



INDEPENDENCE

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CITY OF INDEPENDENCE

OFFICE OF THE MAYOR

April 5, 2019

TO: House Business and Labor Committee

RE: HB2408

The City of Independence is a forward leaning community working hard to provide opportunities and a better community for our hard-working residents. Our economic development model is focused on finding small or large business opportunities because we believe all job opportunities are important. Independence has large industrial greenfield and redevelopment land and we are always seeking established businesses to make significant investments in our community and create jobs for our residents. Experience has taught us that incentives are critical to making these larger deals stick and our core incentive is our Enterprise Zone.

Any significant project in our Enterprise Zone will likely exceed \$20 million. HB 2408 would devastate our larger economic development plan. The cost of prevailing wages, which come on the front end of a project (and are short-term), would more than exceed any future tax benefit that the Enterprise Zone allows. Our next best option would be to delist our Enterprise Zone even though we know that would make any large investment in our community nearly impossible.

It is an unfortunate reality that an Enterprise Zone is not an optional incentive – it's expected for large industrial developments. There are enough other cities and states that do have Enterprise Zones that companies simply use this as their first criteria for site selection. Without an Enterprise Zone – either through designation or because of prevailing wage rules that negate the value of the incentive – larger industrial developments simply will not materialize in communities like Independence. This means no jobs at all, much less prevailing wage jobs, and our residents will continue to cross City, County and State borders to find employment. This clogs our transportation systems, is inefficient and lowers the amount of time they have to spend time with their family.

We respectfully request that you do not support HB 2408 and instead continue to support long-term job growth in Independence.

Sincerely yours,

A handwritten signature in black ink that reads "John McArdle". The signature is written in a cursive, flowing style.

John McArdle,
Mayor