



ECONOMIC DEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM THURSDAY, JANUARY 20, 2022

7:00 AM

1. Call to Order
2. Approval of the Minutes
3. Routine Business: *Agenda items below are approved by one motion unless an EDA member requests separate action.*
 - A. Monthly Loan Status Report
 - B. Permit Activity Update Report
 - C. Budget Status Report
4. Public Hearings
5. Items for Discussion
 - A. Approve Service Agreement with the Faribault Area Chamber of Commerce and Tourism, Inc.
 - B. Review Community Profile and Available Land Inventory
 - C. Discuss Loan Subordination Request for 206 Central
 - D. Hwy 60 West (South) Master Planning
6. Project Updates
7. Adjournment



Faribault Economic Development Authority
MEETING MINUTES

Thursday | November 18, 2021

Members Present: Dave Albers, Matthew Drevlow, Will Fort, Grant Forsythe, Janna Viscomi, Kevin Voracek and Chair Gramse

Members Absent: None

Staff Present: Community & Economic Development Director Deanna Kuennen, Community Development Coordinator, Stephanie Aman and Recording Secretary Kari Casper

1. Call to Order / Roll Call / Agenda Approval

Action: Chair Gramse called the meeting to order at 7:00 a.m.

Present: Albers, Fort, Forsythe, Viscomi, Vice Chair Voracek and Chair Gramse

2. Approval Minutes

Action: Motion was made by Albers and seconded by Voracek to approve the Minutes of October 21, 2021 as presented. Motion carried on a 6/0 vote.

Commissioner Drevlow arrived at 7:06 a.m.

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

- A. Monthly Loan Status Report
- B. Permit Activity Update Report
- C. Budget Status Report

Kuennen gave a quick run down on how the reports work through the EDA.

Motion was made by Viscomi and seconded by Drevlow to receive and file the monthly status reports as presented. Motion carried on a 7/0 vote.

4. Public Hearings

A. None.

5. Items for Discussion

A. Approval of Final 2022 Budget and EDA Work Plan

Fort mentioned that at the Vision Task Force, mission one was housing. Fort felt that maybe the EDA could focus on the housing aspect.

After much discussion, a motion was brought by Drevlow and seconded by Fort to amend the proposed Approval of Final 2022 EDA Work Plan to include a focus on housing as discussed. Motion carried on a 7/0 vote.

A motion was made by Drevlow and seconded by Voracek to approve the Final 2022 Budget as presented. Motion carried unanimously.

B. Approval of Final 2022 Levy Request

A motion was brought by Albers and seconded by Voracek to Approve the Final 2022 Levy Request. Motion carried unanimously.

C. Statutory Tort Liability Limits

A motion was brought by Drevlow and seconded by Voracek to approve the Statutory Tort Liability Limits waiver as recommended. Motion carried unanimously.

6. Updates/Project Reports

There was a short discussion on efforts to attract data centers to Faribault, including the pros and cons. Drevlow introduced a new relationship with a European company and KGP.

7. Adjourn

Action: Motion was made by Drevlow and seconded by Albers to adjourn at 7:54 a.m.

Motion carried on a 7/0 vote.

Respectfully Submitted,

Kari Casper



Request for Action

TO: Faribault EDA
FROM: Deanna Kuennen, Director
MEETING DATE: January 19, 2022
SUBJECT: Permit Activity Report

BACKGROUND:

Permit activity (building permits, etc.) is a reflection on the status of the economy. Over the last few years, the City of Faribault has seen an increase in permit activity – which translates into investment in our community. *However, COVID-19 is likely to have an impact on investment and construction activity moving forward, along with material cost increases and shortages.*

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

The following summarizes building permit activity:

	January	February	March	April	May	June	July
Total # Permits	14	16	37	58 (125 YTD)		71	55 (310 YTD)
Total Valuation	\$440,299	\$209,198	\$1,209,812	\$1,057,732 (2,917,041)		\$2,026,202	\$3,407,314 (12,539,407 YTD)
	August	September	October	November	December		
Total # Permits		61	52 (529 YTD)		69 (593 YTD)		
Total Valuation		\$2,531,207	\$1,446,876 (19,929,460)		\$2,275,466 (26,074,755)		

*Building Permits Only – does not include plumbing, heating, signs, electrical, etc.

*2020 Permit Summary – 623 permits (Building Permits Only) / \$55,505,866 valuation

*2021 Permit Summary – 593 permits (Building Permits Only) / \$26,074,755 valuation
 2021 – 24 single-family homes, 6 townhomes, 0 apartment buildings

REQUESTED ACTION:

No action required.



Request for Action

TO: Faribault EDA
FROM: Deanna Kuennen, Director
MEETING DATE: January 19, 2022
SUBJECT: Monthly Budget Status Report

BACKGROUND:

The Economic Development Authority (EDA) approved a 2021 budget, levy request, and work plan. The budget is divided into “operating expenses” and “program funds.” The Program Funds budget is made up of fund balance and various different one-time lump funds. These funds are targeted for specific projects based on the approved Work Plan in the categories of: Available Land, Gateways, Regionalism, Workforce/Data Analysis, and Ongoing Operations.

Attached is the Budget Status report for Fund 290 (Economic Development Authority). *This information is being provided for informational purposes.*

Budgetary items to note:

1. None

Also attached is the Approved 2022 EDA Operating Budget and Program Budget.

Attachments:

December EDA Budget Status Report
Approved 2022 Budget

REQUESTED ACTION:

No action required.

General Ledger

Budget Status

User: kcasper
 Printed: 1/14/2022 - 8:39 AM
 Period: 12, 2021



Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
Fund 290	Economic Development Authority							
Dept 290-00000								
R01	Taxes							
290-00000-462-31010	Current Ad Valorem Taxes	289,982.00	133,458.32	287,673.33	2,308.67	0.00	2,308.67	0.80
290-00000-462-31020	Delinquent Ad Valorem Taxes	0.00	680.82	2,687.47	-2,687.47	0.00	-2,687.47	0.00
290-00000-462-31030	Mobile Home Taxes	0.00	434.61	481.53	-481.53	0.00	-481.53	0.00
290-00000-462-31035	Delinquent Mobile Home Taxes	0.00	144.54	271.42	-271.42	0.00	-271.42	0.00
290-00000-462-31500	PILOT	0.00	0.00	328.49	-328.49	0.00	-328.49	0.00
290-00000-462-31550	Green Acres	0.00	0.00	39.19	-39.19	0.00	-39.19	0.00
	R01 Sub Totals:	289,982.00	134,718.29	291,481.43	-1,499.43	0.00	-1,499.43	0.00
R02	Permit & Licenses							
290-00000-462-36215	Loan Interest	383.00	30.09	382.99	0.01	0.00	0.01	0.00
	R02 Sub Totals:	383.00	30.09	382.99	0.01	0.00	0.01	0.00
R03	Intergovernmental Revenue							
290-00000-462-33402	Market Value Homestead Credit	0.00	19.22	38.45	-38.45	0.00	-38.45	0.00
	R03 Sub Totals:	0.00	19.22	38.45	-38.45	0.00	-38.45	0.00
R04	Charges for Services							
290-00000-462-34108	Administrative Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-34700	Application Fees	2,500.00	0.00	5,440.00	-2,940.00	0.00	-2,940.00	0.00
	R04 Sub Totals:	2,500.00	0.00	5,440.00	-2,940.00	0.00	-2,940.00	0.00
R06	Miscellaneous Revenue							
290-00000-462-36200	Other Miscellaneous Revenue	500.00	729.00	729.00	-229.00	0.00	-229.00	0.00
290-00000-462-36210	Interest on Investments	2,000.00	0.00	3,461.30	-1,461.30	0.00	-1,461.30	0.00
290-00000-462-36211	Interest Market Value	0.00	0.00	-6,694.34	6,694.34	0.00	6,694.34	0.00
290-00000-462-36240	Refunds & Reimbursements	0.00	0.00	9,452.00	-9,452.00	0.00	-9,452.00	0.00
	R06 Sub Totals:	2,500.00	729.00	6,947.96	-4,447.96	0.00	-4,447.96	0.00
R07	Other Sources							
290-00000-462-39100	Sale of Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-39200	Transfer In	0.00	0.00	97,577.54	-97,577.54	0.00	-97,577.54	0.00

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
	R07 Sub Totals:	0.00	0.00	97,577.54	-97,577.54	0.00	-97,577.54	0.00
	Revenue Sub Totals:	295,365.00	135,496.60	401,868.37	-106,503.37	0.00	-106,503.37	0.00
	Dept 00000 Sub Totals:	-295,365.00	-135,496.60	-401,868.37	106,503.37	0.00		
Dept 290-46500	Economic Development							
E02	Supplies							
290-46500-462-42110	General Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-42115	Meeting	400.00	0.00	11.88	388.12	0.00	388.12	97.03
290-46500-462-42420	Minor Computer Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	E02 Sub Totals:	400.00	0.00	11.88	388.12	0.00	388.12	97.03
E03	Other Services & Charges							
290-46500-462-43030	Engineering Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43040	Legal Fees - Civil Process	25,000.00	41.00	3,167.80	21,832.20	0.00	21,832.20	87.33
290-46500-462-43080	Indirect Cost Allocation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43090	Expert & Professional Services	45,000.00	135.00	6,417.50	38,582.50	0.00	38,582.50	85.74
290-46500-462-43095	Software Maintenance & Support	0.00	0.00	303.00	-303.00	0.00	-303.00	0.00
290-46500-462-43130	EDA Program Budget	800,000.00	0.00	5,000.00	795,000.00	0.00	795,000.00	99.38
290-46500-462-43140	Training & Education	0.00	0.00	645.00	-645.00	0.00	-645.00	0.00
290-46500-462-43220	Postage	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43250	Other Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43310	Travel Expense	0.00	0.00	613.04	-613.04	0.00	-613.04	0.00
290-46500-462-43430	Advertising - Other	60,000.00	277.79	10,410.97	49,589.03	0.00	49,589.03	82.65
290-46500-462-43510	Legal Notices Publishing	500.00	0.00	575.00	-75.00	0.00	-75.00	0.00
290-46500-462-43520	Recording Fees	0.00	0.00	152.00	-152.00	0.00	-152.00	0.00
290-46500-462-43610	Insurance & Bonds	1,889.00	0.00	2,904.00	-1,015.00	0.00	-1,015.00	0.00
290-46500-462-43810	Electric Utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43860	Storm Water Utilities	40.00	0.00	0.00	40.00	0.00	40.00	100.00
290-46500-462-44330	Dues & Subscriptions	24,000.00	0.00	21,495.00	2,505.00	0.00	2,505.00	10.44
290-46500-462-44370	Miscellaneous Charges	0.00	0.73	0.73	-0.73	0.00	-0.73	0.00
290-46500-462-44390	Taxes & Licenses	390.00	0.00	0.00	390.00	0.00	390.00	100.00
290-46500-462-44600	Loans & Grants	50,000.00	0.00	79,798.12	-29,798.12	0.00	-29,798.12	0.00
	E03 Sub Totals:	1,006,819.00	454.52	131,482.16	875,336.84	0.00	875,336.84	86.94
E04	Capital Outlay							
290-46500-462-44160	Rents & Leases	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-45100	Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	E04 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E06	Other Uses							

