



ECONOMIC DEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM

THURSDAY, JULY 21, 2022

7:00 AM

1. Call to Order
2. Approval of the Minutes of June 30, 2022 Special Meeting
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
4. Public Hearings
5. Items for Discussion
 - A. Consider Modifications to the Development Program for Development District 1 and the Proposed establishment of Tax Increment Financing District No. 17
 - B. Downtown Commercial Rehabilitation Loan - T. Nelson - 230 Central Ave
 - C. Initial 2023 EDA Budget Discussion
6. Project Updates
7. Adjournment



Faribault Economic Development Authority
SPECIAL MEETING MINUTES

Thursday | June 30, 2022

1. Call to Order / Roll Call / Agenda Approval

Action: Chair Gramse called the meeting to order at 7:45 a.m.

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

Absent: Fort and Smith

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

2. Approval Minutes

Action: Motion was made by Voracek and seconded by Campbell to approve the Minutes of May 19, 2022 presented. Motion carried on a 5/0 vote.

3. Public Hearings

A. None.

4. Items for Discussion

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

Kuennen began with giving background of the timeline and progress of this project. The Developer purchased the property in September 2021, with the original intent to repurpose the buildings into indoor controlled storage. However, due to the structural condition of the buildings, the Developer met with the City Council in a work session to discuss an alternate development plan and involved the demolition of 5 of the 8 buildings. Throughout the process the Developer has presented updates to the City Council in work sessions, seeking support for the overall redevelopment plan and public financing. To support the redevelopment, the Council authorized a blight analysis, passed resolution 2021-019 Finding the Parcel to be Occupied by Structurally Substandard Buildings, and authorized submittal of both a DEED Redevelopment Grant Application and a DEED Clean Up Grant Application – of which both grants were awarded funds of over \$800,000 combined. The Council also entered into a preliminary development agreement authorizing the demolition of the buildings in advance of a TIF district being established. However, upon further review by the City Attorney it was

determined that the preliminary development agreement for demolition needed to be between the EDA and the developer due to the EDA having TIF administrative duties per the enabling resolution. Kuennen explained that the agreement before the EDA was essentially the same agreement that the Council had entered into with the Developer – outlining that the Developer would be responsible for all costs and risks associated with the demolition in advance of the establishment of a TIF district, and that the EDA would work in good faith with the Developer on public financing mechanisms.

Discussion ensued. Members of the EDA expressed criticism of the proposed project and process. Some felt that the project did not match the vision of the corridor, and therefore questioned the use of public financing to support the project. Other members expressed that the use of future TIF proceeds will be used to clean up the site and remove the contamination, and that meets the public purpose of a redevelopment TIF district. Discussion also took place around the different roles of the EDA and the City Council as it relates to the creation of TIF districts, and how actions of the Council should not obligate the EDA. The EDA commented that they do not have all of the factual information about the structural condition of the building. Staff offered to send out links to the EDA members for all of the City Council work sessions at which the redevelopment was discussed, and any action items related to the Farmer Seed Building that have been on City Council agendas – and to include the links in the minutes.

As the discussion continued, Staff expressed that public hearings will be held in conjunction with the planning and zoning requests/approvals required for the project and also as part of the TIF district establishment. Staff reiterated that the action for consideration was to allow the demolition at the developer's own risk.

A motion was made by Viscomi and seconded by Voracek to Approve Preliminary Development Agreement for the Demolition of the Farmer Seed Building (818 4th Street NW) as presented.

Roll Call:

Aye: Voracek, Viscomi and Campbell

Nay: Drevlow and Chair Gramse

After the vote the EDA continued to discuss the project asking about the design, ability to influence the site plans, how the development is honing the history of the Farmer Seed Building, etc. Staff also discussed potential improvements that could be made as part of the development process, to ensure that the EDA was aware of plans and proposals that would be requesting public financing/TIF, earlier rather than later. A suggestion was made to invite the EDA to City Council work sessions to hear the project presentations. Kuennen also reminded that EDA of other projects that have been briefly mentioned as part of the project updates, that are also seeking public financing and if they proceed, will have actions before the EDA.

The links to the EDA work sessions and City Council meetings are as follows:

6/28/2022 City Council Meeting:

<https://faribaultmn.civicclerk.com/Web/Player.aspx?id=236&key=-1&mod=-1&mk=-1&nov=0>

5. Updates/Project Reports

Kuennen stated that there have not been a lot of new projects, and that many projects are still working through the due diligence process at this time. Staff met with a new housing developer to discuss workforce housing. Meetings with employers have been organized and the developer is evaluating sites. Staff also mentioned the MicroSummit.

6. Adjourn

A motion was made by Voracek and seconded by Viscomi to adjourn at 8:35 a.m.

Motion carried on a 5/0 vote.

Respectfully Submitted,

By: _____
Kari Casper, Recording Secretary



Request for Action

TO: Faribault Economic Development Authority
FROM: Stephanie Aman, Economic Development Coordinator
MEETING DATE: July 21, 2022
SUBJECT: Monthly Loan Status Report

BACKGROUND:

The Economic Development Authority (EDA) has the authority to provide financial incentives to businesses growing and/or relocating to the City. The various different loan funds in the EDA's portfolio are made up of local, state, and federal dollars – all with their own set of criteria associated with each type of funding source.

Staff continually reviews loan files to ensure that loan obligations have been met and loans are closed out as appropriate. The historical loan information is valuable in understanding how the EDA has assisted projects in the past, and what kinds of loans have been beneficial/impactful. This information can inform various EDA decisions as it relates to developing new loan programs and retooling existing loan programs. Cataloguing which businesses have utilized the various different programs over time is also an important data set that can be used for other purposes, such as identifying tiers of businesses to visit as part of a business retention and expansion (BRE) program.

The attached is a summary of the various City and EDA loan programs and their current available balances as of July 1, 2022.

REQUESTED ACTION:

No action required.

ATTACHMENTS:

1. 3A - Loan Status Reports - July

Agenda Item: 3A

Fund	Program Name	Available Balance	Notes
Fund 249	Minnesota Investment Fund (MIF)	\$13,470.19	2018 MN Legislature authorized one-time exception to “cash out” MN MIF funds. The cashed out funds are now part of the EDA’s program budget. Available MIF balance must follow re-use guidelines.
Fund 292	EDA Revolving Loan	\$436,197.26	
	- Commercial Development Loan Program (and Grant)	(\$336,197.26)	
	- Façade Improvement Micro Loan		
	- EDIF - Economic Development Incentive Program		New program in 2021 – dedicated \$200,000 of loan balance. One loan approved – \$100,000 for Try Star (not reflected in available balance)
Fund 243	Industrial Development Loan	\$292,317.98	Last activity was loan for Cry Baby Craig’s
TOTAL EDA LOAN FUNDS AVAILABLE		\$741,985.43 (\$641,985.43)	
Fund 290	EDA Operating Fund/Fund Balance	\$2,187,767.51	Includes one-time transfer of \$249,175 from 2002 land sale
			12/20/2017 – Authorized \$100,000 for the airport building demo/site prep (paid 12/2019) to support commercial development at airport
			Authorized \$150,000 forgivable loan for Daikin
			Does not include EDA Program Funds
Fund 245	Downtown Commercial Rehab & Exterior Improvement Program	\$0 These funds were transferred to fund 290 via EDA Resolution 2020-032	Allocated Funds 2016 - \$300,000 from City Council 2018 - \$200,000 from City Council 2019 - \$200,000 from EDA 2020 - \$100,000 from EDA (total of \$200,000 identified in budget, only \$100,000 transferred) 2021 - \$0 (total of \$200,000 identified in budget, no funds transferred due to lack of program activity) 2022 – TBD (total of \$200,000 identified in budget for “downtown”)
Fund 248	Federal MIF Loan	\$600,644.40	Funds are difficult to spend. Uses must meet a national (federal) objective, public benefit standard, environmental review, Davis-Bacon, and extra business reporting requirements. The City Council may request that funds are transferred into the Small Cities Development Program (same federal objectives). This required spending plan and DEED/HUD approval



Request for Action

TO: Faribault Economic Development Authority
FROM: Stephanie Aman, Economic Development Coordinator
MEETING DATE: July 21, 2022
SUBJECT: Permit Activity Update Report

BACKGROUND:

Permit activity (building permits, etc.) is a reflection on the status of the economy. Over the last few years, the City of Faribault has seen an increase in permit activity – which translates into investment in our community.

To track and follow trends, monthly permit activity reports are prepared. This information is shared on a monthly basis with the Economic Development Authority (EDA) to ensure the EDA has a pulse on the development activity occurring in the community. Trend information will also be one resource that the EDA can utilize to develop annual work plans and develop/modify programs to respond to and address business needs.

Like last month, we saw a significant increase in the number of permits, which is attributed to residential improvements including new roofs from storm damage, new decks, and some new home activity.

REQUESTED ACTION:

No action required.

ATTACHMENTS:

1. 3B - 1 - Memo Monthly Permit Activity Report - July



Request for Action

TO: Faribault EDA
FROM: Stephanie Aman,
 Economic Development Coordinator
MEETING DATE: July 21, 2022
SUBJECT: Permit Activity Report

BACKGROUND:

Permit activity (building permits, etc.) is a reflection on the status of the economy. Over the last few years, the City of Faribault has seen an increase in permit activity – which translates into investment in our community.

To track and follow trends, monthly permit activity reports are prepared. This information is shared on a monthly basis with the Economic Development Authority (EDA) to ensure the EDA has a pulse on the development activity occurring in the community. Trend information will also be one resource that the EDA can utilize to develop annual work plans and develop/modify programs to respond to and address business needs.

Continuing from last month, we saw a significant increase in the number of permits, which is attributed to residential improvements including new roofs from storm damage, new decks, and some new home activity.

The following summarizes building permit activity:

	January	February	March	April	May	June
Total Building Permits	15	19	39	69	159	162
Total Valuation	\$1,411,787.89	\$4,585,039.62	\$6,180,438.37	\$5,659,386.00	\$6,941,889.02	\$14,155,755.50
Total ALL Permits*	52	70	91	152	231	249
Total ALL Permits Valuation	\$1,492,107.89	\$6,021,764.62	\$6,344,248.37	\$6,951,136.00	\$7,400,267.02	\$14,538,296.50
	July	August	September	October	November	December
Total Building Permits						
Total Valuation						
Total ALL Permits*						
Total ALL Permits Valuation						

**Total ALL Permit activity includes plumbing, heating, signs, electrical, etc.*



Request for Action

TO: Faribault Economic Development Authority
FROM: Stephanie Aman, Economic Development Coordinator
MEETING DATE: July 21, 2022
SUBJECT: Budget Status Report

BACKGROUND:

The Economic Development Authority (EDA) approved a 2022 budget, levy request, and work plan. The budget is divided into “operating expenses” and “program funds.” The Program Funds budget is made up of fund balance and various different one-time lump funds. These funds are targeted for specific projects based on the approved Work Plan in the categories of: Available Land, Gateways, Regionalism, Workforce/Data Analysis, and Ongoing Operations.

Attached is the Budget Status report for Fund 290 (Economic Development Authority). *This information is being provided for informational purposes.* No significant expenses to report.

REQUESTED ACTION:

No action required.

ATTACHMENTS:

1. 6,2022 Budget Status (5)

General Ledger

Detailed Trial Balance

User: kcasper
 Printed: 07/05/2022 - 8:21AM
 Period: 01 to 07, 2022



Account Number	Description	Budget	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
290	Economic Development Authority					
ASSETS						
290-00000-000-10100	Cash	0.00				
1/3/2022 CH 1 13	AR 00001.01.2022			134.50	0.00	
1/11/2022 AP 1 44	AP Computer Cks 173613-173723, 01/11/2022 Ck# 0			0.00	135.00	
1/11/2022 CH 1 63	Electronic AP Checks Batch: 00002.01.2022			0.00	10,000.00	
1/11/2022 CR 1 73	Application Fee - EDA Subordination Agmt - Ellison # 851533			140.00	0.00	
	Cash Receipts Batch 00113.01.2022					
1/25/2022 AP 1 128	AP Computer Cks 173731-173846, 01/25/2022 Ck# 0			0.00	4,000.00	
1/25/2022 CR 1 157	Tax Settlement - 1/25/2022 Rice County Governme # 854162			1,456.42	0.00	
	Cash Receipts Batch 00252.01.2022					
1/31/2022 CR 1 194	Application Fee - EDA Farmer Seed Redev KK & C # 854886			500.00	0.00	
	Cash Receipts Batch 00313.01.2022					
1/31/2022 GL 1 225	Interest Distribution			329.37	0.00	
1/25/2022 GL 1 230	Resolution 2022-018 Transfer of Restricted Cash fro			466,660.04	0.00	
2/8/2022 AP 2 12	AP Computer Cks 173861-173980, 02/08/2022 Ck# 0			0.00	390.00	
2/1/2022 CH 2 26	AR 00002.02.2022			134.50	0.00	
2/22/2022 AP 2 137	AP Computer Cks 173994-174123, 02/22/2022 Ck# 0			0.00	517.50	
2/22/2022 CH 2 158	Electronic AP Checks Batch: 00005.02.2022			0.00	420.00	
2/28/2022 GL 2 224	Interest Distribution			2,221.16	0.00	
3/1/2022 CH 3 3	AR 00001.03.2022			134.50	0.00	
3/8/2022 AP 3 27	AP Computer Cks 174134-174240, 03/08/2022 Ck# 0			0.00	17,011.86	
3/1/2022 CH 3 65	Electronic AP Checks Batch: 00003.03.2022			0.00	700.00	
3/31/2022 GL 3 257	Interest Distribution			509.89	0.00	
4/4/2022 CH 4 22	AR 00004.04.2022			134.50	0.00	
4/12/2022 AP 4 47	AP Computer Cks 174373-175508, 04/12/2022 Ck# 0			0.00	1,913.00	
4/12/2022 CH 4 54	Electronic AP Checks Batch: 00001.04.2022			0.00	2,655.80	
4/26/2022 CH 4 158	Electronic AP Checks Batch: 00004.04.2022			0.00	2,140.20	
4/30/2022 GL 4 226	Interest Distribution			391.93	0.00	
5/2/2022 CH 5 16	AR 00001.05.2022			134.50	0.00	
5/10/2022 AP 5 42	AP Computer Cks 174619-174713, 05/10/2022 Ck# 0			0.00	1,913.00	
5/16/2022 CR 5 127	Application Fee - EDA Cry Baby Craig's # 875226			150.00	0.00	

