



ECONOMIC DEVELOPMENT AUTHORITY AGENDA

3RD FLOOR CONFERENCE
ROOM

THURSDAY, AUGUST 15,
2024

7:00 AM

1. Call to Order/Approve Agenda
2. Approval of the Minutes
3. Routine Business: *Agenda items below are approved by one motion unless an EDA member requests separate action.*
 - A. Monthly Loan Status Report
 - B. Permit Activity Update Report
 - C. Budget Status Report
4. Public Hearings - None
5. Items for Discussion
 - A. Provide General Direction regarding Financial Assistance for Project Licorice
 - B. Provide General Direction regarding Financial Assistance for Urban Flea Market
 - C. Provide Direction regarding Main Street Agreement with the Faribault Area Chamber of Commerce
 - D. Provide Direction regarding Faribault Area Chamber of Commerce and Tourism Funding Requests related to Enhancing the Downtown
 - E. Resolution 2024-11 Recommend the Planning Commission Conduct a Public Hearing and that the City Council Adopt the TH 60 West Master Plan
 - F. Announcements and Updates
6. Adjournment



ECONOMIC DEVELOPMENT AUTHORITY MINUTES

PUBLIC MEETING ROOM

THURSDAY, JULY 18, 2024

7:00 AM

Meeting Items

1. Call to Order/Approve Agenda

The regular meeting of the Economic Development Authority was called to order by Chair Gramse at 7:03 am. Commissioners David Campbell, Will Fort, Thomas Spooner, AJ Smith, and Chair Gramse attended. Also in attendance were David Wanberg, Jessica Kinser, and Kari Casper with special guests, David Hvistendahl and Ryan

2. Approval of the Minutes

Motion by Tom Spooner, seconded by AJ Smith to Approve. Motion Passed.

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

Motion by AJ Smith, seconded by Dave Campbell to Approve. Motion Passed.

A. Monthly Loan Status Report

B. Permit Activity Update Report

C. Budget Status Report

4. Public Hearings

Chair Gramse opened the public hearing at 7:05. No one from the public was present and Chair Gramse then closed the public hearing at 7:07 p.m.

A. Business Subsidy Request for FaribaultMill LLC

Resolution 2024-07 Approve an Economic Development Incentive Fund Loan between Economic Development Authority of Faribault, Minnesota and FaribaultMill LLC

Motion by AJ Smith, seconded by Dave Campbell to Approve. Motion Passed.

Resolution 2024-08 Approve a Revolving Loan Agreement between Economic Development Authority of Faribault, Minnesota and FaribaultMill LLC

Motion by AJ Smith, seconded by Dave Campbell to Approve. Motion Passed.

5. Items for Discussion

- A. Resolution 2024-09 Approve a Downtown Commercial Rehabilitation and Exterior Improvement Program Loan for 21 5th Street NE, PID: 18.31.1.26.177
Motion by Tom Spooner , seconded by AJ Smith to Approve. Motion Passed.
- B. Resolution 2024-10 Establish the EDA's Preliminary Tax Levy for Fiscal Year 2025
Motion by AJ Smith, seconded by Dave Campbell to Approve. Motion Passed.
- 6. Updates and Announcements
- 7. Adjournment
Motion by Tom Spooner, seconded by Dave Campbell to adjourn the meeting at 7:55 a.m. The motion passed unanimously.

By: _____
Kari Casper, Recording Secretary



Request for Action

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

BACKGROUND:

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

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

The attached is a summary of the various City and EDA loan programs

REQUESTED ACTION:

Receive and file as presented.

ATTACHMENTS:

1. 3A - Loan Status Reports

Agenda Item: 3A

August 2024 Totals

Fund	Program Name	Available Balance	Notes
Fund 249	Minnesota Investment Fund (MIF)	\$14,053.89	2018 MN Legislature authorized a one-time exception to "cash out" MN MIF funds. The cashed-out funds are now part of the EDA's program budget. Available MIF balance must follow re-use guidelines. - Trystar \$125,000 – Pass through.
Fund 292	EDA Revolving Loan	\$406,457.34	- A new program in 2021 – dedicated \$200,000 of loan balance. - \$50,000 for Vetrotech/Sage - \$50,000 is requested by Forest to Fork. - \$100,000 TruVue (<i>Forgivable</i>) - Faribault Mill Loan or \$50,000 (<i>Forgivable</i>) - **\$100,000 Bowling Center
	- Commercial Development Loan Program (and Grant)		
	- Façade Improvement Micro Loan		
	- EDIF - Economic Development Incentive Program-		
			***\$311,457.34 Committed payments are \$100,000 for TruVue; Available unrestricted funds \$61,457.34
Fund 243	Industrial Development Loan	\$295,521.10	- Last activity was a loan for Cry Baby Craig's. - 2024 Budgeted \$100,000. - Loan to FaribaultMill of \$250,000.
TOTAL EDA LOAN FUNDS AVAILABLE		\$716,032.33	
Fund 290	EDA Operating Fund/Fund Balance	*\$664,346.76	Includes a one-time transfer from the 2002 land sale 12/20/2017 – Authorized \$100,000 for the airport building demo/site prep (paid 12/2019) to support commercial development at the airport -2021 Microgrant Program of \$25,000 FACC -2021 Upstairs Downtown \$5,000 FACC -2021 SBDC Office Contribution \$3,000 FACC -2022-12-28 FDC \$250,000 -2022 Main Street Contribution \$14,000 FACC -2022 SBDC Office Contribution \$3,000 FACC -2022 Main Street Contribution, \$14,000 FACC -2023 DCERIP Darrell Jensen \$30,000 -2023 The Golf Box \$2,300 2024 FDC \$250,000 2024 \$30,000 DCERIP – Drevlow 2024 \$11,860 DCERIP - Hvistendahl, 10,000 Drops 2024 \$2,775 -- 13 3 rd Beckmann DCERIP 2024 Hvistendahl 10,000 DCERIP \$15,000
Fund 248	Federal MIF Loan	\$626,620.25	Funds are difficult to spend. Uses must meet a national (federal) objective, public benefit standard, environmental review, Davis-Bacon, and extra business reporting requirements. The City Council may request funds be transferred into the Small Cities Development Program (same federal objectives). This requires a spending plan and DEED/HUD approval

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

**Earmarked.



Request for Action

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

BACKGROUND:

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

To track and follow trends, monthly permit activity reports are prepared. This information is shared every month 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 the EDA can utilize to develop annual work plans and develop/modify programs to respond to and address business needs.

As fall approaches, many residential homeowners have been busy getting their projects done. Many roofing and deck permits and residential alternations have taken place during July. There were three permits for new residential construction. Aldi's presented an expansion project. The old Maytag building on Grant Street has been remodeled with Haute Tanning and Commons, and the Cannon Valley School at the mall is doing an interior remodel. Faribo Downtown Central pulled a permit for the interior remodel on the Eastman building.

REQUESTED ACTION:

Receive and file as presented.

ATTACHMENTS:

1. 2024-07 EDA - Permit Activity Report

Permit Activity Report 2024				Permit Activity Report 2023			
	Valuation	# of Permits	Permit Fees	Valuation	# of Permits	Permit Fees	
January	\$ 1,028,550.52	81	\$ 21,977.30	\$ 38,646,615.29	84	\$ 326,594.52	
February	\$ 4,245,529.34	111	\$ 59,132.10	\$ 2,241,426.00	50	\$ 29,846.75	
March	\$ 3,652,527.64	120	\$ 64,002.34	\$ 3,194,961.39	105	\$ 57,624.01	
April	\$ 14,300,701.74	161	\$ 127,751.61	\$ 5,693,272.00	112	\$ 68,933.81	
May	\$ 4,384,481.00	149	\$ 79,092.05	\$ 5,534,132.36	163	\$ 70,814.19	
June	\$ 7,695,949.56	176	\$ 64,129.64	\$ 34,548,833.00	181	\$ 402,574.33	
July	\$ 19,668,944.00	221	\$ 166,673.70	\$ 5,028,277.87	139	\$ 64,558.92	
August				\$ 5,637,030.95	138	\$ 60,898.24	
September				\$ 2,744,943.00	151	\$ 44,052.98	
October				\$ 39,732.39	172	\$ 60,507.13	
November				\$ 11,335,775.21	105	\$ 146,763.50	
December				\$ 2,626,163.18	101	\$ 47,312.35	
Total:	\$ 54,976,683.80		\$ 582,758.74	\$ 117,271,162.64		\$ 1,380,480.73	
YTD Permits:		1019			1908		
<i>*All Permits includes Building Permits in total (plumbing, heating, signs and electrical).</i>							



Request for Action

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

BACKGROUND:

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

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

REQUESTED ACTION:

Receive and file as presented.

ATTACHMENTS:

1. 290 Budget Status

General Ledger

Budget Status

User: kcasper
Printed: 8/13/2024 - 1:34 PM
Period: 1 to 8, 2024



Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
Fund 290	Economic Development Authority							
Dept 290-00000								
R01	Taxes							
290-00000-462-31010	Current Ad Valorem Taxes	372,648.00	228,818.03	228,818.03	143,829.97	0.00	143,829.97	38.60
290-00000-462-31020	Delinquent Ad Valorem Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31030	Mobile Home Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31035	Delinquent Mobile Home Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31040	Excess Tax Increment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31500	PILOT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-31550	Green Acres	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	R01 Sub Totals:	372,648.00	228,818.03	228,818.03	143,829.97	0.00	143,829.97	38.60
R02	Permit & Licenses							
290-00000-462-36215	Loan Interest	383.00	10,391.49	10,391.49	-10,008.49	0.00	-10,008.49	0.00
	R02 Sub Totals:	383.00	10,391.49	10,391.49	-10,008.49	0.00	-10,008.49	0.00
R03	Intergovernmental Revenue							
290-00000-462-33402	Market Value Homestead Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-33422	Other State Grants & Aids	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	R03 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R04	Charges for Services							
290-00000-462-34108	Administrative Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-34700	Application Fees	2,500.00	1,150.00	1,150.00	1,350.00	0.00	1,350.00	54.00
	R04 Sub Totals:	2,500.00	1,150.00	1,150.00	1,350.00	0.00	1,350.00	54.00
R06	Miscellaneous Revenue							
290-00000-462-36200	Other Miscellaneous Revenue	500.00	0.00	0.00	500.00	0.00	500.00	100.00
290-00000-462-36210	Interest on Investments	20,580.00	13,661.25	13,661.25	6,918.75	0.00	6,918.75	33.62
290-00000-462-36211	Interest Market Value	0.00	3,768.67	3,768.67	-3,768.67	0.00	-3,768.67	0.00
290-00000-462-36240	Refunds & Reimbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-36400	Loan Principal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	R06 Sub Totals:	21,080.00	17,429.92	17,429.92	3,650.08	0.00	3,650.08	17.32

Account Number		Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
R07		Other Sources							
290-00000-462-39100		Sale of Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-00000-462-39200		Transfer In	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		R07 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Revenue Sub Totals:	396,611.00	257,789.44	257,789.44	138,821.56	0.00	138,821.56	35.00
		Dept 00000 Sub Totals:	-396,611.00	-257,789.44	-257,789.44	-138,821.56	0.00		
Dept 290-46500		Economic Development							
E02		Supplies							
290-46500-462-42110		General Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-42115		Meeting	250.00	0.00	0.00	250.00	0.00	250.00	100.00
290-46500-462-42420		Minor Computer Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		E02 Sub Totals:	250.00	0.00	0.00	250.00	0.00	250.00	100.00
E03		Other Services & Charges							
290-46500-462-43030		Engineering Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43040		Legal Fees - Civil Process	20,000.00	11,709.73	11,709.73	8,290.27	0.00	8,290.27	41.45
290-46500-462-43080		Indirect Cost Allocation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43090		Expert & Professional Services	75,000.00	12,945.50	12,945.50	62,054.50	0.00	62,054.50	82.74
290-46500-462-43095		Software Maintenance & Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43130		EDA Program Budget	650,000.00	841,860.00	841,860.00	-191,860.00	0.00	-191,860.00	0.00
290-46500-462-43140		Training & Education	3,500.00	950.00	950.00	2,550.00	0.00	2,550.00	72.86
290-46500-462-43220		Postage	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43250		Other Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43310		Travel Expense	4,500.00	0.00	0.00	4,500.00	0.00	4,500.00	100.00
290-46500-462-43430		Advertising - Other	45,000.00	330.00	330.00	44,670.00	0.00	44,670.00	99.27
290-46500-462-43510		Legal Notices Publishing	500.00	0.00	0.00	500.00	0.00	500.00	100.00
290-46500-462-43520		Recording Fees	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	100.00
290-46500-462-43610		Insurance & Bonds	1,771.00	1,975.00	1,975.00	-204.00	0.00	-204.00	0.00
290-46500-462-43810		Electric Utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-43860		Storm Water Utilities	40.00	0.00	0.00	40.00	0.00	40.00	100.00
290-46500-462-44330		Dues & Subscriptions	24,000.00	14,320.00	14,320.00	9,680.00	0.00	9,680.00	40.33
290-46500-462-44370		Miscellaneous Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-44390		Taxes & Licenses	50.00	0.00	0.00	50.00	0.00	50.00	100.00
290-46500-462-44600		Loans & Grants	345,000.00	0.00	0.00	345,000.00	0.00	345,000.00	100.00
		E03 Sub Totals:	1,170,361.00	884,090.23	884,090.23	286,270.77	0.00	286,270.77	24.46
E04		Capital Outlay							
290-46500-462-44160		Rents & Leases	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-46500-462-45100		Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Budget Amount	Period Amount	YTD Amount	YTD Var	Encumbered Amount	Available	% Available
E06 290-46500-462-47200	E04 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other Uses							
	Transfer Out	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	E06 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Expense Sub Totals:	1,170,611.00	884,090.23	884,090.23	286,520.77	0.00	286,520.77	24.48
	Dept 46500 Sub Totals:	1,170,611.00	884,090.23	884,090.23	286,520.77	0.00		
	Fund Revenue Sub Totals:	396,611.00	257,789.44	257,789.44	138,821.56	0.00	138,821.56	35.00
	Fund Expense Sub Totals:	1,170,611.00	884,090.23	884,090.23	286,520.77	0.00	286,520.77	24.48
	Fund 290 Sub Totals:	774,000.00	626,300.79	626,300.79	147,699.21	0.00		
	Revenue Totals:	396,611.00	257,789.44	257,789.44	138,821.56	0.00	138,821.56	35.00
	Expense Totals:	1,170,611.00	884,090.23	884,090.23	286,520.77	0.00	286,520.77	24.48
	Report Totals:	774,000.00	626,300.79	626,300.79	147,699.21	0.00		



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH:
MEETING DATE: August 15, 2024
SUBJECT: Provide General Direction regarding Financial Assistance for Project Licorice

BACKGROUND:

Representatives for Project Licorice (a code name for a proposed development) recently contacted Minnesota Department of Employment and Economic Development (DEED) and the City of Faribault to discuss funding opportunities associated with a proposed 32,000-square-foot warehouse expansion. Project Licorice indicated it has the option to expand at one of the company's existing warehouses in Wisconsin or Florida. However, the company has already started site improvements at its Faribault property and intends to start construction on the Faribault warehouse this fall.

The company estimates a \$29,000,000 capital expenditure for the proposed warehouse expansion, with a \$1,000,000 expenditure for equipment. Over the next three years, the company expects to hire ten warehouse managers/supervisors at \$20/hour and 15 warehouse associates at \$18/hour.

