

Aurora Expansion Business Subsidy/Land Sale

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Economic Development Coordinator

September 4, 2018



Project Overview

- Aurora Pharmaceuticals
 - Locally owned and operated veterinary pharmaceutical manufacturing company
 - Located at 1196 Highway 3 South
 - Large employer of over 100 highly-skilled positions
 - National distributor of pharmaceuticals that maximize livestock and companion animal health
 - Expansion Opportunity
 - Received approvals by FDA for new product
 - Need more manufacturing space (+20,000 square feet on site)
 - Acquisition of City-owned Land
 - Request for Business Subsidy (Tax Increment Financing)
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Land Sale Process

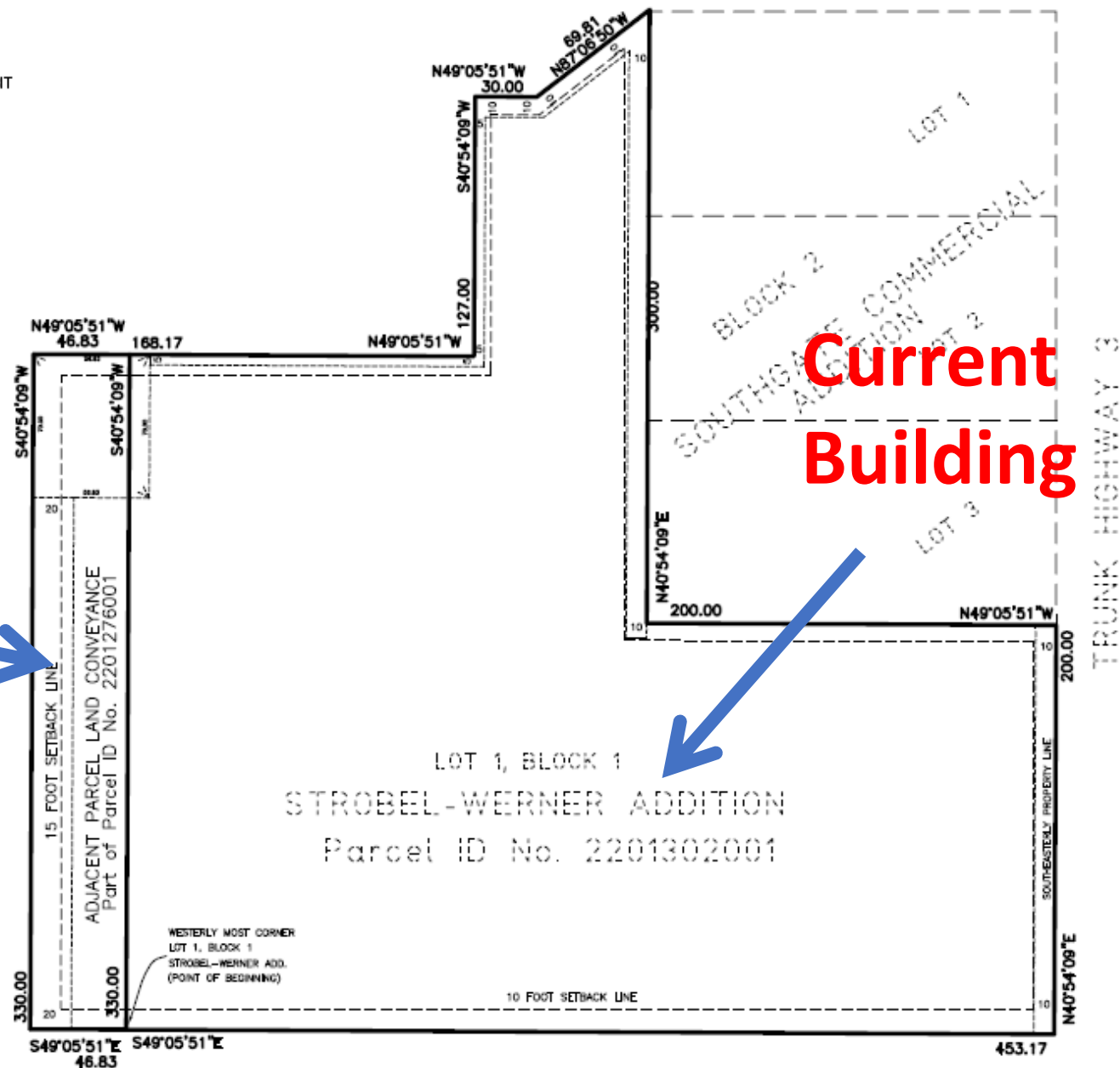
- Request by developer
 - Acquire 0.35 acres of current city-owned parkland
 - Reconfigure drainage ponds
 - Maximize building footprint and adhere to LDC
 - Land primarily needed for LDC Set-back requirements
- Land Value
 - City Staff negotiated price with developer after City Attorney and local appraiser input
 - Arrived at a value of \$1.47/square foot (\$22,716)



STROBEL AND WERNER REAL ESTATE HOLDING COMPANY, LLC.
1200 HWY 3 SOUTH, NORTHFIELD, MN 55057

FRONT=10 FEET
REAR=15 FEET
SIDE=BUILDING HT.>25 FEET=10 FEET
BUILDING HT. <25 FEET=5 FEET

Land Requested



Business Subsidy/Tax Increment Financing

- Project need for assistance
 - For project to occur in Northfield, major site improvements are required
 - Significant costs related to drainage reconfiguration, utilities, foundation and land acquisition
 - Project could occur elsewhere for cheaper (Received invitation from Atlanta, GA to relocate)
 - Over \$2 million project
 - Tax Increment Financing
 - Economic Development TIF District (8-year duration)
 - Capture increment for major business expansions (i.e. manufacturing)
 - Current request set up for a “Pay-as-you-go;” no up-front financing requested, assistance with cash flow over the duration of the TIF
 - Project assistance with site improvements and land acquisition only (\$230,000)
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Schedule of Events

- EDA Loan Review Committee met July 18
 - Recommended approval of the Business Subsidy (TIF)
 - Planning Commission held Public Hearing July 19
 - Approved land sale to be in conformance with Comp Plan
 - EDA Board met July 26
 - Recommended Council approval of Business Subsidy (Economic Development TIF District)
 - City Council to hold Public Hearing on September 4
 - Public Hearing for Sale of Land
 - Public Hearing for Business Subsidy
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Questions?

