

**Hall, Renee**

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**From:** Douglas Pepe <dougpepe.dp@gmail.com>  
**Sent:** Saturday, May 4, 2024 11:02 AM  
**To:** City Council and Mayor  
**Subject:** CYTown

[External Email]

Greetings,

I'm in contact to voice my support of Sue Ravenscroft's concerns regarding the CYTown Development as noted in her Guest Column in the Ames Tribune published on April 26.

Douglas Pepe  
3539 Tripp St  
50014

**Hall, Renee**

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**From:** Jodi O'Donnell <jodiod@gmail.com>  
**Sent:** Wednesday, May 1, 2024 12:23 PM  
**To:** City Council and Mayor  
**Subject:** Please bargain for more from ISU for the Iowa State Center

[External Email]

Dear Mayor and Council Members:

I read with interest Sue Ravencroft's oped in the Sunday Ames Tribune. I agree wholeheartedly with her that Ames must do better by the historic Iowa State Center, the facilities of which have long needed renovations and updates.

I urge you to empower Ames City Manager to negotiate for more for the Iowa State Center that puts the financing of renovations within our lifetimes and not beyond the end of this century.

Thank you!

Jodi O'Donnell

1302 Indiana Ave, Ames, IA 50014

**Hall, Renee**

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**From:** Kari Storjohann <karistorjohann@gmail.com>  
**Sent:** Tuesday, March 12, 2024 7:40 PM  
**To:** City Council and Mayor  
**Subject:** CYTown development

[External Email]

Hello Mayor and Council!

Reviewing the staff report prepared for council's meeting, I have some questions and concerns regarding the development of CYTown. I understand the purpose of the report is just informational at this time, but I wanted to present my concerns as more talk and discussion moves forward in the coming weeks and months.

It is mentioned that the university cannot compete with the private sector, except in certain circumstances. Reading the [University's policy statement](#), I'm unsure how the proposed business opportunities the University has advertised could be exempt from this policy. The opportunities mentioned in [this brochure](#) from the athletics department include retail, food & beverage, entertainment, and luxury residential, to name a few. I find it hard to believe that these would be deemed essential to the integral function of the University and its mission, and would provide something otherwise unavailable to the community.

Furthermore, I have concerns about the University's exemption from sales taxes. The exemption from property tax is discussed throughout the document, but I would also like some clarification on if sales taxes (including LOST) can be charged for products/services offered at or through CYTown.

From time to time, the ISU Bookstore in the Memorial Union has used their exemption from sales tax almost as an advertisement, especially on high dollar items like computers- showcasing the fact that you can effectively 'save' 7% on any purchase from the bookstore. If this would also apply to products and services at CYTown, it would be a detriment to the state and city to lose that tax revenue. Additionally, I fear as a small business owner that a similar approach of advertising the 7% savings would be outright competing with the private sector and take away from our existing small businesses.

My personal opinion is that the proposed PILOT program is not a fair compromise for the city. As proposed, it would be decades before the city would see any payments, despite having requirements to provide majority city utilities, traffic services, etc to the area. While I understand the University's importance to Ames being what it is, further insulating the campus area in its tax-free status will lead to loss of important tax dollars necessary for the city to function.

Thank you for your time and consideration on my questions and concerns,  
Kari Storjohann

**Hall, Renee**

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**From:** Merlin Pfannkuch <me2magic@yahoo.com>  
**Sent:** Tuesday, March 12, 2024 10:13 AM  
**To:** City Council and Mayor  
**Subject:** A fifth option for CYTown

[External Email]

Mayor Haila and the members of the Ames City Council:

I suggest that a fifth option decision be added for the CYTown discussion:

Table the item and bring it back for further discussion on whether to move forward in April.

This is a complicated item and you are biasing the decision on whether to move forward by Option 1: ". . . direct the staff to bring back for approval both proposed agreements at an upcoming April council meeting."

To me, Option 1 gives the tentative okay to this arrangement, subject to some possible (probably minor) revisions. Shouldn't citizens have the right to review these documents and have input on this arrangement before any even tentative agreement is made. Why should anyone bother to come to the April meeting when it appears that Council has already green-lighted this arrangement?

I am asking for this fifth option because I don't have time at the moment to review the documents and comment on their substance for tonight's meeting.

Sincerely,

Merlin L. Pfannkuch  
1424 Kellogg Ave.  
Ames, Iowa  
(515) 509-8148

**Hall, Renee**

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**From:** Merlin Pfannkuch <me2magic@yahoo.com>  
**Sent:** Thursday, May 9, 2024 3:13 PM  
**To:** City Council and Mayor  
**Subject:** CYTown

[External Email]

Mayor Haila and Members of the Ames City Council:

Almost two years after CYTown was announced with much fanfare, its backers want the citizens of Ames to help subsidize it. So far CYTown has found only one committed tenant. The project must not be going well.