A DEED representative indicated that because the company began site improvements and intends to start construction on the warehouse expansion in Faribault this fall, the proposed project fails the "but for" test and is not eligible for funding through the Minnesota Investment Fund (MIF) or Job Creation Fund (JCF). Nevertheless, the company requests that the Faribault Economic Development Authority (the "EDA") provide some financial assistance to support the proposed warehouse expansion and job creation. The City could potentially consider tax abatement, which has slightly more flexibility related to the "but for" test. However, if the City were to consider providing financial assistance for the proposed warehouse expansion, the EDA's Economic Development Investment Fund (EDIF) is the most logical program for the EDA to consider.

Roughly 18 months ago, the EDA allocated \$200,000 for the EDIF program. Since then, the EDA has provided Sage/Vetrotech, Forest to Fork, and Faribault Mill with \$50,000 forgivable loans each. Consequently, \$50,000 remains in the EDA's original \$200,000 program allocation.

Representatives from Project Licorice will participate in the EDA's discussion of this item via Zoom. The representatives indicated that the company desires a forgivable loan. If the EDA is inclined to provide financial assistance, it could structure the assistance as a forgivable loan, payable immediately or after the company meets the proposed construction and hiring measurements. Alternatively, the EDA could structure the assistance as a revolving loan, either a low-interest loan in the 3.5 percent range or a more standard loan in the 7.5 percent range.

Tru Vue received an EDIF forgivable loan after it met its construction expenditures, and Sage/Vetrotech received an EDIF forgivable loan after it met its hiring measurements. On the other hand, Forest to Fork and Faribault Mill received a forgivable loan upfront to help purchase equipment needed to grow their companies. In short, if the EDA is inclined to provide financial assistance to Project Licorice, it could structure the assistance in many different ways.

Again, \$50,000 remains in the EDIF program for 2024. Staff requests general direction from the EDA regarding Project Licorice's request for financial assistance. If the EDA is inclined to provide assistance, then staff will work with Project Licorice representatives on the application process. The EDA could then act on the application as early as the next EDA meeting in September.

REQUESTED ACTION:

Provide general direction regarding potential financial assistance for Project Licorice.

ATTACHMENTS:



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH:
MEETING DATE: August 15, 2024
SUBJECT: Provide General Direction regarding Financial Assistance for Urban Flea Market

BACKGROUND:

Corey Newby, Owner of Urban Flea Market, purchased the former Divine Mercy Catholic School site at 15 3rd Ave NW. The City rezoned the property to C-2, Highway Commercial, and Corey intends to open his flea market this fall. Given the site's age and former use, Corey is experiencing significant costs to bring the proposed development into conformance with the City's codes. He hopes the EDA has funding opportunities. However, the EDA does not have a funding program that directly relates to Corey's situation. The Bowling Center's requested loan at 7.5% interest relates most closely to Corey's request. However, Corey is interested in a forgivable or perhaps low-interest loan. Nevertheless, the EDA may have some other ideas that Corey can explore through the EDA or other sources, such as the Southern Minnesota Initiative Foundation.

REQUESTED ACTION:

Provide direction regarding potential EDA financial assistance for Urban Flea Market.

ATTACHMENTS:



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director and Jessica Kinser, City Administrator
THROUGH:
MEETING DATE: August 15, 2024
SUBJECT: Provide Direction regarding Main Street Agreement with the Faribault Area Chamber of Commerce

BACKGROUND:

The City of Faribault EDA approved a 5-year agreement with the Faribault Chamber of Commerce in January 2022 to support Faribault Main Street (FMS), operated by the Chamber of Commerce. The terms of the agreement are straightforward; \$17,000 of annual funding for operating FMS with an annual report to be provided. Payments were made to the Chamber for 2022 and 2023 but have not been made for 2024.

The Chamber has changed how the FMS program operates, including the status of Faribault as a Main Street community going from accredited to associate. An annual report for 2023 is also due, and the EDA board has not reviewed the FMS program budget as required by section 3c in the agreement. Given the changes and items due, the EDA should discuss how to proceed with any funding to the Chamber for the FMS program. At this time, the options are to mutually terminate the agreement with the Chamber or to work on an amendment to the existing agreement. The following is a list of items to be considered for either course of action:

- Should the Faribault Main Street program return to an accredited status? Accreditation requires dedicated staff, training, funding, and organizing at a level the Chamber has not been able to maintain due to staffing changes. Rethos (formerly Minnesota Historic Preservation Alliance) manages Minnesota Main Street communities and accreditation. Currently, there are ten Minnesota communities with accredited status (considered "Main Street communities"). For more information, please visit <https://www.rethos.org/minnesota-main-streets>. If the EDA wants more information, Staff can arrange for a Rethos representative to present at a future meeting.

- What should the scope of services consist of? The Chamber provides events in the downtown (summer car cruises, Winterfest, Crazy Days), which are not currently outlined in the services to be provided (section 1). The current agreement provides that the Chamber operates a board/committee related to the program, which is a Main Street requirement, and provides revenue for FMS. Regardless of what the services are to be, they would be defined in a way where all parties understand what is required.
- What reporting requirements should exist? The current agreement requires an annual report (section 8), which is something that would be very similar to what is required with the Main Street program. If these requirements are too burdensome, a level of reporting needs to be identified to ensure compliance under the agreement.
- What compensation should be provided for the services? The current agreement started at \$17,000 but left the door open for additional compensation and services to be provided. The compensation was also to be based on the annual review of the FMS annual report provided by the Chamber. One thing to note is that an accredited program requires financial resources to operate. It is difficult for any organization to raise funds for personnel, so should accreditation be the goal, the EDA should consider a compensation level consistent with the Main Street requirements.
- What should the term of the contract be? The current agreement runs through December 31, 2027. In either an amendment or a new agreement, the EDA should consider the term related to the first question presented related to accredited status and provide a timeframe in which the program should be accredited.

REQUESTED ACTION:

Provide direction on the need to fulfill or amend the terms of the Main Street Service Agreement with the Chamber of Commerce.

ATTACHMENTS:

1. 2022-2027 EDA-Chamber Service Agreement

SERVICE AGREEMENT

This Service Agreement (the "Agreement") is made this 20th 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 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 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 written 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 immediately 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 States 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.

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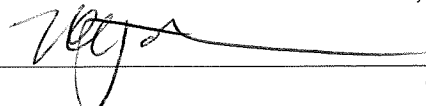
IN WITNESS WHEREOF, the Parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement as of the day and year first written above.

FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY

By: 
Its: _____ President

By: 
Its: _____ Secretary/Treasurer

FARIBAULT AREA CHAMBER OF COMMERCE AND TOURISM, INC.

By: 
Its: _____ Chair



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH:
MEETING DATE: August 15, 2024
SUBJECT: Provide Direction regarding Faribault Area Chamber of Commerce and Tourism Funding Requests related to Enhancing the Downtown

BACKGROUND:

Nort Johnson, President and CEO of Faribault Area Chamber of Commerce and Tourism, will update the EDA on efforts to enhance the downtown. Nort will present a general plan (see attached PowerPoint slides) and request direction from the EDA regarding its interest in helping fund a Director/VP of Downtown Development to be administered through the Chamber.

REQUESTED ACTION:

Provide direction regarding EDA funding for a Director/VP of Downtown Development position administered through the Chamber.

ATTACHMENTS:

1. 2024 Funding Request for Chamber Position

Faribault Area
CHAMBER OF COMMERCE
and Tourism

Downtown Updates
EDA Funding Presentation

August 15th, 2024

2024 Visionary Priorities

1. Excellence in Education
2. Housing – Home Ownership Options
3. Leadership Collaboration
4. **A Fabulous Downtown**
5. Daycare/Early Childhood Education

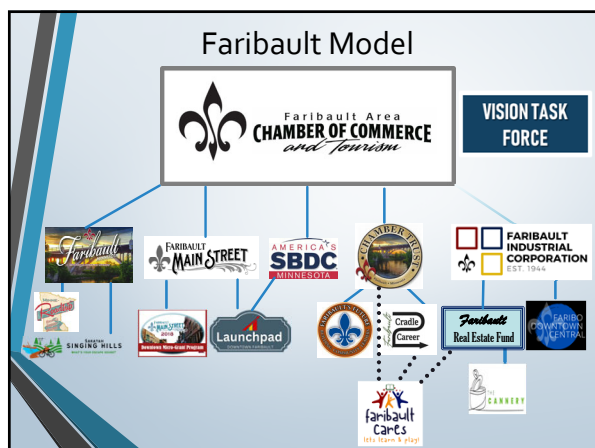
Agenda

- Faribault Model
Organizational Optimization
- 2024 Visionary Priorities
- 2023 Downtown efforts
- 2024 Progress
- Funding Discussion

A Fabulous Downtown
2023 efforts

1. **Faribo Downtown Central**
 - FDC formed to purchase entire Scheesley portfolio
 - 13* Buildings now under FDC ownership
 - Clean and Dry Phase I**
 - EDA/HRA funding for roof and other repairs
 - 8 NEW downtown businesses in these properties
 - 217 Central Rescue
2. **Chamber Trust**
 - \$780,000 DEED Grant recipients include 9 properties outside the FDC portfolio
3. **Chamber/SBDC/FDC**
 - **The Launchpad** – Incubator in 223 Central Avenue
 - 5 Start-ups

*30,000 sq ft of new and repaired roofs
28 dump trucks of debris*



A Fabulous Downtown
Events/Promotions

1. WinterFest
2. Flannel Formal
3. Car Cruises X 6 With Live Bands!
4. Blue Collar Festival
5. Crazy Days
6. Fall Chili Contest With Camo Crawl

A Fabulous Downtown
2024 efforts & plans

1. Faribo Downtown Central
Framing and Facades

- 4 commercial spaces under renovation
- 200 Block Façade Lift
- 3 Additional leases already
- Subdividing 301 Central (Eastmans)
- Packaging buildings for disbursement

2. Chamber Trust

- Applying for another round of DEED grants

3. Business Mix and Anchor



Downtown Faribault 2024

- More renovations
- Re-suscitate Wayfinding Signage to include Trails
- Continuing Business Development
- Signature Events

Funding for Director / VP Development

Thanks so much! Steady Ahead...

Faribault Main Street Program

Current Activities stray from existing agreement

Funding for FTE has never been adequate

Faribault's approach is aggressive to locally derived priorities

Use of Funds offsets staff time spent on the work earlier in this report, and an affiliate membership in Main Street

Faribault Industrial Corporation

Faribo Downtown Central

Faribault Real Estate Fund

Important Partners for Supporting Visionary Downtown Initiatives

Faribo Downtown Central
Historic District Portfolio

Faribault Real Estate Fund
The Cannery

Pipeline...
*Business Acquisition
Business Retention Loan
Daycare Real Estate
Housing Development,
Corporate Office Retention
Hotel*



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, Community and Economic Development Director
THROUGH:
MEETING DATE: August 15, 2024
SUBJECT: Resolution 2024-11 Recommend the Planning Commission Conduct a Public Hearing and that the City Council Adopt the TH 60 West Master Plan

BACKGROUND:

The Faribault Economic Development Authority (the "EDA") and Xcel Energy provided funding to develop a master plan for the Highway 60 West corridor. This area is primed for development, south and north of Highway 60.

The previous concept plans (developed 20 years ago) focused on big box and other commercial developments in this area. Consistent with the Journey to 2040 Comprehensive Plan, the proposed master plan envisions a mix of residential and commercial uses on the north side of Highway 60 West and a mix of commercial and industrial uses on the south side of the highway. Staff have met with several developers in recent months interested in developing projects in the area that are consistent with the proposed master plan (refer to the attached master plan).

Staff will review the proposed master plan with the EDA. Presuming the EDA supports the master plan, the next step will be for the Planning Commission to hold a public hearing and recommend that the City Council adopt the master plan.

REQUESTED ACTION:

Approve Resolution 2024-11, which authorizes Staff to make minor revisions to the master plan as needed and recommends the Planning Commission hold a public hearing to review the master plan.

ATTACHMENTS:

1. Resolution 2024-11

2. Trunk Highway 60 Master Plan

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2024-11

RECOMMEND THAT THE PLANNING COMMISSION CONDUCT A PUBLIC HEARING AND THAT THE CITY COUNCIL ADOPT THE TH 60 WEST MASTER PLAN

WHEREAS, the Faribault Economic Development Authority (the “EDA”) and Xcel Energy provided funding to develop a Trunk Highway 60 West Master Plan (the “Master Plan”); and

WHEREAS, the EDA hired Bolton & Menk (the “Consultant”) to prepare the Master Plan; and

WHEREAS, the Consultant coordinated with property owners in the area, City Staff, the Planning Commission, and the City Council regarding the development of the Master Plan; and

WHEREAS, the EDA finds that the Master Plan guides development in the TH 60 West area in a manner consistent with the City’s Journey to 2040 Comprehensive Plan; and

WHEREAS, the EDA further finds that adoption of the Master Plan is in the best interest of the general health, safety, and welfare of the community.

NOW, THEREFORE, BE IT RESOLVED, the Economic Development Authority of Faribault, Minnesota (the “EDA”) recommends that the Faribault Planning Commission conduct a public hearing to receive public input on the Trunk Highway 60 West Master Plan.

NOW, THEREFORE, BE IT FURTHER RESOLVED, the EDA authorizes City Staff to make minor revisions to the Master Plan without further EDA review or action.

ADOPTED: August 15, 2024

Rod Gramse, President

ATTEST:

AJ Smith, Secretary/Treasurer



**BOLTON
& MENK**

TRUNK HIGHWAY 60 MASTER PLAN

JULY 2024



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Acknowledgements

Dave Wanberg - Director, Community & Economic Development

Harry Davis - City Planner

Marc Duchene - Director of Engineering

Tim Murray - City Administrator (former)

Special thanks to Xcel Energy for financial support

An aerial photograph of a landscape, likely a river valley. A wide river flows from the top left towards the bottom center. To the right of the river, there are several large, rectangular fields, some of which appear to be agricultural. A road or highway runs diagonally across the middle of the image, intersecting the river. The background shows a dense forest or wooded area. The overall color palette is dominated by greens and browns, with some lighter areas where the fields are. The text 'INTRODUCTION' is overlaid in the bottom left corner in a white, sans-serif font.

INTRODUCTION

TH 60 WEST AREA GOALS, AND PRINCIPLES

A West Side Welcome

Located on the west edge of Faribault, the study area greets incoming travelers with a natural aesthetic featuring rolling hills and pockets of dense vegetation, giving way to farmland that stretches to the bank of Wells Lake.

TH 60 bisects the area, offering access to a select few developments that have emerged over the last 50 years. The critical east-west highway also offers access from Downtown Faribault to neighboring communities as far west as the Mankato Metro.

Since 1858, the Calvary Cemetery has sat watching over the City from its elevated hilltop. The earliest development emerged in the 1970's, as the Dairy Queen, a hotel (now a Regency Inn & Suites), and Matejcek's introduced the first non-residential city development west of I-35. In the years that followed, the industrial and commercial buildings south of TH 60, including KGPCo telecommunications, emerged at the "foothill" of Calvary Cemetery and the higher areas to the south.

While some residential development has joined legacy agricultural around the edges, the study area remains largely unchanged since the early 2000's. Efforts to attract a big box or national chain store have thus far been unsuccessful, and a renewed effort is underway to vision a market-supported vision of this Faribault's western gateway.

An Eye Towards Opportunity

The future of the TH 60 West area should reflect and celebrate Faribault's many strengths, and embrace the City's aspiration of being an outstanding place to live, work, grow, invest, and visit. The city commits to embracing the future while plans for positive change through innovation and excellence.

Realizing this city-wide aspiration and commitment within this area of the part of the city requires an "eyes wide open" pragmatic understanding of place, and a willingness to think outside the box. Further, with nearly all land here privately owned, an area vision must align area property owners' interests while supporting a common good.

AREA VISION

- An active front door into Faribault where regional economic activity and new neighborhoods are woven into the natural landscape.

AREA PRINCIPLES

- Establish the area as an attractive gateway welcoming people into the city.
- Embrace site topography to create interesting places and development patterns as a means of preserving the natural landscape.
- Respect other city growth areas and compliment existing city businesses.
- Leverage multimodal connectivity offered by I-35 and the Sakatah Singing Hills State Trail.
- Provide needed housing for current and future city residents while exploring new ideas and innovation to move the needle on development expectations.
- Protect and celebrate the Calvary Cemetery and Wells Lake, ensuring public access for years to come.



Study area in context



Study area

FUTURE GROWTH AND STRATEGIC DEVELOPMENT

Faribault’s Journey to 2040 Comprehensive Plan identifies numerous strategic development areas, guiding former or underutilized sites towards Commercial/Residential mixed use infill. This is done as an effort to improve community livability, stimulate targeted reinvestment, and efficiently use existing infrastructure.

Journey to 2040 identifies staged growth areas primarily along the I-35 corridor that may accommodate industrial and commercial growth demand, benefiting from interstate adjacency. Many of these growth areas intend to accommodate desired and anticipated industrial growth, since suitable industrial land within the city limits has become scarce.

The TH 60 West area is identified both as a Strategic Development Area and Staged Growth Area. Journey 2040 suggests the area of north of TH 60 be guided for Commercial / Residential Mixed Use, and the southern portion is guided Commercial / Industrial Mixed Use. The Comprehensive Plan then envisions a broader vision that extends these uses further west and south.

The Comprehensive plan’s guidance for the study area results in competition with other named strategic development sites identified for new commercial or residential development. Sites within the city core can leverage adjacent development in attracting market interest, while the TH 60 West must simultaneously stimulate market demand and establish a sense of place.

Further north along I-35, at CSAH 9, is approximately 2,000 acres within a commercial/industrial city growth area. Rice County and Faribault are currently reviewing plans to refine land use expectations in this area and establish need and timeline for a future interchange. Both the I-35/CSAH 9 and TH 60 West growth areas are competing for similar uses.

TH 60 West’s strongest asset, compared to other areas of the city, is the adjacency of I-35 interchange creating convenient access to interstate commerce. The amount of people and goods traveling on the corridor and great visibility for adjoining properties are incredible attributes to this area’s future success. However, I-35 does limit access due to a limited amount of crossing locations, as well as technical and financial costs of creating new connections to the rest of the city.



Strategic Development Areas

FROM JOURNEY TO 2040 FARIBAULT COMPREHENSIVE PLAN

- A 28th St NW**
Commercial/Industrial Mixed Use
- B State Hwy 3**
Commercial/Residential Mixed Use
- C 7th St NW**
Downtown, Commercial/Industrial Mixed Use
- D Division St and Prairie Ave**
Commercial/Residential Mixed Use
- E Downtown**
Mixed Use, Public, Institutional
- F East Straight River**
Established Residential Neighborhood
- G State Hwy 60/First St NE**
Commercial/Residential Mixed Use
- H Willow St and Fowler St**
Downtown, Commercial/Residential Mixed Use
- I TH 60 West (study area)**
Commercial/Residential Mixed Use, Commercial/Industrial Mixed Use

COMMUNITY AND MARKET SNAPSHOT

Faribault Today

Faribault is the economic engine for the region, with more than 50% of the county’s jobs located within the city limits, and almost 40% of it’s residents calling Faribault home. While a majority of the city’s jobs are designated white collar, it holds a higher percentage of blue collar and industrial jobs compared to both Rice County and neighboring Owatonna*.

Housing affordability and unit availability are long- and short-term issues for Faribault to address. For the Faribault area, as of August 2023, there were approximately 100 homes for sale with a median listing price around \$300,000. Newly constructed homes in that group however carried a median price over \$400,000 (Source: Realtor.com), highlighting the often prohibitive cost of new construction.

At the same time, Faribault has a very limited supply of commercial and industrial properties. As of August 2023, the city had a cluster of unimproved industrial sites on the north side of town, two warehouse properties, and one small retail site on public commercial listings (Source: MNCAR).

While the city has a higher rate of poverty and lower median income than Owatonna, home values are much higher in Fariabult, and residents are about equally likely to be cost burdened. This may indicate strong borrowing potential for larger purchases such as housing.

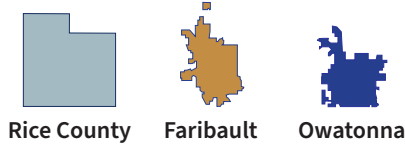
That said, Faribault’s “spending potential index”, a measure of spending related to a national average score of ‘100’ across different consumer categories, is 71, indicating a spending power below the national average.

Faribault Tomorrow

Faribault anticipates population growth at a similar rate to the County through 2030, and twice that of neighboring Owatonna. Population estimates show anticipated increases in both average age and diversity.

Southeastern Minnesota will likely see a five percent increase in jobs from 2020 to 2030. The main drivers of job growth are accommodation and food service plus arts, entertainment, and recreation.

Given the constraints in housing and shovel-ready commercial and industrial sites elsewhere in the city, TH 60 West is well-positioned to take advantage of market demand.



Residents

Total Population	67,905	24,809	26,466
Forecasted Annual 10-year Growth (2020 - 2030)	0.37%	0.47%	.11%

Households

Households	23,772	8,754	10,674
Household Size	2.55	2.57	2.44
Unit Vacancy	n/a	.5%**	5.2%

**market rate vacancy identified from 2021 Rental Housing Needs Analysis study, by Maxfield

Income and Wealth

Median Household Income	\$68,838	\$55,610	\$73,813
Median Net Worth	\$218,493	\$120,368	\$180,712
Households Below the Poverty Line	9%	14%	8.8%

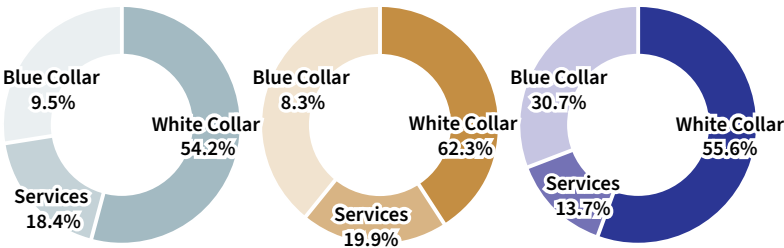
*Owatonna is located in located in Steele County, but is a comparable community to Fariabult, including its location on the I-35 Corridor

All information is 2023 estimates unless otherwise noted.

Workplace and Workforce

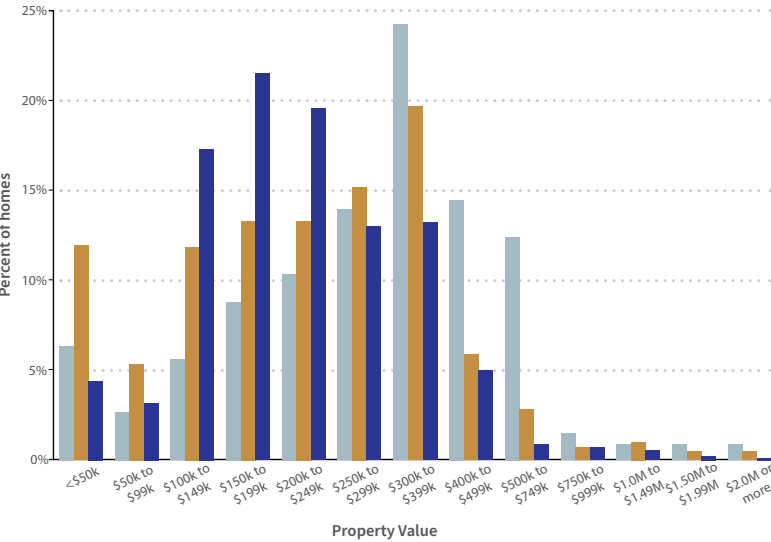
Total Businesses	2,087	870	1,110
Total Employees	28,256	15,274	22,368

Occupations and Industries



Total Employees	32,982	9,799	11,934
Agriculture/Mining	3.1%	2.3%	1.8%
Construction	7.6%	7.4%	6.2%
Manufacturing	15.6%	24.8%	24.7%
Wholesale Trade	2.2%	1.2%	1.5%
Retail Trade	8.6%	9.9%	11.7%
Transportation/ Utilities	5.7%	7.1%	3.6%
Information	0.6%	0.9%	1.3%
Finance/Insurance/ Real Estate	3.2%	2.1%	8.9%
Services	49.6%	39.4%	34.9%
Public Administration	3.8%	5.0%	5.3%

Home Values



Home Ownership Costs

Percent of residents who own their home	75.6%	65.4%	69.0%
Median home value	\$313,134	\$230,483	\$173,400
Percent of owners spending 30% or more of monthly income on mortgages	23.0%	13.8%	14.8%

Renting Costs

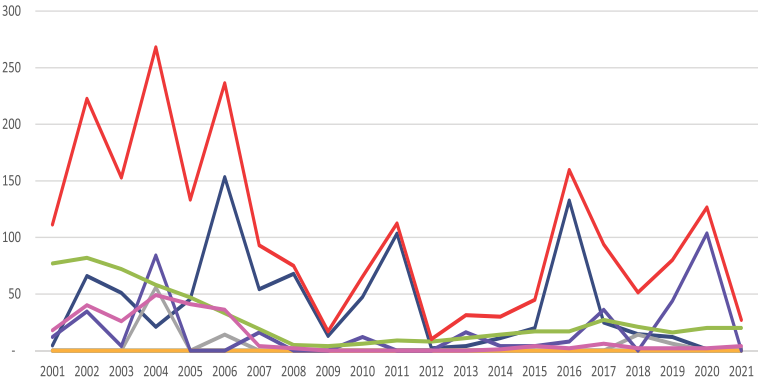
Percent of residents who rent their home	24.4%	34.6%	31.0%
Median monthly rent	\$1,048	\$973	\$854
Percent of renters spending 30% or more of monthly income on rent	35.1%	48.4%	60.9%

DEVELOPMENT AND LAND ECONOMICS

Construction History and Build Out

When combined with growth projections, past development activity is used to estimate demand for land accommodating future development. However, due to wide variability in development types, actual land use may vary — especially with redevelopment that may involve no net land increases.

Permits Issued by Use Type
(2001-2021)



Faribault saw a surge of building activity during the housing boom of the early 2000’s. After the 2008 market crash growth stalled until recently, when new multifamily and commercial permit activity increased. This renewal was in part driven by benefits and incentives of the Federal Opportunity Zone program. The city then saw steep drop in 2020 stemming from market uncertainty in the COVID pandemic.

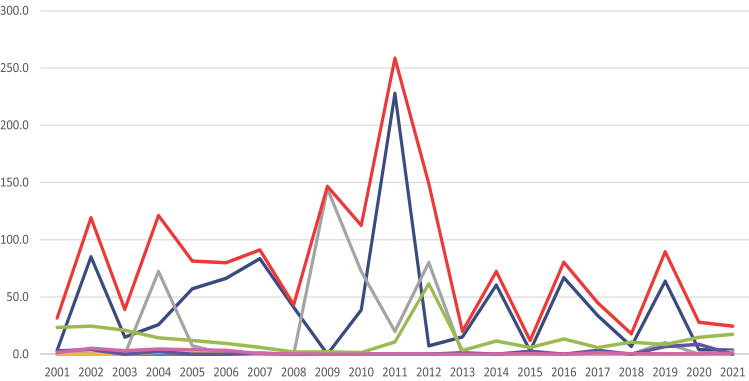
Land Absorption Rates

The table below shows land absorption rates based on 5-, 10-, and 20- year averages. Absorption rates and zoning regulations, like density and lot coverage, can estimate future demand for land.

Use Type	5-Year Average				10-Year Average				20-Year Average			
	Total Acres Absorbed	Average Acres	Total Units Built	Average Units Built per Year	Total Acres Absorbed	Average Acres Absorbed per Year	Total Units Built	Average Units Built per Year	Total Acres Absorbed	Average Acres Absorbed per Year	Total Units Built	Average Units Built per Year
Multifamily homes	19.0	3.8	183.5	36.7	23.1	2.3	215.8	21.6	30.8	1.5	366.3	18.3
Single-family residences	57.3	11.5	104.0	20.8	153.3	15.3	171.0	17.1	257.2	12.9	506.0	25.3
Townhomes	3.4	0.7	16.0	3.2	4.1	0.4	23.0	2.3	25.5	1.3	221.0	11.1
	Total Acres	Average Acres	Total Square Footage Built	Average Square Footage Built per Year	Total Acres Absorbed	Average Acres Absorbed per Year	Total Square Footage Built	Average Square Footage Built per Year	Total Acres Absorbed	Average Acres Absorbed per Year	Total Square Footage Built	Average Square Footage Built per Year
Commercial	112.1	22.4	277,430.4	55,486.1	265.2	26.5	956,217.8	95,621.8	906.0	45.3	1,841,461.9	92,073.1
Industrial	12.8	2.6	147,453.8	29,490.8	92.9	9.3	447,452.8	44,745.3	409.7	20.5	542,629.9	27,131.5



Acreage Absorption
(2001-2021)

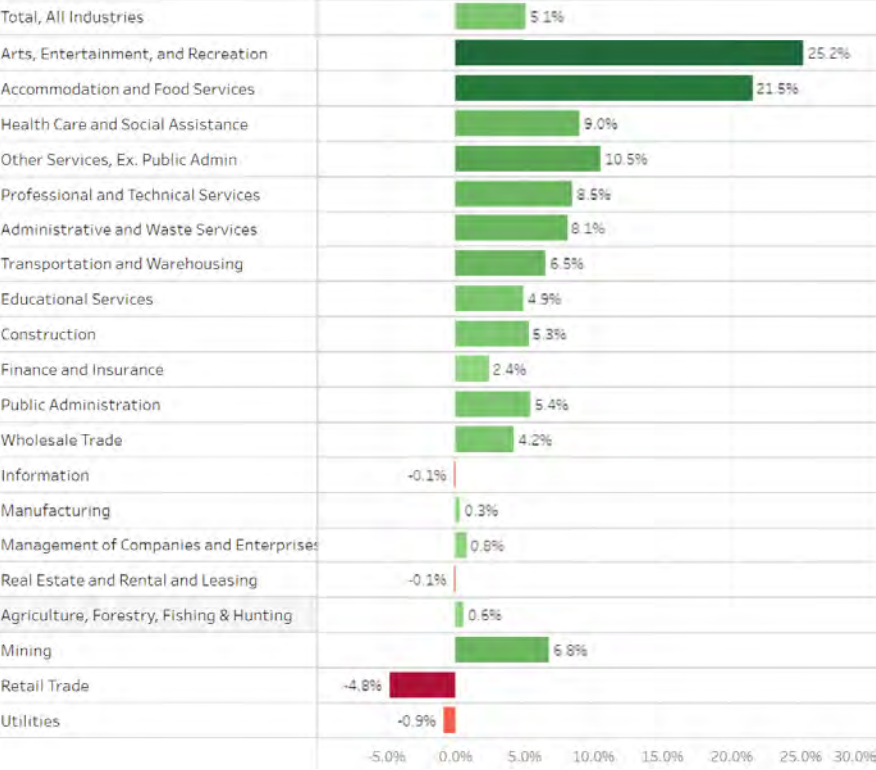


Absorption is the amount of land used up by development. Land absorption rates spiked in the post housing market crash era, before establishing a fairly rhythmic pattern over the last ten years. The city has seen fairly negligible condominium development, so that category is not included in the calculations above.

