



## CITY COUNCIL WORK SESSION MEMORANDUM

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**TO:** City Council

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

**DATE OF MEETING:** April 7, 2025

**ITEM TITLE:** IPF Development Agreement

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### **DISCUSSION:**

At the beginning of March, Staff was contacted by Independence Premium Foods (IPF) regarding re-starting the project that was stopped last fall. After that inquiry, Staff reached out to Crawford Engineering to have them talk with the Contractor to determine if costs have changed since the project was initially bid and then put on hold. Unfortunately, costs have increased from \$409,376.85 to \$462,706.75 – an increase of \$53,329.90. This changes the overall project costs (including Engineering, Legal, Construction, etc.) from \$489,376.85 to \$542,706.75, which means IPF's contribution would increase from \$189,376.85 to \$242,706.75 as the City is only responsible for the first \$300,000 of the project costs as the match for the High-Quality Jobs Act Grant that IPF received. This information has been communicated to IPF, and they are interested in continuing the project despite the cost increase.

IPF has requested a four-year repayment period for its portion of the work. This would be incorporated into the agreement, and the City would then fund the entire project with IPF, making payments back to the City in accordance with the terms of the Development Agreement.

### **RECOMMENDATION:**

Staff recommends discussion of this topic. No action is needed at this meeting, as any decision items needed would be brought forward to a City Council meeting for approval.