



## Legislation Text

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**File #:** Res. 2020-008, **Version:** 1

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**City Council Meeting Date:** January 21, 2020

**To:** Mayor and City Council  
City Administrator

**From:** Nate Carlson, Economic Development Coordinator

Consider Resolution of Support for Job Creation Fund Application.

**Action Requested:**

The Northfield City Council is requested to approve the attached resolution in support of the application for the Job Creation Fund incentives through the Department of Employment and Economic Development (DEED) for the expansion project of All Flex Flexible Circuits, LLC.

**Summary Report:**

All Flex Flexible Circuits, LLC is requesting incentives through the Job Creation Fund (JCF) from the Minnesota State Department of Employment and Economic Development (DEED) to assist with a planned expansion of their Northfield manufacturing plant. The company, working through a consultant, has provided an application for the funds, which can be found attached to this report.

All Flex senior management has been working for several years to hone the parameters of their potential expansion. The company operates out of three locations, two primary locations in Northfield and the third in Bloomington. They employ over 200 people throughout their three locations with wages ranging from \$17.50 per hour to \$36.50 per hour. The company began operating in Northfield over twenty-five years ago. As stated in their company history, All Flex is a full line, low to medium and high volume manufacturer, providing value add services such as surface mount and through whole assembly, testing, design, and engineering support through flexible circuit technology.

For the past three years, Economic Development Coordinator, Nate Carlson, has been working with the company to identify potential resources for their expansion. All Flex has identified fiscal year 2020 as a prime opportunity to expand its Northfield main location located at 1705 Cannon Lane, Northfield, MN. The company wishes to expand from a 25,500 square foot facility to a 40,000 square foot facility with investment in capital equipment and an increase in employment of 35-40 new jobs. Working with the regional DEED representative, Natalie Siderius, we have identified the Minnesota Investment Fund and Job Creation Fund as the two programs that could assist with this major expansion effort. Total cost for the Northfield expansion is estimated to be \$6.4 million between construction and capital equipment. All Flex has identified a gap in financing of roughly \$400,000 to \$500,000. Private financing is still being secured.

At this time, All Flex is requesting grant dollars through JCF from DEED with the applicant being the business unlike the MIF program. The JCF program is a grant program with funds originated from the State of Minnesota, dispersed directly to the business once the jobs have been created stemming from the expansion

project. Staff has completed the due diligence for credit review and is awaiting the financial analysis report from City's Financial Advisor, Nick Anhut of Ehlers. Currently, there is no cause for concern that All Flex Flexible Circuits, LLC would be unable to make payments on potential debt.

There is no recourse for the EDA from DEED should the project not materialize. The EDA will be charged with annual reporting on the business, however. The City Council must also approve resolution supporting the business' application.

**Alternative Options:**

Not applicable.

**Financial Impacts:**

Not applicable to City Council or the EDA. JCF funds are dispersed directly to the business.

**Tentative Timelines:**

The application will be submitted to DEED following Council approval of the Resolution.