

AGENDA
REGULAR MEETING OF THE AMES CITY COUNCIL
COUNCIL CHAMBERS - CITY HALL
MARCH 8, 2022

NOTICE TO THE PUBLIC: The Mayor and City Council welcome comments from the public during discussion. If you wish to speak, please complete an orange card and hand it to the City Clerk. When your name is called, please step to the microphone, state your name for the record, and limit the time used to present your remarks in order that others may be given the opportunity to speak. The normal process on any particular agenda item is that the motion is placed on the floor, input is received from the audience, the Council is given an opportunity to comment on the issue or respond to the audience concerns, and the vote is taken. On ordinances, there is time provided for public input at the time of the first reading.

CALL TO ORDER: 6:00 p.m.

CONSENT AGENDA: All items listed under the Consent Agenda will be enacted by one motion. There will be no separate discussion of these items unless a request is made prior to the time the Council members vote on the motion.

1. Motion approving payment of claims
2. Motion approving Minutes of Special City Council Meetings held February 10, 2022, February 15, 2022, and February 28, 2022, and Regular City Council Meeting held February 22, 2022
3. Motion approving Report of Change Orders for period February 16 - 28, 2022
4. Motion certifying Civil Service candidates
5. Motion approving new 12-Month Class B Native Wine Permit - Oak Lane Candle Co., LLC, 121 Main Street
6. Motion approving renewal of the following Beer Permits, Wine Permits and Liquor Licenses:
 - a. Class E Liquor License with Sunday Sales - Tobacco Outlet Plus #530, 204 S Duff
 - b. Class E Liquor License with Class B Wine Permit, Class C Beer Permit (carryout beer), and Sunday Sales - Wal-Mart Store #749, 3105 Grand Avenue
7. Resolution approving appointments to various Boards and Commissions
8. Resolution setting March 22, 2022, as date of public hearing to vacate public utility and water main easements at 1915 Philadelphia Street
9. Resolution approving Encroachment Permit Agreement with Tonya Rock Photography for a Sign at 300 Main Street
10. Request for Greek Week:
 - a. Greek Week Olympics, Saturday, April 2, 2022, with April 3, 2022, as rain date
 - i. Motion approving blanket Temporary Obstruction Permit for the closed area
 - ii. Resolution approving closure of Ash Avenue, Lynn Avenue, Sunset Drive, Gray Avenue, Greeley Street, and Pearson Avenue from 7:30 a.m. to 3:00 p.m. on April 2
11. Resolution approving preliminary plans and specifications for 2021/22 Shared Use Path Maintenance - Little Bluestem; setting April 20, 2022, as bid due date and April 26, 2022, as date of public hearing
12. Resolution approving preliminary plans and specifications for 2022/23 Main Street Paver Replacement Program (Kellogg Avenue - Douglas Avenue and Douglas Avenue - Duff Avenue);

setting April 20, 2022, as bid due date and April 26, 2022, as date of public hearing

13. Secondary Disc Screen Rollers:
 - a. Resolution waiving Purchasing Policies pertaining to formal bidding
 - b. Resolution approving sole source purchase from Clarke's Sheet Metal of Eugene, Oregon, in the amount of \$54,542 (including freight charges)
14. Resolution approving contract and bond for 2021/22 Concrete Pavement Improvements (S. Kellogg Avenue and N. 2nd Street)
15. Resolution approving contract and bond for 2021/22 Downtown Street Pavement Restoration - Alley (Duff Avenue to Sherman Avenue)
16. Resolution accepting completion of 2020/21 Airport Improvements (Electrical Vault)

PUBLIC FORUM: This is a time set aside for comments from the public on topics of City business other than those listed on this agenda. Please understand that the Council will not take any action on your comments at this meeting due to requirements of the Open Meetings Law, but may do so at a future meeting. The Mayor and City Council welcome comments from the public; however, at no time is it appropriate to use profane, obscene, or slanderous language. The Mayor may limit each speaker to three minutes

ADMINISTRATION:

17. Discussion of additional questions for Residential Satisfaction Survey
18. Resolution approving Contracts for Arts Capital Grant Program

PARKS & RECREATION:

19. Request from Cameron Gray regarding sculptural free library to be placed on City property

PLANNING & HOUSING:

20. Staff Report on affordable housing for or related to the Annex Group
21. Update on status of the Low-Income Housing Tax Credit (LIHTC) Application for multi-family housing development in the Baker Subdivision (321 State Avenue)
22. Requests for projects in conjunction with CDBG-CV Round 2 Cares funding through the State of Iowa Department of Economic Development Authority:
 - a. Motion directing staff to proceed with hosting a grant application workshop and requesting funding proposals from area organizations that provide services such as food distribution, meal delivery for the elderly, and facility-based daycare services

PUBLIC WORKS:

23. Resolution setting date of public hearing for March 22, 2022, for the sale of Airport property at 1101 Aviation Way to Mulmac, LLC

HEARINGS:

24. Hearing on proposal to enter into a loan agreement and to borrow money thereunder in a principal amount not to exceed \$11,225,000:
 - a. Resolution approving proposal to enter into an Essential Purpose Loan Agreement for the purpose of paying the costs of undertaking essential public improvements and acquiring vehicles and equipment for the Municipal Fire Department and providing for the levying of

taxes to pay the same

25. Hearing on proposal to enter into a loan agreement and to borrow money thereunder in a principal amount not to exceed \$700,000:
 - a. Resolution approving proposal to enter into a General Purpose Loan Agreement for the purpose of paying the costs of undertaking Downtown Plaza Improvements and providing for the levying of taxes to pay the same
26. Hearing on proposal to enter into a loan agreement and to borrow money thereunder in a principal amount not to exceed \$350,000:
 - a. Resolution approving proposal to enter into a General Purpose Loan Agreement for the purpose of paying the costs of concrete surfacing improvements for a municipal fire station and providing for the levying of taxes to pay the same
27. Hearing on Amendments to Fiscal Year 2021/22 Budget:
 - a. Resolution amending budget for current Fiscal Year ending June 30, 2022
28. Hearing on adoption of FY 2022/23 Budget:
 - a. Resolution approving 2022/23 Budget
29. Hearing on Major Site Development Plan for 913 and 915 Duff Avenue and 115-9th Street:
 - a. Resolution approving Major Site Development Plan with conditions

ORDINANCES:

30. Second passage of ordinance rezoning 525 SE 16th Street from Agricultural “A” to Highway Oriented Commercial “HOC” and retain the Environmentally Sensitive Area Overlay “O-E” for the floodway:
31. Second passage of ordinance rezoning 2098 W. 190th Street from Floating Suburban Residential Medium Density (FS-RM) to Floating Suburban Residential Medium Density Planned Unit Development (FS-RM PUD) Overlay
32. Second passage of ordinance to allow temporary yard waste processing facilities through approval of a Special Use Permit by the Zoning Board of Adjustment

DISPOSITION OF COMMUNICATIONS TO COUNCIL:

COUNCIL COMMENTS:

33. Motion to hold Closed Session as provided by Section 21.5(1)c, *Code of Iowa*, to discuss matters presently in or threatened to be in litigation

ADJOURNMENT:

Please note that this agenda may be changed up to 24 hours before the meeting time as provided by Section 21.4(2), *Code of Iowa*.

MINUTES OF THE SPECIAL MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

FEBRUARY 10, 2022

The Special Meeting of the Ames City Council was called to order by Mayor John Haila at 6:01 p.m. on the 10th day of February 10, 2022, in the City Auditorium, 515 Clark Avenue. The following Council Members were in attendance: Gloria Betcher, Bronwyn Beatty-Hansen, Tim Gartin, Rachel Junck, and Anita Rollins. *Ex officio* Member Trevor Poundstone was also present.

The Mayor recognized Iowa State University (ISU) President Wendy Wintersteen and Sharon Perry Fantini, Vice-President of Diversity, Equity, and Inclusion at ISU, who were present.

Mayor Haila stated that the purpose of this Special Meeting was to hear the presentation by the consultant on the Traffic Stop Study. The presentation was followed by questions from the Ames City Council, ISU Student Government, and the general public. According to Mayor Haila, questions were also accepted social media (YouTube and Facebook) sites.

Student Government Speaker of the Senate, Dawson Weathers, stated that he was filling-in for Vice-President Megan Decker. Mr. Weathers called the Student Government meeting to order at 6:04 PM on behalf of the ISU Student Government,

PRESENTATION OF AMES POLICE DEPARTMENT AND IOWA STATE UNIVERSITY (ISU) POLICE DEPARTMENT TRAFFIC STOP STUDY RESULTS: Michael Newton, Associate Vice-President for Public Safety and Chief of Police at Iowa State University, reiterated that the purpose of this meeting was to discuss the findings of the Traffic Stop Study conducted by CR Research Group for both Police Departments. The Ames and ISU Police Departments had requested the independent review to understand whether or not racial disparities existed in traffic stops and the outcomes of those stops. Both Departments had heard concerns from the community and were aware of concerns nationally and requested the Study to find out what they could learn. Chief Newton pointed out that this Study is one step in their attempts to build a more welcoming and inclusive environment on Campus and in the community. Other steps that have been taken were noted, such as bias-based training for officers, ongoing conversations with the community about race and other things that are happening in the community, and many outreach activities.

Geoff Huff, City of Ames Chief of Police, reiterated that both Departments had asked for and undertook this endeavor voluntarily. Both Departments desired to work with the consultants to look at their discretionary stop data and to learn more about their Departments and those traffic stops. Chief Huff noted that one of the many values of the City of Ames is *Continuous Improvement*. He said that they will review the results of the Study and the recommendations to assist their Departments to better serve their diverse residents. One of his goals, as the City's Chief of Police, is to ensure that each resident feels safe and valued. It was noted that copies of the research group's reports are available on the Ames and Iowa State websites.

Chief Huff introduced Dr. Chris Barnum, Professor at Ambrose University and President of CR Research Group, L.C., who conducted the Study. Mr. Barnum has been conducting similar research, mainly through St. Ambrose University, since 2010, and has a lot of experience performing these types of studies for cities in Iowa. Dr. Barnum said his strategy for this evening will be to give a global

overview of the methodology used, present the findings, and answer any questions anyone might have. He noted that findings will be presented for two studies: one from Ames Police Department and one from the Iowa State University Police Department. It was pointed out by Dr. Barnum that Ames and ISU Police Departments had actually invited CR Research in to analyze the data; they were not sure what the outcomes of the Studies would be, and he commended them for doing so.

Dr. Barnum stated that when they go into a community and begin to look at police data, the focus of their review is to find disproportionality, which is an over-representation of drivers who identify as people of color in the police traffic stop data. According to Dr. Barnum, they use the term disproportionality because it does not necessarily signify bias. It is possible for disproportionality to occur for a number of reasons, including differences between racial groups' driving behaviors, vehicle condition, or driver's license status. Once they have the data, they look for disproportionality on two levels: first, a difference between police stop percentages by a racial category and a reliable benchmark, and secondly, a difference between groups, based on race, in traffic stop outcomes (tickets, warnings, and arrests). To come up with the best benchmark for this purpose, they set up observers at intersections who record the race of each driver. They then compute the percentages of the drivers based on race. Dr. Barnum further explained that they split the community into observation zones because the proportion of different races on the roads will vary from location to location. Ames had 14 observation zones, which were chosen based on areas where there is heavy traffic flow and where the police are making the most stops. The police stops that occurred in each observation zone are then reviewed. They compute the same percentages for the police data that they have in their benchmarks, and they compare the two. Dr. Barnum gave a hypothetical illustration to further explain that methodology.

A slide was shown by Dr. Barnum where the traffic stops by observation occurred in 2018 and 2019 for the Ames Police Department. He explained the Ames Police Department Disproportionality Indexes for 2018 and 2019 and how to interpret them. In summary, Dr. Barnum stated that there was no strong evidence that they had high confidence in that there was any disproportionality occurring in the Ames Police Department.

A slide was also shown by Dr. Barnum where the traffic stops by observation occurred in 2017, 2018 and 2019 for Iowa State University Police Department. The Disproportionality Indexes for each of those years was shown. In summary, Dr. Barnum stated that there was no strong evidence that they had high confidence in that there was any disproportionality occurring in the Iowa State University Police Department.

Regarding Individual Officer Index, Dr. Barnum showed an example, not using Ames data, to illustrate what a pattern of disproportionality would look like. Charts showing officer index values for 2018 and 2019 for Ames officers were interpreted. There was no strong evidence that showed any disproportionality existed in the traffic stops made by Ames Police Department. The same charts were shown for Iowa State University Police officers in 2017, 2018, and 2019. For both Departments, officers' index values were generally clustered together with no outliers. For ISU Police Department, the chart in 2017 and Type II Chart in 2018 each contained a single officer who had a conspicuously higher index value than other officers; however, that no longer appeared to be the case in 2019.

Dr. Barnum explained that stop outcomes simply means what happens after a traffic stop has been

made. The three types of outcomes tracked were citations, warnings, and arrests. He advised that nearly all of the arrests made in all years of the analysis for both types of benchmarks were for nondiscretionary charges. Nondiscretionary charges were defined as the officer has little or no discretion in deciding to arrest; the officer must make an arrest. Some arrests were to cite and release, meaning the driver was issued a summons to appear in court in lieu of being taken to jail. According to Dr. Barnum, the vast majority of arrests made by both Departments were for nondiscretionary charges.

Odds-ratios values were explained by Dr. Barnum. This estimator is useful when comparing two distinct groups and summarizes the odds of something happening to one group to the odds of it happening to another group. He said an odds-ratio value greater than one indicates an increased occurrence of an outcome for a non-white driver. Arrest data was interpreted by Dr. Barnum. He presented a summary of the outcomes of arrests after a traffic stop for Ames Police Department, as follows:

Citations and Warnings: The information suggests that when compared to 2018, non-white-driver disproportionality in citations decreased in 2019 for both types of odds ratios. The results suggested that white drivers were more likely to receive a ticket than others.

Arrests: Disproportionality in arrests increased in 2019 for both types of odds ratios. Taken together, the findings suggested greater disproportionality in arrests involving African American drivers than in other people of color. Dr. Barnum stated that it was important to note that almost all arrests were made for non-discretionary offenses, meaning officers were required to make an arrest.

The data for ISU for 2017, 2018, and 2019 pertaining to citations, warnings, and arrests were shown. There was disproportionality showing in arrests of African Americans for all three years. Dr. Barnum provided a summary of the ISU Police Department stop outcomes, as follows:

Citations and Warnings: Results suggested that for Type I, when compared to earlier years, non-white-driver disproportionality in citations and warnings decreased in 2019. The information for Type II was substantively similar. When compared to earlier years, non-white-driver disproportionality in citations and warnings decreased in 2019.

Arrests: Disproportionality for both Type I and Type II odds ratios increased in 2019. Taken together, the findings suggested greater disproportionality in African American arrests than in others. Dr. Barnum again noted that almost all arrests were made for non-discretionary offenses.

Conclusions:

1. Findings from the examination of disproportionality in vehicle stops showed that, at the Department level, index values were nearly always less than 0.05 for all years of the Study for both Departments.
2. Individual officer analysis suggested no clear outlier officers in disproportionality for 2019.

3. The results for the analyses of stop outcomes indicated decreasing and comparatively low levels of disproportionality in stop outcomes for citations and warnings.
4. The findings showed increasing levels of disproportionality in arrests. Even so, it was again important to note that almost all arrests were made for nondiscretionary offenses (officers were required to make an arrest and had little or no choice in the matter).

Dr. Barnum stated that there were some limitations of the Study, which were as follows:

1. The data for this Study came from sources that were not initially or primarily intended for the examination of disproportionality in traffic stop decisions or outcomes. Consequently, some important information was not available.
2. The classifications for the reason for the stop were in some cases ambiguous.
3. Some nondiscretionary stop information resulting from traffic accidents many have been included in the data.

QUESTIONS FROM AMES CITY COUNCIL AND ISU STUDENT GOVERNMENT: Ames City Council Member Beatty-Hansen asked Dr. Barnum if benchmark observations were done at night too. Dr. Barnum answered that the “lion’s share” or majority were done during the evening to late-night hours. They did not split out when the observations were taken; they combined all hours. Ms. Beatty-Hansen then asked, if the non-discretionary arrests are discounted, was there still enough data to come to a conclusion. Dr. Barnum replied that there were so few that he couldn’t really analyze that. It was also asked by Ms. Beatty-Hansen if disproportionality was measured by area of town. According to Dr. Barnum, they do that, but it is weighted by the number of stops.

Council Member Gartin had questions about the mechanics of identifying race, specifically when a person is from a multi-racial background, which may make it difficult to identify a person’s race accurately. He asked how they accounted for the subjective aspect of identifying the race of the driver. Also asked by Mr. Gartin was whether the driver is being asked to self-identify their race, and if not, is the officer making a record of what they believe is the race of the driver. Dr. Barnum said that when their observers are watching traffic, it is merely their perception of what the driver’s race is. Chief Huff said that the race that is recorded on the citation or arrest comes from the person’s driver’s license, which is coded by the Department of Transportation. The officers are not asking the person to identify their race and they are not guessing. Chief Huff noted that race is no longer required on the Iowa driver’s license, so in the future, it might say “unknown.” Chief Newton added that was true for his Department. He noted that the State and the FBI only recognize four races, which limits what can be entered..

City Council Member Junck asked Dr. Barnum to expound on why the classifications for the stop were, in some cases, ambiguous and if there was any sorting of what stops were for what reason at all. Dr. Barnum replied that the data that he received was not primarily made for this type of study; it came from other data (Tracks, Central Square police data) sources. That data was not included because they didn’t want to guess at the reason why the stop was made.

City Council Member Betcher asked, given the large number of non-discretionary stops, whether Dr. Barnum observed anything about the legal system of the State of Iowa and how disproportionate it is that Blacks are incarcerated at a much higher percentage in Iowa than elsewhere. Dr. Barnum replied that most departments are now tracking the kinds of arrests that are being made when they do this type of study. He added that they do see the same results that the majority of arrests are non-discretionary. Chief Huff said that when the Ames Police Department saw the disproportionality in the arrests, it further analyzed the arrest data. The results were as follows: three on warrants; five for OWI, 3rd Offense; one for OWI, 2nd Offense; 12 for OWI, 1st Offense; one for no valid driver's license; 11 for Driving Under Suspension (released on citation); two for Driving While Revoked; 11 Driving While Barred; and one for Aggravated Assault. Chief Newton stated that, in 2019, 60% of the African American stops that were cite-and-release were for Driving Under Suspension. The system codes those as arrests, which might not be the case in every County. Chief Newton recognized that it is a cycle that leads to more arrests. Society, as a whole, needs to look at that differently. Chief Huff indicated that the Story County Attorney's Office has a program to assist drivers who find themselves in that type of situation so they don't fall into that cycle.

Alyannah Buhman, Student Government Director of Diversity, Equity, and Inclusion, noted the number of non-discretionary arrests and asked what the initial reasons were for the officer making the traffic stop. Chief Huff said that was hard to put together after the fact. They would have to take a "deeper dive" to find out that information, which they have not done at this point. Chief Newton said the same held true for ISU Police Department. They might need to look at adding more to the reports. Chief Huff added that the records management system is designed to get information to the courts; it is not designed well to get information that is needed for this type of study. The Student Government member then asked if the data from this study had been compared to any other state universities, i.e., University of Iowa and University of Northern Iowa; and if so, how did it compare. Chief Newton answered that the data had not been compared as those institutions, to his knowledge, had not undergone such a study. He shared that they looked at the data from other clients of Dr. Barnum, and in most cases, Ames and ISU were lower in the data categories. Pertaining to the initial reasons for traffic stops, Chief Newton shared that everything they do is on camera and the supervisors are required to review a certain number of videos per month.

Another Student Government member requested to know, if a future study is done, how they plan on going through the data and making sure that it is consistent from year to year. Dr. Barnum said he touched on that in Recommendations. There is an issue with what the State of Iowa is doing with the driver's licenses, e.g., taking race off of licenses; every year there will be more "unknowns." Ideally, Dr. Barnum would like to see a data collection system be developed just for this type of study. There are other communities that have that now. In terms of bias, they like to look at whether the question has been asked. He sees it as a legislative issue about coding race. Chief Newton said they plan to look at the data annually. He has already reached out to researchers at ISU to see if they can use their own inside-ISU talent to look at different ways to collect the data. The Student Government member then asked if the footage from body cameras agreed with the data that was in the findings of the Study. Chief Huff said that it did. Chief Newton concurred that they had not found anything that didn't. He noted that both agencies share monthly reports and try to be as transparent as possible. Chief Huff shared that both agencies try to make it as easy as possible for people to file complaints if they feel they have not been treated fairly. Going forward, the Ames Resident Police Advisory Committee is being

formed, which is another way people can make a complaint.

Eddie Mahoney, Residence Hall Senator for Student Government, asked why there was no data included from 2020 or 2021. Chief Newton answered that they started with looking at 2018 data, but they felt one year was not enough to come to any conclusions. They decided to go with 2018 and 2019, but he wanted to go with 2017 data as well since that was when he became the ISU Police Chief. There were not many traffic stops in 2020 and the first half of 2021 because of the pandemic. Mr. Mahoney asked about the benchmarking process and whether it would have been done in 2020/2021 and was it entirely representative of the data from 2017 and 2018. Dr. Barnum said the observers were observing drivers in 2018 and believes it is probably representative of both years.

Another person representing Student Government said, from his viewpoint, 2019 was a year of unusually high disproportionality for the ISU Police Department. He asked for an explanation of why that occurred. Chief Newton said that, for some reason, the majority of ISU Police Department's stops were non-discretionary arrests that resulted in cite-and-release for Driving While Suspended. When he looked at the data, some people were contacted several times; that can be a cycle because the officers recognize the person whom they had stopped before for Driving While Suspended. Chief Newton said he doesn't know why so many suspended drivers (60%) drove in 2019. The student also asked Dr. Barnum what reason he has seen from his other studies as to why white drivers were issued more warnings than other drivers. Dr. Barnum stated that there are also times when white drivers were actually issued more citations. He provided a hypothetical profiling scenario that they look for, but did not find in Ames. Chief Newton noted that sometimes it is driver behavior or an officer is making a stop to inform the driver of a headlight out or an equipment failure.

A Senator for Student Government asked if they thought data from more recent years will show a change in the outcome. Chief Newton said it was hard to tell, but they will continue to provide officer training.

Another Senator for Student Government, asked if, in future studies, it was shown that an officer was making significantly more arrests of person of color, would they know who that officer is and if something could be done to talk to that officer to find out what's going on. Chief Newton said they do know who the officers were and have reviewed their statistics. He noted that officers do not get a choice on what calls to respond to, so some officers respond to calls that require non-discretionary arrests more than others. Chief Newton said that he can say confidently that they looked at the data and did not see an issue with the officer(s) that were involved. Chief Huff stated the same held true for the Ames Police Department. If they were to see higher levels of disproportionality, they would seek to know why.

Representing Student Government, Eddie Mahoney, asked if the officers knew that the study was being performed and was there any chance that it could have influenced their behavior. Chief Newton stated that most of his officers did not know the study was happening, other than the command staff. Chief Huff concurred.

Another Senator for Student Government asked the consultant to speak as to how the methods were developed specifically. He wondered if there was any sort of peer level consensus with the statistical

community on how to handle studies like this. Dr. Barnum provided some background as to how they got started performing similar research between 2000 and 2010. Their methods have continued to develop throughout the years. There is some agreement about using benchmarks, but also a lot of debate about what method to use. They have had peer review of their studies and those have been published. It was also asked how the consultant was selected. Chief Huff said that it was initiated by former Ames Police Chief Chuck Cychosz. He received consensus from Iowa State to have a study done including both Ames and ISU Police Departments. Dr. Barnum acknowledged that he had been contacted by Chuck Cychosz. There are not many consultants who perform this type of study. Chief Newton said he had had conversations with former Chief Cychosz. It would not make sense for ISU and the City of Ames to hire separate consultants. The Student Government representative also asked if they are thinking of involving the community in continuing a verification process. Chief Newton said both he and Chief Huff are always happy to sit down with members of the community to have a deeper discussion. He referenced the Ames Resident Police Advisory Committee, stating that it hopefully will be up and running by April, and have that Committee help. Lastly, he asked about the data that was found from stops being made at night. Mr. Barnum said that a lot of their observations occurred in the evening and late-night hours.

Jennifer Seth, SUV Senator for Student Government, said she was curious about the benchmarks. She asked why the decision was made not to use Census data or something else. Dr. Barnum answered that they have compared using benchmarks to using Census data and found that the results were nearly identical. They also found that their benchmarks were more conservative.

QUESTIONS AND COMMENTS FROM THE PUBLIC: There were no questions or comments received from the public. There were no questions that were posted on-line.

MOTION ACCEPTING REPORT: Moved by Betcher, seconded by Junck, to accept the Report of the Ames Police Department and ISU Police Department Traffic Stop Student Results, as submitted. Vote on Motion: 6-0. Motion declared carried unanimously.

DISPOSITIONS OF COMMUNICATIONS TO COUNCIL: None.

COUNCIL COMMENTS: Council Member Gartin thanked the Student Government members for their participation in this meeting. He thought the opportunity to work together tonight was really encouraging.

Mayor Haila mentioned that the application for Ames Resident Police Advisory Committee (ARPAC) will be posted within the next week. They are looking for members representing a broad section of the community. The application will be open for three of four weeks, interviews will then be conducted, and his recommendations will be presented to the City Council.

The Mayor also thanked the Student Government for its participation. He reiterated that the Findings of the Study will be posted on each agency's website.

ADJOURNMENT: Moved by Betcher, seconded by Junck, to adjourn the meeting at 7:51 PM. Vote on Motion: 6-0. Motion declared carried unanimously.

Dawson thanked all who attended the meeting.

A motion was made and seconded by members of the Student Government to adjourn the meeting. There were no objections and the meeting adjourned at 7:51 PM.

Diane R. Voss, City Clerk

John A. Haila, Mayor

MINUTES OF THE SPECIAL MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

FEBRUARY 15, 2022

The Special Meeting of the Ames City Council was called to order by Mayor John Haila at 6:00 p.m. on the 15th day of February 2022, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law. Present were Council Members Bronwyn Beatty-Hansen, Gloria Betcher, Amber Corrieri, Tim Gartin, Rachel Junck, and Anita Rollins. *Ex officio* Member Trevor Poundstone was absent.

CITY COUNCIL VALUES, GOALS, AND TASKS FOR 2022/23: Assistant City Manager Phillips stated that the City Council met a couple weeks ago to put together its values and goals. Since that time, staff has worked to determine some recommended tasks that would help the Council achieve those goals in the next two-year period. City staff has evaluated the tasks to make sure city staff has the capacity to get through them. Assistant City Manager Phillips indicated that the tasks are achievable, and Council would receive a list of action items at the end of this calendar year. He said at the end of the two-year period, City staff will take care of any remaining tasks. Assistant City Manager Phillips noted there is a good mix of various City departments, so no one department will be overloaded, nor will Council be overloaded. The question is does Council agree with these tasks and do the tasks represent what Council is trying to achieve with the goals that have been set.

We Value Communication and Engagement with the Public

Assistant City Manager Phillips reviewed Goal 1 and asked if anyone had any changes. Council Member Beatty-Hansen asked about the “Play Ames Festival” and if Council wanted to continue that event. Mayor Haila asked who would be responsible for running it, organizing it, and having a strategy. He noted “Play Ames” is a big initiative and questioned who would head it up. Council Member Rollins indicated obtaining funding was an issue last year, but she thinks if Council starts something and doesn’t continue it, Council doesn’t build trust within the community. If there is an option to continue this Festival, she would like to see the Council and City staff explore it. Council Member Betcher thought Iowa State University would like to hold the Festival again, but with a modified team. The team leaders for the Festival did apply for community grant funding, but were not awarded that grant. Council Member Beatty-Hansen said we should ask Iowa State University if they want to pursue the Festival again. She indicated a good topic would be communicating to the public Council’s Values and Goals. Council Member Gartin asked how many people attended. Discussion was had around attendance, since there were several locations, it varied. Approximately 200 people attended “Play Ames” across four different locations.

Task 1 of Goal 1 was updated to read “Staff will approach the CRP 432/532 class regarding the possibility of hosting another “Play Ames Festival” focused on educating the public regarding the City Council’s values.” No changes or updates were made to Task 2 or Task 3.

We Value Diverse Housing Options for the Community.

Assistant City Manager Phillips said with this goal, Task 2 is key and it depends on what Council prioritizes. Council Member Gartin expressed concerns that Council would be able to do anything

significant regarding affordable housing. He believes Council should be preserving the existing housing stock. He asked if Council could look at creative programs to rehabilitate existing housing stock that might otherwise decline in value. City Manager Schainker referred to Task 3 and Task 4 and said a low/moderate-income housing strategy is needed. Council needs to have a policy in place before discussion about incentives to determine if there are any Code impediments. City Manager Schainker said Council needs to look at all the projects and prioritize those projects after they have reviewed them.

Value of Fun, Vibrant, and Healthy Community that Attracts and Retains People.

Assistant City Manager Phillips indicated there are two goals under this value with five tasks outlined under Goal 1. City Manager Schainker said this Goal will be directed towards the Parks & Recreation Department and the Ames Public Library. They are excited and already working on potential programming. City staff is also looking at bringing in other partners.

Council switched the task order on this goal so Task 3 would come before Task 2. Council Member Gartin stated he was excited about this Goal and the for the citizens of Ames. He mentioned the City of Dubuque has implemented some work around this type of goal and it would be worth reaching out to their staff.

Under Goal 2 Council recommended updating the wording to “consult” rather than “establish a task force”. Mayor Haila mentioned meeting with businesses individually to thank them for their efforts and see what the City can do to help them. Council Member Junck stated task force was used a lot in the plan so changing it to consult is better.

We Value a Diverse Equitable and Inclusive Community.

Assistant City Manager Phillips reviewed the two goals noting that there is no time line at this point for hiring DEI Coordinator. Council Member Gartin asked what the job responsibilities would be for the DEI Coordinator. City Manager Schainker said the individual in that role would review all policies to make sure they are fair and equitable, help with the process of recruiting ensuring equitable representation, handle internal complaints regarding discrimination, and take the lead on ADA issues and complaints. This individual would also be assigned as the staff person for the Ames Human Relations Commission (AHRC), splitting their work time internally and externally.

Mayor Haila said he’s hoping the DEI Coordinator might be able to work with Council as well. Council Member Betcher expressed her frustration on how they have not moved forward on this inclusive goal on policy review. Council Member Gartin stated he would like to see training for Council with Iowa State University pursued. City Manager Schainker said he wants Council to tell him what training they want to focus on, and he would line something up, noting that utilizing Leon Andrews again is not an option as he left his position with the National League of Cities.

Council added a new Task 1 that reads “Staff will present for Council’s approval a proposed prioritization of tasks related to housing availability and affordability identified in Ames Plan 2040.” All other tasks shifted down numerically one spot.

Council Member Rollins stated that she would like to see if Council can work with AHRC to begin working on some items prior to hiring DEI Coordinator. Assistant City Manager Schildroth noted that AHRC will be before Council in April or May to present the Annual Report. She provided an overview of what AHRC has been involved with. Ms. Rollins indicated that AHRC has some great initiatives that Council could get behind. Assistant City Manager Schildroth stated AHRC has a strategic plan and the pandemic has influenced what the members have been able to accomplish and the events that they have been able to participate in.

Assistant City Manager Phillips reviewed Goal 2 and said this Goal involves a couple different tasks. He noted there are budget implications to this Goal. The timing is layered in with the budgeting process and depends on how in depth a study needs to be. CyRide staff has the ability to do some preliminary analysis, but if it's going to be pursued further, CyRide staff felt a consultant could provide a more in-depth analysis to explain what is going to shift people's decision-making on riding the bus or not.

Task 4, Task 5 and Task 6 all relate to the bike/ped master plan. Assistant City Manager Phillips said staff is close to hiring a consultant to complete that plan. Council will have a chance to review and consider the recommendations of the plan in early 2023. Micromobility falls under Task 7 and Task 8 City staff expects to complete the report the end of this calendar year. Assistant City Manager Schildroth stated staff is working with Iowa State University to consider micromobility on the shared use paths around campus and that will all be wrapped into the micromobility ordinance.

There was discussion around the completion dates. City Manager Schainker stated those are fluid. Council Member Junck stated she was excited for this goal. She said it provides another needed piece that fits in to the City's Climate Action Plan.

We Value Environmental Sustainability

Assistant City Manager Phillips stated the Climate Action Plan (CAP) will impact this value. In Quarter 2 of 2022, Council will receive the Waste-to-Energy Study. Council will then have to decide which option to pursue, and that will generate a whole new set of tasks and budget concerns. Regarding Task 8, Assistant City Manager Phillips brought up solid waste collection and how to determine the next steps. He noted City staff should be able to provide Council that information in Quarter 3 of 2022. With that it made sense to move the completion goal for Task 9 to Quarter 3 of 2023.

Council Member Gartin asked about the CAP proposal coming in April where the consultant will review the *6 Big Moves*. Assistant City Manager Schildroth noted the Consultant will provide the information gathered from the focus groups, which will be providing community input on the *6 Big Moves*. She stated that the CAP is scheduled to be approved by Council in September 2022 after an additional town hall meeting and community input. She also noted the *6 Big Moves* are available to review on the CAP website.

Council requested Task 6 be updated to remove the word "pursue" and add "consider" in its place. Mayor Haila asked if there was any action Council wanted to take.

Moved by Beatty-Hansen, seconded by Betcher, to accept the Goals, as amended.
Vote on Motion: 6-0. Motion declared carried unanimously.

REVIEW AND AMENDMENT OF PLANNING DEPARTMENT WORK PLAN: Planning and Housing Director Kelly Diekmann said, based on the Council goals that were drafted back in January, Council needs to prioritize referrals and tasks for implementation. He said he tried to give a full range of issues as outlined in the attachments. The first table attached to the Council Action Form was the Work Plan of current or committed priorities (Attachment A) and the second table was the non-prioritized project list (Attachment B). Items on the non-prioritized project list have been discussed, but have not moved forward. Director Diekmann said that if Council wants to move an item into the Work Plan from the project list, an item already on the Work Plan needs to move off. Director Diekmann reviewed five initiatives. He stated staff believes that thinking of the initiatives in the context of different categories such as Infill/Redevelopment, Housing, Transportation, and Commercial and Other Zoning Issues will assist Council in prioritizing specific issues. He noted committed projects are either ongoing projects or prior directives of the City Council that are not yet complete. This list includes the Fringe Plan Update and a placeholder for Plan 2040 Initiatives. Attachment A includes a list of 18 projects and the status of each. He said that of the 18 projects, two are related primarily to the Housing Division: the Baker Subdivision and CARES/ARP funding. Staff believes four to six of the committed projects will be completed within the next 90 days, such as the Reinvestment District application, TIF Subdivision Development Agreement, Plaza, and Public Art specifications, and Grove Avenue rezoning. The remaining items are either long-term projects or have not yet been started.

Director Diekmann said he thinks they can make good progress as outlined on Attachment C which was the proposed priorities. He noted Council has the option of removing items from the list, which is done by a motion.

Council Member Betcher brought up Rental Conversion Incentives inquiring if that item can be worked into the housing initiative. Director Diekmann said it could not unless Council removes a project from the Work Plan. Council Member Betcher asked if the item can be put on a future Council agenda to discuss or if it is something Council would want to remove. Council Member Corrieri brought up that people were not interested in rental properties being converted into owner occupied. Director Diekmann said it did seem unlikely.

Council Members Rollins asked how many available rentals there are in the City. City Manager Schainker said the City has access to that information as rentals have to register with the City, but how many are currently occupied is unknown.

Director Diekmann noted that City staff is currently finalizing the Baker Subdivision and working to find eligible households. If the City were to buy an old apartment complex and convert to low-income housing, the City would be competing against itself. Director Diekmann noted that he doesn't think the City has the necessary staff capacity to handle that task.

Moved by Beatty-Hansen, seconded by Junck, to remove Rental Conversion Incentives from the Work Plan completely.

Vote on Motion: 6-0. Motion declared carried unanimously.

Mayor Haila asked about Sign Code Updates. Director Diekmann indicated this was not a priority but if staff has time to review, they could pick up at that time and move forward.

Mayor Haila brought up the Historic Preservation Update. Director Diekmann stated the Historic Preservation Commission did not meet on February 14th due to a lack of quorum so no update can be provided. Council Member Betcher said Council should leave the Historic Preservation Plan Update since the Commission has not provided input yet.

Director Diekmann noted that the current items planned to be resolved by April are removed (Attachment C) was put together based on Council goals. He said if Council looks at the 2040 Plan implementation issues, it's for Council to judge if any of those items are more important than the four or five at the bottom of this list and reprioritize. Director Diekmann explained front yard parking to Council, noting it's specific to single-family homes. The issue with front-yard parking comes into play on non-conforming properties and causes issues for City staff when questions come up about driveways and garages. City Manager Schainker said non-conforming properties are an issue and there are a lot of them in the community right now. Council and City staff may have to re-look at the entire issue and modify the Code.

Moved by Beatty-Hansen, seconded by Corrieri, to accept staff's recommendations, considering the amendments, previously voted on, on the program of work as reflected in Attachment C.

Vote on Motion: 6-0. Motion declared carried unanimously.

City Manager Schainker stated the time line outlined in Attachment C will likely be adjusted, but it is the best estimate right now.

Mayor Haila referred Council and staff back to Attachment B. Council Member Betcher wants to keep the first two items on Attachment B. Director Diekmann said staff would likely do both at the same time, but they are two different things.

Moved by Gartin, seconded by Corrieri, to remove holding off any final decision regarding plaza in Campustown until final decision is made regarding relocating of Fire Station #2 and completion of Welch Improvement, (Date Referred 5/14/19), remove requesting staff memo regarding zoning recommendation for the lot of old KFC on Lincoln Way (Date Referred 10/8/19), and remove letter from Justin Dodge on Champlin Property roadway improvement requirements and costs (Date Referred 2/25/20), all from Attachment B.

Vote on Motion: 6-0. Motion declared carried unanimously.

Council Member Junck asked if there was a need for the billboard referral to stay. Director Diekmann stated this was wrapped-up in the development agreement conversations for the Reinvestment District.

Moved by Junck, seconded Corrieri, to remove referred to staff for a memo the letter from Chuck Winkleblack concerning two billboards on the two block stretch on the north side of Lincoln Way between Clark and Kellogg (Date Referred 02/12/19 from Attachment B).

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Betcher, seconded by Gartin, to add historic preservation window repair as Façade Grant eligible element to Attachment C.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Gartin, seconded by Corrieri, to delete the demolition criteria (Date Referred 01/12/16 on Attachment B).

Ms. Betcher preferred to keep that item because of everything the City is doing to promote sustainability and the Climate Action Plan. Ms. Beatty Hansen said she thinks the Climate Action Plan will force the City to revisit this item again if it is removed.

Vote on Motion: 2-4. Voting Aye: Corrieri, Gartin. Voting Nay: Beatty-Hansen, Betcher, Junck, Rollins. Motion failed.

Council Member Junck asked for clarification on 05/28/2019. Director Diekmann said the Police Department made a recommendation back in 2017 for community policing through environmental design, and there are some strategies around landscape review that go into that. Director Diekmann stated he feels the City has that that incorporated into its processes.

Moved by Junck, seconded by Gartin, to remove reviewing zoning requirements for landscaping on private property (Date Referred 05/28/2019 from Attachment B).

Vote on Motion: 6-0. Motion declared carried unanimously.

Council Member Gartin asked about 05/16/2017. Council Member Corrieri stated everything on the parking lot is just everything the Council is afraid to say no to. In her opinion this whole item can be removed.

Moved by Gartin, seconded by Corrieri, to remove review outdoor sales standards for commercial areas (Date Referred 05/16/2017 from Attachment B).

Vote on Motion: 6-0. Motion declared carried unanimously.

Director Diekmann brought up Campustown Action Association (CAA) and changes to the Façade Grant program for Campustown. He would like this to operate on a rolling time period instead of applicants only being able to apply in March. He noted that not all of the criteria need to be revisited, instead the program needs to be easier to use.

Moved by Junck, seconded Beatty-Hansen, to bring back minor modifications to the application requirements for the Campustown Façade Grant program.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Gartin, seconded by Corrieri, to remove request by CAA to consider broad changes to facade grant program for Campustown (Date Referred 05/11/2021 from Attachment B).

Vote on Motion: 6-0. Motion declared carried unanimously.

Council Member Betcher asked what remaining items were on Attachment B. Director Diekmann said the two demolition elements of 01/12/16 and 01/12/16, the Neighborhood Association of 10/16/18 and the Downtown Façade Program of 01/2020. Director Diekmann noted Attachment A will no longer exist after tonight; Attachment C will replace Attachment A.

OVERVIEW OF AMES URBAN FRINGE PLAN UPDATE PROCESS: Director Diekmann provided an overview of the Ames Urban Fringe Plan. He noted Ames works cooperatively with Gilbert and Story County through a 28-E agreement to streamline subdivision review in the County based upon the Ames Urban Fringe Plan. The 28E agreement was for an initial five-year period with an automatic five-year extension, for a total of ten years. The Plan was extended cooperatively by all parties in 2021 until July 2022. The current Fringe Plan addresses two primary policy issues related to future annexation areas and intensity of rural development. The process to update the Fringe Plan is designed to build off of the prior plan and incorporate new elements of Plan 2040. The process is not intended to start from scratch and develop a whole new plan and set of priorities. County and City staff believe the best approach for doing an update is for staff to develop a draft plan and land use map and then seek public input on a complete draft plan. This will help focus on areas or policies that are changes to current policies, rather than spending time reviewing commonly agreed upon principles for the Fringe Plan. He stated that staff believes that, in addition to working with Story County to develop a new Fringe Plan and 28-E agreement, the City should also engage with Boone County about planning for west expansion with a 28-E agreement.

Mr. Diekmann said the intent is for staff to draft a map for the public to respond to. He asked Council to direct staff to move forward and accept the proposed update process with Story County taking the lead while working in conjunction with City of Ames staff to prepare a draft plan for public comment and review prior to holding hearings on approving a new plan.

Mayor Haila asked about the three items listed in his report. Director Diekmann stated that Item 1 was asking Council if there something that is an issue that Council is aware of or wants staff to investigate that is not on the Board of Supervisors' list or staff's list. Director Diekmann noted staff will work from these lists to come up with the best representation from the three government bodies interests, and Council will be able to review later this Spring.

Council Member Gartin asked about annexing a rural subdivision, moving forward and developing around them. Director Diekmann said he does not see this as a big obstacle for the City. There was some discussion around urban sprawl Director Diekmann stated that could be an issue at some point.

Council Member Betcher asked if there was anything in the Agreement that the City has or the zoning that exists that enables or limits the development of wind turbines. Director Diekmann said there is nothing in the 28E. It would default to Story County zoning procedures and its conditional use permit process with its Zoning Board of Adjustment.

Moved by Gartin, seconded by Betcher, to accept the proposed update process with Story County taking the lead while working in conjunction with City of Ames staff to prepare a draft plan for public comment and review prior to holding hearings on approving a new plan, and direct City of

Ames staff to reach out to the Boone County Board of Supervisors to discuss Fringe Planning and a 28-E Agreement as part of the Fringe Plan Update process.

Vote on Motion: 6-0. Motion declared carried unanimously.

Mayor Haila asked Council if there were any additional policy issues or concerns related to the Fringe Area Plan not mentioned earlier or in Director Diekmann's report that Council would like to give staff guidance on.

Council Member Gartin asked Director Diekmann if he had had any conversations with Boone County yet. Director Diekmann answered that he had not; however, Story County has reached out to Boone County.

DISPOSITION OF COMMUNICATIONS TO COUNCIL: The Mayor indicated there are two items under Disposition. The first item was a memo from Mr. Diekmann, regarding a request for a Zoning Text Amendment to Sec. 29.401c to allow for the proposed subdivision of the property at 2108 East Lincoln Way.

Moved by Beatty-Hansen, seconded by Junck, to pursue Option 1, which was to reduce the street frontage requirements for Flag Lots in the General Industrial District.

Vote on Motion: 6-0. Motion declared carried unanimously.

Director Diekmann clarified the applicant would have to apply for it first.

The second item was a memo from Mr. Diekmann, regarding a request for an Affordable Housing Tax Abatement Incentive for the Annex Group.

Moved by Beatty-Hanson, seconded by Betcher, to place the memo from Director Diekmann regarding the request for an Affordable Housing Tax Abatement Incentive for the Annex Group on a future agenda.

Vote on Motion: 6-0. Motion declared carried unanimously.

COUNCIL COMMENTS:

Council Member Rollins stated she attended an Economics 101 class where it was mentioned there was a 44% growth within the state from immigrants.

Mayor Haila mentioned the NAACP Freedom Fund Banquet will be on February 17, 2022.

ADJOURNMENT: Moved by Betcher, seconded by Junck, to adjourn the meeting at 8:33 p.m. Vote on Motion: 6-0. Motion declared carried unanimously.

Diane R. Voss, City Clerk

John A. Haila, Mayor

Renee Hall, Recording Secretary

MINUTES OF THE SPECIAL MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

FEBRUARY 28, 2022

The Special Meeting of the Ames City Council was called to order by Mayor John Haila at 12:00 Noon on the 28th day of February, 2022. The Mayor announced that it was impractical to hold an in-person Council meeting; therefore, this meeting was being held as an electronic meeting, as allowed by Section 21.8 of the *Iowa Code*. Council Members Gloria Betcher, Bronwyn Beatty-Hansen, Tim Gartin, Rachel Junck, and Anita Rollins were present. Council Member Amber Corrieri and *ex officio* Member Trevor Poundstone were absent.

Assistant City Manager Brian Phillips reminded the Council members that, on January 11, 2022, they had adopted a temporary masking requirement for City Council, Board, and Commission meetings. That requirement was approved in light of the surge in COVID-19 cases related to the highly contagious omicron variant. The masking requirement was adopted in conjunction with a staff-implemented policy requiring masking or distancing within City facilities.

On February 25, 2022, the Centers for Disease Control and Prevention (CDC) released new guidance regarding COVID-19 precautions. That guidance bases mask-wearing in public settings on community COVID-19 levels by observing local metrics. The CDC guidance only includes universal masking in areas with high community COVID-19 levels. According to the data released by the CDC as of February 25, Story County is considered to be at low levels of community COVID-19 impact.

Based on the above information, City staff recommended that the City Council rescind the masking requirement for City Council, Board, and Commission meetings, effective March 1, 2022. The policy requiring visitors and staff to mask or distance in City facilities would be rescinded at the same time.

Moved by Gartin, seconded by Junck, to rescind the masking requirement for City Council, Board, and Commission meetings, effective March 1, 2022.

Vote on Motion: 5-0. Motion declared carried unanimously.

Mr. Phillips noted that should the local metrics indicate a surge in community COVID-19 levels for Story County, the Council may have to revisit the masking requirement.

DISPOSITIONS OF COMMUNICATIONS TO COUNCIL: None.

COUNCIL COMMENTS: None.

ADJOURNMENT: Moved by Gartin, seconded by Betcher, to adjourn the meeting at 12:03 p.m.

Vote on Motion: 5-0. Motion declared carried unanimously.

Diane R. Voss, City Clerk

John A. Haila, Mayor

**MINUTES OF THE REGULAR MEETING OF THE
AMES CONFERENCE BOARD AND
REGULAR MEETING OF THE AMES CITY COUNCIL**

AMES, IOWA

FEBRUARY 22, 2022

REGULAR MEETING OF THE AMES CONFERENCE BOARD

The Regular Meeting of the Ames Conference Board was called to order by Chairman John Haila at 6:00 p.m. on February 22, 2022. Present from the Ames City Council were Bronwyn Beatty-Hansen, Gloria Betcher, Amber Corrieri, Tim Gartin, Rachel Junck, and Anita Rollins. Lisa Heddens, and Latifah Faisal represented the Story County Board of Supervisors. Other members in attendance were: Kelly Winfrey, Ames Community School Board of Directors; and Joe Anderson, Nevada School Board of Directors. Gilbert School Board of Directors and United Community School Board of Directors were not represented.

MINUTES OF JANUARY 25, 2022: Moved by Corrieri, seconded by Faisal, to approve the Minutes of the January 25, 2022, meeting of the Ames Conference Board.

Vote on Motion: 3-0. Motion declared carried unanimously.

HEARING ON PROPOSED 2022/23 BUDGET FOR CITY ASSESSOR'S OFFICE: Chairman Haila opened the public hearing and then closed it when no one came forward to speak.

Moved by Betcher, seconded by Winfrey, to adopt the proposed 2022/23 Budget for the City Assessor's Office.

Vote on Motion: 3-0. Motion declared carried unanimously.

CONFERENCE BOARD COMMENTS: Chairman Haila mentioned that the Assessor interviews were wrapping up. It is anticipated that within the next couple of weeks a Special Meeting will be called to discuss the candidates and make a recommendation for appointment of a City Assessor.

ADJOURNMENT: Moved by Heddens, seconded by Betcher, to adjourn the Ames Conference Board at 6:02 p.m.

Vote on Motion: 3-0. Motion declared carried unanimously.

MINUTES OF THE REGULAR MEETING OF THE AMES CITY COUNCIL

The Regular Meeting of the Ames City Council was called to order by Mayor John Haila at 6:04 p.m. on February 22, 2022, in the City Council Chambers in City Hall, 515 Clark Avenue, pursuant to law. Present were Council Members Gloria Betcher, Bronwyn Beatty-Hansen, Amber Corrieri, Tim Gartin, Rachel Junck, and Anita Rollins. *Ex officio* Member Trevor Poundstone was also present.

CONSENT AGENDA: Council Member Beatty-Hansen requested to pull, for further discussion, Item 17: Resolution approving preliminary plans and specifications for 2021/22 Arterial Street Pavement Improvements (North Dakota Avenue and Ontario Street); setting March 15, 2022, as bid

due date and March 22, 2022, as date of public hearing; and Item 18: Resolution approving preliminary plans and specifications for 2021/22 Collector Street Pavement Improvements (Hoover Avenue); setting March 16, 2022, as bid due date and March 22, 2022, as date of public hearing.

Moved by Betcher, seconded by Junck, to approve the following items on the Consent Agenda.

1. Motion approving payment of claims
2. Motion approving Minutes of Special City Council Meeting held January 28, 2022, and February 1, 2, and 3, 2022, and Regular City Council Meeting held February 8, 2022
3. Motion approving Report of Change Orders for period February 1 - 15, 2022
4. Motion approving ownership update for Class E Liquor License with Class B Wine Permit, Class C Beer Permit (Carryout beer) and Sunday Sales - Kum & Go #1113, 2801 E 13th Street
5. Motion approving ownership update for Class E Liquor License with Class B Wine Permit, Class C Beer Permit (Carryout beer) and Sunday Sales - Kum & Go #227, 2108 Isaac Newton Drive
6. Motion approving ownership update for Class E Liquor License with Class B Wine Permit, Class C Beer Permit (Carryout beer) and Sunday Sales - Sam's Club #6568, 305 Airport Road
7. Motion approving ownership update for Class E Liquor License with Class B Wine Permit, Class C Beer Permit (Carryout beer) & Sunday Sales - Casey's General Store #2905, 3612 Stange Road
8. Motion approving renewal of the following Beer Permits, Wine Permits and Liquor Licenses:
 - a. Class C Liquor with Outdoor Service & Sunday Sales - BN'C Fieldhouse, 206 Welch Ave
 - b. Class C Liquor License with Outdoor Service & Sunday Sales - Coldwater Golf Links, 1400 S Grand Avenue
 - c. Class E Liquor License with Class B Wine Permit, Class C Beer Permit (Carryout Beer) & Sunday Sales - Kum & Go #1113, 2801 E 13th Street
 - d. Class E Liquor License with Class B Wine Permit, Class C Beer Permit (Carryout Beer) & Sunday Sales - Kum & Go #227, 2108 Isaac Newton Drive
 - e. Class A Liquor License with Outdoor Service & Sunday Sales - Elks Lodge, 522 Douglas Pending Dram Shop Insurance
 - f. Special Class C Liquor License - Homewood Golf Course, 401 E 20th Street
 - g. Special Class C Liquor License - The Spice Thai Cuisine, 402 Main Street
 - h. Class C Beer Permit with Class B Native Wine Permit & Sunday Sales - Swift Stop #4, 1118 S Duff
 - i. Class C Beer Permit with Class B Wine Permit & Sunday Sales - Swift Stop #5, 3208 Orion St
 - j. Class E Liquor License with Class B Wine Permit, Class C Beer Permit (Carryout Beer) & Sunday Sales - Casey's General Store #2905, 3612 Stange Road
 - k. Class B Beer with Sunday Sales - Pizza Pit Extreme, 207 Welch Avenue
 - l. Class E Liquor License with Class B Wine Permit, Class C Beer Permit (Carryout Beer) & Sunday Sales - Sam's Club #6568, 305 Airport Road
9. RESOLUTION NO. 22-064 confirming appointment of Kit Clayburn to serve as a Iowa State University Student Government representative to Ames Transit Agency Board of Trustees
10. Requests from Campustown Student Apartments for Spring Carnival on April 15, 2022:
 - a. Motion approving blanket Vending License

- b. RESOLUTION NO. 22-065 approving closure of Chamberlain Street from Welch Avenue to Stanton Avenue from 2:30 p.m. to 7:30 p.m.
 - c. RESOLUTION NO. 22-066 approving suspension of 19 on-street metered parking spaces and 11 parking spaces in Campustown Lot Y from 3:30 p.m. to 7:30 p.m.
11. RESOLUTION NO. 22-067 setting March 8, 2022, as date for public hearings and additional action on proposals to enter into General Obligation Loan Agreements and to borrow money thereunder
 12. RESOLUTION NO. 22-068 acknowledging that Lease Agreement between City of Ames and Board of Regents acting on behalf of Iowa State University regarding Healthy Life Center never went into effect
 13. RESOLUTION NO. 22-069 approving Resource Recovery System Annual Report for 2021
 14. RESOLUTION NO. 22-070 approving the Police Department's application for and participation in the Governor's Traffic Safety Bureau Enforcement Grant program
 15. RESOLUTION NO. 22-071 approving Addendum to Iowa DOT Funding Agreement for 2018/19 Shared Use Path System Expansion (Trail Connection South of Lincoln Way)
 16. RESOLUTION NO. 22-072 approving preliminary plans and specifications for Ada Hayden Heritage Park Dredging of Wetland G (Cell 1); setting March 23, 2022, as bid due date and April 12, 2022, as date of public hearing
 17. RESOLUTION NO. 22-075 awarding contract to Stew Hansen Dodge RAM of Des Moines, Iowa, for purchase of one Ram 4500 crew cab chassis with safety strobe lighting for Electric Services in the amount of \$55,575
 18. RESOLUTION NO. 22-076 awarding contract to Stew Hansen Dodge RAM of Des Moines, Iowa, for purchase of one Ram 5500 truck chassis with safety strobe lighting for Public Works Operations in the amount of \$68,695
 19. RESOLUTION NO. 22-077 awarding contract to WESCO Distribution of Des Moines, Iowa, for the purchase of cable and wire for the Electric Department in the amount of \$116,180.60 (inclusive of Iowa sales tax)
 20. RESOLUTION NO. 22-078 awarding contract to Crest Precast Inc., of La Crescent, Minnesota, in the amount of \$91,121.20 (inclusive of sales tax) to furnish six concrete vaults for Electric Services Department
 21. Cooling Tower Blowdown Sanitary Sewer Modification:
 - a. RESOLUTION NO. 22-079 waiving Purchasing Policy requirement for competitive proposals
 - b. RESOLUTION NO. 22-080 approving Change Order No. 2 to WHKS & Co., Ames, Iowa, for design and construction services in the amount of \$55,500
 22. RESOLUTION NO. 22-081 accepting completion of Fire Station No. 1 HVAC Replacement Project
 23. RESOLUTION NO. 22-082 accepting completion of 2020/21 Concrete Pavement Improvements (8th Street)
 24. RESOLUTION NO. 22-083 approving amended Final Plat for Auburn Trail Subdivision, 1st Addition

Roll Call Vote: 6-0. Motions/Resolutions declared carried/adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

PRELIMINARY PLANS AND SPECIFICATIONS FOR 2021/22 ARTERIAL STREET PAVEMENT IMPROVEMENTS (NORTH DAKOTA AVENUE AND ONTARIO STREET):

Council Member Beatty-Hansen explained that she had pulled this item due to an email that was received from a citizen who had concerns about wider streets and how those are treated for pedestrians. She mentioned that this item was related to the same concerns, so she wanted to bring them up to discuss. Ms. Beatty-Hansen indicated that there weren't any concerns about the Arterial Street Pavement Improvement project, but the citizen did refer to Hoover Avenue.

Moved by Beatty-Hansen, seconded by Corrieri, to adopt RESOLUTION NO. 22-073 approving preliminary plans and specifications for 2021/22 Arterial Street Pavement Improvements (North Dakota Avenue and Ontario Street); setting March 15, 2022, as bid due date and March 22, 2022, as date of public hearing

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

PRELIMINARY PLANS AND SPECIFICATIONS FOR 2021/22 COLLECTOR STREET PAVEMENT IMPROVEMENTS (HOOVER AVENUE):

Municipal Engineer Tracy Peterson stated this project is a 31-foot section that will change to a 45-foot section at 30th Street. She mentioned that 30th Street is a fully controlled intersection where there is a four-way stop. It was noted that Hoover Avenue allows on-street parking through the entire corridor and it is also a shared bicycle street. Ms. Peterson indicated that signage will be installed. There was a lot of feedback from the residents regarding the portion south of 24th and 30th as there is a good portion that will be reconstructed. She explained that staff is not changing the geometrics of the intersection, but will be updating all the pedestrian ramps throughout the entire corridor.

Council Member Beatty-Hansen inquired if the Complete Streets Plan ties into how the crossings are reviewed. Ms. Peterson stated that the best thing that she would suggest is asking the concerned citizens to come in and meet with staff anytime there are projects. There are a lot of street projects every year, and it would be better to have these conversations during the planning phase or during the design. She noted that staff is currently working on a Bicycle/Pedestrian Master Plan and that will be a great time to get engagement from the community.

Council Member Gartin asked if the intersection was in compliance with the standards for an intersection. Ms. Peterson noted it was.

Council Member Gartin wanted to know if there was any knowledge of there being a lot of accidents at the intersection. Ms. Peterson stated she was not aware of any, but what staff had heard during the public meetings was the concern about drainage and access during construction for those with disabilities.

Moved by Beatty-Hansen, seconded by Corrieri, to adopt RESOLUTION NO. 22-074 approving preliminary plans and specifications for 2021/22 Collector Street Pavement Improvements (Hoover

Avenue); setting March 16, 2022, as bid due date and March 22, 2022, as date of public hearing.

PUBLIC FORUM: Mayor Haila opened Public Forum.

Richard Deyoe, 505-8th Street, #2, Ames, asked the Council if anyone had any questions for him. Mr. Deyoe sat back down as the Council did not.

Cameron Gray, 505 Northwestern Avenue, Ames, stated that he had sent emails to the Council regarding an art piece that would act as a potential free library to be located in a City Park. He wanted to emphasize that the art piece is not just a free library, but for him, it is a way to show the existence of black citizens in the community. Mr. Gray commented that the City can increase the diversity within the Ames Public Library and other free libraries, but as a citizen, he felt it was hard for him to be seen in the community. He felt that the monument would show something that has been untouched by “white hands,” and created by a black man to show the beauty of blackness, black words, and black thoughts. Mr. Gray stated that if this project was to move forward it would benefit the community by bringing people together and to help start the conversation of “presence” and “visibility” by black citizens.

Public Forum was closed by Mayor Haila when no one came forward to speak.

REQUESTS FROM AMES CHAMBER OF COMMERCE FOR AMES MAIN STREET FARMERS’ MARKET ON SATURDAYS FROM MAY 7 TO OCTOBER 15, 2022: Assistant City Manager Brian Phillips noted that he wanted to bring the Council’s attention to the status of the Parking Fund. He explained that since the start of this event the organizers have requested, and the City Council has approved, a waiver of the parking fees for all the closed parking spaces during the Saturdays that the Market is operating. Mr. Phillips pointed out that this year the Parking Fund is in a little worse shape than it has been before. The Parking Fund is viewed as a business; it is intended to cover the expenses related to operating the system. If the City continues to waive portions of the revenues, it will create challenges. Mr. Phillips stated that with other events that have requested district-wide free parking, the Council had adopted a policy that requires that the Parking Fund be made whole through another source. With other Downtown Ames events the Council had allocated funds in the Local Option Sales Tax Fund and transferred them to the Parking Fund to cover the lost parking meter revenue. It was pointed out that this event does not encompass district-wide free parking, but it is a substantial amount that will come out of the Parking Fund. It was staff’s recommendation to require the reimbursement for lost parking meter revenue in the amount of \$2,025.

The Mayor opened public comment. It was closed when no one came forward to speak.

Council Member Gartin liked the idea of creating a greater solvency for the Parking Fund, but appreciated the fact that staff gave the Council an option to support the Farmers’ Market. He noted he would defer to staff for a lot of the parking requests, but he felt the amount of money to be waived was small and the Farmers’ Market was an important contribution to the cultural life of the

community. He felt it made sense to continue to support the event. Mr. Gartin commented that he would be interested in Alternative 2 in the Report that would direct staff to transfer \$2,025 from the Local Option Sales Tax Fund to the Parking Operations Fund to cover the lost parking meter revenue.

Council Member Beatty-Hansen said she thought that this year the Council could approve a 50/50 split, where the City would cover half of the lost parking meter revenue while Ames Downtown would reimburse the City for the other half. She felt this would help the Ames Farmers' Market know what to expect in the future. Ms. Beatty-Hansen indicated she was also open to having the City take the loss this year, but the Ames Farmers' Market would be expected to pay for it next year.

Moved by Corrieri, seconded by Junck, to approve a blanket Temporary Obstruction Permit and a blanket Vending License for the Central Business District from 5:30 a.m. to 1:30 p.m.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Betcher, seconded by Corrieri, to adopt RESOLUTION NO. 22-084 approving the closure of the 300 and 400 blocks of Main Street, Burnett Avenue from Main Street to the U.S. Bank drive-through, and Tom Evans Plaza from 5:30 a.m. to 1:30 p.m. on Saturdays from May 7 to October 15, 2022.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Beatty-Hansen, seconded by Corrieri, to adopt RESOLUTION NO. 22-085 approving the suspension of parking enforcement in CBD Lots X and Y from 6:30 a.m. to 1:00 p.m. on Saturdays from May 7 to October 15, 2022.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Corrieri, seconded by Betcher, to adopt RESOLUTION NO. 22-086 approving usage and waiver of electrical fees and waiver of fee for blanket Vending License for the event from 5:30 a.m. to 1:30 p.m. on Saturdays from May 7 to October 15, 2022.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Gartin, seconded by Corrieri, to adopt RESOLUTION NO. 22-087 approving Alternative 2, which was to approve the requests as stated in Alternative 1, but to direct staff to transfer \$2,025 from the Local Option Sales Tax Fund to the Parking Operations Fund to cover the lost parking meter revenue.

Roll Call Vote: 4-2. Voting Aye: Corrieri, Gartin, Junck, Rollins. Voting Nay: Beatty-Hansen, Betcher. Resolution declared adopted, signed by the Mayor, and hereby made a portion of these Minutes.

161KV ELECTRIC LINE RELOCATION PROJECT: Electric Services Director Donald Kom

indicated that the Council Action Form was clear on what was needed, but he wanted to add some additional information. Director Kom stated a question had come up regarding Alternative A and the estimated total cost. He explained that the fees that were estimated for the project will get the project done; however, there was some hesitation because the project is also being driven by the Iowa Department of Transportation (IDOT) that could affect future changes to the Project. The goal is to work through the process with the IDOT. He was assured that the work could be completed at or below the contracted amount.

Public Input was opened and closed by Mayor Haila when no one came forward to speak.

Moved by Rollins, seconded by Corrieri, to adopt RESOLUTION NO. 22-088 waiving the City's Purchasing Policy requirement for competitive proposals and awarding a contract to Dewild Grant Reckert & Associates Company, Rock Rapids, Iowa, on a time-and-materials basis for an estimated total cost of \$291,000 for professional services and right-of-way acquisition service, which amount is inclusive of prior Change Orders to the existing Purchase Order for preliminary engineering services performed.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Betcher, seconded by Rollins, to adopt RESOLUTION NO. 22-089 approving funding for payment of temporary and permanent easements needed for the relocation in the amount of \$92,400.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Betcher, seconded by Beatty-Hansen, to adopt RESOLUTION NO. 22-090 approving the Reimbursement Agreement from the Iowa Department of Transportation for the Engineering and Right-of-Way Costs associated with the relocation of the Electric Transmission Line.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

PRELIMINARY PLANS AND SPECIFICATIONS FOR DOWNTOWN PLAZA: Mayor Haila announced that there was a correction to the bid due date and the date of public hearing for this project. The correct bid due date is April 13, 2022, and the public hearing will be on April 26, 2022.

Parks and Recreation Director Keith Abraham stated that he wanted to highlight a few items. Due to unforeseen cost increases in the ice-skating ribbon and increased space needed for some equipment, several changes have been made to the design. Staff had worked with Confluence to keep the design within the allocated funding while still accomplishing the overall vision of the project. The following changes were listed by Director Abraham as follows: 1) Shift of ice-skating ribbon and building; 2) increased the size of the utility yard to accommodate the condenser and added a small retaining wall; 3) a 4' wide dry deck was added on the east side; 4) curb on east side of water tunnel raised to seat wall height; 5) provided additional turf area for flexible use/seating; 6) relocated

food truck parking; 7) added ADA walkway to stage; and 8) removed 5th Street right-of-way work. Additionally, several components were removed from the design so four add-alternates could be included, which will be added to the project if bid proposals are favorable. Director Abraham indicated the total project estimate was \$4,555,121.

Council Member Betcher asked if there were any ideas on what any of the bid alternatives or deductions would cost. Director Abraham said there were five alternates: 1) Swinging benches that would cost \$36,000 for two; 2) pcc band in the amount of \$14,600 for the ice skating portion; 3) adding light columns for \$43,000; 4) adding another seating nook by the water runnel would cost \$17,500; and 5) the deduct for the ice rink would be about \$6,700.

Council Member Gartin inquired what types of lighting there would be for the Downtown Plaza. Fleet Services Director Corey Mellies pointed out on the overhead map where the lighting was planned.

Council Member Gartin wanted to know if staff had reached out to First National Bank about the Downtown Plaza. Director Mellies stated that there hadn't been any specific outreach, but there will be significant screening between the Plaza and the Bank. Mr. Gartin felt there may be some value to show First National Bank the plans before the project was constructed. Director Abraham explained that there were initial conversations with the Bank since their reserved parking is going to be moved.

It was noted by Council Member Gartin that he has seen in other cities with an amenity like the Plaza, it becomes a place for homeless people to sleep. Mr. Gartin wanted to know if there would be specific hours that the Plaza would be open. Director Abraham explained that staff would be treating the Plaza similar to a park, and park hours are from 6:00 a.m. to 10:30 p.m. The restrooms will have timed locks on its doors and will have infrared sensors so if someone is in the restroom past 10:30 p.m. the lights will stay on. The Police Department would investigate to see what is happening if they saw the restroom lights were still on.

The Mayor asked what safety precautions will be in place for the Plaza. Director Abraham explained that staff had discussed Crime Prevention Through Environmental Design (CPTED). This is something that will continue to be discussed with the design.

Mayor Haila wanted to know how the building would be insulated and how it would be heated since it is used year round. Director Mellies stated it will be a heat-only building. There is no air conditioning. It will have electric heaters (ceiling mounted). It was pointed out that the building will be insulated; however, some of the interior walls will not be insulated.

The Mayor opened public comment and closed it when no one came forward to speak.

Moved by Corrieri, seconded by Gartin, to adopt RESOLUTION NO. 22-091 approving the preliminary plans and specifications for the Downtown Plaza; setting April 13, 2022, as bid due date

and April 26, 2022, as the date of public hearing.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

IOWA REINVESTMENT DISTRICT PROGRAM: Planning and Housing Director Kelly Diekmann provided a brief history on the Iowa Reinvestment District Program. He mentioned that a final application has to be submitted by February 25, 2022, in order for the State to make a final decision. The initial application included five components: three private development projects and two public projects. The final application has been altered to include the two public projects (Indoor Aquatic Facility and the Downtown Plaza) and one private project (Lincoln Way Mixed-Use site). The Lincoln Way Redevelopment will be configured into two phases. The first phase is the most substantial and will be the start of the 20-year timing for the District. The application identified July 1, 2025, as the estimated commencement date for the District. Phase 1 will include the full-service hotel with a conference center at the corner of Kellogg and Lincoln Way, a parking structure, a mixed-use restaurant and retail space, outdoor gathering space, and residential apartments. Phase 2 will be the mixed-use commercial office building at the center of the site and a mixed-use apartment building at the corner of Clark and Lincoln Way. Director Diekmann noted that in the application the City did identify that, as part of the Urban Renewal Area, the City Council did say that the project may potentially be able to use Tax Increment Financing (TIF) as an incentive for the project, but the City has not committed any specific amount or duration. In order to meet the project readiness expectation of the State, the City does have a to-be-determined block in the Financing section. After speaking with the consultant, staff felt it was better to show some TIF revenue towards the development project to indicate that there are resources available. In the Urban Renewal area, there is a \$30 million line item that the City Council could award for project incentives, which would be the maximum option.

Council Member Betcher asked if the parking ramp was not considered a committed project component and was not included in the Iowa Reinvestment District application, why was it being shown. Director Diekmann stated the parking garage is considered a component of Phase 2. The only structure that is not considered a component is the pedestrian bridge connecting the parking garage to the building.

Council Member Gartin mentioned that in the Council Action Form, it indicated that the TIF terms have yet to be negotiated and yet the City is going to include a \$30 million TIF reference in the application. He wanted to know, by putting that amount into the application, how it would affect any negotiations with the developer. Director Diekmann stated that the \$30 million was predicated on the assumptions that staff had on the preliminary application a year ago. There were some assumptions based on cost increases over the past two years. The \$30 million was a comfortable, general number that would be discussed on a case-by-case basis. By bringing the number forward, it is just following the Urban Renewal Plan, but it does not commit the City to that level of incentive to any one project. Director Diekmann mentioned that the State does not care about the financing, only that it is a financially feasible project, and by including the TIF, it shows the commitment of the City to making the area a more ready project. The application does not lock in the TIF amount

for the developer and will have to be negotiated later. City Manager Steve Schainker noted staff may have to amend the Urban Renewal Plan.

Mayor Haila opened public comment. It was closed when no one came forward to speak.

Moved by Corrieri, seconded by Gartin, to adopt RESOLUTION NO. 22-092 authorizing staff to submit the final Application to the Iowa Economic Development Authority for the Reinvestment District and authorize City staff to submit a final application and include a TIF incentive up to \$30 million with the application.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

HEARING ON MAXIMUM LEVY: Finance Director Duane Pitcher stated that there are a couple steps that the Council needs to take to adopt the Budget. The first step is to hold a hearing and adopt a maximum property tax levy in any year that the City expects to adopt a budget that includes a levy of property taxes (excluding debt service) exceeding 102% of the prior budget. Additionally, the *Code* requires that notice of the hearing be included on the City's internet site and primary social media accounts.

Mayor Haila opened the public hearing. It was closed when no one asked to speak.

Moved by Gartin, seconded by Betcher, to adopt RESOLUTION NO. 22-093 approving the Maximum Levy amount of \$22,965,898 for Fiscal Year 2022/23.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Gartin, seconded by Betcher, to adopt RESOLUTION NO. 22-094 setting March 8, 2022, as the date of final public hearing on Adjusted Budget for FY 2021/22.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Gartin, seconded by Betcher, to adopt RESOLUTION NO. 22-095 setting March 8, 2022, as the date of final public hearing and adoption of the budget for FY 2022/23.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

HEARING ON REZONING OF 525 SE 16TH STREET FROM AGRICULTURAL (“A”) TO HIGHWAY ORIENTED COMMERCIAL (“HOC”) AND RETAIN THE ENVIRONMENTALLY SENSITIVE AREA OVERLAY (“O-E”) FOR THE FLOODWAY: Planning and Housing Director Kelly Diekmann explained that the City had received a request to rezone one parcel located at 525 SE 16th Street from Agricultural (“A”) to Highway Oriented Commercial (“HOC”). He indicated by rezoning the property, it would not remove the Environmentally Sensitive Area Overlay “O-E” designation covering the northeast portion of the

site. The entire site is located within the boundaries of the 100-year floodplain for the Ioway Creek; however, the area being requested to be rezoned is in the floodway fringe, not the floodway itself. Staff is supportive of the rezoning and indicated that there was no specific use being proposed. It was mentioned that there is adequate water/sewer capacity to serve the site.

Public comment was opened and closed by Mayor Haila when no one came forward to speak.

Moved by Betcher, seconded by Gartin, to pass on first reading an ordinance rezoning 525 SE 16th Street from Agricultural (“A”) to Highway Oriented Commercial (“HOC”) and retain the Environmentally Sensitive Area Overlay (“O-E”) for the floodway.

Vote on Motion: 6-0. Motion declared carried unanimously.

HEARING ON VOLUNTARY ANNEXATION OF 72.99 ACRES LOCATED AT 2105 AND 2124 DAYTON AVENUE: Planning and Housing Director Kelly Diekmann explained the Annexation was straightforward in terms of the land area, but there is a unique issue with the pioneer cemetery. Under State law, pioneer cemeteries must be protected, their integrity maintained, and access must be ensured to the site by a governmental subdivision, which would be the City if located within the corporate limits. However, *Iowa Code* permits a property owner to accept the delegated responsibilities. The owner and developer have agreed to take responsibility for ensuring access to, protection of, and for maintaining the integrity of the cemetery consistent with the terms of the *Iowa Code*. City staff is comfortable with moving forward with the annexation and the Agreement regarding the cemetery.

Mayor Haila opened the public hearing.

Matt Frank, 2811 Dayton Avenue, Ames, stated that his property is in the northeast corner of the area. He has been in the area since 2009, and his concern was regarding the natural wooded area in the northwest corner. Mr. Frank mentioned that any changes to that area would have a significant impact on the value of his property along with the view. He mentioned that he didn’t have any concerns regarding the annexation, but would like to be kept up-to-date with what is going to happen in the area. Mr. Frank would like to see the area remain natural. Mayor Haila asked Mr. Frank to define what he meant by “remain natural.” Mr. Frank said he wanted the area to remain a “wooded area.”

The public hearing was closed when no one else came forward to speak.

Moved by Betcher, seconded by Beatty-Hansen, to adopt RESOLUTION NO. 22-96 approving the Pre-Annexation Agreement to delegate to the developer responsibility of ensuring access to, protection of, and to maintain the integrity of the Franklin Township Cemetery.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Junck, seconded by Beatty-Hansen, to adopt RESOLUTION NO. 22-97 approving the annexation of 72.99 acres located at 2105 and 2124 Dayton Avenue.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby

made a portion of these Minutes.

HEARING ON VOLUNTARY ANNEXATION OF PROPERTY LOCATED ON THE SOUTHWEST CORNER OF INTERSECTION OF GEORGE WASHINGTON CARVER AND CAMERON SCHOOL ROAD: Planning and Housing Director Kelly Diekmann mentioned that the City Council had initiated the annexation of the area at its October 9, 2018, meeting. After the initiation there was a delay due to water service territory rights. After long negotiations, the City was able to reach an agreement with Xenia Rural Water about future water service areas. This area, upon annexation, will be retained by Xenia, which will provide the water to the area. The Pre-Annexation Agreement only acknowledges the requirements of the Xenia Agreement for the developer to install infrastructure that meets City standards and does not have territory buyout requirements.

Director Diekmann noted that during the creation of the Ames Plan 2040, this site was included in the scenario analysis based upon the City's initiation of the annexation in 2018. Ames Plan 2040 identified the area as a "RN-3" neighborhood. It was mentioned that there were two other issues that needed to be resolved as part of the annexation. The City completed sanitary sewer rehabilitation work downstream of the area and remodeled the sewer capacity. City staff had determined that some additional capacity is available to serve a limited amount of development without other improvements. The proposed Pre-Annexation Agreement sets a development limitation for the future of approximately 171 residential single-family and townhome lots along with 6.84 acres of commercial development, or for uses of equivalent levels to that of the conceptual site plan that were used for modeling purposes. If future development, or its equivalent level of water usage, exceeds the thresholds, the developer will be responsible for downstream improvements. The developer must file a Master Plan at the time of zoning to address the use limitation. Director Diekmann stated that staff will continue to monitor the City's sanitary sewer capacity as the developer moves forward and adds more details.

A traffic study was completed in 2019 for the development of the site with housing and commercial needs. The findings of the traffic study identified the need for turn lanes along Cameron School Road and George Washington Carver with any development of the site. City staff had determined that the development's proportional impacts to the transportation network are appropriately mitigated by full turn lane improvements along the abutting roadways and a commitment to a future signal improvement at Cameron School Road and George Washington Carver. The Agreement memorializes these obligations for turn lane improvements and separately for a 30% payment towards a future traffic signal.

Public Works staff identified a potential opportunity to work with the developer on activities related to nutrient reduction. A recent Agreement with the Iowa Department of Natural Resources (DNR) encouraged the City to provide storm water quality improvements related to flood and nutrient reduction adjacent to the Ioway Creek. The developer is willing to coordinate with City staff regarding possible opportunities to address these conditions at the time of platting. The Agreement includes language for the developer to work with staff prior to future plat approval on potential

improvements.

Council Member Gartin asked for more information on the nutrient reduction aspect as he was not sure if this would be done by City staff or if it was something that the City is asking the developer to do. Municipal Engineer Tracy Peterson explained that currently, the developer only needs to meet the storm water requirements, but there is an opportunity for the City to collaborate with the developer. There are currently grant opportunities, the City would pursue the grants first and then collaborate with the developer to achieve the goals. She noted it could be bank stabilization, wetlands, or land retirement.

Mayor Haila opened public input.

Kurt Friedrich, 100 6th Street, Ames (with Friedrich companies), stated that they are excited to move forward with this project. He commented that the City needs more housing as there is currently a buyer demand in the community and not a lot of supply. Mr. Friedrich noted that there were only 47 active listings in the area, and they are working hard to bring new projects to Ames. He wanted to make sure that the residents work and live in the same community. It was commented that the area will be a mix of housing would be an extension of the Scenic Valley Subdivision. The streets from Scenic Valley will tie into this project.

Director Diekmann pointed out that right-of-way is included in the Annexation. There is a standard County easement of 50-feet related to the George Washington Carver frontage and part of the Cameron School Road frontage that is included in the Annexation Plat. Per the City's 28E Agreement with Story County, the City is to annex the Cameron School Road right-of-way that abuts the site where it is not shown as part of the Annexation Plat. State law allows for this annexation of right-of-way with the final application upon notice to the County Attorney, including the Cameron School Road right-of-way will add approximately 2.2 acres to the final Annexation Application.

Moved by Gartin, seconded by Betcher, to adopt RESOLUTION NO. 22-098 approving the Pre-Annexation Agreement for the property located on the southwest corner of the intersection of George Washington Carver and Cameron School Road.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Rollins, seconded by Betcher, to adopt RESOLUTION NO. 22-099 approving the Annexation of the property located on the southwest corner of the intersection of George Washington Carver and Cameron School Road.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

HEARING ON REZONING OF AND MAJOR SITE DEVELOPMENT PLAN FOR 2098 W. 190TH STREET (HAYDEN'S RIDGE): City Planner Justin Moore indicated that this request is to rezone from Floating Suburban Residential Medium Density Zone (FS-RM) to a Floating Suburban

Residential Medium Density (FS-RM) Planned Unit Development (PUD) Overlay with a Preliminary Plat and a Major Site Development Plan of a parcel comprised of 5.14 acres. The proposed development, known as Hayden's Ridge, consists of 44 residential lots configured as 12 duplex unit lots and 32 townhome unit lots. All the proposed homes will front upon a single looped private drive known as Aikman Drive running east-west through the site. Aikman Drive connects to an existing shared private drive that extends to 190th Street. The private drive with its ingress/egress easements straddles the property line of the site and the Vintage Cooperate residential site to the west. Mr. Moore indicated that, as a PUD, the developer can take advantage of more tools to allow for more flexibility. A chart showing what is permitted versus what was being proposed was displayed. There were seven standards that were reviewed and what deviations were being proposed. Mr. Moore indicated the Staff Report listed what the Planning and Zoning Commission had recommended.

Council Member Betcher wanted to clarify where the shared/private drive was that is used by Vintage Cooperative. Mr. Moore indicated that the shared ingress/egress easement was placed during the initial platting when Vintage Cooperative was constructed.

Council Member Gartin indicated that an email was received from a citizen about how traffic and access would work for the shared use ingress/egress road. Mr. Moore mentioned that the ingress/egress shared road is the sole access to west 190th Street for the proposed subdivision. There were a few neighbors who attended the Planning and Zoning Commission meeting who voiced their concerns over traffic and maintenance concerns. Mr. Gartin asked who the parties were for the easement. Mr. Moore indicated that it would be Vintage Cooperative and Ewing Development. Mr. Gartin commented that this shouldn't be a surprise as the property was designed and created with the expectation that there would be a property to the east that would eventually have access to the shared road. Mr. Diekmann stated one of the concerns is that there is not any easement out of Hyde, but at the time, there was no easement included along Hyde. Mr. Gartin asked if the City had any authority to make the developer move the access to the other side or within the center. Director Diekmann noted it is within the Council's purview to make changes; however, the City's Traffic Engineer specifically wanted a shared access to limit access points to 190th Street. If there was a specific alteration to the project, staff would want to confer with the City Traffic Engineer about where it would be acceptable as there are some spacing concerns.

Director Diekmann indicated that the Planning & Zoning Commission spent a lot of time reviewing the project and its recommendation was for the City Council to approve the rezoning request with three conditions: 1) Prior to the third reading of the rezoning, the developer shall provide the City Council an updated townhome design for the 190th Street homes that adheres to the compatibility standards of Section 29.1114(6)(a) for architectural design of garage facades by adjusting the design so the garages do not protrude in front of the primary entrance to the home that also faces the private street. 2) Initiate a Zoning Text Amendment to clarify applicability of the compatibility standards related to single-family attached housing units and alley access that maintain existing garages' design standards and provide clear language on how to interpret front and rear facades in cases such as this. 3) Have the developer provide a copy of the Maintenance Agreement for the shared common driveway with Vintage Cooperative prior to Final Plat approval.

Council Member Rollins inquired what would be involved if the Council went with the Planning and Zoning Commission recommendations. Director Diekmann indicated that the developer would need to answer that question in more detail, but felt that the design would need to be altered to make the arrangement work or put an entirely different unit in.

The Mayor opened the public hearing.

John Kinley, 5900 Hyde Avenue, Ames, explained that he is the President of the Board of Directors of Vintage Cooperative of Ames. He noted that he was representing the 66 members of the Cooperative. He stated that they became aware of the development in September 2021 and are supportive of the development with one exception. Mr. Kinley noted that through discussions with Mr. Friedrich, the Cooperative learned that the private driveway to their community was going to be a shared driveway to a 44-unit development. The main issue was personal safety due to the increased traffic flow as well as the safety of their pets. He indicated that a lot of the members had done research before moving to this area and one thing that sold them on the location was how safe and quiet the neighborhood was. Mr. Kinley felt that the reality is that the vehicular drive is going to go north to 190th Street, come south off 190th Street, go west towards Hyde Avenue, and come east off Hyde Avenue to get to the houses that are on Aikman Drive. He indicated that the amount of traffic will increase considerably along with wear and tear to the private drive. It was stated that the entry/exit from the underground parking garage will become more difficult and dangerous because of the increased traffic. Mr. Kinley indicated that the Cooperative cleans out the garage once a year and wanted to know where any overflow parking would be located. He stated that people will take the most direct route to get to their home or to town and there is no signage that will prevent people from going north off Aikman Drive. The previous developer, Ewing, did not share with the Vintage Cooperative that there was a shared roadway. He pointed out that they had measured the area and felt there was enough room to add another access road on 190th Street. Mr. Kinley stated that the Vintage Cooperative supports the development as it would be great for the area and the City, but they don't believe the shared driveway would be good for the residents of the Cooperative.

Mike Brennan, 5900 Hyde Avenue, Ames, stated that as mentioned earlier, the Vintage Cooperative is not opposed to building homes in the development. He explained that people who live and do business in the new development will not only use the shared drive between the two properties, but will also be inclined to use the east/west drive that belongs exclusively to the Vintage Cooperative. Some of the future Hayden's Ridge residents, along with service and delivery vehicles, will use the route even if signs are posted. Mr. Brennan indicated it was human nature to take the shortest route. He felt this would infringe dramatically on the Vintage Cooperative homeowners. The private drive is not built for heavy traffic. He mentioned that he has lived in Ames for almost 40 years, and as a former police officer, he has first-hand experience with dealing with neighborhood disputes. He felt that if the entrance/exit issue is not resolved in the planning process, it could have the potential to be a neighborhood problem for years to come. The Vintage Cooperative wants to be good neighbors and at the same time enjoy their home. He asked the City Council to consider the point of entrance at Hayden's Ridge development and its effect on Vintage Cooperative homeowners.

Luke Jensen, 100 6th Street, Ames, said he was present to represent 574 Investments. He explained that he wanted to highlight three different product types that are going to be in the development. The north two rows will be two-story, three bedroom houses with two and half baths. He mentioned there will be 32 townhome units to the north and 12 ranch-style units on the south side. 574 Investments has ensured that they are providing ample open space and connectivity to Quarry Estates. Mr. Jensen noted that this development will provide connectivity between Quarry Estates and Ada Hayden Heritage Park. The three different product types will yield three different price points; it is important to provide pricing variety for the market. Mr. Jensen commented that when they started this process, they recognized this would be the first PUD project to go through the process, and everyone acknowledged that there were going to be some issues that would be discovered. He noted that 574 Investments did meet with the Vintage Cooperative back in September 2021, and it was a hard meeting as the Vintage Cooperative discovered some news that wasn't helpful to its cause. He indicated that 574 Investments is sympathetic to the issue and has reviewed the traffic study that was done. With staff's guidance, they had come up with a design to utilize the shared roadway. Mr. Jensen said that they will create a temporary construction access in the middle of development to try and eliminate wear and tear of the shared road. Additionally, 574 Investments has committed to providing signage and ongoing communication. He mentioned there is not an easy solution, but they want to be educational to the buyers/owners to travel to the north.

Council Member Gartin said he was interested in exploring a design where there was access onto 190th Street. Mr. Gartin wondered if the design change would reduce the number of houses in the development. Mr. Jensen commented that the design changes would reduce the number of units by one fourth (8-12 units), as there is some design specificity regarding central open space and connectivity that is required. Mr. Gartin stated that he normally doesn't like to have more curb cuts, but if going to have an extra curb cut along 190th that would be a good place to have one.

Justin Peters, 5900 Hyde Avenue, Ames, indicated he was a resident of the Vintage Cooperative. He wanted to reinforce the residents' concerns regarding safety. Mr. Peters indicated that prior to coming to the Vintage Cooperative he did look at other communities that had private drives. He indicated that in Ames there are other Senior Living establishments that have private drives. Mr. Peters stated that the reason for the private drives is clear as people in the community continually walk around and it is important for there to be limited traffic. He stated that if the private drive was to become a public street this will cause more distracted drivers to be in the area, and he is concerned that most of the residents won't be able to move quickly enough to get out of the way. Mr. Peters would like to see the temporary construction drive to be used as permanent access. He reaffirmed that the issue of safety is important to all the residents.

Kurt Friedrich, 100 6th Street, Ames, explained that Friedrich companies and 574 Investments have worked closely with staff to come up with the design that they currently have. Their design was based on the direction they were given by staff for access into the site using the shared access. Another design element that was expected to be included into the design was the connectivity of the green spaces through the center of the development. This process was started back in September and it was a hard discussion with Vintage Cooperative as they had to be the bearer of bad news since

Ewing did not disclose the shared use drive. Mr. Friedrich had shared the Maintenance and Access Agreement with the Vintage Cooperative. They initiated the idea of restructuring the Maintenance Agreement because the way it was written did not anticipate any improvement on the new lot. In the Agreement it listed only 12.2% of the maintenance was to be taken care of by 574 Investments while the rest of the maintenance belonged to the Vintage Cooperative. Mr. Friedrich explained that they have proposed that the maintenance of the shared road be 50/50. They would not wait for construction to be started, but would make it be effective immediately. He stated this is not the first time there have been private driveways to be shared in the City of Ames. It was mentioned that Bobcat Drive has a shared driveway and there are more than 44 units in that development. He felt that together they can manage and control the traffic and pedestrian traffic in the area.

The Mayor closed public input when no one else came forward to speak.

Council Member Gartin said he felt this was a mess, which could have been a preventable. He doesn't like to look at access points, but would like the City's Traffic Engineer to look at what access would mean off 190th Street. Mr. Gartin didn't think there was a downside to looking at this further.

Council Member Corrieri stated she thought the Traffic Engineer had already looked at the access. Director Diekmann stated that staff had strongly encouraged the developers where the access needed to happen, but if there is an alternative, the Traffic Engineer will need to review it to make sure it met spacing standards. Staff's initial thought, that it was satisfactory and did not look at what a second point of access would be.

Council Member Beatty-Hansen stated that the Council's desire to control curb cuts along 190th Street has been known for a while. She mentioned that they need to plan for what the area will look like in the future, not the traffic level as it is now.

Council Member Corrieri noted that she was glad that Mr. Friedrich brought up the Bobcat Drive example. The Council can see that the shared drive on Bobcat Drive is working with the homes in the area along with the Cooperative. She felt this area would be able to work the same way and pointed out that there would be even fewer units in the area.

Moved by Beatty-Hansen, seconded by Junck, to pass on first reading an ordinance rezoning 2098 W. 190th Street from Floating Suburban Residential Medium Density (FS-RM) to Floating Suburban Residential Medium Density Planned Unit Development (FS-RM PUD) Overlay.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Corrieri, seconded by Junck, to adopt RESOLUTION NO. 22-100 approving the Major Site Development Plan for 2098 W. 190th Street (Hayden's Ridge).

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Beatty-Hansen, seconded by Junck, to adopt RESOLUTION NO. 22-101 approving the

Preliminary Plat for 2098 W. 190th Street (Hayden's Ridge).

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Corrieri, seconded by Beatty-Hansen, to direct staff to initiate a Zoning Text Amendment to clarify applicability of compatibility standards to single-family attached housing units and alley access.

Vote on Motion: 6-0. Motion declared carried unanimously.

Moved by Gartin, to ask staff to evaluate the viability of adding an access point from 190th Street to this property. Motion failed due to lack of a second.

Mayor recessed at 8:19 a.m. and reconvened at 8:28 p.m.

HEARING ON PROPOSED ZONING TEXT AMENDMENT TO ALLOW TEMPORARY YARD WASTE PROCESSING FACILITIES THROUGH APPROVAL OF A SPECIAL USE PERMIT BY THE ZONING BOARD OF ADJUSTMENT: Planning and Housing Director Kelly Diekmann stated the City Council had referred to staff a request from the Zoning Board of Adjustment to define the term "temporary" in the City Zoning Ordinance. On October 26, 2021, the City Council chose to direct staff to craft a Special Use option related to yard waste processing facilities and proceed with a Zoning Text Amendment. The recommendation is to have an approval process for a one-year approval with the possibility of a renewal for another year. The Zoning Board of Adjustment would have discretion to determine site improvements that go along with the Special Use Permit. Any applicant would have to meet the normal Special Use Permit criteria, and if it is temporary and not used on a frequent basis, that would allow the Zoning Board of Adjustment a little latitude in terms of permanent improvements on the property.

Mayor Haila opened public input. It was closed when no one came forward to speak.

Moved by Corrieri, seconded by Betcher, to pass on first reading an ordinance for a Zoning Text Amendment to allow temporary yard waste processing facilities through approval of a Special Use Permit by the Zoning Board of Adjustment.

Vote on Motion: 6-0. Motion declared carried unanimously.

HEARING ON SOUTH 16TH STREET IMPROVEMENTS: The Mayor opened the public hearing. There was no one wishing to speak, and the hearing was closed.

Moved by Rollins, seconded by Betcher, to accept the report of bids and delay award of a contract.

Vote on Motion: 6-0. Motion declared carried unanimously.

HEARING ON 2021/22 DOWNTOWN STREET PAVEMENT IMPROVEMENTS - ALLEY (DUFF AVENUE TO SHERMAN AVENUE): Mayor Haila declared the public hearing to be open. It was closed when no one came forward to speak.

Moved by Betcher, seconded by Beatty-Hansen, to adopt RESOLUTION NO. 22-102 approving the final plans and specifications and awarding a contract to Con-Struct, Inc., of Ames, Iowa, in the amount of \$127,952.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

HEARING ON 2021/22 CONCRETE PAVEMENT IMPROVEMENTS (S. KELLOGG TO N. 2ND STREET): The Mayor opened the public hearing and closed it after there was no one who wished to speak.

Moved by Beatty-Hansen, seconded by Junck, to adopt RESOLUTION NO. 22-103 approving the final plans and specifications and awarding a contract to All Star Concrete, of Johnston, Iowa, in the amount of \$967,416.31.

Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

ORDINANCE ON PROPOSED TEXT AMENDMENT TO MODIFY THE PLANNED UNIT DEVELOPMENT OVERLAY DISTRICT STANDARDS TO ALLOW FOR SMALL COMMERCIAL COMPONENT TO DISTRICTS: Moved by Beatty-Hansen, seconded by Betcher, to pass on third reading and adopt ORDINANCE NO. 4458 on the proposed Text Amendment to modify the Planned Unit Development Overlay District Standards to allow for small commercial components to districts.

Roll Call Vote: 6-0. Ordinance declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

DISPOSITIONS OF COMMUNICATIONS TO COUNCIL: The Mayor mentioned there was one item on the list. It was a memo from Assistant City Manager Brian Phillips regarding the placement of a sculpture in a City Park that would function as a Free Library.

Moved by Beatty-Hansen, seconded by Junck, to place the memo from Mr. Phillips regarding the placement of a sculpture in a City Park that would function as a Free Library on a future agenda for further discussion.

Council Member Gartin said that this concept reminded him of the same as naming the Municipal Airport. He commented that the Council had never done anything like this before and wanted to know if this was a precedent that the Council wanted to establish. Council Member Beatty-Hansen stated her intention was to place the request on an Agenda in order to have further discussions about the issues that might come up.

Vote on Motion: 6-0. Motion declared carried unanimously.

COUNCIL COMMENTS: *Ex officio* Poundstone stated he had sent an email to the Mayor about having a City Council and Student Government joint meeting along with the 801 Day Task Force

meeting. He is working on finalizing these items and will get the information to the Council as soon as possible. The Mayor indicated that April 6, 2022, was discussed as a potential date for the joint City Council and Student Government meeting. The Council Members indicated that April 6, 2022, should work. Mr. Poundstone thought the meeting would start around 5:00 p.m.

Council Member Rollins reminded the Council that the “Reminders” will be at the Ames Public Library hosting a workshop and then there will be a concert on Saturday, March 5, 2022, in the Ames City Auditorium.

Council Member Gartin commented that he has watched other towns City Council meetings and he wanted to point out that the City Council in Ames is able to have hard conversations about robust issues in the City.

Council Member Betcher said the Freedom Fund Banquet that was held by the NAACP was a great event. There were a lot of enthusiastic community partners at the event.

Mayor Haila noted that the final City Assessor public presentation will be on February 23, 2022 at 4:00 p.m. The public is invited to attend the presentation. The Ames Resident Police Advisory Committee (ARPAC) application is now available online on the City’s website. A Press Release should be issued within the next couple of days. The application period will be open until March 25, 2022. The goal is to have the appointment of applicants to the City Council sometime in April for approval.

CLOSED SESSION: Council Member Junck asked City Attorney Mark Lambert if there was a legal reason to go into Closed Session. Mr. Lambert replied in the affirmative, citing Section 20.17(3), *Code of Iowa*, to discuss collective bargaining strategy.

Moved by Corrieri, seconded by Junck, to go into Closed Session.
Roll Call Vote: 6-0. Motion declared carried unanimously

The City Council entered into a Closed Session at 8:39 p.m. and reconvened in Regular Session at 8:51 p.m.

Moved by Gartin, seconded by Betcher, to adopt RESOLUTION NO. 22-104 approving the Collective Bargaining Agreement with the International Union of Operating Engineers Local 234 (Blue Collar Unit).
Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Moved by Gartin, seconded by Junck, to adopt RESOLUTION NO. 22-105 approving the Collective Bargaining Agreement with the International Union of Operating Engineers Local 234 (Power Plant Unit).
Roll Call Vote: 6-0. Resolution declared adopted unanimously, signed by the Mayor, and hereby made a portion of these Minutes.

Council Member Junck asked City Attorney Mark Lambert if there was a legal reason to go into a second Closed Session. Mr. Lambert replied in the affirmative, citing Section 21.5(1)c, *Code of Iowa*, to discuss matters in or threatened to be in litigation.

Moved by Junck, seconded by Betcher, to go into Closed Session

Roll Call Vote: 6-0. Motion declared carried unanimously

The City Council entered into a Closed Session at 8:52 p.m. and reconvened in Regular Session at 9:02 p.m.

Moved by Betcher, seconded by Junck, to follow through on the action discussed in Closed Session.

Vote on Motion: 6-0. Motion declared carried unanimously.

ADJOURNMENT: Moved by Corrieri, seconded by Beatty-Hansen, to adjourn the meeting at 9:02 p.m.

Vote on Motion: 6-0. Motion declared carried unanimously.

Amy L. Colwell, Deputy City Clerk

John A. Haila, Mayor

Diane R. Voss, City Clerk



REPORT OF CONTRACT CHANGE ORDERS

Period:	<input type="checkbox"/>	1 st – 15 th
	<input checked="" type="checkbox"/>	16 th – End of Month
Month & Year:	February 2022	
For City Council Date:	March 8, 2022	

Department	General Description of Contract	Contract Change No.	Original Contract Amount	Contractor/ Vendor	Total of Prior Change Orders	Amount this Change Order	Change Approved By	Purchasing Contact (Buyer)
Transit	CyRide 2020 HVAC Improvements	1	\$539,500.00	Mechanical Comfort	\$0.00	\$4,216.00	J. Rendall	MA
Transit	CyRide 2020 Interior Improvements	7	\$102,620.00	Story Construction	\$35,305.00	\$1,394.00	J. Rendall	MA
Public Works	2020/21 Concrete Pavement Improvements (8 th Street)	2	\$1,256,246.21	Manatt's Inc.	\$8,000.00	\$20,282.05	B. Phillips	MA
Public Works	Construct Airfield Electrical Vault & Taxiway A Lighting	3	\$447,055.60	Kimbrey Electric	\$30,340.00	\$-(865.00)	B. Phillips	MA
			\$		\$	\$		
			\$		\$	\$		

**MINUTES OF THE REGULAR MEETING OF THE
AMES CIVIL SERVICE COMMISSION**

AMES, IOWA

FEBRUARY 24, 2022

The Regular Meeting of the Ames Civil Service Commission was called to order by Chairperson Mike Crum at 8:15 AM on February 24, 2022. As it was impractical for the Commission members to attend in person, Commission Chairperson Mike Crum and Commission Member Harold Pike were brought in telephonically. Commission Member Kim Linduska was absent. Also participating telephonically was Human Resources Director Bethany Ballou.

APPROVAL OF MINUTES OF JANUARY 27, 2022: Moved by Pike, seconded by Crum, to approve the Minutes of the January 27, 2022, Regular Civil Service Commission meeting.
Vote on Motion: 2-0. Motion declared carried unanimously.

CERTIFICATION OF ENTRY-LEVEL APPLICANTS: Moved by Crum, seconded by Pike, to certify the following individuals to the Ames City Council as Entry-Level Applicants:

<u>Power Plant Maintenance Mechanic</u>	Noel Sacris	79*
	Josh Burns	75
	Jacob Slotter	72
	Andrew Sisson	70

*Includes preference points

Vote on Motion: 2-0. Motion declared carried unanimously.

COMMENTS: Director Ballou noted that the Human Resources Department continues to be extremely busy with lots of recruitments.

The next Regular Meeting of the Ames Civil Service Commission is scheduled for March 24, 2022, at 8:15 AM.

ADJOURNMENT: The meeting adjourned at 8:18 AM.

Michael R. Crum, Chairperson

Diane R. Voss, City Clerk



Applicant

NAME OF LEGAL ENTITY	NAME OF BUSINESS(DBA)	BUSINESS	
OAK LANE CANDLE CO., LLC	Oak Lane Candle Co.	(515) 290-7589	
ADDRESS OF PREMISES	CITY	COUNTY	ZIP
121 Main Street	Ames	Story	50010
MAILING ADDRESS	CITY	STATE	ZIP
121 Main Street	Ames	Iowa	50010

Contact Person

NAME	PHONE	EMAIL
Stacy Negrete	(515) 290-7589	oaklanecandleco@gmail.com

License Information

LICENSE NUMBER	LICENSE/PERMIT TYPE	TERM	STATUS
	Class B Native Wine Permit	12 Month	Submitted to Local Authority
TENTATIVE EFFECTIVE DATE	TENTATIVE EXPIRATION DATE	LAST DAY OF BUSINESS	
Feb 7, 2022	Feb 6, 2023		
SUB-PERMITS			
Class B Native Wine Permit			



State of Iowa

Alcoholic Beverages Division

PRIVILEGES

Sunday Service

Status of Business

BUSINESS TYPE

Limited Liability Company

Ownership

• Individual Owners

NAME	CITY	STATE	ZIP	POSITION	% OF OWNERSHIP	U.S. CITIZEN
Stacy Negrete	Ames	Iowa	50010	Owner	100.00	Yes

Insurance Company Information

INSURANCE COMPANY

POLICY EFFECTIVE DATE

POLICY EXPIRATION DATE

DRAM CANCEL DATE

OUTDOOR SERVICE EFFECTIVE DATE

OUTDOOR SERVICE EXPIRATION DATE

BOND EFFECTIVE DATE

TEMP TRANSFER EFFECTIVE DATE

TEMP TRANSFER EXPIRATION DATE

MEMO



To: Mayor John Haila and Ames City Council Members
From: Lieutenant Heath Ropp, Ames Police Department
Date: February 24, 2022
Subject: Beer Permits & Liquor License Renewal Reference City Council Agenda

The Council agenda for March 8th, 2022, includes beer permits and liquor license renewals for:

- **Tobacco Outlet Plus #530** (204 S Duff Ave) - Class E Liquor License with Sunday Sales
- **Wal-Mart Store #749** (3105 Grand Ave) - Class E Liquor License with Class B Wine Permit, Class C Beer Permit (Carryout beer) and Sunday Sales

A review of police records for the past 12 months found no liquor law violations for the above locations. The Ames Police Department recommends the license renewal for the above businesses.

MEMO**CITY OF**
Ames™*Caring People ♦ Quality Programs ♦ Exceptional Service*

TO: Members of the City Council

FROM: John A. Haila, Mayor

DATE: March 8, 2022

SUBJECT: Appointments to City Boards and Commissions

Attached you'll find a listing of the City's various boards/commissions that have upcoming vacancies and the names of individuals I propose to be appointed to fill the openings. I continue to be pleased with both the quantity and qualifications of the residents who applied for open positions.

On the accompanying list, those with an asterisk (*) by their names are individuals who are currently serving on that respective board or commission and are eligible to be reappointed.

The application review and "selection process" included both the respective department heads that work with the respective board or commission and me reviewing each application. We then compared notes. In a few situations telephone interviews of applicants were also conducted. Staff is comfortable with the proposed list of recommended appointees.

Should you have any questions on one, or several of the applicants, please let me know. Amy Colwell also has all appointee applications on file should you wish to review them.

**MAYOR'S APPOINTMENTS
TO CITY OF AMES BOARDS AND COMMISSIONS
2022**

(* Incumbents)

Board/Commission	Vacancies	Name
ASSET	2	Michael Lazere William Scott Dryer
Board of Review	1	*Gina McAndrews
Building Board of Appeals	3	*Duane Wolf *Andrew Tulp
Campus & Community Commission (term ends May, 2022)	1	Danaisa Green
Civil Service Commission	1	*Harold Pike
Commission on The Arts (COTA)	2	*David Detlefs Jaime Reyes
Electric Utility Operations Review & Advisory Board (EUORAB)	1	Randy Larabee
Historic Preservation Commission	2	Rosemary Dale Jesse David Chariton
Human Relations Commission	2	*Lynette Plander *Wayne Clinton
Library Board of Trustees	3	*Sandra Mrcu Victor Torres III Ianka Mitchel-Conway
Parks and Recreation Commission	3	*Jacob Ludwig (1-year term) * Sarah Cady Rachel Cramer
Partner Cities Association	1	Nicolette Mackey Valerie Stallbaumer
Planning and Zoning Commission	2	Michael Sullivan Julie Winter
Property Maintenance Appeals Board	1	*Colleen Schwartz
Public Art Commission	6	*Aspen Pflanz Sahar Kaissi Armaan Gupta Ryan Hurley Oakley Cadogan Tom Lockhart
Zoning Board of Adjustment	1	Leah Patton

COUNCIL ACTION FORM

SUBJECT: SET DATE OF PUBLIC HEARING TO VACATE EASEMENTS AT 1915 PHILADELPHIA STREET

BACKGROUND:

The property located at 1915 Philadelphia Street is owned by Childserve. The owner proposes to expand the existing Childserve building with the purpose of increasing the available services provided to the community. A public utility easement (PUE) and water main easement exist in the area where the building expansion is proposed. The building expansion cannot occur unless the PUE and water main easement are vacated as shown on Attachment 1 & 1A.

The easements were first established as part of the approval of the Final Plat for Walter Family Campus Subdivision (Attachment 2). The purpose of the easement was to provide access for public utilities to serve the lot on which the current Childserve building is located (Lot 5), the lot to the west (Lot 6), and to provide a location for future water main extension to the parcel to the north. **The Water Main Easement has not been utilized since it was first established by the Final Plat.** On March 16, 2007, Lots 5 & 6 were combined to form Parcel B. The water main easement was not vacated at that time because a large building addition was not contemplated (see Attachment 3).

There is an electric service currently located in the PUE. This electric service will be relocated as part of the building expansion project, and a new easement will be created over the relocated service.

The property located north of the existing Childserve property is not within the Ames corporate limits. If that property was annexed and developed in the future, water main could be extended from other easements located at the east edge of the existing Childserve property and the west end of Philadelphia Street.

ALTERNATIVES:

1. Set March 22, 2022, as the public hearing date to consider vacation of the existing fifteen feet (15') public utility easement (PUE) & Water main easement at 1915 Philadelphia Street, located in parcel B, Lots 5 & 6, Walter Family Campus subdivision, Ames, Iowa.
2. Do not set a date of public hearing to consider vacation of these easements at 1915 Philadelphia Street.
3. Refer this item back to City staff for additional information.

CITY MANAGER'S RECOMMENDED ACTION:

These easements do not facilitate water or other utility service to properties, with the exception of the electric service to the Childserve building. That service will be relocated into a new easement at the time the expansion project takes place. Vacating the easements will allow Childserve to complete a building expansion, which will enable Childserve to provide additional services to the Ames community.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

ATTACHMENT 1

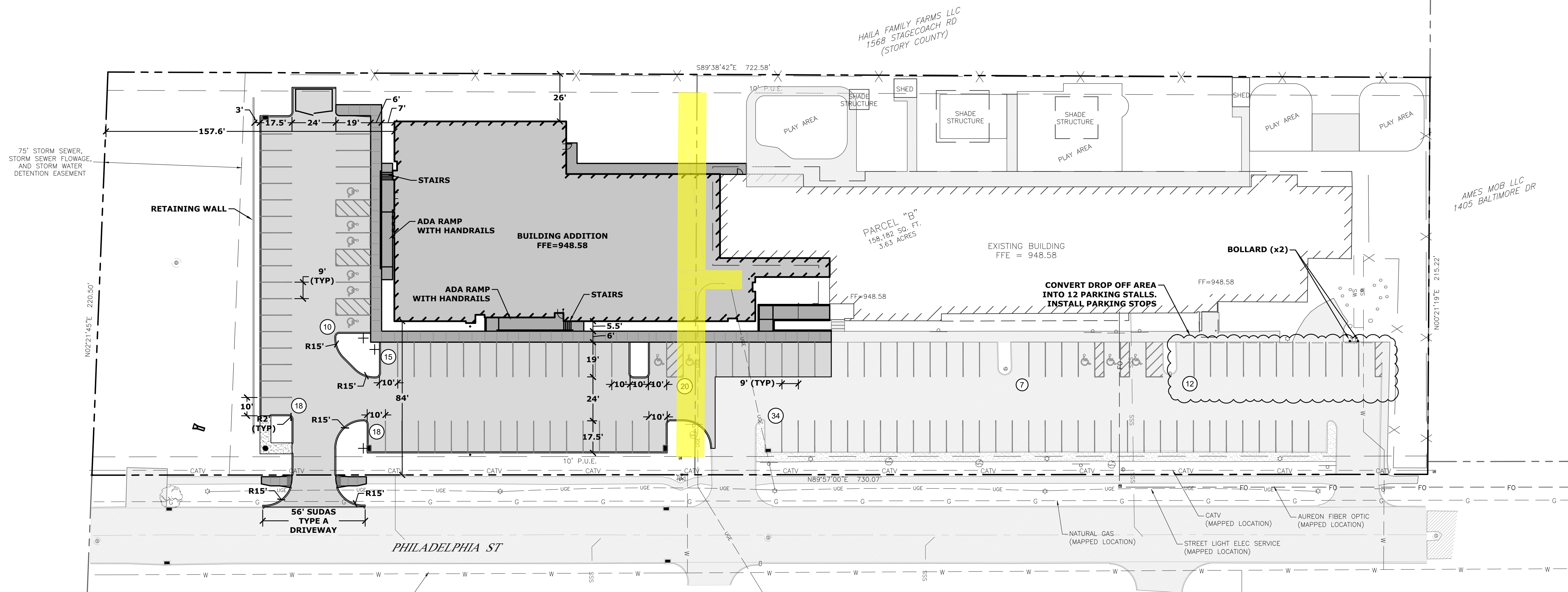
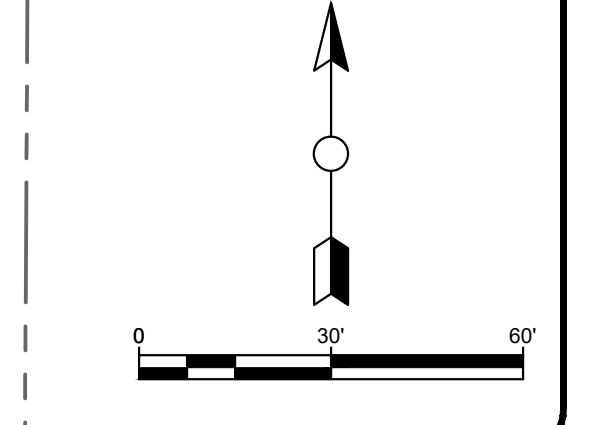
DATE	BY	DATE
02/22	JGW	02/22
02/22	SRS	02/22

REVISION	DATE

FOX STRAND
 ASSOCIATES®
 414 South 17th Street, Suite 107
 Ames, Iowa 50010
 Phone: (515) 233-0000
 FAX: (515) 233-0103

SITE LAYOUT & DIMENSIONING PLAN
 PHILADELPHIA ST
 AMES, IOWA

PROJECT NO. 7163.001
 SHEET C2.1



DRAWING FILENAME
 K:\AMEY\100-7199\7163\001\Drawings\CAD\Civil\B\7163.001 Site Plan.dwg
 LAYER MGR NAME
 Fox Gray
 Scale.ctb
 PLOT STYLE TABLE
 C2.1

AMES MEDICAL LLC
 1816 PHILADELPHIA ST

AMES MEDICAL LLC
 1816 PHILADELPHIA ST

CTRL PT #1
 magnail
 N 3475925.87
 E 4897360.19
 Z 943.35

PHILADELPHIA STREET LLC
 1904 PHILADELPHIA ST

CTRL PT #2
 magnail
 N 3475919.39
 E 4897796.29
 Z 946.50

FREEL FAMILY LIMITED
 PARTNERSHIP
 CTRL PT #103
 2010 PHILADELPHIA ST
 N 3475919.39
 E 4897796.29
 Z 947.74

EASEMENT VACATION EXHIBIT

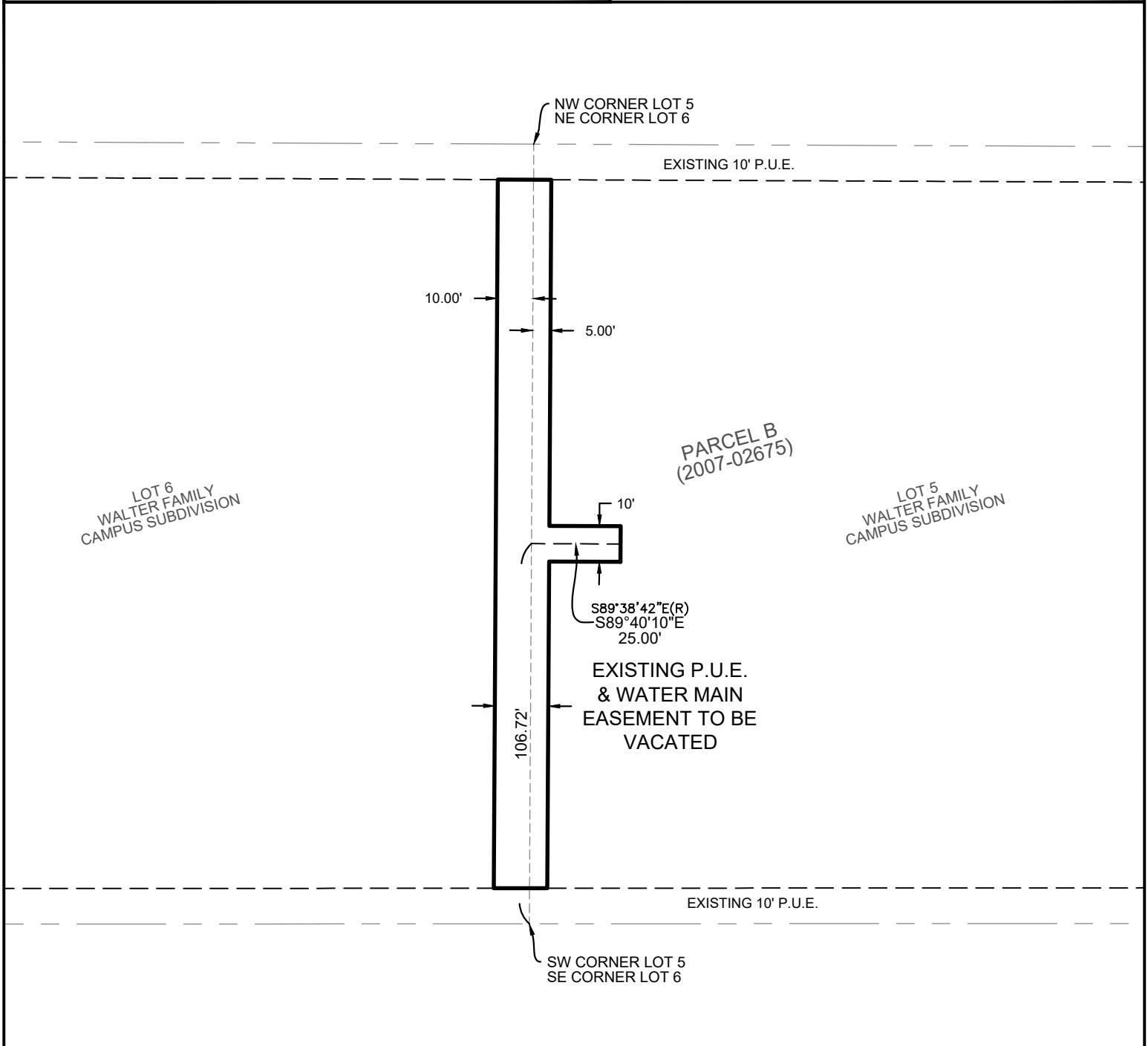
LOCATION: IN PARCEL B, LOTS 5 & 6, WALTER FAMILY CAMPUS
SUBD. CITY OF AMES, STORY COUNTY, IOWA

PROPRIETOR: CHILDSERVE HABILITATION CENTER, INC.

REQUESTED BY: JOHN WASHINGTON

SURVEYOR: R. BRADLEY STUMBO, PLS #17161
FOX STRAND, INC.
AMES, IA 50010
515-233-0000

ATTACHMENT 1A



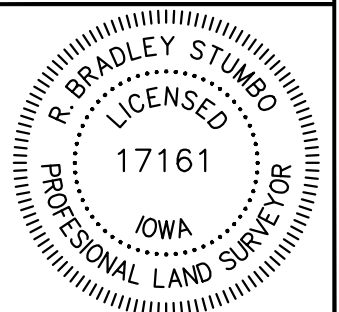
Existing Easement to be Vacated:
The East 10 feet of Lot 6, except the South 10 feet and except the North 10 feet thereof, the West 5 feet of Lot 5, except the South 10 feet and except the North 10 feet thereof, and a strip 10 feet in width lying in said Lot 5 and being situated 5 feet on each side of the following centerline: Beginning at a point on the west line of said Lot 5 which is 106.72 feet North of the Southwest Corner thereof; thence S89°40'10"E, 25.00 feet, and there terminating, all being part of Walter Family Campus Subdivision, City of Ames, Story County, Iowa.



FOX Strand
414 South 17th Street, Suite 107
Ames, Iowa 50010
Phone: (515) 233-0000
FAX: (515) 233-0103

I hereby certify that this land surveying document was prepared by me or under my direct personal supervision and that I am a duly licensed Professional Land Surveyor under the laws of the State of Iowa.

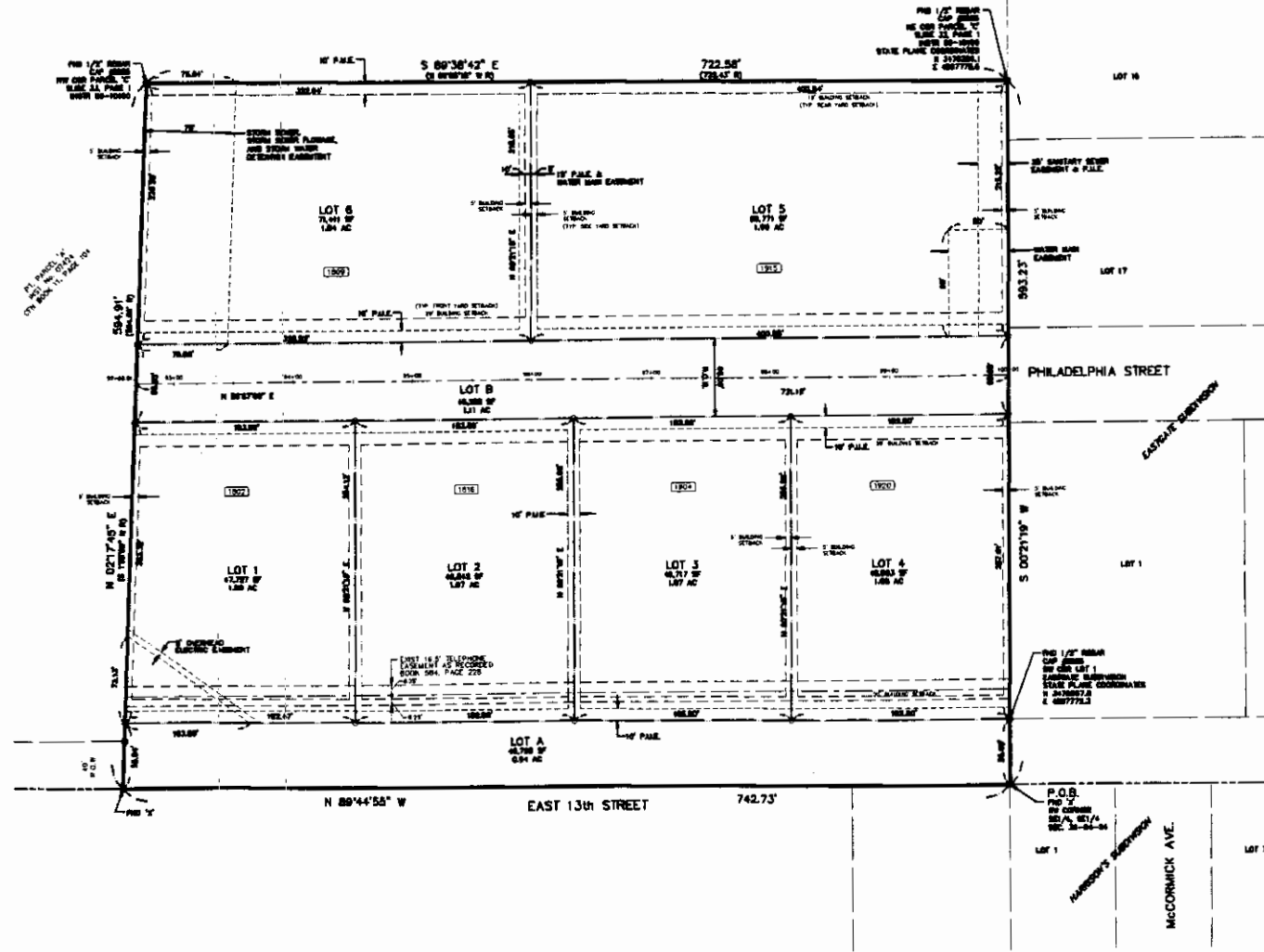
R. BRADLEY STUMBO, PLS DATE
License number 17161
My license renewal date is December 31, 2023.



WALTER FAMILY CAMPUS SUBDIVISION

INST. NO. 1114
STORY COUNTY, IOWA
FILED FOR RECORD
AM JAN 20 2000 PM
SUSAN L. VANDEKAMP, Recorder
RECORDING FEE \$ No Fee
AUDITOR'S FEE \$

ATTACHMENT 2



LEGAL DESCRIPTION
A PART OF LAND, COMMORNS OF PHOENIX, IA AS SHOWN ON MAP 23, PAGE 1 OF THE STORY COUNTY REGISTER OFFICE, AND PHOENIX, IA AS SHOWN ON MAP 23, PAGE 11, OF THE STORY COUNTY REGISTER OFFICE, LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 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984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

53 PAGE 3 SLIDE

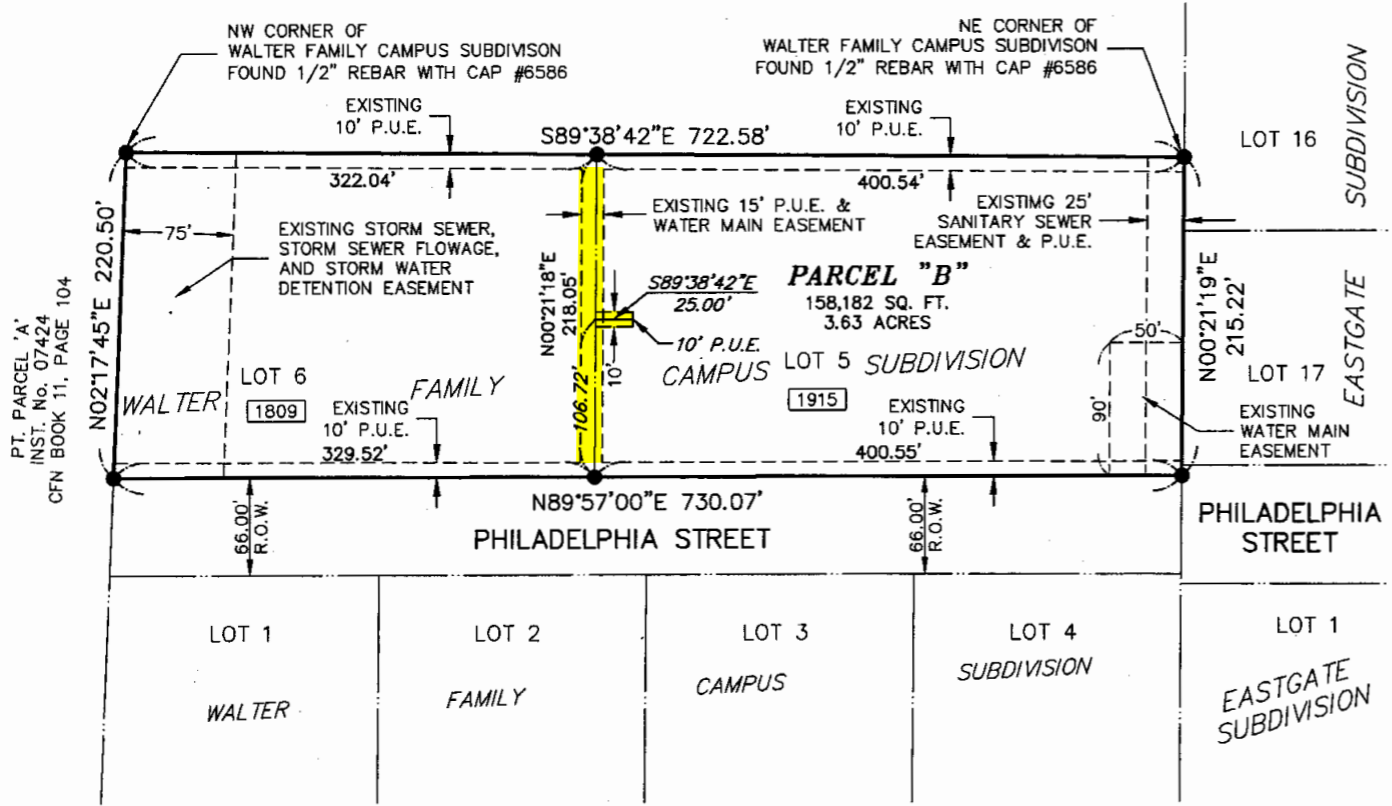
Legend, Surveyor's Seal (NILLES SURVEYING, INC.), and Project Information (WALTER FAMILY CAMPUS SUBDIVISION, FINAL PLAT, P.O. BOX 790, ARDEN, IOWA 50021-0790).

Instrument: 2007-00002675
 Date: Mar 20, 2007 09:18:07A
 Rec Fee: 5.00 E-Com Fee: 1.00
 Aud Fee: .00 Trans Tax: .00
 Rec Management Fee: 1.00
 Non-Standard Page Fee: .00
 Filed for record in Story County, Iowa
 Susan L. Vande Kamp, County Recorder

PLAT OF SURVEY

ATTACHMENT 3

Prepared By: John P. Nilles, L.S., Nilles Associates, Inc. 2525 N. Ankeny Blvd., # 121, Ankeny, Iowa 50023 (515) 965-0123



LEGAL DESCRIPTION - PARCEL "B":

LOTS 5 AND 6 OF WALTER FAMILY CAMPUS SUBDIVISION, AN OFFICIAL PLAT IN THE CITY OF AMES, STORY COUNTY, IOWA, CONTAINING 3.63 ACRES, MORE OR LESS.
 SAID PARCEL BEING SUBJECT TO ANY AND ALL EASEMENTS, CONVENANTS, AND RESTRICTIONS OF RECORD.

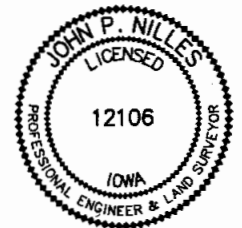
PREPARED FOR
 WELLS + ASSOCIATES

PROPRIETOR
 CONVALESCENT HOME FOR
 CHILDREN FOUNDATION, INC.

LEGEND

- | | | |
|--------|-------------------|---|
| ▲ | EXISTING/PROPOSED | FOUND SECTION CORNER AS NOTED |
| △ | | SET SECTION CORNER |
| I | | FOUND RIGHT-OF-WAY MONUMENT AS NOTED |
| ● | | FOUND 5/8" REBAR W/ YELLOW CAP #12106, UNLESS OTHERWISE NOTED |
| ○ | | SET MONUMENT USING 5/8" IR W/YELLOW CAP #12106 |
| P.O.B. | | POINT OF BEGINNING |
| IR | | IRON ROD |
| (R) | | RECORDED |
| 1234 | | ADDRESS |
| --- | | SUBJECT BOUNDARY LINE |
| --- | | SECTION LINE |
| --- | | PROPERTY LINE |

I HEREBY CERTIFY THAT THIS SURVEYING DOCUMENT WAS PREPARED AND THE RELATED SURVEY WORK WAS PERFORMED BY ME OR UNDER MY DIRECT PERSONAL SUPERVISION AND THAT I AM A DULY LICENSED LAND SURVEYOR UNDER THE LAWS OF THE STATE OF IOWA.



SIGNATURE: *John P. Nilles* DATE: MAR. 16 2007
 NAME: JOHN P. NILLES, L.S. NO. 12106
 MY LICENSE RENEWAL DATE IS DECEMBER 31, 2008 DATE OF SURVEY: FEBRUARY 23, 2007

PROJECT NO.: 07021	
CK. BY: JPN	SHEET: 1/1
DR. BY: TJH	
DATE: 23FEB07	

2525 N ANKENY BLVD
 ANKENY, IOWA 50023-4703
 (515) 965-0123
 (515) 965-3322 (fax)

PROJECT: PARCEL "B"
 WALTER FAMILY CAMPUS SUBDIVISION, AMES, IOWA

ITEM # 9
DATE: 03-08-22

COUNCIL ACTION FORM

SUBJECT: ENCROACHMENT PERMIT FOR SIGN ON BUILDING AT 300 MAIN STREET

BACKGROUND:

Tonya Rock Photography is seeking approval for a sign attached to the building that is 20" X 20" with a mounting bracket. There will be two aluminum facet attached to the bracket with full print on both sides.

Chapter 22.3(3) of the *Ames Municipal Code* requires approval of the Encroachment Permit Agreement by the Ames City Council before the Permit can be issued. By signing the Agreement, the applicant and owner agree to hold harmless the City of Ames against any loss or liability as a result of the encroachment, to submit a certificate of liability insurance that protects the City in case of an accident, and to pay the fee for the Encroachment Permit. The applicant and owner also understand that this approval may be revoked at any time by the City Council. The fee for this permit was calculated at \$25, and the full amount has been received by the City Clerk's Office along with the certificate of liability insurance.

ALTERNATIVES:

1. Approve the request.
2. Deny the request.

MANAGER'S RECOMMENDED ACTION:

It is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby granting the Encroachment Permit for the sign.

COUNCIL ACTION:



For Office Use Only

ENCROACHMENT PERMIT APPLICATION

An Encroachment Permit approved by the Ames City Council is required for anything of a "fixed character" which is "upon, over or under" the surface of any "street, alley, or sidewalk."

sent 1-18-22

Documents Received

- Date: 1-18-22
- Completed Application
- Certificate of Inspections sent to PW, P&H, Building Official on 1-20-22
- Review by DRC needed?

Applicant is: Property Owner Tenant Contractor

Applicant Name Tonya Rock

Address of Encroachment 300 Main st

City Ames State Iowa Zip Code 50010

Fees

Fee Amount Requested 2-14-22

Date Fee Paid _____

Type of Encroachment: sign
 (If the encroachment is a sign, please apply for a sign permit through the Inspections Division.)

Total Square Feet of the Area to Encroach: _____
 (See attached submittal guidelines.)

Insurance

Received 1-17-22

Approved 1-18-22

Property Owner Name Bradford Williams LLC

Mailing Address 1796 NW 84th Ave

City Ankeny State Iowa Zip Code 50023

Daytime Phone _____ Cell Phone 5157706343

E-mail: bradfordwilliamsiowa@gmail.com

Agreement

Two originals prepared

Signed agreements returned

CC Meeting Date 3-8-22

Added to agenda

___ CAF prepared on T Drive

These items must be submitted with your application prior to approval of the permit:

- An Encroachment Permit Agreement approved as to form by the City Attorney and signed by the owner of the building where the encroachment will occur (obtained from the City Clerk's Office).
- A sketch of the encroaching item (i.e., sign, canopy, awning, etc.) drawn to scale.
- A sketch showing the placement of the encroaching item on the property.
- An insurance certificate with comprehensive general liability coverage in an amount of not less than \$500,000 combined single limit naming the City of Ames as an additional insured on the policy. Said certificate must be accompanied with a copy of Endorsement CG 2013.
- A fee to be determined by the City's Building Official. The fee is \$1.00 per square foot of the encroachment or a minimum of \$25.00.

Follow Up

___ Application approved

___ Agreement signed by Mayor

___ Letter prepared and sent to applicant

___ Clerk's copy of Agreement sent to Recorder _____

___ Add to FMS with insurance expiration date

Notes

Requested original signature of property owner too / 2-14-22

Applicant's Signature _____ Date 1/16/2022

Property Owner's Signature _____ Date 1/17/22

Submit your completed permit application to: tenee.hall@cityofames.org
 City of Ames
 City Clerk's Office
 PO Box 811
 Ames, IA 50010

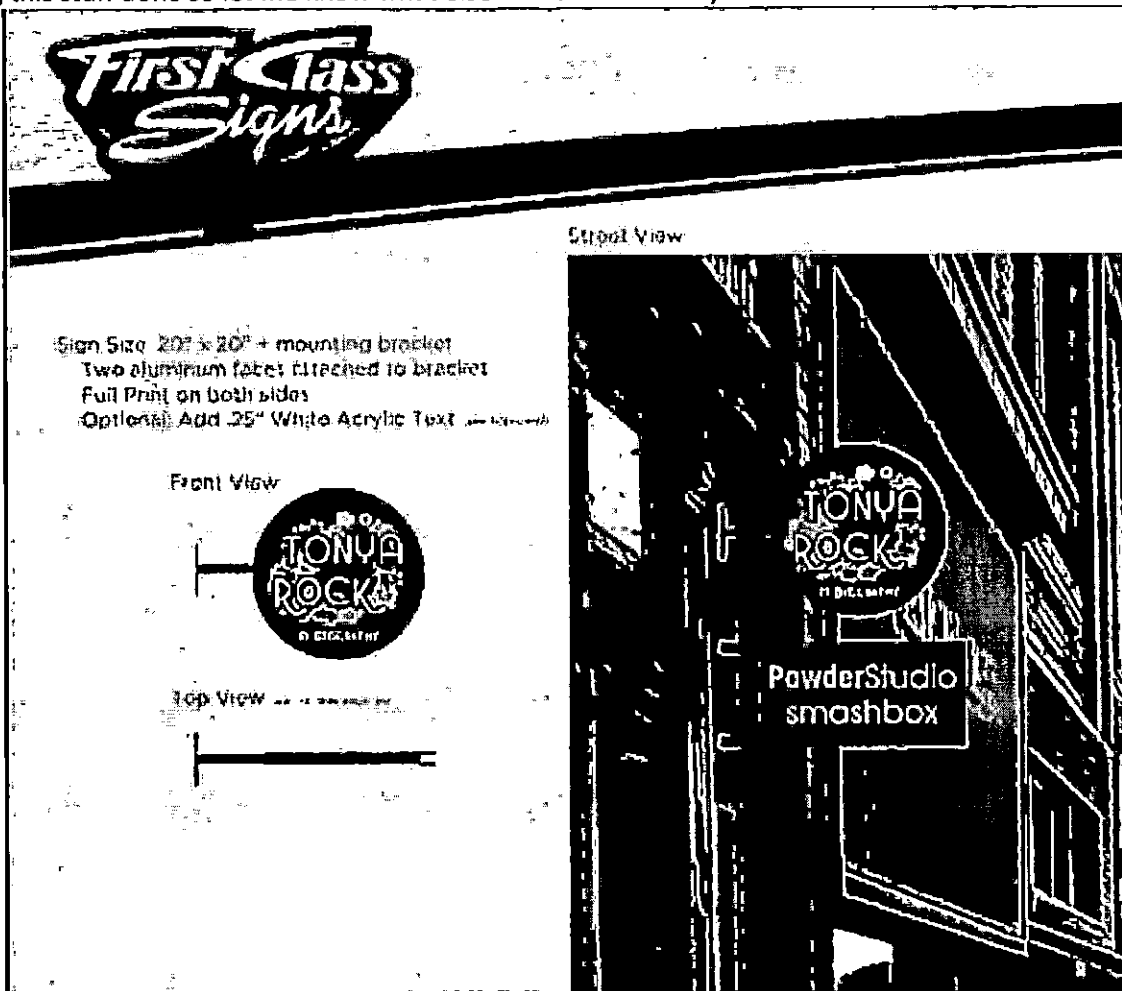
[Signature] *Tonya Rock*

Hall, Renee

From: Tonya Rock <hello@tonyarock.com>
Sent: Sunday, January 16, 2022 1:09 PM
To: Hall, Renee
Subject: Re: Sign Permit
Attachments: Tonay Rock Photography Certificate.pdf

[External Email]

Hi, I apologize for my extreme delay in trying to get my things together for our sign at 300 Main. Attaching the paperwork. The owners live in Ankeny and rarely come to Ames. How should I get their signature? I am not great at getting this stuff done so let me know what else is needed. Thank you so



On Wed, Aug 25, 2021 at 9:47 AM Hall, Renee <renee.hall@cityofames.org> wrote:

Thanks for the call earlier!

Per our conversation attached is the encroachment permit for your sign – this is needed if anything of a fixed character is upon, over or under the surface of any street, alley or sidewalk.

**CERTIFICATE OF INSPECTIONS
New Encroachment Permit**

Please return to the City Clerk's Office by Feb 1st

City Council Action has been requested on Feb 8, 2022

Applicant Tonya Rock Photography


Phone No. _____

Location 300 Main St

Type of Encroachment Sign

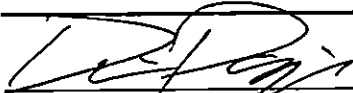
I HEREBY CERTIFY that the location for which the permit will be issued conforms with all zoning regulations of the City of Ames.

N/A Approved Approved with the following conditions:

 1-20-22
Planning Department Date

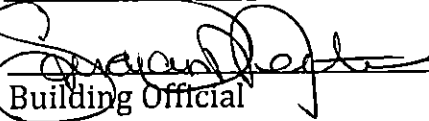
I HEREBY CERTIFY no rights-of-way users will be impacted at the location for which the permit will be issued.

N/A Approved Approved with the following conditions:

 1/20/2022
Public Works Department Date

I HEREBY CERTIFY that the requested encroachment permit has been reviewed.

N/A Approved Approved with the following conditions:

 1/19/22
Building Official Date

Review by DRC Needed?

COUNCIL ACTION FORM

SUBJECT: **REQUESTS FOR GREEK WEEK OLYMPICS**

BACKGROUND:

The Greek Week Committee has submitted plans to host the Greek Week Olympics this spring. The Greek Week Olympics will take place at various Greek houses on Saturday, April 2. Approximately 1,500 people are anticipated to attend.

Organizers have requested the following for this event from 7:30 a.m. to 3:00 p.m. on Saturday, April 2:

- Closure of Ash Avenue, Lynn Avenue, Sunset Drive, Gray Avenue, Greeley Street and Pearson Avenue.
- A blanket Temporary Obstruction Permit for the closed area

A rain date of April 3 has been requested for this event. Event organizers will post “No Parking” signs around 5 p.m. the day prior to the event. Several single-family homes are located along the closed streets. The organizers will notify the affected residents about the closures by canvassing the area and distributing a notification letter. Insurance for these events is provided through the University.

ALTERNATIVES:

1. Approve the requests as indicated above for Greek Week Olympics.
2. Deny the requests.

CITY MANAGER’S RECOMMENDED ACTION:

The Greek Week activities are annual student-run events at Iowa State that highlight the fraternities and sororities and their contributions to student life. They are highly dependent upon City approval of street closures and parking prohibitions so it may occur in a safe and smooth manner.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving the requests as indicated above.



Iowa State University
Greek Week 2022

0355 Memorial Union
Ames, Iowa 50011
(515) 294-1023

Greetings Ames City Council,

My name is Teagan Gara and I am the Greek Week 2022 Logistics Director. This letter is to request for street closures around the South Campus residential community for our annual Greek Race and Greek Olympic event. We will be holding our annual Greek Race event from 11 am to 1 pm on Sunday, March 27th, and our annual Greek Olympic event from 9 am to 4 pm on Saturday, April 2nd. We ask for your consideration in closing down the affected streets.

On Sunday, March 27th, the preparation for our annual Greek Race will begin at 9:30 am. We are seeking your permission to erect barricades to block traffic in the neighborhood from 9:30 am to 2 pm. These barricades are for the safety of our participating members. These streets include: Ash Ave, Sunset Drive, Gray Ave, Greeley Street, and Pearson Ave. These can be seen on the included document on this letter. We will have student volunteers monitoring the barricades at all times to ensure the safety of all participants.

*Applicant
withdrew
this request
→*

On Saturday, April 2nd, the preparation for our annual Greek Olympics will begin at 7:30 am. We are seeking your permission to erect barricades from 7:30 am to 4 pm. The following streets will be included: Ash Ave, Lynn Ave, Sunset Drive, Gray Ave, Greeley Street, and Pearson Ave. This will ensure the safety of all of the participants and spectators. Student volunteers will be monitoring the barricades at all time to ensure the safety of our participants.

We ask that the council grant us permission for the above road closures in order to help ensure the safety of all participants. If you have any questions, concerns, or issues, I would ask that you please contact myself or one of the Executive Directors for Greek Week; we have listed our information below. Thank you for your consideration!

Best Regards,

Teagan Gara
224-523-5602
Logistics Director

Madison Renz
319-538-4475
Executive Director

Spencer Cook
319-361-0008
Executive Director



For Office Use Only

Documents Received

Date: 2-17-22

- Completed Application
Fireworks Application (\$25 fee)
Insurance Certificate
Public Safety & Event Management Plan
Site Plan/Route Map (\$25 fee) (Road Race)
Vendor List (\$50 fee/each)
Parking fees

Special Events Meeting

Date 2-23-22
Time 3:00
Room C135

Documents Sent:

- Alcohol License
ABD
Fireworks Permit
Road Race Permit
TOP
Vending Permit
Other

Departments Included

- City Manager: Brian Phillips and Tasheik Kerr
CyRide: Jenny Bethurem or Rob Holm or Kevin Gries
Electric: Mark Imhoff
Fire: Jason Ziph or Rich Higgins
Parks & Rec: Craig Kaufman or Joshua Thompson
Public Works: Brad Becker or Dave Cole
Police: Jason Tuttle or Geoff Huff
Water: Heidi Petersen
Risk Management: Bill Walton

CAA: Karen Chitty
AMS: Jess Clyde or Sarah Dvorsky
ISU: Events Authorization Committee

City Council Meeting

Date 3-8-22
Added to Agenda with CAF
Approved Y N
working on agenda
Reminder Date

SPECIAL EVENT APPLICATION

Applications received less than thirty (30) days before the event may not be processed by the City in time for the event and will automatically be denied. Each application is viewed as a new event regardless of previous occasions.

Event Name Iowa State Greek Week Olympics

Location/Address Sorority and Fraternity Community (Greekland)

Region (Select one or more)

- Ames Main Street (Downtown)
Campustown District
Iowa State University Property
City Parks
Other (please explain)

Please note that events occurring in the Downtown, Campustown, in City parks, or on ISU property require prior approvals. A letter of support will be required from CAA if the event occurs in Campustown or from MSCD if the event occurs in Downtown. Please contact the appropriate office well in advance:

Downtown - Main Street Cultural District: (515) 233-3472
Campustown - Campustown Action Association: (515) 450-8771
ISU - Events Authorization Committee: (515) 294-1437

events@amesdowntown.org
director@amescampustown.com
eventauthorization@iastate.edu

TIMELINE

Setup Date 04/02/2022 Time 7:30 AM
Event Starts Date 4/2/2022 Time 9:30 am

Detailed Description of Event Activities (written overview of event and what's going to happen)

Greek Week will be having their annual Olympics day filled with short, competitive activities/events that each Greek Week team will compete in.

Event Ends Date 4/2/2022 Time 3:00 pm
Teardown Complete Date 4/2/2022 Time 5:00 pm

Event Category

- Athletic/Recreation
Exhibits/Misc.
Festival/Celebration
Parade/Procession/March
Concert/Performance
Farmer/Outdoor Market
Other (please explain)

Rain Date 4/3/2022 Rain Location Same location

Yes No

Is this an annual event? If yes, how many years? 70

CONTACTS

Sponsor/Applicant Name				Teagan Gara			
Address				2229 Lincoln Way			
City		State		Zip Code			
Ames		IA		50011			
Daytime Phone		224-523-5602		Cell Phone		224-523-5602	
E-mail				gwclogistics@iastate.edu			
Alternate Contact Name				Patrick Allen and Andy Boschert			
Daytime Phone		920-382-5059		Cell Phone		816-210-6017	
E-mail				gwcolympics@iastate.edu			

ATTENDANCE

Anticipated Daily Attendance

Yes No

Is this event open to the public?

Is your event being held in conjunction with another event (e.g. *Farmers' Market, 4th of July*, etc.)? If yes, please list:

ORGANIZATION STATUS/PROCEEDS

- For-Profit
 Bona Fide Tax Exempt
 Nonprofit

Yes No

Are patron admission, entry, or participant fees required? If yes, please describe and provide amounts:

Are vendor or other fees required? If yes, please provide amounts:

Percentage of net proceeds going towards fundraising %

Percentage of net proceeds going towards for-profit entity %

SECURITY

Ames Police Department 24 hour non-emergency phone number: 515-239-5133

Please complete the course at <https://www.crowdmanagers.com/training> for crowd management training.

Yes No

Have you hired a professional security company to develop and manage your event's security plan? If yes, please fill out the following information:

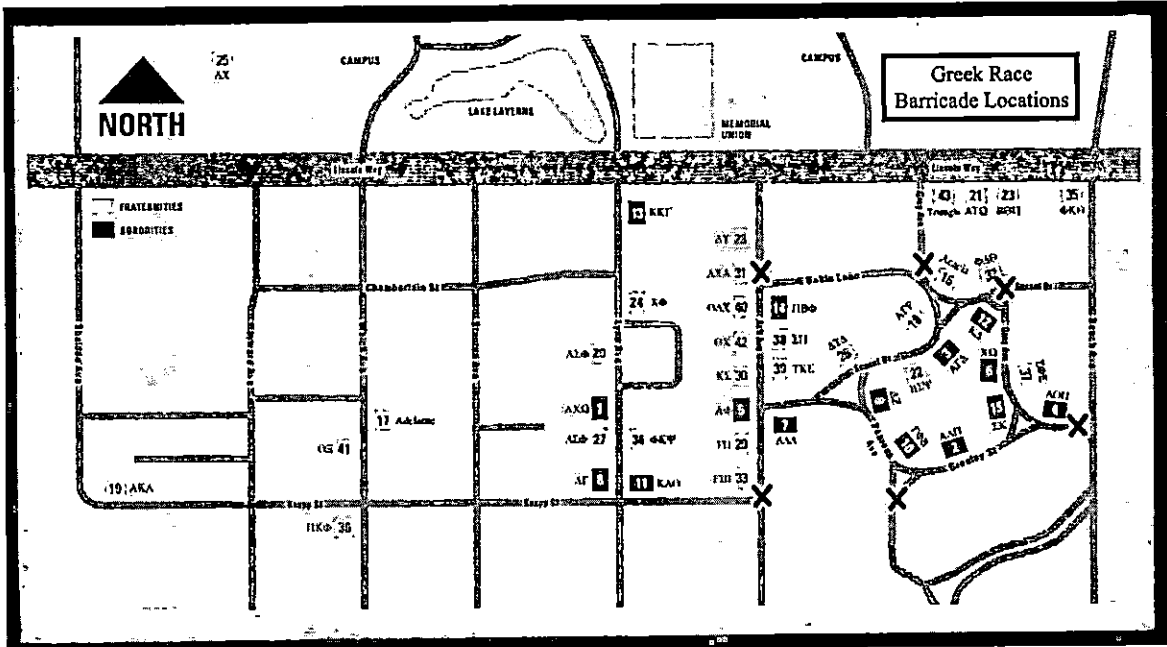
Security Organization							
Address							
City		State		Zip		Phone	
Email							



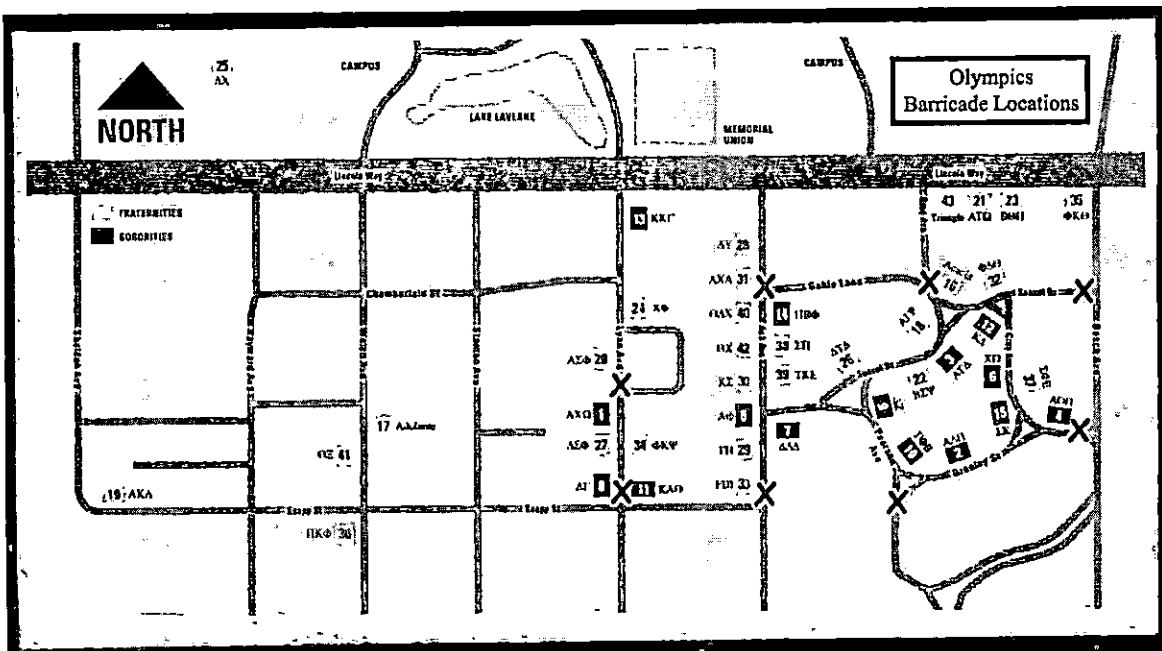
Iowa State University
Greek Week 2022

0355 Memorial Union
Ames, Iowa 50011
(515) 294-1023

Barricade Locations for Sunday, March 27th



Barricade Locations for Saturday, April 2nd



TEM #: 11
DATE: 03-08-22

COUNCIL ACTION FORM

SUBJECT: 2021/22 SHARED USE PATH MAINTENANCE – LITTLE BLUESTEM

BACKGROUND:

This program provides for shared use path maintenance activities such as patching, joint repairs, micro-surfacing, as well as complete replacement. Locations are determined using a condition inventory, visual inspection of paths, and input from users. The improvements will enhance safety, usability and aesthetics of the path/trail system.

This project is located between Little Bluestem Court and Gateway Hills Park Drive (see attached map) and will replace the existing shared use path with a new concrete path. This shared use path section needs full replacement due to deterioration from tree root damage, soil erosion, and age. A project to address the storm water erosion, including selective tree clearing, was completed in 2020.

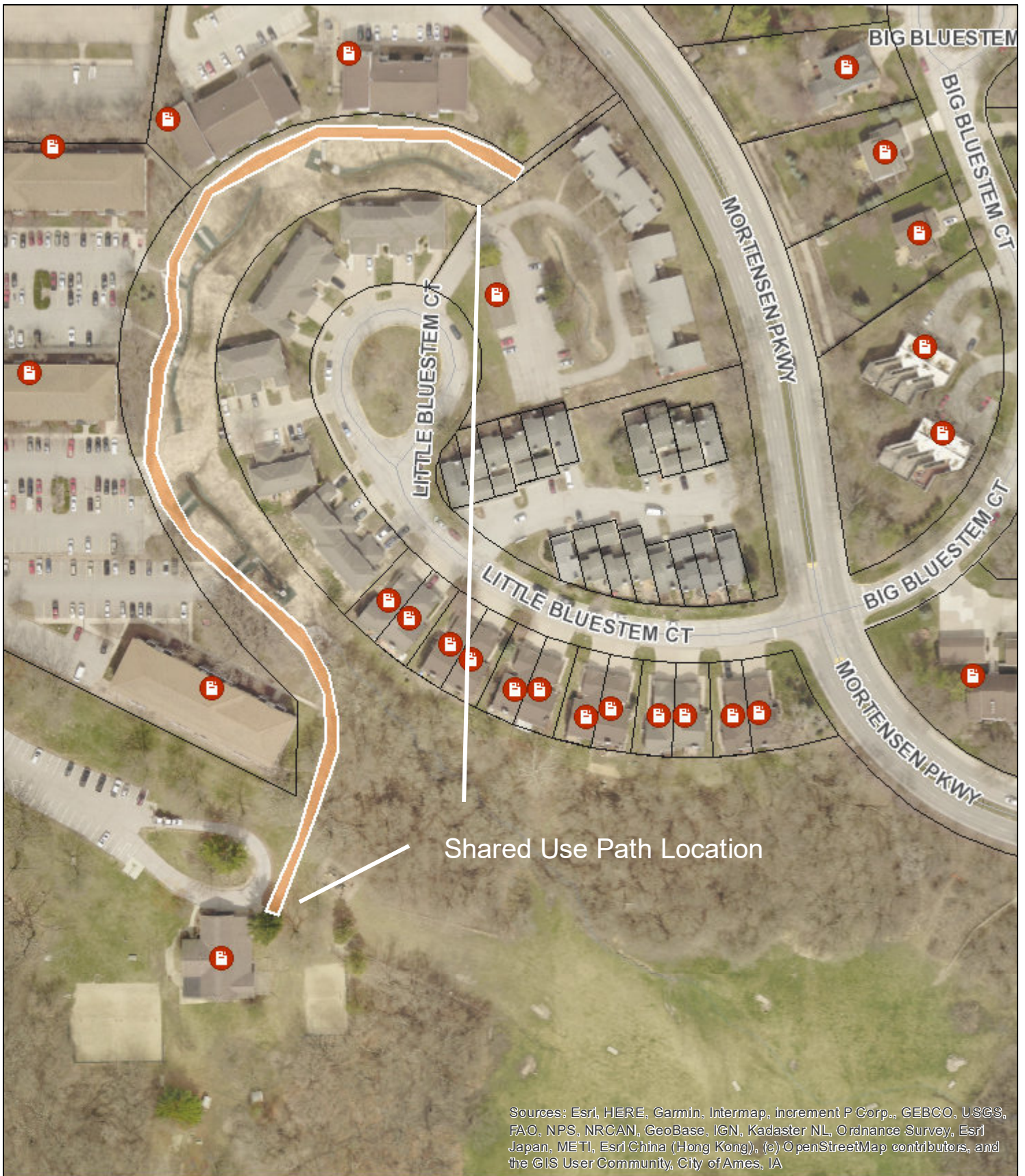
Plans and specifications have been prepared by staff with an estimated project cost of \$133,795.10. There is \$125,000 of Local Option Sales Tax revenue allocated for this program annually in the Capital Improvement Plan. These funds have been accumulated and carried over into the current budget. There is an additional \$68,000 available from savings from several smaller joint sealing and patching contracts through this program, **resulting in approximately \$193,000 being available to fund this project.**

ALTERNATIVES:

1. Approve plans and specifications for the 2021/22 Shared Use Path Maintenance – Little Bluestem project, and establish April 20, 2022, as the date of bid letting and April 26, 2022 as the date for report of bids.
2. Do not approve this project.

CITY MANAGER'S RECOMMENDED ACTION:

Approving this project will enhance user experience and aesthetics along this shared use path. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.



CITY OF
Ames
Geographic Information
Systems

2021/22 SUP Maintenance - Little Bluestem

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Date: 3/1/2022



NORTH

1 inch = 188 feet

ITEM #: 12
DATE: 03-08-22

COUNCIL ACTION FORM

SUBJECT: 2022/23 MAIN STREET PAVER REPLACEMENT PROJECT (KELLOGG AVE – DOUGLAS AVE) & (DOUGLAS AVE – DUFF AVE)

BACKGROUND:

This project replaces the pavers that were installed with the Main Street Reconstruction project in 1999. At that time, the pavers were an aesthetic upgrade to traditional concrete sidewalks. Over time, the pavers have proven to be difficult to maintain and crews spend considerable time to level or replace pavers. Additionally, ice control chemicals applied by adjacent businesses have led to accelerated deterioration of the pavers.

This project includes the installation of pavers on the final phase of the Main Street Paver Replacement program, from Kellogg Ave to Duff Ave. Due to the deteriorated condition of the concrete base under the existing pavers that was found in the first phase of the project, staff has prepared plans and specifications that include the replacement of this concrete base layer. **The paver materials for the final phases were purchased and delivered in fall 2021 under the second phase contract.** This was completed to ensure a uniform product and to protect against future price increases. **Because the materials were already purchased, this contract is only for installation and construction.**

Plans and specifications have been prepared by staff with an estimated project cost of \$332,458. **Funding for this final phase is included in the Capital Improvements Plan in Fiscal Year 2022-23 in the amount of \$350,000. Work on this final phase will not begin until the second phase from Burnett Ave to Kellogg Ave is completed, which is anticipated to occur in June 2022.**

ALTERNATIVES:

1. Approve plans and specifications for the 2022/23 Main Street Paver replacement Project (Kellogg Ave – Duff Ave) and establish April 20, 2022, as the date of bid letting and April 26, 2022 as the date for report of bids.
2. Do not approve this project.

CITY MANAGER'S RECOMMENDED ACTION:

Removal and replacement are necessary to ensure the sidewalks are safe for pedestrian use and to enhance the visual aesthetic along the Main Street corridor. Staff will carry out educational efforts to promote voluntary compliance in reducing the de-icing chemicals. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

ITEM #: 13
DATE: 03-08-22

COUNCIL ACTION FORM

SUBJECT: **RESOURCE RECOVERY SECONDARY DISC SCREEN
ROLLER REPLACEMENT**

BACKGROUND:

As part of the City's waste-to-energy (WTE) system, the Resource Recovery Plant utilizes sizing equipment to remove small inert non-burnable material from the refuse derived fuel (RDF). The equipment used for sizing is called a disc screen. This equipment uses metal rollers for separation. The gaps between the rollers allow the small inert non-burnable material to fall through. This small material is abrasive and wears the metal rollers down to a point where the tolerance is no longer ideal for quality RDF recovery. The current rollers have reached the end of their useful life and need to be replaced.

Clarke's Sheet Metal, Inc., Eugene, OR is the original equipment manufacturer (OEM) for the disc screen equipment and will provide a direct replacement of the rollers. The rollers are specific and proprietary to the OEM. The cost of the rollers is \$52,897, with an estimated shipping cost of \$1,645, for a total cost of \$54,542. Funding is available in the FY 2021/22 Resource Recovery System Improvement program at \$48,000. Staff has identified additional savings in FY 2019/20 Resource Recovery System Improvements program of \$8,000, making \$56,000 available for this purchase.

ALTERNATIVES:

1. Waive the Purchasing requirement for competitive bids, accepting Clarke's Sheet Metal, Eugene, OR as the sole source supplier, and awarding a purchase order in the amount of \$54,542 to replace the secondary disc screen rollers to Clarke's Sheet Metal, Inc.
2. Delay repairs to the secondary disc screen.

CITY MANAGER'S RECOMMENDED ACTION:

Staff has evaluated and determined that replacement of these rollers will maximize landfill diversion and the quality of the RDF supplied to the Power Plant by Resource Recovery.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.



MEMO

To: Mayor and Members of the City Council

From: City Clerk's Office

Date: March 8, 2022

Subject: Contract and Bond Approval

There is/are no Council Action Form(s) for Item No(s). 14, and 15. Council approval of the contract and bond for this/these project(s) is simply fulfilling a *State Code* requirement.

/alc

ITEM #: 16
DATE: 03-08-22

COUNCIL ACTION FORM

SUBJECT: FINAL ACCEPTANCE OF 2020/21 AIRPORT IMPROVEMENTS (ELECTRICAL VAULT)

BACKGROUND:

On July 14, 2020, City Council approved a project to build a new above-ground electrical vault at the Ames Municipal Airport. The project included all new airfield lighting regulators, ballistic-rated vault per Federal Aviation Administration (FAA) standards, and some minor airfield lighting replacements.

The original federal grant for this project was for the standard 90%/10% split. However, during the project, the FAA informed the City that due to COVID relief funding, the grant would be converted to 100% FAA funding for all eligible items.

The local cost of \$12,800 was for a Unicom antenna tower built next to the electrical vault, which was not eligible for grant funds. That expense will be paid for from the Airport Construction Fund available balance.

Below is a summary of revenues and expenses for this project:

<u>Revenues</u>		<u>Expense</u>	
FAA Grant (Eligible Items)	\$573,930.60	Design & Inspection	\$110,200.00
Airport Const. Fund	12,800.00	Construction	447,055.60
		CO #1	22,200.00
		CO #2	8,140.00
		CO #3	-865.00
Total	\$586,730.60	Total	\$586,730.60

It should be noted that Change Orders (CO) #1 to #3 were approved administratively. **The total construction cost, inclusive of the change orders, was \$476,530.60.**

ALTERNATIVES:

1. Accept the 2020/21 Airport Improvements (Electrical Vault) project as completed by Kimrey Electric of Urbandale, IA, in the amount of \$476,530.60.
2. Direct staff to pursue modifications to the project.

CITY MANAGER'S RECOMMENDED ACTION:

This project was completed in accordance with the approved plans and specifications. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.

MEMO

To: Mayor and Council

From: Susan Gwiasda, Public Relations Officer

Date: March 8, 2022

Subject: Resident Satisfaction Survey 2022

The City of Ames is again working with Iowa State University's Institute for Design Research and Outreach to produce, distribute, and analyze the 2022 Resident Satisfaction Survey. This will be the 40th year of the survey, which includes mostly benchmarking questions.

Each year, a small amount of space is reserved for current issue/policy questions to be added. Most policy questions require some explanation before any question can be asked. Due to the space necessary to set up the question, typically only a few additional questions fit in the survey. The Council is welcome to suggest topics, but please note there is no obligation to add to the survey.

More recently, you added questions regarding YOUR HEALTH and SENSE OF COMMUNITY (pages 9-11) to the survey, and there may be other issues related to City initiatives that would be a priority for the 2022 survey. One suggestion would be probing interest climate action initiatives or bringing back questions focused on recycling. (These were asked in 2016.)

The most recent direction from the Ames City Council resulted in updating an open-ended question from "What would make Ames cool?" to "What would make Ames a fun, vibrant community?"

Our goal with the annual survey is to use feedback from our citizens regarding their satisfaction with City of Ames programs and services, capital improvement projects, and future allocations of funding to guide future decision making. **Please consider what issues or policies would be helpful to have public feedback. Remember, you do not need to craft the actual questions because our consultants at Iowa State University provide that expertise.**



39th Annual Resident Satisfaction Survey Spring 2021

Instructions: Please respond to each question with your own opinions and practices. This is usually done by circling a number, checking a box, or filling in a blank. An opportunity is also provided for you to add written comments.

A. Please rate the following **Parks and Recreation** features.

	Very Poor	Poor	Good	Very Good	Don't Use
1. Hard surface trails/crushed rock trails	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Overall appearance of parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Playground equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Restrooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Shelter houses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Tennis courts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Wooded areas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Picnic areas (tables/grills)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments _____

B. Please rate the following **Ames Public Library** features.

	Very poor	Poor	Good	Very Good	Don't Use
1. Meeting/study rooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Internet/computer services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Handicapped accessibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Customer service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Programs (story hour, book discussions, concerts)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Range of materials available (books, videos, magazines, software)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Bookmobile service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. <i>Page One</i> – the library newsletter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Asking questions of library staff by phone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Use of library resources from home via computer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Wait time for requests/holds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Availability of seating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Welcoming atmosphere	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C. Do you use the **Ames Public Library** as often as you would like to use it?

- 1. Yes
- 2. No



C1. **If NO**, for what reasons do you not use the library as often as you would like? (Circle ALL that apply.)

- 1. Parking is a problem
- 2. I get materials from other sources
- 3. I don't have time
- 4. Library is not open during hours that are convenient to my schedule
- 5. Other (please specify) _____

Comments _____

D. How DISSATISFIED or SATISFIED are you with the following **Fire Department** activities?

	Very Dissatisfied	Somewhat Dissatisfied	Somewhat Satisfied	Very Satisfied	Don't Know
1. Ambulance assistance.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Putting out fires.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Fire prevention education & outreach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Home & business safety inspections	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments _____

E. Thinking about priorities for law enforcement, should the **Ames Police Department** emphasize the following activities LESS, the SAME, or MORE?

	Less	Same	More
1. Alcohol-related crime enforcement.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Animal control and sheltering.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Fraud & identity theft investigation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Business district patrolling.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Illegal drug use prevention and enforcement.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Speed limit enforcement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Juvenile crimes investigation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. School resource officer services.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Noise law and nuisance party enforcement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Parking laws enforcement.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Sex-related offenses investigation.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Traffic control and enforcement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Residential patrolling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Domestic violence & family dispute resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Crime prevention and education activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Violent crimes investigation.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments _____

F. Please rate how SATISFIED or DISSATISFIED you are with the City’s response after issues are reported regarding the following **nuisance ordinances**?

Enforcement of ...	Very Dissatisfied	Somewhat Dissatisfied	Somewhat Satisfied	Very Satisfied	Don't Know
1. Over-occupancy in rental property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Noise limits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Front yard parking on residential property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Yard upkeep (overgrown vegetation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Property upkeep (paint, gutters, broken windows)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Outdoor storage on property (old cars, tires, furniture, garbage)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments _____

G. Please rate the quality of the following **street maintenance** features.

	Very poor	Poor	Good	Very Good	Don't Know
1. Maintenance of bike path system (on street lanes & paths)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Appearance of medians and parkways	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Condition of streets in your neighborhood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ice control at intersections	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Snow plowing in your neighborhood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Snow plowing on major streets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Street sweeping in business areas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Street sweeping in your neighborhood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Surface condition of major streets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

H. How OFTEN is the coordination between **traffic signals** effective? (Circle ONE response)

1. Rarely effective
2. Sometimes effective
3. Often effective
4. Almost always effective
5. Don't know

Comments _____

I. Does **Ames Electric Services** provide electricity to your home?

1. Yes
2. No
3. Don't know

If NO, skip to Question M.

J. In the last 12 months, have you...?

	No	Yes
1. Experienced a power outage in your home?	<input type="checkbox"/>	<input type="checkbox"/>
2. Experienced a power surge that affected your computer operations?	<input type="checkbox"/>	<input type="checkbox"/>

K. How SATISFIED are you with the following aspects of **Ames Electric Services**?

	Very Dissatisfied	Somewhat Dissatisfied	Somewhat Satisfied	Very Satisfied	Does Not Apply
1. Being informed of progress restoring services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Ease of reporting an outage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Response of employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Time to restore service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Electric rates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The quality of power	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

L. Ames Electric Services offers SunSmart Ames, a community solar farm project in Ames. Ames Electric Services customers may purchase shares of the project at \$300 per “Power Pack” and receive a monthly credit on their bills for 20 years. (More information at www.CityOfAmes.org/Solar). Are you participating?

1. Yes
2. No

—————> **L1. If NO, why not? (Circle all that apply)**

1. Too expensive
2. Not interested in renewable energy
3. Short-term stay in Ames
4. Other (please specify) _____

M. In the last 12 months, how many times have you had any of the following **water service** problems?

	Never	1–2 times	3–6 times	7 or more times	Does not apply
1. Disagreeable taste or odor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Hard water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Rust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Sediment or cloudy appearance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Soft water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Too little pressure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Too much pressure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments _____

N. Please rate your SATISFACTION with the following aspects of Ames **Water & Pollution Control Department** services?

	Very Dissatisfied	Somewhat Dissatisfied	Somewhat Satisfied	Very Satisfied	Does Not Apply
1. Water rates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Water quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Sewer rates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

O. In the last 12 months, have you experienced a sanitary sewer back-up into your basement/home?

1. Yes
2. No

O1. If YES, did you report the problem to the City?

1. No
2. Yes ———> **If YES, how satisfied were you with the response?**
 1. Very dissatisfied
 2. Somewhat dissatisfied
 3. Somewhat satisfied
 4. Very satisfied

P. In the last 12 months, has **storm water flooded onto your property** from a city street?

1. Yes
2. No

P1. If YES, did you report the problem?

1. No
2. Yes ———> **If YES, how satisfied were you with the response?**
 1. Very dissatisfied
 2. Somewhat dissatisfied
 3. Somewhat satisfied
 4. Very satisfied

Comments _____

Q. On average, how many times per week do members of your household ride **CyRide** (municipal transit system)?

1. _____ times per week
2. No one in my household rides CyRide

R. If you do not currently use **CyRide**, what would make you consider using these services?

(Circle all that apply)

1. Service was provided to more areas of Ames
2. Service was offered on my route longer during the day (earlier or later times)
3. Service was more frequent on routes near me
4. The fare when boarding the bus was lower
5. The fare when boarding the bus was at no cost
6. Nothing
7. Other (specify) _____

Comments _____

Next, please provide your overall opinions about your use of City services

A. How DISSATISFIED or SATISFIED are you with the following aspects of **City of Ames services**?

	Very Dissatisfied	Somewhat Dissatisfied	Somewhat Satisfied	Very Satisfied	Don't Know
1. Law Enforcement Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Fire & Rescue Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Electric Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Water Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Sanitary Sewer System	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Public Nuisance Enforcement (e.g, noise, over-occupancy, yard upkeep)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Parks & Recreation Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Library Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. CyRide Bus service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments _____

Program and services

A. Programs and services listed in the following table are paid with local option sales taxes or property taxes. **In 2021-2022, the City of Ames will spend the following amounts on providing services. In your opinion, should LESS, the SAME or MORE funding be allocated to these areas? (Mark ONE response for each program or service.)**

	2021/2022 Approximate Tax Funding	Should the City spend...?		
		Less	Same	More
1. Arts programs (Public Art & COTA)	\$ 270,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Fire protection	\$ 8,040,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Human service agency funding (ASSET)	\$ 1,600,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Law enforcement	\$ 10,880,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ames Animal Shelter & animal control	\$ 550,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ames Public Library	\$ 4,840,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Land use planning (both current and long-term)	\$ 910,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Parks activities	\$ 1,530,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Recreational opportunities	\$ 2,280,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. CyRide (public transit)	\$ 2,040,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Other (please specify _____)	-----	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments _____

B. The City Council has approved a **five-year Capital Improvements Plan** that defines more than \$225 million in projects.

How **UNIMPORTANT** or **IMPORTANT** is it that the following projects are included in the Capital Improvements Plan?

	Very Unimportant	Somewhat Unimportant	Somewhat Important	Very Important
1. Improvements to existing parks.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. On-street bike facilities (commuter) improvements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Off-street bike facilities (commuter) improvements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Greenway trails (recreational) improvements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Reconstructing existing streets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Storm water drainage improvements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Traffic flow improvements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Other (please specify _____)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C. Using the item number from **Question B**, which category should be the...

	Item No.
Highest priority?	_____
Second highest priority?	_____
Third highest priority?	_____

D. The City property tax levy for the next year is \$9.87 per \$1,000 of taxable valuation. This means that the City portion of the property tax on a \$100,000 home in Ames is about \$556.97 after rollback.

Given your spending preferences, what should be the adjustment in property taxes next year? (Circle ONE response.)

1. Substantial decrease
2. Modest decrease
3. No change
4. Modest increase
5. Substantial increase

Residential preferences of city communications

A. When you need local government information, how USEFUL are the following **sources**?

	Not Useful	Somewhat Useful	Very Useful	Don't Use
1. City of Ames Web page.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Cable TV 12/Government Access Television	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ames Tribune newspaper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. ISU Daily newspaper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Des Moines Register newspaper.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Not Useful	Somewhat Useful	Very Useful	Don't Use
6. The Sun	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. KASI/KCCQ radio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. KHOI.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. CitySide (utility bill insert).....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Facebook / Twitter / Youtube	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

B. How would you prefer to learn about construction projects, programs, and meetings in your area?
(Circle ONE response)

1. Letter
2. Door hanger
3. City of Ames website
4. Local radio
5. Local newspaper
6. Email
7. Facebook
8. Twitter
9. Other (specify) _____

C. Are you a **Mediacom Cable TV** subscriber?

1. Yes →
2. No

C1. If YES, when are you most likely to watch Cable TV Channel 12/ Government Access? (Circle ONE response)

1. Never watch TV 12
2. Midnight to 6:00 a.m.
3. 6:01 a.m. to noon
4. 12:01 p.m. to 6:00 p.m.
5. 6:01 p.m. to 9:00 p.m.
6. 9:01 p.m. to midnight

C2. About how many hours per week do you watch TV 12?
_____ hours per week

D. Do you use the City of Ames' website (www.cityofames.org)?

1. Yes →
2. No

D1. If YES, do you? (Circle ALL that apply)

1. Sign up for Parks and Recreation classes
2. Check Ames Public Library card account or status of materials
3. Watch City Council meetings or Channel 12 programming on video-streaming
4. Gather information for City Council meetings or other City meetings
5. Check for notices, updates or news releases
6. Other: _____

D2. What other information should be included on the website?

The next section asks for your overall comments and ratings.

A. Please rate the overall quality of services you receive from the City of Ames. (Check ONE)

- | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <u>Very Poor</u> | <u>Poor</u> | <u>Good</u> | <u>Very Good</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

B. On **what other issue(s)** do you think the City should focus its attention?

C. What is the best thing about living in Ames?

D. What would make Ames a fun and vibrant community?

Your health

A. Overall, how would you rate your health? (Check ONE)

- | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <u>Poor</u> | <u>Fair</u> | <u>Good</u> | <u>Very Good</u> | <u>Excellent</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

B. During the PAST 7 DAYS, how many days were you engaged in physical activity of 20 minutes or more? (Circle ONE)

1. 0 day
2. 1 day
3. 2 - 3 days
4. 4 - 5 days
5. 6 or more days

C. What would support you in getting more daily physical activity?

D. How interested are you in getting involved in community gardens in your neighborhood?

1. Not interested at all
2. Somewhat not interested
3. Uncertain
4. Somewhat interested
5. Very interested

E. During the last 7 days, how many times did you eat fruits? (Do not count fruit juices)

1. I did not eat fruit during the past 7 days
2. 1-3 times during the past 7 days
3. 4-6 times during the past 7 days
4. 1-2 times per day during the past 7 days
5. 3 or more times per day during the last 7 days

F. During the last 7 days, how many times did you eat vegetables? (Do not count green salad)

1. I did not eat vegetables during the past 7 days
2. 1-3 times during the past 7 days
3. 4-6 times during the past 7 days
4. 1-2 times per day during the past 7 days
5. 3 or more times per day during the last 7 days

Sense of community

A. How many of your neighbors do you know?

1. All of them
2. Most of them
3. About half of them
4. A few of them
5. None of them

B. How strong is the sense of community in your neighborhood?

1. Extremely strong
2. Very strong
3. Somewhat strong
4. Not so strong
5. Not at all strong

C. Please indicate your level of agreement with the following community involvement statements.

	Strongly agree	Somewhat agree	Uncertain	Somewhat disagree	Strongly disagree	Don't Know
1. Issues facing my community are important to me.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I am knowledgeable about the issues facing my community.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. I am engaged in addressing the issues of my community.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I currently support nonprofit organization(s) with financial contributions.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. I currently serve on a Board of Directors for a nonprofit organization serving the City of Ames.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. I currently volunteer for a nonprofit organization serving the City of Ames.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Considering your experiences over the past 12 months, please indicate your level of agreement with each of the following statements

	Strongly agree	Somewhat agree	Uncertain	Somewhat disagree	Strongly disagree	Don't Know
I feel valued as an individual in the Ames community.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel I belong in this town.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ames has a strong commitment to diversity, equity, and inclusion.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am treated with respect in this town.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel Ames is a place where I could perform up to my full potential.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have found one or more organizations in this community where I feel I belong.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

E. What would make you feel welcomed and have a sense of belonging in Ames?

In this last section, please tell us about yourself so that we will know if we have reached a representative sample of Ames residents.

A. How many **years have you lived** in Ames? _____ years

B. What is your **age**? _____ years

C. What is your **gender**?

- 1. Male
- 2. Female
- 3. Non-binary / third gender
- 4. Prefer to self-describe _____
- 5. Prefer not to answer

D. What is your **race**?

- 1. White
- 2. Black or African American
- 3. American Indian or Alaskan Native
- 4. Asian
- 5. Native Hawaiian or Pacific Islander
- 6. Other _____
- 7. Prefer not to answer

E. Are you of Hispanic or Latino origin?

- 1. No
- 2. Yes
- 3. Prefer not to answer

F. What is your highest level of **formal education**?

- 1. Less than high school diploma
- 2. High school diploma or GED
- 3. Some college
- 4. Undergraduate degree
- 5. Some graduate work
- 6. Graduate degree

G. Are you currently a **full-time student** at Iowa State University?

- 1. No
- 2. Yes

H. Your current **employment status**? (Circle ALL that apply.)

- 1. Employed full time
- 2. Employed part time
- 3. Retired
- 4. Full time homemaker
- 5. Not employed
- 6. Other _____

I. Do you **RENT** or **OWN** your home?

- 1. Rent _____ →
- 2. Own
- 3. Other (specify _____)

I1. For what reasons do you rent? (Circle ALL that apply.)

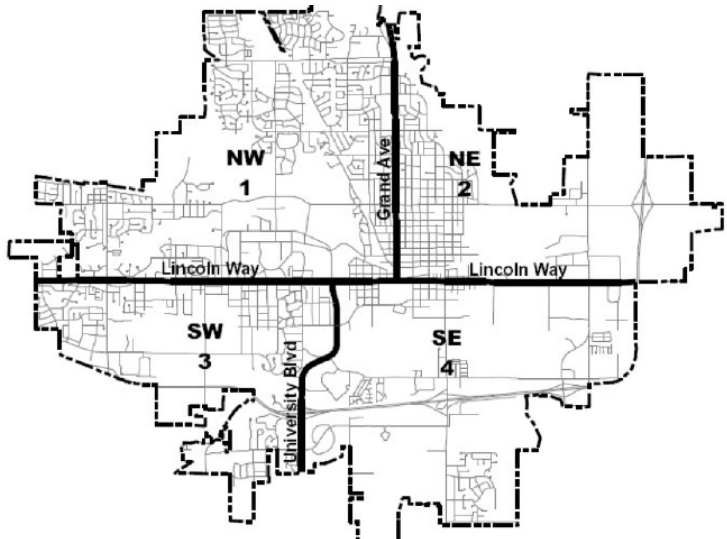
- 1. Short-term stay in Ames
- 2. Little or no upkeep
- 3. More security
- 4. Lack of adequate income
- 5. Other (Specify) _____

J. **Income level** is requested in order to understand how household needs differ based upon income. Circle the number for the category that best estimates your 2020 total household income (before taxes).

- 1. Under \$25,000
- 2. \$25,000–49,999
- 3. \$50,000–74,999
- 4. \$75,000–99,999
- 5. \$100,000–124,999
- 6. \$125,000–\$149,999
- 7. \$150,000–\$199,999
- 8. \$200,000 or more

K. In which part of Ames do you live? (Circle ONE)

- 1. **Northwest** (North side of Lincoln Way and streets to the north; west side of Grand Avenue and streets to the west).
- 2. **Northeast** (North side of Lincoln Way and streets to the north, east side of Grand Avenue and streets to the east).
- 3. **Southwest** (South side of Lincoln Way and streets to the south; west side of University Boulevard and streets to the west).
- 4. **Southeast** (South side of Lincoln Way and streets to the south; east side of University Boulevard and streets to the east).



J. We would appreciate any additional comments you would like to provide:

Thank you for contributing your time and making a difference in your community!

Return your questionnaire in the enclosed, postage-paid envelope OR deliver it to City Hall, 515 Clark Ave.

COUNCIL ACTION FORM

SUBJECT: **PROPOSED ARTS CAPITAL GRANT AWARDS**

BACKGROUND:

On September 28, 2021, the City Council approved criteria for the one-time Arts Capital Grant Program. This program is open to individuals, non-profits, or businesses that propose projects that create, renovate, or improve a space for arts or artists (e.g., performance space, exhibition space, classrooms, demonstration space, studio space, etc.). The City Council included \$200,000 of General Fund savings in the Adjusted FY 2020/21 City Budget for this program, which was carried over into the current fiscal year.

EVALUATION CRITERIA AND CONTRACT PROCESS:

The adopted program criteria indicated that any number of individual awards could be made, up to the total of \$200,000 in available funding. No minimum award amount was established.

The application requested information regarding how the applicant determined the need for the project, whether there are alternative facilities already in Ames that offer what is proposing to be funded/created, how the project will benefit Ames and/or contribute to making Ames a fun and vibrant community, and the number of people positively impacted by the project. Applicants were also asked to describe the readiness of their project in terms of property acquisition and other financing secured for the project. A project budget was required with the application.

Grant funds are to be paid on a reimbursement basis based on receipts or contracts presented by the awardee during the project. However, to provide some flexibility for awardees to begin their projects, up to 10% of their total award could be paid out immediately. A project retainage will be withheld until the completion of the overall project has been verified.

Similar to the Human Services Agency Capital Grant program the City Council implemented several years ago, the Arts Capital Grant Program includes provisions to ensure the grantee continues to use the premises improved by the grant for at least five years after completion. If the awardee voluntarily ceases to operate, repayment of some or all of the grant award is required (100% repaid if cased in year 1, 80% in year 2, 60% in year 3, etc.). After five years, the grantee is free to continue or dispose of the improvements as it wishes.

APPLICATIONS RECEIVED AND RECOMMENDED AWARDS:

Applications were made available from September 29 through December 3. The grant opportunity was promoted on the Public Art Commission (PAC) and Commission on the Arts (COTA) webpages, via press release, and via email to COTA agencies. A team of representatives from COTA and PAC volunteered to evaluate the applications and make recommendations.

A total of 11 applications were received, with a total of \$426,000 in funding requested. Upon review, the evaluation team recommended awards to seven proposals:

1. Digital Creation Lab – ABP Galatic, LLC

Request: \$21,247

Recommended Award: \$5,000

Brief Description: This project is to furnish and equip a dedicated digital media workstation at a digital creation lab at 4626 Reliable Street. The digital media workstation will consist of a computer with specifications suitable for CPU- and GPU-intensive tasks such as 3D modeling, animating, and rendering, 4k video editing, 2D animation, video game development, programming, digital audio production, and real-time video processing. The workstation will include software ordinary to the arts of photo and video editing, 3D modeling, animation, audio production, projection mapping, and related software. A digital drawing tablet will be obtained and provided as part of the lab equipment. The digital creation lab will be accessible to the public (for fees as set by the Provider) and will host workshops from time to time.

2. Writing Gathering Space – Ames Writers Collective

Request: \$20,000

Recommended Award: \$5,590

Brief Description: This funding will be used to purchase moveable tables and chairs, bookshelves, modular couches, and equipment for Ames Writers Collective at 409 Douglas Avenue. These furnishings will create a warm and inviting space for Ames Writers Collective to bring together writers and readers of diverse ages and cultural backgrounds, and talented writers and authors to teach and empower people of all skill levels to bring their stories to life.

3. Door Replacement – Creative Artists’ Studios of Ames

Request: \$7,802

Recommended Award: \$7,082

Brief Description: This project is to replace three doors and frames in the Creative Artists’ Studios of Ames at 130 S. Sheldon Avenue. The doors to be replaced include:

- 1) The door that provides access to the lower (107) level, which shall be made handicap accessible

- 2) The kiln room door to be replaced with a wider door (or doors) to facilitate movement of equipment, and which shall be handicap accessible
- 3) The access door located on the south side of the building, which shall not be required to be handicap accessible.

4. **Studio C – KHOI – FM Community Radio**

Request: \$3,314

Recommended Award: \$3,314

Brief Description: The funds in this grant will be used to purchase chairs, speakers, microphones, a portable whiteboard, and related furnishings and equipment to outfit one studio space as a performance and teaching space at 622 Douglas Avenue.

5. **Octagon Third Floor – The Octagon Center for the Arts**

Request: \$175,000

Recommended Award: \$170,000

Brief Description: The funds in this grant will be used to repurpose underutilized space on the third floor of The Octagon Center for the Arts, located at 427 Douglas Avenue. The space will be converted into a space for 1) co-working, 2) smaller private studios, and 3) artist residency spaces where artists work, connect, collaborate, exhibit, and grow their businesses. The finished space will include a kitchen, a meeting room, spaces for product photography, mat cutting, recording (for podcasting or virtual teaching), WIFI, a printer, lockers for storage, and use of specialized studios (clay studio, print studio). One studio will be dedicated to an artist-in-residence.

6. **Dance Studio Improvements – Reliable Street, Inc.**

Request: \$4,725

Recommended Award: \$4,725

Brief Description: This grant is to improve the Reliable Street Dance Studio, located at 4625 Reliable Street, as follows:

- 1) Purchase and install wall-length mirrors (one short wall, one long wall) in the dance studio
- 2) Purchase a floor covering to go over the Marley floor when not in use to facilitate non-dance activities within the dance studio space

7. **Chairs for the Black Box – Story Theater Company**

Request: \$4,289

Recommended Award: \$4,289

Brief Description: This grant is to purchase stackable, cushioned chairs and related accessories for the black box theater located at 615 S. Dayton Avenue, Suite 133.

Arts Capital Grant Recommendations

Applicant	Project	Total Project Value	Request	Proposed Award
ABP Galatic, Inc.	Digital Creation Lab	\$ 29,247	\$ 21,247	\$ 5,000
ACTORS	LED Stage Lights	88,791	55,343	--
Ames Writer's Collective	Writing Gathering Space	25,000	20,000	5,590
Creative Artists' Studios of Ames	Door Replacement	14,165	7,082	7,082
Elks Lodge	SOUND ON. Noise Off.	25,000	18,750	--
ISU Research Park	Artist In Residency Program	75,000	56,250	--
KHOI-FM Community Radio	Studio C	4,419	3,314	3,314
The Octagon Center for the Arts	Octagon Third Floor	247,550	175,000	170,000
Reliable Street, Inc.	Reliable Street Dance Studio	6,601	4,725	4,725
Story Theater Company	Chairs for the Black Box	5,719	4,289	4,289
VenuWorks	NEWS on 5th	815,000	60,000	--
Total		\$1,336,492	\$426,000	\$ 200,000

City staff has prepared contracts with the seven proposed awardees. Each awardee has received, signed, and returned copies of the contracts. The contracts are now being presented for City Council approval. If approved, the projects are to be completed before June 30, 2023. Staff will return to the City Council as the projects are completed to obtain Council approval to release the retainage and close out each grant.

The City Council may recall a memo delivered on January 20, 2022 from the City Attorney regarding City funds being used for the capital project being undertaken by the Ames History Museum. That memo indicated that certain issues existed with funding for the Ames History Museum capital project being construed as a "donation." Following that analysis, the City Attorney reviewed the Arts Capital Grant contract language to determine if the same issues existed, which would prevent the City from providing funding through this program.

The final versions of the Arts Capital Grant contracts have therefore been drafted with specific components intended to ensure compliance with state law. The contracts reflect the guidance from the State Auditor dated November 2, 2021, regarding public funds being used to support outside entities. These requirements, and the way they are addressed in the contract, are outlined in Attachment 1.

A blank copy of the contract form is included as Attachment 2 for reference.

ALTERNATIVES:

1. Approve seven contracts for Arts Capital Grants as presented, in accordance with the recommendations provided by the review committee.
2. Refer this item back to the review committee for further information.

CITY MANAGER'S RECOMMENDED ACTION:

The seven projects recommended for funding by the Arts Capital Grant review committee fulfill the City Council's vision for this initiative. Each project provides for purchasing equipment or constructing projects that could not otherwise be accomplished through COTA or PAC funding opportunities. Each project caters to different groups of artists and the public, and all the projects will create the opportunity for improved participation in the arts by the Ames community.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.

Attachment 1: State Auditor Guidance Compared to Contract Language

State Auditor Guidance	Discussion/Relevant Contract Provision
<p>Public funds may be provided to a non-profit when the payment is for economic development purposes, if the governing body considers any or all of the following:</p>	
<p>i. Businesses that add diversity to or generate new opportunities for the Iowa economy should be favored over those that do not.</p>	<p>“The City of Ames has determined, by its City Council acting in open and regular session, that a prosperous local arts community improves the welfare, comfort, and convenience of Ames’ citizens, promotes economic development and tourism, and enhances the community identity.</p> <p>It has been further determined that the existence of quality facilities and equipment is necessary for artists and arts organizations to thrive, to offer programs, services, and expertise to the community, and to create and retain arts-related jobs; and that such facilities and equipment do not yet exist in the community to the extent necessary to achieve these objectives.”</p>
<p>ii. Development policies in the dispensing of the funds should attract, retain, or expand businesses that produce exports or import substitutes, or which generate tourism-related activities.</p>	<p>“The City of Ames has determined, by its City Council acting in open and regular session, that a prosperous local arts community improves the welfare, comfort, and convenience of Ames’ citizens, promotes economic development and tourism, and enhances the community identity.”</p>
<p>iii. Development policies in the dispensing or use of the funds should be targeted toward businesses that generate public gains and benefits, which gains, and benefits are warranted in comparison to the amount of the funds dispensed.</p>	<p>“The City of Ames has undertaken an open and competitive process to solicit and evaluate proposals for arts activities and has determined that the activities outlined in this Agreement represent the highest value to the citizens of Ames in exchange for the funds provided.”</p>
<p>iv. Development policies in dispensing the funds should not be used to attract a business presently located within the state to relocate to another portion of the state...</p>	<p><i>This is not an issue with the arts capital grant process.</i></p>
<p>Public funds may be provided to a non-profit, if the following requirements are met:</p>	
<p>a. Agreements should be reduced to a written contract.</p>	<p><i>A written contract has been prepared for each recipient.</i></p>
<p>b. The terms and conditions of each party to the contract should be plain, detailed, and unambiguous.</p>	<p><i>The contract describes the terms and conditions in a detailed and organized fashion.</i></p>

<p>c. There should be clear language as to how much the government is paying, the schedule of payments, and what the government (or the public) is receiving from the non-profit in return. Overall, consideration should be balanced for each party and the government should seek the highest value possible for taxpayers.</p>	<p><i>The contracts include specific payment amounts and provisions for which payment may be received. Each contract includes a scope of services describing what each recipient must complete in exchange for funding.</i></p> <p>“The City of Ames has undertaken an open and competitive process to solicit and evaluate proposals for arts activities and has determined that the activities outlined in this Agreement represent the highest value to the citizens of Ames in exchange for the funds provided.”</p>
<p>d. When a government contracts with a non-profit and the non-profit is providing a service to the public, the public benefit will be the “consideration” the government receives under the contract. This consideration, how the public (as a whole) is benefitting, should be made clear in the contract.</p>	<p>“Therefore, the purpose of this Agreement is to procure for the City of Ames and its citizens certain arts-related capital resources as hereinafter described and set out; to ensure these arts-related capital resources facilitate increased arts programming accessible to the Ames community...”</p>
<p>e. The total cost of the contract and required supporting invoices and/or documentation should be clearly defined. The government should ensure it is not overpaying for the product or services received.</p>	<p><i>Each contract includes a specific funding amount and requires supporting documentation and invoices.</i></p>
<p>f. All contracts should include a requirement for the non-profit to account to the government for the public funds and how they are spent to meet the state public purpose requirement. The form and frequency of that accounting should be clear in the contract.</p>	<p>“All payments made to the Provider by the City of Ames shall be made in accordance with procedures established by the City and on such forms as the City may prescribe. The City will reimburse the Provider only for allowable costs the Provider incurs in performing the work under this Agreement in the manner described in Section III. The City will not reimburse the Provider for any cost that is contrary to this Agreement, is categorically disallowed from purchase under the City’s Purchasing Policies and Procedures (e.g., alcoholic beverages, items for personal use, etc.), or violates local, state, or federal law.”</p> <p>“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 including any such reports or information as the Provider is required to complete to receive State or Federal funds. These records shall be made available to qualified City personnel for the purpose of conducting management or financial audits or program evaluations.”</p>
<p>g. The contract should be signed by a representative of the government and a representative of the non-profit.</p>	<p><i>The contracts include signature sections.</i></p>

ATTACHMENT 2

**ART CAPITAL GRANT
CONTRACT FOR FUNDING**

THIS AGREEMENT, made and entered into February 1, 2022, through June 30, 2023, by and between the **CITY OF AMES, IOWA**, a municipal corporation organized and existing pursuant to the laws of the State of Iowa (hereinafter sometimes called "City" or "City of Ames") and _____ (hereinafter called "Provider"); for funding of said Provider up to and including \$____.

WITNESSETHS THAT:

WHEREAS, the City of Ames has, by its City Council acting in open and regular session, determined that the Provider has met the criteria established by the City for arts capital funding and shall receive funds in accordance with the written agreement as hereinafter set out;

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

I: PUBLIC PURPOSE

The City of Ames has determined, by its City Council acting in open and regular session, that a prosperous local arts community improves the welfare, comfort, and convenience of Ames' citizens, promotes economic development and tourism, and enhances the community identity.

It has been further determined that the existence of quality facilities and equipment is necessary for artists and arts organizations to thrive, to offer programs, services, and expertise to the community, and to create and retain arts-related jobs; and that such facilities and equipment do not yet exist in the community to the extent necessary to achieve these objectives.

The City of Ames has undertaken an open and competitive process to solicit and evaluate proposals for arts activities and has determined that the activities outlined in this Agreement represent the highest value to the citizens of Ames in exchange for the funds provided.

Therefore, the purpose of this Agreement is to procure for the City of Ames and its citizens certain arts-related capital resources as hereinafter described and set out; to ensure these arts-related capital resources facilitate increased arts programming accessible to the Ames community; to establish the conditions governing payment by the City of Ames for such capital resources; and, to establish other duties, responsibilities, terms, and conditions mutually undertaken and agreed to by the parties hereto in consideration of the activities to be performed and monies paid.

The activities financed through this Agreement are initiatives to be completed solely at the direction of the Provider; the Provider shall have complete control regarding the development of specifications, selection of architects, engineers, and contractors, and the methods of fulfilling the scope of services as herein described. Nothing in this Agreement shall be construed as a joint enterprise with the City of Ames or shall confer an ownership interest to the City of Ames for the project constructed or premises improved.

II: INCORPORATION OF DOCUMENTS

This contract incorporates the following documents:

1. City of Ames Arts Capital Grant Program Criteria
2. Arts Capital Grant Program Application (as submitted by Provider, including any attachments thereto)

III: SCOPE OF SERVICES

The provider shall use the funds received under this Agreement as follows:

IV: METHOD OF PAYMENT

All payments made to the Provider by the City of Ames shall be made in accordance with procedures established by the City and on such forms as the City may prescribe. The City will reimburse the Provider only for allowable costs the Provider incurs in performing the work under this Agreement in the manner described in Section III. The City will not reimburse the Provider for any cost that is contrary to this Agreement, is categorically disallowed from purchase under the City's Purchasing Policies and Procedures (e.g., alcoholic beverages, items for personal use, etc.), or violates local, state, or federal law.

The Provider may invoice the City for payment under this Agreement as follows:

Option for Startup Payment (10%): Within 30 days of the execution of this Agreement by the Parties, the Provider may request issuance of payment for an amount not to exceed 10% of

the total contract amount. This payment request is not required to be accompanied by documentation indicating expenses actually incurred. **If such a startup payment is requested and issued, the amount of the retainage to be withheld until the completion of the project shall be increased by the amount of the startup payment.** If no request for a startup payment is made within 30 days of the execution of this Agreement, the Provider is considered to have forfeited the option to such payment, and all payments under this Agreement will be made in accordance with the "Standard Payments" and "Retainage" paragraphs as outlined below.

Standard Payments: Except any optional Startup Payment and the Payment of Retainage, standard payments under this Agreement shall be issued only:

- 1. On the basis of reimbursement for actual expenses incurred** in accomplishing the project as outlined in Section III of this Agreement, supported by properly executed invoices, receipts, vouchers, or other documentation evidencing in proper detail the nature and propriety of the charges, **OR**
- 2. Upon presenting a contract between the Provider and a third party obligating the Provider to pay for goods/services related to the project.**

Retainage (10% minimum): Until the completion of the Scope of Services as described in this Agreement, **the City shall hold as retainage an amount equal to 10% of the total contract amount, plus the amount of any startup payment issued.** Payment of the retainage amount to the Provider shall only occur after the following has been completed:

1. Provider submits a request for final payment containing an invoice, documentation of expenses incurred, and a statement furnished by Provider's contractor(s) indicating the project has been completed and is free from all liens (if determined applicable by City).
2. City staff inspects the project to verify completeness (City staff may waive this requirement at their own discretion)
3. City Council approves completion of the project and release of remaining funds. The date of City Council approval shall be considered the date of completion of the project.

V: REPAYMENT REQUIREMENT

Provider shall occupy the premises improved with these funds for a period of at least five years from the date the improvements are completed, except that if the funds provided under this Agreement are exclusively for the purchase of moveable capital equipment, the Provider may relocate such moveable capital equipment, provided that the moveable capital equipment remains in use by Provider in the City of Ames.

The Provider is required to repay any grant funds received in the event of any of the following during that five-year period:

1. Any portion of the improved property is sold, transferred, leased, or sub-leased to another party, unless the other party continues the operation funded by the grant (this requirement does not apply to a Provider that uses grant funds solely for the purchase of moveable capital equipment, provided the moveable capital equipment remains in use by Provider in the City of Ames).
2. Occupancy of the property by the Provider ceases for any reason, except for instances in which the property is destroyed or otherwise rendered uninhabitable due to fire, flood, wind, or other disaster.
3. Any default under or breach of the promises, terms, and conditions stated in the program requirements or this Agreement.

Any funds required to be repaid will be repaid in accordance with the following schedule:

100% of funds received shall be repaid if a demand to repay is issued during the 1st year after completion of the project

80% of funds received shall be repaid if a demand to repay is issued during the 2nd year after completion of the project

60% of funds received shall be repaid if a demand to repay is issued during the 3rd year after completion of the project

40% of funds received shall be repaid if a demand to repay is issued during the 4th year after completion of the project

20% of funds received shall be repaid if a demand to repay is issued during the 5th year after completion of the project

VI: SPECIAL CONDITIONS

The City shall have access to all records relating to the expenditure of funds provided under this Agreement.

All records shall be maintained in accordance with procedures and requirements established by the City Finance Director, and the City Finance Director may, prior to any disbursement under this Agreement, conduct a pre-audit of recordkeeping and financial accounting procedures of the

Provider. All records and documents required by this Agreement shall be maintained for a period of five (5) years following final disbursement by the City.

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 including any such reports or information as the Provider is required to complete to receive State or Federal funds. These records shall be made available to qualified City personnel for the purpose of conducting management or financial audits or program evaluations.

The contribution of funds provided by the City of Ames should be acknowledged by the Provider where practical for the project (e.g., signage, ribbon-cutting events, sponsor walls, etc.).

The Provider is responsible for compliance with any state or federal tax obligations associated with the receipt of funding under this Agreement.

The Provider shall ensure that any improvements completed using funds provided by this Agreement are in compliance with all applicable state and local development and building codes. It is understood and agreed that the receipt of funding through this Agreement does not imply or confer approval to Provider for any permit or license required to complete the project.

VII: DISCRIMINATION PROHIBITED

In accordance with Chapter 14 of the Municipal Code, no person shall, on the grounds of race, color, creed, religion, national origin, disability, sexual orientation, gender identity, 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.

VIII: ASSIGNMENT OR TRANSFER

Neither party to this Agreement may assign any of its rights or obligations hereunder to any other person or entity, nor may either party transfer or sell the same, without the prior written consent of the other party hereto.

IX: DURATION

This Agreement shall be in full force and effect from and after February 1, 2022, through June 30, 2023, or, until terminated by resolution of the City Council of the City of Ames, Iowa. The City Council may terminate this Agreement prior to June 30, 2023, by giving written notice to the Provider at least sixty (60) days before the effective date of such termination. From and after the effective date of termination, no further disbursement under this Agreement shall be made

by the City. Any money disbursed to the Provider and unencumbered or unspent as of the effective date of termination, shall be repaid to the City.

The repayment provisions contained in Section V of this Agreement shall survive the termination of 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 Haila, Mayor

Diane Voss, City Clerk

PROVIDER

Recipient Address (please print):

BY _____

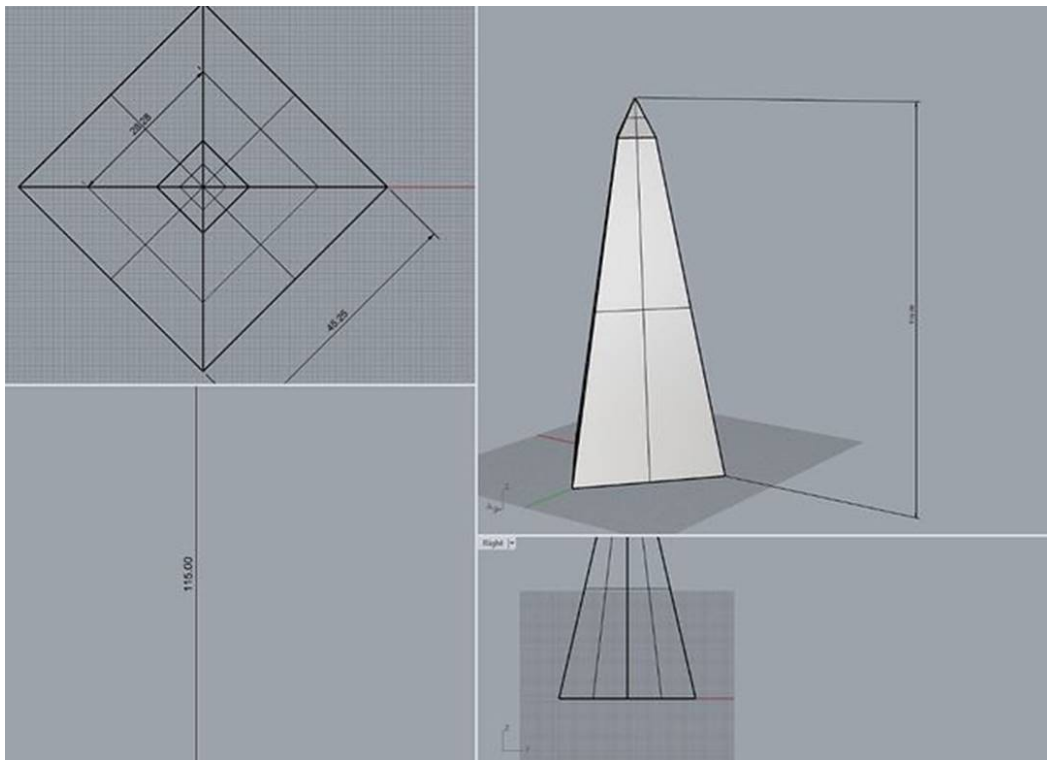
Phone Number:



To: Mayor and City Council
From: Brian Phillips, Assistant City Manager
Date: February 22, 2022
Subject: Referral Regarding Library in City Park

On November 16, 2021, the City Council requested a memo from staff regarding the proposal of Cameron Gray to place a sculpture in a City park which would function as a free library. In October, Mr. Gray emailed the City Council with his proposal. City staff has discussed the project with Mr. Gray to learn more about the details and his intentions.

The sculpture is proposed to be an obelisk shape with a free library incorporated into it. The sketches provided by Mr. Gray indicate the obelisk is to be approximately 45 inches per side and 9.5 feet in height, placed on a concrete slab. Mr. Gray would work with an architect to ensure the design and materials are structurally sound.



Mr. Gray proposes to own the sculpture, maintain it, and restock it with books on a regular basis. He has received an Iowa Arts Council grant to assist in the completion

of the project and has indicated he has consulted with the Ames Public Library staff regarding the collection. His desire is to locate it within a City park – he has identified Hira Park or Franklin Park as possibilities, based on data from census records indicating these two parks are closest to Ames’ highest black population neighborhoods.

CURRENT FREE LITTLE LIBRARIES IN PARKS

Parks and Recreation has an existing arrangement with Raising Readers (RR) to install free little libraries (FLL) in the park system for the past several years. This partnership involves RR providing the FLL, stocking/replenishing it with books, and performing repairs as needed. Parks and Recreation identifies the park locations and installs the little library. Below is a list of the parks that currently have a free little library:

Bandshell	Brookside (2)	Christofferson
Country Club Triangle	Daley	Franklin
Hutchison	Inis Grove	Lloyd Kurtz
Moore Memorial	Northridge Heights	O’Neil Roosevelt
Tahira and Labh Hira	Teagarden	

It should be noted that Franklin Park and Tahira and Labh Hira Park each have existing free little libraries installed.

ART IN THE PARK

The Public Art Commission (PAC) also has an Art in the Parks program whereby art pieces are located in the park system. Thus far, the following parks have Art in the Park pieces:

Ada Hayden	Bandshell	Brookside
Christofferson	Christopher Gartner	Daley
Duff Avenue	Emma McCarthy Lee	Franklin
Furman Aquatic Center	Moore Memorial	Munn Woods Entrance
Oakland Access	Old Town	Parkview
Roosevelt	Skate Park	Stuart Smith
Tahira and Labh Hira*	Teagarden	Tom Evans Plaza

*PAC is currently looking to commission an artist to design an art piece for this park.

SIMILAR REQUESTS

In recent years, Parks and Recreation staff was approached by an individual to put pianos in the park system. The individual received two donated pianos and they were placed in Tom Evans Plaza and Campustown Court. The individual was responsible for the maintenance of the pianos and was required to provide insurance as well. The pianos in the park lasted for two years and then the individual who had initiated the project moved out of Ames. No one was willing to take on this responsibility after the individual moved. The pianos were ultimately removed, as they deteriorated substantially in the outdoor environment.

ISSUES TO CONSIDER:

If the City Council wishes to proceed with this request, there are several issues for the City Council to consider.

1. Does the City Council wish to allow privately owned structures to be located on City property?

Mr. Gray has indicated he would intend to maintain ownership of the obelisk. If owned by another person and on City property, the City would need to reach an agreement outlining terms such as maintenance, restocking, repairs, the length of time the structure may be in place, liability, and other matters. Regarding the length of time, Mr. Gray has indicated a desire for the obelisk to be permanent. City staff would recommend an arrangement for a period of two to five years, which could be renewed if the City Council desired to do so.

2. Does the City Council wish to pursue this specific proposal, or should the City invite other proposals to be submitted?

Mr. Gray has approached the City Council regarding this particular concept for a sculptural free library. Typically for City art initiatives, the City outlines the criteria and solicits proposals from artists, then chooses the proposal that best fits the City's desires. In this instance, the artist is approaching the City to place a sculpture; it is not known if other proposals might better fit the City Council's interests.

3. Does the City Council wish to have staff work with Raising Readers to enhance and diversify book offerings in the Free Little Libraries currently in the parks?

If the goal is to offer a more diverse collection of books that appeal to persons of color, this could be accomplished within the FLL currently in the parks. Mr. Gray could work with RR and the Ames Public Library to ensure the appropriate books get placed in the right locations.

4. Should further feedback be solicited from neighbors, Parks and Recreation Commission, and/or Public Art Commission?

Feedback from these groups would be helpful to determine the interest and desires of the neighbors around these potential locations, and to identify how this proposal fits into the City's overall parks and art goals and programs. **If the City Council wishes to proceed with this project, it would be appropriate for the City Council to refer the request to staff to seek this feedback and then consult with Mr. Gray regarding an agreement.**

Staff Report

REQUEST TO SUPPORT FUTURE TAX ABATEMENT FOR 192 UNIT AFFORDABLE HOUSING DEVELOPMENT BY THE ANNEX GROUP WITHIN THE HAYDEN'S PRESERVE SUBDIVISION ALONG 190TH STREET.

March 8, 2022

BACKGROUND:

City Council received a correspondence from the Annex Group on January 24th requesting City Council establish an Urban Renewal Area to provide a tax abatement incentive in support of their planned 192-unit affordable housing project located within the Hayden Preserve (Formerly Rose Prairie) development. The approved Hayden's Preserve Master Plan for the site allows for the development of up to 192 apartment units spread across two sites and with limitations on the mix of bedrooms and sizes.

The Annex Group explains in their letter that they desire to apply for a 4% Low Income Housing Tax Credit (LIHTC) project with 100% of the units as affordable units to households making 60% or less of the average median income (AMI) for Ames for a period of 30 years. (Income limits-Attachment B). **The request for tax abatement revolves around concerns that the annual operating expenses for the project, which includes the payment of property taxes, is too great and will not allow for the project to be built.**

City staff and the applicant have attempted to verify an assumed valuation for the project with the City Assessor's Office, but due to the lack of a City Assessor at this time we cannot make a certain determination. It appears from the applicant's request that if the assessed value is within their initial projections based on the limited income potential of the project as affordable housing there may in fact not be a financial gap. However, the Assessor only controls the valuation of the apartments, it does not control the tax levy. The tax levy for this area within the Gilbert School District is approximately 9% higher than that of the City area within the Ames School District. **Due to the unknowns of the situation, a precise enumeration of a financial gap due to property taxes is not known at this time. Therefore, it is not possible at this time to determine if a tax abatement incentive is justified based upon concerns related to operating expenses.**

The City has no current policy pertaining to providing incentives for affordable housing beyond the use of its federal CDBG and Home funds. The City may create such an incentive through a tax abatement program under Chapter 404 of the Iowa Code for Urban Revitalizations Areas (URA). A URA may create partial or full property tax abatement schedules for qualified improvements to property. The City has used this tool to incent development in certain areas of the city, such as Campustown with specific

eligibility criteria and abatement schedules of 100% of taxes for three years or sliding scales for either 5 or 10 years that are equal an abatement of approximately 45% of the total taxes over the specified time period.

City Council has expressed through their goal setting process an interest in supporting affordable housing options within the City. **City Council has also identified a task to establish an Affordable Housing Strategy as part of the Planning and Housing Department Work Plan that would, among other things, identify specific affordable housing targets, project eligibility criteria, and potentially related incentives. Creation of the Strategy is schedule for later in 2022.**

Our current housing Consolidated Plan identifies the greatest need for affordable housing as rental housing for low (60% of AMI) and very low income (30% of AMI) households. However, it does not articulate any additional priorities or policies for affordable housing decisions. Defining affordable housing and our priorities for supporting specific types of affordable housing would be a logical first step for creating a policy to guide such decisions. Some of the policy issues that staff believes should be addressed by a City Council policy include:

- Targeted affordability levels, i.e. what percentage of AMI
- Duration of affordability restrictions
- Oversight of reporting requirements, i.e. by Iowa Finance Authority vs. City staff
- Location preferences:
 - Availability of services
 - Transit access for very low-income households
 - Housing choice and dispersal throughout the city
- Ongoing operational needs vs. one time capital support
- Acceptance of Section 8 vouchers
- Use of federal funds vs. local funding
- Use of Property Tax Abatement or Tax Increment Financing as an incentive
- Cost or value per unit subsidized

Staff's early assessment of the proposed project indicates that the location's lack of services, public transportation, and higher tax rates are negatives to the project. However, the proposed location does create a diverse housing opportunity for lower income households that does not exist in North Ames. Additionally, the targeted household income restriction of 60% of AMI is at the minimum level of affordability that staff would consider supporting with a limited duration of financial incentives. Staff would also want to consider options for requiring acceptance of Section 8 vouchers and set asides for some units with deeper levels of affordability. The Annex Group has indicated to staff they would accept Section 8 vouchers within their proposed project.

Staff reached out to the Annex Group regarding the timing of the request. The applicant has a due diligence period for purchasing land in the development and it is set to expire later this spring. The Annex Group indicates that they desire to have direction from City

Council on the City's willingness to establish a tax abatement program in support of their concept before the end of their due diligence period. Notably, Hayden's Preserve has submitted for preliminary plat approval, but the application is still in review and yet to be scheduled for P&Z and City Council approval. Hayden's Preserve intends to have preliminary plat and final plat approval this spring or summer, but it has not happened as of yet.

STAFF COMMENTS:

The Annex Group desires direction from City Council on the willingness to establish a URA for future tax abatement to benefit their project. However, at this time there is no policy in place to guide the City Council in determining which affordable housing projects should qualify for a tax abatement incentive. An affordable housing strategy is planned for City Council discussion later this year which should identify targets, project eligibility criteria, and incentives related to requests such as this one by the Annex Group. What further complicates responding to this request, is the inability to determine if a gap does exist since we are awaiting more information regarding the estimated assessed value of the proposed project.

If City Council prefers to wait until a policy is in place to guide your decision making regarding this request, staff will inform the Annex Group of projected timing of that discussion. Hopefully, the Hayden Preserve developer will grant the Annex Group an extension to their purchase option in order for the City Council to approve an Affordable Housing strategy.

If City Council desires to proceed with consideration of the Annex Group request at this time, Staff will continue to work with the applicant to identify a probable valuation for the project once a new City Assessor is in place and how that affects the operational expenses of the project. This information will allow Staff to recommend if, or how much, a tax incentive should be offered. In any event, staff believes at this time that the most substantial incentive available for the project would be a five-year sliding scale tax abatement.

Attachment A



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

2021

Program Income Limits
(subject to change)

80% of Ames, Iowa MSA (Low Income)	
Family Size	Gross Income Cannot Exceed
1	\$50,400
2	\$57,600
3	\$64,800
4	\$71,950
5	\$77,750
6	\$83,500
7	\$89,250
8	\$95,000

60% of Ames, Iowa MSA	
Family Size	Gross Income Cannot Exceed
1	\$37,800
2	\$43,200
3	\$48,600
4	\$53,940
5	\$58,260
6	\$62,580
7	\$66,900
8	\$71,220

50% of Ames, Iowa MSA (Very Low Income)	
Family Size	Gross Income Cannot Exceed
1	\$31,500
2	\$36,000
3	\$40,500
4	\$44,950
5	\$48,550
6	\$52,150
7	\$55,750
8	\$59,350

30% of Ames, Iowa MSA (Extremely Low Income)	
Family Size	Gross Income Cannot Exceed
1	\$18,900
2	\$21,600
3	\$24,300
4	\$26,950
5	\$29,150
6	\$31,300
7	\$33,450
8	\$35,600

Effective July 1, 2021

Staff Report

LOW-INCOME HOUSING TAX CREDIT (LIHTC) APPLICATION FOR MULTI-FAMILY HOUSING DEVELOPMENT IN THE BAKER SUBDIVISION (321 STATE AVENUE)

March 8, 2022

BACKGROUND:

At the December 22, 2020 meeting, the City Council entered into a partnership agreement with Prairie Fire corporation and Builder's Development Corporation (BDC) to submit an LIHTC application to the Iowa Finance Authority (IFA) for thirty-seven (37) multi-family housing units (32 affordable and 5 market rate units) in the Baker Subdivision (321 State Avenue) for IFA's March 10, 2021, application deadline. This partnership supported City Council goals to create more affordable housing for both ownership and rental households within the Baker Subdivision.

In late September 2021, staff learned that our 9% LIHTC application was not funded due to the large group of disaster set aside projects that absorbed most of the funding allocation. However, staff was informed by the developer that 4% LIHTC funds were available, and that the governor's priority was to allocate an additional \$100 million dollars to affordable housing that the state was eligible to receive through the US Treasury. This additional state funding would have approximately equaled the original 9% LIHTC request if the final guidelines supported this approach. Unfortunately, the final US Treasury guidelines did not permit for the state to use the funds as they hoped. **As a result, the state is only using the funds for previously awarded 9% LIHTC projects and our submittal would not qualify for additional assistance. Therefore, the agreement with Prairie Fire and BDC in December 2020 that was predicated on receiving a 9% LIHTC award is no longer valid and the city needs to determine how to proceed.**

OPTIONS TO PROCEED:

Without a 9% LIHTC award and only an option to pursue a 4% LIHTC there is an estimated funding gap of \$2.9 million shortfall for a 100% affordable 37-unit project. The development group has continued to work with staff to discuss and understand the following options that could be considered regarding the future development of the Baker Subdivision for multi-family housing under the LIHTC Program.

Option 1: Submit for 2022 9% LIHTC program with the Current Developer

The City could request that developer enter into a new agreement with the City and submit for the next round of 9% LIHTC. The application deadline is May 18, 2022. Award

information would occur in the fall and a project would not start construction until spring of 2023.

Under this option, the developer would require local assistance for the project of at least \$650,000 of our regular HOME funds, compared to the original \$350,000. With escalating construction costs, the local contribution could be more. In addition, the project may have to be adjusted in its design and have fewer overall units configured as townhomes to meet new scoring criteria.

This option would likely have the lowest amount of local assistance. The City would be able to provide \$650,000 of regular HOME funds without significantly impacting other programs. However, the award process is an uncertainty, and it would delay construction to at least the spring of 2023. **It is important to emphasize the developer does not prefer this option due to the uncertainty of the state's new scoring criteria for 2022 and the escalating construction costs.**

Option 2- Partner with Current Developer as a 4% LIHTC project and Grant Local Assistance of Approximately \$2.9 Million Dollars

The developer is interested continuing with the project as a 4% tax credit project intended for construction beginning later this year. The proposal for this option is a 37 unit project that would have the same design as one approved by City Council, but it would have a different mix of affordability for the units. The concept would now include 100% of the units as affordable housing. However, the income levels would be 8 of the units' income restricted to households earning less than 50% of Average Median Income (AMI) and 29 of the units restricted to incomes less than 60% of AMI. Additionally, the developer would accept Section 8 vouchers for all units and reserve 4 of the units specifically for households that have Section 8 vouchers. Section 8 vouchers are a means of financial assistance for "very low" income households at 30% of AMI that do not change the actual rent received for the unit.

With this base concept for the project, the developer has a revised their development cost estimate for construction beginning in 2022 to approximately \$8.6 million dollars. This includes a \$1.0 million contingency. The original cost estimate for the project at the time of applying for the LIHTC program was \$7.9 million.

There are two major policy issues with this option for \$2.9 million of local assistance. It would require directing all of the annual HOME funds to the project (\$1.53 million current balance plus FY22/23 allocation of \$290,000). **Doing this would alter the approach to constructing affordable single-family homes in Baker Subdivision that were previously expected to utilize HOME funds to finance construction of homes along with homebuyer assistance.**

Without HOME funds, staff believes some of the initial homes could be started by nonprofit builders rather than the city, but this has not been verified at this time. The City would also need to redirect FY 22/23 CDBG funds towards down payment assistance in lieu of HOME funds. All of these program and related funding would

be part of the upcoming 2022-23 Annual Action Plan, of which funding allocations from HUD have not been announced at this time.

Secondly, all of the one-time HOME-ARP (\$1.07 million) would have to be earmarked for this project as well. This funding strategy has not been reviewed by the City Council. Furthermore, this option precludes other non-profit entities from receiving funding from this source.

Although this option requires a significant amount of local financial resources, this option is the most likely allow construction of affordable housing to begin this year. If City Council prefers to pursue this option, Staff will have to negotiate final terms with the developer, and they would need to proceed with a 4% LIHTC application and complete construction plans.

Option 3- Partner with Current Developer as a 4% LIHTC project and Local Assistance of Approximately \$2.0 Million Dollars

The developer analyzed an option for a reduced project of 30 affordable housing units that resulted in a need for approximately \$2.0 million of local HOME Funds. The developer believes it may also require additional resources such as short-term local property tax abatement and or state workforce housing funding to reduce construction costs.

If the City provided \$2.0 of assistance, City Council would need to identify its preference of funding from annual HOME Funds and the HOME ARP funds. **If City Council prefers this option with a lower local subsidy and fewer units, staff would have to negotiate final terms with the developer, and they would need to proceed with a 4% LIHTC application and complete construction plans. Staff believes using the current annual HOME Funds balance and projected FY 22/23 Home Funds would be the priority for this option. It would likely require some HOME ARP funds as well, but could leave up to \$750,000 available for use throughout the community.**

Option 4- Request New Proposals

As mentioned above, the current agreement was based upon the developer securing 9% LIHTC to proceed with the project. The agreement is no longer valid since the project did not receive a 9% LIHTC allocation in 2021.

If the City chooses to no longer pursue a project with Prairie Fire and BDC, City Council would need to determine how to proceed with the use of the property. The two most likely scenarios would be to solicit proposals in the fall of 2022 for a 2023 9% LIHTC project or to solicit new proposals this summer for a 4% LIHTC project and use of available City HOME funds.

Going out for new proposals would allow for a fresh look at the property under the current financial constraints of the market. This option would also require City Council to identify the amount of HOME funds that would be used to support the project. Considering

proposals for a 4% LIHTC project with local assistance could allow for construction of a project to begin in 2022-23. Reapplying for a 9% LIHTC project would result in construction occurring no sooner than 2024, if the project receives an award and if construction costs decline from their current projected percent increases.

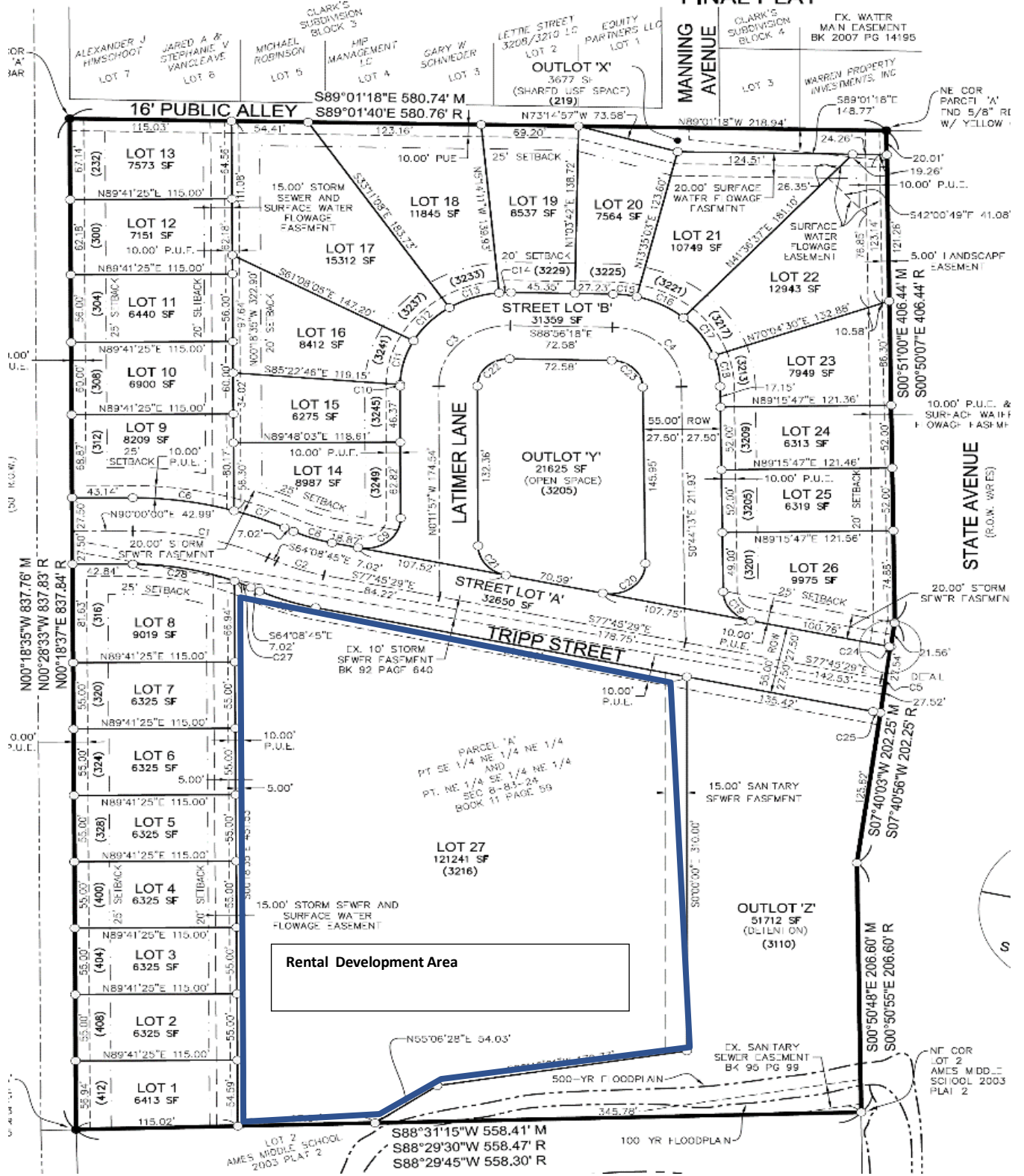
STAFF COMMENTS:

There is no perfect choice regarding how to proceed. There are positive and negative aspects associated with each option. However, provided that City Council desires to continue with the effort to provide for low income rental housing as soon as possible, Staff believes that Option 2 or Option 3 are the best choices to ensure production of housing within the next year.

Location Map- Attachment A

BAKER SUBDIVISION

FINAL PLAT



COUNCIL ACTION FORM

SUBJECT: REQUEST FOR PROJECTS IN CONJUNCTION WITH CDBG-CV ROUND 2 CARES FUNDING THROUGH THE STATE OF IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT AUTHORITY (IDEA)

BACKGROUND:

As part of the federal Coronavirus Pandemic (COVID-19) Relief and Recovery funding, **staff's priority was to administer the City's CDBG-CARES-CV funds (Rounds 1 and 3) to first ensure that 80% of our direct allocation of funds of \$710,970 would be spent addressing one of our community's most urgent needs. These needs included providing rent, mortgage, and utility assistance to low-income households about to face eviction, foreclosure, and/or utility disconnections.** In addition, staff ensured that our annual CDBG and HOME programs were being administered to meet our timeliness expenditure requirements. Now that those programs have been addressed, staff is ready to launch a project to expend the additional CARES (Round 2) funding through Iowa Department of Economic Development Authority (IDEA).

In May 2020, the U.S. Department of Housing and Urban Development (HUD) informed the State of Iowa that it would receive an additional allocation (Round 2) of CDBG-CV funds in the amount of \$9,506,040. **Based on a formula using the data from the 2018 American Community Survey (ACS), the state notified the City of Ames that it would receive \$604,386 of these funds.** At least 70% of funds must be used to benefit low-income persons (elderly and needy children, housing market disruptions, and reducing virus transmission and can be utilized in entitlement areas).

This funding is very similar to the CDBG-CARES-CV funds that the City of Ames received directly from HUD, in that the City has to spend 80% of the funds by July 2023 and the balance must be spent by July 2025. The CARES programs also require detailed verification of COVID-19 impacts and verification of recipients having no Duplication of Benefits. There is no comment period required for the proposed programming other than the notice of public hearing at the time of final approval.

In recent meetings with IDEA staff, they encouraged the City to expend these funds quickly and to focus on small prevention through service capacity building and or facility expansion types of projects. Housing Division staff with assistance from the Assistant City Manager, reviewed services provided by ASSET-funded agencies as well other potential community organizations to determine a list

of specific groups that provide services in the areas of food distribution, meal delivery for the elderly, and facility-based daycare. Staff recommends supporting these types of programs due to the feasibility and the need in the community.

If City Council supports staff's recommendation for use of these Round 2 funds, a workshop will be held for related organizations describing grant eligible activities and soliciting grant applications. Once we receive applications, staff will return to City Council to approve the potential grantees and then submit the final application the state for approval. This process is expected to occur over the next few months with funds being potentially available in late calendar year 2022.

ALTERNATIVES:

1. City Council can approve a motion directing staff to proceed with hosting a grant application workshop and request funding proposals from area organizations that provide services such as food distribution, meal delivery for the elderly, and facility-based daycare services for potential funding through the CDBG-CV Round 2 CARES Program administered by IDEA.
2. City Council can approve a motion directing staff to proceed with hosting a grant application workshop and request funding proposals from area agencies that provide services such as food distribution, meal delivery for the elderly, and facility-based daycare services for potential funding through the CDBG-CV Round 2 CARES Program administered by IDEA with modifications.
3. City Council can decline to proceed with Round 2 programming and return the money to the state.

CITY MANAGER'S RECOMMENDED ACTION:

This special allocation of funds is an opportunity to address some smaller targeted needs and opportunities for organizations in our community affected the COVID-19 Pandemic. One of the main challenges in creating an effective program in this reduced timeframe is deciding the prioritization of how funds will be distributed. The amount of funding available, \$604,386, is not a large amount of money in comparison to the potential needs in the community, but likely sufficient to address the needs of these specific types of services.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1.

ITEM #: 23
DATE: 03-08-22

COUNCIL ACTION FORM

SUBJECT: SET PUBLIC HEARING FOR THE SALE OF AIRPORT PROPERTY TO MULMAC LLC (FOR SIGLER, AMES)

BACKGROUND:

On January 14, 2020, City Council approved the sale of 1101 Aviation Way to Mulmac LLC, the current land lessee for that property. The operating business on the property is Sigler Companies. The agreed upon price includes the present value of the lease rights through June 30, 2047, the value of the land, and the improvements made on the property per the developer's agreement. **The total sale price for this property is \$2,838,250. The staff report detailing how this price was established has been attached for reference.**

The subdivision creating and preparing the lot for sale and establishing new street right-of-way for Aviation Way was approved by City Council on September 14, 2021.

The sale closing date has been set for April 1, 2022. The City Attorney's Office has drafted an agreement to sell the property. As with all sales of public lands, there needs to be a public hearing before final approval. Therefore, the next step in this process will be to set the public hearing date for the sale agreement on March 22, 2022.

Since the attached January 14, 2020 CAF was presented to the City Council, staff was able to verify that this land was not acquired with federal funds., Therefore, the City is not required to follow the Federal Aviation Administration (FAA) process for the sale of this land.

Land leases are a critical revenue generating activity for the Airport. To ensure the solvency of the Airport's operating budget after this sale, staff will invest the proceeds from the sale and transfer an annual amount equal to the lease payment schedule (see attached) as operating revenue for the airport. This will make sure the current revenue structure of the Airport is maintained into the future.

ALTERNATIVES:

1. Set the date of Public Hearing for the sale of airport property at 1101 Aviation Way to Mulmac LLC to be March 22, 2022.
2. Direct staff to make modifications to this timeline.

CITY MANAGER'S RECOMMENDED ACTION:

Selling the property at 1101 Aviation Way to Mulmac, LLC (Sigler) will ensure the ongoing revenues for Airport Operations. It will also eliminate the Airport's future responsibility in 2047 to take over the Sigler industrial building, which at that point would be 50 years old. That is an activity/property that the Airport is not well-positioned to market or maintain.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.

ITEM #: 47
DATE: 01/14/20

COUNCIL ACTION FORM

SUBJECT: REQUEST FROM SIGLER COMPANIES TO PURCHASE AIRPORT PROPERTY AND BUY OUT REMAINDER OF LEASE/DEVELOPER AGREEMENT FOR 3100 S. RIVERSIDE DRIVE

BACKGROUND:

On September 20, 2019, Chris Eggert, representing the Sigler Companies, wrote a letter to the Mayor and City Council requesting to buy out the remainder of their lease, purchase the land at 3100 S. Riverside Drive from the Airport, and amend the development agreement for the property that states that the buildings and all improvements on the property revert to City ownership at the conclusion of the lease on June 30, 2047. The letter is attached.

The Airport property being leased by Sigler is at 3100 S. Riverside Drive (see attached map) and was originally created as part of a Development Agreement with Vantage Enterprises, LLC, in May of 1997. The agreement had a 50-year lease term beginning on May 27, 1997, which was sublet to VisionAire to build single-engine jet aircraft. Since that time, the lease has changed ownership two times from Vantage Enterprises, LLC to Dayton Park, LLC, in September of 2004 who sublet the building to Clarion Technologies. Finally, it was sold to Mulmac, LLC in April of 2007. Mulmac, LLC, is leasing the space to Sigler Companies, Inc.

FAA REQUIREMENTS:

When an Airport is considering the sale of high-value property, defined as \$1,000,000 or higher, the FAA requires a minimum of two (2) appraisals by certified land appraisal companies and an independent third-party review of the two appraisals. The Airport owner must use the higher valuation of the two as a starting point for the negotiation of the sale. Generally, it is the Airport's responsibility to justify to FAA that the release of Airport property (a one-time cash sale) is more beneficial than the long-term revenue-generating potential of keeping it as part of the Airport. **Therefore, before the purchase can be approved, staff will need to provide the justification to the FAA for its approval.**

AIRPORT LAND APPRAISALS:

The City solicited quotes from multiple land appraisals firms in Iowa that meet FAA's standards. On November 30, 2018, the first appraisal was completed by Nelsen Appraisal Associates (NAA), Inc. of Urbandale, Iowa. On March 15, 2019, the second appraisal was completed by Commercial Appraisers of Iowa (CAI), Inc. of West Des Moines, Iowa. **It should be noted before the final purchase agreement can be approved, a third-party appraisal review must be performed.**

Below is a summary of the two appraisals:

Property Value (Land, Buildings, and Improvements)	Commercial Appraisals of Iowa	Nelsen Appraisal Associates
Value as of June 30, 2047	\$5,030,000	\$3,050,682
Present Value	\$1,420,000	\$1,315,000

Property Value (Land Only)		
Land (\$/SF)	\$1.80	\$1.60
Land (12.75 ac)	\$999,720	\$888,640
Rounded to (x\$1,000)	\$1,000,000	\$889,000

The table above shows that the CAI appraisal is the higher of the two evaluations and must be used as the basis for the price negotiation per FAA regulations. FAA will require that the property be sold for no less than highest present value of the two appraisals, which is currently estimated to be \$1,420,000.

CITY VALUATION OF THE SALE:

For the City to be made whole by a potential sale of the leased property at 3100 S. Riverside Drive there are three considerations; 1) the value of the lease and payments to the Airport operating fund, 2) the value of the land, and 3) the value of the improvements made on the land (two buildings and pavement) as part of development agreement.

Value of Lease:

The buy out of the lease in the appraisal (using CAI's numbers) assumes a private sector discount rate of 7.25%. However, the City, as a public agency, cannot reinvest the money at that rate. Finance staff indicated that potential interest rates could be invested at approximately 2.28%.

A more appropriate method would be to look at the present value of the lease payments using the 2.28% rate, which is shown in the table below:

	Year	Rent Per Acre	Number of Acres	Total Rent	PV Factor	PV of Cash Flow
FY	2020	\$4,463	12.75	*\$28,452	100.0%	\$28,452
FY	2021	\$4,597	12.75	\$58,612	97.8%	\$57,305
FY	2022	\$4,734	12.75	\$60,359	95.6%	\$57,698
FY	2023	\$4,877	12.75	\$62,182	93.5%	\$58,116
FY	2024	\$5,023	12.75	\$64,043	91.4%	\$58,521
FY	2025	\$5,173	12.75	\$65,956	89.3%	\$58,925
FY	2026	\$5,329	12.75	\$67,945	87.3%	\$59,349
FY	2027	\$5,489	12.75	\$69,985	85.4%	\$59,768
FY	2028	\$5,653	12.75	\$72,076	83.5%	\$60,182
FY	2029	\$5,823	12.75	\$74,243	81.6%	\$60,609
FY	2030	\$5,997	12.75	\$76,462	79.8%	\$61,029
FY	2031	\$6,177	12.75	\$78,757	78.0%	\$61,460
FY	2032	\$6,363	12.75	\$81,128	76.3%	\$61,899
FY	2033	\$6,554	12.75	\$83,564	74.6%	\$62,336

FY	2034	\$6,750	12.75	\$86,063	72.9%	\$62,769
FY	2035	\$6,953	12.75	\$88,651	71.3%	\$63,215
FY	2036	\$7,161	12.75	\$91,303	69.7%	\$63,655
FY	2037	\$7,376	12.75	\$94,044	68.2%	\$64,105
FY	2038	\$7,597	12.75	\$96,862	66.6%	\$64,554
FY	2039	\$7,825	12.75	\$99,769	65.2%	\$65,009
FY	2040	\$8,060	12.75	\$102,765	63.7%	\$65,468
FY	2041	\$8,302	12.75	\$105,851	62.3%	\$65,931
FY	2042	\$8,551	12.75	\$109,025	60.9%	\$66,394
FY	2043	\$8,808	12.75	\$112,302	59.5%	\$66,865
FY	2044	\$9,072	12.75	\$115,668	58.2%	\$67,334
FY	2045	\$9,344	12.75	\$119,136	56.9%	\$67,807
FY	2046	\$9,624	12.75	\$122,706	55.6%	\$68,282
FY	2047	\$9,913	12.75	\$126,391	54.4%	\$68,765
*Partial Year				\$2,414,300	PV Lease=	\$1,725,802

Value of Land:

Staff agrees with the CAI appraisal of the land at \$1 million dollars as shown below:

Property Value (Land Only)	CAI Appraisal
Land (\$/SF)	\$1.80
Land (12.75 ac)	\$999,720
Rounded to (x\$1,000)	\$1,000,000

Value of Buildings & Improvements:

As stated in the Background section of this report, the buildings (improvements) are set to revert to City (Airport) ownership at the end of the lease term on June 30, 2047. Agreements such as the one that was created with Vantage Enterprise, LLC (VisionAire) are common for Airports. This provision was included in the 1997 agreement because the FAA prohibits general private development on Airport property unless, at some point, it becomes a permanent part of the Airport itself or the Airport is compensated for the use of its property.

However, staff would consider it a liability for the Airport if the City would have to take back ownership of the manufacturing/warehouse building (101,447 SF). This structure was designed for manufacturing purposes and not for Airport hangar storage; therefore, it is unlikely the City could get a positive net operating revenue from that building without finding another manufacturing tenant to lease the property. **Therefore, the City would consider the warehouse building to have zero value, if not negative, due to the high-risk of potential maintenance and utility costs of a building that size.**

However, the 15,120 SF airplane hangar building (Sigler is currently using the building for storage) does have long-term value to the Airport. The CAI appraisals show that the current depreciated value of the hangar to be \$112,448, and the full replacement value (new) is \$675,000.

To summarize, the City will need to consider the sale of the property and lease buy out, while ensuring that the Airport can justify to the FAA that the sale is more beneficial than retaining the revenue-generating property in perpetuity. To do this, the estimated Fair

Market Value from the appraisals should be reconciled with the City's actual potential for long-term use and re-investment strategy. A summary of potential purchase price calculations is provided below:

	City of Ames (Option 1)	City of Ames (Option 2)
Lease Buy Out	\$1,725,802	\$1,725,802
Land Value	\$1,000,000	\$1,000,000
Buildings	\$112,448	\$675,000
	\$2,838,250	\$3,400,802

Under Option 1, using a conservative cash flow estimate, the City could reinvest the total estimated payment amount of \$2,838,250 and then pay the Airport operating budget an annual amount equal to the remaining lease payment schedule. At the end of the current lease term on June 30, 2047, it is estimated that there will be a significant amount of the original principle remaining. Staff believes Option 2 is not appropriate since it effectively requires Sigler to pay full new replacement value for a 20 year old hangar building.

ALTERNATIVES:

1. Agree that the City is willing to sell the land and buildings (**includes the deprecated value of a new 15,000 SF hangar**) to Mulmac, LLC, for \$2,838,250 and direct staff to work with City Attorney to:
 - a. Draft an amendment to the development agreement.
 - b. Draft an amendment to the land lease (setting an end date).
 - c. Draft an agreement to purchase the property.
 - d. Conduct the third party review of the two appraisals.
 - e. Work with the FAA to obtain approval of the sale.

2. Agree that the City is willing to sell the land and buildings (**includes the full value of a new 15,000 SF hangar**) to Mulmac, LLC, for \$3,400,802 and direct staff to work with City Attorney to:
 - a. Draft an amendment to the development agreement.
 - b. Draft an amendment to the land lease (setting an end date).
 - c. Draft an agreement to purchase the property.
 - d. Conduct the third party review of the two appraisals.
 - e. Work with the FAA to obtain approval of the sale.

3. Reject the request to buy Airport property, thereby directing staff to maintain the current lease and development agreement.

CITY MANAGER'S RECOMMENDED ACTION:

The leased property on the Airport at 3100 S. Riverside was created over 23 years ago under significantly different financial conditions than what the Airport (and the market) is facing today. The two buildings on the property were originally constructed for the

manufacturing a single engineer jet and were not designed to serve Airport users, which is the primary purpose of the Airport itself.

There appears to be several benefits from selling the property that will result in a “win/win” situation for the City and Sigler Companies.

Risk Avoidance

The current agreement designates that the City will have ownership of the buildings once the lease terminates. If vacant, the City would be at risk to find a new tenant who would be willing to pay the projected lease payment along with the property taxes. By selling the building to the Sigler Companies, the City would avoid a future economic risk.

Operational Revenue

The annual lease payments are currently transferred to the Airport operating budget to help reduce any property tax support for this facility. With the sale that is being proposed, the proceeds can be deposited in a reserve account and annual payments that are equivalent to the current lease schedule can be made to the Airport operating budget. In this way the revenue stream can be maintained.

Compatibility With Airport Operations

An advantage to owning the property and improvements is the fact that the City can assure that the use does not interfere with the operations of the Airport. This protection can still be achieved with the requirement that an Avigation Easement be placed on the property.

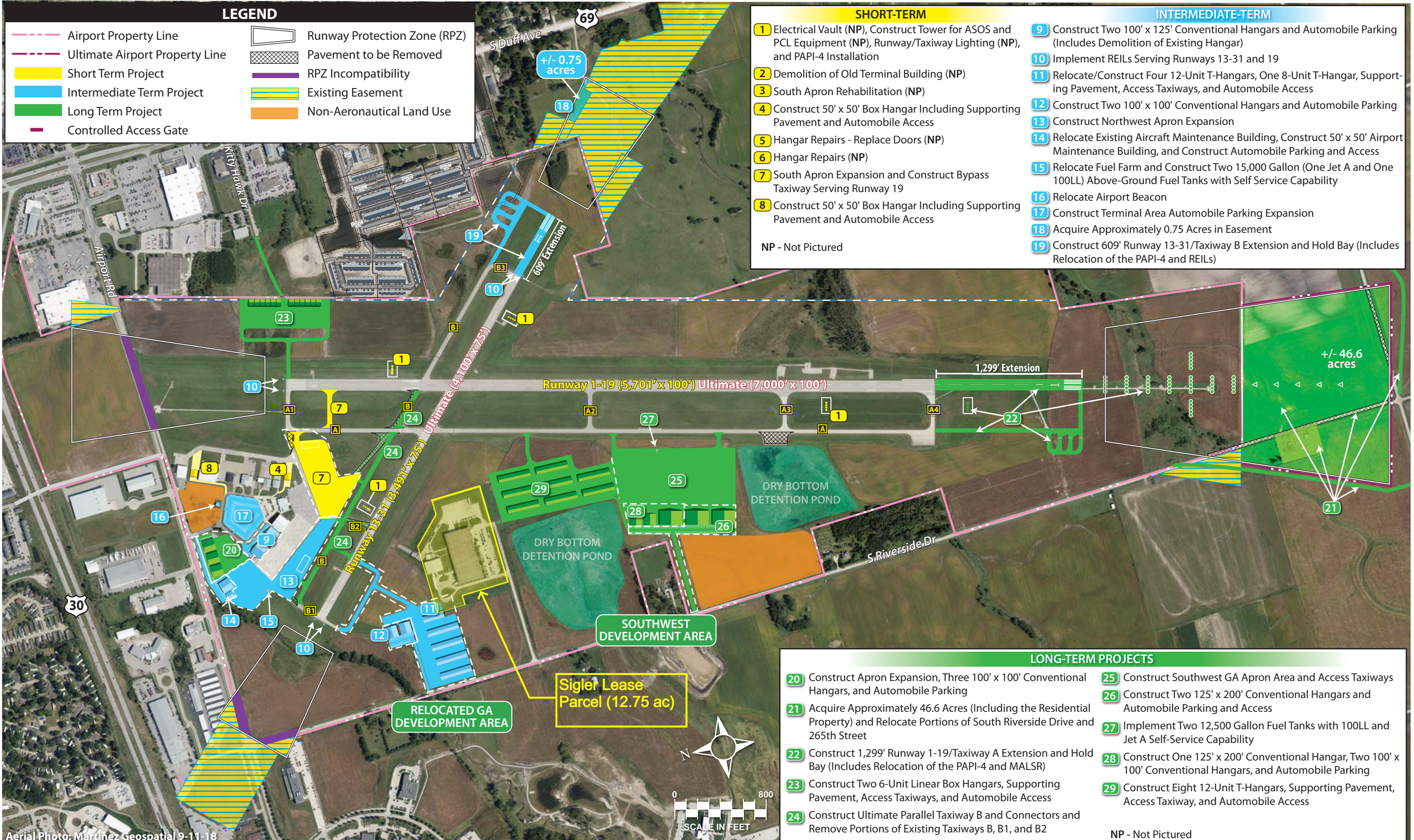
In addition, it is important to note that the Airport Master Plan has historically shown the lease parcel at 3100 S. Riverside Drive as being a “non-aeronautical use,” meaning it is not needed for the service or operation of aircraft. Therefore, it should not have any negative impacts to the Airport by selling the property.

Property Taxes

Currently, the City receives tax revenue from the tenant. If the City takes ownership of the property and cannot rent the facilities, no tax revenue would be received. In addition, purchasing the property may facilitate future expansion of Sigler’s operations at this site, resulting in an incremental increase in tax revenue.

Sigler has indicated to staff that they support the approach and dollar amount described in Alternative 1. At this time, staff cannot identify all the legal or regulatory steps that might ultimately be needed to complete this transaction. Therefore, the City Manager recommends that the City Council adopt Alternative No. 1, directing staff to move forward with an approved conceptual approach to the sale for \$2,838,250, and work with the City Attorney and the FAA to complete all necessary documents before bringing back this issue for final City Council approval.

Draft Airport Master Plan - Sigler Lease Parcel



LEGEND

- Airport Property Line
- Ultimate Airport Property Line
- Short Term Project
- Intermediate Term Project
- Long Term Project
- Controlled Access Gate
- Runway Protection Zone (RPZ)
- Pavement to be Removed
- RPZ Incompatibility
- Existing Easement
- Non-Aeronautical Land Use

SHORT-TERM

- 1 Electrical Vault (NP), Construct Tower for ASOS and PCL Equipment (NP), Runway/Taxiway Lighting (NP), and PAPI-4 Installation
 - 2 Demolition of Old Terminal Building (NP)
 - 3 South Apron Rehabilitation (NP)
 - 4 Construct 50' x 50' Box Hangar Including Supporting Pavement and Automobile Access
 - 5 Hangar Repairs - Replace Doors (NP)
 - 6 Hangar Repairs (NP)
 - 7 South Apron Expansion and Construct Bypass Taxiway Serving Runway 19
 - 8 Construct 50' x 50' Box Hangar Including Supporting Pavement and Automobile Access
- NP - Not Pictured

INTERMEDIATE-TERM

- 9 Construct Two 100' x 125' Conventional Hangars and Automobile Parking (Includes Demolition of Existing Hangar)
- 10 Implement REILs Serving Runways 13-31 and 19
- 11 Relocate/Construct Four 12-Unit T-Hangars, One 8-Unit T-Hangar, Supporting Pavement, Access Taxiways, and Automobile Access
- 12 Construct Two 100' x 100' Conventional Hangars and Automobile Parking
- 13 Construct Northwest Apron Expansion
- 14 Relocate Existing Aircraft Maintenance Building, Construct 50' x 50' Airport Maintenance Building, and Construct Automobile Parking and Access
- 15 Relocate Fuel Farm and Construct Two 15,000 Gallon (One Jet A and One 100LL) Above-Ground Fuel Tanks with Self Service Capability
- 16 Relocate Airport Beacon
- 17 Construct Terminal Area Automobile Parking Expansion
- 18 Acquire Approximately 0.75 Acres in Easement
- 19 Construct 609' Runway 13-31/Taxiway B Extension and Hold Bay (Includes Relocation of the PAPI-4 and REILs)

LONG-TERM PROJECTS

- 20 Construct Apron Expansion, Three 100' x 100' Conventional Hangars, and Automobile Parking
 - 21 Acquire Approximately 46.6 Acres (Including the Residential Property) and Relocate Portions of South Riverside Drive and 265th Street
 - 22 Construct 1,299' Runway 1-19/Taxiway A Extension and Hold Bay (Includes Relocation of the PAPI-4 and MALSR)
 - 23 Construct Two 6-Unit Linear Box Hangars, Supporting Pavement, Access Taxiways, and Automobile Access
 - 24 Construct Ultimate Parallel Taxiway B and Connectors and Remove Portions of Existing Taxiways B, B1, and B2
 - 25 Construct Southwest GA Apron Area and Access Taxiways
 - 26 Construct Two 125' x 200' Conventional Hangars and Automobile Parking and Access
 - 27 Implement Two 12,500 Gallon Fuel Tanks with 100LL and Jet A Self-Service Capability
 - 28 Construct One 125' x 200' Conventional Hangar, Two 100' x 100' Conventional Hangars, and Automobile Parking
 - 29 Construct Eight 12-Unit T-Hangars, Supporting Pavement, Access Taxiway, and Automobile Access
- NP - Not Pictured

Aerial Photo: Martinez Geospatial 9-11-18

Prepared for

**Damion Pregitzer, P.E. PTOE
Traffic Engineer
City of Ames
515 Clark Avenue
Ames, Iowa**

An Appraisal of Real Estate Described as follows

**Real Estate Located at
3100 South Riverside
Ames, Iowa**

Date of Value

March 15, 2019

Prepared by

**Karen C. Olson, MAI
Russ G. Manternach, MAI
Commercial Appraisers of Iowa, Inc.
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March 27, 2019

Damion Pregitzer, P.E. PTOE
Traffic Engineer
City of Ames
515 Clark Avenue
Ames, Iowa

Dear Mr. Pregitzer:

Re: Appraisal of Real Estate Located at 3100 South Riverside Drive, Ames, Iowa.

As you requested, we have on March 15, 2019, inspected and appraised the above-identified property. A legal description is included in the summary of salient data section of the accompanying report.

The purpose of the appraisal is to estimate the market value of the leased fee estate (City of Ames Interest) in the property as of our date of inspection. The appraisal is to be used for ownership analysis and to assist in determining a potential sale price. The intended users are the City of Ames and the Federal Aviation Administration (FAA). It is not to be relied upon by any third parties.

We are providing an Appraisal Report. The scope of work for this appraisal is described in the Summary of Salient Data Section. The appraisal has been completed in conformance to the most recent Federal regulations (FIRREA), as well as the guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP), the Appraisal Institute's Code of Ethics, and in compliance with FAA Regulations.

Mr. Pregitzer
March 27, 2019
Page 2

Valuation Conclusions: Based on the data and judgments contained in the following appraisal report, we estimate the market value of the leased fee estate (City of Ames Interest) in the subject property, as of March 15, 2019 to be: **\$1,420,000.**

One Million Four Hundred Twenty Thousand Dollars.

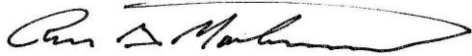
The estimate of market value upon completion of improvements is contingent upon the following extraordinary assumption. The item is defined as “extraordinary” per the definition contained in the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Institute. The definition of extraordinary assumption is included in this report.

Our estimate of market value of the leased fee estate assumes the lease terms will be as described in this report.

Our estimate of market value would require review and modification if it were not contingent upon the extraordinary assumption.

It has been a pleasure providing appraisal services to you. If you should have any questions regarding the derivation of market value, please feel free to contact us at your convenience.

Respectfully submitted,



Russ G. Manternach, MAI



Karen C. Olson, MAI

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SUMMARY OF SALIENT DATA

Property Identification

The subject property consists of a 12.75-acre site improved with a 101,447 square foot warehouse building, a 15,120 square foot hangar building and associated site improvements. A legal description for the property per the recorded assignment of the ground lease is as follows:

Tract "A", described as part of the Southeast Quarter (SE¼) of Section Fifteen (15), Township Eighty-three (83) North, Range Twenty-four (24) West of the 5th P.M. in the City of Ames, Story County, Iowa, more particularly described as follows: Commencing at the South Quarter corner of said Section 15; thence N00°04'25"E, 73.61 feet along the west line of the Southeast Quarter (SE¼) of said Section 15; thence N89°55'48"E, 770.62 feet to the point of beginning; thence N00°04'18"W, 417.93 feet; thence S89°57'03"W, 89.96 feet; thence N00°04'18"W, 255.12 feet, thence N89°55'41"E, 612.47 feet; thence S43°48'04"E, 326.38 feet; thence N89°54'57"E, 126.80 feet; thence S00°03'48"E, 437.29 feet; thence S89°55'48"W, 874.46 feet to the point of beginning, containing 12.75 acres.

The property address is 3100 South Riverside Drive, Ames, Iowa.

Ownership and Sales History

According to public records, the owners are the City of Ames and Mulmac, LLC. The City of Ames owns the underlying land.

According to an Assignment of Tenant's Interest in Ground Lease recorded in Book 2007, Page 4344 in the Story County Recorder's Office on April 4, 2007, the lessee of the land transferred from Dayton Park, LLC to Mulmac, LLC.

We are unaware of any transfers of ownership within the past three years. The property is not listed for sale.

Subject Land Lease

Mulmac, LLC leases the entire subject property via a land lease from the City of Ames. The land was originally leased to Vantage Enterprises, LLC via a lease dated May 27, 1997. A copy of the lease has been retained in our files. The lease commenced on July 1, 1997 between The City of Ames (lessor) and Vantage Enterprises, LLC (lessee). The lease was assigned to Mulmac, LLC on April 4, 2007.

The initial lease term was for 10 years with 8, 5-year options through June 30, 2047. There are approximately 28 years remaining on the lease, if all of the options are exercised. The

land lease will be discussed further in a separate section of this report. A copy of the lease has been retained in our files.

Occupancy

The subject warehouse is owner-occupied. The storage hanger building is leased to a tenant on a month to month basis.

Assessed Valuation and Taxes

According to the Ames City Assessor’s Office, the property is identified and assessed as follows:

Land	\$732,000
Building	\$2,518,000
Total	\$3,250,000

The assessment, after considering rollbacks, is applied against a millage rate of 31.40424 per \$1,000 of assessed value to determine the gross annual tax amount.

Iowa assessment law requires County and City Assessors to maintain market value assessments. Assessors are required to establish market value assessments as of January 1 for each odd numbered year (e.g., 1999, 2001). Each year the State of Iowa performs sale ratio studies to determine whether assessments are near market value. The State can issue equalization orders in odd numbered years in August if the ratio studies indicate average assessed values are more than 5% different than market value.

Commercial and industrial properties have a rollback of 90%. There is also a business property tax credit for commercial and industrial properties. The tax credit increases the rollback of the first approximately \$33,000 from 90% to the current residential rollback. Therefore, depending on the total assessed value, the business property tax credit varies.

Purpose and Use of the Appraisal

The purpose of the appraisal is to estimate the market value of the leased fee estate (City of Ames Interest) in the property as of our date of inspection. The appraisal is to be used for ownership analysis and to assist in determining a potential sale price. The intended users are the City of Ames and the Federal Aviation Administration (FAA). It is not to be relied upon by any third parties.

Scope of Work

To complete this appraisal assignment, the appraisers

- Developed an opinion of value for the leased fee estate (City of Ames Interest) in the property as of March 15, 2019;
- inspected the interior and exterior of the subject property;
- reviewed assessment records;
- reviewed the land lease for the subject property;

- gathered information on comparable land sales, comparable lease data, capitalization and yield rates;
- confirmed all comparable sales with at least one of the parties to the transaction. A portion of the sales were available to us from recent assignments involving similar property types;
- analyzed the data and applied the land sales comparison approach, a cost approach, sales approach, an income approach and a discounted cash flow.

Report Option

This report is a Summary Appraisal Report in accordance with Standards Rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice* (USPAP). As such, it presents sufficient information to enable the client and other intended users, as identified, to understand it properly.

Ownership Interest Valued

Leased Fee Estate (City of Ames Interest), subject to easements and restrictions of record.

Definitions

Market Value is defined by the federal financial institutions regulatory agencies as follows:

Market Value: “Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeable, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements compatible thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associates with the sale.”

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, subpart C-appraisals, 34.42 Definitions (f).)

According to *The Appraisal of Real Estate*, Twelfth Edition (Appraisal Institute, 2001), the term fee simple estate is defined as follows.

Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Leased Fee Estate: An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

The definition of other selected terms is included in the addendum.

Date of Inspection, Data Collection and Valuation

The property was inspected on March 15, 2019 by Karen C. Olson. Russ G. Manternach did not inspect the subject property. The estimate of value is effective as of March 15, 2019.

Fixtures and Equipment

This appraisal assignment does not consider any fixtures and equipment. Only the real estate has been considered.

Valuation Conclusion – March 15, 2019

Leased Fee Estate (City of Ames Interest) \$ 1,420,000.

The estimate of market value upon completion of improvements is contingent upon the following extraordinary assumption. The item is defined as “extraordinary” per the definition contained in the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Institute. The definition of extraordinary assumption is included in this report.

Our estimate of market value of the leased fee estate assumes the lease terms will be as described in this report.

Our estimate of market value would require review and modification if it were not contingent upon the extraordinary assumption.

Exposure Period

Exposure is defined, as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; it is a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal.

Based upon comparable sales and our judgment, we estimate an exposure time of 6 to 12 months.

Appraiser Competency

Karen C. Olson prepared the analysis and valuation conclusions for this appraisal. Russ G. Manternach provided consultation and review assistance. The appraisers are Certified General Real Property Appraisers by the State of Iowa and also hold the professional designation of MAI from the Appraisal Institute. Refer to the Qualifications of the Appraisers in the

Addendum for additional information. The appraisers have performed numerous appraisals on properties similar to the subject of this report.

ASSUMPTIONS AND LIMITING CONDITIONS

The estimate of market value upon completion of improvements is contingent upon the following extraordinary assumption. The item is defined as “extraordinary” per the definition contained in the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Institute. The definition of extraordinary assumption is included in this report.

Our estimate of market value of the leased fee estate assumes the lease terms will be as described in this report.

Our estimate of market value would require review and modification if it were not contingent upon the extraordinary assumption.

We are appraising the property assuming it does not suffer from soil or groundwater contamination. Our estimate of market value, and other findings presented in this report, is contingent upon this assumption.

The date of value to which the opinions expressed in this report apply is set forth in the letter of transmittal. We assume no responsibility for economic or physical factors occurring at some later date which may affect the opinions stated herein.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.

No opinion as to title is rendered. Data on ownership and the legal description were obtained from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and areas were taken from sources considered reliable. No encroachment of real property improvements is assumed to exist, unless otherwise stated.

The maps, plats, and exhibits included are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered surveys or relied upon for any other purpose.

No opinion is expressed as to the value of subsurface oil, gas, or mineral rights. The property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.

Because no title report was made available to the appraiser, I assume no responsibility for such items of record not disclosed by our normal investigation.

No detailed soil studies covering the subject property were available for my use. Therefore, premises as to soil qualities employed in this report are not conclusive but have been considered consistent with information available. It is assumed that the site would support those improvements that represent the highest and best use.

Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute, the American Society of Appraisers, and the Uniform Standards of Professional Appraisal Practice.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or to the MAI or RM designation or the SREA, SRPA or SRA designations, the American Society of Appraisers or their members) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the undersigned. This consent and approval does not apply to Governmental Agencies who disclose appraisals and appraised values through their normal business functions.

We have inspected the subject property and found no obvious evidence of structural deficiencies except as stated in this report. However, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes can be assumed without provision of specific professional or governmental inspections.

Because no termite inspection report was available, we assume no termite damage or infestation unless so stated.

Because no asbestos inspection report was made available to the appraiser, we assume no responsibility for such materials or like items that would require specialized knowledge or investigation beyond that ordinarily employed by real estate appraisers.

Unless stated otherwise, we did not observe and are not aware of the existence of hazardous or toxic materials or wastes at subject property. The existence of such materials may have an affect on the estimate of value. The client should retain an expert in these fields, if desired.

Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal unless such arrangements are made a reasonable time in advance.

It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

No consideration has been given in this appraisal to personal property located on the premises, or to the cost of moving or relocating such personal property, except noted otherwise. Only the real property has been considered.

The appraiser is not an environmental inspector. The appraisal does not guarantee that the property is free of defects or environmental problems. The appraiser performs an inspection of visible and accessible areas only. Mold may be present in areas the appraiser cannot see. A professional environmental inspection is recommended.

ASSIGNMENT AND METHODOLOGY

Assignment

The purpose of the appraisal is to estimate the market value of the leased fee estate (City of Ames Interest) in the property as of our date of inspection.

Methodology and Process

To complete this appraisal, we inspected the property and researched the market for data. The estimate of market value has been derived after consideration of the cost, sales comparison and income capitalization approaches.

The appraisal procedure is an orderly process in which the data is collected and analyzed to estimate the market value of the subject property. The first step in the appraisal process is to define the appraisal problem, i.e., identification of the real estate, the effective date of the value estimate, the value rights being appraised, and the type of valuation sought.

Once this has been accomplished, the property is inspected and data from the market is collected and analyzed on factors that affect the market value of the property. These factors include analysis of the regional and city data, neighborhood data, site and improvement data, highest and best use analysis, and application of the three approaches to value, if applicable.

The three approaches to value include the cost, sales comparison, and income capitalization approach. Each one is described in more detail prior to its development.

After the approaches have been completed, the final step is the reconciliation. In the reconciliation process, we will consider the strengths and weaknesses of each approach and conclude a final estimate of value.

AMES AREA AND CITY DATA

General

Ames is located in Story County in the central portion of the State of Iowa. The city is best known as the home of Iowa State University (ISU). ISU is one of the three main components of the Iowa university system, which also includes the University of Northern Iowa at Cedar Falls and the University of Iowa at Iowa City. ISU has a student population of approximately 35,500 students. The university has been a stabilizing factor and has allowed growth in Ames during the past few decades.

Location

Ames is located in the northwest quadrant of the intersection of Interstate #35 and U.S. Highway #30. The City is approximately 35 miles north of Des Moines, 340 miles west of Chicago, 230 miles northeast of Kansas City, 210 miles south of Minneapolis, and 170 miles east of Omaha.

Population

The table below is a summary of the Ames and Story County populations:

Population	1980	1990	2000	2010
City of Ames	45,775	47,198	50,731	58,965
Story County	72,326	74,252	79,981	89,542
Iowa	2,913,808	2,776,831	2,926,324	3,046,355
Population Change	1980	1990	2000	2010
City of Ames		3.1%	7.5%	16.2%
Story County		2.7%	7.7%	12.0%
Iowa		-4.7%	5.4%	4.1%

Source: U.S. Census Bureau

Both the City of Ames and Story County have shown population increases over each of the last three decades, with the largest percentage increase over the past 10 years. There has been a general population shift in Iowa from rural areas to larger Metropolitan areas and to the main university cities of Ames and Iowa City.

Housing Starts

The following table is a summary of the housing starts over the past several years.

Housing Starts				
Year	1-Family	2-Family	Multi Family	Total Units
2005	241	0	561	802
2006	161	0	272	433
2007	127	0	133	260
2008	67	0	201	268
2009	61	0	0	61
2010	58	0	95	153
2011	58	0	19	77
2012	70	0	279	349
2013	126	0	286	412
2014	89	0	446	535
2015	89	0	359	448
2016	105	0	459	564
2017	125	0	625	750
5 year Average	107	0	435	542
10 year Average	85	0	277	362

Source: Ames Building Department & US Census Bureau

This data does not include any units constructed by Iowa State University.

Employment

There are several major employers within the City of Ames. These include Iowa State University with approximately 13,000 employees; Mary Greeley Medical Center with approximately 1,400 employees, the Iowa Department of Transportation with approximately 1,200 employees, McFarland Clinic at 850 employees, and the City of Ames has approximately 500 employees.

Iowa State University

Iowa State University is the main factor that attracts people to the Ames area both for long-term and transient residency. University student population over the past several years is summarized as follows:

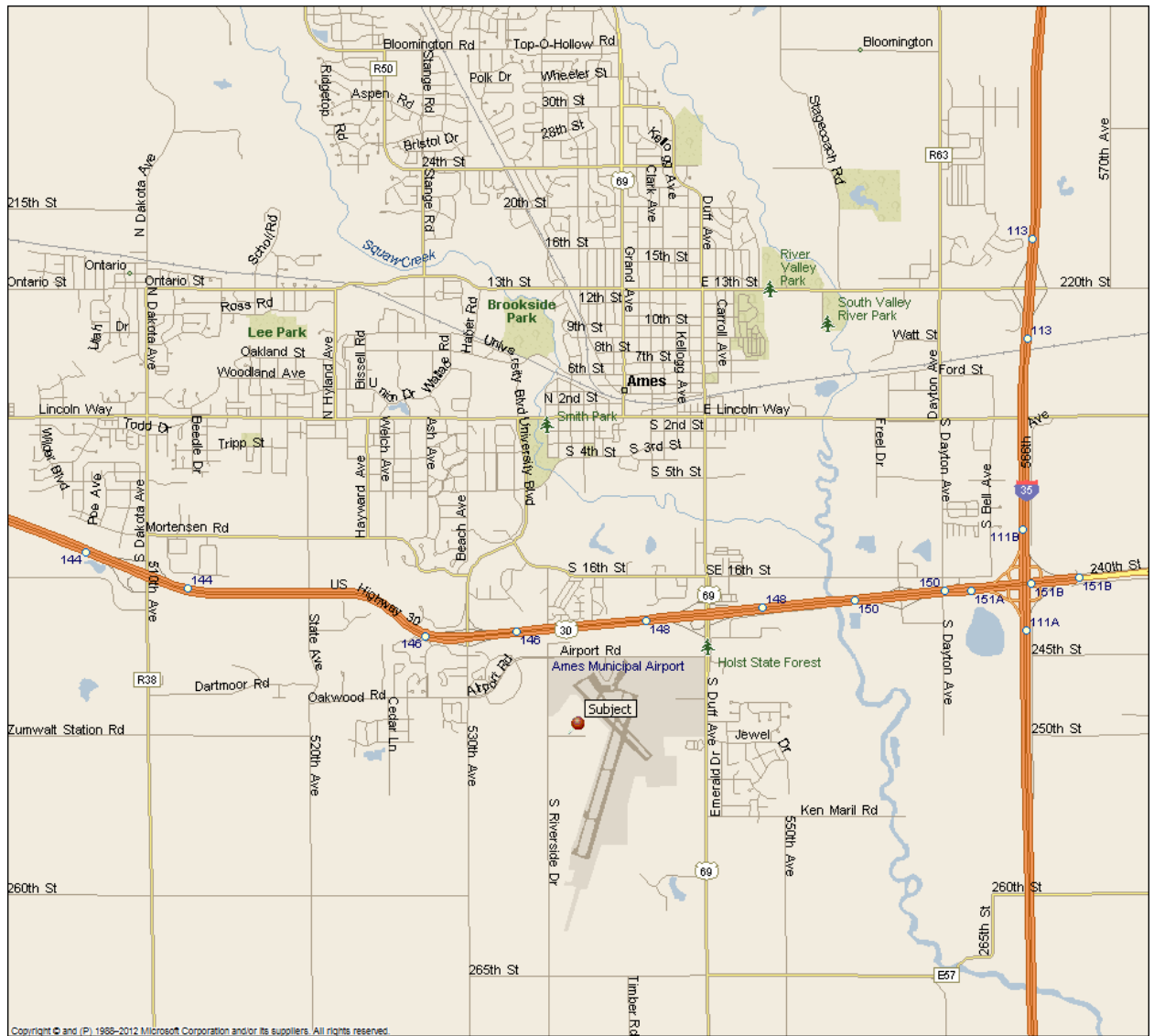
Enrollment Period	Total # of Students	% Change
Fall 2001	27,823	3.60%
Fall 2002	27,898	0.30%
Fall 2003	27,380	-1.90%
Fall 2004	26,380	-3.70%
Fall 2005	25,741	-2.40%
Fall 2006	25,462	-1.10%
Fall 2007	26,160	2.70%
Fall 2008	26,856	2.70%
Fall 2009	27,945	4.10%
Fall 2010	28,682	2.60%
Fall 2011	29,887	4.20%
Fall 2012	31,040	3.90%
Fall 2013	33,241	7.10%
Fall 2014	34,732	4.50%
Fall 2015	36,001	3.70%
Fall 2016	36,660	1.83%
Fall 2017	36,321	-0.01%
Fall 2018	35,443	-2.42%

Aside from the most recent two years, the University population has been steadily increasing during the past 10 years. There are no current programs or political plans, which would cause general changes to the student populations, and student enrollment should remain relatively stable into the long-term future.

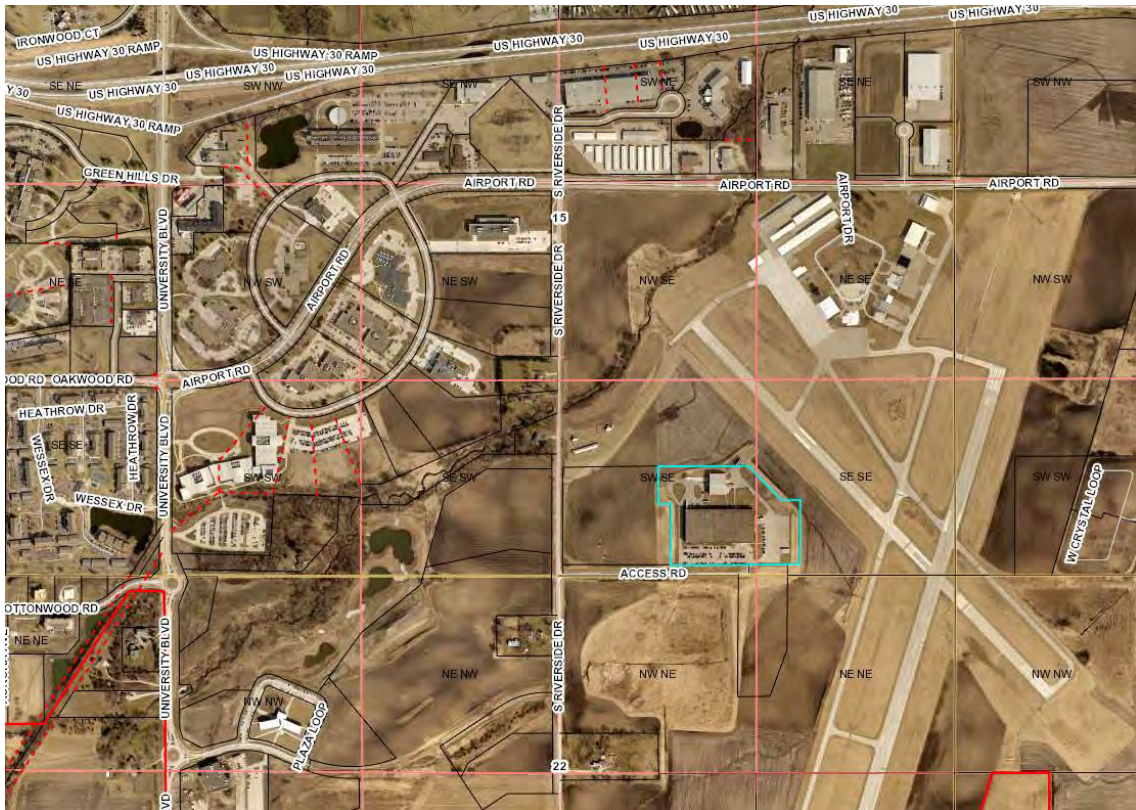
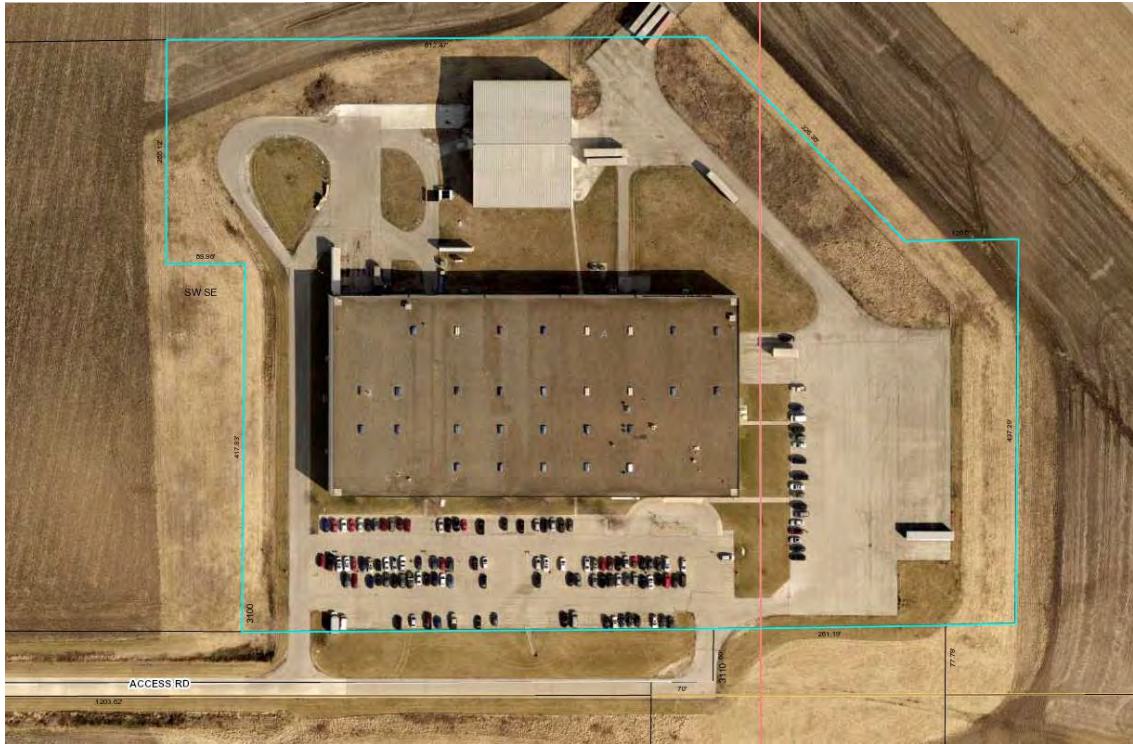
Conclusion

The Ames community has experienced growth in population and in other economic categories during the last two decades. This growth has outpaced most other similar sized Iowa communities. The growth is largely attributable to the stabilizing influences of Iowa State University. The City of Ames should continue to see moderate population growth and experience continued economic growth similar to many of the larger metropolitan areas in the state.

LOCATION MAP



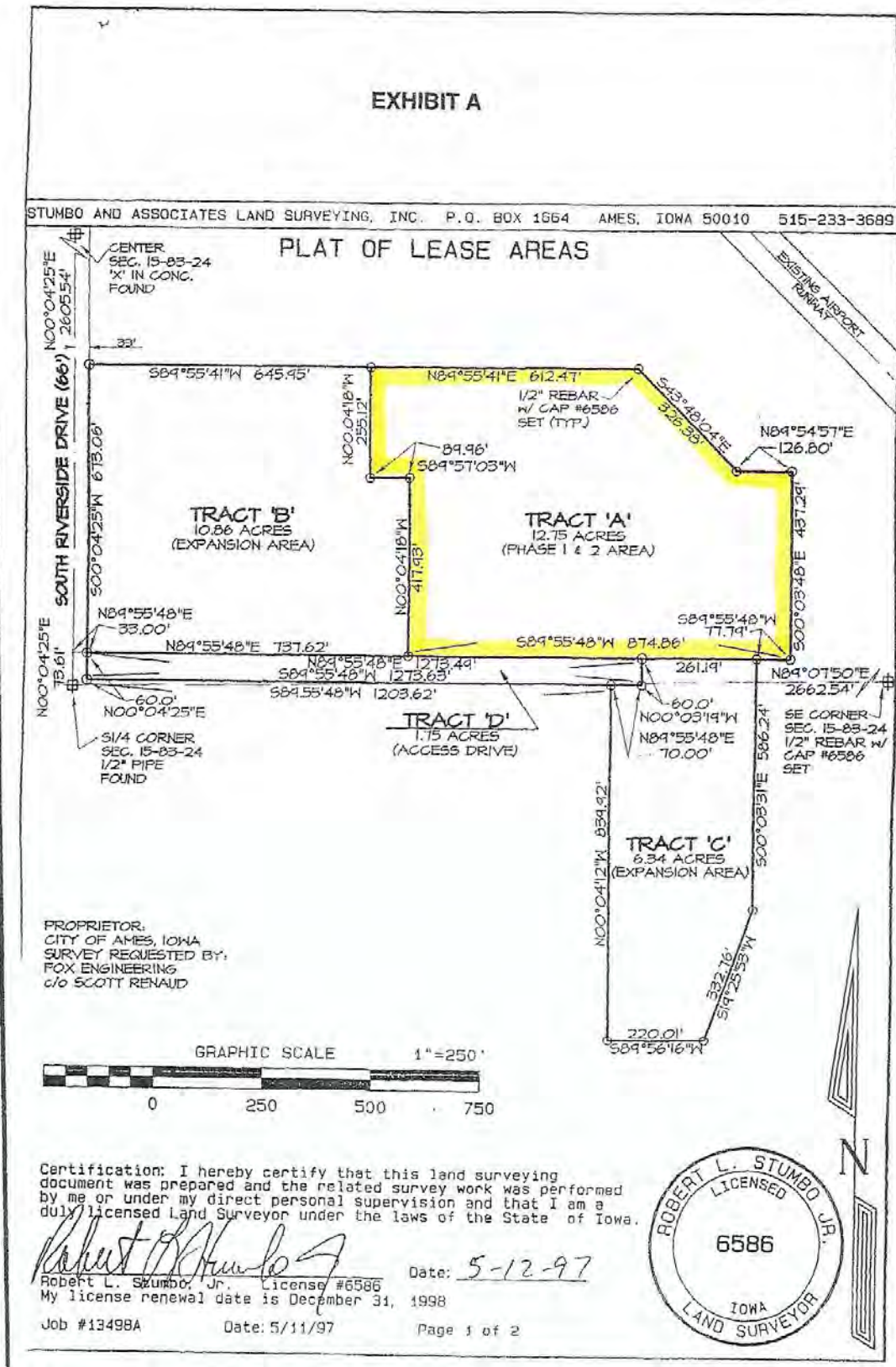
AERIAL PHOTOS



AERIAL PHOTOS – Google Maps












PLAT MAP



FLOOD MAP

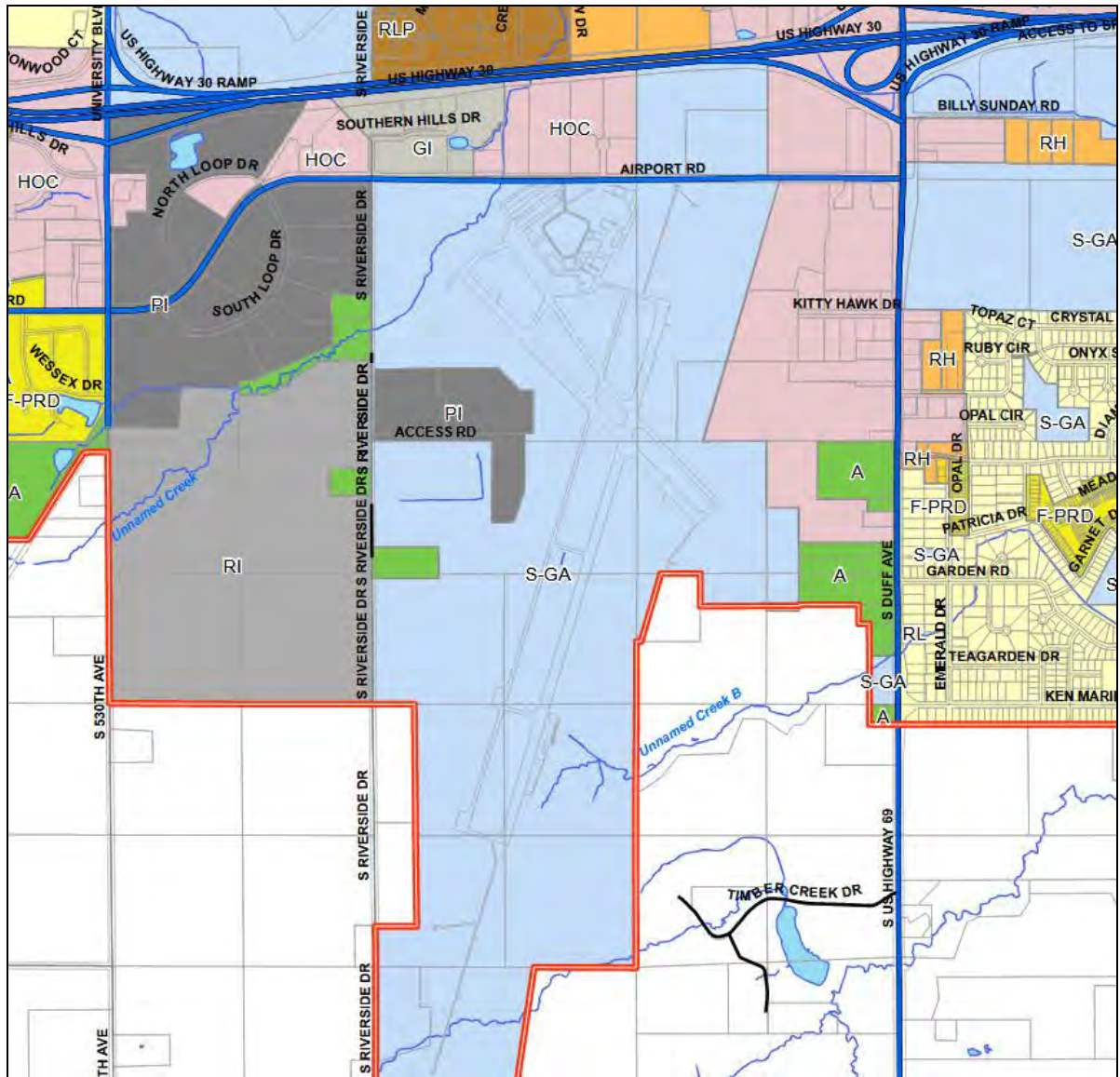


MAP DESCRIPTION

-  A- 1 PCT ANNUAL CHANCE
-  AE - 1 PCT ANNUAL CHANCE
-  AE - FLOODWAY
-  AO, RIVERINE
-  AH, RIVERINE
-  0.2 PCT ANNUAL CHANCE, RIVERINE
-  0.2 PCT ANNUAL CHANCE, PROTECTED BY LEVEE
-  X AREA OF SPECIAL CONSIDERATION, RIVERINE
-  X AREA OF SPECIAL CONSIDERATION, PROTECTED BY LEVEE

Story

ZONING MAP In Vicinity of Subject Property



SUBJECT PHOTOGRAPHS



Looking Northeast at Subject Property



Southeast Building Elevation - Warehouse

SUBJECT PHOTOGRAPHS



Northwest Building Elevation - Warehouse



Southeast Building Elevation – Storage Hangar

SUBJECT PHOTOGRAPHS



Typical Interior View



Typical Interior View

SUBJECT PHOTOGRAPHS

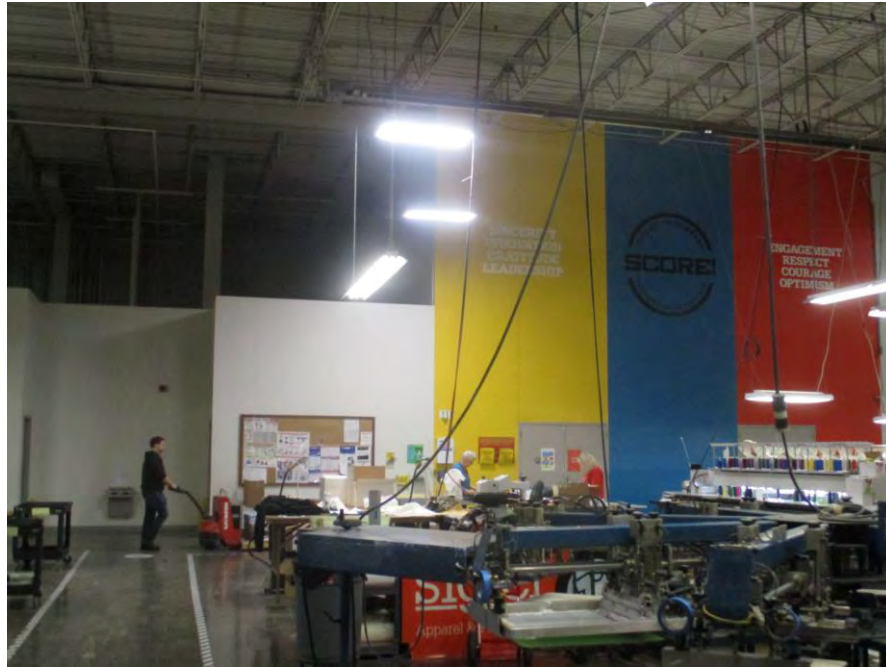


Typical Interior View



Typical Interior View

SUBJECT PHOTOGRAPHS



Typical Interior View



Typical Interior View

SUBJECT PHOTOGRAPHS



Typical Interior View



Typical Interior View

STREET SCENES

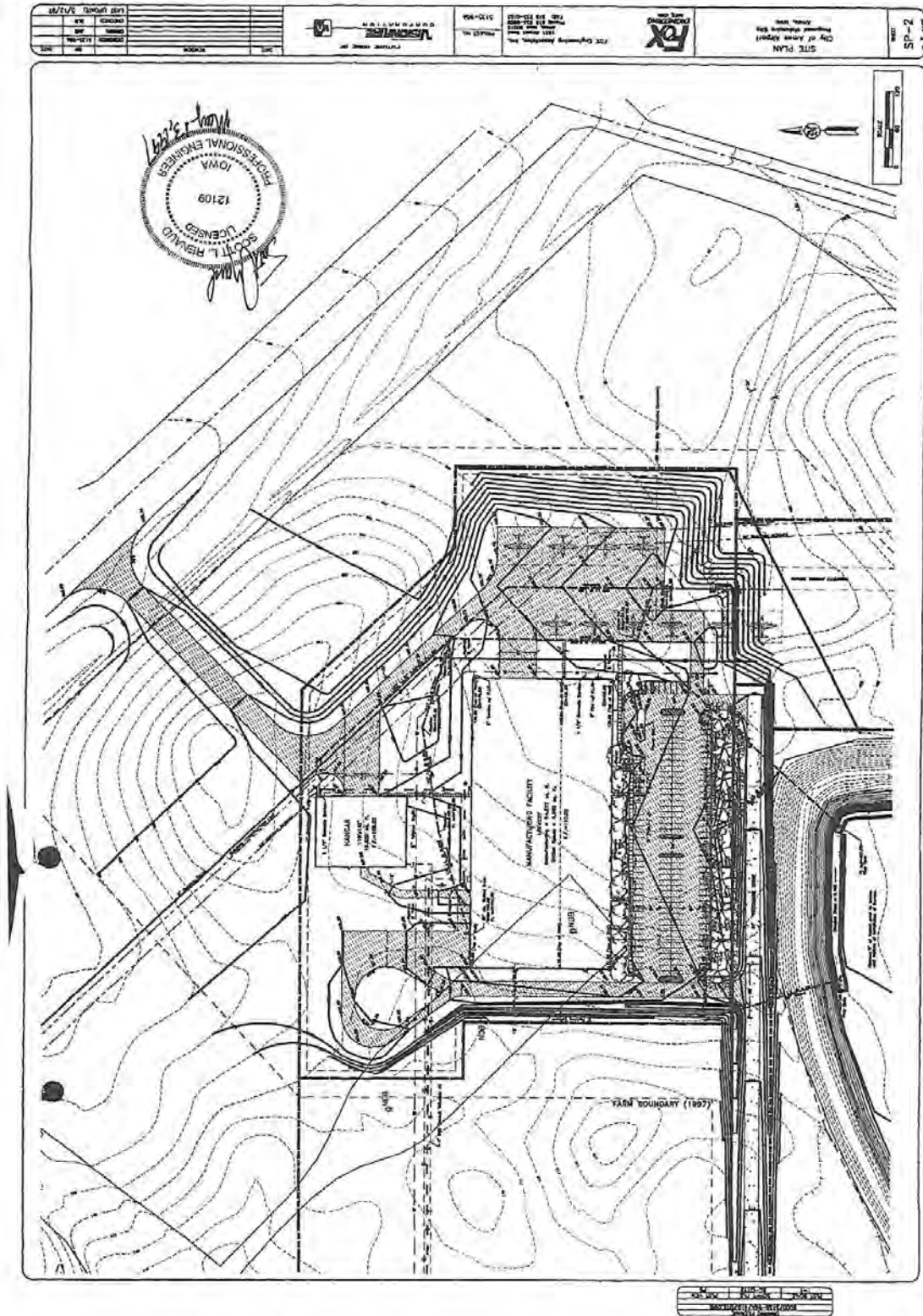


Looking South Along Riverside Drive

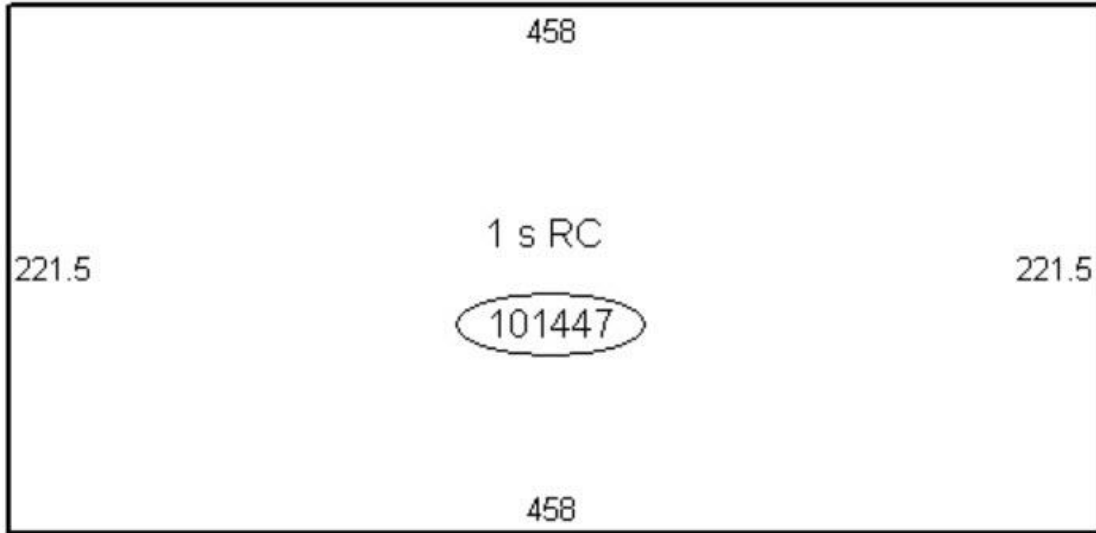


Looking East Along Access Road

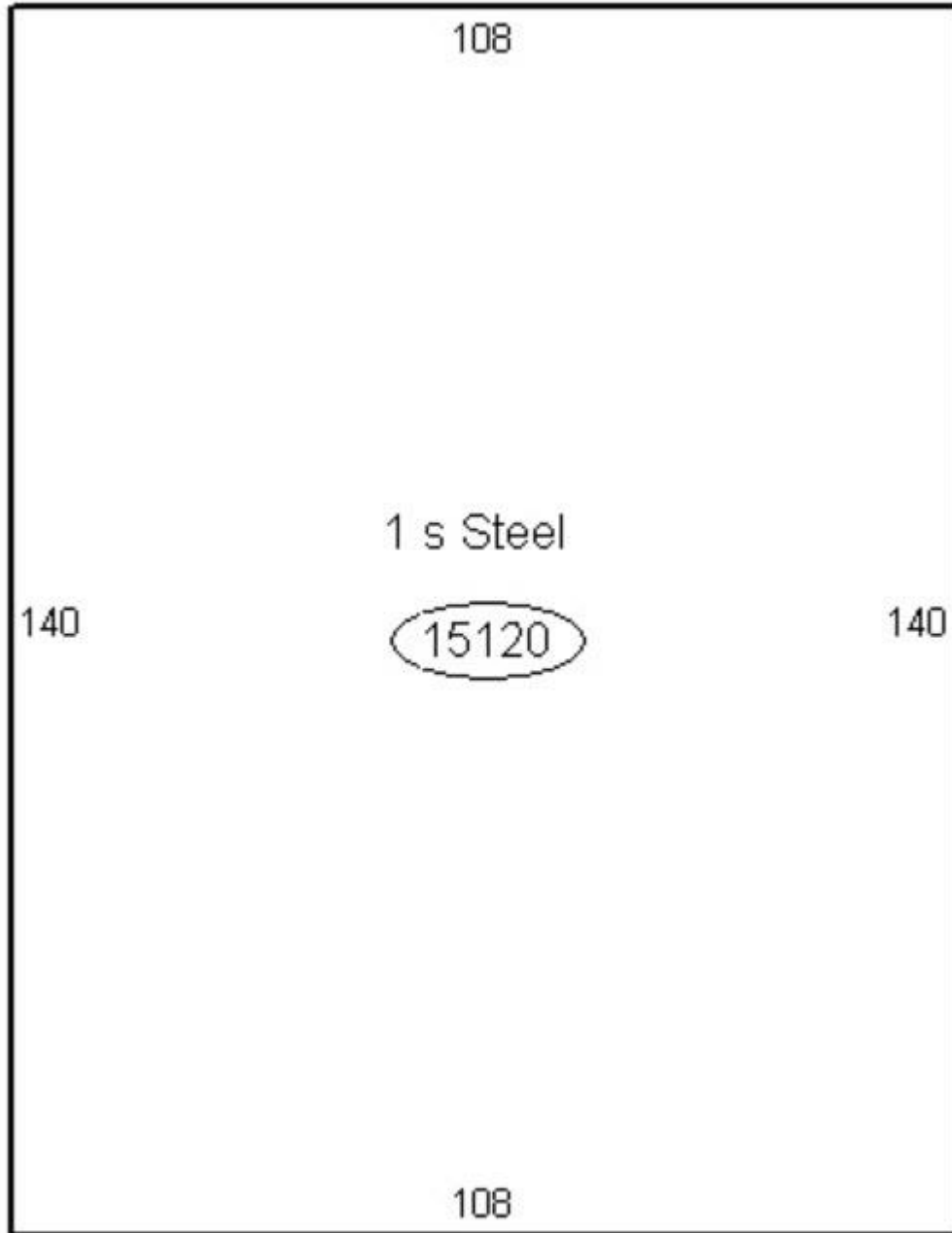
SITE PLAN



ASSESSOR'S BUILDING SKETCH – Warehouse Building



ASSESSOR'S BUILDING SKETCH - Hangar Building



SITE DESCRIPTION

General

The site is an irregular shaped tract of land located east of South Riverside Drive along an east/west access road in Ames, Iowa. The property is located adjacent to the Ames Municipal Airport.

Size

The land area is 12.75 acres. This is based upon public assessment records and a plat map.

Frontage/Streets

The site has approximately 610 front feet along an access road to South Riverside Drive. South Riverside Drive is a two-way, two-lane paved street aligned in a north/south direction. The street pavement ends just south of the subject site.

Boundaries

The site is bounded on the north, south, east and west by the Ames Municipal Airport and associated city-owned land. An addition to the Iowa State Research Park is planned to the west of the subject property across Riverside Drive.

Flood Hazard Area

According to the Flood Insurance Rate Map, the site is not located in a designated 100-year flood hazard area.

Topography

The site is relatively level and located near street grade.

Easements & Encroachments

We assume there is an ingress/egress easement located along the access drive which extends from Riverside Drive. The easement allows access to the subject parcel.

We are unaware of any other easements that would adversely affect the value of the site. During our inspection, we did not note any encroachments.

Utilities

All utilities and city services are available to the site.

Soils

We have performed no soil analysis. It is assumed the site would support those uses deemed to be the highest and best use of the land.

Zoning

The site is zoned PI, Planned Industrial Zone, by the City of Ames. The PI district is intended to "be applied to those areas where there is a need to provide a desirable industrial envi-

ronment. It is also intended to accommodate large-scale industrial uses; promote a clustered and integrated development in a park-like setting, and locate such developments near limited-access highways, air transportation or the Research Park.”

DESCRIPTION OF IMPROVEMENTS

General

The site is improved with a 107,037 square foot warehouse building, a 15,120 square foot storage hangar and associated site improvements. The building areas are summarized in the following table:

Gross Building Areas						
	Main Level	Finished	Gross	Percent	Whse	Year
	Area (SF)	Mezz (SF)	Building Area (SF)	%	Wall Height (Ft)	Built
Office	6,880	5,590	12,470	12%	-	1998
Breakroom/Restroom Finish	4,060	0	4,060	4%		
Warehouse	90,507	0	90,507	85%	28'	1998
Total Warehouse	101,447	5,590	107,037	100%		
Storage Hangar	15,120	0	15,120		29'	1999
Total Building Area	116,567		122,157		28'-29'	1998-1999

The front office area is two stories with an open atrium that includes stairs and an elevator. The breakroom, bathrooms and other finished areas are located in the southwest corner of the warehouse area. The finished areas shown in the table above are based on the appraiser's estimates. The total finished area is 16,530 square feet or approximately 15% of the gross warehouse building area.

We did not inspect the interior of the storage hangar building. According to the facilities manager, the building has exposed frame walls and ceiling and does not have any interior finishes. The building is heated.

DETAILED DESCRIPTION OF BUILDING - Warehouse

Foundation

The footings and foundation walls are poured and reinforced concrete. No settlement was noted during our inspection.

Floor Structure

The floor structure consists of poured and reinforced concrete over granular fill.

Framing and Exterior Walls

The building has a steel frame. The exterior walls are tilt-up concrete panels. The building clear height is approximately 28 feet. Typical interior column spacing is 50' x 60'.

Roof

The building has a flat roof that consists of a rubber membrane over rigid insulation and a metal roof deck.

Windows and Doors

The front entrance doors and windows are insulated double-pane storefront glass in metal frames.

The building has six overhead doors and a large overhead airplane hangar door.

Interior Finishes

The warehouse area consists of sealed concrete floors, painted perimeter walls, and exposed structure ceiling.

The building contains approximately 10,940 square feet of demised finished area used for offices, breakrooms, and restrooms. The building also contains approximately 5,600 square feet of office mezzanine area.

Plumbing

The building has six restrooms.

The building has a wet sprinkler system.

Mechanical Equipment

The office areas are heated and cooled with forced-air HVAC equipment. The warehouse area is heated by radiant heaters and cooled with air-handlers.

The building appears to have ample electrical service.

The front office area has a two-stop elevator.

Floor Plan and Utility

The floor plan and utility is functional and typical for industrial and warehouse use.

Quality, Age, Condition and Remaining Economic Life

The building is an average quality industrial building. It was constructed in 1998, which indicates a chronological age of 21 years. The building is in above average condition for its age and we estimate the effective age to be 15 years. The building has an economic life new, as published by the *Marshall Valuation Service*, of 45 years. This indicates a remaining economic life of 30 years.

No significant deferred maintenance was noted during our inspection.

Additional Buildings

The property also includes a 15,120 square foot storage hangar that according to assessment records was built in 1999. The building has a steel frame with metal walls and roof. The exterior wall height is 29 feet. The building has a large bi-fold airport hangar door and other overhead dock height doors. The building is heated but does not have any interior finish. The building is suitable for additional storage use.

Fixtures and Equipment

This appraisal assignment does not consider any fixtures and equipment. Only the real estate has been considered.

Site Improvements

The site is improved with approximately 220,000 square feet of concrete pavement for parking and drives.

HIGHEST AND BEST USE

This section seeks to determine the most profitable use of the subject land, as if it were vacant, as well as the improved property. According to *The Dictionary of Real Estate Appraisal*, Fifth Addition (Appraisal Institute, 2010), highest and best use is defined as follows:

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

HIGHEST AND BEST USE – VACANT SITE

Physically Possible

The site area is 12.75 acres. With its topography and access to a paved street, the site has many physically possible uses. Although we have conducted no soil tests, it is assumed the site would support those improvements that represent the highest and best use. It does not appear the physical aspects of the site would significantly prohibit the construction of any improvements, within the confines of its size.

Legally Permissible

The highest and best use of the site must also be legally permissible. Private deed restrictions and municipal restrictions of zoning are the most common considerations. To our knowledge, there are no private deed restrictions on this property that negatively affect value.

The site is zoned PI, Planned Industrial Zone, by the City of Ames. This zoning is intended for industrial uses.

Financially Feasible

Of those physically possible and legally permissible uses, we must determine which are financially feasible. Specifically, which uses are likely to produce an income or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations and capital amortization. All uses that are expected to produce a positive return are regarded as financially feasible.

The subject property is located adjacent to the Ames Municipal Airport. The neighborhood is primarily improved with industrial and office properties. Most industrial uses are considered to be financially feasible.

Maximally Productive - Highest and Best Use

Of the financially feasible uses, the use that provides the highest price or value is the highest and best use. The highest and best use of the site, if vacant, is for industrial use.

HIGHEST AND BEST USE - AS IMPROVED

The highest and best use of an improved property is that reasonably probable and legally permissible use which is physically possible, appropriately supported, financially feasible, and results in the highest value of the improvements.

The site is improved with a 107,037 square foot warehouse building, a 15,120 storage hangar and associated site improvements. The buildings have a lengthy remaining life and contribute value to the site. The highest and best use is for continued industrial use.

LAND VALUATION, ASSUMING VACANT

The essence of the land valuation section is to discover what competitive properties have sold for recently in the local market, and after an appropriate adjustment process, to develop indications of what they would have sold for if they possessed all of the physical and economic characteristics of the subject site.

Although the subject property is improved, the land value must be estimated based upon its highest and best use as though vacant and available for development. According to *The Appraisal of Real Estate*, Twelfth Edition (Appraisal Institute, 2001), this is because “land is said to *have value*, while improvements *contribute to value*.”

We researched the market for sales that could provide good indications of value. Of the sales located, we have analyzed five comparable land sales. The most consistent indicator of value is the sale price per square foot and adjustments have been made on this basis. The sales are summarized in the following table. Detailed information concerning the sales is included in the addendum.

Comparable Land Sales

Sale	Location	Size Sq.Ft.	Sale Date	Price	Price/ Sq.Ft.	Grantor	Grantee
1	1600 Blue Sky Blvd, Huxley	284,882	05/20/17	\$ 375,000	\$ 1.32	Interstate Land	Two Companies
2	1520 Blue Sky Blvd, Huxley	217,800	12/11/15	\$ 250,000	\$ 1.15	Interstate Land	Diamond W Two
3	2825 Wakefield Cir, Ames	288,730	08/24/17	\$ 680,721	\$ 2.36	Woodruff Constr.	Badger Invest
4	707 Airport Rd, Ames	503,906	04/25/13	\$1,260,000	\$ 2.50	Markey Trust	Am Commercial
5	SE Corporate Woods Dr, Ankeny	896,984	11/08/18	\$1,450,000	\$ 1.62	D. Gallion	Ruan Transport
	Subject	555,400					

The Land Sales Comparison Adjustment table follows. It is a presentation of the essential data for each sale and the adjustments we deemed necessary. An adjustment greater than 1.00 indicates that the comparable sale is inferior to the subject property in that regard. Conversely, an adjustment less than 1.00 demonstrates that the sale is superior to the subject.

LAND SALES COMPARISON ADJUSTMENT TABLE

Sale	Date	Area Sq.Ft.	Price /SF	Rights/ Cash/ Cond.	Mrkt Cond.	Adjstd Price/ Sq.Ft.	Loc.	Size/ Size	Togog/ Flood	Zone	Other	Net Adj.	Indic. Sq.Ft. Value
1	05/20/17	284,882	\$1.32	1.00	1.04	\$1.37	1.40	0.90	1.00	1.00	1.00	1.26	\$ 1.73
2	12/11/15	217,800	\$1.15	1.00	1.07	\$1.23	1.40	0.90	1.00	1.00	1.00	1.26	\$ 1.55
3	08/24/17	288,730	\$2.36	1.00	1.03	\$2.43	1.00	0.90	1.00	1.00	1.00	0.90	\$ 2.19
4	04/25/13	503,906	\$2.50	1.00	1.12	\$2.80	0.80	0.90	1.05	0.90	1.00	0.68	\$ 1.91
5	11/08/18	896,984	\$1.62	1.02	1.01	\$1.67	0.95	1.05	1.00	1.00	1.00	1.00	\$ 1.67
Subj.	03/15/19	555,400											

Justifications for Adjustments

Property Rights Conveyed - The adjustment most often required for property rights conveyed is for the existence of a leasehold position. This adjustment reflects the impact of leases on property value when contract rents differ from market rents. This category can also consider adjustments necessitated if the subject or comparable property is subject to easements that have negative impacts towards value beyond typical boundary related easements, unless separately adjusted in a following category.

Sale #5 was adjusted upward for being encumbered with an overhead powerline easement covering approximately 5% of the site.

Cash Equivalency - If a comparable sale occurred under conditions other than cash to the seller, then a cash equivalency adjustment may be necessary. No adjustments were necessary for cash equivalency.

Conditions of Sale - This adjustment considers buyer or seller motivation. Conditions of sale may include desperation exchanges, tax ramifications, reinvestment or condemnation money, assemblage, non-arm's length transactions, and other situations. No adjustments were necessary for this category.

Market Conditions – Adjustments are made in this category to reflect the increase or decrease in property values between the date of comparable sale and valuation of the subject property.

Demand for industrial land has been increasing over the past several years. We have applied an upward adjustment of 2% per year to the comparable sales.

Location – This category takes into consideration the location of the comparable sales in relation to the subject property. The major factors considered were access, and visibility from traffic arteries, frontage, the type and quality of development in the area, acceptance for development in that location by the market, and utilities available.

Sales #1 and #2 were adjusted upward for their inferior locations in relation to the subject property. Sales #4 and #5 was adjusted downward for their superior locations.

Size and Shape – Size adjustments were made to reflect the impact of economies of scale. As a larger tract of land is purchased, its sale price per square foot will typically decrease. An irregular shape generally decreases the utility of a site and lowers the sale price.

Sales #1, #2, and #3 were adjusted downward for their substantially smaller sizes and/or superior shape in relation to the subject site. Sale #4 has a shape that is suitable to subdivide into three separate lots with cul-de-sac frontage. This sale was adjusted downward for this factor.

Sale #5 was adjusted upward for its larger size in relation to the subject.

Topography/ Flood – Sales #4 was adjusted upward for its inferior topography in comparison to the subject property.

Zoning – Sale #4 has frontage along Highway 30 and is zoned for commercial uses. This sale was adjusted downward for its superior zoning in relation to the subject property.

The zoning of the subject property and the remaining comparable sales allow similar uses; no adjustments were needed for this category.

Other Sale Data

John Deere purchased a 5.01 acre parcel along the west side of Riverside Drive just south of the subject property on August 2, 2018 for \$338,500 or \$1.55 per square foot. The land was sold by the Iowa State University Research Park, which is a non-profit associated with Iowa State University. The seller is responsible for extending Collaboration Place along the north side of the property and paving Riverside Drive adjacent to the property. According to a representative for the seller, the relationship between the buyer and seller likely affected the sale price. Due to this factor, the sale was not included in the adjustment table. A data sheet for this sale is included in the addendum (Sale #6).

Reconciliation

After adjustments, the comparable sales indicate a value range for the subject site from \$1.55 to \$2.19 per square foot. We have given consideration to all of the sales and reconcile to a land value \$1.75 per square foot. The total indicated land value, as if vacant, as of March 15, 2019, is as follows:

555,400 Sq. Ft. x \$1.80 Per Sq. Ft. = \$999,720

Rounded to \$1,000,000.

This is equivalent to approximately \$78,400 per acre.

VALUATION - REVERSION

In a later section of this report we will complete a discounted cash flow to estimate the market value of the leased fee estate. To assist in that analysis, we will estimate the market value of the property at the end of the lease term, which is referred to as the reversion value. In this section we will estimate the reversion value.

The subject property is leased to Mulmac, LLC via a ground lease. The original lease term expired in 2017 and the tenant has options to renew the lease agreement until 2047. Given the contributory value of the building and associated site improvements, a typical purchaser of the leased fee estate would assume the tenant would exercise all of the options. Therefore, at the end of the land lease in 2047, the building improvements will be approximately 49 years old.

In order to estimate the market value of the subject property at reversion, we have completed a cost approach, sales comparison approach and income approach for the land and improvements. We have completed the approaches disregarding inflation. After reconciling between the approaches we will apply an inflation factor for the reversion value in year 2047.

COST APPROACH - REVERSION

The cost approach to value is based on the principle of substitution. This principle affirms that no prudent buyer would pay more for a property than the cost to acquire a similar site and construct improvements of equivalent desirability and utility without undue delay. Of course, the factor of depreciation would be the difference in value between the new and old structures. The cost approach to value is estimated by the summation of the land value and the depreciated cost of the improvements.

The accuracy of the cost approach is dependent upon the information available to us in our estimates of land value, replacement cost of the improvements, and the amount of depreciation accrued to the improvements. It is generally most accurate when there is a good indication of land value from recent sales of similar land, and when the land is developed with an improvement that represents the highest and best use. When the improvements are subject to large amounts of accrued depreciation, either physical, functional or external, an accurate estimate of total accrued depreciation becomes increasingly difficult and the cost approach is weakened.

REPLACEMENT COST OF THE IMPROVEMENTS

Our cost approach will be based on data published by the *Marshall Valuation Service*. Within the building categories of the *Marshall Valuation Service*, the building is most similar to an average quality Class "C" light manufacturing structure. The Class "C" rating reflects a category within the *Marshall Valuation Service*, and not the typical "A", "B" or "C" ratings used to judge the quality or rent level of space.

The base cost will be adjusted to reflect current and local cost multipliers. In this section, we are estimating the value of the subject property at reversion, or Year 2047. For this approach, we will consider inflation in a later section of this report.

Incentive and Soft Costs

Entrepreneurial incentive reflects the return required to attract an entrepreneur to invest capital in a project, based on market expectations. It represents the degree of risk and expertise associated with the project development. Properties such as the subject are typically constructed by owner/operators for business development and profit. They are rarely constructed for real estate speculative profits. Therefore, we have not added any entrepreneurial incentive.

Soft costs include expenses for financing, bonding, legal issues, appraisal, and lease-up costs to create the first occupancy. The bonding considers the cost to the developer of obtaining a written guarantee that he or she will financially perform under their contractual obligations to the contractor. We have estimated the soft costs to be 2% of the replacement cost new of the improvements.

REPLACEMENT COST CALCULATIONS – Warehouse Building
Marshall Valuation Service

Occupancy				Light Industrial	
Building Class & Quality				Class C, Average	
Exterior Walls				Tilt-up Concrete	
Number of Stories & Avg. Height/Story				1 Story	28
Main Level Gross Floor Area				101,447	
Total Building Perimeter				1,359	
Age and Condition (Avg. Age)				1998	Average
Base Square Foot Cost					\$52.00
Square Foot Refinements					
Heating, Cooling, Ventilation					3.35
Sprinkler					2.10
Elevators					0.50
Other					0.00
				Sub-total Square Foot Costs	<u>57.95</u>
Height and Size Adjustments					
Number of Stories Multiplier					1.00
Height per Story Multiplier					1.33
Floor Area Perimeter Multiplier					0.88
Combined Height and Story Multiplier					<u>1.17</u>
FINAL SQUARE FOOT CALCULATIONS					
Refined Square Foot Costs					67.80
Current Cost Multiplier					1.01
Local Multiplier					0.99
Final Square Foot Cost					<u>67.79</u>
Replacement Cost New of Improvements					
Main Level	101,447	Sq.Ft. @	\$67.79	Per Sq.Ft. is	6,877,092
Upper Level - Office	5,590	Sq.Ft. @	\$49.00	Per Sq.Ft. is	273,910
Total Repl. Cost New	<u>107,037</u>		\$66.81		<u>7,151,002</u>
Add: Entrepreneurial Incentive		0.0%			0
Add: Soft Costs		2.0%			143,020
Replacement Cost New					<u>\$7,294,022</u>

REPLACEMENT COST CALCULATIONS – Storage Hangar
Marshall Valuation Service

Occupancy	Storage Hangar	
Building Class & Quality	Class S	Average to Low Cost
Exterior Walls	Metal Panels	
Number of Stories & Avg. Height/Story	1 Story	29
Main Level Gross Floor Area	15,120	
Total Building Perimeter	496	
Age and Condition (Avg. Age)	1999	Average
Base Square Foot Cost		\$30.78
Square Foot Refinements		
Heating, Cooling, Ventilation		2.55
Sprinkler		0.00
Elevators		0.00
Other		0.00
	Sub-total Square Foot Costs	33.33
Height and Size Adjustments		
Number of Stories Multiplier		1.00
Height per Story Multiplier		1.35
Floor Area Perimeter Multiplier		0.97
Combined Height and Story Multiplier		1.31
FINAL SQUARE FOOT CALCULATIONS		
Refined Square Foot Costs		43.66
Current Cost Multiplier		1.01
Local Multiplier		0.99
Final Square Foot Cost		43.66
Replacement Cost New of Improvements		
Main Level	15,120 Sq.Ft. @	\$43.66 Per Sq.Ft. is 660,139
Add: Entrepreneurial Incentive	0.0%	0
Add: Soft Costs	2.0%	13,203
Replacement Cost New		\$673,342

Depreciation

The replacement cost of the buildings will be adjusted to reflect accrued depreciation. At reversion in Year 2047, the buildings will be 48 to 49 years old. The buildings will suffer from physical depreciation due to the passage of time. Physical depreciation has been estimated with the straight-line method. We have estimated an effective age of 30 to 35 years for the warehouse building. Therefore, based on an economic life new of 45 years, straight-line depreciation is estimated to be between 67% (30/45) and 78% (35/45) and reconcile to 72%.

We have estimated the effective age of the storage hangar to be 25 years versus an economic life new of 30 year. Therefore, the straight-line depreciation is estimated to be 83.3% (25/30).

The property does not appear to suffer from measurable functional and/or external obsolescence.

Site Improvements

The site improvements include pavement for drives and parking and other miscellaneous items.

Land Value

We have previously estimated the market value of the land, assuming vacant as of March 15, 2019, to be \$1,000,000.

The cost approach calculations are summarized in the following table:

COST SUMMARY						
Item	GBA			RCN	Depr	RCNLD
Warehouse Building	101,447	SF		\$7,294,022	72.0%	\$2,042,326
Storage Hangar	15,120	SF		\$673,342	83.3%	\$112,448
Total Replacement Cost New	116,567	SF		\$7,967,364	73.0%	\$2,154,774
Pavement	220,000	SF @	\$3.50/SF	\$770,000	70.0%	\$231,000
Miscellaneous						\$25,000
Land						\$1,000,000
Total						\$3,410,774
Rounded to						\$3,410,000

Reversion Valuation – Cost Approach

The total indicated value from this approach, as of June 30, 2047, prior to considering inflationary factors, is **\$3,410,000**.

SALES COMPARISON APPROACH – REVERSION

The sales comparison approach is the process in which a market value estimate is derived by analyzing the market for the sale of similar properties and comparing them to the subject property. A major premise of this approach is that the market value of a property is directly related to the price of comparable, competitive properties. The highest and best use of the subject property, as improved, is for industrial use.

We researched the market for property sales that would provide a good indication of value for the subject property. Of the sales located, three have been chosen for this analysis.

The comparable sales located represent a range of styles, size, age, and location. They are briefly summarized in the Sales Comparison Adjustment Table. Additional information on each is included in the Addendum.

An adjustment greater than 1.00 indicates that the comparable sale is inferior to the subject property in that regard. Conversely, an adjustment less than 1.00 demonstrates that the sale is superior to the subject. The table is followed by a discussion of the relevant adjustments.

SALES COMPARISON ADJUSTMENT TABLE - AT REVERSION

	Subject	Sale #1	Sale #2	Sale #3
	Data	Data	Data	Data
	Adj.	Adj.	Adj.	Adj.
Sale Price	N/A	\$1,490,000	\$2,260,000	\$16,200,000
Price/SF Building	N/A	\$23.31	\$40.00	\$39.71
Prop. Rights Conveyed	N/A	Fee Simple	Leased Fee	Fee Simple
Cash Equivalency	N/A	Typical	Typical	Typical
Conditions of Sale	N/A	Typical	Typical	Typical
Market Conditions	Mar-19	Mar-18	Apr-18	May-17
		1.02	1.02	1.04
Adjusted Sale Price	N/A	\$1,519,800	\$2,305,200	\$16,848,000
Adjusted Price / SF	N/A	\$23.77	\$40.80	\$41.30
Location	Ames	Superior	Superior	Superior
Gross Bldg. Floor Area	107,037	63,926	56,500	407,938
Age/ (average)	1998	1953	1977	2002
Condition	Average	Inferior	Superior	Superior
Quality /Design	Above Avg.	Inferior	Inferior	Similar
Percent Finish	15%	3%	17%	29%
Land SF	555,400	80,410	169,080	1,218,373
L/B Ratio	5.2	1.3	3.0	3.0
Whse Wall Height (avg)	28'	19-24	20	32
Storage Hangar(SF)	15,120	0	0	0
Hangar (%)	14%	0%	0%	0%
Other	None	None	None	None
Net Adjustment		1.40	0.93	0.70
Adjusted Price / SF		\$33.28	\$37.80	\$29.10

Justification for Adjustments - Reversion

Property Rights Conveyed – The adjustment most often required for property rights conveyed is for the existence of a leasehold position. This adjustment reflects the impact of leases on property value when contract rents differ from market rents.

The comparable sales were for the fee simple estates or had leases near market levels. No adjustments were needed or this category.

Cash Equivalency - If a comparable sale occurred under conditions other than cash to the seller, then a cash equivalency adjustment may be necessary. Each of the sales was sold for cash or with terms similar to market levels. Therefore, no adjustments were needed for this category.

Conditions of Sale - This adjustment considers buyer or seller motivation. Conditions of sale may include desperation exchanges, tax ramifications, reinvestment or condemnation money, assemblage, non-arm's length transactions, and other situations. No adjustments were necessary for this category.

Market Conditions - This adjustment is based upon the increase or decrease in property values that have occurred in the market between the date of comparable sale and valuation of the subject property. Market conditions may change due to inflation, deflation, changes in income tax laws, fluctuations in supply and demand, availability of funds, interest rate levels, changes in investors' perceptions, and other factors.

We have applied an upward market conditions adjustment of 2.0% per year to the comparable sales. In this section, we are estimating the market value of the subject property at reversion at Year 2047. We have disregarded inflation for this analysis, which will be considered in a later section of this report. Therefore, the sales have been adjusted to the date of value, March 15, 2019.

Location – The major factors considered in this category were the access and visibility from traffic arteries, type and quality of development in the immediate vicinity, acceptance for development in that location by the market, and utilities available.

All of the sales were adjusted downward for their superior locations in relation to the subject property.

Building Floor Area – This category considers the square footage of each comparable building in relation to the subject building. Typically, as the square footage increases the sale price per square foot decreases due to economies of scale. The subject and comparable buildings range from 56,500 to 407,938 square feet. Sale #2 was adjusted downward for its smaller size in relation to the subject. Sale #4 was adjusted upward for its larger size in relation to the subject property.

Age/Condition – This category takes into consideration the age and condition of the comparable sales in relation to the subject improvements. The subject property was constructed in 1997. For this analysis, we are estimating the subject property value at reversion in Year 2047. The building will be 49 years old at the date of reversion. This has been considered in our age/condition adjustments.

Sales #2 and #3 were adjusted downward for their superior age and/or condition in comparison to the subject property at reversion in Year 2047. Sale #1 was adjusted upward for its inferior age in comparison to the subject at reversion.

Quality/Design – This category considers overall construction quality, building features, and other factors. The subject property has above average construction quality with tilt up concrete walls, good mechanical and electrical. Sales #1 and #2 were adjusted upward for this factor.

Percent Finish– This category takes into consideration the percentage of finished area at the comparable sales in relation to the subject property. Typically, the higher the percentage of finished area, the higher the sale price per square foot. This category considers the office area including the finished mezzanine area.

Sale #1 was adjusted upward for its inferior percentage of finished area in relation to the subject property. Sale #3 was adjusted downward for its larger percentage of finished area.

Land to Building Ratio – Land to total floor area ratio adjustments were made to reflect the differences in land area present at each comparable sale in relation to the building area. In general, as this ratio increases, there is more land available for green space, parking, other amenities and future expansion. Adjustments were made accordingly.

Warehouse Wall Height – This category considers that higher exterior wall heights are more desirable due to more flexibility and storage space. The adjustments account for the added cost of the extra wall height and the higher cost of electrical and mechanical features. There is also an added cost for footings and foundations to support a heavier load. The warehouse wall height at the subject property is approximately 28 feet. Adjustments were made accordingly.

Storage Hangar Building – The subject property also has a 15,120 square foot storage hangar building that has no finish and 29 foot exterior wall height. All of the sales were adjusted upward for not having similar additional buildings.

Reconciliation of Values - Reversion

After adjustments, the comparable sales indicate values from approximately \$29.00 to \$38.00 per square foot of building area for the subject property. We have given consideration to all of the sales and reconcile to a value of \$32.00 per square foot. The total indicated value from this approach, as of June 30, 2047, prior to considering inflationary factors, is as follows:

Building Area	107,037	SF @	\$32.00	/SF	=	\$3,425,184
Rounded to:						\$3,430,000

INCOME APPROACH – REVERSION

Income-producing real estate has value to potential purchasers because of its capability to produce a future cash flow. This valuation approach reflects the intentions and behaviors of the investor/purchaser in the market. The value of an income-producing property is the present worth of its anticipated future benefits. One basic investment premise holds that the higher the earning power, the higher the value, provided the amount of risk remains constant. The subject is an income-producing property and, therefore, the income approach is applicable.

The estimate of value from this approach will result from a direct capitalization procedure. According to *The Appraisal of Real Estate*, Twelfth Edition (Appraisal Institute, 2001), direct capitalization is defined as a method used in the income capitalization approach to convert a single year's income expectancy into a value indication. This conversion is accomplished in one step, either by dividing the income estimate by an appropriate rate or by multiplying it by an appropriate income factor.

The first task is to estimate the potential gross income the property can achieve at 100% occupancy. The gross annual income is estimated by an analysis of the subject's current rentals, if applicable, as well as rentals at comparable properties. The next step is to estimate an allowance for vacancies and collection loss that will be deducted from the potential gross income to arrive at an effective gross income. The vacancy and collection loss is based on an analysis of vacancies at the subject property as well as those in competing properties.

The next step is to estimate the annual expenses and reserves for replacement to be deducted from the effective gross income in order to arrive at net income before debt service, depreciation and income taxes. The expenses will be estimated after analyzing historical and anticipated data for the subject property and similar properties.

The final step is to capitalize the net operating income into a value estimate using an overall capitalization rate. This overall rate provides for a return on the investment in the land and improvements and a return of the improvements in the form of recapture.

Potential Gross Income

First, we must estimate the potential gross income. In order to estimate the potential market rent for the property, we have analyzed the leases at the subject and competitive property leases.

Subject Lease Data

According to a representative for the property owner, the 15,120 square foot storage hangar building is leased to Cycle Force for \$3,500 per month on a month-to-month basis. This indicates a rent of \$2.78 per square foot. The landlord is responsible for all the expenses including the utilities, real estate taxes, insurance, repairs and maintenance expenses.

Using estimated expenses of \$1.25 per square foot, the adjusted contract rent on a triple-net basis would be \$1.53 per square foot.

Comparable Leases

The following table summarizes lease and listing data from the subject and comparable properties:

Comparable Property Leases						
Location	Area (SF)	Building Age	Lease Start	NNN Rent/SF	Percent Finish	Wall Height
14955 Truman Street, Ottumwa	352,860	1970-1998	2012	\$1.84	0%	14-21
1604 E. Anson, Marshalltown	46,128	1975-90	2012	\$2.26	2%	18-22
1401 E. Monroe St, Mt. Pleasant	102,100	1986-97	2007	\$2.73	6%	15-28
306 Thorson Ave, Waterloo	28,000	1978-85	2009	\$2.75	0%	16
Confidential, Dsm Metro	500,000	1950s R'2017	2017	\$2.95	0%	24-34
4377 112th St, Urbandale	80,000	1991	2012	\$3.17	10%	30
1701 Broad Street, Story City	405,000	1997-2001	2010	\$3.00-3.15	4%	21
4121 Dixon St, Des Moines	177,431	1977	Listing '19	\$3.25	0%	22
6000 Linn Aire Ave, Marion	131,952	1998	2010	\$3.38	5%	22
Confidential, Dsm Metro	150,000	2013	2013	\$3.50	1%	30
4141 Dixon, Des Moines	129,576	1977	2017	\$3.50	1%	23
6301 N. Gateway, Marion	90,000	2002	N/A	\$3.56	8%	20
Confidential, Dsm Metro	50,000	2013	2013	\$3.62	1%	28-33
4091 120th St, Urbandale	58,640	1999	2012	\$3.65	50%	20
500 Bell Ave, Ames	87,500-150,000	1999	Listing '19	\$3.75	0%	33
Confidential, Johnson County	250,000	2006	2009	\$3.75	3%	30
2825 E. Lincoln Way, Ames	576,476	1999-2002	Various	\$3.55-\$3.92	1%	36
3110 Prairie Valley, C. Rapids	66,000	2000	2013	\$3.95	2%	24
6000 Chavenelle, Dubuque	200,100	2009	2009	\$4.04	0%	28
Confidential, Dsm Metro	45,000	2009	2012	\$4.08	6%	30
19225 Kapp Dr, Peosta	144,093	1991-2009	2008	\$4.12	6%	20-32
1120 N. Finn, Algona	30,022	2000	2012	\$4.13	11%	24
775 Kacena Rd, Hiawatha	49,031	2000	2010	\$4.20	28%	25
2900 SW Brookside, Grimes	186,321	2013	2013	\$4.51	4%	30
5605 NW 100th, Johnston	33,460	2000	N/A	\$4.65	9%	36

The rents are on a triple net basis with the tenant responsible for most expenses, including insurance, real estate taxes, repairs/maintenance, management, and utilities.

Upon the land lease expiration in 2047, the buildings will be approximately 49 years old. The majority of the comparable leases would be adjusted downward for their superior age/condition in relation to the subject property. The leases would also be adjusted for building size and quality, location, percent finish, land-to-building ratio, and other factors. The subject rent is at the low end of the range, which is reasonable due to the building size, land to building ratio, and building age.

Market Rent Summary @ Reversion

At reversion, the building improvements will be approximately 49 years old. We estimate the market rent for the subject property to be \$2.75 per square foot for the warehouse building and \$1.25 per square foot for the storage hangar building.

The rents are on a triple net basis with the tenant responsible for most expenses, including insurance, real estate taxes, repairs/maintenance, management, and utilities.

Vacancy and Collection Loss

In order to estimate the vacancy and collection loss, we have talked with local real estate participants in the Ames market. They indicated that the vacancy for industrial and service commercial properties in the area is relatively low, near 5% to 10%. We have also viewed the comparable properties located in the Ames area and we concur with this estimate.

For this analysis, we are estimating the market value of the subject property at reversion in Year 2047. At reversion, the building improvements will be approximately 49 years old. There is uncertainty estimating the vacancy and collection loss rate 28 years into the future. We have estimated the stabilized vacancy and collection loss rate for the subject property to be 10.0% of potential gross income.

EXPENSES

The lessee will be responsible for all costs of building operation with the exception of leasing fees, structural repairs and the reserves for replacement. The expenses borne by the lessor are discussed in the following subsections. The lessor would also be responsible for taxes and insurance during times of vacancy. Therefore, the landlord will still be responsible for 10% of all relevant expenses.

Real Estate Taxes: The current assessment is \$3,250,000, which is higher than our estimate of market value at reversion. We assume the assessment would be lowered to a level near market value. We have estimated taxes using an estimated assessment of \$2,500,000 and a millage rate of 32.0 per \$1,000 of assessed value. The property owner will be responsible for 10% of the estimated expense to reflect stabilized occupancy.

Insurance: Insurance covers the cost of a fire and extended coverage policy. This expense at comparable properties has typically ranged from \$0.20 to \$0.30 per square foot of rentable building area. We have estimated this expense to be \$0.20 per square foot. The owner will incur an insurance expense during vacancy and, therefore, this expense has been estimated to be 10% of \$0.20 per square foot of building area to reflect normal occupancy.

Management: The management fees reflect the cost of a management company who would be responsible for the day-to-day management function. However, in certain instances these services will be provided by the property owner.

We have estimated market rent with the tenant being responsible for the management expenses. However, leases often have management cost caps and some management expenses cannot be passed through to the tenants. We have estimated a total management fee of 5% of effective gross income, but assuming the majority of the expense will be passed through to the tenants, we have used a 1% management fee in our reconstructed operating statement.

Leasing Commissions: The leasing commission expense reflects the cost to the lessor of a realtor or other professional to locate and secure tenants. In the local marketplace, that is generally 6% of the revenues to be received over the life of the lease. However, we acknowledge that part of the time the property owner will locate his or her own tenants. Therefore, assuming that 50% of the time the property owner locates his or her own tenants, an effective leasing commission rate of 3% of effective gross income should be adequate.

Utilities: The utility expense is the responsibility of the tenant.

Repairs and Maintenance: We are estimating market value with triple net leases whereby the tenant is responsible for most repair/maintenance expenses. The landlord will have to pay for some major maintenance items that are accounted for in the reserves for replacement expense. Therefore, we have not included an additional repair and maintenance expense in the reconstructed operating statement.

Reserves: The reserves for replacements is a sinking fund established to replace short-lived items. These components typically require replacement prior to the end of the economic life of the real estate. Items included are the pavement, HVAC equipment and roof cover.

For this analysis, we have also included a tenant improvement reserve for the office area. Upon expiration of leases, the building may be occupied without significant improvements. However, over a 20-year period the finished areas will typically need new flooring, ceiling tiles, and paint. Therefore, we have estimated a \$5.00 per square foot improvement to be incurred every 20 years. For this item, we will use a straight-line multiplier.

The reserve for replacements is estimated using a 3% safe rate. In theory, the property owner would set aside the sums shown annually which would then accrue interest at the rate of 3%. Then the funds will be available when the replacement of the component is required.

RESERVE FOR REPLACEMENTS CALCULATIONS

Item						Life (Years)	Mult.	Reserve
Roof	116,567	SF @	\$2.00	/ SF is	\$233,134	20	0.037216	8,676
Office HVAC	16,530	SF @	\$1.50	/ SF is	\$24,795	20	0.037216	923
Whse HVAC	105,627	SF @	\$0.75	/ SF is	\$79,220	20	0.037216	2,948
Pavement	220,000	SF @	\$1.50	/ SF is	\$330,000	25	0.027428	9,051
Tenant Improv.	16,530	SF @	\$5.00	/ SF is	\$82,650	20	0.050000	4,133
Total Reserve								\$25,731

Given the previously discussed inputs, the stabilized operating statement follows:

RECONSTRUCTED OPERATING STATEMENT – REVERSION

Gross Potential Annual Income			
Warehouse	107,037	Sq. Ft. @	\$2.75 /SF is \$294,352
Hangar	15,120	Sq. Ft. @	\$1.25 /SF is \$18,900
Total	122,157		\$2.56 /SF Avg is \$313,252
Less: Vacancy & Collection Loss		10.0%	<u>31,325</u>
Effective Gross Income			281,927
Less: Operating Expenses			
Fixed Expenses			
Taxes			7,200
Insurance			<u>2,443</u>
Total Fixed Expenses			9,643
Variable Expenses			
Management			2,819
Leasing Fees			8,458
Utilities		Tenant	
Repairs & Maintenance		Tenant	
Reserves			<u>25,731</u>
Total Variable Expenses			<u>37,008</u>
Total Operating Expenses		16.5%	<u>46,651</u>
Net Operating Income		83.5%	<u>\$235,276</u>

Capitalization Rate

The net operating income before depreciation and debt service will be capitalized using an overall capitalization rate. The overall capitalization rate provides for a return on the investment in the land and improvements and a return of the improvements in the form of recapture. This rate will be estimated by analyzing rates from comparable sales, developing a mortgage/equity analysis and obtaining rates from published surveys.

Comparable Sales Analysis

The following table includes extracted rates from other comparable properties.

Address	Year Built	Sale Date	Sale Price	Cap Rate
1635 NE 53rd Ave, Dsm	1992	2/26/15	\$5,000,000	6.41%
6806 SE Bellagio Crt, Ank	2016	1/31/18	\$1,800,000	6.34%
810 SE Corporate Woods Dr, Ankeny	2015	6/20/17	\$14,700,000	6.38%
4131 120th St, Urb	1999	1/6/15	\$5,900,000	7.11%
2825 E Lincolnway, Ames	1999-02	7/31/14	\$26,250,000	7.29%
4060 Dixon St, Dsm	1977-89	4/30/18	\$2,260,000	7.47%
1301 Ohio St, Dsm	1992	1/13/17	\$907,200	7.47%

Mortgage Equity

An alternative method of estimating the overall capitalization rate is through the use of a mortgage equity analysis. This method takes into consideration that most income producing properties are purchased with a maximum mortgage. Today's real estate market is not a cash market, but rather properties are typically financed. A typical purchaser utilizes leverage to maximize projected gains and to minimize losses.

It appears the subject property could qualify for a mortgage with an interest rate around 5.5%, an amortization period of 25 years and a loan to value ratio of 75%. The mortgage constant for such a loan is 7.37%.

It is also necessary to estimate the equity dividend rate (cash on cash) that would be required by a typical purchaser as a return on the equity investment. Five-year treasury bonds are yielding around 2.5%. These government investments are considered to be nearly risk-free. However, they do not have the potential for appreciation like real estate. The yield rate for treasury bonds is considered to be a base. The equity dividend rate for the subject property would be higher due to additional risk.

Equity dividend rates for comparable investments in the Des Moines area have been around 7% to 10%. For this analysis, we are estimating the value at reversion in year 2047. There is uncertainty estimating a value far into the future and therefore we have chosen a rate near the upper end of the range. We have estimated the equity dividend rate to be 10.0%.

An indication of the overall capitalization rate from this method is calculated as follows:

75%	x	0.07369	Mortgage Constant	is	0.05527
25%	x	0.09500	Equity Dividend	is	0.02375
					0.07902
Rounded to:					7.90%

Investment Bulletin

Another source of capitalization rate information is the American Council of Life Insurance *Investment Bulletin*. We have reviewed the February 21, 2019 quarterly publication covering the fourth quarter of 2018. This publication reports mortgage interest rates and capitalization rates for national investment type properties from information supplied by 30 large insurance company lenders.

Property Type/ Loan Size	No. Loans	Avg. Contract Interest Rate	Average Cap. Rate
All Industrial	161	4.45%	5.93%
Industrial < \$2 Million	37	4.94%	7.40%
Industrial, \$2MM to \$5MM	52	4.77%	7.04%
Industrial, \$5MM to \$15MM	38	4.62%	6.11%

Capitalization Rate Summary

The separate sources indicated overall capitalization rates from 5.9% to 7.5%. We will estimate a capitalization rate near the high end of the range for the June 30, 2047 valuation due to the uncertainty related to the future. We estimate the terminal capitalization rate at reversion to be 7.5%.

Reversion Valuation – Income Approach

The total indicated value from this approach, as of June 30, 2047, prior to considering inflationary factors, is as follows:

$$\$235,276 \text{ Capitalized at } 7.5\% = \$3,137,013.$$

$$\text{Rounded to: } \$3,140,000.$$

RECONCILIATION REVERSION

Cost Approach	\$3,410,000
Sales Comparison Approach	\$3,430,000
Income Approach	\$3,140,000

Reconciliation – Reversion, Prior to Considering Inflation

The cost approach has been developed by estimating the replacement cost new of the improvements summed with the estimated land value. This approach is generally most reliable when there are good indications of land value and the improvements suffer from minimal accrued depreciation. At reversion, the subject improvements suffer from accrued depreciation, which weakens this approach. This approach will be given secondary consideration.

The sales comparison approach has been developed by analyzing sales of comparable industrial properties. Reliable sales have been located and analyzed. This approach provides a credible indicator of value and will be given consideration.

The income capitalization approach has been developed by estimating the annual net operating income and capitalizing it an overall capitalization rate. This approach is most reliable when there are good indications of market rent, expenses and an overall capitalization rate. Since properties similar to the property being appraised are generally purchased based on their income producing potential, this approach will also be given consideration.

Conclusion - Reversion

We have given consideration to the approaches and reconcile to a reversion value, as of June 30, 2047, but disregarding inflation of **\$3,300,000**.

Our previous estimate of reversion value would require an upward adjustment for inflation. It is expected that land values and construction costs will increase during the next 28.3 years. We have estimated an annual appreciation rate of 1.5%. The calculations are as follows:

Reversion Value – June 30, 2047	
Reversion Value (March 15, 2019))	\$ 3,300,000
Inflation	1.5% / Year
Number of Years	28.3
Inflation Factor	1.5240
Reversion Value (June 30, 2047)	\$5,029,200
Rounded to:	\$5,030,000

**DISCOUNTED CASH FLOW
LEASED FEE ESTATE (CITY OF AMES INTEREST)**

We will complete a discounted cash flow analysis to determine the market value of the leased fee estate held by the City of Ames.

The market value of the property is achieved by calculating the present value of the cash flows added to the present value of the reversion, or future sale price, of the property. The present value of these items is estimated by applying a discount rate to the series of cash flows.

Land Lease Agreement

The land was leased to Vantage Enterprises, LLC. The lease was assigned to Mulmac, LLC according to an Assignment of Tenant's Interest in Ground Lease recorded in Book 2007, Page 4344 in the Story County Recorder's Office on April 4, 2007.

The original lease agreement was dated May 27, 1997. The land lease is for a fifty (50) year term, which includes all of the option periods.

Rent Amount

The initial lease term was for 10 years at a rent of \$100 per acre per year for the first 5 years then increasing to \$2,700 per acre in the 6th year. The scheduled rent is set to increase 3% per year over the life of the lease. The lease agreement states "In the tenth year the Tenant-Developer may call for an appraisal of the per acre market value of the land leased by this lease....The Tenant-Developer may then elect to continue to pay rent at the aforesaid rate, or elect to pay an adjusted annual rent per acre that is equal to 10% of the per acre market value of the land leased by this lease determined by the said appraisal, that adjusted rate to increase in amount by 3% each year thereafter." The tenant has the right to call for appraisals in years 15, 20, 25, 30, 35 and 40. To our knowledge, no appraisals were completed to adjust the land lease rate. Our appraisal assumes the contract lease rates throughout the remaining lease duration is similar to what is shown in the contract lease.

We previously estimated the market value of the land, assuming vacant as of March 15, 2019 to be \$1,00,000 or approximately \$78,400 per acre. Based a land rent of 10% of the per acre value, this indicates a rent of \$7,840 per acre. The current land rent for the subject property beginning July 1, 2018 to June 30, 2019 is \$4,333 per acre. This is less than 10% of the per acre market value of the land. Therefore, we assume the rent for the remaining land lease term to be equal to the rent schedule provided in the lease.

Landlord Expenses

The landlord is not responsible for any property related expenses during the time of the lease. The landlord (City of Ames) will obtain the building improvements at the end of the lease term (June 30, 2047) if the land lease is not extended. The lease does not provide for an option to extend the lease beyond 2047 or provide for an option for the tenant to purchase the property.

Income

The land lease has approximately 28 years remaining. The tenant does not have the option to renew the lease after the 28 years. The current rent is \$4,333 per acre or \$55,246 per year. The lease rate is set to increase 3% per year. The 2019 to 2020 rent will be \$56,903 per year.

We will use the land rent as stated in the Exhibit C Rent Schedule of the land lease through June 30, 2047. At the end of the lease, we assume the land, building and associated site improvements could be leased at market rent.

Reversion Value

We previously completed estimated the market value of the subject property at reversion, as of June 30, 2047 to be \$5,030,000.

Since reversion happens at a point in time in the future, the reversion value must be discounted to present value. We have estimated a discount rate of 7.25% for the annual land lease payments as described later in this section. We have estimated a higher discount rate would be appropriate for the building component to consider additional risk. We estimate a discount rate of 8.5% is appropriate for the reversion value.

Therefore, the total reversion value adjusted by the present value factor is estimated below:

	Estimated Market Value as of 2047
Reversion Value	\$5,030,000
Present Value Factor @ 8.5%	0.10185
Reversion Value Adjusted for Time	\$512,306

Discount Rate

The net cash flow before depreciation and debt service will be discounted to arrive at the present value of the future cash flow benefits.

According to *The Dictionary of Real Estate Appraisal*, Fifth Edition (Appraisal Institute, 2010), the term discount rate is defined as follows:

Discount Rate – A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. *See also* risk rate; safe rate; yield rate.

The selection of the appropriate discount rate is a key factor to determine the value of the leased fee estate. The discount rate can be estimated through several methods including the method of adjusting the capitalization rate for inflation, extractions from comparable sales, and building a rate using mortgage and equity parameters. Following is a discussion of each of these methods of discount rate development.

Comparable Sales – Discount Rates

There are no sales of comparable land lease rates in rural Iowa towns. We have observed discount rates to primarily range from 7% to 9% for improved commercial properties in the Des Moines metro. Typical land lease discount rates are lower than rates on improved properties due to reduced risk and depreciation factors. We have observed land cap rates and land discount rate over the years. The land capitalization rates have ranged from 5% to 7%. The land discount rates have ranged from 6% to 8%.

Capitalization Rate Adjustment

One method to estimate a discount rate is to sum the estimated inflation rate to the going-in capitalization rate. We previously estimated the terminal cap rate for the building improvements at reversion to be 7.5%.

The capitalization rate for the land would be less due to less risk associated with the income stream and the annual 3% rent increase. From the comparable sales and published surveys, we conclude an appropriate going-in capitalization rate for the land lease to be 6.0%.

Capitalization Rate Adjustment

To develop a discount rate, we must now adjust the capitalization rate for inflation (expected change). We estimate inflation to be approximately 1.0 to 2.0%% per year. Therefore, according to discount rate theory, we should add 100 to 200 basis points to our estimated capitalization rate to arrive at a discount rate of 7.0% to 8.0%.

However, it is inappropriate to add the full estimated inflation rate. The level income premise states that the yield rate (discount rate) would be the overall change in property value multiplied by the sinking fund factor added to the going-in capitalization rate. However, contract rent is increasing over the lease term. Therefore, the yield rate would be less than 7.0% to 8.0%, or approximately 6.5% to 7.5%.

Mortgage Equity Analysis

A discount rate can also be derived based on current mortgage and equity requirements. A mortgage would be available for up to 75% of the value at a rate of 5.5% with an amortization period of 25 years. The mortgage constant for such a loan is 7.37%. In developing a discount rate, the mortgage interest rate is used rather than the mortgage constant since the interest rate is the yield rate that would apply to the mortgage component.

The required equity yield that would be necessary to induce equity investment in the property must also be estimated. The equity yield rate is the internal rate of return to the equity position. It is logical the equity yield rate would be higher than the mortgage rate since the equity position is at greater risk. The yield rate is different than the equity dividend rate since the dividend rate is simply the annual cash return to equity. The required yield rate for this type of investment would likely be near 10% to 15%, and we have reconciled to 11% for the subject property.

The following table summarizes the discount rate development.

75%	x	0.07369	Mortgage Constant	is	0.05527
25%	x	0.11000	Equity Dividend	is	0.02750
					0.08277
Rounded to:					8.30%

This method would not accurately indicate a discount rate if the typical investor expects the same rate of return on the equity build-up as on the initial investment. The reason is that if the same rate were expected, this method would understate the yield rate. The equity position would increase as debt service is paid. Therefore, the loan to value ratio is changing due to amortization of the loan and appreciation in property value.

This method is reliable if the investor would accept a return on the equity build-up equal to the interest rate. A typical investor receiving an 11.0% return on the original investment would accept a 5.5% return on the equity build-up. Therefore, the mortgage equity analysis is a reliable indicator of a discount rate.

Discount Rate Summary

The several indicators indicate a range of discount rates between 6.5% and 8.3%. The subject property consists of guaranteed land rent payments with an annual increase of 3% per year and the landlord obtaining ownership of the building at the end of the land lease. Therefore, we estimate a discount rate closer to the lower end of the range and we estimate 7.25% to be appropriate for the subject property. This discount rate will be used to determine the present value of the cash flows over the 28-year holding period. The present value of the reversion has been previously calculated to be \$512,306.

Discounted Cash Flow Analysis

The following table contains the discounted cash flow calculations.

Discounted Cash Flow

Year	Contract Rent	Vac. & Misc. 0.0%	Reserve	Net Base Income	Disc. Factor 7.25%	Present Value
1	\$56,903	0	0	\$56,903	0.93240	53,057
2	\$58,612	0	0	\$58,612	0.86937	50,955
3	\$60,359	0	0	\$60,359	0.81060	48,927
4	\$62,182	0	0	\$62,182	0.75581	46,998
5	\$64,043	0	0	\$64,043	0.70471	45,132
6	\$65,956	0	0	\$65,956	0.65708	43,338
7	\$67,945	0	0	\$67,945	0.61266	41,627
8	\$69,985	0	0	\$69,985	0.57124	39,978
9	\$72,076	0	0	\$72,076	0.53263	38,390
10	\$74,243	0	0	\$74,243	0.49662	36,871
11	\$76,462	0	0	\$76,462	0.46305	35,406
12	\$78,757	0	0	\$78,757	0.43175	34,003
13	\$81,128	0	0	\$81,128	0.40256	32,659
14	\$83,564	0	0	\$83,564	0.37535	31,366
15	\$86,063	0	0	\$86,063	0.34998	30,120
16	\$88,651	0	0	\$88,651	0.32632	28,929
17	\$91,303	0	0	\$91,303	0.30426	27,780
18	\$94,044	0	0	\$94,044	0.28369	26,679
19	\$96,862	0	0	\$96,862	0.26452	25,622
20	\$99,769	0	0	\$99,769	0.24663	24,606
21	\$102,765	0	0	\$102,765	0.22996	23,632
22	\$105,851	0	0	\$105,851	0.21442	22,696
23	\$109,025	0	0	\$109,025	0.19992	21,796
24	\$112,302	0	0	\$112,302	0.18641	20,934
25	\$115,668	0	0	\$115,668	0.17381	20,104
26	\$119,136	0	0	\$119,136	0.16206	19,307
27	\$122,706	0	0	\$122,706	0.15110	18,541
28	\$126,391	0	0	\$126,391	0.14089	17,807
Total	\$2,442,747			\$2,442,747		907,260
	Present Value of Cash Flows					\$907,260
	Present Value of Reversion					512,306
	Total Present Value					\$1,419,566
	Rounded to					\$1,420,000

Valuation Conclusion – Leased Fee- City of Ames Interest

The market value of the leased fee estate in the subject property (City of Ames Interest), as of March 15, 2019, is **\$1,420,000**.

RECONCILIATION AND FINAL ESTIMATE

Discounted Cash Flow	\$1,420,000.
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Reconciliation

The income approach has been developed by completing a discounted cash flow analysis. The income approach is the most appropriate method to estimate the market value of the leased fee estate held by the City of Ames Interest. As part of the analysis, we estimated the market value the subject property at reversion by completing a cost approach and income approach.

The tenant has approximately 28 years remaining on the lease agreement. At the expiration of the lease, the land and improvements will revert back to the landlord. We have completed a discounted cash flow to estimate the net present value of the cash flows and of the reversion. This approach provides a good indication of market value.

Final Estimate of Value

We estimate the market value of the leased fee estate, (City of Ames Interest) in the subject property, as of March 15, 2019, to be **\$1,420,000.**

The estimate of market value upon completion of improvements is contingent upon the following extraordinary assumption. The item is defined as “extraordinary” per the definition contained in the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Institute. The definition of extraordinary assumption is included in this report.

Our estimate of market value of the leased fee estate assumes the lease terms will be as described in this report.

Our estimate of market value would require review and modification if it were not contingent upon the extraordinary assumption.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation from completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I did not inspect the subject property.

I have performed no services, as an appraiser or in any other capacity, regarding the subject property within the last three years.

Karen C. Olson prepared the analysis and valuation conclusions. Russ G. Manternach provided consultation and review assistance. No other person provided significant professional assistance to the persons signing this report.

As of the date of this report, Russ G. Manternach has completed the requirements of the continuing education program of the Appraisal Institute.



Russ G. Manternach, MAI
State Certificate # CG01775

CERTIFICATION

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation from completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I personally inspected the interior of the party barn property and the exterior of the single family homes. I also viewed the subject land parcels.

I have performed no services as an appraiser or in any other capacity on the subject property within the last three years.

Karen C. Olson prepared the analysis and valuation conclusions. Russ G. Manternach provided consultation and review assistance. No other person provided significant professional assistance to the persons signing this report.

As of the date of this report, Karen Olson has completed the requirements of the continuing education program of the Appraisal Institute.



Karen C. Olson, MAI
State Certificate # CG02871

COMPARABLE LAND SALES MAP



Land Sale No. 1



Property Identification

Record ID 4782
Property Type Industrial
Address 1600 Blue Sky Blvd, Huxley, Story County, Iowa 50124

Sale Data

Grantor Interstate Land Properties, LLC
Grantee Two Companies, LLC
Sale Date May 20, 2017
Deed Book/Page 2017-5192
Property Rights Fee Simple
Conditions of Sale Typical
Financing Cash
Verification Grantor

Sale Price \$375,000

Land Data

Topography Level
Utilities All
Gross Land Size 6.540 Acres or 284,882 SF

Indicators

Sale Price/Gross Acre \$57,339
Sale Price/Gross SF \$1.32

Land Sale No. 2



Property Identification

Record ID 4781
Property Type Industrial
Address 1520 Blue Sky Blvd, Huxley, Story County, Iowa 50124

Sale Data

Grantor Interstate Land Properties, LLC
Grantee Diamond W Two, LLC
Sale Date December 11, 2015
Deed Book/Page 2015-12262
Property Rights Fee Simple
Conditions of Sale Typical
Financing Cash
Verification Grantor
Sale Price \$250,000

Land Data

Topography Level
Utilities All
Gross Land Size 5.000 Acres or 217,800 SF

Indicators

Sale Price/Gross Acre \$50,000
Sale Price/Gross SF \$1.15

Remarks Grantee built implement dealer (Ditch Witch) on site.

Land Sale No. 3



Property Identification

Record ID 4701
Property Type Industrial
Address 2825 Wakefield Circle, Ames, Story County, Iowa

Sale Data

Grantor Woodruff Construction, LLC
Grantee Badger Investments, LC
Sale Date August 24, 2017
Deed Book/Page 2017-12305
Property Rights Fee Simple
Verification Grantee & Public Records
Sale Price \$680,721

Land Data

Zoning GI - General Industrial
Topography Level
Utilities All
Gross Land Size 6.628 Acres or 288,730 SF

Indicators

Sale Price/Gross Acre \$102,699
Sale Price/Gross SF \$2.36

Remarks Grantee plans to construct warehouse on the site for owner-occupancy.

Land Sale No. 4



Property Identification

Record ID 3721
Property Type Commercial
Address 707 Airport Road, Ames, Story County, Iowa

Sale Data

Grantor Kellie M. Markey Revocable Trust
Grantee AM Commercial Properties LLC
Sale Date April 25, 2013
Deed Book/Page 2013/5687
Property Rights Fee Simple
Verification Public Records

Sale Price \$1,260,000

Land Data

Zoning HOC

Land Size Information

Gross Land Size 11.568 Acres or 503,907 SF

Indicators

Sale Price/Gross Acre \$108,920
Sale Price/Gross SF \$2.50

Remarks

Listed prior to sale. Grantee owns adjacent building to the southeast. The north portion of the site was low, grantee spent approx. \$170k on fill and grading to make the lots 100% buildable.

Land Sale No. 5



Property Identification

Record ID 5227
Property Type Industrial
Address SE Corporate Woods Drive, Ankeny, Polk County, Iowa

Sale Data

Grantor Deborah L. Gallion
Grantee Ruan Transport Corporation
Sale Date November 08, 2018
Deed Book/Page 17142-407
Property Rights Fee Simple
Conditions of Sale Typical
Financing Cash
Verification Grantor & Public Records
Sale Price \$1,450,000

Land Data

Zoning PUD
Utilities All Near
Gross Land Size 20.592 Acres or 896,984 SF

Indicators

Sale Price/Gross Acre \$70,416
Sale Price/Gross SF \$1.62

Remarks Grantee plans to construct a \$9,000,000 operations and training center. A 100-foot wide overhead power line easement extends through the north portion of the site. Property was not listed prior to sale and grantee approached owner and negotiated a price.

Land Sale No. 6



Property Identification

Record ID 5331
Property Type Industrial
Address 3525 S Riverside Dr, Ames, Story County, Iowa

Sale Data

Grantor Iowa State University Research Park
Grantee Deere & Company
Sale Date August 02, 2018
Deed Book/Page 2018-07400
Property Rights Fee Simple
Verification Grantor and Public Records
Sale Price \$338,500

Land Size Information

Gross Land Size 5.008 Acres or 218,149 SF

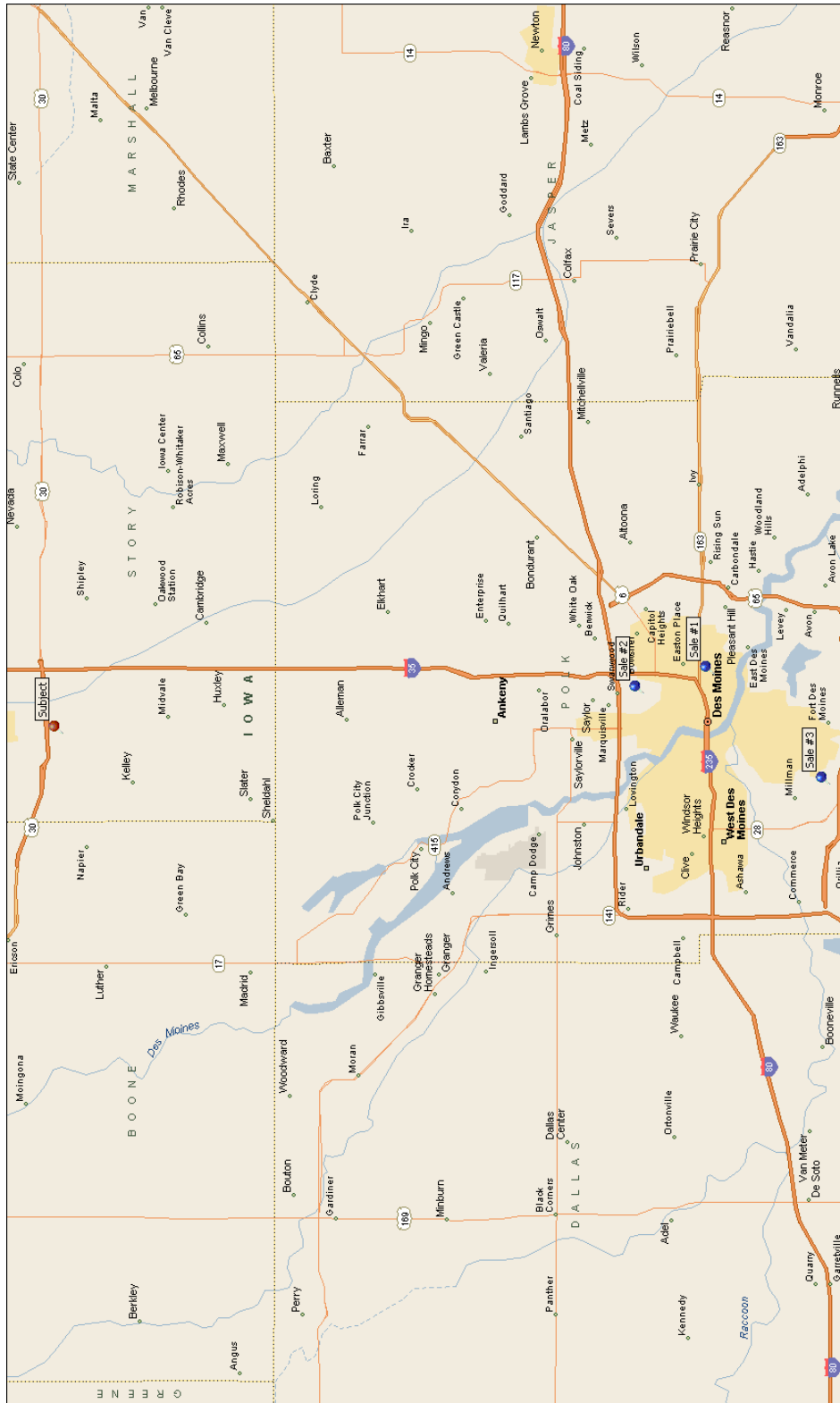
Indicators

Sale Price/Gross Acre \$67,592
Sale Price/Gross SF \$1.55

Remarks

Seller is a non-profit research park associated with ISU. The seller stated the sale price is likely below market due to the relationship between ISU and the buyer (John Deere). The sale would require an upward adjustment for conditions of sale. The buyer is building a research test facility on the site. The seller is responsible for paving Riverside Drive and extending Collaboration Place along the north side of the site. The seller stated the street funding will partially be provided by the City of Ames and other grants.

COMPARABLE IMPROVED SALES MAP



3737 Woodland Avenue • Suite 320 • West Des Moines, Iowa 50266
Phone 515/288-6800 • Fax 515/288-6810

Improved Sale No. 1



Property Identification

Record ID 2973
Property Type Industrial
Address 2245 Dean Avenue, Des Moines, Polk County, Iowa 50317

Sale Data

Grantor Richard K. Hansen
Grantee Franzenburg Commercial Real Estate, LLC
Sale Date March 01, 2018
Deed Book/Page 16833-397
Property Rights Leased Fee
Verification Broker - Arnold Engman & Public Records
Sale Price \$1,490,000
Land Size 1.846 Acres or 80,410 SF
SF 63,926
Year Built 1953 R '92
Potential Gross Income \$182,189
Vacancy \$14,575 8%
Effective Gross Income \$167,614
Expenses \$25,142 15%
Net Operating Income \$142,472
Sale Price/ SF \$23.31
Floor Area Ratio 0.80
Land to Building Ratio 1.26:1
Gross Income Multiplier 8.18
Eff. Gross Income Multiplier 8.89
Expenses/Sq. Ft. \$0.39
Overall or Cap Rate 9.56%
Net Operating Income/Sq. Ft. \$2.23

Remarks Grantee was tenant in the building prior to the sale. The broker stated the grantee occupied approximately 45,000 SF of the building at a rate of \$2.85/SF, NNN with a remaining lease term of approximately two years. The building has 11 docks, including two interior docks, and 2,056 SF (3%) of office finish. The roof was replaced in 2015. Warehouse area is heated. Wall height ranges between 19 and 24 feet, but interior clear height is 16'.

Improved Sale No. 2



Property Identification

Record ID 2974
Property Type Industrial
Address 4060 Dixon Street, Des Moines, Polk County, Iowa

Sale Data

Grantor PAH Family LP
Grantee Penta Partners, LLC
Sale Date April 30, 2018
Deed Book/Page 16903-454
Property Rights Leased Fee
Verification Grantee - Travis Sisson & Public Records
Sale Price \$2,260,000
Land Size 3.882 Acres or 169,080 SF
SF 56,500
Year Built 1977 & 1989 Avg 1978
Potential Gross Income \$216,000
Vacancy \$17,280 8%
Effective Gross Income \$198,720
Expenses \$29,808 15%
Net Operating Income \$168,912
Sale Price/ SF \$40.00
Gross Income Multiplier 10.46
Eff. Gross Income Multiplier 11.37
Expenses/Sq. Ft. \$0.53
Overall or Cap Rate 7.47%
Net Operating Income/Sq. Ft. \$2.99

Remarks Grantee stated the property was in average condition and no major repairs/renovations were necessary or planned. The building has 20' exterior walls and 9,596 SF (17%) of office finish. Grantee stated the building was fully leased to a single tenant at \$3.83/SF, NNN for four months and the tenant extended the lease for an additional four months after the sale. Warehouse area is heated.

Improved Sale No. 3



Property Identification

Record ID 2899
Property Type Industrial
Address 3600 Army Post Road, Des Moines, Polk County, Iowa 50321

Sale Data

Grantor Lexington TNI Des Moines, LP
Grantee IPE 1031 Rev235, LLC (Atlantic Bottling)
Sale Date May 22, 2017
Deed Book/Page 16487-19
Property Rights Fee Simple
Conditions of Sale Typical
Financing Cash
Verification Broker (Darin Ferguson) & Public Records
Sale Price \$16,200,000

Land Size 27.970 Acres or 1,218,373 SF
Zoning PUD
Utilities All

SF 407,938
Sprinklers Wet
Floor Height 32
Year Built 2002
Condition Average

Sale Price/ SF \$39.71

Remarks Atlantic bottling (Coke) the purchaser relocated from facility in Waukee. 80k sf of office & 39,172 sf of quasi-finish "production" space for a total of 119,172 sf (29%) finish/quasi-finish with full hvac. Office is located on two floors. Balance of building is high bay warehouse. Wall height ranges from 24' to 40' and average approximately 32'. As of 6/26/2018, there is 15,667 sf of 2nd floor office listed for leased for \$9.00/sf NNN and 128k sf of warehouse listed for lease for \$4.25/sf NNN, blended average is \$4.77/sf NNN w/ 11% office.

DEFINITIONS

The following definitions have been taken from *The Dictionary Of Real Estate Appraisal*, Fifth Edition, published by the Appraisal Institute, as printed in 2010.

Easement

Non-possessory (incorporeal) interest in landed property conveying use, but not ownership, of a portion of that property.

Eminent domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property.

Fee simple estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Fixture

An article that was once personal property, but has since been installed or attached to the land or building in a rather permanent manner so that it is regarded in law as part of the real estate.

Grantee

A person to whom property is transferred by deed or to whom property rights are granted by a trust instrument or other document.

Grantor

A person who transfers property by deed or grants property rights through a trust instrument or other document.

Lease

A contract in which the rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased fee interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

Leasehold improvements

Improvements or additions to leased property that have been made by the lessee.

Leasehold interest

The tenant's possessory interest created by the lease.

Lessee

One who has the right to occupy and use the property of another for a period of time according to a lease agreement.

Lessor

One who conveys the rights of occupancy and use to others under a lease agreement.

Life Estate

Rights of use, occupancy, and control, limited to the lifetime of the designated party, sometimes referred to as the *life tenant*.

Market Rent

The most probable rent a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well-informed or well advised and each acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Office Of The Controller Of The Currency, effective date August 24, 1990, as amended April 9, 1992 and June 7, 1994.

Real Estate

An identified parcel or tract of land, including improvements, if any.

Real Property

The interests, benefits, and rights inherent in the ownership of real estate (USPAP, 2010-2011 ed.)

STATE CERTIFICATION



IOWA DIVISION OF BANKING

IOWA DEPARTMENT OF COMMERCE
DIVISION OF BANKING

THIS IS TO CERTIFY THAT THE BELOW NAMED
HAS BEEN GRANTED A CERTIFICATE AS A
GENERAL REAL PROPERTY APPRAISER

CERTIFICATE NO. CG01775 EXPIRES: 6/30/2019

MANTERNACH, RUSSELL G
COMMERCIAL APPRAISERS OF IA
3737 WOODLAND AVENUE
SUITE 320
WEST DES MOINES, IA 50266

QUALIFICATIONS OF THE APPRAISER

Russ G. Manternach, MAI **Real Estate Appraiser**



Education

Master of Business Administration
Creighton University, Omaha, Nebraska
December, 1992

Bachelor of Business Administration
Iowa State University, Ames, Iowa
December, 1989

Experience

Professional experience includes over 20 years as a commercial real estate appraiser. Russ co-founded Commercial Appraisers of Iowa, Inc. in 2001 after eight years with Iowa Appraisal and Research Corporation. Our company acquired the appraisal firm Carlson, Gunderson & Associates, Inc. during 2010.

The following is a partial list of property types appraised and experience:

Eminent Domain Projects	Industrial
Multiple Family Residential	Restaurants
Conventional and Medical Office	Mini-storage Facilities
Subdivisions/Vacant Land	Churches
Automobile Dealerships	Special Use Properties
Mobile Home Parks	Retail Properties
Motel/Hotels	Air Rights
Other Income Producing Properties	Expert Witness Testimony

Appraisal Coursework

Standards of Professional Practice, Part A	Business Practices and Ethics
Standards of Professional Practice, Part B	Current Government Policies Affecting Real Estate
Advanced Income Capitalization	Real Estate Appraising –Response to Financial Disaster
Highest and Best Use and Market Analysis	Case Study – Eminent Domain
Advanced Sales Comparison and Cost Approaches	Ethics and Appraisal Review
Report Writing and Valuation Analysis	Right of Way Best Practices
Advanced Applications	Eminent Domain and Condemnation

Professional Affiliations

Designated MAI - Appraisal Institute
Appraisal Institute - Iowa Chapter – Former Board of Director
International Right of Way Association

State Certification

Certified General Real Property Appraiser, State of Iowa. Certificate No. CG01775.

STATE CERTIFICATION



IOWA DIVISION OF BANKING

IOWA DEPARTMENT OF COMMERCE
DIVISION OF BANKING

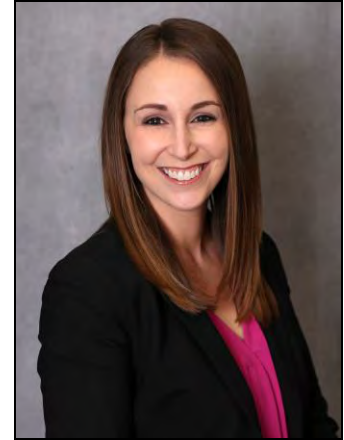
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HAS BEEN GRANTED A CERTIFICATE AS A
GENERAL REAL PROPERTY APPRAISER

CERTIFICATE NO. CG02871 EXPIRES: 6/30/2019

OLSON, KAREN C.
COMMERCIAL APPRAISERS OF IOWA, INC.
3737 WOODLAND AVENUE
SUITE 320
WEST DES MOINES, IA 50266

QUALIFICATIONS OF THE APPRAISER

Karen C. Olson, MAI
Real Estate Appraiser



Education

Bachelor of Business Administration
University of Iowa, May 2004
Finance

Experience

Professional experience includes over 10 years as a commercial real estate appraiser. Karen joined Commercial Appraisers of Iowa, Inc. in 2004 after graduating from the University of Iowa. Professional education includes completing the advanced coursework, experience hours and requirements of the MAI designation in 2017.

Appraisal Institute Coursework

Advanced Sales Comparison and Cost Approaches
Advanced Income Capitalization Approach
General Market Analysis and Highest & Best Use
Report Writing and Valuation Analysis
Advanced Applications
General Demonstration of Knowledge

USPAP
Analyzing Distressed Real Estate
Subdivision Valuation
ARGUS Applications
Business Practices and Ethics
Comprehensive Exam

Appraisal experience includes all types of commercial, industrial and investment properties including the following:

- Multi Family, Including HUD Rent Comparability Studies
- Conventional and Medical Offices
- Retail
- Land/ Subdivisions
- Industrial Properties
- Mini-Storage Facilities
- Eminent Domain Projects
- Special Use
- Investment Properties

Professional Affiliations

Designated MAI – Appraisal Institute
Appraisal Institute – Iowa Chapter Board of Directors

State Certification

Certified General Real Property Appraiser, State of Iowa. Certificate No. CG 02871



10580 Justin Drive
Urbandale, IA 50322

Nelsen Appraisal Associates, Inc.

(Bus) 515-276-0021
(Fax) 515-276-9303

A REAL PROPERTY APPRAISAL IN AN APPRAISAL REPORT OF

Land/Leased Fee Estate



LOCATED AT

3100 South Riverside Drive
Ames, Iowa 50010

CLIENT

City of Ames



10580 Justin Drive
Urbandale, IA 50322

Nelsen Appraisal Associates, Inc.

(Bus) 515-276-0021
(Fax) 515-276-9303

November 30, 2018

Mr. Damion Pregitzer, P.E. PTOE
Traffic Engineer
City of Ames
City Hall
515 Clark Avenue
Ames, Iowa 50010

Re: 3100 South Riverside Drive
Ames, Iowa 50010

Dear Mr. Pregitzer,

At your request, we have appraised a real property interest for the above real estate. Our objective was to form one or more opinions about the market value for a 100% ownership interest in the subject property's leased fee estate assuming no liens or encumbrances other than normal covenants and restrictions of record.

The subject property consists of an irregular, non-corner parcel constituting 12.750 acres. It is improved with a 20-year old, 101,447 square foot heavy manufacturing building, as well as a 19-year old, 15,120 square foot metal hangar. The subject is described in greater detail in the accompanying report.

This valuation contains analyses, opinions, and conclusions along with market data and reasoning appropriate for the scope of work detailed later herein. It was prepared solely for the intended use and intended user(s) explicitly identified in the attached report. Unauthorized users do so at their own risk. The appraisal is communicated in the attached appraisal report, and conforms to the version of the Uniform Standards of Professional Appraisal Practice (USPAP) in effect on this report's preparation date of November 30, 2018.

This letter is not an appraisal report hence it must not be removed from the attached 82-page report. If this letter is disjoined from the attached appraisal report, then the value opinions set forth in this letter are invalid because the analyses, opinions, and conclusions cannot be properly understood.

In general, valuation of the subject property involves no atypical issues. All value opinions are affected by all the information, extraordinary assumptions, hypotheses, general limiting conditions, facts, descriptions, and disclosures stated in the attached appraisal report. After careful consideration of all factors pertaining to and influencing value, the data and analysis thereof firmly supports the following final value opinion(s) for the subject property as of November 27, 2018:

\$1,315,000 Market Value "As Is" Leased Fee Estate

Thank you for your business. Let us know how we may further serve you.



Gene F. Nelsen, MAI, CCIM
Certified General Real Property Appraiser
Iowa License CG01034
License Expiration Date: 6/30/2019



Jennifer K. O'Tool
Associate General Real Property Appraiser
Iowa License AG03473
License Expiration Date: 6/30/2019

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Overview

Salient Information	
<i>Property Type</i>	Land – Leased Fee Estate
<i>Real Estate Appraised</i>	3100 South Riverside Drive Ames, Iowa 50010
<i>County</i>	Story
<i>Estate Valued</i>	100% of the Leased Fee Estate
<i>Client</i>	City of Ames
<i>Client File Number</i>	None
<i>Most Likely Buyer</i>	Owner-User
<i>Effective Value Date</i> <i>(point in time that the value applies)</i>	November 27, 2018
<i>Report Date</i> <i>(date the report is transmitted to client)</i>	November 30, 2018
<i>Value Indication(s)</i>	Cost Approach Not Applied Sales Comparison Not Applied Income Approach \$1,315,000
<i>Final Value Conclusion(s)</i>	\$1,315,000 “As Is” Leased Fee Estate

Noteworthy Issues

The subject property consists of an irregular, non-corner parcel constituting 12.750 acres. It is improved with a 20-year old, 101,447 square foot heavy manufacturing building, as well as a 19-year old, 15,120 square foot metal hangar for a combined 116,567 square feet. The subject is described in greater detail in the accompanying report.

This appraisal includes a market value of the income stream associated with the subject’s land, which is received by the ground lessor. Therefore, it is the leased fee interest that is considered. This is described in greater detail in the remainder of this report.

No atypical factors significantly affect value. The real estate appraised is generally typical for this type property in this locale.



Scope of Work

Scope of Work

Introduction

The Uniform Standards of Professional Appraisal Practice (USPAP) defines scope of work as “*the type and extent of research and analysis in an assignment*”. Scope of work includes, but is not limited to:

- the extent to which the property is identified;
- the extent to which tangible property is observed;
- the type and extent of data researched; and
- the type and extent of analyses applied to arrive at opinions or conclusions.

Assignment Elements

The purpose of this assignment (the problem to be solved) is to form one or more opinions about value. This purpose necessitates identification of seven assignment elements listed below.

1. Client Information

Client's Name **	Mr. Damion Pregitzer, P.E. PTOE
Client's Company Name	City of Ames
Client's Agent	Not Applicable
Agent's Company Name	Not Applicable
Appraiser(s) Engaged By	The Client
Client's Interest In Property Appraised	Owner

2. Other Intended Users

None

3. Intended Use Of Report (*To aid*)

Internal Decisions/Establish Sale Price

4. Value Opinion(s) Developed

Market value

Standard / Definition Of Value Used
To Form The Value Opinion(s)

Advisory Opinion 30 of USPAP, which is the
same definition as the one in FIRREA.

** *The client is always an intended user.*

Scope of Work

Assignment Elements

5. Key Dates

Effective Value Date <i>(point in time the value applies)</i>	November 27, 2018
Report Date <i>(date the report was transmitted to the client or the client's agent)</i>	November 30, 2018
Date Property Appraised Was Observed By One Or More Appraisers Signing This Report	Land & Building Observed November 27, 2018

6. Assignment Conditions

Extraordinary Assumptions	One Or More Apply, Detailed Later Herein
Hypothetical Conditions	None Used
Jurisdictional Exceptions	None Used
Expected Public or Private On-Site or Off-Site Improvements Affect Value	Not Expected
Assemblage of Estates or Component Parts Affects Value	Not Expected
Other	None Used

Scope of Work

Relevant Characteristics

The seventh assignment element is relevant characteristics about the property appraised. These characteristics are typically categorized as physical, legal, and economic.

Physical attributes of the property appraised are presented later in the Subject section of this report. Some characteristics are identified below. Atypical issues are listed in the Noteworthy Issues section and may be further detailed elsewhere herein.

Unless specifically stated otherwise, the estate appraised (listed below) assumes no adverse leases, liens or encumbrances other than normal covenants and restrictions of record.

7a. *Physical*

Existing Property Use	Manufacturing Facility
Property Use Reflected In One Or More Value Opinions	Continued Use As Is
Sources of Information About the Property Appraised Included	Interior & Exterior Observation

7b. *Legal*

Category Of Property Appraised	Real Property
Estate(s) Appraised	Leased Fee
Legal Issues Considered	No Atypical Legal Issues
Environmental Concerns	No Known Environmental Concerns

7c. *Economic*

Effect Of Lease(s) On Value	Effect of Ground Lease Considered
Cost Information	
Type of Reconstruction Cost Used	Reconstruction Cost Not Considered
Source of Reconstruction Cost Information	Not Applicable

Scope of Work

Extent of Services Provided

Number of Final Value Opinions Developed	One
Value Opinion(s) Reflect The Worth Of the Property Appraised	As-Is – Leased Fee Estate
Extent Of Report Preparation	An Appraisal Report
Other Reporting Requirements	Not Applicable
Extent Of Data Research	Extensive
Data Sources	Public Records At Government Office; Real Estate Sales Agents; Buyers and / or Sellers; Landlords and / or Tenants
Documents Considered	Ground Lease
Data Verification	Direct and Indirect Methods Adequate Interior & Exterior Observation
Extent Of Subject Observation By One Or More Appraisers Signing Report	Specifics of this viewing, if any, are detailed in the Extraordinary Assumptions & Disclosures section of this report.

Other Intended Use Considerations

Client's Prior Engagement Of Appraisal Services	Numerous
Loan To Value Ratio	Unknown
Atypical Issues	No Atypical Issues
Assignment Complexity	Typical Complexity
FIRREA Compliance	Fully Compliant
Insurable Value	Insurable Value Is Not An Intended Use

Miscellaneous Matters

Scope of Work Agreement	Agreement in Addenda
-------------------------	----------------------

Scope of Work

Appraisal Development

Appraisal development is the extent of research and analyses that produce one or more credible opinions of value for one or more specifically identified intended users and an explicitly stated intended use. In this context, credible is defined as "worthy of belief".

Depending upon the intended use, intended users, and agreements between the appraiser and the client, the appraisal development process may include several, but not necessarily all of the following tasks.

- observation of the property appraised
- research for appropriate market data
- data verification
- consideration of influential market area, physical, economic, and governmental factors
- determination of the subject's highest and best use(s), if appropriate
- development of one or more applicable approaches to value
- reconciliation of value indications
- preparation of this report

In most cases, the core valuation process begins with a highest and best use analysis. This is essential because it establishes a framework for the proper selection of comparable sales. Cited comparable sales should have the same highest and best use as the property appraised.

Scope of Work

Appraisal Development

If some property modification like new construction is contemplated, a feasibility analysis may be appropriate. In some cases, feasibility may simply be justified by inferred market evidence like low vacancy or rising rents.

According to USPAP, all approaches that are applicable to the interest being appraised and necessary to produce credible results must be developed. The type of highest and best use; extent of feasibility considered; and the relevance of each major approach are listed below.

Highest and Best Use	An Inferred Demand Analysis
Feasibility Analysis <i>(a more detailed study separate from highest & best use)</i>	Separate Feasibility Analysis Not Developed
Cost Approach	Not Applicable And Not Included In Report
Sales Comparison	Not Applicable And Not Included In Report
Income Approach	Applicable And Included In Report

Quoting "*The Appraisal of Real Estate*" Fourteenth Edition published by the Appraisal Institute, says

"Highest and best use analysis and feasibility analysis are interrelated, but feasibility analysis may involve data and considerations that are not directly related to highest and best use determinations. Such analyses may be more detailed than highest and best use analysis, have a different focus, or require additional research."

Applicable and necessary approaches were selected for development after consideration of available market data, intended use, and intended user(s). An approach considered not applicable was omitted because this methodology is not appropriate for the property interest being appraised, or sufficient data to properly develop the approach was not available. Any approach judged not applicable, yet included in this report, was developed solely at our client's request. Data used to develop an inapplicable but included approach has a low to nil degree of comparability to the subject. Hence, no emphasis was given an approach deemed not applicable but included. Furthermore, no liability or responsibility is assumed for an approach considered not applicable but included at the client's request.

Scope of Work

Concept Explanations

Intended use and all intended user(s) should be weighed heavily during the scope of work decision. A single intended user who frequently engages appraisal services is likely very knowledgeable about the appraisal process. For this type user, the appraisal development and reporting for less complex property types might be toward the lower end of the spectrum. By contrast, multiple intended users, especially those with opposing motivations, likely need extensive appraisal development and reporting. Litigation is a prime example when a thorough appraisal development and detailed reporting is warranted.

A loan to value ratio reflects risk. For commercial-grade loans, ratios over 75% are generally regarded as risky. If a contemplated loan is viewed as risky, then the extent of appraisal development and the level of report detail should be more comprehensive. Similarly, more complex properties generally warrant more thorough analyses and more extensive report details.

Prior engagement of appraisal services by a client implies a level of awareness about the appraisal process. A greater awareness may justify a less thorough level of report detail whereas the opposite is true for an individual who has never engaged an appraisal.

A Jurisdictional Exception is an assignment condition, which voids a portion of USPAP that is contrary to law or public policy. When a Jurisdictional Exception applies, only the contrary portion is void. The remainder of USPAP remains in full force and effect. Jurisdiction Exceptions always shrink USPAP, not expand it.

Data verification affects reliability. Direct data verification confirms information used in the report with one or more parties who have in-depth knowledge about physical characteristics for the property being appraised, or related financial details. Indirect verification employs information obtained from a secondary source like a data reporting service, a multiple listing service, or another appraiser. Direct verification is generally more time-consuming and costly, but also more reliable.

Information from all data sources was examined for accuracy, is believed reliable, and assumed reasonably accurate. However, no guaranties or warranties for the information are expressed or implied. No liability or responsibility is assumed by Nelsen Appraisal Associates, Inc. or the appraiser(s) for any inaccuracy from any seemingly credible information source.

Scope of Work

Concept Explanations

A statement about observation of the subject property by the appraiser(s) is listed above. If the subject was observed, this viewing was not as thorough as a professional property inspection. A professional inspector determines the precise physical condition, remaining useful life, and operability of major building components like the structural system, roof cover, electrical system, plumbing, and heating plant. Inspectors typically do not ascertain size of the building, or characteristics of the land. By contrast, an appraiser commonly ascertains both land and building size. Ordinarily, appraisers do not determine operability, or remaining useful life of building systems. An appraiser typically views real estate to determine only general attributes like physical condition of the building as a whole, site topography and access, building size, construction quality, floor plan, and functionality of the property as a whole. For this appraisal, no probes, investigations, or studies were made to discover unapparent, adverse physical features.

Highest and best use analyses can be categorized into two groups - inferred and fundamental. A fundamental analysis is quantified from broad demographic and economic data such as population, household size, and income. Supply is inventoried. Subject specific characteristics are considered. Then, the relationship between supply and demand is weighed to determine a specific highest and best use for the subject. An inferred analysis uses local trends and patterns to infer a general highest and best use for the subject. For an inferred analysis, market dynamics that might be considered include prices, market exposure times, rents, vacancy, and listings of similar real estate. Inferred analyses emphasize historical data while fundamental analyses are based on future projections. The kind of highest and best use analysis utilized in this assignment is listed above.

Report Reliance & Use Restrictions

No liability is assumed, expressed, or implied by Nelsen Appraisal Associates, Inc., or the appraiser(s) for unauthorized use of this report. Only those persons, parties, entities, companies, corporations, partnerships, associations, or groups that are explicitly identified as an intended user on page 2 may rely on, and use this report. There are no implied, suggested, inferred, consequential, or indirect intended users of this report. Unauthorized users should not use, or rely on any portion of this document. Unauthorized users do so at their own risk and peril.

Scope of Work Exclusion - Insurable Value

The cost approach may or may not have been developed herein. Unless explicitly stated otherwise, the cost approach was developed solely to support the subject's market value. Use of this appraisal, in whole or part, for another purpose is not an expected intended use. Nothing in this appraisal should be used, or relied upon to determine the amount or type of insurance coverage to be placed on the subject property. The signatory / signatories to this report assume no liability for, and do not guarantee that any insurable value inferred from this report will result in the subject property being adequately insured for any loss that may be sustained. Since labor costs, material costs, building codes, construction intervals, and governmental regulations are constantly changing, the cost approach may not be a reliable indication of replacement or reproduction cost for any date other than this report's effective value date.

Extraordinary Assumptions & Disclosures

An extraordinary assumption is defined by the Uniform Standards of Professional Appraisal Practice (USPAP) to be “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinion or conclusions”. Extraordinary assumptions presume as fact otherwise uncertain information. In other words, this type assumption involves uncertainty about an underlying premise. An example is a survey that displays a lot size. If the lot size is later found to be much smaller, then the value conclusion may be negatively affected.

USPAP Standard Rule 1-2(f) requires the identification of all extraordinary assumptions that are necessary for credible assignment results. This appraisal employs the following extraordinary assumptions.

- Features of the subject site such as legal description, dimensions, size, etc. were obtained from Story County records. All information taken therefrom is assumed reasonably correct.
- Some details of the subject improvements like size and shape were obtained from public records. Other features such as exterior materials were obtained from personal observation and/or measurement. All are assumed reasonably correct.
- Observation of the subject property included the entire site, some of the roof (as visible from the ground and neighboring sites), most exterior walls (as visible from the ground), most common areas like halls or stairs, and most of the interior. Unseen spaces are assumed to have physical condition and construction quality similar to that in observed spaces. It is further assumed the subject has no hidden defects. The appraiser(s) did not attempt to study, dig, probe, investigate, detect, remove materials, or discover unfavorable physical features.
- Real estate tax information for the subject was obtained from Story County records.
- Assumptions and presumptions discussed in the Noteworthy Issues section of this report, if any, are incorporated by way of reference into these Extraordinary Assumptions & Disclosures.
- A recently issued title policy was not furnished to the appraiser(s). If a value-impairment is identified or suggested in a title policy, another professional report, or some other document, this appraisal does not address issues that are significantly atypical for a valuation of this type property unless specifically identified in the Scope of Work and/or Noteworthy Issues section of this report.

The above extraordinary assumptions as well as other assumptions anywhere herein are integral premises upon which the conclusions in this document are based. If any of these assumptions are later found to be materially untrue or inaccurate, then this report’s assignment results may or may not be affected.

Hypothetical Conditions

USPAP defines a hypothetical condition as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”

Hypothetical conditions assume conditions that are contrary to known fact. An illustration is the current valuation of a proposed home. For the purpose of a rational analysis, it is assumed the home exists on the effective value date, but it is known the home is nonexistent. Another example is a new zoning classification, that a property does not have today, but the new zoning is assumed for the purpose of a logical current valuation. Uncertainty is not involved with a hypothetical condition. An essential premise underlying the valuation is known not to exist on the effective value date.

USPAP Standard Rule 1-2(g) requires the identification of all hypothetical conditions that are necessary for a credible value opinion. This appraisal employs no hypothetical conditions.

Personal Property & Intangibles

Personal property is movable and *not* permanently affixed to the real estate. Examples of personal property are freestanding ranges, refrigerators, tables, desks, chairs, beds, linen, silverware, hand tools, and small utensils. An intangible is a nonphysical asset like franchises, trademarks, patents, goodwill, and mineral rights. Personal and intangible property included in this appraisal's value opinion, if any, is considered typical for this type real estate, yet insignificant to the value opinion. Therefore, non-realty is not itemized or valued herein. Moreover, this report's final value conclusion(s) *excludes* unaffixed equipment, detached trade fixtures, and chattel unless specifically stated to the contrary.

Definition of Market Value

The definition of *market value* is used in all federally regulated transactions that exceed a minimum amount. This definition is mandated by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989. The exact same definition was published in the Federal Register several times by different federal agencies. Some printings are: *12 C.F.R. Part 34.42(g)*; *55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; and 59 Federal Register 29499, June 7, 1994.*)

Federal agencies publishing the **exact same definition** include the

- Office of the Comptroller of the Currency (OCC) as 12 CFR 34, subpart C
- Federal Reserve Board (FRB) as 12 CFR 225, Subpart G
- Federal Deposit Insurance Corporation (FDIC) as 12 CFR 323.2, Definition (g) in 55 Federal Register, 33,888 August 20, 1990, Effective September 19, 1990.
- Office of Thrift Supervision (OTS) as 12 CFR 564
- National Credit Union Administration (NCUA) as 12 CFR 722

The **exact same definition** was again published jointly by the OCC, OTS, FRS, and FDIC on page 61 of the "*Interagency Appraisal and Evaluation Guidelines*". These guidelines were published in the Federal Register on December 10, 2010 as Volume 55, page 77472. All the above citations defined market value as:

"the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *buyer and seller are both typically motivated;*
- *both parties are well informed or well advised, and acting in what they consider their own best interests;*
- *a reasonable time is allowed for exposure in the open market;*
- *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

Virtually the same definition is also cited in Advisory Opinion 30 in the 2014-2015 version of the Uniform Standards of Professional Appraisal Practice (USPAP), lines 124 to 136.

Definition of Real Property Estates

One or more of the following underlined legal estates or interests are valued in this report. Definitions of these estates are quoted from *The Dictionary of Real Estate Appraisal*, Fifth Edition; published by the Appraisal Institute, copyright 2010.

- Fee Simple Estate *"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."*
- Leased Fee Estate *A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship."*
- Leasehold Estate *"The tenant's possessory interest created by a lease"*

Assemblage

USPAP Standard Rule 1-4(e) requires an analysis of the assemblage of various estates or component parts that affect value. In this case, no assemblage is expected so value is not affected.

Contingent and Limiting Conditions

1. By this notice, all persons, companies, or corporations using or relying on this report in any manner bind themselves to accept these Contingent and Limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report. Do not use any portion of this report unless you fully accept all Contingent and Limiting conditions contained throughout this document.
2. The "Subject" or "Subject Property" refers to the real property that is the subject of this report. An Appraiser is defined as an individual person who is licensed to prepare real estate appraisal-related services in the State of Iowa and affixes his / her signature to this document.
3. Throughout this report, the singular term "Appraiser" also refers to the plural term "Appraisers". The terms "Appraiser" and "Appraisers" also refer collectively to "Nelsen Appraisal Associates, Inc.", its officers, employees, subcontractors, and affiliates. The masculine terms "he" or "his" also refer to the feminine term "she" or "her".
4. In these Contingent and Limiting Conditions, the "Parties" refers to all of the following collectively: (a) the Appraiser(s), (b) Nelsen Appraisal Associates, Inc., (c) the client, and (d) all intended users.
5. These Contingent and Limiting Conditions are an integral part of this report along with all certifications, definitions, descriptions, facts, statements, assumptions, disclosures, hypotheses, analyses, and opinions.
6. All contents of this report are prepared solely for the explicitly identified client and other explicitly identified intended users. The liability of the Appraiser is limited solely to the client. There is no accountability, obligation, or liability to any other third party. Other intended users may read but not rely on this report. The Appraiser's maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) is limited to the fee paid to Nelsen Appraisal Associates, Inc. for that portion of their services, or work product giving rise to liability. In no event shall the Appraisers be liable for consequential, special, incidental or punitive loss, damages or expense (including without limitation, lost profits, opportunity costs, etc.) even if advised of their possible existence. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all contingent and limiting conditions, assumptions, and disclosures. Use of this report by third parties shall be solely at the risk of the third party.
7. This document communicates the results of an appraisal assignment. This communication is not an inspection, engineering, construction, legal, or architectural report. It is not an examination or survey of any kind. Expertise in these areas is not implied. The Appraiser is not responsible for any costs incurred to discover, or correct any deficiency in the property.

Contingent and Limiting Conditions

8. As part of this appraisal, information was gathered and analyzed to form opinion(s) that pertain solely to one or more explicitly identified effective value dates. The effective value date is the only point in time that the value applies. Information about the subject property, neighborhood, comparables, or other topics discussed in this report was obtained from sensible sources. In accordance with the extent of research disclosed in the Scope of Work section, all information cited herein was examined for accuracy, is believed to be reliable, and is assumed reasonably accurate. However, no guaranties or warranties are made for this information. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Appraiser, beyond the scope of work, or outside reasonable due diligence of the Appraiser.
9. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change. The Appraiser reserves the right to amend these analyses and/or value opinion(s) contained within this appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and relied upon in this report.
10. In the case of limited partnerships, syndication offerings, or stock offerings in the real estate, the client agrees that in case of lawsuit (brought by the lender, partner, or part owner in any form of ownership, tenant, or any other party), the client will hold Nelsen Appraisal Associates, Inc., its officers, contractors, employees and associate appraisers completely harmless. Acceptance of, and/or use of this report by the client, or any third party is prima facie evidence that the user understands and agrees to all these conditions.
11. For appraisals of multiunit residential, only a portion of all dwellings was observed. A typical ratio of observed dwellings roughly approximates 10% of the total number of units, and this ratio declines as the number of dwellings grows. It is assumed the functionality, physical condition, construction quality, and interior finish of unseen units are similar to the functionality, physical condition, construction quality, and interior finish of observed units. If unobserved dwellings significantly differ from those that were viewed in functionality, physical condition, quality, or finish, the Appraiser reserves the right to amend theses analysis and/or value opinion(s).
12. If the appraised property consists of a physical portion of a larger parcel is subject to the following limitations. The value opinion for the property appraised pertains only to that portion defined as the subject property. This value opinion should not be construed as applying with equal validity to other complementary portions of the same parcel. The value opinion for the physical portion appraised + the value of all other complementary physical portions may or may not equal the value of the whole parcel.

Contingent and Limiting Conditions

13. Unless specifically stated otherwise herein, the Appraiser is unaware of any engineering study made to determine the bearing capacity of the subject land, or nearby lands. Improvements in the vicinity, if any, appear to be structurally sound. It is assumed soil and subsoil conditions are stable and free from features that cause supernormal costs to arise. It is also assumed existing soil conditions of the subject land have proper load bearing qualities to support the existing improvements, or proposed improvements appropriate for the site. No investigations for potential seismic hazards were made. This appraisal assumes there are no conditions of the site, subsoil, or structures, whether latent, patent, or concealed that would render the subject property less valuable. Unless specifically stated otherwise in this document, no earthquake compliance report, engineering report, flood zone analysis, hazardous substance determination, or analysis of these unfavorable attributes was made, or ordered in conjunction with this appraisal report. The client is strongly urged to retain experts in these fields, if so desired.
14. If this report involves an appraisal that values an interest, which is less than the whole fee simple estate, then the following disclosure applies. The value for any fractional interest appraised + the value of all other complementary fractional interests may or may not equal the value of the entire fee simple estate.
15. If this appraisal values the subject as though construction, repairs, alterations, remodeling, renovation, or rehabilitation will be completed in the future, then it is assumed such work will be completed in a timely fashion, using non-defective materials, and proper workmanship. All previously completed work is assumed completed in substantial conformance with plans, specifications, descriptions, or attachments made or referred to herein. It is also assumed all planned, in-progress, or recently completed construction complies with the zoning ordinance, and all applicable building codes. A prospective value opinion has an effective value date that is beyond or in the future relative to this report's preparation date. If this appraisal includes a prospective valuation, it is understood and agreed the Appraiser is not responsible for an unfavorable value effect caused by unforeseeable events that occur before completion of the project.
16. This valuation may or may not include an observation of the appraised property by an Appraiser. The extent of any observation is disclosed in the Scope of Work section of this report. Any observation by an Appraiser is not a professional property inspection. Viewing of the subject was limited to components that were not concealed, clearly observable, and readily accessible without a ladder on the property observation date. As used herein, readily accessible means within the Appraiser's normal reach without the movement of any man made or natural object. Comments or descriptions about physical condition of the improvements are based solely on a superficial visual observation. These comments are intended to familiarize the reader with the property in a very general fashion.

Contingent and Limiting Conditions

17. Electric, heating, cooling, plumbing, water supply, sewer or septic, mechanical equipment, and other property systems were not tested. No determination was made regarding the operability, capacity, or remaining physical life of any component in, on, or under the real estate appraised. All building components are assumed adequate and in good working order unless stated otherwise. Private water wells and private septic systems are assumed sufficient to comply with federal, state, or local health safety standards. No liability is assumed for the soundness of structural members since structural elements were not tested or studied to determine their structural integrity. The roof cover for all structures is assumed water tight unless otherwise noted. This document is not an inspection, engineering or architectural report. If the client has any concern regarding structural, mechanical, or protective components of the improvements, or the adequacy or quality of sewer, water or other utilities, the client should hire an expert in the appropriate discipline before relying upon this report. No warranties or guarantees of any kind are expressed or implied regarding the current or future physical condition or operability of any property component.
18. The allocation of value between the subject's land and improvements, if any, represents our judgment only under the existing use of the property. A re-evaluation should be made if the improvements are removed, substantially altered, or the land is utilized for another purpose.
19. The Client and all intended users agree to all the following. (A) This appraisal does not serve as a warranty on the physical condition or operability of the property appraised. (B) All users of this report should take all necessary precautions before making any significant financial commitments to or for the subject. (C) Any estimate for repair or alternations is a non-warranted opinion of the Appraiser.
20. No liability is assumed for matters of legal nature that affect the value of the subject property. Unless a clear statement to the contrary is made in this report, value opinion(s) formed herein are predicated upon the following assumptions. (A) The real property is appraised as though, and assumed free from all value impairments including yet not limited to title defects, liens, encumbrances, title claims, boundary discrepancies, encroachments, adverse easements, environmental hazards, pest infestation, leases, and atypical physical deficiencies. (B) All real estate taxes and assessments, of any type, are assumed fully paid. (C) It is assumed ownership of the property appraised is lawful. (D) It is also assumed the subject property is operated under competent and prudent management. (E) The subject property was appraised as though, and assumed free of indebtedness. (F) The subject real estate is assumed fully compliant with all applicable federal, state, and local environmental regulations and laws. (G) The subject is assumed fully compliant with all applicable zoning ordinances, building codes, use regulations, and restrictions of all types. (H) All licenses, consents, permits, or other documentation required by any relevant legislative or governmental authority, private entity, or organization have been obtained, or can be easily be obtained or renewed for a nominal fee.

Contingent and Limiting Conditions

21. Any exhibits in the report are intended to assist the reader in visualizing the subject property and its surroundings. The drawings are not surveys unless specifically identified as such. No responsibility is assumed for cartographic accuracy. Drawings are not intended to be exact in size, scale, or detail.
22. Value opinions involve only real estate, and inconsequential personal property. Unless explicitly stated otherwise, value conclusions do not include personal property, unaffixed equipment, trade fixtures, business-good will, chattel, or franchise items of material worth.
23. Conversion of the subject's income into a market value opinion is based upon typical financing terms that were readily available from a disinterested, third party lender on this report's effective date. Atypical financing terms and conditions do not influence market value, but may affect investment value.
24. All information and comments concerning the location, market area, trends, construction quality, construction costs, value loss, physical condition, rents, or any other data for the subject represent estimates and opinions of the Appraiser. Expenses shown in the Income Approach, if used, are only estimates. They are based on past operating history, if available, and are stabilized as generally typical over a reasonable ownership period.
25. This appraisal was prepared by Nelsen Appraisal Associates, Inc. and consists of trade secrets and commercial or financial information, which is privileged, confidential, and exempt from disclosure under 5 U.S.C. 522 (b) (4).
26. The Appraiser is not required to give testimony or produce documents because of having prepared this report unless arrangements are agreed to in advance. If the Appraiser is subpoenaed pursuant to court order or required to produce documents by judicial command, the client agrees to compensate the Appraiser for his appearance time, preparation time, travel time, and document preparation time at the regular hourly rate then in effect plus expenses and attorney fees. In the event the real property appraised is, or becomes the subject of litigation, a condemnation, or other legal proceeding, it is assumed the Appraiser will be given reasonable advanced notice, and reasonable additional time for court preparation.
27. Effective January 26, 1992, the Americans with Disabilities Act (ADA) - a national law, affects all non-residential real estate or the portion of any property, which is non-residential. The Appraiser has not observed the subject property to determine whether the subject conforms to the requirements of the ADA. It is possible a compliance survey, together with a detailed analysis of ADA requirements, could reveal the subject is not fully compliant. If such a determination was made, the subject's value may or may not be adversely affected. Since the Appraiser has no direct evidence, or knowledge pertaining to the subject's compliance or lack of compliance, this appraisal does not consider possible noncompliance or its effect on the subject's value.

Contingent and Limiting Conditions

28. Nelsen Appraisal Associates, Inc. and the Appraiser have no expertise in the field of insect, termite, or pest infestation. We are not qualified to detect the presence of these or any other unfavorable infestation. The Appraiser has no knowledge of the existence of any infestation on, under, above, or within the subject real estate. No overt evidence of infestation is apparent to the untrained eye. However, we have not specifically inspected or tested the subject property to determine the presence of any infestation. No effort was made to dismantle or probe the structure. No effort was exerted to observe enclosed, encased, or otherwise concealed evidence of infestation. The presence of any infestation would likely diminish the property's value. All value opinions in this communication assume there is no infestation of any type affecting the subject real estate or the Appraiser is not responsible for any infestation or for any expertise required to discover any infestation. Our client is urged to retain an expert in this field, if desired.
29. All opinions are those of the signatory Appraiser based on the information in this report. No responsibility is assumed by the Appraiser for changes in market conditions, or for the inability of the client, or any other party to achieve their desired results based upon the appraised value. Some of the assumptions or projections made herein can vary depending upon evolving events. We realize some assumptions may never occur and unexpected events or circumstances may occur. Therefore, actual results achieved during the projection period may differ from those set forth in this report. Compensation for appraisal services is dependent solely on the delivery of this report, and no other event or occurrence
30. No warranties are made by the Appraiser concerning the property's conformance with any applicable government code or property covenant including but not limited to all laws, ordinances, regulations, agreements, declarations, easements, condominium regulations, restrictions, either recorded or unrecorded. The client is urged to engage the services of a licensed attorney to confirm any legal issue affecting the property appraised. No liability or responsibility is assumed by the Appraiser to determine the cost of replacing or curing any supposedly defective physical component.
31. In the event of an alleged claim due to some defective physical component, the client must notify Nelsen Appraisal Associates, Inc. and allow its representatives and experts to examine and test the alleged defective component before any repairs or modifications are made. If any type of repair or modification is made without the knowledge of the Appraisers, the Appraiser is released from all liability, real or alleged.
32. The client and all explicitly identified intended users agree to notify in writing Nelsen Appraisal Associates, Inc., within one year of this report's preparation date, of any claim relating to or arising from this report regardless of any statute of limitations. If Nelsen Appraisal Associates, Inc. does not receive this written notification within the year period defined in the paragraph, then the claimant releases the Appraiser from all claims arising from or related to this report.

Contingent and Limiting Conditions

33. The client and all explicitly identified intended users acknowledge that any claim relating to this report shall be settled in accordance with the commercial arbitration rules of the American Arbitration Association with the Parties each paying an equal share of all associated costs.
34. Any alleged claim must be filed in the Circuit Court for the County that encompasses most of or all of Urbandale, Iowa 50322 where the Appraiser's business office is located. If a court of law voids any portion of these Contingent and Limiting Conditions, then the remainder remains in full force and effect. The claimant(s) agree not to contest the venue set forth herein and to submit to, and not contest, the exercise of personal jurisdiction over them by the foregoing court. The claimant(s) waive all rights concerning the exercise of personal jurisdiction of them by the foregoing courts and all claims of or concerning forum non-conveniences in the foregoing forum.
35. Superseding all comments to the contrary regardless of date, this report may not be transferred or assigned without the prior written consent of Nelsen Appraisal Associates, Inc..
36. No part of this report shall be published or disseminated to the public by the use of advertising media, public relations media, news media, sales media, electronic devices, or other media without the prior written consent of Nelsen Appraisal Associates, Inc.. This restriction applies particularly as to analyses, opinions, and conclusions; the identity of the Appraiser; and any reference to the Appraisal Institute or its MAI, SRPA, or SRA designations. Furthermore, no part of this report may be reproduced or incorporated into any information retrieval system without written permission from Nelsen Appraisal Associates, Inc., the copyright holder.



Disclosures

Professional Standards

All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised biennially to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.

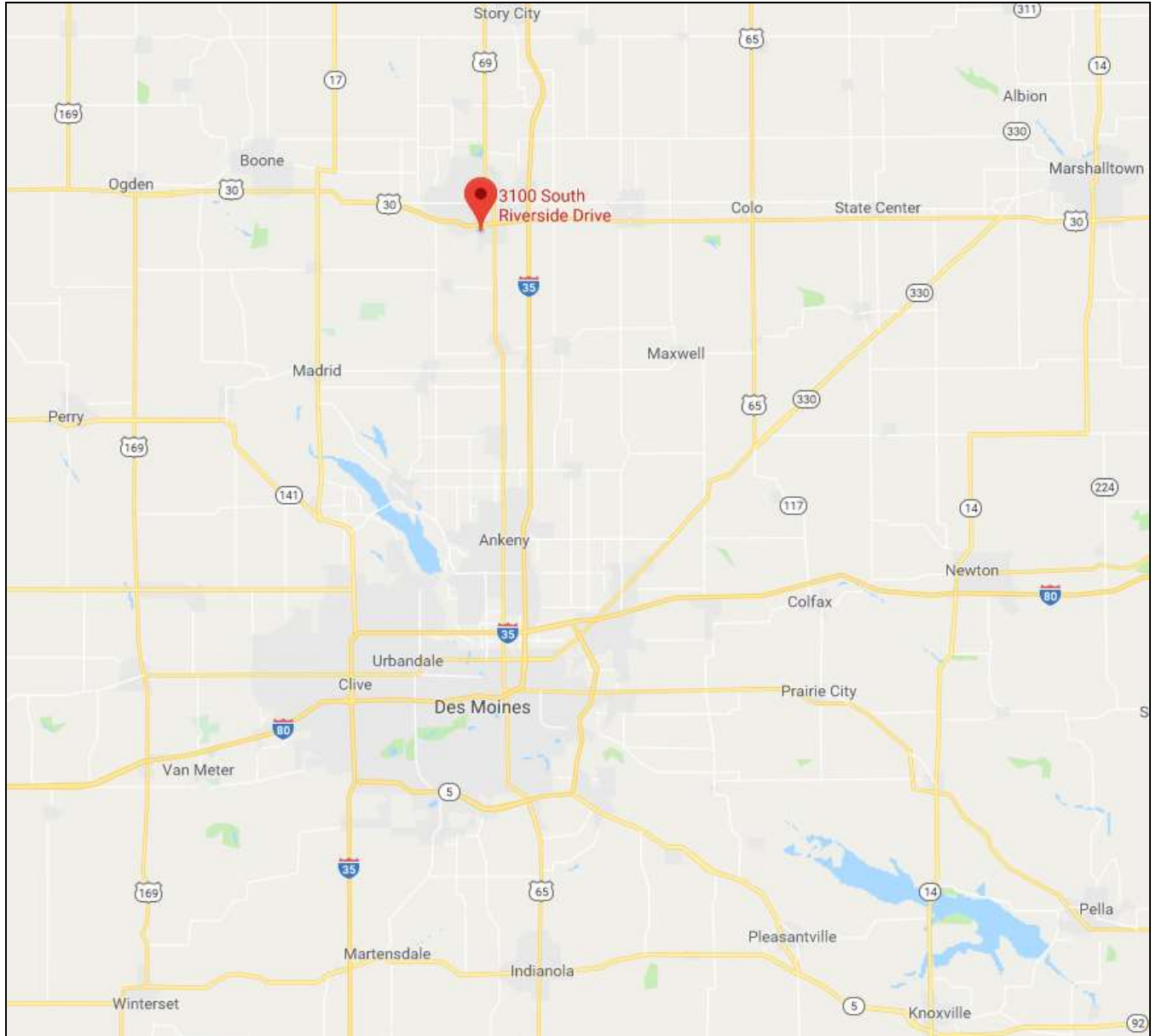
Competency

The persons signing this report are licensed to appraise real property in the state the subject is located. They affirm they have the experience, knowledge, and education to value this type property. They have previously appraised similar real estate.

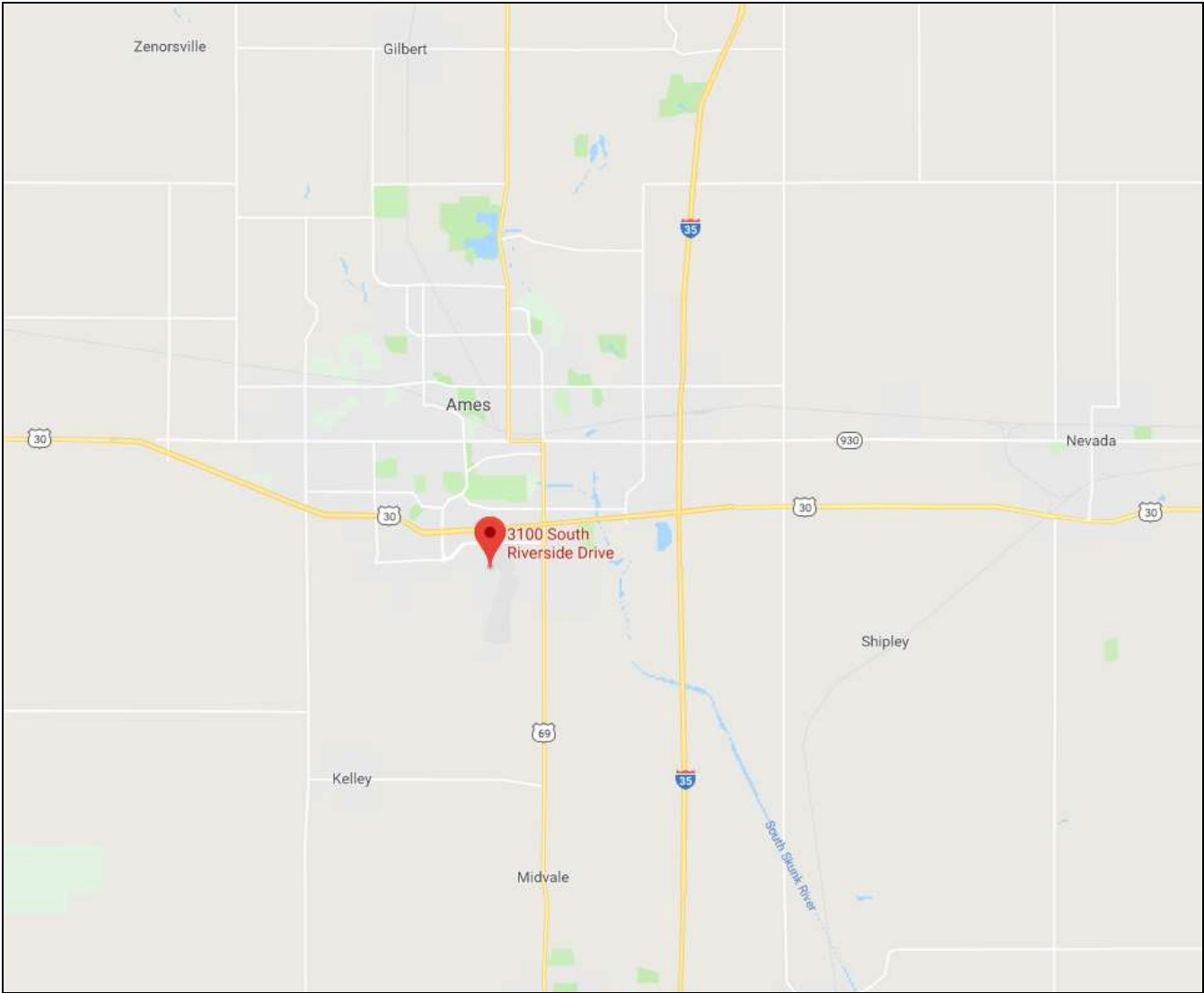


Area Data

Regional Map



Vicinity Map



Proximity Map



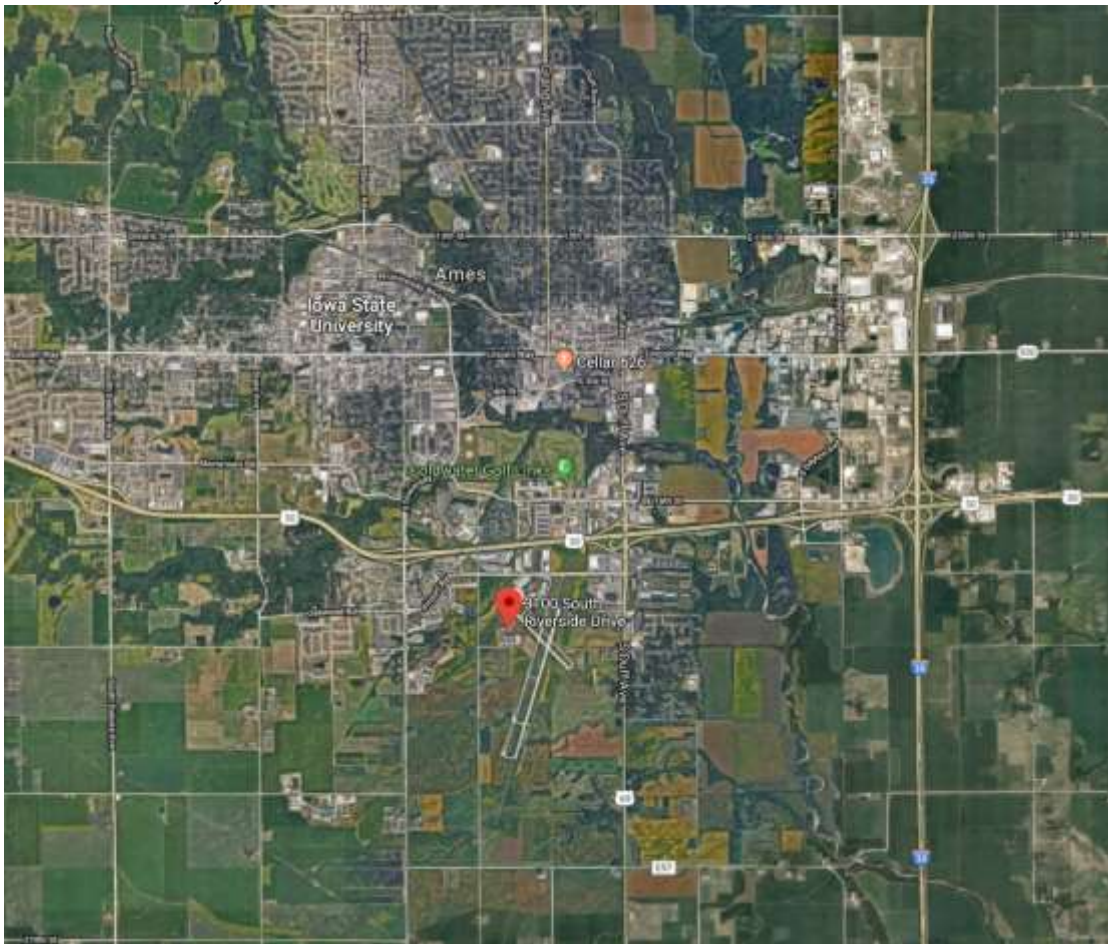
Proximity Features

Expected Changes in Economic Base	None
Protection From Adverse Conditions	Good
Demand for Real Estate Like Subject	Adequate
Potential Additional Supply Like Subject	Potential Exists
Building Age Range <i>{excluding extremes}</i>	15 to 50 Years
Oversupply of Property Like Subject	None
General Appearance of Properties	Average
Location	Suburban
Land Use Change	Not Likely
Police & Fire Protection	Average
Expressway Access	Under a mile
Employment Centers	Under a mile
Property Compatibility	Average
Appeal to Market	Average

Nearby Land Uses

Residential	30%
Retail	15%
Office	10%
Industrial	15%
Institutional	05%
Vacant Land	30%
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Total	100%

Aerial Photo – Nearby Land Uses




Regional Data

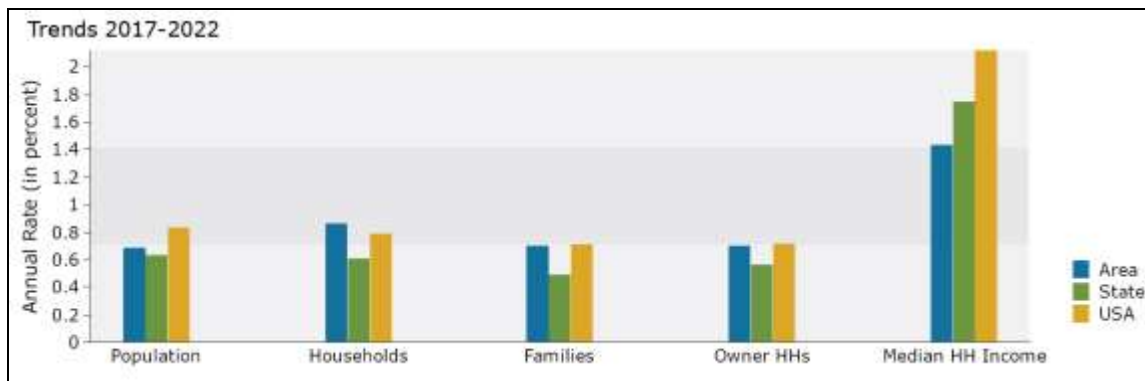
Ames is the largest city in Story County. The population is greatly impacted by Iowa State University, one of three public universities in the State. The county seat is located in Nevada.

Population

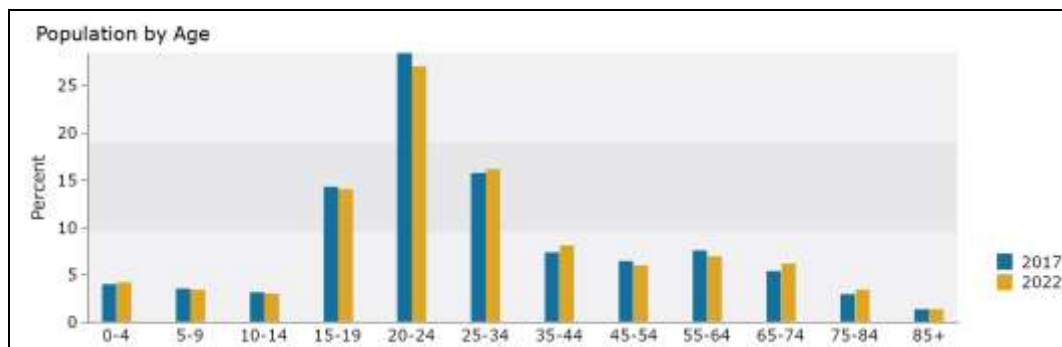
The Ames area had a recorded population of 58,973 people in 2010. The projected population in 2022 is 67,519 indicating projected growth of 14.49% or 1.21% per annum. Households and families also show positive growth during the same time period with 0.94% to 0.76% growth per year, respectively.

 Demographic and Income Profile			
Ames City, IA 2 Ames City, IA (1901855) Geography: Place			Prepared by Esri
Summary	Census 2010	2017	2022
Population	58,973	65,221	67,519
Households	22,762	24,271	25,327
Families	9,962	10,494	10,866

The following graph projects trends amongst the preceding categories over the next five years. While population growth is positive for Ames, its growth will lag National numbers, but will slightly outpace State numbers. Household growth in Ames will outpace both State and National numbers. The growth of families will outpace State number and essentially mirror National growth rates.



Iowa State University greatly impacts the population in the City of Ames. The following graph displays the population distribution by age. Over 25% of the population is between 20 and 24 years old. The age distribution is projected to maintain the same pattern over the next five years.



Regional Data

Employment

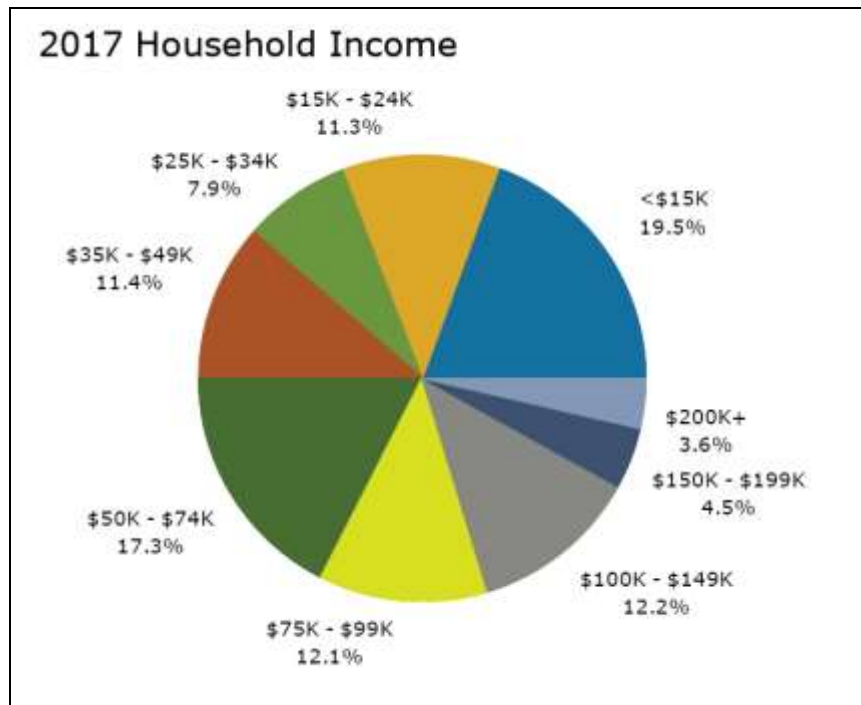
The Ames area has a diversified employment base supported by manufacturing facilities such as Barilla and research facilities associated with Iowa State University. The following tables display percentage of civilian population that is employed and the distribution of employment by industry.

2017 Civilian Population 16+ in Labor Force	
Civilian Employed	95.6%
Civilian Unemployed	4.5%

2017 Employed Population 16+ by Occupation	
Total	33,173
White Collar	68.0%
Management/Business/Financial	10.5%
Professional	37.0%
Sales	8.2%
Administrative Support	12.4%
Services	18.4%
Blue Collar	13.6%
Farming/Forestry/Fishing	1.7%
Construction/Extraction	2.1%
Installation/Maintenance/Repair	1.9%
Production	3.6%
Transportation/Material Moving	4.3%

Income Profile

The following graphs display the distribution of households based on income in 2017. Household income is fairly evenly distributed with the exception of households earning \$150,000+ per year. Concentrations between \$15,000 and \$100,000-\$150,000 per year range from 7.9% to 17.3%.



Regional Data

The following table displays the estimated and projected per capita income in Ames. Per capita income increased 7.08% from 2010 to 2017. Average household income is projected to increase by roughly 12.05% or roughly 2.41% per annum over the next five years.

Per Capita Income	
2000	\$24,271
2017	\$25,989
2022	\$29,137

Housing

The following table displays the median home value from 2000 to 2010 and the projected median home value in 2015. The median home value increased over 22% over the past ten years or roughly 2% per annum. The median home value is projected to maintain the same rate of increase over the next five years.

Median Home Value		
Year	Median Value	% Change
2010	\$161,494	
2017	\$192,623	19.28%
2022	\$216,298	12.29%

Median household income is also showing positive growth, but at a significantly slower rate compared to median home values.

Median Household Income		
Year	Median Income	% Change
2010	\$48,245	
2017	\$49,762	3.14%
2022	\$53,429	7.37%

The following table displays the number of housing units per year and the distribution of housing based on occupancy. Renter occupied housing made up over 50% of total housing units over the last ten years. Vacancy rates have remained relatively stable over the last 10 years and are projected to remain stable.

2010 Housing Units	23,880
Owner Occupied Housing Units	40.6%
Renter Occupied Housing Units	54.7%
Vacant Housing Units	4.7%
2017 Housing Units	25,419
Owner Occupied Housing Units	39.9%
Renter Occupied Housing Units	55.6%
Vacant Housing Units	4.5%
2022 Housing Units	26,544
Owner Occupied Housing Units	39.5%
Renter Occupied Housing Units	55.9%
Vacant Housing Units	4.6%

Regional Data

Summary

The Ames area has experienced stable rates of growth in population, families, and households. Median income and housing values have increased, but the pace of growth has been highest in housing values.

The Ames area is projected to outpace state rates of growth in population, households, and families, but will lag national levels of growth in population. The area will outpace national levels regarding the growth in number of households and will essentially keep pace with national levels for number of families. Moderate growth has been effectively absorbed by the market as indicated by projected stability in housing vacancy.

Appraisers also consulted the Iowa Finance Authority's profile for the City of Ames with reference to the single family residential and multiple-family residential markets. Showing continuing growth in demand and low vacancy rates in both of these commercial real estate markets.

Economic conditions are anticipated to remain stable in line with various measures of change such as median per capita and household income and population growth.



Subject Property

Identification of the Property

This real estate appraised is situated on the east side of South Riverside Drive in the southwest quadrant of Highway 30 and Highway 69 in the City of Ames, Story County, Iowa. Its common address is 3100 South Riverside Drive, Ames, Story County, Iowa 50010.

Legal Description

A professional surveyor and / or legal counsel should verify the following legal description before relying upon, or using it as part of any conveyance, or any other document. This legal description was obtained from public records and is assumed accurate.

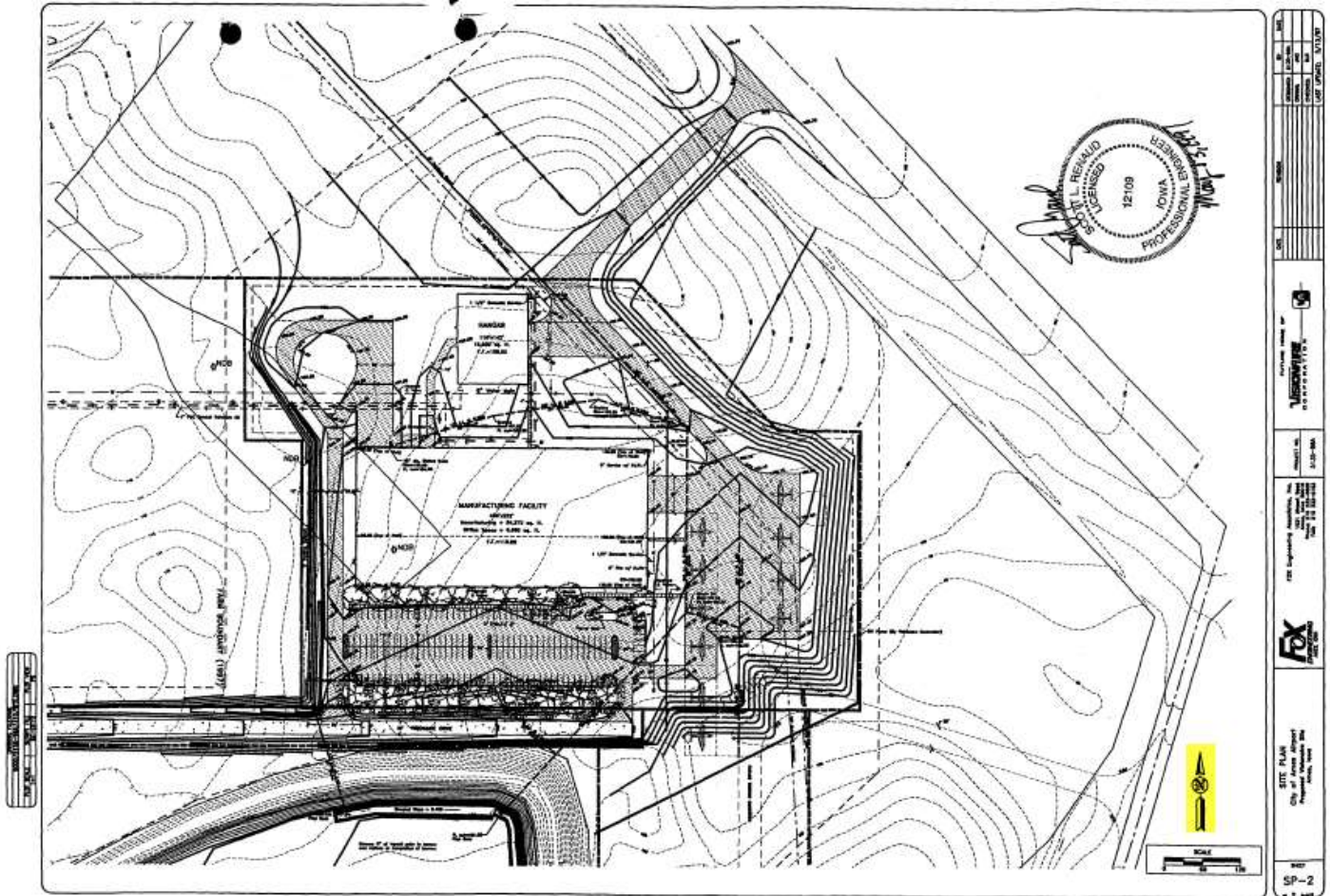
Description - Tract 'A' (Phase 1 & 2 Area).

Part of the Southeast Quarter of Section 15, Township 83 North, Range 24 West of the 5th P.M. in the City of Ames, Story County, Iowa, more particularly described as follows: Commencing at the South Quarter corner of said Section 15; thence N00°04'25"E, 73.61 feet along the west line of the Southeast Quarter of said Section 15; thence N89°55'48"E, 770.62 feet to the point of beginning; thence N00°04'18"W, 417.93 feet; thence S89°57'03"W, 89.96 feet; thence N00°04'18"W, 255.12 feet; thence N89°55'41"E, 612.47 feet; thence S43°48'04"E, 326.38 feet; thence N89°54'57"E, 126.80 feet; thence S00°03'48"E, 437.29 feet; thence S89°55'48"W, 874.86 feet to the point of beginning, containing 12.75 acres.

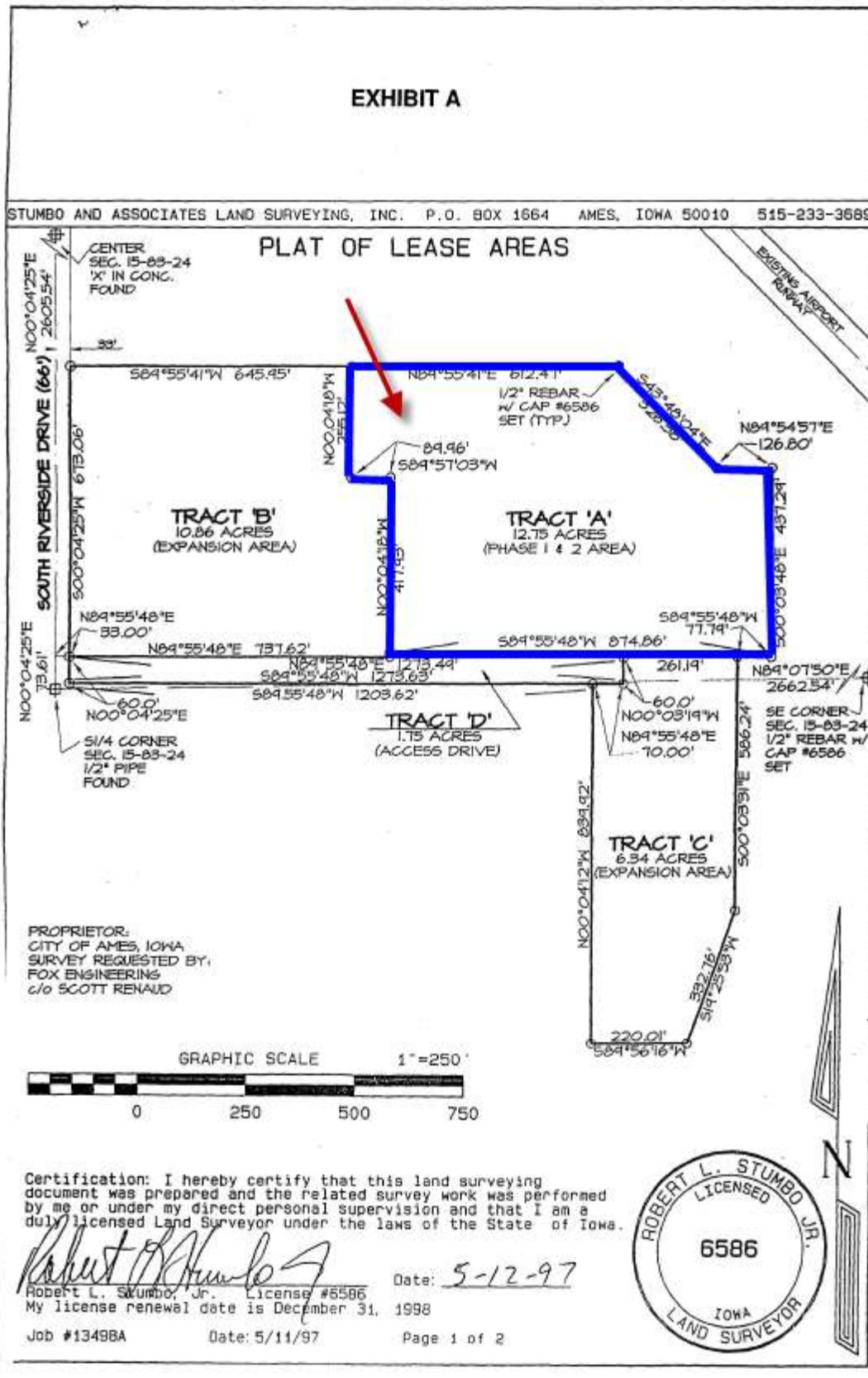
Ariel Plat Map with Dimensions



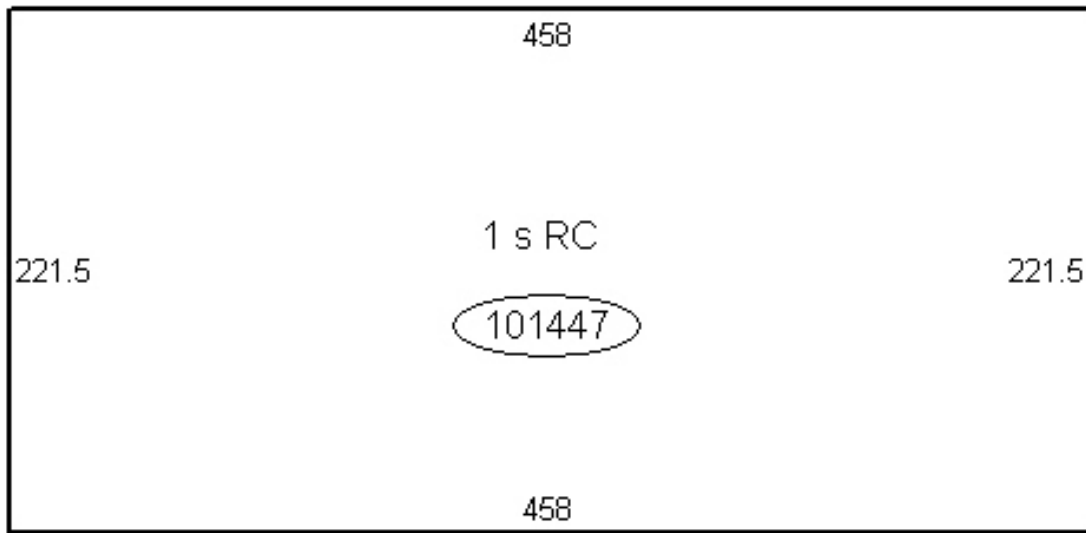
Site Plan (Excerpt From Lease)



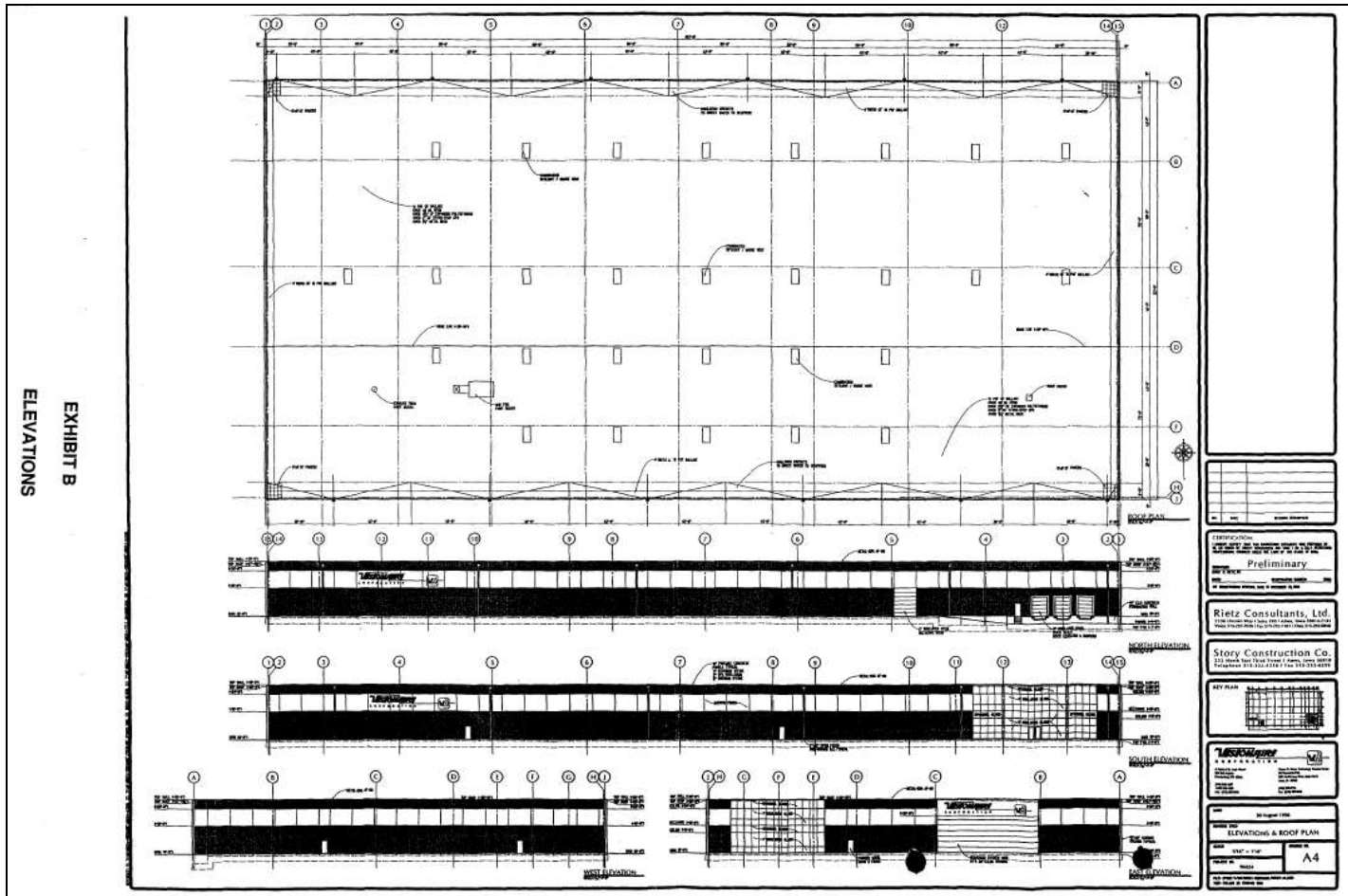
Plat of Leased Area With Potential Expansion Tracts (Excerpt From Lease) – Subject is outlined in blue and designated with a red arrow



Building Sketch



Building Sketch With Elevations (Excerpt from Lease)



Photographs of Subject
(photo page 1)



Southeast elevation



Northeast elevation

Photographs of Subject
(photo page 2)



Southwest elevation



Hangar building now
used as storage;
building is heated
with infrared heat
and includes
restrooms

Photographs of Subject
(photo page 1)



View of subject
looking east



View of front lobby
atrium area showing
elevator and stairway
access to second
floor office

Photographs of Subject
(photo page 2)



Additional view of
elevator and stairway
access to second floor
office



First floor office
finish

Photographs of Subject
(photo page 2)



Additional view of
first floor office
finish



Conference room on
first floor of office
area

Photographs of Subject
(photo page 1)



Typical restrooms
(men's and women's
restrooms are located
in first floor and
second floor office
areas)



View of elevator and
atrium area from
second floor office

Photographs of Subject
(photo page 2)



Mechanical room



Breakroom on
second floor of office
area

Photographs of Subject
(photo page 1)



Warehouse space



Additional view of
warehouse space

Photographs of Subject
(photo page 2)



Typical locker room located in warehouse space (men's and women's)



Breakroom on first floor of office space

Photographs of Subject
(photo page 1)



Additional view of
first floor breakroom



View of parking area
on south and east
sides of building

Sale History

On-line public records and / or a private data-reporting service were used to search for prior sales of the subject real estate. This research discovered no recorded conveyance of the subject during the three-years preceding this report's effective value date. Moreover, the subject was not yet offered "For Sale" in the local MLS or other major data-reporting services during this same period.

Currently, the ground lessor, City of Ames, is considering selling their leased fee interest in the land to the building owner. The potential purchase price was not disclosed to the appraisers. This report will provide an estimated sale price for the transaction.

Subject's Current Ownership	
<i>Leased Fee Owner</i>	<i>Information Source</i>
City of Ames	Story County Assessor

Flood Hazard

According to the appropriate Federal Emergency Management Agency (FEMA) flood map, which is identified below, the subject property is not located in a zone "A" special flood hazard.

Flood Maps published by FEMA are not precise. If anyone desires a precise determination of the subject's flood hazard classification, a professional engineer, licensed surveyor, or local governmental authority should make an exact determination.

Flood Map



3100 S RIVERSIDE DR AMES, IA 50010

LOCATION ACCURACY: Excellent

Flood Zone Determination Report

Flood Zone Determination: OUT

PANEL DATE

October 16, 2014

MAP NUMBER

191690257F



Environmental Risks

Disclosure

During the course of this appraisal, the appraiser(s) did **not** detect or attempt to discover any environmental hazard on, under, above, or within the subject real estate. No overt evidence of any environmental hazard is apparent to the untrained eye. It should be known the appraiser(s) did not view the subject property with the intent of detecting any environmental hazard. It is beyond the expertise of the appraiser(s) to detect or determine the chemical nature of any substance or gas. No effort was made to dismantle or probe any part of the property to discover enclosed, encased, or concealed hazards. No effort was exerted to ascertain the presence of any environmental hazard including but not limited to the following.

<i>Asbestos</i>	<i>Urea-formaldehyde insulation</i>
<i>Underground storage tanks</i>	<i>Soil contamination or deficiencies</i>
<i>Lead-based paint</i>	<i>Toxic mold</i>
<i>Radon</i>	<i>PCB</i>
<i>Chemical spills</i>	<i>Fire resistant treated plywood (FRTP)</i>

Flood hazards are detailed elsewhere in this report. Except as enumerated herein, the appraiser(s) were not given the results of any environmental testing on or near the property being appraised. Neither observation of the subject property, or research conducted as part of a typical real estate appraisal suggest the presence of any hazardous substance or detrimental environmental condition affecting the subject. Nearby sites were not investigated to determine whether they are contaminated. Public information and other Internet sources were not researched to determine the presence of hazardous substances or detrimental environmental conditions in the subject's vicinity.

Federal, State, and local laws concerning any hazardous substance or gas are sometimes contradictory. Therefore, any needed clean up should comply with the most stringent laws. The appraiser(s) are **not** informed or trained in environmental legalities. It is assumed no hazardous substance or gas adversely affects the subject real estate. If the subject is adversely influenced by a hazardous condition, then the subject's market value would be impaired.

Recommendation

The presence of any hazardous condition usually diminishes market value. The value opinion formed in this report assumes there is no environmental hazard affecting the subject real estate. No responsibility is assumed by the appraiser(s) or Nelsen Appraisal Associates, Inc. for any hazard, or for any expertise required to discover any environmentally hazardous condition. Our client is urged to retain an expert in this field, if desired.

Description of Existing Improvements											
<i>Restrooms</i>	6 (3 sets), Average quality white fixtures. Office restrooms include multiple stalls with tile flooring and wall-hung sinks with counters. Warehouse includes men's and women's locker rooms with multi stalls.										
<i>HVAC</i>	Central system for cooling in 100% of the building including humidity controls; office areas heated by gas-forced furnaces and warehouse heated with infrared ceiling-mounted heaters										
<i>Electrical System</i>	Main electrical system includes 4000 AMPS. Most illumination is provided by recessed and ceiling-mounted fluorescent fixtures.										
<i>Protections</i>	Smoke detectors Wet-type sprinkler system										
<i>On-Site Parking</i>	Ample concrete paved outdoor spaces										
<i>Ceiling Clearance</i>	About 25' - 26' feet in the warehouse.										
<i>Loading</i>	<table border="0"> <tr> <td>Loading docks</td> <td>5 (9' x 10')</td> </tr> <tr> <td>Drive-in doors</td> <td>None</td> </tr> <tr> <td>Hangar door</td> <td>1, scissor door</td> </tr> <tr> <td>Rail Spur</td> <td>No</td> </tr> </table>	Loading docks	5 (9' x 10')	Drive-in doors	None	Hangar door	1, scissor door	Rail Spur	No		
Loading docks	5 (9' x 10')										
Drive-in doors	None										
Hangar door	1, scissor door										
Rail Spur	No										
<i>Landscaping</i>	Typical for area										
<i>Needed Major Repair</i>	None										
<i>Recent Replacements</i>	None										
<i>Atypical Aspects</i>	None										
<i>Functionality</i>	Adequate for intended use. No functional obsolescence.										
<i>Overall Features</i>	<table border="0"> <tr> <td>Structural Soundness</td> <td>Adequate</td> </tr> <tr> <td>Building Systems</td> <td>Not checked, but believed operable</td> </tr> <tr> <td>Functional Efficiency</td> <td>Adequate</td> </tr> <tr> <td>Physical Condition</td> <td>About the norm relative to its competition</td> </tr> <tr> <td>Visual Appearance</td> <td>About the norm as compared to most nearby buildings</td> </tr> </table>	Structural Soundness	Adequate	Building Systems	Not checked, but believed operable	Functional Efficiency	Adequate	Physical Condition	About the norm relative to its competition	Visual Appearance	About the norm as compared to most nearby buildings
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Effective Age & Life Estimates As Of This Report's Effective Date	
<i>Actual Age</i>	20 years
<i>Effective Age</i>	15 years
<i>Remaining Economic Life</i>	35 years
<i>Total Economic Life</i>	50 years

Real Estate Taxes

The Iowa property tax is primarily a tax on "real property," which is mostly land, buildings, structures, and other improvements that are constructed on or in the land, attached to the land, or placed upon a foundation. Residential, commercial and industrial real estate is assessed at 100% of market value. State law requires that all real property be assessed every two years in odd-numbered years.

<i>County</i>	Story	
<i>Parcel ID #</i>	09-15-400-005	
<i>Tax Year</i>	2018/2019	
<i>2018 Assessed Value</i>	Land	\$ 732,000
	Building	\$ 2,518,000
	Total	\$3,250,000
<i>Total Tax Dollars</i>		\$89,248
<i>Mill Levy [2014/15]</i>		3.140424%

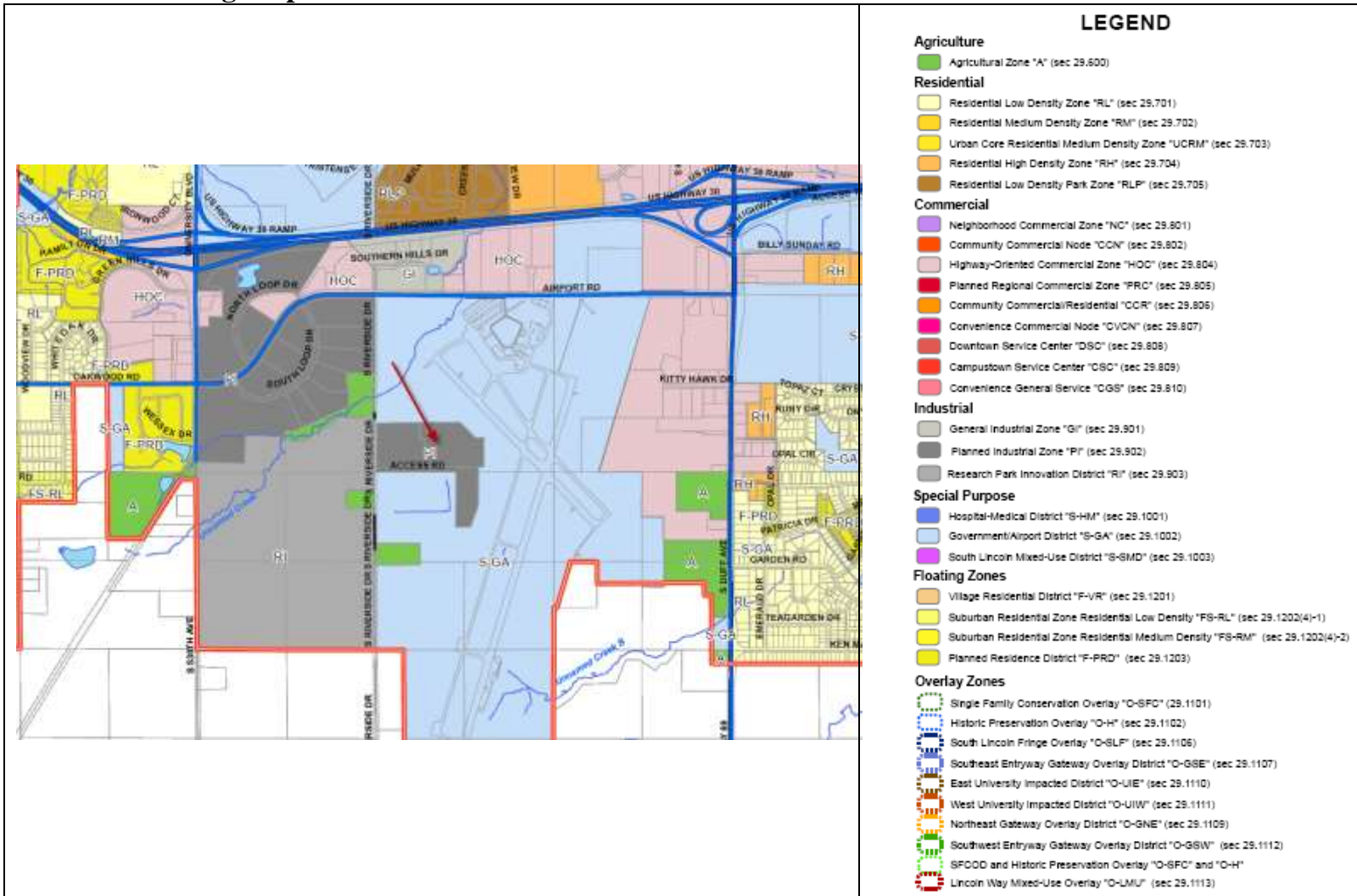
Taxes are calculated by the County Auditor for fiscal years, July 1 through June 30 using the previous year's assessment. Property taxes are payable to the County Treasurer in two installments. The first half is delinquent October 1; the second half payment is delinquent April 1. Taxes payable in September, 2018 and March, 2019 will be based on the 2017 assessed value. A structure constructed during 2018 will be first assessed on January 1, 2019.

Zoning

The subject property is zoned "PI" Planned Industrial District by the City of Ames – Story County, Iowa.

As now constituted and used, the subject complies with all aspects of the zoning ordinance. Therefore, the subject real estate is considered a legal, conforming usage.

Zoning Map





Analyses & Conclusions

Value Introduction

For real estate that is predominantly unimproved vacant land, there are six valuation methods. The most frequently used sales comparison approach is employed in this report.

Highest and Best Use

Introduction

A highest and best use identifies the most reasonably probable and appropriately supported use of the property appraised. Since market conditions change, a property's highest and best use may change as well. This analysis is an essential step in the determination of market value. Market dynamics determines a property's use and an appraisal values that use. Practically speaking, a highest and best use analysis forms a framework for the proper selection of comparables.

There are two types of highest and best use. The first is highest and best use of land as though vacant. If a building already exists, the second variety is highest and best use as though now improved. The latter considers whether the existing building should be retained as is, demolished, remodeled, renovated, repaired, enlarged, or converted to an alternate use. Both types require separate analyses. Current usage may or may not be different from the near future highest and best use.

There are four main tests in a highest and best use analysis, which are summarized below.

- Legal permissibility - governmental requirements and limitations like zoning are considered as well as other legal issues like deed restrictions, easements, and leases.
- Physical attributes like size, design, and physical condition are weighed
- Financial feasibility is ascertained via either an implied or calculated method
- Maximum productivity is determined

If more than one use survives the first three tests, the use that produces the highest, appropriately supported, positive value with the least risk is the highest and best use.

Highest and best use demand analyses can be categorized into two different levels of detail - Inferred and Fundamental. A fundamental analysis forecasts future demand from projections of broad demographic and economic data like population, income, and employment. Existing supply is inventoried. Then, the relationship of supply and demand is weighed to determine net demand. If net demand is positive, more of that property type is needed. Of course, the opposite is also true.

An inferred analysis is based on local trends and patterns from which inferences are made. This type analysis presumes that recent past trends will continue for the near future. Sale prices, number of competitive listings, marketing intervals, and / or price changes for other similar properties infer there is adequate demand for the subject at a price level congruous with the available data. An inferred analysis emphasizes historical data while a fundamental analysis is based on expected future occurrences.

There are two types of highest and best use - "as though now vacant" and "as though now improved". The former presumes the land is vacant and available for development. The latter considers whether the building should be retained as is, renovated, remodeled, repaired, enlarged, demolished, or converted to an alternate use.

Highest and Best Use

Buyer Types

The most likely buyer type is crucial to highest and best use. Different buyer types have different motivations and different perceptions of risk. The buyer type must be identified to better understand applicable approaches and the selection of cap rates and yield rates. Different buyer types are defined below.

Owner-User	Acquires real estate mostly for its use; vacancy & investment yield are not primary criteria. Property suitability is the major objective.
Passive Investor	Seeks an established income stream; usually does not change the property in any meaningful way; generally prefers long-term ownership
Developer	Acquires real estate to physically or legally change it in some significant fashion; accepts substantial risk so expects major reward; short-to-medium holding period
Speculative Investor	Buys real estate solely as an investment with most of the reward at termination; property use is not a primary consideration; medium-to-long-term holding period; usually buys during weak market conditions, so accepts huge risk. Mantra: Buy low, sell high.
Pure Speculator	Buys real estate solely as an investment with most of the reward at termination; property use is usually not a major consideration; buys during conditions of rapidly appreciating prices; short-to-medium ownership period.

Ideal Improvement

Identification of the "**ideal improvement**" is an essential element of highest and best use. If the property appraised is vacant land, the ideal describes what should be built. If the existing improvements (one or more buildings and site improvements) have the same or similar attributes as the ideal, then the existing improvements have no or minimal depreciation. Obviously, the opposite also applies. The described ideal improvement is as specific as market data will allow. This improvement is a new industrial building.

This appraisal's highest and best use was based, in part, on an inferred demand analysis. Following below are summary considerations used to form two highest and best use determinations for the property appraised.

- Zoning permits general industrial uses or related accessory uses. Nearby lands to the west are compatibly zoned. Nearby lands to the east are zoned for Government/Airport District uses. There are no known deed restrictions, leases, or other legal issues, which preclude or delay the highest and best use. There is no substantial potential for rezoning to a significantly different use.
- Physical attributes of the property appraised are well suited to serve the use identified below. Usage of the property in this fashion produces a positive reward with acceptable risk.

Highest and Best Use

Timing of Use

A crucial component of a highest and best use is timing. If the timing of a use is not now, when is it? When timing for a specific use cannot be identified, then that use is not the best. If the highest use is not within a decade, then the time-value of money usually precludes that use. When the timing of a use is within a few years, what is the interim use? Remaining dormant is a legitimate interim use.

Most Likely User

The most likely user is another key issue. Users of an age-restricted multiunit residential structure have needs and preferences that are much different from young married couples with small children. These preferences and needs affect value, so the most likely user should be identified to judge the extent that existing or proposed improvements fulfill those needs.

Highest & Best As Though Now Vacant Land

Physical Use	An industrial use
Timing of Physical Use	Immediately develop with the physical use
Interim Use	No Interim Use
Market Participants	
Most Likely Buyer	An owner-user
Most Likely User	The buyer

Highest & Best As Though Now Improved

Physical Use	Its current use
Timing of Physical Use	Immediate
Interim Use	No Interim Use
Market Participants	
Most Likely Buyer	An owner-user
Most Likely User	An owner-user

There is little doubt that the subject land “as though now vacant” has a market value that is less than the worth of the land and building together. This proves the improvements positively contribute to value. These improvements were designed to serve its current use; they are compatible with nearby uses. Therefore, the improvements should be retained and used “as is”.

In light of the foregoing highest and best use determinations, comparables were selected with the same or similar highest and best use. This data is very influential while forming a value opinion for the property appraised.

Leased Fee Estate Value “As Is”

Cost Approach

The cost approach is generally regarded as an applicable valuation method for a real property interest like that being appraised. For the subject, this procedure was judged not applicable.

Sales Comparison Approach

Introduction

In an appraisal, the real estate being appraised is referred to as the “subject” or “subject property”. Properties possessing characteristics that are physically and locationally similar to the subject are called “comparables” or “comparable sales”. In this approach, comparables are compared to the subject. Differences are noted. Dissimilarities between the subject and the comparables are categorized into elements of comparison.

Adjustments, to compensate for dissimilarities, are next applied the sale prices of the comparable sales. Then, a value opinion for the subject is reconciled from the range in adjusted sale prices established by the comparables. Unless stated otherwise, all cited transactions are "arm's length" conveyances. An “arm’s length” transaction is an agreement between unrelated parties with typical motivations in a competitive market.

For the subject, this approach was not performed since this is an appraisal of a series of cash flows and is not based on improved real estate. Therefore, we have not sought out comparables of improved properties for a sales comparison approach analysis. This approach was judged unnecessary to produce credible results.

Inome Approach

Introduction

The income approach is based on the premise that value is directly related to income. That is, the greater the income, the greater the value.

Capitalization is the process of converting income into a capital sum. Often this is accomplished with direct capitalization where a single year's net income is translated into a value indication via an overall cap rate. The cap rate is a reflection of risk - the greater the risk, the greater the rate. Implicit within the rate are all investor expectations about all investment aspects including income generation, value growth, taxation, and general market risk.

Lease Synopsis – Ground Lease

A ground lease currently burdens the subject. The ground lease expires in 2047 and currently has annual lease payments of approximately \$55,245.75. A summary of the terms of the ground lease is as follows:

Ground Lease						
Ground Lessor	Ground Lessee	Start Date	End Date of Initial 10-year term	Annual Rent	Options	Rent Increases
City of Ames	Mulmac, LLC	7/1/1997	6/30/2007	\$55,245.75 (\$4,333 per acre at 12.75 acres)	8, 5-year options occurring automatically** (therefore, actual end date is 6/30/2047)	Ground lessee <i>may</i> call for an appraisal of the <i>per acre</i> market value at the 10 th lease year and each 5 year period thereafter at their choice; otherwise, ground lessee pays lease rates pursuant to Exhibit C; however, in the 40 th year of the lease term, an appraisal of the per acre market value is <i>mandatory</i>

**Renewal options occur automatically with no notice required by ground lessee. Total lease term not to exceed 50 years including both the original 10-year term and all 8 renewal options.

The rent schedule taken from the Ground Lease is as follows (as noted, the rent is on a per acre basis):

EXHIBIT C - RENT SCHEDULE

(50 Years: July 1, 1997 through June 30, 2047)

LEASE YEAR	RENT PER LEASED ACRE
7/1/97 - 6/30/98	\$100
7/1/98 - 6/30/99	\$100
7/1/99 - 6/30/00	\$100
7/1/00 - 6/30/01	\$100
7/1/01 - 6/30/02	\$100
7/1/02 - 6/30/03	\$2,700
7/1/03 - 6/30/04	\$2,781
7/1/04 - 6/30/05	\$2,864
7/1/05 - 6/30/06	\$2,950
7/1/06 - 6/30/07	\$3,039
7/1/07 - 6/30/08	\$3,130
7/1/08 - 6/30/09	\$3,224
7/1/09 - 6/30/10	\$3,321
7/1/10 - 6/30/11	\$3,420
7/1/11 - 6/30/12	\$3,523
7/1/12 - 6/30/13	\$3,629
7/1/13 - 6/30/14	\$3,737
7/1/14 - 6/30/15	\$3,850
7/1/15 - 6/30/16	\$3,965
7/1/16 - 6/30/17	\$4,084
7/1/17 - 6/30/18	\$4,207
7/1/18 - 6/30/19	\$4,333
7/1/19 - 6/30/20	\$4,463
7/1/20 - 6/30/21	\$4,597
7/1/21 - 6/30/22	\$4,734
7/1/22 - 6/30/23	\$4,877
7/1/23 - 6/30/24	\$5,023

7/1/24 - 6/30/25	\$5,173
7/1/25 - 6/30/26	\$5,329
7/1/26 - 6/30/27	\$5,489
7/1/27 - 6/30/28	\$5,653
7/1/28 - 6/30/29	\$5,823
7/1/29 - 6/30/30	\$5,997
7/1/30 - 6/30/31	\$6,177
7/1/31 - 6/30/32	\$6,363
7/1/32 - 6/30/33	\$6,554
7/1/33 - 6/30/34	\$6,750
7/1/34 - 6/30/35	\$6,953
7/1/35 - 6/30/36	\$7,161
7/1/36 - 6/30/37	\$7,376
7/1/37 - 6/30/38	\$7,597
7/1/38 - 6/30/39	\$7,825
7/1/39 - 6/30/40	\$8,060
7/1/40 - 6/30/41	\$8,302
7/1/41 - 6/30/42	\$8,551
7/1/42 - 6/30/43	\$8,808
7/1/43 - 6/30/44	\$9,072
7/1/44 - 6/30/45	\$9,344
7/1/45 - 6/30/46	\$9,624
7/1/46 - 6/30/47	\$9,913

Income Approach

Discounted Cash Flow Analysis

For our analysis, we have completed a discounted cash flow due to the fact that the ground lease has a long-term lease with 29 years remaining. According to the lease, the initial lease term was 10 years and there are 8 automatic 5-year renewal options that do not require the tenant to give notice. Therefore, the entire lease term, including the initial 10-year term plus the 8, 5-year renewal options, is 50 years maximum, but 29 years are currently remaining on the lease.

The City of Ames, ground lessor, has indicated that they are looking to sell their leased fee interest in the land. A discounted cash flow will allow us to analyze the long-term ground lease and the impact that future rent increases have on overall value. As indicated above, we considered a period of 29 years.

For this analysis, it is also necessary to calculate the total value of the land and building at the end of 29 years to establish a reversion value. The building's value was estimated by considering industrial manufacturing building sales for buildings that were similarly aged as the subject will be at the end of the ground lease in 29 years, the subject's building will be 49 years old.

We searched for sales within the subject's submarket. However, we found limited results. Therefore, we then searched for sales of heavy industrial/manufacturing buildings throughout the State of Iowa. In order to provide a more suitable number of comparables, it was necessary for us to also include sales of light industrial and warehouse buildings. The following sales throughout the state of Iowa were considered:

Address	Sale Date	County and Book/Page	Property Type	Building Age and Approximate Effective Age	Building Size	Sale Price/SF
3001 McKinley Ave, Des Moines	05/15/2014	Polk 15191/669	Heavy Industrial (Concrete Block/Tile)	1973/2012 (30 years effective)	107,666	\$18.58
2100 Delaware Ave, Des Moines	03/30/2016	Polk 15944/756	Warehouse (Concrete Block/Tile)	1956/1996 (43 year effective)	88,188	\$18.14
2425 Hubbell Ave, Des Moines	03/29/2016	Polk 15944/694	Heavy Industrial (Concrete Block/Tile)	1954/1987 (35 years effective)	130,078	\$17.03
2245 Dean Ave, Des Moines	03/01/2018	Polk 16833/397**	Warehouse (Concrete Block/Tile)	1953/1992 (40 years effective)	63,926	\$23.31
500 57 th Street, Marion	02/13/2014	Linn 8906/041	Light Manufacturing (Metal)	1976/1989/2014 (30 years effective)	107,960	\$24.08
2188 Highway 86, Milford	08/01/2017	Dickinson 17-04152	Light Manufacturing (Metal)	1977/2002 (30 years effective)	103,056	\$19.41
300 E Locust Street, Carter Lake	10/08/2015	Pottawattamie 2015/13316	Warehouse (Steel)	1989 (25 years effective)	62,500	\$26.40

*Landlord to Tenant

Detailed information sheets regarding each of the comparables in the above table are located in the Addenda of this report. We put the most emphasis on those sales in larger metro areas like the subject with good access to interstate systems, especially those of similar size with a heavy industrial use.

The subject is of concrete tilt-up construction, is 100% heated and cooled throughout, and has a land to building ratio of 4.76:1. The subject's 101,447 square foot building is owner-occupied. The subject also includes a 15,120 square foot hangar building that currently serves as a storage facility for a third party tenant. The 15,120 square foot building is heated with infrared heating units and includes restrooms. The third party tenant pays \$2,600 per month on a gross basis for this space. Therefore, the 15,120 square foot building does contribute to the subject's value overall.

Based upon our observation of the subject as of this report's effective date, the subject appears to be well-maintained and in good condition despite the fact that it is currently 20 years old. For these reasons, we estimate that in 29 years at the end of the ground lease, the subject's effective age will be 40 years, which means the subject will not have reached the end of its total economic life.

We put the most weight on 2100 Delaware Avenue and 2245 Dean Avenue in Des Moines, and 300 E Locust Street, Carter Lake, Iowa based on their overall use, design/quality, and/or overall effective age. However, all of these sales are inferior to the subject based on their construction type of concrete block/tile or steel versus the subject's concrete tilt-up construction. Therefore, all sales would be adjusted upward for this factor. In addition, 2100 Delaware is inferior in terms of its clear height, land to building ratio, and the fact that its warehouse space is not cooled as well as heated. Furthermore, though 2245 Dean Avenue would be adjusted downward for its smaller size, it is also inferior in regards to its land to building ratio and its warehouse that is only heated and not cooled. Therefore, overall, 2100 Delaware Ave and 2245 Dean Ave would be adjusted upward.

While 300 E Locust Street would be adjusted downward for its smaller size and lower effective age, it would receive upward adjustments for its construction type as stated above. It would also receive an upward adjustment for the fact that it was a distressed sale. The upward adjustments would outweigh the downward adjustments so ultimately, the overall adjustments would be upward for this sale.

As noted on the sale comparables information sheet in the Addenda of this report for 300 E Locust Street, the property had deferred maintenance when it was sold. However, it would not be uncommon for an aged building to have some sort of deferred maintenance. Therefore, we did not adjust for this factor since it's possible that several of the sales on the table on the previous page may or may not have had the same situation at their time of sale.

Based on our analysis, the subject's land and building value at the end of the ground lease in 29 years is estimated at \$30.00 per square foot, which is \$3,497,010 (116,567 x \$30.00). However, the subject would likely have some deferred maintenance at such time. In addition, it would be necessary to consider a sales commission. These deductions would result in the following reversion value at the end of 29 years:

Estimated Land & Building Value in 29 years	\$3,497,010
Less: HVAC Costs (Repair or Replace some units)	(\$50,000)
Less: Roof Replacements Costs (\$2.00 per square foot)	(\$233,134)
Less: 5% Sales Commission	(\$163,194)
Equals: Reversion Value	\$3,050,682
Reversion Value/SF	\$26.17

The discounted cash flow below was calculated with a discount rate of 7% and a terminal cap rate of 8.00% to arrive at the contributory value of the building. The reversion value was established as discussed in the previous paragraphs.

The calculations are shown below (the first year includes only 7 months remaining until 6/30/2019):

Year	Cash Flow Per Acre	Annual Cash Flow	Present Value Factor	PV of Cash Flow
1	\$ 2,528	\$ 32,232	93.5%	\$ 30,123
2	\$ 4,463	\$ 56,903	87.3%	\$ 49,702
3	\$ 4,597	\$ 58,612	81.6%	\$ 47,845
4	\$ 4,734	\$ 60,359	76.3%	\$ 46,047
5	\$ 4,877	\$ 62,182	71.3%	\$ 44,335
6	\$ 5,023	\$ 64,043	66.6%	\$ 42,675
7	\$ 5,173	\$ 65,956	62.3%	\$ 41,074
8	\$ 5,329	\$ 67,945	58.2%	\$ 39,544
9	\$ 5,489	\$ 69,985	54.4%	\$ 38,067
10	\$ 5,653	\$ 72,076	50.8%	\$ 36,640
11	\$ 5,823	\$ 74,243	47.5%	\$ 35,272
12	\$ 5,997	\$ 76,462	44.4%	\$ 33,950
13	\$ 6,177	\$ 78,757	41.5%	\$ 32,681
14	\$ 6,363	\$ 81,128	38.8%	\$ 31,463
15	\$ 6,554	\$ 83,564	36.2%	\$ 30,287
16	\$ 6,750	\$ 86,063	33.9%	\$ 29,152
17	\$ 6,953	\$ 88,651	31.7%	\$ 28,065
18	\$ 7,161	\$ 91,303	29.6%	\$ 27,013
19	\$ 7,376	\$ 94,044	27.7%	\$ 26,004
20	\$ 7,597	\$ 96,862	25.8%	\$ 25,031
21	\$ 7,825	\$ 99,769	24.2%	\$ 24,095
22	\$ 8,060	\$ 102,765	22.6%	\$ 23,195
23	\$ 8,302	\$ 105,851	21.1%	\$ 22,329
24	\$ 8,551	\$ 109,025	19.7%	\$ 21,494
25	\$ 8,808	\$ 112,302	18.4%	\$ 20,692
26	\$ 9,072	\$ 115,668	17.2%	\$ 19,918
27	\$ 9,344	\$ 119,136	16.1%	\$ 19,173
28	\$ 9,624	\$ 122,706	15.0%	\$ 18,455
29	\$ 9,913	\$ 126,391	14.1%	\$ 430,206
Reversion	8.00%		\$3,050,682	
Final Value				\$ 1,314,526
			As Rounded	\$ 1,315,000

Value Indication – Discounted Cash Flow

In review, risk associated with physical attributes is normal due to proper maintenance of the building. Existing and future leases are written on an absolute net basis, which lessens risk. For the most part, supply and demand are balanced so market conditions now favor neither the property owner nor tenant. Expectations of near future rental and value growth are average. Overall, risk is deemed moderate.

All issues necessary to produce a value indication via this approach have been presented and explained.

$$\begin{array}{l}
 \text{Indicated Market Value – Discount Cash Flow} \\
 \text{“As Is”} \\
 \text{Via Income Approach, say}
 \end{array}
 = \$1,315,000$$

Capitalization

In the appraisal profession, capitalization is the process of converting income into value. One method extracts a capitalization rate (also called a cap rate) from sales of similar property via the following formula. An extracted rate is then divided into the subject's net operating income (NOI) resulting in a value indication for the real estate being appraised.

$$\text{Net Operating Income} / \text{Sale Price} = \text{Cap Rate}$$

Implicit within a cap rate are all investor expectations about risk, return, and change. This methodology is simple to use, easy to explain, and directly reflects market behavior. Its simplicity is also a weakness because implicit expectations may not be scrutinized.

Mortgage-Equity Technique

Real estate is customarily acquired with both debt and equity capital. The mortgage-equity technique recognizes this and constructs an overall capitalization rate (Ro). An overall cap rate can be calculated as a weighted average composed of the mortgage ratio (M), blended with the cost of the debt capital (Rm), plus the equity ratio (E) tempered by the return or rate necessary to attract equity capital (Re).

The equity cap rate (Re), shown below, is just a first year cash-on-cash return. Four other major ownership benefits - rental growth, equity growth due to loan repayment, income tax benefits, and value growth all escalate total return. When these other factors are explicitly recognized, total return to equity over the entire ownership period, called equity yield (Ye), is usually much higher than the initial or going-in overall cap rate (Ro).

Debt capital is now available for real estate like the subject at a fixed interest rate and level monthly payments for an initial multi-year period. Throughout the level payment period, the interest rate is expected to remain stable. Thereafter, the interest rate and payment are both expected to adjust annually. Individual buyers have different purchasing criteria, so a range of reasonable equity returns and an approximate mid-point are illustrated. Current loan terms and first year demands on equity are shown below.

Debt		Equity									
Mortgage Ratio (M)	65%	Equity Ratio (E)	35%								
Interest Rate	5.00%	Reasonable First Year Equity Return (Re) Range	6% to 8%								
Initial Fixed Rate Period (Yrs)	5 to 7										
Amortization Period (Yrs)	20	First Year Equity Return (Re), Say	6.00%								
Loan Constant (Rm)	7.92%										
Using the above information, the following mortgage-equity technique constructs an overall cap rate (Ro).											
(M)	x	(Rm)	=	(M) (Rm)	=>	65%	x	7.92%	=	5.15%	
(E)	x	(Re)	=	(E) (Re)	=>	35%	x	6.00%	=	2.10%	
Summation	=	Ro	=>					Ro	=	7.25%	
								Say	Ro	=	7.00%

One component of an overall rate, devised via the mortgage-equity technique, is the first year cash-on-cash equity return shown above. Real estate competes with other investments for equity capital. Hence, it is prudent to consider returns offered by alternate investments.

Alternative Rates of Return

Certificates of Deposit (CDs) are shorter term, safer, and more liquid than real estate. On the opposite hand, CDs do not enjoy income tax benefits like depreciation deductions and potential capital gains treatment. On an overall basis, appropriate yields for real estate, similar to the subject, significantly exceed the CD rates exhibited below.

Treasury yields are generally regarded as medium to long-term durations like real estate. They too are less risky and more liquid than real estate but enjoy no income tax benefits. A fitting yield for real estate like the subject significantly exceeds the CD rates displayed below.

Economic Indicators	
<i>Bankrate.com</i>	
Certificate of Deposit - 3 year APY	2.90%
Certificate of Deposit - 5 year APY	3.05%
Residential Mortgages - 15 year fixed	4.00%
Residential Mortgages - 30 year fixed	4.76%
<i>CNN.com</i>	
Treasury Yields - 3 months	N/A
Treasury Yields - 5 year	2.90%
Treasury Yields - 10 year	3.07%
Treasury Yields - 30 year	3.32%
Recent Dow Jones Industrial Average	25,339

Interest rates for residential mortgage mortgages are easily accessible so many real estate participants have an acute awareness of them. Yield for real estate are customarily several points above those shown.

Capitalization

Investor Surveys

Several notable organizations query active real estate participants to determine their investment criteria presuming an acquisition during the next quarter. Survey respondents are typically pension funds, major real estate advisory firms, insurance companies, large banks, and leading developers. It should be known survey responses are expectations, not historical figure. Moreover, these investors only acquire newer, large scale, institutional-grade real estate. Whether the subject possesses similar risk characteristics is a moot issue.

Several organizations publish the results of these surveys. The following table exhibits key figures for several property types as published by Real Estate Research Corporation. This particular survey is of market participants in the Midwest Region.

SITUS RERC REGIONAL INVESTMENT CRITERIA – 2Q 2018 | MIDWEST INVESTMENT CRITERIA

	Office		Industrial			Retail			Apt	Student Housing	Hotel
	CBD	SUB	WHSE	R&D	FLEX	RCNL MALL	POWER CENTER	NEIGH/ COMM			
FIRST-TIER INVESTMENT PROPERTIES¹											
Pre-Tax Yield Rate (IRR) (%)											
Range	8.0 - 11.0	7.0 - 11.5	7.0 - 11.0	7.0 - 11.0	6.0 - 11.5	7.0 - 12.0	8.0 - 12.0	7.5 - 12.0	6.0 - 10.5	7.0 - 10.0	7.5 - 10.8
Average	8.8	9.2	8.7	9.3	9.1	9.2	9.5	9.2	7.9	8.3	9.3
Going-In Cap Rate (%)											
Range	6.0 - 8.5	6.0 - 10.5	6.0 - 9.5	7.0 - 9.5	6.0 - 9.0	7.0 - 10.0	6.8 - 9.5	6.0 - 9.8	5.0 - 9.5	6.0 - 8.0	6.5 - 9.8
Average	7.3	7.6	7.2	7.9	7.6	8.2	8.0	7.4	6.5	6.9	8.0
Terminal Cap Rate (%)											
Range	6.0 - 9.0	7.0 - 11.0	6.0 - 10.0	6.0 - 10.0	6.0 - 10.5	6.5 - 11.0	7.0 - 10.5	7.0 - 10.5	5.0 - 9.0	7.0 - 9.0	7.5 - 10.3
Average	7.6	8.2	7.7	8.4	8.3	8.6	8.6	8.3	6.7	7.6	8.8
SECOND-TIER INVESTMENT PROPERTIES²											
Pre-Tax Yield Rate (IRR) (%)											
Range	8.9 - 12.0	7.0 - 10.5	8.5 - 10.8	9.5 - 12.0	7.0 - 10.8	9.0 - 13.0	9.0 - 12.0	8.5 - 11.0	6.5 - 9.5	8.0 - 10.0	8.4 - 11.3
Average	9.9	9.6	9.6	10.2	9.7	10.7	10.0	9.8	8.4	8.8	9.7
Going-In Cap Rate (%)											
Range	6.0 - 9.5	7.0 - 11.0	6.5 - 9.0	7.0 - 9.8	7.0 - 10.0	7.9 - 11.0	7.5 - 10.0	7.0 - 10.0	6.0 - 9.0	6.0 - 8.5	7.0 - 10.3
Average	8.1	8.5	7.9	8.3	8.4	9.4	8.7	8.2	7.2	7.1	8.5
Terminal Cap Rate (%)											
Range	7.0 - 10.0	7.5 - 10.0	7.0 - 10.0	7.0 - 10.3	7.0 - 9.5	8.5 - 11.0	8.5 - 11.0	8.1 - 9.5	5.5 - 9.0	7.3 - 9.0	8.1 - 10.8
Average	8.5	8.8	8.5	8.9	8.9	9.7	9.4	8.9	7.6	8.0	9.5
THIRD-TIER INVESTMENT PROPERTIES³											
Pre-tax Yield Rate (IRR) (%)											
Range	8.0 - 11.0	7.0 - 12.0	7.0 - 11.5	7.0 - 13.5	9.5 - 12.0	9.4 - 12.8	9.4 - 12.5	9.6 - 11.0	6.5 - 11.0	8.4 - 11.5	9.5 - 11.8
Average	10.2	10.1	10.0	10.6	10.6	11.0	11.1	10.4	9.3	9.6	10.9
Going-In Cap Rate (%)											
Range	6.0 - 11.0	7.0 - 12.0	7.0 - 10.5	7.0 - 11.5	7.0 - 11.0	8.1 - 12.0	8.4 - 10.5	8.1 - 11.0	4.8 - 10.5	6.9 - 8.5	8.5 - 11.0
Average	8.9	9.3	8.8	9.4	9.2	10.1	9.5	9.3	8.3	7.7	10.0
Terminal Cap Rate (%)											
Range	7.0 - 11.0	7.0 - 11.5	7.0 - 11.5	7.0 - 11.8	7.0 - 11.0	9.1 - 12.5	8.9 - 11.5	8.0 - 11.0	5.5 - 10.5	7.5 - 9.0	9.5 - 11.3
Average	9.2	9.5	9.1	9.6	9.5	10.7	10.1	9.7	8.5	8.3	10.7

¹First-tier investment properties are defined as new or newer quality construction in prime to good locations.
²Second-tier investment properties are defined as aging, former first-tier properties, in good to average locations.
³Third-tier investment properties are defined as older properties with functional inadequacies and/or in marginal locations.
 A list of Situs RERC-defined regions is located in the Situs RERC Scope and Methodology section in the back of this report.
 Source: Situs RERC, 2Q 2018.

Rates of return on alternate investments and historical sales are not the only factors affecting overall cap rates. Expectations of the future are equally important. These expectations include but are not limited to inflation, taxation, governmental policy, environmental concerns, and the general relationship between supply & demand. The overall cap rate displayed below for the subject recognizes several aspects.

Reconciliation

All salient aspects of the subject property have been presented and discussed. Zoning uses, requirements and limitations were considered. If part of the scope of work, the subject's Highest and Best Use was determined. Appropriate valuation techniques were processed. Applicable approaches produced the following results:

<i>Value Indications</i>	<i>“As Is”</i>
Cost Approach	Not Applied
Sales Comparison	Not Applied
Income Approach	\$1,315,000

The Income Approach is considered fully applicable for this type and size property in this vicinity. Therefore, our final market value opinion for the subject real estate is:

\$1,315,000 Market Value “As Is”

Exposure & Marketing Time

Terminology abounds in the real estate appraisal profession. Two related but different concepts that are often confused are Exposure Time and Marketing Time. USPAP specifically addresses the confusion.

Term	Definition	Explanation
Exposure Time (Statement 6)	<i>“The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal”.</i>	Backward looking, ends on the effective value date. Based on factual, past events
Marketing Time (Advisory Opinion 7)	<i>“An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value during the period immediately after the effective date of the appraisal”.</i>	Forward looking, starts on the effective value date. A forecast based on expectancies of future occurrences.

Marketing time and exposure time are both influenced by price. That is, a prudent buyer could be enticed to acquire the property in less time if the price were less. Hence, the time span cited below coincides with the value opinion(s) formed herein.

USPAP Standard rule 1-2(c)(iv) requires an opinion of exposure time, not marketing time, when the purpose of the appraisal is to estimate market value. In the recent past, the volume of competitive properties offered for sale, sale prices, and vacancy rates have fluctuated little. Sale concessions have not been prevalent. In light thereof, an estimated exposure time for the subject is 6 to 10 months assuming competitive pricing and prudent marketing efforts.

A marketing time estimate is a forecast of a future occurrence. History should be considered as a guide, but anticipation of future events & market circumstances should be the prime determinant. Overall market conditions are expected to remain essentially stable, so a marketing interval between 6 and 10 months is predicted for the subject.

Certification

The appraisers signing this report make the following certifications to the best of their knowledge and belief.

- The statements of fact contained in this report are true and correct.
- Reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions contained within this report, and are the appraisers' personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The appraisers have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- The appraisers have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- This engagement is not contingent upon developing or reporting predetermined results.
- Compensation paid to the appraisers is not contingent upon the development or reporting of a predetermined value, or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- Reported analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP)
- A statement regarding observation of the subject property by each appraiser is listed below. None of the appraisers is a professional property inspector. Furthermore, none of the appraisers has formal training in the use of tools or instruments as part of a professional property inspection. Observation by one or more of the appraisers was limited to just those physical features and attributes that are not hidden or obscure in any fashion by any object or weather condition. None of the appraisers used any tools or instruments, beyond those typically used by appraisers, to probe, study, investigate, detect, or discover any physical feature or attribute that was not clearly visible on the date the property was observed.

Appraisers	Observations
Gene F. Nelsen, MAI, CCIM Jennifer K. O'Tool	Interior & Exterior Interior & Exterior

- No one provided significant real property appraisal assistance to the appraiser(s) signing this certification.
- The appraisers have performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report during the three-year period immediately preceding acceptance of this assignment.

Certification

- Use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Gene Nelsen has completed the continuing education program of the Appraisal Institute.
- As of the date of this report, Jennifer O'Tool has completed the Standards & Ethics education program of the Appraisal Institute for Associate Members.

Thank you for your business. Let us know how we may further serve you.




Gene F. Nelsen, MAI, CCIM
Certified General Real Property Appraiser
Iowa License CG01034
License Expiration Date: 6/30/2019



Jennifer K. O'Tool
Associate General Real Property Appraiser
Iowa License AG03473
License Expiration Date: 6/30/2019

Sales Comparables

3001 McKinley Ave Des Moines, IA 50321 Class B Manufacturing Building of 107,666 SF Sold on 5/15/2014 for \$2,000,000 - Research Complete											
buyer Manko Window Systems, Inc 800 Hayes Dr Manhattan, KS 66502 (785) 776-9643											
seller SGH, Inc c/o Betty Dudzik 742 N 109th Ct Omaha, NE 68154 (402) 493-9393											
vital data											
Escrow/Contract: 50 days Sale Date: 5/15/2014 Days on Market: - Exchange: No Conditions: - Land Area SF: 436,689 Acres: 10.03 \$/SF Land Gross: \$4.58 Year Built, Age: 1976 Age: 38 Parking Spaces: 90 Parking Ratio: - FAR: 0.25 Lot Dimensions: - Frontage: - Tenancy: Single Comp ID: 3038047		Sale Price: \$2,000,000 Status: Full Value Building SF: 107,666 SF Price/SF: \$18.58 Pot Office: 6.3% Pro Forma Cap Rate: - Actual Cap Rate: - Down Pmnt: - Pct Down: - Doc No: 15191-669 Trans Tax: - Corner: No Zoning: M-3 No Tenants: 1 Percent Improved: 66.2% Submarket: South Map Page: - Parcel No: 120-04472430002 Property Type: Industrial									
income expense data		Listing Broker									
<table border="0"> <tr> <td>Expenses</td> <td>- Taxes</td> <td>\$56,994</td> </tr> <tr> <td></td> <td>- Operating Expenses</td> <td></td> </tr> <tr> <td></td> <td>Total Expenses</td> <td><u>\$56,994</u></td> </tr> </table>		Expenses	- Taxes	\$56,994		- Operating Expenses			Total Expenses	<u>\$56,994</u>	No Listing Broker on Deal
Expenses	- Taxes	\$56,994									
	- Operating Expenses										
	Total Expenses	<u>\$56,994</u>									
		Buyer Broker									
		No Buyer Broker on Deal									
financing		prior sale									
1st Kansas State Bk of Manhattan (Acquisition & Development) Bal/Pmt: \$5,594,854		Date/Doc No: 12/27/2011 Sale Price: \$1,166,500 CompID: 2242691									

**The building is of concrete block/tile construction, was not sprinklered, had a clear height of 16.5', and a land to building ratio of 4.056:1. It is zoned for heavy industrial use. This sale did not include an deferred maintenance and it was an owner/user sale.



Property Identification

Property Type Industrial – Warehouse
Address 2100 Delaware Avenue, Des Moines, Iowa 50317
Tax ID 110/00972-001-000

Sale Data

Grantor First Ind Financing Partnership LP
Grantee A E Farms Inc.
Sale Date March 30, 2016
Deed Book/Page 15944-756
Conditions of Sale Arm’s Length
Verification Polk County Assessor

Sale Price \$1,600,000
Cash Equivalent \$1,600,000

Land Data

Land Size 4.542 Acres or 197,855 SF
Zoning M-1, Light Industrial

General Physical Data

Gross Area SF 88,188
Finished Area SF 19,158
Year Built 1956/1996
Exterior Walls Concrete Block/Tile

Indicators

Sale Price/Gross Area SF \$18.14
Land to Building Ratio 2.24:1

Remarks

This single-parcel transfer was conveyed via a Warranty Deed and is an arm’s length transaction. Warehouse is heated, but not cooled. Clear height is 16’ and the building has a wet sprinkler system.



Property Identification

Property Type Heavy Industrial
Address 2425 Hubbell Ave, Des Moines, Polk County, Iowa 50317
Tax ID 060/06307-001-001, 060/00166-000-000, 060/00167-000 000,
 060/00168-000-000, 060/06299-000-000, 060/06300-001-000,
 060/07801-000-000, 060/07802-000-000

Sale Data

Grantor Marel, Inc.
Grantee 2425 Hubbell Ave Inc.
Sale Date March 29, 2016
Deed Book/Page 15944-694
Conditions of Sale Arm's Length
Verification Polk County Assessor

Sale Price \$2,215,000
Cash Equivalent \$2,215,000

Land Data

Land Size 7.567 Acres or 329,640 SF
Zoning PUD, Planned Unit Development

General Physical Data

Gross Area SF 130,078
Finished Area SF 55,007
Year Built 1954/1987
Exterior Walls Concrete Block/Tile

Indicators

Sale Price/Gross Area SF \$17.03
Land to Building Ratio 2.53:1

Remarks

This single-parcel transfer was conveyed via a Warranty Deed and is an arm's length transaction. The building has a wet sprinkler system, 22' clear height, and is over 80% heated and cooled.



Property Identification

Property Type Industrial – Warehouse
Address 2245 Dean Avenue, Des Moines, Polk County, Iowa 50317
Tax ID 050/04433-001-000

Sale Data

Grantor Richard K Hansen
Grantee Franzenburg Commercial Real Estate LLC
Sale Date March 1, 2018
Deed Book/Page 16833/397
Conditions of Sale Arm's Length
Verification Polk County Assessor

Sale Price \$1,490,000
Cash Equivalent \$1,490,000

Land Data

Land Size 1.846 Acres or 80,410 SF
Zoning M-1, Light Industrial District

General Physical Data

Gross Area SF 63,926
Finished Area SF 2,056
Year Built 1953/1992
Exterior Walls Concrete Block/Tile

Indicators

Sale Price/Gross Area SF \$23.31
Land to Building Ratio 1.26:1

Remarks

This single-parcel transfer was conveyed via a Warranty Deed and was a sale between landlord and tenant. The building has a dry sprinkler system, 23' clear height, and the warehouse space is heated, but not cooled.

500 57th St

KwikWay Building
Marion, IA 52302

Class C Manufacturing Building of 107,960 SF Sold on
2/13/2014 for \$2,600,000 - Research Complete

buyer

Hupp Electric Motors
275 33rd Ave SW
Cedar Rapids, IA 52404
(319) 366-0761

seller

Kwik-Way Products Inc
2525 18th St SW
Cedar Rapids, IA 52404
(319) 377-9421



vital data

Escrow/Contract:	120 days	Sale Price:	\$2,600,000
Sale Date:	2/13/2014	Status:	Confirmed
Days on Market:	813 days	Building SF:	107,960 SF
Exchange:	No	Price/SF:	\$24.08
Conditions:	Deferred Maintenance	Pro Forma Cap Rate:	-
Land Area SF:	871,200	Actual Cap Rate:	-
Acres:	20	Down Pmnt:	\$520,000
\$/SF Land Gross:	\$2.98	Pct Down:	20.0%
Year Built, Age:	1976 Age: 38	Doc No:	008906000041
Parking Spaces:	105	Trans Tax:	-
Parking Ratio:	0.94/1000 SF	Corner:	No
FAR:	0.12	Zoning:	I-2,C-3
Lot Dimensions:	-	No Tenants:	1
Frontage:	-	Percent Improved:	-
Tenancy:	Multi	Submarket:	-
Comp ID:	2966140	Map Page:	-
		Parcel No:	15-04-2-76-001-0-0000
		Property Type:	Industrial

income expense data

Listing Broker

Coldwell Banker Hedges Realty
5414 Blairs Forest Way NE
Cedar Rapids, IA 52402
(319) 731-2000
Michael Esker


Buyer Broker

Skogman Commercial Group
411 1st Ave SE
Cedar Rapids, IA 52401
(319) 363-8286
Terry Knake

financing

1st Cedar Rapids Bank & Trust
Bal/Pmt: \$2,080,000

**Building has 21' clear height, is sprinklered, and has a land to building ratio of 8.07:1. The building was sold with deferred maintenance that included a bad roof in need of repairs. Sale type was an owner/user.

2188 Highway 86 Hwy 86 & 71 Milford, IA 51351 Class C Manufacturing Building of 103,056 SF Sold on 9/6/2017 for \$2,000,000 - Research Complete			
buyer Timothy Sather 176 Hwy 71 S Arnolds Park, IA 51331 (859) 987-6145			
seller Danbom Properties LLC 1806 Jeppeson Rd Milford, IA 51351 (712) 332-5352			
vital data <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"> Escrow/Contract: 45 days Sale Date: 9/6/2017 Days on Market: 2.266 days Exchange: No Conditions: - Land Area SF: 419,483 Acres: 9.63 \$/SF Land Gross: \$4.77 Year Built, Age: 1977 Age: 40 Parking Spaces: - Parking Ratio: - FAR 0.25 Lot Dimensions: - Frontage: - Tenancy: Multi Comp ID: 3997061 </td> <td style="width: 50%;"> Sale Price: \$2,000,000 Status: Confirmed Building SF: 103,056 SF Price/SF: \$19.41 Pro Forma Cap Rate: - Actual Cap Rate: - Down Pmnt: - Pot Down: - Doc No: - Trans Tax: - Corner: No Zoning: - No Tenants: 3 Percent Improved: 81.4% Submarket: - Map Page: - Parcel No: 10-01-226-006 Property Type: Industrial </td> </tr> </table>			Escrow/Contract: 45 days Sale Date: 9/6/2017 Days on Market: 2.266 days Exchange: No Conditions: - Land Area SF: 419,483 Acres: 9.63 \$/SF Land Gross: \$4.77 Year Built, Age: 1977 Age: 40 Parking Spaces: - Parking Ratio: - FAR 0.25 Lot Dimensions: - Frontage: - Tenancy: Multi Comp ID: 3997061
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income expense data		Listing Broker NAI United 400 Gold Cir Dakota Dunes, SD 57049 (712) 224-2727 Colonel Krage	
		Buyer Broker Klaassen Realty 808 Main St Ocheyedan, IA 51354 (712) 754-3500 Seth Hellinga	
financing			

**Building was built in 1977 of metal construction and renovated in 2002. Building is not sprinklered, has 21'-24' clear height, and a land to building ratio of 4.07:1. Buyer purchased building as an investment.

300 E Locust St Carter Lake, IA 51510 Class B Warehouse Building of 62,500 SF Sold on 10/8/2015 for \$1,650,000 - Research Complete		
buyer		
Southern Carlson c/o Dan Williams 7820 L St Omaha, NE 68127 (402) 951-5999		
seller		
Heartland Proteins LLC 300 E Locust St Carter Lake, IA 51510 (563) 940-6047		
vital data		
Escrow/Contract: - Sale Date: 10/8/2015 Days on Market: - Exchange: No Conditions: Distress Sale, Deferred ... Land Area SF: 217,800 Acres: 5 \$/SF Land Gross: \$7.58 Year Built, Age: 1989 Age: 26 Parking Spaces: 71 Parking Ratio: 1.14/1000 SF FAR: 0.29 Lot Dimensions: - Frontage: - Tenancy: Single Comp ID: 3450335	Sale Price: \$1,650,000 Status: Confirmed Building SF: 62,500 SF Price/SF: \$26.40 Pot Office: 9.9% Pro Forma Cap Rate: - Actual Cap Rate: - Down Pmnt: - Pot Down: - Doc No: - Trans Tax: - Corner: No Zoning: Commercial District Percent Improved: 72.9% Submarket: Northeast Omaha Ind Map Page: - Parcel No: 7544-20-251-001 Property Type: Industrial	
income expense data		Listing Broker Dial Properties 11506 Nicholas St Omaha, NE 68154 (402) 493-2800 Steve Gries Buyer Broker Sage Capital 818-830 S 75th St Omaha, NE 68114 (402) 952-4350 Collin Brown, Aaron Moser
financing		prior sale Date/Doc No: 6/10/2014 Sale Price: - CompID: 3058760

**This was a distressed sale. The building had deferred maintenance at the time of the sale. The building is of steel construction, included a wet sprinkler system, 14'-24' clear height, and 3,000 AMPs of power. The land to building ratio is 3.485:1. Seller owned it as an investment, but buyer was an owner/user.

Engagement Letter



10580 Justin Drive
Urbandale, IA 50322

Nelsen Appraisal Associates, Inc.

(Bus) 515-276-0021
(Fax) 515-276-9303

October 17, 2018

Damion Pregitzer, P.E. PTOE
Traffic Engineer
City of Ames
City Hall
515 Clark Avenue
Ames, IA 50010

Re: 3100 South Riverside
Ames, Iowa

Dear Mr. Pregitzer:

We propose to prepare an appraisal report for the above-described properties in Ames, Iowa. The appraisal will be used as part of negotiation process in order to facilitate the tenant purchase of the property from their current owner, the City of Ames.

It is our understanding that the Tenant (Building Owner) wishes to purchase the underlying Land. At this point, the bid is to provide an appraisal report of the Leased Fee Estate in the land as of the current date in a typical narrative format. The full cost of the appraisal report will not exceed \$3,900, including all meetings prior to delivery of the final report. If the report needs to be prepared in a specific FAA or other Federal report format, we will increase our appraisal fee by up to \$1,000 and we must be notified of this requirement prior to the start of the appraisal process.

Delivery of the report shall be no later than five (5) weeks from written notice to proceed.

Thank you for the opportunity to provide this service to you. If you have any further questions or wish to modify this agreement please contact me at your convenience. Otherwise, please indicate your approval by signing the enclosed agreement.

A handwritten signature in black ink, appearing to read "Gene F. Nelsen". The signature is fluid and cursive, with a large initial "G" and "N".

Gene F. Nelsen, MAI, CCIM
President
Certified General Real Property Appraiser
Iowa License CG01034
License Expiration Date: 6/30/2019

Authorization to Proceed

I, Damion Pregitzer, authorize Nelsen Appraisal Associates, Inc. to perform the appraisal assignment as described in this letter proposal. I understand that payment is expected at the time work completed on this property. Any changes to the scope of this assignment by me may result in charges greater than the terms herein described.



Damion Pregitzer, P.E. PTOE
Traffic Engineer
City of Ames

Qualifications

Gene F. Nelsen, MAI CCIM

President

Nelsen Appraisal Associates, Inc.

10580 Justin Drive

Urbandale, IA 50322

515-276-0021 Phone

515-276-9303 Fax

gene@nelsonappraisal.com



Since 1985 Gene has analyzed nearly all real estate types. He is a member of the Appraisal Institute and CCIM Institute and is qualified and experienced in commercial, industrial and residential real estate appraising. His experience includes valuation and consulting for these property types and purposes.

- Office, Industrial, Retail, and Multi-Family Properties.
- Senior Assisted/Independent Living and Nursing Facilities.
- Real estate consulting in valuation, rent analysis, land development and land use evaluation.
- Eminent Domain valuation.
- Appraisal review.
- Expert witness testimony.

Education

University of Northern Iowa

B.A., Science - Environmental Planning, Urban Planning Emphasis

Appraisal Institute

Designated MAI, 1991

MAI Continuing Education includes the successful completion of courses covering a wide range of appraisal skills and practices. Credit hours earned meet or exceed the Appraisal Institute's requirement of 100 credit hours during each five-year period.

CCIM Institute

Designated CCIM, 2003

Professional Affiliations

- MAI Designated Member of Appraisal Institute, 1991
- CCIM Designated Member of the CCIM Institute, 2003
- President, Appraisal Institute, Iowa Chapter, 1998
- Regional Representative Appraisal Institute, Iowa Chapter 1999-2001
- Public Relations Chair, Appraisal Institute, Iowa Chapter, 2001-present
- Chair, University of Northern Iowa Real Estate Education Program Advisory Council – 2004-2005. Currently serving on its Board of Directors.
- President, CCIM Institute, Iowa Chapter 2010-2011. Board Member since 2004
- Iowa Commercial Real Estate Expo, Committee Member since 1996 - Co-Chair 2010
- Iowa Commercial Real Estate Association, Board Member
- Iowa Real Estate Appraiser Examining Board – Board Member 2011-2014 – Chair 2014 - Present

State Certification

State of Iowa, Certified General Real Property Appraiser

State of Nebraska, Certified General Real Property Appraiser

Jennifer K. O'Tool
Associate General Real Property Appraiser
Nelsen Appraisal Associates, Inc.
10580 Justin Drive
Urbandale, IA 50322
515-276-0021 Phone
515-276-9303 Fax
jotool@nelsonappraisal.com



Jennifer began her studies to become a Certified General Real Estate Appraiser in 2015 and brings a 20-year background in institutional commercial real estate mortgage lending and community banking. Her professional experience, combined with continuing education, enables her to offer high-quality services under the supervision of Gene Nelsen, MAI CCIM in

- Industrial and Retail property appraisals with experience in leasehold estates and leased fee estates.
- Office appraisals
- Multi-family Residential real estate appraisals.

Education

Simpson College – Bachelor of Arts – Economics and Finance
Appraisal course work, including:
Appraisal Principals – 30 hours
Appraisal Procedures – 30 hours
National USPAP Course – 15 hours

Work Experience

Principal Real Estate Investors, Des Moines, IA

Prepared internal and reviewed external appraisals in conjunction with the procurement of over \$1 billion in mortgage loans in core property groups: industrial, retail, multi-family residential, and office

Professional Affiliations

Appraisal Institute – General Associate Member

State Certification

Associate Real Estate Appraiser status, working toward General certification.

Community Organizations

Junior Achievement of Central Iowa

Copyright Protection

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Urbandale, Iowa 50322
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The descriptions, analyses, and conclusions stated herein are intended for the exclusive use of our client, City of Ames, and other explicitly identified intended users, solely for the intended use stated in this document.

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This report and all its contents is a culmination of intellectual and professional experiences, education, personal investigations, and know-how, which shall at all times remain the property of Nelsen Appraisal Associates, Inc., its sole owner.

End of Report



10580 Justin Drive
Urbandale, IA 50322

Nelsen Appraisal Associates, Inc.

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A REAL PROPERTY APPRAISAL IN AN APPRAISAL REPORT OF

Land



LOCATED AT

3100 South Riverside Drive
Ames, Iowa 50010

CLIENT

City of Ames



10580 Justin Drive
Urbandale, IA 50322

Nelsen Appraisal Associates, Inc.

(Bus) 515-276-0021
(Fax) 515-276-9303

March 14, 2019

Mr. Damion Pregitzer, P.E. PTOE
Traffic Engineer
City of Ames
City Hall
515 Clark Avenue
Ames, Iowa 50010

Re: 3100 South Riverside Drive
Ames, Iowa 50010

Dear Mr. Pregitzer,

At your request, we have appraised a real property interest for the above real estate. Our objective was to form one or more opinions about the market value for a 100% ownership interest in the subject property's fee simple estate assuming no liens or encumbrances other than normal covenants and restrictions of record.

The subject property consists of an irregular, non-corner parcel constituting 12.750 acres. The subject is described in greater detail in the accompanying report.

This valuation contains analyses, opinions, and conclusions along with market data and reasoning appropriate for the scope of work detailed later herein. It was prepared solely for the intended use and intended user(s) explicitly identified in the attached report. Unauthorized users do so at their own risk. The appraisal is communicated in the attached appraisal report, and conforms to the version of the Uniform Standards of Professional Appraisal Practice (USPAP) in effect on this report's preparation date of March 14, 2019.

This letter is not an appraisal report hence it must not be removed from the attached 63-page report. If this letter is disjoined from the attached appraisal report, then the value opinions set forth in this letter are invalid because the analyses, opinions, and conclusions cannot be properly understood.

In general, valuation of the subject property involves no atypical issues. All value opinions are affected by all the information, extraordinary assumptions, hypotheses, general limiting conditions, facts, descriptions, and disclosures stated in the attached appraisal report. After careful consideration of all factors pertaining to and influencing value, the data and analysis thereof firmly supports the following final value opinion(s) for the subject property as of March 7, 2019:

\$889,000 Market Value – Fee Simple Estate “As Vacant”

Thank you for your business. Let us know how we may further serve you.



Gene F. Nelsen, MAI, CCIM
Certified General Real Property Appraiser
Iowa License CG01034
License Expiration Date: 6/30/2019



Jennifer K. O'Tool
Associate General Real Property Appraiser
Iowa License AG03473
License Expiration Date: 6/30/2019

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Overview

Salient Information	
<i>Property Type</i>	Land – Fee Simple Estate
<i>Real Estate Appraised</i>	3100 South Riverside Drive Ames, Iowa 50010
<i>County</i>	Story
<i>Estate Valued</i>	100% of the Fee Simple Estate of the Land
<i>Client</i>	City of Ames
<i>Client File Number</i>	None
<i>Most Likely Buyer</i>	Owner-User
<i>Effective Value Date</i> <i>(point in time that the value applies)</i>	March 7, 2019
<i>Report Date</i> <i>(date the report is transmitted to client)</i>	March 14, 2019
<i>Final Value Conclusion(s)</i>	\$889,000 Market Value – Fee Simple Estate “As Vacant”

Noteworthy Issues

The subject property consists of an irregular, non-corner parcel constituting 12.750 acres. The subject is described in greater detail in the accompanying report.

The subject site is improved with a 20-year old, 101,447 square foot heavy manufacturing building, as well as a 19-year old, 15,120 square foot metal hangar building. In addition, the subject’s land is associated with an income stream received by the ground lessor via a ground lease. However, the Client has requested that the appraisers provide a fee simple market value of the land as vacant. Therefore, it is the fee simple interest of the land as vacant that is considered in this report.

No atypical factors significantly affect value. The real estate appraised is generally typical for this type property in this locale.



Scope of Work

Scope of Work

Introduction

The Uniform Standards of Professional Appraisal Practice (USPAP) defines scope of work as “*the type and extent of research and analysis in an assignment*”. Scope of work includes, but is not limited to:

- the extent to which the property is identified;
- the extent to which tangible property is observed;
- the type and extent of data researched; and
- the type and extent of analyses applied to arrive at opinions or conclusions.

Assignment Elements

The purpose of this assignment (the problem to be solved) is to form one or more opinions about value. This purpose necessitates identification of seven assignment elements listed below.

1. Client Information

Client's Name **	Mr. Damion Pregitzer, P.E. PTOE
Client's Company Name	City of Ames
Client's Agent	Not Applicable
Agent's Company Name	Not Applicable
Appraiser(s) Engaged By	The Client
Client's Interest In Property Appraised	Owner
2. Other Intended Users	None
3. Intended Use Of Report (To aid)	Internal Decisions
4. Value Opinion(s) Developed	Market value
Standard / Definition Of Value Used To Form The Value Opinion(s)	Advisory Opinion 30 of USPAP, which is the same definition as the one in FIRREA.

** *The client is always an intended user.*

Scope of Work

Assignment Elements

5. Key Dates

Effective Value Date <i>(point in time the value applies)</i>	March 7, 2019
Report Date <i>(date the report was transmitted to the client or the client's agent)</i>	March 14, 2019
Date Property Appraised Was Observed By One Or More Appraisers Signing This Report	Land & Building Observed March 7, 2019

6. Assignment Conditions

Extraordinary Assumptions	One Or More Apply, Detailed Later Herein
Hypothetical Conditions	None Used
Jurisdictional Exceptions	None Used
Expected Public or Private On-Site or Off-Site Improvements Affect Value	Not Expected
Assemblage of Estates or Component Parts Affects Value	Not Expected
Other	None Used

Scope of Work

Relevant Characteristics

The seventh assignment element is relevant characteristics about the property appraised. These characteristics are typically categorized as physical, legal, and economic.

Physical attributes of the property appraised are presented later in the Subject section of this report. Some characteristics are identified below. Atypical issues are listed in the Noteworthy Issues section and may be further detailed elsewhere herein.

Unless specifically stated otherwise, the estate appraised (listed below) assumes no adverse leases, liens or encumbrances other than normal covenants and restrictions of record.

7a. *Physical*

Existing Property Use	Manufacturing Facility
Property Use Reflected In One Or More Value Opinions	Land "As Vacant"
Sources of Information About the Property Appraised Included	Interior & Exterior Observation

7b. *Legal*

Category Of Property Appraised	Real Property
Estate(s) Appraised	Fee Simple
Legal Issues Considered	No Atypical Legal Issues
Environmental Concerns	No Known Environmental Concerns

7c. *Economic*

Effect Of Lease(s) On Value	Effect of Ground Lease Not Considered
Cost Information	
Type of Reconstruction Cost Used	Reconstruction Cost Not Considered
Source of Reconstruction Cost Information	Not Applicable

Scope of Work

Extent of Services Provided

Number of Final Value Opinions Developed	One
Value Opinion(s) Reflect The Worth Of the Property Appraised	Fee Simple Estate of Land As Vacant
Extent Of Report Preparation	An Appraisal Report
Other Reporting Requirements	Not Applicable
Extent Of Data Research	Extensive
Data Sources	Public Records At Government Office; Real Estate Sales Agents; Buyers and / or Sellers; Landlords and / or Tenants
Documents Considered	None
Data Verification	Direct and Indirect Methods Adequate Interior & Exterior Observation
Extent Of Subject Observation By One Or More Appraisers Signing Report	Specifics of this viewing, if any, are detailed in the Extraordinary Assumptions & Disclosures section of this report.

Other Intended Use Considerations

Client's Prior Engagement Of Appraisal Services	Numerous
Loan To Value Ratio	Unknown
Atypical Issues	No Atypical Issues
Assignment Complexity	Typical Complexity
FIRREA Compliance	Fully Compliant
Insurable Value	Insurable Value Is Not An Intended Use

Miscellaneous Matters

Scope of Work Agreement	Agreement in Addenda
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Scope of Work

Appraisal Development

Appraisal development is the extent of research and analyses that produce one or more credible opinions of value for one or more specifically identified intended users and an explicitly stated intended use. In this context, credible is defined as "worthy of belief".

Depending upon the intended use, intended users, and agreements between the appraiser and the client, the appraisal development process may include several, but not necessarily all of the following tasks.

- observation of the property appraised
- research for appropriate market data
- data verification
- consideration of influential market area, physical, economic, and governmental factors
- determination of the subject's highest and best use(s), if appropriate
- development of one or more applicable approaches to value
- reconciliation of value indications
- preparation of this report

In most cases, the core valuation process begins with a highest and best use analysis. This is essential because it establishes a framework for the proper selection of comparable sales. Cited comparable sales should have the same highest and best use as the property appraised.

Scope of Work

Appraisal Development

If some property modification like new construction is contemplated, a feasibility analysis may be appropriate. In some cases, feasibility may simply be justified by inferred market evidence like low vacancy or rising rents.

According to USPAP, all approaches that are applicable to the interest being appraised and necessary to produce credible results must be developed. The type of highest and best use; extent of feasibility considered; and the relevance of each major approach are listed below.

Highest and Best Use	An Inferred Demand Analysis
Feasibility Analysis <i>(a more detailed study separate from highest & best use)</i>	Separate Feasibility Analysis Not Developed
Cost Approach	Not Applicable And Not Included In Report
Sales Comparison	Applicable And Included In Report
Income Approach	Not Applicable And Not Included In Report

Quoting "*The Appraisal of Real Estate*" Fourteenth Edition published by the Appraisal Institute, says

"Highest and best use analysis and feasibility analysis are interrelated, but feasibility analysis may involve data and considerations that are not directly related to highest and best use determinations. Such analyses may be more detailed than highest and best use analysis, have a different focus, or require additional research."

Applicable and necessary approaches were selected for development after consideration of available market data, intended use, and intended user(s). An approach considered not applicable was omitted because this methodology is not appropriate for the property interest being appraised, or sufficient data to properly develop the approach was not available. Any approach judged not applicable, yet included in this report, was developed solely at our client's request. Data used to develop an inapplicable but included approach has a low to nil degree of comparability to the subject. Hence, no emphasis was given an approach deemed not applicable but included. Furthermore, no liability or responsibility is assumed for an approach considered not applicable but included at the client's request.

Scope of Work

Concept Explanations

Intended use and all intended user(s) should be weighed heavily during the scope of work decision. A single intended user who frequently engages appraisal services is likely very knowledgeable about the appraisal process. For this type user, the appraisal development and reporting for less complex property types might be toward the lower end of the spectrum. By contrast, multiple intended users, especially those with opposing motivations, likely need extensive appraisal development and reporting. Litigation is a prime example when a thorough appraisal development and detailed reporting is warranted.

A loan to value ratio reflects risk. For commercial-grade loans, ratios over 75% are generally regarded as risky. If a contemplated loan is viewed as risky, then the extent of appraisal development and the level of report detail should be more comprehensive. Similarly, more complex properties generally warrant more thorough analyses and more extensive report details.

Prior engagement of appraisal services by a client implies a level of awareness about the appraisal process. A greater awareness may justify a less thorough level of report detail whereas the opposite is true for an individual who has never engaged an appraisal.

A Jurisdictional Exception is an assignment condition, which voids a portion of USPAP that is contrary to law or public policy. When a Jurisdictional Exception applies, only the contrary portion is void. The remainder of USPAP remains in full force and effect. Jurisdiction Exceptions always shrink USPAP, not expand it.

Data verification affects reliability. Direct data verification confirms information used in the report with one or more parties who have in-depth knowledge about physical characteristics for the property being appraised, or related financial details. Indirect verification employs information obtained from a secondary source like a data reporting service, a multiple listing service, or another appraiser. Direct verification is generally more time-consuming and costly, but also more reliable.

Information from all data sources was examined for accuracy, is believed reliable, and assumed reasonably accurate. However, no guaranties or warranties for the information are expressed or implied. No liability or responsibility is assumed by Nelsen Appraisal Associates, Inc. or the appraiser(s) for any inaccuracy from any seemingly credible information source.

Scope of Work

Concept Explanations

A statement about observation of the subject property by the appraiser(s) is listed above. If the subject was observed, this viewing was not as thorough as a professional property inspection. A professional inspector determines the precise physical condition, remaining useful life, and operability of major building components like the structural system, roof cover, electrical system, plumbing, and heating plant. Inspectors typically do not ascertain size of the building, or characteristics of the land. By contrast, an appraiser commonly ascertains both land and building size. Ordinarily, appraisers do not determine operability, or remaining useful life of building systems. An appraiser typically views real estate to determine only general attributes like physical condition of the building as a whole, site topography and access, building size, construction quality, floor plan, and functionality of the property as a whole. For this appraisal, no probes, investigations, or studies were made to discover unapparent, adverse physical features.

Highest and best use analyses can be categorized into two groups - inferred and fundamental. A fundamental analysis is quantified from broad demographic and economic data such as population, household size, and income. Supply is inventoried. Subject specific characteristics are considered. Then, the relationship between supply and demand is weighed to determine a specific highest and best use for the subject. An inferred analysis uses local trends and patterns to infer a general highest and best use for the subject. For an inferred analysis, market dynamics that might be considered include prices, market exposure times, rents, vacancy, and listings of similar real estate. Inferred analyses emphasize historical data while fundamental analyses are based on future projections. The kind of highest and best use analysis utilized in this assignment is listed above.

Report Reliance & Use Restrictions

No liability is assumed, expressed, or implied by Nelsen Appraisal Associates, Inc., or the appraiser(s) for unauthorized use of this report. Only those persons, parties, entities, companies, corporations, partnerships, associations, or groups that are explicitly identified as an intended user on page 2 may rely on, and use this report. There are no implied, suggested, inferred, consequential, or indirect intended users of this report. Unauthorized users should not use, or rely on any portion of this document. Unauthorized users do so at their own risk and peril.

Scope of Work Exclusion - Insurable Value

The cost approach may or may not have been developed herein. Unless explicitly stated otherwise, the cost approach was developed solely to support the subject's market value. Use of this appraisal, in whole or part, for another purpose is not an expected intended use. Nothing in this appraisal should be used, or relied upon to determine the amount or type of insurance coverage to be placed on the subject property. The signatory / signatories to this report assume no liability for, and do not guarantee that any insurable value inferred from this report will result in the subject property being adequately insured for any loss that may be sustained. Since labor costs, material costs, building codes, construction intervals, and governmental regulations are constantly changing, the cost approach may not be a reliable indication of replacement or reproduction cost for any date other than this report's effective value date.

Extraordinary Assumptions & Disclosures

An extraordinary assumption is defined by the Uniform Standards of Professional Appraisal Practice (USPAP) to be “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinion or conclusions”. Extraordinary assumptions presume as fact otherwise uncertain information. In other words, this type assumption involves uncertainty about an underlying premise. An example is a survey that displays a lot size. If the lot size is later found to be much smaller, then the value conclusion may be negatively affected.

USPAP Standard Rule 1-2(f) requires the identification of all extraordinary assumptions that are necessary for credible assignment results. This appraisal employs the following extraordinary assumptions.

- Features of the subject site such as legal description, dimensions, size, etc. were obtained from publicly available sources. All information taken therefrom is assumed reasonably correct.
- Observation of the subject property was limited to a cursory viewing of the entire site.
- Real estate tax information for the subject was obtained from a reputable online source, so it is assumed reasonably correct. All information from any credible source is assumed reasonably correct. Moreover, this information is assumed the most recent that is expeditiously available to the public. Assumptions and presumptions discussed in the Noteworthy Issues section of this report, if any, are incorporated by way of reference into these Extraordinary Assumptions & Disclosures.
- A recently issued title policy was not furnished to the appraiser(s). If a value-impairment is identified or suggested in a title policy, another professional report, or some other document, this appraisal does not address issues that are significantly atypical for a valuation of this type property unless specifically identified in the Scope of Work and/or Noteworthy Issues section of this report.
- A public water system and public sewer main are connected to the subject structure, or available near the subject's lot lines. This appraisal assumes these systems possess sufficient capacity to serve the intended use of the subject improvements, if any. This appraisal also assumes the water is potable and non-contaminated. If these systems were inadequate to serve the subject's intended use, then the subject's value and marketability would be adversely affected.
- Assumptions and presumptions discussed in the Noteworthy Issues section of this report, if any, are incorporated by way of reference into these Extraordinary Assumptions & Disclosures.

The above extraordinary assumptions as well as other assumptions anywhere herein are integral premises upon which the conclusions in this document are based. If any of these assumptions are later found to be materially untrue or inaccurate, then this report’s assignment results may or may not be affected.

Hypothetical Conditions

USPAP defines a hypothetical condition as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”

Hypothetical conditions assume conditions that are contrary to known fact. An illustration is the current valuation of a proposed home. For the purpose of a rational analysis, it is assumed the home exists on the effective value date, but it is known the home is nonexistent. Another example is a new zoning classification, that a property does not have today, but the new zoning is assumed for the purpose of a logical current valuation. Uncertainty is not involved with a hypothetical condition. An essential premise underlying the valuation is known not to exist on the effective value date.

USPAP Standard Rule 1-2(g) requires the identification of all hypothetical conditions that are necessary for a credible value opinion. This appraisal employs no hypothetical conditions.

Personal Property & Intangibles

Personal property is movable and *not* permanently affixed to the real estate. Examples of personal property are freestanding ranges, refrigerators, tables, desks, chairs, beds, linen, silverware, hand tools, and small utensils. An intangible is a nonphysical asset like franchises, trademarks, patents, goodwill, and mineral rights. Personal and intangible property included in this appraisal's value opinion, if any, is considered typical for this type real estate, yet insignificant to the value opinion. Therefore, non-realty is not itemized or valued herein. Moreover, this report's final value conclusion(s) *excludes* unaffixed equipment, detached trade fixtures, and chattel unless specifically stated to the contrary.

Definition of Market Value

The definition of *market value* is used in all federally regulated transactions that exceed a minimum amount. This definition is mandated by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989. The exact same definition was published in the Federal Register several times by different federal agencies. Some printings are: *12 C.F.R. Part 34.42(g)*; *55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; and 59 Federal Register 29499, June 7, 1994.*)

Federal agencies publishing the **exact same definition** include the

- Office of the Comptroller of the Currency (OCC) as 12 CFR 34, subpart C
- Federal Reserve Board (FRB) as 12 CFR 225, Subpart G
- Federal Deposit Insurance Corporation (FDIC) as 12 CFR 323.2, Definition (g) in 55 Federal Register, 33,888 August 20, 1990, Effective September 19, 1990.
- Office of Thrift Supervision (OTS) as 12 CFR 564
- National Credit Union Administration (NCUA) as 12 CFR 722

The **exact same definition** was again published jointly by the OCC, OTS, FRS, and FDIC on page 61 of the "*Interagency Appraisal and Evaluation Guidelines*". These guidelines were published in the Federal Register on December 10, 2010 as Volume 55, page 77472. All the above citations defined market value as:

"the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *buyer and seller are both typically motivated;*
- *both parties are well informed or well advised, and acting in what they consider their own best interests;*
- *a reasonable time is allowed for exposure in the open market;*
- *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

Virtually the same definition is also cited in Advisory Opinion 30 in the 2014-2015 version of the Uniform Standards of Professional Appraisal Practice (USPAP), lines 124 to 136.

Definition of Real Property Estates

One or more of the following underlined legal estates or interests are valued in this report. Definitions of these estates are quoted from *The Dictionary of Real Estate Appraisal*, Fifth Edition; published by the Appraisal Institute, copyright 2010.

- Fee Simple Estate *"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."*
- Leased Fee Estate *A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship."*
- Leasehold Estate *"The tenant's possessory interest created by a lease"*

Assemblage

USPAP Standard Rule 1-4(e) requires an analysis of the assemblage of various estates or component parts that affect value. In this case, no assemblage is expected so value is not affected.

Contingent and Limiting Conditions

1. By this notice, all persons, companies, or corporations using or relying on this report in any manner bind themselves to accept these Contingent and Limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report. Do not use any portion of this report unless you fully accept all Contingent and Limiting conditions contained throughout this document.
2. The "Subject" or "Subject Property" refers to the real property that is the subject of this report. An Appraiser is defined as an individual person who is licensed to prepare real estate appraisal-related services in the State of Iowa and affixes his / her signature to this document.
3. Throughout this report, the singular term "Appraiser" also refers to the plural term "Appraisers". The terms "Appraiser" and "Appraisers" also refer collectively to "Nelsen Appraisal Associates, Inc.", its officers, employees, subcontractors, and affiliates. The masculine terms "he" or "his" also refer to the feminine term "she" or "her".
4. In these Contingent and Limiting Conditions, the "Parties" refers to all of the following collectively: (a) the Appraiser(s), (b) Nelsen Appraisal Associates, Inc., (c) the client, and (d) all intended users.
5. These Contingent and Limiting Conditions are an integral part of this report along with all certifications, definitions, descriptions, facts, statements, assumptions, disclosures, hypotheses, analyses, and opinions.
6. All contents of this report are prepared solely for the explicitly identified client and other explicitly identified intended users. The liability of the Appraiser is limited solely to the client. There is no accountability, obligation, or liability to any other third party. Other intended users may read but not rely on this report. The Appraiser's maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) is limited to the fee paid to Nelsen Appraisal Associates, Inc. for that portion of their services, or work product giving rise to liability. In no event shall the Appraisers be liable for consequential, special, incidental or punitive loss, damages or expense (including without limitation, lost profits, opportunity costs, etc.) even if advised of their possible existence. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all contingent and limiting conditions, assumptions, and disclosures. Use of this report by third parties shall be solely at the risk of the third party.
7. This document communicates the results of an appraisal assignment. This communication is not an inspection, engineering, construction, legal, or architectural report. It is not an examination or survey of any kind. Expertise in these are As Vacant not implied. The Appraiser is not responsible for any costs incurred to discover, or correct any deficiency in the property.

Contingent and Limiting Conditions

8. As part of this appraisal, information was gathered and analyzed to form opinion(s) that pertain solely to one or more explicitly identified effective value dates. The effective value date is the only point in time that the value applies. Information about the subject property, neighborhood, comparables, or other topics discussed in this report was obtained from sensible sources. In accordance with the extent of research disclosed in the Scope of Work section, all information cited herein was examined for accuracy, is believed to be reliable, and is assumed reasonably accurate. However, no guaranties or warranties are made for this information. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Appraiser, beyond the scope of work, or outside reasonable due diligence of the Appraiser.
9. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change. The Appraiser reserves the right to amend these analyses and/or value opinion(s) contained within this appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and relied upon in this report.
10. In the case of limited partnerships, syndication offerings, or stock offerings in the real estate, the client agrees that in case of lawsuit (brought by the lender, partner, or part owner in any form of ownership, tenant, or any other party), the client will hold Nelsen Appraisal Associates, Inc., its officers, contractors, employees and associate appraisers completely harmless. Acceptance of, and/or use of this report by the client, or any third party is prima facie evidence that the user understands and agrees to all these conditions.
11. For appraisals of multiunit residential, only a portion of all dwellings was observed. A typical ratio of observed dwellings roughly approximates 10% of the total number of units, and this ratio declines as the number of dwellings grows. It is assumed the functionality, physical condition, construction quality, and interior finish of unseen units are similar to the functionality, physical condition, construction quality, and interior finish of observed units. If unobserved dwellings significantly differ from those that were viewed in functionality, physical condition, quality, or finish, the Appraiser reserves the right to amend these analysis and/or value opinion(s).
12. If the appraised property consists of a physical portion of a larger parcel is subject to the following limitations. The value opinion for the property appraised pertains only to that portion defined as the subject property. This value opinion should not be construed as applying with equal validity to other complementary portions of the same parcel. The value opinion for the physical portion appraised + the value of all other complementary physical portions may or may not equal the value of the whole parcel.

Contingent and Limiting Conditions

13. Unless specifically stated otherwise herein, the Appraiser is unaware of any engineering study made to determine the bearing capacity of the subject land, or nearby lands. Improvements in the vicinity, if any, appear to be structurally sound. It is assumed soil and subsoil conditions are stable and free from features that cause supernormal costs to arise. It is also assumed existing soil conditions of the subject land have proper load bearing qualities to support the existing improvements, or proposed improvements appropriate for the site. No investigations for potential seismic hazards were made. This appraisal assumes there are no conditions of the site, subsoil, or structures, whether latent, patent, or concealed that would render the subject property less valuable. Unless specifically stated otherwise in this document, no earthquake compliance report, engineering report, flood zone analysis, hazardous substance determination, or analysis of these unfavorable attributes was made, or ordered in conjunction with this appraisal report. The client is strongly urged to retain experts in these fields, if so desired.
14. If this report involves an appraisal that values an interest, which is less than the whole fee simple estate, then the following disclosure applies. The value for any fractional interest appraised + the value of all other complementary fractional interests may or may not equal the value of the entire fee simple estate.
15. If this appraisal values the subject as though construction, repairs, alterations, remodeling, renovation, or rehabilitation will be completed in the future, then it is assumed such work will be completed in a timely fashion, using non-defective materials, and proper workmanship. All previously completed work is assumed completed in substantial conformance with plans, specifications, descriptions, or attachments made or referred to herein. It is also assumed all planned, in-progress, or recently completed construction complies with the zoning ordinance, and all applicable building codes. A prospective value opinion has an effective value date that is beyond or in the future relative to this report's preparation date. If this appraisal includes a prospective valuation, it is understood and agreed the Appraiser is not responsible for an unfavorable value effect caused by unforeseeable events that occur before completion of the project.
16. This valuation may or may not include an observation of the appraised property by an Appraiser. The extent of any observation is disclosed in the Scope of Work section of this report. Any observation by an Appraiser is not a professional property inspection. Viewing of the subject was limited to components that were not concealed, clearly observable, and readily accessible without a ladder on the property observation date. As used herein, readily accessible means within the Appraiser's normal reach without the movement of any man made or natural object. Comments or descriptions about physical condition of the improvements are based solely on a superficial visual observation. These comments are intended to familiarize the reader with the property in a very general fashion.

Contingent and Limiting Conditions

17. Electric, heating, cooling, plumbing, water supply, sewer or septic, mechanical equipment, and other property systems were not tested. No determination was made regarding the operability, capacity, or remaining physical life of any component in, on, or under the real estate appraised. All building components are assumed adequate and in good working order unless stated otherwise. Private water wells and private septic systems are assumed sufficient to comply with federal, state, or local health safety standards. No liability is assumed for the soundness of structural members since structural elements were not tested or studied to determine their structural integrity. The roof cover for all structures is assumed water tight unless otherwise noted. This document is not an inspection, engineering or architectural report. If the client has any concern regarding structural, mechanical, or protective components of the improvements, or the adequacy or quality of sewer, water or other utilities, the client should hire an expert in the appropriate discipline before relying upon this report. No warranties or guarantees of any kind are expressed or implied regarding the current or future physical condition or operability of any property component.
18. The allocation of value between the subject's land and improvements, if any, represents our judgment only under the existing use of the property. A re-evaluation should be made if the improvements are removed, substantially altered, or the land is utilized for another purpose.
19. The Client and all intended users agree to all the following. (A) This appraisal does not serve as a warranty on the physical condition or operability of the property appraised. (B) All users of this report should take all necessary precautions before making any significant financial commitments to or for the subject. (C) Any estimate for repair or alternations is a non-warranted opinion of the Appraiser.
20. No liability is assumed for matters of legal nature that affect the value of the subject property. Unless a clear statement to the contrary is made in this report, value opinion(s) formed herein are predicated upon the following assumptions. (A) The real property is appraised as though, and assumed free from all value impairments including yet not limited to title defects, liens, encumbrances, title claims, boundary discrepancies, encroachments, adverse easements, environmental hazards, pest infestation, leases, and atypical physical deficiencies. (B) All real estate taxes and assessments, of any type, are assumed fully paid. (C) It is assumed ownership of the property appraised is lawful. (D) It is also assumed the subject property is operated under competent and prudent management. (E) The subject property was appraised as though, and assumed free of indebtedness. (F) The subject real estate is assumed fully compliant with all applicable federal, state, and local environmental regulations and laws. (G) The subject is assumed fully compliant with all applicable zoning ordinances, building codes, use regulations, and restrictions of all types. (H) All licenses, consents, permits, or other documentation required by any relevant legislative or governmental authority, private entity, or organization have been obtained, or can be easily be obtained or renewed for a nominal fee.

Contingent and Limiting Conditions

21. Any exhibits in the report are intended to assist the reader in visualizing the subject property and its surroundings. The drawings are not surveys unless specifically identified as such. No responsibility is assumed for cartographic accuracy. Drawings are not intended to be exact in size, scale, or detail.
22. Value opinions involve only real estate, and inconsequential personal property. Unless explicitly stated otherwise, value conclusions do not include personal property, unaffixed equipment, trade fixtures, business-good will, chattel, or franchise items of material worth.
23. Conversion of the subject's income into a market value opinion is based upon typical financing terms that were readily available from a disinterested, third party lender on this report's effective date. Atypical financing terms and conditions do not influence market value, but may affect investment value.
24. All information and comments concerning the location, market area, trends, construction quality, construction costs, value loss, physical condition, rents, or any other data for the subject represent estimates and opinions of the Appraiser. Expenses shown in the Income Approach, if used, are only estimates. They are based on past operating history, if available, and are stabilized as generally typical over a reasonable ownership period.
25. This appraisal was prepared by Nelsen Appraisal Associates, Inc. and consists of trade secrets and commercial or financial information, which is privileged, confidential, and exempt from disclosure under 5 U.S.C. 522 (b) (4).
26. The Appraiser is not required to give testimony or produce documents because of having prepared this report unless arrangements are agreed to in advance. If the Appraiser is subpoenaed pursuant to court order or required to produce documents by judicial command, the client agrees to compensate the Appraiser for his appearance time, preparation time, travel time, and document preparation time at the regular hourly rate then in effect plus expenses and attorney fees. In the event the real property appraised is, or becomes the subject of litigation, a condemnation, or other legal proceeding, it is assumed the Appraiser will be given reasonable advanced notice, and reasonable additional time for court preparation.
27. Effective January 26, 1992, the Americans with Disabilities Act (ADA) - a national law, affects all non-residential real estate or the portion of any property, which is non-residential. The Appraiser has not observed the subject property to determine whether the subject conforms to the requirements of the ADA. It is possible a compliance survey, together with a detailed analysis of ADA requirements, could reveal the subject is not fully compliant. If such a determination was made, the subject's value may or may not be adversely affected. Since the Appraiser has no direct evidence, or knowledge pertaining to the subject's compliance or lack of compliance, this appraisal does not consider possible noncompliance or its effect on the subject's value.

Contingent and Limiting Conditions

28. Nelsen Appraisal Associates, Inc. and the Appraiser have no expertise in the field of insect, termite, or pest infestation. We are not qualified to detect the presence of these or any other unfavorable infestation. The Appraiser has no knowledge of the existence of any infestation on, under, above, or within the subject real estate. No overt evidence of infestation is apparent to the untrained eye. However, we have not specifically inspected or tested the subject property to determine the presence of any infestation. No effort was made to dismantle or probe the structure. No effort was exerted to observe enclosed, encased, or otherwise concealed evidence of infestation. The presence of any infestation would likely diminish the property's value. All value opinions in this communication assume there is no infestation of any type affecting the subject real estate or the Appraiser is not responsible for any infestation or for any expertise required to discover any infestation. Our client is urged to retain an expert in this field, if desired.
29. All opinions are those of the signatory Appraiser based on the information in this report. No responsibility is assumed by the Appraiser for changes in market conditions, or for the inability of the client, or any other party to achieve their desired results based upon the appraised value. Some of the assumptions or projections made herein can vary depending upon evolving events. We realize some assumptions may never occur and unexpected events or circumstances may occur. Therefore, actual results achieved during the projection period may differ from those set forth in this report. Compensation for appraisal services is dependent solely on the delivery of this report, and no other event or occurrence
30. No warranties are made by the Appraiser concerning the property's conformance with any applicable government code or property covenant including but not limited to all laws, ordinances, regulations, agreements, declarations, easements, condominium regulations, restrictions, either recorded or unrecorded. The client is urged to engage the services of a licensed attorney to confirm any legal issue affecting the property appraised. No liability or responsibility is assumed by the Appraiser to determine the cost of replacing or curing any supposedly defective physical component.
31. In the event of an alleged claim due to some defective physical component, the client must notify Nelsen Appraisal Associates, Inc. and allow its representatives and experts to examine and test the alleged defective component before any repairs or modifications are made. If any type of repair or modification is made without the knowledge of the Appraisers, the Appraiser is released from all liability, real or alleged.
32. The client and all explicitly identified intended users agree to notify in writing Nelsen Appraisal Associates, Inc., within one year of this report's preparation date, of any claim relating to or arising from this report regardless of any statute of limitations. If Nelsen Appraisal Associates, Inc. does not receive this written notification within the year period defined in the paragraph, then the claimant releases the Appraiser from all claims arising from or related to this report.

Contingent and Limiting Conditions

33. The client and all explicitly identified intended users acknowledge that any claim relating to this report shall be settled in accordance with the commercial arbitration rules of the American Arbitration Association with the Parties each paying an equal share of all associated costs.
34. Any alleged claim must be filed in the Circuit Court for the County that encompasses most of or all of Urbandale, Iowa 50322 where the Appraiser's business office is located. If a court of law voids any portion of these Contingent and Limiting Conditions, then the remainder remains in full force and effect. The claimant(s) agree not to contest the venue set forth herein and to submit to, and not contest, the exercise of personal jurisdiction over them by the foregoing court. The claimant(s) waive all rights concerning the exercise of personal jurisdiction of them by the foregoing courts and all claims of or concerning forum non-conveniences in the foregoing forum.
35. Superseding all comments to the contrary regardless of date, this report may not be transferred or assigned without the prior written consent of Nelsen Appraisal Associates, Inc..
36. No part of this report shall be published or disseminated to the public by the use of advertising media, public relations media, news media, sales media, electronic devices, or other media without the prior written consent of Nelsen Appraisal Associates, Inc.. This restriction applies particularly as to analyses, opinions, and conclusions; the identity of the Appraiser; and any reference to the Appraisal Institute or its MAI, SRPA, or SRA designations. Furthermore, no part of this report may be reproduced or incorporated into any information retrieval system without written permission from Nelsen Appraisal Associates, Inc., the copyright holder.



Disclosures

Professional Standards

All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised biennially to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.

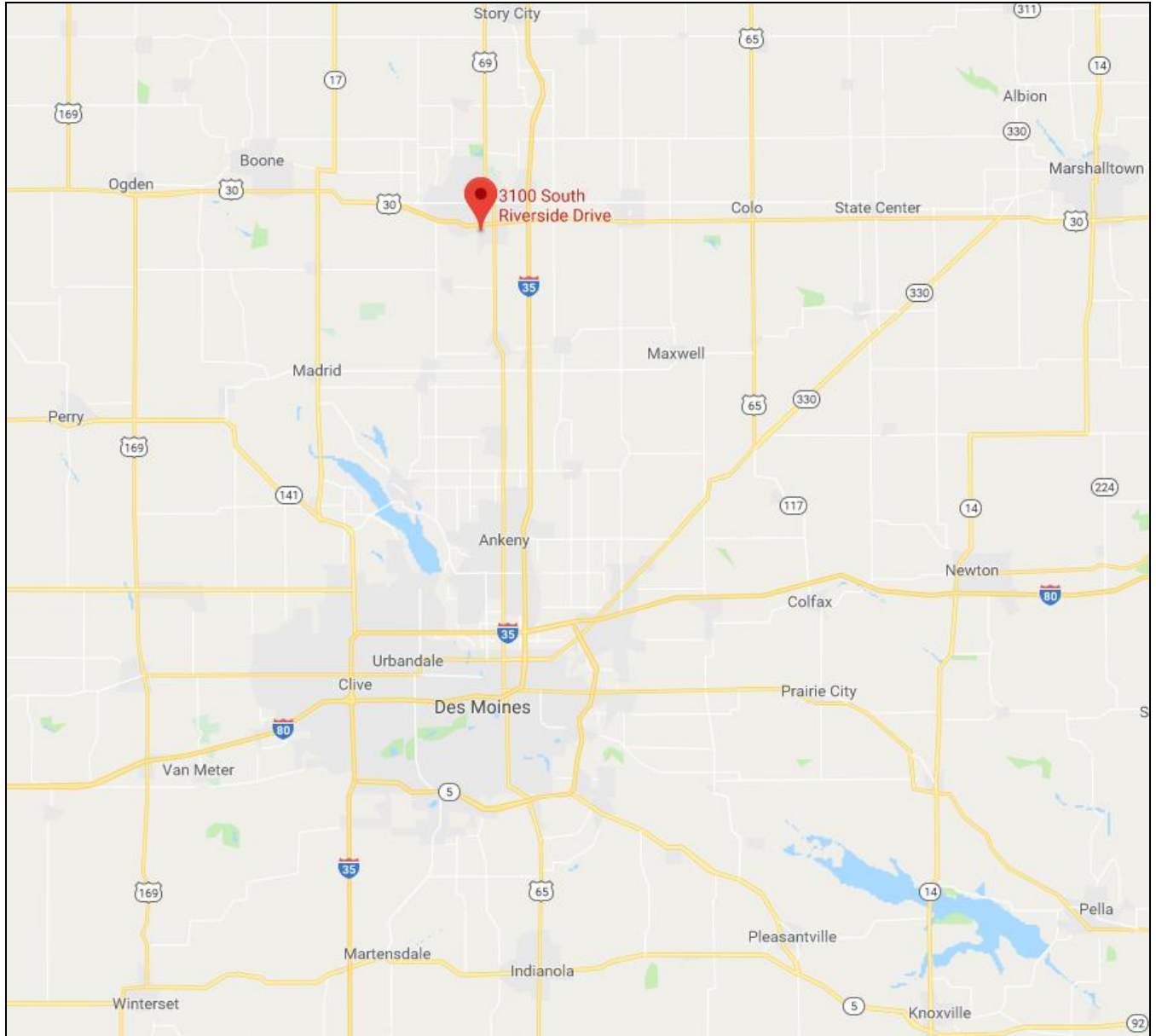
Competency

The persons signing this report are licensed to appraise real property in the state the subject is located. They affirm they have the experience, knowledge, and education to value this type property. They have previously appraised similar real estate.

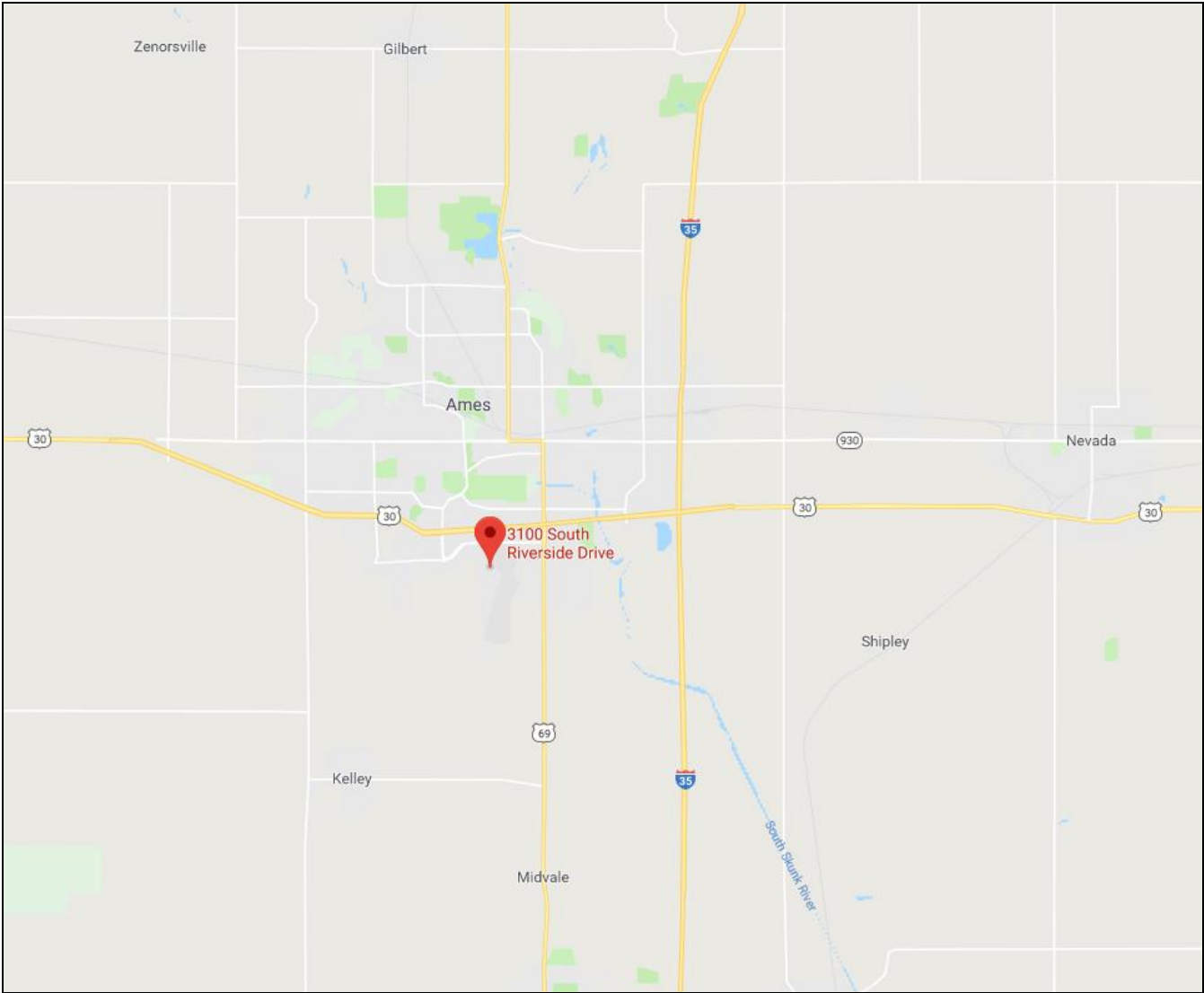


Area Data

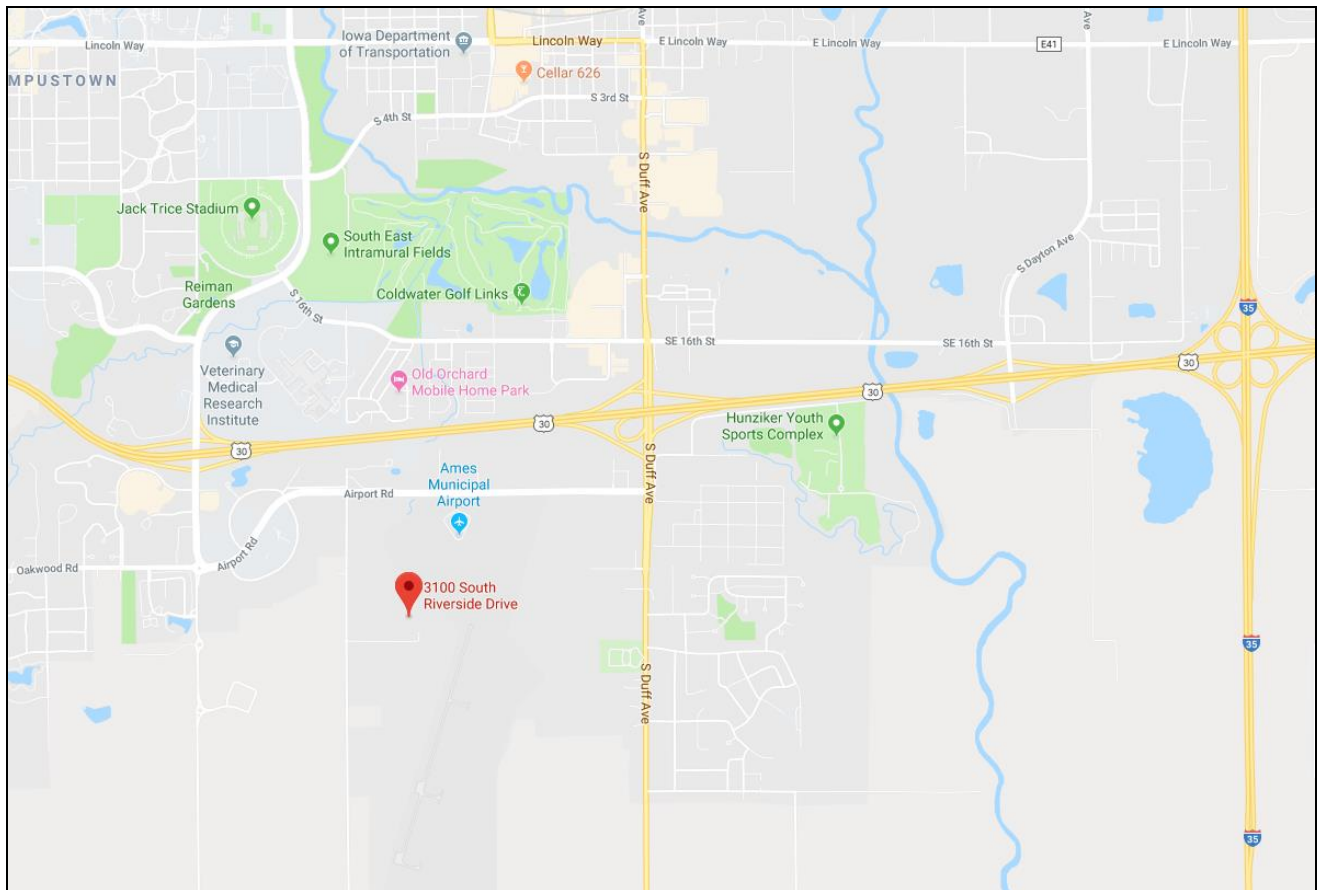
Regional Map



Vicinity Map



Proximity Map



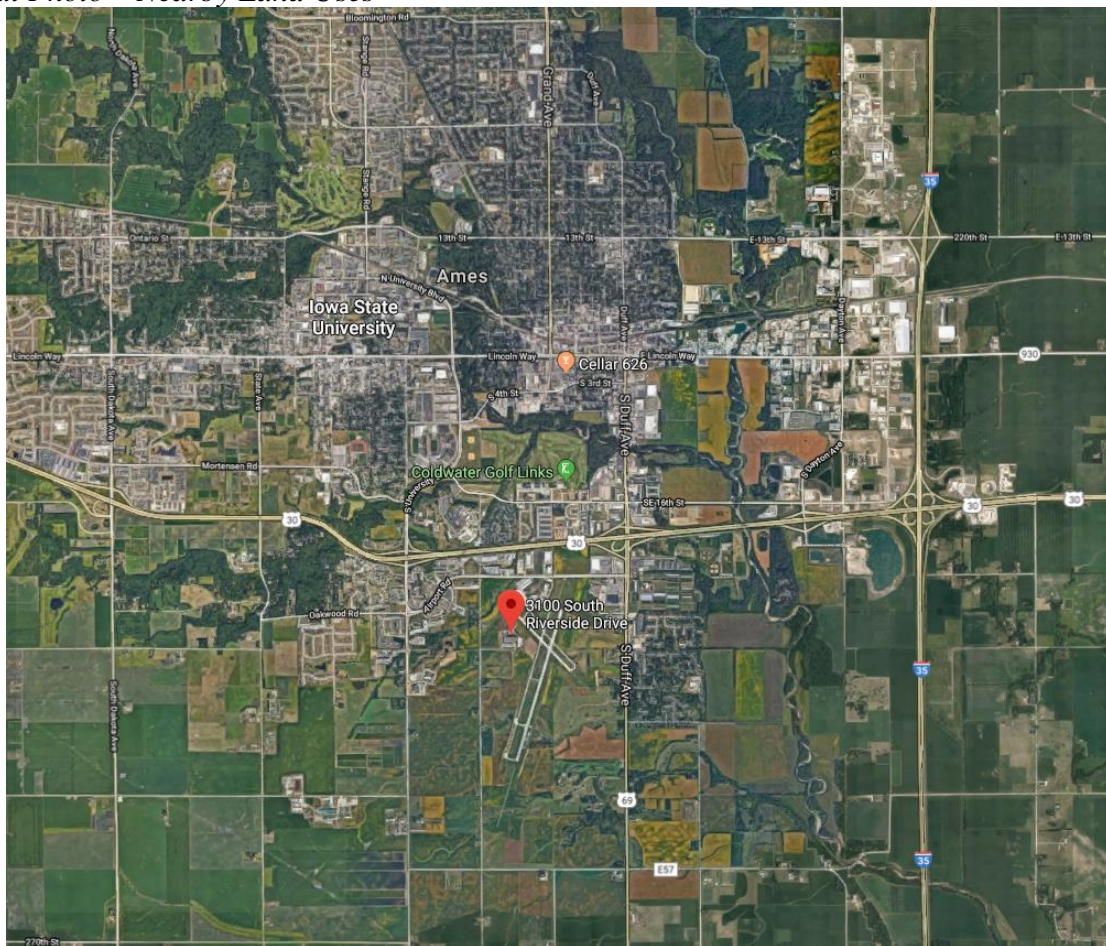
Proximity Features

Expected Changes in Economic Base	None
Protection From Adverse Conditions	Good
Demand for Real Estate Like Subject	Adequate
Potential Additional Supply Like Subject	Potential Exists
Building Age Range <i>{excluding extremes}</i>	15 to 50 Years
Oversupply of Property Like Subject	None
General Appearance of Properties	Average
Location	Suburban
Land Use Change	Not Likely
Police & Fire Protection	Average
Expressway Access	Under a mile
Employment Centers	Under a mile
Property Compatibility	Average
Appeal to Market	Average

Nearby Land Uses

Residential	30%
Retail	15%
Office	10%
Industrial	15%
Institutional	05%
Vacant Land	30%
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Total	100%

Aerial Photo – Nearby Land Uses




Regional Data

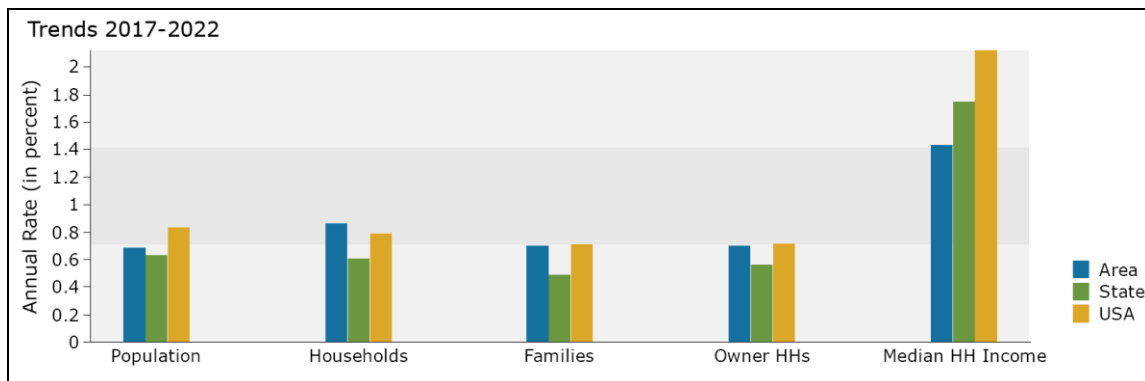
Ames is the largest city in Story County. The population is greatly impacted by Iowa State University, one of three public universities in the State. The county seat is located in Nevada.

Population

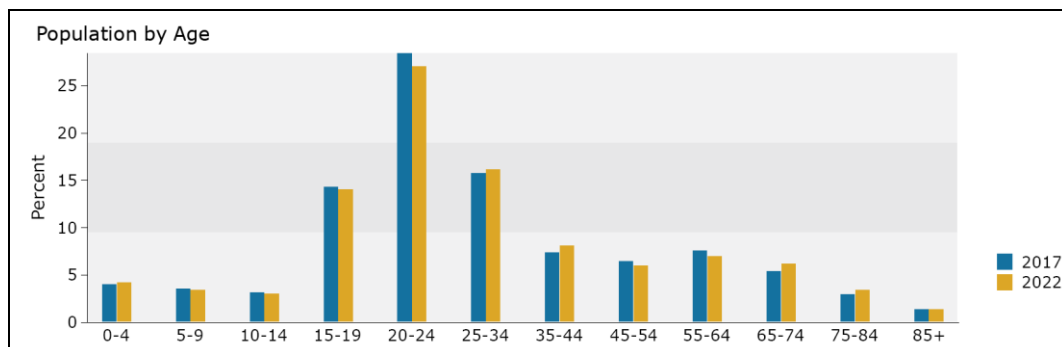
The Ames area had a recorded population of 58,973 people in 2010. The projected population in 2022 is 67,519 indicating projected growth of 14.49% or 1.21% per annum. Households and families also show positive growth during the same time period with 0.94% to 0.76% growth per year, respectively.

 Demographic and Income Profile			
Ames City, IA 2 Ames City, IA (1901855) Geography: Place			Prepared by Esri
Summary	Census 2010	2017	2022
Population	58,973	65,221	67,519
Households	22,762	24,271	25,327
Families	9,962	10,494	10,866

The following graph projects trends amongst the preceding categories over the next five years. While population growth is positive for Ames, its growth will lag National numbers, but will slightly outpace State numbers. Household growth in Ames will outpace both State and National numbers. The growth of families will outpace State number and essentially mirror National growth rates.



Iowa State University greatly impacts the population in the City of Ames. The following graph displays the population distribution by age. Over 25% of the population is between 20 and 24 years old. The age distribution is projected to maintain the same pattern over the next five years.



Regional Data

Employment

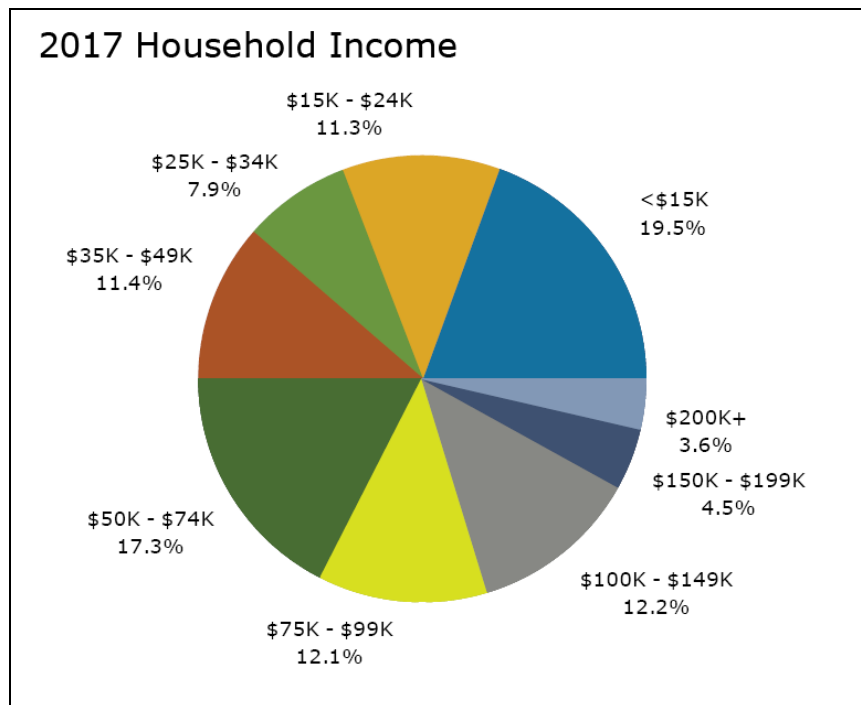
The Ames area has a diversified employment base supported by manufacturing facilities such as Barilla and research facilities associated with Iowa State University. The following tables display percentage of civilian population that is employed and the distribution of employment by industry.

2017 Civilian Population 16+ in Labor Force	
Civilian Employed	95.6%
Civilian Unemployed	4.5%

2017 Employed Population 16+ by Occupation	
Total	33,173
White Collar	68.0%
Management/Business/Financial	10.5%
Professional	37.0%
Sales	8.2%
Administrative Support	12.4%
Services	18.4%
Blue Collar	13.6%
Farming/Forestry/Fishing	1.7%
Construction/Extraction	2.1%
Installation/Maintenance/Repair	1.9%
Production	3.6%
Transportation/Material Moving	4.3%

Income Profile

The following graphs display the distribution of households based on income in 2017. Household income is fairly evenly distributed with the exception of households earning \$150,000+ per year. Concentrations between \$15,000 and \$100,000-\$150,000 per year range from 7.9% to 17.3%.



Regional Data

The following table displays the estimated and projected per capita income in Ames. Per capita income increased 7.08% from 2010 to 2017. Average household income is projected to increase by roughly 12.05% or roughly 2.41% per annum over the next five years.

Per Capita Income	
2000	\$24,271
2017	\$25,989
2022	\$29,137

Housing

The following table displays the median home value from 2000 to 2010 and the projected median home value in 2015. The median home value increased over 22% over the past ten years or roughly 2% per annum. The median home value is projected to maintain the same rate of increase over the next five years.

Median Home Value		
Year	Median Value	% Change
2010	\$161,494	
2017	\$192,623	19.28%
2022	\$216,298	12.29%

Median household income is also showing positive growth, but at a significantly slower rate compared to median home values.

Median Household Income		
Year	Median Income	% Change
2010	\$48,245	
2017	\$49,762	3.14%
2022	\$53,429	7.37%

The following table displays the number of housing units per year and the distribution of housing based on occupancy. Renter occupied housing made up over 50% of total housing units over the last ten years. Vacancy rates have remained relatively stable over the last 10 years and are projected to remain stable.

2010 Housing Units	23,880
Owner Occupied Housing Units	40.6%
Renter Occupied Housing Units	54.7%
Vacant Housing Units	4.7%
2017 Housing Units	25,419
Owner Occupied Housing Units	39.9%
Renter Occupied Housing Units	55.6%
Vacant Housing Units	4.5%
2022 Housing Units	26,544
Owner Occupied Housing Units	39.5%
Renter Occupied Housing Units	55.9%
Vacant Housing Units	4.6%

Regional Data

Summary

The Ames area has experienced stable rates of growth in population, families, and households. Median income and housing values have increased, but the pace of growth has been highest in housing values.

The Ames area is projected to outpace state rates of growth in population, households, and families, but will lag national levels of growth in population. The area will outpace national levels regarding the growth in number of households and will essentially keep pace with national levels for number of families. Moderate growth has been effectively absorbed by the market as indicated by projected stability in housing vacancy.

Appraisers also consulted the Iowa Finance Authority's profile for the City of Ames with reference to the single family residential and multiple-family residential markets. Showing continuing growth in demand and low vacancy rates in both of these commercial real estate markets.

Economic conditions are anticipated to remain stable in line with various measures of change such as median per capita and household income and population growth.



Subject Property

Identification of the Property

This real estate appraised is situated on the east side of South Riverside Drive in the southwest quadrant of Highway 30 and Highway 69 in the City of Ames, Story County, Iowa. Its common address is 3100 South Riverside Drive, Ames, Story County, Iowa 50010.

Legal Description

A professional surveyor and / or legal counsel should verify the following legal description before relying upon, or using it as part of any conveyance, or any other document. This legal description was obtained from public records and is assumed accurate.

Description - Tract 'A' (Phase 1 & 2 Area).

Part of the Southeast Quarter of Section 15, Township 83 North, Range 24 West of the 5th P.M. in the City of Ames, Story County, Iowa, more particularly described as follows: Commencing at the South Quarter corner of said Section 15; thence N00°04'25"E, 73.61 feet along the west line of the Southeast Quarter of said Section 15; thence N89°55'48"E, 770.62 feet to the point of beginning; thence N00°04'18"W, 417.93 feet; thence S89°57'03"W, 89.96 feet; thence N00°04'18"W, 255.12 feet; thence N89°55'41"E, 612.47 feet; thence S43°48'04"E, 326.38 feet; thence N89°54'57"E, 126.80 feet; thence S00°03'48"E, 437.29 feet; thence S89°55'48"W, 874.86 feet to the point of beginning, containing 12.75 acres.

Ariel Plat Map with Dimensions



**Photographs of Subject – Photos taken November 27, 2018
(photo page 1)**



View of parking area
on south and east
sides of building



Northeast elevation

Sale History

On-line public records and / or a private data-reporting service were used to search for prior sales of the subject real estate. This research discovered no recorded conveyance of the subject during the three-years preceding this report's effective value date. Moreover, the subject was not yet offered "For Sale" in the local MLS or other major data-reporting services during this same period.

Subject's Current Ownership	
<i>Leased Fee Owner</i>	<i>Information Source</i>
City of Ames	Story County Assessor

Flood Hazard

According to the appropriate Federal Emergency Management Agency (FEMA) flood map, which is identified below, the subject property is not located in a zone "A" special flood hazard.

Flood Maps published by FEMA are not precise. If anyone desires a precise determination of the subject's flood hazard classification, a professional engineer, licensed surveyor, or local governmental authority should make an exact determination.

Flood Map



Overview Map



Environmental Risks

Disclosure

During the course of this appraisal, the appraiser(s) did **not** detect or attempt to discover any environmental hazard on, under, above, or within the subject real estate. No overt evidence of any environmental hazard is apparent to the untrained eye. It should be known the appraiser(s) did not view the subject property with the intent of detecting any environmental hazard. It is beyond the expertise of the appraiser(s) to detect or determine the chemical nature of any substance or gas. No effort was made to dismantle or probe any part of the property to discover enclosed, encased, or concealed hazards. No effort was exerted to ascertain the presence of any environmental hazard including but not limited to the following.

<i>Asbestos</i>	<i>Urea-formaldehyde insulation</i>
<i>Underground storage tanks</i>	<i>Soil contamination or deficiencies</i>
<i>Lead-based paint</i>	<i>Toxic mold</i>
<i>Radon</i>	<i>PCB</i>
<i>Chemical spills</i>	<i>Fire resistant treated plywood (FRTP)</i>

Flood hazards are detailed elsewhere in this report. Except as enumerated herein, the appraiser(s) were not given the results of any environmental testing on or near the property being appraised. Neither observation of the subject property, or research conducted as part of a typical real estate appraisal suggest the presence of any hazardous substance or detrimental environmental condition affecting the subject. Nearby sites were not investigated to determine whether they are contaminated. Public information and other Internet sources were not researched to determine the presence of hazardous substances or detrimental environmental conditions in the subject's vicinity.

Federal, State, and local laws concerning any hazardous substance or gas are sometimes contradictory. Therefore, any needed clean up should comply with the most stringent laws. The appraiser(s) are **not** informed or trained in environmental legalities. It is assumed no hazardous substance or gas adversely affects the subject real estate. If the subject is adversely influenced by a hazardous condition, then the subject's market value would be impaired.

Recommendation

The presence of any hazardous condition usually diminishes market value. The value opinion formed in this report assumes there is no environmental hazard affecting the subject real estate. No responsibility is assumed by the appraiser(s) or Nelsen Appraisal Associates, Inc. for any hazard, or for any expertise required to discover any environmentally hazardous condition. Our client is urged to retain an expert in this field, if desired.

Subject Site			
<i>Address</i>	3100 South Riverside Drive Ames, Iowa 50010		
<i>Dimensions</i>	See Plat Map	<i>Size</i>	12.750 acres (555,400 SF)
<i>Easements</i>	Typical setbacks and utility easements	<i>Alley</i>	None
<i>Encroachments</i>	None known; none assumed	<i>Access</i>	One point via South Riverside Drive
<i>Shape</i>	Irregular	<i>Street Paving</i>	Asphalt paved
<i>Curbs & Gutters</i>	Concrete curbs, concrete gutters	<i>Sidewalks</i>	None
<i>Topography</i>	Generally level	<i>Gas & Electricity</i>	Public
<i>Water & Sewer</i>	Public sewer and water		
Overall Features	The land has typical physical features as compared to similar alternatives. Its overall locational attributes are average relative to competitive parcels.		

Real Estate Taxes

The Iowa property tax is primarily a tax on "real property," which is mostly land, buildings, structures, and other improvements that are constructed on or in the land, attached to the land, or placed upon a foundation. Residential, commercial and industrial real estate is assessed at 100% of market value. State law requires that all real property be assessed every two years in odd-numbered years.

<i>County</i>	Story	
<i>Parcel ID #</i>	09-15-400-005	
<i>Tax Year</i>	2018/2019	
<i>2018 Assessed Value</i>	Land	\$ 732,000
	Building	\$ 2,518,000
	Total	\$3,250,000
<i>Total Tax Dollars</i>		\$89,248
<i>Mill Levy [2014/15]</i>		3.140424%

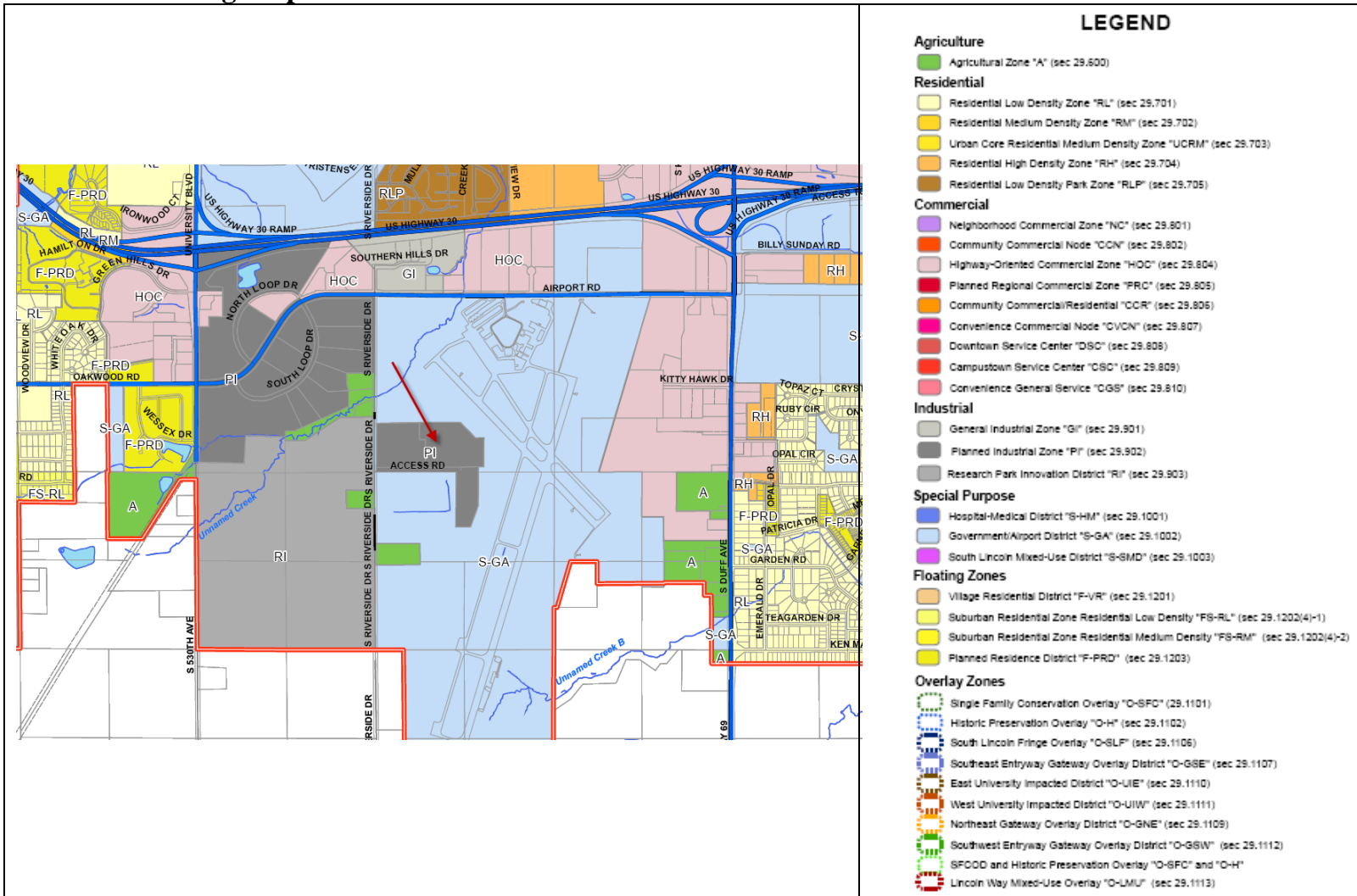
Taxes are calculated by the County Auditor for fiscal years, July 1 through June 30 using the previous year's assessment. Property taxes are payable to the County Treasurer in two installments. The first half is delinquent October 1; the second half payment is delinquent April 1. Taxes payable in September, 2018 and March, 2019 will be based on the 2017 assessed value. A structure constructed during 2018 will be first assessed on January 1, 2019.

Zoning

The subject property is zoned "PI" Planned Industrial District by the City of Ames – Story County, Iowa.

As now constituted and used, the subject complies with all aspects of the zoning ordinance. Therefore, the subject real estate is considered a legal, conforming usage.

Zoning Map





Analyses & Conclusions

Value Introduction

For real estate that is predominantly unimproved vacant land, there are six valuation methods. The most frequently used sales comparison approach is employed in this report.

Highest and Best Use

Introduction

A highest and best use identifies the most reasonably probable and appropriately supported use of the property appraised. Since market conditions change, a property's highest and best use may change as well. This analysis is an essential step in the determination of market value. Market dynamics determines a property's use and an appraisal values that use. Practically speaking, a highest and best use analysis forms a framework for the proper selection of comparables.

There are two types of highest and best use. The first is highest and best use of land as though vacant. If a building already exists, the second variety is highest and best use as though now improved. The later considers whether the existing building should be retained As Vacant, demolished, remodeled, renovated, repaired, enlarged, or converted to an alternate use. Both types require separate analyses. Current usage may or may not be different from the near future highest and best use.

There are four main tests in a highest and best use analysis, which are summarized below.

- Legal permissibility - governmental requirements and limitations like zoning are considered as well as other legal issues like deed restrictions, easements, and leases.
- Physical attributes like size, design, and physical condition are weighed
- Financial feasibility is ascertained via either an implied or calculated method
- Maximum productivity is determined

If more than one use survives the first three tests, the use that produces the highest, appropriately supported, positive value with the least risk is the highest and best use.

Highest and best use demand analyses can be categorized into two different levels of detail - Inferred and Fundamental. A fundamental analysis forecasts future demand from projections of broad demographic and economic data like population, income, and employment. Existing supply is inventoried. Then, the relationship of supply and demand is weighed to determine net demand. If net demand is positive, more of that property type is needed. Of course, the opposite is also true.

An inferred analysis is based on local trends and patterns from which inferences are made. This type analysis presumes that recent past trends will continue for the near future. Sale prices, number of competitive listings, marketing intervals, and / or price changes for other similar properties infer there is adequate demand for the subject at a price level congruous with the available data. An inferred analysis emphasizes historical data while a fundamental analysis is based on expected future occurrences.

There are two types of highest and best use - “as though now vacant” and “as though now improved”. The former presumes the land is vacant and available for development. The latter considers whether the building should be retained As Vacant, renovated, remodeled, repaired, enlarged, demolished, or converted to an alternate use.

Highest and Best Use

Buyer Types

The most likely buyer type is crucial to highest and best use. Different buyer types have different motivations and different perceptions of risk. The buyer type must be identified to better understand applicable approaches and the selection of cap rates and yield rates. Different buyer types are defined below.

Owner-User	Acquires real estate mostly for its use; vacancy & investment yield are not primary criteria. Property suitability is the major objective.
Passive Investor	Seeks an established income stream; usually does not change the property in any meaningful way; generally prefers long-term ownership
Developer	Acquires real estate to physically or legally change it in some significant fashion; accepts substantial risk so expects major reward; short-to-medium holding period
Speculative Investor	Buys real estate solely as an investment with most of the reward at termination; property use is not a primary consideration; medium-to-long-term holding period; usually buys during weak market conditions, so accepts huge risk. Mantra: Buy low, sell high.
Pure Speculator	Buys real estate solely as an investment with most of the reward at termination; property use is usually not a major consideration; buys during conditions of rapidly appreciating prices; short-to-medium ownership period.

Ideal Improvement

Identification of the "**ideal improvement**" is an essential element of highest and best use. If the property appraised is vacant land, the ideal describes what should be built. If the existing improvements (one or more buildings and site improvements) have the same or similar attributes as the ideal, then the existing improvements have no or minimal depreciation. Obviously, the opposite also applies. The described ideal improvement is as specific as market data will allow. This improvement is a new industrial building.

This appraisal's highest and best use was based, in part, on an inferred demand analysis. Following below are summary considerations used to form two highest and best use determinations for the property appraised.

- Zoning permits general industrial uses or related accessory uses. Nearby lands to the west are compatibly zoned. Nearby lands to the east are zoned for Government/Airport District uses. There are no known deed restrictions, leases, or other legal issues, which preclude or delay the highest and best use. There is no substantial potential for rezoning to a significantly different use.
- Physical attributes of the property appraised are well suited to serve the use identified below. Usage of the property in this fashion produces a positive reward with acceptable risk.

Highest and Best Use

Timing of Use

A crucial component of a highest and best use is timing. If the timing of a use is not now, when is it? When timing for a specific use cannot be identified, then that use is not the best. If the highest use is not within a decade, then the time-value of money usually precludes that use. When the timing of a use is within a few years, what is the interim use? Remaining dormant is a legitimate interim use.

Most Likely User

The most likely user is another key issue. Users of an age-restricted multiunit residential structure have needs and preferences that are much different from young married couples with small children. These preferences and needs affect value, so the most likely user should be identified to judge the extent that existing or proposed improvements fulfill those needs.

Highest & Best As Though Now Vacant Land

Physical Use	An industrial use
Timing of Physical Use	Immediately develop with the physical use
Interim Use	No Interim Use
Market Participants	
Most Likely Buyer	An owner-user
Most Likely User	The buyer

Highest & Best As Though Now Improved

Physical Use	Its current use
Timing of Physical Use	Immediate
Interim Use	No Interim Use
Market Participants	
Most Likely Buyer	An owner-user
Most Likely User	An owner-user

There is little doubt that the subject land “as though now vacant” has a market value that is less than the worth of the land and building together. This proves the improvements positively contribute to value. These improvements were designed to serve its current use; they are compatible with nearby uses. Therefore, the improvements should be retained and used "as is".

In light of the foregoing highest and best use determinations, comparables were selected with the same or similar highest and best use. This data is very influential while forming a value opinion for the property appraised.

Land Value – Fee Simple Estate “As Vacant”

Land Value

The best method of valuing vacant land is the sales comparison approach. Sales of similar sites are gathered and compared to the parcel being appraised. Differences affecting value are noted. Adjustments to compensate for dissimilarities are applied applicable transactions. Adjusted comparables produce an indication of value for the subject parcel.

Any factor can affect value. Those considered during this appraisal’s land valuation process included yet are not limited to prominence of location, date of sale, size, shape, availability of utilities, zoning, topography, and access. Numerous sales were reviewed; however, only those deemed most comparable were selected for detailed analysis. All conveyed on an “arm’s length” basis except if specifically noted otherwise. Land sales shown herein are presented on a dollar per square foot as a common denominator.

To estimate the value of the land “as is,” we analyzed current listings and recent sales of larger parcels of commercially zoned land. Information pertaining to each of the comparable sales is included on the following pages.

Information relating to land that is available for sale is included on the following page.

Ames Community Development Park

4th Addition

Lot #	Address	Frontage	Depth	SQ FT	Price
1	1115 S. Bell Ave.	227	246	56,125	SOLD
2	1015 S. Bell Ave.	228	244	55,779	\$99,097
3	915 S. Bell Ave.	228	242	55,337	\$98,313
4	815 S. Bell Ave.	210	240	50,577	\$89,856
5	715 S. Bell Ave.	210	238	50,203	SOLD
6	615 S. Bell Ave.	211	238	49,996	SOLD
7	2809 Wakefield Cir.	295	198	58,932	SOLD
8	2810 Wakefield Cir.	295	200	59,000	SOLD
9	2811 Hyatt Cir.	295	200	59,000	SOLD
10	2812 Hyatt Cir.	297	200	59,465	SOLD
11	2826 Hyatt Cir.	297	711	230,805	\$410,057
12	2827 Hyatt Cir.	295	728	231,884	\$411,975
13	2824 Wakefield Cir.	295	728	206,122	\$366,898
14	2825 Wakefield Cir.	295	723	229,768	SOLD

Prices are effective July 1, 2016 and are subject to change.

LISTED BY:
Hunziker & Associates, REALTORS
 (515) 233-4450
 info@Hunziker.com
 105 S. 16th St., Ames, IA 50010

www.HunzikerCommercial.com

Each listed sale above is part of the Ames Community Development park located on the west side of Interstate 35 between the 13th Street exit and the Highway 30 exit. All lots are zoned Commercial-Industrial. Each listing has an asking price of \$1.78 per square foot. The sites have excellent access to Interstate 35 and several of the sites have good visibility from Interstate 35. Therefore, all listings above are considered to be superior to the subject in terms of location and would be adjusted downward.

We searched the market for recent sales of industrial land. However, our search produced limited results. Therefore, we also called the City of Ames Assessor, Mr. Greg Lynch. Mr. Lynch did not have any information pertaining to industrial land sales other than those we had already discovered.

We are aware of an industrial development that is currently in progress south of the subject on the west side of South Riverside Drive. At the current time, South Riverside Drive is paved from Airport Road to the subject's entrance. However, paving stops at the subject's entrance and South Riverside Drive is gravel as you continue to head south.

The land to the south of the subject that is under development is owned by Deere & Company, but had originally been owned by Iowa State University Research Park. We inquired with Mr. Lynch regarding his knowledge of this development and whether or not it involved a recent purchase of the land. Mr. Lynch did not have details on Deere & Company's acquisition of the land and stated that he historically has had no success in obtaining information from them. Therefore, Mr. Lynch suggested that we contact Mr. Nathan Easter with Iowa State University Research Park. However, after several attempts, we were unable to reach Mr. Easter and did not receive responses to the message we left for him.

Information pertaining to each selected comparable sale is included on the following pages.

Land Sale No. 1



Property Identification

Property Type Vacant Land
Address 2809 & 2825 Wakefield Circle, AMES, Story County, Iowa
Tax ID 10-07-325-010, 10-07-325-020

Sale Data

Grantor Woodruff Construction LLC
Grantee Badger Investments LC
Sale Date December 6, 2017
Deed Book/Page 2017-12305
Sale Price \$680,721
Cash Equivalent \$680,721

Land Data

Zoning GI, General Industrial District
Utilities All Public
Shape Generally Rectangular

Land Size Information

Gross Land Size 6.6277 Acres or 288,703 SF

Indicators

Sale Price/Gross Acre \$102,708
Sale Price/Gross SF \$2.36

Remarks

This site sits on the west side of Interstate 35 with good visibility from and access to the interstate. The site was developed into a 25,272 square foot office/warehouse facility that was built in 2018.

Improved Sale No. 2



Property Identification

Property Type Vacant Land
Address 2810 Wakefield Circle, AMES, Story County, Iowa
TAX ID 10-07-325-045

Sale Data

Grantor REG Ames LLC
Grantee Story Construction Co
Sale Date October 19, 2016
Deed Book/Page 2016-10549

Sale Price \$139,500
Cash Equivalent \$139,500

Land Data

Zoning GI, General Industrial District
Utilities All Public
Shape Generally Rectangular

Land Size Information

Gross Land Size 1.89 Ares or 82,328 SF

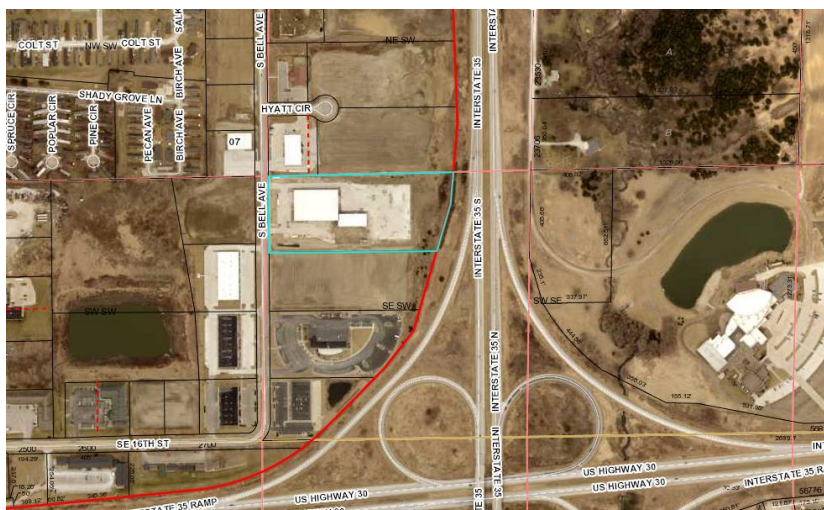
Indicators

Sale Price/Gross Acre \$73,810
Sale Price/Gross SF \$1.69

Remarks

Site is located on the west side of Interstate 35 with good access to the interstate. The site was developed in 2017 with a 12,840 square foot general office building.

Land Sale No. 3



Property Identification

Property Type Vacant Land
Address 1216 S Bell Avenue, AMES, Story County, Iowa
Tax ID 10-07-375-040

Sale Data

Grantor Dayton Park LLC
Grantee Ames Community School District
Sale Date October 13, 2015
Deed Book/Page 2015-10151
Sale Price \$509,000
Cash Equivalent \$509,000

Land Data

Zoning GI, General Industrial District
Utilities All Public
Shape Slightly Irregular

Land Size Information

Gross Land Size 7.80 Acres or 339,768 SF

Indicators

Sale Price/Gross Acre \$65,256
Sale Price/Gross SF \$1.50

Remarks

This site sits on the west side of Interstate 35 with good visibility from and access to the interstate. The site was developed into a 41,551 square foot a metal office/warehouse building in 2016.

Improved Sale No. 4



Property Identification

Property Type Vacant Land
Address 417 S Bell Avenue, AMES, Story County, Iowa
TAX ID 10-07-160-020

Sale Data

Grantor Dillman Properties Inc.
Grantee Beth & Kelly Investments LLC
Sale Date May 26, 2016
Deed Book/Page 2016-05062

Sale Price \$124,271
Cash Equivalent \$124,271

Land Data

Zoning GI, General Industrial District
Utilities All Public
Shape Generally Rectangular

Land Size Information

Gross Land Size 1.8343 Ares or 79,902 SF

Indicators

Sale Price/Gross Acre \$69,384
Sale Price/Gross SF \$1.56

Remarks

Site is located on the west side of S Bell Avenue. The site benefits from good access to Interstate 35.

Land Value

Quantitative Adjustment Grid

Sale	Subject	1		2		3		4	
Address	3100 S Riverside Drive	2809 & 2825 Wakefield Circle		2810 Wakefield Circle		1216 S Bell Avenue		417 S Bell Ave	
City	Ames	Ames		Ames		Ames		Ames	
Sale Price (SP)	N/A	\$680,721		\$139,500		\$509,000		\$124,271	
Area (Sq Ft)	555,403	288,703		82,328		339,768		79,902	
SP/\$SF	N/A	\$2.36		\$1.69		\$1.50		\$1.56	
Grantor	N/A	Woodruff Construction LLC		REG Ames LLC		Dayton Park LLC		Dillman Properties Inc.	
Grantee	N/A	Badger Investments LC		Story Construction Co		Ames Community School District		Beth & Kelly Investments LLC	
		Attribute	Adj	Attribute	Adj	Attribute	Adj	Attribute	Adj
Property Rights Conveyed	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Cash Equivalency	Typical	Typical		Typical		Typical		Typical	
Conditions of Sale	Typical	Typical		Atypical	1.25	Atypical	1.25	Atypical	1.25
Market Conditions	3/14/2019	10/6/2017	1.03	10/19/2016	1.05	10/13/2015	1.07	5/26/2016	1.06
Adjusted Sale Price	N/A	\$701,143		\$183,094		\$680,788		\$164,659	
Adjusted Price / Sq. Ft.	N/A	\$2.43		\$2.22		\$2.00		\$2.06	
Other Considerations									
Location	Average	Superior	0.90	Superior	0.90	Superior	0.90	Superior	0.90
Size	555,403	288,703	0.90	82,328	0.80	339,768	0.90	79,902	0.80
Shape	Irregular	Generally Rectangular		Generally Rectangular		Generally Rectangular		Rectangular	
Utilities	All Public	Similar		Similar		Similar		Similar	
Topography	Mostly level	Similar		Similar		Similar		Similar	
Zoning	PI	GI		GI		GI		GI	
Total Adjustment (Rounded)			0.81		0.72		0.81		0.72
Ind. Value Subject Per Sq Ft			\$1.97		\$1.60		\$1.62		\$1.48

Analysis & Conclusions

The subject and all cited comparable sales share several characteristics. They are all located in Ames and have similar zoning. These commonalities justify inclusion of these transactions in this analysis. Often there are differences between the property appraised ("the subject") and a comparable sale. When the dissimilarity affects value, an adjustment to the sale price of the comparable is necessary.

Property Rights Agreements or laws create partial interests in real estate. A deed restriction or life estate usually reduces rights and value. If the subject is not affected by these limitations and a comparable is, then the comparable's sale price needs an upward property rights adjustment. In another situation, unfavorable leases eliminate a landlord's right to collect market rent, so the real estate sells for a below-market price. If the property appraised has no lease adversities and a comparable does have unfavorable leases, then the comparable requires upward adjustment. Unless stated otherwise, property rights are virtually the same for the subject and all cited conveyances. Hence, no adjustments are necessary for this element of comparison.

Financing Sub-market financing is a common technique used to finance the acquisition of real estate during periods of high interest rates. When non-market financing is used, the financing may be favorable to the buyer so the sale price is inflated. The escalated price can be envisioned as a composite of the worth of real estate plus the value of advantageous financing. Since value created by financing is not real property, the contribution of the advantageous financing must be deducted from total sale price to derive market value for just the realty. On the opposite hand, there are instances where the buyer assumes unfavorable financing, so the sale price is diminished. In the latter case, an upward adjustment must be applied to the sale price of the comparable thusly deriving the market value of the real estate. Unless a statement is made to the contrary, non-market financing was not used to acquire any comparable sale cited in this report. Therefore, no compensations are needed for financing.

Conditions of Sale An adjustment for conditions of sale is necessary when a criterion of market value is violated. It could compensate for unusual buyer or seller motivations. For instance, when a seller gives a buyer an atypical rebate, discount, credit, or something of value to induce a conveyance, the sale price is usually inflated. In this case, it is logical to deduct the worth of the giveback from the sale price. Residual sums represent the property's market value. In another scenario, a buyer may pay a premium to facilitate an assemblage. In this instance, the premium must be deducted from the sale price to derive market value for that conveyance. Unless stated otherwise, no adjustments are necessary for conditions of sale. Sales 2, 3, and 4 were adjusted upward for their conditions of sale. According to the appraiser's discussions with Mr. Greg Lynch of the City of Ames Assessor's office, at the time these Sales occurred the City of Ames had a TIF in place for this land in an effort to spur development versus risk the land being purchased by an investor and left dormant. The City's conditions included a restriction on the sale price of the land to make development more feasible. Therefore, these Sales were adjusted upward to account for this. Sale 1 was not adjusted for this reason since the TIF was no longer in place when Sale 1 occurred.

Expenditure Post Sale This is a situation when a buyer is compelled to invest additional money into a property immediately after acquisition for some atypical reason. Post-sale invested sums are appropriately added to a comparable's sale price thereby producing an adjusted sale price. Examples are demolition costs or building-code compliance costs. Unless a contrary statement is made, no adjustments are necessary for post-sale expenditures.

Market Conditions Adjustments for market conditions are commonly referred to as time adjustments, but this is misleading. Value does not change due to the passage of time; sometimes it remains stable. Often real estate values fluctuate due to changes in supply and demand, interest rates, employment, or inflation. This type adjustment compensates for change in market conditions between a sale's transaction date and a later point in time. All cited comparables conveyed between October 2015 and this report's effective value date. Values rose modestly between these two dates; therefore, upward adjustments were applied to all Sales.

Location Each property was rated to the subject for locational aspects such as value growth potential, access, and general desirability. Those transactions with superior locations were adjusted downward and vice versa. The subject is located south of Highway 30 and west of the Ames Municipal Airport near the Iowa State University Research Park. However, the subject does not have visibility from the highway. The subject is on a paved portion of the South Riverside Road, but South Riverside Drive is gravel heading south from the subject. All Sales are superior to the subject in that they have good access to and/or visibility from Interstate 35. Therefore, all Sales were adjusted downward.

Physical Attributes A myriad of physical characteristics can affect land value. Some examples are lot size, shape, site orientation, availability of utilities, and soil conditions. Those sales with superior physical qualities warrant downward adjustment and vice versa.

Property size is typically an influential variable. Often an inverse relationship exists between price and size. That is, the larger the parcel, the lower the price per acre selling price. All Sales were adjusted downward for their smaller size.

Value Indication

This adjusted data varies from \$1.48 to \$1.97 per square foot. After consideration of all factors pertaining to and influencing land values, the following is selected as the most fitting value indication for the subject parcel as though vacant. Accordingly,

Subject Parcel(s)	555,400	SF @	\$1.60	Per SF =	\$888,640
<i>Indicated Market Value – Fee Simple Estate</i>					
<i>“As Vacant”</i>					\$889,000
<i>Via Sales Comparison, Say</i>					

Exposure & Marketing Time

Terminology abounds in the real estate appraisal profession. Two related but different concepts that are often confused are Exposure Time and Marketing Time. USPAP specifically addresses the confusion.

Term	Definition	Explanation
Exposure Time (Statement 6)	<i>“The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal”.</i>	Backward looking, ends on the effective value date. Based on factual, past events
Marketing Time (Advisory Opinion 7)	<i>“An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value during the period immediately after the effective date of the appraisal”.</i>	Forward looking, starts on the effective value date. A forecast based on expectancies of future occurrences.

Marketing time and exposure time are both influenced by price. That is, a prudent buyer could be enticed to acquire the property in less time if the price were less. Hence, the time span cited below coincides with the value opinion(s) formed herein.

USPAP Standard rule 1-2(c)(iv) requires an opinion of exposure time, not marketing time, when the purpose of the appraisal is to estimate market value. In the recent past, the volume of competitive properties offered for sale, sale prices, and vacancy rates have fluctuated little. Sale concessions have not been prevalent. In light thereof, an estimated exposure time for the subject is 6 to 10 months assuming competitive pricing and prudent marketing efforts.

A marketing time estimate is a forecast of a future occurrence. History should be considered as a guide, but anticipation of future events & market circumstances should be the prime determinant. Overall market conditions are expected to remain essentially stable, so a marketing interval between 6 and 10 months is predicted for the subject.

Certification

The appraisers signing this report make the following certifications to the best of their knowledge and belief.

- The statements of fact contained in this report are true and correct.
- Reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions contained within this report, and are the appraisers' personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The appraisers have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- The appraisers have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- This engagement is not contingent upon developing or reporting predetermined results.
- Compensation paid to the appraisers is not contingent upon the development or reporting of a predetermined value, or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- Reported analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP)
- A statement regarding observation of the subject property by each appraiser is listed below. None of the appraisers is a professional property inspector. Furthermore, none of the appraisers has formal training in the use of tools or instruments as part of a professional property inspection. Observation by one or more of the appraisers was limited to just those physical features and attributes that are not hidden or obscure in any fashion by any object or weather condition. None of the appraisers used any tools or instruments, beyond those typically used by appraisers, to probe, study, investigate, detect, or discover any physical feature or attribute that was not clearly visible on the date the property was observed.

Appraisers	Observations
Gene F. Nelsen, MAI, CCIM	Exterior
Jennifer K. O'Tool	Exterior

- No one provided significant real property appraisal assistance to the appraiser(s) signing this certification.
- The appraisers have performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report during the three-year period immediately preceding acceptance of this assignment. An appraisal of the subject's Land/Leased Fee Estate was completed on November 30, 2018.

Certification

- Use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Gene Nelsen has completed the continuing education program of the Appraisal Institute.
- As of the date of this report, Jennifer O'Tool has completed the Standards & Ethics education program of the Appraisal Institute for Associate Members.

Thank you for your business. Let us know how we may further serve you.



Gene F. Nelsen, MAI, CCIM
Certified General Real Property Appraiser
Iowa License CG01034
License Expiration Date: 6/30/2019



Jennifer K. O'Tool
Associate General Real Property Appraiser
Iowa License AG03473
License Expiration Date: 6/30/2019

Engagement Letter



10580 Justin Drive
Urbandale, IA 50322

Nelsen Appraisal Associates, Inc.

(Bus) 515-276-0021
(Fax) 515-276-9303

January 11, 2019

Damion Pregitzer, P.E. PTOE
Traffic Engineer
City of Ames
City Hall
515 Clark Avenue
Ames, IA 50010

Re: 3100 South Riverside
Ames, Iowa

Dear Mr. Pregitzer:

We propose to prepare an appraisal report for the above-described properties in Ames, Iowa. The appraisal will be used as a basis for the rent determination by the current owner, the City of Ames.

It is our understanding that the bid is to provide an appraisal report of the Fee Simple Interest in the land as of the current date in a typical narrative format. The full cost of the appraisal report will not exceed \$1,800, including all meetings prior to delivery of the final report.

Delivery of the report shall be no later than three (3) weeks from written notice to proceed.

Thank you for the opportunity to provide this service to you. If you have any further questions or wish to modify this agreement please contact me at your convenience. Otherwise, please indicate your approval by signing the enclosed agreement.

A handwritten signature in dark ink, appearing to read 'Gene F. Nelsen'. The signature is fluid and cursive, with a large initial 'G' and 'N'.

Gene F. Nelsen, MAI, CCIM
President
Certified General Real Property Appraiser
Iowa License CG01034
License Expiration Date: 6/30/2019

Authorization to Proceed

I, Damion Pregitzer, authorize Nelsen Appraisal Associates, Inc. to perform the appraisal assignment as described in this letter proposal. I understand that payment is expected at the time work completed on this property. Any changes to the scope of this assignment by me may result in charges greater than the terms herein described.



Damion Pregitzer, P.E. PTOE
Traffic Engineer
City of Ames

Qualifications

Gene F. Nelsen, MAI CCIM

President

Nelsen Appraisal Associates, Inc.

10580 Justin Drive

Urbandale, IA 50322

515-276-0021 Phone

515-276-9303 Fax

gene@nelsonappraisal.com



Since 1985 Gene has analyzed nearly all real estate types. He is a member of the Appraisal Institute and CCIM Institute and is qualified and experienced in commercial, industrial and residential real estate appraising. His experience includes valuation and consulting for these property types and purposes.

- Office, Industrial, Retail, and Multi-Family Properties.
- Senior Assisted/Independent Living and Nursing Facilities.
- Real estate consulting in valuation, rent analysis, land development and land use evaluation.
- Eminent Domain valuation.
- Appraisal review.
- Expert witness testimony.

Education

University of Northern Iowa

B.A., Science - Environmental Planning, Urban Planning Emphasis

Appraisal Institute

Designated MAI, 1991

MAI Continuing Education includes the successful completion of courses covering a wide range of appraisal skills and practices. Credit hours earned meet or exceed the Appraisal Institute's requirement of 100 credit hours during each five-year period.

CCIM Institute

Designated CCIM, 2003

Professional Affiliations

- MAI Designated Member of Appraisal Institute, 1991
- CCIM Designated Member of the CCIM Institute, 2003
- President, Appraisal Institute, Iowa Chapter, 1998
- Regional Representative Appraisal Institute, Iowa Chapter 1999-2001
- Public Relations Chair, Appraisal Institute, Iowa Chapter, 2001-present
- Chair, University of Northern Iowa Real Estate Education Program Advisory Council – 2004-2005. Currently serving on its Board of Directors.
- President, CCIM Institute, Iowa Chapter 2010-2011. Board Member since 2004
- Iowa Commercial Real Estate Expo, Committee Member since 1996 - Co-Chair 2010
- Iowa Commercial Real Estate Association, Board Member
- Iowa Real Estate Appraiser Examining Board – Board Member 2011-2014 – Chair 2014 - Present

State Certification

State of Iowa, Certified General Real Property Appraiser

State of Nebraska, Certified General Real Property Appraiser

Jennifer K. O'Tool
Associate General Real Property Appraiser
Nelsen Appraisal Associates, Inc.
10580 Justin Drive
Urbandale, IA 50322
515-276-0021 Phone
515-276-9303 Fax
jotool@nelsenappraisal.com



Jennifer began her studies to become a Certified General Real Estate Appraiser in 2015 and brings a 20-year background in institutional commercial real estate mortgage lending and community banking. Her professional experience, combined with continuing education, enables her to offer high-quality services under the supervision of Gene Nelsen, MAI CCIM in

- Industrial and Retail property appraisals with experience in leasehold estates and leased fee estates.
- Office appraisals
- Multi-family Residential real estate appraisals.

Education

Simpson College – Bachelor of Arts – Economics and Finance
Appraisal course work, including:
 Appraisal Principals – 30 hours
 Appraisal Procedures – 30 hours
 National USPAP Course – 15 hours

Work Experience

Principal Real Estate Investors, Des Moines, IA

Prepared internal and reviewed external appraisals in conjunction with the procurement of over \$1 billion in mortgage loans in core property groups: industrial, retail, multi-family residential, and office

Professional Affiliations

Appraisal Institute – General Associate Member

State Certification

Associate Real Estate Appraiser status, working toward General certification.

Community Organizations

Junior Achievement of Central Iowa

State Licenses



IOWA DIVISION OF BANKING

**IOWA DEPARTMENT OF COMMERCE
DIVISION OF BANKING**

THIS IS TO CERTIFY THAT THE BELOW NAMED
HAS BEEN GRANTED A CERTIFICATE AS A
GENERAL REAL PROPERTY APPRAISER

CERTIFICATE NO. CG01034 EXPIRES: 6/30/2019

NELSEN, GENE F
NELSEN APPRAISAL ASSOCIATES, INC.
10580 JUSTIN DRIVE
URBANDALE, IA 50322



IOWA DIVISION OF BANKING

**IOWA DEPARTMENT OF COMMERCE
DIVISION OF BANKING**

**THE PERSON NAMED BELOW, HAVING MET THE REQUIREMENTS
AND BEING IN GOOD STANDING IN OTHER RESPECTS, IS ISSUED**

**A REGISTRATION AS AN ASSOCIATE
GEN. REAL PROPERTY APPRAISER
O TOOL, JENNIFER
CERTIFICATE NO. AG03473**

EXPIRES 6/30/2019

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Urbandale, Iowa 50322
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The descriptions, analyses, and conclusions stated herein are intended for the exclusive use of our client, City of Ames, and other explicitly identified intended users, solely for the intended use stated in this document.

Nelsen Appraisal Associates, Inc. retains all rights, title, and interests in all trademarks, trade names, trade secrets, data, conclusions, opinions, valuations, and other information included in, arising out of, or in any way related to this appraisal.

No person or entity shall be entitled to break down, strip out, mine, or disseminate any component or portion of this report, including, but not limited to any valuations, opinions, data compilations, or conclusions.

This report and all its contents is a culmination of intellectual and professional experiences, education, personal investigations, and know-how, which shall at all times remain the property of Nelsen Appraisal Associates, Inc., its sole owner.

End of Report

EXHIBIT C - RENT SCHEDULE

(50 Years: July 1, 1997 through June 30, 2047)

LEASE YEAR	RENT PER LEASED ACRE
7/1/97 - 6/30/98	\$100
7/1/98 - 6/30/99	\$100
7/1/99 - 6/30/00	\$100
7/1/00 - 6/30/01	\$100
7/1/01 - 6/30/02	\$100
7/1/02 - 6/30/03	\$2,700
7/1/03 - 6/30/04	\$2,781
7/1/04 - 6/30/05	\$2,864
7/1/05 - 6/30/06	\$2,950
7/1/06 - 6/30/07	\$3,039
7/1/07 - 6/30/08	\$3,130
7/1/08 - 6/30/09	\$3,224
7/1/09 - 6/30/10	\$3,321
7/1/10 - 6/30/11	\$3,420
7/1/11 - 6/30/12	\$3,523
7/1/12 - 6/30/13	\$3,629
7/1/13 - 6/30/14	\$3,737
7/1/14 - 6/30/15	\$3,850
7/1/15 - 6/30/16	\$3,965
7/1/16 - 6/30/17	\$4,084
7/1/17 - 6/30/18	\$4,207
7/1/18 - 6/30/19	\$4,333
7/1/19 - 6/30/20	\$4,463
7/1/20 - 6/30/21	\$4,597
7/1/21 - 6/30/22	\$4,734
7/1/22 - 6/30/23	\$4,877
7/1/23 - 6/30/24	\$5,023

7/1/24 - 6/30/25	\$5,173
7/1/25 - 6/30/26	\$5,329
7/1/26 - 6/30/27	\$5,489
7/1/27 - 6/30/28	\$5,653
7/1/28 - 6/30/29	\$5,823
7/1/29 - 6/30/30	\$5,997
7/1/30 - 6/30/31	\$6,177
7/1/31 - 6/30/32	\$6,363
7/1/32 - 6/30/33	\$6,554
7/1/33 - 6/30/34	\$6,750
7/1/34 - 6/30/35	\$6,953
7/1/35 - 6/30/36	\$7,161
7/1/36 - 6/30/37	\$7,376
7/1/37 - 6/30/38	\$7,597
7/1/38 - 6/30/39	\$7,825
7/1/39 - 6/30/40	\$8,060
7/1/40 - 6/30/41	\$8,302
7/1/41 - 6/30/42	\$8,551
7/1/42 - 6/30/43	\$8,808
7/1/43 - 6/30/44	\$9,072
7/1/44 - 6/30/45	\$9,344
7/1/45 - 6/30/46	\$9,624
7/1/46 - 6/30/47	\$9,913

REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT (“the Agreement”) is made and entered into as of _____, 2022, by and between the CITY OF AMES, IOWA, hereinafter referred to as “Seller” and MULMAC, LLC, an Iowa limited liability company, hereinafter referred to as “Buyer;” WITNESSETH:

WHEREAS, Seller is the fee title owner of real property adjacent to the Ames Municipal airport;

WHEREAS, Buyer desires to purchase the real estate from Seller, all upon the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, for other good and valuable consideration, it is agreed as follows:

1. Purchase and Sale of Property. Subject to the terms and provisions of this Agreement, Buyer agrees to purchase and Seller agrees to sell, the following described real estate (the “Real Property”) situated at 1101 Aviation Way (formerly known as 3100 S. Riverside Drive) in the City of Ames, Story County, Iowa, to-wit:

Parcel “S” in the South Half of the Southeast Quarter (S½-SE ¼) of Section 15, Township 83 North, Range 24 West of the 5th P.M., City of Ames, Story County, Iowa, as shown on the “Plat of Survey” filed in the office of the Recorder of Story County, Iowa, on September 30, 2021, as Instrument No. 2021-12553.

(approximately 12.75 acres).

Subject to any existing easements and rights-of-way of record; and

Subject also to easements reserved as shown in Exhibit A; which shall survive the performance of this agreement.

2. Purchase Price. The total purchase price to be paid by Buyer to Seller for the real property shall be ^{U.S.} \$2,838,250.00, payable in cash, or cash equivalents, on the Closing Date. The total purchase price for the purpose of this Agreement was set by the Ames City Council at its regular meeting on January 14, 2020.

3. Closing. The Closing of this Agreement shall take place on the on or before April 1, 2022, (“Closing Date”) in the office of the City Clerk, 515 Clark Avenue, Ames IA 50010, or such other time and place as the parties may mutually agree. If a portion of the purchase price is to be derived from a commercial lender, reasonable requirements of the lending institution as to place, time of day and procedures for Closing and for disbursement of mortgage proceeds shall control over contrary provisions of this Agreement. At Closing, Seller shall furnish, if applicable

and as required: the deed; a Title Guaranty or title insurance affidavit; a mechanic's lien affidavit; an assignment of leases; the Iowa Department of Revenue's required Declaration of Value Statement; the Iowa Department of Natural Resources' required Groundwater Hazard Statement; proof of authority to execute instruments on behalf of an entity; a certificate duly executed by Seller under penalty of perjury certifying that each Seller is not a "foreign person" as may be required under 26 U.S.C. sec. 1445, as amended, and any regulations thereunder; and any corrective title instruments. The Iowa Real Estate Transfer Tax pursuant to chapter 428A of the Code of Iowa, the cost of preparing instruments necessary to convey title and to document authority of or reliance on Seller's authority to convey shall be paid for by Seller. All recording fees shall be the responsibility of Buyer.

4. Date of Possession. Possession of the Real Property shall be delivered to the Buyer on the Closing Date (as defined herein).

5. Date for Accruals. If Seller and Buyer hereafter select an alternate Date of Possession, such alternate date shall become the effective date for the accrual and proration of rental payments and any other contractual charges due and owing, as the same may be applicable.

6. Closing Contingency. Time is of the essence for this Agreement. If, for any reason, Closing does not occur prior to July 1, 2022, this Agreement shall be null and void and neither party shall have any obligation to the other and this Agreement shall terminate.

7. Abstract and Title. Buyer shall be solely responsible for the costs of title searches, abstracting, and title guaranty or title insurance. Buyer must notify Seller at least 30 days prior to Closing of any defects in marketable title under Iowa law and the Iowa State Bar Association Land Title Standards. Seller may elect to attempt to cure any or all said defects, and if Seller is unwilling or unable to cure any such defects prior to the Closing Date, Buyer may terminate this Agreement upon written notice to Seller, which must be received by Seller prior to the Closing Date, or Buyer may proceed to closing and title subject to any such defects.

8. Deed and Other Documents. On the Closing Date, seller shall convey title to the Real Property by a Deed in fee simple without warranty as provided in Iowa Code §558.19(2), free and clear of all liens against the City and encumbrances in which the City is the grantor, except as provided in this Agreement, subject only to covenants, conditions, easements, encumbrances and restrictions of record, and subject to reservation of easements shown in Exhibit A.

9. Existing Lease, Development Agreement. This Agreement is subject to the leasehold rights of a tenant, namely MULMAC, LLC, presently occupying the Real Property. A memorandum of said lease was recorded June 13, 1997, as Instrument 97-05938, and the lease has been assigned subsequently. This Agreement is also subject to a Development Agreement dated May 27, 1997, a memorandum of which was recorded June 13, 1997, as Instrument No. 97-05942, and any amendments thereto. Upon closing and full payment by Buyer to Seller: (1) the lease shall be merged into the fee title conveyed to Buyer; (2) any improvements or fixtures upon the

land shall become the property of the Buyer and the Seller's rights to the improvements at the termination of the lease shall revert and merge into the fee title conveyed to the Buyer; and (3) the City shall cause to be recorded a termination of the Development Agreement as it relates to the Real Property. Rents shall be prorated to the date of possession.

10. Real Estate Taxes. The leased facilities are subject to real property taxes, which under the lease agreement, are payable by the tenant. Buyer shall assume all responsibility for real property taxes levied and payable. The Seller is an exempt governmental entity and shall not provide the Buyer with a tax proration at closing.

11. Property Status—As Is. Buyer acknowledges that they have made a sufficient and satisfactory inspection of the Real Property and are purchasing the Real Property in its "as is" condition. Buyer as tenant in possession is responsible for solid waste removal, sewage and other utility services and assessments for maintenance of the Real Property attributable to any period of time preceding the Date of Possession.

12. Risk of Loss. Risk of loss of the Real Property shall remain with the Buyer as prescribed by the 1997 Lease (i.e., paragraphs 18.01 – 18.08) until the Closing Date.

13. Forfeiture. If Buyer fails to perform this Agreement, Seller may forfeit this Agreement as provided by Iowa Code ch. 656. Buyer shall have no right of reclamation or compensation for money paid or improvements made, if any, which shall be retained by Seller as compensation for use of the Real Property, as liquidated damages, or both. Upon completion of forfeiture, Seller may treat any person in possession as tenants holding over after the expiration of a lease and may remove them as provided by Iowa Code ch. 648 or any other legal or equitable remedy.

14. Foreclosure. If Buyer fails to pay any part of the purchase price as it becomes due, or fail to pay taxes or special assessments before they become delinquent, or otherwise fail to perform any of the agreements provided for in this Agreement, Seller may, twenty days after written notice to Buyer of Seller's intention to accelerate the payment of the entire balance owing under this Agreement, during which twenty days such default or defaults are not removed, declare the entire balance owing under this Agreement immediately due and payable. Thereafter, at the option of Seller, this Agreement may then be foreclosed in equity and a receiver may be appointed to take charge of the Real Property and collect the rents and profits thereof to be applied as may be directed by a Court of competent jurisdiction. It is agreed that the period of redemption after sale on foreclosure provided by section 628.3 of the Iowa Code may be reduced as otherwise provided by chapter 628 of the Iowa Code.

15. Certification. Buyer and Seller each certify to the other that such party is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any executive order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or any other banned or blocked person, entity, nation or transaction

pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control and that the party is not engaged in this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Each party will defend, indemnify and hold harmless the other party, and such other party's officers, directors, managers, employees, agents, attorneys, representatives, affiliates, successors and permitted assigns, from and against any and all claims, damages, losses, risks, liabilities and expenses (including reasonable attorney fees and costs) arising from or related to the indemnifying party's breach of the foregoing certifications, said indemnification to survive the earlier termination of this Agreement or delivery of the deed contemplated hereby.

16. Council Approval. This Agreement is contingent upon the approval of the City Council pursuant to section 364.7, Code of Iowa.

17. Assignment. This Agreement and the rights, duties and obligations hereunder may not be assigned or delegated by Buyer without the prior written consent of the City. Any assignment of rights or delegation of duties or obligations hereunder made without the consent of the City shall be void.

18. Entire Agreement. This instrument constitutes the entire agreement between the parties with respect to the subject matter thereof and supersedes all prior oral or written agreements, statements, representations, and promises. No addition to or change in the terms of this Agreement shall be binding upon the parties unless it is expressed in a writing signed by the parties.

19. Parties. Words and phrases used in this Agreement shall be construed as in the single or plural number and as the masculine, feminine or neuter gender according to the context. "Parties" refers to both Seller and Buyer together. "Party" may refer to either a Seller or a Buyer. If a Seller or a Buyer, as defined in this Agreement, consists of two or more entities or persons, each is jointly and severally liable and responsible for the duties and warranties of that party. Notice given to or knowledge of any condition by any one member of a party that consists of two or more entities or persons is deemed had by the party and all its constituent members.

20. Interpretation. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of Iowa. The paragraph headings in this Agreement are for convenience only and in no way define or limit the scope or intent of any provisions of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

[S I G N A T U R E S F O L L O W O N S U C C E S S I V E P A G E S]

MULMAC, L.L.C.

Dated _____, 2022.

By:

Ronald J. McMillen, Member

STATE OF IOWA, COUNTY OF STORY, SS.:

This instrument was acknowledged before me on _____, 2022, by Ronald J. McMillen as the sole Member of MULMAC, L.L.C.

NOTARY PUBLIC

Passed and approved on _____, 2022, by Resolution No. 22-_____ adopted by the City Council of the City of Ames, Iowa.

CITY OF AMES, IOWA

By:

John A. Haila, Mayor

Attest:

Diane R. Voss, City Clerk

Schedule A
Reservation of Easements

- (1) Airport Navigational Easement – All of Parcel S – limiting the height and location of all structures upon the Real Property in conformance with Federal Aviation Administration regulations.
- (2) A GAS MAIN EASEMENT COMMENCING AT THE NORTHWEST CORNER OF SAID PARCEL S ; THENCE S 00°01'37" W, ON THE WEST LINE OF SAID PARCEL S, A DISTANCE OF 160.00 FEET TO THE POINT OF BEGINNING; THENCE S 89°58'23" E, A DISTANCE OF 336.42 FEET; THENCE S 00°00'00" E, A DISTANCE OF 5.80 FEET; THENCE S 90°00'00" E, A DISTANCE OF 20.00 FEET; THENCE S 00°00'00" E, A DISTANCE OF 4.77 FEET; THENCE N 89°58'23" W, A DISTANCE OF 356.41 FEET TO A POINT ON THE WEST LINE OF SAID PARCEL S; THENCE N 00°01'37" E, ON SAID WEST LINE, A DISTANCE OF 10.00 FEET TO THE POINT OF BEGINNING.
- (3) A PUBLIC UTILITY EASEMENT COMMENCING AT THE NORTHWEST CORNER OF SAID PARCEL S; THENCE S 00°01'37" W, A DISTANCE OF 189.55 FEET ON THE WEST LINE OF SAID PARCEL S, AND TO THE POINT OF BEGINNING; THENCE S 89°49'52" E, A DISTANCE OF 561.67; THENCE S 45°42'18" E A DISTANCE OF 29.02 FEET; THENCE N 90°00'00" E A DISTANCE OF 232.46 FEET TO A POINT ON THE EAST LINE OF SAID PARCEL S; THENCE S 43°16'31" E A DISTANCE OF 27.47 FEET ON SAID EAST LINE OF PARCEL S; THENCE S 90°00'00" W A DISTANCE OF 230.80 FEET; THENCE S 45°42'18" E A DISTANCE OF 17.81 FEET; THENCE N 89°49'52" W, A DISTANCE OF 441.93 FEET; THENCE N 00°00'00" W A DISTANCE OF 17.81 FEET; THENCE N 89°49'52" W, A DISTANCE OF 173.76 FEET TO A POINT ON SAID WEST LINE OF PARCEL S; THENCE N 00°01'37" E A DISTANCE OF 20.25 FEET TO THE POINT OF BEGINNING.
- (4) A PUBLIC UTILITY EASEMENT DESCRIBED AS THE SOUTH 20 FEET OF SAID PARCEL S AND THE ADJOINING NORTH 15 FEET OF THE SOUTH 35 FEET OF THE WEST 40 FEET OF SAID PARCEL S.
- (5) THE CENTERLINE OF A 20 FEET WIDE WATER MAIN EASEMENT COMMENCING AT THE NORTHWEST CORNER OF SAID PARCEL S; THENCE S 00°01'37" W, A DISTANCE OF 179.80 FEET TO THE POINT OF BEGINNING; THENCE S 89°51'23" E, A DISTANCE OF 565.75 FEET; THENCE S 45°42'18" E, A DISTANCE OF 107.09 FEET; THENCE S 00°00'00" W, A DISTANCE OF 417.29 FEET TERMINATING ON THE SOUTH LINE OF SAID PARCEL S.
- (6) THE CENTERLINE OF A 20 FEET WIDE WATER MAIN EASEMENT COMMENCING AT THE NORTHWEST CORNER OF SAID PARCEL S; THENCE S 89°58'23" E, ON THE NORTH LINE OF SAID PARCEL S, A DISTANCE OF 405.26 FEET; THENCE N 49°14'07" E, ON SAID NORTH LINE, A DISTANCE OF 21.09 FEET TO THE POINT OF BEGINNING; THENCE S 44°04'19" E, A DISTANCE OF

84.18 FEET; THENCE S 00°00'00" W, A DISTANCE OF 134.10 FEET TO THE TERMINUS.

- (7) THE CENTERLINE OF A 30 FEET WIDE WATER MAIN EASEMENT COMMENCING AT THE SOUTHEAST CORNER OF SAID PARCEL S; THENCE N 89°58'16" W, ON THE SOUTH LINE OF SAID PARCEL S, A DISTANCE OF 316.17 FEET; THENCE N 00°00'00" E, A DISTANCE OF 170.89 FEET TO THE POINT OF BEGINNING; THENCE N 90°00'00" W, A DISTANCE OF 310.71 FEET TO THE TERMINUS.
- (8) THE CENTERLINE OF A 20 FEET WIDE SANITARY SEWER EASEMENT COMMENCING AT THE NORTHWEST CORNER OF SAID PARCEL S; THENCE S 89°58'23" E, ON THE NORTH LINE OF SAID PARCEL S, A DISTANCE OF 405.26 FEET; THENCE N 49°14'07" E, ON SAID NORTH LINE, A DISTANCE OF 40.70 FEET TO THE POINT OF BEGINNING; THENCE S 44°04'19" E, A DISTANCE OF 325.32 FEET; THENCE S 00°00'00" W, A DISTANCE OF 465.91 FEET TERMINATING ON THE SOUTH LINE OF SAID PARCEL S.

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARINGS AND NOTICE OF INTENT TO ISSUE \$11,225,000 ESSENTIAL CORPORATE PURPOSE GENERAL OBLIGATION BONDS, \$700,000 GENERAL CORPORATE PURPOSE GENERAL OBLIGATION BONDS FOR DOWNTOWN PLAZA, \$350,000 GENERAL PURPOSE GENERAL OBLIGATION BONDS FOR FIRE STATION IMPROVEMENTS, AND ASSOCIATED TAX LEVY FOR DEBT SERVICE

BACKGROUND:

The FY 2022/23 City Budget includes several General Obligation (G.O.) Bond-funded capital improvements. A public hearing is required to authorize issuance of bonds and the levy of property taxes for debt to be issued. The dollar amounts and corresponding property tax levy for the planned G.O. bond issue is included as part of the FY 2022/23 budget.

The G.O. Bonds and debt service levy for the FY 2022/23 budget are based on projects listed in the table below. Council authorization will be required later to approve the sale of the bonds. Bonds are expected to be issued shortly after the start of the new fiscal year.

Though the bonds will be combined in a single sale, the \$700,000 to fund the downtown plaza and \$350,000 (rounded) for fire station concrete rehabilitation are general corporate purpose issues subject to a reverse referendum and separate public hearings are required. The City is limited to \$700,000 in general corporate purpose bonds by purpose of use and each use requires a separate hearing. The remainder bond issue is qualified as essential corporate purpose, not subject to reverse referendum and can be combined in a single public hearing in amount not to exceed \$11,225,000.

On September 14, 2021, the City Council held a public hearing to issue general obligation bonds not to exceed \$21,200,000 to fund the construction of an indoor aquatics center as part of reinvestment district urban renewal plan. The first issue of bonds to fund the aquatic center will be included in the upcoming sale of bonds, but no additional public hearing is needed.

Please note that in addition to the amount to fund the G.O. Bond-funded capital projects, the amount not-to-exceed includes additional authorization to allow for issuance costs and the option to sell our bonds at a premium over the par or face value of bonds. In any case, debt will not be issued in an amount where debt service exceeds the property tax levy included in the proposed budget.

The public hearings and pre-levy resolution will be required at the time of the budget certification to levy property taxes for the bonds not yet issued. The pre-levy amount is included as part of the total debt service property tax levy and is \$1,511,628 of the total taxes levied for debt service at \$10,627,021.

The Capital Improvements Plan’s 2022/23 G.O. Bond issue includes the following:

Fire Apparatus Replacement	\$747,000	
CyRide Route Pavement Improvements (Lincoln Way)	1,225,000	
Concrete Pavement Improvements	3,600,000	
Asphalt Street Pavement Improvements	3,000,000	
Seal Coat Pavement Improvements	750,000	
Alley Pavement Improvements	400,000	
Downtown Pavement Improvements	250,000	
Intelligent Transportation System	452,560	
Bridge Rehabilitation (South Fourth St/loway Creek)	700,000	
Total G.O. Essential Corporate Purpose		\$11,124,560
Issuance Costs/Rounding		<u>100,440</u>
Grand Total – 2022/23 G.O. Issue		\$11,225,000

Fire Station 3 Concrete Rehabilitation	\$350,000
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Downtown Plaza	\$700,000
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Bond Hearing Already Held For:	
Indoor Aquatic Center	\$6,192,512

ALTERNATIVES:

1. Approve a resolution authorizing the issuance of Essential Corporate Purpose General Obligation Bonds in an amount not to exceed \$11,225,000, authorize the issuance of General Corporate Purpose General Obligation Bonds in an amount not to exceed \$700,000, and authorize issuance of General Purpose General Obligation bonds for fire station improvements in an amount not to exceed \$350,000 as well as the associated tax levy for repayment.

2. Reject the approval of a resolutions authorizing the issuance of Essential and General Corporate Purpose Bonds for projects reflected above. This alternative will prevent the City from completing the bond-funded projects reflected in the CIP.

CITY MANAGER’S RECOMMENDED ACTION:

Prior to the issuance of debt, state law requires that a public hearing be held and associated pre-levy resolution be adopted. This is a required step in order to accomplish the Council’s approved capital improvements for the upcoming fiscal year. At a previous meeting, the City Council set March 8, 2022 as the date of the three public hearings.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby authorizing the issuance of 1) Essential Corporate Purpose General Obligation Bonds in an amount not to exceed \$11,225,000, 2) General Corporate Purpose General Obligation Bonds in an amount not to exceed \$700,000, and 3) General Purpose General Obligation bonds for fire station improvements in an amount not to exceed \$350,000 as well as the associated tax levy for repayment.

COUNCIL ACTION FORM

**REQUEST: MAJOR SITE DEVELOPMENT PLAN FOR APARTMENT BUILDINGS
LOCATED AT 913 & 915 DUFF AVENUE**

BACKGROUND:

Lauris Olson, of Home Allies, Inc., is the developer of the property at 913 and 915 Duff Avenue and abutting property at 115 9th Street (Attachment A). The owners of properties at 913 and 915 Duff Avenue are Julie A. and Harold E. Pike while the owner of the property at 115 9th Street is Harold Pike. The properties on Duff Avenue are located in the Residential Medium Density Zoning District (RM) and within the Single-Family Conservation Overlay Zoning District (O-SFC) (Attachment B).

Each of the lots on Duff Avenue are proposed to have one, four-unit one-story apartment building (Attachments D & E). Previously, each lot contained a single-family home that had been converted to a duplex (913) and a six-unit multifamily apartment building (915) respectively. The buildings at both 913 and 915 Duff were demolished in 2012. The abutting lot at 115 9th Street has no proposed improvements, which is only eight feet wide. This lot served as an access to the rear of the properties prior to their demolition in 2012. The applicant intends to sell this lot.

The O-SFC zoning district allows for single- and two-family homes by right and for multi-family buildings (apartments) with City Council approval of a Major Site Development Plan (AMC Sec. 29.1101(5)). Attachment C outlines the O-SFC Multi-family requirements. **The O-SFC requires all new projects comply with design standards intended to “conserve the existing single-family residential character” and to “protect single-family neighborhoods while guiding the transition to higher density and compatibility with the surrounding uses where intensification is permitted”.** The standards include requirements for roof slope, façade design (dormers, window dimensions, front doors, porches or stoops, etc.), and height (Attachments G & H). All other development standards of the Zoning Ordinance, such as parking and landscaping also apply to development of the Site (Attachment F).

The proposed project includes two, one-story buildings with mirrored floor plans and architectural features. Each building contains four efficiency apartment dwellings with a shared laundry facility that are all accessed via a common corridor. Each unit has access to an individual patio. The front of each unit includes a covered stoop for the primary entrance oriented to Duff Avenue. The proposed project includes a single, shared driveway to Duff Avenue with all parking at the rear of the site. Additional details regarding the design features and conformance to zoning standards is included within the addendum.

PLANNING & ZONING COMMISSION RECOMMENDATION:

At the February 16th, 2022 meeting, the Planning and Zoning Commission voted 4-0-1 to recommend that the City Council approve the Major Site Development Plan for 913 and 915 Duff Avenue and 115 9th Street. Commissioners discussed the potential use of the 8-foot lot on 9th Street. Staff explained that using it was not feasible or related to the current proposed apartment buildings. Ms. Olson explained that she would be selling the lot to the owner of 119 9th Street.

Commissioners also discussed the zoning standards for the two sites and the shared access, including how to guarantee the shared access on two separate lots.

Colby Fangman, who resides across Duff Avenue from the property, spoke during the public hearing. He stated that he was not opposed to the project, but requested cosmetic changes to differentiate the buildings in consideration of the intent of the O-SFC. He also requested that when the water line is installed for 915 Duff Avenue, the large evergreen tree near the northeast corner be taken into consideration so that its roots are not damaged. He also requested that native plantings be considered for the landscaping.

ALTERNATIVES:

1. Approve the Major Site Development Plan for 913 and 915 Duff Avenue and 115 9th Street with the following conditions:
 - a. Record a shared-access easement for the shared driveway prior to issuance of a building permit.
 - b. Include tree protection during project construction for the large evergreen tree to the north of 915 Duff Avenue and shift the proposed water line south to minimize impact to the tree's critical root zone.
2. Approve with modifications the Major Site Development Plan for 913 and 915 Duff Avenue and 115 9th Street if it does not find the proposed project to conform to the standards of the O-SFC and Major Site Development Plan criteria.
3. Deny the Major Site Development Plan for 913 and 915 Duff Avenue and 115 9th Street.
4. Defer action on this item and request more information from staff.

CITY MANAGER'S RECOMMENDATION:

The proposed Major Site Development Plan is required within the Single-Family Conservation Overlay Zoning District (O-SFC) in order to construct new multifamily buildings in the neighborhood. O-SFC requires compliance with architectural and compatibility standards unique to this area. The base zone, Residential Medium Density (RM), allows for up to four units per lot based on the square footage of the lot.

The site plan includes the required architectural and design features of the O-SFC in addition to compatible building setbacks and parking lot setbacks. Within its boundaries, the O-SFC also limits dwelling unit intensification to a maximum of 648 units. The proposed eight apartment units are not a net gain in units for the neighborhood as there were eight total units across the lots prior to the 2012 demolition (Attachment C).

Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1, recommending that the City Council approve the Major Site Development Plan for 913 and 915 Duff Avenue and 115 9th Street.

ADDENDUM

Project Description: Lauris Olson, of Home Allies, Inc., is requesting approval of a Major Site Development Plan to construct two fourplexes. One building apiece will be on the lots at 913 and 915 Duff Avenue. The lots are located in the Residential Medium Density Zoning District (RM) and the Single Family Conservation Overlay Zoning District (O-SFC) (Attachment B). The maximum number of units is controlled by the RM zoning: 7,000 square feet for the first two apartment dwelling units and 1,800 square feet for each additional unit. At 10,989 square feet for 913 and 10,967 for 915, each lot allows four units.

The O-SFC, however, requires a Major Site Development Plan approval by City Council for new multifamily developments (Sec. 29.1101(5)). Although the two lots have shared access, each site must comply individually with all development standards related to setbacks, coverage, parking, landscaping, etc.

Site Layout and Building Design: Each single-story, four-unit building will be 2,248 square feet. The structures will be mirror images of one another. The units in each building will be connected by an interior hallway that will lead to laundry and mechanical rooms. Each unit will also have a door leading directly out to an individual, fenced, outdoor patio space.

The buildings have been designed to comply with the requirements of the Single Family Conservation Overlay. The goal of the overlay district is to maintain the historic character of the neighborhood for new development. This property is not within the nearby historic preservation district for Old Town. Fundamental design requirements of the overlay district include 6:12 pitched roofs, maximum primary façade width of 38 feet, covered primary entrances, orientation of buildings, and fenestration (window) requirements.

The properties will share a driveway that will run along the shared property line and lead to a parking lot in the rear. Each lot has the minimum number of required spaces. The parking lot is screened as required by the Zoning Code and has the required number of shade trees.

Landscaping: The Single Family Conservation Overlay requires front yard plantings, including shrubs and trees. The minimum tree standard is one tree per 50 linear feet of frontage. The frontage is approximately 57 feet and two trees will be provided per lot. The minimum shrub standard is 9 shrubs per 50 linear feet; a mix of deciduous and coniferous is required. The applicant will be providing 12 shrubs per lot with the required mix. The mechanical units will also be screened with grasses as required by O-SFC.

The parking area requires one tree per 200 square feet of the required landscape area. The landscape area size must be at least 10% of the size of the parking lot. The parking lot is 2,463 square feet per lot and each lot must have 246 square feet of landscape area. Each lot will have two trees for parking lot shading.

The parking lot is required to be screened. Without a 6-foot fence, the screening along the rear of the property is one shrub per 6 feet. The rear of the parking lot on each lot is 31 feet, requiring six shrubs per lot for a total of 12 shrubs, which the applicant will provide.

The parking lot screening on the north and south of the lots is one shrub per 20 feet. The neighboring properties have 6-foot-high fences, which can count towards the fencing requirement that lowers the shrub requirement. Should the neighboring fences come down, the property owner of 913 and 915 Duff Avenue will need to provide new 6-foot fences as specified in the Zoning Ordinance as screening is required of multifamily parking lots. The parking lot is 61 feet long along both the north and the south requiring 4 shrubs, which are provided. A total of eight shrubs will be planted.

Parking/Access: Multifamily units are required to have one-and-a-half parking spaces per dwelling unit for one-bedroom units (and efficiencies). Four units per lot equates to six parking spaces per lot, which are provided at the rear of each property. Each lot contains one accessible ADA-compliant parking space (included in the six total spaces). The parking lot, which spans the shared property line, is accessed by a driveway off Duff Avenue. Shared driveways are required when accessing arterial streets.

Water & Sewer Utility Service: Each lot will take water service from the 8-inch main in Duff Avenue via a 6-inch line. The lines will be bored under the street. Each lot will also have separate sewer service, connecting to the line in Duff Avenue.

Major Site Development Plan Criteria: Additional criteria and standards for review of all Major Site Development Plans are in Ames *Municipal Code* Section 29.1502(4)(d) and includes the following requirements:

When acting upon an application for a Major Site Development Plan approval, the Planning and Zoning Commission and the City Council shall rely upon generally accepted site planning criteria and design standards. These criteria and standards are necessary to fulfill the intent of the Zoning Ordinance, the Land Use Policy Plan (Ames Plan 2040), and are the minimum necessary to safeguard the public health, safety, aesthetics, and general welfare.

- 1. The design of the proposed development shall make adequate provisions for surface and subsurface drainage to limit the rate of increased runoff of surface water to adjacent and downstream property.***

The Public Works Department, Engineering Division, has determined that the proposed development is not subject to the *Ames Municipal Code* Chapter 5B stormwater requirements as the area being disturbed is less than 1 acre. The site is compliant with all coverage and landscaping requirements and includes drainage that connects to Duff Avenue.

- 2. The design of the proposed development shall make adequate provision for connection to water, sanitary sewer, electrical, and other utility lines within the capacity limits of those utility lines.***

The applicant has provided for adequate service of water, sewer, and electricity. Water and sanitary sewer connections are available within Duff Avenue.

- 3. The design of the proposed development shall make adequate provision for fire protection through building placement, acceptable location of flammable materials, and other measures to ensure fire safety.***

The Fire Inspector has reviewed access and other applicable Fire Code standards for the site and finds that the minimum requirements are met. The location of the buildings allows for the Fire Department to approach the site from the front and stage operations along Duff Avenue as necessary. The buildings are within fire hydrant coverage and fire department access requirements.

- 4. The design of the proposed development shall not increase the danger of erosion, flooding, landslide, or other endangerment to adjoining and surrounding property.***

The proposed development will not be a danger to any nearby property. The site is largely flat and is not within or near a floodplain.

- 5. Natural topographic and landscape features of the site shall be incorporated into the development design.***

The site is nearly flat. An existing deciduous tree along the south property line and an existing coniferous tree along the north property line are to be preserved.

- 6. The design of the interior vehicle and pedestrian circulation shall provide for convenient flow of vehicles and movement of pedestrians and shall prevent hazards to adjacent streets or property.***

The two properties will share access from Duff Avenue. The design of the driveway, curb cut, and sidewalk comply with SUDAS requirements, including the 15-foot-wide minimum driveway approach width. Each building has a pedestrian walkway connecting to the public sidewalk.

- 7. The design of outdoor parking areas, storage yards, trash and dumpster areas, and other exterior features shall be adequately landscaped or screened to minimize potential nuisance and impairment to the use of adjoining property.***

The parking at the rear of the property will be screened from the neighboring properties as required by Sec. 29.403. Parking lot shade trees will also be planted. The site will not have dumpsters; all trash will be placed in cans to be rolled to the curb.

- 8. The proposed development shall limit entrances and exits upon adjacent streets in order to prevent congestion on adjacent and surrounding streets and in order to provide for safe and orderly vehicle movement.***

A single driveway, 12 feet wide, will give vehicle access to the properties.

- 9. Exterior lighting shall relate to the scale and location of the development in order to maintain adequate security, while preventing a nuisance or hardship to adjacent property or streets.**

Exterior lighting shall be consistent with the Outdoor Lighting standards, found in Sec. 29.411 of the *Municipal Code*.

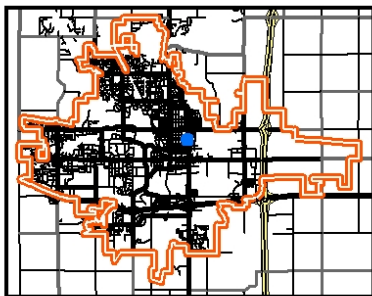
- 10. The proposed development shall ensure that dust and other forms of air pollution, noise disturbances, odor, glare, and other nuisances will be limited to acceptable levels as prescribed in other applicable State and City regulations.**

No adverse effects from air pollution, noise, odors, glare, or other nuisances are anticipated from this eight-dwelling unit project.

- 11. Site coverage, building scale, setbacks, and open spaces shall be in proportion with the development property and with existing and planned development and structures, in adjacent and surrounding property.**

The one-story, multifamily buildings are of a size that is similar single- and two-family dwellings. The Site Plan complies with all site coverage, setback, and open space requirements. The plan is also in compliance with the design standards of the Single-Family Conservation Overlay that promote compatibility of architectural character with the surrounding neighborhood.

Attachment A Location Map

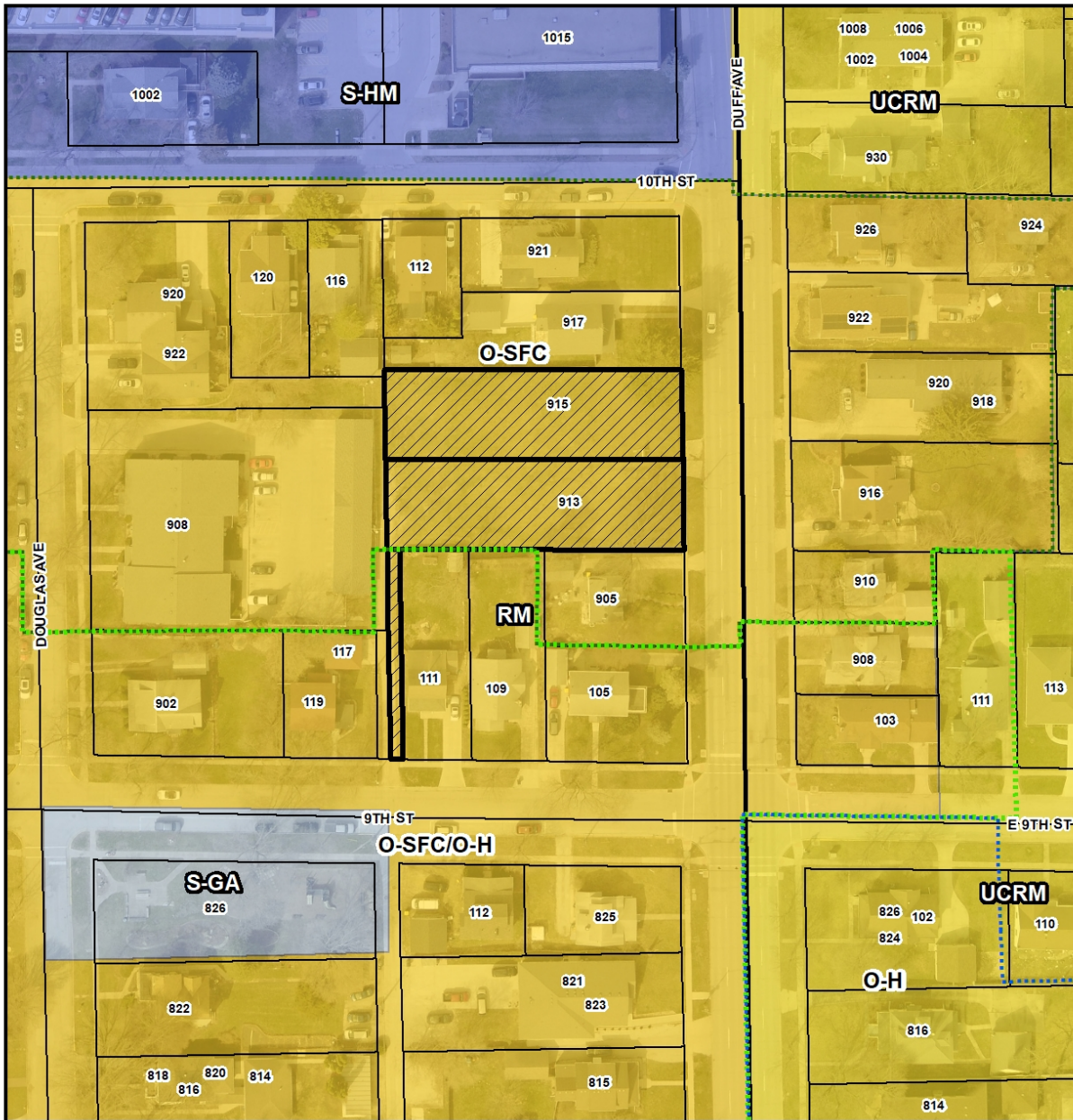


**Major Site Development Plan
913 & 915 Duff Avenue and 115 9th Street
Planning Commission
February 16, 2022**

0 50 100 200
Feet



Attachment B Zoning Map



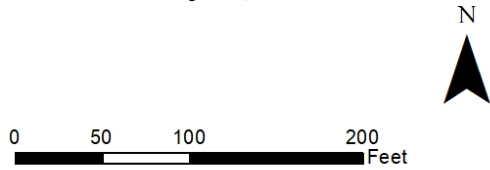
Overlay District

- Single Family Conservation Overlay "O-SFC"
- Historic Preservation Overlay "O-H"
- SFCOD and Historic Preservation Overlay "O-SFC" and "O-H"

Zoning District

- Residential Medium Density Zone "RM"
- Urban Core Residential Medium Density Zone "UCRM"
- Hospital-Medical District "S-HM"
- Government/Airport District "S-GA"

**Major Site Development Plan
913 & 915 Duff Avenue and 115 9th Street
Planning Commission
February 16, 2022**



Attachment C

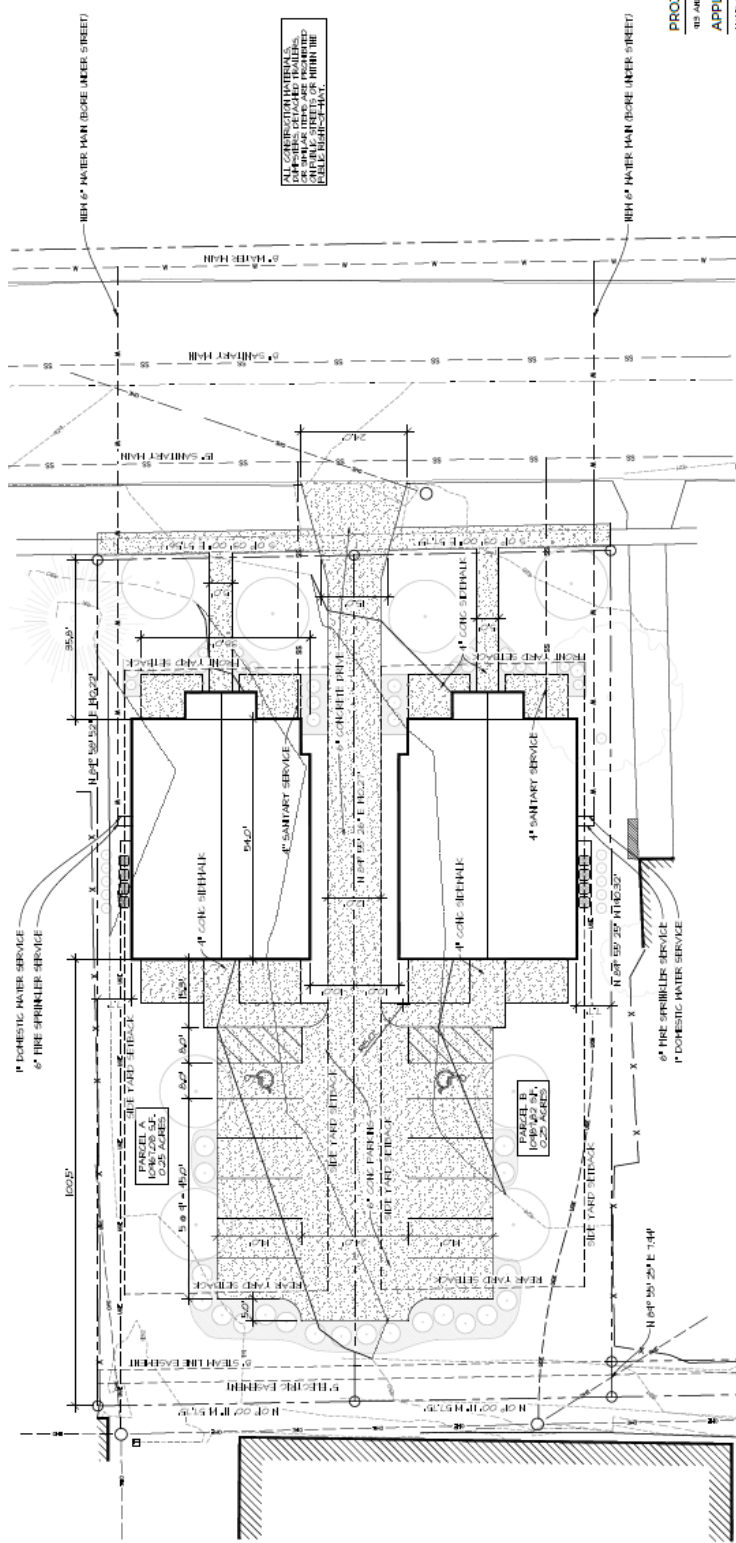
Single Family Conservation Overlay District – Excerpt

O-SFC Zoning Standard for Multifamily Buildings

29.1101

- (6) Intensification Limited. In the O-SFC the maximum number of dwelling units, of any kind defined in Section 29.201, shall not at any time be permitted to exceed 648. Additionally, in the O-SFC, apartment dwellings shall not be permitted unless the plans for the project meet the following standards:
- (a) The existing infrastructure must be sufficient to support the proposed project at the time of application, or sufficient infrastructure shall be provided as a part of the proposed project. "Sufficient infrastructure" includes water distribution, sanitary sewer, storm drainage, fire protection, streets and transportation, refuse collection, greenway connectors and/or sidewalks;
 - (b) The development has convenient access to public services, public transportation, or major thoroughfares;
 - (c) Housing developments shall be in character with the surrounding neighborhood(s) in terms of scale and character of the architectural elements; and
 - (d) Any yard that abuts another residential Zone, dwelling unit type or density shall be not less than the corresponding front, side, or rear yard requirement of the adjacent district, dwelling unit type or density.

Attachment D Site Plan



ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF CHICAGO ORDINANCES, SPECIFICATIONS, DETAILS, STANDARDS, CODES, ORDINANCES, AND ORDINANCES, AND ALL APPLICABLE ORDINANCES, AND ALL APPLICABLE ORDINANCES, AND ALL APPLICABLE ORDINANCES.

PROJ: 102 AM
DATE: 7/15/14
APP: ARES.1
OWN: 770.0
TAX: 770.0
ARE.1

LOTS: 1
ZONI: R1.1
R1.1

BUIL: 1
ONE FT
TOTAL

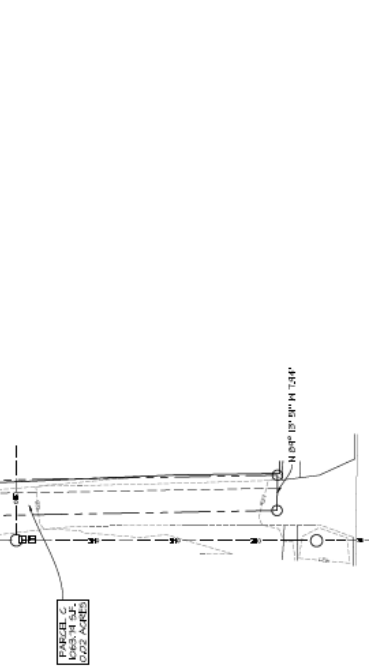
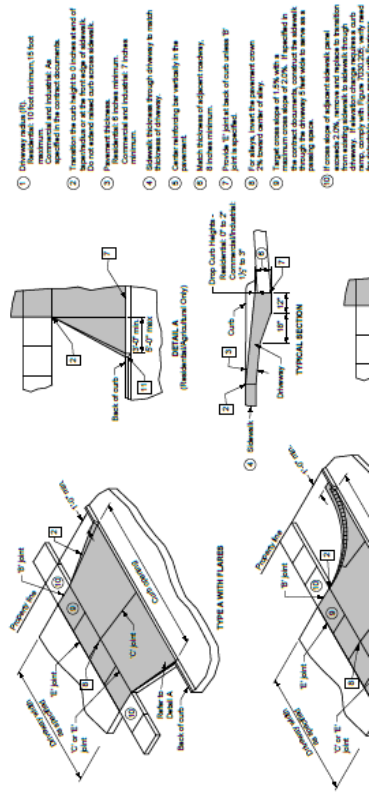
PAR: 1
TOTAL

PAR: 1
TOTAL

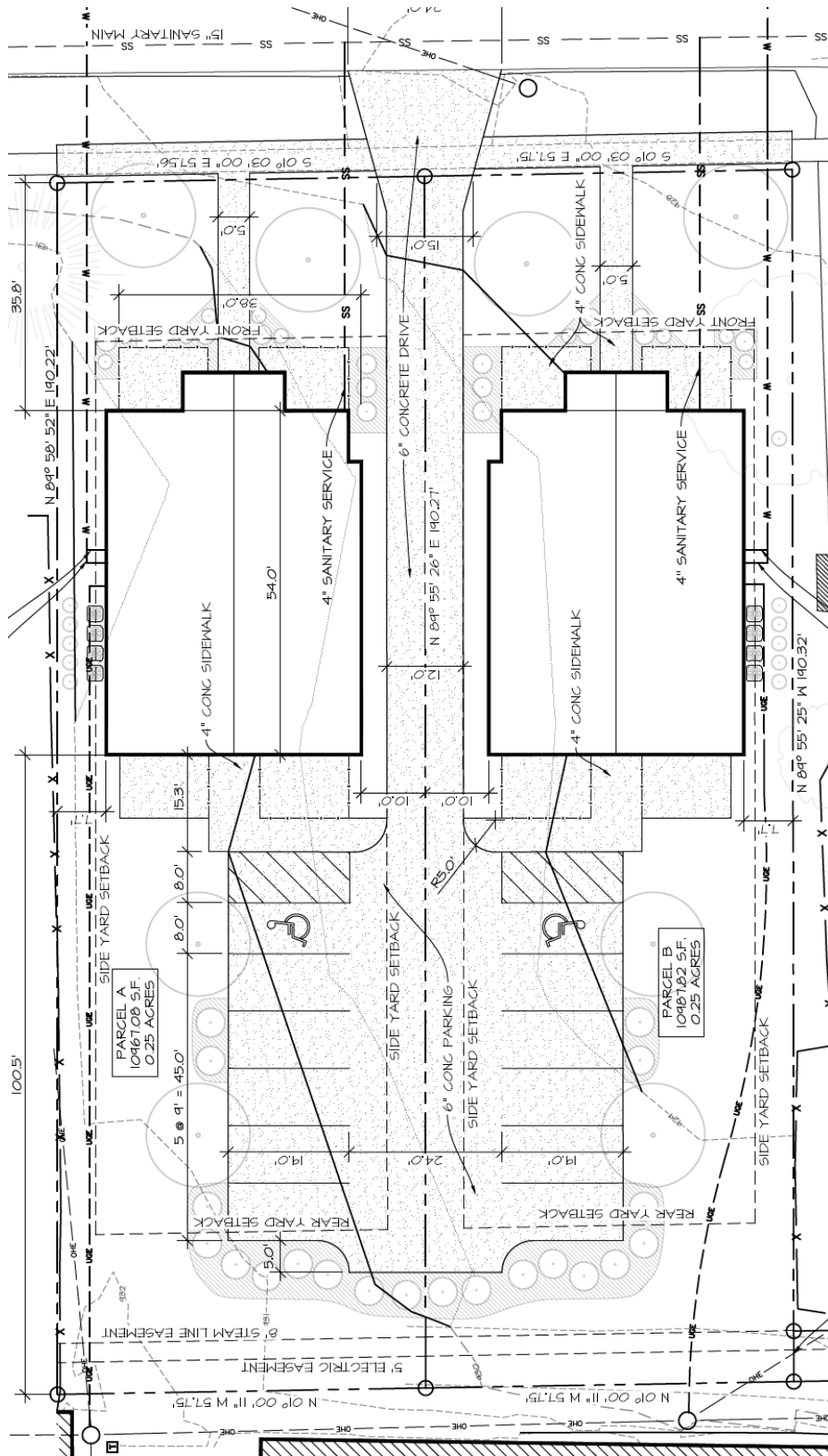
1. Driveway radius (R) Minimum: 10 feet maximum: 15 feet
2. Concrete and masonry: As shown
3. Transition the curb height to 1/2 inch above the top of the curb at the front edge of sidewalk.
4. Provide 1/2 inch minimum thickness of sidewalk.
5. Provide 1/2 inch minimum thickness of driveway.
6. Sidewalk thickness through driveway to match sidewalk.
7. Match thickness of adjacent roadway.
8. Match thickness of adjacent roadway.
9. Provide 1/2 inch at back of curb unless 1/2 inch to 3/4 inch.
10. Provide 1/2 inch at back of curb unless 1/2 inch to 3/4 inch.
11. Target cross slope of 1/4 inch with 1/2 inch minimum.
12. The curb shall be 1/2 inch thick in the correct document, contact the sidewalk contractor to verify.
13. If cross slope of adjacent sidewalk panel is 1/4 inch, the curb shall be 1/2 inch thick in the correct document, contact the sidewalk contractor to verify.
14. If cross slope of adjacent sidewalk panel is 1/4 inch, the curb shall be 1/2 inch thick in the correct document, contact the sidewalk contractor to verify.

1 SITE PLAN
1/4" = 1'-0"

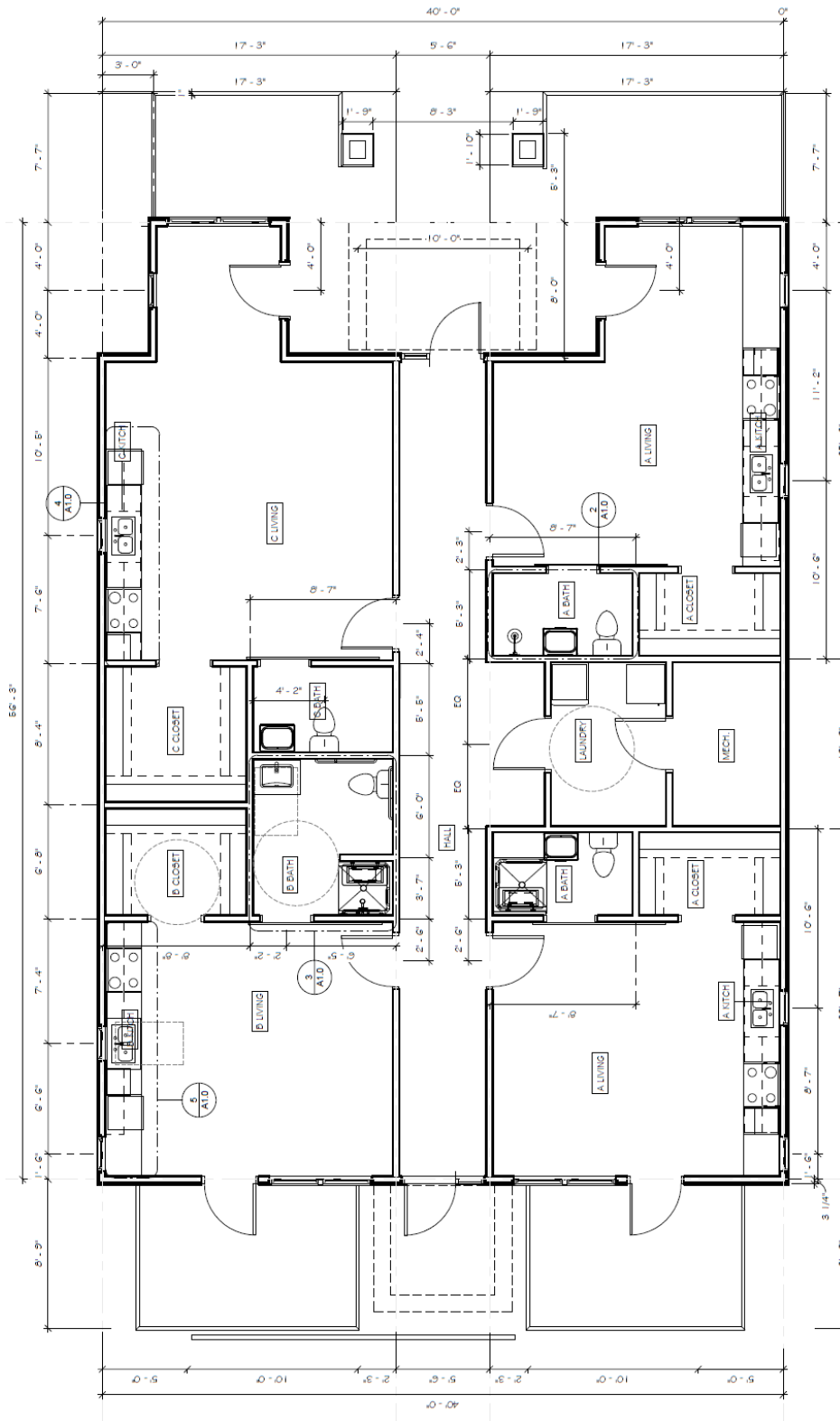
ALL SIDEWALKS AND DRIVEWAYS SHALL BE CONCRETE OR ANY OTHER MATERIALS PERMITTED.



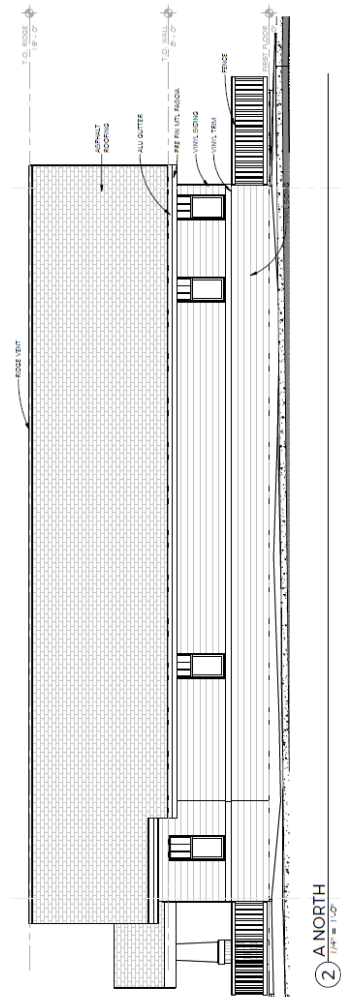
Attachment E Site Plan - Close Up



Attachment G Floorplans

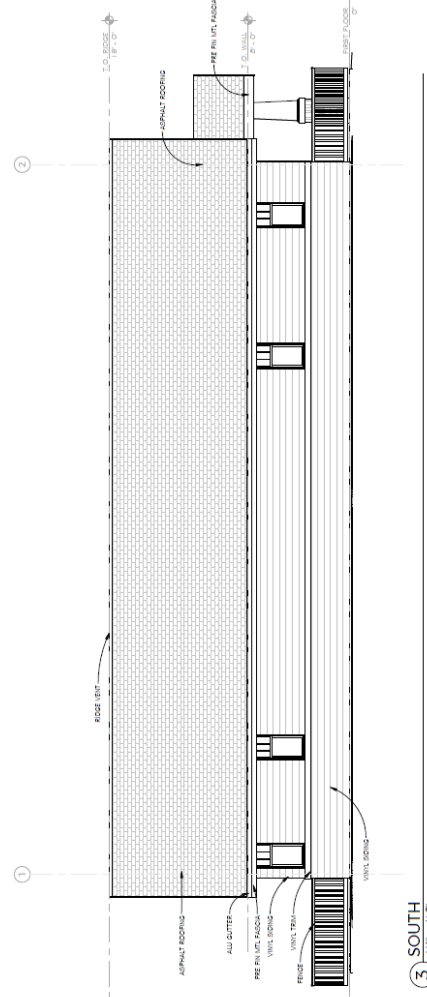


Attachment H Elevations

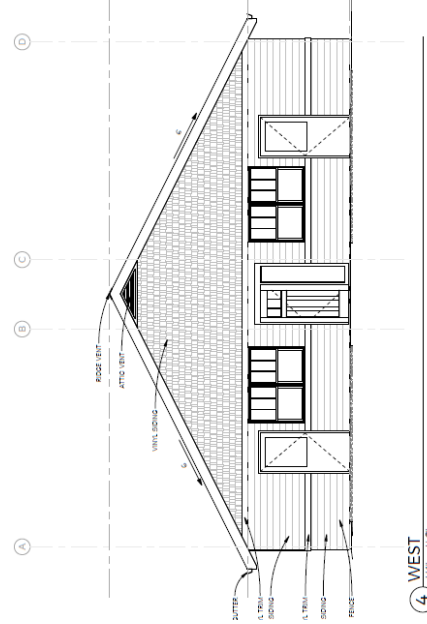


1 EAST
1/4" = 1'-0"

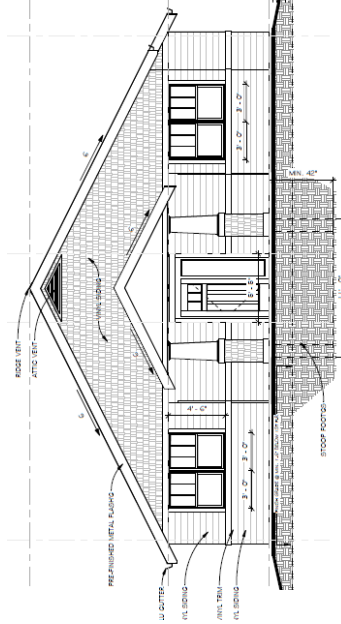
SOLID TO VOID CALCULATION
 REQUIRED FINISH FASCIA SF = 850 SF X .18 = 79.8 SF
 FINISH FASCIA 100 SF = 33 SF



2 A NORTH
1/4" = 1'-0"



3 SOUTH
1/4" = 1'-0"



4 WEST
1/4" = 1'-0"