

**AGENDA**  
**REGULAR MEETING OF THE AMES CITY COUNCIL**  
**COUNCIL CHAMBERS - CITY HALL**  
**MARCH 3, 2015**

**NOTICE TO THE PUBLIC:** The Mayor and City Council welcome comments from the public during discussion. **If you wish to speak, please complete an orange card and hand it to the City Clerk. When your name is called, please step to the microphone, state your name for the record, and limit the time used to present your remarks in order that others may be given the opportunity to speak.** The normal process on any particular agenda item is that the motion is placed on the floor, input is received from the audience, the Council is given an opportunity to comment on the issue or respond to the audience concerns, and the vote is taken. On ordinances, there is time provided for public input at the time of the first reading. In consideration of all, if you have a cell phone, please turn it off or put it on silent ring.

**CALL TO ORDER:** 7:00 p.m.

**CONSENT AGENDA:** All items listed under the consent agenda will be enacted by one motion. There will be no separate discussion of these items unless a request is made prior to the time the Council members vote on the motion.

1. Motion approving payment of claims
2. Motion approving minutes of Regular Meeting of February 24, 2015
3. Motion approving renewal of the following Beer Permits, Wine Permits, and Liquor Licenses:
  - a. Class C Liquor & Outdoor Service – Coldwater Golf Links, 615 S. 16<sup>th</sup> Street
  - b. Class E Liquor – Kum & Go #227, 2108 Isaac Newton Drive
  - c. Class E Liquor – Kum & Go #113, 2801 E. 13<sup>th</sup> Street
  - d. Class A Liquor w/Outdoor Service – Elks Lodge #1626, 522 Douglas Avenue
  - e. Class C Beer & B Native Wine – Swift Stop #4, 1118 South Duff Avenue
  - f. Class C Beer and B Wine – Swift Stop #5, 3218 Orion Street
  - g. Special Class C Liquor – The Spice Thai Cuisine, 402 Main Street
  - h. Special Class C Liquor – Valentino’s, 823 Wheeler Street, #1
  - i. Class E Liquor, C Beer, and B Wine – Sam’s Club #6568, 305 Airport Road
4. Motion approving 5-day (March 10-15) Class C Liquor License for Olde Main Brewing Company at the ISU Alumni Center, 420 Beach Avenue
5. Motion approving 5-day (March 17-21) Class C Liquor License for Olde Main Brewing Company at the ISU Alumni Center, 420 Beach Avenue
6. Motion approving 8-month Class B Beer Permit & Outdoor Service for Homewood Golf Course, 401 East 20<sup>th</sup> Street
7. Greek Week 2015 Requests:
  - a. Resolution approving closure of portions of Sunset Drive, Ash Avenue, Gray Avenue, Greeley Street, and Lynn Avenue from 8:00 a.m. to 5:00 p.m. on Saturday, March 28
  - b. Resolution approving suspension of parking regulations for portions of Gray Avenue, Greeley Street, Pearson Avenue, Lynn Avenue, and Sunset Drive from 3:00 p.m. Friday, March 27 to 6:00 p.m. Saturday, March 28
8. Resolution approving appointments to City’s various boards and commissions
9. Corporate Resolution designating authorization to conduct financial and banking business
10. Resolution adopting Rental Housing Registration Fee Schedule to be effective April 1, 2015
11. Resolution endorsing application to Iowa Department of Transportation to designate Jefferson Highway Heritage Byway as State Heritage Byway
12. Resolution approving preliminary plans and specifications for 2014/2015 Right-of-Way Restoration Program; setting April 8, 2015, as bid due date and April 14, 2015, as the date of public hearing

13. Resolution approving preliminary plans and specifications for Valve Maintenance and Related Services and Supplies for Power Plant; setting April 29, 2015, as bid due date and May 12, 2015, as date of public hearing
14. Lease of Mowers for Park Maintenance:
  - a. Resolution awarding contract to Turfwerks for two Jacobsen R311 11-foot-wide mowers at a cost of \$75,450 for three years
  - b. Resolution awarding contract to MTI for two Toro GM360 8-foot-wide mowers at a cost of \$53,613.18 for three years
15. Resolution approving contract and bond for North Dakota Water Tower Removal Project
16. Resolution approving contract and bond for River Valley Park Complex Irrigation Project
17. Resolution approving contract and bond for Non-Asbestos Insulation and Related Services and Supplies
18. Resolution approving Change Order No. 22 in the amount of \$103,641 with A&P/Samuels Group of Wausau, Wisconsin, for Library Expansion and Renovation

**PUBLIC FORUM:** This is a time set aside for comments from the public on topics of City business other than those listed on this agenda. Please understand that the Council will not take any action on your comments at this meeting due to requirements of the Open Meetings Law, but may do so at a future meeting. The Mayor and City Council welcome comments from the public; however, at no time is it appropriate to use profane, obscene, or slanderous language. **The Mayor may limit each speaker to five minutes.**

**HEARINGS:**

19. Hearing on Amendments to Fiscal Year 2014/15 Budget:
  - a. Resolution amending budget for current Fiscal Year ending June 30, 2015
20. Hearing on adoption of FY 2015/16 budget:
  - a. Resolution approving 2015/16 budget
21. Hearing on General Obligation Corporate Purpose and Refunding Loan Agreement in a Principal Amount Not to Exceed \$20,950,000:
  - a. Resolution approving Loan Agreement
22. Hearing on Turbine Control System:
  - a. Motion accepting report of bids and delaying award of contract
23. Hearing on Inis Grove Park Sand Volleyball Court Lighting:
  - a. Motion accepting report of bids

**ADMINISTRATION:**

24. Follow-up Staff Report on Demand Service Plan for HIRTA
25. Report on 2014 Development Process User Survey

**POLICE:**

26. Follow-up on reporting requirements for secondhand goods dealers:
  - a. Motion directing staff

**PLANNING & HOUSING:**

27. 500-Year Flood Hydraulic Analysis of Riverside Manor at 1204 S. 4<sup>th</sup> Street
28. Follow-up on Public Forum for 2015/16 proposed Annual Action Plan projects for Community Development Block Grant (CDBG) Program

**PUBLIC WORKS:**

29. Staff report on University Avenue and Airport Road Roundabout

**WATER:**

30. Resolution awarding a contract to S. M. Hentges & Sons of Jordan, Minnesota, for New Water Plant - Contract 1 in the amount of \$3,197,273.15

**FINANCE:**

31. Resolution approving NewLink Genetics Corporation request for extension of employment requirements for forgivable loan agreement
32. Financial assistance for Barilla America, Inc:
  - a. Resolution approving Contract for economic development assistance with Barilla America, Inc., and the Iowa Economic Development Authority with local match to be limited to Industrial Property Tax Abatement
  - b. Resolution approving Industrial Property Tax Abatement for reconstruction under the project
33. Resolution approving Iowa Economic Development Authority High-Quality Jobs Program Contract for financial assistance for Boehringer Ingelheim Vetmedica, Inc. (BIVI)
34. Federal Reimbursement Regulation Resolutions for:
  - a. ISU Research Park infrastructure improvements
  - b. Airport Terminal projects

**ORDINANCES:**

35. Second passage of Littering Ordinance
36. Second passage of ordinance rezoning property at 710 South Duff Avenue from Agricultural (A) to Highway-Oriented Commercial (HOC)
37. Third passage and adoption of ORDINANCE NO. 4210 pertaining to adoption of 2014 National Electric Code, with local edits

**COUNCIL COMMENTS:**

**ADJOURNMENT:**

**\*Please note that this agenda may be changed up to 24 hours before the meeting time as provided by Section 21.4(2), *Code of Iowa*.**



# Memo

City Manager's Office

**TO:** Mayor and City Council

**FROM:** Diane Voss

**DATE:** February 27, 2015

**SUBJECT:** Item No. 2: Minutes of February 24, 2015

I am still working on the Minutes of last Tuesday's meeting. They will be emailed to you as early as possible on Monday.

drv

*Caring People  
Quality Programs  
Exceptional Service*

**3a-i**

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**TO:** Mayor Ann Campbell and Ames City Council Members

**FROM:** Lieutenant Jeff Brinkley – Ames Police Department

**DATE:** February 26, 2015

**SUBJECT:** Beer Permits & Liquor License Renewal Reference City Council Agenda  
March 3, 2015

The Council agenda for March 3, 2015, includes beer permits and liquor license renewals for:

- Class C Liquor & Outdoor Service – Coldwater Golf Links, 615 S 16<sup>th</sup> St
- Class E Liquor – Kum & Go #227, 2108 Isaac Newton Dr
- Class E Liquor – Kum & Go #113, 2801 E 13<sup>th</sup> St
- Class A Liquor & Outdoor Service – Elks Lodge #1626, 522 Douglas Ave
- Class C Beer & B Native Wine – Swift Stop #4, 1118 S Duff Ave
- Class C Beer and B Wine – Swift Stop #5, 3218 Orion Dr
- Special Class C Liquor – The Spice Thai Cuisine, 402 Main St
- Special Class C Liquor – Valentino’s, 823 Wheeler St #1
- Class E Liquor, C Beer, & B Wine – Sam’s Club #6568, 305 Airport Rd

A routine check of police records for the past twelve months found no violations for any of the listed licensees. The police department would recommend renewal of these licenses.



**Insurance Company Information**

<b>Insurance Company:</b>	<u>Founders Insurance Company</u>
<b>Policy Effective Date:</b>	<b>Policy Expiration</b>
<b>Bond Effective</b>	<b>Dram Cancel Date:</b>
<b>Outdoor Service Effective</b>	<b>Outdoor Service Expiration</b>
<b>Temp Transfer Effective Date:</b>	<b>Temp Transfer Expiration Date:</b>

**Applicant License Application ( )**

<b>Name of Applicant:</b> <u>LJPS Inc.</u>		
<b>Name of Business (DBA):</b> <u>Olde Main Brewing Company</u>		
<b>Address of Premises:</b> <u>420 Beach Ave</u>		
<b>City</b> <u>Ames</u>	<b>County:</b> <u>Story</u>	<b>Zip:</b> <u>50010</u>
<b>Business</b>	<u>(515) 232-0553</u>	
<b>Mailing</b>	<u>PO Box 1928</u>	
<b>City</b> <u>Ames</u>	<b>State</b> <u>IA</u>	<b>Zip:</b> <u>50010</u>

**Contact Person**

<b>Name</b> Matt Sinnwell
<b>Phone:</b> (505) 400-5981 <b>Email</b> mattombc@gmail.com

**Classification** Class C Liquor License (LC) (Commercial)

**Term:** 5 days

**Effective Date:** 03/17/2015

**Expiration Date:** 01/01/1900

**Privileges:**

Class C Liquor License (LC) (Commercial)

**Status of Business**

<b>BusinessType:</b> <u>Privately Held Corporation</u>
<b>Corporate ID Number:</b> <u>286196</u> <b>Federal Employer ID</b> <u>77-0613629</u>

**Ownership**

**Scott Griffen**

**First Name:** Scott      **Last Name:** Griffen  
**City:** Ames      **State:** Iowa      **Zip:** 50010  
**Position:** Owner  
**% of Ownership:** 50.00%      **U.S. Citizen:** Yes

**Daniel Griffen**

**First Name:** Daniel      **Last Name:** Griffen  
**City:** Potomac      **State:** Maryland      **Zip:** 24854  
**Position:** Owner  
**% of Ownership:** 25.00%      **U.S. Citizen:** Yes

**Susan Griffen**

**First Name:** Susan      **Last Name:** Griffen  
**City:** Potomac      **State:** Maryland      **Zip:** 24854  
**Position:** Owner  
**% of Ownership:** 25.00%      **U.S. Citizen:** Yes



**Insurance Company Information**

<b>Insurance Company:</b>	<u>Founders Insurance Company</u>
<b>Policy Effective Date:</b>	<b>Policy Expiration</b>
<b>Bond Effective</b>	<b>Dram Cancel Date:</b>
<b>Outdoor Service Effective</b>	<b>Outdoor Service Expiration</b>
<b>Temp Transfer Effective</b>	<b>Temp Transfer Expiration Date:</b>

**Applicant License Application ( )**

<b>Name of Applicant:</b> <u>City of Ames</u>		
<b>Name of Business (DBA):</b> <u>Homewood Golf Course</u>		
<b>Address of Premises:</b> <u>401 E 20th Street</u>		
<b>City</b> <u>Ames</u>	<b>County:</b> <u>Story</u>	<b>Zip:</b> <u>50010</u>
<b>Business</b> <u>(515) 239-5363</u>		
<b>Mailing</b> <u>1500 Gateway Hills Park Drive</u>		
<b>City</b> <u>Ames</u>	<b>State</b> <u>IA</u>	<b>Zip:</b> <u>50014</u>

**Contact Person**

<b>Name</b> Chris Barkema	
<b>Phone:</b> (515) 239-5363	<b>Email</b> cbarkema@city.ames.ia.us

**Classification** Class B Beer (BB) (Includes Wine Coolers)

**Term:** 8 months

**Effective Date:** 03/23/2015

**Expiration Date:** 01/01/1900

**Privileges:**

- Class B Beer (BB) (Includes Wine Coolers)
- Outdoor Service
- Sunday Sales

**Status of Business**

<b>BusinessType:</b> <u>Municipality</u>	
<b>Corporate ID Number:</b>	<b>Federal Employer ID</b> <u>10-426004218</u>

**Ownership**

**Steve Schainker**

**First Name:** Steve                      **Last Name:** Schainker  
**City:** Ames                                **State:** Iowa                      **Zip:** 50010  
**Position:** City Manager  
**% of Ownership:** 0.00%                      **U.S. Citizen:** **Yes**

**Chris Barkema**

**First Name:** Chris                      **Last Name:** Barkema  
**City:** Story City                      **State:** Iowa                      **Zip:** 50248  
**Position:** Recreation Coordinator  
**% of Ownership:** 0.00%                      **U.S. Citizen:** **Yes**

**Insurance Company Information**

<b>Insurance Company:</b> <u>Iowa Communities Assurance Pool</u>
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**Insurance Company:** Iowa Communities Assurance Pool

**Policy Effective Date:** 03/23/2015

**Policy Expiration** 11/23/2015

**Bond Effective**

**Dram Cancel Date:**

**Outdoor Service Effective**

**Outdoor Service Expiration**

**Temp Transfer Effective Date:**

**Temp Transfer Expiration Date:**

**COUNCIL ACTION FORM**

**SUBJECT:** GREEK WEEK 2015 REQUESTS

**BACKGROUND:**

The Greek Week Committee and the Office of Greek Affairs have submitted plans to host Greek Week in March. To facilitate this event, organizers have requested closure of the following streets from 8:00 a.m. to 8:00 p.m. on Saturday, March 28: Sunset Drive; Ash Avenue from Gable Lane to Knapp Street; Gray Avenue from Gable Lane to Greeley; Greeley Street; Pearson Avenue from Sunset to Greeley; and Lynn Avenue from Chamberlain to Knapp. Lynn Avenue would be closed only until 2:00 p.m. on Saturday to facilitate the Greek Olympics activities.

To clear these streets of parked vehicles prior to the commencement of activities, event organizers have requested that parking be prohibited on both sides of the streets listed above from 5:00 p.m. on Friday, March 27, until each street has re-opened after the activities.

Several single family homes are located along the closed streets, and the organizers will notify the affected residents and the South Campus Area Neighborhood Association about the closures by canvassing the area and distributing a notification letter. There are no fireworks associated with this event. Insurance for this event is provided through the University.

Staff recommends that these requests be approved with the following stipulations:

- Organizers and participants will be responsible for picking up trash in the area during and at the conclusion of the event
- Organizers will reimburse the City for any lost or damaged barricades
- Food served and/or sold at private residences is the liability of the residence

**ALTERNATIVES:**

1. Approve the request to close streets and enact temporary parking prohibitions for the 2015 Greek Week activities scheduled for Saturday, March 28, 2015, subject to the above-listed stipulations.
2. Deny the requests.

**MANAGER'S RECOMMENDED ACTION:**

This annual student-run event at Iowa State highlights the fraternities and sororities and their contributions to student life. Greek Week is highly dependent upon City approval of street closures and parking prohibitions so that it may occur in a safe and smooth manner.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the request to close streets and enact temporary parking prohibitions for the 2015 Greek Week activities, subject to the stipulations listed above.

**TO:** Members of the City Council

**FROM:** Ann H. Campbell, Mayor

**DATE:** February 27, 2015

**SUBJECT:** Appointments to City Boards and Commissions

Attached you will find a listing of the City's various boards/commissions that have upcoming vacancies and the individuals I have selected to fill them. I am requesting your approval of these appointments.

Thank you for your assistance and cooperation in this important process.

AHC/jlr

Attachment

**MAYOR'S APPOINTMENTS  
TO CITY OF AMES BOARDS AND COMMISSIONS  
2015**

(\* Incumbents)

<b>Board/Commission</b>	<b>Vacancies</b>	<b>Name</b>
ASSET	2	Sue Draper Tim Lubinus
Building Board of Appeals	2	* Chuck Haselhoff * Nathan Werstein
COTA	1	Jon Foley
EUORAB/Project Share	2	* Cathy Brown * Steve Goodhue
Historic Preservation Commission	3	* Jason Dietzenbach * Peter Hallock Lisa Hovis
Human Relations Commission	3	* John Klaus Heidi Thompson Raghul Ethiraj <b>(1-year term)</b>
HRC–Hearing Officers	4	* Joseph Rayzor
Library Board of Trustees	3	* Jane Acker Mavis Butler Wayne Rohret
Parks and Recreation Commission	3	* Julia Johnston * Melissa Rowan Dakota Canning <b>(1-yr. term)</b>
Partner Cities Association	1	Lin Shen
Planning & Zoning Commission	3	* Rob Bowers * Debra Lee * Yvonne Wannemuehler
Property Maintenance Appeals Board	3	* Jeff Drury * Bert Schroeder * Al Warren
Project Share Committee	1	* Keliena Caldwell (MICA)

<b>Board/Commission</b>	<b>Vacancies</b>	<b>Name</b>
Public Art Commission	6	* Tim Folger * Bill LaGrange * Mary Ann Lundy * Julieanne Sthay Tonya Moore Kristopher Stow
Transit Board	1	* John Haila
Zoning Board of Adjustment	1	Kyle Perkins



ITEM # 9  
DATE: 03-03-15

**COUNCIL ACTION FORM**

**SUBJECT: UPDATED CORPORATE RESOLUTION DESIGNATING  
AUTHORIZATION TO CONDUCT FINANCIAL AND BANKING  
BUSINESS TO REFLECT CITY MANAGER'S OFFICE  
PERSONNEL CHANGES**

**BACKGROUND:**

A Corporate Resolution is required to designate City employees authorized to conduct financial and banking business on behalf of the City of Ames. The designated employees have included the Finance Director, City Treasurer, and Assistant City Manager supervising the Finance Department.

With the upcoming departure of Assistant City Manager Melissa Mundt, the Corporate Resolution requires an update. Budget Officer Nancy Masteller has been nominated to replace the Assistant City Manager until such time that the Assistant City Manager position has been filled.

**ALTERNATIVES:**

1. Approve the Corporate Resolution designating the Finance Director, City Treasurer, and Budget Officer as employees authorized to conduct financial and banking business on behalf of the City of Ames.
2. Refer the Corporate Resolution back to staff for further information.

**MANAGER'S RECOMMENDED ACTION:**

The City Council approval of a Corporate Resolution is required for conducting financial and banking services.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the Corporate Resolution.



of the Agent(s) regardless of by whom or by what means the facsimile signature may have been affixed so long as it resembles the facsimile signature specimen on file. The Company authorizes each Agent to have custody of the Company's private key used to create a digital signature and to request issuance of a certificate listing the corresponding public key. The Financial Institution shall have no responsibility or liability for unauthorized use of alternative signature and verification codes unless otherwise agreed in writing.

FURTHER RESOLVED, that any of the foregoing or related activities taken by any Agent to the adoption of the preceding resolutions are hereby ratified and declared to be binding on the Company in a full and complete manner;

FURTHER RESOLVED, that the authority and power of any Agent provided in the preceding resolutions will continue in full force and effect until the Board of Directors of the Company adopt a resolution amending, modifying, or revoking one or more of the preceding resolutions and a certified copy of the properly executed resolution is received by the Financial Institution via certified mail; and

FURTHER RESOLVED, that the Clerk/Secretary or any Assistant Clerk/Secretary of the Company is authorized to certify the adoption of the foregoing resolutions to the Financial Institution, the continuing effect of these resolutions, and the incumbency of the various parties authorized to exercise the rights in these resolutions from time to time.

The undersigned Clerk/Secretary certifies that the above mentioned persons are duly elected officers or otherwise authorized to act on behalf of the Company in their stated capacities and that the above original signatures are genuine in all respects.

The undersigned Clerk/Secretary certifies that the Articles of Incorporation and Bylaws of the Company are in full force and effect and have not been amended, modified, replaced, or substituted in any manner. Clerk/Secretary certifies that a Certificate of Shareholder Approval is not required under the Company's Articles of Incorporation or Bylaws.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

[SEAL]

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City Clerk

## RESOLUTION NO. \_\_\_\_\_

**RESOLUTION ADOPTING NEW AND REVISED FEES FOR  
RENTAL HOUSING REGULATION**

**BE IT RESOLVED** by the City Council for the City of Ames, Iowa, that the following fees shall be adopted or adjusted to recover the approximate actual costs of city services from those who use and benefit from these services, pursuant to Section 13.300, Ames Municipal Code:

**A. Multi-family Dwellings.**

Three-Six Apartments	\$23.80/apartment
Seven to Twenty Apartments	\$23.04/apartment
Over Twenty Apartments	\$21.03/apartment

Due and payable within 30 days of date of notice each year is hereby established for multi-family dwellings (Apartment buildings).

- B. Lodging House and Boarding House.** A fee of twenty-three dollars and thirty cents (\$23.30) per room, due and payable within 30 days of date of notice each year, is hereby established for what are called Rooming Houses, Boarding Houses, and Lodging Houses.
- C. Owner-Occupied Single-Family Dwelling with Roomers Paying Rent to the Owner.** A fee of twenty-eight dollars and fifty cents (\$28.50) per rental room, due and payable within 30 days of date of notice each year, is hereby established for single family dwellings with rooms to rent.
- D. One- or Two-Family Rental Housing.** A fee of twenty-eight dollars and fifty cents (\$28.50) per unit for single family dwellings and twenty-four dollars and twenty cents (\$24.20) per unit for duplexes, due and payable within 30 days of date of notice each year, is hereby established for one and two unit dwellings.
- E. Special Request Inspection.** A fee of fifty-two dollars (\$52.00) per dwelling unit for inspections made at the special request of the owner, a realtor, or potential buyer of a property, is hereby established.
- F. Reinspection Fee.** A fee of fifty-two dollars (\$52.00) per dwelling unit for a reinspection after one free reinspection, is hereby established.
- G. Appeals and Hearings.** For petitions for hearings or appeals to the Housing Code Board of Appeals a fee of seventy-eight dollars (\$78.00) shall be charged to defray the costs thereof.

**H. Condominiums.** A fee of twenty-eight dollars and fifty cents (\$28.50) per unit for condominiums, due and payable within 30 days of date of notice each year, is hereby established.

**BE IT FURTHER RESOLVED,** that the aforesaid fees shall be in effect from and after April 1, 2015.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Diane R. Voss, City Clerk

\_\_\_\_\_  
Ann H. Campbell, Mayor

**COUNCIL ACTION FORM**

**SUBJECT: ENDORSING APPLICATION DESIGNATING THE JEFFERSON HIGHWAY HERITAGE BYWAY AS A STATE HERITAGE BYWAY**

**BACKGROUND:**

At the City Council meeting on January 20, 2015, the Council referred a request from an organization coordinating the Jefferson Highway Centennial Project, an effort to celebrate the 100<sup>th</sup> anniversary of the Jefferson Highway in 2016. Project coordinators are seeking to have the route in Iowa designated as an official Iowa Heritage Byway. To obtain this designation, resolutions of support are required from all jurisdictions through which the Jefferson Highway travels. Jefferson Highway Centennial Project organizers indicate that their intent is to receive Iowa Heritage Byway status this spring, and to have signs installed over the summer.

The Jefferson Highway was the first major hard-surfaced north-south highway in the United States. Stretching from Winnipeg, Manitoba, Canada to New Orleans, Louisiana, it was known as the "Pine-to-Palm Highway." In Ames, the highway enters from the eastern corporate limits on East Lincoln Way, then turns south on Duff Avenue (U.S. Highway 69), following that road out of Ames to the south.

If designated a State Heritage Byway, signs would be produced and installed by the Iowa Department of Transportation (DOT) on the original route. Once installed, the DOT would replace any missing or damaged signs in its jurisdiction on state routes (e.g., U.S. Highway 69). **The DOT would provide sign materials to replace any missing or damaged signs under the City's jurisdiction (currently only East Lincoln Way), but the City would be required to provide the labor to install them. The City would also be responsible to provide replacement poles and hardware.**

**The DOT requires that the City's resolution of support include a confirmation of the DOT's restrictions regarding off-premises advertising signs erected adjacent to the highway. These regulations are found in Iowa Administrative Code chapter 761-117.3. Because the DOT has no jurisdiction over East Lincoln Way, the DOT requires that the City's resolution also state that local city and county jurisdictions are encouraged to adopt similar restrictions. However, it is City staff's opinion that this "encouragement" does not appear to obligate the City to adopt those restrictions on East Lincoln Way if the City Council chooses not to.**

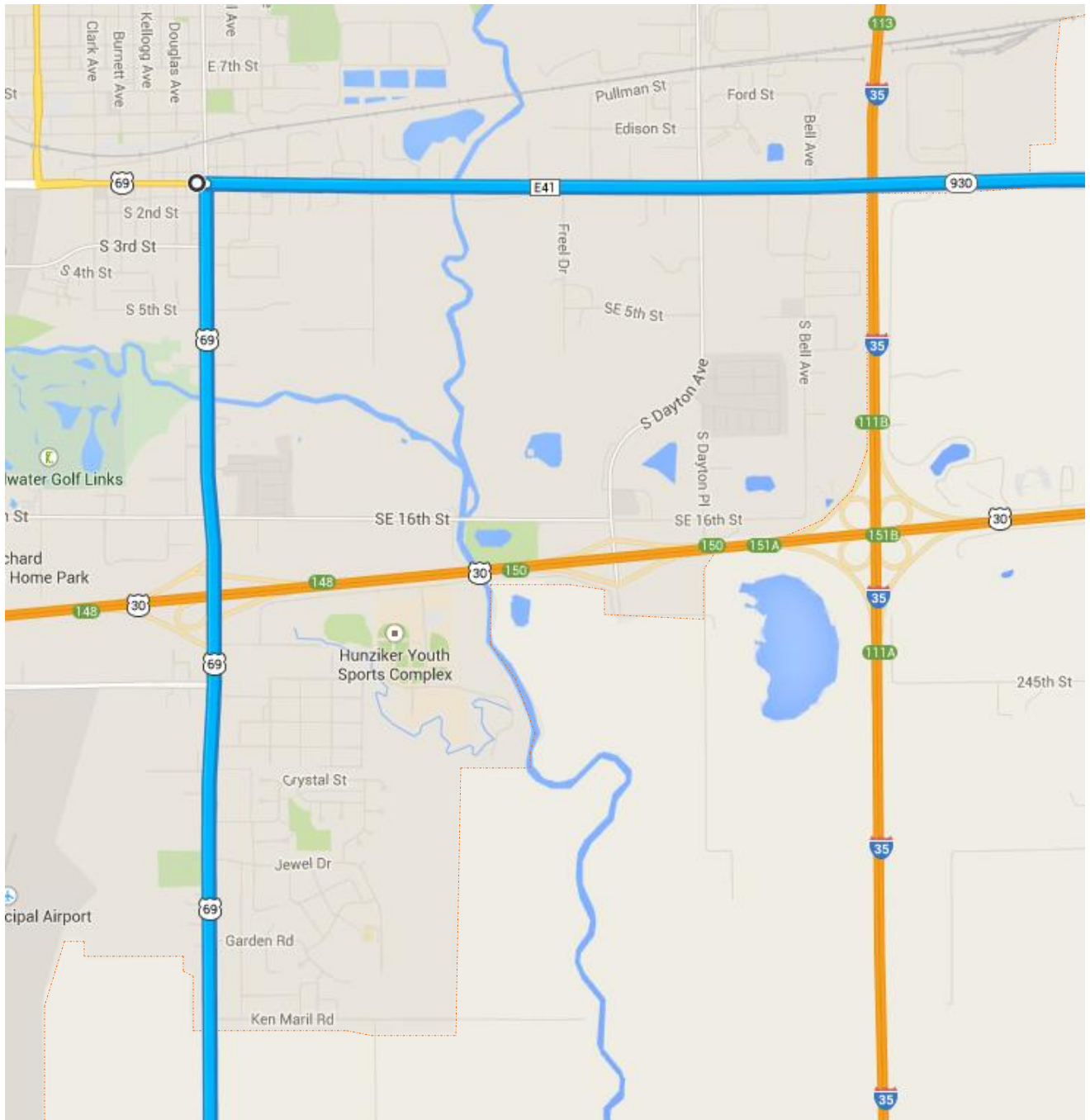
**ALTERNATIVES:**

1. Approve a resolution endorsing the application to designate the Jefferson Highway Heritage Byway as an Iowa Heritage Byway.
2. Do not endorse the designation of the Jefferson Highway Heritage Byway as an Iowa Heritage Byway.

**MANAGER'S RECOMMENDED ACTION:**

The Jefferson Highway was an important international transportation link for the community of Ames in the early 20<sup>th</sup> century. Its designation as a heritage byway will help inform local residents about its history and may draw visitors who are interested in traveling on the historic route. The designation as an Iowa Heritage Byway would not impose any financial obligation upon the City, other than City staff time to replace any broken or missing signs on the City portion of the route. This cost would be minimal.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving a resolution endorsing the application to designate the Jefferson Highway Heritage Byway as an Iowa Heritage Byway.



Jefferson Highway Route through Ames (in blue). Highway 69 is state jurisdiction, East Lincoln Way is City jurisdiction, and E41 (East Lincoln Way in Story County) is Story County jurisdiction.



RESOLUTION NO. \_\_\_\_\_

RESOLUTION ENDORSING AN APPLICATION TO THE IOWA DEPARTMENT OF  
TRANSPORTATION FOR THE DESIGNATION OF THE JEFFERSON HIGHWAY AS A  
STATE HERITAGE BYWAY

WHEREAS, the Iowa Byways program was established to identify, protect and enhance roadways in Iowa which exemplify the state's scenic and historic resources; and

WHEREAS, this effort is carried out through volunteer work and cooperation between interested citizens, organizations, local governments, and the Iowa Department of Transportation; and

WHEREAS, the Iowa Department of Transportation is empowered to accept and review applications requesting the designation of new Scenic, Heritage, and Scenic & Heritage Byways; and

WHEREAS, an application has been prepared to designate the Jefferson Highway as a state Heritage Byway; and

WHEREAS, upon designation as a state Heritage Byway, applicants are responsible for funding tourism and promotional plans and activities and no federal or state funding is inherent with designation as a state Heritage Byway; and

WHEREAS, upon designation, the Iowa Department of Transportation will lead an effort to place Iowa Byways signs specific to the Jefferson Highway along the byway route and will provide initial costs for development and installation of said signs, and will provide replacement signs; and

WHEREAS, the Iowa Department of Transportation will be responsible for the maintenance and replacement of signs installed along state route sections; and

WHEREAS, local city and county jurisdictions will be responsible to provide replacement hardware, poles, and labor to reinstall signs and once initially installed on sections of the highway that pass through their jurisdictions; and

WHEREAS, the Iowa Department of Transportation will enforce certain restrictions of off-premise signs along portions of the byway which follow interstate or primary highways in

accordance with Iowa Administrative Code Chapter 761 - 117.3(1) I. and will encourage the local city and county jurisdictions to likewise restrict such signage; and

WHEREAS, the City of Ames, Iowa, desires to endorse the designation of Jefferson Highway as an Iowa Byway.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Ames, Iowa, that:

The City endorses this application requesting designation of the Jefferson Highway as a state Heritage Byway and accepts the responsibilities and expectations of such designation as described above.

The above Resolution passed and adopted by the City Council of the City of Ames, Iowa this XX day of February, 2015.

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Ann Campbell, Mayor

Attested:

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Diane Voss, City Clerk

**COUNCIL ACTION FORM**

**SUBJECT: 2014/15 RIGHT-OF-WAY RESTORATION CONTRACT**

**BACKGROUND:**

In recent years, Public Works staff has observed and analyzed restoration of the right-of-way areas associated with various Capital Improvements Plan (CIP) projects. Some areas have been restored with sod, while other areas have been restored using seed or dormant seed. Success using these types of restoration is volatile and appears to depend on the weather at the time of installation. In areas where vegetation is not anticipated to be successful, other forms of restoration have been used, such as pervious pavement and colored or standard concrete.

In the past, having restoration as a subcontract in each of the CIP contracts means restoration is ultimately the responsibility of each prime contractor. The prime contractor's focus is on getting the primary work completed, such as paving or water mains; finishing the project with an exceptional level of restoration frequently becomes a lesser priority. To better address the restoration of rights-of-way, a new program was approved in the 2014/15 CIP. This new program will enable better restoration through a separate contract with a contractor that is specialized in vegetation establishment.

In August 2014, a restoration project was put out for bid. However, no bids were received. Staff subsequently reached out to potential contractors in the area to gain their input and encourage bidding on this new contract. It was determined that the lack of bids was mostly due to the timing of the bidding versus contractors' ability to do the work. The local contractors were already booked with other work and the out of town contractors felt it would not have been cost effective for them to continue to come to Ames to meet the specification requirements. Staff has attempted to address those concerns, as well as to be in contact with other potential contractors to keep them informed as to this project's bid date.

This project includes rebidding the previous project locations along with new locations that were intended to be bid in a separate contract. Project locations are shown on the next page, although other areas may be added by change order, if necessary.

<b>STREET</b>	<b>FROM:</b>	<b>TO:</b>	<b>CIP PROJECT</b>
Ontario Street	Illinois	Indiana	2010/11 CyRide (Resod North Side of Ontario)
5014 Ontario			2010/11 CyRide (Resod)
SE 5th Street	South Duff	Walmart	2012/13 Concrete Pavement Improvements
Jax Frontage Road			
Carroll	9th	13th	2012/13 Asphalt Resurfacing/Seal Coat Removal
Knapp	Welch	Lynn	2013/14 Concrete Pavement Improvements
Lynn	Knapp	Storm	
N 2nd Street	N Elm	End of Street	2013/14 Concrete Pavement Improvements
Garden Road	South Duff	End of Street	2013/14 CyRide Route Pavement Improvements
Garnet Road	Garden	Jewel	
Viola Mae	Ken Maril	Garden	
South Franklin	Tripp	Coy	2013/14 Seal Coat Pavement Improvements
Ashmore Dr, Ashmore Ct, Ashmore Cir			
Lincoln Way	Alcott	Hickory	2013/14 Arterial Street Pavement Improvements
10th Street	Grand	Duff	2013/14 Water Service Transfer
Mortensen Road	South Dakota	Dotson	2014/15 Mortensen Road Widening
Lincoln Way	Thackeray Ave	Hickory Dr	2014/15 Arterial Street Pavement Improvements
West St	Sheldon Ave	Hillcrest	2014/15 Collector Street Pavement Improvements
Woodland Ave	West St	Forest Glen	
Ridgewood Ave	9th St	13th St	2014/15 Concrete Pavement Improvements
9th St	Brookridge Ave	Northwestern Ave	
Hayward Ave	Lincoln Way	Hunt St	2014/15 Concrete Pavement Improvements
Ferndale Ave	24th St	30th St	2014/15 Asphalt Street Reconstruction Program
South 4th Street			2014/15 Shared Use Path Maintenance
Coy Street			2014/15 Water System Improvements
13th & Stange			2014/15 Traffic Signal Program
Lincoln Way & Union			2014/15 Traffic Signal Program

The costs associated with this project are estimated to include:

Engineering and Construction Administration (Estimated)	\$ 30,000
Restoration work (Wheeler)	\$ 5,481
Restoration work ( <b>Estimated, This Project</b> )	<b>\$ 168,521</b>
Total Estimated Costs	\$ 204,002

The project funding for 2014/15 is summarized below:

Road Use Tax	\$ 120,000
Water Utility Fund	\$ 40,000
Sanitary Sewer Utility	\$ 40,000
12/13 GO Bond Savings from Asphalt Resurf/Seal Coat Recon.	\$ 7,000
13/14 GO Bond Savings from Cy Ride Route Pavement Improv.	<u>\$ 9,400</u>
Total Funding	\$ 216,400

**ALTERNATIVES:**

1. Approve the 2014/15 Right-of-Way Restoration Contract #1 (Various Locations) by establishing April 8, 2015, as the date of letting and April 14, 2015, as the date for report of bids.
2. Direct staff to revise the project.

**MANAGER'S RECOMMENDED ACTION:**

With no bids received last time, staff solicited feedback from potential contractors. The project has now been repackaged to include more areas of restoration, essentially doubling the original contract. Given this change and the input on when to most effectively bid the project, staff is confident that a successful bidder will be obtained.

Proceeding with this project will make it possible to begin restoration efforts on projects currently being constructed. Delay of approval could postpone the final restoration until the spring of 2016 and force the roadway contracts to again utilize temporary stabilization, which increases the overall cost of those projects and delays the reestablishment of permanent greenscaping.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.



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# MEMO

**To:** Mayor and Members of the City Council

**From:** City Clerk's Office

**Date:** February 27, 2015

**Subject:** Item No. 13

This item will be acted upon at the Council's March 24, 2015, meeting.

**COUNCIL ACTION FORM**

**SUBJECT: FLEET ACQUISITION PROGRAM – MOWING EQUIPMENT LEASE**

**BACKGROUND:**

The City leases four commercial size riding mowers to perform the bulk of mowing in City parks and at Homewood Golf Course. These mowers are leased for seasonal work from mid-March to November of each year. The current mowers have been leased on a two-year lease program, with an option to renew the lease for an additional two years with new mowers provided at the beginning of each renewal period. In the past, the lease could be renewed two times, for a total of six years before being bid again. The 2014 mowing season was the sixth and final year of the lease. This equipment has now been bid out for a new lease agreement to begin with the 2015 mowing season.

A change to the bid specifications requests the lease be for three years with an option to renew one time for an additional three years.

**Bids were received as follows:**

**Group 1: Two 10.5' Wide Deck Mowers**

\*TurfWerks will supply the same mowers for the entire lease period.

\*\*MTI will supply new mowers at the start of each season.

Bidder	Make	Model	3-Year Lease	Optional Renewal	Additional 3-Year Lease
TurfWerks	Jacobsen	R311T	\$ 75,450.00	Yes	\$83,724
MTI Distributing, Inc.	Toro	GM-4100D	\$ 85,364.28	No	-
Van Wall Equipment	John Deere	1600	\$103,340.00	Yes	\$115,848

**Group 2: Two 8' Wide Deck Mowers**

\*Van Wall Equipment will supply the same mowers for the entire lease period.

\*\*MTI will supply new mowers at the start of each season.

Bidder	Make	Model	3-Year Lease	Optional Renewal	Additional 3-Year Lease
MTI Distributing, Inc.	Toro	GM360	\$53,613.18	No	-
Van Wall Equipment	John Deere	11580	\$77,940.00	Yes	\$87,288

Parks and Recreation staff has experienced past issues with TurfWerks related to the quality of the machine and customer service issues. TurfWerks also asked for an exception to the penalty clause in the bid, which does not meet the City's customer service needs. However, the City Attorney and Purchasing Manager indicated neither of these items is of such significance as to cause rejection of the low bid.

The Parks Maintenance and Homewood Golf Course budgets both have sufficient funding in FY15 to lease these mowers.

**ALTERNATIVES:**

1. Award this contract to Turfwerks for two Jacobsen R311 10.5-foot wide mowers at a cost of \$75,450.00 for three years; and MTI for two Toro GM360 8-foot wide mowers at a cost of \$53,613.18 for three years. This is the lowest direct cost to lease the machines.
2. Award this contract to MTI Distributing, Inc. for the lease of two Toro GM-4100D 10.5-foot mowers at a cost of \$85,364.28 for three years and two Toro GM360 8-foot mowers at a cost of \$53,613.18 for three years.
3. Delay award of bid for additional information.
4. Reject all bids.

**MANAGER'S RECOMMENDED ACTION:**

The Director of Fleet Services and Parks and Recreation staff agree that leasing the Jacobsen mowers from TurfWerks and Toro mowers from MTI Distributing, Inc. will meet the service requirements of the Parks Maintenance Division at a reasonable price.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 thereby accepting to award this contract to Turfwerks for two Jacobsen R311 10.5-foot wide mowers at a cost of \$75,450.00 for three years; and MTI for two Toro GM360 8-foot wide mowers at a cost of \$53,613.18 for three years. This is the lowest direct cost to lease the machines.





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# MEMO

**To:** Mayor and Members of the City Council

**From:** City Clerk's Office

**Date:** February 27, 2015

**Subject:** Contract and Bond Approval

There are no Council Action Forms for Item Nos.   15   through   17  . Council approval of the contract and bond for these projects is simply fulfilling a *State Code* requirement.

/jr

**COUNCIL ACTION FORM**

**SUBJECT: LIBRARY RENOVATION AND EXPANSION PROJECT CHANGE  
ORDER NO. 22 WITH A&P/SAMUELS GROUP**

**BACKGROUND:**

The City Council is being asked to approve Library Renovation and Expansion Project Change Order #22 with A&P/Samuels Group. This request includes the following items for a total increase in the contract sum of \$103,641.

- 1) Add \$2,558 to revise exit signs following code official's walk-through, close a gap at the 2<sup>nd</sup> floor north wall, change wall base from aluminum to vinyl adjacent to terrazzo, and provide edge guard for area rugs.
- 2) Add \$14,106 for new drain tile and sidewalk replacement at the southeast corner of the site due to higher-than-planned Douglas Avenue sidewalk elevation.
- 3) Add \$17,915 for additional keypad locks, one double door with automatic power, additional electrical receptacle at Welcome Desk, and miscellaneous hardware.
- 4) Add \$21,961 for additional power outlets, changes to clock locations, steel tube closure pieces, enlarged area rug and new dutch door in Literary Grounds, chair rail at public seating area on second floor, and glass panel change at Study Rooms.
- 5) Add \$4,624 to provide hold-open arms on 24 doors.
- 6) Add \$1,656 to revise locks on storage rooms.
- 7) Add \$2,696 for a U-shaped bollard at the alley book drop and carpet in a portion of the north auditorium storage area.
- 8) Add \$31,423 for costs related to additional framing at the soffit above the children's bench in the southeast corner, revisions to drywall ceilings in the lower level of 1904 building, revised precast panel at the south end of the building (in lieu of adding a steel column), drywall enclosure for a projection screen, changing the ceiling in second-floor hall ceiling from acoustical to drywall, providing drywall bulkhead and ceiling in used book storage area due to existing conditions, adding new wall and providing infill instead of the existing surface in a first-floor storage area, providing temporary rock fill along sidewalk at the southeast corner for safety measures, adding emergency lights in the basement, changing from galvanized to stainless steel railings at the north stair, relocating picture rail per owner request, providing additional floor sealer on stairway VCT, adding LED light fixtures in the auditorium, providing receptacles for under-counter refrigerators in auditorium closets, adding wall protection at the east book drop, repairing pull-down stairs in second-floor hallway, and revising the ceiling system to be removable at the Youth Services door to the rear corridor.
- 9) Add \$6,702 to provide 3/8" glass at the Adult Services office for added rigidity.

A summary of the Samuels Group's contract to date appears below.

Original Contract Sum	\$ 12,543,350.00
Net changes authorized by Change Orders #1-21	\$ 837,240.00
Contract Sum after processing Change Order #21	\$ 13,380,590.00
Contract Sum increase by approval of Change Order #22	\$ 103,641.00
New Contract Sum including Change Order #22	\$ 13,484,231.00

With approval of Change Order #22, the unspent balance of the Samuels Group's change order allowance will be \$59,119.

The Library Board of Trustees discussed pending change order requests at its meeting on February 19, 2015. At that time, it was noted that over \$1 million remains in unspent project funds. Thus, adequate funds remain available for further Renovation and Expansion Project needs. At a special meeting on February 26, 2015, the Library Board adopted a resolution recommending Council approval of Change Order #22, with funding from 2013 bond proceeds.

**It is important to note that all costs of this project, including change orders, will ultimately be charged to the Project budget. At the time that the project is closed out a decision will need to be made regarding disposition of the unused balance. At this time, the City Manager believes the most equitable manner to handle this will be to prorate the unspent balance between the debt service fund and the Library donations fund.**

**ALTERNATIVES:**

1. Approve Change Order #22 with A&P/Samuels Group, A Joint Venture, to allow for miscellaneous interior and exterior changes described above for an increase in the contract sum of \$103,641, with payment made from the project budget.
2. Do not approve Change Order #22.

**MANAGER'S RECOMMENDED ACTION:**

This change order addresses a variety of issues that have arisen in the course of the Library's Renovation and Expansion Project. Some pertain to characteristics of the older portion of the building, new information provided by building inspectors, and the change in the elevation of 5<sup>th</sup> Street after reconstruction. Experiences gained after opening the building to the public have also yielded information that suggests where modifications should be made. The requested changes will optimize customer comfort, maximize safety, accommodate inspection requirements and existing site characteristics, improve staff efficiency, and help protect walls and floors from everyday wear and tear.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.



**NOTICE OF PUBLIC HEARING  
AMENDMENT OF CURRENT CITY BUDGET**

Form 653.C1

The City Council of Ames in STORY County, Iowa  
will meet at City Hall, 515 Clark Avenue, Ames, IA  
at 7:00 PM on March 3, 2015  
(hour) (Date)

,for the purpose of amending the current budget of the city for the fiscal year ending June 30, 2015  
(year)

by changing estimates of revenue and expenditure appropriations in the following programs for the reasons given. Additional detail is available at the city clerk's office showing revenues and expenditures by fund type and by activity.

		Total Budget as certified or last amended	Current Amendment	Total Budget after Current Amendment
<b>Revenues &amp; Other Financing Sources</b>				
Taxes Levied on Property	1	25,487,263	0	25,487,263
Less: Uncollected Property Taxes-Levy Year	2	0	0	0
<b>Net Current Property Taxes</b>	3	25,487,263	0	25,487,263
Delinquent Property Taxes	4	0	0	0
TIF Revenues	5	37,866	0	37,866
Other City Taxes	6	8,860,251	974,588	9,834,839
Licenses & Permits	7	1,381,200	245,249	1,626,449
Use of Money and Property	8	11,218,921	4,878,156	16,097,077
Intergovernmental	9	18,664,393	4,483,267	23,147,660
Charges for Services	10	261,361,973	851,802	262,213,775
Special Assessments	11	441,075	-54,476	386,599
Miscellaneous	12	2,767,861	137,298	2,905,159
Other Financing Sources	13	79,691,882	-24,780,406	54,911,476
<b>Total Revenues and Other Sources</b>	14	409,912,685	-13,264,522	396,648,163
<b>Expenditures &amp; Other Financing Uses</b>				
Public Safety	15	16,866,968	-89,906	16,777,062
Public Works	16	5,814,458	35,582	5,850,040
Health and Social Services	17	1,155,850	3,713	1,159,563
Culture and Recreation	18	7,720,447	76,696	7,797,143
Community and Economic Development	19	3,799,515	179,543	3,979,058
General Government	20	2,498,092	181,076	2,679,168
Debt Service	21	9,800,973	-57,815	9,743,158
Capital Projects	22	38,633,110	1,755,047	40,388,157
Total Government Activities Expenditures	23	86,289,413	2,083,936	88,373,349
Business Type / Enterprises	24	339,132,992	-35,851,415	303,281,577
<b>Total Gov Activities &amp; Business Expenditures</b>	25	425,422,405	-33,767,479	391,654,926
Transfers Out	26	14,962,382	625,832	15,588,214
<b>Total Expenditures/Transfers Out</b>	27	440,384,787	-33,141,647	407,243,140
<b>Excess Revenues &amp; Other Sources Over (Under) Expenditures/Transfers Out for Fiscal Year</b>	28	-30,472,102	19,877,125	-10,594,977
	#			
Beginning Fund Balance July 1	30	516,512,169	74,426,966	590,939,135
<b>Ending Fund Balance June 30</b>	31	486,040,067	94,304,091	580,344,158

Explanation of increases or decreases in revenue estimates, appropriations, or available cash:

The City is delaying the issuance of revenue bonds for the power plant conversion to fiscal year 2016, which also reduces the related capital project expenses for the power plant in fiscal year 2015. The hospital's investment income estimate increased due to favorable market conditions. The timing of various capital projects along with the addition of a few new projects explain the major changes in expenditures.

There will be no increase in tax levies to be paid in the current fiscal year named above related to the proposed budget amendment. Any increase in expenditures set out above will be met from the increased non-property tax revenues and cash balances not budgeted or considered in this current budget.

  
City Clerk/Finance Officer

**NOTICE OF PUBLIC HEARING  
BUDGET ESTIMATE**

FISCAL YEAR BEGINNING JULY 1, 2015 - ENDING JUNE 30, 2016

City of Ames, Iowa

The City Council will conduct a public hearing on the proposed Budget at City Hall, 515 Clark Ave., Ames, IA  
on 3/3/2015 at 7:00 PM

The Budget Estimate Summary of proposed receipts and expenditures is shown below.

Copies of the the detailed proposed Budget may be obtained or viewed at the offices of the Mayor, City Clerk, and at the Library.

The estimated Total tax levy rate per \$1000 valuation on regular property . . . 10.62937

The estimated tax levy rate per \$1000 valuation on Agricultural land is . . . . . 3.00375

At the public hearing, any resident or taxpayer may present objections to, or arguments in favor of, any part of the proposed budget.

