

ITEM # 15q-c
DATE 01/13/09

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING FOR PROPOSED URBAN RENEWAL PLAN FOR URBAN RENEWAL AREA NUMBER FIVE (SOUTH BELL TIF DISTRICT) AND ACTION ON RESOLUTION ADOPTING THE URBAN RENEWAL PLAN, RESOLUTION ESTABLISHING AN URBAN RENEWAL AREA, AND ORDINANCE CREATING A TAX INCREMENT FINANCING DISTRICT

BACKGROUND:

At the City Council meeting on December 9, 2008, the City Council directed staff to institute the necessary steps to adopt an urban renewal area for the South Bell TIF project. These steps included:

December 16

The City held the consultation with the Ames Community School Board of Education, Story County Board of Supervisors, and DMACC Board of Directors and set a public hearing for January 13. These Affected Taxing Entities provided no follow-up written responses as they are allowed to do under state urban renewal law.

December 17

The Planning and Zoning Commission reviewed the draft urban renewal plan and forwarded its written recommendation to the City Council. The recommendation is included as Appendix A of the Plan.

December 31

The City published notice of a public hearing in a newspaper no less than 7 days and no more than 20 days before the public hearing. Notice was also mailed to the taxing entities.

The remaining step is to conduct a public hearing on the adoption of the plan. The City then approves a resolution adopting the plan, approves a resolution establishing an urban renewal area, and approves an ordinance creating a TIF district. The ordinance, unless waived by the City Council, requires three readings.

ALTERNATIVES:

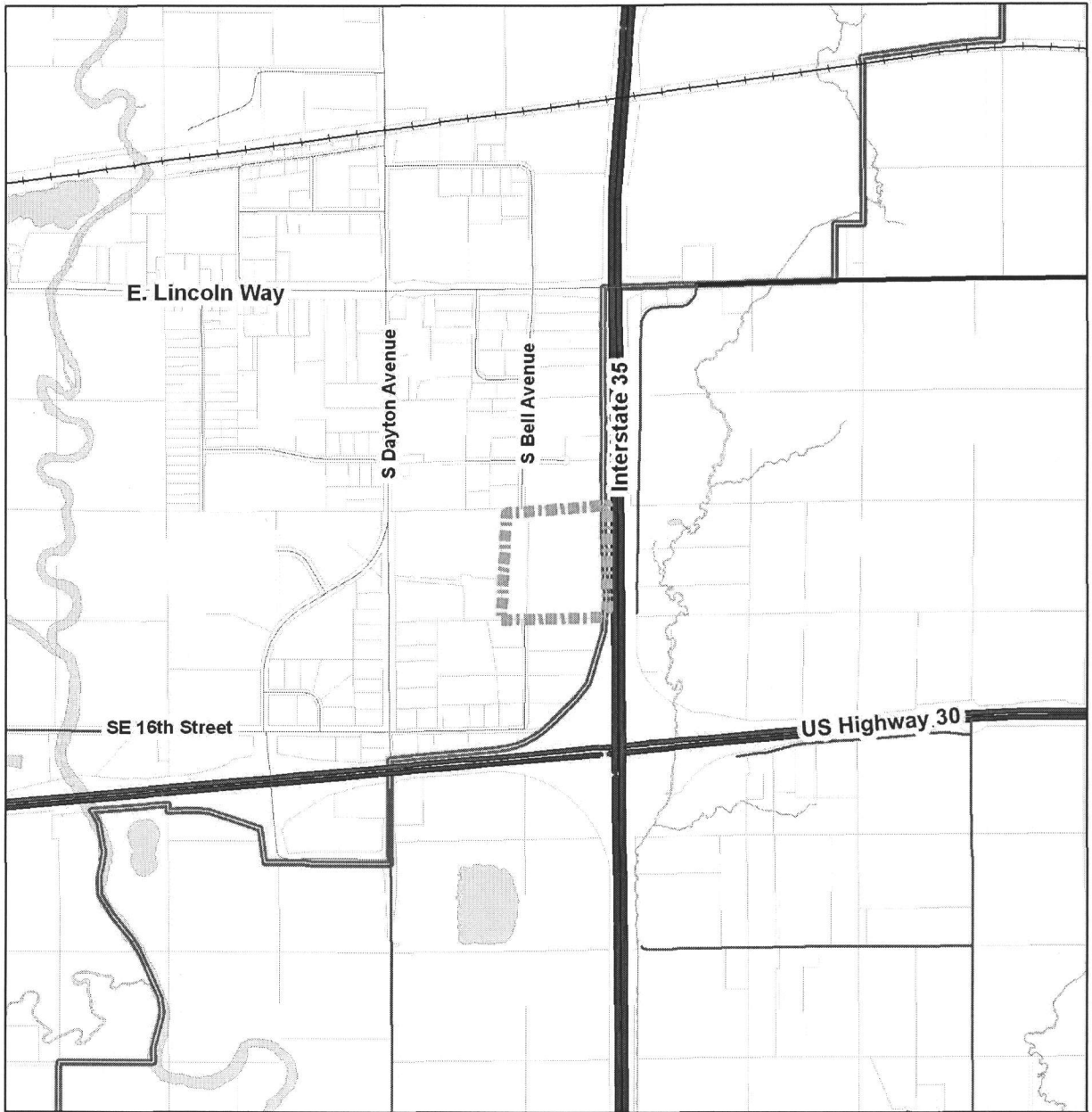
1. The City Council, after conducting the public hearing, can approve the resolution adopting the Urban Renewal Plan, approve a resolution establishing Urban Renewal Area Number Five, and approve an ordinance creating a tax increment financing district.
2. The City Council can choose not to approve the three items.

MANAGER'S RECOMMENDED ACTION:

The staff has implemented the direction of the City Council in preparing the Urban Renewal Plan, holding the consultation with the Affected Taxing Entities, forwarding the Plan to the Planning and Zoning Commission, and setting January 13, 2009, for the Public Hearing on the establishment of the Urban Renewal Area. The staff has also completed negotiations for an acceptable Developers Agreement for the development of Ames Community Development Park Subdivision, Fourth Addition on South Bell Avenue with the concurrence of the owner.

Therefore, it is the recommendation of the City Manager that the City Council act in accordance with Alternative 1, approving the resolution adopting the Urban Renewal Plan, approving a resolution establishing Urban Renewal Area Number Five, and approving an ordinance creating a tax increment financing district. The Council may choose to give the ordinance first reading only or may wish to move to second or final approval.

If the City Council chooses to adopt the resolutions and ordinance, the preliminary plat for the proposed subdivision will move forward and be ready for action by the City Council later this winter. The proposed timeline will bring the preliminary plat and final plat approval, as well as the contract letting for the installation of the improvements to the City Council as soon as possible.