Account Number				Description	Budget	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
5/18/2022	CR	5	141	Cash Receipts Batch 00163.05.2022 KK & G TIFApplication Fee KK & G Properties # 875590			500.00	0.00	
5/24/2022	AP	5	173	Cash Receipts Batch 00183.05.2022 AP Computer Cks 174723-174821, 05/24/2022 Ck# 0			0.00	137.50	
5/23/2022	AP	5	216	Void			1,913.00	0.00	
5/31/2022	GL	5	246	Interest Distribution			1,638.69	0.00	
6/1/2022	CH	6	15	AR 00002.06.2022			134.50	0.00	
6/10/2022	CR	6	92	Application Fee - EDA DT Com Reh T. Nelson Pro # 880599			150.00	0.00	
6/15/2022	CH	6	100	Cash Receipts Batch 00103.06.2022 Electronic AP Checks Batch: 00004.06.2022			0.00	666.92	
6/1/2022	CH	6	124	Electronic AP Checks Batch: 00005.06.2022			0.00	634.29	
6/17/2022	CR	6	135	Tax Settlement -6/17/2022 Rice County Governmer # 881907			113,013.00	0.00	
6/17/2022	CR	6	135	Cash Receipts Batch 08919.06.2022 Tax Settlement -6/17/2022 Rice County Governmer # 881907			1,053.99	0.00	
6/17/2022	CR	6	135	Cash Receipts Batch 08919.06.2022 Tax Settlement -6/17/2022 Rice County Governmer # 881907			53.21	0.00	
6/17/2022	CR	6	135	Cash Receipts Batch 08919.06.2022 Tax Settlement -6/17/2022 Rice County Governmer # 881907			350.58	0.00	
6/28/2022	CH	6	215	Cash Receipts Batch 08919.06.2022 Electronic AP Checks Batch: 00007.06.2022			0.00	147.00	
7/1/2022	CH	7	4	AR 00007.06.2022			134.50	0.00	
290-00000-000-10100 Totals:					0.00	761,254.34	591,972.78	43,382.07	1,309,845.05
290-00000-000-10410 Investments - Fair Value Adj					0.00				
1/31/2022	GL	1	226	Market Value Adjustment			0.00	5,253.02	
2/28/2022	GL	2	225	Market Value Adjustment			0.00	7,109.79	
3/31/2022	GL	3	258	Market Value Adjustment			0.00	23,912.88	
4/30/2022	GL	4	227	Market Value Adjustment			0.00	14,877.52	
5/31/2022	GL	5	247	Market Value Adjustment			3,172.59	0.00	
290-00000-000-10410 Totals:					0.00	1,764.02	3,172.59	51,153.21	-46,216.60
290-00000-000-10450 Interest Receivable					0.00				
290-00000-000-10450 Totals:					0.00	1,762.43	0.00	0.00	1,762.43
290-00000-000-10500 Taxes Receivable - Current					0.00				
1/25/2022	CR	1	157	Tax Settlement - 1/25/2022 Rice County Governme # 854162			0.00	1,456.42	
Cash Receipts Batch 00252.01.2022									
290-00000-000-10500 Totals:					0.00	1,456.42	0.00	1,456.42	0.00
290-00000-000-10700 Taxes Receivable - Delinquent					0.00				
290-00000-000-10700 Totals:					0.00	3,064.18	0.00	0.00	3,064.18

Account Number				Description	Budget	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
290-00000-000-11500				Accounts Receivable	0.00				
1/3/2022	AR	1	2	AR Invoices 00001.01.2022			134.50	0.00	
1/3/2022	CH	1	13	AR 00001.01.2022			0.00	134.50	
2/1/2022	AR	2	1	AR Invoices 00001.02.2022			134.50	0.00	
2/1/2022	CH	2	26	AR 00002.02.2022			0.00	134.50	
3/1/2022	AR	3	1	AR Invoices 00001.03.2022			134.50	0.00	
3/1/2022	CH	3	3	AR 00001.03.2022			0.00	134.50	
4/4/2022	AR	4	1	AR Invoices 00001.04.2022			134.50	0.00	
4/4/2022	CH	4	22	AR 00004.04.2022			0.00	134.50	
5/2/2022	AR	5	3	AR Invoices 00002.05.2022			134.50	0.00	
5/2/2022	CH	5	16	AR 00001.05.2022			0.00	134.50	
6/1/2022	AR	6	4	AR Invoices 00001.06.2022			134.50	0.00	
6/1/2022	CH	6	15	AR 00002.06.2022			0.00	134.50	
7/1/2022	AR	7	3	AR Invoices 00001.07.2022			134.50	0.00	
7/1/2022	CH	7	4	AR 00007.06.2022			0.00	134.50	
290-00000-000-11500 Totals:					0.00	0.00	941.50	941.50	0.00
290-00000-000-13200				Due From Other Governments	0.00				
290-00000-000-13200 Totals:					0.00	0.00	0.00	0.00	0.00
290-00000-000-13700				Loans Receivable	0.00				
1/3/2022	AR	1	2	AR Invoices 00001.01.2022			0.00	103.68	
2/1/2022	AR	2	1	AR Invoices 00001.02.2022			0.00	103.94	
3/1/2022	AR	3	1	AR Invoices 00001.03.2022			0.00	107.14	
4/4/2022	AR	4	1	AR Invoices 00001.04.2022			0.00	104.48	
5/2/2022	AR	5	3	AR Invoices 00002.05.2022			0.00	105.70	
6/1/2022	AR	6	4	AR Invoices 00001.06.2022			0.00	105.01	
7/1/2022	AR	7	3	AR Invoices 00001.07.2022			0.00	106.22	
290-00000-000-13700 Totals:					0.00	876,898.54	0.00	736.17	876,162.37
290-00000-000-13710				Loan Receivable-Deferred	0.00				
290-00000-000-13710 Totals:					0.00	0.00	0.00	0.00	0.00
290-00000-000-15500				Prepaid Items	0.00				
1/18/2022	GL	1	86	EDAM - 2022-10780 2022 EDAM Dues-Aman & K			0.00	495.00	
290-00000-000-15500 Totals:					0.00	495.00	0.00	495.00	0.00
290-00000 ASSETS Totals:					0.00	1,646,694.93	596,086.87	98,164.37	2,144,617.43
ASSETS Totals:					0.00	1,646,694.93	596,086.87	98,164.37	2,144,617.43

Account Number				Description	Budget	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
LIABILITIES									
290-00000-000-20200				Accounts Payable	0.00				
1/11/2022	AP	1	34	AP Invoice Batch 00001.01.2022			0.00	10,000.00	
1/11/2022	AP	1	44	AP Computer Cks 173613-173723, 01/11/2022	Ck# 0		135.00	0.00	
1/11/2022	CH	1	63	Electronic AP Checks Batch: 00002.01.2022			10,000.00	0.00	
1/25/2022	AP	1	109	AP Invoice Batch 00003.01.2022			0.00	4,000.00	
1/25/2022	AP	1	128	AP Computer Cks 173731-173846, 01/25/2022	Ck# 0		4,000.00	0.00	
2/8/2022	AP	2	12	AP Computer Cks 173861-173980, 02/08/2022	Ck# 0		390.00	0.00	
2/22/2022	AP	2	122	AP Invoice Batch 00003.02.2022			0.00	937.50	
2/22/2022	AP	2	137	AP Computer Cks 173994-174123, 02/22/2022	Ck# 0		517.50	0.00	
2/22/2022	CH	2	158	Electronic AP Checks Batch: 00005.02.2022			420.00	0.00	
3/8/2022	AP	3	24	AP Invoice Batch 00001.03.2022			0.00	17,011.86	
3/8/2022	AP	3	27	AP Computer Cks 174134-174240, 03/08/2022	Ck# 0		17,011.86	0.00	
3/1/2022	AP	3	28	AP Invoice Batch 00005.03.2022			0.00	700.00	
3/1/2022	CH	3	65	Electronic AP Checks Batch: 00003.03.2022			700.00	0.00	
4/12/2022	AP	4	46	AP Invoice Batch 00001.04.2022			0.00	4,568.80	
4/12/2022	AP	4	47	AP Computer Cks 174373-175508, 04/12/2022	Ck# 0		1,913.00	0.00	
4/12/2022	CH	4	54	Electronic AP Checks Batch: 00001.04.2022			2,655.80	0.00	
4/26/2022	AP	4	131	AP Invoice Batch 00006.04.2022			0.00	2,140.20	
4/26/2022	CH	4	158	Electronic AP Checks Batch: 00004.04.2022			2,140.20	0.00	
5/10/2022	AP	5	26	AP Invoice Batch 00001.05.2022			0.00	1,913.00	
5/10/2022	AP	5	42	AP Computer Cks 174619-174713, 05/10/2022	Ck# 0		1,913.00	0.00	
5/24/2022	AP	5	144	AP Invoice Batch 00005.05.2022			0.00	137.50	
5/24/2022	AP	5	173	AP Computer Cks 174723-174821, 05/24/2022	Ck# 0		137.50	0.00	
6/14/2022	AP	6	73	AP Invoice Batch 00001.06.2022			0.00	666.92	
6/15/2022	CH	6	100	Electronic AP Checks Batch: 00004.06.2022			666.92	0.00	
6/1/2022	AP	6	110	AP Invoice Batch 00009.06.2022			0.00	634.29	
6/1/2022	CH	6	124	Electronic AP Checks Batch: 00005.06.2022			634.29	0.00	
6/28/2022	AP	6	156	AP Invoice Batch 00008.06.2022			0.00	147.00	
6/28/2022	CH	6	215	Electronic AP Checks Batch: 00007.06.2022			147.00	0.00	
290-00000-000-20200 Totals:					0.00	-525.00	43,382.07	42,857.07	0.00
290-00000-000-20201				Accounts Payable Pass-Thru	0.00				
290-00000-000-20201 Totals:					0.00	-608.27	0.00	0.00	-608.27
290-00000-000-20800				Due To Other Governments	0.00				
290-00000-000-20800 Totals:					0.00	0.00	0.00	0.00	0.00
290-00000-000-22000				Deposits	0.00				
290-00000-000-22000 Totals:					0.00	0.00	0.00	0.00	0.00

Account Number	Description	Budget	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
290-00000-000-22200	Deferred Revenues	0.00				
	290-00000-000-22200 Totals:	0.00	-3,064.18	0.00	0.00	-3,064.18
290-00000-000-22210	Loans Receivable - Deferred	0.00				
	290-00000-000-22210 Totals:	0.00	-864,800.71	0.00	0.00	-864,800.71
	290-00000 LIABILITIES Totals:	0.00	-868,998.16	43,382.07	42,857.07	-868,473.16
	LIABILITIES Totals:	0.00	-868,998.16	43,382.07	42,857.07	-868,473.16
FUND BALANCE						
290-00000-000-25300	Unreserved Fund Balance	0.00				
	290-00000-000-25300 Totals:	0.00	-777,696.77	0.00	0.00	-777,696.77
	290-00000 FUND BALANCE Totals:	0.00	-777,696.77	0.00	0.00	-777,696.77
	FUND BALANCE Totals:	0.00	-777,696.77	0.00	0.00	-777,696.77
REVENUE						
290-00000-462-31010	Current Ad Valorem Taxes	303,623.00				
6/17/2022	CR 6 135 Tax Settlement -6/17/2022 Rice County Governmer # 881907			0.00	113,013.00	
	Cash Receipts Batch 08919.06.2022					
	290-00000-462-31010 Totals: Var: 190,610.00	303,623.00	0.00	0.00	113,013.00	-113,013.00
290-00000-462-31020	Delinquent Ad Valorem Taxes	0.00				
6/17/2022	CR 6 135 Tax Settlement -6/17/2022 Rice County Governmer # 881907			0.00	1,053.99	
	Cash Receipts Batch 08919.06.2022					
	290-00000-462-31020 Totals: Var: -1,053.99	0.00	0.00	0.00	1,053.99	-1,053.99
290-00000-462-31030	Mobile Home Taxes	0.00				
	290-00000-462-31030 Totals:	0.00	0.00	0.00	0.00	0.00
290-00000-462-31035	Delinquent Mobile Home Taxes	0.00				
6/17/2022	CR 6 135 Tax Settlement -6/17/2022 Rice County Governmer # 881907			0.00	53.21	
	Cash Receipts Batch 08919.06.2022					
	290-00000-462-31035 Totals: Var: -53.21	0.00	0.00	0.00	53.21	-53.21
290-00000-462-31040	Excess Tax Increment	0.00				
6/17/2022	CR 6 135 Tax Settlement -6/17/2022 Rice County Governmer # 881907			0.00	350.58	
	Cash Receipts Batch 08919.06.2022					

Account Number	Description	Budget	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
290-00000-462-31040 Totals:	Var: -350.58	0.00	0.00	0.00	350.58	-350.58
290-00000-462-31500	PILOT	0.00				
290-00000-462-31500 Totals:		0.00	0.00	0.00	0.00	0.00
290-00000-462-31550	Green Acres	0.00				
290-00000-462-31550 Totals:		0.00	0.00	0.00	0.00	0.00
290-00000-462-33402	Market Value Homestead Credit	0.00				
290-00000-462-33402 Totals:		0.00	0.00	0.00	0.00	0.00
290-00000-462-34108	Administrative Fees	0.00				
290-00000-462-34108 Totals:		0.00	0.00	0.00	0.00	0.00
290-00000-462-34700	Application Fees	2,500.00				
1/11/2022 CR 1 73	Application Fee - EDA Subordination Agmt - Ellisor # 851533			0.00	140.00	
	Cash Receipts Batch 00113.01.2022					
1/31/2022 CR 1 194	Application Fee - EDA Farmer Seed Redev KK & C # 854886			0.00	500.00	
	Cash Receipts Batch 00313.01.2022					
5/16/2022 CR 5 127	Application Fee - EDA Cry Baby Craig's # 875226			0.00	150.00	
	Cash Receipts Batch 00163.05.2022					
5/18/2022 CR 5 141	KK & G TIFApplication Fee KK & G Properties # 875590			0.00	500.00	
	Cash Receipts Batch 00183.05.2022					
6/10/2022 CR 6 92	Application Fee - EDA DT Com Reh T. Nelson Pro # 880599			0.00	150.00	
	Cash Receipts Batch 00103.06.2022					
290-00000-462-34700 Totals:	Var: 1,060.00	2,500.00	0.00	0.00	1,440.00	-1,440.00
290-00000-462-36200	Other Miscellaneous Revenue	500.00				
290-00000-462-36200 Totals:	Var: 500.00	500.00	0.00	0.00	0.00	0.00
290-00000-462-36210	Interest on Investments	5,200.00				
1/31/2022 GL 1 225	Interest Distribution			0.00	329.37	
2/28/2022 GL 2 224	Interest Distribution			0.00	2,221.16	
3/31/2022 GL 3 257	Interest Distribution			0.00	509.89	
4/30/2022 GL 4 226	Interest Distribution			0.00	391.93	
5/31/2022 GL 5 246	Interest Distribution			0.00	1,638.69	
290-00000-462-36210 Totals:	Var: 108.96	5,200.00	0.00	0.00	5,091.04	-5,091.04
290-00000-462-36211	Interest Market Value	0.00				
1/31/2022 GL 1 226	Market Value Adjustment			5,253.02	0.00	
2/28/2022 GL 2 225	Market Value Adjustment			7,109.79	0.00	

Account Number				Description		Budget	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
3/31/2022	GL	3	258	Market Value Adjustment				23,912.88	0.00	
4/30/2022	GL	4	227	Market Value Adjustment				14,877.52	0.00	
5/31/2022	GL	5	247	Market Value Adjustment				0.00	3,172.59	
				290-00000-462-36211 Totals:	Var: 47,980.62	0.00	0.00	51,153.21	3,172.59	47,980.62
290-00000-462-36215				Loan Interest		383.00				
1/3/2022	AR	1	2	AR Invoices 00001.01.2022				0.00	30.82	
2/1/2022	AR	2	1	AR Invoices 00001.02.2022				0.00	30.56	
3/1/2022	AR	3	1	AR Invoices 00001.03.2022				0.00	27.36	
4/4/2022	AR	4	1	AR Invoices 00001.04.2022				0.00	30.02	
5/2/2022	AR	5	3	AR Invoices 00002.05.2022				0.00	28.80	
6/1/2022	AR	6	4	AR Invoices 00001.06.2022				0.00	29.49	
7/1/2022	AR	7	3	AR Invoices 00001.07.2022				0.00	28.28	
				290-00000-462-36215 Totals:	Var: 177.67	383.00	0.00	0.00	205.33	-205.33
290-00000-462-36240				Refunds & Reimbursements		0.00				
				290-00000-462-36240 Totals:		0.00	0.00	0.00	0.00	0.00
290-00000-462-39100				Sale of Land		0.00				
				290-00000-462-39100 Totals:		0.00	0.00	0.00	0.00	0.00
290-00000-462-39200				Transfer In		0.00				
1/25/2022	GL	1	230	Resolution 2022-018 Transfer of Restricted Cash fro				0.00	466,660.04	
				290-00000-462-39200 Totals:	Var: -466,660.04	0.00	0.00	0.00	466,660.04	-466,660.04
				290-00000 REVENUE Totals:		312,206.00	0.00	51,153.21	591,039.78	-539,886.57
				REVENUE Totals:		312,206.00	0.00	51,153.21	591,039.78	-539,886.57
EXPENSE										
290-46500				Economic Development						
290-46500-462-42110				General Supplies		0.00				
				290-46500-462-42110 Totals:		0.00	0.00	0.00	0.00	0.00
290-46500-462-42115				Meeting		250.00				
3/8/2022	AP	3	24	F0190 - Fareway Stores Inc #126	Ck# 174166			11.86	0.00	
6/14/2022	AP	6	73	1878 - Kari Casper	Ck# 0			17.72	0.00	
				290-46500-462-42115 Totals:	Var: 220.42	250.00	0.00	29.58	0.00	29.58
290-46500-462-43040				Legal Fees - Civil Process		25,000.00				
2/22/2022	AP	2	122	K0006 - Kennedy & Graven, Chartered	Ck# 0			420.00	0.00	

Account Number		Description				Budget	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
4/12/2022	AP	4	46	K0006 - Kennedy & Graven, Chartered	Ck# 0			1,330.80	0.00	
4/26/2022	AP	4	131	K0006 - Kennedy & Graven, Chartered	Ck# 0			2,140.20	0.00	
6/14/2022	AP	6	73	K0006 - Kennedy & Graven, Chartered	Ck# 0			649.20	0.00	
6/28/2022	AP	6	156	K0006 - Kennedy & Graven, Chartered	Ck# 0			147.00	0.00	
290-46500-462-43040 Totals:						25,000.00	0.00	4,687.20	0.00	4,687.20
290-46500-462-43080 Indirect Cost Allocation						0.00				
290-46500-462-43080 Totals:						0.00	0.00	0.00	0.00	0.00
290-46500-462-43090 Expert & Professional Services						50,000.00				
2/22/2022	AP	2	122	E0005 - Ehlers & Associates Inc	Ck# 174030			450.00	0.00	
2/22/2022	AP	2	122	E0005 - Ehlers & Associates Inc	Ck# 174030			67.50	0.00	
5/24/2022	AP	5	144	E0005 - Ehlers & Associates Inc	Ck# 174762			137.50	0.00	
290-46500-462-43090 Totals:						50,000.00	0.00	655.00	0.00	655.00
290-46500-462-43095 Software Maintenance & Support						0.00				
290-46500-462-43095 Totals:						0.00	0.00	0.00	0.00	0.00
290-46500-462-43130 EDA Program Budget						1,000,000.00				
290-46500-462-43130 Totals:						1,000,000.00	0.00	0.00	0.00	0.00
290-46500-462-43140 Training & Education						0.00				
290-46500-462-43140 Totals:						0.00	0.00	0.00	0.00	0.00
290-46500-462-43220 Postage						0.00				
290-46500-462-43220 Totals:						0.00	0.00	0.00	0.00	0.00
290-46500-462-43250 Other Communications						0.00				
290-46500-462-43250 Totals:						0.00	0.00	0.00	0.00	0.00
290-46500-462-43310 Travel Expense						0.00				
290-46500-462-43310 Totals:						0.00	0.00	0.00	0.00	0.00
290-46500-462-43430 Advertising - Other						50,000.00				
1/11/2022	AP	1	34	1096 - Real Estate Publishing Corporation	Ck# 0			10,000.00	0.00	
4/12/2022	AP	4	46	1096 - Real Estate Publishing Corporation	Ck# 0			1,325.00	0.00	
6/1/2022	AP	6	110	2035 - Cardmember Service	Ck# 0			634.29	0.00	
290-46500-462-43430 Totals:						50,000.00	0.00	11,959.29	0.00	11,959.29
290-46500-462-43510 Legal Notices Publishing						500.00				

Account Number						Description	Budget	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
290-46500-462-43510 Totals:						Var: 500.00	500.00	0.00	0.00	0.00	0.00
290-46500-462-43520						Recording Fees	0.00				
290-46500-462-43520 Totals:							0.00	0.00	0.00	0.00	0.00
290-46500-462-43610						Insurance & Bonds	1,889.00				
4/12/2022	AP	4	46	M0078 - League of Minnesota Cities Ins Trust	Ck# 174449			1,913.00	0.00		
5/10/2022	AP	5	26	Property Liability Premium	Ck# 174679			1,913.00	0.00		
5/23/2022	AP	5	216	Void M0078	Ck# 0			0.00	1,913.00		
290-46500-462-43610 Totals:						Var: -24.00	1,889.00	0.00	3,826.00	1,913.00	1,913.00
290-46500-462-43810						Electric Utilities	0.00				
290-46500-462-43810 Totals:							0.00	0.00	0.00	0.00	0.00
290-46500-462-43860						Storm Water Utilities	40.00				
290-46500-462-43860 Totals:						Var: 40.00	40.00	0.00	0.00	0.00	0.00
290-46500-462-44330						Dues & Subscriptions	24,000.00				
1/18/2022	GL	1	86	EDAM - 2022-10780 2022 EDAM Dues-Aman & K				495.00	0.00		
1/25/2022	AP	1	109	S0111 - Southern Minnesota Initiative Foundation	Ck# 173825			4,000.00	0.00		
3/8/2022	AP	3	24	F0072 - Faribault Area Chamber of Commerce	Ck# 174169			17,000.00	0.00		
3/1/2022	AP	3	28	2035 - Cardmember Service	Ck# 0			700.00	0.00		
290-46500-462-44330 Totals:						Var: 1,805.00	24,000.00	0.00	22,195.00	0.00	22,195.00
290-46500-462-44370						Miscellaneous Charges	0.00				
290-46500-462-44370 Totals:							0.00	0.00	0.00	0.00	0.00
290-46500-462-44390						Taxes & Licenses	50.00				
290-46500-462-44390 Totals:						Var: 50.00	50.00	0.00	0.00	0.00	0.00
290-46500-462-44600						Loans & Grants	75,000.00				
290-46500-462-44600 Totals:						Var: 75,000.00	75,000.00	0.00	0.00	0.00	0.00
290-46500-462-45100						Land	0.00				
290-46500-462-45100 Totals:							0.00	0.00	0.00	0.00	0.00
290-46500-462-47200						Transfer Out	0.00				
290-46500-462-47200 Totals:							0.00	0.00	0.00	0.00	0.00
290-46500 EXPENSE Totals:							1,226,729.00	0.00	43,352.07	1,913.00	41,439.07

Account Number	Description	Budget	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
	EXPENSE Totals:	1,226,729.00	0.00	43,352.07	1,913.00	41,439.07
	290 Totals:	1,538,935.00	0.00	733,974.22	733,974.22	0.00
	Report Totals:	1,538,935.00	0.00	733,974.22	733,974.22	0.00



Request for Action

TO: Faribault Economic Development Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: July 21, 2022
SUBJECT: Consider Modifications to the Development Program for Development District 1 and the Proposed establishment of Tax Increment Financing District No. 17

BACKGROUND:

Tax Increment Financing (TIF) Background/Process:

The process to approve and establish a tax increment financing district in the City of Faribault involves actions by both the EDA and the City Council. Section 3 of the EDA's Enabling Resolution establishes that the EDA is responsible for the review and processing of tax increment finance districts (TIF), and is the party that enters into private development agreements associated with TIF. From a process standpoint, this means:

1. The EDA must review the TIF plan to ensure that the plans follow the requirements of state statutes related to TIF laws, that the TIF plan (development activity) is consistent with the city's development plans, and that the public assistance being provided is only what is necessary to make the private development financially feasible.
2. Based on this review - the EDA can then approve via resolution, the Tax Increment Finance Plan associated with a project and make a recommendation to the City Council to establish the TIF District.
3. Prior to a district being established, the City Council is required to hold a public hearing and at the conclusion of the public hearing takes action to approve the establishment of the district.
4. After the district is established, the EDA enters into a contract for private development with the developer, outlining the requirements of the TIF, and then is responsible for ensuring that the development plans are implemented/built before the TIF Note is issued.

Per the Enabling Resolution:

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.

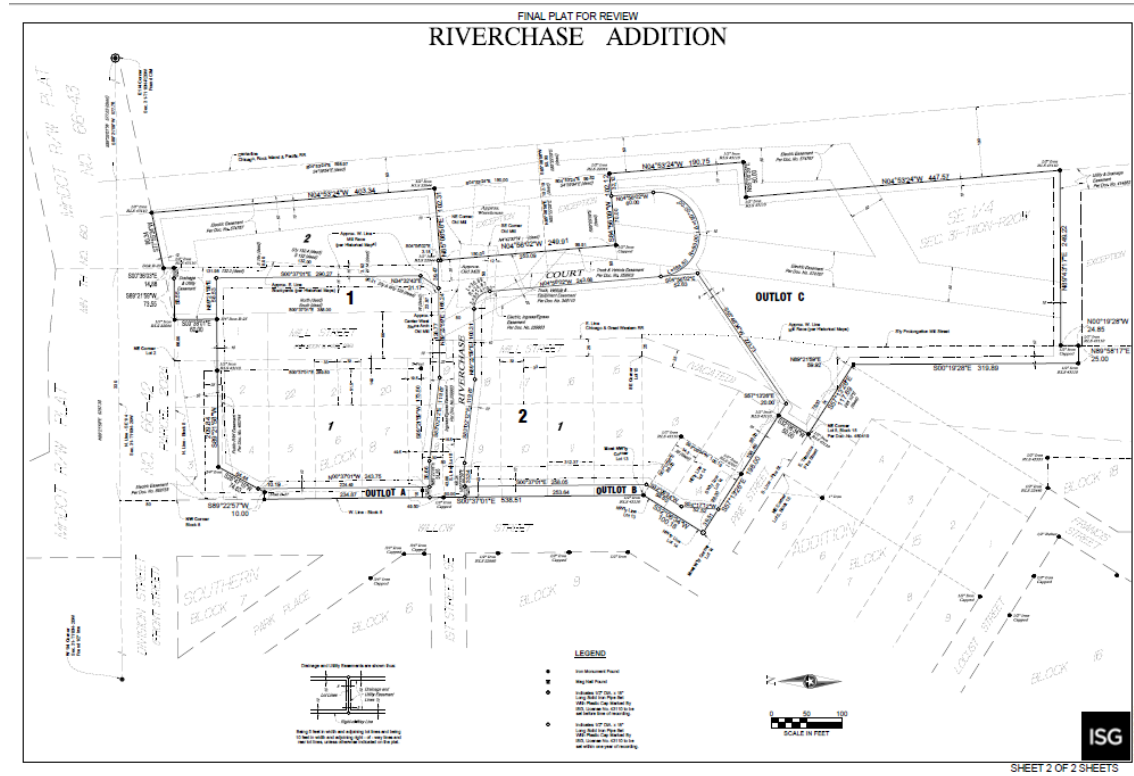
Generally, before the official actions associated with adopting the tax increment financing plan, and even before a TIF application is submitted - the development plan/concept has been discussed publically with the City Council to determine whether or not the Council supports the activity. The City Council is also asked to weigh in on their willingness to support the pursuit of tax increment financing (or tax abatement). This is done to provide a level of comfort to the developer (no official approvals - but an understanding that there is a level of support associated with the ask). This step has proven to be vital as it prevents a waste of time and money if there is no Council support for a proposed project, understanding that a lot of details are required prior to submitting a TIF application and prior to developing the Tax Increment Financing Plan.

Riverchase Apartments - Project Information and Plan:

Under the direction of the City Council, Staff has been working to implement that Downtown Master Plan, including the development of the city-owned land south of the viaduct. This area was identified in the plan as a mix of residential uses. The City acquired this strategically located property recognizing it as a valuable location that can serve as a catalyst site for additional investment in the downtown, and then actively sought out a development partner.

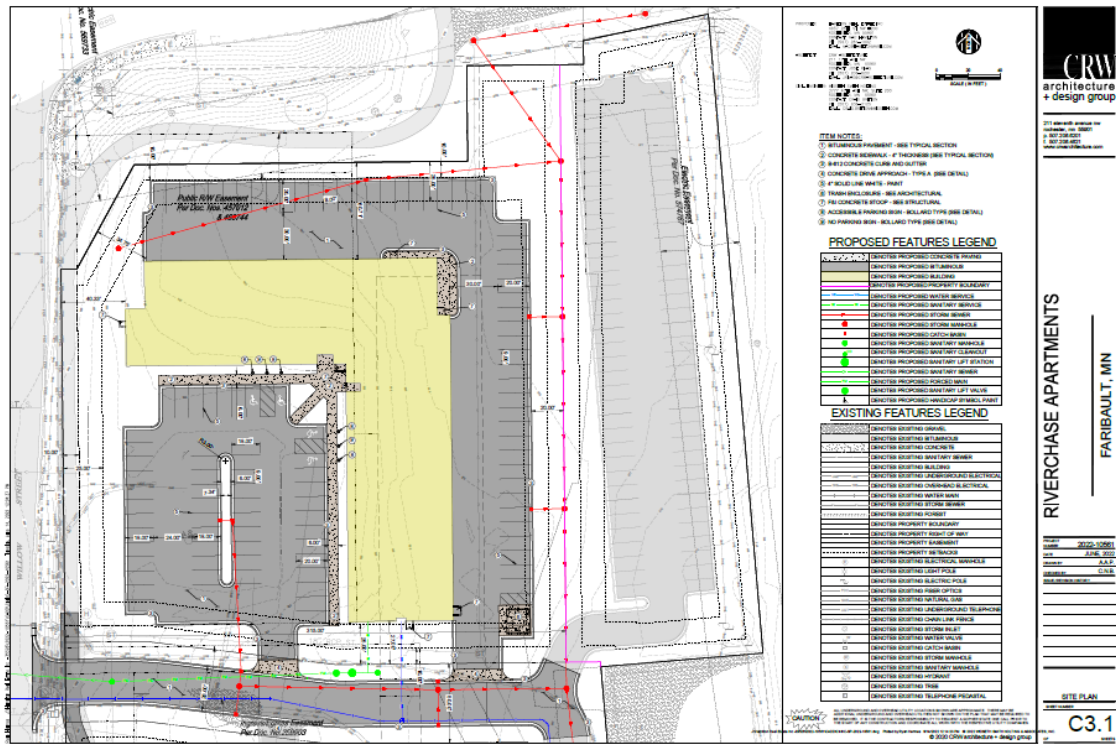
In early 2022, the City Council discussed in a closed-session the sale of a portion of this city-owned land to Mac Hamilton and his development entity, for the construction of a market-rate apartment building. The City then entered into a Preliminary Development Agreement with Hamilton Development Entity (Developer) in March 2022. The Developer intends to construct a 77-unit market-rate apartment on a portion of the city-owned land south of the viaduct, with associated parking and amenities. The City is currently replatting the land, and intends to sell Lot 1 Block 1 of

the Riverchase Addition to the Developer for this development. The proposed project details are as follows:



- 77-unit apartment building with 27 tuck-under garages, 102 surface parking spaces, fitness center, community room, and office on site - constructed on Lot 1 Block 1 of the Riverchase Addition.
- Estimated total project cost = \$12.95m





TIF PLAN No. 17 - Riverchase Apartments:

The project is seeking public assistance in the form of an Economic Development-Workforce Housing tax increment finance district. The state legislature updated TIF legislation to allow the construction of workforce housing as an eligible economic development district activity. A public hearing is scheduled for August 10, 2022 with the City Council, and prior to that public hearing the EDA is required to consider the modifications to Development District No. 1 and determine whether the TIF plan for TIF No. 17 conforms to the requirements of the TIF statutes for workforce housing and is consistent with the needs of the community.

Ehlers has conducted a financial analysis, evaluating the project details and the Developer's TIF request. This analysis was based on representations made by the Developer, a review of the Developer's proforma, and City Staff awareness of the feasibility of the project within the District. Ehlers also did a comparative analysis of the estimated market value both with and without the establishment of the District and the use of tax increments. The conclusions are:

- The proposed project satisfies the requirements of a workforce housing project under the economic development district statutes.
 - The 2018 Vacancy Analysis determined vacancy rates to be less than 1-percent for the City of Faribault and only 1.3-percent for the cities of Faribault, Owatonna, and Northfield combined. This information is currently being updated and 2021/2022 vacancy information will be available before the scheduled public hearing.
 - Letters of support have been obtained from local businesses

for the creation of additional workforce housing in the community.

- The School Board and the Rice County Commissioners are being asked to approve the TIF plan via resolution. The resolutions are on the July 25th School Board and July 26th County Board meeting agendas for consideration.
- The economic development district is an 8-year district after the receipt of the first increment by the City. The first increment is expected in 2024 - and therefore, the TIF district would terminate in 2032.
- It is estimated that the total amount of tax increment generated over the life of the District is \$1,142,325. This does not represent the amount of TIF assistance for the project, but is the maximum amount of increment that will be generated.
- The proposed development has qualifying costs that meet or exceed the increment projected in the district. However, the actual assistance to the developer is estimated to be around \$700,000. (The TIF Plan represents the maximum budget to provide flexibility in administering the district.)
- The development will not proceed "but-for" the use of public assistance.

REQUESTED ACTION:

Based on the information provided in the Modification to the Development Program & Tax Increment Financing (TIF) Plan for the Establishment of Tax Increment Financing District No. 17 - Riverchase Apartments (an economic development-workforce housing district) - the EDA is asked to consider Resolution 2022-06 *Recommending the City Council Modify Development District No. 1 to Establish Tax Increment Financing District No. 17: Riverchase Apartments Therein and Adopt a Modification to the Development Program and Adopt the Tax Increment Financing Plan Therefor.*

ATTACHMENTS:

1. Res 2022-4 Establishing TIF District and recommending City Council modify same
2. TIF Plan - TIF No. 17 - Riverchase Apartments
3. Riverchase Plat - showing Lot 1 Block 1
4. Riverchase Plat Graphic - showing proposed uses within platted area
5. Map - Tax Increment District No17
6. F72 BIRDSEYE 1
7. F72 BACK RENDER 1
8. F72 BACK RENDER 2
9. F72 ENTRY RENDER
10. F72 SOUTH RENDER
11. F72 WEST RENDER

RESOLUTION NO. 2022-04

**FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY
CITY OF FARIBAULT
RICE COUNTY
STATE OF MINNESOTA**

**RESOLUTION RECOMMENDING THE CITY COUNCIL MODIFY
DEVELOPMENT DISTRICT NO. 1, ESTABLISH TAX INCREMENT
FINANCING DISTRICT NO. 17: RIVERCHASE APARTMENTS THEREIN
AND ADOPT A MODIFICATION TO THE DEVELOPMENT PROGRAM
AND ADOPT THE TAX INCREMENT FINANCING PLAN THEREFOR.**

WHEREAS, There is a proposal to modify Development District No. 1, establish Tax Increment Financing District No. 17: Riverchase Apartments (an economic development-workforce housing district), adopt a Modification to the Development Program (the "Development Program Modification"), and adopt the Tax Increment Financing Plan (the "TIF Plan") therefor (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Program Modification and TIF Plan"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.134, and Sections 469.174 to 469.1799, inclusive, as amended (the "Act"); and

WHEREAS, the City of Faribault (the "City") has investigated the facts relating to the Program Modification and TIF Plan and has caused the Program Modification and TIF Plan to be prepared; and

WHEREAS, the City has performed all actions required by law to be performed prior to the adoption of the Program Modification and TIF Plan, and has scheduled a public hearing on the Program Modification and TIF Plan upon published notice as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Faribault Economic Development Authority as follows:

1. The EDA hereby finds that the Program Modification and TIF Plan conform in all respects to the requirements of the Act; will provide an impetus for residential development and provide safe and decent life cycle housing in the City.

2. The EDA further finds that the Program Modification and TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Development District No. 1 by private enterprise in that the intent is to provide only that public assistance necessary to make the private developments financially feasible.

3. The EDA hereby approves the Program Modification and TIF Plan, as presented to the EDA on this date, and recommends that they be established and adopted by the City Council.

4. The President, Secretary and Executive Director, staff and consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution.

Approved by the Faribault Economic Development Authority this 21st day of July, 2022.

By: _____
Rodney Gramse
Its: President

By: _____
A.J. Smith
Its: Secretary

Adoption Date: August 10, 2022

City of Faribault Rice County, Minnesota

MODIFICATION TO THE DEVELOPMENT PROGRAM

Development District No. 1

&

Tax Increment Financing (TIF) Plan

Establishment of Tax Increment Financing District

No. 17 - Riverchase Apartments

(an economic development – workforce housing district)



Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, Minnesota 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

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Modification to the Development Program for Development District No. 1

FOREWORD

The following text represents a Modification to the Development Program for Development District No. 1. This modification represents a continuation of the goals and objectives set forth in the Development Program for Development District No. 1. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 17 - Riverchase Apartments.

For further information, a review of the Development Program for Development District No. 1, is recommended. It is available from the Community and Economic Development Director at the City of Faribault. Other relevant information is contained in the tax increment financing plans for the tax increment financing districts located within Development District No. 1.

Tax Increment Financing Plan for Tax Increment Financing District No. 17 - Riverchase Apartments

FOREWORD

The City of Faribault (the "City"), staff and consultants have prepared the following information to expedite the Establishment of Tax Increment Financing District No. 17 - Riverchase Apartments (the "District"), an economic development tax increment financing district, located in Development District No. 1.

STATUTORY AUTHORITY

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections* , inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for Development District No. 1.

STATEMENT OF OBJECTIVES

The District currently consists of four (4) parcels of land and adjacent roads and internal rights-of-way. The District is being created to facilitate construction of 77 units of rental housing to address the workforce housing needs in the community. The City intends to enter into an agreement with Hamilton Real Estate Group as the developer of the project. Development is anticipated to begin in 2023. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 1.

The activities contemplated in the Modification to the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Development District No. 1 and the District.

DEVELOPMENT PROGRAM OVERVIEW

Pursuant to the Development Program and authorizing state statutes, the City is authorized to undertake the following activities in the District:

1. Property to be Acquired - The City currently owns four (4) parcels of property within the District. The remaining property located within the District may be acquired by the City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
4. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.
5. The City proposes both public and private infrastructure within the District. The proposed reuse of private property within the District will be for a workforce housing rental project, and there will be continued operation of Development District No. 1 after the capital improvements within Development District No. 1 have been completed.

DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED

The District encompasses all property and adjacent roads rights-of-way and abutting roadways identified by the parcels listed below.

Parcel number	Address	Owner
18.31.4.26.001	55 Willow St.	City of Faribault
18.31.4.00.005*	Unassigned	City of Faribault
18.31.4.00.004	Unassigned	City of Faribault
18.31.4.00.003*	217 Mill St.	City of Faribault

*The parcels are in the process of being re-platted and the District will only include a portion of these parcel: indicated on the District map

Please also see the map in Appendix A for further information on the location of the District.

The City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

The City currently owns all four (4) parcels of the property to be included in the District.

DISTRICT CLASSIFICATION

The City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, finds that the District, to be established, is an economic development district pursuant to *M.S., Section 469.174, Subd. 12*.

The District is in the public interest because it satisfies the requirements of a workforce housing project under Section 469.176, Subdivision 4c, paragraph (d).

Pursuant to *M.S., Section 469.176, Subd. 4c*, revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if more than 15% of the buildings and facilities (determined on the basis of square footage) are used for a purpose other than:

1. The manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
2. Warehousing, storage, and distribution of tangible personal property, excluding retail sales;
3. Research and development related to the activities listed in items (1) or (2);

4. Telemarketing if that activity is the exclusive use of the property; or
5. Tourism facilities;
6. Space necessary for and related to the activities listed in items (1) to (5); or
7. A workforce housing project that satisfies the requirements of *M.S., Section 469.176, Subd. 4c(d)*.

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 273.112, or 273.114 or Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

DURATION & FIRST YEAR OF DISTRICT'S TAX INCREMENT

Pursuant to *M.S., Section 469.175, Subd. 1, and M.S., Section 469.176, Subd. 1*, the duration of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 8 years after receipt of the first increment by the City. The date of receipt by the City of the first tax increment is expected to be 2024.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2032, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

ORIGINAL TAX CAPACITY, TAX RATE & ESTIMATED CAPTURED NET TAX CAPACITY VALUE/INCREMENT & NOTIFICATION OF PRIOR PLANNED IMPROVEMENTS

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2022 for taxes payable 2023.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2024) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the District;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the City.

The original local tax rate for the District will be the local tax rate for taxes payable 2023, assuming the request for certification is made before June 30, 2023. The rates for 2023 were not available at the time the District was established. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Development District No. 1, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100 percent of the available increase in tax capacity be used for repayment of the obligations of the City and current expenditures, beginning in the tax year payable 2024. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity		
Project estimated Tax Capacity upon completion	161,230	
Original estimated Net Tax Capacity	5,199	
Fiscal Disparities	<u>0</u>	
Estimated Captured Tax Capacity	156,031	
Original Local Tax Rate	<u>108.8640%</u>	Pay 2022
Estimated Annual Tax Increment	\$169,862	
Percent Retained by the City	100%	

Note: Tax capacity includes a 5% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 9. The tax capacity of the District in year one is estimated to be \$30,078.

Pursuant to *M.S., Section 469.177, Subd. 4*, the City shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City is reviewing the area to be included in the District to determine if any building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

SOURCES OF REVENUE/BONDS TO BE ISSUED

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES	
Tax Increment	\$ 1,142,325
Interest	114,232
TOTAL	\$ 1,256,557

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The City reserves the right to issue bonds (as defined in the TIF Act) or incur other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by pay-as-you-go notes and interfund loans. Any refunding amounts will be deemed a budgeted cost without a formal modification to this TIF Plan. This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The City may issue bonds secured in whole or in part with tax increments from the District in a maximum principal amount of \$1,042,935. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

USES OF FUNDS

Currently under consideration for the District is a proposal to facilitate construction of 77 units of rental housing to address the workforce housing needs in the community. The City has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described herein.

The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES	
Land/Building Acquisition	\$ 300,000
Site Improvements/Preparation	100,000
Utilities	75,000
Other Qualifying Improvements	453,703
Administrative Costs (up to 10%)	114,232
PROJECT COSTS TOTAL	\$ 1,042,935
Interest	213,622
PROJECT AND INTEREST COSTS TOTAL	\$ 1,256,557

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

Estimated capital and administrative costs listed above are subject to change among categories by modification of the TIF Plan without hearings and notices as required for approval of the initial TIF Plan, so long as the total capital and administrative costs combined do not exceed the total listed above. Further, the City may spend up to 20% of the tax increment revenues from the District for activities (described in the table above) located outside the boundaries of the District but within the boundaries of the Development District No. 1 (including administrative costs, which are considered to be spent outside the District), subject to all other terms and conditions of this TIF Plan.

ESTIMATED IMPACT ON OTHER TAXING JURISDICTIONS

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Impact on Tax Base			
Entity	2021/Pay 2022 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Rice County	77,724,192	156,031	0.2007%
City of Faribault	20,431,840	156,031	0.7637%
ISD 656 (Faribault Public Schools)	35,424,548	156,031	0.4405%

Impact on Tax Rates				
Entity	Pay 2022 Extension Rate	Percent of Total	CTC	Potential Taxes
Rice County	39.3350%	36.13%	156,031	\$ 61,375
City of Faribault	54.6820%	50.23%	156,031	85,321
ISD 656 (Faribault Public Schools)	14.5910%	13.40%	156,031	22,766
Other	0.2560%	0.24%	156,031	399
	108.8640%	100.00%		\$ 169,862

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2022 rate. The total net capacity for the entities listed above are based on Pay 2022 figures. The District will be certified under the Pay 2023 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S., Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$1,142,325;

- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The removal of blight, however, will eliminate nuisance criminal activity. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction. The existing building, located at the site, which will be eliminated by the new development, has public safety concerns. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact traffic movements in the area. The current infrastructure for sanitary sewer and water will be able to handle the additional volume generated from the proposed development. As part of the project, a regional stormwater treatment basin will be constructed to provide the required stormwater treatment for the Riverchase development. Based on the development plans, there are limited additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated \$114,000 in sanitary sewer (SAC) and water (WAC) connection fees.

The probable impact of the issuance of any general obligation tax increment bonds payable from tax increment revenues from the District on the City's ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$153,105;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$412,747;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S., Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

SUPPORTING DOCUMENTATION

Pursuant to *M.S., Section 469.175, Subd. 1 (a), clause 7* this TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S., Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

- (i) In making said determination, reliance has been placed upon (1) written representation made by the Developer to such effects, (2) review of the Developer's proforma; and (3) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the City Council resolution approving the establishment of the District and Appendix C.
- (ii) A comparative analysis of estimated market value both with and without establishment of the District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

DISTRICT ADMINISTRATION

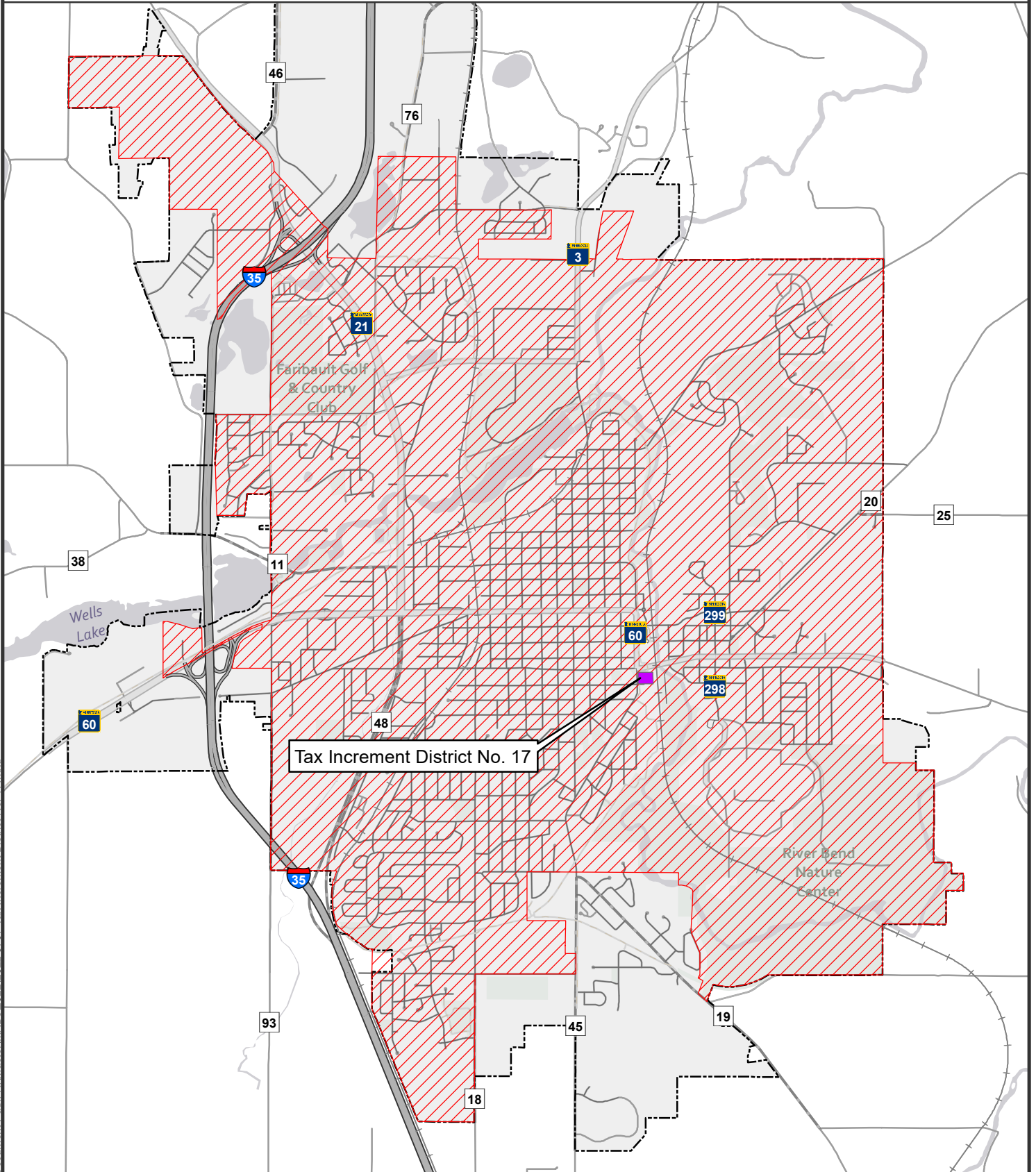
Administration of the District will be handled by the Community and Economic Development Director.

Appendix A: Map of Development District No. 1 and the TIF District

Development District No. 1 Tax Increment District No. 17

This map is neither a legally recorded map nor a survey. This map is a compilation data affecting the area shown; and is for reference purposes only. In using the map, you assume responsibility for the correctness all information extracted from this map.

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0 2,300 4,600 Feet
1 inch = 3,447 feet



Development District No. 1



Tax Increment District No. 17

Appendix B: Estimated Cash Flow for the District

Riverchase Apartments - No Inflation

City of Faribault, MN

77 Workforce Rental Units



ASSUMPTIONS AND RATES

DistrictType:	Economic Development
District Name/Number:	TIF District No. 17-Riverchase Apartments
County District #:	
First Year Construction or Inflation on Value	2022
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	5.00%
Interest Rate:	4.00%
Present Value Date:	1-Aug-23
First Period Ending	1-Feb-24
Tax Year District was Certified:	Pay 2022
Cashflow Assumes First Tax Increment For Development:	2024
Years of Tax Increment	9
Assumes Last Year of Tax Increment	2032
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	NA
Incremental or Total Fiscal Disparities	NA
Fiscal Disparities Contribution Ratio	NA Pay 2022
Fiscal Disparities Metro-Wide Tax Rate	NA Pay 2022
Maximum/Frozen Local Tax Rate:	108.864% Pay 2022
Current Local Tax Rate: (Use lesser of Current or Max.)	108.864% Pay 2022
State-wide Tax Rate (Comm./Ind. only used for total taxes)	36.2890% Pay 2022
Market Value Tax Rate (Used for total taxes)	0.20456% Pay 2022

Tax Rates		
Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First \$150,000		1.50%
Over \$150,000		2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First \$100,000		0.75%
Over \$100,000		0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First \$500,000		1.00%
Over \$500,000		1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First \$500,000		1.00%
Over \$500,000		1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
1	18.31.4.26.001	City of Faribault	55 Willow St.	163,700	85,500	249,200	100%	249,200	Pay 2022	Exempt	-	Rental	3,115	1
2	18.31.4.00.005	City of Faribault	Unassigned	30,600	0	30,600	80%	24,480	Pay 2022	Exempt	-	Rental	306	
3	18.31.4.00.004	City of Faribault	Unassigned	46,300	0	46,300	100%	46,300	Pay 2022	Exempt	-	Rental	579	
4	18.31.4.00.003	City of Faribault	217 Mill St.	450,000	509,600	959,600	10%	95,960	Pay 2022	Exempt	-	Rental	1,200	
				690,600	595,100	1,285,700		415,940			0		5,199	

Note:

- Base values are for pay 2023 based upon review of County website on 7-8-2022.
- Located in SD # 656 and TAG: FARIBO-SD656-HSP-HRA-EDA

Riverchase Apartments - No Inflation
City of Faribault, MN
77 Workforce Rental Units



PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2022	Percentage Completed 2023	Percentage Completed 2024	Percentage Completed 2025	First Year Full Taxes Payable
1	Apartments	125,000	125,000	77	9,625,000	Rental	120,313	1,563	25%	75%	100%	100%	2026
TOTAL					9,625,000		120,313						
Subtotal Residential				77	9,625,000		120,313						
Subtotal Commercial/Ind.				0	0		0						

Note:

1. Market values are based upon estimates from the County Assessor.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Apartments	120,313	0	120,313	130,977	0	0	19,689	150,666	1,956.70
TOTAL	120,313	0	120,313	130,977	0	0	19,689	150,666	

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.
2. If tax increment is received in 2023, then the district will be one year shorter.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	150,666
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(19,689)
less Base Value Taxes	(5,660)
Annual Gross TIF	125,317

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	415,940
New Market Value - Est.	9,625,000
Difference	9,209,060
Present Value of Tax Increment	908,237
Difference	8,300,823
Value likely to occur without Tax Increment is less than:	8,300,823



Riverchase Apartments - No Inflation

City of Faribault, MN

77 Workforce Rental Units

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities NA	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
100%	30,078	(5,199)	-	24,879	108.864%	27,084	13,542	(49)	(1,349)	12,144	11,672	0.5	2024	02/01/24
100%	90,234	(5,199)	-	85,035	108.864%	92,573	13,542	(49)	(1,349)	12,144	23,116	1	2024	02/01/25
							46,286	(167)	(4,612)	41,508	61,463	1.5	2025	08/01/25
100%	120,313	(5,199)	-	115,113	108.864%	125,317	46,286	(167)	(4,612)	41,508	99,058	2	2025	02/01/26
							62,658	(226)	(6,243)	56,190	148,952	2.5	2026	08/01/26
100%	126,328	(5,199)	-	121,129	108.864%	131,866	62,658	(226)	(6,243)	56,190	197,869	3	2026	02/01/27
							65,933	(237)	(6,570)	59,126	248,332	3.5	2027	08/01/27
100%	132,645	(5,199)	-	127,445	108.864%	138,742	65,933	(237)	(6,570)	59,126	297,806	4	2027	02/01/28
							69,371	(250)	(6,912)	62,209	348,839	4.5	2028	08/01/28
100%	139,277	(5,199)	-	134,078	108.864%	145,962	69,371	(250)	(6,912)	62,209	398,872	5	2028	02/01/29
							72,981	(263)	(7,272)	65,447	450,476	5.5	2029	08/01/29
100%	146,241	(5,199)	-	141,041	108.864%	153,543	72,981	(263)	(7,272)	65,447	501,068	6	2029	02/01/30
							76,772	(276)	(7,650)	68,846	553,245	6.5	2030	08/01/30
100%	153,553	(5,199)	-	148,353	108.864%	161,503	76,772	(276)	(7,650)	68,846	604,398	7	2030	02/01/31
							80,752	(291)	(8,046)	72,415	657,148	7.5	2031	08/01/31
100%	161,230	(5,199)	-	156,031	108.864%	169,862	80,752	(291)	(8,046)	72,415	708,864	8	2031	02/01/32
							84,931	(306)	(8,463)	76,163	762,190	8.5	2032	08/01/32
							84,931	(306)	(8,463)	76,163	814,471	9	2032	02/01/33
Total							1,146,452	(4,127)	(114,232)	1,028,092				
	Present Value From	08/01/2023		Present Value Rate	4.00%		908,237	(3,270)	(90,497)	814,471				

Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 17 - Riverchase Apartments as required pursuant to *Minnesota Statutes (M.S.), Section 469.175, Subd. 3* are as follows:

1. *Finding that Tax Increment Financing District No. 17 - Riverchase Apartments is an economic development district as defined in M.S., Section 469.174, Subd. 12.*

Tax Increment Financing District No. 17 - Riverchase Apartments is a contiguous geographic area within the City's Development District No. 1, delineated in the TIF Plan, for the purpose of financing economic development in the City through the use of tax increment. The District is in the public interest because it will facilitate construction of 77 units of rental housing to address the workforce housing needs in the community in the City which will increase employment in the State and preserve and enhance the tax base of the state.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 17 - Riverchase Apartments permitted by the TIF Plan.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the development proposed in this plan includes workforce rental housing that meets the City's objectives for economic development. The cost of land acquisition, and related site improvements necessary to maximize development potential, makes development of the facility infeasible without City assistance. The Developer was asked for and provided a letter and a proforma as justification that the developer would not have gone forward without tax increment assistance.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed

development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan: The City supported this finding on the grounds that the project includes workforce housing. The City reasonably determines that no other development of similar scope that provides the necessary housing is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
 - b. If the proposed development occurs, the total increase in market value will be \$9,209,060 (see Appendix B of the TIF Plan)
 - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$908,237 (see Appendix B of the TIF Plan).
 - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$8,300,823 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for Tax Increment Financing District No. 17 - Riverchase Apartments conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The City Council reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the Tax Increment Financing Plan for Tax Increment Financing District No. 17 - Riverchase Apartments will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of Development District No. 1 by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, increased tax base of the State, and add a high-quality development to the City.

Appendix D: Letters of Support From Local Business

July 7, 2022

Dear Minnesota Housing:

Trystar supports the housing developments that are being proposed at Willow and 17th Street and the Riverchase Apartment complex located at Willow and Division Street.

Finding quality employees has been a very difficult task for some time now, made harder by the lack of available housing in Faribault. Trystar looked to creative solutions to the workforce/housing crisis in the past including opening an office 30 minutes north of Faribault and using a shuttle to take employees from this Burnsville office down to Faribault. While this has helped us add some employees from further distances away that would normally not have been viable due to the drive, we haven't been able to add nearly enough employees in this manner and need employees who can be local in order to be on-site at our production facility every day during normal working hours without having to drive extended distances. The lack of quality housing has also affected our ability to attract high skill talent. Trystar employees would like the opportunity to be able to live in the town that they work in, but in the current state, our employees are unable to find quality and/or affordable housing in Faribault.

Trystar is a vertically integrated manufacturer of electrical infrastructure solutions and an integral part of the nation's overall electrical power capability. We continue to expand at rapid rates and with that need to add employees to our Faribault operations. As we grow, quality affordable housing will be necessary to be successful doing this. Faribault is a great city and our staff want to live in their community and raise their families here.

Trystar looks forward to seeing these proposed projects come to fruition, benefiting not only Trystar, but the many businesses that call Faribault home.

Housing options are needed in Faribault, and Trystar writes in support of the developments that the City is considering.

Sincerely,



A.J. Smith, CEO

July 7, 2022

Dear Minnesota Housing:

Faribault Foods supports the housing developments that are being proposed at Willow and 17th Street, and the Riverchase Apartment complex located at Willow and Division Street.

Faribault Foods is a major employer in the City of Faribault, and we are struggling to find quality employees because of the housing shortage in Faribault. We have had to find creative solutions to the housing issues in Faribault, which currently include housing staff in regionally based hotels and offering transportation to the employees. This is not an ideal solution for many reasons!

Our employees want to live in the community that they work in and new workforce and market rate housing is the only way that our recruited employees will have that opportunity. The vacancy rate in Faribault is very low, and an ability for a newcomer to secure an apartment in Faribault is also very low. More housing is necessary to ensure the success of established businesses as well as businesses that look to enter this market. A lack of housing will deter any future businesses from putting roots in Faribault.

Faribault Foods looks forward to seeing these proposed projects come to fruition. These projects add quality housing to Faribault's landscape, and will benefit the businesses as we seek to recruit quality employees.

Faribault Foods writes in support of the housing projects at Willow and 17th Street and Willow and Division.

Sincerely,



David Tieman
Faribault Foods



July 7, 2022

Dear Minnesota Housing:

Jennie-O Turkey supports the housing developments that are being proposed at Willow Street and 17th Street and the Riverchase Apartment complex located at Willow and Division Street.

Jennie-O Turkey is a major employer in the City of Faribault, and we struggle to find quality employees because of the housing shortage in Faribault. We know that we are not unlike many other employers in the City, and we are all seeking very similarly skilled employees. Faribault has a unique employer base, with many skilled trades being represented in a small town. We take pride in that!

Housing has become a major barrier and concern in recruiting and hiring staff. Jennie-O employees would like the opportunity to live in quality housing that is available and affordable and have the opportunity to be part of the community in which they work. It is extremely difficult to recruit employees when there is no housing available for them.

Jennie-O Turkey looks forward to seeing these proposed projects come to fruition. These projects add quality housing to Faribault's landscape, and will benefit the businesses as we seek to recruit quality employees.

Jennie-O Turkey writes in support of the housing projects at Willow and 17th Street and Willow and Division.

Sincerely,

A handwritten signature in black ink, appearing to read "Jody Long", is written over a light blue horizontal line.

Jody Long

Plant Manager

Appendix E: Supporting Documentation of Vacancy Rate

To be added prior to the public hearing

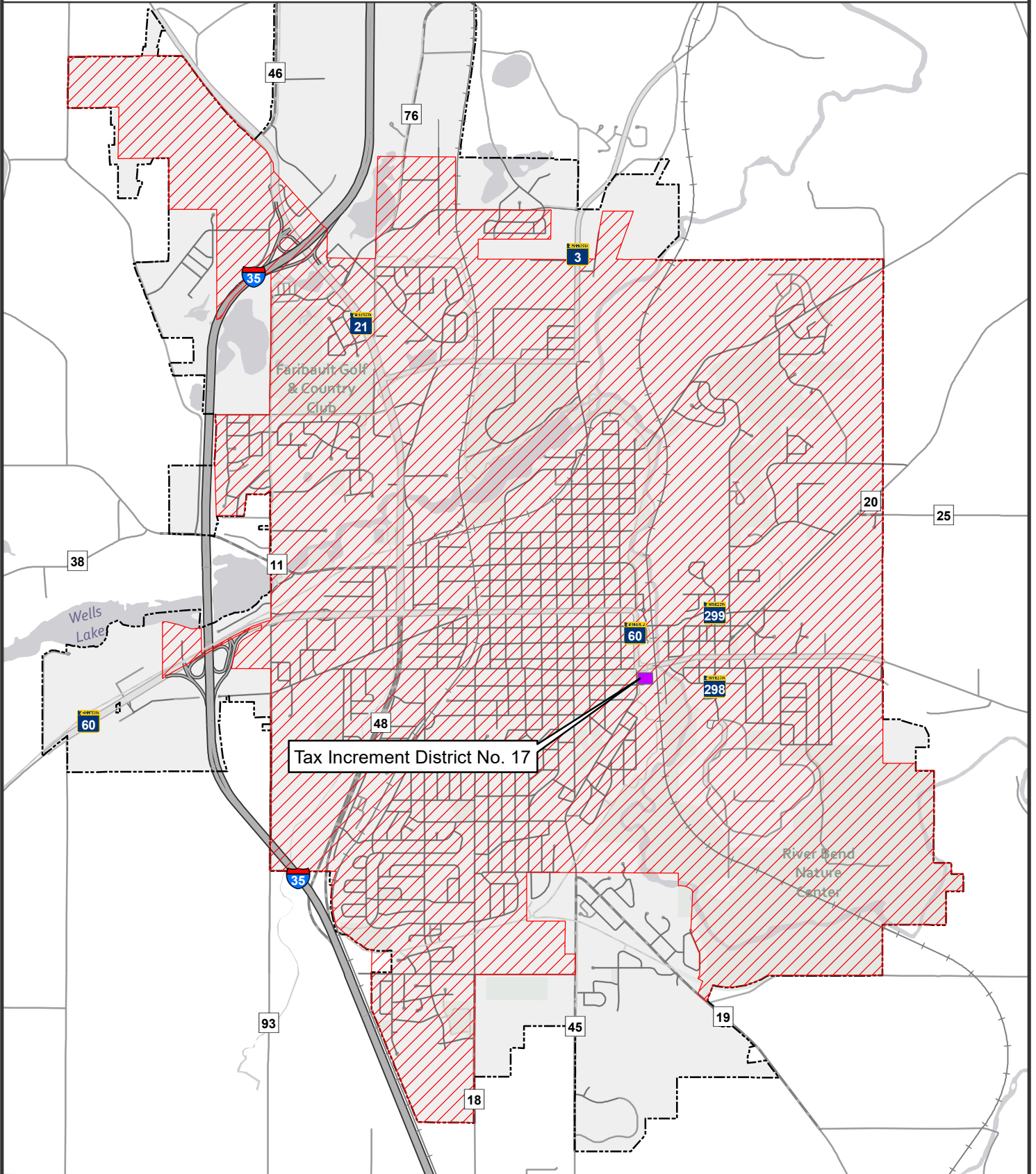




Development District No. 1 Tax Increment District No. 17

This map is neither a legally recorded map nor a survey.
This map is a compilation data affecting the area shown;
and is for reference purposes only. In using the map, you
assume responsibility for the correctness all information
extracted from this map.

Document Path: N:\MasterMXDs\2022\2022 0707 Tax Increment District No. 17.mxd



0 2,300 4,600 Feet
1 inch = 3,447 feet



Development District No. 1



Tax Increment District No. 17















Request for Action

TO: Faribault Economic Development Authority
FROM: Stephanie Aman, Economic Development Coordinator
MEETING DATE: July 21, 2022
SUBJECT: Downtown Commercial Rehabilitation Loan - T. Nelson - 230 Central Ave

BACKGROUND:

Owner, Todd Nelson is requesting funding through the Downtown Commercial Rehabilitation Loan Program for his building, located at 230 Central Ave. The building sustained damage when a car struck the front of the building. The owner is taking the opportunity to improve the entire facade; the driver of the vehicle was not insured but the owner has disclosed a cash amount that will be given to them towards the repair and staff has factored this into the request for funding. The owner plans to remove the awning on the building, and improve the total appearance of the store front to match the neighboring buildings.

Of the two bids received, the lower bid is \$27,715, and factoring in the amount received from the uninsured motorist, the requested Downtown Commercial Rehabilitation Loan is \$13,507.50. The EDA has committed to improvements in the downtown, and has funds remaining in the Downtown Commercial Rehabilitation Loan Program.

REQUESTED ACTION:

Pending HPC approval, the EDA is asked to consider approval of resolution 2022-05.

ATTACHMENTS:

1. Res 2022-5 Downtown Ext Rehab - 230 Central Ave
2. Commercial Rehab Loan - 230 Central - T.Nelson

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT

Resolution 2022-05

APPROVING DOWNTOWN COMMERCIAL REHABILITATION & EXTERIOR IMPROVEMENT PROGRAM AWARD FOR 405 Central Ave N PID 18.311.26.335

WHEREAS, the City of Faribault is proud of its historic downtown and the community as a whole identified downtown as a priority through the Vision 2040 efforts; and

WHEREAS, Community Vision 2040 provides a framework to help ensure success of the community; and

WHEREAS, “a vibrant downtown” is one of the strategic priorities identified in the vision – with the specific goal of enhancing the appearance of downtown buildings and the streetscape; and

WHEREAS, the Economic Development Authority of the City of Faribault, Minnesota (EDA), earmarked \$200,000 from the 2020 Approved Program Budget, and there are funds remaining and available, to be dedicated to a program focused on downtown commercial building rehabilitation and exterior building improvements via Resolution 2020-08; and

WHEREAS, the EDA has received a request from Todd Nelson for program funds to assist in eligible exterior improvements at 230 Central Ave, Unit 105; and

WHEREAS, the EDA has reviewed said request and found it to be consistent with the goals and objectives of the Downtown Commercial Rehabilitation & Exterior Improvement Program and not subject to the Business Subsidy requirements set forth in state law.

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority for the City of Faribault, Minnesota:

- Section 1: That a \$13,507.50 deferred loan is awarded to Todd Nelson for improvements at 230 Central Ave, Unit 105 in accordance with the terms and conditions set forth by the EDA for this program.
- Section 2: That said award is contingent upon review and approval of the project by the Heritage Preservation Commission, if applicable.
- Section 3: That the President and the Secretary are hereby authorized to execute on behalf of the EDA all required financial agreements in furtherance of the above approved project.

ADOPTED: July 21, 2022

ATTEST:

Rodney Gramse, President

AJ Smith, Secretary

Downtown Commercial Rehabilitation & Exterior Improvement Program – Application

Prior to submitting an application – applicants are encouraged to meet with Community & Economic Development Staff to review the program guidelines and proposed project.

Please contact the Economic Development Coordinator at:
507.333.0388 or saman@ci.faribault.mn.us

Application Information

Applications must be submitted by the property owner(s) of the building.

Name(s) of Property Owner/Applicant		
T. Nelson Properties LLC		
Telephone Number:		
Email Address:		
Mailing Address:		
City:	State:	Zip:
Faribault	MN.	55021

Property Information	
<i>This Program is open to all commercial properties within the Central Business District and commercial addresses immediately adjacent the District – as shown on the attached map.</i>	
Address(es) of Eligible Property:	230 Central Ave UNIT 105
Parcel ID (PID):	1831126335
Original Year of Construction:	1859
Business/Occupant(s):	vacant
Has this property previously received public financing?	☒ Yes ☐ No
Has the applicant defaulted on any public financing in the last two years?	☐ Yes ☒ No
Are there any liens or judgements on the property?	☐ Yes ☒ No
Are the property taxes paid/current?	☒ Yes ☐ No

Eligible expenses are limited to:

- Permanent exterior improvements
- Permanent façade improvements
- Permanent interior improvements

\$27,715.⁰⁰

50%

Install new front glass large window. It was hit by a vehicle on April 24, 2022. Instead of just replacing the single pane of glass, I would like to improve the appearance of this store front, so it will match the neighbors to the west. Remove 230 Central Ave. Awning. No replacement, just removal and clean-up.

Identify how the improvement is going to positively impact the Commercial Business District. Examples: Cleaning up façade disrepair; Preserving the building's structural integrity; Creating a positive visual impact to the Downtown, Code compliance work.

Clean up store fronts. Curb appeal.
Awning is falling apart and looks unsightly.
Need to match other store fronts.

Data Practices Act

The information that you supply in your application to the City of Faribault/Faribault EDA ("City") will be used to assess you eligibility for financial assistance. The City will not be able to process your application without this information. The Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13) governs whether the information that you are providing to the City is public or private. If financial assistance is provided for the project, the information submitted in connection with your application will become public, except for those items protected under Minnesota Statutes, Section 13.59, Subdivision 3(b) or Section 13.591, Subdivision 2.

I/We have read the above statement and agree to supply the information to the City with full knowledge of the matters contained in this notice. I/We certify that the information submitted in conjunction with the application is true and accurate.

Todd Nelson
Property Owner/Applicant

6-3-22
Date

Co-Property Owner/Applicant

Date

City Staff or other authorized representative of the City shall have the right to inspect the property to be improved at any time from the date of application upon giving notice to the owner and to occupants.

I/We certify that all statements on this application are true and correct to the best of my/our knowledge. I/We understand that any intentional misstatements will be grounds for disqualification.

I/We have read the City of Faribault's Downtown Commercial Rehabilitation and Exterior Improvement Program Policy and will abide by the rules and regulations set forth in the policy adopted on May, 21, 2020.

I/We authorize program representatives the right to access the property to be improved for the purposes of the deferred loan program and to take photographs of the structure before and after rehabilitation.

I/We understand that I/we are responsible for obtaining appropriate building permits and Certificate of Appropriateness. In the case of improvements that do not require a city-issued building permit, the applicant must submit the name and state license number of the contractor completing the work and agree to an inspection of the work by a city building official.

I/We further understand that I/we will make the final selection of the improvements to be made with the loan funds and that the contract for improvements will be solely between me and the contractor(s). The administering agency will not be liable for the inadequate performance of the contractor(s).

Todd Nelson
Property Owner/Applicant

6-3-22
Date

Co-Property Owner/Applicant

Date

Acknowledgements

Please initial each to confirm that you have read and understand the program policy and guidelines.

TA	I/We understand that awards are based on eligibility, availability, and completeness of application – approval is at the sole discretion of the EDA.
TA	I/We understand that I/We can only receive one award at a time (only one project – building/PID at a time).
TA	I/We understand that I/we have one year from the date of the loan award to complete the project and request payment of loan funds.
TA	I/We understand that the loan award funds will be dispersed upon receipt of paid invoices for the project and proof of payment at the end of the project.
TA	I/We are the owner of the commercial property to be improved.
TA	I/We are current with mortgage, real estate taxes, and insurance payments.
TA	I/We understand that if we have defaulted on a publically funded program or have been delinquent on loan payments for a publically funded program within the last two years, I/we are not eligible for this program.
TA	I/We understand that the building must be free of all lien and judgments.
TA	I/We understand that if the building is located within the HPC district – the project must receive approval by the Heritage Preservation Commission prior to the start of work.
TA	I/We understand that an inspection of the property will be conducted to determine that the proposed improvements are necessary for the building to conform to current code and property maintenance ordinances.
TA	I/We understand that I/we will be required to sign loan documents upon award, including a Promissory Note and Repayment Agreement.
TA	I/We understand that the loan will be forgiven if I/we maintain ownership of the building for three (3) years.
TA	I/We understand that if I/we sell the building or otherwise transfer all ownership interest within three (3) years – the loan must be repaid in its entirety.

Todd Helser

Property Owner/Applicant

Order

Title

6-3-22

Date _____

Co-Property Owner/Applicant	Title	Date
-----------------------------	-------	------

Co-Property Owner/Applicant	Title	Date
-----------------------------	-------	------

Co-Property Owner/Applicant	Title	Date
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ESTIMATE

Complete Construction Estimate 36422

6/3/2022

1052 s Victory Drive
Mankato, MN. 56001
507-330-8355

Estimate

T.Nelson Properties LLC.



230 CENTRAL AVE SUITE 105

QUANTITY	DESCRIPTION	UNIT PRICE	LINE TOTAL
----------	-------------	------------	------------

	Remove the existing awning 101	\$3,360	\$3,360
	Remove the existing store front	\$5,385	\$5,385
	Cost of new store front glazing	\$12,543	\$12,543
	Finish below glazing	\$8,680	\$8,680

Total	\$29,968
-------	----------

Description of work

Removal of awning suite 101,102 , labor and dumpster

Removal of store front suite 105 ,includes labor and dumpster

Installation of new glass store front, and fill in the lower with steel studs to match existing

Dynamic Electric LLC.
2800 1st ave nw
faribault, MN 55021 US
(507) 291-0585
dynamicelectric@qwestoffice.net

Estimate

ADDRESS

T. Nelson Properties LLC.

ESTIMATE # 1014

DATE 06/03/2022

Estimate # 1014

SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
Sales	remove awning in front of suite 101,102	1	3,000.00	3,000.00
Sales	remove existing store front suite 105	1	5,000.00	5,000.00
Sales	the cost of new store front from polzin glass	1	11,465.00	11,465.00
Sales	fill in below window and repair side walls, install finish to match existing	1	8,250.00	8,250.00

remove existing awning unit 101,102 repair masonry,
remove existing store front unit 105 and replace with new entry to
match the building to the west

TOTAL

\$27,715.00

Accepted By

Accepted Date



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)

6/10/2022

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY North Risk Partners 622 Roosevelt Road Suite 240 St Cloud MN 56301-6363		PHONE (A/C, No, Ext): (320) 253-1122		COMPANY Benchmark Insurance Co Benchmark Ins Co NAIC #41394 100 Lake Street W Wayzata MN 55391	
FAX (A/C, No): (855) 927-6655		E-MAIL ADDRESS: joe.larose@northriskpartners.com			
CODE: 00252774		SUB CODE:			
AGENCY CUSTOMER ID #:					
INSURED T. Nelson Properties LLC MN 55021		LOAN NUMBER		POLICY NUMBER GRB CP5010028 01	
		EFFECTIVE DATE 1/3/2022		EXPIRATION DATE 1/3/2023	
				☒ CONTINUED UNTIL TERMINATED IF CHECKED	
THIS REPLACES PRIOR EVIDENCE DATED:					

PROPERTY INFORMATION

LOCATION/DESCRIPTION
Loc# 00015/Bldg# 00001
230 Central Ave N
Faribault, MN 55021

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Building, Agreed Value, Special form	1,685,400	2,500

REMARKS (Including Special Conditions)

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS For Information Only	MORTGAGEE	ADDITIONAL INSURED
	LOSS PAYEE	
	LOAN #	
	AUTHORIZED REPRESENTATIVE Joe LaRose/APOS LT 	



Summary

Parcel ID 18.31.1.26.335
Property Address 230 CENTRAL AVE Unit 201 (Primary Address)
 230 CENTRAL AVE Unit 101
 230 CENTRAL AVE Unit 102
 230 CENTRAL AVE Unit 103
 230 CENTRAL AVE Unit 104
 230 CENTRAL AVE Unit 105
 FARIBAULT, MN 55021
Sec/Twp/Rng
Brief Lot 5 Block 57 of ORIGINAL TOWN FARIBAULT
Tax Description ORIG TOWN E127FT N2/3 L5 B57
 (Note: Not to be used on legal documents)
Area N/A
Use Code 3A-Commercial/Industrial/Public Utility; 4A-Rental/Residential Non-Homestead 4 or More Unit
Tax Authority Group FARIBO-SD656-HSP-HRA-EDA



Owners

Primary Owner T Nelson Properties LLC 3940 Wells Lake Way Faribault MN 55021	Alternate Taxpayer	Fee Owner
--	---------------------------	------------------

Land

Lot Area 0.13 Acres ; 5,588 SF

Commercial Buildings

Type	Base Area	Year Built
Store - Retail Small	4869	1900
Store - Retail Small	1089	1900

Sales

Date	Seller	Buyer	Recording	eCRV	Sale Condition - NUTC	Type	Multi Parcel	Amount
10/1/2019	MASONIC HALL BUILDING ASSOCIATION	T NELSON PROPERTIES LLC	720110	1018573	NORMAL ARMS-LENGTH TRANSACTION GOOD SALE	Deed		\$175,000.00

Permits

Permit #	Date	Description	Amount
21.0222	04/15/2021	Rehab	90,000
20.0750	07/29/2020	Rehab	500,000
14.0621	07/29/2014	Commercial Remo	2,000

Valuation

	Payable 2023 Values	Payable 2022 Values	Payable 2021 Values	Payable 2020 Values	Payable 2019 Values
EMV Improvement	\$310,400	\$312,200	\$223,900	\$219,200	\$132,100
EMV Land	\$47,600	\$33,500	\$33,500	\$33,500	\$33,500
EMV Machine	\$0	\$0	\$0	\$0	\$0
EMV (Estimated Market Value) Total	\$358,000	\$345,700	\$257,400	\$252,700	\$165,600
Green Acres Value	\$0	\$0	\$0	\$0	\$0
Homestead Exclusion	\$0	\$0	\$0	\$0	\$0

Taxation

	2022 Payable	2021 Payable	2020 Payable	2019 Payable
Estimated Market Value	\$345,700	\$257,400	\$252,700	\$165,600
Taxable Market Value	\$345,700	\$257,400	\$252,700	\$165,600
Net Tax Amount	\$6,052.00	\$6,420.00	\$5,239.05	\$3,174.00
+ Special Assessments	\$240.00	\$240.00	\$386.95	\$160.00
= Total Taxes Due	\$6,292.00	\$6,660.00	\$5,626.00	\$3,334.00
+ Penalty	\$0.00	\$0.00	\$0.00	\$0.00
+ Interest	\$0.00	\$0.00	\$0.00	\$0.00
+ Fees	\$0.00	\$0.00	\$0.00	\$0.00
- Amount Paid	\$3,146.00	\$6,660.00	\$5,626.00	\$3,334.00
= Outstanding Balance	\$3,146.00	\$0.00	\$0.00	\$0.00

Tax Payment

2022

Full Amount

3,146.00

Pay full amount by:

Credit Card

E-Check

Partial Installment

(enter amount on next page)

Pay partial installment by:

Credit Card

E-Check

Taxes Paid

Please note that it may take up to three days from the date of payment for tax payments to be posted.

Tax Year	Receipt	Payment Date	Tax Amount	Special Assessment	Penalty	Interest	Fees	Total Payment
2022	U22.9284	5/16/2022	(\$3,026.00)	(\$120.00)	\$0.00	\$0.00	\$0.00	(\$3,146.00)
2021	U21.17740	10/11/2021	(\$3,210.00)	(\$120.00)	\$0.00	\$0.00	\$0.00	(\$3,330.00)
2021	U21.8688	5/13/2021	(\$3,210.00)	(\$120.00)	\$0.00	\$0.00	\$0.00	(\$3,330.00)
2020	U20.18874	10/15/2020	(\$2,619.52)	(\$193.48)	\$0.00	\$0.00	\$0.00	(\$2,813.00)
2020	U20.8006	5/12/2020	(\$2,619.53)	(\$193.47)	\$0.00	\$0.00	\$0.00	(\$2,813.00)
2019	U19.15287	10/2/2019	(\$1,587.00)	(\$80.00)	\$0.00	\$0.00	\$0.00	(\$1,667.00)
2019	U19.10145	5/15/2019	(\$1,587.00)	(\$80.00)	\$0.00	\$0.00	\$0.00	(\$1,667.00)
2018	U18.22888	12/14/2018	(\$1,483.74)	(\$462.26)	(\$175.14)	\$0.00	\$0.00	(\$2,121.14)
2018	U18.12613	6/8/2018	(\$1,483.73)	(\$462.27)	(\$155.68)	\$0.00	\$0.00	(\$2,101.68)
2017	U17.22839	12/28/2017	(\$3,922.20)	(\$967.80)	(\$586.80)	\$0.00	\$0.00	(\$5,476.80)
2016	U17.22839	12/28/2017	(\$2,339.80)	(\$589.23)	\$0.00	(\$268.50)	\$0.00	(\$3,197.53)
2016	U17.43	1/5/2017	(\$1,675.12)	(\$421.85)	(\$703.64)	(\$48.08)	(\$40.00)	(\$2,888.69)

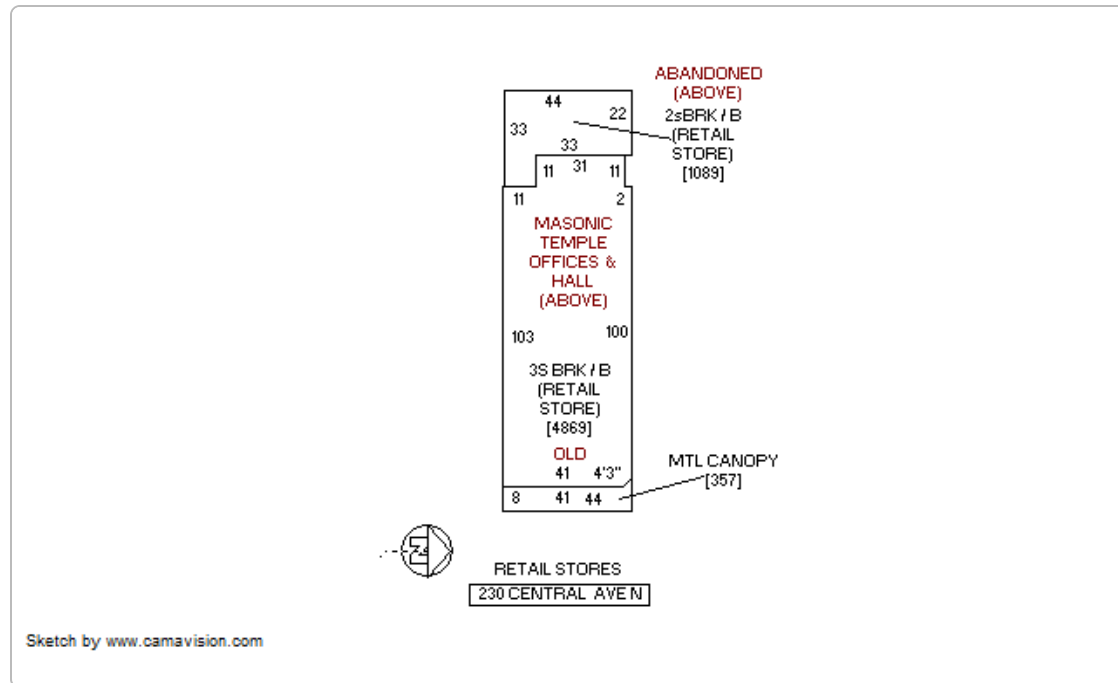
Unpaid Taxes

	2022 Payable
+ Net Tax Amount	\$6,052.00
+ Special Assessments	\$240.00
= Total Taxes Due	\$6,292.00
+ Penalty	\$0.00
+ Interest	\$0.00
+ Fees	\$0.00
- Amount Paid	\$3,146.00
= Outstanding Balance	\$3,146.00

Photos



Sketches



TriMin LandShark



[Click here to search for Parcel in TriMin LandShark](#)

Tax Statements

[Click here to show a list of available documents](#)

Plats

[Click here to show a list of available documents](#)

No data available for the following modules: Condominiums, Mobile Home on Leased Land, Cell Towers, Cooperative, Divided Interest, Leased Land, Apartments, Billboards, Agricultural Land, Residential Dwellings, Agricultural Buildings, Yard Extras.

Information is believed reliable, but its accuracy cannot be guaranteed.

[User Privacy Policy](#)
[GDPR Privacy Notice](#)

[Last Data Upload: 6/13/2022, 2:56:21 AM](#)

Developed by



Version 2.3.200



Request for Action

TO: Faribault Economic Development Authority
FROM: Deanna Kuennen, Community & Economic Development Director
MEETING DATE: July 21, 2022
SUBJECT: Initial 2023 EDA Budget Discussion

BACKGROUND:

Annually, the EDA adopts a Preliminary and Final Levy, budget, and accompanying work plan. Attached is the 2023 preliminary levy calculation for the EDA. Additional information will be provided at the meeting. The EDA will be asked to provide initial comments and economic development initiatives and budgetary items.

REQUESTED ACTION:

No action. Discussion only.

ATTACHMENTS:

1. Levy Calculations for EDA FY 2023
2. Approved 2022 Operating and Program Budget
3. FINAL 2022 EDA WORK

**FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY
GENERAL FUND
PRELIMINARY 2023 EDA LEVY CALCULATIONS**

Authority

Minnesota Statutes 469.107, Subdivision 1

"A city may, at the request of the authority, levy a tax in any year for the benefit of the authority. The tax must be not more than 0.01813 percent of the taxable market value."

Maximum Levy Calculation

PY Estimated Market Value	\$ 1,777,564,900
Percentage Allowed	0.01813
Maximum Levy	\$322,273

EDA Levy History

<u>Year</u>	<u>Net Levy</u>	<u>% of Max Levy</u>
1998	\$ - - -	
1999	50,000	
2000	60,000	
2001	70,000	
2002	126,239	
2003	132,551	
2004	156,536	100%
2005	175,700	100%
2006	196,858	100%
2007	223,211	100%
2008	236,832	100%
2009	265,276	100%
2010	265,276	99%
2011	261,155	100%
2012	246,047	100%
2013	215,331	100%
2014	193,354	100%
2015	193,354	100%
2016	197,649	100%
2017	202,798	100%
2018	213,018	100%
2019	225,119	100%
2020	246,869	100%
2021	289,982	100%
2022	303,623	100%
2023	322,273	100%

2022 APPROVED OPERATING BUDGET

Revenue	Current Ad Valorem Taxes	303,623.00
	Delinquent Ad Valorem Taxes	1,500.00
	Misc Taxes	700.00
	Interest & Misc Revenue	2,500.00
Total Revenue		308,323.00

	Legal	(25,000.00)		legal review - policies, programs, satisfactions, loan docs, packets, etc.
	Insurance & Bonds	(1,889.00)		
	Taxes & Licenses	(500.00)		
	Legal Notices Publishing	(500.00)		
	Meeting Expenses	(250.00)		reduced, but keep for special meetings
			(28,139.00)	
	Expert & Professional Services	(50,000.00)	(50,000.00)	\$10,000 Financial Consultant, \$25,000 eng./consultant for land initiatives, \$5,000 Main Street for Micro Grant admin, \$10,000 "other" program admin
	Loans & Grants	(75,000.00)	(75,000.00)	\$25,000 Micro Grant, \$20,000 Placemaking, \$30,000 city-wide program (new)
	Advertising (ED Marketing Budget	(50,000.00)	(50,000.00)	\$25,000 FAM, Site Selector, MMP, SelectUSA events, \$12,000 marketing ads/materials, \$10,000 MREJ, misc.
	Dues & Subscriptions	(24,000.00)	(24,000.00)	\$1,000 EDAM, \$100 Daily News, \$1,000 MMP, \$4,000 SMIF contrib., \$17,000 Chamber/Main Street/SCDC contrib., Misc subscript.
Total Operating Expenses			(227,139.00)	

2022 APPROVED PROGRAM BUDGET

Estimated Fund	
Balance end of 2021	938,750.19 (plus unspent 2021 Operating Funds)
Excess Levy	81,184.00
	1,019,934.19

Available Land	\$	(400,000.00)	\$250,000 land assembly, \$50,000 infrastructure enhancement/airport, \$100,000 shovel-ready, clear hurdles
Gateways	\$	(400,000.00)	\$200,000 downtown, \$100,000 Hwy 60 W, \$100,000 other corridors/programs
Work Force	\$	(100,000.00)	TBD
Small Business Asssistar	\$	(100,000.00)	TBD
	\$	19,934.19	

2022 EDA WORK / ACTION PLAN

AVAILABLE LAND	• Identify underutilized parcels throughout and adjacent to city limits • Identify infill development opportunities ○ Be prepared to assembly and acquire land if/when appropriate • Proactively identify “highly-visible/catalyst” sites for development/redevelopment ○ Fund studies/projects that will help market catalyst sites (Farmer Seed example) • Start discussions with business owners about expansion/land needs ○ Build an “inventory needs” assessment based on business input • Identify additional development land • Support/encourage annexation • Position Faribault Municipal Airport to be an economic development engine ○ Infrastructure investments ○ Participate in Runway Expansion Analysis ○ Marketing – existing and future airport opportunities
GATEWAYS <i>(Formerly I-35 Transportation Corridor)</i>	• Identify (and map) opportunities and threats along major gateways (SWOT) • Encourage investment / redevelopment along major gateways ○ Provide funding (loans/grants) to clear hurdles to kick-start investment ○ Develop programs to infuse funds/leverage private resources ○ Replicate success on north side of Faribault in other areas of the city – investment in infrastructure, etc. • Develop programs to encourage visual enhancements ○ Develop programs that will make a visual impact on the community • Support/actively participate in I-35 interchange and frontage road initiatives • Develop initiatives to enhance Hwy 60 reconstruction project ○ Develop infrastructure plan ○ Develop master plan/concept plan/engineering plans to show the potential for development and to use to market the area • Continue investments into the downtown ○ Map areas with highest traffic patterns (foot/bike/vehicle) – provide investments ○ Focus on back sides of buildings, ROW, etc. ○ Develop priority scoring and funding system to deploy funds to have biggest impact ○ Partner with City/HRA/HPC/Others on downtown initiatives (example: mural) ○ Partner with PCA on placemaking initiatives that bring people downtown
REGIONALISM	• Understand regional issues impacting economic development ○ Continue to partner with Owatonna on regional marketing ○ Work with HRA and employers to address workforce housing needs and initiatives • Define, understand, and market Faribault’s place in the region ○ I-35 Corridor / Corridors of Commerce ○ Greater MSP ○ SE MN ○ Minnesota Marketing Partnership ○ State of MN Trade Office / Foreign Direct Investment

WORKFORCE & DATA ANALYSIS	• Actively engage with SCC on workforce training programs- including H2C • Partner with the Faribault Area Chamber of Commerce and other partners on their “Career and Workforce Development” initiative • Work with employers to understand workforce needs ○ Develop specific workforce strategies for local employers ○ Develop “creative” talent attraction initiatives • Participate with DEED on talent-attraction efforts/events/initiatives • Tell Faribault’s story ○ Growing workforce population ○ Positive impact of proximity to south metro ○ Training opportunities
SMALL BUSINESS ASSISTANCE	• Identify ways to support small business growth • Create synergy in the downtown • Provide programs to encourage investments in small business
ONGOING OPERATIONS	• Redirect/review/reduce funding support to other organization – focusing on those that align with the EDA’s core economic development focus and mission (Maintain 2019 funding levels) • Continue enhanced marketing and networking initiatives ○ Leverage marketing funds by pursuing joint marketing efforts ○ Pursue targeted marketing campaign – to include site selection partnership/consultant services ○ Actively participate in MMP, targeted industry visits, FAM Tour, FDI opportunities, talent attraction events ○ Conduct second Micro Summit (postponed due to COVID-19) • Determine COVID-19 Response to support Faribault’s economy. Look for opportunities to help Faribault businesses sustain operations, re-establish operations, or re-envision operations.



Request for Action

TO: Faribault Economic Development Authority
FROM: Stephanie Aman, Economic Development Coordinator
MEETING DATE: July 21, 2022
SUBJECT: Project Updates

BACKGROUND:

Project updates are attached.

REQUESTED ACTION:

No action required.

ATTACHMENTS:

1. 6 - Project Updates - July



Discussion Items

TO: Faribault EDA
FROM: Stephanie Aman, Economic Development Coordinator
THROUGH: Deanna Kuennen, Community & Econ Dev Director
MEETING DATE: July 21, 2022
SUBJECT: Updates/Project Reports

UPDATES

Active Prospects/Business Updates:

Potential Food Production/Restaurant Business	Staff was provided a lead last summer for a local food production/restaurant that may be interested in opening a brick and mortar facility to Faribault Business owners are working through financing; the original site that was desired has gone under contract to another business; staff are working with the owners and realtors to identify a new property.
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. Staff have followed up and the owners continue to look for the right property and fit. Staff will continue to help with that process.
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:

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.
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	Staff have followed up with this business to determine if their expansion plans have been determined, as space is available that would meet their needs.
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 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.
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.
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.
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. Staff have reached back out to get an update on this project, noting that there is an available facility that would meet their needs.

Inactive 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. There has been no movement or response from this company recently, so moving them to inactive.
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.
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. Final Update: This project was unable to secure the proper raw materials in this area, and chose a new location in Minnesota for their business.

Other:

- Staff participated in several Business Retention and Expansion visits in June, 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 worked with Daikin to close out their MIF – all paperwork was submitted and approved and the city is awaiting the fund disbursement from the state.
- Staff are working with the Paradise on placemaking proposals for the downtown.
- 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. Businesses came to City Hall to meet with the

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developer, heard the needs of businesses. Staff followed up with land information to the developer that met the needs for housing as well as the business needs. Conversations continue.

- Staff met virtually with South Central College to hold an 'information sharing' session. These sessions are designed to keep City Staff up-to-date on programming at SCC and vice versa.
- JETRO (Japanese External Trade Organization) will be in Faribault visiting the Daikin plant in August. There is a meeting planned, with staff, at City Hall.

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.

Select USA

- Staff represented the state of Minnesota and Faribault at Select USA in Washington DC. Visits with many companies, along with meeting with the delegation from Japan took place.