HOUSING & REDEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM	MONDAY, MAY 13, 2024	6:00 PM

1. Call to Order
2. Approval of the Minutes of 3/18/2024 4/8/2024 and, 4/24/2024
3. List of Claims to be Released
4. Program Reports
   A. Healthy Communities Initiative
5. Property Reports
   A. Robinwood Manor
   B. Project Based Voucher Housing
6. Public Hearings
7. Items for Discussion
   A. Resolution 2024-06 Authorize Payment to HCI for Mobile Home Coordinator Services
   B. Resolution 2024-07 Approve a Loan Agreement between the Housing and Redevelopment Authority of Faribault and Faribo Downtown Central LLC and Approve Closeout of Phase 1 Funding Assistance
   C. Resolution 2024-08 Approve the Operating Budget for FY2024
   D. Announcements and Updates
8. Adjournment

HOUSING & REDEVELOPMENT AUTHORITY MINUTES

PUBLIC MEETING ROOM	MONDAY, MARCH 18, 2024	6:00 PM

Meeting Items

1. Call to Order/Approve Agenda

   A special meeting of the HRA was called to order at 6:00 p.m. In attendance were Mandy Barnes, Sara Caron, Colin Maltbie, Travis Kath, Travis McColley, and Chair Loni Ahlers. Also attending was Davis Wanberg, Director of Community and Economic Development, Rachel Johnson, and Rick Karow with Cornerstone.

2. Items for Discussion

A. Address Payment of Flat Monthly Fee for Advanced Facilities, LLC Maintenance and Related Services

Wanberg began with the history of the reason for the meeting and then turned it over to Rick Karow and Rachel Johnson of Cornerstone to explain. Both Karow and Johnson explained that their maintenance staff would be available 40 hours per week to take care of all the work orders at $50/hr, which turned out to be $4,000 for Robinwood and $4,000 for Public Housing. He will work continuously and only on our projects. Johnson stated they would not be billed per project, just a flat fee. He will do all the carpet. Michele will get a work order and call Drake, and he will figure out who will do the job. She stated that he would be on-site immediately. She alleged that the prior backup maintenance was not on site. She stated that Drake would be available immediately. No charge for gas or travel either, per Johnson.

After much discussion, Cornerstone has agreed to provide a more in-depth executive summary and a better accounting of the time spent by Advanced Facilities.

McColley approved the motion to pay the two invoices for $4,000, seconded by Maltbie. The motion passed

3. Adjournment

   McColley moved to adjourn the meeting at 6:54 p.m., seconded by Barnes. The motion passed unanimously.

   Respectfully submitted,

   By:_____
   Kari Casper, Recording Secretary

HOUSING & REDEVELOPMENT AUTHORITY MINUTES

PUBLIC MEETING ROOM	MONDAY, APRIL 8, 2024	6:05 PM

Meeting Notice

Travis McColley made a motion to close the regular meeting and convene the closed meeting, seconded by Sara Caron at 7:24 p.m. The board reconvened in the 3rd Floor Conference room with Chair Loni Ahlers calling the special closed meeting to order at 7:27 p.m.

Members in attendance were Eric Delgado, Travis Kath, Travis McColley, Colin Maltbie, Sara Caron, and Chair Loni Ahlers. Also in attendance were David Wanberg, Executive Director, Jessica Kinser, City Administrator, Kari Casper, Administrative Assistant II, and Attorney, Scott Riggs.

The purpose of this meeting was to gather insight into whether the HRA Board would agree to allow Wanberg to negotiate a potential sale of Robinwood to Three Rivers Community Action. The board discussed the issues and provided direction.

Travis McColley then made a motion to adjourn the meeting at 8:40 p.m., seconded by Sara Caron. The motion carried unanimously.

Respectfully submitted,

By:_____
Kari Casper. Recording Secretary

SPECIAL HOUSING REDEVELOPMENT AUTHORITY MINUTES

3RD FLOOR CONFERENCE ROOM THURSDAY, APRIL 24, 2024

The Special meeting of the Housing and Redevelopment Authority was called to order by Chair Ahlers at 6:05 pm. Commissioners in attendance included Colin Maltbie, Mandy Barnes, Eric Delgado, and Chair Loni Ahlers. Also in attendance were Scott Riggs, Laura Helle, Jenny Larson, Patricia Gustafson, David Wanberg, and Jessica Kinser.

Motion by Sara Carson, seconded by Colin Maltbie to close the Housing and Redevelopment Authority meeting and carried unanimously.

The meeting was closed at 6:22 p.m.

The Council discussed CLOSED SESSION (in the third-floor meeting room of City Hall): Under Minnesota Statutes Sections 13D.05, subdivision 3(c) and 13.44, subdivision 3, to conduct a closed HRA meeting concerning the Property located at 1324 Prairie Avenue, PID No.: 18.01.4.26.027 ("Property"), to consider strategies and to develop or consider offers or counteroffers for the purchase or sale of the Property and to review confidential appraisal information for such Property.

Motion by Colin Maltbie, seconded by Sara Caron to open the Special City Council meeting and carried unanimously.

The meeting was opened at 6:29 p.m.

OPEN SESSION
a. General Discussion/Issues concerning the Property;
b. Consideration of Property Purchase or Sale, Negotiation, Resolutions, etc.;
c. Management of the Property; and
d. Other Matters Related to the Property.

Adjournment

Motion by Sara Caron, seconded by Eric Delgado to adjourn the meeting and carried unanimously.

The meeting adjourned at 7:41 pm.

Respectfully Submitted,

By:_____
Kari Casper, Recording Secretary

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	David Wanberg, Director of Community and Economic Development
THROUGH:	
MEETING DATE:	May 13, 2024
SUBJECT:	List of Claims to be Released

BACKGROUND:
Review the attached list of claims. City staff will be available to answer any questions regarding the claims.

REQUESTED ACTION:
Approve the list of claims presented.

ATTACHMENTS:
1. Robinwood Ap Aging 05.08.2024
2. HRA AP Aging 05.08.2024

Payables Aging Report
Period: -05/2024
As of : 05/08/2024

Payee Name	Invoice	Property	Invoice Date	Due Date	Account	Invoice #	Current Owed	0-30 Owed	31-60 Owed	61-90 Owed	Over 90 Owed	Notes
	Notes											
Advanced Facilities												
		Robinwood Manor	4/30/2024	4/30/2024	6212 Repairs & M	Robinwood6	4,000.00	4,000.00	0.00	0.00	0.00	
Advanced Facilities							**4,000.00**	**4,000.00**	**0.00**	**0.00**	**0.00**	
All Pro Cleaners, LLC.												
		Robinwood Manor	4/1/2024	4/11/2024	6211 Contracted	21463	1,055.73	0.00	1,055.73	0.00	0.00	
		Robinwood Manor	5/1/2024	5/11/2024	6211 Contracted	21499	1,230.23	1,230.23	0.00	0.00	0.00	
All Pro Cleaners, LLC.							**2,285.96**	**1,230.23**	**1,055.73**	**0.00**	**0.00**	
Cintas Corp												
		Robinwood Manor	4/4/2024	4/4/2024	7246 Housekeepi	4188617473	19.74	0.00	19.74	0.00	0.00	
		Robinwood Manor	4/18/2024	4/18/2024	7246 Housekeepi	4190069123	75.57	75.57	0.00	0.00	0.00	
		Robinwood Manor	5/2/2024	5/2/2024	7246 Housekeepi	4191499441	19.74	19.74	0.00	0.00	0.00	
Cintas Corp							**115.05**	**95.31**	**19.74**	**0.00**	**0.00**	
Cintas Corp												
		Robinwood Manor	4/4/2024	4/4/2024	7246 Housekeepi	4188617473	19.74	0.00	19.74	0.00	0.00	
Cintas Corp							**19.74**	**0.00**	**19.74**	**0.00**	**0.00**	
City of Faribault												
		Robinwood Manor	4/10/2024	4/10/2024	6430 Water and S	014197-000 04/10/2	597.71	597.71	0.00	0.00	0.00	
City of Faribault							**597.71**	**597.71**	**0.00**	**0.00**	**0.00**	
Environmental Pest Management												
		Robinwood Manor	4/17/2024	4/17/2024	6227 Pest Contro	61335	56.50	56.50	0.00	0.00	0.00	
		Robinwood Manor	4/24/2024	4/24/2024	6227 Pest Contro	61576	56.50	56.50	0.00	0.00	0.00	
Environmental Pest Management							**113.00**	**113.00**	**0.00**	**0.00**	**0.00**	
FLOM Septic Service												
		Robinwood Manor	3/25/2024	3/25/2024	6219 Purchased S	19130	250.00	0.00	250.00	0.00	0.00	
		Robinwood Manor	3/25/2024	3/25/2024	6219 Purchased S	19131	250.00	0.00	250.00	0.00	0.00	
FLOM Septic Service							**500.00**	**0.00**	**500.00**	**0.00**	**0.00**	
MEI Total Elevator Solutions												
		Robinwood Manor	4/1/2024	4/1/2024	6257 Elevator Ma	1067283	216.13	0.00	216.13	0.00	0.00	
		Robinwood Manor	5/1/2024	5/31/2024	6257 Elevator Ma	1071656	216.13	216.13	0.00	0.00	0.00	
MEI Total Elevator Solutions							**432.26**	**216.13**	**216.13**	**0.00**	**0.00**	
Sherwin Williams Co												
		Robinwood Manor	11/6/2023	11/6/2023	6216 Supplies - M	40996CB	-20.36	0.00	0.00	0.00	-20.36	
Sherwin Williams Co							**-20.36**	**0.00**	**0.00**	**0.00**	**-20.36**	
ShofCorp LLC.												
		Robinwood Manor	5/7/2024	6/9/2024	6219 Purchased S	172677	140.10	140.10	0.00	0.00	0.00	
ShofCorp LLC.							**140.10**	**140.10**	**0.00**	**0.00**	**0.00**	
Virg's Appliance												
		Robinwood Manor	4/17/2024	4/17/2024	6219 Purchased S	19291	378.03	378.03	0.00	0.00	0.00	
		Robinwood Manor	4/18/2024	4/18/2024	6219 Purchased S	19292	85.00	85.00	0.00	0.00	0.00	
Virg's Appliance							**463.03**	**463.03**	**0.00**	**0.00**	**0.00**	
Xcel Energy												
		Robinwood Manor	3/19/2024	4/15/2024	6410 Electricity	869630229	2,051.02	0.00	2,051.02	0.00	0.00	
		Robinwood Manor	3/14/2024	4/10/2024	6410 Electricity	868948534	422.18	0.00	422.18	0.00	0.00	
		Robinwood Manor	3/14/2024	4/10/2024	6420 Gas	868948534	1,053.21	0.00	1,053.21	0.00	0.00	