515-239-5262  
*phone number*

Diane R. Voss  
*City Clerk/Finance Officer's NAME*

		<b>Budget FY 2016</b>	<b>Re-est. FY 2015</b>	<b>Actual FY 2014</b>
		(a)	(b)	(c)
<b>Revenues &amp; Other Financing Sources</b>				
Taxes Levied on Property	1	25,941,230	25,487,263	25,156,128
Less: Uncollected Property Taxes-Levy Year	2	0	0	0
<b>Net Current Property Taxes</b>	<b>3</b>	<b>25,941,230</b>	<b>25,487,263</b>	<b>25,156,128</b>
Delinquent Property Taxes	4	0	0	1,927
TIF Revenues	5	41,346	37,866	10,456
Other City Taxes	6	9,336,769	9,834,839	8,586,504
Licenses & Permits	7	1,486,425	1,626,449	1,921,654
Use of Money and Property	8	8,742,806	16,097,077	27,463,598
Intergovernmental	9	25,044,164	23,147,660	21,101,281
Charges for Services	10	266,802,473	262,213,775	260,159,389
Special Assessments	11	442,728	386,599	199,150
Miscellaneous	12	2,913,736	2,905,159	4,301,308
Other Financing Sources	13	64,333,490	39,206,011	5,004,703
Transfers In	14	16,745,333	15,705,465	13,197,763
<b>Total Revenues and Other Sources</b>	<b>15</b>	<b>421,830,500</b>	<b>396,648,163</b>	<b>367,103,861</b>
<b>Expenditures &amp; Other Financing Uses</b>				
Public Safety	16	17,267,907	16,777,062	15,753,482
Public Works	17	6,172,695	5,850,040	5,438,895
Health and Social Services	18	1,233,357	1,159,563	1,060,788
Culture and Recreation	19	7,870,207	7,797,143	6,957,635
Community and Economic Development	20	2,994,830	3,979,058	2,909,989
General Government	21	2,464,933	2,679,168	2,485,824
Debt Service	22	10,671,238	9,743,158	10,082,599
Capital Projects	23	23,338,303	40,388,157	24,184,671
<b>Total Government Activities Expenditures</b>	<b>24</b>	<b>72,013,470</b>	<b>88,373,349</b>	<b>68,873,883</b>
Business Type / Enterprises	25	310,929,452	303,281,577	245,545,385
<b>Total ALL Expenditures</b>	<b>26</b>	<b>382,942,922</b>	<b>391,654,926</b>	<b>314,419,268</b>
Transfers Out	27	16,745,333	15,705,465	13,197,763
<b>Total Expenditures/Transfers Out</b>	<b>28</b>	<b>399,688,255</b>	<b>407,360,391</b>	<b>327,617,031</b>
<b>Excess Revenues &amp; Other Sources Over (Under) Expenditures/Transfers Out</b>	<b>29</b>	<b>22,142,245</b>	<b>-10,712,228</b>	<b>39,486,830</b>
Beginning Fund Balance July 1	30	580,226,907	590,939,135	551,452,305
<b>Ending Fund Balance June 30</b>	<b>31</b>	<b>602,369,152</b>	<b>580,226,907</b>	<b>590,939,135</b>

**COUNCIL ACTION FORM**

**SUBJECT: PUBLIC HEARING AND NOTICE OF INTENT TO ISSUE \$15,000,000 ESSENTIAL CORPORATE PURPOSE GENERAL OBLIGATION BONDS, \$5,950,000 GENERAL OBLIGATION REFUNDING BONDS AND ASSOCIATED TAX LEVY FOR DEBT SERVICE**

**BACKGROUND:**

The FY 2015/16 budget includes a number of General Obligation (G.O.) Bond funded capital improvements. A public hearing is required to authorize issuance of bonds and the levy of property taxes for debt to be issued. The dollar amounts and corresponding property tax levy for the planned G.O. bond issue are included as part of the FY 2015/16 budget.

The G.O. Bonds and debt service levy for the FY 2015/16 budget were based on projects listed in the table below. Council authorization will be required at a later date to authorize the sale of the FY 2015/16 General Obligation Bonds. Bonds are expected to be issued shortly after the start of the new fiscal year. In addition to the G.O. Bonds to fund capital improvement projects, staff has identified a potential bond refunding for bonds issued in 2006 and 2007 that may provide savings in debt service costs. **Though Council will be holding a public hearing and notice of intent on the sale of bonds, the refunding sale will not go forward unless adequate savings are expected.** Planned final maturity for the new bonds is 12 years, with the exception of the abated Airport Terminal bonds of \$943,000, which will be for 20 years.

**Please note that in addition to the amount to fund the \$13,892,990 in G.O. Bond funded capital projects, the not-to-exceed amount for the issuance includes \$1,107,010 additional authorization to allow for issuance costs and the option to sell our bonds at a premium over the par or face value of bonds. In any case, debt will not be issued in an amount where debt service exceeds the property tax levy included in the proposed budget.**

The Capital Improvements Plan's 2015/16 G.O. Bond issue and planned refunding will include the following projects:

East Lincoln Way Sewer Extension	\$ 2,000,000	
ISU Research Park Improvements	2,938,990	
Airport Terminal	943,000	
	<hr/>	
<b>Debt to be Abated by Other Revenues</b>		<b>\$ 5,881,990</b>
Flood Mitigation	\$ 144,000	
West Lincoln Way Improvements	450,000	
Asphalt Street Improvements	1,300,000	
Grand Avenue Extension	280,000	
Concrete Pavement Improvements	1,100,000	
Arterial Street Pavement Improvements	400,000	
Downtown Street Pavement Improvements	800,000	
Seal Coat Pavement Improvements	350,000	
Bridge Rehabilitation Program	2,320,000	
Airport Terminal Building	867,000	
	<hr/>	
<b>Subtotal Tax Supported Bonds</b>		<b>\$8,011,000</b>
<b>Refunding Bonds</b>		<b>5,950,000</b>
<b>Issuance Cost and Allowance for Premium</b>		<b>1,107,010</b>
	<hr/>	
<b>Grand Total – 2015/16 G.O. Issue</b>		<b>\$20,950,000</b>

**ALTERNATIVES:**

1. Adopt a pre-levy resolution authorizing the issuance of Essential Corporate Purpose General Obligation and General Obligation Refunding Bonds in an amount not to exceed \$20,950,000 and the debt service property tax levy to pay principal and interest on the bonds and set the date of public hearing for March 3, 2015.
2. Reject the pre-levy resolution authorizing the issuance of Essential Corporate Purpose General Obligation Bonds, reduce the 2015/16 property tax levy, and delay the capital projects. Rejection of the Essential Corporate Purpose Bonds will prevent the City from completing the bond funded projects reflected in the 2015/16 Capital Improvements Plan.

**MANAGER’S RECOMMENDED ACTION:**

Prior to the issuance of this debt, state law requires that this pre-levy resolution be adopted. This is a required step in order to accomplish the Council’s approved capital improvements for the upcoming fiscal year.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby adopting a pre-levy resolution authorizing the issuance of Essential Corporate Purpose General Obligation and General Obligation Refunding Bonds in an amount not to exceed \$20,950,000 and the debt service property tax levy to pay principal and interest on the bonds, and setting the date of public hearing for March 3, 2015.



**COUNCIL ACTION FORM**

**SUBJECT: POWER PLANT FUEL CONVERSION – TURBINE CONTROL SYSTEMS (TCS) ON UNITS 7 AND 8 – REPORT OF BIDS**

**BACKGROUND:**

In November 2013 the City Council voted to convert the City's Power Plant from coal to natural gas. Implementing this decision requires a significant amount of engineering, installation of equipment, and modification and construction in the Power Plant.

On January 13, 2015, City Council approved preliminary plans and specifications for the Turbine Controls System. **This specific phase of the conversion project is to purchase new Turbine Control Systems (TCS) for both Unit 7 and Unit 8. Additionally, the steam seal regulator on Unit 8 is to be replaced.**

Bid documents for this project were issued to ten companies. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a legal notice was published in the Ames Tribune. The bid was also sent to one planroom. The Engineer's estimate of the cost for this phase of the project is \$1,064,728.

**On February 25, 2015, four bids were received as shown on the attached report. The specifications and bids are quite complex, and Electric Services staff feels that additional time is needed to evaluate each bid in order to recommend an award that best meets the City's needs.**

The approved FY 2014/15 Capital Improvements Plan for Electric Services includes \$36,880,000 for the Unit #7 and #8 Fuel Conversion. This amount includes \$2,000,000 for engineering and \$34,880,000 for equipment and installation.

**ALTERNATIVES:**

1. Accept the report of bids and delay award for the Turbine Control System.
2. Award a contract to the apparent low bidder.
3. Reject all bids and direct staff to rebid.

**MANAGER'S RECOMMENDED ACTION:**

Staff needs additional time to fully evaluate the bids before recommending action by the City Council. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.



## 2015-133 Turbine Control System Bid Summary

BIDDER:

**GE Energy Control Solutions, Inc  
Longmont, CO**

**HPI-LLC  
Houston, TX**

**Schneider Electric  
Houston, TX**

**Emerson Process Management Power & Water Solutions, Inc.  
Pittsburgh, PA**

### BID NO. 1 TURBINE CONTROL SYSTEM

<b>1</b>	<b>FIRM PRICE for Turbine Control System (TCS) and appurtenances, as specified in Specification C-2401, subdivided as follows:</b>	<b>\$814,920.00</b>	<b>\$953,973.00</b>	<b>\$997,185.00</b>	<b>\$1,400,337.12</b>
1.a*	Subtotal Hardware and Software (Items 1.2 and 1.3) - *EMERSON ADD				\$767,416.00
1.b*	Hardware Tax (7%) - *EMERSON ADD				\$53,719.12
1.c*	Subtotal Labor (Items 1.1, 1.4 and 1.5) - *EMERSON ADD				\$579,202.00
<b>1.1</b>	<b>ENGINEERING, PROGRAMMING, GRAPHICS AND PROJECT MANAGEMENT</b>	<b>\$278,006.00</b>	<b>\$103,726.00</b>	<b>\$387,285.00</b>	<b>\$447,327.00</b>
1.1.1	Unit 7 TCS Programming and Configuration	\$120,026.00	\$21,793.00	\$240,550.00	Included
1.1.2	Unit 7 TCS Graphics Configuration	\$24,502.00	\$17,670.00	Included	Included
1.1.3	Unit 8 TCS Programming and Configuration	\$114,023.00	\$21,793.00	\$124,085.00	Included
1.1.4	Unit 8 TCS Graphics Configuration	\$19,455.00	\$17,670.00	Included	Included
1.1.5	Project Management and Administration	Included	\$24,800.00	\$22,650.00	Included
<b>1.2</b>	<b>TURBINE CONTROL SYSTEM</b>				
<b>1.2.1</b>	<b>Total TCS Hardware</b>	<b>\$393,624.00</b>	<b>\$755,780.00</b>	<b>\$564,900.00</b>	<b>\$721,666.00</b>
1.2.2	Unit 7 TCS Hardware, Software, Workstations and accessories	\$99,316.00	\$305,490.00	\$234,910.00	\$200,596.00
1.2.3	Unit 8 TCS Hardware, Software, Workstations and accessories	\$91,613.00	\$312,467.00	\$231,995.00	\$177,166.00
1.2.4	TCS Software Licensing and Upgrades for one year per Specification C-2402.	Included	Included Above	\$7,075.00	Included
1.2.5	Low Fidelity Simulator per Specification C-2402, Section 613.1	\$49,224.00	Included Above	\$4,995.00	\$66,797.00
1.2.6	TCS Spare Parts for start-up and Special Tools per Specification C-2402	N/A	\$12,485.00	\$9,135.00	\$33,325.00
1.2.7	Steam Turbine Front Standard Mechanical-Hydraulic Control Replacement Mechanical Equipment (Steam Turbine Inlet Control Valve)	\$151,370.00	\$120,038.00	\$73,290.00	
1.2.7*	Steam Turbine Front Standard MHC Replacement to EHC CV and Mechanical Upgrades - *EMERSON ADD				\$100,730.00
1.2.8*	OSC and AMS Solutions - *EMERSON ADD				\$138,052.00
1.2.9	Freight	\$2,101.00	\$5,300.00	\$3,500.00	\$5,000.00
<b>1.3</b>	<b>TECHNICAL FIELD ASSISTANCE (TFA)</b>	<b>\$104,989.00</b>	<b>\$67,852.00</b>	<b>\$45,000.00</b>	<b>\$64,480.00</b>
1.3.1	Number of working days included in the above TFA price	40	30	35 (280 Hours)	400 hours
1.3.2	Price per work day in excess of the TFA time included above	See Rate Sheet	\$2,150.00	\$1,225.00	
1.3.2*	Price per eight (8) straight hours in excess of TFA (Technical Direction) time included above- *EMERSON ADD				\$1,593 / 8 hours + travel & living
1.3.2a*	Price per eight (8) straight hours in excess of THA (Tuner) time included above- *EMERSON ADD				\$2,145 / 8 hours + travel & living
1.3.3	Number of round trips to the Project Site included in the above TFA price	4	2	3	8
1.3.4	Price per round trip in excess of trips included above	See Rate Sheet	\$3,350.00	\$770.00	Billable At Cost/Trip
<b>1.4</b>	<b>ON SITE TRAINING</b>	<b>\$38,301.00</b>	<b>\$26,615.00</b>	<b>\$0.00</b>	<b>\$67,395.00</b>
1.4.1	Total cost for On Site Operator Training (up to 20 people)	\$19,401.00	\$17,743.00	Included in previous bid	\$56,603.00
1.4.2	Total cost for Technician Training at Supplier's office (up to 6 people)	\$18,900.00	\$8,872.00	Included in previous bid	\$10,792.00
1.4.3	Number of days included in the above Operator Training price	2	6	0	10
1.4.4	Number of days included in the above Technician Training price	5	3	N/A	60
1.4.5	Number of round trips to the Project Site included in the above Operator Training price	1	0	N/A	2
1.4.6	Price per round trip in excess of trips included above	N/A	\$3,350.00	N/A	Billable At Cost/Trip
1.4.7	Price per one (1) additional week of On Site Operator Training	N/A	\$6,000.00	N/A	\$17,386 / week
<b>2</b>	<b>OPTIONS</b>				
2.1	Spare Parts (Recommended for 5 years) per Specification C-2402, Section 111	\$88,820.00	\$98,350.00	\$76,110.00	\$41,498.00
2.2	High Fidelity Simulator per Specification C-2402, Section 613.2	Discussion needed to price	\$22,458.00	\$26,670.00	\$196,784.00
2.3	Cost to extend warranty to two (2) years (including software upgrades and licensing fees) after Owner acceptance and release of retention	\$9,739.00	\$49,640.00	\$37,780.00	\$39,052.00
2.4	Cost to extend warranty to three (3) years (including software upgrades and licensing fees) after Owner acceptance and release of retention	\$16,231.00	\$120,925.00	\$39,155.00	\$78,103.84
2.5	Monthly cancellation charges - BASE BID:	See GE Proposal for schedule	Schedule attached under TAB 4		See cancellation schedule

<b>3</b>	<b>ADD / DELETE PRICING</b>				<b>ADD / DELETE</b>
3.1	Price to add or delete one (1) PC-based Operator workstation with dual LCD monitors and all accessories	\$49,922.00	\$11,350.00	\$4,400.00	\$5,829 / \$5,199
3.2	Price to add or delete one (1) PC-based Operator workstation with single LCD monitor and all accessories	\$49,007.00	\$10,500.00	\$4,120.00	\$5,170 / \$4,597
3.3	Price to add or delete one (1) PC-based Engineering workstation with single LCD monitor and all accessories	\$49,007.00	\$19,400.00	\$4,575.00	\$8,523 / \$7,662
3.4	Price to add or delete a Redundant Processing Unit or Process Controller (excluding I/O)	\$10,200.00	\$5,000.00	\$7,800.00	\$22,164 / \$19,948
3.5	Price to add or delete isolated 4-20 mA (with HART), RTD or thermocouple inputs in groups of 8	TBD, during project	\$1,200.00	\$615.00	\$326 / \$298
3.6	Price to add or delete isolated RTD or thermocouple inputs in groups of 8	TBD, during project	\$1,200.00	\$805.00 - FBM202 / \$535.00 - FBM203	
<b>3.6*</b>	Price to add or delete isolated RTD - <b>*EMERSON ADD</b>				\$239 / \$219
<b>3.6a*</b>	Price to add or delete isolated thermocouple- <b>*EMERSON ADD</b>				\$208 / \$190
3.7	Price to add or delete 4-20 mA dc outputs in groups of 8	TBD, during project	\$1,725.00	\$630.00	\$217 / \$198
3.8	Price to add or delete digital inputs in groups of 16 (dry contact)	TBD, during project	\$375.00	\$540.00	\$117 / \$107
3.9	Price to add or delete digital inputs in groups of 16 (field wetted contact)	TBD, during project	\$614.00	\$730.00	\$170 / \$155
3.10	Price to add or delete digital outputs in groups of 8 (solid state outputs)	TBD, during project	\$358.00	\$545.00	N/A
3.11	Price to add or delete digital outputs in groups of 8 (electromechanical relay outputs)	TBD, during project	\$725.00	\$545.00	
<b>3.11*</b>	Price to add or delete digital outputs (electromechanical relay outputs) - G2R 1 Form C - <b>*EMERSON ADD</b>				\$308 / \$281
<b>3.11a*</b>	Price to add or delete digital outputs (electromechanical relay outputs) - G2R 1 Form C - <b>*EMERSON ADD</b>				\$377 / \$345
3.12	Price to add or delete a pulsed input card	TBD, during project	\$774.00	\$405.00	\$257 / \$235
3.13	Price to add or delete a ETHERNET interface card for MODBUS TCP/IP or OPC datalinks	TBD, during project	\$2,257.00	\$2,200.00	N/A
3.14	Price to add or delete a MODBUS serial interface card	TBD, during project	\$2,474.00	\$1,590.00	\$211 / \$193
3.15	Price to add or delete a TCS cabinet with modular power supply and internals	N/A	\$103,615.00	N/A	\$3,600 / \$3,291
3.16	Price to add or delete a DCS cabinet (empty shell)	N/A	\$3,600.00	N/A	\$1,043 / \$9,534
3.17	Price to add or delete a Marshalling Cabinet complete with terminal blocks	N/A	\$1,700.00	N/A	N/A
3.18	Price to add or delete a Printer	\$5,703 (11x17 Color Laser Jet)	\$650.00	\$520.00	
<b>3.18*</b>	Price to add or delete a Printer - Color- <b>*EMERSON ADD</b>				\$3,157 / \$2,885
<b>3.19*</b>	Price to add or delete a Printer - B & W - <b>*EMERSON ADD</b>				\$2,390 / \$2,184
<b>BID NO. 2 TURBINE STEAM SEAL SYSTEM FOR UNIT 8</b>					
	<b>BIDDER:</b>	<b>General Electric International, Inc Omaha, NE</b>	<b>HPI-LLC Houston, TX</b>	<b>Schneider Electric Houston, TX</b>	<b>Emerson Process Management Power &amp; Water Solutions, Inc. Pittsburgh, PA</b>
<b>1</b>	<b>TURBINE STEAM SEAL SYSTEM FOR UNIT 8</b>	<b>\$186,320.00</b>	<b>\$48,538.00</b>	<b>\$32,850.00</b>	<b>\$45,750.00</b>
1.1	Unit 8 Steam Turbine Steam Seal Regulator Valves, Instruments, and Controls	\$183,320.00	\$46,538.00	\$32,750.00	\$43,750.00
1.2	Freight	\$3,000.00	\$2,000.00	\$100.00	\$2,000.00
	<b>NOTE:</b>	<b>General Electric's bid as requested in bid doc. (two separate bids)</b>	<b>HPI's bid as requested in bid doc. (two separate bids)</b>	<b>Schneider's bid is all or nothing</b>	<b>Emerson's bid is all or nothing</b>
<b>OVERALL (BID NO. 1 AND BID NO. 2)</b>		<b>\$1,001,240.00</b>	<b>\$1,002,511.00</b>	<b>\$1,030,035.00</b>	<b>\$1,400,337.12</b>

**COUNCIL ACTION FORM**

**SUBJECT: REPORT OF BIDS FOR 2015 INIS GROVE PARK SAND VOLLEYBALL COURT LIGHTING**

**BACKGROUND:**

After months of gathering public input and reviewing multiple options, the Parks and Recreation Commission elected to place four lighted sand volleyball courts in Inis Grove Park. This project has two phases, with the first phase being the construction of the courts by City staff. The first phase is projected to be completed by May 31, 2015. Phase two will be the installation of the lighting and will be contracted. The contractor will have until August 31, 2015 to install the lights.

Lighting bids were solicited for the following items:

**Base Bid** – Provide all labor, equipment, materials, and other components necessary to complete the Inis Grove Park Sand Volleyball Court Lighting in accordance with the plans and specifications.

**Alternate #1** – Contractor to replace existing control unit for the tennis and basketball courts with new control unit for remote access of the tennis, basketball, and sand volleyball courts.

<b>Bidder</b>	<b>Base Bid</b>	<b>Add Alt. #1</b>	<b>Total Bid with Alt.</b>
Van Maanen Electric, Inc., Newton, IA	\$85,909	\$6,865	\$92,774
Cox Electric, Polk City, IA	\$96,215	\$8,320	\$104,535

The estimated costs for this project are as follows:

Phase One:	\$50,400
Phase Two (Without Alternate):	\$85,909
Engineering:	<u>\$14,430</u>
<b>Project Total</b>	<b>\$150,739</b>

**The original budget for this project was \$100,000. Since the bids opened on February 25 were higher than expected, staff has not had sufficient time to determine if additional funding is available to move forward with this project.**

**ALTERNATIVES:**

1. Accept the report of bids for the 2015 Inis Grove Park Sand Volleyball Court Lighting, and delay the award of bids at this time.

This delay will allow staff the time to examine in greater detail other CIP projects and determine if project priorities should change and which projects should be funded.

2. Reject all bids.

**MANAGER'S RECOMMENDED ACTION:**

The proposed project will address a need for additional quality sand volleyball courts within the community. However, staff needs additional time to review other CIP projects to determine if additional funding is available or if project priorities should change.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby accepting the report of bids for the 2015 Inis Grove Park Sand Volleyball Court Lighting and delaying the award of bids.

# AMES DEMAND RESPONSE SERVICE DISCUSSIONS EXECUTIVE SUMMARY



**NOVEMBER 2014 – JANUARY 2015**



# AMES DEMAND RESPONSE SERVICE DISCUSSIONS

## EXECUTIVE SUMMARY

The Ames Demand Response Service Discussion was a process improvement project to identify, better understand, and develop improvements for human service agency/organization concerns regarding door-to-door transportation services provided for the elderly, disabled and general public in Ames (as opposed to the Dial-A-Ride service provided to ADA-eligible disabled individuals only). A task force was created to oversee this process. A series of four meetings with human service agencies/organizations and transportation providers and one general public comment meeting were held during the months of November 2014 through January 2015.

Through the series of meetings, task force members continued to stress the importance that demand response service in the community was a partnership and the success of its operations was dependent upon open, quality dialog between all parties for the benefit of customers. The specific recommendations of this effort were twofold: A Demand Response Service Action Plan and Communication Plan. Each is briefly discussed below.

### **Demand Response Service Action Plan**

The Demand Response Service Action Plan identified 23 actions that the task force members recommends be taken to improve demand response service for human service agencies/organizations and their clients to utilize service within Story County. These actions (in alphabetical order), the categories of improvement and four priority actions (denoted in red) identified by the task force are briefly summarized on the next page.

### **Communication Plan**

To continue critical communication between human service agencies/organizations and transportation providers, the task force members recommend that the following actions be taken by the parties involved:

- Establish a Formal Complaint Process
- Establish Response Timeframes
- Schedule Quarterly Meetings
- Establish Formal Transportation Liaison Representatives (within the human service agencies/organizations)

With the completion of these two plans, the Demand Response Service Action Plan will be distributed to local funding agencies (Story County, City of Ames) and to the Transit Board of Trustees (CyRide) for possible future implementation considerations. The plan will also be shared with the United Way's Transportation Collaboration Committee.





## Demand Response Service Action Plan Summary

Category	Action
<b>Community Partnerships</b>	Explore more effective short term and long term solutions for the use of resources with partners (i.e. ISU, taxi's, assisted living facility and agency/organization vehicles)
	Mutually agree that transportation is a partnership and everyone will work collaboratively together to resolve issues
	All partners hold each other to the same expectations for mutually beneficial relationship
	Involve all partners upfront in program development
	Improve physical condition of buses
	Incorporate enhanced technology in buses/vans for safety and passenger satisfaction
<b>Infrastructure Improvements</b>	Employ and retain staff/drivers
	Explore the possibility of having a wheelchair on every bus
<b>Internal Modifications for HIRTA</b>	Implement a process improvement program and make changes as appropriate
	Set and monitor performance standards
	Provide a person to address passenger's failed trip needs
	Dedicate a telephone line for the agencies/organizations to contact that would have direct access to a staff person for immediate concerns
	Improved efficiencies in telephone and email system for passengers
	Increase use of personal care attendants/ride-alongs with passengers
	Provide training on passenger context/needs for HIRTA staff and drivers
	Set and monitor passenger standards
	Establish method(s) to provide driver/staff with additional information regarding passenger needs so that their trip is enjoyable and safety is enhanced
Localized reservation system	
<b>Partner Role Clarity</b>	Develop a Passenger and Caregiver User's Guide for use to establish expectations, educate passengers and passenger families on transportation services
	Share information on federal law interpretation related to transportation/passenger relationship (i.e. funding requiring community inclusion of passengers)
	Discuss and solve issues at the grass roots level with the people directly involved in the issues
	Discuss and solve issues at the management level with manager that are directly involved in the actions
<b>Service Improvement</b>	Dedicate one bus each day (unscheduled) to address unforeseen operational issues to ensure smoother operation of service

# AMES DEMAND RESPONSE SERVICE

## DISCUSSIONS



**NOVEMBER 2014 – JANUARY 2015**

# DEMAND RESPONSE SERVICE DISCUSSIONS

## HISTORY AND PURPOSE

Demand Response Service (DRS), defined as door-to-door transportation within Ames and Story County, excluding services provided as required by the Americans With Disabilities Act (ADA), has been provided to the community since 1981 by the Heart of Iowa Transit Agency (HIRTA). This service was provided under contract with a local non-profit agency within Story County (Heartland Senior Services) until July 1, 2012, when, at that time, HIRTA began directly operating this service with individuals employed by their agency.

This structural change, combined with modified fare and agency policies, created challenges for DRS passengers and the agencies/organizations that support their needs. As a result, the Ames City Council and Story County Board of Supervisors funded a facilitated discussion process with human service organizations/agencies within Story County, with this group being called the “Demand Response Service Task Force.” The final charter for this task force is included in the Appendix A. (The charter was updated from its original draft to reflect the meeting topics covered as the task force members accomplished their charge).

The purpose of the task force meetings was three-fold:

- Identify barriers to using DRS
- Determine expectations for DRS
- Identify solutions to improve service delivery - to be documented in an Action Plan

## TASK FORCE MEMBERSHIP

Human service agencies/organizations within the City of Ames, serving a large number of DRS passengers, were asked to participate in these discussions with the understanding that these groups represent most demand response users. These agencies/organizations were:

- ARC of Story County
- Foster Grandparents
- Heartland Senior Services
- Lutheran Services of Iowa
- Mainstream Living
- Mary Greeley Medical Center
- McFarland Clinic

Also available at the task force meetings were representatives from the three major transportation providers within the community – HIRTA, CyRide and RSVP. An Iowa DOT representative was also at task force meetings to provide clarification on the roles and

responsibilities of a demand response provider using federal funds to support the service. The representatives also provided clarification and necessary information to the task force on federal transportation responsibilities throughout the process. The charter sponsors, Story County and City of Ames, as well as United Way of Story County and CyRide were present for the meetings.

**SCHEDULE**

The originally developed schedule included a two-month process to begin in November 2014; however, with the addition of a public input process and the difficulties in scheduling meetings in December and early January, it was completed in late January 2015. The schedule was:

Date	Meeting Purpose	Task Force Members
November 19, 2014	<b>Meeting #1 –</b> <ul style="list-style-type: none"> <li>• Develop a list of challenges/constraints currently facing the agency’s/organization’s passengers</li> <li>• Develop a list of DRS improvements</li> <li>• Develop a vision for DRS</li> </ul>	Human Service Agencies/Organizations Only
December 3, 2014	<b>Meeting #2 –</b> <ul style="list-style-type: none"> <li>• Review Human Service Agencies/organization’s challenges/constraints and opportunities for improvement</li> <li>• Identify Transportation Provider challenges/constraints and opportunities for improvement - Brainstorm solutions</li> <li>• Discuss resources</li> </ul>	Transportation Providers Only
December 18, 2014	<b>Meeting #3 –</b> <ul style="list-style-type: none"> <li>• Develop a draft Action Plan</li> </ul>	Human Service Agencies/Organizations and Trans. Providers Together
December 29, 2014 – January 9, 2015, extended to January 17, 2015	<b>Public Comment Period</b>	N/A
January 5, 2015. Rescheduled to January 17, 2015 due to inclement weather	<b>Public Comment Session</b>	N/A

Date	Meeting Purpose	Task Force Members
January 19, 2015	<b>Meeting #4 –</b> <ul style="list-style-type: none"> <li>• Review public comments</li> <li>• Modify the Action Plan, if appropriate</li> <li>• Prioritize Action Plan solutions</li> <li>• Develop a Communications Plan</li> </ul>	Human Service Agencies/Organizations and Transportation Providers

**MEETING SUMMARY’S**

**Meeting #1 -**

The first meeting was held on November 19, 2014 at the Story County Human Services building with the human service agencies/organizations, sponsors, and CyRide’s Director. The sponsors opened the meeting by presenting the charter, purpose of the meetings and schedule. The Iowa DOT representative provided a presentation on the roles and responsibilities of a demand response provider; contrasted with the American’s With Disabilities Act roles and responsibilities as provided for Dial-A-Ride passengers. The Iowa DOT representative also discussed the numerous funding sources supporting service in the Ames community and the provider accountable for the delivery of DRS services. The facilitator asked a series of questions of the task force members as outlined in the “Overview of November 19, 2014 – Meeting #1 (Task Force Members)” notes included in the Appendix B. The Iowa DOT representative’s presentation entitled, “Meeting #1 Iowa DOT PowerPoint Presentation” is included as Appendix C.

**Meeting #2 –**

The second meeting was held on December 3, 2014 at the Ames Transit Agency (CyRide) building with HIRTA, CyRide and RSVP transportation providers, sponsors and Iowa DOT representative. The sponsors opened the meeting discussing the charter, purpose of the meetings and schedule. The facilitator then asked a series of questions of the transportation providers, similar to the questions asked of the human service agencies/organizations in the first meeting, as outlined in the “Overview of December 3, 2014 – Meeting #2 (Transportation Members)” notes included in the Appendix D.

**Meeting #3 –**

The third meeting was held on December 18, 2014 at the Ames Public Library building with all task force members present (human service agencies/organizations, transportation providers, sponsors, Iowa DOT). The sponsors opened the meeting, providing an overview of the work completed to date, and the Iowa DOT representative guided the task force members through a fact sheet entitled, “Fact Sheet for ADA Complementary Paratransit and Demand Response

Services in Ames and Story County,” which is included in the Appendix E. The Iowa DOT representative shared with the group that the fact sheet provides a factual basis and reference guide for discussions regarding the development of an Action Plan. The facilitator led the process to review a draft Action Plan developed by the sponsors, facilitator, CyRide and Iowa DOT representatives summarizing the solutions identified by the task force members at DRS meetings #1 and #2, and the addition of actions steps and responsibilities for the organization/agencies, transit providers and government representatives. The task force was divided into four representative working groups to provide feedback on the draft plan. As a result of these discussions, additional solutions were identified as well as changes to actions/responsibility statements. The task force ended the meeting with a discussion on next steps regarding the public input process and next meeting scheduled for January 19, 2015. No formal notes were recorded for this meeting as noted in Appendix F.

#### **Public Comment Session/Input –**

A public comment session was originally scheduled for January 5, 2015; however, was cancelled due to inclement weather on that day. This meeting was rescheduled for Saturday, January 17, 2015 from 8:30 – 10:30 am in the City Council Chambers. The purpose of this meeting was to record the public’s comments regarding the Demand Response Action Plan. Verbal comments were received from nine individuals and recorded by task force members. The public comment period was also extended to January 17<sup>th</sup> with five comments received electronically. These combined public comments can be briefly described by three themes:

- **Need for Improved Communication** – i.e. customer and agency challenges in getting trips scheduled, cancelled, etc., especially after hours as well as general phone concerns
- **Need for Consistent Driver Professionalism** – i.e. perception of speeding, swearing, either training issues or willingness to help customer (not consistent among drivers)
- **Need for Improved Service** – i.e. need for more weekend rural service, out of county destinations

A copy of the notes for each comment provided at the public comment session and written input received is included in the Appendix G entitled, “DRS Public Input”.

#### **Meeting #4 –**

The final meeting was held on January 19, 2015 at the Ames Public Library building with all task force members present: human service agencies/organizations, transportation providers, and sponsors. The Iowa DOT representative was unable to attend. The sponsors opened the meeting with a brief recap of the public comment session as described previously in this document. The members then developed a list of their top priorities to begin implementation

of the Action Plan. The group identified the four action steps on the following page as priority actions.

**Action Plan Item #2** – Mutually Agree That Transportation Is A Partnership And Everyone Will Work Collaboratively Together to Resolve Issues

**Action Plan Item #6** – Incorporate Enhanced Technology In Buses/Vans For Safety And Passenger Satisfaction

**Action Plan Item #7** – Employ and Retain Staff/Drivers

**Action Plan Item #13** - Improve Efficiencies in Telephone and Email System for Passengers

Action Item #2 is within HIRTA/Organizations/Transportation Providers current charge and funding. The remaining three items identified as priorities require expansion of the transportation providers funding and/or charge.

The DRS task force members then volunteered to work on one or more subcommittees to begin addressing the action items.

The meeting concluded with a discussion of the communication plan (described in further detail on the next page) and completing a brief evaluation survey on the DRS plan and process.

This meeting represented the final task force meeting as outlined in the charter with all criteria of the charter met, except for identification of resources and a financial plan for each action. This was not possible due to the limited time available to complete the process. A description of how this work will be accomplished is included in the “Next Steps” section of this document.

No formal notes were recorded for this meeting as noted in Appendix F.

### **ACTION PLAN**

The final version of the recommended Action Plan is included in the Appendix H and contains 23 actions. Each action includes a description of the solution, the specific action(s) to be taken; responsibilities of the human service agencies/organizations, transportation providers and governmental bodies; the task force’s priority ranking; and whether each solution can be accomplished with current resources or whether additional resources are needed. Additionally, the solutions are categorized into one of five categories as follows on the next page:



- Community Partnerships
- Infrastructure Improvements
- Internal Modifications for HIRTA
- Partner Role Clarity
- Service Improvement

### **COMMUNICATIONS PLAN**

In order to improve communications among human service agencies/organizations and transportation providers in Ames/Story County, the DRS task force discussed ways that the respective parties could continue healthy discussions regarding demand response service. Four processes were identified as follows on the next page:

- **Establish a Formal Complaint Process** – Identify a process that the respective parties could agree upon that would allow for discussions at the appropriate level within their organizations and an appeal process if agreement was not received by the parties involved.
- **Establish Response Timeframes** – Develop a standard that all parties would adhere to in responding via telephone, email or other electronic formats.
- **Schedule Quarterly Meetings** – Schedule quarterly meeting with task force members for the subcommittees to share the progress made on the action plan. This could possibly be added to the United Way organizations’ Transportation Collaboration Committee agendas.
- **Establish Formal Transportation Liaison Representatives** – The human service agency/organization could formally establish a Transportation Liaison/Coordinator within their agency/organization that could be the conduit with HIRTA, as well as distribute information within their organization.

### **NEXT STEPS**

#### **Action Plan –**

This document and the Action Plan will be shared with governing bodies that have oversight and funding responsibilities for the Ames DRS program. These governing bodies are:

- Ames City Council
- ASSET
- Iowa DOT
- Story County Board of Supervisors

Upon receiving the recommended action plan, each of the governing bodies will consider the solutions and priority action for enhanced DRS services and take actions appropriate within their funding programs. Additionally, this information will be shared with the Transit Board of Trustees (CyRide Board) for possible application on the ADA-required, Dial-A-Ride services program provided within the city as well as with the HIRTA Board of Directors.

**Action Plan Implementation -**

Upon concurrence with governing bodies regarding the DRS Action Plan and priorities, the DRS task force will begin work to develop specific steps to be taken, implementation timelines, finances and resources needed to implement the actions, beginning with the four priority actions identified by the group.

Upon approval of this Action Plan by its governing bodies, the DRS task force will re-form into subcommittees to begin work on implementation plans for the final, priority Action Plans approved.

# APPENDIX

## APPENDIX A

### DEMAND RESPONSE TASK FORCE CHARTER

- Focus:** Demand Response Service (Non-ADA Door-to-Door Transportation) in the City of Ames
- Project:** Identify barriers for human service agencies/organizations assisting the elderly and disabled, expectations for and solutions to demand response service in the community.
- Facilitator:** Nancy Franz
- Sponsors:** Melissa Mundt and Deb Schildroth
- Members:** **Task Force** - One representative from each of the following agencies:
- Mainstream Living – Steve Gelsen
  - Lutheran Services of Iowa – Amber Suckow
  - Heartland Senior Services – Laurie Lybarger
  - McFarland Clinic – Roger Kluesner
  - Mary Greeley Medical Center – Karen Kiel Rosser
  - ARC of Story County – Tricia Crain
  - Foster Grandparents – Anna Vaughn
- Transportation Providers –**
- HIRTA – Julia Castillo, Brooke Ramsey
  - CyRide – Sheri Kyras, Barbara Neal
  - RSVP – Arti Sanghi
- Other –**
- Iowa DOT – Kristin Haar
- Meetings/Tasks:** **Meeting #1** – Presentation on transportation requirements (Iowa DOT representative), discuss the group’s purpose, develop a list of challenges/constraints currently facing the agencies/organization’s clients in using demand response service in the Ames community, categorize the challenges/constraints into opportunities for improvement and develop a vision for demand response transportation service. (Task Force)
- Meeting #2** – Review challenges/constraints and opportunities for improvement and place into categories such as: legally not able to accommodate, can be accommodated within current charge/budget, improvements above current charge/budget. Brainstorm solutions, identify resources needed. (Transportation Providers)
- Meeting #3** – Develop a draft Action Plan that identifies potential solutions, responsibilities and whether current resources can accommodate the proposed solutions or if the solution is legally possible. (Task Force and Transportation Providers)
- Public Input Process** – The draft Action Plan will be published for review and comment by the general public. A public meeting will be held and written input received during a comment period. (Sponsors)

**Meeting #4** – Review public comments received, modify the Action Plan based on these comments, if appropriate, and prioritize the solutions for implementation. Finalize the resources needed for implementation in a financial plan with expenses and revenues identified. Develop a communications plan on how agencies/transportation providers can ensure meaningful dialog in the future. (Task Force and Transportation Providers)

**Importance for Customer's:** Increase awareness of agency needs and transportation provider requirements/constraints so that solutions can be developed that may be accomplished in the delivery of demand response service in the community.

**Boundaries and Parameters:**

- Task force meetings will be held bi-weekly over three months.
- Challenges, solutions and expectations will be consensus driven and achievable by the transportation providers.
- A global perspective will be maintained when making decisions.
- Discussions will be respectful of all individuals and organizations and focus on the challenges and not personalities.

**End Product:** Report that identifies:

- Current transportation challenges/constraints experienced by human service agencies/organizations assisting the elderly and disabled
- Categorization of challenges/constraints into opportunities for improvement
- Action plans to address the opportunities for improvement
- Identification of costs/resources for action plan activities that are above the transportation providers current charge/budget
- Identification of transit provider expectations
- Development of a communications plan that addresses the protocol for future discussions

**Starting and Ending Dates:** The task force start date is November 15, 2014 with recommendations prepared on or before January 30, 2015.

# APPENDIX B

## Story County Demand Response Services Task Force Overview of November 19, 2014 – Meeting #1 (Human Service Members)

**Project: Identify barriers for human service agencies/organizations assisting the elderly and disabled, expectations for and solutions to demand response service in the community.**

### Meeting Process:

- Welcome, introductions and purpose
- Presentation-ADA Complementary Paratransit & Demand Response Services (DRS) in Story County
- DRS Conversation with User Groups

### *Conversation Summary themes*

### Expectations of Heart of Iowa Regional Transit Authority (HIRTA) by Users

#### **Strong Customer Service**

- Available when needed
- Customer needs met
- Flexibility due to passenger context/needs
- Quality
- Reliability/timeliness
- Understand customers

#### **Passenger Safety and Support**

- Correct destination at the correct time
- Consistency and quality of customer care
- Follow laws and regulations
- Good transfer of care (door to door)
- Review safety/industry protocol of leaving the engine running when driver is not on bus
- Turn off engine and remove keys when driver not in vehicle

#### **Organizational Efficiency**

- Agreement between HIRTA and users on consistent and reasonable pick up times, wait times, and drive times
- Billing consistency
- Delayed or lack of follow through
- Effective ways to handle complaints
- Hours of peak service match peak user times
- Reasonable wait time for answering phone calls and emails

## **Barriers to Effective and Efficient DRS by Users**

### **Limited services don't meet customer demand**

- Peak time
- Days of Operation

### **Programming Challenges**

- Clients may not reach their goals
- Funding endangered or lost due to inability to get clients to services and jobs
- Increased or redirected resources from internally providing provision of transportation for clients
- Unrealized or reduced program outputs and outcomes

### **Passengers are Not Supported**

- Caregiver's jobs compromised by inefficient transportation
- Disregard for passenger comfort and context/need

### **Poor communication between HIRTA and users/passenger**

- Drivers lack or fail to use important information about passengers
- Drivers fail to alert organizations about passenger issues
- Drivers need training about users and their drop-off locations
- Long response time to phone calls and email
- Passengers/organizations do not receive updates when ride is delayed or cancelled

### **Poor professionalism of drivers and office staff**

- Disrespectful of passengers and organizations
- Drivers complain to passengers about their organizations and/or complaints made
- Driver's speed
- Schedulers and drivers aren't working together to create efficient routes

## **Solutions to Meet DRS Expectations and Remove Barriers**

### **Conduct systems reviews for efficiencies and make changes accordingly**

- Improve communication systems between the HIRTA office, drivers, passengers, and organizations by creating a client classification system, appropriate number and quality of passenger response staff, and increase dedication to reasonable response times
- Improve passenger safety with improved system of driver communications about passenger issues with the HIRTA office, that then informs the organization
- Match supply and demand of services by increasing the number and quality of drivers, the number and quality of buses running, and reducing pick up waiting and drive times
- More long term drivers who care about customer service and passenger comfort and safety by making salaries competitive and the position more appealing
- Dedicated phone line for organizations and ensure adequate staffing
- Increase funding for better service (more quality drivers, more hours, more availability during peak demand times, reliable buses)
- Increase use of personal care attendants and volunteer ride a-longs
- Organizations need to educate clients and client families on transportation services
- Organizations provide training on client context/needs for HIRTA drivers and staff
- Set and monitor standards for phone and email response times
- Work towards having the same rules for all partners

**One Thing Users Would Change to Improve DRS:**

- Training – properly and regularly
- Consistency in pick up and drop off times
- More drivers
- Pick-Up on Demand
- Quick phone contact/analyze & monitor phone system performance
- Additional management to focus on hiring drivers

**Strengths of DRS:** “It is a wonderful service when it works”, some drivers and the director care about service/passengers, this service prevents life in institutions for passengers, and very needed services.

**Value of this Conversation:** Clarity on peak hours of usage/need for service, good candidness, depth of discussion, and common themes/issues, participants are interested in working towards DRS changes, participants believe DRS improvements are possible, and participants expressed comfort that they all shared similar DRS challenges.

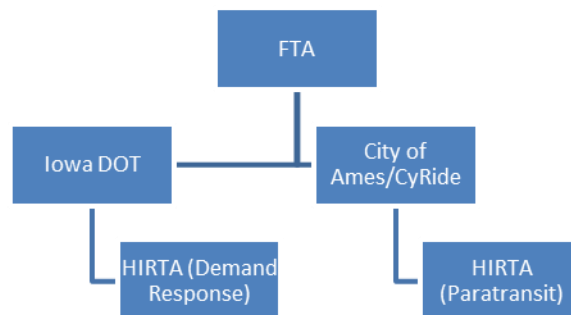


# APPENDIX C

## MEETING #1 IOWA DOT POWERPOINT PRESENTATION

### ADA Complementary Paratransit and Demand Response Services in Ames and Story County (November 19, 2014)

- **Why the comparison?**
  - Both the ADA complementary paratransit for CyRide and demand response public transit services in Ames are provided by one provider, the Heart of Iowa Regional Transit Agency (HIRTA)
  - Important to know the services have distinct requirements
- **Role of Iowa DOT**
  - CyRide is a direct recipient of FTA funds and reports directly to FTA
  - FTA has oversight responsibilities of CyRide
  - For small urban and rural systems, Iowa DOT is the direct recipient of FTA funds, therefore HIRTA reports to Iowa DOT
  - Iowa DOT has oversight responsibilities of HIRTA
  - Iowa DOT monitors HIRTA's expenditure of state and federal funds
  - Iowa DOT conducts compliance reviews of HIRTA every three years covering state and federal transit regulations
  - FTA has a similar role with respect to oversight of CyRide



- **Complementary Paratransit Defined**
  - Transportation service required by the ADA for individuals with disabilities who are unable to use fixed route transportation systems. This service must be comparable to the level of service provided to individuals without disabilities who use the fixed route system and meet the requirements specified in 49 CFR Sections 37.123-137.133. The complementary services must be origin-to-destination service.
  - Source: Adapted from National Transit Database Glossary
  - AKA Dial-a-Ride

- **Demand Response Defined**

- A transit mode operating in response to calls from passengers or their agents to the transit operator, who then dispatches a vehicle to pick up the passengers and transport them to their destinations.
- A demand response operation is characterized by the following:
  - a) The vehicles do not operate over a fixed route or on a fixed schedule except, perhaps, on a temporary basis to satisfy a special need, and
  - b) Typically, the vehicle may be dispatched to pick up several passengers at different pick-up points before taking them to their respective destinations and may even be interrupted en route to these destinations to pick up other passengers.

Source: Adapted from National Transit Database Glossary

- **HIRTA**

- HIRTA is the designated demand response public transit system for Iowa DOT’s Region 11, the seven counties around Polk, including Story County

- **Service Requirements**

Paratransit	Demand Response
<ul style="list-style-type: none"> <li>• <u>Must be ADA eligible or in a wheelchair*</u></li> <li>• <u>Must apply to qualify</u></li> <li>• Next day reservation</li> <li>• <u>Fares no more than double the regular fixed route fare</u></li> <li>• Service provided for origins and destinations within Ames city limits**</li> <li>• Service hours <u>must match fixed route hours</u></li> <li>• May not charge for “no shows”</li> <li>• * ADA only requires Paratransit service for those unable to access or use fixed route; CyRide qualifies any person using a wheelchair</li> <li>• ** ADA requires service only within ¾-mile of the fixed route; CyRide offers service to Ames city limits</li> </ul>	<ul style="list-style-type: none"> <li>• Anyone can ride</li> <li>• <u>No application/qualification necessary</u></li> <li>• 24-hour advance reservation</li> <li>• Fares based on <u>costs to operate service, funding sources</u></li> <li>• Service provided in Story County, including Ames, and beyond</li> <li>• Service hours <u>set by transit agency</u></li> <li>• May charge for “no shows”</li> </ul>

## Origin-Destination Service Requirement

- ADA Complementary Paratransit must provide origin-destination service
  - If the passenger is able to get to the curb to board the bus, that is the service provided
  - If the passenger requires assistance getting from the exterior door of the origin location to the exterior door of the destination location, that is the service to be provided
  - The driver is not required to go into a home or business to pick up or drop off a passenger
- Demand Response allowed to offer curb-to-curb service
  - No requirement to assist to/from the door
  - HIRTA provides door-to-door Demand Response service
  - Good for customer service, but decreases efficiency and increases liability issues
- **Public Transit Driver Requirements**
  - Public transit drivers must:
    - Possess a Commercial Driver's License
    - Be trained to proficiency in operating the vehicle, lift, and securing mobility devices
    - Assist passengers in navigating the transit system (assist with directions, recognize persons with disabilities to ensure they are on the proper vehicle, etc.)
  - Public transit drivers are not:
    - Health care or social workers
    - If a passenger regularly requires medical attention during public transit trips, a Personal Care Attendant may accompany the passenger for free to attend to those needs
- **Trip Scheduling**
  - ADA Complementary Paratransit:
    - Trip scheduling may be negotiated within one hour on either side of the requested time
    - Rides may be scheduled up to 14 days in advance
    - Rides cannot be excessively long when compared to a similar ride on a fixed route
  - Demand Response:
    - Trips scheduled on a space available basis as close to the desired time as possible
  - Both are shared ride services, not taxis
    - When scheduling, passengers should account for time to stop for other riders during the trip
- **Fares**
  - Multiple funding sources fund CyRide and HIRTA
    - Examples: Federal Transit Administration, State Transit Assistance, Local City/County, Iowa State University, Area Agency on Aging, Medicaid, etc.
  - For CyRide's ADA Complementary Paratransit, the fare can be no more than double the fixed route fare

- HIRTA's Demand Response service, however, does not have a mandated maximum fare and fares may vary based on a passenger's funding source
  - The same passenger may pay different fares for different trips depending on the trip purpose or funding source
- Many variables may factor into a passenger's demand response fare:
  - Is the person over age 60? The Area Agency on Aging (Aging Resources of Central Iowa) contributes to HIRTA, allowing donation-only fares
  - Is the person on Medicaid? If it's a medical trip, it may be paid for as a Medicaid benefit
  - Is the trip outside Ames' city limits? This trip requires more time, miles, and fuel and therefore the fare is higher, \$4
  - Is the trip inside Ames? The fare is lower, \$2, because these trips likely can be grouped with others and the time, miles, and fuel required are lower than a longer trip
- **Summary**
  - HIRTA is one transit system providing two types of service
  - The Dial-a-Ride or paratransit service provided for CyRide has many more regulations than HIRTA's demand response service
  - HIRTA must balance the needs of the paratransit clients with the needs of the demand response passengers
  - Like agencies with clients using HIRTA's transit services, HIRTA's responsibility is to the passenger, ensuring they get where they need to go
- **Questions?**
- **Contact information:**
  - Kristin Haar
  - Compliance and Training Officer
  - Iowa DOT Office of Public Transit
  - kristin.haar@dot.iowa.gov
  - 515.233.7875

# APPENDIX D

## Story County Demand Response Services Task Force (DRS) Overview of December 3, 2014 – Meeting #2 (Transportation Members)

Project: Identify barriers for human service agencies/organizations assisting the elderly and disable, expectations for and solutions to demand response service in the community.

