

ITEM #: 12
DATE: 02-13-24
DEPT: Public Works

COUNCIL ACTION FORM

**SUBJECT: AMENDMENT TO RISE GRANT AGREEMENT FOR IOWA STATE
UNIVERSITY RESEARCH PARK PHASE III**

BACKGROUND:

On October 14, 2014, the City approved a RISE grant of \$4,010,728 from Iowa DOT to assist with roadway improvements for Iowa State University Research Park (ISURP) Phase II. These improvements included the reconstruction of University Boulevard from Airport Road approximately 2,500 feet to the south, North Drive, and Plaza Loop (*see Attachment B*). This grant was contingent on the creation of 365 new jobs within three years after completion of the roadway. Additionally, associated capital investment within ISURP was to be a minimum of \$26,350,299.

On June 24, 2016, the roadway improvements were opened to traffic. **As of July 2021, it was determined that the job creation criteria had not been met, with only an average of 137 total jobs being created (of the 365 jobs required). In accordance with the RISE program rules, if the job creation goal is not met, the maximum grant reverts to the 50% State funding, and the difference, up to the 80% of the State award, must be refunded by the recipient (City of Ames).**

However, in July 2018, the IDOT Commission adopted a new program specifically for Research Parks that provides 70% state funding without any job creation requirements. In August 2021, the IDOT Commission agreed to apply the new 70% Research Park policy retroactively as the baseline for repayment rather than the 50% that was in place at the time of the original agreement (*see Attachment C*).

The method of calculation and amount of proposed settlement of \$280,313 was provided to the City and is being paid back to Iowa DOT over five years (2021-2025). In accordance with the development agreement with ISURP, that amount of repayment is split equally between the City and ISURP. Additionally, ISURP is required to monitor job creation and capital investment for a period of ten years and report annually to Iowa DOT.

The addendum (*see Attachment A*) proposed with this action formally amends utilizing the 70% repayment credit and the ten-year monitoring/reporting requirement into the original RISE agreement.

ALTERNATIVES:

1. Approve the amendment to RISE grant agreement for Iowa State University Research Park Phase III roadway improvements that incorporates the 70% payment credit and the ten-year monitoring/reporting requirement into the original RISE agreement.
2. Request revisions to the amendment being proposed by the Iowa DOT.

CITY MANAGER'S RECOMMENDED ACTION:

The Iowa DOT has previously approved the RISE grant repayment calculation utilizing the 70% research park credit provision. The City Council accepted these terms and began repayment in 2021, invoicing ISURP for half of the annual amount (half of \$56,062.63). **This addendum merely amends the previously approved action into the original RISE agreement.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.

ATTACHMENT(S):

[Att A - Addendum 2014-R-013-A to ISURP RISE.pdf](#)

[Att B - Original ISURP Ph III Agreements.pdf](#)

[Att C - ISURP III Job Repayment.pdf](#)