

**AGENDA**  
**REGULAR MEETING OF THE AMES CITY COUNCIL**  
**COUNCIL CHAMBERS - CITY HALL - 515 CLARK AVENUE**  
**AUGUST 14, 2018**

**NOTICE TO THE PUBLIC:** The Mayor and City Council welcome comments from the public during discussion. **If you wish to speak, please complete an orange card and hand it to the City Clerk. When your name is called, please step to the microphone, state your name for the record, and limit the time used to present your remarks in order that others may be given the opportunity to speak.** The normal process on any particular agenda item is that the motion is placed on the floor, input is received from the audience, the Council is given an opportunity to comment on the issue or respond to the audience concerns, and the vote is taken. On ordinances, there is time provided for public input at the time of the first reading. In consideration of all, if you have a cell phone, please turn it off or put it on silent ring.

**CALL TO ORDER:** 6:00 p.m.

**CONSENT AGENDA:** All items listed under the consent agenda will be enacted by one motion. There will be no separate discussion of these items unless a request is made prior to the time the Council members vote on the motion.

1. Motion approving payment of claims
2. Motion approving Minutes of Regular Meeting of July 31, 2018
3. Motion approving Report of Contract Change Orders for July 16 - 31, 2018
4. Motion approving new Class C Liquor License for Inside Golf, 2801 Grand Avenue #1075, pending final inspection
5. Motion approving ownership change for Class C Liquor, B Wine, Catering, & Outdoor Service for +39 Restaurant, Market, & Cantina, 2640 Stange Road
6. Motion approving temporary Outdoor Service (for remainder of sidewalk café season) for Olde Main Brewing Company, 316 Main Street
7. Motion approving temporary Outdoor Service Privilege for Sips and Paddy's Irish Pub, 126 Welch Avenue, for the following dates:
  - a. August 24-26, 2018
  - b. September 15-16, 2018
  - c. October 13-14, 2018
8. Motion approving renewal of the following Beer Permits, Wine Permits, and Liquor Licenses:
  - a. Class C Liquor – JJC Ames 1, LLC, 2420 Lincoln Way, Ste. 103 (Fuzzy's Tacos)
  - b. Class E Liquor, C Beer, & B Wine – Kum & Go #1215, 4506 Lincoln Way
  - c. Class C Liquor – El Azteca, 1520 S. Dayton Avenue
  - d. Class C Liquor & Catering – Es Tas Stanton, 216 Stanton Avenue
  - e. Class C Liquor, Catering, & Outdoor Service – Iowa State Center - CY Stephens, CY Stephens, Iowa State University
  - f. Class C Liquor, Catering, & Outdoor Service – Iowa State Center - Fisher Theater, Fisher Theater, Iowa State University
  - g. Class B Beer – Flame-N-Skewer, 2801 Grand Avenue, Ste. #1125
  - h. Class C Beer & B Wine – Hy-Vee Gas #5013, 4018 Lincoln Way
  - i. Class C Liquor – Deano's, 119 Main Street
9. Resolution approving request for financial contribution in support of the "Symposium On Building Inclusive Organizations" event in partnership with the Chamber of Commerce, Iowa

- State University, Ames Human Relations Commission
10. 2018 Byrne Grant:
    - a. Motion authorizing application to be submitted
    - b. Resolution approving Memorandum of Understanding with Story County
  11. Requests from Octagon Center for the Arts for 48<sup>th</sup> Annual Octagon Art Festival on Sunday, September 23:
    - a. Motion approving blanket Temporary Obstruction Permit and blanket Vending License for Central Business District
    - b. Resolution approving closure of portions of Main Street, Burnett Avenue, Kellogg Avenue, and Douglas Avenue from 6 a.m. to 6 p.m.
    - c. Resolution approving waiver of fees for blanket Vending License and usage of electricity
  12. Requests from Campustown Action Association for First Friday in Campustown on Friday, August 24:
    - a. Motion approving blanket Temporary Obstruction Permit
    - b. Resolution approving closure of Lot Y and five metered parking spaces on Chamberlain Street from 12:00 p.m. to 9:00 p.m.
    - c. Resolution approving waiver of parking meter fees and enforcement and waiver of fee for usage of electricity
  13. Resolution approving Change Order No. 2 to the Engineering Services Agreement with Strand Associates of Madison, Wisconsin, to provide Construction Phase Services for the WPC Digester Pumps, Piping, and Values Replacement Project in an amount not to exceed \$217,000
  14. Resolution approving renewal of Contract with EMC Risk Services, LLC, of Des Moines, Iowa, to provide third-party administration of the City's Worker's Compensation and Municipal Fire and Police "411 System" claims for August 1, 2018 through July 31, 2019, at a cost not to exceed \$55,000
  15. Resolution awarding contract to Primoris Aevenia, Inc., of Johnston, Iowa, for Furnishing and Installation Services for 69kV UG Power Cable for Top-O-Hollow Substation
  16. Resolution awarding contract to The Baker Group of Ankeny, Iowa, for Installation of WPC Security Camera Replacement in the amount of \$64,662
  17. Resolution accepting completion of Year 5 of Lime Sludge Disposal Contract
  18. Resolution approving Plat of Survey for 3600 and 3898 University Boulevard

**PUBLIC FORUM:** This is a time set aside for comments from the public on topics of City business other than those listed on this agenda. Please understand that the Council will not take any action on your comments at this meeting due to requirements of the Open Meetings Law, but may do so at a future meeting. The Mayor and City Council welcome comments from the public; however, at no time is it appropriate to use profane, obscene, or slanderous language. The Mayor may limit each speaker to five minutes.

**ORDINANCES:**

19. Repassage of ORDINANCE NO. 4365 pertaining to exceptions and hardships to Rental Concentration Cap (vetoed by Mayor)
20. Second passage of Ordinance creating Campustown Self-Supporting Municipal Improvement District (SSMID)

21. Second passage of ordinance to allow dry cleaning and laundry facilities to be located in Highway-Oriented Commercial Zone by Special Use Permit
22. Third passage and adoption of ORDINANCE NO. 4366 revising Rental Cap Ordinance regarding Letters of Compliance for duplexes

**FINANCE:**

23. Resolution approving Official Statement for General Obligation Corporate Purpose Bonds, Series 2018A; setting date of sale for August 28, 2018, and authorizing electronic bidding for the sale
24. Resolution supporting the submittal of an application from SmartAg requesting economic development assistance from endorsing Iowa Economic Development Authority with local match to be provided in the form of a \$50,000 forgivable loan

**FIRE:**

25. Staff Report on Permitting Software Payment Options

**PLANNING & HOUSING:**

26. Staff Report regarding request by Fareway Stores, Inc., to initiate Neighborhood Commercial Zoning Text Amendments

**PUBLIC WORKS:**

27. Staff Report on Public Outreach Plan and Cross Section Details for Welch Avenue Reconstruction

**HEARINGS:**

28. Hearing on Notice of Intent to Commence the 2008/09 Water Systems Improvements: East Pressure Zone Loop:
  - a. Resolution approving Notice of Intent to acquire property for the project
29. Hearing on rezoning of 1801-20th Street and 2008-24th Street (Northcrest) from High-Density Residential (RH) to Planned Residence District (F-PRD):
  - a. First passage of ordinance
  - b. Resolution approving Mutual Release of Development Agreement
30. Hearing on Major Site Development Plan for 1801-20th Street and 2008-24th Street (Northcrest):
  - a. Resolution approving Major Site Development Plan

**DISPOSITION OF COMMUNICATIONS TO COUNCIL:**

**COUNCIL COMMENTS:**

**ADJOURNMENT:**

**Please note that this Agenda may be changed up to 24 hours before the meeting time as provided by Section 21.4(2), *Code of Iowa*.**

## MINUTES OF THE REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

JULY 31, 2018

The Regular Meeting of the Ames City Council was called to order by Mayor John Haila at 5:02 p.m. on July 31, 2018, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law. Present were Council Members Bronwyn Beatty-Hansen, Gloria Betcher, Amber Corrieri, Tim Gartin, and Chris Nelson. Council Member David Martin was absent. *Ex officio* Member Allie Hoskins was also present.

Mayor Haila announced that under Consent Agenda No. 26, the amount of the contract to Emerson Process Management Power for the Parts for the Distributed Control System, should be \$55,671. Also, staff had pulled Item No. 27, the contract for Furnishing and Installation Services for the 69kV UG Power Cable for the Top-O-Hollow Substation.

**CONSENT AGENDA:** Council Member Nelson requested to pull, for separate discussion, Item No. 28, the Contract for LED Luminaires Supply for Electric Distribution..

Moved by Gartin, seconded by Betcher, to approve the following items on the Consent Agenda:

1. Motion approving payment of claims
2. Motion approving Minutes of Regular Meeting of July 10, 2018, and Special Meeting of July 17, 2018
3. Motion approving certification of Civil Service applicants
4. Motion approving Report of Contract Change Orders for July 1 - 15, 2018
5. Motion approving 5-day (Aug. 4-8) Class C Liquor License & Outdoor Service for Gateway Market at ISU Alumni Center, 420 Beach Avenue
6. Motion approving 5-day (Aug. 11-15) Class C Liquor License & Outdoor Service for Gateway Market at ISU Alumni Center, 420 Beach Avenue
7. Motion approving 5-day (Aug. 25-29) Class C Liquor License & Outdoor Service for Gateway Market at ISU Alumni Center, 420 Beach Avenue
8. Motion approving 5-day (Aug. 4-8) Class C Liquor License & Outdoor Service for Your Private Bartender at Reiman Gardens, 1407 S. University Boulevard
9. Motion approving 5-day (Aug. 9-13) Class C Liquor License for Olde Main Brewing Company at Reiman Gardens, 1407 S. University Boulevard
10. Motion approving temporary transfer on August 12, 2018, for Class C Liquor, Class B Wine, & Outdoor Service for Della Viti from 323 Main Street # 102 to 500 block of Main Street for Farm to Table Supper (replacing 5-day liquor license issued to Ames Main Street Farmers' Market)
11. Motion approving renewal of the following Beer Permits, Wine Permits, and Liquor Licenses:
  - a. Class C Liquor – Sportsman's Lounge, 123 Main Street
  - b. Class E Liquor, C Beer, & B Wine – AJ's Liquor II, 2515 Chamberlain St.
  - c. Special Class C Liquor – HuHot Mongolian Grill, 703 S. Duff Ave., Ste. #105
  - d. Class C Beer – HuaChao Snacks, 127 Welch Ave.
  - e. Class C Liquor, Catering, & Outdoor Service – Cyclone Experience Network, Jack Trice Stadium
  - f. Class C Liquor & Catering – Olde Main Brewing Co., 316 Main Street
  - g. Class C Liquor, B Native Wine, Catering, & Outdoor Service – The Mucky Duck Pub, 3100 South Duff Ave.

- h. Special Class C Liquor & Outdoor Service – India Palace, 120 Hayward Ave.
- 12. RESOLUTION NO. 18-436 adopting revised Investment Policy
- 13. RESOLUTION NO. 18-437 approving Investment Report for Fiscal Year ending June 30, 2018
- 14. RESOLUTION NO. 18-438 approving Encroachment Permit for monitoring wells 122 North Oak Avenue
- 15. RESOLUTION NO. 18-439 approving Encroachment Permit for fenced sidewalk café area at 2302 Lincoln Way
- 16. RESOLUTION NO. 18-440 approving Contract for Services with Ames Economic Development Commission for Workshop Development Program in an amount not to exceed \$15,000
- 17. RESOLUTION NO. 18-441 accepting 2017 U. S. Department of Justice Edward Byrne Grant
- 18. RESOLUTION NO. 18-442 approving Agreement with The Ames Foundation to provide construction management services for the Miracle League Field and Inclusive Playground project
- 19. Watershed Management:
  - a. RESOLUTION NO. 18-443 terminating 28E for Keigley Branch Watershed Management Authority
  - b. RESOLUTION NO. 18-444 approving 28E Agreement creating Headwaters of the South Skunk River Watershed Management Authority
- 20. RESOLUTION NO. 18-445 approving 18-month extension to Airport Hangar Land Lease with Hap's Air Service until June 30, 2019
- 21. RESOLUTION NO. 18-446 approving bow hunting within the Park System, on City property, and at other eligible property as detailed in Urban Deer Management Ordinance and rules
- 22. RESOLUTION NO. 18-447 approving closure of portion of Hayward Avenue, between Mortensen Road and Storm Street, from 6:00 a.m. to 4:00 p.m. for 2018 Big 12 Conference Cross Country Championships on Friday, October 26, 2018
- 23. RESOLUTION NO. 18-448 approving waiver of Road Race Permit fee for Run for the Roses on Sunday, October 7, 2018
- 24. RESOLUTION NO. 18-449 approving preliminary plans and specifications for 2017/18 Right of Way Restoration; setting August 15, 2018 as bid due date and August 28, 2018 as date of public hearing
- 25. RESOLUTION NO. 18-450 approving preliminary plans and specifications for Power Plant Maintenance Services Contract; setting August 29, 2018, as bid due date and September 11, 2018, as date of public hearing
- 26. RESOLUTION NO. 18-451 waiving Purchasing Policy requirement for competitive bidding for purchase of parts for the DCS System and award a contract to Emerson Process Management Power & Water Solutions, Inc., of Pittsburgh, Pennsylvania, in the amount of \$55,671 with sales taxes to be paid directly by the City to the State of Iowa
- 27. RESOLUTION NO. 18-454 approving contract and bond for 2007/08 Shared Use Path System Improvements (Bloomington to Ada Hayden) (IDOT project)
- 28. RESOLUTION NO. 18-455 approving contract and bond for 2017/18 Low Point Drainage Improvements (Ridgetop Road)
- 29. RESOLUTION NO. 18-456 approving contract and bond for 2016/17 Arterial Street Pavement Improvements - West Lincoln Way
- 30. RESOLUTION NO. 18-457 approving Change Order No. 1 with Communication Data Link, LLC, Grimes, Iowa, for the secondary contract for the Underground Trenching Contract for Electric Services in an amount not to exceed \$33,000
- 31. RESOLUTION NO. 18-458 approving Change Order No. 5 with TEI Construction Services, Inc.; Duncan, South Carolina, for Boiler Maintenance Services Contract for Power Plant in the amount of

\$230,000

32. RESOLUTION NO. 18-459 approving Change Order No. 13 with Ritts Law Group of Alexandria, Virginia, for specialized environmental legal support, analysis, and Iowa DNR Construction Permit preparation work in the amount of \$100,000
33. Boiler Tube Spray Coating and Related Services and Supplies:
  - a. RESOLUTION NO. 18-460 approving contract renewal with Integrated Global Services, Inc., Richmond, VA, for approval date through June 30, 2019, in an amount not to exceed \$350,000
  - b. RESOLUTION NO. 18-461 approving contract and bond
34. RESOLUTION NO. 18-462 accepting completion of Lime Ponds/Ash Ponds Fence Installation
35. RESOLUTION NO. 18-463 accepting completion of 2017/18 Right-of-Way Appearance Enhancements
36. RESOLUTION NO. 18-464 approving Plat of Survey for 2715 and 2721 E. 13<sup>th</sup> Street
37. Reinhart Farm Subdivision, 2221-220th Street, Boone County:
  - a. RESOLUTION NO. 18-465 waiving requirements for installation of public improvements and accepting Covenants pertaining to future annexation, water territory buy-out, and assessment districts and approving Final Plat

Roll Call Vote: 5-0. Resolutions/Motions declared adopted/approved unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**CONTRACT FOR LUMINAIRES SUPPLY FOR ELECTRIC DISTRIBUTION:** Council Member Nelson asked how the specifications are written and how product approval takes place, not just for this bid, but others similar to it. Electric Services Director Donald Kom provided details that had been contained in the 47-page specifications that had gone out to each prospective bidder. He stated that these particular specifications went so far as to list exact manufacturers and models that had to be bid; all bidders bid specific manufactured light. The low bidder met all specifications.

Moved by Nelson, seconded by Betcher, to adopt RESOLUTION NO. 18-453 awarding a contract to Excellence Opto, Inc., of Pomona, California, for LED Luminaires Supply Contract for Electric Distribution in accordance with unit prices bid.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**PUBLIC FORUM:** Merlin Pfannkuch, 1424 Kellogg Avenue, Ames, shared that he was perplexed about the procedures followed to grant approval of the Eastern Industrial Area. He noted that he doesn't understand the actions taken by Council and why they seem to be so unwilling to discuss this project in public. Mr. Pfannkuch alleged that two and one-half years ago, it was added to the budget at the last minute, and no details were provided to the public. Continuing, he stated that, now, two and one-half years later, the public finds out that there may be a hook-up fee. He said that looks to him that no industry is coming out there in the near future. He wants to know when it will be determined what is exactly going to go in there. Mr. Pfannkuch wants a public meeting with Alliant Energy and the Ames Economic Development Commission. It was his opinion that the area in question is not particularly attractive for industries. He is wondering why the City feels that it is going to be so successful that it has to install \$6 million worth of infrastructure.

No one else came forward to speak, and the Mayor closed Public Forum.

**DISCUSSION WITH ASSET VOLUNTEERS REGARDING 2019/20 ASSET PRIORITIES:**

Assistant City Manager Brian Phillips advised that the ASSET volunteers were in the kick-off process for the FY 2019/20 funding cycle. Present were the following City ASSET volunteers: Ashley Thompson, Tim Lubinus, Mary Beth Golemo, and Andrea Rich. Jennifer Schill was absent.

Mr. Phillips stated that the purpose of this meeting was to review the priorities that were set for the current fiscal year and to get direction from the City Council members as to whether they wish to leave the priorities as they now stand or to make modifications to them. The priorities help guide the volunteers in determining where the ASSET dollars should be allocated.

Council Member Betcher asked if the volunteers had found it difficult to use the priority list as it now stands. Ms. Rich said that the City's priorities are the most clear and specific of the various funding sources.

Council Member Gartin noted that one of the agencies that has been funded is Story County Raising Readers; however, he does see a "nice neat" priority that could be used to justify that funding.

Moved by Gartin, seconded by Beatty-Hansen, to modify the priority under #3, Youth Development Services and Activities, to state, "To provide services for social and educational development."

Council Member Betcher shared that one of the issues that she has with #3 is that the Priority is not an action statement like Priority #1 or #2. She doesn't know whether Tim's suggestion is fixing the statement or if he were fixing the statement under the Priority. Council Member Gartin acknowledged that the grammar was not exactly correct. Council Member Corrieri recommended that the bullet point be deleted and the Priority be just the action statement, so it would read, "Provide development services and activities for youth." Mr. Gartin said his preference would be to leave the Priority #3 in its current format, but clarify the sub-point. Council Member Corrieri pointed out that, on Page 2 of the Council Action Form (CAF), recommendations for modifications to the Priorities were listed. She shared that she prefers outcome measurement and feels that Priority #3 should be changed to state, "Provide development services and activities for youth," and use the bullet point that the volunteers had recommended, which is to, "Support research-based solutions to help youth that have been identified as vulnerable." Assistant City Manager Phillips emphasized that the modifications listed on Page 2 of the CAF had been recommended by one individual volunteer; they had not come together as a group to discuss any changes.

Council Member Corrieri said that she would be interested in hearing from the volunteers as to whether they thought that Priority #3, as listed, or the suggestion made by Council Member Gartin moves them towards a more-outcome-based process. She noted that the City Council had expressed a desire to move more towards an outcome-based system, such as what is being done by the United Way. Mr. Lubinus pointed out that the modified text is currently not in the Priority Listing, so if the Council does want that in there, they need to put it in there. Ms. Corrieri said that she believes the Council should be supporting research-based and evidence-based services and practices. She doesn't

necessarily agree that it has to state that it is to help youth who have been identified as vulnerable; but if the Council is truly intent on leaning towards an outcome-based system, it should state that it is to support research-based services.

At the inquiry of Council Member Beatty-Hansen, Mr. Phillips stated that the Scorecard is in use to manage the outcomes measurement. He commented that a key staff member for United Way left over the winter, and that person's departure has delayed the implementation of the Scorecard project for ASSET agencies. Council Member Betcher noted that the volunteers have expressed a need to have more training on the process.

Ms. Corrieri suggested that they incorporate educational and development services in the main heading and then add the bullet point about outcome-based services.

Motion withdrawn.

Moved by Gartin, seconded by Corrieri, to revise the Priority #3 title to read, "Provide services and activities for the social and educational development of youth."

Vote on Motion: 5-0. Motion declared carried unanimously.

Moved by Gartin, seconded by Betcher, to strike the bullet point under Priority #3.

Vote on Motion: 5-0. Motion declared carried unanimously.

Mr. Lubinus noted that Priority #1 specifically stated that there should be emphasis placed on low- to moderate-income persons; however, the other two Priorities do not include that. He asked for clarification as to whether the other two Priorities should also place an emphasis on low- to moderate-income persons. Council Member Corrieri recommended that the language not be added to the other two Priorities. Council Member Beatty-Hansen concurred and said that she did not believe "low- to moderate-income" needed to be stated in Priority #2 or Priority #3.

Regarding Priority #1, Bullet Point 5, Ms. Corrieri noted that the transportation programs are not just for the elderly and families, it is also for disabled persons.

Moved by Corrieri, seconded by Betcher, to strike "for the elderly and families," from Priority #1, Bullet Point 5, which currently reads, "Transportation cost offset programs for the elderly and families."

Vote on Motion: 5-0.

Mr. Phillips asked if it were the Council's intent to place a priority listing of the bullet points under each Priority. Council Member Gartin stated that he preferred not to rank those, as that would allow some flexibility for the ASSET volunteers.

The Council was reminded that the Joint Funders' Meeting will be held on September 13, 2018, at 5:00 p.m. and the Oakwood Road Church, and if possible, it would be helpful for Council members to attend.



**ORDINANCE REVISING RENTAL CAP ORDINANCE REGARDING LETTERS OF COMPLIANCE FOR DUPLEXES:** Moved by Beatty-Hansen, seconded by Corrieri, to pass on second reading an ordinance revising the Rental Cap Ordinance regarding Letters of Compliance for duplexes.

Roll Call Vote: 4-1. Voting aye: Beatty-Hansen, Corrieri, Gartin, Nelson. Voting nay: Betcher. Motion declared carried.

**ORDINANCE PERTAINING TO EXCEPTIONS AND HARDSHIPS TO RENTAL CONCENTRATION CAP (Tabled from July 10, 2018):** The Mayor noted that Council Member Martin had made the motion regarding the definition of bonafide renter; however, he is out-of-town and cannot be present at this meeting. Mayor Haila asked if Council wanted to table this action until there could be a full Council present. At the inquiry of Council Member Betcher, the Mayor replied that, if the item were to be tabled, he would propose that no public input be allowed tonight, but it would be allowed at the date to which this item was tabled. Council Member Beatty-Hansen noted a deadline of September 1, 2018, that was contained in the proposed Ordinance and said that she thought tabling this item would push the process back. It was concurred by a majority of the Council members present that they would work through this item tonight. The Mayor advised that an Ordinance takes four votes in the affirmative to pass; and if there are not four votes to pass, the Ordinance will die.

City Attorney Mark Lambert explained that the Council, at its July 17, 2017 meeting, had requested three revisions to the Ordinance. The changes requested were as follows:

1. Under 13.300(10), Paragraph 1: Establishing that a Letter of Compliance (LOC) obtained under the Rental Cap Exception could not be transferred to a new owner of the property upon the sale of the property.

Mr. Lambert reminded the Council members that they decided not to include the language “or transfer of ownership.”

2. Under 13.300(10)(a)(i): The “building, etc. permit language under the Rental Cap Exception was amended to indicate that only people who had obtained a building/etc. permit on or after October 28, 2016 and prior to “October 27, 2017, would be eligible for the exception.
3. Under 13.399(11)(a)(I): The definition of “abutting side” was amended by replacing the word “includes” with “is” for clarification.

Mr. Lambert noted that the Council had also directed staff to come back with language for a possible amendment that would clarify, under the Rental Cap Exception requirement, that those obtaining a Letter of Compliance under this Exception must be using the property as a bona fide rental in order to renew their LOC, that a property owner who had obtained a LOC even if the Rental Code wouldn't require them to have one, and had a roomer paying rent, would be considered a bona fide rental property. He specifically defined “bona fide” rental, as follows: “A bona fide rental property includes a dwelling, which is the owner’s primary place of residence, with a non-owner occupant who pays rent. Also, upon receipt of a LOC for the property, a LOC may not be renewed after 12 months from

the original approval if the property is not used as a bona fide rental property. Each subsequent renewal of the LOC after the initial 12 months is subject to the property's continued use as a bona fide rental property.

City Attorney Lambert encouraged the Council to think about who exactly would constitute a bona fide renter. He cautioned the Council about defining a family member as not being a legitimate roomer or renter, as he believes it would be difficult for the City to defend an Equal Protection challenge. Also, Mr. Lambert stated that he felt this would be difficult for staff to enforce. Building Official Sara VanMeeteren agreed that enforcement would be challenging for staff.

Council Member Gartin said it made sense to him to try and limit the potential roomer to non-family members. He cited his concern over the statutory language in the Ordinance relating to providing a limitation on familial status. City Attorney Lambert answered that he believed the Ordinance in question was limited to occupancy. It was his opinion that the City is not stating who can or can't live there; it is stating that an owner may obtain a LOC if there is a bona fide renter. He reiterated that it is different than regulating familial status because the City is not limiting who can live there. The Ordinance is stating what constitutes eligibility for an exception for a homeowner.

Mayor Haila commented that the term "bona fide renter" was already in the proposed Ordinance. City Attorney Lambert replied that it was in the Ordinance that is presently under consideration; the addition of the proposed language is just to make it more clear what situations would be included. Ms. VanMeeteren noted that "bona fide rental" was never in the Rental Code. Council Member Beatty-Hansen pointed out that "bona fide rental" only applies to the situation where the property owner wants one roomer in a two-bedroom house. Ms. VanMeeteren stated that if a second roomer were to be added, they would be subject to the requirements of the Rental Code. Council Member Betcher suggested that the statement about a bona fide renter could just be left out. Council Member Beatty-Hansen said that she believes that it would be a "gray area" if that statement is not added. Ms. Betcher commented that the issue for her is that it adds another version of an exception and creates another LOC. Director Diekmann advised that it doesn't create it, but it allows an owner to maintain it because it would have already been established as a rental.

Barbara Pleasants, 516 Lynn Avenue, Ames, offered her opinion that a narrow definition of rental and tenant are both critical for success of the Rental Cap Ordinance. She stated her belief that the 12-month window to demonstrate conversion to rental upon receipt of a LOC was established for crucial reasons: It prevents holding on to a LOC for an indefinite period as insurance for use at some unknown time, and it ensures that this Rental Cap exception would be used only by homeowners who were serious about converting their homes to a rental in the near future. Ms. Pleasants said that would minimize the long-term impact on neighborhood stability. Prior to this latest version, a homeowner with one roomer did not need a LOC, and Ms. Pleasants asked why it is now being proposed for homeowners to use this exception in Cap Neighborhoods to get a LOC. She said she believes that the only reason a homeowner with a roomer would use the exception would be to hold it for the future so that the property could later be converted to a rental and the owner could sell it in the future, which is exactly what they are trying to prevent. Ms. Pleasants suggested the following language to define what is a bona fide rental: One roomer is not a rental and the homeowner should not be able to get a LOC. She said that it should also be stipulated that, by the end of the 12-month period, owners must show that

they have tenants and that they are no longer residing in the home. Ms. Pleasants asked the Council to adopt the definition of bona fide rental that preserves the intent of the 12-month window. The result would be that the number of rentals would not increase after that 12-month window had closed and would finally be working towards achieving the goal of the Cap, which was to prevent conversion to rental.

Leslie Kawaler, 2121 Hughes, Ames, pointed out this exception doesn't necessarily apply only to two-bedroom homes. There could be a family in a four-bedroom home that rents out a room. Ms. Kawaler also noted that an owner of a five-bedroom house with a child as a tenant would qualify, and a LOC could be issued. The owner might make a decision to move out after the 12-month window, but it would already be considered a bona fide rental. The owner can then just hold and use that LOC to convert the property to a rental when the owner is ready to move out. In Ms. Kawaler's opinion, it should at least be required that any tenant be a bona fide tenant - not a close relative of the owner. She respectfully disagreed with the Equal Protection issue. In Ms. Kawaler's opinion, the definition being proposed just underscores the ease with which homeowners could circumvent the intent of this limited exception to the Rental Cap. Ms. Kawaler suggested that the homeowner being required to move out would be a much more straightforward first step to proving that the property has been converted to a rental; otherwise, it makes it too easy to get around the requirement to convert the home to a rental.

Council Member Betcher stated her opinion that this is just one more way to undermine the Cap. It would make it too easy for people who wish to get around the Cap to do so. She is also concerned about the enforcement of this possible amendment. She would like to first vote on this clause being added to the Ordinance prior to voting on the entire Ordinance. Ms. Betcher said that the fact that it would be unknown if a homeowner, who has had one roomer and obtained a LOC, is going to move out and convert the home to a rental; that leads to uncertainty for someone who might want to purchase a single-family home, but doesn't want to live next to a rental property.

Council Member Corrieri stated that she did not anticipate there would be a great number of people who would be obtaining a LOC using the proposed exception to ultimately convert their property to a rental. Ms. Betcher said she did not believe that there would be hundreds of people who would take advantage of the proposed exception, but noted that the purpose of the Cap was to eventually lower the number of rental properties. She felt that, if added, the Council would be undermining its own purpose in creating the Rental Cap Ordinance.

Moved by Betcher, seconded by Beatty-Hansen, to not include this clause in the Ordinance.

Council Member Corrieri questioned why one person living with a relative paying rent, which can be documented, would not be considered a renter. She noted that the *Code* states that the Rental Code doesn't apply, but it doesn't specifically say that it is not a rental. Ms. VanMeeteren explained that without the definition, staff would interpret bona fide to mean something subject to the Rental Code.

Ms. Betcher explained that the clause was added to Section 13.300(10)(a)(5), which states, "Upon receipt of a LOC for the property, a Letter of Compliance may not be renewed after 12 months from the original approval if the property is not used as a bona fide rental property..."

Council Member Corrieri again asked why one person is not considered a renter. Building Official VanMeeteren advised that, without putting the clause in the Ordinance, property owners with one roomer would not be eligible for a LOC. Mayor Haila explained the history on requiring a definition of bona fide rental.

Council Member Nelson noted that this doesn't prohibit people from having a roomer; the proposed Ordinance only affects the Letter of Compliance component.

Vote on Motion: 3-2. Voting aye: Beatty-Hansen, Betcher, Gartin. Voting nay: Corrieri, Nelson. Motion declared carried.

Moved by Beatty-Hansen, seconded by Gartin, to pass on third reading ORDINANCE NO. 4365 pertaining to exceptions and hardships to Rental Concentration Cap. Roll Call Vote: 2-3. Voting aye: Beatty-Hansen, Gartin. Voting nay: Betcher, Corrieri, Nelson. Motion failed.

Moved by Nelson, seconded by Beatty-Hansen, to reconsider that motion. Vote on Motion: 4-1. Voting aye: Beatty-Hansen, Corrieri, Gartin, Nelson. Voting nay: Betcher. Motion declared carried.

Moved by Corrieri, seconded by Nelson, to add the "bona fide clause" to the Ordinance.

Council Member Betcher expressed her opposition to adding it to the Ordinance because it will lead to more rentals, which she believes undermines the purpose of the Cap. It also leads to uncertainty for those who want to purchase a single-family home, but don't want to live next to a rental. However, it is unknown whether the owners of the house next-door have a LOC and may start to rent their home at some point in the future.

Vote on Motion: 4-1. Voting aye: Beatty-Hansen, Corrieri, Gartin, Nelson. Voting nay: Betcher. Motion declared carried.

Moved by Beatty-Hansen, seconded by Gartin, to pass on third reading and adopt ORDINANCE NO. 4365 pertaining to exceptions and hardships to Rental Concentration Cap, as amended (adding the "bona fide clause"). Roll Call Vote: 4-1. Voting aye: Beatty-Hansen, Corrieri, Gartin, Nelson. Voting nay: Betcher. Ordinance declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

**HEARING ON PROPOSED CAMPUSTOWN SELF-SUPPORTING MUNICIPAL IMPROVEMENT DISTRICT (SSMID):** Council Member Gartin asked if a Petition for Remonstrance had been filed. Director Diekmann advised that no Petition for Remonstrance had been filed as of this time.

City Planner Julie Gould advised that staff had verified that the Campustown Action Association Petition for creation of a SSMID included 45.8% of the property owners, which represents 41.8% of the assessed property value. She noted that the *Iowa Code* directs that a SSMID cannot be approved

until 30 days after the public hearing; September 11, 2018, would be the first Council meeting where it could be approved. Ms. Gould also explained that a Petition for Remonstrance could be filed any time between now and the date of the third reading and adoption of the Ordinance.

According to Ms. Gould, staff had created a *Frequently Asked Questions* page on the Planning and Housing Department's Web site to explain, in detail, what a SSMID is, how it works, and related that information to what was submitted by the CAA.

Ms. Gould advised that staff was recommending that the Council pass on first reading the Ordinance establishing the Campustown SSMID and direct staff to prepare a Memorandum of Understanding (MOU) between the City and the CAA.

Mayor Haila opened the public hearing.

Tom Northrop, 1322 Curtiss Avenue, Ames, who is the owner of Pizza Pit, stated that he has been in business since 1976. He noted that if all businesses were in favor, they would all benefit together. Mr. Northrop also commented that if he had a third floor on his business, he might not be in favor of it because the percentage would go up; or if he had a residential area on the third floor, that would encourage him not to support it as well. Generally, if it would keep Campustown cleaner, he would be in favor of it.

Andrew White, owner of 126 Welch Avenue and 2522 Chamberlain Street, Ames, voiced his opposition to the proposal. He believes that the CAA is predominantly comprised of merchants, and he thought initially that a SSMID would primarily benefit merchants. He doesn't want the money to be raised by additional taxes on property owners who already pay a lot for property taxes. He asked why some properties were not included, as he doesn't want to be included either. Mr. White alleged that this proposal will result in him having to pay \$68,000 more/year with this proposal.

Matthew Goodman, 2019 Friley Road, Ames, indicated his support of the SSMID. He noted that the CAA has been working on this for quite some time. Mr. Goodman advised that he owns properties on Welch Avenue and on Chamberlain Street. He commented that Campustown is full of a lot of different kinds of businesses that create synergy; the idea of creating a SSMID is a collective goal that will make the area stronger. Mr. Goodman urged the Council to see the value in the proposal, as it will make Campustown better.

Marilyn Gibbs-Alger, 1104 SE Mill Pond Court, Ankeny, Iowa. Ms. Alger advised that she and her brother Monte Gibbs own the Cranford Apartments at the corner of Lincoln Way and Stanton. They are supportive of the proposal to establish a SSMID.

Ryan Jeffrey, 116 Welch Avenue, Ames, stated that the CAA embarked on this proposal to try to make Campustown a better place. They are trying to bridge the gap between students and the rest of Ames, and to do that, they need to bring the rest of Ames to Campustown. A program like the SSMID will make Campustown better, cleaner, and safer. Mr. Jeffrey feels if this program doesn't happen, they should give up on the idea of bridging that gap. In Mr. Jeffrey's opinion, Campustown needs to be a made true destination. He advised that the funds collected through the SSMID would pay for services,

e.g., snow removal, trash removal. At the inquiry of Council Member Gartin, Mr. Jeffrey advised that they had held at least three public input meetings, reached out via phone and letters, and did everything they could to reach out to every property owner and business owner - not just CAA members - in an attempt to engage them in discussion about the proposal to create a SSMID. Mr. Jeffrey specified that the tax would only be collected from commercial areas. He noted that, per *Code*, residential areas may not be taxed; however, the buildings that have residents on the upper floors will benefit from trash pick-up and snow removal and the area being cleaner. It is also felt that the rate is incredibly equitable between non-mixed-use (\$2.00) and mixed-use buildings (\$5.00).

Mayor Haila noted that they could not collect taxes for at least six years from the Kingland Property as it is already a Tax-Increment Financing (TIF) District. If this initiative is successful and its value is proven, it is believed that they will be more than happy to sign up at the end of their TIF.

At the inquiry of Council Member Betcher, Mr. Jeffrey explained that the only space in churches that can be taxed is any commercial area. They will also be asked for donations, which they have indicated that they will do.

Mr. Jeffrey confirmed, after being questioned by Council Member Nelson, that snow removal would be one of the items paid for out of the SSMID budget, which would offload the expense from the property owners included in the SSMID.

Luke Jensen, 2519 Chamberlain, Ames, stated his opposition to creating the SSMID for the following reasons:

1. Kingland is not included in the area, and 2700 Lincoln Way is not included either. Mr. Jensen believes those two buildings are prominent “flagship” properties, and it is problematic to him that they are not participating.
2. The assessment is disproportionate. The \$5 assessment for mixed-use property is too high. If it were at the \$2 number, he feels it would be more equitable.

Mr. Jensen believes that the creation of a SSMID is only one way to get investment in Campustown; there are other ways. He wants to look for ways that the City could allocate more dollars for services.

Council Member Gartin pointed out that assessment, i.e., \$2 to \$5, relates to the additional burden that the residential component brings to the area. This is an attempt to arrive at equitable distribution based on the usage of the building. Mr. Gartin believes that there is merit in looking at how the building is being used in terms of thinking about the equitable distribution.

Justin Dodge, Hunziker & Associates, 105 S. 16<sup>th</sup> Street, Ames, owner of two properties on Lincoln Way, voiced his support for the establishment of the SSMID. He noted that many people feel that Campustown is pretty dirty and has been for some time. Also, in the winter, snow removal is very spotty.

Andrew White, 126 Welch, Ames, spoke again, stating his belief that customers might impact the area

just as negatively as tenants. He pointed out that he has 14 tenants in properties in the area, but he has hundreds of customers coming and going from his commercial buildings. The customers create much more trash than his tenants create.

Council Member Nelson asked if the actual levy rate will be based on a budget. According to Director Diekmann, on January 1 of every year, the SSMID Board will have to submit a budget to the Council. That will determine the rate; however, it will never go beyond a certain dollar assessment. If the Board wants to increase the levy rate, it may do so only with City Council approval as long as it does not exceed the maximum proposed rate. Mr. Diekmann explained the proposed Ordinance.

