



ECONOMIC DEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM

THURSDAY, MAY 18, 2023

7:00 AM

1. Call to Order/Introduction of Ian Luker, Economic Development Coordinator
2. Approval of the Minutes of March 16, 2023
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. Resolution 2023-04 Approve a Downtown Commercial Rehabilitation and Exterior Improvement Award for an Awning at 409 Central Avenue
 - B. Resolution 2023-05 Modify Development Program for Development District No. 1 and Modify TIF District No. 13
 - C. Status of Economic Development Investment Fund and Upcoming Funding Requests
 - D. Review Highway 60 West Master Plan Proposal and Schedule
 - E. 2022 Micro-Grant Award Updates
 - F. Faribault Downtown Central - Update on First Half Funds Awarded and Second Half Funds Requested
6. Project Updates
7. Adjournment



ECONOMIC DEVELOPMENT AUTHORITY MINUTES

PUBLIC MEETING ROOM

THURSDAY, MARCH 16, 2023

7:00 AM

Meeting Items

1. Call to Order

The regular meeting of the Economic Development Authority was called to order by Chair Gramse at 7:04 a.m. Commissioners: Dave Campbell, Will Fort, Tom Spooner, Kevin Voracek and Chair Rod Gramse were in attendance. Also in attendance was Economic Development Coordinator, Stephanie Aman, Community and Economic Development Director, Dave Wanberg, City Administrator, Tim Murray and Administrative Assistant II, Kari Casper.

2. Approval of the Minutes

A motion was made by Dave Campbell, seconded by Kevin Voracek to Approve. The motion passed on a 5/0 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

A motion by Tom Spooner, seconded by Kevin Voracek to receive and file the reports as presented. The motion passed on a 5/0 vote.

4. Public Hearings

None.

5. Items for Discussion

A. Economic Development Incentive Fund Program

Aman stated that there was \$200,000 utilized by this fund last year from two projects including Trystar and TruVue. The ask is if the EDA would like to continue to fund this program at the \$200,000 level. Fort said that he felt it was a good fund and put to good use. Gramse read off the fund balance. Campbell asked how the fund would be replenished. Murray said the levy dollars are part of this fund. Gramse stated that this will be the last year at this amount that they will be able to fund this program. A motion was made by Will Fort, seconded by Dave Campbell to Approve. The motion passed on a 5/0 vote.

B. Xcel Energy Corporate Economic Grant Program

Murray, Wanberg and Aman met with the Economic Development Coordinator Markman recently to discuss the Xcel Grant that may be used to update the Highway 60 Master Concept Plan to help market the area for potential developers. The last time it was updated was in about 2007 or 2008. The grant would be matching dollars up to \$25,000. Wanberg stated that he didn't think that the full \$25,000 would be needed in this regard but we have up to that amount. A motion by Kevin Voracek, seconded by Tom Spooner to Approve the use of funds as matching dollars to move forward with updating the plan and directed staff to submit the application. The motion passed on a 5/0 vote.

C. Resolution Designating EDA Depository Account

Aman started out by turning the matter over to Wanberg for presentation. Wanberg met with the finance department and consulted with the City Attorney, Scott Riggs. They stated that the fund needs to be separate from the general accounts and the EDA fund will have its own account which cleans up the handling of the funds and conforms to state statutes for these balances. A motion was made by Kevin Voracek, seconded by Dave Campbell to Approve. The motion passed on a 5/0 vote.

6. Project Updates

Aman gave a brief update that there are many projects being discussed but not public at this point. Fort asked about the Affordable Housing concept with the major businesses.

Aman discussed that the parties discussed this but did not move forward at this time; however, the developer is still interested and it may come back in the future. Voracek did mention that he met with Senator Amy Klobuchar earlier this week and discussed housing which she stated was everywhere..

7. Adjournment

A motion was made by Dave Campbell, seconded by Tom Spooner to Adjourn. The meeting adjourned at 7:32 a.m. The motion passed on a 5/0 vote.

Respectfully Submitted,

Kari Casper
Administrative Assistant II



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg
THROUGH: David Wanberg
MEETING DATE: May 18, 2023
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 May 1, 2023.

REQUESTED ACTION:

Motion to Receive and File

ATTACHMENTS:

1. 3A - Loan Status Reports - 05-2023

Agenda Item: 3A

Fund	Program Name	Available Balance	Notes
Fund 249	Minnesota Investment Fund (MIF)	\$13,331.10	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	\$432,640.90	
	- Commercial Development Loan Program (and Grant)	(\$229,165.63)	
	- Façade Improvement Micro Loan		
	- EDIF - Economic Development Incentive Program		New program in 2021 – dedicated \$200,000 of loan balance. Two loans approved: \$100,000 for Trystar; \$100,000 for Tru Vue (not reflected in available balance; is reflected in yellow)
Fund 243	Industrial Development Loan	\$290,894.94	Last activity was loan for Cry Baby Craig’s
TOTAL EDA LOAN FUNDS AVAILABLE		\$736,866.94 (\$530,727.11)	
Fund 290	EDA Operating Fund/Fund Balance	\$2,006,518.57	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
			Includes EDA Program Funds Includes Fund 245 (See below for fund 245)
Fund 245 This fund has been moved into Fund 290, but tracked separately here.	Downtown Commercial Rehab & Exterior Improvement Program	\$61,068.84	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”) 2022 – July: Repayment of \$60,000 loan
Fund 248	Federal MIF Loan	\$594,454.50	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: Ian Luker
THROUGH: Ian Luker
MEETING DATE: May 18, 2023
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. However, COVID-19 is likely to have an impact on investment and construction activity moving forward, along with material cost increases and shortages. 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.

REQUESTED ACTION:

Receive and file.

ATTACHMENTS:

1. Memo Monthly Permit Activity Report

Agenda Item: 3B

The following summarizes building permit activity:

	January	February	March	April	May	June
Total Building Permits	30	17	41	59		
Total Valuation	\$37,506,137.05	\$1,896,894.00	2,800,590.39	5,465,972.00		
Total ALL Permits*	84	50	105	112		
Total ALL Permits Valuation	\$38,646,615.29	\$2,241,426.00	3,197,961.39	5,693,272.00		
	July	August	September	October	November	December
Total Building Permits						
Total Valuation						
YTD Building Permits**						
YTD Total Valuation**						
Total ALL Permits*						
Total ALL Permits Valuation						
Total YTD ALL Permits**						
Total YTD Valuation ALL Permits						

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



Request for Action

TO: Faribault Economic Development Authority
FROM: Ian Luker
THROUGH: Ian Luker
MEETING DATE: May 18, 2023
SUBJECT: Budget Status Report

BACKGROUND:

The Economic Development Authority (EDA) approved a 2023 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 balances 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.

REQUESTED ACTION:

Receive and file.

ATTACHMENTS:

1. 3C. Budget 290 Status Report

General Ledger

Budget Status



User: kcasper
 Printed: 5/12/2023 - 12:05 PM
 Period: 1 to 5, 2023

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
Fund 290	Economic Development Authority							
Dept 290-00000								
R01	Taxes							
290-00000-462-31010	Current Ad Valorem Taxes	322,273.00	0.00	0.00	322,273.00	0.00	322,273.00	100.00
290-00000-462-31020	Delinquent Ad Valorem Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31030	Mobile Home Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31035	Delinquent Mobile Home Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31040	Excess Tax Increment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31500	PILOT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31550	Green Acres	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	R01 Sub Totals:	322,273.00	0.00	0.00	322,273.00	0.00	322,273.00	100.00
R02	Permit & Licenses							
290-00000-462-36215	Loan Interest	383.00	131.75	131.75	251.25	0.00	251.25	65.60
	R02 Sub Totals:	383.00	131.75	131.75	251.25	0.00	251.25	65.60
R03	Intergovernmental Revenue							
290-00000-462-33402	Market Value Homestead Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-33422	Other State Grants & Aids	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	R03 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R04	Charges for Services							
290-00000-462-34108	Administrative Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-34700	Application Fees	2,500.00	150.00	150.00	2,350.00	0.00	2,350.00	94.00
	R04 Sub Totals:	2,500.00	150.00	150.00	2,350.00	0.00	2,350.00	94.00
R06	Miscellaneous Revenue							
290-00000-462-36200	Other Miscellaneous Revenue	500.00	0.00	0.00	500.00	0.00	500.00	100.00
290-00000-462-36210	Interest on Investments	6,600.00	6,861.06	6,861.06	-261.06	0.00	-261.06	0.00
290-00000-462-36211	Interest Market Value	0.00	14,791.17	14,791.17	-14,791.17	0.00	-14,791.17	0.00
290-00000-462-36240	Refunds & Reimbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-36400	Loan Principal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	R06 Sub Totals:	7,100.00	21,652.23	21,652.23	-14,552.23	0.00	-14,552.23	0.00

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
R07	Other Sources							
290-00000-462-39100	Sale of Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-39200	Transfer In	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	R07 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue Sub Totals:	332,256.00	21,933.98	21,933.98	310,322.02	0.00	310,322.02	93.40
	Dept 00000 Sub Totals:	-332,256.00	-21,933.98	-21,933.98	-310,322.02	0.00		
Dept 290-46500	Economic Development							
E02	Supplies							
290-46500-462-42110	General Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-42115	Meeting	250.00	0.00	0.00	250.00	0.00	250.00	100.00
290-46500-462-42420	Minor Computer Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	E02 Sub Totals:	250.00	0.00	0.00	250.00	0.00	250.00	100.00
E03	Other Services & Charges							
290-46500-462-43030	Engineering Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43040	Legal Fees - Civil Process	20,000.00	1,543.75	1,543.75	18,456.25	0.00	18,456.25	92.28
290-46500-462-43080	Indirect Cost Allocation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43090	Expert & Professional Services	75,000.00	810.00	810.00	74,190.00	0.00	74,190.00	98.92
290-46500-462-43095	Software Maintenance & Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43130	EDA Program Budget	650,000.00	30,000.00	30,000.00	620,000.00	0.00	620,000.00	95.38
290-46500-462-43140	Training & Education	3,500.00	0.00	0.00	3,500.00	0.00	3,500.00	100.00
290-46500-462-43220	Postage	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43250	Other Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43310	Travel Expense	4,500.00	0.00	0.00	4,500.00	0.00	4,500.00	100.00
290-46500-462-43430	Advertising - Other	45,000.00	10,000.00	10,000.00	35,000.00	0.00	35,000.00	77.78
290-46500-462-43510	Legal Notices Publishing	500.00	124.20	124.20	375.80	0.00	375.80	75.16
290-46500-462-43520	Recording Fees	1,000.00	345.00	345.00	655.00	0.00	655.00	65.50
290-46500-462-43610	Insurance & Bonds	1,951.00	1,640.00	1,640.00	311.00	0.00	311.00	15.94
290-46500-462-43810	Electric Utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43860	Storm Water Utilities	40.00	0.00	0.00	40.00	0.00	40.00	100.00
290-46500-462-44330	Dues & Subscriptions	24,000.00	17,705.00	17,705.00	6,295.00	0.00	6,295.00	26.23
290-46500-462-44370	Miscellaneous Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-44390	Taxes & Licenses	50.00	0.00	0.00	50.00	0.00	50.00	100.00
290-46500-462-44600	Loans & Grants	345,000.00	285,573.92	285,573.92	59,426.08	0.00	59,426.08	17.22
	E03 Sub Totals:	1,170,541.00	347,741.87	347,741.87	822,799.13	0.00	822,799.13	70.29
E04	Capital Outlay							
290-46500-462-44160	Rents & Leases	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-45100	Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
E06 290-46500-462-47200	E04 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Uses							
	Transfer Out	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	E06 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Expense Sub Totals:	1,170,791.00	347,741.87	347,741.87	823,049.13	0.00	823,049.13	70.30
	Dept 46500 Sub Totals:	1,170,791.00	347,741.87	347,741.87	823,049.13	0.00		
	Fund Revenue Sub Totals:	332,256.00	21,933.98	21,933.98	310,322.02	0.00	310,322.02	93.40
	Fund Expense Sub Totals:	1,170,791.00	347,741.87	347,741.87	823,049.13	0.00	823,049.13	70.30
	Fund 290 Sub Totals:	838,535.00	325,807.89	325,807.89	512,727.11	0.00		
	Revenue Totals:	332,256.00	21,933.98	21,933.98	310,322.02	0.00	310,322.02	93.40
	Expense Totals:	1,170,791.00	347,741.87	347,741.87	823,049.13	0.00	823,049.13	70.30
	Report Totals:	838,535.00	325,807.89	325,807.89	512,727.11	0.00		



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH: David Wanberg, Community and Economic Development Director
MEETING DATE: May 18, 2023
SUBJECT: Resolution 2023-04 Approve a Downtown Commercial Rehabilitation and Exterior Improvement Award for an Awning at 409 Central Avenue

BACKGROUND:

Darryl and Alicia Laube (the Owner") applied for Downtown Commercial Rehabilitation and Exterior Improvement Program funding for an awning they recently installed on their building at 409 Central Avenue. The program helps fund downtown buildings improvements, provided that the improvements are consistent with the program's policies. Eligible owners must apply and be approved for the program before beginning any work. In addition, the award is based on a percentage of the project's lowest bid.

In this case, the Owner received a Certificate of Appropriateness from the Heritage Preservation Commission for the awning. In addition, City Staff issued a sign permit for the installation of the awning. Consequently, the Owner installed the awning before applying for program funding. In addition, the Owner's funding request is not based on the lowest bid received. In short, the Owner's funding request is not consistent with all of the program's policies. Nevertheless, the awning is an attractive building improvement that, at its core, is consistent with the intent of the program.

Although it is not a written program policy, in the past, the EDA approved a funding request from a property owner who started work on a project before the EDA awarded funds. In that case, the EDA reduced the award by ten percent. The EDA may choose the same approach in this

case. Although the Owner of 409 Central likely had a strong reason to have chosen the higher of two bids for their awning, the program policies state that the award is based on the lowest bid received.

The Owner requested a deferred loan of \$922.50 through the program. The attached Resolution 2023-04 awards a deferred loan of \$660.15 based on the lowest bid and a ten percent reduction in the award due to the Owner's installation of the awning before receiving an award. The EDA can approve, deny, or modify the resolution as it sees fit.

REQUESTED ACTION:

Approve Resolution 2023-04 with or without modifications.

ATTACHMENTS:

1. Resolution 2023-04 Approve a Downtown Commercial Rehabilitation and Exterior Improvement Award for an Awning at 409 Central Avenue
2. The Golf Box Application, Bid

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT

Resolution #2022-04

APPROVE A DOWNTOWN COMMERCIAL REHABILITATION AND EXTERIOR IMPROVEMENT AWARD FOR AN AWNING AT 409 CENTRAL AVENUE PID 18.31.1.26.184

WHEREAS, on April 11, 2023, Darryl and Alicia Laube (the "Owner") applied for a \$922.50 deferred loan through the Economic Development Authority of Faribault (the "EDA") Downtown Commercial Rehabilitation and Exterior Improvement Program (DCREIP) for a recently installed awning on their property at 409 Central Avenue; and

WHEREAS, the Owner received the following bids for the subject awning:

1. Abel Signs: \$3,075 (including a \$100 permit fee)
2. Acme Awning: \$2,385 (not including a permit fee)

WHEREAS, the Owner accepted the \$3,075 bid from Abel Signs, and Abel Signs installed the awning earlier this year; and

WHEREAS, the DCREP outlines the following policies:

1. Eligible property owners must apply and be approved for the program prior to beginning any work;
2. Loan recipients are required to seek at least two bids for all portions of a project. The award calculation will be based on the lowest bid – any contractor may be chosen to complete the work; and
3. The Owner equity associated with an awning is 70 percent.

WHEREAS, the EDA did not receive a DCREIP application from the Owner before the Owner installed the subject awning; and

WHEREAS, the Owner's request for DCREIP funding is not based on the lowest bid received; and

WHEREAS, the Owner paid a \$60 sign permit fee to the City of Faribault – not a \$100 permit fee as noted in the Owner's bids; and

WHEREAS, based on 30 percent of the Owner's lowest bid, plus a \$60 sign permit fee, the maximum award available through the DCREIP is \$733.50 (\$2,385 low bid + \$60 sign permit fee = \$2,445 x 0.30 maximum allowed EDA funds = \$733.50); and

WHEREAS, consistent with past practice, the EDA can reduce the maximum allowable award by ten percent based on the fact that the Owner installed the subject awning prior to an award from the DCREIP – consequently, the EDA could reduce the maximum allowable award from \$733.50 to \$660.15 (\$733.50 – \$73.35 (733.50 x 0.10 = \$73.35) = \$660.15); and

WHEREAS, the Heritage Preservation Commission issued a Certificate of Appropriateness for the subject awning on January 18, 2023; and

WHEREAS, the City issued a sign permit associated with the subject awning on January 19, 2023; and

WHEREAS, the EDA finds that the subject awning improves the appearance of the subject property and is consistent with the intent of the DCREP.

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of Faribault, Minnesota (EDA) as follows:

1. The EDA awards a \$660.15 deferred loan to Alicia and Darryl Laube for the subject awning at 409 Central Avenue as described in the recitals above and per the terms and conditions of the DCREP.
2. The EDA authorizes its president and secretary to execute all required financial agreements on behalf of the EDA in furtherance of the above approval.

ADOPTED: May 18, 2023

ATTEST:

Rodney Gramse, President

AJ Smith, Secretary

2018 DOWNTOWN COMMERCIAL REHABILITATION & EXTERIOR PROGRAM – APPLICATION

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

Please contact the Economic Department Staff at: 507.334.0100 or at communitydev@ci.faribault.mn.us

PROGRAM APPLICATION

Applications must be submitted by the property owner(s) of the building. Please print clearly. **APR 11 2023**

Applicant Contact Information			
Name(s) of Property Owner:	Darryl Laube		
Telephone Number:	952-237-6125		
Email Address:	mfloors63@gmail.com		
Mailing Address:	18130 Independence Ave		
	City: Faribault	State: MN	Zip Code: 55021

Property Information	
<i>The DOWNTOWN COMMERCIAL REHABILITATION & EXTERIOR IMPROVEMENT PROGRAM is open to all commercial properties within the Central Business District (CBD), and commercial properties immediately adjacent to CBD, as shown on attached map.</i>	
Address(es) of Building in program	409 Central Ave N.
Parcel ID #:	1831.1.26.184
Business/Occupant(s)	
Has this property previously received public financing? (if yes, please explain)	☒ NO YES: _____
Has the applicant defaulted on any public financing in the last two years? (if yes, please explain)	☒ NO YES: _____
Are there any liens, judgements, foreclosure actions, or delinquency of payments on the property? (if yes, please explain)	☒ NO YES: _____
Are all mortgage, real estate taxes, and insurance payments current?	NO ☒ YES

Project Information	
Description of proposed improvements / project: RECEIVED APR 11 2013 City of Fairport Community Development	
Estimated Total Cost of proposed Rehabilitation and/or façade improvements: <i>(Submit two estimates. Total cost based on lowest of the two estimates)</i>	
Requested Loan Amount: (up to 75% of project cost or \$15,000 minimum per PID)	

ELIGIBLE IMPROVEMENTS*

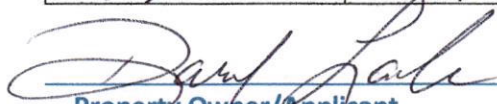
1. Permanent exterior improvements of the building to correct building code violations, including but not limited to: repair or replacement of door, window, roof; tuck-pointing, and painting.
2. Permanent façade improvements including but not limited to: removal of aluminum or other metal awnings, frames, or siding; awning repair or replacement; pressure washing, paint removal, and painting; tuckpointing; and cornice restoration.
3. Permanent interior building improvements related to: correction of electrical or plumbing violations, installation of centralized HVAC systems (to eliminate window air conditioning units), smoke detection system, sprinkler systems, and/or elevators.

****Please Note:***

- a) All projects located within the Historic Preservation District are required to obtain a Certificate of Appropriateness for any exterior work – prior to being awarded funds.*
- b) All projects must be inspected; unless it is noted otherwise – prior to being awarded funds.*

Required Attachments Submitted	
	Application fee of \$150 per address
	Proof of insurance on the building
	Renderings and/or plan drawings showing proposed improvements
	A minimum of two contractors' bids or proposals with a breakdown of itemized costs
	If in designated Historic District, a completed request for Design Review, see attached form

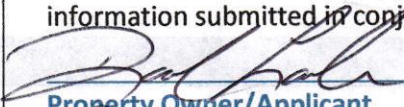
Acknowledgements	
Please initial each to confirm that you have read and understand the program policy and guidelines.	
D.L. Aaz	I/We understand that awards are based on eligibility, availability, and completeness of application – approval is at the sole discretion of the EDA.
D.L. Aaz	I/We understand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

	owner	4-11-23
Property Owner/Applicant	Title	Date
	owner	4-11-23
Co-Property Owner/Applicant	Title	Date

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.


Property Owner/Applicant

4-11-23
Date


Co-Property Owner/Applicant

4-11-23
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.

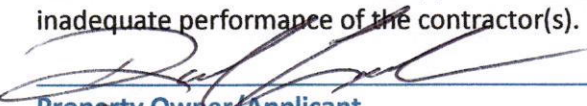
I/We certify that all statements on this application are true and correct to the best of my/our knowledge. I/We understand that any intentional misstatements will be grounds for disqualification.

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).


Property Owner/Applicant

4-11-23
Date


Co-Property Owner/Applicant

4-11-23
Date

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)**

\$ 3,075.00

**Requested Loan Amount:
(based on Program scale)**

\$ 922.50

Description of Proposed Improvements / Project

New Awning with Logo above front door.

