

ITEM #:	<u>50</u>
DATE:	<u>05-14-24</u>
DEPT:	<u>CMO</u>

COUNCIL ACTION FORM

SUBJECT: **AMES ECONOMIC DEVELOPMENT COMMISSION 2024/25 FUNDING CONTRACT**

BACKGROUND:

The FY 2024/25 adopted City budget includes funds for the Ames Economic Development Commission (AEDC) to conduct economic development activities on behalf of the City. This agreement provides \$175,000 to the AEDC in exchange for two main services: \$115,000 of this amount purchases business recruitment and marketing services, and the remaining \$60,000 continues funding the services of the City Business Development Coordinator, who is expected to provide guidance to prospective businesses and developers as they navigate the development process.

The first service focuses on recruitment and marketing. In this capacity, the AEDC serves as the lead contact for business representatives looking to locate or expand in Ames. Among other responsibilities, the AEDC will visit annually with major companies to understand existing challenges and opportunities and serve as the primary marketing agency for the community showcasing Ames as a great place to do business. Payment for these services is a reimbursement process based on supporting documentation.

The second service focuses on the responsibilities of the jointly funded Business Development Coordinator. This position is intended to assist small or new businesses locating or expanding in Ames, guides developers through various government approval processes, regularly updates the City Manager regarding project progress, and maintains a current list of active projects. Other responsibilities include assisting the minority-owned business community, developing communication pieces, and implementing an aggressive marketing plan targeting specific businesses and promoting specific manufacturing and distribution facilities. Payment for these services is made twice annually as long as the position remains filled by an identified employee.

There are no changes to the scope of services of the proposed agreement compared to the FY 2023/24 version of this agreement. This contract does not include funding designated for economic development activities awarded through the outside funding request grant process. Through that process, the Council has allocated \$15,000 in workforce development funds to the AEDC for FY 2024/25.

ALTERNATIVES:

1. Approve the attached Ames Economic Development Commission agreement for FY 2024/25.
2. Approve the attached Ames Economic Development Commission agreement with modifications for FY 2024/25.
2. Do not approve the Ames Economic Development Commission agreement for FY 2024/25.

CITY MANAGER'S RECOMMENDED ACTION:

The City Council has allocated funds in the FY 2024/25 City Budget for economic development activities. Rather than create our own economic development capacity, the City Council has historically contracted with AEDC to conduct these activities on behalf of the City. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

ATTACHMENT(S):

[City of Ames Report \(May 2024\).pdf](#)

[AEDC Contract FY24_25 Contract Only.pdf](#)