



ECONOMIC DEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM

THURSDAY, JUNE 30, 2022

7:30 AM

1. Call to Order
2. Approval of the Minutes
3. Public Hearings
4. Items for Discussion
 - A. Approve Preliminary Development Agreement for Demolition of the Farmer Seed Building (818 4th Street NW)
5. Project Updates
6. Adjournment



Faribault Economic Development Authority
MEETING MINUTES

Thursday | May 19, 2022

1. Call to Order / Roll Call / Agenda Approval

Action: Chair Gramse called the meeting to order at 7:01 a.m.

Present: Campbell, Drevlow, Fort, Smith, Viscomi, Voracek, and Chair Gramse.

Absent: Fort.

Staff Present: Community & Economic Development Director Deanna Kuennen, Community Development Coordinator, Stephanie Aman and Recording Secretary, Kari Casper, and City Administrator, Tim Murray.

2. Approval Minutes

Action: Motion was made by Voracek and seconded by Campbell to approve the Minutes of April 17, 2022 as presented. Motion carried on a 5/0 vote.

Drevlow arrive at 7:05 a.m.

3. Routine Business: *Agenda items below are approved by one motion unless an EDA member requests separate action.*

- A. Monthly Loan Status Report
- B. Permit Activity Update Report
- C. Budget Status Report

Kuennen stated that there was nothing new to add in any of the reports but also noted that there are more inquiries about the Downtown Commercial Rehab and Exterior Improvement loan program. Motion was made by Voracek and seconded by Campbell to receive and file the monthly status reports as presented. Motion carried on a 6/0 vote.

4. Public Hearings

- A. None.

5. Items for Discussion

A. Downtown Commercial Rehabilitation Loan - Cry Baby Craig's

Aman began her presentation that Cry Baby Craig's, located at 405 Central Ave N, sustained damage during a wind storm in April. Their front corrugated awning blew off from their building, revealing brick that was hidden beneath the tin. With the tin off of the building, the owners are seeking assistance to restore the front facade to what appears to be original brick. As part of the project, they will tuckpoint and add signage to the building.

Cry Baby Craig's attempted to receive more than one bid for this project, but have been unsuccessful in securing a second bid as contractors are overbooked. While the Downtown Commercial Rehabilitation program guidelines require 2 estimates, the EDA has the authority to take into account extenuating circumstances and waive program requirements if they so choose. The bid they have received to complete the work is for \$14,900 and they are requesting \$7,450 in funding from the Downtown Commercial Rehabilitation Loan Program

Discussion ensued regarding the amount of assistance the EDA has provided this particular business at this location, if there were insurance funds to assist with the repairs, and whether or not the program criteria was met. Voracek made a motion to approve Resolution 2022.03, seconded by Drevlow. Campbell stated that he is abstaining from this vote. Further discussion took place before the vote. It was suggested that insurance proceeds should be considered and incorporated into the program guidelines. Voracek then moved for an Amended Motion for approval of Resolution 2022-03 with the added language to include a "Whereas...less the insurance proceeds...", seconded by Drevlow. Motion carried on a 5/1 vote with Campbell abstaining.

6. Updates/Project Reports

Kuennen did a quick overview of the upcoming projects.

7. Adjourn

A motion was made by Drevlow and seconded by Smith to adjourn at 7:37 a.m. Motion carried on a 6/0 vote.

Respectfully Submitted,

By: _____
Kari Casper, Recording Secretary



Request for Action

TO: Faribault Economic Development Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: June 30, 2022
SUBJECT: Approve Preliminary Development Agreement for Demolition of the Farmer Seed Building (818 4th Street NW)

BACKGROUND:

KK&G Properties LLC ("Developer") acquired the Farmer Seed building located at 818 4th Street NW with the intent of redeveloping the site and buildings into indoor storage. After further investigation of the property, indepth structural analysis, and environmental review - it has been determined that there is no cost-effective way to rehabilitate five (5) of the seven (7) buildings. The Developer has obtained the required Certificates of Appropriateness from the City of Faribault Heritage Preservation Commission (required since the building is listed on the National Register of Historic Places), successfully worked with the City to apply for and be awarded a DEED Redevelopment Grant and a DEED Cleanup Grant to assist with the costs associated with the demolition and environmental cleanup of the site, and has had multiple conversations in work sessions with the City Council regarding the need for tax increment financing (TIF) to support the cleanup and redevelopment of the property. The City Council worked with a consultant to complete a Blight Analysis necessary to determine that the site is eligible for a Redvelopment TIF District, and passed the required resolutions to declare the property blighted per the state statute definitions. These actions have all been done to support the redevelopment proposal and reuse of the site as proposed by the Developer.

