



Creative Business Case Studies

Redevelopment in Action!

Focus for Today's Session

- The City of Brooklyn Park
 - ✓ Small Business Center
- The City of Bloomington
 - ✓ SICK Sensor Project Overview
- MN Department of Employment & Economic Development
 - ✓ SICK Sensor Project
 - ✓ Business Development Programs





SMALL BUSINESS CENTER

A vibrant sunset sky with a bright meteor streaking across it. The foreground shows silhouettes of trees and a street lamp. The text is overlaid on the left side of the image.

**Brooklyn Park,
a thriving community
inspiring pride
where opportunities
exist for all!**

History

- Community members called for a small business center/market in 2016 station area planning efforts
- EDA identified it as a strategic priority in 2019
- EDA applied for and received a LCDA pre-development grant from Met Council (\$100K) which served as a catalyst for the work
 - Hired a commercial broker, architect, and civil engineer to help identify potential locations

Community Engagement

- Organized a steering committee to advise:
 - Type of center/space
 - Location
 - Review options
- Conducted a business survey (50 small business respondents) to advise:
 - Type of center/space
 - Review fit plans for each option
- EDA reviewed options

Leasing to Owning

- EDA staff presented lease options (along with a suggestion to buy Northwind Plaza)
- EDA chose to buy Northwind:
 - Owning was a better financial deal long-term and allowed the EDA to control their destiny
 - Anti-gentrification/displacement
 - Future In-fill opportunities (when LRT is constructed)
 - Future co-op opportunities
- EDA officially came into ownership of the property on October 8, 2021.



SBC
SMALL BUSINESS CENTER

Tenants



Mall tenants

- 10 businesses (5 BIPOC owned, 9 locally owned)
 - Cellars Liquor
 - Vietnam House
 - Tii Cup
 - El Hornito
 - Finish Line Barber
 - Brooklyn Park Optical
 - Metro Dental
 - Atlas Staffing
 - UPS Store

 - Vacant CVS (still pays rent and controls future tenants until 2035)

Process

- Narrowed down locations to 4
- Developed cost/pro-formas for each option
- Presented them to EDA to pick one
- Submitted PA and negotiated with seller
- Closed/took ownership
- Contracted with property management
- WE NOW OWN A CASH FLOWING STRIP MALL (and a giant parking lot on the future Blue Line Light Rail Line)



Small Business Center Values

Accessible
Affordable
Flexible
Multicultural
Wealth Building

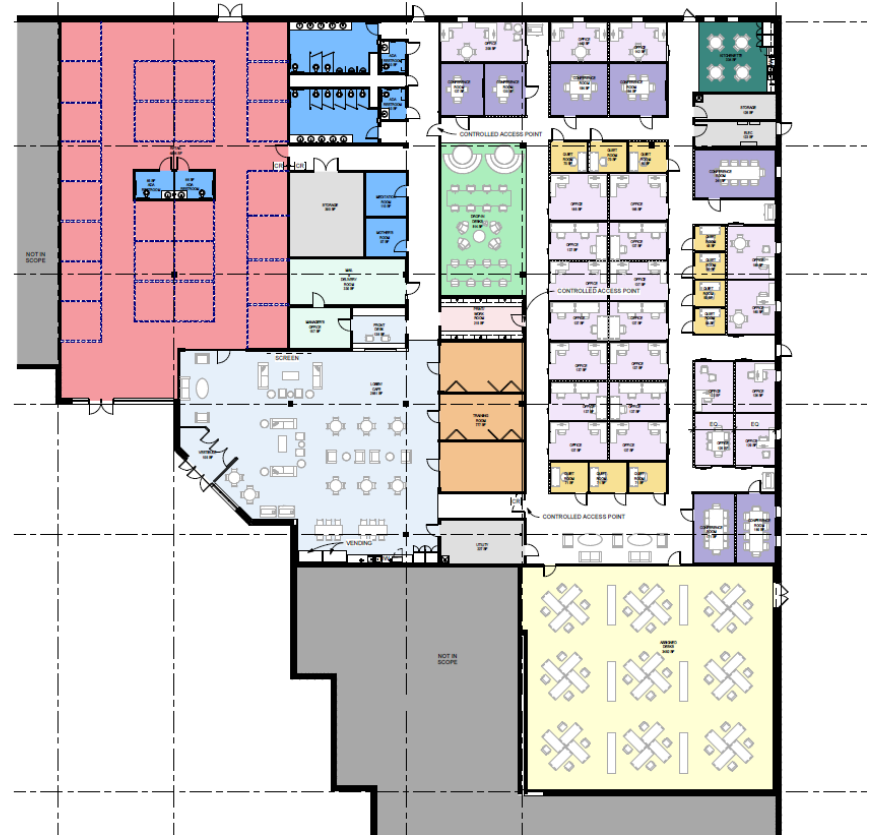
What is the Small Business Center?

