URBAN RENEWAL PLAN
DOWNTOWN REINVESTMENT DISTRICT URBAN RENEW AL AREA

CITY OF AMES, IOWA

July 27, 2021
Amended November -- 2026

I. INTRODUCTION

Chapter 403 of the Code of Iowa authorizes cities to establish areas within their boundaries known as "urban renewal areas," and to exercise special powers within these areas. The City of Ames (the "City") applied to the state for a Reinvestment District designation for which the state program requires an Urban Renewal Area as a prerequisite for awarding funding to the City. The purposes of a Reinvestment District overlaps with the intent of Urban Renewal Areas in support of city actions for removal of slum and blight and for economic development purposes.

The process by which an urban renewal area may be created begins with the preparation of an urban renewal plan for a proposed geographic area. Initially the boundaries of the URA were designed to coincide with the 75-acre size limitation of the State's Reinvestment District program. The proposed amendment is necessitated by the continued needs to address improvements to the Lincoln Way Corridor and Downtown Area within a broader area than originally contemplated along with additional projects.

In addition to defining an area, Iowa Code requires preparation of a Plan identifying the purpose of the URA and the types of projects and activities that will occur within the URA. All affected taxing entities, such as counties and school districts, must be notified and given an opportunity to comment on the proposed plan. The City Council must hold a public hearing on the urban renewal plan, following which, the Council may approve the plan and designate an area.

This document as amended is intended to serve as the Urban Renewal Plan for an urban renewal area to be known as the Downtown Reinvestment District Urban Renewal Area (the "Urban Renewal Area"). It is intended that this Urban Renewal Plan will guide the City in promoting economic development and the construction of public improvements and facilities. These combined efforts will assist in the removal of slum and blight as originally described as the purpose of this Urban Renewal Area. This document is an Urban Renewal Plan within the meaning of Chapter 403 of the Code of Iowa, and it sets out proposed projects to be undertaken within the Urban Renewal Area.

II. DESCRIPTION OF URBAN RENEWAL AREA

The Urban Renewal Area will be expanded from 75 acres to approximately 131 acres. Attachment A depicts the amended boundaries of the URA. Exhibit B is a legal description of the area.

III. AREA DESIGNATION

The Urban Renewal Area has been designated with a mixed designation. The URA is designated as both an economic development area appropriate for the promotion of commercial development and as an area in which blighted conditions exist and is suitable for remediation activities.

Appropriateness for commercial development is based upon the City's Comprehensive Plan and zoning designations that support commercial, residential, and mixed-use development.

Blight conditions apply to a subset of properties within the overall area that meet the Code of Iowa definition of blight. Properties located between Oak Street and Grand Avenue and Lincoln Way and the railroad tracks consist of outdated, deteriorated, and nonconforming buildings and site improvements. Properties between Clark Avenue and Kellogg Avenue north of Lincoln Way and south of the railroad tracks that are primarily vacant land and include lot layouts that are not conducive on their own to development allowed by zoning. Properties between Kellogg Avenue and Duff Avenue are a mix of outdated, deteriorated, and nonconforming buildings and site improvements as well as properties with limited street access or substandard alley access for purposes permitted in the zoning district.

IV. BASE VALUE

If the Urban Renewal Area is legally established, and a Tax Increment Financing (TIF) ordinance is adopted, then the "base value" of the Area will be the assessed value of the taxable property within the TIF Ordinance area as of January 1 of the calendar year preceding the calendar year in which the City first certifies the amount of any debt to the Area pursuant to Iowa Code Section 403.19. The base value will be determined independently for each Tax Increment Financing Ordinance adopted to implement the Plan.

V. URBAN RENEWAL OBJECTIVES

The primary objectives for development within the Urban Renewal Area are:

1. To protect the health, safety, and general welfare of City residents through the removal or elimination of substandard conditions that exist in the Area.

2. To contribute to a diversified, well-balanced local economy by retaining and creating job opportunities and strengthening the property tax base, sales tax base, and hotel/motel tax base.

3. To stimulate private investment in Downtown and the Lincoln Way Corridor through public action and potential use of various incentives.

4. To help finance the cost of constructing public facilities and infrastructure and improvements in support of commercial development.

5. To provide tax increment financing incentives in the form of economic development payments or other methods authorized by state law.

6. To improve recreational, tourism, and cultural opportunities.

7. To promote development utilizing any other objectives allowed by Chapter 403 of the *Code of Iowa*.

VI. RENEWAL PROJECTS AND ACTIVITES

The purpose of this Urban Renewal Plan is to facilitate and complement redevelopment in the Urban Core of Ames and other future redevelopment and infill projects consistent with City plans and zoning. To this end the City may engage in planning and design studies, acquire property, provide private development incentives of grants, property tax rebates, or loans,apply or implement building and property maintenance programs for remediation of or prevention of blight, and finance and construct, repair, or rehabilitate public improvements. Nothing in this section should be construed as limiting the range or types of activities or powers granted to the City under Chapter 403 or any other provisions of the Code of Iowa in furtherance of the Urban Renewal Plan.

Within the Urban Renewal Area, the Plan includes a publicly owned indoor aquatics center; improvements to public gathering space and a downtown plaza; construction or replacement of public parking, public infrastructure improvements for pedestrians and bicyclists; construction of or replacement of facilities for water, sewer, stormwater, streetscapes, and roads; Lincoln Way Mixed Use Development, Downtown Housing and Mixed Use Projects, removal of or enhancement of blighted building conditions, and other commercial, entertainment, or hospitality private redevelopment projects.

The City's Comprehensive Plan, Ames Plan 2040 identifies the area as a Core and Redirection Area land use designation. The area along Lincoln Way is also included within the Lincoln Way Corridor Plan identifying a desire for the area to redevelop into a gateway for the community and to Downtown. The City of Ames also participated with Downtown Ames in the creation of a Guiding Vision highlighting potential investment opportunities through the Urban Renewal Area. Plan 2040 includes integrated and comprehensive policies regarding land use, growth, mobility, community character, and housing that all related to the URA.

The City's Growth and Land Use Element of Plan 2040 includes Goals 3 and Goal 4 of Enhancing the Urban Fabric and improving Quality of the Urban Experience. G3-1 recognizes the need to address blight and underperforming infill area to reinvigorate

and sustain areas of the City. G1-8 describes a goal to invest in additional commercial opportunities, highlight Downtown and Lincoln Way.

The Land Use Element also includes land use designation descriptions for Core and Redirection Areas that describe desired goals, design guidelines, and public action to support reinvestment and expansion of commercial and housing opportunities, update parking facilities, and improved multi-modal facilities. Community Character Element policy C4 identifies a priority of recognizing and reinforcing the sense of place for Downtown.

The Downtown Gateway Focus Area is part of the 2018 Lincoln Way Corridor Plan and the primary area planned for new development, including the Lincoln Way Mixed Use Development project. This area is intended to foster redevelopment with a commercial focus that may include residential development. It has been identified as a priority redevelopment area. The Corridor Plan also identifies the area between Oak Avenue and Grand Avenue, the location of the Indoor Aquatics Center as focus area for encouraging redevelopment.

The character and vision of Downtown Gateway area should be complimentary to the existing downtown character. The Downtown Gateway Area includes opportunity for collective parking, reduced parking, increased design scrutiny in order to create appealing massing and height through building materials, architectural features, etc., minimizing automotive service-oriented uses, wide sidewalks and improved streetscape along Lincoln Way. This would include uses like, but not limited to, boutique hotel, entertainment and retail, outdoor open space for events and commercial uses, office and employment. Kellogg Avenue is to be the focal point providing a strong connection to the heart of Downtown at Main Street.

The combination of projects and consistency with the City’s Comprehensive Plan will address the objectives and purposes of the URA and Plan. The objectives and proposed projects outlined in this Urban Renewal Plan are consistent with the above goals and policies identified and adopted as part of the City's planning process and identified below:

Public Improvement Projects:

Project	Estimated Costs*	Rationale
Two-story Indoor Aquatics Center, completed 2026	Completed	
Reconstruction or construction of roadways and public parking facilities, including adjacent landscaping and public sidewalks. Near term improvements may include 6th Street, various intersection, and Duff Avenue.	The City is currently evaluating the feasibility of a parking garage within the CBD Lot X. The cost of the project is undetermined and may vary based upon final design and timing. An estimate of $20,000,000 may apply to the parking project. Estimate of $3 million for roadways. Other improvements may occur as early as FY2027-28, but final timing and costs are unknown.	The City is anticipating the need to improve the access and function of roadways for vehicular traffic routes with reconfiguration of intersections, on-street and off-street parking, and streetscapes throughout the Area. This includes improvements to public parking lots located both to the south of the railroad tracks and north of the railroad tracks.
Downtown Public Space and Amenities – Construct new 1-acre plaza located at 5th Street and Clark Avenue, and other smaller plazas or public spaces and amenities within the Area.	Undetermined timing. Costs may vary based upon final design and timing with an initial estimate of $3 million to $5 million.	A main plaza is located at Clark and 5th in the heart of downtown with water features and ice skating to attract visitors. Other smaller plaza types public spaces, e.g. Tom Evans, may be expanded and improved over the life of the plan as future redevelopment occurs.

Pedestrian and bicycle new and enhanced facilities, including a potential pedestrian bridge crossing of the railroad tracks.	Undetermined Costs may vary based upon final design and timing with an initial estimate of $2million to $5 million.	Improved connectivity is needed for the area and it is goal of the City to support enhanced multi-modal transportation options. Improved connections will facilitate commerce between retailers. These improvements may be built in conjunction with a development project or as a standalone project.
Other Infrastructure Modification and Improvements Rehabilitation, extension, and relocation of water, sanitary sewer, storm water, trash and recycling, electric, communication, gas utility infrastructure, and other similar private/public infrastructure.	Undetermined Costs may vary based upon final design and timing with an initial estimate of $1million to $3 million.	The City is anticipating the need for any or all of these utilities and other similar private and public utilities to require changes in location and capacity are needed in order to support redevelopment.

Other Projects and Development Agreements:

Project	Estimated Incentive	Rationale
The City expects to enter a Development Agreement(s) for private redevelopment projects throughout the URA. Notably the planned mixed-use site between Clark and Kellogg on Lincoln Way, known as The Linc, is planned to have a Master Developer, which the City would provide economic development support using tax increment financing. The Linc project is anticipated to consist of offices, retail, restaurants, apartments, hotel, and conference space. This development is expected to start construction in FY 26-27. Additional phases of redevelopment are anticipated between Kellogg and Duff Avenue. Other redevelopment projects will occur throughout the expanded URA.	Incentives will be negotiated on an individual basis with a developer based upon a financial need analysis and consistency with development goals for the area. The actual amount is unknown at this time as the specific project has not been finalized, for planning purposes the amount of TIF in total for all development agreements could be up to $56,000,000, depending on the size and scale of a final proposal. This amount of TIF would be for all potential types of redevelopment projects.	Office, residential, and mixed-use development are needed to provide a urban live and work opportunity not presently in Ames to retain workforce. A full service hotel and event space would promote increased tourism and visitors downtown and meet existing needs of the business community. Additional office space is needed for new and existing businesses to grow or relocate.

Economic Development Grants (examples include, but not limited to, façade improvement grants and loans for private small businesses and redevelopments, including but not limited blight elimination, vacant ground commercial storefront business improvements, building rehabilitation and construction, and site improvements)	Individual grant awards or loan amounts would determined at a later date and utilize a matching investment concept. TIF could be a source of funding for this program with an estimated value of $3 million.	To spur property improvements and remove blight the City may need to provide direct assistance to businesses seeking to make improvements to buildings or to occupy underutilized and vacant space. This activity supports economic development focused on business start-ups, primarily for small business consistent with the character of the area.
Property Acquisition and Site Clearance	The City may acquire property to address conditions of blight. The City may also acquire property for economic development purposes. Specific properties and costs are unknown, but not to exceed $6,000,000 utilizing TIF.	To spur property improvements and remove blight, the City may need to acquire properties. The City in some cases may acquire facilitate land assemblage for economic development purposes.
Planning and Design Studies and Surveys	Improvements to the area will require studies and design that may be undertaken by the City or by consultants directed by the City. The City is currently in the process of completing a planning feasibility study for a Downtown parking garage. Actual costs and timing of other studies are unknown, but may be funded by TIF for up to $1million.	

*****All project activities are estimates and final costs may vary.

The City may also determine to use tax increment financing to provide other incentives such as loans or tax rebates to developers in connection with blight remediation and/or

commercial development or other urban renewal projects. The City may determine to use tax increment financing to reimburse the City for any obligation or advances.

If the City determines that construction of a parking facility is a public building as defined by Chapter 403 and it determines the need to utilize TIF, the City will consider an amendment to the Plan as necessary to address findings of feasibility regarding use of TIF for a public building.

Nothing herein shall be construed as a limitation on the power of the city to exercise any lawful power granted to the City under Chapter 403.

VII. TYPES OF RENEWAL ACTIVITIES

A. Tax Increment Financing

Review of the proposed projects by City has resulted in a determination that financial assistance is likely required in order to make the projects financially viable through the use of Tax Increment Financing outlined in Chapter 403 of the Code of Iowa for public improvements and private development.

Under the Iowa Urban Renewal Law, in order to assist in the development of new private enterprises, the City may be requested to provide a property tax incentive in the form of an agreement that returns certain incremental property tax revenues to a developer as economic development payments. As part of the establishment of an urban renewal area, the City may adopt an ordinance to create a tax increment district(s) (the "TIF District"), within which the property taxes eventually paid by new private development will be used to pay costs of urban renewal projects, including economic development agreements. The use of these tax revenues in this manner is known as tax increment financing ("TIF").

Depending on the date on which a TIF District is legally established and the date on which debt is initially certified within a TIF District, an original taxable valuation is established for the property within a TIF District, which is known as the "base valuation." The "base valuation" is the assessed value of the taxable property in a TIF District as of January 1 of the calendar year preceding the calendar year in which a City first certifies the amount of any obligations payable from TIF revenues to be generated within that TIF District. When the value of the property inside a TIF District increases by virtue of new construction or any other reason, the difference between the base valuation and the new property value is the "tax increment" or "incremental value."

Procedurally, after tax increment debt has been incurred within a TIF District, property taxes levied by the city, the county, the school district and the area college against the incremental value, with the exception of taxes levied to repay debt incurred by those jurisdictions and the school district physical plant and equipment and instructional support levies, are allocated by state law to the City's tax increment fund rather than to each jurisdiction. These new tax dollars are then used to repay any tax increment obligations incurred in the Urban Renewal Area.

Review of the proposed urban renewal projects by City has resulted in a determination that financial assistance is likely required in order to make the projects financially viable through the use of Tax Increment Financing outlined in Chapter 403 of the Code of Iowa for public improvements and private development.

The City may itself finance public facilities and improvements with Tax Increment Financing (TIF) in accordance with the projects described above.

Additionally, the City intends to enter into a Tax Increment Financing (TIF) rebate agreement with property owners, business owners, or private developers for projects that meet the objectives of the plan. This may include a rebate of up to 100 percent of eligible incremental property taxes for the maximum allowed number of years. or an amount not to exceed $56,000,000, whichever comes first. A TIF agreement will be structured such that the amount of the TIF rebate will not be included as debt subject to the state mandated debt limitation.

Additionally, studies and surveys, property acquisition, public improvement, and economic development grants and loans utilizing TIF may also be used to eliminate blight and facilitate redevelopment, building, and site rehabilitation with a total funding estimate of up to $26,000,000.

B. General Obligation Bonds

The Iowa Urban Renewal Law also allows a municipality the authority to issue and sell general obligation bonds for specified essential and general corporate purposes, including the acquisition and construction of certain public improvements and facilities within the Area, including but not limited to the indoor aquatics facility and parking garage.

VIII. PROPERTY ACQUISTION/DISPOSITION

The City may acquire property within the area for purposes and objectives consistent with this Plan, which may include the use of eminent domain, as allowed under Chapter 403 and 6A. The City will follow any applicable requirements for the acquisition and disposition of property within the Urban Renewal Area.

IX. EFFECTIVE PERIOD

This Urban Renewal Plan will become effective upon its adoption by the City Council and will remain in effect until it is repealed by the City Council. State law allows the collection of incremental property taxes generated within the Urban Renewal Area to continue with no statutory sunset when an Urban Renewal Area's purpose is to address slum and blighted areas along with promoting economic development for commercial development. Each project or activity to which incremental property tax revenues

will be devoted will be subject to such restrictions as may be deemed necessary and appropriate by the City Council.

X. PLAN AMENDMENTS

This Urban Renewal Plan may be amended in accordance with the procedures set forth in Chapter 403 of the Code of Iowa in order to carry out any purposes consistent with state law.

XI. CITY DEBT INFORMATION

Chapter 403 of the Code of Iowa requires that any urban renewal plan include certain information with respect to City general obligation debt, ability to incur additional debt and the amount of proposed tax increment debt to be incurred.:

1.	FY 2021-22 Constitutional Debt Limit	$364,431,710 *
2.	Current Outstanding General Obligation Debt:	$119,520,000
3.	Proposed amount of indebtedness to be incurred: A specific amount of debt to be incurred for all of the Eligible Urban Renewal Projects has not yet been determined. This document is merely for planning purposes. The estimated project costs in this Plan are estimates only and will be incurred and spent over a number of years. In no event will the City's constitutional debt limit be exceeded. The City Council will consider each project proposal on a case-by-case basis to determine if it is in the City's best interest to participate before approving an urban renewal project or expense. It is further expected that such indebtedness, including interest on the same, may be financed in whole or in part with tax increment revenues from the Urban Renewal Area or the issuance of General Obligation Bonds through referendum. Subject to the foregoing, it is estimated that the cost of the Eligible Urban Renewal Projects as described above will be approximately $82,000,000 of TIF. (This total does not include financing costs related to debt issuance, which will be incurred over the life of the Area).	Maximum TIF 82,000,000

*Preliminary; subject to change

EXHIBIT A: URBAN RENEWAL AREA BOUNDARY

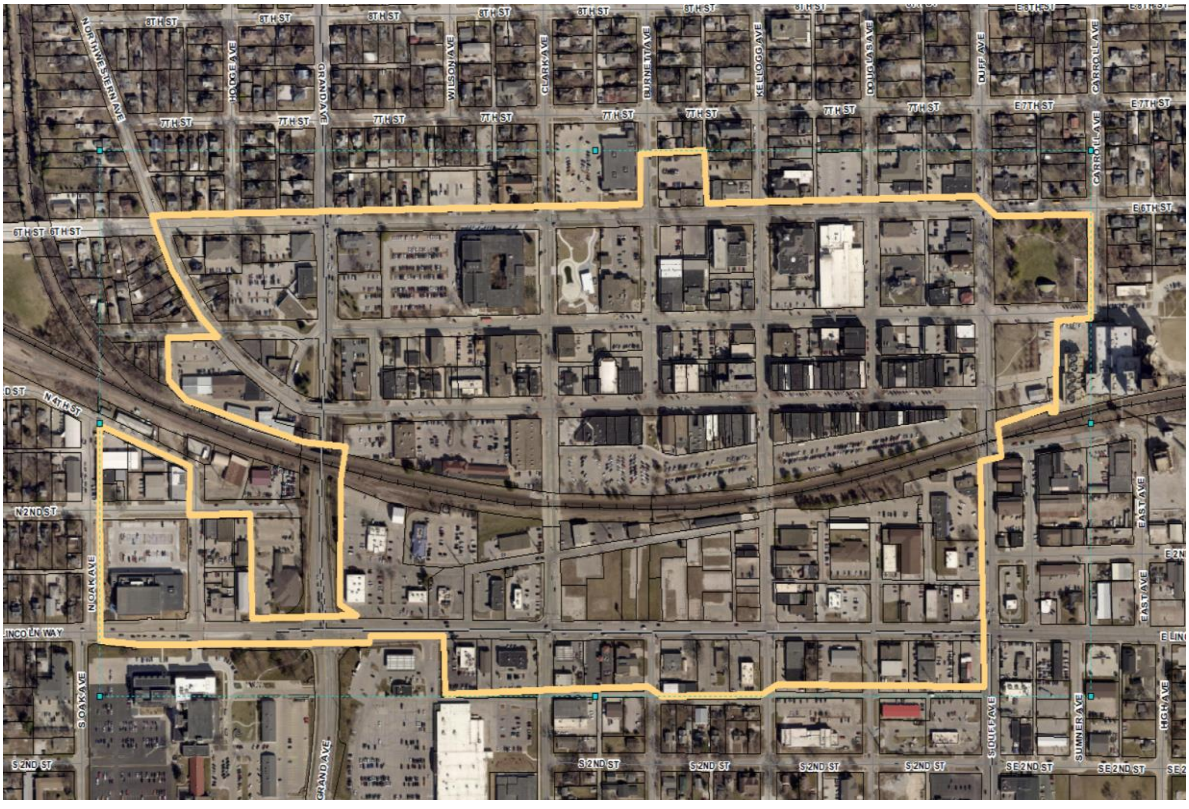


EXHIBIT B: LEGAL DESCRIPTION

The original district boundary is being restated in whole with that additional areas of the 2026 Amendment, see also map of boundaries.

Beginning at the southeast corner of Block 23, College Park Addition First North; thence east on the north Right-of-Way of 6th Street to the southeast corner of Parcel B, Block 22, Blair's Addition; thence north on the west right-of-way of Burnett avenue to the extended north lot line of Lot 8, Block 4, Original Town; thence east on said extended north line to east Right-of-Way of the north-south alley in said Block 4; thence south on the alley east line to the southwest corner of Lot 5 of said Block 4; thence east on the north Right-of-Way line of 6th Street to the center of Duff Avenue; thence southeasterly to the northwest corner of Block 37 , Blair's 2nd Addition; thence east on the north line of said Block 37 to the northeast corner thereof; thence south on the east line of said Block 37, also being the west Right-of-Way line of Carroll Avenue, extended to the south Right-of-Way line of East 5th Street; thence west on said south Right-of-Way line, 132 feet; thence due south to the north railroad Right-of-Way line of Chicago and Northwestern Transportation Company; thence westerly on said north Right-of-Way line to a point on the east Right-of-Way line of Duff Avenue; thence south on said east Right-of-Way line to a point 12 feet north of the northeast corner of Lot 1, Borne's addition; thence westerly to the centerline of Duff Avenue and the south Right-of-Way line of said railroad; thence southwesterly on said railroad south Right-of-Way to the northeast corner of Lot 1, Duff Centre Subdivision; thence south on the west Right-of-Way line of Duff Avenue to the southeast corner of Lot 1, Block 1, Black's Addition; thence west on the north line of the alley in said Block 1 and Block 2 of said Black's Addition on the extended north line of said alley to the west Right-of-Way of South Kellogg Avenue; thence south on said west Right-of-Way line to the southeast corner of Lot 1, Block 3 of said Black's Addition; thence west on the north line of alley to the southwest corner of Lot 4, Block 3 of said Black's Addition; thence northwesterly to the southeast corner of Lot 1, Block 4, of said Black's Addition; thence west on the north alley line to the southwest corner of Lot 6, Block 4, of said Black's Addition; thence southwesterly to the northeast corner of Lot 8, Block A, Black's 3rd Addition; thence west on the north line of

Lot 7 and Lot 8 to the northwest corner of Lot 7, Block A, of said Black's 3rd Addition; thence north on the west line of Lot 6 of said Block A to the south Right-of-Way line of Lincoln Way; thence west on said south Right-of-Way 298.9 feet; thence southwesterly on said south Right-of-Way 31.24 feet; thence west on said south Right-of-Way line to a point of intersection with the extended east Right-of-Way line of North Oak Avenue; thence north on said east Right-of-Way line to the northwest corner of Lot 6, Block 4, College Park Addition; thence southeasterly on the north line of said Block 4 to the northeast corner of Lot 1 of said Block 4; thence south to the northeast corner of Lot 1, Block 3, of said College Park Addition; thence east on the south Right-of-Way of North 2nd Street to a point of intersection with the extended east line of Lot 2, Block 2, of said College Park Addition; thence south on the said east line to the southeast corner of Lot 7 of said Block2; thence east on the north Right-of-Way line of Lincoln Way, 420 feet to a point on the south line of Lot 1, Grand Junction Subdivision , 2nd Addition; thence northwesterly 77.31 feet, point being on the east Right-of-Way line of Grand Avenue; thence north on said east Right-of-way to the northwest corner of said Lot 1, Grand Junction Subdivision , 2nd Addition; thence north to the southwest corner of Parcel A, Instrument number 94-06868, point being on the north Right-of-Way of said Railroad; thence west on said north Right-of-way of railroad to the southeast corner of lot 5, Block 29, College Park Addition Second North; thence north on the east line of said Lot 5 to the south Right-of-Way of 5th Street; thence east on the north line of said Block 29 to a point of intersection with the west Right-of-Way line of Northwestern Avenue; thence northwesterly on the said west Right-of-Way of Northwestern Avenue to the point of beginning.