

COUNCIL ACTION FORM

SUBJECT: ORDINANCE AMENDING THE FIFTH TAX INCREMENT FINANCING (TIF) DISTRICT BOUNDARY WITHIN THE IOWA STATE UNIVERSITY RESEARCH PARK URBAN RENEWAL AREA.

BACKGROUND:

The City of Ames established the ISU Research Park Urban Renewal Area and Plan (URA) on November 10, 2014 (Boundary Map – Attachment A). The URA was created for economic development purposes and included plans for use of up to \$7 million in Tax Increment Financing (TIF) to facilitate economic development in the area in multiple phases. The City established the first TIF area within this URA concurrent with approval of the URA and Plan in 2014. The initial TIF area was designed to generate funds to pay for the City's commitments for the construction of infrastructure to support Phase III of the ISU Research Park expansion, with road improvements to University Boulevard and Collaboration Way and utility extensions.

Subsequent to the initial approval of the URA and initial TIF Area, the land was subdivided as the ISU Research Park Phase III Subdivision and the approved lot boundaries corresponded to the TIF boundaries. In August of 2018, the City approved a request to modify the Ames Fitness property Lot 5 boundary (creating the current Parcel 'A') to allow construction of an enclosed tennis facility containing four tennis courts (Attachment B). The boundary line adjustment reduced the size of the abutting outlot. The TIF boundary was subsequently amended in 2019 to conform to the new property boundaries to ensure the whole of the property was within one tax district, i.e. the Fifth TIF District.

Ames Fitness is currently planning to expand the size of the bubble to enclose a total of six tennis courts. An additional six outdoor courts will be constructed to the south of the enclosed facility. New parking spaces will also be added to the property.

The proposed ordinance amendment will add 2.532 acres (110,311 square feet) of land area to the TIF District to account for the proposed concurrent boundary line adjustment (Attachment C-New Parcel B). **It is necessary to amend the area of the TIF to include the full property to allow for the continued collection of tax increment related to improvements on this site.** It is not necessary to amend the URA since the area is already within the broader URA boundary.

TIF boundaries must include the full area of a property to allow the Auditor to calculate assessed value and the increment of taxes to be allocated to the City for TIF. **Based upon correspondence with the Auditor's Office, adding the land to the TIF area will not reset the base value that was originally established for improvements that are already in the TIF area. The value of improvement associated with the new area will**

be added to the existing base to then calculate future differences in incremental values for the TIF.

Amending the boundary will ensure that we continue to receive the revenues that we have previously relied upon to repay our debt and will potentially allow for additional TIF revenue related to the planned tennis court expansion.

ALTERNATIVES:

1. The City Council can approve on first reading an Ordinance amending the boundary of the First TIF Area of the ISU Research Park Urban Renewal Plan to include an additional 2.532 acres of area.
2. City Council can decline to amend the TIF District Boundary of the First TIF Area, which would remove the new Parcel from the TIF district.

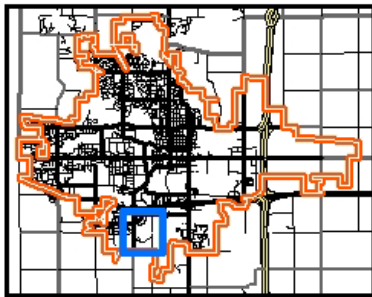
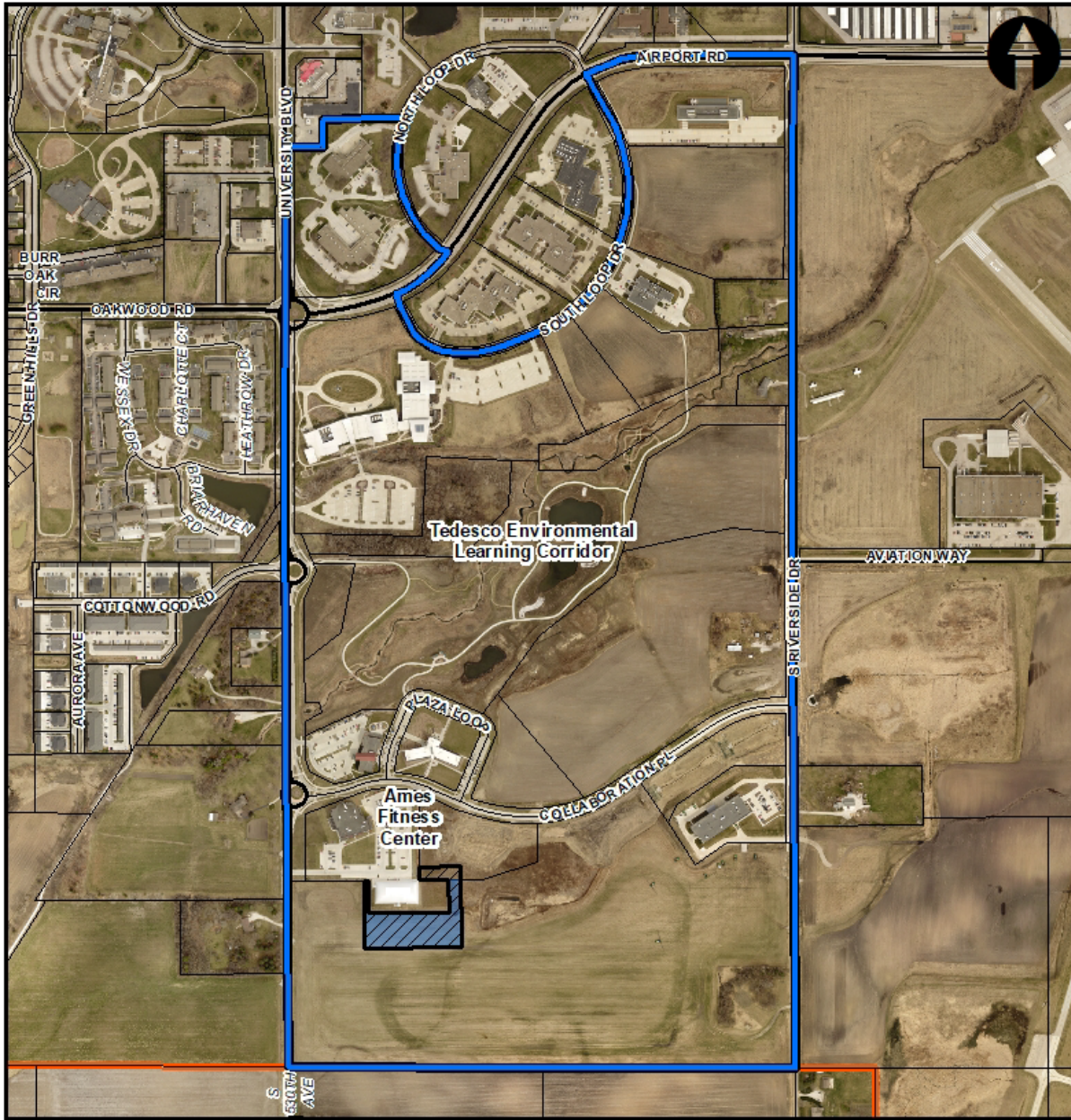
CITY MANAGER'S RECOMMENDED ACTION:

Adding the 2.532 acres of land to the TIF area is important to maintain the assumed incremental value of TIF to pay off debt that was previously issued in support of infrastructure improvements in this area. Staff estimates that there are two additional years of increment collection needed to pay off the original TIF debt used to support the development the ISU Research Park Phase III.

To ensure consistency with legal descriptions, staff will ensure the property owner records the Plat of Survey for the boundary line adjustment prior to completing the third reading of this ordinance. Staff will request on November 8th that City Council waive the rules and complete second and third reading to ensure the ordinance is published and provided to Story County well in advance of the December 1st deadline for providing TIF information to the County.

Therefore, the City Manager recommends Alternative No. 1, which is to have first reading of an ordinance amending the first TIF District within the ISU Research Park Urban Renewal Area.