I don't want my tax dollars to go to a venture that I'm confident will fail at some point. And the sooner it fails, the less money will be wasted. CYTown must be financed commercially to be fair to other similar businesses here.

I don't know where this fanciful project originated but I am appalled that hardly anyone wants to examine it critically.

Please google: CYTown Ames apartments. That article in the Ames Tribune from December 2022 provides the best summary of how CYTown will be financed, and gives clues to why it will fail. Please review it carefully.

The article says CYTown will be financed by luxury apartment rents, some donations, and rent from businesses who lease space. Who is going to pay \$20,000 a month to rent an apartment that will overlook a football stadium and a parking lot? Maybe CYTown backers have found a way to finagle this rent into being considered a donation to the ISU Athletic Department, and thus eligible to be considered a deductible contribution?

When CYTown was announced there was to be 20 apartments. They would have to all be those renting for \$2.5 million a year for 20 years to reach the \$50 million expected to be raised from the apartments and fund raising if you assume the fund raising is \$0.

Note that the Tribune article says the Kansas City Power & Light District is still not profitable and has to be subsidized. A city manager says it probably won't be profitable for more than another decade. And its market is many times larger than CYTown would have. Such a project here has no hope of making it financially unless folks from the Des Moines metro area come regularly. And why would they do that -- places to shop and eat are plentiful in Des Moines.

Pease do not commit our tax revenue to a doomed and wasteful project.

Sincerely,

Merlin L. Pfannkuch  
1424 Kellogg Ave.  
Ames, IA 50010-5447  
1-515-509-8148

**Hall, Renee**

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**From:** Merlin Pfannkuch <me2magic@yahoo.com>  
**Sent:** Monday, March 25, 2024 9:14 AM  
**To:** City Council and Mayor  
**Subject:** Please give us more time to look at CYTown proposal

[External Email]

Mayor Haila and Members of the Ames City Council:

Please give us residents more time to evaluate the CYTown proposal.

Many of us have been busy following the Iowa State basketball teams in the conference and NCAA tournaments. Plus some of us are now busy with taxes. Plus on and on. I have not even had time to begin to look at this proposal.

I do not see why this very complicated proposal was sprung on us residents with the expectation that council would make a decision in a month -- April 9. Just who is pushing for this fast track time line? If you decide April 9, how will you really be able to consider any input you are given at the council meeting?

Also, the Iowa Legislature will likely consider additional income tax cuts this session, and possibly changes to other tax laws. It would be good to know this before we decide. It looks like we can expect fewer state monies coming back to us in the future. We need to plan accordingly.

I firmly believe these "economic development" handouts from government to industry and business have totally got out of hand in Iowa. In case you missed it: a \$56 million tax incentive for a Google project in Cedar Rapids is being considered. Google is guaranteeing 31 jobs. That's \$1.8 million per job, Does that make any sense?

I would come speak at public forum Tuesday, but my health is questionable at the moment. Can this e-mail somehow be made part of the official record for the meeting -- as though I spoke at public forum?

Please table this proposal if you are asked to approve it April 9.

Thanks for your consideration.

Merlin L. Pfannkuch  
1424 Kellogg Ave.  
Ames, IA 50010-5447  
me2magic@yahoo.com  
(515) 509-8148

## Hall, Renee

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**From:** Ravenscroft, Sue P [ACCT] <sueraven@iastate.edu>  
**Sent:** Friday, April 5, 2024 9:06 AM  
**To:** City Council and Mayor; Schainker, Steve; Phillips, Brian  
**Subject:** CyTown Memo of Understanding  
**Attachments:** Council re CyTown.docx

[External Email]

Dear Mayor Haila, Steve, Brian, and City Council Members,

I am attaching a letter about my reservations regarding the financial arrangements of CyTown and the “PILOT” funding. I would ask that this letter be included, probably too late for this week, in the council communications. I know what I am suggesting is difficult, but having thought about the MOU a lot, I see no way for the currently-proposed agreement to yield anywhere near the funding needed to renovate Iowa State Center.

Thank you for your time and consideration.

Sue Ravenscroft

To: Mayor Haila and City Council

From: Sue Ravenscroft

Re: CyTown:

I am writing to you about the Memo of Understanding between Ames and ISU regarding the financial aspects of the proposed CyTown development.

