



The City Council of the City of St. Charles welcomes you to its
Regular Meeting of Tuesday, April 26, 2016 at 6:00 p.m.
at 830 Whitewater Avenue, City Council Chambers, St. Charles, Minnesota.

ITEM	ACTION REQUESTED
1. Call to Order	
2. Pledge of Allegiance	
3. Approval of the Agenda	
4. Notices and Communications –	
5. Review of Financials	
6. Envirolastech Presentation	APPROVE
7. RAEDI Membership Approval	APPROVE

UNSCHEDULED PUBLIC APPEARANCES: Members of the audience may address any item not on the agenda. State Statute prohibits the City Council from discussing an item that is not on the agenda, but the City Council does listen to your concerns and has staff follow up on any questions you raise.

ADJOURNMENT

***Attachment. Questions? Contact Nick Koverman at St. Charles City Hall at 932-3020 or by email at nkoverman@stcharlesmn.org.**



MEMORANDUM for the CITY COUNCIL of St. Charles for
Tuesday, April 26, 2016

6. Environlastech Presentation. Please see the enclosed memo regarding Envirolastech. EDA Director Cris Gastner will be present to discuss the request for assistance from Envirolastech. Company representatives will be on hand to introduce themselves and talk about their proposed project.

7. RAEDI Membership. The EDA recommended membership into the Rochester Area Economic Development Inc. during their April 8th meeting. RAEDI is heavily connected to the Journey 2 Growth initiative and members include not only Rochester businesses, but also communities like Chatfield, Plainview, Byron, Stewartville, Kasson, and Pine Island. Cris Gastner will also help to highlight the benefits of this membership as well as what it could do for St. Charles in addition to providing a seat at the table for discussions as the Destination Medical Center (DMC) project continues to move forward. Information is included in the packet about RAEDI and their partners. The cost of the membership is \$2,500 annually and will come from the EDA budget.

ST. CHARLES

REQUEST FOR CITY COUNCIL ACTION

Meeting Date: April 26th, 2016

General: X

Department: EDA

Item Requested: Approval of assistance for Envirolastech

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Summary of the Issue

A new business is looking to locate in the Chattanooga Innovation Park in St. Charles and have asked for assistance with the land cost.

Background

Envirolastech sent out a request for proposals on locations to build their first production plant. Their core business is manufacturing commercial grade building materials, utilizing proprietary clean technology to convert recycled waste products like plastic and glass.

The new plant projects to create 10-15 jobs at start, and hope to grow to between 20-25 jobs eventually. They will be constructing an 18,000 square foot facility. The company will also be a significant power customer as they project to use 250,000kwh at start and 1,000,000kwh at full production. The lot we are discussing is the 4.09 acre lot (Lot 3, Block 1) on the west side of Donahue Drive, and the value of the assistance would be \$267,241 at \$1.50 per square foot.

Based on the Executive Committee's review of the business plan and projections, determined the project for Envirolastech met the eligibility requirements of the St. Charles business subsidy policy. The committee recommended to the EDA that they provide the 4 acre lot in Chattanooga Innovation Park for \$1. EDA moved to recommend approval of the request to City Council at their meeting on April 26th.

Funding

Approval will require no additional funding.

Recommendation

The EDA approved by motion, the following recommendations:

1. To recommend approval of the assistance request to City Council with the following contingencies
 - a. Envirolastech acquires the financing for their project
 - b. Envirolastech provide SCEDA with a copy of their completed feasibility study for review

USE OF FUNDS

Land (5 acres at \$1.50/sq. ft.)	\$326,700.00
Building (18,000 sq. ft. @ \$56.00/sq. ft.)	\$1,008,000.00
Manufacturing Equipment	\$ 2,447,000.00
Cost of Goods Sold	\$266,584.67
Legal, Accounting, Insurance	\$ 60,000.00
Salaries and Wages	\$ 312,307.33
Benefits and Taxes	\$ 109,307.57
Marketing	\$ 50,000.00
Debt Service	\$180,000.00
Miscellaneous / Contingency	\$50,000.00
TOTAL	\$4,809,899.57

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About Rochester:

Community
Economy
Major Employers
BioBusiness
Journey To Growth

Business Opportunities:

Starting A Business
Business Accelerator
Business Diversity Programs

About RAEDI:

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Investors & Board
504 Corporation
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Reports & Data:

Community Profile
Medicine, Technology
& Bioscience
Salary Survey
Building Permit Reports
Annual & Quarterly Reports
Manufacturers Directory
Utilities

Education & Training:

Education Overview
K - 12 Schools
Post Secondary Schools
Job Skills Partnership

Available Properties:

Buildings & Land

RAEDI Services

RAEDI's primary goal is to attract, retain and assist the growth/expansion of base business within the Rochester Area.

RAEDI's value proposition is the ability to assist businesses and entrepreneurs in securing the private and/or public resources needed to execute their business plans.

Our Services Include:

Financial Packaging

- Direct Investment Funding
- Fixed Asset Financing
- Export Financing

Business Planning

- Cost Differential Comparisons
- Market Research & Analysis
- Community Data/Profiles

Site/Location Support

- Provide Objective information on Sites, Facilities and Access to Support Services
- Develop Comparative Site Data

Business/Community Advocacy

- Identify and Present Business Interests and Concerns to Government
- Support Area Social, Economic and Infrastructure Development

Toolkit for Small Businesses

SEMTToolkit is a free program that enables entrepreneurs and small businesses to learn how to implement the sustainable business management practices needed for growth in areas such as finance, accounting, international business, marketing, human resources or legal. [Click here](#) to learn more.

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Home Page -> About RAEDI: Investors, Board & Officers

About Rochester:

- Community Economy
- Major Employers
- BioBusiness
- Journey To Growth

Business Opportunities:

- Starting A Business
- Business Accelerator
- Business Diversity Programs

About RAEDI:

- Services
- Investors & Board
- 504 Corporation
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Reports & Data:

- Community Profile
- Medicine, Technology & Bioscience
- Salary Survey
- Building Permit Reports
- Annual & Quarterly Reports
- Manufacturers Directory
- Utilities

Education & Training:

- Education Overview
- K - 12 Schools
- Post Secondary Schools
- Job Skills Partnership

Available Properties:

- Buildings & Land

RAEDI Investors

- 504 Corporation
- A.B. Systems, Inc.
- Alvin E. Benike, Inc.
- Boldt Construction
- Bouquet Companies
- Bremer Bank
- C.O. Brown Agency, inc.
- CenturyLink
- Charter Communications
- City of Byron
- City of Chatfield
- City of Pine Island
- City of Rochester
- City of Spring Valley
- City of Stewartville
- Clements Chevrolet Cadillac Subaru
- Custom Alarm / Custom Communications, Inc.
- CWS, Inc
- Dunlap and Seeger, P.A.
- Edina Realty Home Services
- Elcor Realty
- Express Employment Professionals
- First Security Bank-Byron
- Fox Hill, LLC
- G&L Insurance Group
- Hamilton Real Estate, Inc.
- Haworth & Company, Ltd.
- Heartman Insurance
- HGA
- Home Federal Savings Bank
- Johnson Printing Company
- Knutson Construction Services
- Kraus-Anderson Construction Company
- Kruse Lumber

RAEDI Board Members

- Adam Benike
- Alvin E. Benike, Inc.
- Jim Bier
- Olmsted County

- KTTC Television, Inc.
- Mayo Clinic
- Merchants Bank
- Minnesota Energy Resources, Inc.
- Minnwest Bank
- Olmsted County
- Olmsted Medical Center
- Olmsted National Bank
- People's Energy Cooperative
- Post-Bulletin Company LLC
- Premier Bank
- Ready Mix Concrete Company, LLC
- Rochester Area Builders
- Rochester Area Chamber of Commerce
- Rochester Public Utilities
- Rochester Sand & Gravel- Division of Mathy Construction
- Root River State Bank- Chatfield
- RSM US LLP
- RSP Architects, Ltd.
- Schmidt Goodman Office Products, Inc.
- SE Minnesota Association of Realtors
- Short Elliott Hendrickson Inc
- Smith, Schafer & Associates
- Think Mutual Bank
- Titan Development & Investments
- U.S. Bank
- Weis Builders, Inc.
- Wells Fargo Bank Minnesota
- Wendland Utz, Ltd
- West Bank
- Widseth Smith Nolting
- WSB & Associates, Inc.