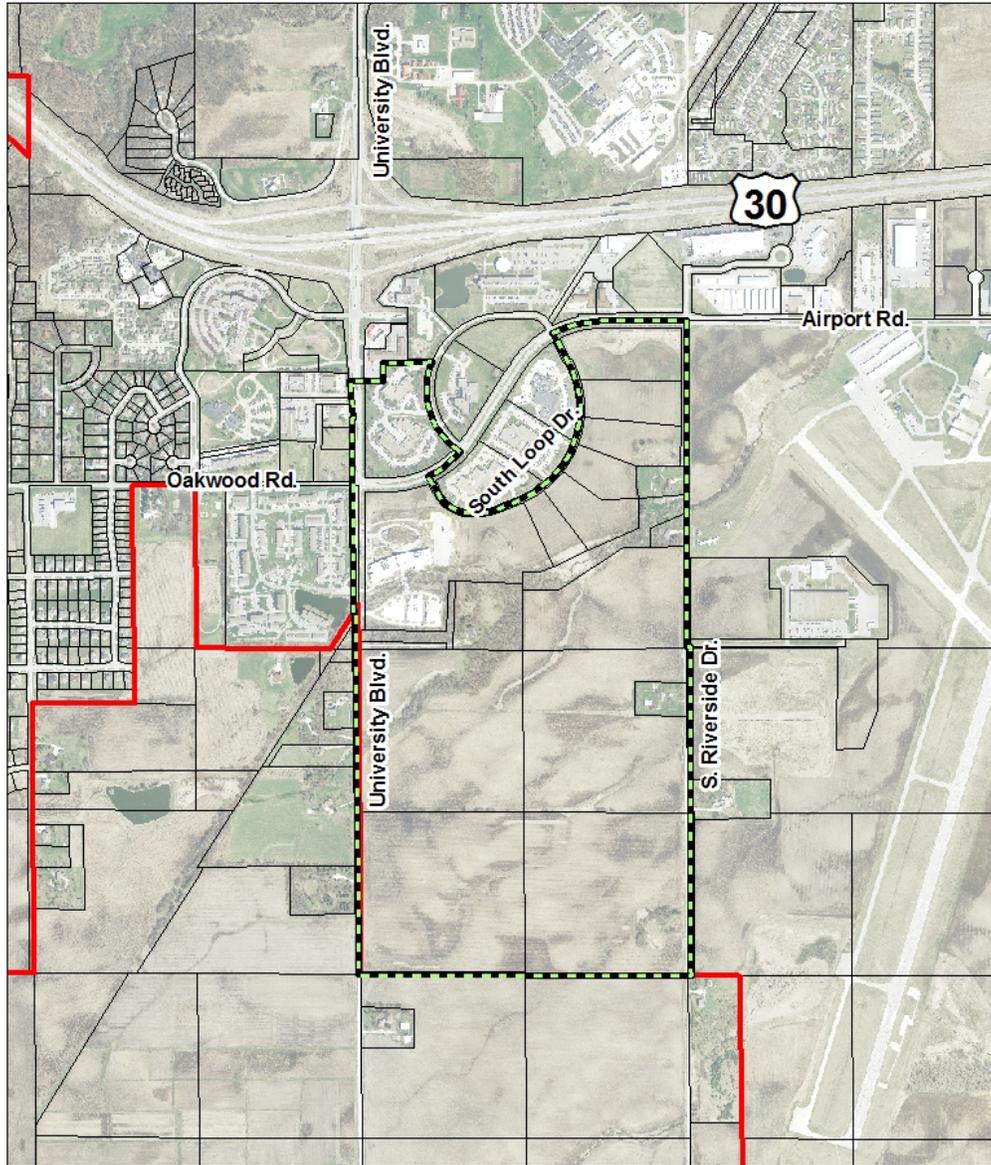
ATTACHMENT 1: PROPOSED ISU RESEARCH PARK URBAN RENEWAL AREA



- Legend**
-  City Limits
 -  Urban Renewal Area

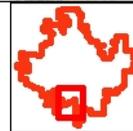


Urban Renewal Plan For ISU Research Park



Legend

-  City Limits
-  Urban Renewal Area



Prepared by the
Dept. of Planning and Housing
and
Presented to the Ames City Council

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Urban Renewal Plan

This Urban Renewal Plan for the Iowa State University Research Park (the Plan) was prepared at the direction of the Ames City Council and in conformance with the Code of Iowa Chapter 403 Urban Renewal. This Plan comprises the necessary components as described in Chapter 403.17(24). In addition, it describes and documents the procedures followed in bringing the Plan forward, in approving the Plan, and in allowing the division of revenues from taxation (tax increment financing). ***NOTE-This draft will be updated prior to adoption to reflect the actions of the City Council, Planning and Zoning Commission, and Affected Taxing Entities as they occur.***

This Plan designates the urban renewal area as an economic development area as defined in Chapter 403.17(10). The general location of the urban renewal area is found in Attachment 1.

Plan Preparation and Adoption

PREPARATION AND COMMISSION ACTION

The City of Ames Department of Planning and Housing (the Department) prepared this Plan, initially presenting it to the Ames City Council on October 14, 2014. The City Council directed the Department to submit the Plan to the Planning and Zoning Commission (the Commission) for their review and to provide a recommendation as to its conformity with the general plan of the City—the Ames Land Use Policy Plan.

The Commission will meet on November 5, 2014 and will hear a summary of the report and a recommendation from the Department. The Commission will then formulate its recommendation for the City Council. The recommendation of the Commission will be found in the Appendix.

NOTIFICATION AND CONSULTATIONS

During the preparation of this Plan, the City will meet the notification and consultation requirements of Code of Iowa Chapter 403.5. Notice will be provided to the affected taxing entities (Story County Board of Supervisors and the Ames Community School District) since the urban renewal area includes an allowance for the division of revenues from taxation (tax increment financing). The notice of a consultation and a copy of the Plan will be sent by regular mail to the taxing entities on October 15, 2014 for a consultation to be held on October 23, 2014. The taxing entities, their addresses and their representatives to the consultation are listed in the Appendix.