Urban Renewal Area Number 5

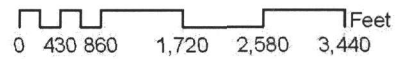
Map 1: Vicinity Map



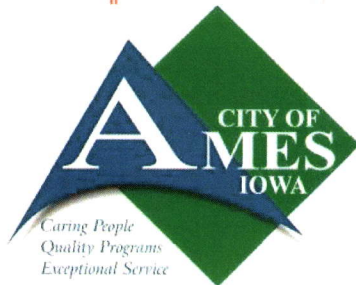
Project Area



Prepared by the Department of
Planning and Housing



Urban Renewal Plan For Urban Renewal Area Number Five



Prepared by the
Dept. of Planning and Housing
and
Presented to the Ames City Council
For the Public Hearing
on January 13, 2009

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Urban Renewal Plan

This Urban Renewal Plan for Urban Renewal Area Number Five (the Plan) was prepared at the direction of the Ames City Council and in conformance with the Code of Iowa Chapter 403 Urban Renewal. This Plan comprises the necessary components as described in Chapter 403.17(24). In addition, it describes and documents the procedures followed in bringing the Plan forward, in approving the Plan, and in allowing the division of revenues from taxation (tax increment financing).

This Plan designates the proposed urban renewal area as an economic development area as defined in Chapter 403.17(10).

Plan Preparation and Adoption

PREPARATION AND COMMISSION ACTION

The City of Ames Department of Planning and Housing (the Department) prepared this Plan, initially presenting it to the Ames City Council on December 9, 2008. The City Council directed the Department to submit the Plan to the Planning and Zoning Commission (the Commission) for their review and to provide a recommendation as to its conformity with the general plan of the City—the Ames Land Use Policy Plan.

The Commission met on December 17, 2008 and heard a summary of the report and a recommendation from the Department. The Commission then formulated their recommendation for the City Council. The Commission unanimously found that the proposed plan conforms with the Ames Land Use Policy Plan. The written recommendation of the Commission is found in the Appendix.

NOTIFICATION AND CONSULTATIONS

During the preparation of this Plan, the City met the notification and consultation requirements of Code of Iowa Chapter 403.5. Notice was provided to the affected taxing entities as required when the urban renewal area includes an allowance for the division of revenues from taxation (tax increment financing). Notice was provided to the Story County Board of Supervisors, the Ames Community School District, and the Des Moines Area Community College. The notice of a consultation and a copy of the Plan were sent by regular mail and hand-delivered to the taxing entities on December 10, 2008 for a consultation to be held on December 16, 2008. The taxing entities, their addresses and their designated representatives are listed in the appendix.

The taxing entities were notified that they had seven days following the consultation to provide any recommendations for modifications of the Plan. The affected taxing entities provided no comments.

CITY COUNCIL ACTION

The Ames City Council held a public hearing on January 13, 2009 to consider the adoption of the Plan, the resolution to establish the urban renewal area and the ordinance to allow for the division of revenue from taxation (tax increment financing). Notification for the public hearing was as prescribed by Code of Iowa Chapter 403.5(3). Public notice was published in the Ames Tribune on December 31, 2008, a copy of which is included in the appendix. In addition, a copy of the notice was sent by regular mail to the affected taxing entities.

At the public hearing, the City Manager presented a summary of the report and a recommendation to the City Council. The City Council was also presented with the written recommendation of the Planning and Zoning Commission. Following the public hearing, the City Council acted on the Plan.

Industrial Urban Renewal in Ames

In 1991, the City sought proposals for the development of an industrial area in Ames. A proposal from Ford Street Development for approximately 40 acres along Interstate 35 was selected and the City Council established an urban renewal area (Urban Renewal Area Number 3) creating the Ames Community Industrial Park. The Park included a tax increment component to finance the necessary public improvements. The development proceeded with the installation of Alexander Avenue, Graham Street, and Bell Avenue.

In 1997, the City established another urban renewal area (Urban Renewal Area Number 4) lying south of the previous area. The City created a tax increment component and entered into a development agreement, again with Ford Street Development. This area extended Bell Avenue southward to its current terminus. The City received a state RISE grant to assist with fifty percent of the street costs.

In 2008, the City Council, following a request from the landowner south of and adjacent to the previous areas, directed staff to initiate steps to provide tax increment financing for the construction of infrastructure to serve approximately 37 acres of industrial land along South Bell Avenue. This Plan was prepared at the direction of the City Council and identifies an urban renewal project for a newly created Urban Renewal Area Number Five.

Agricultural Land

Code of Iowa Chapter 403.17.10 allows agricultural land (as defined by Code of Iowa Chapter 403.17.3) to be included in an economic development area only with the consent of the owner of the land. The proposed urban renewal area comprises two parcels—both owned by Dayton Park, LLC. One parcel is less than 10 acres and does not meet the definition of agricultural land. It is classified as commercial by the City Assessor. The other parcel is 28.3 acres and is classified as agricultural. However, the property owner has consented to allow the parcel to be included in the urban renewal area in accordance with Code of Iowa Chapter 403.17.10.

Property Description

The proposed urban renewal area comprises two parcels. The legal descriptions are:

Outlot 'Z', Four Seasons Park Subdivision

Outlot Z, Four Seasons Park Subdivision, City of Ames, Story County, Iowa, as shown in Final Plat of record filed June 30, 2006 in Instrument No. 2006-00007849 in the Office of the Story County Recorder, more particularly described as follows: Commencing at the Northeast Corner of said Outlot Z, said point also being the Point of Beginning; thence S 89°22'19" W, 338.67 feet along the northerly line of said Outlot Z, thence S 00°03'06" W, 1314.28 feet along the westerly line of said Outlot Z, thence N 89°21'50" E, 296.41 feet along the southerly line of said Outlot Z, thence N 01°53'33" E, 1315.42 feet along the easterly line of said Outlot Z to the Point of Beginning; said Outlot Z containing 9.58 acres subject to any easements of record.

and

Parcel 'L', in the SW ¼ of Section 7, T83N, R23W

That part of the Fractional Southwest Quarter of Section 7, Township 83 North, Range 23 West of the 5th P.M., City of Ames, Story County, Iowa described as follows: Commencing at the Northwest Corner of said Fractional Southwest Quarter, said point also being the Northwest Corner of Parcel D as shown and described in Plat of Survey of record filed December 29, 2005 in Instrument No. 2005-00016107 in the Office of the Story County Recorder; thence N 89° 22' 19" E, 1685.26 feet (recorded as S 89° 22' 19" W, 1685.26 feet) along the Northerly line said Parcel D to the Northeast Corner of said Parcel D, said point also being the Point of Beginning; thence continuing N 89° 22' 19" E, 886.37 feet (recorded as S 89° 22' 19" W) along said Northerly line to a point on the Westerly right of way line of U.S. Interstate Highway No. 35; thence S 00° 05' 21" W, 274.33 feet along said Westerly right of way line; thence S 01° 35' 34" E, 800.33 feet along said Westerly right of way line; thence S 05° 32' 51" W, 240.89 feet along said Westerly right of way line to the Northeast Corner of Outlot W in Dayton Park Subdivision Fourth Addition in said City of Ames; thence S 89° 21' 50" W, 928.35 feet (recorded as N 89° 21' 50" E) along said Northerly line to the Southeast Corner of said Parcel D; thence N 01° 53' 33" E, 1315.42 feet (recorded as N 01° 53' 33" E, 1315.42 feet) along the Easterly line of said Parcel D to the Point of Beginning; said Parcel L containing 27.65 acres subject to any easements of record.

