

# City of Minneapolis

## Request for Committee Action

**To:** Community Development & Regulatory Services  
**Date:** 9/27/2016  
**Referral:** N/A  
**From:** Community Planning & Economic Development  
**Lead Staff:** Judy Moses  
**Presented by:** Judy Moses  
**File Type:** Resolution  
**Subcategory:** Development Project

---

**Subject:**

State Job Creation Fund for LeadPages, Inc.

**Description:**

Passage of Resolution of support for Avenue 81, Inc. DBA LeadPages, Inc's application for financial incentives from the Minnesota Department of Employment and Economic Development's Job Creation Fund.

**Previous Actions:**

None

---

**Ward/Address:**

Ward 3  
323 Washington Avenue N

**Background/Analysis:**

The Minnesota Department of Employment and Economic Development (DEED) administers and funds the Job Creation Fund (JCF) program. 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. DEED awards funds directly to the company after completion of the project and when the job goals for the project have been achieved. DEED requires that an application for JCF assistance include a resolution of support from the local government in which the project is located. There is no limitation on the number of Job Creation Fund awards to companies within any given jurisdiction.

LeadPages, Inc. is seeking JCF assistance for a business expansion project. LeadPages began operations in January 2013 and is currently located in Minneapolis at 251 1st Avenue North. The company develops webpages and apps that help companies communicate and market their message to current and future customers. LeadPages has been one of the fastest growing companies in Minnesota, having raised \$38 million in venture funding in two years and now employing over 130 people in Minneapolis and an additional 21 employees in other places.

LeadPages is seeking a location to accommodate future business growth as it continues to expand its product offering and its headcount. The ability to attract and retain talent, specifically software design/engineering talent, is critical to this location decision.

According to the company, Minneapolis is one of three finalist markets for its location with the other two markets located in the south and western parts of the United States. In Minneapolis, LeadPages is considering a lease for approximately 34,000 square feet at 323 Washington Ave N in the T3 building. The company would spend \$1 million on tenant improvement costs and hire 120 new software, sales, engineering and customer support positions over the next three years. The average wage of the new employees is \$36 per hour plus benefits.

The final dollar amount of the potential Job Creation Fund award will be determined by DEED staff as part of their review of the application, however the award could be up to \$550,000.

**Financial Review:**

**No financial impact.**

**Attachments:**

1. Resolution