

COUNCIL ACTION FORM

SUBJECT: IOWA REINVESTMENT DISTRICT PROGRAM PRE-APPLICATION

BACKGROUND:

In October, representatives from the Ames Economic Development Commission informed City staff that the State Legislature had authorized an additional \$100 million for the Iowa Reinvestment District Program. City staff is familiar with this program since back in 2014 the City was approached by a developer from Kansas City, Missouri to consider utilizing this incentive program to help finance a Dinosaur Park along S.E. 16th Street as a regional attraction for the City.

The Reinvestment Program consists of a pre-application which must be filed between February 22-25, 2021. Provisionally approved pre-applicants are invited to submit a final application with updated design and financial plans before February 2022. **In December 2020 the City Council directed staff to prepare a pre-application for this program that focuses on Downtown and Lincoln Way projects, including a Downtown Plaza, Indoor Aquatics Center, and private redevelopment projects.** Given that that application deadline is in late February, it was understood that the staff would have to scramble to obtain the necessary information needed to include in an application.

THE IOWA REINVESTMENT DISTRICT PROGRAM:

The State's Reinvestment District Program is designed to assist communities in developing transformative projects that will improve the quality of life, create, and enhance unique opportunities, and substantially benefit the community, region, and state. The program provides a pool of \$100 million of new state hotel/motel tax and sales tax revenues to be awarded in this round.

This incentive program is administered by the Iowa Economic Development Authority (IEDA) and awards are based on a competitive process. The selection criteria include:

Component	Potential Points
Project Uniqueness	25 Points
Economic Impact	25 Points
Project Feasibility	10 Points
Capital Investment	10 Points
Funding Leverage	10 Points
Non-Retail Focus	10 Points
Additional Factors (Readiness for development, geographic diversity, and funding need)	10 Points

It should be understood that this incentive does not come in the form of an upfront grant. Rather, only the state portion of the new hotel/motel (5%) and sales

(4%) taxes that are actually generated in a City Council-approved Reinvestment District and Urban Renewal Area will be rebated each year over a twenty-year period to help fund a project. **Therefore, should the City be successful in receiving this incentive, the City will have to issue General Obligation (G.O.) Bonds for the total amount needed to fund the aquatics center, minus any donations received, with the expectation that the annual principal and interest payments due for this bond debt would be partially abated with the sales and hotel/motel tax revenues rebated from the state.**

An important factor in estimating the value of the Reinvestment District incentives is the timing of improvements that start the 20-year clock for receiving the rebated taxes. This date is known as the commencement date and is based upon the completion of the project with the greatest capital investment, which at this time is estimated to be hotel in the Mixed-Use development.

Rather than offer the Reinvestment District incentive revenue to the developer to finance the construction of the mixed-use buildings north of Lincoln Way between Clark Avenue and Kellogg Avenue, the City's goal in seeking Reinvestment District revenue is to generate these state incentive funds to help mitigate the property tax increase for the construction of a new indoor aquatics center for the City.

PROPOSED REINVESTMENT DISTRICT BOUNDARIES:

The Reinvestment District Program requires that a proposed district not exceed 75 contiguous acres. Attachment 1 reflects the boundaries of the proposed district and location of the five projects. By maximizing the size of the district, the City will be able to capture any new state hotel/motel and sales tax revenues, up to the initial amount awarded by IEDA from any new projects that are identified in the City application.

PROPOSED PROJECTS:

The five projects included in the City's pre-application are as follows:

1. Indoor Aquatics Center

This facility will consist of a 43,700 sq.ft., two story building located north of Lincoln Way directly across from the Iowa Department of Transportation Headquarters. The estimated cost of this new facility is \$27,494,000. The facility will house a six-lane, 25-yard lap pool, two slides, zero depth entry recreational pool with a play structure and adjoining current channel, therapeutic pool, walking track, and multi-purpose room.

Approximately \$515,666 in retail sales tax will be generated for the Reinvestment District from activities at this site over the 20 year period. Staff believes this project would not be completed any sooner than 2023. (Attachment 2)

2. Downtown Plaza

The plaza will be located in the parking lot across from City Hall in the heart of Downtown with amenities such as water features for the summer months, an ice-skating feature for the winter months, sitting areas with benches and swings, kinetic sculpture(s), decorative art wall, stage/shelter for small performances, and areas for street vendors. The City held a community meeting in January to review the proposed concept and solicit public feedback. The presentation and summary of public feedback is on the Planning Division webpage for the [Downtown Plaza project](#).

This project is included in the current Capital Improvements Plan with a budget of \$2.7 million dollars, with an additional \$1,000,000 available from General Fund savings in FY 2020/21 for a total of \$3.7 million. Design can begin this year with construction in 2022. The current estimated cost of this project is \$4,200,000 based upon the final cost estimated by our consultant, Confluence. The current estimate includes generous placeholders for the refrigerated ice system, support building, public art, design fees, and contingency. Staff believes during final design the final cost will be more in line with the budgeted \$3.7 million. Attachment 3

While no Reinvestment District Program revenue will be earmarked for the Plaza, the investment in this project should generate greater evaluation points for this local contribution.

3. Onondaga Development (Burnett and 5th)

The Nelson family plans to rehabilitate the existing building at the SE corner of 5th and Burnett (330 5th Street). The City awarded façade grants and the property owner was awarded a State Challenge Grant. The substantial rehabilitation of this building allows for the new businesses that occupy the renovated space to be revenue generating establishments for the Reinvestment District.

No additional incentives or use of Reinvestment District funds are anticipated for this project. The property owner has started rehabilitation work on the ground floor and plans to pursue adding apartments above the existing commercial space as well. The project is estimated to be completed in fall of 2021 or early 2022. Staff estimates potentially \$2,262,880 in rebated sales tax over 20 years from this project with the building fully utilized as restaurant and retail space.

4. Lincoln Way Mixed-Use Development

This project would be the primary source of Reinvestment District tax revenue. Although this site (Lincoln Way to Gilchrist Street from Clark Avenue to Kellogg Avenue) has been discussed for redevelopment for a number of years, there is not a final approved project for the site. The potential developer has been working with the majority landowner in the area to prepare a concept for the site to include in the pre-application (Attachment 4). The description of the project includes the following components:

- Full-Service Hotel - 136 rooms
- Conference space within Hotel - 20,000 square feet
- One Hotel Restaurant – 6,450 square feet
- Two Restaurants - 6,470 square feet

Retail/Restaurant -14,500 square feet
Apartments - 72 dwellings, principally 1 bedroom
Office - 84,000 square feet divided between two buildings
Parking - approximately 600 spaces

Due to the size of this project and issues related to hotel development during the Covid-19 pandemic, the project will be built in phases. Staff has included development of office space as the first phase occurring in 2023 with the hotel, restaurants, and retail uses occurring in 2024. Staff estimates the hotel will generate \$6,227,379 in hotel tax revenue and the retail/restaurants will generate \$9,058,423 in rebated sale tax through the Reinvestment District. Note that these estimates assume collecting a full 20 years of revenue from each project component. **Depending on the commencement date of the District and the phasing of the project, the City may not be able to collect the full twenty years of state tax revenue.**

The developer intends to propose the use of Tax Increment Financing (TIF) to help fund the project. TIF would be based upon the incremental increase in taxable property value created by the project and would be “rebated” back to the developer as defined in a development agreement. The developer also is interested in discussing options for City participation in owning/operating public parking facilities that would help support the development. **Due to the conceptual nature of the plans and discussion there are a number of unknowns about the ultimate financing plan for the project and agreement with the City on specific incentive and design issues.**

It appears from the initial discussions that the developer is seeking approximately \$25 million from this TIF incentive. Although the City has not agreed to an incentive package, for purposes of submitting the pre-application, the City has included the maximum TIF request permitted under Urban Renewal laws, 20 years at 100%.

Upon submittal of the pre-application the developer will continue to work with City staff to refine a specific proposal for City Council review this Spring. **In addition to the TIF incentive, a major issue remains regarding the parking plan in terms of its financing, location(s), and ownership.** One of the options is to consider locating some of the parking in a public garage north of the railroad tracks and connecting it to the south with a pedestrian bridge compared to locating all of parking to the south. Although this option creates an ideal linkage, it is a more expensive option.

5. Kellogg Hotel (East of Kellogg)

The properties on the east side of Kellogg Avenue from Lincoln Way to the railroad tracks are under a single ownership. The property owner, who is different than the Lincoln Way Mixed-Use developer, indicates that he believes redevelopment of this site is viable upon the completion of the Lincoln Way project to the west. The project would be a hotel of approximately 100 rooms with 14,000 square feet of ground floor retail. Due to timing of this project being dependent on the completion of the hotel in the Lincoln Way mixed-use development to the west, it is estimated to be built in 2029 and contribute 15 years of tax revenue to the Reinvestment District at a value of \$3,463,635. (Attachment 5)

FINANCIAL PROJECTIONS:

It is important to note that that in order to build the indoor aquatics center, the City will need to issue General Obligation Bonds in an amount equal to the total estimated cost of the aquatics center project minus the amount of cash that will be injected into this project from the Winakor bequest and major donations received before the facility opens. Provided below are the current estimates related to financing the proposed new indoor aquatics center.

Estimated Aquatic Center Construction Budget	Revenues	Expenses
Aquatics Center Current Cost Estimate		\$27,494,000
City Funding – Winakor Bequest	\$2,000,000	
Donation Goal *	\$8,000,000	
Estimated G.O. Bond Proceeds Needed	\$17,494,000	
TOTAL	\$27,494,000	\$27,494,000

****Dan Culhane of the Ames Economic Development Commission has volunteered to lead the effort to obtain donations for the Aquatics Center. As indicated in his letter, to date he has secured a \$3 million commitment from Rich and Mary Fitch and he is optimistic he will be able to secure the remaining \$5 million of donations in time for our final application with requests out to Story County, Mary Greeley Medical Center, and other potential donors. (Attachment 6)***

The proposed \$17,494,000 G.O. bond debt is intended to be partially abated by revenues from the Reinvestment District. Total debt service, assuming a 2% interest rate for 20 year bonds with issuance costs and a repayment schedule structured to more closely match available revenue, is estimated to total \$21,920,746. **The City Council will have to make a final decision regarding a strategy for authorizing the sale of these G.O. Bond funds at a later date.** The table below outlines the potential property tax impact from Reinvestment District revenue.

Estimated Property Tax Obligation	Assumes Consultant's Current Estimate For Reinvestment Revenue	Assumes More Conservative Estimate For Reinvestment Revenue	Assumes No Reinvestment District Incentive
Estimated G.O. Bond Principle Payments	\$17,494,000	\$17,494,000	\$17,494,000
Estimated G.O. Bond Interest Payments	\$4,426,746	\$4,426,746	\$4,426,746
Less: Projected Reinvestment District Revenue**	\$21,527,983	\$16,292,912	\$0.00
GAP: Estimated Amount Not Abated From Reinvestment District Revenue	\$392,763	\$5,627,834	\$21,920,746

*****The projected revenue calculated by our consultants anticipates \$21,527,983 revenue from the Reinvestment District Program which includes twenty years of revenue from the Lincoln Way Mixed-Use, Aquatics Center, and Onondaga projects as well as fifteen years of revenue from the Kellogg Hotel. The consultant also applied a 2% inflation rate for all expected revenue. This is the amount that will be included in the Reinvestment District application.***

Staff believes a more conservative estimate of revenue would be to remove the Kellogg Hotel project from the revenue estimates, assume a 20% vacancy for the Mixed-Use project's retail square footage, and assume no retail square footage in the Onondaga project.

Therefore, it would be wise to include the consultant's projected revenue total in the application to the Iowa Economic Development Authority in order to maximize the pool of funding set aside for the City of Ames. However, when informing the citizens about the projected gap and the amount of State incentive funding that will be realized to mitigate the tax increase associated with the debt on the new aquatics center, a more conservative revenue projection should be utilized.

****The projected full Reinvestment District proceeds are summarized below:**

Total IRA Fund Tax Deposits		
Category	Sales Value	Sales Tax Deposits
Lincoln Way Redevelopment Events/Restaurant/Retail	\$226,460,583	\$9,058,423
Lincoln Way Redevelopment Hotel/Motel	\$124,547,574	\$6,227,379
Onondaga Properties Restaurant	\$56,571,997	\$2,262,880
Indoor Aquatic Center	\$12,891,659	\$515,666
Kellogg Hotel	\$69,272,698	\$3,463,635
Total IRA Fund	\$489,744,511	\$21,527,983

FINANCIAL FEASIBILITY:

The pre-application requires the applicant to highlight the feasibility of each project by showing the construction costs and revenue sources to fund the capital costs. Given such a short period of time to discuss the mixed-use project with the developer, it is difficult to show with any certainty how much will be paid for by the developer and how much will come from a City incentive package.

The amounts shown in this pre-application reflect a maximum TIF incentive from the City and the \$18 million cost for the parking structure(s) and pedestrian overpass paid for by the developer. It must be emphasized that these amounts reflected in the pre-application do not bind either the City or developer at this time. Subsequent negotiations will yield a final proposal that will be brought before the City Council for approval, which must occur prior to submitting a final application to the State.

ALTERNATIVES:

- 1) A. Authorize City staff to submit a pre-application to the Iowa Economic Development Authority for the Reinvestment District Program with the understanding that the assumptions, financial projections, and project elements might change after the pre-application receives favorable review and more in-depth negotiations with the developer occur, and

B. Direct staff to begin the required process of establishing an Urban Renewal Area coterminous with the Reinvestment District Boundary.
- 2) Forego submitting a pre-application for the Reinvestment District Program this year with the hope that this incentive will be available in the future and the projections regarding the mixed-use development project elements and tax revenues are more certain.

However, this year delay might result in the City losing the opportunity to capture the tax rebates from the Lincoln Way Mixed-Use project should it be started before a final application is approved by the IEDA. In addition, there is no certainty that this incentive program will be available next year.

CITY MANAGER'S RECOMMENDED ACTION:

This has been a highly unusual endeavor since the staff has been working to accomplish two tasks. The first is to create a mutually acceptable partnership with a developer regarding the construction of a mixed-use project on the north side of Lincoln Way from Clark Avenue to Kellogg Avenue. It is hoped that the addition of this major project will serve as a catalyst to stimulate further redevelopment in accordance with the City Council's Lincoln Way Corridor Plan.

Second, the City is attempting to take advantage of the Reinvestment District Program's incentives generated from new retail and hotel/motel tax revenues collected from this

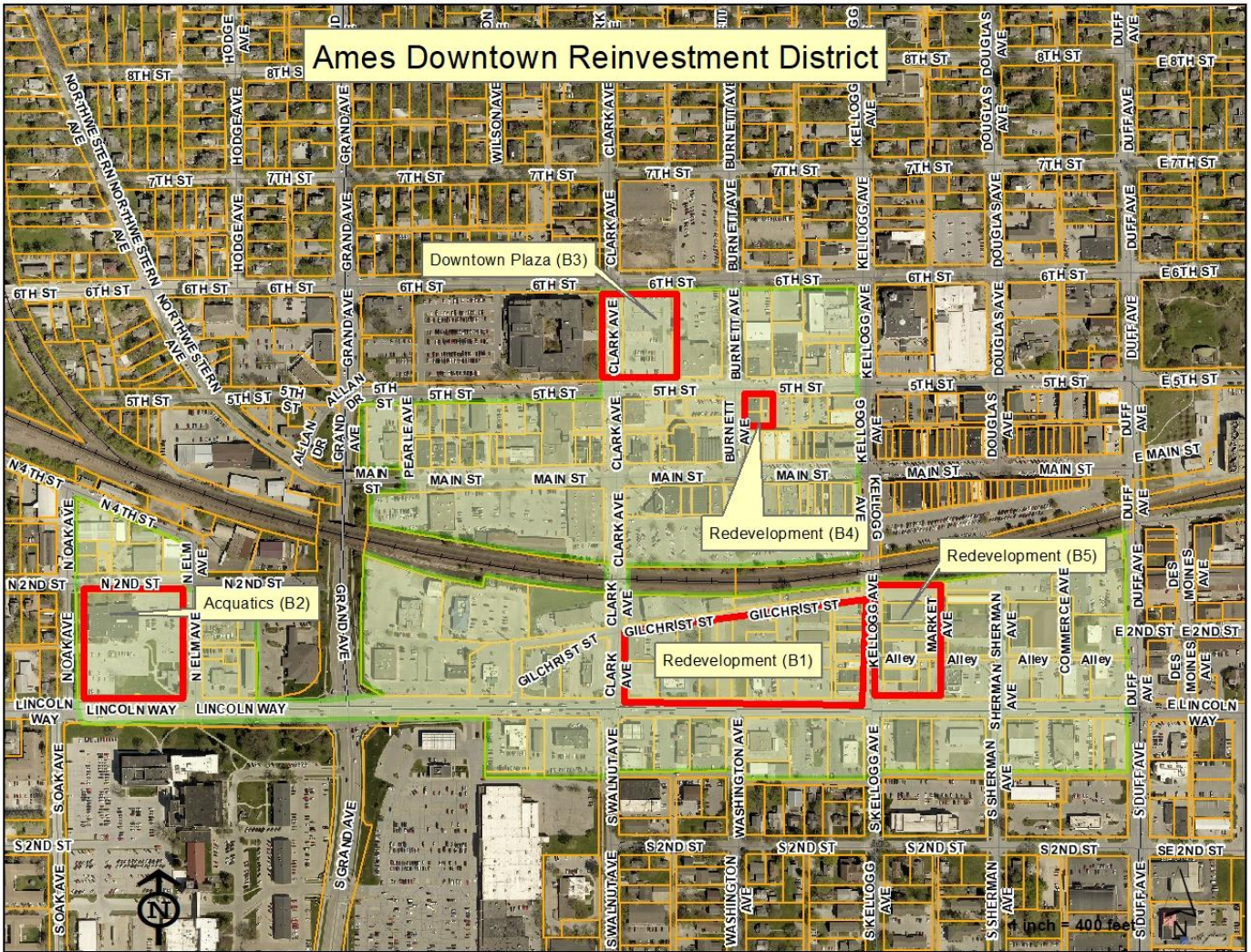
mixed-use development to help fund an indoor aquatics center to replace the closing of the Municipal Pool that will be demolished shortly to make way for the new Ames High School.

While staff had hoped that the revenue generated from the five projects reflected in our proposed Reinvestment District boundaries over the next twenty years would cover the City's entire projected debt service for the indoor aquatics center bond issue, it appears that this will not be the case. However, the ability to access a substantial amount of non-property tax funding to help finance a new indoor aquatics center should not be ignored at this time.

Therefore, it is the recommendation of the City Manager that the City Council support Alternative #1, thereby authorizing City staff to submit a pre-application to the Iowa Economic Development Authority for the Reinvestment District Program and directing staff to begin the process of establishing an Urban Renewal Area coterminous with the Reinvestment District boundary.

Please remember that the information provided in the pre-application regarding the mixed-use development's square footage, uses, concept layout, incentives, and projected state tax revenues to be rebated to the City for the aquatics center will more likely than not be modified in the coming months should our pre-application be selected by the IEDA to continue through the approval process. Therefore, like the pre-application, the information reflected in this document should be considered preliminary as well. There are many more discussions needed with the developers to finalize their plans as well as our incentive package. The City will have almost a year to modify the final application that is acceptable to the City Council and meets the evaluation criteria of the program.

Attachment 1



(B#) labeling is for project identification within the within the Reinvestment District Application

Attachment 2



- SUMMARY:**
- APPROX. 43,700 GSF ON 2 FLOORS
 - EXPANSION TO EAST
 - MAIN SITE ENTRANCE / EXITS OFF ELM & 2nd
 - 2nd LEVEL WALKING TRACK IS APPROX. 9½ LAPS/MILE
 - MULTIPURPOSE ROOM ON 2nd LEVEL
 - SOCIAL / GATHERING WITH OVERLOOK INTO AQUATICS ON 2nd LEVEL
 - 140 PARKING SPACES
 - TOTAL PARCEL AREA: 126,741 SF
 - APPROX. GREEN SPACE: 38,500 SF (30% GREEN SPACE)

32,100 GSF

FIRST FLOOR PLAN



Ames Indoor Aquatics Facility | February 15, 2021



- SUMMARY:**
- APPROX. 43,700 GSF ON 2 FLOORS
 - EXPANSION TO EAST
 - MAIN SITE ENTRANCE / EXITS OFF ELM & 2nd
 - 2nd LEVEL WALKING TRACK IS APPROX. 9½ LAPS/MILE
 - MULTIPURPOSE ROOM ON 2nd LEVEL
 - SOCIAL / GATHERING WITH OVERLOOK INTO AQUATICS ON 2nd LEVEL
 - 140 PARKING SPACES
 - TOTAL PARCEL AREA: 126,741 SF
 - APPROX. GREEN SPACE: 38,500 SF (30% GREEN SPACE)

11,600 GSF

SECOND FLOOR PLAN



Ames Indoor Aquatics Facility | February 15, 2021







Ames Indoor Aquatics Center, Space Program Summary
15-Feb-21

Building Construction

SPACE NEEDS for PROPOSED FACILITY PROGRAMS

Description

Aquatics Areas

Aquatics (Zero, Lap, Slides, Current)

101	Natatorium for 6-Lane Recreation Lap Pool & Wellness Pool Recreation/Wellness Pool (8' Wide Deck Area) Recreation/Wellness Pool (Water Area) Current Channel and Deck Lap lanes and deck Slides
102	Pool Equip/Chemical
103	Wet Class / Party Room / Storage
104	Aquatic Director Office
105	Lifeguard Office
106	Aquatic Storage

Lockers

107	Men's General Locker Room
108	Women's General Locker Room
109	Universal Change Rooms
110	Universal Lockers

Therapy Pool

111	Therapy Pool & Deck (15-20 participants)
112	Pool Equip/Chemical

Other Areas

Public Entry / Administration

501	Control Desk, Entry, Customer Service/Equip
502	Admin flexible suite
511	Work/Break Room

Recreation

523	Jogging/Walking Track
524	Multi-purpose room
525	Multi-purpose storage

Building Support

516	Lounge/Gathering/Vending
542	General Storage
543	Receiving area
544	Maintenance Office / Work Room

Subtotal (Net Square Feet)

Area required for circulation, mechanical, toilet rooms, janitor closets, IT systems, etc.

Structure for future vertical expansion

Total Building Area (Gross Square Feet)

70% Net to Gross Ratio

2-Level Concept

Qty	Occ	Occ Factor	SF-EA	Net SF	Gross SF	Gross Extension
-----	-----	------------	-------	--------	----------	-----------------

				17,435	0	\$ 11,695,351
--	--	--	--	--------	---	---------------

			14,277	14,000		\$ 7,974,750
--	--	--	--------	--------	--	--------------

				950	950	\$ 194,812
	40	20		964	964	\$ 242,658
				193	193	\$ 48,582
				190	190	\$ 47,827
			1,138	1,138		\$ 286,457

				3,390		
--	--	--	--	-------	--	--

	75	13	1,095	1,095		\$ 358,799
--	----	----	-------	-------	--	------------

	75	13	1,095	1,095		\$ 358,799
--	----	----	-------	-------	--	------------

	4	20	100	800		\$ 248,248
--	---	----	-----	-----	--	------------

	32	13	400	400		\$ 107,632
--	----	----	-----	-----	--	------------

				3,527		
--	--	--	--	-------	--	--

			3,027	3,027		\$ 1,724,255
--	--	--	-------	-------	--	--------------

			500	500		\$ 102,533
--	--	--	-----	-----	--	------------

						\$ 4,049,730
--	--	--	--	--	--	--------------

				744		
--	--	--	--	-----	--	--

	-	-	344	344		\$ 149,296
--	---	---	-----	-----	--	------------

	1	300	200	200		\$ 49,259
--	---	-----	-----	-----	--	-----------

			200	200		\$ 43,400
--	--	--	-----	-----	--	-----------

				10,500		
--	--	--	--	--------	--	--

	-	-	8,140	8,140		\$ 2,649,570
--	---	---	-------	-------	--	--------------

			2,000	2,000		\$ 444,850
--	--	--	-------	-------	--	------------

			360	360		\$ 71,870
--	--	--	-----	-----	--	-----------

				2,166		
--	--	--	--	-------	--	--

			800	800		\$ 337,652
--	--	--	-----	-----	--	------------

	-	-	816	816		\$ 181,499
--	---	---	-----	-----	--	------------

	-	-	300	300		\$ 66,728
--	---	---	-----	-----	--	-----------

	-	-	250	250		\$ 55,606
--	---	---	-----	-----	--	-----------

				37,762		\$15,745,081
--	--	--	--	--------	--	--------------

			5,938			\$ 1,932,819
--	--	--	-------	--	--	--------------

					43,700	\$ 17,677,900
--	--	--	--	--	--------	---------------

Site Costs

Utilities		\$	300,000
Site Grading		\$	100,000
Parking	140	\$	420,000
Landscape and Walks		\$	300,000
Stormwater Detention (under parking)		Cubic Feet	43,000 \$ 516,000

Demolition

Buildings	40,680	\$	284,760
Parking and Walks	70,000	\$	140,000
Asbestos Abatement (Per DOT, not needed)	40,680	\$	-

Land Acquisition

		\$	2,000,000
--	--	----	-----------

Soft Costs

FF&E		\$	300,000
Design Fees (7%) and Expenses		\$	1,480,399
Construction Testing		\$	70,000
Survey		\$	50,000
Soil Borings		\$	70,000
Misc.		\$	200,000
Contingency (15%)		\$	3,584,941

TOTAL PROJECT COST 2022

\$ 27,494,000

Alternates:

1 Use above ground storm detention at SE corner of site.	(Deduct)	\$	350,000
2 Oversize under parking detention to allow future 30,000 sf addition (15,000 per floor)	(Add)	\$	150,000
3 Oversize under parking detention to allow future 25,000 sf addition over the parking area.	(Add)	\$	20,000
4 To add Stormwater Detention in the future for expansion, use above ground for phase 1 and assume future 30,000 sf (15,000 sf footprint) addition in SE corner. So demo 50% of parking to add under parking storage.	(Add)	\$	850,000

Downtown Ames Plaza Master Plan



Downtown Ames Plaza Master Plan





Probable Construction Cost Opinion

The amounts stated herein are our best estimate of probable construction costs based on current information. Because costs are influenced by market conditions, changes in project scope, and other factors beyond our control, we cannot ensure that actual construction costs will equal this cost opinion.

Downtown Ames Reinvestment Master Planning

Ames, Iowa

2/3/2021

Site Plan

Site Work	Qty	Unit	Unit Cost	Item Total	Remarks
Mobilization	1	LS	\$ 25,000.00	\$ 25,000.00	
Demo	1	LS	\$ 150,000.00	\$ 150,000.00	
Earthwork	1	LS	\$ 50,000.00	\$ 50,000.00	
Storm Water Allowance	1	LS	\$ 50,000.00	\$ 50,000.00	
Sewer and Water Allowance	1	LS	\$ 125,000.00	\$ 125,000.00	
Subtotal					\$400,000.00
Concrete / Hardscape	Qty	Unit	Unit Cost	Item Total	Remarks
Concrete Walk Paving	12,500	SF	\$ 6.00	\$ 75,000.00	
Decorative Concrete Paving	2,015	SF	\$ 12.00	\$ 24,180.00	at activity plaza
Concrete paving - Heavy Duty	6,150	SF	\$ 7.00	\$ 43,050.00	at food trucks
Concrete Paver Base (5")	5,300	SF	\$ 5.00	\$ 26,500.00	
Decorative Pavers	5,480	SF	\$ 26.00	\$ 142,480.00	
Subtotal					\$311,210.00
Lighting	Qty	Unit	Unit Cost	Item Total	Remarks
Artistic Light Columns	7	EA	\$ 9,500.00	\$ 66,500.00	
Area Lighting Allowance	1	LS	\$ 110,000.00	\$ 110,000.00	
Subtotal					\$176,500.00
Amenities	Qty	Unit	Unit Cost	Item Total	Remarks
Water Feature Allowance	1	LS	\$ 210,000.00	\$ 210,000.00	
Skate Ribbon Allowance	1	LS	\$ 650,000.00	\$ 650,000.00	
Support Building	1	LS	\$ 750,000.00	\$ 750,000.00	1,500 SF @ \$500/SF*
Stage / Shade Structure	1	LS	\$ 35,000.00	\$ 35,000.00	
Bike Parking	20	EA	\$ 1,000.00	\$ 20,000.00	
Swing Benches	5	EA	\$ 12,500.00	\$ 62,500.00	
Site Furniture Allowance	1	LS	\$ 175,000.00	\$ 175,000.00	
North Lawn Sculptures	3	EA	\$ 15,000.00	\$ 45,000.00	
Sculpture / Kinetic Sculpture: Allowance	1	EA	\$ 250,000.00	\$ 250,000.00	
Wall Painting Commission	1	LS	\$ 30,000.00	\$ 30,000.00	
Wall Footing	68	LF	\$ 150.00	\$ 10,200.00	
Concrete Art Wall - 2 sided finish	544	SF	\$ 100.00	\$ 54,400.00	
Subtotal					\$2,292,100.00
Subtotal					\$3,179,810.00

continued below...

Landscape	Qty	Unit	Unit Cost	Item Total	Remarks
Lawn Area	7,025	SF	\$ 2.00	\$ 14,050.00	
Synthetic turf	800	SF	\$ 15.00	\$ 12,000.00	
Lawn Irrigation	7,025	SF	\$ 0.45	\$ 3,161.25	
Irrigation Equipment	1	LS	\$ 3,500.00	\$ 3,500.00	
Decorative Boulders	18	EA	\$ 600.00	\$ 10,800.00	
Planting Area	22,750	SF	\$ 7.00	\$ 159,250.00	
Shrub Plantings	300	EA	\$ 45.00	\$ 13,500.00	
Canopy Trees	35	EA	\$ 450.00	\$ 15,750.00	
Ornamental Trees	15	EA	\$ 350.00	\$ 5,250.00	
Subtotal					\$237,261.25

Subtotal	\$3,417,071.25
Contingency (10%)	\$ 341,707.13
Permit & Submittal Fees**	\$ 10,850.00
Escalation for 2022/23 (5%)	\$ 170,853.56
Design Fee (10%)	\$ 341,707.13
Schematic Design Estimated Total*	\$4,282,189.06

*Comparable Support Buildings: Innis Grove: 427 SF for 300k = \$703/SF / JTC 1,993 SF for 1 Million = \$502/SF

**Building Permit fee: \$6,000 + Plan Review Fee: \$4,200 + Grading Permit: \$250 + Site Development Review: \$400

Attachment 4-Lincoln Way Mixed Use Project Concept





PLAZA VIEW

Attachment 5-Kellogg Hotel

February 12, 2021

Mr. Steve Schainker, City Manager
City of Ames
515 Clark Ave.
Ames, IA 50010

RE: Northeast corner of Kellogg and Lincoln Way

Steve,

I write to express my intent to pursue a hotel developer to build a hotel on the property I own on the northeast corner of Kellogg Avenue and Lincoln Way in downtown Ames. I own all of the property that fronts Kellogg Avenue from Lincoln Way north to the City of Ames public parking lot directly south of the railroad tracks. Attached you will find a map that outlines my properties.

I have had conversations with a variety of hotel investors who believe that this site would be a logical location for a second downtown hotel and support the major redevelopment project being proposed from Kellogg Avenue to Clark Avenue that fronts Lincoln Way. I believe that a hotel on this site would be somewhat smaller than the full-service hotel being proposed for the larger project directly to the west.

Based upon the conversations I have had with a prominent hotel owner here in Iowa I believe the following data points would reflect the type of property the site would support.

Keys	90 to 100 rooms
Investment	\$225,000/room or \$20,250,000 (90 rooms) to \$22,500,000 (100 rooms)
Daily Rate	\$125 to \$145 per night
Occupancy	65-70% (likely higher post-pandemic)

Data provided comes from a hotelier with more than 75 hotels in their portfolio across the Midwest and over 40 years of ownership experience in the hotel industry.

I hope this information is helpful as you formulate the plan for the Iowa Reinvestment proposal. This is an exciting opportunity for downtown Ames. I look forward to discussing the redevelopment of my property sometime soon for a hotel project that will support the community. It is my desire to see this property develop soon with construction commencing in late 2022 and being operational in the fall of 2024.

Sincerely,





February 12, 2021

Mr. Steve Schainker, City Manager
City of Ames
515 Clark Ave.
Ames, IA 50010

RE: Aquatic Center Fundraising

Steve,

The following is a summary of the external fundraising for the proposed aquatic center in downtown Ames. Numerous calls and appointments have occurred in the last several weeks and the project has been enthusiastically received by all that have been approached.

As you might imagine the size and magnitude of the requests made for the project have been met with mixed reviews. I purposely approached a number of those that expressed either a commitment, or interest, in the previously proposed Healthy Life Center. I also approached a number of major businesses in the community as well. Here is what I have to date.

Rich & Mary Fitch were quick to say yes to the proposed project and have committed, in writing, their desire to generously pledge \$3 million to the aquatic center similar to their previous pledge to the Healthy Life Center. Mary Greeley Medical Center has been asked to support the project and has communicated that they are prepared to make a significant investment decision on the project in the coming weeks. I have also addressed the Story County Board of Supervisors seeking an investment of \$1 million and \$50,000 per year for 25 years to support the operational side of the facility. Similarly, they have indicated they will render a decision in the coming weeks as they work through their budgeting process.

Couple the aforementioned with the \$2 million Winakor estate gift the City of Ames intends to put towards the project, plus other fundraising calls yet to be made, and I am confident that the external/private fundraising will get to a level of \$10 million.

While I was not successful in securing a significant contribution from some of our major industries, I did hear from many that they would be interested and willing to support contributions that could support a segment of our population that may not be able to afford admission and/or annual membership/passes to the facility once it is constructed. I am committed to working on this phase of the project as well if this is desirable to the City of Ames.

Clearly, my work is not complete but I am energized to forge ahead by those that have expressed enthusiasm for the project. I will continue this effort to support this very important asset that will so greatly enrich our fantastic community.

Sincerely,



Daniel A. Culhane, President & CEO
Ames Chamber of Commerce