ECONOMIC DEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM	THURSDAY, OCTOBER 19, 2023	7:00 AM

1. Call to Order
2. Approval of the Minutes of September 21, 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. Items for Discussion
   A. Resolution 2023-11 Approve an Economic Development Investment Fund Loan between Economic Development Authority of Faribault, Minnesota and Sage Electrochromics, Inc.
   B. Resolution 2023-12 Establish the EDA's Final Tax Levy for Fiscal Year 2024
5. Project and Other Updates and Announcements
6. Adjournment

ECONOMIC DEVELOPMENT AUTHORITY MINUTES

PUBLIC MEETING ROOM	THURSDAY, SEPTEMBER 21, 2023	7:00 AM

Meeting Items

1. Call to Order

   Chair Gramse called the regular meeting of the Economic Development Authority to order at 7:00 a.m. Commissioners David Campbell, Will Fort, Chris Jeanes, Thomas Spooner, AJ Smith, Kevin Voracek, and Chair Gramse were in attendance. Also in attendance were David Wanberg, Tim Murray, and Kari Casper.

2. Approval of the Minutes

   Motion by Tom Spooner, seconded by Christine Jeanes to Approve. 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.

   Wanberg announced that Ian Luker, Economic Development Coordinator, no longer works for the City.

   Wanberg provided a brief overview of the monthly loan and program status, building permit activity, and budget status reports.

   Motion by AJ Smith, seconded by Kevin Voracek to approve the routine business items. Motion passed on a 6/0 vote.

4. Items for Discussion

A. 2024 EDA Budget related to City Staff Support

   Wanberg stated that the City Council wants the EDA to consider ways to help cover the City's costs to help administer the EDA and its programs. Wanberg presented four options for EDA consideration: 1) Prepare and execute a contract with the City that helps cover the City's costs to provide services to the EDA; 2) Tie the EDA levy to a maximum allowed balance in the EDA's funds; 3) Operate the EDA independently of the City; and 4) Identify opportunities to reduce City costs associated with the EDA.

   EDA members want to ensure the EDA has sufficient staff and funds to promote economic development. They noted that out of the options discussed, the preferred option is to have a contract between the EDA and the City to provide staff support to the EDA. Wanberg stated that City Staff are tracking time spent on EDA matters and that he could have an estimate of Staff time at an upcoming EDA meeting. Wanberg also stated that he could have an Ehlers representative attend an upcoming EDA meeting to discuss EDA budget and program options. The EDA endorsed inviting Ehlers to an upcoming EDA meeting. The EDA took no additional action.

5. Project Updates

Wanberg provided a brief overview of the U.S. Undersecretary of Commerce’s visit to Faribault.

Wanberg said he attended the Community Venture Network conference and is following up on three potential economic development leads. He will update the EDA in October.

Wanberg noted that construction on the SageGlass/Vetrotech Addition is ahead of schedule and should be completed by the end of this year.

6. Adjournment

Motion by AJ Smith, seconded by Kevin Voracek to adjourn at 7:58 a.m.. Motion passed.

By:____________________________
Kari Casper, Recording Secretary

Agenda Item:
3.A

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:	October 19, 2023
SUBJECT:	Monthly Loan Status Report

BACKGROUND:
The EDA can provide financial incentives to businesses growing and/or relocating to the City. The 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. See the attached trial balance sheets for the various funds. Staff intends to dive deeply into the funds in the coming months.

REQUESTED ACTION:
Receive and file as presented.

ATTACHMENTS:
1. Loan Status from GL Trial Balance

General Ledger

Summary Trial Balance

User: kcasper
Printed: 10/16/2023 - 1:51PM
Period: 01 to 10, 2023

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 249	State MIF Loans					
ASSETS						
249-00000-000-10100	Cash	0.00	14,318.88	300.08	0.00	14,618.96
249-00000-000-10410	Investments - Fair Value Adj	0.00	-1,034.61	366.78	316.58	-984.41
249-00000-000-10450	Interest Receivable	0.00	46.83	0.00	0.00	46.83
249-00000-000-11500	Accounts Receivable	0.00	0.00	0.00	0.00	0.00
249-00000-000-13200	Due From Other Governments	0.00	0.00	0.00	0.00	0.00
249-00000-000-13700	Loans Receivable	0.00	19,406.32	0.00	0.00	19,406.32
249-00000-000-13710	Allowance for Uncollectable	0.00	-19,406.32	0.00	0.00	-19,406.32
	ASSETS Totals:	0.00	13,331.10	666.86	316.58	13,681.38
LIABILITIES						
249-00000-000-20200	Accounts Payable	0.00	0.00	0.00	0.00	0.00
249-00000-000-20800	Due To Other Governments	0.00	0.00	0.00	0.00	0.00
249-00000-000-22200	Deferred Revenues	0.00	0.00	0.00	0.00	0.00
	LIABILITIES Totals:	0.00	0.00	0.00	0.00	0.00
FUND BALANCE						
249-00000-000-25300	Unreserved Fund Balance	0.00	-13,331.10	0.00	0.00	-13,331.10
	FUND BALANCE Totals:	0.00	-13,331.10	0.00	0.00	-13,331.10
REVENUE						
249-00000-462-33422	Other State Grants & Aids	0.00	0.00	0.00	0.00	0.00
249-00000-462-36210	Interest on Investments	200.00	0.00	0.00	300.08	-300.08
249-00000-462-36211	Interest Market Value	0.00	0.00	316.58	366.78	-50.20
249-00000-462-36215	Loan Interest	0.00	0.00	0.00	0.00	0.00
249-00000-462-36240	Refunds & Reimbursements	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
249-00000-462-36400	Loan Principal	0.00	0.00	0.00	0.00	0.00
	REVENUE Totals:	200.00	0.00	316.58	666.86	-350.28
EXPENSE						
Department 46500	Economic Development					
249-46500-462-44320	Bad Debt	0.00	0.00	0.00	0.00	0.00
249-46500-462-44370	Miscellaneous Charges	0.00	0.00	0.00	0.00	0.00
249-46500-462-44600	Loans & Grants	0.00	0.00	0.00	0.00	0.00
249-46500-462-46020	Other Long Term Obligation Pri	0.00	0.00	0.00	0.00	0.00
249-46500-462-46120	Other Long Term Obligation Int	0.00	0.00	0.00	0.00	0.00
249-46500-462-47200	Transfer Out	0.00	0.00	0.00	0.00	0.00
	249-46500 EXPENSE Totals:	0.00	0.00	0.00	0.00	0.00
	EXPENSE Totals:	0.00	0.00	0.00	0.00	0.00
	Fund 249 Totals:	200.00	0.00	983.44	983.44	0.00
	Report Totals:	200.00	0.00	983.44	983.44	0.00

General Ledger

Summary Trial Balance

User: kcasper
Printed: 10/16/2023 - 1:52PM
Period: 01 to 10, 2023

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 292	EDA Revolving Fund					
ASSETS						
292-00000-000-10100	Cash	0.00	402,243.39	14,762.53	0.00	417,005.92
292-00000-000-10410	Investments - Fair Value Adj	0.00	-27,457.78	10,352.47	8,963.06	-26,068.37
292-00000-000-10450	Interest Receivable	0.00	1,315.41	0.00	0.00	1,315.41
292-00000-000-11500	Accounts Receivable	0.00	0.00	465.33	465.33	0.00
292-00000-000-13700	Loans Receivable	0.00	9,539.88	0.01	6,093.35	3,446.54
292-00000-000-13710	Loans Receivabe - Deferred	0.00	47,000.00	0.00	0.00	47,000.00
	ASSETS Totals:	0.00	432,640.90	25,580.34	15,521.74	442,699.50
LIABILITIES						
292-00000-000-20200	Accounts Payable	0.00	0.00	0.00	0.00	0.00
292-00000-000-22200	Deferred Revenues	0.00	0.00	0.00	0.00	0.00
292-00000-000-22210	Loans Receivable - Deferred	0.00	-47,000.00	0.00	0.00	-47,000.00
	LIABILITIES Totals:	0.00	-47,000.00	0.00	0.00	-47,000.00
FUND BALANCE						
292-00000-000-25300	Unreserved Fund Balance	0.00	-385,640.90	0.00	0.00	-385,640.90
	FUND BALANCE Totals:	0.00	-385,640.90	0.00	0.00	-385,640.90
REVENUE						
292-00000-462-36200	Other Miscellaneous Revenue	0.00	0.00	0.00	0.00	0.00
292-00000-462-36210	Interest on Investments	5,300.00	0.00	0.00	8,503.60	-8,503.60
292-00000-462-36211	Interest Market Value	0.00	0.00	8,963.06	10,352.47	-1,389.41
292-00000-462-36215	Loan Interest	180.00	0.00	0.00	165.59	-165.59
292-00000-462-36400	Loan Principal	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
	REVENUE Totals:	5,480.00	0.00	8,963.06	19,021.66	-10,058.60
EXPENSE						
Department 46500	Economic Development					
292-46500-462-43040	Legal Fees - Civil Process	0.00	0.00	0.00	0.00	0.00
292-46500-462-43090	Expert & Professional Services	0.00	0.00	0.00	0.00	0.00
292-46500-462-44390	Taxes & Licenses	0.00	0.00	0.00	0.00	0.00
292-46500-462-44600	Loans & Grants	100,000.00	0.00	0.00	0.00	0.00
292-46500-462-47200	Transfer Out	0.00	0.00	0.00	0.00	0.00
	292-46500 EXPENSE Totals:	100,000.00	0.00	0.00	0.00	0.00
	EXPENSE Totals:	100,000.00	0.00	0.00	0.00	0.00
	Fund 292 Totals:	-94,520.00	0.00	34,543.40	34,543.40	0.00
	Report Totals:	-94,520.00	0.00	34,543.40	34,543.40	0.00

