

To: **EDA President and Board**
From: **Executive Director Jim Hartshorn**
Date: **February 11, 2019**

Resolution Approving Minnesota Investment Fund (MIF) for Mobile Pro Systems Expansion

BACKGROUND INFORMATION:

Mobile Pro Systems is in the process of relocating and expanding their operations to 250 Lothenbach Avenue in West St. Paul. They are seeking funding assistance for the building purchase, renovations and equipment.

The company plans to hire 15 employees in 2019 and anticipates adding up to 40 employees by 2020.

Staff has reviewed other possible funding sources and supports the State's Minnesota Investment Fund (MIF) as the best public funding tool to assist with their plans.

The applicant is requesting \$370,200 from DEED'S MIF Fund Program. The applicant is required to pay back 60% (\$222,120) of the funds to the Minnesota Department of Employment and Economic Development (DEED). The EDA can collect the other 40% (\$148,080) to create their own loan program or grant a portion of it to the business. However, it is a very competitive process and DEED tends to favor communities that allow their 40% (or most of it) as a grant for the business, unless they are providing other assistance such as Tax Increment Financing (TIF).

Since the EDA is committing \$50,000 from its Redevelopment Fund Program, Staff recommends that Mobile Pro Systems pay back only \$50,000 (13.5%) and keep the remaining \$98,080 (26.5%).

STAFF RECOMMENDATION:

Approve of the attached Resolution approving a MIF fund application for Mobile Pro Systems.

ATTACHMENTS:

- Resolution Supporting the MIF Fund Program
- MN Investment Fund (MIF) Program Application