



REQUEST FOR COUNCIL ACTION

AGENDA DATE: November 14, 2022

AGENDA ITEM: Consider adopting a resolution authorizing a grant application to the IRRR Development Infrastructure Grant program for development infrastructure costs associated with the Arbor Wood project located at 502 W. County Rd. 63, Grand Rapids, MN 55744.

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

Arbor Wood Co. is a supplier of thermally modified siding, decking and dimensional lumber. The Arbor Wood manufacturing process, which is currently outsourced, uses heat and steam to improve the aesthetics and durability across a range of wood species. Arbor Wood, who has developed their product line in conjunction with the University of Minnesota Natural Resource Research Institute, is at the forefront of the domestic thermally modified wood movement and an advocate for conservation and sustainability.

The proposed project involves a renovation of a 48,000 square foot space in the southeast corner of the former Ainsworth Plant at 502 W. County Road 63 in Grand Rapids by the owner, Voyageur Capital Group (VCG) of International Falls, MN.

The pending renovation of the space by VCG will include: the infill of one existing loading dock, construction of an office and conference room area, restrooms, energy upgrades, roof repairs, exterior painting, mechanical and electrical upgrades, demising wall and sprinkler systems. Tenant Buildout = \$2.0MM

In addition, VCG will connect this space to the sanitary sewer and water service to be provided by the City Infrastructure Project. The cost of this and other site improvements for this project = \$800,000.

Arbor Wood will lease this space from VCG, who is also an investor/owner in Arbor Wood. Arbor Wood will equip their manufacturing operation by the purchase and installation of an: autoclave, milling equipment (optimizer, moulder, end matcher and gang rip saw), dust collection and fork lifts. Total Equipment Budget = \$3.2MM

If awarded to the City, this \$500,000 grant, would be used to reimburse a portion of the project cost for site work construction.

The attached resolution authorizes the application and the City's acceptance of funds, if they are awarded.

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution authorizing a grant application to the IRRR Development Infrastructure Grant program for development infrastructure costs associated with the Arbor Wood project located at 502 W. County Rd. 63, Grand Rapids, MN 55744.