ECONOMIC DEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM WEDNESDAY, SEPTEMBER 28, 2022 8:00 AM

1. Call to Order
2. Items for Discussion
   A. Funding Support - Faribo Downtown Central (FDC) LLC - *formerly Downtown Investment Group (DIG Holdings, LLC)*
   B. Faribault Downtown Central - Loan Request
   C. Downtown Commercial Rehab Loan - 213 Central Ave
3. Adjournment

City Of Faribault

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Deanna Kuennen, Community & Economic Development Director
MEETING DATE:	September 28, 2022
SUBJECT:	Funding Support - Faribo Downtown Central (FDC) LLC - *formerly Downtown Investment Group (DIG Holdings, LLC)*

BACKGROUND:

In April 2022, the EDA approved a Preliminary Development Agreement with the Downtown Investment Group (DIG Holdings, LLC) related to the acquisition and rehabilitation of 13 properties in the downtown. At that time, DIG Holdings, LLC planned to acquire, renovate, and hold the portfolio for 7-10 years, with the project having a cost of nearly $11 million. DIG Holdings, LLC was seeking financing to complete the project. The proposed funding included a total of $1 million in grant funds from the HRA and EDA combined, a DEED Main Street Revitalization grant, and Historic Tax Credits. The EDA was supportive of this initiative, recognizing the positive impact that the proposed project could have on preserving, redeveloping, and transforming the downtown - and committed to providing $500,000 in funding over two years. As part of the EDA commitment to provide $500,000 in funding, the EDA stated that the funding would be a one-time infusion of cash and that DIG would not be allowed to seek additional funding from the EDA for projects related to this portfolio for a period of 3 years (minimum). A Preliminary Development Agreement with these details was approved by the EDA.

The Preliminary Development Agreement was not fully executed after its approval. This was because the acquisition group changed due to rising costs and other factors, and ultimately a new group, Faribo Downtown Central (FDC) LLC closed on the portfolio. Today FDC is seeking a renewed commitment from the EDA for funding to support this initiative in the downtown of rehabilitating 13 buildings.

Members of FDC will attend the meeting to update the EDA on the acquisition. They will also describe their new development strategy which now involves acquisition (complete), continued assessment of the

buildings, plans for "highest and best use" of each, and sale of the assets to investors/developers within a three-year window (different than the previous plan of acquiring, fixing, and holding for 7-10 years). FDC will also share the overall funding needs associated with the project, proposed sources, risks, a proposal for how the EDA funding would be allocated amongst the portfolio, and specifics of the proposed schedule moving forward. If the EDA desires to renew their commitment to funding the redevelopment initiative - with the same and/or refined conditions, the Preliminary Development Agreement would continue to be the appropriate tool to execute. Per legal counsel, the previously identified steps and actions associated with actual distribution of dollars would still be required and followed - but under the new model, the funding might be awarded to FDC or to another party.

FDC is also seeking, in addition to the $500,000, a payable loan in the amount of $500,000. The EDA will also be asked to discuss this request and provide direction.

The EDA Staff Report from the April 2022 meeting is attached, which includes the previously approved Preliminary Development Agreement.

REQUESTED ACTION:

Reconfirm commitment of funding including the conditions of the funding, and authorize approval of the Preliminary Development Agreement with the new acquisition entity - directing Staff to update the Preliminary Development Agreement for execution.

ATTACHMENTS:

1. 04-2022 EDA Staff Report - Preliminary Development Agreement
2. Faribo Downtown Central Draft Plan and Strategy Document

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Deanna Kuennen, Community & Economic Development Director
MEETING DATE:	April 21, 2022
SUBJECT:	Preliminary Agreement with the Downtown Investment Group (DIG Holdings, LLC)

BACKGROUND:

At the March 17, 2022 EDA meeting, Nort Johnson and Lori Bonin representing the Downtown Investment Group (DIG Holdings, LLC.) presented their plans for the purchase and redevelopment of 13 properties in downtown. The properties represent 60,000 square feet total of commercial/retail space and 29 apartments (of which only 5 are occupied). The total project cost to acquire and complete the renovations is estimated at close to $11 million. While DIG Holdings, LLC has a binding Purchase Agreement with the sellers, they are still seeking financing to complete the project - specifically $1 million of grant funds from the HRA and EDA. DIG Holdings, LLC has applied for grant funds through the DEED Main Street Revitalization program (award yet to be determined), and they will be seeking Historic Tax Credits as part of the project proforma.

The EDA discussed the positive impacts that this proposed project can have in terms of preserving and redeveloping the downtown. Ultimately, the EDA determined that they were willing to commit to providing a total of $500,000, over two (2) years, with the caveat that this contribution would be a one-time infusion of cash, and that the DIG would not be allowed to seek additional funding, from EDA sources/programs, for specific projects on any of the 13 buildings. The EDA then directed Staff to work with legal counsel to determine how best this action can be completed under the statutes regulating the EDA.

Staff has been working with legal counsel to evaluate the appropriate legal mechanism to accomplish the EDA's desired action. The EDA must adhere to a prescribed procedural process when providing public funding to ensure that evaluation of requests is universally fair and unbiased. Furthermore, actions of the EDA are subject to scrutiny by the auditor. At

this juncture, legal counsel felt it was premature to enter into a Memorandum of Understanding or draft a promissory note regarding the forgivable loan. Instead, it is recommended that the EDA enter into a Preliminary Agreement with DIG Holdings, LLC, which basically outlines that the EDA will endeavor to provide funding in the amount of $500,000, and will work in good faith to review a specific funding request associated with a specific proposal at the appropriate time. This document recognizes that DIG is still in the process of raising and securing the overall funding for the project, that the EDA intends to provide funding in the amount of $500,000, but cannot do so until DIG has closed on the buildings and prepared specific plans for each building. The Preliminary Agreement sets the stage for the review and execution of all necessary loan documents at which time a specific proposal is submitted and approved.

REQUESTED ACTION:

Review, approve, and execute the Preliminary Agreement between the EDA and DIG Holdings, LLC identifying the desire of the EDA to support the DIG Holdings, LLC project of acquiring and rehabilitating 13 properties in the downtown by providing up to $500,000 in the form of a forgivable loan.

ATTACHMENTS:

1. EDA_DIG_Preliminary_Agreement

PRELIMINARY AGREEMENT

THIS AGREEMENT (the "Agreement"), made and entered into as of this ____ day of April, 2022, (the "Effective Date") by and between the Economic Development Authority of Faribault, a public body corporate and politic under the laws of Minnesota (the "City*")* and DIG Holdings LLC, a Minnesota limited liability company (the "Developer") or its assigns:

WITNESSETH:

WHEREAS, Developer has entered into a purchase agreement for the acquisition of certain real property, which is located in Rice County, Minnesota, legally described on Exhibit A attached hereto and hereby made a part hereof (the "Development Property"); and

WHEREAS, the City desires to promote development of property, businesses and housing in the City of Faribault; and

WHEREAS, Developer, or a special purpose entity to be formed by the Developer for the purpose of completing this project, has submitted or is in the process of submitting an updated proposal for development of the 13 parcels in the Development Property (the "Development"); and

WHEREAS, the Developer has indicated that it will seek business subsidy assistance or financial incentives from the City to make the Development feasible; and

WHEREAS, the City and Developer are interested in discussing and further planning, as well as potential financial assistance, for the Developer's proposal for the Development; and

WHEREAS, the City will need to determine if various studies, as may be determined to be reasonably necessary, should be conducted, including without limitation an environmental impact or related study, an infrastructure feasibility study, an economic impact study, and any other studies which are either required by law or deemed appropriate by the City; and

WHEREAS, the City will continue to discuss and negotiate with the Developer regarding the overall development of the Development Property; and

WHEREAS, the City is willing to discuss with the Developer public subsidies which may be available for the Development in an amount up to $500,000.00, likely in the form of a forgivable loan, however, nothing herein shall be interpreted as an approval or guarantee of any future public financial assistance; and

WHEREAS, by providing public subsidies in an amount up to $500,000, likely in the form of a forgivable loan, the City will not provide additional funding, from any/all other City programs, for these 13 properties included as part of the Development for a specific amount of time to be determined; and

WHEREAS, various ordinance, land use, zoning, and subdivision issues and actions related to the Development and the Development Property are required to be approved by the City in order to facilitate the Development by the Developer; and

WHEREAS, the City agrees to cooperate with the Developer to review and to assist the Developer, where deemed appropriate by the City, with obtaining various ordinance, land use, zoning, and subdivision approvals and actions related to the Development and the Development Property in order to facilitate the Development by the Developer, provided that nothing herein shall be interpreted as an approval or guarantee of any future land use, zoning, or other required City approvals; and

WHEREAS, the City is willing to consider and the Developer is desirous to undertake the Development if (i) a satisfactory agreement can be reached regarding the City's commitment for public costs, if any, necessary for the Development; (ii) satisfactory mortgage and equity financing, or adequate cash resources for the Development can be secured by Developer; and (iii) the feasibility and soundness of the Development and other necessary preconditions have been determined to the satisfaction of the parties.

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

1. Future Negotiations.

The parties agree to continue negotiations pursuant to the terms of this Agreement in an attempt to formulate a definitive plan for the Development based on the following:

(a) Developer's proposal, which shows the scope of the proposed Development in its latest form as of the date of this Agreement, together with any changes or modifications required by the City;

(b) Mutually-satisfactory agreements or contracts to be negotiated and agreed upon in accordance with negotiations contemplated by this Agreement;

(c) Mutually satisfactory terms for the Development that may be required for the Development (e.g. access and utility easements, allocation of infrastructure costs, etc.); and

(d) Other terms and conditions of this Agreement.

2. Statement of Intent.

Although not conclusive or binding on either party, it is the intention of the parties that this Agreement: (a) documents the present understanding and commitments of the parties; and (b) will lead to the negotiation and execution of mutually-satisfactory agreements prior to the termination date of this Agreement.

3. Term; Duties.

(a) During the term of this Agreement, the City agrees to:

(i) Proceed to seek all necessary information with regard to the anticipated public costs, if any, associated with the Development; and

(ii) Should negotiations be successful, enter into an agreement or agreements satisfactory to the City in its sole discretion, with the Developer for the Development.

(b) During the term of this Agreement, the Developer agrees to:

(i) Develop and submit its detailed proposal, including the plans and specifications, for purchase and development of the Development Property;

(ii) Conduct a due diligence review of the Development Property, including without limitation, which must be acceptable to the Developer in its sole discretion: title, survey, environmental (Phase I & Phase II reports), soils, and market studies;

(iii) Acquire the Development Property;

(iv) Obtain approval by the City (including its Engineer, Planning and Inspection Department, and any other governing authority) of the site plan, exterior elevations and finishes, and zoning and subdivision approvals;

(v) Obtain any other necessary governmental approval from any governing authority;

(vi) Obtain financing on terms acceptable to Developer, including but not limited to public subsidies, private loans, tax credits, or equity investment(s); and

(vii) Should negotiations be successful, enter into an agreement or agreements with the City for the Development.

4. Business Subsidies.

(a) The City understands that the Developer is seeking business subsidy assistance from the City in an amount up to $500,000.00, likely in the form of a forgivable loan. During the term of this Agreement, Developer shall:

(i) Submit to the City a design proposal to be reviewed by the City showing the location, size, and nature of the proposed Development, including layouts, renderings, elevations, and other graphic or written explanations of the Development. The design proposal shall be accompanied by a proposed schedule for the starting and completion of the Development;

(ii) Submit an over-all cost estimate for the design and construction of the Development;

(iii) Submit a time schedule for the Development;

(iv) Undertake and obtain such other preliminary economic feasibility studies, income and expense projections, and such other economic information as Developer may desire to further confirm the economic feasibility and soundness of the Development;

(v) Submit to the City the Developer's financing plan showing that the proposed Development is financially feasible;

(vi) Furnish satisfactory financial data to the City evidencing Developer's ability to undertake the Development; and

(vii) Furnish information in its possession and assist the City with obtaining all available business subsidy assistance which the City may deem appropriate.

(b) Developer understands that any business subsidy assistance sought for the proposed Development must be obtained as outlined by law.

5. Feasibility.

It is expressly understood that execution and implementation of any agreements entered into between the parties hereto shall be subject to:

(a) A determination by the City in its sole discretion that its undertakings are feasible based on (i) satisfaction of City Code requirements; (ii) the purposes and objectives of any development plan created or proposed for the Development; (iii) the Studies, if any; and (iv) the best interests of the City.

(b) A determination by Developer that the Development is feasible and in the best interests of Developer.

6. Effective Date; Expiration.

This Agreement is effective from the Effective Date until six (6) months after the Effective Date. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

7. Termination.

This Agreement may be terminated if Developer abandons the acquisition of the Development Property, or ceases to negotiate in good faith with the City, and such failure to negotiate in good faith is not cured after 30 days written notice of such failure by City to Developer.

8. Severability.

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

9. Breach; Waiver.

In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous, or subsequent breach.

10. Notice.

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

(a)	As to City:	City of Faribault 208 1st Avenue NW Faribault, MN 55021 ATTN: Deanna Kuennen
	With a copy to:	Kennedy & Graven, Chartered 150 South Fifth Street, Suite 700 Minneapolis, MN 55402 ATTN: Scott J. Riggs
(b)	As to Developer:	DIG Holdings LLC 3305 Highway 60 West Faribault, MN 55021 ATTN: _____

11. Counterparts.

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

12. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

13. Additional Actions.

The parties hereto understand that additional and separate actions, for which no obligation is created hereunder, will be required before either the City or Developer is obligated to take various actions with respect to the Development. Those actions potentially include, but are not limited to:

(a) Zoning, comprehensive plan, and subdivision approvals for any land use or development proposed by Developer; and

(b) Review of any business subsidy, as required by law.

14. Incorporation.

The Recitals set forth in the preamble to this Agreement and the Exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Developer has caused this Agreement to be duly executed in its name and behalf and the City has caused this Agreement to be duly executed in its name and behalf as of the day and year first above written.

DEVELOPER:

DIG HOLDINGS LLC

By: _____

_____

Its: Chief Manager

CITY:

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT

By: _____

Rodney Gramse

Its: President

By: _____

Deanna Kuennen

Its: Executive Director

EXHIBIT A

DESCRIPTION OF DEVELOPMENT REAL PROPERTY

Faribo Downtown Central LLC

Plan & Strategy

Property Portfolio

Meeting with the City of Faribault

July 28, 2022

Rebound Partners
INVESTMENTS • MANAGEMENT

Summary Overview

Sprout Properties LLC ("Sprout") entered into a purchase agreement with Palisades Group, LLC ("Palisades") and John and Kara Sheesley ("Sheesley"), to purchase 13 buildings in downtown Faribault, MN. Sprout also entered into a separate purchase agreement with GW Properties ("GW") to purchase one building at 227 Central Avenue that is contiguous with the Sheesley properties. Herein, Palisades, Sheesley and GW will collectively be referred to as "Sellers". Sprout will assign the Purchase Agreements to a new LLC to be named ("Buyer") that will be formed by an investor group led by Rebound Partners ("Rebound") to purchase the properties. With value adds provided from the Buyer, Rebound and 3rd Parties, the buildings will be resold to investors, developers and owner occupiers for renovation, revitalization and development. The Buyer and Rebound will provide assistance and ensure that programs, grants and other potential financing sources are available in the redevelopment of these buildings.

The purchase of this 13 historic 57,994 square foot above ground building portfolio in Downtown Faribault is a unique and transformational opportunity to energize, upgrade and improve the vitality and appeal of the downtown district. The vision is to fill main level storefronts with retail, service, food & beverage and office space, and the second floors fully utilized for housing (rental, extended stay, VRBO, etc.). The objective is to create a downtown atmosphere of shops and spaces that are renovated and appeal to the local community, visitors and tourists as they walk the streets of Downtown Faribault.

The buildings are located on or around Central Avenue in Faribault, which is considered the "Main Street" of Faribault. Central Avenue is a north-south street that is sandwiched between First Avenue Northeast and First Avenue Northwest.

The buildings were built in the late 1800's and early 1900's and are mixed-use properties utilized as office, service, retail, food & beverage and urban housing. A table summarizing the properties is below. A photo of each property with the address, primary owner and a more detailed description of each property can be found in Appendix A.

Property Information

Property Owner	Property Address	Year Built	Taxable Market Value 2022	Total Taxes	Above Ground Sq. Ft.	Allocation	Renovation	Notes:
Palisades Group LLC	116 Central Avenue (114 & 116)	1865	$ 168,400	$ 3,068	3,000	**$ 219,824**	Minor	1 story addition on back.
John & Kara Sheesley	219 Central Avenue	1890	$ 224,400	$ 5,436	5,940	**$ 292,925**	Minor	3 stories mostly redone, mechanicals 6-7 yrs old, Johns office and photgraphy studio, new furnace/no A/C, roof leak, failed windows
John & Kara Sheesley	223 Central Avenue	1910	$ 200,800	$ 4,718	8,129	**$ 262,118**	Major	Double wide building, Somlian food shelf, rent $1250 going to $1750, 4 gutted apartments upstairs
Palisades Group LLC	225 Central Avenue	1910	$ 170,000	$ 3,220	3,520	**$ 221,913**	Minor	2 good apartments paying $800 and $650 month, decent building
John & Kara Sheesley	229 Central Avenue	1895	$ 201,200	$ 3,868	4,682	**$ 262,640**	Major	Corner, Mercado paying $1000/month, rear office $500/month, new furnaces, 3 apartments, chimney needs replacing
John & Kara Sheesley	301 Central Avenue (301, 303, 305 and 10,12,14,16 3rd St. NE)	1920	$ 414,400	$ 8,820	19,424	**$ 540,945**	Major	Eastman Buildings. 6110 retail + 2552 retail, 7 apartments,
John & Kara Sheesley	311 Central Avenue	1920	$ 133,300	$ 2,448	3,564	**$ 174,006**	Major	2 story building, 3630sf lot, 81x22 building, 1782sf floorplates
John & Kara Sheesley	313 Central Avenue	1916	$ 147,100	$ 2,602	2,673	**$ 192,020**	Major	2 story building, 3630sf lot,
John & Kara Sheesley	329 Central Avenue	1920	$ 171,300	$ 3,148	3,498	**$ 223,610**	Major	Corner building.
John & Kara Sheesley	Vacant Lot (.06 acres)		$ 14,500	$ 348				Lot behind 329 & 327 Central. Part of acquisition of 329 Central. Used for parking. 2420sf
GW Properties	227 Central Avenue	1910	$ 136,800	$ 2,382	3,564	**$ 160,000**	Major	2 story building, 3,278sf lot, 80x22 1760sf floorplates
			$ 1,982,200	**$ 40,058**	**57,994**	**$ 2,550,000**		

Investor and Management Group

The Buyer of the properties will be a newly formed LLC led by Rebound Partners ("Rebound"), an investment and management firm with extensive experience in real estate, particularly in purchasing, developing, renovating, revitalizing, operating, leasing and selling downtown and historic properties. Rebound also has expertise in securing historic tax credits and other development funds and incentives and will also work with other parties to secure funding. Rebound's real estate arm, Rebound Real Estate will be leading and managing this project. Rebound has an extensive background in real estate acquisitions and development and will lead and manage the project. Rebound was founded by Managing Partner Brett Reese along with others including Chris Kennelly and has several business verticals with interests in real estate, hospitality, food & beverage, storage, financial services and manufacturing. G&H will manage the property.

Rebound is excited to form the Buyer entity to further the mission of the Sheesley's (until becoming resource constrained) to secure developers and owner operators to purchase, renovate, occupy and sell these unique and historic buildings and revitalize downtown Faribault's "Main Street" for the community. The Buyer and Rebound plans to assist in the development, renovation and sale of properties in the portfolio. Investors of the Buyer will include six or more individual investors and entities investing $200,000 each, depending on estimated closing and carrying costs and the cash flow of the new entity. Investors currently include Brett Reese, Mike Ritchie and the Faribault Industrial Corp.

The total purchase price of the portfolio is $2,550,000, consisting of $2,390,000 to purchase the Sheesley ($1,940,000) and Palisades ($450,000) properties, and $160,000 to purchase the G.W. Property. Based upon the sales price of $2,550,000 and the total square footage of 57,994 – this equates to a cost per square foot of $43.97. Estimated additional costs over the next two years including closing and carrying costs total approximately $400,000.

Renovation and Resale

The Buyer will work with investors, developers and owner operators that will purchase, renovate, occupy and lease these unique and historic buildings. Some properties in the portfolio require more significant renovation, while others need only minor modifications. It is anticipated the Faribault Economic Development Authority (EDA) and Housing and Development Authority (HRA) will each offer $500,000 in grants to help in renovating the properties. There also is a possibility that a portion of a MN DEED Grant obtained for Faribault by the Chamber of Commerce can be used on the renovation of buildings on this project. Historic tax credits may also be available on the properties; Rebound has experience in securing historic tax credits and renovations and will assist developers and owners in securing funds for renovating the properties.

During the period the Buyer owns the buildings the EDA and HRA Funds from the City of Faribault may be accessed to work on capital expenditure items to improve the buildings such as roofs, window replacements and the facades.

The vision for revitalizing the properties includes upstairs and potentially downstairs apartments, offices, retail shops, bars and restaurants with sidewalk seating, healthcare facilities, and the local college. The goal is to revitalize the downtown storefronts along Faribault's main street and draw people downtown.

City of Faribault and the Historic Downtown Area

Faribault is a historic and dynamic, growing community in Southeastern Minnesota situated at the confluence of the Cannon and Straight Rivers and is the county seat of Rice County. Faribault is located along Interstate 35, just 25 minutes south of the Twin Cities metropolitan area and enjoys the advantages and conveniences of being near a major metropolitan center while providing the livability of small-town Minnesota. Faribault has a vibrant business community, excellent educational opportunities, and a wide variety of recreational and cultural offerings, combining to make the community a great place to visit, work, and live.

As of July 1, 2021, the cities' population was 24,746 including 65% white, 15% Black/African American, 14% Hispanic/Latino, 1.6% Asian, and 1.2% Native American. There were 8,658 households with estimated household income of approximately $55,000. The Faribault Public School District had an enrollment of 3,500 as of April 6, 2022.

Some of the largest businesses in Faribault include Faribault Foods (500 employees), ABC Bus Companies (500), Butter Kernel Products (350), Sage Electrochromics (231), Faribault Woolen Mills (200), K&G Manufacturing (125), and Trystar (125). Other employers include Faribault Public Schools, Minnesota Correctional Facility, Daikin, Rice County Offices, Cenneidigh, Met-Con Companies, Crown Cork & Seal, Wal-Mart, IFP Custom Processing, Allina Medical Clinic, KGP Logistics, Tru-Vue and the City of Faribault.

Faribault is also home to the nationally prominent Shattuck-St. Mary's School, the State Academies for the Deaf and the Blind, and South-Central Community College.

Built along the banks of the Straight and Cannon Rivers, the two tributaries played a vital role in the city's early development. It was the opportunity for fur trade with the Dakota Sioux Native American Tribe that lived along these rivers that brought Alexander Faribault, the city's French-Canadian founder, to the area in 1826.

Faribault holds on to its history with pride and has more buildings on the National Historic Register than any other city of its size in Minnesota and is second only to the much larger Capitol City of St. Paul. Accordingly, the City established The Faribault Main Street Program, a community-based effort to revitalize Faribault's Central Business District, with emphasis on Central Avenue, to create an attractive destination in which businesses prosper, the community benefits and residents and visitors enjoy a quality downtown experience. It is supported by the Faribault Area Chamber of Commerce and the City of Faribault Economic Development Authority. The program is based on the National Main Street Approach that has been used successfully in over 1,700 communities over the past 25 years.

APPENDIX A

To access a summary of each property, move your cursor over the address and press the Control Key and Click.

116 Central Avenue (114 & 116) - Sheesley & Palisades

219 Central Avenue - Sheesley

223 Central Avenue - Sheesley

225 Central Avenue - Palisades

227 Central Avenue – GW Properties

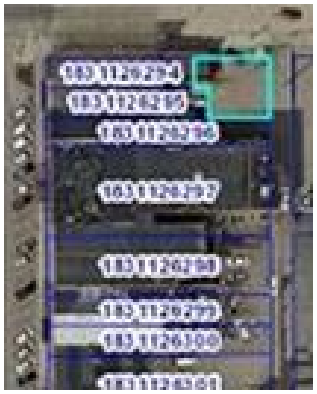
229 Central Avenue - Sheesley

301 Central Avenue (301, 303, 305 and 10,12,14,16 3rd St. NE) - Sheesley

311 Central Avenue - Sheesley

313 Central Avenue - Sheesley

329 Central Avenue - Sheesley



Vacant Lot (.06 acres) - Sheesley

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Deanna Kuennen, Community & Economic Development Director
MEETING DATE:	September 28, 2022
SUBJECT:	Faribault Downtown Central - Loan Request

BACKGROUND:

In April 2022, the EDA approved a Preliminary Development Agreement with the Downtown Investment Group (DIG Holdings, LLC) related to the acquisition and rehabilitation of 13 properties in the downtown. At that time, DIG Holdings, LLC planned to acquire, renovate, and hold the portfolio for 7-10 years, with the project having a cost of nearly $11 million. DIG Holdings, LLC was seeking financing to complete the project. The proposed funding included a total of $1 million in grant funds from the HRA and EDA combined, a DEED Main Street Revitalization grant, and Historic Tax Credits. The EDA was supportive of this initiative, recognizing the positive impact that the proposed project could have on preserving, redeveloping, and transforming the downtown - and committed to providing $500,000 in funding over two years. The EDA stated that the funding would be a one-time infusion of cash and that DIG would not be allowed to seek additional funding from the EDA for projects related to this portfolio. A Preliminary Development Agreement with these details was approved by the EDA.

The EDA is being asked to re-approve/re-committ to the $500,000, to the new acquisition group - Faribo Downtown Central (FDC). In addition, FDC is seeking an additional $500,000 from the EDA in the form of a payable loan, totaling $1m in EDA funding. The EDA has not discussed the payable loan, so this is a new request. The details of the request are as follows:

- $500,000 loan to replace/ repair roofs
- Estimated cost of work $700,000+
- Primary lender is Premier Bank
- EDA would be in second position

This loan request is outside of any/all of the EDA loan programs, requiring review and direction from the EDA prior to processing.Currently, the Industrial Development Loan program has a maximum loan amount of $150,000 - at an interest rate of Prime + 1%. All other EDA loan programs have a smaller maximum loan limit amounts. If the EDA were interested in providing a payable loan, the EDA must provide direction on the following:

- Source of Funding:The EDA has fund balance and existing loan programs that could potentially serve as the source of funding for a loan. It is important to note that the available funding sources do not have dedicated funding streams.
    - The total available EDA loan funds if all EDA loan sources were combined, is $533,313. The EDA has control over these funds and could choose to deplete the loan funds, with an understanding that the loans would be paid back in full over a defined time period. Loan funds could also be supplemented with fund balance/project dollars if other businesses were seeking financial assistance.
    - The EDA's Program Fund Balance is approximately $991,000 - *which does not account for the previous $500,000 commitment made to the downtown property acquisition.* The EDA could choose to use all of the EDA's program funds to support the downtown initiative. Approximately half of the existing fund balance has been previously committed to the acquisition, and providing an additional $500,000 loan would leave no funds, until paid back, to fund other EDA initiatives or programs, or support business growth or expansion efforts.

- Terms of Funding: FDC has not proposed terms for the requested loan. The EDA can set terms at their own discretion; interest rate, and length of loan. Typically, payable loans are reviewed by members of the EDA Loan Review Advisory Committee, to conduct a financial analysis and credit review.
    - The EDA's Industrial Development Loan Program establishes an interest rate of Prime plus 1% - 5-year term for equipment and 10-year term for real estate.

- Business Subsidy and State Statute Impacts and Requirements:
    - By providing this level of funding, the City's Business Subsidy Policy must be followed as required by State Statutes.

Members of FDC will attend the meeting to update the EDA on the overall acquisition and plan for the buildings. The EDA will be able to gather additional information during this discussion about the request, the specific use of the funds, and proposed repayment terms. Scott Riggs, City Attorney, will also be at the meeting, and will be able to weigh in on statutory requirements.

REQUESTED ACTION:

ATTACHMENTS:

1. EDA Loan Request

Memorandum from the desk of Nort Johnson

Memo: Faribo Downtown Central LLC updates/loan request
To; Deanna Kuennen, Community and Economic Development Director, Faribault Economic Development Authority

9/9/2022

Dear Deanna and Faribault EDA,

Faribo Downtown Central LLC (FDC) is a partnership of the Faribault Industrial Corporation, Mike & Mary Richie and Brett Reese. This organization assumed the purchase agreement negotiated by our Community Investment Fund (CIF) group made with John Sheesley for 13 buildings in the Historic Downtown District of Faribault. The transaction closed in mid-July.

The CIF group presented to you earlier this year. Since that presentation the changes in economic and market factors gave us pause on fundraising so the FDC was formed in order to take control of the properties without delay. The failure of the Minnesota legislature to renew the Historic Tax Credits were one of the key factors along with surging interest rates. The FDC partners are all part of the original CIF team and agreed that it was critical for the downtown to move these properties into development friendly hands. FDC was formed and proceeded with the acquisition under the new umbrella.

FDC is moving ahead with securing the buildings from water infiltration, debris removal and general preparation for the next phases of renovation. We want to ensure that before the winter freeze the roofs are replaced/repaired so interior work is not compromised. Initial bid pricing shows costs could exceed $700,000.

To help move this phase of the project along we are requesting a loan in the amount of $500,000. We are currently financed with Premier Banks so the EDA would be in second position. Private capital investment to date exceeds the amount we are requesting for this loan.

Thank you for considering our request. Both FDC and the Faribault Industrial Corporation are committed to making a difference in Faribault and your participation is making this possible.

Sincerely,

Nort Johnson

605.490.4237

530 Wilson Avenue Faribault, MN 55021

Cc; FDC Team, file

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Stephanie Aman, Economic Development Coordinator
MEETING DATE:	September 28, 2022
SUBJECT:	Downtown Commercial Rehab Loan - 213 Central Ave

BACKGROUND:

Owners, Russell and Suzanne Schwichtenberg are requesting funding through the Downtown Commercial Rehabilitation Loan Program for their building, located at 213 Central Ave. The building's roof is in need of repair and replacement, as there are leaks into the building and the apartments on the upper floors. The roof leak is getting progressively worse and they would like to get repairs done soon so the roof doesn't worsen, especially with winter and snow coming soon.

Of the two bids received, the lower combined bid is $57,600, therefore the requested Downtown Commercial Rehabilitation Loan is $11,520.00. The EDA has committed to improvements in the downtown, and has funds remaining in the Downtown Commercial Rehabilitation Loan Program.

REQUESTED ACTION:

The EDA is asked to consider funding this project and the approval of Resolution 2022-14.

ATTACHMENTS:

1. Res 2022-14 - Downtown Ext Rehab - 213 Central - Schwichtenberg
2. Beacon - Rice County, MN - Report_ 1831126322
3. Application - 213 Central Ave - Schwichtenberg

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT

Resolution 2022-14

APPROVING DOWNTOWN COMMERCIAL REHABILITATION & EXTERIOR IMPROVEMENT PROGRAM AWARD FOR 213 Central Ave N PID 18.31.1.26.322

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 Russell and Suzanne Schwichtenberg for program funds to assist in eligible exterior improvements at 213 Central Ave N; 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 $11,520.00 deferred loan is awarded to Russell and Suzanne Schwichtenberg for roofing improvements at 213 Central Ave N 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: September 28, 2022

ATTEST:

_____
Rodney Gramse, President

_____
AJ Smith, Secretary

Beacon™ Rice County, MN

Summary

Parcel ID	18.31.1.26.322
Property Address	213 CENTRAL AVE FARIBAULT, MN 55021
Sec/Twp/Rng	
Brief Tax Description	Lot 8 Block 56 of ORIGINAL TOWN FARIBAULT ORIG TOWN S1/3 L8 B56 (Note: Not to be used on legal documents)
Area	N/A
Use Code	3A-Commercial/Industrial/Public Utility; 4B1-Residential Non-Homestead 3 Units or less
Tax Authority Group	FARIBO-SD656-HSP-HRA-EDA

Owners

Primary Owner	Alternate Taxpayer	Fee Owner
Russell & S Schwichtenberg 213 Central Ave Faribault MN 55021		

Land

Lot Area 0.08 Acres ; 3,278 SF

Commercial Buildings

Type	Base Area	Year Built
Office - General w/Apart. Uppers	2310	1910

Sales

Date	Seller	Buyer	Recording	eCRV	Sale Condition - NUTC	Type	Multi Parcel	Amount
2/3/2003	EUGENE J AND MAEBELLE F CROSBY	RUSSELL & S SCHWICHTENBERG	512047		NORMAL ARMS-LENGTH TRANSACTION GOOD SALE	Deed		$117,500.00

Permits

Permit #	Date	Description	Amount
17.0067	02/02/2017	Rehab	57,000
08.0726	09/19/2008	Commercial Remo	10,000

Valuation

	Payable 2023 Values	Payable 2022 Values	Payable 2021 Values	Payable 2020 Values	Payable 2019 Values
EMV Improvement	$207,800	$208,800	$205,300	$201,100	$172,700
EMV Land	$29,500	$19,700	$19,700	$19,700	$19,700
EMV Machine	$0	$0	$0	$0	$0
EMV (Estimated Market Value) Total	$237,300	$228,500	$225,000	$220,800	$192,400
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	$228,500	$225,000	$220,800	$192,400
	Taxable Market Value	$228,500	$225,000	$220,800	$192,400
	Net Tax Amount	$4,412.00	$4,356.00	$4,188.00	$3,452.00
+	Special Assessments	$240.00	$240.00	$240.00	$160.00
=	Total Taxes Due	**$4,652.00**	**$4,596.00**	**$4,428.00**	**$3,612.00**
+	Penalty	$0.00	$0.00	$221.40	$0.00
+	Interest	$0.00	$0.00	$0.00	$0.00
+	Fees	$0.00	$0.00	$0.00	$0.00
-	Amount Paid	$2,326.00	$4,596.00	$4,649.40	$3,612.00
=	Outstanding Balance	**$2,326.00**	**$0.00**	**$0.00**	**$0.00**

Tax Payment

2022

Full Amount

2,326.00

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.

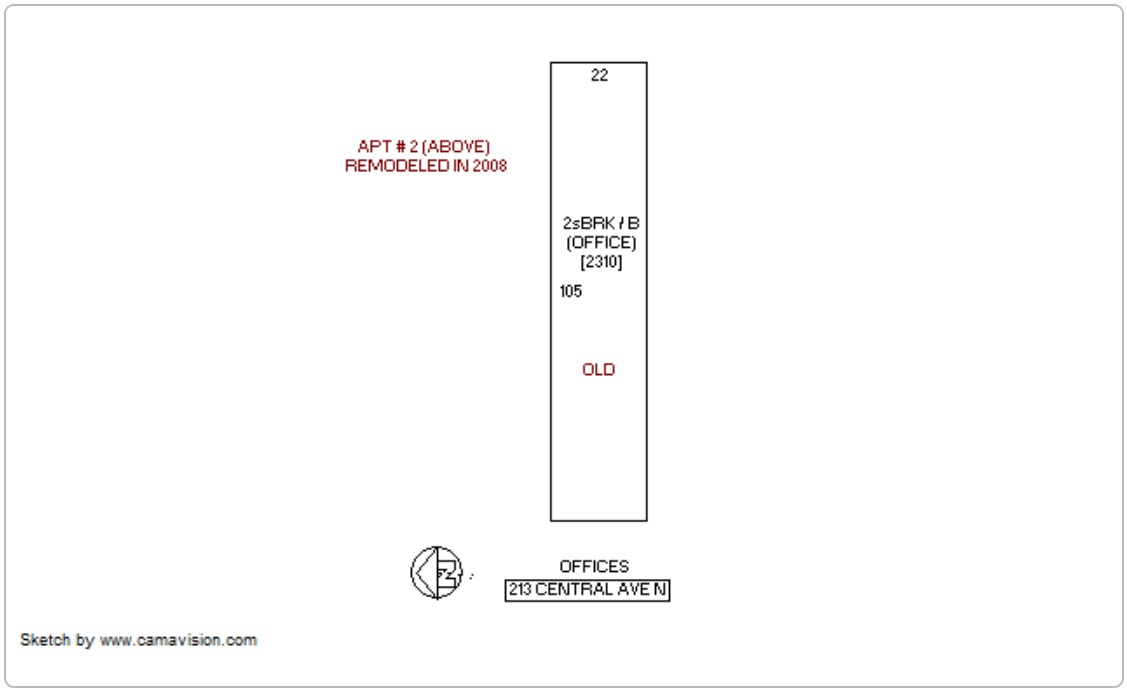
Tax Year	Receipt	Payment Date	Tax Amount	Special Assessment	Penalty	Interest	Fees	Total Payment
2022	U22.11464	5/16/2022	($2,206.00)	($120.00)	$0.00	$0.00	$0.00	($2,326.00)
2021	U21.14681	9/13/2021	($2,178.00)	($120.00)	$0.00	$0.00	$0.00	($2,298.00)
2021	U21.11406	5/17/2021	($2,178.00)	($120.00)	$0.00	$0.00	$0.00	($2,298.00)
2020	U20.20281	10/15/2020	($2,094.00)	($120.00)	$0.00	$0.00	$0.00	($2,214.00)
2020	U20.12943	8/3/2020	($2,094.00)	($120.00)	($221.40)	$0.00	$0.00	($2,435.40)
2019	U19.20330	10/15/2019	($1,726.00)	($80.00)	$0.00	$0.00	$0.00	($1,806.00)
2019	U19.9560	5/15/2019	($1,726.00)	($80.00)	$0.00	$0.00	$0.00	($1,806.00)
2018	U18.19968	10/17/2018	($1,392.00)	($292.00)	($67.36)	$0.00	$0.00	($1,751.36)
2018	U18.10475	5/15/2018	($1,392.00)	($292.00)	$0.00	$0.00	$0.00	($1,684.00)
2017	U17.20467	10/27/2017	($1,871.00)	($304.00)	($87.00)	$0.00	$0.00	($2,262.00)
2017	U17.11961	6/8/2017	($74.84)	($12.16)	($3.48)	$0.00	$0.00	($90.48)
2017	U17.11777	5/26/2017	($1,796.16)	($291.84)	($87.00)	$0.00	$0.00	($2,175.00)
2016	U16.18663	10/17/2016	($1,920.00)	($316.00)	$0.00	$0.00	$0.00	($2,236.00)
2016	U16.5728	5/10/2016	($1,920.00)	($316.00)	$0.00	$0.00	$0.00	($2,236.00)

Unpaid Taxes

		2022 Payable
+	Net Tax Amount	$4,412.00
+	Special Assessments	$240.00
=	Total Taxes Due	**$4,652.00**
+	Penalty	$0.00
+	Interest	$0.00
+	Fees	$0.00
-	Amount Paid	$2,326.00
=	Outstanding Balance	**$2,326.00**

Photos

Sketches



TriMin LandShark

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

Developed by Schneider GEOSPATIAL

Last Data Upload: 9/21/2022, 1:09:31 AM

Version 2.3.221

2020 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 Economic Development Coordinator at:
507.333.0388 or smarkman@ci.faribault.mn.us

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

Name(s) of Property Owner/Applicant		
Russell J. Schwichtenberg Suzanne R. Schwichtenberg		
Telephone Number:	[redacted]	
Email Address:	[redacted]	
Mailing Address:	213 Central Ave N.	
City:	State:	Zip:
Faribault	MN	55021

Property Information *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.*		
Address(es) of Eligible Property:	213 Central Ave N.	
Parcel ID (PID):	18.31.1.26.322	
Original Year of Construction:	1882	
Business/Occupant(s):	Russ Schwichtenberg office Suzanne Schwichtenberg Paint&Sip The Upper East Side	
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

Project Information
Eligible expenses are limited to:
Permanent exterior improvements
Permanent façade improvements
Permanent interior improvements

Estimated Total Cost of proposed Rehabilitation and/or Façade Improvements: *(based on attached estimates)*	$ 57,600
Requested Loan Amount: *(based on Program scale)*	11,520

Description of Proposed Improvements / Project

Remove existing roof material

Put on new roof.

Justification / Impact of Project within Commercial Business District
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.

roof over 35+ years old flat tar pee rock bad drain also.

3 Skylights have been maintained/patched each of our 22 year ownership.

Upper floor apartments showing leaks 5 gallon pail filled during 1" rain.. Can't rent to the public. Personal use avoids 2 rooms also due to "Catch Buckets".

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 Statues, 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.

Russell J. Schwichtenberg 9-10-22

Property Owner/Applicant **Date**

9-10-22

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).

Russell J. Schwichtenberg 9-10-22

Property Owner/Applicant **Date**

9-10-22

Co-Property Owner/Applicant **Date**

Acknowledgements	
Please initial each to confirm that you have read and understand the program policy and guidelines.	
RJS.	I/We understand that awards are based on eligibility, availability, and completeness of application – approval is at the sole discretion of the EDA.
RJS	I/We understand that I/We can only receive one award at a time (only one project – building/PID at a time).
RJS	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.
RJS	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.
RJS	I/We are the owner of the commercial property to be improved.
RJS.	I/We are current with mortgage, real estate taxes, and insurance payments.
RJS	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.
RJS	I/We understand that the building must be free of all lien and judgments.
RJS	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.
RJS	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.
RJS	I/We understand that I/we will be required to sign loan documents upon award, including a Promissory Note and Repayment Agreement.
RJS	I/We understand that the loan will be forgiven if I/we maintain ownership of the building for five (5) years.
RJS	I/We understand that if I/we sell the building or otherwise transfer all ownership interest within five (5) years – the loan must be repaid in its entirety.

Russell J. Schwichtenberg	OWNER	9-10-22
Property Owner/Applicant	**Title**	**Date**
	OWNER	9-10-22
Co-Property Owner/Applicant	**Title**	**Date**

SKLUZACEK BROS. Home Improvement

2021 BEST of FARIBAULT | 2021 BEST of NORTHFIELD | 2021 BEST of OWATONNA

PROPOSAL

SEP 14, 2022

EXPERIENCE YOU CAN TRUST

derek@skluzacekbros.com
507-332-8531

RUSS SCHWICHTENBERG

213 Central Ave
Faribault, MN
55021

ROOFING PROPOSAL DETAILS

Description

Reroof Flat Roof

Remove Existing Roofing Material & Inspect Roof Deck

Apply Drip Edge

Apply Polysocyanute Insulation to Roof Deck

Apply 7/16" OSB

Apply 60 mil EPDM

Apply New Vents and Sewer Pipe Covers

Apply New Flashing Along Walls and Skylights

Clean Up and Dispose of All Debris

Obtain Permit from City of Faribault

JAKE FBO $5,500

Quote subtotal	$55,000.00
Total	$55,000.00

***Anything found rotten or damaged will be extra to replace.**

& 60,500

AUTHORIZATION

Roofing Proposal Details	$55,000.00	**Name:** Russ Schwichtenberg **Address:** 213 Central Ave, Faribault, MN

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from the above specifications involving extra costs will be executed, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, weather, or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance. If payment is not received within 30 days of completion, contractor will attach lien to property and 2% late charge per month will be added. This proposal may be withdrawn by the contractor if not accepted within 14 days

Additional Costs

	Description	Qty	Unit price	Line total
☐	TO REPLACE SKYLIGHTS IT WILL BE AN ADDITIONAL COST PER SKYLIGHT OF:		$2,250.00	$0.00

Customer Comments / Notes

Russ Schwichtenberg: _____ **Date:** _____

By signing this form I agree to and confirm the following: I certify that I am the registered owner of the above project property, or have the legal permission to authorize the work as stated. I agree to pay the total project price and understand that this work will be completed in accordance with industry best practices. I understand that payment will be made as follows: Cash or Check. I understand that if payment is not received within 30 days of completion in full is as stated in contract, Skluzacek Bros Inc. will attach a lien to the property and 2% late charge per month will be added. I understand that anything found rotten or damage will be an extra cost.

Malo Roofing, Inc.

610 Riverside
P.O. Box 251
Owatonna, MN 55060
Email address: kevin@maloroofing.com
Phone: 507-451-7234
Fax: 507-451-7235
Cell: 507-390-3055

Proposal submitted to: RUSS SCHWICHTENBERG

Address: 213 CENTRAL AVENUE, FARIBAULT

EMAIL:

RE : re roofing of approximately 2400 square feet

Date: September 12, 2022

SCOPE OF WORK: re roofing of 213 Central Avenue including tear off/carpentry

Remove the existing built up roof membrane and any other roof material to wood decking and dispose of same; inspect decking for damage or deterioration and replace any necessary on a time and materials basis; add new wood blocking at perimeter edge to accommodate for increased roof height from insulation and also add plywood to the interior of the parapet walls for a solid and appropriate structure to bond new roof membrane to; add two (2) layers of 2.6" polyisocyanurate roof insulation to realize the State Code required R value of 30 or greater and fasten to roof deck by clipping and screwing per manufacturer's specifications; add insulation crickets to help further promote a positive water release to the existing drain location; NOTE: owner will need to arrange the replacement of this roof drain and the addition of an overflow roof drain with their plumbing contractor in conjunction with the re roofing and the COST is not included in this proposal; (your drain is in real need of replacement as the pipe is full of tar and small rock from the aging roof system; install a fully adhered 60 mil EPDM roof system in strict accordance to manufacturer's specifications and design details and fabricate and install any cap flashings and counter flashings necessary to make system watertight. NOTE: owner has expressed desire to keep the skylights (3). We will make every effort to provide a watertight transition but the replacement domes are not included in this price. **Add 2000.00** for **each** skylight for provision and installation of same. Also, the highest adjoining wall of your neighbor with the large windows presents a real and obvious complication as is to the integrity of your roof even if replaced and needs attention to assure you will remain watertight. This should be addressed and completed before re roofing as well. Cost for the proposed re roofing as mentioned above and including a required city permit is bid for the sum of **$52,100.00.**

extra

Jake FBO Plumb $5,500 ✓

$57,600

Signature ***KM***

(Kevin M. Malo)

NOTE: *This proposal may be withdrawn by us if not accepted within _____30_____days.*
Payment to be made as follows: ___materials on jobsite; progress payments; job completion

***Building owner is responsible for any HVAC, gas, or electrical disconnects and connects and the satellite units on radio station unless otherwise specified. Any necessary city/county required building permits are not included in this proposal and will be billed as an additional cost if they are required for re roofing or new roofing in your area unless otherwise stated.**

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices.
Any deviations from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate.
Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Acceptance of Proposal –the above prices, specifications and conditions are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above. Upon acceptance of this contract, please sign and return one copy. Thank you for your consideration.

Signature_____Date of Acceptance_____