The Developer is currently working through the Planning and Zoning approvals process to redevelop the site into a combination of multi-family housing and indoor storage. The Developer is seeking permission to demolish the building in advance of obtaining all of the required planning and zoning approvals, and prior to the TIF district being established. The actual demolition will take 2-3 months, and the Developer would like to be able to complete the contamination cleanup of the site before winter.

The City Council approved via motion a Preliminary Development Agreement for the Demolition of the Farmer Seed Building in February, establishing that the Developer is responsible for all costs (and risks) associated with the demolition, and that the demolition is allowed in advance of the TIF district establishment. However, per the EDA's enabling resolution, the tax increment authority has been transferred to the EDA:

SECTION 3. TRANSFER OF TAX INCREMENT AUTHORITY

Section 3.1. The City shall transfer the control, authority and operation of its tax increment development plans pursuant to Chapter 462, implemented by Resolutions 85-151, 85-140, 85-22, 85-21, 85-20, 81-168, 81-5, and pursuant to Chapter 472A, implemented by Resolutions 85-141 and 83-58, located within the City, from the governmental agency or subdivision that established the project to the EDA. The City Council requires acceptance of control, authority, and operation of the tax

increment development plans by the EDA. The EDA may exercise all of the powers that the governmental unit establishing the project could exercise with respect to the project.

When a project or program is transferred to the EDA, it shall covenant and pledge to perform the terms, conditions, and covenants of the bond indenture or other agreements executed for the security of any bonds issued by the governmental subdivision that initiated the project or program. The EDA may exercise all of the powers necessary to perform the terms, conditions, and covenants of any indenture or other agreements executed for the security of the bonds when the project or program is transferred.

To adhere to the state statutes that govern TIF districts, the EDA is also required to enter into an agreement with the Developer that authorizes the demolition in advance of establishing the district, without jeopardizing the establishment of the district. The attached Preliminary Development Agreement for the Demolition of the Farmer Seed Building (818 4th Street NW) is essentially the same agreement between the City of Faribault and the Developer - establishing the expectations and responsibilities of the demolition, a timeline for the demolition, and the commitment to evaluate and negotiate in good faith the redevelopment request for public financial assistance.

The Developer has also submitted a TIF application and supporting documentation, which is being reviewed by Ehlers. The TIF request will be processed in conjunction and simultaneously with the planning and zoning actions. All of the required steps, hearings, actions, and agreements associated with establishing a Redevelopment TIF District will be brought back to the EDA at that time.

REQUESTED ACTION:

Approve Preliminary Development Agreement for the Demolition of the Farmer Seed Building (818 4th Street NW)

ATTACHMENTS:

1. Preliminary Development Agreement - City of Faribault and KK & G
2. City Council Res. 2022-019 - Finding Parcel is Occupied by Structurally Substandard Buildings
3. Rendering - Proposed Site Plan 4-14-22
4. DOCSOPEN-#778260-v5-
Preliminary_Development_Agreement_for_Demolition

PRELIMINARY DEVELOPMENT AGREEMENT

THIS PRELIMINARY DEVELOPMENT AGREEMENT (this "Agreement"), dated this 16th of February, 2022, by and between the City of Faribault, a Minnesota municipal corporation (the "City") and KK & G PROPERTIES LLC, a Minnesota limited liability company, or its successors or assigns (the "Developer"):

WITNESSETH

WHEREAS, the City desires to promote redevelopment of property located in the City of Faribault and legally described in Exhibit A (the "Property"); and

WHEREAS, the Developer owns or intends to acquire the Property and intends to demolish certain buildings located on the Property; and

WHEREAS, pursuant to an analysis performed by LHB dated January 13, 2022, the buildings to be demolished are structurally substandard; and

WHEREAS, by resolution adopted by the City Council on January 25, 2022 (Resolution 2022-019), and in reliance on the analyses of LHB, the City has found certain buildings located on the Property that are planned to be demolished to be structurally substandard within the meaning of Minnesota Statutes, Section 469.174, subd. 10a; and

WHEREAS, the City and the Developer have determined that is in the best interest of the parties to demolish the buildings, all as further described in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

1. During the term of this Agreement, the Developer (or its successors and assigns) shall:

(a) At no cost to the City, cause the certain buildings on the Property to be demolished and all demolition debris to be removed from the Property as soon as reasonably practicable after the date of this Agreement. The parties agree that such demolition shall occur no later than December 31, 2022.

(b) Maintain the Property in compliance with City ordinances.

(c) If the Developer determines not to undertake redevelopment of the Property directly, it will use its best efforts to seek a successor entity that will proceed with such redevelopment.

(d) Negotiate in good faith with the City and the Faribault Economic Development Authority (the "EDA") regarding any proposed redevelopment of the Property, including any possible public financial assistance related thereof, all with the goal of entering into a contract for private redevelopment (the "Contract").

2. During the term of this Agreement, the City agrees to:

(a) Review any proposed successor to the Developer, and if the City determines to approve that successor, thereafter cooperate with the successor as the Developer under this Agreement.

(b) Cooperate with the Developer or its successor in evaluating any redevelopment proposal submitted by the Developer, including whether any public financial assistance is warranted in connection with that effort.

(c) Proceed to seek all necessary information with regard to the anticipated public costs associated with any proposed redevelopment.

(d) If the City determines that tax increment assistance is reasonably necessary in order to induce the proposed redevelopment of the Property, with the Developer's assistance, begin the process to create a redevelopment tax increment financing district encompassing the Property, including the preparation of a tax increment financing plan, pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the "TIF Act"); provided that parties agree and understand that the City must file a request for certification of such a tax increment financing district within three years after the date of demolition of the building on the Property, unless Section 469.174, subd. 10(d) of the TIF Act is hereafter amended to extend that time period.

(e) Negotiate in good faith with the Developer or a successor regarding any proposed redevelopment of the Property, including any possible public financial assistance related thereto, all with the goal of entering into the Contract.

3. It is expressly understood that execution and implementation of the Contract shall be subject to:

(a) A determination by the City in its sole discretion that its undertakings are feasible based on (i) the projected tax increment revenues and any other revenues designated by the City; (ii) the purposes and objectives of any tax increment, development, or other plan created or proposed for the purpose of providing financial assistance for the redevelopment; and (iii) the best interests of the City.

(b) A determination by the City that any City financial assistance is reasonably necessary in order to make the redevelopment financially feasible.

(c) A determination by the Developer or its successor that the redevelopment is economically feasible and in the best interests of the Developer or its successor.

4. This Agreement is effective from the date hereof through December 31, 2022. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein. Notwithstanding anything to the contrary herein, the term of this Agreement may be extended by mutual written agreement of the parties.

5. The Developer shall solely be responsible for all costs incurred by the Developer and the City in connection with the negotiation and drafting of this Agreement and the parties obligations hereunder.

6. This Agreement may be terminated upon ten (10) days' written notice by either party to the other of any of the following events of default, only if such events of default shall remain uncured during the aforementioned notice period:

(a) an essential precondition to the execution of the Contract cannot be met; or

(b) if, in the sole discretion of the City, an impasse has been reached in the negotiation or implementation of any material term or condition of this Agreement or the Contract.

7. If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the Agreement.

8. In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach. This Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by all parties hereto.

9. Notice or demand or other communication between or among the parties shall be sufficiently given if sent by mail, postage prepaid, return receipt requested or delivered personally:

(a) As to the City: City of Faribault
208 NW First Avenue
Faribault, MN 55021-5105
Attn: City Administrator

with a copy to: Scott J. Riggs, City Attorney
Kennedy & Graven, Chartered
700 Fifth Street Towers
150 South Fifth Street
Minneapolis, MN 55402

(b) As to the Developer:

KK & G PROPERTIES LLC
2105 Winnetka Avenue North
Golden Valley, MN 66537
Attn: Nicole El-Sawaf, Manager

10. This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

11. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

12. At any time during the term of this Agreement and in its sole discretion, the City may assign this Agreement to the Faribault Economic Development Authority.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

CITY OF FARIBAULT

By: 
Kevin F. Voracek

Its: Mayor

By: 
Timothy C. Murray

Its: City Administrator

**DEVELOPER:
KK & G PROPERTIES LLC**

By: 
Nicole El-Sawaf

Its: Manager

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Lot 1 Block 9 of MCCLELLANDS ADD

L1 & L2 & L3 & L4 & L7 & L8 & L9 & L10 & THOSE PARTS L5 & L6 BEG SW COR
E40FT L7 TH S89D17'01"W ALG SLY LI B9 34.63FT TH N04D30'21"W 330.30FT TAP N LI
B9 TH N89D15'22"E ALG N LI 59.67FT TO NW COR E40FT L4 TH S0D09'30"E ALG W LI
E40FT LOTS 4 & 7 329.63FT TO POB

CITY OF FARIBAULT

RESOLUTION #2022-019

FINDING PARCEL IS OCCUPIED BY STRUCTURALLY SUBSTANDARD BUILDINGS

WHEREAS, it has been proposed that the City Council for the City of Faribault, Minnesota (the "City") create a tax increment financing district in an area within the City to be designated a redevelopment district as defined in Minnesota Statutes, section 469.174, subd. 10 (the "TIF District"); and

WHEREAS, in order to create this type of TIF District, the City must determine that before the demolition or removal of any substandard buildings, certain conditions exist; and

WHEREAS, in order to deem a parcel as being occupied by a structurally substandard building, the City must first pass a resolution before the demolition or removal that the parcel was occupied by one or more structurally substandard buildings and that after demolition and clearance the City intended to include the parcel within the proposed tax increment financing district; and

WHEREAS, there exists in the City on the parcel at 818 4th Street NW, Faribault, MN, PID 18.31.2.26.120 (the "Parcel") structurally substandard buildings to be demolished or removed (the "Substandard Building Condition"); and

WHEREAS, a parcel is deemed to be occupied by a structurally substandard building if the parcel was occupied by one or more substandard buildings or met the criteria of Minnesota Statutes, section 469.174, Subd. 10(e) within three years of the filing of the request for certification of the parcel as part of the district with the county auditor, in addition to other requirements as are required by law.

NOW, THEREFORE BE IT RESOLVED, by the Faribault City Council as follows:

1. The Council has received from LHB, Inc. the "TIF ANALYSIS FINDINGS FOR THE FARMER SEED AND NURSERY CO. SITE", dated January 13, 2022 (the "Inspection Report"), finding that, based on an

inspection of the building located on the Parcel, the building was determined to be substandard under the definition set forth in the Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act"). Based on the Inspection Report and other information available to the Council, the Council finds that the buildings on the Parcel are structurally substandard to a degree requiring substantial renovation or clearance and at least 15% of the area of the Parcel identified on Exhibit A attached hereto contains improvements, including a structurally substandard building, and therefore more than 70% of the area of the proposed TIF District is occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures as required by the TIF Act.

2. After the date of approval of this resolution, the building(s) on the Parcel may be demolished or removed by the City, or such demolition or removal may be financed by the City, or may be undertaken by a developer under a development agreement with the City.

3. The City intends to include the Parcel in a redevelopment TIF District, and to file the request for certification of such district with the county auditor within three years after the date of demolition of the buildings on the Parcels.

4. Upon filing the request for certification of a new tax increment financing district, the City will notify the county auditor that the original tax capacity of the Parcel must be adjusted to reflect the greater of (a) the current net tax capacity of the parcel, or (b) the estimated market value of the Parcel for the year in which the building was demolished or removed, but applying class rates for the current year, all in accordance with Minnesota Statutes, Section 469.174, Subd. 10(d).

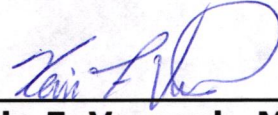
5. The City may from time to time amend the terms of this Resolution to the extent permitted by law, including without limitation amendment to the payment schedule and the interest rate; provided that the interest rate may not be increased above the maximum specified in Section 469.178. subd. 7 of the TIF Act.

6. City staff and consultants are authorized to take any actions necessary to carry out the intent of this resolution.

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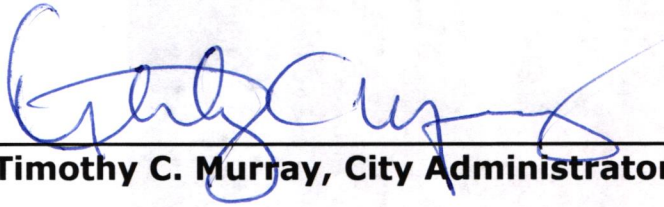
Date Adopted: January 25, 2022