The Mayor closed the public hearing.

Moved by Gartin, seconded by Beatty-Hansen, to pass on first reading an ordinance creating the Campustown SSMID.

Council Member Betcher added that, over the last nine years, Main Street Iowa has been encouraging Ames to create a SSMID for the Downtown. City Manager Schainker commented that the creation of a SSMID is not an unusual tool for both smaller and larger cities.

Roll Call Vote: 5-0. Motion declared carried unanimously.

Moved by Betcher, seconded by Corrieri, to direct staff to prepare a Memorandum of Understanding between the City and Campustown SSMID Board prior to approval of a budget for the SSMID.

Vote on Motion: 5-0. Motion declared carried unanimously.

**HEARING ON ZONING TEXT AMENDMENT RELATING TO PROPOSAL TO ALLOW DRY CLEANING AND LAUNDRY FACILITIES IN HIGHWAY-ORIENTED COMMERCIAL ZONE:** Planning and Housing Director Diekmann explained the request for a Zoning Text Amendment to allow dry cleaning and laundry facilities in the Highway-Oriented Commercial zone. He said that staff was recommending that the use be allowed using the Special Use Permit process and that special standards be added to Article XIII to clarify that the use of “Perc” (a toxic chemical) is not allowable within the HOC zoning district.

The public hearing was opened by Mayor Haila.

Kurt Friedrich, 601-6th Street, Ames, stated that he was in favor of the staff’s recommendation. He also noted that the Planning & Zoning Commission had unanimously recommended approval. Mr. Friedrich noted that he had a client interested in establishing a dry cleaning business on Lincoln Way, and in order to facilitate that, this Zoning Text Amendment is needed. He stated that both the buyer and the seller would greatly appreciate the Council suspending the rules for passage of an Ordinance and adopting it at this meeting. By doing so, the seller could get an application before the Zoning Board of Adjustment on August 22 and then begin construction of the project. Without that occurring, another month of construction progress would be lost.

The Mayor closed the hearing after no one else requested to speak.

Moved by Beatty-Hansen, seconded by Betcher, to pass on first reading an ordinance to allow dry cleaning and laundry facilities to be located in Highway-Oriented Commercial Zone by Special Use Permit

Roll Call Vote: 5-0. Motion declared carried unanimously.

Mayor Haila noted that there had been a request that the Council suspend the rules necessary for the adoption of an ordinance.

Moved by Gartin, seconded by Corrieri, to suspend the rules necessary for the adoption of an ordinance.

Council Member Beatty-Hansen expressed her reservation to suspend the rules. Council Member Gartin responded that he had zero feedback from people on this. Also, he pointed out that the Planning & Zoning had considered the benefits to the community and had voted unanimously in favor of it.

Roll Call Vote: 4-1. Voting aye: Betcher, Corrieri, Gartin, Nelson. Voting nay: Beatty-Hansen.

Motion failed due to the lack of a super majority of the Council voted aye.

**HEARING ON MAJOR AMENDMENT TO 2014-18 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) CONSOLIDATED PLAN:** Housing Coordinator Vanessa Baker-Latimer reminded the City Council members that, on May 8, 2018, they had authorized staff to proceed with preparing an Amendment to the 2014-18 CDBG Five-Year Consolidated Plan to incorporate the HOME funds in the amount of \$601,264. At that time, the Council had also set today, July 31, 2018, as the date of public hearing. The Plan needed to go out for another 30-day Public Comment Period, and that has occurred. Ms. Baker-Latimer informed the Council that she was making a change to the proposed budget for the projects, specifically to No. 7 and No. 8. The Council was told that allocations would now be \$12,000 (instead of \$21,000) for the Rehabilitation/Disposition of 241 Village Drive and \$21,000 for the Rehabilitation/Disposition of 3305 Morningside. According to Ms. Baker-Latimer, it is now known that the Morningside property will need more demolition, and the funds needed to be adjusted to account for that.

The Mayor opened the hearing and closed it after no one asked to speak.

Moved by Beatty-Hansen, seconded by Betcher, to adopt RESOLUTION NO.18-466 approving the Amendment to the 2014-18 CDBG Five-Year Consolidated Plan to incorporate the receipt of HOME funding and to change the allocation to \$12,000 (instead of \$21,000) for 241 Village Drive and \$21,000 (instead of \$12,000) for 3305 Morningside.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Beatty-Hansen, seconded by Betcher, to adopt RESOLUTION NO. 18-468 approving the 2014-18 CDBG Five-Year Consolidated Plan, as amended.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.



**HEARING ON PROPOSED 2018/19 COMMUNITY DEVELOPMENT BLOCK GRANT ANNUAL ACTION PLAN (Continued from May 8, 2018):** Housing Coordinator Baker-Latimer said, that due to the new allocation of HOME funding and an increase in CDBG funding, the City Council had continued the hearing on the Annual Action Plan from May 8, 2018, to today. Ms. Baker-Latimer brought the Council's attention to the list of proposed 2018-19 CDBG Program Activities and Expenses, specifically noting the revised allocation amounts.

Mayor Haila announced that the hearing was still open and asked if there was anyone wishing to speak. No one came forward, and the hearing was closed.

Moved by Beatty-Hansen, seconded by Betcher, to adopt RESOLUTION NO. 18-467 approving the revised Action Plan Activities and Expenses, including changing the Rehabilitation/Disposition of 241 Village Drive allocation to \$12,000 and the Rehabilitation/Disposition of 3305 Morningside allocation to \$21,000.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Betcher, seconded by Gartin, to adopt RESOLUTION NO. 18-469 approving the Annual Action Plan, as amended.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

The meeting recessed at 7:30 p.m. and reconvened at 7:41 p.m.

**REQUEST FOR AMENDMENT TO LAND USE POLICY PLAN AND REZONING OF 3125 AND 3115 GROVE AVENUE:** Director Diekmann explained the request from Heath Bullock for the rezoning of the property located at 3115 and 3125 Grove Avenue to accommodate a proposed 4,000-square-foot store for the Sherwin-Williams Company. It is being proposed that a retail paint store be constructed in that location by demolishing the duplex and six-unit apartment building and combining the two parcels into a single parcel. The applicant is requesting the creation of a Convenience Commercial Node in support of the rezoning. Mr. Diekmann informed the Council that, although the request is for rezoning to a commercial zoning designation, use of the property exclusively for commercial would first require a Land Use Policy Plan (LUPP) Future Land Use Map Amendment from High-Density Residential to a commercial designation.

Mr. Diekmann advised that the combined size of the two properties is approximately 0.78 acres. It would have frontage along Grand Avenue, but no access from Grove Avenue.

According to Director Diekmann, the primary land use question is consistency of changing the designation of the site to commercial with the policies of the LUPP for the location of commercial uses. The LUPP does not have a designation for commercial expansion in this area or a policy to consider new "strip commercial" development patterns along arterial roads. Mr. Diekmann advised that the LUPP has clearly defined commercial boundaries for the west side of Grand Avenue as Planned Regional Commercial zoning for the North Grand Mall and Wal-Mart site and for

Community Commercial Node (CCN) zoning for the Northern Lights area. These areas were recognized as part of the commercial services needed to serve North Ames. It was also stated by Director Diekmann that there currently is vacant space available within those areas that might be suitable for the applicant without establishing a new commercial site.

Two options for the Council's consideration were given as follows:

1. Retain the Existing Land Use Policy Plan (LUPP) Designation. Retaining the current designation corresponds to the current land use patterns and the policies of the LUPP for siting of new commercial areas. The Sherman-Williams store would need to consider a location within an already established commercial area.
2. LUPP Map Amendment to Convenience Commercial Node. If this Option were approved, Mr. Bullock would be allowed to submit an application for a LUPP Map Amendment to place a Convenience Commercial Node in the vicinity of the site. Placing a Node in that area would indicate the potential for expansion of commercial use to the east side of Grand Avenue.

According to Mr. Diekmann, it would be highly unusual for the City Council to pursue Option 2 and carve out a new commercial site adjacent to single-family residential zones given the fact that there are other commercial spaces available in the City.

Mr. Diekmann advised that Grand Avenue will not have direct access for commercial uses as it is a restricted access arterial roadway and a State highway subject to Iowa Department of Transportation jurisdiction.

Heath Bullock, 6808 Reed Lane, West Des Moines, Iowa, said that he is working with Sherman-Williams to locate a site for a second store in Ames, which will alleviate the capacity issues of the existing store on Duff Avenue. They have looked at several sites, within Ames and outside of Ames. Mr. Bullock asked for a LUPP Map Amendment to place a Convenience Commercial Node in the vicinity of 3115 and 3125 Grove Avenue. He addressed the possibility of locating on available commercial land west of Grand Avenue. According to Mr. Bullock, there is an existing building, but it doesn't have parking or a loading zone for bringing product to the store twice per week. For the safety of customers and staff, Mr. Bullock stated that they need a different site.

Council Member Gartin asked Mr. Bullock how they would work with residents of the area. Mr. Bullock noted that the store's business hours would be conducive to the residential area. They feel this is a better use of the property, rather than apartments. It was confirmed by Mr. Bullock that the Sherwin-Williams building would be a 4,000-square-foot, single-story, free-standing building.

Council Member Gartin pointed out that if the Sherwin-Williams store is not allowed, it could result in a far more intensive use developing on the site in question in the future. Director Diekmann told the Council that staff is not envisioning a commercial use on this property, so it could stay as is for quite some time.

Council Member Beatty-Hansen noted that if allowed to locate on Grove Avenue, Sherwin-Williams might relocate in the future, but once the zoning is changed, it would open the property for other commercial uses.

Moved by Gartin, seconded by Beatty-Hansen, to retain the existing Land Use Policy Plan designation.

Vote on Motion: 4-1. Voting aye: Beatty-Hansen, Betcher, Corrieri, Gartin. Voting nay: Nelson. Motion declared carried unanimously.

**REQUEST FOR URBAN REVITALIZATION AREA DESIGNATION FOR 127, 121, AND 115 DOTSON DRIVE:** According to Director Diekmann, Hendra Hardi made an inquiry as to whether the City Council would consider creating an Urban Revitalization Area (URA) for his Highway-Oriented Commercial zoned properties along Dotson Drive. Mr. Hardi desires to redevelop the 0.81-acre site with a new multi-tenant commercial building. He is interested in receiving a primary finding of eligibility for creating a commercial URA. Director Diekmann advised that the property at 127 Dotson Drive currently contains a 1,844-square-foot single-story building that was constructed in 1973. The properties at 115 and 121 Dotson are vacant. The property in question is located south of Lincoln Way on the west side of Dotson Drive and inside the boundaries of the Westside Retail Focus Area of the Lincoln Way Corridor Plan.

Mr. Diekmann explained the two options available to the Council:

1. Property Owner Applies for a Commercial Urban Revitalization Area. The property owner would file an application for consideration by the City Council based on the current Commercial Urban Revitalization Area (URA) policies. A site plan and building plans would be included. At the time of application, the City Council would then determine if the project was consistent with City goals for revitalization and what, if any, specific qualifying criteria would apply.
2. City-Initiated URA with Pre-defined Eligibility Criteria. The City Council could initiate creation of an URA for this area that may benefit Mr. Hardi's property on Dotson. This would require the Council to prioritize a review of the area and define the needs for revitalization and what criteria are desirable for revitalization. Currently, there are no defined objectives for the area other than support of commercial zoning for redevelopment.

It was noted by Director Diekmann that, at this time, the City has not established a specific policy or goals for incentivizing revitalization in this area. The City's current commercial policy does apply to HOC land in the area, but does not fully address the property owner's situation of a partially vacant site.

Council Member Nelson noted that he had heard from some residents of the area of the City that they feel under-served.

Moved by Gartin, seconded by Corrieri, to allow the property owner to file an application for a commercial URA for consideration by the City Council, which is Option 1.

Council Member Betcher asked where this would fall in the list of priorities for the Planning staff. Mr. Diekmann stated that establishing a site-specific URA could be a low to moderate level of staff time depending on Council's interests in specific criteria and review of a plan for the site. It would take less time than an overall area option, but may still need to be prioritized as a project for this fall to meet the property owner's interest to look at developing this fall.

Vote on Motion: 5-0. Motion declared carried unanimously.

**REQUEST OF PAUL AND MARGOT ENESS FOR WAIVER OF CITY POLICY TO ALLOW BOUNDARY LINE ADJUSTMENT WITHIN SUBURBAN RESIDENTIAL AREA OF AMES URBAN FRINGE (EAST OF HYDE AVENUE):** According to Director Diekmann, the Enesses own two parcels of land on the east side of Hyde Avenue, abutting the city limits of Ames. The Enesses would like to consolidate their two parcels into a single parcel and to convey portions of the parcels to two abutting owners. Mr. Diekmann advised that the properties along Hyde Avenue lie within the Urban Residential area of the Ames Urban Fringe Plan. Subdivision authority is under the sole review of the City. The Fringe Plan policies require that land be annexed and City services be provided before development or property boundary changes can occur. Paul and Margot Eness have requested that the boundary line adjustment be allowed without annexation as it creates no additional developable lots and would have a benefit to the public of allowing the transfer of land to the Iowa Natural Heritage Foundation to prevent development.

Three options for the Council's consideration were presented, as follows:

1. Follow the existing policies of the Ames Urban Fringe Plan and decline to allow a boundary line adjustment until such time as the properties in question are annexed into the City.
2. Waive the Fringe Policy of not allowing subdivisions or development without prior annexation. This option would allow a Plat of Survey to be prepared and submitted to the City for review by staff and approval by the City Council.
3. Waive the Fringe Policy, but with accompanying Covenants to annex and buy out rural water when requested by the City of Ames.

Clayton Gregg, 4604 Hyde Avenue, Ames, said that he and his wife are part of the requested boundary line change. He believes that staff is stating that, when development occurs, the property needs to be within the City limits of Ames. In all the discussion, Mr. Gregg said that he had not heard any reason why a simple boundary change that would be acceptable in the City would be a problem out in the County. It was also noted by Mr. Gregg that there has been a precedent of allowing a boundary line adjustment without annexation. Mr. Gregg cited the case where the City purchased some street right-of-way by Ada Hayden from property owners in the area in question and changed boundaries, but did not require annexation.

Mr. Gregg cited a portion of the Urban Fringe Plan on Page 38, specifically Policy No. 2, which states that, before development, the property is required to be annexed. Mr. Gregg believes that none of the property owners in the area are interested in development occurring on their properties. He also stated

that, to him, subdividing means dividing the property into smaller parcels. In the Eness proposal, they would be consolidating their property from four parcels into three.

Mr. Gregg encouraged the Council to choose Option 2 and waive the Fringe policies and allow the boundary line adjustment.

Moved by Beatty-Hansen, seconded by Corrieri, to waive the Fringe policies, but with accompanying Agreements to annex and buy-out Rural Water when requested by the City of Ames.

Vote on Motion: 5-0. Motion declared carried unanimously.

**REQUEST FOR ZONING TEXT AMENDMENT RELATING TO HEIGHT LIMIT OF INTERIOR CLIMATE-CONTROLLED MINI-STORAGE FACILITIES ADJACENT TO RESIDENTIAL USES IN HIGHWAY-ORIENTED COMMERCIAL ZONE:** Planner Gould described the request for a Zoning Text Amendment from OnPoint Development to allow for two-story interior climate-controlled facilities to residential where currently only one story is allowed in the Highway-Oriented Commercial (HOC) zoning district. According to Ms. Gould, OnPoint Development is considering redevelopment of 1405 Buckeye Avenue (the former KMart site) and would like to include self-storage as a component of its development. The proposed change by OnPoint is for buildings constructed prior to July 1, 2018, and adjacent to residential zoned property be allowed to have two stories of interior climate-controlled storage units with no exterior building doors for individual storage units.

According to Ms. Gould, mini-storage warehouse facilities are a permitted use in the General Industrial (GI) District. They are allowed by a Special Use Permit in the HOC District. The interior climate-controlled storage use will need to obtain a Special Use Permit in order to exist at 1405 Buckeye Avenue regardless of the approval of a text amendment to change height allowances.

The options available to the Council were explained, as follows:

1. Allow interior climate-controlled mini-storage facilities to be two stories in buildings constructed prior to January 1, 2018, when adjacent to residential zoning and make no changes to the exterior door requirements.
2. Rather than using the term “adjacent,” establish a minimum setback of 50 feet.
3. Eliminate the one-story standard for interior climate-controlled mini-storage facilities.
4. Leave the standard as is with no text amendment.

Moved by Beatty-Hansen, seconded by Corrieri, to approve Option 2: Establish a minimum setback of 50 feet, rather than use the term “adjacent.”

Vote on Motion: 5-0. Motion declared carried unanimously.

**MINIMUM HEIGHT AND FLOOR AREA RATIO STANDARDS IN THE DOWNTOWN SERVICE CENTER (DSC) ZONING DISTRICT:** The Council was reminded by Director

Diekmann that, at its meeting of July 17, 2018, the Council had requested a staff report specifically addressing minimum two-story height and 1.0 Floor Area Ratio (FAR) standards for DSC zoning and a separate staff report from the Transportation Division on the scope of a comprehensive parking study for Downtown. At that meeting, the City Council had stated an intent to revisit the issues of development standards, public amenities (plaza), public parking, and development incentives originally described in the November 14, 2017, staff report.

Mr. Diekmann provided background information on the DCS zoning standards that require a new development to be constructed at a minimum of two stories and with a minimum 1.0 FAR. He noted that the Council recently adopted Downtown Commercial Gateway Zoning for the 100 Block of Kellogg Avenue that included a requirement for two-story buildings, but no FAR requirement. The current standards were adopted in 2000 to further the objectives for the DSC area identified within the LUPP for DSC to be the most intense area of development of the city and to ensure new development is of the same character as the current surroundings. According to Mr. Diekmann, minimum FAR and height standards work together to ensure a consistent two-story appearance of buildings. Mr. Diekmann showed the map of the zoning districts in the Downtown area.

Five options were offered to the Council, as follows:

1. Modify the Minimum 1.0 FAR Requirement. The City Council could consider eliminating this standard in its entirety if the combination of other standards would yield the desired character of development focused along streets. Mr. Diekmann advised that one trade-off of eliminating FAR is its effect on allowing for stand-alone parking lots without a principal use. Staff believes that encouraging private surface parking lots is not supportive of Downtown character and if there is a change in FAR standards, a restriction on new stand-alone parking lots should be maintained.
2. Modify the Minimum Two-Story Requirement. Director Diekmann told the Council that the two-story height requirement is the most important urban design character standard of matching the historic look of Downtown. He said there are three basic approaches to changing the standard: a) Eliminate minimum height requirements. b) Change the two-story standard to only require part of a building to be two stories. c) Change to a minimum building height requirement to match Campustown of a height measured in feet.
3. Modify the Exception Criteria for Either FAR or Height. This approach would make it a case-by-case review with site-specific findings evaluated by the Zoning Board of Adjustment. The criteria could be revised to clarify the intent of when such an exception is appropriate based on the type of use, design, and the context within Downtown.
4. Include Minimum FAR or Height Within URA Criteria. Council could modify zoning standards to allow property owner flexibility, but incentivize more intense development with an amendment to the Urban Revitalization Area criteria.
5. Rezoning of Properties Along 6<sup>th</sup> Street to Neighborhood Commercial.

Director Diekmann advised that the City Council must first determine if it is appropriate to reduce

zoning standards for all projects or re-define the exception process to proceed with a Zoning Text Amendment. Secondly, the Council must articulate a goal for the character of development in the Downtown Area to allow for staff to draft Code changes that reflect the intent for the area.

Council Member Nelson said he personally would have an interest in looking at the minimum two-story requirement, but not necessarily getting rid of the height requirement, along 6<sup>th</sup> Street. He asked to what extent eliminating the height requirement would encourage tall gable roofs. Mr. Diekmann answered that it would encourage them.

Kurt Friedrich, 100-6th Street, Ames, told the Council that the current standards are creating issues for their potential redevelopment of their property along 6<sup>th</sup> Street. Mr. Friedrich suggested that, for the area along 6<sup>th</sup> Street, which seems to be less sensitive to the height requirements desired for Main Street, the FAR and height requirements be waived. He noted that that would be recommending a combination of Option 1 and Option 2 and modifying the DSC by taking those two requirements out. After being asked, Mr. Friedrich replied that the parking requirements are also creating an issue. He prefers keeping the DSC zoning with a modification to eliminate the FAR and height requirements.

Council Member Gartin said that he had not heard from anyone else in this area wanting a change. He asked Mr. Friedrich if he had had any interaction with the Main Street Cultural District. Mr. Friedrich answered that he had not heard from anyone personally, but at the recent Main Street Workshop, several had expressed that the FAR was a hindrance to redevelopment in the area.

Council Member Nelson questioned if there was a potential to hinder redevelopment of certain sites if changes are made to the FAR. He also asked if it would be possible to make some currently non-conforming properties conforming if changes are made. In order to give the Council a sense of what is currently non-conforming structures in the area in question, Mr. Diekmann showed a map noting the existing one- and two-story buildings. He noted that if changes were made, the Council would be lessening the requirements, so more of those buildings would be conforming. Council Member Gartin noted that he wanted to think long-term, not necessarily how things are now.

Council Member Betcher said she was not really interested in changing everything about Downtown. She is much more accepting of allowing changes to the 6<sup>th</sup> Street corridor. Council Member Gartin said that he did not see Main Street redeveloping any time soon.

Council Member Corrieri said she wanted to find a way to encourage redevelopment that the Council wants to see without causing the applicant to jump over a series of hurdles.

Moved by Beatty-Hansen, seconded by Gartin, to direct staff to move forward with Option #3 to modify the exception criteria for either FAR or height and make it a case-by-case review with site-specific findings evaluated by the Zoning Board of Adjustment.

Director Diekmann asked the Council to be specific on the area to be included. Council Member Corrieri voiced her choice to include everything except Main Street. Council Member Betcher said that she wanted only 6<sup>th</sup> Street to be included.

Motion withdrawn.

Moved by Beatty-Hansen, seconded by Corrieri, to direct staff to move forward with Option #3 to modify the exception criteria for either FAR or height, but limit it to properties along 6th Street.

According to Director Diekmann, the change will go before the Planning & Zoning Commission in September. If its recommendation is to approve the changes, staff will move forward to bring the Ordinance to the City Council.

Vote on Motion: 5-0. Motion declared carried unanimously.

**DISCUSSION OF POSSIBLE REVISIONS TO PARKING REGULATIONS ON MCKINLEY DRIVE:** Traffic Engineer Damion Pregitzer stated that the Ames Community School District has requested that staff review the existing parking ordinance along McKinley Drive. There are currently two parking prohibitions for McKinley Drive contained in *Municipal Code* Section 18.33(3):

1. Parking is prohibited on both sides of McKinley Drive from Hayes Avenue to VanBuren Avenue only on days of regular classes at Ames High School between 7:30 and 9:30 AM.
2. Parking is prohibited during the lunch kindergarten pick-up time adjacent to a former driveway on to McKinley Drive that no longer exists.

Bill McGowan, 1325 McKinley Drive, Ames, noted that with the proposed ordinance, there will be no parking allowed in front of his house. The front door of his house is on McKinley. He would prefer that parking be allowed on both sides of McKinley. Mr. McGowan believes there are no existing problems; the problems that caused the Ordinance to be enacted do not exist anymore.

Council Member Corrieri indicated that parking can only be allowed on one side of the street so that emergency vehicles can access the properties.

Council Member Gartin asked if it would be more consistent or inconsistent with the majority of the City if the Council were to allow for parking on both sides. According to Mr. Pregitzer answered that allowing parking on one side of the street is the most consistent throughout the City. He also stated that if parking is allowed on both sides of the street, it would be nearly impossible to allow emergency access.

Moved by Corrieri, seconded by Beatty-Hansen, to direct the City Attorney to draft an ordinance that prohibits parking at all times on the north side of McKinley Drive from Hayes Avenue to McKinley Circle/Court and prohibits parking at all times on the south side of McKinley Drive from McKinley Circle/Court to Northwestern Avenue.

Vote on Motion: 5-0. Motion declared carried unanimously.

**PROPOSED I-35 ENTRYWAY SIGNAGE:** Assistant City Manager Phillips gave the background of this request. City staff is now requesting direction from the City Council whether several of the proposed elements of the project are acceptable. Those issues were described as follows:



Issue No. 1. Is the Council in agreement with the document prepared by The Ames Foundation that outlines the scope.

Moved by Corrieri, seconded by Beatty-Hansen, to adopt RESOLUTION NO. 18-453 approving the proposed funding agreement with The Ames Foundation in the amount of \$20,000.

Roll Call Vote: 5-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Issue No. 2. Is the Council in agreement with the proposed location on the east side of Interstate 35 (I-35) just south of 260<sup>th</sup> Street.

Justin Dodge, speaking on behalf of The Ames Foundation, spoke on how the specific design was chosen. He also advised that representatives of The Ames Foundation need to take the design and proposed location before the IDOT District No. 1 Engineer. According to Mr. Dodge, the Iowa DOT might allow the sign to be located in its right-of-way; however, that is unknown at this time. Discussion ensued about how far from the road the sign would be placed. The main question was if the sign would be minimized visually.

Mr. Dodge informed the Council that the scale of the sign is really not known yet; it may change based on the ending budget. He stated that the Chamber of Commerce Director has indicated that the Chamber would be interested in the fund-raising. Iowa State University has not yet been asked about participating; a meeting has been set.

Moved by Beatty-Hansen, seconded by Corrieri, to approve the location on the east side of I-35 just south of 260<sup>th</sup> Street, thus allowing it to be placed on City property.

Vote on Motion: 5-0. Motion declared carried unanimously.

Issue No. 3. Who maintains the signs.

Moved by Corrieri, seconded by Beatty-Hansen, that the City maintain the sign, providing that some natural disaster doesn't destroy it.

City Manager Schainker noted that he did not want the City to commit to replacing the sign if some sort of disaster destroyed it and it would have to be re-designed.

Vote on Motion: 5-0. Motion declared carried unanimously.

Issue No. 4. Design Concept. City Manager Schainker noted that the Council needed to consider whether the city is willing to take on the ongoing cost for electricity, which could potentially be \$10-25/month. Additional costs would exist for lamp and equipment maintenance and replacement. Mr. Schainker told the Council members that if it were their desire to light the sign, staff would prefer that the sign be lit by solar.

Council Member Corrieri said that she found it a bit strange that the sign would state that Ames is the home of Iowa State University, but it is home to a lot of other things too.

Moved by Gartin, seconded by Beatty-Hansen, to approve the sign design, as presented (not including the lighting).

Vote on Motion: 4-1. Voting aye: Beatty-Hansen, Betcher, Gartin, Nelson. Voting nay: Corrieri. Motion declared carried.

Moved by Corrieri, seconded by Beatty-Hansen, to direct staff to work on an agreement with The Ames Foundation regarding landscaping.

Vote on Motion: 5-0. Motion declared carried unanimously.

Moved by Beatty-Hansen, seconded by Corrieri, to light the sign through the use of solar energy.

Vote on Motion: 5-0. Motion declared carried unanimously.

**SPECIAL EVENT PARKING:** Police Chief Chuck Cychosz reminded the Council members that at their meeting on November 28, 2017, they had requested that City staff provide additional information about the possibility of an ordinance addressing the unique parking problems associated with special events. According to Chief Cychosz, Iowa State University football games are the focal point of this concern.

Council Member Gartin asked if Iowa State had been contacted about the possible changes. He noted that increases in fines would affect its fan base and alumni. Chief Cychosz advised that Iowa State University had been generally in support. He commented that before changes go into effect, additional signage needs to be installed and outreach needs to be done to educate the public on the increased penalties. Staff is suggesting that the effective date of any ordinance of this kind be the fall of 2019 in order to provide adequate time to inform the residents of the change as well as parking violators during this upcoming football season.

Moved by Beatty-Hansen, seconded by Corrieri, to initiate a special parking fine for ISU football games.

Vote on Motion: 5-0. Motion declared carried unanimously.

Moved by Beatty-Hansen, seconded by Corrieri, to approve staff's recommendation of doubling the fine structure during special events, i.e., the cost of illegal parking will be \$40, \$35 if paid in seven days.

Vote on Motion: 5-0. Motion declared carried unanimously.

Moved by Betcher, seconded by Beatty-Hansen, to include the proposed area plus all streets in the area from Hayward to Ash and from Storm to Knapp.

Vote on Motion: 5-0. Motion declared carried unanimously.

Moved by Corrieri, seconded by Beatty-Hansen, to direct that the ordinance take effect in August 2019.

Vote on Motion: 5-0. Motion declared carried unanimously.

**DISPOSITION OF COMMUNICATIONS TO COUNCIL:** Moved by Beatty-Hansen, seconded

by Corrieri, to direct the Mayor to reach out and inform the party requesting the billboard change that the Council is not interested at this time in making a text amendment to allow the movement of a billboard located at 1102 Southern Hills Drive to 901 Airport Road.

Vote on Motion: 5-0. Motion declared carried unanimously.

Moved by Nelson, seconded by Corrieri, to direct staff to place on a future agenda the request from Fareway for a Zoning Text Amendment to Neighborhood Commercial.

Vote on Motion: 5-0. Motion declared carried unanimously.

**ADJOURNMENT:** Moved by Beatty-Hansen to adjourn the meeting at 10:34 p.m.

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Diane R. Voss, City Clerk

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John A. Haila, Mayor



## REPORT OF CONTRACT CHANGE ORDERS

<b>Period:</b>	<input type="checkbox"/>	1 <sup>st</sup> – 15 <sup>th</sup>
	<input checked="" type="checkbox"/>	16 <sup>th</sup> – End of Month
<b>Month &amp; Year:</b>	July 2018	
<b>For City Council Date:</b>	August 14, 2018	

Department	General Description of Contract	Contract Change No.	Original Contract Amount	Contractor/ Vendor	Total of Prior Change Orders	Amount this Change Order	Change Approved By	Purchasing Contact (Buyer)
Public Works	2017/18 Clear Water Diversion Program	1	\$79,850.00	Ames Trenching & Excavating, Inc.	\$0.00	\$-(4,739.00)	T. Warner	MA
Public Works	South Skunk River Basin Watershed Improvements (City Hall Parking Lot)	4	\$948,116.35	Manatt's Inc.	\$65,509.59	\$-(6,761.63)	T. Warner	MA
Public Works	2017/18 Collector Street Improvements (Meadowlane)	1	\$597,815.20	Con-Struct, Inc.	\$0.00	\$31,988.00	B. Phillips	MA
			\$		\$	\$		
			\$		\$	\$		
			\$		\$	\$		

**Applicant License Application ( )**

<b>Name of Applicant:</b> <u>Inside Golf, LLC</u>		
<b>Name of Business (DBA):</b> <u>Inside Golf</u>		
<b>Address of Premises:</b> <u>2801 Grand Ave #1075</u>		
<b>City</b> <u>Ames</u>	<b>County:</b> <u>Story</u>	<b>Zip:</b> <u>50010</u>
<b>Business</b> <u>(515) 290-1290</u>		
<b>Mailing</b> <u>2801 Grand Ave #1075</u>		
<b>City</b> <u>Ames</u>	<b>State</b> <u>IA</u>	<b>Zip:</b> <u>50010</u>

**Contact Person**

<b>Name</b> Carl Markley
<b>Phone:</b> (515) 290-1290 <b>Email</b> carl@perfectgamesinc.com

**Classification** Class C Liquor License (LC) (Commercial)

**Term:** 12 months

**Effective Date:** 09/01/2018

**Expiration Date:** 01/01/1900

**Privileges:**

Class C Liquor License (LC) (Commercial)

Sunday Sales

**Status of Business**

<b>BusinessType:</b> <u>Limited Liability Company</u>
<b>Corporate ID Number:</b> <u>XXXXXXXXXX</u> <b>Federal Employer ID</b> <u>XXXXXXXXXX</u>

**Ownership**
**Carl Markley**

**First Name:** Carl      **Last Name:** Markley  
**City:** Ames      **State:** Iowa      **Zip:** 50010  
**Position:** Stockholder  
**% of Ownership:** 18.00%      **U.S. Citizen:** Yes

**Cael Sanderson**

**First Name:** Cael      **Last Name:** Sanderson  
**City:** State College      **State:** Pennsylvania      **Zip:** 16801  
**Position:** Stock Holder  
**% of Ownership:** 17.00%      **U.S. Citizen:** Yes

**David Wallace**

**First Name:** David      **Last Name:** Wallace  
**City:** Ames      **State:** Iowa      **Zip:** 50014  
**Position:** Manager

% of Ownership: 10.00%

U.S. Citizen: Yes

**Insurance Company Information**

<b>Insurance Company:</b>	<u>Society Insurance</u>	
<b>Policy Effective Date:</b>	<u>09/01/2018</u>	<b>Policy Expiration</b> <u>09/01/2019</u>
<b>Bond Effective</b>		<b>Dram Cancel Date:</b> <u>08/31/2018</u>
<b>Outdoor Service Effective</b>		<b>Outdoor Service Expiration</b>
<b>Temp Transfer Effective</b>		<b>Temp Transfer Expiration Date:</b>

**Applicant License Application ( LC0040413 )**

<b>Name of Applicant:</b> <u>+39 LLC</u>		
<b>Name of Business (DBA):</b> <u>+39 Restaurant, Market, &amp; Cantina</u>		
<b>Address of Premises:</b> <u>2640 Stange Road</u>		
<b>City</b> <u>Ames</u>	<b>County:</b> <u>Story</u>	<b>Zip:</b> <u>50010</u>
<b>Business</b>	<u>(515) 292-0039</u>	
<b>Mailing</b>	<u>7860 NW 46th street</u>	
<b>City</b> <u>Doral</u>	<b>State</b> <u>FL</u>	<b>Zip:</b> <u>33166</u>

**Contact Person**

<b>Name</b> <u>Natallia De Amorim</u>
<b>Phone:</b> <u>(305) 721-3107</u> <b>Email</b> <u>n.amorim@plus39restaurants.com</u>

**Classification** Class C Liquor License (LC) (Commercial)

**Term:**12 months

**Effective Date:** 10/01/2019

**Expiration Date:**

**Privileges:**

Class C Liquor License (LC) (Commercial)

**Status of Business**

<b>BusinessType:</b> <u>Limited Liability Company</u>
<b>Corporate ID Number:</b> <u>XXXXXXXXXX</u> <b>Federal Employer ID</b> <u>XXXXXXXXXX</u>

**Ownership**

**Orfea LLC**

**First Name:**    Orfea

**Last Name:**    LLC

**City:**            Doral

**State:**            Florida

**Zip:**              33166

**Position:**        Member

**% of Ownership:** 100.00%

**U.S. Citizen:** Yes

**Insurance Company Information**

<b>Insurance Company:</b> <u>Society Insurance</u>	
<b>Policy Effective Date:</b>	<b>Policy Expiration</b>
<b>Bond Effective</b>	<b>Dram Cancel Date:</b>
<b>Outdoor Service Effective</b>	<b>Outdoor Service Expiration</b>
<b>Temp Transfer Effective</b>	<b>Temp Transfer Expiration Date:</b>

**Applicant License Application ( LC0033372 )**

<b>Name of Applicant:</b> <u>LJPS, Inc.</u>		
<b>Name of Business (DBA):</b> <u>Olde Main Brewing Company</u>		
<b>Address of Premises:</b> <u>316 Main St.</u>		
<b>City</b> <u>Ames</u>	<b>County:</b> <u>Story</u>	<b>Zip:</b> <u>50010</u>
<b>Business</b> <u>(515) 232-0553</u>		
<b>Mailing</b> <u>316 Main St.</u>		
<b>City</b> <u>Ames</u>	<b>State</b> <u>IA</u>	<b>Zip:</b> <u>50010</u>

**Contact Person**

<b>Name</b> Matt (Scott's # is 515-231-9626)	
<b>Phone:</b> (515) 400-5981	<b>Email</b> mattombc@gmail.com

**Classification** Class C Liquor License (LC) (Commercial)

**Term:** 12 months

**Effective Date:** 08/24/2018

**Expiration Date:** 08/23/2019

**Privileges:**

Class C Liquor License (LC) (Commercial)

Outdoor Service

**Status of Business**

<b>BusinessType:</b> <u>Privately Held Corporation</u>
<b>Corporate ID Number:</b> <u>XXXXXXXXXX</u> <b>Federal Employer ID</b> <u>XXXXXXXXXX</u>

**Ownership**

**Scott Griffen**

**First Name:** Scott      **Last Name:** Griffen  
**City:** Ames      **State:** Iowa      **Zip:** 50010  
**Position:** Owner  
**% of Ownership:** 50.00%      **U.S. Citizen:** Yes

**Daniel Griffen**

**First Name:** Daniel      **Last Name:** Griffen  
**City:** Potomac      **State:** Maryland      **Zip:** 24854  
**Position:** Owner  
**% of Ownership:** 25.00%      **U.S. Citizen:** Yes

**Susan Griffen**

**First Name:** Susan      **Last Name:** Griffen  
**City:** Potomac      **State:** Maryland      **Zip:** 24854  
**Position:** Owner



% of Ownership: 25.00%

U.S. Citizen: Yes

**Insurance Company Information**

<b>Insurance Company:</b> <u>Illinois Casualty Co</u>	
<b>Policy Effective Date:</b>	<b>Policy Expiration</b>
<b>Bond Effective</b>	<b>Dram Cancel Date:</b>
<b>Outdoor Service Effective</b>	<b>Outdoor Service Expiration</b>
<b>Temp Transfer Effective</b>	<b>Temp Transfer Expiration Date:</b>



# MEMO

*Caring People  
Quality Programs  
Exceptional Service*

**7 a-c**

**TO:** Mayor John Haila and Ames City Council Members

**FROM:** Heidi Petersen – Deputy City Clerk

**DATE:** August 10, 2018

**SUBJECT:** Sips and Paddy’s Irish Pub Outdoor Service Privilege Licenses, 126 Welch Avenue

The owner of the Sips and Paddy’s Irish Pub, Andrew White, has applied for three temporary Outdoor Service Privilege Licenses for events on the following dates:

- August 24-26, 2018
- September 15-16, 2018
- October 13-14, 2018

Outdoor Service Privilege License applications through the Iowa Alcoholic Beverages Division do not show the specific date requested for the Outdoor Service Privilege; therefore, each of the applications look identical to each other. This memo is in lieu of the application typically sent to you for liquor licenses.

