



REQUEST FOR COUNCIL ACTION

MEETING DATE: May 16, 2022

PREPARED BY: Brett Angell, Economic Development Manager

AGENDA ITEM: Illume Minnesota Investment Fund extension request

PREVIOUS ACTIONS:

At the meeting of July 19, 2021, the City Council approved Resolution No. 21-100 authorizing an amendment to the grant contract between the city and Minnesota Department of Employment and Economic Development for the Illume MIF award.

RECOMMENDED COUNCIL ACTION:

Motion to authorize the economic development manager to execute an amendment to the Minnesota Investment Fund grant agreement between the City of Maple Grove and Minnesota Department of Employment and Economic Development related to Illume Holding Company, LLC.

COMMENTS:

At the February 5, 2018 meeting, the City Council approved an application for a Minnesota Investment Fund award on behalf of Illume Holding Company, LLC as they were relocating from Bloomington to Maple Grove. The Minnesota Department of Employment and Economic Development (DEED) subsequently approved an award of \$450,000 based upon the job creation and wage goals for the company. Illume occupies the entire first phase of Arbor Lakes Business Park and manufactures candles and other home scent products. Per the executed grant contract, Illume was required retain the 130 FTE baseline jobs and add an additional 68 FTE jobs of various wage brackets by the compliance date (originally 5/1/2021).

At the July 19, 2021 meeting, the City Council approved a one-year extension to the compliance date to allow Illume additional time to meet their job and wage goals following the impacts the pandemic had on the business.

In the later parts of 2021 and as a result of the pandemic's impacts, DEED approved the ability to MIF recipients to request an additional extension to their compliance date, if needed by

the business. The proposed grant amendment would allow for Illume to have through the end of 2022 to achieve their job and wage goals. Based upon conversations with the company, staff feel this will be adequate time needed to achieve the goals. The business currently has 180 employees with 10 additional employees starting within the next few weeks and 13 positions currently open.

DEED Minnesota Investment Fund (MIF)

The MIF program provides financing to help businesses add and retain high-quality jobs on a statewide basis with a focus on industrial, manufacturing, and technology-related industries. Local governments formally apply to the state on behalf of an eligible business, with the funds essentially being pass-through dollars from DEED to a business, with the city acting as the fiscal agent for the transaction. DEED provides a grant to a local government that then provides a loan to the business.

ATTACHMENTS:

Attachment A: Amendment 2 for grant contract CDP-18-0002-H-FY18