



ECONOMIC DEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM

THURSDAY, FEBRUARY 15,
2024

7:00 AM

1. Call to Order / Approve Agenda
2. Approval of the Minutes
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. Election of Officers
 - B. Annual Review of Enabling Resolution
 - C. Preliminary Discussion of Faribault Mill Loan Request
 - D. Updates and Related Discussions
5. Adjournment



ECONOMIC DEVELOPMENT AUTHORITY MINUTES

PUBLIC MEETING ROOM

THURSDAY, JANUARY 18, 2024

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, Chris Jeanes, Tom Spooner, Will Fort, Kevin Voracek, and Chair Rod Gramse attended the meeting. David Wanberg (Community and Economic Development Director), Kari Casper (Administrative Assistant), and Tim Murray (City Administrator) attended the meeting in their City Staff roles. Nort Johnson also attended the meeting related to Items for Discussion.

2. Approval of the Minutes

Chair Gramse requested a motion on the minutes. A motion was made by Kevin Voracek, seconded by Christina Jeanes. The motion passed unanimously.

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

Wanberg presented the monthly loan status report, the permit activity update, and the budget status report. Wanberg stated that the monthly loan status report had been modified to reflect the fund balances. Chair Gramse asked that staff put the date on the notes when the fund was last used. Wanberg stated that the format is still being modified, and we can make those adjustments accordingly—A motion by David Campbell to receive and file the reports was seconded by Kevin Voracek. The motion passed unanimously.

A. Monthly Loan Status Report

B. Permit Activity Update Report

C. Budget Status Report

4. Items for Discussion

A. Resolution 2024-01 Authorize City Staff to Closeout Phase 1 of Downtown Revitalization Program Funding for Faribo Downtown Central LLC

Wanberg stated that this is to document and close out Phase I. Fort asked about the two properties that were taken out and if that was in the original plan. Wanberg stated that yes, the \$250,000 was for the 8 properties. Wanberg responded by stating that this was all looked in the very beginning and the first thing we needed to get done was to get the buildings cleaned and dry. The roofs needed to be done, and it did go through the proper process to stabilize the buildings. The attorneys are working on a subordination

agreement for 225 Central as well. Mayor Voracek commended the project.

A motion was made by Kevin Voracek, seconded by Tom Spooner to approve Resolution 2024-01 Authorizing City Staff to Closeout Phase I of Downtown Revitalization Program Funding for Faribo Downtown Central LL as presented. The motion passed unanimously.

B. Resolution 2024-02 Authorize the Release of Phase 2 Downtown Revitalization Program Funding for Faribo Downtown Central LLC

Wanberg stated that this resolution would allow us to release the funds for Phase II. We are moving forward to getting the paperwork through. The attorneys are working on the agreements, and they will need to be separate due to the building subsidy, which is no more than \$150,000 for a building without a public hearing. There is also a loan that the City Council has approved that makes us have to modify the agreements to include that funding as well. We may need a special meeting to get these agreements approved by the EDA. FDC is anxious to move forward, and we are trying to get this done as quickly as we can. Chair Gramse stated that \$211,000 of those dollars are in excess of Phase I. Wanberg confirmed. Fort asked why they would be giving any money for 225 Central, which has been sold. Wanberg stated that we have a draft subordination agreement that our attorneys are reviewing for that. Fort stated it was strange to him to pay for repairs to a building that was being sold. Mayor Voracek stated that all the repairs were approved before the building was sold. Norm Johnson confirmed. Johnson stated that the funding was part of the sales agreement. The purchase price was not raised to reflect the improvements and the loan is attached to the building requiring the need for the subordination agreement. Campbell added that additional buildings will probably be sold as well. A motion was made by Christine Jeanes, seconded by Dave Campbell to approve Resolution 2024-02 Authorizing the Release of Phase 2 Downtown Revitalization Program Funding for Faribo Downtown Central LLC. The motion passed unanimously.

C. Preliminary Discussion of the 2024/25 EDA Work Plan and Budget

Wanberg began to discuss the work plan and was looking for feedback. He started with Available Land and used a prescriptive model to be more interactive. He also mentioned the railroad, and we need to actively promote rail access; should we look at orderly annexations to build off rail access? Right now we just show a property -- we could do something more to try to sell the properties. Mayor Voracek suggested using a color code to show "shove-ready" and maybe another color for "water/sewer". We need to show why the developers would want to be here. Regarding infill, we need to work on that as well. We are working on workforce housing with such things as zero lot lines. Concerning regionalism, Chair Gramse mentioned that we should look at it with the idea of not just competing with the County and surrounding communities but complementing each community and working together to see where the best place for a new development might go. Wanberg mentioned that the Knight Foundation Study to send this to the EDA members. We are coordinating with others on the Daycare issue. We have small programs that take a lot of time and money. We need to collaborate with others to help facilitate those programs. The microgrant program -- we give money to others to do those. We need to set a minimum on some programs. Mayor Voracek suggested making a form online with a checklist, and it doesn't get submitted to staff until all the boxes are checked. Wanberg brought a number of communities where the EDA and HRA are the same. He asked if they would think about having the EDA and HRA together -- this is a broader discussion in terms of ongoing operations and how to be the most efficient as we can be.