- 25,000 square foot small business center construction
 - Shared office space, conferencing, printing, IT/AV needs
 - Retail space for sales/merchandising
 - Beauty suite



Small Business Center Development

- 25K in vacant space in corner
- Develop into a co-working and retail space
- Membership based cost structure
- Room for approx. 60 small and growing businesses
- Technical Assistance and business advising
- Networking



SBC Space Options	Rate
Daily Plan	\$ 25
Hot desk (monthly plan)	\$ 200
Dedicated desk (monthly plan)	\$ 375
Private office (Furnished)	\$ 800
Private office (Un-furnished)	\$ 650
Retail space	\$ 800
Student membership	\$ 15
Organizational coworking	\$ 425
Digital signage marketing (Internal)	\$ 35
Networking Events Sponsorship	\$ 100
Extra Printing Cost	\$ 2
Extra Storage (Retailers choice)	\$ 55
Virtual Mailing Address	\$ 25
Locker boxes	\$ 15

“Unexpected opportunity”





DESIGN
BY MELO

DESIGN BY MELO

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DRAWING

LOBBY / CAFE

PROJECT

BROOKLYN PARK BIZ INCUBATOR

7970 BROOKLYN BLVD
BROOKLYN PARK, MN 55445





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DRAWING

OFFICE

PROJECT

BROOKLYN PARK BIZ INCUBATOR

7970 BROOKLYN BLVD
BROOKLYN PARK, MN 55445



Construction progress



Project Schedule

- **Fall 2021:** ✓ Building purchased
- **Winter 2021:** ✓ Demolition
- **March 2022:** ✓ Construction bids released
- **May 2022:** ✓ Operator selected
- **June/July 2022:** ✓ Construction Contractor selected
- **December/2022:** ✓ Construction Began
- **February/2023:** ✓ Application process begins
- **April/2023:** ✓ Membership Selection Process
- **May 2023:** ✓ Move in, Training and Onboarding
- **May 2023:** ✓ Small Business Center opens

Budget

- Uses

- \$7M to purchase entire mall (EDA General Fund)
- \$5M to construct center (Pooled TIF and grants)
 - Grant Contributors: Federal Gov-\$1MM, Henn Co-\$500k, MET Council-\$100K

- Sources

- Membership Fees - \$500K per year
- Rental Fees for Rooms - \$100K per year
- Northwind cash flow - \$200K (to pay back EDA General Fund for purchase)
- EDA - \$300K (Year 1 operating deficit for Small Business Center (in order to keep rents affordable))

Ongoing operations

EDA will have contracts for the following services:

- Day to day operations of the Small Business Center (LIBA)
 - IT vendor
 - Janitorial
 - Staffing
- Property management (for the whole mall) (Wellington)
- Technology services
- Technical assistance in the Center

Current and Former Steering Committee members

- Edna McKensie
- Jannie Seibure
- Terry Austin
- Darlene Riley
- Indred Alexander
- Denise Butler
- Jackson George
- Councilmember Lee
- Mayor Winston
- Councilmember Klonowski
- Kari Patnode
- Mary Hexom
- John Kinsey
- Lisa Jacobson
- Susan Pha

Funding Partners

- EDA
- Hennepin County
- Federal Government (Community Funding Partnership)
- Metropolitan Council