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
290-46500-462-47200	Transfer Out	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	E06 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Expense Sub Totals:	1,007,219.00	454.52	131,494.04	875,724.96	0.00	875,724.96	86.94
	Dept 46500 Sub Totals:	1,007,219.00	454.52	131,494.04	875,724.96	0.00		
	Fund Revenue Sub Totals:	295,365.00	135,496.60	401,868.37	-106,503.37	0.00	-106,503.37	0.00
	Fund Expense Sub Totals:	1,007,219.00	454.52	131,494.04	875,724.96	0.00	875,724.96	86.94
	Fund 290 Sub Totals:	711,854.00	-135,042.08	-270,374.33	982,228.33	0.00		
	Revenue Totals:	295,365.00	135,496.60	401,868.37	-106,503.37	0.00	-106,503.37	0.00
	Expense Totals:	1,007,219.00	454.52	131,494.04	875,724.96	0.00	875,724.96	86.94
	Report Totals:	711,854.00	-135,042.08	-270,374.33	982,228.33	0.00		

2022 APPROVED OPERATING BUDGET

Revenue	Current Ad Valorem Taxes	303,623.00
	Delinquent Ad Valorem Taxes	1,500.00
	Misc Taxes	700.00
	Interest & Misc Revenue	2,500.00
Total Revenue		308,323.00

	Legal	(25,000.00)		legal review - policies, programs, satisfactions, loan docs, packets, etc.
	Insurance & Bonds	(1,889.00)		
	Taxes & Licenses	(500.00)		
	Legal Notices Publishing	(500.00)		
	Meeting Expenses	(250.00)		reduced, but keep for special meetings
			(28,139.00)	
	Expert & Professional Services	(50,000.00)	(50,000.00)	\$10,000 Financial Consultant, \$25,000 eng./consultant for land initiatives, \$5,000 Main Street for Micro Grant admin, \$10,000 "other" program admin
	Loans & Grants	(75,000.00)	(75,000.00)	\$25,000 Micro Grant, \$20,000 Placemaking, \$30,000 city-wide program (new)
	Advertising (ED Marketing Budget	(50,000.00)	(50,000.00)	\$25,000 FAM, Site Selector, MMP, SelectUSA events, \$12,000 marketing ads/materials, \$10,000 MREJ, misc.
	Dues & Subscriptions	(24,000.00)	(24,000.00)	\$1,000 EDAM, \$100 Daily News, \$1,000 MMP, \$4,000 SMIF contrib., \$17,000 Chamber/Main Street/SCDC contrib., Misc subscript.
Total Operating Expenses			(227,139.00)	

2022 APPROVED PROGRAM BUDGET

Estimated Fund	
Balance end of 2021	938,750.19 (plus unspent 2021 Operating Funds)
Excess Levy	81,184.00
	1,019,934.19

Available Land	\$	(400,000.00)	\$250,000 land assembly, \$50,000 infrastructure enhancement/airport, \$100,000 shovel-ready, clear hurdles
Gateways	\$	(400,000.00)	\$200,000 downtown, \$100,000 Hwy 60 W, \$100,000 other corridors/programs
Work Force	\$	(100,000.00)	TBD
Small Business Asssistar	\$	(100,000.00)	TBD
	\$	19,934.19	



Discussion Items

TO: Faribault EDA
FROM: Deanna Kuennen, Director
MEETING DATE: January 19, 2022
SUBJECT: EDA-Main Street Service Agreement

BACKGROUND:

As part of the 2015 audit (conducted in 2016), the auditors recommended that an agreement be entered into between the EDA and the Faribault Chamber of Commerce / Main Street. The purpose of the agreement would be to articulate the services that Main Street provides in return for the EDA funding. Based on the finding, the City Attorney prepared a service agreement between the EDA and the Faribault Chamber of Commerce / Main Street. The agreement was executed and has been in place since, expiring on December 31, 2021.

The EDA and the Faribault Chamber of Commerce / Main Street have shared goals and continue to partner on economic development initiatives that benefit the community. Annually the EDA includes funding in their budget to support the Chamber – in return the agreement outlines the minimum performance requirements of the Chamber / Main Street. In 2021, in addition to providing annual funding, the EDA providing funding for the Downtown Micro Grant and the Downtown Upstairs virtual tool.

Kelly Nygaard will attend the January EDA meeting to provide the annual report.

REQUESTED ACTION:

Staff recommends that the EDA approve a new 5-year service agreement with the Faribault Chamber of Commerce / Main Street. The attached agreement, which is recommended by the auditor, has been reviewed by the Chamber, and reflects current funding levels as approved in the 2022 budget.

ATTACHMENTS:

- 2022 Service Agreement between the Faribault EDA and the Faribault Area Chamber of Commerce
- Resolution 2022-01 Approving a 5-Year Service Agreement between the Faribault EDA and the Faribault Area Chamber of Commerce
- 2021 Chamber of Commerce Annual Report

SERVICE AGREEMENT

This Service Agreement (the “Agreement”) is made this _____ day of January, 2022, by and between the Faribault Economic Development Authority, a public body politic and corporate (the “EDA”), and the Faribault Area Chamber of Commerce and Tourism, Inc., a Minnesota nonprofit corporation (the “Chamber”). The EDA and the Chamber are collectively referred to herein as the “Parties.”

RECITALS

WHEREAS, the Chamber operates the Faribault Main Street program (the “FMS Program”) in an ongoing effort to improve, revitalize and preserve historic buildings in the City of Faribault’s downtown area; and

WHEREAS, the EDA is responsible for administering and supporting programs that enhance the growth and development of the City of Faribault’s businesses and industries, many of which operate in the downtown area; and

WHEREAS, the EDA believes that the redevelopment of the downtown area, as accomplished through this Agreement, is in the vital 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 EDA has the authority to enter into this Agreement pursuant to Minnesota Statutes, section 469.101; and

WHEREAS, the EDA desires to engage the Chamber to provide the services described in this Agreement and the Chamber 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.** The Chamber agrees to continue to operate and support the FMS Program for at least the duration of this Agreement. The Chamber agrees to provide all resources and support necessary for the FMS Program. The Chamber further agrees to perform the following responsibilities:
 - a. Raise revenues for the FMS Program through various fundraising events and marketing partnerships;
 - b. Maintain the FMS Program’s board of directors, its various volunteer programs, and its various committees;

- c. Maintain the FMS Program's status as a Preservation Alliance of Minnesota designated Main Street program by fulfilling all requirements necessary to do so, including, but not limited to, the preparation and submission of quarterly financial reports;
- d. Work cooperatively with the EDA and the City of Faribault by serving in an advisory role regarding various issues related to Faribault's downtown area; and
- e. Prepare annual reports for the EDA, as outlined and required in paragraph 8 herein.

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.

As the compensation received from the EDA by the Chamber provided for in paragraph 3 below may vary, the scope of the services provided by the Chamber may vary accordingly.

2. **Term.** The term of this Agreement shall begin on the date of execution and shall end on December 31, 2027. The date of execution is the date on which the second party executes the Agreement.
3. **Compensation.** In consideration for the Chamber's services, the EDA agrees to provide annual compensation to the Chamber in the following manner:
 - a. For calendar year 2022, the EDA agrees to remit \$17,000 to the Chamber on or before April 30, 2022.
 - b. For each year subsequent to 2022 that is covered by this Agreement, the EDA shall determine an annual compensation amount based on the Chamber's Annual Report, as required in paragraph 8 of this Agreement. Each year's compensation amount shall be determined by the EDA, subject to any necessary approvals by the Faribault City Council, and remitted to the Chamber on or before April 30 of the year in which it applies.
 - c. No compensation for any calendar year shall be distributed to the Chamber until the FMS Program's budget for that year has been reviewed by the EDA.
4. **Termination.** Notwithstanding any other provision hereof to the contrary, the Agreement may be terminated as follows:
 - a. The Parties, by mutual agreement, may terminate this Agreement at any time.
 - b. The Chamber may terminate this Agreement in the event of a breach of the Agreement by the EDA upon providing sixty (60) days written notice to the EDA.
 - c. The EDA may terminate this Agreement at any time for any cause upon written notice to the Chamber, or for no reason or cause upon sixty (60) days written notice to the Chamber.
 - d. The EDA may also terminate this Agreement immediately upon the Chamber's failure to have in force any insurance required by this Agreement.

In the event of any termination, the EDA shall only be obligated to compensate the Chamber 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. The Chamber agrees that the EDA 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. The Chamber 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 in regards to the obligations set forth in this Agreement.
8. **Annual Report.** No later than November 30th of years 2022, 2023, 2024, 2025, 2026, and 2027, the Chamber shall submit an annual report to the EDA ("Annual Report"). Each Annual Report shall include the following:
 - a. An approved budget for the FMS Program for the upcoming year for which the Chamber is requesting compensation;
 - b. Detailed summaries of the FMS Program's future goals and initiatives, including the goals for each individual FMS Program committee;
 - c. Detailed summaries of the FMS Program's accomplishments from the preceding year; and
 - d. An identification of the Chamber'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 the Chamber or the FMS Program from seeking additional funding or support from the EDA 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, the Chamber, and the Chamber's successors or assigns, agree to protect, defend, save, and hold harmless the EDA, 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, attorney's 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 the Chamber 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 EDA is otherwise entitled.

