



ECONOMIC DEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM

THURSDAY, MARCH 21,
2024

7:00 AM

1. Call to Order/Approve Agenda
2. Approval of the Minutes of February 15, 2024
3. Routine Business: *Agenda items below are approved by one motion unless an EDA member requests separate action.*
 - A. Monthly Loan Status Report
 - B. Permit Activity Update Report
 - C. Budget Status Report
4. Public Hearings - None
5. Items for Discussion
 - A. Preliminary Request from Forest to Fork for EDIF Funding
 - B. Preliminary Request from Faribault Mill for EDIF Funds or Other Revolving Fund Loan
 - C. Use of DCREIP Funds for Former FDC Properties that Received Public Funds
 - D. Preliminary Discussion of 2024/2025 Budget related to Marketing
 - E. Updates
6. Adjournment



ECONOMIC DEVELOPMENT AUTHORITY MINUTES

PUBLIC MEETING ROOM

THURSDAY, FEBRUARY 15,
2024

7:00 AM

Meeting Items

1. Call to Order / Approve Agenda

The regular meeting of the Economic Development Authority was called to order by Chair Gramse at 7:00 am. Commissioners 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 of January 18, 2024

Motion by Tom Spooner, seconded by Kevin Voracek to Approve. Motion Passed.

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

Motion by Kevin Voracek, seconded by AJ Smith to Approve. The motion passed unanimously.

A. Monthly Loan Status Report

B. Permit Activity Update Report

C. Budget Status Report

4. Items for Discussion

A. Election of Officers

Motion by AJ Smith, seconded by Tom Spooner to Approve Rod Gramse as Chair. The motion passed unanimously

Motion by Kevin Voracek, seconded by Tom Spooner to approve A.J. Smith as Vice Chair. The motion passed unanimously.

B. Annual Review of Enabling Resolution

Motion by AJ Smith, seconded by Christine Jeanes to Approve the existing Enabling Resolution as presented. David Wanberg will bring this before the City Council at their next meeting. The motion passed unanimously.

C. Preliminary Discussion of Faribault Mill Loan Request

Wanberg gave another preliminary discussion regarding Faribault Mill's request for assistance. He noted that they still have not signed the MIF and other DEED loan requests. A letter was attached with their revised loan request of 300,000 dollars at no interest, amortizing \$100,000 for five years with a balloon payment of \$200,000 on the 60th month. After some discussion, the board would like to counter with a 2.5 to 3 percent loan under those terms to help cover administrative costs. No action was taken

at this time.

D. Updates and Related Discussions

David Wanberg gave a presentation of all the projects that are going on at this time which included:

- The Bowling Center's request for funding -- they are continuing to look for a buyer and will work with them once they have found someone to take it over. The property needs to be brought up to code and it has been challenging for them to find someone to take this on.
- Midwest Recovery has a plan to purchase the Day's Inn and convert that to office space. They would like to add a cafeteria and are applying for funding. They are also interested in tax abatement.
- Midwest Storage delayed construction due to the high cost of winter construction. They plan to start building in or around April. Wanberg has been working with the owner to connect developers for the building of the apartment on-site.
- RSA - C&S Vending is planning on an expansion. Spooner asked about the housing they had planned. Wanberg stated that the one lone house is not willing to sell; as a result, if they do put some workforce housing unit in there, it would be small and on the corner of 20th Avenue.
- Urban Flea Market has submitted their applications. Wanberg stated that there is a complicated process for this project but is under way.
- Forest to Fork has moved forward with construction plans and has not submitted their funding applications.
- Wanberg stated that there is a data center very interested in building south of 60 along the transmission line. They will use a closed loop rather than water for sourcing.
- There is a strong need for 24-hour daycare and much has been done to try to bring that to town. The concept they are talking about would be pods in a larger space.
- Wanberg spoke about Sage and stated that they still have not contacted him with regard to the funding that has been awarded but they need to provide the City with the number of 20 jobs that were created before the funding can be released.
- With regard to the parcel at 1st and 1st, Wanberg brought it before the council to donate that land to CAC for two emergency housing and 4 workforce housing units.
- Wanberg also reported that the Highway 60 project is close to fruition with the consultants. He mentioned that KGP is contemplating moving and has sold their land to Jandro. The city is offering incentives to try to keep them here in Faribault.
- The old Mayo Clinic site is also being discussed to move forward.

5. Adjournment

Motion by AJ Smith, seconded by Kevin Voracek to adjourn the meeting at 8:03 a.m. The motion passed unanimously.

By: _____
Kari Casper, Recording Secretary



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH:
MEETING DATE: March 21, 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.

REQUESTED ACTION:

Receive and file as presented.

ATTACHMENTS:

1. 3A - Loan Status Reports

Agenda Item: 3A

March 2024 Totals

Fund	Program Name	Available Balance	Notes
Fund 249	Minnesota Investment Fund (MIF)	\$14,053.89	2018 MN Legislature authorized a 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	\$406,457.34	
	- Commercial Development Loan Program (and Grant)		
	- Façade Improvement Micro Loan		
	- EDIF - Economic Development Incentive Program-		- A new program in 2021 – dedicated \$200,000 of loan balance. - \$100,000 Budgeted Amount - **\$50,000 for Vetrotech/Sage (Forgivable) - **\$100,000 is requested by Forest to Fork. (Forgivable) - **\$100,000 TruVue (Forgivable) - **\$300,000 Faribault Mill Loan or \$100,000 (Forgivable) - **Bowling Center ????
Fund 243	Industrial Development Loan	\$295,521.10	- Last activity was a loan for Cry Baby Craig's. - 2024 Budgeted \$100,000.
TOTAL EDA LOAN FUNDS AVAILABLE		\$716,032.33	
Fund 290	EDA Operating Fund/Fund Balance	*\$1,340,777.02	Includes a one-time transfer of \$249,75 from the 2002 land sale
			12/20/2017 – Authorized \$100,000 for the airport building demo/site prep (paid 12/2019) to support commercial development at the airport -2021 Microgrant Program of \$25,000 FACC -2021 Upstairs Downtown \$5,000 FACC -2021 SBDC Office Contribution \$3,000 FACC -2022-12-28 FDC \$250,000 -2022 Main Street Contribution \$14,000 FACC -2022 SBDC Office Contribution \$3,000 FACC -2022 Main Street Contribution, \$14,000 FACC -2023 DCERIP Darrell Jensen \$30,000 -2023 The Golf Box \$2,300 ** -2024 FDC \$250,000 **\$30,000 DCERIP – Drevlow **\$11,860 DCERIP - Hvistendahl, 405 Central
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 funds be transferred into the Small Cities Development Program (same federal objectives). This requires a spending plan and DEED/HUD approval