Mr. White has stated that the events will be located in the parking lot of 126 Welch Avenue. Barricades will consist of a six-foot high chain link fence, and there will be two entrances/exits used. One will be through the main entrance/exit of Sips and Paddy’s Irish Pub, and the other will be an emergency exit located in the parking lot. Twelve security guards will be present for the events. They will be inside both bars, roaming the fenced outdoor area, and stationed at each entrance/exit to check IDs. At peak times, there will be 24 staff members present.

**The Police Department has reviewed the calls for service from the past year including the event dates from last year, and there were no issues or recent violations that would cause concern.** Sips and Paddy’s Irish Pub currently hold a Class C Liquor License.



# MEMO

8a-i

**To:** Mayor John Haila and Ames City Council Members  
**From:** Lieutenant Dan Walter, Ames Police Department  
**Date:** August 14, 2018  
**Subject:** Beer Permits & Liquor License Renewal Reference City Council Agenda

The Council agenda for August 14, 2018, includes beer permits and liquor license renewals for:

- Class C Liquor - LC0042867 - JJC Ames 1, LLC, 2420 Lincoln Way, Ste. 103 (Fuzzy's Tacos)
- Class E Liquor, C Beer, & B Wine - LE0002932 - Kum & Go #1215, 4506 Lincoln Way
- Class C Liquor - LC0032762 - El Azteca, 1520 S. Dayton Avenue
- Class C Liquor & Catering - LC0035738 - Es Tas Stanton, 216 Stanton Avenue
- Class C Liquor, Catering, & Outdoor Service - LC0041979 - Iowa State Center - CY Stephens, CY Stephens, Iowa State University
- Class C Liquor, Catering, & Outdoor Service - LC0041978 - Iowa State Center - Fisher Theater, Fisher Theater, Iowa State University
- Class B Beer - BB0017215 - Flame-N-Skewer, 2801 Grand Avenue, Ste. #1125
- Class C Beer & B Wine - BC0029616 - Hy-Vee Gas #5013, 4018 Lincoln Way
- Class C Liquor - LC0028804 - Deano's, 119 Main Street

A routine check of police records for the past 12 months found no liquor law violations for the above listed businesses. The Police Department recommends renewal of licenses for all the above businesses.

**COUNCIL ACTION FORM**

**SUBJECT: REQUEST TO SPONSOR SYMPOSIUM ON BUILDING INCLUSIVE ORGANIZATIONS**

**BACKGROUND:**

Cities across the country have seen increased incidents of racism, vandalism, and violence, especially to persons from various ethnic groups and religions. Unfortunately, the City of Ames has not escaped these types of issues or situations.

To address these issues and other discriminatory practices, the City Council created the Ames Human Relations Commission. The Commission is charged with conducting educational activities, and participating in or sponsoring community events that promote good will among various racial, religious, and ethnic groups and minimize or eliminate discriminatory practices.

The Ames Chamber of Commerce and the Iowa State University of Diversity and Inclusion are hosting “A Symposium on Building Inclusive Organizations” event that will provide practical strategies for business development and community engagement. The event will be held on October 31<sup>st</sup> at the Gateway Conference Center. The preliminary budget for the event is approximately \$37,000. **The City of Ames and the Human Relations Commission are being asked for financial support for this event.**

Each primary partner is asked to contribute \$5,000 towards the cost of hosting the event to cover Breakfast, Honorariums, Speaker Fees, Lunch, Marketing & Promotion and Signage/Staging. A registration fee will be required (to be determined before registration opens) along with the opportunity for other sponsorship levels at \$2,000, \$1,000 and \$500. The \$5,000 contribution will include 10 tickets for each contributing organization. The \$5,000 contribution could be divided between Council Contingency (\$4,000) and the Commission’s budget (\$1,000).

The Symposium has been discussed regularly at Human Relations Commission meetings in the past several months as plans are developed. The Commission’s FY 2018/19 budget includes funding for the Symposium.

**ALTERNATIVES:**

1. Authorize the expenditure of \$5,000 in support of the Symposium on Building Inclusive Organizations event, of which \$4,000 will come from the City Council’s Contingency Account and \$1,000 from the Human Relation Commission’s budget.
2. Do not authorize financial support for the event.

**MANAGER'S RECOMMENDED ACTION:**

City staff, along with the Human Relations Commission, feels this symposium provides an opportunity for the City and Commission to partner with other groups and organizations to address these important community issues. The goals of this symposium are in alignment with the mission of the Human Relations Commission.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby authorizing the expenditure of \$5,000 in support of the Symposium on Building Inclusive Organizations event from the sources identified above.

**COUNCIL ACTION FORM**

**SUBJECT: 2018 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT**

**BACKGROUND:**

On July 23, 2018, the Ames Police Department received notice that it is eligible for grant funds through the 2018 Department of Justice, Office of Justice Programs, Bureau of Justice Assistance Edward Byrne Memorial Justice Assistance Grant (JAG) Program. Applications are due August 22, 2018.

Grant funds can be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, and information systems for criminal justice, as well as research and evaluation activities that will improve or enhance law enforcement programs related to criminal justice.

Because the Story County Sheriff provides jail services for the county, the grant conditions require that the Sheriff participate in the grant application for funding under this JAG program. The Police Department proposes that the City enter into a Memorandum of Understanding with the Story County for acquisition and use of the funds.

Total funding potentially available to the Ames Police Department and the Story County Sheriff's Office through this grant offering is \$11,334. This year the two law enforcement agencies propose to use the funds in a project to improve security and access to the local public safety network. The public safety network provides dispatching, vehicle location, communications, report writing, jail management, and data management functions. The network includes the Ames Police Department, the Story County Sheriff's Office, Story County Conservation officers, and Iowa State University Police. Other emergency response agencies, including Ames Fire and Mary Greeley Medical Center, utilize the mobile dispatch and vehicle location functions of the public safety network.

Access to the network is currently regulated by the participating agencies through the use of NetMotion, a software application that manages both connectivity and security. Since the origin of the network, each of the agencies has managed access from outside the network, independent of each other. As the network has become more complex, members have determined that centralized management of this function will enhance security, standardize procedures, provide redundancy for all agencies, and coordinate and balance network access. Funding available from this grant will be used to hire a consulting service to review, recommend and implement needed security upgrades and to purchase the additional software necessary to achieve that goal.

The conditions of this year's grant require that the City Attorney and the Chief Executive of the City certify that there is no conflict between the City's actions and certain federal policies, most notably those policies that deal with communication between local government agencies and the Department of Homeland Security including Immigration and Customs Enforcement. **First introduced as a requirement of last year's grant, the City Attorney has reviewed these**

**required certifications and assurances to determine that no conflict exists.** These materials are included as an attachment to this Council Action Form.

There is no match requirement with this grant.

**ALTERNATIVES:**

1. Approve a Memorandum of Understanding with Story County to apply for grant funding under the 2018 Department of Justice, Office of Justice Programs, Bureau of Justice Assistance Edward Byrne Memorial Justice Assistance Grant (JAG) Program, and authorize application for that grant.
2. Do not approve the agreement with the Story County or the Edward Byrne Memorial Justice Assistance Grant (JAG) Program grant application.

**MANAGER'S RECOMMENDED ACTION:**

JAG funds have been used productively during the past few years to purchase equipment and provide training. The program has proven to be a valuable source of funds for special purchases and programs.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving an agreement with Story County to develop and apply for a grant funding under the 2018 Edward Byrne Memorial Justice Assistance Grant (JAG) Program, and authorizing application for that grant.

**COUNCIL ACTION FORM**

**SUBJECT:** OCTAGON ART FESTIVAL REQUESTS

**BACKGROUND:**

The Octagon Center for the Arts plans to host the 48<sup>th</sup> Annual Art Festival in the Ames Main Street Cultural District (MSCD) on Sunday, September 23, 2018. The event is scheduled to begin at 10:00 a.m. and conclude at 4:00 p.m. Booths selling art works, crafts, and food items will be in operation that day.

To facilitate this event, the following items are requested:

1. Closure of the following streets, from 6:00 a.m. to 6:00 p.m.:
  - a. Main Street, east of Clark (not blocking Wells Fargo Driveway) to just west of Duff Avenue (allowing traffic to access parking lot behind businesses)
  - b. Douglas Avenue, 5<sup>th</sup> Street to Main Street
  - c. Kellogg Avenue, 5<sup>th</sup> Street to Main Street
  - d. Burnett Avenue, south of the alley to Main Street
2. Waiver of costs for electricity during the event (estimated at \$10)
3. Approval of a Blanket Temporary Obstruction Permit for the Central Business District
4. Approval of a Blanket Vending License for the duration of the event
5. Waiver of fee for Blanket Vending License (\$50)

Insurance coverage for the event has been provided by The Octagon Center for the Arts. Notification signs will be placed on parking meters on Saturday evening after 6:00 p.m. Since the event occurs on a Sunday, there is no potential loss of parking meter revenue. Public Works will provide the necessary barricades for the street closures. A noise permit will be obtained through the Police Department.

The Main Street Cultural District has been informed of the Art Festival and is in support of it. Additionally, Octagon staff has contacted affected businesses door-to-door. Signatures confirming the notification have been obtained from nearly all affected businesses. Fewer businesses are open in the downtown area on Sundays compared to other days of the week.



**ALTERNATIVES:**

1. Approve the requests from The Octagon Center for the Arts for the Art Festival on September 23, 2018, including: closure of various streets from 6:00 a.m. to 6:00 p.m., blanket Vending License and waiver of fee for Vending License, Blanket Temporary Obstruction Permit for sidewalks adjacent to closed streets, and waiver of costs for electricity during the event.
2. Approve the requests, but require payment for the Blanket Vending License and reimbursement for electricity use.
3. Deny these requests.

**MANAGER'S RECOMMENDED ACTION:**

This is the 48<sup>th</sup> year that the Octagon has held the Art Festival. There will be more than one hundred artists on hand with unique, hand-crafted artwork for sale, live entertainment, and local food vendors. No admission is charged, and Festival organizers expect 12,000 people to attend. The Main Street Cultural District has expressed its full support of the event.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the requests from The Octagon Center for the Arts for the Art Festival on September 23, 2018.



## SUMMARY OF EVENT

### DESCRIPTION

Event Name Octagon Art Festival

Description

The 48th Octagon Art Festival will take place in downtown Ames on Sunday, Sept 23 from 10 am - 4 pm.

Visual arts, children’s art areas and performing arts form the foundation of the Octagon Art Festival. More than 12,000 people attend our festival. 100 professional artists from across the Midwest will display high-quality original artwork for sale in a wide variety of media. Live entertainment from area bands and performers are also featured throughout the day. Approximately 12 food vendors will offer a wide variety of food options. The festival is held outdoors on pavement, rain or shine.

- Event Category
- Athletic/Recreation
  - Exhibits/Misc.
  - Festival/Celebration
  - Parade/Procession/March
  - Concert/Performance
  - Farmer/Outdoor Market
  - Other (please explain)

Anticipated Attendance Total 12,000 Per Day 1 day

### DATE/TIME

Setup Date Sept 23, 2018 Time 5 or 6 am Day of Week Sunday

Event Starts Date Sept 23, 2018 Time 10 am Day of Week Sunday

Event Ends Date Sept 23, 2018 Time 4 pm Day of Week Sunday

Teardown Complete Date Sept 23, 2018 Time 6 pm Day of Week Sunday

Rain Date, if applicable same day, rain or shine

Rain Location, if applicable \_\_\_\_\_

## LOCATION

- Region**  
(Select one or more)
- Main Street Cultural District (Downtown)
  - Campustown District
  - Iowa State University Property
  - City Parks
  - Other (please explain) \_\_\_\_\_

**Please note** that events occurring in the Downtown, Campustown, in City parks, or on ISU property require prior approvals. A letter of support will be required from CAA if the event occurs in Campustown or from MSCD if the event occurs in Downtown. Please contact the appropriate office well in advance:

-  
Downtown - Main Street Cultural District: (515) 233-3472                      events@amesdowntown.org  
Campustown - Campustown Action Association: (515) 450-8771              director@amescampustown.com  
Iowa State University - Events Authorization Committee: (515) 294-1437      eventauthorization@iastate.edu

## CONTACTS

**Host Organization** Octagon Center for the Arts

<b>Local Contact</b> (Required)	<b>Name</b>	<u>Heather Johnson</u>
	<b>Address</b>	<u>427 Douglas Ave</u>
	<b>Telephone</b>	<u>515-232-5331</u>
	<b>Cell Phone</b>	<u>515-291-8512</u>
	<b>Email</b>	<u>director@octagonarts.org</u>

**At least ten business days prior to the event, Organizer must submit Emergency Contact List, including names and numbers of all coordinators, volunteers, and location assigned to each.**

**Yes No**

- Is this an annual event? How many years have you been holding this event? \_
- Is this event open to the public?
- Is your event being held in conjunction with another event (e.g. *Farmers' Market, 4th of July*, etc.)?

If yes, please list

This is the 48th annual Octagon Art Festival. (formerly Art in the Park). It has been located in downtown Ames Main Street Cultural District since 2003.

# OCTAGON

## CENTER FOR THE ARTS

Octagon Center for the Arts • 427 Douglas Ave. Ames, IA 50010 • 515.232.5331 • [www.octagonarts.org](http://www.octagonarts.org)

July 18, 2018

Mayor and City Council  
515 Clark Ave.  
Ames, IA 50010

Honorable Mayor and City Council,

On Sunday, September 23, the Octagon Center for the Arts is hosting the 48th Annual Octagon Art Festival in Downtown Ames Main Street Cultural District.

The purpose for the celebration is: ***An event to showcase the various artists representing the creative talent in Ames and the Midwest, to celebrate the richness and enjoyment that art provides through visual expression, highlight the beauty of Ames' community and people while sharing the wonderful Downtown Ames experience with visitors from all over Iowa and neighboring states.***

The Octagon Arts Festival will officially begin Sunday, September 23 at 10 a.m. and conclude at 4 p.m. Octagon staff members have already notifying businesses on Main Street about street closures for this festival.

### Sunday, September 23: Octagon Art Festival

5 or 6 am: Setup, barricades setup to close streets in downtown

10 am: festival open to public

4 pm: festival closes to public, teardown

6 pm: streets cleared of artists, streets reopen

Following is a list of specific Octagon Arts Festival requests for consideration by the Ames City Council:

### Closed Streets

The following street closures are requested to cover from 6 am - 6 pm on September 23. **(Please view map)**

- Main Street will be closed from just East of Clark (not blocking Wells Fargo driveway) to just West of Duff Avenue, allowing traffic to access parking lot behind businesses.
- Douglas Avenue will be closed up to 5th Street.
- Kellogg Avenue will be closed up to 5th Street (still allows garbage transportation through alley way)
- Burnett Avenue will be closed just past the Alley (still allows garbage transportation through alley way).
- Barricades are requested for all intersections. Barricades will be staffed at all times after their placement.

Octagon event volunteers will man barricades to facilitate the flow of emergency vehicles if need be.

### **Utilities**

•Costs for electricity needed for the Arts Festival are requested to be waived. This involves electricity from City facilities on Main Street, Douglas Avenue, Kellogg Avenue, and Burnett Avenue, including connection costs.

### **Blanket Temporary Obstruction Permit**

•A temporary obstruction permit is requested for the central business district to allow businesses to be included in the festival atmosphere and display merchandise in front of the stores, obstructing a portion of the sidewalks. Artists and vendors will be setting up booths in the streets, allowing enough room down center of street for traffic of emergency vehicles should they be needed.

### **Noise Permit**

•A noise permit is being requested to allow the playing of music, as well as other entertainment, in the Downtown Area from 10 a.m. on Sunday, September 23, through 4 p.m. Two entertainment areas will be set up. Main Entertainment Area near Tom Evans Park. Smaller entertainment area will be located at Main and Douglas, near Cynthia Duff Walkway.

### **Food Vending Permit**

Approximately ten-twelve food vendors will be offering culinary options to festival visitors. Focal area for the food vendors will be centered in the Kellogg and Main Street intersection.

- The Octagon is requesting that the food vending fee be waived.
- The Octagon is also requesting about 6-8 picnic tables from Park and Rec to be used near the food vendor area along Kellogg.

### **Small Banner display**

• The Octagon is again requesting to place approximately 5 or 6 vinyl banners that are 3 ft by 5 ft in size at the street corner pylons along Main Street intersections. Both the Main Street Cultural District and the Octagon have displayed these banners in past years to promote public events taking place in the Main Street Cultural District. These banners would be securely installed, with zip ties, at end of August and promptly taken down day after event.

On behalf of the Octagon Center for the Arts, we appreciate the City of Ames supporting artistic and cultural experiences such as the Octagon Art Festival. We invite the mayor and city council members to stop by the festival on Sunday, September 23 from 10 am – 4 pm in downtown Ames.

Much gratitude,



Heather Johnson  
Executive Director  
Octagon Center for the Arts  
427 Douglas Avenue  
Ames, IA 50010

**COUNCIL ACTION FORM**

**SUBJECT:**           **REQUESTS FOR FIRST FRIDAY IN CAMPUSTOWN**

**BACKGROUND:**

The Campustown Action Association (CAA) plans to hold a new event called First Friday in Campustown from 4:00 p.m. to 8:00 p.m. on Friday, August 24, 2018. The event is designed to welcome students and newcomers to Campustown and Ames. Attendees will explore Campustown through a passport of "deals" to area businesses. Businesses will offer special deals, pricing and giveaways to passport holders. Once participants have accumulated enough stamps, they can enjoy a root beer float and sign up for prize drawings.

- Organizers plan to have a tent placed in Lot Y, and plan to close the lot from 12:00 p.m. to 9:00 p.m. They are also requesting the closure of five metered parking spaces on Chamberlain Street, located directly north of the parking lot. Chamberlain would remain open to traffic.

The Public Works Department will provide barricades for the event, and organizers will obtain a noise permit through the Police Department. CAA will contact affected businesses by going door-to-door, distributing flyers, and through email contacts.

To facilitate this event, organizers are requesting the following from 12:00 p.m. to 9:00 p.m. on Friday, August 24<sup>th</sup>:

- Closure of Lot Y and five metered parking spaces on Chamberlain Street from 12:00 p.m. and 9:00 p.m.
- Waiver of parking meter fees (A loss of \$55.50 to the Parking Fund)
- Access to City-owned electric outlets and waiver of fees for electricity use (approximately \$5 loss of revenue)
- Blanket Temporary Obstruction Permit

The Ames Chamber of Commerce is providing liability insurance coverage for this event, since the CAA is an affiliate organization of the Chamber.

**ALTERNATIVES:**

1. Approve the requests as indicated above, including the waiver of fees for parking and electricity
2. Approve the requests, but require reimbursement for the lost parking meter revenue and use of electricity
3. Do not approve the requests for the event.

**MANAGER'S RECOMMENDED ACTION:**

The proposed event is an opportunity to welcome new and returning ISU students and other community members to Campustown at the start of the fall semester. The event is free and open to the public, and supports the goal of promoting one community.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the requests as indicated above, including the waiver of fees for parking and electricity.



## SUMMARY OF EVENT

### DESCRIPTION

**Event Name** First Friday in Campustown

**Description**

First Friday is new event designed to welcome students and newcomers to Campustown and Ames. Attendees will explore Campustown through a passport of "deals" to area businesses. Businesses will offer special deals, pricing and giveaways to passport holders. Once they have accumulated enough stamps, they can enjoy a root beer float and sign up for prize drawings. We will have a tent placed in Lot Y, and would like to have barricades closing the 5 parking spots directly north of the parking lot. Chamberlain would remain open to traffic.

We are also partnering with several groups/organizations from ISU and the Ames community. Members of ISU Student Wellness, Student Conduct and Student Assistance will be on hand promoting their services, including their Know the Code and Good Neighbor campaigns. The Volunteer Center of Story County and Ames Pride will be participating as well. City Staff, City Council and members of the adjacent Neighborhood Associations have been invited to participate by signing up to serve the floats.

Opening lines of communication, raising awareness of community resources, providing introductions to neighbors, city staff & government and showcasing an inclusive Ames are

- Event Category**
- Athletic/Recreation
  - Exhibits/Misc.
  - Festival/Celebration
  - Parade/Procession/March
  - Concert/Performance
  - Farmer/Outdoor Market
  - Other (please explain)

**Anticipated Attendance**  
Total 350 Per Day \_\_\_\_\_

### DATE/TIME

<b>Setup</b>	Date <u>8/24/2018</u>	Time <u>12:00pm</u>	Day of Week <u>Friday</u>
<b>Event Starts</b>	Date <u>8/24/2018</u>	Time <u>4:00pm</u>	Day of Week <u>Friday</u>
<b>Event Ends</b>	Date <u>8/24/2018</u>	Time <u>8:00pm</u>	Day of Week <u>Friday</u>
<b>Teardown Complete</b>	Date <u>8/24/2018</u>	Time <u>9:00pm</u>	Day of Week <u>Friday</u>

**Rain Date, if applicable** NA

**Rain Location, if applicable** \_\_\_\_\_



## LOCATION

- Region**  
(Select one or more)
- Main Street Cultural District (Downtown)
  - Campustown District
  - Iowa State University Property
  - City Parks
  - Other (please explain) \_\_\_\_\_

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Downtown - Main Street Cultural District: (515) 233-3472                      events@amesdowntown.org  
Campustown - Campustown Action Association: (515) 450-8771              director@amescampustown.com  
Iowa State University - Events Authorization Committee: (515) 294-1437      eventauthorization@iastate.edu

## CONTACTS

**Host Organization** Campustown Action Association

<b>Local Contact</b> (Required)	<b>Name</b>	<u>Karin Chitty</u>
	<b>Address</b>	<u>119 Stanton Ave. #602</u>
	<b>Telephone</b>	<u>515-292-4528</u>
	<b>Cell Phone</b>	<u>515-451-7503</u>
	<b>Email</b>	<u>karin.chitty@amescampustown.com</u>

**At least ten business days prior to the event, Organizer must submit Emergency Contact List, including names and numbers of all coordinators, volunteers, and location assigned to each.**

### Yes No

- Is this an annual event? How many years have you been holding this event? \_
- Is this event open to the public?
- Is your event being held in conjunction with another event (e.g. *Farmers' Market, 4th of July*, etc.)?

If yes, please list



campustown  
action  
association

July 18, 2018

Honorable Mayor Haila and City Council  
Ames City Hall  
515 Clark Avenue  
Ames, IA 50010

RE: First Friday in Campustown 2018

Dear Honorable Mayor Haila and City Council,

The Campustown Action Association (CAA) is planning to hold a new event called First Friday in Campustown, on August 24, 2018. Information about the event can be found on the Special Event Application we submitted. We are also requesting a resolution approving the waiver of parking meter fees for Lot Y and a portion of Chamberlain for the day. In addition, we ask for the waiver of electricity costs for the same portion of Chamberlain and Lot Y.

Thank you for your consideration of these requests and continued support of Campustown. We look forward to seeing you on August 24<sup>th</sup>.

Sincerely,

Karin Chitty  
Executive Director, Campustown Action Association

**COUNCIL ACTION FORM**

**SUBJECT: ENGINEERING SERVICES FOR THE WATER POLLUTION CONTROL FACILITY DIGESTER PUMPS, PIPING, AND VALVES REPLACEMENT PROJECT**

**BACKGROUND:**

On May 9, 2017 the City Council awarded a contract for engineering services to Strand Associates, Inc. of Madison, Wisconsin for design of the Water Pollution Control Facility (WPCF) Pump, Piping, and Valve Replacement Project in an amount not to exceed \$127,700. During preliminary design, Strand reviewed the applicable building code requirements related to the digester complex along with standards set by the National Fire Protection Association (NFPA) for wastewater treatment plants (NFPA Standard 820). The overall goal of these standards is to improve workplace safety by providing protection against fire and explosive hazards.

The Digester Complex was originally designed and constructed in accordance with the building codes that were in place at the time. Based on Strand's review, however, the complex does not comply with current NFPA and National Electric Code (NEC) requirements. Strand recommended the City upgrade the electrical system to meet the current code as a part of the Pump, Piping, and Valve Replacement Project. The engineering services related to these improvements resulted in Change Order Number 1 for an increase of \$171,000. The City Council approved Change Order Number 1 on December 19, 2017.

The original contract (including Change Order #1) with Strand included solely design phase services with the intent to revisit the need for bidding and construction services after design had been completed. The design phase of the project is nearing completion and staff is now preparing for the construction phase. At the City's request, Strand has prepared a second amendment to the original engineering services agreement. This revised scope now includes bidding and construction administration services (\$144,800) and construction observation services (\$72,000), for a total additional amount not to exceed \$217,000. The additional work will be billed on an "hourly, not to exceed" basis to provide staff the flexibility of utilizing the necessary resources to ensure the project is built according to the design.

A summary of the engineering services agreement with Strand is shown below.

Original Contract Amount	\$ 127,700
Change Order Number 1	171,000
<u>Change Order Number 2 (this proposed action)</u>	<u>217,000</u>
Total Contract Amount	515,700

This project is a consolidation of a number of smaller projects identified in the Capital Improvements Plan over a period of several years. A summary of the authorized project budget is show below.

FY 17/18 CIP + Prior Year Carryover	\$ 1,795,818
Pump Room Pipes & Valves	
Primary Pumps	
Secondary Pumps	
Digester Lid Painting	
FY 17/18 Expenses	- 148,319
FY 18/19 Adopted CIP	2,600,000
Gas Piping & Safety Equipment	
Repaint Pump Room	
NFPA Code Upgrades	
<hr/>	
Total Available Budget	\$ 4,247,499

The final design work is still under way, and engineer’s estimate of probable construction costs is still being developed. Pending final permitting, City staff plan to bring a notice to bidders to the City Council in the next month.

**ALTERNATIVES:**

1. Authorize Change Order Number 2 for additional engineering services to Strand Associates, Inc. of Madison, Wisconsin for the WPCF Pump, Piping, and Valve Replacement Project in an additional amount not to exceed \$217,000.
2. Do not authorize the change order to the contract at this time.

**MANAGER’S RECOMMENDED ACTION:**

Staff has determined that it is in the best interest of the City to move forward with this addition to the contract. The scope of this project involves many engineering specialties that will require professional services in addition to staff review and inspection. The working relationship with Strand has been excellent to date for the project and staff expects it to continue into the future. It is staff’s opinion that the dollar amount proposed by Strand for the additional services appears to be reasonable for the scope of work.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative 1 as described above.

**COUNCIL ACTION FORM**

**SUBJECT: EMC CONTRACT RENEWAL FOR WORKERS' COMPENSATION AND MUNICIPAL FIRE AND POLICE SYSTEM MEDICAL CLAIMS ADMINISTRATION**

**BACKGROUND:**

The City contracts with EMC Risk Services, LLC, of Des Moines, Iowa, to provide third party administration of workers' compensation and Municipal Fire and Police "411 System" injury medical claims. The City's current contract with EMC for these services is set at an annual amount not to exceed \$55,000, and expired on July 31, 2018. EMC has provided a renewal contract for the same services for the period from August 1, 2018 to July 31, 2019, in an amount not to exceed \$55,000.

Services provided by EMC include workers' compensation claims administration for all City employees, medical bill review, self-insured loss fund management, and pharmacy and medical expense consultation. EMC also performs regulatory filings and maintains an online claims database accessible to City staff. Fees are based on a combination of annual administrative fees, per-claim setup fees and 30% reimbursement to EMC based on medical review invoice reductions.

The table below compares the FY 2017/18 fees to the FY 2018/19 fees. Due to the low volume of workers' compensation and municipal fire and police system medical claims, the fee increases to the City for Medical Only and Lost Time claims should not cause the total expense to exceed the cap. With the expectation of similar claim volume in FY 2018/19, staff expects similar costs.

Fee Component	Fee Components FY 2017/18	Fee Components FY 2018/19	Change	FY 2017/18 Contract	FY 2018/19 Contract
Claim Set Up, Incident Only	\$35 per claim	\$35 per claim	0%	Not to exceed \$55,000	Not to exceed \$55,000
Claim Set Up, Medical Only	\$160 per claim	\$170 per claim	6%		
Claim Set Up, Lost Time	\$970 per claim	\$995 per claim	2%		
Medical Bill Review Fees & Reimbursement	\$9.50/claim 30% of Savings \$10,000/claim cap	\$9.50/claim 30% of Savings \$10,000/claim cap	0% 0% 0%		

**ALTERNATIVES:**

1. Approve the renewal contract with EMC Risk Services, LLC, of Des Moines Iowa, to provide third party administration of the City's worker's compensation and municipal fire and police "411 System" claims for August 1, 2018 through July 31, 2019, at a cost not to exceed \$55,000.
2. Reject the EMC renewal option and direct City staff to seek other claims administration alternatives.

**CITY MANAGER'S RECOMMENDED ACTION:**

EMC Risk Services, LLC, has been an effective provider of professionally administered workers' compensation claims and associated services. Its staff has been responsive and sensitive to the needs of City employees in managing their injury and disability claims. The online claims system makes cost and other data accessible to City staff and provides a frequently utilized tool for analyzing injury types and safety program effectiveness.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

**COUNCIL ACTION FORM**

**SUBJECT: AWARD OF CONTRACT FOR INSTALLATION SERVICES FOR 69KV  
UG POWER CABLE TOP-O-HOLLOW SUBSTATION**

**BACKGROUND:**

On June 12, 2018, City Council approved preliminary plans and specifications for Installation Services for 69kV UG Power Cable Top-O-Hollow. **This portion of the project is to contract for furnishing and installing 69 kV power cable and terminations for the Top-O-Hollow Substation.**

Bid documents were issued to seven companies and three plan rooms. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published on the websites of a contractor plan room service with statewide circulation and the Iowa League of Cities.

On June 27, 2018, two bids were received as demonstrated on the attached report. Electric Services staff, along with an engineer from Dewild Grant Reckert & Associates (DGR) Company, reviewed the bids. A report of bids was submitted to Council on 7-10-18.

**Staff and DGR evaluated the bids and concluded that the apparent low bid submitted by Primoris Aevenia, Inc., Johnston, IA, in the amount of \$171,732.50 is acceptable.**

The Engineer's estimate of the cost of the construction is \$350,000.

The approved FY 2017/18 CIP for Electric Services includes \$1,950,000 for the Top-O-Hollow Substation Expansion and Breaker Addition project. Iowa State University's (ISU) will also provide funding for this project. ISU's share of the project is based on a load-ratio-share of the 69kV portion of this project at the time of implementation. For budgetary purposes, staff is assuming the ISU load ratio share to be 7% of the total project cost.

Originally this project was budgeted to provide overhead transmission lines from the substation. After review of the location, discussions with neighboring residents, and for increased reliability, staff determined that the lines leaving the substation should be installed underground. Underground lines will allow the substation design to be more compact and eliminate the need to build a storm water retention pond on the site.

To cover the engineer's new estimate including the underground connection, unspent funds from three other current or recent CIP projects were moved to this project. These include \$800,000 from Transmission Reconstruction, \$331,652 from 69kV Switchyard Relay, and \$271,843 from Street Lights, for a total of \$1,404,495, bringing the total amount of funding available for the project to be \$3,353,495. These funding transfers were approved by Council in May 2018.

A breakdown of the budget as well as contracts awards to date is attached at the end.

**ALTERNATIVES:**

1. Award a contract to Primoris Aevenia, Inc., Johnston, IA, for the Installation Services for 69kV UG Power Cable Top-O-Hollow in the amount of \$171,732.50.
2. Award the contract to another bidder.
3. Reject all bids and delay this project.

**MANAGER'S RECOMMENDED ACTION:**

This project will improve reliability of the 69kV transmission system, improve service to the customers served by this substation, improve worker safety, and provide improved protection to electrical assets from fault damage. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.



To date the Top-O-Hollow CIP project budget has the following items encumbered:

<b>\$1,950,000</b>	FY 2017/18 CIP amount budgeted for construction
<b><u>\$1,403,495</u></b>	Additional funds transferred from budgeted CIP funds for 69kV Transmission Reconstruction (\$800,000), Street Light (\$271,843) and 69kV Switchyard Relay & Controls (\$331,652)
<b>\$3,353,495</b>	
	<u>H K Scholz</u>
\$599,231	Switchgear and Control Panels
	<u>RESCO</u>
\$37,012.26	69kV Switches
\$27,895.27	Instrument Transformers
\$10,884.30	69kV Lightning Arrestors
	<u>Kriz-Davis Co. – BSE</u>
\$42,003.18	Steel Structures
	<u>Siemens Industry, Inc</u>
\$75,221	(2) 69kV Breakers
	<u>Controllix Corporation</u>
\$104,748.35	(1) 13.8kV Cap Bank
	<u>Primoris Aevenia, Inc.</u>
\$1,511,291.16	Construction
	<u>L &amp; S Electric, Inc.</u>
\$76,169	Equipment Commissioning
	<u>Primoris Aevenia, Inc.</u>
<b><u>\$171,732.50</u></b>	<b>Installation Services for 69kV UG Power Cable (pending Council award for this agenda item)</b>
\$2,656,188.02	Costs committed to date for project
<b>\$697,306.98</b>	<b>Remaining Project Balance</b> for the CIP Project.



**ITB 2018-179 Installation Services for 69 kV UG Power Cable for Top-O-Hollow Substation  
Bid Summary**

Bidder:			Primoris Aevenia, Inc., Johnston, IA				Marmon Utility, LLC., Seymour, CT			
Unit	Description	Est. # Units	Labor	Materials	Labor & Materials	Extended Price	Labor	Materials	Labor & Materials	Extended Price
C1	Lightning arrester, 60 kV, 1Ø, station class	6	\$200.00	\$0.00	\$200.00	\$1,200.00	\$1,568.00		\$1,568.00	\$9,408.00
RD-1	69 kV Transmission Riser, 3Ø (ea.)	2	\$1,500.00	\$3,000.00	\$4,500.00	\$9,000.00	\$4,907.00	\$6,700.00	\$11,607.00	\$23,214.00
UCG	Cable System Grounding (as req'd)	1	\$1,500.00	\$1,500.00	\$3,000.00	\$3,000.00			\$12,875.00	\$12,875.00
UCG-4/0	4/0 Grounding Cable (Mft.)	0.690	\$2,000.00	\$3,500.00	\$5,500.00	\$3,795.00	\$11.03	\$11.43	\$22.46	\$15,497.40
UCT	Power Cable Termination (ea.)	12	\$1,775.00	\$3,875.00	\$5,650.00	\$67,800.00	\$7,300.00	\$4,316.00	\$11,616.00	\$139,392.00
UPC	Power Cable (Mft.)	2.070	\$3,000.00	\$33,250.00	\$36,250.00	\$75,037.50	\$31.38	\$12.80	\$44.18	\$91,452.60
UPS-SP	Power Cable, sapre (Mft.)	0.350	\$750.00	\$33,250.00	\$34,000.00	\$11,900.00		\$17.80	\$17.80	\$6,230.00
U1	Mobilization (as req'd.)	1	\$0.00	\$0.00	\$0.00	\$0.00				\$128,918.00
<b>OVERALL PRICE:</b>			<b>\$171,732.50</b>				<b>\$426,987.00</b>			

**COUNCIL ACTION FORM**

**SUBJECT: WATER POLLUTION CONTROL FACILITY SECURITY CAMERA SYSTEM**

**BACKGROUND:**

The Water Pollution Control Facility’s (WPCF) Security Camera System was installed in 2004. During the past several years, many parts of the system have become non-functional and others have become obsolete and no longer meet the needs of the facility. The WPCF is staffed at all times and a functioning security camera system is necessary for worker safety and protection of the facility. On June 14, 2018, staff issued a Request for Proposals for the replacement of the WPCF Security Camera System. Proposals were received through July 16, 2018. Three proposals were received and scored by City staff. Scoring was based on Cost, Understanding of the Project, Experience/Qualifications, and Fulfillment of Technical Requirements. A summary of the scoring is included below.

Respondent	Cost Proposal	Proposal Score
Communications Engineering Company	\$ 57,118	193
The Baker Group	\$ 64,662	233
Baker Electric, Inc.	\$ 72,144	190

The FY 2017/18 CIP includes \$50,000 for the Security Camera System Replacement at WPCF. The three proposals received were above the budgeted cost. Savings from the WPC Spare Breaker for Disinfection Building project are available to be transferred to this project to cover the additional cost and allow for contingency, as shown below:

**Funding Sources:**

FY 17/18 – Security Camera System Replacement	\$ 50,000
Savings from WPC Spare Breaker for Disinfection Building	\$ 26,245
<b>Total Funds Available</b>	<b>\$ 76,245</b>

**ALTERNATIVES:**

1. a.) Award a contract for installation of a Security Camera System at the Water Pollution Control Facility to The Baker Group of Ankeny, IA.
- b.) Authorize the transfer of \$26,245 in savings from the WPC Spare Breaker for Disinfection Building Project to this project budget.

2. Do not award a contract at this time.

**MANAGER'S RECOMMENDED ACTION:**

The replacement of the Security Camera System at the Water Pollution Control Facility has been identified in the capital improvements plan. The previous security camera system is no longer fully functional and having a proper, functional security camera system in place is imperative to the operations of the facility. While the cost of proposal exceeds the authorized funding, there are unspent savings available from a recently completed equipment replacement project that can be transferred to this project.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as stated above.

**COUNCIL ACTION FORM**

**SUBJECT: WATER TREATMENT PLANT LIME SLUDGE DISPOSAL CONTRACT ACCEPTANCE**

**BACKGROUND:**

The City of Ames Water Treatment Plant (WTP) is a conventional lime-softening facility that generates lime sludge as a by-product of the lime softening process. The lime sludge consists primarily of calcium carbonate and magnesium hydroxide which is dewatered and stored in lagoons ("ponds") prior to disposal on agricultural ground as a soil conditioner. To continue to have adequate storage for the lime sludge, the lime sludge must be cleaned out of the lagoons annually.

On May 28, 2013, City Council awarded a contract to Wulfekuhle Injection and Pumping, Inc. of New Vienna, Iowa for the removal and disposal of lime sludge. The five year agreement called for the removal of 28,000 wet tons of lime per year at a unit cost of \$10.99 per wet ton, four dust control applications per year at \$500 per application, and mobilization charges totaling \$6,500 per year for a total contract price of \$316,220 per year for annual maintenance, paid out of the water plant operating budget.

