

March 2, 2015

To: Mayor Bemrich and City Council
From: David Fierke, City Manager
Subject: Property Disposition
Lots 3, 4 & 5, Block 28, Original Town of
Fort Dodge, Iowa (fka 401 & 413 2nd Ave S)



ACTION: For Vote Monday, March 9, 2015

Brief History

On February 23, 2015, following public hearing, the City Council approved the disposal of the above-referenced property to the Fort Dodge Family Credit Union Center under the terms and conditions specified in the attached agreement.

Analysis of Issue

Disposing of this property would allow for a catalyst project to be constructed on the Crosstown Connector as well as alleviating the City from the maintenance of the property. It will also provide additional tax base to the City.

The FDFCU intends to invest \$1,230,000 into the site. They will construct a 70' x 64'3" building with an 8' x 14' entry. In addition, there will be 3,031 s.f. of green space, 25 parking stalls and a pedestrian plaza on the northwest corner of the lot. The use of decorative fencing will also be incorporated into the site to tie the landscaping into the Crosstown Connector and 5th Avenue South Corridor Projects. The disposal of this property requires the development to meet the Downtown Design Guidelines as well.

Budget Impact

Under the proposal from the FDFCU, the property would be sold for \$76,000, based on a recent appraisal of the site. These funds would be placed in the Economic Development Revolving Fund. When the project is at least 50% complete, the City would provide an economic development grant to the FDFCU in the amount of \$76,000.

The FDFCU is eligible to apply for tax abatement on the project, choosing either the 10 year sliding scale or 3 year 100%. Property taxes generated following the abatement period are estimated at \$20,000 annually.

Strategic Plan Impact

Policy C.2.1: The important economic, tourism, and community image benefits of attractive major travel corridors through the area shall be recognized. Such entryway corridors shall receive priority attention for improved appearance and development

standards, including landscaping, signage, tree preservation, underground utilities, streetlights, and sidewalks.

Policy C.3.1: Primary entryway corridors into "Downtown Center" shall continue to receive priority for visual enhancements, employing special development standards, public investment, and community involvement to facilitate constructive change.

Existing Plan Impact

The disposal of this property is consistent with the Envision 2030 Plan.

Subcommittee or Commission Review / Recommendation

None

Staff Conclusions / Recommendations

Staff recommends approving the attached agreement with the Fort Dodge Family Credit Union Center.

Alternatives

The only alternative would be to not approve the attached agreement, which is not recommended.

Implementation and Accountability

If this resolution is approved, staff of the Department of Business Affairs and Community Growth will oversee the project to ensure compliance with the agreement.

Signed

Approved



Vickie L. Reeck
Community Development Manager

David R. Fierke
City Manager

RESOLUTION NO. _____

Resolution Authorizing Economic Development Grant to Fort Dodge Family Credit Union

WHEREAS, Chapter 15A of the Code of Iowa (“Chapter 15A”) declares that economic development is a public purpose for which a city may provide grants, loans, guarantees and other financial assistance to or for the benefit of private persons; and

WHEREAS, Chapter 15A requires that before public funds are used for grants, loans or other financial assistance, a city council must determine that a public purpose will reasonably be accomplished by the spending or use of those funds; and

WHEREAS, Chapter 15A requires that, in determining whether funds should be spent, a city council must consider any or all of a series of factors; and

WHEREAS, it has been proposed that the City Council (the “Council”) of the City of Fort Dodge, Iowa (the “City”) make a grant of public funds in the amount of \$76,000 (the “Grant”) to Fort Dodge Family Credit Union (the “Credit Union”) in connection with the construction of a new building for use in its business operations (the “Project”); and

WHEREAS, the City has caused to be prepared a certain agreement (the “Agreement”) for execution by the City and the Credit Union in connection with the Project, such Agreement containing terms and conditions related to the Grant;

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

Section 1. Pursuant to the factors listed in Chapter 15A, the Council hereby finds that:

a) The Project will add diversity and generate new opportunities for the Fort Dodge and Iowa economies;

b) The Project will generate public gains and benefits, particularly in the maintenance or creation of jobs, which are warranted in comparison to the amount of the proposed Grant.

Section 2. The Council further finds that a public purpose will reasonably be accomplished by making the proposed grant to the Credit Union.

Section 3. The Grant in an amount not to exceed \$76,000 is hereby approved, subject to the terms and conditions set out in the Agreement to be entered into by the Credit Union and the City. The City Clerk and/or the Community Development Manager are hereby authorized and directed to prepare any additional documentation and to make such changes to the Agreement, with the advice of bond counsel, as are deemed necessary to carry out the purposes of this Resolution. The Mayor and the City Clerk are hereby authorized to execute such

documents as may be necessary to implement the Grant approved herein, including the Agreement, in substantially the form as has been presented to this City Council.

Section 4. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Passed and approved March 9, 2015.

Ayes: _____

Nays: _____

Other: _____

CITY OF FORT DODGE, IOWA

By: Matt Bemrich, Mayor

Attest:

Jeff Nemmers, City Clerk

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THE CITY OF FORT DODGE, IOWA
AND
THE FORT DODGE FAMILY CREDIT UNION**

THIS AGREEMENT, made and entered into this _____ day of _____, 2015, by and between the City of Fort Dodge, Iowa, an Iowa Municipal Corporation (The “City”) and the Fort Dodge Family Credit Union Center (The “FDFCU”).

WITNESSETH

WHEREAS, the City is the current owner of property legally described as follows:

Lots 3, 4 and 5, in Block 28, in the Original Town of Fort Dodge, Webster County, Iowa (fka 401 & 413 2nd Avenue South); and,

WHEREAS, following a public hearing for the disposal of said property, the FDFCU submitted and the City accepted a proposal to purchase said property; and,

NOW, THEREFORE, the parties agree to the following stipulations:

The FDFCU agrees to:

1. Pay the City \$76,000 for the above-described property.
2. Invest approximately \$1,230,000 in the construction of a new building, approximately 70’ x 64’3” with an 8’ x 14’ entry. Site to include 3,031 s.f. of green space, 23 parking stalls and 2 ADA parking stalls, and the construction of a plaza in the northwest corner of the lot. Construction to begin in the spring of 2015, with completion anticipated by December 31, 2015.
3. Comply with all site plan requirements per the City’s Zoning Ordinance, and construct the site in accordance with the City’s Downtown Design Guidelines, per the approved site plan. The following portions of the site plan must also meet the Downtown Design Guidelines, and shall be shown on the final submitted site plan:
 - a. The layout of the fencing along the parking lot edges must meet the Design Guidelines. Specification of said fencing must be provided prior to installation.
 - b. If a monument sign is installed it should be uplift with landscaping installed to screen the light fixture(s).
 - c. If a monument sign is installed, one wall sign may be permitted and should be designed per the Design Guidelines.
 - d. Prior to finalizing design of the plaza area, FDFCU shall coordinate with City staff to ensure consistency with the proposed Downtown Gateway Elements.

- e. All proposed landscaping, including perennials and annuals, shall be maintained upon installation.

The City agrees to:

1. Convey the above-described property to the FDFCU for the purchase price of \$76,000.
2. Provide the FDFCU an economic development grant in the amount of \$76,000 to help defray additional costs incurred in order to meet Downtown Design Guidelines. Said grant to be paid upon the completion of 50% of the project improvements.
3. Provide a phase-in of new property taxes, as set out in the City's Urban Revitalization Plan, upon submittal of an application from FDFCU.
4. Provide site clean-up funds to FDFCU for additional conditions discovered during site preparation in excess of the original allocation of \$10,875.00 for site clean-up (this includes the removal of existing asphalt, footings and concrete floor).

All parties of this agreement hereby and herewith agree to hold harmless and indemnify each of the other parties, their employees or representatives, from any and all liability to which they may be subject, arising out of the execution of this agreement.

This is the complete and final agreement of the parties and no statement not herein contained has been relied upon by any party in affixing their signature hereto.

All parties warrant that they have full and sufficient authority to execute this agreement and each party will sign whatever document is necessary to effectuate this agreement.

IN WITNESS WHEREOF, we have affixed our signatures hereto.

CITY OF FORT DODGE, IOWA

ATTEST

By: Matt Bemrich, Mayor

Jeff Nemmers, City Clerk

STATE OF IOWA, WEBSTER COUNTY, ss:

On this ____ day of _____, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared Matt Bemrich and Jeff Nemmers to me personally known, who being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of said corporation; that the seal affixed thereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its City Council; and that the said Mayor and City Clerk as such officers, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Notary Public in and for said State of Iowa

FORT DODGE FAMILY CREDIT UNION

By: Julie Pingel, _____

Tom Johnson, _____

STATE OF IOWA, WEBSTER COUNTY, ss:

On this ____ day of _____, 2015, before me, the undersigned, a Notary Public in and for said State, personally appeared Julie Pingel and Tom Johnson to me personally known, who being by me duly sworn, did say that they are the _____ and _____, respectively, of said corporation; that said instrument was signed on behalf of said corporation by authority of its City Council; and that the said _____ and _____ as such officers, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Notary Public in and for said State of Iowa