



Legislation Text

File #: 19-0210R, **Version:** 1

RESOLUTION APPROVING DEDA RESOLUTION 19D-10 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.

CITY PROPOSAL:

RESOLVED, the city council hereby approves resolution no. 19D-10 of the Duluth Economic Development Authority authorizing a grant/development agreement in the amount of \$125,000 with Moline Machinery LLC for the replacement of the existing sanitary sewer main during the development of a new manufacturing facility in West Duluth.

STATEMENT OF PURPOSE: The purpose of this resolution is to approve DEDA's action regarding 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 square feet 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.