



ECONOMIC DEVELOPMENT AUTHORITY MINUTES

PUBLIC MEETING ROOM

THURSDAY, MAY 18, 2023

7:00 AM

Meeting Items

1. Call to Order/Introduction of Ian Luker, Economic Development Coordinator

The regular meeting of the Economic Development Authority was called to order at 7:03 a.m. Present were David Campbell, Thomas Spooner, Mayor Kevin Voracek and Chair Rod Gramse. Also present were David Wanberg, Community and Economic Development Director, Kari Casper, Administrative Assistant II, Ian Luker, Economic Development Coordinator, as well as Tim Murray, City Administrator.

David Wanberg then introduced our new member of staff, Ian Luker who is the new Economic Development Coordinator. Ian Luker gave a short introduction and then introductions went around the room as well.

2. Approval of the Minutes of March 16, 2023

Motion by Dave Campbell, seconded by Kevin Voracek to approve the meeting minutes of March 16, 2023. Motion passed on a 4/0 vote.

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

David Wanberg was the presenter for the Routine Business. He went over the reports submitted and mentioned that they will be looking into getting a more readable format for these funds in the future to give a better idea of where and when funds were spent. Chair Gramse was concerned about the funds, stating "when it's gone, it's gone" and urged staff to look into ways the EDA could recoup monies. Wanberg stated that he's aware of this and will get into this issue in more detail later.

Wanberg went over the building permits report and mentioned that it may be better to include some sort of a breakdown.

Tom Spooner made a motion, seconded by David Campbell to receive and file the reports as presented. The motion carried on a 4/0 vote.

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

4. Public Hearings
None.

5. Items for Discussion

A. Resolution 2023-04 Approve a Downtown Commercial Rehabilitation and Exterior Improvement Award for an Awning at 409 Central Avenue

Wanberg presented the application and resolution for The Golf Box in consideration to cover the cost of the already installed awning under the Downtown Commercial Exterior Improvement Program. He noted that the applicants had not followed the guidelines of the request by first, applying after the installation of the awning and, secondly, not going with the lowest bid. Wanberg looked into the history of this program and noted that in the past, a penalty was assessed to one property owner by a 10% decrease in their request for starting the project before the monies were awarded. Mayor Voracek asked if the applicants had received money in the past for this and Wanberg wasn't aware of any requests. Chair Gramse then spoke as to the nature of the reason they started early in comparison to the previous applicants' request. Wanberg stated that he wasn't sure why they did it this way. The applicants were not present at this meeting. Ian Luker did try to encourage them to attend. Chair Gramse then stated that he recalled the previous applicants' request was for a function that would be critical to be safe or occupied as to the reason for their early start. In this case, none of those seemed to apply. Mayor Voracek stated that while the request is in line with the program, there are too many errors in the application process and would be inclined to deny this and happy to entertain their next ask which Wanberg stated they have already mentioned. Both Campbell and Spooner agreed with Gramse's and Voracek's statements and a motion was made by Voracek to deny the proposed award under the Downtown Commercial Exterior Improvement Program, seconded by David Campbell. The motion carried on a 4/0 vote. Wanberg stated that there will be a revised Resolution stating the reasons for denial at the next EDA meeting and follow up with a letter to the applicant regarding their decision.

B. Resolution 2023-05 Modify Development Program for Development District No. 1 and Modify TIF District No. 13

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 simplest solution would be to take the parcels out of the plat that are inconsequential to the TIF. The council sets these boundaries and this action will go before them with a public hearing at the next meeting. A resolution was prepared for this and the EDA was asked to approve this. A motion was made by Campbell, seconded by Spooner to approve Resolution 2023.05 as presented. The motion carried on a 4/0 vote.

C. Status of Economic Development Investment Fund and Upcoming Funding Requests

Wanberg explained that in 2022 the EDIF had a \$200,000 balance which the EDA used to award \$100,000 to Tru-Vue and \$100,000 to Trystar, leaving no balance in the EDIF program. At a recent 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.

He went on to state that there are currently four entities that have reached out for funding under this program; Sage, Faribault Mill, F2F and Midwest Recovery. Campbell asked how these funds were replenished. Gramse stated that we are already requesting max levy dollars and that's the only source for these funds. Wanberg said that it's a "first come, first serve" basis for these requests. After some discussion, perhaps look into some ways to encourage investment through loan interest loans that MIF already offers. Revolving is the intent of the funds. No action taken at this time.

D. Review Highway 60 West Master Plan Proposal and Schedule

Wanberg went over the schedule for the Highway 60 Master Plan and stated that they had budgeted \$70,000 for Expert and Professional services. He went on to add that he was contacted by Xcel Energy about a program that would match funds to develop this

area. The budget is \$50,000 and it would be \$25,000 for Xcel and \$25,000 for the City. We would be the first to apply and it's a first come, first serve. Wanberg will proceed with this application process.

E. 2022 Micro-Grant Award Updates

Nort Johnson was asked to present the update for the 2022 Micro Grant program. He stated that while he doesn't have the staff now that worked on it last year, the panel is still intact for the future. He will present photos as requested by the guidelines in the future to present to the EDA. Johnson stated that membership is not a requirement of this program. EDA directed Johnson to move forward with the 2023 funding.

F. Faribault Downtown Central - Update on First Half Funds Awarded and Second Half Funds Requested

Johnson also presented this update for the Downtown Central loans from the EDA and HRA. He stated that the first half has been received and he will present a result for funding of the second half from each at the next meeting. He stated that so far \$741,000 has been invested, of which was mostly for repairs to roofs. There was one HVAC. Those funds also went to two rooftop patios. They are continuing to secure the buildings. Johnson stated that the HPC guidelines inhibit the best job to be accomplished. Johnson spoke about a potential acquisition of the Alano Building and will assist in relocating them or trading spaces. He stated that a lot of work needs to be done on this building. The vision will be to have the space for up to seven small space businesses inside the old Dusek's building and called it an "incubator space".

Johnson went on to discuss the condition of the Eastman building and how it has eight rooftops. One of the rooftops is in really bad condition. There is a space between the wall and the parapet that is too big and the wall is breaking away from the building and it's a matter of time before that falls. Johnson mentioned that they are working on splitting the properties at this location to have their own PID.

Johnson mentioned that the DEED grant that the downtown received was in the amount of \$750,000, of which the FDC group used less than one-third of those proceeds to assist with their projects.

6. Project Updates

Wanberg stated that the Harley Davidson space is for a training space, not a hotel. Riverchase is ahead of schedule and hopes to be open and leasing by the end of the year. Willow Street Apartments are underway. The former Farmer Seed is finishing up on their clean up grant and intends to start the build on the indoor storage. He has seen the construction documents on the apartments but they will come later, maybe next year. Divine Mercy School is underway. Brighton Hospice will be going in to the old O'Reilly Autoparts store and there will be administrative offices only at that location. He discussed the Safe Veritech expansion which will be called the Faribault Glass Campus. The expansion will be on the south side and will bring in approximately 40 more jobs. Midwest recovery would like to begin Phase One in June and may use Tax Abatement as a financial resource. Gramse asked about any news on single-family homes. Wanberg didn't have anything on that; however, he mentioned that Cashin is building his second phase of apartments. Wanberg did say that there have been about 25 single-family homes built a year with about 100 new jobs coming in each year as well.

7. Adjournment

Spooner made a motion to adjourn at 8:19 a.m., seconded by Campbell. The motion passed on a 4/0 vote.

Respectfully Submitted,

Kari Casper
Administrative Assistant

