

COUNCIL ACTION FORM

**SUBJECT: EXTENSION OF JOB CREATION PROGRAM AGREEMENT WITH IOWA
DEPARTMENT OF ECONOMIC DEVELOPMENT AND NEWLINK
GENETICS**

BACKGROUND:

NewLink Genetics (NewLink) is an Ames-based pharmaceutical development company. In 2005, NewLink received approval for financial assistance from the Iowa Department of Economic Development (IDED) with direct assistance provided in the form of a \$200,000 High Quality Job Creation Program (HQJC) forgivable loan. The HQJC contract included agreement by the City to act as the local government sponsor. The City has no financial liability under the agreement, and responsibility as the sponsor is limited to "Good Faith Enforcement" of the agreement.

NewLink has requested, and the IDED Board has agreed, to amend the contract to extend the project completion date from five years to six years from the date of the original agreement. Approval of the amendment requires agreement by the City as local sponsor.

ALTERNATIVES:

1. Approve an amendment to the HQJC agreement between the City of Ames, NewLink Genetics, and the IDED, extending the project completion date.
2. Do not approve the amendment to the NewLink HQJC agreement.

MANAGER'S RECOMMENDED ACTION:

The amendment to this agreement will allow an Ames-based company additional time to complete the project to expand their business. There will be no additional financial or other liability for the City.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving an amendment to the HQJC agreement between the City of Ames, NewLink Genetics, and the IDED.