

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 1368-2023**

Recipient: International Food Solutions
Project Manager: Robin Brown
Ward/Councilperson: 5/ Starr
City Assistance: Enterprise Zone Tax Abatement (10 year/75%) and a Job Creation Income Tax Incentive
Project Site: 2295 East 55th, Cleveland, Ohio 44103

Company Background

Established in 2008, International Food Solutions (IFS) is a certified Minority Business Enterprise (MBE) that produces Asian, Latin American and Indian prepared foods and meal services to over 5000 K–12 school districts nationally, as well as adjacent institutional foodservice end markets such as long-term care facilities, hospitals, and US military bases.

IFS is seeking to locate a food manufacturing facility in Cleveland, Ohio to vertically integrate its own supply chain, in addition to processing poultry for other customers. At capacity, the facility would process 60M lbs. of poultry annually. IFS will renovate and construct an addition to the former Goodwill building located at 2295 East 55th, Cleveland, Ohio 44103 ("Project Site") to a food grade standard. The building is currently vacant and requires significant renovations and improvements. International Food Solutions or designee ("Borrower") is requesting a five year Job Creation Income Incentive and a 10-year 75% Tax Abatement. The Tax Abatement will assist with building renovations located at 2295 E. 55th Cleveland, Ohio 44103 ("Project Site"). Borrower will create and/or cause to create 220 new W-2 jobs at the Project Site with an approximate payroll of \$10,410,400.

Phase 1 consists of renovating the existing Goodwill building and constructing a 120K SF addition of food production space, cold and dry storage and office space, installing 1 Production Line with a production capacity of 30M lbs. annually, of which IFS already has 13M lbs. sold based on existing school district contracts. Phase 1 will create 160 new full-time equivalent jobs. Phase 2 consists of installing a second production line with a combined production capacity with the first line of 60M lbs. annually. Phase 2 will create an additional 60 full time equivalent jobs.

In order to assist with the project financing, the Company has requested the City impose a 10-Year, 75% Tax Abatement and a Job Creation Income Incentive. The Tax Abatement will support International Food Solutions and assist with renovations at 2295 East 55th Street, Cleveland, Ohio 44103 ("Project Site").

Proposed City Assistance

- City will provide a 10 year/75% Enterprise Zone Tax Abatement and a five year Job Creation Income Tax Incentive.

Economic Impact

- Creation of 220 full-time equivalent jobs, with an annual payroll of \$10,410,400
- The project is expected to generate \$2,602,600 in income tax and \$2,937,015 in property tax revenues over the term of the abatement.

City Requirements

- Project is subject to Chapter 187: MBE/FBE/CSB requirements
- Project is subject to Chapter 188: Fannie Lewis Cleveland Resident Employment Law
- Project is subject to a Workforce Development Agreement
- Project is subject to a Community Benefits Agreement