

**January 20, 2015**

**To: Mayor Bemrich and City Council**  
**From: David Fierke, City Manager**  
**Subject: Urban Renewal Plan Amendment**

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**ACTION: For vote for Monday, January 26, 2015**

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**Brief History**

The City Council previously created the Center City and Industrial Park Urban Renewal Areas (the "Urban Renewal Areas") by resolution and adopted an Urban Renewal Plan (the "Plan") for the governance of projects and initiatives within the Areas.

In order to provide TIF funds for projects, the project sites must be located within the Urban Renewal Area. In addition, the Urban Renewal Plan must reflect the proposed expenditures.

**Analysis of Issue**

The proposed amendment to the Urban Renewal Plan would allow incentive payments in conjunction with the expansion project by Boehringer Ingelheim Vetmedica, Inc., located at 800 5<sup>th</sup> Street NW.

**Budget Impact**

Incentive payments in an amount not to exceed \$1,500,000 from the increment produced from the proposed project would be paid to the developer over 3.5 years through annual appropriations. Payments would be limited to 65% of the increment produced from the project.

**Strategic Plan Impact**

Policy C.1.5: The rehabilitation, reuse, or removal of currently unused or underutilized structures, sites and infrastructure shall be accomplished.

Policy C.1.6: City government shall be an active participant, facilitator and partner in the creation of large and small business and industrial development opportunities capitalizing upon the unique human and economic resources of the area.

Policy C.1.7: Economic development efforts shall protect, enhance and encourage a high quality of life, image and cultural amenities as critical factors in business retention, recruitment and economic growth.

**Existing Plan Impact**

Consistent with the City's Urban Renewal Plan.

**Subcommittee or Commission Review / Recommendation**

None

**Staff Conclusions / Recommendations**

Staff recommends approval of an amendment to the Urban Renewal Plan to include the BIVI project.

**Alternatives**

The only alternative would be to not approve the amendment, which would prohibit the City from providing TIF funds for the above-referenced project.

**Implementation and Accountability**

If approved, staff will execute the amendment.

Signed



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Vickie L. Reeck  
Community Development Manager

Approved



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David R. Fierke, City Manager

RESOLUTION NO. \_\_\_\_\_

Resolution to approve urban renewal plan amendment for the Center City and Industrial Park Urban Renewal Areas

WHEREAS, as a preliminary step to exercising the authority conferred upon Iowa cities by Chapter 403 of the Code of Iowa (the “Urban Renewal Law”), a municipality must adopt a resolution finding that one or more slums, blighted or economic development areas exist in the municipality and that the rehabilitation, conservation, redevelopment, development or a combination thereof, of such area or areas is necessary in the interest of the public health, safety or welfare of the residents of the municipality; and

WHEREAS, this City Council of the City of Fort Dodge, Iowa (the “City”), by prior resolution established the Center City and Industrial Park Urban Renewal Areas (the “Urban Renewal Areas”); and

WHEREAS, an amendment (the “Amendment”) to the plan for the Urban Renewal Areas has been prepared which would facilitate the undertaking of a new urban renewal project in the Urban Renewal Areas consisting of providing tax increment financing support to Boehringer Ingelheim Vetmedica, Inc. in connection with the expansion of its physical plant and acquisition of machinery and equipment for the enhancement of its business operations; and

WHEREAS, notice of a public hearing by the City Council of the City of Fort Dodge, Iowa, on the proposed Amendment was heretofore given in strict compliance with the provisions of Chapter 403 of the Code of Iowa, and the Council has conducted said hearing on January 26, 2015; and

WHEREAS, copies of the Amendment, notice of public hearing and notice of a consultation meeting with respect to the Amendment were mailed to Webster County and the Fort Dodge Community School District; the consultation meeting was held on the 9<sup>th</sup> day of January, 2015; and responses to any comments or recommendations received following the consultation meeting were made as required by law;

NOW, THEREFORE, It Is Resolved by the City Council of the City of Fort Dodge, Iowa, as follows:

Section 1. The Amendment, attached hereto and made a part hereof, is hereby in all respects approved.

Section 2. It is hereby determined by this City Council as follows:

A. The activities proposed under the Amendment conform to the general plan for the development of the City;

B. The proposed economic development under the Amendment is necessary and appropriate to facilitate the proper growth and development of the City in accordance with sound planning standards and local community objectives.

Section 3. All resolutions or parts thereof in conflict herewith are hereby repealed, to the extent of such conflict.

Passed and approved January 26, 2015.

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

OTHER: \_\_\_\_\_

City of Fort Dodge, Iowa

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Matt Bemrich, Mayor

ATTEST:

\_\_\_\_\_  
Jeff Nemmers, City Clerk

CITY OF FORT DODGE, IOWA

URBAN RENEWAL PLAN AMENDMENT  
CENTER CITY AND INDUSTRIAL PARK URBAN RENEWAL AREAS

January, 2015

The Urban Renewal Plans (the “Plans”) for the Center City and Industrial Park Urban Renewal Areas (the “Areas”) are being amended for the purposes of identifying a new urban renewal project to be undertaken therein.

**1) Identification of Project.** By virtue of this amendment, the list of authorized urban renewal projects in the Plans is hereby amended to include the following project description:

**Name of Project:** Boehringer Ingelheim Vetmedica, Inc. Expansion Project (the “Project”)

**Name of Urban Renewal Area:** Center City and Industrial Park Urban Renewal Areas

**Date of Council Approval of Project:** January 26, 2015

**Description of Project:** Boehringer Ingelheim Vetmedica, Inc. (the “Company”) has proposed to undertake the expansion of its physical plant and the acquisition of machinery and equipment for the enhancement of its business operations situated at 800 5<sup>th</sup> Street NW (the “Development Property”) in the Areas. It is anticipated that Phases One and Two of the Project will be completed by December 31, 2016. It is anticipated that Phase Three of the Project will be completed by June 30, 2020. The Company has applied for aid with respect to the Project from the Iowa Economic Development Authority, and the City has stated its resolve to provide local support to the Project through the provision of TIF payments to the Company.

**Description of Public Infrastructure:** The City will not install any public infrastructure in connection with the Project.

**Description of Properties to be Acquired in Connection with Project:** It is not anticipated that the City will acquire any property in connection with the Project.

**Description of Use of TIF:** The City intends to enter into a Development Agreement with the Developer with respect to the Project and to provide annual appropriation economic development payments (the “Payments”) thereunder. The Payments will be funded with incremental property tax revenues to be derived from the Development Property. It is anticipated that the City’s total commitment of incremental property tax revenues under the Development Agreement with respect to the Project will not exceed \$1,500,000.

**2) Required Financial Information.** The following information is provided in accordance with the requirements of Section 403.17 of the Code of Iowa:

Constitutional debt limit of the City:	<u>\$51,299,008</u>
Outstanding general obligation debt of the City:	<u>\$31,595,000</u>
Proposed debt to be incurred under the January, 2015 Amendment*:	<u>\$ 1,500,000</u>

\*It is anticipated that some or all of the debt incurred hereunder will be subject to annual appropriation by the City Council.