Legislation Details (With Text)

File #:	18-0082R	**Name:**	
Type:	Resolution	**Status:**	Passed
File created:	1/11/2018	**In control:**	Finance
On agenda:	1/22/2018	**Final action:**	1/22/2018
Title:	RESOLUTION AUTHORIZING A FORGIVABLE LOAN WITH ALTEC INDUSTRIES, INC. IN THE AMOUNT OF $550,000.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. State MIF Loan Agreement Altec-FINAL, 2. Security Agreement Altec Phase 1-FINAL, 3. Security Agreement Altec Phase 2-FINAL, 4. Promissory Note Phase 1 Altec-FINAL, 5. Promisorty Note Phase 2 Altec-FINAL		

Date	Ver.	Action By	Action	Result
1/22/2018	1	City Council	adopted	

RESOLUTION AUTHORIZING A FORGIVABLE LOAN WITH ALTEC INDUSTRIES, INC. IN THE AMOUNT OF $550,000.

CITY PROPOSAL:
RESOLVED, that the proper city officials are authorized to enter into a Minnesota Investment Fund forgivable loan agreement with Altec Industries, Inc. (“Altec”) in the amount of $550,000 substantially in the form of that attached hereto as Exhibit A, for acquisition of equipment related to an expansion of its manufacturing facilities at its Duluth Port terminal location, said funds payable from Fund 235-020-5458 (Duluth Recovery Fund, Planning, Payments to Developers).

STATEMENT OF PURPOSE:
Altec is a leading worldwide provider of products and services to the electric utility, telecommunications, tree care, lights and signs, and contractor markets. It was founded in 1929 and established its Duluth Port terminal location in 2002. It currently has 227 employees locally who earn no less than $16.80 per hour starting, plus benefits. Altec plans to expand its Duluth operations over the next two years adding 100 new jobs and investing $12.5 million in new equipment and facility build out.

In October, 2017, City Council passed Resolution 17-0734R authorizing staff to submit a Minnesota Investment Fund (MIF) loan application to the state of Minnesota Department of Employment and Economic Development (DEED) on behalf of Altec in the amount of $550,000 and the City to accept and administer the granted funds of the loan. This resolution authorizes the City to enter into a forgivable Loan Agreement with Altec for the disbursement and administration of those awarded funds.

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