The taxing entities will be notified that they have seven days following the consultation to provide any recommendations for modifications of the Plan.

CITY COUNCIL ACTION

The Ames City Council will hold a public hearing on November 10, 2014 to consider the adoption of the Plan, the resolution to establish the urban renewal area and the ordinance to allow for the division of revenue from taxation (tax increment financing). Notification for the public hearing will be as prescribed by Code of Iowa Chapter 403.5(3). Public notice will be published in the Ames Tribune on or about October 22, 2014, a copy of which will be included in the Appendix. In addition, a copy of the notice will be sent by regular mail to the affected taxing entities.

At the public hearing, the City Manager will present a summary of the report and a recommendation to the City Council. The City Council will also be presented with the recommendation of the Planning and Zoning Commission. Following the public hearing, the City Council will act on the Plan.

Agricultural Land

Code of Iowa Chapter 403.17.10 allows agricultural land (as defined by Code of Iowa Chapter 403.17.3) to be included in an economic development area only with the consent of the owner of the land. The proposed urban renewal area comprises three parcels owned by the ISU Research Park and two parcels owned by Erben Hunziker and Margaret Hunziker Apartments, LLC. that meet the definition of agricultural land. The property owners have consented to allow their parcels to be included in the urban renewal area, which can be found in the Appendix.

Property Description

The proposed urban renewal area comprises twenty parcels. Additional rights of way are also included. A portion of this area lies outside the corporate limits of the City of Ames and is generally described as the west 33-feet of the University Boulevard/530th Avenue right-of-way easement under the jurisdiction of Story County. This area can be included in the urban renewal area with the consent of the Story County board of supervisors. The supervisors have been asked to provide said consent prior to the adoption of the plan. Their consent will be found in the Appendix.

A map of the area is found in Attachment 2. The legal description of the urban renewal area is:

Beginning at the Southwest (SW) corner of the Northwest Quarter (NW ¼) of Section 22, Township 83 North, Range 24 West of the 5th PM, Story County, Iowa; thence North along the West line of said Section 22 to the Northwest (NW) corner of said Section 22, also the Southwest (SW) corner of Section 15, Township 83 North, Range 24 West of the 5th PM, Story County, Iowa; thence North along the West line of said Section 15 to the centerline of Airport Road, also being the Northwest corner of the Southwest Quarter (SW ¼) of the Southwest Quarter (SW ¼) of said Section 15; thence easterly along the centerline of Airport Road to the centerline of South Loop Drive; thence following the centerline of South Loop

Drive to the centerline of Airport Road; thence easterly along the centerline of Airport Road to the centerline of South Riverside Drive, also being the Northeast (NE) Corner of the Southwest Quarter (SW ¼) of said Section 15; thence South along the centerline of South Riverside Drive to the Southeast (SE) Corner of the Northwest Quarter (NW ¼) of said Section 22; thence East along the South line of the Northwest Quarter (NW ¼) of said Section 22 to the Southwest (SW) corner of the Northwest Quarter (NW ¼) of said Section 22 also being the point of beginning; and

The East 33 feet of the Northeast Quarter (NE ¼) of Section 21, Township 83 North, Range 24 West of the 5th PM, Story County, Iowa, being the west half of the right-of-way of S 530th Avenue and lying within unincorporated Story County; and

The East 33 feet of Parcel "C" of the Southeast ¼ of the Southeast ¼ (SE ¼ SE ¼) of Section 16, Township 83 North, Range 24 West of the 5th PM, as described in a Plat of Survey recorded in the office of the Story County Recorder on October 12, 1998 on Slide 4 page 1 of the Recorder's Plat Cabinet as Instrument Number 98-14136, being the west half of the right-of-way of S 530th Avenue and lying within unincorporated Story County; and

The East 33 feet of that part of the Southeast ¼ of the Southeast ¼ of Section 16, Township 83 North, Range 24 West of the 5th PM, bounded as follows: On the Northeast by the East line of said Southeast ¼ of the Southeast ¼ of Section 16; On the Northwest by a line parallel with and distant 50 feet Northwesterly, measured at right angles, from the center line of the main track (now removed) of the Des Moines and Minnesota Railroad Company (now the Chicago and North Western Transportation Company), as said main track center line was originally located and established over and across said Section 16; On the Southwest by the South line of said Southeast ¼ of Section 16; And on the Southeast by said above described original main track center line, as described in a Deed recorded in the office of the Story County Recorder on February 8, 1991 as Instrument Number 05678, being the west half of the right-of-way of S 530th Avenue and lying within unincorporated Story County; and

The East 50 feet of Wessex Subdivision as described in a Subdivision Plat recorded in the office of the Story County Recorder on January 6, 1998 as Instrument Number 98-00182, also known as Lot "B" of said Wessex Subdivision and being the west half of the right-of-way of University Boulevard (Elwood Drive); and

The West 33 feet of the Northeast quarter (NE ¼) of Section 22, Township 83 North, Range 24 West of the 5th P.M. being the east half of the right-of-way of South Riverside Drive; and

Lot 3 except Parcel K (CFN 12-96), of Iowa State University Research Park Second Addition; and

The right-of-way of University Boulevard lying between a point 825 feet North of the centerline of Airport Road and the centerline of Airport Road and Oakwood Road, and

The northerly half of the right-of-way of Airport Road abutting Lot 3 except Parcel K (CFN 12-96), of Iowa State University Research Park Second Addition.

Urban Renewal Project Description

The proposed urban renewal area (hereinafter referred to as the “Area”) comprises approximately 285 acres of land adjacent to the existing Iowa State University Research Park (ISURP). In general, it is bounded on the west by University Boulevard, on the east by S. Riverside Drive, on the south by the Ames city limits, and on the north by Airport Road. However, it also includes a parcel on the north side of Airport Road and a portion of University Boulevard right-of-way extending north of US Highway 30.