I am concerned that the current document, which I realize is the result of a long and arduous negotiation process, does not protect the city's interest in preserving Iowa State Center as a viable state-wide attraction. I appreciate and want to recognize the time city personnel spent with me to help me understand the MOU, but I am asking you to either revise it significantly before approving it or to take the issue to the relevant legal authorities.

My concerns about the MOU are numerous, but I will focus on only a few. As I understand the CyTown project one major purpose is to create revenues that will be used to renovate and bring the Iowa State Center up to current codes. The amount that will cost is said to be \$110,000,000.

So the primary issue is whether the proposed MOU will generate funds in that amount that are directed to being spent on Iowa State Center's four structures. The answer in short is no.

The MOU gives ISU the authority to create two spending funds. The Capital Improvement Fund (CIF), which is directed to rehabbing Iowa State Center will receive only the Ames portion of the "PILOT" that ISU is collecting and keeping. That portion relates not to all the property tax that Ames would collect if taxes were imposed, but only those on most of the buildings in CyTown (The CySuites building is excepted) and land is not included in the tax base for purposes of designating funds to go to the CIF. However, ISU is planning to collect "PILOT" on both buildings and land. All the land PILOT and the balance that would be attributable to the Ames School District, the county, and any other taxing agencies will go into ISU's Operating Fund.

Under reasonable assumptions, the CIF is unlikely to receive more than 20% of the total PILOT collected, which means the Operating Fund will receive the bulk of the PILOT. However the Operating Fund is not dedicated to renovating Iowa State Center. Instead the Operating fund is to be spent on operating expenses for CyTown, maintenance and development of CyTown, construction costs and debt service of CyTown and Developer rebates. None of these address the deferred maintenance issues of Iowa State Center. If there are any remaining funds in the Operating Fund after those costs of CyTown have been paid, the balance will go to the CIF, which is directed to renovating Iowa State Center.

If ISU wants to make Iowa State Center a priority the MOU could be amended to place ALL PILOT funds in the CIF and to prohibit PILOT from being spent on CyTown until the renovations and updates are completed.

If ISU is considering borrowing to update Iowa State Center, similarly the PILOT funds should be directed first to debt service for Iowa State Center and not to debt service for CyTown.

If ISU will not provide more assurance that Iowa State Center buildings will be retained and renovated, I would argue the City should let the tax issue be decided by the relevant legal authority.



We lose almost nothing financially and the responsibility of maintaining Iowa State Center continues, as it always has been, to be clearly shown to be ISU's.

Thank you for your attention and I apologize for the length.

Sue Ravenscroft

455 Westwood

Ames, IA 50014

**Hall, Renee**

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**From:** Stephen Ringlee <sringlee@hotmail.com>  
**Sent:** Sunday, May 5, 2024 12:22 PM  
**To:** City Council and Mayor  
**Subject:** CyTown Financing  
**Attachments:** Ames Council-CyTown Financing.pdf

[External Email]

Dear Mayor and Council:

Attached is a letter relating to the draft MOUs between the City and ISU regarding CyTown. Kindly include in your communication to Council Members so that it appears in the Council Preview.

Best and supportive regards to all of you,

Steve Ringlee

Stephen Ringlee  
415 Stanton Ave Apt 205  
Ames, IA 50014  
515-441-0450  
[sringlee@hotmail.com](mailto:sringlee@hotmail.com)

Ames City Council

Dear Mayor and Council Members:

5 May 24

I never thought I would see the day when the equivalent of the Belt and Road Initiative came to Ames. After reading both draft Memoranda of Understanding between The City of Ames and Iowa State University relating to the development of the proposed "CyTown", I've concluded that the same "heads I win, tails you pay" concepts in China's B&R Initiative, which have impoverished half of Africa, were adopted by the ISU Athletic Department and handed over as a proposal to the City of Ames. The City Council needs to send these draft agreements back with a firm "No!" along with instructions to renegotiate them to accommodate the larger needs of the City and University as a whole.

