

ITEM #:	10
DATE:	06-10-25
DEPT:	ADMIN

COUNCIL ACTION FORM

SUBJECT: APPROVAL OF THE AMES REGIONAL ECONOMIC ALLIANCE FY 2025/26 AGREEMENT

BACKGROUND:

The City's 2025/26 adopted budget includes funds for the Ames Regional Economic Alliance to conduct economic development activities on behalf of the City. This agreement provides \$175,000 to the Ames Alliance in exchange for two main services: 1) \$115,000 of this amount purchases business recruitment and marketing services, and 2) the remaining \$60,000 continues funding the services of the City Business Development Coordinator, who provides guidance to prospective businesses and developers as they navigate the City's development process.

It should be emphasized that a new responsibility has been added in Section II A.6. in the attached agreement which calls for the Ames Alliance to work with developers to encourage the construction of workforce housing in Ames and look for opportunities to take advantage of grants, rebates, tax credits, etc. to make building workforce housing in Ames more attractive to developers.

Additionally, an item included in Section II B.3 of the current agreement which specifically focused on encouraging minority-owned business development has been removed due to the new State of Iowa anti-DEI legislation.

This contract does not include funding designated for economic development awarded through the outside grant funding process. Through that process, the City Council has appropriated an additional \$15,000 in FY 2025/26 to the Ames Alliance for workforce development.

ALTERNATIVES:

1. Approve the attached agreement with the Ames Regional Economic Alliance for FY 2025/26.
2. Approve an agreement with the Ames Regional Economic Alliance for FY 2025/26 with modifications.
3. Do not approve an agreement with the Ames Regional Economic Alliance for FY 2025/26.

CITY MANAGER'S RECOMMENDED ACTION:

The City Council has allocated funds in the FY 2025/26 City Budget for economic development activities. Historically the City has contracted with the Ames Alliance to conduct these activities. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the attached Ames Regional Economic

Alliance agreement for FY 2025/26.

ATTACHMENT(S):

[Alliance Contract FY25.26.pdf](#)