CITY OF JOPLIN
COUNCIL AGENDA ITEM

ITEM:
Council Bill 2020-410 – Enhanced Enterprise Zone (EEZ) Program - Aesir Technologies

ORIGINATING DEPARTMENT:
Planning, Development, and Neighborhood Services

MEETING DATE:
December 7, 2020

REVIEWED BY;
Director of Planning, Development and Neighborhood Services- Troy Bolander, Director of Finance-Leslie Haase, City Attorney- Peter Edwards, City Manager-Nick Edwards.

SUMMARY;
The following council bill is a request by Aesir Technologies, Inc. (formerly Zaff Energy Systems) for the abatement of the ad valorem taxes on an existing building and future addition. The facility is located at 8125 E. 26th St., Joplin MO in the Crossroads Industrial Park. The taxes will be abated through the Joplin Area Enhanced Enterprise Zone (EEZ) Program.

BACKGROUND;
Aesir Technologies, Inc. has acquired Zaff Energy Systems of Joplin. Zaff Energy Systems is in the forefront of battery technology innovation and emerging energy storage market. The new company is proposing to make a capital investment into the existing building and construct a new addition onto the building as well. Aesir Technologies is currently located in the Crossroads Industrial Park. The company plans to create 160 jobs within two years and 350 jobs within 6 years. The average annual wage of the new jobs created within the first 2 years is $42,625. The company will pay 70% of employee health benefits. The estimated investment by the company into the facility and new equipment purchase is $23,000,000 over the life of the project.

The amount and length of abatement offered is based on a sliding scale (see exhibit B) developed and approved by the Joplin Area Enhanced Enterprise Zone Board and Joplin City Council. Staff recommends that Aesir Technologies' ad valorem taxes on the existing building and addition be abated at 100% for 10 years per the EEZ Tax Abatement Guidelines. The recommendation is based on the data submitted by Aesir Technologies that they will pay an average wage of $42,625 per job which is approximately $2,000 more or 105% of the county average wage ($40,664). The company will create a minimum of 160 jobs within two years and provide at least 70% of the employees' health benefits.

More information about the company can be found at: https://zafsys.com/

RECOMMENDATION
Staff recommends approval of Council Bill No. 2020-410 as an emergency ordinance.

ATTACHMENTS
CB 2020-410, Joplin Area Chamber of Commerce Ltr., Exhibit A, Exhibit B