

July 7, 2014

To: Mayor Bemrich and City Council
From: David Fierke, City Manager
Subject: Resolution of Intent
Crosstown Industrial Park



ACTION: For Vote Monday, July 14, 2014

Brief History

Decker Investments owns approximately 120 acres of developable land north of 5th Avenue South and west of 42nd Street. They have proposed to develop the site into an Industrial Park. In order to access the lots, 1st Avenue South will need to be extended east to 42nd Street. The City has secured RISE grant funds in the amount of \$1,450,268 for the construction of the road. The 50% match obligation for these funds would be paid from funds received from the Jurisdictional Transfer of IA 926.

In addition, water, sanitary and storm sewer will need to be installed. The total project cost is estimated at \$5,095,835.

Analysis of Issue

The developer has requested TIF assistance in paying the costs of the public improvements required.

Budget Impact

The total incentive payments would not exceed \$1,087,000 or the aggregate interest on the improvement costs, whichever is lower. Payments would be made semiannually over a 10 year period, using 80% of the TIF generated from the project. If, at the end of 10 years, the TIF revenue has not met the total payment amount due to the developer, the payments would continue for up to an additional 10 years until the full obligation is paid.

Strategic Plan Impact

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.1.14: Appropriate opportunity sites for manufacturing and new technology enterprises shall be identified and protected through appropriate zoning. Such sites shall be based upon factors such as transportation access, availability of utilities, compatibility with nearby land uses, soil conditions, drainage, and other considerations.

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 D.4.2: Advanced planning for all infrastructure facilities shall be supported and routinely updated. Facilities benefited by advanced planning shall include, at minimum, schools, health care, residential areas, roads, water, sewer, storm water management, parks, recreation, and greenways.

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 Resolution of Intent to enter into an agreement with Decker Investments.

Alternatives

The only alternative would be to not approve the Resolution of Intent, which would delay, minimize or possibly end the project.

Implementation and Accountability

If approved, staff will begin the process of amending the Urban Renewal Plan, followed by the execution of an agreement with the developer.

Signed



Vickie Reeck
Community Development Manager

Approved



David R. Fierke, City Manager

RESOLUTION NO. _____

Resolution expressing intent to enter into a development agreement and to provide economic development support

WHEREAS, Decker Investments, Inc. (the “Developer”) owns certain real property (the “Property”) situated in the Center City and Industrial Park Urban Renewal Areas (the “Urban Renewal Areas”), the legal description of which is set forth on Exhibit A hereto, and the Developer has undertaken the development of new commercial and industrial lots thereon; and

WHEREAS, in order to promote the highest and best use of the Property, the City will cause certain public infrastructure improvements (the “Public Improvements”) to be constructed on the Property, and the Developer will reimburse the City for a portion of the costs of the Public Improvements; and

WHEREAS, the Developer has requested that the City Council (the “Council”) of the City approve the provision of tax increment financing support to help to defray the costs incurred by the Developer in connection with the Public Improvements, through a series of annual appropriation incremental property tax payments (the “Payments”) to be derived from the Property, for a period of twenty years in an aggregate amount not to exceed \$1,087,000; and

WHEREAS, the Council intends to support the Public Improvements Project by entering into a development agreement (the “Development Agreement”) and making provision for the funding of the Payments; and

WHEREAS, the Council will need to undertake the statutory process for approving the Project under its urban renewal plans and authorizing the Payments, but the City desires to convey its intent to pursue these actions to the Developer in order to facilitate progress on the Public Improvements Project through the adoption of this Resolution;

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

Section 1. The Council hereby expresses its intent to cause the construction of the Public Improvements Project in the future. The City will in good faith negotiate the Development Agreement with respect to the development of the Property and the undertaking of the Project, such agreement to minimally include the following terms:

A) The Developer will commit to undertaking the development and to use its best efforts to ensure that the Property is used for its highest and best commercial or industrial use; and

B) The Developer will commit to paying the portion of the costs of the Public Improvements Project not paid by the City through RISE Grant proceeds and corresponding local match during the period of construction of such Public Improvements Project; and

C) The Developer will agree to demonstrate the costs incurred by the Developer in financing the Public Improvements Project; and

D) The Developer will agree to assist the City with the payment of legal and administrative fees incurred in connection with the amendment to its urban renewal plan and the authorization and approval of the Development Agreement; and

E) The City will agree to cause the design of the Public Improvements Project by a licensed engineer. Further, the City will agree to enter into a construction contract for the construction of the Public Improvements Project following the public bidding procedures outlined in Iowa Code Chapter 26; and

F) The City will agree to pay for a portion of the costs of the Public Improvements; and

G) The City will agree to fund the Payments in an aggregate amount not to exceed \$1,087,000 over a period of twenty years of incremental property tax collections. The Payments will be funded with incremental property tax revenues to be derived from the Property, and each Payment will be in an amount which represents 80% of the incremental property tax revenues

available to the City with respect to the Property during the six months immediately preceding each Payment date. All Payments under the Agreement will be made subject to annual appropriation by the City Council; and

H) The City's obligations to perform under the Development Agreement shall be contingent upon the approval by the Iowa Department of Transportation of (i) the IA 926 jurisdictional transfer now proposed by the City; and (ii) the corresponding payment of funds in an amount not less than \$9,000,000 to the City in connection with such transfer.

Section 2. The City hereby agrees to use its best efforts to complete the statutory requirements of Chapter 403 of the Code of Iowa in order to amend its Urban Renewal Areas and to authorize the Development Agreement. Both the City and the Developer acknowledge that the City's commitment in this Section is merely a present statement of intent and that the Council must exercise its ordinary political discretion in the completion of the statutory processes referenced herein. The City will not be held liable in the event that the Council, through the exercise of its ordinary political discretion, determines to not approve any of the actions outlined herein.

Section 3. All resolutions and orders or parts thereof in conflict with the provisions of this resolution, to the extent of such conflict, are hereby repealed.

Passed and approved July 14, 2014.

Ayes: _____

Nays: _____

Other: _____

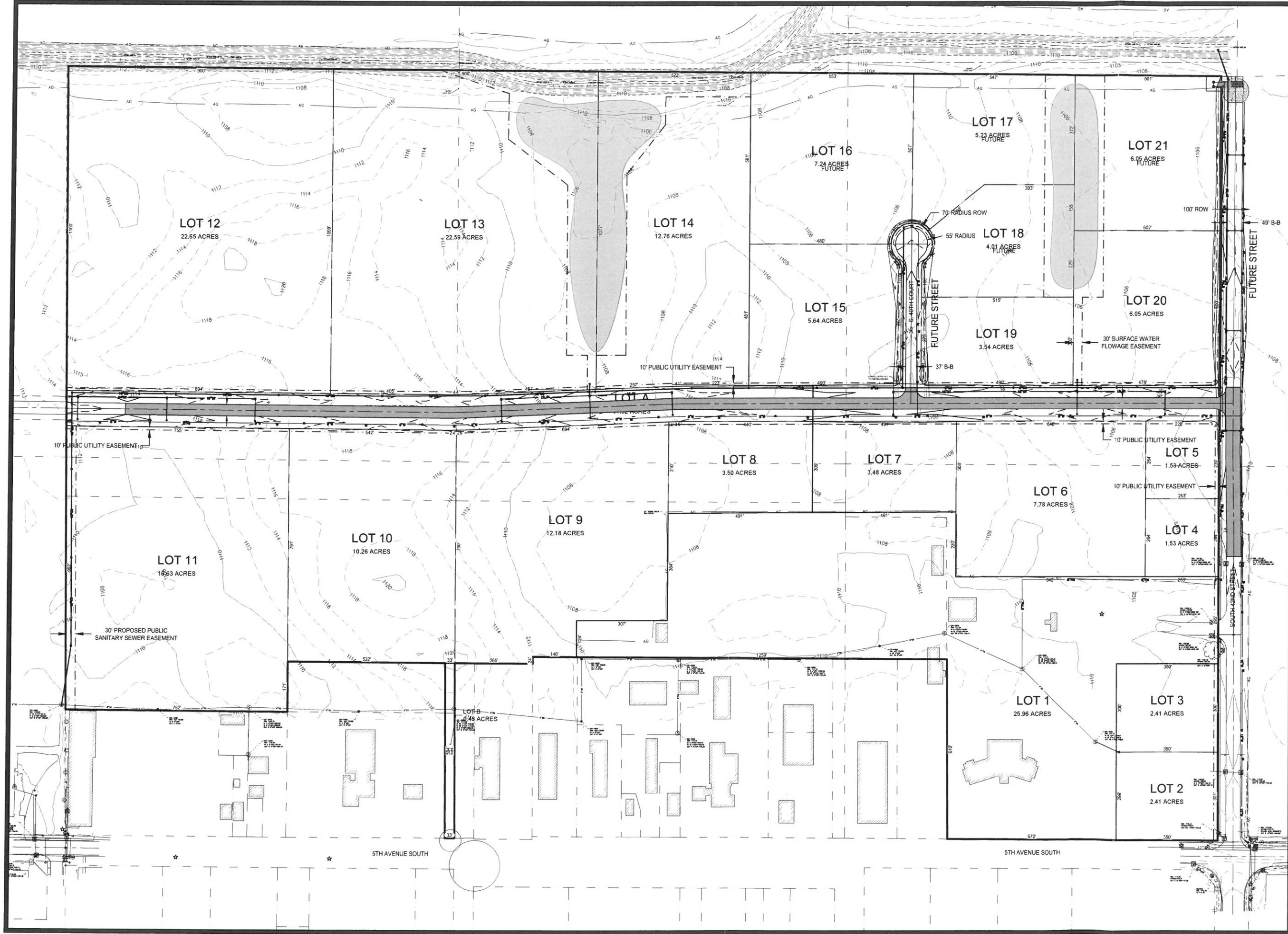
CITY OF FORT DODGE, IOWA

By: _____
Matt Bemrich, Mayor

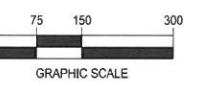
Attest:

Jeff Nemmers, City Clerk

NOTICE:
McClure Engineering Company waives any and all responsibility and liability for problems which arise from failure to follow these Plans, Specifications, and the engineering intent thereon, or for problems which arise from failure to obtain and/or follow the engineers guidance with respect to any errors, omissions, inconsistencies, ambiguities, or conflicts which are alleged.



PRELIMINARY PLAT



**CROSTOWN CONNECTOR
INDUSTRIAL PARK
PRELIMINARY PLAT**
FORT DODGE, IA
2212024
11/18/2013

REVISIONS
ENGINEER: C. SMITH
DRAWN BY: C. SMITH
CHECKED BY: FIELD BOOK NO.
DRAWING NO: PP-01
SHEET NO: 02 / 02