

COUNCIL ACTION FORM

**SUBJECT: RELEASE FROM DEVELOPMENT AGREEMENT FOR PROPERTY AT
215 ALEXANDER AVENUE**

BACKGROUND:

Story Construction is seeking to have the City Council affirm that the terms of the 1992 development agreement with the City have been satisfied and to release the property from the Development Agreement in order to allow a clean title for the sale of the property at 300 South Bell Avenue.

The City of Ames and Ford Street Development Co., L.C. entered into a development agreement on June 1, 1992 (subsequently amended) with the establishment of the Ames Community Industrial Park Tax Increment Finance District.

The development agreement specified a timeframe by which the developer had to construct speculative buildings. In addition, the sale prices of vacant land were capped in order to avoid speculative purchases. The agreement also established minimum assessed valuations in order to finance the public improvements within the subdivision.

Story Construction is in the process of selling the property at 300 S. Bell to Renewable Energy Group (REG). 300 S. Bell is subject to a development agreement and Story Construcion is seeking a resolution expressing that the terms of the agreement have been satisfied. Staff has reviewed the terms of the agreement and find that they have been satisfied in regards to this property. In addition, the Finance Director has verified there is no outstanding TIF debt for this district.

ALTERNATIVES:

1. The City Council can approve the resolution stating that the terms of the 1997 development agreement, as they apply to 300 S. Bell, have been satisfied and that this property is released from the development agreement.
2. The City Council can deny the request.
3. The City Council can refer this item to staff for further information.

MANAGER'S RECOMMENDATION:

Because this TIF district is fully developed and the debt issued to pay for the infrastructure improvements has been paid off, there is no benefit to the City to retain the company's participation with the terms of the agreement. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1,

thereby acknowledging that the terms of the 1997 development agreement, as they apply to 300 S. Bell have been satisfied and approving the release of this property from the development agreement.