

**AGENDA**  
**REGULAR MEETING OF THE AMES CITY COUNCIL**  
**COUNCIL CHAMBERS - CITY HALL - 515 CLARK AVENUE**  
**NOVEMBER 27, 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.

**SPECIAL RECOGNITION:**

1. Recognition of Ames High School Girls Swim Team State Champions

**PROCLAMATION:**

2. Proclamation for “Pancreatic Cancer Awareness Month,” December 2018

**PRESENTATION:**

3. Presentation of “Project of the Year” Award (City Hall Parking Lot) to the Public Works Department

**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.

4. Motion approving payment of claims
5. Motion approving Minutes of Regular Meeting of November 13, 2018, and Special Meeting held November 14, 2018
6. Motion approving Report of Contract Change Orders for November 1 - 15, 2018
7. Motion setting January 22, 2019, at 5:30 p.m. and February 26, 2019, at 6:00 p.m. as Conference Board meeting dates
8. Motion approving Public Art Commission’s Birdhouse Competition program and authorizing the Commission to proceed with further development and implementation of the program
9. Motion approving renewal of the following Beer Permits, Wine Permits, and Liquor Licenses:
  - a. Class C Liquor & Outdoor Service - Outlaws, 2522 Chamberlain St.
  - b. Class B Native Wine - Chocolaterie Stam, 230 Main St.
  - c. Class C Beer & B Native Wine - Swift Stop #8, 705 24th Street
  - d. Class B Liquor, Catering, & Outdoor Service - Country Inn & Suites, 2605 SE 16th St.
  - e. Class C Liquor - LC0043993 - Time Out - Ames, 120 Kellogg Avenue
10. Resolution authorizing Mayor to submit Letter of Support requested by Iowa State University regarding AraNet Advanced Wireless Research Proposal and committing to allowing network

infrastructure in the right-of-way and cooperate in finding appropriate locations for transmission equipment on electric poles, street lights, and traffic signals

11. Resolution setting date of public hearing for December 11, 2018, regarding vacation of Water Main Easement at 2205 Green Hills Drive
12. Resolution approving 2018 Urban Renewal Report and certification of TIF Debt for Campustown and annual appropriation of Kingland TIF Rebate
13. Resolution approving Encroachment Permit for a sign at 120 Welch Avenue
14. Resolution approving Amendment to Professional Services Agreement with Bolton & Menk, Inc., for Teagarden Drainage Area Improvements in an amount not to exceed \$21,500
15. Resolution approving partial completion of public improvements and reducing the security being held for Hayden's Crossing, 1<sup>st</sup> Addition
16. Resolution approving partial completion of public improvements and reducing the security being held for Hayden's Crossing, 2nd Addition
17. 2015/16 and 2016/17 Bridge Rehabilitation Program (East Lincoln Way and Dayton Avenue):
  - a. Resolution approving Balancing Change Order
  - b. Resolution accepting completion

**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 three minutes.

**PUBLIC WORKS:**

18. Resolution approving requested refund pertaining to South Duff Signal Project to E-M Hunziker, LLC, in the amount of \$17,003
19. Flood Mitigation - River Flooding (tabled from 10-23-18):
  - a. Motion directing staff to immediately negotiate acquisition of a permanent easement for both 1016 S. Duff Avenue (front parcel) and 1008 S. Duff Avenue (rear parcel), using local funding
20. Resolution authorizing use of eminent domain, if necessary, to obtain easements and acquire land for East Industrial Area Utility Extension Project

**ADMINISTRATION:**

21. Story County Housing Trust:
  - a. Report of Activities for 2017/18
  - b. Resolution authorizing payment in the amount of \$34,000
22. Staff Report on Community Internet Improvements

**ORDINANCES:**

23. Third passage and adoption of ORDINANCE NO. 4374 related to development standards of the Neighborhood Commercial Zoning District
24. Third passage and adoption of ORDINANCE NO. 4375 to allow alternative landscape plan

approval in conjunction with a Special Use Permit

**DISPOSITION OF COMMUNICATIONS:**

**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

NOVEMBER 13, 2018

The Regular Meeting of the Ames City Council was called to order by Mayor John Haila at 6:00 p.m. on November 13, 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, David Martin, and Chris Nelson. *Ex officio* Member Allie Hoskins was also present.

**PROCLAMATION FOR SMALL BUSINESS SATURDAY:** Mayor Haila proclaimed November 24, 2018, as “Small Business Saturday.” Accepting the Proclamation was Cindy Hicks, Executive Director of Ames Downtown. Ms. Hicks noted there are 201 small businesses in the downtown district and these business employ 2,436 full, and part-time employees.

**PROCLAMATION FOR HUNGER AND HOMELESSNESS AWARENESS WEEK:** Mayor Haila proclaimed the week of November 10-18, 2018, as “National Hunger and Homelessness Awareness Week.” Accepting the Proclamation were City Housing Coordinator Vanessa Baker-Latimer, United Way representative Jean Kresse, ACCESS representative Cassandra Kramer, Emergency Residence Project representative Troy Jansen, and Salvation Army representative, Cari McPartland. Ms. Baker-Latimer stated they have started working on a collaboration called the Homeless Prevention Team, which consists of the Emergency Residence Project, Good Neighbor, The Salvation Army, Story County Community Services, and the City of Ames. They have noticed that their customers are having to go from place to place looking for assistance and are working on trying to find a way to have customers be able to stop at one place for all the information they need. She noted that the agencies have provided more than \$700,000 toward rent and utilities in FY 2017/18, which assisted more than 2,400 households.

**CONSENT AGENDA:** Moved by Gartin, seconded by Betcher, to approve the following items on the Consent agenda:

3. Motion approving payment of claims
4. Motion approving Minutes of Regular Meeting of October 23, 2018, and Special Meetings held October 16, October 26, October 29, and November 1, 2018
5. Motion approving certification of Civil Service applicants
6. Motion approving Report of Contract Change Orders for October 15 - 31, 2018
7. Motion approving renewal of the following Beer Permits, Wine Permits, and Liquor Licenses:
  - a. Class B Native Wine - Kitchen, Bath & Home, 201 Main Street
  - b. Class E Liquor - A.J.'s Liquor III, 2401 Chamberlain, Suite A
8. Motion approving new Class E Liquor License for goPuff, 615 S. Dayton Avenue, pending final inspection
9. RESOLUTION NO. 18-605 approving appointment of Council Member Amber Corrieri to Ames Economic Development Commission Board of Directors
10. Miracle League Park:



- c. Project update on fund-raising and construction time line
  - d. RESOLUTION NO. 18-606 allocating funding to develop plans and specifications for the Donor/Sensory Plaza
11. RESOLUTION NO. 18-607 authorizing the Mayor to sign Agreement approving the relocation of Automed to the City of Huxley and the use of its intended incentive
  12. RESOLUTION NO. 18-608 approving preliminary plans and specifications for 2018/19 Traffic Signal Program (Lincoln Way/Hyland Avenue); setting December 5, 2018, as bid due date and December 11, 2018, as date of public hearing
  13. RESOLUTION NO. 18-609 approving Change Order No. 2 with Dewild Grant Reckert & Associates Company, Rock Rapids, Iowa, for Engineering Services for Ames Substation Improvements in a not-to-exceed amount of \$65,000
  14. RESOLUTION NO. 18-610 approving Change Order No. 1 for 2018/19 Concrete Crushing Program in the amount of \$18,262
  15. 2018/19 Pavement Restoration Program (Slurry Seal):
    - e. RESOLUTION NO. 18-611 approving balancing Change Order
    - f. RESOLUTION NO. 18-612 accepting final completion
  16. RESOLUTION NO. 18-613 approving Final Plat for Sunset Ridge Subdivision, 8<sup>th</sup> Addition
  17. RESOLUTION NO. 18-614 accepting partial completion of public improvements and reducing security for Village Park Subdivision, 1<sup>st</sup> Addition
  18. RESOLUTION NO. 18-615 accepting partial completion of public improvements and reducing security for Quarry Estates Subdivision, 1<sup>st</sup> Addition
- Roll Call Vote: 6-0. Resolutions/Motions declared adopted/carried unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**PUBLIC FORUM:** Mayor Haila opened Public Forum.

Gary Youngberg, 220 Main Street, Ames, noted that 42 years ago he opened his business, Ames Silversmithing. Mr. Youngberg explained he has seen several items that have impacted the Downtown area, both positively and negatively, with the most negative being the rate increase of the parking meters. He mentioned that with the increase to the meter rates, customers are not encouraged to take their time shopping, but want to rush in and rush out of a business to avoid getting a parking ticket. Mr. Youngberg believes that staff, in their efforts to generate more funds, simply did not anticipate the outcry from the public. He stated that the City Council made the wrong decision in approving the meter rate increase and asked that they do something to make it right. He noted that he sent an email to all the Council members with the link to the poll conducted by WOI TV, which asked the public if they felt the meter rates should be reduced, of which 76% said yes.

Pat Green, 547 Main Street, Ames, owner of Aunt Maude's commented that he completely agrees with Mr. Youngberg. The increases in the parking meter rates are affecting their businesses. He asked for the rates to be decreased to \$0.50 per hour.

Sara Spohnheimer, 210 Main Street, Ames, said she works at the Frame Shop on Main Street. She explained that they are still getting a lot of complaints from customers in regards to the meter rates.

She quoted part of the City of Ames Vision Statement and asked what it meant. Ms. Spohnheimer noted that there were fewer complaints before January and the only changes made were that the City stepped up its enforcement, they are ticketing a lot more frequently, and the meter rates increased, which does not keep with the Vision Statement. She noted that she sent an email to Council Member Betcher that contained ideas that they have come up with. They are recommending changing the parking meter rates to \$0.50, lowering the enforcement and administrative costs, and changing the four-hour limited parking areas to ten hours. Ms. Spohnheimer stated no data has been provided showing why the changes were done. She also noted that Susan Owens sent a document to City Council Members with a collection of customer comments.

Daniel Forrester, 225 Main Street, Ames, advised that he owns the Inkblot Studio. He doesn't think that \$1.00 an hour is that big of a deal but perceptions are what drive people to do things. Mr. Forrester stated that he has lived in a few cities where they have removed parking meters. He noted that he has spoken with his employees about the rate increase and he has about three to four different days where his staff needs to park at a meter because the four-hour free parking lots have been completely full.

Cindy Hicks, 304 Main Street, wanted to speak with Council about the Main Street Program and wanted to share a few updates. She noted the following accomplishments in 2018:

- Listed on the National Register of Historic Places, which opened up state and tax credits to property owners
- A market analysis was done with Main Street Iowa
- Volunteers performed Downtown beautification, including spring planting, districts clean up days, and bench maintenance
- Received National media coverage by harvesting 200 lbs. of sweet potatoes from Downtown planters
- Donated 300 lbs. of vegetables to Food at First
- Received a \$75,000 Challenge Grant
- Recognized by the State for achieving the \$10 million mark in private investment
- Achieved National Accreditation for the 9<sup>th</sup> straight year
- Worked with Main Street Iowa to rebrand the district program
- Purchased new light pole banners throughout the district
- Hosted the Smithsonian Institute Traveling Exhibit "Hometown Teams"
- Coordinated 2,000 volunteer hours
- Main Street has organized events that attracted an estimated 30,000 people to Ames

Mayor Haila closed Public Forum at 6:28 p.m.

**RESOLUTION APPROVING RENTAL REGISTRATION FOR 611 LYNN ALLOWING THE PROPERTY TO BE ELIGIBLE AS A RENTAL PROPERTY UNDER THE PROPERTY CAP EXCEPTION:** Moved by Corrieri, seconded by Gartin, to adopt RESOLUTION NO. 18-616 approving the rental registration for 611 Lynn Avenue, allowing the property to be eligible as a rental property under the Property Cap Exception.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**STAFF REPORT/UPDATE ON DOWNTOWN PARKING ITEMS:** Public Works Director John Joiner stated this report is a follow up to the report and discussion that was had last month. He pointed out that the Staff Report presents a broad scope of work that could be performed by a parking consultant, and seven tasks were outlined. Mr. Joiner explained that in order to accomplish the scope of the parking study, staff recommends Tasks 1, 2, 5, and 7 be included in any contract with the parking consultant. A conservative budget estimate for a moderate scope parking study would be \$70,000. Traffic Engineer Damion Pregitzer mentioned that the rest of the tasks not being initially recommended could be done and added to the parking consultant's contract at a later time.

Council Member Martin inquired if the tasks that were recommended included the impact of Ride Shares, scooters, and bikes. Mr. Pregitzer stated that would be something they could ask the parking consultant to do and include in their report.

Mayor Haila asked what the tangible item could be used going forward. Mr. Pregitzer stated that the consultant would provide a data summary, the data analysis, a professional opinion, how the City of Ames compares to other cities, and ideas and project ideas that would need to be done. Mayor Haila asked if the parking study would be able to be tied into the Lincoln Way Corridor Plan. Mr. Pregitzer stated they have spoken with the Planning Department, and they would be involved throughout the entire process.

Mr. Joiner explained the next concern was over employee parking options in the Downtown area. He noted that the two options that staff had come up with include a hang-tag system. Option 1 was to implement an employee hang-tag system for \$20.00 a month. The hang tags would be distributed by the City of Ames using the same hang-tag design used for reserved parking stalls; they would just be a different color. These hang tags would be valid for any four-hour free stall in the CBD lots only, and under this option, four-hour stalls will remain on the south of the median and two-hour stalls on the north side of the median in the CBD lot as currently designated. Option 2 was to implement unlimited parking in the four-hour (free) time limited parking stalls in the CBD lots only, which is the same as Option 1, except that the City would not collect a monthly fee, and each employee would be charged a one-time fee of \$5.00 to recoup the cost of the hang tag.

Council Member Betcher wanted to know if there was a way to determine who has a tag and who doesn't, and if a person is still an employee or not. Mr. Pregitzer stated the process would be similar to the Reserved Parking hang-tag system, where the employee would have to come into City Hall to sign a document with the Public Works Department in order to get issued the hang tag and each hang tag has a number on it that would be assigned to that person. Mr. Joiner stated that about two-thirds of the reserved parking is used by employees who work in Downtown and if the hang tags were free, there would be a loss of revenue. At this time, staff is unsure of what the impact would be. Ms. Betcher wanted to know how the City would track if an employee still works Downtown. Mr. Joiner stated that the \$5.00 charge would be on a month-per-month basis. Mr. Pregitzer

commented that this is just a temporary solution until the parking study could be done.

Further discussion ensued about the use of hang tags.

Mayor Haila asked to verify the option to change the hours of the free parking from four-hour parking to ten-hour. Mr. Joiner stated that the ten-hour parking option would be all-day unlimited parking as the Police Department would not be able to enforce a ten-hour parking window. Ms. Corrieri noted they had talked about this option previously at a workshop and Council decided against it.

Council Member Martin wondered, instead of asking for staff direction, they come up with a proposal and direct it to the parking task force that was initiated to get some feedback on the proposal before moving forward. Mayor Haila noted that one of the goals is to increase communication and maybe this suggestion would help. Mr. Martin stated that this option may slow things down, but could be a useful step along the way.

Mr. Joiner explained that the third direction given to staff was to explore the use of parking meters that take credit cards. Mr. Pregitzer stated that he reached out to the City's current parking vender, POM Incorporated. POM Incorporated offers a solar-powered smart meter product that accepts coins, credit and debit cards, prepaid (and refunding) smart cards, and supports pay-by-phone application. He stated that these smart meters cost \$600 each and would cost around \$200,000 to retrofit all the meters in Downtown. Mr. Pregitzer mentioned that with this type of smart meter, there is a recurring fee for the credit card-capable meters of \$5.00 per month, which covers the wireless plan and back office hosting data. There is also a \$0.10 per transaction credit card fee that covers the PCI secure gateway provider. He pointed out that the "convenience" fees charged by POM for the capability of using credit cards would be handled in the same manner as the Parkmobile where they are passed along to the end user.

Council Member Beatty-Hansen asked if POM had a kiosk option that would dispense a new smart card. Mr. Pregitzer stated they do; the kiosk would provide power and specific internet connectivity. These kiosks cost about \$25,000.

Gary Youngberg, 220 Main Street, Ames, stated that he wanted to read the letter he received from Terry Stark who owns Chocolaterie Stam, as Mr. Stark was unable to attend the meeting. Council Members stated that they received a copy of the letter from Mr. Stark.

Cindy Hicks, 304 Main Street, Ames, stated that in August, she sent a letter to City Council with a recommendation from Ames Main Street. She stated that they communicated with more than 100 Downtown business owners and more than 95% of them agreed to wanting a ten-hour free parking option in Downtown. Ms. Hicks recommended to City Council that they consider the option of offering the ten-hour parking.

Kristin Roach, 136 Main Street, Ames, owner of Little Woods Herbs & Teas, stated that she feels

having the option of credit card payment at the meter would be a wonderful idea but asked the City Council to defer on making any large investments until the parking study is complete. She asked that City Council address the parking concerns sooner, rather than later, as many employees are part-time or students and getting paid less than \$10.00 an hour and can't afford parking tickets. Ms. Roach let City Council know that Main Street Ames has stepped back from the task force. They support their work, but have some of their own internal workloads that need to be addressed.

Sara Spohnheimer, 210 Main Street, Ames, stated she liked Council Member Martin's suggestion of getting a proposal together and getting feedback from the constituent's first before making any decisions. She noted that what they are hearing is Downtown would like something that is simple and inexpensive like there was before.

Moved by Beatty-Hansen, seconded by Corrieri, to direct that staff pursue the parking study and fund the study by using \$45,731 from the General Fund and \$24,269 from the unobligated Road Use Tax Fund.

Vote on Motion: 6-0. Motion declared unanimously.

Council Member Betcher questioned how the hang-tag system would help with employee parking, as the hang tag will give the employee the ability to park longer than four hours; however, if the parking lot is already full, there is the possibility that the employee will still get a parking ticket. Ms. Beatty-Hansen stated that right now the majority is staff moving around their vehicle every four hours. She added that it may not be perfect, but they don't need to leave work and move their cars around all the time. Ms. Betcher asked if a limit could be set on the number of hang tags that are given out. Ms. Corrieri noted that there are other lots on Main Street that are not used.

Further discussion was had regarding the need for hang tags.

Mayor Haila stated that the workforce is a challenge in all businesses and doesn't want to make it more difficult for the customers, temporary, or part-time employees. He understands that there is a revenue aspect, but doesn't want to hurt the workforce, and is afraid they are forcing more people to park in neighborhoods. Ms. Corrieri asked why with the increased enforcement, the overflow into the neighborhoods isn't already happening. She stated that the hang-tag system seems to be a decent temporary option to get a balance.

Council Member Gartin asked if Public Works knew what the revenue would be with the increase in parking meter rates. Mr. Schainker explained that it is to cover the fees to operate the system. The first year is \$400,000 to transfer to the Capital Improvements Fund, but even with doing this they will have to dip into the available balance. It is projected at the end of the fiscal year, it would be \$116,000, which is below the 10% balance, and if revenue comes in less they would not be able to move as much into the Capital Improvements Fund. Mr. Gartin inquired what the short-fall would be if going to \$0.50. Mr. Schainker stated the City would be collecting less than they wanted to pave the parking lots, but it is still more than what funds are currently available. Mr. Gartin asked if Mr. Pregitzer could send City Council what the actual figure would be if they changed the meter rates

to \$0.50. Mr. Joiner stated they will get City Council the figures for changing all the meters to \$0.50 and also just the \$1.00 rate to \$0.50.

Moved by Beatty-Hansen, seconded by Corrieri, to approve an employee hang tag system at \$10/month in any four-hour free stall spot.

Mr. Gartin asked what the fiscal impact would be if they only charged \$10/month for hang-tags. Mr. Joiner mentioned that it would be tough to project as it depends on how many people turn in their \$50.00 reserved parking tags. Further discussion ensued regarding the potential loss of revenue.

Vote on Motion: 5-1. Voting aye: Nelson, Martin, Beatty-Hansen, Gartin, Corrieri. Voting nay: Betcher. Motion carried.

Moved by Martin, seconded by Beatty-Hansen, to recommend having 1.25 times the number of four-hour spots in the lot that would benefit from the hang tag.

Mr. Pregitzer explained that he could reach out to Iowa State as they have a lot of experience in how to manage overselling stalls. Iowa State has had its own system in place for years. Mr. Gartin stated he is concerned with them settling on the number of hang tags to get.

Motion withdrawn.

Moved by Martin, seconded by Gartin, to let staff decide on the initial number of hang tags to be issued.

Vote on Motion: 6-0. Motion declared unanimously.

Ms. Betcher stated she is concerned about losing revenue by pushing people into the free-parking areas and neighborhoods, but doesn't have the data to prove that at this time. Mr. Martin stated that the parking rate change has only been active for four months. Ms. Betcher doesn't feel that now is a good time to have the meters retrofitted with new meter tops until they are sure of what the prices should be. Ms. Corrieri recommended having more signage available in Downtown, if the current system was a little more user-friendly, it might help. Mr. Martin mentioned that one of the suggestions that was made during the parking workshop, which he liked, was to take the first over-time parking offense in the Downtown lots, associated with the license number, and issue a warning that would include a map that shows where the free-parking lots are located. He noted that it doesn't make it easier to pay but does make it more user-friendly. Ms. Corrieri explained that this was an option in a previous report, but there was a cost for some software that was needed. Mr. Pregitzer stated that would be something they would need to ask the Police Department.

Council Member Martin stated another concern is that, in order to buy a smart card, you have to write a check or bring cash, and not very user-friendly, as City Hall does not accept credit cards. Ms. Beatty-Hansen noted she liked the idea of accepting credit cards to pay for the smart cards.

Moved by Beatty-Hansen, seconded by Gartin, to get a report from staff on what it would entail to accept credit cards for the purchase of smart cards at City Hall.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Martin, seconded by Beatty-Hansen, to get a report from staff on a warning system for first-time overtime offenders.

It was noted that this report may already be available from the Police Department.

Vote on Motion: 6-0. Motion declared carried unanimously.

Council Member Betcher asked if pay stations were looked at for Downtown to pay and display, instead of smart card distribution. Mr. Pregitzer stated that this would be something that the parking consultant would do.

**STAFF REPORT ON SHORT-TERM RENTALS:** Council Member Martin let the audience know that this topic will be discussed tomorrow evening as well at the joint Student Government City Council Meeting if anyone is interested in attending.

Planning and Housing Director Kelly Diekmann stated that they are reporting back tonight on more information that had been requested by the City Council. He noted that the City Council wanted more information about multi-family apartments and condominiums. Mr. Diekmann stated for the purpose of zoning classifications, condominiums are not a residential dwelling type; they are an ownership mechanism for any type of property. Condominiums would then be a subset of another building type, such as an apartment building to a single-family dwelling. Staff believes that if short-term rentals are allowed in apartments, then requiring the same permitting process as a single-family dwelling is not needed due to fewer compatibility concerns with high-density neighborhoods, and that landlords can monitor the actions of the tenants and control subleasing through their own leases. Apartments located in lower-density areas, such as RM and UCRM, or sites adjacent to single-family should still be subject to the same process as one-and two-family dwellings due to the neighborhood conditions. If apartments were to become short-term rentals, any Zoning Ordinance changes would need to be reviewed by the Planning and Zoning Commission.

Mr. Diekmann noted that the second item that City Council wanted more information on was the Hospital-Medical Zoning District (S-HM). He explained that there are few privately owned homes in the District and Mary Greeley Medical Center owns four residential structures. He explained that the current zoning allows for an accessory use to a hospital of short-term stays for staff, but does not include any other allowances to lodging or residential uses. Due to these current restrictions, short-term rentals were not included as a use within the zoning district with the original draft. Mr. Diekmann explained that considering any changes to the allowed uses within the zone and for Hospital-related accessory uses would require a separate text amendment from the short-term rental proposal as it is unrelated to the city-wide issue of short-term rental permitting.

Mr. Martin stated he would like to see a licensing requirement; to ask people on a yearly basis to re-apply for their licensing, and to see proof that the hotel/motel tax has been paid. He wanted to know what they do with licensing hosted home shares with people who are on the sexual offender registry. City Attorney Mark Lambert stated that if people are going to do a short-term rental they would check into the background of the person before they go to live with them; the City is not responsible. Ms. Corrieri stated that Airbnb does do sexual offender registry checks as well as the terrorism list. City Planner Eloise Sahlstrom stated she has not seen anything on this topic in all the research she has done. City Attorney Lambert stated he also has not seen anything in any of the Ordinances that he has reviewed.

Council Member Martin recommended that City Council require registration be provided to the City along with proof of hotel/motel tax payment for renewal and require a record of guests who used the rentals and any penalties. He explained that he is concerned about the Home Share option as it provides spaces to people without the property having undergone a full inspection. Ms. Beatty-Hansen asked what the difference would be if the homeowner was in the house or not; either case the proper safety issues haven't been addressed. Mr. Martin also mentioned that with the Hosted Home Share option, by not requiring a LOC they can happen anywhere throughout the City despite the Rental Caps. Discussion continued among the Council Members regarding the different types of short-term rentals.

Mr. Diekmann stated that he wanted to remind everyone that the decision tonight is whether or not to proceed with drafting an Ordinance. Mr. Diekmann showed a summary of what the Ordinance would address.

The public hearing was opened and closed by Mayor Haila since there was no one wishing to speak.

Mayor Haila noted that he has spoken with people who say that the Vacation Rentals by Owner is a profitable endeavor, and he urged caution. He explained that he can see where some people will find Vacation Rentals by Owner to be a viable option to make a profit without any concern for the neighborhood.

Moved by Corrieri, seconded by Beatty-Hansen, to have staff draft standards for one-and two-family short-term rentals with the annual licensing and proof of collection of hotel/motel tax.

Council Member Betcher stated that she will not be supporting this motion, as she does not support the non-owner occupied uses.

Mr. Gartin asked what would be required to show proof that the hotel/motel tax was paid. Mr. Diekmann stated that the taxes are submitted to the state so the owner would need to show a document that the state has received the taxes.

Vote on Motion: 4-2. Voting aye: Nelson, Beatty-Hansen, Gartin, Corrieri. Voting nay: Betcher, Martin. Motion declared carried.



Moved by Gartin, seconded by Corrieri, to allow for short-term rentals in all apartments in all zoning districts or differentiate between higher-density and lower-density areas.

*Ex officio* Allie Hoskins stated she spoke with the Director of Student Residency, and his initial concerns were the liability. She stated that she is in support of Mr. Gartin's motion. Ms. Betcher mentioned that one of the things that helps apartments is that they have landlords however; with a condo, they are owned by people and there are no leases. Mayor Haila asked City Attorney Lambert if a City Ordinance trumps a lease or is it the other way around. Mr. Lambert stated that it depends as just because it is allowed doesn't mean the landlord will allow it.

Vote on Motion: 5-1. Voting aye: Beatty-Hansen, Gartin, Corrieri, Nelson, Martin. Voting nay: Betcher. Motion declared carried.

Council Member Betcher voiced her concern that they do not have compliance within the Hospital-Medical District; this needs to be discussed, but not at this time. Mr. Schainker asked for clarification on the three houses that are single-family homes in this area, but short-term rentals would not be allowed. Mr. Diekmann stated that is correct. Mr. Gartin doesn't want to treat one part of town differently from any other. Mr. Diekmann stated that has been done in different areas of town and the Hospital-Medical area is not being singled-out.

Moved by Gartin to limit the occupancy based on the number of people, rather than just the adults, and exempt only children who are dependents of adult guests. Discussion was had as to how to enforce this motion. Motion died for lack of second.

Council recessed at 8:21 p.m. and reconvened at 8:30 p.m.

**ALTERATIONS TO DEPOT BUILDING AT 500 MAIN STREET:** Planning and Housing Director Kelly Diekmann stated this item is more an informational item and looking for concurrence from City Council from the property owner that their proposed actions are consistent with the Development Agreement. Mr. Diekmann stated the external western side of the building is being remodeled to be a restaurant. He noted that the most substantial changes are in the rear of the building as the property owner is looking to expand the cooler, add a smoker, and screen in about 50 feet of the building.

Council Member Betcher asked if this had been run by the Historic Preservation Commission, or if that was going to happen. Mr. Diekmann stated that they are not per the Development Agreement; it doesn't say who to defer to so it comes to City Council for approval. He then displayed the floor plans showing the mechanical equipment with platform, ramps, and screens. Mr. Diekmann noted that it does obstruct the structure but staff determined that the footprint of change is within the overhang, and no permanent change to the openings of the buildings. Mayor Haila asked if there were any elevations that would be on the south side. Mr. Diekmann stated he did not have the elevations available but did show a picture of the backside of the Depot showing the station masters windows and pointing out where the coolers would be added.

Ms. Betcher questioned why this was not run past the Historic Preservation Commission; the property has been brought up several times in the past for discussion. She explained that she is torn on this item as technically the front facade is the main facade, but because of the way the Depot was originally used, the back platform is just as important as the front.

Council Member Martin asked if there was a discussion regarding the impact to the site when the cooler was put in. Mr. Diekmann stated that he is not sure as to when the cooler was put in.

The public hearing was opened and closed by Mayor Haila since there was no one wishing to speak.

Moved by Gartin, seconded by Corrieri, to approve Alternative 1, which states that City Council can find the proposed changes to the Depot building site to have no negative impact on the historic qualities of the Depot building.

Roll Call Vote on Motion: 5-0-1. Voting aye: Martin, Beatty-Hansen, Gartin, Corrieri, Betcher. Voting nay: none. Abstaining: Nelson due to conflict of interest.

**PRELIMINARY PLAT FOR REVISED SCENIC VALLEY SUBDIVISION:** Mayor Haila noted that this item has been pulled per the request of the developer.

**PROPOSED TEXT AMENDMENTS FOR UPDATING NONCONFORMING USE AND CONFORMING STRUCTURE STANDARDS:** Council Member Gloria Betcher asked about Section 29.307 (2)(b) and (2)© Change of Use and Abandonment (vi) Calculation of Period of Abandonment. She asked what it means when it states “without any contributing cause by the owner of the nonconforming use,” Mr. Diekmann stated it would be a natural disaster, government action, or fire. Mr. Diekmann stated that it is a benefit to the property owner as the City will not start the 12-month clock if they are not at fault.

Moved by Nelson, seconded by Betcher, to approve Alternative 1, stating the City Council can direct staff to proceed with finalizing text amendments for nonconforming uses, discontinuance of a nonconforming use, and defining remodeling of a nonconforming structure and publish public hearing notice for consideration of an ordinance by City Council.

Vote on Motion: 6-0. Motion declared carried unanimously.

**HEARING ON MAJOR SITE DEVELOPMENT PLAN FOR 1404, 1405, AND 1410 BUCKEYE AVENUE (FORMERLY K-MART):** Planner Julie Gould stated the request tonight was an Integrated Site Plan, which includes concurrent approval of a Preliminary Plat and Major Site Development Plan. She noted that 1405 Buckeye Avenue is the old K-mart site and parking area. The properties at 1404 and 1410 Buckeye Avenue are existing lots between Duff Avenue and Buckeye Avenue. The Integrated Site Plan process gives some relief with some of the zoning requirements, for example the parking and landscaping will be shared across the site instead of an individual basis. She displayed the lot lines of the property and explained how the lines were divided up to meet the FAR requirements in HOC and signage. Ms. Gould noted that the only new utility

that will be added is a short line from Buckeye onto the site. A traffic study was done and no improvements were recommended. She said that the old K-Mart will be divided into four retail bays that face to the east. At this time no tenants have been confirmed. Ms. Gould stated that other conditions of approval are related to site and use, the fast food use would have to have a drive-thru window on the east side. Mr. Diekmann stated that this is the first time that this option of an Integrated Site Plan has been proposed and are working through the process with the applicant. He explained that the uses are a big part to justify the combination of everything, the uses are restricted as proposed and the conditions are meant to clarify what is being proposed and can't swap in other items.

Council Member Gartin explained that he loves the idea of this project, but there should be some kind of trigger for some kind of surface water issue. Mr. Diekmann stated that where they are doing new construction the developer is doing underground storm water systems.

Mayor Haila asked for them to put the lot line split picture back up on the screen and wanted to know with the subdivision of all nine lots, could each one be sold individually. Mr. Diekmann stated that the developer can carve up the lots, but when getting to the Final Plats, they will have to satisfy City staff, and the right agreements in place to maintain all the property through reciprocal easements and operating standards. Mayor Haila asked about if there was a phasing plan. Mr. Diekmann stated that as of right now there is not a phasing system in place; the only direction that is needed to proceed is that the mini storage cannot be built until Building "B" is completed with at least a shell building. Council Member Betcher asked what the logic was behind the dividing of the nine properties. Mr. Diekmann stated that division was done by the sign code. The sign code allows square footage by street frontage.

Mayor Haila also asked for the exterior elevations to be displayed. Mr. Diekmann displayed the elevations for each street. Further discussion was had about the Council's concerns about aesthetics for the buildings. Mr. Diekmann stated that it is hard for them to know about screening when they are not sure what is going to be in the building. Mayor Haila mentioned that they are excited about the prospect of something being done with the old K-mart building but wanted to know what else could be done to improve the visual aspects. Further discussion was had regarding the need for more aesthetics.

Chad Williams, 127 Cricket Creek Lane, Hendersonville, TN, with Net Lease Alliance who is affiliated with OnPoint Development, LLC. explained that they are finding the old K-marts as a big opportunity for them to rebuild. Mr. Williams mentioned that they are getting great interest from potential tenants for this development. He stated that, with the building architecture, they are willing to do something to help dress up the back of the buildings. Mr. Williams asked Council to approve the request tonight as they are on a deadline for closing on this property as of December 21, 2018, and he would be happy to continue to work with staff. He noted that the building will have roof top units and can definitely do parapets.

Mayor Haila asked Mr. Williams to address the question about phasing. Mr. Williams explained that

they plan on putting the parking lot in, the way it is shown on the site plan. He stated they need to do all the site improvements first and then can put down pads for certain buildings to get them ready to go, would like to do everything all at once but that isn't always possible.

The public hearing was opened and closed by Mayor Haila since there was no one wishing to speak.

Moved by Gartin, seconded by Beatty-Hansen, to approve alternative one but modify it to direct staff to work with the developer with the exterior improvements that were discussed.

Motion withdrawn.

Moved by Martin, seconded by Betcher, to approve Alternative 1A with an additional condition that the applicant work with staff to add architectural features to buildings along public streets that add variation and interest to the design.

Moved by Martin, seconded by Betcher, to include Alternative 1B.

Motion withdrawn.

Moved by Martin, seconded by Betcher, to adopt RESOLUTION NO.18-618 to approve the Major Site Development Plan, with the listed conditions and an additional condition that the applicant work with staff to add architectural features to building along public streets that add variation and interest to design.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Martin, seconded by Betcher, to adopt RESOLUTION NO. 18-619 approving the Preliminary Plat for Southwood Subdivision, 4<sup>th</sup> Addition, subject to certain conditions.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**HEARING ON DEVELOPMENT AGREEMENT WITH BARILLA AMERICA, INC., WITH TAX INCREMENT REBATE INCENTIVES AND PROJECT DEVELOPMENT REQUIREMENTS:** The public hearing was opened and closed by Mayor Haila since there was no one wishing to speak.

Moved by Beatty-Hansen, seconded by Betcher, to adopt RESOLUTION NO. 18-621 approving the Development Agreement.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Nelson , seconded by Beatty-Hansen, to adopt RESOLUTION NO. 18-622 approving the Minimum Assessment Agreement.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**HEARING ON SCAFFOLDING AND RELATED SERVICES AND SUPPLY CONTRACT:**

The public hearing was opened and closed by Mayor Haila since there was no one wishing to speak.

Moved by Gartin, seconded by Betcher, to accept the Report of Bids and delaying award of contract.

Vote on Motion: 6-0. Motion declared unanimously.

**HEARING ON 2018/19 SANITARY SEWER REHABILITATION (WILSON & 15<sup>TH</sup>):** The public hearing was opened and closed by Mayor Haila since there was no one wishing to speak.

Moved by Betcher, seconded by Beatty-Hansen, to adopt RESOLUTION NO. 18-623 approving the plans and specifications and awarding contract to Synergy Contracting LLC, in the amount of \$2,663,751.50.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**ORDINANCE RELATED TO DEVELOPMENT STANDARDS OF THE NEIGHBORHOOD COMMERCIAL ZONING DISTRICT:** The public hearing was opened and closed by Mayor Haila since there was no one wishing to speak.

Moved by Beatty-Hansen, seconded by Betcher, to pass on second reading an ordinance related to Development Standards of the Neighborhood Commercial Zoning District.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**ORDINANCE TO ALLOW ALTERNATIVE LANDSCAPE PLAN APPROVAL IN CONJUNCTION WITH A SPECIAL USE PERMIT:** The public hearing was opened and closed by Mayor Haila since there was no one wishing to speak.

