

*A new approach toward residential and commercial development for Ames*

To: City Council and Staff

From: Kurt Friedrich & Luke Jensen on Ames Development

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Ames is our home. It's a wonderful place to live, work, raise families, and have community. We know that because we are already here...the barriers to getting here years ago didn't exist as they do now. The barriers are high and the stakes have never been higher. Ames is increasingly not competitive with housing products and pricing compared to surrounding communities. We are not keeping as many of the people who work here as we should. It would be arrogant and prideful to think that if we do not change our approach...and continue with the status quo....that Ames will be able to compete for these potential residents effectively.

We need a new approach, a new mind-set, toward development in Ames. Without this kind of change our housing choices will remain inadequate and overly expensive. Without change Ames will not be competitive with surrounding communities in terms of pricing and product offerings. Without change we will miss out on the opportunity to capture more of the people who work in Ames and give them compelling housing/retail choices to keep them in our community. Without this change, we ultimately lose the great benefit of having more quality individuals and families staying in Ames and participating in our civic organizations, our churches, our schools, supporting our businesses and establishing new ones...moving Ames forward in the future as a vibrant and welcoming place to be.

Ames can borrow from some of our nearby communities and consider different approaches to development that have been proven successful. We can and must adopt "best practices" that have been implemented elsewhere and are successfully changing the landscape of development and residential/commercial offerings in these communities. These changes act as a gap filler, not an entitlement, to help match the costs with the market realities.

Consider Ankeny. The City pays for "Pioneer infrastructure" such as intersections, road improvements, and utility extensions. This relieves the developer of significant costs that can then be redirected into the developments in terms of creating larger selection of lots and housing options within the developments at competitive price points across a range of demographics.

We believe that time is of the essence to discuss new approaches as the City and Council advances the State Street project, and as we forge ahead with the 2040 Comp Plan review.

We need to "get in the ballgame" and work harder to find ways to deliver more competitively priced housing in Ames. This will go a long way to attracting individuals and families to not only work in Ames, but to LIVE in Ames.

We specifically ask Council and staff to explore the use of 1)TIF (tax increment financing) to fund Pioneer infrastructure in NOT JUST commercial, but also residential development. TIF

utilized in a residential neighborhood allows a community to establish a funding mechanism for specific infrastructure improvements, and in addition, will help fund low-moderate income housing in the community (such as down payment, remodeling, and financing assistance) which could directly be applied to the State Street project or other initiatives at Council's discretion.

2)To review the way it has approached rural water buyouts. 3)To consider extensions of utilities into areas desirable for expansion in our community (as was done industrially with the sewer extension). 4)Consider other available tools/resources as it applies to incentivizing desired residential/commercial development, i.e. Tax Abatement.

These are tools that can be implemented in specific areas, with specific time limitations, using NEW TAX REVENUES, to help stimulate more development=variety and increased inventory of housing, and competitive pricing. We ask that Council would evaluate TIF and other development tools available related to all future development. Council, Ames needs you to embrace new approaches. We are humbled to be part of this community and to help meet the housing and commercial needs of Ames over the last 90+ years. We look forward to working with you to build a bright future filled with opportunity for coming generations.

This is a critical moment in Ames' history. We can choose to embrace change, be a player, and compete for families to be a part of our community. Or we can choose the status quo. Let's be a player. Thanks for your leadership.

Respectfully,

Kurt Friedrich & Luke Jensen

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