### **Meeting Process:**

- Welcome, introductions and purpose
- DRS Conversation with transportation providers
- Present summary of meeting #1

*Conversation Summary themes*

### **Expectations of DRS**

#### **Efficient Service**

- Everyone works well together as a team-passengers/clients, transportation providers, and agencies/organizations
- On time

#### **Provide Needed Transportation**

- Must have medical, pharmacy, and grocery trips, and may have other trips
- Provide trips to everywhere in the community

### **Barriers to Effective and Efficient DRS**

#### **Communication**

- Agencies/organizations, passengers, and HIRTA need to be educated about each other
- HIRTA considers passengers to be their clients and not the agency/organization's client. Agencies/organizations have become a broker for passengers.
- Local policy makers need to be educated about the transportation/agency/passenger relationship facts and laws and make decisions accordingly
- Set policies about customer service standards, report on them internally, and compare them to other systems across Iowa

#### **Infrastructure**

- Capacity challenges between transportation program (i.e. Dial-A-Ride, ADA)
- Continued driver shortage
- Funding silos prevent optimum effectiveness
- HIRTA main office located in Urbandale, not in Story County so non-local scheduling process occurs
- Limited technology in buses for passenger and driver safety (i.e. security cameras)
- No funding for bus updates or expansion
- One of the oldest bus/van fleets in Iowa
- Trips outside of Story County discontinued due to lack of drivers (Iowa City, Des Moines)

## **Partnerships**

- Agency/organization expectations sometimes conflict with passenger expectations
- Increase support and networking
- RSVP (Voluntary Transportation Program) is striving for a safe environment for drivers and passengers (i.e. one-on-one environment)

## **Solutions to Meet DRS Expectations and Remove Barriers**

### **Improve Infrastructure**

- Better buses
- Dedicate one bus each day to only take care of just-in-time transportation issues (i.e. mobile dispatch)
- Incorporate enhanced technology in buses/vans for safety and customer satisfaction
- More drivers

### **Improve the relationship between transportation/passenger/organizations**

- Add personal care attendants and/or volunteers to ride on buses and support passenger needs
- Discuss and solve DRS issues from the grass roots with the people who are directly involved with the issues
- Explore more effective use of resources with partners (i.e. DRS with ISU and assisted living facility buses and drivers when they are not in use)
- Involve all three partners more often in joint activities (i.e. training of drivers and agency/organization staff, program development planning upfront)
- Overcome past issues and move ahead collaboratively with the common goal of supporting passengers/clients
- Provide facts/information on actual usage and performance of DRS to partners and that transit has been performing above and beyond what the law requires
- Share more information on federal law interpretation related to the transportation/passenger relationship (i.e. funding requires community inclusion of clients)

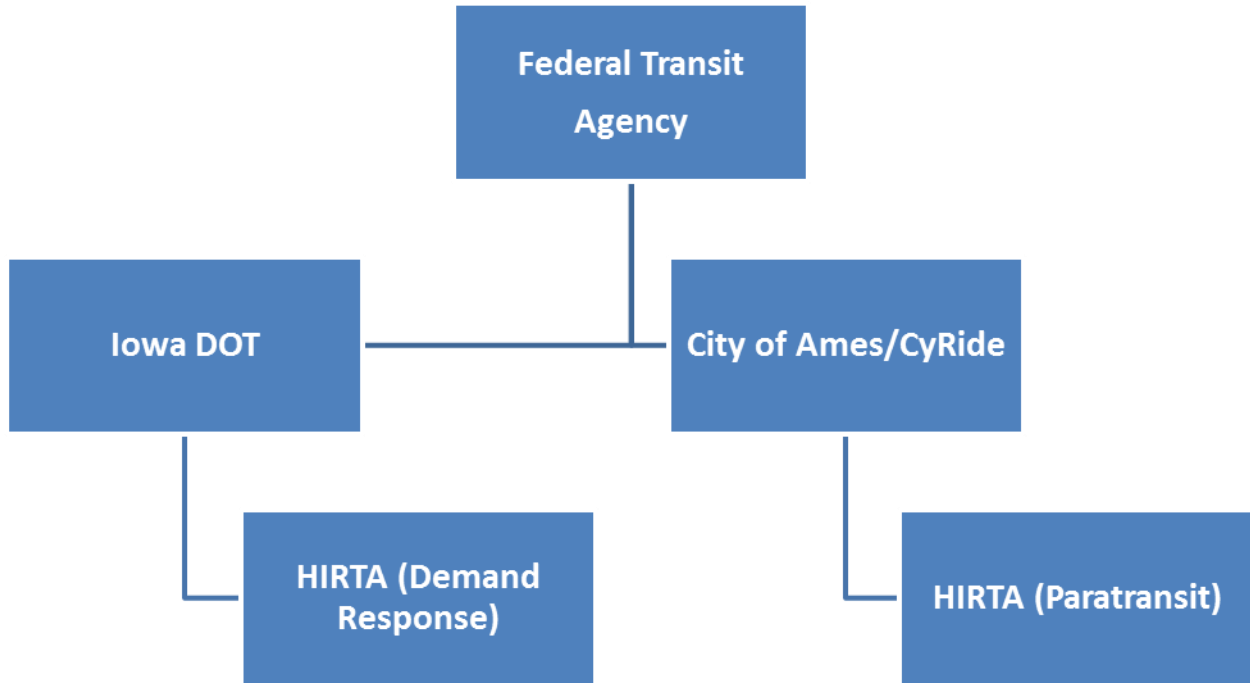
**One Thing Users Would Change to Improve DRS:** communications including public, customer, and organization education that complaints are down and buses are running more on time; change the culture from one of providing human services to one of providing transportation; operating more smoothly; educate riders/agencies on transportation program

**Strengths of DRS:** It is a great service with passionate drivers, a cost effective service-fare is down and use is up

**Value of this Conversation:** Overall commonalities on issues, especially communication. A better understanding of the system. The need to put the past issues away and move ahead.

Reviewed and updated December 9, 2014

**APPENDIX E**  
**FACT SHEET**  
**FOR**  
**ADA Complementary Paratransit and Demand Response Services**  
**in Ames and Story County**



Complementary Paratransit Facts

Transportation service required by the ADA for individuals with disabilities who are unable to use fixed route transportation systems is called Complementary Paratransit. In our community it is known as Dial-A-Ride.

Complementary Paratransit drivers may provide assistance getting to exterior door of location to exterior door of destination. Drive is not required to go into a home or business to pick up or drop off a passenger.

## Demand Response Transportation Facts

Demand Response transportation service operates in response to calls from passengers or their agents. Vehicles may be dispatched to pick up several passengers at different pick-up points before taking them to their respective destinations. Vehicles do not operate over a fixed route or on a fixed schedule except on a temporary basis to satisfy a special need.

Demand Response allows curb-to-curb service. There are no requirements to assist to/from the door.

- HIRTA provides door-to-door Demand Response service.

## Public Transit Driver Facts

Possess a Commercial Driver's License

Be proficient with operating the vehicle, lift, and securing mobility devices.

Assist passengers in navigating the transit system (assist with directions, recognize persons with disabilities to ensure they are on the proper vehicle, etc.).

Public transit drivers are not health care or social workers.

If a passenger regularly requires medical attention during public transit trips, a Personal Care Attendant may accompany the passenger for free to attend to those needs.

## Fare Facts

Dial-A-Ride fare can be no more than double the fixed route fare.

HIRTA's Demand Response service does not have a mandated maximum fare and fares may vary based on a passenger's funding source.

## Miscellaneous Facts

Both Complementary Paratransit and Demand Response are shared ride services, not taxis, and passengers should account for time to stop for other riders during the trip.

HIRTA is the designated demand response public transit system for Iowa DOT's Region 11, the seven counties around Polk, including Story County.



HIRTA is one transit system providing two types of services.

HIRTA Ridership Facts (source: Iowa Department of Transportation)

FY 2014 RIDES

Aging Resources/Title IIIB	13,624
Foster Grandparents	577
CyRide/Paratransit	10,715
TMS (only non-emergency medical transportation)	426

FY 2015 First Quarter RIDES

Aging Resources/Title IIIB	3,197
Foster Grandparents	188
CyRide/Paratransit	2,761
TMS (only non-emergency medical transportation)	94

**RVSP Service**

Program started in 2010

42-45 volunteer drivers

110-115 clients

Cannot provide service to individuals needing to use a wheel chair, but can handle clients with walkers

Client has to fill out a form, so they can be matched with a driver

Drivers are age 55 and above, however younger people are welcome to drive, including ISU students

Minor clients must be accompanied by an adult

48 hours notice is required for a ride

Cost: Donation - suggested \$3 for within 10 miles

**HIRTA**

serves 7 counties that surround Polk County, started in 1971 as a subcontracting agency

started direct serves in 2010, when funding became an issues for some of their subcontracted agencies

HIRTA provides Dial-A-Ride or paratransit service in Ames

Story County is their most populated County they serve

24 hours notice is required for a ride for demand response services

Ridership is up almost 8,000 in Story County since they took over direct service, 2,500 in 2014 (???)

Passenger fares were \$5.75, but were reduced to \$2 per trip in Ames and \$4 in the County

Run service from ~6 a.m. to 8 p.m. in Ames, 6 a.m. to 6 p.m. in the County

Paratransit service for Ames was up 25% last year

### **Cy-Ride**

7 million rides are estimated for this school year on its fixed route system

~135 drivers

Run service from 6 a.m. to 12:30 a.m. and 3 a.m. on weekends

## **APPENDIX F**

**Story County Demand Response Services Task Force (DRS)  
Overview of December 18, 2014 – Meeting #3 (Human Service & Transportation Members)**

**NO FORMAL NOTES WERE COMPLETED.**

**Story County Demand Response Services Task Force (DRS)  
Overview of January 19, 2015 – Meeting #4 (Human Service & Transportation Members)**

**NO FORMAL NOTES WERE COMPLETED.**

# APPENDIX G

## DRS Public Input

(December 29, 2014 – January 17, 2015)

### Respondent #1 -

- It appears that smaller communities are getting the better buses;
- Riverside is having trouble getting residents to doctor's appointment; dedicate a bus to Riverside;
- I understands there is a camera in one bus;
- I agree with internal modifications listed in the plan; I have concern that the plan does not address the timing of rides - need to be somewhere at 3 pm;
- Communicate with individual passengers - she gives HIRTA her own phone # but not those who don't have a phone then HIRTA calls the main line at Riverside;
- Need to have dispatch available on weekends to schedule rides or to answer questions if something goes wrong (she does have someone's number)

### Respondent #2 -

- It appears that smaller communities are getting the better buses;
- A cab would be an option for me but I couldn't take alone because of expense; if there was a voucher program could help subsidize the ride;
- I feel HIRTA should be able to force some passengers to have an attendant; sees things happen on the bus and feels that the driver needs to pay attention to the road and should be able to write up when (MSL) kids misbehave (has witnessed this and would be willing to testify);
- I would take a call if the bus is running late but sometimes I am waiting outside when it is nice;
- I am concerned that the office doesn't open until 8:30 a.m. ; communications is bad - they don't understand Story County;
- Doesn't appear that there are enough buses; changing the process for the manifest to be more efficient; understand mistakes happen, but when you add up the errors on all sides the problem grows;
- Sees that more passengers (Mainstream Kids are a problem); some drivers understand the dynamics of clients; takes longer at Mainstream Living so other passengers just sit and watch;
- I don't understand why my ride has to take me so far out of the way;
- Concern they are losing some good drivers; hiring some bad ones;
- I would agree on the improvement on the phones; open dispatch earlier - save money someplace else; make sure the dispatch know how many wheelchairs; need reservations in Ames; need someone in the Ames office all the time to take care of emergency;
- I feel like the driver is speeding but can't prove it;
- I agree the unscheduled bus is a good idea;

- Why can't they let drivers have the option to sell books on the bus instead of ordering more or create a better system to get vouchers purchased;

### **Respondent #3 -**

- I am no longer able to drive a car; takes 3 trips a day - \$6 everyday;
- Does the \$20 college bus...discount of a \$1 then? I told him I don't know; concerned that now
- It is a good service - excellent service no complaints on his driver very courteous - good guy; problems with his leg - sometimes hard to get over the curb when it is icy; rest is good

### **Respondent #4 -**

- The Midwest is not getting their fair share; come cities are buying buses on their own and not looking for the feds to purchase - could the county purchase buses; could the city purchase buses; if we wait for the state/feds to fund buses we won't get one;
- Tablet technology is getting affordable - may be an eligible ;
- Looking at wages for drivers - tie to bureau of labor (average wage rate) adopt a policy fair wage; problem in Story County with employment; increase the cost so we have to be prepared to cover cost; if we don't invest money we will continue to get the same lousy service;
- Extra unscheduled bus makes a lot of sense - HIRTA should be doing this already; don't know enough about HIRTA's internal; small vans - (look at Lincoln, NE for contracting for paratransit services) one-on-one type of trips - modified vans - this driver could also be the on demand driver) non-emergency medical - good model to look at - much bigger than Story County; Osh Kosh, WI does public transit uses software that caller id and pulls up the last 5 last trips and plugs in trips;
- At the April (2014) public meeting – HIRTA staff was very rude to the customers present and insensitive and condensing - treat them with respect - sets the tone for everything else, people didn't feel they were being listened;

### **Respondents #5 & #6 –**

- Supportive of calling caregivers when late
- Pick up time 6:30am-7:30am and would like to see that reduced to a specific time with a leeway of 10min either way.
- Inconsistency of pick up time. Given Blake's direct number but wouldn't return phone calls. DSM number – put on hold; talk w/ HIRTA Director and Operations Director and they didn't seem to know what was going on. Left msg for HIRTA Director prior to Christmas to talk about mom's issues and still waiting for return call/email.
- Supportive of use of personal care attendants.
- Supportive of wheelchairs on busses (someone may fall and need the chair until further assistance is provided).
- Supportive of localized reservation system.

- Long bus ride (2 hours) not acceptable, but that has improved. When passenger dropped off, other passengers assisting her w/ seat belt, getting down the steps of the bus, etc.
- Different drivers do things differently. Training needed – driver doesn't comprehend the seriousness of dropping passenger off at wrong door (passenger has dementia)
- Lack of training of bus/van equipment (getting ramp down).
- Rolling Green – has talked about providing local transportation to medical appts, etc (they have 2 busses) ; form a partnership to do this?
- Concerns about communication occurring only b/t agencies and HIRTA, need to communication w/ public, too. Future meetings need to be open meetings.
- Dates for Action Step #1- best interest for the public to keep this moving quickly. Appoint a couple of public people to attend; maybe general HIRTA riders and non-agency riders.
- #2A-Strong communication back to HIRTA about accountability; maybe hold (ASSET) money if not meeting expectations.
- #3A - spell out "call ALL passengers" to ensure public understands; concerns that there's an emphasis on meeting transportation needs of agency clients vs. general public; access to transportation is impacted due to shortage of drivers, etc
- #5 - concerns that there's an emphasis on meeting transportation needs of agency clients vs general public; access to transportation due to shortage of drivers, etc; Rewrite bullet point under organizational responsibility. Concerned that this reads that agencies have to find transportation.
- #6 - supportive of improved technology; can ASSET help with this?
- #7 - HIRTA should give more frequent financial reports to public – maybe quarterly at Story Co Board of Supervisors meetings? Per HIRTA Director at July HIRTA Board meeting there was a \$227,000 profit at end of FY 14; convert money to give more service? Money placed in reserve? Where is money going?
- #9 - Add public to this; come before public boards
- #12 - Phone line should be given to EVERYONE; include public. This seems preferential to just agencies b/c it's mainly agency clients that HIRTA is serving right now
- #13 - PR campaign committee and outreach
- #23-If local resources are used to support a dedicated bus, we need to make sure it stays in the county. Quarterly update to include the use of this bus, miles, etc.

**Respondent #7 –**

HIRTA's automated system still sent msg even though cancelled rides for 2 weeks. Called HIRTA to cancel notifications

- Inconsistencies with where to access information. Passenger receives notifications about dressing warm for bus, but have to watch TV or go to the HIRTA website for service cancellations
- Customer service needs improvement

- When calling Urbandale office between 7am-4pm – sometimes wait 20 mins on hold; get message to press a number to be connected to someone in Story County. Limited ways to leave a message.
- No dispatcher in office during earlier hours to cancel a ride. Leave messages, but not communicated and drivers show up anyway.
- Supportive of localized reservation system
- Safety – tie downs are laying on the floor and creating a trip hazards
- No heat in bus on 1/12/15
- Good relationships with bus drivers, but problems always get put back on the rider. Problems come from HIRTA management.

This respondent also provided written comments as follows:

1. Not able to make an appointment for Monday after Friday at 4:00 PM
2. Still receive reminder messages after rides have been canceled
3. Rides are changed and there is no notification other than the phone message. Then when the ride is changed back the message is not changed back. This makes us either late or waiting.
4. I am still periodically late for work
5. Buses arrive with mechanical problems. (no heat or making odd noises)
6. Bus drivers are so push for time, they don't have time to put away the tie downs where I trip on them
7. Bus drivers don't tell me when someone else is on the bus, so I sit on them
8. We are told there is not any available times available
9. Messages are left on answering machine in Ames before the office opens(early in the morning) AM then the bus still arrives (8:00)and I need to run out to the bus to tell the driver I canceled. This is not fun when I am sick in bed, and makes an unnecessary trip for the bus
10. No one in either office after 4:00, so any problem after 4:00 (late bus, cancellation) is not addressed
11. When I talk to Sherri at CY-Ride to address a problem, I am always told that that is someone else's area, like the internal functions of HIRTA. Well when you hire a contractor to do work, and the hire a subcontractor. When there is a problem with the job, you don't call the subcontractor; you call the contractor
12. Problems are addressed one incident at a time, and not looked at why they keep happening

#### **Respondent #8 –**

- Rides HIRTA as Dial-A-Ride every day and night
- Having issues with drivers. Two weeks ago, around the end of December, she was going to church and driver picked up a man and started to talk to him. The driver swore eight times and the other passenger swore as well. Felt it was very offensive as no one wants to hear swearing first thing in the morning. Drivers also speed. Speeding is a safety issue. Respondent was concerning with a specific driver. Respondent does not like this driver taking her to church on

Sunday's. Respondent also shared that she is afraid the driver will hit someone and is concerned about being in an accident. She has emailed HIRTA about her concerns. Respondent is also concerned that driver does not take her to the front door of the church if there is deep snow as the driver would need to back out and the driver does not like doing this. She indicated she can tolerate the drop off location. Respondent indicated that there are other options like George White's parking lot.

- One time she had a 12:30 pick up time, but was not picked up until 12:55, she was late for her appointment. Sometimes they are pretty late. They are not polite when they are late to pick you up. They should be more professional. About 50% are polite and there are a few that are very nice and professional.
- Respondent does not like having to call the Des Moines office. It has been a long time since she has been able to call Ames. Ames HIRTA office should be the main number, for instance, if she has to cancel. It is a nuisance to have to call Des Moines. Respondent uses HIRTA so she can ride at night, but has to use it to get to CyRide sometimes too.
- Respondent has talked to HIRTA about the driver, but indicated HIRTA said they would have to talk with the driver, but nothing changes. The language and speeding. They need to monitor drivers. Some have the music playing really loud as well as the HIRTA radio. There are times she can hear the radio coming out of the building. This is not as bad as the swearing and speeding.
- When she has to look for money in her pockets, it frustrates drivers when she cannot find it right away. They are rude to her when she cannot find the money right away. To her they are saying "come on where is the money". Respondent may also have to count the money, if she does not have correct change. It might take a few minutes. This really bothers her. Other drivers park and are nice about it. It depends on the driver. One of the new make drivers is really nice and will help her if the weather is bad. Respondent indicated that he takes her arm and helps her on to the bus. Respondent would like all the drivers to be like him. He can play the radio loud, though. It makes it hard to be calm on the bus.
- In December 2013, a car hit the bus and this makes her scared.
- She has called to schedule a trip at the main number in Des Moines and they don't understand the location. They do not understand Ames. This is frustrating as respondent hates talking on the phone, especially to HIRTA.
- HIRTA really helps her get around.

#### **Respondent #9 –**

- Under community partnership asked which agencies would be contacted. Would like NAMI to be on the list.
- Like the idea of doing a "You Tube" training video for riders and care providers – think about the order and the options being part of the video.
- Consider the way the information is shared, in multiple forms. Have someone that is not familiar or not as familiar review it or try to use it. People value being listened to about their concerns or problems. Face to face is great as well. Some groups are not as good with morning or for that matter communicating, so HIRTA needs to reach out in multiple ways.
- Respondent suggested that HIRTA work with ASSET agencies to distribute HIRTA's annual survey. Agencies could help them get the feedback. The shorter and simpler the more likely people are able to do it. Provide a comment section and a place for people to put name and phone number. Then you could look back at the records and open up dialog for that customer. Respondent really emphasized that HIRTA needs to look at variety of ways to communicate. Cell phones are a new way to reach people. Texting is very good too...



- She likes the idea of a dedicated phone line for agencies. She also liked the idea of having a wheel chair on every bus.
- Ask the bus drivers what issues they need help with to do their job better.
- If you have to have assistance in your home, you should probably have a person with you on the bus. Or they should be connected with other resources to help them being able to get places. Timely is important as well as a safe ride, so they need to address the difficult customers. HIRTA needs to document difficult riders. Like a safety contract that NAMI has with its clients.

**Email #1 –**

They come to early sometimes and later sometimes and when they say don't run in Nevada after 5:00 pm and I have seen them in Nevada after 5:00 pm and not running in Nevada on Saturday and Sunday

**Email #2 –**

Dear Whom it may concern

I believe there needs to be inexpensive way for someone to go from Ames to Des Moines a few times a week. The only service that I know that goes from Ames to Des Moines in the Executive Express which is very costly for someone on a fixed income. I also believe that the Hirta office needs to have a location in Story county. I also feel that the dispatcher from Hirta needs to be more familiar with Story county. There have been times during my exxperiance that drivers have a hard time finding locations throughout Story county. I also have had experiances with Hirta that their drivers will make me late to my appointment. I have also had experiances with Hirta where it takes them awhile to pick me up from the appointment. I have also had some experiances where it is very hard to get a hold of their office when someone has a problem with their services. I have also had experiances with Hirta where my ride to Ames and Des Moines wasn't the same as other riders. I believe Hirta should hire more drivers to make sure that they can meet the demands of their ridership. Thanks for reading all my imput on this matter.

**Email #3 –**

We would like to see some free non-permanent passes available to those who have very little or no income.

We will give you an example. We have been involved with a single mom for a few years who has bad health and after several attempts over a period of years finally got disability. During this time she was unable to work and had very little income. We and others provided transportation and quite often money for food. She could not afford to pay for buses.

It could be a 6 month pass rather than permanent because situations change for people.

We know of no simple way of knowing who those people are but it is definitely a need.

**Email #4 –**

I live south of Ames in the country. I do not start as early as the first bus that I would have to catch. I do not drive. I have not been able to make HIRTA work for my doctor appointments.

**Email #5 –**

Public Input:

First of all, thank you to the City of Ames, Story County, and partner agencies for their efforts to develop the draft plan *Demand Response Public Transit Service Action Plan for Story County* and for their openness to stakeholder input. Affordable and accessible public transportation options in Story County are critical!

Second, I would like to identify a present gap in public transportation. (Perhaps it is a gap of which you are already aware? I have communicated previously with the Ames Transit Agency Board of Trustees and worked with RSVP to offer stop-gap transportation.)

I coordinate DMACC's Ames Adult Education & Literacy program. Our program offers free high-school equivalency classes (HiSET, formerly called "GED") and non-credit English-as-a-Second-Language classes during day and evening hours. As of summer 2014, all of our classes are offered at the DMACC Hunziker Center. Starting on January 20, 2015, we also will be offering High School Equivalency Test (HiSET) finals at the DMACC Hunziker Center testing center on Tuesday and Wednesday evenings.

Many of our students rely heavily on public transportation. However, at present, many struggle to get to and from DMACC Hunziker. CyRide #4 (Gray route) does not run to DMACC mid-day at all. In fact, there is a gap from 10:28 am until 2:51 pm. Furthermore, CyRide does not have any evening service to DMACC Hunziker, with the last bus passing by at 4:51 pm. We have referred students to HIRTA; while some do ride HIRTA, the driver-shortage has meant that others were unable to secure regular or timely transportation this fall. As a result, we also referred students to RSVP Transportation. We were very grateful to Arti Sanghi and the RSVP volunteers for transporting several of our students this fall. Yet, we know that they, too, face a driver shortage, particularly during the winter months.

In closing, I welcome your draft plan that clearly seeks to improve public transportation options in Ames and Story County more broadly. I am hopeful that these proposed solutions will make it easier for current Adult Education & Literacy students – and prospective students who rely on public transportation – to participate in our program.

If you have any questions or need any additional information, please let me know. Furthermore, if it would be helpful, I would be happy to be involved in any subsequent discussions or partnership meetings.

# APPENDIX H

**FINAL**

## Demand Response Public Transit Service Action Plan for Story County

**Goal: Improve transportation efficiency and effectiveness of demand response public transit service through enhanced communication and relationships across partners as well as improved transportation infrastructure.**

Action #	Category or Theme	Solutions	Action*	Organization Responsibility and Resources	Transportation Responsibility and Resources	Government Responsibility and Resources
<b>Community Partnerships</b>						
1	I	Explore more effective short term and long term solutions for the use of resources with partners (i.e. ISU, taxi's, assisted living facility and agency/organization vehicles)	<ul style="list-style-type: none"> <li>Schedule a meeting with human service agencies/ organizations and transportation providers to discuss current gaps and capacity in transportation services</li> <li>Complete a trial period for group's recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Provide appropriate staff to attend meeting(s)</li> </ul>	<ul style="list-style-type: none"> <li>Provide appropriate staff to attend meeting(s)</li> </ul>	<ul style="list-style-type: none"> <li>Schedule meeting and provide staff support for discussions</li> </ul>
2	A	Mutually agree that transportation is a partnership and everyone will work collaboratively together to resolve issues	All members will agree to move forward in a positive manner	<ul style="list-style-type: none"> <li>Educate human service agency/organization staff on discussions and communication plan for the future</li> <li>Mutually agree upon definition of who is responsible for passengers and when</li> <li>Provide caregiver with HIRTA contact information</li> </ul>	<ul style="list-style-type: none"> <li>Educate HIRTA staff on discussions and communication plan for the future</li> <li>Mutually agree upon definition of who is responsible for passengers and when</li> </ul>	<ul style="list-style-type: none"> <li>Include and hold all parties accountable to agreement</li> </ul>

\* Timelines for each action will be developed by subcommittees charged with implementing the action

NL - Legally not able to accommodate

A - Can be accommodated within current charge/budget

I - Improvements that are above current charge/budget

HIRTA – Heart of Iowa Regional Transit Agency

Category	Category					
Action #	or Theme	Solutions	Action*	Organization Responsibility and Resources	Transportation Responsibility and Resources	Government Responsibility and Resources
<b>Community Partnerships</b>						
3	A	All partners hold each other to the same expectations for a mutually beneficial relationship	Set a meeting to establish joint expectations that will allow for timely service and/or implement communication plan, if appropriate	<ul style="list-style-type: none"> <li>Set policies such as: Get passengers to door of facility 10 mins. prior to pick-up time</li> <li>Educate passengers/caregivers on need for timeliness</li> <li>Educate staff on appropriate door to pick up passengers</li> </ul>	<ul style="list-style-type: none"> <li>Set policies such as: Call passenger/care-giver/program director if bus will be more than 10 mins. late</li> <li>Pick-up/drop off passengers at appropriate door</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate meeting</li> </ul>
4	A	Involve all partners upfront in program development	Establish a formal communications process to discuss human service agency/organization policy/program changes at the planning stage, that will impact transportation needs of passengers	<ul style="list-style-type: none"> <li>Identify policy/program changes that may have an impact on transportation</li> <li>Establish a meeting between agency/organization/ transportation provider to address issue</li> <li>Human Service Council will provide an update at least annually on transportation issues</li> </ul>	<ul style="list-style-type: none"> <li>Willingness to work with human service agency/organizations, to the greatest extent possible, to meet the needs of passengers at their programs</li> </ul>	None

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Action #	Category or Theme	Solutions	Action*	Organization Responsibility and Resources	Transportation Responsibility and Resources	Government Responsibility and Resources
<b>Infrastructure Improvements</b>						
5	I	Improve physical condition of buses	<ul style="list-style-type: none"> <li>Communicate HIRTA's plan to update buses to partners</li> <li>Develop grass root support for an adequately-funded bus replacement program</li> <li>Determine if newer, used buses are available for purchase to reduce their fleet age</li> <li>If feasible, develop a used bus purchasing program for vehicles outside of Iowa to systematically improve fleet conditions</li> </ul>	<ul style="list-style-type: none"> <li>Share with local, state and federal officials, the need for funding a bus replacement program and how this could impact their human service agency/organization</li> </ul>	<ul style="list-style-type: none"> <li>Share with local, state and federal officials, the need for funding a bus replacement program and how this impacts their passengers</li> <li>Research the market to determine if used buses, similar to its current bus fleet, are available from non-Iowa systems</li> <li>If feasible, work with HIRTA Board to develop a plan incorporating used buses into the fleet</li> </ul>	<ul style="list-style-type: none"> <li>Share with local, state and federal officials, the need for funding a bus replacement program and how this could impact their city/county</li> </ul>
6	I	Incorporate enhanced technology in buses/vans for safety and passenger satisfaction	Research need for and cost of equipping all Story County buses with communication and safety technology	None	<ul style="list-style-type: none"> <li>Provide research and cost estimate to funding agencies</li> </ul>	<ul style="list-style-type: none"> <li>Be open to discussions regarding funding increases that allow HIRTA to implement technology</li> </ul>

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Action #	Category or Theme	Solutions	Action*	Organization Responsibility and Resources	Transportation Responsibility and Resources	Government Responsibility and Resources
<b>Infrastructure Improvements</b>						
7	I	Employ and retain staff/drivers	Identify creative approaches to fully staff (employ and retain) its driver positions	<ul style="list-style-type: none"> <li>Assist transportation providers in marketing open positions</li> </ul>	<ul style="list-style-type: none"> <li>Educate human service agency/organizations on driving qualifications</li> <li>Provide copies of job description to agency/organizations</li> <li>With HIRTA Board direction, identify strategies to fully staff (employ and retain) drivers and engage partners as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>Be open to discussions regarding funding increases that allow HIRTA to attract drivers/staff</li> </ul>
8	I	Explore the possibility of having a wheelchair on every bus	Complete an analysis of if/how wheelchairs can be purchased and secured on each vehicle	<ul style="list-style-type: none"> <li>If feasible, help develop a plan and identify resources</li> </ul>	<ul style="list-style-type: none"> <li>If feasible, implement driver training and secure equipment on vehicle</li> </ul>	<ul style="list-style-type: none"> <li>Be open to discussions regarding funding for this program</li> </ul>
<b>Internal Modifications for HIRTA</b>						
9	A or I	Implement a process improvement program and make changes as appropriate	<ul style="list-style-type: none"> <li>Identify the systems to be reviewed</li> <li>Report to HIRTA board at completion of changes, with copies to funding agencies</li> </ul>	<ul style="list-style-type: none"> <li>Provide suggestions on system changes that would benefit agency/organization passengers</li> </ul>	<ul style="list-style-type: none"> <li>Develop system changes, monitor perform. and adjust policies to meet desired service level</li> <li>Annually report to partners any process improvements implemented</li> </ul>	<ul style="list-style-type: none"> <li>Review report to HIRTA Board</li> </ul>

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Action #	Category or Theme	Solutions	Action*	Organization Responsibility and Resources	Transportation Responsibility and Resources	Government Responsibility and Resources
<b>Internal Modifications for HIRTA</b>						
10	A	Set and monitor performance standards	Develop a report and standards for system performance, such as average length of telephone calls, average hold time, email response time and establish a formal, written complaint system	<ul style="list-style-type: none"> <li>Agencies/organizations help transportation provider adhere to standards</li> </ul>	<ul style="list-style-type: none"> <li>Develop report and standards</li> <li>Provide copies of report to funding agencies</li> <li>Modify policies when there is a pattern of standard not being met</li> <li>Annually report to partners on actual performance and updated standards</li> </ul>	<ul style="list-style-type: none"> <li>Review performance report</li> </ul>
11	A	Provide a person to address passenger's failed trip needs	Better utilize the Mobility Coordinator	<ul style="list-style-type: none"> <li>Report when passengers needs are not met</li> </ul>	<ul style="list-style-type: none"> <li>Work with partners to decrease failed trips</li> </ul>	None
12	I	Dedicate a telephone line for the agencies/organizations to contact that would have direct access to a staff person for immediate concerns	Modify the telephone system to accommodate additional line and develop internal structure to answer in a timely manner	<ul style="list-style-type: none"> <li>Educate staff on HIRTA contact information</li> </ul>	<ul style="list-style-type: none"> <li>Implement new phone line and dedicate staff to respond in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>Support this modification by providing funding to implement this change</li> </ul>
13	I	Improved efficiencies in telephone and email system for passengers	Examine current systems for improvement opportunities	<ul style="list-style-type: none"> <li>Encourage passengers to communicate with HIRTA on challenges with the current system</li> </ul>	<ul style="list-style-type: none"> <li>Modify systems as appropriate</li> </ul>	None

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<b>Internal Modifications for HIRTA</b>						
14	I	Increase use of personal care attendants/ride-a-longs with passengers	Identify a support system of personal care attendants/ride-a-longs that can ride with passengers who are unable to be responsible for their safety & comfort during their transit trip; identify cost for program i.e. explore who could be volunteers	<ul style="list-style-type: none"> <li>Work with government agencies to develop a system of personal care attendants/ride-a-longs for individuals unable to be responsible for themselves during transit trip</li> </ul>	<ul style="list-style-type: none"> <li>Support the personal care attendant/ride-a-long process that is developed</li> </ul>	<ul style="list-style-type: none"> <li>Engage in the process as necessary</li> </ul>
15	A	Provide training on passenger context/needs for HIRTA staff and drivers	Rreview current HIRTA staff training and develop systems to “fill in the gaps” so that HIRTA staff provide polite and passenger-focused transportation	<ul style="list-style-type: none"> <li>Meet with HIRTA to understand current training programs</li> <li>Provide input on other resources available</li> </ul>	<ul style="list-style-type: none"> <li>Review training opportunities concerning issues expressed by the task force</li> <li>Implement additional training, if deemed appropriate by the HIRTA Board including agency/organization resources</li> </ul>	None
16	A	Set and monitor passenger standards	Develop a system to classify appropriate response to passenger behaviors	<ul style="list-style-type: none"> <li>Assist HIRTA to classify passengers as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>Develop and implement passenger standards</li> </ul>	None

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<b>Internal Modifications for HIRTA</b>						
17	A	Establish method(s) to provide drivers/staff with additional information regarding passenger needs so that their trip is enjoyable and safety is enhanced	By _____, review current software program to determine if additional information could be accommodated within role/context of HIRTA/personal care attendant	<ul style="list-style-type: none"> <li>Provide HIRTA with a list of information that would assist in passenger's transportation</li> </ul>	<ul style="list-style-type: none"> <li>Review liability issues to determine what types of information HIRTA can/should be responsible for</li> <li>Work with HIRTA board to balance human service agency/organization desires and liability concerns</li> <li>Develop a referral form with basic passenger need information that can be easily updated</li> </ul>	None
18	I	Localized reservation system	Determine whether reservations for Story County could move from Urbandale to Ames	None	<ul style="list-style-type: none"> <li>Determine the feasibility of moving reservation process to Story County</li> </ul>	<ul style="list-style-type: none"> <li>Be open to discussions regarding funding of this change</li> </ul>
<b>Partner Role Clarity</b>						
19	I	Develop a Passenger and Caregiver User's Guide for use to establish expectations, educate passengers and passenger families on transportation services	Develop a written document that identifies policies, expectations, rider tips, contact information, etc.	<ul style="list-style-type: none"> <li>Review document for clarity, concerns from the agency/organization's perspective, etc.</li> <li>Share with passengers/caregivers</li> <li>Implement a "Do You Need To Ride" campaign</li> </ul>	<ul style="list-style-type: none"> <li>Research best practices</li> <li>Develop the documents</li> <li>Distribute to all passengers and agencies/organizations</li> </ul>	<ul style="list-style-type: none"> <li>Assist with researching ways to fund printing of the document</li> </ul>

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Action #	Category or Theme	Solutions	Action*	Organization Responsibility and Resources	Transportation Responsibility and Resources	Government Responsibility and Resources
<b>Partner Role Clarity</b>						
20	A	Share information on federal law interpretation related to transportation/passenger relationship (i.e. funding requiring community inclusion of passengers)	Annually, the Transportation Collaboration Committee will hold a meeting on transportation program changes with agencies/organizations	<ul style="list-style-type: none"> <li>Send appropriate staff to the meeting</li> <li>Adjust agency/organization's program to allow for changes</li> </ul>	<ul style="list-style-type: none"> <li>Assist government representatives with how regulations impact HIRTA service</li> </ul>	<ul style="list-style-type: none"> <li>Presentation of regulation changes that affect passenger transportation</li> </ul>
21	A	Discuss and solve issues at the grass roots level with the people directly involved in the issues	Mutually agree to respect the chain of command in respective agencies/organizations and resolve issues at the lowest level	<ul style="list-style-type: none"> <li>When issues arise, direct staff on who and how to address concerns</li> <li>Only involve outside agencies/elected officials when resolution is not possible at the grass roots level</li> </ul>	<ul style="list-style-type: none"> <li>Treat agency/organization staff with respect, patience and in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>Refer concerns to appropriate staff to resolve issues</li> </ul>
22	A	Discuss and solve issues at the management level with managers that are directly involved in the actions	Meet to resolve issues	<ul style="list-style-type: none"> <li>Send the appropriate managers to the meeting</li> </ul>	<ul style="list-style-type: none"> <li>Send the appropriate managers to the meeting</li> </ul>	None
<b>Service Improvement</b>						
23	I	Dedicate one bus each day (unscheduled) to address unforeseen operational issues to ensure smooth operation of service	Hire adequate driving staff and secure a vehicle to implement service	<ul style="list-style-type: none"> <li>Help generate revenue or other resources to support operation of the bus</li> </ul>	<ul style="list-style-type: none"> <li>Provide funding agencies with a cost estimate to provide additional service</li> </ul>	<ul style="list-style-type: none"> <li>Be open to discussions regarding funding increases that allow HIRTA to add a bus</li> </ul>

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HIRTA – Heart of Iowa Regional Transit Agency



CITY OF  
Ames™

*Caring People ♦ Quality Programs ♦ Exceptional Service*

# MEMO

25

**To:** Honorable Mayor Ann Campbell and City Council  
**From:** Tiffany Coleman, Business Development Coordinator  
**Date:** February 27, 2015  
**Subject:** 2014 Development Process Survey

Included in the Council packet are the results of the 2014 Development Process Survey. The survey has been conducted for four consecutive years. The purpose is to give customers of the Planning Department and Inspection Divisions the opportunity to provide feedback to the City Council on the services received.

Enclosed for your review are both the results of the survey and a copy of the presentation slides I will use during my report at the City Council meeting.



# Introduction

- Fourth time survey has been conducted
- Responses are very positive
- Snapshot of results
- Responses are anonymous
- Overview of process

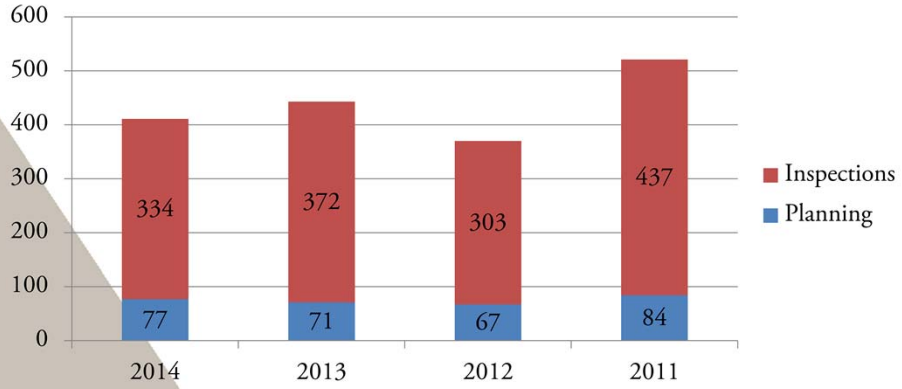


All results of survey are contained in the Survey Monkey report.

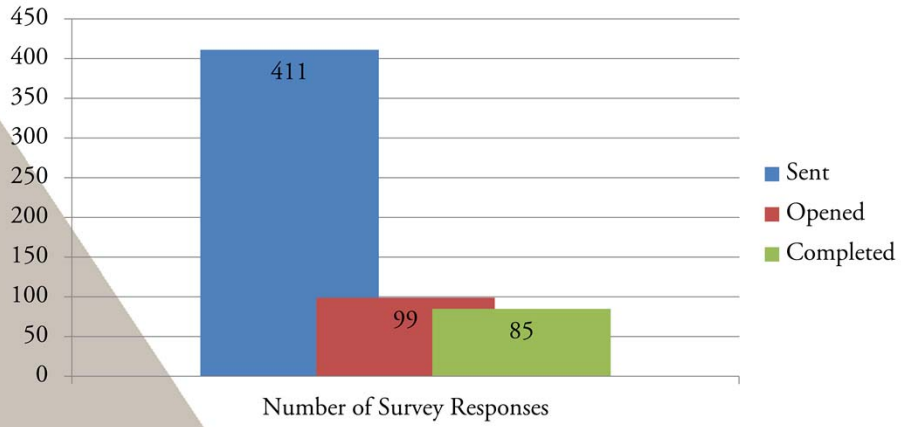
# Overview



# Surveys Sent Per Year

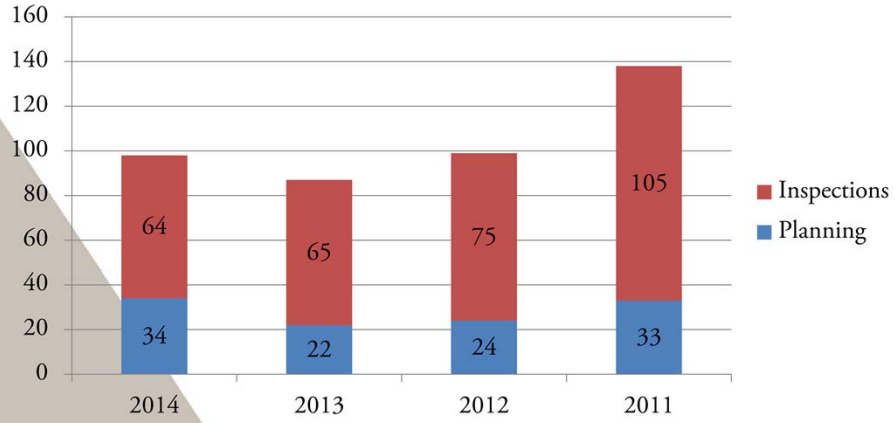


# Response Summary

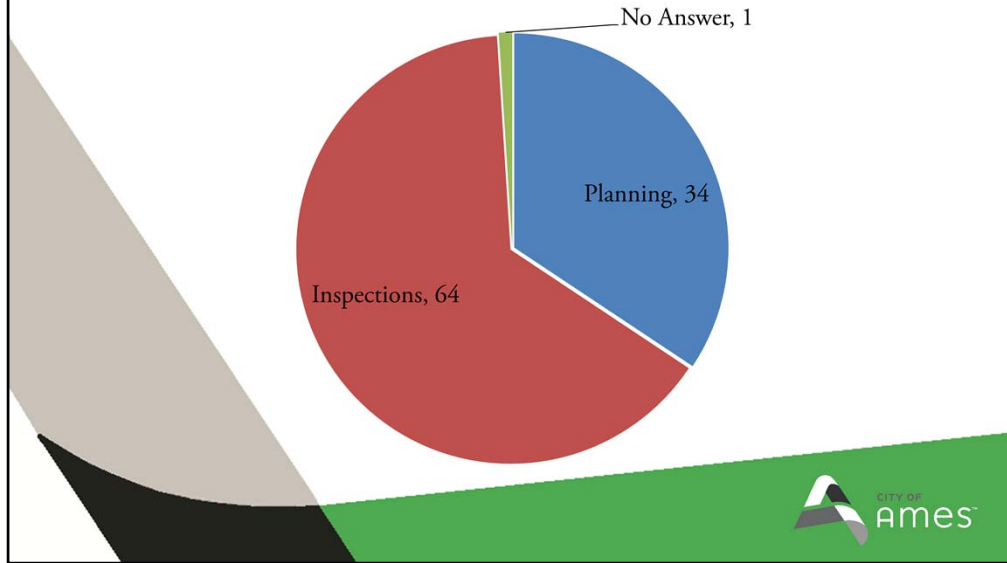




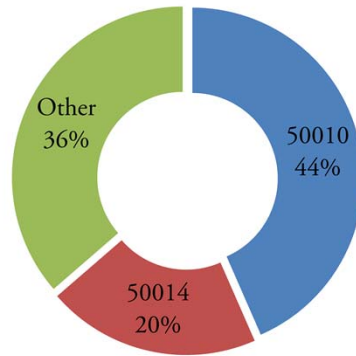
# Survey Responses Per Year



# Primary Department Interaction



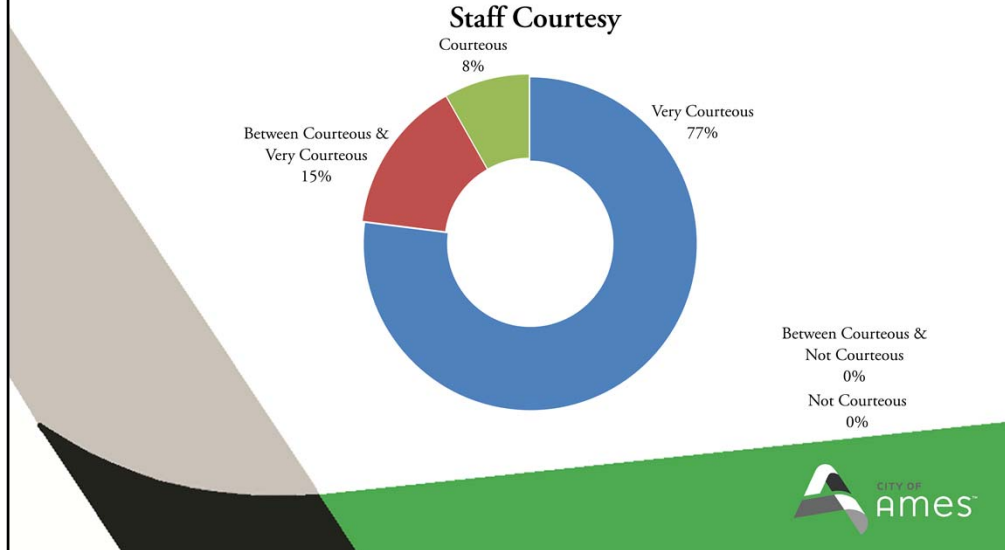
# Business Location by Zip Code



# Inspection Division



# Inspection Service Quality



2013

75% Very Courteous  
18% Above Average  
7% Courteous

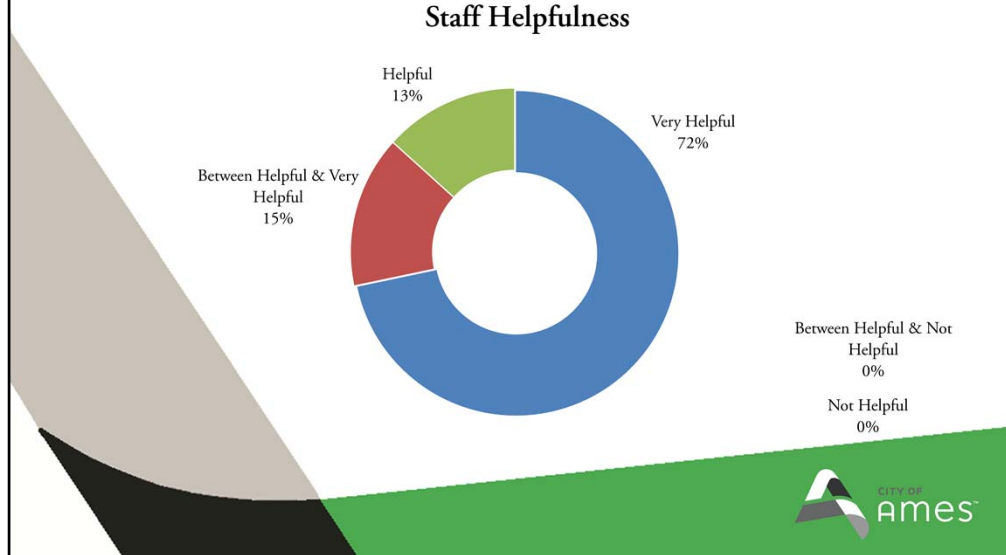
2012

74% Very Courteous  
9% Above Average  
12% Courteous  
5% Below Average

2011

58% Very Courteous  
20% Above Average  
19% Courteous  
3% Below Average

# Inspection Service Quality



2013

73% Very Helpful  
16% Above Average  
9% Helpful  
0% Below Average  
2% Not Helpful

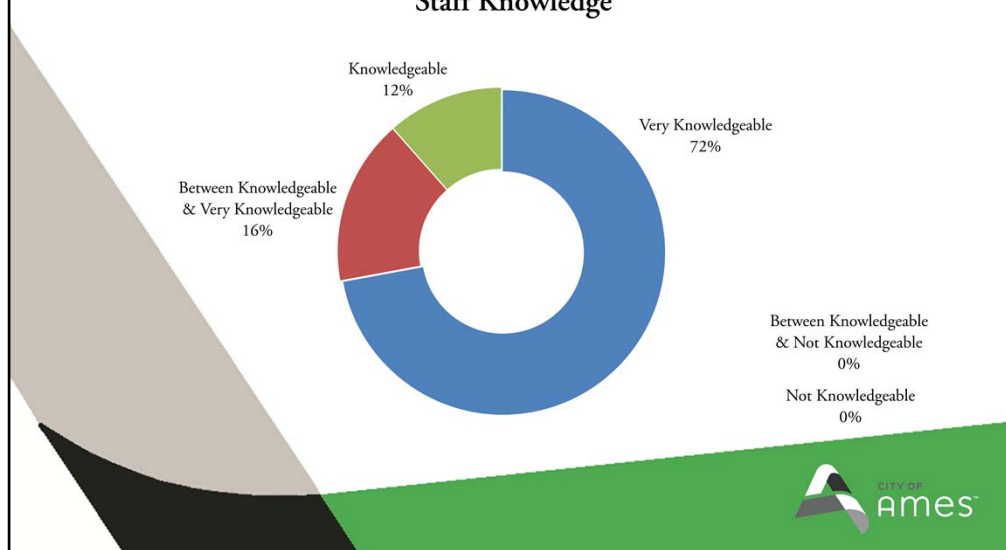
2012

67% Very Helpful  
17% Above Average  
13% Helpful  
3% Below Average

2011

57% Very Helpful  
18% Above Average  
18% Helpful  
3% Below Average  
4% Not Helpful

# Inspection Service Quality



2013

68% Very Knowledgeable

14% Above Average

16% Knowledgeable

0% Below Average

2% Not Knowledgeable

2012

67% Very Knowledgeable

17% Above Average

14% Knowledgeable

2% Below Average

2011

54% Very Knowledgeable

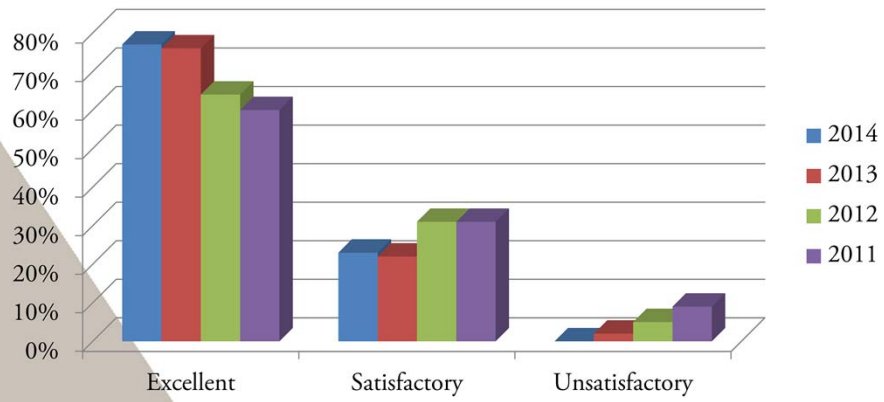
18% Above Average

17% Knowledgeable

9% Below Average

2% Not Knowledgeable

# Inspection Division Overall Rating





## Inspection Division Comments

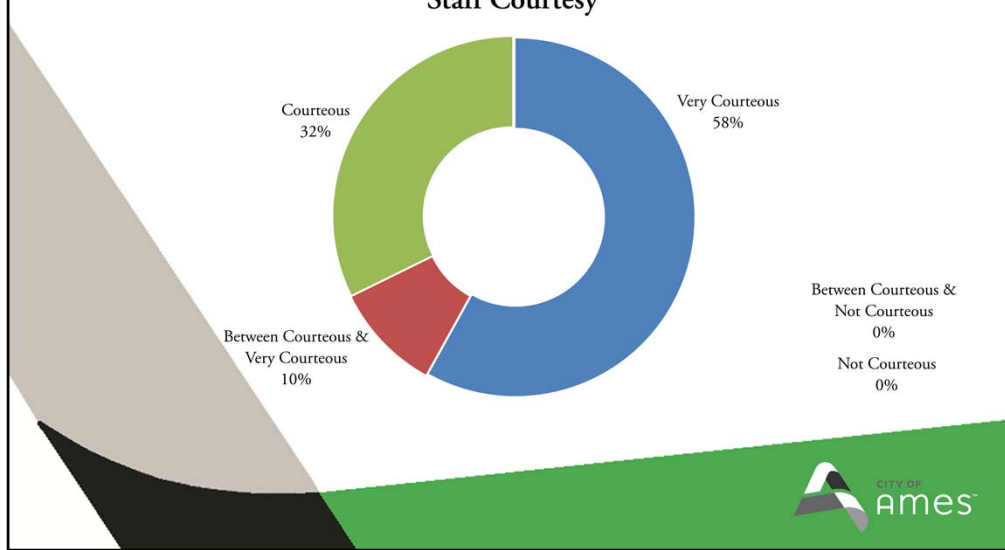
- Professional
- My superintendents say everyone is great. That can't be said for the other .... communities I'm in
- Very helpful from permit to C of O
- Answered questions and responded in a very timely manner.
- Ames' inspection department is second to none. From the front counter to the inspectors, we should be proud of this professional group of people.



# Planning Division



# Planning Service Quality



2013

85% Very Courteous  
10% Above Average  
5% Courteous  
0% Below Average

2012

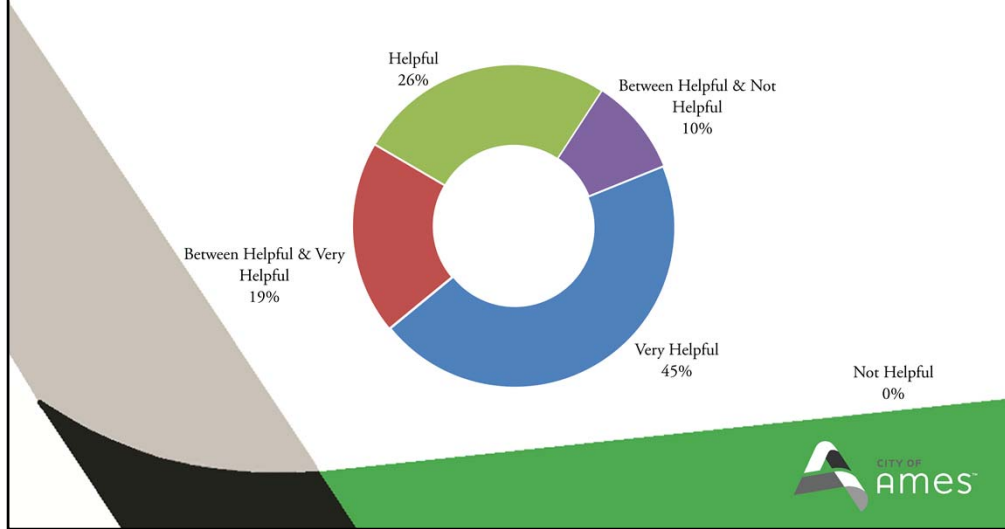
57% Very Courteous  
19% Above Average  
24% Courteous  
0% Below Average

2011

74% Very Courteous  
18% Above Average  
4% Courteous  
4% Below Average

# Planning Service Quality

## Staff Helpfulness



### 2013

60% Very Helpful  
25% Above Average  
15% Helpful  
0% Below Average

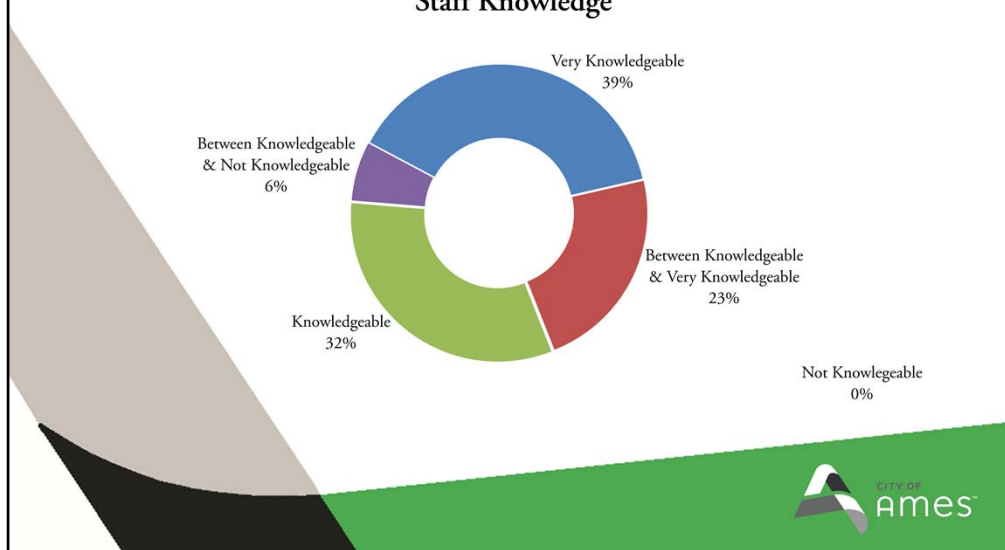
### 2012

29% Very Helpful  
38% Above Average  
19% Helpful  
14% Below Average

### 2011

63% Very Helpful  
22% Above Average  
11% Helpful  
0% Below Average  
4% Not Helpful

# Planning Service Quality



2013

55% Very Knowledgeable  
20% Above Average  
20% Knowledgeable  
5% Below Average

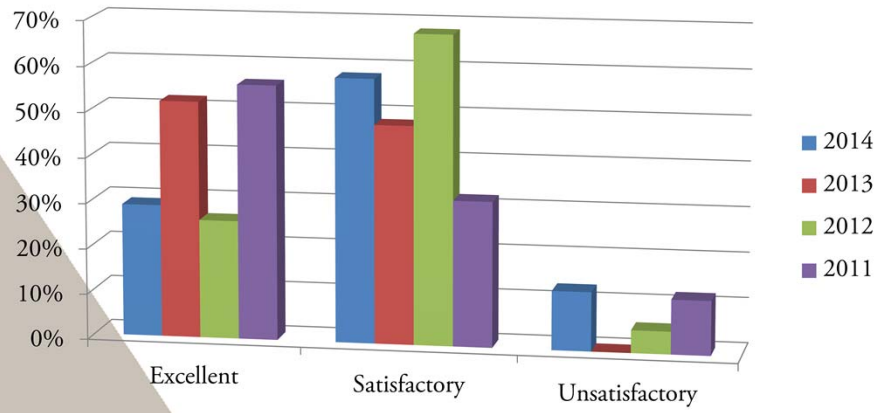
2012

29% Very Knowledgeable  
29% Above Average  
33% Knowledgeable  
9% Below Average

2011

59% Very Knowledgeable  
19% Above Average  
15% Knowledgeable  
0% Below Average  
7% Not Knowledgeable

# Planning Division Overall Rating



## Planning Division Customer Service Comments

- Always very courteous via email, on the phone, and in person.
- They are very professional.
- Staff has been very accommodating and generous with their time.
- All have helped find solutions to challenges that arise during the planning of a project.
- The City of Ames has probably one of the most comprehensive code and procedures we have ever come across. It is great to see things accomplished with such transparency.
- The City is doing a great job with the current process and staff in encouraging more developments in the City.



## Planning Division Improvement Comments

- Reduce the number of pages in your applications and simplify the questions within it.
- More flexibility related to alternatives/variances. Process became very slow after initial approval, when revisions still needed to be processed.
- Departments need to work together more cohesively
- Basic disregard for the project and very long wait times. Somewhat unreasonable expectations of landowners.
- Don't change the rules in the middle of the game. Don't take the most aggressive/anti approach where the code is ambiguous. Stand up to the neighborhood NO vote.

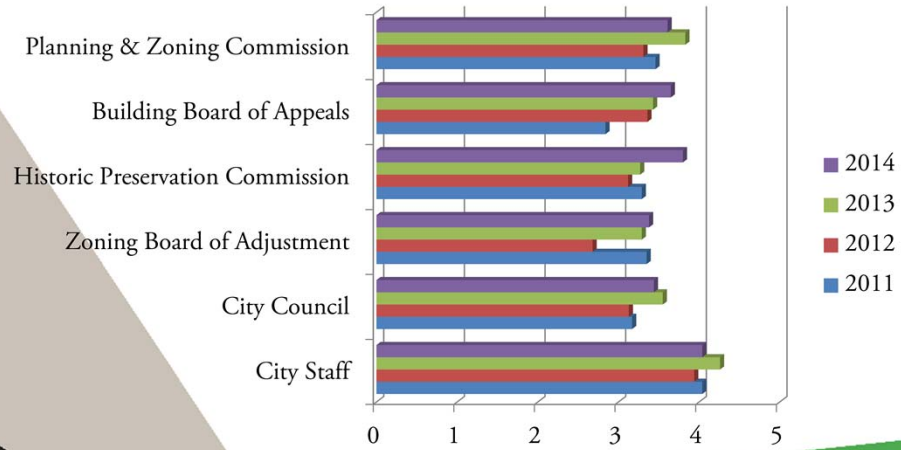




# Overall Rating of City



How well did we accomplish a “can-do” attitude and promote Ames as a welcoming place to do business?  
(Rating Scale of 1 to 5 with 5 being a high or good rating.)



## Closing

- Similar number of surveys were completed
- Many positive written comments
- Overall very positive response with a limited number of below average ratings



Thank You  
Questions



# 2014 City of Ames - Development Process Survey





## 1. Please let us know what zip code your business is located in.











		Response Percent	Response Count
50010		43.4%	43
50014		20.2%	20
Other (please specify)		36.4%	36
<b>answered question</b>			<b>99</b>
<b>skipped question</b>			<b>0</b>

Other Zip Codes		
46226	50130	50248
50009	50131	50265
50021	50156	50265
50021	50158	50309
50023	50201	50313
50111	50201	50317
50111	50201	50321
50111	50208	50322
50111	50235	50322
50125	50248	50327
50125	50248	50669
50129	50248	55311

**2. You were selected to receive this survey due to your recent interaction with the City of Ames. Which of the following departments were you primarily working with on your project (s)?**

		Response Percent	Response Count
Planning (e.g., site plan review, subdivisions, variances, special use permits, historic preservation, etc.)		34.7%	34
<b>Inspections (includes: building, electrical, plumbing, mechanical and construction plans review)</b>		65.3%	64
		<b>answered question</b>	<b>98</b>
		<b>skipped question</b>	<b>1</b>

**3. Which Inspection staff member(s) assisted you with your most recent proposal(s)/project(s)? (please select all that apply)**

		Response Percent	Response Count
Seana Perkins (Building Official)		9.8%	6
<b>Bruce Kinkaid (Plumbing)</b>		<b>37.7%</b>	<b>23</b>
Craig Hageman (Building)		34.4%	21
Adam Ostert (Building)		11.5%	7
Mike Makelbust (Plumbing)		29.5%	18
Nick Patterson (Electrical)		32.8%	20
Scott Ripperger (Plans)		19.7%	12
Tom Henriksen (Fire)		13.1%	8
Unknown		6.6%	4
Other (please type name below)		13.1%	8
		<b>answered question</b>	<b>61</b>
		<b>skipped question</b>	<b>38</b>

Other	
SARA VAN MEETEREN	Holly McDonald
Sara Van Meeteren	engineering
Sara Van Meeteren	Don't know inspectors names.
Sara	I'm the owner so I'm not sure who my guys deal with I do know they never have issues with any of them

#### 4. How would you describe the Inspection staff's courteousness while assisting you with your proposal(s)/project(s)?

	Very Courteous		Courteous		Not Courteous	Rating Average	Rating Count
Please select the most appropriate choice.	<b>77.0% (47)</b>	14.8% (9)	8.2% (5)	0.0% (0)	0.0% (0)	4.69	61
					Use this space to explain your choice		10
					<b>answered question</b>		<b>61</b>
					<b>skipped question</b>		<b>38</b>

Comments
Professional
My superintendents say everyone is great. That can't be said for the other 15 communities I'm in
[Staff member] and [staff member] always answered questions for me over the years
[Staff member] is always courteous and polite.always goes the extra mile to help us accomplish our work.
ALWAYS VERY HELPFUL AND COURTEOUS
Very helpful from permit to C of O
I respect these inspectors for their knowledge of the code and they respect me.
always appropriate language and respectful.
[Staff member] Knows construction and is A+ to work with
Answered questions and responded in a very timely manner.



## 5. How would you describe the Inspection staff's helpfulness while assisting you with your proposal(s)/project(s)?

	Very Helpful		Helpful		Not Helpful	Rating Average	Rating Count
Please select the most appropriate choice.	71.7% (43)	15.0% (9)	13.3% (8)	0.0% (0)	0.0% (0)	4.58	60
	Use this space to explain your choice						7
	<b>answered question</b>						<b>60</b>
	<b>skipped question</b>						<b>39</b>



Comments
Again. I see it as if they find something or want something changed is for the better on the home and future owners
[Staff member] always knowledgeable about the code and gives prior instruction to let us accomplish our jobs so rework is not necessary.
Inspectors were very accommodating and on time
I have always received prompt help in answering a question or setting up an inspection.
They tell me what they want.
Directed me to the right person in the Planning dept.
Provided fast answers to code questions on a fast track project

## 6. How would you describe the Inspection staff's professional knowledge while assisting you with your proposal(s)/project (s)?


	Very Knowledgeable	Knowledgeable	Not Knowledgeable	Rating Average	Rating Count		
Please select the most appropriate choice.	72.1% (44)	16.4% (10)	11.5% (7)	0.0% (0)	0.0% (0)	4.61	61
						Use this space to explain your choice	7
						<b>answered question</b>	<b>61</b>
						<b>skipped question</b>	<b>38</b>

Comments
My supers are very experienced so I only assume they are knowledgeable with other other sides we see
[Staff member] stands for knowledge and consistency.
[Staff member] is probably the most knowledgeable [ ] inspector in central Iowa
I do not like to be called a customer when I have no other choice but am regulated to work with inspections. Regulations require us to work with inspections. I do like the current staff.
Both inspectors were in the trade and had lots of professional knowledge, not just book skills.
If there re questions we look in to it.
Knew answers to my code questions

### 7. Did your project(s) require you to have interaction with counter staff at City Hall?

		Response Percent	Response Count
Yes		53.3%	32
No		46.7%	28
<b>answered question</b>			<b>60</b>
<b>skipped question</b>			<b>39</b>

## 8. Were you met with a "welcoming" attitude by our front counter staff?

		Response Percent	Response Count
Yes		100.0%	31
No		0.0%	0

Use this space to explain your choice

4

<b>answered question</b>	<b>31</b>
<b>skipped question</b>	<b>68</b>

Comments
Communication by phone only. Always very pleasant.
VERY CHEERFUL AND HELPFUL
They are always pleasant and helpful.
The greet me when I arrive or call and get to the reason for the call or visit

## 9. How would you describe the helpfulness of our front counter staff?

	Very Helpful	Helpful	Not Helpful	N/A	Rating Average	Rating Count		
Please select the most appropriate choice.	<b>78.1% (25)</b>	9.4% (3)	9.4% (3)	0.0% (0)	0.0% (0)	3.1% (1)	4.71	32
	Use this space to explain your choice						5	
	<b>answered question</b>						<b>32</b>	
	<b>skipped question</b>						<b>67</b>	

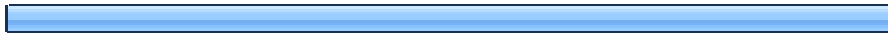

Comments
The [ ] staff very helpful [ ] not so much
very accomodating
[Staff members] directed me in the right direction of who to talk to and giving me the right forms to fill out. The entire application process was very smooth.
They try to answer your question or get you an answer on one trip, not just put you off.
They answer questions and have the printed for and instruction available.

**10. Which of the following best describes the final outcome of your proposal(s)/project(s)? (please select all that apply)**










		Response Percent	Response Count
Approved by City staff		92.5%	49
Approved by Building Board of Appeals		5.7%	3
Approved by City Council		5.7%	3
Denied by City staff		0.0%	0
Denied by Building Board of Appeals		0.0%	0
Denied by City Council		0.0%	0
Other (please specify below)		1.9%	1
<b>answered question</b>			<b>53</b>
<b>skipped question</b>			<b>46</b>

<b>Comment</b>
Projects have been both approved and denied.

### 11. Overall, how would you describe your experience with the Inspection Division?

		Response Percent	Response Count
Excellent		77.2%	44
Satisfactory		22.8%	13
Unsatisfactory		0.0%	0
		<b>answered question</b>	<b>57</b>
		<b>skipped question</b>	<b>42</b>

**12. Which of the following contributed to your satisfaction level with the City of Ames' Inspection Division? (please select all that apply)**

		Response Percent	Response Count
Clearly written local ordinances		14.5%	8
<b>City staff's helpful attitude</b>		<b>76.4%</b>	<b>42</b>
Reasonable cost of permit(s)		38.2%	21
Timeliness of response		70.9%	39
Clear policies and/or procedures		27.3%	15
Accurate billing process		27.3%	15
Early communication of expectations		25.5%	14
City staff's willingness to help identify solutions to help facilitate your project		47.3%	26
Other (please specify below)		1.8%	1
		<b>answered question</b>	<b>55</b>
		<b>skipped question</b>	<b>44</b>

**Comment**

Ames' inspection department is second to none. From the front counter to the inspectors, we should be proud of this professional group of people.



### 13. What comments or suggestions could you share to help us improve your next overall experience?

	Response Count
	10
answered question	10
skipped question	89

Comments
Would encourage filling [the position] (previously held by [staff member]). The City of Ames needs to have eight hours of inspections per day instead of the current 4 hours per day.
There is a glitch in the coordination between public works and inspections
I have had trouble in billing. They don't have recorded that I paid one invoice, but I have shown them that I did. Still received a bill again the next month. And no communication with me to let me know what's going on.
None that I can think of. I deal with a lot of city officials in 26 states. Some large and some small, I would have to say Ames staff was easier to work with than most.
When [staff member] retired [staff member] took over [staff member's] inspections and continued [ ] current inspection load. With all the work going on in Ames now, this makes no sense. Making [staff member] take on another full load is poor management.
there is a lot of time wasted because of the two tier inspection on water mains and services between plumbing and engineering, there is also a difference in requirements. we and others had a terrible time getting water main bacteria samples to pass. we do not have this problem in other communities
KEEP UP THE GOOD WORK WITH THE PUBLIC, IT MEANS ALOT TO THE PRIVATE SECTOR TO HAVE GOOD PEOPLE IN OUR LOCAL GOVERNMENT
Permit costs are a hardship for homeowners.
When there is a change in policy or ordinance an email could be sent.
Being a family business in Ames for over [ ] years , we have always had a high respect for the Inspection Division.






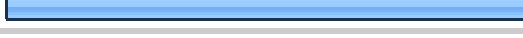
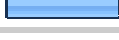
**14. Which of the following could help improve your satisfaction level with our Inspection Division? (please select all that apply)**

	Response Percent	Response Count
Change the local ordinances	0.0%	0
Display a more helpful attitude	0.0%	0
Reduce the cost of permit(s)	0.0%	0
Improve the timeliness of response	0.0%	0
Add clarity to the policies or procedures	0.0%	0
Increase accuracy in the billing process	0.0%	0
Show more willingness to identify potential solutions	0.0%	0
Early communications of expectations	0.0%	0
Other (please specify below)	0.0%	0
	<b>answered question</b>	<b>0</b>
	<b>skipped question</b>	<b>99</b>

## 15. How can we improve your next overall experience?

	Response Count
	0
answered question	0
skipped question	99

**16. Which Planning staff member(s) assisted you with your most recent proposal(s)/project(s)? (please select all that apply)**

		Response Percent	Response Count
Ray Anderson		54.8%	17
Jeff Benson		35.5%	11
Charlie Kuester		48.4%	15
Kelly Diekmann		38.7%	12
Lorrie Banks		6.5%	2
Karen Marren		45.2%	14
Unknown		9.7%	3
Other (please type name below)		0.0%	0
		<b>answered question</b>	<b>31</b>
		<b>skipped question</b>	<b>68</b>

**17. How would you describe the Planning staff's courteousness while assisting you with your proposal(s)/project(s)?**

	Very Courteous		Courteous		Not Courteous	Rating Average	Rating Count
Please check your response by number.	<b>58.1% (18)</b>	9.7% (3)	32.3% (10)	0.0% (0)	0.0% (0)	4.26	31

Use this space to explain your choice

3

<b>answered question</b>	<b>31</b>
<b>skipped question</b>	<b>68</b>

**Comments**

Always very courteous via email, on the phone, and in person.

Both [staff member] and [staff member] were very helpful.

They are very professional.

**18. How would you describe the Planning staff's helpfulness while assisting you with your proposal(s)/project(s)?**

	Very Helpful	Helpful	Not Helpful	Rating Average	Rating Count		
Please check the appropriate rating.	45.2% (14)	19.4% (6)	25.8% (8)	9.7% (3)	0.0% (0)	4.00	31

Use this space to explain your choice

4

**answered question**

**31**

**skipped question**

**68**

**Comments**

I see a real attitude of wanting to see projects advance. This is very different from the past.

Staff has been very accomodating and generous with their time. [Staff member] has been very forthcoming with information needed for us to plan the project and guided us well through the approval process.

All have helped find solutions to challenges that arise during the planning of a project.



They are somewhat helpful. They seem somewhat less afraid to offer real solutions to issues now that there is a new director.

**19. How would you describe the Planning staff's professional knowledge while assisting you with your proposal(s)/project (s)?**

	Very Knowledgeable		Knowledgeable		Not Knowledgeable	Rating Average	Rating Count
Please select the most appropriate choice.	<b>38.7% (12)</b>	22.6% (7)	32.3% (10)	6.5% (2)	0.0% (0)	3.94	31
	Use this space to explain your choice						4
	<b>answered question</b>						<b>31</b>
	<b>skipped question</b>						<b>68</b>


<b>Comments</b>
I really think it helps that [staff member] came from a city where density and flexibility were likely high priorities.
Staff has been a great resource in ensuring that we covered all aspects and requirements for our project. [Staff member] was diligent in following up on questions [staff member] wasn't able to answer initially.
Some are more knowledgeable than others. They all try to find answers if they do not know them.
They seem to know the codes governing their work.

## 20. Did your issue require you to have interaction with counter staff at City Hall?

		Response Percent	Response Count
Yes		67.7%	21
No		32.3%	10
		<b>answered question</b>	<b>31</b>
		<b>skipped question</b>	<b>68</b>



## 21. Were you met with a "welcoming" attitude by our front counter staff?

		Response Percent	Response Count
Yes		100.0%	21
No		0.0%	0

Use this space to explain your choice 1

<b>answered question</b>	<b>21</b>
<b>skipped question</b>	<b>78</b>

### Comment

Very pleasant. Called me by name.

## 22. How would you describe the helpfulness of the City staff's front counter staff?

	Very Helpful	Helpful	Not Helpful	N/A	Rating Average	Rating Count
Please select the most appropriate choice.	61.9% (13)	23.8% (5)	14.3% (3)	0.0% (0)	4.48	21

Use this space to explain your choice 0

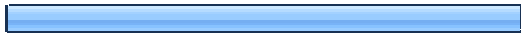


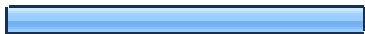


<b>answered question</b>	<b>21</b>
<b>skipped question</b>	<b>78</b>

**23. What type of application did you submit? (please select all that apply)**

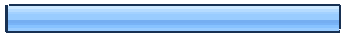


		Response Percent	Response Count
Certificate of Appropriateness (historic preservation)		9.7%	3
<b>Major Site Plan or Planned Residential Development (PRD) Plan</b>		<b>48.4%</b>	<b>15</b>
Special Use Permit		16.1%	5
Minor Site Plan		41.9%	13
Preliminary or Final Plat		32.3%	10
Flood Plain Development Permit		9.7%	3
Rezoning		29.0%	9
Land Use Policy Plan change		9.7%	3
Other (please specify below)		9.7%	3
		<b>answered question</b>	<b>31</b>
		<b>skipped question</b>	<b>68</b>

Comments
Demo Permit
boundary adjustment
Plat of Survey

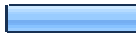






**24. Which of the following best describes the final outcome of your proposal(s)/project(s)?**

		<b>Response Percent</b>	<b>Response Count</b>
<b>Approved by City staff</b>		<b>44.8%</b>	<b>13</b>
Approved by the Zoning Board of Adjustment		6.9%	2
Approved by the Historic Preservation Commission		6.9%	2
Approved by City Council		31.0%	9
Denied by City staff		3.4%	1
Denied by the Zoning Board of Adjustment		0.0%	0
Denied by the Historic Preservation Commission		0.0%	0
Denied by City Council		6.9%	2
		<b>answered question</b>	<b>29</b>
		<b>skipped question</b>	<b>70</b>

## 25. Overall, were you satisfied with your experience with the Planning Division?

		Response Percent	Response Count
Excellent		29.0%	9
<b>Satisfactory</b>		<b>58.1%</b>	<b>18</b>
Unsatisfactory		12.9%	4
		<b>answered question</b>	<b>31</b>
		<b>skipped question</b>	<b>68</b>

**26. Which of the following contributed to your satisfaction level with our Planning Division? (please select all that apply)**

		Response Percent	Response Count
Well written local ordinances		11.1%	3
City staff's helpful, "can do" attitude		44.4%	12
Timeliness of response		29.6%	8
Clear policies and/or procedures		18.5%	5
Early communication of expectations		29.6%	8
<b>City staff's willingness to help identify solutions to help facilitate your project</b>		<b>77.8%</b>	<b>21</b>
Other (please specify below)		11.1%	3
		<b>answered question</b>	<b>27</b>
		<b>skipped question</b>	<b>72</b>








Comments
I don't always expect a "yes" but I do expect a feeling of partnership to make things happen. If there are decisions that are grey, look at the big picture and what mark the developer will leave on the city for the next 100 years. I feel that in the past the staff was worried about ANY complaint that could somehow leave them vulnerable or liable. I do not see that with this group.
The City of Ames has probably one of the most comprehensive code and procedures we have ever come across. It is great to see things accomplished with such transparency.
Ames does not have a willingness to find solutions and does not apply policies evenly.

## 27. How can we improve your next overall experience?

	Response Count
	9
answered question	9
skipped question	90

Comments
Realize that in these lightning rod positions, "you are paid to deal with conflict". I definitely feel this attitude is considered now.
The City is doing a great job with the current process and staff in encouraging more developments in the City.
More flexibility related to alternatives/variances. Process became very slow after initial approval, when revisions still needed to be processed.
Departments need to work together more cohesively
Be more business "friendly"
Reduce the number of pages in your applications and simplify the questions within it.
Look at overall project scope before requiring standard submittals
Ours was a simple request but after a few weeks we still hadn't gotten the okie-dokie. When I called to check on it, I was told that they were super busy so they hadn't gotten ours out, but that it was all right to start. I don't really like having to call.
Reduce red tape and bureaucracy.

**28. Which of the following could help improve your satisfaction level with the City's Planning Division? (please select all that apply)**

		Response Percent	Response Count
Change the local ordinances		50.0%	2
Display a more helpful, "can-do" attitude		50.0%	2
Improve the timeliness of response		50.0%	2
Add clarity to the policies or procedures		50.0%	2
<b>Show more willingness to identify potential solutions</b>		<b>75.0%</b>	<b>3</b>
Early communication of expectations		50.0%	2
<b>Other (please specify below)</b>		<b>75.0%</b>	<b>3</b>
		<b>answered question</b>	<b>4</b>
		<b>skipped question</b>	<b>95</b>

Comments
Basic disregard for the project and very long wait times. Somewhat unreasonable expectations of landowners.
Don't change the rules in the middle of the game. Don't take the most aggressive/anti approach where the code is ambiguous. Stand up to the neighborhood NO vote.
Getting anything done in Ames is 10 time harder than any other place.

**29. What comments or suggestions could you share to help us improve your next overall experience?**

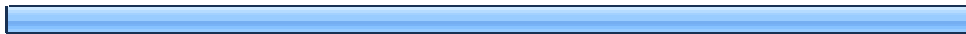


	<b>Response Count</b>
	1
<b>answered question</b>	<b>1</b>
<b>skipped question</b>	<b>98</b>

**Comments**

[Elected official] needs a lesson in manners when someone is investing substantial money into Ames and [elected official] feels the need to question their business, motives and intent.





### 30. Did you find the Application Packet useful, clear, and understandable?

		Response Percent	Response Count
Yes		83.9%	26
No		6.5%	2
N/A		9.7%	3
	Use this space to explain your choice		4
<b>answered question</b>			<b>31</b>
<b>skipped question</b>			<b>68</b>

Comments
don't remember getting one
Yes, for the most part.
The applications are too lengthy and the questions are somewhat unnecessary and arduous.
Its way more complicated than it needs to be.

### 31. Did your project follow the processing schedule that was included in the Planning Application packet for the project?

		Response Percent	Response Count
Yes		82.1%	23
No		17.9%	5
Use this space to explain your choice			6
<b>answered question</b>			<b>28</b>
<b>skipped question</b>			<b>71</b>

Comments
I have asked to have certain requests be brought to council in a more aggressive time frame and have been accommodated.
see above answer
But subsequent revisions and approval of those revisions took long.
The schedule indicated is generally a lie. They will find a reason to delay the project if it is in the Staff's interest.
In progress. . . .
6 month expectation was set to get to an ultimate decision on whether an approval or denial from the city on the application. We are on month 12 now and still sense resistance from the city on producing a \$40 Million+ development to meet the housing needs of the city. We understand the cities obligation to control and protect the city from potentially detrimental development, however the city of Ames still needs a multitude of housing options due to the student growth AND 5,000+ jobs added in the past 5 years, which is truly exciting for the city. We've heard many developers focusing on other suburbs of Ames like Ankeny where the city has welcomed and encouraged investments and development in their community. There will always be challenges and negatives to development in the community but I feel there is an opportunity with the city to look at the big picture impact of the benefits that an investment in their community will bring and do so in a more expeditious manner.

**32. A goal for the City is to display a "can-do" attitude to customers, promoting Ames as a welcoming place to do business. In your opinion, how well did we accomplish this?**

	Excellent		Satisfactory		Unsatisfactory	N/A	Rating Average	Rating Count
Planning and Zoning Commission	21.4% (15)	15.7% (11)	22.9% (16)	4.3% (3)	5.7% (4)	<b>30.0% (21)</b>	3.61	70
Building Board of Appeals	8.6% (5)	8.6% (5)	22.4% (13)	0.0% (0)	0.0% (0)	<b>60.3% (35)</b>	3.65	58
Historic Preservation Commission	11.9% (7)	13.6% (8)	13.6% (8)	3.4% (2)	0.0% (0)	<b>57.6% (34)</b>	3.80	59
Zoning Board of Adjustment	11.7% (7)	5.0% (3)	18.3% (11)	5.0% (3)	3.3% (2)	<b>56.7% (34)</b>	3.38	60
City Council	14.5% (9)	14.5% (9)	14.5% (9)	3.2% (2)	8.1% (5)	<b>45.2% (28)</b>	3.44	62
City Staff	<b>45.1% (37)</b>	20.7% (17)	24.4% (20)	4.9% (4)	2.4% (2)	2.4% (2)	4.04	82
							<b>answered question</b>	<b>85</b>
							<b>skipped question</b>	<b>14</b>

**33. Please provide us with any suggestions for how we can best display a "can-do" attitude.**

	Response Count
	11
answered question	11
skipped question	88

Comments
These are my opinions in general rather than related to my last very minor project
Call back in timely manner, eliminate some of the micro-manage within every aspect.
Follow your own rules and regulations. Realize the property owner doing the development has property rights and the neighborhood groups don't have veto power over any development.
The city council did a poor job reviewing a code that is out of date with current technology in my industry. I had a permit denied due to a gray area in the code. After making an appeal, I asked that the city council review the code. The response to this was basically a "we don't care" attitude. It would have been nice to see a council member or two meet with businesses in my industry to discuss new technology available to our customers - other local businesses.
I have lived in Ames since the early 70's and I feel in general Ames has been developing a more hostile attitude for business that are not white collar
In the past Ames has not been a can do City, it was can't do rather than can do. but maybe that is changing.
I do work for some rental property owners and there seems to be a little unhappiness with rental inspections.
You have always been helpful.
Simplify you codes
At times it feels the zoning commission and council members can focus on very detailed aspects of the projects and fail to see the big picture benefit of developments and investments in their community. There will always be negatives to development projects, regardless of the location and need and if you focus so much on the negative details of the projects and don't widen your horizon or perspective to major benefits to the city, very little to no projects will be approved. Improving upon this opportunity will help the city to display a "can-do" attitude.
It's one thing to "display" said attitude. You must actually have a can-do attitude and actually conduct your business that way. You lure projects in with this display, then put up every roadblock you can think of to quash the project. Quit listening to the vocal minority and think for yourselves. They'll get over it.

**COUNCIL ACTION FORM**

**SUBJECT: REPORTING REQUIREMENTS FOR SECONDHAND GOODS DEALERS**

**BACKGROUND:**

At the December 16, 2014 City Council meeting, the City Council received a report outlining the shortcomings of the existing *Municipal Code* requirements for secondhand goods dealers in reporting their transactions.

Currently, the *Municipal Code* requires paper records for transactions conducted by pawnbrokers and itinerant dealers. These reporting requirements are focused on the transactions of particular types of businesses – pawnbrokers and itinerant dealers. **Other businesses buying the same items have no such requirement to report their transactions or hold items prior to disposal.**

City staff has identified an effective electronic reporting system called Leads Online that could be used to replace the existing paper records system. Several local businesses, such as GameStop, Gamers, and EcoATM, already use Leads Online to report their purchases. City staff has purchased a subscription to Leads Online, which has been used to successfully identify items stolen from Ames residents and sold to dealers out of the area. Since purchasing the subscription in January, the Police Department has used information gathered from Leads Online to file charges in two felony cases (one conviction, one pending), an aggravated misdemeanor case, and an ongoing criminal conduct case.

During the discussion of the original staff report, the City Council requested additional information regarding the following issues:

**What protections are in place for privacy and for information security in Leads Online?**

Leads Online documents indicate that the information collected can only be used by law enforcement officials in their official investigatory duties. According to the law enforcement user agreement, Leads Online secures data “using administrative, technical, and physical safeguards as set forth in applicable law, including the [Gramm-Leach-Bliley Financial Services Modernization Act of 1999].” These safeguards include encrypting transmitted data, providing access to information only to law enforcement agencies or those required by law, and storing data physically only at data centers located in the United States that have undergone auditing or review by the Federal Financial Institutions Examination Council and operate in accordance with the guidelines set forth in the Federal Information Security Management Act of 2002.

Non-law enforcement users of Leads Online's system are not able to see transactions of other users. Law enforcement personnel who use Leads Online are required by Leads Online to conduct an over-the-phone training prior to activating their account.

**Is it possible to enter an item's description, but to leave off the seller's name?**

According to Leads Online, it is possible to enter the description of an item without including a seller's name. The trade-off with such a practice is that in the event of an investigation, it may be difficult to connect a suspected thief with all the items potentially stolen. Therefore, it is City staff's recommendation that the seller name be a mandatory component of each report. If the City Council is interested in having seller names omitted for certain types of transactions, staff recommends that the buyer be required to separately keep the seller's name for a period of time and report it to the police if an investigation into that item has begun during that time.

**Is there value in entering transactions of bullion or coins or should records be limited to "identifiable merchandise?"**

City staff has reviewed this question and has struggled to identify a definition of "identifiable merchandise" that does not create an overbroad exemption from entering transactions. The nature of police investigations is that a particular set of coins or bullion (with no serial numbers or special markings) that has been sold to a secondhand dealer can become of interest to investigators when a theft report describing that same set of coins or bullion is received. Limiting "identifiable merchandise" only to items that have a serial number, model number, or maker's mark and excluding items such as coins and bullion would limit the options available to investigate reported thefts of coins and bullion.

City staff recognizes that numismatic coins are in a different category. These coins are typically less valuable, are often sold in large sets, are very onerous to describe individually, and are statistically less prone to theft than other classes of goods. Therefore, City staff is comfortable offering an exemption from reporting for numismatic coins. The City Council must weigh the tradeoff of keeping certain classes of transactions anonymous with the potential to recover those items in a theft investigation.

**How long does it take to set up an account and enter transactions?**

Leads Online estimates the amount of time required to set up an account at approximately five minutes. The amount of time required to enter information about a transaction is estimated at less than five minutes, and frequent users such as pawn shops are likely able to enter a transaction within two minutes.

**ISSUES TO ADDRESS**

The City Council must determine 1) whether the reporting requirements should be updated to incorporate electronic recordkeeping, and 2) if so, which transactions should

be reported. A comparison of the reporting requirements in the five large cities in Iowa that require electronic reporting is attached to this report.

City staff proposes requiring reporting for any person engaged in buying (outside of casual sales, such as garage sales) jewelry, precious metals, precious or semiprecious stones, tools, bullion, and electronics. As mentioned in the previous staff report regarding this topic, the City Council could exempt from reporting purchases of individual items less than \$100 in value as long as aggregate sales by one person to a secondhand dealer in one day do not exceed \$200. This exemption would eliminate the reporting requirements for transactions of some broken and scrap jewelry or stones. These values could be increased if the City Council believes that different amounts would make the proposed changes more acceptable to those impacted.

Because improved records and a uniform ten-day holding period would increase the likelihood of promptly recovering stolen property, staff does not believe it is necessary to require secondhand goods dealers to report the details of the individual buying the goods from them.

### **ALTERNATIVES:**

1. Direct staff to prepare an ordinance requiring electronic recordkeeping for dealers of secondhand goods, including all pawnbroker and itinerant dealer transactions, and purchases and sales of jewelry, precious metals, gemstones, and electronics, excluding coins purchased by a professional numismatist.

This option accomplishes two objectives: 1) requires reporting based on the type of item sold rather than where the item is sold, which is the current requirement, and 2) changes the requirements from paper records to electronic reporting. **Under this alternative, the City Council must identify if transactions under certain dollar thresholds should be exempt from reporting.**

2. Direct staff to prepare an ordinance modifying the existing pawnbroker and itinerant dealer reporting requirements to provide electronic reporting.

This option limits reporting requirements to the same businesses that are currently required to report transactions (pawnbrokers and itinerant dealers), but changes the requirements from paper records to electronic reporting.

3. Do not change the reporting requirements for these types of transactions.

### **MANAGER'S RECOMMENDED ACTION:**

City staff recognizes that there is merit in maintaining the privacy of individuals conducting bona fide transactions involving their own personal articles. However, this must be weighed against both the need to thwart criminals in using legitimate

businesses as a means to dispose of stolen goods and the obligation law enforcement has to reunite victims with their stolen property.

City staff believes that similar transactions should be treated similarly; reporting requirements that have merit for pawn shops should also be employed for other businesses engaged in these types of transactions. The electronic reporting method described above has been successful in other communities and minimizes the potential for buyer and seller information to be used outside of law enforcement purposes. The types of transactions and the details that would be reported have been scaled to allow investigations to occur if necessary and to minimize the burden on businesses and their customers.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby directing staff to prepare an ordinance requiring electronic recordkeeping for dealers of secondhand goods, including all pawnbroker and itinerant dealer transactions, and purchases and sales of jewelry, precious metals, gemstones, and electronics, excluding coins purchased by a professional numismatist.



	Bettendorf	Davenport	Des Moines	Dubuque	Sioux City	Ames (Current)	Ames (Proposed)
<b>Items reported:</b>	Tangible personal property previously owned by another person, whether used or not, which property, in its present state, possesses utility for the purpose for which it was originally intended. This definition shall include gold, silver, copper, or platinum articles to include any coins, jewelry, or gems bought for resale, meltdown or scrap.	Tangible personal property previously owned by another person, whether used or not, which property, in its present state, possesses utility for the purpose for which it was originally intended. This definition shall include gold, silver, copper, or platinum articles bought for resale or meltdown, and coins.	Any secondhand goods, antiques, or used articles whatsoever.	Bicycles, Coins, Collectibles, Computers, software, and computer accessories, Construction equipment, Electronic equipment, Firearms, Glassware, Household appliances, Hunting and fishing equipment, Jewelry, Lawn and garden tools, equipment, and furnishings, Motor vehicle parts and equipment, Motor vehicles, Musical instruments, Photographic/video parts and equipment, Precious and semiprecious stones, Precious metals in the form of bullion or ingots, Radio equipment, Rare books, Silver/ silverware, Sporting goods, Stereo equipment, Television equipment, Tools, Untitled motor vehicles, Video game systems, originally manufactured with a serial number, Works of art.	Any used personal property except: a. Property purchased and sold for recycling; b. Licensable motor vehicles; c. Junk as defined in Iowa Code Chapter 306C.	Any transaction of a pawnbroker, which is defined as any person who shall in any manner lend or advance money or other things for profit on the pledge or possession of personal property, or other valuable things, other than securities or written evidences of indebtedness, or who deals in the purchasing of personal property or other valuable things on condition of selling the same back to the seller at a stipulated price.	
Jewelry	✓	✓	✓	✓	✓	Only at pawnshops	✓
Precious Metals	✓	✓		✓	✓	Only at pawnshops	✓
Precious or semiprecious gemstones	✓	✓		✓	✓	Only at pawnshops	✓
Tools	✓	✓	✓	✓	✓	Only at pawnshops	✓
Numismatic Coins	✓	✓		✓	✓	Only at pawnshops	
Bullion	✓	✓	✓	✓	✓	Only at pawnshops	✓
Electronics	✓	✓	✓	✓	✓	Only at pawnshops	✓
Appliances	✓	✓		✓	✓ - but not pawn shop transactions	Only at pawnshops	
Musical Instruments	✓	✓				Only at pawnshops	

Firearms	✓	✓				Only at pawnshops	
Other:		Metal and scrap metal	Antiques		Trade-ins of similar items exempted		
<b>Details Recorded:</b>							
Amount Paid for Article	✓		✓	Must record but may keep separately	✓	✓	
Desc. of Article	✓	✓	✓	✓	✓	✓	✓
Photograph of Article	✓ - <i>excl. coins and currency</i>	✓			Only for pawnshop transactions		
Serial/Model No.	✓	✓	✓	✓			✓
Seller Name	✓	✓	✓	✓	✓	✓	✓
Seller Address	✓	✓	✓	✓	✓	✓	✓
Seller ID Card Image	✓	✓		Not req'd, but means of verifying identification and any ID number must be noted	DL number only for pawnshop transactions		✓
Seller SSN		✓	✓			✓	
Seller Height	on ID card	✓	✓	✓			on ID card
Seller Weight	on ID card	✓	✓	✓			on ID card
Seller Age/DOB	on ID card	✓	✓	✓	✓	✓	on ID card
Seller Gender	on ID card	✓		✓		✓	on ID card
Seller Race			✓	✓			
Seller Other Characteristics	✓	✓		✓			✓
Buyer's Agent Name	✓				Only for pawnshop transactions		
<b>When re-sold:</b>							
Date of Disposition			✓			✓	
Buyer Name			✓		✓	✓	
Buyer Address			✓		✓	✓	
Buyer Amount Paid					✓		
No disposal before	10 days	10 days	7 days	5 day hold for jewelry only	15 days only for pawnshop transactions	10 days only for pawnshops	10 days

## REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

DECEMBER 16, 2014

**SECONDHAND-GOODS DEALERS:** Police Chief Cychosz reported that the Ordinance in question was adopted by the City in 1992. A change since that time has been an increase in the number of organized burglary rings. The burglary rings look for outlets that will buy the stolen goods, which puts pressure on the local pawnbrokers and other secondhand-goods dealers.

Management Analyst Brian Phillips advised that the *Ames Municipal Code* currently requires pawnbrokers and itinerant dealers to keep physical record books of their transactions. According to Mr. Phillips, although the vast majority of transactions conducted by these dealers are bona fide, shortcomings in the current record-keeping system create opportunities for stolen goods to unknowingly be bought and sold. The challenges were described by Mr. Phillips: (1) cumbersome conversion process from paper records to electronic spreadsheets of transactions, (2) level of detail in the records varies from dealer to dealer; and (3) using paper records makes it very difficult to recover stolen items once they have left the City.

Mr. Phillips shared that electronic recordkeeping is required in Bettendorf, Davenport, Des Moines, Dubuque, Sioux City, and other jurisdictions outside Iowa. The use of that type of system is advantageous to secondhand dealers in that it is relatively efficient to use and helps deter thieves from selling them stolen goods.

The Council was informed by Commander Geoff Huff that local businesses: Express Pawn, EZ Pawn, EcoATM, Best Buy, Gamerz, and GameStop use a service called *Leads Online* to record transactions of used goods. EcoATM, Radio Shack, Sam's Club, and Walmart use similar methods to electronically record seller details for their purchases of used electronics. Those internet-based services record photos of the item sold and the seller's ID card, details about the transaction and the seller, and any other pertinent information. If the Police receives a theft report for an item matching that description, the item can be looked up in the database and located.

According to Mr. Phillips, the *Municipal Code* does not require stores other than pawnbrokers and itinerant dealers to keep records of transactions, even though other businesses purchase items of value, such as used electronics or precious metals—items that are frequently subject to theft. In addition to pawnbrokers, approximately ten other Ames businesses purchase video games and video game systems, electronics, jewelry, precious metals, coins, and gemstones. These establishments are under no City requirements to hold items or to track them; meaning they can be immediately resold, transferred, or in the case of precious metals, melted, making recovery difficult or impossible if those goods have been stolen.

Commander Huff noted that theft records from 2012, 2013, and 2014 (projected) show that Ames averages approximately \$150,000 in stolen goods reported each year. That figure does not count unreported thefts, thefts of motor vehicles, or theft reports taken by ISU Police.

