

**COUNCIL ACTION FORM**

**SUBJECT: AMENDMENT TO ECONOMIC DEVELOPMENT CONTRACT BETWEEN THE IOWA ECONOMIC DEVELOPMENT AUTHORITY, WEBFILINGS AND THE CITY OF AMES**

**BACKGROUND:**

In December 2010, the City entered into an economic development agreement with the Iowa Economic Development Authority and WebFilings for construction of Phase 1 of the WebFilings office facility. The City commitment included a \$100,000 loan to the company. The company is current with the loan and has met the employment requirements for the agreement. State assistance included loan and various State tax incentives.

**The company is now asking to amend the contract to allow for direct collection of sales tax related to construction of the building rather than receiving credit back from the State of Iowa. The amendment also makes a small adjustment to the Investment Tax Credit provided by the State. This amendment will have no impact on the City of Ames portion of the agreement, but the City does need to sign the amendment as a party to the original agreement.**

**ALTERNATIVES:**

1. Adopt a resolution authorizing the Mayor to enter into an amendment to the 2010 economic development agreement with WebFilings and the Iowa Economic Development Authority to adjust the terms of State of Iowa credit for sales tax and Investment Tax Credits.
2. Deny the request to amend the contract.

**MANAGER'S RECOMMENDED ACTION:**

**The proposed amendment has no impact on the terms of the contract that apply to the City of Ames, and will assist this local company in the completion of an existing economic development project.**

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative 1 as described above.