



Delta ModTech's planned 210,000-square-foot building will be an anchor for the 125-acre Bunker Lake Industrial Park. (Submitted illustration: HTG Architects)

Delta ModTech to break ground on \$16 million facility

By: Matt M. Johnson September 24, 2019 3:41 pm

A tight industrial property market in the Twin Cities has a Coon Rapids engineering and manufacturing company heading to comparatively wide-open Ramsey to build a new plant.

Web product converter Delta ModTech will break ground Oct. 8 on a 210,000-square-foot production and engineering building on a portion of 43 acres of industrial land. The company paid \$3.51 million for the property inside the 125-acre Bunker Lake Industrial Park, according to a certificate of real estate value made public late last week.

Delta ModTech will nearly double the 120,000 square feet of space it currently occupies in several buildings at 11501 Eagle St. NW in Coon Rapids, said company owner and Chief Operating Officer Evan Schiebout. The \$16 million project will be the largest so far in the industrial park, which opened in 2017.

Delta ModTech manufactures products from rolls of material through high-speed machines, products that can range from oral medications to beer bottle labels. Much of the company's business comes from the med-tech industry, Schiebout said.

The company's planned concrete panel, tip-up building will rise on about 16 acres of the land Delta ModTech purchased at 8200 Bunker Lake Blvd., according to records on file with the city. The rest of the property will be used in the future for expanding the company's operations, Schiebout said in a Tuesday interview.

The property purchase, which closed on Sept. 20, works out to about \$81,647 per acre. The seller was Hagerman Holdings of St. Michael. The Twin Cities office of Colliers International brokered the deal.

The company, which was founded in 1977 in Spring Lake Park, has repeatedly added to its space after moving into about 35,000 square feet in Coon Rapids in 1996. All those expansions were instructive in planning to move to Ramsey, Schiebout said.

"When you go to expand, you don't want to expand by too little," he said.

Delta ModTech plans to use the extra acreage it purchased for future building expansions, Schiebout said. Rogers-based Kinghorn Construction will build the initial planned building.

About 135 Delta ModTech employees are expected to move into the new building when it is complete next July. About 60% of those workers are engineers.

The company initially started looking for a bigger facility within a half-mile of its current buildings, Schiebout said. The search for the right place to expand took two years and finally ended in Ramsey.

“There’s no inventory out there,” he said. “We found Ramsey, which gave us enough room for our current expansion.”

Schiebout said he hopes his company’s arrival in Ramsey will spur commercial growth in the city.

“We’ve got a lot of employees wondering where they’re going to go to lunch,” he said.

The Twin Cities industrial market has a vacancy rate of 7.13%, according to statistics generated by Colliers. That rate jumps slightly to 7.39% in the west-northwest submarket which includes Ramsey.

The Delta ModTech building will be the largest built in the Bunker Lake Industrial Park, said Sean Sullivan, the city’s economic development manager. Already complete is a 64,000-square-foot building that houses two athletics-based tenants and a 54,000-square-foot building that is fully occupied by two manufacturers. A 60,800-square-foot speculative building is currently under construction and is 50% leased, Sullivan said.

The city agreed to put \$972,000 in tax increment financing into Delta ModTech’s project. The facility will be an anchor for the industrial park and will bring a lot of workers to Ramsey who will likely spend money in town, Sullivan said in an interview.

“It’s a huge deal,” he said.

The city estimates the assessed tax value of the Delta ModTech building will be \$11.1 million. The project is expected to generate more than \$375,000 in annual property taxes.

Delta ModTech owns its three Coon Rapids buildings. The company has one under contract for sale, and will lease out the other two after the July move, Schiebout said.