5. Project Updates - Verbal Update Only

Wanberg talked about the Highway 60 Master Plan being wrapped up soon and having some joint meetings. One request was for a Hotel Feasibility Study, and he would like to have a discussion about this in the future. There have been conversations with Kwik

Trip about a possible travel center. Another National Chain Store is looking for 3 to 5 acres. The Bowling Center was presented with a similar loan as FDC and hasn't heard from them to date. Faribault Mill has not signed the MIF agreement. Forest to Fork has not signed their MIF agreement and has been moving forward with their construction and if they move forward, they cannot use that money. CAC received a grant for emergency shelter funding. We talked with them about sites in the city and will have a meeting on February 6th. In terms of daycare, the Sustainable Industries Cohort fizzled out from COVID and has been approached to pull it together again. Enterprise Car Rental has a program called Commute to vanpool for the workforce.

Johnson stated the bowling center program is still live with a \$100,000 loan and \$40,000 from the Industrial Corporation. Tomorrow there is a meeting with Faribault's Cares program. He is meeting with RETHOS today. The Chamber Trust earned a \$40,000 grant for workforce development -- we would be able to pay for an internship with the school district on that. He has 13 applications for small business development. Forest to Fork is going into the old Faribault Foods plant. Johnson gave an update on the daycare center that is being proposed in Town Square. Wanberg stated that he was trying to get Ehlers here for the next meeting. Mayor Voracek then commended Wanberg and Casper for all the work being done.

6. Adjournment

Chair Gramse adjourned the meeting at 8:15 a.m. on a motion brought by Tom Spooner, seconded by Kevin Voracek.

Respectfully submitted,

By: _____
Kari Casper, Administrative Assistant



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Director of Community and Economic Development
THROUGH:
MEETING DATE: February 15, 2024
SUBJECT: Monthly Loan Status Report

BACKGROUND:

The Economic Development Authority (EDA) has the authority to provide financial incentives to businesses growing and/or relocating to the City. The various different loan funds in the EDA's portfolio are made up of local, state, and federal dollars – all with their own set of criteria associated with each type of funding source. Staff continually reviews loan files to ensure that loan obligations have been met and loans are closed out as appropriate.

The historical loan information is valuable in understanding how the EDA has assisted projects in the past, and what kinds of loans have been beneficial/impactful. This information can inform various EDA decisions as it relates to developing new loan programs and retooling existing loan programs. Cataloging which businesses have utilized the various different programs over time is also an important data set that can be used for other purposes, such as identifying tiers of businesses to visit as part of a business retention and expansion (BRE) program.

The attached is a summary of the various City and EDA loan programs and their current available balances as of February 7, 2024.

REQUESTED ACTION:

Receive and file as presented.

ATTACHMENTS:

1. 3A - Loan Status Reports

Agenda Item: 3A

January, 2024 Totals

Fund	Program Name	Available Balance	Notes
Fund 249	Minnesota Investment Fund (MIF)	\$14,701.46	2018 MN Legislature authorized one-time exception to “cash out” MN MIF funds. The cashed-out funds are now part of the EDA’s program budget. Available MIF balance must follow re-use guidelines.
Fund 292	EDA Revolving Loan	\$405,976.73	
	- Commercial Development Loan Program (and Grant)		
	- Façade Improvement Micro Loan		
	- EDIF - Economic Development Incentive Program		New program in 2021 – dedicated \$200,000 of loan balance.
Fund 243	Industrial Development Loan	\$295,209.15	Last activity was loan for Cry Baby Craig’s
TOTAL EDA LOAN FUNDS AVAILABLE		\$715,887.34	
Fund 290	EDA Operating Fund/Fund Balance	\$1,348,069.85	Includes one-time transfer of \$249,175 from 2002 land sale
			12/20/2017 – Authorized \$100,000 for the airport building demo/site prep (paid 12/2019) to support commercial development at airport
			Authorized \$150,000 forgivable loan for Daikin
			Does not include EDA Program Funds
Fund 248	Federal MIF Loan	\$626,620.25	Funds are difficult to spend. Uses must meet a national (federal) objective, public benefit standard, environmental review, Davis-Bacon, and extra business reporting requirements. The City Council may request that funds are transferred into the Small Cities Development Program (same federal objectives). This required spending plan and DEED/HUD approval



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Director of Community and Economic Development
THROUGH:
MEETING DATE: February 15, 2024
SUBJECT: Permit Activity Update Report

BACKGROUND:

Permit activity (building permits, etc.) is a reflection on the status of the economy. Over the last few years, the City of Faribault has seen an increase in permit activity – which translates into investment in our community.