Payables Aging Report
Period: -05/2024
As of : 05/08/2024

Payee Name	Invoice	Property	Invoice Date	Due Date	Account	Invoice #	Current Owed	0-30 Owed	31-60 Owed	61-90 Owed	Over 90 Owed	Notes
	Notes											
		Robinwood Manor	4/12/2024	5/9/2024	6410 Electricity	873195981	399.88	399.88	0.00	0.00	0.00	
		Robinwood Manor	4/12/2024	5/9/2024	6420 Gas	873195981	779.64	779.64	0.00	0.00	0.00	
		Robinwood Manor	4/18/2024	5/15/2024	6410 Electricity	873973412	2,051.12	2,051.12	0.00	0.00	0.00	
Xcel Energy							**6,757.05**	**3,230.64**	**3,526.41**	**0.00**	**0.00**	
Grand Total							**15,403.54**	**10,086.15**	**5,337.75**	**0.00**	**-20.36**	

Payables Aging Report
Period: -05/2024
As of : 05/08/2024

Payee Name	Invoice Notes	Property	nvoice Date	Due Date	Account	Invoice #	urrent Owed	0-30 Owed	31-60 Owed	61-90 Owed	ver 90 Owed	Notes
Advanced Facilities												
		Public Housing HRA	4/15/2024	4/15/2024	6212 Rep	INV12692	879.00	879.00	0.00	0.00	0.00	
		Public Housing HRA	4/30/2024	4/30/2024	6212 Rep	PublicHRA6	4,000.00	4,000.00	0.00	0.00	0.00	
Advanced Facilities							**4,879.00**	**4,879.00**	**0.00**	**0.00**	**0.00**	
All Pro Cleaners, LLC.												
		Public Housing HRA	4/1/2024	4/11/2024	6211 Con	21464	191.95	0.00	191.95	0.00	0.00	
		Public Housing HRA	5/1/2024	5/11/2024	6211 Con	21500	165.78	165.78	0.00	0.00	0.00	
All Pro Cleaners, LLC.							**357.73**	**165.78**	**191.95**	**0.00**	**0.00**	
CCS Cleaning and Restoration												
		Public Housing HRA	4/12/2024	4/12/2024	6235 Pur	10499-3	773.10	773.10	0.00	0.00	0.00	
CCS Cleaning and Restoration							**773.10**	**773.10**	**0.00**	**0.00**	**0.00**	
City of Faribault												
		Public Housing HRA	4/10/2024	5/5/2024	6430 Wat	005090-000	13.80	13.80	0.00	0.00	0.00	
		Public Housing HRA	4/10/2024	5/5/2024	6430 Wat	005090-001	13.80	13.80	0.00	0.00	0.00	
		Public Housing HRA	4/10/2024	5/5/2024	6430 Wat	005090-003	13.80	13.80	0.00	0.00	0.00	
		Public Housing HRA	4/10/2024	5/5/2024	6430 Wat	005090-004	14.61	14.61	0.00	0.00	0.00	
		Public Housing HRA	4/10/2024	5/5/2024	6430 Wat	005090-006	14.61	14.61	0.00	0.00	0.00	
		Public Housing HRA	4/10/2024	5/5/2024	6430 Wat	005090-007	13.80	13.80	0.00	0.00	0.00	
		Public Housing HRA	4/10/2024	5/5/2024	6430 Wat	005090-016	14.61	14.61	0.00	0.00	0.00	
		Public Housing HRA	4/10/2024	5/5/2024	6430 Wat	005090-026	13.80	13.80	0.00	0.00	0.00	
		Public Housing HRA	4/10/2024	5/5/2024	6430 Wat	005090-176	28.99	28.99	0.00	0.00	0.00	
City of Faribault							**141.82**	**141.82**	**0.00**	**0.00**	**0.00**	
Environmental Pest Management												
		Public Housing HRA	4/12/2024	4/12/2024	6227 Pest	61227	56.50	56.50	0.00	0.00	0.00	
		Public Housing HRA	4/17/2024	4/17/2024	6227 Pest	61332	50.50	50.50	0.00	0.00	0.00	
		Public Housing HRA	4/4/2024	4/4/2024	6227 Pest	60935	238.00	0.00	238.00	0.00	0.00	
		Public Housing HRA	3/7/2024	3/7/2024	6227 Pest	60158	87.00	0.00	0.00	87.00	0.00	
		Public Housing HRA	2/29/2024	2/29/2024	6227 Pest	60082	62.00	0.00	0.00	62.00	0.00	
Environmental Pest Management							**494.00**	**107.00**	**238.00**	**149.00**	**0.00**	
Faribo Plumbing & Heating												
		Public Housing HRA	4/12/2024	4/12/2024	6212 Rep	63058	110.00	110.00	0.00	0.00	0.00	
Faribo Plumbing & Heating							**110.00**	**110.00**	**0.00**	**0.00**	**0.00**	
FLOM Disposal Service												
		Public Housing HRA	3/15/2024	3/15/2024	6450 Tra	4091100967	612.12	0.00	612.12	0.00	0.00	
		Public Housing HRA	4/25/2024	4/25/2024	6450 Tra	4091100244	161.34	161.34	0.00	0.00	0.00	
FLOM Disposal Service							**773.46**	**161.34**	**612.12**	**0.00**	**0.00**	
HD Supply Facilities Maintenance, Ltd.												
		Public Housing HRA	5/16/2023	5/16/2023	6216 Sup	1803421206	-56.88	0.00	0.00	0.00	-56.88	
		Public Housing HRA	6/16/2023	6/16/2023	6216 Sup	1409366582	-312.53	0.00	0.00	0.00	-312.53	
HD Supply Facilities Maintenance, Ltd.							**-369.41**	**0.00**	**0.00**	**0.00**	**-369.41**	

Payables Aging Report
Period: -05/2024
As of : 05/08/2024

Payee Name	Invoice Notes	Property	nvoice Date	Due Date	Account	Invoice #	urrent Owed	0-30 Owed	31-60 Owed	61-90 Owed	ver 90 Owed	Notes
Property Pros of Faribault, LLC												
		Public Housing HRA	5/2/2024	5/2/2024	6225 Gro	7429	202.00	202.00	0.00	0.00	0.00	
		Public Housing HRA	5/2/2024	5/2/2024	6225 Gro	7430	2,755.00	2,755.00	0.00	0.00	0.00	
		Public Housing HRA	5/2/2024	5/2/2024	6225 Gro	7431	2,070.00	2,070.00	0.00	0.00	0.00	
Property Pros of Faribault, LLC							**5,027.00**	**5,027.00**	**0.00**	**0.00**	**0.00**	
Virg's Appliance												
		Public Housing HRA	4/12/2024	4/12/2024	6219 Pur	19289	85.00	85.00	0.00	0.00	0.00	
		Public Housing HRA	4/29/2024	4/29/2024	6219 Pur	19294	111.95	111.95	0.00	0.00	0.00	
		Public Housing HRA	4/29/2024	4/29/2024	6219 Pur	19295	85.00	85.00	0.00	0.00	0.00	
		Public Housing HRA	5/3/2024	5/3/2024	1850 Mai	19298	792.00	792.00	0.00	0.00	0.00	
Virg's Appliance							**1,073.95**	**1,073.95**	**0.00**	**0.00**	**0.00**	
Xcel Energy												
		Public Housing HRA	4/9/2024	5/6/2024	6410 Ele	872533843	32.30	32.30	0.00	0.00	0.00	
		Public Housing HRA	4/8/2024	5/3/2024	6410 Ele	872318196	117.39	0.00	117.39	0.00	0.00	
		Public Housing HRA	4/8/2024	5/3/2024	6420 Gas	872318196	44.48	0.00	44.48	0.00	0.00	
		Public Housing HRA	4/8/2024	5/3/2024	6511 Lat	872318196	2.10	0.00	2.10	0.00	0.00	
Xcel Energy							**196.27**	**32.30**	**163.97**	**0.00**	**0.00**	
Grand Total							**13,456.92**	**12,471.29**	**1,206.04**	**149.00**	**-369.41**	

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	David Wanberg, Director of Community and Economic Development
THROUGH:	
MEETING DATE:	May 13, 2024
SUBJECT:	Healthy Communities Initiative

BACKGROUND:
Please see attached the monthly update from Jansen Gonzalez.

REQUESTED ACTION:
Receive and file as presented.

ATTACHMENTS:
1. HCI Update 3, 2024

Growing Up Healthy

March - 4/26/2024 Faribault HRA Update*:

- 2 drywall - ceiling and wall
- 1 electrical
- 2 plumbing
- Home assessment set for May 9th
- Heat tape event was cancelled due to weather.

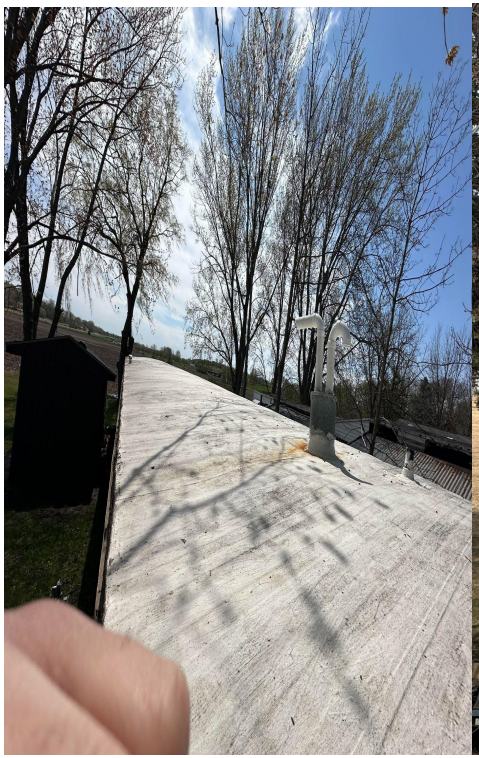
* GUH's contract with the City of Faribault HRA began 6/15/2023 and runs through 6/15/2025. Funding prior to 6/15/2023 for work in Faribault was supported by the Rice County Family Services Collaborative.

Interactive dashboard can be found at this LINK!

Current issues families are facing

There are a lot of needs that we are seeing. However, these are the two we will be focusing on being that summer is right around the corner and we have to take advantage of the weather to get this work done.

- Roof repairs/replacements
- Window replacements



Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	David Wanberg, Director of Community and Economic Development
THROUGH:	
MEETING DATE:	May 13, 2024
SUBJECT:	Robinwood Manor

BACKGROUND:

Occupancy at Robinwood for March is at 99%. Cornerstone is continuing to go through the waitlist to fill the one remaining apartment. The Executive Summary was not available at the time of the packet's publication. Staff hopes it will be available at the meeting for further discussion.

REQUESTED ACTION:

Receive and file as presented.

ATTACHMENTS:

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	David Wanberg, Director of Community and Economic Development
THROUGH:	
MEETING DATE:	May 13, 2024
SUBJECT:	Project Based Voucher Housing

BACKGROUND:

Occupancy for March is at 98%. Cornerstone is continuing to go through the waitlist to fill the one remaining apartment. The Executive Summary was not available at the time of the packet's publication. Staff hopes it will be available at the meeting for further discussion.

REQUESTED ACTION:

Receive and file as presented.

ATTACHMENTS:

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	David Wanberg, Director of Community and Economic Development
THROUGH:	
MEETING DATE:	May 13, 2024
SUBJECT:	Resolution 2024-06 Authorize Payment to HCI for Mobile Home Coordinator Services

BACKGROUND:

In 2022, the HRA agreed to provide funding in the amount of $55,000.00 each year for two years to Healthy Community Initiative (HCI) to help support a newly created mobile home coordinator position. On June 12, 2023, the HRA repealed and replaced the service agreement to reflect revised start and end dates associated with the agreement. The first year of funding ends on June 14, 2024. The second year of funding (for services from June 15, 2024, to June 14, 2025) is due by June 30, 2024.

Presuming the HRA confirms the mobile home coordinator has provided valuable services that are consistent with the HRA's goals and the coordinator's responsibilities as outlined in the agreement, the HRA should then approve the attached Resolution 2024-06, which approves providing $55,000.00 to fund the mobile home coordinator services through June 14, 2025.

REQUESTED ACTION:

Approve Resolution 2024-06.

ATTACHMENTS:

1. Resolution 2024-06
2. Resolution 2023-08
3. Mobile Home Coordinator Service Agreement

HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2024-06

AUTHORIZE PAYMENT TO HCI FOR MOBILE HOME COORDINATOR SERVICES

WHEREAS, on June 12, 2023, the Housing and Redevelopment Authority of Faribault, Minnesota (the "HRA") approved Resolution 2023-08, which approved a service agreement (the "Agreement") between the HRA and Healthy Community Initiative ("HCI"), related to funding the services of a mobile home coordinator; and

WHEREAS, the HRA finds the mobile home coordinator provided services, to date, consistent with the services outlined in the Agreement; and

WHEREAS, the Agreement requires the HRA to remit $55,000.00 in compensation to HCI for the mobile home coordinator services from June 15, 2024, to June 14, 2025, as outlined in the Agreement; and

WHEREAS, the HRA and HCI may terminate the Agreement earlier, if desired, per the provisions outlined in the Agreement; and

WHEREAS, the HRA finds that the mobile home coordinator services provided by HCI are helpful in meeting the goals of the HRA.

NOW, THEREFORE BE IT RESOLVED that the HRA approves $55,000.00 in compensation to HCI for mobile home coordinator services from June 15, 2024, to June 14, 2025, as outlined in the Agreement

ADOPTED: May 13, 2024

_____
Loni Ahlers, Chair

ATTEST:

_____
Travis McColley, Vice Chair/Secretary

HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2023-08

REPEAL AND REPLACE AGREEMENT WITH HCI MOBILE HOME COORDINATOR

WHEREAS, on December 19, 2022, Health Community Initiative's ("HCI") Interim Executive Director, Sandy Malecha (the "Interim Executive Director") entered into Service Agreement #843647 (the "Agreement"), with the City of Faribault Housing & Redevelopment Authority of Faribault (the "HRA"), to help support the creation and implementation of the Mobile Home Rehabilitation Coordinator (the "MHRC") position, an independent contractor, in an ongoing effort to improve and stabilize existing housing in the City of Faribault (The "Program"); and

WHEREAS, the HCI provides mobile home rehabilitation services through the recently acquired Mobile Home Rehabilitation Coordinator position; and

WHEREAS, the HRA agreed to provide funding in the amount of $55,000, for services provided, from January 1, 2023 to December 31, 2023; and

WHEREAS, the HRA agreed to provide funding in the amount of $55,000, for services provided, from January 1, 2024 to December 31, 2024; and

WHEREAS, on May 15, 2023, Interim Executive Director requested an amended Agreement to City of Faribault Community & Economic Development Director, (the "Director") David Wanberg to coincide with the start date of the MHRC, since hiring the position took an extended time; and

WHEREAS, the start date of the MHRC is June 15, 2023

WHEREAS, HCI has been using grant money from Rice County and the City of Northfield, for expenditures up to this point in 2023; and

WHEREAS, HCI has not received funding from the Agreement, year-to-date; and

WHEREAS, HCI needs to initiate agreement in June 2023; and

WHEREAS, the HRA believes the Program, as accomplished through this Agreement, is in the vital and best interests of the City of Faribault and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements; and

WHEREAS, the HRA has the authority to enter into this Agreement, pursuant to Minnesota Statutes, section 469.012, subd. 1; and

WHEREAS, the HRA desires to engage HCI to provide the services described in this Agreement and HCI is willing to provide such services on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and the mutual obligations of the Parties, hereto, each of them does hereby covenant and agree with the other as follows:

ADOPTED: June 12, 2023

Matt Speckhals, Chair

ATTEST:

Loni Ahlers, Vice Chair/Secretary

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SERVICE AGREEMENT

This Service Agreement (the "Agreement") is made this __12_ day of June, 2023, by and between the Faribault Housing & Redevelopment Authority, a public body politic and corporate (the "HRA"), and Northfield Healthy Community Initiative, a Minnesota nonprofit corporation ("HCI"). The HRA and HCI are collectively referred to herein as the "Parties."

RECITALS

WHEREAS, HCI provides mobile home rehabilitation services through its Mobile Home Rehabilitation Coordinator position, an independent contractor, in an ongoing effort to improve and stabilize existing housing in the City of Faribault (the "Program"); and

WHEREAS, the HRA is responsible for administering and supporting a variety of housing programs in the City of Faribault; and

WHEREAS, the HRA believes that the Program, as accomplished through this Agreement, is in the vital and best interests of the City of Faribault and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements; and

WHEREAS, the HRA has the authority to enter into this Agreement pursuant to Minnesota Statutes, section 469.012, subd. 1; and

WHEREAS, the HRA desires to engage HCI to provide the services described in this Agreement and HCI is willing to provide such services on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and the mutual obligations of the Parties hereto, each of them does hereby covenant and agree with the other as follows:

AGREEMENT

1. **Services Provided.** HCI agrees to continue to operate and support the Program for at least the duration of this Agreement. HCI agrees to provide all resources and support necessary for the Program. HCI further agrees to perform the following responsibilities:

    a. Maintain its Mobile Home Rehabilitation Coordinator position in order to provide mobile home rehabilitation services to all of Faribault's mobile home housing, including the following:

        i. Meeting with mobile home residents in Faribault to assess home repair and weatherization needs;

        ii. Assisting residents to coordinate with capable/qualified people to complete repairs;

iii. Building a local network of licensed and insured contractors and skilled volunteers to work on mobile homes;

iv. Tracking data related to mobile home repair and weatherization needs, resources to meet needs, resource gaps, and time from assessment of needs to completion of repair and/or weatherization project;

v. Sharing data, including data related to per-home costs to coordinate repairs/weatherization, with HCI to include with reports to funders; and

b. Work cooperatively with the HRA and the City of Faribault by serving in an advisory role regarding various issues related to Faribault's mobile homes; and

c. Prepare monthly reports for the HRA, as outlined and required in paragraph 8.

All services and obligations required by this Agreement shall be provided in a manner consistent with the level of care and skill ordinarily exercised by professionals currently providing similar services.

2. **Term.** The term of this Agreement shall begin on the date of execution and shall end on June 15, 2025. The date of execution is the date on which the second party executes the Agreement.

3. **Compensation**. In consideration for HCI's services, the HRA agrees to provide annual compensation to HCI in the following manner:

a. For services provided from June 15, 2023 to June 14, 2024, the HRA agrees to remit $55,000.00 to HCI on or before June 30, 2023.

b. For services provided from June 15, 2024 to June 14, 2025, the HRA agrees to remit $55,000.00 to HCI on or before June 30, 2024.

c. No compensation for any additional services shall be distributed to HCI unless approved by the HRA.

4. **Termination.** Notwithstanding any other provision hereof to the contrary, this Agreement may be terminated as follows:

a. The Parties, by mutual written agreement, may terminate this Agreement at any time.

b. HCI may terminate this Agreement in the event of a breach of the Agreement by the HRA upon providing sixty (60) days written notice to the HRA.

c. The HRA may immediately terminate this Agreement at any time for any cause upon written notice to HCI, or for no reason or cause upon sixty (60) days written notice to HCI.

d. The HRA may also terminate this Agreement immediately upon HCI's failure to have in force any insurance required by this Agreement.

In the event of any termination, the HRA shall only be obligated to compensate HCI for its services in a prorated manner based upon the annual amount for the year of termination and the date of termination.

5. **Remedies.** In the event of a termination of this Agreement, the Parties shall each be entitled to any and all legal or equitable remedies available by law.

6. **Records/Inspection.** This Agreement is subject to the requirements of Minnesota Statutes, Section 16C.05, subd. 5. HCI agrees that the HRA or any authorized representative may have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, or other materials during normal business hours and as often as deemed necessary. HCI agrees to maintain these materials, records, and documents for six years from the date of the termination of this Agreement.

7. **Liaisons**. Each party shall designate a representative to serve as its liaison with respect to the obligations set forth in this Agreement. Each representative, or their designee, shall serve as the primary contact for the other party and shall have the authority to instruct, interpret, and define their respective entity's policies regarding the obligations set forth in this Agreement.

8. **Monthly Report**. HCI shall submit a monthly report to the HRA ("Monthly Report"), including the following information:

   a. Detailed summaries of the Program's future goals and initiatives;

   b. Detailed summaries of the Program's accomplishments and work during the preceding month, including the amount of time the Mobile Home Rehabilitation Coordinator worked in the City of Faribault and projects completed; and

   c. An identification of HCI's prospective uses for any compensation that might be provided during the upcoming calendar year.

9. **Additional Support**. Nothing in this Agreement shall prohibit or prevent HCI or the Program from seeking additional funding or support from the HRA for projects or initiatives that are not specifically covered herein. Such requests and any additional funding or support shall be deemed outside the scope of this Agreement.

10. **Indemnification.** To the fullest extent permitted by law, HCI, and HCI's successors or assigns, agree to protect, defend, save, and hold harmless the HRA, its officers, agents, and employees from all claims, suits, or actions of any kind, nature, or character, and the costs,

disbursements, and expenses of defending the same, including but not limited to, attorneys' fees, consulting marketing and promotion services, and other technical, administrative or professional assistance resulting from or arising out of the negligence, breach of contract or willful misconduct of HCI or its subcontractors, agents, or employees under this Agreement. Nothing in this Agreement shall constitute a waiver or limitation of any immunity or limitation on liability to which the HRA is otherwise entitled.

11. **Insurance and Bonds.** HCI will maintain, at HCI's sole expense, insurance coverage for itself, including the following: Workers Compensation, General Liability, and Directors and Officers Liability in an amount of not less than $1 million per occurrence (except only statutory limits for workers compensation coverage) and at least $2 million aggregate coverage and an umbrella policy with limits of at least $1 million, and will provide information as to specific limits upon receipt of signed Agreement. Such insurance must cover all losses related to this Agreement. If requested by the HRA, HCI shall provide the HRA with current certificate(s) of liability insurance for all insurance coverage referenced above. Such certificate(s) of General Liability insurance shall list the HRA as an additional insured and all certificate(s) of liability insurance shall contain a statement that such policies of insurance shall not be canceled or amended unless sixty (60) days written notice is provided to the HRA (ten (10) days written notice in the event of non-payment of premium). Acceptance of a certificate of insurance that does not comply with these requirements does not operate as a waiver of HCI's or any other party's obligations hereunder. In addition, HCI shall cause all vendors and participants to maintain insurance coverage for all vendors and participants at tourism-related events conducted pursuant to this Agreement.

    In addition to the insurance requirements set forth above, HCI shall obtain a fidelity bond in the minimum amount of $100,000 covering the person or persons on a position or name-scheduled basis that handles any money pursuant to this Agreement. The amount of such bond shall be reviewed annually and modified, if necessary, based on the compensation paid to HCI pursuant to this Agreement.

12. **Subcontracting; Assignment.** WITH HCI shall not subcontract or assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that may become due or moneys that are due) in the Agreement without the prior written consent of the HRA. Any assignment in violation of this provision is null and void. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13. **Independent Contractor.** HCI shall be deemed an independent contractor. HCI's duties will be performed with the understanding that HCI has special expertise as to the services which HCI is to perform and is customarily engaged in the independent performance of the same or similar services for others. The manner in which the services are performed shall be controlled by HCI. HCI is not to be deemed an employee or agent of the HRA and has no authority to make any binding commitments or obligations on behalf of the HRA except to the extent expressly provided herein. All services provided by HCI pursuant to this Agreement shall be provided by HCI as an independent contractor and not as an employee

of the HRA for any purpose, including but not limited to: income tax withholding, workers compensation, unemployment compensation, FICA taxes, liability for torts and eligibility for employee benefits.

14. **Compliance with Laws.** HCI shall exercise due professional care to comply with applicable federal, state and local laws, rules, ordinances and regulations.

15. **Notices.** Any notices permitted or required by this Agreement shall be deemed given when personally delivered or upon deposit in the United States mail, postage fully prepaid, certified, return receipt requested, addressed to:

    HCI: Northfield Healthy Community Initiative
    Northfield Community Resource Center (NCRC)
    1651 Jefferson Parkway, Suite 128
    Northfield, MN 55057-2760
    Attn: Sandy Malecha

    HRA: Faribault Housing & Redevelopment Authority
    208 1st Avenue NW
    Faribault, MN 55021
    Attn: David Wanberg

    Or such other address as either party may provide to the other by notice given in accordance with this provision.

16. **Attorneys' Fees.** In the event of any action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees incurred in the proceeding, as set by the court, at trial, on appeal or upon review.

17. **Entire Agreement; Amendments.** This Agreement shall constitute the entire agreement between the Parties and supersedes any other written or oral agreements between the Parties. This Agreement can only be modified or amended in writing signed by both Parties.

18. **Third Party Rights.** The parties to this Agreement do not intend to confer on any third party any rights under this Agreement.

19. **Choice of Law and Venue.** This Agreement shall be governed by and construed in accordance with 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.

20. **Conflict of Interest.** In the execution of the services outlined in this Agreement, HCI shall use reasonable care to avoid conflicts of interest and appearances of impropriety in providing its services. In the event of a conflict of interest, HCI shall advise the HRA and

either secure a waiver of the conflict or advise the HRA that it will be unable to provide requested services.

21. **Data Practices Act Compliance.** Any and all data provided to HCI, received from HCI, created, collected, received, stored, used, maintained, or disseminated by HCI pursuant to this Agreement shall be administered in accordance with, and is subject to the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13. This paragraph does not create a duty on the part of HCI to provide access to public data to the public if the public data are available from the HRA, except as required by the terms of this Agreement.

22. **No Discrimination**. HCI agrees not to discriminate in providing products and services under this Agreement on the basis of race, color, sex, creed, national origin, disability, age, sexual orientation, status with regard to public assistance, or religion. Violation of any part of this provision may lead to immediate termination of this Agreement.

23. **Survivability**. All covenants, indemnities, guarantees, releases, representations, and warranties of one or both Parties and any undischarged obligations of the parties arising prior to the expiration or termination of this Agreement, shall survive such expiration or termination.

24. **Severability**. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Agreement to the extent of its invalidity or unenforceability, and this Agreement shall be construed and enforced as if the Agreement did not contain that particular provision to the extent of its invalidity or unenforceability.

[The rest of this page was left blank intentionally.]

IN WITNESS WHEREOF, the Parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement as of the day and year first written above.

FARIBAULT HOUSING & REDEVELOPMENT AUTHORITY

By: _____
Matt Speckhals
Its: Chair

By: _____

Its: Vice Chairperson/Secretary

NORTHFIELD HEALTHY COMMUNITY INITIATIVE

By: _____
Sandy Malecha
Its: Interim Executive Director

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	David Wanberg, Community and Economic Development Director
THROUGH:	
MEETING DATE:	May 13, 2024
SUBJECT:	Resolution 2024-07 Approve a Loan Agreement between the Housing and Redevelopment Authority of Faribault and Faribo Downtown Central LLC and Approve Closeout of Phase 1 Funding Assistance

BACKGROUND:

The Housing and Redevelopment Authority (the "HRA") held a public hearing on February 28, 2024, per the Business Subsidy Act, to consider the release of $250,000 of HRA funds to Faribo Downtown Central LLC (FDC) for the proposed Phase 2 work supporting FDC's revitalization of specific buildings in Faribault in the form of a forgivable loan. At the close of the public hearing, the HRA voted 2-2 on Resolution 2024-02: Approve a Loan Agreement between the Housing and Redevelopment Authority of Faribault and Faribo Downtown Central LLC and Approve the Closeout of Phase 1 Funding Assistance. Given the 2-2 vote, the City Attorney recommended that the HRA reconsider the resolution at a future HRA meeting with the full board (or more board members) present to reconsider the resolution.

City Staff created this resolution (Resolution 2024-07) based on Resolution 2024-02, The primary differences between the resolutions relate to the dates. City Staff requests that the HRA act on Resolution 2024-07.

REQUESTED ACTION:

Approve Resolution 2024-07.

ATTACHMENTS:

1. Resolution 2024-07
2. Resolution 2024-07 Exhibits

HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2024-07

APPROVE A LOAN AGREEMENT BETWEEN THE HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT AND FARIBO DOWNTOWN CENTRAL LLC AND APPROVE CLOSEOUT OF PHASE I FUNDING ASSISTANCE

WHEREAS, the Housing and Redevelopment Authority of Faribault, Minnesota ("HRA") held a public hearing on February 28, 2024, per the Business Subsidy Act, to consider the release of $250,000 of HRA funds to Faribo Downtown Central LLC (FDC) for the proposed Phase 2 work supporting FDC's revitalization of specific buildings in Faribault in the form of a forgivable loan (the "Loan Agreement"); and

WHEREAS, at the close of the February 28, 2024, public hearing, the HRA voted 2-2 on Resolution 2024-02: Approve a Loan Agreement between the Housing and Redevelopment Authority of Faribault and Faribo Downtown Central LLC and approve the Closeout of Phase 1 Funding Assistance; and

WHEREAS, given the 2-2 vote, the City Attorney recommended that the HRA reconsider the resolution at a future HRA meeting that would have the full board (or more board members) present to reconsider the resolution; and

WHEREAS, the HRA proposes to grant business assistance in the form of the Loan Agreement to Faribo Downtown Central LLC under Minnesota Statutes, Section 116J.993 through 116J.995 (the "Business Subsidy Act"), and Minnesota Statutes, Chapter 469, and pursuant to the requirements of the Policy; and

WHEREAS, the City Attorney prepared the Loan Agreement and all related documents outlined in the Agreement, including the Business Subsidy Agreement, attached as Exhibit B to this Resolution; and

WHEREAS, the HRA, on May 13, 2024, reconsidered FDC's request to release $250,000 of HRA funds to Faribo Downtown Central LLC (FDC) for the proposed Phase 2 work supporting FDC's revitalization of specific buildings in Faribault in the form of a forgivable loan (the "Loan Agreement").

NOW, THEREFORE BE IT RESOLVED by the Housing and Redevelopment Authority of Faribault, Minnesota as follows:

1. The recitals in the preamble of this Resolution and the exhibits attached to this Resolution are incorporated into this Resolution as if fully set forth

herein.

2. The Phase I funding assistance is closed out.

3. The Loan Agreement and all related documents outlined therein, including the Business Subsidy Agreement, in the form as set forth in Exhibit A is hereby approved by the HRA, subject to modifications as approved by the Chair, Vice-Chair/Secretary Treasurer, Executive Director and city attorney.

4. The Chair and Vice-Chair/Secretary Treasurer are hereby authorized and directed to execute said Loan Agreement and all related documents outlined therein in the form as set forth in Exhibit A.

5. The Chair, Vice-Chair/Secretary Treasurer, City Staff, and City Consultants, are hereby authorized and directed to take any and all additional steps and actions necessary or convenient to accomplish the intent of this Resolution, including but not limited to, refining the language in the Loan Agreement and all related documents outlined therein.

ADOPTED: May 13, 2024

_____
Loni Ahlers, Chair

ATTEST:

_____
Travis McColley, Vice-Chair/Secretary Treasurer

EXHIBIT A

LOAN AGREEMENT

LOAN AGREEMENT

THIS AGREEMENT (the "Agreement") is made and entered into this ____ day of _____, 2024, between the Housing and Redevelopment Authority of Faribault, a public body corporate and politic under the laws of Minnesota (the "City"), and Faribo Downtown Central LLC, a Minnesota limited liability company (the "Borrower"):

RECITALS

1. The purpose of the City is as follows:

   A. Provide a sufficient supply of adequate, safe and sanitary dwellings in order to protect the health, safety, morals and welfare of the city;
   B. Clear and redevelop blighted areas;
   C. Provide commercial development opportunities; and
   D. Redevelop blighted areas in situations in which private enterprise would not act without governmental participation or subsidies.

2. The Borrower has acquired certain real property legally described on Exhibit A attached hereto (the "Property"), which is located in Rice County, Minnesota.

3. The Borrower has submitted or is in the process of submitting an updated proposal for development of the Property (the "Development").

4. Business assistance is proposed to be granted by the City to Borrower under Minnesota Statutes, Sections 116J.993 through 116J.995 (the "Business Subsidy Act"), and Minnesota Statutes, Chapter 469 for the Property pursuant to the requirements of the City Downtown Revitalization Program (the "Policy").

5. This Agreement between the Borrower and the City, provides for certain benefits and business assistance to the Borrower in connection with development of the Property, including the following assistance: a one-time forgivable loan in the maximum principal amount of $250,000.

   (a) During the term of this Agreement, Developer shall:

      (i) Submit to the City a design proposal to be reviewed by the City showing

the location, size, and nature of the proposed Development, including layouts, renderings, elevations, and other graphic or written explanations of the Development. The design proposal shall be accompanied by a proposed schedule for the starting and completion of the Development;

(ii) Submit an over-all cost estimate for the design and construction of the Development;

(iii) Submit a time schedule for the Development;

(iv) Undertake and obtain such other preliminary economic feasibility studies, income and expense projections, and such other economic information as Developer may desire to further confirm the economic feasibility and soundness of the Development;

(v) Submit to the City the Developer's financing plan showing that the proposed Development is financially feasible;

(vi) Furnish satisfactory financial data to the City evidencing Developer's ability to undertake the Development.

(b) Developer understands that any business assistance sought for the proposed Development must be obtained as outlined by law.

6. The Borrower has requested financial assistance from the City in the amount of $250,000 to assist with the Development at the Property.

7. The City has agreed to lend to the Borrower, upon execution of this Agreement, project financing for the Development in the maximum principal amount of $250,000 (the "Funds").

8. The City has reviewed this Agreement and finds that execution of this Agreement by the City and performance of the City's obligations hereunder are in the best interests of the City, and its residents.

9. The parties are authorized and empowered to enter into this Agreement under the laws of the State of Minnesota.

10. By providing the Funds, the City will not provide additional funding, from any/all other City programs, for the Property included as part of the Development for five (5) years.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the City and the Borrower agree as follows:

1. The recitals set forth in the preamble to this Agreement and the exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.

2. The Borrower intends to conduct activity and to make the contemplated improvements to the Property in accordance with the Development (the "Improvements"). Upon submission of the materials to the reasonable satisfaction of the City required for the Development as set forth particularly in Recital No. 5 above, and as required by the Policy and the fulfillment of all terms and conditions of this Agreement, the Funds shall be provided as a $250,000.00 forgivable loan pursuant to the Promissory Note (the "Note"), the form of which is attached hereto as Exhibit B, a separate mortgage (the "Mortgage"), the form of which is attached as Exhibit C, and a separate Guaranty Agreement, the form of which is attached hereto as Exhibit D. The Borrower agrees to execute all such documents at closing.

3. Upon closing, the City agrees to provide the Funds.

4. The business assistance in the form of a forgivable loan are proposed to be granted by the City to Borrower under Minnesota Statutes, Sections 116J.993 through 116J.995 (the "Business Subsidy Act"), and Minnesota Statutes, Chapter 469 and pursuant to the requirements of the Policy, with such required Business Subsidy Agreement being incorporated by reference into this Agreement as set forth in Exhibit E.

5. The Borrower agrees to fully comply with all stated requirements, and acknowledges that all terms, conditions, and requirements are made part of this Agreement.

6. All documents executed shall, as deemed reasonably necessary by the City, be filed with the County Recorder and/or Registrar of Titles. The City shall maintain a lien on the Property pursuant to the security instruments required herein.

7. Failure to comply with any term, covenant, condition, or requirement contained in this Agreement, or a default under any note, mortgage, or other instrument executed in connection with this Agreement (following the passing of any applicable notice and cure periods), following thirty (30) days after the City gives written notice specifying the form of said non-compliance, shall constitute a breach of this Agreement and a default by the Borrower. The foregoing notwithstanding, if a default requires more than thirty (30) days to cure, such default shall not constitute an uncured default, provided that the curing of the default is promptly commenced upon receipt of written notice from the City, and with due diligence is thereafter continuously prosecuted to completion and is completed in a reasonable period of time, not to exceed ninety (90) days.

   If any default shall occur, following the passing of applicable cure periods, the City may declare the Funds provided to Borrower to be due and payable in accordance with the terms of the Note. The City may also pursue remedies available under the terms of any mortgage or other instrument executed to secure its interests in the Funds or the Property, and other such remedies as may be available under local, state, or federal laws.

8. The Borrower, for itself and for its successors and/or its assigns, further agrees and consents to the filing of such security instruments and this Agreement with the government officials or entities appropriate to protect the interest of the City in the Property.

9. Without limitation of any provision set forth herein, the Borrower agrees to pay to the City any costs or expenses, including without limitation attorney fees, incurred by the City in enforcing any provision of this Agreement.

10. Except as expressly set forth herein, nothing in this Agreement shall constitute a limitation or waiver of the City's right to enforce any ordinance, law, rule, or regulation.

11. The Borrower shall and does hereby agree to protect, defend, indemnify and hold the City, including 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 the City by reason of any alleged obligations or undertakings on the part of the City to perform or discharge any of the terms, covenants, or agreements contained in this Agreement. This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the payment or repayment of any Funds. The Borrower waives notice of the acceptance of this Agreement by the City. Nothing in this Agreement shall constitute a waiver or limitation of the City's immunities or limitations on liability as set forth in Minnesota Statutes, Chapter 466 or otherwise.

12. A notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(A)	as to the Borrower:	Faribo Downtown Central LLC 3305 Highway 60 West Faribault, MN 55021 ATTN: Brett Reese and Nort Johnson
(B)	as to the City:	Housing and Redevelopment Authority of Faribault 208 1st Avenue NW Faribault, MN 55021 ATTN: David Wanberg
	with a copy to:	Scott J. Riggs, City Attorney Kennedy & Graven, Chartered 150 South 5th Street, Suite 700 Minneapolis, MN 55402

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this section 12.

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

14. The City and the Borrower acknowledge that nothing contained in this Agreement nor any act by the City and the Borrower shall be deemed or construed by the parties or by any

third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between the City and the Borrower.

15. This Agreement shall be governed by and construed in accordance with 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.

16. 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 both parties. 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.

17. This Agreement may be modified solely through written amendments hereto executed by both the Borrower and the City.

18. The Borrower shall not assign, subcontract, transfer, or pledge this Agreement whether in whole or in part, without the prior written consent of the City. The Borrower may sell, assign or transfer interest in the Property to a third party with notice to, and with the City's consent, which consent shall not be unreasonably withheld or conditioned.

19. 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.

20. This Agreement, together with the Exhibits hereto, which are expressly 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 Funds.

21. This Agreement shall be recorded among the land records of Rice County, Minnesota. The provisions of this Agreement shall run with the Property and be binding upon the Borrower and its assigns or successors in interest.

22. The Borrower warrants that all work performed pursuant to this Agreement shall be in compliance with existing laws, codes, ordinances, pertinent regulations, standards, and specifications. This Agreement does not act as a substitute for any permits or approvals that are otherwise required by the Borrower in order to complete any of the Improvements.

23. Each of the undersigned parties warrants it has the full authority to execute this Agreement.

24. Borrower represents and warrants that no person or business will be displaced or otherwise entitled to relocation benefits as a result of the acquisition, sale, rehabilitation or redevelopment of the Property, and that there are no tenants or other persons or businesses in possession of the Property other than Borrower, or that have been disclosed by Borrower. The Borrower represents and warrants that no relocation benefits are applicable to the Property. Borrower acknowledges that, absent these representations and warranties being made by Borrower to the City in this Agreement, the City would not provide funds pursuant to the Policy and this Agreement to the Borrower to rehabilitate or redevelop the Property. Borrower agrees to defend and indemnify the City against any claims made by any third parties for relocation benefits or services.

25. Loan Requirements.

(a) Five Year Requirement. The Borrower covenants and agrees with the City that if the Property is sold, transferred or otherwise conveyed, voluntarily or involuntarily, either while the Borrower is living or by reason of the death of the Borrower, within a period of five (5) years after the date of this Agreement, the Borrower or its heirs, executors, or representatives, as the case may be, shall repay to the City a sum equal to the full amount of the Loan.

Any such repayment shall be made to the Lender no later than the 30th day following such sale, transfer or other conveyance, or on such later date or dates as the City, in its sole discretion, may designate.

(b) One Year Requirement. The Borrower further covenants and agrees with the City that if the improvements described in the application for this Agreement are not completed within one year of the date of this Agreement, the Borrower shall immediately repay to the City a sum equal to the full amount of the Loan. This one-year deadline may be extended, if in writing and agreed-upon by the City, for unforeseeable weather-related delays, changes in contractors for non-performance, or other natural disasters.

(c) 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 City with evidence that the Loan proceeds were used in the redevelopment of the Property. The City, in its sole judgment, shall determine whether the expenditure of funds qualify for such forgiveness. Borrower shall provide City with such evidence on the disbursement date provided herein.

26. The City acknowledges the existence of previous loan agreements (the "Existing Loan Agreements") with the EDA and HRA regarding the Property that contain a term preventing any additional funds to be provided to the Borrower by the City. Notwithstanding such term in the Existing Loan Agreements, the City desires to provide additional funds to the Borrower. In addition, the City desires to delete such term from the Existing Loan Agreements, with such documents all as set forth in Exhibits B, C and D.

27. Phase I Completion. The loan contemplated by this Agreement shall only be issued by the

City to the Borrower upon the complete close-out of the Phase I development contemplated by the Existing Loan Agreements. Such close-out requirements shall be determined by the City and in the City's sole discretion consistent with the terms and conditions of the Existing Loan Agreements.

[Signature pages to follow]

IN WITNESS WHEREOF, the Borrower, having signed this Agreement, and the City having duly approved this Agreement on the day and year first written above and pursuant to such approval and the proper City officials having signed this Agreement, the parties hereto agree to be bound by the provisions herein set forth.

THE BORROWER:

Dated: _____, 2024.

FARIBO DOWNTOWN CENTRAL LLC

By: _____
Brett Reese
Its: Chief Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by Brett Reese, the Chief Manager of Faribo Downtown Central LLC, a Minnesota limited liability company, by and on behalf of said company.

_____
Notary Public

CITY:

HOUSING AND REDEVELOPMENT AUTHORITY OF FARIBAULT

Dated: _____, 2024.

By: _____
Loni Ahlers
Its: Chair

By: _____
Travis McColley
Its: Vice Chair/Secretary Treasurer

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

On this ___ day of _____, 2024, before me personally appeared Loni Ahlers and Travis McColley, the Chair and Vice Chair/Secretary Treasurer, respectively, of the Housing and Redevelopment Authority of Faribault, a public body corporate and politic under the laws of Minnesota, on behalf of said authority.

_____
Notary Public

This document drafted by:
Kennedy & Graven, Chartered (SJR)
700 Fifth Street Towers
150 South Fifth Street
Minneapolis, MN 55402

EXHIBIT A TO LOAN AGEEMENT

LEGAL DESCRIPTION OF THE PROPERTY

The land to which this Agreement applies is legally described as follows:

PID No. 18.31.1.26.320	
PID No. 18.31.1.26.319	
PID No. 18.31.1.26.318	
PID No. 18.31.1.26.317	
PID No. 18.31.1.26.316	
PID No. 18.31.1.26.302	(addresses associated with building also include 12 3rd Street NE, 14 3rd Street NE, 16 3rd Street NE, 303 Central, 305 Central)
PID No. 18.31.1.26.300	
PID No. 18.31.1.26.299	
PID No. 18.31.1.26.294	
PID No. 18.31.1.26.471	

EXHIBIT B TO LOAN AGREEMENT

PROMISSORY NOTE

$250,000.00 Date: _____, 2024

Faribo Downtown Central LLC, a Minnesota limited liability company ("Maker"), for value received, hereby promises to pay to the Housing and Redevelopment Authority of Faribault, a public body corporate and politic under the laws of Minnesota (the "EDA"), a public body corporate and politic under the laws of Minnesota, or its assigns (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 Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) or so much thereof as may be advanced under this Note, without interest thereon, 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. The entire unpaid balance of principal shall be due and payable upon the earlier of the following: (i) thirty (30) days after written notification by Holder to Maker of the occurrence of any default or non-compliance with any provision or requirement of the Loan Agreement (following notice and passing of all applicable notice and cure provisions), dated _____, 2024, between the Maker and Holder (the "Agreement"); or (ii) ten (10) days after the Maker makes or allows to be made any total or partial transfer, sale, assignment, conveyance or transfer in any other mode, of the Property (as such term is defined in the Agreement), if such transfer occurs before the issuance of a Certificate of Occupancy for the Improvements (as defined in the Loan Agreement); unless, such transfer, sale, assignment, conveyance or transfer in any other mode is expressly allowed under the Agreement. Payments made under this Note shall be governed by the terms of that certain Loan Agreement (the "Loan Agreement") entered into between the Maker and Holder, dated _____, 2024, particularly the loan requirements set forth in Paragraph No. 2 of the Loan Agreement.

2. This Note is given pursuant to the Agreement between the Maker and Holder. If any information in the Agreement is found to be invalid for whatever reason, such invalidity shall constitute an Event of Default hereunder.

3. All of the agreements, conditions, covenants, provisions, and stipulations contained in the Agreement 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 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, together with reasonable attorneys' fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, 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.

4. The remedies of the Holder of this Note as provided herein, and in the 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.

5. 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.

6. If any Event of Default occurs, and if Holder engages legal counsel or others in connection with advice to Holder or Holder's rights and remedies under the Agreement or this Note, Maker shall pay all reasonable expenses incurred by Holder for such persons, irrespective of whether any suit or other proceeding has been or is filed or commenced. Any such expenses, costs and charges shall constitute additional principal, payable upon demand, and subject to this Note.

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 Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note 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.

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 _____, 2024.

Faribo Downtown Central LLC, a Minnesota limited liability company

By: _____
Brett Reese
Its: Chief Manager

EXHIBIT C TO LOAN AGREEMENT

MORTGAGE

THIS MORTGAGE, made this _____ day of _____, 2024, by Faribo Downtown Central LLC, a Minnesota limited liability company, with its principal place of business located at 3305 Highway 60 West, Faribault, MN 55021 ("Mortgagor"), to the Housing and Redevelopment Authority of Faribault, a public body corporate and politic under the laws of Minnesota, located at 208 1st Avenue NW, Faribault, MN 55021 ("Mortgagee").

WITNESSETH: That said Mortgagor hereby mortgages and conveys to said Mortgagee the following described premises located at:

PID No. 18.31.1.26.320	
PID No. 18.31.1.26.319	
PID No. 18.31.1.26.318	
PID No. 18.31.1.26.317	
PID No. 18.31.1.26.316	
PID No. 18.31.1.26.302	(addresses associated with building also include 12 3rd Street NE, 14 3rd Street NE, 16 3rd Street NE, 303 Central, 305 Central)
PID No. 18.31.1.26.300	
PID No. 18.31.1.26.299	
PID No. 18.31.1.26.294	
PID No. 18.31.1.26.471	

Faribault, Minnesota, Rice County Minnesota (the "Property"), and legally described in Exhibit A attached hereto and made a part hereof.

This Mortgage is given in consideration of and as security for the payment of Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) (the "Loan"), receipt of which is hereby acknowledged and which is made to enable the Mortgagor to make improvements to the Property. The Loan is evidenced by a Promissory Note (the "Note"), attached hereto as Exhibit B, and repayment of the Loan shall be in accordance with the terms of the Note.

Mortgagor makes and includes in this Mortgage the statutory covenants and other provisions set forth in Minnesota Statutes Section 507.15, including the following:

a. To warrant title to the Property;

b. To pay all other mortgages, liens, charges or encumbrances against the Property as and when they become due;

c. To pay the indebtedness of the Note as herein provided;

d. To pay all real estate taxes on the Property;

e. To keep the Property in repair and not commit waste; and

f. To keep the Property insured against loss by fire and other hazards for at least the sum of the full insurable value of the Property for the protection for the Mortgagee.

If the Mortgagor herein shall pay the Mortgagee herein, its successors or assigns, the sum of Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) when it becomes due according to the terms of the above-mentioned Note, then this Mortgage shall be null and void, otherwise to remain in full force and effect. But if default shall be made in payment of said sum when due or in any of the covenants or agreements contained herein, then the Mortgagee may declare immediately due and payable the entire unpaid principal balance, and the Mortgagee, its successors or assigns, are hereby authorized and empowered to foreclose this Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota in such case made and provided, power being expressly granted to sell the Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay the principal of the Note with interest, if any, together with all legal costs and charges of such foreclosure and the maximum attorneys' fees permitted by law.

Mortgagee prior to acceleration shall mail notice to Mortgagor specifying: (1) the event of default; (2) the action required to cure such event; (3) the date, not less than 30 days from the date the notice is mailed to Mortgagor, by which date such default must be cured; and (4) that failure to cure such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Mortgagor to acceleration and sale. If the default is not cured on or before the date specified in the notice (subject to the cure rights set forth below), Mortgagee at Mortgagee's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedy permitted by applicable law. Any one of the following events shall constitute and Event of Default:

i. Mortgagor fails to pay any amounts due under the Note when said payment is due, and such default shall continue for ten (10) days after notice from the City; and

ii. Mortgagor violates or fails to perform any of the other terms, covenants or conditions of this Mortgage and such default shall continue for thirty (30) days after notice from the Mortgagee, unless such default cannot be cured in the exercise of reasonable diligence within said thirty (30) day period, in which event Mortgagor shall be allowed such additional time as is needed to cure such default with all due diligence.

Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage, Mortgagor shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to the earlier of (i) sale of the Property pursuant to the power of sale contained in this Mortgage or (ii) a judgment enforcing this Mortgage, if: (a)

Mortgagor pays Mortgagee all sums constituting the default actually existing under this Mortgage and the Note at the commencement of foreclosure proceedings under this Mortgage; (b) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor contained in this Mortgage; (c) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this Mortgage and in enforcing Mortgagee's remedies as provided herein, including, but not limited to, reasonable attorneys' fees, and (d) Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

MORTGAGOR HEREBY: EXPRESSLY CONSENTS TO THE FORECLOSURE AND SALE OF THE MORTGAGED PROPERTY BY ACTION PURSUANT TO MINNESOTA STATUTES CHAPTER 581 OR, AT OPTION OF MORTGAGEE, BY ADVERTISEMENT PURSUANT TO MINNESOTA STATUTES CHAPTER 580, WHICH PROVIDES FOR SALE AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE MORTGAGED PROPERTY AND PUBLICATION OF SAID NOTICE FOR SIX WEEKS IN THE COUNTY IN MINNESOTA WHERE THE MORTGAGED PROPERTY IS SITUATED AND ACKNOWLEDGES THAT SERVICE NEED NOT BE MADE UPON MORTGAGOR PERSONALLY UNLESS MORTGAGOR IS AN OCCUPANT AND THAT NO HEARING OF ANY TYPE IS REQUIRED IN CONNECTION WITH THE SALE AND EXCEPT AS MAY BE PROVIDED IN SAID STATUTES, EXPRESSLY WAIVES ANY AND ALL RIGHT TO PRIOR NOTICE OF SALE OF THE MORTGAGED PROPERTY.

This Mortgage and the Note shall be construed according to the laws of the State of Minnesota. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision.

(Signatures Appear on Next Page)

IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be duly executed as of the day and year first above written.

MORTGAGOR:

Dated: _____, 2024.

FARIBO DOWNTOWN CENTRAL LLC

By: _____
Brett Reese
Its: Chief Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by Brett Reese, the Chief Manager of Faribo Downtown Central LLC, a Minnesota limited liability company, by and on behalf of said company.

_____
Notary Public

This document drafted by:
Kennedy & Graven, Chartered (SJR)
700 Fifth Street Towers
150 South Fifth Street
Minneapolis, MN 55402

EXHIBIT A TO MORTGAGE

PROPERTY LEGAL DESCRIPTION

PID No. 18.31.1.26.320
PID No. 18.31.1.26.319
PID No. 18.31.1.26.318
PID No. 18.31.1.26.317
PID No. 18.31.1.26.316
PID No. 18.31.1.26.302 (addresses associated with building also include 12 3rd Street NE, 14 3rd Street NE, 16 3rd Street NE, 303 Central, 305 Central)
PID No. 18.31.1.26.300
PID No. 18.31.1.26.299
PID No. 18.31.1.26.294
PID No. 18.31.1.26.471

EXHIBIT B TO MORTGAGE

EXECUTED PROMISSORY NOTE

EXHIBIT D TO LOAN AGREEMENT

GUARANTY AGREEMENT

This Guaranty Agreement (the "Guaranty" or "Guaranty Agreement") is made and entered into this _____day of _____, 2024, by Brett Reese (the "Guarantor") for the benefit of the Housing and Redevelopment Authority of Faribault, a public body corporate and politic under the laws of Minnesota ("Lender").

WITNESSETH:

WHEREAS, pursuant to the loan agreement of even date herewith between Borrower and Lender (the "Loan Agreement"), Faribo Downtown Central LLC, a Minnesota limited liability company (the "Borrower") proposes to borrow the sum of $250,000.00 from Lender in order to make certain upgrades and improvements on the property within the City of Faribault, Minnesota, legally described as set forth in the attached Exhibit A to this Guaranty, which is incorporated by reference and included in this Guaranty as if fully set forth herein; and

WHEREAS, Borrower has agreed to repay to Lender $250,000.00 together with interest thereon at the rate, if any, and within the time stated in Borrower's promissory note of even date herewith ("Note"); and

WHEREAS, to secure payment of the Note, Lender has required, and the Guarantor has agreed to provide, a guaranty of the indebtedness above described between Borrower and Lender; and

WHEREAS, the Guarantor will receive a direct financial benefit from the loan to Borrower by Lender pursuant to the Note.

NOW, THEREFORE, to induce Lender to make the loan to Borrower, Guarantor hereby covenants and agrees with Lender, for the benefit of all who at any time become holders of the Note, as follows:

Section 1.1. The Guarantor hereby unconditionally guarantees to Lender for the benefit of the Holder (as defined in the Note) from time to time of the Note: (a) the full and prompt payment of the principal of the Note when and as the same shall become due, whether at the stated maturity thereof, by acceleration or otherwise; (b) the full and prompt payment of any interest, if any, on the Note when and as the same shall become due; and (c) any other amounts due Lender under the Loan Agreement and the Note. All payments shall be paid in lawful money of the United States of America. Each and every default in payment of the principal of or interest on the Note shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

Section 1.2. The obligations of Guarantor under this Guaranty shall be absolute and unconditional and shall remain in full force and effect until the entire principal of and interest on the Note shall have been paid or forgiven as provided for in the Note and Loan Agreement, and

such obligations shall not be affected, modified or impaired upon the happening from time to time of any event, including, without limitation, any of the following:

a. The compromise, settlement, or release of less than all of the obligations, covenants or agreements of Borrower under the Loan Agreement and the Note;

b. The failure to give notice to any person of the occurrence of an event of default under the terms and provisions of this Guaranty or the Note executed by Borrower;

c. The extension of the time for payment of principal of or interest on the Note or under this Guaranty;

d. Any failure, omission, delay, or lack on the part of Lender to enforce, assert or exercise any right, power, or remedy conferred on Lender in this Guaranty or other instruments executed and delivered in connection with the loan contemplated thereby, or any other act or acts on the part of Lender or any of the holders from time to time of the Note;

e. The default or failure of Guarantor to perform any of the obligations set forth in this Guaranty.

Section 1.3. No set-off, counterclaim, reduction, or diminution of any obligation, or any defense of any kind or nature that Borrower has or may have against Lender shall be available hereunder to Guarantor against Lender.

Section 1.4. In the event of a default in the payment of principal of the Note when and as the same shall become due, whether at the stated maturity thereof, by acceleration or otherwise, or in the event of a default in the payment of any interest on the Note when and as the same shall become due, or upon the occurrence and continuance of any Event of Default under the Loan Agreement, Lender may proceed hereunder, and Lender, in its sole discretion, shall have the right to proceed first and directly against Guarantor for the full amount due without proceeding against or exhausting any other remedies it may have as to Borrower.

Section 1.5. Guarantor hereby expressly waives notice from Lender or the holders from time to time of the Note of acceptance of or any reliance upon this Guaranty. Guarantor agrees to pay all the costs, expenses, and fees, including attorneys fees, which may be incurred by Lender in enforcing or attempting to enforce this Guaranty whether the same shall be enforced by suit or otherwise.

Section 1.6. This Guaranty is entered into by Guarantor with Lender for the benefit of Lender and the holders from time to time of the Note, all of whom shall be entitled to enforce performance and observance of this Guaranty.

Section 1.7. Guarantor is duly authorized and empowered to execute, deliver, and perform this Guaranty.

Section 1.8. The performance or observance of any promise or condition set forth in this Guaranty may be waived, amended, or modified only by a writing signed by Guarantor 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.

Section 1.9. This Guaranty 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 Guaranty shall be heard in the state or federal courts of Minnesota, and all parties to this Guaranty waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 1.10. If any provision or application of this Guaranty is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications that can be given effect, and this Guaranty shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

Section 1.11. 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: Housing and Redevelopment Authority of Faribault
208 NW 1st Avenue
Faribault, MN 55021
Attn: David Wanberg

To Guarantor: Faribo Downtown Central LLC
3305 Highway 60 West
Faribault, MN 55021
Attn: Brett Reese

Section 1.12. This Guaranty constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Guaranty, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning the Guaranty. Nothing contained herein shall effect or impair Lender's rights under the Loan Agreement, or the Note.

Section 1.13. Brett Reese hereby acknowledges and agrees that he is liable for each and every obligation of the Borrower set forth in the Note and that such liability shall survive death, divorce, and any other event and shall be binding on his respective estate.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed as of the date first above written.

_____
Brett Reese

EXHIBIT A TO GUARANTY AGREEMENT

LEGAL DESCRIPTION

That property located within the city of Faribault, Rice County, Minnesota and legally described as follows:

PID No. 18.31.1.26.320
PID No. 18.31.1.26.319
PID No. 18.31.1.26.318
PID No. 18.31.1.26.317
PID No. 18.31.1.26.316
PID No. 18.31.1.26.302 (addresses associated with building also include 12 3rd Street NE, 14 3rd Street NE, 16 3rd Street NE, 303 Central, 305 Central)
PID No. 18.31.1.26.300
PID No. 18.31.1.26.299
PID No. 18.31.1.26.294
PID No. 18.31.1.26.471

EXHIBIT E
BUSINESS SUBSIDY AGREEMENT

Business Subsidy Agreement. The provisions of this Exhibit E constitute the "business subsidy agreement" for the purposes of the Business Subsidy Act.

(a) *General Terms.* The parties agree and represent to each other as follows:

(1) The subsidies provided to the Developer pursuant to this Agreement consist of the principal amount of the Loan Agreement set forth in this Agreement. This business subsidy agreement shall apply to all the subsidies set forth in this Agreement.

(2) The public purposes of the subsidy are to facilitate the Project, to facilitate the renovation of existing improvements and construction of additional improvements, to preserve tax base, and to retain employment in the City.

(3) The goals for the subsidy are (i) to secure development of the Project on the Property; (ii) to maintain such improvements for at least five years as described in clause (6) below.

(4) If the goals described in clause (3) are not met, the Developer must make the payments to the City described in Section (c) of this Section.

(5) The subsidy is needed to induce Developer to rehabilitate the Property, and to make the cost of the Project financially feasible.

(6) The Developer must continue operation of the Project as a "Qualified Facility" for at least five years after the Benefit Date (defined hereinafter), subject to the continuing obligation described in the Agreement. For the purposes of this Section, the term Qualified Facility means a commercial and residential facility. The improvements will be a Qualified Facility as long as the Facility is operated by Developer or a tenant for the aforementioned qualified uses. During any period when the Facility is vacant and not operated for the aforementioned qualified uses, the Facility will not constitute a Qualified Facility.

(7) The Developer is a limited liability company under the laws of the State of Minnesota and is in good standing and has no parent corporation.

(8) The Developer expects to receive financial assistance from the following "grantors" as defined in the Business Subsidy Act, in connection with the Development Property or the Project:

(a) a forgivable loan from the Economic Development Authority of the City of Faribault, Minnesota of up to $250,000.00.

(b) a forgivable loan from the Housing and Redevelopment Authority of Faribault, Minnesota of up to $250,000.00.

(c) a loan from the City of Faribault, Minnesota of up to $500,000.00.

(b) *Job and Wage Goals.* The creation or retention is determined to not be a goal of the Project, thus the job and wage goals are set to zero.

(c) *Remedies.* If the Developer fails to meet the goals described in Section (a)(3), the Developer shall repay to the City, respectively, upon written demand from the City, a "pro rata share" of the principal amount of the respective subsidies previously received, together with interest based on the rate set forth in Section 116J.994, subd. 6 of the Business Subsidy Act, accrued from the date of the default to the date of payment and the outstanding principal amount of their respective subsidies (i.e. the remaining amount to be paid to Developer pursuant to this Agreement) shall be reduced by the "pro rata share." The term "pro rata share" means a percentage calculated as follows:

(i) if the failure relates to the number of jobs, the jobs required less the jobs retained, divided by the jobs required;

(ii) if the failure relates to wages, the number of jobs required less the number of jobs that meet the minimum wages, divided by the number of jobs required;

(iii) if the failure relates to maintenance of the Project in accordance with Section (a)(6), 60 less the number of months of operation as a commercial and residential facility, commencing on the Benefit Date and ending with the date the facility ceases operation as reasonably determined by City staff, divided by 60; and

(iv) if more than one of clauses (i) through (iii) apply, the sum of the applicable percentages of clauses (ii) and (iii), not to exceed 100%.

Notwithstanding anything to the contrary in the Agreement, the remedies in this Section are the City's sole remedies for failure to meet the goals set forth in this Section. In addition to the remedy described in this Section for failure to meet the goals stated in Section (a)(3), the Developer agrees and understands that it may not receive a business subsidy from the City or any grantor (as defined in the Business Subsidy Act) for a period of five years from the date of the failure or until the Developer satisfies its repayment obligation under this Section, whichever occurs first.

(d) *Reports.* The Developer must submit to the City, a written report regarding business subsidy goals and results by no later than March 1 of each year, commencing March 1, 2021, and continuing until the later of (i) the date the goals stated Section (a)(3) are met; (ii) 30 days after expiration of the period described in Section (a)(6); or (iii) if the goals are not met, the date the subsidy is repaid in accordance with Section (c). The report must comply with Section 116J.994, subdivision 7 of the Business Subsidy Act. The City will provide information to the Developer regarding the required forms. If the Developer fails to timely file any report required under this Section, the City will mail the Developer a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, the Developer fails to provide a report, the Developer must pay

to the City a penalty of $100.00 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section is $1,000.00 payable to the City.

(e) *Audits.* Upon written request of the City in any year, Developer shall retain at its expense an independent, third party accountant to audit any job and wage report submitted by Developer under Section (d). The Developer must deliver to the City a written report from the accountant promptly upon completion of such audit.

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	David Wanberg, Direction of Community and Economic Development
THROUGH:	
MEETING DATE:	May 13, 2024
SUBJECT:	Resolution 2024-08 Approve the Operating Budget for FY2024

BACKGROUND:

Following 24 CFR 990.315, PHAs are required to prepare an operating budget for Board review and approval. The budget as proposed is based on the maximum levy and does not require the use of the fund balances for programming. The HRA is requested to review the proposed budget for the fund and approve it as proposed or with desired changes.

REQUESTED ACTION:

Approve Resolution 2024-08 Adopting the FY 2024 Faribault's HRA Budget, and authorize the HRA chair to sign HUD Form 52574 as presented.

ATTACHMENTS:

1. 2024-08 Adopting the FY 2024 Public Housing Budget
2. 2024-08 Attachment 52574
3. FY2024 HRA Budget Status

FARIBAULT HOUSING AND REDEVELOPMENT AUTHORITY

Resolution 2024-08

ADOPTING THE FY 2024 FARIBAULT HRA BUDGET

WHEREAS, the Faribault Housing and Redevelopment Authority ('the HRA"); was established by the City of Faribault, on October 13, 1970, under the "Minnesota Housing and Redevelopment Act" pursuant to Minnesota Statutes 469.003; and

WHEREAS, the HRA administers several housing and redevelopment programs in the City of Faribault, including Robinwood Manor Apartments, Low-Rent Public Housing, and the HRA General Fund; and

WHEREAS, the HRA generates revenues and expenses from properties it owns and manages, and

WHEREAS, the HRA finds it prudent to manage its revenues and expenses by the adoption of an annual budget; and

WHEREAS, the HRA has reviewed and considered the details of the FY 2024 Faribault Public Housing Budget Proposal and finds it to be acceptable, as attached, and in accordance with HUD-52574; and

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Authority of Faribault, Minnesota that the FY 2024 Faribault Housing Budget is hereby approved.

ADOPTED: May 13, 2024

Faribault HRA LLC.

_____

Loni Ahlers, Chairperson

ATTEST:

_____

Travis McColley, Vice Chair/Secretary

ATTACHMENT:

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 07/31/2019)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Faribault HRA LLC PHA Code: MN1547

PHA Fiscal Year Beginning: 2024 Board Resolution Number: 2024-08

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

☒ Operating Budget approved by Board resolution on: 05/13/2024

☐ Operating Budget submitted to HUD, if applicable, on:

☐ Operating Budget revision approved by Board resolution on:

☐ Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
Loni Ahlers		05/13/2024

Fund	280	**Faribault HRA**	
Dept	280-00000		
R01		Taxes	FY2024
280-00000-461-31010		Current Ad Valorem Taxes	380,253.00
280-00000-461-31020		Delinquent Ad Valorem Taxes	0.00
280-00000-461-31030		Mobile Home Taxes	0.00
280-00000-461-31035		Delinquent Mobile Home Taxes	0.00
280-00000-461-31040		Excess Tax Increment	0.00
280-00000-461-31500		PILOT	0.00
280-00000-461-31550		Green Acres	0.00
		R01 Sub Totals:	380,253.00
R03		Intergovernmental Revenue	
280-00000-461-33160		Federal Grants	0.00
280-00000-461-33402		Market Value Homestead Credit	0.00
280-00000-461-33422		Other State Grants & Aids	0.00
		R03 Sub Totals:	0.00
R04		Charges for Services	
280-00000-461-34108		Administrative Fees	45,250.00
280-00000-461-34700		Application Fees	0.00
280-00000-461-36240		Refunds & Reimbursements	0.00
		R04 Sub Totals:	45,250.00
R06		Miscellaneous Revenue	
280-00000-461-36200		Other Miscellaneous Revenue	1,000.00
280-00000-461-36210		Interest on Investments	33,340.00
280-00000-461-36211		Interest Market Value	0.00
280-00000-461-36215		Loan Interest	580.00
280-00000-461-36400		Loan Principal	0.00
		R06 Sub Totals:	34,920.00
R07		Other Sources	
280-00000-461-39101		Sale of Capital Assets	0.00
280-00000-461-39200		Transfer In	0.00
		R07 Sub Totals:	0.00
		Revenue Sub Totals:	460,423.00
		Dept 00000 Sub Totals:	-460,423.00
Dept	280-46310	Urban Redevelopment & Housing	
E02		Supplies	
280-46310-461-42115		Meeting	0.00
		E02 Sub Totals:	0.00
E03		Other Services & Charges	
280-46310-461-43010		Auditing & Accounting Services	0.00
280-46310-461-43040		Legal Fees - Civil Process	5,000.00
280-46310-461-43070		Management Services	60,000.00
280-46310-461-43080		Indirect Cost Allocation	0.00
280-46310-461-43090		Expert & Professional Services	65,000.00
280-46310-461-43095		Software Maintenance & Support	3,200.00
280-46310-461-43130		Special Programs	283,500.00
280-46310-461-43140		Training & Education	1,000.00
280-46310-461-43310		Travel Expense	500.00
280-46310-461-43430		Advertising - Other	1,000.00
280-46310-461-43510		Legal Notices Publishing	500.00
280-46310-461-43520		Recording Fees	0.00
280-46310-461-43610		Insurance & Bonds	2,439.00
280-46310-461-43810		Electric Utilities	0.00
280-46310-461-43820		Water Utilities	0.00
280-46310-461-43830		Gas Utilities	0.00
280-46310-461-43840		Refuse Disposal	0.00
280-46310-461-43850		Sewer Utilities	0.00
280-46310-461-43860		Storm Water Utilities	0.00
280-46310-461-44010		Building Maintenance	0.00
280-46310-461-44040		Vehicle & Machinery Repairs	0.00
280-46310-461-44320		Bad Debt	0.00
280-46310-461-44330		Dues & Subscriptions	500.00
280-46310-461-44390		Taxes & Licenses	0.00
280-46310-461-44450		Claims & Damages	0.00
		E03 Sub Totals:	422,639.00
E04		Capital Outlay	
280-46310-461-45200		Building & Improvements	0.00
280-46310-461-45500		Vehicles	0.00
		E04 Sub Totals:	0.00
E05		Debt Service	
280-46310-461-46020		Other Long Term Obligation Pri	0.00

	280-46310-461-46120			Other Long Term Obligation Int			0.00
				E05 Sub Totals:			0.00
	E06			Other Uses			
	280-46310-461-47200			Transfer Out			0.00
	280-46310-461-49999			Prior Period Adjustment			0.00
				Revenue Totals:			460,423.00
				Expense Totals:			422,639.00
				Report Totals:			-37,784.00

Request for Action

TO:	Faribault Housing & Redevelopment Authority
FROM:	David Wanberg, Community and Economic Development Director
THROUGH:	
MEETING DATE:	May 13, 2024
SUBJECT:	Announcements and Updates

BACKGROUND:

City Staff will provide an overview of HRA-related announcements and updates, including but not limited to the following:

1. Status of an Economic Development Coordinator who could potentially limited assistance on HRA-related projects - especially those related to redevelopment;
2. Status of KGPCo and potential HRA assistance;
3. Status of CAC's proposed emergency shelter and workforce housing at 1st Ave and 1st Street NW;
4. Status of the heat tape program;
5. Status of 204 Central apartments; and
6. Other announcements and updates.

REQUESTED ACTION:

None

ATTACHMENTS: