

COUNCIL ACTION FORM

SUBJECT: ENDORSEMENT OF IOWA ECONOMIC DEVELOPMENT AUTHORITY APPLICATION FOR FINANCIAL ASSISTANCE FOR WEBFILINGS LLC WITH LOCAL MATCH IN THE FORM OF PROPERTY TAX ABATEMENT

BACKGROUND:

WebFilings, LLC is a company that has developed an Internet based service to provide support for preparing and submitting documents required by the Securities and Exchange Commission (SEC). WebFilings, which has software development and sales and marketing support operations located in the ISU Research Park, has applied for economic development assistance for a project that includes an additional 60,000 square foot building at the ISU Research Park, the addition of 700 new full-time positions, and designation of the Ames complex as the company's corporate headquarters.

The Iowa Economic Development Authority (IEDA) has agreed to provide \$5,500,000 in incentives to the company. This includes \$500,000 in sales tax rebates, a \$2,500,000 grant, and \$2,500,000 in the form of a no interest loan. A condition of this financial package is that the City of Ames provides a tax abatement incentive totaling \$2,740,000 as a local match to the State funding. At its October 29, 2013 meeting, the City Council approved the general terms of an agreement to provide a local match. **The next step in the process is to endorse the application to the IEDA for economic development assistance as the local sponsor.**

IEDA has approved the WebFilings application for assistance contingent on approval of the City of Ames as the local sponsor. For the IEDA to continue with this project, the Council must adopt a resolution supporting the submittal of the WebFilings application for IEDA assistance, including the local match. The agreement for the local match will be brought before the Council for approval at a later date.

ALTERNATIVES:

1. Adopt a resolution supporting the submittal of an application from WebFilings, LLC requesting economic development assistance from IEDA with local match to be provided in the form of property tax abatement in an amount not to exceed \$2,740,000.
2. Do not adopt a resolution of support for WebFilings' application.

MANAGER'S RECOMMENDED ACTION:

WebFilings is a rapidly growing software company in Ames that is making a significant investment of capital to expand high paying jobs. In keeping with the Council's goal to promote economic development, this project will expand the number of quality jobs within our community.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby adopting a resolution supporting the submittal of an application from WebFilings, LLC requesting economic development assistance from IEDA with local match to be provided in the form of property tax abatement in an amount not to exceed \$2,740,000.