The Project provides support for economic development and the necessary infrastructure for the expansion of the Iowa State University Research Park. The research park was established in 1987 and has continued to consistently expand throughout the years. The research park currently contains over 500,000 square feet of building space and pays almost \$1 million in property taxes each year. ISURP administration seeks to expand the area of the park and to significantly expand on the current employment base of 1,200 by recruiting leading and emerging firms in the bio-technology, agriculture, technology, and software industries. Support services for employment uses may also be integrated into the research park. Phase III is the first phase of the research park’s expansion into new lands recently annexed into the City of Ames.

To help accomplish this expansion, the ISURP received a legislative appropriation of \$12 million for an ISU Economic Development Core Facility building. This building will house ISU’s economic development offices, which will include ISURP administration offices, Office of Economic Development and Industry Relations, the Center for Industrial Research and Service, the Iowa Small Business Development Center, the Pappajohn Center for Entrepreneurship, ISU’s Office of Intellectual Property and Technology Transfer, the Iowa State Research Foundation and the Cultivation Corridor regional economic development project. This appropriation and subsequent grant of RISE funding from the Iowa Department of Transportation, along with tax-increment financing, will provide the necessary funding for streets, water service, sanitary sewer, storm sewer, and other necessary infrastructure.

The project will provide improvements to University Boulevard and S. Riverside Drive adjacent to the development. Capacity improvements at the intersection of University Boulevard and Airport Road are also a part of the project. There will also be a new road, generally running east/west, connecting University Boulevard and S. Riverside Drive which will provide access to the ISU Economic Development Core Facility building as well as the new industrial development. The

project will also include the installation of the sanitary sewer and water mains along University Boulevard, S. Riverside Drive, and the new east/west street.

Urban Renewal Plan Objectives

This urban renewal area is being created to expand the available inventory of fully serviced industrial land within Ames and target office and research and development uses. The objectives of this plan are consistent with the Land Use Policy Plan and are listed below.

- To facilitate the expansion of the Iowa State University Research Park.
- Establish the Research Park as a nationally recognized Innovation District.
- Support employment uses with complementary commercial and service uses.
- To provide employment opportunities in the high-tech research and industrial sector and increase the employment base of the community.
- To increase the assessed valuations of the property tax base of the city.
- To create a public-private partnership to encourage development in the New Lands.
- To create a mechanism to fund the necessary infrastructure of that expansion.

Conformance with Land Use Policy Plan

The Land Use Policy Plan, adopted by the City Council in 1997 and subsequently amended, provides guidance on support of the growth of the City and economic development. The LUPP includes a narrative discussion of the goals and objectives of the City as well as maps and diagrams of City's policies. The Project is situated in area mapped with a Land Use Designation of Planned Industrial. See Attachment 3

GROWTH DETERMINANTS (LUPP PP. 12)

Population projections for the City of Ames, completed in 2011, show a population of between 61,270 to 72,771 by the year 2030. This increase in population from the 2010 census figures of 58,965 will require increases in housing and employment opportunities.

GOALS FOR A NEW VISION (LUPP PP. 18-27)

Goals for a New Vision of the Land Use Policy Plan describe ten goals in broad categories, as well as a number of objectives to meet those goals. Those that more greatly influence the development of an industrial urban renewal area are quoted below. Some goals are not included as they bear little relationship to this economic development issue. The text of the LUPP is shown below in serif font.

Emphasis is added to the more pertinent passages.

Goal No. 1. Recognizing that additional population and economic growth is likely, it is the goal of Ames to plan for and manage growth within the context of the community's

capacity and preferences. It is the further goal of the community to manage its growth so that it is more sustainable, predictable and assures quality of life.

Objectives. In managing growth, Ames seeks the following objectives.

- 1.A. **Ames seeks to diversify the economy and create a more regional employment and market base. While continuing to support its existing economic activities, the community seeks to broaden the range of private and public investment.**
- 1.B. Ames seeks to integrate its growth with an economic development strategy for the Central Iowa region.
- 1.C. **Ames seeks to manage a population and employment base that can be supported by the community's capacity for growth. A population base of 61,000-73,000 and an employment base of up to 34,000 is targeted within the City.** Additionally, it is estimated that the population in the combined City and unincorporated Planning Area could be as much as 67,000 and the employment base could be as much as 38,000 by the year 2030.

Goal No. 2. In preparing for the target population and employment growth, it is the goal of Ames to assure the adequate provision and availability of developable land. It is the further goal of the community to guide the character, location, and compatibility of growth with the area's natural resources and rural areas.

Objectives. In assuring and guiding areas for growth, Ames seeks the following objectives.

- 2.A. **Ames seeks to provide at least 600 to 2,500 acres of additional developable land within the present City and Planning Area by the year 2030.** Since the potential demand exceeds the supply within the current corporate limits, alternate sources shall be sought by the community through limited intensification of existing areas while concentrating on the annexation and development of new areas. The use of existing and new areas should be selective rather than general.
- 2.B. Ames seeks to assure the availability of sufficient suitable land resources to accommodate the range of land uses that are planned to meet growth. Sufficient land resources shall be sought to eliminate market constraints.
- 2.C. Ames seeks a development process that achieves greater compatibility among new and existing development.

- 2.D. Ames seeks a development process that achieves greater conservation of natural resources and compatibility between development and the environment.
- 2.E. Ames seeks to integrate its planning with that of Story County and surrounding counties in assuring an efficient and compatible development pattern, and in assuring that there are adequate agricultural resources to serve the region.

Goal No. 5. It is the goal of Ames to establish a cost-effective and efficient growth pattern for development in new areas and in a limited number of existing areas for intensification. It is a further goal of the community to link the timing of development with the installation of public infrastructure including utilities, multi-modal transportation system, parks and open space.

