

ITEM #: 29
DATE: 08-08-23
DEPT: FIN

COUNCIL ACTION FORM

SUBJECT: ENDORSEMENT OF IOWA ECONOMIC DEVELOPMENT AUTHORITY APPLICATION FOR FINANCIAL ASSISTANCE FOR 3M COMPANY

BACKGROUND:

3M is seeking financial assistance from the Iowa Economic Development Authority (IEDA) through the High-Quality Jobs Program (HQJ) and is requesting support from the City to expand its local production by installing three additional lines and support equipment at the Ames facility.

The project will include approximately \$13,000,000 in investments in machinery and equipment and roughly \$410,000 in building construction improvements. In addition, the expansion would create 25 high-quality jobs, including engineering, operator, and maintenance positions.

Given that the project does not have a significant impact on local property tax collections, the IEDA has indicated that a local match is not required for participation in the program. The City must simply endorse the application for State assistance, which will be considered at the August 18, 2023 IEDA Board Meeting.

ALTERNATIVES:

1. Adopt a resolution endorsing the submittal of the application from 3M Company, requesting economic development assistance from the IEDA.
2. Do not adopt a resolution of support for the 3M Company application.

CITY MANAGER'S RECOMMENDED ACTION:

3M is an international company seeking financial assistance to expand the capacity of its Ames facility. The nearly \$13.5 million investment will result in 25 high-quality jobs. Given that the investment does not impact local property tax collections, **there is no local match requirement for the project.** 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 No. 1, as noted above.