*Does not include EDA Program Funds of \$650,000.00

****Earmarked.**



Request for Action

TO: Faribault Economic Development Authority

FROM:

THROUGH:

MEETING DATE: March 21, 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	\$ 4,245,529.34	111	\$ 59,132.10	\$ 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				\$ 5,534,132.36	163	\$ 70,814.19	
June				\$ 34,548,833.00	181	\$ 402,574.33	
July				\$ 5,028,277.87	139	\$ 64,558.92	
August				\$ 5,637,030.95	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:	\$ 5,274,079.86		\$ 81,109.40	\$ 117,271,162.64		\$ 1,380,480.73	
YTD Permits:		192			1908		
<i>*All Permits includes Building Permits in total (plumbing, heating, signs and electrical).</i>							



Request for Action

TO: Faribault Economic Development Authority

FROM:

THROUGH:

MEETING DATE: March 21, 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. 3,290 Budget Status

General Ledger

Budget Status

User: kcasper
Printed: 3/11/2024 - 1:55 PM
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	2,263.31	18,316.69	0.00	18,316.69	89.00
290-00000-462-36211	Interest Market Value	0.00	0.00	2,905.56	-2,905.56	0.00	-2,905.56	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	5,168.87	15,911.13	0.00	15,911.13	75.48

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	5,217.11	391,393.89	0.00	391,393.89	98.68
	Dept 00000 Sub Totals:	-396,611.00	-23.98	-5,217.11	-391,393.89	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	941.00	941.00	19,059.00	0.00	19,059.00	95.30
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	5,973.00	5,973.00	69,027.00	0.00	69,027.00	92.04
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	330.00	330.00	44,670.00	0.00	44,670.00	99.27
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	9,219.00	19,219.00	1,151,142.00	0.00	1,151,142.00	98.36
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	9,219.00	19,219.00	1,151,392.00	0.00	1,151,392.00	98.36
	Dept 46500 Sub Totals:	1,170,611.00	9,219.00	19,219.00	1,151,392.00	0.00		
	Fund Revenue Sub Totals:	396,611.00	23.98	5,217.11	391,393.89	0.00	391,393.89	98.68
	Fund Expense Sub Totals:	1,170,611.00	9,219.00	19,219.00	1,151,392.00	0.00	1,151,392.00	98.36
	Fund 290 Sub Totals:	774,000.00	9,195.02	14,001.89	759,998.11	0.00		
	Revenue Totals:	396,611.00	23.98	5,217.11	391,393.89	0.00	391,393.89	98.68
	Expense Totals:	1,170,611.00	9,219.00	19,219.00	1,151,392.00	0.00	1,151,392.00	98.36
	Report Totals:	774,000.00	9,195.02	14,001.89	759,998.11	0.00		



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH:
MEETING DATE: March 21, 2024
SUBJECT: Preliminary Request from Forest to Fork for EDIF Funding

BACKGROUND:

Last year, the City Council authorized Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) applications for Forest to Fork (F2F) - a mushroom farm in the old Faribault Foods Plant ("The Cannery"). For timing and other reasons, F2F did not execute the MIF and JCF agreements, but as its business grows, it may request MIF and JCF again before proceeding with Phase 2 of the project. However, F2F requests a \$100,000 forgivable loan through the Economic Development Investment Fund (EDIF) from the EDA to renovate the building and purchase equipment (see attached application). The requested funding will help ensure Phase 1 of F2F gets off to a good start.

REQUESTED ACTION:

Provide direction on whether the EDA is receptive to providing a \$100,000 forgivable loan to F2F.

ATTACHMENTS:

1. Application -- Forest to Fork_Redacted
2. Narrative attached to Application

MAR 08 2024



City of

Faribault

City of Faribault
Community Development

EDA Revolving Loan Application Form

Please complete the following application in full & submit with all required attachments to the City of Faribault's Community & Economic Development Office.

BASIC INFORMATION

Company Name

F2F Inc DBA Forest to Fork

Primary Contact

DANA Anderson

Address

128 15th St NW

City

Faribault

Zip

55021

Phone

612-961-7948

Cell

Same

Email

DANA@FOREST-TO-FORK.COM

Website

Forest-Fork.com

Fax

COMPANY INFORMATION

Date Established

2021

Federal Tax ID

84-4486650

SIC Code or NAICS Code and Description of Industry

111411

Business Structure:

Sole Proprietorship

S-Corp

C-Corp

LLC

Other _____

List all owners (current/anticipated) holding at least 20% or more of ownership of company:

Last Name

First Name

Ownership %

Company/Position

Anderson

DANA

25

CEO

To globally look at financial resources of the applicant – please list all other businesses in which owner(s) have 20% or more ownership in:

REQUESTED LOAN AMOUNT

Funding Amount Requested from EDA

\$100,000.00

Purpose of Funding Please also include a narrative on separate letterhead describing project in full, how the proposed project will benefit the community, and proposed use of EDA funding.

See Power Plant Printout

SOURCES AND USE OF FUNDS

Purpose for which funds are to be used	EDA	BANK	OTHER	OTHER	BUSINESS EQUITY	TOTAL
Property Acquisition						
Building Renovation	50,000				500,000	
New Construction					2,000,000	
Machinery/Equipment	50,000				500,000	
Inventory					175,000	
Working Capital					200,000	
Other					1,350,000	BUSINESS Development
Total	100,000				3,625,000	

PROPOSED FINANCING TERMS

	EDA	BANK	OTHER (Specify)	OTHER (Specify)	EQUITY	TOTAL
Amount						
% of Project						
Terms (Years)						
Interest Rate						
Debt Service						
Collateral						
Lien Position						

PARTICIPATING LENDER – Name, Address, Contact Name, Phone Number:

JOB CREATION				
	Full Time	Hourly Wage (Average)	Part Time	Hourly Wage (Average)
# Existing Employees	2	30		
# of NEW Jobs Created	8	20		
# of Jobs Retained (jobs lost without project)	(40 New over 2-3 yrs Jobs)			

Employee Benefits: *In Process*

BUSINESS PROFILE	
Attached Additional Pages if Necessary	
Business Description	
<i>Mushroom Farm</i>	
Provide details about your experience and background	
<i>Founder Living Green Farms</i> <i>Created 60 Jobs in Fairbairn</i> <i>2012-2020</i>	
Have you ever filed for bankruptcy or defaulted on any loan commitment. Please describe.	
<i>NO</i>	

Briefly describe your proposed project and how it related to the Community 2040 Vision

Sustainable Food Production
Globally Significant Labor Saving
Innovations
Closed Loop Farming utilizing Ag
Waste Products to create Another

Describe the economic benefit of the project for Faribault

Crop
Mushrooms

Repurpose A Significant portion
of the "CANNERY" After Sitting
Idle for 5-6 yrs.

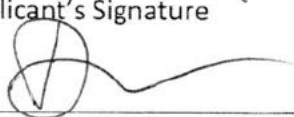
Enhancing, Adding to the City's TAX
BASE.

Proposed 40 New Employees IN 2-3 yr
period.

Largest mushroom Farm IN ~~Region~~ Midwest
once complete.

once Built + Running - The BUSINESS will not
Move - 50-75 yr outlook.

I certify that all statements made in the application are an accurate representation of my financial condition on this date and are made for the purpose of obtaining the funding indicated. Verification and re-verification of any information contained in the application may be made at any time.

Applicant's Full Name <i>Dana Anderson</i> Applicant's Signature 	Social Security Number Date <i>3-11-24</i>
Applicant's Full Name Applicant's Signature	Social Security Number Date
Applicant's Full Name Applicant's Signature	Social Security Number Date

APPLICATION SUBMITTAL REQUIREMENTS

Please return the completed application, application fee, and all requested submittal attachments to:

Faribault EDA

208 NW 1st Ave ~ Faribault, MN 55021

Attn: Community & Economic Development Director

Or email to:

faribaulteda@ci.faribault.mn.us

APPLICATION FEE

\$350.00 at time of application

Plus any related attorney fees, credit reports, closing costs, recording fees, UCC filings, etc.

\$100 at time of application for Downtown Façade Micro Loan

Plus any related attorney fees, credit reports, closing costs, recording fees, UCC filings, etc.

ATTACHMENTS

Personal Financials (Assets/Liabilities) for all owners holding at least 20% or more of the company.

Copy of most recent Business income tax statement

Copy of most recent Personal income tax statement

Project Narrative

Business Plan that includes:

History and Description of the Business

Market Analysis and Strategy (current markets, market size, competition, advertising, manufacturing process)

Factor and Demand Conditions (who are your customers, who are your suppliers, etc.)

Products (description of products and comparison to competition)

Financial Statements (balance sheets and income statements for past two fiscal years)

Financial Projections (Two years of pro forma balance sheets, income statements, and cash flows)

Itemized Schedule of Business Debt

Statement of Collateral

Resumes and Personal Financial Statements

Other Attachments:

Partnership/Corporate documents

Letter of commitment from primary lender

Plans/maps/drawings of project

Detailed Sources & Uses of Proceeds

List of Collateral

Other items as requested during the review process



F2F Inc., (d/b/a) Forest to Fork™

Overview

Human labor accounts for over half the cost to grow specialty mushrooms. Our novel technology will reduce that cost dramatically. The substrate sterilizer method eliminates 11 of 15 steps to produce mushroom blocks while the grow system reduces labor by 50% to harvest.

Our first venture will produce specialty mushrooms such as Shiitake, Blue Oysters, Lion's Mane and up to 20 other varieties. Thus far, the nation's largest retailers have shown interest in taking all volumes for both the fresh and processed markets.

F2F, Inc. is seeking \$12MM in equity to build a best-in-class 70,000 sq. ft. mushroom farm in [Faribault, Minnesota](#). An old canning plant turned Ag-Tech wonderworld; the project carries over \$3MM of repurposed infrastructure and economic support.

The project will grow revenue to \$15M by 2026. We will produce 4,800 lbs. (about 2,177 kg) of mushrooms per week by Y/E 2023 and ramp to over 15,000 lbs. (about 6803.88 kg) per week by the end of 2024. In addition, we will produce nearly 400,000 lbs. (about 181436.8 kg) of mushroom substrate and other products per week to be sold across North America. Today most substrate is imported. A low-cost scale supplier is desperately needed by the U.S. industry.

Market Watch projects Shiitake mushrooms will reach \$447 million in sales by 2028 in the USA alone. We believe our market size to be larger. First, Shiitake is only half the specialty market, and we grow over a dozen varieties. Secondly, in 2023, specialty mushrooms are present in only a small fraction of retailers. But consumer awareness is growing fast. Already F2F, Inc. has strong interest from some of the nation's largest retailers who have previously never carried specialty varieties.

With our patent pending IP, our project offers for the first time, affordable mass market solutions to grow specialty mushrooms at scale. Not only can we build corporate farms in the USA, but also sell the technology/equipment to the global market. This fact opens us to a share of a \$100B global opportunity, while arguably holding the most efficient methods.

In the years ahead our project will culminate into the world's most sustainable farm. With a focus on pragmatic innovations, we will integrate mushroom cultivation with the greenhouse industry. The result will be a TRUE closed loop operation capable of growing local foods, **profitably**, at **affordable** prices **year-round** in any climate. Join us to improve the planet's health because mushrooms are a key ingredient to a sustainable future.

Founder and CEO

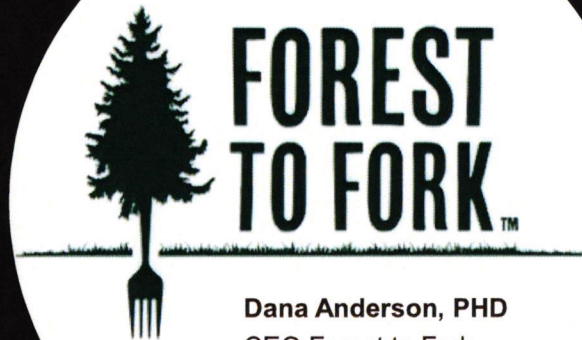
Dana Anderson, PhD, is the founder, chief innovator, and CEO of F2F, Inc. Previously, Dana successfully built a vertical farm from scratch (starting from his garage) into a \$25MM company today ([video: Living Greens Farm - KARE 11 news video - Dana Anderson](#)).

Dana and his team have engineered and designed several globally significant labor-saving technologies for mushroom cultivation. The patent pending innovations will drive our costs down, providing better margins and greater market share.

