



Legislation Details (With Text)

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**Title:** RESOLUTION AUTHORIZING AN APPLICATION FOR A LOAN WITH ALTEC, INC IN AN AMOUNT NOT TO EXCEED \$550,000 CONTINGENT UPON RECEIPT OF A MINNESOTA INVESTMENT FUND GRANT FROM THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

**Sponsors:**

**Indexes:**

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Date	Ver.	Action By	Action	Result
10/9/2017	1	City Council	adopted	

RESOLUTION AUTHORIZING AN APPLICATION FOR A LOAN WITH ALTEC, INC IN AN AMOUNT NOT TO EXCEED \$550,000 CONTINGENT UPON RECEIPT OF A MINNESOTA INVESTMENT FUND GRANT FROM THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

**CITY PROPOSAL:**

BE IT RESOLVED, that the City of Duluth (City) act as the legal sponsor for the project contained in the Minnesota Investment Fund Application in the amount of \$550,000 to be submitted on or about October 15, 2017, and that the Mayor and Chief Administrative Officer of the City are hereby authorized to apply to the Minnesota Department of Employment and Economic Development (DEED) for funding of this project on behalf of the City.

FURTHER RESOLVED, that the City has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure professional administration of the grant.

FURTHER RESOLVED, that the City has not violated any federal, state, or local laws pertaining to fraud, bribery, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

FURTHER RESOLVED, that upon approval of its application by the state, the City may enter into a Grant Contract with the State of Minnesota for the above-referenced project and that the City certifies that it will comply with all applicable laws and regulations as stated in the Grant Contract.

BE IT FURTHER RESOLVED, that the City has obtained credit reports, credit information and completed searches of tax liens, judgments, court actions and filings with state, federal and other regulatory agencies on Altec Industries, Inc (Altec) and Altec, Inc. Upon review by the City, the City reasonably does not believe that any pending case will cause the Company not to undertake or complete this project, nor impact the Company's ability to repay this loan, nor jeopardize the Company's survival. Failure to disclose any such adverse information could result in revocation or other legal action.

NOW, THEREFORE BE IT RESOLVED, that the proper City officials are hereby authorized to execute the Grant Contract and amendments thereto, as are necessary to implement the project on behalf of the City.

**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 and currently has 229 employees locally who earn no less

than \$16.80 per hour starting, plus benefits. The Minnesota Department of Employment and Economic Development (DEED)'s Minnesota Investment Fund (MIF) program is considering the City's application on behalf of Altec due to the 100 new jobs Altec plans to add in Duluth over the next two years, as well as a \$12.5 million investment in their facility expansion and in new equipment. This investment is necessary for the Duluth operation to remain competitive as well as to expand the products and services it offers. This resolution authorizes staff to submit the application in the amount of \$550,000 and the City to accept and administer the grant. If approved, a second resolution will be brought to the Council for approval of the MIF loan agreement with Altec.