



January 21, 2022

Mr. Kelly Diekmann, Director of Planning
Members of the City Council
City of Ames - City Hall
515 Clark Avenue
Ames, Iowa 50010

RE: The Annex Group - Tax Abatement Request
Affordable Housing Development

Dear Mr. Diekmann and Members of the City Council:

The Annex Group is exploring development of an affordable housing project on existing vacant property within the City of Ames. As part of our feasibility analysis, we have identified that estimated real estate taxes assessed upon completion of this project are well beyond what the development can reasonably afford. In fact, it was determined that the anticipated tax assessment is more than twice as high as other affordable projects we have developed around the country. For this reason, we respectfully request that the City Council consider approving a potential Tax Abatement for this development.

COMPANY BACKGROUND

Our mission: *To create a positive impact with the people who live, work, and are engaged in our communities.*

The Annex Group is an Indiana based multi-family housing developer, general contractor, and owner with a portfolio of communities valued at more than \$500 million. Combining the career experience of its entire leadership team, The Annex Group has overseen more than \$1 billion in single family, multi-family, mixed-use and other commercial projects including redevelopment and ground-up construction. Our developments create community and improve quality of life. We are proud that each of our developments to date has lived up to its purpose.

Each development is strategically planned and executed to ensure a finished product that is cohesive with the goals and values of the constituencies and communities we serve. Our strategy is to position each redevelopment or newly developed project as the most exciting new address to live, work, or play.



PROJECT BACKGROUND

The proposed project is comprised of two parcels totaling 13.54-acres of land and is located at the northern border of the City, within property known as Hayden's Preserve. The site will be part of a much larger 170-acre residential development (by others), which we understand has recently received Preliminary Plat approval.

Annex is hoping to build 192-units of 60% Area Median Income affordable housing on the property and intends to submit the project to the Iowa Finance Authority for procurement of 4% Low-Income Housing Tax Credits. The site will include approximately fifteen three-story buildings, each with a mix of one, two, and three-bedroom apartments along with required surface parking. Planned amenities include: a clubhouse with fitness center, community space, and computer room; a playground and dog play area; a picnic area, landscaping, and open space with pedestrian linkage to trails within the overall development.

Affordable housing need is at historic levels nationally, regionally, and locally. Rising construction costs have made development of new affordable projects even more difficult. It is our understanding that new affordable housing in Ames is in limited supply in proportion to the communities in need and to that end, The Annex Group is committed to bringing affordable housing to the City of Ames. We hope Members of the City Council will consider supporting this affordable housing project by providing the requested Tax Abatement.

Thank you in advance for your thoughtful consideration.



Margaret A. L. Blum
Senior Director of Development