To track and follow trends, monthly permit activity reports are prepared. This information is shared on a monthly basis with the Economic Development Authority (EDA) to ensure the EDA has a pulse on the development activity occurring in the community. Trend information will also be one resource that the EDA can utilize to develop annual work plans and develop/modify programs to respond to and address business needs.

Residential projects have slowed this month. There was one permit for new residential construction and commercial projects are strong.

REQUESTED ACTION:

Receive and file as presented.

ATTACHMENTS:

1. 2024-02 EDA - Permit Activity Report

Permit Activity Report 2024				Permit Activity Report 2023			
	Valuation	# of Permits	Permit Fees	Valuation	# of Permits	Permit Fees	
January	\$ 1,028,550.52	81	\$ 21,977.30	\$ 38,646,615.29	84	\$ 326,594.52	
February				\$ 2,241,426.00	50	\$ 29,846.75	
March				\$ 3,194,961.39	105	\$ 57,624.01	
April				\$ 5,693,272.00	112	\$ 68,933.81	
May				5534132.36	163	\$ 70,814.19	
June				\$ 34,548,833.00	181	\$ 402,574.33	
July				\$ 5,028,277.87	139	\$ 64,558.92	
August				5637030.95	138	\$ 60,898.24	
September				\$ 2,744,943.00	151	\$ 44,052.98	
October				\$ 39,732.39	172	\$ 60,507.13	
November				\$ 11,335,775.21	105	\$ 146,763.50	
December				\$ 2,626,163.18	101	\$ 47,312.35	
Total:	\$ 1,028,550.52		\$ 21,977.30	\$ 106,099,999.33		\$ 1,380,480.73	
YTD Permits:		81			1908		
<i>*All Permits includes Building Permits in total (plumbing, heating, signs and electrical).</i>							



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Director of Community and Economic Development
THROUGH:
MEETING DATE: February 15, 2024
SUBJECT: Budget Status Report

BACKGROUND:

The budget is divided into "operating expenses" and "program funds." The Program Funds budget is made up of fund balances and various different one-time lump funds. These funds are targeted for specific projects based on the approved Work Plan in the categories of: Available Land, Gateways, Regionalism, Workforce/Data Analysis, and Ongoing Operations.

Attached is the Budget Status report for Fund 290 (Economic Development Authority). This information is being provided for informational purposes. No significant expenses to report.

REQUESTED ACTION:

Receive and file as presented.

ATTACHMENTS:

1. 290Budget Status

General Ledger

Budget Status

User: kcasper
Printed: 2/12/2024 - 11:46 AM
Period: 2, 2024



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	372,648.00	0.00	0.00	372,648.00	0.00	372,648.00	100.00
290-00000-462-31020		Delinquent Ad Valorem Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31030		Mobile Home Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31035		Delinquent Mobile Home Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31040		Excess Tax Increment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31500		PILOT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31550		Green Acres	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		R01 Sub Totals:	372,648.00	0.00	0.00	372,648.00	0.00	372,648.00	100.00
R02		Permit & Licenses							
290-00000-462-36215		Loan Interest	383.00	23.98	48.24	334.76	0.00	334.76	87.40
		R02 Sub Totals:	383.00	23.98	48.24	334.76	0.00	334.76	87.40
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	0.00	0.00	2,500.00	0.00	2,500.00	100.00
		R04 Sub Totals:	2,500.00	0.00	0.00	2,500.00	0.00	2,500.00	100.00
R06		Miscellaneous Revenue							
290-00000-462-36200		Other Miscellaneous Revenue	500.00	0.00	0.00	500.00	0.00	500.00	100.00
290-00000-462-36210		Interest on Investments	20,580.00	0.00	0.00	20,580.00	0.00	20,580.00	100.00
290-00000-462-36211		Interest Market Value	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-36240		Refunds & Reimbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-36400		Loan Principal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		R06 Sub Totals:	21,080.00	0.00	0.00	21,080.00	0.00	21,080.00	100.00

