

**June 16, 2014**

**To: Mayor Bemrich and City Council**  
**From: David Fierke, City Manager**  
**Subject: Development Agreement**  
**Iowa Outdoors Store Archery Range**

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**ACTION: For Vote Monday, June 23, 2014**

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**Brief History**

Owners of the Iowa Outdoors Store, located at 1597 3<sup>rd</sup> Avenue NW, are proposing to expand their current operations to include an 18-lane 3D archery range. They intend to invest over \$500,000 to remodel the existing building and to construct a 40' x 100' addition to house the archery range.

**Analysis of Issue**

This 35-yard indoor 3D archery range will be available to the general public for open shooting, lessons, leagues and tournaments. Current plans are to hold four tournaments per year, with each event attracting approximately 300 participants from throughout the Midwest. In addition, 3 annual trade show events are projected, potentially attracting 750 to 1000 visitors over a 3-day period.

There are 55,000 licensed archers in Iowa, plus an additional estimated 75,000 target and casual shooters in Iowa. Archery is the largest growing youth sport in Iowa, with 25% of Iowa schools offering Archery programs. The closest 3D ranges in Iowa are located in Carroll and Altoona, both of which are smaller than what the Iowa Outdoors Store is proposing.

**Budget Impact**

Based on the investment, incremental property taxes generated from this project are estimated at \$13,300 annually. Providing incentives from the increment produced for a period of 3 years is estimated at \$39,900.

**Strategic Plan Impact**

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 Envision 2030 Plan.

**Subcommittee or Commission Review / Recommendation**

None

**Staff Conclusions / Recommendations**

Staff recommends approval of the attached Development Agreement with the owner of the Iowa Outdoors Store.

**Alternatives**

The only alternative would be to not approve the Development Agreement, which would possibly delay, diminish or end the project.

**Implementation and Accountability**

If approved, staff will oversee the project and TIF payments as provided for in the agreement.

Signed



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Vickie Reeck  
Community Development Manager

Approved



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David R. Fierke, City Manager

RESOLUTION \_\_\_\_\_

Approving Development Agreement with Gale W. McKinney, Authorizing Annual Appropriation Tax Increment Payments and Pledging Certain Tax Increment Revenues to the Payment of the Agreement

WHEREAS, the City of Fort Dodge, Iowa (the "City"), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of the Code of Iowa, has adopted an Urban Renewal Plan for the Center City and Industrial Park Urban Renewal Areas (the "Urban Renewal Areas"); and

WHEREAS, this City Council has adopted an ordinance providing for the division of taxes levied on taxable property in the Urban Renewal Areas pursuant to Section 403.19 of the Code of Iowa and establishing the fund referred to in Subsection 2 of Section 403.19 of the Code of Iowa (the "Urban Renewal Tax Revenue Fund"), which fund and the portion of taxes referred to in that subsection may be irrevocably pledged by the City for the payment of the principal and interest on indebtedness incurred under the authority of Section 403.9 of the Code of Iowa to finance or refinance in whole or in part projects in the Urban Renewal Areas; and

WHEREAS, a certain development agreement (the "Agreement") between the City and Gale W. McKinney (the "Developer") has been prepared in connection with the construction of an addition to the Iowa Outdoors Store retail facility situated at 1597 3<sup>rd</sup> Avenue NW in the Urban Renewal Areas (the "Iowa Outdoor Project"); and

WHEREAS, under the Agreement, the City would provide annual appropriation tax increment payments to the Developer in a total amount not exceeding \$40,000; and

WHEREAS, this City Council, pursuant to Section 403.9 of the Code of Iowa, has published notice, has held a public hearing on the Agreement on June 23, 2014, and has otherwise complied with statutory requirements for the approval of the Agreement; and

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, tax incentives, 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, tax incentives 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;

NOW, THEREFORE, It Is 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 City Council hereby finds that:

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

(b) The Iowa Outdoor Project will generate public gains and benefits, particularly in the creation of new jobs, which are warranted in comparison to the amount of the proposed financial incentives.

Section 2. The City Council further finds that a public purpose will reasonably be accomplished by entering into the Agreement and providing the incremental property tax payments to the Developer.

Section 3. The Agreement is hereby approved and the Mayor and City Clerk are hereby authorized and directed to execute and deliver the Agreement on behalf of the City, in substantially the form and content in which the Agreement has been presented to this City Council, and such officers are also authorized to make such changes, modifications, additions or deletions as they, with the advice of bond counsel, may believe to be necessary, and to take such actions as may be necessary to carry out the provisions of the Agreement.

Section 4. All payments by the City under the Agreement shall be subject to annual appropriation by the City Council, in the manner set out in the Agreement. As provided and required by Chapter 403 of the Code of Iowa, the City's obligations under the Agreement shall

be payable solely from a subfund (the "Iowa Outdoor Subfund") which is hereby established, into which shall be paid that portion of the income and proceeds of the Urban Renewal Tax Revenue Fund attributable to property taxes derived from the property described as follows:

*Certain real property situated in the City of Fort Dodge, County of Webster, State of Iowa situated at 1597 3<sup>rd</sup> Avenue NW bearing Webster County Property Tax Identification Parcel Numbers 0624103001 and 0624103004*

Section 5. The City hereby pledges to the payment of the Agreement the Iowa Outdoor Subfund and the taxes referred to in Subsection 2 of Section 403.19 of the Code of Iowa to be paid into such Subfund, provided, however, that no payment will be made under the Agreement unless and until monies from the Iowa Outdoor Subfund are appropriated for such purpose by the City Council.

Section 6. After its adoption, a copy of this resolution shall be filed in the office of the County Auditor of Webster County to evidence the continuing pledging of Iowa Outdoor Subfund and the portion of taxes to be paid into such Subfund and, pursuant to the direction of Section 403.19 of the Code of Iowa, the Auditor shall allocate the taxes in accordance therewith and in accordance with the tax allocation ordinance referred to in the preamble hereof.

Section 7. All resolutions or parts thereof in conflict herewith are hereby repealed.

Passed and approved this 23<sup>rd</sup> day of June 2014.

AYES: \_\_\_\_\_  
NAYS: \_\_\_\_\_  
OTHER: \_\_\_\_\_

CITY OF FORT DODGE, IOWA

By: \_\_\_\_\_  
Matt Bemrich, Mayor

ATTEST:

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Jeff Nemmers, City Clerk