

RESOLUTION 19D-10

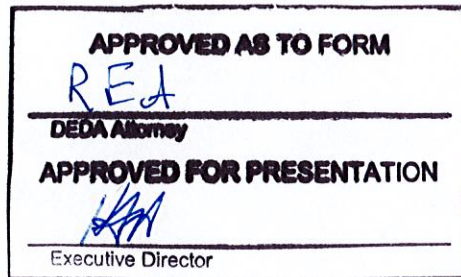
**RESOLUTION AUTHORIZING A GRANT/DEVELOPMENT AGREEMENT WITH  
MOLINE MACHINERY LLC FOR THE DEVELOPMENT OF A NEW  
MANUFACTURING FACILITY IN WEST DULUTH IN THE AMOUNT OF \$125,000.**

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into a Grant/Development Agreement, substantially in the form of that attached hereto (DEDA Contract No. 19 860 ) with Moline Machinery, LLC to facilitate the development of a new approximately 25,000 square foot manufacturing facility to be used In conjunction with existing facilities in the manufacture of baking and food processing machinery as described in said development agreement, in the amount of not to exceed \$125,000, payable from Fund 860.

Approved by the Duluth Economic Development Authority this 27th day of March, 2019.

ATTEST:

  
\_\_\_\_\_  
Executive Director



STATEMENT OF PURPOSE: The purpose of this resolution is to approve the attached Grant/Development Agreement with Moline Machinery, LLC (Moline) to facilitate an expansion project, currently underway in West Duluth.

Moline is a Duluth based manufacturer of industrial bakery and food processing equipment for high volume production serving the world's largest food companies. Moline has significant real estate investments in its West Duluth complex. In the company's name, or its affiliates, are facilities which will pay more than \$135,000 in real estate taxes during 2019. The project, underway, will modernize one of the historic existing buildings and add an additional 25,000 sq ft of new manufacturing space, adding new real estate tax base. Moline anticipates that the new and renovation construction will result in additional valuation consistent with its other industrial sites and associated additional real estate tax.

In order to make the expansion possible, a new sewer line must be constructed to serve the combined facility. The grant will be utilized to replace the sanitary main (public improvements) associated with the project, which will need to extend under Keene Creek. As a condition of DEDA's assistance, Moline has committed to the

retention/preservation of no less than 83 FTE jobs in Duluth. In addition to retaining/preserving much-needed manufacturing jobs in the Duluth region, this project will upgrade public infrastructure and work to protect Keene Creek from sanitary main failure. This Agreement commits Moline to the preservation of jobs in Duluth, or be subject to repaying the conditional grant on a pro rata basis at the end of two years. Moline has committed to the design and construction of the public improvements in accordance with plans and specifications approved by the City Engineer. Upon completion of construction, the public improvements will be turned over to the City for ownership, operation, and maintenance.