General Ledger

Summary Trial Balance

User: kcasper
Printed: 10/16/2023 - 1:54PM
Period: 01 to 10, 2023

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 243	Industrial Development Loan					
ASSETS						
243-00000-000-10100	Cash	0.00	259,429.79	11,177.29	0.00	270,607.08
243-00000-000-10410	Investments - Fair Value Adj	0.00	-17,806.64	6,683.86	5,794.06	-16,916.84
243-00000-000-10450	Interest Receivable	0.00	848.38	0.00	0.00	848.38
243-00000-000-11500	Accounts Receivable	0.00	0.00	5,677.40	5,677.40	0.00
243-00000-000-13700	Loans Receivable	0.00	184,763.00	0.00	3,741.88	181,021.12
243-00000-000-13710	Allowance for Uncollectable	0.00	-136,339.59	0.00	0.00	-136,339.59
	ASSETS Totals:	0.00	290,894.94	23,538.55	15,213.34	299,220.15
LIABILITIES						
243-00000-000-20200	Accounts Payable	0.00	0.00	0.00	0.00	0.00
243-00000-000-22200	Deferred Revenues	0.00	0.00	0.00	0.00	0.00
243-00000-000-22210	Loans Receivable - Deferred	0.00	-11,000.00	0.00	0.00	-11,000.00
	LIABILITIES Totals:	0.00	-11,000.00	0.00	0.00	-11,000.00
FUND BALANCE						
243-00000-000-25300	Unreserved Fund Balance	0.00	-279,894.94	0.00	0.00	-279,894.94
	FUND BALANCE Totals:	0.00	-279,894.94	0.00	0.00	-279,894.94
REVENUE						
243-00000-462-36200	Other Miscellaneous Revenue	0.00	0.00	0.00	0.00	0.00
243-00000-462-36210	Interest on Investments	3,400.00	0.00	0.00	5,499.89	-5,499.89
243-00000-462-36211	Interest Market Value	0.00	0.00	5,794.06	6,683.86	-889.80
243-00000-462-36215	Loan Interest	2,300.00	0.00	0.00	1,935.52	-1,935.52
243-00000-462-36400	Loan Principal	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
	REVENUE Totals:	5,700.00	0.00	5,794.06	14,119.27	-8,325.21
EXPENSE						
Department 46500	Economic Development					
243-46500-462-44320	Bad Debt	0.00	0.00	0.00	0.00	0.00
243-46500-462-44600	Loans & Grants	100,000.00	0.00	0.00	0.00	0.00
	243-46500 EXPENSE Totals:	100,000.00	0.00	0.00	0.00	0.00
	EXPENSE Totals:	100,000.00	0.00	0.00	0.00	0.00
	Fund 243 Totals:	-94,300.00	0.00	29,332.61	29,332.61	0.00
	Report Totals:	-94,300.00	0.00	29,332.61	29,332.61	0.00

General Ledger

Summary Trial Balance

User: kcasper
Printed: 10/16/2023 - 1:57PM
Period: 01 to 10, 2023

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 290	Economic Development Authority					
ASSETS						
290-00000-000-10100	Cash	0.00	1,140,273.76	490,730.40	367,393.61	1,263,610.55
290-00000-000-10410	Investments - Fair Value Adj	0.00	-80,050.55	25,342.96	22,383.91	-77,091.50
290-00000-000-10450	Interest Receivable	0.00	3,841.11	0.00	21.68	3,819.43
290-00000-000-10500	Taxes Receivable - Current	0.00	2,481.03	0.00	2,481.03	0.00
290-00000-000-10700	Taxes Receivable - Delinquent	0.00	3,250.35	0.00	0.00	3,250.35
290-00000-000-11500	Accounts Receivable	0.00	0.00	16,440.00	16,440.00	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	10,829.39	0.00	1,086.60	9,742.79
290-00000-000-13710	Loan Receivable-Deferred	0.00	915,188.48	30,000.00	0.00	945,188.48
290-00000-000-15500	Prepaid Items	0.00	10,705.00	0.00	10,705.00	0.00
	ASSETS Totals:	0.00	2,006,518.57	562,513.36	420,511.83	2,148,520.10
LIABILITIES						
290-00000-000-20200	Accounts Payable	0.00	-317.00	367,249.23	366,932.23	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	-46.00	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	-3,250.35	0.00	0.00	-3,250.35
290-00000-000-22210	Loans Receivable - Deferred	0.00	-915,188.48	0.00	30,000.00	-945,188.48
	LIABILITIES Totals:	0.00	-918,801.83	367,295.23	396,932.23	-948,438.83
FUND BALANCE						
290-00000-000-25300	Unreserved Fund Balance	0.00	-1,087,716.74	0.00	0.00	-1,087,716.74
	FUND BALANCE Totals:	0.00	-1,087,716.74	0.00	0.00	-1,087,716.74

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
REVENUE						
290-00000-462-31010	Current Ad Valorem Taxes	322,273.00	0.00	0.00	170,955.17	-170,955.17
290-00000-462-31020	Delinquent Ad Valorem Taxes	0.00	0.00	0.00	1,565.41	-1,565.41
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	0.00	107.98	-107.98
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
290-00000-462-31550	Green Acres	0.00	0.00	0.00	0.00	0.00
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
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	0.00	0.00	800.00	-800.00
290-00000-462-36200	Other Miscellaneous Revenue	500.00	0.00	0.00	15,095.00	-15,095.00
290-00000-462-36210	Interest on Investments	6,600.00	0.00	166.06	22,531.89	-22,365.83
290-00000-462-36211	Interest Market Value	0.00	0.00	22,383.91	25,342.96	-2,959.05
290-00000-462-36215	Loan Interest	383.00	0.00	0.00	258.40	-258.40
290-00000-462-36240	Refunds & Reimbursements	0.00	0.00	0.00	275.00	-275.00
290-00000-462-36400	Loan Principal	0.00	0.00	0.00	0.00	0.00
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
	REVENUE Totals:	332,256.00	0.00	22,549.97	236,931.81	-214,381.84
EXPENSE						
Department 46500	Economic Development					
290-46500-462-42110	General Supplies	0.00	0.00	0.00	0.00	0.00
290-46500-462-42115	Meeting	250.00	0.00	0.00	0.00	0.00
290-46500-462-42420	Minor Computer Equipment	0.00	0.00	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	0.00	5,381.05	0.00	5,381.05
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	0.00	22,575.50	0.00	22,575.50
290-46500-462-43095	Software Maintenance & Support	0.00	0.00	246.56	0.00	246.56
290-46500-462-43130	EDA Program Budget	650,000.00	0.00	30,000.00	0.00	30,000.00
290-46500-462-43140	Training & Education	3,500.00	0.00	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	0.00	0.00	0.00	0.00

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
290-46500-462-43430	Advertising - Other	45,000.00	0.00	10,000.00	0.00	10,000.00
290-46500-462-43510	Legal Notices Publishing	500.00	0.00	124.20	0.00	124.20
290-46500-462-43520	Recording Fees	1,000.00	0.00	345.00	0.00	345.00
290-46500-462-43610	Insurance & Bonds	1,951.00	0.00	1,640.00	0.00	1,640.00
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	0.00	0.00	0.00	0.00
290-46500-462-44160	Rents & Leases	0.00	0.00	0.00	0.00	0.00
290-46500-462-44330	Dues & Subscriptions	24,000.00	0.00	21,705.00	0.00	21,705.00
290-46500-462-44370	Miscellaneous Charges	0.00	0.00	0.00	0.00	0.00
290-46500-462-44390	Taxes & Licenses	50.00	0.00	0.00	0.00	0.00
290-46500-462-44600	Loans & Grants	345,000.00	0.00	285,573.92	275,573.92	10,000.00
290-46500-462-45100	Land	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
	290-46500 EXPENSE Totals:	1,170,791.00	0.00	377,591.23	275,573.92	102,017.31
	EXPENSE Totals:	1,170,791.00	0.00	377,591.23	275,573.92	102,017.31
	Fund 290 Totals:	-838,535.00	0.00	1,329,949.79	1,329,949.79	0.00
	Report Totals:	-838,535.00	0.00	1,329,949.79	1,329,949.79	0.00