11. **Insurance and Bonds.** The Chamber will maintain at the Chamber'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 EDA, the Chamber shall provide the EDA with current certificate(s) of liability insurance for all insurance coverage referenced above. Such certificate(s) of General Liability insurance shall list the EDA 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 EDA, 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 the Chamber's or any other party's obligations hereunder. In addition, the Chamber 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, the Chamber 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 the Chamber pursuant to this Agreement.

12. **Subcontracting; Assignment.** The Chamber 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 EDA. 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.** The Chamber shall be deemed an independent contractor. The Chamber's duties will be performed with the understanding that the Chamber has special expertise as to the services which the Chamber 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 the Chamber. The Chamber is not to be deemed an employee or agent of the EDA and has no authority to make any binding commitments or obligations on behalf of the EDA except to the extent expressly provided herein. All services provided by the Chamber pursuant to this Agreement shall be provided by the Chamber as an independent contractor and not as an employee of the EDA for any purpose, including but not limited to: income tax withholdings, workers compensation, unemployment compensation, FICA taxes, liability for torts and eligibility for employee benefits.

14. **Compliance with Laws.** The Chamber shall exercise due professional care to comply with the 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 State mail, postage fully prepaid, certified, return receipt requested, addressed to:

Chamber: Faribault Area Chamber of Commerce and Tourism, Inc.
530 Wilson Avenue
Faribault, MN 55021
Attn: _____

EDA: Faribault Economic Development Authority
208 1st Avenue NW
Faribault, MN 55021
Attn: Deanna Kuennen

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

16. **Attorney's 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, the Chamber 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, the Chamber shall advise the EDA and either secure a waiver of the conflict or advise the EDA that it will be unable to provide requested services.

21. **Data Practices Act Compliance.** Any and all data provided to the Chamber, received from the Chamber, created, collected, received, stored, used, maintained, or disseminated by the Chamber 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 the Chamber to provide access to public data to the public if the public data are available from the EDA, except as required by the terms of this Agreement.
22. **No Discrimination.** The Chamber 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 regards 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 ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Its: _____ President

By: _____
Its: _____ Secretary/Treasurer

FARIBAULT AREA CHAMBER OF COMMERCE AND TOURISM, INC.

By: _____
Its: _____ Chair

Resolution 2022-01

**APPROVING SERVICE AGREEMENT BETWEEN THE FARIBAULT ECONOMIC
DEVELOPMENT AUTHORITY AND THE FARIBAULT AREA CHAMBER OF
COMMERCE AND TOURISM, INC.**

WHEREAS, the Chamber operates the Faribault Main Street program (the “FMS Program”) in an ongoing effort to improve, revitalize and preserve historic buildings in the City of Faribault’s downtown area; and

WHEREAS, the Faribault Economic Development Authority (EDA) is responsible for administering and supporting programs that enhance the growth and development of the City of Faribault’s businesses and industries, many of which operate in the downtown area; and

WHEREAS, the EDA believes that the redevelopment of the downtown area, as accomplished through the attached Service Agreement (Agreement), is in the vital 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 EDA has the authority to enter into this Agreement pursuant to Minnesota Statutes, section 469.101; and

WHEREAS, the EDA desires to engage the Chamber to provide the services described in the attached Agreement and the Chamber is willing to provide such services on the terms and conditions set forth herein.

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority for the City of Faribault, the EDA approves the Service Agreement attached as Exhibit A and authorizes execution of the agreement.

ADOPTED: January 20, 2022

ATTEST:

Rodney Gramse, President

Dave Albers, Secretary

EXHIBIT A

SERVICE AGREEMENT

This Service Agreement (the “Agreement”) is made this _____ day of January, 2022, by and between the Faribault Economic Development Authority, a public body politic and corporate (the “EDA”), and the Faribault Area Chamber of Commerce and Tourism, Inc., a Minnesota nonprofit corporation (the “Chamber”). The EDA and the Chamber are collectively referred to herein as the “Parties.”

RECITALS

WHEREAS, the Chamber operates the Faribault Main Street program (the “FMS Program”) in an ongoing effort to improve, revitalize and preserve historic buildings in the City of Faribault’s downtown area; and

WHEREAS, the EDA is responsible for administering and supporting programs that enhance the growth and development of the City of Faribault’s businesses and industries, many of which operate in the downtown area; and

WHEREAS, the EDA believes that the redevelopment of the downtown area, as accomplished through this Agreement, is in the vital 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 EDA has the authority to enter into this Agreement pursuant to Minnesota Statutes, section 469.101; and

WHEREAS, the EDA desires to engage the Chamber to provide the services described in this Agreement and the Chamber 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.** The Chamber agrees to continue to operate and support the FMS Program for at least the duration of this Agreement. The Chamber agrees to provide all resources and support necessary for the FMS Program. The Chamber further agrees to perform the following responsibilities:
 - a. Raise revenues for the FMS Program through various fundraising events and marketing partnerships;
 - b. Maintain the FMS Program’s board of directors, its various volunteer programs, and its various committees;
 - c. Maintain the FMS Program’s status as a Preservation Alliance of Minnesota designated Main Street program by fulfilling all requirements necessary to do so, including, but not limited to, the preparation and submission of quarterly financial reports;
 - d. Work cooperatively with the EDA and the City of Faribault by serving in an advisory role regarding various issues related to Faribault’s downtown area; and
 - e. Prepare annual reports for the EDA, as outlined and required in paragraph 8 herein.

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.

As the compensation received from the EDA by the Chamber provided for in paragraph 3 below may vary, the scope of the services provided by the Chamber may vary accordingly.

2. **Term.** The term of this Agreement shall begin on the date of execution and shall end on December 31, 2027. The date of execution is the date on which the second party executes the Agreement.
3. **Compensation.** In consideration for the Chamber's services, the EDA agrees to provide annual compensation to the Chamber in the following manner:
 - a. For calendar year 2022, the EDA agrees to remit \$17,000 to the Chamber on or before April 30, 2022.
 - b. For each year subsequent to 2022 that is covered by this Agreement, the EDA shall determine an annual compensation amount based on the Chamber's Annual Report, as required in paragraph 8 of this Agreement. Each year's compensation amount shall be determined by the EDA, subject to any necessary approvals by the Faribault City Council, and remitted to the Chamber on or before April 30 of the year in which it applies.
 - c. No compensation for any calendar year shall be distributed to the Chamber until the FMS Program's budget for that year has been reviewed by the EDA.
4. **Termination.** Notwithstanding any other provision hereof to the contrary, the Agreement may be terminated as follows:
 - a. The Parties, by mutual agreement, may terminate this Agreement at any time.
 - b. The Chamber may terminate this Agreement in the event of a breach of the Agreement by the EDA upon providing sixty (60) days written notice to the EDA.
 - c. The EDA may terminate this Agreement at any time for any cause upon written notice to the Chamber, or for no reason or cause upon sixty (60) days written notice to the Chamber.
 - d. The EDA may also terminate this Agreement immediately upon the Chamber's failure to have in force any insurance required by this Agreement.

In the event of any termination, the EDA shall only be obligated to compensate the Chamber 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. The Chamber agrees that the EDA 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. The Chamber 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 in regards to the obligations set forth in this Agreement.
8. **Annual Report.** No later than November 30th of years 2022, 2023, 2024, 2025, 2026, and 2027, the Chamber shall submit an annual report to the EDA ("Annual Report"). Each Annual Report shall include the following:
 - a. An approved budget for the FMS Program for the upcoming year for which the Chamber is requesting compensation;
 - b. Detailed summaries of the FMS Program's future goals and initiatives, including the goals for each individual FMS Program committee;
 - c. Detailed summaries of the FMS Program's accomplishments from the preceding year; and
 - d. An identification of the Chamber'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 the Chamber or the FMS Program from seeking additional funding or support from the EDA 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, the Chamber, and the Chamber's successors or assigns, agree to protect, defend, save, and hold harmless the EDA, 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, attorney's 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 the Chamber 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 EDA is otherwise entitled.
11. **Insurance and Bonds.** The Chamber will maintain at the Chamber'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 EDA, the Chamber shall provide the EDA with current certificate(s) of liability insurance for all insurance coverage referenced above. Such certificate(s) of General Liability insurance shall list the EDA 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 EDA, 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 the Chamber's or any other party's obligations hereunder. In addition, the Chamber 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, the Chamber 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 the Chamber pursuant to this Agreement.

12. **Subcontracting; Assignment.** The Chamber 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 EDA. 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.** The Chamber shall be deemed an independent contractor. The Chamber's duties will be performed with the understanding that the Chamber has special expertise as to the services which the Chamber 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 the Chamber. The Chamber is not to be deemed an employee or agent of the EDA and has no authority to make any binding commitments or obligations on behalf of the EDA except to the extent expressly provided herein. All services provided by the Chamber pursuant to this Agreement shall be provided by the Chamber as an independent contractor and not as an employee of the EDA for any purpose, including but not limited to: income tax withholdings, workers compensation, unemployment compensation, FICA taxes, liability for torts and eligibility for employee benefits.
14. **Compliance with Laws.** The Chamber shall exercise due professional care to comply with the 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 State mail, postage fully prepaid, certified, return receipt requested, addressed to:

Chamber: Faribault Area Chamber of Commerce and Tourism, Inc.
 530 Wilson Avenue
 Faribault, MN 55021
 Attn: _____

EDA: Faribault Economic Development Authority

208 1st Avenue NW
Faribault, MN 55021
Attn: Deanna Kuennen

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

16. **Attorney's 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, the Chamber 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, the Chamber shall advise the EDA and either secure a waiver of the conflict or advise the EDA that it will be unable to provide requested services.
21. **Data Practices Act Compliance.** Any and all data provided to the Chamber, received from the Chamber, created, collected, received, stored, used, maintained, or disseminated by the Chamber 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 the Chamber to provide access to public data to the public if the public data are available from the EDA, except as required by the terms of this Agreement.
22. **No Discrimination.** The Chamber 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 regards 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 ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Its: _____ President

By: _____
Its: _____ Secretary/Treasurer

FARIBAULT AREA CHAMBER OF COMMERCE AND TOURISM, INC.

By: _____
Its: _____ Chair



Board of Directors

- Todd Markman – Reliance Bank
- Narren Brown – South Central College
- Jim Harding – Edward Jones Financial
- Sara Caron – Faribault City Council
- Jeremy Chavis – Faribault Vacuum and Sewing
- Miki Orr – Zensational
- Royal Ross – G&H Management
- Deanna Kuennen – City of Faribault

2021 Year in Review

Economic Restructuring:

- Facilitated Micro Grant Program
- Hosted 2nd annual Upstairs Downtown tour
- Created digital experience for Upstairs Downtown Tour

Design:

- Served on City Committee for selection of large mural on 3rd St ("Love for All")
- Served on City Committee for future park near Viaduct
- Addition of seasonal decor

Promotions:

- Monthly Car Cruise Event in Summer
- Fall Festival Chili Cook-Off
- Winterfest
- Continuous Social Media growth, creating awareness
- Retail Promotions: Ladies Nights, Shop Small Saturday, etc
- Took on Blue Collar Festival
- Faribault showcased in Statewide Publication

Organization:

- Received National Main Street Accreditation
- Collaborated with Buckham Center and the Diversity Coalition to leverage Night to Unite as a Cultural Engagement Opportunity
- Continuous volunteer and committee recruitment and engagement



Request for Action

TO: Economic Development Authority
THROUGH: Deanna Kuennen, Community & Econ Dev Director
FROM: Stephanie Aman, Econ Development Coordinator
MEETING DATE: January 20, 2022
SUBJECT: Subordination Request – 206 Central

Background

In 2017 and 2019, Ellison Investment Group, LLC received Downtown Commercial Rehabilitation Loans totaling \$36,300.00 to assist in financing the upgrade and improvement of the commercial address 206 Central Ave. Ellison Investment Group, LLC also received a forgivable HRA loan in 2017 for \$40,000.00.

On January 10, 2022, Staff received a subordination request from The State Bank of Faribault on behalf of Ellison Investment regarding a pending restructure of the first mortgage on the property. Ellison Investment Group is refinancing in the amount of a \$225,000 to a line of credit to be used to make improvements on the property located at 208-212 Central.

1 st Mortgage Balance	\$225,000.00
EDA Downtown Commercial Rehab Loan Balance	\$36,300.00
HRA Loan Balance	\$40,000.00
1 st Mortgage Restructure Balance	\$363,200.00

Two EDA loans are eligible to be forgiven in 2022, and one in 2024. The dates of forgiveness for the 3 loans are: 8/31/2022, 10/31/2022 and 3/31/2024. The HRA Loan is due to be forgiven on 11/30/2027.

Staff is unable to approve the subordination request due to the deviation of guidelines of prohibiting cash outs in refinancing of loans. The EDA is being asked to consider the request as the EDA loans would be forgiven this year, and the money that is being requested as a line of credit would be invested into another downtown property adjacent to 206 Central.

Requested Action:

The EDA is asked to consider the subordination request which would allow Ellison Investments to obtain a line of credit on their refinancing that makes possible the investment in 208-212 Central.

Attachments:

- Administrative Review
- EDA Subordination Guidelines

**Subordination Request – Administrative Review
January 20, 2022**

Participant Name: Ellison Investment Group, LLC

Building Address: 206 Central Ave, Faribault, Minnesota

Project Description: Refinance to pull out equity and reinvest in adjacent building. Requires subordination of EDA forgivable loan. No change of ownership.

Proposed New First Mortgage:	\$363,200.00
EDA Downtown Commercial Rehab Forgivable Loan:	\$15,000.00
EDA Payable Loan:	NA
Total Liens:	\$225,000.00
Assessed/Market Value:	\$259,100.00
Appraised Value:	\$454,000.00*
Average Value:	\$356,550.00
LTV Ratio:	140%/80%/101%
Max LTV Ratio:	90%

Date Approved: _____ Date Denied: _____

*The last appraisal was done December 17, 2021.

Additional Information: The forgiveness date for this loan is 8/31/2022.

Attended by:

**Subordination Request – Administrative Review
January 20, 2022**

Participant Name: Ellison Investment Group, LLC

Building Address: 206 Central Ave, Faribault, Minnesota

Project Description: Refinance to pull out equity and reinvest in adjacent building. Requires subordination of EDA forgivable loan. No change of ownership.

Proposed New First Mortgage:	\$363,200.00
EDA Downtown Commercial Rehab Forgivable Loan:	\$6,400.00
EDA Payable Loan:	NA
Total Liens:	\$225,000.00
Assessed/Market Value:	\$259,100.00
Appraised Value:	\$454,000.00*
Average Value:	\$356,550.00
LTV Ratio:	140%/80%/101%
Max LTV Ratio:	90%

Date Approved: _____ Date Denied: _____

*The last appraisal was done December 17, 2021.

Additional Information: The forgiveness date for this loan is 10/31/2022.

Attended by:

**Subordination Request – Administrative Review
January 20, 2022**

Participant Name: Ellison Investment Group, LLC

Building Address: 206 Central Ave, Faribault, Minnesota

Project Description: Refinance to pull out equity and reinvest in adjacent building. Requires subordination of EDA forgivable loan. No change of ownership.

Proposed New First Mortgage:	\$363,200.00
EDA Downtown Commercial Rehab Forgivable Loan:	\$14,900.00
EDA Payable Loan:	NA
Total Liens:	\$225,000.00
Assessed/Market Value:	\$259,100.00
Appraised Value:	\$454,000.00*
Average Value:	\$356,550.00
LTV Ratio:	140%/80%/101%
Max LTV Ratio:	90%

Date Approved: _____ Date Denied: _____

*The last appraisal was done December 17, 2021.

Additional Information: The forgiveness date for this loan is 3/31/2024.

Attended by:

ECONOMIC DEVELOPMENT AUTHORITY SUBORDINATION GUIDELINES

Request for subordination mortgages held by the Economic Development Authority (EDA) are reviewed and approved in-house by staff.

To submit a request for subordination, the EDA's Application for Subordination Agreement must be completed by the lending institution requesting the subordination. The application must be fully completed and returned with a \$35.00 fee. Please allow ten business days for processing.

In reviewing Subordination Applications, the EDA has set the following guidelines in determining approval, if the EDA's lien is payable. If the EDA's lien is structured as forgivable, staff will utilize the same guidelines however, may still approve if all guidelines are not met but in the best interest of the financial partners and applicant.

- The EDA will not subordinate its lien position unless the request is to refinance the first mortgage at prevailing market rates/fees or the request is for additional equipment or expansion of the current facility.
- The EDA's loan must be in a current status and not in default of any of its terms or conditions.
- No "cash out" is allowed.
- The combination loan to value ratio may not exceed 90%.

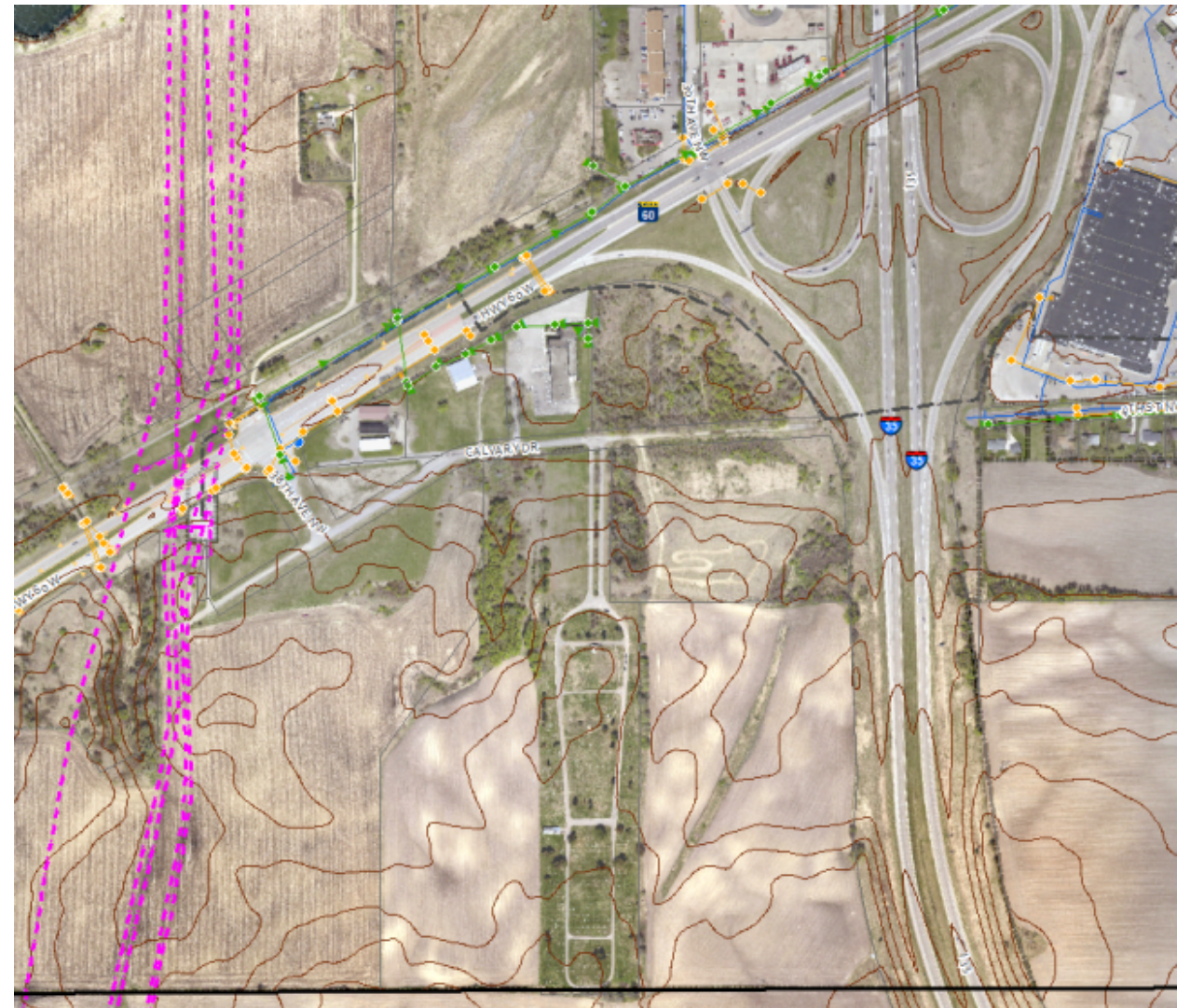
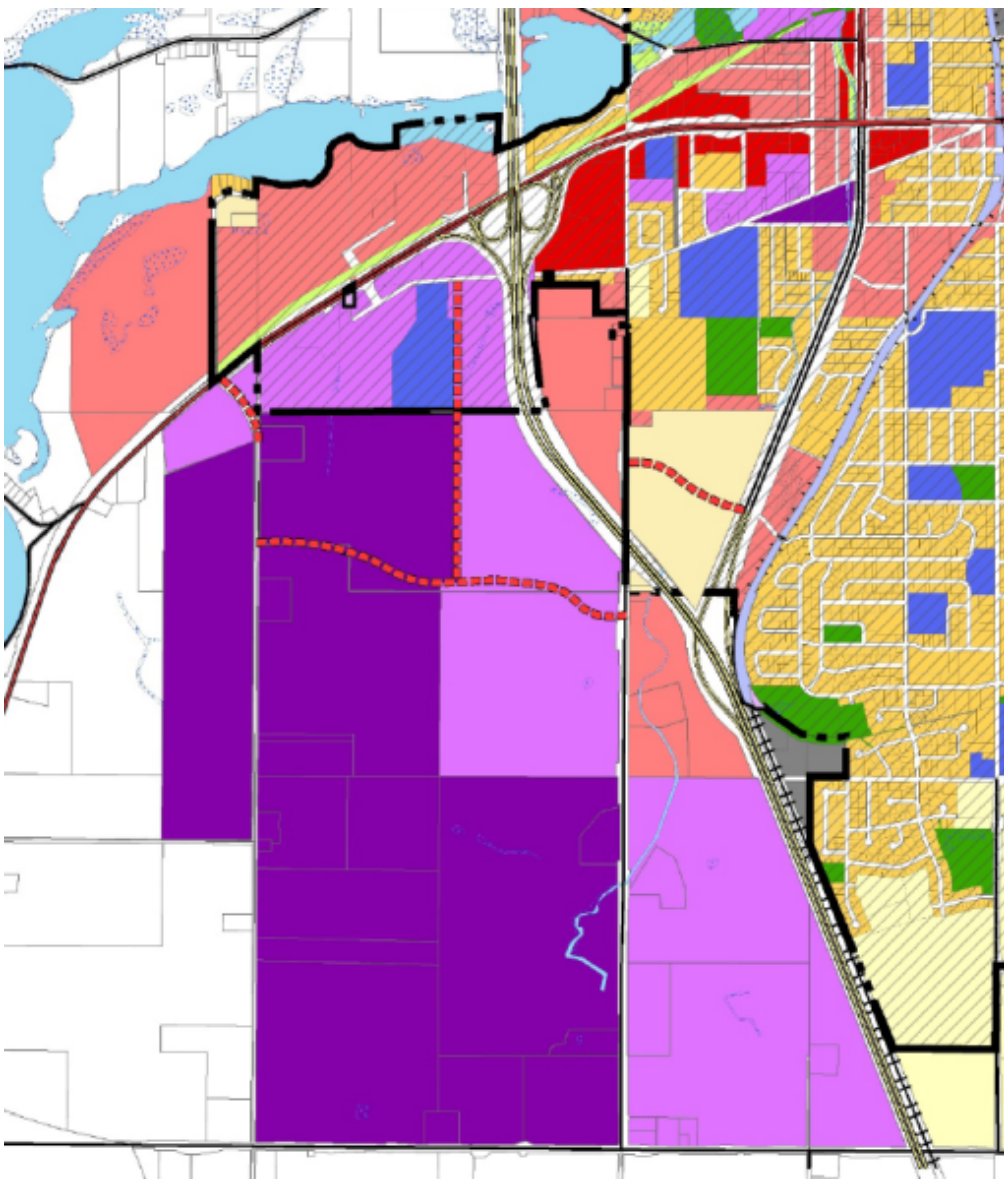
The above are guidelines in reviewing; each subordination is determined on a case-by-case basis.

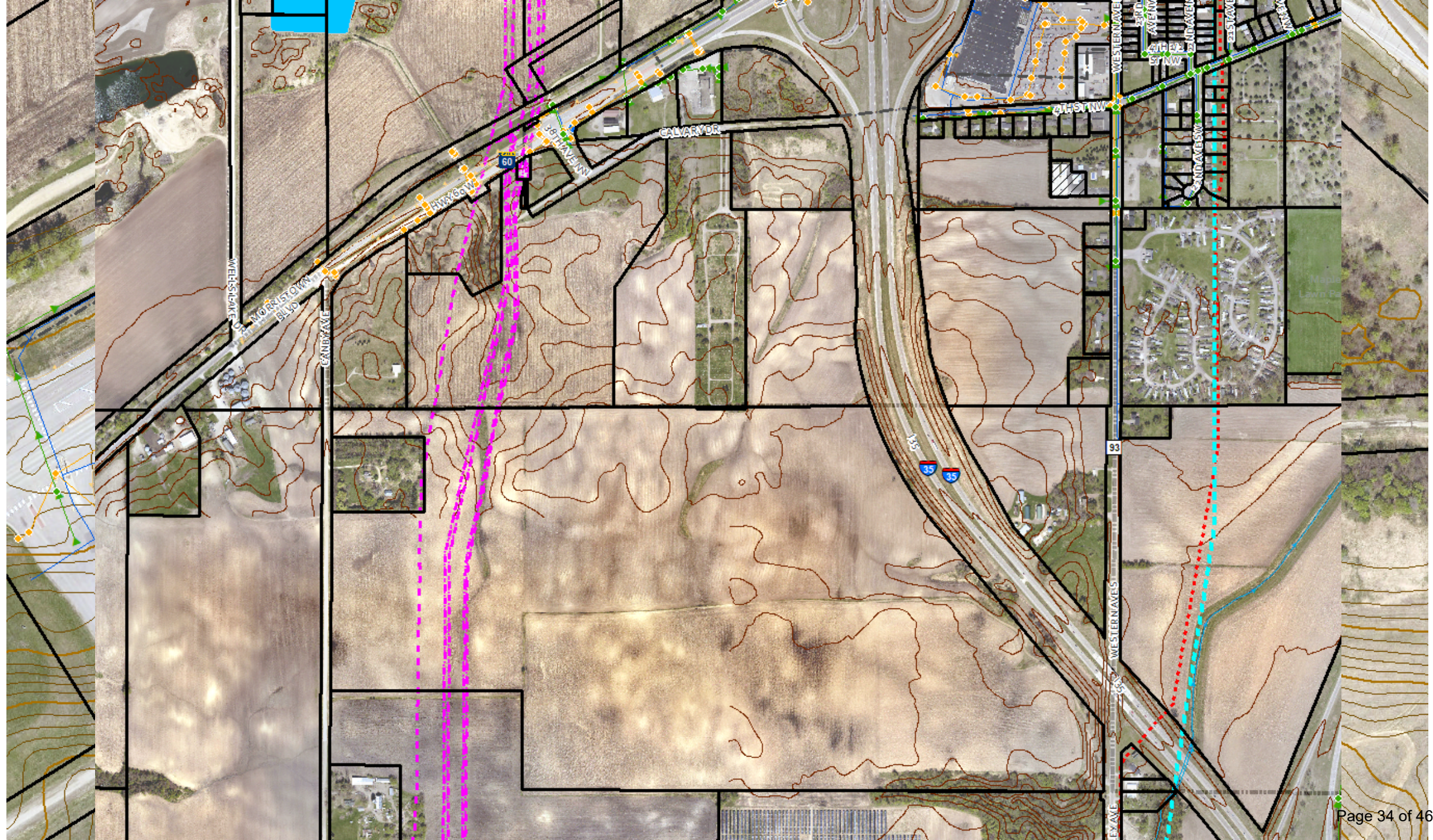
Failure to fully provide all requested information will delay review and action. Please remit the \$35.00 application fee payable to the Economic Development Authority (EDA) along with the completed application to:

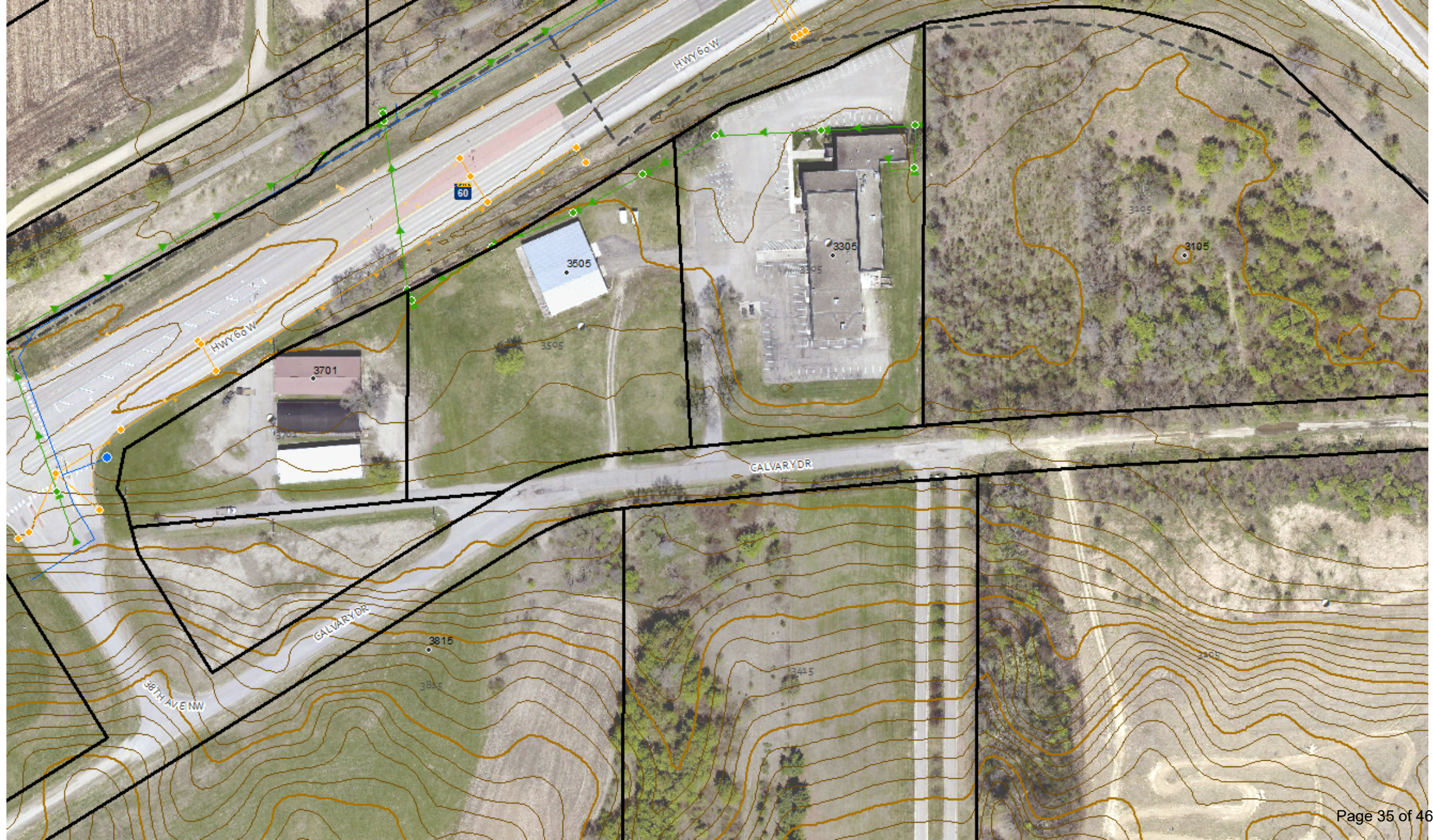
Economic Development Authority
Attn: Deanna Kuennen
208 NW 1st Avenue
Faribault, MN 55021
507.333.0376

Hwy 60 West – Master Planning

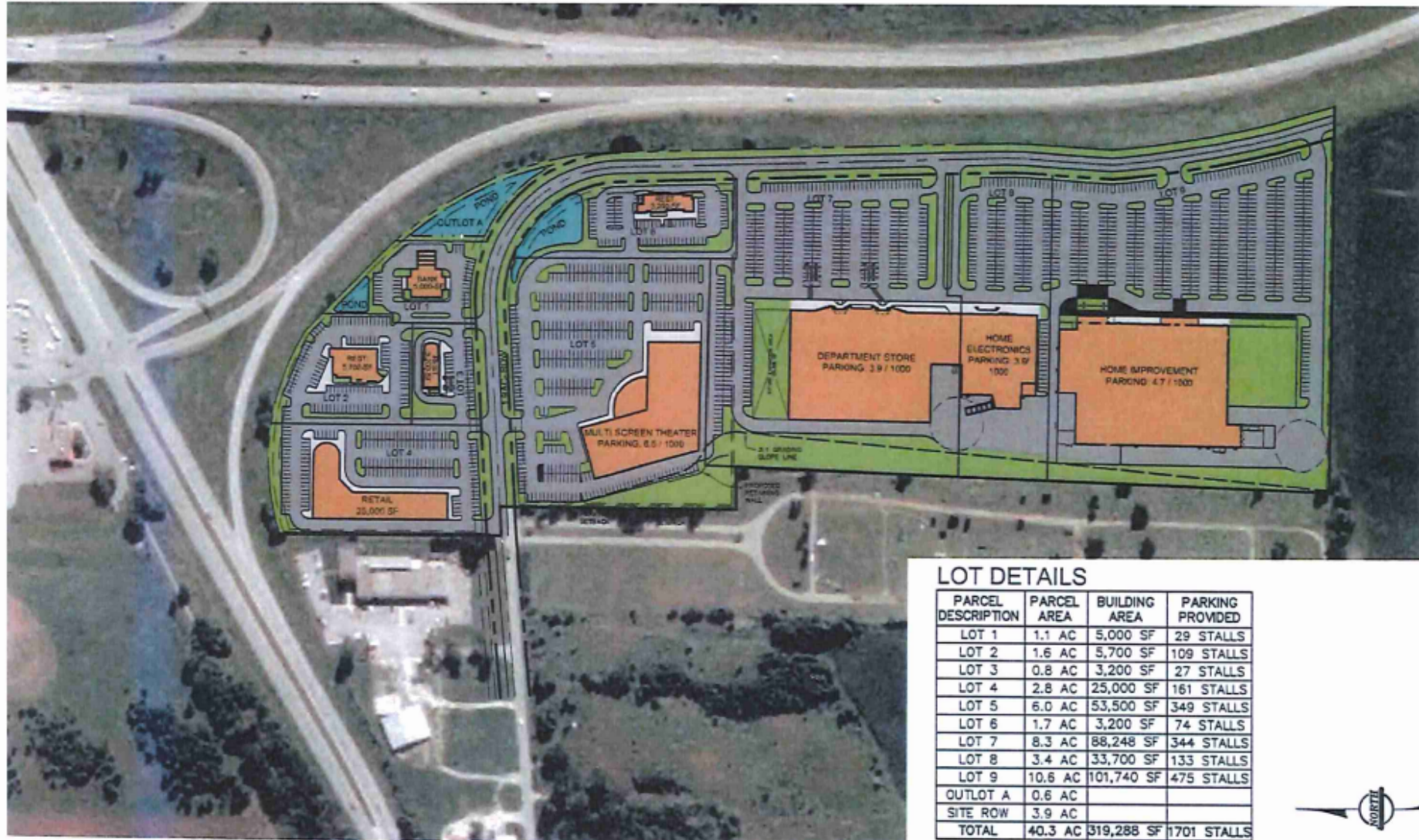
January 10, 2022







SAMPLE PROPOSED DEVELOPMENT



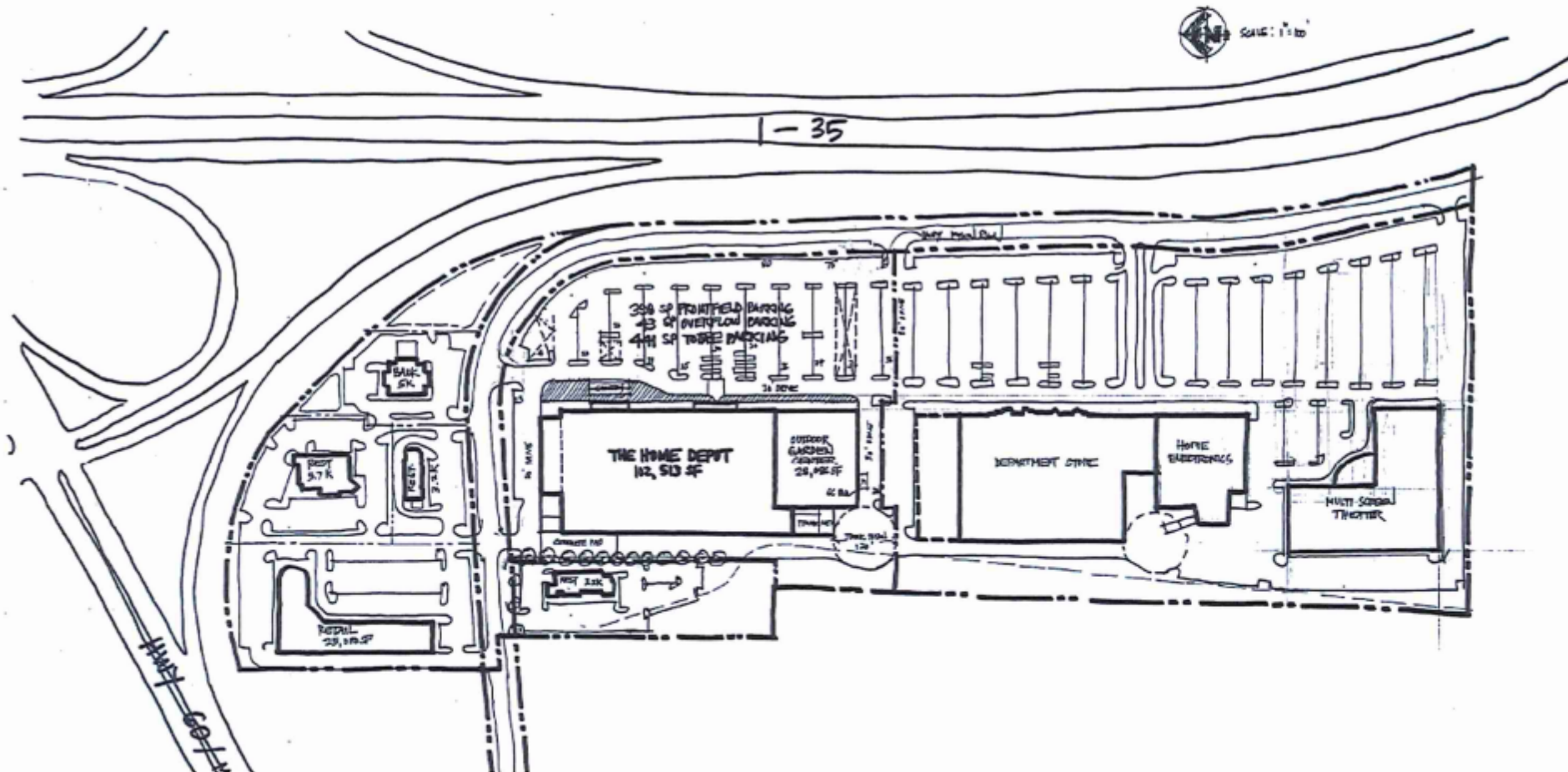
LOT DETAILS

PARCEL DESCRIPTION	PARCEL AREA	BUILDING AREA	PARKING PROVIDED
LOT 1	1.1 AC	5,000 SF	29 STALLS
LOT 2	1.6 AC	5,700 SF	109 STALLS
LOT 3	0.8 AC	3,200 SF	27 STALLS
LOT 4	2.8 AC	25,000 SF	161 STALLS
LOT 5	6.0 AC	53,500 SF	349 STALLS
LOT 6	1.7 AC	3,200 SF	74 STALLS
LOT 7	8.3 AC	88,248 SF	344 STALLS
LOT 8	3.4 AC	33,700 SF	133 STALLS
LOT 9	10.6 AC	101,740 SF	475 STALLS
OUTLOT A	0.6 AC		
SITE ROW	3.9 AC		
TOTAL	40.3 AC	319,288 SF	1701 STALLS



0 200
SCALE IN FEET

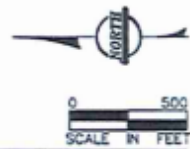
SAMPLE – PROPOSED DEVELOPMENT



SAMPLE SKETCH – PROXIMITY TO FARIBAULT

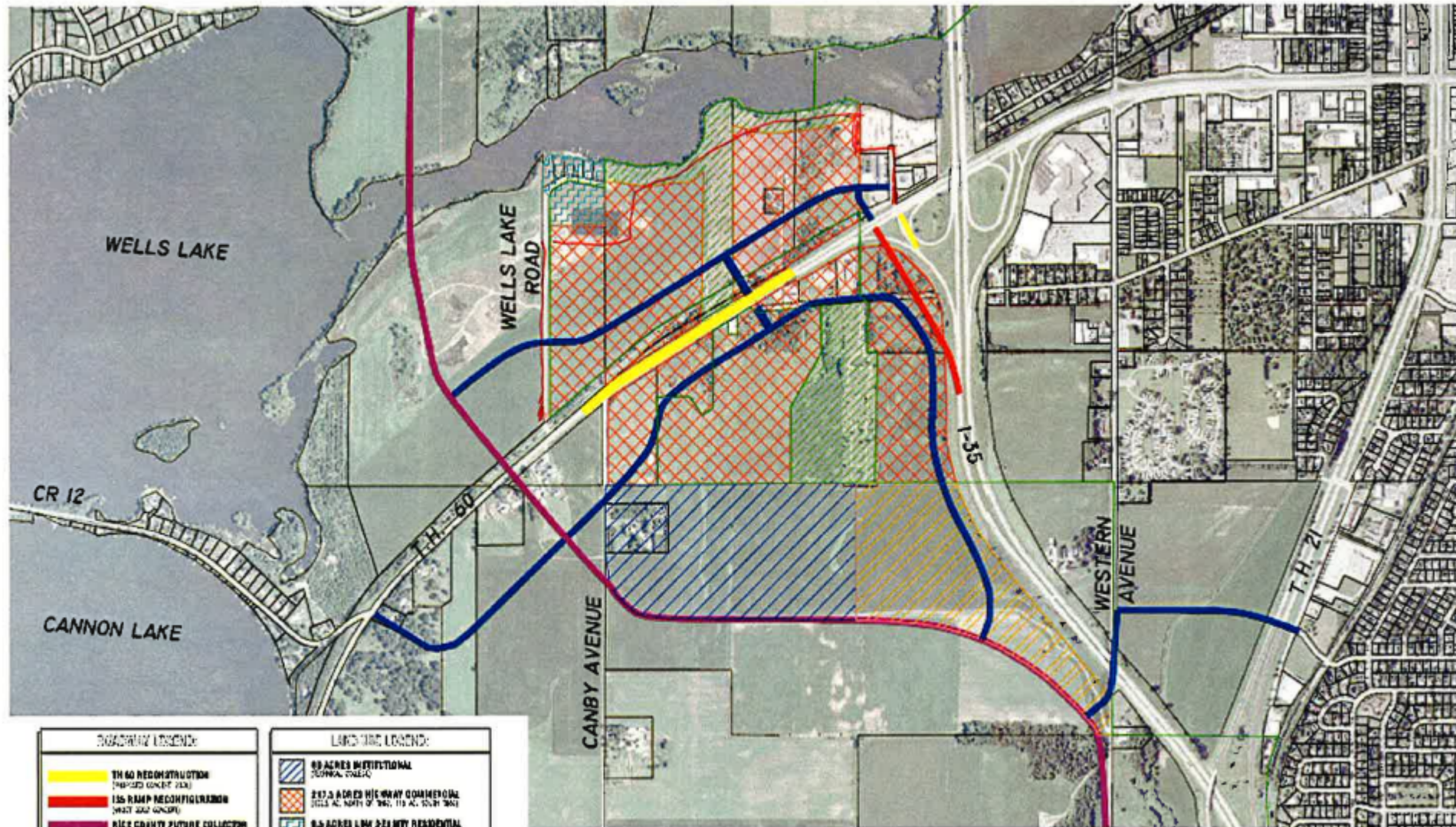


Faribault Commercial - Sketch Plan 3



TH60 COMMERCIAL DEVELOPMENT AREA

FARIBAULT, MINNESOTA



ROADWAY LEGEND:	
—	TH 60 RECONSTRUCTION (IMPROVED CONCRET PAV)
—	135 RAMP RECONFIGURATION (WAST 200' WIDE)
—	RICE COUNTY FUTURE COLLECTION P33 COUNTY ROADWAY (Rte. 135, 253)
—	COMMERCIAL ROAD NETWORK (CITY OF FARIBAULT 2006 2011)

LAND-USE LEGEND:	
	88 ACRES INSTITUTIONAL (SCHOOL, CHURCH)
	237.5 ACRES HIGHWAY COMMERCIAL (SOUTH AL. NORTH OF 135; 115 AL. SOUTH 135)
	8.5 ACRES LOW DENSITY RESIDENTIAL
	48 ACRES MEDIUM DENSITY RESIDENTIAL
	25 ACRES PARK/OPEN SPACE (SOUTH AL. NORTH OF 135; 115 AL. SOUTH 135)

PREPARED BY:



I&S Engineers & Architects, Inc.
One firm - start to finish

Scale:
0 500 1000

PLOT DATE:
9/15/06

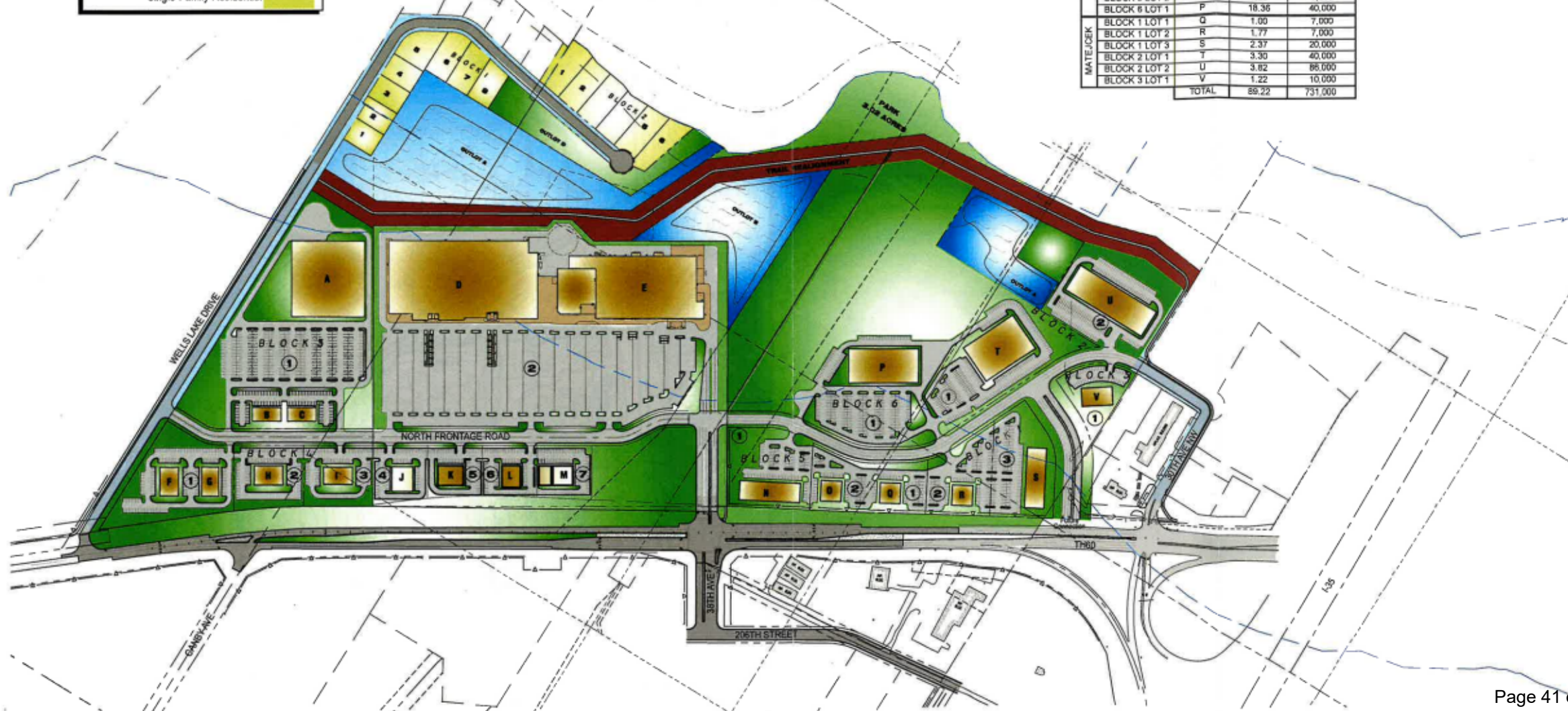




DEVELOPMENT BREAKDOWN				
LOT #	LOT AREA (AC.)	BUILDING AREA (S.F.)	PARKING STALLS (19'x9')	POND AREA (AC.)
1	10.70	150,000	538	-
2	10.21	130,000	513	-
3	4.23	26,300	258	-
4	3.39	35,000	177	-
5	3.01	24,000	172	-
6	4.41	16,000	98	-
OUTLOT A	2.85	-	-	1.96
OUTLOT B	0.84	-	-	-
OUTLOT C	2.87	-	-	0.83
STREET R/W	3.44	-	-	-
TOTALS	45.55	382,300	1754	2.79

LEGEND	
Proposed Trail ROW- DNR	
Proposed Trail ROW - City of Faribault	
Greenspace/Open Area	
Outlots & Stormwater Facilities	
Commercial	
Single-Family Residential	

LOT NUMBER	BUILDING ID	LOT SIZE (ACRES)	BUILDING SIZE (SQ. FT.)
BLOCK 3 LOT 1	A	11.49	90,000
	B	-	7,000
	C	-	7,000
BLOCK 3 LOT 2	D	31.47	187,000
	E	-	131,000
BLOCK 4 LOT 1	F	3.21	8,000
	G	-	8,000
BLOCK 4 LOT 2	H	1.63	9,000
BLOCK 4 LOT 3	I	1.58	8,000
BLOCK 4 LOT 4	J	1.14	9,000
BLOCK 4 LOT 5	K	1.04	9,000
BLOCK 4 LOT 6	L	1.03	8,000
BLOCK 4 LOT 7	M	1.08	12,000
BLOCK 5 LOT 1	N	2.46	20,000
BLOCK 5 LOT 2	O	1.26	7,000
BLOCK 6 LOT 1	P	18.36	40,000
BLOCK 1 LOT 1	Q	1.00	7,000
	R	1.77	7,000
	S	2.37	20,000
BLOCK 2 LOT 1	T	3.30	40,000
BLOCK 2 LOT 2	U	3.82	88,000
BLOCK 3 LOT 1	V	1.22	10,000
TOTAL		88.22	731,000





Discussion Items

TO: Faribault EDA
FROM: Stephanie Aman, Economic Development Coordinator
THROUGH: Deanna Kuennen, Community & Econ Dev Director
MEETING DATE: January 20, 2022
SUBJECT: Updates/Project Reports

UPDATES

Prospects/Business Updates:

Faribault Woolen Mill	Staff has kept in contact with the Faribault Woolen Mill as they pursue the implementation of their strategic plan, which includes numerous capital investments. At this time they are not in need of EDA financing, but may pursue EDA programs as they work through implementation of their plans.
Specialized Automotive Restoration / Service Project	Staff have been working with a new specialized automotive restoration/service business to connect them to possible funding sources. Improvements to the property they acquired are underway.
Food Producer	In the spring, Staff had been in contact with a food producer regarding possible expansion in Faribault. Staff prepared a proposal of possible land and financing options and will continue to stay in touch with them as they make decisions on their next steps and finalize their location. Staff and our Economic Development partners met with them to discuss incentives and financing; staff toured possible sites with them and they recently decided on a Faribault site and are pursuing the purchase. Staff continues to stay in touch with them and will meet again when they are ready for next steps.
Food Producer/CVN Prospect	September: Staff connected with a food producer prospect at CVN and prepared a very high level informational response; including two different sites that fit their criteria. Faribault originally made their short list of places to be considered, but other areas (states) were able to offer lower taxes and more incentives. Staff recently learned that there has been some reconsideration for Faribault and is in touch with this company.

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Manufacturing /CVN Prospect	Staff prepared an initial response to this CVN prospect and will continue to follow up with them to ensure that they have the information they need as they expand their business. This prospect preferred an already built building, but were open to new construction if all other factors (labor, proper greenspace, costs, and proximity to headquarters) were right for them. Staff submitted greenfield sites for consideration.
Manufacturing /CVN Prospect	Staff prepared an initial response to this CVN prospect and will continue to follow up with them to ensure that they have the information they need as they look to relocate their business to a more rural area. This prospect preferred an already built building, but was willing to consider greenfield build sites; staff submitted greenfield site information for their consideration.
Project Singularity	A RFI came through from DEED for a project with a manufacturing company. While the preference is for an already built building, the company/site selection is open to greenfield locations if they are unable to find a suitable/desirable spec building. Staff submitted information for consideration.
Potential Food Manufacturer	Staff is working with an existing Minnesota food manufacturing company that is looking to expand their product line, and have identified a possible site for this part of their business to expand into. Staff participated in a virtual meeting with the company and partners to explore funding and incentives for the expansion. Staff continues to follow up with the company while they make a decision on the location for their project.
Potential Food Manufacturer	Staff was made aware of a regional food manufacturer that is looking to expand their product offering and had identified a possible site for their business to expand into. Staff met with company leaders to discuss location options and possible funding incentive. Staff will continue to stay in touch with the company leaders as they decide on the location for their project.
Potential Transportation Terminal	Staff was contacted about interest in possible properties along the I-35 corridor with easy access and good visibility, to locate a transportation style business. Land owners were contacted and the business and property owners were connected. Staff will stay in touch with the business to support and assist as needed.
Potential Food Production/Restaurant Business	Staff was provided a lead for a local food production/restaurant that may be interested in opening a bricks and mortar facility to Faribault. Staff has identified possible sites for this company and the owners are exploring the sites. Staff continue to stay in touch and follow up to ensure that this business is supported and will arrange a meeting with economic development partners when the timing is right. Staff and business owner toured a possible site and are in conversation to ensure a good fit. The cost of building out a commercial kitchen as well as improvements to the space is of concern to the client. Staff has identified potential resources to assist in financing capital improvement.

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Potential Light Manufacturing Business	Staff attended the December CVN meeting and met with the Business Development Manager of a Minnesota based light manufacturing company that is looking to relocate their operations. A response was prepared with possible sites for this company. Staff will continue to follow up with them as they make decisions on their new location. The business is completing a campaign to raise funds, and will be making decisions on site tours in the next couple of months.
Potential Food Manufacturer	Staff responded for a request for information from CVN for a Minnesota based food manufacturer looking to expand operations. Staff met the president of the company at the CVN event, and followed up with their operations manager. Faribault is being considered and the company is looking at a possible site visit in the very near future. The site that was submitted to this company recently sold and Faribault does not have a building that meets the business needs.
HWY 60 Project(s)	Staff has participated in a number of different meetings regarding potential development/redevelopment along the Hwy 60 W corridor. Staff will continue to be an active participant in development/redevelopment opportunities, and will bring potential projects/requests to the EDA as appropriate. October: Land has been purchased along the south side of Hwy 60 and staff has been in contact with the new owner regarding development possibilities. A meeting was held with the property owner. Staff will provide a verbal update.
International Manufacturer	Staff were contacted by an international manufacturing company looking for space in Faribault. Staff are working to ensure that the proper infrastructure is in place to meet their needs.
MISC.	1. Staff has been made aware that there are possibly two (2) distribution type of businesses seeking a location along the I-35 corridor. Currently the site selector is looking at locations further north than Faribault – but Staff has provided information on possible Faribault locations for consideration. 2. Staff has provided available land information to a Twin Cities broker working with various warehouse/distribution type businesses. Through conversations with the broker it was confirmed that there is growing demand for land outside of the metro area, and he was collecting information proactively for potential clients. Staff will continue conversations with the broker on demand and movement.

Other:

- Staff participated in an update with South Central College. They continue to work toward providing high school students with trades/technical education; they are working with our local businesses to ensure that our current business have the talent pipeline they need now and into the future.

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- A number of projects have been “paused” due to material costs and timelines (Example – in 2020 the lead time for a “butler building” was 16 weeks, currently the lead time is 50+ weeks.) Staff has continued to stay in contact with these developers/prospects – and will provide updates as appropriate.
- Staff participated in several Business Retention and Expansion visits in the months of November/December/January and were pleased to hear about potential expansion efforts. Staff will continue follow up on those expansion efforts, as well as visit other businesses in the coming months. COVID19 restrictions have made this a more difficult task.
- Staff are participating in discussions and keeping abreast of the federal funding that is being made available to businesses and communities including for downtowns and small businesses.
- Staff continue to participate in Small Business Association (SBA) webinars that provide information on a variety of topics including Child Care, Small Business Panel, and others.
- LinkedIn continues to be good exposure for the Faribault EDA and is gaining connections weekly. It is being used to share business successes, state and federal programs, and staff involvement in activities.
- Staff attended the MREJ event in Rochester that focused on Destination Medical Center.
- Staff participated in the Minnesota Business Leaders meeting where we received updates from the State on Economic Recovery funds and agency leader updates.
- Staff attended the CVN meeting in December and heard from several businesses that are interested in growing into regional areas. Two proposals were written and sent. Staff will continue to follow up with those businesses.

Other Projects/Initiatives:

• **BDPI Grant Application – NW Water Tower**

- Staff, in coordination with the City Engineer, submitted a \$2M grant application to help fund the construction of a water tower and associated mains, located in the Met Con Business Park. The grant has been funded. Construction will begin later this summer, with an anticipated completion date of 12/2023. The water tower project is important because it has been identified by multiple industries in this area that water flow rates are inadequate. The project will improve flow rates for existing business, and position the city to continue to attract additional industries to this area.

• **C-Alan Homes/Thompson James Group South Division/ Old Mayor Clinic Site**

- Staff has been working with a luxury custom home builder from the Twin Cities on a proposed attached 34-unit townhome rental development on the old Mayo Clinic site (924 First Street NE). After a supportive neighborhood meeting in February, the company engaged ISG Engineering and submitted all necessary planning and zoning applications. The project has successfully completed the planning and zoning approval process, and is now preparing final drawing and finalizing funding. It is anticipated that the site improvements associated with the project will begin later this year.

Marketing:

Minnesota Real Estate Journal

- MREJ staff have suggested that we postpone the Micro Summit from this fall/winter to spring 2022. Staff have been given the date of April 28 to host the Micro Summit. Hosting the Micro Summit in the spring will provide the City with the best opportunity to attract more attendees. This will also allow the City to really showcase the airport and all of the Faribault amenities. Staff will move forward with planning the Aviation focused summit, as discussed and directed at the August EDA meeting.

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- Staff tabled at the MREJ Industrial Development Summit held in November and spoke on the panel. Staff met with a developer and will work toward a meeting with city staff to discuss a possible partnership.
- **Minnesota Marketing Partnership**
 - Faribault continues to be active participants in the Minnesota Marketing Partnership (MMP). Last year Faribault elected to participate in the MMP digital marketing campaign, and now has access to all of the video and social medial materials. In addition – Staff was selected to help represent the State of MN – specifically Faribault/SE MN, with DEED and others, at the Site Selector Guild table talks. This has generated additional connections with the site selector community.
 - Staff presented to the Site Selector Guild in November, as part of the MMP Leadership. Staff will highlight recent successes in Faribault, and provide an overview of the SE MN region. Staff has also been invited to participate in the December Site Selector Guild Table Talks, to discuss development opportunities in Faribault and in the region.