

ITEM #: 32

DEPT: ADMIN

Staff Report

**DISCUSSION OF THE AMES REGIONAL ECONOMIC ALLIANCE CONTRACT AND
APPROVAL OF THE FY 2026/27 AGREEMENT**

June 23, 2026

BACKGROUND:

The current agreement with the Ames Regional Economic Alliance (AREA) provides a total of \$175,000 for the following economic development services: (See Attached Agreement)

Section IIA - \$115,000 for business recruitment, marketing, encouraging construction of workforce housing, and identifying outside funding opportunities for business hoping to move to or expand in Ames.

Section IIB - \$60,000 to help jointly fund a Business Development and Marketing position to: provide guidance to prospective businesses and developers as they navigate the City's development process, advocate for the City's process, and explain the rationale for the City requirements as well as perform eleven other tasks stipulated in this section.

The \$175,000 to fund this economic development services contract was approved in the FY 2026/27 Budget from the Hotel/Motel Tax Fund.

It should be noted that in addition to the funding for this contract, the City Council previously approved the following funding in the FY 2026/27 Budget for these other AREA initiatives:

\$15,000 (Hotel/Motel Tax Fund) for Workforce Development services
\$63,500 (Local Option Sales Tax Fund) for Ames Main Street programming
\$46,000 (Local Option Sales Tax Fund) for Campustown programming
\$12,000 (Local Option Sales Tax Fund) for Main Street Farmers Market
\$10,000 (General Fund) for Main Street Parklet Pilot Initiative

OPTIONS:

1. Approve the attached agreement for FY 2026/27 which includes the same provisions reflected in the FY 2025/26 agreement.
2. Approve an agreement for FY 2026/27 after making any additions or deletions from the current FY 2025/26 agreement as the City Council directs.

STAFF COMMENTS:

The City Council already appropriated total of \$190,000 in the FY 2026/27 budget as highlighted above for economic development services. **However, at June 10, 2025 after approving the agreement with the AREA for FY 2025/26, the City Council passed a motion to place on a future agenda a discussion of the AREA contract to allow for a more detailed review of the agreement before approving the next one.**

In order to facilitate this discussion, a contract reflecting the current provisions is attached. Should the City Council decide not to make any changes, the attached contract is ready for approval.

ATTACHMENT(S):

[FY 2026-27 Contract for Economic Development Services.pdf](#)