



CITY COUNCIL MEMORANDUM

TO: City Council

FROM: Matthew R. Schmitz, MPA - City Manager

DATE OF MEETING: October 9, 2023

ITEM TITLE: Economic Development Incentive

BACKGROUND:

The property located at 812 3rd St NW is now under contract to be purchased by a new company. As part of that process, the State of Iowa is considering awarding an Economic Development Incentive (EDI) to the new company, however, they have not officially made a decision on this item at this time.

DISCUSSION:

In order to support the new company and the State of Iowa with the EDI, the City is required to match 20% of the potential EDI. This would amount to a cost to the City of \$200,000, but this does not have to be a cash match. The match can be in-kind in the form of assistance with potential storm sewer work that will need to be done, or a property tax abatement under the High-Quality Jobs Act for the State of Iowa. We will need to have follow-up conversations with the County Assessor and are working to get those scheduled.

RESULTS:

The City has established priorities during strategic planning sessions. This item supports the Vision from that session of Developing and Reviving Independence. This item helps achieve that vision by supporting a new business to come to town and continue to offer high-quality jobs to the City's residents.

FINANCIAL CONSIDERATION:

This is a large expenditure for the City but will support an employer coming to town that will provide a sizeable number of jobs for the City. While the costs appear to be large, when divided by the number of jobs that this will support, the costs become much more reasonable.

RECOMMENDATION:

Staff recommends a motion to approve the Mayor and City Manager to continue working on this Economic Development Incentive.