

**COUNCIL ACTION FORM**

**SUBJECT: IOWA DEPARTMENT OF NATURAL RESOURCES GRANT FUNDING FOR THE SANDS-MCDORMAN LAND PURCHASE**

**BACKGROUND:**

City staff had initial conversations with the owners of the property at 5658 Ontario Street in FY 2011/12 regarding purchasing their land for a City park. The owners eventually decided not to sell at that time. Subsequently, Staff was approached by the owners in 2021 to see if the City was still interested in purchasing this approximately 78-acre piece of property. Since the Park Master Plan reflects the need for a new Community Park on the west side of town, Staff indicated the City remains interested in this property.

City Council at its September 13 meeting directed staff to negotiate a purchase agreement for two of the three parcels available, approximately 50 acres, of the Sands-McDorman Property in the amount not to exceed \$1,146,474. Also, Council gave approval for staff to submit an Iowa Department of Natural Resources (IDNR) Resource Enhancement and Protection (REAP) grant application in the amount of \$200,000. In mid-October, staff was notified that the grant request for \$200,000 from the Iowa DNR had been approved. The grant will be used towards the purchase of the property.

Staff is working on finalizing the purchase agreement for the property and is hopeful closing will take place in May 2023. Park design and development will happen at a later time as there is currently no funding allocated for this purpose.

**The requested action by Council is to approve the attached grant agreement with the Iowa DNR.**

**ALTERNATIVES:**

1. Approve a resolution to enter into the Resource Enhancement and Protection (REAP) grant agreement with the Iowa Department of Natural Resources in the amount of \$200,000 to help fund the purchase of new park land along Ontario.
2. Do not enter into a grant agreement at this time.

**CITY MANAGER'S RECOMMENDED ACTION:**

Acquiring the Sands-McDorman Property for a future community park will provide a great addition to the City's park system. As the City continues to expand, especially to the west, it is important to Ames residents to have parks and greenspaces near where they live.

Ideally, this future park will have spaces for active, as well as passive recreation for all to enjoy.

Originally, staff had proposed paying all of the \$1,146,474 purchase price for the land from the Park Development Fund. This new state grant funding will reduce the City's local cost by \$200,000. **Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.**



November 4, 2022

CITY OF AMES  
KEITH ABRAHAM  
515 CLARK AVENUE  
AMES, IA 50010

Re: REAP Grant # 23-R4-KM, NEW PARK ACQUISITION - MCDORMAN PROPERTY

Dear KEITH ABRAHAM:

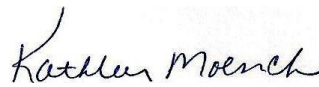
Congratulations! Attached please find your organizations Grant Agreement for your Resource Enhancement and Protection (REAP) grant awarded by the Department of Natural Resources (DNR). Please carefully review the grant agreement, print, sign, and email to my attention. A signed copy will be returned to you.

If you have not already done so, please submit your appraisal(s), to my attention, for review and approval. State Appraisal Guidelines are available on the DNR's internet site on the following page: <http://www.iowadnr.gov/InsideDNR/AboutDNR/RealtyServices.aspx>.

Please start a folder to place all grant and expense documentation in. State rules and regulations included with the application and pertaining to the REAP program effectively become part of the grant agreement.

If you have questions, please contact me at 515-725-8213, [kathleen.moench@dnr.iowa.gov](mailto:kathleen.moench@dnr.iowa.gov).

Sincerely,

  
Kathleen Moench  
Budget and Finance Bureau

Enclosures

**IOWA DEPARTMENT OF NATURAL RESOURCES**  
 502 E. 9<sup>TH</sup> STREET DES MOINES, IA 50319

**RESOURCE ENHANCEMENT AND PROTECTION FUND**  
 GRANT AGREEMENT-ACQUISITION

<b>GRANTEE:</b>	<b>CITY OF AMES</b>	
<b>PROJECT TITLE:</b>	<b>NEW PARK ACQUISITION - MCDORMAN PROPERTY</b>	
<b>CONTACT PERSON:</b>	<b>KEITH ABRAHAM</b>	<b>515-239-5349</b>
<b>GRANT AWARD:</b>	<b>\$200000.00</b>	
<b>DNR CONTACT/PHONE #:</b>	<b>Kathleen Moench</b>	<b>515-725-8213</b>

1. **PURPOSE.** The purpose of this REAP Acquisition Grant Agreement is to enable the Iowa Department of Natural Resources (DNR), acting for the State of Iowa, to assist the **CITY OF AMES** (Grantee) in the acquisition of land for the enhancement and protection of open space areas.
2. **PARTIES/AUTHORITY.** The parties to this Grant Agreement are the DNR, an agency of the State of Iowa, and the **CITY OF AMES**. The parties make this Grant Agreement pursuant to 1989 Iowa Code Supplement Section 455A.19(1)(a), which authorizes the Natural Resource Commission to spend certain state funds appropriated for projects to enhance and protect open spaces.
3. **GENERAL DESCRIPTION OF PROJECT LANDS. THIS GRANT AGREEMENT IS FOR YOUR PROJECT** described as:

ACQUISITION OF 48-ACRES TRACT OF LAND ON THE WEST EDGE OF AMES FOR A NEW COMMUNITY PARK. THE PROPERTY FEATURES A PORTION OF CLEAR CREEK, 12-ACRE PRAIRIE CRP, 20 ACRES OF UPLAND CROP FIELDS, 12 ACRES OF BROME PASTURE, AND A 4-ACRE BUILDING SITE WITH THE HOMESTEAD AND DETERIORATING FARM BUILDINGS, LOCATED AT 5658 ONTARIO STREET, AMES, STORY COUNTY, IOWA.

4. **GRANT AWARD AND REIMBURSEMENTS.** The DNR will provide 100 percent of the **acquisition** costs up to a maximum amount of **\$200000.00**.
  - A. Appraisals must be sent to the Department for review and approval, follow the DNR appraisal guidelines, which can be found at; <http://www.iowadnr.gov/InsideDNR/AboutDNR/RealtyServices.aspx>, and include a groundwater hazard statement. Submit the appraisal(s) and groundwater hazard statement(s) as soon as possible to:

REAP Grants Manager, Budget & Finance Bureau  
 Iowa Department of Natural Resources  
 502 East 9<sup>th</sup> Street  
 Des Moines, Iowa 50319

- B. Upon receiving written approval of the appraisal(s), 100 percent advance reimbursement of the grant award may be requested by submitting a letter of request and the following documents:

- title opinion showing title is clear and marketable;
  - signed offer to buy or signed purchase agreement.
- C. The following documents are required upon completion of the grant:
- a legal description of the property for the Notice of Use Restriction document;
  - copy of the recorded deed naming the grantee as owner;
  - copy of the recorded groundwater hazard statement(s);
  - copies of billings and canceled checks for the acquisition;
  - final report, to include a description and pictures of the completed project.
5. **ACQUISITION COSTS EXPLAINED.** Acquisition costs include the lesser of the cost or value of the project lands and the lesser of the cost or value of acquisition services as follows:
- A. Cost/Value of Project Lands. Acquisition costs include the lesser of the purchase price paid for the project lands by the grantee, or their fair market value established by an appraisal approved by the DNR.
- B. Cost/Value of Acquisition Services. Acquisition costs also include the lesser of the price paid by the grantee for acquisition services, or the fair market value of such services based on a written valuation approved by the DNR. Acquisition services include appraisals, surveys, abstracting, and other miscellaneous services reasonably required for acquisition of the project lands.
- C. Notwithstanding subparagraphs 5a and 5b, the DNR will not cost-share more than the appraised fair market value of any part of the project lands, and will not cost-share more than the substantiated fair market value of any acquisition services.
6. **RESPONSIBILITIES.** The grantee is solely responsible for closing the acquisition transaction, recording the transaction and Notice of Use Restriction with the appropriate county recorder. The grantee will make a concerted effort to procure goods and services from Targeted Small Businesses (TSBs) during the performance of this Grant Agreement. The DNR may provide assistance at the request of the grantee, or at the Director's recommendation.
7. **WRITTEN WAIVERS.** The grantee may choose at its own risk to acquire title to portions of the project lands if necessary to avoid expiration of an offer to sell or to facilitate fund raising, after obtaining a written waiver of retroactivity from the department.
8. **AMENDMENTS.** This Grant Agreement may be amended only by written ADDENDA signed and dated by the DNR Director or DNR REAP coordinator. Requests for amendments shall be directed to the DNR REAP coordinator.
9. **EFFECTIVE DATE/TERMINATION.** This Grant Agreement shall become effective when it has been signed and dated by the DNR Director and the grantee. All work specified in the project proposal will be completed by **12/31/2024**.
10. **AVAILABILITY OF FUNDS.** If funds anticipated for the continued fulfillment of this agreement are at any time not forthcoming or insufficient, either through the failure of the State of Iowa to appropriate funds, or discontinuance or material alteration of the program under which funds

were provided, then the Department shall have the right to terminate the agreement without penalty.

11. By signing this Grant Agreement, the grantee agrees to the terms and conditions set forth in this agreement and all documents listed below:

- the REAP "General Provisions" (State rules included with application form);
- the appraisal guidelines:  
<http://www.iowadnr.gov/InsideDNR/AboutDNR/RealtyServices.aspx>

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Date

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Alex Moon, Deputy Director  
Iowa Department of Natural Resources

KEITH.ABRAHAM@CITYOFAMES.ORG

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Email Address

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Grantee Signature; Mayor or County Board Director

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Print Name; Mayor or County Board Director

**Shaded area for DNR use only**

Accounting Department Return Copy to: Kathleen Moench \_\_\_\_\_  
 Doc #: \_\_\_\_\_ Date: \_\_\_\_\_

CITY OF AMES  
 515 CLARK AVENUE  
 AMES, IA 50010  
 State ID #: \_\_\_\_\_ CV: \_\_\_\_\_

Fund/Ag/Org/SubOrg/\$: \_\_\_\_\_

**DEPARTMENT OF NATURAL RESOURCES  
 REAP PROJECT BILLING – ACQUISITION GRANT**

Project billings must be accompanied by all required documentation (invoices, canceled checks, deeds, etc.) covering expenditures included in the billing. If you have questions, please contact the Budget & Grants Bureau at 515-725-8213. Make additional copies as needed.

Grant Recipient: CITY OF AMES  
 Project Title: NEW PARK ACQUISITION - MCDORMAN PROPERTY  
 Final Billing: Y or N

Use the table below to list your budget items and the expenditures for each item. You should follow the budget items provided with your grant proposal as closely as possible.

Budget Item	Budget Amount	Expenditures This Billing	“To Date” Item Expenditures
<b>Totals</b>			
<b>Less Expenditures In Excess of Total Authorized Project Budget:</b>			
<b>Total “To Date” Expenditures:</b>			
<b>CLAIM REQUEST ( ___% OF “TO DATE” EXPENDITURES):</b>			
<b>LESS PREVIOUS PAYMENTS OF:</b>			
<b>TOTAL CLAIM TO BE PAID:</b>			

Land Acquisition - List each parcel separately by parcel #. Use purchase price or appraised value, whichever is the lesser.

I certify that this billing is correct and just based upon actual payment(s) of record by the grant recipient, and that the work and services are in accord with the approved grant.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Mail original Billing Form to DNR Budget & Finance Bureau, backup documentation may be emailed.