ECONOMIC DEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM	THURSDAY, AUGUST 17, 2023	7:00 AM

1. Call to Order
2. Approval of the July 20th Minutes
3. Routine Business: *Agenda items below are approved by one motion unless an EDA member requests separate action.*
   A. Monthly Loan Status Report - July 2023
   B. Permit Activity Update Report
   C. Budget Status Report
4. Items for Discussion
   A. Establish the Preliminary 2024 EDA Work Plan and Budget
   B. Resolution 2023-10 Establish the EDA Preliminary Tax Levy for Fiscal Year 2024
   C. Approve a Draft City Development Loan Program that Uses the EDA as a Pass-Through
   D. Provide Direction on Application Fees and Escrows for MIF and JCF Applications
5. Project Updates - July 2023
6. Adjournment

ECONOMIC DEVELOPMENT AUTHORITY MINUTES

PUBLIC MEETING ROOM	THURSDAY, JULY 20, 2023	7:00 AM

Meeting Items

1. Call to Order

   The regular meeting of the Economic Development Authority was called to order by Chair Rod Gramse at 7:00 a.m.   Present were commissioners David Campbell, Christina Jeanes, A.J. Smith, Will Fort, Tom Spooner and Chair Rod Gramse. Staff present were David Wanberg, Ian Luker and Kari Casper. Michael Ritchie was present at the time the meeting was called to order.

2. Approval of the Minutes

   A motion was made by Dave Campbell, seconded by Will Fort to approve the meeting minutes. The motion passed on a 6/0 vote.

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

   A.J. Smith brought a motion to receive and file the reports as presented, seconded by Christine Jeanes. The motion passed on a 6/0 vote..

A. Monthly Loan Status Report

B. Permit Activity Update Report - June 2023

C. Budget Status Report

4. Items for Discussion

A. Review of EDA- Funded Placemaking Work

   The Mayor, Kevin Voracek arrived at 7:08 a.m. Wanberg gave a presentation on what has been done to date. The biggest take from this conversation was that the EDA is interested in providing incremental financing for future projects. Julie Fakler arrived at 7:10 a.m.was also present at the meeting and added that she would appreciate some better direction on what that EDA would like done. Nort Johnson arrived at 7:15 a.m.

B. Resolution 2023-09: Approve a Downtown Commercial Rehabilitation & Exterior Improvement Program Award for Facade Refresh at 409 Central Avenue

   A motion was made by Christine Jeanes, seconded by AJ Smith to approve signing Resolution 2023-09 approving a Downtown Commerical Rehabilitation & Exterior Improvement Program Award for Facade Refresh at 409 Central Avenue. The motion passed on a 7/0 vote.

C. EDIF Status & Discussion

Luker went over the current EDIF application and requirements. Chair Gramse stated that if it doesn't fit the criteria, then they should not apply. Chair also stated that when this money runs out, it runs out and the program will go away after this billing cycle.

D. Faribo Downtown, LLC Updates

Luker presented stating that Nort Johnson who arrived at 7:15 a.m. Mr. Johnson did submit the documents which were included in the packet. Johnson stated that there are five new businesses downtown already. Spooner asked if they are leasing or buying. Johnson stated that both. Johnson did ask for the second half at this time. He then asked about the loan and stated that it may be used as seed money for the revolving loan fund. Will Fort had to leave at 7:45 a.m.

E. Sage Electrochromics - EDIF

Luker stated that Sage is not willing to sign the promissory note for the $50,000. Gramse said that it's a traditional way of doing things.

5. Project Updates

A. Other Project Updates

Luker asked about the format and if anyone had any suggestions. The board was fine with what was presented.

6. Adjournment

AJ Smith brought a motion to adjourn at 8:03, seconded by Dave Campbell. The motion passed on a 6/0 vote.

Respectfully Submitted,

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Kari Casper
Administrative Assistant

City Of Faribault

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Ian Luker, Economic Development Coordinator
THROUGH:	David Wanberg, Community & Economic Development Director
MEETING DATE:	August 17, 2023
SUBJECT:	Monthly Loan Status Report - July 2023

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 are made up of local, state, and federal dollars – all with their own set of criteria associated with each type of funding source.

Loan Funds & Current Cash Balances – July 2023

Fund 249 – Minnesota Investment Fund: $13,331.00
Fund 292 – EDA Revolving Loan: $385,640.90* (*Earmarked $200,000 under 292 Fund for EDIF - not reflected in the available balance).
Fund 243 – Industrial Development Loan: $279,894.94

Total EDA Loan Funds Available: $678,866.84

Fund 290 – EDA Operating Fund / Fund Balance: $1,087,716.74** (**Earmarked $250,000 for Faribo Downtown Central is not reflected in the available fund balance).
Fund 247 – Small Cities Development Program Loan: $422,788.47
Fund 248 – Federal MIF Loan Fund: $594,454.50

REQUESTED ACTION:

Review, receive, and file.

ATTACHMENTS:

1. 3A - Loan Status Reports - 08-2023

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	$385,640.90	
	- Commercial Development Loan Program (and Grant)		
	- Façade Improvement Micro Loan		
	- EDIF - Economic Development Incentive Program		*Sage Electrochromics has been awarded $50,000, but no funds have been distributed.
Fund 243	Industrial Development Loan	$279,894.94	Last activity was loan for Cry Baby Craig's
TOTAL EDA LOAN FUNDS AVAILABLE		***$678,866.94***	
Fund 290	EDA Operating Fund/Fund Balance	$1,087,716.74	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 **2023 – July: The Golf Box was awarded $2,300, but the award is contingent on the owners obtaining a Certificate of Occupancy and closing a permit. No funds have been disbursed.**
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, Economic Development Coordinator
THROUGH:	David Wanberg, Community & Economic Development Director
MEETING DATE:	August 17, 2023
SUBJECT:	Permit Activity Update Report

BACKGROUND:

Permit activity in Faribault has seen a significant rise over the past two years, indicating growth and development within the community. The City has experienced an increase in residential, commercial, and industrial projects. This growth has contributed to an elevated economic status in 2023. Encouraging employment opportunities, business growth, higher tax revenue, a revived real estate market, and improved quality of life are key indicators of Faribault's positive economic trajectory.

While July has seen its usual flow of permits, the issuance of three building permits for new commercial construction stands out as a notable addition. Three of the five new commercial construction permits for 2023 were issued in July.

The monthly permit activity report is prepared for the Economic Development Authority, to track and follow trends within the community.

REQUESTED ACTION:

Please review and highlight any specific data points, trends, or aspects that are deemed essential for decision-making and analysis.