Following its designation as an urban renewal area, a subdivision plat will be prepared creating lots consistent with this Plan.

Urban Renewal Project Description

The proposed urban renewal area (hereinafter referred to as the "Area") comprises 37 acres of land in the Southwest Quarter of Section 7, Township 83 North, Range

23 West of the Fifth Principle Meridian. Its eastern boundary abuts the west right-of-way of Interstate 35. The west right-of-way of Interstate 35 is also the eastern corporate boundary of the City of Ames. The Area lies immediately south of Ames Community Development Park, Second Addition and immediately north of Dayton Park Subdivision, Fifth Addition.

The project connects the two dead-end portions of South Bell Avenue as they currently lie within the Ames Community Development Park and Dayton Park Subdivision. The necessary utilities will also be installed and the Area platted for industrial development. This industrial development will include the uses currently allowed under the General Industrial (GI) zoning district unless otherwise limited through restrictive covenants.

A cost estimate has been prepared for the proposed development. The costs include grading, streets, storm sewer, sanitary sewer, water mains, electric improvements, construction administration, and an adequate contingency reserve. The project costs include only the grading necessary for the installation of the streets and utilities. Grading of the lots themselves will be borne by the property developer. Also not included are costs for engineering design work or right-of-way acquisition. The City will not bear these costs.

The project will rely on the use of tax-increment financing to pay for some or all of the improvements. The potential bond issue would be for no more than \$1.152 million.

Urban Renewal Plan Objectives

This urban renewal area is being created to expand the available inventory of fully serviced industrial land within Ames. The objectives of this plan are consistent with the Land Use Policy Plan and are listed below.

- To make industrial zoned lots available for immediate development.
- To provide these lots at below-market prices as an incentive for development.
- To ensure high quality development by establishing design criteria through restrictive covenants.
- To build out further the city's industrial area lying immediately west of Interstate 35.
- To provide employment opportunities in the industrial sector and increase the employment base.
- To increase the assessed valuations of the property tax base of the city.
- To install the public improvements necessary to allow for industrial development.
- To connect a link in the City's transportation network.
- To create a public-private partnership to encourage development in the new lands.

Conformance with Land Use Policy Plan

The Land Use Policy Plan, adopted by the City Council in 1997 and subsequently amended, provides guidance on the adoption of an urban renewal plan.

GROWTH DETERMINANTS (LUPP PP. 6-11)

The target population for the City of Ames and of the unincorporated planning area is expected to be 65,000 to 67,000 by the year 2030. These population targets lead to employment projections of 33,700 to 35,050 by 2030. Manufacturing, as an employment sector, is targeted to rise 48 percent in that time frame. This increase in employment needs to be accommodated through the development of new industrial sites or the redevelopment of existing sites. The Land Use Policy Plan anticipates that this increase in manufacturing-related employment requires an additional 300 to 375 acres of industrial land.

GOALS FOR A NEW VISION (LUPP PP. 14-23)

Goals for a New Vision of the Land Use Policy Plan describe ten goals in broad categories, as well as a number of objectives to meet those goals. Those that more greatly influence the development of an industrial urban renewal area are quoted below. Some goals are not included as they bear little relationship to this economic development issue. The text of the LUPP is shown below in serif font. **Emphasis is added to the more pertinent passages.**

Goal No. 1. Recognizing that additional population and economic growth is likely, it is the goal of Ames to plan for and manage growth within the context of the community's capacity and preferences. It is the further goal of the community to manage its growth so that it is more sustainable, predictable and assures quality of life.

Objectives. In managing growth, Ames seeks the following objectives.

1.A. Ames seeks to diversify the economy and create a more regional employment and market base. While continuing to support its existing economic activities, the community seeks to broaden the range of private and public investment.

1.B. Ames seeks to integrate its growth with an economic development strategy for the Central Iowa region.

1.C. Ames seeks to manage a population and employment base that can be supported by the community's capacity for growth. A population base of 60,000-62,000 and **an employment base of up to 34,000 is targeted within the City.** Additionally, it is estimated that the population in the combined City and unincorporated Planning Area could be as much as 67,000 **and the employment base could be as much as 38,000 by the year 2030.**

Goal No. 2. In preparing for the target population and employment growth, **it is the goal of Ames to assure the adequate provision and availability of developable land.** It is

the further goal of the community to guide the character, location, and compatibility of growth with the area's natural resources and rural areas.

Objectives. In assuring and guiding areas for growth, Ames seeks the following objectives.

2.A. Ames seeks to provide between 3,000 and 3,500 acres of additional developable land within the present City and Planning Area by the year 2030. Since the potential demand exceeds the supply within the current corporate limits, alternate sources shall be sought by the community through limited intensification of existing areas while concentrating on the annexation and development of new areas. The use of existing and new areas should be selective rather than general.

2.B. Ames seeks to assure the availability of sufficient suitable land resources to accommodate the range of land uses that are planned to meet growth. Sufficient land resources shall be sought to eliminate market constraints.

2.C. Ames seeks a development process that achieves greater compatibility among new and existing development.

2.D. Ames seeks a development process that achieves greater conservation of natural resources and compatibility between development and the environment.

2.E. Ames seeks to integrate its planning with that of Story County and surrounding counties in assuring an efficient and compatible development pattern, and in assuring that there are adequate agricultural resources to serve the region.

Goal No. 4. It is the goal of Ames to create a greater sense of place and connectivity, physically and psychologically, in building a neighborhood and overall community identity and spirit. It is the further goal of the community to assure a more healthy, safe, and attractive environment.

Objectives. In achieving an integrated community and more desirable environment, Ames seeks the following objectives.

4.A. Ames seeks to establish more integrated and compact living/activity areas (i.e. neighborhoods, villages) wherein daily living requirements and amenities are provided in a readily identifiable and accessible area. Greater emphasis is placed on the pedestrian and related activities.

4.B. Ames seeks to physically connect existing and new residential and commercial areas through the association of related land uses and provision of an intermodal transportation system.

4.C. Ames seeks to psychologically connect the various living/activity areas through closer proximity of residential areas and supporting commercial uses,

common design elements, and inclusion of community amenities such as parks and schools. The connections should promote community identity.

Goal No. 5. It is the goal of Ames to establish a cost-effective and efficient growth pattern for development in new areas and in a limited number of existing areas for intensification. It is a further goal of the community to link the timing of development with the installation of public infrastructure including utilities, multi-modal transportation system, parks and open space.

Objectives. In defining the growth pattern and timing of development, Ames seeks the following objectives.