Community Partners

- ACER
- LIBA
- NEON
- NDC

Vendors

- Versacon
- Design by Melo
- IAG Commercial
- True North
- Alcove
- Others

The City of Brooklyn Park

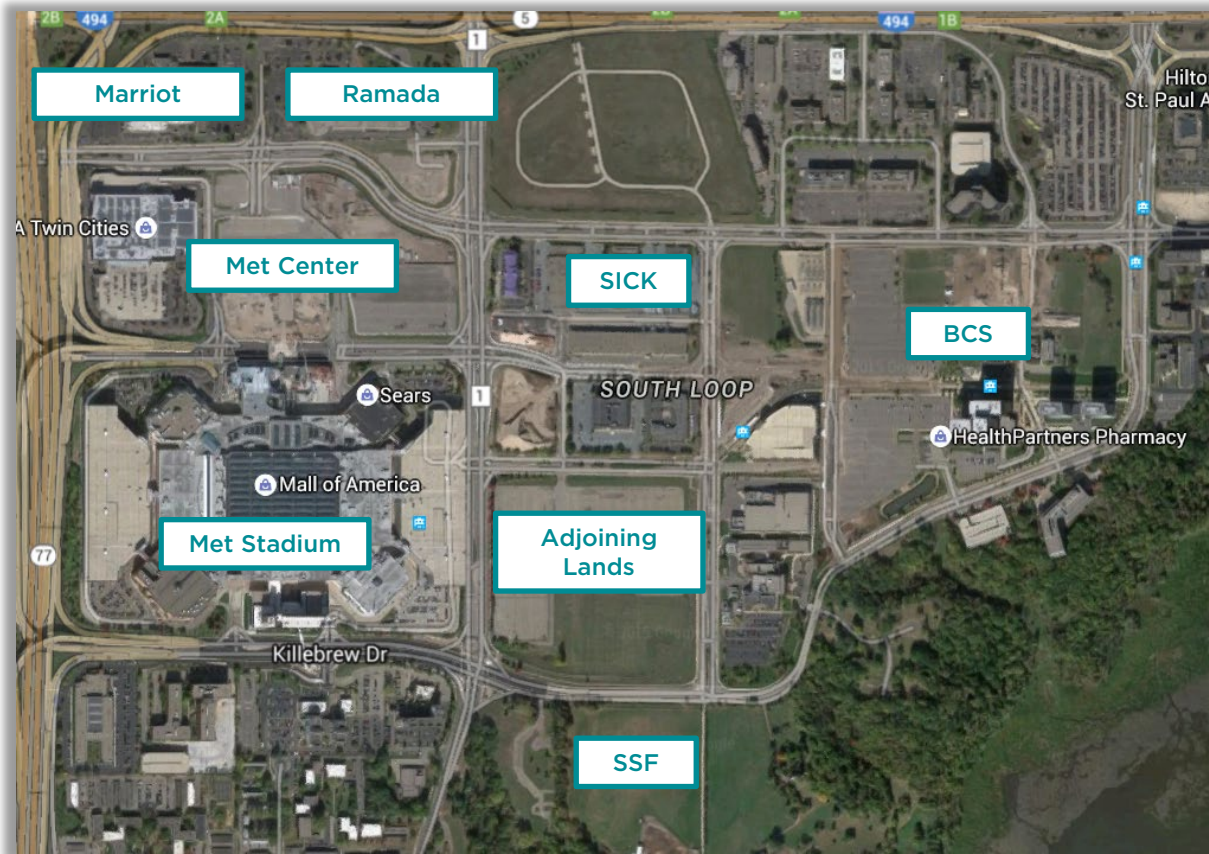
Questions?



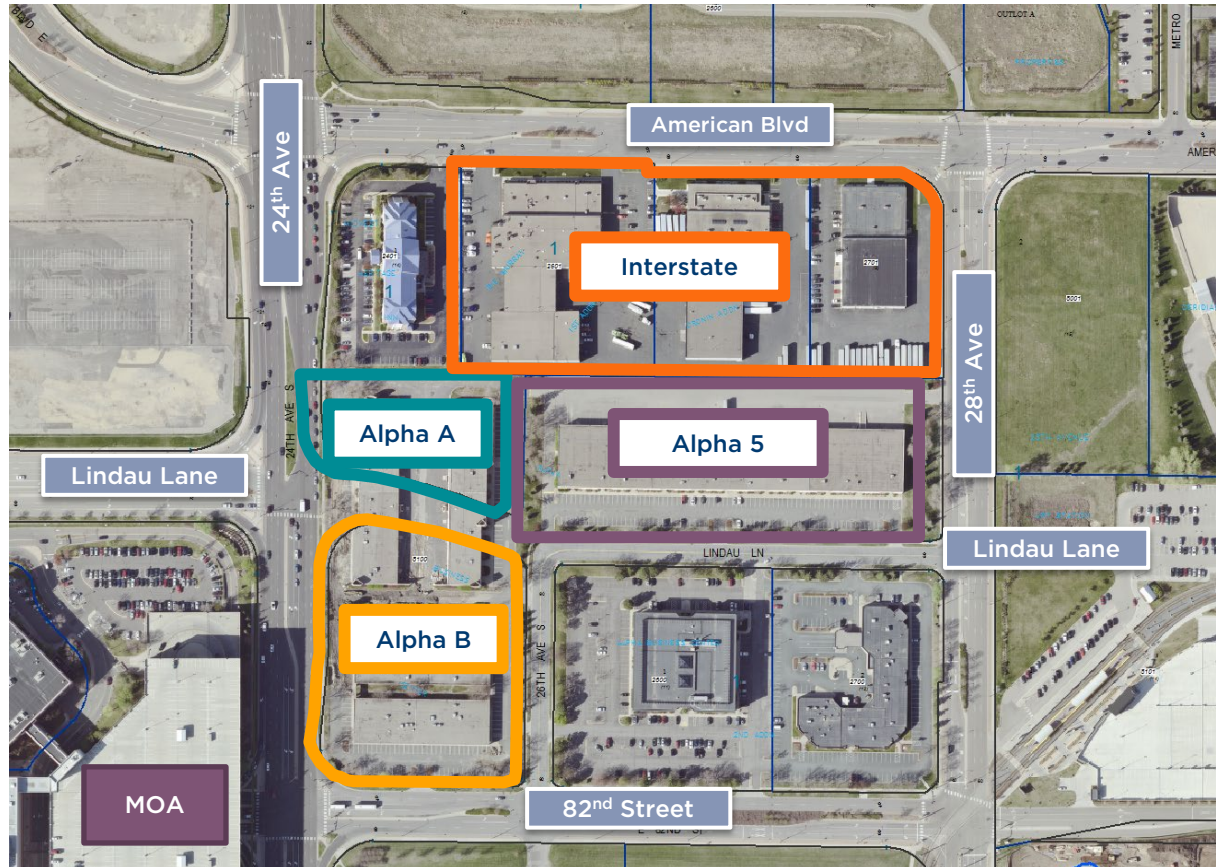
The City of Bloomington

SICK SENSOR PROJECT

Location Map



Interstate & Alpha Sites: History



Alpha A & B: Developed



TPS, AC, Element, The Grind & Hazelwood



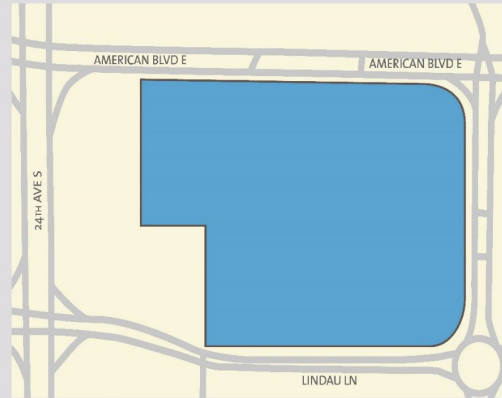
Interstate & Alpha 5: Marketing

SOUTH LOOP

Development opportunity for sale
Total site area 14.2 acres



Zoning - LX



- Close to Blue Line LRT
- Within a 1/2 mile to busiest transit stop in Minnesota
- Intended for a high intensity of a mixture of uses:
 - Office
 - Hotels
 - Retail
 - Entertainment and Recreation
 - Restaurants (no drive thru)

All inquiries to
Port Authority 952-563-4861

BLM.MN/realstate



Located at the SW corner of American Blvd. and 28th Ave.

