

**COUNCIL ACTION FORM**

**SUBJECT: ENDORSEMENT OF IOWA ECONOMIC DEVELOPMENT AUTHORITY APPLICATION FOR FINANCIAL ASSISTANCE FOR 3M WITH NO LOCAL MATCH REQUIREMENT**

**BACKGROUND:**

The 3M Company has applied for economic development assistance from the Iowa Economic Development Authority (IEDA) to expand operations at the Ames plant. The application does not include a request for a local match, but local sponsorship of the application is required to proceed.

The project will include converting approximately 30,000 square feet of space at the Ames plant currently used for warehousing and light manufacturing to a more intense manufacturing use. Total investment expected for the project is nearly \$29 million, including a \$1,286,500 assistance package from IEDA primarily in the form of investment tax and other state tax credits. This project utilizes existing buildings at the Ames facility and is expected to create an additional 75 jobs. No local assistance from the City is required. The City's involvement will be administrative as the local sponsor.

IEDA will review the 3M application for assistance on January 18, 2013. For the IEDA to continue consideration of this project, the City Council must adopt a resolution supporting the submittal of the 3M application for IEDA assistance.

**ALTERNATIVES:**

1. Adopt a resolution supporting the submittal of an application from 3M requesting economic development assistance from IEDA with no local match.
2. Do not adopt a resolution of support for 3M application.

**MANAGER'S RECOMMENDED ACTION:**

3M is an international company with a long-term presence in Ames that is making a significant investment of capital to expand paying jobs without the cost of additional City infrastructure or local match requirements. In keeping with the Council's goal to promote economic development, this project will expand the number of quality jobs within our city.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, adopting a resolution supporting the submittal of an application from 3M requesting economic development assistance from IEDA with no local match.