The draft Memoranda anticipate challenges from the local business community which is rightly concerned about restaurant and hotel competitors leasing University property and competing with them free of property tax. They include a "Payment in Lieu of Tax" which is intended to address these concerns. They also include complex provisions that divide up the receipts of this PILOT collection into two fiscal pots which are to be used over time for a variety of purposes. One major goal of both the University and City was to finance the renovations of the Iowa State Center facilities including Fisher Theater, C.Y. Stephens Auditorium, and the Scheman Conference Center. Under these draft Memoranda, none are likely to occur within our lifetimes. There are a number of problems with them:

1. PILOT receipts are divided into two pots: Operating and Capital. The Operating portion is to be included in an overall budget for CyTown and will be used in part to pay for "Construction costs and/or Debt service payments for the "Proposed Facilities," infrastructure, and common areas ... and Developer rebates." In other words, commercial tenants renting "Proposed Facilities" will pay PILOT amounts which in turn will be used to finance the buildings including developer costs. This financial stream will enable them to enjoy reduced rents and an effective City subsidy of their operations.
2. The Capital pot is intended to be used for renovations of Iowa State Center. Under the Memoranda, this is forecast to be only twenty percent of total PILOT revenues and at the projected rate of collection will come nowhere near the expected renovations costs of \$100m+ within our lifetimes. While the Memoranda contain vague statements of intent regarding renovations, the fact is that the funding for them will be materially insufficient for anything other than cosmetic repairs. None of the "commitments" by the Athletic Department to complete major renovations will be enforceable in the absence of a robust funding stream.
3. The PILOT concept is subject to legal challenge by local businesses. In particular, use of the majority of PILOT revenues by the Athletic Department to finance construction of what are intended to be commercial facilities as well as pay developer fees will enable the developer to offer lower rents. If financed through conventional bank loans, the CyTown rents would be comparable to others in Ames. Were this PILOT concept to be enjoined by a court (as is likely),

ALL of the property taxes would be remitted to the City. The City would then be free to contract with ISU to assist in financing the renovations without diverting funds into Athletic Department accounts.

Regardless of your opinion about the economic merits of CyTown, located on a remote floodplain within a market area of 67,000 people of whom 29,000 are students, we should at least ask that it be required to stand on its own financial footing. It should be financed through normal bank loans like any other commercial development in town. It should pay property taxes at normal commercial rates. If the City chooses to collaborate with ISU to employ a large portion of those incremental taxes to help renovate Iowa State Center, then I for one would support that. What reasonable people cannot support is a diversion of the equivalent of those taxes into Athletic Department accounts to help subsidize the construction of CyTown.

Sincerely,

Stephen Ringlee

**Hall, Renee**

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**From:** Tam Lorenz <talorenz1556@gmail.com>  
**Sent:** Sunday, March 10, 2024 12:49 PM  
**To:** City Council and Mayor  
**Cc:** deblee58@yahoo.com  
**Subject:** 3/12/24 Agenda Item 24: MOUs re: CyTown

[External Email]

Dear Mayor and Council,

As someone who lives in a neighborhood adjacent to the ISU Center and what will be CyTown, I have concerns about some of the draft MOU provisions. These provisions could predictably create recurring consequences for Ames residents who live in near-Center neighborhoods.

MOU Article IX:

See the summary document, page 5, which short-hands the MOU Article IX, page 13. Although the language of Article IX doesn't specifically say CyTown is exempt from the City's noise ordinance, Staff's interpretation of that language is no doubt correct. Yet, as I understood the initial long-term plan for CyTown, it included at least a stage and possibly a band-shell like structure for outdoor concerts. Noise from hours-long concerts is quite different from the intermittent roar of the crowd during home football games.

MOU Article VIII:

See summary document, page 6, which short-hands MOU Article VIII, p. 8. This provision indicates the Center, not the City, will be managing the Center's storm water prior to its discharge into loway Creek that runs along the west side of my neighborhood. As a long-time home owner in this area, I know getting excess water into the Creek creates only more water in the Creek and more flooding in my neighborhood.

The text of the MOU, in Article VIII, number 4 reads: " In the event it becomes necessary to install storm water management features in Stuart Smith Park to meet the storm water management needs of the CyTown Development Area...[.]" (emphasis added). What is the "event" the drafters have in mind? Does this mean, if after parts of the Oak to Riverside neighborhood become submerged, the "needs of the CyTown" clause will be triggered? The needs of the Center and CyTown are to keep water out of their new, gradient-elevated development.

Shouldn't the MOU focus be on CyTown's responsibility to the surrounding area rather than its own need? I suggest the needs of the adjacent neighborhood to avoid being flooded by excess flow from CyTown should be prioritized in this provision as the appropriate planning and agreement criterion.

I realize CyTown development is a powerful monetary force, here to stay and mostly out of the control of the City. But, during the City's negotiations with ISU representatives, please try to protect the health, safety and property of nearby residents. This will likely be your only chance to do so.

Thank you for taking on negotiations with ISU regarding CyTown's potential impact on Ames City government and its tax base. I can only glimpse the complexity.

Thank you,

Tam Lorenz  
311 S Maple Ave

Sent from my iPad