Faribault City Council



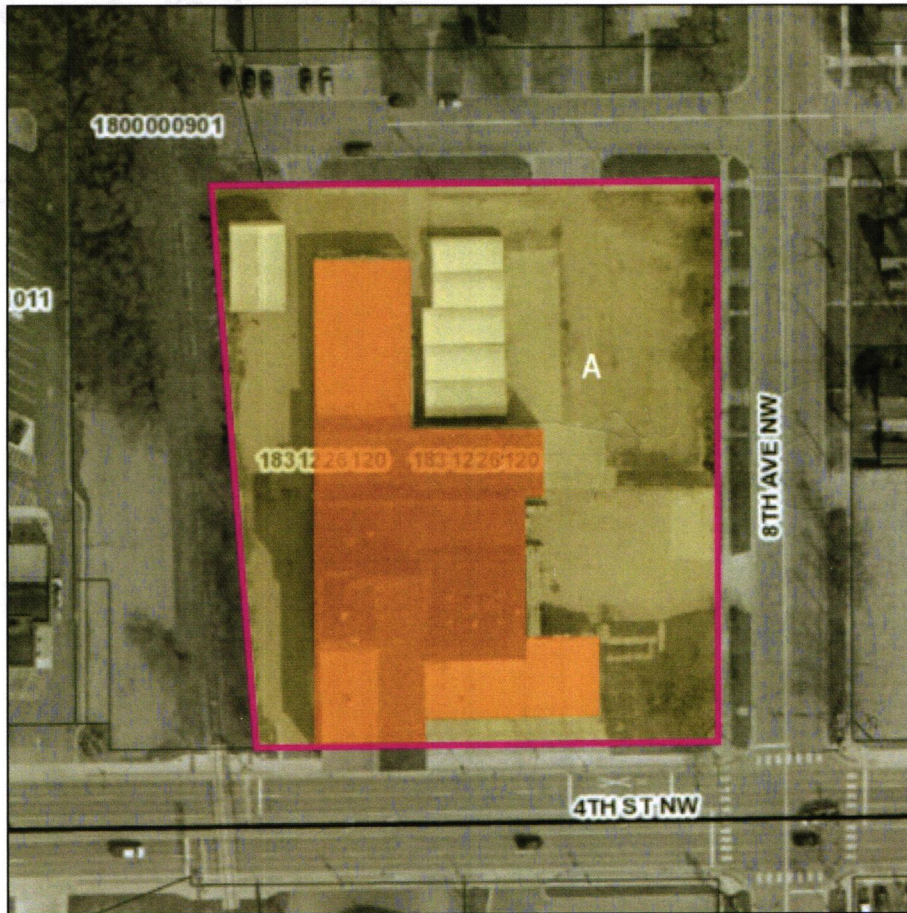
Kevin F. Voracek, Mayor

ATTEST:



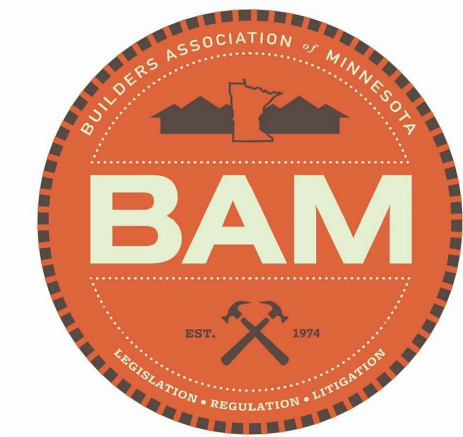
Timothy C. Murray, City Administrator

EXHIBIT A





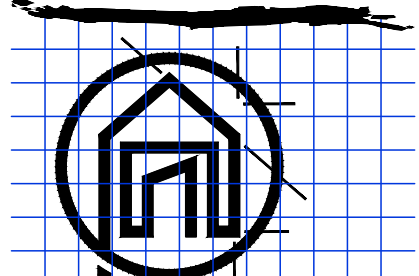
©RIGHT - THE DESIGN CONNECTION 2022



NORTH

SITE PLAN

SCALE: 1"=30'-0" (22" x 34")
SCALE: HALF SCALE (11" x 17")



the design connection
Residential and Commercial
Design • Planning
Serving Rochester and
Southern Minnesota

1647 16th Ave. NW
Rochester MN 55901
PHONE (507) 286-7869
aaron@thedesignconnection.net
www.thedesignconnection.net

PRELIMINARY
NOT FOR
CONSTRUCTION

MIDWEST FARIBAULT
MINNESOTA

FARIBAULT

PROJECT #: 22209
DRAWN BY: CCH
CHECKED BY: AJT
PRELIM DATE: APRIL 13, 2022
BID SET DATE: .
FINAL SET DATE: .
REVISION: .
PRINTED: Apr 14, 2022

