

COUNCIL ACTION FORM

SUBJECT: EXTENSION OF HIGH QUALITY JOB CREATION PROGRAM AGREEMENT BETWEEN IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT, NEWLINK GENETICS CORPORATION AND CITY OF AMES

BACKGROUND:

NewLink Genetics (NewLink) is an Ames-based pharmaceutical development company. In 2007, 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 an 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 March 18, 2011 to March 18, 2012 and to also extend the maintenance period for job retention from March 18, 2016 to March 18, 2017. 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 and maintenance period for job retention by one year.
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, extending the project completion date and maintenance period for job retention by one year.