



DATE: March 15, 2021

TO: Honorable Mayor and City Councilmembers
Dave Perrault, City Administrator

FROM: Jane Kansier, AICP, Planning Consultant
Corrin Bemis, Planning Consultant

SUBJECT: Planning Case #21-001
Applicant: Boston Scientific Corporation
Property Location: 4100 Hamline Ave N.
Request: Approval of the Job Creation Fund Resolution

Budgeted Amount:	Actual Amount:	Funding Source:
N/A	N/A	N/A

Council Should Consider

Motions to approve, table, or deny the following:

- Resolution Number 2021-014, Resolution Regarding the Support of a Job Creation Fund Application in Connection with Boston Scientific Corporation, based on the findings of fact and submitted Job Creation Fund application.

All items need a simple majority for action unless otherwise noted.

Background/Discussion

Boston Scientific Corporation proposes to construct an expansion of their manufacturing facility at Building 14, in the northwest corner of the Arden Hills campus. The purpose of the facility is the development and production of lithium batteries for use in medical devices. The primary space in the facility is a 'dry room', a space maintained at less than 1% relative humidity, which is required for handling lithium. Ancillary functions in the addition include office and conference space. The proposed expansion is expected generate 150 new jobs over the next three years.

To assist with the funding of the proposed addition to Building 14, Boston Scientific is applying to the Minnesota Department of Employment and Economic Development’s Job Creation Fund. The JCF provides 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. In some cases, companies may receive awards of up to \$2 million.

Business applicants for the Job Creation Fund must apply through the city. To be eligible for funding, DEED requires applicants obtain a resolution of support approved by the City Council. To apply for the JCF program, Boston Scientific must complete the following steps:

1. Submit the Job Creation Fund Application Form and required supporting documents to DEED.
2. DEED evaluates the application and notifies the city and business of approval or denial. If approved, DEED will formally designate the business as a Job Creation Fund business and determine an award amount. Awards in excess of \$500,000 require DEED to hold a public hearing. It is likely this project will require a public hearing.
3. After a public hearing, DEED drafts a business subsidy agreement specifying project goals and duration for the agreement and sends it to the business for signature. The business then returns the agreement to DEED for final signature by the DEED commissioner.
4. Through the duration of the business subsidy agreement, the city will provide assistance to in the form of collecting required reporting information and submitting progress reports, annual reports, requests for payment, and providing updates to the business regarding updates to annually adjusted wages.

Adoption of the resolution of support does not obligate the City to approve development plans. It also does not obligate the City to provide any financial incentives now or in the future. This is one step in assisting the applicant with obtaining funding for the project.

Findings of Fact

DEED requires the City Council make findings in four specific areas as part of the Resolution of support. The Planning Department offers the following findings of fact for consideration:

1. **Finding that the project is in the public interest because it will encourage the growth of commerce and industry, prevent the movement of current or future operations to locations outside Minnesota, result in increased employment in Minnesota, and preserve or enhance the state and local tax base**
 - a. Boston Scientific currently employees 37,298 permanent, full-time employees company-wide and 10,169 permanent, full-time employees in the state of Minnesota. The proposed project site currently employees 4,608 permanent, full-time employees.
 - b. The proposed addition to Building 14 will create one-hundred and fifty (150) new jobs for the State of Minnesota and the City of Arden Hills.
 - c. Ninety (90) of the newly created positions will be for production builders. This position will include a total hourly compensation rate, including benefits, of \$25.20. Sixty (60) of the newly created position will be for office staff. This position will include a total hourly compensation rate, including benefits, of \$53.90.
 - d. The proposed addition to Building 14 will create 150 new jobs over three years after the opening date of the proposed addition. There will be no reduction of

positions at other company sites during the next two years, nor will there be any hobs relocated from existing Minnesota sites to this site.

2. Finding that the proposed project, in the opinion of the city council, would not reasonably expected to occur solely through private investment within the reasonably foreseeable future.

- a. Without funding from the Job Creation Fund, Boston Scientific may choose to relocate the project away from their Arden Hills site. The proposed addition to building 14 could occur at a different Boston Scientific location outside of Minnesota.

3. Finding that the proposed project conforms to the general plan for the development or redevelopment of the City as a whole.

- a. The Boston Scientific campus is guided as Light Industrial and Office on the 2040 Comprehensive Plan land use plan. The current use is a permitted use as a manufacturer of medical devices within this district. The changes to the Campus Master Plan that the Applicants propose to add are entirely exterior and complementary to the use of the Subject Property as a medical device manufacturer.
- b. The City of Arden Hills aims to promote the development, redevelopment, and maintenance of a viable, innovative, and diverse business environment serving Arden Hills and the metropolitan area. To achieve this economic development and redevelopment goal, the City of Arden Hills will work to create and strengthen existing partnerships between public and private agencies and institutions, engage the private sector to encourage development and redevelopment projects that are beneficial to the City, and identify incentives or programs where applicable that promote private sector investment.
- c. While the City's economic base is relatively strong, the City recognizes the need to maintain and enhance the economic base over the long-term. The proposed addition to Building 14 aligns with the goals of the City and contributes to the maintenance and enhancement of the City's economic base over the long-term.

4. Finding that the proposed project will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment or development of the project by private enterprise.

- a. The Boston Scientific campus at 4100 Hamline Avenue North operates under a Planned Unit Development (PUD) that was originally approved in 2002 for the Guidant Corporation. The proposed addition to Building 14 is not shown on the current Master Plan, but the company has submitted an application for a PUD amendment. This application will likely be considered by the Planning Commission in April, 2021.
- b. Boston Scientific is regulated under a PUD that permits the Subject Property to operate medical manufacturing provided those uses maintain harmony and compatibility with surrounding uses and are in keeping with the architectural character and design standards of existing uses and development. The underlying Zoning District that guides the uses allowed within the parcel is the I-1 Limited Industrial District.

Budget Impact

N/A

Attachments

A. Job Creation Fund Resolution 2021-014