Work performed under contract for FY 17/18 (the fifth and final year of the agreement) has been completed to staff's satisfaction and in accordance with the contract requirements. After reconciliation of final quantities, the final contract amount is \$297,172.24. Therefore, Staff is recommending acceptance of the FY 17/18 contract and releasing retainage according to contract requirements.

In addition to the annual lime disposal, the contract also included a one-time removal of up to 150,000 wet tons to be taken from the large lime pond as part of the new water plant construction project at a unit price of \$10.44 per ton. As the work progressed, it became evident that removal of the entire 150,000 wet tons was not required for the planned partial reconstruction of the large lime pond to proceed. The contractor ultimately removed 80,028.05 wet tons from the large lime pond cell.

The contract terms for this special, one-time large quantity called for 85% of the unit price to be paid when the material was excavated and removed from the lime pond. The contractor was allowed to stockpile the excavated material on its own property until it could conveniently arrange for the ultimate disposal of the material by land application, with a requirement that the final disposal must be completed by the end of the five-year agreement. Once the contractor certified to the City that final disposal of the material had been accomplished, the remaining 15% of the unit price would be paid by the City. The contractor stockpiled a total of 20,183.17 wet tons. The contractor has reported that 10% of the stockpiled material still has not been land applied.

Now that the fifth and final year's annual work is completed, staff is recommending that the entire five-year contract be closed out at this time. By closing out the five-year agreement at this time, the contractor will not be paid for disposal of the approximately 2,000 wet tons it has stockpiled on its property. The contractor has been reminded of this requirement on multiple occasions over the life of the contract, and is aware that the City intends to close out the five-year agreement at this time.

**ALTERNATIVES:**

1. a.) Accept completion of the FY 17/18 (year five) lime sludge disposal contract in the amount of \$297,172.24 and release retainage according to the terms of the contract.  
  
b.) Accept completion of the work done in the large lime pond as part of the water plant construction project and release the retainage on the portion that was actually land applied. The contractor will forego being paid the retainage on the portion that still remains stockpiled.
2. Accept completion of the FY 17/18 (year five) work, but leave the contract open longer, providing additional time for the contractor to complete the application of the stockpiled material.
3. Do not accept completion of any portion of the contract at this time.

**MANAGER'S RECOMMENDED ACTION:**

Wulfekuhle Injection and Pumping, Inc. has completed the FY 17/18 lime sludge disposal work to staff's satisfaction and in accordance with the contract requirements. A sufficient quantity of lime sludge has also been removed from the large lime pond cell to permit the necessary reconstruction work inside the cell; however approximately 10% of the material excavated from the large cell was not land applied in a timely manner. Staff believes it has provided a sufficient window (five years) for the land application of that material to be accomplished, and is recommending that the contract now be closed out. That means the contractor will not be eligible for reimbursement of the approximately 2,000 wet tons that is still stockpiled on the contractor's property. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

**COUNCIL ACTION FORM**

**SUBJECT: PLAT OF SURVEY FOR 3600 AND 3898 UNIVERSITY BOULEVARD**

**BACKGROUND:**

The City's subdivision regulations are found in Chapter 23 of the Ames Municipal Code. These regulations include the process for creating or modifying property boundaries and for determining if any improvements are required in conjunction with the platting of property. The regulations also describe the process for combining existing platted lots or adjusting the boundary lines of existing tracts. Section 23.308 allows the use of a plat of survey for a boundary line adjustment.

This plat of survey adjusts the boundary line between two existing parcels. **Ames Fitness, the owner of 3600 University Boulevard, seeks to acquire a portion of ISU Research Park land addressed as 3898 University Boulevard. Notably, the expanded lot for 3600 University Boulevard will be part of the Hub Area of the RI zoning for the Research Park to allow for the construction of an indoor tennis facility.** 3600 University Boulevard was created as part of the First Addition of Phase III of the Iowa State University Research Park and 3898 University Boulevard is the remaining outlot following the recent platting of the Third Addition to allow for the John Deere Spray Lab. The remaining outlot area is not within the Hub Area of the RI zoning and this area intended for future industrial uses. The outlot will remain unbuildable until approval of a future plat. Future improvements will be required of the outlot at the time it is platted.

Approval of this plat of survey (Attachment B) will allow the applicant to prepare the official plat of survey and submit it to the Planning and Housing Director for review. The Director will sign the plat of survey confirming that it fully conforms to all conditions of approval. The prepared plat of survey may then be signed by the surveyor, who will submit it for recording in the office of the County Recorder.

**ALTERNATIVES:**

1. The City Council can approve the proposed plat of survey consistent with the standards of Chapter 23 for approval of replat of a pre-platted parcel.
2. The City Council can deny the proposed plat of survey if the City Council finds that the requirements for plats of survey for design and improvements as described in Section 23.308 have not been satisfied.
3. The City Council can refer this back to staff and/or the owner for additional information.

**CITY MANAGER'S RECOMMENDED ACTION:**

Staff has determined that the proposed plat of survey satisfies all Code requirements for the consolidation of the properties for the boundary line adjustment and has made a preliminary decision of approval. The approved Master Plan for the RI zoning indicates the

Hub Area in this vicinity; however, there is no specific zoning designation for the Hub Area within the current RI zoning besides the Master Plan. **By acknowledging the expanded site is within the intended Hub Area it allows for Ames Fitness to proceed with the construction of an accessory building for use as an indoor tennis facility.** Staff has also determined that the proposed plat of survey for a boundary line adjustment does not trigger City infrastructure requirements as defined within the Subdivision Code.

**Therefore, it is the recommendation of the City Manager that the City Council accept Alternative #1, thereby adopting the resolution approving the proposed plat of survey.**



**ADDENDUM**  
**PLAT OF SURVEY FOR A REPLAT OF 3600 AND 3898 UNIVERSITY BOULEVARD**

Application for a proposed plat of survey has been submitted for:

- Conveyance parcel (per Section 23.307)
- Boundary line adjustment (per Section 23.309)
- Re-plat to correct error (per Section 23.310)
- Auditor's plat (per Code of Iowa Section 354.15)

Owner of Lot 5, ISURP Phase III, 1<sup>st</sup> Addition: Ames Fitness Center, Inc.  
Parcel ID: 0911275100

Owner of Outlot X, ISURP Phase III, 3<sup>rd</sup> Addition: Iowa State University Research Park  
Parcel ID: Not yet assigned following new final  
plat

New Legal Descriptions: Parcel A, All of Lot 5, Iowa State University Research Park Phase III, First Addition and Part of Outlot X, Iowa State University Research Park Phase III, 3<sup>rd</sup> Addition, and  
  
Outlot X of Iowa State University Research Park Phase III, 3<sup>rd</sup> Addition Except Parcel B.

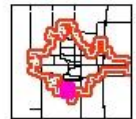
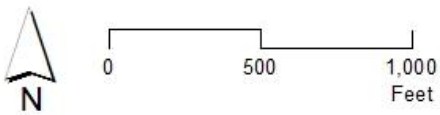
**Public Improvements:**

The preliminary decision of the Planning Director finds that approval requires all public improvements associated with and required for the proposed plat of survey be:

- Installed prior to creation and recordation of the official plat of survey and prior to issuance of zoning or building permits.
- Delayed, subject to an improvement guarantee as described in Section 23.409.
- Not Applicable.

Note: The official plat of survey is not recognized as a binding plat of survey for permitting purposes until a copy of the signed and recorded plat of survey is filed with the Ames City Clerk's office and a digital image in Adobe PDF format has been submitted to the Planning & Housing Department.

ATTACHMENT A: LOCATION MAP<sup>1</sup>

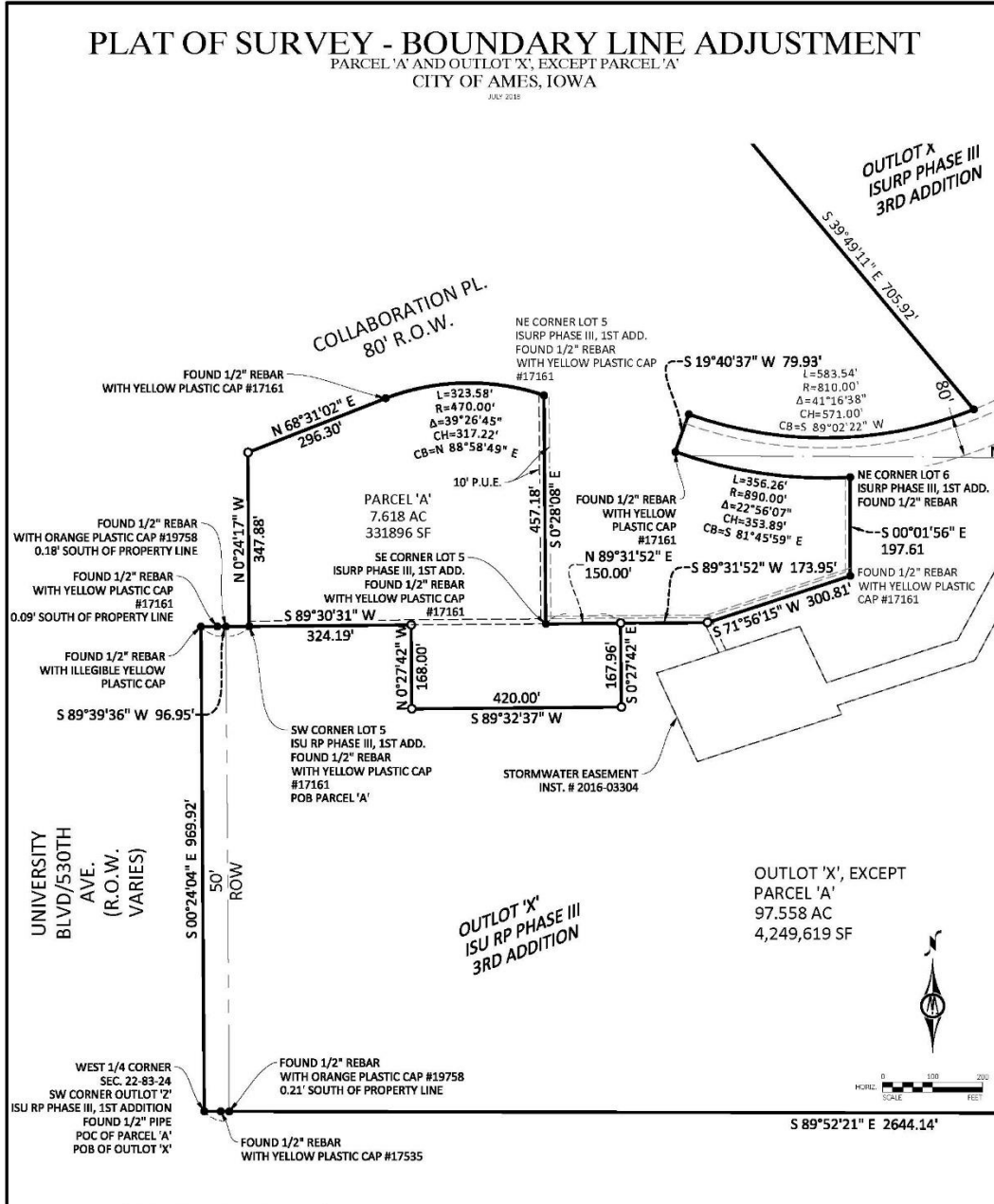


<sup>1</sup> GIS has not yet been updated to reflect the recent final plat of ISU Research Park Phase III, 3<sup>rd</sup> Addition on July 10, 2018.



INDEX LEGEND	
LOCATION	NW 1/4 SECTION 22 AND SW 1/4 OF SECTION 15, T. 83 N., R. 24 W. STORY COUNTY, IOWA
REQUESTOR:	HUNZIKER LAND DEVELOPMENT CO.
PROPRIETOR:	AMES FITNESS CENTER, INC. & IOWA STATE UNIVERSITY RESEARCH PARK
SURVEYOR:	EUGENE R. DREYER, P.L.S. # 17535
SURVEYOR COMPANY:	BOLTON & MENK, INC.
RETURN TO:	GENE DREYER, BOLTON & MENK, INC. 1519 BALTIMORE DRIVE, AMES, IA 50010 (515) 233-6100

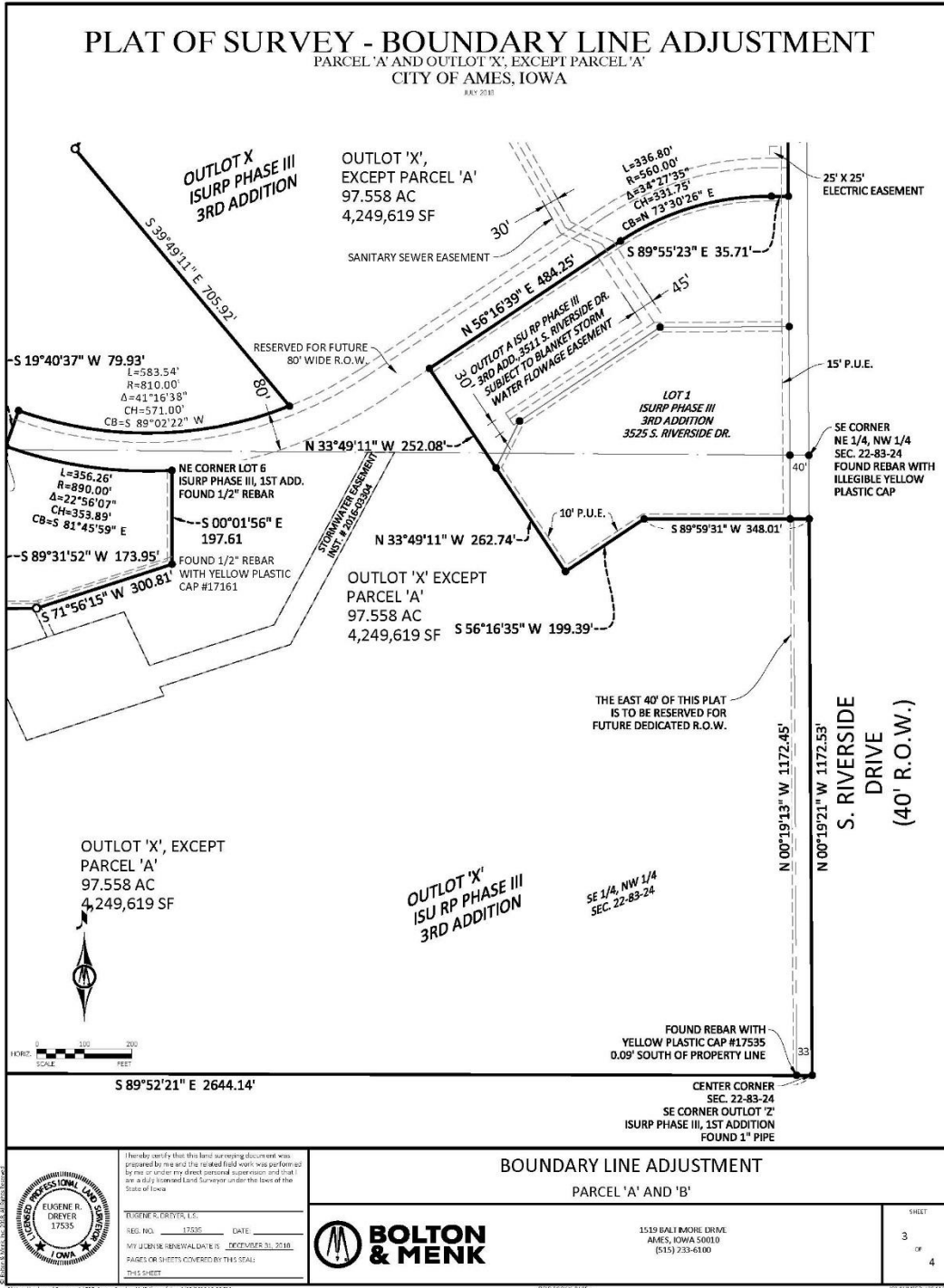
FOR RECORDER USE ONLY



	I hereby certify that this land surveying document was prepared by me and the related field work was performed by me or under my direct personal supervision and that I am a duly licensed Land Surveyor under the laws of the State of Iowa.	<b>BOUNDARY LINE ADJUSTMENT</b> <b>PARCEL 'A' AND 'B'</b>
	EUGENE R. DREYER, P.L.S. REG. NO. 17535    DATE: _____ MY LICENSE RENEWAL DATE IS: <u>NOVEMBER 31, 2018</u> PAGES OF SHEETS COVERED BY THIS SHEET: _____ THIS SHEET: _____	<b>BOLTON &amp; MENK</b> <small>1519 BALTIMORE DRIVE          AMES, IOWA 50010          (515) 233-6100</small>

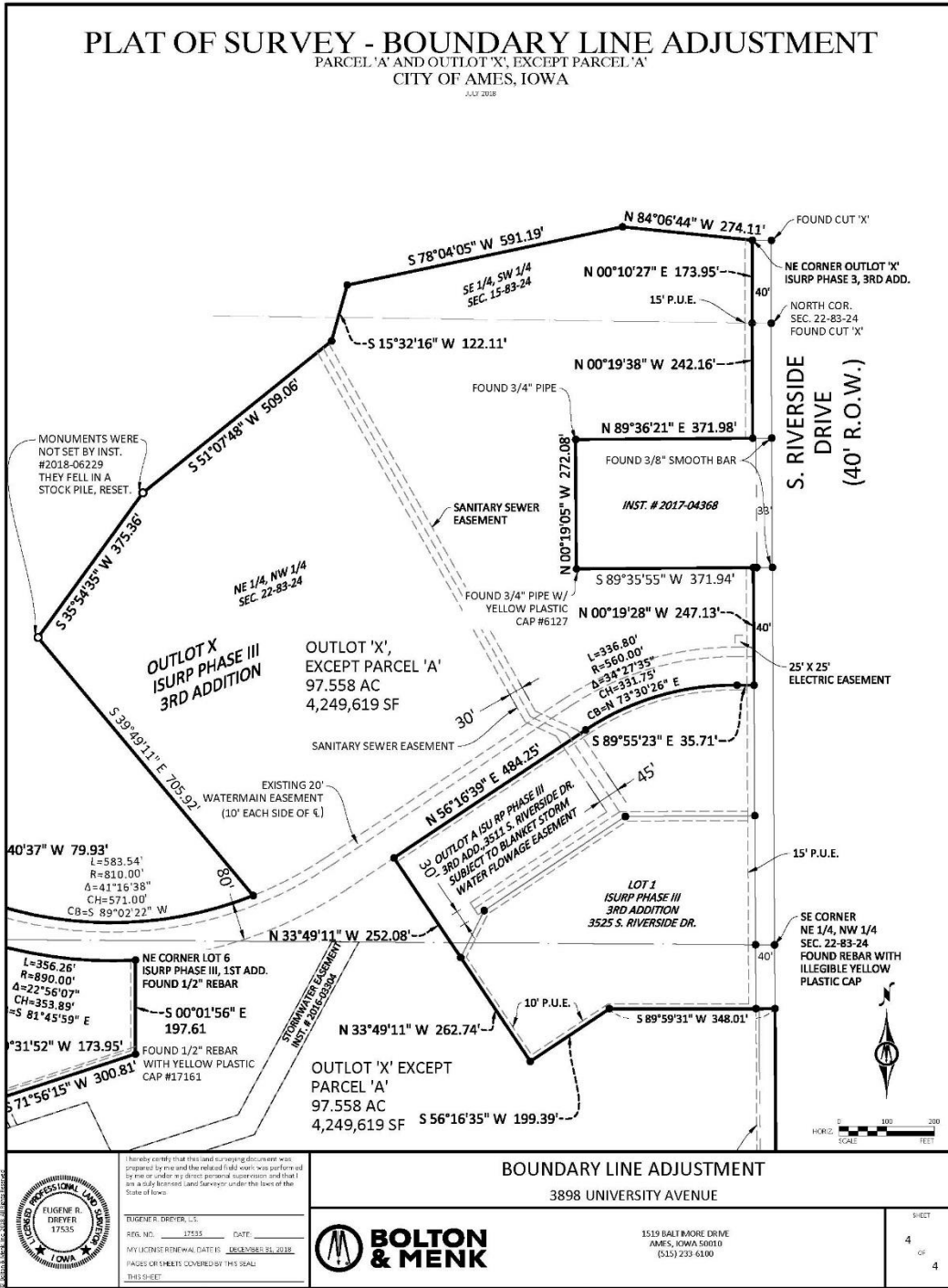
INDEX LEGEND	
LOCATION	NW 1/4 SECTION 22 AND SW 1/4 OF SECTION 25, T. 83 N., R. 24 W. STORY COUNTY, IOWA
REQUESTOR:	HUNZIKER LAND DEVELOPMENT CO.
PROPRIETOR:	AMES FITNESS CENTER, INC. & IOWA STATE UNIVERSITY RESEARCH PARK
SURVEYOR:	EUGENE R. DREYER, P.L.S. # 17535
SURVEYOR COMPANY:	BOLTON & MENK, INC.
RETURN TO:	GENE DREYER, BOLTON & MENK, INC. 1519 BALI BROOK DRIVE, AMES, IA 50010 (515) 233-6100

FOR RECORDER USE ONLY



INDEX LEGEND	
LOCATION	NW 1/4 SECTION 22 AND SW 1/4 OF SECTION 15, T. 83 N., R. 24 W. ST. LOUIS COUNTY, IOWA
REQUESTOR	HUNZIKER LAND DEVELOPMENT CO.
PROPRIETOR	AMES FITNESS CENTER, INC. & IOWA STATE UNIVERSITY RESEARCH PARK
SURVEYOR	EUGENE R. DREYER, P.L.S. #17535
SURVEYOR COMPANY	BOLTON & MENK, INC.
RETURN TO:	EUGENE R. DREYER, BOLTON & MENK, INC. 1519 BALTIMORE DRIVE, AMES, IA 50010 (515) 233-6100

FOR RECORDER USE ONLY



**COUNCIL ACTION FORM**

**SUBJECT: RESOLUTION APPROVING OFFICIAL STATEMENT FOR GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2018A, SETTING DATE OF SALE FOR AUGUST 28, 2018, AND AUTHORIZING ELECTRONIC BIDDING FOR THE SALE**

**BACKGROUND:**

The FY 2018/19 Budget and Council-approved changes include General Obligation (G.O.) Bond-funded capital improvement projects in the amount of \$7,987,000. The City Council held a public hearing on the issuance of these bonds on March 6, 2018. Council action is now required to approve the official statement, set the date of sale for August 28, 2018, and authorize electronic bidding.

The Official Statement, or “Preliminary Official Statement,” is the offering document for municipal securities, in preliminary form, which does not contain pricing information. The Statement provides several financial disclosures and information about the City. This “Preliminary Official Statement” is on file in the City Clerk’s Office and can be viewed on the City’s website. Additionally, Council is asked to approve electronic bidding as the method to provide a secure and highly competitive process for the sale of the bonds. The proposed issuance is in compliance with the City Council approved debt policy.

Projects to be funded by this bond issue include the following:

Grand Avenue Extension	\$ 3,700,000	
Collector Street Improvements	1,750,000	
Asphalt Street Improvements	1,400,000	
City-Wide Radio System	1,000,000	
Fire Station #1 Concrete Replacement	137,000	
<b>Subtotal Tax Supported Bonds</b>		<b>\$ 7,987,000</b>
<b>Issuance Cost and Allowance for Premium</b>		<b>133,000</b>
<b>Grand Total – 2018/19 G.O. Issue</b>		<b><u>\$8,120,000</u></b>

**ALTERNATIVES:**

1. Adopt a resolution approving the Official Statement for General Obligation Corporate Purpose Bonds, Series 2018A, setting the date of sale for August 28, 2018, and authorize electronic bidding for the sale.
2. Refer the Official Statement back to City staff for modifications.

**MANAGER’S RECOMMENDED ACTION:**

Issuance of these bonds is necessary in order to accomplish the City’s approved capital improvements for the current fiscal year.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.

**PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 14, 2018**

**New Issue**

**Rating: Application Made to Moody’s Investors Service**

*In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming compliance with certain covenants, the interest on the Bonds will be excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax under the Internal Revenue Code of 1986 (the “Code”); provided, however such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations for taxable years beginning before January 1, 2018. In the opinion of Bond Counsel, the Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. See “TAX EXEMPTION AND RELATED TAX MATTERS” herein.*

**CITY OF AMES, IOWA**

**\$8,120,000\* General Obligation Corporate Purpose Bonds, Series 2018A**

BIDS RECEIVED: Tuesday, August 28, 2018, 11:00 A.M., Central Time

AWARD: Tuesday, August 28, 2018, 6:00 P.M., Central Time

**Dated:** Date of Delivery (September 10, 2018)

**Principal Due:** June 1, as shown inside front cover

The \$8,120,000\* General Obligation Corporate Purpose Bonds, Series 2018A (the “Bonds”) are being issued pursuant to Division III of Chapter 384 of the Code of Iowa and a resolution to be adopted by the City Council of the City of Ames, Iowa (the “City”). The Bonds are being issued for the essential corporate purposes of paying the cost, to that extent, of constructing improvements to streets and acquisition of emergency services communication equipment, and for the general corporate purpose of making improvements at the City’s Fire Station #1. The purchaser of the Bonds agrees to enter into a loan agreement (the “Loan Agreement”) with the City pursuant to the authority contained in Section 384.24A of the Code of Iowa. The Bonds are issued in evidence of the City’s obligations under the Loan Agreement. The Bonds are general obligations of the City for which the City will pledge its power of levy direct ad valorem taxes against all taxable property within the City without limitation as to rate or amount to the repayment of the Bonds.

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry-only form, in the principal amount of \$5,000 and integral multiples thereof. The purchaser will not receive certificates representing their interest in the Bonds purchased. The City’s Treasurer as Registrar/Paying Agent (the “Registrar”) will pay principal on the Bonds, payable annually on June 1, beginning June 1, 2019, and interest on the Bonds payable initially on June 1, 2019 and thereafter on each December 1 and June 1 to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursements to the beneficial owners of the Bonds as described herein. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the 15<sup>th</sup> day of the month next preceding the interest payment date (the “Record Date”).

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**THE BONDS WILL MATURE AS LISTED ON THE INSIDE FRONT COVER**

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<b>MINIMUM BID:</b>	\$8,046,920
<b>GOOD FAITH DEPOSIT:</b>	Required of Purchaser Only
<b>TAX MATTERS:</b>	Federal: Tax-Exempt State: Taxable See “TAX EXEMPTION AND RELATED TAX MATTERS” for more information.

The Bonds are offered, subject to prior sale, withdrawal or modification, when, as and if issued and subject to the unqualified approving legal opinion of Dorsey & Whitney LLP (“Bond Counsel”), Des Moines, Iowa, to be furnished upon delivery of the Bonds. It is expected the Bonds will be available for delivery through the facilities of DTC on or about September 10, 2018. The preliminary Official Statement in the form presented is deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, subject to revisions, corrections or modifications as determine to be appropriate, and is authorized to be distributed in connection with the offering of the Bonds for sale.

\*Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.



# CITY OF AMES, IOWA

## \$8,120,000\* General Obligation Corporate Purpose Bonds, Series 2018A

**MATURITY:** The Bonds will mature June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount*</u>
2019	\$625,000
2020	590,000
2021	605,000
2022	620,000
2023	635,000
2024	655,000
2025	675,000
2026	695,000
2027	720,000
2028	740,000
2029	765,000
2030	795,000

**\*PRINCIPAL**

**ADJUSTMENT:** Preliminary; subject to change. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$8,525,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the successful bidder.

**INTEREST:** Interest on the Bonds will be payable on June 1, 2019 and semiannually thereafter.

**REDEMPTION:** Bonds due after June 1, 2026 will be subject to call for prior redemption on said date or on any day thereafter upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

## **COMPLIANCE WITH S.E.C. RULE 15c2-12**

Municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure.

**Preliminary Official Statement:** This Preliminary Official Statement was prepared for the City for dissemination to prospective bidders. Its primary purpose is to disclose information regarding the Bonds to prospective bidders in the interest of receiving competitive bids in accordance with the “TERMS OF OFFERING” contained herein. Unless an addendum is received prior to the sale, this document shall be deemed the final “Preliminary Official Statement”.

**Review Period:** This Preliminary Official Statement has been distributed to City staff as well as to prospective bidders for an objective review of its disclosure. Comments, omissions or inaccuracies must be submitted to PFM Financial Advisors LLC (the “Municipal Advisor”) at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a bid received. If there are any changes, corrections or additions to the Preliminary Official Statement, prospective bidders will be informed by an addendum at least one business day prior to the sale.

**Final Official Statement:** Upon award of sale of the Bonds, the legislative body will authorize the preparation of a final Official Statement that includes the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, anticipated delivery date and other information required by law and the identity of the underwriter (the “Syndicate Manager”) and syndicate members. Copies of the final Official Statement will be delivered to the Syndicate Manager within seven business days following the bid acceptance.

## **REPRESENTATIONS**

No dealer, broker, salesman or other person has been authorized by the City, the Municipal Advisor or the underwriter to give any information or to make any representations other than those contained in this Preliminary Official Statement or the final Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the City, the Municipal Advisor or the underwriter. This Preliminary Official Statement or the final Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City and other sources which are believed to be reliable, but it is not to be construed as a representation by the Municipal Advisor or underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement or the final Official Statement, nor any sale made thereafter shall, under any circumstances, create any implication there has been no change in the affairs of the City or in any other information contained herein, since the date hereof.

This Preliminary Official Statement and any addenda thereto were prepared relying on information from the City and other sources, which are believed to be reliable.

Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein.

Compensation of the Municipal Advisor, payable entirely by the City, is contingent upon the sale of the issue.

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# City of Ames, Iowa

## Mayor/City Council

<u>Member</u>	<u>Office</u>	<u>Initial Term Commenced</u>	<u>Term Expires</u>
John Haila	Mayor	January 02, 2018	December 31, 2021
Gloria Betcher	Council Member – 1 <sup>st</sup> Ward	January 02, 2014	December 31, 2021
Tim Gartin	Council Member – 2 <sup>nd</sup> Ward	January 02, 2014	December 31, 2019
David Martin	Council Member – 3 <sup>rd</sup> Ward	January 01, 2018	December 31, 2021
Chris Nelson	Council Member – 4 <sup>th</sup> Ward	January 02, 2014	December 31, 2019
Bronwyn Beatty-Hansen	Council Member – At Large	January 01, 2016	December 31, 2019
Amber Corrieri	Council Member – At Large	January 02, 2014	December 31, 2021
Allie Hoskins	Ex-Officio		

## Administration

Steven Schainker, City Manager  
Duane Pitcher, Director of Finance  
Diane Voss, City Clerk  
Roger Wisecup II, City Treasurer  
John Dunn, Director of Water and Pollution Control  
John Joiner, Director of Public Works  
Don Kom, Director of Electric Utility

## City Attorney

Mark Lambert  
Ames, Iowa

## Bond Counsel

Dorsey & Whitney LLP  
Des Moines, Iowa

## Municipal Advisor

PFM Financial Advisors LLC  
Des Moines, Iowa

## TERMS OF OFFERING

### CITY OF AMES, IOWA

Bids for the purchase of the City of Ames, Iowa's (the "City") \$8,120,000\* General Obligation Corporate Purpose Bonds, Series 2018A (the "Bonds") will be received on Tuesday, August 28, 2018, before 11:00 A.M., Central Time, after which time they will be tabulated. The City Council will consider award of the Bonds at 6:00 P.M., Central Time, on the same day. Questions regarding the sale of the Bonds should be directed to the City's Municipal Advisor, PFM Financial Advisors LLC (the "Municipal Advisor"), 801 Grand Avenue, Suite 3300, Des Moines, Iowa, 50309, or by telephoning 515-243-2600. Information can also be obtained from Mr. Duane Pitcher, Director of Finance, City of Ames, 515 Clark Avenue, Ames, Iowa, 50010, or by telephoning 515-239-5114.

The following section sets forth the description of certain terms of the Bonds, as well as the "TERMS OF OFFERING" with which all bidders and bid proposals are required to comply.

#### DETAILS OF THE BONDS

GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2018A, in the principal amount of \$8,120,000\* to be dated the date of delivery (September 10, 2018), in the denomination of \$5,000 or multiples thereof, will mature on June 1 as follows:

<u>Year</u>	<u>Amount*</u>
2019	\$625,000
2020	590,000
2021	605,000
2022	620,000
2023	635,000
2024	655,000
2025	675,000
2026	695,000
2027	720,000
2028	740,000
2029	765,000
2030	795,000

\* Preliminary; subject to change.

#### ADJUSTMENT TO BOND MATURITY AMOUNTS

The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$8,525,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the successful bidder.

## INTEREST

Interest on the Bonds will be payable on June 1, 2019 and semiannually on the 1<sup>st</sup> day of December and June thereafter. Principal and interest shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the 15<sup>th</sup> day of the month preceding the interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

## OPTIONAL REDEMPTION

Bonds due after June 1, 2026 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

## TERM BOND OPTION

Bidders shall have the option of designating the Bonds as serial bonds or term bonds, or both. The bid must designate whether each of the principal amounts shown above represent a serial maturity or a mandatory redemption requirement for a term bond maturity. (See the "OFFICIAL BID FORM" for more information.) In any event, the above principal amount scheduled shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both.

## GOOD FAITH DEPOSIT

A good faith deposit in the amount of \$81,200 (the "Deposit") is required from the lowest bidder only. The lowest bidder is required to submit such Deposit payable to the order of the City, not later than 1:00 P.M., Central Time, on the day of the sale of the Bonds and in the form of either (i) a cashier's check provided to the City or its Municipal Advisor, or (ii) a wire transfer as instructed by the City's Municipal Advisor. If not so received, the bid of the lowest bidder may be rejected and the City may direct the second lowest bidder to submit a deposit and thereafter may award the sale of the Bonds to the same. No interest on a deposit will accrue to the successful bidder (the "Purchaser"). The Deposit will be applied to the purchase price of the Bonds. In the event a Purchaser fails to honor its accepted bid proposal, any deposit will be retained by the City.

## FORM OF BIDS AND AWARD

All bids shall be unconditional for the entire issue of Bonds for a price not less than \$8,046,920, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations as set forth in the "BIDDING PARAMETERS" section. Bids must be submitted on or in substantial compliance with the "OFFICIAL BID FORM" provided by the City. The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (the "TIC") basis assuming compliance with the "ESTABLISHMENT OF ISSUE PRICE" and "GOOD FAITH DEPOSIT" section. The TIC shall be determined by the present value method, i.e., by ascertaining the semiannual rate, compounded semiannually, necessary to discount to present value as of the dated date of the Bonds, the amount payable on each interest payment date and on each stated maturity date or earlier mandatory redemption, so that the aggregate of such amounts will equal the aggregate purchase price offered therefore. The TIC shall be stated in terms of an annual percentage rate and shall be that rate of interest which is twice the semiannual rate so ascertained (also known as the Canadian Method). The TIC shall be as determined by the Municipal Advisor based on the "TERMS OF OFFERING" and all amendments, and on the bids as submitted. The Municipal Advisor's computation of the TIC of each bid shall be controlling. In the event of tie bids for the lowest TIC, the Bonds will be awarded by lot.

The City will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause, and (iii) reject any bid which the City determines to have failed to comply with the terms herein.

## BIDDING PARAMETERS

Each bidder's proposal must conform to the following limitations:

1. Each annual maturity must bear a single rate of interest from the dated date of the Bonds to the date of maturity.
2. Rates of interest bid must be in multiples of one-eighth or one-twentieth of one percent.
3. The initial price to the public for each maturity must be 98% or greater.

## RECEIPT OF BIDS

Forms of Bids: Bids must be submitted on or in substantial compliance with the "TERMS OF OFFERING" and "OFFICIAL BID FORM" provided by the City or through PARITY<sup>®</sup> competitive bidding system (the "Internet Bid System"). The City shall not be responsible for malfunction or mistake made by any person, or as a result of the use of an electronic bid or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be accepted after the time specified in the "OFFICIAL BID FORM". The time as maintained by the Internet Bid System shall constitute the official time with respect to all bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the City's Director of Finance, City Hall, 515 Clark Avenue, Ames, Iowa 50010.

Electronic Internet Bidding: Electronic internet bids will be received at the office of the City's Municipal Advisor, PFM Financial Advisors LLC, Des Moines, Iowa, and at the office of the City's Finance Director. Electronic internet bids must be submitted through the Internet Bid System. Information about the Internet Bid System may be obtained by calling 212-849-5021.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purposes of submitting its electronic internet bid in a timely manner and in compliance with the requirements of the "TERMS OF OFFERING" and "OFFICIAL BID FORM". The City is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the electronic internet bidding and the Internet Bid System is not an agent of the City. Provisions of the "TERMS OF OFFERING" and "OFFICIAL BID FORM" shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Electronic facsimile bids will be received at the office of the City's Municipal Advisor, PFM Financial Advisors LLC (facsimile number: 515-243-6994). Electronic facsimile bids will be sealed and treated as sealed bids.

Electronic facsimile bids received after the deadline will be rejected. Bidders electing to submit bids via electronic facsimile transmission bear full responsibility for the transmission of such bid. Neither the City nor its agents shall be responsible for malfunction or mistake made by any person, or as a result of the use of the electronic facsimile facilities or any other means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received. Neither the City nor its agents will assume liability for the inability of the bidder to reach the above named electronic facsimile numbers prior to the time of sale specified above. Time of receipt shall be the time recorded by the electronic facsimile operator receiving the bids.



## BOOK-ENTRY-ONLY ISSUANCE

The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The Purchaser, as a condition of delivery of the Bonds, will be required to deposit the bond certificates with DTC.

## MUNICIPAL BOND INSURANCE AT PURCHASER’S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that initial rating fee. Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery on the Bonds. The City reserves the right in its sole discretion to accept or deny changes to the financing documents requested by the insurer selected by the Purchaser.

