

# MEMO

## Legal Department

**Item No. 14**

**To:** Mayor Haila, Ames City Council

**From:** Mark O. Lambert, City Attorney

**Date:** November 5, 2021

**Subject:** RELEASE OF DEVELOPMENT AGREEMENT OBLIGATIONS  
FOR 238 ALEXANDER

A development agreement and Establishment of the Ames Community Park Tax Increment Finance (TIF) District was approved for the property at 238 Alexander (and other nearby properties) on June 1, 1992. The agreement specified a time frame by which the developer had to construct speculative buildings and also established minimum assessed valuations in order to finance the public improvements within the subdivision.

The property has been sold by Circo Enterprises, LLC, to B Squared LLC, and the buyer has requested that the Ames City Council release the property from the agreement. The City's Finance Director has verified there is no outstanding TIF debt for this District. The agreement has been in effect for more than 21 years and the covenants contained therein are expired per Iowa law. However, the parties are requesting the release from the terms of the agreement in order to clear up any issues on the property's title.

The Council has previously approved a similar release for a nearby property.

### **ALTERNATIVES:**

1. Approve a resolution stating that the terms of the 1992 development agreement, as they apply to 238 Alexander, have been satisfied and that this property is released from the development agreement.
2. Deny the request.

3. Refer this item back to staff for further information.

**RECOMMENDATION:**

Because this TIF district is fully developed and the debt issued to pay for the infrastructure improvements has been paid off, there is no need for the City to retain the property owner's participation with the terms of the agreement. Therefore, it is the recommendation of the City Attorney that the City Council approve Alternative #1, acknowledging that the terms of the development agreement as they apply to 238 Alexander have been satisfied and approving the release of this property from the development agreement.