To: Mayor and City Council
From: Anita Rasmussen, Planning and Community Development Director
Subject: Manufacturing Investment Fund Application
Date: May 2, 2014

The Minnesota Investment Fund provides financing to help add new workers and retain high-quality jobs on a statewide basis. The focus is on industrial, manufacturing, and technology-related industries to increase the local and state tax base and improve economic vitality statewide. Funds are awarded to local units of government who provide loans to assist expanding businesses.

All projects must meet minimum criteria for private investment, number of jobs created or retained, and wages paid. Only one award per state fiscal year may be provided to a government unit. At least 50 percent of total project costs must be privately financed through owner equity and other lending sources (most applications selected for funding have at least 70 percent private financing).

The City of Sartell would like to submit an MIF application on behalf of ET Manufacturing. Due to the significant amount of competition for workforce in Canada, Edmonton Trailer is seeking to expand their operations in a 30,000 sf facility located in Sartell. The ability to attract and retain quality and reliable employees has been an impediment for growth in Canada. In order to fulfill orders and trailer needs in Canada and the United States, expansion into Sartell has become necessary. Because of the expansively educated workforce and the ample number of degrees awarded in welding and manufacturing/manufacturing engineering from area colleges, central Minnesota and Sartell in particular became the logical location of choice.

The Sartell location also provides a central location for supply side fulfillment companies such as Edmonton Trailer, which will aid in the planned expansion of the company and facility in the next few years. In addition, the Sartell area provides for a more affordable workforce as compared to Canada. To make the building ready for operations, new mechanical systems, Overhead Gantry Cranes and overhead doors would need to be installed. An interior 2,700 sf office space including restrooms and locker rooms would be constructed as part of the repurposing.

The City of Sartell finds the Edmonton Trailer project to be financially feasible as the property, including the building, will be funded with cash/equity. The company plans to hire all new employees from the area including welders and specialized designers.

City's Responsibilities. In applying for the MIF grant, the City would receive the proceeds and loan the requested amount to ET Manufacturing. In administering this revolving loan fund to ET Manufacturing, the City will be responsible for providing annual reports to DEED. Up to $5,000 can be used for the administration of this loan program.

Requested action:
Adopt resolution approving the application to the Minnesota Investment Fund

RESOLUTION APPROVING THE APPLICATION TO THE MINNESOTA INVESTMENT FUND

BE IT RESOLVED that the City of Sartell act as the legal sponsor for a project funds contained in the Business and Community Development Application under the Minnesota Investment Fund to be submitted on _____ and that Mayor Joe Perske and City Administrator Mary Degiovanni are hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of ET Manufacturing.

BE IT FURTHER RESOLVED that City of Sartell has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate construction, operation, maintenance and replacement of the proposed project for its design life.

BE IT FURTHER RESOLVED that City of Sartell has not incurred any costs and has not entered into any written agreements to purchase property.

BE IT FURTHER RESOLVED that City of Sartell has not violated any Federal, State, or local laws pertaining to fraud, bribery, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, City of Sartell, may enter into an agreement with the State of Minnesota for the above-referenced project, and that the City of Sartell certifies that it will comply with all applicable laws and regulations as stated in all contract agreements and described on the Compliance Section (S-7) of the Business and Community Development Application.

AS APPLICABLE, BE IT FURTHER RESOLVED that City of Sartell, before the official submission of the grant application, will obtain credit reports and credit information from ET Manufacturing. Upon review by City of Sartell, will determine if there are no adverse findings or concerns regarding, but not limited to, tax liens, judgments, court actions, and filings with state, federal and other regulatory agencies were identified. Failure to disclose any such adverse information could result in revocation or other legal action.

NOW, THEREFORE BE IT RESOLVED that Mayor Joe Perske and City Administrator Mary Degiovanni, or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project(s) on behalf of the applicant.

I CERTIFY THAT the above resolution was adopted by the City Council of Sartell on May 12, 2014.

SIGNED: _____

WITNESSED: _____