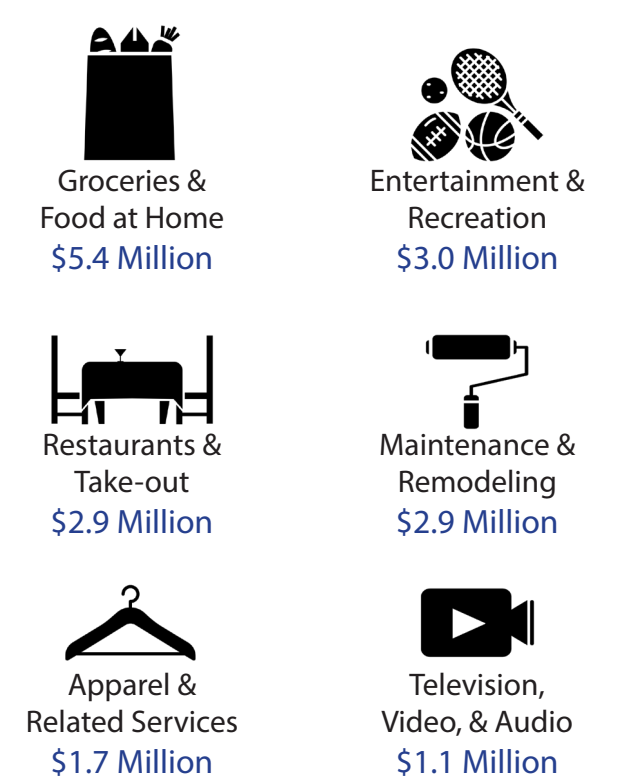
Commercial and Industrial Growth

While housing demand is largely a factor of household type and income, commercial and industrial generally have many more variables. The chart below shows expected industry growth trends in the region. The decline of retail reflects the rise of online shopping.

Southeast Minnesota Job Growth by Industry
(2020-2030)



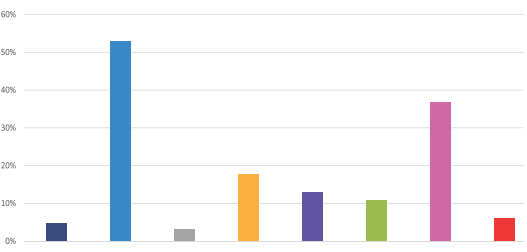
Faribault 5-Year Projected Spending Growth
(2023-2028)



Development Footprint and Tax Capacity

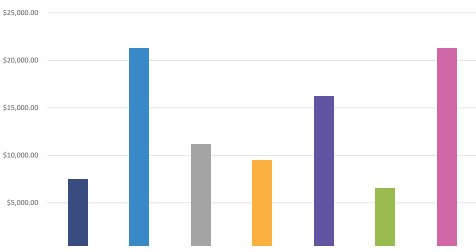
Tax capacity of different land use types demonstrate the potential public revenue benefits of development projects.

Percent Parcel Developed
(2001-2021)



The footprint of multifamily housing like condominiums and townhomes take up the largest percentage of development sites.

Tax Revenue Per Acre
(2001-2021)



Multifamily housing yields the highest average tax revenue per acre. This reflects the more intensive use of these sites in terms of their property footprint.

Cody - add legend here

Larger y-axis labels on both charts

HOUSING INVENTORY AND OPPORTUNITIES

Local Market Trends

Faribault has a median household size of 2.6 people — about on track with the state average of 2.5. About 36% of owner occupied and 52% of rental housing are families with children. These households tend to seek out larger, multi-bedroom units, leading to a shortage of dwellings with 3 or more bedrooms.

Consumer data and construction trends demonstrate a growing preference toward sustainable and resilient housing. These may include efficient/sustainable building materials, and renewable energy capturing technologies like solar panels and wind turbines. These green alternatives are increasingly sought after for residential, commercial, and industrial construction.

Housing Affordability in Faribault

Locally, there’s a projected demand for housing units appealing to first time home buyers of a modest size (up to 1,500 square feet). With an estimated housing construction cost of \$200 per square foot*, and estimated mortgage rates of 6%*, the average household could afford around a 1,500 square foot home before becoming “cost burdened” - a term referring to more than 30% of monthly household income being used on housing and related expenses.

*Spring 2023 estimate

Gaps in the Current Housing Market

There are two major multifamily housing projects recently completed near downtown Faribault. In both projects, more than 80% of all the units were leased before construction finished.

Quick lease-ups of these units indicate a resident demand for housing in a mixed-use, urban environment. In Faribault, these options, while increasing, are still limited.

Further, the city has limited supply of housing available that meets these characteristics:

- Two-bedroom units of a modest size
- Sale price under \$300,000
- Monthly gross rent under \$900 per 2 bedrooms dwellings
- Located within a walkable neighborhood with variety of shopping, dining, and entertainment options within a 1/4 mile walking distance

A well-connected mixed-use environment, located adjacent to commercial, light industrial and industrial employment centers, and buffered yet connected by open/green spaces and trails is suitable for this type of housing.



Multifamily Residences
Straight River Apartments



Townhomes
Stoneridge Community

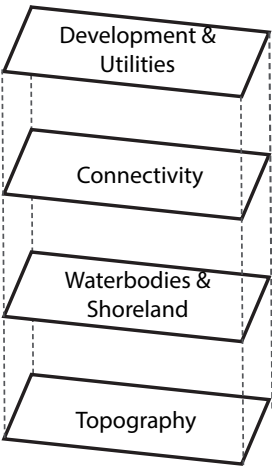


Single-family Homes
Stoneridge Community

AREA CONDITIONS FRAMEWORK

Physical Conditions

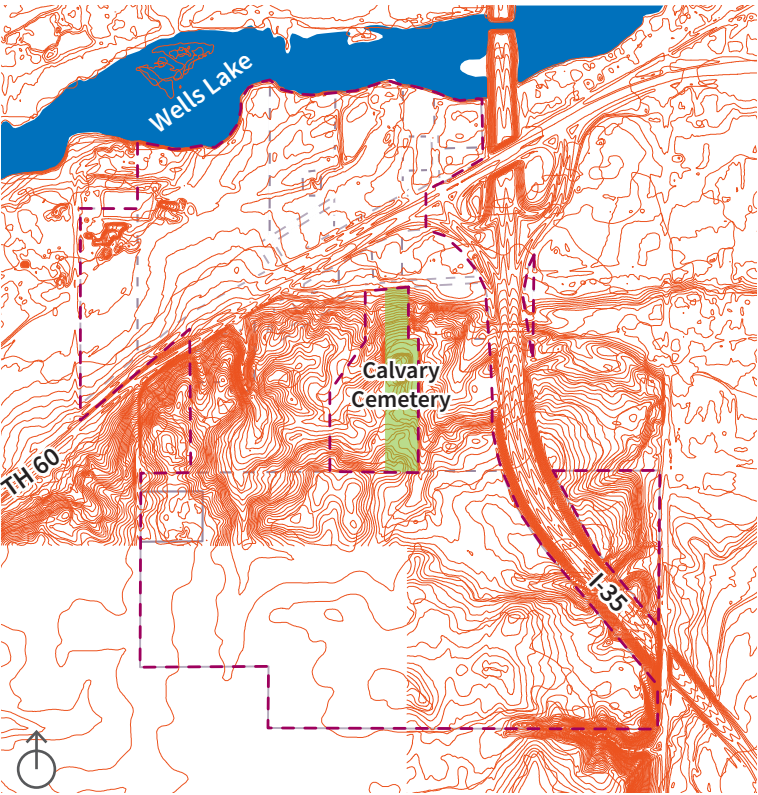
Understanding the physical conditions of the TH 60 West area was informed by a layered approach to place-based thinking, where physical characteristics are “stacked” upon each other to create an interrelated understanding of place. Details of these elements are outlined to the right.



Policy Conditions

Major policy considerations of the area include:

- A Shoreland Overlay District extends 1000’ from Wells Lake and regulates lot size, coverage, and density, which create additional regulation on dense and non-residential development near the lake.
- 100- and 500-yr flood areas exist around the NE commercial area. This pocket of commercial does not experience regular flooding today, but floodplain regulations do impact future development.
- There are numerous private easements throughout the site, and the largest is a major gas line running north/south through the study area. This wide easement prohibits any development within its boundaries.
- City officials must be open to rezoning some or all of the study area based on comprehensive plan guidance and market-based support.
- Interstate 35 is designated as an Alternative Fuel Corridor by MnDOT and the Federal Highway Administration, opening up increased funding opportunities for EV charging, hydrogen, propane, and natural gas fueling infrastructure.

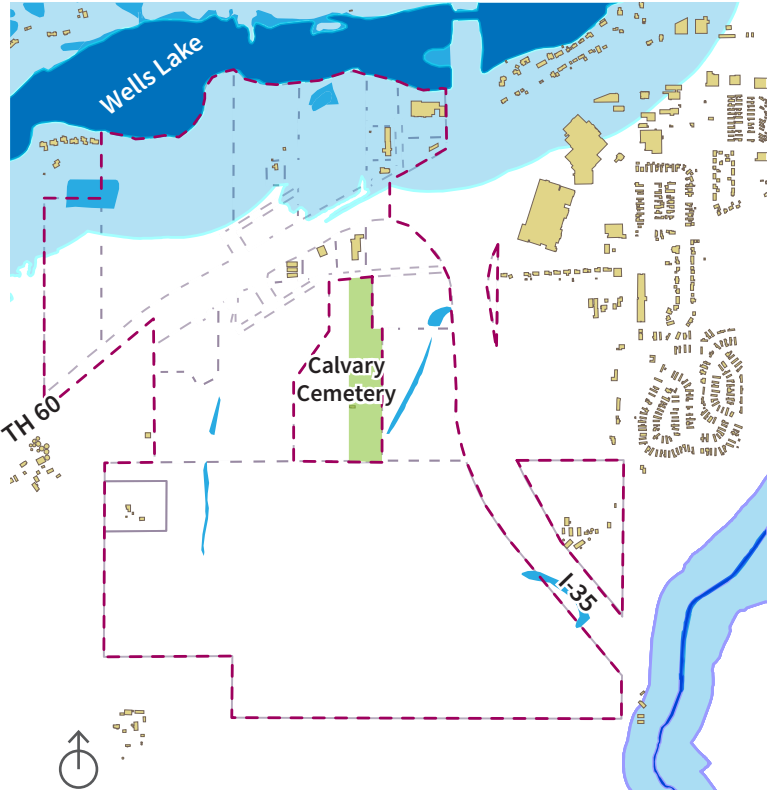


TOPOGRAPHY

A defining feature of the study area is the steep topography south of TH 60. From the roadside of TH 60, the elevation climbs rapidly to as much as 80-feet, providing beautiful sweeping views to the north and west.

Land north of TH 60 is comparatively flatter, and provides a gradual transition down to Wells Lake.

*The SW portion of the study area uses 10-foot contours, as 2-foot contours are unavailable.

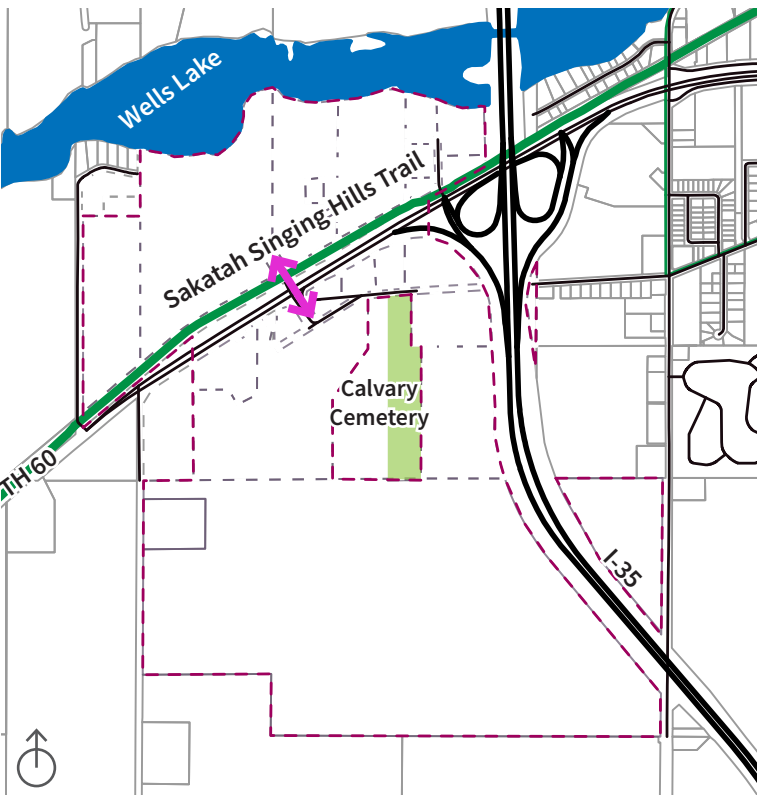


WATERBODIES AND SHORELAND

The study area is bounded to the north by Wells Lake, which provides a potentially significant asset for future development and recreation.

The Shoreland Overlay District for Wells Lake creates a protected area 1000’ from the shoreline, and regulates the scale, intensity, and impervious coverage of buildings within the overlay.

There are some flood areas in the study area, but are mostly limited to the northeast and therefore have minimal impact on the study area.

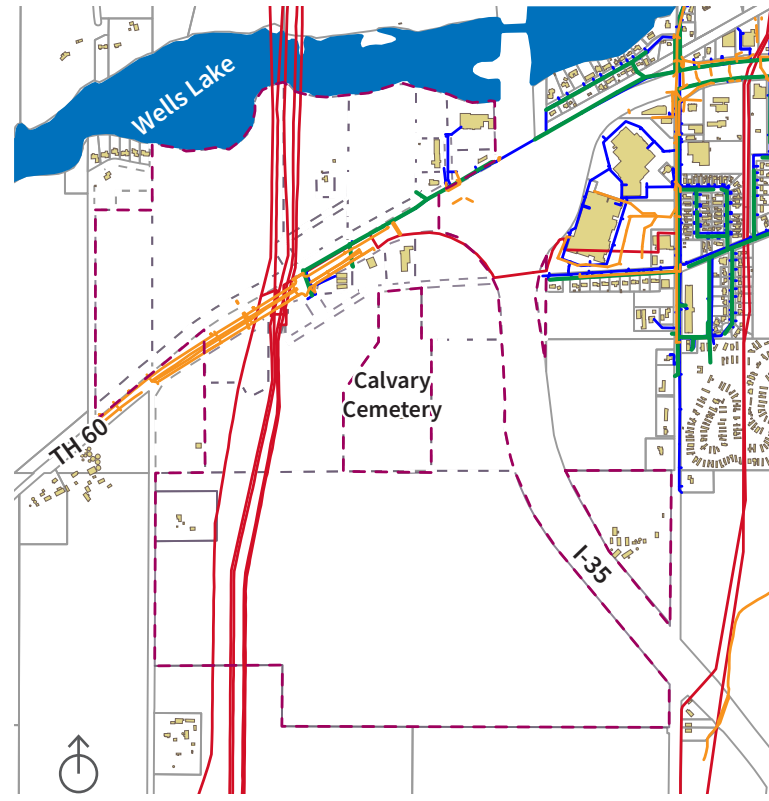


CONNECTIVITY

TH 60 West’s strongest marketing attribute includes easy access to Interstate 35 and travel along the corridor. However, the interstate does limit existing east-west access down to one point: the I-35/TH 60 interchange.

TH 60 bisects the study area and operates without signalized intersections or pedestrian crossings. Future improvements along TH 60 should include intersection and pedestrian improvements.

The Sakatah Singing Hills Trail runs along the north edge of TH-60 within state ROW, providing regional recreational access through the heart of the area.



DEVELOPMENT AND UTILITIES

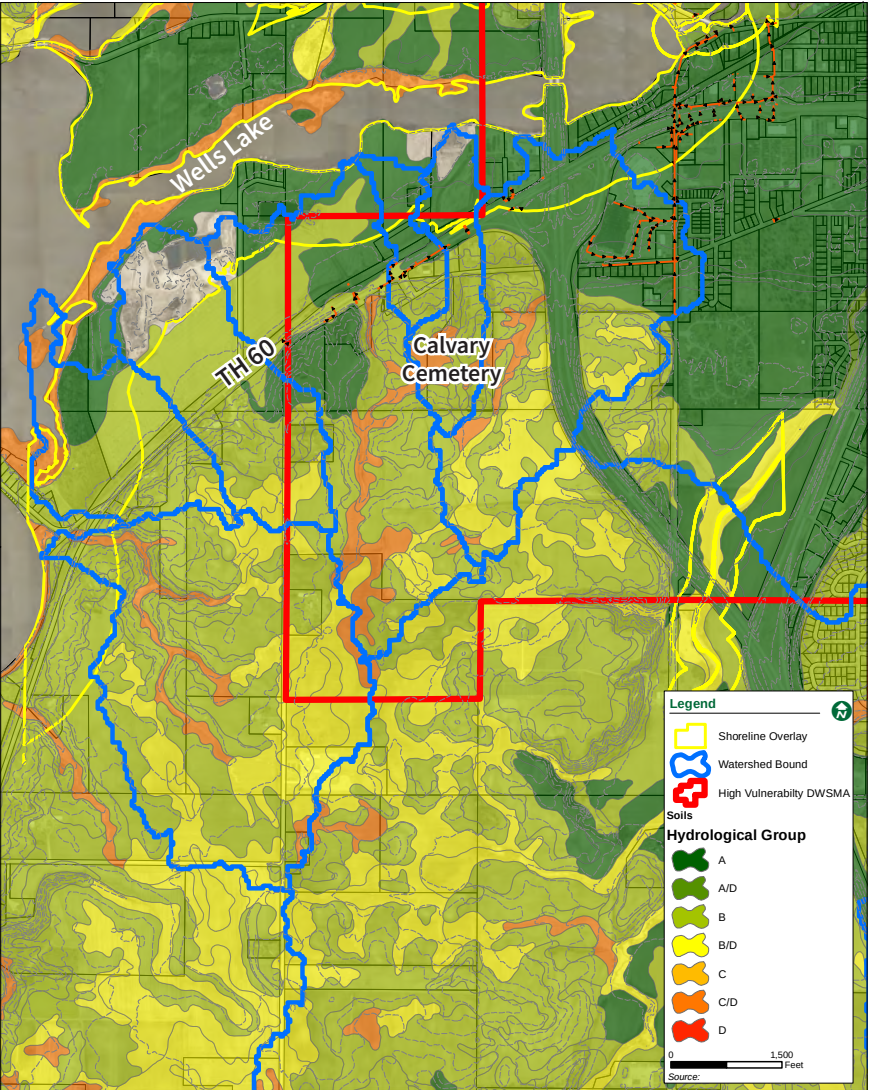
Development in the study dates to the 1970s north of TH 60 and the 1980s-1990s south of the Th 60.

City water and sewer serve the study area and extend to 38th Ave NW.

Among the most significant encumbrances for the study area includes multiple natural gas lines running north-south in an easement several hundred feet wide.

Crossing the easement will require cooperation with Northland Natural Gas.

SOILS AND WATER RESOURCES



Soils

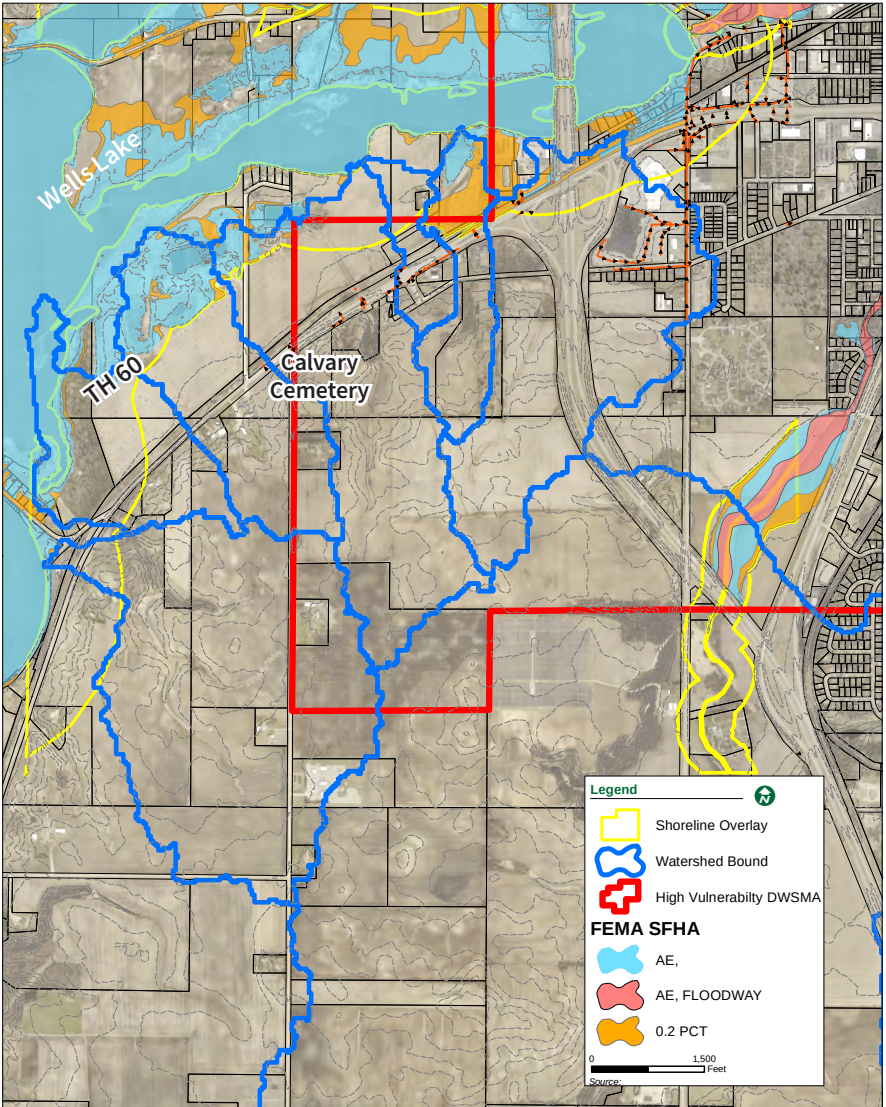
Area soils are generally sandy with moderate to good infiltration capacity. These well-draining soils provide opportunities and challenges in terms of stormwater management

Sandy soils are great for meeting volume control standard. With some additional geotechnical investigation, the sandy soils can be utilized to reduce stormwater management footprints by enhancing regional infiltration.

When sandy soils are paved, the change in runoff volume is more exaggerated than tighter clay soils as most of the water soaks into sandy soils before it starts to move across the land. When those soils are paved over, stormwater runoff is almost instant meaning managing rate control could add to the overall stormwater footprint.

Some of this volume change can be mitigated through the use of larger regional facilities, as opposed to individual lot stormwater management practices.

However, sandy soils can also lead to higher vulnerability of drinking water supply management areas (DWSMAs). In this case, Faribault has a high vulnerability DWSMA that extends over a portion of the development area. Stormwater infiltration may be limited, or even prohibited, in these areas. During preliminary site planning, it will be important to recognize these limitations and provide higher level engineering should infiltration be necessary in these areas.



Stormwater & Treatment

Stormwater runoff in the study area currently drains from south to north and on the ground surface. Regional drainage is largely defined by steep swales and largely stable ravines south of TH 60. As drainage enters the Cannon River floodplain north of TH 60, topographic grades dramatically flatten.

Each ravine has a culvert crossing at Highway 60. These may be good boundary conditions for upstream development. As such, regional stormwater management could be split south and north of Highway 60 to leverage the existing infrastructure.

The Cannon River has been studied for flooding and has a FEMA defined special flood hazard area. The flood fringe and floodway designations offer both limitations and

flexibility. While fill is allowed within the flood fringe to elevate a structure above the 100-year base flood elevation, the floodway and flood fringe are very close together in this area resulting in development becoming difficult to achieve without mitigation measures.

Currently, the floodplain areas north of Highway 60 have in-place stormwater ponds and/or material mining. These low areas should be explored for use in regional stormwater management approaches to limit additional excavation.

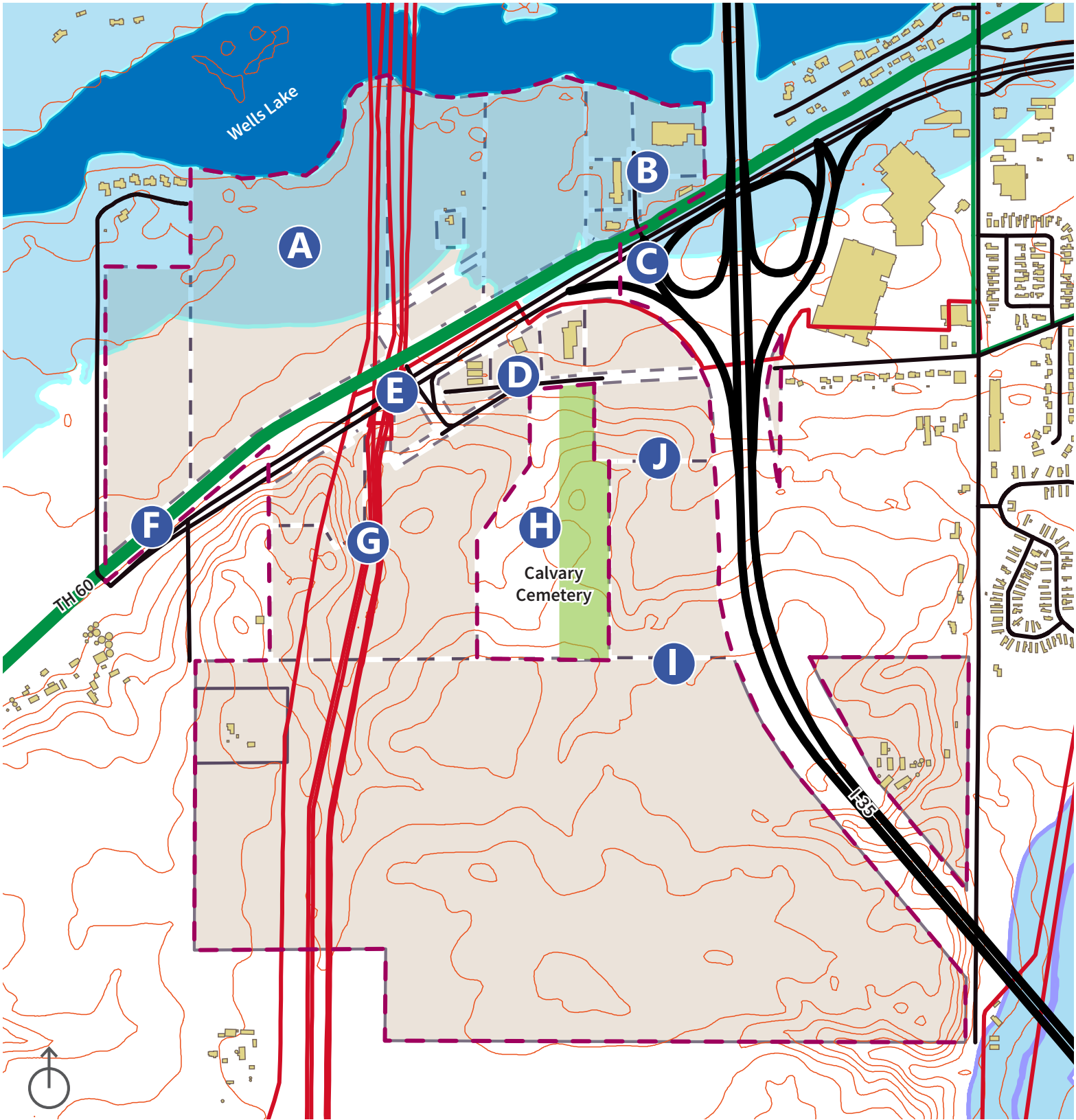
AREA CONDITIONS SUMMARY

Challenges

- Steep topography, particularly to the south, creating difficult conditions for access and dense, large scale development.
- A series of natural gas lines running north-south and associated private easement, creating a bisecting hurdle for development and connectivity.
- The Shoreland Ordinance, which extends 1000’ from the Wells Lake shoreline, provides additional and at times unclear, regulation of development type and density above and beyond city zoning.
- A single point of access (TH 60) connecting the study area to the rest of the City limiting connectivity with other city areas.
- The site must compete with other identified redevelopment and growth areas across the city.

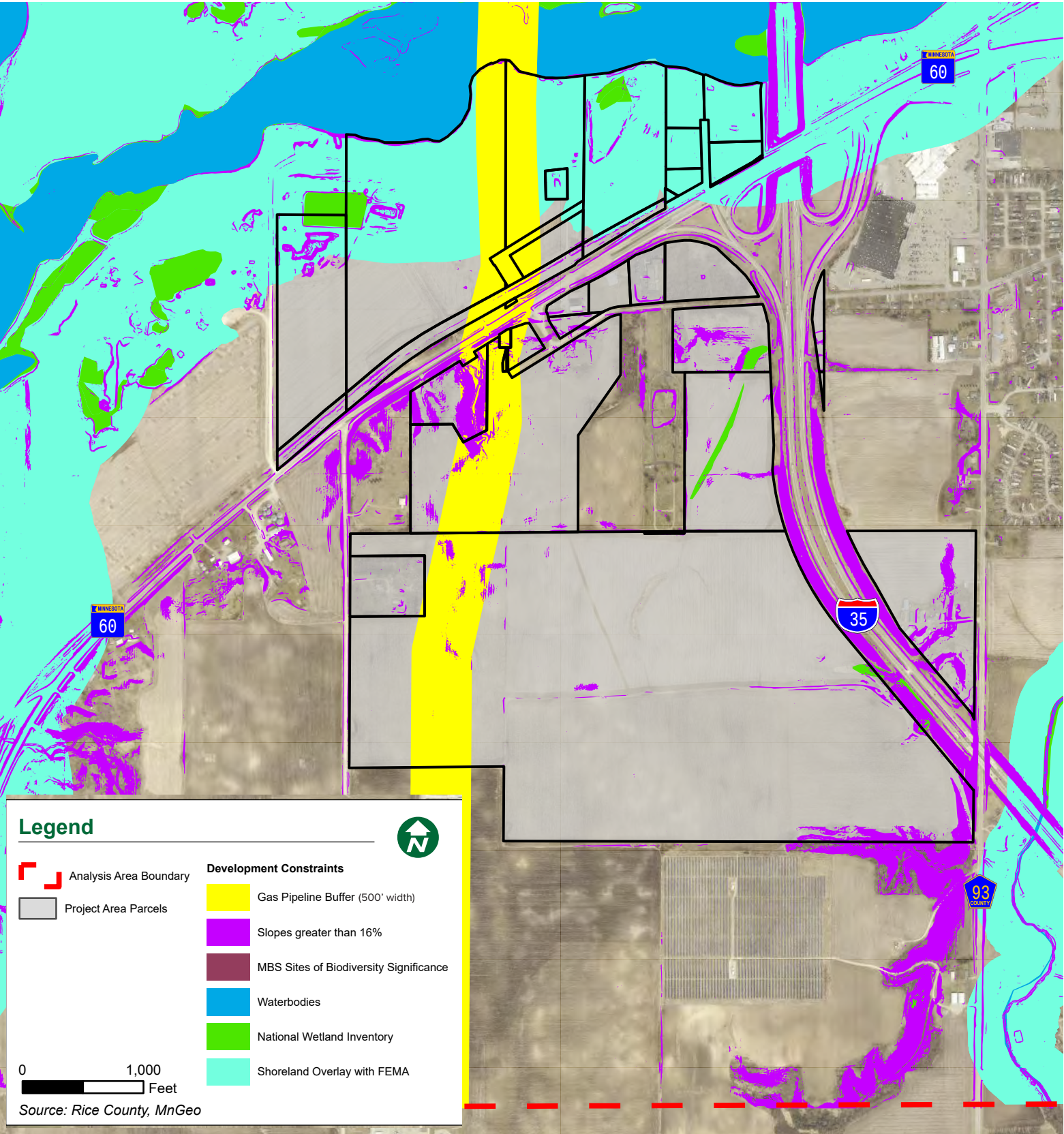
Opportunities

- As one of three Interstate 35 access points for Faribault, the area has great access to regional, state, and interstate commerce.
- The area has great potential as an attractive and welcoming gateway into Faribault.
- Steep topography presents pristine views of the city and natural features.
- Future access to Wells Lake could be a major attractor for future homes, or lake-oriented recreation.
- The Sakatah Singing Hills State Trail provides regional bike access and tourism opportunities through the middle of the site.
- The area is already served with sufficient public utilities, reducing the cost of extension for future buildout.
- New housing in the study area can support city-wide housing demands and provide a range of dwelling types and price points.



- A** The Shoreland Ordinance significantly regulates development density and coverage, making multifamily and non-residential development difficult. However, because much of the area was zoned Commercial prior to Ordinance adoption, there is greater flexibility in total lot coverage allowance.
- B** Existing commercial uses date back to the 1970's and are clustered in the NW quadrant of the interchange
- C** I-35 provides exceptional visibility, interstate commerce and travel access, but is also a barrier to accessing the rest of the city
- D** Development south of TH 60 is a mix of industrial and commercial uses dating back to the 1990s
- E** TH 60 bisects the study area but provides critical access to and through the area, while offering a direct connection to Downtown Faribault
- F** The Sakatah Singing Hills State Trail offers regional connectivity and recreation, connecting to the Western Ave Trail and City of Faribault Trail.
- G** Five major gas lines and the associated easement create a major area encumbrance, particularly for development and interior connectivity
- H** Cavalry Hills Cemetery, dating back to 1858, is a centerpiece of the area and final resting place of Alexander Faribault. Half the property is used for the cemetery, while the other half is used for agricultural land. Enhancing and celebrating this iconic location should be central to area's future.
- I** Sandy soils and numerous natural drainage areas at low points within the steep topography should be utilized for exploring regional (multi-site) stormwater management.
- J** Significant and steep topography define the southern portion of the study area, presenting sizable development barriers, but also opportunities to create uniquely sited uses with some of the best views in the city.

DEVELOPABILITY AND SUITABLE USES



Developable Area

Of the approximately 495 acres within the study area, a total of 412 acres are developable when controlling for the following criteria

- **Topography** — slopes > 15%
- **Water constraints** — protected floodplain and/or wetland areas
- **Easements** — the presence of significant easements, specifically the north-south natural gas line

70 acres of this developable area is also within the Shoreland Overlay, which regulates development intensity. While not prohibiting development, it does result in lower allowed development intensity.

Preliminary Development Suitability

1. North of TH 60



Suitable for:

- Single family and other low-density neighborhoods within the Shoreland Overlay District
- Transitions to multifamily dwellings along edges of the Shoreland Overlay District
- Mixed-use and/or small-scale commercial along TH 60 outside of the Shoreland Overlay District with connections to adjacent residential neighborhoods
- Gradual redevelopment of existing business sites.

2. South of TH 60



Likely suitable for:

- Highway-oriented or regional commercial, leveraging access to I-35
- Light and medium industrial users requiring interstate access
- Specialty users such as green energy or data centers
- Gradual redevelopment of existing business sites.

An aerial photograph of a landscape, likely in a rural or semi-rural area. A large river or lake is visible on the left side, with a road or path running along its edge. In the center, there is a highway interchange with multiple lanes and ramps. To the right of the interchange, there is a large, rectangular, light-colored structure, possibly a bridge or a large building. The surrounding area is a mix of fields, trees, and some scattered buildings. The overall color palette is dominated by earthy tones like brown, tan, and green.

DESIGN FRAMEWORK

LAND USE FRAMEWORK

Leveraging the Interstate

Interstate access is among the biggest economic assets of the area. However, there are several different types of commercial uses that are drawn to an interchange. The TH 60 West Master Plan strives to determine an appropriate balance of uses that can boost economic growth, while also elevating a unique quality of place at the western gateway to the city.

The plan seeks a balance of two ends of a land use spectrum, both of which is drawn to an interchange.

Auto-Serving: Uses that are oriented to selling, servicing, or enhancing vehicles, or those that people do not need to leave a vehicle to experience, such as fast food restaurants. Generally speaking, these uses are single trip destinations with strong economic value.

These uses could also be understood as “traditional highway oriented uses”, in that they are more commonly found adjacent highways, and are comparably more reliant on interchange proximity.

People-Serving: Uses oriented to personal service, entertainment, or recreation, or other businesses types requiring people to leave their cars, such as sit-down restaurants. Generally speaking, these uses encourage visiting multiple destinations during a trip due to proximity, often by walking between each. There are unique economic and quality of place value in these uses, however people-serving uses were not viewed as inherently more-desireable uses.

These uses could also be understood as alternative highway oriented uses, since they find interchange proximity highly desirable but are comparatively less reliant on an interchange. As such they are less commonly found adjacent to highways.



Auto Serving / Traditional Highway Uses



People Serving / Alternative Highway Uses

Residential Neighborhoods

Due to topography and other encumbrances, the north study area is identified as more appropriate for new, complete neighborhoods that could offer a more natural aesthetic and smaller scale, not found elsewhere in the city. Likewise, the natural gas line easement serves as a delineation between the commercial district adjacent to the interchange and two proposed neighborhood types further west.

The first neighborhood type embraces a conservation-style development design, recognizing the Shoreland Overlay District limiting development intensity near Wells Lake.. Modestly-sized homes in this conservation-style development provide cost-efficient opportunities for home ownership.

The second neighborhood type envisions multifamily housing for those areas outside the Shoreland Overlay. These medium- and high-density apartments and townhomes are critical for supporting surrounding commercial uses, and offer the city much needed new housing stock.

Housing in this study area differentiates itself from other housing in the city through proximity and access to Wells Lake and orientation around natural, public spaces.



Sustainable Industrial

The city needs large, shovel-ready development sites for medium- and large-scale industrial uses. The southern-most portions of the study area would be most appropriate for these uses as it contains the largest areas of developable land, has adequate access and visibility to Interstate 35, and does not compete against residential and commercial uses experiencing strong market draws in the north.

Rather than simply allowing traditional manufacturing, the city should leverage I-35 as an alternative fuel corridor, using energy programs from both the State and area utility providers to pursue green, sustainable manufacturing and design. Businesses may include producers of green energy components, utilization of sustainable sources of energy, or building design decisions like naturalized landscapes, low-salt site design, EV charging stations, or greenspace preservation.

This may also include closed-loop production systems in which the “waste” of one user becomes an input for another, thereby reducing total system byproducts. This approach requires significant coordination across users, ensuring public and private infrastructure sufficiently supports system needs.



Public Space

New public space opportunities are explored primarily within neighborhood and commercial areas of the north study area. Recognizing that Wells Lake is a unique natural asset, these public spaces embrace the water and provide area residents and visitors the chance to view and connect with Wells Lake. When combined with interchange proximity, water-oriented public spaces function as a catalyzing anchor of the northern land use vision.

More naturalized public spaces are concentrated in the residential neighborhoods, while more programmed spaces are considered within the commercial district adjacent the interchange.

Additionally, the plan recognize regional stormwater and drainageways as natural, public amenities. These not only helped organize land uses, but could provide key stormwater management for new development



TRADITIONAL HIGHWAY ORIENTED LAND USES

Truck Stop
8-12 Acres



Auto/Implement Dealer
5-10 Acres



Gas Station
.5-3 Acres



Destination Stop
10-20 Acres



Car Dealer
3-8 Acres



Fast Food
1 Acre



ALTERNATIVE HIGHWAY ORIENTED LAND USES

Hotel
2-4 Acres



Charging Stations
Site design



Water Commercial / Event Center
1-5 Acres



Casual Restaurants
1 Acre



Medical Office / Clinic
1-5 Acres



Enhanced Facades / Design
Building Design



CONSERVATION NEIGHBORHOODS

Jackson Meadow, Marine-on-St. Croix, MN
salmela architects



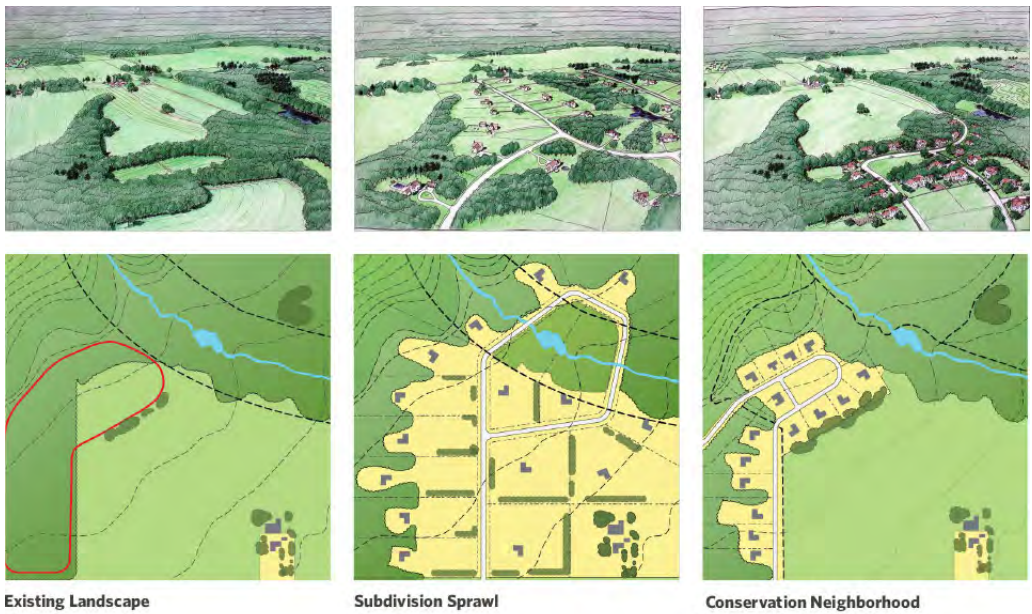
Pocket Neighborhood



Native Plant Preservation
landscape conservation



Development Patterns
Source: bettertowntoolkit



Preserved Landscape
landscape conservation



Rural Trail
Connect Neighborhoods

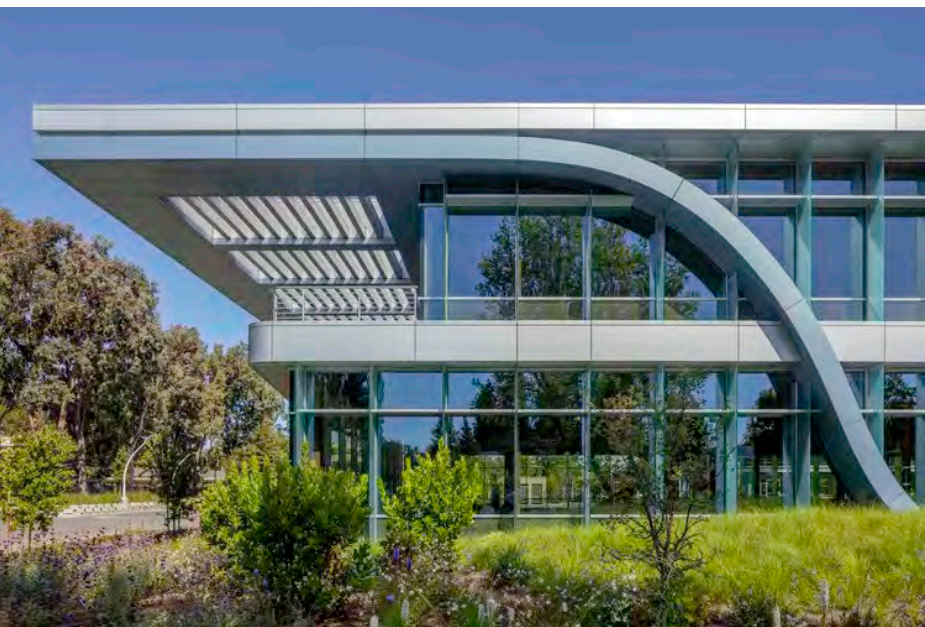


INDUSTRIAL, GREEN MANUFACTURING

Industrial Flex
2-20+ Acres



Embrace Natural Aesthetics
Site design



Roof/Supportive Solar Panel
Site/Building design



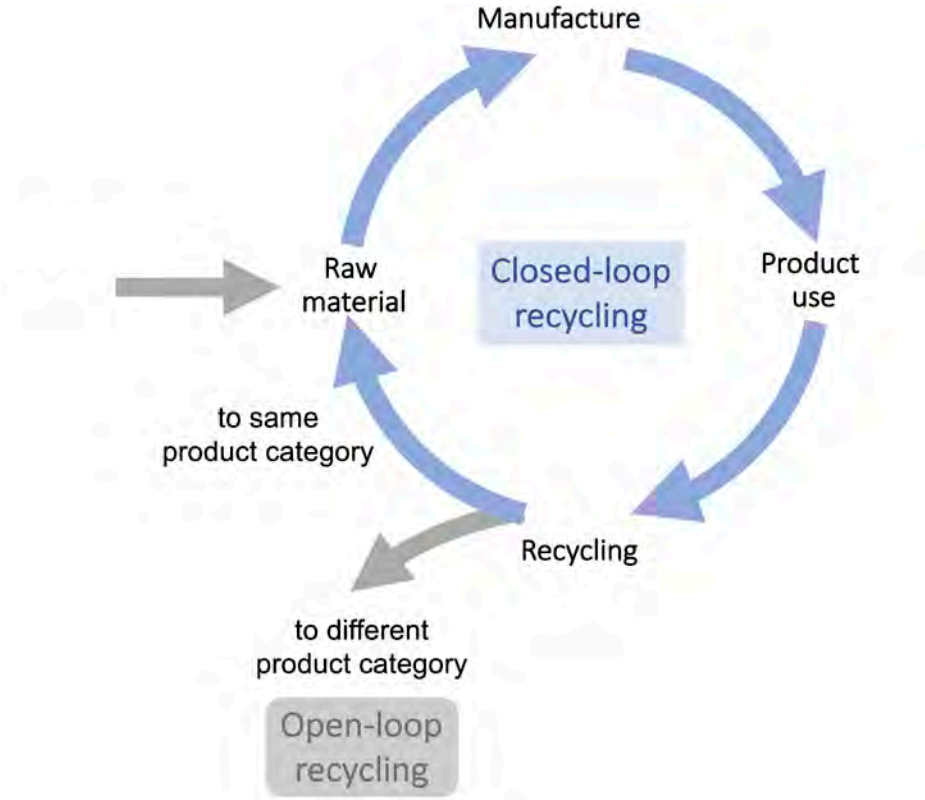
Enhanced Facade / Design
Building Design



