

COUNCIL ACTION FORM

SUBJECT: **RELEASE OF DEVELOPMENT AGREEMENT FOR RENEWABLE ENERGY GROUP PROPERTY AT 416 S. BELL AVENUE**

BACKGROUND:

The City of Ames and Ford Street Development Co., L.C. entered into a development agreement on August 26, 1997 for establishment of the Ames Community Industrial Park, Phase II Tax Increment Finance District.

The development agreement specified a timeframe by which the developer had to construct speculative buildings. The agreement also established minimum assessed valuations in order to finance the public improvements within the subdivision. In addition, the sale prices of vacant land were capped in order to avoid speculative purchases.

Renewable Energy Group (REG) jointly owns, with Hunziker, the property at 416 S. Bell Avenue. REG has occupied the building for a number of years and is seeking to purchase the property outright. Their attorney reviewed the abstract and found that the property is still bound by the terms of the 1997 development agreement. In order to clear this entry, the attorney has requested that a statement expressing that the terms of the agreement have been satisfied be approved by the City Council.

The Finance Director has indicated that the G.O Bond debt associated with this property was issued for this Phase II of the Ames Community Industrial Park. In FY 2004/05 sufficient revenue was collected from the incremental property taxes to pay off all outstanding debt regarding this TIF incentive.

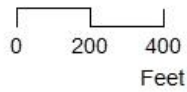
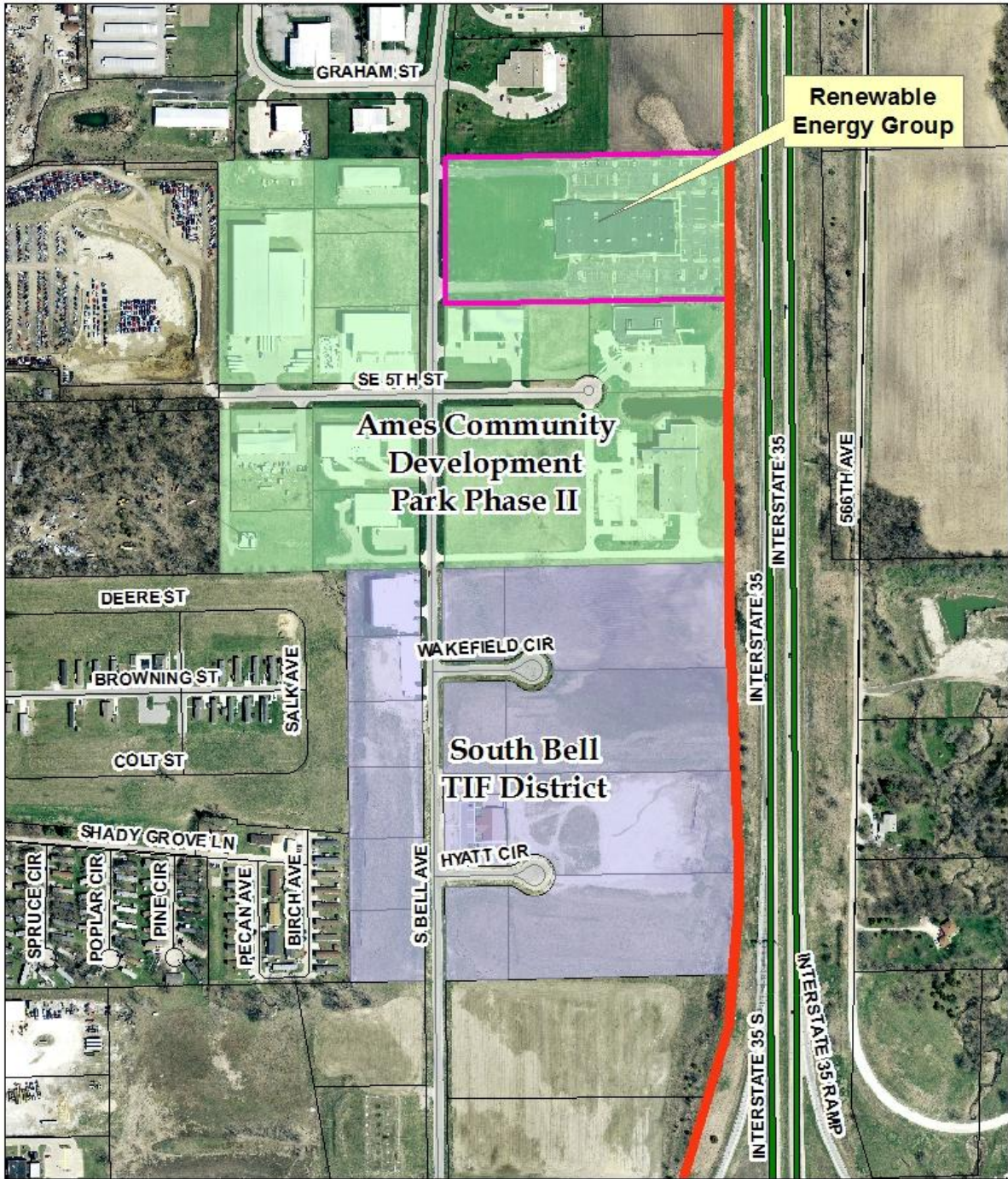
ALTERNATIVES:

1. The City Council can approve the resolution stating that the terms of the 1997 development agreement, as they apply to 416 S. Bell Avenue, have been satisfied.
2. The City Council can deny the request.
3. The City Council can refer this item to staff for further information.



MANAGER'S RECOMMENDED ACTION:

As noted by the City Attorney and Finance Director, the terms of the 1997 development agreement have been satisfied regarding this property, and there is no benefit to the City by retaining the property owner's participation in the terms of the agreement.

Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1, thereby approving the request to release the owner of 416 S. Bell Avenue from the terms of the 1997 development agreement.



Legend

-  Ames City Limits
-  Renewable Energy Group

