

July 7, 2014

To: Mayor Bemrich and City Council
From: David Fierke, City Manager
Subject: Resolution of Intent
Triton Plaza Project



ACTION: For Vote Monday, July 14, 2014

Brief History

Triton Plaza, LLC is currently in negotiations with James Schmidt to acquire the approximate 12-acre parcel at the Junction of Highways 169 and 20 for a development project. The proposal by the developer would include the potential construction of a hotel, office space, retail space and apartments.

The preliminary infrastructure costs are estimated at \$1,200,000, which includes \$1,010,000 in on-site costs and \$190,000 in off-site costs.

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 be the lesser of \$550,000 or the aggregate off-site infrastructure costs plus the interest cost on the on-site infrastructure costs. Payments would be made semiannually over a 5 year period, using 80% of the TIF generated from the project. If, at the end of 5 years, the TIF revenue has not met the total payment amount due to the developer, the payments would continue for up to an additional 5 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.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 Triton Plaza, LLC.

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, Triton Plaza, LLC (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 the Property through the installation of certain public infrastructure improvements (the “Public Improvements Project”) and the development of new commercial facilities thereon including a national chain hotel (the “Private Project”); and

WHEREAS, the Developer has requested that the City Council (the “Council”) of the City provide tax increment financing support to help to defray the costs of the Public Improvements Project, through a series of annual appropriation incremental property tax payments (the “Payments”) to be derived from the Property for a period of ten years in an aggregate amount not to exceed the lesser of \$550,000 or the actual costs of the Public Improvements Project; and

WHEREAS, the Council intends to support the Private Project and 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 Private Project and the Public Improvements Project under its urban renewal plans and authorizing the Payments, but the City desires to convey its intent to pursue these actions to the Developers in order to facilitate progress on the Private Project and 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 support the Private Project and 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 Private Project and the Public Improvements Project, such agreement to minimally include the following terms:

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

B) The Developer will agree to demonstrate the costs of the Public Improvements Project to the satisfaction of the City;

C) 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

D) The City will agree to fund the Payments in an aggregate amount not to exceed \$550,000 over a period of ten 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.

E) 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 Highway 169 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

Exhibit A - Property Description

Lot No. 4, County Auditor's Taxation Plat of the North One-half of the Northwest Quarter Laying North of the Chicago, Northwestern Railroad in Section 31, Township 89 North, Range 28, West of the 5th P.M., Webster County, Iowa:

ALSO KNOWN AND DESCRIBED AS

A parcel of land in the Northwest Quarter of Section 31, Township 89 North, Range 28 West of the 5th P.M., Iowa beginning 67.5 feet West of the Northeast corner of the Northwest Quarter of Section 31, said point being on the northerly right of way line of the Chicago Great Western Railroad; thence West 428.6 feet along the North line of the NW 1/4 of Section 31 to a point on the Southerly right of way of primary Road U.S. No. 20, said point being 60 feet normally distant southeasterly from the center of said U.S. 20; thence South 72°42' West along said southerly right of way 1149.6 feet to a point 60 feet normally distant southeasterly from U.S. 20 centerline station 670; thence South 67°53 1/2' West 502.1 feet to a point 100 feet normally distant southeasterly from U.S. 20 centerline station 666+12.5 which equals station 2665+69.1; thence Southwesterly 601.5 feet along a 1810 foot radius curve concave southeasterly to a point 100 feet normally distant southeasterly from U.S. 20 centerline station 2658+15.2; thence South 50°05' West 70.7 feet on a tangent line to the preceding course to a point 100 feet normally distant southeasterly from U.S. 20 centerline station 2657+44.5, said point being also 165 feet normally distant easterly from primary Road U.S. 169 survey station 1229+39.9; thence South 7°17' West 320 feet along the present easterly ROW line of U.S. 169 to a point on the Northerly ROW line of the Chicago Great Western Railroad; thence Northeasterly 305.8 feet along a 11,510 foot radius curve concave southeasterly, along said northerly ROW; thence North 65°12 1/2' East 2558.6 feet on a tangent line to the preceding course and along said Northerly ROW to the point of beginning.

EXCEPT parcel beginning at a point 67.5 feet West of the Northeast corner of the Northwest Quarter of Section 31 thence West 428.6 feet along the North line of said NW 1/4 to a point on the southerly ROW line of primary Road U.S. 20 said point being 60 feet normally distant southeasterly from the centerline of said U.S. 20; thence South 72°42' West 227.3 feet along said southerly ROW line; thence South 24°38'30" East 207.75 feet to the northerly ROW line of the Chicago Great Western Railroad; thence North 65°12 1/2' East along the northerly ROW of the Chicago Great Western Railroad to the point of beginning.

AND ALSO EXCEPTING parcel conveyed to the State of Iowa for road purposes as recorded in Deed Record 158 pages 531-534 of the records of Webster County, Iowa.

