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Project grows area economy

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A public-private partnership to help the Ames economy grow is producing results, according to city and Ames Economic Development Commission leaders.

City Manager Steve Schainker's economic development budget for the next fiscal year (July 1, 2009 through June 30, 2010) proposes to continue that arrangement.

"I think that it's a unique and successful relationship," Schainker said. "You go to some cities and find an economic development agency within the city only, or you might find a city will contract with an agency and let it handle all the (economic development) effort. We do a little of both."

The Ames City Council has been asked to renew a \$90,000 contract between the city and Ames Economic Development Commission.

Dan Culhane, president and CEO of the Ames Chamber of Commerce and Ames Economic Development Commission, cited three recent examples of how the partnership produced results last year: Ag Leader Technology, Phasient Learning Technologies and the ongoing recruitment of Home School Inc.

"In spite of a sluggish global economy, we enjoyed some nice success ... and ... while our community had its share of setbacks with the reduction of some employment opportunities locally, we did see some nice gains," Culhane said in a letter to the council.

The city's commitment to economic development involves staff time worth an estimated \$71,000, Schainker said.

That money pays a portion of the salaries and/or budgets for Schainker, City Finance Director Duane Pitcher, City Attorney Doug Marek and their staffs, when they work on economic development projects.

Income for the program comes from several sources, including loans repaid by businesses that are pooled to loan again to other businesses, and from a part of the city's 7 percent hotel-motel room tax.

When the city loans money, it can generate additional funds elsewhere, from state and federal sources and from private investors, Schainker said.

"Sometimes, each local dollar will generate \$10 to \$20 from other sources," he said.

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