5.A. Ames seeks to establish priority areas for growth in which there are adequate and available land resources and infrastructure to meet the major development requirements through the year 2030.

5.B. Ames seeks to attract public and private capital investment in the priority areas for growth on a concurrency basis (i.e. having infrastructure available at the time of development approval). Public capital improvements (e.g. trunk lines and a major street system) could be used to leverage the location of development and the availability of land.

5.C. Ames seeks the continuance of development in emerging and infill areas where there is existing public infrastructure and where capacity permits.

5.D. Ames seeks to have the real costs of development borne by the initiating agent when it occurs outside of priority areas for growth and areas served by existing infrastructure.

5.E. Ames seeks to integrate its planning with that of Story County and regional planning agencies.

Goal No. 7. It is the goal of Ames to provide greater mobility through more efficient use of personal automobiles and enhanced availability of an integrated system including alternative modes of transportation.

Objectives. In achieving a more mobile community, Ames seeks the following objectives.

7.A. Ames seeks to establish a comprehensive and integrated transportation system that includes automotive, public transit, pedestrian, bicycle and ride-sharing modes.

7.B. Ames seeks a transportation system that is linked with the desired development pattern of the overall community and areas therein.

7.C. Ames seeks to establish new transportation corridors that have been planned, in part, to minimize impacts on significant natural resources.

7.D. Ames seeks to increase the efficiency of existing traffic movement in reducing air pollutants from automobiles (e.g. improving intersection movements to minimize delays and conserve energy).

7.E. Ames seeks a development pattern that protects and supports the airport and its flight approach zones.

Goal No. 9. It is the goal of Ames to promote expansion and diversification of the economy in creating a base that is more self-sufficient and that is more sustainable with regard to the environment.

Objectives. In creating an economic base that is more self-sufficient and environmentally sustainable, Ames seeks the following objectives.

9.A. Ames seeks more diversified regional employment opportunities involving technology-related services and production, office centers and retail centers.

9.B. Ames seeks to attract and support a small- and medium-size business center that utilizes the skills and products of the area's trained workforce.

9.C. Ames seeks to expand its research and technology development through greater private, public and university coordination and cooperation.

9.D. Ames seeks economic activities that are compatible and sustainable with its environment.

FUTURE LAND USE ALLOCATIONS (LUPP P. 29)

"An additional 300-375 acres are allotted for future industrial uses. Included are approximately 225-275 acres for planned industrial involving industrial park-type settings, plus 75-100 acres for general industrial involving non-park settings."

FUTURE LAND USE POLICY PLAN MAP (LUPP FOLLOWING P. 36)

The area of the proposed urban renewal area is identified on the Land Use Policy Plan Map as General Industrial.

NEW LANDS POLICY OPTIONS (LUPP PP. 59-60)

The area of the proposed urban renewal is described as New Lands Area. The New Lands Area proposes the following information relating to industrial land.

"Industrial Expansion Areas. In further supporting the community's goal for economic expansion, additional industrial uses are needed. Expansion areas are recommended for both private sector activities and ISU-research park activities. It is recommended that the New Lands area provide the base for the community's industrial expansion...."

"General Industrial. It is recommended that general industrial activities be limited in their scale and location. The intent is to minimize their impact on the community's current land resources and infrastructure."

“Uses. All future general industrial should involve mostly smaller scale activities. Light assembly and other low impact uses are recommended.”

“Location. An expansion area adjacent to the City’s current industrial area is recommended for general industrial. A site of 75 to 100 acres is available. As the only general industrial site remaining, the location is important in meeting the community’s near-term needs. Development of the planned industrial site to the east of Interstate 35 is probably a long-term option. Extension of utilities to the proposed planned industrial location will be costly due to the barrier presented by Interstate 35.”

OTHER LUPP ISSUES

The Land Use Policy Plan presents no contradiction in the use of this land as industrial. There are no issues associated with the proposed industrial land use that are contradicted by the Natural Resources Inventory or Natural Resources Suitability Analysis (pp.77-78). Neither is this Area within an indentified Flood-Prone Area (p. 80) nor have issues with Soil Analysis that would preclude development (p.83). Water, waste water and storm water capacities are adequate for the proposed industrial uses.

SUMMARY

The urban renewal plan and the proposed urban renewal project within the proposed urban renewal area are consistent with and supported by the goals of the Ames Land Use Policy Plan. This is demonstrated by:

- The Area will support an increased employment base moving the City closer to its 2030 employment projections.
- The Area provides 32 acres of land moving the City closer to its anticipated increase of 300 to 375 acres of new industrial land.
- Development of the Area assures the immediate availability of industrial developable land.
- The Project provides a vital connection in the City’s transportation network.
- The Project provides intensification of development in the new lands.
- The Project leverages private development with its investment of public resources.
- The Project supports and the Area is within an industrial infill area where public infrastructure is immediately adjacent.
- The Project will allow for the expansion and diversification of the industrial base by providing below-market rate lots to accommodate a variety of uses.
- The Area lies within a general industrial designation of the Land Use Policy Plan Map.
- The scale of the Project is consistent with the Land Use Policy Plan’s description of general industrial as for “mostly smaller scale activities” and “low impact uses.”
- The Area lies within the new lands, which is identified for the community’s industrial expansion.

- There are no identified issues that make the development of the Project within this Area inconsistent with the Land Use Policy Plan.

Conformance with Zoning and Current Use

The Area is currently zoned GI General Industrial. This zoning designation is consistent with the Land Use Policy Plan Map. It is also consistent with the uses proposed for the Area—no change of zone is proposed for this Area.

A portion of the Area also lies within the Southeast Entryway Gateway overlay district. This district establishes design and landscaping standards necessary to maintain the district as a distinct entryway into Ames.

The land has been used for agricultural purposes but now lies fallow.

City's Debt Obligations

This urban renewal area will include a provision for tax increment financing. In accordance with Code of Iowa Chapter 403.17(24)(c), the following financial information is provided.

CURRENT GENERAL OBLIGATION AND REVENUE BOND DEBT

					As of 6/30/08
	Date of Issue	Interest Rates	Amount Originally Issued	Maturity Date	Outstanding June 30, 2008
General obligation bonds:					
Corporate purpose	6/1998	4.13 - 4.25%	\$ 5,130,000	6/2010	\$ 850,000
Corporate purpose	6/1999	3.60 - 4.45%	\$ 4,045,000	6/2011	\$ 1,190,000
Corporate & Ice Arena	7/2000	4.75 - 5.15%	\$ 5,870,000	6/2012	\$ 2,355,000
Corporate purpose	8/2001	4.00 - 4.70%	\$ 10,080,000	6/2013	\$ 4,495,000
Fire station	12/2001	2.50 - 4.10%	\$ 1,310,000	6/2013	\$ 590,000
Ames Quarry	5/2002	4.00 - 5.13%	\$ 3,475,000	6/2021	\$ 2,655,000
Corporate purpose 2002B	10/2002	2.25 - 3.60%	\$ 5,885,000	6/2014	\$ 3,170,000
Resource Recovery GO refunding 2002C	10/2002	2.50 - 3.50%	\$ 3,976,194	6/2010	\$ 860,000
Corp & Ada Hayden Park	09/2003	1.10 - 3.70%	\$ 6,555,000	6/2015	\$ 3,815,000
Corp, Fire & Ada Hayden	10/2004	2.75 - 3.25%	\$ 6,030,000	6/2014	\$ 3,790,000
Corp, Fire & GO refunding	09/2005	3.50 - 3.65%	\$ 5,495,000	6/2017	\$ 3,395,000
Corporate purpose 2006	10/2006	4.00%	\$ 5,285,000	6/2018	\$ 4,645,000
Corporate, Pool & Water	11/2007	3.75 - 4.15%	\$ 9,630,000	6/2019	\$ 9,385,000
Total general obligation bonds					\$ 41,195,000 (a)

Revenue bonds:

Mary Greeley Medical Center 2003 Refunding	6/2003	3.00 - 5.00%	\$ 29,385,000	6/2022	<u>\$ 22,555,000</u>	
Total Mary Greeley Medical Center revenue bonds					<u>\$ 22,555,000</u>	(b)

TOTAL ALL BONDS \$ 63,750,000

- (a) Excludes unamortized premiums of \$33,295 and unamortized charges arising from refunding of \$7,614.
- (b) Excludes unamortized premiums of \$568,710 and unamortized charges arising from refunding of \$449,400.

CURRENT CONSTITUTIONAL DEBT LIMIT AND CAPACITY

	As of 10/31/08
Total Actual Valuation	\$ 3,215,637,638
State Mandated Debt Limit*	\$ 160,781,882
City Reserve (25% of Limit)†	<u>\$ 40,195,471</u>
Un-Reserved Debt Capacity	\$ 120,586,411
Outstanding Debt	\$ 49,550,000
Proposed Issues	
Balance of Proposed Issues	
Total Debt Subject to Limit	\$ 49,550,000
Available Un-Reserved Debt Capacity (\$)	\$ 71,036,411
Available Un-Reserved Debt Capacity (%)	58.91%
Total Debt Capacity Available (\$)	\$ 111,231,882
Total Debt Capacity Available (%)	69.18%

Notes:

*Iowa statutory debt limit is 5 percent of total city valuation

†City policy reserves 25 percent of available debt capacity

PROPOSED AMOUNT OF INDEBTEDNESS

The City intends to issue bonds in an amount not to exceed \$1.152 million. The final bond amount will be determined by the chosen scenario and any possible phasing. The bonds may be sold in multiple issues.



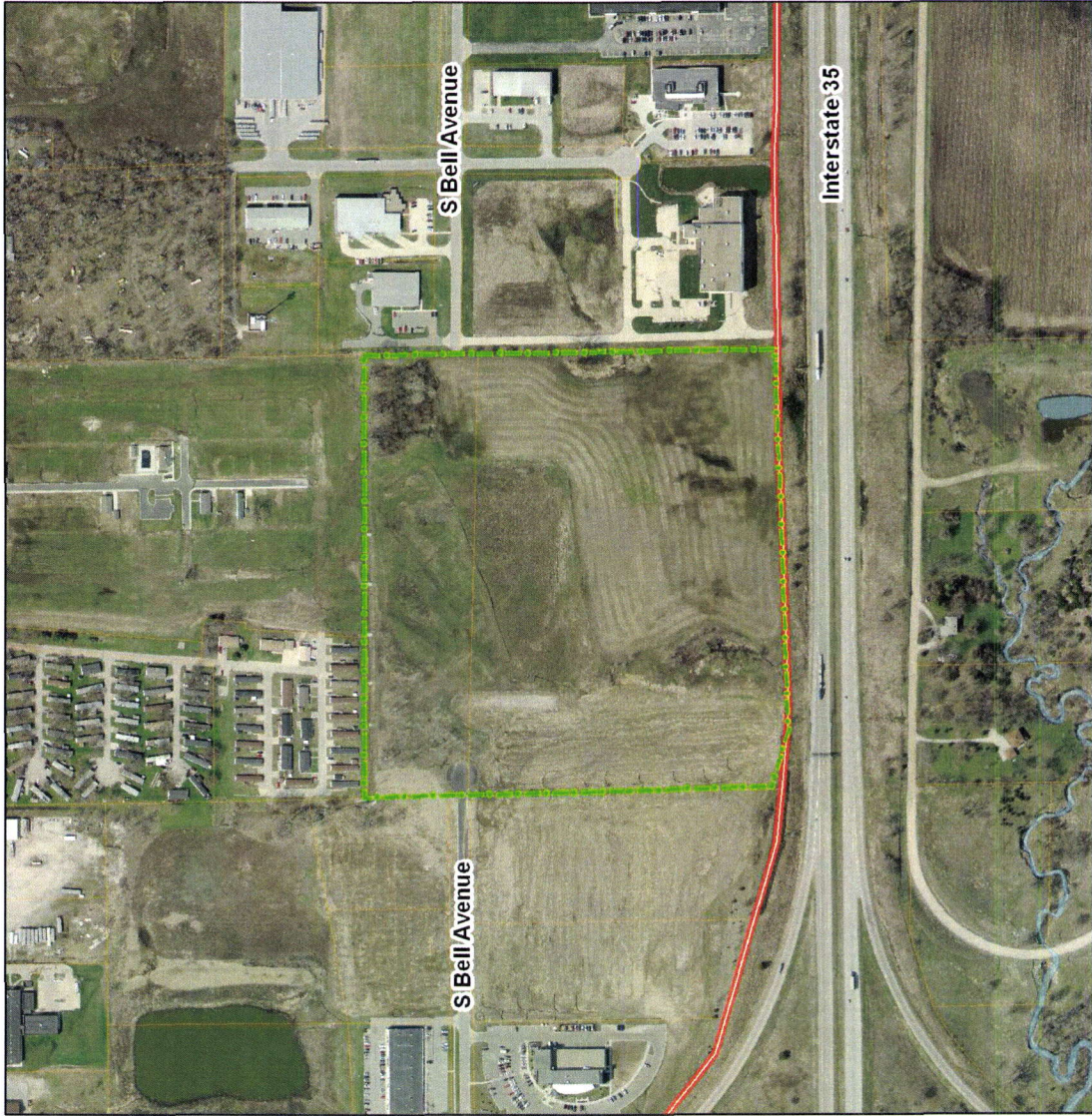
Urban Renewal Area Number 5 Map 1: Vicinity Map

 Project Area



Prepared by the Department of
Planning and Housing



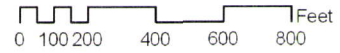


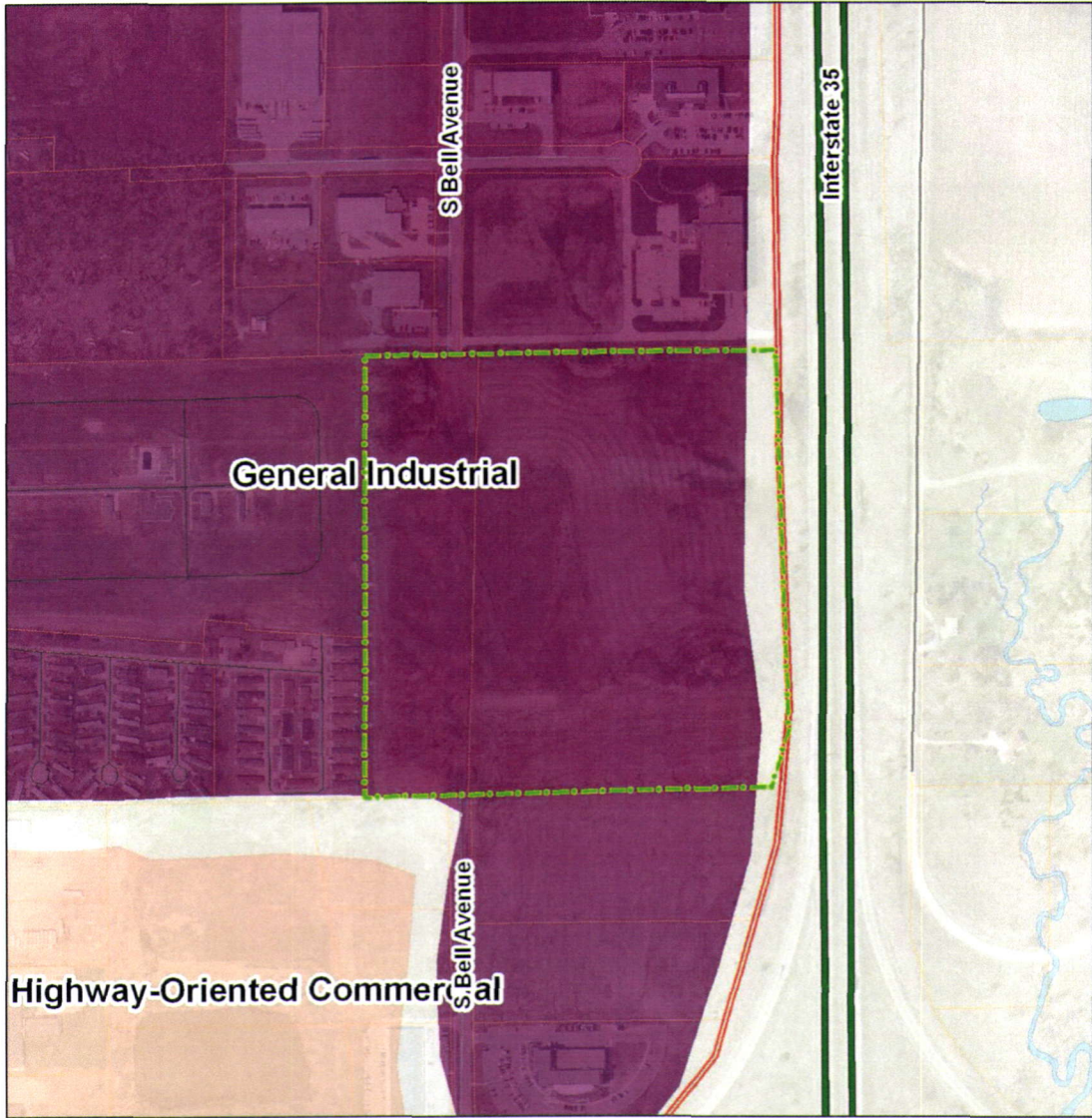
Urban Renewal Area Number 5 Map 2: Project Area

 Project Area



Prepared by the Department of
Planning and Housing



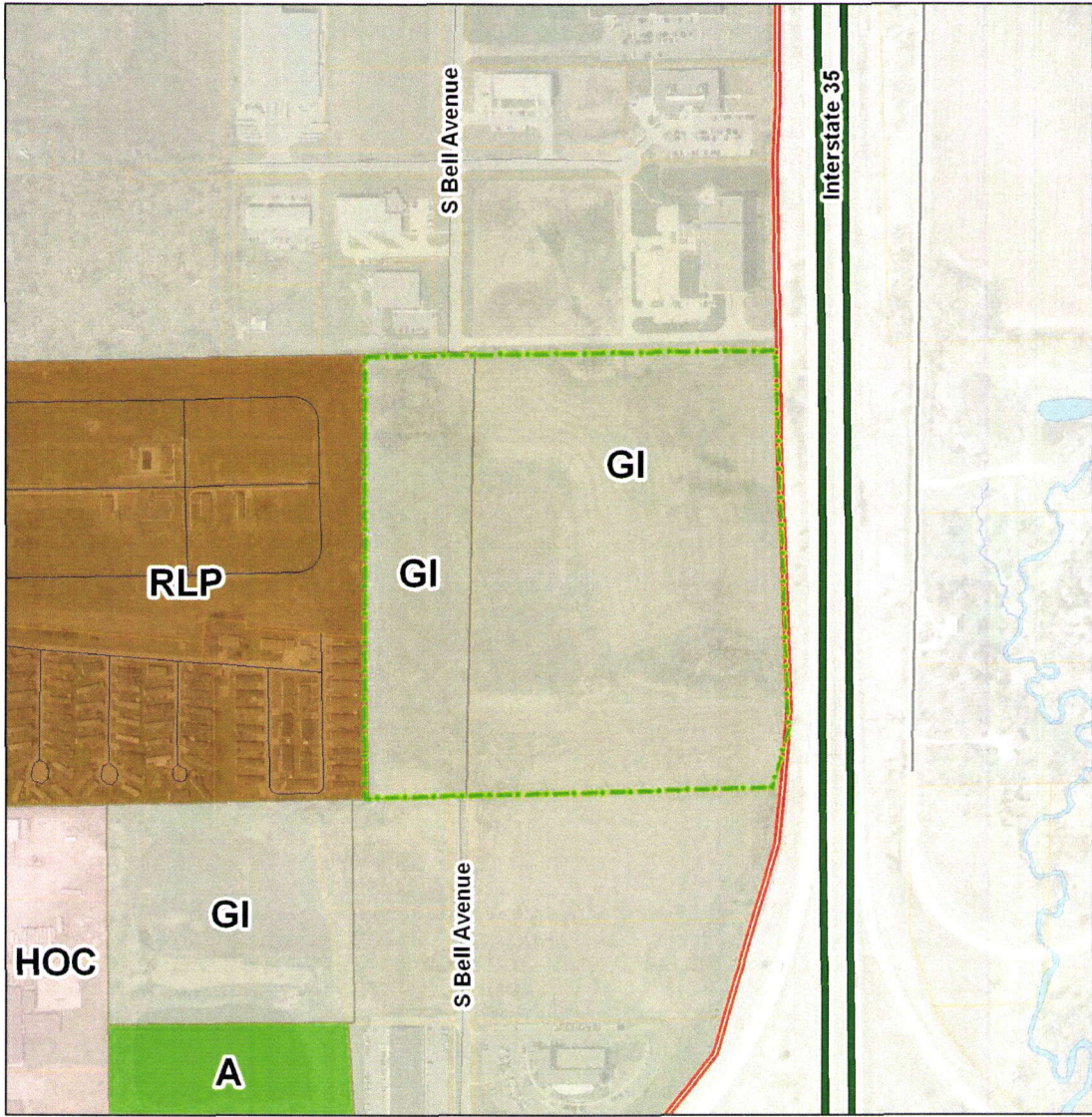


Prepared by the Department of
Planning and Housing

Urban Renewal Area Number 5 Map 3: Land Use Policy Plan Map

 Project Area





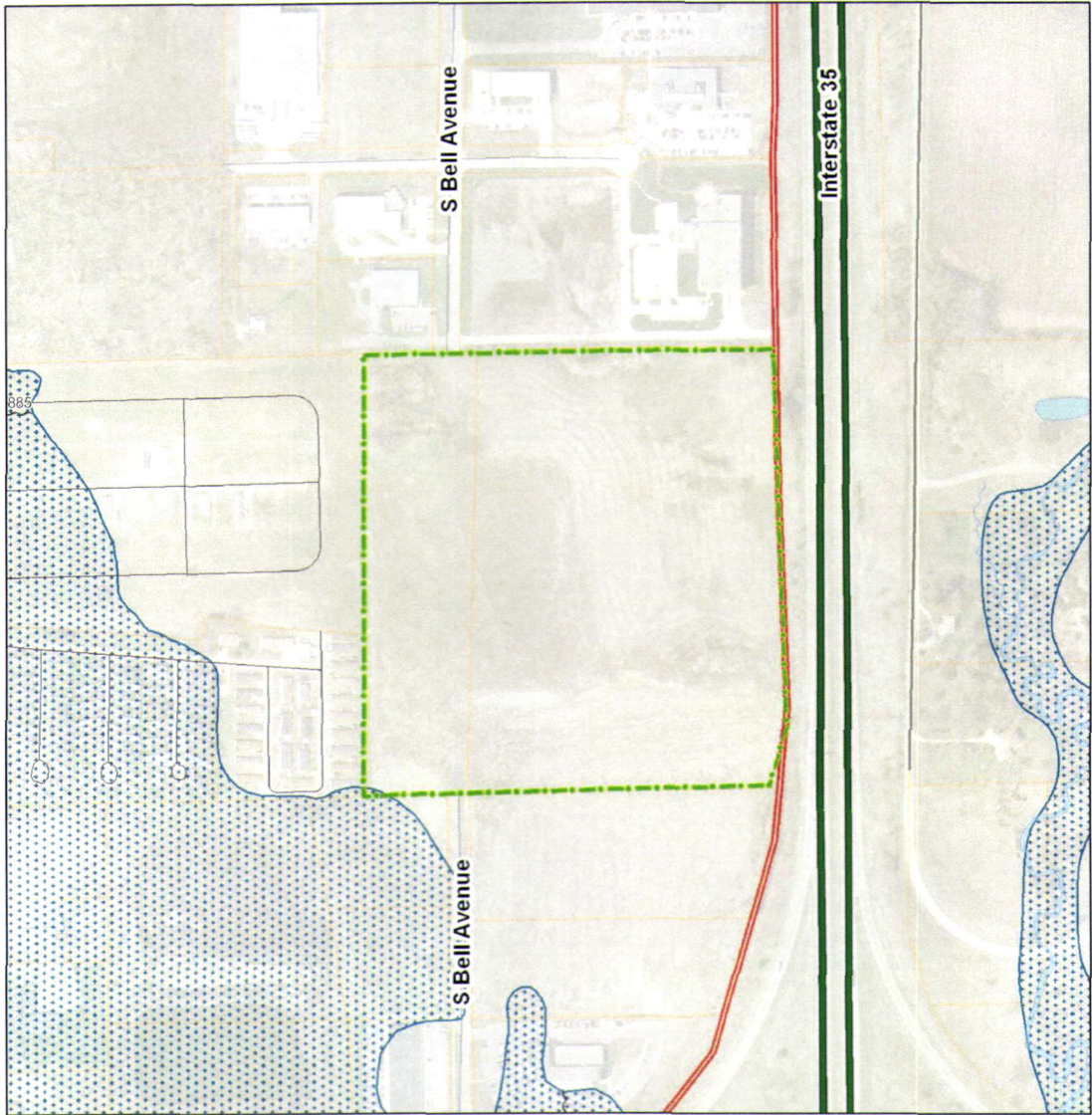
Urban Renewal Area Number 5 Map 4: Zoning

 Project Area



Prepared by the Department of
 Planning and Housing





Prepared by the Department of
Planning and Housing

Urban Renewal Area Number 5 Map 5: FEMA-Designated Flood Plain

 Project Area



Appendix A

Recommendation of the Planning and Zoning Commission of December 17, 2008.



DEPARTMENT OF PLANNING & HOUSING

515 Clark Avenue, P.O. Box 811, Ames, IA 50010
Phone: 515-239-5400 ♦ Fax: 515-239-5404

December 17, 2008

Ames Mayor and City Council
515 Clark Avenue
Ames, IA 50010

Dear Mayor and City Council:

The Ames Planning and Zoning Commission received and reviewed the draft Urban Renewal Plan for Urban Renewal Area Number Five. At its regular meeting on December 17, the Commission found that the proposed Plan conforms with the Ames Land Use Policy Plan by noting that:

- The Area will support an increased employment base moving the City closer to its 2030 employment projections.
- The Area provides 32 acres of land moving the City closer to its anticipated increase of 300 to 375 acres of new industrial land.
- Development of the Area assures the immediate availability of industrial developable land.
- The Project provides a vital connection in the City's transportation network.
- The Project provides intensification of development in the new lands.
- The Project leverages private development with its investment of public resources.
- The Project supports and the Area is within an industrial infill area where public infrastructure is immediately adjacent.
- The Project will allow for the expansion and diversification of the industrial base by providing below-market rate lots to accommodate a variety of uses.
- The Area lies within a general industrial designation of the Land Use Policy Plan Map.
- The scale of the Project is consistent with the Land Use Policy Plan's description of general industrial as for "mostly smaller scale activities" and "low impact uses."
- The Area lies within the new lands, which is identified for the community's industrial expansion.
- There are no identified issues that make the development of Project within this Area inconsistent with the Land Use Policy Plan.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keith Barnes', is written over a thin, curved line.

Keith Barnes, Chairperson
Planning & Zoning Commission

Appendix B

Affected Taxing Entities, their addresses, and representatives to the consultation.