Moved by Beatty-Hansen, seconded by Gartin, to pass on second reading an ordinance to allow Alternative Landscape Plan approval in conjunction with a Special Use Permit.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

**ORDINANCE REGARDING EXCEPTIONS TO MINIMUM STORIES AND MINIMUM FLOOR AREA RATIO FOR THE DOWNTOWN SERVICE CENTER:** The public hearing was opened and closed by Mayor Haila since there was no one wishing to speak.

Moved by Betcher, seconded by Gartin, to pass on third reading and adopt ORDINANCE NO. 4373 regarding exceptions to minimum stories and minimum floor area ratios for the Downtown Service Center.

Roll Call Vote: 5-1. Voting aye: Gartin, Corrieri, Betcher, Nelson, Beatty-Hansen. Voting nay: Martin. Ordinance declared adopted, signed by the Mayor and hereby made a part of these minutes.

**DISPOSITION OF COMMUNICATIONS TO COUNCIL:** Moved by Beatty-Hansen, seconded by Gartin, to put Hunziker's request for a refund on the South Duff Avenue signal project on a future agenda for discussion.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Beatty-Hansen, seconded by Betcher, to direct staff to get more information on what other cities have for airport rental fees and reach out to the airport committee to get their feedback about the airport hangar proposal from Brian Aukes.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Beatty-Hansen, seconded by Betcher, to communicate to Mr. Friedrich that City Council is not interested at this time in expanding the Urban Revitalization and tax Abatement to include office use.

Vote on Motion: 3-3, Voting aye: Beatty-Hansen, Betcher, Martin. Voting nay: Gartin, Corrieri, Nelson. Mayor declined to vote. Motion failed.

**COUNCIL COMMENTS:** Council Martin stated he is the appointee to Ames Convention and Visitors Bureau. He has been working the Community Grants Committee. The committee is awarding about \$90,000 this year with more than 30 applications.

Moved by Gartin, seconded by Beatty-Hansen, to direct staff to come back with a report about the fiscal impacts of reducing the parking meter rates to \$0.50/hour and then to offer suggestions to the sources of the alternative funding for the needed Capital Improvements.

Vote on Motion: 4-2. Voting aye: Betcher, Nelson, Beatty-Hansen, Gartin. Voting nay: Corrieri, Martin.

Moved by Martin, seconded by Beatty-Hansen, to put memo from March, 2018 regarding tax incentives on the 11-27-18 meeting.

Motion withdrawn.

Moved by Martin, seconded by Beatty-Hansen, to put the memo from March 2018 on as an agenda item no later than the end of the year.

Vote on Motion: 6-0. Motion declared carried unanimously

**ADJOURNMENT:** Moved by Beatty-Hansen to adjourn the meeting at 9:41 p.m.

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Amy L. Colwell, Deputy City Clerk

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John A. Haila, Mayor

**MINUTES OF THE JOINT MEETING OF THE  
AMES CITY COUNCIL AND THE IOWA STATE UNIVERSITY  
STUDENT GOVERNMENT**

**AMES, IOWA**

**NOVEMBER 14, 2018**

The Ames City Council met at 6:00 p.m. on the 14<sup>th</sup> day of November, 2018, in the Campanile Room of the Memorial Union, Iowa State University, pursuant to law. Mayor John Haila, Council Members Bronwyn Beatty-Hansen, Gloria Betcher, Amber Corrieri, Tim Gartin, David Martin, and Chris Nelson and *ex officio* Council Member Allie Hoskins were present, City Manager Steve Schainker, City Attorney Mark Lambert, and Management Analyst Tasheik Kerr also were in attendance.

Student Government Representatives attending were Ihssan Ait-Boucherbil, Maria Alcivar, Courtney Beringer, Vishesh Bhatia, Kelsey Culbertson, Sydney Dondlinger, Carmen Frederick, Samuel Freestone, Prashant Gargh, Austin Graber Analese Hauber, Noah Heasley, Mary Kate Horak, Travis Lipford, Amit Mahapatra, Anne Miller, Sarah Moody, Madison Mueller, Katelyn Noah, Rachel Origer, Kathryn Paszkiewicz, Ariana Rios-Rivera, Kaitlyn Sanchez, Wyatt Scheu, Jacob Schrader, Sandeep Stanley, Ian Steenhoek, Adam Steffensmeier, Matthew Stenzel, Michael Tupper, Caroline Warmuth, and Cody Woodruff.

Student Government Engineering Representative Courtney Beringer began a discussion on Lease Gaps and Storage Space for Students.

*Ex officio* City Council Member Allie Hoskins provided information on the discussion on Short-Term Rentals, which had been a topic on the City Council's November 13, 2018, Agenda.

Student Government Vice-Speaker Kelsey Culbertson and Senator Kaitlyn Sanchez presented an idea of a Farmer's Market on Campus. Ms. Sanchez noted that this would be a great place for the community to support ISU organizations as well as meet students to build connections on and off campus.

Mayor Haila talked about engaging students in the community. He said that the community needs to help students be informed about what is going on in the City.

Student Government Senator Sandeep Stanley talked about having an "I Love Ames Day" possible in September, which would allow freshmen to learn more about Ames. The purpose would also be to have increased communication. Senator Stanley suggested that some cultural organizations could come to help with cultural exchange among the different cultures. They could also invite restaurants, police departments, fire departments and representative of the North Grand Mall to participate.

Mayor Haila talked on the topic of the Ames Comprehensive Plan. He noted that there will be an opportunity for the next six to seven months for the community to work together on suggestions for updating the City's Comprehensive Plan, which guides what kind of development may occur.

Mayor Haila said that he will be communicating with leadership and working with the *ISU Daily* to get information to students about ways they could be involved.

*Ex Officio* City Council Member Allie Hoskins gave an update on the Campustown Safety Walk. She commented that the Ames Police Department is very passionate and involved in making Ames safe. Cracked sidewalks and areas where more lighting was needed were noted. Most of the changes suggested will be long-term, not short-term fixes.

Mayor Haila and Council Member Martin provided information on the City's new mobile app called "Ames on the Go," where persons can report issues. After the report is made, the information is routed to the department that has jurisdiction over the particular topic.

A brief discussion entailed over the possibility of a second joint meeting between the City Council and Student Government to be held in the spring.

**ADJOURNMENT:** The meeting was adjourned at 7:07 p.m.

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Mayor John A. Haila





## REPORT OF CONTRACT CHANGE ORDERS

Period:	<input checked="" type="checkbox"/>	1 <sup>st</sup> – 15 <sup>th</sup>
	<input type="checkbox"/>	16 <sup>th</sup> – End of Month
Month & Year:	November 2018	
For City Council Date:	November 27, 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)
Water & Pollution Control	Ames Water Pollution Control Facility Clarifier Launder Covers Project	1	\$166,980.00	Minturn, Inc.	\$ 0.00	\$19,760.00	C. Murphy	MA
			\$		\$	\$		
			\$		\$	\$		
			\$		\$	\$		
			\$		\$	\$		
			\$		\$	\$		

**COUNCIL ACTION FORM**

**SUBJECT: APPROVAL OF PUBLIC ART COMMISSION'S ART IN THE PARKS PROJECT**

**BACKGROUND:**

The City Council has annually approved the Public Art Commission's (PAC) program of Art in the Park as part of the annual funding process. The Art in the Parks Program works in conjunction with PAC's larger mission, which is to create an environment that incorporates art into the lives of all Ames citizens. This program is a larger initiative utilizing budget allocations from three years.

This year the Commission has developed a program that will encourage broad participation from members of the Ames community – a Birdhouse Competition. The proposed structures will be placed in park locations based on intended birdhouse types. PAC desires Moore Memorial Park to be the preferred location if appropriate for the submitted houses.

The goals of this project are as follows:

- Encourage construction of functional and aesthetically pleasing birdhouses
- Encourage the use of environmentally sensitive materials
- Demonstrate ways to attract wildlife by creating unique backyard and park habitats
- Inspire creativity in backyard and park habitats
- Encourage artistic and hand-crafted approaches to birdhouse design
- Help support our students, children, families, and community

The overall goals are to celebrate the beauty in nature and the creativity of the residents of the Ames Community, and to provide an opportunity for community participation in this year's Art in the Parks project. The City Council appropriated \$25,000 in FY 2018/19 for this project. That total includes the carry-over funding from previous years.

PAC has reached out to several potential partners in this undertaking. These include the Ames Parks and Recreation Department, Ames Elementary School art teachers, the Ames High School Art Club, Big Bluestem Audubon Society, ACPC Preschool, Girl Scout and Daisy troops, Northwood Preschool, Prairie Flower Preschool. Confirmations of interest have been received from those participating in the project.

The Commission will also seek a guest artist or artists to work with the community and area schools and preschools for birdhouse decorating workshops. The Commission will also work with ornithologists and wildlife experts for special events to talk about Iowa birds and the importance of conservation of Iowa natural landscapes.

After the birdhouses are mounted in City parks, they will be evaluated annually for soundness and either remain in the park system or be decommissioned. The appropriated

City funding will go to support the installation, maintenance, and decommissioning of the birdhouses. PAC will work with the Parks and Recreation Department in this process. Additional information regarding this Art in the Parks proposal is listed below and will be finalized in the upcoming month.

Entry Categories will include:

- Children (up to 12 years of age)
- Youth (ages 12-17)
- Architects and Artist
- Adult single
- Adult team (2 or more)
- Senior (over 65)
- Whimsy (for artistic display only and not intended for exterior installation)

Tentative Timeline:

- Competition Registration Begins: January 14, 2019
- Submission of completed Birdhouses: March 11-15, 2019 at the Octagon
- Exhibition of Birdhouses at the Octagon Center: March 30 – May 18, 2019
- Judging of Birdhouse entries: April 13, 2019
- Close of voting for People's Choice Award: April 14, 2019
- Awards: April 22, 2019 (Earth Day)
- Installation in Parks: May 20-31, 2019

### **ALTERNATIVES:**

1. Approve the undertaking of the Birdhouse Competition and authorize the Public Art Commission to proceed with further development and implementation of the project.
2. Refer the project back to the Public Art Commission for reconsideration of an alternative Art in the Parks program.

### **COMMISSION'S RECOMMENDED ACTION:**

The Public Art Commission provides a useful and appreciated service to the Ames community by administering the Art in the Parks program. The proposed birdhouse competition will provide an interactive activity for residents as well as provide educational opportunities for interested individuals. There are multiple categories so people can enter a birdhouse as an individual or group (e.g., a family, business, etc.).

The Commission will provide birdhouse kits so all residents have an opportunity to participate. Materials for installation will be provided by the PAC, which will coordinate volunteers to install the birdhouses. This is a positive community activity that will provide bird habitat within the park system without placing additional duties on City staff.

Therefore, it is the Public Art Commission's recommendation that Council approve Alternative #1 as stated above.



# MEMO

**To:** Mayor John Haila and Ames City Council Members  
**From:** Lieutenant Dan Walter, Ames Police Department  
**Date:** November 19, 2018  
**Subject:** Beer Permits & Liquor License Renewal Reference City Council Agenda

The Council agenda for November 27, 2018, includes beer permits and liquor license renewals for:

- Class C Liquor & Outdoor Service - LC0033577 - Outlaws, 2522 Chamberlain St.
- Class B Native Wine - WBN000581 - Chocolaterie Stam, 230 Main St.
- Class C Beer & B Native Wine - BC0029659 - Swift Stop #8, 705 24th Street
- Class B Liquor, Catering, & Outdoor Service - LB0002099 - Country Inn & Suites, 2605 SE 16th St.
- Class C Liquor - LC0043993 - Time Out - Ames, 120 Kellogg Avenue

A routine check of police records for the past 12 months found no liquor law violations for the above listed businesses. Outlaws bar did have 9 on premise under the legal age citations for the previous year. Outlaws continues to be a busy bar and management continues to be active in working with the police department to reduce the number of underage individuals at their bar. The Police Department recommends renewal of licenses for all the above businesses.

**COUNCIL ACTION FORM**

**SUBJECT: ARANET ADVANCED WIRELESS RESEARCH PROPOSAL**

**BACKGROUND:**

Iowa State University is preparing a proposal entitled “AraNet: Wireless Living Lab for Smart and Connected Rural Communities” for submittal to the national Platforms for Advanced Wireless Research (PAWR) program (<https://www.advancedwireless.org/>). It is believed this program is the first of its kind, globally. The envisioned network will enable trustworthy, ultra-high reliability, and ultra-low latency (TURL) wireless communication to provide transformative applications in various domains such as agriculture, rural education, transportation, power grid, public safety, municipal services, and manufacturing.

**ISU submitted a similar proposal in 2017 entitled “AmesNet: Wireless Living Lab for Real-Time Cyber-Physical-Human Systems”. This proposal was short-listed as one of the top projects but ultimately was not selected for funding. The proposing team has been strongly encouraged to refine and resubmit their proposal. Research staff has consulted with the grant review team and has made a number of updates to the proposal from last year. These include having a sharp focus on topics critical to the rural communities (e.g., agriculture and rural education), refining the engineering and execution details of the project, and refining the management plan and sustainability plan.**

The PAWR program is intended for university-city-industry proposals and includes \$100,000,000 to award between four projects; two having been funded in 2018 and two more to be funded in 2019. The program is sponsored by the National Science Foundation (NSF) and funded equally between NSF and a group of industry partners.

AraNet would provide a wireless network platform across ISU, Ames, Nevada, and other surrounding rural cities/communities and farms. **It must be emphasized that this network is not intended as an internet service provider for individual customers, but rather to provide a platform for a “living lab” for wireless research related to municipal services.** Potential city-service related research could include projects such as:

- AR/VR-based agricultural education
- Communication for traffic adaptive signal corridors
- Snow and ice control monitoring and planning for routes and conditions
- Mobile data and communication for public safety
- Continuous data gathering by CyRide and police
- Electric service and usage monitoring
- At-home tele-medicine monitoring and treatment applications

**The proposal does not require any financial commitment from the City for the development and deployment of the network. In fact, the proposal requirements prohibit providing any funds. However, the City is being asked to allow the network infrastructure in the right-of-way and cooperate in finding appropriate locations for transmission equipment on electric poles, street lights and traffic signals.**

The first five years of installation, development, deployment, operation and management would be entirely funded by the NSF grant. Following that period, the City is being asked to provide representation on an AraNet Consortium controlling board and on operational working groups. The City would also provide advice to the Consortium on developing strategies for the long-term viability for the AraNet system. Additionally, a portion of the bandwidth of the network would be dedicated to the City as a living lab for providing municipal services.

**The proposal submission is due by December 11, 2018. As part of the submittal, a support letter from the City is required and is attached. A small group of proposals will be selected as finalists by February 2019. NSF will then conduct site visits of those locations around March 2019. The winning projects will be announced in fall 2019.**

#### **ALTERNATIVES:**

1. The City Council can decide to authorize the Mayor to submit the attached letter of support and commit to the five points outlined in the letter.
2. The City Council can decide to decline City to support the proposal and not participate in any research associated with the “living lab.”

#### **MANAGER’S RECOMMENDED ACTION:**

The AraNet proposal is an exciting opportunity for the City, ISU, and the region. It provides a platform for cutting edge research and applications in many different domains such as public safety, transportation, power grid, municipal services, agriculture, and manufacturing. Specifically, as a local government, it provides opportunities to test and refine innovative approaches to city services utilizing wireless applications. It also provides the potential to engage in on-going demonstration projects on this innovative platform.

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



November 28, 2018  
PAWR Project Office (PPO)  
NSF Platforms for Advanced Wireless Research Program

**RE: AraNet: Wireless Living Lab for Smart and Connected Rural Communities**

Dear Colleagues of the PPO and Proposal Review Panel:

The City of Ames is pleased to support the enclosed proposal to establish the advanced wireless network living lab AraNet. The City of Ames, Iowa, located in Story County, is a progressive, urban community situated between denser urban/suburban populations (e.g. Des Moines, Iowa metro area) and rural communities and small towns (e.g. Nevada, Iowa, and Boone, Iowa).

Ames is the home of the Iowa State University of Science and Technology (ISU); the USDA National Laboratory of Agriculture and the Environment; the USDA National Animal Disease Center; the Department of Energy's Ames National Lab and Critical Materials Institute; a regional office of the Federal Highway Administration; the State of Iowa's Department of Transportation; a large, regional, city-owned hospital; and a regional, physician-owned, multi-specialty clinic. Furthermore, we have a rich history of successful partnerships among these various governmental entities within our community which will assure the ongoing success of AraNet.

What is particularly exciting to the City of Ames is the opportunity to apply the findings from the research developed in the living lab to ongoing demonstration projects related to our school district and city services. In this way, the City of Ames can show to the world how the research findings can be practically implemented by governmental organizations to improve services to their citizens.

If the AraNet proposal is selected for funding, the City of Ames will:

- Cooperate with ISU, other governmental agencies, and industry partners involved to form an administrative board (Consortium) and to develop a framework for the deployment, operation, and management of the AraNet living lab. This includes providing active representation to the AraNet Consortium and working groups;
- Make various city departments (e.g., Public Works, Electric Services, Police, Finance/IT) available to advise the AraNet team regarding the design and execution of applied research derived from AraNet that is consistent with City Council goals (e.g., innovative applications in education, transportation, public safety, and non-critical power services);
- Make available city right-of-way, infrastructures, and facilities (e.g., power supply, poles, street lights, traffic signals, Ames Municipal Airport, buses, and police cars) to deploy and operate the AraNet infrastructure;
- Expedite any city permitting processes necessary for the AraNet infrastructure;
- Work with AraNet to facilitate community stakeholder involvement in projects: for instance, smart agriculture, smart transportation, smart grid, advanced manufacturing, and public safety; and,
- Assist the AraNet Consortium in its attempt to develop strategies for the long-term viability of the AraNet living lab after the five-year NSF funding period.

Good luck with your selection process and thank you very much for considering the AraNet proposal.

Sincerely,

John Haila, Mayor  
City of Ames, Iowa



**COUNCIL ACTION FORM**

**SUBJECT:** VACATION OF WATER MAIN EASEMENT AT 2205 GREEN HILLS DRIVE

**BACKGROUND:**

A site plan for a building addition and other improvements at 2205 Green Hills Drive was submitted and reviewed by City of Ames staff. According to the site plan, the proposed building addition is to be constructed over an existing public water main. Standard City policy is not to allow building construction over existing public utilities. Therefore, that section of water main has been relocated prior to commencing building construction.

**The corresponding water main easement that extends over 2205 Green Hills Drive can, therefore, be vacated since the water main has been relocated. A new water main easement over the relocated portion will be recorded prior to the public hearing to vacate. If the new easement has not been recorded prior to the public hearing, then the hearing will be continued to the next meeting.**

*Attachment A* is an aerial map showing the location of the easement to be vacated and the approximate location of the new easement over the relocated water main. *Attachment B* is the vacation plat which includes the legal descriptions of the water main easement to be vacated.

**ALTERNATIVES:**

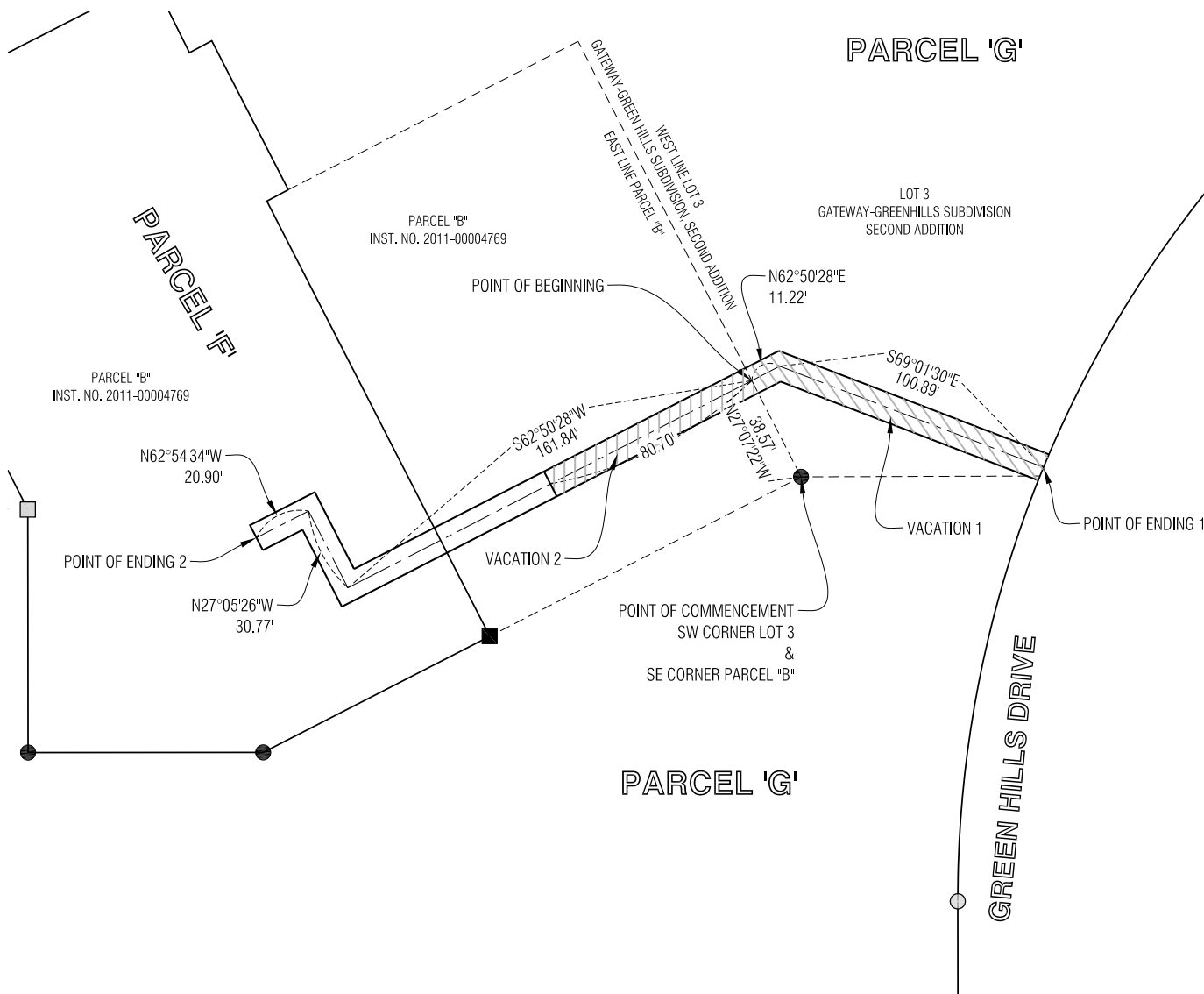
1. Set the date of public hearing as December 11, 2018 to approve the vacation of the aforementioned easement at 2205 Green Hills Drive.
2. Reconsider the vacation of the aforementioned easement at 2205 Green Hills Drive.

**CITY MANAGER'S RECOMMENDED ACTION:**

This water main easement can be vacated because it will no longer be needed. The water main has been relocated ahead of the proposed building addition construction and a new water main easement will be recorded.

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

# Attachment B WATER MAIN EASEMENT VACATION EXHIBIT



## VACATION DESCRIPTION 1

All of the following described Easement as recorded in County Recorder's Instrument: 2011-00004771:

A Ten (10) foot wide permanent Easement across Lot Three (3); Gateway-Green Hills Subdivision, Second Addition; in the City of Ames, Story County, Iowa; Five feet on each side of the following described centerline:

"Commencing at the Southwest (SW) corner of said Lot 3; thence N 27 07' 22" W, 38.57 feet along the west line of Lot 3, to the Point of Beginning; thence N 62 50' 28" E, 11.22 feet; thence S 69 01' 30" E, 100.89 feet to the west line of Green Hills Drive and the Point of Ending."

## VACATION DESCRIPTION 2

The Northeasterly 80.7 feet of the following described Easement as recorded in County Recorder's Instrument: 2011-00004771:

A Ten (10) foot wide permanent Easement across part of Parcel "B"; in Lot Six (6), Gateway-Green Hills Subdivision, and in Lots One (1) and Two (2), Gateway-Green Hills Subdivision, Second Addition, in the City of Ames, Story County, Iowa; as shown on the "Plat of Survey" filed in the office of the Recorder of Story County, Iowa, on May 24, 2011 and recorded as Instrument # 11-04769 on Slide 406 at Page 1; Five feet on each side of the following described centerline:

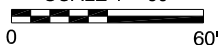
"Commencing at the Southeast (SE) corner of said Parcel "B"; thence N 27 07' 22" W, 38.57 feet along the east line of Parcel "B", to the Point of Beginning; thence S 62 50' 28" W, 161.84 feet; thence N 27 05' 26" W, 30.77 feet; thence S 62 54' 34" W, 20.90 feet to the Point of Ending."

Note: Vacation dimensions taken from Fox Engineering drawing: Green Hills WM Easement.dwg provided to CGA on 10/15/2018.

N



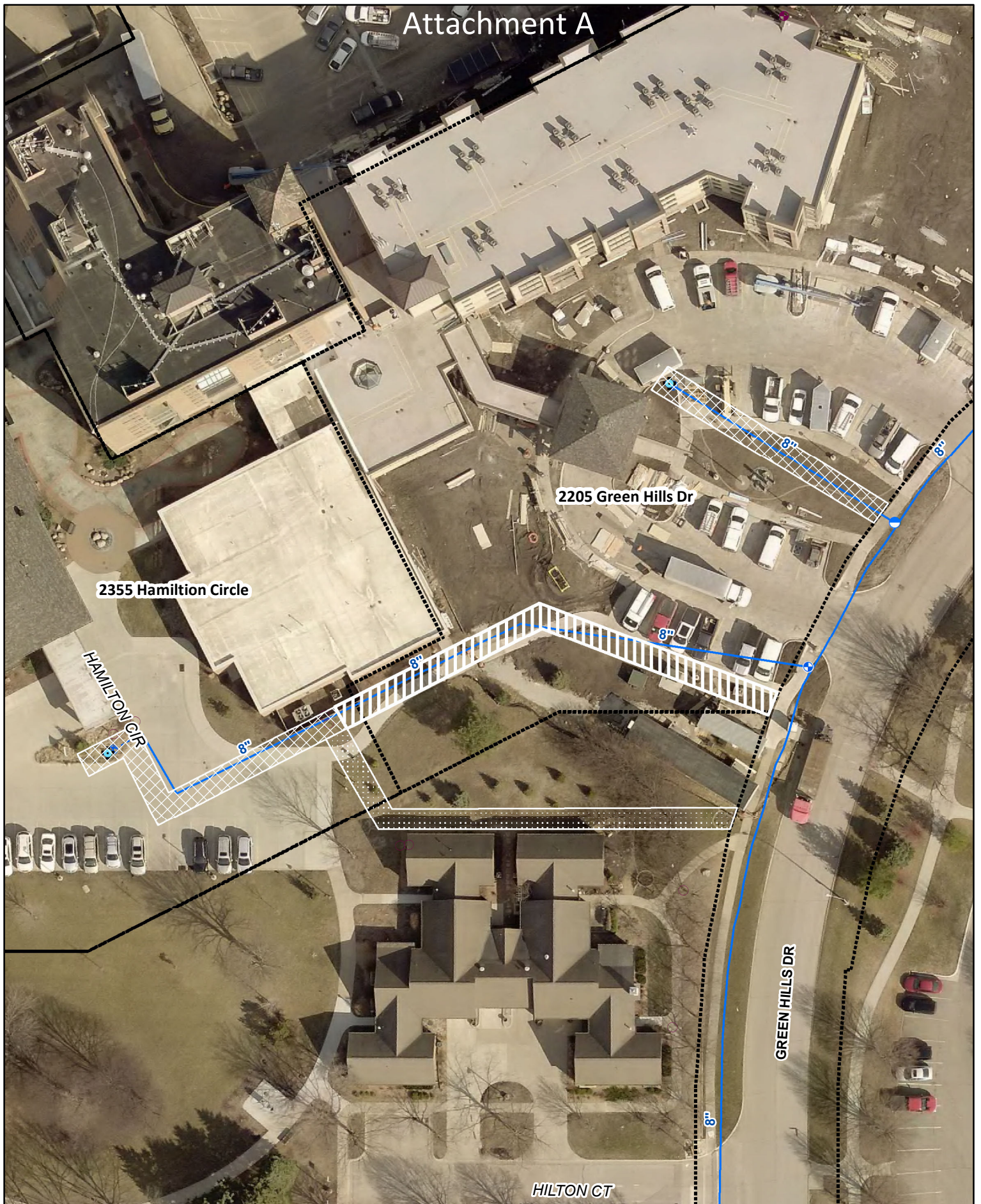
SCALE 1"=60'




Clapsaddle-Garber Associates, Inc.  
1523 S. Bell Ave. Suite 101  
Ames, Iowa 50010  
Ph 515-232-1784  
www.cgaconsultants.com



# Attachment A



2205 Green Hills Drive/2355 Hamilton Circle

Proposed Easement Vacation: 

Easements to Remain:  New Easement: 



1 inch = 50 feet

Date: 10/15/2018



**COUNCIL ACTION FORM**

**SUBJECT: TAX INCREMENT FINANCING (TIF) AND REPORTING RESOLUTIONS  
FOR ANNUAL URBAN RENEWAL REPORT AND CERTIFICATON AND  
ANNUAL APPROPRIATION OF KINGLAND TIF REBATE**

**BACKGROUND:**

The 2012 Iowa Urban Renewal and Tax Increment Financing (TIF) Reform bill included provisions for reporting, including the Annual Urban Renewal Report, which must be approved by the governing board and provided to the Iowa Department of Management to be made available to the public on an internet site.

This report includes uploading documents related to the urban renewal districts, such as the plan document and City Council action establishing the district, as well as financial information on TIF funds related to urban renewal districts. The due date for the report filing is December 1 of each year. The penalty for non-compliance is withholding certification of tax levies. The attached report includes financial information for the South Bell, ISU Research Park, and Campustown (Kingland) TIF districts. The attached Annual Urban Renewal Report is for the fiscal year ending June 30, 2018.

In addition to the state reporting, the City is required to certify TIF debt with the County Auditor for the upcoming fiscal year. The ISU Research Park and South Bell debt are both general obligation bonds approved by Council when issued, so no additional action is required. The Kingland TIF involves a rebate of incremental property taxes subject to annual appropriation by the City Council. A resolution is required for the annual appropriation for the collection and rebate of incremental taxes per the agreement with Kingland. Incremental taxes for the Kingland TIF are estimated at \$325,427 for the upcoming fiscal year.

**ALTERNATIVES:**

1. Approve the City's annual 2018 Urban Renewal Report and resolution appropriating the payment of a rebate of incremental taxes for the Campustown TIF district.
2. Do not approve the report and resolution and refer back to staff.

**MANAGER'S RECOMMENDED ACTION:**

In order for the City to comply with mandated reporting requirements and fulfill requirements under the development agreement with Kingland, it is necessary to submit

this report to the Iowa Department of Management by December 1 of this year and approve the appropriation of the tax increment rebate.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the City's annual 2018 Urban Renewal Report and resolution appropriating the payment of a rebate of incremental taxes for the Campustown TIF district.

RESOLUTION\_\_\_\_\_

Obligating funds from City of Ames Campustown Urban Renewal Area Urban Renewal Tax Revenue Fund for appropriation to the payment of annual appropriation tax increment rebate payments due to be paid in the next succeeding fiscal year

WHEREAS, the City of Ames, Iowa (the “City”), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the Campustown Urban Renewal Area (the “Urban Renewal Area”); and

WHEREAS, this Council has adopted an ordinance providing for the division of taxes levied on taxable property in the Urban Renewal Area pursuant to Section 403.19 of the Code of Iowa and establishing the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa (the “Campustown Urban Renewal Tax Revenue Fund”), which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Area; and

WHEREAS, pursuant to the City’s Development Agreement (the “Agreement”) with Kingland Systems Corporation (the “Company”), approved by resolution of the City Council on December 10, 2013, the City agreed to make economic development tax increment payments to the Company, subject to annual appropriation by the City Council; and

WHEREAS, payments under the Agreement are scheduled to be made from the Campustown Urban Renewal Tax Revenue Fund during the fiscal year that will begin July 1, 2019, in a total amount equal to 100% of the incremental property tax payments made by the Company in that fiscal year (the “Payments”); and

WHEREAS, it is now necessary for the City Council to obligate for appropriation to the Payments, funds anticipated to be received in the Campustown Urban Renewal Tax Revenue Fund in the fiscal year that will begin July 1, 2019;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Ames, Iowa, as follows:

Section 1. The City Council hereby obligates for appropriation from the Campustown Urban Renewal Tax Revenue Fund the amount of \$325,427.00, which is estimated to be an amount equal to 100% of the incremental property tax revenues that are expected to be received by the City in such fund from the Story County Treasurer in the fiscal year that will begin July 1, 2019.

Section 2. The City Clerk and Finance Director are hereby authorized and directed to certify to the Story County Auditor the amount obligated for appropriation in Section 1 above as part of the City's 2018 certification of debt payable from the Campustown Urban Renewal Tax Revenue Fund and to reflect such estimated amount in the City's budget for the fiscal year that will begin July 1, 2019.

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Passed and approved November 27, 2018.

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Mayor

Attest:

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City Clerk

# Annual Urban Renewal Report, Fiscal Year 2017 - 2018

## Levy Authority Summary

Local Government Name: AMES  
Local Government Number: 85G811

Active Urban Renewal Areas	U.R. #	# of Tif Taxing Districts
AMES COMMUNITY DEVELOPMENT PARK URBAN RENEWAL	85012	1
AMES SOUTH BELL AVENUE URBAN RENEWAL	85021	2
AMES CAMPUSTOWN URBAN RENEWAL	85023	1
AMES ISU RESEARCH PARK URBAN RENEWAL	85024	2
AMES BARILLA URBAN RENEWAL	85026	0

**TIF Debt Outstanding:** 3,739,563

<b>TIF Sp. Rev. Fund Cash Balance</b>			<b>Amount of 07-01-2017 Cash Balance</b>
<b>as of 07-01-2017:</b>	<b>-788,502</b>	<b>0</b>	<b>Restricted for LMI</b>

TIF Revenue:	594,020
TIF Sp. Revenue Fund Interest:	-4,337
Property Tax Replacement Claims	0
Asset Sales & Loan Repayments:	41,020
<b>Total Revenue:</b>	<b>630,703</b>

Rebate Expenditures:	229,455
Non-Rebate Expenditures:	414,904
Returned to County Treasurer:	0
<b>Total Expenditures:</b>	<b>644,359</b>

<b>TIF Sp. Rev. Fund Cash Balance</b>			<b>Amount of 06-30-2018 Cash Balance</b>
<b>as of 06-30-2018:</b>	<b>-802,158</b>	<b>0</b>	<b>Restricted for LMI</b>

**Year-End Outstanding TIF Obligations, Net of TIF Special Revenue Fund Balance:** 3,897,362



## Urban Renewal Area Data Collection

Local Government Name: AMES (85G811)  
 Urban Renewal Area: AMES COMMUNITY DEVELOPMENT PARK URBAN RENEWAL  
 UR Area Number: 85012

UR Area Creation Date: 11/1997

UR Area Purpose: Enhance the availability of sites to accommodate the construction of new industrial and commercial buildings and encourage and support development that will expand the tax base.

## Tax Districts within this Urban Renewal Area

	Base No.	Increment No.	Increment Value Used
AMES CITY/AMES SCH/AMES COMMUNITY DEVELOPMENT PARK URBAN RENEWAL TIF INCREM	85526	85126	0

## Urban Renewal Area Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	0	0	0	0	0	0	0
Taxable	0	0	0	0	0	0	0	0	0
Homestead Credits									0

## TIF Sp. Rev. Fund Cash Balance as of 07-01-2017:

0

0

## Amount of 07-01-2017 Cash Balance Restricted for LMI

TIF Revenue:	0
TIF Sp. Revenue Fund Interest:	0
Property Tax Replacement Claims	0
Asset Sales & Loan Repayments:	0
<b>Total Revenue:</b>	<b>0</b>

Rebate Expenditures:	0
Non-Rebate Expenditures:	0
Returned to County Treasurer:	0
<b>Total Expenditures:</b>	<b>0</b>

## TIF Sp. Rev. Fund Cash Balance as of 06-30-2018:

0

0

## Amount of 06-30-2018 Cash Balance Restricted for LMI

256 Characters Left

Sum of Private Investment Made Within This Urban Renewal Area  
during FY 2018

## TIF Taxing District Data Collection

Local Government Name: AMES (85G811)  
 Urban Renewal Area: AMES COMMUNITY DEVELOPMENT PARK URBAN RENEWAL (85012)  
 TIF Taxing District Name: AMES CITY/AMES SCH/AMES COMMUNITY DEVELOPMENT PARK URBAN  
 RENEWAL TIF INCREM  
 TIF Taxing District Inc. Number: 85126  
 TIF Taxing District Base Year: 1997  
 FY TIF Revenue First Received: 2000  
 Subject to a Statutory end date? Yes  
 Fiscal year this TIF Taxing District  
 statutorily ends: 2020

UR Designation	
Slum	No
Blighted	No
Economic Development	11/1997

## TIF Taxing District Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	0	0	0	0	0	0	0
Taxable	0	0	0	0	0	0	0	0	0
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2018	43,167	0	0	0	0

FY 2018 TIF Revenue Received: 0

◆ Annual Urban Renewal Report, Fiscal Year 2017 - 2018

## Urban Renewal Area Data Collection

Local Government Name: AMES (85G811)  
 Urban Renewal Area: AMES SOUTH BELL AVENUE URBAN RENEWAL  
 UR Area Number: 85021  
 UR Area Creation Date: 01/2009

UR Area Purpose: To expand the available inventory  
 of fully serviced industrial land  
 within Ames.