PROPOSED
SITE PLAN

C1.0

PRELIMINARY DEVELOPMENT AGREEMENT

THIS PRELIMINARY DEVELOPMENT AGREEMENT (this “Agreement”), dated this _____ of June, 2022, by and between the Economic Development Authority of Faribault, a public body corporate and politic under the laws of Minnesota (the “EDA”) and KK & G PROPERTIES LLC, a Minnesota limited liability company, or its successors or assigns (the “Developer”):

WITNESSETH

WHEREAS, the EDA desires to promote redevelopment of property located in the City of Faribault (the “City”) and legally described in Exhibit A (the “Property”); and

WHEREAS, the Developer owns or intends to acquire the Property and intends to demolish certain buildings located on the Property; and

WHEREAS, pursuant to an analysis performed by LHB dated January 13, 2022, the buildings to be demolished are structurally substandard; and

WHEREAS, by resolution adopted by the City Council on January 25, 2022 (Resolution 2022-019), and in reliance on the analyses of LHB, the City has found certain buildings located on the Property that are planned to be demolished to be structurally substandard within the meaning of Minnesota Statutes, Section 469.174, subd. 10a; and

WHEREAS, the EDA and the Developer have determined that is in the best interest of the parties to demolish the buildings, all as further described in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

1. During the term of this Agreement, the Developer (or its successors and assigns) shall:

(a) At no cost to the EDA, cause the certain buildings on the Property to be demolished and all demolition debris to be removed from the Property as soon as reasonably practicable after the date of this Agreement. The parties agree that such demolition shall occur no later than December 31, 2022.

(b) Maintain the Property in compliance with City ordinances.

(c) If the Developer determines not to undertake redevelopment of the Property directly, it will use its best efforts to seek a successor entity that will proceed with such redevelopment.

(d) Negotiate in good faith with the City and the EDA regarding any proposed redevelopment of the Property, including any possible public financial assistance related thereof, all with the goal of entering into a contract for private redevelopment (the “Contract”).

2. During the term of this Agreement, the EDA agrees to:

(a) Review any proposed successor to the Developer, and if the EDA determines to approve that successor, thereafter cooperate with the successor as the Developer under this Agreement.

(b) Cooperate with the Developer or its successor in evaluating any redevelopment proposal submitted by the Developer, including whether any public financial assistance is warranted in connection with that effort.

(c) Proceed to seek all necessary information with regard to the anticipated public costs associated with any proposed redevelopment.

(d) If the City determines that tax increment assistance is reasonably necessary in order to induce the proposed redevelopment of the Property, with the Developer’s assistance, begin the process to create a redevelopment tax increment financing district encompassing the Property, including the preparation of a tax increment financing plan, pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”); provided that parties agree and understand that the City must file a request for certification of such a tax increment financing district within three years after the date of demolition of the building on the Property, unless Section 469.174, subd. 10(d) of the TIF Act is hereafter amended to extend that time period.

(e) Negotiate in good faith with the Developer or a successor regarding any proposed redevelopment of the Property, including any possible public financial assistance related thereto, all with the goal of entering into the Contract.

3. It is expressly understood that execution and implementation of the Contract shall be subject to:

(a) A determination by the EDA in its sole discretion that its undertakings are feasible based on (i) the projected tax increment revenues and any other revenues designated by the EDA; (ii) the purposes and objectives of any tax increment, development, or other plan created or proposed for the purpose of providing financial assistance for the redevelopment; and (iii) the best interests of the City.

(b) A determination by the EDA that any EDA financial assistance is reasonably necessary in order to make the redevelopment financially feasible.

(c) A determination by the Developer or its successor that the redevelopment is economically feasible and in the best interests of the Developer or its successor.

4. This Agreement is effective from the date hereof through December 31, 2022. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein. Notwithstanding anything to the contrary herein, the term of this Agreement may be extended by mutual written agreement of the parties.

5. The Developer shall solely be responsible for all costs incurred by the Developer and the EDA in connection with the negotiation and drafting of this Agreement and the parties obligations hereunder.

6. This Agreement may be terminated upon ten (10) days' written notice by either party to the other of any of the following events of default, only if such events of default shall remain uncured during the aforementioned notice period:

(a) an essential precondition to the execution of the Contract cannot be met; or

(b) if, in the sole discretion of the EDA, an impasse has been reached in the negotiation or implementation of any material term or condition of this Agreement or the Contract.

7. If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the Agreement.

8. In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach. This Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by all parties hereto.