Affected Taxing Entity	Mailing Address	Representative to Consultation
City of Ames	PO Box 811 Ames, IA 50010	Steve Schainker, City Manager
Ames Community School District	415 Stanton Avenue Ames, IA 50014	Mary Jurenka, Board of Education Dan Woodin, Board of Education Karen Shimp, Chief Financial Officer
Story County	900 6th Street Nevada, IA 50201	Jane Halliburton, Chairperson, Board of Supervisors Wayne Clinton, Board of Supervisors
Des Moines Area Community College	2006 South Ankeny Boulevard Ankeny, IA 50023	Douglas Williams, Vice President of Business Services

Appendix C

Notice of consultation to Affected Taxing Entities [Notice to Supervisors shown].



City Manager's Office

515 Clark Avenue, P. O. Box 811
Ames, IA 50010
Phone: 515-239-5101
Fax: 515-239-5142

December 10, 2008

Story County Board of Supervisors
900 Sixth Street
Nevada, IA 50201

Dear Affected Taxing Entity:

The City of Ames is preparing an Urban Renewal Plan and considering the establishment of an Urban Renewal Area that will provide for the division of revenue from taxation (tax-increment financing) as allowed in Code of Iowa Chapter 403.19. This action will impact Story County as one of the taxing entities, and a copy of the proposed Urban Renewal Plan is enclosed for your information.

In accordance with Code of Iowa Chapter 403.5 (2), you are invited to attend, or to appoint a representative to attend, a consultation with the Ames City Council to be held on December 16 at 6:30 PM in the City Council Chambers of Ames City Hall, 515 Clark Avenue. In accordance with the new state law, Story County's appointed representative will have seven days following the consultation to submit written recommendations for modifications to the proposed division of revenue. The City will review the comments and provide written response no later than seven days prior to the public hearing on the adoption of the Urban Renewal Plan. You will also be mailed a copy of the Notice of Public Hearing.

This is the first time that the City of Ames has attempted to utilize tax-increment financing since the new state law on this subject was implemented. If you have questions, we will make every attempt to answer them.

Sincerely,

Steve Schainker
City Manager

SLS/CK:drv

Enclosure

Appendix D

Notice of public hearing published in the Ames Tribune on December 31, 2008 and mailed to the Affected Taxing Entities.

LEGAL NOTICE

NOTICE IS HEREBY GIVEN that the Ames City Council will hold a public hearing in the Council Chambers at Ames City Hall, 515 Clark Avenue, Ames, Iowa at 7:00 p.m. on January 13, 2009, regarding proposed adoption of an urban renewal plan for Urban Renewal Area Number Five, pursuant to Iowa Code Section 403.5.

The proposed urban renewal area comprises 37 acres of land including Parcel L in the Southwest Quarter of Section 7, Township 83 North, Range 23 West of the Fifth Principle Meridian, and Outlot Z, Four Seasons Park Subdivision. Its eastern boundary abuts the west right-of-way of Interstate 35. The west right-of-way of Interstate 35 is also the eastern corporate boundary of the City of Ames. The Area lies immediately south of Ames Community Development Park, Second Addition and immediately north of Dayton Park Subdivision, Fifth Addition.

The project connects the two dead-end portions of South Bell Avenue as they currently lie within the Ames Community Development Park and Dayton Park Subdivision. The necessary utilities will also be installed and the Area platted for industrial development.

Diane Voss, City Clerk

Appendix E

Owner's letter regarding Ag Use of the property.

January 5, 2009

Dear sirs:

Dayton Park LLC is the owner of two parcels of land addressed as 798 S Bell Avenue in Ames, assigned the Parcel Identification Number of 10-07-325-000, and 799 S Bell Avenue, assigned the Parcel Identification Number 10-07-300-040. These parcels are not "agricultural land" as defined by the Code of Iowa Chapter 403.17.3. Dayton Park LLC consents to these parcels being included in the proposed urban renewal area under consideration by the City of Ames.

Sincerely,


Erben A. Hunziker, Manager
Dayton Park Development, LLC

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE CITY OF AMES, IOWA, BY ADDING A NEW SECTION 24.16 TO ESTABLISH A THIRD TAX INCREMENT FINANCING DISTRICT.

BE IT ENACTED, by the City Council for the City of Ames, Iowa, that:

Section One. The Municipal Code of the City of Ames, Iowa shall be and the same is hereby amended by adding a new Section 24.16 as follows:

“Sec. 24.16. THIRD TAX INCREMENT FINANCING DISTRICT.

The property in the City of Ames Urban Renewal Area Number 5, consisting of :

Outlot Z, Four Seasons Park Subdivision, City of Ames, Story County, Iowa, as shown in Final Plat of record filed June 30, 2006 in Instrument No. 2006-00007849 in the Office of the Story County Recorder, more particularly described as follows: Commencing at the Northeast Corner of said Outlot Z, said point also being the Point of Beginning; thence S 89°22'19" W, 338.67 feet along the northerly line of said Outlot Z, thence S 00°03'06" W, 1314.28 feet along the westerly line of said Outlot Z, thence N 89°21'50" E, 296.41 feet along the southerly line of said Outlot Z, thence N 01°53'33" E, 1315.42 feet along the easterly line of said Outlot Z to the Point of Beginning; said Outlot Z containing 9.58 acres; and

Parcel L, consisting of that part of the Fractional Southwest Quarter of Section 7, Township 83 North, Range 23 West of the 5th P.M., City of Ames, Story County, Iowa described as follows: Commencing at the Northwest Corner of said Fractional Southwest Quarter, said point also being the Northwest Corner of Parcel D as shown and described in Plat of Survey of record filed December 29, 2005 in Instrument No. 2005-00016107 in the Office of the Story County Recorder; thence N 89° 22' 19" E, 1685.26 feet (recorded as S 89° 22' 19" W, 1685.26 feet) along the Northerly line said Parcel D to the Northeast Corner of said Parcel D, said point also being the Point of Beginning; thence continuing N 89° 22' 19" E, 886.37 feet (recorded as S 89° 22' 19" W) along said Northerly line to a point on the Westerly right of way line of U.S. Interstate Highway No. 35; thence S 00° 05' 21" W, 274.33 feet along said Westerly right of way line; thence S 01° 35' 34" E, 800.33 feet along said Westerly right of way line; thence S 05° 32' 51" W, 240.89 feet along said Westerly right of way line to the Northeast Corner of Outlot W in Dayton Park Subdivision Fourth Addition in said City of Ames; thence S 89° 21' 50" W, 928.35 feet (recorded as N 89° 21' 50" E) along said Northerly line to the Southeast Corner of said Parcel D; thence N 01° 53' 33" E, 1315.42 feet (recorded as N 01° 53' 33" E, 1315.42 feet) along the Easterly line of said Parcel D to the Point of Beginning; said Parcel L containing 27.65 acres.

Is hereby made subject to property tax division and special fund provisions of Section 403.19 Code of Iowa”

Section Two. This ordinance shall be in full force and effect from and after its passage and publication as required by law.

Passed this _____ day of _____, 2009.

Diane Voss, City Clerk
001002

Ann H. Campbell, Mayor