Interstate & Alpha 5: Marketing



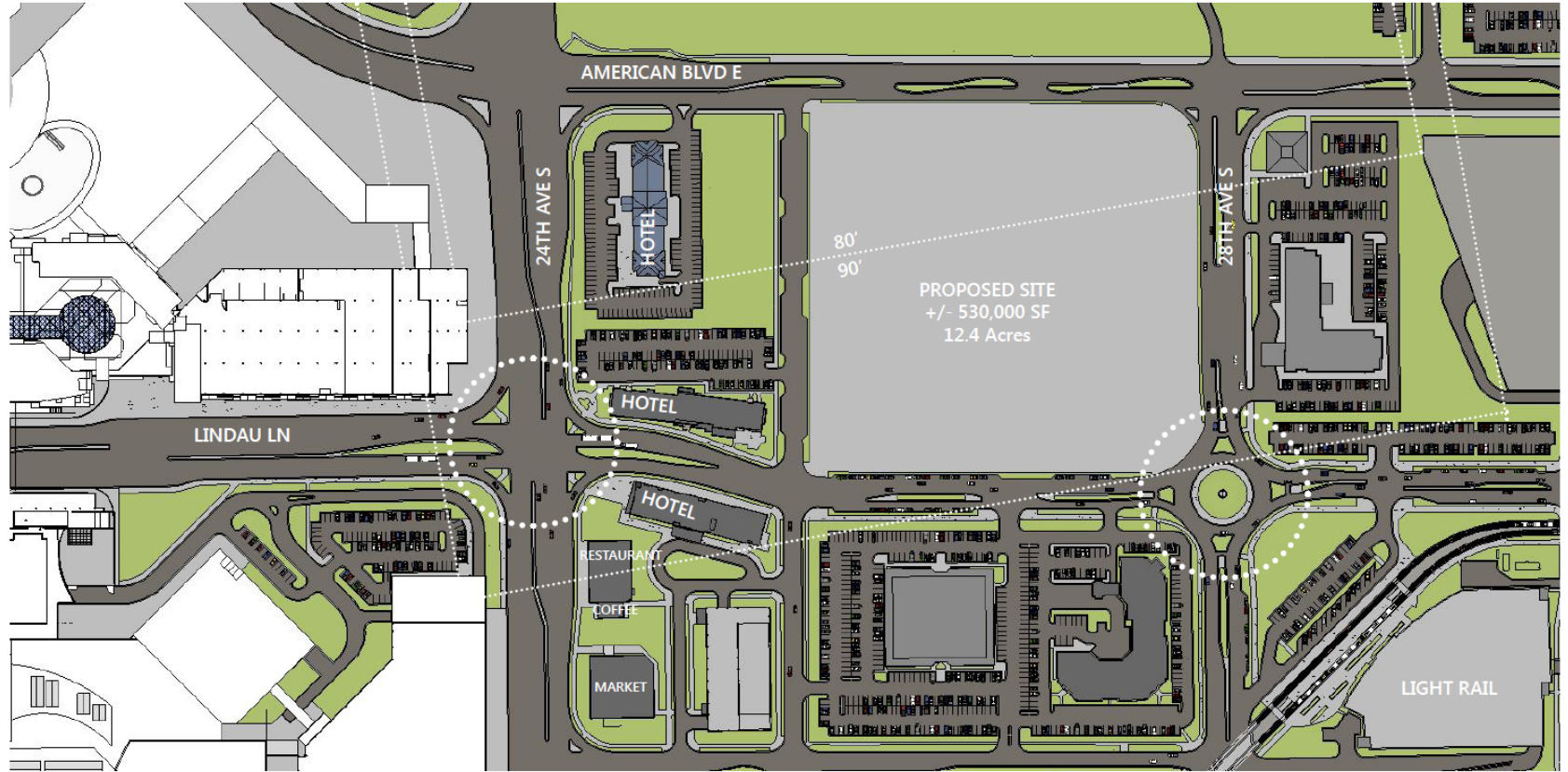
MOA
Expansion

Ramada
Thunderbird

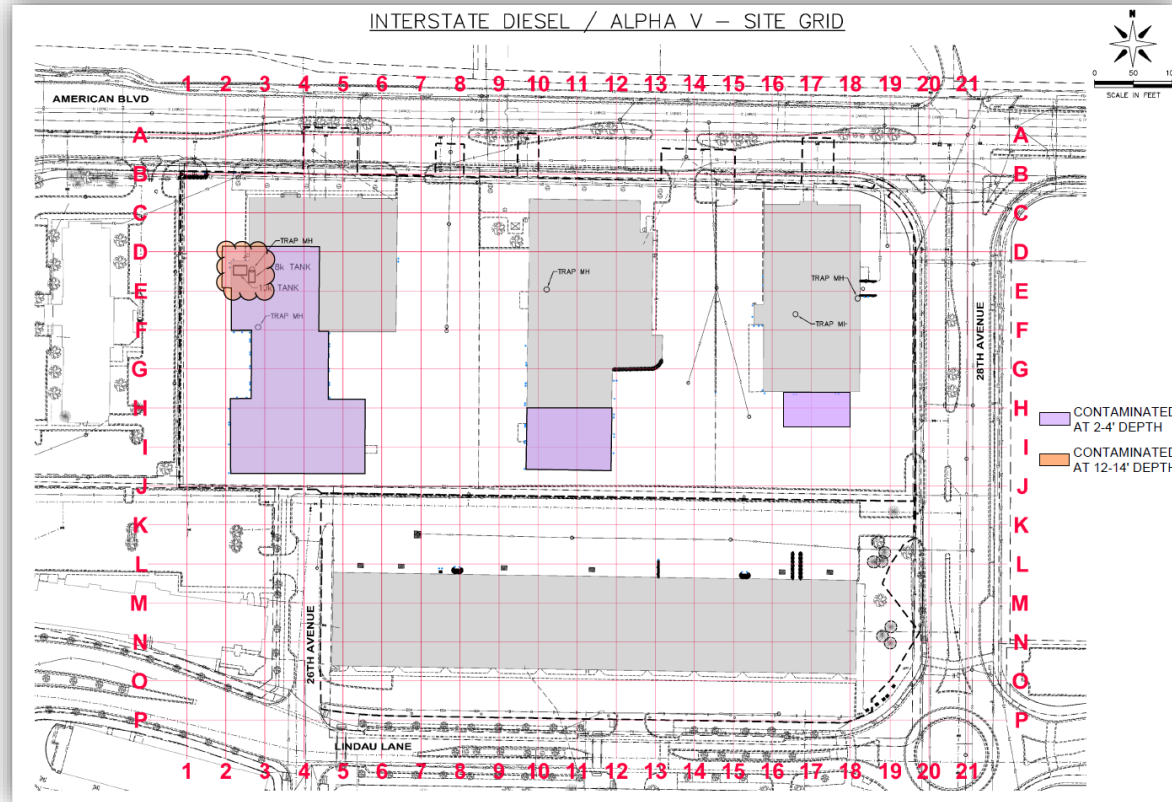
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Interstate & Alpha 5: Marketing

Site Constraints: Height Limits



Site Constraints: Environmental



SICK: Company Background

- Sensor technology
- “Sick” = German family name
- Foreign trade zone
- Targets 20-acre sites



SICK Development: Considerations

- Airport
 - ✓ Proximity for visitors
 - ✓ Noise
 - ✓ Vibration
 - ✓ Safety
- Transit
- Nearby amenities (restaurants, hotels, ec.)
- Central Twin Cities location

SICK Development: Reasons to Proceed

- Retains a Bloomington company & MN
 - ✓ Sick has a presence in Houston & evaluating moving North American headquarters to location
- Provides economic development to region
- Creates good paying jobs, close to transit
- Adds diversity to the economy, tax base & types of jobs
- Can be done in a way to protect City investment
 - ✓ Phasing and parking parcel rights

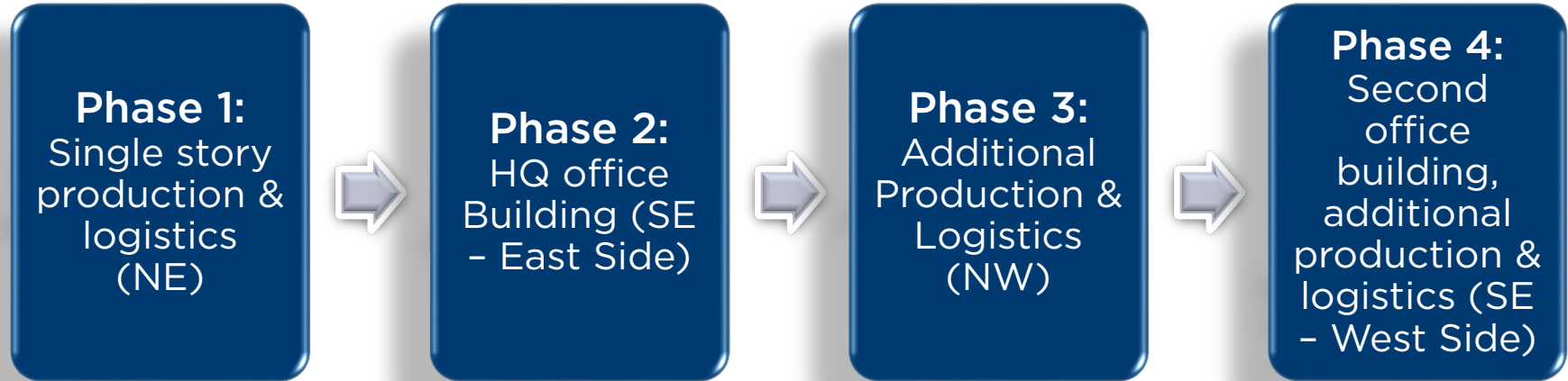
Wages

- SICK existing MN average: \$81,200 per year (\$85,200 median)
- Phase 1 average: \$64,400 per year (*\$63,800 median*)
- Phase 2 average: \$98,500 per year (***\$83,600 median***)
- Combined Phase 1 & 2: \$81,000 per year (***\$83,600 median***)

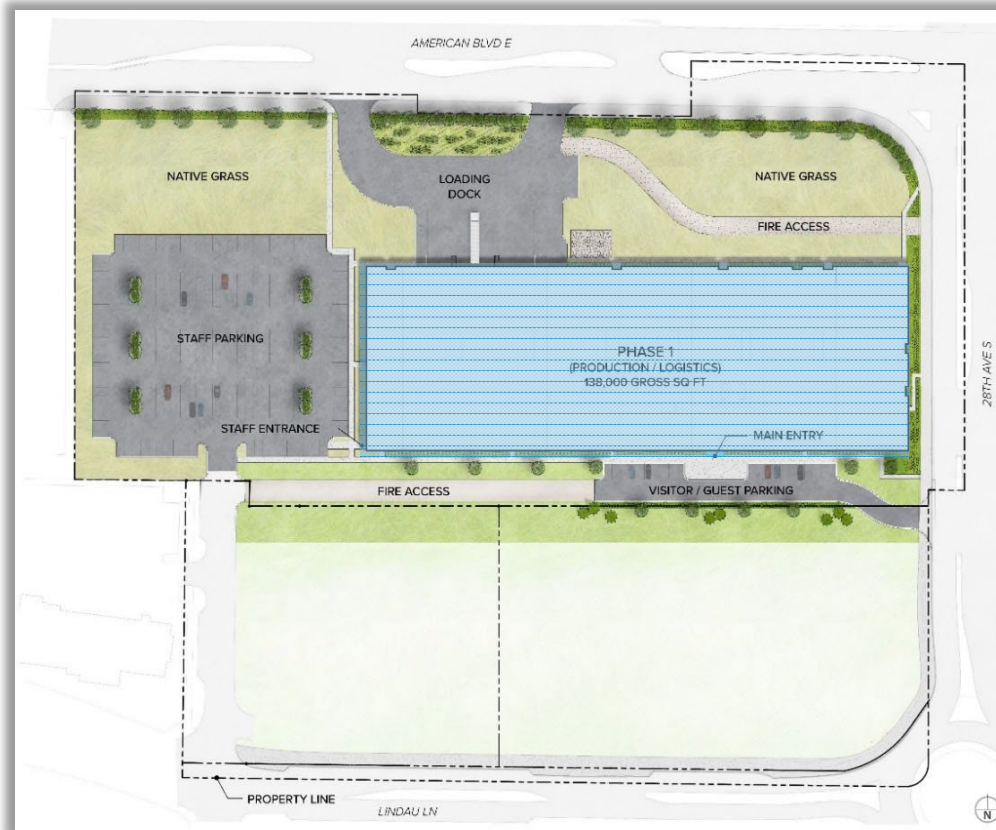
NOT
A
TYPO!

(All 2020 dollars)

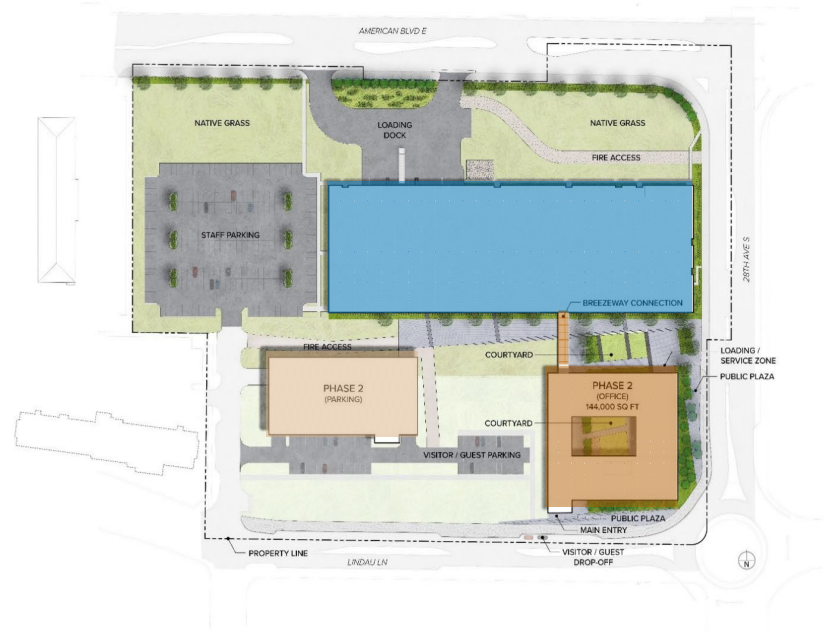
SICK Development: Phasing Plan



Phase 1:



Phase 2:



PHASE 3:



Phase 4:



SICK Project: Master Plan



SICK, Inc.

SICK
Sensor Intelligence.



Summary

- ✓ Public investment offset by Port/City retaining rights to Parking Parcel & Development Rights
- ✓ Cash funding: No borrowing

	Phase 1 2020	Phase 2 2025
Production and Logistics - low	110,000	-
Production and Logistics - high	145,000	-
Office - low	20,000	120,000
Office - high	20,000	150,000
Total SF - low range	130,000	120,000
Total SF - high range	165,000	150,000
Jobs Added per Phase		312
Total On Site Jobs	154	466
Structured Parking Cost		\$ 10,240,000
Surface Parking Cost		
Land Adjustment Cost	\$ 4,078,728	\$ 2,019,026
Stormwater Cost		
Max Potential Pub Inv	\$ 4,078,728	\$ 12,259,026
Total Potential Pub Inv Cumulative	\$ 4,078,728	\$ 16,337,754

Public Investment Funding

Uses

- Land price adjustment
- Structured parking: Capital & maintenance
- Utilities
- Jobs

Funding

- Carlton TIF: Pre 1990 District pooling
- South Loop Development Fund: Liquor & lodging taxes
- MOA Administration & Reserve Fund: Pre 1990 District pooling
- MIF
- Hennepin County TOD

Grand Opening November 2022





Ehlers Minnesota Public Finance Seminar

Kevin McKinnon
Deputy Commissioner
MN Dept. of Employment & Economic Development

2/3/2023

Background

- Economic Development Division
- Budget Sources
- Activity and Budget History

Fiscal Year	Awards	Funds Awarded	Funds Leveraged	New Jobs	Retained Jobs
2022	648	\$ 240,242,000	\$ 2,310,000,000	5135	8616
2021	568	\$ 183,369,000	\$ 1,659,000,000	3369	5961
2020	1574	\$ 182,000,000	\$ 1,480,000,000	4051	7836
2019	359	\$ 97,000,000	\$ 2,050,000,000	6077	14625
2018	536	\$ 178,000,000	\$ 2,089,000,000	6275	10006



SICK Project

- Worked with city and business to facilitate the project
- Long history with SICK
 - Expansions/Workforce Development
 - Foreign Trade Zone
 - International Trade
- Costs related to the project
- Location, industry, growth potential and long term retention



Business Development Resources

- Minnesota Investment Fund
- Job Creation Fund
- Redevelopment/Clean-up Funding
- State Small Business Credit Initiative
- Infrastructure Programs
- Minnesota Job Skills Partnership, Job Training Incentive Program
- Shovel Ready



2023 Budget Proposals

- Surplus, optimism!
- What does this mean for Economic Development:
 - Base budget = \$95 million
 - New spending proposals = \$650 million
- Significant growth of programs and assistance to businesses and communities – most of which is one-time spending.


- Minnesota Forward Fund - \$150 million
- Minnesota Opportunity Fund - \$40 million
- Small Business Programs - \$23 million
- Angel Tax Credit – \$20 Million
- Bond Programs - \$18 million

*Funding for FY 24-25 biennium

PROPERTY MARKETS | DATA CENTERS

Trends in Data Center Site Selection

A lack of space and developable land as well as power constraints will continue to drive data center site selection, with sustainability considerations and emerging technologies becoming increasingly important factors.

 Pat Lynch, Executive Managing Director, Data Center Solutions Group
IDCGG, CBRE

 Josh Ruttner, Senior Research Analyst, Data Center Solutions, CBRE

Q2 2022

SkyWater unveils plans to build \$1.8 billion chip facility in Indiana

 REUTERS | Stock Markets | Jul 20, 2022 10:27AM ET



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OR: Intel Factory in Hillsboro, Ore., Opens \$3 Billion Expansion of Semiconductor Research Campus

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LG Energy Solution Will Invest \$1.7B In Michigan Expansion

LGES will expand its Holland, MI plant to produce components for electric vehicle batteries, resulting in the creation of 1,200 new jobs.

Proposals

- Broadband - \$276 million
- Mainstreet Revitalization - \$85 million
- Child Care Economic Development - \$15 million
- Explore Minnesota for Business - \$12 million
- Energy Transition Communities - \$10 million

*Funding for FY 24-25 biennium





Questions?

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JoinUsMN.com



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