General Ledger

Summary Trial Balance

User: kcasper
Printed: 10/16/2023 - 1:59PM
Period: 01 to 10, 2023

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 247	SCDP Revolving Loans					
ASSETS						
247-00000-000-10100	Cash	0.00	366,626.53	13,750.04	0.00	380,376.57
247-00000-000-10410	Investments - Fair Value Adj	0.00	-23,070.19	9,431.99	8,167.44	-21,805.64
247-00000-000-10450	Interest Receivable	0.00	1,198.94	0.00	0.00	1,198.94
247-00000-000-11500	Accounts Receivable	0.00	0.00	6,000.00	6,000.00	0.00
247-00000-000-13200	Due From Other Governments	0.00	0.00	0.00	0.00	0.00
247-00000-000-13700	Loans Receivable	0.00	78,033.19	0.00	4,483.05	73,550.14
	ASSETS Totals:	0.00	422,788.47	29,182.03	18,650.49	433,320.01
LIABILITIES						
247-00000-000-20200	Accounts Payable	0.00	0.00	0.00	0.00	0.00
247-00000-000-20610	Contracts Payable-Retained %	0.00	0.00	0.00	0.00	0.00
247-00000-000-20800	Due To Other Governments	0.00	0.00	0.00	0.00	0.00
247-00000-000-22200	Deferred Revenues	0.00	0.00	0.00	0.00	0.00
	LIABILITIES Totals:	0.00	0.00	0.00	0.00	0.00
FUND BALANCE						
247-00000-000-25300	Unreserved Fund Balance	0.00	-422,788.47	0.00	0.00	-422,788.47
	FUND BALANCE Totals:	0.00	-422,788.47	0.00	0.00	-422,788.47
REVENUE						
247-00000-460-36210	Interest on Investments	4,500.00	0.00	0.00	7,750.04	-7,750.04
247-00000-460-36211	Interest Market Value	0.00	0.00	8,167.44	9,431.99	-1,264.55
247-00000-460-36215	Loan Interest	1,810.00	0.00	0.00	1,516.95	-1,516.95
247-00000-460-36240	Refunds & Reimbursements	0.00	0.00	0.00	0.00	0.00
247-00000-460-36400	Loan Principal	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
247-00000-460-39200	Transfer In	0.00	0.00	0.00	0.00	0.00
	REVENUE Totals:	6,310.00	0.00	8,167.44	18,698.98	-10,531.54
EXPENSE						
Department 46310	Urban Redevelopment & Housing					
247-46310-460-43040	Legal Fees - Civil Process	0.00	0.00	0.00	0.00	0.00
247-46310-460-43090	Expert & Professional Services	84,000.00	0.00	0.00	0.00	0.00
247-46310-460-43520	Recording Fees	0.00	0.00	0.00	0.00	0.00
247-46310-460-44320	Bad Debt	0.00	0.00	0.00	0.00	0.00
247-46310-460-44600	Loans & Grants	0.00	0.00	0.00	0.00	0.00
247-46310-460-45300	Improvements Other Than Bldgs	0.00	0.00	0.00	0.00	0.00
	247-46310 EXPENSE Totals:	84,000.00	0.00	0.00	0.00	0.00
	EXPENSE Totals:	84,000.00	0.00	0.00	0.00	0.00
	Fund 247 Totals:	-77,690.00	0.00	37,349.47	37,349.47	0.00
	Report Totals:	-77,690.00	0.00	37,349.47	37,349.47	0.00

General Ledger

Summary Trial Balance

User: kcasper
Printed: 10/16/2023 - 2:00PM
Period: 01 to 10, 2023

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 248	Federal MIF Loans					
ASSETS						
248-00000-000-10100	Cash	0.00	637,208.11	13,354.23	0.00	650,562.34
248-00000-000-10410	Investments - Fair Value Adj	0.00	-44,837.40	16,322.71	14,088.31	-42,603.00
248-00000-000-10450	Interest Receivable	0.00	2,083.79	0.00	0.00	2,083.79
	ASSETS Totals:	0.00	594,454.50	29,676.94	14,088.31	610,043.13
FUND BALANCE						
248-00000-000-25300	Unreserved Fund Balance	0.00	-594,454.50	0.00	0.00	-594,454.50
	FUND BALANCE Totals:	0.00	-594,454.50	0.00	0.00	-594,454.50
REVENUE						
248-00000-460-36210	Interest on Investments	9,000.00	0.00	0.00	13,354.23	-13,354.23
248-00000-460-36211	Interest Market Value	0.00	0.00	14,088.31	16,322.71	-2,234.40
248-00000-460-39200	Transfer In	0.00	0.00	0.00	0.00	0.00
Department 46310	Urban Redevelopment & Housing					
248-46310-460-39200	Transfer In	0.00	0.00	0.00	0.00	0.00
	248-46310 REVENUE Totals:	0.00	0.00	0.00	0.00	0.00
	REVENUE Totals:	9,000.00	0.00	14,088.31	29,676.94	-15,588.63
	Fund 248 Totals:	9,000.00	0.00	43,765.25	43,765.25	0.00
	Report Totals:	9,000.00	0.00	43,765.25	43,765.25	0.00

Agenda Item:

3.B

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:	October 19, 2023
SUBJECT:	Permit Activity Update Report

BACKGROUND:

The City processed two single-family residential building permits in September, bringing the total single-family residential building permits to 12 this year, which is significantly less than in recent years. The City did not issue new commercial building permits in September. Refer to the attached permit activity report for additional information.

REQUESTED ACTION:

Receive and file.

ATTACHMENTS:

1. 2022-23 EDA - Permit Activity Report

	Permit Activity Report 2023			Permit Activity Report 2022		
	Valuation	# of Permits	Permit Fees	Valuation	# of Permits	Permit Fees
January	$ 38,646,615.29	84	$ 326,594.52	$ 1,490,107.89	51	$ 34,476.68
February	$ 2,241,426.00	50	$ 29,846.75	$ 6,021,764.62	70	$ 96,286.85
March	$ 3,194,961.39	105	$ 57,624.01	$ 6,344,248.37	91	$ 66,226.53
April	$ 5,693,272.00	112	$ 68,933.81	$ 6,951,136.00	152	$ 59,150.05
May	$ 5,534,132.36	163	$ 70,814.19	$ 7,397,867.02	230	$ 83,810.03
June	$ 34,548,833.00	181	$ 402,574.33	$ 14,538,296.50	249	$ 94,686.57
July	$ 5,028,277.87	139	$ 64,558.92	$ 11,042,152.56	236	$ 124,565.54
August	$ 5,637,030.95	138	$ 60,898.24	$ 11,563,934.58	245	$ 49,426.87
September	$ 2,744,943.00	151	$ 44,052.98	$ 4,257,249.00	181	$ 77,171.30
October				$ 9,272,610.00	227	$ 123,466.09
November				$ 15,750,308.85	98	$ 214,611.60
December				$ 2,022,061.53	78	$ 29,196.46
Total:	**$ 103,269,491.86**		**$ 1,125,897.75**	**$ 96,651,736.92**		**$ 1,053,074.57**
YTD Permits:		**1123**			**1908**	

**All Permits includes Building Permits in total (plumbing, heating, signs and electrical).*

Agenda Item:
3.C

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:	October 19, 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 "special projects" reflecting specific projects, and the work plan focuses on: 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 as presented

ATTACHMENTS:

1. 290 EDA Budget Status

General Ledger

Budget Status

User: kcasper
Printed: 10/9/2023 - 10:37 AM
Period: 1 to 10, 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	170,955.17	170,955.17	151,317.83	0.00	151,317.83	46.95
290-00000-462-31020	Delinquent Ad Valorem Taxes	0.00	1,565.41	1,565.41	-1,565.41	0.00	-1,565.41	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	107.98	107.98	-107.98	0.00	-107.98	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	172,628.56	172,628.56	149,644.44	0.00	149,644.44	46.43
R02	Permit & Licenses							
290-00000-462-36215	Loan Interest	383.00	258.40	258.40	124.60	0.00	124.60	32.53
	R02 Sub Totals:	383.00	258.40	258.40	124.60	0.00	124.60	32.53
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	800.00	800.00	1,700.00	0.00	1,700.00	68.00
	R04 Sub Totals:	2,500.00	800.00	800.00	1,700.00	0.00	1,700.00	68.00
R06	Miscellaneous Revenue							
290-00000-462-36200	Other Miscellaneous Revenue	500.00	15,095.00	15,095.00	-14,595.00	0.00	-14,595.00	0.00
290-00000-462-36210	Interest on Investments	6,600.00	22,365.83	22,365.83	-15,765.83	0.00	-15,765.83	0.00
290-00000-462-36211	Interest Market Value	0.00	2,959.05	2,959.05	-2,959.05	0.00	-2,959.05	0.00
290-00000-462-36240	Refunds & Reimbursements	0.00	275.00	275.00	-275.00	0.00	-275.00	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	40,694.88	40,694.88	-33,594.88	0.00	-33,594.88	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	214,381.84	214,381.84	117,874.16	0.00	117,874.16	35.48
	Dept 00000 Sub Totals:	-332,256.00	-214,381.84	-214,381.84	-117,874.16	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	5,381.05	5,381.05	14,618.95	0.00	14,618.95	73.09
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	22,575.50	22,575.50	52,424.50	0.00	52,424.50	69.90
290-46500-462-43095	Software Maintenance & Support	0.00	246.56	246.56	-246.56	0.00	-246.56	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	21,705.00	21,705.00	2,295.00	0.00	2,295.00	9.56
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	10,000.00	10,000.00	335,000.00	0.00	335,000.00	97.10
	E03 Sub Totals:	1,170,541.00	102,017.31	102,017.31	1,068,523.69	0.00	1,068,523.69	91.28
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
	E04 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E06	Other Uses							
290-46500-462-47200	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	102,017.31	102,017.31	1,068,773.69	0.00	1,068,773.69	91.29
	Dept 46500 Sub Totals:	1,170,791.00	102,017.31	102,017.31	1,068,773.69	0.00		
	Fund Revenue Sub Totals:	332,256.00	214,381.84	214,381.84	117,874.16	0.00	117,874.16	35.48
	Fund Expense Sub Totals:	1,170,791.00	102,017.31	102,017.31	1,068,773.69	0.00	1,068,773.69	91.29
	Fund 290 Sub Totals:	838,535.00	-112,364.53	-112,364.53	950,899.53	0.00		

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
	Revenue Totals:	332,256.00	214,381.84	214,381.84	117,874.16	0.00	117,874.16	35.48
	Expense Totals:	1,170,791.00	102,017.31	102,017.31	1,068,773.69	0.00	1,068,773.69	91.29
	Report Totals:	838,535.00	-112,364.53	-112,364.53	950,899.53	0.00		

Agenda Item:
4.A

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:	October 19, 2023
SUBJECT:	Resolution 2023-11 Approve an Economic Development Investment Fund Loan between Economic Development Authority of Faribault, Minnesota and Sage Electrochromics, Inc.

BACKGROUND:

Earlier this year, Sage requested a $100,000 Economic Development Investment Fund (EDIF) forgivable loan to construct a building addition at 1 Sage Way for its Vetrotech division. Sage said it would hire 40 new employees at an average rate of $37.94 an hour.

The EDA reviewed Sage's request on June 15, 2023. Because Sage did not apply for MIF/JCF funds (due to timing issues), the EDA indicated that it would support providing Sage with a $50,000 forgivable loan rather than the requested $100,000 loan.

The City Attorney prepared a $50,000 forgivable loan agreement in consultation with City staff. The Agreement allows the EDA to disburse the $50,000 forgivable loan at the completion of construction and hiring at least 20 new employees.

On October 13, City staff sent the draft Agreement to Sage for review. Potentially, Sage may request revisions to the Agreement. Nevertheless, City staff recommends that the EDA approve Resolution 2023-11, which approves the Agreement and authorizes City staff, in consultation with the EDA President and Secretary/Treasurer, to make minor revisions to the Agreement if necessary.

REQUESTED ACTION:

Agenda Item:

4.A

Approve Resolution 2023-11.

ATTACHMENTS:

1. Resolution 2023-11

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2023-11

APPROVE AN ECONOMIC DEVELOPMENT INVESTMENT FUND LOAN BETWEEN ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA AND SAGE ELECTROCHROMICS, INC.

WHEREAS, Sage Electrochromics, Inc. requested a $100,000 Economic Development Investment Fund (EDIF) loan from the Economic Development Authority of Faribault, Minnesota (the "EDA") for the construction of an addition to the Sage Electrochromics building at 1 Sage Way and the creation of 40 new jobs with an average wage of $37.94 an hour; and

WHEREAS, at its June 15, 2023 meeting, the EDA indicated it would support providing Sage Electrochromics with a forgivable EDIF loan. However, because Sage Electrochromics did not apply for available funding from Minnesota Department of Employment and Economic Development (DEED), the EDA indicated that it would support a $50,000 forgivable loan rather than the requested $100,000 forgivable loan; and

WHEREAS, the draft Agreement included in Exhibit A of this Resolution requires Sage Electrochromics to complete the construction of the addition and hire at least 20 new employees before the EDA may disburse the $50,000 forgivable loan.

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority of Faribault, Minnesota (the "EDA"), that it approves a $50,000 forgivable EDIF loan as outlined in the Agreement included in Exhibit A of this resolution.

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the EDA, that City staff is authorized to make minor revisions, as necessary, to the Agreement included in Exhibit A of this resolution. The EDA also authorizes the EDA's President and Secretary/Treasurer to sign the final Agreement.

ADOPTED: October 19, 2023

____
Rod Gramse, President

ATTEST:

____
AJ Smith, Secretary/Treasurer

EXHIBIT A

LOAN AGREEMENT

ECONOMIC DEVELOPMENT INVESTMENT FUND LOAN BETWEEN ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA AND SAGE ELECTROCHROMICS, INC.

This Loan Agreement ("Agreement") is made this _____ day of ________________, 2023, by SAGE ELECTROCHROMICS, INC., a New Jersey corporation organized under the laws of New Jersey ("Borrower") and the Economic Development Authority of Faribault ("Lender"), a public body corporate and politic under the laws of Minnesota.

RECITALS

A. In consideration for the loan contemplated by this Agreement, Borrower is executing and delivering to Lender this Loan Agreement.

B. The Lender, by motion at its duly called meeting on June 15, 2023, agreed to provide to the Borrower up to $50,000 in the form of a forgivable loan to assist the Borrower in financing certain improvements pursuant to the terms of this Agreement.

C. The Lender has determined that providing the Borrower with the loan funds authorized in this Agreement will promote economic development, preserve the tax base, and create employment opportunities within the city of Faribault.

D. Borrower leases the development property ("Development Property"), and will construct the necessary improvements to the existing improvements, construct new improvements, purchase and install the necessary manufacturing equipment, and operate and maintain the Facility in accordance with the terms of this Agreement and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations) within the City of Faribault (the "City") to accommodate the Borrower's growth and relocation of a subsidiary and creation of a minimum of twenty (20) jobs with the expectation that the Borrower will eventually create a total of forty (40) jobs (the "Minimum Improvements").

E. Lender agrees to loan to Borrower funds up to the maximum amount of $50,000 to assist in financing the Minimum Improvements to be located on property within the City of Faribault, Minnesota (the "City") and legally described as set forth in Exhibit A which is incorporated by reference and included in this Agreement as if fully set forth herein (the "Property").

F. This Agreement is subject to the contingency of Borrower obtaining additional, adequate financial assistance as may be necessary to complete the Minimum Improvements from public and private lending sources, and subject to the further contingency of Borrower providing adequate collateral.

ACCORDINGLY, to induce Lender to make the Loan to Borrower, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Loan Amount. Subject to and upon the terms and conditions of this Agreement, Lender agrees to loan to Borrower funds up to the maximum sum of fifty thousand dollars ($50,000.00), or so much thereof as is disbursed to Borrower in accordance with this Agreement (the "Loan"). The Loan shall be evidenced by a promissory note ("Note") payable by Borrower to Lender and substantially in the form of Exhibit B attached to this Agreement, which shall be dated as of the date of this Agreement. Proceeds of the Loan shall be disbursed in accordance with Section 3 hereof.

This Loan and this Agreement are subject to the contingency of Borrower obtaining additional, adequate financial assistance from public and private lending sources, as such additional funds may be necessary to complete the Minimum Improvements, and subject to the further contingency of Borrower providing adequate collateral.

2. Forgivable Loan. The Loan provided herein is forgivable upon satisfaction by the Borrower of the conditions specified herein and completion of the Minimum Improvements. Specifically, Borrower shall provide the Lender with evidence that the Loan proceeds were used in the redevelopment of the Property. The Lender, in its sole judgment, shall determine whether the expenditure of funds qualify for such forgiveness. Borrower shall provide Lender with such evidence on the disbursement date provided herein.

3. Disbursement of Loan Proceeds.

(a) Loan proceeds shall be disbursed to Borrower in one installment on a date mutually determined by the Lender and Borrower. The date of the first disbursement of Loan proceeds to Borrower is referred to herein as the “Loan Closing Date”.

(b) The following events shall be conditions precedent to the initial disbursement of the Loan proceeds to Borrower:

(i) Borrower having executed and delivered to Lender, prior to the Loan Closing Date and without expense to Lender, executed copies of this Agreement and the Note;

(ii) Borrower having provided evidence satisfactory to Lender that Borrower has established a separate accounting system for the exclusive purpose of recording the receipt and expenditure of the Loan proceeds;

(iii) Borrower having provided evidence satisfactory to Lender that Borrower has obtained adequate financing to complete construction of the Minimum Improvements.

4. Representations and Warranties. Borrower represents and warrants to Lender that:

(a) Borrower is duly authorized and empowered to execute, deliver, and perform this Agreement and to borrow money from Lender.

(b) The execution and delivery of this Agreement, and the performance by Borrower of its obligations hereunder, do not and will not violate or conflict with any provision of law and do not and will not violate or conflict with, or cause any default or event of default to occur under, any agreement binding upon Borrower.

(c) The execution and delivery of this Agreement has been duly approved by all necessary action of Borrower, and this Agreement has in fact been duly executed and delivered by Borrower and constitutes its lawful and binding obligation, legally enforceable against it.

(d) Borrower warrants that it shall keep and maintain books, records, and other documents relating directly to the receipt and disbursements of Loan proceeds and that any duly authorized representative of Lender shall, at all reasonable times, have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of Borrower pertaining to the Loan until the completion of all closeout procedures and the final settlement and conclusion of all issues arising out of this Loan.

(e) Borrower warrants that it has fully complied with all applicable state and federal laws pertaining to its business and will continue to comply throughout the terms of this Agreement. If at any time Borrower receives notice of noncompliance from any governmental entity, Borrower agrees to take any necessary action to comply with the state or federal law in question.

(f) Borrower warrants that it will use the proceeds of the Loan made by Lender solely for the completion of the Minimum Improvements.

(g) Borrower warrants that it will not create, permit to be created, or allow to exist any liens, charges, or encumbrances prior to the obligation created by this Loan Agreement.

5. Event of Default by Borrower. The following shall be Events of Default under this Agreement:

(a) failure to make any repayments on the Loan when such may become due;

(b) any representation or warranty made by Borrower herein or in any document, instrument, or certificate given in connection with this Agreement or the Note is determined to have been false when made;

(c) Borrower fails to pay its debts as they become due, makes an assignment for the benefit of its creditors, admits in writing its inability to pay its debts as they become due, files a petition under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter existing, becomes "insolvent" as that term is generally defined under the Federal Bankruptcy Code, files an answer admitting insolvency or inability to pay its debts as they become due in any involuntary bankruptcy case commenced against it, or fails to obtain a dismissal of such case within thirty (30) days after its commencement or converts the case from one chapter of the Federal Bankruptcy Code to another chapter, or be the subject of an order for relief in such bankruptcy case, or be adjudged bankrupt or insolvent, or has a custodian, trustee, or receiver appointed for, or has any court take jurisdiction of its property, or any part thereof, in any proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver is not discharged, or such jurisdiction is not relinquished, vacated, or stayed within thirty (30) days of the appointment;

(d) a garnishment summons or writ of attachment is issued against or served upon Lender for the attachment of any property of Borrower in Lender's possession or any indebtedness owing to Borrower, unless appropriate papers are filed by Borrower contesting the same within thirty (30) days after the date of such service or such shorter period of time as may be reasonable in the circumstances;

(e) any breach or failure of Borrower to perform any other term or condition of this Agreement not specifically described as an Event of Default in this Agreement and such breach or failure continues for a period of thirty (30) days after Lender has given written notice to Borrower specifying such default or breach, unless Lender agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lender will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Borrower within the applicable period and is being diligently pursued until the Default is corrected, but no such extension shall be given for an Event of Default that can be cured by the payment of money (i.e., payment of taxes, insurance premiums, or other amounts required to be paid hereunder); or

(f) any breach by Borrower of any other agreement between Borrower, and Lender, the City of Faribault, Minnesota, or the Economic Development Authority of Faribault, Minnesota.

6. Business Subsidy Agreement. Subject to the provisions of and the purposes of the Business Subsidy Act, Minnesota Statutes, Sections 116J.993-.995 (the “Act”), the assistance provided herein does not constitute a business subsidy. Notwithstanding the foregoing, the Borrower and Lender have heretofore entered into that certain Contract for Private Development, dated _____________ ___, 2023, which includes reference to tax abatements provided to Borrower. A copy of that agreement is adopted by reference as set forth in Exhibit C.

7. Lender's Remedies upon Borrower's Default. Upon an Event of Default by Borrower and after provision by Lender of written notice, Lender shall have the right to exercise any or all of the following remedies (and any other rights and remedies available to it):

(a) declare the principal amount of the Loan to be immediately due and payable upon providing written notice to Borrower;

(b) suspend its performance under this Agreement; and

(c) take any action provided for at law to enforce compliance by Borrower with the terms of this Agreement and the Note.

8. Lender's Costs of Enforcement of Agreement. If an Event of Default has occurred as provided herein, then upon demand by Lender, Borrower shall pay or reimburse Lender for all expenses, including all reasonable attorneys fees and expenses incurred by Lender in connection with the enforcement of this Agreement and the Note, or in connection with the protection or enforcement of the interests and collateral security of Lender in any litigation or bankruptcy or insolvency proceeding or in any action or proceeding relating in any way to the transactions contemplated by this Agreement.

9. Indemnification.

(a) Borrower shall and does hereby agree to protect, defend, indemnify and hold Lender, and its officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained herein.

(b) Should Lender, or its officers, agents, or employees incur any such liability or be required to defend against any claims or demands pursuant to Section 9, or should a judgment be entered against Lender, the amount thereof, including costs, expenses, and reasonable attorneys fees, shall be reimbursed by the Borrower to the Lender immediately upon demand, and upon the failure of Borrower to do so, Lender may declare the Loan immediately due and payable.

(c) This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the creation and payment of any indebtedness to Lender. Borrower waives notice of the acceptance of this Agreement by Lender.

(d) Nothing in this Agreement shall constitute a waiver of or limitation on any immunity from or limitation on liability to which Lender is entitled under law.

10. Documentation of Use of Funds. The Borrower shall provide the Lender with necessary documentation, as determined by the Lender in its sole judgment, that the Loan proceeds have been used for the items and purposes stated in the Borrower's application.

11. Project Compliance Information. The Borrower shall provide to the Lender any information requested or needed by the Lender to monitor project compliance with this Agreement.

12 Hazard Insurance. At all times during the term of this Agreement, the Borrower shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the Lender shall furnish proof of the payment of premiums on, insurance against loss and damage to the machinery and equipment and the Property under a policy or policies covering such risks as are ordinarily insured against by similar businesses. The insurance required by this paragraph shall be taken out and maintained in responsible insurance companies selected by the Borrower which are authorized under the laws of the state of Minnesota to assume the risks covered thereby. Upon request, the Borrower will deposit annually with the Lender policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Each policy required by this paragraph shall: (i) list the Lender as a loss payee; and (ii) contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Borrower and the Lender at least sixty (60) days before the cancellation or modification becomes effective.

13. Miscellaneous.

(a) Waiver. The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by Borrower and Lender. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

(b) Assignment. This Agreement shall be binding upon Borrower and its successors and assigns and shall inure to the benefit of Lender and its successors and assigns. All rights and powers specifically conferred upon Lender may be transferred or delegated by Lender to any of its successors and assigns. Borrower's rights and obligations under this Agreement may be assigned only when such assignment is approved in writing by Lender.

(c) Choice of Law and Venue. This Agreement is made and shall be governed in all respects by the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

(d) Severability. Wherever possible, each provision of this Agreement and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other related document.

(e) Notice. All notices required hereunder shall be given by depositing in the U.S. mail, postage prepaid, certified mail, return receipt requested, to the following addresses (or such other addresses as either party may notify the other):

To Lender: Economic Development Authority of Faribault
208 NW 1st Avenue
Faribault, MN 55021
Attn: Executive Director

To Borrower: SAGE ELECTROCHROMICS, INC.
Two Sage Way
Faribault, MN 55021
Attn: Donald Damberger
e-mail: Donald.J.Damberger@saint-gobain.com

(f) Entire Agreement. This Agreement, together with the Exhibits hereto, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, pertaining to the subject matter of this Agreement or concerning the Loan.

(g) Headings. The headings appearing at the beginning of the several sections contained in this Agreement have been inserted for identification and reference purposes only and shall not be used in the construction and interpretation of this Agreement.

(h) Review of Documents. The Borrower shall not be entitled to any disbursement of Loan proceeds until the Lender's legal counsel has reviewed and approved this Agreement and the exhibits attached hereto.

(i) Fees. The Borrower will pay to the Lender, at closing or within ten days of written request by the Lender, a processing fee, application fee, any required recording fees for all loan documents and any applicable mortgage registration tax, if any.

(j) Conflict of Interests; Representatives Not Individually Liable. No officer or employee of the Lender may acquire any financial interest, direct or indirect, in this Agreement, any, or in any contract related to the referenced machinery or equipment, or the Property. No officer, agent, or employee of the Lender shall be personally liable to the Borrower or any successor in interest in the event of any default or breach by the

Lender or for any amount that may become due to the Borrower or on any obligation or term of this Agreement.

(k) Effect on Other Agreements. Nothing in this Agreement shall be construed to modify any term of any other agreement to which the Lender and the Borrower, or the City of Faribault and the Borrower are parties.

(l) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

(m) Modifications. This Agreement may be modified solely through written amendments hereto executed by the Borrower and the Lender.

[The remainder of this page is intentionally blank.]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the proper officers thereunto duly authorized on the day and year first written above.

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF FARIBAULT:

By:____________________________________
Rodney Gramse
Its: President

By:____________________________________
A. J. Smith
Its: Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument as acknowledged before me this _____ day of _____________, 2023, by Rodney Gramse and A. J. Smith, the President and Secretary of the Economic Development Authority of the city of Faribault, a public body corporate and politic under the laws of Minnesota, on behalf of the Economic Development Authority.

____
Notary Public

SAGE ELECROCHROMICS, INC.

By: ______________________________________
Donald Damberger
Its: Chief Executive Officer

STATE OF _______________)
) ss.
COUNTY OF _____________)

The foregoing instrument was acknowledged before me this ____ day of ______________., 2023, by Donald Damberger, the Chief Executive Officer of SAGE ELECTROCHROMICS, INC., a New Jersey corporation organized under the laws of the State of New Jersey, on behalf of said company.

____
Notary Public

EXHIBIT A

LEGAL DESCRIPTION

That real property in the City of Faribault, County of Rice, State of Minnesota, legally described as follows:

Lot 1, Block 1, Northern Industrial Park Fourth Addition, City of Faribault, Rice County, Minnesota.

<u>EXHIBIT B</u>

PROMISSORY NOTE

-$50,000- ________________, 2023
-0.00%

SAGE ELECTROCHROMICS, INC., a New Jersey corporation organized under the laws of the State of New Jersey ("Maker"), for value received, hereby promises to pay to the Economic Development Authority of Faribault, a public body corporate and politic under the laws of Minnesota or its assigns (Authority and any assigns are collectively referred to herein as "Holder"), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of fifty thousand and no/100ths Dollars ($50,000) or so much thereof as may be advanced under this Note, with interest as hereinafter provided, in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal of and interest on this Note is payable in installments due as follows:

1. Payments made under this Note shall be governed by the terms of that certain Economic Development Investment Fund Loan (the "Loan Agreement") entered into between the Maker and Holder, dated _______________ ____, 2023, particularly Paragraph No. 2 of the Loan Agreement.

2. Payments of principal hereunder shall commence upon written notice by the Holder that such amounts are due, pursuant to the terms of the Loan Agreement.

3. The Maker shall have the right to prepay the principal of this Note, in whole or in part, on any date a principal and interest payment is due and payable.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the Loan Agreement, or any other instrument securing this Note are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If an Event of Default occurs under the Loan Agreement, or any other instrument securing this Note, then the Holder of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note and interest accrued thereon, together with reasonable attorneys fees and expenses incurred by the Holder of this Note in collecting or enforcing payment thereof, whether by lawsuit or otherwise, and all other sums due hereunder or any instrument securing this Note. The Maker of this Note agrees that the Holder of this Note may, without notice to and without affecting the liability of the Maker, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

5. The remedies of the Holder of this Note as provided herein, and in the Loan Agreement, or any other instrument securing this Note shall be cumulative and concurrent and may

be pursued singly, successively, or together, and, at the sole discretion of the Holder of this Note, may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Holder of this Note shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Holder and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

6. If any term of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

7. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and is governed by the laws thereof. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

8. The performance or observance of any promise or condition set forth in this Note may be waived, amended, or modified only by a writing signed by the Maker and the Holder. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

9. IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the ______ day of _______________, 2023.

SAGE ELECROCHROMICS, INC.

By: ______________________________________
Donald Damberger
Its: Chief Executive Officer

STATE OF _______________)
) ss.
COUNTY OF _____________)

The foregoing instrument was acknowledged before me this ____ day of _____________, 2023, by Donald Damberger, the Chief Executive Officer of SAGE ELECTROCHROMICS, INC., a New Jersey corporation organized under the laws of the State of New Jersey, on behalf of said company.

____
Notary Public

EXHIBIT C

CONTRACT FOR PRIVATE DEVELOPMENT

The Contract for Private Development between the following:

City of Faribault, Minnesota;
Economic Development Authority of the City of Faribault, Minnesota;
Rice County, Minnesota; and
SAGE ELECTROCHROMICS, INC.

dated ______________ ___, 2023 is hereby incorporated by reference into this Exhibit and Agreement as if fully set forth herein.

Agenda Item:
4.B

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:	October 19, 2023
SUBJECT:	Resolution 2023-12 Establish the EDA's Final Tax Levy for Fiscal Year 2024

BACKGROUND:

On August 17, 2023, the EDA approved Resolution 2023-10, which requested that the City Council establish the EDA's 2024 preliminary tax levy at the maximum allowed by Minnesota Statutes. On September 12, 2023, the City Council approved Resolution 2023-165, which approved the EDA's 2024 preliminary tax levy request.

By Minnesota Statutes, the amount of tax levied cannot exceed 0.01813 percent of the estimated taxable market value in the district, which is $2,055,421,700. Consequently, the maximum the City Council can levy for EDA purposes in 2024 is $372,648 ($2,055,421,700 x 0.0001813 = $372,648).

The EDA must now submit its final tax levy request to the City Council. The attached Resolution 2023-12 requests that the City Council approve the maximum tax levy allowed for the EDA, which is $372,648 for fiscal year 2024.

REQUESTED ACTION:

Approve Resolution 2023-12.

ATTACHMENTS:

1. Resolution 2023-12

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2023-12

ESTABLISH THE EDA'S FINAL 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 prepared a preliminary work program and budget that depends on the EDA receiving the maximum levy amount allowed by Minnesota Statutes; and

WHEREAS, the EDA approved Resolution 2023-10 on August 17, 2023, which requested that the City Council establish the EDA's preliminary tax levy for fiscal year 2024 at the maximum allowed by Minnesota Statutes; and

WHEREAS, the City Council approved Resolution 2023-165 on September 12, 2023, which approved the EDA's 2024 preliminary tax levy request.

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority of Faribault, Minnesota (the "EDA"), that there be and hereby requested a levy on the taxable property of the City of Faribault, Rice County, Minnesota, for fiscal year 2024 a special benefit tax not to exceed 0.01813 percent of taxable market value as permitted in Minnesota Statutes. Based on the City's existing capacity, it is estimated that $372,648 will be the maximum appropriation available through taxation. The requested tax levy amount is $372,648.

ADOPTED: October 19, 2023

Rod Gramse, President

ATTEST:

AJ Smith, Secretary/Treasurer

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:	October 19, 2023
SUBJECT:	Project and Other Updates and Announcements

BACKGROUND:

Faribault's economic development efforts have always been a team effort. Although Faribault has and will continue to experience staff changes, the City will always work diligently with the EDA to promote economic development. The attached overview provides insight into some of Faribault's economic development efforts.

City staff will provide additional updates and announcements at the EDA's meeting. Staff will also address questions and comments from the EDA.

REQUESTED ACTION:

ATTACHMENTS:

1. Project Overview and Updates

Economic Development Authority of Faribault, Minnesota

Overview of Project Leads and Updates

Updated: October 19, 2023

Confidential City or Locally-Initiated Project Leads

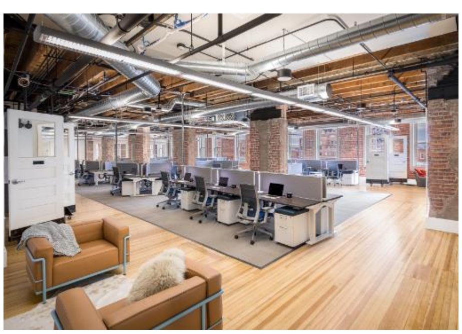
The following describes City or locally-initiated project leads. The project descriptions are vague to protect the confidentiality of the projects.

Project Ash: Growing an Existing Industry

Since May 2023, City staff has worked with an existing Faribault industry (Project Ash) that anticipates significant growth and wishes to relocate to a more suitable site within the city limits. If the industry does not find an alternative suitable site, it could relocate outside the city limits or try to expand at its current site, which is not ideal. Given the nature of the industry, City staff and the industry prefer that the industry find a more suitable site within the city limits.

City staff, DEED, developers, and others are addressing issues and exploring opportunities to ensure Project Ash can grow in Faribault. For example, City staff and federal officials are working with the railroads to strengthen rail service in Faribault, which could benefit Project Ash and other existing and future Faribault industries. Project Ash intends to finalize its plans in the next six months.

Project Buckeye: Retaining and Showcasing an Existing Faribault Industry



An existing Faribault industry (Project Buckeye) may relocate to a new facility in or out of Faribault by 2025. City staff and local investors are working hard to retain the industry in Faribault. Project Buckeye would keep roughly 40 to 80 office-level jobs in Faribault. All parties are working to advance a high-quality development that would showcase the industry and benefit the surrounding area and the community.

The proposed project has a financial gap that, without financial assistance, may prevent it from remaining in Faribault. City staff is working with

DEED and the City's financial consultant to explore financial incentives and tools that may help reduce the financial gap. Project Buckeye intends to narrow its plans in the next several months.

Project Cedar: A Win-Win-Win for Two Faribault Industries and the Community

Project Cedar involves an existing industry in Faribault that wishes to expand their facility and create more jobs. The project would involve the acquisition of an adjacent property and the relocation of an existing industry. City staff is working with the industry and the adjacent property owner to create a win-win-win situation that benefits the industries, properties, and community. The property owners intend to decide whether to proceed with Project Cedar by the end of 2023.

Project Dogwood: Finding a Home for Two National Chain Restaurants

A developer is working with two highly sought-after national chain restaurants that wish to locate near the intersection of Highway 60 West and Lyndale Avenue (Project Dogwood). The proposed development requires at least two acres, good visibility, and easy access.

No vacant lots are in the requested area, and few commercial or residential property owners have expressed interest in selling their property. Nevertheless, City staff have explored potential redevelopment opportunities with the developer. Several options involve the developer acquiring single-family residences from willing sellers and redeveloping the area. However, the developer has not found appropriate replacement homes for residents interested in relocating. City staff has worked with YardHomes (an affordable modular home manufacturer), local realtors, and others to explore potential housing solutions.

Although the proposed restaurants want to find a location near the intersection of Highway 60 and Lyndale Avenue, City staff also identified many alternative sites, including sites near the I-35 and Lyndale Avenue interchange, sites near Grand Stay, sites near the I-35 and Highway 60 West interchange, the unoccupied Taco John's site at 1431 4th Street

NW, and other sites. However, the proposed restaurants are only interested in sites near Highway 60 and Lyndale Avenue.

Other Confidential Project Leads

City staff has contacted three different developers who have expressed interest in developing a hotel and adjacent restaurant. City staff has identified several potential sites.

Confidential DEED and Other Initiated Project Leads

The following describes recent confidential project leads from DEED and other organizations that City staff have responded to. The descriptions are vague to protect the confidentiality of the projects.

Project Freeze

City staff submitted a proposal to The Brookshire Company for Project Freeze – a proposed 60,000-square-foot industry with 15 employees. Project Freeze is looking for 10-20 acres in southern Minnesota or northern Iowa. It intends to invest $20 million into the development and requests financial incentives and tools, which may include New Market Tax Credits and C-PACE (Commercial Property Assessed Clean Energy).

Project Poppy

City staff submitted a proposal to DEED for Project Poppy – an international company seeking to establish a beverage manufacturing, warehousing, and distribution center in the United States. Project Poppy intends to invest $80 million and employ 50 people. The company is exploring sites across the United States.

Project Snout

City staff submitted a proposal to The Brookshire Company for Project Snout – a manufacturing company looking to construct a 30,000-square-foot facility with roughly five acres of outdoor storage. Project Snout anticipates hiring 30 employees. City staff submitted a competitive proposal that meets all project requirements. The industry wants to be within one hour of the Twin Cities and have good access to the Interstate Highway system.

City Initiated Economic Development Outreach Efforts

The following describes City staff's proactive outreach efforts based on economic development networking opportunities at conferences and other events.

The Amazing Chickpea: Finding a New Spread for a Growing Company

The CED Director contacted The Amazing Chickpea, a Minnesota-based company looking for 60,000 square feet of space in an existing facility to produce, store, and transport its products across the United States. The Amazing Chickpea produces a spread (like peanut butter or chocolate hazelnut) with less sugar, fat, and no nuts. It is also starting to produce sandwiches. The company, currently based in Plymouth, Minnesota, is interested in relocating to a new facility that can accommodate the company's growth plans. It currently has 15 employees but is looking to grow to 30 employees as it expands into making chickpea sandwiches.

The CED Director connected The Amazing Chickpea with representatives from The Cannery (the old Faribault Foods plant). The Cannery has 67,000 square feet of warehouse space available for lease. The CED Director and The Cannery representatives discussed opportunities to convert some of the warehouse area into a food production area. The CED Director gave the Amazing Chickpea owner a tour of Faribault. The company hopes to decide on its future location by spring of 2024.

EcuaFry: A Growing Company bringing Ecuadorian Fried Snacks

The CED Director contacted EcuaFry, a growing Ecuadorian fried snack producer looking for a new location to grow. EcuaFry started as a small Minneapolis-based company in 2012 and continues to expand its market across the United States. It is looking for roughly

6,000-10,000 square feet to prepare, package, store, and transport its snacks. The proposed facility will have approximately ten employees working two shifts.

The CED Director arranged a Zoom meeting with the Cannery's investment group and City staff to explore bringing EcuaFry to the Cannery. The Cannery (the old Faribault Foods plant) has roughly 67,000 square feet of available space. City staff is also connected EcuaFry with other properties, including the realtor for the Living Greens building at 30th Street NW and Industrial Drive. EcuaFry staff is interested in Faribault and is scheduling a visit to Faribault with the CED Director and property owners. The CED Director will update the EDA after EcuaFry decides which community it wants to locate.

Riverchase Court: Completing the Redevelopment of the Former Lockerby Site

Redline Development Group had an agreement with the City to purchase the City's property at 105 Riverchase Court (just south of the viaduct) and develop a memory care facility. However, the development has not come to fruition, and the agreement between Redline and the City has expired. While the City Council would be pleased to see the memory care development move forward, the Council will entertain all appropriate development proposals. Several developers have expressed interest in the site, so the City expects to review development proposals in the coming year. City staff will continue to work with Redline to find an appropriate site (whether at 105 Riverchase Court or elsewhere) in Faribault for the proposed memory care facility. The site is zoned Central Business District (CBD) and can accommodate residential, retail, or office uses.

Other Project Leads

City staff reviewed and responded to several other project leads from DEED and others. However, as the EDA has discussed, the City of Faribault does not have significant shovel-ready platted parcels in the city limits. Projects that require 100 hundred or more acres present a challenge. In recent years, City staff approached the County, surrounding Townships, and property owners to discuss orderly annexation opportunities, but orderly annexation has not been a high priority of others. The City will continue to work with others to respond to development opportunities.

Residential

The EDA understands the connection between housing and economic development. Faribault's leading employers continue to express a strong need for more housing units and choices to attract employees to Faribault.

Faribault has seen 251 multi-family units constructed in the past five years. Currently, in 2023, 168 multi-family units are under construction. In addition, the City has reviewed and/or approved roughly 200 additional multi-family units, which the City expects will be constructed over the next several years. Faribault has seen approximately 30 single and two-family residences built annually in recent years. However, only 12 new homes have been constructed so far this year. Higher interest rates and inflation have slowed housing starts over this past year.

The following provides an overview of the multi-family housing currently under construction and planned to start construction next year.

Multi-Family Residential Under Construction

Riverchase Apartments: On Schedule to Start Leasing in 2023

Riverchase Apartments at 110 Riverchase Court will complete construction and lease apartments by the end of 2023. Consequently, Faribault will have 77 additional market-rate apartments near the downtown that will help meet the community's housing needs and help support downtown businesses.

The Ponds Apartments – Phase 2: On Schedule to Start Leasing in Spring 2024

Rick Cashin will complete Phase 2 of the Ponds Apartment complex at 3015 Cardinal Avenue by spring 2024. This 19-unit market-rate apartment building will complement the Phase 1, 20-unit market-rate apartment building to the southeast. The Ponds Apartments are near the I-35 and Lyndale Avenue interchange and the existing industries to the north.

Faribault Apartments: Phase 1 Under Construction

The proposed Faribault Apartments complex at 1740 Willow Street includes two, 72-unit, three-story apartment buildings, and one, 48-unit, three-story apartment building. The first 72-unit building is under construction. The contractor installed the building foundation and decking over the underground parking and will likely start on the walls and roofs soon. The first building should be completed and leased in 2024. The developer previously indicated that construction on the 48-unit building would begin this fall. However, it appears that Phase 2 construction will not start until 2024.

Residential Development Expected to Start Construction in 2024

Midwest Flats Apartments: Completing the Redevelopment of the Former Farmer Seed and Nursery Site

On August 23, 2022, the City Council approved a request from KK&G Properties to develop a four-story, 54-unit market-rate apartment building at the former Farmer Seed and Nursery site. In 2023, the developer demolished dilapidated buildings and removed contaminated soils. The developer will start constructing the indoor storage building adjacent to the proposed apartment building this fall. Construction on the apartment building will begin in spring 2024.

Reviving a Proposed Luxury Rental Townhome Development at 924 1st Street NE

In 2021, Thompson James Group, LLC (a.k.a. C. Allan Homes) acquired the former Mayo Clinic site at 924 1st Street NE to develop 34 luxury rental townhome units. The proposed development was intended to fill a housing need on the city's east side for hospital staff, parents of Shattuck-Saint Mary's students, and others. The City Council approved the proposed development, and the developer prepared construction documents. However, the developer could not secure the required financing, putting the project on hold. As a result, the City's approval of the project has expired.

Thompson James Group now believes it will have the required financing by October 31, 2023. If so, it intends to start demolition work this fall. If the financing does not come through, another developer is interested in moving forward with the same project next year. City staff will update the EDA as we learn more about this project. However, City staff expects this site to be redeveloped in 2024.

Twin Oaks Subdivision: Rice County HRA Workforce Housing

Rice County owns a roughly seven-acre parcel north of the Rice County Public Safety Center, currently under construction at the north end of Faribault. The County intends to plat the property into 22 single-family residential lots and dedicate parkland to the City. Presuming the County obtains all necessary approvals, construction will begin in 2024. Habitat for Humanity will develop the first six lots. All housing in the subdivision will be owner-occupied, affordable housing that can accommodate large families.

Other Anticipated Housing Development

Other housing developments may start in 2024, including the following:

- Faribault Apartments Phase 2 (48 units) and possibly Phase 3 (72 units);
- Potential residential development proposals for 105 Riverchase Court;
- Potential apartment development in the upper floors of downtown buildings;
- Additional single and two-family housing; and
- Community Action Center may construct two emergency shelter duplexes.
- The City will receive over $200,000 from the State of Minnesota to help develop additional affordable housing.

Commercial

Commercial development is important to Faribault's economy. It supports industrial development and contributes to the community's quality of life. The following provides an overview of recent commercial development efforts.

Brighton Hospice Administrative Office Building

Brighton Hospice purchased the former O'Reilly Auto Parts site at 1223 Highway 60 West late last year. It recently completed improvements to the building and site and is now operational. The facility provides offices for 18 administrative employees – it does not care for hospice patients at the facility.

Like NAPA Auto Parts, Affinity Plus Credit Union, Slim's Liquour, and other redevelopment projects in Faribault, the Brighton Hospice project is an excellent example of how the City and businesses/industries can work together to promote high-quality development that benefits all parties. Brighton Hospice did not request financial assistance, yet worked with the City to substantially improve the existing building and site while bringing 18 new jobs to Faribault.

Hometown Credit Union – Growing and Improving Its Site

Hometown Credit Union has a successful business at 1205 Highway 60 West, but its site is not large enough to accommodate the desired parking and auto tellers. Consequently, Hometown Credit Union purchased the adjacent residence at 1208 4th Street NW for additional parking and auto teller space. The City approved a lot combination, and the City's Development Review Committee approved the proposed site work. Hometown Credit Union intends to complete its site work this fall.

Storage on 7th: Ribbon-Cutting Celebration

Storage on 7th held a ribbon-cutting ceremony on September 7 to celebrate the opening of their facility at 1612 7th Street NW. This project involved redeveloping the former Land O' Lakes building, which was largely unused and deteriorating. The redeveloped facility offers indoor climate-controlled storage units, RV/boat/car storage, and industrial space for lease. City staff worked with the developer to address many issues, including accessibility challenges, shoreland overlay restrictions, and parking needs. The City's Development Review Committee encouraged the developer to improve the site and building's appearance, which it did.

Midwest Indoor Storage: Former Farmer Seed and Nursery Site Redevelopment

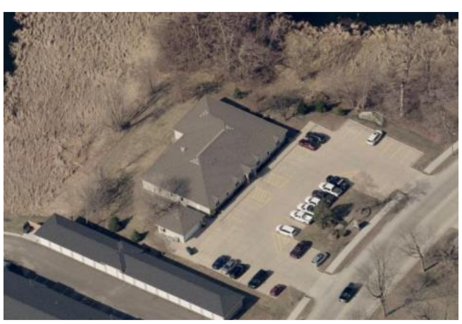
KK&G Properties completed select demolition of the former Farmer Seed and Nursery development at 818 4th Street NW earlier this year. It will start construction on the indoor storage facility in October, which should be operational in 2024. Construction on the adjacent apartment building is expected to start in spring 2024.

Midwest Recovery: Anticipated Spring of 2024 Construction

Midwest Recovery, a drug and alcohol recovery facility, intends to develop a treatment campus at 1910 Cardinal Lane. Phase 1 will include an outpatient facility, and Phase 2 will include a withdrawal and inpatient facility.

The City Council and County Board held a special joint meeting earlier this year and indicated their willingness to abate taxes for a period to support the project. Midwest Recovery will assemble its financial package soon and apply for tax abatement in the coming months. It intends to start Phase 1 construction in the spring of 2024.

Reuse of 1830 30th Street NW for an Early Childhood Center



The existing building at 1830 30th Street NW houses USDA, DNR, and Soil and Water Conservation District offices. However, the owner is converting the building into an early childhood center. City staff is working with building owner on his reuse plans, and staff is working with the current building users as they explore other office sites in Faribault.

Reuse and Redevelopment of the Former Kwik Trip Sites

In the last year or so, Kwik Trip opened a new store at 1955 2nd Avenue SW and closed its existing stores at 1112 2nd Avenue NW and 1508 9th Avenue SW. Kwik Trip demolished the 9th Avenue SW building but kept the 2nd Avenue NW building intact. Kwik Trip has been actively marketing its vacant properties but will not allow them to have a use that could compete with Kwik Trip. For example, Kwik Trip will not allow a convenience store, pizza place, or sandwich shop to occupy one of its former properties. It will, however, allow office and similar commercial uses.

City staff understands that an office use will likely move into the existing building at 1112 2nd Avenue NW in the coming months. The 1508 9th Avenue SW site is small – roughly 0.4 acres. City staff suggested that the property owner of the vacant 0.43-acre property to the west consider purchasing the 1508 site to have enough area for a reasonable development – either residential or neighborhood commercial. Kwik Trip and the vacant property owner to the west are in discussions.

Finding a New Use for the Former Taco John's Site

Earlier this year, Taco John's at 1431 4th Street NW closed its doors. City staff have referred several parties looking to start a restaurant in Faribault to the realtor handling the Taco John's property. Staff also asked the Project Dogwood developer (who is looking for two restaurant sites) to reconsider the Taco John's site for a new restaurant. Potentially, a developer could acquire the properties to the east and construct one large restaurant or two smaller restaurants. A developer could also develop a different commercial use for this site. The site does not have to accommodate a restaurant.

Other Commercial Projects

- Harley Davidson completed its practice course/event site development.
- Faribo Downtown Central (FDC) continues to work with City staff to close out Phase 1 of its downtown improvements. A bookstore and incubator businesses recently opened in the downtown.
- Other downtown building owners are exploring financing options to improve their properties.
- Earlier this year, the EDA approved a forgivable loan for the Golf Box to improve its façade. However, the Golf Box did not have a final certificate of occupancy to operate. Once they obtain a certificate of occupancy, City staff will work with the Golf Box to finalize and disburse the forgivable loan.
- The City Council issued a conditional use permit to RECYY Recycling to open an e-waste collection center in the former Polzin Glass facility at 1001 Division Street West.

Industrial

City staff continues to work with Faribault's industries as they look to grow and thrive. The following provides an overview of recent industrial development efforts.

SageGlass/Vetrotech: On Schedule to Complete Construction and Start Production by the End of 2023

Construction on the Vetrotech addition at 1 Sage Way is nearing completion - Vetrotech expects to install its equipment in the coming months. Although filling the 40 jobs associated with the Vetrotech line is unlikely before the end of the year, Vetrotech expects to have enough positions filled to start production by the end of this year.

Tru Vue Addition: On Schedule to Complete Construction by Spring 2024

Construction of the Tru Vue addition at 2150 Airport Drive continues on schedule and should be complete by Spring 2024. In related work, the City is working with the adjacent property owners to provide regional stormwater management and complete the construction of Airtech Court.

Forest to Fork: Ready, Set, Grow!

Forest to Fork expects to be the largest mushroom grower in the Midwest. It has committed to roughly 60,000 square feet of space in The Cannery (the former Faribault Foods plant). With City staff assistance, Forest to Fork applied for Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) assistance earlier this year. Forest to Fork will start construction this fall.

Faribault Mill: New Equipment to Accommodate Increased Product Demand

Faribault Mill is upgrading its equipment to meet product demand. With assistance from City staff, Faribault Mill applied for MIF and JCF funding. The City is responsible for managing MIF payments. DEED will distribute JCF payments when Faribault Mill meets its goal of hiring ten new employees. City staff is working with Faribault Mill to help it explore a potential building addition and other improvements.

Living Greens: Reduced Presence in Faribault

Living Greens decided to build a new plant in Indiana several years ago. At the time, it was unclear if Living Greens would continue its operations at 1512 30th Street NW in Faribault. Nevertheless, City staff and DEED worked with Living Greens (as recently as this spring) to promote opportunities to maintain and grow its operation in Faribault. Regardless, Living Greens shifted its growing operation to its Indiana facility as previously planned, but it may maintain a small research presence in Faribault. City staff will continue coordinating with Living Greens and work to attract another industry to fill the vacant space in the Living Greens building.

Undersecretary of the U.S. Department of Commerce Visit to Faribault

Marisa Lagos, the Undersecretary of the U.S. Department of Commerce, visited Faribault on September 13. Representatives from the City, County, local industries, and Shattuck-Saint Mary's met with the Undersecretary to review the City and County's foreign direct investment (FDI) and international education efforts. Will Fort of Daikin Applied (and EDA member) shared Daikin's perspective on FDI, and SageGlass provided a tour of its plant. The Undersecretary deeply appreciated the community's hospitality and efforts to promote foreign direct investment. The City and County will continue to promote foreign direct investment opportunities.

Other Industrial Development Opportunities and Updates

- City staff is working with an existing local industry to replat its property and expand the existing building. Staff will update the EDA once the industry submits its applications.
- City staff is working with a new industry with a purchase agreement for a ten-acre industrial parcel. Staff will update the EDA once the industry submits its applications.
- The new water tower at the north end of Faribault will be operational this fall.
- City staff is working with the railroad to address rail access issues and opportunities.
- The City is marketing two City-owned industrial lots at East View Drive and State Highway 3.

Public/Institutional

Divine Mercy Elementary School: On Schedule to Open in the Fall of 2024

The Divine Mercy Elementary School construction at 139 Mercy Drive continues to progress. The contractor will have the roof and building shell completed soon, allowing the contractor to work on the building's interior over the winter months. The existing Immaculate Conception Elementary School at 112 2nd Avenue SW will close at the end of this school year and move to the new school at the beginning of the 2024-25 school year this coming fall. The Immaculate Conception Church intends to sell its property at the 100 block of 2nd Avenue SW. Divine Mercy Catholic Church hopes the new elementary school will spur additional residential development in the surrounding neighborhoods.

Surad Academy: Open and Growing One Grade Per Year

Surad Academy opened a charter school at 128 8th Avenue NW. Currently, the school serves grades K-4. However, the school intends to grow one grade per year. So, eventually, the school will serve K-12 students. The school may be looking for a new site in the coming years if it grows as anticipated.

Rice County Public Safety Center

Construction of the new Rice County Public Safety Center at 50 East View Drive will be substantially complete by fall 2024. The new center and recent road improvements in the area should help spur additional development and redevelopment in the area.

New Community Park North of the Viaduct

Per the vision of the City's Journey to 2040 Comprehensive Plan, Downtown Master Plan, and Parks Master Plan, the City prepared plans for a new community park north of the viaduct. The park will include an outdoor ice skating loop, splash pad, and shelter. The City expects to bid the project in early 2024. This park will help draw people year-round to the downtown and be the pride of the community.

Preliminary Planning for a New Community Center

The City hired a consultant and appointed a task force to explore developing a new community center. The task force reviewed multiple sites and engaged the public on the preferred site and plans. Ultimately, the task force recommended developing a new community center in North Alexander Park near the Aquatic Center. It may take years to realize this project, but it has the opportunity to make a major and positive impact on the community.

Other

Promoting Additional Daycare Facilities: The Connection to Economic Development

The Faribault Area Chamber of Commerce aims to encourage additional daycare facilities in Faribault. The Chamber received funding for a consultant to study Faribault's daycare situation and propose possible solutions. The consultant identified that parents of nearly 500 children cannot work because they cannot find daycare options in Faribault. One Faribault industry reported that 80 employees resigned because of a lack of affordable daycare options, which financially impacts the industry and community.

The lack of daycare options is a national and local problem requiring multiple partnerships to resolve. City Staff met with the Chamber, its consultants, and others to discuss possible solutions. While the City and the EDA are not leading the efforts to promote additional daycare facilities, the City actively participates in the work. City staff reviewed potential sites for daycare facilities and contacted and scheduled a major daycare provider to visit and consider developing a daycare center in Faribault. The Chamber and others are also working with local "special family daycare providers" that can help fill Faribault's daycare needs.

Roundabout at State Highway 3 and East View Drive is Open

The roundabout at State Highway 3 and East View Drive is open. The roundabout will help manage traffic in the area and provide secondary access to and from the uses on 1st Avenue NW.