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:	396,611.00	23.98	48.24	396,562.76	0.00	396,562.76	99.99
	Dept 00000 Sub Totals:	-396,611.00	-23.98	-48.24	-396,562.76	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	0.00	0.00	20,000.00	0.00	20,000.00	100.00
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	0.00	0.00	75,000.00	0.00	75,000.00	100.00
290-46500-462-43095	Software Maintenance & Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43130	EDA Program Budget	650,000.00	0.00	0.00	650,000.00	0.00	650,000.00	100.00
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	0.00	0.00	45,000.00	0.00	45,000.00	100.00
290-46500-462-43510	Legal Notices Publishing	500.00	0.00	0.00	500.00	0.00	500.00	100.00
290-46500-462-43520	Recording Fees	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	100.00
290-46500-462-43610	Insurance & Bonds	1,771.00	1,975.00	1,975.00	-204.00	0.00	-204.00	0.00
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	0.00	10,000.00	14,000.00	0.00	14,000.00	58.33
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	0.00	0.00	345,000.00	0.00	345,000.00	100.00
	E03 Sub Totals:	1,170,361.00	1,975.00	11,975.00	1,158,386.00	0.00	1,158,386.00	98.98
E04	Capital Outlay							
290-46500-462-44160	Rents & Leases	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-45100	Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
E06 290-46500-462-47200	E04 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Uses							
	Transfer Out	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	E06 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Expense Sub Totals:	1,170,611.00	1,975.00	11,975.00	1,158,636.00	0.00	1,158,636.00	98.98
	Dept 46500 Sub Totals:	1,170,611.00	1,975.00	11,975.00	1,158,636.00	0.00		
	Fund Revenue Sub Totals:	396,611.00	23.98	48.24	396,562.76	0.00	396,562.76	99.99
	Fund Expense Sub Totals:	1,170,611.00	1,975.00	11,975.00	1,158,636.00	0.00	1,158,636.00	98.98
	Fund 290 Sub Totals:	774,000.00	1,951.02	11,926.76	762,073.24	0.00		
	Revenue Totals:	396,611.00	23.98	48.24	396,562.76	0.00	396,562.76	99.99
	Expense Totals:	1,170,611.00	1,975.00	11,975.00	1,158,636.00	0.00	1,158,636.00	98.98
	Report Totals:	774,000.00	1,951.02	11,926.76	762,073.24	0.00		



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Director of Community and Economic Development
THROUGH:
MEETING DATE: February 15, 2024
SUBJECT: Election of Officers

BACKGROUND:

The EDA is a seven (7) member board originally established in May 1986 pursuant to Minnesota Statutes. Per the enabling resolution, EDA members may serve a maximum of two (2) consecutive terms (full or partial) and all terms shall expire at the first City Council meeting of January. Commissioners may re-apply for additional terms after a one (1) year absence from the EDA.

The EDA officer positions include President, Vice President, Secretary, Treasurer, and Assistant Treasurer. Annually, the EDA must elect officers for the positions of President and Treasurer/Secretary. Traditionally, the EDA has also elected a Vice President annually.

2023 EDA Officers:

President - Rod Gramse
Kevin Voracek - Vice President
AJ Smith - Secretary/Treasurer

REQUESTED ACTION:

Nominate and elect EDA officers for FY2024 through January 31, 2025.

ATTACHMENTS:



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Director of Community and Economic Development
THROUGH:
MEETING DATE: February 15, 2024
SUBJECT: Annual Review of Enabling Resolution

BACKGROUND:

Section 469.092, Subdivision 3 of Minnesota Statutes requires the EDA to "submit to the City Council a report each year stating whether and how the enabling resolution should be modified." Under the Statute, the City Council has 30 days after receipt of the recommendation to review the enabling resolution, consider the recommendations of the EDA, and make any appropriate amendments. Any amendment must be made per the procedural requirements of Section 469.093.

*Subd. 3. **Report on resolution.** Without limiting the right of the authority to petition the city council at any time, each year, within 60 days of the anniversary date of the first adoption of the enabling resolution, the authority shall submit to the city council a report stating whether and how the enabling resolution should be modified. Within 30 days of receipt of the recommendation, the city council shall review the enabling resolution, consider the recommendations of the authority, and make any modification it considers appropriate. Modifications must be made in accordance with the procedural requirements of section [469.093](#).*

Occasionally, the EDA recommends updates to its enabling resolution. Most updates ensure the enabling resolution is consistent with state statutes. The most recent recommendations included clarifications to term limits and modifications to the EDA composition to be consistent with state statutes and provide the City Council with flexibility when making future appointments (see the attached City Council Resolution #2021-082). No issues or concerns have been identified with the current language in the enabling resolution.

REQUESTED ACTION:

Review the attached enabling resolution last updated via City Council Resolution #2021-082. Identify recommended amendments (if any) to the enabling resolution.

ATTACHMENTS:

Agenda Item: 4.B

1. 2021-082 - Amending and Restating the Enabling Resolution Establishing an Economic Development Authority for the City of Faribault (1)

CITY OF FARIBAULT

RESOLUTION #2021-082

AMENDING AND RESTATING THE ENABLING RESOLUTION ESTABLISHING AN ECONOMIC DEVELOPMENT AUTHORITY FOR THE CITY OF FARIBAULT

WHEREAS, the City is authorized by Minnesota Statutes, Chapter 469 (the "Act") and specifically Section 469.091, to establish an Economic Development Authority (hereinafter the "EDA") to coordinate and administer economic development and redevelopment plans and programs of the City of Faribault; and

WHEREAS, an Economic Development Authority would facilitate and assist economic development in the City of Faribault by directly involving certain groups and agencies in the process; and

WHEREAS, such an Authority will increase the overall efficiency of business recruitment, to the greatest benefit of the entire community; and,

WHEREAS, a public hearing was held for the establishment of an Economic Development Authority pursuant to Minnesota Statutes prior to the adoption of Resolution 86-77, the initial enabling resolution originally adopted May 27, 1986, for the EDA and Resolution 86-77 was amended and restated on January 22, 2008, following a public hearing by Resolution No. 2008-015, and was again amended and restated on June 22, 2010, following a public hearing by Resolution No. 2010-092, and amended and restated again on June 10, 2014, following a public hearing by Resolution No. 2014-097; and

WHEREAS, the City desires to amend the enabling resolution for the EDA, as hereinafter set forth, pursuant to Minnesota Statutes Section 469.093; and

WHEREAS, a public hearing has been held for this amendment to the enabling resolution of the EDA pursuant to Minnesota Statutes Section 469.093.

NOW, THEREFORE, THE CITY OF FARIBAULT RESOLVES:

SECTION 1. APPOINTMENT OF AN ECONOMIC DEVELOPMENT AUTHORITY FOR THE CITY OF FARIBAULT, MINNESOTA

Section 1.1. Economic Development Authority Established. The Economic Development Authority for the City of Faribault, Minnesota (hereinafter the "EDA") is hereby established. The EDA shall have all the powers, duties and responsibilities set forth in Sections 469.090 to 469.108 of the Act and as said Act may be amended from time to time and all other applicable laws, except as limited by this Resolution.

Section 1.2. Purpose. The appointment of an EDA, pursuant to the provisions, restrictions and regulations contained herein, is intended to provide the City with a board comprised of representatives from both city government and private enterprise, capable of administering business incentives and other economic development measures. The EDA shall be the chief economic development agency for the City, and shall be under the authority of the City Council.

Section 1.3. Definition. An EDA is a public body corporate and politic and a political subdivision of the state with the right to sue and be sued in its own name. An EDA carries out an essential governmental function when it exercises its power, but the EDA is not immune from liability because of this.

Section 1.4. Responsibility. The EDA shall have primary responsibility for commercial and industrial development and redevelopment and the Housing and Redevelopment Authority in and for the City of Faribault shall have primary responsibility for residential development and redevelopment.

SECTION 2. COMPOSITION OF THE EDA

Section 2.1. Composition. The seven commissioners of the EDA shall be selected or appointed as follows:

- a. Two City Council members shall be appointed as commissioners by the City Council.
- b. The City Council may appoint the remaining commissioners to serve at large or from organizations which may have a role in economic development. An appointment could be from such organizations as City Commissions, the Faribault Industrial

Corporation, the School District, County, Community Board or Chamber of Commerce.

Section 2.2. Terms. Initial appointees receive terms of 1, 2, 3, 4, 5, 6 and 6 years; thereafter all terms are for six years, except as hereinafter provided. The City Council shall set the term of the commissioners who are members of the City Council to coincide with their term of office as members of the City Council. All terms shall expire at the City Council meeting at which the EDA appointments are made. Commissioners may serve no more than a maximum of two (2) consecutive terms (full or partial) and no more than a total of twelve (12) consecutive years. Commissioners may re-apply for additional terms after a one (1) year absence from the EDA.

Section 2.3. Compensation and Reimbursement. EDA members shall be reimbursed for actual expenses as determined by the City Council.

Section 2.4. Vacancies. A vacancy is created in the membership of the EDA when a City Council member of the EDA ends Council membership. A vacancy for this or another reason must be filled for the balance of the unexpired term, in the manner in which the original appointment was made.

Section 2.5. Conflict of Interest. Except as authorized in Minnesota Statutes Section 471.88, a commissioner, officer, or employee of the EDA must not acquire any financial interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall the person have any financial interest, direct or indirect, in any contract or proposed contract for materials or service to be furnished or used in connection with any project.

Section 2.6. Removal for Cause. An EDA commissioner may be removed by the City Council as provided in Minnesota Statutes Section 469.095, subd. 5.

SECTION 3. TRANSFER OF TAX INCREMENT AUTHORITY

Section 3.1. The City shall transfer the control, authority and operation of its tax increment development plans pursuant to Chapter 462, implemented by Resolutions 85-151, 85-140, 85-22, 85-21, 85-20, 81-168, 81-5, and pursuant to Chapter 472A, implemented by Resolutions 85-141 and 83-58, located within the City, from the governmental agency or subdivision that established the project to the EDA. The City Council requires acceptance of control, authority, and operation of the tax

increment development plans by the EDA. The EDA may exercise all of the powers that the governmental unit establishing the project could exercise with respect to the project.

When a project or program is transferred to the EDA, it shall covenant and pledge to perform the terms, conditions, and covenants of the bond indenture or other agreements executed for the security of any bonds issued by the governmental subdivision that initiated the project or program. The EDA may exercise all of the powers necessary to perform the terms, conditions, and covenants of any indenture or other agreements executed for the security of the bonds when the project or program is transferred.

SECTION 4. ORGANIZATIONAL MATTERS

Section 4.1. Staffing. All required EDA staffing will be appointed by the City Administrator from the City of Faribault staff, for purposes of technical assistance, accounting, purchasing supplies, etc., as needed for the operation of the EDA.

Section 4.2. By-Laws. The EDA may adopt by-laws and rules of procedure and shall adopt an official seal.

Section 4.3. Officers. The EDA shall elect a president, a vice president, a treasurer, a secretary, and an assistant treasurer. The EDA shall elect the president, treasurer and secretary annually. A commissioner shall not serve as president and vice president at the same time. The other offices may be held by the same commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

Section 4.4. Treasurer. The City of Faribault shall assist the official treasurer for the EDA in performing the statutory duties of the treasurer, with the City handling EDA funds and accounting through the City's financial management system.

Section 4.5. Public Money. EDA money is public money.

Section 4.6. Legal Services. The EDA shall use the services of the City Attorney for its legal needs. The City Attorney is its chief legal advisor.

Section 4.7. City Purchasing. The EDA may use the facilities of the City's purchasing department in connection with construction work and to purchase supplies, equipment or materials.

Section 4.8. Delegation Power. The EDA may delegate to one or more of its agents or employees powers or duties as it may deem proper.

SECTION 5. FINANCIAL MATTERS

Section 5.1. Budget to City. The EDA shall annually submit its budget to the City Council for approval. The budget must include a detailed written estimate of the amount of money that the EDA expects to need from the City to perform its business during the next fiscal year.

Section 5.2. Fiscal Year. The fiscal year for the EDA shall be the same as the City.

Section 5.3. Report to City. Annually, at a time and in a form fixed by the City Council, the EDA shall make a written report to the Council giving a detailed account of its activities and of its receipts and expenditures during the preceding calendar year, together with additional matters and recommendations it deems advisable for the economic development of the City.

Section 5.4. Financial Statement. The EDA's financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money is to be applied, the EDA's credits and assets, and its outstanding liabilities, in a form required for the City's financial statements. The EDA shall examine the statement together with the treasurer's vouchers. If the EDA finds the vouchers are correct, it shall approve them by resolution and enter the resolution into its records.

Section 5.5. Audits. The financial statements of the EDA must be prepared, audited, filed and published or posted in a manner required for the financial statements of the City. The financial statements must permit comparison and reconciliation with the City's accounts and financial reports. The report must be filed with the state auditor by June 30 of each year. The auditor shall review the report and may accept it or, in the public interest, audit the books of the EDA.

SECTION 6. SCHEDULE OF POWERS

Section 6.1. Economic Development Districts. The EDA may establish and define the boundaries of economic development districts at any place and at any time within the City. The EDA must hold a public hearing on the matter, with notice published at least 10 days prior to the hearing in the official city newspaper. The establishment of an economic

development district must be approved by the City Council pursuant to Minnesota Statutes.

Section 6.2. Acquisition of Property. The EDA may acquire by lease, purchase, gift, devise or condemnation proceedings the needed right, title and interest in property to create economic development districts.

Section 6.3. Revolving Loan Fund. The EDA shall have the power to administer the Economic Development Revolving Loan Fund.

Section 6.4. Options. The EDA may sign options to purchase, sell or lease property.

Section 6.5. Eminent Domain. The EDA may use eminent domain under Chapter 117, or under the City Charter to acquire property it is authorized to acquire through condemnation.

Section 6.6. Contracts. The EDA may make contracts for the purposes of economic development within its granted powers. The EDA may arrange with the federal government, any of its agencies, with persons, public corporations, the state, or any of its political subdivisions, commissions or agencies, for separate or joint action, on any matter related to the EDA's powers or doing its duties. The EDA may contract to purchase and sell real and personal property. However, the EDA is not authorized to issue debt without prior Council approval.

Section 6.7. Limited Partner. The EDA may be a limited partner in a partnership whose purpose is consistent with the EDA's purpose.

Section 6.8. Rights and Easements. The EDA may acquire rights or easements for a term of years or perpetually for development of an economic development district.

Section 6.9. Receipt of Public Property. The EDA may accept land, money, or other assistance, whether by gift, loan or otherwise, in any form from the federal or state governments, or any political subdivisions or agencies thereof, to acquire and develop economic development districts.

Section 6.10. Development District Authority. The EDA may sell or lease land held by it for economic development in economic development districts.

Section 6.11. As Agent. The EDA may cooperate or act as an agent for the federal or state government, or a state public body, or an agency

or instrumentality of a government or public body, to carry out the EDA's duties, or any other related federal, state or local law in the area of economic development district improvement.

Section 6.12. Studies, Analysis and Research. The EDA may study and analyze economic development needs in the City, and ways to meet those needs.

Section 6.13. Public Relations. To further an authorized purpose, the EDA may: (1) join an official, industrial, commercial or trade association, or other organization concerned with the purpose; (2) have a reception of officials who may contribute to advancing the City and its economic development; and (3) carry out other public relations activities to promote the City and its economic development.

Section 6.14. Accept Public Land. The EDA may accept conveyances of land from all other public agencies, commissions, or other units of government, if the land can be properly used by the EDA in an economic development district.

Section 6.15. Economic Development. The EDA may carry out the law on economic development districts to develop and improve lands in an economic development district to make it suitable and available for its purposes.

SECTION 7. DEBT ISSUANCE.

Section 7.1. Debt Issuance. The EDA cannot issue debt obligations without the prior approval of the City Council.

Section 7.2. Bonds. General Obligation Bonds, Industrial Development Bonds, Tax Increment Bonds, and Revenue Bonds, whose proceeds are required for EDA approved projects, must be issued by the City Council pursuant to the City of Faribault Charter and applicable Minnesota Statutes.

Section 7.3. Pledge. All bonds issued by the City Council for the debt obligations of the EDA must be secured by the full faith, credit and resources of the City.

Section 7.4. Tax Levy. The tax levy must be certified by the City Council, and must be pledged back to the City.

Section 7.5. As Borrower and Lender. The EDA may borrow for its approved projects from the City; and, from its own proceeds, may make or purchase loans for economic development facilities which it believes requires financing.

SECTION 8. SALE OF PROPERTY

Section 8.1. Power. The EDA may sell and convey property owned by it within the city or an economic development district consistent with the requirements of Minnesota Statutes Section 469.105.

SECTION 9. ADVANCES BY EDA

Section 9.1. Advances by the EDA. The EDA may advance its general fund money or its credit, or both, without interest, for its objectives and purposes.

SECTION 10. DATE EFFECTIVE

Section 10.1. Adoption. This resolution shall be adopted upon affirmative vote of the majority of the City Council.

Section 10.2. Effect. This resolution shall be in full force upon its adoption and shall continue until such time as it may be amended or rescinded by the City Council.

Section 10.3. Conflicts. Any conflicts arising out of the conduct and operation of the EDA shall be resolved with reference to Minnesota statutes, and if there arises any conflict between this resolution and Minnesota statutes, Minnesota statutes shall prevail.

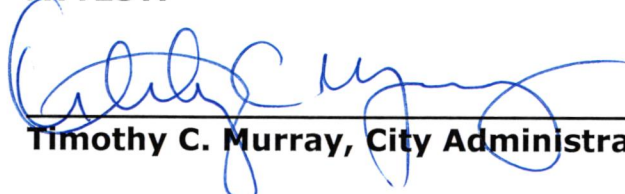
Date Adopted: April 27, 2021

Faribault City Council



Kevin F. Voracek, Mayor

ATTEST:



Timothy C. Murray, City Administrator



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH:
MEETING DATE: February 15, 2024
SUBJECT: Preliminary Discussion of Faribault Mill Loan Request

BACKGROUND:

The Faribault City Council approved Resolution 2023-108 on May 23, 2023, supporting Faribault Mill's application for a Minnesota Investment Fund (MIF) loan. The State prepared a MIF contract awarding Faribault Mill a \$290,000.00 loan to assist in new equipment purchases. The MIF loan requires Faribault Mill to invest \$1,900,000.00 in new construction and \$1,960,000.00 in additional equipment, as Faribault Mill indicated it would. The loan also requires personal loan guarantees.

Faribault Mill reports that its business is growing and is very optimistic about its future. At the same, it does not want the MIF loan tied to future construction, investments, and personal guarantees. Consequently, Faribault Mill has not, and likely will not, sign the MIF agreement.

Faribault Mill is asking the EDA to provide a \$300,000 loan, at zero-percent interest, to purchase new equipment that will allow it to produce additional products. It believes that if it purchases and installs new equipment, it will grow its business, allowing it to expand the building and purchase additional equipment. See the attached letter from Faribault Mill.

Faribault Mill simply wants to introduce its initial proposal to the EDA at this meeting. Based on EDA feedback, it will submit a formal request for the EDA's March meeting. City Staff will analyze the EDA's funds and strategic priorities to help the EDA determine how it wants to respond to Faribault Mill's request.

REQUESTED ACTION:

Provide general feedback regarding Faribault Mill's preliminary loan request.

ATTACHMENTS:

1. Faribault Mill Revolving Loan Preliminary Request

EDA LOAN REQUEST

To finance continued growth and expansion, Faribault Mill is seeking \$300,000 of financing for additional capital equipment expenditures. This equipment helps to automate more of our production processes and modernize our equipment and manufacturing processes to continue to grow in Faribault.

RATIONALE

Since 2020, Faribault Mill has doubled company sales and employment in Faribault. All the while, the current ownership team has invested more than \$2 million of private capital to modernize manufacturing in Faribault, and expand production capacity. The company foresees continued growth based on recent demand from 1) e-Commerce sales, 2) custom corporate sales, and 3) a recently awarded, 5-year contract from the US Navy. The new looms financed by this project will help the Mill continue modernizing manufacturing in Faribault, expand production capacity to meet current and projected demand, and create new, well-compensated jobs in the city.

PROPOSED LOAN STRUCTURE

- \$300,000 loan
- 0% interest
- 5 year term, \$200,000 balloon due in month 60; \$100,000 amortized over 5 years
- First lien position on equipment + corporate guarantee
- No prepayment penalty

CAPITAL IMPROVEMENTS

Equipment	Capital Expenditure	Description
1 Jacquard Loom	\$150,000	New loom to expand customized capacity for e-commerce and corporate customers
2 Dobby Looms	\$150,000	New looms to expand blanket capacity for e-commerce customers and military contract sales
TOTAL	\$300,000	



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH:
MEETING DATE: February 15, 2024
SUBJECT: Updates and Related Discussions

BACKGROUND:

The following updates do not require EDA action at this meeting. However, the EDA may provide comments for detailed discussion and action at an upcoming EDA meeting.

1. **Highway 60 West Master Plan.** The Highway 60 West Master Plan consultant updated the Planning Commission and City Council regarding the status of the master plan. City Staff has been working with property owners to jump-start development in the area. Staff will provide a more detailed update at the EDA meeting.
2. **February 28 Joint Public Hearing with the City Council, HRA, and EDA.** The City Council, HRA, and EDA will hold a public hearing on Wednesday, February 28, at Buckham West. The public hearing is to consider a proposed business subsidy associated with Faribault Downtown Central funding. City Staff will update the EDA soon. Please let David Wanberg know as soon as possible if you cannot attend this public hearing.
3. **Project Buckeye (KGP).** KGP recently sold their property at Highway 60 and I-35. City Staff and others are working to have KGP relocate to another site in Faribault.
4. **Potential Data Center.** City Staff is working with a developer who is interested in locating a data center in Faribault.
5. **Potential Food Industry.** City Staff submitted proposals to DEED for a proposed food industry.
6. **Other Updates.** Staff will provide additional verbal updates at the EDA meeting.

REQUESTED ACTION:

Agenda Item: 4.D

No specific EDA actions are required. However, the EDA may provide comments for detailed discussion at an upcoming EDA meeting.

ATTACHMENTS: