

**COUNCIL ACTION FORM**

**SUBJECT: AMES ECONOMIC DEVELOPMENT COMMISSION REQUEST FOR FUNDING TO CREATE CONCEPTUAL PLAN FOR EAST LINCOLN WAY INDUSTRIAL PARK**

**BACKGROUND:**

The City Council referred to staff the September 27, 2012 letter from the President of the Ames Economic Development Commission (AEDC) requesting \$7,500 from the City to share the cost of creating a conceptual design plan with associated costs to develop a new industrial park east of Highway 35 along E. Lincoln Way.

The discussions to date among the City Council members have focused on the \$4,300,000 needed to extend the infrastructure (water mains and sanitary sewer trunk lines) to the industrial area envisioned in our LUPP. However, the AEDC has indicated that this investment is the first step in creating the necessary environment to attract or expand industries to our community along with their much needed jobs. They have emphasized the need for an industrial park located east of Highway 35 along E. Lincoln Way.

**Prior to developing a strategy for financing such an initiative, it is critical that a conceptual plan for the new park be created and the associated costs be identified. The AEDC is prepared to hire a consulting engineer to accomplish these two tasks. The estimated cost for these tasks is \$15,000. The AEDC is asking the City to share equally in the cost of this consulting work.**

The AEDC would contract directly with the consulting engineer and the City would provide reimbursement for the cost of half of this work up to \$7,500. Funding for this purpose is available within the City Council's Contingency Account.

**ALTERNATIVES:**

1. The City Council can approve the request to share equally in the cost to create a conceptual plan for the new industrial park along with the associated costs.
2. The City Council can deny the request to share equally in the cost to create a conceptual plan for the new industrial park along with the associated costs.

**MANAGER'S RECOMMENDED ACTION:**

Given the fact that the City Council has committed to the goal of economic development and there appears to be an insufficient supply of developable land to accommodate

industrial growth in our community, it seems appropriate to create a conceptual plan that would provide guidance as to how we should develop in an industrial growth area.

In addition, given the fact that the City Council has taken steps to move ahead to develop this area with (1) the authorization to begin design work on the sanitary sewer main to serve the area, (2) the appropriation of funds in the budget to accomplish the infrastructure improvements, and (3) the approved increase in the utility fees to support needed water and sewer extensions, the logical next step would be to create a conceptual plan to assure the most efficient development of the area.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the request from the AEDC to share equally in the cost to create a conceptual plan for the new industrial park along with the associated costs by providing reimbursement up to \$7,500 from the Contingency Account.



*Smart Choice*

September 27, 2012

Mayor Ann Campbell & City Council  
515 Clark Street  
Ames IA 50010

**RE: Industrial Park Analysis – Cost Share Request**

Dear Honorable Mayor and City Council,

The Ames Economic Development Commission thanks you for moving the Eastern Ames Annexation Project forward at your September 11, 2012 meeting. As we identified in our presentation, it is important that we clarify the expectations for this project as it moves forward and minimize the risk of later surprises; therefore we have determined that an Industrial Park Analysis is imperative to the success of this endeavor. The Industrial Park Analysis will consist of a preliminary review of infrastructure items such as the railroad; surface transportation, electric service, natural gas, and soils. The Ames Economic Development Commission has received the attached Agreement for Engineering Services from FOX Engineering. FOX was contacted to prepare this Agreement due to their knowledge of this area and past work on similar studies.

As identified in the attached Agreement, the fee for the Industrial Park Analysis is \$15,000. The Ames Economic Development Commission continues to consider this a necessary step and stands ready to contract with FOX Engineering for this work, however this is a large expense for our organization to accommodate, therefore we respectfully request that the City of Ames pay for half of the amount, \$7,500. We further request that this item be referred to staff, so that they can bring it back before you at your October 23, 2012 meeting.

Thank you for your partnership. You are welcome to call me at 232-2310 if you have any questions or need any clarification.

Sincerely,

A handwritten signature in black ink that reads 'Daniel A. Culhane'.

Daniel A. Culhane, CEcD  
President & CEO