Objectives. In defining the growth pattern and timing of development, Ames seeks the following objectives.

- 5.A. **Ames seeks to establish priority areas for growth in which there are adequate and available land resources and infrastructure to meet the major development requirements through the year 2030.**
- 5.B. **Ames seeks to attract public and private capital investment in the priority areas for growth on a concurrency basis (i.e. having infrastructure available at the time of development approval).** Public capital improvements (e.g. trunk lines and a major street system) could be used to leverage the location of development and the availability of land.
- 5.C. Ames seeks the continuance of development in emerging and infill areas where there is existing public infrastructure and where capacity permits.
- 5.D. Ames seeks to have the real costs of development borne by the initiating agent when it occurs outside of priority areas for growth and areas served by existing infrastructure.
- 5.E. Ames seeks to integrate its planning with that of Story County and regional planning agencies.

Goal No. 7. It is the goal of Ames to provide greater mobility through more efficient use of personal automobiles and enhanced availability of an integrated system including alternative modes of transportation.

Objectives. In achieving a more mobile community, Ames seeks the following objectives.

- 7.A. **Ames seeks to establish a comprehensive and integrated transportation system that includes automotive, public transit, pedestrian, bicycle and ride-sharing modes.**
- 7.B. **Ames seeks a transportation system that is linked with the desired development pattern of the overall community and areas therein.**
- 7.C. Ames seeks to establish new transportation corridors that have been planned, in part, to minimize impacts on significant natural resources.
- 7.D. **Ames seeks to increase the efficiency of existing traffic movement in reducing air pollutants from automobiles** (e.g. improving intersection movements to minimize delays and conserve energy).
- 7.E. Ames seeks a development pattern that protects and supports the airport and its flight approach zones.

Goal No. 9. It is the goal of Ames to promote expansion and diversification of the economy in creating a base that is more self-sufficient and that is more sustainable with regard to the environment.

Objectives. In creating an economic base that is more self-sufficient and environmentally sustainable, Ames seeks the following objectives.

- 9.A. **Ames seeks more diversified regional employment opportunities involving technology-related services and production, office centers and retail centers.**
- 9.B. Ames seeks to attract and support a small- and medium-size business center that utilizes the skills and products of the area’s trained workforce.
- 9.C. **Ames seeks to expand its research and technology development through greater private, public and university coordination and cooperation.**
- 9.D. **Ames seeks economic activities that are compatible and sustainable with its environment.**

FUTURE LAND USE ALLOCATIONS (LUPP P. 33)

“An additional 55-325 acres should be allocated for future industrial uses. Included are approximately 45-240 acres for planned industrial involving industrial park-type settings, plus 14-85 acres for general industrial involving non-park settings.”

FUTURE LAND USE POLICY PLAN MAP

The area of the proposed urban renewal area is identified on the Land Use Policy Plan Map as Planned Industrial. See Attachment 3.

NEW LANDS POLICY OPTIONS (LUPP PP. 62-63)

The area of the proposed urban renewal area is described as New Lands Area on page 53. The New Lands Area proposes the following information relating to industrial land.

“Industrial Expansion Areas. In further supporting the community’s goal for economic expansion, additional industrial uses are needed. Expansion areas are recommended for both private sector activities and ISU research park activities. It is recommended that the New Lands area provide the base for the community’s industrial expansion....”

“Planned Industrial. It is recommended that much of the new industrial uses be associated with planned industrial parks. These planned industrial parks should be located in conjunction with a limited - access highway. A limited- access highway location provides adequate ingress and egress for the regional - scale activities without imposing the associated extraneous traffic on the community’s internal traffic system.

“Uses. All future large-scale industrial activities should be located in planned industrial parks. Locating large-scale activities in parks assures adequate land area, access, utilities provisions and environmental controls. The park locations also assure that appearances are compatible with the community’s entries along which planned industrial locations are recommended.

OTHER LUPP ISSUES

The Land Use Policy Plan presents no contradiction in the use of this land as planned industrial and as the expansion of the ISU Research Park. There are no issues associated with the proposed industrial land use that are contradicted by the Natural Resources Inventory or Natural Resources Suitability Analysis (pp.80-82).

SUMMARY

The urban renewal plan and the proposed urban renewal project are consistent with and supported by the goals of the Ames Land Use Policy Plan. This is demonstrated by:

- The area will support an increased employment base moving the City closer to its 2030 employment projections.
- The area provides 200 gross acres of land moving the City closer to its anticipated increase of 300 to 375 acres of new industrial land.
- Development of the area assures the immediate availability of planned industrial developable land.
- The project improves existing connection and provides new connections in the City’s transportation network.
- The project leverages private development with its investment of public resources.
- The project supports and the area is adjacent to an existing planned industrial area and public infrastructure is immediately adjacent.

- The area lies within a planned industrial designation of the Land Use Policy Plan Map.
- The scale of the project is consistent with the Land Use Policy Plan's description of planned industrial in which "all future large-scale industrial activities should be located in planned industrial parks."
- The area lies within the New Lands Area, which is identified for the community's industrial expansion.

Conformance with Zoning and Current Use

The Area is currently zoned A-Agriculture. This zoning designation was applied upon annexation in September, 2014, consistent with the requirements of the Ames Zoning Ordinance. A zoning map amendment to the PI-Planned Industrial designation has been filed with the City and its approval is anticipated prior to development. The land is currently being used for agricultural purposes.

City's Debt Obligations

This urban renewal area will include a provision for tax increment financing. In accordance with Code of Iowa Chapter 403.17(24)(c), the following financial information is provided.

CURRENT GENERAL OBLIGATION AND REVENUE BOND DEBT

					As of 9/30/'14
	Date of Issue	Interest Rates	Amount Originally Issued	Maturity Date	Outstanding 9/30/'14
General obligation bonds:					
Corporate purpose	2006	4.000%	\$ 5,285,000	2018	\$ 2,100,000
Corporate purpose	2007	3.75-4.15%	\$ 9,130,000	2019	\$ 4,820,000
Corporate purpose	2008	3.75-4.15%	\$ 5,855,000	2020	\$ 4,745,000
Corporate purpose	2009	2.00-3.50%	\$ 11,165,000	2021	\$ 7,145,000
Corporate purpose	2010	2.00-2.50%	\$ 6,690,000	2022	\$ 4,745,000
Refunding	2011	2.00-3.35%	\$ 5,980,000	2021	\$ 2,150,000
Corporate purpose	2011	1.00-2.40%	\$ 6,675,000	2023	\$ 5,090,000
Corporate purpose	2012	1.50-3.00%	\$ 11,325,000	2032	\$ 11,045,000
Corporate purpose/refunding	2013	2.00-3.125%	\$ 21,220,000	2032	\$ 20,420,000
Corporate purpose	2014	2.00- 2.50%	\$ 9,965,000	2026	\$ 9,965,000
Total general obligation bonds			\$ 93,290,000		\$ 72,225,000
Revenue bonds:					
Hospital improvement	2011	3.00-5.625%	\$ 65,000,000	2036	\$ 64,060,000
Hospital improvement/refunding	2012	2.07%	\$ 26,000,000	2027	\$ 22,270,000
Total revenue bonds			\$ 91,000,000		\$ 86,330,000

TOTAL ALL BONDS

\$ 158,555,000

CURRENT CONSTITUTIONAL DEBT LIMIT AND CAPACITY

	As of 9/30/14
Total Actual Valuation	\$ 3,536,735,367
State Mandated Debt Limit*	\$ 176,836,768
City Reserve (25% of Limit)†	<u>(\$ 44,209,192)</u>
Un-Reserved Debt Capacity	\$ 132,627,576
Outstanding Debt	\$ 72,225,000
Total Debt Subject to Limit	\$ 72,225,000
†Available Un-Reserved Debt Capacity City Policy(\$)	\$ 60,402,576
Available Un-Reserved Debt Capacity City Policy (%)	45.54%
*Total Debt Capacity Available (\$)	\$ 104,611,768
Total Debt Capacity Available (%)	59.16%

Notes:

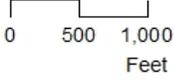
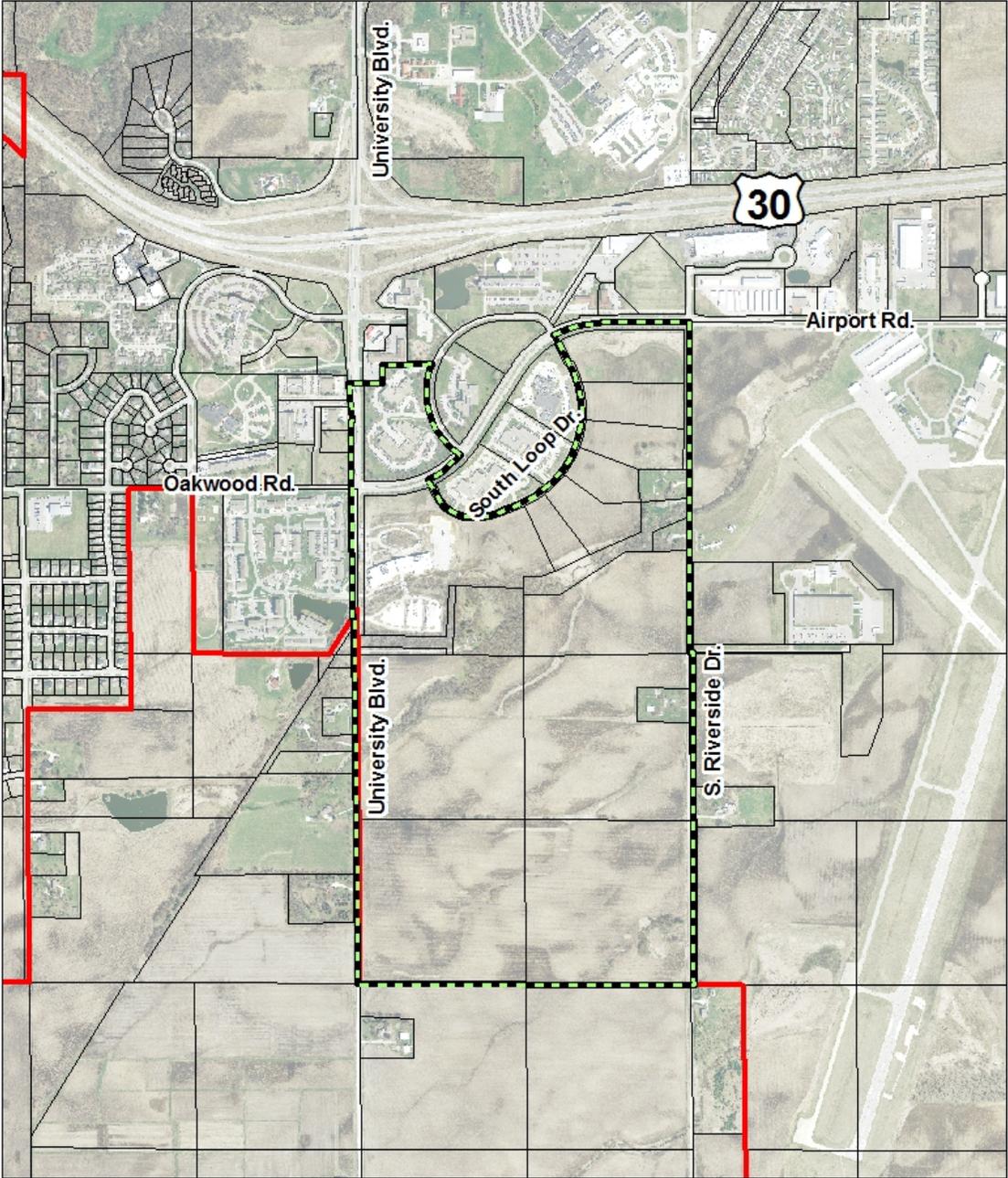
*Iowa statutory debt limit is 5 percent of total city valuation

†City policy reserves 25 percent of available debt capacity

PROPOSED AMOUNT OF INDEBTEDNESS

The project will rely on the use of tax-increment financing to pay for some the infrastructure improvements. TIF districts will be created in phases as the funding for each phase of development is needed. The first phase of development utilizing TIF would be approximately \$4 million dollars. The additional phases of TIF financing may increase the overall funding to \$7 million.

ATTACHMENT 1: VICINITY MAP

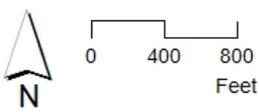
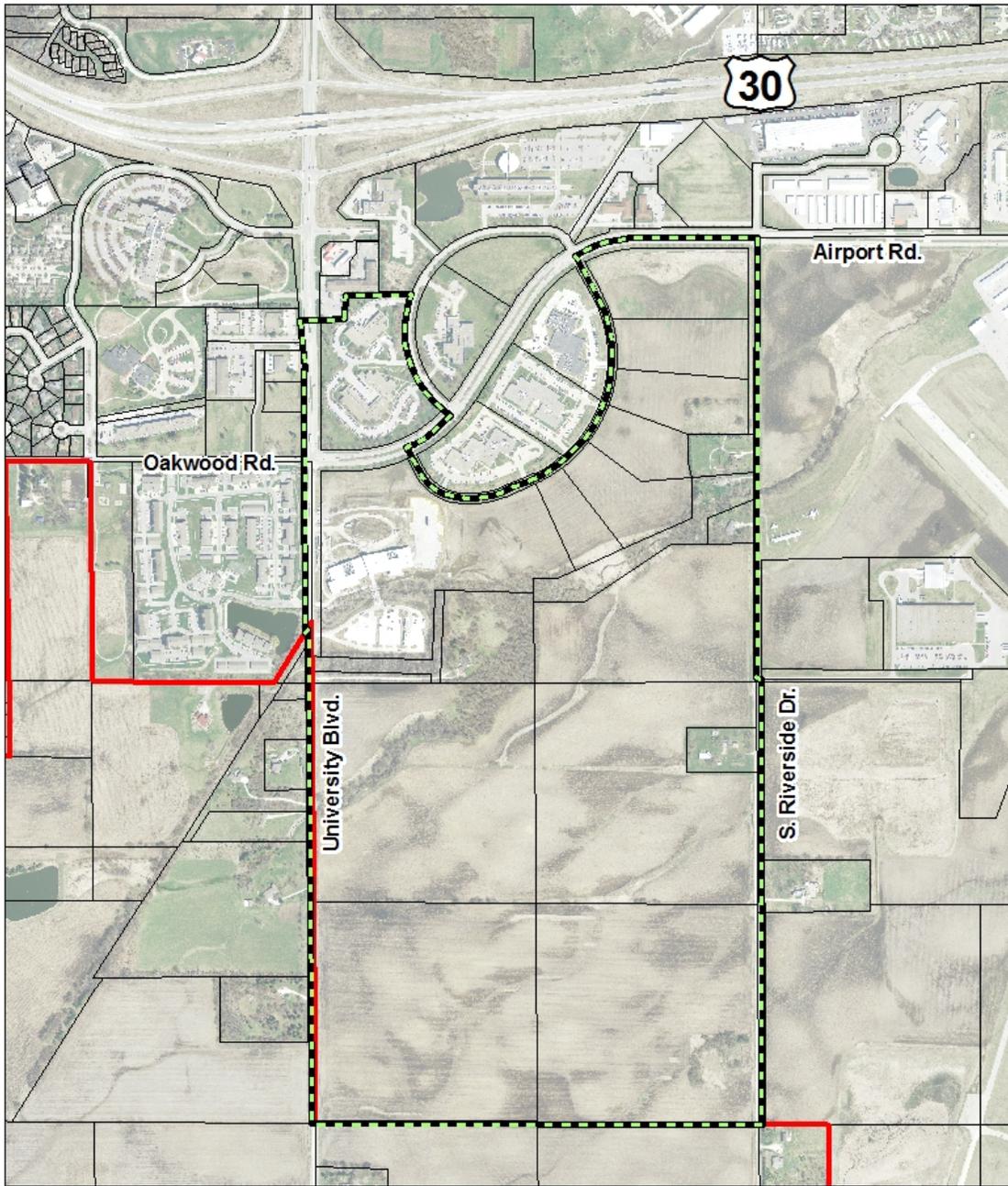


Legend

-  City Limits
-  Urban Renewal Area

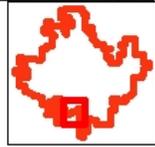


ATTACHMENT 2: PROJECT AREA

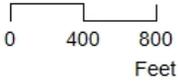
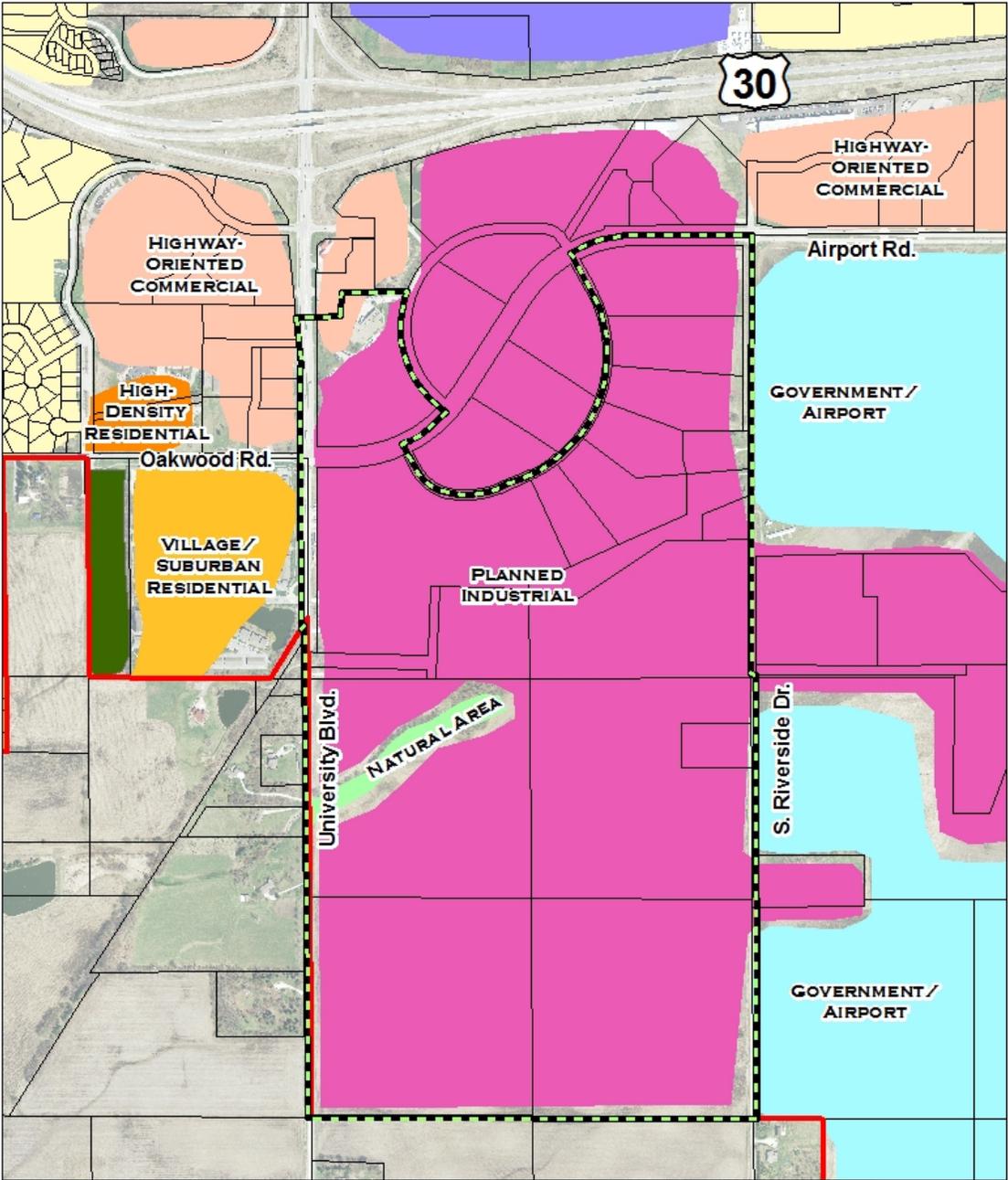


Legend

-  City Limits
-  Urban Renewal Area

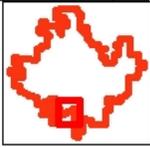


ATTACHMENT 3: LUPP FUTURE LAND USE MAP

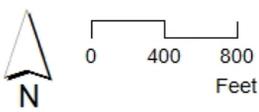
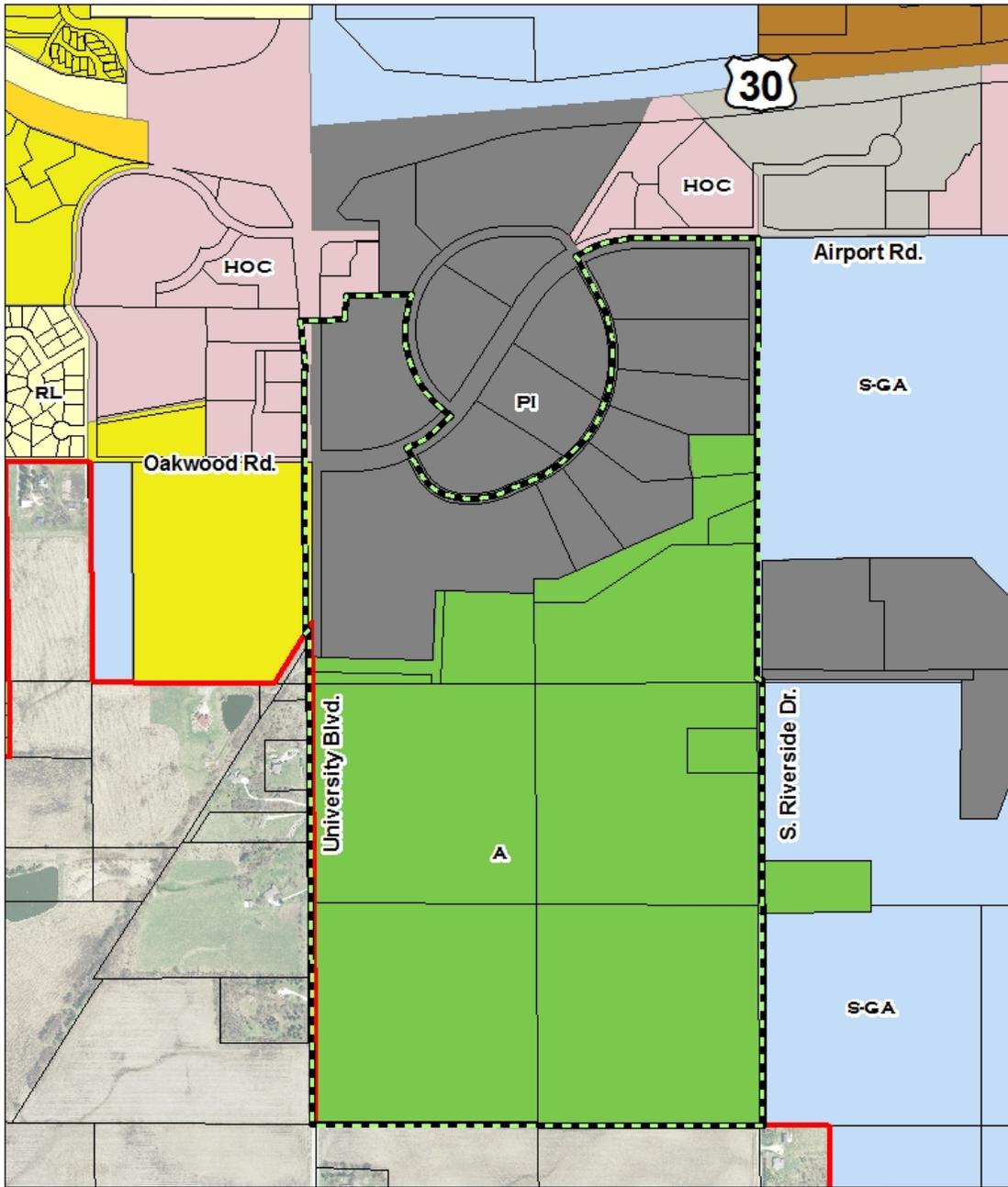


