



## CITY COUNCIL MEMORANDUM

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**TO:** City Council

**FROM:** Matthew R. Schmitz, MPA - City Manager

**DATE OF MEETING:** November 27, 2023

**ITEM TITLE:** A Resolution of the City Council of the City of Independence, IA Approving the Application of Independence Foods LLC to the Iowa Economic Development Authority High Quality Jobs Program

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### BACKGROUND:

In the early summer of 2023, the Mayor and City Manager were notified that the existing Blue Buffalo facility in Independence would be closing. We immediately began working to help locate a company to move into the facility to keep as many jobs as possible in the community. Independence Foods LLC has agreed to purchase the property and move forward with investing approximately \$15,000,000 in the facility and to employ 229 High Quality Jobs making a minimum of \$25.90 per hour according to their application with Iowa Economic Development Authority (IEDA) for this project.

### DISCUSSION:

Support of these jobs by the City of Independence comes at a cost of matching 20% of the award authorized by IEDA. That amount is \$1.5 million, so the City's required match will be up to \$300,000. The attached Resolution indicates the City's support for the project and lays out three options to make up this \$300,000 amount:

1. In-kind work improving the storm sewer system in the area including Engineering or Construction.
2. Tax Abatements for any additional taxes generated by the improvements to the property.
3. Cash outlay as a last resort to make up the required match.

### RESULTS:

The City has established priorities during strategic planning sessions. This item supports the Vision from that session of Expanding and Enhancing Infrastructure by improving storm drainage in the area and reducing flooding for both the applicant and surrounding properties as well as Developing and Reviving Independence by encouraging growth and development in the community and placement of high quality jobs.

### FINANCIAL CONSIDERATION:

If the stormwater work is ultimately selected, funding for that can come from the Storm Water Utility Fee. If Tax Abatements are chosen, that would simply reduce the tax revenues to the City and reduce the obligation of the new owner in regard to taxes. Cash outlay is a last resort, but could be funded through multiple options which would need to be discussed with the Council before moving forward with that option.

### RECOMMENDATION:

Staff recommends a motion to approve and authorize the Mayor to sign the Resolution of the City Council of the City of Independence, IA Approving the Application of Independence Foods LLC to the Iowa Economic Development Authority High Quality Jobs Program.