

July 21, 2014

To: Mayor Bemrich and City Council
From: David Fierke, City Manager
Subject: Development Agreement
Triton Plaza Project



ACTION: Set Public Hearing for Monday, August 11, 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 setting a public hearing for Monday, August 11, 2014 at 6:00 p.m. to consider entering into an agreement with Triton Plaza, LLC.

Alternatives

The only alternative would be to not set a public hearing, which would prohibit the city from providing TIF incentives. This action could potentially delay, minimize or end the project.

Implementation and Accountability

If approved, staff will prepare an agreement for consideration following the public hearing on August 11, 2014.

Signed



Vickie Reeck
Community Development Manager

Approved



David R. Fierke, City Manager

RESOLUTION NO. _____

Resolution setting a date of meeting at which it is proposed to approve a Development Agreement with Triton Plaza, LLC, including annual appropriation tax increment payments in an amount not to exceed \$550,000

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, 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, the City proposes to enter into a certain development agreement (the “Development Agreement”) with Triton Plaza, LLC (the “Developer”) in connection with the development of certain real property in the Urban Renewal Areas, including the installation of certain public infrastructure improvements and the construction and operation of new commercial facilities thereon, including a national chain hotel; and

WHEREAS, the Development Agreement would provide financial incentives to the Developer in the form of annual appropriation incremental property tax payments in an amount not to exceed \$550,000 under the authority of Section 403.9(1) of the Code of Iowa; and

WHEREAS, it is necessary to set a date for a public hearing on the Development Agreement, pursuant to Section 403.9 of the Code of Iowa;

NOW THEREFORE, IT IS RESOLVED by the City Council of the City of Fort Dodge, Iowa, as follows:

Section 1. This City Council shall meet on August 11, 2014, at six o’clock p.m., at the Municipal Building, in the City, at which time and place proceedings will be instituted and action taken to approve the Development Agreement and to authorize the annual appropriation incremental property tax payments.

Section 2. The City Clerk is hereby directed to give notice of the proposed action, the time when and place where said meeting will be held, by publication at least once not less than four days and not more than twenty days before the date of said meeting in a legal newspaper of general circulation in the City. Said notice shall be in substantially the following form:

NOTICE OF MEETING FOR APPROVAL OF DEVELOPMENT AGREEMENT WITH
TRITON PLAZA, LLC AND AUTHORIZATION OF ANNUAL APPROPRIATION TAX
INCREMENT PAYMENTS

The City Council of the City of Fort Dodge, Iowa, will meet at the Municipal Building, on August 11, 2014, at six o'clock p.m., at which time and place proceedings will be instituted and action taken to approve a Development Agreement between the City and Triton Plaza, LLC (the "Developer"), in connection with the development of certain real property in the Center City and Industrial Park Urban Renewal Areas, including the installation of certain public infrastructure improvements and the construction and operation of new commercial facilities thereon including a national chain hotel, which Agreement provides for certain financial incentives in the form of incremental property tax payments in a total amount not exceeding \$550,000 as authorized by Section 403.9 of the Code of Iowa.

The Agreement to make incremental property tax payments will not be a general obligation of the City, but will be payable solely and only from incremental property tax revenues generated within the Center City and Industrial Park Urban Renewal Areas. Some or all of the payments under the Development Agreement may be made subject to annual appropriation by the City Council.

At the meeting, the City Council will receive oral or written objections from any resident or property owner of the City. Thereafter, the Council may, at the meeting or at an adjournment thereof, take additional action to approve the Development Agreement or may abandon the proposal.

This notice is given by order of the City Council of Fort Dodge, Iowa, in accordance with Section 403.9 of the Code of Iowa.

Jeff Nemmers
City Clerk

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Section 4. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved July 28, 2014.

Ayes: _____

Nays: _____

Other: _____

CITY OF FORT DODGE, IOWA

Matt Bemrich, Mayor

Attest:

Jeff Nemmers, City Clerk