

Recycler aims to build Mankato factory

Genesis Poly Recycling seeking public subsidies; says company will create 115 jobs within two years

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MANKATO — A startup company that recycles plastic wants to build a factory in Mankato and the city is proposing to buy the rest of a facility it partly owns and lease it back to the startup.

A special meeting of the City Council has been set for tonight to decide whether to authorize the purchase of the former location of Spartech Plastics on Industrial Road. The city already owns about two-thirds of the site, and the part it seeks to purchase is listed at \$ 800,000 and appraised for \$1.28 million.

Genesis Poly Recycling, a new business that started in Savage, expects to create 42 jobs initially and 115 within two years.

It focuses on difficult to recycle plastics such as those used in the agricultural industry, including fertilizer barrels and tarps that go over hay. Its machines break apart the plastic into tiny pellets that are used to make other sorts of plastic products.

Genesis Poly plans to finance the \$ 12.3 million project in a public- private partnership that includes \$7.44 million in loans from U.S. Bank, a \$500,000 loan from the state, JOBZ subsidies and the city's purchase of the Spartech property.

The council will also consider setting a public hearing for JOBZ benefits for Dec. 14.

Today's meeting — added to the schedule to help the company meet its timelines — will focus on the purchase of the property.

There is already a tenant in the portion of the building the city is seeking to buy. The tenant may be moved with a 120- day notice, according to its lease.

The lease rates to be charged to Genesis Poly are planned to start at \$2.50 per square foot, \$20,228.13 per month, and ramp up to \$5.21 by the 11th year of operation. The company, which also has the option to buy the building, plans on leasing the whole facility.

The City Council plans to consider the proposal at 6 p. m. today in the Intergovernmental Center.