

BEMIDJI CITY COUNCIL

Work Session Agenda

Monday, May 12, 2014

**City Hall
Council Chambers
5:30 P.M.**



1. CALL TO ORDER / ROLL CALL
2. PRESENTATION: REVIEW EMERGENCY OPERATIONS PLAN
 - ADJOURN & MOVE TO MAYFLOWER BUILDING
 - RE-CONVENE MEETING
5. ECONOMIC DEVELOPMENT INVESTMENT REQUEST – DAVE HENGEL,
GREATER BEMIDJI EXECUTIVE DIRECTOR
6. ADJOURNMENT



NOTE: All cellular telephones, pagers and BlackBerry devices to be switched to a non-audible function during Council and Committee meetings.



March 28, 2014

MEMO

To: Mayor Albrecht, Bemidji City Council and City Manager John Chattin
From: Dave Hengel, Executive Director
Subject: Economic Development Investment Request

Over the past year, Greater Bemidji has been cultivating a complex but critical economic development project for our city. The project will create 45 great paying jobs immediately; however the potential for even greater job growth is substantial. The project will position the region for strong growth in the future, particularly in manufacturing. In fact, thirteen manufacturing companies are participating in the project and support our work.

I am looking for city financial support in moving ahead. The Neilson Foundation has committed \$450,000 as the lead investor in the project. In addition, Greater Bemidji has committed \$200,000 of its own limited resources. Last week, I approached the Beltrami County for \$150,000 in support. County Board members were favorable, and will make an official decision at their May 6th board meeting. I am requesting that the City consider a \$150,000 investment as well, using the city's UDAG funding that are designated for economic development projects.

While I will be presenting details of the project in the upcoming city council meeting, I thought I would share a little background information and project details in advance of the meeting.

Background:

Over a year ago, Greater Bemidji brought together several of the region's manufacturers including Potlatch, Team Industries, Norbord, North Central Door Company, Lamb Weston/RDO and LaValley Industries. The goal—listen carefully to their needs and ensure our economic development efforts helped the local companies succeed.

At that meeting, the companies expressed two areas of opportunity/challenge:

- The need for people, and to address the skills gap in the region; and
- The need for an “incubator” or “accelerator” to support new and emerging entrepreneurs and companies.

The companies created a corporate council and, under the name of Minnesota Innovation Institute (MI2), they have worked in partnership with Greater Bemidji to support manufacturing growth and development in the region.

In summary, Greater Bemidji’s MI2 initiative will:

1. Continue to provide skill training and job placement activities for the community’s residents;
2. Create a High Performance Training and Development Center at Northwest Technical College as part of NTC’s reinvention process; and
3. Purchase and renovate an existing facility in Bemidji and renovate it into an Engineering/R & D Accelerator to support new and expanding companies with the resources they need to grow and succeed here in Bemidji. It is with this part of the initiative Greater Bemidji is requesting City of Bemidji support.

At the city council meeting on May 12th, I will provide details on what the accelerator will include. The impact of the accelerator is what one company calls a “difference-maker”. In fact, two companies have already expressed their intent to locate in the accelerator, creating 45 high paying jobs immediately, with tremendous growth potential over time.

Overall Impact of MI2 Initiative:

Overall, as I will describe at the council meeting, the impact will be widespread. In summary, the MI2 Initiative will:

- Attract 45 new, high paying jobs immediately, with tremendous job growth potential.
- Retain hundreds of manufacturing jobs in the region.
- Grow and support our school district’s industrial technology programs.
- Drive the reinvention at NTC and provide a future for the institution in Bemidji.
- Help meet our own companies’ ever increasing need for talent/skills/people.
- Continue to position our community as a hotbed of talent– attracting more companies here.

Summary:

In the past, council members have encouraged me to seek support from the city council as innovative economic development projects emerge. While we have many projects and initiatives moving forward at Greater Bemidji, none of them would have the impact the proposed MI2 training, high performance training center and "Entrepreneur/R & D Accelerator" will have.

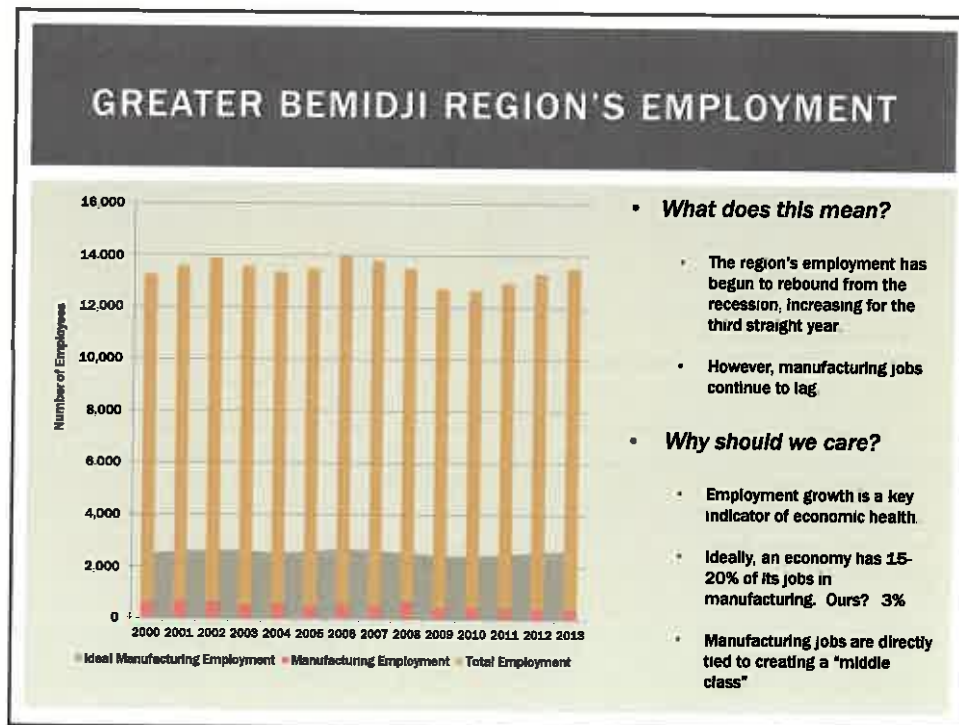
I don't take the use of public funds lightly. I am also responsible for Greater Bemidji's budget and organizational future, and a commitment of this level from our organization is not easy. However, I believe this project is a difference-maker and rises to the level of county, city, and Greater Bemidji financial support.

Thank you for considering Greater Bemidji's request. If you should have any questions on the project, please don't hesitate to contact me.

Dave Hengel- dhengel@greaterbemidji.com, 218-444-5757 (work); or 218-766-2154 (cell).

MINNESOTA INNOVATION INSTITUTE (MI2)

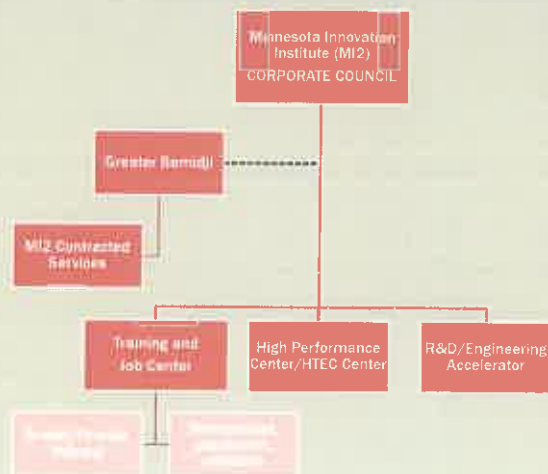
High Performance/HTEC Center
Training/Job Center
and
Engineering/R & D Accelerator



VISION FOR MI2

- This project is a private-led, private-driven concept
- Once completed, the Minnesota Innovation Institute (MI2) will:
 - Be the “go to” place for manufacturers for best of best resources
 - Position our region as a hotbed for new, entrepreneurial companies and for talent