Legend

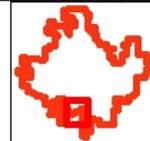
- City Limits
- Urban Renewal Area



ATTACHMENT 4: ZONING MAP



- Legend**
- City Limits
 - Urban Renewal Area



Appendix A

Recommendation of the Planning and Zoning Commission of November 5, 2014.

Appendix B

Affected Taxing Entities, their addresses, and representatives to the consultation.

Affected Taxing Entity	Mailing Address	Representative to Consultation
City of Ames	PO Box 811 Ames, IA 50010	
Ames Community School District	415 Stanton Avenue Ames, IA 50014	
Story County	900 6th Street Nevada, IA 50201	

Appendix C

Notice of consultation to Affected Taxing Entities [Notice to Supervisors shown].

Appendix D

Notice of public hearing published in the Ames Tribune on October 22, 2014 and mailed to the Affected Taxing Entities.

LEGAL NOTICE

NOTICE IS HEREBY GIVEN that the Ames City Council will hold a public hearing in the Council Chambers at Ames City Hall, 515 Clark Avenue, Ames, Iowa at 7:00 p.m. on November 10, 2014, regarding proposed adoption of an urban renewal plan for the Iowa State University Research Park Urban Renewal Area, pursuant to Iowa Code Section 403.5....

Diane Voss, City Clerk

Appendix E

Owner's letter consenting to inclusion of agriculture property.



September 30, 2014

To Whom it May Concern:

As the owner of, The South Half of the Northwest Quarter of Section 22, Township 83 North, Range 24 West of the 5th P.M., Story County, Iowa, containing 79.72 acres, which includes 1.99 acres of existing public right of way, agree to the inclusion of this land in the urban renewal area.

Sincerely,

Dean Hunziker

Trustee

AMES

105 South 16th Street
Ames, Iowa 50010-8009
(515) 233-4450

ANKENY

1255 N. Ankeny Blvd., Suite 101
Ankeny, IA 50023
(515) 963-8618

BOONE

700 Story Street
Boone, Iowa 50036
(515) 432-8699

NEVADA

1104 6th Street
Nevada, Iowa 50201
(515) 382-5667

Appendix E

Owners' consent to inclusion of agriculture property.



Building 4, Suite 4050
2711 South Loop Drive
Ames, IA 50010
515-296-PARK
www.isupark.org

October 1, 2014

Mr. Charles Kuester
Planner
City of Ames
515 Clark Avenue
Ames, IA 50010

RE: Urban Renewal Area

Dear Charlie:

The Iowa State University Research Park acquiesces in our inclusion into the City's proposed urban renewal area. The property is more particularly described as:

Parcel L in the Southeast Quarter of the Southwest Quarter of Section 15 AND part of the North Half of the Northwest Quarter of Section 22, all in Township 83 North, Range 24 West of the 5th P.M., Story County, Iowa, all together being more particularly described as follows: Beginning at the Northwest Corner of said Section 22; thence S89°19'57"E, 1319.43 feet to the Northeast Corner of the Northwest Quarter of the Northwest Quarter of said Section 22, said point also being the Southwest Corner of said Parcel L; thence following the boundary of said Parcel L N00°1'11'8"E, 489.46 feet to the Northwest Corner thereof; thence S89°14'47"E, 296.62 feet; thence N56°46'25"E, 622.15 feet; thence N89°52'19"E, 512.38 feet to the Northeast Corner of said Parcel L; thence S00°10'26"W, 843.11 feet to the Southeast Corner thereof, said point also being the North Quarter Corner of said Section 22; thence S00°19'19"E, 241.41 feet along the East line of the Northwest Quarter of said Section 22 to the Northeast Corner of an existing parcel, described in a Quit Claim Deed filed at Inst. No. 94-05359; thence running coincident with the boundary of said existing parcel S89°36'11"W, 411.96 feet to the Northwest Corner thereof; thence S00°19'27"E, 272.09 feet to the Southwest Corner thereof; thence N89°35'28"E, 411.95 feet to the Southeast Corner thereof; thence S00°19'19"E, 793.23 feet along the East line of said Northwest Quarter to the Southeast Corner of the Northeast Quarter of the Northwest Quarter; thence N89°36'16"W, 2646.10 feet to the Southwest Corner of the Northwest Quarter of the Northwest Quarter; thence N00°23'42"W, 1319.25 feet to the point of beginning, containing 98.31 acres, which includes 2.42 acres of existing public right of way.

Please let us know if you have any questions or comments.

Sincerely,

IOWA STATE UNIVERSITY RESEARCH PARK

A handwritten signature in black ink, appearing to read 'Steven T. Carter', is written over the typed name.

Steven T. Carter, President

U:AURA Letter.docx

Appendix F

County's consent to inclusion of unincorporated land