ATTACHMENT A: ISU RESEARCH PARK URBAN RENEWAL AREA



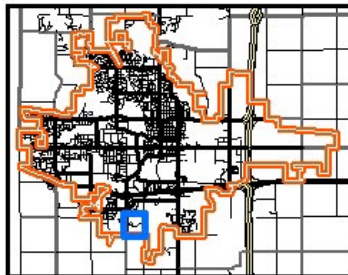
Research Park TIF Expansion
3600 University Boulevard
October 19, 2022

0 250 500 1,000 Feet

Legend

-  ISU Research Park Urban Renewal Area
-  TIF Expansion Area
-  Ames Fitness Center Expansion
-  Ames City Limits

Attachment B: Ames Fitness Site Expansion & TIF Expansion

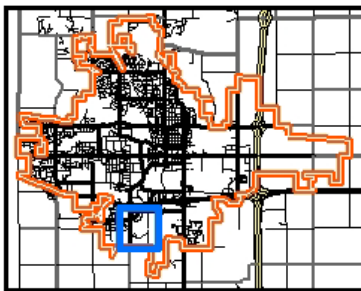
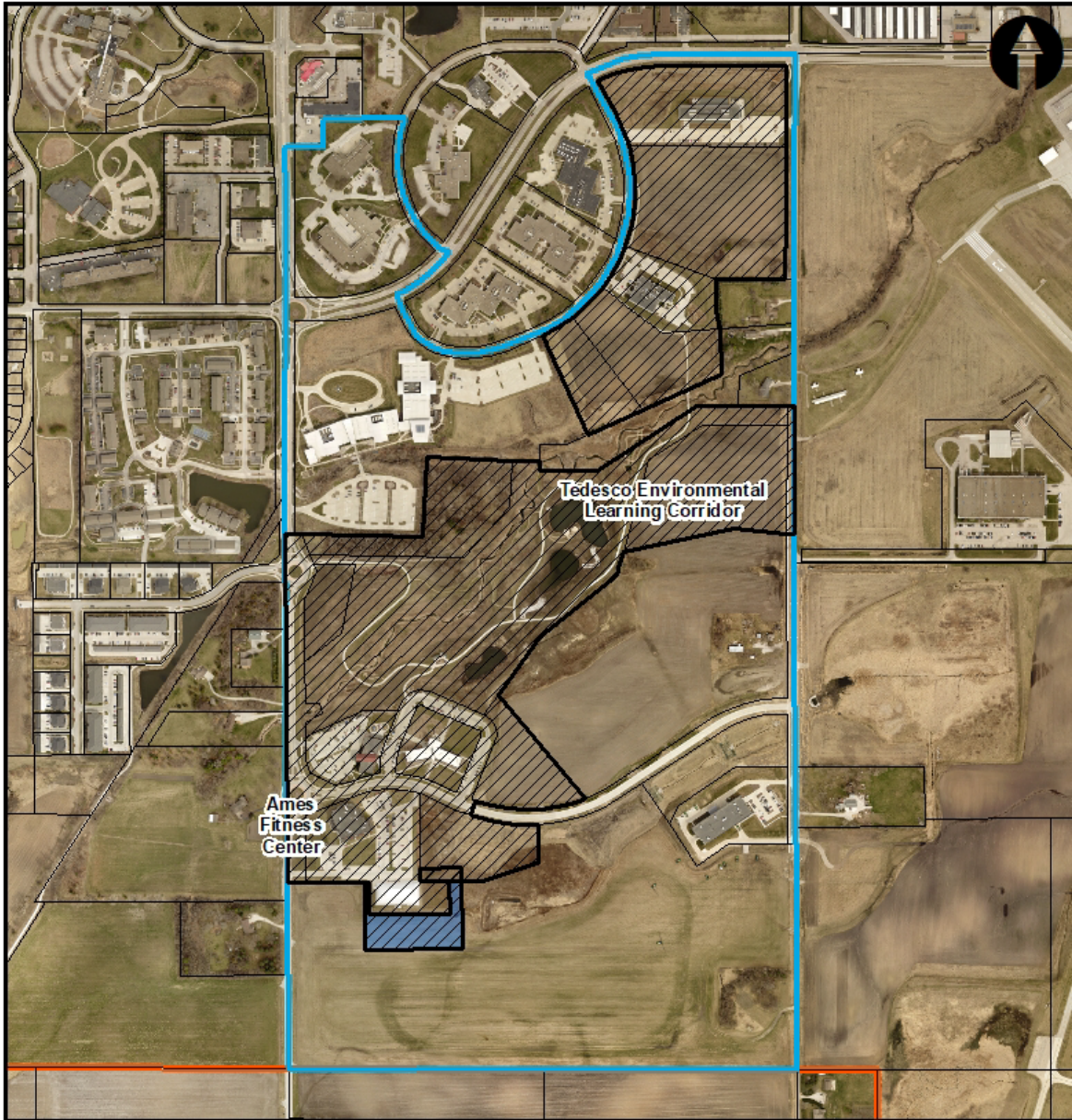


Research Park TIF Expansion
3600 University Boulevard
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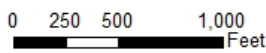
0 250 500 1,000 Feet

Legend	
	TIF Expansion Area
	Ames Fitness Center Expansion
	Ames City Limits

ATTACHMENT C: AMENDMENT TO FIRST TIF DISTRICT



Research Park TIF Expansion
3600 University Boulevard
October 19, 2022



Legend

- ISU Research Park - Urban Renewal Area
- TIF Expansion Area
- Ames Fitness Center Expansion
- Ames City Limits

ORDINANCE NO.

AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE CITY OF AMES, IOWA, BY AMENDING THE LEGAL DESCRIPTION FOR THE FIFTH TAX INCREMENT FINANCING DISTRICT (ISU RESEARCH PARK) SECTION 24.18(2); REPEALING ANY AND ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT TO THE EXTENT OF SUCH CONFLICT; AND ESTABLISHING AN EFFECTIVE DATE.

BE IT ENACTED, by the City Council for the City of Ames, Iowa, that:

Section One. The Municipal Code of the City of Ames, Iowa shall be amended by deleting the legal description for the Fifth Tax Increment Financing District (ISU Research Park), contained in Section 24.18(2), and replacing it with the following new legal description:

“Sec. 24.18. FIFTH TAX INCREMENT FINANCING DISTRICT.

...

**ISU Research Park Urban Renewal Area
2014 TIF Legal Description**

Part of the Southwest Quarter of Section 15, and part of the North Half of Section 22, all in Township 83 North, Range 24 West of the 5th P.M., Story County, Iowa, all together being described as follows:

Beginning at the Northwest Corner of said Section 22; thence N00°04'27"E, 149.78 feet along the West line of said Section 15; thence S88°36'58"E, 713.46 feet; thence N03°04'35"E, 414.92 feet; thence S87°45'55"E, 585.84 feet; thence S00°11'18"W, 49.93 feet; thence S89°14'47"E, 296.62 feet; thence N56°46'25"E, 622.15 feet; thence N89°52'19"E, 512.38 feet to the East line of the Southwest Quarter of said Section 15; thence S00°10'26"W, 668.83 feet along said line; thence N89°49'34"W, 40.00 feet; thence N84°05'51"W, 274.12 feet; thence S78°03'58"W 591.22 feet; thence S15°31'36"W, 122.07 feet; thence S51°07'52"W, 509.09 feet; thence S35°54'39"W, 375.38 feet; thence S39°49'11E, 705.92 feet to the beginning of a curve; thence southwesterly, westerly, and northwesterly, 583.54 feet along said curve having a radius of 810.00 feet concave to the north, a central angle of 41°16'38" and being subtended by a chord which bears S89°22'02"W, 571.00 feet; thence S19°40'37"W, 79.93 feet to the beginning of a curve; thence southerly and easterly, 356.26 feet along said curve having a radius of 890.00 feet concave to the north, a central angle of 22°56'07" and being subtended by a chord which bears S81°45'59"E, 353.89 feet; thence S00°01'56"E, 197.61 feet; thence S71°56'15"W, 300.81 feet; thence S89°30'54"W, 107.46 feet; thence S00°28'11"E, 356.16 feet; thence S89°31'49"W, 508.03 feet; thence N00°24'13"W,

356.18 feet; thence S89°31'47"W, 303.04'; thence S89°39'36"W, 96.95 feet to the West line of said Section 22; thence N00°24'00"W, 349.23 feet to the Southwest Corner of the Northwest Quarter of the Northwest Quarter of said Section 22; thence N00°23'42"W, 1319.25 feet to the point of beginning (containing 80.00 acres), and Lots 4, 5, 6, 7, 8, and 9, Iowa State University Research Park Third Addition, all within Ames, Story County, Iowa.

...”

Section Two. All ordinances, or parts of ordinances, in conflict herewith are hereby repealed to the extent of such conflict, if any.

Section Three. This ordinance shall be in full force and effect from and after its passage and publication as required by law.

Passed this _____ day of _____, 2022.

Renee Hall, City Clerk

John A. Haila, Mayor