Council Communication
November 14, 2022

Department: Community Development	**Resolution No: 22-___**	**City Council: November 14, 2022**

Subject/Title:
Application to the Iowa Economic Development Authority (IEDA) for financial assistance benefits under the Targeted Jobs Withholding Tax Credit Program (TJWTCP) by IceCap Cold Storage (formerly US Property Cold Storage).

Location:
Phase II: Cold Storage Facility – 1700 16th Avenue, Council Bluffs, IA

Company Background:
US Property has a tremendous history that stems back to 1970. Founded by Karl Witt in 1970 as K & C Management, this real estate management company was destined to diversify and grow. In 1999, Monte and Lisa Froehlich acquired K & C Management and quickly changed the name to US Property to eliminate the assumed relationship to Kansas City and expand their scope of services. In 2005, Monte and Lisa located US Property's headquarters to downtown Lincoln, NE to further grow the company and establish a commercial presence in the region. Today, US Property is actively developing both industrial and mixed-use commercial properties across north America including Phase I of the IceCap Cold Storage project in Council Bluffs.

Scope of Project:

Phase I:
IceCap Cold Storage is actively completing construction on Phase I of their Council Bluffs facility. Phase I includes a 160,000 SF warehouse/distribution facility that will also house offices and have 26 dock doors as well as rail access. The state-of-the-art facility will include racking, freezing and transportation components to serve the modern cold storage distribution industry. The facility will serve local and regional cold storage customers including protein manufacturers. Construction on Phase I is anticipated to be completed by April 2023.

Phase II:
Phase II of IceCap's cold storage project includes a 160,000 SF expansion of their warehouse/distribution facility. The Phase II expansion will also include additional dock doors and will be equipped with the same racking and freezing components as identified in the Phase I facility. Construction on the Phase II expansion project is anticipated to commence in late 2022 with completion expected in late 2023 or early 2024.

Project Budget:
Phase I = $49,630 **AND** Phase II = $69,675,937 for an overall project budget of **$139,401,504.**

Project Workforce:
US Property employs 100 full-time employees at their locations throughout the United States.

Employment by Phases:
Phase I of this project will result in 58 new full-time positions at an annual average rate of $24.00 per hour.

Phase II of this project will result in 146 new full-time positions at an annual average rate of $24.00 per hour.

These positions include warehouse and maintenance technicians, management and administration. IceCap also provides health insurance and other benefits to their full-time employees.

Historical Project Discussion:

US Property submitted a Targeted Jobs Withholding Tax Credit Application (TJWTC) application to Iowa Economic Development Authority (IEDA) in December 2021 for Phase I of the project of which the City of Council Bluffs supported and sponsored via Resolution 21-360. While working with IceCap (US Property) regarding Phase II, it was recommended by IEDA that US Property (IceCap) withdrawal their Phase I application and submit a new application for Phase II only. This recommendation was based on IEDA's internal policy to no longer stack incentive applications meaning that Phase I would need to be complete before authorizing incentives for Phase II. IceCap agrees with IEDA's recommendation and officially withdrew their Phase I application – a copy of IceCap's withdrawal letter is on file with the Community Development Department.

Phase II Project Discussion:

IceCap Cold Storage desires to apply to the Iowa Economic Development Authority (IEDA) for benefits under the Targeted Jobs Withholding Tax Credit Program (TJWTC). The company has submitted a project questionnaire form to IEDA and has been invited by the State to submit a full application for the TJ incentive program. Per program guidelines, the City must sponsor the application by passing a resolution of support detailing local incentives. Incentives under the Targeted Jobs Withholding Tax Credit Program include a rebate of payroll withholding taxes for a period of 5-years. The following outlines what the State of Iowa estimates that IceCap qualifies for under the TJ program as well as the required local match which will be satisfied utilizing the Urban Revitalization designation currently on the site.

Targeted Jobs Withholding Tax Credit Program	
Targeted Jobs Withholding Tax Credit Assistance	$770,000
Proposed URV Tax Abatement Program	$7,937,728
Total:	**$8,707,728**
Total Estimated Incentive Amount:	**$8,707,728**

Upon review of the investment levels and job numbers, staff is recommending that the City utilize the Urban Revitalization property tax abatement program in the amount of $7,937,728 to satisfy the match requirement for the Targeted Jobs program. The property tax abatement is only applicable to the increase in valuation based on this project and will either be 100% for 3-years or on a sliding scale from 80% down to 20% over the course of 10-years – the program allows the company to choose which option.

Project Timeline:

IceCap expects to start site preparation in Q4 2022 with an anticipated completion of Q4 2023 or Q1 2024.

Staff Recommendation:

Advance Southwest Iowa Corporation recommends that the City Council adopt the resolution supporting the application submitted by IceCap for benefits under the Targeted Jobs Withholding Tax Credit Program.

Attachments:

IceCap's Targeted Jobs Withholding Tax Credit application is available to review upon request by contacting Paula Hazlewood at (402) 960-8505 or phazlewood@selectgreateromaha.com.

Respectfully Submitted By: Paula Hazlewood, Chief Executive Officer, Advance Southwest Iowa Corporation
Approved By: Courtney Harter, Director, Community Development