

COUNCIL ACTION FORM

SUBJECT: RISE (REVITALIZE IOWA’S SOUND ECONOMY) GRANT AGREEMENT FOR IOWA STATE UNIVERSITY RESEARCH PARK PHASE IV PUBLIC IMPROVEMENTS (COLLABORATION PLACE & SOUTH RIVERSIDE DRIVE).

BACKGROUND:

In the summer of 2018, work began on the development of an Iowa State University (ISU) Research Park lot located at 3525 South Riverside Drive for John Deere. The next phase of the ISU Research Park (Phase IV) includes this lot and development of the surrounding area (Attachment A). These associated public improvements include the paving of approximately 1,570 feet of South Riverside Drive (with shared use path), 1,860 feet of Collaboration Place (with on-street bike lanes), the extension of sanitary sewer and water main, and the installation of electric service improvements and street lighting. Please view Attachment A for a location map of the proposed public improvements. The total estimated cost for these improvements is \$3,487,116.

The funding for these improvements will be provided in part through an Economic Development Administration (EDA) grant that was awarded in September 2018. This grant will reimburse 50% of the estimated project costs, or up to \$1,743,558.

In addition to the EDA grant funds, a RISE grant agreement (Attachment B) has also been prepared and is being submitted for City Council approval. This agreement will provide up to 70% reimbursement of all street paving, the associated storm sewer improvements, and a shared use path (utility improvements are not eligible for RISE grant funds). The total estimated cost of the RISE grant eligible improvements is \$2,588,708. Therefore, the RISE grant would reimburse up to \$1,812,095, or 70%, of those costs. **Under this grant program no job creation is required.**

As indicated in the application, the remaining local match of approximately \$314,204 is proposed from a tax increment financing (TIF) incentive from the City to pay for the remaining utility costs not covered by the EDA or RISE grants.

<u>Funding Source</u>	<u>Available Funding</u>	<u>Estimated Expense</u>
Iowa DOT (RISE)	\$1,812,905	
Department of Commerce (EDA)	\$1,743,558	
G.O. Bonds (TIF Abated)	\$ 314,204	
City of Ames Electric	\$ 135,000	
Engineering/Admin		\$ 493,939
Construction		\$2,993,178
TOTAL	\$4,005,667	\$3,487,116

As shown above, this grant would provide significant funding for the cost of these development related improvements.

Currently, project design is scheduled to take place in spring/summer 2019 with construction anticipated to begin in fall 2019 and may continue into the summer of 2020.

ALTERNATIVES:

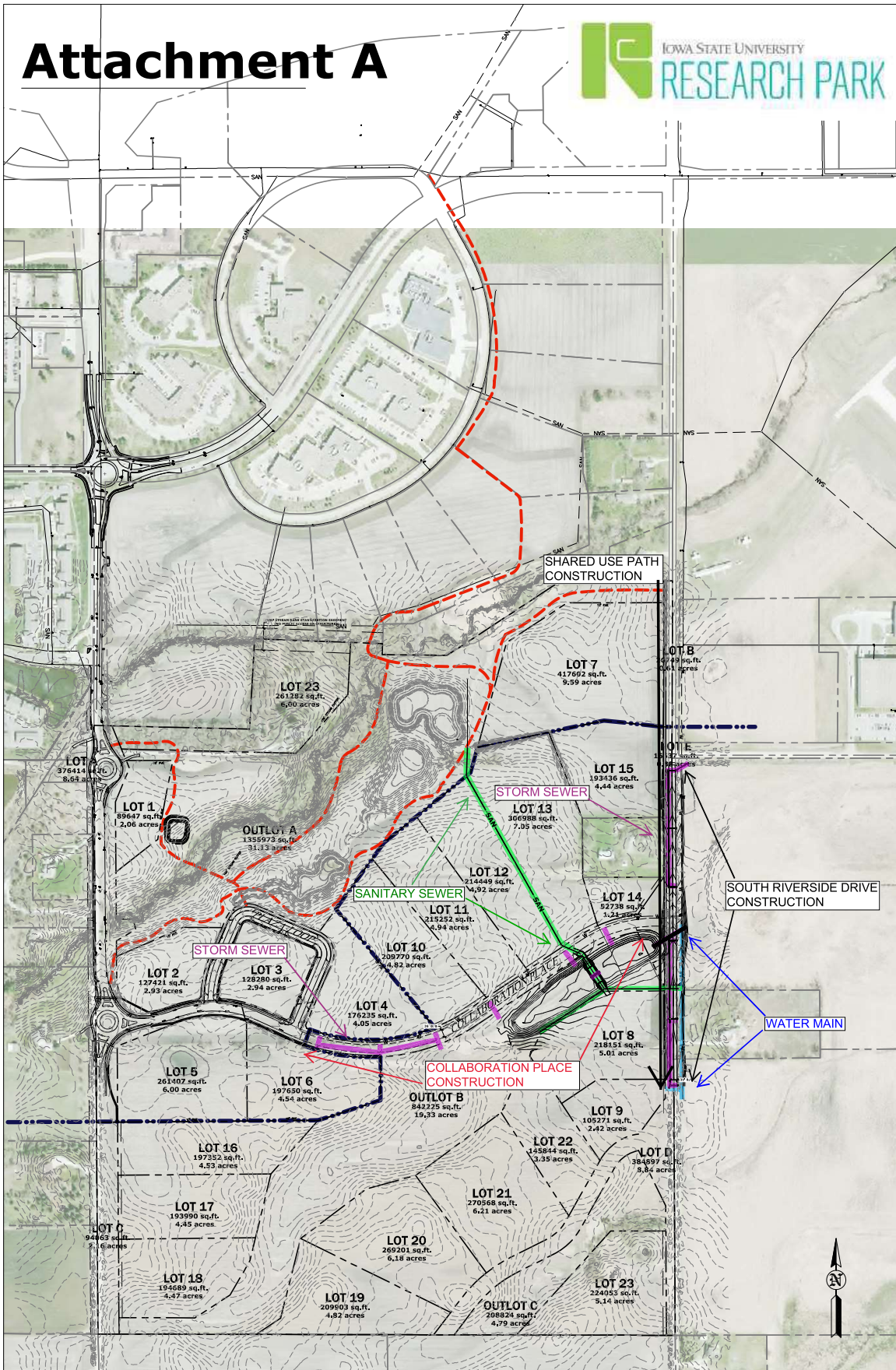
1. Approve the RISE grant agreement for ISU Research Park Phase IV improvements.
2. Approve the RISE grant agreement for ISU Research Park Phase IV improvements with revisions as directed by the City Council.
3. Do not approve the RISE grant agreement for ISU Research Park Phase IV improvements, thus requiring ISU Research Park to provide the additional funding.

MANAGER'S RECOMMENDED ACTION:

The ISU Research Park continues to be an important economic development area for the region. Combined with the previously awarded EDA grant, most of this project will be grant funded with this additional RISE grant, significantly reducing ISU Research Park's costs.

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

Attachment A



PROPOSED IOWA STATE UNIVERSITY RESEARCH PARK IMPROVEMENTS