

COUNCIL ACTION FORM

SUBJECT: ENDORSEMENT OF IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT APPLICATION FOR FINANCIAL ASSISTANCE FOR BOEHRINGER INGELHEIM VETMEDICA, INC WITH LOCAL MATCH IN THE FORM OF A \$61,000 FORGIVABLE LOAN.

BACKGROUND:

Boehringer Ingelheim Vetmedica, Inc (BIVI) is one of the world's leading pharmaceutical companies with operations in several locations in the United States. With the recent acquisition of Fort Dodge Animal Health, BIVI is expanding Iowa based operations including the BIVI Health Management Center located in the ISU Research Park. The company will be expanding a well established business line and will retain 41 jobs in Ames and create an additional 20 jobs with an average annual salary of \$78,800. The overall project also includes expansion of existing facilities in Fort Dodge and Sioux Center. The project will require no infrastructure investment in Ames, and expanded operations will be located in additional leased space at the ISU Research Park.

The BIVI application for assistance to the IDED will be reviewed for approval by the IDED later this month. The local match from the City will be contingent upon IDED assistance and future approvals by the City Council. For the IDED to continue consideration of this project, the City Council must adopt a resolution supporting the submittal of the BIVI application for IDED assistance. If Council supports the application for assistance, the local match for the project is a \$61,000 forgivable loan.

ALTERNATIVES:

1. Adopt a resolution supporting the submittal of an application from Boehringer Ingelheim Vetmedica, Inc, requesting economic development assistance from IDED with local match to be provided in the form of a forgivable loan in the amount of \$61,000.
2. Deny the application for assistance.

MANAGER'S RECOMMENDED ACTION:

The proposed project has the potential to provide expansion of quality jobs and property tax base and without additional public infrastructure.

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 Boehringer Ingelheim Vetmedica, Inc, requesting economic development assistance from IDED with local match to be provided in the form of a forgivable loan in the amount of \$61,000. Funding for this local match will come from the available balance in our Economic Development Fund which reflected a balance of \$677,000 as of June 30, 2010.