ATTACHMENTS:

1. 1-1 to 7-31-2023 Permits Issued Fees Report - Condensed

City of Faribault
Permits Issued & Fees Report - Condensed

Issued Date From: 1/1/2023 To: 7/31/2023
Permit Type: All Property Type: All Construction Type: All
Include YTD: Yes Status: Not Voided

Permit Kind		Permit Count	Valuation	Revenue	Plan Check	State Surcharge	Total Fees
Permit Type: Building							
Commercial Accessory Building	Period	2	19,126.00	362.50	235.62	9.56	607.68
	YTD	2	19,126.00	362.50	235.62	9.56	607.68
Commercial Addition	Period	2	1,335,980.00	7,961.85	5,158.96	667.99	16,788.80
	YTD	2	1,335,980.00	7,961.85	5,158.96	667.99	16,788.80
Commercial Alteration	Period	23	2,341,804.00	17,626.95	11,457.49	1,170.90	30,255.34
	YTD	23	2,341,804.00	17,626.95	11,457.49	1,170.90	30,255.34
Commercial Demolition	Period	2		108.00		2.00	218.00
	YTD	2		108.00		2.00	218.00
Commercial Fire Alarms	Period	8	1,036,682.59	15,634.25	30.01	519.34	16,153.59
	YTD	8	1,036,682.59	15,634.25	30.01	519.34	16,153.59
Commercial Footing	Period	1	2,000,000.00	8,828.75	5,693.19	900.00	15,421.94
	YTD	1	2,000,000.00	8,828.75	5,693.19	900.00	15,421.94
Commercial Foundation/Site work	Period	2	224,600.00	1,973.00	1,236.95	112.30	3,322.25
	YTD	2	224,600.00	1,973.00	1,236.95	112.30	3,322.25
Commercial Inspection	Period	1		79.00		1.00	80.00
	YTD	1		79.00		1.00	80.00
Commercial New Construction	Period	5	64,553,685.58	215,692.00	108,478.09	8,304.15	645,369.24
	YTD	5	64,553,685.58	215,692.00	108,478.09	8,304.15	645,369.24
Commercial Remodel	Period	2	1,650,316.00	8,164.90	5,307.19	765.62	14,237.71
	YTD	2	1,650,316.00	8,164.90	5,307.19	765.62	14,237.71
Commercial Roofing	Period	15	1,414,475.00	12,664.65		707.25	13,371.90
	YTD	15	1,414,475.00	12,664.65		707.25	13,371.90
Commercial Sprinkler Systems	Period	7	532,967.57	7,994.51	126.02	266.49	8,387.02
	YTD	7	532,967.57	7,994.51	126.02	266.49	8,387.02
Commercial Temporary Building	Period	1		54.00		1.00	109.00
	YTD	1		54.00		1.00	109.00

Permit Kind		Permit Count	Valuation	Revenue	Plan Check	State Surcharge	Total Fees
Permit Type: Building							
Commercial WATER METER	Period	2		54.00		1.00	310.00
	YTD	2		54.00		1.00	310.00
Commercial Window Replacement	Period	1	4,700.00	111.25		2.35	113.60
	YTD	1	4,700.00	111.25		2.35	113.60
Institutional Alteration	Period	1	445,825.00	2,931.35	476.35	222.91	3,630.61
	YTD	1	445,825.00	2,931.35	476.35	222.91	3,630.61
Modular home Roofing	Period	1	9,000.00	90.00		1.00	91.00
	YTD	1	9,000.00	90.00		1.00	91.00
Multi-Family Roofing	Period	1	80,000.00	853.75		40.00	893.75
	YTD	1	80,000.00	853.75		40.00	893.75
Multi-Family Siding	Period	1	75,000.00	818.75		37.50	856.25
	YTD	1	75,000.00	818.75		37.50	856.25
Multi-Family Window/Door Replacement	Period	1	1,000.00	80.00		1.00	81.00
	YTD	1	1,000.00	80.00		1.00	81.00
Residential Accessory Building	Period	2	59,000.00	842.20	421.11	29.50	1,292.81
	YTD	2	59,000.00	842.20	421.11	29.50	1,292.81
Residential Addition	Period	2	90,000.00	977.75	461.88	46.00	1,485.63
	YTD	2	90,000.00	977.75	461.88	46.00	1,485.63
Residential Addition/Remodel	Period	7	84,944.00	1,506.75	753.41	42.46	2,302.62
	YTD	7	84,944.00	1,506.75	753.41	42.46	2,302.62
Residential Alteration	Period	29	267,376.00	5,087.00	2,352.99	136.68	7,687.92
	YTD	29	267,376.00	5,087.00	2,352.99	136.68	7,687.92
Residential Deck	Period	38	279,462.00	5,483.10	2,596.46	140.73	8,461.42
	YTD	38	279,462.00	5,483.10	2,596.46	140.73	8,461.42
Residential Demolition	Period	4		216.00		4.00	220.00
	YTD	4		216.00		4.00	220.00
Residential Egress window	Period	2	3,000.00	108.00	54.01	1.50	163.51
	YTD	2	3,000.00	108.00	54.01	1.50	163.51
Residential Foundation/Site work	Period	1	11,300.00	209.25	104.63	5.65	319.53
	YTD	1	11,300.00	209.25	104.63	5.65	319.53

Permit Kind		Permit Count	Valuation	Revenue	Plan Check	State Surcharge	Total Fees
Permit Type: Building							
Residential Garage-Detached	Period	1	50,000.00	643.75	321.88	25.00	990.63
	YTD	1	50,000.00	643.75	321.88	25.00	990.63
Residential Moving	Period	1		100.00		1.00	101.00
	YTD	1		100.00		1.00	101.00
Residential New Construction	Period	8	2,622,351.00	26,316.30	9,058.18	1,311.18	64,001.66
	YTD	8	2,622,351.00	26,316.30	9,058.18	1,311.18	64,001.66
Residential Porch-3 Season/Open	Period	1	3,000.00	83.25	41.63	1.50	126.38
	YTD	1	3,000.00	83.25	41.63	1.50	126.38
Residential Remodel	Period	6	178,484.00	2,257.50	1,128.78	89.24	3,475.52
	YTD	6	178,484.00	2,257.50	1,128.78	89.24	3,475.52
Residential Roofing	Period	112	2,407,493.57	9,664.00		112.00	9,856.00
	YTD	112	2,407,493.57	9,664.00		112.00	9,856.00
Residential Siding	Period	35	2,494,045.00	2,950.00		35.00	2,985.00
	YTD	35	2,494,045.00	2,950.00		35.00	2,985.00
Residential Solar Array	Period	1		110.00		1.00	221.00
	YTD	1		110.00		1.00	221.00
Residential Solar Panels	Period	13		1,430.00		13.00	1,443.00
	YTD	13		1,430.00		13.00	1,443.00
Residential WATER METER	Period	4		108.00		2.00	966.00
	YTD	4		108.00		2.00	966.00
Residential Window Replacement	Period	4	71,872.36	320.00		4.00	324.00
	YTD	4	71,872.36	320.00		4.00	324.00
Residential Window/Door Replacement	Period	56	2,635,654.00	4,480.00		56.00	4,536.00
	YTD	56	2,635,654.00	4,480.00		56.00	4,536.00
Townhomes Roofing	Period	4	39,223.00	320.00		4.00	324.00
	YTD	4	39,223.00	320.00		4.00	324.00
Townhomes Window/Door Replacement	Period	1	2,475.00	80.00		1.00	81.00
	YTD	1	2,475.00	80.00		1.00	81.00
Permit Type: Building - Totals	**Period**	**411**	**87,024,841.67**	**365,376.31**	**155,494.83**	**15,795.80**	**881,663.31**
	YTD	**411**	**87,024,841.67**	**365,376.31**	**155,494.83**	**15,795.80**	**881,663.31**