COST COMPARISONS (per pound of mushrooms)

Their Cost of Goods (COGS)		Our Technology	Our Cost of Goods	COGS Reduction
Block Production	\$3.00	Mixer/Bagger	\$1.25	\$1.75
Grow/Harvest	\$1.80	Hangers	\$0.90	\$0.75
Packaging	\$0.20		\$0.20	\$0.20
	\$5.00		\$2.35	\$2.65 (-57%)

The Future of Farming



**FOREST
TO FORK™**

Dana Anderson, PHD
CEO Forest to Fork
Dana@forestfork.com
612.961.7948



TEAM

Dana Anderson, CEO is an accomplished executive with a strong track record for leading high-performance teams. He holds a PHD in Finance, has numerous ag-tech patents, and is widely recognized for his award-winning vision. His previous company has received the prestigious American Business Awards - Gold Medal Winner for development of the most sustainable new product in the consumer goods segment.

In the press:

- [Living Greens Farm - Kare 11 feature video - YouTube](#)
- [Prospective manufacturer hopes to 'revolutionize the way to grow mushrooms worldwide' | News | southernminn.com](#)

Elena Anderson, Treasurer & Secretary Elena was a multi-lingual business manager at an international company in Ukraine where she was responsible for multi-million-dollar business initiatives, including import/export, contract negotiations, and logistics. Elena also holds a master's degree in IP Law from Cooley Law School, Western Michigan University.

Mohamed Sewidan, CIO Seasoned professional with a solid history of success in Fortune 500 and public environments. Extensive background in financial planning, reporting and analysis. Demonstrated skills in managing projects from initial planning to final delivery ensuring on-time, on-budget, and on-target results. Well-versed in creating and executing processes and procedures that enhance operational efficiencies. Bilingual in English and Arabic.

Ken Cryer, COO – Director, Ken is a charismatic leader and experienced food industry executive with two decades of delivering industry results. As owner and general manager of Saints Food Service Ken oversaw all operations, sales, and distribution including 7 figure sales growth and service to over 500 customers.

Why now?

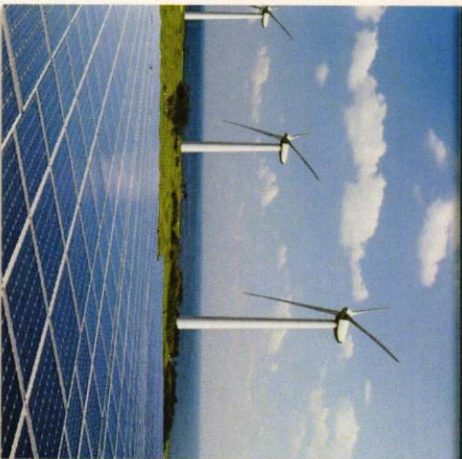
Locally grown
is in demand



International markets

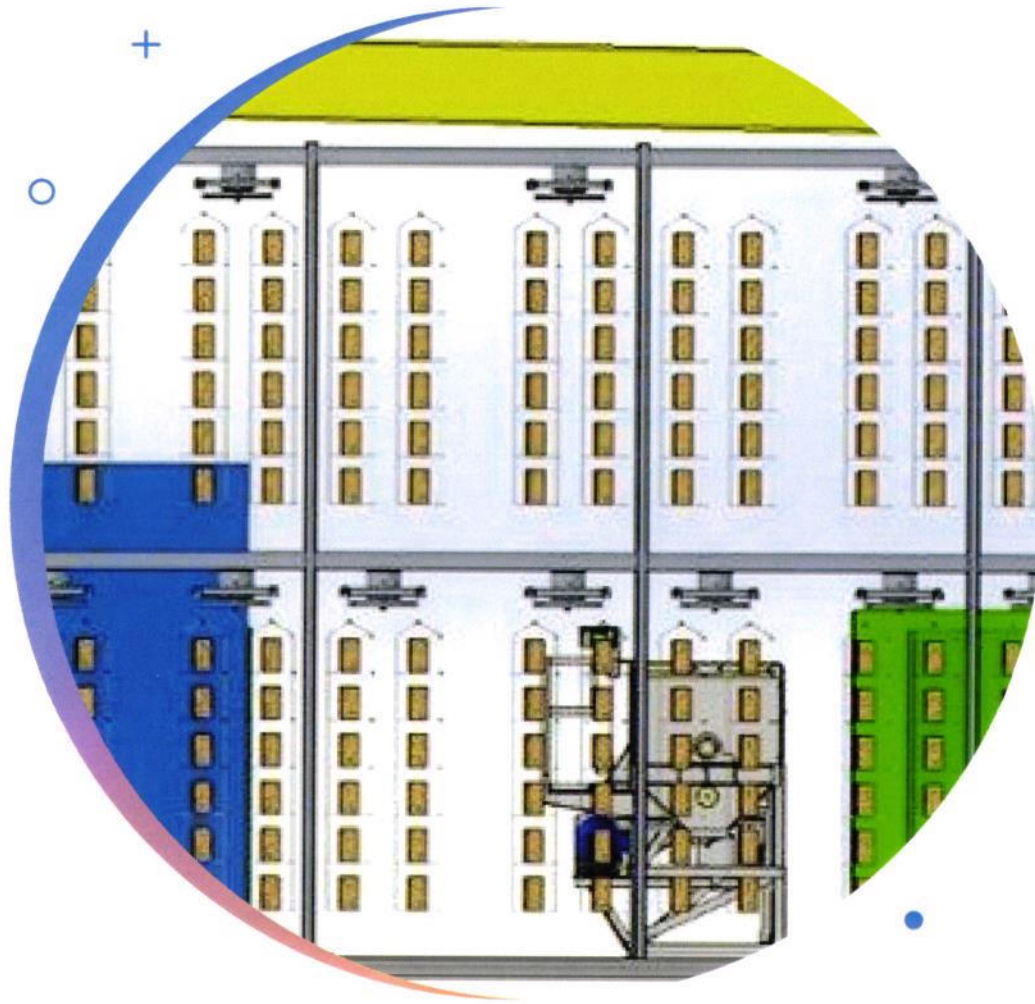


Global constraints: food
and energy



Enterprise value:
20X + by 2030





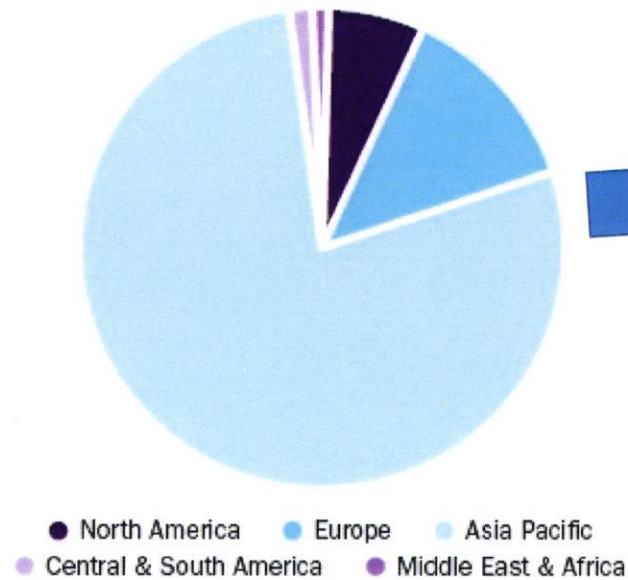
Project Highlights

- Largest Substrate Producer in USA
- Largest Specialty Mushroom Farm in Midwest
- Globally significant IP
- Building comes with \$2M of infrastructure we can use
- \$15M Revenue Capacity
- \$4.2M EBIDTA

Medicinals
alone grow
to \$13B by
2031

Global Mushroom Market

share, by region, 2021 (%)



GRAND VIEW RESEARCH

\$50.3B

Global Market Size,
2021

Source:
www.grandviewresearch.com

15 Steps to Make Specialty Mushroom Blocks



To Save Time
and Labor
(next slide)

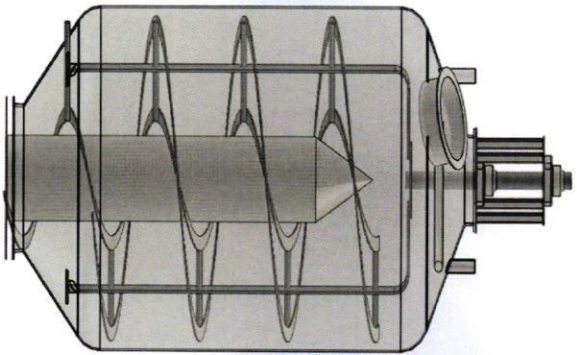
Batch Inoculation

- Eliminates 11 of 15 steps (80% less labor)
- 90% lower bag cost
- How?
 - Mix, Inoculate, & Sterilize in one system.
 - No expensive autoclave bags
 - Bag & Seal is fully Automated



F2F, Inc Patent Pending Innovations

Batch
Inoculation Port



Conveyor



Software



Hangers



BENEFITS

- 50-90% Less Labor
- More pounds harvested per hour
- Space optimization (yield per foot floor space)
- Lower Capex than traditional mushroom farm

Return on Investment Benefits

**IP is best
solution for
65% of Global
Mushroom
Market**

Most non-agaricus varieties
Including Shiitake, Oyster,
Medicinals

**Low-Cost
Solutions**



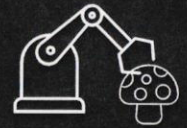
- Improves efficiency
- Lowers capex vs. traditional methods

**Reduces
Labor**

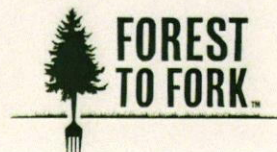


- Two hands to harvest
- Limits distance to product

**Ideal for
Robotics**



- Single location
- Rotating product
- Modular controllable unit transfers



Products for Robinson Fresh

- Fresh Mushrooms (Retail or Food Service)
 - Shiitake
 - Oyster
 - Lions Mane
 - King Trumpet
 - Maitake
 - Porcini
- Dried Version of above
- Mushroom Grow Kits (Retail or Wholesale)

Three Stages of Development

1

Finished: R&D +
Innovate Specialty
Mushrooms



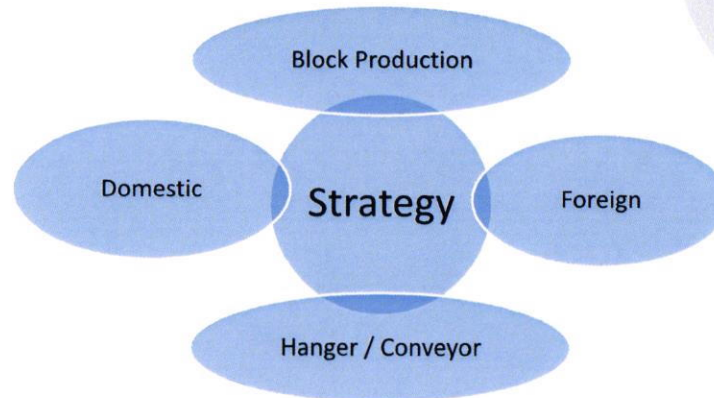
2

Started: Build the Largest
Specialty Farm in the Midwest
USA



3

Next: Monetize IP



Investment Opportunity

**Raised To
Date**

\$3.5MM
Pre-money valuation:
\$6.9M

**Project has
56%
Free Cash
Flow**

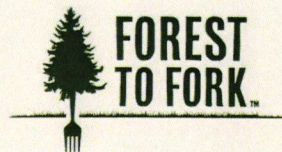
2026: \$15MM Revenue
\$4.2MM EBITA

**CAPEX
Phase I: \$1.4M
Phase II: \$3.6M**

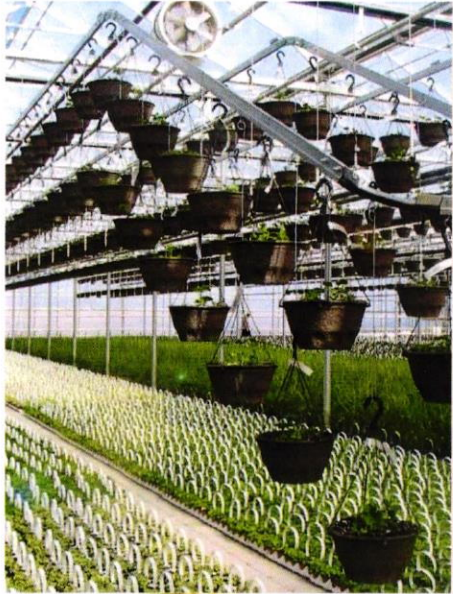
Full Project:
280,000 Lbs. Of Substrate
Per Week

IP Upside

Global Patents

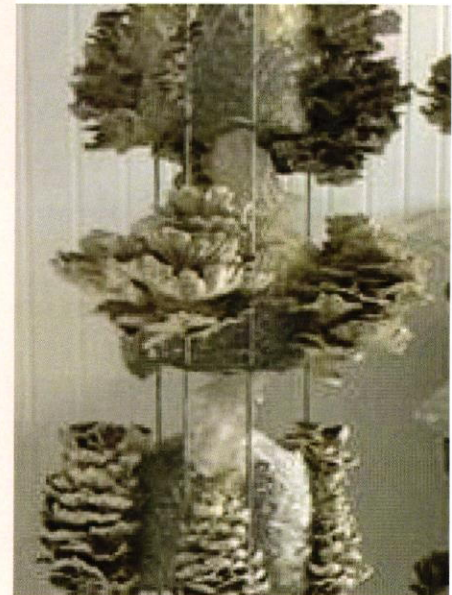
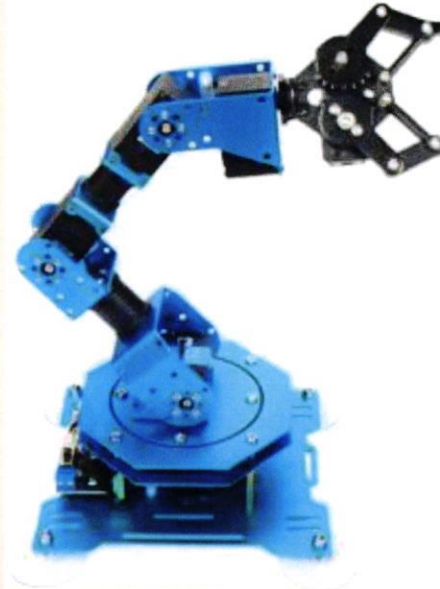


Supplemental Slides



F2F, systems that transition to or have synergies with greenhouses

- AI Harvest Technology
- Hanging Basket Design (patent pending)
- Sterilization Systems (patent pending)
- Compost Operations
- Climate Sharing (patent pending)
- Hanger (patent pending)

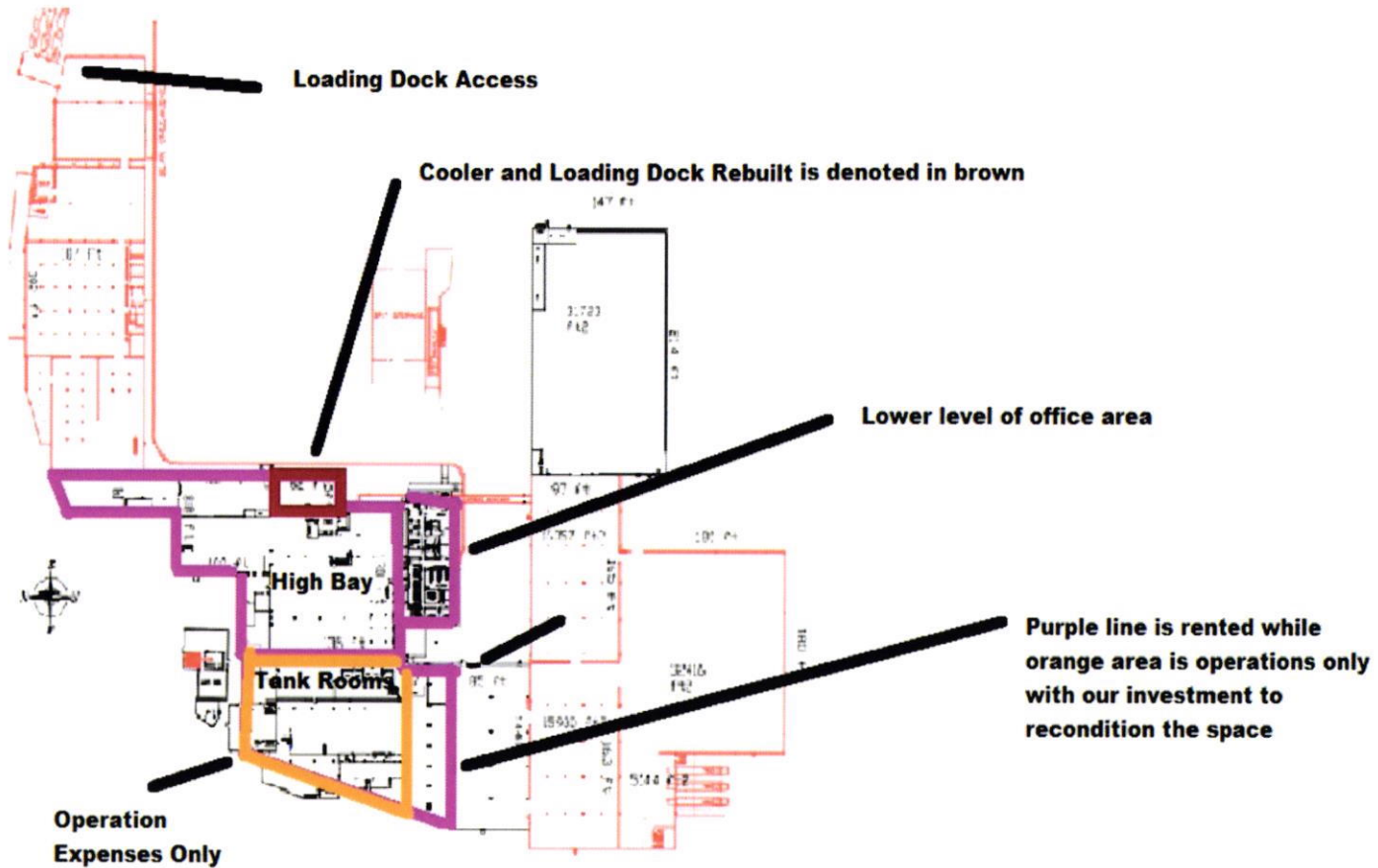


**58% LOWER
COST OF
GOODS**
(note: cycles costs
are reduced further
at scale)

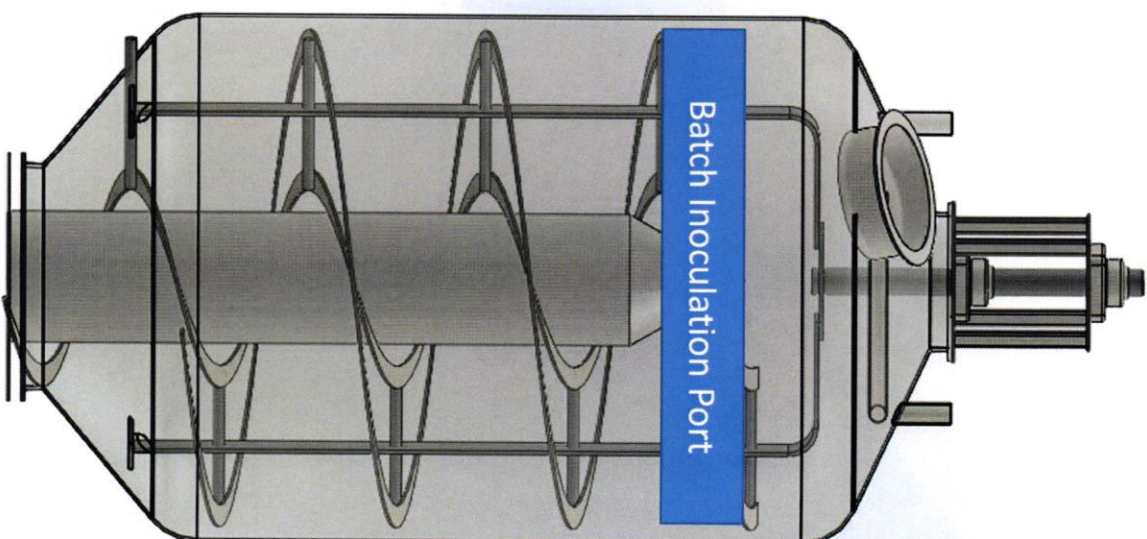
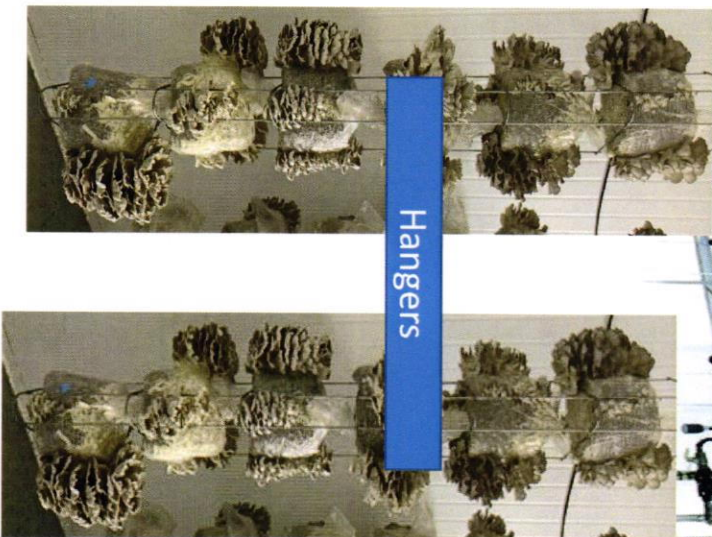
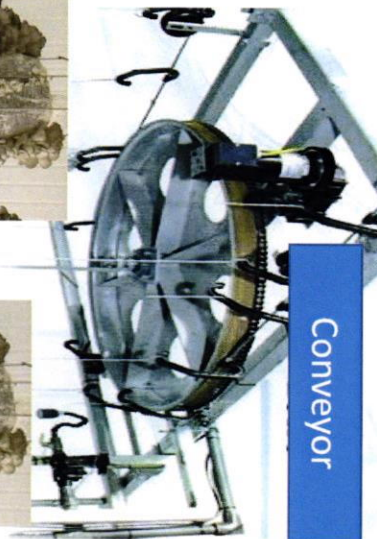
COGS Sterilized Substrate & Mushrooms

Item	F2F, Inc.	Standard	Winners
Sawdust	\$ 100	\$ 100	
Soy Hulls	\$ 200	\$ 200	
Spawn	\$ 275	\$ 275	
Labor	\$ 180	\$ 900	X
Bags	\$ 200	\$ 1,000	X
Utilities	\$ 50	\$ 50	
Total	\$ 1,005	\$ 2,525	
10 lb Units	400	400	
Cost 10 lb. block	\$ 2.51	\$ 6.31	
Harvest Cost	\$ 0.50	\$ 1.00	X
Master Box / lb.	\$ 0.20	\$ 0.20	
Harvest lbs. per block	2.00	2.00	
Cost per lb. mushrooms	\$ 1.61	\$ 3.76	

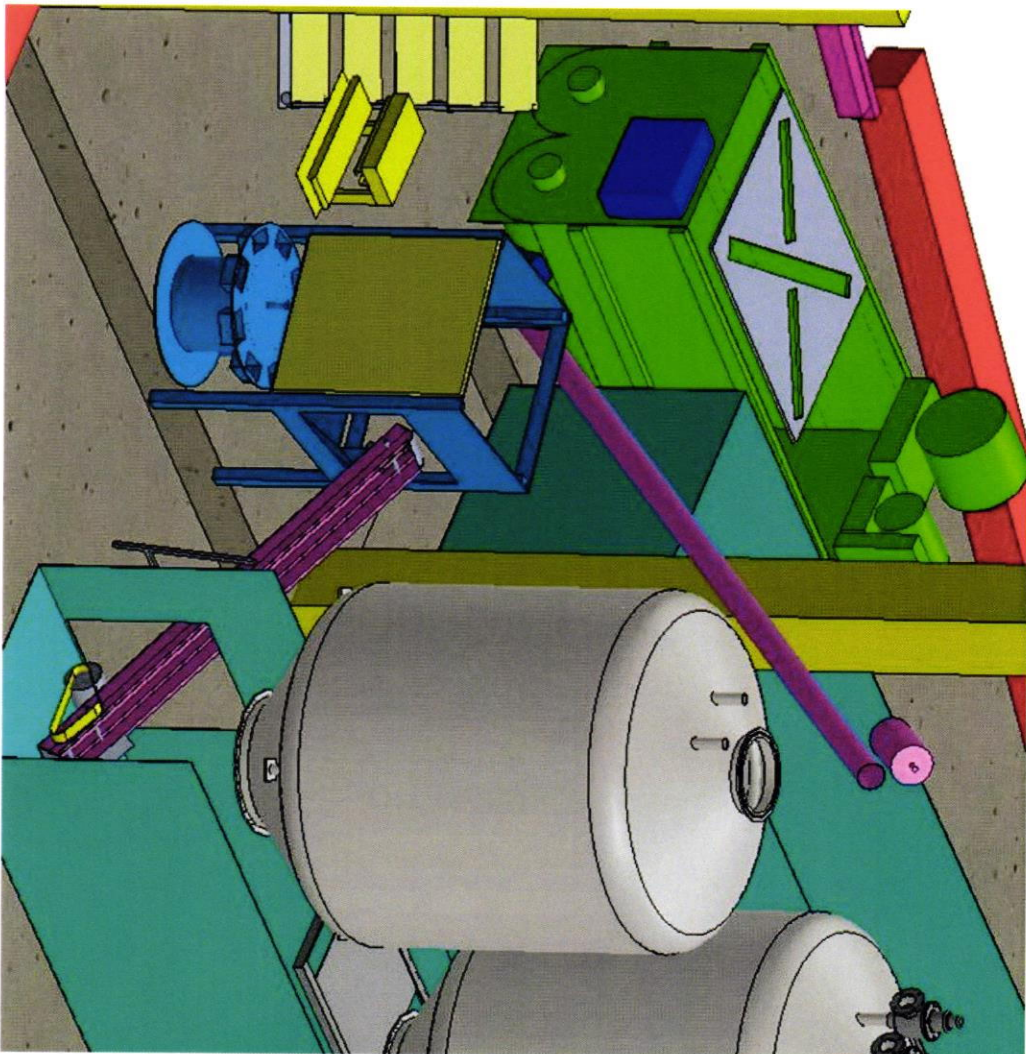
Location within the facility



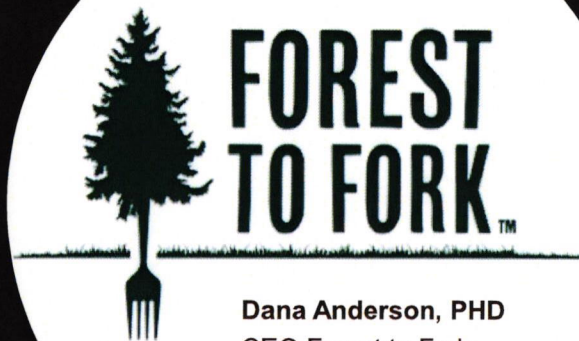
F2F, Inc. Labor Saving Innovations



Retort Tank Repurpose



Thank you!



**FOREST
TO FORK™**

Dana Anderson, PHD
CEO Forest to Fork
Dana@forestfork.com
612.961.7948



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH:
MEETING DATE: March 21, 2024
SUBJECT: Preliminary Request from Faribault Mill for EDIF Funds or Other Revolving Fund Loan

BACKGROUND:

Last year, the City Council authorized Minnesota Investment Fund (MIF) and Job Creation Fund (JCF) applications for Faribault Mill. For timing and other reasons, Faribault Mill did not execute the MIF and JCF agreements, but as it grows its business, it may request MIF and JCF again before proceeding with building expansion on hiring additional employees.

Faribault Mill feels if it can upgrade its equipment now, it will be in a better position to expand and hire employees in the future. Earlier this year, the EDA indicated it may be willing to loan Faribault Mill \$300,000 at 3.5% interest (see the attached summary document). Faribault Mill is interested in applying for a \$100,000 forgivable loan instead of the above revolving loan. Is the EDA will to consider providing Faribault Mill a \$100,000 forgivable loan as opposed to a \$300,000 revolving fund loan? Either way, Staff must shift EDA funds to cover the costs if the EDA chooses to move forward with one of the above preliminary proposals. Last year, the EDA allocated \$200,000 to EDIF. To date, the EDA has awarded \$50,000 to Sage/Vetrotech.

REQUESTED ACTION:

Provide direction regarding the above revolving or forgivable loan proposals for Faribault Mill.

ATTACHMENTS:

1. Faribault Mill _ RLF loan 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~~ 3.5% 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: March 21, 2024
SUBJECT: Use of DCREIP Funds for Former FDC Properties that Received Public Funds

BACKGROUND:

Faribo Downtown Central (FDC) received a purchase offer for 311 Central Avenue. FDC received funding from the City, the HRA, and the EDA for 311 Central and other Central Avenue buildings. The funding Agreement states that the loans associated with the buildings are due if the buildings are sold within five years of receiving funding. The Agreement also states that no additional public funds will be made available for the buildings. Nevertheless, the City/EDA/HRA could approve subordination agreements to allow for additional funding.

The 311 Central buyer would like to apply for Downtown Commercial Rehabilitation and Exterior Improve Program (DCREIP) funds to improve the building's storefront and interior. City Staff requests EDA direction on whether the original Faribo Downtown Central buildings that received public funding should be allowed to apply for DCREIP funds.

REQUESTED ACTION:

Provide direction on whether Faribo Downtown Central buildings should be able to receive DCREIP funding.

ATTACHMENTS:



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH:
MEETING DATE: March 21, 2024
SUBJECT: Preliminary Discussion of 2024/2025 Budget related to Marketing

BACKGROUND:

City Staff receives multiple calls from vendors offering to help the EDA with marketing efforts. In the past month, Staff spoke with the Japan Times, which plans to publish an article on Faribault, and is asking the EDA if it wants to purchase additional space in the Times to advertise Faribault to Japanese investors. The cost would range from roughly \$5,000 to \$10,000 for ad space. Site Selection magazine also pitched a similar idea at a similar cost. In the past, the EDA has provided funding for ads in national publications. However, the return on investment is unclear.

Staff also received calls from companies like Golden Shovel, which can prepare and maintain the EDA's website, and Placer.AI, which can help market sites to developers. These services can cost \$20,000 or more per year, and again, the return on investment is unclear.

While marketing plays an important role in the EDA's efforts, Staff suggests holding off on marketing investments until we have a community development coordinator (or economic development coordinator) on board to help review the EDA's budget and work plan priorities. However, if the EDA feels differently, Staff can pursue the above opportunities in greater detail.

REQUESTED ACTION:

Provide general direction regarding EDA marketing efforts and funding.

ATTACHMENTS:



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH:
MEETING DATE: March 21, 2024
SUBJECT: Updates

BACKGROUND:

Staff will update the EDA regarding a variety projects, including but not limited to, the Bowling Center, Midwest Recovery, the Highway 60 West Master Plan, KGP, and potential housing development. Staff will also update the EDA regarding the possibility of reclassifying the Community Development Coordinator position to help provide support to the EDA.

REQUESTED ACTION:

No action required.

ATTACHMENTS: