

AGENDA ITEM SUMMARY

**Subject: Consider Resolution 137-20; Cambrex 2020
Expansion project - City Sponsor IEDA application**

Background Summary:

Cambrex Corp. recently announced a \$49.29M expansion project which will create 32 new jobs that exceed the qualifying wage of \$17.81 per hour. This qualifies Cambrex for state incentive from Iowa Economic Development Authority (IEDA). On July 17th the IEDA board generally supported an award to Cambrex in the amount of \$250,000 in direct financial assistance as well as tax benefits via the state High Quality Job program.

As part of the official application to the state the City has been asked to be the project sponsor. This is something we have done for other projects as it shows that we support the project. Additionally there is a local match requirement of which will be met with a forgivable loan from the Charles City Area Development Corporation of \$30,400 as well as with a forgivable loan from the area Tif district based on the new jobs, \$1,250 per job * 32 = **\$40,000**.

SW Bypass TIF committee reviewed the request and made recommendation to approve. We will be taking official action (as will the County) at a future meeting.

Resolution 137-20

A RESOLUTION OF ENDORSEMENT OF, AND SUPPORT FOR, APPLICATION BY CAMBREX CHARLES CITY, INC. TO THE IOWA ECONOMIC DEVELOPMENT AUTHORITY WITHIN THE HIGH QUALITY JOBS PROGRAM

WHEREAS, the City of Charles City, Iowa desires to promote economic growth via job creation/retention and new capital investment when appropriate; and,

WHEREAS, the City of Charles City, Iowa has in the past proven supportive of efforts by local firms to enhance productivity and profitability; and,

WHEREAS, the City of Charles City, Iowa is mindful of the fact that the bulk of new jobs and income is created by existing companies within the community; and,

WHEREAS, the City of Charles City, Iowa is committed to assist local businesses through various mechanisms designed to maintain the economic competitiveness of the community; and,

WHEREAS, the City of Charles City, Iowa is appreciative of the economic benefits, professional competencies and level of corporate citizenship conferred by Cambrex Charles City, Inc.; and,

WHEREAS, Cambrex Charles City, Inc. proposes an expansion project with capital expenditure of approximately \$49,290,000; and,

WHEREAS, the proposed project will create 32 new jobs that exceed the qualifying wage of \$17.81/hour; and,

WHEREAS, the City of Charles City, Iowa enjoys a mutually beneficial relationship with the Iowa Economic Development Authority, being the recipient within business and infrastructure assistance programs;

NOW, THEREFORE, BE IT RESOLVED, that the City of Charles City, Iowa hereby lends its unqualified endorsement and support to an application within the High Quality Jobs Program of the Iowa Economic Development Authority by Cambrex Charles City, Inc. for \$250,000 in Direct Financial Assistance to overcome locational disadvantage factors; and,

BE IT FURTHER RESOLVED that the City of Charles City, Iowa will provide monitoring assistance as requested by the Iowa Economic Development Authority regarding this award.

Passed and adopted this 3rd day of August, 2020

Dean Andrews, Mayor

ATTEST:

Trudy O'Donnell, City Clerk

401 North Main Street
Charles City, Iowa 50616



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Charles City
Area Development Corporation

email: ccadc@charlescitiya.com

20 July 2020

Steven T. Diers, ICMA-CM, Administrator
City of Charles City, Iowa
105 Milwaukee Mall
Charles City, Iowa 50616

Dear Administrator Diers:

Cambrex Charles City, Inc. is undertaking an expansion at its Charles City location. Capital investment is estimated at \$49,290,000. There will be 32 jobs created, all dramatically eclipsing the \$17.81/hr. prevailing Charles City Laborshed 100% wage threshold.

Charles City Area Development Corporation respectfully requests that the City Council of Charles City, Iowa pass a Resolution of Endorsement vis-à-vis this worthy project. This document will be forwarded to the Iowa Economic Development Authority [IEDA]. The Resolution would likely be similar to one the City passed for the 2017 Cambrex IEDA application.

Mayor Andrews will be asked thereafter to sign the support document embedded within the IEDA High Quality Jobs Program application. That page is attached to this file.

Thank you for your cooperation and effort.

Sincerely,

Timothy S. Fox, MPP, CED, EDFP, PCED

SECTION H

Certification & Release of Information

1. Are there any judgments or court actions completed or pending against the applicant entity, or any current or prospective officer, principal, director, or owner? Yes No
2. Has any current or prospective officer, principal, director, or owner been accused or convicted of any wrongdoing or crime, other than a simple misdemeanor? Yes No
3. Have there been any current or past bankruptcies on the part of the applicant entity (or predecessor entities), or on the part of any current (or prospective) officer, principal, owner or in any business dealings of current (or prospective) officers, principals, or owners of the applicant entity? Yes No
4. In the last five years have there been, or are there currently any investigations of potential violations of public health, safety (including workplace safety) or environmental laws by the applicant entity, or any current or prospective officer, principal, director, or owner? Yes No
5. In the last five years have there been, or are there currently any violations of antitrust laws by the applicant entity, or any current or prospective officer, principal, director, or owner? Yes No
6. *If yes to any of the above, please provide additional explanation:*

I hereby give permission to the Iowa Economic Development Authority (IEDA) to research the Business' history, make credit checks, contact the Business' financial institutions, insurance carriers, and perform other related activities necessary for reasonable evaluation of this application. I also hereby authorize the Iowa Department of Revenue to provide to IEDA state tax information pertinent to the Business' state income tax, sales and use tax, and state tax credits claimed.

I understand that all information submitted to IEDA related to this application is subject to Iowa's Open Record Law (Iowa Code, Chapter 22), unless specifically marked as confidential section.

I understand that IEDA reserves the right to negotiate the financial assistance.

I understand this application is subject to final approval by IEDA and the Project may not be initiated until final approval is secured. Furthermore, I am aware that funds will not be disbursed until a contract has been executed and the appropriate terms have been met.

I hereby certify that all representations, warranties, or statements made or furnished to IEDA in connection with this application are true and correct in all material respect. I understand that it is a criminal violation under Iowa law to engage in deception and knowingly make, or cause to be made, directly or indirectly, a false statement in writing for the purpose of procuring economic development assistance from a state agency or subdivision.

For the Business:

For the Sponsor(s):

John M. Andrews 06-18-2020
Signature Date

Signature Date

John M. Andrews, VP Operations & Site Director

Dean Andrews, Mayor

IEDA will not provide assistance in situations where it is determined that any representation, warranty, or statement made in connection with this application is incorrect, false, misleading or erroneous in any material respect. If assistance has already been provided prior to discovery of the incorrect, false, or misleading representation, IEDA may initiate legal action to recover incentives and assistance awarded to the Business.