



Request for City Council Committee Action from the Department of Community Planning & Economic Development

Date: September 23, 2014

To: Council Member Lisa Goodman, Chair, Community Development and
Regulatory Services Committee

Subject and Recommendation: Approve the attached resolution for the State Department of Employment and Economic Development (DEED) Job Creation Fund (JCF) supporting the application for the Greenheck/Unison expansion in the amount of \$627,000.

Previous Directives: On January 17, 2012 the City Council authorized an application to the DEED Minnesota Investment Fund for a \$500,000 equipment loan related to the Greenheck/Unison expansion project located at 60 28th Avenue North and acceptance of the award.

Department Information

Prepared by: Erik Hansen, Principal Project Coordinator, 612-673-5022

Approved by: Catherine A. Polasky, Economic Development Director _____
Charles T. Lutz, Deputy Director of CPED _____

Presenters in Committee: Erik Hansen, Principal Project Coordinator

Financial Impact: None

Community Impact

- Neighborhood Notification – This project will be reviewed by the Hawthorne Neighborhood Council (HNC)
- City Goals – A hub of economic activity and innovation: Businesses – big and small – start, move, stay and grow here
- Comprehensive Plan – This project supports many policies in Chapter 4, Economic Development.
- Zoning Code – This project will comply with all requirements of the applicable zoning district.

Supporting Information

Minnesota Department of Employment and Economic Development (DEED) administers and funds the Job Creation Fund (JCF). The intent of the program is to provide financial incentives to new and expanding businesses that meet certain job creation and capital investment targets. Companies deemed eligible to participate may receive up to \$1 million for creating or retaining high-paying jobs and for constructing or renovating facilities or making other property improvements. Funds are awarded upon completion of the project and when the job goals for the project have been achieved.

Unison Comfort Technologies, a division of Wisconsin-based Greenheck Fan Corporation, is located at 60 28th Avenue North. Unison manufactures commercial, institutional, and industrial HVAC equipment. Unison has three business lines, Innovent, Valent, and Precision Coils. Unison's headquarters and manufacturing facility are based in Minneapolis. It has additional manufacturing plants in California and Tennessee. Unison sells a majority of its products outside of Minnesota to customers throughout the United States. Unison currently employs 305 people in Minneapolis.

Unison is experiencing substantial growth in sales requiring both capital investment into its Minneapolis plant as well as increasing its number of employees. Unison has invested over \$4 million in 2014, with plans to invest an additional \$800,000 over the next quarter.

Unison is expanding in its North Minneapolis location through a combination of improvements to efficiency in the production process in the plant and acquisition and leasing of additional property adjacent to the main plant. The company has purchased new equipment for the production floor that has displaced both office space and indoor parking. To address lost office space, Unison has leased space in the nearby Second Street Business Center. To address parking it has purchased property to construct a surface lot and has negotiated shared use agreements with adjacent property owners.

With this growth, Unison plans to add 95 employees over the next three years, with 55 employees coming in next year, and 20 employees each year thereafter. These new employees will have an average wage of \$17-per-hour plus benefits.

Unison has applied for a JCF award to assist in the cost to construct a surface parking lot. This proposed project has an estimated cost of \$627,000. Unison received a Minnesota Investment Fund award in 2012 to finance a piece of equipment. Unison did not draw on these funds because the company decided to instead purchase a different piece of equipment due to technological advancements and to improve process efficiencies.

**RESOLUTION
OF THE
CITY OF MINNEAPOLIS**

By Council Member _____

**Supporting the Job Creation Fund Application to the State of Minnesota
Department of Employment and Economic Development in connection with
Greenheck Fan Corporation (Unison Comfort Technologies).**

Whereas, the City of Minneapolis (the "City") desires to assist Greenheck Fan Corporation (Unison Comfort Technologies), a Wisconsin corporation, which is proposing to construct a facility in the City; and

Whereas, the City understands that Greenheck Fan Corporation (Unison Comfort Technologies), through and with the support of the City, intends to submit to the Minnesota Department of Employment and Economic Development an application for an award and/or rebate from the Job Creation Fund Program; and

Whereas, the City considered this matter at a regularly scheduled City Council meeting on October 3, 2014;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the City hereby expresses its approval of Greenheck Fan Corporation (Unison Comfort Technologies), application for an award and/or rebate from the Job Creation Fund Program.