Permit Kind		Permit Count	Valuation	Revenue	Plan Check	State Surcharge	Total Fees
Permit Type: Electrical							
Commercial Alteration	Period	1	32,940.00	379.40		16.50	395.90
	YTD	1	32,940.00	379.40		16.50	395.90
Commercial Audit	Period	1		600.00		1.00	601.00
	YTD	1		600.00		1.00	601.00
Commercial Electrical - Commercial One Trip	Period	77	912,873.00	11,524.65		456.65	11,981.30
	YTD	77	912,873.00	11,524.65		456.65	11,981.30
Commercial Electrical - Commercial Two Trip	Period	26	3,733,683.00	38,532.73		1,786.86	40,319.59
	YTD	26	3,733,683.00	38,532.73		1,786.86	40,319.59
Commercial New Construction	Period	2	588,180.00	5,981.80		294.10	6,275.90
	YTD	2	588,180.00	5,981.80		294.10	6,275.90
Condominium Non-Commercial	Period	1				1.00	41.00
	YTD	1				1.00	41.00
Multi-Family Non-Commercial	Period	3				3.00	6,398.00
	YTD	3				3.00	6,398.00
Residential Alteration	Period	3		120.00		3.00	163.00
	YTD	3		120.00		3.00	163.00
Residential Lower Level	Period	2		220.00		2.00	222.00
	YTD	2		220.00		2.00	222.00
Residential New Construction	Period	1		170.00		1.00	171.00
	YTD	1		170.00		1.00	171.00
Residential Non-Commercial	Period	137				137.00	10,719.00
	YTD	137				137.00	10,719.00
Residential One Trip / One Outlet Fee	Period	3		35.00		3.00	233.00
	YTD	3		35.00		3.00	233.00
Permit Type: Electrical - Totals							
	Period	**257**	**5,267,676.00**	**57,563.58**		**2,705.11**	**77,520.69**
	YTD	**257**	**5,267,676.00**	**57,563.58**		**2,705.11**	**77,520.69**
Permit Type: Mechanical							
Commercial Alteration	Period	14	1,013,340.00	8,783.35	326.53	506.69	13,861.94
	YTD	14	1,013,340.00	8,783.35	326.53	506.69	13,861.94

Permit Kind		Permit Count	Valuation	Revenue	Plan Check	State Surcharge	Total Fees
Permit Type: Mechanical							
Commercial New Construction	Period	9	1,553,540.00	11,764.85	11,156.65	776.77	27,040.09
	YTD	9	1,553,540.00	11,764.85	11,156.65	776.77	27,040.09
Multi-Family Furnace - New Construction	Period	1		5,775.00		1.00	5,776.00
	YTD	1		5,775.00		1.00	5,776.00
Multi-Family Furnace - Replacement	Period	1		54.00		1.00	55.00
	YTD	1		54.00		1.00	55.00
Residential Air Conditioning	Period	7		648.00		7.00	709.00
	YTD	7		648.00		7.00	709.00
Residential Alteration	Period	1		54.00		1.00	109.00
	YTD	1		54.00		1.00	109.00
Residential Fireplace	Period	5	31,120.24	696.25		5.00	896.50
	YTD	5	31,120.24	696.25		5.00	896.50
Residential Furnace - New Construction	Period	11		990.00		11.00	1,001.00
	YTD	11		990.00		11.00	1,001.00
Residential Furnace - Replacement	Period	11		684.00		11.00	695.00
	YTD	11		684.00		11.00	695.00
Residential Garage Heater	Period	4		216.00		4.00	220.00
	YTD	4		216.00		4.00	220.00
Residential Gas Piping	Period	2		108.00		2.00	110.00
	YTD	2		108.00		2.00	110.00
Residential Ventilation - HRV/ERV	Period	1		54.00		1.00	55.00
	YTD	1		54.00		1.00	55.00
Residential Water Heater	Period	2		108.00		2.00	110.00
	YTD	2		108.00		2.00	110.00
Townhomes Furnace - New Construction	Period	2		180.00		2.00	182.00
	YTD	2		180.00		2.00	182.00
Permit Type: Mechanical - Totals	**Period**	**71**	**2,598,000.24**	**30,115.45**	**11,483.18**	**1,331.46**	**50,820.53**
	YTD	**71**	**2,598,000.24**	**30,115.45**	**11,483.18**	**1,331.46**	**50,820.53**

Permit Type: Plumbing

Permit Kind		Permit Count	Valuation	Revenue	Plan Check	State Surcharge	Total Fees
Permit Type: Plumbing							
Commercial Alteration	Period	7		1,295.00		7.00	1,302.00
	YTD	7		1,295.00		7.00	1,302.00
Commercial Lawn sprinkler system	Period	1				1.00	375.00
	YTD	1				1.00	375.00
Commercial New Construction	Period	1		290.00		1.00	291.00
	YTD	1		290.00		1.00	291.00
Commercial Remodel	Period	2		355.00		2.00	357.00
	YTD	2		355.00		2.00	357.00
Commercial Replacement	Period	1		160.00		1.00	161.00
	YTD	1		160.00		1.00	161.00
Duplex Addition/Remodel	Period	1		66.00		1.00	67.00
	YTD	1		66.00		1.00	67.00
Modular home Replacement	Period	1		66.00		1.00	67.00
	YTD	1		66.00		1.00	67.00
Multi-Family New Construction	Period	1		66.00		1.00	67.00
	YTD	1		66.00		1.00	67.00
Multi-Family Water/Sewer Service	Period	1		99.00		1.00	100.00
	YTD	1		99.00		1.00	100.00
Residential Addition	Period	1		66.00		1.00	67.00
	YTD	1		66.00		1.00	67.00
Residential Addition/Remodel	Period	15		990.00		15.00	1,005.00
	YTD	15		990.00		15.00	1,005.00
Residential Alteration	Period	10		660.00		10.00	736.00
	YTD	10		660.00		10.00	736.00
Residential Lawn sprinkler system	Period	3		162.00		3.00	913.00
	YTD	3		162.00		3.00	913.00
Residential New Construction	Period	11		1,089.00		11.00	1,100.00
	YTD	11		1,089.00		11.00	1,100.00
Residential Remodel	Period	2		132.00		2.00	134.00
	YTD	2		132.00		2.00	134.00

Permit Kind		Permit Count	Valuation	Revenue	Plan Check	State Surcharge	Total Fees
Permit Type: Plumbing							
Residential Replacement	Period	11		726.00		11.00	737.00
	YTD	11		726.00		11.00	737.00
Residential Water Softener	Period	3		162.00		3.00	165.00
	YTD	3		162.00		3.00	165.00
Residential Water/Sewer Service	Period	7		693.00		7.00	700.00
	YTD	7		693.00		7.00	700.00
Permit Type: Plumbing - Totals							
	Period	**79**		**7,077.00**		**79.00**	**8,344.00**
	YTD	**79**		**7,077.00**		**79.00**	**8,344.00**
Permit Type: Sign							
Commercial Sign-Pylon	Period	3		240.00			290.00
	YTD	3		240.00			290.00
Commercial Sign-Wall	Period	10	0.00	709.00			999.00
	YTD	10	0.00	709.00			999.00
Permit Type: Sign - Totals							
	Period	**13**	**0.00**	**949.00**			**1,289.00**
	YTD	**13**	**0.00**	**949.00**			**1,289.00**
Permit Type: Water Meter							
Residential Install Meter	Period	3					1,338.00
	YTD	3					1,338.00
Permit Type: Water Meter - Totals							
	Period	**3**					**1,338.00**
	YTD	**3**					**1,338.00**
Report Totals	**Period**	**834**	**$94,890,517.91**	**461,081.34**	**166,978.01**	**19,911.37**	**1,020,975.53**
	YTD	**834**	**$94,890,517.91**	**461,081.34**	**166,978.01**	**19,911.37**	**1,020,975.53**

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Ian Luker, Economic Development Coordinator
THROUGH:	David Wnaberg, Community & Economic Development Director
MEETING DATE:	August 17, 2023
SUBJECT:	Budget Status Report

BACKGROUND:
The July 2023 Expenditure Summary for Fund 290 is attached.

REQUESTED ACTION:
No action required.

ATTACHMENTS:
1. Fund 290 - Expenditure Summary - July 2023

General Ledger
Expenditure and Revenue Summary

User: iluker@ci.faribault.mn.us
Printed: 8/14/2023 5:26:33 PM
Period 01 - 12
Fiscal Year 2023

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% ExpendCollect
290	**Economic Development Authority**					
290-00000-000-10100	Cash	0.00	0.00	138,699.01	1,278,972.77	0.00
290-00000-000-10410	Investments - Fair Value Adj	0.00	0.00	5,349.47	-74,701.08	0.00
290-00000-000-10450	Interest Receivable	0.00	0.00	-21.68	3,819.43	0.00
290-00000-000-10500	Taxes Receivable - Current	0.00	0.00	-2,481.03	0.00	0.00
290-00000-000-10700	Taxes Receivable - Delinquent	0.00	0.00	0.00	3,250.35	0.00
290-00000-000-11500	Accounts Receivable	0.00	0.00	0.00	0.00	0.00
290-00000-000-13200	Due From Other Governments	0.00	0.00	0.00	0.00	0.00
290-00000-000-13700	Loans Receivable	0.00	0.00	-867.28	9,962.11	0.00
290-00000-000-13710	Loan Receivable-Deferred	0.00	0.00	30,000.00	945,188.48	0.00
290-00000-000-15500	Prepaid Items	0.00	0.00	-10,705.00	0.00	0.00
	Current Assets	0.00	0.00	159,973.49	2,166,492.06	0.00
290-00000-000-25300	Unreserved Fund Balance	0.00	0.00	0.00	-1,087,716.74	0.00
	Fund Balance	0.00	0.00	0.00	-1,087,716.74	0.00
290-00000-000-20200	Accounts Payable	0.00	0.00	317.00	0.00	0.00
290-00000-000-20201	Accounts Payable Pass-Thru	0.00	0.00	0.00	0.00	0.00
290-00000-000-20800	Due To Other Governments	0.00	0.00	46.00	0.00	0.00
290-00000-000-22000	Deposits	0.00	0.00	0.00	0.00	0.00
290-00000-000-22200	Deferred Revenues	0.00	0.00	0.00	-3,250.35	0.00
	Current Liability	0.00	0.00	363.00	-3,250.35	0.00
290-00000-000-22210	Loans Receivable - Deferred	0.00	0.00	-30,000.00	-945,188.48	0.00
	Noncurrent Liability	0.00	0.00	-30,000.00	-945,188.48	0.00
290-00000-462-31010	Current Ad Valorem Taxes	-322,273.00	-322,273.00	-170,955.17	-170,955.17	53.05
290-00000-462-31020	Delinquent Ad Valorem Taxes	0.00	0.00	-1,565.41	-1,565.41	0.00
290-00000-462-31030	Mobile Home Taxes	0.00	0.00	0.00	0.00	0.00
290-00000-462-31035	Delinquent Mobile Home Taxes	0.00	0.00	-107.98	-107.98	0.00
290-00000-462-31040	Excess Tax Increment	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

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% ExpendCollect
290-00000-462-31550	Green Acres	0.00	0.00	0.00	0.00	0.00
	Taxes	-322,273.00	-322,273.00	-172,628.56	-172,628.56	53.57
290-00000-462-36215	Loan Interest	-383.00	-383.00	-208.72	-208.72	54.50
	Permit & Licenses	-383.00	-383.00	-208.72	-208.72	54.50
290-00000-462-33402	Market Value Homestead Credit	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
	Intergovernmental Revenue	0.00	0.00	0.00	0.00	0.00
290-00000-462-34108	Administrative Fees	0.00	0.00	0.00	0.00	0.00
290-00000-462-34700	Application Fees	-2,500.00	-2,500.00	-800.00	-800.00	32.00
	Charges for Services	-2,500.00	-2,500.00	-800.00	-800.00	32.00
290-00000-462-36200	Other Miscellaneous Revenue	-500.00	-500.00	-15,095.00	-15,095.00	3,019.00
290-00000-462-36210	Interest on Investments	-6,600.00	-6,600.00	-15,421.45	-15,421.45	233.66
290-00000-462-36211	Interest Market Value	0.00	0.00	-5,349.47	-5,349.47	0.00
290-00000-462-36240	Refunds & Reimbursements	0.00	0.00	-275.00	-275.00	0.00
290-00000-462-36400	Loan Principal	0.00	0.00	0.00	0.00	0.00
	Miscellaneous Revenue	-7,100.00	-7,100.00	-36,140.92	-36,140.92	509.03
290-00000-462-39100	Sale of Land	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
	Other Sources	0.00	0.00	0.00	0.00	0.00
Grand Total		-332,256.00	-332,256.00	-79,441.71	-79,441.71	0.2391
Revenue Total		-332,256.00	-332,256.00	-209,778.20	-209,778.20	-0.6314
Expense Total		0.00	0.00	0.00	0.00	0
00000		***-332,256.00***	***-332,256.00***	***-79,441.71***	***-79,441.71***	***23.91***
290-46500-462-42110	General Supplies	0.00	0.00	0.00	0.00	0.00
290-46500-462-42115	Meeting	250.00	250.00	0.00	0.00	0.00
290-46500-462-42420	Minor Computer Equipment	0.00	0.00	0.00	0.00	0.00
	Supplies	250.00	250.00	0.00	0.00	0.00
290-46500-462-43030	Engineering Fees	0.00	0.00	0.00	0.00	0.00
290-46500-462-43040	Legal Fees - Civil Process	20,000.00	20,000.00	3,730.95	3,730.95	18.65
290-46500-462-43080	Indirect Cost Allocation	0.00	0.00	0.00	0.00	0.00
290-46500-462-43090	Expert & Professional Services	75,000.00	75,000.00	1,650.00	1,650.00	2.20
290-46500-462-43095	Software Maintenance & Support	0.00	0.00	246.56	246.56	0.00
290-46500-462-43130	EDA Program Budget	650,000.00	650,000.00	30,000.00	30,000.00	4.62
290-46500-462-43140	Training & Education	3,500.00	3,500.00	0.00	0.00	0.00
290-46500-462-43220	Postage	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
290-46500-462-43310	Travel Expense	4,500.00	4,500.00	0.00	0.00	0.00
290-46500-462-43430	Advertising - Other	45,000.00	45,000.00	10,000.00	10,000.00	22.22
290-46500-462-43510	Legal Notices Publishing	500.00	500.00	124.20	124.20	24.84
290-46500-462-43520	Recording Fees	1,000.00	1,000.00	345.00	345.00	34.50
290-46500-462-43610	Insurance & Bonds	1,951.00	1,951.00	1,640.00	1,640.00	84.06
290-46500-462-43810	Electric Utilities	0.00	0.00	0.00	0.00	0.00
290-46500-462-43860	Storm Water Utilities	40.00	40.00	0.00	0.00	0.00
290-46500-462-44330	Dues & Subscriptions	24,000.00	24,000.00	21,705.00	21,705.00	90.44
290-46500-462-44370	Miscellaneous Charges	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% ExpendCollect
290-46500-462-44390	Taxes & Licenses	50.00	50.00	0.00	0.00	0.00
290-46500-462-44600	Loans & Grants	345,000.00	345,000.00	10,000.00	10,000.00	2.90
	Other Services & Charges	1,170,541.00	1,170,541.00	79,441.71	79,441.71	6.79
290-46500-462-44160	Rents & Leases	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
	Capital Outlay	0.00	0.00	0.00	0.00	0.00
290-46500-462-47200	Transfer Out	0.00	0.00	0.00	0.00	0.00
	Other Uses	0.00	0.00	0.00	0.00	0.00
Grand Total		1,170,791.00	1,170,791.00	79,441.71	79,441.71	0.0679
Revenue Total		0.00	0.00	0.00	0.00	0
Expense Total		1,170,791.00	1,170,791.00	79,441.71	79,441.71	0.0679
46500	***Economic Development***	***1,170,791.00***	***1,170,791.00***	***79,441.71***	***79,441.71***	***6.79***
290	**Economic Development Authority**	**838,535.00**	**838,535.00**	**0.00**	**0.00**	**0.00**

Account Number	Description	Original Budget	Amended Budget	Month to Date	YTD	% Expend/Collect
Grand Total		838,535.00	838,535.00	0.00	0.00	0
Revenue Total		-332,256.00	-332,256.00	-209,778.20	-209,778.20	-0.6314
Expense Total		1,170,791.00	1,170,791.00	79,441.71	79,441.71	0.0679

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Ian Luker, Economic Development Coordinator
THROUGH:	David Wanberg, Community and Economic Development Director
MEETING DATE:	August 17, 2023
SUBJECT:	Establish the Preliminary 2024 EDA Work Plan and Budget

BACKGROUND:

2024 Budget and Planning Discussions - Background Information:

Discussions have continued regarding 2024's current work plan and progress, 2024 goals, and budget allocations to support EDA's ongoing and future initiatives.

The 2024 work plan and accompanying budget continue to highlight actions and activities that lend themselves to the following:

Serve as an economic driver for business acquisition and retention
Utilize and support housing initiatives as an economic development tool
Support/identify/advance catalyst projects
Strategic work with the allocated resources
Focus on corridors, gateways and downtown

The attached draft work plan reflects ongoing EDA priorities moving into 2024. The work plan includes six distinct priorities, with specific action items associated with each. Specific actions include:

Available Land – Overall, we are working to ensure we market and represent the available land accurately, while collaborating with developers and owners to get land shovel-ready.
Gateways – Improvements to the gateways and corridors are on-going.
Regionalism – Faribault continues to network and broaden its visibility within the region.
Work Force – Staff are aware there is a strong interconnection between establishing a solid local workforce and ensuring adequate housing within the community. Staff are preparing to work with developers and employers to address on-going staffing concerns.
Small Business Assistance – Acquisition and retention are still top priorities for the small business community.
Ongoing Operations – Our aim is to strategically align the initiatives to maximize economic opportunities, enhance the quality of life, and ensure a path to a sustainable future for Faribault.

REQUESTED ACTION:

Discuss and ask applicable questions.

ATTACHMENTS:

1. 2024 Draft - EDA Work Plan - 08.14.2023
2. Levy Calculations for EDA FY 2024

2024 EDA WORK / ACTION PLAN

<table>
<tr><td>AVAILABLE LAND</td><td>

Identify underutilized parcels throughout and adjacent to city limits –
Work with GIS to build an interactive display for web that is intuitive and user-friendly
Identify infill development opportunities
Be prepared to assemble and acquire land if/when appropriate
Proactively identify “highly-visible/catalyst” sites for development/redevelopment
Continue the conversation to fund studies/projects that will help market catalyst sites
Start discussions with business owners about expansion/land needs
Build an “inventory needs” assessment based on business input
Understand the opportunities that have the potential to be most successful now (i.e. – warehousing/production) and how that fits into the overall strategic plan for the City.
Identify developable land and owner willingness to sell.
Collaborating with developers and owners to make their sites shovel-ready is vital for business acquisition in 2024. Faribault has missed out on making the final cut within the past month, due to a site not being shovel-ready.
Support/encourage annexation
Work with GIS Coordinator on a regular basis to ensure maps utilized for marketing and attracting new business are accurate and informative.
</td></tr>
<tr><td>GATEWAYS</td><td>

Identify (and map) opportunities and threats along major gateways (SWOT)
Encourage investment / redevelopment along major gateways
Provide funding (loans/grants) to clear hurdles to kick-start investment
Develop programs to infuse funds/leverage private resources
Replicate success on north side of Faribault in other areas of the city – investment in infrastructure, etc.
Develop programs to encourage visual enhancements
Develop programs that will make a visual impact on the community
Support/actively participate in I-35 interchange and frontage road initiatives
Develop initiatives to enhance Hwy 60 reconstruction project
Develop infrastructure plan
Develop master plan/concept plan/engineering plans to show the potential for development and to use to market the area
Develop plan to understand the power capacity and needs of corridor areas with service providers (i.e. – Xcel/SWEC)
Continue investments into the downtown
Map areas with highest traffic patterns (foot/bike/vehicle) – provide investments
Focus on back sides of buildings, ROW, etc.
Develop priority scoring and funding system to deploy funds to have biggest impact
Partner with City/HRA/HPC/Others on downtown initiatives
Partner with PCA on placemaking initiatives that bring people downtown
Electric Vehicle Charging Stations
</td></tr>
<tr><td>REGIONALISM</td><td>

Understand regional issues impacting economic development
Partner with other municipalities on regional marketing
Work with employers to address workforce housing needs and initiatives
Identify developers that are interested in projects in Faribault. Connect to local businesses as appropriate
Define, understand, and market Faribault’s place in the region
I-35 Corridor/Corridors of Commerce
Greater MSP
SE MN
</td></tr>
</table>

	o Minnesota Marketing Partnership o State of MN Trade Office / Foreign Direct Investment –
WORKFORCE & DATA ANALYSIS	• Continue to meet regularly with SCC to ensure that the City/EDA is aware of opporutnities to partner with and promote programming the benefits business partners. • Participate in virtual and in person networking opportunities with outside agencies that provide information and creative solutions to the ongoing workforce issues. • Continue to work with housing developers and local businesses to find creative solutions to the workforce housing crisis. • Partner with the Faribault Area Chamber of Commerce and other partners on their "Career and Workforce Development" initiative • Work with employers to understand workforce needs o Develop specific workforce strategies for local employers o Develop "creative" talent attraction initiatives • Participate with DEED on talent-attraction efforts/events/initiatives • Continue to tell Faribault's story o Growing workforce population o Positive impact of proximity to south metro o Training opportunities
SMALL BUSINESS ASSISTANCE	• Identify ways to attract more small businesses • Assess current programs and determine the feasibility of reworking to include small business assistance program that is inclusive of businesses outside of the downtown. • Create synergy in the downtown • Provide programs to encourage investments in small business • Understand how the EDA can further assist in the infill opportunity that exists in the next few years that is available in the downtown, providing information to potential businesses and connecting them with available programs and buildings. • Utilize resources to understand what programs exist and work in other similar sized communities
ONGOING OPERATIONS	• Review support to other organizations and ensure that the funding is focused on those that align with the EDA's core economic development focus and mission. Reallocate as appropriate. • Continue to tell the Faribault story through various media including LinkedIn and through the City Communication team as appropriate • Understand and utilize economic development tools that are available to us to include TIF, MIF, Tax Abatement, and Job Creation Programs. • Continue enhanced marketing and networking initiatives o Leverage marketing funds by pursuing joint marketing efforts o Assess and pursue targeted marketing campaigns that include site selection partnership/consultant services o Actively participate in MMP, targeted industry visits, FAM Tour, FDI opportunities, talent attraction events o Participate in MREJ and EDAM events as appropriate o Utilize the assets of the City as marketing tools (i.e. – New water tower has finally been raised!) • Work between departments to ensure continuity in conversations to best utilize resources available and serve current and potential businesses • Develop a robust BRE program that will further assist in understanding the needs of all local businesses.

FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY
GENERAL FUND
PRELIMINARY 2024 EDA LEVY CALCULATIONS

Authority

Minnesota Statutes 469.107, Subdivision 1
"A city may, at the request of the authority, levy a tax in any year for the benefit of the authority. The tax must be not more than 0.01813 percent of the taxable market value."

Maximum Levy Calculation

PY Estimated Market Value	$ 2,055,421,700
Percentage Allowed	0.01813
Maximum Levy	$372,648

EDA Levy History

Year	Net Levy	% of Max Levy
1998	$ - - -	
1999	50,000	
2000	60,000	
2001	70,000	
2002	126,239	
2003	132,551	
2004	156,536	100%
2005	175,700	100%
2006	196,858	100%
2007	223,211	100%
2008	236,832	100%
2009	265,276	100%
2010	265,276	99%
2011	261,155	100%
2012	246,047	100%
2013	215,331	100%
2014	193,354	100%
2015	193,354	100%
2016	197,649	100%
2017	202,798	100%
2018	213,018	100%
2019	225,119	100%
2020	246,869	100%
2021	289,982	100%
2022	303,623	100%
2023	322,273	100%
2024	372,648	100%

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:	August 17, 2023
SUBJECT:	Resolution 2023-10 Establish the EDA Preliminary Tax Levy for Fiscal Year 2024

BACKGROUND:

Minnesota Statute 469.107, Subdivision 1 provides that a City may, at the request of its Economic Development Authority (EDA), levy a tax each year on all taxable property within the taxing district for the benefit of the EDA. Although the City Council approves the levy amount, the statute limits the levy to a maximum of 0.0183 percent of the estimated taxable market value in the district.

Since 2011, the EDA has recommended, and the City Council has approved, the maximum levy amount allowed by the statute (refer to the attached preliminary 2024 EDA levy calculations). The EDA should request the maximum allowed levy for 2024 to support the EDA's 2024 preliminary work program and budget. The levy is the EDA's primary source of flexible revenue that the HRA can use to fund its programs and fulfill its mission. The 2024 estimated taxable market value is $2,055,421,700. Therefore, the maximum the City Council can levy for the EDA in 2024 is $372,648 ($2,055,421,700 x 0.0001813 = $372,648).

The City must certify its proposed 2024 property tax levy to the Rice County Auditor by September 30, 2023. Consequently, the HRA should approve a resolution (at this meeting) requesting that the City Council approve a 2024 maximum tax levy for the EDA not to exceed $372,648 for EDA purposes (refer to the attached resolution). Once the City Council certifies the tax levy, the Council can reduce the levy, but it cannot increase it.

REQUESTED ACTION:

Approve Resolution 2023-10.

ATTACHMENTS:

1. Resolution 2023-10 Establish the EDA Preliminary Tax Levy for Fiscal Year 2024
2. Levy Calculations for EDA FY 2024

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT

RESOLUTION #2023-10

ESTABLISH THE EDA PRELIMINARY TAX LEVY FOR FISCAL YEAR 2024

WHEREAS, Minnesota Statute 469.107, Subdivision 1 provides that a City may, at the request of its Economic Development Authority (the "EDA"), levy a tax each year on all taxable property within the taxing district for the benefit of the EDA; and

WHEREAS, Minnesota Statute 469.107, Subdivision 1 limits the levy to a maximum of 0.01813 percent of the estimated taxable market value in the district; and

WHEREAS, the 2024 estimated taxable market value in the district is $2,0555,421,700; and

WHEREAS, the maximum the City Council can levy for EDA purposes in 2024 is $372,648 ($2,055,421,700 x 0.0001813 = $372,648); and

WHEREAS, the EDA has prepared a preliminary work program and budget that depends on the EDA receiving the maximum levy amount allowed by the statute.

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority of Faribault, Minnesota (the "EDA"), that it establishes and recommends the City Council approve a 2024 tax levy of $372,648 for EDA purposes per the proposed 2024 budget on file with the City.

ADOPTED: August 17, 2023

____

Kevin Voracek, Vice President

ATTEST:

____

AJ Smith, Secretary/Treasurer

FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY
GENERAL FUND
PRELIMINARY 2024 EDA LEVY CALCULATIONS

Authority

Minnesota Statutes 469.107, Subdivision 1
"A city may, at the request of the authority, levy a tax in any year for the benefit of the authority. The tax must be not more than 0.01813 percent of the taxable market value."

Maximum Levy Calculation

PY Estimated Market Value	$ 2,055,421,700
Percentage Allowed	0.01813
Maximum Levy	$372,648

EDA Levy History

Year	Net Levy	% of Max Levy
1998	$ - - -	
1999	50,000	
2000	60,000	
2001	70,000	
2002	126,239	
2003	132,551	
2004	156,536	100%
2005	175,700	100%
2006	196,858	100%
2007	223,211	100%
2008	236,832	100%
2009	265,276	100%
2010	265,276	99%
2011	261,155	100%
2012	246,047	100%
2013	215,331	100%
2014	193,354	100%
2015	193,354	100%
2016	197,649	100%
2017	202,798	100%
2018	213,018	100%
2019	225,119	100%
2020	246,869	100%
2021	289,982	100%
2022	303,623	100%
2023	322,273	100%
2024	372,648	100%

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:	August 17, 2023
SUBJECT:	Approve a Draft City Development Loan Program that Uses the EDA as a Pass-Through

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BACKGROUND:

At its May 23, 2023, work session, the City Council indicated it would provide a $500,000 loan to a local property investment group to improve buildings in the downtown. However, unlike the EDA, the City does not have a loan program. Consequently, the City Council is requesting that the EDA establish a loan program that is funded through the City Council and for which the EDA acts as a pass-through.

Jeanne Schmuck, Finance Director, prepared a draft City Loan Policy based on criteria similar to what the Community and Economic Development Department uses for other EDA agreements (see attached). The Finance Director also prepared a draft amortization schedules with payment terms and an interest rate of 2% above bond (currently 7%) (see attached).

REQUESTED ACTION:

Provide direction on the proposed City loan program that uses the EDA as a pass-through. More specifically, provide feedback to the City Council regarding the interest associated with the loan. For example, can the EDA keep interest payments associated with the loan so that it can revolve funds for future work?

ATTACHMENTS:

1. Draft City Loan Policy
2. City Loan to EDA for FDC Amortization Schedule

City Loan Policy

Purpose: The City of Faribault will provide assistance to eligible applicants for the rehabilitation of commercial properties via this City Loan Program utilizing City funds through the Faribault Economic Development Authority in accordance with the following guidelines.

ELIGIBLE APPLICANTS

1. The applicant must own the property to be improved.

2. The applicant must have the ability to provide a minimum 10% cash investment in the project.

3. The applicant must have the ability to make monthly loan payments.

4. The applicant must be current with mortgage, real estate taxes, and insurance payments.

5. The applicant must be in compliance with all applicable City of Faribault ordinances and zoning requirements.

6. The applicant must not have defaulted on a publicly funded program within the last five years.

   If an applicant has defaulted on a publicly funded program, he/she is indefinitely suspended from eligibility for participation in another publicly funded program. The applicant may appeal the suspension to the City after five years. The following criteria will be used to evaluate the appeal:

   a. Documentation of mitigating factors
   b. Documentation of adequate credit worthiness
   c. Repayment of defaulted loan or satisfactory performance in an ongoing repayment plan

ELIGIBLE PROPERTIES

1. The property must be located in the City of Faribault.

2. The property must not be located within a flood plain.

3. The property must be free of all liens and judgments.

ELIGIBLE IMPROVEMENTS

Eligible improvements must be permanent improvements to correct structural, exterior, and building code violations including, but not limited to:

1. Life safety improvements including the installation of smoke detection and fire suppression systems.

2. Energy efficiency improvements including door and window repair or replacement, furnace replacement, and insulation installation.

3. Deferred maintenance improvements including roof repair or replacement, electrical and plumbing system updating, tuck pointing, pressure washing and paint removal, cornice repair and restoration, and removal of aluminum or other metal awnings.

4. Lead-based paint hazard stabilization.

INELIGIBLE IMPROVEMENTS

1. Improvements not required to bring the property into compliance with or addressed by applicable building code.

2. Non-permanent and leasehold improvements.

3. Exterior improvements not approved by the State Historic Preservation Office (SHPO) or the Heritage Preservation Commission (HPC) as necessary.

4. Refinancing or paying off an existing debt or for the payment of assessments for public improvements.

5. Improvements made prior to the award of the loan and the execution of loan documents.

FINANCIAL ASSISTANCE

The City of Faribault will make available low interest loans (2% above bonding rates) to the EDA as a pass through for applicants who meet the criteria listed above.

Loan funds will be due and payable in full when the initial owner, partnerships, LLC, or corporation sells or otherwise transfers all of his/her/their interest in the property to a party other than the initial owners or fails to meet any of the guidelines established within this document for the maturity date of the loans. The change in name of the LLC or corporation is acceptable and will not trigger repayment as long as one or more of the initial owners retains at least a 50% ownership interest in the LLC or corporation.

APPLICATION PROCEDURE

Application Intake

Eligible applicants will be served on a first-come/first serve basis. Community and Economic Development Staff, on behalf of the Economic Development Authority, will review applications. Incomplete applications will be returned to the applicant.

The EDA is the approving authority for the loans with the property owner. Once the loan package has been approved, the EDA will request funds from the City. Upon approval from the City Council, the EDA will contact the property owner and an appointment scheduled to sign loan documents.

No work may begin on the project until approval is received, loan documents have been executed, and the 'proceed to work' notice has been issued to the contractor. Starting work prior to approval will be grounds for denial.

No changes to the scope of work or the cost of the project will be allowed without the execution of a 'change order' approved by the owner, contractor, and Community and Economic Development Staff. The property owner will be responsible for costs exceeding the approved loan amount.

The project must be initiated within one month of the date the 'proceed to work' notice is issued. The entire project must then be completed within 120 days. Exceptions may be made for weather-related delays.

The contractor will be required to sign a lien waiver for each payment received. The contractor will also be required to provide proof of payment to all subcontractors and material suppliers before final payment is issued.

Inspections will be scheduled at the property owner's request, as required by the Building Official, or as deemed appropriate by Community and Economic Development Staff.

COMPLAINT/APPLEAL PROCEDURE

Complaints or appeals concerning issues related to the City Loan program shall be made in writing and addressed to the City of Faribault's Community and Economic Development Department. A written response will be made within 15 working days.

If the applicant is not satisfied with the response, he/she may appeal the decision to the EDA. The EDA's decision will be in writing and made within ten working days following its regularly scheduled monthly meeting. The EDA's decision will be final.

AMENDMENTS

Program amendments may be made from time to time. In this event, the revised guidelines will become effective the date the amendments are approved.

Sewer Fund (602) to EDA for FDC

Loan Details	
Loan amount	$500,000.00
Annual interest rate	7.00%
Loan period in years	5
Start date of loan	9/12/2023

Pmt No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
1	10/12/2023	$500,000.00	$2,916.67	$0.00	$2,916.67	$500,000.00
2	11/12/2023	$500,000.00	$2,916.67	$0.00	$2,916.67	$500,000.00
3	12/12/2023	$500,000.00	$2,916.67	$0.00	$2,916.67	$500,000.00
4	1/12/2024	$500,000.00	$2,916.67	$0.00	$2,916.67	$500,000.00
5	2/12/2024	$500,000.00	$2,916.67	$0.00	$2,916.67	$500,000.00
6	3/12/2024	$500,000.00	$2,916.67	$0.00	$2,916.67	$500,000.00
7	4/12/2024	$500,000.00	$2,916.67	$0.00	$2,916.67	$500,000.00
8	5/12/2024	$500,000.00	$2,916.67	$0.00	$2,916.67	$500,000.00
9	6/12/2024	$500,000.00	$2,916.67	$0.00	$2,916.67	$500,000.00
10	7/12/2024	$500,000.00	$2,916.67	$0.00	$2,916.67	$500,000.00
11	8/12/2024	$500,000.00	$2,916.67	$0.00	$2,916.67	$500,000.00
12	9/12/2024	$500,000.00	$2,916.67	$0.00	$2,916.67	$500,000.00
13	10/12/2024	$500,000.00	$11,973.12	$9,056.45	$2,916.67	$490,943.55
14	11/12/2024	$490,943.55	$11,973.12	$9,109.28	$2,863.84	$481,834.26
15	12/12/2024	$481,834.26	$11,973.12	$9,162.42	$2,810.70	$472,671.84
16	1/12/2025	$472,671.84	$11,973.12	$9,215.87	$2,757.25	$463,455.98
17	2/12/2025	$463,455.98	$11,973.12	$9,269.63	$2,703.49	$454,186.35
18	3/12/2025	$454,186.35	$11,973.12	$9,323.70	$2,649.42	$444,862.65
19	4/12/2025	$444,862.65	$11,973.12	$9,378.09	$2,595.03	$435,484.56
20	5/12/2025	$435,484.56	$11,973.12	$9,432.79	$2,540.33	$426,051.77
21	6/12/2025	$426,051.77	$11,973.12	$9,487.82	$2,485.30	$416,563.95
22	7/12/2025	$416,563.95	$11,973.12	$9,543.16	$2,429.96	$407,020.79
23	8/12/2025	$407,020.79	$11,973.12	$9,598.83	$2,374.29	$397,421.95
24	9/12/2025	$397,421.95	$11,973.12	$9,654.83	$2,318.29	$387,767.13
25	10/12/2025	$387,767.13	$11,973.12	$9,711.15	$2,261.97	$378,055.98
26	11/12/2025	$378,055.98	$11,973.12	$9,767.79	$2,205.33	$368,288.19
27	12/12/2025	$368,288.19	$11,973.12	$9,824.77	$2,148.35	$358,463.42
28	1/12/2026	$358,463.42	$11,973.12	$9,882.08	$2,091.04	$348,581.34

Pmt No.	Payment Date	Beginning Balance	Payment	Principal	Interest	Ending Balance
29	2/12/2026	$348,581.34	$11,973.12	$9,939.73	$2,033.39	$338,641.61
30	3/12/2026	$338,641.61	$11,973.12	$9,997.71	$1,975.41	$328,643.90
31	4/12/2026	$328,643.90	$11,973.12	$10,056.03	$1,917.09	$318,587.87
32	5/12/2026	$318,587.87	$11,973.12	$10,114.69	$1,858.43	$308,473.17
33	6/12/2026	$308,473.17	$11,973.12	$10,173.69	$1,799.43	$298,299.48
34	7/12/2026	$298,299.48	$11,973.12	$10,233.04	$1,740.08	$288,066.44
35	8/12/2026	$288,066.44	$11,973.12	$10,292.73	$1,680.39	$277,773.71
36	9/12/2026	$277,773.71	$11,973.12	$10,352.77	$1,620.35	$267,420.94
37	10/12/2026	$267,420.94	$11,973.12	$10,413.16	$1,559.96	$257,007.77
38	11/12/2026	$257,007.77	$11,973.12	$10,473.91	$1,499.21	$246,533.86
39	12/12/2026	$246,533.86	$11,973.12	$10,535.01	$1,438.11	$235,998.86
40	1/12/2027	$235,998.86	$11,973.12	$10,596.46	$1,376.66	$225,402.40
41	2/12/2027	$225,402.40	$11,973.12	$10,658.27	$1,314.85	$214,744.13
42	3/12/2027	$214,744.13	$11,973.12	$10,720.45	$1,252.67	$204,023.68
43	4/12/2027	$204,023.68	$11,973.12	$10,782.98	$1,190.14	$193,240.70
44	5/12/2027	$193,240.70	$11,973.12	$10,845.88	$1,127.24	$182,394.81
45	6/12/2027	$182,394.81	$11,973.12	$10,909.15	$1,063.97	$171,485.66
46	7/12/2027	$171,485.66	$11,973.12	$10,972.79	$1,000.33	$160,512.88
47	8/12/2027	$160,512.88	$11,973.12	$11,036.79	$936.33	$149,476.08
48	9/12/2027	$149,476.08	$11,973.12	$11,101.18	$871.94	$138,374.91
49	10/12/2027	$138,374.91	$11,973.12	$11,165.93	$807.19	$127,208.97
50	11/12/2027	$127,208.97	$11,973.12	$11,231.07	$742.05	$115,977.91
51	12/12/2027	$115,977.91	$11,973.12	$11,296.58	$676.54	$104,681.32
52	1/12/2028	$104,681.32	$11,973.12	$11,362.48	$610.64	$93,318.84
53	2/12/2028	$93,318.84	$11,973.12	$11,428.76	$544.36	$81,890.08
54	3/12/2028	$81,890.08	$11,973.12	$11,495.43	$477.69	$70,394.66
55	4/12/2028	$70,394.66	$11,973.12	$11,562.48	$410.64	$58,832.17
56	5/12/2028	$58,832.17	$11,973.12	$11,629.93	$343.19	$47,202.24
57	6/12/2028	$47,202.24	$11,973.12	$11,697.77	$275.35	$35,504.47
58	7/12/2028	$35,504.47	$11,973.12	$11,766.01	$207.11	$23,738.46
59	8/12/2028	$23,738.46	$11,973.12	$11,834.65	$138.47	$11,903.81
60	9/12/2028	$11,903.81	$11,973.12	$11,903.81	$69.31	$0.00
				$500,000.00	$109,709.76	

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:	August 17, 2023
SUBJECT:	Provide Direction on Application Fees and Escrows for MIF and JCF Applications

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BACKGROUND:

The City's fee schedule outlines required application fees and, in some cases, escrows. The application fee covers basic administration costs, including public hearing notices and publications. The escrow, if required, covers the City's consultant costs, such as the City Attorney and City Financial Advisor fees.

The City's fee schedule requires a $350 application fee for a Minnesota Investment Fund (MIF) application, but it requires no escrow. The City is responsible for submitting and administering MIF applications to the Minnesota Department of Employment and Economic Development (DEED). The City's fee schedule does not list fees for a Job Creation Fund (JCF) application. The Applicant is responsible for submitting JCF applications, but the City is responsible for reviewing the JCF application. The City Attorney reviews Dun and Bradstreet reports, standing with the Secretary of State, etc. Therefore, the City has incurred City Attorney costs in submitting and/or reviewing MIF and JCF applications.

In the past, most MIF and JCF applications were accompanied by TIF and/or tax abatement applications, which require a $10,000 to $20,000 escrow. Even though MIF and JCF applications do not require an escrow, the City Attorney and Financial Advisor costs have been taken out of those escrows since the various applications were related.
However, in some cases, we have a MIF and/or JCF application but no TIF or Abatement applications, yet we have incurred significant attorney costs.

Staff is looking for EDA input regarding escrows for MIF and JCF applications. Some Applicants have expressed frustration that the City has asked the Applicant to cover the City Attorney costs, whereas DEED does not charge for their time

REQUESTED ACTION:
Provide direction on the need to collect a minimum $5,000, but perhaps $10,000 escrow for MIF and JCF applications.

ATTACHMENTS:

Agenda Item: 5A

Project Updates

TO: Faribault EDA
FROM: Dave Wanberg, Community & Economic Development Director
MEETING DATE: August 17, 2023
SUBJECT: Updates/Project Reports

Prospects/Business Updates:

(Future) Master Plan:	• **The Highway 60 West** The City intends to complete the master planning process this year.
From Plans to Action:	• **Per the Journey to 2040 Comprehensive Plan Policies**, The City created a public/institutional zoning district to help streamline development applications associated with public/institutional uses. The City Council updated its residential zoning ordinances to allow quality, affordable single-family attached residences on smaller lots in the R-3, Medium-Density Residential District. The Council also rezoned existing commercial properties at 1008 and 1016 Division St. West to R-2, Low-Density Residential, which will help clean up and redevelop the properties. • **Growing Footprint** The State of Minnesota approved a request from Phil and Kathy LaRoche to annex roughly 88 acres of land to the City of Faribault on the east side of Acorn Trail, south of County Road 9 and north of Trystar. The City zoned the property for industrial use and is including the property in the City's marketing material for available industrial sites. • **Taco John's** The City is still in contact with multiple restaurant developers interested in various sites, including Taco John's site.
Building Codes:	• **Rice County Safety Center** The exterior is progressing with the roof system nearing completion. Floors were recently poured and installation has begun on the windows.

Building Codes:	• **River Chase Apartments** Siding has been added to the façade. • **Divine Mercy Catholic School addition Project is Well Underway**. Moving right along! Scaffolding is in place and block wall construction has begun on the Dining hall and Gymnasium. • **Rick Cashin Construction's Phase II 19-Unit Apartment Project** Temporarily halted after organic and unsuitable soils were discovered along the NE foundation line. This past week soil corrections and testing was completed. • **Brighton Hospice Project** Steadily progressed over the past month with plumbing, mechanical and electrical rough-ins completed. Contractors have begun applying finish gypsum board and are beginning the installation of fire shutters at the building perimeter. • **Malecha's Auto Body Project** Completed. Now located at 190 20th St. NW. • **Tru-Vue Expansion** Continued foundation work is underway for the expansion on Airport Dr. • **Storage on 7th Project** Grand opening date, complete with ribbon-cutting ceremony: September 7th! • **Faribault Apartment Project** Work continues to progress with crews laying out forms for the last sections of the perimeter footing and interior structural pads. • **Greenwood Apartments** Progress includes installing drain tile, finishing basements, and updating the units.
More to come…	• **Project Poppy** Staff are working with beverage company on potential sites. • **Project Nebula** Potential Data Center • **Twisted Chicken** Soft open on Wednesday, August 23rd. The Grand Opening will occur in the fall.

Community Venture Network:	Staff has been scheduled to attend CVN's event, in Lakeville, MN, on Friday, September 15, 2023. The event will unite an eclectic group of professionals, investors, and innovators from various sectors. Our attendance will allow us to showcase Faribault's unique advantages and opportunities. It will also provide an opportunity to learn about emerging trends, network, and gain insights into new business ventures.

Marketing:

- **Minnesota Real Estate Journal –**
  - The City of Faribault is one of many sponsors of the Minnesota Real Estate Journal. On August 10th, staff will attend and market Faribault to prospective businesses and individuals at MREJ's Outdoor Cornhole Tournament, at Lord Fletcher's, in Sun Park, MN.