Electronics comprise 39% of total stolen goods by value; while jewelry and precious metals represent 21%. At least 75% of the value of stolen items is comprised of goods that could be resold through a legitimate pawn, jewelry, electronics, or coin business for cash or other goods. According to Commander Huff, more sophisticated criminals are likely to take goods out of the area before attempting to exchange them for cash. Changes to record-keeping processes in Ames cannot be guaranteed to thwart such crimes. It was noted that the Police Department has had some success in recovering stolen items using *Leads Online* on a trial basis.

It was reported by Mr. Phillips that City staff had consulted with precious metal dealers in Ames who buy jewelry from customers about the concept of using a reporting system. Most reported that those type of transactions are infrequent and for small dollar amounts with low-value broken jewelry being the most common type of jewelry bought from customers.

The proposed changes were explained by Mr. Phillips.

Gary Youngberg, owner of Ames Silversmithing, 220 Main Street, stated his opinion that including jewelry stores in the Ordinance as it is currently written is detrimental. He explained that the amount of resources needed to implement the proposed Ordinance would be onerous to most jewelry businesses. Mr. Youngberg also said he feels strongly that certain transactions with his clients should be able to be kept private. He said he believes that the initial intent of the Ordinance is good, but that it has not been reviewed extensively enough, especially as it relates to jewelry. Council Member Goodman noted that what would be important would be what the item was; it doesn't really matter who the person was unless the item had been stolen, in which case, the name would need to be identified.

John Firmature, Express Pawn, stated that stolen goods accounted for approximately \$4,000 in merchandise that had been stolen. The majority of that was electronics; jewelry accounted for a very small percentage of the \$4,000. Mr. Firmature acknowledged the good working relationship his company has with the Ames Police Department. He stated that his company had purchased its own software to record transactions of used goods.

Mr. Youngberg noted that "being identifiable" was key. Some of the items would just have a very general description.

Moved by Gartin, seconded by Betcher, to direct staff to prepare an ordinance modifying the existing pawnbroker and itinerant dealer reporting requirements to provide electronic reporting.

Mayor Campbell clarified that that option would accomplish two objectives: (1) limit the reporting requirements solely to the same businesses that are currently required to report transactions (pawnbrokers and itinerant dealers) and (2) add the requirement for electronic reporting.

Motion withdrawn.

Moved by Goodman, seconded by Betcher, to request staff to answer the question on the stated client privacy concerns.

Vote on Motion: 5-1. Voting aye: Betcher, Corrieri, Gartin, Goodman, Orazem. Voting nay: Nelson. Motion declared carried.

Moved by Orazem, seconded by Goodman, to request staff to modify the regulation to take into account whether or not the item is identifiable.

Vote on Motion: 6-0. Motion declared carried unanimously.

Commander Huff recommended that it might be better to be precise as to the type of transaction.

Council Member Gartin said he also had a problem with placing a ten-day waiting period on jewelry stores for selling gold. Council Member Goodman disagreed, stating that the pawnbrokers already have and meet that requirement, and he does not feel it is fair to exempt jewelry stores from the requirement. Mr. Youngberg noted one difference in that pawnbrokers buy jewelry to resell it. His business buys jewelry to sell it to a refinery.

**COUNCIL ACTION FORM**

**SUBJECT: REPORTING REQUIREMENTS FOR PAWNBROKERS AND OTHER DEALERS OF SECONDHAND GOODS**

**BACKGROUND:**

The Ames *Municipal Code* currently requires pawnbrokers and itinerant dealers to keep physical record books of their transactions. Pawnbrokers' record books are subject to inspection by the Police in criminal investigations. Itinerant dealers are required to provide their record books to the Police for photocopying prior to their leaving the City.

These processes are intended to identify and recover stolen items. **Although the vast majority of transactions conducted by these dealers are bona fide, shortcomings in the current record-keeping system create opportunities for stolen goods to unknowingly be bought and sold.**

**Challenges:**

According to the *Municipal Code*, pawnbrokers must keep paper records of the past ten years of transactions. In practice, pawnbrokers have also routinely provided the City with electronic spreadsheets of transactions. These are uploaded into the Police Department's records management system. **However, the conversion process is cumbersome and the details of each transaction vary widely.**

Pawn shop transactions involve a variety of items, including tools, jewelry, precious metals, stones, bicycles, firearms, coins, and sports equipment. **If a resident reports the theft of an item that might be sold to a pawnbroker, the Police must physically visit the premises of each pawnbroker in the City to inspect their record books for that item. The level of detail in the records varies from dealer to dealer, which makes positive identification of goods more challenging.**

Ames currently has three licensed pawnbrokers. Each is owned by an out of state firm, and is part of a larger network of similar stores. This presents challenges in that goods can travel into or out of the area as they are transferred from store to store. If an item stolen in Ames is sold at a pawn shop and is not recovered within a few days, it may be transferred to a shop in another community. **Using paper records, it is very difficult to recover stolen items once they have left the City.**

The *Municipal Code* does not require stores other than pawnbrokers and itinerant dealers to keep records of transactions, even though other businesses purchase items of value such as used electronics or precious metals—items that are frequently subject to theft.

**In addition to pawnbrokers, approximately ten other Ames businesses purchase video games and video game systems, electronics, jewelry, precious metals, coins, and gemstones. These establishments are under no City requirements to hold items or to track them, meaning they can be immediately resold, transferred, or in the case of precious metals, melted, making recovery difficult or impossible if those goods have been stolen.**

According to theft records from 2012, 2013, and 2014 (projected), Ames averages approximately \$150,000 in stolen goods reported each year. These figures do not count unreported thefts, thefts of motor vehicles, or theft reports taken by ISU Police. Electronics comprise 39% of total stolen goods by value; while jewelry and precious metals represent 21%. **At least 75% of the value of stolen items is comprised of goods that could be resold through a legitimate pawn, jewelry, electronics, or coin business for cash or other goods.**

**Electronic Records for Better Theft Investigation:**

Locally, Express Pawn, EZ Pawn, EcoATM, Best Buy, Gamerz, and GameStop use a service called *Leads Online* to record transactions of used goods. Eco ATM, Radio Shack, Sam's Club, and Walmart use similar methods to electronically record seller details for their purchases of used electronics. These internet-based services record photos of the item sold and the seller's ID card, details about the transaction and the seller, and any other pertinent information. If the Police receive a theft report for an item matching that description, the item can be looked up in the database and located. **Leads Online is free for merchants, but has a cost to the City of approximately \$3,500 per year.** Once entered, information in the database is only available for law enforcement purposes. It allows for a faster and larger search to take place than visiting each store to view paper records, making it more likely that stolen property can be recovered.

This type of electronic recordkeeping is required in Bettendorf, Davenport, Des Moines, Dubuque, Sioux City, and other jurisdictions outside Iowa. Those cities' ordinances define "secondhand goods" as items such as jewelry, tools, and electronics, and require participation in an electronic reporting system. The use of this type of system is advantageous to secondhand dealers in that it is relatively efficient to use and helps deter thieves from selling them stolen goods. Using a sophisticated online tool to track items and deter sales of stolen items may help reduce the liability of unsuspecting buyers, since stolen items discovered by the Police in a shop will be seized from the shop without compensation. Such a system could also replace the use of paper record books for pawnbrokers and itinerant merchants.

It is important to note that more sophisticated criminals are likely to take goods out of the area before attempting to exchange them for cash. Changes to record-keeping processes in Ames cannot be guaranteed to thwart such crimes. However, the Police Department has had some success in recovering stolen items using Leads Online on a trial basis.

**Feedback From Those Impacted**

City staff consulted with the jewelers in Ames who buy precious metals and gems from customers about the concept of using a reporting system. Most reported that these transactions are infrequent and for small dollar amounts, with low-value broken jewelry being the most common type of jewelry bought from customers. **The City Council should understand that two of the four jewelers contacted indicated that requiring reporting and a holding period would not be challenging. However, two jewelers expressed significant concern about reporting and holding requirements, and whether these constituted an intrusion into what is otherwise a private transaction. Concerns were also raised about the additional administrative burden of reporting each purchase of secondhand jewelry.**

A local coin dealer also indicated that it would be very difficult to report the details of each coin transaction, particularly since it is common to purchase an entire lot of coins with identical markings and no distinguishing features that can be tracked.

**Because stolen precious metals and gemstones could be sold without going through a pawnbroker or itinerant dealer, City staff is recommending that reporting requirements be extended to secondhand dealers who purchase these items. Since most electronics buyers in Ames already use electronic reporting, this discussion provides an opportunity to codify that reporting in a manner consistent with other secondhand goods dealers.**

Due to a lack of unique identifying characteristics, purchases and sales of coins by a professional numismatist would also be exempted. For this reason, professional numismatist purchases and sales are exempted from the Des Moines ordinance regarding secondhand goods.

With this background, the following changes are proposed to the City’s existing reporting requirements:

CURRENT REQUIREMENTS	PROPOSED REQUIREMENTS
<p><b>Pawnbrokers:</b></p> <ul style="list-style-type: none"><li>• Paper logbook kept for 10 years</li><li>• 10 day holding period before disposing of purchases</li><li>• Seller and buyer details recorded</li></ul> <p><b>Itinerant Dealers:</b></p> <ul style="list-style-type: none"><li>• Paper logbook, kept for ten years, and provided to the Police prior to leaving Ames</li><li>• 10 day holding period before disposing of purchases</li></ul>	<p><b>Pawnbrokers:</b></p> <ul style="list-style-type: none"><li>• Electronic reporting to online service</li><li>• 10 day holding period before disposing of purchases</li><li>• Seller and buyer details recorded</li></ul> <p><b>Itinerant Dealers:</b></p> <ul style="list-style-type: none"><li>• Electronic reporting to online service</li><li>• 10 day holding period before disposing of purchases</li></ul>



CURRENT REQUIREMENTS	PROPOSED REQUIREMENTS
<ul style="list-style-type: none"> <li>• Seller and buyer details recorded</li> </ul> <p><b>Secondhand Dealers (buyers/sellers of electronics, precious metals and stones):</b></p> <ul style="list-style-type: none"> <li>• No requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Seller and buyer details recorded</li> </ul> <p><b>Secondhand Dealers (buyers/sellers of electronics, precious metals and stones):</b></p> <ul style="list-style-type: none"> <li>• Electronic reporting to online service of purchases of items \$100* or more in value, or aggregate purchases from the same person in the same day totaling \$200* or more</li> <li>• No reporting requirements for transactions involving coins bought and sold by professional numismatists</li> <li>• 10 day holding period before disposing of purchases</li> </ul>

**ALTERNATIVES:**

1. Direct staff to prepare an ordinance requiring electronic recordkeeping for dealers of secondhand goods, including all pawnbroker and itinerant dealer transactions, and purchases and sales of jewelry, precious metals, gemstones, and electronics, excluding coins purchased by a professional numismatist.

The option accomplishes two objectives: 1) expands the list of businesses that are required to report transactions to all secondhand goods dealers, including jewelers and excluding coin shops, and 2) adds the requirement for electronic reporting.

2. Direct staff to prepare an ordinance modifying the existing pawnbroker and itinerant dealer reporting requirements to provide electronic reporting.

This option accomplishes two objectives: 1) limits the reporting requirements solely to the same businesses that are currently required to report transactions (pawnbrokers and itinerant dealers), and 2) adds the requirement for electronic reporting.

3. Do change the reporting requirements for these types of transactions.

**MANAGER’S RECOMMENDED ACTION:**

At a minimum, it is staff's belief that the reporting requirements in the Municipal Code for pawnbrokers and itinerant dealers should be updated to mandate electronic recordkeeping.

In an effort to respond to the concerns about the additional burden expressed by some secondhand dealers who would be added to this reporting requirement, the City Council

could focus efforts on items of greater value. For example, exempting the reporting of individual items less than \$100 in value, as long as aggregate sales by one person to a secondhand goods dealer in one day do not total \$200 or more, could be offered in the Code modification. (These value totals could be increased if the City Council believes that different amounts would make the proposed changes more acceptable to those impacted).

The existing reporting requirements for pawnbrokers and itinerant dealers require antiquated reporting methods. Improving the reporting method will help improve investigations and reduce the burden on the dealers. In addition, there are other merchants in Ames that also deal in the types of goods that might be stolen and then sold to a pawnbroker or itinerant dealer, but are not subject to the same reporting requirements.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby directing staff to prepare an ordinance requiring electronic recordkeeping for dealers of secondhand goods, including all pawnbroker and itinerant dealer transactions, and purchases and sales of jewelry, precious metals, gemstones, and electronics, excluding coins purchased by a professional numismatist.

## Staff Report

**500-YEAR FLOOD HYDRAULIC ANALYSIS OF RIVERSIDE MANOR  
AT 1204 S. 4<sup>TH</sup> STREET**

March 3, 2015

**BACKGROUND:**

At the December 9, 2014 meeting, the City Council deferred action on a minor final plat for a proposed two-lot subdivision at 1204 S. 4<sup>th</sup> Street (Prairie Village Subdivision located at Riverside Manor). **The Council passed a motion referring this item back to staff asking for a third party evaluation of the hydraulic effects of the proposed project on the Oak-Riverside neighborhood north of the site and to explore what level of oversight is needed to ensure that the project would be built as approved.**

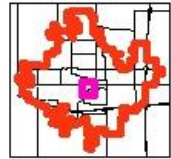
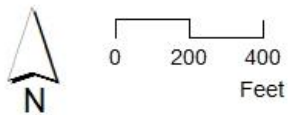
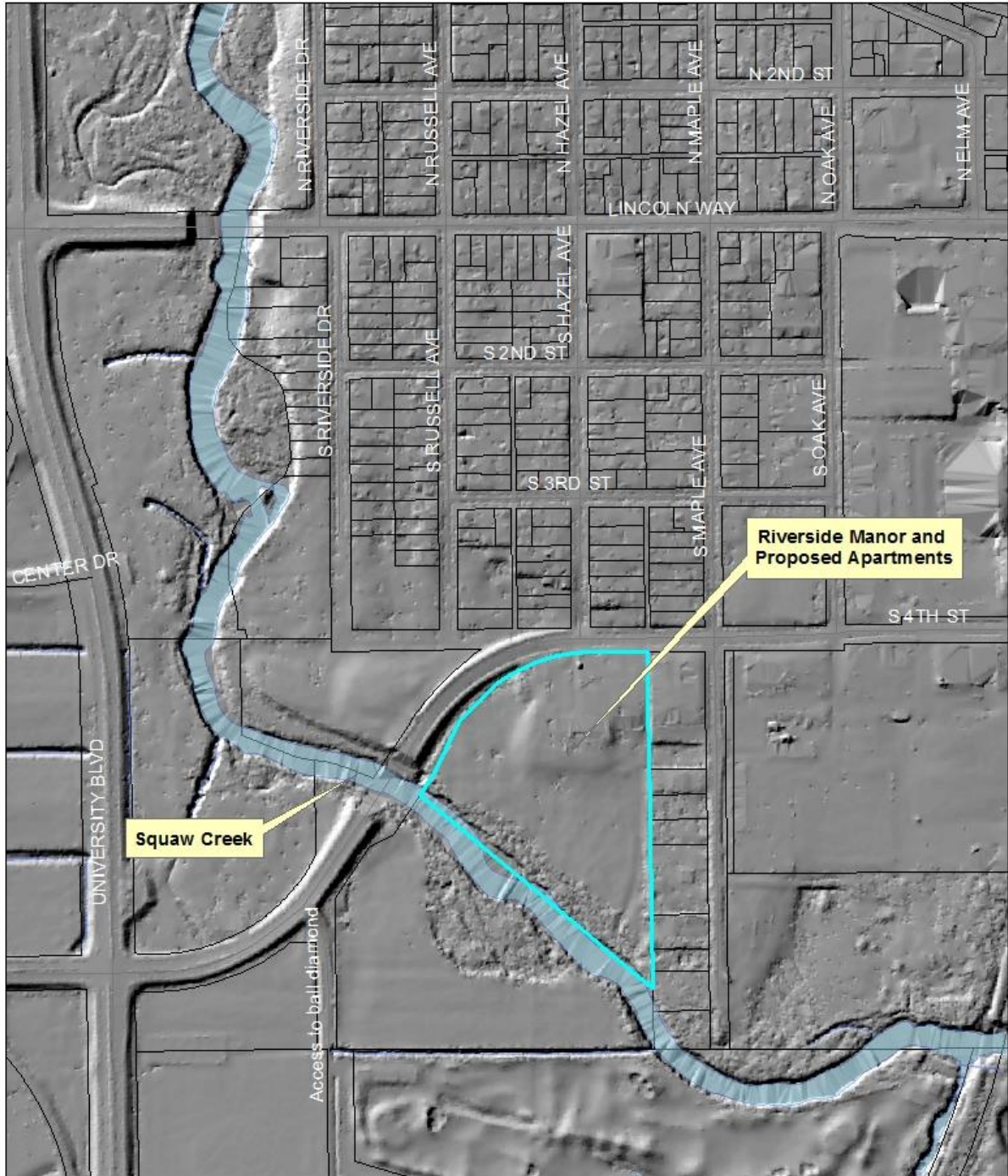
Staff returned to the City Council on January 13 with a report evaluating the impacts of a 100-year flood event to the Oak-Riverside neighborhood. Those impacts were calculated to increase the water surface level of a 100-year flood between 0.02 and 0.07 of a foot. **The City Council, cognizant that extreme levels of flooding exceeding the 100-year event have occurred more frequently, requested a flood study to model the impacts of a 500-year event.**

The City, at its own cost, contracted with HDR to complete this requested analysis. **In summary, the proposed grading and fill at Riverside Manor would result in an expected increase in the water surface level of a 500-year flood of between 0.08 and 0.22 of a foot at the same four locations noted in the January report. The modeling indicated the greatest increase in water surface level would be approximately 0.61 foot in the area near the existing eastern entrance to Riverside Manor.**

**NEXT STEPS**

With Council's acceptance of the HDR report, Staff will place the previously continued Prairie Village Subdivision final plat on the March 24<sup>th</sup> City Council meeting agenda.

**ATTACHMENT  
ELEVATION MODEL LOCATION MAP (PRE-DEVELOPMENT)**





February 27, 2015

City of Ames  
Attn: Charlie Kuester  
515 Clark Avenue  
Ames, Iowa 50010

Dear Charlie,

Task Order No. 1 of the Master Services agreement between the City of Ames and HDR Engineering, Inc. (HDR) (executed February 6, 2015) included evaluating the hydraulic effects the proposed Riverside Manor development project on water surfaces near the Oak-Riverside neighborhood (upstream from the proposed project) for the effective Federal Emergency Management Agency (FEMA) 0.2 percent annual probability flood event (500-year). Information from the effective FEMA 1 percent annual probability flood event (100-year) evaluation, developed as part of the City's Grand Avenue extension project (HR Green 2014), is also presented. A key assumption in this evaluation is that the analysis will be used as a decision support tool to evaluate potential hydraulic impacts only and will not be used for permitting or as part of a greater flood risk evaluation.

Following the 2010 flooding event in Ames, the Iowa Department of Transportation (Iowa DOT) staff developed and calibrated a series of two-dimensional (2D) hydraulic models to investigate the Interstate 35 (I-35) South Skunk River crossing, and evaluated flood risk mitigation alternatives (Iowa DOT 2013). This series of models included a detailed model of Squaw Creek and the Skunk River as they are conveyed through Ames. The model was developed using TUFLOW (BMT-WBM 2014), a proprietary software package, and multiple light detection and ranging (LiDAR) (Iowa Department of Natural Resources and Iowa DOT) data sets as well as survey data.

The intent of this evaluation was to execute the 2D hydraulic model for the 0.2 percent annual probability flood event, to modify the 2D hydraulic model with proposed grading from Riverside Manor, to execute the modified 2D hydraulic model for the 0.2 percent annual probability flood event, to develop water surface information near the Oak Riverside neighborhood for both simulations, and to compare the differences. Elevations from the effective FEMA 0.1 percent annual probability flood event (100-year) evaluation that were performed as part of the Grand Avenue Extension study (HR Green 2014) are also presented.

The model was executed for the effective 0.2 percent annual chance flood event (500-year). The 0.2 percent annual chance flood discharge is 26,300 cubic feet per second (cfs) on Squaw Creek (FEMA 2008). Flood extent and velocity contours are shown in Figure 1. Comparison locations are depicted in Figure 1. Modeled water surface elevations were compared to the effective 0.2 and 1 percent flood profiles (see Table 1) just upstream from South 4<sup>th</sup> Street. The modeled water surface elevations compare within plus or minus 0.5 foot to the FEMA model. While not expected to compare exactly, since the information was developed using different methods for different

purposes, the water surface elevations should show reasonable agreement, or warrant a discussion if they do not compare well. The model is considered appropriate for the purposes of comparing water surfaces from an existing condition to a proposed condition for this task order.

The proposed model included only updating the proposed Riverside Manor development (fill to be 3 feet above the base flood elevation). The proposed grading contours for Riverside Manor are shown in Figure 2 and were obtained from the developer.

The proposed model was executed for the effective 0.2 percent annual chance flood event (500-year) with the flood extent and velocity contours shown in Figure 3. The differences between water surface elevations in the two conditions are shown in Figure 4. Table 2 shows the differences in water surface elevation between the existing condition and proposed condition for the 0.2 and 1 percent annual chance flood.

The difference plot (see Figure 4) combined with photographs from the site (see Figures 5, 6, and 7) provide the following evaluation of model results at the 0.2 percent annual chance event.

Inspecting Figure 4, the model results show that due to changes in grading at Riverside Manor, water surface elevations upstream during the 0.2 percent annual chance event will range from 0.6 foot higher (right upstream from Riverside Manor, in the 4th Street right-of-way), to less than 0.3 foot higher in the park to the north of Riverside Manor, and less than 0.1 foot higher at Lincoln Way.

The site inspection shows that as of February 20, 2015, some proposed grading has been performed (final grading can be confirmed by the City of Ames after As-Built submittal) and results (as expected) in ground elevations that are higher or nearly equal to the South 4<sup>th</sup> Street embankment (see the area circled in red in Figure 6). Before this area was filled, floodplain flows overtopped South 4<sup>th</sup> and continued across the developed area back to the Squaw Creek. This area serves as a new obstruction to floodplain flows during the 0.2 percent annual chance flood event. The model shows that with this fill, more water continues along South 4<sup>th</sup> Street than in the existing condition. Figure 7 confirms that this is a viable flow path. The fill also leads to slightly higher water surface elevations upstream from the development for the 0.2 percent annual chance flood.

## References

BMT-WBM. 2014. TUFLOW [computer software] Build 2013-12-AC. [www.tuflow.com](http://www.tuflow.com).

Federal Emergency Management Agency (FEMA). 2008. Flood Insurance Study. Story County, Iowa and Incorporated Areas. Federal Emergency Management Agency. 19169CV000A.

HR Green (2014). Grand Avenue Extension. Progress Meeting Minutes dated November 25, 2014

Iowa Department of Transportation (Iowa DOT) 2013. I-35 Over South Skunk River, Hydraulic Analysis- General. Technical Memorandum. May 14, 2013.

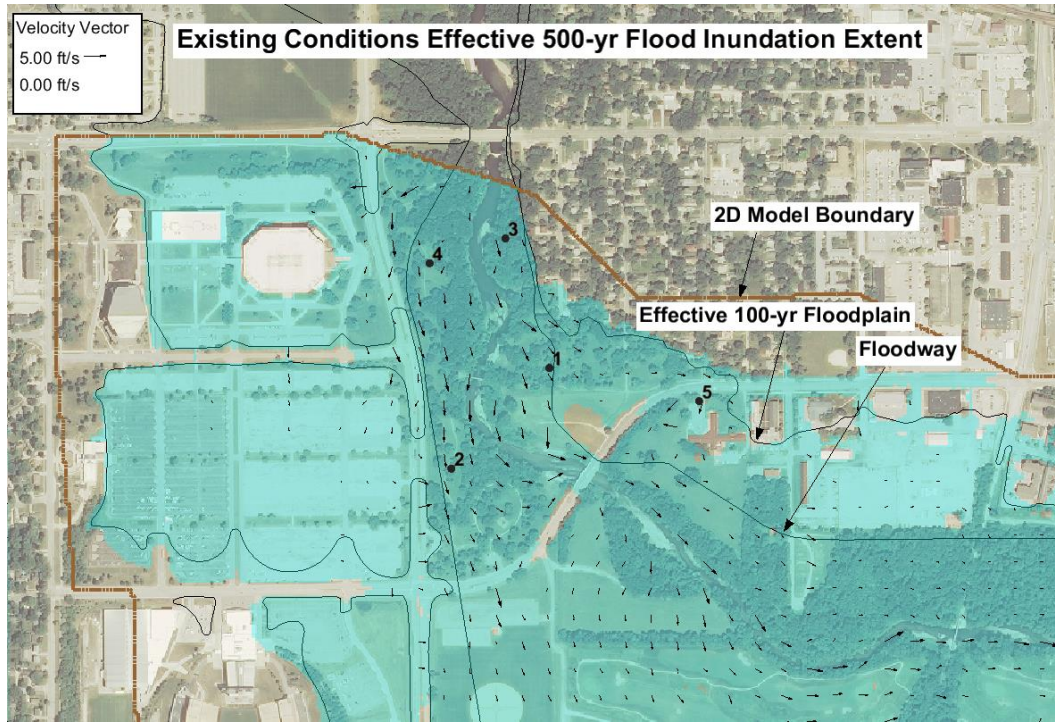


Figure 1: Modeled existing conditions 500-year inundation extent and comparison points

Table 1: Water surface elevations during 0.2 (500-year) and 1 percent (100-year) annual chance events compared to effective FIS water surface elevations (NAVD 1988).

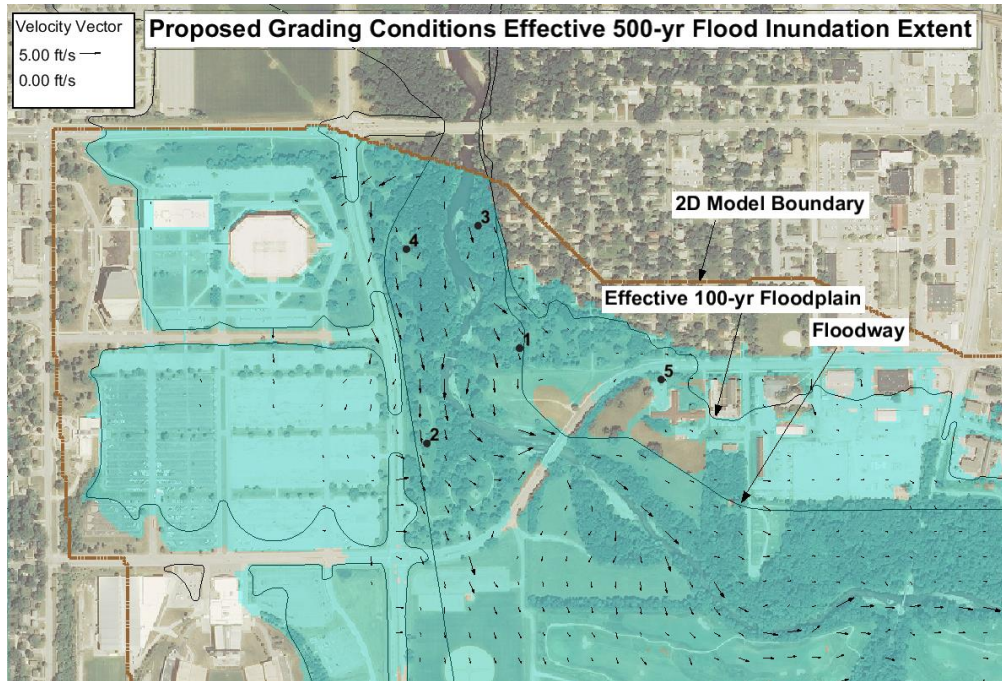
Point	Effective 500-year WSEL <sup>1</sup>	Modeled Existing Condition 500-year WSEL <sup>1</sup>	Effective 100-year WSEL <sup>1</sup>	Modeled Existing Condition 100-year WSEL <sup>1</sup>
1	897.8	897.69	896.1	896.04
2	897.8	897.38	896.1	895.67
3	898.9	898.63	897.0	897.01
4	898.9	898.68	897.0	897.04

1. Water Surface Elevation (WSEL) measured in feet.



**Figure 2: Riverside Manor Grading plan compared to effective floodway and base flood floodplain boundary**





**Figure 3: Riverside Manor grading- post grading 500-year inundation extent and comparison points**

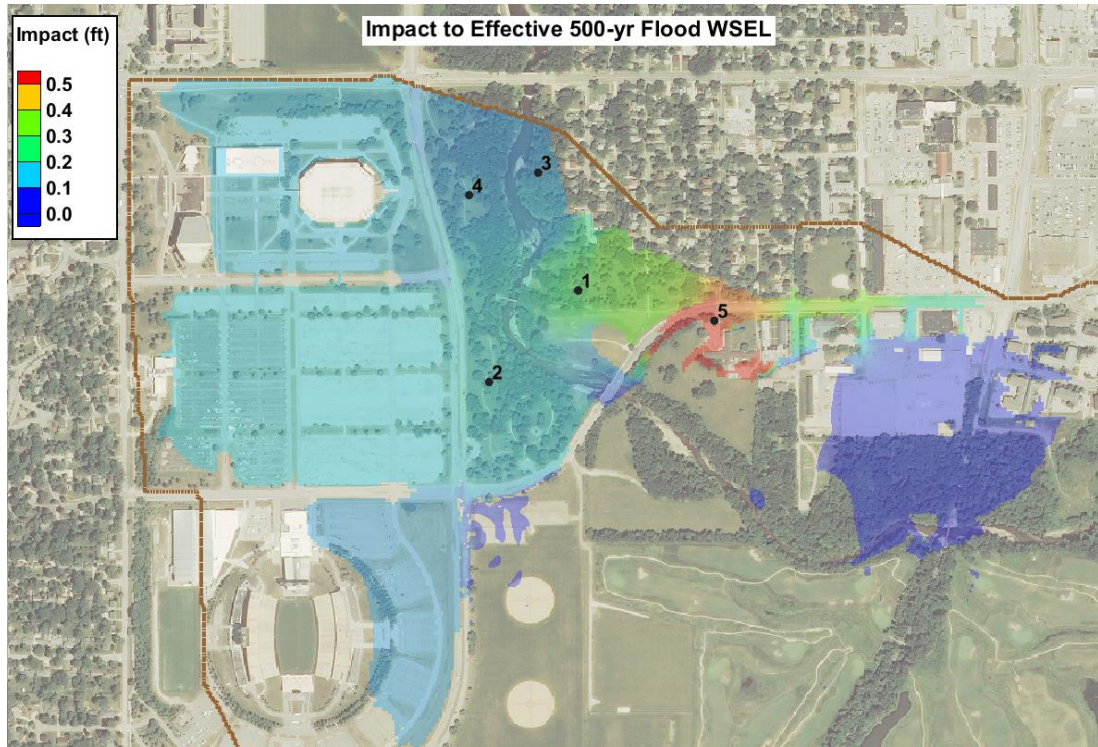


Figure 4: Riverside Manor grading – impact on 500-year water surface elevation

Table 2: Existing condition water surface elevations during 0.2 (500-year) and 1 percent (100-year) annual chance event compared to proposed conditions (NAVD 1988).

Point	Modeled Existing Condition 500-year WSEL <sup>1</sup>	Proposed Condition (With Riverside Manor Grading) 500-year WSEL <sup>1</sup>	Impact on 500-year WSEL <sup>1</sup>	Modeled Existing Condition 100-year WSEL <sup>1</sup>	Proposed Condition (With Riverside Manor Grading) 100-year WSEL <sup>1</sup>	Impact on 100-year WSEL <sup>1</sup>
1	897.69	897.91	0.22	896.04	896.11	0.07
2	897.38	897.50	0.12	895.67	895.72	0.05
3	898.63	898.71	0.08	897.01	897.03	0.02
4	898.68	898.76	0.08	897.04	897.07	0.03
5	897.26	897.87	0.61	896.00	896.10	0.10

1. Water Surface Elevation (WSEL) measured in feet.



**Figure 5: Riverside Manor looking north to south across South 4<sup>th</sup> Street**



**Figure 6: Riverside Manor looking north to south (the fill is higher than South 4<sup>th</sup> pavement)**



**Figure 7: Riverside Manor – South 4<sup>th</sup> to the east**



I hereby certify that this engineering document was prepared by me or under my direct personal supervision and that I am a duly licensed Professional Engineer under the laws of the State of Iowa.

*Andrew W. McCoy*

*2/27/2015*

Signature

Date

ANDREW W. McCOY

Printed or Typed Name

My license renewal date is December 31, 2015

Pages or sheets covered by this seal: *All*

If you have any questions, do not hesitate to contact me at 515.280.4950 or [andrew.mccoy@hdrinc.com](mailto:andrew.mccoy@hdrinc.com).

Sincerely,

HDR Engineering, Inc.

*Andrew W. McCoy*

Andrew McCoy, PhD, PE

*Senior Water Resources Engineer*

**COUNCIL ACTION FORM**

**SUBJECT: 2015-16 PROPOSED ANNUAL ACTION PLAN PROJECTS FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM PUBLIC FORUM FOLLOW-UP**

**BACKGROUND:**

On February 24 and 25, City staff hosted a public forum to gather input regarding possible projects for consideration for the 2015-2016 CDBG Annual Action Plan. A total of eight persons attended and participated in the discussions, including representatives of Salvation Army, ACCESS, First National Bank, AEDC, YSS, ERP, and one citizen.

The forum attendees participated in a group activity where they were asked the following questions:

- In reviewing the recently adopted 2014-15 Action Plan Project Activities, how do you feel that they are on target for addressing the needs in the community?
- Are the project activities consistent with the goals adopted in the 2014-18 Consolidated Plan?
- Are there any other emerging needs in the community that should be addressed?

Attachment A reflects the participants feedback and comments.

**The overall feedback continued to center around the lack and need for more affordable housing for low- income households in the areas of rental, shelters, transitional, and homeownership units. There was an overall consensus that the 2014-15 Action Plan activities will begin to address the needs more needs to be done.**

Taking into consideration the public forum comments, staff recommends that we continue with the projects adopted in the 2014-15 Action Plan, which are outlined in Attachment B.

Staff's rationale for recommending that we **continue** these project activities for 2015-16 is as follows:

- The project activities are consistent with the recently adopted 2014-18 Five-Year Consolidated Plan goals that address the following two barriers that were outlined in the 2013 Impediments to Fair Housing Analysis Study: **1) the “lack of available, decent rental units in affordable price ranges” and 2) the “cost of housing” for both renters and home buyers.** Additionally, the **data** outlined in the Comprehensive Housing Affordability Strategy (CHAS), and the American Community Survey (ACS) information for the City of Ames is consistent with the two needs outlined above.
- The proposed projects are consistent with the **City Council's goals and priorities to focus on neighborhood sustainability by improving and expanding the**

**housing stock for in low- and moderate-income households and in our vital core neighborhoods.**

- The proposed implementation sequence for the project activities should help meet HUD's timely expenditure requirements.
- All of the activities proposed would be of 100% benefit to low- and moderate-income persons.
- The **late submittal** of the 2014-15 Action Plan caused a delayed the being able to implement a number of the project activities. Therefore, continuing the activities for another year will help determine if the identified needs are being impacted.

The City was notified by HUD that its **2015-16 CDBG allocation will be \$484,294**, which is approximately \$3,900 less than the 2014-15 allocation. Of this amount, approximately \$387,438 is available for programming, not including any 2014-15 program roll-over. Staff is **cautiously anticipating** a rollover balance of approximately \$700,000, which would provide approximately \$1,087,438 to be available for the 2015-16 program year.

**Staff is recommending that the anticipated budget of \$1,087,438 be allocated to the project activities outlined in Attachment B. Staff feels that the need to improve and expand the supply of affordable housing for low and moderate income households can best be accomplished through the implementation of the Acquisition/Reuse for Affordable Housing (Project 1) and the Housing Improvements Program (Project 3). Therefore, Council will note that the largest percent of the anticipated budget (74%) has been allocated to these two programs.**

**ALTERNATIVES:**

1. The City Council can approve the continuation of all of the 2014-15 Annual Action Plan Program Projects for 2015-16 and proposed budget in connection with the City's Community Development Block Grant Program, **in accordance with Attachment B.**
2. The City Council can approve the continuation of the 2014-15 Annual Action Plan Program Projects for 2015-16 and proposed budget in connection with the City's Community Development Block Grant Program, **with modifications.**
3. The City Council can refer this item back to staff with further direction.

**MANAGER'S RECOMMENDED ACTION:**

Although there was not a high level of participation in the Public Forums, those who attended were satisfied with the current program activities as a start in the right direction to address the needs identified in the 5-Year Consolidated Plan.

Therefore, it is the recommendation of the City Manager that the City Council adopt

Alternative #1, thereby approving the continuation of all of the 2014-15 Annual Action Plan Program Projects for 2015-16 as well as the proposed budget reflected in Attachment B in connection with the City's Community Development Block Grant Program.

This alternative will also authorize staff to prepare the Action Plan document for the required 30-day public comment period and set May 12, 2015 as the date for the public hearing for the submittal of the 2015-16 Annual Action Plan to HUD on or before May 17, 2015.



# Attachment A

## Forum comments

**Tuesday, February 24, 2015**

- Acquisition/Reuse for Affordable Housing
  - Love this idea however this will impact a very small number of those in need
  - Rent control housing – apartments: what is currently taking place is taking advantage of students, leaves 0 options for low to mod. income needs
  - What is available for low to mod. is typically barely habitable, particularly for that with felonies, sex offenders, etc.
  - Money goes in, selling property then puts money back into project is great
- Operation and Repairs for Foreclosed Properties
  - Goal: yes!
  - ACCESS: potential to help survivors remain in their community of Ames with affordable housing
  - It's a solid piece of the puzzle. We need a multi-faceted approach so this constitutes one
  - Rent control! The rent is too darn high!
  - If not cost-prohibitive to get foreclosures
- Housing Improvement Rehab Programs
  - In-line with goals and objectives
  - Target LMI via public/private partnership with YSS, UWSC and other social service organizations. DMACC, ISU developers too
  - Continue to strategically target and purchase properties and turn over funds like ACPS
  - Target students and YP's where applicable
- Homebuyer/Assistance for First Time Homebuyer
  - I think sounds like on right track keep going guy! Curtis T.
- Renter Affordability Program
  - On the right track
  - Keep up the good work!
  - Notify local financial institutions that this program is available they can refer loan applicants of the resources available
- Public Facilities Improvement Program
  - This will meet goals for homeless/sp/low-income households
    - ACCESS
    - YSS
    - ERP
    - Eyerly Ball
    - Senior Centers
    - Child Care
    - Etc
  - This could be used to maintain our non-profits so the most needy clients can be served
  - Application/max?

**Wednesday, February 25, 2015**

- Keep public facilities dollars
- Keep acquisition reuse
- Use to increase supply
- Expand: dollar from other resources

## Attachment B

<b>1</b>	<b>Project Name</b>	<b>Acquisition/Reuse for Affordable Housing:</b> <b>a. Purchase of Vacant In-Fill Lots for Development</b> <b>b. Purchase of Foreclosure Properties for Rehabilitation</b>
	Goals Supported	To create, expand, and maintain Affordable Housing for Homeless and Low-income persons.
	Needs Addressed	<ul style="list-style-type: none"> <li>• Increase the supply of affordable rental housing</li> <li>• Improve the quality of affordable rental housing</li> <li>• Increase the availability of affordable owner-occupied housing</li> <li>• Maintain the supply of affordable owner-occupied housing</li> </ul>
	<b>Funding</b>	<b>CDBG-\$600,000 (rollover)</b>
	Description	Under the implementation of the Acquisition/Reuse for Affordable Housing, which will consist of the purchase of in- fill lots (vacant or with properties needing to be demolished), the purchase of foreclosure properties for rehabilitation, or the purchase single-family or multi-family units that can be rehabilitated components, it is anticipated that 2-4 properties will be acquired for reuse in the either affordable rental or owner-occupied units for households at 80% or less of the Story County median income limits.
<b>2</b>	<b>Project Name</b>	<b>Operation &amp; Repairs for Foreclosed Properties</b>
	Goals Supported	To create, expand, and maintain Affordable Housing for Homeless and Low-income persons.
	Needs Addressed	<ul style="list-style-type: none"> <li>• Increase the supply of affordable rental housing</li> <li>• Improve the quality of affordable rental housing</li> <li>• Increase the availability of affordable owner-occupied housing</li> <li>• Maintain the supply of affordable owner-occupied housing</li> </ul>
	<b>Funding</b>	<b>CDBG-\$65,000 (new allocation)</b>
	Description	Provide repair assistance when purchasing foreclosed properties to sell to first-time homebuyers or to a non-profit housing organization for homeownership or rental.

<b>3</b>	<b>Project Name</b>	<b>Housing Improvement Rehabilitation Programs:</b> <b>a. Single-family Homeowners</b> <b>b. Rental Property Owners</b>
	Goals Supported	To create, expand, and maintain Affordable Housing for Homeless and Low-income persons.
	Needs Addressed	<ul style="list-style-type: none"> <li>• Increase the supply of affordable rental housing</li> <li>• Improve the quality of affordable rental housing</li> <li>• Increase the availability of affordable owner-occupied housing</li> <li>• Maintain the supply of affordable owner-occupied housing</li> <li>• Provide Temporary Rental Assistance</li> </ul>
	<b>Funding</b>	<b>CDBG-\$202,438 (new allocation)</b>
	Description	The Housing Improvement Program objective will be to provide financial assistance to qualified low- and moderate-income single-family homeowners at or below 80% of the area median income limits to improve the physical condition of their single-family homes in residentially-zoned areas. The overall goal is to allow single-family homeowners to reside in decent, safe, and sanitary housing that will enhance neighborhood sustainability. Additionally, the assistance will be provided to Rental Property Owners to repair deteriorated rental units and make them available to households at 50% or less of the AMI. The overall goal is to assist low-income households gain access to decent, safe, and affordable rental units, while maintaining our rental housing stock.
<b>4</b>	<b>Project Name</b>	<b>Homebuyer Assistance for First-time Homebuyers</b>
	Goals Supported	To create, expand, and maintain Affordable Housing for Homeless and Low-income persons.
	Needs Addressed	<ul style="list-style-type: none"> <li>• Increase the availability of affordable owner-occupied housing</li> <li>• Maintain the supply of affordable owner-occupied housing</li> </ul>
	<b>Funding</b>	<b>CDBG-\$50,000 (rollover)</b>
	Description	The objective under this program is to provide financial assistance to qualified low- and moderate-income first-time homebuyers, with incomes at or below 80% of the AMI limits, to purchase existing and/or newly constructed single-family housing in residentially-zoned areas. The overall goal of the Homebuyer Assistance Program is to allow low- and moderate-income households to gain access to housing and/or improve their housing status.

<b>5</b>	<b>Project Name</b>	<b>Renter Affordability Programs</b> <b>a. Deposit &amp; 1st Month's Rent</b> <b>b. Transportation Assistance</b>
	Goals Supported	To maintain the Community Development Services of the Community
	Needs Addressed	Continue provision of the Public Service Needs for homeless, special populations, and low income households (utilities, rent, deposits, childcare, transportation, employment training, substance abuse, health services, legal services, and other public service needs) and reduce duplication of services.
	<b>Funding</b>	<b>CDBG-\$60,000 (new allocation)</b>
	Description	The Renter Affordability Program Component objective is to provide assistance to low-income households, which are at or below 50% or less of the Story County median income limits, gain access to rental housing units that will improve their housing status, and help them to secure economic stability in order to obtain and/or remain in affordable housing units. The activities that will be implemented will be a Security Deposit, First Month's Rent, and Transportation Assistance.
<b>6</b>	<b>Project Name</b>	<b>Public Facilities Improvement Program</b>
	Goals Supported	To maintain the Community Development Services of the Community
	Needs Addressed	<ul style="list-style-type: none"> <li>Continue provision of Public Facilities Needs for homeless, special populations, and low-income households (senior centers, homeless facilities, child care centers, mental health facilities, neighborhood facilities, and other public facilities needs).</li> </ul>
	<b>Funding</b>	<b>CDBG-\$110,000 (rollover and new allocation)</b>
	Description	Provide assistance to non-profits to repair or expand their facilities.

## Staff Report

**University Avenue and Airport Road Roundabout**

March 3, 2015

**BACKGROUND**

At the February 27, 2015 meeting, City Council requested additional information related to meetings, comments, and discussions with the Ames Bicycle Coalition (ABC) regarding their requests for the University Avenue and Airport Road roundabout. This report is intended to clarify this issue.

Staff originally held a project informational meeting attended by approximately twenty individuals representing area businesses, property owners, and residents on January 15, 2015 at the ISU Research Park Office to discuss the project and receive input on the project concept. Members of the ABC at the meeting expressed concerns regarding speed, layout, and both bike/pedestrian and bike/vehicle interaction. There was also discussion about incorporating additional facilities not specifically related to the project. These included extending on-street bike facilities east on Airport Road from University and north on University from Airport Road, adding a shared use path connection west along Oakwood Road to State Avenue, and paving the current gravel path from Airport Road north to Grand Avenue.

Staff exchanged emails with multiple ABC members, after which ABC asked the project team to hold a separate meeting with ABC members to hear their project concerns in more detail and to discuss ideas and options as to what alternatives might be implemented. The three individuals who attended the February 2, 2015 meeting were ABC's President, Vice President and Public Relations person, who gave a brief presentation of their concerns related to the project. There was a good exchange of information at the meeting and staff followed up the meeting by asking for a copy of the presentation in order to ensure that the questions raised were being addressed. The questions and responses are in Attachment A.

**The main point of the ABC's requests is to have separate off-street, bike-only facilities in this area to accommodate commuters and other cyclists.** The concept proposed by ABC is called a "cycle track," and would be somewhat similar to what is currently utilized on the west side of Ash Avenue next to the Cyclone Sports Complex. According to ABC, "It's very common for cyclists to be going 20-25 mph or even faster on [the University Avenue] route", thus leading to the justification for separate bike-only facilities.

**DESIGN CHANGES AS RESULT OF ABC INPUT**

- The design team has adjusted the initial concept of five-foot sidewalks through the roundabout to 10' foot shared use paths in order to accommodate pedestrians and cyclists more easily.

- The radius at the intersections of the shared use paths street crossings were increased to 6’ in order to more easily accommodate the turning movements of cyclists. As a reference point, the standard radius on a typical residential street is 15’.
- The “splitter island” in the northeast corner was extended to provide a 6-foot pedestrian/cyclist refuge and reduce the need to cross two lanes of traffic at one time.
- Speed will be reduced in the area to 35 mph ahead of the roundabout and further reduced to 15mph through the roundabout. The current posted speeds are 45mph on University Avenue and Airport Road and 40mph on Oakwood Road.
- Vehicles will be required to yield to pedestrians and cyclists on the shared use path at all crosswalk locations. There will be significant signage and pavement markings to delineate these areas.
- With on-street bike lanes south of Airport Road along University Avenue, careful consideration was given to designing the addition of the transition ramps from the on-street lanes to the shared-use paths for those cyclists who are not comfortable navigating through the roundabouts with vehicles.

Attachment B1 shows the plan as currently designed. Attachment B2 shows the ABC cycle track concept.

### **STAFF COMMENTS**

After extensive discussions with ABC representatives and further exploration with the design consultant, staff does not believe the use of cycle tracks is advisable for the following reasons:

- The City’s current approach has been to focus on shared use path facilities to accommodate multiple modes of transportation, including cyclists and pedestrians. Incorporation of bike lanes is also evaluated. Under the current design for this roundabout, experienced cyclists may use on-street facilities, including existing vehicular travel lanes and the proposed bike lanes extending south of the roundabout. **ABC’s request would be a significant change from the current practice by requiring separate, off-street facilities for cyclists and pedestrians (i.e., cycle track and sidewalk/shared use path).**
- The Ames Area MPO is currently in the process of developing an update to the Long Range Transportation Plan (LRTP). As a part of that process, bicycle and pedestrian facilities are being evaluated. The updated plan should be able to identify needs and make suggestions to meet the modal requirements of the plan on a city-wide basis. As a part of the LRTP update, MPO’s Policy Committee (including the City Council) will have the opportunity to guide these priorities and make policy decisions regarding which

new/upgraded facilities are most appropriate across the City.

- If ABC's requests are implemented, it will be quite challenging to create an effective transition to and from current shared use facilities to the new, separate dedicated facilities in all directions within the roundabout.
- It would not be safe for cyclists to navigate the cycle track along the roundabout at the speeds noted by above by ABC, because the posted speed limit through the roundabout will be 15 mph. The design of the cycle track would also need to slow a cyclist approaching the roundabout to allow time for the user to safely yield at conflict points. This is because cycle tracks are for transportation purposes only and do not have a recreational component, are are thus treated similarly to another lane of traffic.
- If a cycle track were to be installed, this concept should connect southward through the project corridor to the Hub Building. The estimated paving cost to implement this concept is \$319,000. **This cost estimate does not include any additional grading, right of way, ADA facilities, or design costs.** The City's RISE grant agreement is very specific on the items that are eligible for reimbursement. RISE will cover the 5' bike lanes, but only 5' of the sidewalk/shared use paths. All costs associated with a cycle track would be considered non-participating RISE items. **Therefore, the City would be required to absorb the total additional cost if the cycle track is incorporated into the project design.**

Estimated costs based on the current preliminary design are significantly over budget. The design team is in the process of refining the design elements and looking for project cost savings within the bid item unit costs, alternate project staging for construction, and reaching out to other communities to compare our estimated costs to their estimated and actual costs. Staff most recently sent an email to ABC regarding the funding constraints for the project. (Attachment C)

- It is anticipated that the project will be bid in April 2015 to be completed in coordination with the ISU Research Park Hub Building construction. Should the cycle track concept be chosen, the project will be delayed for a minimum of four weeks to implement the design changes.
- The City may also lose some competitiveness in the bidding process due to any delay in the design. The project is scheduled to be bid in the same time frame as the Grant Avenue paving project. Having two large paving projects bidding at the same time traditionally reduces costs on both projects by creating competition. There could also be increased project costs if the required contract completion is maintained as originally scoped. By reducing the window of completion, costs generally increase.

**In brief, staff believes the incorporation of cycle tracks into this intersection should not occur at this time due to cost constraints and the potential to negatively affect progress on Phase III of the Research Park. However, if the**

**City Council/MPO Policy Committee determines that cycle tracks are desirable during development of the Long Range Transportation Plan, this location could be prioritized for adaptation at a later time.**



## Attachment A

February 2, 2015 ABC Meeting Responses

### **What design speed was used when developing this roundabout?**

The design speed is 20mph. However, the design speed takes in to account all and geometric constraints and different users to be able to safely traverse the area. The fastest vehicles to move through the area would be emergency vehicles that would be traveling faster through the area without risking the time sensitive nature of their trip. The posted speed will be 15mph through the roundabout.

### **What are the speed limits of the incoming and outgoing streets?**

The posted speeds on University and Airport will be reduced to 35mph ahead of the roundabouts to reduce speed and the geometry of the roundabout will also make the movements feel “tighter” to help reduce the speeds as motorists approach.

### **What is the speed through the right turn “turbo” and posted lane speeds?**

The correct term is a “slip lane” to bypass the roundabout in a single movement. 15mph per the posted roundabout speed will be continued through the entire roundabout including the “turbo” lanes. This will be something that will continue to be monitored for effectiveness and doesn't prevent the City from additional calming measures in the future.

### **Will speed tables be used to slow cars?**

This is something that the design team hadn't talked about previously. We will do some evaluation on this and see if it is something that we would want to install with the project. We will also be looking to see if there are other options that could work as well.

### **Proposed bike routes cross up to 7 lanes of motorist traffic to make the most typical crossing through the roundabout.**

With a roundabout, the number of contact points for the north bound movement is either 4 (crossing at the south side of the intersection then on the west), same as today, or is reduced from 10 to 7 (crossing the east side of the intersection then the north side) as the revised concept shows. However, when a pedestrian or cyclist crosses a lane of traffic in a roundabout, the decision matrix is greatly reduced as they only have to check for traffic coming from one direction instead of two when crossing a typical street intersection.

### **Car speed at contact points higher then in a 4-Way stop condition**

Potentially correct, depending on the acceleration of the vehicles from the full stop condition. The purpose of roundabouts is to bring all modes of transportation to similar, slower, speed that allow for more decision time with less decisions to allow safe entry in to and out of the roundabout. This continuous

motion all of the modes to keep moving through an intersection reducing road user costs and reduces the environmental impact of idle vehicles at full stop situations.

### **Bike routes cross “turbo” lanes – who yields?**

Vehicles are required to yield to bikes and pedestrians at all crosswalks throughout the roundabout. Signage will be placed to notify motorists of the crossing locations as well as yield signs and pavement markings. A roundabout has the greatest number of signage requirements over a typical stop/go or signalized intersection. Bikes traveling on the street will be required to follow the yield requirements as well, just as a car.

### **Cyclists have to slow down significantly.**

Cyclists will have to slow down to make the crossings should they choose to utilize the shared use path and crosswalk option through the intersection. However, should they choose to navigate the roundabout as a “vehicle” they would need to yield to bikes and pedestrians in crosswalks and adhere to the posted roundabout speeds.

During the meeting the question came up about the radii at the crossings. It has been determined that the radii of the path at the roundabout to be 6’. To put in perspective a local street intersection has a 15’ radius.

### **No on-street bike lanes at 3 entry/exit points prevents safe bike flow in traffic**

With no existing on street facilities available to tie in to, the slip lane concept allows for future expansion within the system should the long range plan and policy dictate the expansion. Bikes are not prohibited from utilizing Airport Road, University Avenue or Oakwood Road at this time.

### **Shared use trails are on wrong side of street if going North or East**

Additional facilities for both sides of these streets will be analyzed as a part of the long range plan and will be a policy discussion for Council to prioritize based on the plan and funding availability.

### **No bicycle infrastructure on Oakwood**

This is being addressed with a shared use path connection to be installed in 2015 to connect Christofferson Park to the widened shoulders on State Avenue.

### **University and Airport high speed limit (45 MPH)**

See note above, the speed will be reduced to 35mph ahead of the roundabout and again reduced to 15mph through the roundabout.

### **Routing on/off street lanes via sidewalks**

This is actually an approved method of allowing bikes to enter/exit roundabouts and has been done in other projects and not just unique to the proposed Ames roundabout.

## **Future Thoughts**

### **Vet Med “Backdoor” Bypass of University roundabout**

This would be a good connection, however, the City has no control over the construction of infrastructure on ISU property. If you would like to pursue the topic further, you can reach out to Cathy Brown in Facilities, Planning and Management at ISU. Her number is 294-6001

### **RP to Main St. Ames**

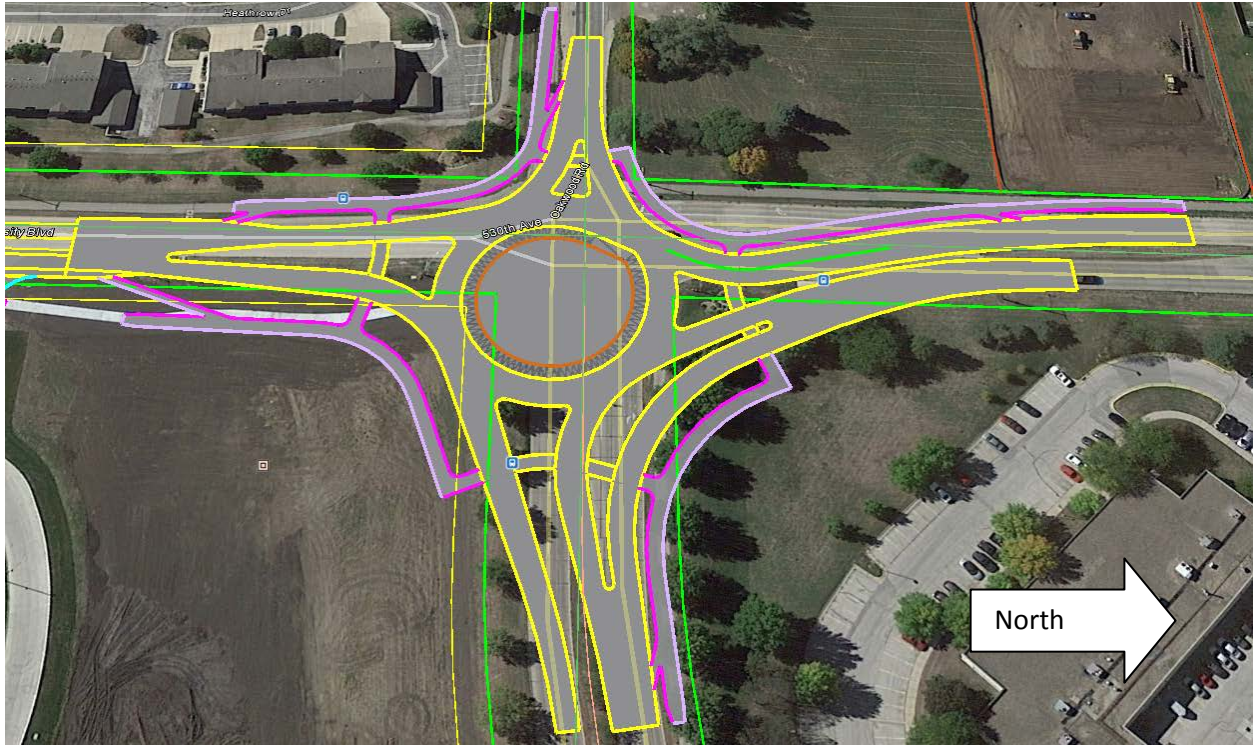
This may become a project that shows up in the new long range transportation plan, but the plan is not yet completed.

### **Connect to 6th Street & Campus**

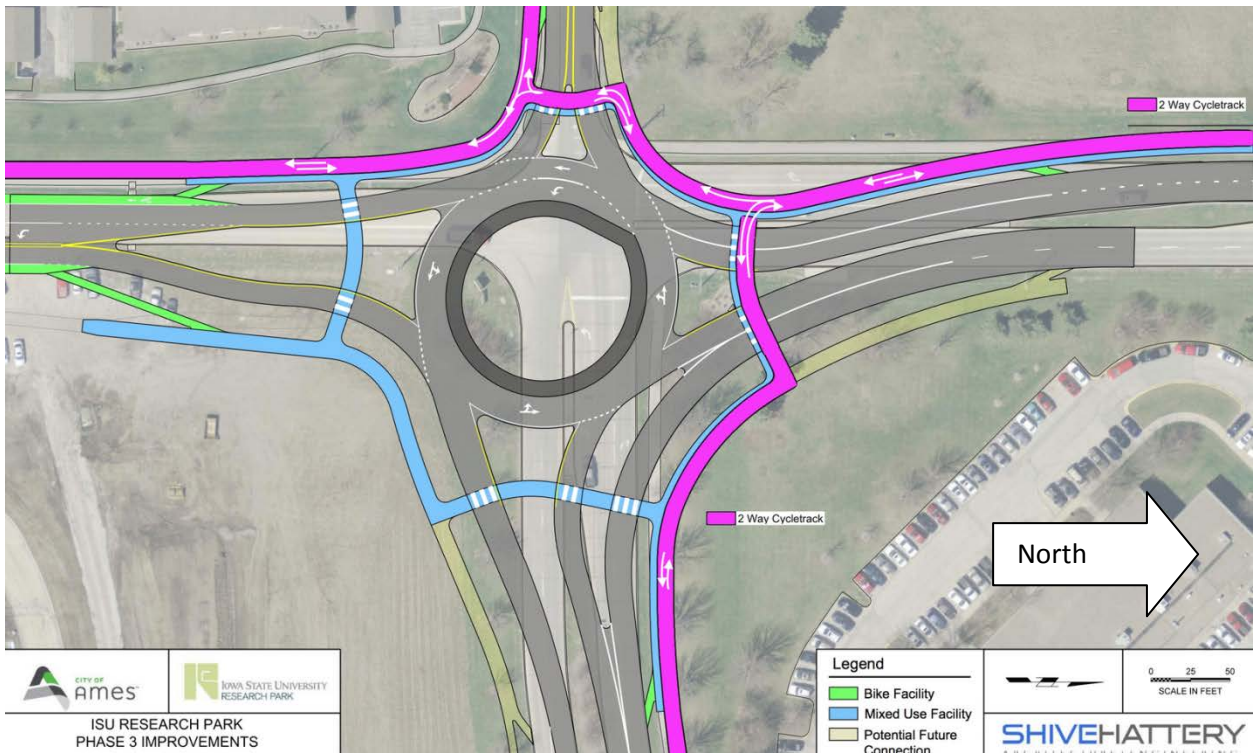
Please see the attached concept for the project.

The bike lanes are to be extended west on 6<sup>th</sup> Street and end just east of the existing entrance to Brookside Park. West of the entrance the street is limited on width due to the RR underpass. Any additional improvements in the area would need to be coordinated with ISU as they have jurisdiction west from the 6<sup>th</sup> Street bridge.

Attachment B1, Project Design



Attachment B2, Cycle Track Option by ABC



**Re: ABC Meeting Follow Up****Eric Cowles** to: Ames Bicycle Coalition

02/23/2015 04:16 PM

Cc: John C Joiner, Tracy Warner, mflattery, aquartell, bwillham, Damion Pregitzer

Bcc: Bob Kindred, Steve Schainker, neaster

Dan,

The design speed for the roundabouts is 20mph and the posted speed through them will be 15mph. Typically, although not always, the design speed is 5mph greater than the posted speed in a roadway project.

With regards to the cycle track concept, I would like to thank you and the other members of ABC for providing input on the project and expressing your concerns. I feel that there has been an excellent exchange of information and ideas and our team really appreciates your position and passion for creating better, community wide cycling opportunities.

We had a team budget meeting last week to go over cost impacts and in looking at things so far, we are going to be very tight on funding and it does not look like we will be able to accommodate the cycle track option with the project. The RISE agreement was also very specific in what is an eligible and not eligible project cost. I think that we discussed some of RISE items briefly at one of our meetings.

I think that we have set up things such that, if the Long Range Plan and other policy decisions line up, we could retrofit the area in a future budgeted project.

Thank you for being a part of our discussion and although it is disappointing to not be able to accommodate your concept at this particular time, I think that we, as a community, are making progress.

As always if you have any additional questions, let me know.



**Eric D. Cowles, P.E.**  
*Civil Engineer II*

515.239.5277 *main* | 515.203.0791 *cell* | 515.239.5404 *fax*

ecowles@city.ames.ia.us | City Hall, 515 Clark Avenue | Ames, IA 50010

[www.CityofAmes.org](http://www.CityofAmes.org) | ~ Caring People ~ Quality Programs ~ Exceptional Service ~

Ames Bicycle Coalition

Hi Eric, At the meeting on Monday we talke...

02/06/2015 10:22:03 AM

From: Ames Bicycle Coalition &lt;amesbicyclecoalition@gmail.com&gt;

To: Eric Cowles &lt;ecowles@city.ames.ia.us&gt;

Date: 02/06/2015 10:22 AM

Subject: Re: ABC Meeting Follow Up

**COUNCIL ACTION FORM**

**SUBJECT: CONSTRUCTION OF NEW WATER PLANT – CONTRACT 1  
RECOMMENDATION OF AWARD**

**BACKGROUND:**

On January 5, 2015, City Council issued a Notice to Bidders for Contract 1 of the water treatment plant project. This contract includes the interconnecting piping between the old and new treatment plant locations.

On February 11, 2015, project bids were opened. The five bids received are summarized below:

<b>Contractor</b>	<b>Lump Sum Bid Price</b>
S. M. Hentges & Sons, Inc.	\$3,197,273.15
H & W Contracting LLC	\$3,840,904.00
McKiness Excavating, Inc.	\$3,997,993.75
J & K Contracting LLC	\$3,998,852.50
Carstensen Contracting Inc.	\$4,099,279.40
<b>Engineer's Estimate</b>	<b>\$5,219,000.00</b>

The allowance for the interconnecting piping work contained in Contract 1 was estimated in the CIP to cost \$5,530,000.

**Staff has no previous experience working with the apparent low bidder, S.M. Hentges & Sons. Prior to making a recommendation, staff carefully checked references from multiple prior municipal utilities. The City's Finance Director reviewed audited financial reports provided by the contractor. Finally, staff met with representatives from S.M. Hentges & Sons to discuss the project and their proposed project team. Based on the information obtained, staff concluded that this firm is both a responsible bidder and a responsive bidder.**

**ALTERNATIVES:**

1. Award the New Water Plant – Contract 1 to S.M. Hentges & Sons, Inc. of Jordan, MN in the amount of \$3,197,273.15.
2. Award Contract 1 to one of the other bidders.
3. Do not award a contract at this time.

**MANAGER'S RECOMMENDED ACTION:**

Contract 1 of this vital project involves installation of connecting piping between the current and future treatment facilities. The authorized CIP includes \$5,530,000 for this work. Concern was raised when the apparent low bidder offered a price that is more than two million dollars below the engineer's estimate. Staff then performed a comprehensive reference check on the low bidder. Based on the results of that reference check and a recommendation by the design engineer, it appears appropriate to award this contract to the low bidder.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving award of the New Water Plant – Contract 1 to S.M. Hentges & Sons, Inc. of Jordan, MN in the amount of \$3,197,273.15.

**COUNCIL ACTION FORM**

**SUBJECT: NEWLINK GENETICS CORPORATION REQUEST FOR EXTENSION OF EMPLOYMENT REQUIREMENTS FOR FORGIVABLE LOAN AGREEMENT**

**BACKGROUND:**

In September 2005, City Council approved a \$200,000 forgivable loan to NewLink Genetics Corporation. At the time, NewLink was in the research phase of developing pharmaceutical products with a focus on cancer. The assistance was primarily to provide funding for growth in office, lab, and limited production space but was delayed as NewLink continued through the research stage of product development. The company grew to the point where additional space was needed, and on October 13, 2009, City Council directed staff to draft a forgivable loan agreement with the following general terms:

- NewLink commits to a five-year lease with an option for extension to ten years for an existing building at the ISU Research Park with a minimum size of 20,000 square feet.
- Create/retain 150 new jobs averaging \$40,000/year over five years.
- City to provide \$200,000 forgivable loan with funding at the following milestones:
  - \$100,000 upon finalization of a building lease agreement between NewLink and the ISU Research Park
  - \$50,000 when the leased building is occupied by NewLink
  - \$50,000 when NewLink reaches a total of 70 qualified jobs in Ames

The Ames Economic Development Commission (AEDC) also provided a \$200,000 forgivable loan matching the funding provided by the City.

NewLink met all terms for funding of the loan and is now approaching the loan forgiveness close-out date in mid-March. **The company has reported that it is short of the 150 employees required for forgiveness of the loan, with 124 employees at the Ames location. NewLink has requested a one year extension to meet the employment requirement for loan forgiveness.** The company is currently seeking candidates for 15 full-time positions in Ames and has indicated that it expects to meet the employment requirement of the agreement with a one year extension.



The terms of the agreement provide for partial loan forgiveness based on the employment attained. For each job short of 150, the company is required to pay a penalty of \$3,130.58.

The Iowa Economic Development Authority (IEDA) also had a forgivable loan agreement with NewLink but with different job requirements and measurement dates. The IEDA loan was in the amount of \$6,000,000 and required 315 jobs. NewLink did not meet the terms of the agreement and in March of 2012 reached a settlement with IEDA providing 0.50% royalty payment to IEDA on gross revenues from all products brought to market until cumulative payments reached \$6,800,000.

The City Council can deny the request and staff will enforce the terms of the agreement or grant the request and extend the term for employment compliance by one year, or propose other terms. The AEDC has agreed to extend the term for employment compliance by one year. Since the City and AEDC entered the agreement jointly as lenders, both would need to agree to any changes in terms.

**ALTERNATIVES:**

1. Approve the NewLink Genetics Corporation request for extension of employment requirements of their forgivable loan agreement for a term of one year.
2. Deny approval of the extension.
3. Direct staff to counter the NewLink request with other terms.

**MANAGER'S RECOMMENDED ACTION:**

NewLink is a pharmaceutical company in Ames with relatively high paying jobs consistent with the economic development goals of the City Council. The company is still in process of developing products for market but has made substantial progress towards meeting employment requirements of the forgivable loan agreement and expects to meet the requirements within the requested extension.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, approving the NewLink Genetics Corporation request for extension of employment requirements of its forgivable loan agreement for a term of one year.

**COUNCIL ACTION FORM**

**SUBJECT: APPROVAL OF IOWA ECONOMIC DEVELOPMENT AUTHORITY HIGH QUALITY JOBS PROGRAM CONTRACT FOR FINANCIAL ASSISTANCE FOR BARILLA AMERICA, INC. WITH LOCAL MATCH IN THE FORM OF INDUSTRIAL PROPERTY TAX ABATEMENT**

**BACKGROUND:**

Barilla America, Inc. (Barilla) is a subsidiary of Barilla, an Italian company that provides food products to a global market. Barilla's Ames facility, located east of Interstate 35, produces dry pasta.

Barilla is initiating an expansion project that will include construction of storage and production facilities to add a gluten free pasta products line to the Ames facility. Total investment expected for the project is over \$26 million. Assistance from the State of Iowa will include tax credits totaling approximately \$850,000. The company expects to grow employment by 23 additional jobs with the expansion. The local match will be limited to property tax abatement available through the City's existing Industrial Property Tax Abatement program. The estimated incremental value eligible for abatement is \$3,336,000, resulting in a five year total abatement of around \$217,900 across all taxing bodies.

City Council endorsed an application for assistance to the Iowa Economic Development Authority (IEDA) at the January 13, 2015 meeting. The application for assistance was approved and contract awarded by the IEDA. For the project to continue, Council must authorize entering into the contract for award. For Barilla to receive the local match, the company will need to apply for the City's Industrial Abatement Program and the project must qualify with the terms. Qualification for the Industrial Abatement Program will require additional action by Council prior to the City Assessor processing the abatement for Barilla. The proposed project is unique in that much of the added value for the project will be created within the shell of the existing facility. The improvement has been described as a "building within a building" to provide isolation of the gluten free product production.

The City's Industrial abatement program was established under Iowa Code Section 427B which generally allows abatement only for "new construction". Under the Iowa Code "new construction" **does not** include "reconstruction of an existing building or structure which does not constitute complete replacement of an existing building or structure or refitting of an existing building or structure, unless the reconstruction of an existing building or structure is required due to economic obsolescence and the reconstruction is necessary to implement recognized industry standards for the manufacturing and processing of specific products and the reconstruction is required."

**For the Barilla project to qualify for abatement under the reconstruction terms of the Industrial Abatement program, the City Council must provide prior approval. This is different from the more typical abatement for new construction where no initial Council action is required.**

**It is clear that this project meets the terms of Iowa Code Section 427B for Industrial Abatement of improvements “necessary to implement recognized industry standards for the manufacturing and processing of specific products.” The improvements will be required to meet industry standards for production of gluten free pasta.**

Council approval of both the economic development contract and the Iowa Code Section 427B abatement for reconstruction are required to move forward with this project.

**ALTERNATIVES:**

1. Adopt a resolution approving a contract for economic development assistance with Barilla America, Inc. and the Iowa Economic Development Authority with local match to be limited to Industrial Property Tax abatement and approve Industrial Property tax abatement for reconstruction under the project.
2. Do not adopt a resolution of approving the contract and associated abatement.

**CITY MANAGER’S RECOMMENDED ACTION:**

Barilla is global food company and has selected Ames as a location to make a significant investment of capital to expand jobs without the cost of additional City infrastructure. In keeping with the Council’s goal to promote economic development, this project will expand the number of quality jobs within our city. Reconstruction of the existing facility is necessary to add the new product line.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as described above.

***ECONOMIC DEVELOPMENT  
ASSISTANCE CONTRACT***

**BY**

**BARILLA AMERICA, INC.,**

**THE CITY OF AMES,**

**AND THE**

**IOWA ECONOMIC DEVELOPMENT AUTHORITY**

**CONTRACT NUMBER: 15-TC-029**

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### CONTRACT EXHIBITS

Exhibit A -	Recipient's Financial Assistance Application (on file with IEDA), Application # 15-HQJTC-031
Exhibit B-2	High Quality Jobs Program - Tax Credit Special Conditions
Exhibit C -	Description of the Project and Award Budget
Exhibit D -	Job Obligations
Exhibit E -	Reserved
Exhibit F -	Reserved

# *Economic Development Assistance Contract*

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RECIPIENT:	BARILLA AMERICA, INC.
COMMUNITY:	CITY OF AMES
CONTRACT NUMBER:	15-TC-029
AWARD DATE:	JANUARY 16, 2015
AWARD AMT. – TAX INCENTIVES	\$765,090

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This ECONOMIC DEVELOPMENT ASSISTANCE CONTRACT (Contract) is made as of the Contract Effective Date by the Iowa Economic Development Authority (IEDA), 200 East Grand Avenue, Des Moines, IA 50309, and Barilla America, Inc. (Recipient), 3311 East Lincoln Way, Ames, Iowa 50010 and the City of Ames (Community), 515 Clark Avenue, Ames, IA 50010.

WHEREAS, the Recipient submitted an application to IEDA requesting assistance in the financing of its Project as more fully described in Exhibit C, *Description of the Project and Award Budget* (the Project); and

WHEREAS, the Iowa Economic Development Authority Board (IEDA Board) awarded the Recipient assistance for the Project from the funding sources identified herein (collectively, the Award), all of which are subject to the terms and conditions set forth herein; and

NOW THEREFORE, in consideration of the mutual promises contained herein and intending to be legally bound, the Recipient, the Community and IEDA agree to the following terms:

## **ARTICLE 1: CONTRACT DURATION**

---

This Contract shall be in effect on the Contract Effective Date and shall remain in effect until after completion of each of the following:

(a) *Through Project Period Completion Date.* Through the Project Period Completion Date and for a reasonable period of time after Project Period Completion Date during which IEDA will conduct Project closeout procedures to verify that the Project was completed in compliance with Contract requirements.

(b) *Through Maintenance Period Completion Date and Contract Closeout.* Through the Maintenance Period Completion Date and for a reasonable period of time after Maintenance Period Completion Date during which IEDA will conduct closeout procedures to verify that the Project was maintained in compliance with Contract requirements.

(c) *Repayment or payment Obligation.* Until all outstanding amounts due to IEDA, if any, are received by IEDA or all outstanding obligations to IEDA are satisfied in full.

(d) *Contract End Date.* Until IEDA has completed Contract closeout procedures and provided Recipient and Community with written Notice of Final Contract Closeout. This Contract shall terminate as of the date stated in the written Notice of Final Contract Closeout; such date shall be the Contract End Date.

## **ARTICLE 2: DEFINITIONS**

---

The following terms apply to this Contract:

“*Award*” means the sum of any and all assistance provided by IEDA for the Project under this Contract.

“*Award Date*” means the date first stated in this Contract and is the date the IEDA Board approved the awarding of financial assistance to the Recipient for the Project.

“*Base Employment Level*” means the number of full-time equivalent positions at a business, as established by the authority and a business using the business’s payroll records, as of the date a business applies for tax incentives or project completion assistance. The number of jobs the business has pledged to create and retain shall be in addition to the base employment level.

“*Benefits*” means nonwage compensation provided to an employee. Benefits include medical and dental insurance plans, pension, retirement, and profit-sharing plans, child care services, life insurance coverage, vision insurance coverage, and disability insurance coverage.

“*Contract Effective Date*” means the latest date on the signature page of this Contract.

“*Contract End Date*” means the date stated in the Notice of Final Contract Closeout issued by IEDA pursuant to Article 1.

“*Created Job*” means a new, permanent, full-time equivalent (FTE) position added to a business’s payroll in excess of the base employment level at the time of application for tax incentives or project completion assistance.

“*Full-time equivalent job*” or “*full-time*” means the employment of one person:

1. For 8 hours per day for a 5-day, 40-hour workweek for 52 weeks per year, including paid holidays, vacations and other paid leave; or
2. The number of hours or days per week, including paid holidays, vacations and other paid leave, currently established by schedule, custom, or otherwise, as constituting a week of full-time work for the kind of service an individual performs for an employing unit, provided that the number of hours per week is at least 32 hours per week for 52 weeks per year including paid holidays, vacations, and other paid leave.

For purposes of this definition, “employment of one person” means the employment of one natural person and does not include “job sharing” or any other means of aggregation or combination of hours worked by more than one natural person.

“*Job Obligations*” means the jobs that must be created or retained as a result of a project’s receiving state or federal financial assistance, project completion assistance, or tax incentives from the authority and that are required to meet the qualifying wage threshold requirements. Recipients job obligations are specified in Exhibit D of this contract. Jobs that do not meet the qualifying wage threshold requirements shall not be counted toward a business’s job creation or job retention obligations contained in Exhibit D. The job obligations in Exhibit D include the business’s base employment level and the number of new jobs required to be created above the base employment level.

“*Laborshed Wage*” means the qualifying wage threshold applicable to recipient’s project as calculated pursuant to rule 261-173.2 and 261-chapter 174 and as specified in Exhibit D of this contract.

“*Maintenance Period*” means the period of time between the Project Completion Date and the Maintenance Period Completion Date. The Project must be maintained in Iowa for this period of time.

“*Maintenance Period Completion Date*” means the date on which the Maintenance Period ends. The specific date on which the project maintenance period ends is identified in Exhibit D.

“*Project*” means the description of the work and activities to be completed by the Recipient as outlined in Exhibit C - Description of the Project and Award Budget.

“*Project Completion Date*” means the date by which a recipient of incentives or assistance has agreed to meet all the terms and obligations contained in this agreement. The project completion date will be a date on which the project must be completed, all incented jobs must be created or retained, and all other applicable requirements must be met. The specific date on which the project completion period ends is identified in Exhibit D.

“*Project Completion Assistance*” means financial assistance or technical assistance provided to an eligible business in order to facilitate the start-up, location, modernization, or expansion of the business in this state and provided in an expedient manner to ensure the successful completion of the start-up location, modernization, or expansion project.

“*Project Completion Period*” means the period of time between the date financial assistance is awarded (the “award date”) and the project completion date.

“*Qualifying Jobs*” are those Created or Retained Jobs that meet or exceed the Qualifying Wage Threshold Requirement established to qualify for program funding for the programs providing assistance to this Project.

“*Qualifying Wage Threshold*” means the laborshed wage as calculated by IEDA pursuant to statute and rule for each program that is providing financial assistance or tax credit incentives for this Project. The Qualifying Wage Threshold Requirement for this Project is outlined in Exhibit D, Job Obligations.



“Retained Job” means an existing job that meets the Qualifying Wage Threshold Requirements and would be eliminated or moved to another state if the Project did not proceed in Iowa.

“Sufficient Benefits” means that the employer offers to each full-time equivalent permanent position a benefits package that meets one of the following:

1. The employer pays 80 percent of the premium costs for a standard medical and dental plan for single employee coverage with a \$750 maximum deductible; or
2. The employer pays 50 percent of the premium costs for a standard medical and dental plan for employee family coverage with a \$1,500 maximum deductible; or
3. The employer provides medical coverage and pays the monetary equivalent of paragraph “1” or “2” above in supplemental employee benefits. Benefits counted toward monetary equivalent could include medical coverage, dental coverage, vision insurance, life insurance, pension, retirement (401k), profit sharing, disability insurance, child care services.

“Tax Incentives” means the tax credits, refunds and other authorized benefits IEDA has awarded for this Project as detailed in Article 3.

“Total Project Cost” means the cost incurred by the Recipient to complete the Project as described in Exhibit C.

### **ARTICLE 3: AWARD TERMS**

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**3.1 Total Award Amount.** The IEDA Board has approved an Award to the Community and Recipient from the funding sources and in the maximum amounts shown below:

TAX INCENTIVES		
High Quality Jobs Program	Tax Incentives	\$ 765,090
<b>TOTAL STATE TAX INCENTIVES:</b>		\$ 765,090

**3.2 Terms and Conditions of Award.** The terms and conditions of the Award shall be as described in this Contract and the following incorporated exhibit(s):

Exhibit B-2 High Quality Jobs Program – Tax Credit Component Special Conditions

### **ARTICLE 4: CONDITIONS TO AWARD; DISBURSEMENT AND ISSUANCE TERMS**

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**4.1 Reserved.**

**4.2 Tax Incentives–Conditions to Issuance of Tax Credit Number.**

(a) *Tax Credit Number Required to Claim Incentives.* Recipient shall not claim the Tax Incentives described in Article 3 until IEDA has issued a tax credit number for this Project and Recipient has undertaken the activities described in this Contract and the applicable law to be eligible for such Tax Incentives.

(b) *Issuance of Tax Credit Number.* Upon satisfaction of the conditions described in herein, IEDA will issue a tax credit number to the Recipient for this Project. The tax credit number shall be used in preparing any claims for Tax Incentives

(c) *Conditions to Issuance of Tax Credit Number.* The obligation of IEDA to issue a tax credit number shall be subject to the conditions precedent described in Article 4.

(d) *Documents Submitted.* IEDA shall have received the documents described in section 4.3, properly executed and completed, and approved by IEDA as to form and substance, prior to issuing any tax credit number.

#### **4.3 Documents required.**

(a) *Contract.* Fully executed Contract.

(b) *Incorporation Documents.* Copies of the Articles of Incorporation or the Articles of Organization, whichever is appropriate, of the Recipient, certified in each instance by its secretary or assistant secretary.

(c) *Certificate of Existence; Certificate of Authority.* A certificate of existence for the Recipient from the State of incorporation or organization, whichever is appropriate, and a certificate of authority authorizing the Recipient to conduct business in the state of Iowa, if it is not organized or incorporated in Iowa.

(d) *Results of Lien and Tax Search and Documentation of Satisfactory Credit History.* Financing statement, tax and judgment lien search results, in the Recipient's state of incorporation or organization, against the Recipient and documentation of satisfactory credit history of the Recipient and guarantors, as applicable, with no judgments or unsatisfied liens or similar adverse credit actions.

(e) *Other Required Documents.* IEDA shall have received such other contracts, instruments, documents, certificates and opinions as IEDA may reasonably request.

(f) *Solid or Hazardous Waste Audit.* To comply with Iowa Code section 15A.1(3)"b," if the Recipient generates solid or hazardous waste, it must either: a) submit a copy of the Recipient's existing in-house plan to reduce the amount of waste and safely dispose of the waste based on an in-house audit conducted within the past 3 years; or b) submit an outline of a plan to be developed in-house; or c) submit documentation that the Recipient has authorized the Iowa Department of Natural Resources or Iowa Waste Reduction Center to conduct the audit.

(g) *Release Form – Confidential Tax Information.* A signed Authorization for Release of Confidential State Tax Information form to permit IEDA to receive the Recipient's state tax information directly from the Iowa Department of Revenue for the purpose of evaluation and administration of tax credit programs and other state financial assistance programs.

(h) *Project Financial Commitments.* The Recipient shall have submitted documentation acceptable to IEDA from the funding sources identified in Exhibit A committing to the specified financial involvement in the Project and received the IEDA's approval of the documentation. The documentation shall include the amount, terms and conditions of the financial commitment, as well as any applicable schedules and may include agreements and resolutions to that effect.

(i) *State Building Code Bureau Approval.* If any part of the Award proceeds will be used for the construction of new buildings, bidding for construction shall not be conducted prior to the written approval of the final plans by the State Building Code Bureau of the Iowa Department of Public Safety, and only if either of the following applies:

1. The building or structure is located in a governmental subdivision which has not adopted a local building code; or

2. The building or structure is located in a governmental subdivision which has adopted a building code, but the building code is not enforced.

**4.4 Suspension, Reduction or Delay of Award.** Any one or more of the following shall be grounds for IEDA to delay the issuance of a tax credit number or receipt of other Tax Incentives:

(a) *Unremedied event of default.* Upon the occurrence of an Event of Default (as defined in this Contract) by the Recipient, the IEDA may suspend the issuance of the Award to the Recipient until such time as the default has been cured to IEDA's satisfaction.

(b) *Layoff, closure or relocation.* In the event the Recipient experiences a layoff within the state of Iowa, relocates or closes any of its Iowa facilities IEDA has the discretion to reduce or eliminate some or all of the amount of tax incentives to be received.

(c) *Reduction, discontinuance or alteration of state funding/programs.* Any termination, reduction, or delay of tax incentives available due, in whole or in part, to (i) lack of, reduction in, or a deappropriation of tax incentives previously appropriated or authorized for this Contract, or (ii) any other reason beyond the IEDA's control may, in the IEDA's discretion, result in the suspension, reduction or delay of authorization or issuance of Tax Incentives to the Recipient.

## **ARTICLE 5: RESERVED.**

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## **ARTICLE 6: REPRESENTATIONS AND WARRANTIES**

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**6.1 Representations of Recipient.** The Recipient represents and warrants to IEDA as follows:

(a) *Organization and Qualifications.* The Recipient is duly organized, validly existing and in good standing under the state of its incorporation or organization, whichever is appropriate, and is authorized to conduct business in the state of Iowa. The Recipient has full and adequate power to own its property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the property owned or leased by it requires such licensing or qualifying, except where the failure to so qualify would not have a material adverse effect on the Recipient's ability to perform its obligations hereunder.

(b) *Authority and Validity of Obligations.* The Recipient has full right and authority to enter into this Contract. The person signing this Contract has full authority on behalf of Recipient to execute this Contract and issue, execute or otherwise secure or deliver any documents or obligations required under this Contract on behalf of the Recipient; and to perform, or cause to be performed, each and all of the obligations under the Contract.

The Contract delivered by the Recipient has been duly authorized, executed and delivered by the Recipient and constitute the valid and binding obligations of the Recipient and is enforceable against it in accordance with its terms. This Contract and related documents do not contravene any provision of law or any judgment, injunction, order, or decree binding upon the Recipient or any provision of the corporate governance documents of the Recipient, nor does this Contract contravene or constitute a default under any covenant, indenture or contract of or effecting the Recipient or any of its properties.

(c) *Subsidiaries.* The Recipient has no Subsidiaries involved with the Project on the Contract

Effective Date.

(d) *Financial Reports.* The balance sheet of the Recipient furnished to IEDA fairly presents its financial condition as at said date in conformity with Generally Accepted Accounting Principles (GAAP) applied on a consistent basis. The Recipient has no contingent liabilities which are material to it, other than as indicated on such financial statements or, with respect to future periods, on the financial statements furnished to IEDA.

(e) *No Material Adverse Change.* Since the Award Date, there has been no change or the Recipient foresees no change in the condition (financial or otherwise) of the Recipient or the prospects of the Recipient, except those occurring in the ordinary course of business, none of which individually or in the aggregate have been materially adverse. To the knowledge of the Recipient, there has been no material adverse change in the condition of the Recipient (financial or otherwise) or the prospects of the Recipient.

(f) *Full Disclosure; Recipient's Financial Assistance Application.* The statements and other information furnished to the IEDA by Recipient in its Financial Assistance Application and in connection with the negotiation of this Contract do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading. The IEDA acknowledges that as to any projections furnished to the IEDA, the Recipient only represents that the same were prepared on the basis of information and estimates it believed to be reasonable.

(g) *Trademarks, Franchises and Licenses.* The Recipient owns, possesses, or has the right to use all necessary patents, licenses, franchises, trademarks, trade names, trade styles, copyrights, trade secrets, knowhow and confidential commercial and proprietary information to conduct its business as now conducted, without known conflict with any patent, license, franchise, trademark, trade name, trade style, copyright or other proprietary right of any other Person. As used in this Contract, "Person" means an individual, partnership, corporation, association, trust, unincorporated organization or any other entity or organization, including a government or agency or political subdivision thereof.

(h) *Governmental Authority and Licensing.* The Recipient has received all licenses, permits, and approvals of all Federal, state, local, and foreign governmental authorities, if any, necessary to conduct its business, in each case where the failure to obtain or maintain the same could reasonably be expected to have a material adverse effect. No investigation or proceeding which, if adversely determined, could reasonably be expected to result in revocation or denial of any material license, permit, or approval is pending or, to the knowledge of the Recipient threatened.

(i) *Litigation and Other Controversies.* There is no litigation or governmental proceeding pending, nor to the knowledge of the Recipient threatened, against the Recipient which if adversely determined would result in any material adverse change in the financial condition, properties, business or operations of the Recipient, nor is the Recipient aware of any existing basis for any such litigation or governmental proceeding.

(j) *Good Title.* The Recipient has good and defensible title to (or valid leasehold interests in) all of its property involved with the Project (including, without limitation, the Secured Property if real property is a security for this Contract) reflected on the most recent balance sheets furnished to the IEDA (except for sales of assets in the ordinary course of business).

(k) *Taxes.* All tax returns required to be filed by the Recipient in any jurisdiction have, in fact, been filed, and all taxes, assessments, fees and other governmental charges upon the Recipient or upon any of its property, income or franchises, which are shown to be due and payable in such returns, have been paid, except such taxes, assessments, fees and governmental charges, if any, as are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and as to which adequate reserves established in accordance with GAAP have been provided. The Recipient knows

of no proposed additional tax assessment against it for which adequate provisions in accordance with GAAP have not been made on its accounts. Adequate provisions in accordance with GAAP for taxes on the books of the Recipient have been made for all open years, and for their current fiscal period.

(l) *Other Contracts.* The Recipient is not in default under the terms or any covenant, indenture or contract of or affecting either the Recipient's business or any of its properties, which default, if uncured, would have a material adverse effect on its financial condition, properties, business or operations.

(m) *No Event of Default.* No Event of Default, as defined in Article 9, has occurred or is continuing.

(n) *Compliance with Laws.* The Recipient is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to the business operations of the Recipient and laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes or substances, non-compliance with which could have a material adverse effect on the financial condition, properties, business or operations of the Recipient. The Recipient has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental or health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the financial condition, properties, business or operations of the Recipient.

(o) *Effective Date of Representations and Warranties.* The warranties and representations of this Article are made as of the Contract Effective Date and shall be deemed to be renewed and restated by the Recipient each time Tax Incentives are claimed by the Recipient.

## **6.2 Representations of Community.**

(a) *Local Approvals Received; Authority and Validity of Obligations.* The Community has secured all necessary local approvals and has full right and authority to enter into this Contract. The person signing this Contract has full authority on behalf of the Community to:

1. Sign this Contract, and
2. Perform each and all of the Community's obligations under this Contract.

The Contract delivered by the Community has been duly authorized, executed and delivered by the Community and constitutes the valid and binding obligations of the Community and is enforceable against it in accordance with its terms. This Contract and related documents do not contravene any provision of law or any judgment, injunction, order or decree binding upon the Community, contravene or constitute a default under any covenant, indenture or contract of or affecting the Community or any of its properties.

(b) *Local Commitment.* The Community represents that there are legally enforceable commitments in place for the Community local commitment identified for the Project in *Exhibit C -Description of the Project and Award Budget.*

(c) *No Material Adverse Change.* Since the Award Date, there has been no material adverse change in the Community's ability to perform its obligations under this Contract.

(d) *Full Disclosure; Community's Financial Assistance Application.* The statements and other information furnished to the IEDA by the Community in its Financial Assistance Application and in connection with the negotiation of this Contract do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading. The IEDA acknowledges that as to any projections furnished to the IEDA, the Community only

represents that the same were prepared on the basis of information and estimates it believed to be reasonable.

(e) *Governmental Authority and Licensing.* The Community has received all licenses, permits, and approvals of all federal, state, local, and foreign governmental authorities, if any, necessary to perform its obligations under this Contract. No investigation or proceeding which, if adversely determined, could reasonably be expected to result in revocation or denial of any material license, permit, or approval is pending or, to the knowledge of the Community threatened.

(f) *Litigation and Other Controversies.* There is no litigation or governmental proceeding pending, nor to the knowledge of the Community threatened, against the Community which if adversely determined would result in any material adverse change in the Community's ability to perform under this Contract nor is the Community aware of any existing basis for any such litigation or governmental proceeding.

(g) *No Event of Default.* No Event of Default by the Community, as defined in Article 9, has occurred or is continuing.

(h) *Compliance with Laws.* The Community is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to the operations of the Community and laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes or substances, non-compliance with which could have a material adverse effect on the financial condition, properties, business or operations of the Community. The Community has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental or health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the financial condition, properties, business or operations of the Community.

(i) *Effective Date of Representations and Warranties.* The warranties and representations of this Article are made as of the Contract Effective Date.

## **ARTICLE 7: COVENANTS OF THE RECIPIENT**

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For the duration of this Contract, the Recipient covenants to IEDA as follows:

### **7.1 Project Performance Obligations.**

(a) *Reserved.*

(b) *Meet and Maintain Eligibility Requirements.* Recipient shall continue to meet and maintain all statutory eligibility requirements for the funding sources providing assistance under this Contract.

(c) *Project Time Period.* This Contract covers the five (5) year Project time period from the Award Date through the Maintenance Period Completion Date. Recipient shall complete and maintain the Project within the Project time period shown below:

<b>COMPLIANCE MEASUREMENT POINT</b>
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<b>COMPLIANCE MEASUREMENT POINT</b>
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Award Date	Project Completion Period	Project Completion Date	Maintenance Period	Maintenance Period Completion Date	Contract Closeout
<p><i>"Award Date"</i> means the date first stated in this Contract and is the date the IEDA Board approved the awarding of financial assistance to the Recipient for the Project.</p>	<p><i>"Project Completion Period"</i> means the period of time between the Award Date and the Project Completion Date.</p>	<p><i>"Project Completion Date"</i> means the date 3 years from the Award Date. Recipient must complete the Project by this date.</p> <p>At this point, IEDA will review the Project to verify compliance with Contract terms and obligations.</p>	<p><i>"Maintenance Period"</i> means the period of time between the Project Completion Date and the Maintenance Period Completion Date. The Project must be maintained in Iowa for this period of time.</p>	<p><i>"Maintenance Period Completion Date"</i> means the date 2 years from the Project Completion Date and is the date on which the Maintenance Period ends.</p> <p>At this point, IEDA will review the Project to verify that it was maintained in compliance with Contract terms and obligations.</p>	<p>IEDA will conduct Contract Closeout procedures after all events described in Article 1 have been met.</p> <p><i>"Contract End Date"</i> means the date stated in IEDA's written Notice of Final Contract Closeout that is issued pursuant to Article 1.</p>

(d) *Complete Project by Project Completion Date.* By the Project Completion Date, Recipient shall complete the Project, make the total investment it pledged for the Project and in accordance with the Award Budget as detailed in Exhibit C - Description of the Project and Award Budget, and comply with all other performance requirements described in this Contract.

(e) *Total Project Costs.* By the Project Completion Date, Recipient shall have completed the Project with a Total Project Cost as detailed in Exhibit C - Description of the Project and Award Budget.

(f) *Maintain Project through Maintenance Period Completion Date.* Recipient shall maintain the Project through the Maintenance Period Completion Date.

(g) *Maintain Project in Iowa During Contract Period.* The Recipient shall at all times preserve and maintain its existence as a corporation in good standing and maintain the Project in Iowa. The Recipient will preserve and keep in force and affect all licenses, permits, franchises, approvals, patents, trademarks, trade names, trade styles, copyrights and other proprietary rights necessary to the proper conduct of its respective business.

## **7.2 Taxes and Insurance.**

(a) *Pay Taxes and Assessments.* The Recipient shall duly pay and discharge all taxes, rates, assessments, fees, and governmental charges upon or against its properties, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by appropriate proceedings and adequate reserves are provided therefore.

(b) *Maintain Insurance.* The Recipient shall insure and keep insured in good and responsible insurance companies, all insurable property owned by it which is of a character usually insured by Persons similarly situated and operating like properties against loss or damage from such hazards or risks as are insured by Persons similarly situated and operating like properties; and the Recipient shall insure such other hazards and risks (including employers' and public liability risks) in good and responsible insurance companies as and to the extent usually insured by Persons similarly situated and conducting similar business. The Recipient will upon request of IEDA furnish a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Article.

## **7.3 Preserve Project.**

(a) *Maintenance of Properties.* The Recipient shall maintain, preserve and keep its properties in good repair, working order and condition (ordinary wear and tear excepted) and will from time to time make all needful and proper repairs, renewals, replacements, additions and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained in accordance with prudent business practices.

(b) *Reserved.*

**7.4 Recipient Changes.**

(a) *No Changes in Recipient Operations.* The Recipient shall not materially change the Project or the nature of the business and activities being conducted, or proposed to be conducted by Recipient, as described in the Recipient's approved application for funding, Exhibit A of this Contract, unless approved in writing by IEDA prior to the change.

(b) *Changes in Recipient Ownership, Structure and Control.* The Recipient shall not materially change the ownership, structure, or control of the business if it would adversely affect the Project. This includes, but is not limited to, entering into any merger or consolidation with any person, firm or corporation or permitting substantial distribution, liquidation or other disposal of assets directly associated with the Project. Recipient shall provide IEDA with advance notice of any proposed changes in ownership, structure or control. The materiality of the change and whether or not the change affects the Project shall be as reasonably determined by IEDA.

**7.5 Required Reports.**

(a) *Review of Reports.* The Recipient shall prepare, sign and submit required reports, in the form and content required by IEDA, as specified in this Contract.

(b) *Reports.* The Recipient shall prepare, sign and submit the following reports to the IEDA throughout the Contract period:

<b><u>Report</u></b>	<b><u>Due Date</u></b>
<b><u>Annual Project Status Report</u></b> The Annual Project Status Report will collect information from the Recipient about the status of the Project.	July 31 <sup>st</sup> for the period ending June 30th
<b><u>End of Project Report</u></b> The End of Project Report will collect information from the Recipient about the completed Project.	Within 30 days of Project Completion Date
<b><u>End of Maintenance Period Report</u></b> The End of Maintenance Period Report will collect information from the Recipient's continued maintenance of the Project.	Within 30 days of the end of the Job Maintenance Period Completion Date

(c) *Additional Reports, Financial Statements as Requested by IEDA.* The IEDA reserves the right to require more frequent submission of reports if, in the opinion of the IEDA, more frequent submissions would provide needed information about Recipient's Project performance, or if necessary in order to meet requests from the Iowa General Assembly, the Department of Management or the Governor's office. At



the request of IEDA, Recipient shall submit its annual financial statements completed by an independent CPA, or other financial statements including, but not limited to, income, expense, and retained earnings statements.

#### **7.6 Compliance with Laws.**

(a) *State, local and federal laws.* Recipient shall comply in all material respects with the requirements of all applicable federal, state and local laws, rules, regulations and orders.

(b) *Environmental laws.* Recipient shall comply in all material respects with all applicable environmental, hazardous waste or substance, toxic substance and underground storage laws and regulations, and the Recipient shall obtain any permits or, licenses and shall acquire or construct any buildings, improvements, fixtures, equipment or its property required by reason of any applicable environmental, hazardous waste or substance, toxic substance or underground storage laws or regulations.

(c) *Nondiscrimination laws.* Recipient shall comply in all material respects with all applicable federal, state, and local laws, rules, ordinances, regulations and orders applicable to the prevention of discrimination in employment, including the administrative rules of the Iowa Department of Management and the Iowa Civil Rights Commission which pertain to equal employment opportunity and affirmative action.

(d) *Worker rights and safety.* The Recipient shall comply in all material respects with all applicable federal, state and local laws, rules, ordinances, regulations and orders applicable to worker rights and worker safety.

(e) *Immigration laws.* Recipient shall only employ individuals legally authorized to work in this state. In addition to any and all other applicable penalties provided by current law, all or a portion of the Award is subject to recapture by IEDA if Recipient is found to knowingly employ individuals not legally authorized to work in the state of Iowa.

(f) *Compliance with IEDA's Administrative Rules.* Recipient shall comply with IEDA's administrative rules for the programs providing assistance to the Project and rules governing administration of this Contract.

**7.7 Inspection and Audit.** The Recipient shall permit the IEDA and its duly authorized representatives, at such reasonable times and reasonable intervals as the IEDA may designate, to:

(a) Conduct site visits and inspect the Project.

(b) Audit financial records related to the Project.

(c) Examine and make copies of the books of accounts and other financial records of the Recipient related to the Project.

(d) Discuss the affairs, finances and accounts of the Recipient with, and to be advised as to the same by, its officers, and independent public accountants (and by this provision the Recipient authorizes such accountants to discuss with the IEDA and the IEDA's duly authorized representatives the finances and affairs of the Recipient).

#### **7.8 Maintenance and Retention of Records.**

(a) *Maintain Accounting Records.* The Recipient is required to maintain its books, records and all

other evidence pertaining to this Contract in accordance with GAAP and such other procedures specified by IEDA.

(b) *Access to Records.* Records to verify compliance with the terms of this Contract shall be available at all times, and made available to IEDA and its designees at places and times designated by IEDA, for the duration of this Contract and any extensions thereof. Recipient shall make its records available to: (i) IEDA; (ii) IEDA's internal or external auditors, agents and designees; (iii) the Auditor of the State of Iowa; (iv) the Attorney General of the State of Iowa; and (v) the Iowa Division of Criminal Investigations and any other applicable law enforcement agencies.

(c) *Records Retention Period.* Recipient shall retain the records for a period of three (3) years from the Contract End Date, unless the records are the subject of an audit, investigation, or administrative or legal proceeding. In those instances, the records shall be retained until the audit, investigation or proceeding has been resolved.

#### **7.9 Required Notices from Recipient to IEDA.**

(a) *Notice of Major Changes.* Recipient shall promptly provide IEDA with written notice of: (a) any event that has a material adverse effect on Recipient's ability to complete the Project in accordance with the terms of this Contract; (b) the termination of the business conducted at the Project; (c) a material modification of the nature of the business conducted at the Project; and (d) the transfer of the Project or any material interest in the Project in connection with a financing or refinancing of the Project.

(b) *Notice of Proceedings.* Without limiting Section 7.9(a), Recipient shall promptly provide IEDA with written notice of any claims, lawsuits, bankruptcy proceedings, or other proceedings brought against Recipient that have a material adverse effect on Recipient's ability to complete the Project in accordance with the terms of this Contract.

**7.10 Indemnification.** The Recipient shall indemnify, defend and hold harmless the IEDA, the State of Iowa, its departments, divisions, agencies, sections, commissions, officers, employees and agents from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

(a) Any claim, demand, action, citation or legal proceeding arising out of or resulting from the Project;

(b) Any claim, demand, action, citation or legal proceeding arising out of or resulting from a breach by the Recipient of any representation, warranty or covenant made by the Recipient in this Contract;

(c) Any claim, demand, action, citation or legal proceeding arising out of or related to occurrences that the Recipient is required to insure against as provided for in this Contract; and

(d) Any claim, demand, action, citation or legal proceeding which results from an act or omission of the Recipient or any of their agents in its or their capacity as an employer of a person.

**7.11 Repayment of Unallowable Costs.** Recipient shall repay any Award received or realized that is determined by IEDA, its auditors, agents or designees, the Auditor of the State of Iowa, or similar authorized governmental entity to be unallowable under the terms of this Contract.

## **ARTICLE 8: COVENANTS OF THE COMMUNITY**

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For the duration of this Contract, the Community covenants to IEDA as follows:

**8.1 Local Match.** The Community shall provide the local financial assistance for the Project as described in Exhibit C, Project Description and Award Budget.

**8.2 Notice to IEDA.** In the event the Community becomes aware of any material alteration in the Project, initiation of any investigation or proceeding involving the Project, change in the Recipient' ownership, structure or operation, or any other similar occurrence, the Community shall promptly provide written notice to IEDA.

## **ARTICLE 9: DEFAULTS AND REMEDIES**

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**9.1 Default by Recipient.** An unremedied Event of Default can result in termination of this Contract and repayment of all or a portion of the value of the Tax Incentives actually received, plus applicable default interest and costs.

(a) *Events of Default* Any one or more of the following shall constitute an "Event of Default" under this Contract:

1. *Nonpayment.* Failure to make a payment when due (whether by lapse of time, acceleration or otherwise) for more than ten (10) business days of the due date thereof of any Loan or other payment required by this Contract; or

2. *Noncompliance with Covenants.* Default in the observance or performance of any covenant set forth in Article 7, for more than five (5) business days; or

3. *Noncompliance with Security Documents.* Default in the observance or performance of any term of any Security Document if required in Article 5 beyond any applicable grace period set forth therein; or

4. *Noncompliance with Contract.* Default in the observance or performance of any other provision of this Contract; or

5. *Material Misrepresentation.* Any representation or warranty made by the Recipient in this Contract or in any statement or certificate furnished by it pursuant to this Contract, or made in Exhibit A, Recipient's Financial Assistance Application, or in connection with any of the above, proves untrue in any material respect as of the date of the issuance or making thereof; or

6. *Security Deficiencies.* Any of the Security Documents that represent the Security pledged by Recipient to secure this Contract shall for any reason fail to create a valid and perfected priority security interest in favor of the IEDA; or

7. *Judgment.* Any judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes entered or filed against the Recipient or against any of its property and remains unvacated, unbonded or unstayed for a period of 30 days which materially and adversely affects Recipient's ability to perform its obligations under this Contract; or

8. *Adverse Change in Financial Condition.* Any change shall occur in the financial condition of the Recipient which would have a material adverse effect on the ability of the Recipient to perform under this Contract; or

9. *Bankruptcy or Similar Proceedings Initiated.* Either the Recipient shall (i) have entered

involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, or (vi) fail to contest in good faith any appointments or proceeding described below; or

10. *Appointment of Officials.* A custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for either the Recipient or any substantial part of any of its respective property, or a proceeding described above shall be instituted against either the Recipient and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) days; or

11. *Insecurity.* IEDA shall in good faith deem itself insecure and reasonably believes, after consideration of all the facts and circumstances then existing, that the prospect of payment and satisfaction of the obligations under this Contract, or the performance of or observance of the covenants in this Contract, is or will be materially impaired; or

12. *Failure to Submit Required Reports.* The Recipient fails to submit complete reports by the required due dates as outlined in Article 7; or

13. *Layoffs, Relocation or Closure.* The Recipient experiences a layoff, relocates or closes any of its facilities within the state of Iowa; or

14. *Hiring workers not authorized to work in state.* The Recipient fails to only employ individuals legally authorized to work in the state of Iowa. If Recipient is found to knowingly employ individuals not legally authorized to work in the state of Iowa then, in addition to any and all other applicable penalties provided by current law, all or a portion of the assistance received is subject to repayment; or

15. *Failure to Maintain Program Eligibility Requirements.* Recipient fails to maintain a statutory eligibility requirement for a program providing assistance under this Contract.

(b) *Notice of Default and Opportunity to Cure.* If IEDA has reasonable cause to believe that an Event of Default has occurred under this Contract, IEDA shall issue a written Notice of Default to the Recipient, setting forth the nature of the alleged default in reasonable specificity, and providing therein a reasonable period of time, which shall not be fewer than thirty (30) days from the date of the Notice of Default, in which the Recipient shall have an opportunity to cure, provided that cure is possible and feasible.

(c) *Remedies Available to IEDA.* When an Event of Default has occurred and is not cured within the required time period, IEDA may, after written notice to Recipient:

1. Terminate this Contract.
2. Reserved.
3. Reserved.
4. Revoke or reduce authorized Tax Incentives.

5. Require full repayment of all or a portion of the value of Tax Incentives received.

(d) *Reserved.*

(e) *Expenses.* The Recipient agrees to pay to the IEDA all expenses reasonably incurred or paid by IEDA including reasonable attorneys' fees and court costs, in connection with any Default or Event of Default by the Recipient or in connection with the enforcement of any of the terms of this Contract.

**9.2 Default by Community.** An unremedied Event of Default can result in termination of this Contract and repayment by Community of all or a portion of the pledged local match, plus applicable default interest and costs.

(a) *Events of Default.* Any one or more of the following shall constitute an "Event of Default by Community" under this Contract:

1. *Noncompliance with Covenants.* Default in the observance or performance of any covenants of the Community set forth in Article 8, for more than five (5) business days; or

2. *Material Misrepresentation.* Any representation or warranty made by the Community in this Contract or in any statement or certificate furnished by it pursuant to this Contract, or made by Community in Exhibit A, Recipient's Financial Assistance Application, or in connection with any of the above, proves untrue in any material respect as of the date of the issuance or making thereof; or

(b) *Notice of Default and Opportunity to Cure.* If IEDA has reasonable cause to believe that an Event of Default has occurred under this Contract, IEDA shall issue a written Notice of Default to the Community, setting forth the nature of the alleged default in reasonable specificity, and providing therein a reasonable period time, which shall not be fewer than thirty (30) days from the date of the Notice of Default, in which the Community shall have an opportunity to cure, provided that cure is possible and feasible.

(c) *Remedies Available to IEDA.* When an Event of Default by Community has occurred and is not cured within the required time period, IEDA may, after written notice to Community:

1. Suspend or reduce pending and future disbursements to Community.

2. Require repayment by Community for the amount of local financial assistance pledged to the Project but not provided.

(d) *Default Interest Rate.* If an Event of Default occurs and remains uncured, a default interest rate of 6% shall apply to repayment of amounts due under this Contract. The default interest rate shall accrue from the first date Tax Incentives are received.

(e) *Expenses.* The Community agrees to pay to the IEDA all expenses reasonably incurred or paid by IEDA including reasonable attorneys' fees and court costs, in connection with any Default or Event of Default by the Community or in connection with the enforcement of any of the terms of this Contract.

## **ARTICLE 10: MISCELLANEOUS.**

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### **10.1 Choice of Law and Forum; Governing Law.**

(a) In the event any proceeding of a quasi-judicial or judicial nature is commenced in connection with this Contract, the proceeding shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa, if such court has jurisdiction. If however, such court lacks jurisdiction and jurisdiction lies only in a United States District Court, the matter shall be commenced in the United States District Court for the Southern District of Iowa, Central Division.

(b) This provision shall not be construed as waiving any immunity to suit or liability, in state or federal court, which may be available to the IEDA, the State of Iowa or its members, officers, employees or agents.

(c) This Contract and the rights and duties of the parties hereto shall be governed by, and construed in accordance with the internal laws of the State of Iowa without regard to principles of conflicts of laws.

**10.2 Contract Amendments.** Neither this Contract nor any documents incorporated by reference in connection with this Contract, may be changed, waived, discharged or terminated orally, but only as provided below:

(a) *Writing required.* The Contract may only be amended if done so in writing and signed all the parties. Examples of situations requiring an amendment include, but are not limited to, time extensions, budget revisions, and significant alterations of existing activities or beneficiaries.

(b) *IEDA Board review.* Requests to amend this Contract shall be processed by IEDA in compliance with the IEDA Board's rules and procedures applicable to contract amendments.

**10.3 Notices.** Except as otherwise specified herein, all notices hereunder shall be in writing (including, without limitation by fax) and shall be given to the relevant party at its address, e-mail address, or fax number set forth below, or such other address, e-mail address, or fax number as such party may hereafter specify by notice to the other given by United States mail, by fax or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder shall be addressed:

*To the Recipient at:*

Barilla America, Inc.  
Larry Covington  
3311 East Lincoln Way  
Ames, IA 50010

E-mail: larry.covington@barilla.com  
Telephone: 515.988.9020  
Facsimile: 515.956.4465

*To the IEDA at:*

Iowa Economic Development Authority  
Compliance  
200 East Grand Avenue  
Des Moines, Iowa 50309  
Attention: Business Development - Compliance

E-mail: Compliance@iowa.gov  
Telephone: 515.725.3000  
Facsimile: 515.725.3010

*To the Community at:*

City of Ames  
Duane Pitcher  
515 Clark Avenue  
Ames, IA 50010

E-mail: dpitcher@city.ames.ia.us  
Telephone: 515.239.5113  
Facsimile: 515.239.5320

Each such notice, request or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this Article and a confirmation of such facsimile has been received by the sender, (ii) if given by e-mail, when such e-mail is transmitted to the e-mail address specified in this Article and a confirmation of such e-mail has been received by the sender, (iii) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iv) if given by any other means, when delivered at the addresses specified in this Article.

**10.4 Headings.** Article headings used in this Contract are for convenience of reference only and are not a part of this Contract for any other purpose.

**10.5 Final Authority.** The IEDA shall have the authority to reasonably assess whether the Recipient has complied with the terms of this Contract. Any IEDA determinations with respect to compliance with the provisions of this Contract shall be deemed to be final determinations pursuant to Iowa Code Chapter 17A, Iowa Administrative Procedure Act.

**10.6 Waivers.** No waiver by IEDA of any default hereunder shall operate as a waiver of any other default or of the same default on any future occasion. No delay on the part of the IEDA in exercising any right or remedy hereunder shall operate as a waiver thereof. No single or partial exercise of any right or remedy by IEDA shall preclude future exercise thereof or the exercise of any other right or remedy.

**10.7 Counterparts.** This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

**10.8 Survival of Representations.** All representations and warranties made herein or in any other Contract document or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Contract and the other Contract documents and shall continue in full force and effect with respect to the date as of which they were made until all of Recipient's obligations or liabilities under this Contract have been satisfied.

**10.9 Severability of Provisions.** Any provision of this Contract which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. All rights, remedies and powers provided in this Contract or any other Contract document may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provisions of law, and all the provisions of this Contract and any other Contract document are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Contract or any other Contract document invalid or unenforceable.

**10.10 Successors and Assigns.** This Contract shall be binding upon the Recipient and its respective successors and assigns, and shall inure to the benefit of the IEDA and the benefit of their respective successors and assigns.

**10.11 Nonassignment.** This Contract shall not be assigned, in whole or in part, by Recipient unless approved in writing by IEDA.

**10.12 Termination.** This Contract can be terminated under each of the following circumstances:

(a) *Agreement of the Parties.* Upon written agreement of the Recipient, the Community and IEDA.

(b) *Unremedied Event of Default.* As a result of the Recipient's or Community's unremedied Event of Default pursuant to Article 9.

(c) *Termination or reduction in funding to IEDA.* As a result of the termination or reduction of funding to IEDA as provided in Article 4.4(c).

**10.13 Documents Incorporated by Reference.** The following documents are incorporated by reference and considered an integral part of this Contract:

1. Exhibit A - Recipient's Financial Assistance Application (on file with IEDA), Application # 15-HQJTC-31
2. Exhibit B-2 High-Quality Jobs Program – Tax Credit Component Special Conditions
3. Exhibit C - Description of the Project and Award Budget
4. Exhibit D - Job Obligations
5. Exhibit E- Reserved
6. Exhibit F - Reserved

**10.14 Order of Priority.** In the case of any inconsistency or conflict between the specific provisions of this document and the exhibits, the following order of priority shall control:

1. Article 1 - 10 of this Contract.
2. Exhibit A - Recipient's Financial Assistance Application (on file with IEDA), Application # 15-HQJTC-31
3. Exhibit B-2 High-Quality Jobs Program – Tax Credit Component Special Conditions
4. Exhibit C - Description of the Project and Award Budget
5. Exhibit D - Job Obligations
6. Exhibit E - Reserved
7. Exhibit F - Reserved

**10.15 Integration.** This Contract contains the entire understanding between the Parties relating to the Project and any representations that may have been made before or after the signing of this Contract, which are not contained herein, are nonbinding, void and of no effect. None of the Parties have relied on any such prior representation in entering into this Contract.

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IN WITNESS WHEREOF in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into this Contract and have caused their duly authorized representatives to execute this Contract, effective as of the latest date stated below (Contract Effective Date).

**FOR IEDA:**

BY:

\_\_\_\_\_  
Deborah V. Durham, Director

\_\_\_\_\_  
Date

**FOR RECIPIENT:**

BY:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Date

**FOR THE COMMUNITY:**

BY:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Date

## **LIST OF EXHIBITS**

- Exhibit A - Recipient's Financial Assistance Application (on file with IEDA), Application # 15-HQJTC-31
- Exhibit B-2 High Quality Jobs Program – Tax Credit Component Special Conditions
- Exhibit C - Description of the Project and Award Budget
- Exhibit D - Job Obligations
- Exhibit E - Reserved
- Exhibit F - Reserved

**EXHIBIT B – 2**  
**High Quality Jobs Program – Tax Credit Component**

**Special Conditions to Contract # 15-TC-029**

The following additional terms shall apply to the Contract:

**SECTION 1: ADDITIONAL DEFINITIONS.**

---

The following additional terms are defined in this Contract as follows:

“*Capital Investment*” means the investment spent on depreciable assets. The minimum Capital Investment required for this Project is as stated in Section 2 of this Exhibit. The allowable categories of expenditures for purposes of calculating Capital Investment are described in IEDA’s administrative rule 261 IAC 174.10.

“*Investment Qualifying for the Tax Credit*” means new investment directly related to jobs created or retained by the start-up, location, expansion or modernization for this Project. Not all of the expenditure categories used to calculate the “*Investment Qualifying for the Tax Credit*” are included for purposes of claiming the tax credits. The allowable categories of expenditures for purposes of claiming the tax benefits are described in IEDA’s administrative rule 261 IAC 174.10.

“*Qualifying Investment*” means the statutorily-required minimum investment amount that must be met and maintained by the Recipient to receive High Quality Jobs Program tax benefits for this Project. This amount is as stated in Section 2 of this Exhibit. Not all expenditures count toward meeting the required Qualifying Investment. The categories of expenditures that can be included for purposes of meeting and maintaining statutorily-required investment requirements are described in IEDA’s administrative rule 261 IAC 174.10.

“*Economically Distressed Area*” means a county that ranks among the bottom 25 of all Iowa counties, as measured by either the average monthly unemployment level for the most recent 12-month period or the average annualized unemployment level for the most recent five-year period.

**SECTION 2: TERMS AND CONDITIONS OF THE AWARD**

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**2.1 Award.** The Recipient is awarded the following Tax Benefits through the High Quality Jobs Program, based on the minimal investment requirements described herein: \$765,090.

**2.2 Minimum Investment Requirements.** As a condition of receiving Tax Benefits, the Recipient shall meet the following minimum investment requirements:

(a)	Capital Investment.	\$ 26,500,000
(b)	Qualifying Investment.	\$ 26,109,000
(c)	Investment Qualifying for Tax Credits.	\$ 26,109,000

**2.3 Additional Tax Benefits.** The Recipient is eligible for additional incentives pursuant to Iowa Code sections 15.326, et. seq. pursuant to its participation in the High Quality Jobs Program and its obligations and rights under the Contract. The following Tax Benefits, in the maximum amounts shown for each authorized benefit, are so available to the Recipient:

<b>Authorized Benefits</b>	<b>Included in Award</b>	<b>Maximum Amt.</b>
<i>Refund of Sales, Service, and Use Taxes.</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 200,016
<i>Refund of Sales Taxes Attributable to Racks, Shelving, and Conveyor Equipment.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ 0
<i>Corporate Tax Credit For Certain Sales Taxes Paid By Third Party Developer.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ 0
<i>Investment Tax Credit (up to 2%)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 522,180
<i>Research Activities Credit.</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 42,750
<i>Local Property Tax Exemption Provided by Community</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ 0

**2.4 Conditions for Authorized Benefits.** The Recipient is responsible to seek these additional benefits through processes described in the applicable statues and corresponding administrative rules, ordinances and procedures. The following conditions shall apply to the benefits described in section 2.3 of this Exhibit.

(a) *Refund Of Sales, Service And Use Taxes Paid To Contractors Or Subcontractors.* The Recipient is eligible for a refund of sales, service and use taxes paid to contractors and subcontractors as authorized in Iowa Code section 15.331A (2011 Supplement).

1. The Recipient may apply for a refund of the sales and use taxes paid under Iowa Code chapters 422 and 423 for gas, electricity, water or sewer utility services, goods, wares, or merchandise, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility of the Recipient.
2. Taxes attributable to intangible property and furniture and furnishings shall not be refunded.
3. To receive a refund of the sales, service and use taxes paid to contractors or subcontractors, the Recipient must:
  - i. Inform the Iowa Department of Revenue (IDR) in writing within two weeks of project completion. For purposes of claiming this refund, "*project completion*" means the first date upon which the average annualized production of finished product for the preceding ninety-day period at the manufacturing facility operated by the Recipient is at least fifty percent of the initial design capacity of the facility.
  - ii. Within one year after Project Completion, as defined in sub-paragraph i above, make an application to the Department Revenue.

(b) *Reserved.*

(c) *Reserved.*

(d) *Investment Tax Credit.*

1. The Recipient may claim an investment tax credit as provided in Iowa Code section 15.333. Such credit may be claimed for a portion of the Qualifying Expenditures, as defined below in subparagraph (iii), directly related to job obligations, as described in Exhibit D, of the start-up, or location, expansion, or modernization of the business under this program. The Recipient shall not claim more than the amount authorized for this benefit as stated above and in Article 2.2(b). The credit is to be taken in the year the qualifying asset is placed in service. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs first.

2. The tax credit shall be amortized equally over a five-year period as specified below:

July 1, 2014 – June 30, 2015	\$ 104,436
July 1, 2015 – June 30, 2016	\$ 104,436
July 1, 2016 – June 30, 2017	\$ 104,436
July 1, 2017 – June 30, 2018	\$ 104,436
July 1, 2018 – June 30, 2019	\$ 104,436

3. Only Qualifying Expenditures are eligible for the investment tax credit. For purposes of this benefit, “Qualifying Expenditures” means:
- i. The purchase price of real property and any buildings and structures located on the real property.
  - ii. The cost of improvements made to real property which is used in operation of the business.
  - iii. The costs of machinery and equipment, as defined in Iowa Code section 427A.1(1) “e” and “j,” purchased for use in the operation of the business and which the purchase price may have been depreciated in accordance with GAAP.
4. If the Project includes leasing of new construction or major renovation of an existing building, the annual base rent paid to a third-party developer by a Recipient must be for a period equal to the term of the lease agreement but not to exceed the maximum term of the agreement, provided the cumulative cost of the base rent payments for that period does not exceed the cost of the land the third-party developer’s costs to build or renovate the building for the Recipient. Limitations to annual base rent shall only be considered when the Project includes the construction of a new building or the major renovation of an existing building. The Recipient shall enter into a lease agreement with the third-party developer for a minimum of five years.

(e) *Supplemental Research Activities Credit.* The Recipient is eligible to claim an additional research activities credit as provided in Iowa Code section 15.335 (2011 Supplement). This benefit is a tax credit for increasing research activities in this state during the period the Recipient is participating in the program.

(f) *Reserved.*

### SECTION 3: ADDITIONAL COVENANTS

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In addition to the Covenants described in Article 7 of the Contract, the Recipient shall be bound to the additional covenants:

**3.1 Job Obligations.** By the Project Completion Date, the Recipient shall create and/or retain the number of FTE Created Jobs and Retained Jobs included in, for Retained Jobs, and above, for Created Jobs, the Recipient's Employment Base, as detailed in Exhibit D – Job Obligations, and maintain the jobs through the Maintenance Period.

**3.2 Wage Obligations.** The Qualifying Wage Threshold rates specific to this Contract that must be met are stated in Exhibit D, Job Obligations. By the Project Completion Date and through the Maintenance Completion Period Date, the Recipient shall:

(a) For the *Created Jobs*, pay 100% of the Qualifying Wage Threshold at the start of the Project Completion Period, at least 120% of the Qualifying Wage Threshold by the Project Completion Date, and at least 120% of the Qualifying Wage Threshold until the Maintenance Period Completion Date.

(b) For the *Retained Jobs*, pay at least 120% of the Qualifying Wage Threshold throughout both the Project Completion Period and the Maintenance Period

(c) For projects in *Economically Distressed Areas* the Qualifying Wage Threshold requirement applicable to all phases of the project is 100% of the Qualifying Wage Threshold if the eligible business is located in an economically distressed area.

**3.3 Provide Sufficient Benefits.** The Recipient shall provide all employees included as part of the job and wage obligations with Sufficient Benefits.

### SECTION 4: ADDITIONAL DEFAULT PROVISIONS

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In addition to the default provisions included in Article 9 of the Contract, the following additional default provisions shall apply:

**4.1 Repayment of Tax Benefits Received - High Quality Jobs Program.** IDR is the state agency responsible for collecting the value of any Tax Benefits received in violation of the terms of this Contract. The Community is the party responsible for collecting the value of the local tax benefits received in violation of this Contract. IEDA will determine if the Recipient has met the terms of this Contract. If there is an unremedied Event of Default, IEDA will provide written notice to IDR and the Community. Calculation of the amount owed may be based on a sliding scale in certain circumstances and may include interest assessed by IDR. Those circumstances are as follows:

(a) *Failure to Meet Job Obligations by Project Completion Date.* If the Recipient does not meet its Job Obligations as detailed in Exhibit D, Job Obligations by the Project Completion Date, Recipient shall repay a percentage of the Tax Benefits it has received. The repayment percentage will be equal to the percentage of jobs short of its Job Obligations.

The percentage to be repaid is calculated based on the number of jobs that are at or above the Qualifying Wage Threshold. For example, if the Recipient meets 90% of its Job Obligations, the amount to be repaid is 10% of the value of Tax Benefits taken (plus any interest assessed by IDR).

Upon repayment of the amount due, IEDA will reduce the Recipient's Employment Base. This reduced employment base must be maintained through the Maintenance Period Completion Date.

(b) *Job shortfall at Maintenance Period Completion Date.* If the Recipient does not maintain its adjusted Employment Base through the Maintenance Period Completion Date, Recipient shall repay an additional percentage of the Tax Benefits it has received. The repayment percentage will be equal to the percentage of jobs that the Recipient failed to maintain. The amount to be repaid will be calculated as described in subsection (a) above.

(c) *Less than Total Project Cost at Project Completion Date.* If the Recipient does not complete the Project with a Total Project Cost as stated in Exhibit C, Project Description and Award Budget, by the Project Completion Date Recipient shall repay a portion of the Tax Benefits received.

For example, if the Recipient's required Total Project Cost is 10% less than pledged, 10% of the value of the tax benefits received (plus any interest assessed by IDR) must be repaid.

(d) *Repayment Amount If Both Shortfall in Job Obligations and Less Than Total Project Cost.* If the Recipient experiences a shortfall in its Job Obligations and the Total Project Cost is less than required, IEDA will calculate the percentage owing for the job shortfall and for less than the Total Project Cost. The higher of these two amounts shall be the amount Recipient shall repay to IDR.

(e) *Selling, Disposing, or Razing of Property.* If, within five years of purchase, the Recipient sells, disposes of, razes, or otherwise renders unusable all or a part of the land, building, or other existing structures for which an investment tax credit was claimed, the income tax liability of the Recipient for the year in which all or part of the property is sold, disposed of, razed, or otherwise rendered unusable shall be increased by one of the following amounts plus any interest assessed by IDR:

1. 100% of the tax credit claimed if the property ceases to be approved for the tax credit within one full year after being placed in service.
2. 80% of the tax credit claimed if the property ceases to be approved for the tax credit within two full years after being placed in service.
3. 60% of the tax credit claimed if the property ceases to be approved for the tax credit within three full years after being placed in service.
4. 40% of the tax credit claimed if the property ceases to be approved for the tax credit within four full years after being placed in service.
5. 20% of the tax credit claimed if the property ceases to be approved for the tax credit within five full years after being placed in service.

(f) *Qualifying Investment.* If the Business does not meet its Qualifying Investment requirement as defined in Section 2 of this Exhibit, Recipient shall repay all or a portion of the value of Tax Benefits received. Repayment shall be calculated as follows plus any interest assessed by IDR:

1. If the Recipient has met 50 percent or less of the Qualifying Investment requirement, Recipient shall repay the same percentage in Tax Benefits as the Recipient failed to invest.

2. If the Recipient has met more than 50 percent but not more than 75 percent of the Qualifying Investment requirement, the Recipient shall repay one-half of the percentage in Tax Benefits as the Recipient failed to invest.
3. If the Recipient has met more than 75 percent but not more than 90 percent of the Qualifying Investment requirement, the Recipient shall repay one-quarter of the percentage in benefits as the Recipient failed to invest.

- End of Exhibit B – 2 -



**DESCRIPTION OF THE PROJECT AND AWARD BUDGET  
(EXHIBIT C)**

**Name of Recipient:** Barilla America, Inc.

**Name of Community:** City of Ames

**Contract Number:** 15-TC-029

**PROJECT DESCRIPTION**

**Barilla America, Inc.** will add two production lines, raw material storage and associated packaging and palletizing equipment to produce Gluten Free Pasta in the Ames facility.

**AWARD BUDGET**

SOURCE OF FUNDS	AMOUNT	FORM	USE OF FUNDS	COST
IEDA Programs HQP Tax Credit  Barilla	   \$26,830,000	   Cash/Equity	*Land Acquisition *Site Preparation *Building Acquisition *Building Construction *Building Remodeling Lease Payments *Mfg Machinery and Equipment Other Machinery and Equipment Racking, Shelving, etc. *Computer Hardware Computer Software *Furniture and Fixtures Working Capital Research and Development Job Training  *included as capital investment if awarded tax credit program	   \$6,672,000  \$19,352,000 \$391,000  \$85,000   \$330,000
<b>Total</b>	<b>\$26,830,000</b>		<b>Total</b>	<b>\$26,830,000</b>

<sup>1</sup>\$765,090 estimated benefit value

**OTHER FUNDING**

SOURCE OF FUNDS	TOTAL AMOUNT	FORM/TERM	USED AS MATCH
TIF Rebate			
Tax Abatement	\$217,895	427B	Yes
260E Job Training	\$67,000		
In-Kind Contributions			
New Jobs Tax Credit	\$37,674	Income tax credit	
RED			
Other			

## EXHIBIT D – JOB OBLIGATIONS

**Recipient: Barilla America, Inc.**  
**Community: City of Ames**  
**Contract Number: 15-TC-029**

This Project has been awarded benefits from the High Quality Jobs Program (HQJP) – Tax Credit Component. The chart below outline the contractual job obligations related to this Project.

Data in the “Employment Base” column has been verified by the Authority and reflects the employment characteristics of the facility receiving funding before this award was made. Jobs to be retained as a part of this Project must be included in these calculations.

Data in the “Jobs To Be Created” column outlines the new full-time jobs (including their wage characteristics) that must be added to the employment base and, if applicable, statewide employment base as a result of this award.

At the Project Completion Date and through the Maintenance Period Completion Date, the Business must achieve (at a minimum) the numbers found in the “Total Job Obligations” column.

HQJP JOB OBLIGATIONS		Employment Base	Jobs To Be Created	Total Job Obligations
Project Completion Date:	January 31, 2018			
Maintenance Period Completion Date:	January 31, 2020			
<b>Total employment at project location</b>		159*	23	182
<b>Average wage of total employment at project location</b>		\$22.25		
<b>Qualifying Laborshed Wage threshold requirement (per hr)</b>		\$23.21		
<b>Number of jobs at or above qualifying wage</b>		46	2	48
<b>Average Wage of jobs at or above qualifying wage</b>		\$31.87		

\* Please note that Barilla has 162 total full-time jobs located in the Ames area, however only the 159 base jobs referenced above are related to Barilla’s operation in Ames. Since the other 3 jobs are not related to this project and could be located anywhere in the U.S., they were not counted in the employment base.

**Notes re: Qualifying Wages**

1. Bonus or commission payments are not included when calculating the Qualifying Wage rate.
2. Employment Base includes 0 “Retained Jobs”.
3. If the Recipient uses or proposes to use a non-standard work week (8 hours a day, 5 days a week, 52 weeks a year including holidays, vacation and other paid leave), check the box below and describe that alternative schedule. The alternative schedule must meet the requirements of 261 IAC 173.2. ) By not checking the box and not providing the alternative schedule, IEDA will consider “*Full-time Equivalent (FTE) Job*” to mean the employment of one person for 8 hours per day for a 5-day, 40-hour workweek for 52 weeks per year, including paid holidays, vacations and other paid leave.

The Recipient shall use an alternative work week for purposes of its employees described in the Contract. The alternative work week is as follows: [description].

**COUNCIL ACTION FORM**

**SUBJECT: APPROVAL OF IOWA ECONOMIC DEVELOPMENT AUTHORITY HIGH QUALITY JOBS PROGRAM CONTRACT FOR FINANCIAL ASSISTANCE FOR BOEHRINGER INGELHEIM VETMEDICA, INC. WITH LOCAL MATCH IN THE FORM INDUSTRIAL PROPERTY TAX ABATEMENT**

**BACKGROUND:**

Boehringer Ingelheim Vetmedica, Inc. (BIVI) is a subsidiary of Boehringer Ingelheim USA based in Ridgefield, Connecticut and part of the German Boehringer Ingelheim Group, a global pharmaceutical company. BIVI develops, manufactures, and markets veterinary pharmaceutical products. The Ames facility located in the ISU Research Park operates a health management center, diagnostic laboratory, and conducts biological research. The company also operates a large manufacturing facility in Fort Dodge and has smaller operations in Sioux Center and Riverside. The company has selected its Ames and Fort Dodge locations for expansion and has applied for economic development assistance from the Iowa Economic Development Authority (IEDA) with a local match provided by the City of Ames, limited to our existing Industrial Property Tax Abatement program.

City Council endorsed an application for assistance to the IEDA at the December 9, 2014 meeting. The application for assistance was approved and contract awarded by the IEDA. **The contract award covers both the Ames and Fort Dodge expansion projects, and will include construction of lab and office space in the ISU Research Park and manufacturing expansion in Fort Dodge.** Total investment expected for the project is approximately \$112,000,000, with just under \$12,000,000 in Ames. The IEDA is providing High Quality Job Program tax credits and other tax incentives totaling \$2,130,381. Though the company is committing only one additional job with the expansion, the expectation is that there will be several new jobs in Ames in addition to the 54 at the current facility. The IEDA has an open economic development incentive project approved late in 2010 with statewide employment requirements. BIVI intends to use the employment growth generated by the current proposed project to meet the requirements of the earlier agreement. The City of Ames is a small part of the 2010 incentive agreement that included large expansions by BIVI in Fort Dodge and Sioux Center.

**For BIVI to receive the local match the company will need to apply for the City's Industrial Abatement Program and the project must qualify with the terms.** The IEDA is estimating an abatement amount for Ames at \$1,184,446 across all taxing bodies. This would indicate a value of improvements greater than the \$12,000,000 in the contract and application, since this amount was based on four years lease payments, equipment, furniture and fixtures, and research and development expenses. A break out of the use of funds for the project is found in Exhibit C of the contract.

**ALTERNATIVES:**

1. Adopt a resolution approving a contract for economic development assistance with Boehringer Ingelheim Vetmedica, Inc., the Iowa Economic Development Authority, and the City of Fort Dodge with local match to be limited to Industrial Property Tax abatement.
2. Do not adopt a resolution of approving the contract and associated abatement.

**MANAGER'S RECOMMENDED ACTION:**

BIVI is global leader in animal health and has selected Ames as a location to make a significant investment of capital to expand high paying jobs without the cost of additional City infrastructure. In keeping with the Council's goal to promote economic development, this project will expand the number of quality jobs within our city.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, approving a contract for economic development assistance with Boehringer Ingelheim Vetmedica, Inc., the Iowa Economic Development Authority, and the City of Fort Dodge, with local match to be limited to Industrial Property Tax abatement.

***ECONOMIC DEVELOPMENT  
ASSISTANCE CONTRACT***

**BY**

**BOEHRINGER INGELHEIM VETMEDICA, INC.,  
THE CITY OF AMES, CITY OF FORT DODGE**

**AND THE**

**IOWA ECONOMIC DEVELOPMENT AUTHORITY**

**CONTRACT NUMBER: 15-TC-001**

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### CONTRACT EXHIBITS

Exhibit A -	Recipient's Financial Assistance Application (on file with IEDA), Application # 15-HQJTC-020 and 15-HQJTC-0031
Exhibit B-2	High Quality Jobs Program - Tax Credit Special Conditions
Exhibit C -	Description of the Project and Award Budget
Exhibit D -	Job Obligations
Exhibit E -	Reserved
Exhibit F -	Reserved

# *Economic Development Assistance Contract*

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RECIPIENT:	BOEHRINGER INGELHEIM VETMEDICA, INC.
COMMUNITY:	CITY OF AMES, CITY OF FORT DODGE
CONTRACT NUMBER:	15-TC-001
AWARD DATE:	DECEMBER 19, 2014
AWARD AMT. – TAX INCENTIVES	\$2,130,381

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This ECONOMIC DEVELOPMENT ASSISTANCE CONTRACT (Contract) is made as of the Contract Effective Date by the Iowa Economic Development Authority (IEDA), 200 East Grand Avenue, Des Moines, IA 50309, and Boehringer Ingelheim Vetmedica, Inc. (Recipient), 2621 North Belth Highway, St. Joseph, MO 64506 and the City of Ames (Community), 515 Clark Avenue, Ames, IA 50010 and the City of Fort Dodge (Community), 822 Central Avenue, Ste. 406, Fort Dodge, IA 50501.

WHEREAS, the Recipient submitted an application to IEDA requesting assistance in the financing of its Project as more fully described in Exhibit C, *Description of the Project and Award Budget* (the Project); and

WHEREAS, the Iowa Economic Development Authority Board (IEDA Board) awarded the Recipient assistance for the Project from the funding sources identified herein (collectively, the Award), all of which are subject to the terms and conditions set forth herein; and

NOW THEREFORE, in consideration of the mutual promises contained herein and intending to be legally bound, the Recipient, the Community and IEDA agree to the following terms:

## **ARTICLE 1: CONTRACT DURATION**

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This Contract shall be in effect on the Contract Effective Date and shall remain in effect until after completion of each of the following:

(a) *Through Project Period Completion Date.* Through the Project Period Completion Date and for a reasonable period of time after Project Period Completion Date during which IEDA will conduct Project closeout procedures to verify that the Project was completed in compliance with Contract requirements.

(b) *Through Maintenance Period Completion Date and Contract Closeout.* Through the Maintenance Period Completion Date and for a reasonable period of time after Maintenance Period Completion Date during which IEDA will conduct closeout procedures to verify that the Project was maintained in compliance with Contract requirements.

(c) *Repayment or payment Obligation.* Until all outstanding amounts due to IEDA, if any, are received by IEDA or all outstanding obligations to IEDA are satisfied in full.

(d) *Contract End Date.* Until IEDA has completed Contract closeout procedures and provided Recipient and Community with written Notice of Final Contract Closeout. This Contract shall terminate as of the date stated in the written Notice of Final Contract Closeout; such date shall be the Contract End Date.

## **ARTICLE 2: DEFINITIONS**

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The following terms apply to this Contract:

“*Award*” means the sum of any and all assistance provided by IEDA for the Project under this Contract.

“*Award Date*” means the date first stated in this Contract and is the date the IEDA Board approved the awarding of financial assistance to the Recipient for the Project.

“*Base Employment Level*” means the number of full-time equivalent positions at a business, as established by the authority and a business using the business’s payroll records, as of the date a business applies for tax incentives or project completion assistance. The number of jobs the business has pledged to create and retain shall be in addition to the base employment level.

“*Benefits*” means nonwage compensation provided to an employee. Benefits include medical and dental insurance plans, pension, retirement, and profit-sharing plans, child care services, life insurance coverage, vision insurance coverage, and disability insurance coverage.

“*Contract Effective Date*” means the latest date on the signature page of this Contract.

“*Contract End Date*” means the date stated in the Notice of Final Contract Closeout issued by IEDA pursuant to Article 1.

“*Created Job*” means a new, permanent, full-time equivalent (FTE) position added to a business’s payroll in excess of the base employment level at the time of application for tax incentives or project completion assistance.

“*Full-time equivalent job*” or “*full-time*” means the employment of one person:



1. For 8 hours per day for a 5-day, 40-hour workweek for 52 weeks per year, including paid holidays, vacations and other paid leave; or
2. The number of hours or days per week, including paid holidays, vacations and other paid leave, currently established by schedule, custom, or otherwise, as constituting a week of full-time work for the kind of service an individual performs for an employing unit, provided that the number of hours per week is at least 32 hours per week for 52 weeks per year including paid holidays, vacations, and other paid leave.

For purposes of this definition, “employment of one person” means the employment of one natural person and does not include “job sharing” or any other means of aggregation or combination of hours worked by more than one natural person.

“*Job Obligations*” means the jobs that must be created or retained as a result of a project’s receiving state or federal financial assistance, project completion assistance, or tax incentives from the authority and that are required to meet the qualifying wage threshold requirements. Recipients job obligations are specified in Exhibit D of this contract. Jobs that do not meet the qualifying wage threshold requirements shall not be counted toward a business’s job creation or job retention obligations contained in Exhibit D. The job obligations in Exhibit D include the business’s base employment level and the number of new jobs required to be created above the base employment level.

“*Laborshed Wage*” means the qualifying wage threshold applicable to recipient’s project as calculated pursuant to rule 261-173.2 and 261-chapter 174 and as specified in Exhibit D of this contract.

“*Maintenance Period*” means the period of time between the Project Completion Date and the Maintenance Period Completion Date. The Project must be maintained in Iowa for this period of time.

“*Maintenance Period Completion Date*” means the date on which the Maintenance Period ends. The specific date on which the project maintenance period ends is identified in Exhibit D.

“*Project*” means the description of the work and activities to be completed by the Recipient as outlined in Exhibit C - Description of the Project and Award Budget.

“*Project Completion Date*” means the date by which a recipient of incentives or assistance has agreed to meet all the terms and obligations contained in this agreement. The project completion date will be a date on which the project must be completed, all incented jobs must be created or retained, and all other applicable requirements must be met. The specific date on which the project completion period ends is identified in Exhibit D.

“*Project Completion Assistance*” means financial assistance or technical assistance provided to an eligible business in order to facilitate the start-up, location, modernization, or expansion of the business in this state and provided in an expedient manner to ensure the successful completion of the start-up location, modernization, or expansion project.

“*Project Completion Period*” means the period of time between the date financial assistance is awarded (the “award date”) and the project completion date.

“*Qualifying Jobs*” are those Created or Retained Jobs that meet or exceed the Qualifying Wage Threshold Requirement established to qualify for program funding for the programs providing assistance to this Project.

“*Qualifying Wage Threshold*” means the laborshed wage as calculated by IEDA pursuant to statute and rule for each program that is providing financial assistance or tax credit incentives for this Project. The Qualifying Wage Threshold Requirement for this Project is outlined in Exhibit D, Job Obligations.

“Retained Job” means an existing job that meets the Qualifying Wage Threshold Requirements and would be eliminated or moved to another state if the Project did not proceed in Iowa.

“Sufficient Benefits” means that the employer offers to each full-time equivalent permanent position a benefits package that meets one of the following:

1. The employer pays 80 percent of the premium costs for a standard medical and dental plan for single employee coverage with a \$750 maximum deductible; or
2. The employer pays 50 percent of the premium costs for a standard medical and dental plan for employee family coverage with a \$1,500 maximum deductible; or
3. The employer provides medical coverage and pays the monetary equivalent of paragraph “1” or “2” above in supplemental employee benefits. Benefits counted toward monetary equivalent could include medical coverage, dental coverage, vision insurance, life insurance, pension, retirement (401k), profit sharing, disability insurance, child care services.

“Tax Incentives” means the tax credits, refunds and other authorized benefits IEDA has awarded for this Project as detailed in Article 3.

“Total Project Cost” means the cost incurred by the Recipient to complete the Project as described in Exhibit C.

### **ARTICLE 3: AWARD TERMS**

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**3.1 Total Award Amount.** The IEDA Board has approved an Award to the Community and Recipient from the funding sources and in the maximum amounts shown below:

TAX INCENTIVES		
High Quality Jobs Program	Tax Incentives	\$ 2,130,381
<b>TOTAL STATE TAX INCENTIVES:</b>		<b>\$ 2,130,381</b>

**3.2 Terms and Conditions of Award.** The terms and conditions of the Award shall be as described in this Contract and the following incorporated exhibit(s):

Exhibit B-2 High Quality Jobs Program – Tax Credit Component Special Conditions

### **ARTICLE 4: CONDITIONS TO AWARD; DISBURSEMENT AND ISSUANCE TERMS**

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**4.1 Reserved.**

**4.2 Tax Incentives–Conditions to Issuance of Tax Credit Number.**

(a) *Tax Credit Number Required to Claim Incentives.* Recipient shall not claim the Tax Incentives described in Article 3 until IEDA has issued a tax credit number for this Project and Recipient has undertaken the activities described in this Contract and the applicable law to be eligible for such Tax Incentives.

(b) *Issuance of Tax Credit Number.* Upon satisfaction of the conditions described in herein, IEDA will issue a tax credit number to the Recipient for this Project. The tax credit number shall be used in preparing any claims for Tax Incentives

(c) *Conditions to Issuance of Tax Credit Number.* The obligation of IEDA to issue a tax credit number shall be subject to the conditions precedent described in Article 4.

(d) *Documents Submitted.* IEDA shall have received the documents described in section 4.3, properly executed and completed, and approved by IEDA as to form and substance, prior to issuing any tax credit number.

#### **4.3 Documents required.**

(a) *Contract.* Fully executed Contract.

(b) *Incorporation Documents.* Copies of the Articles of Incorporation or the Articles of Organization, whichever is appropriate, of the Recipient, certified in each instance by its secretary or assistant secretary.

(c) *Certificate of Existence; Certificate of Authority.* A certificate of existence for the Recipient from the State of incorporation or organization, whichever is appropriate, and a certificate of authority authorizing the Recipient to conduct business in the state of Iowa, if it is not organized or incorporated in Iowa.

(d) *Results of Lien and Tax Search and Documentation of Satisfactory Credit History.* Financing statement, tax and judgment lien search results, in the Recipient's state of incorporation or organization, against the Recipient and documentation of satisfactory credit history of the Recipient and guarantors, as applicable, with no judgments or unsatisfied liens or similar adverse credit actions.

(e) *Other Required Documents.* IEDA shall have received such other contracts, instruments, documents, certificates and opinions as IEDA may reasonably request.

(f) *Solid or Hazardous Waste Audit.* To comply with Iowa Code section 15A.1(3)"b," if the Recipient generates solid or hazardous waste, it must either: a) submit a copy of the Recipient's existing in-house plan to reduce the amount of waste and safely dispose of the waste based on an in-house audit conducted within the past 3 years; or b) submit an outline of a plan to be developed in-house; or c) submit documentation that the Recipient has authorized the Iowa Department of Natural Resources or Iowa Waste Reduction Center to conduct the audit.

(g) *Release Form – Confidential Tax Information.* A signed Authorization for Release of Confidential State Tax Information form to permit IEDA to receive the Recipient's state tax information directly from the Iowa Department of Revenue for the purpose of evaluation and administration of tax credit programs and other state financial assistance programs.

(h) *Project Financial Commitments.* The Recipient shall have submitted documentation acceptable to IEDA from the funding sources identified in Exhibit A committing to the specified financial involvement in the Project and received the IEDA's approval of the documentation. The documentation shall include the amount, terms and conditions of the financial commitment, as well as any applicable schedules and may include agreements and resolutions to that effect.

(i) *State Building Code Bureau Approval.* If any part of the Award proceeds will be used for the construction of new buildings, bidding for construction shall not be conducted prior to the written approval of the final plans by the State Building Code Bureau of the Iowa Department of Public Safety, and only if either of the following applies:

1. The building or structure is located in a governmental subdivision which has not adopted a local building code; or

2. The building or structure is located in a governmental subdivision which has adopted a building code, but the building code is not enforced.

**4.4 Suspension, Reduction or Delay of Award.** Any one or more of the following shall be grounds for IEDA to delay the issuance of a tax credit number or receipt of other Tax Incentives:

(a) *Unremedied event of default.* Upon the occurrence of an Event of Default (as defined in this Contract) by the Recipient, the IEDA may suspend the issuance of the Award to the Recipient until such time as the default has been cured to IEDA's satisfaction.

(b) *Layoff, closure or relocation.* In the event the Recipient experiences a layoff within the state of Iowa, relocates or closes any of its Iowa facilities IEDA has the discretion to reduce or eliminate some or all of the amount of tax incentives to be received.

(c) *Reduction, discontinuance or alteration of state funding/programs.* Any termination, reduction, or delay of tax incentives available due, in whole or in part, to (i) lack of, reduction in, or a deappropriation of tax incentives previously appropriated or authorized for this Contract, or (ii) any other reason beyond the IEDA's control may, in the IEDA's discretion, result in the suspension, reduction or delay of authorization or issuance of Tax Incentives to the Recipient.

## **ARTICLE 5: RESERVED.**

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## **ARTICLE 6: REPRESENTATIONS AND WARRANTIES**

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**6.1 Representations of Recipient.** The Recipient represents and warrants to IEDA as follows:

(a) *Organization and Qualifications.* The Recipient is duly organized, validly existing and in good standing under the state of its incorporation or organization, whichever is appropriate, and is authorized to conduct business in the state of Iowa. The Recipient has full and adequate power to own its property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the property owned or leased by it requires such licensing or qualifying, except where the failure to so qualify would not have a material adverse effect on the Recipient's ability to perform its obligations hereunder.

(b) *Authority and Validity of Obligations.* The Recipient has full right and authority to enter into this Contract. The person signing this Contract has full authority on behalf of Recipient to execute this Contract and issue, execute or otherwise secure or deliver any documents or obligations required under this Contract on behalf of the Recipient; and to perform, or cause to be performed, each and all of the obligations under the Contract.

The Contract delivered by the Recipient has been duly authorized, executed and delivered by the Recipient and constitute the valid and binding obligations of the Recipient and is enforceable against it in accordance with its terms. This Contract and related documents do not contravene any provision of law or any judgment, injunction, order, or decree binding upon the Recipient or any provision of the corporate governance documents of the Recipient, nor does this Contract contravene or constitute a default under any covenant, indenture or contract of or effecting the Recipient or any of its properties.

(c) *Subsidiaries.* The Recipient has no Subsidiaries involved with the Project on the Contract

Effective Date.

(d) *Financial Reports.* The balance sheet of the Recipient furnished to IEDA fairly presents its financial condition as at said date in conformity with Generally Accepted Accounting Principles (GAAP) applied on a consistent basis. The Recipient has no contingent liabilities which are material to it, other than as indicated on such financial statements or, with respect to future periods, on the financial statements furnished to IEDA.

(e) *No Material Adverse Change.* Since the Award Date, there has been no change or the Recipient foresees no change in the condition (financial or otherwise) of the Recipient or the prospects of the Recipient, except those occurring in the ordinary course of business, none of which individually or in the aggregate have been materially adverse. To the knowledge of the Recipient, there has been no material adverse change in the condition of the Recipient (financial or otherwise) or the prospects of the Recipient.

(f) *Full Disclosure; Recipient's Financial Assistance Application.* The statements and other information furnished to the IEDA by Recipient in its Financial Assistance Application and in connection with the negotiation of this Contract do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading. The IEDA acknowledges that as to any projections furnished to the IEDA, the Recipient only represents that the same were prepared on the basis of information and estimates it believed to be reasonable.

(g) *Trademarks, Franchises and Licenses.* The Recipient owns, possesses, or has the right to use all necessary patents, licenses, franchises, trademarks, trade names, trade styles, copyrights, trade secrets, knowhow and confidential commercial and proprietary information to conduct its business as now conducted, without known conflict with any patent, license, franchise, trademark, trade name, trade style, copyright or other proprietary right of any other Person. As used in this Contract, "*Person*" means an individual, partnership, corporation, association, trust, unincorporated organization or any other entity or organization, including a government or agency or political subdivision thereof.

(h) *Governmental Authority and Licensing.* The Recipient has received all licenses, permits, and approvals of all Federal, state, local, and foreign governmental authorities, if any, necessary to conduct its business, in each case where the failure to obtain or maintain the same could reasonably be expected to have a material adverse effect. No investigation or proceeding which, if adversely determined, could reasonably be expected to result in revocation or denial of any material license, permit, or approval is pending or, to the knowledge of the Recipient threatened.

(i) *Litigation and Other Controversies.* There is no litigation or governmental proceeding pending, nor to the knowledge of the Recipient threatened, against the Recipient which if adversely determined would result in any material adverse change in the financial condition, properties, business or operations of the Recipient, nor is the Recipient aware of any existing basis for any such litigation or governmental proceeding.

(j) *Good Title.* The Recipient has good and defensible title to (or valid leasehold interests in) all of its property involved with the Project (including, without limitation, the Secured Property if real property is a security for this Contract) reflected on the most recent balance sheets furnished to the IEDA (except for sales of assets in the ordinary course of business).

(k) *Taxes.* All tax returns required to be filed by the Recipient in any jurisdiction have, in fact, been filed, and all taxes, assessments, fees and other governmental charges upon the Recipient or upon any of its property, income or franchises, which are shown to be due and payable in such returns, have been paid, except such taxes, assessments, fees and governmental charges, if any, as are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and as to which adequate reserves established in accordance with GAAP have been provided. The Recipient knows

of no proposed additional tax assessment against it for which adequate provisions in accordance with GAAP have not been made on its accounts. Adequate provisions in accordance with GAAP for taxes on the books of the Recipient have been made for all open years, and for their current fiscal period.

(l) *Other Contracts.* The Recipient is not in default under the terms or any covenant, indenture or contract of or affecting either the Recipient's business or any of its properties, which default, if uncured, would have a material adverse effect on its financial condition, properties, business or operations.

(m) *No Event of Default.* No Event of Default, as defined in Article 9, has occurred or is continuing.

(n) *Compliance with Laws.* The Recipient is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to the business operations of the Recipient and laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes or substances, non-compliance with which could have a material adverse effect on the financial condition, properties, business or operations of the Recipient. The Recipient has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental or health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the financial condition, properties, business or operations of the Recipient.

(o) *Effective Date of Representations and Warranties.* The warranties and representations of this Article are made as of the Contract Effective Date and shall be deemed to be renewed and restated by the Recipient each time Tax Incentives are claimed by the Recipient.

## **6.2 Representations of Community.**

(a) *Local Approvals Received; Authority and Validity of Obligations.* The Community has secured all necessary local approvals and has full right and authority to enter into this Contract. The person signing this Contract has full authority on behalf of the Community to:

1. Sign this Contract, and
2. Perform each and all of the Community's obligations under this Contract.

The Contract delivered by the Community has been duly authorized, executed and delivered by the Community and constitutes the valid and binding obligations of the Community and is enforceable against it in accordance with its terms. This Contract and related documents do not contravene any provision of law or any judgment, injunction, order or decree binding upon the Community, contravene or constitute a default under any covenant, indenture or contract of or affecting the Community or any of its properties.

(b) *Local Commitment.* The Community represents that there are legally enforceable commitments in place for the Community local commitment identified for the Project in *Exhibit C -Description of the Project and Award Budget.*

(c) *No Material Adverse Change.* Since the Award Date, there has been no material adverse change in the Community's ability to perform its obligations under this Contract.

(d) *Full Disclosure; Community's Financial Assistance Application.* The statements and other information furnished to the IEDA by the Community in its Financial Assistance Application and in connection with the negotiation of this Contract do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading. The IEDA acknowledges that as to any projections furnished to the IEDA, the Community only

represents that the same were prepared on the basis of information and estimates it believed to be reasonable.

(e) *Governmental Authority and Licensing.* The Community has received all licenses, permits, and approvals of all federal, state, local, and foreign governmental authorities, if any, necessary to perform its obligations under this Contract. No investigation or proceeding which, if adversely determined, could reasonably be expected to result in revocation or denial of any material license, permit, or approval is pending or, to the knowledge of the Community threatened.

(f) *Litigation and Other Controversies.* There is no litigation or governmental proceeding pending, nor to the knowledge of the Community threatened, against the Community which if adversely determined would result in any material adverse change in the Community's ability to perform under this Contract nor is the Community aware of any existing basis for any such litigation or governmental proceeding.

(g) *No Event of Default.* No Event of Default by the Community, as defined in Article 9, has occurred or is continuing.

(h) *Compliance with Laws.* The Community is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to the operations of the Community and laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes or substances, non-compliance with which could have a material adverse effect on the financial condition, properties, business or operations of the Community. The Community has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental or health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the financial condition, properties, business or operations of the Community.

(i) *Effective Date of Representations and Warranties.* The warranties and representations of this Article are made as of the Contract Effective Date.

## **ARTICLE 7: COVENANTS OF THE RECIPIENT**

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For the duration of this Contract, the Recipient covenants to IEDA as follows:

### **7.1 Project Performance Obligations.**

(a) *Reserved.*

(b) *Meet and Maintain Eligibility Requirements.* Recipient shall continue to meet and maintain all statutory eligibility requirements for the funding sources providing assistance under this Contract.

(c) *Project Time Period.* This Contract covers the five (5) year Project time period from the Award Date through the Maintenance Period Completion Date. Recipient shall complete and maintain the Project within the Project time period shown below:

<b>COMPLIANCE MEASUREMENT POINT</b>
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<b>COMPLIANCE MEASUREMENT POINT</b>
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Award Date	Project Completion Period	Project Completion Date	Maintenance Period	Maintenance Period Completion Date	Contract Closeout
<p><i>"Award Date"</i> means the date first stated in this Contract and is the date the IEDA Board approved the awarding of financial assistance to the Recipient for the Project.</p>	<p><i>"Project Completion Period"</i> means the period of time between the Award Date and the Project Completion Date.</p>	<p><i>"Project Completion Date"</i> means the date 3 years from the Award Date. Recipient must complete the Project by this date.</p> <p>At this point, IEDA will review the Project to verify compliance with Contract terms and obligations.</p>	<p><i>"Maintenance Period"</i> means the period of time between the Project Completion Date and the Maintenance Period Completion Date. The Project must be maintained in Iowa for this period of time.</p>	<p><i>"Maintenance Period Completion Date"</i> means the date 2 years from the Project Completion Date and is the date on which the Maintenance Period ends.</p> <p>At this point, IEDA will review the Project to verify that it was maintained in compliance with Contract terms and obligations.</p>	<p>IEDA will conduct Contract Closeout procedures after all events described in Article 1 have been met.</p> <p><i>"Contract End Date"</i> means the date stated in IEDA's written Notice of Final Contract Closeout that is issued pursuant to Article 1.</p>

(d) *Complete Project by Project Completion Date.* By the Project Completion Date, Recipient shall complete the Project, make the total investment it pledged for the Project and in accordance with the Award Budget as detailed in Exhibit C - Description of the Project and Award Budget, and comply with all other performance requirements described in this Contract.

(e) *Total Project Costs.* By the Project Completion Date, Recipient shall have completed the Project with a Total Project Cost as detailed in Exhibit C - Description of the Project and Award Budget.

(f) *Maintain Project through Maintenance Period Completion Date.* Recipient shall maintain the Project through the Maintenance Period Completion Date.

(g) *Maintain Project in Iowa During Contract Period.* The Recipient shall at all times preserve and maintain its existence as a corporation in good standing and maintain the Project in Iowa. The Recipient will preserve and keep in force and affect all licenses, permits, franchises, approvals, patents, trademarks, trade names, trade styles, copyrights and other proprietary rights necessary to the proper conduct of its respective business.

**7.2 Taxes and Insurance.**

(a) *Pay Taxes and Assessments.* The Recipient shall duly pay and discharge all taxes, rates, assessments, fees, and governmental charges upon or against its properties, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by appropriate proceedings and adequate reserves are provided therefore.

(b) *Maintain Insurance.* The Recipient shall insure and keep insured in good and responsible insurance companies, all insurable property owned by it which is of a character usually insured by Persons similarly situated and operating like properties against loss or damage from such hazards or risks as are insured by Persons similarly situated and operating like properties; and the Recipient shall insure such other hazards and risks (including employers' and public liability risks) in good and responsible insurance companies as and to the extent usually insured by Persons similarly situated and conducting similar business. The Recipient will upon request of IEDA furnish a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Article.

**7.3 Preserve Project.**



(a) *Maintenance of Properties.* The Recipient shall maintain, preserve and keep its properties in good repair, working order and condition (ordinary wear and tear excepted) and will from time to time make all needful and proper repairs, renewals, replacements, additions and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained in accordance with prudent business practices.

(b) *Reserved.*

**7.4 Recipient Changes.**

(a) *No Changes in Recipient Operations.* The Recipient shall not materially change the Project or the nature of the business and activities being conducted, or proposed to be conducted by Recipient, as described in the Recipient's approved application for funding, Exhibit A of this Contract, unless approved in writing by IEDA prior to the change.

(b) *Changes in Recipient Ownership, Structure and Control.* The Recipient shall not materially change the ownership, structure, or control of the business if it would adversely affect the Project. This includes, but is not limited to, entering into any merger or consolidation with any person, firm or corporation or permitting substantial distribution, liquidation or other disposal of assets directly associated with the Project. Recipient shall provide IEDA with advance notice of any proposed changes in ownership, structure or control. The materiality of the change and whether or not the change affects the Project shall be as reasonably determined by IEDA.

**7.5 Required Reports.**

(a) *Review of Reports.* The Recipient shall prepare, sign and submit required reports, in the form and content required by IEDA, as specified in this Contract.

(b) *Reports.* The Recipient shall prepare, sign and submit the following reports to the IEDA throughout the Contract period:

<u>Report</u>	<u>Due Date</u>
<u>Annual Project Status Report</u> The Annual Project Status Report will collect information from the Recipient about the status of the Project.	July 31 <sup>st</sup> for the period ending June 30th
<u>End of Project Report</u> The End of Project Report will collect information from the Recipient about the completed Project.	Within 30 days of Project Completion Date
<u>End of Maintenance Period Report</u> The End of Maintenance Period Report will collect information from the Recipient's continued maintenance of the Project.	Within 30 days of the end of the Job Maintenance Period Completion Date

(c) *Additional Reports, Financial Statements as Requested by IEDA.* The IEDA reserves the right to require more frequent submission of reports if, in the opinion of the IEDA, more frequent submissions would provide needed information about Recipient's Project performance, or if necessary in order to meet requests from the Iowa General Assembly, the Department of Management or the Governor's office. At

the request of IEDA, Recipient shall submit its annual financial statements completed by an independent CPA, or other financial statements including, but not limited to, income, expense, and retained earnings statements.

## **7.6 Compliance with Laws.**

(a) *State, local and federal laws.* Recipient shall comply in all material respects with the requirements of all applicable federal, state and local laws, rules, regulations and orders.

(b) *Environmental laws.* Recipient shall comply in all material respects with all applicable environmental, hazardous waste or substance, toxic substance and underground storage laws and regulations, and the Recipient shall obtain any permits or, licenses and shall acquire or construct any buildings, improvements, fixtures, equipment or its property required by reason of any applicable environmental, hazardous waste or substance, toxic substance or underground storage laws or regulations.

(c) *Nondiscrimination laws.* Recipient shall comply in all material respects with all applicable federal, state, and local laws, rules, ordinances, regulations and orders applicable to the prevention of discrimination in employment, including the administrative rules of the Iowa Department of Management and the Iowa Civil Rights Commission which pertain to equal employment opportunity and affirmative action.

(d) *Worker rights and safety.* The Recipient shall comply in all material respects with all applicable federal, state and local laws, rules, ordinances, regulations and orders applicable to worker rights and worker safety.

(e) *Immigration laws.* Recipient shall only employ individuals legally authorized to work in this state. In addition to any and all other applicable penalties provided by current law, all or a portion of the Award is subject to recapture by IEDA if Recipient is found to knowingly employ individuals not legally authorized to work in the state of Iowa.

(f) *Compliance with IEDA's Administrative Rules.* Recipient shall comply with IEDA's administrative rules for the programs providing assistance to the Project and rules governing administration of this Contract.

**7.7 Inspection and Audit.** The Recipient shall permit the IEDA and its duly authorized representatives, at such reasonable times and reasonable intervals as the IEDA may designate, to:

(a) Conduct site visits and inspect the Project.

(b) Audit financial records related to the Project.

(c) Examine and make copies of the books of accounts and other financial records of the Recipient related to the Project.

(d) Discuss the affairs, finances and accounts of the Recipient with, and to be advised as to the same by, its officers, and independent public accountants (and by this provision the Recipient authorizes such accountants to discuss with the IEDA and the IEDA's duly authorized representatives the finances and affairs of the Recipient).

## **7.8 Maintenance and Retention of Records.**

(a) *Maintain Accounting Records.* The Recipient is required to maintain its books, records and all

other evidence pertaining to this Contract in accordance with GAAP and such other procedures specified by IEDA.

(b) *Access to Records.* Records to verify compliance with the terms of this Contract shall be available at all times, and made available to IEDA and its designees at places and times designated by IEDA, for the duration of this Contract and any extensions thereof. Recipient shall make its records available to: (i) IEDA; (ii) IEDA's internal or external auditors, agents and designees; (iii) the Auditor of the State of Iowa; (iv) the Attorney General of the State of Iowa; and (v) the Iowa Division of Criminal Investigations and any other applicable law enforcement agencies.

(c) *Records Retention Period.* Recipient shall retain the records for a period of three (3) years from the Contract End Date, unless the records are the subject of an audit, investigation, or administrative or legal proceeding. In those instances, the records shall be retained until the audit, investigation or proceeding has been resolved.

#### **7.9 Required Notices from Recipient to IEDA.**

(a) *Notice of Major Changes.* Recipient shall promptly provide IEDA with written notice of: (a) any event that has a material adverse effect on Recipient's ability to complete the Project in accordance with the terms of this Contract; (b) the termination of the business conducted at the Project; (c) a material modification of the nature of the business conducted at the Project; and (d) the transfer of the Project or any material interest in the Project in connection with a financing or refinancing of the Project.

(b) *Notice of Proceedings.* Without limiting Section 7.9(a), Recipient shall promptly provide IEDA with written notice of any claims, lawsuits, bankruptcy proceedings, or other proceedings brought against Recipient that have a material adverse effect on Recipient's ability to complete the Project in accordance with the terms of this Contract.

**7.10 Indemnification.** The Recipient shall indemnify, defend and hold harmless the IEDA, the State of Iowa, its departments, divisions, agencies, sections, commissions, officers, employees and agents from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

(a) Any claim, demand, action, citation or legal proceeding arising out of or resulting from the Project;

(b) Any claim, demand, action, citation or legal proceeding arising out of or resulting from a breach by the Recipient of any representation, warranty or covenant made by the Recipient in this Contract;

(c) Any claim, demand, action, citation or legal proceeding arising out of or related to occurrences that the Recipient is required to insure against as provided for in this Contract; and

(d) Any claim, demand, action, citation or legal proceeding which results from an act or omission of the Recipient or any of their agents in its or their capacity as an employer of a person.

**7.11 Repayment of Unallowable Costs.** Recipient shall repay any Award received or realized that is determined by IEDA, its auditors, agents or designees, the Auditor of the State of Iowa, or similar authorized governmental entity to be unallowable under the terms of this Contract.

## **ARTICLE 8: COVENANTS OF THE COMMUNITY**

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For the duration of this Contract, the Community covenants to IEDA as follows:

**8.1 Local Match.** The Community shall provide the local financial assistance for the Project as described in Exhibit C, Project Description and Award Budget.

**8.2 Notice to IEDA.** In the event the Community becomes aware of any material alteration in the Project, initiation of any investigation or proceeding involving the Project, change in the Recipient' ownership, structure or operation, or any other similar occurrence, the Community shall promptly provide written notice to IEDA.

## **ARTICLE 9: DEFAULTS AND REMEDIES**

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**9.1 Default by Recipient.** An unremedied Event of Default can result in termination of this Contract and repayment of all or a portion of the value of the Tax Incentives actually received, plus applicable default interest and costs.

(a) *Events of Default* Any one or more of the following shall constitute an "Event of Default" under this Contract:

1. *Nonpayment.* Failure to make a payment when due (whether by lapse of time, acceleration or otherwise) for more than ten (10) business days of the due date thereof of any Loan or other payment required by this Contract; or

2. *Noncompliance with Covenants.* Default in the observance or performance of any covenant set forth in Article 7, for more than five (5) business days; or

3. *Noncompliance with Security Documents.* Default in the observance or performance of any term of any Security Document if required in Article 5 beyond any applicable grace period set forth therein; or

4. *Noncompliance with Contract.* Default in the observance or performance of any other provision of this Contract; or

5. *Material Misrepresentation.* Any representation or warranty made by the Recipient in this Contract or in any statement or certificate furnished by it pursuant to this Contract, or made in Exhibit A, Recipient's Financial Assistance Application, or in connection with any of the above, proves untrue in any material respect as of the date of the issuance or making thereof; or

6. *Security Deficiencies.* Any of the Security Documents that represent the Security pledged by Recipient to secure this Contract shall for any reason fail to create a valid and perfected priority security interest in favor of the IEDA; or

7. *Judgment.* Any judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes entered or filed against the Recipient or against any of its property and remains unvacated, unbonded or unstayed for a period of 30 days which materially and adversely affects Recipient's ability to perform its obligations under this Contract; or

8. *Adverse Change in Financial Condition.* Any change shall occur in the financial condition of the Recipient which would have a material adverse effect on the ability of the Recipient to perform under this Contract; or

9. *Bankruptcy or Similar Proceedings Initiated.* Either the Recipient shall (i) have entered

involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, or (vi) fail to contest in good faith any appointments or proceeding described below; or

10. *Appointment of Officials.* A custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for either the Recipient or any substantial part of any of its respective property, or a proceeding described above shall be instituted against either the Recipient and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) days; or

11. *Insecurity.* IEDA shall in good faith deem itself insecure and reasonably believes, after consideration of all the facts and circumstances then existing, that the prospect of payment and satisfaction of the obligations under this Contract, or the performance of or observance of the covenants in this Contract, is or will be materially impaired; or

12. *Failure to Submit Required Reports.* The Recipient fails to submit complete reports by the required due dates as outlined in Article 7; or

13. *Layoffs, Relocation or Closure.* The Recipient experiences a layoff, relocates or closes any of its facilities within the state of Iowa; or

14. *Hiring workers not authorized to work in state.* The Recipient fails to only employ individuals legally authorized to work in the state of Iowa. If Recipient is found to knowingly employ individuals not legally authorized to work in the state of Iowa then, in addition to any and all other applicable penalties provided by current law, all or a portion of the assistance received is subject to repayment; or

15. *Failure to Maintain Program Eligibility Requirements.* Recipient fails to maintain a statutory eligibility requirement for a program providing assistance under this Contract.

(b) *Notice of Default and Opportunity to Cure.* If IEDA has reasonable cause to believe that an Event of Default has occurred under this Contract, IEDA shall issue a written Notice of Default to the Recipient, setting forth the nature of the alleged default in reasonable specificity, and providing therein a reasonable period of time, which shall not be fewer than thirty (30) days from the date of the Notice of Default, in which the Recipient shall have an opportunity to cure, provided that cure is possible and feasible.

(c) *Remedies Available to IEDA.* When an Event of Default has occurred and is not cured within the required time period, IEDA may, after written notice to Recipient:

1. Terminate this Contract.
2. Reserved.
3. Reserved.
4. Revoke or reduce authorized Tax Incentives.

5. Require full repayment of all or a portion of the value of Tax Incentives received.

(d) *Reserved.*

(e) *Expenses.* The Recipient agrees to pay to the IEDA all expenses reasonably incurred or paid by IEDA including reasonable attorneys' fees and court costs, in connection with any Default or Event of Default by the Recipient or in connection with the enforcement of any of the terms of this Contract.

**9.2 Default by Community.** An unremedied Event of Default can result in termination of this Contract and repayment by Community of all or a portion of the pledged local match, plus applicable default interest and costs.

(a) *Events of Default.* Any one or more of the following shall constitute an "Event of Default by Community" under this Contract:

1. *Noncompliance with Covenants.* Default in the observance or performance of any covenants of the Community set forth in Article 8, for more than five (5) business days; or

2. *Material Misrepresentation.* Any representation or warranty made by the Community in this Contract or in any statement or certificate furnished by it pursuant to this Contract, or made by Community in Exhibit A, Recipient's Financial Assistance Application, or in connection with any of the above, proves untrue in any material respect as of the date of the issuance or making thereof; or

(b) *Notice of Default and Opportunity to Cure.* If IEDA has reasonable cause to believe that an Event of Default has occurred under this Contract, IEDA shall issue a written Notice of Default to the Community, setting forth the nature of the alleged default in reasonable specificity, and providing therein a reasonable period time, which shall not be fewer than thirty (30) days from the date of the Notice of Default, in which the Community shall have an opportunity to cure, provided that cure is possible and feasible.

(c) *Remedies Available to IEDA.* When an Event of Default by Community has occurred and is not cured within the required time period, IEDA may, after written notice to Community:

1. Suspend or reduce pending and future disbursements to Community.

2. Require repayment by Community for the amount of local financial assistance pledged to the Project but not provided.

(d) *Default Interest Rate.* If an Event of Default occurs and remains uncured, a default interest rate of 6% shall apply to repayment of amounts due under this Contract. The default interest rate shall accrue from the first date Tax Incentives are received.

(e) *Expenses.* The Community agrees to pay to the IEDA all expenses reasonably incurred or paid by IEDA including reasonable attorneys' fees and court costs, in connection with any Default or Event of Default by the Community or in connection with the enforcement of any of the terms of this Contract.

## **ARTICLE 10: MISCELLANEOUS.**

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### **10.1 Choice of Law and Forum; Governing Law.**

(a) In the event any proceeding of a quasi-judicial or judicial nature is commenced in connection with this Contract, the proceeding shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa, if such court has jurisdiction. If however, such court lacks jurisdiction and jurisdiction lies only in a United States District Court, the matter shall be commenced in the United States District Court for the Southern District of Iowa, Central Division.

(b) This provision shall not be construed as waiving any immunity to suit or liability, in state or federal court, which may be available to the IEDA, the State of Iowa or its members, officers, employees or agents.

(c) This Contract and the rights and duties of the parties hereto shall be governed by, and construed in accordance with the internal laws of the State of Iowa without regard to principles of conflicts of laws.

**10.2 Contract Amendments.** Neither this Contract nor any documents incorporated by reference in connection with this Contract, may be changed, waived, discharged or terminated orally, but only as provided below:

(a) *Writing required.* The Contract may only be amended if done so in writing and signed all the parties. Examples of situations requiring an amendment include, but are not limited to, time extensions, budget revisions, and significant alterations of existing activities or beneficiaries.

(b) *IEDA Board review.* Requests to amend this Contract shall be processed by IEDA in compliance with the IEDA Board's rules and procedures applicable to contract amendments.

**10.3 Notices.** Except as otherwise specified herein, all notices hereunder shall be in writing (including, without limitation by fax) and shall be given to the relevant party at its address, e-mail address, or fax number set forth below, or such other address, e-mail address, or fax number as such party may hereafter specify by notice to the other given by United States mail, by fax or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder shall be addressed:

*To the Recipient at:*

Boehringer Ingelheim Vetmedica, Inc.  
Susan Pettigrew  
2621 North Belt Highway  
St. Joseph, MO 64506

E-mail: susan.pettigrew@boehringer-ingelheim.com  
Telephone: 816.390.0499  
Facsimile: 816.671.8861

*To the IEDA at:*

Iowa Economic Development Authority  
Compliance  
200 East Grand Avenue  
Des Moines, Iowa 50309  
Attention: Business Development - Compliance

E-mail: Compliance@iowa.gov  
Telephone: 515.725.3000  
Facsimile: 515.725.3010

*To the Community at:*

City of Ames  
Duane Pitcher  
515 Clark Avenue  
Ames, IA 50010

E-mail: dpitcher@city.ames.ia.us  
Telephone: 515.239.5113  
Facsimile: 515.239.5320

City of Fort Dodge  
Vickie Reeck  
819 1<sup>st</sup> Avenue South  
Fort Dodge, IA 50501

E-mail: vreeck@fortdodgeiowa.org  
Telephone: 515.573.8321  
Facsimile: 515.573.5097

Each such notice, request or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this Article and a confirmation of such facsimile has been received by the sender, (ii) if given by e-mail, when such e-mail is transmitted to the e-mail address specified in this Article and a confirmation of such e-mail has been received by the sender, (iii) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iv) if given by any other means, when delivered at the addresses specified in this Article.

**10.4 Headings.** Article headings used in this Contract are for convenience of reference only and are not a part of this Contract for any other purpose.

**10.5 Final Authority.** The IEDA shall have the authority to reasonably assess whether the Recipient has complied with the terms of this Contract. Any IEDA determinations with respect to compliance with the provisions of this Contract shall be deemed to be final determinations pursuant to Iowa Code Chapter 17A, Iowa Administrative Procedure Act.

**10.6 Waivers.** No waiver by IEDA of any default hereunder shall operate as a waiver of any other default or of the same default on any future occasion. No delay on the part of the IEDA in exercising any right or remedy hereunder shall operate as a waiver thereof. No single or partial exercise of any right or remedy by IEDA shall preclude future exercise thereof or the exercise of any other right or remedy.

**10.7 Counterparts.** This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

**10.8 Survival of Representations.** All representations and warranties made herein or in any other Contract document or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Contract and the other Contract documents and shall continue in full force and effect with respect to the date as of which they were made until all of Recipient's obligations or liabilities under this Contract have been satisfied.

**10.9 Severability of Provisions.** Any provision of this Contract which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. All rights, remedies and powers provided in this Contract or any other Contract



document may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provisions of law, and all the provisions of this Contract and any other Contract document are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Contract or any other Contract document invalid or unenforceable.

**10.10 Successors and Assigns.** This Contract shall be binding upon the Recipient and its respective successors and assigns, and shall inure to the benefit of the IEDA and the benefit of their respective successors and assigns.

**10.11 Nonassignment.** This Contract shall not be assigned, in whole or in part, by Recipient unless approved in writing by IEDA.

**10.12 Termination.** This Contract can be terminated under each of the following circumstances:

(a) *Agreement of the Parties.* Upon written agreement of the Recipient, the Community and IEDA.

(b) *Unremedied Event of Default.* As a result of the Recipient's or Community's unremedied Event of Default pursuant to Article 9.

(c) *Termination or reduction in funding to IEDA.* As a result of the termination or reduction of funding to IEDA as provided in Article 4.4(c).

**10.13 Documents Incorporated by Reference.** The following documents are incorporated by reference and considered an integral part of this Contract:

1. Exhibit A - Recipient's Financial Assistance Application (on file with IEDA), Application # 15-HQJTC-020 and 15-HQJTC-031
2. Exhibit B-2 High-Quality Jobs Program – Tax Credit Component Special Conditions
3. Exhibit C - Description of the Project and Award Budget
4. Exhibit D - Job Obligations
5. Exhibit E- Reserved
6. Exhibit F - Reserved

**10.14 Order of Priority.** In the case of any inconsistency or conflict between the specific provisions of this document and the exhibits, the following order of priority shall control:

1. Article 1 - 10 of this Contract.
2. Exhibit A - Recipient's Financial Assistance Application (on file with IEDA), Application # 15-HQJTC-020 and 15-HQJTC-031
3. Exhibit B-2 High-Quality Jobs Program – Tax Credit Component Special Conditions
4. Exhibit C - Description of the Project and Award Budget
5. Exhibit D - Job Obligations
6. Exhibit E - Reserved
7. Exhibit F - Reserved

**10.15 Integration.** This Contract contains the entire understanding between the Parties relating to the Project and any representations that may have been made before or after the signing of this Contract, which are not contained herein, are nonbinding, void and of no effect. None of the Parties have relied on any such prior representation in entering into this Contract.

IN WITNESS WHEREOF in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into this Contract and have caused their duly authorized representatives to execute this Contract, effective as of the latest date stated below (Contract Effective Date).

**FOR IEDA:**

**FOR RECIPIENT:**

BY:

BY:

\_\_\_\_\_  
Deborah V. Durham, Director

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**FOR THE COMMUNITY:  
City of Ames**

**FOR THE COMMUNITY:  
City of Fort Dodge**

BY:

BY:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## **LIST OF EXHIBITS**

- Exhibit A - Recipient's Financial Assistance Application (on file with IEDA), Application # 15-HQJTC-020 and 15-HQJTC-031
- Exhibit B-2 High Quality Jobs Program – Tax Credit Component Special Conditions
- Exhibit C - Description of the Project and Award Budget
- Exhibit D - Job Obligations
- Exhibit E - Reserved
- Exhibit F - Reserved

**EXHIBIT B – 2**  
**High Quality Jobs Program – Tax Credit Component**

**Special Conditions to Contract # 15-TC-001**

The following additional terms shall apply to the Contract:

**SECTION 1: ADDITIONAL DEFINITIONS.**

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The following additional terms are defined in this Contract as follows:

“*Capital Investment*” means the investment spent on depreciable assets. The minimum Capital Investment required for this Project is as stated in Section 2 of this Exhibit. The allowable categories of expenditures for purposes of calculating Capital Investment are described in IEDA’s administrative rule 261 IAC 174.10.

“*Investment Qualifying for the Tax Credit*” means new investment directly related to jobs created or retained by the start-up, location, expansion or modernization for this Project. Not all of the expenditure categories used to calculate the “*Investment Qualifying for the Tax Credit*” are included for purposes of claiming the tax credits. The allowable categories of expenditures for purposes of claiming the tax benefits are described in IEDA’s administrative rule 261 IAC 174.10.

“*Qualifying Investment*” means the statutorily-required minimum investment amount that must be met and maintained by the Recipient to receive High Quality Jobs Program tax benefits for this Project. This amount is as stated in Section 2 of this Exhibit. Not all expenditures count toward meeting the required Qualifying Investment. The categories of expenditures that can be included for purposes of meeting and maintaining statutorily-required investment requirements are described in IEDA’s administrative rule 261 IAC 174.10.

“*Economically Distressed Area*” means a county that ranks among the bottom 25 of all Iowa counties, as measured by either the average monthly unemployment level for the most recent 12-month period or the average annualized unemployment level for the most recent five-year period.

**SECTION 2: TERMS AND CONDITIONS OF THE AWARD**

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**2.1 Award.** The Recipient is awarded the following Tax Benefits through the High Quality Jobs Program, based on the minimal investment requirements described herein: \$2,130,381.

**2.2 Minimum Investment Requirements.** As a condition of receiving Tax Benefits, the Recipient shall meet the following minimum investment requirements:

- |     |  |                |
|-----|--|----------------|
| (a) | Capital Investment.                    | \$ 97,647,188  |
| (b) | Qualifying Investment.                 | \$ 100,085,261 |
| (c) | Investment Qualifying for Tax Credits. | \$ 98,337,535  |

**2.3 Additional Tax Benefits.** The Recipient is eligible for additional incentives pursuant to Iowa Code sections 15.326, et. seq. pursuant to its participation in the High Quality Jobs Program and its obligations and rights under the Contract. The following Tax Benefits, in the maximum amounts shown for each authorized benefit, are so available to the Recipient:

<b>Authorized Benefits</b>	<b>Included in Award</b>	<b>Maximum Amt.</b>
<i>Refund of Sales, Service, and Use Taxes.</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 1,048,616
<i>Refund of Sales Taxes Attributable to Racks, Shelving, and Conveyor Equipment.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ 0
<i>Corporate Tax Credit For Certain Sales Taxes Paid By Third Party Developer.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ 0
<i>Investment Tax Credit (up to 2%)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 1,051,765
<i>Research Activities Credit.</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$ 30,000
<i><u>Local</u> Property Tax Exemption Provided by Community</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ 0

**2.4 Conditions for Authorized Benefits.** The Recipient is responsible to seek these additional benefits through processes described in the applicable statutes and corresponding administrative rules, ordinances and procedures. The following conditions shall apply to the benefits described in section 2.3 of this Exhibit.

(a) *Refund Of Sales, Service And Use Taxes Paid To Contractors Or Subcontractors.* The Recipient is eligible for a refund of sales, service and use taxes paid to contractors and subcontractors as authorized in Iowa Code section 15.331A (2011 Supplement).

1. The Recipient may apply for a refund of the sales and use taxes paid under Iowa Code chapters 422 and 423 for gas, electricity, water or sewer utility services, goods, wares, or merchandise, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility of the Recipient.
2. Taxes attributable to intangible property and furniture and furnishings shall not be refunded.
3. To receive a refund of the sales, service and use taxes paid to contractors or subcontractors, the Recipient must:
  - i. Inform the Iowa Department of Revenue (IDR) in writing within two weeks of project completion. For purposes of claiming this refund, "*project completion*" means the first date upon which the average annualized production of finished product for the preceding ninety-day period at the manufacturing facility operated by the Recipient is at least fifty percent of the initial design capacity of the facility.
  - ii. Within one year after Project Completion, as defined in sub-paragraph i above, make an application to the Department Revenue.

(b) *Reserved.*

(c) *Reserved.*

(d) *Investment Tax Credit.*

1. The Recipient may claim an investment tax credit as provided in Iowa Code section 15.333. Such credit may be claimed for a portion of the Qualifying Expenditures, as defined below in subparagraph (iii), directly related to job obligations, as described in Exhibit D, of the start-up, or location, expansion, or modernization of the business under this program. The Recipient shall not claim more than the amount authorized for this benefit as stated above and in Article 2.2(b). The credit is to be taken in the year the qualifying asset is placed in service. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs first.

2. The tax credit shall be amortized equally over a five-year period as specified below:

July 1, 2014 – June 30, 2015	\$ 210,353
July 1, 2015 – June 30, 2016	\$ 210,353
July 1, 2016 – June 30, 2017	\$ 210,353
July 1, 2017 – June 30, 2018	\$ 210,353
July 1, 2018 – June 30, 2019	\$ 210,353

3. Only Qualifying Expenditures are eligible for the investment tax credit. For purposes of this benefit, “Qualifying Expenditures” means:
- i. The purchase price of real property and any buildings and structures located on the real property.
  - ii. The cost of improvements made to real property which is used in operation of the business.
  - iii. The costs of machinery and equipment, as defined in Iowa Code section 427A.1(1) “e” and “j,” purchased for use in the operation of the business and which the purchase price may have been depreciated in accordance with GAAP.
4. If the Project includes leasing of new construction or major renovation of an existing building, the annual base rent paid to a third-party developer by a Recipient must be for a period equal to the term of the lease agreement but not to exceed the maximum term of the agreement, provided the cumulative cost of the base rent payments for that period does not exceed the cost of the land the third-party developer’s costs to build or renovate the building for the Recipient. Limitations to annual base rent shall only be considered when the Project includes the construction of a new building or the major renovation of an existing building. The Recipient shall enter into a lease agreement with the third-party developer for a minimum of five years.

(e) *Supplemental Research Activities Credit.* The Recipient is eligible to claim an additional research activities credit as provided in Iowa Code section 15.335 (2011 Supplement). This benefit is a tax credit for increasing research activities in this state during the period the Recipient is participating in the program.

(f) *Reserved.*

### SECTION 3: ADDITIONAL COVENANTS

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In addition to the Covenants described in Article 7 of the Contract, the Recipient shall be bound to the additional covenants:

**3.1 Job Obligations.** By the Project Completion Date, the Recipient shall create and/or retain the number of FTE Created Jobs and Retained Jobs included in, for Retained Jobs, and above, for Created Jobs, the Recipient's Employment Base, as detailed in Exhibit D – Job Obligations, and maintain the jobs through the Maintenance Period.

**3.2 Wage Obligations.** The Qualifying Wage Threshold rates specific to this Contract that must be met are stated in Exhibit D, Job Obligations. By the Project Completion Date and through the Maintenance Completion Period Date, the Recipient shall:

(a) For the *Created Jobs*, pay 100% of the Qualifying Wage Threshold at the start of the Project Completion Period, at least 120% of the Qualifying Wage Threshold by the Project Completion Date, and at least 120% of the Qualifying Wage Threshold until the Maintenance Period Completion Date.

(b) For the *Retained Jobs*, pay at least 120% of the Qualifying Wage Threshold throughout both the Project Completion Period and the Maintenance Period

(c) For projects in *Economically Distressed Areas* the Qualifying Wage Threshold requirement applicable to all phases of the project is 100% of the Qualifying Wage Threshold if the eligible business is located in an economically distressed area.

**3.3 Provide Sufficient Benefits.** The Recipient shall provide all employees included as part of the job and wage obligations with Sufficient Benefits.

### SECTION 4: ADDITIONAL DEFAULT PROVISIONS

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In addition to the default provisions included in Article 9 of the Contract, the following additional default provisions shall apply:

**4.1 Repayment of Tax Benefits Received - High Quality Jobs Program.** IDR is the state agency responsible for collecting the value of any Tax Benefits received in violation of the terms of this Contract. The Community is the party responsible for collecting the value of the local tax benefits received in violation of this Contract. IEDA will determine if the Recipient has met the terms of this Contract. If there is an unremedied Event of Default, IEDA will provide written notice to IDR and the Community. Calculation of the amount owed may be based on a sliding scale in certain circumstances and may include interest assessed by IDR. Those circumstances are as follows:

(a) *Failure to Meet Job Obligations by Project Completion Date.* If the Recipient does not meet its Job Obligations as detailed in Exhibit D, Job Obligations by the Project Completion Date, Recipient shall repay a percentage of the Tax Benefits it has received. The repayment percentage will be equal to the percentage of jobs short of its Job Obligations.

The percentage to be repaid is calculated based on the number of jobs that are at or above the Qualifying Wage Threshold. For example, if the Recipient meets 90% of its Job Obligations, the amount to be repaid is 10% of the value of Tax Benefits taken (plus any interest assessed by IDR).

Upon repayment of the amount due, IEDA will reduce the Recipient's Employment Base. This reduced employment base must be maintained through the Maintenance Period Completion Date.

(b) *Job shortfall at Maintenance Period Completion Date.* If the Recipient does not maintain its adjusted Employment Base through the Maintenance Period Completion Date, Recipient shall repay an additional percentage of the Tax Benefits it has received. The repayment percentage will be equal to the percentage of jobs that the Recipient failed to maintain. The amount to be repaid will be calculated as described in subsection (a) above.

(c) *Less than Total Project Cost at Project Completion Date.* If the Recipient does not complete the Project with a Total Project Cost as stated in Exhibit C, Project Description and Award Budget, by the Project Completion Date Recipient shall repay a portion of the Tax Benefits received.

For example, if the Recipient's required Total Project Cost is 10% less than pledged, 10% of the value of the tax benefits received (plus any interest assessed by IDR) must be repaid.

(d) *Repayment Amount If Both Shortfall in Job Obligations and Less Than Total Project Cost.* If the Recipient experiences a shortfall in its Job Obligations and the Total Project Cost is less than required, IEDA will calculate the percentage owing for the job shortfall and for less than the Total Project Cost. The higher of these two amounts shall be the amount Recipient shall repay to IDR.

(e) *Selling, Disposing, or Razing of Property.* If, within five years of purchase, the Recipient sells, disposes of, razes, or otherwise renders unusable all or a part of the land, building, or other existing structures for which an investment tax credit was claimed, the income tax liability of the Recipient for the year in which all or part of the property is sold, disposed of, razed, or otherwise rendered unusable shall be increased by one of the following amounts plus any interest assessed by IDR:

1. 100% of the tax credit claimed if the property ceases to be approved for the tax credit within one full year after being placed in service.
2. 80% of the tax credit claimed if the property ceases to be approved for the tax credit within two full years after being placed in service.
3. 60% of the tax credit claimed if the property ceases to be approved for the tax credit within three full years after being placed in service.
4. 40% of the tax credit claimed if the property ceases to be approved for the tax credit within four full years after being placed in service.
5. 20% of the tax credit claimed if the property ceases to be approved for the tax credit within five full years after being placed in service.

(f) *Qualifying Investment.* If the Business does not meet its Qualifying Investment requirement as defined in Section 2 of this Exhibit, Recipient shall repay all or a portion of the value of Tax Benefits received. Repayment shall be calculated as follows plus any interest assessed by IDR:

1. If the Recipient has met 50 percent or less of the Qualifying Investment requirement, Recipient shall repay the same percentage in Tax Benefits as the Recipient failed to invest.



2. If the Recipient has met more than 50 percent but not more than 75 percent of the Qualifying Investment requirement, the Recipient shall repay one-half of the percentage in Tax Benefits as the Recipient failed to invest.
3. If the Recipient has met more than 75 percent but not more than 90 percent of the Qualifying Investment requirement, the Recipient shall repay one-quarter of the percentage in benefits as the Recipient failed to invest.

- End of Exhibit B – 2 -

**DESCRIPTION OF THE PROJECT AND AWARD BUDGET  
(EXHIBIT C)**

Name of Recipient: Boehringer Ingelheim Vetmedica, Inc.

Name of Community: City of Ames, City of Fort Dodge

Contract Number: 15-TC-001

**PROJECT DESCRIPTION**

Boehringer Ingelheim Vetmedica, Inc.'s will expand its Ames and Fort Dodge locations.

**AWARD BUDGET**

SOURCE OF FUNDS	AMOUNT	FORM	USE OF FUNDS	Ames Cost	Fort Dodge Cost
IEDA Programs			*Land Acquisition		
HQJP Tax Credit		<sup>1</sup> See Below	*Site Preparation		\$451,500
BIVI	\$11,993,196	Cash/Equity	*Building Acquisition		
			*Building Construction		\$26,852,375
			*Building Remodeling		\$7,650,000
			Base Rent 4 years	\$6,663,020	
			*Mfg Machinery and Equipment		\$55,244,000
			Other Machinery and Equipment	\$1,387,650	\$2,837,297
			Racking, Shelving, etc.		
			*Computer Hardware	\$176,640	\$1,300,000
			Computer Software		\$1,000,000
			*Furniture and Fixtures	\$1,247,726	\$500,000
			Working Capital		
			Research and Development	\$2,000,000	
			Contingencies	\$518,160	\$4,336,500
			*included as capital investment if awarded tax credit program		
<b>Total</b>	<b>\$112,164,868</b>		<b>Total</b>	<b>\$11,993,196</b>	<b>\$100,171,672</b>

<sup>1</sup>\$2,130,381 estimated benefit value

**OTHER FUNDING**

SOURCE OF FUNDS	TOTAL AMOUNT	FORM/TERM	USED AS MATCH
TIF Rebate-City of Fort Dodge	\$1,333,713	65% over 3.8 years	Yes
Tax Exemption-City of Ames	\$1,184,446	427B over 5 years	Yes
260E Job Training			
In-Kind Contributions			
RISE			
RED			

## EXHIBIT D – JOB OBLIGATIONS

**Recipient: Boehringer Ingelheim Vetmedica, Inc.**  
**Community: City of Ames, City of Fort Dodge**  
**Contract Number: 15-TC-001**

This Project has been awarded benefits from the High Quality Jobs Program (HQJP) – Tax Credit Component. The chart below outline the contractual job obligations related to this Project.

Data in the “Employment Base” column has been verified by the Authority and reflects the employment characteristics of the facility receiving funding before this award was made. Jobs to be retained as a part of this Project must be included in these calculations.

Data in the “Jobs To Be Created” column outlines the new full-time jobs (including their wage characteristics) that must be added to the employment base and, if applicable, statewide employment base as a result of this award.

At the Project Completion Date and through the Maintenance Period Completion Date, the Business must achieve (at a minimum) the numbers found in the “Total Job Obligations” column.

### STORY COUNTY WAGE THRESHOLD IS USED FOR WAGE THRESHOLD REQUIREMENT

HQJP JOB OBLIGATIONS	Employment Base	Jobs To Be Created	Total Job Obligations
Project Completion Date: December 31, 2018 Maintenance Period Completion Date: December 31, 2020			
<b>Total employment at project location</b>	633	1	634
<b>Average wage of total employment at project location</b>	TBD		
<b>Qualifying Laborshed Wage threshold requirement (per hr)</b>	\$23.21		
<b>Number of jobs at or above qualifying wage</b>	56	1	57
<b>Average Wage of jobs at or above qualifying wage</b>	TBD		

AMES LOCATION JOB OBLIGATIONS	Employment Base	Jobs To Be Created	Total Job Obligations
<b>Total employment at project location</b>	56*	1	57
<b>Number of jobs at or above qualifying wage</b>	56	1	57

\*Certain information has been taken from Contract #11-IVF/TC-025, which is an active project, because the Company’s current employment base at this location is below 56

FORT DODGE LOCATION JOB OBLIGATIONS	Employment Base	Jobs To Be Created	Total Job Obligations
<b>Total employment at project location</b>	577*	0	577
<b>Number of jobs at or above qualifying wage</b>	522	0	522

\*Certain information has been taken from Contract #11-IVF/TC-025, which is an active project, because the Company’s current employment base at this location is below 577

**Notes re: Qualifying Wages**

1. Bonus or commission payments are not included when calculating the Qualifying Wage rate.

2. Employment Base includes 0 “Retained Jobs”.

3. If the Recipient uses or proposes to use a non-standard work week (8 hours a day, 5 days a week, 52 weeks a year including holidays, vacation and other paid leave), check the box below and describe that alternative schedule. The alternative schedule must meet the requirements of 261 IAC 173.2. ) By not checking the box and not providing the alternative schedule, IEDA will consider “*Full-time Equivalent (FTE) Job*” to mean the employment of one person for 8 hours per day for a 5-day, 40-hour workweek for 52 weeks per year, including paid holidays, vacations and other paid leave.

The Recipient shall use an alternative work week for purposes of its employees described in the Contract. The alternative work week is as follows: [description].

**COUNCIL ACTION FORM**

**SUBJECT: ESSENTIAL CORPORATE PURPOSE GENERAL OBLIGATION BONDS FEDERAL REIMBURSEMENT REGULATION RESOLUTION FOR ISU RESEARCH PARK INFRASTRUCTURE IMPROVEMENTS AND AIRPORT TERMINAL PROJECTS**

**BACKGROUND:**

On November 10, 2014, City Council approved the Urban Renewal Plan and Tax Increment Financing Ordinance for the expansion of the Iowa State University Research Park (ISURP). The City's portion of the funding for this project will be from the proceeds of General Obligation bonds that will be issued in FY 2015/16 and a RISE Grant from the Iowa DOT. Due to the timing of the ISURP project, work is expected to begin well prior to the issuance of bonds.

The Airport Terminal Building project will be funded from bonds that will be issued in FY 2015/16. This work is also expected to begin work prior to the issuance of bonds.

Internal Revenue regulations place restrictions on the use of proceeds of non-taxable general obligation bonds, including the timing of spending. Limited spending is allowed to be reimbursed from bond proceeds for certain preliminary work related to planning capital projects. In the case of the ISURP and Airport Terminal projects, the City plans to begin project work prior to the bond issuance and to reimburse the expenses from the bond proceeds. To begin the project as early as possible and maintain the tax exempt status of the general obligation bonds used to fund the ISURP and Airport Terminal projects, the City Council may pass a reimbursement resolution not more than 60 days after beginning project construction work. Bonds must be issued not later than 18 months after the date of first expenditures.

Project expenditures expected to be reimbursed by a future bond issue are as follows:

	<b><u>ISURP</u></b>	<b><u>Airport Terminal</u></b>
Engineering and Design	\$ 480,000	\$ 140,000
Project Construction	\$ <u>446,100</u>	\$ <u>560,000</u>
Total	\$ 926,100	\$ 700,000

City staff plans for a G.O. Bond issue in early FY 2015/16 to fund CIP projects in the budget adopted by the Council at the March 3, 2015 meeting. Reimbursement for the ISURP and Airport Terminal project costs incurred prior to the bond issue will be reimbursed from proceeds of the G.O. bond issue. Please note that Council has held a

public hearing but has made no commitment to issue bonds. If a G.O. bond issue is not made to reimburse the ISURP and Airport Terminal expenditures, funding will need to come from another source. Additionally, staff is still working with the City's bond counsel and financial advisor to determine if a taxable or non-taxable issue will be the best option to fund the Airport Terminal Project.

**ALTERNATIVES:**

1. The City Council can adopt a reimbursement resolution providing official notice of intent to reimburse prior expenditures for the ISU Research Park and Airport Terminal projects from the proceeds of an upcoming bond issue.
2. The Council can reject the reimbursement resolution. Expenditures on the ISU Research Park and Airport Terminal projects will be limited to certain preliminary work and may delay completion of the projects. Delays in infrastructure improvements may also delay the addition of incremental property revenues used to repay the debt for the improvements at the ISU Research Park.

**MANAGER'S RECOMMENDED ACTION:**

Adoption of a reimbursement resolution will assure that City staff can proceed as quickly as possible with the ISU Research Park infrastructure improvements to accomplish the Council-adopted Urban Renewal Plan and support expansion of property tax base and employment in the ISU Research Park Tax Increment Financing district. Adoption will also provide for timely completion of the Airport Terminal project.

Therefore, it is the recommendation of the City Manager that the City Council approve Alternative No. 1 as stated above.