9. Notice or demand or other communication between or among the parties shall be sufficiently given if sent by mail, postage prepaid, return receipt requested or delivered personally:

(a) As to the City:	Economic Development Authority of Faribault 208 NW First Avenue Faribault, MN 55021-5105 Attn: Community and Economic Development Director
---------------------	--

with a copy to:

Scott J. Riggs, City Attorney
Kennedy & Graven, Chartered
700 Fifth Street Towers
150 South Fifth Street
Minneapolis, MN 55402

(b) As to the Developer:

KK & G PROPERTIES LLC
2105 Winnetka Avenue North
Golden Valley, MN 66537
Attn: Nicole El-Sawaf, Manager

10. This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

11. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

**ECONOMIC DEVELOPMENT
AUTHORITY OF FARIBAULT**

By: _____
Rodney Gramse
Its: President

By: _____
Deanna Kuennen
Its: Executive Director

**DEVELOPER:
KK & G PROPERTIES LLC**

By: _____
Nicole El-Sawaf
Its: Manager

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Lot 1 Block 9 of MCCLELLANDS ADD
L1 & L2 & L3 & L4 & L7 & L8 & L9 & L10 & THOSE PARTS L5 & L6 BEG SW COR
E40FT L7 TH S89D17'01"W ALG SLY LI B9 34.63FT TH N04D30'21"W 330.30FT TAP N LI
B9 TH N89D15'22"E ALG N LI 59.67FT TO NW COR E40FT L4 TH S0D09'30"E ALG W LI
E40FT LOTS 4 & 7 329.63FT TO POB



Request for Action

TO: Faribault Economic Development Authority
FROM: Stephanie Aman, Economic Development Coordinator
MEETING DATE: June 30, 2022
SUBJECT: Project Updates

BACKGROUND:

Project updates are attached.

REQUESTED ACTION:

No Action Required

ATTACHMENTS:

1. 6 - Project Updates - June



Discussion Items

TO: Faribault EDA
FROM: Stephanie Aman, Economic Development Coordinator
THROUGH: Deanna Kuennen, Community & Econ Dev Director
MEETING DATE: June 16, 2022
SUBJECT: Updates/Project Reports

UPDATES

Active Prospects/Business Updates:

Food Producer	Last spring, staff had been in contact with a food producer regarding possible expansion in Faribault. Staff prepared a proposal of possible land and financing options. By fall of 2021, they had identified a property and have proceeded forward with fundraising and meetings with City Staff to understand what needs to be done and the timeline. Staff and our Economic Development partners are actively working with the business to ensure that they understand timelines and possible funding opportunities. Staff have recently connected with them and they are hoping to finish evaluation and due diligence very soon.
Potential Food Production/Restaurant Business	Staff was provided a lead for a local food production/restaurant that may be interested in opening a bricks and mortar facility to Faribault. Staff has identified possible sites for this company and the owners are exploring the sites. Staff continue to stay in touch and follow up to ensure that this business is supported and will arrange a meeting with economic development partners when the timing is right. Business owner is in conversation with a potential site and developer and are working through logistics of a build out. Staff have helped in finding funding opportunities as well as potential sites. The owners met with the owners of several properties and will meet one-two additional funding partners in the coming week. They have identified the site and will be completing due diligence and securing financing.
Food Manufacturing Expansion	A local business contacted staff seeking help in finding property to expand and already successful food business. They seek space for automating their manufacturing process and staff prepared several sites that would meet their current needs and criteria. Business was happy with the sites presented and they are good options. They

Agenda Item: 6

	may have found a commercial kitchen that meets their needs. Staff had a conversation with them and they are now in a busy season, and will be pausing this search and will evaluate sites again soon They are still interested in the sites that were proposed.
Family Restaurant	A broker has contacted staff seeking potential sites in Faribault for a family restaurant. Staff has provided contact information for sites that match their criteria. Staff will work with the broker to ensure that their client has the information that is needed. Staff learned of another available property and has connected the property owner with the broker.
Automotive Business	Staff were contacted about a possible business venture in the automotive field. Staff connected the owner with a possible site and toured the site with them. They are in contact with City Staff to ensure zoning, permitting, and timelines all work correctly. Staff will remain in contact with the owners through the process of site selection. Staff were recently informed that this project is on hold due to the economy. The business is still interested in the site, but are looking more toward fall.
Truck Driving School/Training	Staff were asked to help identify possible property/location for a truck driving school. Staff met with the owners and connected them with the owners of possible properties to explore. Staff continue to follow up to ensure the business owners have the information they need to make a decision.
HWY 60 Project(s)	Staff has participated in a number of different meetings regarding potential development/redevelopment along the Hwy 60 W corridor. Staff will continue to be an active participant in development/redevelopment opportunities, and will bring potential projects/requests to the EDA as appropriate. Conversations are ongoing.

Warm Prospects/Business Updates:

Food Producer/CVN Prospect	September: Staff connected with a food producer prospect at CVN and prepared a very high-level informational response; including two different sites that fit their criteria. Faribault originally made the short list of places to be considered, but other areas (states) were able to offer lower taxes and more incentives. Staff recently learned that there has been some reconsideration for Faribault and is in touch with this company.
Potential Food Manufacturer	Staff was made aware of a regional food manufacturer that is looking to expand their product offering and had identified a possible site for their business to expand into. Staff met with company leaders to discuss location options and possible funding incentive. Staff were made aware of a potential

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	location for lease, and have followed up with this option. Staff will continue to stay in touch with the company leaders as they decide on the location for their project.
Adult Day Care Services	Staff have met with an individual that is seeking space to open an adult day care service. Several sites have been identified and staff continue to work with the potential owner to ensure that they have what they need to find a good fit for the service. The site this business was considering recently went under contract to another business. Staff continue to work with them to find a good fit.
Potential Light Manufacturing Business	Staff attended the December CVN meeting and met with the Business Development Manager of a Minnesota based light manufacturing company that is looking to relocate their operations. A response was prepared with possible sites for this company. Staff will continue to follow up with them as they make decisions on their new location. The business is completing a campaign to raise funds, and will be making decisions on site tours in the next couple of months. Staff continue to follow up to ensure they have the information they need when they are ready for site selection.

Inactive Prospects/Business Updates:

Potential Food Manufacturer	Staff is working with an existing Minnesota food manufacturing company that is looking to expand their product line, and have identified a possible site for this part of their business to expand into. Staff participated in a virtual meeting with the company and partners to explore funding and incentives for the expansion. Staff continues to follow up with the company while they make a decision on the location for their project.
Cold Storage Property	Staff were contacted by a company seeking rail accessible property to build a facility. Information regarding accessible property and city infrastructure was provided. Staff continue to follow up to ensure the company has the information they need to determine a best fit for their business. The property presented has made a short list of properties the company is considering. Staff obtained additional requested pictures of the property and continues to follow up with any requested information. Staff continues to follow up with the company their plans, but they seem to have gone dark.
Truck Driving School/Station	Staff were contacted about possible property that would be a good fit for a training course for truck drivers. Staff provided information and have followed up with the owner.

Other:

- Staff participated in several Business Retention and Expansion visits in May, and were pleased to hear about potential expansion efforts as well as successful expansion. Staff will continue follow up on those expansion efforts, as well as visit other businesses in the coming months.
- Staff continue to participate in discussions around state and federal funding that is being made available to businesses and communities including for downtowns and small businesses.
- Staff attended the strategic planning meeting for CEDS, Region 10.
- Staff attended the EDAM Summer Conference in Nisswa, MN and gained valuable insight into programs working in other Cities as well as EDAM, state and federal updates.
- Staff attended the Steele-Waseca Electric Cooperative Annual Meeting as an invited guest.
- Staff attended several the Minnesota Real Estate Journal events over the past month, promoting Faribault and the MicroSummit on June 17. Many good conversations and connections happen at these meetings.
- Staff attended a virtual placemaking conference. Many cities were involved in the event, as well as funding sources for organizations and cities. Staff at the Paradise also attended the virtual conference.
- Staff met with the Paradise Center for the Arts to further discuss Placemaking in Faribault.
- Staff met with a developer that has interest in working with rural areas to construct all levels of housing from workforce to market rate rentals. A date has been set to bring the developer and businesses together to have a discussion.

Marketing:

Minnesota Real Estate Journal

- Historic to High-Tech MicroSummit 2.0: The date has been rescheduled for Friday, June 17. The location is now at Corks and Pints and will be a morning session with a reception at Cry Baby Craig's at noon. We will keep the agenda the same to include 3 panels of local businesses and partners that highlight some unique attributes to Faribault that others may not know and would be interesting to businesses looking to expand or move here.
- **Minnesota Marketing Partnership**
 - Faribault continues to be active participants in the Minnesota Marketing Partnership (MMP). Last year Faribault elected to participate in the MMP digital marketing campaign, and now has access to all of the video and social medial materials. In addition – Staff was selected to help represent the State of MN – specifically Faribault/SE MN, with DEED and others, at the Site Selector Guild table talks. This has generated additional connections with the site selector community.