

Faribault Economic Development Authority  
**MEETING MINUTES**

Thursday | November 17, 2022

**1. Call to Order / Roll Call / Agenda Approval**

**Action:** Chair Gramse called the meeting to order at 7:03 a.m.

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

**Absent:** Viscomi

**Staff Present:** Interim Community and Economic Development Director, David Wanberg and Economic Development Coordinator, Stephanie Aman

**2. Approval Minutes of October 19, 2022**

A motion was made by Drevlow and seconded by Voracek to approve the Minutes of October 19, 2022 presented. Motion carried on a 6/0 vote.

**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

Motion was made by Voracek and seconded by Smith to receive and file the monthly status reports as presented. Motion carried on a 6/0 vote.

**4. Public Hearings**

- A. None.

**5. Items for Discussion**

**A. Amendment to Riverchase Apartments: TIF #17 Contract for Private Development**

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). At the August 18, 2022 meeting, the EDA approved Resolution 2022-07 which approved the contract for Private Development - TIF District No. 17: Riverchase Apartments. Since that time, the

developer has incurred significant unanticipated corrective costs to the formerly city-owned property of approximately \$70,000, and is requesting an amendment to the TIF note to help offset those costs.

The original TIF note was established with a budget that included a \$200,000 contingency as well as a 4% developer fee that totals \$450,000. Ehlers completed an assessment of this project and is able to factor in 3% inflation, which could ease the developer's corrective costs by increasing the TIF note from \$700,000 to \$755,000.

A motion was made by Drevlow, seconded by Fort to approve an amendment to TIF District #17 that would increase the TIF Note for Riverchase Apartments from \$700,000 to \$755,000 as presented. Motion carried on a 6/0 vote.

## **B. Statutory Tort Liability Limits**

Annually the EDA is asked to consider its statutory tort limits.

Cities/EDA's that obtain coverage from the League of Minnesota Cities Insurance Trust must decide whether or not to waive the statutory tort limits to the extent of the coverage purchased. If the EDA does not waive the statutory tort limits, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total, which all claimants would be able to recover for a single occurrence to which the statutory limits apply, would be limited to \$1,500,000. If the EDA waives the statutory tort limits, a single claimant could potentially recover up to \$2,000,000 for a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.

In each of the previous years the EDA has chosen not to waive the monetary limits as a means of controlling liability insurance costs. In this way, the EDA has been consistent with the City Council and HRA which have also chosen not to waive the limits.

A motion was made by Drevlow, seconded by Smith to continue its current policy which does NOT waive the monetary limits on municipal tort liability established by Minnesota Statutes 466.04 as presented. Motion carried on a 6/0 vote.

## **C. Approval and Adoption of FY2023 EDA Budget and Work Plan**

The EDA reviewed and approved the draft 2023 EDA Work Plan and Budget at their October 2022 meeting. This item is to approve and adopt the final Budget and Work Plan through resolutions 2022-18 and 2022-19. This information will be forwarded to the City's Finance Director to be incorporated into the City's 2023 budget documents. The City Council will take action on the final budget and levy requests for the General Fund, HRA, and EDA at a City Council meeting in early December.

A motion was made by Campbell, seconded by Drevlow to approve Resolutions 2022-18 and 2022-19 approving the EDA FY 2023 Work Plan and EDA FY 2023 Budget as presented. Motion carried on a 6/0 vote.

**D. Boards and Commissions Open House and Appreciation Dinner**

As a thank you to all who volunteer and serve on the EDA Board, you are invited to an appreciation dinner on Wednesday, December 7 at the 310 Event Center. There will be a recruitment event from 5:00pm to 6:00pm, social gathering at 6:00pm and dinner begins at 6:30pm. By serving on these committees, you are involved in the decision-making process that helps shape this community. Staff requested that the EDA have a representative at the recruitment event to speak on behalf of the EDA and Rod Gramse came forward to speak on behalf of the EDA.

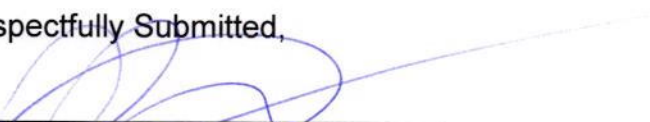
**5. Updates/Project Reports**

A request was made, to have city-wide project updates, beyond the scope of the EDA, presented as part of these reports. Staff will add those for future meetings.

**6. Adjourn**

A motion was made by Drevlow and seconded by Smith to adjourn at 7:24 a.m. Motion carried on a 6/0 vote.

Respectfully Submitted,

By: 

Stephanie Aman, Economic Development Coordinator