



CITY COUNCIL MEMORANDUM

TO: City Council

FROM: Matthew R. Schmitz, MPA - City Manager

DATE OF MEETING: April 28, 2025

ITEM TITLE: Independence Premium Foods Development Agreement

BACKGROUND:

This item was discussed at the April 2, 2025, City Council Work Session.

During that meeting, Staff advised the Council that the overall project cost had increased from \$489,376.85 to \$542,706.75, an increase of \$53,329.90.

As a reminder, the City is only responsible for the first \$300,000 of the overall project cost as the required match for the High-Quality Jobs Act Grant that Independence Premium Foods (IPF) received.

DISCUSSION:

IPF initially requested a four-year repayment period for its portion of the work. Upon discussion with the Council, it was asked that the repayment window be shortened, that an interest rate be added, and whether or not a "claw-back" provision could be added for the entire project amount, not just the portion that IPF is responsible for.

Upon discussion with IPF, they have agreed to a three-year repayment cycle (payments each quarter), a 4% interest rate on the funds. However, they were not willing to agree to the idea of being responsible for the City's portion as well. The contract has been updated as such and is attached for consideration.

RESULTS:

The City has established priorities during strategic planning sessions. This item supports the Vision from that session of Expanding and Enhancing Infrastructure and Developing and Reviving Independence. This item helps achieve that vision by enhancing infrastructure in this area to support not only IPF but also the surrounding neighborhood, and by helping to protect an employer's business from stormwater infiltration that could jeopardize their operations.

FINANCIAL CONSIDERATION:

Funds for the City's portion of this work were included in a prior bond issuance, and funds for the additional amount that IPF would pay back are within the existing Stormwater Management Utility fund balance.

RECOMMENDATION:

Staff recommends a motion to approve the Independence Premium Foods Development Agreement and to authorize the City Manager to sign the agreement.