## DELIVERY

The Bonds will be delivered to the Purchaser through DTC in New York, New York, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within forty-five days after the sale. Should delivery be delayed beyond sixty days from the date of sale for any reason except failure of performance by the Purchaser, the Purchaser may withdraw their bid and thereafter their interest in and liability for the Bonds will cease. When the Bonds are ready for delivery, the City will give the Purchaser five working days’ notice of the delivery date and the City will expect payment in full on that date; otherwise reserving the right at its option to determine that the Purchaser failed to comply with the offer of purchase.

## ESTABLISHMENT OF ISSUE PRICE

In order to establish the issue price of the Bonds for federal income tax purposes, the City requires bidders to agree to the following, and by submitting a bid, each bidder agrees to the following.

If a bid is submitted by a potential underwriter, the bidder confirms that (i) the underwriters have offered or reasonably expect to offer the Bonds to the public on or before the date of the award at the offering price (the “initial offering price”) for each maturity as set forth in the bid and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, retail distribution agreement or other agreement relating to the initial sale of the Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Bonds with a separate CUSIP number constitute a separate “maturity,” and the public does not include underwriters of the Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Bonds.

If, however, a bid is submitted for the bidder’s own account in a capacity other than as an underwriter of the Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Bonds, the bidder shall notify the City to that effect at the time it submits its bid and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter, the City shall advise the winning bidder at or prior to the time of award whether (i) the competitive sale rule or (ii) the “hold-the-offering price” rule applies.

If the City advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the Purchaser will be required to deliver to the City at or prior to closing a certification as to the reasonably expected initial offering price as of the award date.

If the City advises the Purchaser that the requirements for a competitive sale have not been satisfied and that the hold-the-offering price rule applies, the Purchaser shall (1) upon the request of the City confirm that the underwriters did not offer or sell any maturity of the Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the City a certification substantially in the form included hereto in EXHIBIT 1, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by its Municipal Advisor.

**Bidders should prepare their bids on the assumption the Bonds will be subject to the “hold-the-offering-price” rule. Any bid submitted pursuant to the “TERMS OF OFFERING” and “OFFICIAL BID FORM” shall be considered a firm offer for the purchase of the Bonds, and bids submitted will not be subject to cancellation or withdrawal.**

#### OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds. The Preliminary Official Statement will be further supplemented by offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, anticipated delivery date and underwriter, together with any other information required by law or deemed appropriate by the City, shall constitute a final Official Statement of the City with respect to the Bonds, as that term is defined in Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”). By awarding the Bonds to any underwriter or underwriting syndicate submitting an “OFFICIAL BID FORM” therefore, the City agrees that no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded up to 20 copies of the final Official Statement to permit each “Participating Underwriter” (as that term is defined in the Rule) to comply with the provisions of the Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the final Official Statement to the Participating Underwriter. Any underwriter executing and delivering an OFFICIAL BID FORM with respect to the Bonds, agrees thereby, if its bid is accepted by the City, (i) it shall accept such designation, and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the final Official Statement.

#### CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other Participating Underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of the Rule, the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the resolution authorizing the issuance of the Bonds and the “CONTINUING DISCLOSURE CERTIFICATE”, to provide Annual Report of specified information and notice of the occurrence of certain material events as hereinafter described (the “Undertakings”). The information to be provided on an annual basis, the events as to which notice is to be given, and a summary of other provisions of the Undertakings, including termination, amendment and remedies, are set forth as APPENDIX C to this Official Statement.

In accordance with the reporting requirements of paragraph (f)(3) of the Rule, within the past five years, the City failed to timely file a notice of bond call for the redemption of the City's General Obligation Corporate Purpose Bonds, Series 2009B.

Regarding the Mary Greeley Medical Center's (the "Medical Center") outstanding hospital revenue debt, the quarterly report for the quarters ended June 30, 2013 and June 30, 2014, and the annual financial information filings for the Fiscal Years ended June 30, 2013 through June 30, 2015 were timely filed, but were not properly linked to the Hospital Revenue Bonds, Series 2011 CUSIP numbers. In addition, certain tables were not included in the annual financial information filings for the Fiscal Years ended June 30, 2013 through June 30, 2015.

The City and the Medical Center have undertaken steps to correct these filings and to ensure all future filings required by its Undertakings are correctly and timely filed.

Breach of the Undertakings will not constitute a default or an "Event of Default" under the Bonds or the resolution for the Bonds. A broker or dealer is to consider a known breach of the Undertakings, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the Undertakings may adversely affect the transferability and liquidity of the Bonds and their market price.

#### CUSIP NUMBERS

It is anticipated that Committee on Uniform Security Identification Procedures ("CUSIP") numbers will be printed on the Bonds and the Purchaser must agree in the bid proposal to pay the cost thereof. In no event will the City, Bond Counsel or Municipal Advisor be responsible for the review or express any opinion that the CUSIP numbers are correct. Incorrect CUSIP numbers on said Bonds shall not be cause for the Purchaser to refuse to accept delivery of said Bonds.

BY ORDER OF THE CITY COUNCIL  
City of Ames, Iowa  
/s/ Duane Pitcher, Director of Finance

## SCHEDULE OF BOND YEARS

**\$8,120,000\***

**City of Ames, Iowa**

**General Obligation Corporate Purpose Bonds, Series 2018A**

Bonds Dated: September 10, 2018

Interest Due: June 1, 2019 and each December 1 and June 1 to maturity

Principal Due: June 1, 2019-2030

<u>Year</u>	<u>Principal *</u>	<u>Bond Years</u>	<u>Cumulative Bond Years</u>
2019	\$625,000	453.13	453.13
2020	590,000	1,017.75	1,470.88
2021	605,000	1,648.63	3,119.50
2022	620,000	2,309.50	5,429.00
2023	635,000	3,000.38	8,429.38
2024	655,000	3,749.88	12,179.25
2025	675,000	4,539.38	16,718.63
2026	695,000	5,368.88	22,087.50
2027	720,000	6,282.00	28,369.50
2028	740,000	7,196.50	35,566.00
2029	765,000	8,204.63	43,770.63
2030	795,000	9,321.38	53,092.00

Average Maturity (dated date): 6.538 Years

\* Preliminary; subject to change.

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**EXHIBIT 1**

**FORMS OF ISSUE PRICE CERTIFICATES**

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COMPETITIVE SALE MET – 3 BIDS RECEIVED

ISSUE PRICE CERTIFICATE

CITY OF AMES, IOWA

**\$8,120,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2018A**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

**1. Reasonably Expected Initial Offering Price.**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

**2. Defined Terms.** For purposes of this Issue Price Certificate:

(a) *Issuer* means City of Ames, Iowa.

(b) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(d) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was August 28, 2018.



*EXHIBIT 1 to TERMS OF OFFERING*

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP, Des Moines, Iowa in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: September 10, 2018

**SCHEDULE A**

**EXPECTED OFFERING PRICES**

**CITY OF AMES, IOWA**

**\$8,120,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2018A**

*(Attached)*

**SCHEDULE B**

**COPY OF UNDERWRITER'S BID**

**CITY OF AMES, IOWA**

**\$8,120,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2018A**

*(Attached)*

COMPETITIVE SALE NOT MET

ISSUE PRICE CERTIFICATE

CITY OF AMES, IOWA

**\$8,120,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2018A**

The undersigned, on behalf of [NAME OF UNDERWRITER ( ["[SHORT NAME OF UNDERWRITER]"])] hereby certifies as set forth below with respect to the sale of the obligations named above (the "Bonds").

**1. Initial Offering Price of the Bonds.** [SHORT NAME OF UNDERWRITER] offered the Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire for the Bonds is attached to this certificate as Schedule B.

**2. First Price at which Sold to the Public.** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein][in Schedule C], if different].

**3. Hold the Offering Price Rule.** [SHORT NAME OF UNDERWRITER] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "Hold-the-Offering-Price Rule"), and (ii) any agreement among underwriters, selling group agreement, or retail distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [SHORT NAME OF UNDERWRITER]'s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

**4. Defined Terms.** For purposes of this Issue Price Certificate:

(a) *Holding Period* means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (August 28, 2018), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) *Issuer* means the City of Ames, Iowa.

(c) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(e) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a "related party" to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock

of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was August 28, 2018.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDEWRITING FIRM] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP, Des Moines, Iowa in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: September 10, 2018

**SCHEDULE A**

**INITIAL OFFERING PRICES OF THE BONDS**

**CITY OF AMES, IOWA**

**\$8,120,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2018A**

*(Attached)*

**SCHEDULE B**

**PRICING WIRE**

**CITY OF AMES, IOWA**

**\$8,120,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2018A**

*(Attached)*

**SCHEDULE C**

**SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE  
AT THE INITIAL OFFERING PRICE**

**CITY OF AMES, IOWA  
\$8,120,000\* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2018A**

*(Attached)*



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**PRELIMINARY OFFICIAL STATEMENT**

**CITY OF AMES, IOWA**

**\$8,120,000\* General Obligation Corporate Purpose Bonds, Series 2018A**

**INTRODUCTION**

This Preliminary Official Statement contains information relating to the City of Ames, Iowa (the “City”) and its issuance of \$8,120,000\* General Obligation Corporate Purpose Bonds, Series 2018A (the “Bonds”). This Preliminary Official Statement has been authorized by the City and may be distributed in connection with the sale of the Bonds authorized therein. Inquiries may be made to the City’s Municipal Advisor, PFM Financial Advisors LLC (the “Municipal Advisor”), 801 Grand Avenue, Suite 3300, Des Moines, Iowa, 50309, or by telephoning 515-243-2600. Information can also be obtained from Mr. Duane Pitcher, Director of Finance, City of Ames, 515 Clark Avenue, Ames, Iowa, 50010, or by telephoning 515-239-5114.

**AUTHORITY AND PURPOSE**

The Bonds are being issued pursuant to Division III of Chapter 384 of the Code of Iowa and a resolution to be adopted by the City Council of the City. The Bonds are being issued for the essential corporate purposes of paying the cost, to that extent, of constructing improvements to streets and acquisition of emergency services communication equipment, and for the general corporate purpose of making improvements at the City’s Fire Station #1.

The estimated sources and uses of the Bonds are as follows:

Sources of Funds\*

Par Amount of Bonds	\$8,120,000.00
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Uses of Funds\*

Deposit to Project Fund	\$7,987,000.00
Underwriter’s Discount	73,080.00
Cost of Issuance and Contingency	<u>59,920.00</u>
Total Uses	\$8,120,000.00

\* Preliminary; subject to change.

**INTEREST**

Interest on the Bonds will be payable on June 1, 2019 and semiannually on the 1<sup>st</sup> day of December and June thereafter. Principal and interest shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the 15<sup>th</sup> day of the month preceding the interest payment date (the “Record Date”). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

**OPTIONAL REDEMPTION**

Bonds due after June 1, 2026 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

## **PAYMENT OF AND SECURITY FOR THE BONDS**

The Bonds are general obligations of the City and the unlimited taxing powers of the City are irrevocably pledged for their payment. Upon issuance of the Bonds, the City will levy taxes for the years and in amounts sufficient to provide 100% of annual principal and interest due on all Bonds. If, however, the amount credited to the debt service fund for payment of the Bonds is insufficient to pay principal and interest, whether from transfers or from original levies, the City must use funds in its treasury and is required to levy ad valorem taxes upon all taxable property in the City without limit as to rate or amount sufficient to pay the debt service deficiency.

## **BOOK-ENTRY-ONLY ISSUANCE**

*The information contained in the following paragraphs of this subsection “BOOK-ENTRY-ONLY SYSTEM” has been extracted from a schedule prepared by Depository Trust Company (“DTC”) entitled “SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE”. The information in this section concerning DTC and DTC’s book-entry-only system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.*

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry-only transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). DTC has S&P Global Ratings: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry-only system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co., nor any other DTC nominee, will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date identified in a listing attached to the Omnibus Proxy.

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry-only credit of tendered Securities to Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

## **FUTURE FINANCING**

The City does not anticipate issuing any additional general obligation debt within 90 days of this Preliminary Official Statement. However, the City does anticipate issuing two sewer revenue loan agreements with the Iowa Finance Authority via the State Revolving Fund clean water loan program, in the approximate amounts of \$2,408,000 and \$3,259,000 in late summer 2018. Both loan agreements will be repaid solely with net revenues of the City's sanitary sewer utility system.

## **LITIGATION**

The City is not aware of any threatened or pending litigation affecting the validity of the Bonds or the City's ability to meet its financial obligations.

At closing, the City will certify that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the Bonds, or the titles of the City officers to their respective positions, or the validity of the Bonds, or the power and duty of the Bonds to provide and apply adequate taxes for the full and prompt payment of the principal and interest of the Bonds, and that no measure or provision for the authorization or issuance of the Bonds has been repealed or rescinded."

## **DEBT PAYMENT HISTORY**

The City knows of no instance in which they have defaulted in the payment of principal and interest on its debt.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt or taxable status of the interest thereon (see "TAX EXEMPTION AND RELATED TAX MATTERS" herein) are subject to the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as APPENDIX A. Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Purchaser at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel.

Bond Counsel has not been engaged, nor has it undertaken to prepare or to independently verify the accuracy of the Official Statement, including, but not limited to, financial or statistical information of the City and risks associated with the purchase of the Bonds, except Bond Counsel has reviewed the information and statements contained in the Official Statement under, "TAX EXEMPTION AND RELATED TAX MATTERS" and "LEGAL MATTERS", insofar as such statements contained under such captions purport to summarize certain provisions of the Internal Revenue Code of 1986, the Bonds and any opinions rendered by Bond Counsel. Bond Counsel has prepared the documents contained in APPENDIX A and APPENDIX C.

## **TAX EXEMPTION AND RELATED TAX MATTERS**

Federal Income Tax Exemption: The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed under the Internal Revenue Code of 1986 (the "Code"), provided, however that such interest must be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations for taxable years beginning before January 1, 2018.

The opinion set forth in the preceding sentence will be subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. In the resolution authorizing the issuance of the Bonds, the City will covenant to comply with all such requirements.

There may be certain other federal tax consequences to the ownership of the Bonds by certain taxpayers, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

The interest on the Bonds is NOT exempt from present Iowa income taxes.

Proposed Changes in Federal and State Tax Law: From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax exempt status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

*Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.*

Qualified Tax-Exempt Obligations: In the resolution authorizing the issuance of the Bonds, the City will designate the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to tax-exempt obligations. In the opinion of Bond Counsel, the Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Original Issue Premium: The Bonds maturing in the years \_\_\_\_\_ are being issued at a premium to the principal amount payable at maturity. Except in the case of dealers, which are subject to special rules, Bondholders who acquire the Bonds at a premium must, from time to time, reduce their federal tax bases for the Bonds for purposes of determining gain or loss on the sale or payment of such Bonds. Premium generally is amortized for federal income tax purposes on the basis of a bondholder’s constant yield to maturity or to certain call dates with semiannual compounding. Bondholders who acquire any Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes. Bondholders who acquire any Bonds at a premium should consult their tax advisors concerning the calculation of Bond premium and the timing and rate of premium amortization, as well as the state and local tax consequences of owning and selling the Bonds acquired at a premium.

Original Issue Discount: The Bonds maturing in the years \_\_\_\_\_ (collectively, the “Discount Bonds”) are being sold at a discount from the principal amount payable on such Bonds at maturity. The difference between the price at which a substantial amount of the Discount Bonds of a given maturity is first sold to the public (the “Issue Price”) and the principal amount payable at maturity constitutes “original issue discount” under the Code. The amount of original issue discount that accrues to a holder of a Discount Bond under section 1288 of the Code is excluded from federal gross income to the same extent that stated interest on such Discount Bond would be so excluded. The amount of the original issue discount that accrues with respect to a Discount Bond under section 1288 is added to the owner’s federal tax basis in determining gain or loss upon disposition of such Discount Bonds (whether by sale, exchange, redemption or payment at maturity).

Interest in the form of original issue discount accrues under section 1288 pursuant to a constant yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of original issue discount that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For purposes of the preceding sentence, the adjusted issue price is determined by adding to the Issue Price for such Discount Bonds the original issue discount that is treated as having accrued during all prior semiannual accrual periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that semiannual accrual period for federal income tax purposes is allocated ratably to the days in such accrual period.

An owner of a Discount Bond who disposes of such Discount Bond prior to maturity should consult owner's tax advisor as to the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bond prior to maturity.

Owners who purchase Discount Bonds in the initial public offering but at a price different than the Issue Price should consult their own tax advisor with respect to the tax consequences of the ownership of Discount Bonds.

The Code contains provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bond such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Original issue discount that accrues in each year to an owner of a Discount Bond may result in collateral federal income tax consequences to certain taxpayers. No opinion is expressed as to state and local income tax treatment of original issue discount. All owners of Discount Bonds should consult their own tax advisors with respect to the federal, state, local and foreign tax consequences associated with the purchase, ownership, redemption, sale or other disposition of Discount Bonds.

## **BONDHOLDER'S RISKS**

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement (including the appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

Tax Levy Procedures: The Bonds are general obligations of the City, payable from and secured by a continuing ad-valorem tax levied against all of the taxable property within the boundaries of the City. As part of the budgetary process of the City, each fiscal year the City will have an obligation to request a debt service levy to be applied against all of the taxable property within the boundaries of the City. A failure on the part of the City to make a timely levy request or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service on the Bond for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds.

2013 Property Tax Legislation: During its 2013 session the Iowa Legislature enacted, and the Governor signed legislation that, among other things, reduces the limit on annual assessed value growth with respect to residential and agricultural property from 4% to 3%, reduces as a rollback the taxable value applicable to commercial, industrial and railroad property to 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, and provides a partial exemption on telecommunications property. The legislation also created a new separate classification for multiresidential properties which were previously taxed as commercial properties, and assigns an incremental rollback percentage over several years for multiresidential properties such that the multiresidential rollback determination will match that for residential properties in the 2022 assessment year. As a result of this legislation, local governments expect to experience reductions in property tax revenues over the next several fiscal years. The legislation includes state-funded replacement moneys for a portion of the expected reduction in property tax revenues to the local governments, but such replacement funding is limited in both amount and duration of availability. There can be no assurance the state-funded replacement moneys will be provided by the state, if at all, during the term the Bonds remain outstanding. The City does not expect

the state replacement funding to fully address the property tax reductions resulting from the legislation during the term the Bonds remain outstanding. The legislation does not limit the legal obligation of the City to pay debt service on the Bonds or the amount the City is required to levy for payments of debt service on the Bonds; however, there can be no assurances that it will not have a material adverse impact with respect to the City's financial position.

Changes in Property Taxation: From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Any alteration in property taxation structure could affect property tax revenues available to pay the Bonds. Historically, the Iowa General Assembly has applied changes in property taxation structure on a prospective basis; however, there is no assurance that future changes in property taxation structure by the Iowa General Assembly will not be retroactive. It is impossible to predict the outcome of future property tax changes by the Iowa General Assembly or their potential impact on the Bonds and the security for the Bonds.

Matters Relating to Enforceability of Agreements: Bondholders shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the resolution for the Bonds.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the resolution for the Bonds or the Loan Agreement. The remedies available to the Bondholders upon an event of default under the resolution for the Bonds or the Loan Agreement, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the federal bankruptcy code, certain of the remedies specified in the Loan Agreement or the resolution for the Bonds may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies will result in sufficient funds to pay all amounts due under the resolution for the Bonds or the Loan Agreement, including principal of and interest on the Bonds.

Secondary Market: There can be no guarantee there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, secondary marketing practices in connection with a particular note or bond issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF SUCH INVESTMENT. THE SECONDARY MARKET FOR THE BONDS, IF ANY, COULD BE LIMITED.

Rating Loss: Moody's Investors Service ("Moody's") has assigned a rating of '\_\_\_' to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Moody's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Insolvency: The rights and remedies provided in the resolution for the Bonds may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditor's rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State of Iowa. The various opinions of counsel to be delivered with respect to the Bonds, the Loan Agreement and the resolution



for the Bonds, including the opinion of Bond Counsel, will be similarly qualified. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the resolution for the Bonds. In the event the City fails to comply with its covenants under the resolution for the Bonds or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Forward-Looking Statements: This Preliminary Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Preliminary Official Statement, the words “anticipated,” “plan,” “expect,” “projected,” “estimate,” “budget,” “pro forma,” “forecast,” “intend,” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the City to pay debt service when due on the Bonds.

Tax Matters, Bank Qualification and Loss of Tax Exemption: As discussed under the heading “TAX EXEMPTION AND RELATED TAX MATTERS” herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the City in violation of its covenants in the resolution for the Bonds. Should such an event of taxability occur, the Bonds would not be subject to a special redemption and would remain outstanding until maturity or until redeemed under the redemption provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

It is possible that actions of the City after the closing of the Bonds will alter the tax-exempt status of the Bonds, and, in the extreme, remove the tax-exempt status from the Bonds. In that instance, the Bonds are not subject to mandatory prepayment, and the interest rate on the Bonds does not increase or otherwise reset. A determination of taxability on the Bonds, after closing of the Bonds, could materially adversely affect the value and marketability of the Bonds.

Federal and State Immigration Initiatives: Various federal executive orders, and a recently enacted state law (“SF 481”) which became effective July 1, 2018 (collectively “ICE Enforcement Initiatives”), impose requirements intended to promote compliance with the federal immigration detention processes, and prohibit local entities from restricting enforcement of immigration law. Some of the ICE Enforcement Initiatives impose various penalties for non-compliance, including the loss of state and/or federal funding under certain circumstances. The loss of state and/or federal funds in any significant amount could negatively impact the City’s overall financial position and may affect its rating.

The Bonds are not secured by state or federal funds, but instead are secured by a debt service levy upon real property within the jurisdictional limits of the City. Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, “the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.”

DTC-Beneficial Owners: Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through indirect Participants. Neither the City nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, indirect participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC

system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See “BOOK-ENTRY-ONLY SYSTEM.”

Proposed Federal Tax Legislation: From time to time, Presidential proposals, federal legislative committee proposals or legislative proposals are made that would, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of the Bonds. It cannot be predicted whether or in what forms any of such proposals that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition, regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. See “TAX EXEMPTION AND RELATED TAX MATTERS” herein.

Pension and OPEB Information: The City contributes to the Iowa Public Employees’ Retirement System (“IPERS”), which is a state-wide, multiple-employer, cost-sharing, defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the City are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the City being required to make annual contributions to IPERS. Contribution amounts are set by State statute. The IPERS Comprehensive Annual Financial Report for its Fiscal Year ended June 30, 2017 (the “IPERS CAFR”) indicates that as of June 30, 2016, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 83.9%, and the unfunded actuarial liability was \$5.586 billion. The IPERS CAFR identifies the IPERS Net Pension Liability at June 30, 2016, at approximately \$6.293 billion, while its net pension liability at June 30, 2015 was approximately \$4.94 billion. The IPERS CAFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, IA 50321. See APPENDIX B – “JUNE 30, 2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT” for additional information on IPERS.

In Fiscal Year ended June 30, 2017, the City’s IPERS contribution totaled approximately \$7,654,501. The City is current in its obligations to IPERS.

Pursuant to Governmental Accounting Standards Board Statement No. 68, IPERS has allocated the net pension liability among its members, with the City’s identified portion at June 30, 2017 at approximately \$72,702,715. While the City’s contributions to IPERS are controlled by state law, there can be no assurance the City will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the City. See “EMPLOYEES AND PENSIONS”, and APPENDIX B – “JUNE 30, 2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT” for additional information on pension and liabilities of the City.

Bond Counsel, the Underwriter, the Financial Advisor and the City undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from the IPERS discussed above or included on the IPERS website, including, but not limited to, updates of such information on the State Auditor’s website or links to other Internet sites accessed through the IPERS website.

The City contributes to Municipal Fire and Police Retirement System of Iowa (“MFPRSI”), which is a multiple-employer cost-sharing defined benefit pension plan for fire fighters and police officers, administered under Chapter 411 of the Code of Iowa. MFPRSI plan members are required to contribute a percentage of their annual salary, in addition to the City being required to make annual contributions to MFPRSI. Contribution amounts are set by State statute. The MFPRSI Comprehensive Annual Financial Report for its Fiscal Year ended June 30, 2017 (the “MFPRSI Report”) indicates that as of June 30, 2017, the date of the most recent actuarial valuation for MFPRSI, the funded ratio of MFPRSI was 81.40%, and the unfunded actuarial liability was \$562.2 million. The MFPRSI Report identifies the MFPRSI Net Pension Liability at June 30, 2017, at approximately \$586.5 million, while its net pension liability at June 30, 2016 was approximately \$625.3 million. The MFPRSI Report is available on the MFPRSI website. See “APPENDIX B – JUNE 30, 2017 INDEPENDENT AUDITORS’ REPORT” for additional information on MFPRSI.

Bond Counsel, the Underwriter, the Municipal Advisor and the City undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from the MFPRSI discussed above or included on the MFPRSI website, including, but not limited to, updates of such information on the State Auditor's website or links to other Internet sites accessed through the MFPRSI website.

In the Fiscal Year ended June 30, 2017, the City's MFPRSI contribution totaled approximately \$1,946,357. The City is current in its obligations to MFPRSI.

Pursuant to Governmental Accounting Standards Board Statement No. 68, MFPRSI has allocated the net pension liability among its members, with the City's identified portion at June 30, 2017 at approximately \$16,569,071. While the City's contributions to MFPRSI are controlled by state law, there can be no assurance the City will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the City. See "EMPLOYEES AND PENSIONS", and APPENDIX B – JUNE 30, 2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT" for additional information on MFPRSI.

The City and hospital provide health and dental care benefits for retirees and their beneficiaries through a single-employer, defined benefit plan. The hospital also provides a life insurance benefit. The City has the authority to establish and amend benefit provisions of the plan. Participants must be age 55 or older. The contribution requirements of the City are established and may be amended by the City. Plan members are currently not required to contribute. The City funds on a pay-as-you-go basis. See "OTHER POST-EMPLOYMENT BENEFITS", and APPENDIX B – "JUNE 30, 2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT" for additional information.

Summary: The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Preliminary Official Statement and the appendices hereto.

## **RATING**

The City has requested a rating on the Bonds from Moody's Investors Service. Currently, Moody's rates the City's outstanding General Obligation long-term debt 'Aa1'. The existing rating on long-term debt reflects only the view of the rating agency and with any explanation of the significance of such rating may only be obtained from Moody's. There is no assurance that such rating will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of the rating may have an effect on the market price of the Bonds.

## **MUNICIPAL ADVISOR**

The City has retained PFM Financial Advisors LLC, Des Moines, Iowa as Municipal Advisor in connection with the preparation of the issuance of the Bonds. In preparing the Preliminary Official Statement, the Municipal Advisor has relied on government officials and other sources to provide accurate information for disclosure purposes. The Municipal Advisor is not obligated to undertake, and has not undertaken, an independent verification of the accuracy, completeness or fairness of the information contained in this Preliminary Official Statement. PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **CONTINUING DISCLOSURE**

In order to permit bidders for the Bonds and other Participating Underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the resolution authorizing the issuance of the Bonds and the "CONTINUING DISCLOSURE CERTIFICATE", to provide an Annual Report of specified information and notice of the occurrence of certain material events as hereinafter described (the "Undertakings"). The information to be provided on an annual basis, the events as to which notice is to be given, and a summary of other provisions of the Undertakings, including termination, amendment and remedies, are set forth as APPENDIX C to this Official Statement.

In accordance with the reporting requirements of paragraph (f)(3) of the Rule, within the past five years, the City failed to timely file a notice of bond call for the redemption of the City's General Obligation Corporate Purpose Bonds, Series 2009B.

Regarding the Mary Greeley Medical Center's (the "Medical Center") outstanding hospital revenue debt, the quarterly report for the quarters ended June 30, 2013 and June 30, 2014, and the annual financial information filings for the Fiscal Years ended June 30, 2013 through June 30, 2015 were timely filed, but were not properly linked to the Hospital Revenue Bonds, Series 2011 CUSIP numbers. In addition, certain tables were not included in the annual financial information filings for the Fiscal Years ended June 30, 2013 through 2015.

The City and the Medical Center have undertaken steps to correct these filings and to ensure all future filings required by its Undertakings are correctly and timely filed.

Breach of the Undertakings will not constitute a default or an "Event of Default" under the Bonds or the resolution for the Bonds. A broker or dealer is to consider a known breach of the Undertakings, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the Undertakings may adversely affect the transferability and liquidity of the Bonds and their market price.

#### **CERTIFICATION**

The City has authorized the distribution of this Preliminary Official Statement for use in connection with the initial sale of the Bonds. I have reviewed the information contained within the Preliminary Official Statement prepared on behalf of the City by PFM Financial Advisors LLC, Des Moines, Iowa, and to the best of our knowledge, information and belief, said Preliminary Official Statement does not contain any material misstatements of fact nor omission of any material fact regarding the issuance of \$8,120,000\* General Obligation Corporate Purpose Bonds, Series 2018A.

CITY OF AMES, IOWA  
/s/ Duane Pitcher, Director of Finance

\* Preliminary; subject to change.

## CITY PROPERTY VALUATIONS

### IOWA PROPERTY VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs the county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The 2017 final Actual Values were adjusted by the Story County Auditor. The reduced values, determined after the application of rollback percentages, are the Taxable Values subject to tax levy. For assessment year 2017, the taxable value rollback rate was 55.6209% of actual value for residential property; 54.4480% of actual value for agricultural property; 78.7500% of the actual value for multiresidential property; and 90% of actual value for commercial, industrial and railroad property. No adjustment was ordered for utility property because its assessed value did not increase enough to qualify for reduction. Utility property is limited to an 8% annual growth.

The Legislature's intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 3% annually. Political subdivisions whose taxable values are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board, in order to continue to fund present services.

### PROPERTY VALUATIONS (1/1/2017 Valuations for Taxes Payable July 1, 2018 through June 30, 2019)

	<u>100% Actual Value</u>	<u>Taxable Value (With Rollback)</u>
Residential	\$3,433,390,796	\$1,909,559,823
Commercial	794,219,367	711,369,677
Industrial	153,921,400	138,529,260
Multiresidential	174,954,300	137,776,575
Railroads	8,150,700	7,335,630
Utilities w/o Gas & Electric	<u>5,283,118</u>	<u>5,283,118</u>
Gross valuation	\$4,569,919,681	\$2,909,854,083
Less military exemption	<u>(2,287,220)</u>	<u>(2,287,220)</u>
Net valuation	\$4,567,632,461	\$2,907,566,863
TIF Increment	\$34,554,637	\$34,554,637
Taxed separately		
Ag. Land & Building	\$5,382,400	\$2,930,613
Gas & Electric Utilities	\$29,952,337	\$7,174,759

### 2017 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY <sup>1)</sup>

	<u>Taxable Valuation</u>	<u>Percent of Total</u>
Residential	\$1,909,559,823	65.46%
Multiresidential	137,776,575	4.72%
Gas & Electric Utilities	7,174,759	0.25%
Commercial, Industrial, Railroads, Utility	<u>862,517,685</u>	<u>29.57%</u>
Total Gross Taxable Valuation	\$2,917,028,842	100.00%

1) Excludes Taxable TIF Increment and Ag. Land & Buildings.

## TREND OF VALUATIONS

<u>Assessment Year</u>	<u>Payable Fiscal Year</u>	<u>100% Actual Valuation</u>	<u>Taxable Valuation (With Rollback)</u>	<u>Taxable TIF Increment</u>
2013	2014-15	\$3,607,945,166	\$2,353,356,218	\$1,646,350
2014	2015-16	3,793,802,326	2,444,958,642	1,827,450
2015	2016-17	4,055,993,730	2,603,065,698	10,883,485
2016	2017-18	4,184,550,434	2,701,440,748	30,501,176
2017	2018-19	4,637,521,835	2,914,741,622	34,554,637

The 100% Actual Valuation, before rollback and after the reduction of military exemption, includes Ag. Land & Buildings, TIF Increment and Gas & Electric Utilities. The Taxable Valuation, with the rollback and after the reduction of military exemption, includes Gas & Electric Utilities and excludes Ag. Land & Buildings and Taxable TIF Increment. Iowa cities certify operating levies against Taxable Valuation excluding Taxable TIF Increment and debt service levies are certified against Taxable Valuation including the Taxable TIF Increment.

## LARGER TAXPAYERS

Set forth in the following table are the persons or entities which represent larger taxpayers within the boundaries of the City, as provided by the Story County Auditor's office. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City. With the exception of the electric and natural gas provider noted below (which is subject to an excise tax in accordance with Iowa Code chapter 437A), the City's mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the City from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u> <sup>1)</sup>	<u>Type of Property/Business</u>	<u>1/1/2017</u> <sup>2)</sup> <u>Taxable Valuation</u>
Iowa State University Research Park	Commercial	\$54,565,258
Campus Investors IS LLC	Commercial	37,200,040
Barilla America Inc.	Industrial	33,520,140
Clinic Building Company, Inc.	Commercial	25,849,661
Greater Iowa Credit Union	Commercial	21,687,508
GPT Ames Owner LLC	Commercial	21,346,650
Dayton Park LLC	Commercial	19,053,909
Wal-Mart Stores, Inc. – Store 4256-00	Commercial	18,810,000
CB at Ames LLC	Multiresidential	17,734,982
University West Property Owner LLC	Commercial	16,883,813

1) This list represents some of the larger taxpayers in the City, not necessarily the 10 largest taxpayers.

2) The January 1, 2017 Taxable valuations listed represents only those valuations associated with the title holder and may not necessarily represent the entire taxable valuation.

Source: Story County Auditor

## PROPERTY TAX LEGISLATION

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the “Act”), which the Governor signed into law on June 12, 2013. Among other things, the Act (i) reduced the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property to 3%, (ii) assigned a “rollback” (the percentage of a property’s value that is subject to tax) to commercial, industrial and railroad property of 90%, (iii) created a new property tax classification for multi-residential properties (mobile home parks, manufactured home communities, land-lease communities, assisted living facilities and property primarily used or intended for human habitation containing three or more separate dwelling units) (“Multiresidential Property”), and assigned a declining rollback percentage of 3.75% to such properties for each year until the 2021 assessment year (the rollback percentage for Multiresidential Properties is equal to the residential rollback percentage in the 2022 assessment year and thereafter) and (iv) exempted a specified portion of the assessed value of telecommunication properties.

The Act included a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. Beginning in Fiscal Year 2017-18 the standing appropriation cannot exceed the actual Fiscal Year 2016-17 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act’s provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3%, the gradual transition for Multiresidential Property to the residential rollback percentage, or the reduction in the percentage of telecommunications property that is subject to taxation.

Given the wide scope of the statutory changes, and the State of Iowa’s discretion in establishing the annual replacement amount that is appropriated each year commencing in Fiscal Year 2017-18, the impact of the Act on the City’s future property tax collections is uncertain and the City is unable to accurately assess the financial impact of the Act’s provisions on the City’s future operations.

Notwithstanding any decrease in property tax revenues that may result from the Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, “the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.”

From time to time, other legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described in this Preliminary Official Statement. It cannot be predicted whether or in what forms any of such proposals may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for the levy of taxes by the City.

## CITY INDEBTEDNESS

### DEBT LIMIT

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the Actual Value of all taxable property within the corporate limits, as taken from the last state and county tax list. The debt limit for the City, based on its 2017 Actual Valuation currently applicable to the Fiscal Year 2018-19, is as follows:

2017 Gross Actual Valuation of Property	\$4,637,521,835 <sup>1)</sup>
Legal Debt Limit of 5%	<u>0.05</u>
Legal Debt Limit	\$231,876,092
Less: G.O. Debt Subject to Debt Limit	(73,600,000) *
Less: Other Debt Subject to Debt Limit	<u>(302,218) <sup>2)</sup></u>
Net Debt Limit	\$157,973,874 *

1) Actual Valuation of property as reported by the Iowa Department of Management for the Fiscal Year 2018-19.

2) Other Debt Subject to Debt Limit includes TIF rebate agreement payments appropriated for Fiscal Year 2018-19.

### DIRECT DEBT

#### General Obligation Debt Paid by Taxes and Other Sources <sup>1)</sup> (Includes the Bonds)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 9/10/18</u>
9/10A	\$6,690,000	Capital Improvement Projects	6/22	\$2,510,000
5/11A	5,980,000	Refunding Series 2002A, 2002B & 2003	6/21	730,000
11/11B	6,675,000	Corporate Purpose Improvements	6/23	2,965,000
10/12	12,660,000	Corporate Purpose Improvements	6/32	7,800,000
5/13	22,540,000	Corporate Purpose Improvements & Refunding	6/32	14,750,000
9/14	9,695,000	Corporate Purpose Improvements	6/26	6,515,000
9/15A	18,445,000	Corporate Purpose Improvements & Refunding	6/35	11,715,000
9/16A	11,650,000	Corporate Purpose Improvements & Refunding	6/28	9,040,000
9/17A	10,975,000	Corporate Purpose Improvements & Refunding	6/29	9,455,000
9/18A	8,120,000*	Corporate Purpose Improvements	6/30	<u>8,120,000</u> *
<b>Total</b>				<b>\$73,600,000 *</b>

1) The City's general obligation debt is abated by tax increment reimbursements, water revenues, sewer revenues, airport revenues, resource recovery revenues and special assessments.

\* Preliminary; subject to change.



**Annual Fiscal Year Debt Service Payments (Includes the Bonds)**

Fiscal Year	<u>Existing Debt</u>		<u>Bonds</u>		<u>Total Outstanding</u>	
	<u>Principal</u>	<u>Principal and Interest</u>	<u>Principal*</u>	<u>Principal and Interest*</u>	<u>Principal*</u>	<u>Principal and Interest*</u>
2018-19	\$9,105,000	\$11,172,441	\$625,000	\$802,731	\$9,730,000	\$11,975,172
2019-20	8,405,000	10,148,924	590,000	820,647	8,995,000	10,969,571
2020-21	7,850,000	9,292,174	605,000	820,838	8,455,000	10,113,012
2021-22	6,775,000	7,977,219	620,000	819,745	7,395,000	8,796,964
2022-23	6,300,000	7,288,139	635,000	817,695	6,935,000	8,105,834
2023-24	5,810,000	6,600,869	655,000	819,597	6,465,000	7,420,466
2024-25	4,915,000	5,532,794	675,000	820,078	5,590,000	6,352,872
2025-26	4,350,000	4,811,394	695,000	819,153	5,045,000	5,630,547
2026-27	3,795,000	4,135,619	720,000	821,844	4,515,000	4,957,463
2027-28	2,605,000	2,838,319	740,000	818,228	3,345,000	3,656,547
2028-29	1,805,000	1,973,644	765,000	818,438	2,570,000	2,792,082
2029-30	1,160,000	1,274,494	<u>795,000</u>	822,428	1,955,000	2,096,922
2030-31	1,195,000	1,274,694			1,195,000	1,274,694
2031-32	1,230,000	1,273,844			1,230,000	1,273,844
2032-33	60,000	65,775			60,000	65,775
2033-34	60,000	63,900			60,000	63,900
2034-35	<u>60,000</u>	61,950			<u>60,000</u>	61,950
Total	\$65,480,000		\$8,120,000*		\$73,600,000*	

\* Preliminary; subject to change.

**OTHER DEBT**

**Water Revenue Debt**

The City has water revenue debt paid solely from the net revenues of the Water Utility as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 9/10/18</u>
2/15	\$76,325,000	Water Revenue Bonds (SRF)	6/37	\$63,960,966 <sup>1)</sup>

1) Preliminary; subject to change based on final project costs. The City has drawn \$66,830,966 as of June 21, 2018.

## Sewer Revenue Debt

The City has sewer revenue debt paid solely from the net revenues of the Sewer Utility as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 9/10/18</u>
11/12	\$3,121,000	Sewer Revenue Bonds (SRF)	6/33	\$1,801,250 <sup>1)</sup>
4/14	375,000	Planning and Design Loan (SRF)	4/19	318,750 <sup>2)</sup>
9/16	375,000	Planning and Design Loan (SRF)	9/19	0 <sup>3)</sup>
9/16	797,000	Sewer Revenue Bonds (SRF)	6/36	575,332 <sup>4)</sup>
2/18	1,001,000	Sewer Revenue Bonds (SRF)	6/38	<u>139,848</u> <sup>5)</sup>
Total				\$2,835,180

- 1) Preliminary; subject to change based on final project costs. The City has drawn \$2,469,250 as of June 21, 2018.
- 2) Preliminary; subject to change based on final project costs. The City has drawn \$318,750 as June 21, 2018.
- 3) Preliminary; subject to change based on final project costs. The City has drawn \$0 as June 21, 2018.
- 4) Preliminary; subject to change based on final project costs. The City has drawn \$641,332 as June 21, 2018.
- 5) Preliminary; subject to change based on final project costs. The City has drawn \$139,848 as June 21, 2018.

## Electric Revenue Debt

The City has electric revenue debt paid solely from the net revenues of the Electric Utility as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 9/10/18</u>
12/15B	\$9,500,000	Electric Revenue Bonds	6/27	\$7,420,000

## Hospital Revenue Debt

The City has hospital revenue debt paid solely from the net revenues of Mary Greeley Medical Center as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 9/10/18</u>
11/12	\$26,000,000	Mary Greeley Medical Center & Refunding	6/27	\$12,700,000
06/16	64,790,000	Mary Greeley Medical Center & Refunding	6/36	<u>63,445,000</u>
Total				\$76,145,000

**OVERLAPPING DEBT**

<u>Taxing District</u>	<u>1/1/2017 Taxable Valuation</u> <sup>1)</sup>	<u>Valuation Within the City</u>	<u>Percent Applicable</u>	<u>G.O. Debt</u> <sup>2)</sup>	<u>City's Proportionate Share</u>
Story County	\$4,869,972,136	\$2,952,226,872	60.62%	\$815,000	\$494,053
Ames CSD	2,714,303,465	2,665,959,739	98.22%	13,315,000	13,077,993
Gilbert CSD	535,997,342	272,602,355	50.86%	26,305,000	13,378,723
Nevada CSD	501,168,291	753,583	0.15%	4,809,000	7,214
United CSD	292,204,125	12,911,195	4.42%	0	0
DMACC	47,685,435,379	2,952,226,872	6.19%	70,090,000	<u>4,338,571</u>
City's share of total overlapping debt:					\$31,296,554

- 1) Taxable Valuation excludes military exemption and includes Ag Land, Ag Buildings, all Utilities and TIF Increment.
- 2) Includes general obligation bonds, PPEL notes, certificates of participation and new jobs training certificates.

**DEBT RATIOS**

	<u>G.O. Debt</u>	<u>Debt/Actual Market Value (\$4,637,521,835)</u> <sup>1)</sup>	<u>Debt/58,965 Population</u> <sup>2)</sup>
Total General Obligation Debt	\$73,600,000*	1.59%*	\$1,248.20*
City's Share of Overlapping Debt	\$31,296,554	0.67%	\$530.76

- 1) Based on the City's 1/1/2017 100% Actual Valuation; includes Ag Land, Ag Buildings, all Utilities and TIF Increment.
- 2) Population based on the City's 2010 U.S. Census.

\* Preliminary; subject to change.

**LEVIES AND TAX COLLECTIONS**

<u>Fiscal Year</u>	<u>Levy</u>	<u>Collected During Collection Year</u>	<u>Percent Collected</u>
2014-15	\$25,557,159	\$24,772,590	96.93%
2015-16	26,000,394	25,108,284	96.57%
2016-17	27,044,391	25,919,199	95.84%
2017-18	28,137,151	-----In Process of Collection-----	
2018-19	29,474,657	-----In Process of Collection-----	

Collections include delinquent taxes from all prior years. Taxes in Iowa are delinquent each October 1 and April 1 and a late payment penalty of 1% per month of delinquency is enforced as of those dates. If delinquent taxes are not paid, the property may be offered at the regular tax sale on the third Monday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property and funds so received are applied to taxes. A property owner may redeem from the regular tax sale but, failing redemption within three years, the tax sale purchaser is entitled to a deed, which in general conveys the title free and clear of all liens except future tax installments.

Source: City's FY 2016-17 Comprehensive Annual Financial Report and City's Adoption of Budget and Certification of City Taxes Form 85-811 for FY 2017-18 and FY 2018-19.

## TAX RATES

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
	<u>\$/1,000</u>	<u>\$/1,000</u>	<u>\$/1,000</u>	<u>\$/1,000</u>	<u>\$/1,000</u>
Story County	5.38990	5.68249	5.09972	5.08816	5.06487
Story County Hospital	0.58000	0.58000	0.63884	0.75000	0.85000
County Ag. Extension	0.08157	0.08447	0.08268	0.08331	0.08154
City of Ames	10.85538	10.62937	10.37327	10.37589	10.06857
City Assessor	0.33992	0.37804	0.39544	0.31814	0.31814
Ames Comm. School District	14.34759	14.20276	14.34101	14.34129	14.34179
Gilbert Comm. School District	17.71795	17.83972	18.92186	18.90541	18.90141
Nevada Comm. School District	16.75171	16.80944	16.81007	16.81507	16.81478
United Comm. School District	10.16705	8.51849	8.94613	10.05600	10.10152
Des Moines Area Comm. College	0.65724	0.67574	0.72334	0.67458	0.69468
State of Iowa	0.00330	0.00330	0.00330	0.00310	0.00290
<u>Total Tax Rate:</u>					
Ames CSD Resident	32.25490	32.23617	31.65760	31.63447	34.42249
Gilbert CSD Resident	35.62526	35.87313	36.23845	36.19859	35.98211
Nevada CSD Resident	34.65902	34.84285	34.12666	34.10825	33.89548
United CSD Resident	28.07436	26.55190	26.26272	27.34918	27.18222

## LEVY LIMITS

A city's general fund tax levy is limited to \$8.10 per \$1,000 of taxable value, with provision for an additional \$0.27 per \$1,000 levy for an emergency fund which can be used for general fund purposes (Code of Iowa, Chapter 384, Division I). Cities may exceed the \$8.10 limitation upon authorization by a special levy election. Further, there are limited special purpose levies, which may be certified outside of the above-described levy limits (Code of Iowa, Section 384.12). The amount of the City's general fund levy subject to the \$8.10 limitation is \$5.50149 for Fiscal Year 2018-19, and the City has levied no emergency levy. The City has certified special purpose levies outside of the above described levy limits as follows: \$0.71534 for police and fire retirement and \$0.63361 for the operation and maintenance of a public transit system. Debt service levies are not limited.

## FUNDS ON HAND (CASH AND INVESTMENTS AS OF JUNE 30, 2018)

Governmental	
General Fund	\$10,721,091
Debt Service Fund	1,019,300
Capital Projects Fund	16,906,730
Other Governmental Funds	18,956,305
Business-type	
Mary Greeley Medical Center	\$287,325,345
Electric Utility	47,321,545
Sewer Utility	10,144,554
Water Utility	21,095,499
Other Enterprise Funds	10,387,801
Internal Service Funds	<u>19,626,112</u>
Total all funds	\$443,504,282

**GENERAL FUND BUDGETS (ACCRUAL BASIS)**

The table below represents a comparison between the final Fiscal Year 2016-17 actual financial performance, the amended Fiscal Year 2017-18 budget and the adopted Fiscal Year 2018-19 budget on an accrual basis.

	Actual <u>FY 2016-17</u>	Amended <u>FY 2017-18</u>	Adopted <u>FY 2018-19</u>
<b>Revenues:</b>			
Property taxes	\$16,147,378	\$16,988,606	\$17,854,380
Other City taxes	2,489,283	2,454,049	2,514,018
Licenses and permits	2,088,417	1,548,328	1,626,450
Use of money and property	340,618	506,119	560,941
Intergovernmental	1,000,544	1,061,679	1,036,653
Charges for fees and services	3,720,418	4,010,649	4,240,734
Miscellaneous	335,820	138,462	133,811
Transfers in	8,969,890	9,105,254	9,359,575
Proceeds of Capital Asset Sales	0	750	750
<b>Total revenues</b>	<b>\$35,092,368</b>	<b>\$35,813,896</b>	<b>\$37,327,312</b>
<b>Expenditures:</b>			
Public safety	\$17,790,209	\$19,314,033	\$19,995,789
Public works	248,505	377,964	284,136
Health and social services	0	0	0
Culture and recreation	7,668,066	8,095,467	8,314,825
Community & economic development	1,038,013	1,466,872	1,094,245
General government	2,539,379	2,728,337	2,625,686
Capital projects	699,782	2,053,069	0
Transfers out	4,822,629	4,842,183	5,012,631
<b>Total expenditures</b>	<b>\$34,806,583</b>	<b>\$38,877,925</b>	<b>\$37,327,312</b>
Excess (deficiency) of revenues over (under) expenditures	\$285,785	(\$3,064,029)	\$0
Fund balance at beginning of year	12,627,946	12,913,731	9,849,702
<b>Fund balance at end of year</b>	<b>\$12,913,731</b>	<b>\$9,849,702</b>	<b>\$9,849,702</b>

# THE CITY

## CITY GOVERNMENT

The City of Ames, Iowa (the “City”) is governed under and operates under a Mayor-Council form of government with a City Manager. The principle of this type of government is that the Council sets policy and the City Manager carries it out. The six members of the Council are elected for staggered four-year terms. One member is elected from each of the four wards and two are elected at large. The Council appoints the City Manager as well as the City Attorney. The City Manager is the chief administrative officer of the City. The Mayor is elected for a four-year term, presides at Council meetings and appoints members of various City boards, commissions and committees with the approval of the Council.

## EMPLOYEES AND PENSIONS

The City has 1,354 full-time employees of which 497 are governmental employees and 857 are employees of the Mary Greeley Medical Center, and 1,372 part-time employees (including seasonal employees) of which 904 are governmental employees and 468 are employees of the Mary Greeley Medical Center. Included in the City’s full-time employees are 54 sworn police officers and 57 firefighters.

The City participates in two statewide employee retirement systems, the Iowa Public Employees Retirement System (“IPERS”) and the Municipal Fire and Police Retirement System of Iowa (“MFPRSI”). The State of Iowa administers IPERS and a nine-member board of trustees governs the MFPRSI. Though separate and apart from state government, the MFPRSI board is authorized by state legislature, which also establishes by statute the pension and disability benefits and the system’s funding mechanism. All full-time employees must participate in either IPERS or MFPRSI.

Iowa Public Employees Retirement System: The City contributes to IPERS, which is a cost-sharing, multiple-employer, contributory defined benefit public employee retirement system administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by state statute, to plan members and beneficiaries. IPERS is authorized to adjust the total contribution rate up or down each year, by no more than 1 percentage point, based upon the actuarially required contribution rate. The City’s contributions to IPERS for the past three fiscal years, as shown below, equal the required contributions for each year.

	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
IPERS City Contribution	\$7,272,880	\$7,543,219	\$7,654,501

On March 24, 2017, IPERS Investment Board voted to approve changes to economic assumptions used in calculating IPERS’ liabilities. This action followed an economic assumption study presentation by the consulting actuarial firm of Cavanaugh Macdonald of Bellevue, NE.

The new assumptions are:

- Inflation drops from 3 percent to 2.6 percent
- Interest on member accounts drops from 3.75 percent to 3.5 percent
- Investment return drops from 7.5 percent to 7 percent
- Wage growth drops from 4 percent to 3.25 percent
- Payroll growth drops from 4 percent to 3.25 percent

The study applied these assumptions to the 2016 data to illustrate their impact on key funding measurements. The funded ratio is a “snapshot in time” and indicates the financial health of a pension system. Using the new assumptions, with the 2016 data, IPERS’ funded ratio dropped from 84 percent to 80 percent. These assumptions were first applied in the June 30, 2017 valuation, which was used to determine the contribution rates effective July 1, 2018.

The net result of these changes will be a lower funded ratio and an increase in liabilities of \$1.4 billion. Even though these changes will have a negative impact on IPERS’ funded ratio, the Investment Board believes that these modifications will provide a more accurate valuation of future liabilities. Each year an investment return is less than the assumed return adds to the liability and increases the needed return in future years which can lead to even higher contribution rates.

The IPERS Comprehensive Annual Financial Report (“CAFR”) is available on the IPERS website, <https://www.ipers.org/financial-and-investment>, or by contacting IPERS at 7401 Register Drive P.O. Box 9117, Des Moines, IA 50321.

*Bond Counsel, the City and the Municipal Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from the IPERS discussed above or included on the IPERS website, including, but not limited to, updates of such information on the State Auditor’s website or links to other Internet sites accessed through the IPERS website.*

Pursuant to Governmental Accounting Standards Board (“GASB”) Statement No. 68, the City reported a liability of \$72,702,715 within its CAFR as of June 30, 2017 for its proportionate share of the net pension liability. The net pension liability is the amount by which the total actuarial liability exceeds the pension plan’s net assets or fiduciary net position (essentially the market value) available for paying benefits. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2016, the City’s collective proportion was 1.1552%, which was a decrease of 0.0064% from its proportion measured as of June 30, 2015.

Municipal Fire and Police Retirement System of Iowa: The City contributes to MFPRSI, which is a cost-sharing, multiple-employer defined benefit pension plan. MFPRSI provides retirement, disability, and death benefits to firefighters and police offers. Benefit provisions are established by state statute, and vest after four years of credited service.

MFPRSI plan members are required to contribute a percentage of their annual covered salary, and the City is required to contribute at an actuarially determined rate of annual covered payroll. The contribution requirements of plan members and the City are established, and may be amended by state statute. The City’s contributions to MFPRSI for the past three fiscal years, as shown below, equal the required contributions for each year.

	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>
MFPRSI City Contribution	\$2,150,611	\$1,994,209	\$1,946,357

The MFPRSI Independent Auditors Report is available on the MFPRSI website, <http://www.mfprsi.org/about-mfprsi/publications/>, or by contacting MFPRSI at 7155 Lake Drive, Suite 201, West Des Moines, IA 50266.

*Bond Counsel, the City and the Municipal Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from MFPRSI discussed above or included on the MFPRSI websites, including, but not limited to, updates of such information on the State Auditor’s website or links to other Internet sites accessed through the MFPRSI websites.*

Pursuant to GASB Statement No. 68, the City reported a liability of \$16,569,071 with its CAFR as of June 30, 2017 for its proportionate share of the net pension liability. The net pension liability is the amount by which the total actuarial liability exceeds the pension plan’s net assets or fiduciary net position (essentially the market value) available for paying benefits. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2016, the City’s collective proportion was 2.6499%, which was an increase of 0.0468% from its proportion measured as of June 30, 2015.

For additional information regarding the City’s pension plans, refer to Section IV, Note F, beginning on page 57 of the City’s June 30, 2017 CAFR contained as APPENDIX B of this Official Statement.

## OTHER POST-EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (“GASB”) has issued Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions (“GASB 45”), which addresses how state and local governments must account for and report their obligations related to post-employment healthcare and other non-pension benefits (referred to as Other Post-Employment Benefits or “OPEB”). GASB 45 requires that local governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions.

The City and hospital provide health and dental care benefits for retired employees and their beneficiaries through a single-employer, defined benefit plan. The hospital also provides a life insurance benefit. The City has the authority to establish and amend benefit provisions of the plan. The post-employment benefit is limited to the implied subsidy since retirees pay 100% of the premium for the insurance benefits, since the premium rates are based on the entire pool of covered members, the retirees receive an implied subsidy since their rate are not risk adjusted. The City’s annual OPEB cost (expense) is calculated based on the annual required contribution (“ARC”) of the employer, an amount actuarially determined in accordance with the parameters of the GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the components of the City’s annual OPEB cost for the Fiscal Year ended June 30, 2017, the amount actually contributed to the plan, and changes in the City’s annual OPEB obligation.

	<u>City</u>	<u>Medical Center</u>	<u>Total</u>
Annual required contribution, ARC	\$170,000	\$458,581	\$628,581
Interest on net OPEB obligation	63,000	196,973	259,973
Adjustment to ARC	<u>(56,000)</u>	<u>(140,204)</u>	<u>(196,204)</u>
Annual OPEB cost	177,000	515,350	692,350
Contributions and payments made	<u>(94,599)</u>	<u>(79,735)</u>	<u>(174,334)</u>
Increase in net OPEB obligation	82,4010	435,615	518,016
Net OPEB obligation, beginning of year	<u>1,577,278</u>	<u>3,939,451</u>	<u>5,516,729</u>
Net OPEB obligation, end of year	<u>\$1,659,679</u>	<u>\$4,375,066</u>	<u>\$6,034,745</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2017.

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for Fiscal Years 2014 through 2016 are presented in the following table.

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
2017	\$692,350	25.18%	\$6,034,745
2016	698,318	11.46%	5,516,729
2015	704,742	(11.15%)	4,898,412

As of July 1, 2016 (July 1, 2015 for the hospital), the most recent actuarial valuation dates, the actuarial accrued liability (“AAL”) was \$6,123,374 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (“UAAL”), of \$6,123,374. The covered payroll (annual payroll of active employees covered by the plan) was \$92,032,648, and the ratio of the UAAL to the covered payroll was 6.65%.

For additional information regarding the City’s Post-Employment Benefits, refer to Section IV, Note G, beginning on page 67 of the City’s June 30, 2017 CAFR contained as APPENDIX B of this Official Statement.



## UNION CONTRACTS

City employees are represented by the following five bargaining units:

<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
International Association of Firefighters	June 30, 2019
Public, Professional and Maintenance Employees	June 30, 2020
International Brotherhood of Electrical Workers	June 30, 2020
International Union of Operating Engineers (Local 234C)	June 30, 2019
International Union of Operating Engineers (Local 234D)	June 30, 2019

## INSURANCE

The City's insurance coverage is as follows:

<u>Type of Insurance</u>	<u>All Limits</u>
General Liability	\$15,000,000
Auto Liability	15,000,000
Wrongful Acts	15,000,000
Excess (over all other coverage except Iowa liquor liability)	15,000,000
Law Enforcement	15,000,000
Public Official	15,000,000
Employee Benefit	1,000,000
Medical Malpractice	15,000,000
Underinsured Motorist	1,000,000
Uninsured Motorist	1,000,000
Commercial Property	
Commercial Property & Boiler and Machinery, Power Generation related	200,000,000
Municipal Properties & Boiler and Machinery, Non-Power Generation	156,866,669
Terrorism – TRIA (Federally defined terrorist acts)	Included in both of above
Commercial Property Flood Insurance	
Non-flood Plain Facilities (power generation)	100,000,000
Non-flood Plain Facilities (non-power)	25,000,000
Flood Plain Facilities:	
Transit	6,000,000
Water Pollution Control	6,000,000
Airport	7,500,000
All Other	1,000,000
Airport Liability	3,000,000

## GENERAL INFORMATION

### LOCATION AND TRANSPORTATION

The City is located in Story County in central Iowa. It is approximately thirty miles north of Des Moines, Iowa, the State capital and largest city in the state. The City is located on Interstate Highways 35 and 30. The City was incorporated in 1864 under the laws of the State of Iowa, later amended in July, 1975 under the Home Rule City Act.

The City, with a United States Census Bureau 2010 population of 58,965, is known for its excellent quality of life which includes a relatively crime-free environment, an extensive park system, superior cultural/recreations facilities and a nationally recognized school system. The City is the home of Iowa State University (“ISU”). ISU was established in 1859 and is an integral part of the community.

The City operates a mass transit system to provide efficient and economical transportation to all members of the community. A fixed routing service is available on a daily basis to most residents and a Dial-A-Ride service is available for elderly or handicapped residents. The City operates a municipal airport, which handles primarily charter services. National air service is available at the Des Moines International Airport, approximately thirty miles south of the City. The City is also provided freight services through the Union Pacific Railroad line.

### LARGER EMPLOYERS

A representative list of larger employers in the City is as follows:

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u> <sup>1)</sup>
Iowa State University	Higher Education	17,075 <sup>2)</sup>
City of Ames	Municipal Government	1,401
Mary Greeley Medical Center	Health Care	1,325
Iowa Department of Transportation	Public Transportation	1,025
McFarland Clinic, P.C.	Health Care	986
Danfoss Corp.	Hydro-Transmissions	925
USDA	Ag Research Facility	857
Hy-Vee Food Stores	Grocery	805
Ames Community School District	Education	635
Workiva	Software	455
Wal-Mart	Retail	415

1) Includes full-time, part-time and seasonal employees.

2) Includes student and graduate assistants.

Source: The City and company inquiries.

## BUILDING PERMITS

Permits for the City are reported on a calendar year basis. City officials reported most recently available construction activity for a portion of the current calendar year, as of June 30, 2018. The figures below include both new construction and remodeling.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Residential Construction:</u>					
Number of units:	431	430	458	451	230
Valuation:	\$31,397,178	\$34,403,447	\$39,750,700	\$45,151,141	\$22,679,179
<u>Commercial Construction:</u>					
Number of units:	231	223	223	215	112
Valuation:	<u>\$194,854,793</u>	<u>\$175,625,807</u>	<u>\$131,925,258</u>	<u>\$145,078,724</u>	<u>\$32,685,859</u>
Total Permits	662	653	681	666	342
Total Valuations	\$226,251,971	\$210,029,254	\$171,675,958	\$190,229,865	\$55,365,038

## U.S. CENSUS DATA

### Population Trend

Population Trend:	1980 U.S. Census	43,775
	1990 U.S. Census	47,198
	2000 U.S. Census	50,731
	2010 U.S. Census	58,965
	2015 U.S. Census (estimated)	65,060

Source: U.S. Census Bureau

## UNEMPLOYMENT RATES

		<u>City of Ames</u>	<u>Story County</u>	<u>State of Iowa</u>
Annual Averages:	2015	2.7%	2.9%	4.2%
	2015	2.3%	2.5%	3.8%
	2016	2.1%	2.3%	3.6%
	2017	1.9%	2.0%	3.1%
	2018 (through May)	1.5%	1.7%	3.0%

Source: Iowa Workforce Development Center

## EDUCATION

Public education is provided by the Ames Community School District, with a fall 2017 certified enrollment of 4,299.8. The district, with approximately 635 employees, owns and operates one early childhood center, five elementary schools, one middle school and one high school. Nevada Community School District, Gilbert Community School District and United Community School District all lie partially within the City and provide public education to portions of the City.

The Iowa State University ("ISU") 2017 fall enrollment was 36,321. The 2018 fall enrollment is projected to be around 35,000. ISU is the City's largest employer with faculty and staff totaling approximately 17,075, including teaching assistants and hourly part-time employees. ISU, in addition to its educational function, is a leading agricultural research and experimental institution.

The Iowa State Center is the cultural center of ISU and the City. It attracts major dramatic and musical events, as well as seminars and conferences to the City. It is a complex of three structures: two theaters with capacities of 2,700 and 428, and a continuing education building with a 450 seat auditorium and 24 meeting rooms. Connected to this complex are two of Iowa State University’s major Big 12 athletic venues: a football stadium with a seating capacity of 61,000 and a coliseum with capacity for 15,000.

In addition to ISU located in the City, the following institutions provide higher education within 30 miles of the City: Drake University, Grand View University, Des Moines University (formerly University of Osteopathic Medicine and Health Services). Two-year degree programs are offered at Des Moines Area Community College, Upper Iowa University, Vatterott College and Kaplan University (formerly Hamilton College).

**FINANCIAL SERVICES**

Financial services for the residents of the City are provided by First National Bank Ames, Iowa and VisionBank of Iowa. In addition, the City is served by branch offices of Bank of the West, Bankers Trust Company, CoBank ACB, Exchange State Bank, First American Bank, Great Southern Bank, Great Western Bank, Midwest Heritage Bank F.S.B., US Bank, N.A., and Wells Fargo Bank, as well as by several credit unions.

First National Bank and VisionBank of Iowa report the following deposits as of June 30 for each year:

<u>Year</u>	<u>First National Bank</u>	<u>VisionBank of Iowa</u>
2014	\$493,613,000	\$331,845,000
2015	583,184,000	306,613,000
2016	585,973,000	337,027,000
2017	635,176,000	362,537,000
2018 <sup>1)</sup>	643,816,000	344,376,000

1) As of March 31, 2018.

Source: Federal Deposit Insurance Corporation (FDIC)

**FINANCIAL STATEMENTS**

The City’s “JUNE 30, 2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT”, as prepared by City management and audited by a certified public accountant, is reproduced as APPENDIX B. The City’s certified public accountant has not consented to distribution of the audited financial statements and has not undertaken added review of their presentation. Further information regarding financial performance and copies of the City’s prior Comprehensive Annual Financial Report may be obtained from PFM Financial Advisors LLC.

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**APPENDIX A**

FORM OF LEGAL OPINION

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[Form of Bond Counsel Opinion]

We hereby certify that we have examined certified copies of the proceedings (the “Proceedings”) of the City Council of the City of Ames (the “Issuer”), in Story County, Iowa, passed preliminary to the issue by the Issuer of its General Obligation Corporate Purpose Bonds, Series 2018A (the “Bonds”) in the amount of \$8,120,000\*, dated September 10, 2018, in the denomination of \$5,000 each, or any integral multiple thereof, in accordance with a loan agreement dated as of September 10, 2018 (the “Loan Agreement”), and pursuant to a resolution adopted by the Issuer on August 28, 2018 (the “Resolution”). The Bonds mature on June 1 in each of the respective years and in the principal amounts and bear interest payable semiannually, commencing June 1, 2019, at the respective rates as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2019	\$625,000	____%	2025	\$675,000	____%
2020	\$590,000	____%	2026	\$695,000	____%
2021	\$605,000	____%	2027	\$720,000	____%
2022	\$620,000	____%	2028	\$740,000	____%
2023	\$635,000	____%	2029	\$765,000	____%
2024	\$655,000	____%	2030	\$795,000	____%

but the Bonds maturing in each of the years 2027 to 2030, inclusive, are subject to redemption prior to maturity on June 1, 2026 or any date thereafter, upon terms of par and accrued interest.

Based upon our examination, we are of the opinion, as of the date hereof, that:

1. The Proceedings show lawful authority for such issue under the laws of the State of Iowa.
2. The Bonds and the Loan Agreement are valid and binding general obligations of the Issuer.
3. All taxable property within the corporate boundaries of the Issuer is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.
4. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not treated as a preference item in calculating the federal alternative minimum tax imposed under the Internal Revenue Code of 1986 (the “Code”); it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations for taxable years beginning before January 1, 2018, such interest is taken into account in



determining adjusted current earnings. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

5. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the Bonds be, or continue to be, qualified tax-exempt obligations. The Issuer has covenanted to comply with each such requirement.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

DORSEY & WHITNEY LLP

\*Subject to adjustment

## **APPENDIX B**

JUNE 30, 2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## **APPENDIX C**

### **FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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DRAFT

**CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Ames, Iowa (the “Issuer”), in connection with the issuance of \$8,120,000 General Obligation Corporate Purpose Bonds, Series 2018A (the “Bonds”), dated September 10, 2018. The Bonds are being issued pursuant to a resolution of the Issuer approved on August 28, 2018 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the Dissemination Agent, if any, designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“Holders” shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“Municipal Securities Rulemaking Board” or “MSRB” shall mean the Municipal Securities Rulemaking Board, 1300 I Street, N.W., Suite 1000, Washington, D.C. 20005.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Iowa.

Section 3. Provision of Annual Reports.

(a) Not later than June 30 (the “Submission Deadline”) of each year following the end of the 2017-2018 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file on EMMA an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate in a format and accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the changed fiscal year.

(b) If the Issuer has designated a Dissemination Agent, then not later than fifteen (15) business days prior to the Submission Deadline, the Issuer shall provide the Annual Report to the Dissemination Agent.

(c) If the Issuer is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

Section 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer’s audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by State law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA when they become available.

(b) Tables, schedules or other information contained in the official statement for the Bonds, under the following captions:

Direct Debt  
Property Valuations  
Levies and Tax Collections  
Larger Taxpayers  
Trend of Valuations  
Tax Rates

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.



(12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note to paragraph (12): For the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) If a Listed Event described in Section 5(a) paragraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13) or (14) has occurred and the Issuer has determined that such Listed Event is material under applicable federal securities laws, the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.

(c) If a Listed Event described in Section 5(a) paragraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11) or (12) above has occurred the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in Section (5)(a) paragraphs (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or Annual Report prepared by the Issuer pursuant to this Disclosure Certificate.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (ii) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment or waiver either (1) is approved by a majority of the Holders, or (2) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or

(b) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have

no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if any, shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: September 10, 2018

CITY OF AMES, IOWA

By \_\_\_\_\_  
Mayor

Attest:

By \_\_\_\_\_  
City Clerk

**OFFICIAL BID FORM**

To: City Council of  
City of Ames, Iowa

Sale Date: August 28, 2018  
11:00 A.M., CT

RE: \$8,120,000\* General Obligation Corporate Purpose Bonds, Series 2018A (the "Bonds")

This bid is a firm offer for the purchase of the Bonds identified in the "TERMS OF OFFERING" and on the terms set forth in this bid form and "TERMS OF OFFERING", and is not subject to any conditions, except as permitted by the "TERMS OF OFFERING". By submitting this bid, we confirm we have an established industry reputation for underwriting new issuance of municipal bonds.

For all or none of the above Bonds, in accordance with the "TERMS OF OFFERING", we will pay you \$ \_\_\_\_\_ (not less than \$8,046,920) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>
_____	2019	_____	_____	2025	_____
_____	2020	_____	_____	2026	_____
_____	2021	_____	_____	2027	_____
_____	2022	_____	_____	2028	_____
_____	2023	_____	_____	2029	_____
_____	2024	_____	_____	2030	_____

\* Preliminary; subject to change. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$8,525,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the successful bidder.

We hereby designate that the following Bonds to be aggregated into term bonds maturing on June 1 of the following years and in the following amounts (leave blank if no term bonds are specified):

<u>Years Aggregated</u>	<u>Maturity Year</u>	<u>Aggregate Amount</u>
_____ through _____	_____	_____
_____ through _____	_____	_____
_____ through _____	_____	_____
_____ through _____	_____	_____

In making this offer we accept all of the terms and conditions of the "TERMS OF OFFERING" published in the Preliminary Official Statement dated August 14, 2018, and represent we are a bidder with an established industry reputation for underwriting new issuances of municipal bonds. In the event of failure to deliver the Bonds in accordance with the "TERMS OF OFFERING" as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ \_\_\_\_\_

TRUE INTEREST COST: \_\_\_\_\_ % (Based on dated date of September 10, 2018)

Account Manager: \_\_\_\_\_ By: \_\_\_\_\_

Account Members: \_\_\_\_\_

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Ames, Iowa this 28<sup>th</sup> day of August, 2018.

Attest: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

**COUNCIL ACTION FORM**

**SUBJECT: ENDORSEMENT OF IOWA ECONOMIC DEVELOPMENT AUTHORITY (IEDA) APPLICATION FOR FINANCIAL ASSISTANCE FOR SMART AG WITH LOCAL MATCH IN THE FORM OF A \$50,000 FORGIVABLE LOAN**

**BACKGROUND:**

SmartAg, LLC is a startup agriculture automation company that has developed a driverless tractor system that it will be bringing to the market in the near future. The company is in the process of expanding and moving from the ISU Research Park to a building in the South Bell TIF District. The new space will accommodate employment growth to expand its product line and to build, distribute and support products. SmartAg was founded in 2015 and currently has nine full-time and four part-time employees. The company is well funded. After successful trials of its product, \$5 million in capital financing was raised and will be providing the majority of the funding of the proposed expansion.

**The Project**

The company has applied for economic development assistance for a project that includes the build out and leasing of 10,000 square feet in a spec building located in the South Bell TIF district. The project also includes employment growth to 40 full-time positions with 33 of the jobs above 120% of the IEDA Story County labor-shed rate of \$26.11 per hour and 7 jobs just below. Funding for the expansion project is as follows:

SmartAg	\$ 2,140,000
State Assistance	330,000
Local Match	<u>50,000</u>
Total	\$ 2,520,000

The State assistance will be in the form of investment tax credit, research and development tax credit, a forgivable loan, and a no interest loan. Funding for the local match will be half from the City of Ames and half from the Ames Economic Development Commission. **The source of funding for the City local match of \$25,000 will be from the Economic Development Fund which as a current balance of approximately \$540,000.** Terms of loan forgiveness will be part of a loan agreement and will include the company expanding as proposed including the employment target. The next step in the process is to endorse the application to the IEDA for economic development assistance as the local sponsor.

The IEDA board will review the SmartAg application for assistance at its August 17, 2018 meeting. For the IEDA to continue with this project, the City Council must adopt a resolution supporting the submittal of the SmartAg application for IEDA assistance, including the local match. The agreement for the local match will be brought before the Council for approval at a later date.

**ALTERNATIVES:**

1. Adopt a resolution supporting the submittal of an application from SmartAg requesting economic development assistance from IEDA with local match to be provided in the form of a \$50,000 forgivable loan.
2. Do not adopt a resolution of support for the SmartAg application.

**CITY MANAGER'S RECOMMENDED ACTION:**

SmartAg is an Ames-based startup company that has developed a product and is preparing to take to market. The company has chosen Ames as the location to make an investment of capital to expand high paying jobs. In keeping with the Council's goal to promote economic development, this project will expand the number of quality jobs within our community.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.

# HIGH TECH REVOLVING LOAN FUND CRITERIA MATRIX

**Bio-Tech, Software Development, Life Sciences, & Advance Technology**

Company Name \_\_\_\_\_ SmartAg

**STEP 1: Financing from sources other than the City of Ames. PASS**

Financing by Applicant  
75% or more = **Pass**

Financing by Applicant  
Under 75% = **Fail**

**If Fail, STOP, no financing allowed. If Pass, go on to the rest of the criteria.**

**STEP 2: Determine Point Total**

**Tax Base Expansion - 10 Point Maximum**

Move into vacant building/leasable space  
Build own building

	Points Available	Points Awarded
5 Points		5
10 Points		0
<b>Section Total</b>		<b>5</b>

**Management Team Experience**

Does management team have experience in this market for at least 3 years? If yes, award points. If no, 0 points.

	Points Available	Points Awarded
5 Points		5
<b>Section Total</b>		<b>5</b>

**Growth Stage of Company**

Concept  
Research & Development  
Product Produced  
Multiple Sales Occurred

	Points Available	Points Awarded
0 Points		
5 Points		
10 Points		10
15 Points		
<b>Section Total</b>		<b>10</b>

**Quality of Jobs - 10 Point Maximum**

*Only one of the following:*

- 100% of jobs at or above 120% of the Story County Laborsheed (For FY 19 - \$26.11)
- 90% of jobs at or above 120% of the Story County Laborsheed (For FY 19 - \$26.11)
- 80% of jobs at or above 120% of the Story County Laborsheed (For FY 19 - \$26.11)
- 70% of jobs at or above 120% of the Story County Laborsheed (For FY 19 - \$26.11)
- 60% of jobs at or above 120% of the Story County Laborsheed (For FY 19 - \$26.11)
- 50% of jobs at or above 120% of the Story County Laborsheed (For FY 19 - \$26.11)
- 40% of jobs at or above 120% of the Story County Laborsheed (For FY 19 - \$26.11)
- 30% of jobs at or above 120% of the Story County Laborsheed (For FY 19 - \$26.11)
- 20% of jobs at or above 120% of the Story County Laborsheed (For FY 19 - \$26.11)
- 10% of jobs at or above 120% of the Story County Laborsheed (For FY 19 - \$26.11)

Points Available	Points Awarded
10 Points	
9 Points	
8 Points	8
7 Points	
6 Points	
5 Points	
4 Points	
3 Points	
2 Points	
1 Point	0
<b>Section Total</b>	<b>8</b>

**Total Points Awarded** 28

- 20 points can be considered for Revolving Loan Fund.
- 30 points or above can be considered for best terms:
  - NJIP - could be offered
  - CIF - may be eligible and may offer better terms

The company is a new start up but has an experienced management team.  
 The business model is to provide kits to automate tractors and software subscription for use.  
 Company has received strong funding after successful product trials.  
 Product fulfills a known demand and works with existing farm equipment.  
 Primary funders have ability to provide significant additional capital.  
 Location in South Bell TIF is a positive for City TIF debt funding.  
 Most Jobs well above target pay, order fulfillment jobs just under.

Concerns: Project plan did not include specific sales and revenue targets.  
 No financial pro forma. This is somewhat mitigated by large company capital contribution to project.





Debi V. Durham, Director  
Iowa Economic Development Authority

## **Business Financial Assistance Application**

Business Finance - Business Development Division  
Iowa Economic Development Authority  
200 East Grand Avenue  
Des Moines, Iowa 50309-1819  
[iowaeconomicdevelopment.com](http://iowaeconomicdevelopment.com)  
Telephone: 515.348.6153 Email: [businessfinance@iowaeda.com](mailto:businessfinance@iowaeda.com)

### **Application Instructions**

**To Complete Electronic Form:** Click on TEXT BOX to add text. Double click on YES/NO boxes and select "Checked".

1. All applicants must complete the Business Financial Assistance Application and attach only those additional sections for the components to which the applicant is applying.

<u>STATE of IOWA – Financial Assistance Program</u>
High Quality Jobs Program (HQJ)
<input type="checkbox"/> Tax Credits
<input type="checkbox"/> Direct Financial Assistance

2. Before filling out this application form, please read all applicable sections of the Iowa Code and Iowa Administrative Code (rules). <https://www.legis.iowa.gov/law/administrativeRules>
3. Only typed or computer-generated applications will be accepted and reviewed. Any material change to the format, questions, or wording of questions presented in this application will render the application invalid and it will not be accepted.
4. Complete the applicable sections of the application fully. If questions are left unanswered or required attachments are not submitted, an explanation must be included.
5. Use clear and concise language. Attachments should only be used when requested or as supporting documentation.
6. Any inaccurate information of a significant nature may disqualify the application from consideration.
7. The following must be submitted to Business Finance at IEDA to initiate the review process:
  - One **original**, signed application form and all required attachments
  - One **electronic** copy of the application form and all required attachments

**Facsimile copies will not be accepted.**

**Applications must be submitted to IEDA Business Finance before 4:00 p.m. on the fourth Monday of the month.**

**Applications will be reviewed by the IEDA Board on the third Friday of the following month.**

## Public Records Policies

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During the application process, the information submitted by you to IEDA is exempt from disclosure under the “industrial prospects” exemption found in Section 22.7(8). However, once you receive an award, the industrial prospects exemption no longer applies and *all documents submitted and generated during the application and negotiation process become public records* under Iowa’s Open Records Law ([Iowa Code, Chapter 22](#)), unless

- 1) The information belongs to one of the classes of records automatically treated as confidential; or
- 2) You have applied for and received written notice that your information will be treated as confidential.

### Automatically Confidential Records

IEDA automatically treats the following records as confidential and will withhold them from public inspection even without a request for confidential treatment:

- Tax Records and Tax Liability Information
- *Quarterly Iowa Employer’s Contribution and Payroll Report* prepared for the Iowa Workforce Development Department
- Payroll Registers
- Business Financial Statements and Projections (unless those statements are already publicly available elsewhere, e.g., 10-K filings)
- Personal Financial Statements

### Exemptions to the Open Records Law

If you wish to have additional information treated as confidential, you must fill out the confidential treatment request form. This form is available by request. Under the Open Records Law, IEDA may lawfully treat certain information as confidential if that information falls within an exemption to the Open Records Law. The following exemptions represent records which may lawfully be treated as confidential under the Open Records law and which are most often applicable to the information submitted to IEDA:

- Release of information would give an unfair advantage to competitors – Iowa Code Sec. 15.118
- Trade secrets – See Iowa Code section 22.7(3), see also Iowa Code Ch. 550
- Information on an industrial prospect with which the IEDA is currently negotiating – See Iowa Code section 22.7(8)
- Communications not required by law, rule or regulation made to IEDA by persons outside the government to the extent that IEDA could reasonably believe that those persons would be discouraged from making them to IEDA if they were made available for general public examination – Iowa Code section 22.7(18)

### Non-Confidential Information

Information that is submitted to IEDA as part of the application process or that is contained in a contract for program benefits is generally considered material to the eligibility requirements of the program or to the amount of incentives or assistance to be provided. Such information is generally not given confidential treatment. Such information includes but is not limited to, the number and type of jobs incented, the wage levels for the incented jobs, your company’s employee benefit information, and your project budget.

**Additional Information Available.** Copies of [Iowa’s Open Record law](#) and IEDA’s [administrative rules](#) relating to public records are available from the IEDA upon request.

SECTION A

**Applicant Information**

**Date Application Submitted:**

1. **Name of Business:** Smart Ag
2. **Entity Name(s) for contracting** (please include all that are involved in proposed project):
3. **Address:** 2710 S. Loop Dr.
4. **City, State & Zip Code:** Ames, Iowa 50010
5. **Contact Person:** Kimberly Hurd **Title:** Accountant
6. **Phone:** (515) 321-2055 **Fax:** N/A **Email:** khurd@smart-ag.com
7. **FEIN:** 82-5066834
8. **Please indicate your tax period end date:** 12/31/2017
9. **NAICS Code for primary business operations:** 333111
10. **US DOT Number:** N/A
  
11. **Does the Business file a consolidated tax return under a different tax ID number?**  
 Yes (If yes, please also provide that tax ID number)  No
- a. **Is the contact person listed above authorized to obligate the Business?**  
 Yes  No If no, please provide the name and title of a company officer authorized to obligate the Business: Colin Hurd, Founder/CEO
  
12. **If the application was prepared by someone other than the contact person listed above, please complete the following:**  
Name of Business:  
Address:  
City, State & Zip Code:  
Contact Person:                  Title:  
Phone:                                  Fax:                                  Email:

**Sponsor Information** (A sponsor organization is a city or county)

13. **Sponsor Organization:**
14. **Chairperson, etc.):** **Official Contact (e.g. Mayor, Title:**
15. **Address:**
16. **City, State & Zip Code:**
17. **Phone:**                                  **Fax:**                                  **Email:**
  
18. **If IEDA needs to contact the sponsor organization with questions, should we contact the person listed above?**  
 Yes                   No, please contact the following person:  
  
Name:                  Title:  
Address:  
City, State & Zip Code:  
Phone:                                  Fax:                                  Email:

If necessary, please list information on additional sponsors in an attachment.

**SECTION B**

**Business Information**

1. **Provide a brief description and history of the Business. Include information about the Business' products or services and its markets and/or customers.**  
Smart Ag was founded, in 2015, by Colin Hurd in an effort to solve the growing labor crisis in Production Agriculture. Smart Ag creates agriculture technology to fully automate tractors allowing them to be used without drivers for various operations. The company sells kits and software to dealers and farmers allowing them to reduce their labor requirements and increase efficiency. The product consists of cutting edge computing systems, state of the art machine learning and artificial intelligence, advanced off-road path planning and proprietary communications networks.
2. **Business Structure:**  
 Cooperative       Corporation       Limited Liability Company  
 Partnership       S-Corporation       Sole Proprietorship
3. State of Incorporation: Iowa
4. Identify the Business' owners and percent ownership:  
Colin Hurd- 66.07%      Milt Milloy- 0.85%  
Mark Barglof- 4.79%      White Capital- 0.84%  
Paul Hovey- 1.16%      Rural Vitality Fund- 0.84%  
Andrew Johnson- 0.46%      Agventures- 1.70%  
Quincy Milloy- 2.60%      Dennis Redington- 0.43%  
Midwest Oilseeds- 16.25%      Kyle Meyer- 0.43%  
ASE- 2.31%      Peter Hempken- 0.43%  
David Jacobsen- 0.85%
5. Does a woman, minority, or person with a disability own the Business?       Yes       No
6. List the Business' Iowa locations and the most current number of employees at each location. Ames, 14 employees
7. What is the Business' worldwide employment? (Please include employees of parent company, subsidiaries, and other affiliated entities in this figure.) N/A

**Project Information**

8. **Project Street Address:** 1115 S. Bell Ave.  
**Project City & Zip Code:** Ames, Iowa 50010      **Project County:** Story
9. **Type of Business Project:**  
 Startup       Expansion of Iowa Company       New Location in Iowa
10. **Does the project site qualify as a "Brownfield" or "Grayfield" site?**       Yes       No  
If yes, please explain and document as Attachment A6.
11. **Describe the proposed project for which assistance is being sought. (Include project timeline with dates, facility size, infrastructure improvements, proposed products/services, any new markets, etc.)**  
Project is to build a dedicated facility for Smart Ag engineering and research and development. The facility size is 10,000 SF. The estimated start date for the project is 9/1/2018.
- 12.
- | <b>Project Timeline (add additional rows as needed)</b> | <b>Beginning Activity Date</b> | <b>Activity Completion Date</b> |
|---------------------------------------------------------|--------------------------------|---------------------------------|
| Building out current infrastructure                     | 9/1/2018                       | 11/1/2018                       |
|                                                         |                                |                                 |
|                                                         |                                |                                 |
13. **Has any part of the project started\*?**       Yes       No  
If yes, please explain.

\* For IEDA's purposes, starting the project includes: the start of construction or rehabilitation, the purchase of a building, the execution of a lease, or the installation of equipment to be used in the project.

14. **Identify the Business' competitors.** If any of these competitors have Iowa locations, please explain the nature of the competition (e.g. competitive business segment, estimated market share, etc.) and explain what impact the proposed project may have on the Iowa competitor. No Iowa competitors.
15. **Will any of the current Iowa employees lose their jobs if this project does not proceed?**  
 Yes  No  
 If yes, please explain why and identify those jobs as "retained jobs" in the Project Jobs Section E.
16. **Is the Business actively considering locations outside of Iowa?**  Yes  No  
 If yes, where and what assistance is being offered?
17. **Please identify the company project management for the project location and experience.** Hunziker and JCorp, Inc. are in charge of project management for the project location. We plan to lease the building from Hunziker. They take pride in their properties and the great service they provide to those renting them. JCorp, Inc. has 10+ years of experience on hundreds of projects. They have a wealth of knowledge in design and aesthetics, planning and function, and cost and feasibility.

**SECTION C**

**Applicant's Project Budget**

1. **Does the Business plan to lease the facility?**  Yes  No  
 If yes, please provide the Annual Base Rent Payment (lease payment minus property taxes, insurance, and operating/maintenance expenses) for three years in the budget below, and only major renovation costs your company expects to incur. Administrative rules require that the lease be in place for a minimum of five years.

2. Please complete the budget below. Include only costs the company plans to incur directly:

Use of Funds	Cost	Source A	Source B	Source C	Source D	Source E	Source F
Base Rent (3 years)	360,000						
Tenant Improvements	200,000						
Land Acquisition							
Site Preparation							
Building Acquisition							
Building Construction							
Building Remodeling							
Mfg. Machinery & Equip.	130,000						
Other Machinery & Equip.	150,000						
Racking, Shelving, etc. <sup>1</sup>	60,000						
Computer Hardware	200,000						
Computer Software	500,000						
Furniture & Fixtures	150,000						
Working Capital	250,000						
Research & Development	950,000						
Other							
<b>TOTAL</b>	<b>\$2,950,000</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

<sup>1</sup> Racking, shelving and conveyor equipment used in distribution center projects only

3. Please complete the chart below with proposed financing for the project (tax benefits should be reflected as indirect financing under #5 below):

PROPOSED FINANCING					
Source of Funds	Amount	Form of Funds	Rate and Term	Commitment Status	Conditions/Additional Information
Add additional lines as needed		(Loan, Grant, In-Kind, Donation, etc.)			Include when funds will be disbursed; If loan, whether payments are a level term, balloon, etc
Source A: IEDA (see #4 below)	\$				
Source B: Local Government	\$				

Source C: Business	\$				
Source D: Other Source	\$				
Source E: Other Source	\$				
Source F: Other Source	\$				
<b>TOTAL</b>	<b>\$</b>				

4. **Direct financial assistance (loans/forgivable loans) must be secured with acceptable collateral. Please select the type of collateral your company will pledge to secure the IEDA financing, and document its value in Attachment A5. \***

No collateral, funding disbursed at the end of the 5-year contract	<input type="checkbox"/>	Explain:
Irrevocable letter of credit	<input type="checkbox"/>	
Dedicated certificate of deposit (CD)	<input checked="" type="checkbox"/>	

\* The IEDA Board has the final discretion on what collateral will be accepted.

5. Please complete the chart below with tax credits and other indirect financing expected for the project:

TAX CREDITS AND INDIRECT FINANCING		
Source of Funds	Amount	Description
Investment Tax Credit		
Sales, Service & Use Tax Refund		
Research Activities Credit (3%/10%)		
Local Property Tax Exemption		
Tax Increment Financing		
260E Job Training Funds		
In-kind Contribution		
Other		
<b>TOTAL</b>	<b>\$</b>	

6. **There are three justifiable reasons for providing assistance. Check the box next to the reason why assistance is needed to complete this project.**

**Financing Gap** - A gap exists between the financing required and the financing on-hand and the provision of tax incentives or assistance is necessary to fill the gap.

**Rate of Return Gap** –The likely returns of the project are inadequate to motivate a company decision maker to proceed with the project even if sufficient debt or equity can be raised to finance the project, and the project's risks outweigh its rewards, making the provision of tax incentives or assistance necessary to reduce the project's risks.

**Location Disadvantage (Incentive)** –The business is deciding between a site in Iowa ("Iowa site") and a site in another state ("out-of-state site") for its project and the cost of completing the project at the out-of-state site is demonstrably lower, making tax incentives or assistance necessary to equalize the cost differential between the two sites. Note: The authority will attempt to quantify the cost differential between the sites.

7. **Please provide a brief explanation of the need for assistance.**

Smart Ag needs assistance in funding with this project. We are a new company and trying to grow rapidly. Our cost of labor is high for high-tech positions. Therefore, we need assistance to help create a work space to allow the engineers the space they need so the company can continue to grow.

**SECTION D**

**Employee Benefits**

There are three options to meeting the sufficient benefit requirement. These options are detailed in the chart below. Please complete questions 1-3. If your company meets Option 1 or 2, no additional information is required. If you would like to utilize Option 3, please also complete questions 4-6.

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
	80% single Coverage	50% Family coverage	Monetary Equivalent

Total Number of Employees in US	Pay 80% of premium costs for a standard medical plan, single coverage.	Pay 50% of premium costs for a standard medical plan, family coverage.	Provide medical and pay the monetary equivalent of Option 1 or Option 2 in supplemental employee benefits.
250+	\$1250 maximum deductible	\$2500 maximum deductible	<u>Benefits Counted Toward Monetary Equivalent: Medical coverage, Dental coverage, Vision insurance, Life insurance, Pension, 401(k) (company's Average contribution, Short-/long-term disability insurance, Child care services, Other nonwage compensation</u>
50-249	\$2250 maximum deductible	\$4500 maximum deductible	
0-50	\$2000 maximum deductible	\$4000 Maximum deductible	

- How many full-time, permanent employees does your company currently employ within the U.S.? 9
- What is the total premium cost for a standard medical plan for **single employee coverage**? \$ 434.92
  - What portion of this cost is paid by the business? 75%
  - What is the deductible associated with this plan? \$ 1,500
- What is the total premium cost for a standard medical plan for **family coverage**? \$ 1,263.04
  - What portion of this cost is paid by the business? 75%
  - What is the deductible associated with this plan? \$1,500

No additional information required, in this section, if your company meets the requirement for Option 1 or Option 2

- Does your company provide additional benefits to full time employees?  Yes  No  
If yes, please provide the annual amount **offered by the business, per employee** in the chart below:

Benefit	Annual amount paid by the business (per employee):
Dental Insurance – Single plan	\$13.29
Dental Insurance – Family plan	\$40.81
Pension (Use 3-year average calculated below)	\$
Retirement Plan - i.e. 401(k) (Use 3-year average calculated below)	\$
Profit Sharing Plan (Use 3-year average calculated below)	\$
Childcare Services	\$
Life Insurance coverage	\$25.73
Disability Insurance coverage	\$
Health Savings Account (HSA) contribution	\$
<b>TOTAL</b>	<b>\$</b>

- Does the Business offer a pension plan, 401(k) plan, and/or retirement-plan?  Yes  No  
If yes, please indicate the amount contributed on a per employee basis by the Business to the plan for the last three years. For 401(k) plans, please provide information on the company match and indicate the average annual match per employee.

Year Ending	Average Actual Match per Employee (\$)
	\$
	\$
	\$
<b>Three-year Average:</b>	<b>\$</b>

- Does the Business offer a profit-sharing plan?  Yes  No  
If yes, please indicate total amount paid out each year for the past three years and then, determine the average annual bonus or contribution per employee for that three year period.

Year Ending	Average Actual Share per Employee (\$)

		\$
		\$
		\$
<b>Three-year Average:</b>		\$

*Notes:*

1. *A qualified plan must be offered to all full-time permanent employees.*
2. *If you have multiple health insurance plans, please provide information on each plan.*



**SECTION E**

**Project Jobs**

1. List the jobs that will be created and/or retained as the result of this project. (A retained job is an existing job that would be eliminated or moved to another state if the project does not proceed in Iowa.) For jobs to be created, include the starting and final hourly wage rate. For retained jobs, include the current hourly wage rate.

<b>Full-Time CREATED Jobs</b>	<i>(Add additional rows as needed)</i>		
Job Title	Number of <b>CREATED</b> Jobs	Starting Hourly Rate	Wage at 36 months following the award
Engineering	20	\$44.71/hour	\$49.04/hour
Sales/Marketing	9	\$31.25/hour	\$34.13/hour
Admin	3	\$28.85/hour	\$30.29/hour
Order Fulfillment	7	\$24.04/hour	\$26.44/hour
Leadership	1	\$67.31/hour	\$74.52/hour
<b>Total Full-Time CREATED Jobs</b>	<b>40</b>		

<b>Full-Time RETAINED Jobs</b>	<i>(Add additional rows as needed)</i>	
Job Title (AT-RISK jobs only)	Number of <b>RETAINED</b> Jobs	Current Hourly Rate
<b>Total Full-Time RETAINED Jobs</b>		

2. Is the hourly wage rate based on a 40 hour work week, 52 weeks per year?  Yes  No  
If no please explain:

BUSINESS TAX PAGE MARKED CONFIDENTIAL AND WITHDRAWN  
FROM DOCUMENT

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## SECTION G

### Attachments

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Please attach the following documents:

**A1 Project Plan**

Please provide an executive summary for your project. This information should include, at a minimum, expanded information about the company's products and services and any other project related information that has not already been described in the application for financial assistance.

*Please note, a traditional business plan, including an executive summary, market analysis, organization and management structure, marketing and sales management, service and product line narrative, financial projections, feasibility study and patent status, as well as any other relevant information, may be requested by the Iowa Economic Development Authority to evaluate the feasibility of this project.*

**A2 Payroll Information (Confidential)**

- Copies of the Business' **Quarterly Iowa Employer's Contribution and Payroll Report** for the past year. This report should include the monthly employment totals.
- **A copy of the most recent payroll report for one pay period.** The copy of the most recent payroll report for one pay period must be in Excel format and include the following information:
  - Company name, date of payroll and source of payroll information
  - Employee name and/or employee identification number
  - Current hourly wage - do not include bonuses or other benefit values
  - Indicate if the employee is full time (40 hours per week, 52 weeks per year) or part time.
  - A sample Excel spreadsheet can be provided by IEDA staff

**A3 Affidavit** that states the Business has not, within the last five years, violated state or federal statutes, rules, and regulations, including environmental, worker safety regulations and antitrust laws, or, if such violations have occurred, that there were mitigating circumstances or such violations did not seriously affect public health or safety or the environment. A sample affidavit can be provided by IEDA staff.

**A4 Financial Information (Confidential, unless already publicly available) (Existing Businesses Only)**

- Profit and loss statements and balance sheets for past three year-ends;
- Current YTD profit and loss statement and balance sheet;
- Schedule of aged accounts receivable;
- Schedule of aged accounts payable; and
- Schedule of other debts.

**A5 Collateral documentation** (If requesting direct financial assistance only)

**A6 Brownfield or Grayfield site documentation** (if applicable)

**SECTION H**

**Certification & Release of Information**

1. Are there any judgments or court actions completed or pending against the applicant entity, or any current or prospective officer, principal, director, or owner?  Yes  No
2. Has any current or prospective officer, principal, director, or owner been accused or convicted of any wrongdoing or crime, other than a simple misdemeanor?  Yes  No
3. Have there been any current or past bankruptcies on the part of the applicant entity (or predecessor entities), or on the part of any current (or prospective) officer, principal, owner or in any business dealings of current (or prospective) officers, principals, or owners of the applicant entity?  Yes  No
4. In the last five years have there been, or are there currently any investigations of potential violations of public health, safety (including workplace safety) or environmental laws by the applicant entity, or any current or prospective officer, principal, director, or owner?  Yes  No
5. In the last five years have there been, or are there currently any violations of antitrust laws by the applicant entity, or any current or prospective officer, principal, director, or owner?  Yes  No
6. *If yes to any of the above, please provide additional explanation:*

I hereby give permission to the Iowa Economic Development Authority (IEDA) to research the Business' history, make credit checks, contact the Business' financial institutions, insurance carriers, and perform other related activities necessary for reasonable evaluation of this application. I also hereby authorize the Iowa Department of Revenue to provide to IEDA state tax information pertinent to the Business' state income tax, sales and use tax, and state tax credits claimed.

I understand that all information submitted to IEDA related to this application is subject to Iowa's Open Record Law (Iowa Code, Chapter 22), unless specifically marked as confidential section.

I understand that IEDA reserves the right to negotiate the financial assistance.

I understand this application is subject to final approval by IEDA and the Project may not be initiated until final approval is secured. Furthermore, I am aware that funds will not be disbursed until a contract has been executed and the appropriate terms have been met.

I understand that upon execution of the contract and prior to the issuance of a tax credit number or the disbursement of Award Funds, a recipient shall pay IEDA a one-time compliance cost fee in the amount of \$500. In addition, if tax benefits are greater than \$100,000, the Recipient shall remit to IEDA a compliance cost fee 0.5% of the value of the Tax Incentives claimed pursuant to the contract. The fee will be due and payable upon filing the Recipient's annual tax return for each tax year in which tax credits are claimed under the contract.

I hereby certify that all representations, warranties, or statements made or furnished to IEDA in connection with this application are true and correct in all material respect. I understand that it is a criminal violation under Iowa law to engage in deception and knowingly make, or cause to be made, directly or indirectly, a false statement in writing for the purpose of procuring economic development assistance from a state agency or subdivision.

**For the Business:**

**For the Sponsor(s):**

  
 \_\_\_\_\_  
 Signature Date

  
 \_\_\_\_\_  
 Signature Date

  
 \_\_\_\_\_  
 Name and Title (typed or printed)

\_\_\_\_\_  
 Name and Title (typed or printed)

**IEDA will not provide assistance in situations where it is determined that any representation, warranty, or statement made in connection with this application is incorrect, false, misleading or erroneous in any material respect. If assistance has already been provided prior to discovery of the incorrect, false, or misleading representation, IEDA may initiate legal action to recover incentives and assistance awarded to the Business.**

## Staff Report

**Permitting Software Payment Options**

August 14, 2018

**BACKGROUND:**

On June 21, 2011, the City Council held a workshop with developers to discuss the impact of codes on development. One item discussed was the necessity of software to provide better customer service and efficiency. In May of 2014, the Council awarded a contract to Tyler Technologies for the purchase and installation of EnerGov to help satisfy customer needs. The first phase of this implementation was completed in March of 2017 when EnerGov went 'live' and was available for staff use. Since that time, staff has experienced greater efficiencies in the inspection process with the use of iPads and has been able to keep better records throughout the permitting process.

One of the goals with the new software was to be more accessible to our web-friendly customers. **Staff is in the process of implementing a new web portal called Citizen Self Service (CSS) that will allow our customers to apply for permits online, track progress of permits, pay permit fees, schedule inspections, and view inspection results. In order to move forward, staff needs Council's input on how payments should be processed.**

**CURRENT PROCESS:**

Currently, a report is sent to Finance daily that lists all permits that have been issued. Finance enters each permit into their software and they print and mail a copy of the permit and invoice. The customer can then send a check into the Finance Department or call in with a credit card to make payments. Once paid, Finance applies the payment in their software and marks the permit as paid in EnerGov.

The Municipal Code requires all permit fees to be paid prior to permit issuance, but allows for an exception for customers in good standing:

*Sec. 5.112. FEES**(1) Payment of fees.**A permit shall not be valid until the required fees have been paid.**Exception: the City may invoice permit applicants for permit and inspection fees, as a customer convenience. In such instances, permits shall be considered valid*

*immediately following permit application review and approval. This customer courtesy may be revoked if payment for billed permit fees is not received within 60 days of receipt of notice to the customer. In such instance, cash payments will be subsequently required in accord with this section.*

This exception process has been highly utilized as it offers a great convenience for our customers. **It allows those that pull permits regularly to begin construction upon permit issuance instead of waiting for their invoice to be received and payment to be made. In addition, they have the ability to pay multiple invoices in fewer checks.** Should the contractors not pay, they get added to our 'hold list' which prohibits them from pulling additional permits until payment has been made. The convenience isn't as effective for customers that only intend to pull one or two permits because the 'hold list' is irrelevant to them.

The current amount of permit fees owed to the City is \$89,195.01. Of that total \$20,494.98 is over 60 days past due. Almost \$18,000 of that is six months or more past due with some invoices dating back to 2011.

#### **FUTURE PAYMENT OPTIONS:**

The Citizen Self Service (CSS) portal can accommodate three different payment options:

##### Option 1:

This option would keep the current payment practice the same. Our customers would receive an invoice from the Finance Department and make payment by cash or check. **There would be no process change for our customers that enjoy the conveniences currently offered. However, it would prohibit our web-friendly customers from being able to pay online and it does not resolve the problem with customers failing to make payments on time.**

##### Option 2:

Under this option, customers would be invoiced through CSS (not the Finance Department) and would be able to make payments at their leisure. **This eliminates the need for Finance to enter information that is already in EnerGov, mail an invoice, and apply payments. It allows for permits to be issued and inspections scheduled without payment being made.**

**However, it should be emphasized that if customers were invoiced from EnerGov under this option, it would be difficult to track those receivables in both the**

**Inspections and Accounting software systems, thus reducing our internal control over receivables. This would raise a red flag to our outside auditors. Also, EnerGov does not have the capability to “age” the receivables making it hard to track and collect them. It would be a duplication of work for the Finance Department to re-enter all of the receivables into the financial software. This process also does not resolve the problem with customers failing to make payments on time.**

Option 3:

The third option allows customers the ability to pay for basic permits at the time of submittal. For example, a water heater change-out has a consistent fee structure. The applicant is aware of the fee and able to pay it when they pull the permit. Once the permit has been paid, the permit is automatically issued allowing the customer to schedule an inspection immediately. **The applicant is not required to make a payment at the time of application. They can choose to pay the permit at any time, but will be unable to move forward with the project or request inspections until it is issued.**

There are many other permits are valuation based or are based on the number of items being installed. To eliminate over or underpayment, staff will review these permits and confirm the fee prior to requesting payment. The customer will receive an email stating that the permit can be issued once the fees have been paid. **This allows the customer to pay at any time. Under this option, the customer does not receive the permit prior to payment being received. It would operate in the same manner as a Parks and Recreation payment for a child’s swimming lesson; without payment, the child cannot participate.**

This third option complies with the Finance Department’s auditing policy because there are never any outstanding fees. For example, if someone submits a building permit application and then decides to not move forward with the project, they haven’t acquired a permit and, therefore, do not owe money. A report is set up to run nightly that will take all fees paid through the portal and place them into Finance Department’s software.

**While this third option will not satisfy those customers (like Mr. Cable who expressed his concern about the proposed change in his recent letter to the Council) who have been experiencing the convenience of paying in regular intervals, it does seem to provide the most overall benefits. It eliminates the need for the Finance Department to hand enter all permits and to print and mail them. In addition, it resolves the problem of customers not making payments. It also**

**creates a one-stop-shop for those wishing to track their projects and finances in one place.**

**CUSTOMER CONCERNS:**

An email was sent out to contractors on June 26, 2018 notifying them of the payment process change and inviting them to a demonstration of the new portal at the City Hall on July 17, 2018. Attendees at the demonstration learned how to register for the portal, pull permits, schedule inspections, make payments, and track their projects. There were no concerns voiced regarding the payment process change.

**As a result of the June 26<sup>th</sup> letter, staff received a handful of calls and emails about the change. The biggest concern was regarding the security of their credit card information. Staff responded by reassuring the customers that none of their personal information is stored by City staff. The City is using MyGovPay (similar to PayPal) to accommodate all transactions. MyGovPay does have the ability to accept E-Checks for those that are uncomfortable entering their credit card information.**

In anticipation of this change, Staff reached out to the Iowa Association of Building Officials to determine what the typical permit issuance and payment process is around the State. Of the 16 cities that responded, only one of them, Sioux Center, currently operates the way that the City of Ames does (issues permit before receiving payment). The following cities all require payment to be made before the permit can be issued:

- Marion
- Cedar Rapids
- Windsor Heights
- Altoona
- Washington
- Iowa City
- Des Moines
- Council Bluffs
- Muscatine
- Ankeny
- Johnson County
- Clinton
- DeWitt
- Storm Lake
- Urbandale

**Staff is prepared to proceed with Option 3. Should Council have concerns with Option 3, they should request more information from staff or ask that staff move forward with an alternative option.**



July 2, 2018

Jerry Cable, Sr.

623 South Dayton Avenue

Ames, IA 50010

[Cpinc14@isunet.net](mailto:Cpinc14@isunet.net)

To: Ames City Council Members

I am contacting you today to voice my concerns about a change in the permit process. City staff want to change the way we are issued and pay for permits. We now fill out an application for a permit and fax it to the City. At the end of the month we are sent a statement of payment due. We then send a check to the City of Ames. This works very well for us and other businesses.

The city staff now wants us to fill out an application for a permit and pay for the permit before they will issue the permit.

This means We will have to go to City Hall every time we need a permit and pay for the permit before we can do the work needed. This could mean several trips a day as we may get emergency calls that require permits to replace or repair plumbing.

Clity staff has indicated a credit card could be used. I don't want to use a card and have that information available at City hall.

The system as it is now works the best for all of us that take a large amount of permits out every year.

Thank You

Jerry Cable Sr.

Cable Plumbing

## Staff Report

**Request by Fareway Stores Inc. to Initiate Neighborhood Commercial Zoning Text Amendments**

August 14, 2018

**BACKGROUND:**

Fareway has an interest in redeveloping the site of their Downtown store located at 619 Burnett. Fareway representatives provided a letter dated June 18<sup>th</sup> requesting City Council to consider zoning changes in support of their redevelopment of the Downtown store location. The goal is to redevelop the site with a new store placed along Burnett with the front of the store facing west and the parking located on the west half of the site. The store would have its entrance at southwest corner of the building adjacent to 6<sup>th</sup> Street. **To proceed with redevelopment, Fareway requests City Council consider changes to certain Neighborhood Commercial development standards to accommodate their goals for redevelopment with a medium sized grocery store of approximately 24,000 square feet and abundant parking to serve the new store.** Fareway desires to proceed with redevelopment of the site this fall with completion of the new store in 2019.

The Downtown Fareway site is zoned Neighborhood Commercial (NC). The NC zoning district is a unique zone created in 2000 to address isolated commercial sites throughout the City that did not fit within the other commercial districts of the City. Typically, they are sites that have residential uses abutting them. Examples of areas zoned Neighborhood Commercial include the area north of Downtown between 6<sup>th</sup> and 7<sup>th</sup> Street, the corner of 24<sup>th</sup>/Grand Avenue, the corner of 6<sup>th</sup>/Grand Avenue, properties on West Street, and other scattered sites within the City. Larger sites are subject to review and approval of a Special Use Permit and small sites are subject to staff approval of a Minor Site Development Plan.

Neighborhood Commercial zoning is designed to promote pedestrian scale development to ensure compatibility in design and intensity with its surroundings and with standards predicated on smaller site and building sizes. **The Downtown Fareway site presents a number of challenges for siting a grocery store in the NC zoning district due to the overall size of the site and the fact the it has street frontage on four sides.**

**After meeting with Fareway representatives, Staff has identified the following Neighborhood Commercial standards that are of issue for the proposed Fareway redevelopment. Additionally, Fareway has indicated a desire to reduce parking lot landscaping of tree planters and medians for this site compared to citywide standards to increase the number of on-site parking spaces for the store.**

	<b>NC Zoning Standard</b>	<b>Summary of Potential Change</b>
1.	Maximum lot area 20,000 square feet for a new building or 100,000 if pre-existing.	No limit, require Special Use Permit when exceed 20,000 square feet of lot area. <i>Alternatively consider Major Site Plan rather than Special Use for large sites.</i>
2.	Maximum front yard setback of 60 feet.	Delete, rely on front yard parking prohibition to guide building placement.
3.	Minimum front yard setback of 10 feet.	Potentially reduce to zero.
4.	Parking prohibited between the building and the street.	Still prohibit in general, but either create exception or focus the standard to the primary entrance.
5.	Prohibition on outdoor display and sales.	Allow for outdoor sales of fireworks, plants, produce, etc. <i>City distinguishes in some cases of allowing only plants and produce.</i>
6.	Maximum signage size of 16 square feet, except up to 32 square feet when facing an arterial street.	Increase square footage to 120 square feet per sign. <i>For comparison, North Fareway permitted 70 square feet per sign.</i>
7.	Allow for an alternative landscape plan process for Special Use Permits to match what is allowed for a Major Site Development Plan.	Allow alternative landscape planting plans approved by ZBA rather than Council. <i>Currently could apply for Major Site Plan and Special Use Permit if no text amendment.</i>
8.	Allow remote parking for NC zoning, in this case to allow off-site parking in Downtown if needed.	Allow for remote parking to address temporary construction conditions. <i>The issue of temporary parking has come up when projects retain existing buildings during construction, such as the North Super Walmart and University Tower project.</i>

**In addition to the NC base zone development standards requested by Fareway, staff believes modifying the City's parking lot tree planting ratio (a citywide standard) would be appropriate at this time and benefit Fareway as well.** Staff has reviewed a number of projects with multiple street frontages (corner lots) and found that in some situations the ratio of tree planting to parking stalls is quite high, thereby requiring the developer to choose between parking quantity and building size to meet parking lot landscape requirements. Staff anticipated this would be the case when the new standards were adopted last summer, but at this time staff believes some reduction in total trees required for a multi-frontage site would meet many developer's interests and still meet many of the goals of the landscape ordinance standards. Staff believes either allowing for some credit for front yard trees as parking lot trees or reducing the overall parking lot tree ratio would be appropriate as a change. Any changes to parking lot tree standards would be applicable citywide. Fareway may also benefit from the alternative landscape plan option identified in the table above.

### **OPTIONS:**

Although the Downtown Fareway site is unique for NC zoning due to its size and frontage, the applicant would likely not succeed in having multiple variances approved for redevelopment of the site in the manner that they prefer. Therefore, they have chosen to request multiple text amendments in order to allow them to redevelop their site.

Some of the requested changes are of a practical nature due to the four abutting streets, while others are intended to facilitate Fareway's preferred parking design in terms of orientation and quantity. Due to the overall site size and building size, approval of the redevelopment would be through though a public hearing process.

Other property owners with existing buildings may also benefit from the changes. Property owners of existing sites, such as the Ace Hardware store and Reliable Street Love Club property, have inquired with staff previously about improvement to their property and difficulties in making changes that comply with parking and setback standards.

#### **Option #1. Initiate no changes to the Neighborhood Commercial zoning standards**

City Council would decline to initiate changes to the NC zoning if it believes the current standards carryout the purpose of the zoning district. The current standards of the zone are focused on smaller sites and do not match with the Fareway site size or grocery store size and maintaining the standards would limit the ability to redevelop the site with a new store. If Council declines to initiate a text amendment, Fareway would have to consider remodeling the existing store as a nonconforming structure or if the site was to be redeveloped to subdivide the site into smaller sites.

Option #2. Authorize an application for a Text Amendment to Neighborhood Commercial zoning standards.

Staff has identified a number of changes related to the site, building, and parking location requirements that are necessary to change to address the circumstance of the site having four abutting streets. The additional changes for front setback, landscaping, and signage are desired by the applicant to meet their project goals. **Staff believes the standards with the greatest degree of potential differences from City practices are the potential reduction in parking lot tree and landscaping requirements, signage allowances, and the sale of fireworks as outdoor display.** City Council can authorize an application for a full set of changes to the NC zoning district as outlined by staff or allow for a modified set of changes to the standards. Review of a specific text amendment would require a recommendation for the Planning and Zoning Commission and a public hearing with the City Council.

Option #3. Initiate a change to general landscape standards for parking lot tree planting ratios.

**Independent of the Fareway request, staff believes some adjustments to the landscaping parking lot tree planting requirements could be made to accommodate development interests in site design.** Addressing this issue at this time would benefit Fareway as they pursue redevelopment of their site this fall. The primary benefit to Fareway is the likelihood that they would be able to have more parking spaces available on site with a reduced tree planting requirement. Staff does not intend, nor desire, to all of the landscape standards with this change, only the parking lot tree requirement. This change would apply citywide and follow the same procedure described with Option #2.

**STAFF COMMENTS:**

The current NC zoning specifically targets small sites and building design standards to promote compatibility with adjacent neighborhoods. The Fareway request stems from an interest in redeveloping a sub-standard site with a new store. **The difficulty in evaluating redevelopment proposals that rely on changing standards is the balancing of citywide expectations with individual project interests, such as issues with parking, landscaping, and building design. Each property owner and developer has preferences that do not always coincide with City expectations.** There seems to be a common trend of requests regarding redevelopment projects recently and desired changes to facilitate them individually. **However, in this case staff can support changes for all eight standards described above, but possibly not to the degree that may be proposed by Fareway.** The City Council is now being asked to give direction on the range of standards that could be revised at the request of Fareway to facilitate their store design.

The proposed changes described in this report essentially are rewriting the Neighborhood Commercial zoning district. In all likelihood the resulting district would be

similar in standards to that of CGS zoning, but the allowed uses are different. The level of time invested in these changes is low/moderate due to the work that has already gone into discussions with Fareway. **The task would need to be a prioritized project for completion this fall to meet Fareway's described timeline.** With initiation of the text amendment staff would develop new standards and present the changes to the Planning and Zoning Commission for their recommendation to the City Council on new standards.

## Staff Report

**WELCH AVENUE OUTREACH PLAN  
AND CROSS-SECTION DETAILS**

August 14, 2018

**BACKGROUND:**

Welch Avenue is a community feature in the Ames Campustown area. The street pavement was most recently built in late 1980s/early 1990s and still features century-old underground utility infrastructure in need of upgrading. The 100 block of Welch Avenue, between Lincoln Way and Chamberlain Avenue, is scheduled for reconstruction in FY 2019/20 as part of the Capital Improvements Plan. Many things have changed on and around Welch Avenue since the time improvements were last made. Student population has shifted to off-campus living, and Campustown is now one of the most densely populated parts of the city. Additionally, growth along Lincoln Way has brought new residential and commercial opportunities.

This scheduled improvement provides the opportunity to consider infrastructure changes to improve traffic flow, upgrade amenities, and explore ways to match the current use of the area to a new streetscape.

Several years ago, a pilot project was initiated to add temporary features to Welch Avenue in an effort to reduce vehicle, bicyclist, and pedestrian conflicts in the 100 and 200 blocks of the street. In May 2016, City Council directed staff to implement the use of concrete planters to close off the east-side on-street parking as a pilot project. Street furniture and bike racks were then installed in the newly defined area. The goal was to create a safer environment for pedestrians and bicyclists while creating a usable pedestrian space for the district. The project has been in place since June 2016 with seasonal changes during the winter months that removed the street furniture but left bike racks and the planters in place.

As this project was implemented, it became clear that the use of these temporary materials could have the added benefit of encouraging users to think about what the streetscape could look like in a different configuration. This information could then be used to inform the design for a future permanent project.

There was some initial feedback to these additions – both positive and negative. While several users indicated they enjoyed using the outdoor space, some motorists and business owners were unhappy with the removal of parking spaces. With the Welch Avenue reconstruction slated for next year, staff is suggesting some additional ways to gather feedback on what a reconstructed street should look like by soliciting opinions from those who use it.

It should be noted that although the pilot project involving the planters affects both the 100 and 200 blocks of Welch Avenue, the permanent infrastructure project is focused primarily on the 100 block. The utility improvement project will require replacement of underground utilities in the 200 and 300 blocks of Welch Avenue as well as the 2500 block of Lincoln Way (just west of Welch Avenue); however, those blocks are not anticipated to require streetscape or pavement improvements. Once design direction has been identified for the streetscape of the 100 block of Welch Avenue, staff can evaluate how the streetscape of the 200 block of Welch Avenue transitions into it.

### **TWO OUTREACH PHASES:**

Two outreach phases have been identified as necessary for a successful project:

1. Pre-Construction Phase: What features are desired with a reconstructed Welch Avenue?
2. Construction Phase: How will pedestrians, motorists, bicyclists, business owners, residents, and others be kept apprised of construction updates?

### **PRE-CONSTRUCTION PHASE:**

**While there have been many ideas about what Welch Avenue might look like in the future, a single, unifying vision has not emerged to drive the project.** The most significant limitations to making major changes to Welch Avenue are: 1) the 66-foot Right-Of-Way width, 2) continuing vehicular access to approved public and private parking lots, and 3) balancing the multi-modal needs of the corridor. These limitations may be an impediment to adding all the features likely requested by users.

Staff has created five cross-sections (visual representations of how different amenities could be placed along the street) of preliminary options to include in a survey. These cross-sections are there to convey ideas of what Welch Avenue could look like following reconstruction with different points of emphasis, while considering the limitations mentioned above.

The five cross sections include:

1. Pilot project with parklet and one-side parallel parking
2. Pre-pilot project (circa 2015) with two-side parallel parking
3. Sidewalk widening with one-side parallel parking
4. Bike lanes on street with no parking
5. Angled parking with one-way circulation

**Some of the cross-section features include bicycle facilities, parking (parallel or angled; east side only, west side only, or both sides), and extended sidewalks. Features such as streetlights, meters (if parking spaces are included), and trash receptacles are automatically included. Extended sidewalks create the opportunity for parklets, sidewalk cafes, bicycle parking, food carts, and retail**



**alternatives. Maintaining current sidewalk widths allows for either more parking or to consider creating bike lanes. Additionally, the different cross-section alternatives have different impacts on CyRide operations and Fire Department access.**

**Outreach for the preconstruction phase is aimed at gaining information on the types of users of Welch Avenue and their preferences. Staff will create an online survey to be placed on the City's website, which will collect feedback from the public regarding their primary use as a student, business member, or other community member and their preferences regarding the different cross-section alternatives.** The public's preferences will be considered alongside operational and functional needs. Other amenities, as identified through the survey, could be incorporated into the cross-section options as part of the final infrastructure design.

**In addition to the online survey, large poster boards featuring the cross sections will be brought "on tour" for user input.** Some upcoming events include WelcomeFest (Aug. 22) and First Friday in Campustown (Aug. 24). The Farmer's Market was identified as another opportunity to reach a different community demographic. Additionally, staff is partnering with the Community and Regional Planning (CRP) Club at Iowa State University to increase student participation. The CRP Club is planning to host several pop-up "survey tables" on and around campus to gather user input. Participants would indicate a streetscape preference through voting for their favorite cross section, as well as directing them to the City's online survey to fill out more information on how they use the street (pedestrian, bicyclist, motorist, etc.), when they most frequently use the street (days, nights, weekends, etc.), and what amenities they would most like to see incorporated into a new design.

**Through outreach by City staff and Campustown Action Association (CAA), the business community will be encouraged to take the survey to convey their preferences for cross-section selection and street amenities. Another outreach opportunity will be for City staff to host two public meetings for input to be voiced. City staff will also meet with the Ames Bicycle Coalition to gather its members' input.**

**Through the combination of the online survey, "pop up" events, press releases, social media posts, newsletter mentions, and traditional marketing, staff believes helpful feedback will provide direction for the streetscape design. Public Works staff will also meet with other City Departments that would be affected by changes in the streetscape.**

Feedback collection will take place through mid-September. Staff will analyze the feedback and return to the Council in October with results and recommended next steps. It will be necessary for the City Council to identify the specific design direction at that time in order to develop construction documents and bid the project for spring/summer 2019 construction.

## **CONSTRUCTION PHASE:**

The complexity of the proposed project means the streetscape will be entirely removed, including sidewalks, all the way to the front entrances of abutting properties. This will have a substantial impact on day-to-day business for these businesses and residents. Staff is sensitive to potential concerns and challenges with providing access and minimizing disruption.

During the Welch Avenue construction, staff will work closely with local partners to share information about the project and progress. The intent is to build on the reach of organizations such as CAA, Iowa State University, ISU Student Government, the Ames Chamber of Commerce, South Campus Area Neighborhood, Ames Bicycle Coalition, and others to share project goals and updates with those most closely affected.



In preliminary meetings with CAA, it was suggested staff adopt a fun, light-hearted approach to the project that allows those in the area to quickly get information. Previous business expansion projects along Welch Avenue, such as the Kingland Systems construction, included use of a web camera for constant updates. Also, CAA used the “Carl the Construction Worker” mascot for updates and has volunteered Carl for this project. Carl could pop up

on messaging around the construction site explaining detours and the project, as well as on social media posts, newsletters, and other communications tools with the most recent notices. Welch Avenue reconstruction messages would be kept fun, light-hearted and consistent through the tagline and social media hashtag “What the Welch?” (#WtW). Again, keeping the informational campaign positive and fun was identified as the most beneficial way to reach Welch Avenue users.

During the construction, staff will make efforts to accommodate deliveries, answer questions, provide construction updates, and be considerate of property owner and tenant needs. Staff will work one-on-one with each property owner and/or tenant to understand their unique needs and issues so they can be effectively addressed during the project.

## **NEXT STEPS:**

Staff now requests direction from the City Council regarding the next steps.

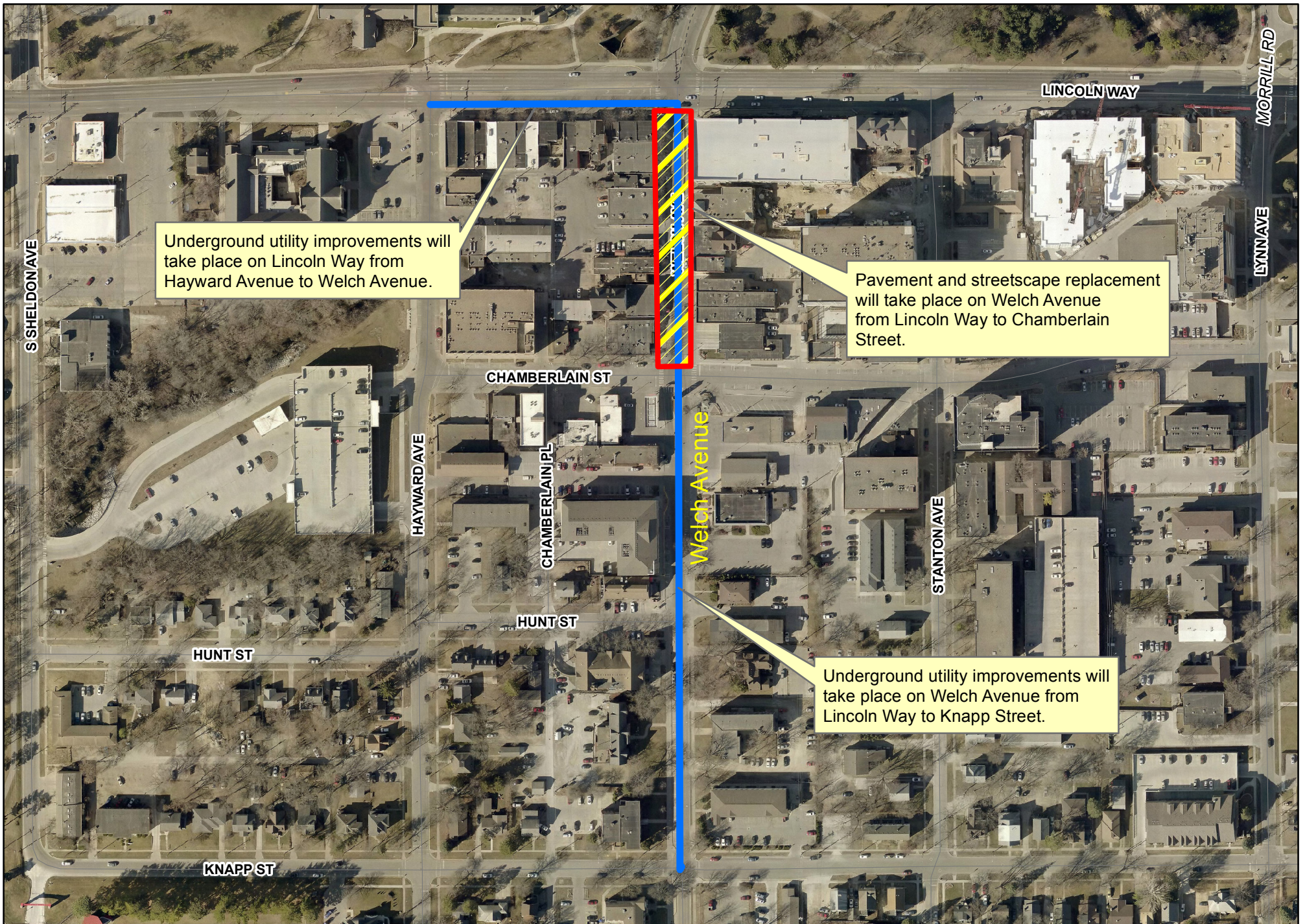
- 1. Approval of the proposed pre-construction feedback collection.**



It should be noted that the proposed cross-sections are intended to generate discussion and ideas, and are not final design drawings. If unique ideas not represented in these cross-section examples surface during the feedback gathering stage, they could be evaluated by staff and potentially incorporated into a recommendation for the final construction design.

However, if the City Council wishes to describe other concepts upon which staff should gather feedback, those should be identified at this time. The City Council could also provide any further direction it might have regarding the proposed methods of feedback collection or key stakeholders to include.

**2. Approval of the proposed construction phase communication and outreach.**

Although construction is still many months away, it is important to recognize the temporary and long-term impacts this project could have on the community. Therefore, a well-planned communication effort will be critical to minimize the disruption residents will experience. As the planning for this project progresses, additional details regarding the outreach and communication plans will be developed. However, if the City Council has preliminary thoughts regarding how staff should prepare for this effort, those could be identified at this time.



-  Location of Utility Improvments
-  Location of Pavement and Street Scape Replacement

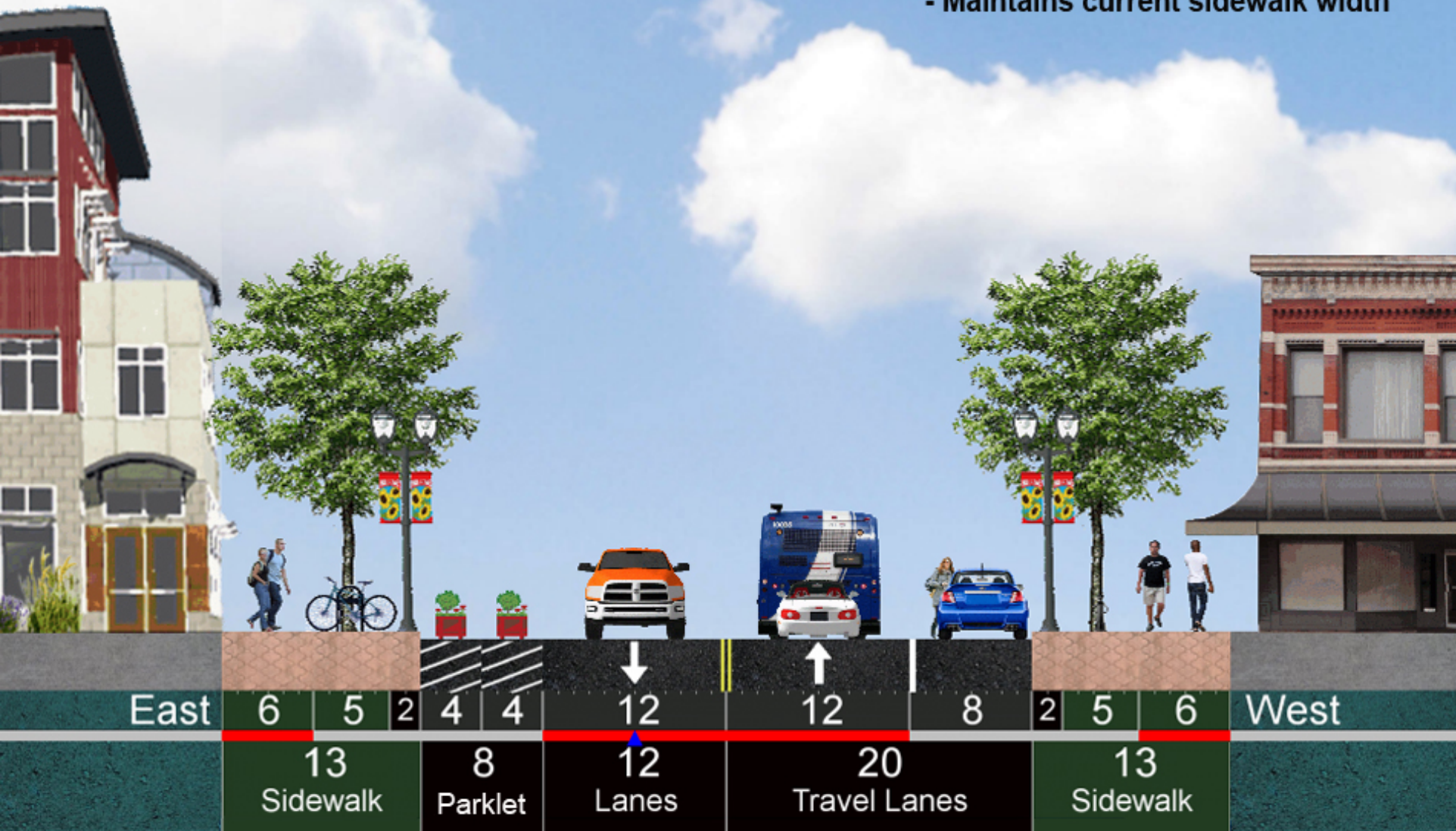
Map  
 Showing the Capital Improvements  
 Schduled for 2019-2020



**WELCH AVE. (Looking South)**  
**Option 1- Existing Conditions**  
 with Parklet Pilot Project

**Considerations:**

- On-street parking- 11 spaces
- Bikes share travel lanes
- Flexible parklet space, one side
- Maintains current sidewalk width



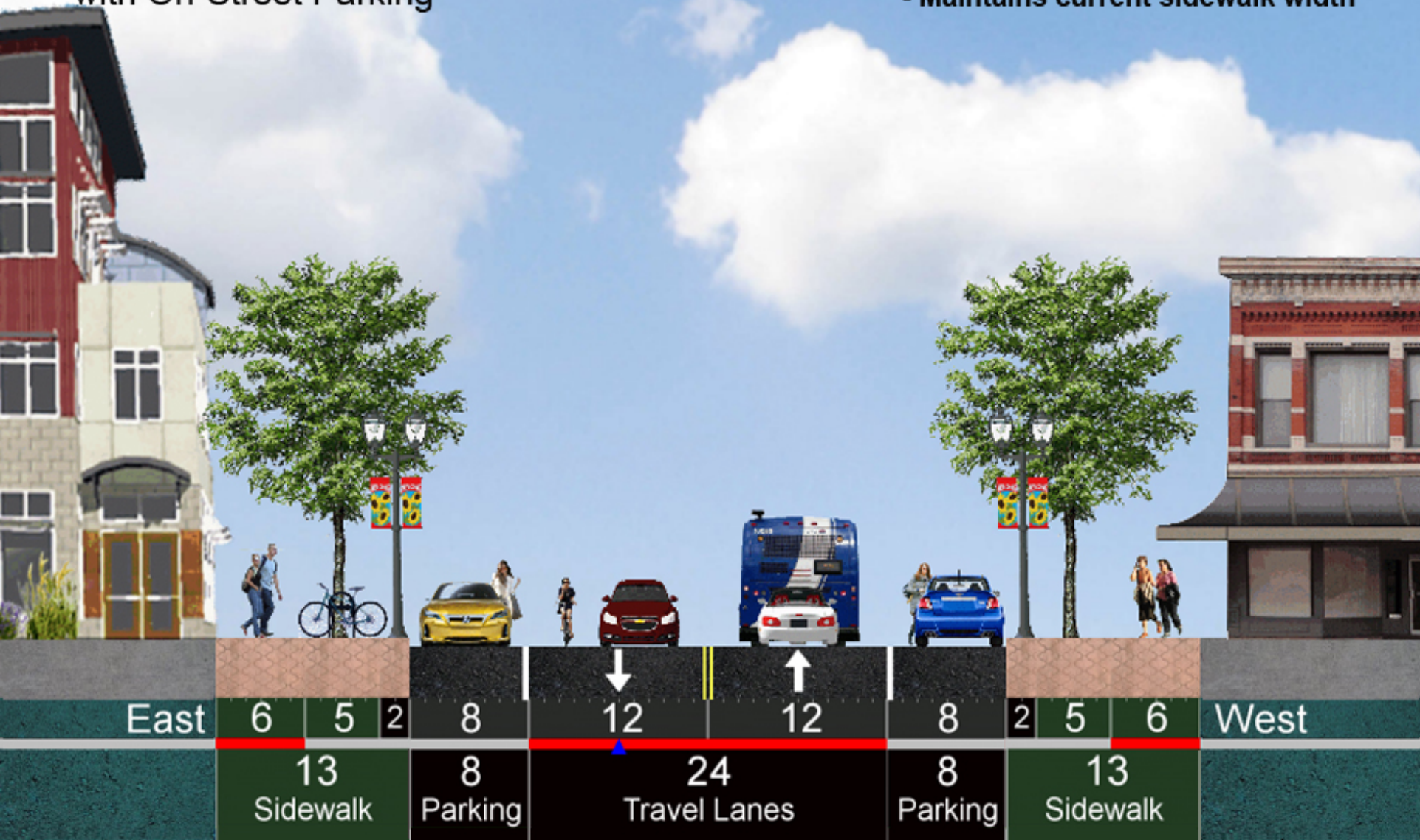
# WELCH AVE. (Looking South)

## Option 2- Pre-Pilot Project (2015)

with On-Street Parking

### Considerations:

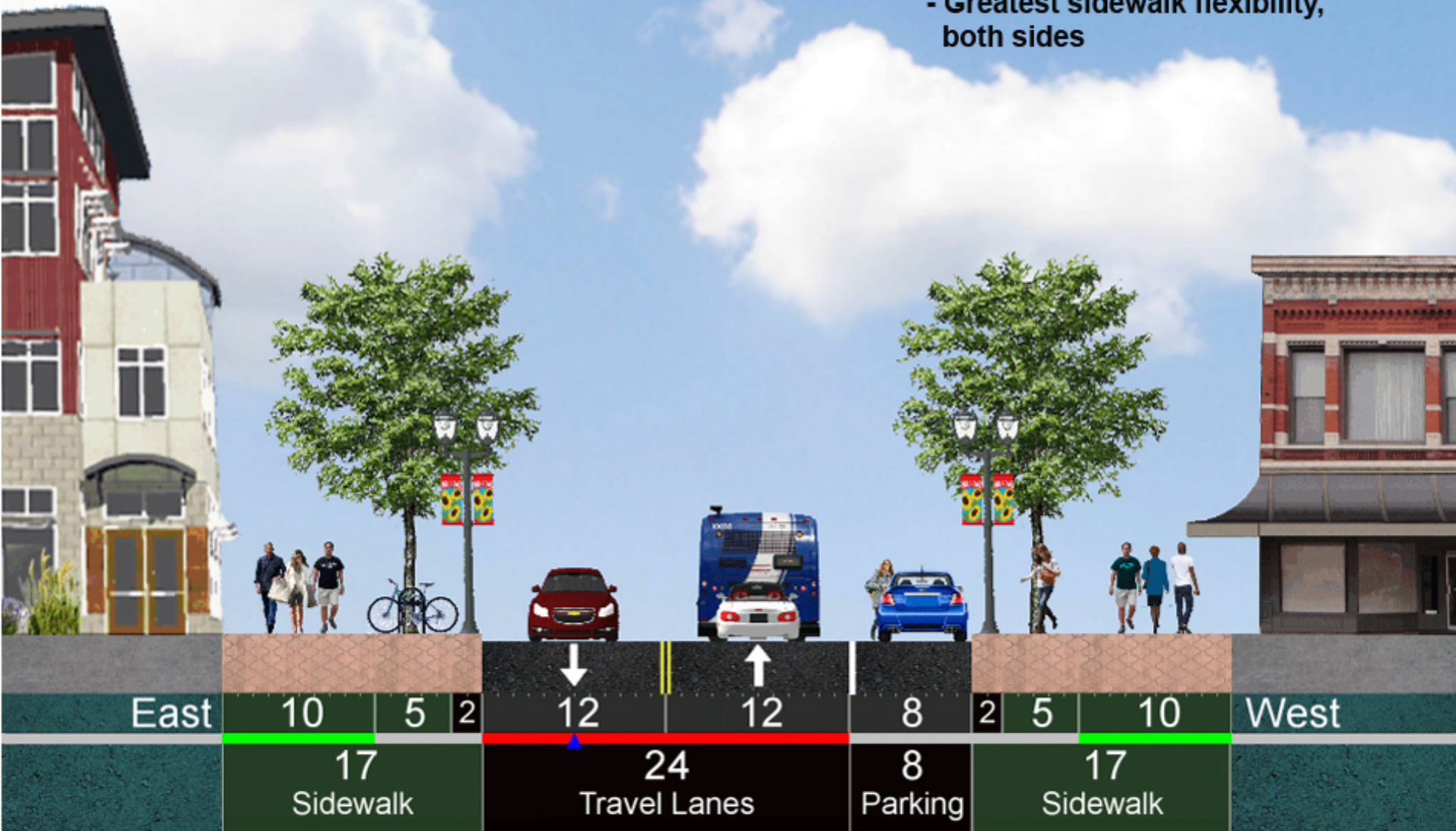
- On-street parking- 20 spaces
- Bikes share travel lanes
- Maintains current sidewalk width



**WELCH AVE. (Looking South)**  
**Option 3- Widened Sidewalks**  
**with On-Street Parking (One Side Only)**

**Considerations:**

- On-street parking- 11 spaces
- Bikes share travel lanes
- Sidewalk cafe use- yes
- Greatest sidewalk flexibility, both sides

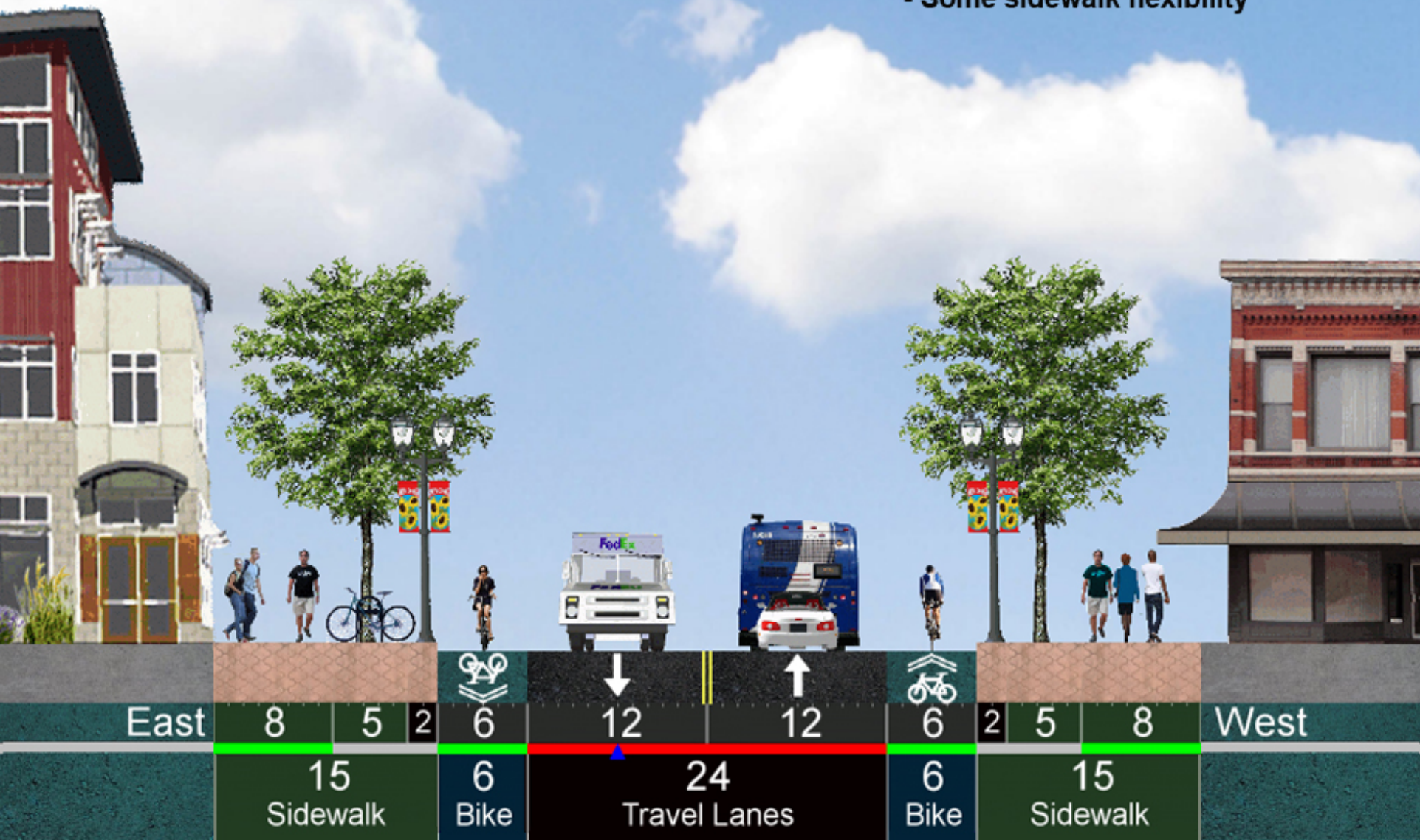


# WELCH AVE. (Looking South)

## Option 4- Bike Lanes on Street

### Considerations:

- No on-street parking
- Designated bicycle facilities
- Some sidewalk flexibility



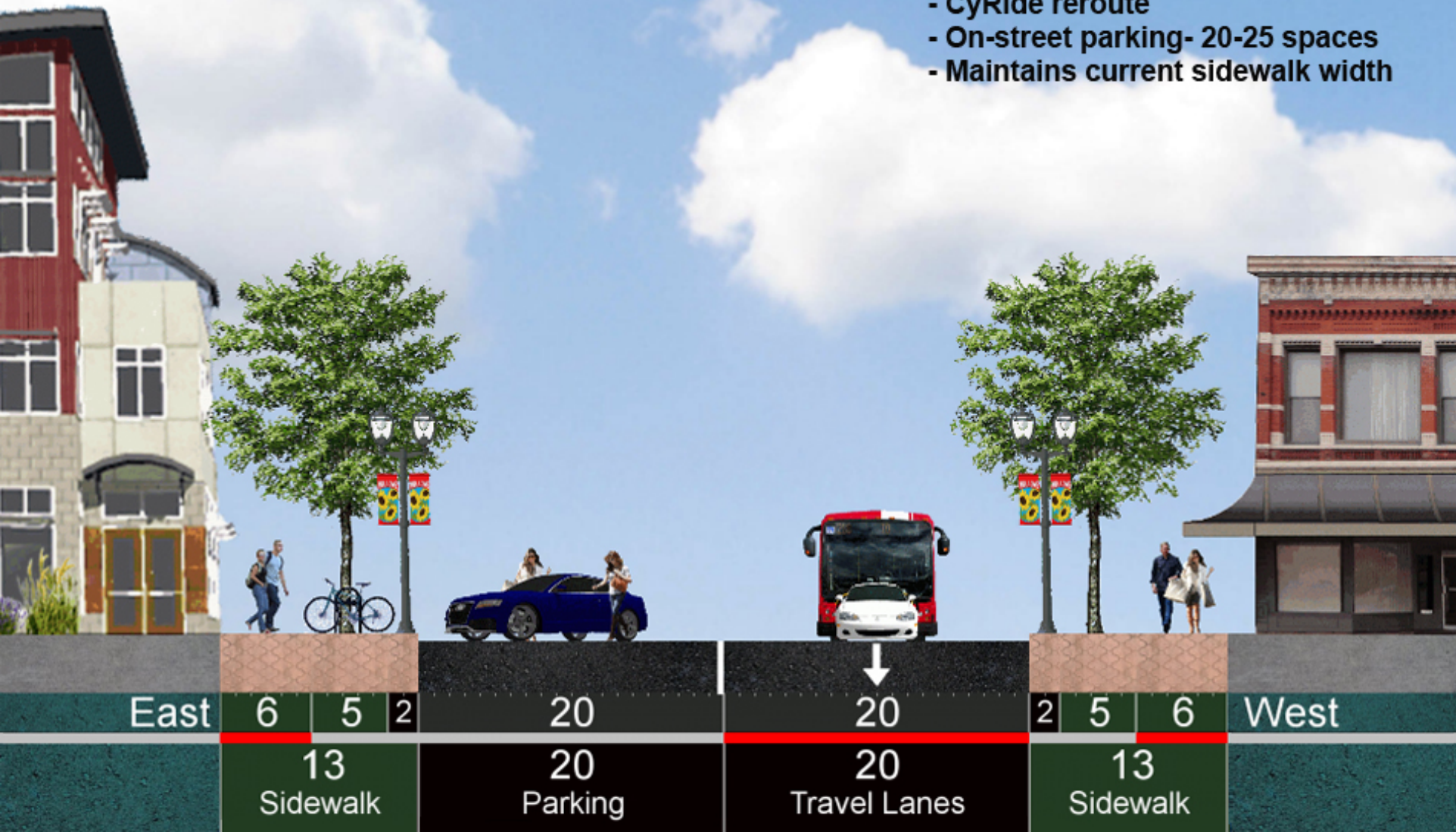


# WELCH AVE. (Looking South)

## Option 5- Angled Parking with One-Way Travel

### Considerations:

- Vehicular / bike travel-northbound only
- No separate bike facilities
- CyRide reroute
- On-street parking- 20-25 spaces
- Maintains current sidewalk width



**COUNCIL ACTION FORM**

**SUBJECT: AUTHORIZATION TO PROCEED WITH ACQUISITION OF THE NECESSARY PROPERTY INTERESTS FOR THE 2008/09 WATER SYSTEM IMPROVMENTS: EAST PRESSURE ZONE LOOP PROJECT**

**BACKGROUND:**

The 2008/09 Water System Improvements: East Pressure Zone Loop Project is for the connection of a water main from Billy Sunday Road to Crystal Street. This loop will provide redundancy to the Southdale area, thereby increasing the safety and operation of the water system. This need was identified in the 2005 Water System Distribution Study (See Figure 1).

Development of this project began several years ago when the City worked with a consultant on the design to find the best route for the water main. After the route was chosen, the consultant discussed the project with affected property owners. In 2013, the City approved the acquisition of easements on three of the five properties by voluntary agreement.

The remaining properties are two apartment complexes on Billy Sunday Road that are owned by the same out-of-state LLC. The consultant and City legal staff both tried to reach an agreement with this LLC (and previous owners), but have been unsuccessful at completing the acquisition. **At this time, staff believes it is prudent to authorize staff to have an established process to obtain the easement. Staff will try to reach voluntary agreement with the owners but the process could lead to condemnation on the properties.**

**ALTERNATIVES:**

1. Approve the Authorization to Proceed with Acquisition of the Necessary Property Interests for the 2008/09 Water Systems Improvements: East Zone Pressure Loop Project.
2. Reject authorization approval.

**MANAGER'S RECOMMENDED ACTION:**

This project has continued for many years with little success in obtaining easements for an important project to the water system. This process will allow for the easements to

be obtained and move the project forward to increase the safety and redundancy of the water system in the Southdale area.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.



Figure 1 - Overall Route

**RESOLUTION NO. 18-\_\_\_\_\_**

**RESOLUTION OF AUTHORIZATION TO PROCEED WITH ACQUISITION  
OF THE NECESSARY PROPERTY INTERESTS FOR THE 2008/09 WATER  
SYSTEM IMPROVEMENTS: EAST ZONE PRESSURE LOOP PROJECT  
BY GIFT, NEGOTIATION OR EMINENT DOMAIN**

**WHEREAS**, the City's Public Works Department has determined that it is necessary to acquire permanent and temporary construction easements in connection with the 2008/09 Water System Improvements: East Zone Pressure Loop Project (hereinafter "Project"); and

**WHEREAS**, the City's Public Works Department will acquire the necessary easements for this Project; and

**WHEREAS**, the design has been completed and the easement needs have been determined, and the proposed Fair Market Value of the property interests to be acquired will be submitted to the City Council or the City Manager, or his designee, as applicable, for approval and authorization to proceed with acquisitions; and

**WHEREAS**, the permanent property interests to be acquired for this project will be used as City easements following acquisition thereof, as has been approved by the City's Public Works Engineering Division.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Ames, Iowa:

1. That the location of the Project as determined by the City's Public Works Engineering Division is hereby approved; there is a reasonable expectation that the City will be able to achieve its public purpose, comply with all applicable standards, and obtain the necessary permits; and City Staff is hereby authorized to proceed with the necessary activities and negotiations to acquire by gift, negotiation, or condemnation the necessary property interests for construction of the Project, subject to approval by the City Council.
2. That the property will be interests to be acquired are not used for or classified as agricultural. That the acquisition of property interests required for the Project are entirely for the use of a municipal utility.
3. That the acquisition of property interests required for the Project undertaken by and are entirely for the use of a municipal utility.
4. That the Public Works Department is authorized to obtain an appraisal of the property interests to be acquired as required by law.
5. That the City Manager, or his designee, is authorized to approve all fair market values for the property interests. If the property owners agree to convey the property to the City in

an amount based on the established fair market value, including an approved administrative settlement, or if a condemnation award is based on the established fair market value or falls within an approved settlement amount, the Finance Director is authorized and directed to issue checks in the amounts necessary to carry out these transactions and to pay any unforeseen additional costs certified by the Legal Department. The City Manager, or his designee, is authorized and directed to complete these transactions in accordance with standard real estate practices and state law requirements.

- 6. City Staff is directed to obtain the Legal Department’s review and approval of all closing documents prior to closing.
- 7. That the City Clerk is hereby authorized and directed to endorse upon the real estate documents for this Project the approval and acceptance of this Council, the Mayor is authorized and directed to sign all necessary real estate documents, and the City Clerk is further authorized and directed to deliver the aforementioned documents to the Legal Department, who shall proceed to closing in accordance with standard real estate practices.
- 8. That the permanent property interests acquired as part of this Project for use as City easements are hereby dedicated as such, with dedication effective upon acquisition, closing by gift, negotiation or eminent domain.

ADOPTED THIS \_\_\_\_\_ day of August 2018.

\_\_\_\_\_  
Diane R. Voss, City Clerk

\_\_\_\_\_  
John A. Haila, Mayor

Introduced by:  
Seconded by:  
Voting aye:  
Voting nay:  
Absent:

Resolution declared adopted and signed by the Mayor this \_\_\_\_\_ day of August 2018.

## Legal Description – for Easement Acquisition

Parcel 5 as shown on the attached Acquisition Plat and more particularly described as:

A part of Lot 4, South Duff Community Park, Ames, Story County, Iowa. More particularly described as follows: Beginning in the southwest corner of said Lot 4; thence, N0°29'14"E 84.40' along the west line of said Lot 4; thence S 89°30'46"E 10.00'; thence S 0°29'14"W 84.44' to the south line of said Lot 4; thence N 89°19'13"W 10.00' along the south line of said Lot 4 to the point of beginning. *[Contains more or less 844 square feet].*

And

Parcel 4 as shown on the attached Acquisition Plat and more particularly described as:

A part of Lot 3, South Duff Community Park, Ames, Story County, Iowa. More particularly described as follows: Beginning in the southeast corner of said Lot 3; thence, N89°18'41"W 10.00' along the south line of said Lot 3; thence N0°29'14"E 84.37'; thence, S89°30'46"E 10.00' to the east line of said Lot 3; thence S0°29'14"W 84.40' along the east line of said Lot 3 to the point of beginning. *[Contains more or less 844 square feet].*