Tax Districts within this Urban Renewal Area	Base No.	Increment No.	Increment Value Used
AMES CITY/AMES SCH/SOUTH BELL AVENUE URBAN RENEWL TIF INCREM	85586	85186	2,889,090
AMES CITY AG/AMES SCH/SOUTH BELL AVENUE URBAN RENEWAL TIF INCREM	85587	85187	0

## Urban Renewal Area Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	3,210,100	0	0	0	3,210,100	0	3,210,100
Taxable	0	0	2,889,090	0	0	0	2,889,090	0	2,889,090
Homestead Credits									0

**TIF Sp. Rev. Fund Cash Balance as of 07-01-2017:** -394,167      0      **Amount of 07-01-2017 Cash Balance Restricted for LMI**

TIF Revenue: 71,065  
 TIF Sp. Revenue Fund Interest: -5,013  
 Property Tax Replacement Claims 0  
 Asset Sales & Loan Repayments: 0  
**Total Revenue: 66,052**

Rebate Expenditures: 0  
 Non-Rebate Expenditures: 109,704  
 Returned to County Treasurer: 0  
**Total Expenditures: 109,704**

**TIF Sp. Rev. Fund Cash Balance as of 06-30-2018:** -437,819      0      **Amount of 06-30-2018 Cash Balance Restricted for LMI**

## Projects For AMES SOUTH BELL AVENUE URBAN RENEWAL

### South Bell Infrastructure

Description:	Public Infrastructure for South Bell Area
Classification:	Roads, Bridges & Utilities
Physically Complete:	Yes
Payments Complete:	No

## Debts/Obligations For AMES SOUTH BELL AVENUE URBAN RENEWAL

### 2009B GO Bonds

Debt/Obligation Type:	Gen. Obligation Bonds/Notes
Principal:	441,984
Interest:	37,781
Total:	479,765
Annual Appropriation?:	No
Date Incurred:	10/29/2009
FY of Last Payment:	2021

## **Non-Rebates For AMES SOUTH BELL AVENUE URBAN RENEWAL**

TIF Expenditure Amount:	109,704
Tied To Debt:	2009B GO Bonds
Tied To Project:	South Bell Infrastructure

### TIF Taxing District Data Collection

Local Government Name:	AMES (85G811)
Urban Renewal Area:	AMES SOUTH BELL AVENUE URBAN RENEWAL (85021)
TIF Taxing District Name:	AMES CITY/AMES SCH/SOUTH BELL AVENUE URBAN RENEWL TIF INCREM
TIF Taxing District Inc. Number:	85186
TIF Taxing District Base Year:	2008
FY TIF Revenue First Received:	2010
Subject to a Statutory end date?	Yes
Fiscal year this TIF Taxing District statutorily ends:	2030

UR Designation	
Slum	No
Blighted	No
Economic Development	01/2009

#### TIF Taxing District Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	3,210,100	0	0	0	3,210,100	0	3,210,100
Taxable	0	0	2,889,090	0	0	0	2,889,090	0	2,889,090
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2018	25,851	2,889,090	2,889,090	0	0

FY 2018 TIF Revenue Received: 71,065

### TIF Taxing District Data Collection

Local Government Name:	AMES (85G811)
Urban Renewal Area:	AMES SOUTH BELL AVENUE URBAN RENEWAL (85021)
TIF Taxing District Name:	AMES CITY AG/AMES SCH/SOUTH BELL AVENUE URBAN RENEWAL TIF INCREM
TIF Taxing District Inc. Number:	85187
TIF Taxing District Base Year:	2008
FY TIF Revenue First Received:	2011
Subject to a Statutory end date?	Yes
Fiscal year this TIF Taxing District statutorily ends:	2031

UR Designation	
Slum	No
Blighted	No
Economic Development	01/2009

#### TIF Taxing District Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	0	0	0	0	0	0	0
Taxable	0	0	0	0	0	0	0	0	0
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2018	0	0	0	0	0

FY 2018 TIF Revenue Received: 0



# ▲ Annual Urban Renewal Report, Fiscal Year 2017 - 2018

## Urban Renewal Area Data Collection

Local Government Name: AMES (85G811)  
 Urban Renewal Area: AMES CAMPUSTOWN URBAN RENEWAL  
 UR Area Number: 85023  
 UR Area Creation Date: 11/2014

UR Area Purpose: To promote economic development in the Campustown area through the expansion of office and retail space.

## Tax Districts within this Urban Renewal Area

	Base No.	Increment No.	Increment Value Used
AMES CITY/AMES SCH/CAMPUSTOWN URBAN RENEWALTIF INCREM	85630	85230	10,476,716

## Urban Renewal Area Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	14,691,000	0	0	0	14,691,000	0	14,691,000
Taxable	0	0	13,221,900	0	0	0	13,221,900	0	13,221,900
Homestead Credits									0

**TIF Sp. Rev. Fund Cash Balance as of 07-01-2017:**

**-7,694**

**0**

**Amount of 07-01-2017 Cash Balance Restricted for LMI**

TIF Revenue: 234,455  
 TIF Sp. Revenue Fund Interest: 2,694  
 Property Tax Replacement Claims 0  
 Asset Sales & Loan Repayments: 0  
**Total Revenue: 237,149**

Rebate Expenditures: 229,455  
 Non-Rebate Expenditures: 0  
 Returned to County Treasurer: 0  
**Total Expenditures: 229,455**

**TIF Sp. Rev. Fund Cash Balance as of 06-30-2018:**

**0**

**0**

**Amount of 06-30-2018 Cash Balance Restricted for LMI**

## Projects For AMES CAMPUSTOWN URBAN RENEWAL

### Campustown Kingland Building

Description:	Office and Retail Development
Classification:	Commercial - office properties
Physically Complete:	Yes
Payments Complete:	Yes

## Debts/Obligations For AMES CAMPUSTOWN URBAN RENEWAL

### Campustown Urban Renewal

Debt/Obligation Type:	Rebates
Principal:	232,148
Interest:	0
Total:	232,148
Annual Appropriation?:	Yes
Date Incurred:	11/10/2015
FY of Last Payment:	2018

## Rebates For AMES CAMPUSTOWN URBAN RENEWAL

### Kingland Systems

TIF Expenditure Amount:	229,455
Rebate Paid To:	Kingland Systems
Tied To Debt:	Campustown Urban Renewal
Tied To Project:	Campustown Kingland Building
Projected Final FY of Rebate:	2017

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Sum of Private Investment Made Within This Urban Renewal Area  
during FY 2018

# ▲ Annual Urban Renewal Report, Fiscal Year 2017 - 2018

## TIF Taxing District Data Collection

Local Government Name: AMES (85G811)  
 Urban Renewal Area: AMES CAMPUSTOWN URBAN RENEWAL (85023)  
 TIF Taxing District Name: AMES CITY/AMES SCH/CAMPUSTOWN URBAN RENEWALTIF INCREM  
 TIF Taxing District Inc. Number: 85230  
 TIF Taxing District Base Year: 2014  
 FY TIF Revenue First Received: 2017  
 Subject to a Statutory end date? Yes  
 Fiscal year this TIF Taxing District statutorily ends: 2037

UR Designation	
Slum	No
Blighted	No
Economic Development	11/2013

## TIF Taxing District Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	14,691,000	0	0	0	14,691,000	0	14,691,000
Taxable	0	0	13,221,900	0	0	0	13,221,900	0	13,221,900
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2018	3,467,200	11,223,800	10,476,716	747,084	16,719

FY 2018 TIF Revenue Received: 234,455

## Urban Renewal Area Data Collection

Local Government Name: AMES (85G811)  
 Urban Renewal Area: AMES ISU RESEARCH PARK URBAN RENEWAL  
 UR Area Number: 85024

UR Area Creation Date: 11/2013

UR Area Purpose: To promote economic development  
 for Iowa State University Research  
 Park by extending public  
 infrastructure.

## Tax Districts within this Urban Renewal Area

	Base No.	Increment No.	Increment Value Used
AMES CITY/AMES SCH/ISU RESEARCH PARK URBAN RENEWAL TIF INCREM	85628	85228	17,135,370
AMES CITY AG/AMES SCH/ISU RESEARCH PARK URBAN RENEWAL TIF INCREM	85629	85229	0

## Urban Renewal Area Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	1,149,700	42,382,500	0	0	-1,852	43,530,348	0	43,530,348
Taxable	0	654,629	38,144,250	0	0	-1,852	38,797,027	0	38,797,027
Homestead Credits									2

**TIF Sp. Rev. Fund Cash Balance as of 07-01-2017:** **-386,641** **0** **Amount of 07-01-2017 Cash Balance Restricted for LMI**

TIF Revenue: 288,500  
 TIF Sp. Revenue Fund Interest: -2,018  
 Property Tax Replacement Claims 0  
 Asset Sales & Loan Repayments: 41,020  
**Total Revenue: 327,502**

Rebate Expenditures: 0  
 Non-Rebate Expenditures: 305,200  
 Returned to County Treasurer: 0  
**Total Expenditures: 305,200**

**TIF Sp. Rev. Fund Cash Balance as of 06-30-2018:** **-364,339** **0** **Amount of 06-30-2018 Cash Balance Restricted for LMI**

## Projects For AMES ISU RESEARCH PARK URBAN RENEWAL

### ISURP Infrastructure Extension

Description:	Extension of public infrastructure to serve ISURP
Classification:	Roads, Bridges & Utilities
Physically Complete:	Yes
Payments Complete:	Yes



## Debts/Obligations For AMES ISU RESEARCH PARK URBAN RENEWAL

### General Obligation Series 2015A

Debt/Obligation Type:	Gen. Obligation Bonds/Notes
Principal:	2,525,000
Interest:	502,650
Total:	3,027,650
Annual Appropriation?:	No
Date Incurred:	11/13/2015
FY of Last Payment:	2027

## **Non-Rebates For AMES ISU RESEARCH PARK URBAN RENEWAL**

TIF Expenditure Amount:	305,200
Tied To Debt:	General Obligation Series 2015A
Tied To Project:	ISURP Infrastructure Extension

♣ Annual Urban Renewal Report, Fiscal Year 2017 - 2018

### TIF Taxing District Data Collection

Local Government Name:	AMES (85G811)
Urban Renewal Area:	AMES ISU RESEARCH PARK URBAN RENEWAL (85024)
TIF Taxing District Name:	AMES CITY/AMES SCH/ISU RESEARCH PARK URBAN RENEWAL TIF INCREM
TIF Taxing District Inc. Number:	85228
TIF Taxing District Base Year:	2014
FY TIF Revenue First Received:	2017
Subject to a Statutory end date?	Yes
Fiscal year this TIF Taxing District statutorily ends:	2037

UR Designation	
Slum	No
Blighted	No
Economic Development	11/2013

#### TIF Taxing District Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	1,149,700	42,382,500	0	0	-1,852	43,530,348	0	43,530,348
Taxable	0	654,629	38,144,250	0	0	-1,852	38,797,027	0	38,797,027
Homestead Credits									2

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2018	26,396,830	17,135,370	17,135,370	0	0

FY 2018 TIF Revenue Received: 288,500

### TIF Taxing District Data Collection

Local Government Name:	AMES (85G811)
Urban Renewal Area:	AMES ISU RESEARCH PARK URBAN RENEWAL (85024)
TIF Taxing District Name:	AMES CITY AG/AMES SCH/ISU RESEARCH PARK URBAN RENEWAL TIF INCREM
TIF Taxing District Inc. Number:	85229
TIF Taxing District Base Year:	2014
FY TIF Revenue First Received:	
Subject to a Statutory end date?	No

UR Designation	
Slum	No
Blighted	No
Economic Development	No

#### TIF Taxing District Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	0	0	0	0	0	0	0
Taxable	0	0	0	0	0	0	0	0	0
Homestead Credits									0

	Frozen Base Value	Max Increment Value	Increment Used	Increment Not Used	Increment Revenue Not Used
Fiscal Year 2018	690,740	0	0	0	0

FY 2018 TIF Revenue Received: 0

## Urban Renewal Area Data Collection

Local Government Name: AMES (85G811)  
 Urban Renewal Area: AMES BARILLA URBAN RENEWAL  
 UR Area Number: 85026

UR Area Creation Date: 07/2017

UR Area Purpose: This urban renewal area is being created to facilitate the expansion of the Barilla manufacturing facility at 3303 and 3311 East Lincoln Way.

**Tax Districts within this Urban Renewal Area**

	Base No.	Increment No.	Increment Value Used
--	----------	---------------	----------------------

## Urban Renewal Area Value by Class - 1/1/2016 for FY 2018

	Agricultural	Residential	Commercial	Industrial	Other	Military	Total	Gas/Electric Utility	Total
Assessed	0	0	0	0	0	0	0	0	0
Taxable	0	0	0	0	0	0	0	0	0
Homestead Credits									0

**TIF Sp. Rev. Fund Cash Balance as of 07-01-2017:** 0 0 **Amount of 07-01-2017 Cash Balance Restricted for LMI**

TIF Revenue:	0
TIF Sp. Revenue Fund Interest:	0
Property Tax Replacement Claims	0
Asset Sales & Loan Repayments:	0
<b>Total Revenue:</b>	<b>0</b>

Rebate Expenditures:	0
Non-Rebate Expenditures:	0
Returned to County Treasurer:	0
<b>Total Expenditures:</b>	<b>0</b>

**TIF Sp. Rev. Fund Cash Balance as of 06-30-2018:** 0 0 **Amount of 06-30-2018 Cash Balance Restricted for LMI**

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Sum of Private Investment Made Within This Urban Renewal Area  
during FY 2018

**COUNCIL ACTION FORM**

**SUBJECT:** ENCROACHMENT PERMIT FOR A SIGN AT 120 WELCH AVENUE

**BACKGROUND:**

The owner of the building at 120 Welch Avenue (Wok 'N' Roll) has requested an Encroachment Permit for a new sign which will encroach over the City sidewalk.

The proposed sign will be a sign that will sit on top and at the front edge of the canopy with lighting behind it to silhouette the sign. The sign will extend not more than one foot over the sidewalk and will not infringe upon the use of the sidewalk by the public.

Chapter 22.3(3) of the Ames Municipal Code requires approval of the Encroachment Permit Application by the Ames City Council before the permit can be issued. By signing the Agreement, the applicant and owner agree to hold harmless the City of Ames against any loss or liability as a result of the encroachment, to submit a certificate of liability insurance which protects the City in case of an accident, and to pay the fee for the encroachment permit. The applicant and owner also understand that this approval may be revoked at any time by the City Council. The fee for this permit was calculated at \$28.55, and the full amount has been received by the City Clerk's Office along with the Certificate of Liability Insurance.

**ALTERNATIVES:**

1. Approve the Encroachment Permit request.
2. Deny the request.

**MANAGER'S RECOMMENDED ACTION:**

It is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby granting the Encroachment Permit for a sign.

**COUNCIL ACTION FORM**

**SUBJECT: TEAGARDEN AREA DRAINAGE IMPROVEMENTS (AMENDMENT # 1)**

**BACKGROUND:**

This annual program provides for stabilization of areas that have become eroded in streams, channels, swales, gullies, or drainage ways that are part of the storm water system. This program provides a more permanent control of the erosion and will reduce recurring maintenance costs in these areas.

The City contracted for Consulting Services with Bolton & Menk Inc. for the design of the Teagarden Area Drainage Improvements in an amount not to exceed \$69,500. This agreement was made in August 26, 2016. Bolton & Menk Inc. has submitted a 60% design completion draft plan for the City staff to review. **At the time of the plan review earlier this year, the City staff contacted the two properties owners where the improvements are planned and found out one of the properties was sold during the permit development process. The current owner disagrees with the chosen design solution.**

**The additional professional services fee is a result of a change to the chosen design solution to accommodate the needs of the new property owner. In providing agreement for acquiring the necessary easements on the property, the new owner requested a new design solution be considered. New design solutions were developed and reviewed with the owner, and an agreed upon solution has been chosen to move forward with. Below is the additional scope of work.**

**A. Revised Design Solution Preliminary & Final Design - \$10,750**

Preliminary and Final Design work will be performed for the revised design solution. Preliminary and Final plans will conform to the requirements of the City of Ames, Iowa Stormwater Management Manual, and SUDAS Specification requirements. Revised plans will be reviewed with City of Ames staff at 60% and 95% completion stages.

**B. Revised Design Solution Hydraulic Evaluation - \$3,500**

The hydraulic evaluation of the revised design solution will include assessing the surcharging of the existing cunette pipe, evaluation of a No-Rise condition, revisions to the Iowa DNR Permit, and size and shape of the revised sedimentation basin. This task will also include the evaluation of replacing the existing crossing.

**C. Revised Design Solution Permitting, Correspondence, and Project Management - \$4,000**

This task will include revision and re-submittal of the Flood Plain Development Permit, correspondence with the Iowa DNR about the revised design solution, communication with Iowa DNR biologist regarding wildlife impacts, and overall project management.

**D. Permanent Easement Documents for Larson and McAndrews property - \$3,250**

This task will provide all field work and survey documents for the securing easements over the affected properties.

**Total additional professional services fee = \$21,500**

This project is programmed in the Capital Improvements Plan with funding in the amount of \$316,937 in Storm Sewer Utility funds, and \$503,063 in G.O. Bonds **for total funding of \$820,000.**

**ALTERNATIVES:**

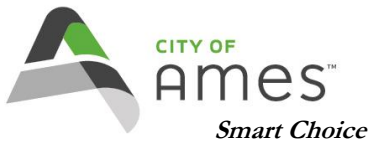
1. Approve the amendment to the engineering services agreement for the Teagarden Area Drainage Improvements with Bolton & Menk, Inc., of Ames, Iowa, in an amount not to exceed \$21,500.
2. Direct staff to renegotiate further with Bolton & Menk.

**MANAGER'S RECOMMENDED ACTION:**

The design needs to be modified to meet the needs of the new property owner. Without doing so, property rights to construct the project will not likely be obtained in a cooperative manner. By approving this amendment, it will be possible to proceed with the design of the project with the goal of a February letting. Any delay of approving this amendment, will push the project back, potentially for another year. This type of project needs to be constructed during Winter/Spring season.

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





**Public Works Department**  
515 Clark Avenue, Ames, Iowa 50010  
Phone 515-239-5160 ♦ Fax 515-239-5404

Item # 15

November 27, 2018

Honorable Mayor and Council Members  
City of Ames  
Ames, Iowa 50010

RE: Hayden's Crossing 1<sup>st</sup> Addition LOC Reduction #3

Ladies and Gentlemen:

I hereby certify that the asphalt surfacing, final utility adjustments, erosion control, and detention basin required as a condition for approval of the final plat of **Hayden's Crossing 1<sup>st</sup> Addition** have been completed in an acceptable manner by **Manatt's, Inc. of Ames, Iowa** and other various contractors. The above-mentioned improvements have been inspected by the Engineering Division of the Public Works Department of the City of Ames, Iowa and found to meet City specifications and standards.

As a result of this certification, it is recommended that the financial security for public improvements on file with the City for this subdivision be set at **\$4,680.00**. The remaining work covered by this financial security includes installation of public sidewalk.

Sincerely,

John C. Joiner, P.E.  
Director

JJ/nw

cc: Finance, Planning & Housing, Subdivision file

Hayden's Crossing 1<sup>st</sup> Addition  
November 27, 2018  
Page 2

Description	Unit	Quantity
Sidewalk, PCC	SY	130



**Public Works Department**  
515 Clark Avenue, Ames, Iowa 50010  
Phone 515-239-5160 ♦ Fax 515-239-5404

**Item # 16**

November 27, 2018  
Honorable Mayor and Council Members  
City of Ames  
Ames, Iowa 50010

RE: Hayden's Crossing 2<sup>nd</sup> Addition LOC Reduction #3

Ladies and Gentlemen:

I hereby certify that the asphalt surfacing, final utility adjustments, and shared use path required as a condition for approval of the final plat of **Hayden's Crossing 2<sup>nd</sup> Addition** have been completed in an acceptable manner by **Manatt's, Inc of Ames, Iowa**. The above-mentioned improvements have been inspected by the Engineering Division of the Public Works Department of the City of Ames, Iowa and found to meet City specifications and standards.

As a result of this certification, it is recommended that the financial security for public improvements on file with the City for this subdivision be set at **\$42,810.00**. The remaining work covered by this financial security includes installation of public sidewalk, a ped ramp, and street trees.

Sincerely,

John C. Joiner, P.E.  
Director

JJ/nw

cc: Finance, Planning & Housing, Subdivision file

Description	Unit	Quantity
Sidewalk, PCC, 4"	SY	925
Sidewalk, PCC, 4"	SY	5
Detectable Warning	SF	10

**COUNCIL ACTION FORM**

**SUBJECT: 2015/16 AND 2016/17 BRIDGE REHABILITATION PROGRAMS – EAST LINCOLN WAY AND DAYTON AVENUE**

**BACKGROUND:**

**The 2015/16 Bridge Rehabilitation Program included funding for the East Lincoln Way Bridge over the Skunk River.** Planned improvements for this structure included concrete repair to the bridge deck, bridge substructure, and railings. Work also included repair and painting of damaged structural steel on the upstream side of the bridge. **The 2016/17 Bridge Rehabilitation Program included funding for the the Dayton Avenue Bridge over the Union Pacific Railroad.** The bridge approach pavement had settled significantly and as such had begun to cause damage to the bridge structure.

On October 10, 2017 City Council awarded this project to Peterson Contractors, Inc. of Reinbeck, IA in the amount of \$853,467. **Change Order No. 1, the balancing change order, in the amount of \$82,632.90 included additional bridge deck patching and replacement of the east abutment bearings along East Lincoln Way.** Two main factors led to this unforeseen additional work. When the bearings were exposed during construction, damage from rust exposure was discovered, necessitating the replacement of the abutment bearings. Also, an increased rate of delamination of the bridge deck had occurred compared to when the bridge deck sounding was performed in preparation for project design. **Engineering and administration costs were \$50,543 bringing total costs to \$986,642.90.**

Funding is identified in the CIP as **\$375,000** for East Lincoln Way and **\$350,000** for Dayton Avenue. Funding was also included from **\$242,000** of unallocated savings in the Bridge Rehabilitation Program from the 6<sup>th</sup> Street Bridge project. Also, **\$20,000** has been identified in unobligated funding in the Pavement Restoration CIP Program bringing **total funds available to \$987,000.**

**ALTERNATIVES:**

1. a) Approve Change Order No. 1 in the amount of \$82,632.90 for the 2015/16 and 2016/17 Bridge Rehabilitation Program – East Lincoln Way and Dayton Avenue.  
  
b) Accept the 2015/16 and 2016/17 Bridge Rehabilitation Program – East Lincoln Way and Dayton Avenue project as completed by Peterson Contractors, Inc. in the amount of \$936,099.90
2. Direct Staff to pursue changes to the project.

**MANAGER'S RECOMMENDED ACTION:**

The project is complete and has restored deficient areas of the bridges and approach pavements. These repairs restored rideability and completed necessary maintenance to extend the useable lifespan of these structures. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.

## Staff Report

# REFERRAL OF HUNZIKER REQUEST FOR REFUND ON S. DUFF SIGNAL PROJECT

November 13, 2018

**BACKGROUND:**

The City of Ames partnered with Walmart Real Estate Business Trust (Walmart) and E-M Hunziker, LLC (Hunziker) for the design, construction, and construction administration for a median and traffic signal on South Duff Avenue, generally between Squaw Creek Bridge and South 5<sup>th</sup> Street. Because the roadway is also US Highway 69, the Iowa DOT awarded the City \$850,000 in grants to help facilitate construction.

The former City Attorney worked with Walmart's attorney to draft the project design agreement and the project construction and construction administration agreement. **The intent of these agreements was to equally share the IDOT grants and to equally share in the remaining local match.**

**PROJECT FINANCING:**

At the time the project was awarded, the estimated expenses and identified revenues, as shown in the agreement, were as follows:

<b>Revenues</b>		<b>Estimated Expenses</b>	
U-STEP	\$400,000	Design	\$87,873
TSIP	\$450,000	Construction	\$1,150,026
City of Ames	\$215,968	Contingency (20%)	\$230,005
Walmart	\$215,968	Administration	\$30,000
Hunziker	\$215,968	<b>Total</b>	<b>\$1,497,904</b>
<b>Total</b>	<b>\$1,497,904</b>		

<b>1/3rd Share</b>		<b>Subtotals</b>	
Design	\$29,291	Design	\$87,873
Construction	\$186,677	Construction	\$1,410,031
	<b>\$215,968</b>		<b>\$1,497,904</b>

As shown above, an equal funding share was anticipated from the City, Walmart, and Hunziker. To fund construction and construction administration, Walmart and Hunziker each placed \$186,667 in escrow. However, the City agreed if the Developers' costs exceeded \$129,176, additional documentation and approval would be needed.

During construction, several cost saving measures were identified. These required a good deal of staff time for engineering these field changes. **This time for redesign in the field resulted in net savings of \$81,556 to the project.** City Council accepted the completed project on June 26, 2018, with final expenses and corresponding revenues/costs as shown, below:

**Change Orders**

CO No. 1	\$22,985
CO No. 2 - Balancing	(\$104,540)
<b>Total</b>	<b>(\$81,556)</b>

<b>Expenses</b>	<b>Estimated</b>	<b>Actual</b>	<b>Savings</b>
Design	\$87,873	\$88,048	(\$175)
Construction	\$1,150,026	\$1,068,470	\$81,556
Contingency	\$230,005	\$0	\$230,005
Engineering Insp./Admin	\$30,000	\$81,010	(\$51,010)
<b>Total</b>	<b>\$1,497,904</b>	<b>\$1,237,528</b>	<b>\$260,376</b>

<b>Revenues</b>	<b>Funding</b>	<b>Allocated Costs</b>	<b>Savings</b>
U-STEP	\$400,000	\$400,000	\$0
TSIP	\$450,000	\$450,000	\$0
RUT	\$60,000	\$60,000	\$0
G.O. Bonds	\$155,968	\$69,176	\$86,792
Walmart	\$215,968	\$129,176	\$86,792
Hunziker	\$215,968	\$129,176	\$86,792
<b>Total</b>	<b>\$1,497,904</b>	<b>\$1,237,528</b>	<b>\$260,376</b>

**As noted from the above information, the actual cost to each partner was \$86,792 less than the original estimates.**

**LETTER OF REQUEST FROM HUNZIKER:**

In preparing the final costs and billings to the Developers, the design expenses were included with the construction and administration costs so that reimbursements could be handled with one billing. When calculating an estimate of the time that professional engineering staff spent on the project (administration), it was found that the Developers' share would slightly exceed the \$129,176 threshold. Because this additional amount was nominal and to streamline the close-out process, the City minimally *decreased* the construction administration fee to stay within the \$129,176 threshold. Thus, in the letter that was referred, asserting that the City intentionally increased the construction management fee to maximize the amount authorized is not the case.

**Hunziker has requested that \$17,003 be returned because the construction administration expenses increased from the estimated \$30,000 to \$81,010. The basis for this request is that when drafting the agreement, the former City Attorney included "a construction management fee of \$30,000" rather than noting this was the estimated amount. The requested \$17,003 was derived as follows:**

	<b><u>Final Amounts</u></b>
Design	\$ 88,048
Construction	\$1,068,470
Const. Admin/Insp	30,000
<u>IDOT Grants</u>	<u>(850,000)</u>
<b>Total</b>	<b>\$336,518</b>

1/3<sup>rd</sup> Share

\$112,173 - (129,176 billed) = \$17,003 Requested Refund

**Although the construction management fee was not noted in the agreement as an estimate, all other places in the agreement contemplate and discuss an equal share of grant revenues and local match expenses between the City, Walmart, and Hunziker.** Walmart was charged the same amount as Hunziker and did not object to their billing, having paid in full.

**STAFF COMMENTS:**

While the new signal and median have provided traffic improvements in the corridor, the initial request for the signal came to City Council from Hunziker as their South Pointe retail area was being developed. This was an issue of contention for the dissenting area property owners, whom identified that the signal was being used in marketing materials before City Council ever approved the project.

**As the signal project was being contemplated, discussed, and developed, it was always part of Staff's discussions with Hunziker and Walmart that each partner would share equally in the Iowa DOT grants and in splitting expenses beyond the grant amounts.**

As previously noted, staff spent additional time designing project changes in the field that resulted in construction savings of over \$80,000. **Staff is surprised that Hunziker is taking their position regarding the construction management fee, since the extra cost here resulted in overall savings to the partners and previous discussions emphasized the parties sharing equally in the net costs of the project.**

**However, because the agreement was drafted without noting that the construction administration amount of \$30,000 was an estimate, the City Attorney has advised that the requested \$17,003 should be remitted to Hunziker.**



**COUNCIL ACTION FORM**

**SUBJECT: FLOOD MITIGATION – RIVER FLOODING (LAND ACQUISITION OF TOM CARNEY PROPERTIES AT 1008 AND 1016 SOUTH DUFF AVENUE)**

**BACKGROUND:**

Following the floods of 2010, the City Council established a goal of mitigating the impact of future flooding in Ames. A comprehensive Flood Mitigation Study was completed in 2013 that considered many possible mitigation alternatives across a wide range of factors, including: degree of reduction of flood water elevation, estimated annual damage reduction, construction costs, ongoing operations and maintenance costs, environmental impacts, and likelihood of obtaining federal grant funding.

On December 10, 2013, the City Council approved a series of flood mitigation measures. These included discrete elements targeted at: A.) Undertaking a stream bank restoration of Squaw Creek; B.) Working with IDOT to improve the conveyance capacity of the US Highway 30 bridge; C.) Working through the Squaw Creek Watershed Management Authority to pursue flood mitigation alternatives in the upper reaches of the watershed; and D.) Conducting a workshop to review and discuss the range of possible floodplain regulatory approaches.

The stream bank restoration project involves flood mitigation in the Squaw Creek channel. A central component includes conveyance improvements within the channel approximately 2,000 feet either side of the South Duff Avenue bridge. After denial of our first application, City staff and the engineering consultant continue to work toward submitting another application to FEMA for grant funding. The application period is currently open.

City Council referred a letter dated September 21, 2018 from Chuck Winkleblack regarding acquisition of property owned by Tom Carney located at 1008 (rear) and 1016 (front) S. Duff Avenue. In the letter (Attachment A), Mr. Winkleblack requests that City Council take a firm position on two fundamental questions related to this project:

1. Is the Council committed to doing the project and using approximately half of the front Carney parcel (1016 S Duff) as a part of the project, even if FEMA money does not materialize?
2. Is the City going to buy the land or try to secure an easement? The Carney's will not likely agree to just an easement on the front parcel; they prefer that the front

piece by purchased by the city. They would grant an easement on the rear parcel (1008 S Duff) that they own if they receive adequate compensation.

The City of Ames ordered an appraisal (Attachment B) from Iowa Appraisal and Research Corporation of both properties in question, which is considered preliminary because it has not been reviewed by an independent appraiser. In the appraisal, the following costs are associated with easement and/or land acquisition of these parcels:

1008 S Duff Avenue	Fee Simple Acquisition	\$41,280
1008 S Duff Avenue	Permanent Easement	\$6,840
1016 S Duff Avenue	Fee Simple Acquisition	\$377,470
1016 S Duff Avenue	Permanent Easement	\$150,270

1016 S. Duff Avenue (Front): The preliminary engineering demonstrates that the flood mitigation project would impact 1.44 acres of the 2.72-acre parcel located at 1016 S. Duff Avenue. Of the impacted area, 0.487 acres already lies within a permanent drainage easement donated to the City of Ames when the area went through Final Plat approval in 2011. See attached Map (Attachment C). The limits of this impacted area have been staked on the parcel (using lathe), at the request of the property owner.

1008 S. Duff Avenue (Rear): The preliminary engineering demonstrates that the flood mitigation project would impact 6.31 acres of the 26.14-acre parcel located at 1008 S. Duff Avenue. Of the impacted area, 2.30 acres already lies within a permanent drainage easement donated to the City of Ames when the area went through Final Plat approval in 2011. See attached Map (Attachment C). Most of this parcel is located within the floodway.

**The flood mitigation work can be completed within a permanent easement. Therefore, it is not necessary to obtain full acquisition of the area in question in order to do the work. City staff has explained to the Mr. Carney and Mr. Winkleblack that if the City were to acquire the property, any land development on the remaining southern portion of the front lot would not be able to take credit for the acquisition area within their zoning requirements for green space/landscaping/setbacks. Therefore, the amount of buildable space that remains would be decreased.**

**If the City were to acquire a permanent easement, land development would be able to count the easement area toward their green space/landscape/setback requirements. Thus allowing a greater area on the remaining parcel to be built upon.**

The potential award of FEMA funding needs to be considered when answering the two questions from Mr. Winkleblack. **If the City receives future federal funding for this project, any land having negotiations completed now would not be eligible for reimbursement using FEMA funding. Therefore, if City Council provides direction**

to purchase the land or acquire an easement now, local funding would be required to be used per federal regulations.

**ALTERNATIVES:**

1. Direct staff to continue applying for FEMA grant funding and negotiate permanent easements for each 1008 and 1016 S. Duff Avenue only after receipt of federal grant approval.
2. Direct staff to immediately negotiate land acquisition for 1016 S. Duff Avenue (front parcel) and permanent easement for 1008 S. Duff Avenue (rear parcel) using local funding.
3. Direct staff to immediately negotiate acquisition of a permanent easement for both 1016 S. Duff Avenue (front parcel) and permanent easement for 1008 S. Duff Avenue (rear parcel) using local funding.

**MANAGER'S RECOMMENDED ACTION:**

It has been determined that the project can be accomplished with acquiring property rights through a permanent easement. This would also allow any future development of the property to include this area towards the green space/landscaping/setback requirements of developing the site. City Council must be aware that any negotiations with the land owner at this point in time would negate the ability to potentially use FEMA funds in the future, should a grant be awarded.

In order not to delay the property owner from selling the property and developing the site, the City Council may desire to move forward with immediately acquiring permanent easements from both parcels using local funding. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 3, as noted above.

Date: September 21, 2018

To: Honorable Mayor and City Council of Ames

From: Chuck Winkleblack

RE: Carney properties on S. Duff

Following up on previous council meetings regarding the Carney's properties on S. Duff. We have already lost 2 prospects for the front property because we can't tell them how much property is available for development given that the channel straightening project is hanging out there as a possibility.

We have 2 more letters of intent for the property but neither party feels like they can move forward until the channel straightening issue is resolved.

My request is for the council to take a firm position on 2 fundamental questions.

1. Is the council committed to doing the project and using approximately half of the front parcel as a part of the project, even if FEMA money does not materialize?

2. Carney's would like a decision on whether the city is going to buy the land or try to secure an easement. The Carney's will not likely agree to just an easement on the front parcel, they prefer that the front piece be purchased by the city. They would grant an easement on the rear parcel that they own with adequate compensation.

An appraisal has been done on the property that was ordered by the city of Ames. Carney's have said that they are willing to wait for payment to see if the FEMA money comes in. They understand that if the city pays for the land now, the city cannot likely get that money back from FEMA.

We are currently at an impasse on this property. We have already lost 2 companies that wanted to buy this land and build a new building on the site. We don't want to lose 2 more.

Please help us get to some resolution. Our request is refer this issue back to staff to bring back to council as an action item as soon as possible.

Thanks in advance for your consideration



Chuck Winkleblack  
Hunziker Companies



Iowa  
Appraisal and Research  
CORPORATION

## ***VALUE FINDING REAL ESTATE APPRAISAL***



**OF**

Partial Acquisition of property owned by M K T M, LLC  
For City of Ames Flood Mitigation Project in Ames, IA.

**FOR**

City of Ames  
515 Clark Ave  
PO Box 811  
Ames, IA 50010

### **EFFECTIVE DATE**

April 24, 2018

### **PREPARED BY**

Daniel W. Dvorak, MAI  
Nelson J. Jerabek



Iowa  
Appraisal and Research  
CORPORATION

July 20, 2018

Tracy Warner  
City of Ames  
515 Clark Ave  
PO Box 811  
Ames, IA 50010

Dear Ms. Warner:

**Re: Partial Acquisition of Property Owned by M K T M, LLC in Ames, IA.  
For City of Ames Flood Mitigation Project in Ames, IA.**

As you requested, we have observed the property identified in the caption of this letter on April 24, 2018. The property's legal description is summarized in the Summary of Salient Data section. The property visit is part of an appraisal process to estimate just compensation. The property visit is part of an appraisal process to estimate just compensation for partial acquisition.

The estimates of market value assume the price paid for the property is unaffected by any knowledge of the proposed project.

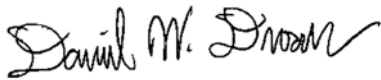
*"The opinion of just compensation arrived at in this value finding appraisal report reflects the appraiser's opinion of the difference between the before and after values. Our opinion of just compensation is no different than if doing a before and after appraisal."*

This appraisal is prepared in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended, in accordance with Part 24 of Title 49 of the Code of Federal Regulations, and under the Jurisdictional Exception contained in the Standards of Professional Appraisal Practice. Our findings are presented in an appraisal report in value finding format. We are to estimate just compensation under two scenarios: one in which the acquisitions are of permanent flowage easements and another in which the acquisitions are of fee title. We estimate just compensation for the proposed acquisitions as follows:

1016 S Duff Ave - Fee Simple Acq. Alternative	\$377,470
1016 S Duff Ave - Permanent Easement Acq. Alternative	\$150,270
1008 S Duff Ave - Fee Simple Acq. Alternative	\$41,280
1008 S Duff Ave - Permanent Easement Acq. Alternative	\$6,840

Thank you for using our appraisal services. If you have any questions regarding the estimate of market value, please feel free to contact us at your convenience.

Respectfully submitted,



Daniel W. Dvorak, MAI  
Vice President



Nelson J. Jerabek  
Associate Real Estate Appraiser

PRELIMINARY  
NOT YET INDEPENDENTLY REVIEWED

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### PREFACE

### LETTER OF TRANSMITTAL

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### ADDENDA

COMPARABLE LAND SALES AND MAP – 1016 S DUFF AVE
COMPARABLE LAND SALES AND MAP – 1008 S DUFF AVE
CARNEY AND SON'S FINAL PLAT
DEFINITIONS
QUALIFICATIONS OF THE APPRAISERS
STATE CERTIFICATIONS
PRIVACY POLICY





## SUMMARY OF SALIENT DATA

### Property Identification

The subject includes two assessment parcels located east of S Duff Avenue in Ames, IA. The parcels were split in June 2011 as part of a subdivision and development plan. Both of the parcels are titled to the M K T M, LLC. The assessment parcel with a local address of 1016 S Duff Ave has the majority of frontage along S Duff Ave and has a large area of developable land outside of the flood hazard area. The assessment parcel that has minimal frontage on S Duff, is primarily located back from the corridor and is within the flood hazard area. It is utilized for recreational/greenspace use.

### Legal Description

The abbreviated legal description provided in the assessor's records for each respective subject parcel is as follows:

1016 S Duff Ave: *CARNEY AND SON'S SUBDIVISION 1<sup>ST</sup> ADDITION LOT 1 AMES*

1008 S Duff Ave: *CARNEY AND SON'S SUBDIVISION 1<sup>ST</sup> ADDITION OUTLOT A AMES*

### Ownership and Sales History

According to public records, the subject is titled to the M K T M, LLC. We are not aware of any ownership involving the subject in the past five years. The parcel that has majority frontage on S Duff Ave, with developable land outside of the flood hazard (local address of 1016 S Duff Ave) is listed for sale at a price of \$1,600,000. The listing is further analyzed in the valuation section later in this approach. The parcel that primarily sits back from the corridor (local address of 1008 S Duff Ave) is not listed for sale.

### Occupancy

The subject is a combination of development ready commercial land and undeveloped recreational/timber land. There are no leases in place that affect the subject.

### Assessed Valuation

The assessed valuation of the subject parcels effective January 1, 2018 is summarized below.

#### ASSESSMENT DATA

Address	Parcel #	Land	Improvements	Total
1016 S Duff Ave	09-11-401-050	\$1,400	\$0	\$1,400
1008 S Duff Ave	09-11-401-075	<u>\$131,000</u>	<u>\$0</u>	<u>\$131,000</u>
		\$132,400	\$0	\$132,400

Public records indicate taxes are current. There are no special assessments against the subject.

### Scope of the Appraisal

Please refer to the scope of work section.

### Intended Users

Our intended user is the City of Ames; no other user is intended.

### Intended Use

The appraisal is to be used to estimate just compensation; no other use is intended.

### Client

Our client is the City of Ames.



### **Definition of Fair Market Value**

The term fair and reasonable market value is defined as the cash price which would be arrived at as between a voluntary seller, willing but not compelled to sell, and a voluntary purchaser willing, but not compelled to buy. It assumes a buyer and seller are bargaining freely, in the open market for the purchase and sale of the real estate in question.

The term does not mean a value under circumstances where greater than its fair price could be obtained, nor does it mean the price which the property would bring at a forced sale. It does not mean what the property is worth to the plaintiff(owner) nor what the defendant(acquiring authority) can afford to pay, but what it is fairly worth in cash on the open market, as stated above. (Iowa Civil Jury Instructions 2500.4).

In short, the fair and reasonable market value of a property is to be considered in the same manner that a knowledgeable, voluntary buyer determines the fair and reasonable market value of a property: in terms of its capabilities, its detriments, and its fair and reasonable worth in the marketplace.

The jury and/or Compensation Commission is entitled to be informed of all the factors which (1) tend to show value, which the willing seller would impress upon the willing buyer, and (2) tend to indicate lack of value, which the willing buyer would impress upon the willing seller. These factors sales of comparable properties and evidence of its highest and best use. (Iowa Civil Jury Instructions 2500.6 and annotated authorities). See also *Bellew v. ISHC*, 171 N.W.2d 284, 288, 289 (Iowa 1969) and *In Re Primary Road No. 141*, 255 Iowa 711, 124 N.W.2d 141, 147 (Iowa 1963).

The determination of "Market Value" may not consider or reflect any enhancement in value of the subject, caused by the public improvement which has prompted the taking. (i.e. no sales exhibiting these effects may be used as a comparable in arriving at the value of the subject property, either before or after the date of condemnation.) (Iowa Civil Jury Instructions 2500.3). *Socony Vacuum Oil Co. v. State of Iowa*, 170 N.W.2d 378. (Iowa 1969).

Source: Iowa Department of Transportation, Office of Right of Way, Appraisal Operations Manual, March 2016.

Please refer to the Addenda for the definition of other selected terms used in this report.

### **Definitions**

Please refer to the Addenda for the definition of other selected terms used in this report.

### **Zoning**

The subject is zoned a mixture of HOC, Highway Oriented Commercial and A-1, Agricultural.

### **Flood Hazard Area**

A large percentage of the site in either the Floodway or 100-year floodplain. There is an open, buildable portion of the site however that is located outside of the flood hazard at the far western and southern portion along S Duff Ave.

### **Property Visit and Effective Date of the Report**

The subject property was observed on April 24, 2018 by Daniel W. Dvorak and Nelson J. Jerabek. The appraisal is effective as of April 24, 2018.

### **Date of Report**

July 20, 2018

## Contamination

No signs of contamination were observed. We have performed this analysis assuming the property is not contaminated.

## Contacts

### *Owner*

M K T M, LLC

Tom Carney

1816 SE 5<sup>th</sup> St

Ames, IA 50010

(515) 232-1897

## Valuation Conclusion – on April 24, 2018

### Total Just Compensation:

1016 S Duff Ave - Fee Simple Acq. Alternative	\$377,470
1016 S Duff Ave - Permanent Easement Acq. Alternative	\$150,270
1008 S Duff Ave - Fee Simple Acq. Alternative	\$41,280
1008 S Duff Ave - Permanent Easement Acq. Alternative	\$6,840

### Estimated Exposure Period<sup>1</sup>

Based upon comparable sale data and our judgment, we estimate an exposure time of up to 12 months.

### Jurisdictional Exception

The jurisdictional exception rule of USPAP is invoked in order to comply with the eminent domain rules in Iowa.

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<sup>1</sup>The discussion of reasonable exposure time is not intended to be a prediction of a date of sale, but rather an expression of observed market activity relative to similar property actively marketed and properly priced for sale.



## GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal and the appraisal report do not constitute an inspection of the improvements. The appraiser(s) performed only a visual inspection of the immediately accessible areas and the appraisal cannot be relied upon to disclose conditions or defects in the improvements. In addition, regardless of who receives a copy of the appraisal, unless specifically stated in the appraisal, they are not an intended user of it.

The following assumptions and limiting conditions may or may not be applicable to every assignment:

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, pollutants, fungi or microbes commonly known as mold (collectively referred to as "environmental hazards") that may or may not be present on the property, was not observed by the appraiser. The appraiser is not trained in environmental engineering, is not qualified to detect environmental hazards and has not investigated whether environmental hazards are present on or in the property. The presence of substances such as asbestos, ureaformaldehyde foam insulation, and other environmental hazards may affect the value of the property. The estimate of value is predicated on the assumption that there are no environmental hazards on or in the property that would cause a loss in value. No responsibility is assumed for the presence of environmental hazards. To conduct an environmental assessment of the property, the intended user is urged to retain an environmental engineer.



This appraisal report has been made with the following general limiting conditions:

1. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.

Additional assumptions and limiting conditions:

1. Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.
2. If only preliminary plans and specifications were available for use in the preparation of this appraisal, the analysis is subject to a review of the final plans and specifications when available.
3. Any proposed improvements are assumed to have been completed unless otherwise stipulated, so any construction is assumed to conform with the building plans referenced in the report.
4. The appraiser assumes that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, that encumber the property.
5. If no legal description or survey was furnished, the appraiser used the county tax plan to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, it may be necessary for this appraisal to be adjusted.
6. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
7. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
8. This appraisal report is not intended to be used and shall not be used by real estate syndications, real estate investment trusts, limited partnership or other individuals or entities in the solicitation of investors. The appraiser shall not be liable for violations or alleged violations of the Securities Act of 1933 or 1934 and the amendments thereto, or any state blue sky or securities law or similar federal or state law.



## SCOPE OF WORK

### Summary

The client requested an appraisal for partial acquisitions of the fee simple estate in two assessment parcels within the city limits of Ames, IA. They requested we provide estimates of just compensation both in the event of a fee title acquisition and/or permanent easement acquisition. The client requested a depth of scope of work adequate to provide a reliable indication of value, and we are providing our findings in a value finding appraisal report.

### Property Visit

We visited and viewed the site. We met with the owner, in addition to the owners' real estate agent/representative during our visit. After viewing the subject property we viewed and observed the surrounding development and neighborhood. Photographs of the subject property and neighborhood were taken.

### Data Collection

We researched the local and regional markets for data. We collected data on all items that affect the value of the subject property. These factors include Area and City Data, Neighborhood Data, Site and Improvement Data, Highest and Best Use Analysis, and the application of the sales comparison approach to estimate the property's value. Data was obtained from public records, the client, real estate agents, the property owner, our internal database, and other various sources. We have relied on tools and information from the assessor's site for the subject area. We have also relied on the public records for the land area of comparable properties. We verified the sale information with a party connected with each sale.

### Valuation

Real estate appraisers generally use three approaches to value known as: The Cost Approach, Sales Comparison Approach (also known as the Market Data Approach) and the Income Capitalization Approach. Each approach is described prior to its development in the report. We have fully researched and completed the sales comparison approach. We did not complete the cost or income approaches.

## AMES AREA ANALYSIS

### General

Ames is a city located in the central part of Iowa in Story County. It is located approximately 30 miles north of Des Moines along Interstate 35 and Highway 30. The city of Ames is home to Iowa State University, the United States Department of Agriculture's Animal and Plant Health Inspection Service, the National Animal Disease Center and headquarters for the Iowa Department of Transportation.

### Population

The following table summarizes the population of Ames, Story County and the State of Iowa since 2000.

#### POPULATION GROWTH<sup>2</sup>

	Census 2000	Census 2010	Annualized Change	Estimated 2017	Annualized Change	Projected 2022	Annualized Change
City of Ames	50,731	58,973	1.62%	65,221	1.51%	67,519	0.70%
Story County	79,981	89,542	1.19%	97,978	1.35%	101,736	0.77%
State of Iowa	2,926,324	3,046,355	0.41%	3,199,548	0.72%	3,301,135	0.63%

The population of all three subjects have increased over the time period shown. The city of Ames, Story County and the State of Iowa are expected to increase by over 0.60% each year through 2022.

### Households

We have obtained census data on households and household growth and projections from a national data service. The data for Ames is shown below.

#### HOUSEHOLD GROWTH<sup>3</sup>

	Census 2000	Census 2010	Annualized Change	Estimated 2017	Annualized Change	Projected 2022	Annualized Change
City of Ames	18,085	22,762	2.59%	24,271	0.95%	25,327	0.87%
Story County	29,383	34,736	1.82%	37,048	0.95%	38,682	0.88%
State of Iowa	1,149,276	1,221,576	0.63%	1,279,178	0.67%	1,318,353	0.61%

Like population trends, the data indicates increases in households from 2000 through 2017 for the city, county, and state. The household growth is in line with the population growth in all three subjects. Household formations are an important factor in determining demand for housing construction.

### Income

The following tables summarize median household income in Ames, Story County and the State of Iowa since 2000.

#### MEDIAN HOUSEHOLD INCOME

	Census 2000	Estimated 2017	Annualized Change	Projected 2022	Annualized Change
City of Ames	\$36,042	\$49,762	2.24%	\$53,429	1.47%
Story County	\$40,442	\$54,936	2.11%	\$59,079	1.51%
State of Iowa	\$39,469	\$54,832	2.29%	\$59,799	1.81%

Ames showed similar growth rates compared to the state between 2000 and 2017. The state is projected to show the largest increase compared to the city and state by over 1.81% per year through 2022.

<sup>2</sup> STDB – 2010 Census Profile/Demographic and Income Profile

<sup>3</sup> STDB – 2010 Census Profile/Demographic and Income Profile



## Employment

The following tables describe the unemployment rates from 2006 to 2017 and the city's top employers.

### UNEMPLOYMENT RATES<sup>4</sup>

Year	Ames	Story Co.	Iowa	U.S.
2006	2.4%	2.6%	4.0%	4.6%
2007	2.5%	2.8%	3.8%	4.6%
2008	2.9%	3.2%	4.1%	5.8%
2009	4.2%	4.8%	6.2%	9.3%
2010	3.7%	4.2%	6.3%	9.6%
2011	3.6%	3.9%	5.9%	8.9%
2012	3.3%	3.6%	5.2%	8.1%
2013	3.1%	3.3%	4.7%	7.4%
2014	2.7%	2.9%	4.4%	6.2%
2015	2.3%	2.5%	3.8%	5.3%
2016	2.1%	2.3%	3.7%	4.9%
2017	1.9%	2.0%	3.1%	4.4%

### TOP EMPLOYERS<sup>5</sup>

Employers	Industry	Employees
Iowa State University	Education	>10,000
Iowa Department of Transportation	Government	2,000-5,000
Mary Greeley Medical Center	Health Care	1,000-2,000
McFarland Clinic PC	Health Care	1,000-2,000
Danfoss	Manufacturing	1,000-2,000
Ames Community School	Education	500-1,000
City of Ames	Government	500-1,000
National Centers for Animal Health	Scientific	500-1,000

Unemployment rates in Ames and Story County have typically been similar to one another, with the city just slightly below the county. The City, county and state have been significantly lower than the United States. Since 2009, all three subjects have continued to decline in unemployment.

Iowa State University has made a significant impact on the city employing over 10,000 people. The following table shows Ames industry sectors. Education, retail trade, health care and accommodation services are among the top industries for the city.

### AMES INDUSTRY SECTOR<sup>6</sup>

Industry	Industry
Agricultural, Forestry, Fishing & Hunting	2.1%
Mining, Quarrying, Oil & Gas Extraction	0.0%
Utilities	0.0%
Construction	3.6%
Manufacturing	7.9%
Wholesale Trade	1.6%
Retail Trade	11.9%
Transportation & Warehousing	1.1%
Information	1.5%
Finance and Insurance	1.7%
Real Estate, Rental & Leasing	1.3%
Professional, Scientific & Technical Services	4.6%
Management and Enterprises	1.6%
Administration & Support	3.6%
Educational Services	24.4%
Health Care and Social Assistance	11.9%
Arts, Entertainment, and Recreation	1.4%
Accommodation and Food Services	11.4%
Other Services	2.1%
Public Administration	6.2%

### Iowa State University

Ames is home to Iowa State University (ISU), one of Iowa's three public universities. As discussed previously, ISU is the largest employer in Ames. In addition to providing a source of employment, the university attracts a large student body which has a major economic impact on rental, retail, and other properties in Ames. Fall semester enrollment data for ISU over the past nine years is summarized in the following table:

<sup>4</sup> Bureau of Labor Statistics – Local Area Unemployment Statistics

<sup>5</sup> Ames Economic Development Commission

<sup>6</sup> On the Map – Work Area Profile Analysis, 2015



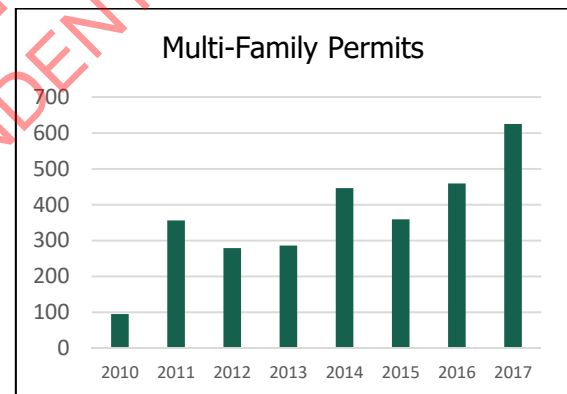
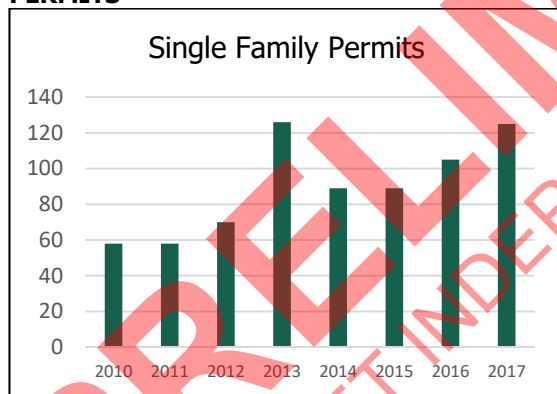
**Total Enrollment at ISU<sup>7</sup>**

Year	Enrollment	% Chg.
2010	28,682	-
2011	29,887	4.2%
2012	31,040	3.9%
2013	33,241	7.1%
2014	34,732	4.5%
2015	36,001	3.7%
2016	36,660	1.8%
2017	36,321	-0.9%

Fall enrollment saw growth between 2010 and 2013. 2013 showed the highest increase in enrollment by over 7%. Since, enrollment has continued to grow, but is increasing in smaller increments. 2017 showed a slight decline in enrollment, falling short of about 300 students. Increasing enrollment at ISU is a boost for the community, providing demand for additional employment at ISU as well as increasing demand for rental housing, retailers, and services. Fall enrollment is typically slightly higher than spring enrollment.

**Residential Construction**

Single-family residential construction has shown an upward trend through the years. 2010 and 2011 remained the same at 59 permits issued. In 2012, permits increased  $\pm 21$  percent to 70 and in 2013, permits increased  $\pm 81$  percent to 127. Demand slowed down in 2014 and 2015, decreasing  $\pm 28$  percent to 91 permits. Since, we have seen a gradual incline of demand with 2017 issuing approximately 125 permits.

**PERMITS<sup>8</sup>**

Multifamily construction jumped  $\pm 66$  percent between 2010 and 2011. Enrollment at ISU caused rents to rise and vacancy to decline, spurring significant new construction starting in 2011. Since 2014, there has been a gradual rise in multi-family building permits.

**Commercial Construction**

We have searched the City Assessor's website for information about recently constructed commercial buildings in Ames. Major retail development has consisted of the construction of  $\pm 60,000$  square feet of new retail space at the North Grand Mall. This replaced older space that was demolished. Tenants in the new space include Kohls and TJ Maxx. The mall is at the intersection of Grand Avenue and 24<sup>th</sup> Street on the north side of Ames. It is one of two major nodes of retail development in Ames, the other of which extends along South Duff Avenue from Lincoln Way to Highway 30. Several smaller new

<sup>7</sup> <http://www.registrar.iastate.edu/stats/>

<sup>8</sup> City of Ames, Annual Housing Starts 2001-2017

retail and fast food restaurant buildings have been built along S Duff Avenue and elsewhere around Ames in the past two years.

Several new hotels have surfaced in the Ames area. A 90-room Hampton Inn & Suites by Hilton was completed in 2016 near the Iowa State University campus and the new research park. A new Marriott Courtyard hotel is planned for the south of Ames, being completed in early 2019. The 165,000 square foot hotel is expected to have about 120 rooms and create 50-60 part- and full-time jobs.

The Ames community landed three significant projects in 2013. WebFilings began phase two of their campus located in the ISU Research Park. The company expanded their Ames location that cost over \$15.5 million dollars and created nearly 700 jobs. 3M, which manufactures products, improved their facilities with better quality equipment to allow additional manufacturing; which in return will create more jobs. Kingland Systems built a new facility which included multiple tenant options for retail and office. This site is the start to further development in the Ames community.

Ames Racquet and Fitness built a new 52,000 square-foot workout facility near the Iowa State University Research Park. Construction was completed in 2017. The new facility features a 150-meter indoor track, new strength and conditioning equipment, sauna, steam room, and a nursery/kids' gym. There is also additional space used for yoga, spinning, personal training, group fitness, and fitness workshops.

Construction of a new 157-unit, six-story mixed-use building is expected to cost approximately \$51.9 million. The ±321,531 square foot building will provide additional housing option for Iowa State University students, with unit options ranging from studio to four-bedrooms. The building will also include underground parking and commercial space on the street level. The building is expected to be completed summer, 2018.

### **Summary**

The Ames MSA has experienced a growing population during the last ten years. With it, job growth has been steady and predictable. We have seen household formations and median income rise during the same period, which has provided a strong economic base to this area.

A strong local economy has spurred single-family residential construction, and increasing ISU enrollment has led to a sharp increase in multifamily residential construction. Growing population has led to construction of new several new retail and restaurant buildings over the past two years, while new industrial and office development has been limited. The trend for the Ames MSA is continued growth. Having Iowa State University in Ames provides an excellent, stable economic base.

## NEIGHBORHOOD ANALYSIS

### General

The subject neighborhood includes those properties located along S Duff Avenue between U.S. Highway 30 and Lincoln Way in Ames, Iowa.

### Linkages

Linkages in the neighborhood are good. Highway 30 provides an approximately 5 minute drive to Interstate 35. The drive from the remainder of Ames to the subject neighborhood is less than 15 minutes. Duff Avenue is the major north/south traffic artery. Lincoln Way, SE 16th Street and Highway 30 are the major east/west traffic arteries.

### Topography and Flood Hazard Area

The neighborhood's topography is generally level. Most of the land between S 3rd Street and Squaw Creek is in Flood Zone AE, a part of the 100-year floodplain where base flood elevations have been determined. Most properties in the flood zone are improved with commercial buildings, some recently constructed. Buildings may be constructed in the flood zone, but they are subject to additional requirements by the City. The balance of the neighborhood is in Flood Zone X, which is not part of the 100-year flood plain.

### Utilities

Properties in the neighborhood have access to all public utilities and city services.

### Recent Development

Most properties along Duff Avenue are developed with retail use. Some are developed with office use or service commercial use.

Recent development includes the construction of a multi-tenant retail property located at 701/703 S Duff Avenue. The site includes a 17,750 square foot multi-tenant building and a 2,079 square foot single-tenant building. Additional recent development includes two tenant, 40,000 square-foot building, located on Southeast Fifth Street between Target and Walmart east of Duff Avenue. Sports Authority, a national sporting goods retailer and Petco, a national animal care retailer opened in late 2013. In 2016, a Jimmy John's restaurant was built at 716 S Duff, and in 2016 a Panda Express restaurant was built at 436 S Duff. Chick-Fil-A has constructed a new restaurant at 230 S Duff within the past three years as well.

A former bowling alley at 505 South Duff was razed after flooding in 2010. In 2012, a Texas Roadhouse restaurant opened in the 500 block of South Duff Avenue on the southern portion of the site. Several smaller retail and fast food restaurant buildings have also been built in the past five years. Two in-line retail centers at 400 South Duff opened in 2010. Tenants include, Buffalo Wild Wings, Verizon, Mattress Firm and Noodles and Company. A new Taco Bell restaurant was constructed in 2012 at 421 South Duff Avenue.

### Pattern of Growth

Little land remains available for development in the neighborhood which has led to the redevelopment of older properties in recent years.

### Competitive Areas

The subject area competes with other commercial corridors, such as Lincoln Way and N Grand Avenue.



### **Anticipated Trend**

The subject neighborhood includes Duff Avenue, the most desirable retail corridor in Ames. Multiple properties have been developed or redeveloped within the past five years. Properties damaged by flooding in the summer of 2010 have been or are being repaired and redeveloped, and the large retail anchors (Target and Wal-Mart) reopened quickly after the floods. The neighborhood will remain prosperous, with ongoing redevelopment of older properties for the foreseeable future.

**PRELIMINARY**  
NOT YET INDEPENDENTLY REVIEWED

## DETERMINATION OF PARENT TRACTS

We note that there are two assessment parcels that are being affected by the acquisition which are under the same ownership. The parcels were split and subdivided in June 2011, to allow for the potential of partial development.

The assessment parcels are being operated as separate economic units. The parcel with the local address of 1008 S Duff Ave is located entirely within the 100-year flood hazard, with much being located in the floodway. It is currently being utilized as recreational land/greenspace. The parcel with a local address of 1016 S Duff Ave has a large, buildable area that is outside of the flood hazard and is currently listed available for sale as a commercial development site. Further, we later conclude that the assessment parcels have separate highest and best uses.

Though the two parcels meet the test of unity of ownership, they do not meet the test of unity of use. We conclude there are two parent tracts for this assignment. Parent Tract 1 is the ±2.72 acre tract of land that has a local address of 1016 S Duff Ave. Parent Tract 2 is the ±26.14 acre tract of land that has a local address of 1008 S Duff Ave. We will refer to each Parent Tract by their local addresses for the remainder of this report. An aerial map detailing the designated parent tracts follows.





## DESCRIPTION OF PARENT TRACTS

### SITE

#### General

The subject is split into two separate assessment parcels, which are locally known as 1016 S Duff Ave and 1008 S Duff Ave.

The area of 1016 S Duff Ave is  $\pm 118,534$  square feet, or  $\pm 2.72$  acres, net of road right-of-way, according to the subdivision plat recorded as Instrument 2011-00006037 in Story County. It has frontage on S Duff Ave, a two-way, four-lane paved road plus turning lane on a north/south axis. The site has full access (both left and right turn) to S Duff Ave.

The area of 1008 S Duff Ave is  $\pm 26.14$  acres, net of road right-of-way. The property has a small  $\pm 35$  foot strip of frontage along S Duff Ave, although it does not have direct access as the fronting area appears to be underneath Squaw Creek.

Squaw Creek bounds the north edge of the property. Adjacent south is a B-Bop's fast food restaurant and gas/convenience station. Across S Duff Ave to the west is a Red Lobster full service restaurant. Properties nearby north and south of the subject along S Duff Avenue are predominantly developed with restaurant and retail uses. Other uses include service commercial and office.

#### Soil Conditions

Although we have conducted no soil tests, it is assumed that the site would support those improvements that represent the highest and best use of the site.

#### Shape

Both parent tracts are irregular in shape.

#### Topography

1016 S Duff Ave is generally level and open. Far northern and eastern portions gradually slope downward to the north and east towards Squaw Creek. Said areas proximate to the creek are also partially timbered.

1008 S Duff Ave is level to gently rolling and partially wooded. Northern portions of the site slope downward towards Squaw Creek. The owner reports planting several hundred trees on this parcel after the property flooded in 2010.

#### Flood Hazard Area

Based on documents provided by our client, approximately  $\pm 1.4164$  acres (52 percent) of the site at 1016 S Duff Ave is located within a flood hazard area. Of this, approximately  $\pm 0.496$  acres is located in the 100-year flood plain, and  $\pm 0.921$  acres is located within the floodway. The remaining  $\pm 1.307$  acres (48 percent) of the site is outside of the hazard. The ground nearest Squaw Creek is within the floodway, while the area outside of the hazard is furthest southwest along S Duff Ave.

The entire site at 1008 S Duff Ave is located within a flood hazard. Approximately  $\pm 2.354$  acres is within the 100-year floodplain, with the remaining  $\pm 23.774$  acres being in the floodway.





### **Easements & Encroachments<sup>9</sup>**

According to the recorded Carney & Son's Subdivision plat in Story County, Instrument 2011-00006037, upon issuance of a building permit for the site at 1016 S Duff Ave a permanent ingress/egress easement will be created allowing for access purposes to the site at 1008 S Duff. Said easement runs along the far southern twenty feet of the site at 1016 S Duff Ave. A temporary easement for access purposes currently exists in its place.

There is also an existing drainage easement across both parent tracts. Said easement is located along the northern edge of the subject, adjacent Squaw Creek. According to our client, the easement is  $\pm 199,821$  square feet in size, and it was recorded at the same time as the plat noted above. We have included a copy of the plat in our addendum later in this report.

Other than the noted above easements, and other typical public and utility easements, we are unaware of any further that affect the subject site. During our observation we did not note any encroachment.

### **Utilities**

The site at 1016 S Duff Ave has access to all utility services. The site at 1008 S Duff Ave does not have utilities.

### **Zoning**

The site at 1016 S Duff Ave is zoned HOC, Highway Oriented Commercial. Most all retail, service, and office uses are permitted. The zoning restricts most residential uses without a Special Use Permit but does allow for "short-term lodgings".

This zone is intended to "accommodate the use of automobile in developments that offer a wide variety of retail and service businesses. Although oriented toward the automobile, the street should have a pleasant appearance and should be pleasing to most pedestrians and motorists. This zone should also be compatible with adjacent residential uses."

The typical bulk regulations for HOC are summarized next.

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<sup>9</sup> Please refer to the assumptions and limiting conditions regarding easements and encroachments.

**Highway-Oriented Commercial (HOC) Zone Development Standards**

<b>DEVELOPMENT STANDARDS</b>	<b>HOC ZONE</b>
Maximum FAR	.50
Minimum Lot Area	No minimum except for mixed uses, which must provide 6,000 ft. of lot area for the first dwelling unit and 1,000 sf for each additional dwelling unit in a group living use
Minimum Lot Frontage	50 ft.
Minimum Building Setbacks: Front Lot Line  Side Lot Line Rear Lot Line Lot Line Abutting a Residentially Zoned Lot	20 ft., except for a fuel pump canopy, which shall maintain a 10 ft. setback measured from the front edge of the canopy 5 ft. 10 ft. 20 ft. side, 20 ft. rear
Landscaping in Setbacks Abutting a Residentially Zoned	High Screen. See Section 29.403
Maximum Building Coverage	50%
Minimum Landscaped Area	15%
Maximum Height	85 ft. or 7 stories, except for fuel pump canopies, which are limited to 18 ft. with a minimum clearance of 14 ft.
Parking Allowed Between Buildings and Streets	Yes
Drive-Through Facilities permitted	Yes. See Section 29.1303
Outdoor Display permitted	Yes. See Section 29.405
Outdoor Storage permitted	Yes. See Section 29.405
Trucks and Equipment Permitted	Yes

(Ord. No. 3595, 10-24-00; Ord. No. 4312, 6-27-17)

The site at 1008 S Duff Ave is zoned A-1 Agricultural. Permitted uses in the A-1 district include agricultural uses including crop production, livestock production, single-family dwellings, cemeteries, stables, parks, and forest preserves. The typical bulk regulations for A-1 are summarized next.



**Agricultural (A) Zone Development Standards**

DEVELOPMENT STANDARDS	A ZONE
Minimum Lot Area	43,560 sf
Minimum Principal Building Setbacks:	
Front Lot Line	50 ft.
Side Lot Line	20 ft.
Rear Lot Line	50 ft.
Corner Lots	Provide 2 front yards and 2 side yards
Minimum Frontage	35 ft. @ street line 100 ft. @ building line
Maximum Building Coverage	N/A
Maximum Site Coverage (includes all buildings, paving and sidewalks on lot)	N/A
Minimum Landscaped Area	N/A
Maximum Height Principal Building	40 ft. or 3 stories, except for farm building, communications towers, flag poles, bell towers and steeples
Maximum Height Accessory Building	12 ft. to midpoint of roof; 15 ft. to ridge
Parking Between Buildings and Streets	N
Drive-Through Facilities	N
Outdoor Display	Plants & Produce only
Outdoor Storage	Y
Trucks and Equipment	Y

We further note that the large majority of the site at 1008 S Duff Ave is located within a Floodway Overlay District. Within this overlay district, further restrictions are imposed on potential uses and development. According to city code, generally accepted uses within the overlay include agricultural uses (farming, pasture, grazing, nurseries, etc.), signs, billboards, public utility lines, private/public recreational uses, residential accessory uses (lawns, gardens, play areas), and other such open-space uses similar to those described above. We note that limited grading is allowed, provided that there is no change of surface topography of more than one foot and no fill is introduced into the floodway. Any use or excavation that results in an alteration of a watercourse is prohibited (except as needed for public infrastructure). Any other use or development use that involved structures, fill, or storage of materials or equipment may be permitted only upon issuance of a Major Site Development Plan.



## HIGHEST AND BEST USE

This section seeks to determine the most profitable use of the subject land, as if it were vacant as well as the improved property. Refer to the Definition pages in the Addenda for a full definition of highest and best use.

The appraisal problem did not warrant an intensive highest and best use study, in which a survey of the local market would have been conducted to determine supply and demand factors to determine the feasibility of alternative uses. Our conclusion of highest and best use is based on our experience, historical data and observation of the market. This is considered an inferred analysis.

### Highest and Best Use, As Vacant – Before the Acquisition

#### Physically Possible

The site at 1016 S Duff Ave contains a total area of  $\pm 2.72$  acres. The site has generally level, open topography. Far norther portions of the site that are proximate to Squaw Creek are located within the 100-year flood plain and floodway hazard. Based on documents provided by our client, we estimate 52 percent of 1016 S Duff to be within the hazard, and 48 percent to be outside the hazard. Areas within the 100-year flood hazard are generally developable, subject to fill being brought in to elevate said areas from the hazard, or constructing improvements in accordance to flood specifications. Areas within the floodway however, have much stricter development standards. In general, open space agricultural and green space/recreational uses are permitted. Grading and filling are permitted to an extent, however doing such in any manner that results in the altering of the watercourse is prohibited. The site has access to S Duff Ave.

The site at 1008 S Duff Ave contains a total area of  $\pm 26.14$  acres. Documents provided by our client indicate that  $\pm 91$  percent of the site is within the floodway, with the remaining  $\pm 9$  percent being in the 100-year floodplain. The site is partially wooded and rolling. The site has access to S Duff Ave via ingress/egress easement.

#### Legally Permissible

The highest and best use of a property must also be legally permissible. Private deed restrictions and municipal restrictions of zoning are the most common considerations. We note a drainage easement that runs along the northern edge of the subject parcel. We are unaware of any other private deed restrictions on this property.



The site at 1016 S Duff Ave is zoned HOC, Highway Oriented Commercial. Permitted uses include most retail, office, and service uses. Prohibited uses include residential dwellings, schools and industrial uses, except mini-storage.

The site at 1008 S Duff Ave is zoned A-1, Agricultural. In general, permitted uses in the A-1 district include agricultural uses including crop production, livestock production, single-family dwellings, cemeteries, stables, parks, and forest preserves. We note however, that the site is also located within a Floodway Overlay District. Within said district, further restrictions are enforced impeding development. In general, use or excavation that results in an alteration of a watercourse is prohibited. Open space or green space is permitted, recreational use is permitted.

### **Financially Feasible**

Of those physically possible and legally permissible uses, we must determine which are financially feasible. More specifically, which uses are likely to produce an income that provides a positive return to the land. All uses that are expected to produce a positive return are regarded as financially feasible.

Properties near the subject on S Duff Avenue are primarily developed with a mixture of service, office, and retail use. For the site at 1016 S Duff Ave, we conclude all three uses are financially feasible.

For the site at 1008 S Duff Ave, we conclude it is financially feasible to use the area as green space or for recreational use.

### **Maximally Productive**

Of the financially feasible uses, the use that provides the highest price or value is the highest and best use.

The site at 1016 S Duff Ave has good visibility from a highly trafficked street. We conclude the maximally productive and highest and best use of the site is retail use.

The site at 1008 S Duff has limited visibility, and floodway restrictions significantly reduce its development potential. We conclude the maximally productive and highest and best use of it is for recreational use.

## **HIGHEST AND BEST USE-AFTER ACQUISITION**

Subject's highest and best use after acquisition is the same as its highest and best use before the acquisition.

## PROPOSED PROJECT

The City of Ames plans to acquire partial fee simple title and/or permanent easement for flood mitigation purposes relating a project along Squaw Creek.

We have not considered any benefits that may accrue to the property due to this project. However, we are considering negative effects caused by the project and associated acquisitions. Because we are not considering the benefits to the property due to the project, the Jurisdictional Exception rule of USPAP is exercised. The requirement to not consider the benefits from the project is according to Iowa Code.

## DESCRIPTION OF RIGHTS TO BE ACQUIRED

The City of Ames proposes to acquire partial fee title and/or permanent easement to both sites. The total area to be acquired over the site at 1016 S Duff Ave is  $\pm 62,675$  square feet, or  $\pm 1.44$  acres. The total area to be acquired over the site at 1008 S Duff Ave is  $\pm 274,975$  square feet, or  $\pm 6.31$  acres. As of the date of this report, it is not yet certain whether partial fee title or permanent flowage easement will be acquired. Therefore, we have estimated compensation for both. Copies of the project plans provided by the City of Ames/WKHS & Co. are included later in this report.

## EFFECT OF THE ACQUISITION

The acquisition areas across both sites are irregular in shape and are located along the northern edges of each parcel, respectively. According to documents provided by our client, the total area being acquired over the site at 1016 S Duff Ave is  $\pm 62,675$  square feet, or  $\pm 1.44$  acres. The total area to be acquired over the site at 1008 S Duff Ave is  $\pm 274,975$  square feet, or  $\pm 6.31$  acres. Both areas of acquisition are located within the flood hazard and are partially wooded. There are no building or site improvements within the acquisition area, however we note an area of existing drainage easement adjacent Squaw Creek. The easement extends twenty feet south of the bank of the creek, according to the city's engineering consultant. Said easement was recorded in Story County, instrument number 2011-00006037 at the same time as the Carney and Son's Final Plat. The area of the drainage easement is  $\pm 21,221$  square feet across 1016 S Duff Ave and  $\pm 196,846$  square feet across 1008 S Duff Ave, according to our client. We note that the entire area of proposed acquisition across 1016 S Duff overlaps with the existing drainage easement, and we estimate that approximately  $\pm 100,000$  square feet overlaps across 1008 S Duff. Also, per the city's engineering consultant, the proposed permanent easement acquisition will have the same function as the existing drainage easement.

The highest and best use of the subject property will not be changed by the acquisition. The acquisition does not result in damage to the remainder.



## VALUATION - 1016 S DUFF AVE

The diminution in value is best measured by considering the value of the land and easements acquired as part of the whole. A value finding appraisal will adequately measure the just compensation to the property owner.

The essence of the sales comparison approach is to discover what similar properties have sold for and, after an appropriate adjustment process, to develop indications of what they would have sold for if they had possessed all of the physical and economic characteristics of the property being appraised.

We researched the market for comparable sales that are good indications of value. We have included four comparable sales in our analysis. All are located along the S Duff Ave corridor in Ames. The most consistent indicator of value is the sale price per square foot and adjustments have been made on this basis.

### Land Valuation

To estimate the market value of the land, we have analyzed comparable land sales similar to the subject. We have selected four sales for presentation within this section. We have reviewed the comparables on the basis of their sale price per acre. Additional information on the sales is included in the Addenda.

The Sales Comparison Adjustment Table follows. We were unable to locate adequate data to quantify some of the adjustments. Therefore, we have made qualitative adjustments for some items. Qualitative adjustment is similar to how typical market participants analyze sales and are made on a plus (+) or minus (-) basis. We have also made quantitative adjustments for some items. An adjustment greater than 1.00 indicates that an upward quantitative adjustment is necessary, and an adjustment less than 1.00 indicates that a downward quantitative adjustment is necessary. The table is followed by a discussion of the relevant adjustments.

**LAND SALES COMPARISON AND ADJUSTMENT TABLE - 1016 S DUFF AVE**

Sale	Subject	1		2		3		4	
Comp ID	N/A	280034		219066		206449		235919	
Address	1016 S Duff Ave	716 S Duff		705 S Duff		551 S Duff Avenue		230 S Duff Ave	
City	Ames	Ames		Ames		Ames		Ames	
Sale Price (SP)	N/A	\$409,360		\$1,173,451		\$700,000		\$1,590,000	
Area (Sq Ft)	118,534	21,902		85,077		44,936		48,203	
SP/\$SF	N/A	\$18.69		\$13.79		\$15.58		\$32.99	
Grantor	N/A	716 S Duff, LLC		Douglas Livy, Jr. and Wendy Livy		Pizzas on Duff, LLC		Great Southern Bank & JMH Corporation	
Grantee	N/A	Rafferty Construction		E-M Hunziker, LLC		Blue Sky Properties, LLC		Chick-Fil-A, Inc.	
		Attribute	Adj	Attribute	Adj	Attribute	Adj	Attribute	Adj
Property Rights Conveyed	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Cash Equivalency	Typical	Typical		Typical		Typical		Typical	
Conditions of Sale	Typical	Typical		Typical		Typical		Typical	
Market Conditions	4/24/2018	9/8/2015	1.05	6/21/2013	1.10	8/2/2012	1.11	4/29/2015	1.06
Adjusted Sale Price	N/A	\$429,828		\$1,290,796		\$777,000		\$1,685,400	
Adjusted Price / Sq. Ft.	N/A	\$19.63		\$15.17		\$17.29		\$34.96	
Other Considerations									
Location	Ames	Similar		Similar		Similar		Superior	0.70
Size	118,534	21,902		85,077		44,936		48,203	
Shape	Irregular	Similar		Similar		Similar		Similar	
Utilities	All Public	Similar		Similar		Similar		Similar	
Topo/Flood Hazard	19% FP/61% FW	100% FH	0.40	100% FH	0.40	100% FH	0.40	No	0.30
Zoning	HOC	HOC		HOC		HOC		HOC	
Total Adjustment (Rounded)			0.40		0.40		0.40		0.21
Indicated Subject Value Per Sq Ft			\$7.85		\$6.07		\$6.92		\$7.34
Additional Qualitative Adjustment Necessary									



## Explanation for Adjustments

**Property Rights** - For this analysis, we are estimating the market value of the fee simple estate in the subject property. The comparables are all fee simple sales and adjustments are not required.

**Cash Equivalency** - If a comparable sale occurred under conditions other than cash to the seller, then a cash equivalency adjustment may be necessary. All of the comparable sales had typical financing terms and no adjustments are required.

**Conditions of Sale** - This category considers buyer or seller motivation. Conditions of sale may include desperation exchange, tax ramifications, reinvestment or condemnation money, assemblage, or non-arm's length transactions. No adjustments are necessary based on conditions of sale.

**Market Conditions** - We have observed increasing construction and real estate values over the past several years. We will apply a two percent per year upward adjustment to the comparable sales.

**Location** - This category gives consideration to the demand for and desirability of the subject site in comparison to the sales. The major factors considered are access to major traffic arteries and type and quality of development in the immediate vicinity. Sales 1 through 3 are similar and no adjustments are necessary. Sale 4 is located on a corner with two access points, and we conclude its location to be superior and have adjusted it downward.

**Size** - This category takes into consideration the size of the comparable sales in relation to the subject. All of the sales are similar and do not require adjustment.

**Utilities** - The subject and comparables have access to all city services and utilities. No adjustments are needed.

**Topography/Flood Hazard** - Based on documents provided by our client, approximately  $\pm 1.4164$  acres (52 percent) of the entire site at 1016 S Duff Ave is located within a flood hazard area. Of this, approximately  $\pm 0.496$  acres is located in the 100-year flood plain, and  $\pm 0.921$  acres is located within the floodway. The remaining  $\pm 1.307$  acres (48 percent) of the site is outside of the hazard.

We note however, that the proposed area of acquisition is more highly concentrated within the flood hazard area. The acquisition area is located along the northern edge of the site, adjacent Squaw Creek. Approximately  $\pm 19$  of the area being acquired is within the 100-year floodplain and  $\pm 61$  percent is within the floodway. The remaining  $\pm 20$  percent of the area being acquired is outside of the hazard. We note that the area within the floodway is heavily restricted in terms of development potential, as the watercourse/path of flow is not to be altered. It can be utilized for open/green space and recreation purposes, however. Areas within the floodplain are developable/buildable, however fill and other specific development standards are required.

Sales 1 through 3 are all entirely located within the 100-year floodplain. As noted above, land within the 100-year floodplain is developable. Because the sites have greater potential than a large majority of the land to be acquired, we conclude they require downward adjustment. Sale 4 is located entirely out of the flood hazard, and also requires downward adjustment. The adjustments are quantified based on contributory values of both the areas within the floodway versus those that are not. Overall, the data reviewed indicates that large adjustments are necessary. We note that Sale 4 requires further adjustment than Sales 1 through 3, as it is located entirely outside of the hazard, whereas Sales 1 through 3 are not.



**Easement** – As noted earlier, the subject is burdened by a drainage easement. Said easement runs along the northern edge of the subject site, adjacent Squaw Creek. According to documents provided by our client, the area of the easement across 1016 S Duff Ave is ±21,221 square feet in size. None of the comparable sales are burdened by atypical easements and require downward consideration in comparison to the subject. Rather than adjust here, we have considered this in our final reconciliation.

**Zoning** – No adjustments are necessary.

**Subject Listing for Sale** – We note that the subject site at 1016 S Duff Ave is currently listed for sale. According to a listing flyer provided by the owner's agent, the ±2.72 acre site is being marketed at a price of \$1,600,000, or \$13.50 per square foot. We note that this list price is a blended average value across the entire site including both the developable ground outside of the hazard and the ground that is included within the floodplain and floodway. We note that the area being acquired has a larger concentration of land within the hazard and flood way, and a lower value per square foot would be appropriate in our reconciliation.

### **Reconciliation – Market Value of Land – 1016 S Duff Ave**

After quantitative adjustments, the comparable sales indicate a range of values from \$6.07 to \$7.85 per square foot, with an average of \$7.05 per square foot. None of the sales require addition consideration for qualitative purposes.

After reviewing the available data, we reconcile to a market value for the subject land being acquired of \$7.25 per square foot, before consideration of the existing drainage easement.

### **Fee Simple Acquisition Compensation**

In the event of a fee title acquisition, the land proposed to be acquired across 1016 S Duff Ave is ±62,675 square feet in size, net of existing road right-of-way. We note however, that a portion of the area being acquired is already burdened by a drainage easement. Said easement runs along the northern edge of the site, adjacent Squaw Creek, and is ±21,221 square feet in size. Because some rights are already restricted within the existing easement area, we estimate its value is diminished by 50 percent. The remaining area of acquisition area, or ±41,454 square feet, is not encumbered. Our estimate of compensation, in the event of a fee title acquisition, is shown below:

#### **FEE TITLE COMPENSATION**

Fee Value/Sq. Ft.	\$7.25
Sq. Ft. Affected (Unencumbered by Existing Easement)	41,454
Estimated Compensation for Unencumbered Land	\$300,542
Sq. Ft. Affected (Encumbered by Existing Easement)	21,221
Percentage Applied	50%
Estimated Compensation for Encumbered Land	\$76,926
Total Compensation (Rounded)	\$377,470

### **Permanent Easement Compensation**

In the event of a permanent easement acquisition, the proposed area across 1016 S Duff Ave is ±62,675 square feet in size. The purpose of the easement would be for water flowage purposes. The easement is located along the northern edge of the subject property, adjacent south of Squaw Creek. After the acquisition we assume the owner will be allowed able to utilize the area for green space purposes and to meet zoning requirements. We note however, that the project plans call for cutting and grading of the creek bank to better allow for water flowage. No improvements or alterations to the ground within the area of easement will be allowed, after the acquisition. We also note an existing drainage easement within the proposed acquisition area. The easement is recorded in Story County, Instrument 2011-





00006037. Said easement overlaps  $\pm 21,221$  square feet with the proposed acquisition, according to documents provided by our client. The rights within said easement will not change materially after the proposed acquisition, per the client's engineering consultant.

Overall, we estimate that the value of the land currently encumbered by drainage easement will not be further diminished. Because the rights will not materially change within the existing easement area, after the acquisition, we conclude no additional compensation is necessary for within this area. The acquisition of the land outside of the existing drainage easement however, will reduce the property owner's usable rights, and compensation is necessary. We apply a percentage of 50 percent.

In the event of a permanent easement acquisition, our estimate of compensation is shown below.

**PERMANENT FLOWAGE EASEMENT COMPENSATION**

Fee Value/Sq Ft	\$7.25
Total Sq Ft Affected	62,675
Existing Drainage Easement (Sq Ft)	<u>21,221</u>
Net/Compensable Area (Sq Ft)	41,454
Total Value	\$300,542
Percentage Applied	50%
Total Compensation (Rounded)	\$150,270

**PRELIMINARY**  
NOT YET INDEPENDENTLY REVIEWED



## **VALUATION - 1008 S DUFF AVE**

As previously discussed, the entire site at 1008 S Duff Ave is within a flood hazard. Further, the large majority is located within the floodway, and we conclude it is undevelopable. We have searched for sales of sales of properties within floodplains and floodways, in addition to sale of green space/recreational land. Due the lack of comparable data in the immediate vicinity, we have expanded our search to other parts of the state.

**PRELIMINARY**  
NOT YET INDEPENDENTLY REVIEWED

**LAND SALES COMPARISON AND ADJUSTMENT TABLE - 1008 S DUFF AVE**

Sale	Subject	1	2	3	4	5
Comp ID	NA	274385	239903	274387	274393	258825
Address	1008 S Duff	3034 560th Ave	S Side of 250th St @ I-35	W of 3034 560th Ave	56311 260th St	S of 40th Dr SE, E of 1st Ave SE
City	Ames	Ames	Ames	Ames	Ames	Marion
Sale Price (SP)	NA	\$635,000	\$875,000	\$960,000	\$75,000	\$200,000
Area (Acres)	26.14	48.24	87.70	98.94	10.00	49.32
SP/\$Acre	N/A	\$13,163	\$9,977	\$9,703	\$7,500	\$4,055
Grantor	N/A	Doris M. Plath Revoc. Trust	Charles & Catherine Potter	Lowell & Debra Kingsbury	Marilyn Baldus	OTB II, Ltd.
Grantee	N/A	Tanam Real Estate, LLC	Ag Land Specialist, LLC	Manatt's Inc.	CH Lee, LLC	HJ Bjornsen Family Trust
		Attribute Adj	Attribute Adj	Attribute Adj	Attribute Adj	Attribute Adj
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Cash Equivalency	Typical	Typical	Typical	Typical	Typical	Typical
Conditions of Sale	Typical	Typical	Typical	Typical	Typical	Typical
Market Conditions	4/24/2018	6/21/2017 1.02	12/30/2014 1.07	5/22/2014 1.08	5/10/2016 1.04	4/22/2016 1.04
Adjusted Sale Price	N/A	\$647,700	\$936,250	\$1,036,800	\$78,000	\$208,000
Adjusted Price / Acre	N/A	\$13,427	\$10,676	\$10,479	\$7,800	\$4,217
Other Considerations						
Location	Ames	Similar	Similar	Similar	Similar	Similar
Size	26.14	48.24	87.70 1.05	98.94 1.05	10.00	49.32
Shape	Irregular	Similar	Similar	Similar	Similar	Similar
Utilities	All Public	Similar	Similar	Similar	Similar	Similar
Topo/Flood Hazard	See Below	Superior -	Superior -	Superior -	Superior -	Similar
Easement	Drainage	See Below	See Below	See Below	See Below	See Below
Zoning	HOC	A-1	A-1	A-1	A-1	R-1
Total Adjustment (Rounded)		1.00	1.05	1.05	1.00	1.00
Indicated Subject Value Per Acre		\$13,427	\$11,210	\$11,003	\$7,800	\$4,217
Additional Qualitative Adjustment Necessary		-	-	-	-	None



The sales are adjusted in a similar manner as for 1016 S Duff Ave. Sales 1 through 4 are located in south Ames. Sales 1 through 3 were purchased for potential mining use, however it is noted that any potential for such is limited. We have observed other sales with greater mining potential in the same vicinity as Sales 1 through 3, that sold at a significant premium. Therefore, we conclude any adjustment necessary for mining potential is minimal. We also note Sales 1 through 4 are all located within in a flood hazard, although it appears that only Sale 3 is within the floodway. Prior to adjustments for other factors however, the sale partially within the floodway indicates a similar value per acre as the others. The rural locations of Sales 1 through 4 also indicate minimal development for development, further diminishing any necessary adjustments for topo or flood hazard. However, we do note that Sales 1 through 4 are either partially or entirely row cropped, whereas the subject is not. The subject has limited potential for such. For this reason, we conclude downward adjustment is necessary. We were unable to quantify said adjustment though, so we will apply a negative qualitative one in our final reconciliation. All of the sales also require downward adjustment for easement, as the subject is burdened by a drainage easement whereas the sales are not. We have considered this in our final reconciliation.

Sale 5 is located in Marion and was purchased for recreational use. Although a party involved in the sale stated that it has development potential in the future, we note its poor access and topography will highly restrict such.

### Reconciliation – Market Value of Land at 1008 S Duff Ave

The sales indicate a range of values for the subject from \$4,217 per acre to \$13,427 per acre. Sales 1 through 4 require downward adjustment for topography/flood hazard. Sale 5 does not require additional consideration.

After considering the available data, we reconcile to a market value for the subject land on April 24, 2018 of \$8,000 per acre.

### Fee Simple Acquisition Compensation

In the event of a fee title acquisition, the land proposed to be acquired across 1008 S Duff Ave is  $\pm 6.312557$  acres in size, net of existing road right-of-way. We note however, that a portion of the area being acquired is already burdened by a drainage easement. Said easement runs along the northern edge of the site, adjacent Squaw Creek, and is  $\pm 178,600$  square feet in size. Of this, we estimate that approximately  $\pm 100,000$  square feet overlaps ( $\pm 2.30$  acres) with the proposed acquisition area using a measuring tool on the assessor's aerial photograph. We note much of this is shown on the aerial photograph to be under the waters of Squaw Creek. Because some rights are already restricted within the existing easement area, we estimate its value is diminished by 50 percent. The remaining area of acquisition area, or  $\pm 4.01$  acres ( $6.312557 - 2.30$ , rounded), is not encumbered. Our estimate of compensation, in the event of a fee title acquisition, is shown below:

#### FEE TITLE COMPENSATION

Fee Value/Acre	\$8,000
Acres Affected (Unencumbered by Existing Easement)	4.01
Estimated Compensation for Unencumbered Land	\$32,080
Acres Affected (Encumbered by Existing Easement)	2.30
Percentage Applied	50%
Estimated Compensation for Encumbered Land	\$9,200
Total Compensation (Rounded)	\$41,280

### Permanent Easement Compensation

In the event of a permanent easement acquisition, the proposed area across 1008 S Duff Ave is  $\pm 6.312557$  acres in size. The purpose of the easement would be for water flowage purposes. The

easement is located along the northern edge of the subject property, adjacent south of Squaw Creek. Further, we note that the drainage easement across 1016 S Duff Ave also spans across  $\pm 196,846$  (square feet across the site at 1008 S Duff Ave. Of this, we estimate approximately  $\pm 100,000$  square feet ( $\pm 2.30$  acres) overlaps with the existing easement area.

Similar to the estimate of permanent easement compensation across 1016 S Duff Ave, we estimate that the value of the land currently held by drainage easement will not be further diminished. Because the rights will not materially change within the existing easement area, after the acquisition, we conclude no additional compensation is necessary for within the area of existing easement. The acquisition of the land outside of the existing drainage easement however, will reduce the property owner's usable rights, and compensation is necessary. We apply a percentage of 50 percent.

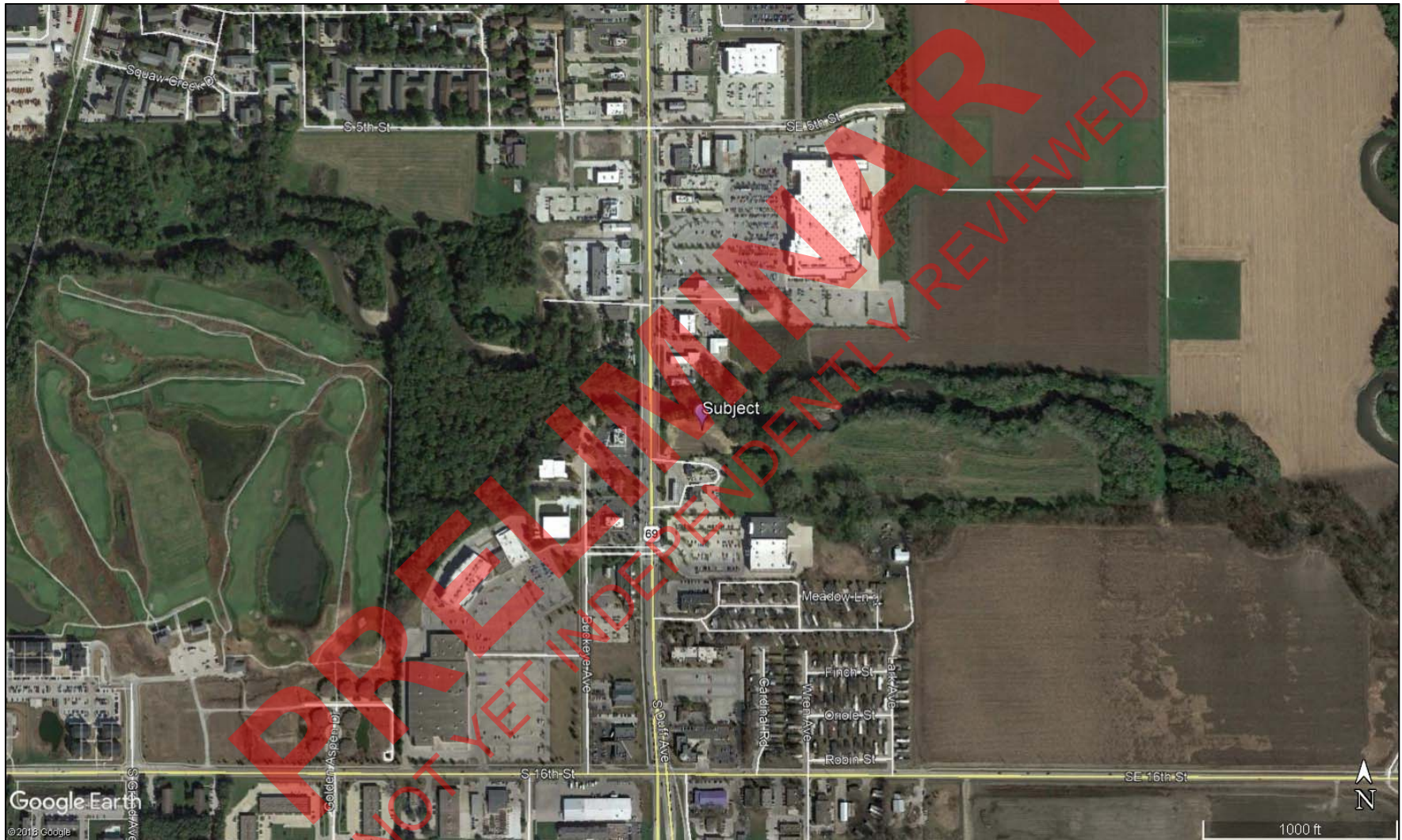
In the event of a permanent easement acquisition, our estimate of compensation is shown below.

**PERMANENT FLOWAGE EASEMENT COMPENSATION**

Fee Value/Acre	\$8,000
Total Acres Affected	4.01
Existing Drainage Easement Overlap (Acres)	<u>2.30</u>
Net/Compensable Area (Acres)	1.71
Total Value	\$13,680
Percentage Applied	50%
Total Compensation (Rounded)	<u>\$6,840</u>



## LOCATION MAP







## PHOTOGRAPHS



**PHOTO 1: 1016 S DUFF AVE, LOOKING EAST  
OVER ACQUISITION AREA**



**PHOTO 4: 1016 S DUFF AVE, LOOKING WEST  
OVER ACQUISITION AREA**



**PHOTO 2: 1016 S DUFF AVE, LOOKING  
NORTHEAST OVER ACQUISITION AREA**



**PHOTO 5: 1008 S DUFF AVE, LOOKING EAST**



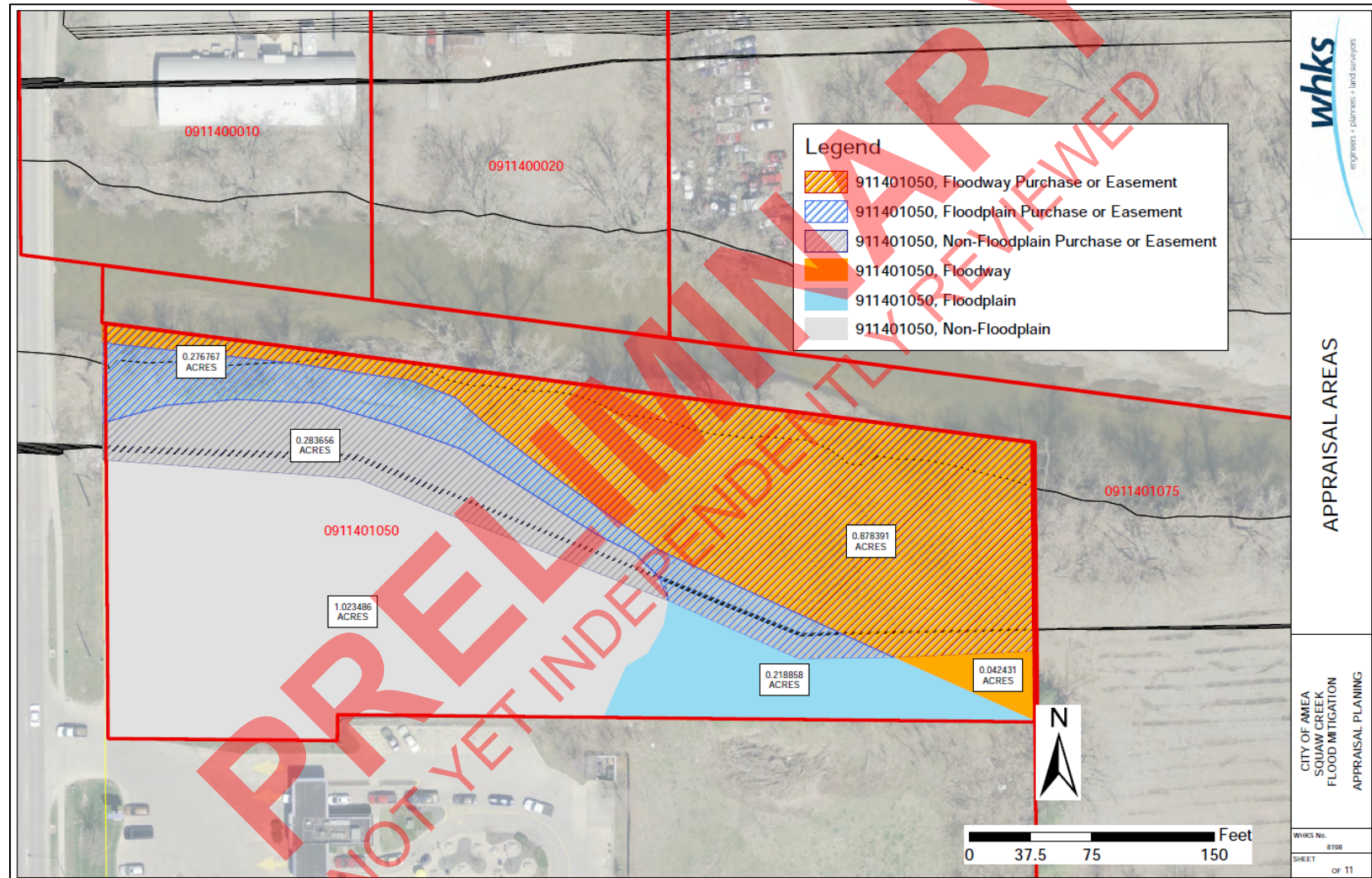
**PHOTO 3: 1016 S DUFF AVE, LOOKING EAST  
OVER ACQUISITION AREA**



**PHOTO 6: 1008 S DUFF AVE, LOOKING EAST**

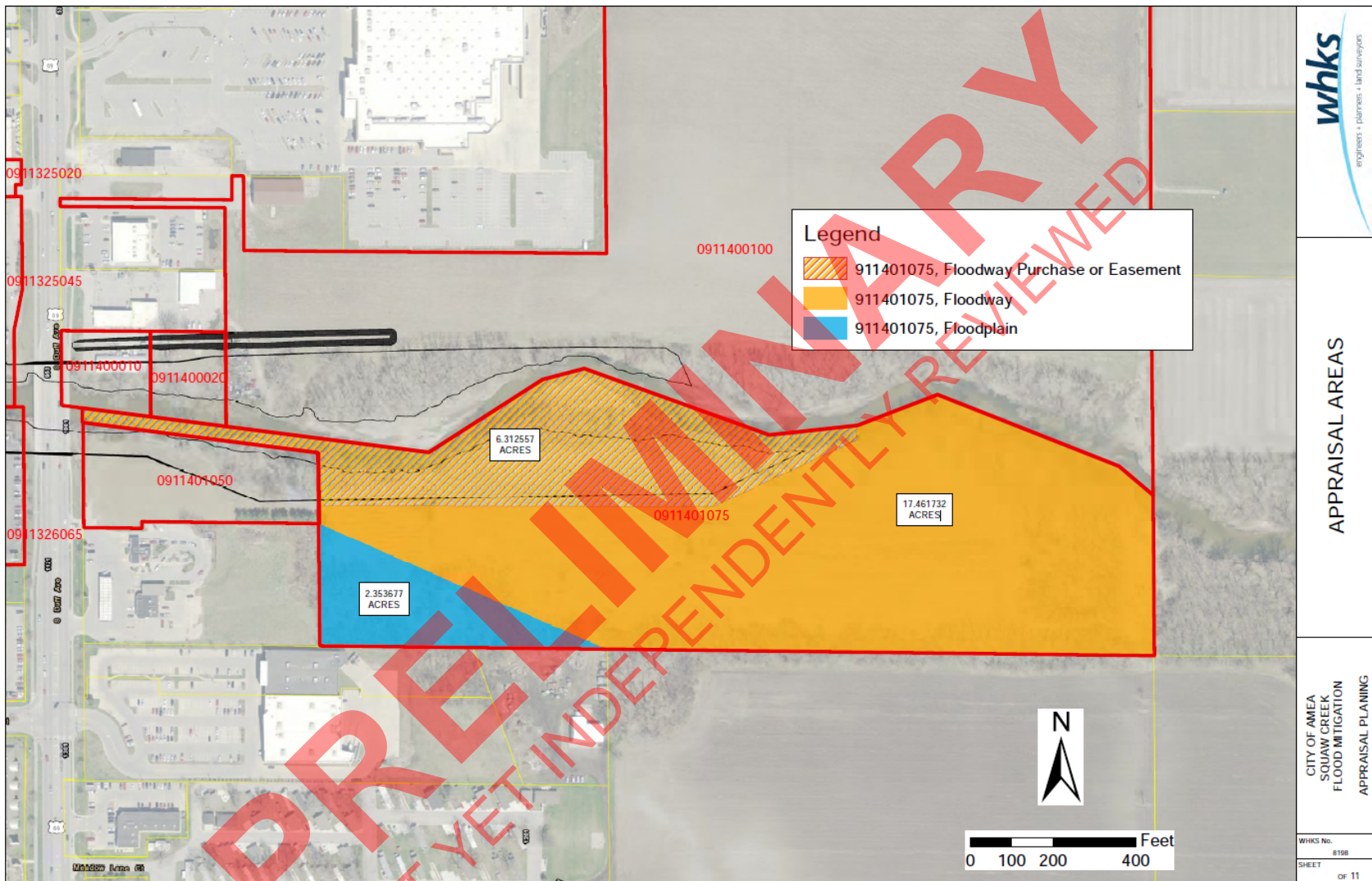


## AERIALS WITH ACQUISITION OVERLAY



Shown above is an aerial photo with acquisition overlay of 1016 S Duff Ave





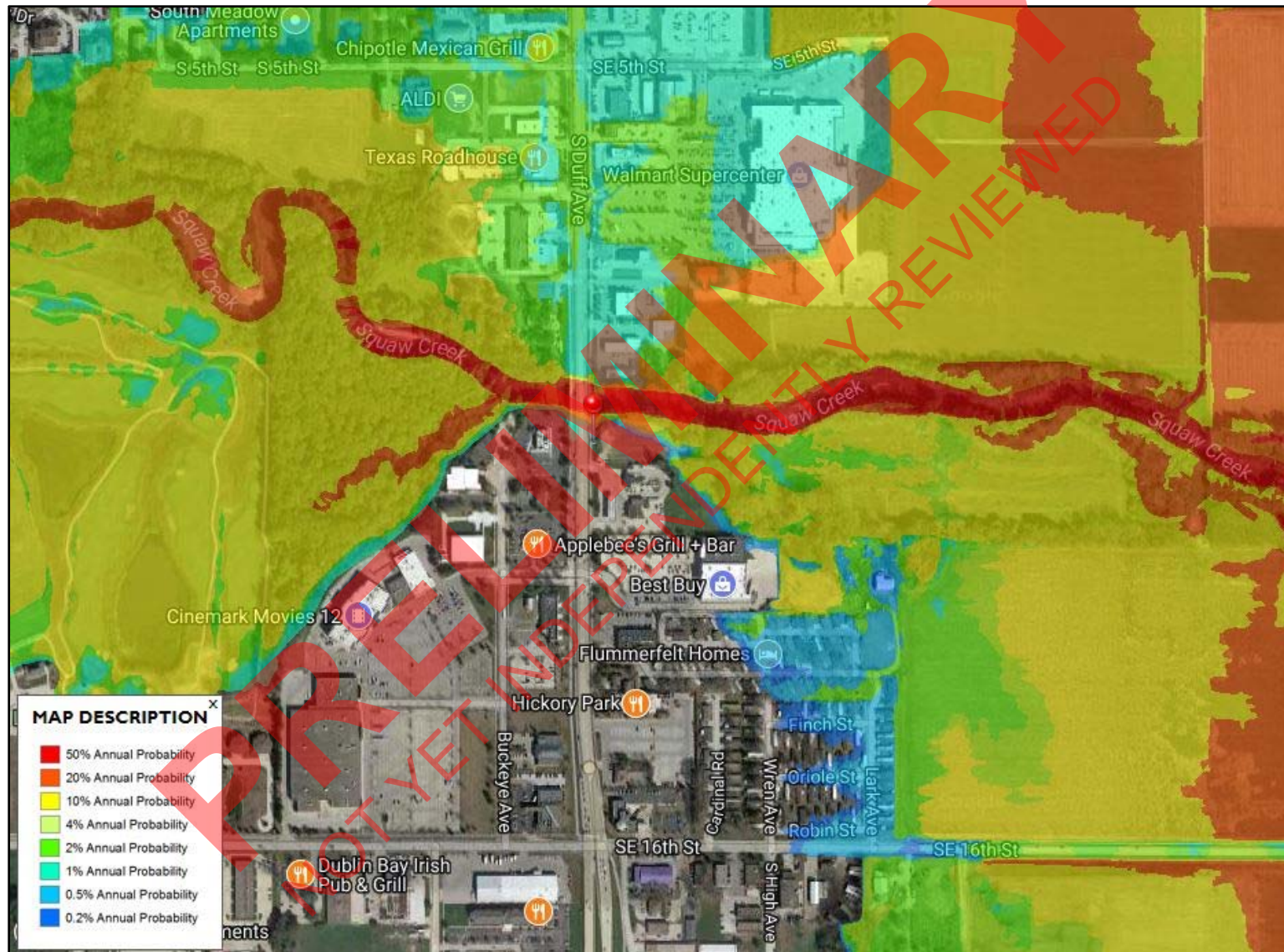
Shown above is an aerial photo with acquisition overlay of 1008 S Duff Ave

## AERIAL MAP



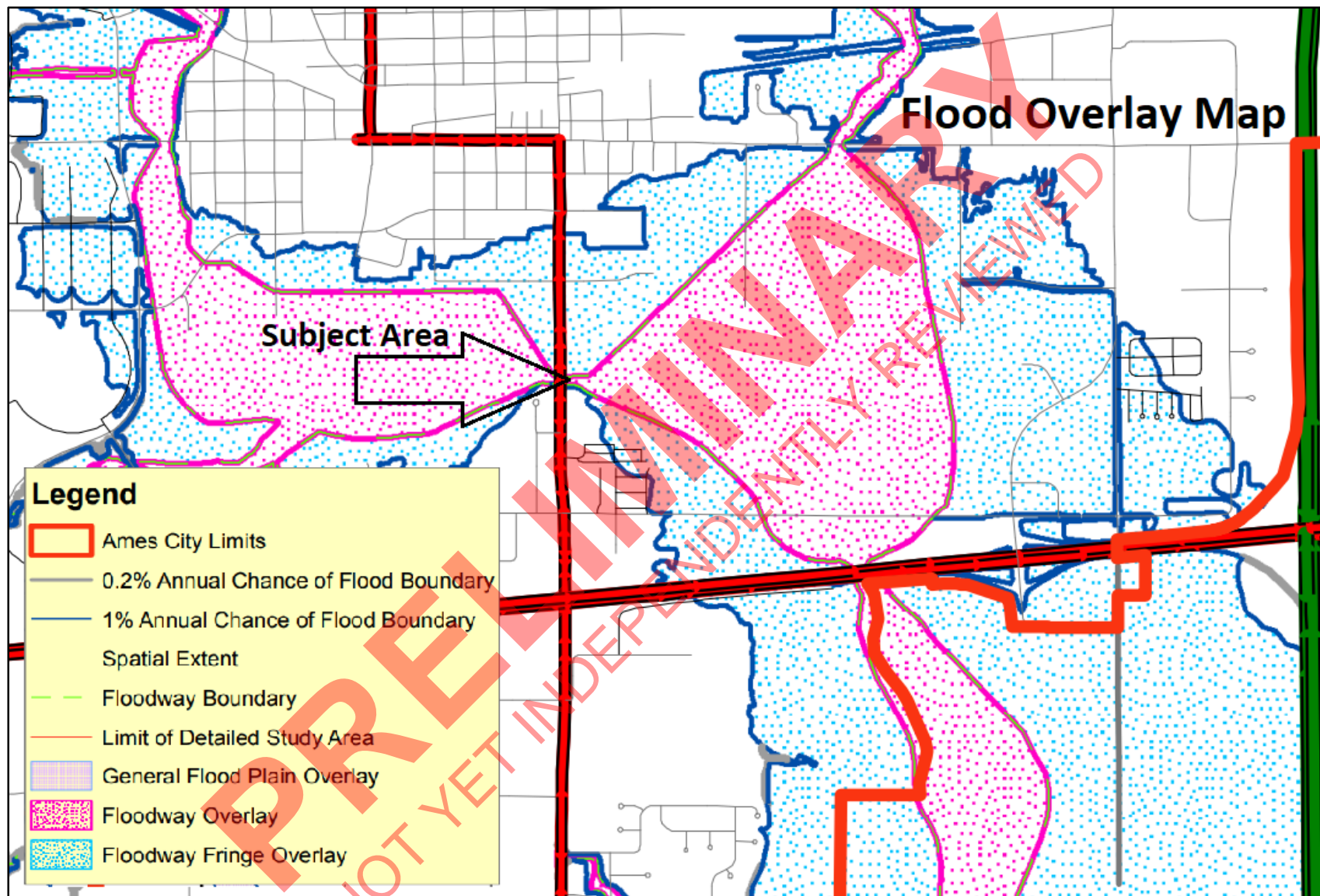


## FLOOD MAPS



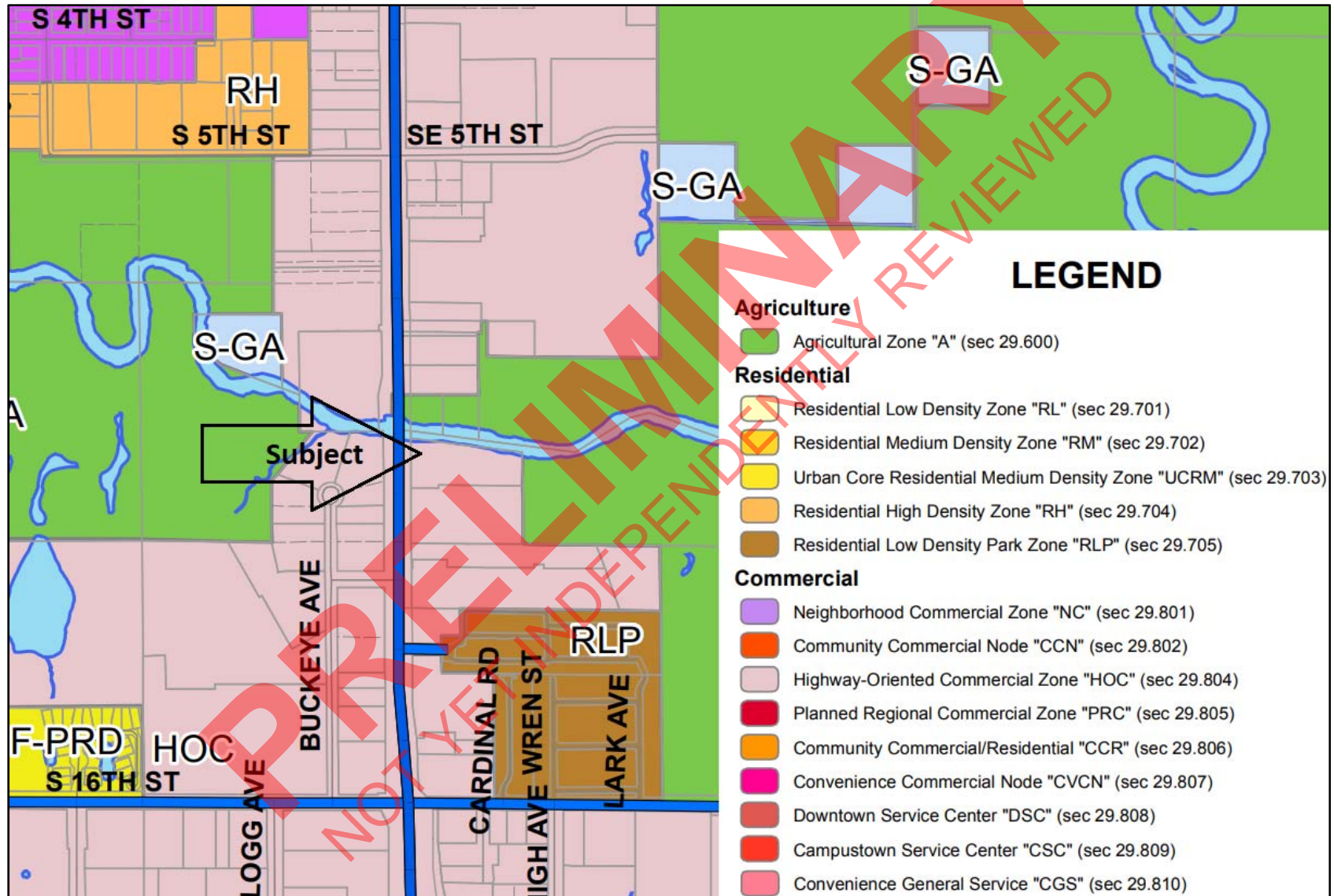








## ZONING MAP





## CERTIFICATION

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Daniel W. Dvorak has observed the subject property for this assignment.
- Nelson J. Jerabek has observed the subject property for this assignment.
- No significant professional assistance was provided to the person signing this report.
- As of the date of this report, Daniel W. Dvorak has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Nelson J. Jerabek has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Practicing Affiliates.
- We have not performed any real property services related to the subject property within the three year period immediately preceding acceptance of this assignment.

Daniel W. Dvorak, MAI  
Vice President  
State #CG02880

Nelson J. Jerabek  
Associate Real Estate Appraiser  
State #AG03441

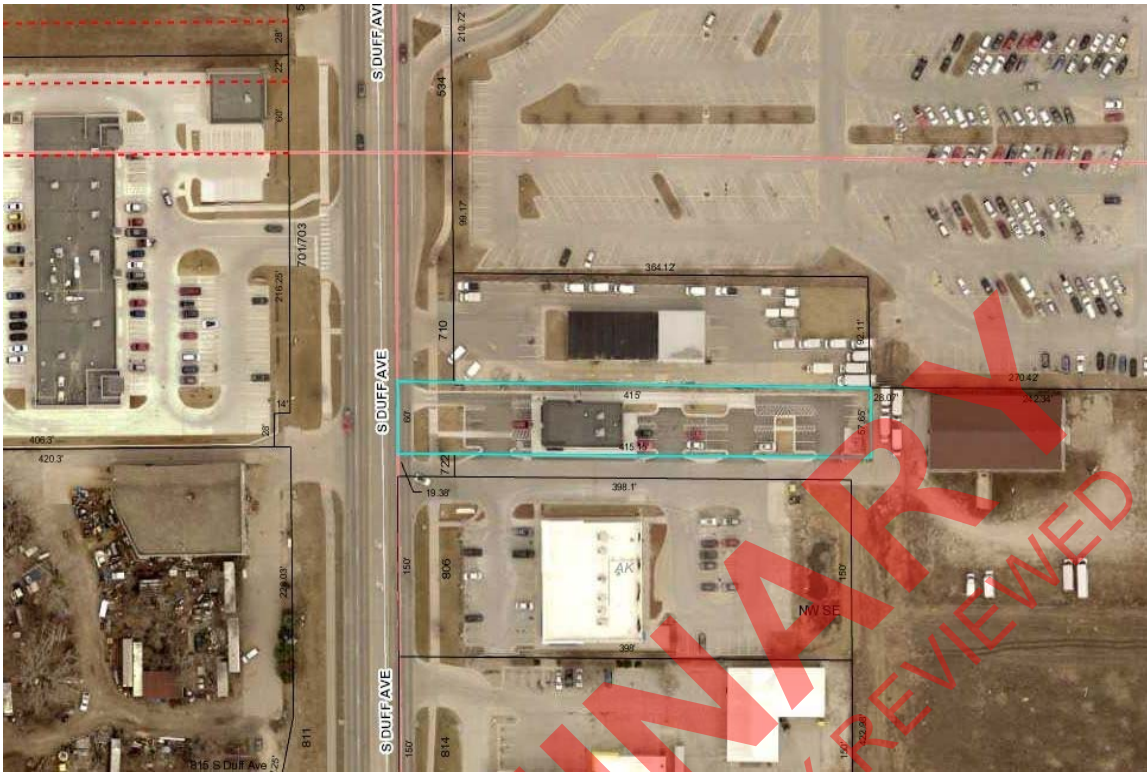


## COMPARABLE LAND SALES MAP 1016 Duff Avenue





## Comparable Land Sale 1



<b>Comp ID:</b>	<b>280034</b>	<b>Date:</b>	09-08-2015
<b>Address:</b>	716 S Duff	<b>Instrument:</b>	Warranty Deed
<b>City, State:</b>	Ames, IA	<b>Revenue Stamps:</b>	\$639.20
<b>County:</b>	Story	<b>Book/Page:</b>	2015/8880
<b>Land Area:</b>	21,902 SqFt, or .503 Acres	<b>Sale Price:</b>	\$400,000
<b>Shape:</b>	Rectangle	<b>Adjustment Up:</b>	\$9,360
<b>Topography:</b>	Level	<b>Adjustment Down:</b>	\$0
<b>Zoning:</b>	HOC: Highway Oriented Commercial	<b>Adj. Sale Price:</b>	\$409,360
<b>Utilities:</b>	All Available	<b>Sale Price/\$SF:</b>	\$18.69 per SF
<b>Access:</b>	Paved	<b>Sale Price/\$Acre:</b>	\$814,160 per Acre
<b>Highest/Best Use:</b>	Restaurant-Quick Service	<b>Grantor:</b>	716 S Duff, LLC
<b>Sale Conditions:</b>	Arm's Length	<b>Grantee:</b>	Rafferty Construction
<b>Terms:</b>	Cash	<b>Verified:</b>	Matt w/ Buyer
<b>Marketing Time:</b>	Not Marketed		
<b>Rights Conveyed:</b>	Fee Simple		
<b>Tax Parcel No:</b>	0911400080		
<b>Legal:</b>	Lengthy - please refer to file.		
<b>Remarks:</b>	<p>Site was improved with ±15,600 square feet of paving prior to sale but this appears to have been replaced. Adjustment up is for appraiser estimated paving demolition cost. Buyer constructed a Jimmy John's restaurant. Property is in Flood Zone AE, part of the 100-year floodplain. Many nearby properties in the flood zone have been developed after bringing in fill to raise the building pad, but buyer says the City permitted them to build this without bringing in fill. Instead, they installed flood doors in the building, which they describe as being similar in appearance to typical doors with additional seals.</p> <p>Lot has right-in, right-out only access to S Duff Avenue due to 2016 median project. Property adjacent east is to grant and construct easement connecting this and other properties to WalMart to get out to stop light on S Duff by October 2018, per City. However, this would be via a "backage" road.</p>		



## Comparable Land Sale 2



<b>Comp ID:</b>	<b>219066</b>	<b>Date:</b>	06-21-2013
<b>Address:</b>	705 S Duff	<b>Instrument:</b>	Warranty Deed
<b>City, State:</b>	Ames, IA	<b>Revenue Stamps:</b>	\$2,639.20
<b>County:</b>	Story	<b>Book/Page:</b>	2013-7352
<b>Land Area:</b>	85,077 SqFt, or 1.953 Acres	<b>Sale Price:</b>	\$1,083,451
<b>Shape:</b>	Rectangle	<b>Adjustment Up:</b>	\$90,000
<b>Topography:</b>	Level	<b>Adjustment Down:</b>	\$0
<b>Zoning:</b>	HOC: Highway Oriented Commercial	<b>Adj. Sale Price:</b>	\$1,173,451
<b>Utilities:</b>	All Public	<b>Sale Price/\$SF:</b>	\$13.79 per SF
<b>Access:</b>	Paved	<b>Sale Price/\$Acre:</b>	\$600,815 per Acre
<b>Highest/Best Use:</b>	Retail	<b>Grantor:</b>	Douglas Livy, Jr. and Wendy Livy
<b>Sale Conditions:</b>	Arm's Length	<b>Grantee:</b>	E-M Hunziker, LLC
<b>Terms:</b>	Cash	<b>Verified:</b>	Grantee
<b>Marketing Time:</b>	Unknown		
<b>Rights Conveyed:</b>	Fee Simple		
<b>Tax Parcel No:</b>	09-11-325-010		
<b>Legal:</b>	All the North 155.25 feet of the East 641 feet of the Northeast Quarter of the Southwest Quarter of Section Eleven, Township Eighty-three North, Range Twenty-four West of the 5th PM, Story County, Iowa except for the ditch and road across the East 93 feet of the aforesaid property. AND		

A part of the Southwest Quarter of Section Eleven, Township Eighty-three North, Range Twenty-Four West of the 5th PM, in the City of Ames, Iowa described as follows: Commencing at the NE Corner of the SW1/4 of Sec. 11-T83N-R24W of the 5th PM, in the City of Ames, Iowa, thence S 89°54' W, along the North line of said SW1/4, 641 feet, thence South 155.25 feet, thence N 89°54'E, 506.85 feet, thence South along the West line of Duff Avenue, 80 feet, thence S 89°54' W, 420.3 feet, thence South, 331.2 feet, thence N 68°44' W, along the approximate centerline of Squaw Creek, 92.5 feet, thence N 0°06' W, 377.85 feet to the point of beginning, except the South 19 feet of the East 14 feet. And beginning at a point on the quarter section line 235.25 feet South of the Center of Section Eleven, Township Eighty-three North, Range Twenty-Four West of the 5th PM, Story County, Iowa, thence West 513 feet, thence South 9 feet, thence East 513 feet, thence North 9 feet along the quarter



## Comparable Land Sale 2

**Remarks:**

section line to the Point of Beginning, except the East 107 feet thereof.

Purchased for assemblage with parcel adjacent north (see 206449). Buyer spent \$40,000 on demolition of building and paving and a total of \$75,000 for fill dirt on both assembled sites. Sale price is adjusted up for demolition costs and 2/3 of fill cost. Buyer said they will build-up the front portion of the site where a building will be constructed and will leave the back part of the site below flood elevation and only use for parking. Parcel adjacent north was purchased Aug. 2012 for \$15.02/sf. Combined sale price is \$13.37/sf, before adjustments. Adjusted sale price is \$14.41/sf.

S Duff Avenue median project changed some nearby properties to right-in, right-out access, but this property connects to S Duff via a traffic light, full intersection.

**PRELIMINARY**  
NOT YET INDEPENDENTLY REVIEWED





### Comparable Land Sale 3

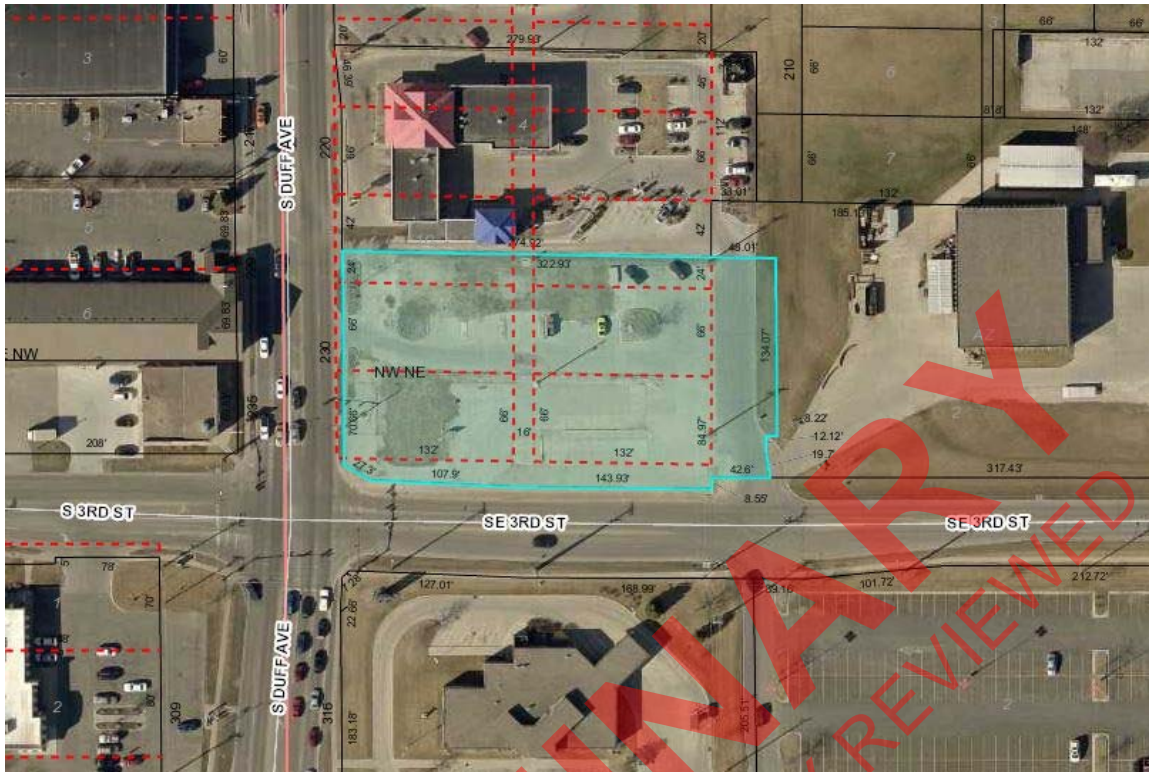


<b>Comp ID:</b>	<b>206449</b>	<b>Date:</b>	08-02-2012
<b>Address:</b>	551 S Duff Avenue	<b>Instrument:</b>	Corporate Warranty Deed
<b>City, State:</b>	Ames, IA	<b>Revenue Stamps:</b>	\$0.00
<b>County:</b>	Story	<b>Book/Page:</b>	2012/00008698
<b>Land Area:</b>	44,936 SqFt, or 1.032 Acres	<b>Sale Price:</b>	\$675,000
<b>Shape:</b>	Rectangle	<b>Adjustment Up:</b>	\$25,000
<b>Topography:</b>	Level	<b>Adjustment Down:</b>	\$0
<b>Zoning:</b>	HOC: Highway Oriented Commercial	<b>Adj. Sale Price:</b>	\$700,000
<b>Utilities:</b>	All Public	<b>Sale Price/\$SF:</b>	\$15.58 per SF
<b>Access:</b>	Paved	<b>Sale Price/\$Acre:</b>	\$678,565 per Acre
<b>Highest/Best Use:</b>	Retail	<b>Grantor:</b>	Pizzas on Duff, LLC
<b>Sale Conditions:</b>	Arm's Length	<b>Grantee:</b>	Blue Sky Properties, LLC
<b>Terms:</b>	Cash	<b>Verified:</b>	Chuck Winkleblack/Buyer & Agent
<b>Marketing Time:</b>	> 1 Year < 2 Years		
<b>Rights Conveyed:</b>	Fee Simple		
<b>Tax Parcel No:</b>	09-11-176-080		
<b>Legal:</b>	Lot Twenty (20) and the South Twenty-two (22) feet of Lot Nineteen (19) in Cayler's Second Addition to Ames, Story County, Iowa		
<b>Remarks:</b>	Former site of Happy Joe's Pizza. At the time of sale the building was completely demolished and the site was clear except for a small area of concrete paving. Buyer wants to develop for a national franchise. Site was purchased for assemblage with parcel adjacent south (see 219066). Buyer spent \$75,000 on fill for both sites. Sale price is adjusted upward for 1/3 of the cost representing this sites proportionate share. Combined sale price is \$14.41/sf, after adjustments. Buyer indicated front part of site will be raised above flood elevation and a building will be constructed but the back part of the site will remain below flood elevation and be used for parking only.		

S Duff Avenue median project changed some nearby properties to right-in, right-out access, but this property connects to S Duff via a traffic light, full intersection.



## Comparable Land Sale 4



<b>Comp ID:</b>	<b>235919</b>	<b>Date:</b>	04-29-2015
<b>Address:</b>	230 S Duff Ave	<b>Instrument:</b>	Limited Warranty Deed
<b>City, State:</b>	Ames, IA	<b>Revenue Stamps:</b>	\$2,399.20
<b>County:</b>	Story	<b>Book/Page:</b>	2015-3572
<b>Land Area:</b>	48,203 SqFt, or 1.107 Acres	<b>Sale Price:</b>	\$1,590,000
<b>Shape:</b>	Rectangle	<b>Adjustment Up:</b>	\$0
<b>Topography:</b>	Generally level, some sloping	<b>Adjustment Down:</b>	\$0
<b>Zoning:</b>	HOC: Highway Oriented Commercial	<b>Adj. Sale Price:</b>	\$1,590,000
<b>Utilities:</b>	All Public	<b>Sale Price/\$SF:</b>	\$32.99 per SF
<b>Access:</b>	Paved Street	<b>Sale Price/\$Acre:</b>	\$1,436,834 per Acre
<b>Highest/Best Use:</b>	Commercial	<b>Grantor:</b>	Great Southern Bank & JMH Corporation
<b>Sale Conditions:</b>	Arm's Length	<b>Grantee:</b>	Chick-Fil-A, Inc.
<b>Terms:</b>	Cash	<b>Verified:</b>	Agent - Kurt Friedrich
<b>Marketing Time:</b>	>3 Years		
<b>Rights Conveyed:</b>	Fee Simple		
<b>Tax Parcel No:</b>	09-11-204-005		
<b>Legal:</b>	Parcel "E" a part of Lots Nine (9), Ten (10), Eleven (11), Twelve (12), Thirteen (13), Fourteen (14) and the alley in Block Four (4), in Kingsbury's Addition to the City of Ames, Story County, Iowa, and a part of Lot Three (3) in the Northwest Quarter (NW 1/4) of the Northeast Quarter (NE 1/4) of Section Eleven (11), Township Eighty-three (83) North, Range Twenty-four (24), West of the 5th P.M., Sotry County, Iowa, as shown on the "Plat of Survey" filed in the office of the Recorder of Story County, Iowa, on March 11, 2008, as Inst. No. 08-02384, Slide 328, Page 1.		
<b>Remarks:</b>	Site was listed for 4-5 years with an asking price of \$1,900,000; this was the amount the seller had purchased it for in 2008. Offer was made and accepted in January 2014. The site was purchased by Valley Bank in 2008 for development of a new bank branch but decided not to build, it was not a distressed sale or acquisition via foreclosure. However, the FDIC had taken over Valley Bank in June 2014 and Great Southern Bank has assumed all of the deposits and customers of Valley Bank. Agent said this did not affect the sale price.		



### **Comparable Land Sale 4**

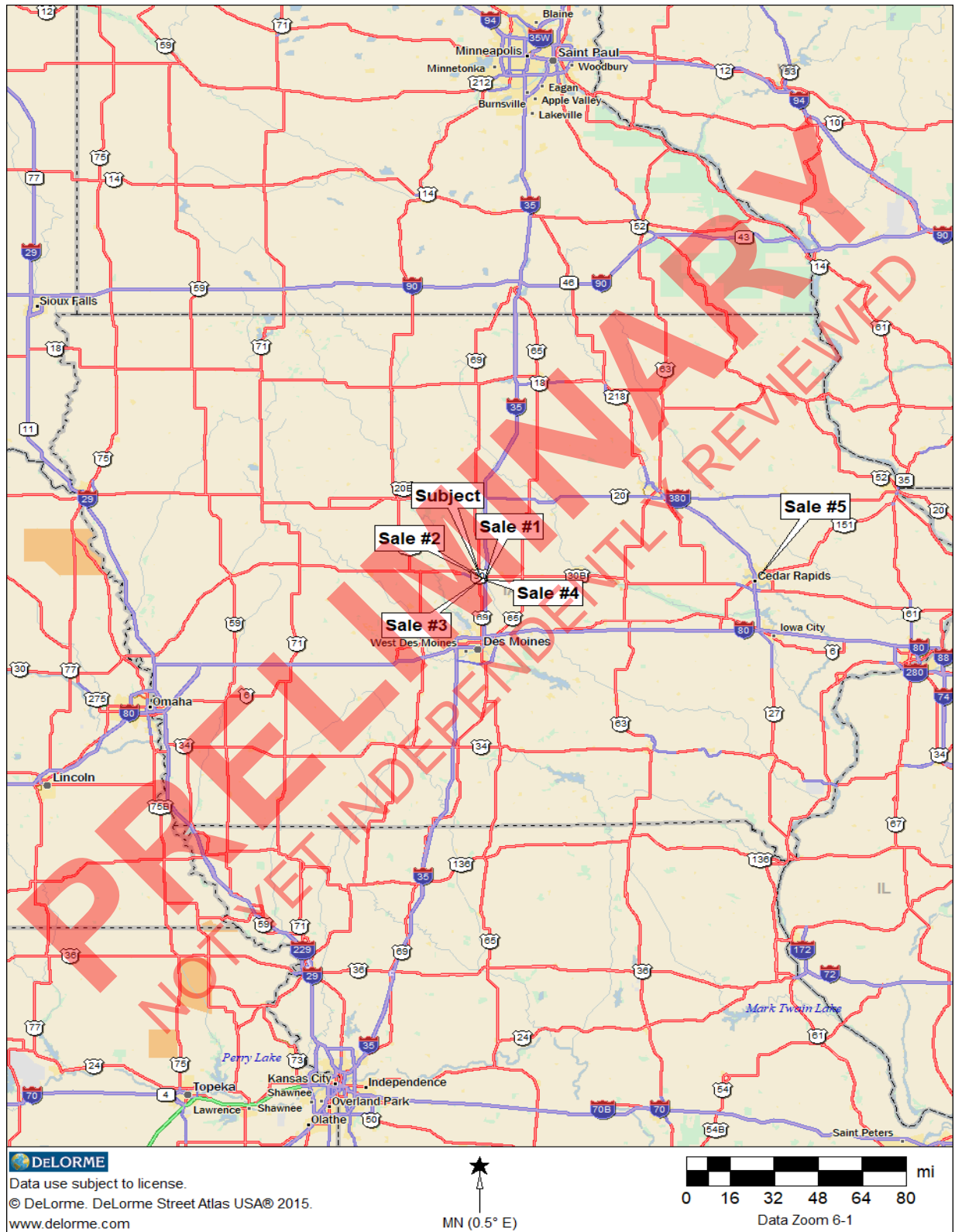
Buyer will develop with a Chick-Fil-A fast food restaurant. Site is outside of flood plain.

**PRELIMINARY**  
NOT YET INDEPENDENTLY REVIEWED



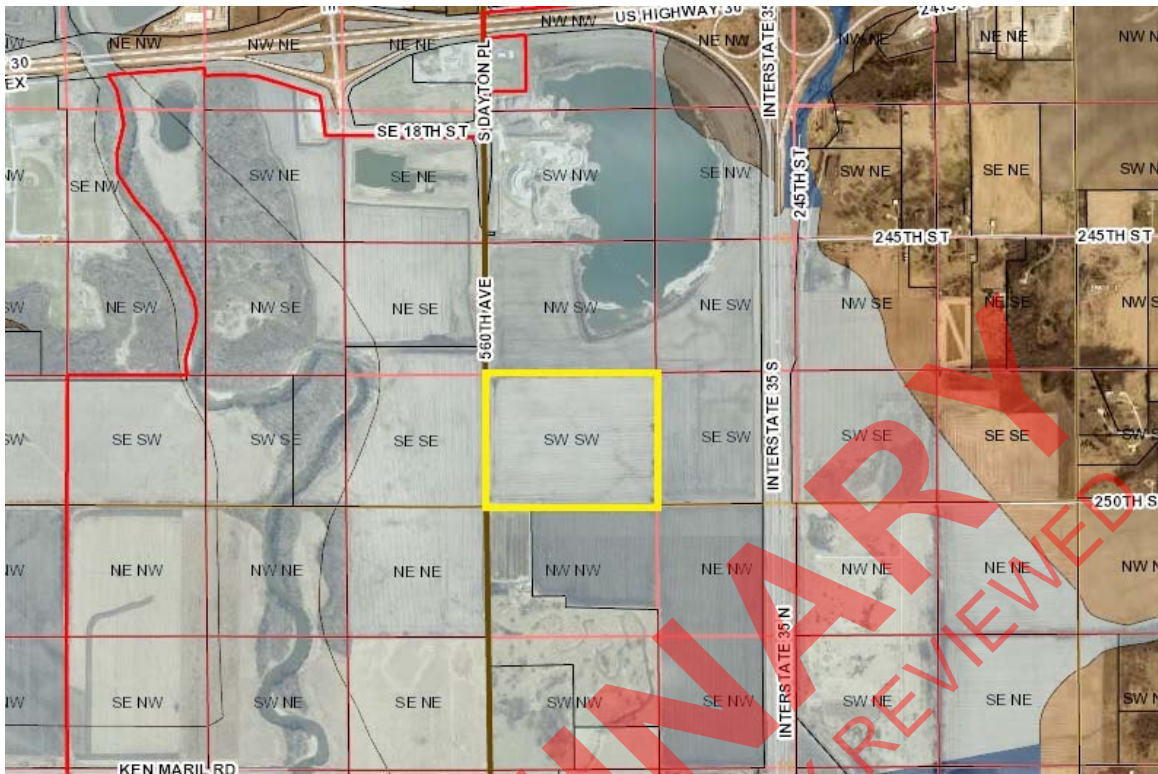


## COMPARABLE LAND SALES MAP 1008 Duff Avenue





## Comparable Land Sale 1

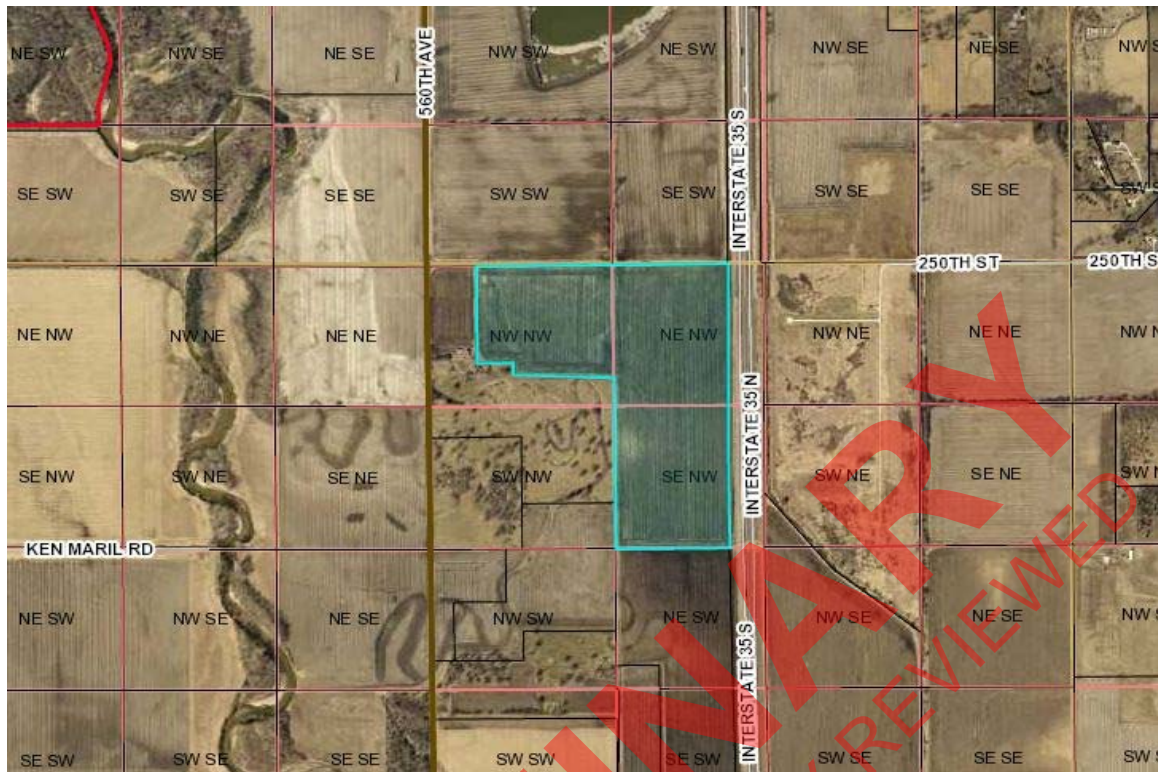


<b>Comp ID:</b>	<b>274385</b>	<b>Date:</b>	06-21-2017
<b>Address:</b>	3034 560th Ave	<b>Instrument:</b>	Trustee Warranty Deed
<b>City, State:</b>	Ames, IA	<b>Revenue Stamps:</b>	\$1,015.20
<b>County:</b>	Story	<b>Book/Page:</b>	2017-06188
<b>Land Area:</b>	2,101,334 SqFt, or 48.240 Acres	<b>Sale Price:</b>	\$635,000
<b>Shape:</b>	Rectangle	<b>Adjustment Up:</b>	\$0
<b>Topography:</b>	Level	<b>Adjustment Down:</b>	\$0
<b>Zoning:</b>	A-1: Agricultural	<b>Adj. Sale Price:</b>	\$635,000
<b>Utilities:</b>	Typical Rural	<b>Sale Price/\$SF:</b>	\$0.30 per SF
<b>Access:</b>	Gravel	<b>Sale Price/\$Acre:</b>	\$13,163 per Acre
<b>Highest/Best Use:</b>		<b>Grantor:</b>	Doris M. Plath Revocable Trust
<b>Sale Conditions:</b>	Arm's Length	<b>Grantee:</b>	Tanam Real Estate, LLC
<b>Terms:</b>	Cash	<b>Verified:</b>	Mark Gannon
<b>Marketing Time:</b>	Unknown		
<b>Rights Conveyed:</b>	Fee Simple		
<b>Tax Parcel No:</b>	10-18-300-300		
<b>Legal:</b>	SECTION:18 TOWNSHIP:83 RANGE:23 SW SW		
<b>Remarks:</b>	Entire site located in 100-year flood hazard. Site adjacent south of an active mine. Buyer operates adjoining mine. Refer to file for information about deposits and overburden.		





## Comparable Land Sale 2



<b>Comp ID:</b>	<b>239903</b>	<b>Date:</b>	12-30-2014
<b>Address:</b>	S Side 250th St. @ I-35	<b>Instrument:</b>	Contract
<b>City, State:</b>	Ames, IA	<b>Revenue Stamps:</b>	
<b>County:</b>	Story	<b>Book/Page:</b>	2015-00060
<b>Land Area:</b>	3,820,212 SqFt, or 87.700 Acres	<b>Sale Price:</b>	\$875,000
<b>Shape:</b>	Irregular	<b>Adjustment Up:</b>	\$0
<b>Topography:</b>	Level	<b>Adjustment Down:</b>	\$0
<b>Zoning:</b>	A-1: Agricultural	<b>Adj. Sale Price:</b>	\$875,000
<b>Utilities:</b>	Unknown	<b>Sale Price/\$SF:</b>	\$0.23 per SF
<b>Access:</b>	Gravel	<b>Sale Price/\$Acre:</b>	\$9,977 per Acre
<b>Highest/Best Use:</b>	Row Crops	<b>Grantor:</b>	Charles & Catherine Potter
<b>Sale Conditions:</b>	Arm's Length	<b>Grantee:</b>	Ag Land Specialist, LLC
<b>Terms:</b>	Cash	<b>Verified:</b>	Brian w/ Buyer (Concrete Tech Inc.)
<b>Marketing Time:</b>	Not Marketed		
<b>Rights Conveyed:</b>	Fee Simple		
<b>Tax Parcel No:</b>	1019100210		
<b>Legal:</b>	Parcel C in NW 1/4 Sec. 19-83-23 as shown on Plat of Survey 97-00299		
<b>Remarks:</b>	Area above is net taxable acres. Average CSR2 is 65.5 points/acre per Surety Maps. 86% of site is Zook Silty Clay Loam, per soil map. Site is in Flood Zone AE near Skunk River. Property sold on contract with 17.1% down (\$150,000), balance at 3 percent interest amortized over five years with annual payments. Contract does not permit prepayment.		

Not marketed publicly. Seller owns land next to buyer's land in Clarke County, so they know one another. Buyer says the fact that the sale was not marketed or auctioned publicly did not affect the sale price. They also say the contract terms did not affect the sale price, and that the property was sold on contract so the seller could spread their capital gain over multiple years.

Property just south of Highway 30 interchange on Interstate 35. Land nearby north is mined. Buyer says there may be mining potential on this site, but they do not intend to mine it (though they are in



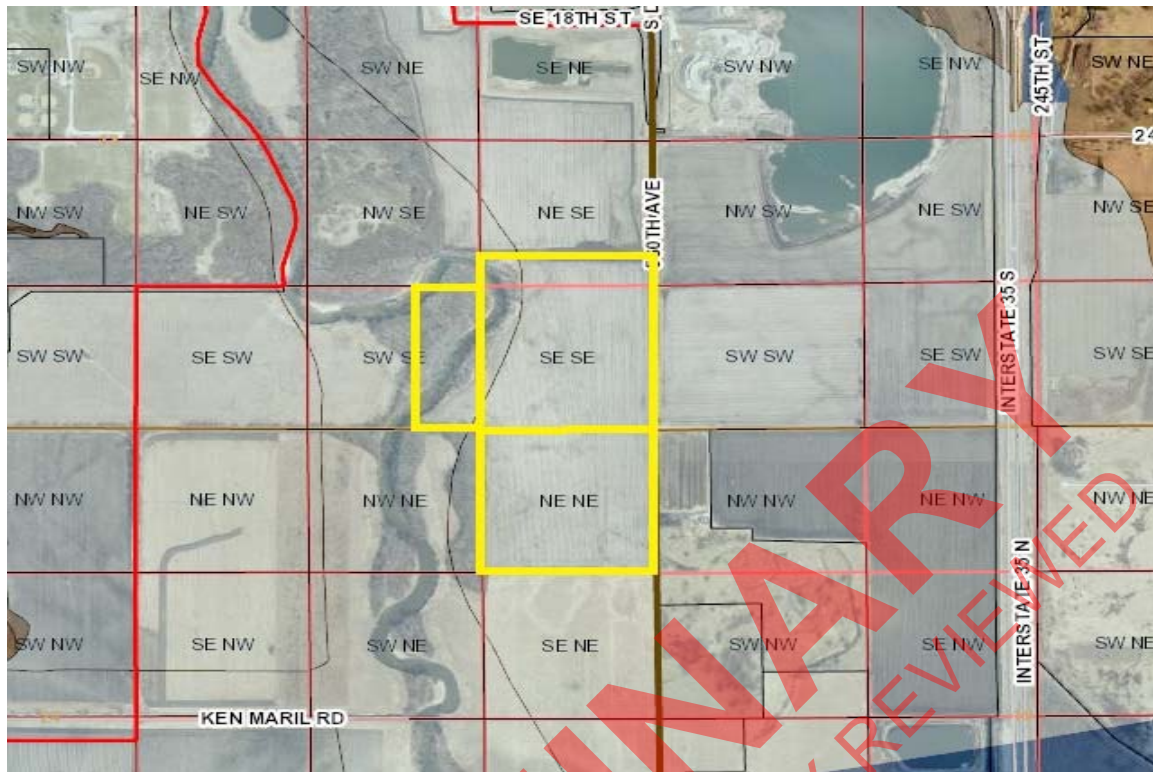
## Comparable Land Sale 2

the ready mix business) and they say potential to be mined did not affect sale. They bought the property as an investment. Buyer says they think the property has good upside and that they can get their money back out of it even if it is never mined.

**PRELIMINARY**  
NOT YET INDEPENDENTLY REVIEWED



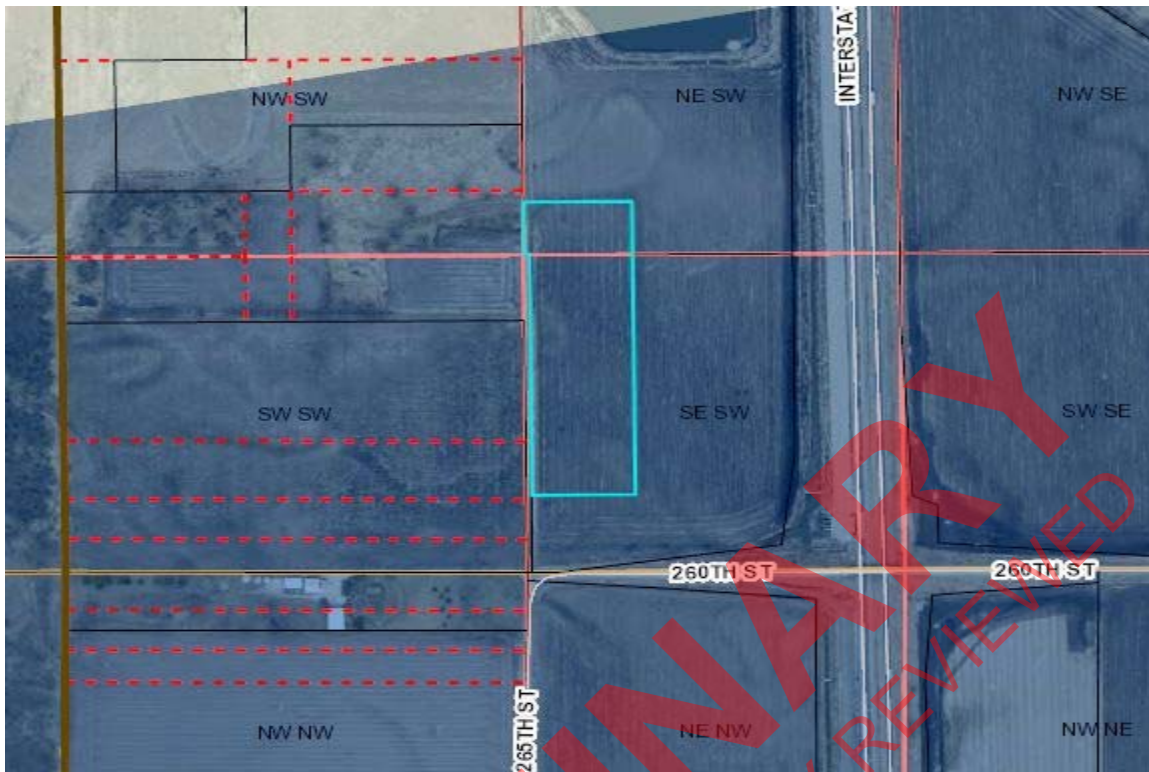
## Comparable Land Sale 3



<b>Comp ID:</b>	<b>274387</b>	<b>Date:</b>	05-22-2014
<b>Address:</b>	W of 3034 560th Ave	<b>Instrument:</b>	Warranty Deed
<b>City, State:</b>	Ames, IA	<b>Revenue Stamps:</b>	\$1,535.20
<b>County:</b>	Story	<b>Book/Page:</b>	14-03842
<b>Land Area:</b>	4,309,826 SqFt, or 98.940 Acres	<b>Sale Price:</b>	\$960,000
<b>Shape:</b>	Irregular	<b>Adjustment Up:</b>	\$0
<b>Topography:</b>	See Comments	<b>Adjustment Down:</b>	\$0
<b>Zoning:</b>	A-1: Agricultural	<b>Adj. Sale Price:</b>	\$960,000
<b>Utilities:</b>	Typical Rural	<b>Sale Price/\$SF:</b>	\$0.22 per SF
<b>Access:</b>	Gravel	<b>Sale Price/\$Acre:</b>	\$9,703 per Acre
<b>Highest/Best Use:</b>		<b>Grantor:</b>	Lowell & Debra Kingsbury
<b>Sale Conditions:</b>	Arm's Length	<b>Grantee:</b>	Manatt's Inc.
<b>Terms:</b>	Cash	<b>Verified:</b>	Grantor
<b>Marketing Time:</b>	Unknown		
<b>Rights Conveyed:</b>	Fee Simple		
<b>Tax Parcel No:</b>	09-13-400-410, 09-13-400-350, 09-24-200-200		
<b>Legal:</b>	Lengthy. See deed. S24 T83 R24		
<b>Remarks:</b>	Sale was a trade for land southwest of Kelley, Iowa. Grantor indicated recorded sale price is market value. Site purchased by entity who owns mine to the northeast. See rough file for LIDAR map.		



## Comparable Land Sale 4



<b>Comp ID:</b>	<b>274393</b>	<b>Date:</b>	05-10-2016
<b>Address:</b>	56311 260TH ST	<b>Instrument:</b>	Warranty Deed
<b>City, State:</b>	Ames, IA	<b>Revenue Stamps:</b>	\$119.20
<b>County:</b>	Story	<b>Book/Page:</b>	16-3983
<b>Land Area:</b>	435,600 SqFt, or 10.000 Acres	<b>Sale Price:</b>	\$75,000
<b>Shape:</b>	Rectangle	<b>Adjustment Up:</b>	\$0
<b>Topography:</b>		<b>Adjustment Down:</b>	\$0
<b>Zoning:</b>	A-1: Agricultural	<b>Adj. Sale Price:</b>	\$75,000
<b>Utilities:</b>	Typical Rural	<b>Sale Price/\$SF:</b>	\$0.17 per SF
<b>Access:</b>	Gravel	<b>Sale Price/\$Acre:</b>	\$7,500 per Acre
<b>Highest/Best Use:</b>		<b>Grantor:</b>	Marilyn Baldus
<b>Sale Conditions:</b>	Arm's Length	<b>Grantee:</b>	CG Lee, LLC
<b>Terms:</b>	Cash	<b>Verified:</b>	Mark Gannon (Grantee's Agent)
<b>Marketing Time:</b>	Unknown		
<b>Rights Conveyed:</b>	Fee Simple		
<b>Tax Parcel No:</b>	10-19-300-250		
<b>Legal:</b>	SECTION:19 TOWNSHIP:83 RANGE:23 E1/2 SW BEG 326.8' N & 16.53' E SW COR N997.2' W16.53' N218' E372' S1215.2' W355.5' TO BEG		
<b>Remarks:</b>	Site not listed for sale. Grantee approached Grantor. Buyer owned adjoining land.		





## Comparable Land Sale 5



<b>Comp ID:</b>	<b>258825</b>	<b>Date:</b>	04-22-2016
<b>Address:</b>	S of 40th Dr. SE, E of 1st Ave SE	<b>Instrument:</b>	Warranty Deed
<b>City, State:</b>	Marion, IA	<b>Revenue Stamps:</b>	\$319.20
<b>County:</b>	Linn	<b>Book/Page:</b>	9518/1
<b>Land Area:</b>	2,148,379 SqFt, or 49.320 Acres	<b>Sale Price:</b>	\$200,000
<b>Shape:</b>	Irregular	<b>Adjustment Up:</b>	\$0
<b>Topography:</b>	See Comments	<b>Adjustment Down:</b>	\$0
<b>Zoning:</b>	R-1: Low Density Single-Family Residential District	<b>Adj. Sale Price:</b>	\$200,000
<b>Utilities:</b>	All Near	<b>Sale Price/\$SF:</b>	\$0.09 per SF
<b>Access:</b>	Paved	<b>Sale Price/\$Acre:</b>	\$4,055 per Acre
<b>Highest/Best Use:</b>	Recreation/Conservation	<b>Grantor:</b>	OTB II, Ltd.
<b>Sale Conditions:</b>	Arm's Length	<b>Grantee:</b>	H. J. Bjornsen Family Trust
<b>Terms:</b>	Cash	<b>Verified:</b>	Greg Seyfer (Attorney)
<b>Marketing Time:</b>	Unknown		
<b>Rights Conveyed:</b>	Fee Simple		
<b>Tax Parcel No:</b>	141115300300000		
<b>Legal:</b>	Very lengthy, please refer to file.		
<b>Remarks:</b>	Unable to reach buyer or seller. Attorney who prepared deed is familiar with sale and confirmed price and acres shown by assessor (reported ±50 acres sold for \$200,000). He reports sale is arm's length and that the buyer purchased for green space/recreation. He said they may develop it some day but that would be far down the road.		

Property is wooded and bounded along its western and northern edges by Indian Creek. Land along creek is in a mixture of floodplain and flood way, but most of site is outside floodplain, per FEMA map. There is a steep slope in places along Indian Creek, but most of the rest of the site is gently sloping, per topo map and observations from public roads. County-owned land and Indian Creek Nature Center adjacent northeast.

Site is connected to public road right-of-way for Glenbrook Drive SE on its north Side, but using this



### **Comparable Land Sale 5**

would require accessing across Indian Creek. Based on trails observed on aerial photos, it appears site is being accessed from south end from end of Tama Street SE across property presently (Fall 2016) owned by Donna G. Reilly.

**PRELIMINARY**  
NOT YET INDEPENDENTLY REVIEWED



✓  
 Instrument: 2011- 00004038  
 Date: Jun 30, 2011 12:30:17P  
 Rec Fee: 20.00 E-Com Fee: 3.00  
 Aud Fee: .00 Trans Tax: .00  
 Rec Management Fee: 1.00  
 Non-Standard Page Fee: .00  
 Filed for record in Story County, Iowa  
 Susan L. Vande Kamp, County Recorder

INSTRUMENT PREPARED BY:	David W. Benson, 1416 Buckeye Ave., Ames IA 50010 (Tel: 956-3900)
RETURN DOCUMENT TO:	David W. Benson, 1416 Buckeye Ave., Ames IA 50010 - 8070 (211)

*Nyemaster Law Firm*  
*Ste. 200*

**EASEMENT**

**KNOW ALL PERSONS BY THIS INSTRUMENT:** That the undersigned, MKTM, L.L.C., an Iowa limited liability company, hereinafter referred to as the GRANTOR, for good and valuable consideration, does hereby grant unto the City of Ames, Iowa, a municipal corporation, its successors and assigns, hereinafter referred to as the GRANTEE, upon the conditions hereinafter recited, the perpetual right to enter upon the land hereinafter described as the Easement Area to construct, reconstruct, cover over, clean up, operate, use, maintain and repair the systems described for the uses set forth hereinafter over, upon, across and under the Easement Area. The Easement Area is a strip of land situated in Story County, Iowa, as shown on the final plat drawing of **Carney and Sons' Subdivision, First Addition to Ames, Story County, Iowa**, and described as Exhibit "A", attached.

The foregoing rights are granted by the Grantor and shall be accepted and exercised by the Grantee subject to the following terms and conditions:

- OBSTRUCTIONS PROHIBITED.** The Grantor, as the fee simple owner of the underlying real estate, and the Grantor's successors and assigns, shall not erect or place within the Easement Area any building or other structure or improvement or any trees, shrubs or other landscape plantings other than grass or comparable ground cover except with the prior written consent of the Grantee. The Grantee shall have the right to trim or remove trees and shrubs within the Easement Area to prevent damage to a utility service line of the Grantee located within the Easement Area.
- SEEDING.** Immediately following construction, reconstruction or repair work by the Grantee within the Easement Area, weather and season permitting, ground area with previously existing grass cover that is disturbed by such work shall be planted with grass seed in accordance with customary methods of soil preparation and planting by the Grantee.
- NONEXCLUSIVE EASEMENT.** The easement rights granted under this instrument to the Grantee are nonexclusive. This instrument shall not preclude the Grantor from granting similar easement rights to third parties upon terms and conditions that do not impair or diminish the rights granted under this instrument to the Grantee.

4. **TITLE WARRANTY.** The Grantor warrants to the Grantee that the Grantor holds the Easement Area by title in fee simple; that the Grantor has good and lawful authority to grant the easement rights herein provided for; and that the Easement Area is free and clear of all liens and encumbrances except as may be described in the Mortgagee's Subordination attached hereto.

5. **CONSTRUCTION.** Words and phrases used in this instrument shall be construed as in the single or plural number, and as masculine, feminine or neuter gender, according to the context. This instrument shall be governed exclusively by and construed in accordance with the laws of the State of Iowa. The paragraph headings in this instrument are for convenience only and in no way define or limit the scope or intent of any provisions of this instrument.

IN WITNESS WHEREOF the undersigned have executed this instrument on June 21, 2011.

MKTM, LLC.

By Thomas Carney

Thomas Carney, Member

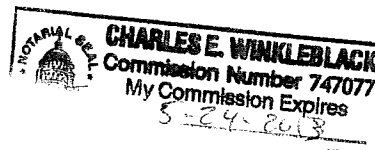
By Matt Carney

Matt Carney, Member

STATE OF IOWA, COUNTY OF STORY, SS:

On June 21, 2011, before me the undersigned, a Notary Public in and for said state, personally appeared Thomas Carney and Matt Carney, to me personally known, who, being by me duly sworn, did say that they are all of the Members of said **LIMITED LIABILITY COMPANY** executing the foregoing instrument, that said instrument was signed on behalf of said limited liability company by authority of its members and the said members acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company by it voluntarily executed.

Charles E. Winkleblack  
Notary Public





**CARNEY AND SONS' SUBDIVISION  
FIRST ADDITION  
AMES, STORY COUNTY, IOWA  
EASEMENT DESCRIPTIONS  
MARCH 2, 2011**

**PUBLIC UTILITIES EASEMENTS**

The East 25 feet of Outlot A;

IN, Carney and Sons' Subdivision, First Addition, City of Ames, Story County, Iowa.

**DRAINAGE EASEMENT - From the centerline of Squaw Creek to a line that is parallel with, and 20 feet South of the top of bank of Squaw Creek**

Lot 1; AND,

Outlot A;

ALL IN, Carney and Sons' Subdivision, First Addition, City of Ames, Story County, Iowa.

**ELECTRICAL UTILITY EASEMENT**

The West 50 feet of the East 51 feet of Outlot A,

IN, Carney and Sons' Subdivision, First Addition, City of Ames, Story County, Iowa.

**SANITARY SEWER EASEMENT**

Lot 1 - Commencing at the Northeast corner of Lot 1, Carney and Sons' Subdivision, First Addition to the City of Ames; Thence N82°38'28"W, 40.52 feet along the North line of said Lot 1 to the Point of Beginning; Thence S23°50'28"E, 101.37 feet to the East line of said Lot 1; Thence S00°30'53"E, 75.89 feet along the East line of said Lot 1; Thence N23°50'28"W, 189.09 feet to the North line of said Lot 1; Thence S82°38'28"E, 35.07 feet along the North line of said Lot 1 to the Point of Beginning; AND,

Outlot A - Commencing at the Northwest corner of Outlot A, Carney and Sons' Subdivision, First Addition to the City of Ames; Thence S82°38'28"E, 481.79 feet along the North line of said Outlot A to the Point of Beginning; Thence continuing S82°38'28"E, 35.07 feet long the North line of said Outlot A; Thence S23°50'28"E, 40.92 feet to the North line of Lot 1; Thence N82°38'28"W, 35.07 feet along the North

line of said Lot 1; Thence N23°50'28"W, 40.92 feet to the Point of Beginning on the North line of said Outlot A; AND,

Outlot A- Commencing at the Southwest corner of Outlot A; Thence S89°16'10"E, 131.94 feet along the South line of said Outlot A to the Point of Beginning; Thence N23°50'28"W, 333.14 feet to the West line of said Outlot A; Thence N00°30'53"W, 75.89 feet along the West line of said Outlot A; Thence S23°50'28"E, 416.42 feet to the South line of said Outlot A; Thence N89°16'10"W, 32.99 feet to the Point of Beginning on the South line of said Outlot A;

ALL IN, Carney and Sons' Subdivision, First Addition, City of Ames, Story County, Iowa.

#### **TEMPORARY INGRESS/EGRESS EASEMENT**

The South 20 feet of Lot 1;

IN, Carney and Sons' Subdivision, First Addition, City of Ames, Story County, Iowa.

**CARNEY AND SONS' SUBDIVISION  
FIRST ADDITION  
AMES, STORY COUNTY, IOWA  
PUBLIC DEDICATION  
MAY 5, 2010**

Lot A, Public Street (South Duff Avenue) to the State of Iowa.

Return to: David W. Benson, Nyemaster Law Firm, 1416 Buckeye Ave,  
Ste. 200, Ames IA 50010-8070 (env)

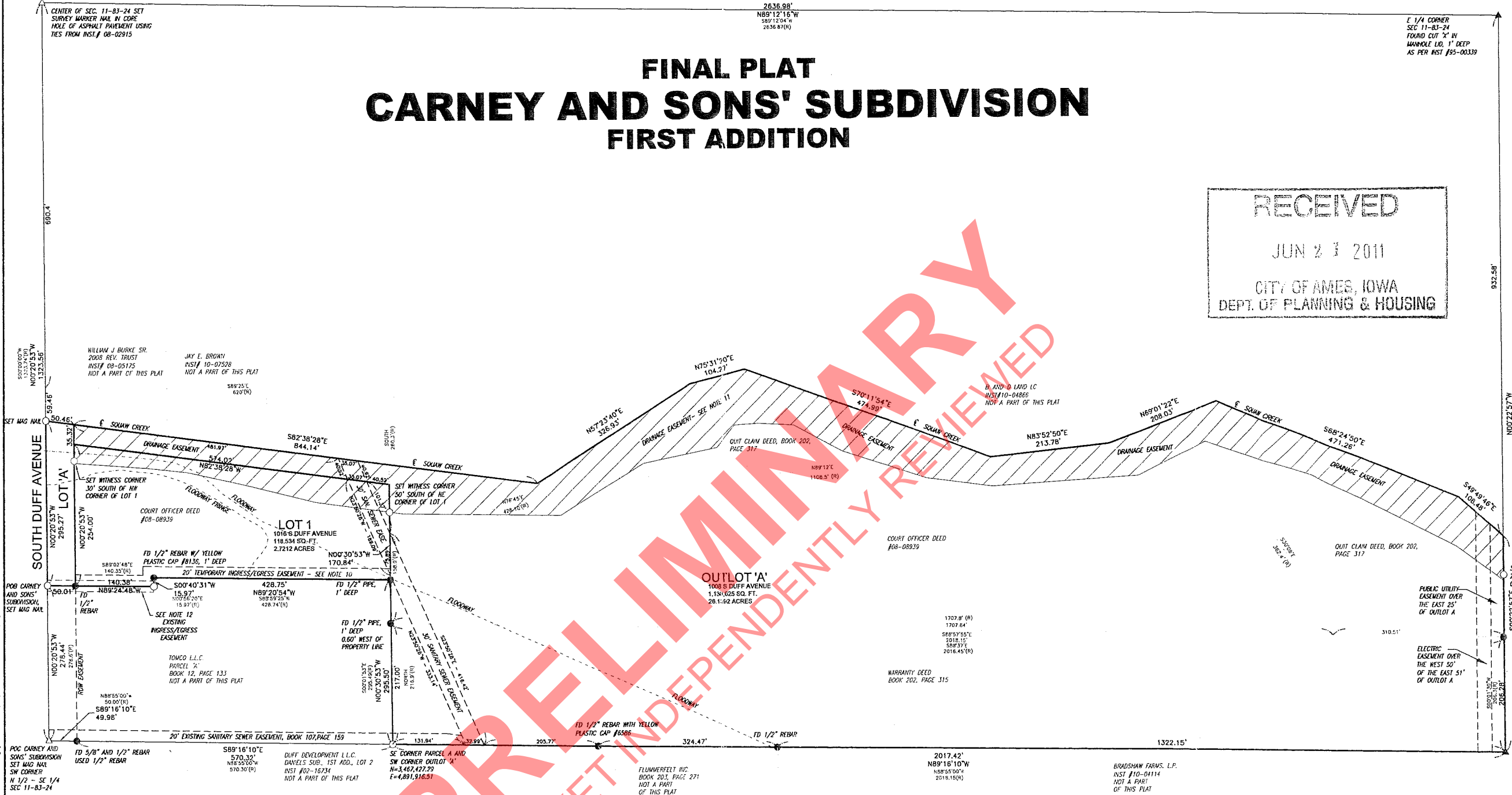
Instrument: 2011-00006037  
Date: Jun 30, 2011 12:29:26P  
Rec Fee: 50.00 E-Com Fee: 3.00  
Aud Fee: 5.00 Trans Tax: .00  
Rec Management Fee: 1.00  
Non-Standard Page Fee: .00  
Filed for record in Story County, Iowa  
Susan L. Vande Kamp, County Recorder

# FINAL PLAT

## CARNEY AND SONS' SUBDIVISION

### FIRST ADDITION

RECEIVED  
JUN 21 2011  
CITY OF AMES, IOWA  
DEPT. OF PLANNING & HOUSING



**CARNEY AND SONS' SUBDIVISION, FIRST ADDITION TO AMES, STORY COUNTY, IOWA:**  
ALL THAT PART OF THE NORTH HALF OF THE SOUTHEAST QUARTER (N 1/2 - SE 1/4) OF SECTION 11, TOWNSHIP 83 NORTH, RANGE 24 WEST OF THE 5TH P.M., IN THE CITY OF AMES, STORY COUNTY, IOWA, LYING SOUTH OF SQUAW CREEK; EXCEPT THE FOLLOWING:  
PARCEL 'A' OF THE NORTH HALF OF THE SOUTHEAST QUARTER (N 1/2 - SE 1/4) OF SECTION 11, TOWNSHIP 83 NORTH, RANGE 24 WEST OF THE 5TH P.M., IN THE CITY OF AMES, STORY COUNTY, IOWA, AS SHOWN ON THE 'PLAT OF SURVEY' FILED IN THE OFFICE OF THE RECORDER OF STORY COUNTY, IOWA, ON AUGUST 28, 1994, AS INSTRUMENT NUMBER 94-09700, IN BOOK 12 AT PAGE 133;  
THE PARCEL OF REAL ESTATE DESCRIBED ABOVE IS ALSO MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
COMMENCING AT THE SOUTHWEST CORNER OF THE NORTH HALF OF THE SOUTHEAST QUARTER (N 1/2 - SE 1/4) OF SAID SECTION 11; THENCE N00°20'53\"/>

**ALTERNATE LEGAL DESCRIPTION**  
(FROM COURT OFFICER DEED #08-08939)  
COMMENCING AT THE CENTER OF SECTION ELEVEN (11), TOWNSHIP EIGHTY-THREE (83) NORTH, RANGE TWENTY-FOUR (24) WEST OF THE 5TH P.M., IN THE CITY OF AMES, STORY COUNTY, IOWA, LYING SOUTH OF SQUAW CREEK; EXCEPT THE FOLLOWING:  
PARCEL 'A' OF THE NORTH HALF OF THE SOUTHEAST QUARTER (N 1/2 - SE 1/4) OF SECTION 11, TOWNSHIP 83 NORTH, RANGE 24 WEST OF THE 5TH P.M., IN THE CITY OF AMES, STORY COUNTY, IOWA, AS SHOWN ON THE 'PLAT OF SURVEY' FILED IN THE OFFICE OF THE RECORDER OF STORY COUNTY, IOWA, ON AUGUST 28, 1994, AS INSTRUMENT NUMBER 94-09700, IN BOOK 12 AT PAGE 133;  
THE PARCEL OF REAL ESTATE DESCRIBED ABOVE IS ALSO MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
COMMENCING AT THE SOUTHWEST CORNER OF THE NORTH HALF OF THE SOUTHEAST QUARTER (N 1/2 - SE 1/4) OF SAID SECTION 11; THENCE N00°20'53\"/>

(FROM QUIT CLAIM DEED, BOOK 202, PAGE 317 - NOTE THAT THE DEED LABELS PARCELS 1-4. THESE ARE NOT LEGAL PARCELS, BUT REFERENCES FROM THE DEED)  
ALL THAT PART OF THE NORTH HALF (N 1/2) OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION ELEVEN (11), TOWNSHIP EIGHTY-THREE (83) NORTH, RANGE TWENTY-FOUR (24) WEST OF THE 5TH P.M., IN THE CITY OF AMES, STORY COUNTY, IOWA, LYING SOUTH OF SQUAW CREEK; EXCEPT THE FOLLOWING:  
PARCEL 'A' OF THE NORTH HALF OF THE SOUTHEAST QUARTER (N 1/2 - SE 1/4) OF SECTION 11, TOWNSHIP 83 NORTH, RANGE 24 WEST OF THE 5TH P.M., IN THE CITY OF AMES, STORY COUNTY, IOWA, AS SHOWN ON THE 'PLAT OF SURVEY' FILED IN THE OFFICE OF THE RECORDER OF STORY COUNTY, IOWA, ON AUGUST 28, 1994, AS INSTRUMENT NUMBER 94-09700, IN BOOK 12 AT PAGE 133;  
THE PARCEL OF REAL ESTATE DESCRIBED ABOVE IS ALSO MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
COMMENCING AT THE SOUTHWEST CORNER OF THE NORTH HALF OF THE SOUTHEAST QUARTER (N 1/2 - SE 1/4) OF SAID SECTION 11; THENCE N00°20'53\"/>

- NOTES**
- CARNEY AND SONS' SUBDIVISION, FIRST ADDITION, IS LOCATED IN THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 11-83-24 OF THE 5TH P.M., CITY OF AMES, STORY COUNTY, IOWA
  - THE WEST LINE OF THE SE 1/4 BEARS N 00° 20' 53\"/>
  - TOTAL AREA OF ADDITION - 29.1958 ACRES.
  - LOT 'A', CONTAINING 14,615 SQUARE FEET, TO BE DEEDED TO THE STATE OF IOWA FOR STREET PURPOSES.
  - SOIL BORINGS ARE REQUIRED IN THE AREAS WITHIN THIS PLAT WHICH HAVE BEEN IDENTIFIED BY THE CITY OF AMES AS HAVING SOILS THAT MAKE CONSTRUCTION OF BUILDINGS DIFFICULT.
  - EASEMENTS AS SHOWN.
  - THIS SURVEY MEETS OR EXCEEDS IOWA CODE 355.8 (15).
  - COORDINATES SHOWN AT THE SW AND SE CORNER OF OUTLOT 'A', CARNEY AND SONS' SUBDIVISION, FIRST ADD., ARE STATE PLANE COORDINATE SYSTEM, IOWA NORTH ZONE (NAD 83). THE NORTH LINE OF CARNEY AND SONS' SUBDIVISION, FIRST ADDITION, IS THE CENTERLINE OF SQUAW CREEK.
  - NEW DRAINAGE EASEMENT THAT EXTENDS FROM THE CENTERLINE OF SQUAW CREEK TO A LINE THAT IS PARALLEL WITH, AND 20 FEET SOUTH OF THE SOUTH TOP OF BANK.
  - EXISTING INGRESS/EGRESS EASEMENT FROM BOOK 90, PAGE 176, 10 FEET ON EACH SIDE OF THE PROPERTY LINE.
  - AREA OF LOT 1, CARNEY AND SONS' SUBDIVISION IN THE DRAINAGE EASEMENT IS 21,221 SQ. FT.
  - THE STORMWATER MANAGEMENT PLAN WILL BE REVIEWED AT THE TIME THE SITE IS REDEVELOPED.
  - THE BASE FLOOD ELEVATIONS WILL NEED TO BE DETERMINED PRIOR TO ANY DEVELOPMENT ACTIVITIES.

**benesch**  
engineers • scientists • planners

**FINAL PLAT**

**CARNEY AND SONS' SUBDIVISION**  
**FIRST ADDITION**  
**AMES, IOWA**

REVISIONS	
NO.	DESCRIPTION

DATE  
JUNE 9, 2011

JOB NO.  
140030

SHEET NO.  
1/1



## DEFINITIONS

Unless otherwise noted, all definitions are those set forth by the Appraisal Institute, in the *Dictionary of Real Estate Appraisal*, Sixth Edition.

**Easement:** The right to use another's land for a stated purpose.

**Eminent Domain:** The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property.

**Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

**Going-Concern Value:** 1. An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*.

2. The market value of an established and operating business including the real property, financial assets, and the intangible assets of the business.

**Goodwill:**

1. Unidentifiable intangible assets.
2. The amount by which the acquisition price exceeds the fair value of identified assets.
3. The intangible asset arising as a result of name, reputation, customer loyalty, location, products, and similar factors not separately identified. (International Glossary of Business Valuation Terms)
4. The intangible asset arising as a result of elements such as name, reputation, customer loyalty, location, products, and related factors not separately

identified and quantified. (ASA Glossary)

**Grantee:** A person to whom property is transferred by deed or to whom property rights are granted by a trust instrument or other document.

**Grantor:** A person who transfers property by deed or grants property rights through a trust instrument or other document.

**Highest & Best Use:**

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permission, physical possibility, financially feasible, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal land Acquisitions)

**Leased Fee Estate (Interest):** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.





**Leasehold Improvements:**

Improvements or additions to leased property that have been made by the lessee.

**Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

**Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.

**Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.

**Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**Market Value:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>10</sup>

**Obsolescence:** One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external.

**Uniform Standards of Professional Appraisal Practice (USPAP):**

In the United States, professional standards, developed for appraisers and users of appraisal services by the Appraisal Standards Board of The Appraisal Foundation, that are required for use in federally related transactions. Compliance with USPAP is also required in certain appraisals by state certification and licensing boards.

<sup>10</sup> Source: Office of the Comptroller of the Currency, effective date August 24, 1990.

**Daniel W. Dvorak, MAI**  
***Vice President***

Dan joined Iowa Appraisal and Research Corporation in 2006. He is a Certified General Real Property Appraiser and a member of the Appraisal Institute. Dan provides expert witness services and is experienced in providing appraisals for a wide variety of property types including:

- Agricultural, commercial and residential land
- Multifamily, office, and industrial
- Rail corridor
- Religious facility
- Eminent domain appraisal
- Hospitality
- Car wash

**Education**

Iowa State University, College of Liberal Arts and Sciences  
Bachelor of Science, with Distinction, May 2006  
Majors in History and Economics

**Professional Affiliations**

Member, Appraisal Institute (MAI)  
Appraisal Institute, Iowa Chapter

**State Certification**

State of Iowa, Certified General Real Estate Appraiser, CG02880  
State of Minnesota, Non-Resident Appraiser: Certified General, 40363667

**Representative Assignments**

- ±3,500 Acre Farm Land Appraisal for Estate, Dallas County, Iowa
- Existing Church with Proposed Addition, ±50,000 Square Feet Total, Ames, Iowa
- Mixed Use Subdivision, ±35 acres, Norwalk, Iowa
- Hospitality Property, 285 Rooms, West Des Moines, Iowa
- Timberland Subject to Unique Deed Restriction, ±17 acres, Ames, Iowa
- Retail Center, ±35,000 Square Feet, Omaha, Nebraska
- Multiple Property Industrial Appraisal for Divorce, Ames, Iowa
- Office Building for Assessment Appeal, ±400,000 Square Feet, Des Moines, Iowa
- Multiple Property Eminent Domain Appraisal, Ottumwa, Iowa
- Automobile Dealership for Divorce, ±40,000 Square Feet, Johnston, Iowa
- Multiple Bank Branch Appraisal for Agent of FDIC, Various, Iowa
- Multifamily Appraisal, ±100 Units, Ames, Iowa



**Nelson J. Jerabek**  
***Real Estate Appraiser***

Since joining Iowa Appraisal and Research Corporation in January 2015, Nelson has completed additional education towards becoming a Certified General Real Property Appraiser. He is a practicing affiliate with the Appraisal Institute and is following the educational and work-related requirements to become MAI designated. Nelson has supervised experience in providing appraisals for a wide variety of commercial property types, including:

- Commercial and residential land
- Multi-family
- Office
- Retail
- Industrial

**Education**

University of Northern Iowa  
B.S. Finance, December 2014.  
B.S. Real Estate, December 2014.