Green Manufacturing
5-15+ Acres



Closed-Loop System
Industrial Systems Approach



SHORELINE PUBLIC SPACE IDEAS

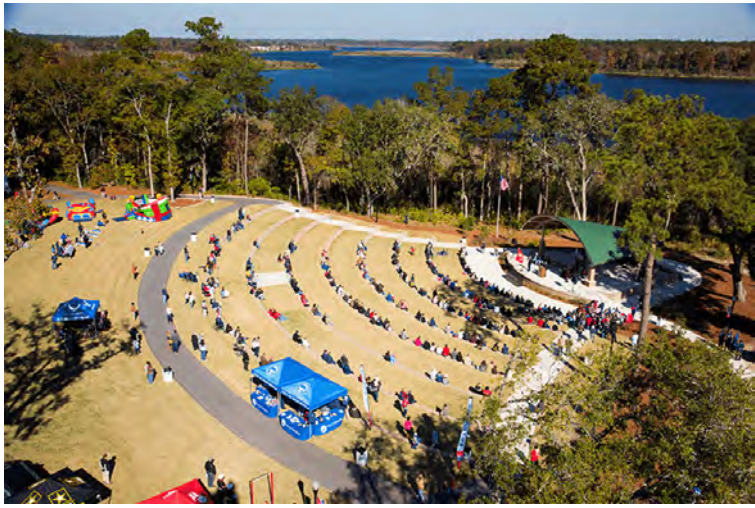
SHORE EDGE



WATER ACCESS



COMMERCIAL ACTIVITY



An aerial photograph of a landscape, likely a river valley. A wide river flows from the top left towards the bottom center. To the right of the river, there are several large, rectangular fields, some of which appear to be agricultural. A road or path runs diagonally across the middle of the image, intersecting the river. The background shows a dense forest or wooded area. The overall tone is sepia or brownish, giving it a historical or archival feel.

THE PLAN

NORTH STUDY AREA



NORTHERN NATURAL GAS
LINE AND EASEMENT

SHORELAND
OVERLAY

EXISTING DRAINAGE,
STATE TRAIL

EXISTING DRAINAGE

SHORELAND
OVERLAY

STATE TRAIL



- 1 Modest, multifamily housing outside the Shoreland Overlay
- 2 Single family neighborhood within the Shoreland Overlay
- 3 Partially built out to shoreline with some public spaces, and amenities
- 4 Amenitized stormwater with centralized, public greenspace
- 5 Trail spur and amenitized drainage way bisecting the commercial area
- 6 People- and highway-oriented commercial uses
- 7 People- and water-oriented commercial uses, with connections to the waterfront park space
- 8 Large-and small-format commercial - i.e. regional dealership, showroom, truck stop

green space	++
commercial	+++
multifamily	++
single family	++

LAND USES

Interstate access is among the biggest economic assets of the area. However, there are several different types of land uses that are drawn to an interchange. This plan seeks to answer was an appropriate balance of people-serving and auto-serving uses by recognizing that some uses see interchange proximity as a necessity, while others see proximity as a convenience.

The north study area suggests using the natural gas line easement as east-west delineator between commercial businesses dependent on interstate proximity to the east and uses not dependent on interstate proximity to the west.



New Riverfront Neighborhoods

The western portion of the study area presents an opportunity for new neighborhoods with varying price points and types for Faribault. These two neighborhoods, blended together, respond to both local housing needs and restrictions presented by the Shoreland Overlay District

Conservation Neighborhood

Constructing a conservation subdivision addresses site and design restrictions found in the Shoreland Overlay District. This neighborhood contains small lots, clustered single family homes, and generous natural landscape. A conservation subdivision celebrates a natural aesthetic by promoting land conservation and access to the water.

Housing Types: Low lot coverage single family homes.

Traditional Neighborhood

Once out of the Shoreland Overlay District, developers may construct medium- and high-density housing. Leveraging near access to trails, new parks, the water, the interchange, and just minutes from downtown Faribault, Multi-family development at this location creates a unique and attractive neighborhood type not found elsewhere in Faribault.

Housing Types: Townhomes, small and large apartments

Commercial Districts

This plan proposes that larger use types, generally those oriented to regional and inter-state markets, concentrate near the interchange and at the signalized intersection of 30th Ave NW. These auto-serving users require interstate access as a necessity.

Further to the west, the plan envisions a smaller cluster of people-serving commercial uses. These uses encourage longer visits by people leaving their car and visiting multiple businesses, the riverfront park, or state trail. These uses are still drawn to the interchange, but proximity becomes more of a convenience than necessity.

Parcels may range from 6-10+ac nearer the interchange, down to 1-3ac to the west adjacent the natural gas line. This variation in size reflect intended use types within the commercial district.

CONNECTIVITY FRAMEWORK - STREETS & TRAILS



The city has invested significantly in infrastructure readiness for future development in the TH 60 West area. As such, roadway tie ins within the center of the are have already been developed and are ready to be expanded upon.

The street network largely runs parallel to TH 60, connecting 30th Ave NW, 38th Ave NW, and a realigned Wells Lake Dr. On either side of the natural gas line easement, streets diverge from the main street network and reconnect in a loop, providing access to more commercial and residential land.

To ensure long-term maintenance and quality of the street network, the plan envisions new roadways as public streets, designed and constructed as development occurs.

The plan recommends maintaining existing intersections along TH 60, with the exception of Wells Lake Dr, which shifts alignment with Canby Ave. This intersection could benefit from being signalized as development occurs and warrants improvements.

1 CONSERVATION NEIGHBORHOOD STREETS

Streets within the conservation neighborhood should be be designed as low-speed and low-volume, seeking to minimize impervious coverage within the Shoreland Overlay District. On-street parking is provided on at least one side, and sidewalks should be on both sides wherever possible.



2 NEIGHBORHOOD STREETS

Neighborhood streets are designed to balance vehicle and pedestrian access and circulation. On-street parking is provided on both sides of the street, and sidewalks should be on both sides wherever possible.



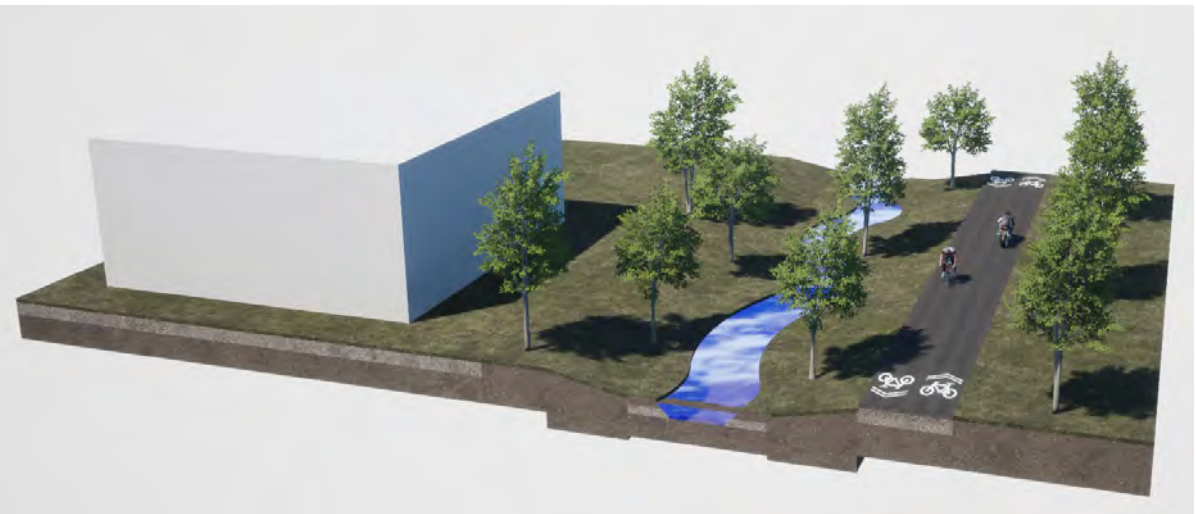
3 STREETS OF COMMERCE

Commerce streets promote safe circulation of commercial vehicles and business access, yet remain accommodating to those walking and biking. Parking is off-street, and a center turn lane supports business access and larger vehicle turn movements. A sidewalk is provided on one side, with the other contains a shared use path when possible to accommodate bike and pedestrians.



4 TRAIL SPUR

Trail spurs within the northern section of the study area connect residences and businesses with the Sakatah Singing Hills State Trail. This spur runs alongside a stormwater drainage feature, landscaped with native plants. These routes promote area circulation and leverage the amenitization of area infrastructure as attractive development features.



PUBLIC SPACES FRAMEWORK

The plan proposes a series of new public spaces as connective organizing amenities across the northern study area. The three primary spaces are organized within, and programmed to support, surrounding land use context. Each leverages the proximity to Wells Lake by providing views or even access to the water, and celebrates natural drainage patterns by continuing to daylight drainageways.



Neighborhood Park

Located amidst new shoreline housing, the neighborhood lakefront park provides passive, natural spaces for surrounding residents to relax and enjoy Wells Lake.

The neighborhood park is the northern-most extent of a green connection and trail spur extending up from Sakatah Singing Hills State Trail though the heart of the residential neighborhoods to Wells Lake.



Destination Commercial Park

The commercial district park provides programmed public space to complement surrounding people-oriented land uses. This destination park draws additional activity for those working, shopping, and passing through the commercial district. Connections into the park are complementing of adjacent development, encouraging use and recreation.



STORMWATER PARK

Expanding and enhancing the existing storm pond provides a central public gathering space surrounded by new housing.. This feature provides a naturalized public amenity within the heart of the neighborhoods, and establishing key regional stormwater management. The stormwater park is also the core of the green connection from Sakatah Singing Hills State Trail to Wells Lake.

NORTH STUDY AREA SUMMARY

CHALLENGE

- 1 SHORELAND AREA RESTRICTS DEVELOPMENT DENSITY, REQUIRES ADDITIONAL APPROVALS
- 2 GAS LINE CONTAINS EASEMENT, RESTRICTS DEVELOPMENT
- 3 IMMEDIATE PROXIMITY TO I35 SUPPORTS TRADITIONAL HIGHWAY COMMERCIAL
- 4 MISALIGNED INTERSECTION REDUCES CONNECTIVITY ACROSS THE HIGHWAY
- 5 DISTANCE FROM I35 REDUCES COMMERCIAL DEVELOPMENT INTEREST



SOLUTION

- 1 LIMIT HOUSING TYPE TO SMALL LOT SINGLE FAMILY HOUSING, IN A CONSERVATION STYLE NEIGHBORHOOD
- 2 EMBRACE THE GAS LINE EASEMENT AS AN EAST/WEST DELINEATOR
- 3 TRANSITION FUTURE COMMERCIAL FROM AUTO-SERVING TO PEOPLE-SERVING
- 4 REALIGN WELLS LAKE DR TO CANBY AVE
- 5 ALLOW FOR MEDIUM AND HIGH DENSITY RESIDENTIAL, WITH SOME SMALL COMMERCIAL



SOUTH STUDY AREA



EXISTING DRAINAGE,

NORTHERN NATURAL GAS
LINE AND EASEMENT

EXISTING DRAINAGE
EXISTING DRAINAGE
STEEP TOPOGRAPHY

STEEP TOPOGRAPHY AND
NATURAL DRAINAGE
PATTERNS

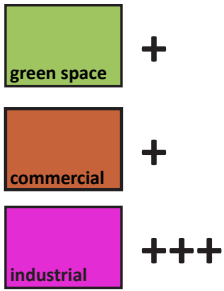
STEEP TOPOGRAPHY
AREA HIGH POINT

A Rolling Eco-Industrial Park

Highway-oriented commercial uses are concentrated in the northeast, leveraging the highway for regional commerce. Remaining land to the south is used almost entirely for terraced eco-industrial, green manufacturing, or similar uses - leveraging the natural topography to define development shape and form. The gas line easement creates a western growth edge for the full area



- 1 3-5 acre highway commercial, with direct access to and visibility from the interchange.
- 2 Steep topography west of the cemetery, along with the gas line easement, makes development very unlikely.
- 3 Preserve and protect Calvary Cemetery, as an important destination.
- 4 Follow natural topography for future roads, while preserving a buffered space adjacent the cemetery.
- 5 Embrace topography by tiering developable areas, carving out large flat lots and interesting viewsheds from each tier.
- 6 Medium and large scale green industrial, manufacturing or energy uses that benefit from being near the interchange, but rely on large sites.
- 7 Due to topographic constraints, the natural gas line easement, and relative isolation of this area, development is not currently envisioned to the west of the easement



LAND USE FRAMEWORK

The plan proposes locating commercial uses along TH 60 in the northeast part of this focus area, complimenting the commercial district to the north. Commercial uses are generally constrained to the northeast corner and sites east of the cemetery due to topographical and natural gas line easement restrictions.

The southern part of this focus area includes long-term development of green and sustainable industrial uses, which supports city-wide needs for large-lot, shovel-ready sites. Development in this area requires creative grading solutions for tackling topography, but strong potential remains for the southern area supporting long-term industrial uses.



Commercial

The plan envisions a cluster of high-way oriented commercial uses along TH 60, which are either auto- or people-serving. Interchange proximity and visibility from I-35 and TH 60 draw both kinds of commercial uses..

Parcels are around 5 acres for each site, but can flex to accommodate different use and business needs. Large-lot commercial sites should generally locate in the commercial district on the north side of TH 60.



Industrial District

The city needs large-lot, shovel-ready sites for medium- and large-scale industrial uses. While the southern-most section of this area is a future, opportunity-driven area, it could accommodate these uses well. This area also has abundant opportunity to support local and regional aspirations of green and renewable energy, green production, and closed loop systems of production.

MnDOT identifies this segment of I-35 as an Alternatives Fuel Corridor, potentially opening up opportunities for funding and infrastructure to support alternative and green energy systems. Along with existing utility infrastructure, Xcel Energy has expressed interest and the ability to support large energy users within the city, and along the I-35 corridor.

The plan envisions terracing the area’s steep grade into a series of large “landings”, to accommodate large-footprint users. These may be manufacturing, data centers, or distribution users. As a result, exact development layout and lot sizes will depend greatly on development staging, and coordination amongst interested developers, property owners, and the city.

CONNECTIVITY FRAMEWORK

For the near term, Calvary Drive will remain the main point of access to the area. The road will extend to the east, before turning south and following topography south and west until it reaches the larger area south of Calvary Cemetery. Due to topography, the natural gas line easement, and lack of developability, extending Cavalry Drive west, then south of the cemetery is likely not viable.

To help Cavalry drive from becoming a dead-end, a connection from Canby Ave to the west and south of the cemetery will help increase circulation and provide a second point of industrial access.

Additionally, the viability of future development further south will require new access from the south, that can connect to the larger transportation network of the city. The plan envisions a new east-west connection along the study area's southern edge that ties in to Bagly Ave.



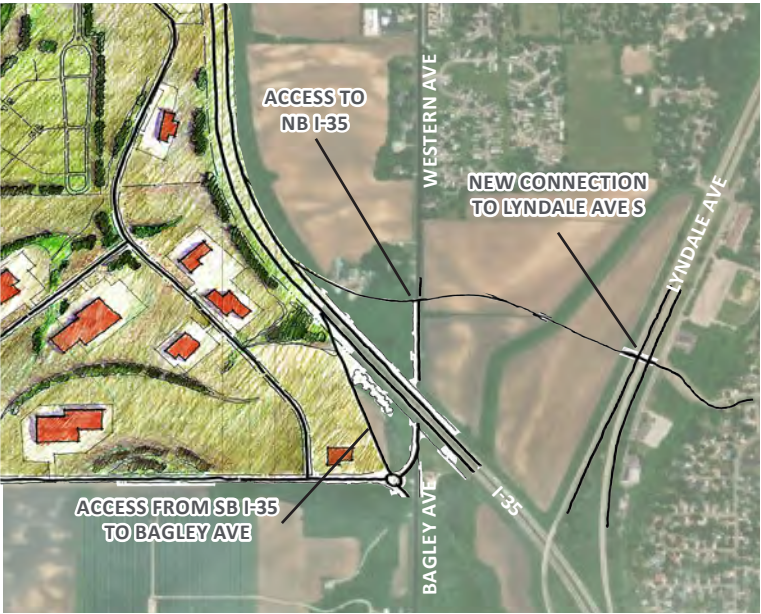
1 INDUSTRIAL STREETS

Because developing industrial sites in the south will cause industrial traffic, streets are designed and built to accommodate heavier truck traffic, and facilitate circulation, access, and turning needs. Parking is provided off-street, and a center turn lane supports business access and larger vehicle turn movements. Sidewalks are provided on one side of each street to support employees walking between businesses, or recreating throughout the day.



2 This plan proposes a large, long-term project connecting the study area to Bagley Ave, Western Ave, and Lyndale Ave to fully capitalize on limited eat-west access. This connection would connect to Lyndale Ave at Highland Pl, requiring a four-way, signalized intersection. This connection must consider existing creek and wetlands that run parallel to Western between the two roads, and would require necessary mitigation.

Longer term, the city would benefit from further studying existing and future access to I-35 from Lyndale and Western Ave/Bagley Ave. As shown, the plan envisions a future improvement that provides southbound and northbound access between I-35 and Western Ave. - connections that don't exist today.



PUBLIC SPACE FRAMEWORK

Public spaces in the southern study area remain limited to the Calvary Cemetery. Views from the Cemetery should be preserved, which could be done by establishing building height restrictions between the Cemetery and I-35. At a minimum, buffering should be required for any new development immediately adjacent to the cemetery.

As anticipated industrial development occurs, the city will work with prospective developers to identify and establish public space requirements within each development site to providing protection of existing natural environments. These spaces should also provide recreational activities for employees, or organizing features for building architecture.



Existing view from Calvary Cemetery, looking east towards I-35

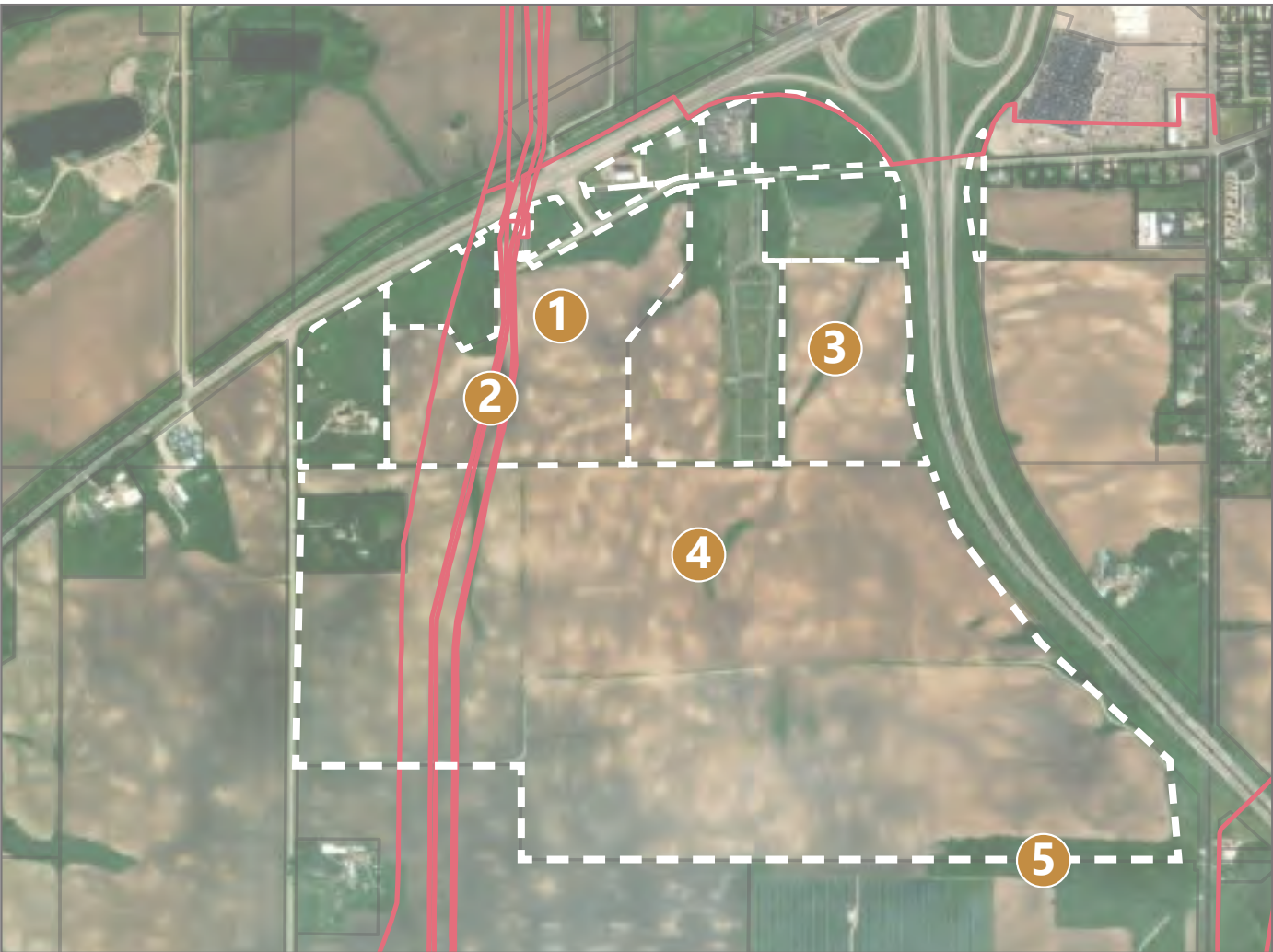


Terraced development, preserving natural spaces

SOUTH STUDY AREA SUMMARY

CHALLENGE

- 1 STEEP TOPOGRAPHY AND GAS LINE INFRASTRUCTURE MAKES DEVELOPMENT DIFFICULT
- 2 GAS LINE CONTAINS EASEMENT, RETRICTS DEVELOPMENT
- 3 DIFFICULT TOPOGRAPHY, GRADE, AND DRAINAGE MAKE DEVELOPMENT DIFFICULT
- 4 LAND OUTSIDE OF CITY BOUNDARIES, NO NEAR TERM DEVELOPMENT PLANS
- 5 LACK OF SOUTHERN ACCESS LIKELY LIMITS DEVELOPMENT POTENTIAL



SOLUTION

- 1 CONCENTRATE DEVELOPMENT TO THE NORTH, EAST, AND SOUTH OF THE AREA ONLY
- 2 EMBRACE THE GAS LINE EASEMENT AS A WEST GROWTH EDGE
- 3 EMBRACE NATURAL TOPOGRAPHY AND DRAINAGE PATTERNS TO GUIDE DEVELOPMENT AND INFRASTRUCTURE
- 4 MAINTAIN COMMUNICATION WITH CURRENT AND FUTURE OWNERS, LOOKING FOR OPPORTUNITY-DRIVEN DEVELOPMENT IN THE FUTURE
- 5 ESTABLISH NEW ROADWAY ACCESS AND CIRCULATION FROM THE SOUTH



An aerial photograph of a landscape. A river flows from the top left towards the bottom left. To the right of the river are large, open fields. A road or path runs diagonally from the bottom left towards the top right. In the upper right, there is a cluster of buildings and a parking lot. The entire image has a warm, brownish-orange tint.

IMPLEMENTATION

REALIZING THE PLAN

Development of the TH 60 area will be driven by private owner land sales, and developer interest. While owners and developers will determine the timing of development, there are several things the City and its partners can continue doing to further prepare the area for development and growth.

COST RANGE EST.

\$ = \$0 - 100,000

\$\$ = \$100,00 - 250,000

ACTION	LEAD	COST	TIMING
CONTINUE COORDINATION WITH PRIVATE PROPERTY OWNERS ON DEVELOPMENT PLANS, AND MARKETING OF PROPERTIES	CITY OF FARIBAULT, PRIVATE PROPERTY OWNERS	N/A	ACTIVE, ONGOING
CONTINUE COORDINATION WITH XCEL ENERGY, MnDOT, AND OTHER PARTNERS ON ALTERNATIVE FUEL, ENERGY, AND, DEVELOPMENT SUPPORT PROGRAMS	CITY OF FARIBAULT	N/A	ACTIVE, ONGOING
REVIEW AND CONSIDER UPDATES TO THE ZONING CODE NECESSARY TO SUPPORT THE DEVELOPMENT VISION, INCLUDING: - Review and update residential district density metrics to provide clarity on dwelling units per acre, design standards, and lot coverage. - Review the neighborhood commercial district zoning district for lot coverage, and consider the allowance of mixing commercial and residential uses. - Review and update commercial zoning districts for design standards that align with city’s elevated quality and design expectations. - Review the single family residential district to ensure ability to comply with standards outlined in the Shoreland Overlay District, in support of conservation-style neighborhoods.	CITY OF FARIBAULT	\$	NEAR TERM
COMMISSION A STREETSCAPE AND PUBLIC REALM STUDY TO ESTABLISH AN AESTHETIC TO SUPPORT AREA DEVELOPMENT, AND TO INFORM PUBLIC AND PRIVATE REALM DESIGN DECISIONS	CITY OF FARIBAULT	\$\$	AS DEVELOPMENT PLANNING & DESIGN OCCURS

COST RANGE EST.
\$ = \$0 - 100,000
\$\$ = \$100,00 - 250,000

ACTION	LEAD	COST	TIMING
COMMISSION PUBLIC PARK STUDY AND DESIGN, IN PARTNERSHIP WITH FUTURE STORMWATER AND SOILS STUDIES, TO DESIGN PARK SPACES ENVISIONED IN THE PLAN AND TO INFORM PUBLIC AND PRIVATE REALM DESIGN DECISIONS	CITY OF FARIBAULT	\$\$	AS DEVELOPMENT PLANNING & DESIGN OCCURS
COMMISSION A SUBREGIONAL WATERSHED STUDY OF THE NORTH AND SOUTH AREAS TO FURTHER UNDERSTAND STORMWATER IMPACTS AND OPPORTUNITIES, PARTICULARLY FOR ANY FUTURE REGIONAL SYSTEMS	CITY OF FARIBAULT	\$	NEAR TERM
INITIATE PRELIMINARY CONVERSATIONS WITH MnDOT TO DETERMINE STEPS NECESSARY FOR EXPANDING I-35 ACCESS FROM LYNDALE AVE, AND WESTERN AVE/BAGLEY AVE	CITY OF FARIBAULT, MnDOT	N/A	ACTIVE, ONGOING
CONTINUE PARTNERING WITH XCEL ENERGY AND OTHER UTILITY AND ECONOMIC DEVELOPMENT PARTNERS, TOWARD THE DEVELOPMENT AND DELIVERY OF BUSINESS SUPPORT PROGRAMS	CITY OF FARIBAULT, XCEL ENERGY	N/A	ACTIVE, ONGOING
DEVELOP A PUBLIC-FACING LIST OF DEVELOPMENT SUPPORT PROGRAMS AND FUNDING SOURCES, FOR USE BY PROSPECTIVE DEVELOPERS	CITY OF FARIBAULT	\$	NEAR TERM

XCEL ENERGY BUSINESS ATTRACTION PROGRAMS

Leveraging Partnerships

Xcel Energy partners with the City of Faribault to provide business attraction programs for current and prospective customers. Prospective businesses or residential properties that develop in the area should consider taking advantage of these or other business support and attraction programs.

Xcel Business Support Programs

ENERGY AUDITS, STUDIES, AND HOLISTIC PROGRAMS

- Business Energy Assessments
- Business New Construction Energy Design Assistance
- Business New Construction Energy Efficient Buildings
- Compressed Air Studies
- Data Center Efficiency Study
- Data Center Design Assistance
- Energy Benchmarking
- Engineering studies for lighting, heating, cooling, motors, refrigeration, or other systems
- Load Strategy Analysis
- Multi-family Building Efficiency
- Process and Commercial Efficiency

CLEAN TRANSPORTATION SOLUTIONS

- EV Supply Infrastructure
- Optimize Your Charge

FINANCING

- Trillion BTU financing

EQUIPMENT REBATES

- Clean Water Pumps
- Custom Efficiency
- Data Center Equipment Efficiency rebates
- Dynamic Thermal Storage
- Efficiency Controls
- Fan Energy Index
- Foodservice Equipment
- HVAC-R
- HVAC-R Trade Partner-Driven rebates
- Lighting Efficiency Retrofit Fixture rebates
- Lighting Efficiency New Construction rebates
- Lighting Efficiency Instant Rebates on Lamps
- Lighting Efficiency One-Stop Efficiency Shop
- Ozone Laundry
- Self-Direct

CARBON-REDUCING PROGRAMS

- Renewable Connect®
- Solar Rewards®
- Solar Rewards® Community

DEMAND MANAGEMENT

- AC Rewards for Business
- Electric Rate Savings
- Peak Flex Credit
- Peak Partner Rewards
- Saver’s Switch

ENERGY RESILIENCY SOLUTIONS

- Empower Resiliency

NONPROFIT OR INCOME-QUALIFIED PROGRAMS

- Multi-family Building Efficiency for Affordable Housing
- Income-Qualified Multi-family Energy Appliance Upgrades
- New Construction Affordable Housing Incentives
- Nonprofit Energy Savings Program

To learn more about available MN programs, visit <https://www.xcelenergy.com/staticfiles/xcelenergy/Marketing/Files/MN-Business-Program-Summary.pdf>



Request for Action

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

BACKGROUND:

The Community and Economic Development Director will provide an update on current and potential projects. Robert Harris, our new Economic Development Coordinator, will start his position on Monday, August 19.

REQUESTED ACTION:

None

ATTACHMENTS: