

THE HOUSE OF BRANDS THAT CREATES HOMES

Furniture MART USA

4 DIVISIONS – 6 MIDWEST STATES

To: Ames City Council Members

From: Furniture Mart USA, Troy Eichmann – Chief Operating Officer / Owner

Date: October 18, 2024

Re: Request for Property Tax Abatement

Furniture Mart USA is requesting a property tax abatement for a new retail furniture store that is being contemplated to open in Ames. As a longstanding owner and operator of retail furniture stores, we have conducted market research and believe that Ames would greatly benefit from a full-service furniture retailer.

- **Unique Offering:** Ames currently lacks a dedicated retail furniture store, forcing residents to travel to Des Moines for their furniture needs. This results in a significant leakage of business and revenue from the local economy.
- **Economic Benefits:** A new furniture store would create jobs, stimulate local spending, and attract additional shoppers to the area. This could have a positive ripple effect on other businesses in the community.
- **Significant Furniture Sales Leakage:** Ames is estimated to lose up to \$13 Million in annual furniture sales to neighboring Des Moines and Polk County. This leakage negatively impacts on the local economy, resulting in lost jobs, decreased business activity and reduced tax revenue.
- **Potential for Increased Sales Tax Revenue:** By retaining furniture sales within Ames, the city could generate an estimated \$7 Million in additional sales tax revenue over ten years. Of this, \$1 Million would be retained locally, directly benefitting essential services like schools, infrastructure, and community programs.
- **Enhanced Quality of Life:** By providing residents with convenient access to high-quality furniture, we can improve the overall quality of life in Ames.

To demonstrate our sincere interest in this project, we've taken several proactive steps. We've analyzed the local and surrounding marketplace, secured the necessary land, and we are actively working to remediate the site out of the flood plain to ensure that it could be suitable for development. With your support and favorable market conditions, we could begin vertical construction as early as spring of 2025.

FURNITURE MART USA | 140 EAST HINKS LANE | SIOUX FALLS, SD 57104-0434 | 605-336-5000

**Furniture
MART**

Ashley
HOMESTORE

**UNCLAIMED
FREIGHT
FURNITURE**

**CARPET
ONE**
FLOOR & HOME

We respectfully request that the City Council consider granting our request for a tax abatement for this project. As we look at growth opportunities for our company, we are continually assessing growth opportunities in the region. An approval of a tax abatement for the Ames project would prioritize and incentivize this project over other opportunities.

Thank you for your time and consideration. I would be happy to provide additional information or answer any questions you may have about the project or our family owned and operated company.

Respectfully,



Troy Eichmann
Chief Operating Officer
Furniture Mart USA
(407) 619-3033 - cell

Cc: Steve Schainker – City Manager of Ames
Dylan Kline – Ames Regional Economic Alliance
William Hinks Sr. – Chairman Furniture Mart USA
Cory Price – CEO Furniture Mart USA