

COUNCIL ACTION FORM

SUBJECT: AMES ECONOMIC DEVELOPMENT COMMISSION 2021/22 FUNDING CONTRACT

BACKGROUND:

The City's 2021/22 adopted budget includes funds for the Ames Economic Development Commission (AEDC) to conduct economic development activities on behalf of the City. This agreement provides \$150,000 to the AEDC in exchange for two main services: \$90,000 of this amount purchases business recruitment and marketing services, and the remaining \$60,000 continues funding the services of the City Business Development Coordinator, who provides guidance to prospective businesses and developers as they navigate the development process.

ALTERNATIVES:

1. Approve the attached amended Ames Economic Development Commission agreement for FY 2021/22.
2. Do not approve the amended Ames Economic Development Commission agreement for FY 2021/22.

MANAGER'S RECOMMENDED ACTION:

The City Council has allocated funds in the City Budget for FY 2021/22 for economic development activities. The City Council has historically contracted with AEDC to conduct these activities on behalf of the City.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the attached Ames Economic Development Commission agreement for FY 2021/22.

CONTRACT FOR ECONOMIC DEVELOPMENT SERVICES

THIS AGREEMENT, made and entered into the 1st day of July, 2021, by and between the CITY OF AMES, IOWA, a municipal corporation organized and existing pursuant to the laws of the State of Iowa (hereinafter called "City") and the Ames Economic Development Commission, an adjunct of the Ames Chamber of Commerce (hereinafter called the AEDC);

WITNESSETH THAT:

WHEREAS, the City of Ames desires to purchase certain services from said organization in lieu of hiring additional permanent staff and expending additional City funds to accomplish these services;

NOW, THEREFORE, the parties hereto have agreed and do agree as follows:

I

PURPOSE

The purpose of this Agreement is to procure for the City and its citizens certain economic development-related services as hereinafter described and set out; to establish the methods, procedures, terms and conditions governing payment by the City of Ames for such services; and, to establish other duties, responsibilities, terms and conditions mutually undertaken and agreed to by the parties hereto in consideration of the services to be performed and monies paid.

II

SCOPE OF SERVICES

A. In consideration for the payment of \$90,000 in accordance with Section III, the AEDC shall provide the following economic development-related services to the City of Ames and its citizens during the term of this agreement:

1. The AEDC will serve as the lead contact for business representatives hoping to locate in Ames or to expand in our community. In this capacity the President of the AEDC will respond to information requests, coordinate the completion and submittal of state and local incentive applications, and show available industrial and commercial sites to prospects.
2. The AEDC will visit annually with all major companies to identify challenges and opportunities facing Ames businesses.
3. The AEDC will serve as the primary marketing entity for business recruitment to highlight Ames.
4. The AEDC will deploy an aggressive marketing campaign that will focus on targeted industries such as ag-biotechnology and advanced manufacturing businesses that do not overtax our infrastructure.
5. The AEDC will invest in significantly revising its marketing materials including website, brochures, and proposal packets to better reflect the image of Ames as a great place to do business.

B. In consideration for the payment of \$60,000 in accordance with Section III, the AEDC shall provide the following economic development marketing and liaison services related to the City of Ames and its citizens during the term of this agreement by maintaining a jointly funded Business Development & Marketing position to carry out the following duties and tasks:

1. Focus on the development of “small” or new businesses start-ups in the retail, commercial, and industrial sectors by: a) assisting with the recruitment and/or expansion of these types of businesses in the community; b) assisting entrepreneurs as they navigate through the various City, State, and Federal approval processes; and c) assisting entrepreneurs in obtaining the services available through the Small Business Development Center.
2. Serve as the Economic Development Liaison for the City of Ames. This position will provide assistance and guidance on project requirements as developers and clients move through the City’s approval process. The position will ensure all required steps are completed, advocate for the process, and advise on the rationale behind the requirements. The Liaison will have regular communication with the City Manager on project progress.
3. Create and develop strategies to engage and assist the Minority-Owned business community. Maintain accurate data on the Minority-Owned businesses and provide support to those interested in starting a business by connecting them to various local, state, and federal agencies.
4. Provide input on communication pieces that will highlight the efforts of the AEDC and the City of Ames related to the positive developments in the community where the City and/or the AEDC have played an integral role.
5. Implement an aggressive marketing plan focused on targeted industries that dovetail with the competencies of Iowa State University related to food and nutrition technology, plant biotechnology, information technology, and animal science. These efforts should not be limited to the aforementioned, as the AEDC service territory includes site options for advanced manufacturing and distribution facilities.
6. Maintain frequent communication with stakeholders such as the Iowa Department of Economic Development, Alliant Energy, Iowa State University, and partners of the Ames-Des Moines Corridor.
7. Maintain a current list of active projects via the AEDC’s internal project tracking system.
8. Maintain a current list of consultants and site selectors, for periodic mailings and contacts in various markets, so that the AEDC has a fresh list to choose from when visiting various locations around the U.S.
9. Review and analyze potential recipients of assistance from various economic development incentive offering entities.
10. Assist other AEDC/Ames Chamber of Commerce staff in responding to inquiries and working with economic development prospects, consultants, and supplier contacts, as needed.
11. Provide input into the overall plan of the AEDC and assist in its implementation where appropriate.
12. Provide an Ames customized Business Retention & Expansion (BRE) report to the City on an annual basis both electronically and in paper form which highlights the overall health of various employers.
13. Provide a customized digital “Quarterly Economic Report” on Ames to the City Manager that highlights key economic indicators.
14. The position will be supervised by the President and CEO of the Ames Economic Development Commission with performance feedback provided by the Ames City Manager.

III

METHOD OF PAYMENT

A. All payments to be made by the City of Ames pursuant to Section II.A of this Agreement shall be reimbursement for actual costs incurred by AEDC in providing services required by Section II.A above. Payments made by the City of Ames pursuant to Section II.B of this Agreement shall be made in advance of services provide per terms in section III B of this Agreement.

B. The City will disburse payments twice annually on requisitions of the AEDC in January and July of each year. Requisitions for services pursuant to Section II.A will be on a reimbursement basis and reflect cost for delivery of services for the prior six months. Requisitions for services pursuant to Section II.B will be one-half (\$30,000) of the City's annual contribution for the jointly funded position and paid in advance. If the jointly held position is vacant for more than 30 days, AEDC will provide the City with a pro-rata refund for the payment made in advance.

Requisitions for disbursement shall be made in such form and in accordance with such procedures as the Director of Finance for the City shall prescribe. Said form shall include, but not be limited to, an itemization of the nature and amount of costs for which reimbursement is requested, and must be filled out completely.

C. The maximum total amount payable by the City of Ames under this agreement is \$150,000 as detailed in the SCOPE OF SERVICES (Section II of this contract), and no greater amount shall be paid.

IV

FINANCIAL ACCOUNTING AND ADMINISTRATION

A. All monies disbursed under this Agreement shall be accounted for by the accrual method of accounting.

B. Monies disbursed to AEDC by the City will be deposited by AEDC in an account under the AEDC's name, with a bank located in Story County, Iowa. All checks drawn on the said account shall bear a memorandum line on which the drawer shall note the nature of the costs for which the check is drawn in payment, and the program(s) of service.

C. All costs for which reimbursement is claimed shall be supported by documentation evidencing in proper detail the nature and propriety of the charges. All checks or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified as such and readily accessible for examination and audit by the City or its authorized representative.

D. All records shall be maintained in accordance with procedures and requirements as established by the City Finance Director, and the City Finance Director may, prior to any disbursement under this Agreement, conduct a pre-audit of record keeping and financial accounting procedures of the AEDC for the purpose of determining changes and modifications necessary with respect to accounting for funds made available hereunder. All records and documents required by this Agreement shall be maintained for a period of three (3) years following final disbursement by the City.

E. At such time and in such form as the City may require, there shall be furnished to the City such statements, records, reports, data, and information as the City may require with respect to the use made of monies disbursed hereunder.

F. At any time during normal business hours, and as often as the City may deem necessary, there shall be made available to the City for examination all records with respect to all matters covered by this Agreement and AEDC will permit the City to audit, examine, and make excerpts or transcripts from such records.

V

REPRESENTATION ON THE BOARD OF DIRECTORS

It is agreed that the City of Ames will be guaranteed three representatives on the AEDC Board of Directors (two City Council members appointed by the Mayor, and the City Manager). Furthermore, the City Manager will be guaranteed membership on the Executive Committee of the Board of Directors.

VI

SUMMARY REPORT

The AEDC further agrees to provide the City of Ames a written report no later than June 15, 2022, summarizing the accomplishments of the activities promised in Section II.

VII

DURATION

This Agreement shall be in full force and effect from and after July 1, 2021, until June 30, 2022.

VIII

DISCRIMINATION PROHIBITED

In accordance with Chapter 14 of the Municipal Code, no person shall, on the grounds of age, race, color, creed, religion, national origin, disability, sexual orientation, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Agreement.

IN WITNESS WHEREOF the parties hereto have, by their authorized representatives, set their hand and seal as of the date first above written.

CITY OF AMES, IOWA

ATTEST:

BY _____

John A. Haila, Mayor

Diane Voss, City Clerk

AMES ECONOMIC DEVELOPMENT COMMISSION

BY _____

Daniel A. Culhane, President/CEO

May 21, 2021

Mayor John Haila
City of Ames
515 Clark Ave.
Ames, IA 50010

RE: **Annual Report to the City of Ames**

Mayor Haila:

I am pleased to provide this annual summary of activities for the Ames Economic Development Commission (AEDC) per our agreement with the City of Ames. It is impossible to discuss the last year without some reference to the global pandemic. Naturally, it impacted our efforts but not to the extent one might imagine. Our project activity was off some, we did not travel to any of the traditional trade shows and marketing events, yet we still were part of a number of job-creating, capital investing, opportunities that are summarized within this annual report.

We also invested considerable time and energy into our Business Retention & Expansion program as well as working with displaced workers, a direct result of the pandemic, which will be explained in greater detail in this annual update.

The AEDC board of directors and I appreciate your steadfast support and recognize the prominent partner the City of Ames is to the economic development of the community. This partnership leverages considerable other resources which will be discussed within this report.

The following is a summary of projects and actions spearheaded by the AEDC or where the organization played a critical role:

- **Perfect Flight**, is a Brazilian company you approved financial incentive participation in, along with the AEDC, last week that will locate in the ISU Research Park and create 60 new jobs at wages in the range of \$80,000-85,000 annually.
- **Prairie View Industrial Center**, this area still generates incredible activity with over 1,300 acres and 700 of those acres under option. The AEDC was thrilled to see the City of Ames recently accept the federal grant from the U.S. Economic Development Administration. Currently, we have a company looking at the 151-acre tract on the southeast corner Lincoln Way and Teller Avenue.
- **U.S. Economic Development Administration grant for Prairie View Industrial Center**, the AEDC is proud to have played a major role in the acquisition of this federal grant and appreciates the City of Ames making formal application to help offset the cost of utility deployment along east Lincoln Way.
- The AEDC also assisted with a number of other projects and company expansions with **Pivot-Bio**, which is bringing a new division to Ames; **TMC Trucking & Logistics** expansion at ISU Research Park; internal production line expansion at **Danfoss**; increased capacity and job creation at **Merck**; with a number of other local companies contemplating expansion in the coming year.

- At the April 2021 board meeting of the AEDC board of directors our team reported 20 Active Projects looking at the Ames market.
- The AEDC continues to support Start Up Ames, a peer group of local entrepreneurs, by facilitating their events, including **One Million Cups** that occurs every Wednesday mornings and recently resumed meeting in person.

Workforce Development & Retraining the Available Workforce

Key Workforce Statistics (last 12 months)

- Career Fairs: 5
- Workforce leads: 2,769
- Home Base Iowa prospects: 166
- Registered employers - WorkInAmes.com: 570

In 2020 we conducted four “See Yourself in Ames” intern events. This year we will conduct two virtual and two in person events including an event at Reiman Gardens focused on “Diversity, Equity, and Inclusion”.

We have experienced unprecedented times of unemployment in the Ames MSA over the last year. Our offices have joined forces with DMACC and the United Way of Story County to retrain people whose employment has been impacted by COVID. This training is focused in three high demand job areas: welding, manufacturing, and CNA. To date 36 students have completed their program.

Demographics of Students:

- 96% considered low income
- 68% no educational training beyond high school
- 64% women
- 39% person of color
- 21% justice system involved

We will continue to support these training efforts through the balance of 2021.

Ames Ranks Highly and the AEDC advocates and promotes the wide array of accolades the Ames Metropolitan Statistical Area continues to accumulate. Here are a few from 2019 and 2020.

- #37 - “Best Small Cities for Small Businesses” (Go.Verizon, 2021)
- #1 - “10 Best States to Retire in 2021” (MoneyRates, 2021)
- #15 - “2020 Top 100 Places to Live” (Livability, 2020)
- #42 - “Best Housing Markets for Growth & Stability” (SmartAsset, 2020)
- #2 - “Top 10 Cities for Working Parents” (SmartAsset, 2020)
- #6 - “Best US Cities to Live in After the Pandemic” (Business Insider, 2020)

Our web presence and social media play a significant role in telling the story and getting the message in front of a variety of audiences. Below are recent statistics on our websites and social media platforms.

	July 1, 2019 - June 1, 2020	July 1, 2020 - May 20, 2021
AmesEDC.com Website	15,600 visits	4,561 visits
AEDC Facebook	614 likes	756 likes
AEDC Twitter	1,179 followers	1,264 followers
WorkInAmes Facebook	1,389 likes	1,505 likes
WorkInAmes Twitter	486 followers	509 followers
See Yourself in Ames Facebook	257 likes	291 likes
See Yourself in Ames Twitter	204 followers	206 followers
See Yourself in Ames Instagram	119 followers	183 followers
Current Jobs on WorkInAmes.com	1,297	1,827
WorkInAmes.com Job Searches	230,686	125,017

The partnership with the City of Ames allows the AEDC leverages the financial commitment of the City very well. The City of Ames \$165,000 (\$90,000 Marketing, \$60,000 Business Development position, \$15,000 Workforce Solutions) investment in the AEDC leverages another \$1.25 million in capital that is committed by other AEDC investors to underwrite the efforts of the organization.

What do these dollars underwrite?

- Business Retention & Expansion – we will conduct over 100 business visits again this year.
- Business Recruitment and Prospect Development
- External Marketing Program – domestic and international – resuming in late 2021.
- Advocacy for new business park sites and speculative building development
- Workforce Solutions – See Yourself In Ames internship program, workinames.com – jobs website, Home Base Iowa programming, SCALE program connecting students from K-12 with local employers. We had 154 local interns at our first event (virtual) of 2020, two weeks ago.
- AEDC remains a sponsor of the Technology Association of Iowa’s (TAI) Iowan Project – this is our effort to support current as well as future growth in the technology sector in Ames marketing job opportunities to 3500 Iowa expats that are participating in meet-up events held in Twin Cities and Denver. Ames as well as our technology companies are featured in the TAI bi-monthly newsletters.
- Currently sponsoring Career Services program through the ISU Alumni Association – this allows us to support and sponsor focused marketing on ISU alumni that are seeking job hunting resources from the Alumni Association on a monthly basis.

- The AEDC is actively participating in and out of State in virtual career fairs. We continue to market our job opportunities and quality of life to these leads on behalf of our local employers seeking employees.
- Working with the Start-Up community and supporting that in a number of ways, including the Ames Seed Capital Fund.
- Meeting and mentoring various small business opportunities that are not always eligible for traditional financial incentives or seed capital assistance.
- Working with the private development community on a wide range of projects across the community.

The AEDC performs this work, and more, as prescribed by our contractual obligation to the City of Ames on behalf of the Ames community. We enjoy the work we do for Ames and look forward to continuing our long-standing partnership.

Sincerely,



Daniel A. Culhane, CEcD, CCE
President & CEO
Ames Economic Development Commission

CC: Gloria Betcher
Tim Gartin
David Martin
Rachel Junck
Amber Corrieri
Bronwyn Beatty-Hansen
Trevor Poundstone
Steve Schainker, City Manager
Chuck Winkleblack, Chair, AEDC

In 2020 Amcor and Danfoss Power Solutions expansions that would grow their business and the workforce in Ames.

2020 Economic Impact Awards Received

Amcor
Bricktowne Ames
TMC



Products & Services

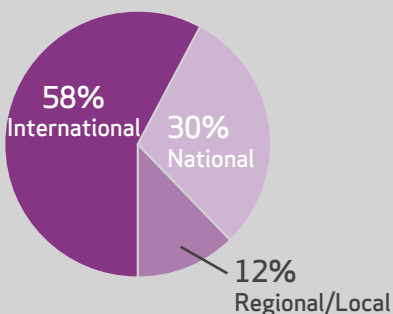
79%
of companies have introduced new products, services, or capabilities over the last three years

86%
anticipate new products / services in the next two years

23%
report the life cycle of their company's primary product / service to be emerging

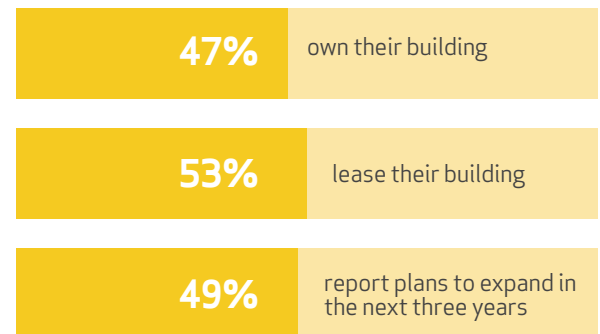
53%
report their primary product / service to be growing

Primary Markets



77%
of respondents export products or services internationally

BUILDING



OWNERSHIP CHANGES



COVID-19 IMPACT ON AMES BUSINESS

86%

report their community's **technology infrastructure has been adequate** for their company's needs during the COVID-19 crisis

Supply Chain

37%

experienced some level of disruption among critical suppliers and service providers

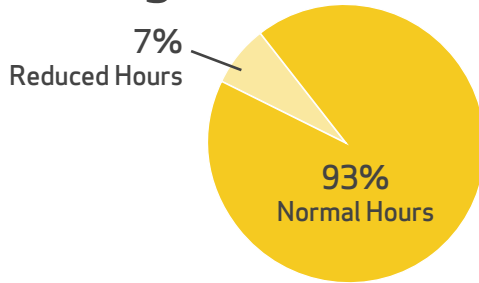
44%

experienced no disruption

36%

anticipate **future technology changes** to their company's operations

Operating Hours



47%

of respondents report **experiencing some level of financial stress** at the time they took the survey



Workforce

77%

returned to pre-COVID **staffing levels**

44%

reported **recruiting challenges** at the time they took the survey

77%

retained high value employees over the last 6 months

81%

have a **remote work policy** in place

51%

intend to **continue or expand their remote work policy** moving forward