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MINUTES OF THE PROCEEDINGS
OF THE BURLINGTON, IOWA CITY COUNCIL

Special Meeting No. 6
February 12, 2015

The Burlington City Council met in regular session at 5:30 p.m. in the Thomas J. Smith Council Chambers, City Hall with Mayor McCampbell, Council Members Anderson, Davidson, Fleming and Scott present.

BURLINGTON CITY COUNCIL

RESOLUTIONS:

Introduced By: Anderson

Seconded By: Fleming

1. Resolution of the City of Burlington, Iowa Approving the Applications of Silgan Containers Manufacturing Corporation for the Purpose of Receiving Benefits under the State of Iowa's High Quality Jobs Program and Targeted Jobs Withholding Tax Credit Program and Initiating Local Property Tax Incentives and Authorizing the Execution of Local Agreements and the Commitment of Local Matches for the Purpose of Silgan Containers Manufacturing Corporation to Receive Direct Financial Assistance from the Iowa Economic Development Authority

DISCUSSION: David Toyer, Economic Director with Greater Burlington Partnership, stated that the last time Burlington added to the manufacturing base was 2002. He stated that Silgan Containers Manufacturing Corporation was the largest manufacturer of metal food packaging in the United States with 29 manufacturing facilities located around the United States. He stated that the capital investment for this project was estimated at \$100,000,000.00 and the construction of a \$25,000,000.00 412,000 square foot state of the art manufacturing facility on approximately 36 acres in the Flint Ridge Business Park. The capital investment includes items such as expenditures for equipment, research and development and working capital. He stated that the project is expected to create 120 full time positions, including 110 jobs with an hourly wage equal to or greater than \$14.73 (the average laborshed wage and threshold for qualifying for the State's High Quality Jobs Program). He stated that in total, starting wages are projected to range between \$13.06 per hour and \$33.00 per hour, depending on the job with an overall weighted average wage of \$21.15 per hour. He stated that the estimated project would create 120 direct jobs, 23 indirect jobs and 48 induced jobs. He stated that the economic modeling also anticipates this project will have a multiplier of 1.34 meaning that for every one dollar (\$1.00) of final sale by the company the local economic impact is estimated to be \$1.34. He stated that the company was seeking financial assistance through a combination of state and local economic development incentive programs, including the Targeted Jobs Withholding Tax Credit Program, High Quality Jobs Program, local property tax incentives, local permit fee and utility connection waivers, and

a Revitalize Iowa's Sound Economy (RISE) transportation grant. He stated that in accordance with Iowa Code section 15.332 the High Quality Jobs Program the City can exempt from taxation all or a portion of the actual value added by improvements to real property directly related to new jobs created by the location or expansion of an eligible business under the program. The maximum exemption a local community may approve is a 100% exemption for a period of twenty years beginning the year the improvements are first assessed for taxation. He stated that given the size of the project, the company is seeking a 20 year property tax exemption at 100%. He stated that as an alternative the City could approve a local property tax incentive in accordance with Iowa Code Chapter 403.19, rebating all of the real property taxes collected on the property, except those taxes pertaining to City and County debt service and other protected levies. The City could approve a 20 year property tax rebate under this scenario. He stated that the company has indicated that it would like to have the option to select either of the local property tax incentives and is asking the City to consider approving both incentives with an expectation that the Company would make a decision before December 31, 2015. He stated that as a result of the size and scope of the project, including added truck traffic, certain transportation improvements are necessary to Division Street and West Burlington Avenue, including the reconstruction of Division Street from West Burlington Avenue to just east of the rail tracks, the addition of a center turn lane on Division Street and the reconfiguration of the intersections of Division Street and West Burlington Avenue, as well as West Burlington Avenue and West Avenue. He stated that these transportation improvements are not only necessary to support this project, but an immediate commitment of funding is required. He stated that such circumstances allow the City to seek an immediate opportunity RISE grant from the IDOT. He stated that the City's local match does not have to be identified at this time, but at a minimum the City is required to provide the IDOT with an assurance that it will provide the match. He stated that the most likely source of funding for this local match would be tax increment financing (TIF). Jason Hutcheson, CEO and President of Greater Burlington Partnership, stated that they have been working on the project for a long time. He stated that tax exemptions of this size were very rare. John Mooers of Silgan Containers Manufacturing Corporation thanked the Council for their consideration. He stated that Burlington was a fabulous community and he felt they would make an excellent citizen. After considerable discussion by the Mayor and Council, they thanked John Mooers of Silgan Containers Manufacturing Corporation for choosing Burlington. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 5 - "AYES")

ADOPTED

Introduced By: Scott

Seconded By: Fleming

2. Resolution of the City of Burlington, Iowa Certifying an Immediate, Non-Speculative Opportunity Exists for Permanent Job Creation That Necessitates a Revise Iowa's Sound Economy (RISE) Immediate Opportunity Grant Application and Endorsing an Immediate Non-speculative Development Project and Approving the Submission of a Grant Application and Authorizing the Mayor, or Mayor Pro-Tem in Any Absence, to Sign Required Grant Applications and Agreements

DISCUSSION: None.
(VOTE: 5 - "AYES")

ADOPTED

Introduced By: Davidson

Seconded By: Scott

3. Resolution of the City of Burlington, Iowa Waiving of Building Fees and Connection Charges for the Silgan Containers Manufacturing Corporation Project at Flint Ridge Business Park

DISCUSSION: The Development and Parks Director stated that the proposed Resolution waives the building fees and connection charges for the Silgan Containers Manufacturing Project at Flint Ridge Business Park. He stated that the total estimated costs of fees were \$90,000.00 in actual building permit fees and between \$5,000.00 and \$10,000.00 in electrical permit fees that would be waived. The City Manager stated that there were existing utilities adjacent to the site, so the City will have no infrastructure costs in order to reach the site and serve their needs. He stated that the new facility will not have an impact on the Wastewater Treatment Facility. He further stated that due diligence by the State, Greater Burlington and the City Attorney. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.
(VOTE: 5 - "AYES")

ADOPTED

Adjournment: 6:28 p.m.

Approved: March 2, 2015

Kathleen P. Salisbury, MMC
City Clerk

Shane A. McCampbell
Mayor

(See recording on file in the office of the City Clerk for complete discussion and documentation.)