

December 1, 2014

To: Mayor Bemrich and City Council

From: David Fierke, City Manager

**Subject: Approve Boehringer Ingelheim
Vetmedica, Inc. (BIVI) Application to the
Iowa Economic Development Authority
High Quality Jobs Program**



ACTION: For vote Monday, December 8, 2014

Brief History

Boehringer Ingelheim Vetmedica, Inc. (BIVI) is planning an investment of over \$118,000,000 in their Fort Dodge facilities, including the following components:

- Enhancements to its freeze drying capacity with the addition of a 12,000 square foot expansion;
- Investments in equipment and other plant assets to increase the facility's overall competitiveness;
- Establishment of a Veterinary Research Center (VRC) to support research and development and quality control, including the construction of a 32,215 square foot building;

The project is scheduled to begin in the first quarter of 2015.

Analysis of Issue

BIVI has requested the City of Fort Dodge sponsor an application to the Iowa Economic Development Authority for funding through the High Quality Jobs Program. As part of the sponsorship, the City would be required to provide matching funds in an amount estimated at \$1,333,713. Funding would be provided through a TIF Rebate of 65% of the increment produced from the project over an estimated 3.5 years.

Budget Impact

It is estimated that this project will produce approximately \$22 million in increased taxable value, which equates to an estimated \$592,761 in increment produced. Based on these calculations, 65% or \$385,294 would be provided to the company annually for 3.5 years.

Strategic Plan Impact

Policy C1.4: The current economy should be expanded through further development of the health and social services, manufacturing, and alternative fuels.

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.

Existing Plan Impact

This project is consistent with the City's 2030 Plan.

Subcommittee or Commission Review / Recommendation

n/a

Staff Conclusions / Recommendations

Staff recommends approval of the attached Resolution approving an application to the Iowa Economic Development Authority on behalf of BIVI.

Alternatives

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

Implementation and Accountability

If this resolution is approved, the application will be submitted to the Iowa Economic Development Authority for consideration. Following approval, the City would begin steps to amend its Urban Renewal Plan and approve a Development Agreement agreement with BIVI.

Signed

Approved



Vickie L. Reeck,
Community Development Mgr.

David R. Fierke
City Manager

RESOLUTION NO. _____

**A RESOLUTION APPROVING THE APPLICATION OF BOEHRINGER
INGELHEIM VETMEDICA, INC. TO THE IOWA ECONOMIC DEVELOPMENT
AUTHORITY HIGH QUALITY JOBS PROGRAM**

WHEREAS, the City of Fort Dodge has received a request from Boehringer Ingelheim Vetmedica, Inc. (BIVI) to approve and submit an application to the State of Iowa for the Economic Development High Quality Jobs Program, and

WHEREAS, the program was established to promote Economic Development and Job Creation in the State of Iowa, and

WHEREAS, the City of Fort Dodge supports activities which promote and facilitate Economic Development within the City of City of Fort Dodge, and

WHEREAS, in the application, BIVI has indicated that they will make a capital investment in excess of \$118,000,000.

NOW, THEREFORE, BE IT RESOLVED by the City of Fort Dodge:

- a. The Fort Dodge City Council hereby approves the application of BIVI for the purpose of receiving benefits from the High Quality Jobs Program.
- b. The Fort Dodge City Council understands the local match requirement of the Iowa Economic Development Authority and hereby approves a local match in the amount of \$1,333,713 in the form of a TIF Rebate of 65% of the increment produced from the project over an estimated 3.5 years.
- c. The Fort Dodge City Council hereby authorizes the Mayor to sign the HQJP application on behalf of the City and to take such further actions as deemed necessary in order to carry into effect the provisions of this Resolution.

PASSED, APPROVED, AND ADOPTED this ___ day of _____, 2014.

Ayes: _____

Nays: _____

Other: _____

CITY OF FORT DODGE, IOWA

By: Matt Bemrich, Mayor

Attest:

Jeff Nemmers, City Clerk