



Minutes

Roseville Economic Development Authority (REDA) City Council Chambers, 2660 Civic Center Drive Monday, May 7, 2018 – 7:47 p.m.

1. Roll Call

President Dan Roe called to order a meeting of the Roseville Economic Development Authority (REDA) in and for the City of Roseville at approximately 7:47 p.m. Voting and Seating Order: McGehee, Willmus, Laliberte, Etten, and Roe.

Present: President Dan Roe and Board Members Tammy McGehee, Robert Willmus, Lisa Laliberte, and Jason Etten.

Others Present: Executive Director Pat Trudgeon, Community Development Director Kari Collins, Housing & Economic Development Program Manager Jeanne Kelsey, City Attorney Mark Gaughan, and City Attorney Martha Ingram.

2. Business Items

a. **Adopt a Resolution Supporting Local Subsidy for Colder Products Company (CPC) to Locate New Headquarters at 2814 Cleveland Ave**

Community Development Director Collins briefly highlighted this item as detailed in the RCA and related attachments dated May 7, 2018. She noted that Colder Products has identified as 2814 Cleveland Ave as their new global headquarters for approximately 388 employees, up to potentially 486 by 2022. Due to significant site challenges, CPC is seeking environmental remediation dollars and also looking for redevelopment subsidy by way of a brand-new TIF for the site. The subsidy request is approximately \$3 million, \$2 million of a redevelopment TIF based off a preliminary TIF run by Ehlers, and approximately \$1 million in HSS dollars towards remediation. These figures are very preliminary, depending on environmental conditions. Several representatives of CPC are present to talk with the Council.

Colder Products presented a 4-minute video providing an overview of the company.

Brian Thompson, CFO for Colder Products Company, thanked staff for moving CPC through this process. He described the history of the company, noting it is the leading provider of quick disconnect couplings. Operations are currently in the U.S., Germany and China. The markets served are primarily bioprocessing medical device, which is two-thirds of CPC's business. Currently there are 3 facilities in very close proximity together in the St. Paul area. The desire is for a 150,000 square foot headquarters. Customers are constantly demanding higher and higher levels of cleanliness in the production space. The goal is to be operational in the springtime of 2019. CPC looked into two regions for a new headquarters. Minimum wage increases are putting

a lot of pressure on wages. Another option is to expand the production in China. Roseville, however, is the preferred site. The deal is contingent upon the incentives being discussed tonight; the ability to acquire the land at a fair price; and Board approval from the Dover Board of Directors. He also presented a preliminary drawing of the proposed headquarters.

Member McGehee asked what type of work is being done in Minnesota.

Mr. Thompson responded that a significant amount of engineering work is done in product development, engineering to customers' needs. There are welding processes and assembly operations that occur.

Member McGehee asked whether CPC intends to turn this into a manufacturing facility. She is asking because she is interested in distribution as well.

Mr. Thompson stated CPC is an engineering and a manufacturing company. Vertically integrating means extending manufacturing processes. Selling and distributing out of the facility will continue to happen. It is typically small parcel UPS. There are larger trucks that do service the site, but the majority is small parcel.

Member McGehee noted there are 192 salaried employees with an average salary given. She asked about what the median salary was for this group of 192.

Mr. Thompson noted he does not know that, but he can make a guess of probably in the \$80,000 range.

Member McGehee expressed concern about CPC wanting to move out of Minneapolis because of wages.

Mr. Thompson noted the starting wage is in the \$14 range. Minneapolis minimum wage has been increased to \$20 an hour.

Member McGehee asked about the top of range for entry-level people.

Mr. Thompson noted entry level on the production floor is roughly \$14 and that ranges north of \$20.

Member McGehee asked about staffing.

Mr. Thompson noted CPC typically sources labor through a temp staffing agency. Once they have been there for a number of months, usually 4 to 6 months, then a full-time arrangement would be offered.

Member McGehee asked about the 192 hourly people receive benefits. Mr. Thompson responded affirmatively.

Member Laliberte noted the packet discusses moving the non-Minneapolis facilities. She asked whether the Malcolm Ave would stay in Minneapolis.

Mr. Thompson confirmed that is correct.

Rudy Watkins, Harvest Development Group, added there is a long-term lease at the Minneapolis site. For the foreseeable future, it will remain.

Janette Widmeier, President of CPC, noted the building out of the facility was a large investment. Once the lease expires, the plan is to move out of that, but it does not make sense to do so now.

Mayor Roe asked if CPC is primarily assembly or molding of plastics.

Mr. Thompson responded CPC does limited molding, but that is an interest to solidify the supply chain.

Member McGehee asked whether CPC would be machining parts and molding plastic parts. If so, she asked about the sorts of pollution that may happen.

Mr. Thompson noted there is the plan to build a clean room at this facility as well. There would not be machining of metals at this site.

Ms. Widmeier stated CPC does some assembly but not manufacturing of the metals at this site.

President Roe offered an opportunity for public comment, with no one coming forward.

Willmus moved, Etten seconded, adoption of Resolution No. 20 (Attachment C) entitled, "Resolution Expressing Support for the Creation of a Redevelopment Tax Increment Financing District and Exploration of other Financial Assistance Requested in Connection with the Proposed Colder Products Company (CPC) New Headquarters at 2814 Cleveland Ave."

Board Discussion

Member Willmus noted he has long been on the record for municipal subsidies for projects that will bring long-term, well-paying jobs to the City of Roseville. He likes how the City has transitioned to an EDA to streamline the process.

Member Etten concurred with that statement. He believes this project meets many of the desired qualifications for the City's standards for TIF assistance,

particularly improvement to surrounding land uses, and redevelops a contaminated site.

Member Laliberte expressed support for this as well. This is the type of use that the TIF policy is directed towards.

Member McGehee commented this is a challenging site. The site needs significant remediation. She supports CPC's efforts. She is heartened that CPC will not go with temporary people for the long-term, and the staff will get benefits. Career paths are also important. The City has an active program in the Roseville school district, and she would appreciate it if CPC looked into it. They are partnering with local businesses and are interested in career paths. Also in Roseville is an alternative high school as well as an ESL program for immigrants. She is supportive of public subsidy in this case. She would like to see a shorter TIF timeline; 26 years seems too long. That is her only issue, but she is supportive of the project.

Member Willmus added that Mounds View schools also have a robust program for transitioning youth to technical education and positions that may be suited for CPC.

President Roe also expressed support for the proposal and highlighted several of the qualifications that CPC meets in the City's guidelines for TIF. The City is very excited at the prospect of this area being redeveloped. There are folks who question providing assistance to successful companies. The goal for the City is to deal with challenging sites, which will help the community expand, grow its tax base, and grow jobs.

Member McGehee noted there is TCA contamination on the site. She also noted there are two watershed areas nearby, so she cautioned CPC to be careful not to contaminate those areas.

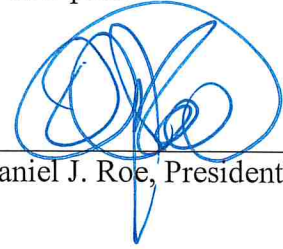
Roll Call

Ayes: McGehee, Willmus, Laliberte, Etten and Roe.

Nays: None.

3. **Adjourn**

President Roe adjourned the REDA meeting at approximately 8:23 p.m.



Daniel J. Roe, President

ATTEST:



Patrick Trudgeon, Executive Director

