Council Communication
May 24, 2021

Department: Community Development	**Resolution No: 21-___**	**City Council: May 24, 2021**

Subject/Title:
Application to the Iowa Economic Development Authority for financial assistance benefits under the Targeted Jobs Withholding Tax Credit Program (TJWTCP) by TSL Company Holdings, Ltd.

Location:
Project Location(s) – 2427 South Avenue and 116 29th Avenue, Council Bluffs

Company Background:
TSL is an integrated, value added, full-service logistics organization. TSL services all domestic markets in North America with intermodal contracts encompassing all class one railroads and a network of contracted over-the-road, for-hire trucking companies. TSL has been involved with international containerized freight shipments since its inception. With the advent of globalization, TSL has adjusted its efforts to put a greater focus on international logistics opportunities. TSL has a network of offices to facilitate worldwide shipments of full container load (FCL), less than container load (LCL) and air freight.

Scope of Project:
In February 2020, TSL purchased the Anderson Excavating Company yard at 116 29th Avenue (54-acres), Council Bluffs, IA. It is TSL's intention to redevelop this property into an intermodal container freight station. This move will allow for the centralization of containerized freight logistics and reduce vehicle miles traveled by tractor trailer. Facility improvements include pavement of the facility, tractor fueling, transportation equipment maintenance, container storage, bonded storage, rail/intermodal transload. In addition, TSL purchased the former National Concrete Cutting facility at 2427 South Avenue. This facility will operate as TSL's main facilities office in Council Bluffs and as their main repair facility for TSL's tractor fleet. To date, TSL has secured $1,536,000 in funding through the Linking Iowa's Freight Transportation Systems (LIFTS) grant program. The funding opportunity requires a federal level environmental review of the project, with focus on the affects the project will have to any historical or cultural sites in the project area. TSL also intends to work with the City of Council Bluffs, Pottawattamie County and the Iowa Department of Transportation to secure RISE and RAISE grants for the completion of this project moving forward.

Project Budget:
The project budget is $23,623,600

Project Workforce:
TSL employs 570 full-time employees at their locations throughout the United States. This project will result in 38 positions being relocated from TSL's Nebraska based facility. TSL's average hourly wage is $22.67 and is expected to increase to $27.12 over the course of the next 36-months. These positions include Operations Assistant, Vice President of Maintenance and Repair, Shop Foreman, Mechanics, Terminal Managers, Yard Workers and Security Guards. TSL also provides health insurance and other benefits to their full-time employees.

Discussion:
TSL desires to apply to the Iowa Economic Development Authority (IEDA) for benefits under the Targeted Jobs Withholding Tax Credit Program (TJ). 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 taxes for a period of 10-years. The following outlines what the State of Iowa estimates that TSL qualifies for under the TJ program as well as the Advance Southwest Iowa Corporation staff recommendation for the required local match. Staff plans to complete the South Avenue Urban Renewal Plan which will allow tax increment financing (TIF) as the required match. This plan will be brought to Council in the next 30 days for review.

Targeted Jobs Withholding Tax Credit Program	
Targeted Jobs Withholding Tax Credit Assistance	$465,526
Proposed Urban Renewal Program	$1,075,800
Total:	**$1,541,326**
Total Estimated Incentive Amount:	**$1,541,326**

Upon review of the investment levels and job numbers, staff is recommending that the City utilize the Urban Renewal program in the amount of $1,075,800 to satisfy the match requirement for the Targeted Jobs program and other future grant programs being sought for this project.

Project Timeline:

TSL anticipates completing the site design by June 2021, the Federal level environmental review for the LIFTS grant by March 2022, the financing aligned by April 2022 with construction completed by January 2023.

Staff Recommendation:

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

Attachments:

TSL Company Holdings, Ltd. Targeted Jobs Withholding Tax Credit application has been provided under separate cover with "confidential payroll and financial information" being reviewed upon request by contacting Paula Hazlewood at (402) 960-8505 or phazlewood@selectgreateromaha.com.

Respectfully Submitted By: Paula Hazlewood, Executive Director, Advance Southwest Iowa Corporation
Approved By: Courtney Harter, Housing & Economic Development Manager