**Professional Affiliations**

Practicing Affiliate, Appraisal Institute

**State Registration**

State of Iowa, Associate Real Property Appraiser, AG03411





## STATE CERTIFICATIONS



### STATE OF IOWA

IOWA DEPARTMENT OF COMMERCE  
PROFESSIONAL LICENSING AND REGULATION

THIS IS TO CERTIFY THAT THE BELOW NAMED  
HAS BEEN GRANTED A CERTIFICATE AS A  
GENERAL REAL PROPERTY APPRAISER

CERTIFICATE NO. CG02880

EXPIRES: 6/30/2018

DVORAK, DANIEL W.  
IOWA APPRAISAL  
1707 HIGH STREET  
DES MOINES, IA 50309



### STATE OF IOWA

IOWA DEPARTMENT OF COMMERCE  
PROFESSIONAL LICENSING AND REGULATION

THIS IS TO CERTIFY THAT THE BELOW NAMED  
HAS BEEN GRANTED A REGISTRATION AS AN  
ASSOCIATE GENERAL REAL PROPERTY APPRAISER

CERTIFICATE NO. AG03411

EXPIRES: 6/30/2018

JERABEK, NELSON  
IOWA APPRAISAL AND RESEARCH CORPORATION  
1707 HIGH ST.  
DES MOINES, IA 50309



## IOWA APPRAISAL AND RESEARCH CORPORATION PRIVACY NOTICE

The implementation of the Gramm-Leach-Bliley Act, effective July 2001, requires all financial service companies (including appraisers) to notify their clients of their (the company's) policies to protect your non-public information.

If you have questions, you can contact us at 515-283-0146.

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Iowa Appraisal and Research Corporation understands our clients' concerns about the privacy of their information collected by us. Our company is dedicated to protecting the confidentiality and security of nonpublic personal information we collect about our customers in accordance with applicable laws and regulations. This notice refers to the Company by using terms "us", "we" and "our". This notice describes our privacy policy and describes how we treat non-public personal information that we receive from our clients.

### WHY WE COLLECT AND HOW WE USE INFORMATION

We collect and use information for business purposes with respect to our real estate appraisal and consulting services. We gather this information to evaluate our clients' requests for property appraisal and consulting, and to process these requests according to the Uniform Standards of Professional Appraisal Practice, as well as particular requirements an appraisal reviewer may require.

### HOW WE COLLECT INFORMATION

Some information collected by us is provided by you, your lender, your attorney or CPA. We receive copies of purchase agreements, copies of income and expense information, copies of building costs and other pertinent information. We also obtain information from public sources, multiple listing services and other appraisers.

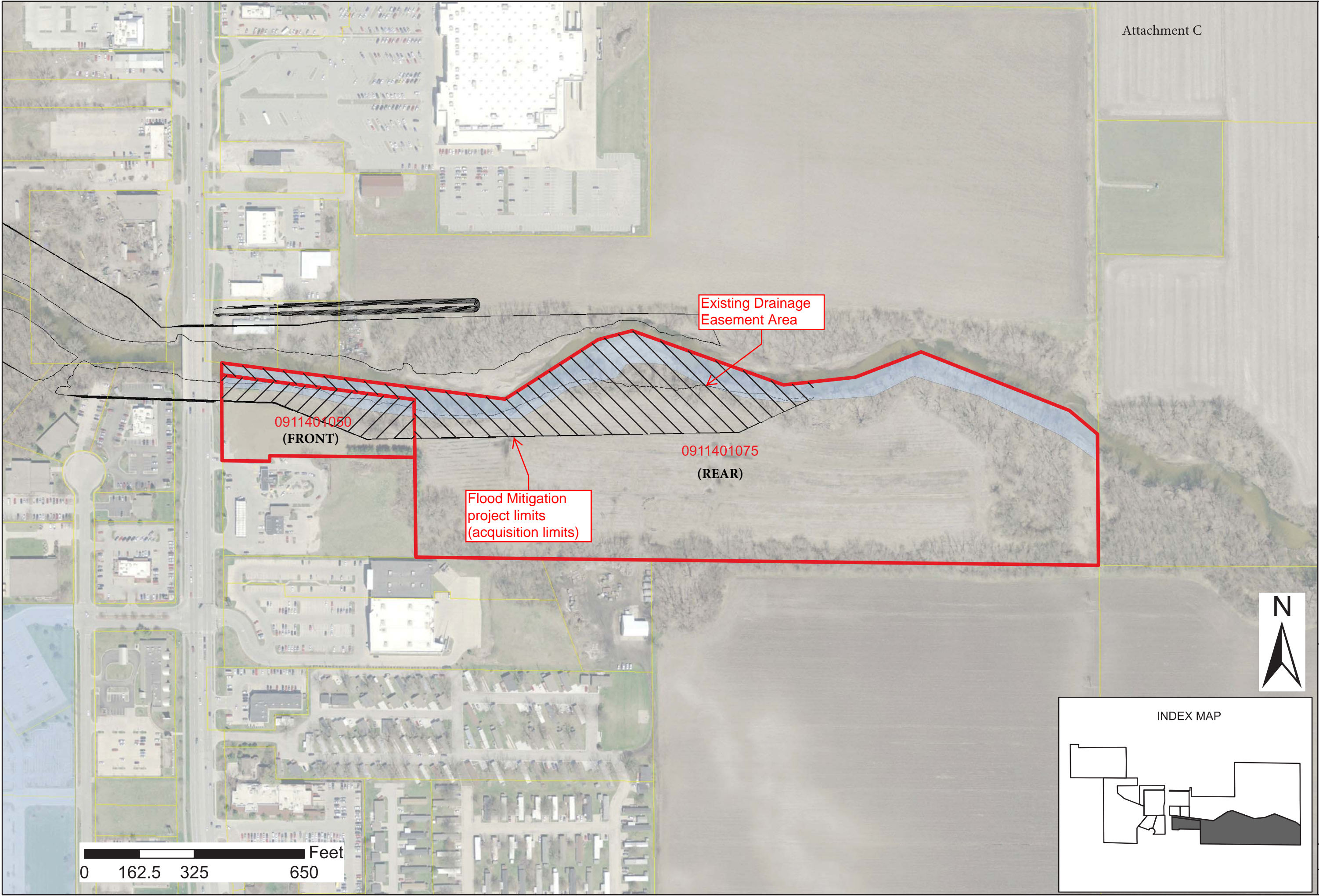
### HOW WE PROTECT INFORMATION

We require our appraisers and staff to protect the confidentiality of the information we receive from you. We also maintain physical, electronic, and procedural safeguards designed to protect information. When you, your lender, or your attorney orders an appraisal on your behalf, we hold this request in strict confidence. For example, we will not divulge to unrelated parties whether we are or whether we are not completing an appraisal for you. Once the appraisal document has been completed, we will not, unless requested by you, your lender/your attorney (see intended user section of appraisal report) divulge the results of this report to anyone other than the intended user.

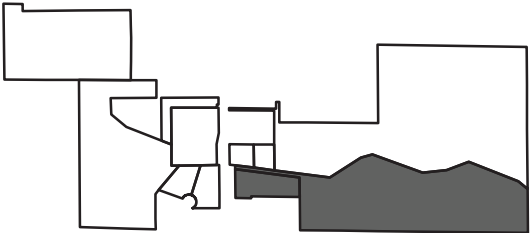
### TO WHOM INFORMATION MAY BE DISCLOSED

1. The intended users of our services
2. Peer review groups as may be required to continue our professional designations
3. Law enforcement, regulatory, governmental agencies, courts or parties therein pursuant to a subpoena or court order.
4. A review appraiser, performing a review of your appraisal





INDEX MAP





**COUNCIL ACTION FORM**

**SUBJECT:** AUTHORIZING THE USE OF EMINENT DOMAIN, IF NECESSARY, TO OBTAIN EASEMENTS AND ACQUIRE LAND FOR THE EAST INDUSTRIAL AREA UTILITY EXTENSION PROJECT

**BACKGROUND:**

The East Industrial Area Utility Extension Project consists of the extension of water and sanitary sewer to the recently annexed area east of Interstate 35. More specifically, it involves the installation of water main and gravity sewer between I-35 and Potter Ave (formerly 590<sup>th</sup>), and force sewer from Teller Ave (formerly 580<sup>th</sup>) to west of Freel Drive. As a result of this project, temporary and permanent easements are needed from 11 different property owners, and an approximately 2-acre parcel of land needs to be acquired (from 1 property owner) for a lift station and future water tower.

The 12 property owners were initially contacted by A & R Land Services, Inc. earlier this month, and as of November 14<sup>th</sup>, four have signed agreements, six are in progress, and two have so far refused. City staff will continue to work towards a resolution in all remaining cases. However, the use of eminent domain may be required as a last resort in order to move forward with this project.

**A bid letting in early spring 2019 is anticipated, therefore, authorizing the use of eminent domain (if necessary) is requested so that further delays in the land and easement acquisition process may be avoided.**

**ALTERNATIVES:**

1. Authorize the use of eminent domain, if necessary, to obtain easements and acquire land for the East Industrial Area Utility Extension Project.
2. Do not authorize the use of eminent domain at this time for the East Industrial Area Utility Extension Project.

**MANAGER'S RECOMMENDED ACTION:**

Staff will continue to make good faith efforts to negotiate land and easement acquisitions with property owners, but requests that eminent domain be authorized at this time to prevent any future delays. **The use of eminent domain is a power that the City only uses as a last resort to ensure that its ability to provide essential services for the community is not compromised by unrealistic expectations or demands.**

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



# MEMO

*Caring People ♦ Quality Programs ♦ Exceptional Service*

**Item: 21**

**To:** Mayor and City Council  
**From:** Brian Phillips, Assistant City Manager  
**Date:** November 27, 2018  
**Subject:** Story County Housing Trust

In the FY 2017/18 Budget adjustment process, the City Council included \$68,000 for the Story County Housing Trust (SCHT). These funds were a two-year commitment for the SCHT. There is no agreement outlining the expectations for the receipt of these funds. Staff has received a request to drawdown the second of these two payments.

City staff has requested that SCHT representatives attend this City Council meeting and provide an update of the activities and accomplishments of the SCHT. An outline of activities submitted by the SCHT is attached. **Once the update is delivered, City staff requests the Council consider a motion to authorize payment of the \$34,000 requested by the Story County Housing Trust.**

In FY 2018/19, the Council has allocated \$34,870 for the SCHT, and a contract outlines the requirements for the funds to be drawn down. Therefore, if SCHT meets the terms of the contract in this fiscal year, it may request funds and City staff may pay them without further action from the City Council.

*ATTACHMENT – Story County Housing Trust Accomplishments/Achievements (2017 & 2018)*

# **Story County Housing Trust**

## **Accomplishments/Achievements (2017 & 2018)**

- Task Force received certification as a Local Housing Trust Fund through the State Housing Trust Fund
- Retained Polk County Housing Trust Fund to provide administrative services and held 1<sup>st</sup> annual meeting Sept. 2017; elected a governing body according to the Bi-laws and Articles of Incorporation
- Applied for first State Housing Trust Fund (SHTF) grant- Oct 2017
- December 2017 awarded the maximum grant available from SHTF of \$239,313.00
- FY2017 matching funds required by the SHTF grant received nearly \$48,600.00 public (Includes City of Ames \$34,000.00 grant) and \$12,500.00 private donations
- FY2018 required matching funds pledged a little over \$60,000.00 (Includes City of Ames \$34,000.00 grant)
- Story County Housing Trust awarded \$185,000.00 in Owner-Occupied Repair grants to six organizations to provide repairs for homeowners with 60% or less of area median income:
  - ✓ Ballard Area OOR- "His Work Our Hands"
  - ✓ Collins OOR program- City of Collins
  - ✓ Gilbert Housing Repair & Rehab program- City of Gilbert
  - ✓ Habitat for Humanity of Central Iowa
  - ✓ Housing Repair & Rehab Assistance- Third Place, Inc.
  - ✓ Pre-Weatherization Renovation- Mid-Iowa Community Action, Inc.
- Owner-Occupied Repair contracts issued and projects started throughout the Story County
- SHTF grant application submitted for the maximum allocation of \$216,330.00
- FY2019 required matching funds needed is \$54,000.00 with pledges received of nearly \$48,000.00 (Includes the City of Ames \$35,000.00 grant)

Respectfully Submitted,

Lori Kauzlarich  
Story County Housing Trust  
10/3/2018

## Staff Report

**COMMUNITY INTERNET IMPROVEMENTS**

November 27, 2018

**BACKGROUND:**

At the City Council's 2018 Goal Setting Session, the Council adopted an objective to explore possible improvements in internet options for residents and businesses related to availability, reliability, cost, speed, customer service, and policy (e.g., net neutrality, broadband privacy).

The Federal Communications Commission (FCC) defines "broadband internet" as speeds exceeding 25 megabits per second (Mbps) download and 3 Mbps upload. The speeds offered by service providers in the Ames community vary from location to location. In some locations in Ames, the FCC indicates download speeds up to 1 Gbps (or 1,000 Mbps) are available. However, the speed of a particular customer's connection can be limited from one location compared to the next, depending on the infrastructure in place, the customer's own equipment, and—potentially—the activities of other users in the area. Therefore, the theoretical, or advertised speeds of an internet service provider can often be significantly greater than a user's actual speeds.

As internet users access increasingly greater volumes of data, greater speeds are required. For example, Netflix offers guidance regarding the minimum speeds recommended to access its content: 3 Mbps is recommended for standard definition quality streaming, 5 Mbps for high definition quality, and 25 Mbps is recommended for Ultra HD quality.

Home and business internet in Ames is provided by two main service providers: Mediacom, which offers cable internet service, and CenturyLink, which offers digital subscriber line (DSL) service. A third provider, ICS Advanced Technologies, provides internet services primarily for multifamily housing units throughout the community. Other providers generally have limited service in the community.

The ability for a customer within the community to access high-speed internet can dramatically vary depending on the particular location of that customer. Resources exist to identify the general internet providers that can service a location, such as the FCC's Broadband Map (<https://broadbandmap.fcc.gov/#/>). However, even this map indicates service providers who, when contacted for further details, often do not actually serve the selected address, or cannot serve the selected address with the advertised service levels.

City staff has inquired of the two major existing internet providers (Mediacom and CenturyLink) regarding whether maps can be provided outlining 1) the areas of the Ames community that have access to service, and 2) the available speeds of service where it



exists. This was in an attempt to better identify where gaps exist of residents who are unable to access any high-speed internet service.

**City staff met with Mediacom representatives on June 8<sup>th</sup> to request this information. Additionally, staff asked Mediacom to outline what the impediments were to providing access more universally through the community, and to identify any unique policies or initiatives in other communities within its market which have helped to improve service and satisfaction. Mediacom representatives indicated they would respond to the City's request for the information, and despite numerous attempts to gather it, City staff has not received a response with this data. Representatives from CenturyLink have not responded to a request for information or a meeting with City staff.**

### **RESIDENT FEEDBACK:**

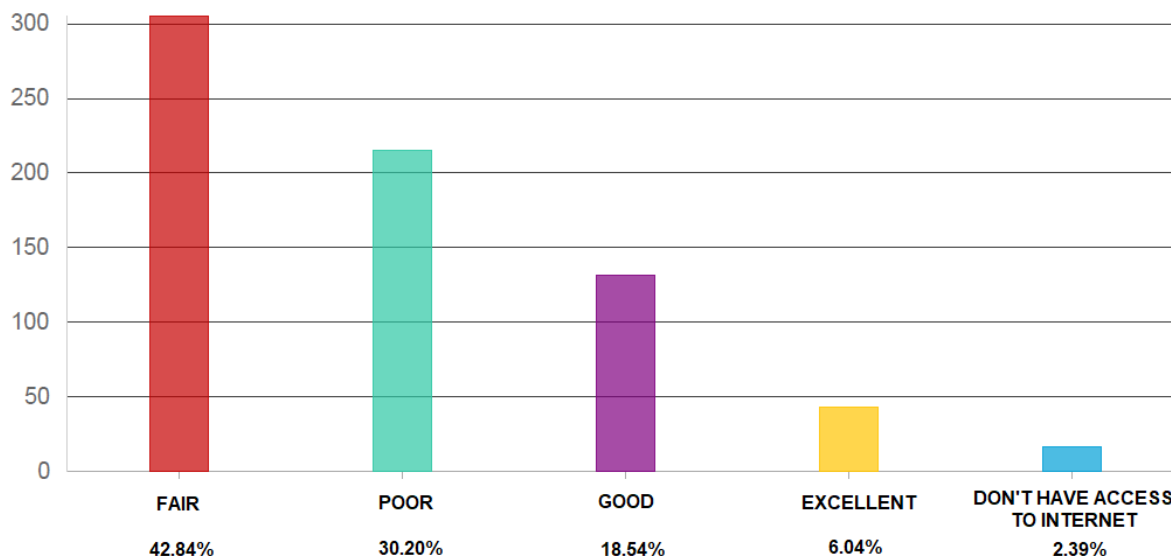
In response to a workshop held in 2017 with local internet providers, the City Council suggested gathering data from residents to help providers understand the potential demand for internet service in a way that could include geographic information.

#### **Online Survey:**

City staff created a survey linked to the City's website that mapped respondent location, and also collected information about participant satisfaction levels with internet access, dependability, reliability, and options. The survey, which was on the website in September 2017, attracted more than 700 participants with 54% reporting to be Mediacom subscribers, 35% from Century Link, with the remaining 11% selecting other providers.

Nearly two-thirds of participants (64%) were not satisfied with their internet speed and 70% were unsatisfied with their internet reliability. Only 36% expressed satisfaction with customer service, and 64% were not satisfied with cost. When asked if they were satisfied with their internet options, 85% of respondents said no. When asked to rate their internet service, 73% responded fair or poor, with the most common complaints being unreliable (34%) and too slow (31%).

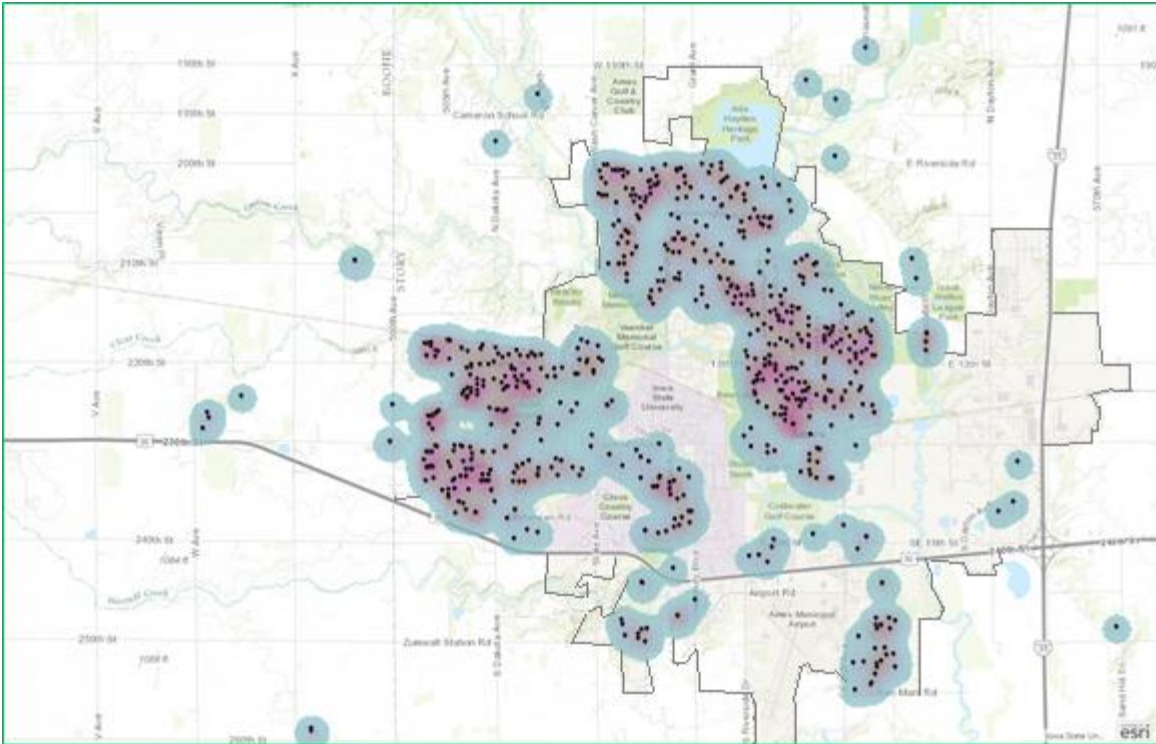
How would you rate your overall Internet service:



Monthly internet fees ranged from \$50 to \$75 for 42% of respondents, with 30% reporting \$30 to \$50. Only 15 percent were paying more than \$75 per month. When the 712 respondents were asked what amount they would pay to solve all internet concerns, 17% were willing to spend \$0-\$30 per month, 26% were willing to spend \$30-\$50 per month, 29% were willing to spend \$50-\$75 per month, and 14% were willing to spend more than \$75 per month (9% selected “other” and 5% had no response). Some comments included:

- *“I think the reliability for internet and phone should be a service component and not necessarily an added cost to make sure it is reliable. If we had more choices and competition in providers, we might get better.”*
- *“Right now I pay for 7 mbps, but I get closer to 1 mbps or less. I'd like to get the amount that was advertised. What I pay now (\$55/month) should get me much faster internet.”*
- *“I pay good money every month to have a good internet package that barely ever works. Mediacom pretends like nothing is wrong. Meanwhile that increase rates every year. For what? Not for faster internet that for sure. Need the whole city on fiber optic.”*

Several participants who responded to the survey did not actually live within the Ames corporate limits. When looking at those respondents within Ames, complaints appear to be coming from all parts of the City. In addition, accessibility can be inconsistent from house-to-house, with respondents on the same street saying they did and did not have a choice of providers. Each dot on the map below represents a survey respondent.



Additional comments include:

- *“We live in the heart of west Ames and Mediacom refuses to install cable for unknown reasons.”*
- *“I have no problem with the service of my current internet provider (Mediacom), but they are my only viable choice. Other providers' maximum speed is not fast enough. There can be no competition regulating prices if there is only one viable option.”*
- *“This should be a utility service at least. The internet is a necessity for anyone in school, holding a job, or seeking a job.”*

Summary information from respondents to the survey are attached to this report.

### **Focus Group:**

In October, City staff organized a focus group of residents to share their experiences and concerns regarding accessing internet at their homes in Ames. The focus group was organized for those Ames residents who have contacted Council Members regarding their internet concerns. Although staff reached out to approximately two dozen individuals, only twelve attended the hour-long focus group.

Seven of the participants specifically mentioned that they work from home and internet reliability was critical for their jobs. Two users are software engineers/developers; two work for Iowa State University and use VPN (Virtual Private Network) to download large

files; one does freelance editing and uploads/downloads large files; and another user does stock trading and his wife audits government health documents and requires a secure remote server.

The Mediacom users said they selected Mediacom as their internet provider primarily because they believed it was the only company that offered the high speed internet they desired. Many consider their selection of Mediacom as forced due to a “monopoly.” One participant, who works in real estate, noted there are new developments in Ames with no internet accessibility and no options. His concern was not his own internet connection, but with business decisions being made by a company with no competition and no incentive to invest in infrastructure.

- *“Providers are behind the curve. The City could be involved in order to connect developers with the ISPs (Internet Service Providers) so we know internet would be available. We need to extend the nodes and be ahead of the curve – not behind it. Unfortunately I see business decisions being made that result in poor customer service.”*
- *“Fast developing areas are skipped over for internet”*

Nearly every Mediacom user expressed that they were unhappy with their internet reliability and customer service. Additionally, several said they were frustrated at the constant “game” of negotiating a lower price after a rate increase.

- *“If you threaten to quit, they will negotiate with you. That doesn’t seem right.”*

Due to their internet needs, outages for many focus group participants were not just inconvenient - internet reliability affects their jobs. When outages did occur, the Mediacom users were frustrated at the lack of effective customer service.

- *“Sometimes my internet goes down on the weekend. I have no service, and I have to call and tell them it’s down, but all I get is a busy signal.”*
- *Multiple times a week, my internet stops working, and Mediacom blames me. I shouldn’t have to tell them I don’t have internet. They should know when I don’t have internet.*
- *“I do trading - sometimes rapid fire transactions - and reliability is huge. When we don’t have it, there are big problems.”*

The entire group rallied around the idea that internet should be considered a utility – no different than electricity or water. In fact, several participants said they would prefer to be a day without water rather than internet. All participants mentioned the growing need for connectivity including banking, shopping, healthcare, research, homework, and the huge growth in IoT (Internet of Things) such as appliances, thermostats, child/pet monitoring, and security.

- *“Essential needs are being met by the internet. As the demand keeps growing, reliability grows more important.”*

The group believed internet offered in Ames was inferior to residential service offered in other places, and that there are needed improvements to the infrastructure. It was suggested that the City of Ames consider implementing a “community standard” for Internet that would require certain technical minimums for service. Overall, the group consensus was that lack of fast, reliable internet was affecting the quality of life for Ames residents and was becoming a factor in where people are opting to live.

**It should be emphasized that both the online resident survey and the focus group provide perspectives from people who self-select to participate and are generally dissatisfied. Therefore, the results may not accurately reflect the feelings of the entire Ames community. More meaningful feedback should come from randomly selected internet users, designed to represent the larger community.**

### **MODELS OF CITY INVOLVEMENT IN INTERNET SERVICE:**

The lack of clear, publicly available data regarding the ability for each property within the community to be served by private internet providers makes it difficult to determine where non-served properties are. This in turn makes it difficult to determine what options might exist to improve access to service. This situation appears to be common in other communities where few private providers compete to provide service.

In response to this, some communities have chosen to enter the market as partners or service providers. Outlined below are four business models municipalities have utilized to develop their own broadband network and/or to encourage the deployment of broadband services. Each model presents its own opportunities and challenges. It is important to note that these models exist on a spectrum, and communities may combine aspects of various models to build their network and/or to encourage the deployment of broadband in their communities.

#### **Retail Model:**

In the retail model, the municipality provides services directly to end users. Such action requires the municipality to finance, build, and maintain the physical network infrastructure. The municipality competes with existing providers (if any) by managing the pricing, speed, customer service, and coverage. Since this model requires the most resources, municipalities that typically undertake this endeavor have their own electric utility and usually provide a type of FTTX (Fiber to the premises/home/building) system.

**This model offers the City the most control over internet access, service, speeds, and fees for the customer. It requires the largest infrastructure investment, therefore making it the costliest model. In addition, unlike other city utilities with protected service territories, the model will require the City to compete with private sector providers. Therefore, this model presents the greatest financial risk to the City.**

Comparable communities that have implemented this model include Wilson, NC (Greenlight), Ocala, FL (Ocala Fiber Network), and Taunton, MA (TMLP).

**Wholesale Services Model:**

Under the wholesale model, the municipality builds and operates a network for use by private sector internet service providers. The private providers pay for the use of the City-owned network infrastructure, which they use to reach their individual customers. Other agreements regarding who bills customers and terms of payment may also be negotiated. The types of agreements under this model vary and are unique to each municipality.

**In this model, the investment by the City is less than in the retail model, and also presents lower financial risk since there is not direct competition with private sector providers. This type of partnership limits the control the municipality has over price, speed, customer service, and coverage. In addition, there is no guarantee that the private sector providers will want to pay for the right to utilize the City-owned infrastructure, rather than build and own the network themselves.**

Comparable communities that have implemented this model include Eagan, MN (AccessEagan), Palm Coast, FL (FiberNET), and Centennial, CO (FiberWorks).

**Franchise Model:**

In the franchise model, the municipality provides private service providers access to conduit and to the public right-of-way in exchange for a franchise fee. In Ames, there is a franchise agreement with Mediacom for cable television (which shares much of the infrastructure Mediacom uses to provide internet services to its customers). However, there is no franchise agreement in Ames with providers for internet service.

In this model, the municipality has little to no control over coverage, prices, speeds and customer service. The City also has little to no investment cost. It should be noted that in Ames, there are already few policy barriers to using the right-of-way for private utilities. For example, no permit fees are charged to place non-City utilities in the right-of-way. Right-of-way users are only required to move their lines out of the way when they interfere with a City project in the right-of-way. In other communities, it is more common to reserve the right-of-way for City utilities or charge permit fees. In some communities, utilities such as telecommunications are required to obtain separate easements at their own cost. Therefore, this model would not likely make a substantial impact on internet access in Ames.

An example of this model is the City of Lincoln, Nebraska agreement with Allo Communications.

**Community Ownership and Deployment Model:**

Under the community ownership and deployment model, the municipality along with other community anchor institutions (e.g. university, hospital, school districts, DOT) co-invest to create a broadband network. A non-profit is typically formed from this coalition to oversee



the funding, deployment, and operations of the network as well as act as the internet service provider.

In this model, the initial investment and the risk is shared by the participating institutions. Local control of services is maintained by the community. However, identifying other entities with the same interest and willingness to finance a city-wide network may be difficult.

An example of this model is the collaboration between the University of Illinois and the cities of Urbana and Champaign (Urbana-Champaign Big Broadband (UC2B)).

## **LEGAL AND FINANCIAL ISSUES OF CITY-OPERATED INTERNET UTILITY**

Implementation of a retail or wholesale internet model as described above would likely take several years for substantial build-out of a network. Even then, there is no assurance that a municipal utility would be able to provide better service at a lower price compared to private providers. The steps required and some of the issues related to a City broadband utility are outlined below. These steps mostly apply to the retail model, but some are also applicable to a wholesale utility model.

### **Establishment of a Municipal Broadband Utility**

**Before any steps could occur towards establishing a City-owned utility through the retail or wholesale models, a feasibility study would need to be conducted.** Such a study would utilize professional expertise to identify the market for the various potential models of City-owned internet service, and to determine the thresholds of customers required to make the operation financially feasible.

Following a feasibility study, if the Council chooses to establish a broadband utility, Iowa law requires a referendum election, which may proceed on a simple majority. If the referendum fails, the ballot question may not be submitted to the voters again for a period of four years. The referendum can be called by a resolution of the Council or by the submission of a petition by eligible electors of the City equal to or greater in number than 10 percent of the number who voted in the last preceding regular City Council Election (Iowa Code 362.4). The structure of the governance of the broadband utility would also need to be decided (i.e., governed by a separate board or under the direction of the City Council).

### **Capital Funding of a Municipal Broadband Utility**

Establishing a broadband utility requires significant capital investment, and there are limited sources of funding for the City. General Obligation Bond funding requires passing a referendum and pledging of property taxes. A referendum to issue bonds requires 60 percent voter approval. The nature of a municipal broadband utility is significantly different than other City utilities. It is not an “essential service” like water, sewer, or electric and the City is not the only provider of service within our service territory. Because of this, it is highly unlikely that that City would be able to issue revenue bonds backed by the revenue of a municipal broadband utility.

The most practical financing option would be negotiated direct placement of debt or a bank loan. This type of financing requires a significant portion of capital for the new utility to be in the form of contributed equity from the City. Some communities have taken advantage of their electric utility and piggybacked on the electric utility's plans to build a city-wide network for services such as smart metering or smart grid technology. The remaining funds needed to complete an internet network would need to be borrowed for a municipal broadband utility.

The Council should note that internet infrastructure deployment that relies on the electric utility is limited to the electric service territory. In Ames, while the electric service territory covers most of the community, it does not extend to all Ames residents. In addition, there are no immediate plans to implement smart metering technology on a large scale for Ames Electric Services customers; it is likely that if pursued, smart metering could be accomplished in less costly ways without fiber infrastructure.

#### *Funding the Operations of a Municipal Broadband Utility*

Iowa Code section 388.10 strictly prohibits any operating subsidy for a municipal utility providing telecommunications services, which is defined by Iowa Code to include internet access services. A City that owns and operates a municipal broadband utility is required to prepare and maintain records to show the full cost of providing services including the cost of capital. The City must also adopt rates that reflect the actual cost of providing services. Any City operating a broadband utility is also required to make an annual certification of compliance with the Code section and review of compliance must be part of the annual audit. This could create financial and compliance problems for a utility with competitive service providers.

#### *Net Neutrality*

The City Council has also inquired about improvements to customer privacy and net neutrality. Net Neutrality required that internet service providers (ISPs) like AT&T, Verizon, CenturyLink, Mediacom, or Windstream treat all network traffic equally, not slowing or speeding up, or charging differently for any particular sites or content.

On February 26, 2015, the FCC's Open Internet Rules (Net Neutrality) went into effect, with the FCC designating the internet as a telecommunications tool. These rules prohibited internet service providers from blocking, throttling, or paid prioritization of internet traffic for both fixed and mobile broadband services. On December 14, 2017, the FCC voted to reverse the Net Neutrality rules, and on June 11, 2018, the Net Neutrality rollback officially went into effect.

The FCC repeal of Net Neutrality has the potential to turn the cable and telephone companies into gatekeepers creating fast and slow lanes on their fiber that connects to internet content. Although a locally operated internet infrastructure could be operated in a neutral manner, that infrastructure must connect to infrastructure operated by other internet service providers, who may provide preference to certain internet traffic. **Therefore, eliminating the preference when internet traffic reaches or leaves a local**

ISP may have little impact on net neutrality if the backbone of the system sets preferences on traffic.

### **POTENTIAL CITY POLICIES TO IMPROVE INTERNET SERVICE IN AMES:**

Short of pursuing one of the four internet service models reflected above, the City could explore policies that encourage private providers to provide service in the community. These could include:

#### **1. Accommodating internet fiber cabling in City electrical conduit**

When new underground electrical service is extended to Ames Electric Services customers, the conduit used could provide space for private internet providers to run fiber optic cables. Fiber optic cable is not affected by electrical interference, and the cost of putting separate conduit in the ground is a substantial cost barrier to extending internet infrastructure throughout the community. **Because this would be a new practice for Electric Services, there would need to be further study of the methods used to provide fiber access to electrical conduit.**

The City would have to determine whether to charge internet providers a fee for accessing the conduit or if the cost should be absorbed by the Electric utility. In addition, this service would not improve internet access to residents who live within Ames but outside the Ames Electric Services territory.

#### **2. Reduce or eliminate pole attachment fees for internet fiber cable**

Electric Services charges \$13.05 per pole, per month for a private service provider to attach cabling to a utility pole. There are approximately 6,200 City-owned poles in the community. Revenues from pole attachment fees assist with the cost to maintain and replace poles. In instances where attachment of more cables to the poles would cause the cables to be too close together or too near the ground, the service provider requesting the attachment is required to pay for the over-sizing of the pole. Telecommunications providers and other electric utilities use the City's poles to carry their cables.

**The City could explore whether reducing or eliminating the pole attachment fee would encourage internet service providers to fill in service in areas where it does not exist.** Staff would need to explore what affect this would have on the Electric utility's finances and whether any state or federal regulations would apply to this policy decision. Staff would further need to explore whether it would be permissible to charge a different fee for a telecommunications provider compared to another electric provider.

### **3. Implement subdivision requirements to provide high-speed internet service**

The City's subdivision code identifies the expectations for a developer to bring streets, sewers, water, streetlights, and other infrastructure into an area. The City Council could require that a developer also provide access to internet service as a condition of subdivision. Mediacom representatives have indicated that in most developments, the developer contacts Mediacom to arrange for infrastructure to be installed when utilities are being installed.

Requiring some type of high-speed internet access to be installed by the developer would ensure that new subdivisions in the community are able to be served. The City could explore setting standards for internet speeds and infrastructure to be installed. This approach would not resolve gaps in internet access in existing subdivisions, and it may increase the cost to provide housing in the community (if the assumption is that the developer would not already ensure internet access as part of the project).

#### **NEXT STEPS:**

Now that this initial background report has been provided, direction from the City Council is required. The core questions for the Council to answer are:

**Does the City Council wish to pursue community internet improvements as a major policy initiative at this time?**

**If yes, the Council will need to answer further questions regarding what service model(s) to explore, what City policies to consider amending, and/or what other information is needed to assist the Council in deciding its next steps?**

**Should the Council choose to explore a retail or wholesale internet service model, the initial steps should be to 1) determine the cost of a feasibility study, 2) allocate funds for the study, 3) prepare and distribute a Request For Proposals for a study, and 4) hire a consulting firm to conduct the feasibility study to determine the market, costs, revenues, and other information that must be identified before a final decision is made by the City Council.**