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.

Creates a positive visual impact on downtown.



www.AcmeAwning.com

Date: February 28, 2023

3206 Bloomington Ave
Minneapolis, MN 55407
612-722-2731
Fax: 612-722-2930
greg@acmeawning.com

TO The Golf Box
Alicia

WORK SITE The Golf Box

QUANTITY	DESCRIPTION	LINE TOTAL
	Acme Awning fabricates the highest quality awnings in the Twin Cities. Providing the best value long-term we only use the highest quality materials in the industry. 16-Gauge Steel Framing - Acme frames can be recanvased multiple times over their 50+ year lifespan Sunbrella Canvas - industry leader in acrylic Marine and Awning canvas. 3M Vinyl Graphics - adhered with heat and pressure to provide the longest lasting Exterior canvas graphics on the market.	
	Scope of Work: Fabricate and install one (1) welded frame stationary awning. Graphics per plan included in pricing	\$2,385.00
1	Traditional Style Awning: new steel frame and canvas cover	Inc.
1	Body Graphics: customer supplied logo per plan	Inc.
2	Wing Graphics: customer supplied logo per plan	Inc.
1	Canvas: Sunbrella (color/pattern cust choice)	Inc.
1	Frame: Gatorshield® galvanized steel tubing, welded.	Inc.
	Permits Extra - unknown	
	50% Deposit Required. Please allow 2-4 weeks for installation	
	TOTAL	\$2,385.00

1. We hereby propose to furnish the materials and perform the labor necessary for completion of description above.
2. Any alteration or deviation from the above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance upon above work. Workmen's Compensation and Public Liability insurance on and above work to be taken out by Acme Awning.
3. All material is guaranteed to be as specified, above work to be performed in accordance with the drawings and specifications submitted and completed in a substantial workmanlike manner.
4. This proposal may be withdrawn by us if not accepted within 30 days.
5. Retention of Title: Acme Awning Company owns the awnings until full payment is received.

TOTAL \$2,385.00

Permit

\$100 -
2485 -

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date: _____ Signature: _____

Thank you for your business! Greg

STATEMENT



14 North Mantorville Avenue
Kasson, Minnesota 55944

Phone: (507) 634-6501
Fax: (507) 634-4060

Email: abelsigns@aol.com

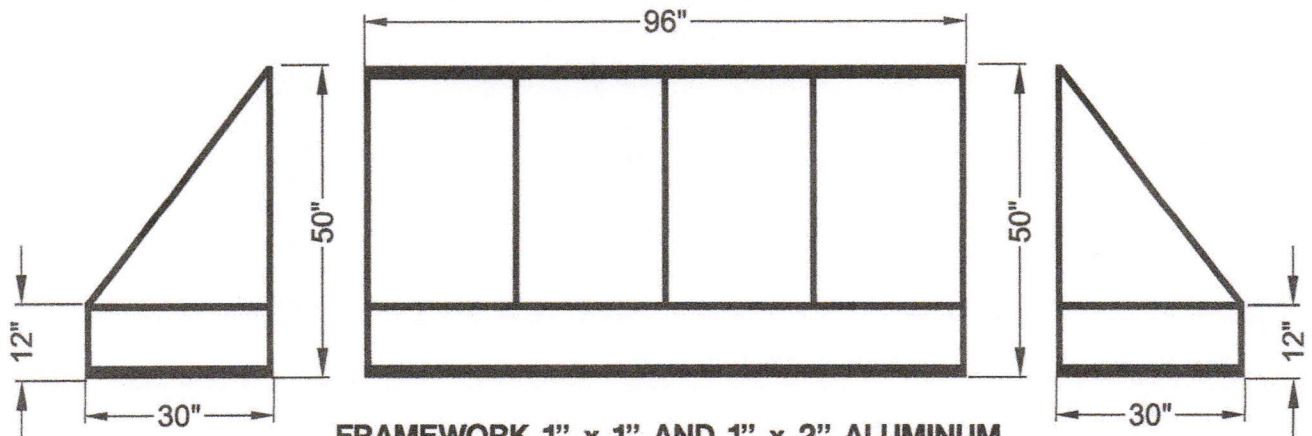
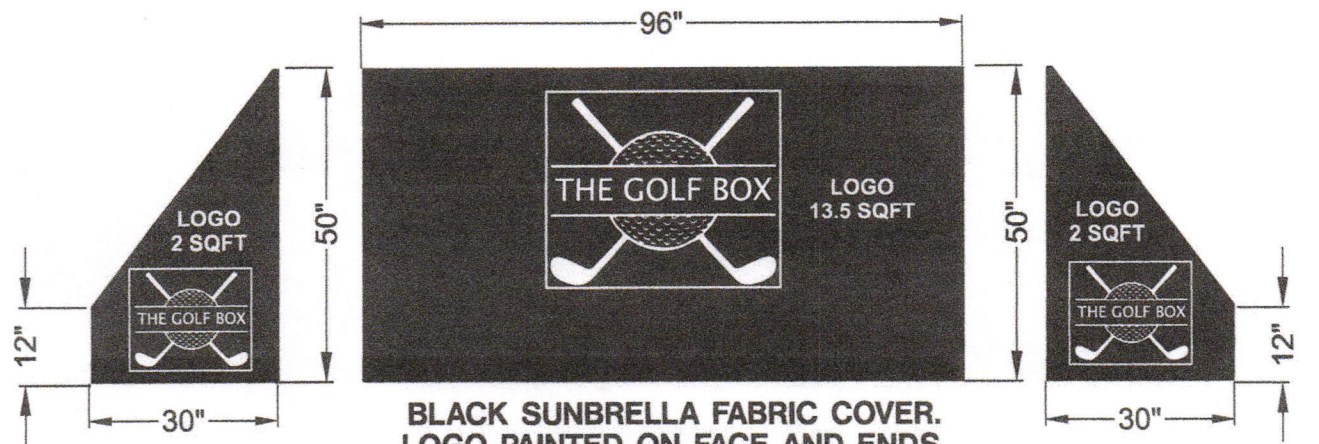
TO:

THE GOLF BOX
409 CENTRAL AVE N
FARIBAULT, MN 55021

DATE

4/1/23

DATE	TRANSACTION				AMOUNT	BALANCE
02/28/23	INV #11934. DUE 02/28/23. ORIG. AMOUNT \$3,075.00. -- AWNING \$2,975.00 -- -- PERMITS \$100.00 -- TAX: SALES TAX TOTAL @ = 0.00				3,075.00	3,075.00
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	AMOUNT DUE	
0.00	0.00	3,075.00	0.00	0.00	\$3,075.00	





CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)

4/11/2023

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

PRODUCER Truax & Associates Insurance Agency 215 Western Ave NW Faribault MN 55021		CONTACT NAME: Sienna Ellison PHONE (A/C, No, Ext): (507) 334-5850 E-MAIL ADDRESS: sellison.truax@gmail.com PRODUCER CUSTOMER ID:	
INSURED Darryl And Alicia Laube 18130 Independence Ave Faribault MN 55021-7502		INSURER(S) AFFORDING COVERAGE INSURER A : STATE AUTOMOBILE MUT INS CO INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :	
		NAIC # 25135	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

409 CENTRAL AVE, FARIBAULT, MN 55021

THIS IS TO CERTIFY THAT 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 CERTIFICATE 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.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
A	☒ PROPERTY	10135739CB	06/08/2022	06/08/2023	☒ BUILDING	\$ 891,545
	CAUSES OF LOSS				☒ PERSONAL PROPERTY	\$ 5,000
	DEDUCTIBLES				BUSINESS INCOME	\$
	BASIC				EXTRA EXPENSE	\$
	BROAD				RENTAL VALUE	\$
	SPECIAL				BLANKET BUILDING	\$
	EARTHQUAKE				BLANKET PERS PROP	\$
	WIND				BLANKET BLDG & PP	\$
	FLOOD					\$
						\$
	INLAND MARINE	TYPE OF POLICY				\$
	CAUSES OF LOSS	POLICY NUMBER				\$
	NAMED PERILS					\$
						\$
	CRIME					\$
	TYPE OF POLICY					\$
						\$
						\$
	BOILER & MACHINERY / EQUIPMENT BREAKDOWN					\$
						\$
						\$
						\$

SPECIAL CONDITIONS / OTHER COVERAGES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER **CANCELLATION**

Hometown Bank 309 N Main St Le Sueur MN 56058	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Sienna Ellison
---	---

DESIGN REVIEW APPLICATION FORM
Heritage Preservation Commission

Site Address: 409 Central Ave N
New Awning Installation

Owner / Applicant: Daryl Laube
Mailing Address: 18130 Independence
AVE
City/ State: Faribault, MN 55021
Telephone Number: 952-237-6125
Work Site Address: 409 Central Ave N

Site File Number:

Type of Work:	Restoration	Remodeling
	New Construction	Site
Improvements	Demolition	Other

Brief Description of Project:

Install new awning above entrance. Awning framework is 1" x 1" and 1" x 2" aluminum tubing welded together. Awning cover is made from black Sunbrella awning fabric. Logo painted white on face and ends of awning. All dimensions are shown on drawings.

Attachments: Historical Data / Site File Information
 Photographs
 Detailed Drawings of Proposed Modifications
 Site Plan
 Manufacturers Specifications
 Material Samples / Color Samples

Action of HPC Board: Meeting Date:
 Action Taken:

City of Faribault
04/11/2023 02:09 PM

Receipt No. 00939673

The Golf Box LLC
Customer #: 025588

Payments Received:
Application Fee - EDA 40
9 Central The Golf Box 150.00

Check #:1055
Check: \$150.00
Cash: \$0.00
Other: \$0.00
Change: \$0.00

Total: \$150.00

Cashier: kcasper
Station: CD-2465J1Q-DT22
Batch: 00113-04-2023

Thank You
City of Faribault



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH: David Wanberg, Community and Economic Development Director
MEETING DATE: May 18, 2023
SUBJECT: Resolution 2023-05 Modify Development Program for Development District No. 1 and Modify TIF District No. 13

BACKGROUND:

The City prepared a plat for the Buckham Library/Community Center/Buckham West parcels, and will be recording the plat later this year. However, TIF District No. 13 must be modified before the City can record the plat. The City is working with its financial and legal advisors to remove TIF District No. 13 from the above referenced plat (see the attached modified TIF document). Staff will share additional information (including the resolution modifying the TIF District) with the EDA at its May 18 meeting.

REQUESTED ACTION:

Approve Resolution 2023-05.

ATTACHMENTS:

1. Modified TIF Plan.Faribault TIF 13 MOD (003)

Adoption Date: March 26, 2019

Modification #1 Public Hearing: June 12, 2023

City of Faribault

Rice County, Minnesota

MODIFICATION to the Tax Increment Financing (TIF) Plan Tax Increment Financing District No. 13: Hamilton (a redevelopment district)

Located in Development District No. 1



Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, Minnesota 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

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Modification to the Tax Increment Financing Plan for Tax Increment Financing District No. 13: Hamilton

FOREWORD

The City of Faribault (the "City"), staff and consultants have prepared the following information to expedite the Modification of Tax Increment Financing District No. 13: Hamilton (the "District"), a redevelopment tax increment financing district, located in Development District No. 1.

STATEMENT OF OBJECTIVES

As modified June 12, 2023

The TIF Plan is being modified to remove four (4) parcels from the District.

DESCRIPTION OF PROPERTY IN THE DISTRICT

As modified June 12, 2023

The District is being modified to remove the following parcels from the District since no development is anticipated on them:

Parcel number	Address	Owner
18.31.4.26.002	1 Park Place	City of Faribault
18.31.4.26.006	26 Park Place	City of Faribault
18.31.4.26.003	11 Division St. E.	City of Faribault
18.31.4.26.004	16 1st St. SE	City of Faribault

Parcel 18.31.4.26.004 had an original tax capacity of 1,147 and it is currently 0. The property was owned by the City at the time of certification of the District, but it did not become tax exempt until after the certification. Since the tax capacity on that parcel is lower than when the District was created, the City is required to hold a public hearing to remove the parcel. Due to the small tax capacity reduction, no updated fiscal impacts are being completed because it is deemed to have no impact on the City or the other taxing jurisdictions.

The following parcels will remain in the District:

Parcel number	Address	Owner
18.31.1.51.001	N/A	City of Faribault
18.31.1.51.002	10 Division Street W	Faribault Division LLC
18.31.1.26.511	21 1st Street NW	City of Faribault
18.31.1.26.587	12 Central Avenue	Crown Apartments LLC

Appendix A: March 26, 2019 TIF Plan



MODIFICATION TO THE DEVLEOPMENT PROGRAM Development District No. 1

- AND -

TAX INCREMENT FINANCING PLAN Establishment Tax Increment Financing No. 13: Hamilton (a redevelopment district)

Faribault Economic Development Authority
City of Faribault, Rice County, Minnesota



Adopted: April 23, 2019

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(for reference purposes only)

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Section 1 - 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. 13: Hamilton.

For further information, a review of the Development Program for Development District No. 1 is recommended. It is available from the Director of Community and Economic Development 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.

Section 2 - Tax Increment Financing Plan for Tax Increment Financing District No. 13: Hamilton

Subsection 2-1. Foreword

The Faribault Economic Development Authority (the "EDA"), the City of Faribault (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 13: Hamilton (the "District"), a redevelopment tax increment financing district, located in Development District No. 1.

Subsection 2-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the EDA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S.")*, Sections 469.090 to 469.1082, inclusive, as amended, and *M.S.*, Sections 469.174 to 469.1794, inclusive, as amended (the "Tax Increment Financing Act" or "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 Development Program for Development District No. 1.

Subsection 2-3. Statement of Objectives

The District currently consists of 12 parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the construction of up to 74-units of rental housing in the City in two separate buildings. Phase I will be constructed by Hamilton Real Estate Inc. and consists of a 44-unit apartment complex and the future Phase II will consist of approximately 30 units. In addition, the City anticipates developing additional public parking within the TIF district since an existing City lot is being sold for the Phase I development. Please see Appendix A for further District information. The EDA anticipates entering into an agreement with Hamilton Real Estate Inc. for the Phase I development and anticipates construction will commence in 2019. 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 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.

Subsection 2-4. Development Program Overview

1. Property to be Acquired - The EDA or City currently owns five parcels of property within the District. The remaining property located within the District may be acquired by the EDA or 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 EDA or 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 EDA or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

Subsection 2-5. Description of Property in the District and Property To Be Acquired

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below (Please also see the map in Appendix B for further information on the location of the District):

PID	Owner	Address
18.31.1.26.511	Steve Burkhartzmeyer	21 1st St. NW
18.31.1.26.512	Kirk Walker	29 1st St NW
18.31.1.26.513	City of Faribault	30 Division St W
18.31.1.26.514	City of Faribault	24 Division Street NW
18.31.1.26.515	City of Faribault	N/A
18.31.1.26.516	City of Faribault	N/A
18.31.1.26.517	Faribault EDA	4 Central Ave
18.31.1.26.510	Crown Apts LLC	12 Central Ave
18.31.4.26.002	City of Faribault	1 Park Place
18.31.4.26.006	City of Faribault	26 Park Place
18.31.4.26.003	Bucknam Library	11 Division St. E.
18.31.4.26.004	City of Faribault	16 1st St. SE

The EDA or City may acquire any parcel within the District including interior and adjacent street rights of way (The EDA and City currently own eight of the parcels to be included in the District). Any properties identified for acquisition will be acquired by the EDA or 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 EDA or 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 financing the acquisition and related costs.

Subsection 2-6. Classification of the District

The EDA and 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, find that the District, to be established, is a redevelopment district pursuant to *M.S., Section 469.174, Subd. 10(a)(1)*.

In meeting the statutory criteria the EDA and City rely on the following facts and findings:

- The District is a redevelopment district consisting of 12 parcels.
- An inventory shows that parcels consisting of more than 70 percent of the area in the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures.

- An inspection of the buildings located within the District finds that more than 50 percent of the buildings are structurally substandard as defined in the TIF Act. (See Appendix 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.

Subsection 2-7. Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment 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 25 years after receipt of the first increment by the EDA or City (a total of 26 years of tax increment). The EDA or City elects to receive the first tax increment in 2021, which is no later than four years following the year of approval of the District. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2046, or when the TIF Plan is satisfied. The EDA or City reserves the right to decertify the District prior to the legally required date.

Subsection 2-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and 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 2018 for taxes payable 2019.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2020) 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 EDA or City.

The original local tax rate for the District will be the local tax rate for taxes payable 2019, assuming the request for certification is made before June 30, 2019. 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 EDA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2021. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Estimated Tax Capacity upon Completion (PTC)	\$142,515	
Original Estimated Net Tax Capacity (ONTC)	\$5,275	
Estimated Captured Tax Capacity (CTC)	\$137,240	
Original Local Tax Rate	1.12059	Pay 2019
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$153,790	
Percent Retained by the EDA	100%	

Tax capacity includes a 3% 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 25. The tax capacity of the District in year one is estimated to be \$21,092.

Pursuant to *M.S., Section 469.177, Subd. 4*, the EDA 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 has reviewed the area to be included in the District and determined no building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

Subsection 2-9. Sources of Revenue/Bonds to be Issued

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The EDA or City reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by a possible bond issue for the public parking, pay-as-you-go note for the private development and interfund loan for land write down and potentially for the public parking, if not financed through a bond issue. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the EDA or City to incur debt. The EDA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

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

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$2,709,303
<u>Interest</u>	<u>\$270,930</u>
TOTAL	\$2,980,233

The EDA or City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$1,898,020 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.

Subsection 2-10. Uses of Funds

The EDA and City have determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described. The EDA 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.

<u>USES OF TAX INCREMENT FUNDS</u>	<u>TOTAL</u>
Land/Building Acquisition	\$300,000
Site Improvements/Preparation	\$500,000
Utilities	\$100,000
Other Qualifying Improvements	\$727,090
<u>Administrative Costs (up to 10%)</u>	<u>\$270,930</u>
PROJECT COST TOTAL	\$1,898,020
<u>Interest</u>	<u>\$1,082,213</u>
PROJECT AND INTEREST COSTS TOTAL	\$2,980,233

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 Subsection 2-9.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25 percent of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of Development District No. 1, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in this TIF Plan.

Subsection 2-11. 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 EDA or 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

	<u>2018/Pay 2019 Total Net Tax Capacity</u>	<u>Estimated Captured Tax Capacity (CTC) Upon Completion</u>	<u>Percent of CTC to Entity Total</u>
Rice County	66,133,795	137,240	0.2075%
City of Faribault	17,143,897	137,240	0.8005%
Faribault Public ISD No. 656	29,987,216	137,240	0.4577%

IMPACT ON TAX RATES

	<u>Pay 2019 Extension Rates</u>	<u>Percent of Total</u>	<u>CTC</u>	<u>Potential Taxes</u>
Rice County	0.409790	36.57%	137,240	56,240
City of Faribault	0.548030	48.91%	137,240	75,212
Faribault Public ISD No. 656	0.14.823	12.49%	137,240	19,214
Other	<u>0.022770</u>	<u>2.03%</u>	<u>137,240</u>	<u>3,125</u>
Total	1.120590	100.00%		153,790

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the estimated Pay 2019 rate. The total net capacity for the entities listed above are based on estimated Pay 2019 figures. The District will be certified under the actual Pay 2019 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 \$2,709,303;
- (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 City does not expect that the proposed development, in and of itself, will necessitate new capital investment.

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 buildings, which will be eliminated by the new development, have public safety concerns that include several unprotected old buildings with issues such as access, hydrant locations, and converted structures.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal.

- (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 \$338,392;
- (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 \$990,792;
- (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.

Subsection 2-12. Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the 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; and (2) upon EDA and City staff awareness of the feasibility of developing the project site(s) within the District, which is further outlined in the City Council resolution approving establishment of the TIF District.
- (ii) A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. Such analysis is included with the cashflow in Appendix C, 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.

Subsection 2-13. Administration of the District

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

Appendix A

Project Description

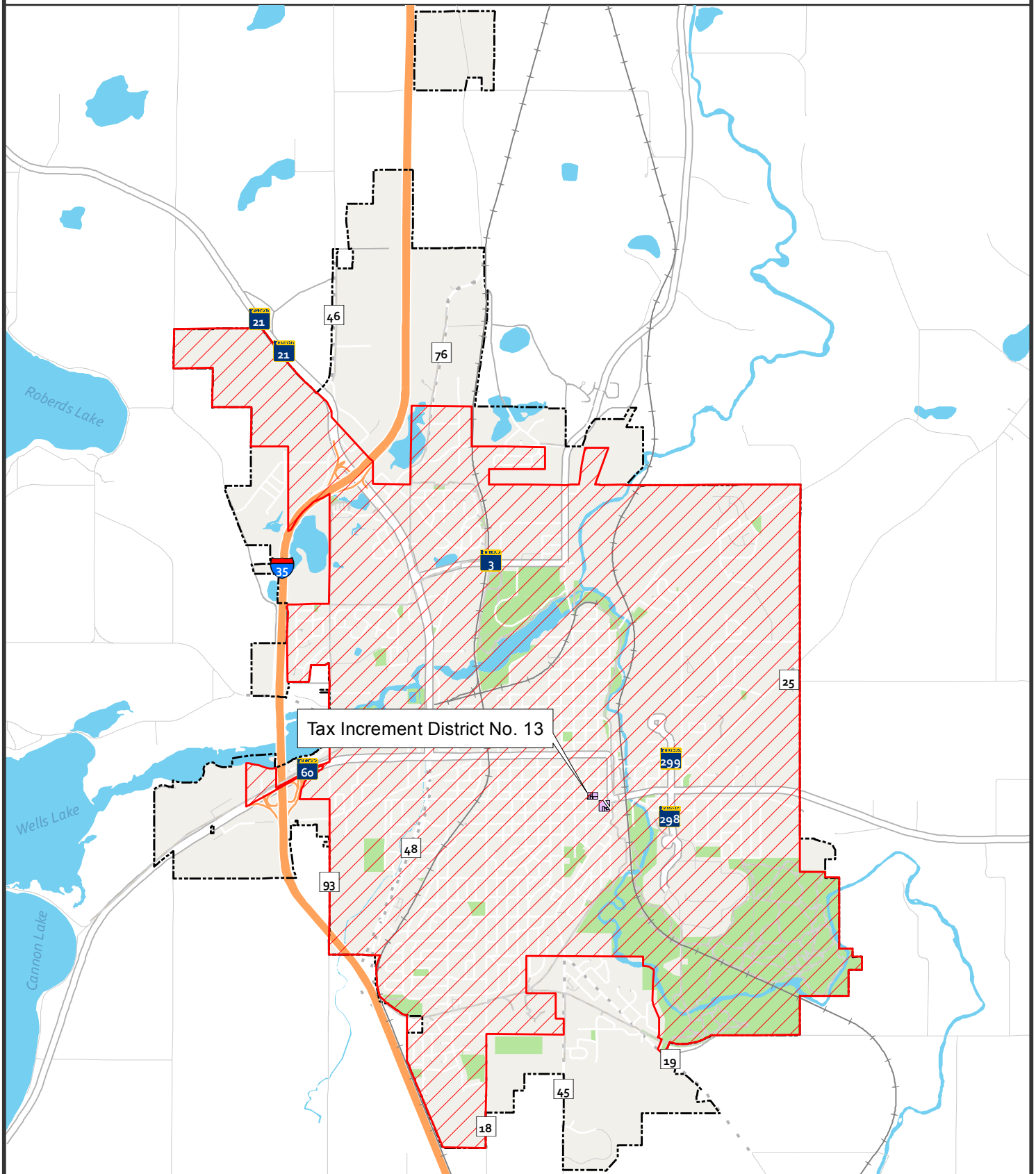
The City is selling an existing public parking lot and additional property it owns adjacent to it to Hamilton Real Estate Inc. for the Phase I development of approximately 44 rental housing units. Phase II future development will be on additional city-owned land and will consist of approximately 30 units of rental housing. In addition, the City anticipates developing additional public parking within the TIF district, adjacent to the public Library since an existing City lot is being sold for the Phase I development. The EDA will be entering into a purchase and redevelopment agreement with the Hamilton Real Estate Inc. for the Phase I development and will be providing them with a pay-as-you-go TIF Note. In addition, the City intends to use tax increment to repay itself for a land write down of property being sold in Phase I and Phase II and for the future public parking. The City will be approving interfund loans for these expenditures prior to them being undertaken.

Appendix B

Map of Development District No. 1 and the District

Development District No. 1 Tax Increment District No. 13

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.



0 2,500 5,000 Feet



Development District No. 1



Tax Increment District No. 13

Appendix C

Estimated Cash Flow for the District



Hamilton Redevelopment - No Inflation

City of Faribault, MN

74 Apartment Units & Public Parking and other Public Improvements

ASSUMPTIONS AND RATES

DistrictType:	Redevelopment
District Name/Number:	
County District #:	
First Year Construction or Inflation on Value	2019
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	3.00%
Interest Rate:	4.00%
Present Value Date:	1-Aug-20
First Period Ending	1-Feb-21
Tax Year District was Certified:	Pay 2019
Cashflow Assumes First Tax Increment For Development:	2021
Years of Tax Increment	26
Assumes Last Year of Tax Increment	2046
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	NA
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	0.0000% Pay 2019
Fiscal Disparities Metro-Wide Tax Rate	143.9920% Pay 2019
Maximum/Frozen Local Tax Rate:	112.059% Pay 2019
Current Local Tax Rate: (Use lesser of Current or Max.)	112.059% Pay 2019
State-wide Tax Rate (Comm./Ind. only used for total taxes)	42.4160% Pay 2019
Market Value Tax Rate (Used for total taxes)	0.17432% Pay 2019

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	\$139,000	0.75%
Over	\$139,000	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	18.31.1.26.511	Steve Burkhartzmeyer	21 1st St. NW	6,000	0	6,000	100%	6,000	Pay 2019	C/I Pref.	90	Rental	75	3
2	18.31.1.26.512	Kirk Walker	29 1st St NW	51,300	58,600	109,900	100%	109,900	Pay 2019	Hmstd. Res.	1,099	Rental	1,374	3
3	18.31.1.26.513	City of Faribault	30 Division St W	20,100	500	20,600	100%	20,600	Pay 2019	Exempt	-	Rental	258	1
4	18.31.1.26.514	City of Faribault	24 Division Street NW	28,400	80,400	108,800	100%	108,800	Pay 2019	Exempt	-	Rental	1,360	1
5	18.31.1.26.515	City of Faribault	N/A	12,100	0	12,100	100%	12,100	Pay 2019	Exempt	-	Rental	151	1
6	18.31.1.26.516	City of Faribault	N/A	3,500	0	3,500	100%	3,500	Pay 2019	Exempt	-	Rental	44	1
7	18.31.1.26.517	Faribault EDA	4 Central Ave	16,600	0	16,600	100%	16,600	Pay 2019	Exempt	-	Rental	208	1
8	18.31.1.26.510	Crown Apts LLC	12 Central Ave	198,000	524,500	722,500	20%	144,500	Pay 2019	Rental	1,806	Rental	1,806	1
9	18.31.4.26.002	City of Faribault	1 Park Place	53,600	0	53,600	100%	53,600	Pay 2019	Exempt	-	Exempt	-	2
10	18.31.4.26.006	City of Faribault	26 Park Place	22,000	0	22,000	100%	22,000	Pay 2019	Exempt	-	Exempt	-	2
11	18.31.4.26.003	Bucknam Library	11 Division St. E.	153,300	3,380,900	3,534,200	100%	3,534,200	Pay 2019	Exempt	-	Exempt	-	2
12	18.31.4.26.004	City of Faribault	16 1st St. SE	37,800	76,900	114,700	100%	114,700	Pay 2019	Non-H Res. 1 Unit	1,147	Exempt	-	2
				602,700	4,121,800	4,724,500		4,146,500			4,142		5,275	

Note:
1. Base values are for pay 2019 based upon review of County website on 1-2-19.



Hamilton Redevelopment - No Inflation
City of Faribault, MN
74 Apartment Units & Public Parking and other Public Improvements

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 2019	Percentage Completed 2020	Percentage Completed 2021	Percentage Completed 2022	First Year Full Taxes Payable
1	Apt	76,698	76,698	44	3,374,712	Rental	42,184	959	50%	100%	100%	100%	2022
2	Apt	76,698	76,698	30	2,300,940	Rental	28,762	959	0%	50%	100%	100%	2023
TOTAL					5,675,652		70,946						
Subtotal Residential				74	5,675,652		70,946						
Subtotal Commercial/Ind.				0	0		0						

Note:
1. Market values are based upon estimate from County Assessor on 12-27-19.

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
Apt	42,184	0	42,184	47,271	0	0	5,883	53,154	1,208.04
Apt	28,762	0	28,762	32,230	0	0	4,011	36,241	1,208.04
TOTAL	70,946	0	70,946	79,501	0	0	9,894	89,395	

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.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	89,395
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(9,894)
less Base Value Taxes	(5,911)
Annual Gross TIF	73,590

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	4,146,500
New Market Value - Est.	5,675,652
Difference	1,529,152
Present Value of Tax Increment	1,512,289
Difference	16,863
Value likely to occur without Tax Increment is less than:	16,863



Hamilton Redevelopment - No Inflation
City of Faribault, MN
74 Apartment Units & Public Parking and other Public Improvements

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	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%	21,092	(5,275)	-	15,817	112.059%	17,724	8,862	(32)	(883)	7,947	7,639	0.5	2021	02/01/21
							8,862	(32)	(883)	7,947	15,127	1	2021	02/01/22
100%	56,565	(5,275)	-	51,290	112.059%	57,475	28,737	(103)	(2,863)	25,771	38,935	1.5	2022	08/01/22
							28,737	(103)	(2,863)	25,771	62,277	2	2022	02/01/23
100%	72,211	(5,275)	-	66,936	112.059%	75,008	37,504	(135)	(3,737)	33,632	92,141	2.5	2023	08/01/23
							37,504	(135)	(3,737)	33,632	121,420	3	2023	02/01/24
100%	74,378	(5,275)	-	69,103	112.059%	77,436	38,718	(139)	(3,858)	34,721	151,053	3.5	2024	08/01/24
							38,718	(139)	(3,858)	34,721	180,106	4	2024	02/01/25
100%	76,609	(5,275)	-	71,334	112.059%	79,936	39,968	(144)	(3,982)	35,842	209,509	4.5	2025	08/01/25
							39,968	(144)	(3,982)	35,842	238,335	5	2025	02/01/26
100%	78,907	(5,275)	-	73,632	112.059%	82,511	41,256	(149)	(4,111)	36,996	267,506	5.5	2026	08/01/26
							41,256	(149)	(4,111)	36,996	296,106	6	2026	02/01/27
100%	81,274	(5,275)	-	75,999	112.059%	85,164	42,582	(153)	(4,243)	38,186	325,046	6.5	2027	08/01/27
							42,582	(153)	(4,243)	38,186	353,419	7	2027	02/01/28
100%	83,713	(5,275)	-	78,438	112.059%	87,896	43,948	(158)	(4,379)	39,411	382,127	7.5	2028	08/01/28
							43,948	(158)	(4,379)	39,411	410,273	8	2028	02/01/29
100%	86,224	(5,275)	-	80,949	112.059%	90,711	45,355	(163)	(4,519)	40,673	438,751	8.5	2029	08/01/29
							45,355	(163)	(4,519)	40,673	466,670	9	2029	02/01/30
100%	88,811	(5,275)	-	83,536	112.059%	93,609	46,805	(168)	(4,664)	41,972	494,916	9.5	2030	08/01/30
							46,805	(168)	(4,664)	41,972	522,608	10	2030	02/01/31
100%	91,475	(5,275)	-	86,200	112.059%	96,595	48,297	(174)	(4,812)	43,311	550,624	10.5	2031	08/01/31
							48,297	(174)	(4,812)	43,311	578,090	11	2031	02/01/32
100%	94,219	(5,275)	-	88,944	112.059%	99,670	49,835	(179)	(4,966)	44,690	605,874	11.5	2032	08/01/32
							49,835	(179)	(4,966)	44,690	633,114	12	2032	02/01/33
100%	97,046	(5,275)	-	91,771	112.059%	102,837	51,419	(185)	(5,123)	46,110	660,669	12.5	2033	08/01/33
							51,419	(185)	(5,123)	46,110	687,683	13	2033	02/01/34
100%	99,957	(5,275)	-	94,682	112.059%	106,100	53,050	(191)	(5,286)	47,573	715,008	13.5	2034	08/01/34
							53,050	(191)	(5,286)	47,573	741,797	14	2034	02/01/35
100%	102,956	(5,275)	-	97,681	112.059%	109,460	54,730	(197)	(5,453)	49,080	768,892	14.5	2035	08/01/35
							54,730	(197)	(5,453)	49,080	795,457	15	2035	02/01/36
100%	106,045	(5,275)	-	100,770	112.059%	112,921	56,461	(203)	(5,626)	50,632	822,323	15.5	2036	08/01/36
							56,461	(203)	(5,626)	50,632	848,664	16	2036	02/01/37
100%	109,226	(5,275)	-	103,951	112.059%	116,486	58,243	(210)	(5,803)	52,230	875,302	16.5	2037	08/01/37
							58,243	(210)	(5,803)	52,230	901,419	17	2037	02/01/38
100%	112,503	(5,275)	-	107,228	112.059%	120,158	60,079	(216)	(5,986)	53,877	927,830	17.5	2038	08/01/38
							60,079	(216)	(5,986)	53,877	953,724	18	2038	02/01/39
100%	115,878	(5,275)	-	110,603	112.059%	123,940	61,970	(223)	(6,175)	55,572	979,909	18.5	2039	08/01/39
							61,970	(223)	(6,175)	55,572	1,005,581	19	2039	02/01/40
100%	119,354	(5,275)	-	114,079	112.059%	127,836	63,918	(230)	(6,369)	57,319	1,031,540	19.5	2040	08/01/40
							63,918	(230)	(6,369)	57,319	1,056,990	20	2040	02/01/41
100%	122,935	(5,275)	-	117,660	112.059%	131,848	65,924	(237)	(6,569)	59,118	1,082,724	20.5	2041	08/01/41
							65,924	(237)	(6,569)	59,118	1,107,954	21	2041	02/01/42
100%	126,623	(5,275)	-	121,348	112.059%	135,981	67,991	(245)	(6,775)	60,971	1,133,465	21.5	2042	08/01/42
							67,991	(245)	(6,775)	60,971	1,158,475	22	2042	02/01/43
100%	130,421	(5,275)	-	125,146	112.059%	140,238	70,119	(252)	(6,987)	62,880	1,183,762	22.5	2043	08/01/43
							70,119	(252)	(6,987)	62,880	1,208,554	23	2043	02/01/44
100%	134,334	(5,275)	-	129,059	112.059%	144,622	72,311	(260)	(7,205)	64,846	1,233,619	23.5	2044	08/01/44
							72,311	(260)	(7,205)	64,846	1,258,193	24	2044	02/01/45
100%	138,364	(5,275)	-	133,089	112.059%	149,138	74,569	(268)	(7,430)	66,871	1,283,037	24.5	2045	08/01/45
							74,569	(268)	(7,430)	66,871	1,307,394	25	2045	02/01/46
100%	142,515	(5,275)	-	137,240	112.059%	153,790	76,895	(277)	(7,662)	68,956	1,332,019	25.5	2046	08/01/46
							76,895	(277)	(7,662)	68,956	1,356,160	26	2046	02/01/47
Total							2,719,092	(9,789)	(270,930)	2,438,373				
Present Value From 08/01/2020 Present Value Rate 4.00%							1,512,289	(5,444)	(150,684)	1,356,160				

Appendix D

Findings for Establishment of the District

Finding that Tax Increment Financing District No. 13: Hamilton is a redevelopment district as defined in M.S., Section 469.174, Subd. 10(a)(1).

The District consists of 12 parcels, with plans to redevelop the area for multi-family housing. At least 70 percent of the area of the parcels in the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50 percent of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix C of the TIF Plan.)

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 the District 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 redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels currently occupied by substandard buildings, the limited amount of property for expansion adjacent to the existing project, the incompatible land uses at close proximity, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing. 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. (See attachment in Appendix G of the TIF Plan.)

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: This finding is justified on the grounds that the cost of site and public improvements and utilities add to the total redevelopment cost. Historically, site and public improvements costs in this area have made redevelopment infeasible without tax increment assistance. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Appendix E

Redevelopment Qualifications for the District

Report of Inspection Procedures and Results for
Determining Qualifications of a
Tax Increment Financing District as a Redevelopment District

Tax Increment District No. 13
Faribault, Minnesota



April 4, 2019

Prepared For the

City of Faribault

Prepared by:



LHB, Inc.
701 Washington Avenue North, Suite 200
Minneapolis, Minnesota 55401

LHB Project No. 190046

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PART 1 – EXECUTIVE SUMMARY

PURPOSE OF EVALUATION

LHB was hired by the City of Faribault to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District (“TIF District”) proposed to be established by the City. The proposed TIF District is bounded by 1st Avenue Northwest, 1st Street Northwest, Central Avenue, Division Street West, Willow Street, and 1st Street Southeast (Diagram 1). The purpose of LHB’s work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether five (5) buildings on twelve (12) parcels and two (2) right-of-way parcels, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.

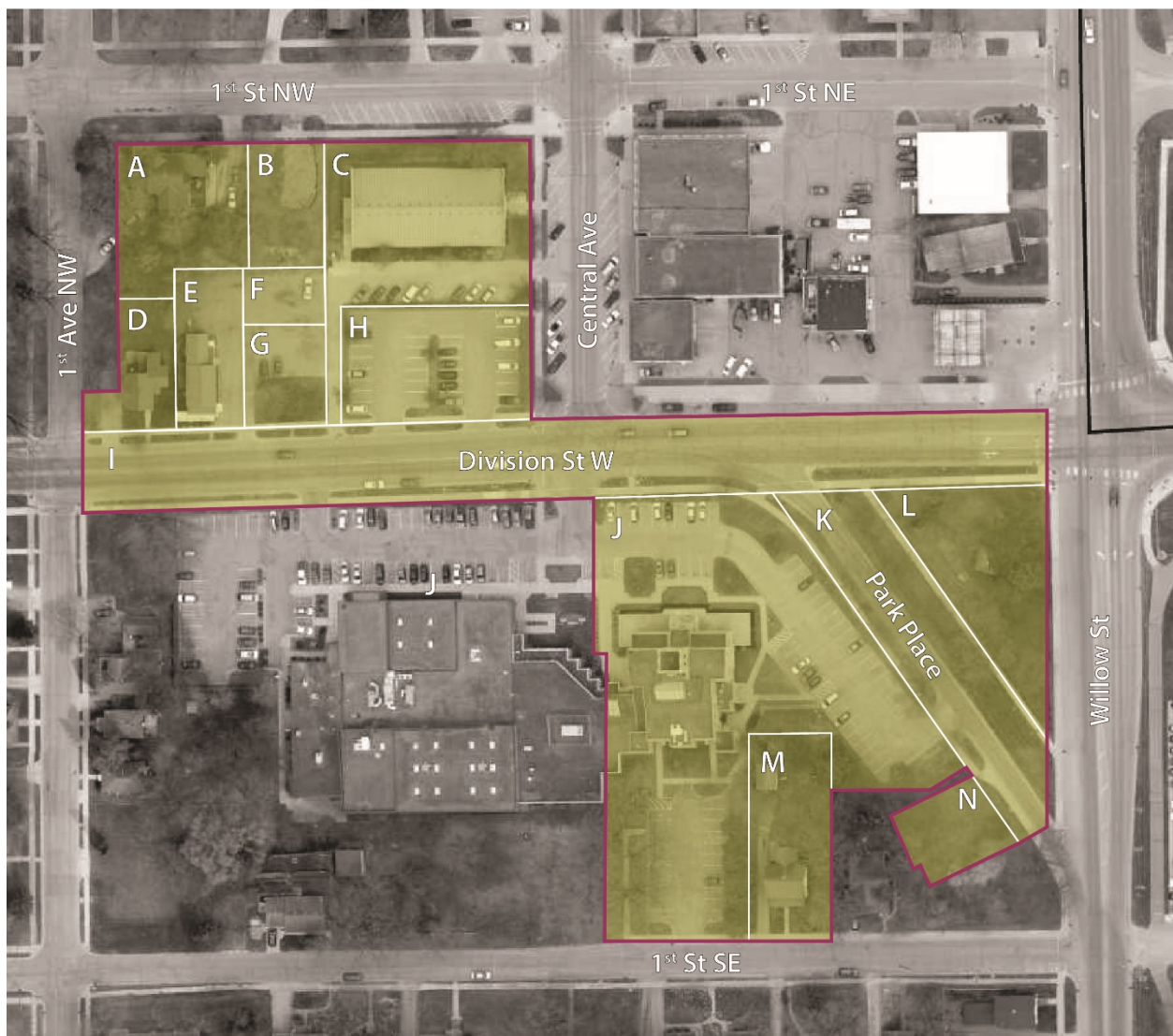


Diagram 1 – Proposed TIF District

SCOPE OF WORK

The proposed TIF District consists of twelve (12) parcels and two (2) right-of-way parcels with five (5) buildings. Two (2) buildings were inspected on the interior and exterior on January 14, 2019 and one (1) building was inspected on the interior and exterior on March 21, 2019. Two (2) buildings were assumed to not be substandard upon initial exterior inspection. Building Code and Condition Deficiency Reports for the buildings that were inspected and found substandard are located in Appendix B.

CONCLUSION

After inspecting and evaluating the properties within the proposed TIF District and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the proposed TIF District qualifies as a Redevelopment District because:

- The proposed TIF District has a coverage calculation of 91.6 percent which is above the 70 percent requirement.
- 60 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

The remainder of this report describes our process and findings in detail.

PART 2 – MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

INTERIOR INSPECTION

“The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property...”

EXTERIOR INSPECTION AND OTHER MEANS

“An interior inspection of the property is not required, if the municipality finds that

- (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and
- (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard.”

DOCUMENTATION

“Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3(1).”

QUALIFICATION REQUIREMENTS

Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires three tests for occupied parcels:

A. COVERAGE TEST

...“parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots...”

The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states: “For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures.”

B. CONDITION OF BUILDINGS TEST

Minnesota Statutes, Section 469.174, Subdivision 10(a) states, “...and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;”

1. Structurally substandard is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, which states: “For purposes of this subdivision, ‘structurally substandard’ shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.”
 - a. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as “structurally substandard”, due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.
2. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

“A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence.”

“Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence.”

LHB counts energy code deficiencies toward the 15 percent code threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)* for the following reasons:

- The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
- Chapter 13 of the 2015 *Minnesota Building Code* states, “Buildings shall be designed and constructed in accordance with the *International Energy Conservation Code*.” Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, “References to the *International Energy Conservation Code* in this code mean the *Minnesota Energy Code*...”
- Chapter 11 of the 2015 Minnesota Residential Code incorporates Minnesota Rules, Chapters, 1322 and 1323 *Minnesota Energy Code*.
- The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
- In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
- Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. In order for an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

C. DISTRIBUTION OF SUBSTANDARD BUILDINGS

Minnesota Statutes, Section 469.174, Subdivision 10, defines a Redevelopment District and requires one or more of the following conditions, “reasonably distributed throughout the district.”

- (1) “Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;
- (2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way;
- (3) tank facilities, or property whose immediately previous use was for tank facilities...”

Our interpretation of the distribution requirement is that the substandard buildings must be reasonably distributed throughout the district as compared to the location of all buildings in the district. For example, if all of the buildings in a district are located on one half of the area of the district, with the other half occupied by parking lots (meeting the required 70 percent coverage for the district), we would evaluate the distribution of the substandard buildings compared with only the half of the district where the buildings are located. If all of the buildings in a district are located evenly throughout the entire area of the district, the substandard buildings must be reasonably distributed throughout the entire area of the district. We believe this is consistent with the opinion expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

PART 3 – PROCEDURES FOLLOWED

LHB inspected two (2) buildings during the day of January 14, 2019 and one (1) building during the day of March 21, 2019. Two (2) buildings were inspected on the exterior only and assumed to not be substandard.

PART 4 – FINDINGS

A. COVERAGE TEST

1. The total square foot area of the parcel in the proposed TIF District was obtained from City records, GIS mapping and site verification.
2. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District was obtained from City records, GIS mapping and site verification.
3. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

FINDING:

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 91.6 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision (a) (1)*.

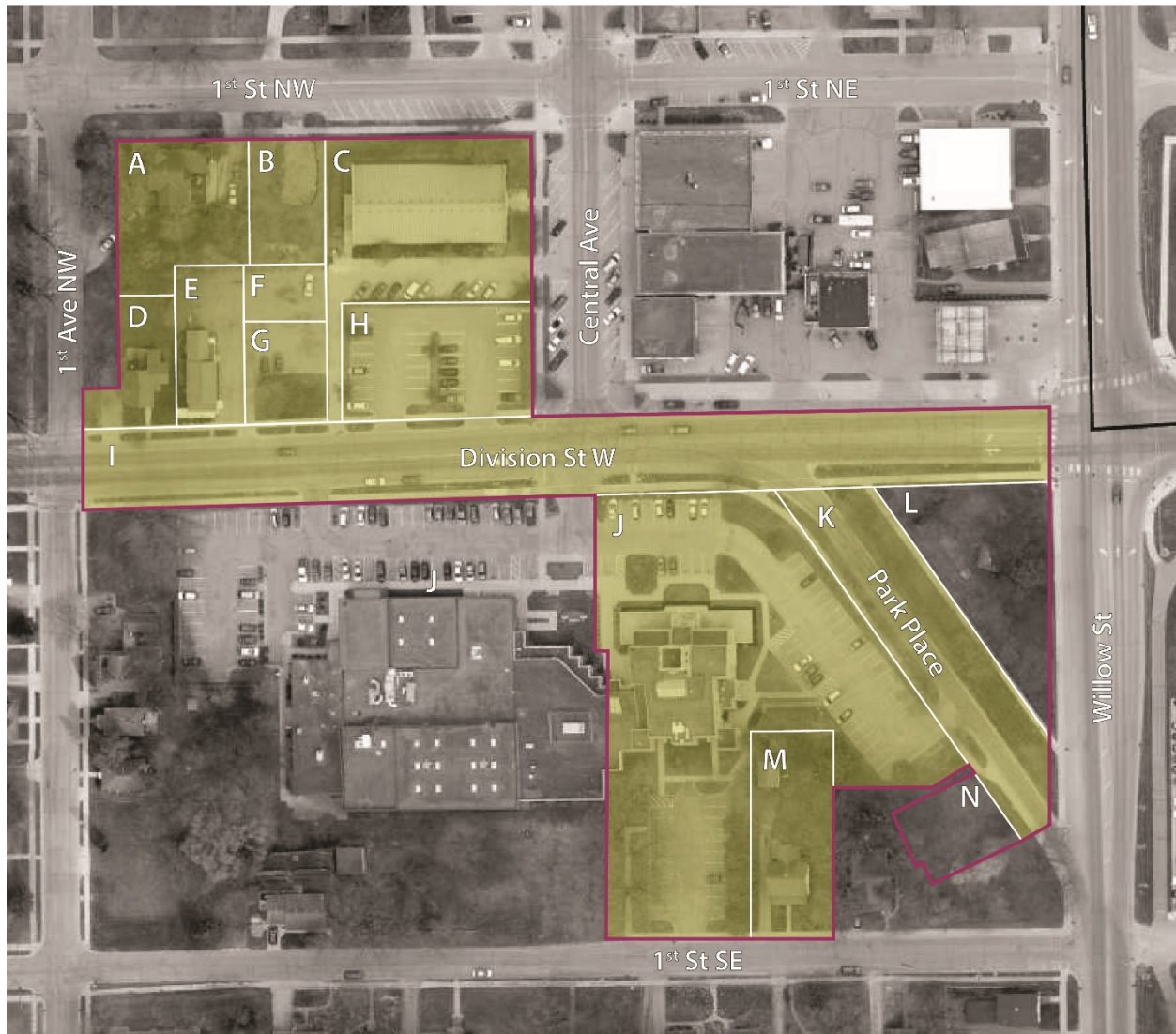


Diagram 2 – Coverage Diagram

Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures

B. CONDITION OF BUILDING TEST

1. BUILDING INSPECTION

The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether or not a building “appears” to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

2. REPLACEMENT COST

The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2019.

A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Faribault, Minnesota.

Replacement cost includes labor, materials, and the contractor's overhead and profit. Replacement costs do not include architectural fees, legal fees or other "soft" costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

3. CODE DEFICIENCIES

The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.

Minnesota Statutes, Section 469.174, Subdivision 10(c), specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.

The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is actually a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.

After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2019; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

FINDING:

Three (3) out of five (5) buildings (60 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)*. Building Code, Condition Deficiency and Context Analysis reports for the buildings in the proposed TIF District can be found in Appendix B of this report.

4. SYSTEM CONDITION DEFICIENCIES

If a building meets the minimum code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, then in order for such building to be “structurally substandard” under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, the building’s defects or deficiencies should be of sufficient total significance to justify “substantial renovation or clearance.” Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, to determine if the total deficiencies warranted “substantial renovation or clearance” based on the criteria we outlined above.

System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors and doors.

The evaluation of system condition deficiencies was made by reviewing all available information contained in City records, and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of “service life” used up for a particular component unless it was an obvious part of that component’s deficiencies.

After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify “substantial renovation or clearance.”

FINDING:

In our professional opinion, three (3) out of five (5) buildings (60 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

C. DISTRIBUTION OF SUBSTANDARD STRUCTURES

Much of this report has focused on the condition of individual buildings as they relate to requirements identified by *Minnesota Statutes, Section 469.174, Subdivision 10*. It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District (Diagram 3).

FINDING:

The parcels with substandard buildings are reasonably distributed compared to all parcels that contain buildings.

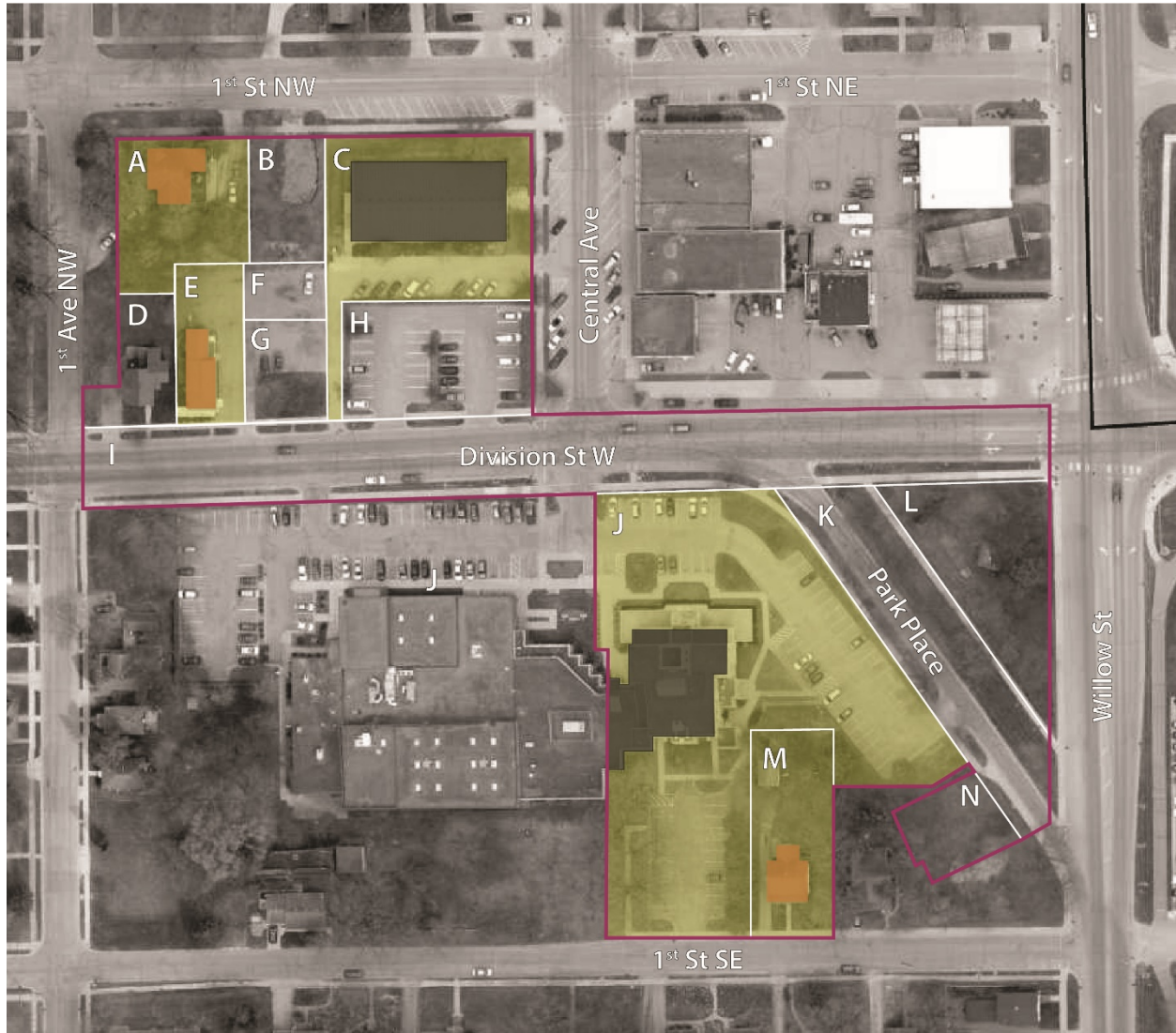


Diagram 3 – Substandard Buildings

Shaded green area depicts parcels with buildings.
Shaded orange area depicts substandard buildings.

PART 5 - TEAM CREDENTIALS

Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 30 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning Masters degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards and community task forces, including a term as a City Council President and as Chair of a Metropolitan Planning Organization. Most recently, he served as Chair of the Edina, Minnesota planning commission and is currently a member of the Edina city council. Michael has also managed and designed several award-winning architectural projects, and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

Philip Waugh – Project Manager/TIF Analyst

Philip is a project manager with 13 years of experience in historic preservation, building investigations, material research, and construction methods. He previously worked as a historic preservationist and also served as the preservation specialist at the St. Paul Heritage Preservation Commission. Currently, Phil sits on the Board of Directors for the Preservation Alliance of Minnesota. His current responsibilities include project management of historic preservation projects, performing building condition surveys and analysis, TIF analysis, writing preservation specifications, historic design reviews, writing Historic Preservation Tax Credit applications, preservation planning, and grant writing.

Phil Fisher – Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

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APPENDICES

APPENDIX A	Property Condition Assessment Summary Sheet
APPENDIX B	Building Code and Condition Deficiencies Reports
APPENDIX C	Building Replacement Cost Reports Code Deficiency Cost Reports Photographs

APPENDIX A

Property Condition Assessment Summary Sheet

TIF Map No.	PID #	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard	
A	18.31.1.26.512	29 1ST ST NW	Improved	Interior/Exterior	11,558	4,442	38.4%	11,558	1	\$225,064	\$33,760	\$69,406	1	1	
B	18.31.1.26.511	21 1ST ST NW	Vacant	Exterior	6,000	1,494	24.9%	6,000	0						
C	18.31.1.26.510	12 CENTRAL AVE Unit 1-18	Improved	Exterior	22,812	17,652	77.4%	22,812	1	Note 1					
D	18.31.1.26.513	30 DIVISION ST W	Vacant	Exterior	5,663	2,304	40.7%	5,663	0						
E	18.31.1.26.514	24 DIVISION ST W	Improved	Interior/Exterior	6,922	6,808	98.4%	6,922	1	\$209,513	\$31,427	\$36,342	1	1	
F	18.31.1.26.516	N/A	Improved	Exterior	2,990	2,990	100.0%	2,990	0						
G	18.31.1.26.515	N/A	Improved	Exterior	4,778	3,486	73.0%	4,778	0						
H	18.31.1.26.517	4 CENTRAL AVE	Improved	Exterior	12,733	12,387	97.3%	12,733	0						
I	ROW 1	N/A	Improved	Exterior	47,154	47,154	100.0%	47,154	0						
J	18.31.4.26.003	11 DIVISION ST E	Improved	Exterior	56,628	48,749	86.1%	56,628	1	Note 1					
K	ROW 2	N/A	Improved	Exterior	20,331	7,980	39.3%	20,331	0						
L	18.31.4.26.002	1 PARK PL	Vacant	Exterior	14,350	0	0.0%	0	0						
M	18.31.4.26.004	16 1ST ST SE	Improved	Interior/Exterior	10,890	3,592	33.0%	10,890	1	\$139,035	\$20,855	\$27,910	1	1	
N	18.31.4.26.006	26 PARK PL	Vacant	Exterior	4,875	0	0.0%	0	0						
TOTALS					227,684	Total Coverage Percent:			208,459	5	Percent of buildings exceeding 15 percent code deficiency threshold:			3	3
Note 1: Upon initial exterior inspection this building was assumed to not be substandard.													60.0%	60.0%	
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APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

Tax Increment District No. 13

Building Code, Condition Deficiency and Context Analysis Report

Parcel No. & Building Name: Parcel A Residential Building
Address: 29 1st Street Northwest, Faribault, Minnesota 55021
Parcel ID: 18.31.1.26.512
Inspection Date(s) & Time(s): January 14, 2019 9:50 am
Inspection Type: Interior and Exterior
Summary of Deficiencies: It is our professional opinion that this building is Substandard because:

- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost: \$225,064
Estimated Cost to Correct Building Code Deficiencies: \$69,406
Percentage of Replacement Cost for Building Code Deficiencies: 30.84%

Defects in Structural Elements

1. Foundation is failing, allowing for water intrusion, contrary to code.

Combination of Deficiencies

1. Essential Utilities and Facilities
 - a. Concrete entrance stairway does not comply with code.
2. Light and Ventilation
 - a. Electrical wiring and fixtures do not comply with code.
 - b. HVAC system does not comply with code.
3. Fire Protection/Adequate Egress
 - a. Smoke detectors do not comply with current code.
 - b. There are no code-required carbon monoxide detectors present.
 - c. There are no code-compliant Ground Fault Circuit Interrupters in the building.
 - d. There are no code-required Arc Fault Circuit Interrupters in the building.
 - e. The basement stairway does not comply with code.
 - f. The first-floor stairway is not code-compliant.
 - g. The second-floor stairway does not comply with code.
 - h. Exterior wood stairway does not comply with code.
4. Layout and Condition of Interior Partitions/Materials
 - a. Interior walls and ceilings should be repaired/repainted.
 - b. Asbestos flooring tile is damaged and should be replaced.
 - c. Plumbing does not comply with code.
 - d. The basement bathroom does not comply with code.

5. Exterior Construction
 - a. Exterior wood siding should be repainted.
 - b. Exterior wood siding has rotted, allowing for water intrusion, contrary to code.
 - c. Windows have failed allowing for water intrusion, contrary to code.
 - d. Foundation mortar joints have failed, allowing for water intrusion, contrary to code.
 - e. Roofing material has failed, allowing for water intrusion, contrary to code.

Description of Code Deficiencies

1. Concrete stairway should be modified to comply with code.
2. Electrical wiring and fixtures should be replaced to comply with code.
3. HVAC systems should be replaced to comply with code.
4. Code-compliant smoke detectors should be installed.
5. Code-required carbon monoxide detectors should be installed.
6. Code-required AFCI's should be installed.
7. Code-required GFCI's should be installed.
8. Basement stairway should be modified to comply with code.
9. First floor stairway should be modified to comply with code.
10. Second floor stairway should be modified to comply with code.
11. Exterior wood stairway should be modified to comply with code.
12. Plumbing should be made code-compliant.
13. The basement bathroom is not code-compliant.
14. Wood siding should be repaired/replaced to prevent water intrusion per code.
15. Windows have failed and should be replaced to prevent water intrusion per code.
16. Foundation mortar joints should be repointed to prevent water intrusion per code.
17. Failed roofing material should be replaced to prevent water intrusion per code.

Overview of Deficiencies

Records indicate that this building was constructed in 1887. This multi-level residential dwelling needs significant repair. Exterior siding should be repaired/repainted to prevent water intrusion per code. Windows have failed and should be replaced. The roofing material is failing, allowing for water intrusion, contrary to code. Plumbing, HVAC and electrical systems do not comply with code. Stairways to all levels of the building do not comply with code. The interior carpet and tile are damaged/stained and should be replaced. Walls and ceiling should be repaired/repainted.

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Tax Increment District No. 13

Building Code, Condition Deficiency and Context Analysis Report

Parcel No. & Building Name: Parcel E Residential Building
Address: 24 Division Street West, Faribault, Minnesota 55021
Parcel ID: 18.31.1.26.514
Inspection Date(s) & Time(s): January 14, 2019 10:20 am
Inspection Type: Interior and Exterior
Summary of Deficiencies: It is our professional opinion that this building is Substandard because:

- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost: \$209,513
Estimated Cost to Correct Building Code Deficiencies: \$36,342
Percentage of Replacement Cost for Building Code Deficiencies: 17.35%

Defects in Structural Elements

1. None observed.

Combination of Deficiencies

1. Essential Utilities and Facilities
 - a. Concrete stairway leading into the building is not code-compliant.
 - b. Plumbing does not comply with current code.
2. Light and Ventilation
 - a. Ceiling lights are water stained and should be cleaned.
 - b. Electrical wiring does not comply with current code.
 - c. The HVAC system does not comply with code.
3. Fire Protection/Adequate Egress
 - a. Smoke detectors do not comply with current code.
 - b. There are no code-required carbon monoxide detectors present.
 - c. There are no code-compliant Ground Fault Circuit Interrupters in the building.
 - d. There are no code-required Arc Fault Circuit Interrupters in the building.
 - e. The basement stairway does not comply with code.
 - f. The second-floor stairway does not comply with code.
 - g. Secondary egress in the kitchen is blocked, which does not comply with code.

4. Layout and Condition of Interior Partitions/Materials
 - a. Interior walls should be repaired/repainted.
5. Exterior Construction
 - a. Roofing material is failing, allowing for water intrusion, contrary to code.
 - b. The gutters need to be reattached.
 - c. Exterior ramp needs to be repainted.
 - d. Transite exterior panels are damaged/missing and should be repaired/replaced to prevent water intrusion, per code.
 - e. Windows have failed, allowing for water intrusion, contrary to code.

Description of Code Deficiencies

1. Modify concrete stairway to comply with code for proper rise and run.
2. Plumbing does not comply with code.
3. Electrical wiring should comply with code.
4. The HVAC system does not comply with code.
5. Code-compliant smoke detectors should be installed.
6. Code-required carbon monoxide detectors should be installed.
7. Code-required AFCI's should be installed.
8. Code-required GFCI's should be installed.
9. Basement stairway should be modified to comply with code for proper rise and run.
10. Second floor stairway should be modified to comply with code for proper rise and run.
11. Secondary egress from kitchen should be cleared of obstruction per code.
12. Failing roofing material should be replaced to prevent water intrusion per code.
13. Transite siding panels should be repaired/replaced to prevent water intrusion per code.
14. Failed window system should be replaced to prevent water intrusion per code.

Overview of Deficiencies

This building was constructed in 1870 and appears to have several additions. The roofing material is failing, allowing for water intrusion, contrary to code. Gutters should be reattached. The asbestos containing Transite siding is damaged/missing, allowing for water intrusion, contrary to code. Windows are failing, allowing for water intrusion. The HVAC system and plumbing does not comply with current code. Code-required life safety devices are not code-compliant. Both the basement and second floor stairways do not comply with code for proper rise and run of treads. Interior walls should be repaired/repainted.

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Tax Increment District No. 13

Building Code, Condition Deficiency and Context Analysis Report

Parcel No. & Building Name: Parcel M Residential Building
Address and Parcel ID: 16 1st Street SE, Faribault, MN 55021
Parcel ID: 18.31.4.26.004
Inspection Date(s) & Time(s): March 21, 2019 8:55 am
Inspection Type: Interior and Exterior
Summary of Deficiencies: It is our professional opinion that this building is Substandard because:

- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost: \$139,036
Estimated Cost to Correct Building Code Deficiencies: \$27,910
Percentage of Replacement Cost for Building Code Deficiencies: 20.07%

Defects in Structural Elements

1. None observed.

Combination of Deficiencies

1. Essential Utilities and Facilities
 - a. Basement stairway does not comply with code.
 - b. Second floor stairway does not comply with code.
2. Light and Ventilation
 - a. HVAC system does not comply with mechanical code.
3. Fire Protection/Adequate Egress
 - a. Smoke detectors do not comply with code.
 - b. There are no code-required ground fault circuit interrupters in the building.
 - c. There are no code-required arc fault circuit interrupters in the building.
 - d. There are no code-required carbon monoxide detectors in the building.
4. Layout and Condition of Interior Partitions/Materials
 - a. Interior wood flooring should be sanded and refinished.
 - b. Interior walls should be repainted.
 - c. Interior ceilings should be repainted.
 - d. There is mold on the ceiling in the bathroom.
 - e. Foundation wall has failed, allowing for water intrusion, contrary to code.
 - f. Basement shower is not plumbed per code.

5. Exterior Construction
 - a. One half of the roof has failed, allowing for water intrusion, contrary to code.
 - b. Windows are failing, allowing for water intrusion, contrary to code.
 - c. Stucco is cracked, allowing for water intrusion, contrary to code.
 - d. Wood soffits should be repainted.
 - e. Wood siding should be repainted.
 - f. Exterior wooden stairway does not comply with code.

Description of Code Deficiencies

1. Modify basement stairway to comply with code.
2. Modify second floor stairway to comply with code.
3. Install code-compliant HVAC system.
4. Install code-compliant smoke detectors.
5. Install code-required GFCI's.
6. Install code-required AFCI's.
7. Install code-required carbon monoxide detectors in the building.
8. Repair foundation wall to prevent water intrusion per code.
9. Install code-compliant plumbing for basement shower.
10. Replace half of the roof that has failed to prevent water intrusion, per code.
11. Replace failing windows to prevent water intrusion, per code.
12. Repair failed stucco to prevent water intrusion, per code.
13. Modify exterior stairway to comply with code.

Overview of Deficiencies

This structure is a two-story wood framed/stucco residential dwelling. The stucco is cracked, allowing for water intrusion, which is contrary to code. Windows are failing along with half of the roof, allowing for water intrusion. There are no code-compliant smoke detectors or code-required GFCI's, AFCI's or carbon monoxide detectors in the building. The HVAC system does not comply with code. The basement shower plumbing is not code-compliant. The stairways do not comply with code. Interior wood floors should be sanded and refinished. The walls and ceilings should be repaired and repainted. Exterior wood surfaces should be scraped and repainted.

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APPENDIX C

Building Replacement Cost Reports
Code Deficiency Cost Reports
Photographs

Tax Increment District No. 13

Replacement Cost Report

RSMeans data
from **BORDIAN**

Square Foot Cost Estimate Report

Date: **1/14/2019**

Estimate Name: **29 1st Street NW**
City of Faribault

29 1st Street NW , Faribault , Minnesota , 55021

Building Type: **Average 2 Story with Wood Siding - Wood Frame**

Location: **SAINT PAUL, MN**

Story Count: **2**

Story Height (L.F.): **8**

Floor Area (S.F.): **1324**

Labor Type: **RES**

Basement Included: **No**

Data Release: **Year 2019**

Cost Per Square Foot: **\$169.99**

Building Cost: **\$225,064.03**



Costs are derived from a building model with basic components.

Scope differences and market conditions can cause costs to vary significantly.

** Perimeter entered is outside the range recommended by RSMeans.

	% of Total	Cost Per S.F.	Cost
01 Site Work	1.67%	2.31	3,055.65
Footing excavation, building, 26' x 46', 4' deep		2.31	3,055.65
02 Foundation	11.96%	16.53	21,891.08
Footing systems, 10" thick by 20" wide footing		1.89	2,506.24
Block wall systems, 8" wall, grouted, full height		6.64	8,786.92
Block wall systems, 8" wall, grouted, full height		5.81	7,688.55
Floor slab systems, 4" thick slab		2.2	2,909.37
03 Framing	13.44%	18.58	24,594.75
Floor framing systems, 2" x 10", 16" OC		4.81	6,374.02
Floor framing, wood joists, #2 or better, pine, 2" x 8", 16" OC		1.05	1,385.52
Floor framing, bridging, wood 1" x 3", joists 16" OC		0.2	268.23
Box sills, #2 or better pine, 2" x 8"		0.16	208.29
Girders, including lally columns, 3 pieces spiked together, 2" x 8"		0.85	1,128.52
Exterior wall framing systems, 2" x 6", 16" OC		0.34	449.53
Exterior wall framing systems, 2" x 6", 16" OC		7.17	9,489.39
Partition framing systems, 2" x 4", 16" OC		3.2	4,239.91
Partition framing, wood studs, #2 or better, 2" x 4", 24" OC		0.79	1,051.34
04 Exterior Walls	19.32%	26.7	35,351.95
Wood siding systems, 1/2" x 8" beveled cedar siding, "A" grade		0.68	906.44
Wood siding systems, 1/2" x 8" beveled cedar siding, "A" grade		14.45	19,134.38
Non-rigid insul, batts, fbgl, kraft faced, 6" thick, R19, 15" wide		1.12	1,487.80
Non-rigid insul, batts, fbgl, kraft faced, 12" thick, R38, 15" wide		0.79	1,049.75
Double hung window systems, builder's quality wood window 2' x 3'		7.75	10,256.31
Door systems, solid core birch, flush, 3' x 6'-8"		1.46	1,936.89
Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		0.44	580.38

05 Roofing	2.01%	2.78	3,676.61
Gable end roofing, asphalt, roof shingles, class A		2.78	3,676.61
06 Interiors	32.87%	45.42	60,136.97
Wall system, 1/2" drywall, taped & finished		2.04	2,699.38
Wall system, 1/2" drywall, taped & finished		4.1	5,429.61
Wall system, 1/2" drywall, taped & finished		9.32	12,340.03
1/2" gypsum wallboard, taped & finished ceilings		2.8	3,705.11
Suspended ceiling 2' x 4' grid, film faced fiberglass, 5/8" thick		2.68	3,550.11
Birch, flush door, hollow core, interior		4.94	6,535.57
Closet door, bi-fold, pine, louvered, 6'-0" x 6'-8"		4.4	5,829.22
Carpet, Olefin, 22 oz		1.06	1,400.38
Carpet, tile, foam backed, needle punch		2.72	3,597.96
Padding, felt, 32 oz to 56 oz, minimum		0.46	610.23
Resilient flooring, vinyl sheet goods, backed, .070" thick, maximum		1.03	1,370.22
Resilient flooring, prefinished, oak, 2-1/2" wide		3.9	5,159.59
Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		0.54	720.97
Resilient flooring, subfloor, plywood, 1/2" thick		0.87	1,151.42
Resilient flooring, ceramic tile, color group 2, 1" x 1"		0.61	811.83
Stairways 14 risers, oak treads, box stairs		3.05	4,036.30
Basement stairs, open risers		0.9	1,189.04
07 Specialties	5.70%	7.88	10,428.18
Kitchen, average grade		5.39	7,132.37
Sinks, stainless steel, single bowl 22" x 25"		1.36	1,806.27
Water heater, electric, 40 gallon		1.13	1,489.54
08 Mechanical	6.64%	9.17	12,142.45
Three fixture bathroom installed with vanity		4.01	5,308.76
Furnace, gas heating only, 100 MBH, area to 1200 SF		0.91	1,205.74
Intermittent pilot, 100 MBH furnace		0.21	282.78
Supply duct, rectangular, area to 1200 SF, rigid fiberglass		0.87	1,150.64
Return duct, sheet metal galvanized, to 1500 SF		1.05	1,383.73
Lateral ducts, flexible round 6" insulated, to 1200 SF		0.92	1,222.14
Register elbows, to 1500 SF		0.53	702.06
Floor registers, enameled steel w/damper, to 1500 SF		0.34	452.15
Return air grille, area to 1500 SF 12" x 12"		0.1	130.08
Thermostat, manual, 1 set back		0.1	127.41
Plenum, heating only, 100 MBH		0.13	176.96

09 Electrical		6.39%	8.83	11,690.57
	200 amp electric service		1.61	2,126.28
	Electric perimeter heating system, 6' baseboard heater		2.28	3,024.99
	Duplex receptacles using non-metallic sheathed cable		0.86	1,142.57
	Wiring device systems, average to 1200 S.F.		2.42	3,197.50
	Fluorescent strip, recessed, 4' x 2', 4' lamps, economy		0.82	1,088.83
	Light fixture systems, average to 1200 S.F.		0.84	1,110.40
	1.00-Additional kitchen adjustment		7.76	10,268.00
	1.00-Additional bath adjustment		6.13	8,111.00
	1.00-Additional entry & exit adjustment		1.36	1,804.00
	1.00-Separate heating adjustment		1.32	1,748.00
	1.00-Separate electric adjustment		1.41	1,868.00
SubTotal		100%	\$156.17	\$182,968.21
Contractor Fees (General Conditions,Overhead,Profit)		10.00%	\$13.82	\$18,296.82
Architectural Fees		0.00%	\$0.00	\$0.00
User Fees		0.00%	\$0.00	\$0.00
Total Building Cost			\$169.99	\$225,064.03

Tax Increment District No. 13

Code Deficiency Cost Report

Parcel A - 29 1st Street Northwest, Faribault, Minnesota 55021 - PID 18.31.1.26.512

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Stairways				
	Exterior concrete stairway should be modified to comply with code	\$ 1,200.00	Lump	1	\$ 1,200.00
	Exterior wooden stairway should be modified to comply with code	\$ 500.00	Lump	1	\$ 500.00
Structural Elements					
	Foundation				
	Re-point foundation mortar joints to prevent water intrusion per code	\$ 2.13	SF	1324	\$ 2,820.12
Exiting					
	Stairways				
	Basement stairway should be modified to comply with code	\$ 0.90	SF	1324	\$ 1,191.60
	First floor stairway should be modified to comply with code	\$ 1.36	SF	1324	\$ 1,800.64
	Second floor stairway should be modified to comply with code	\$ 3.05	SF	1324	\$ 4,038.20
Fire Protection					
	Smoke Detectors				
	Install code compliant smoke detectors	\$ 125.00	EA	8	\$ 1,000.00
	Ground Fault Circuit Interrupters				
	Install code required GFCI's	\$ 125.00	EA	6	\$ 750.00
	Arc Fault Circuit Interrupters				
	Install code required AFCI's	\$ 125.00	EA	12	\$ 1,500.00
Exterior Construction					
	Wood Siding				
	Wood siding should be repaired/replaced to prevent water intrusion per code				
	Windows	\$ 7.00	SF	1324	\$ 9,268.00
	Failed windows should be replaced to prevent water intrusion per code	\$ 7.75	SF	1324	\$ 10,261.00
Roof Construction					
	Roofing Material				
	Remove failed roofing material	\$ 1.12	SF	1324	\$ 1,482.88
	Install roofing material to prevent water intrusion per code	\$ 2.78	SF	1324	\$ 3,680.72

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Mechanical- Electrical					
	Mechanical				
	A code compliant plumbing system should be installed	\$ 3.00	SF	1324	\$ 3,972.00
	The basement bathroom should be modified to comply with code	\$ 6.13	SF	1324	\$ 8,116.12
	Install code compliant HVAC system	\$ 5.16	SF	1324	\$ 6,831.84
	Electrical				
	Install code compliant electrical wiring and fixtures	\$ 7.17	SF	1324	\$ 9,493.08
	Install code compliant carbon monoxide detectors	\$ 250.00	EA	6	\$ 1,500.00
Total Code Improvements					\$ 69,406

Tax Increment District No. 13

Photos: Parcel A - 29 1st Street Northwest - Residential Building



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Tax Increment District No. 13

Photos: Parcel A - 29 1st Street Northwest - Residential Building



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Tax Increment District No. 13

Photos: Parcel A - 29 1st Street Northwest - Residential Building



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Tax Increment District No. 13

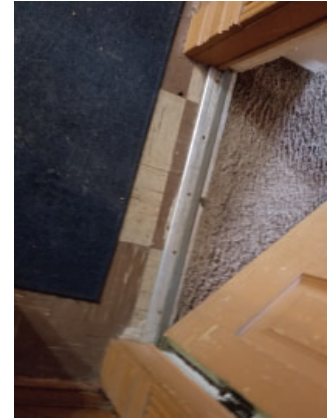
Photos: Parcel A - 29 1st Street Northwest - Residential Building



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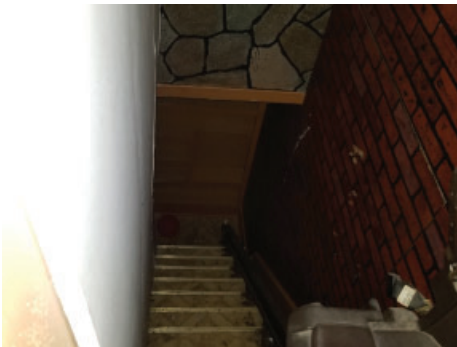
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Tax Increment District No. 13

Photos: Parcel A - 29 1st Street Northwest - Residential Building



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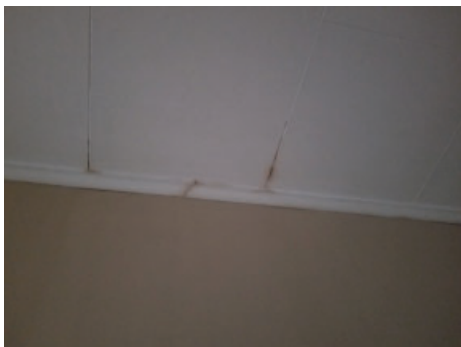
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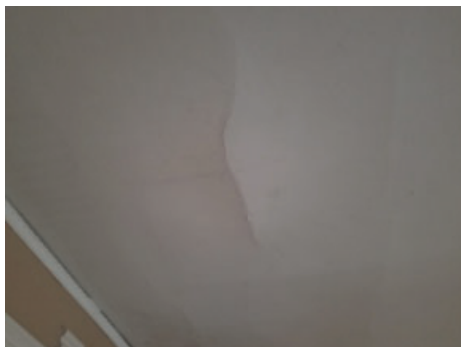
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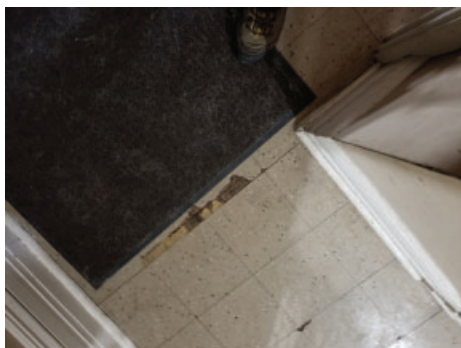
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Tax Increment District No. 13

Photos: Parcel A - 29 1st Street Northwest - Residential Building



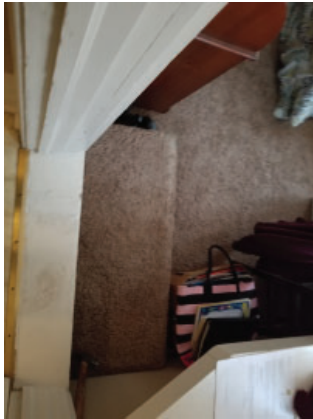
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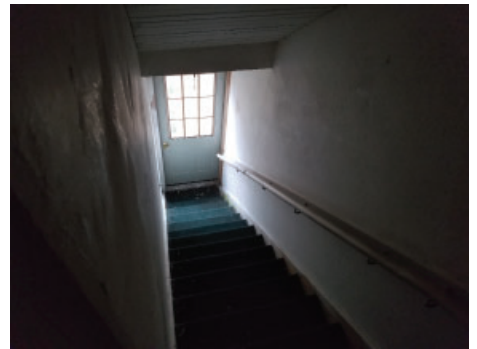
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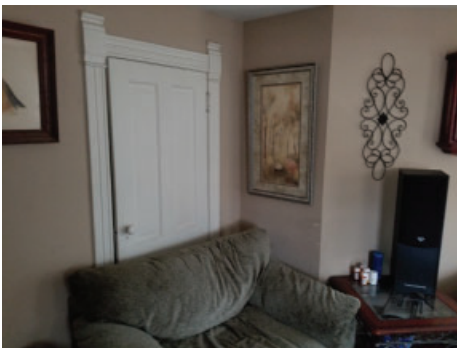
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Tax Increment District No. 13

Photos: Parcel A - 29 1st Street Northwest - Residential Building



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Tax Increment District No. 13

Replacement Cost Report

RSMeans data
from BORDIAN

Square Foot Cost Estimate Report

Date:

1/14/2019

Estimate Name:

24 W Division St

City of Faribault

24 W Division Street , Faribault , Minnesota ,
55021

Building Type:

Average 2 Story with Wood Siding - Wood
Frame

Location:

FARIBAULT, MN

Story Count:

2

Story Height (L.F.):

8

Floor Area (S.F.):

1428

Labor Type:

RES

Basement Included:

No

Data Release:

Year 2019

Cost Per Square Foot:

\$146.72

Building Cost:

\$209,513.61



Costs are derived from a building model with basic components.

Scope differences and market conditions can cause costs to vary significantly.

	% of Total	Cost Per S.F.	Cost
01 Site Work	1.76%	2.08	2,972.42
Footing excavation, building, 26' x 46', 4' deep		2.08	2,972.42
02 Foundation	12.87%	15.21	21,722.85
Footing systems, 10" thick by 20" wide footing		1.73	2,465.14
Block wall systems, 8" wall, grouted, full height		6.05	8,642.81
Block wall systems, 8" wall, grouted, full height		5.3	7,562.46
Floor slab systems, 4" thick slab		2.14	3,052.44
03 Framing	14.24%	16.84	24,049.37
Floor framing systems, 2" x 10", 16" OC		4.68	6,687.45
Floor framing, wood joists, #2 or better, pine, 2" x 8", 16" OC		1.02	1,453.65
Floor framing, bridging, wood 1" x 3", joists 16" OC		0.2	281.42
Box sills, #2 or better pine, 2" x 8"		0.15	218.53
Girders, including lally columns, 3 pieces spiked together, 2" x 8"		0.83	1,184.01
Exterior wall framing systems, 2" x 6", 16" OC		0.31	442.16
Exterior wall framing systems, 2" x 6", 16" OC		6.54	9,333.76
Partition framing systems, 2" x 4", 16" OC		3.12	4,448.39
04 Exterior Walls	20.62%	24.38	34,813.71
Wood siding systems, 1/2" x 8" beveled cedar siding, "A" grade		0.62	891.57
Wood siding systems, 1/2" x 8" beveled cedar siding, "A" grade		13.18	18,820.57
Non-rigid insul, batts, fbgl, kraft faced, 6" thick, R19, 15" wide		1.02	1,463.39
Non-rigid insul, batts, fbgl, kraft faced, 12" thick, R38, 15" wide		0.77	1,101.37
Double hung window systems, builder's quality wood window 2' x 3'		7.06	10,088.10
Door systems, solid core birch, flush, 3' x 6'-8"		1.32	1,884.14
Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		0.4	564.57

05 Roofing	2.28%	2.7	3,857.40
Gable end roofing, asphalt, roof shingles, class A		2.7	3,857.40
06 Interiors	30.80%	36.42	52,007.08
Wall system, 1/2" drywall, taped & finished		3.74	5,340.56
Wall system, 1/2" drywall, taped & finished		9.07	12,946.82
1/2" gypsum wallboard, taped & finished ceilings		2.72	3,887.30
Birch, flush door, hollow core, interior		4.8	6,856.94
Closet door, bi-fold, pine, louvered, 6'-0" x 6'-8"		4.28	6,115.86
Carpet, Olefin, 22 oz		1.03	1,469.24
Padding, felt, 32 oz to 56 oz, minimum		0.45	640.24
Resilient flooring, vinyl sheet goods, backed, .070" thick, maximum		1.01	1,437.60
Resilient flooring, prefinished, oak, 2-1/2" wide		3.79	5,413.30
Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		0.53	756.43
Resilient flooring, subfloor, plywood, 1/2" thick		0.85	1,208.04
Resilient flooring, ceramic tile, color group 2, 1" x 1"		0.6	851.74
Stairways 14 risers, oak treads, box stairs		2.75	3,926.36
Basement stairs, open risers		0.81	1,156.65
07 Specialties	6.01%	7.1	10,144.14
Kitchen, average grade		4.86	6,938.10
Sinks, stainless steel, single bowl 22" x 25"		1.23	1,757.07
Water heater, electric, 40 gallon		1.01	1,448.97
08 Mechanical	7.22%	8.54	12,196.89
Three fixture bathroom installed with vanity		3.62	5,164.16
Furnace, gas heating only, 100 MBH, area to 1200 SF		0.82	1,172.90
Intermittent pilot, 100 MBH furnace		0.19	275.08
Supply duct, rectangular, area to 1200 SF, rigid fiberglass		0.85	1,207.22
Return duct, sheet metal galvanized, to 1500 SF		1.02	1,451.77
Lateral ducts, flexible round 6" insulated, to 1200 SF		0.9	1,282.24
Register elbows, to 1500 SF		0.52	736.58
Floor registers, enameled steel w/damper, to 1500 SF		0.33	474.38
Return air grille, area to 1500 SF 12" x 12"		0.1	136.48
Thermostat, manual, 1 set back		0.09	123.94
Plenum, heating only, 100 MBH		0.12	172.14
09 Electrical	4.19%	4.95	7,067.60
200 amp electric service		1.45	2,068.37
Duplex receptacles using non-metallic sheathed cable		0.34	479.5
Wiring device systems, average to 1200 S.F.		2.35	3,354.73
Light fixture systems, average to 1200 S.F.		0.82	1,165.00
1.00-Additional kitchen adjustment		7.19	10,268.00
1.00-Additional bath adjustment		5.68	8,111.00
1.00-Additional entry & exit adjustment		1.26	1,804.00
1.00-Separate heating adjustment		1.22	1,748.00
1.00-Separate electric adjustment		1.31	1,868.00

SubTotal	100%	\$134.90	\$168,831.46
Contractor Fees (General Conditions,Overhead,Profit)	10.00%	\$11.82	\$16,883.15
Architectural Fees	0.00%	\$0.00	\$0.00
User Fees	0.00%	\$0.00	\$0.00
Total Building Cost		\$146.72	\$209,513.61

Tax Increment District No. 13

Code Deficiency Cost Report

Parcel E - 24 Division Street West, Faribault, Minnesota 55021 - PID 18.31.1.26.514

Residential Building

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
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Accessibility Items

Exterior Concrete Stairway					
Modify exterior concrete stairway to comply with code	\$ 1,500.00	Lump	1	\$	1,500.00

Structural Elements

\$ -

Exiting

Stairways					
Modify basement stairway to comply with code	\$ 0.81	SF	1428	\$	1,156.68
Modify second-floor stairway to comply with code	\$ 2.75	SF	1428	\$	3,927.00
Secondary Exit					
Remove obstructions from secondary exit to comply with code	\$ 1.00	Lump	1	\$	1.00

Fire Protection

Smoke Detectors					
Install code compliant smoke detectors	\$ 125.00	EA	5	\$	625.00
Ground Fault Circuit Interrupters					
Install code required GFCI's	\$ 125.00	EA	6	\$	750.00
Arc Fault Circuit Interrupters					
Install code required AFCI's	\$ 125.00	EA	6	\$	750.00

Exterior Construction

Transite Siding					
Repair/replace damaged transite siding to prevent water intrusion per code	\$ 1,500.00	Lump	1	\$	1,500.00
Windows					
Replace failed window system to prevent water intrusion per code	\$ 7.06	SF	1428	\$	10,081.68

Roof Construction

Roofing Material					
Remove failed roofing material	\$ 0.75	SF	1428	\$	1,071.00
Replace failed roofing material to prevent water intrusion per code	\$ 3.47	SF	1428	\$	4,955.16

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Mechanical- Electrical					
	Mechanical				
	Install code compliant HVAC system	\$ 2.32	SF	1428	\$ 3,312.96
	Install code compliant plumbing lines		SF	1428	\$ -
	Electrical				
	Install code compliant electrical wiring circuits and fixtures	\$ 4.00	SF	1428	\$ 5,712.00
	Install code compliant carbon monoxide detectors	\$ 250.00	EA	4	\$ 1,000.00
Total Code Improvements					\$ 36,342

Tax Increment District No. 13

Photos: Parcel E - 24 Division Street West - Residential Building



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Tax Increment District No. 13

Photos: Parcel E - 24 Division Street West - Residential Building



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Tax Increment District No. 13

Photos: Parcel E - 24 Division Street West - Residential Building



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Tax Increment District No. 13

Photos: Parcel E - 24 Division Street West - Residential Building



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Tax Increment District No. 13

Photos: Parcel E - 24 Division Street West - Residential Building



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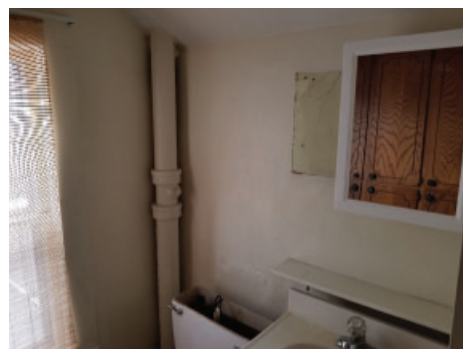
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Tax Increment District No. 13

Replacement Cost Report

RSMeans data
from **BERNARD**

Square Foot Cost Estimate Report

Date:

3/21/2019

Estimate Name: **16 1st Street SE**
City of Faribault

16 1st Street SE , Faribault , Minnesota , 55021

Building Type: **Economy 2 Story with Stucco on Wood Frame**

Location: **FARIBAULT, MN**

Story Count: **2**

Story Height (L.F.): **8**

Floor Area (S.F.): **1200**

Labor Type: **RES**

Basement Included: **No**

Data Release: **Year 2019**

Cost Per Square Foot: **\$115.86**

Building Cost: **\$139,035.98**



Costs are derived from a building model with basic components.

Scope differences and market conditions can cause costs to vary significantly.

	% of Total	Cost Per S.F.	Cost
01 Site Work	2.18%	2.2	2,636.17
Footing excavation, building, 26' x 46', 4' deep		2.2	2,636.17
02 Foundation	14.81%	14.92	17,909.69
Footing systems, 10" thick by 20" wide footing		1.72	2,064.72
Block wall systems, 8" wall, grouted, full height		5.97	7,159.62
Block wall systems, 8" wall, grouted, full height		5.22	6,264.67
Floor slab systems, 4" thick slab		2.02	2,420.68
03 Framing	16.79%	16.91	20,293.63
Floor framing systems, 2" x 8", 16" OC		3.84	4,608.88
Floor framing, bridging, wood 1" x 3", joists 16" OC		0.18	213.65
Box sills, #2 or better pine, 2" x 8"		0.14	173.32
Exterior wall framing systems, 2" x 4", 16" OC		5.63	6,757.41
Truss roof framing systems, 24" OC, 4/12 pitch, 1' overhang, 26' span		3.32	3,985.73
Furring, 1" x 3", 16" OC		0.93	1,117.34
Partition framing systems, 2" x 4", 16" OC		2.86	3,437.30
04 Exterior Walls	18.42%	18.56	22,273.99
Stucco, 2 coats		5.61	6,737.93
Painting, lath, metal lath expanded 2.5 lb/SY, painted		1.22	1,468.38
Non-rigid insul, batts, fbgl, kraft faced, 3-1/2" thick, R13, 15" W		0.92	1,098.72
Non-rigid insul, batts, fbgl, kraft faced, 12" thick, R38, 23" wide		0.75	897.31
Sliding window systems, builder's quality wood window, 3' x 2'		8.11	9,733.90
Door systems, solid core birch, flush, 3' x 6'-8"		1.49	1,791.28
Storm door, al, combination, storm & screen, anodized, 3'-0" x 6'-8"		0.46	546.47
05 Roofing	2.50%	2.52	3,023.21
Gable end roofing, asphalt, roof shingles, class A		2.52	3,023.21

06 Interiors	28.80%	29.01	34,817.54
Wall system, 1/2" drywall, taped & finished		8.41	10,091.71
1/2" gypsum wallboard, taped & finished ceilings		2.49	2,986.01
Lauan, flush door, hollow core, interior		7.54	9,042.57
Carpet, Olefin, 15 oz		1.96	2,356.56
Padding, sponge rubber cushion, minimum		0.72	866.01
Underlayment plywood, 1/2" thick		1.99	2,385.73
Resilient flooring, vinyl sheet goods, backed, .070" thick, minimum		1.32	1,585.29
Resilient flooring, sleepers, treated, 16" OC, 1" x 3"		0.5	598.39
Stairways 14 risers, oak treads, box stairs		3.15	3,780.31
Basement stairs, open risers		0.94	1,124.96
07 Specialties	4.66%	4.69	5,631.45
Kitchen, economy grade		2.27	2,722.94
Sinks, stainless steel, single bowl 16" x 20"		1.33	1,592.90
Water heater, electric, 30 gallon		1.1	1,315.61
08 Mechanical	8.47%	8.54	10,242.94
Three fixture bathroom with wall hung lavatory		3.73	4,481.96
Furnace, gas heating only, 100 MBH, area to 1200 SF		0.94	1,133.92
Intermittent pilot, 100 MBH furnace		0.23	274.79
Supply duct, rectangular, area to 1200 SF, rigid fiberglass		0.77	918.66
Return duct, sheet metal galvanized, to 1500 SF		0.91	1,092.81
Lateral ducts, flexible round 6" insulated, to 1200 SF		0.84	1,009.55
Register elbows, to 1500 SF		0.48	570.31
Floor registers, enameled steel w/damper, to 1500 SF		0.31	373.05
Return air grille, area to 1500 SF 12" x 12"		0.09	108.47
Thermostat, manual, 1 set back		0.1	114.99
Plenum, heating only, 100 MBH		0.14	164.43
09 Electrical	3.37%	3.39	4,072.23
100 amp electric service		0.92	1,104.87
Duplex receptacles using non-metallic sheathed cable		0.15	185.1
Wiring device systems, economy to 1200 S.F.		1.82	2,181.36
Light fixture systems, economy to 1200 S.F.		0.5	600.9
SubTotal	100%	\$100.75	\$120,900.85
Contractor Fees (General Conditions,Overhead,Profit)	15.00%	\$15.11	\$18,135.13
Architectural Fees	0.00%	\$0.00	\$0.00
User Fees	0.00%	\$0.00	\$0.00
Total Building Cost		\$115.86	\$139,035.98

Tax Increment District No. 13

Code Deficiency Cost Report

Parcel M - 16 1st Street SE, Faribault, Minnesota, 55021 - PID 18.31.4.26.004

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
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Accessibility Items

\$ -

Structural Elements

\$ -

Exiting

Stairways

Modify exterior wood stairway to comply with code	\$	0.57	SF	1200	\$	684.00
Modify basement stairway to comply with code	\$	0.94	SF	1200	\$	1,128.00
Modify second floor stairway to comply with code	\$	3.15	SF	1200	\$	3,780.00

Fire Protection

Smoke Detectors

Install code compliant smoke detectors	\$	125.00	Ea	4	\$	500.00
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Ground Fault Circuit Interrupters

Install code required GFCI's	\$	125.00	Ea	4	\$	500.00
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Arc Fault Circuit Interrupters

Install code required AFCI's	\$	125.00	Ea	8	\$	1,000.00
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Carbon Monoxide Detectors

Install code required carbon monoxide detectors	\$	125.00	Ea	4	\$	500.00
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Exterior Construction

Stucco

Repair cracked stucco to prevent water intrusion per code	\$	1.01	SF	1200	\$	1,212.00
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Windows

Replace failed windows to prevent water intrusion per code	\$	8.11	SF	1200	\$	9,732.00
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Roof Construction

Roofing Material

\$ -

Remove damaged roofing material	\$	0.75	SF	600	\$	450.00
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Install roofing material on 1/2 of roof to prevent water intrusion per code	\$	2.52	SF	600	\$	1,512.00
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Mechanical- Electrical

Mechanical

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Install code compliant HVAC system	\$ 4.81	SF	1200	\$ 5,772.00
	Install code compliant plumbing for basement shower	\$ 0.95	SF	1200	\$ 1,140.00
Total Code Improvements					\$ 27,910

Tax Increment District No. 13

Photos: Parcel M - 16 1st Street SE - Residential Building



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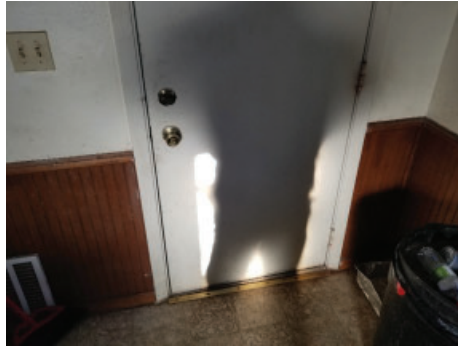
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Tax Increment District No. 13

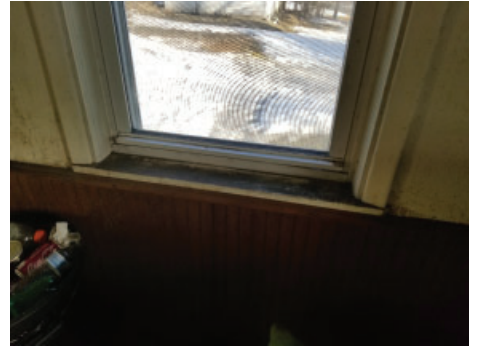
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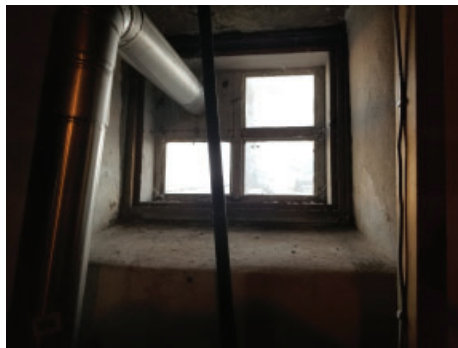
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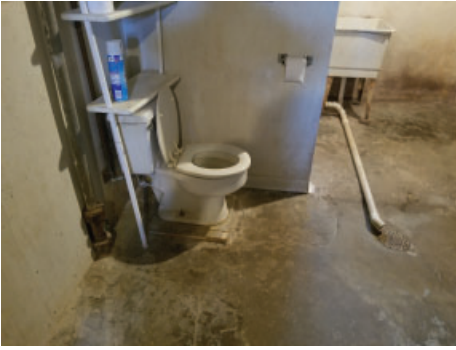
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Tax Increment District No. 13

Photos: Parcel M - 16 1st Street SE - Residential Building



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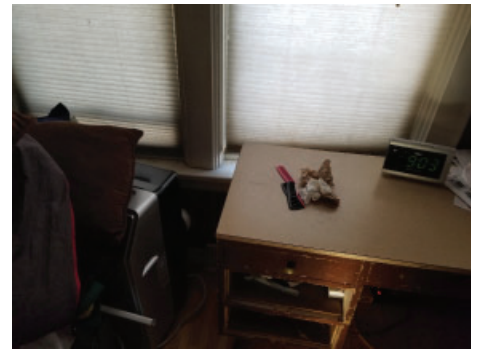
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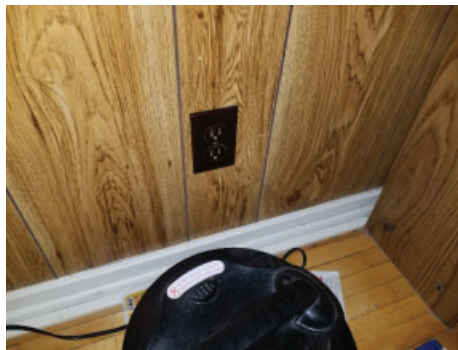
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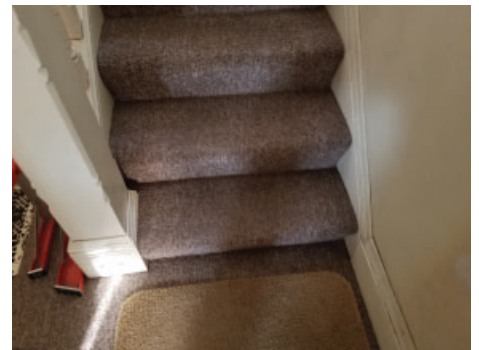
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Tax Increment District No. 13

Photos: Parcel M - 16 1st Street SE - Residential Building



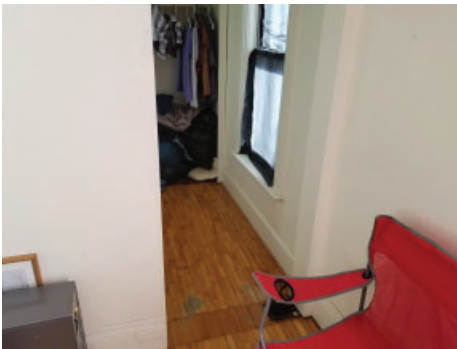
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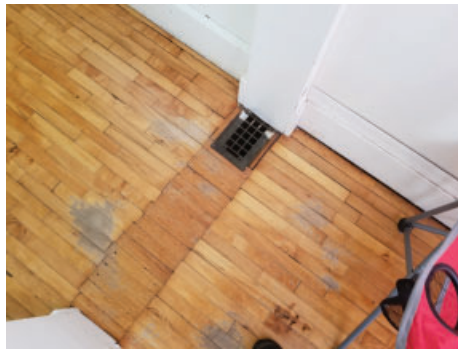
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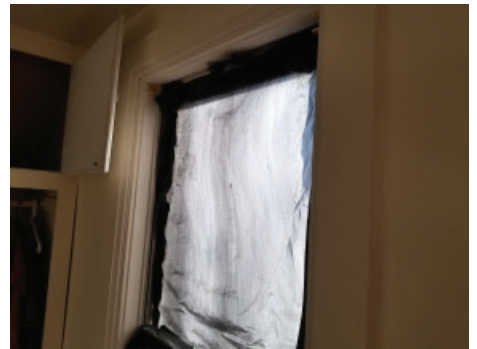
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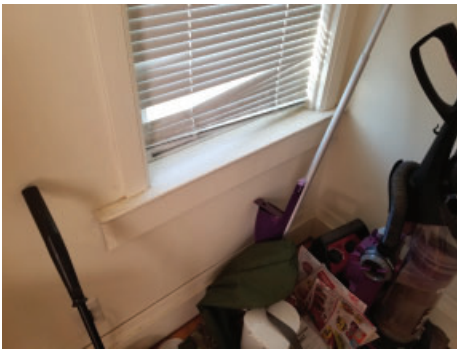
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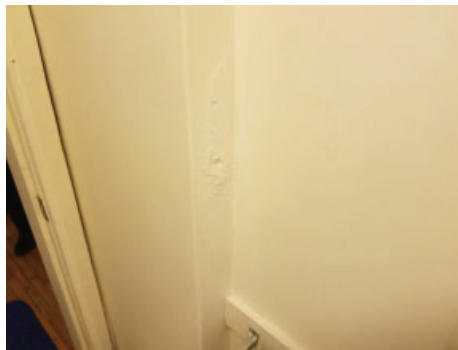
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Tax Increment District No. 13

Photos: Parcel M - 16 1st Street SE - Residential Building



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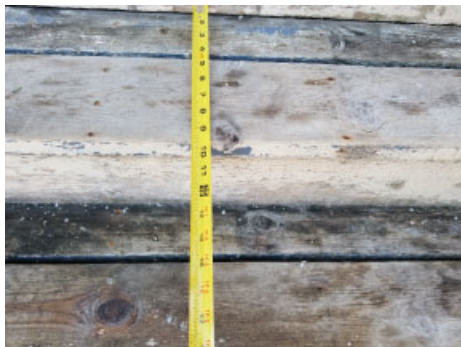
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Tax Increment District No. 13

Photos: Parcel M - 16 1st Street SE - Residential Building



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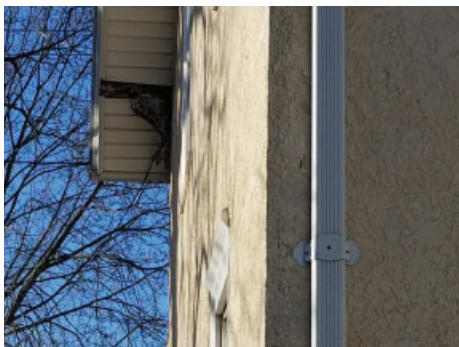
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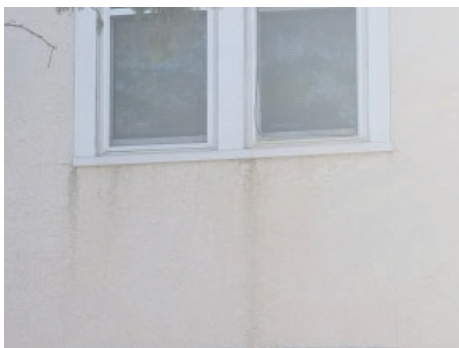
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Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH: David Wanberg, Community and Economic Development Director
MEETING DATE: May 18, 2023
SUBJECT: Status of Economic Development Investment Fund and Upcoming Funding Requests

BACKGROUND:

The Economic Development Investment Fund (EDIF) provides flexible incentives to encourage quality development and jobs in Faribault (see the attached 2023 EDIF policies and guidelines). In 2022, the Economic Development Investment Fund (EDIF) had a \$200,000 balance which the EDA used to award \$100,000 to Tru-View and \$100,000 to Trystar, leaving no balance in the EDIF program. At its March 16, 2023, meeting, the EDA earmarked an additional \$200,000 from the EDA's Revolving Loan Fund (Fund 292) for the EDIF program, leaving roughly \$136,000 in the Revolving Loan Fund that has not been earmarked.

Three manufacturers and one service industry have applied (or are intending to apply) for EDIF in the coming weeks. EDIF policies limit the maximum incentive award to \$100,000. Based on past awards, some manufacturers are hoping to receive \$100,000 forgivable loans. However, the EDA can award funds as it sees fit within the context of the program's policies. The EDA should review the attached EDIF policies and guidelines and provide general direction on how it intends to review and apply the policies given that there may be multiple industries interested in receiving funds.

REQUESTED ACTION:

Provide general direction regarding the application of EDIF policies and guidelines, especially in light of multiple funding requests.

ATTACHMENTS:

1. 2023 EDIF Program Guidelines and Policies



FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY ECONOMIC DEVELOPMENT INCENTIVE FUND (EDIF) – POLICY & GUIDELINES

PROGRAM DESCRIPTION

The purpose of the Faribault EDA Economic Development Incentive Fund (EDIF) is to provide flexible incentives to encourage projects that bring quality development and quality jobs to the community, furthering the mission of the Faribault EDA. The Faribault EDA recognizes that sometimes projects require incentives outside of traditional revolving loans in order to move forward. The EDIF is intended to add an additional resource to the EDA's program portfolio – for project that are focused on recruiting and retaining targeted industries. The EDIF will support projects that create or retain jobs in Faribault, include high levels of private investment, *and* have a positive impact on the City's tax base. The EDIF will provide forgivable loans and/or revolving loans as a means to increase and enhance quality economic development activity in the community.

All projects will be evaluated based on their own merit. Maximum award amounts will be determined based on a formula that takes into account specific industries, number of quality jobs created, anticipated level of private investment, total project costs, and increased taxes. The Faribault EDA has the authority to approve, deny, and/or modify any proposed incentive amount. The goal of the EDIF is to supplement traditional programs provided through the Faribault EDA, the City of Faribault, and local economic development partners to cultivate and support business growth and investment.

ECONOMIC DEVELOPMENT INCENTIVE FUND (EDIF)	
The EDA will make \$200,000 available for direct business incentives <i>from the existing Economic Development Revolving Loan Fund (Fund 292)</i>	
Maximum Incentive Award:	\$100,000 – forgivable loan, revolving loan, and/or combination
Targeted Industries:	Advanced Manufacturing, Food Processing, Warehousing & Distribution, Avionics
Formula for Award Determination:	Up to 1.5-percent of total project cost/investment \$2,500 per job created with a minimum wage of \$16/hour plus benefits Return on Investment based on increased city taxes

ELIGIBILITY

To be eligible, a business must be a targeted industry that is currently located in Faribault and is seeking to expand, or is a new business seeking to relocate to the City of Faribault. Eligible businesses must be within the targeted industries of:

- Advanced Manufacturing
- Food Processing
- Warehousing & Distribution
- Avionics

Applicant must also be in compliance with relevant city ordinances and be current on property taxes (if applicable).

DETERMINATION OF AMOUNT OF EDIF AWARD

The amount of the EDIF for business recruitment or retention/expansion will be based on a determination of need for financial incentives. Applicants must demonstrate that EDIF is essential to the project moving forward in Faribault. Staff will conduct an analysis of each project to evaluate the total benefit of the project and the financial gap. Staff will involve other economic development partners and programs as appropriate and applicable to address the overall

financial need, and encourage the use of other Faribault EDA programs as part of the review. The amount of the EDIF award recommendation will be based on the following parameters:

1. Total Project Investment

Award will be up to 1.5-percent of estimated project costs/investment to include facility expansion costs, capital expenditures for building, capital expenditures for equipment, costs associated with relocation (moving, recertification, etc.).

2. Job Creation

\$2,500 per job. Jobs must pay a minimum of \$16.00 per hour plus a full benefit package. If the project is a retention project – existing jobs that will be retained will be included in the calculation.

3. Increased Tax Base

Increased tax base will be used to determine the Return on Investment (ROI). Increase in city taxes will be used to calculate how long it would take to “pay back” the EDA’s investment into the project. The ROI should be 5 years or less.

The Faribault EDA may also take additional factors into consideration when determining the final EDIF award, such as fiscal and economic impact of the project, available funding, the threat of losing quality jobs, the level of new investment proposed, how the project enhances the current industry mix, wages greater than \$16 per hour, involvement of other economic development agencies and partners, and any other factors deemed appropriate. Each project will be evaluated on its own merit.

INTENDED USE OF EDIF

Projects must demonstrate that EDIF assistance is essential to the project moving forward in Faribault. EDIF awards may be used to offset overall project costs, which may include the following:

- Real and personal property acquisition and site development
- Company relocation expenses for moving operations to Faribault, MN
- Facility construction and/or real property improvements
- Equipment

APPLICATION PROCESS

Applicants must meet with Staff prior to completing and submitting an application with supporting documentation. Applications will be received on a year-round basis *while funding is available*. The application process will include the following steps:

1. Meet with Staff to review project.

Projects requesting EDIF will have been working with Staff prior to applying for funds. Staff and the applicant/business will have reviewed all available programs available through the city/EDA and programs available through economic development partners. The EDIF is intended to supplement other economic development programs and incentives – and should not be considered a sole-funding source.

2. Fill out application and include supporting documentation.

All of the following must be included with the application – Project Narrative that describes why the EDIF assistance is essential, project scope, cost/investment information, proposed timeline, summary of all financial incentives.

Completed Application with supporting documentation (and any additional document as requested) must be returned to:

City of Faribault
Attn: Community and Economic Development Director
208 1st Ave NW Faribault, MN 55021

Email: dwanberg@ci.faribault.mn.us

3. Staff will screen all submitted applications for eligibility and conduct an analysis to determine the total maximum EDIF award that the project would qualify for. The analysis and recommendation will be forwarded to the EDA for consideration at their next regularly scheduled meeting.
4. The EDA will consider EDIF requests on an ongoing basis.
The applicant is required to attend the meeting to present the project, discuss project benefits, and address need for funding. The EDA has the authority to approve, deny, and/or modify any EDIF requests and recommendations. All awards will be authorized via an approving resolution.
5. If an award is approved, the applicant will be required to enter into a Repayment Agreement.
The Repayment Agreement will identify the conditions of the award (job creation, investment, etc.). A Repayment Agreement and a Promissory Note will be executed and recorded. Once executed and recorded, funds will be dispersed.
6. All EDIF awards will be due and payable if the terms of the Repayment Agreement are not met.
7. Applicants/businesses may only apply for EDIF once.

QUESTIONS AND REQUESTS FOR FURTHER INFORMATION

Please direct all EDIF questions to:

David Wanberg, Community & Economic Development Director
507.333.0350
dwanberg@ci.faribault.mn.us



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH: David Wanberg, Community and Economic Development Director
MEETING DATE: May 18, 2023
SUBJECT: Review Highway 60 West Master Plan Proposal and Schedule

BACKGROUND:

At its March 16, 2023, meeting, the EDA authorized expending \$25,000 of its \$75,000 professional services budget for development of a Highway 60 West Master Plan. The Xcel Corporate Economic Development Authority Grant program offers a matching grant for work that promotes economic development in their service territory. Staff prepared an RFP for consultant services, and three firms submitted their proposals for roughly \$50,000 of master planning services. Staff reviewed the proposals and recommended that the EDA hire Bolton and Menk to prepare the master plan (see attached proposal).

Staff submitted the Bolton and Menk proposal to Xcel Energy, and has requested a \$25,000 grant from Xcel. Although we anticipate the need to submit additional information, we expect to hear from Xcel before the EDA's June meeting.

The Highway 60 West area is ripe for development. The proposed master plan could help spur development in this important area of the city.

REQUESTED ACTION:

Review and comment on the attached proposal for master planning services from Bolton and Menk. Staff will update the EDA at its June meeting regarding the status of the proposed master plan.

ATTACHMENTS:

1. Proposal - Bolton & Menk - City of Faribault_TH 60 West-Concept
Master Planning Services 2023-05-05

May 5, 2023

Tim Murray
City Administrator
City of Faribault
208 1st Avenue NW
Faribault, MN 55021



Real People. Real Solutions.

111 Washington Avenue South | Suite 650
Minneapolis, MN 55401

RE: Proposal for TH 60 West - Concept Master Planning Services

Dear Tim:

The City of Faribault is proactively reconsidering and refining the direction of the TH 60 West corridor growth area, in order to develop a vision that can catalyze long-desired development. Like you, Bolton & Menk takes great pride in thoughtful, community-centered planning and design. We are excited at the opportunity to work alongside you and help shape the next chapter of the TH 60 West area.

LOCAL EXPERTISE – We know Faribault and are invested in its future. This familiarity means we understand city priorities and constraints, and can hit the ground running. We also bring deep relationships with other jurisdictions, including Rice County and MnDOT. This will enable us to seek out and leverage opportunities for potential partnerships, or troubleshoot issues before they arise.

CREATIVE PROBLEM SOLVERS – Bolton & Menk's planning and design team brings a deep portfolio of successful community visioning and land use planning in Faribault and around the region. We are a full service firm, which means the City of Faribault will benefit from our collaborative in-house land use planners, urban designers, landscape architects, engineers, GIS specialists, and other professionals. As such, we can efficiently address many topics that may come up with just a quick conversation.

FOCUSED ON EFFECTIVE RESULTS – This is about timely and actionable results for Faribault that catalyze a long-desired land use vision. Our approach is open, collaborative, and cooperative with both staff and stakeholders. Our multidisciplinary team approach ensures a vision process deeply vetted from multiple perspectives, while ensuring city staff are fully knowledgeable and equipped at every step of the way.

In continued service to the City of Faribault, we are excited at the opportunity to complete the TH 60 West - Concept Master Planning Services. I will serve as your lead client contact and project manager. Please contact me at 952-207-4974 or Mike.Thompson@bolton-menk.com if you have any questions regarding our proposal.

Respectfully submitted,
Bolton & Menk, Inc.

A handwritten signature in blue ink, appearing to read 'Mike Thompson'.

Mike Thompson, AICP
Project Manager

Proposal for TH 60 WEST - CONCEPT MASTER PLANNING SERVICES

City of Faribault

Contact:
Mike Thompson, AICP
952-207-4974
Mike.Thompson@bolton-menk.com

PROJECT UNDERSTANDING AND APPROACH

The two study areas are at a critical location for the city - both physically and symbolically. The area welcomes in travelers eastbound along TH 60, while presenting some of the city's largest developable lots. It also rests adjacent to the TH 60/I-35 interchange, along the Sakatah Singing Hills State Trail, and is nestled against the Cannon River. All told, these amenities provide invaluable access and recreation opportunities for current users and prospective redevelopment.

Since the 2000s the city has been seeking development to the TH 60 West area. Despite its identification as one of the largest strategic growth areas in the 2040 Comprehensive Plan, a development vision has yet to materialize and both study areas remain just sparsely built out.

The absence of significant area development presents an opportunity to reevaluate prior land use visions, better understand existing development deterrents, and collaboratively shape a vision. This process must balance feasible land use expectations, public investment needs, and leveraging of area assets to ensure city goals are met.

Our project approach will be guided by three key focus areas that prioritize city goals.

A Complementary Vision

Reconsidering the future of the two study areas must be crafted within the context of other city development areas, pressures, and opportunities. Items to consider include:

- Faribault is actively investing in its north industrial growth area and is partnering with Rice County on an interchange and land use study up to CSAH 9
- Newer residential development has been concentrated to the south, around Faribault Middle School
- The city and county are facing population and employment constraints and need new housing options to support growth
- Faribault has limited industrial development sites within city limits

As such, a future development vision must complement these and other considerations, balancing local market demands, and the provision of public investment.

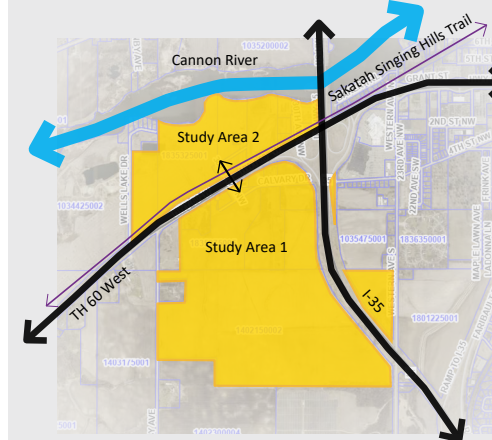
Faribault-Centered Design

Faribault needs a vision plan that is realistic yet reflective of its aspirational goals. Our integrated design approach efficiently combines land use and development intelligence, strong design principles, and supportive engineering expertise with a focus on implementable solutions. While doing so, we center Faribault in the development vision to maximize local benefits.

A Responsive Team

We have assembled a tight-knit, highly experienced team with minimal ramp up time needed to hit the ground running. Grounded in economic, design, and engineering best practices, our team can move seamlessly from data collection to design to final vision plan materials.

TH 60 WEST STUDY AREA



STRENGTHS

- Strong regional vehicle access via TH 60 and I-35
- Strong multimodal access to Sakatah Singing Hills State Trail
- Adjacency to Cannon River as natural asset
- Existing access to city services
- Large undeveloped lots are rare elsewhere in Faribault

CHALLENGES

- Steep slopes, the gas line, and the cemetery constrain total developable area
- Shoreland ordinance restricts density along the Cannon River
- Market demand historically not strong for significant build out
- Large lots carry cost and platting barriers for small or medium sized development interests

OPPORTUNITIES

- New housing choices for existing and future residents
- Establish western gateway at entrance to Faribault
- Connections to Sakatah Singing Hills State Trail
- Create area destination or node, complementary to other city growth areas

SCOPE OF WORK

Our team brings comprehensive on-the-ground experience delivering solutions for prospective and planning development areas. We have tailored our scope of work to establish an attainable development vision that maximizes outcomes for the City of Faribault.



*Industrial and office development vision sketch
Cahill District, Edina, MN*

TASK 1: PROJECT MANAGEMENT

Our project management approach is rooted in personable, proactive communication that prioritizes collaboration, transparency, and trust. Our team, led by Mike Thompson, will maintain regular communication with the city and other stakeholders. During an initial project kick-off meeting, we will establish a regular meeting and reporting schedule.

OPTIONAL ADD-ON SERVICES

With additional grant funding necessary to plan both study areas, our team can provide grant application support to the city in the preparation and submission of the grant request to Xcel Energy. Over the last five years, we have helped client communities secure more than \$220M in funding from both public and private sources.

TASK 1 DELIVERABLES

- Project kickoff meeting and project management plan
- Regular staff progress report meetings
- Up to two planning commission or city council meetings
- Meeting agendas and minutes

TASK 2: CURRENT CONDITIONS ANALYSIS

Our team will conduct a planning-level analysis of city land use policies, study area physical site conditions, area utility capacity estimates, and regional industrial, commercial, and residential market conditions to create a shared understanding of developable area and market feasibility.

We anticipate this analysis will be conducted using city-provided or readily available documents and data. From this analysis, our team will compile findings into a current conditions memo which will, at a minimum, include exhibits detailing:

- Current and future land use guidance and policies, such as property lines, current zoning, and the Shoreland Ordinance Overlay area
- Development barriers including wetlands, steep topography, protected vegetation, and other natural features
- Infrastructure and utility locations, particularly the location of the gas line and known easements

During the current conditions analysis, we will work with the city to coordinate a meeting with area property owners to explain the project and gather additional insight. We plan to hold two in-person property owner meetings, one oriented to each study area, yet provide all owners the ability to attend either meeting to ensure flexibility. As weather and availability allow, we would consider hosting the meetings at the Dairy Queen located at 30th Avenue NW.

OPTIONAL ADD-ON SERVICES

Our team can provide additional value-added services outside the tasks identified in the RFP, including:

- Detailed infrastructure impact studies for stormwater, storm sewer, and other utilities to better understand current capacity and scenario-based needs
- Land survey to provide refined development barrier locations and easement locations

TASK 2 DELIVERABLES

- Current conditions memo summarizing policy, physical, and market conditions
- Composite drawings for each study area showing all above elements

TASK 3: DEVELOPMENT SCENARIO ALTERNATIVES

Using information gathered during the current conditions analysis and owner meetings, our team will create up to three development build-out scenarios for each study area, for a total of up to six scenarios. Each scenario will, at a minimum, include

- Land use and development scale, density, and patterns
- Public gathering spaces and relationship to private development
- Multimodal transportation connectivity, access, and circulation, including connections to the Sakatah Singing Hills State Trail
- Planning level public utility layouts, stormwater management, and drainage areas
- Public right-of-way landscape, vegetation, wayfinding, and signage
- Location(s) of open space areas to remain undeveloped

Scenarios will present market-supported development alternatives that further city goals, increase area market value, maximize outcomes from suggested public investment, and establish a unique western gateway for the city. Each scenario will vary in its density and design arrangement, presenting a series of market-supported visions for city staff to consider.

Each scenario will "stress test" different aspects of area strengths and opportunities, to identify development vision components that maximize local benefits while remaining feasible. For study area 1, at least one scenario will show the continued use of KGPCo, located at 3305 Highway 60 W. In study area 2, at least one scenario will show the continued use of existing commercial buildings.



KGPCo building, as seen from TH 60



Study area 2 commercial building, as seen from TH 60

TASK 3 DELIVERABLES

- Three development scenarios for each study area to include, at a minimum, all above components; each scenario will include corresponding maps, narrative, and associated exhibits to clearly and uniformly communicate the above components; all materials will be created in a user-friendly format with an eye toward easy public understanding of content
- Up to two city staff scenario review meetings to select a final preferred development vision scenario to progress

TASK 4: FINAL DEVELOPMENT VISION PLAN

Following scenario review and comments, we will finalize a development vision plan for each study area. This plan will revise selected elements from scenario alternatives and culminate in clearly legible color renderings for each study area.

To aid the city in communicating the final vision plan to potential developers, we will create a digital marketing handout. This handout will summarize key aspects of the area vision, including key community characteristics, that's easily legible and visually attractive. Final marketing handout content will be developed in coordination with city staff.

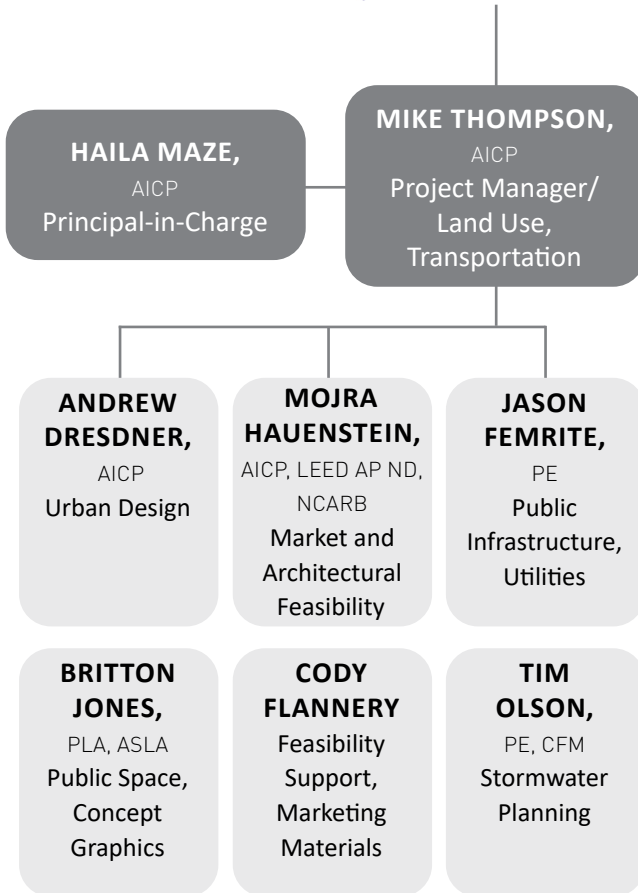
Finally, our team will compile a preliminary, planning-level set of implementation recommendations necessary to realize the planning vision.

TASK 4 DELIVERABLES

- Draft and final development vision plan; the vision plan will include corresponding maps, narratives, and associated exhibits to communicate the above components clearly and uniformly; all materials will be created in a user-friendly format with an eye toward easy public understanding of content
- Illustrated digital marketing handout, to include key and summarized components of the development plan vision
- Implementation memo outlining preliminary, planning-level steps to realize final development plan vision

OUR TEAM, YOUR PARTNER

We have assembled a tight-knit, rapid response team custom built for this development plan. Focused on vision, feasibility, and attainable implementation, we will work alongside Faribault to align land use and design guidance with community goals.



HAILA MAZE, AICP
Principal-in-Charge

Haila will serve as principal-in-charge and planning advisor, while ensuring project QA/QC.

As a principal planner, Haila is committed to advancing the long-term success of communities through planning and project management services. She draws on her experience in local and regional planning to connect with clients, helping them identify what they need and how to accomplish it. She began her planning career in 1998 and has extensive experience with land use and transportation planning, creative and inclusive engagement, and supporting work in health assessment, scenario planning and modeling, and implementation planning.

SIMILAR PROJECT EXPERIENCE

- Prospect Park Innovation District Small Area Plan, City of Minneapolis, MN
- Southdale District Small Area Plan, City of Edina, MN
- Opportunity Site Small Area Plan, City of Brooklyn Center, MN
- Brooklyn Boulevard Redevelopment Study, City of Brooklyn Center, MN
- Cahill District Small Area Plan, City of Edina, MN
- Above the Falls Master Plan, City of Minneapolis, MN
- Comprehensive and Station Area Plan, City of Hopkins, MN



MIKE THOMPSON, AICP
Project Manager/Land Use
and Transportation

Mike will be the project manager, lead planner, and primary point of contact.

Mike began his career in 2012, and loves the process of working with communities to rethink and redesign the ways in which they look, feel, and function. He has community planning and design experience across the country, including site planning and design, public realm programming and design, multimodal transportation planning, project management, and public engagement facilitation. Through his work, Mike seeks to promote places that are reflective of those who use them every day.

SIMILAR PROJECT EXPERIENCE

- Opportunity Site Master Plan, City of Brooklyn Center, MN
- Opportunity Site Infrastructure and Public Realm Plan, City of Brooklyn Center, MN
- Cahill District Small Area Plan, City of Edina, MN
- Brooklyn Boulevard Redevelopment Study, City of Brooklyn Center, MN
- Rice Street Visioning Study, Ramsey County, MN
- Monticello Strategic Growth Plan, City of Monticello, MN
- Public Space Public Life Plan of 1st Ave and Broadway, City of Nashville, TN
- Madison Development Study, City of Nashville, TN



ANDREW DRESDNER, AICP
Urban Design

Andrew will lead urban design efforts, including development concept visualizations.

Andrew's professional career began in 1998. His expertise spans urban design, redevelopment planning, community development, public space design, and placemaking. Andrew has worked in both the private and public sector in both the Twin Cities and around the country. His background in architecture and urban economics lends him a unique perspective to how cities grow and evolve.

SIMILAR PROJECT EXPERIENCE

- Cahill District Small Area Plan, City of Edina, MN
- Opportunity Site Master Plan, City of Brooklyn Center, MN
- Central Avenue Small Area Plan, City of Minneapolis, MN
- Lowry Avenue Small Area Plan, City of Minneapolis, MN
- Hillcrest Master Plan, City of Saint Paul, MN
- Lowertown Small Area Plan, City of Saint Paul, MN
- Uptown Small Area Plan, City of Minneapolis, MN
- Prospect Park Innovation District Small Area Plan, City of Minneapolis, MN
- Comprehensive and Station Area Plan, City of Hopkins, MN



**MOJRA HAUENSTEIN, AICP,
LEED AP ND, NCARB**
Market and Architectural
Feasibility

Mojra will lead market and architectural feasibility analysis.

Mojra's expertise spans decades of neighborhood development, architecture, conservation and sustainability, as well as economic revitalizations. She began her career in 1998 and is experienced in green and carbon-zero design, comprehensive planning, and economic development with an emphasis on sustainability and resilience practices. She is passionate about methane and carbon sequestration as well as how food, water, and energy decisions impact our environment and ultimately our health. She thrives on providing sustainable and customized solutions to communities in need.

SIMILAR PROJECT EXPERIENCE

- Housing Location and Implementation Study, City of International Falls, MN
- Comprehensive Housing Study and Needs Analysis, City of Winnebago, MN
- Comprehensive Land Use Plan, City of Albert Lea, MN
- Comprehensive Plan and Zoning Code Update, Boone County, IA
- Zoning and Subdivision Ordinance, Chisago County, MN



JASON FEMRITE, PE
Utilities and Public
Infrastructure

Jason will lead utility and public infrastructure assessments and layouts.

Since 1995, Jason has been helping clients reach their goals. A registered Professional Engineer in Minnesota and Iowa, he excels in project administration, planning, project concepts, preliminary engineering reports, and financing of capital improvements. Jason has extensive experience both as a municipal engineer and with private site development. He believes Bolton & Menk focuses on strong client satisfaction, while still providing the work/life balance that allows their employees to grow careers and have a family life.

SIMILAR PROJECT EXPERIENCE

- Highway 60 Utility Improvements, City of Madison Lake, MN
- 2019 Street and Utility Improvements, City of Arlington, MN
- 2023 Street and Utility Improvements, City of Montgomery, MN
- 2018, 2020, and 2022 Street and Utility, City of Janesville, MN
- Southside Drainage Improvements, City of Janesville, MN
- Groh Farm Subdivision in Mankato Drummer Land Investments
- Old TH 14 Turn-Back Improvements, City of Janesville, MN



BRITTON JONES, PLA, ASLA
Public Space and
Concept Graphics

Britton will lead all public space considerations and landscape area components..

Since 2006, Britton has been specializing in public space design, and his work aims to thoughtfully integrate human needs with ecological function in urban settings. He enjoys working with clients, communities, and stakeholders to create designs that are a framework for development, open space, and flexible programming. Britton understands the importance of creating places that are committed to their unique context through design, materiality, and maintenance and operations realities.



CODY FLANNERY
Feasibility Support and
Marketing Materials

Cody will provide general planning and market material support for the development vision.

Cody's career began in 2020. He assists in the research and development of planning studies and reports for communities looking to update or create new plans and programs. He also assists in liaising with community partners, agencies, and officials about their project goals and expected outcomes. Cody's passion for the field stems from his belief that everyone deserves to live in communities that are healthy, sustainable, equitable, prosperous, and beautiful.



TIM OLSON, PE, CFM
Stormwater Planning

Tim will lead stormwater and water resources assessment and drainage area layouts.

Growing up in the land of 10,000 lakes, Tim found a career with which he could protect these important resources. Since 2006, he has worked on the design and construction of complex water resources and environmentally sensitive projects. He specializes in comprehensive surface water management planning, innovative best management practice design, hydrologic and hydraulic modeling, drainage design and construction plan review, and NPDES Phase I & II MS4 and construction stormwater permitting requirements. He couples GIS techniques with water resources design and analysis, while integrating these into future-oriented land use planning.

SIMILAR PROJECT EXPERIENCE

- Broadway Street and Walnut Street Streetscape Design, City of Monticello, MN
- Opportunity Site Small Area Plan, City of Brooklyn Center, MN
- Downtown Roadway & Pedestrian Improvements, City of Monticello, MN
- Opportunity Site Design, City of Brooklyn Center, MN
- Summit Ave Regional Trail Master, City of St. Paul, MN

SIMILAR PROJECT EXPERIENCE

- Rice Street Visioning Study, Ramsey County, MN
- Planning Services, City of Carver, MN
- Opportunity Site Master Plan, City of Brooklyn Center, MN
- Cahill Area District Plan, City of Edina, MN
- Parks, Trails, and Open Space Master Plan Update, City of Forest Lake, MN
- Planning Services, City of Arden Hills, MN

SIMILAR PROJECT EXPERIENCE

- Rice Street Visioning Study, Ramsey County, MN
- Opportunity Site Stormwater Management Planning, City of Brooklyn Center, MN
- High School Stormwater Reuse Project, Forest Lake Area Schools, MN
- CSAH 50 Expansion, Dakota County, MN
- Stormwater Modeling, City of Northfield, MN
- CSAH 34 Drainage Study, City of Owatonna, MN
- TH 10 Corridor Stormwater Drainage Improvements, City of Wadena, MN

PROJECT EXPERIENCE

We have highlighted the following projects as examples of the type of work we think is most relevant to TH 60 and Faribault.

ADDITIONAL PROJECT EXPERIENCE

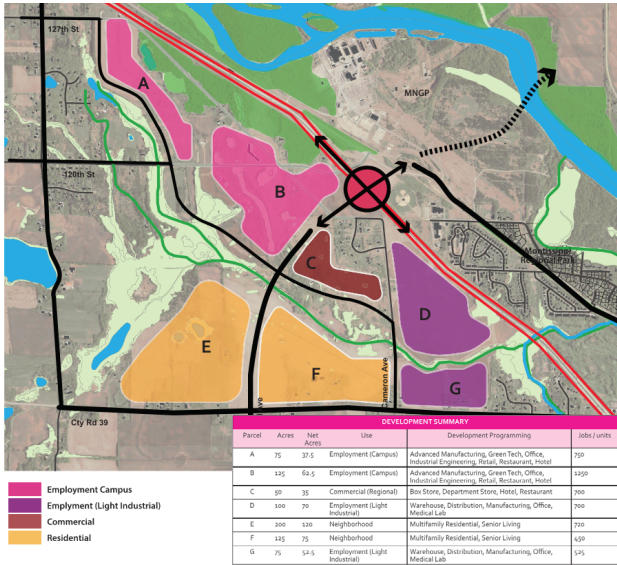
- Boulder Road Small Area Plan, Louisville, CO
- Hillcrest Redevelopment Plan, Saint Paul, MN
- Lowertown Small Area Plan, Saint Paul, MN
- Downtown Small Area Plan, Monticello, MN
- The Shipyard, Green Bay, WI
- Rice Creek Commons Master Plan, Arden Hills, MN
- Above the Falls Master Plan, Minneapolis, MN
- West Bank LRT Station Area Plan, Minneapolis, MN
- Brooklyn Boulevard Land Use Study, Brooklyn Center, MN
- Warehouse District Master Plan, Dubuque, IA
- Southeast Minneapolis Industrial Land Use Study, Minneapolis, MN
- Webster Ave Industrial Land Use Study, North Mankato, MN

INDUSTRIAL LAND USE FEASIBILITY STUDY
CITY OF MONTICELLO, MINNESOTA

Monticello's Industrial Land Use Study explored industrial-based development scenarios for the city's two major growth areas - one on either side of the city. The scenario process reflected the city's desire to promote higher quality development while protecting local identity, and efficient public investment. In each scenario, associated cost and benefits were calculated, while building in implementation flexibility to ensure the city maintained flexibility and responsiveness to change. Bolton & Menk led the entire study, including conditions and demand analysis, scenario building, and implementation development.

SIMILARITIES TO TH 60 WEST:

- Industrial and commercial growth site vision
- Infrastructure assessment
- Nearby riverfront development
- Interstate and interchange access



Click the image to view the plan

HARDMAN TRIANGLE MARKET ANALYSIS AND REDEVELOPMENT SCENARIO PLANNING
CITY OF SOUTH SAINT PAUL, MINNESOTA

The 22-acre Hardman Triangle is a key part of South Saint Paul's plan to revitalize its transitioning industrial riverfront. The purpose of this study was to establish a feasible vision for the property, attract and guide the redevelopment of the area, and enhance community connections to the Mississippi River Trail. This site had lagged behind other nearby properties in redevelopment, so a focused and strategic approach was needed. Bolton & Menk supported plan production for the Hardman Triangle. Outcomes included a market analysis, infrastructure assessment, redevelopment scenarios, a design principles manual, and public engagement around and increased awareness of the site's redevelopment potential.

SIMILARITIES TO TH 60 WEST:

- Commercial, industrial, and residential site vision
- Nearby riverfront revitalization
- Development feasibility
- Trail and corridor integration



Click the image to view the plan

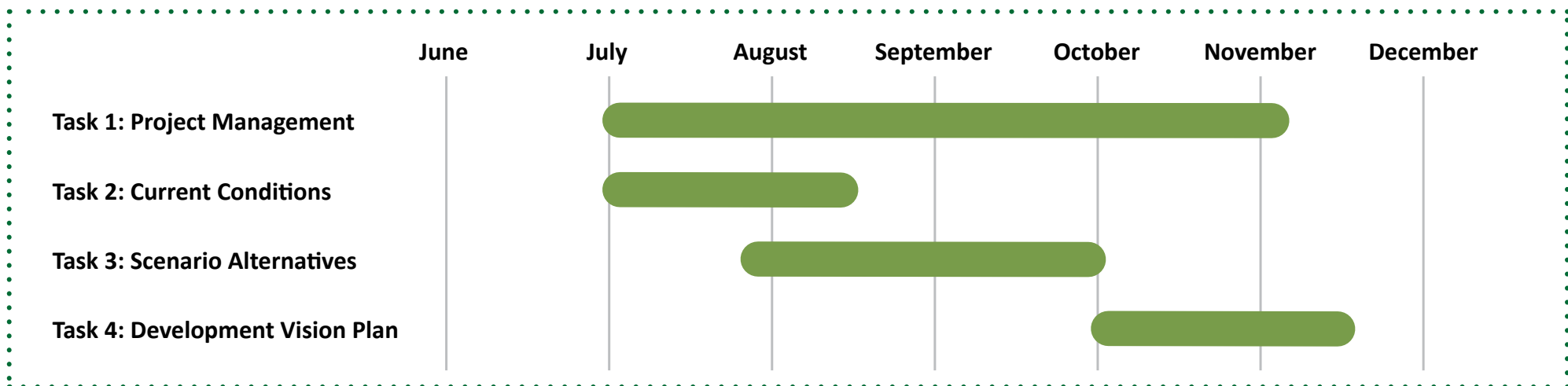
BUDGET

As directed in the RFP, the following table delineates a proposed fee for each study area, reflective of the potential for additional grant funding to complete both study areas. Because of efficiencies both study areas simultaneously, and necessary feasibility work for the development vision plan, our proposed fee is not evenly distributed between the two areas. As final available funding is known, we would certainly welcome conversations on necessary fee and scope adjustments to ensure a strong final vision plan is produced within budget realities.

*The estimated fee includes labor, general business, and other normal and customary expenses associated with operating a professional business. Unless otherwise noted, the fees include vehicle and personal expenses, mileage, telephone, and routine expendable supplies; no separate charges will be made for these activities and materials. Expenses beyond the agreed scope of services and non-routine expenses, such as large quantities of prints, extra report copies, out-sourced graphics and photographic reproductions, document recording fees, outside professional and technical assistance, and other items of this general nature will be invoiced separately.

	Task No.	Task Description	Total Cost
STUDY AREA 1	1.0	Project Management	\$2,982
	2.0	Current Conditions Analysis	\$5,984
	3.0	Development Scenario Alternatives	\$12,014
	4.0	Final Development Vision Plan	\$9,210
		Study Area 1 Total	\$30,190
STUDY AREA 2	1.0	Project Management	\$0 (prorated with Study Area 1)
	2.0	Current Conditions Analysis	\$3,200
	3.0	Development Scenario Alternatives	\$8,340
	4.0	Final Development Vision Plan	\$8,170
		Study Area 2 Total	\$19,710
TOTAL FEE*			\$49,900

PROJECT SCHEDULE





Request for Action

TO: Faribault Economic Development Authority
FROM: Ian Luker, Economic Development Coordinator
THROUGH: Ian Luker, Economic Development Coordinator
MEETING DATE: May 18, 2023
SUBJECT: 2022 Micro-Grant Award Updates

BACKGROUND:

In April 2022, the EDA passed Resolution 2022-02, establishing the Downtown Micro-Grant Program, dedicating \$25,000 for the program and authorizing Faribault Main Street to administer the program on behalf of the EDA. The Downtown Micro-Grant program guidelines outline the review, evaluation, and recommendation procedures. Faribault Main Street is responsible for all aspects of the program, in cooperation with a staff liaison, including making recommendations to the EDA for funding with each grant cycle.

Nort Johnson will present the 2022 awards and the impact EDA funding has made on local businesses in our community (see the attached summary).

REQUESTED ACTION:

Comment on the 2022 awards and provide direction on the upcoming 2023 awards.

ATTACHMENTS:

1. 2022 Faribault Downtown Micro-Grant Award Recipients

**Memorandum from
the desk of
Nort Johnson**

Faribault Area
CHAMBER OF COMMERCE
and Tourism

Memo: Main Street Micro-grant updates and 2023 program
To; Dave Wanberg and Faribault EDA

5/12/2023

Dave and EDA,

The microgrant program has been an important tool to help a variety of businesses in our downtown since 2017 when it was introduced as the Business Challenge. Programmatic changes to allow for more than a single award has proven to be an important change and has allowed for more businesses to access funds to keep them going strong.

Attached find the 2022 Awards and press release. I will give a report from the recipients in person.

I look forward to discussing any particular focus or parameter updates the EDA might like to see for 2023 as well as discuss a potential "incubator".

Thanks so much,

A handwritten signature in black ink, appearing to read 'Nort Johnson', with a long horizontal line extending to the right.

Nort Johnson

Cc; file

Kelly Nygaard
Faribault Area Chamber of Commerce and Tourism
503 Wilson Avenue
Faribault, MN 55021
507.334.4381
kelly@faribaultmn.org



FOR IMMEDIATE RELEASE: 9/16/22

Faribault Downtown Micro Grant Program Announces Recipients

Faribault Main Street, in partnership with the Faribault Economic Development Authority, is excited to announce the recipients of the Downtown Micro Grant program funding. The Downtown Micro Grant program is an opportunity open to new business ideas, or for significant enhancement of a current business for the historic district in downtown Faribault. As a means to further the community vision, support entrepreneurialism, encourage investment, and leverage business retention and expansion in the Central Business District, the Economic Development Authority earmarked \$25,000 to be dedicated to the Downtown Micro Grant program and facilitated by Faribault Main Street. The Downtown Micro Grant Program consisted of several rounds, with the recipients receiving awards valued between \$500 to \$5000.

Fourteen business concepts applied, submitted a complete business plan and were given access to business development coaching through SBDC and SCORE, and eight applicants will receive funding. Businesses receiving Micro Grant funds are: Central Ave Nutrition, SI Hobby, Sunset Salon, Humfeld Chiropractic, Actualize Fabrication, Stroh and Co, Crack of Dawn Bakehouse, and Basileo's Pizza 2.0

The Review Panel was comprised of local business, banking and marketing professionals. The funds are designated for a beginning business, or to expand an existing business' products or services, or a significant improvement.

"Given the right circumstances and resources, it is amazing what impact a small amount of funding can provide! The EDA is excited to be partnering with the Faribault Area Chamber/Main Street once again, to offer the Micro Grant program. The funding, coupled with the business resources provided through the process, will continue to strengthen Downtown Faribault." Said Deanna Kuennen, City of Faribault Community and Economic Development Director.

Faribault Main Street Coordinator, Kelly Nygaard, said "These Micro Grant funds have the ability to be a catalyst for growth, innovation, and success in downtown Faribault. All of the applicants were very passionate about not only their business model, but also the community as a whole, and through this process, Faribault Main Street is excited to see them bring their plans to fruition and help build the vitality of historic downtown Faribault. This program can make a large impact for businesses in our downtown and Faribault Main Street is delighted to have the opportunity to partner with the EDA to administer this program and foster entrepreneurship!"

About Faribault Main Street

The Faribault Main Street Program is a community-based effort to revitalize Faribault's Historic Business District. It is funded by the Faribault Area Chamber of Commerce and by the City of Faribault Economic Development Authority; however, it is open to members and non-members alike. The Faribault Main Street Program is organized to unify the Central Business District, to create an attractive destination in which businesses prosper the community benefits and residents and visitors enjoy a quality downtown experience.

About the Faribault Economic Development Authority

The Community Vision 2040 provides a framework to help ensure the success of the community. Thriving economic development and a vibrant downtown are two of the strategic priorities identified in the vision – with specific goals of developing a comprehensive business incentive package to attract, retain and grow quality businesses and industries. The EDA actively promotes development opportunities in the city, and continues to administer loans and grant programs that will enhance the overall economic vitality for the City of Faribault.

Contact information:

Email: kelly@faribaultmn.org

Website: <http://www.faribaultmainstreet.org>

Phone: (507) 334-4381

The Faribault Area Chamber of Commerce & Tourism serves nearly 400 area businesses with over 10,000 employees through advocacy, promotion, networking, celebration and strategically organizing resources to move Faribault toward our 2040 Community Vision.

2022 Faribault Main Street Micro-Grant Program in partnership with the Faribault

EDA Funding Recommendations

Based on two rounds of evaluation, including looking at qualifying expenses, a complete business plan, and a presentation, and connected the applicants with SBDC and SCORE resources. Additionally, 4 measures were used to determine funding amounts. The Faribault Main Street Economic Restructuring Committee recommends the following Micro Grant funding allocations.

Applicant: Central Ave Nutrition

- Owner: Christa Petersen
- Address: 212 B Central Ave Faribault, MN
- Phone: 507-330-5067
- Email: rylan1820@gmail.com

Micro-Grant Amount: \$1396

To be utilized for: Point of Sale System and Signage

Applicant: SI Hobby

- Owner: Arthur Taylor IV
- Address: 212 A Central Ave N Faribault, MN 55021
- Phone: 612-280-6094
- Email: arthur@sihobby.com

Micro-Grant Amount: \$1560

To be utilized for: Tables, shelving, sound panels

Applicant: Sunset Salon

- Owner: Susan Rost
- Address: 511 Central Ave, Faribault, MN 55021
- Phone: 507-339-3694
- Email: susanrostsunset@gmail.com

Micro-Grant Amount: \$5000

To be utilized for: Hairstyling Chairs, new window blinds

Applicant: Humfeld Chiropractic

- Owner: Lisa Humfeld Wilson
- Address: 119 Central Ave N, Faribault, MN 55021
- Phone: 507-333-5388
- Email: info@humfeldchiropractic.com

Micro-Grant Amount: \$4950

To be utilized for: 3D-Foot scanner, Heart Sound Recorder, updated Website

Applicant: Actualize Fabrication

- Owner: Ian King
- Address: 212 Central Ave Unit C, Faribault, MN 55021
- Phone: 651-366-9457
- Email: actualizefabrication@gmail.com

Micro-Grant Amount: \$5000

To be utilized for: CNC Plasma Cutting Table

Applicant: Stroh & Co

- Owner: Anna Stroh and Mary Clare Melero
- Address: 4890 Ashely Lane 232 Inver Grove Heights, MN 55077
- Email: strohandcofilms@gmail.com
- Phone: 507-316-3202

Micro- Grant Amount: \$2697

To be utilized for: Backdrops, props/furniture, utility cart, additional lenses, ladder, reflectors,

Applicant: Crack of Dawn

- Owner: Lori and Chris Momberg

- Address: 209 Central Ave Faribault, MN 55021
- Email: hello@crackofdawnbreads.com
- Phone: 507-400-7113

Micro- Grant Amount: \$1500

To be utilized for: Parklet

Applicant: Basileo's Pizza 2.0 LLC

- Owner: Tom Lester
- Address: 108 4th

St NW Faribault, MN 55021

- Email: basilleospizza2.0@gmail.com
- Phone: (507) 332-6701

Micro- Grant Amount: \$2600

To be utilized for: Mobile Unit signage and digital menu board, mobile unit ovens



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Coordinator
THROUGH: David Wanberg, Community and Economic Development Coordinator
MEETING DATE: May 18, 2023
SUBJECT: Faribault Downtown Central - Update on First Half Funds Awarded and Second Half Funds Requested

BACKGROUND:

Nort Johnson will update the EDA on the status of the first half of funds awarded to Faribault Downtown Central. He will also update the EDA on Faribault Downtown Central's plans for requesting the second half of funds.

REQUESTED ACTION:

Discuss the EDA's observations regarding the expenditure of funds to date, and its expectations for Faribault Downtown Central's use of the second half of funds.

ATTACHMENTS: