



## **Request for City Council Committee Action from the Department of Community Planning & Economic Development**

**Date:** February 25, 2014

**To:** Council Member Lisa Goodman, Chair, Community Development and  
Regulatory Services Committee

**Subject and Recommendation:** Approve the attached resolution for the State Department of Employment and Economic Development (DEED) Job Creation Fund (JCF) supporting the application for the DC Group Expansion in the amount of \$514,000.

**Previous Directives:** On December 6, 2013, the City Council authorized staff to continue analysis of the DC Group Expansion to determine if tax increment financing (TIF) assistance is appropriate and justifiable. All such terms and conditions, plans, and other provisions would be subject to future City Council review, discussion, and approval or denial (council report forthcoming spring 2014).

### **Department Information**

Prepared by: Carrie Flack, Senior Project Coordinator, 612-673-5010

Approved by: Catherine A. Polasky, Economic Development Director \_\_\_\_\_  
Charles T. Lutz, Deputy Director of CPED \_\_\_\_\_

Presenters in Committee: Carrie Flack, Senior Project Coordinator

**Financial Impact:** None

### **Community Impact**

- Neighborhood Notification – This project will be reviewed by the Northside Residents Redevelopment Council (NRRC)
- City Goals – Jobs & Economic Vitality, A City that Works
- Comprehensive Plan – This project supports many policies in Chapter 4, Economic Development.
- Zoning Code – This project will comply with all requirements of the applicable zoning district.

## Supporting Information

The Job Creation Fund (JCF) is administered and funded by the Minnesota Department of Employment and Economic Development (DEED). 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. Funds are awarded upon completion of the project and when the job goals for the project have been achieved.

DC Group is located at 1977 West River Road North on approximately 1.17 acres. The site consists of a 26,000 SF building with approximately 40 onsite parking spaces. This site is home to DC Group headquarters consisting of administrative and sales office uses as well as research/manufacturing/reconditioning facilities for approximately 66 employees.

DC Group was founded in Minneapolis in 1969 at the 1977 West River Road location and has been one of the fastest growing companies in its market for the last two and a half decades. DC Group is one of the nation's largest providers of maintenance and repair service to users of uninterruptible power systems, such as government, hospitals, critical data centers and similar users. Uninterruptible power systems are a critical element in the technology revolution, and are themselves extremely high technology equipment with demanding maintenance and servicing requirements.

DC Group services every brand of uninterruptible power supply system. Their engineers and maintenance technicians, based throughout the nation, provide immediate service for their customers. They are also a leader in preventative maintenance, replacement and reconditioning. As such, they maintain a large inventory of major parts and equipment to rapidly supply their customers. A second major component of DC Group's business is testing, repair and reconditioning of major power systems. This equipment is then resold to customers to allow minimal downtime from any system failures.

The DC Group has outgrown their current facilities but desire to remain at their current location in Minneapolis on West River Road. They currently have 66 employees at this location and plan to grow by approximately 33 employees for a total of 99 employees at this site. This proposed project consists of renovating approximately 15,550 SF of the existing facility and constructing an additional 23,500 SF with an 86-stall parking structure. The estimated total development cost of the project is approximately \$6,889,000. Based on the number of jobs being created and the capital improvement costs, a preliminary analysis by DEED staff indicates that DC Group qualifies for \$514,000 in program assistance from the Job Creation Fund.

**RESOLUTION  
OF THE  
CITY OF MINNEAPOLIS**

**By Council Member \_\_\_\_\_**

**Supporting the Job Creation Fund Application to the State of Minnesota  
Department of Employment and Economic Development in connection with DC  
Group, Inc.**

Whereas, the City of Minneapolis (the "City") desires to assist DC Group, Inc., a Minnesota corporation, which is proposing to construct a facility in the City; and

Whereas, the City understands that DC Group, Inc., through and with the support of the City, intends to submit to the Minnesota Department of Employment and Economic Development an application for an award and/or rebate from the Job Creation Fund Program; and

Whereas, the City considered this matter at a regularly scheduled City Council meeting on March 7, 2014;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the City hereby expresses its approval of DC Group, Inc.'s application for an award and/or rebate from the Job Creation Fund Program.