

**FAX TRANSMISSION**

To: Shakopee City Hall PH: 952-233-9300 FAX: 952-233-3801 Date: June 6, 2019 Pages: 6 (including cover page) Attention: Annie	From: KEB AMERICA Inc. PH: 952-224-1404 FAX: 952-224-1497 From: Jenny Davis Jenny.davis@kebamerica.com
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RE: Application for Business Assistance

Dear Annie,

Please forward the attached application to Michael Kerski and Jenn Brewington. I have emailed the Application, but it appears my emails are not going through to either of them.

@ Michael and Jenn: Please keep in mind that this Application is not the Official Application. This is just for your initial review.

If you have any questions, please feel free to contact me.

Best regards,

A handwritten signature in black ink, appearing to be "Jenny Davis", with a long horizontal flourish extending to the right.

Jenny Davis
Controller

-- CONFIDENTIAL --

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Application for Business Assistance

With this application, please submit a formal letter requesting assistance. There is an application fee of \$12,000 that will be used to pay legal and financial service fee's associated with the application process. Any unused portion of this fee will be returned to the applicant if project is not approved or if applicant decides not to proceed. Application is not considered complete until application fee has been received.

APPLICANT INFORMATION

Business Name: KEB AMERICA, LLC

Address: 5100 Valley Indust. Blvd. S.

City: Shakopee State: MN Zip Code: 55379

Contact Person: Jenny Davis Title: Controller

Telephone: 952-224-1400 Email: jenny.davis@kebameric.com

☒ To be listed as primary on legal documents

Parent Company: KARL E. BRINKMANN, GMBH

Address: Suedstrasse 38

City: Barntrup State: Germany Zip Code: 32683

☐ To be listed as primary on legal documents

Consultant Name: GRAND PROJECTS, INC.

Address: P.O. Box 29

City: Northfield State: MN Zip Code: 55057

Contact Person: Larry White Title: Construction Manager

Telephone: 612-644-9023 Email: lwhite@grandprojectsinc.com

TYPE OF SUBSIDY REQUESTED

☐ Tax Increment Financing (TIF) ☒ Tax Abatement ☐ Other _____

Type of TIF: ☐ Economic Development ☐ Redevelopment ☐ Housing

PROJECT INFORMATION

If awarded, what is the intended use of funds? If possible, please provide preliminary cost estimates.

The funds will help to offset some of the costs for our Building Expansion. The addition will be approximately 70,000 square feet (doubling the size of our current building). The rough estimate investment is \$9,000,000, which includes approximately \$1,000,000 in equipment (i.e. overhead crane, forklift, material handling storage, etc.).

COMMUNITY PRIDE SINCE 1857

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Project Type: ☒ Expansion ☐ StartupWill any jobs be relocated from another Minnesota site? ☐ Yes ☒ No

If yes, which location(s) will the jobs be relocated from? _____

Provide a statement within the attachment section as to why the project cannot be completed at its current location/facility.*What is the company's current number of Full Time Equivalent (FTE) employees in Shakopee: 118Full Time Equivalent (FTE) is based on a total annual hours of 2,080.*What is the company's current number of Full Time Equivalent (FTE) employees in Minnesota: 118Number of new FTE jobs to be created within 2 years in Shakopee: 16Number of new FTE jobs to be created within 5 years in Shakopee: 18**Job number will be used to determine eligibility for scoring and for job creation commitments.*What is the hourly base wage of the lowest paid job that will be created? \$15.00How many jobs earning a base wage of \$14.50 or higher are anticipated to be created? 34**City requires a minimum wage of \$14.50 exclusive of benefits (200% of Federal Minimum wage).*What is the average base wage of all the jobs created? \$25.00

Complete the following wage/benefit table:

Wage Levels Per Hour	Number of Permanent FTE Positions at this Wage Level	Hourly Value of Health Insurance Benefits (Health and Dental)	Hourly Value of Non- Health Insurance Benefits (Life, Profit Sharing/Bonuses, Retirement, etc.)
Less than \$14.50			
\$14.50 - \$14.99			
\$15.00 - \$16.99	4	\$4.55	\$0.93
\$17.00 - \$18.99	4	\$4.55	\$0.93
\$19.00 - \$20.99	2	\$4.55	\$0.93
\$21.00 - \$22.99	3	\$4.55	\$0.93
\$23.00 - \$24.99	2	\$4.55	\$0.93
\$25.00 - \$26.99	2	\$4.55	\$0.93
\$27.00 - \$28.99	11	\$4.55	\$0.93
\$29.00 - 30.99	4	\$4.55	\$0.93
\$31.00 and Over	2	\$4.55	\$0.93

PROPERTY INFORMATIONProperty Identification Number(s): R 271410020Total Size of the Property: 7.448 ACRES SQ. FT.Total Size of the Facility: 68,900

Facility Breakdown	Total Square Feet Per Area
Manufacturing/Assembly/Processing	5,000
Office	3,700
Research Laboratory	
Warehouse	58,000
Other	2,200

Will the facility be leased or owned? ☐ Leased ☒ OwnedAre there any environmental risks associated with the site, building, or the business itself? ☐ Yes ☒ NoHave state environmental review requirements been met, if applicable? ☐ Yes ☐ No**ESTIMATED SOURCES AND USES OF FUNDS****Note: 20% of equity is required.*

	Local Government	Bank	Equity	DEED	Other	Total
Property Acquisition						
Site Improvement						
New Construction	500,000		7,500,000			8,000,000
Renovation of an Existing Building						
Purchase of Machinery & Equipment			1,000,000			1,000,000
Public Infrastructure						
Other						
Total Project Costs	500,000		8,500,000			9,000,000

ESTIMATED PROJECT TIMETABLE

Task	Estimated Completion Date
Commitment of all Funds	06/30/2019
Start of Construction	07/01/2019
Purchase Equipment	11/01/2019
Complete Construction	02/01/2020
Begin Operations	03/01/2020

TAX INCREMENT FINANCING ONLY

Any project receiving tax increment financing must meet requirements established in the City of Shakopee's Tax Increment Financing Policy.

Will the developer receiving assistance provide a minimum of 20% cash equity investment in the project?

☐ Yes ☐ No

If new construction, will the building be at least 50,000 square feet? ☐ Yes ☐ No

TAX ABATEMENT ONLY

Any project receiving tax abatement must meet requirements established in the City of Shakopee's Tax Abatement Policy.

Will the developer receiving assistance provide a minimum of 20% cash equity investment in the project?

☒ Yes ☐ No

Does the project meet the minimum investment of \$10 million (new businesses) or \$5 million (expansions)?

☒ Yes ☐ No

Attach the following information with the application. Application is not considered complete until all documents have been received. Include a project narrative which answers the following questions:

- Provide a brief description of the Company. Does the marketing strategy support the planned expansion or start-up? What is the business' competitive position in the marketplace? Briefly describe the past and present operations of the business and/or events leading up to its creation. Include when business was established and any change in controlling ownership within the last five years.
- Include a site plan along with renderings of the proposed facility.
- Explain why assistance from the City is necessary for this project?

A professional analysis of the company's financials may be required and would need to include review of the following information: Three years historical financial information: Balance Sheets, Profit and Loss Statements and Cash Flow Statements.

Davis

05/23/2019

Confidential

City of Shakopee Tax Abatement Application—Additional Information

KEB AMERICA, LLC owns the land and building at 5100 Valley Industrial Blvd. South, Shakopee, Minnesota 55379. KEB AMERICA, LLC leases the building to KEB AMERICA, INC. KEB AMERICA, INC. is a manufacturer of motion control and automation products. The KEB America team has a broad view of the various sectors of mechanical engineering and automation, giving them accurate insight into the needs and trend of the market. Sales and applications engineers reach out to potential and existing customers to create and strengthen partnerships and promote KEB's product portfolio as it continues to grow with new and emerging technologies.

History:

- **1979** – KEB enters the North American market in a joint venture.
- **1982** – KEBCO is officially incorporated in the US after the termination of the joint venture. The company has two employees and works out of St. Louis Park, MN.
- **1985** – KEB HQ begins production of variable frequency drives, KEBCO in Minnesota sells and services the drives for the North American market.
- **1990** – KEBCO begins to manufacture electromagnetic clutches and brakes for the local North American market.
- **1995** – KEBCO, now with 30 employees, expands and relocates the facility to Mendota Heights, MN.
- **2003** – Production of electronics and inverters (up to 200kw) for the North American market is started at the KEBCO facility.
- **2005** – KEB America, Inc. officially opens its 86,000 square foot facility in Shakopee, MN. This manufacturing location produces inverters, gearmotors, clutches, and brakes for the North American market.
- **2019** – KEB AMERICA, Inc. starts plans to expand their current building to double the size of the facility.

