

COUNCIL ACTION FORM

SUBJECT: APPROVAL OF CONTRACT FOR ECONOMIC DEVELOPMENT FINANCIAL ASSISTANCE WITH IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT AND BOEHRINGER INGELHEIM VETMEDICA, INC. AND THE CITIES OF AMES, FORT DODGE, AND SIOUX CENTER

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 acquisition of Fort Dodge Animal Health, BIVI began a project to expand 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 15 jobs. The overall project also includes expansion of existing facilities in Fort Dodge and Sioux Center.

At its November 16, 2010 meeting, the City Council adopted a resolution supporting the submittal of an Iowa Department of Economic Development (IDED) application for assistance from BIVI including a City of Ames match in the form of a forgivable loan in the amount of \$61,000. At its April 26, 2011 meeting, the Council adopted a resolution approving the local match agreement with BIVI. The final step in this process is to finalize the agreement between BIVI, IDED and the local communities, including Ames. The local community commitments under the contract are primarily to provide the local match and to notify IDED if the City becomes aware of any material alterations to the project.

The project will require no infrastructure investment in Ames, and expanded operations will be located in additional leased space at the ISU Research Park.

ALTERNATIVES:

1. Adopt a resolution approving the contract for economic development financial assistance with the Iowa Department of Economic Development and Boehringer Ingelheim Vetmedica, Inc., and the cities of Ames, Fort Dodge, and Sioux Center.
2. Do not approve the contract.

MANAGER'S RECOMMENDED ACTION:

The proposed project has the potential to provide expansion of quality jobs and property tax base without the expense of additional public infrastructure. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby adopting a resolution approving the contract for economic development financial assistance with the Iowa Department of Economic Development and Boehringer Ingelheim Vetmedica, Inc., and the cities of Ames, Fort Dodge, and Sioux Center.