

March 9, 2010

Mayor, City Council Members, City Manager,

We are writing this letter to provide some input regarding the LUPP and growth priority areas.

Here are some issues we have with the P&Z Commission Action Form dated February 26, 2010:

Ames Schools:

- SW (primary) growth priority area can provide for 2,308 homes
- NW (secondary) growth priority area can provide for 1,098 homes
- North (not designated as a growth priority area in the LUPP) will provide a maximum of 10 homes sending their children to Ames Schools

At a time when the Ames School District is struggling with staff and programming cutbacks, closing neighborhood schools and other challenges we are looking at another northern expansion that will send money to the Gilbert School District.

Densities:

- SW and NW can accommodate the required 3.75 units per acre
- North may only accommodate just over 2 dwelling units per acre and utilize just over 40% of the land for homes.

The costs related to development in the North appear to be much more expensive to the taxpayers than expansion to the SW.

Fire Station:

- SW/NW will require the Welch Ave station to relocate at a capital cost of \$2,340,000
- North will require a new fire station at a capital cost of \$3,340,000
- A new fire station will require a bond issue supported by 60% of Ames voters.
- The operating costs going forward will be budget neutral for the relocation to the SW.
- The operating costs going forward will be \$1,000,000 per year to add a station in the North.

Again, the taxpayers will be required to approve a large capital expenditure, with far reaching annual cost implications in an area that sends our children to the Gilbert school district.

City Infrastructure Investment in the SW:

- Hwy 30 interchange
- South Dakota turn lane
- New water tower
- The school district has its finest building in this area.

The city has spent millions in infrastructure to enhance the SW and provide access to the NW growth priority areas.

Private Investment in the SW:

It is not the city council's obligation to make investors successful but we do think you have some obligation to support the concepts that prompted the expenditure of millions and millions of private dollars.

Willingness of property owners to make their land available for development:

SW has land available albeit likely not at the same price as purely speculative agricultural ground in an area not identified as a growth priority area by the LUPP.

Long Range Transportation:

- The new plan will not be out until late in 2010.
- In the SW you have Hwy 30, Lincoln Way, Mortenson moving traffic east and west.
- In the SW you have S. Dakota, State, University and S. Duff moving traffic north and south.
- In addition you have the Grand Ave extension and the Dotson extension planned.

This appears to be a huge investment in arterioles and collectors unmatched in other areas.

Protection of Ada Hayden watershed:

The people wishing to develop this land have been the land holders in the area for some time. Couldn't this group just voluntarily reduce phosphorus use in the ag management of this land? Is development really the only way to protect Ada Hayden?

In Summary:

The SW growth priority area has seen significant investment by the city. The Hwy 30 interchange, the South Dakota turn lane, the new water tower are examples. The school district has its finest building in this area. The SW has been designated a growth priority area for many years. The developers paid a premium for land in this area because of its designation as a growth priority area. As you might understand, land costs pale to the cost of improvements. The SW has seen millions and millions in new development of commercial and residential offerings. Children in this area go to Ames schools and if this area eventually extends south past Hwy 30, we have a sharing arrangement with the United school district.

The NW growth priority area will benefit directly from the improvements made in the SW since that will often be the way people in this area move north and south through the city. We assume this is why the NW was designated the secondary growth priority area. Private investors have likely paid a premium for land in this area because of its designation in the LUPP. Developers have not yet invested in improvements here which, as noted above, is far more significant than the land itself. Major infrastructure investment will be required to open this area up for development. Children in this area will attend the Ames School District.

The north expansion has not been designated as a growth priority area. Developers with land holdings in this area likely did not pay the premium that investors in the growth priority areas did. Improvements surround the area. The city will have significant infrastructure costs to make this area available. The children in this area will go to the Gilbert school district.

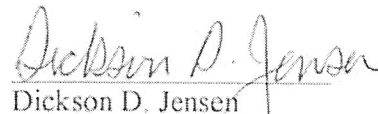
We would like to say a word about the city's incentives surrounding the growth priority areas. If you talk to developers, we don't think the utility over sizing is the primary incentive in a growth priority area. I believe the designation as a growth priority area creates a mindset in you, the decision makers, about how major capital improvements impacting a growth area will proceed. We believe decisions on highway interchanges, overpasses, sewer lines, turn lanes, water towers, fire stations and the like all stem from the mindset created by the designation of growth priority area. The decision makers in the school district watch your actions closely to support their own needs.

We would ask that you consider maintaining the growth priority areas as currently designated in the LUPP. As private investors we have followed your lead and invested mightily of ourselves in your plan. If you have visited the SW lately, you will see that your incentives have worked. Some of the largest private investment has happened lately in the most challenging economic environment.

We trust we are entering a new chapter in the city's growth. Please be mindful of what you have started.

Respectfully submitted,



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