MI2 FOCUS AREAS



COMPANIES PARTICIPATING

- Team Industries
- Potlatch
- Norbord
- LaValley Industries
- ConAgra/RDO company
- Nortech Systems
- North Central Door Company
- UPM-Blandin
- Marvin Windows and Doors
- Northern Valley Machine
- BTD
- National Precision Machining and Manufacturing
- Magnum Machining, Inc.
- Wells Technology
- West Tool & Design
- Rite Way
- Clow Stamping Company

**TRAINING AND JOB
CENTER**

Minnesota
Innovation
Institute

MINNESOTA INNOVATION INSTITUTE

- CNC Trainees 54
- Mechatronics 75
- Intro Maintenance 12
- TOTAL 141 (March 2013 to March 2014)

- Job Placement: 80%+



HIGH PERFORMANCE/
HTEC CENTER

Minnesota
Innovation
Institute

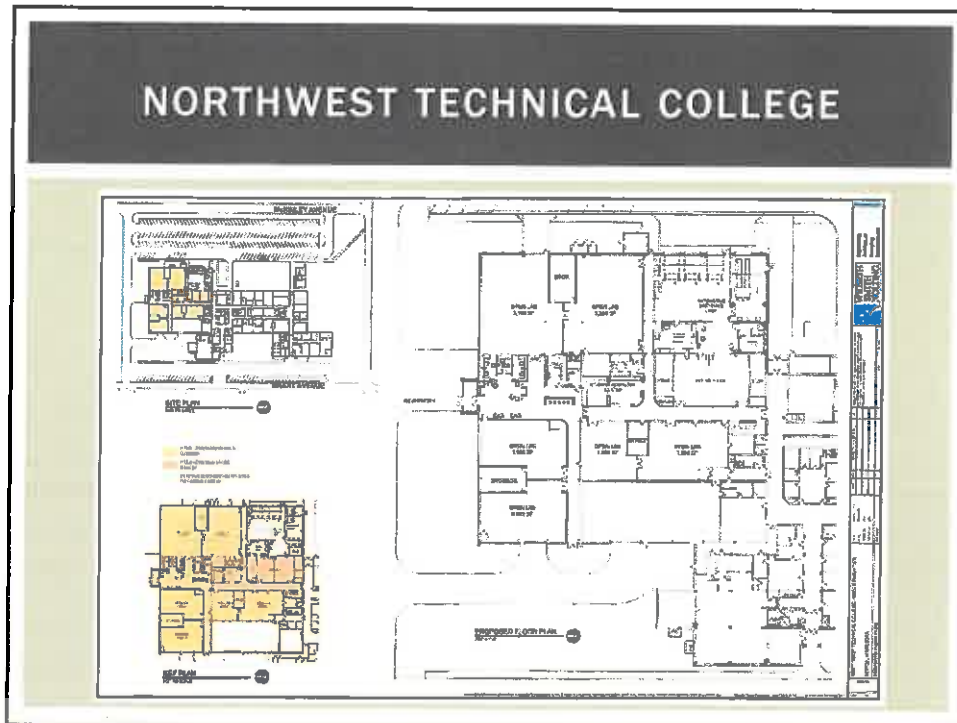
HIGH PERFORMANCE/HTEC CENTER

- Haas Certified and Supported
- Showcase facility
- Labs:
 - ◆ Automation Lab
 - ◆ Metrology Lab
 - ◆ Gauging
 - ◆ Print Lab
 - ◆ Engineering and Design Lab



HTEC CENTER

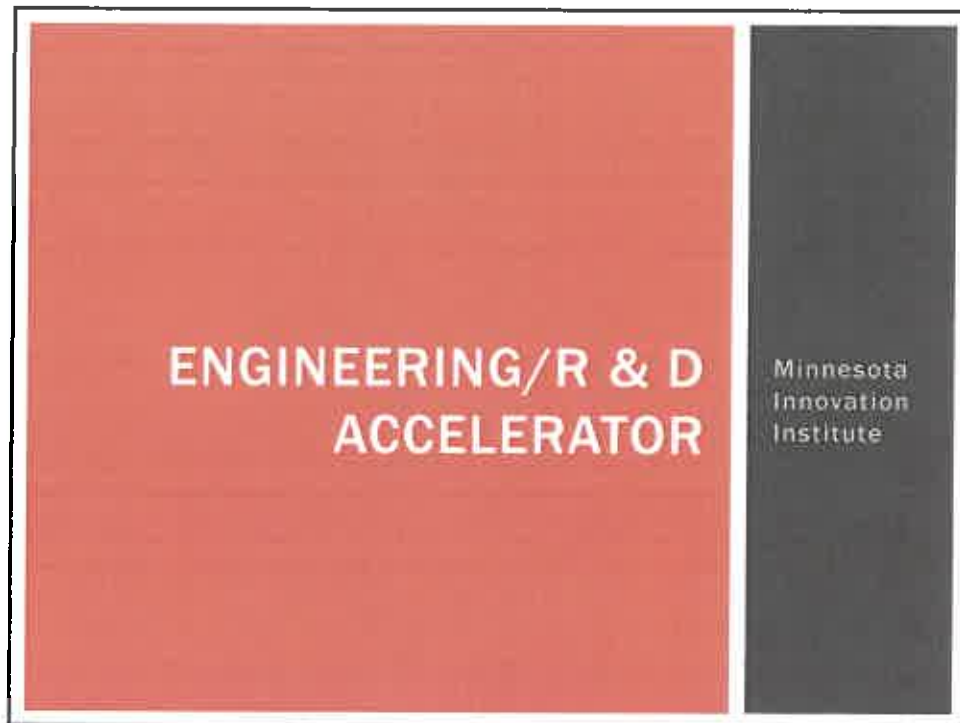




HIGH PERFORMANCE/HTEC CENTER

What does this mean for the Partners?

- **Regional High Schools**
 - Access to state-of-the-art center and mobile equipment
 - Access to marketing materials
 - Student after school and summer projects/jobs
 - Concurrent Enrollment opportunities
 - Apprenticeships/Work Study
- **Companies:**
 - Training center
 - Recruitment/job center
 - Project development
 - Access to best of best technology and machines
 - Access to talent
- **Training Partners- Idea Circle, BSU, NTC and Tribal Colleges:**
 - Training on best-of-best equipment
 - Showcase facility for recruitment
 - Pipeline of students from high schools
 - Customized training and outreach
 - Student projects/jobs
- **Productivity Inc. and Haas Automation, Inc.**
 - Northern showcase facility
 - Access to corporate customers
 - Training on Haas equipment



THE ENGINEERING/R & D ACCELERATOR

■ Key components:

- Accelerator space will provide space for high tech design engineering and development companies (new and emerging), specifically targeted for manufacturing
 - Two companies already committed to locate on site, creating a minimum of 45 good-paying jobs
 - Still roughly 2,500-3,000 sq. ft. available for entrepreneurs
- BSU committed to an outreach office in facility
- Greater Bemidji offices would locate on site
- Also would include a "recruitment suite"- High tech board room and recruitment lounge.



THE IMPACT WIDESPREAD

- Create a minimum of 45 jobs immediately, with strong growth potential
- Will help grow and support our school district's industrial technology programs
- Jumps starts the city's rail corridor redevelopment efforts
- Will drive the recalibration at NTC and provide a future for the institution in Bemidji
- Will help meet our own companies ever increasing need for talent/skills/people
- Will continue to make our community the hotbed of talent-attracting more companies here

REQUESTS OF THE BEMIDJI CITY COUNCIL

- Invest \$150,000 in city UDAG funds to support the creation of the Engineering/R & D Accelerator in downtown Bemidji
 - Commitments to date:
 - Neilson Foundation - \$450,000
 - Greater Bemidji- \$200,000
 - Beltrami County- \$150,000 (decision May 6)
 - City of Bemidji- \$150,000 (decision May 12)
 - Blandin Foundation- \$150,000 (pending)
 - Corporate/Private donation- \$100,000
- UDAG funds were provided by the federal government to support the original Union Station revitalization and is now to be used for economic development at the discretion of the city council