ECONOMIC DEVELOPMENT AUTHORITY AGENDA

3RD FLOOR CONFERENCE ROOM	THURSDAY, SEPTEMBER 19, 2024	7:00 AM

1. Call to Order
2. Introductions
3. Approval of the Minutes
4. 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
5. Items for Discussion
   A. Collaborative Public Art in Faribault
   B. Resolution 2024-11: Forgivable Loan to KGPCo. for downtown relocation
   C. Resolution 2024-12: Contract with Faribault Chamber for Main Street programming
   D. Discussion of 2025 EDA Work Plan
   E. Discuss of Preliminary 2025 EDA Budget
   F. Provide feedback on small business assistance programming
6. Project Updates- Verbal Only
7. Adjournment

ECONOMIC DEVELOPMENT AUTHORITY MINUTES

3RD FLOOR CONFERENCE ROOM	THURSDAY, AUGUST 15, 2024	7:00 AM

Meeting Items

1. Call to Order/Approve Agenda

   The regular meeting of the Economic Development Authority was called to order by Vice Chair Voracek at 7:02 am. Commissioners David Campbell, Will Fort, Chris Jeanes, Thomas Spooner, and AJ Smith, attended. Also in attendance were David Wanberg, Jessica Kinser, Kari Casper, Nort Johnson, Marisol Diaz (via Zoom), and Clair Cirricone (via Zoom).

2. Approval of the Minutes

   A motion was made by Will Fort seconded by Tom Spooner to approve the meeting minutes as presented. The motion passed unanimously.

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

   David Wanberg stated that he intends to have a more in-depth discussion regarding the programs and budget at the next EDA meeting. A motion was made by Will Fort and seconded by Tom Spooner to approve the reports as presented. The motion carried unanimously.

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

   David Wanberg presented this preliminary request for financial assistance for "Project Licorice". The company was represented by Claire Cirricone and Marisol Dias via Zoom. It was mentioned that this is a company that already exists in the community and is currently going through an expansion which they intend on hiring 10 warehouse managers and 15 warehouse associates. The scope of the project was set at approximately $30 million dollars and they are asking for some assistance but were not able to present an amount or the terms whether it be a forgivable one-time amount versus a low-interest loan. The representatives did ask for a potential for Tax

Abatement. After some discussion, it was advised that not enough information was made available and requested that the company come back with 1) the need for the money; 2) how much, 3) low-interest loan versus forgivable; and, 4) why they need this assistance. They have already started the expansion which disqualifies them for the but/for DEED requirement. They will come back at the September meeting.

B. Provide General Direction regarding Financial Assistance for Urban Flea Market

David Wanberg stated that Corey Newby, the owner of Urban Flea Market, had asked for funding from the EDA. Wanberg stated that he gave him the option to get a forgivable loan or a low-interest loan at 7.5%. Newby stated that he may be interested in a 3.5% loan but no amount was presented at this time. Kevin Voracek, stated that he was aware that there are many issues with planning and zoning. Wanberg said that it was zoned Institutional and then went to Highway Commercial. Wanberg said that this is mostly an online store with low employment numbers. Newby said that four times a year, he anticipates bringing in 50,000 people. Parking is another issue that needs to be dealt with. Voracek said that he received an email from Newby and asked him if he'd had a consultant do a walk-through with him to point out all the details that needed to be addressed and Newby responded by saying thank you. Tom Spooner said that his wife is on the committee with the church that owned it before Newby and said that Newby was the only person interested and that it was estimated that it would take approximately three million dollars to update the facility and that's why the church didn't fix it up. Voracek stated that he would like to see Newby bring back a full game plan on what he intends to do with the buildings and a decision on what type of contribution package would be helpful. No action was taken at this time.

C. Provide Direction regarding Main Street Agreement with the Faribault Area Chamber of Commerce

Nort Johnson was available to discuss the terms of the service agreement. The agreement was for the years 2022 through 2027 and for the EDA to provide funding at $17,000/yr for the term. The agreement was for $14,000 to support Main Street and $3,000 to support the SBDC. Nothing was reported for 2023. Johnson stated that to be an accredited member of Main Street City, they would need a full-time staff person to keep the accreditation. Johnson said that there are only 10 cities that are accredited. He noted that Owatonna gives their Main Street $30,000 and Mankato gives their Main Street $80,000 a year. The board was wondering if the City would need the accreditation at all. Spooner mentioned that there are 400 to 500 cities in Minnesota and why are there only 10? Johnson stated that about 2.5 years ago, Faribault hosted Main Street. Kinser stated that City Staff cannot pay the request without modification since the terms have not been met in the agreement. Accreditation requires a full-time staff person and $17,000 will not get the national brand accreditation. Kinser had to leave at 7:55 a.m. Voracek stated that we really do not need to be accredited and would $17,000/yr get us there. Will Fort said that maybe the City Council should weigh in on this. The consensus of the board was that they are should remove B and C and thought D was okay. Voracek stated that they are raising revenues, and confirmed there is no board of directors. Johnson said that he would provide the reports. Johnson added that Main Street uses Faribault as an example of accreditation for Main Street. This matter will be revisited at the next meeting with a report on what was done in 2023, and what will be done in 2024, and will have a revised agreement.

D. Provide Direction regarding Faribault Area Chamber of Commerce and Tourism Funding Requests related to Enhancing the Downtown

Johnson gave an update on the Chamber's efforts. He stated that the Chamber had disbursed $680,000 in funding to assist businesses in the downtown. They will be holding a Summit in September. Johnson said that the next project would be to add a branded hotel and restaurant along the interstate. They are looking to hire a director for Main Street. Johnson will bring back to the EDA a funding request after the summit as they put a job description together for the October meeting. Fort stated that he couldn't understand why they wanted a VP for development when the city has hired one. Johnson stated there is a difference between government and non-government.

Spooner asked Johnson to bring back in September the different between an economic person versus the one the City just hired.

E. Resolution 2024-11 Recommend the Planning Commission Conduct a Public Hearing and that the City Council Adopt the TH 60 West Master Plan

   Wanberg told the board that the Planning Commission is having a public hearing on the Highway 60 Plan. Voracek asked if anyone had any questions before the public hearing. Spooner mentioned that they've been discussing this for about a year now. A motion was made by Spooner, seconded by A.J. Smith to approve Resolution 20240-11 to Recommend the Planning Commission Conduct a Public Hearing and That the City Council Adopt the TH 60 West Mast Plan as presented. The motion passed unanimously.

F. Announcements and Updates

   Due to the time, Wanberg was unable to give updates at this meeting.

6. Adjournment

   A motion was made by David Campbell, seconded by A.J. Smith, to adjourn the meeting at 8:21 a.m. The motion passed unanimously.

By:____________________________

Kari Casper, Recording Secretary

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	September 19, 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. 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 - Commercial Development Loan Program (and Grant) - Façade Improvement Micro Loan - EDIF - Economic Development Incentive Program-	$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 *(Forgivable)* - Faribault Mill Loan or $50,000 *(Forgivable)* - **$100,000 Bowling Center
			***$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 3rd 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:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	September 19, 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 August. No residential new construction permits were pulled in August. The property at the intersection of Park Ave and 17th St NW that houses Potter Chiropractic pulled permits for a commercial addition. Permits for commercial new construction were pulled for both Jennie-O and Faribo Mall West.

REQUESTED ACTION:

Receive and file as presented.

ATTACHMENTS:

1. Permit Activity Report Summary

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	$2,708,491.13	195	$ 46,832.69	$ 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:	**$ 57,685,174.93**		**$ 629,591.43**	**$ 117,271,162.64**		**$ 1,380,480.73**
YTD Permits:		**1214**			**1908**	

**All Permits includes Building Permits in total (plumbing, heating, signs and electrical).*

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	September 19, 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: rharristhe3rd@ci.faribault.mn.us
Printed: 9/13/2024 - 3:21 PM
Period: 1 to 9, 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	11,142.65	11,142.65	-10,759.65	0.00	-10,759.65	0.00
	R02 Sub Totals:	383.00	11,142.65	11,142.65	-10,759.65	0.00	-10,759.65	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	258,540.60	258,540.60	138,070.40	0.00	138,070.40	34.81
	Dept 00000 Sub Totals:	-396,611.00	-258,540.60	-258,540.60	-138,070.40	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	13,701.08	13,701.08	6,298.92	0.00	6,298.92	31.49
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	13,633.00	13,633.00	61,367.00	0.00	61,367.00	81.82
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	886,769.08	886,769.08	283,591.92	0.00	283,591.92	24.23
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
	E04 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E06	Other Uses							
290-46500-462-47200	Transfer Out	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	E06 Sub Totals:	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Expense Sub Totals:	1,170,611.00	886,769.08	886,769.08	283,841.92	0.00	283,841.92	24.25
	Dept 46500 Sub Totals:	1,170,611.00	886,769.08	886,769.08	283,841.92	0.00		
	Fund Revenue Sub Totals:	396,611.00	258,540.60	258,540.60	138,070.40	0.00	138,070.40	34.81
	Fund Expense Sub Totals:	1,170,611.00	886,769.08	886,769.08	283,841.92	0.00	283,841.92	24.25
	Fund 290 Sub Totals:	774,000.00	628,228.48	628,228.48	145,771.52	0.00		
	Revenue Totals:	396,611.00	258,540.60	258,540.60	138,070.40	0.00	138,070.40	34.81
	Expense Totals:	1,170,611.00	886,769.08	886,769.08	283,841.92	0.00	283,841.92	24.25
	Report Totals:	774,000.00	628,228.48	628,228.48	145,771.52	0.00		

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	September 19, 2024
SUBJECT:	Collaborative Public Art in Faribault

BACKGROUND:

Staff have been approached by Straight River Arts, Paradise Center for the Arts, and community volunteers who are seeking to collaborate with the EDA and the City of Faribault to create and install permanent public art throughout the city. The goal of the project is to commission three local artists to create public artwork that will be placed in various locations, including parks and public areas, to enhance the aesthetic appeal of Faribault's public spaces.

The group is requesting $8,000 from the EDA to fund this initiative. Of the total, $7,200 will be allocated as artist commissions, with each of the three selected artists receiving $2,400 for the creation and installation of their pieces. The remaining $800 will cover administrative costs. The group plans to work closely with the City of Faribault to ensure proper approvals are obtained for the installation of the artwork, and they will ensure the pieces are designed with the necessary structural integrity for outdoor display.

Tami Resler and Julie Fakler will attend to present previous public art projects and discuss how this initiative will positively impact the community.

REQUESTED ACTION:

Review request for 2025 funds.

ATTACHMENTS:

1. Collaborative Public Art in Faribault 2025

Collaborative Public Art in Faribault, 2025

Proposal

Straight River Arts and Paradise Center for the Arts and volunteers are looking to collaborate with each other and the EDA and City of Faribault to create and install permanent public art in the city. We are requesting $8000 from the EDA to be used to commission artists to create and install these works. $7200 to be paid as $2400 to each of three artists to make public art. Artwork is to be placed throughout Faribault: in parks, public areas, etc. We will work with the City of Faribault to ensure that we have permission to install the work, and we will work with the artists to ensure that the pieces are created with the structural integrity to last outdoors. The remaining $800 will be used for administrative fees.

Call for Artists

Requirements:

- The Artist should be a resident of Rice County or a person with connections to Faribault
- The Artwork should be created with an eye to representing the people, places, ideology or interests of Faribault.
- Artwork will be stand-alone (not tethered to a building or existing structure.)
- Installation will be accomplished by the artist (with assistance from Straight River Arts.) Artist payments include installation costs so should be factored in.
- Proposals from artists should include a drawing, materials, cost analysis, installation plan, artist resume and statement, and narrative of the artwork.
- Straight River Arts will work with the City of Faribault to determine placement of the pieces of art.
- Artists will receive $2400 to include materials, labor and installation of the artwork.

Ownership and Maintenance

- Artwork needs to be created from materials intended for an outdoor installation.
- Artwork can be removed/moved at the discretion of the City of Faribault by contacting a representative of Straight River Arts.
- Artwork becomes the property of and the responsibility of Straight River Arts. If the City decides that they would like the artwork removed, SRA retains the right to dispose of it as it sees fit.
- The City retains the right to request repair or removal of the artwork .

About the Principles

Julie Fakler, Executive Director: Paradise Center for the Arts; Minnesota Arts Advocate; Painter and Ceramic Artist; Committee member: South Central Studio ARTour. Julie's proven track record of working with artists and organizing gallery exhibitions, art classes, performing arts events and more shows her drive and ability to ensure successful completion of projects.

Jessica Prill, Owner of Fleur de Lis Gallery and Good Day Coffee; Co-Founder and Treasurer of Straight River Arts, Jeweler, Committee member: South Central Studio ARTour. An experienced entrepreneur and arts collaborator, Jessica has experience organizing arts events and working with the day-to-day operations of the business of arts. Her relationships with artists and arts organizations across the region have been carefully nurtured to mentor success in them and for the projects she's involved with.

Tami Resler, Performing and Visual Arts Coordinator, Shattuck-St. Mary's School; Chair, South Central Minnesota Studio ARTour, Co-Founder and President of Straight River Arts. Tami's expertise is working with artists and bringing them together to complete projects on a deadline.

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	September 19, 2024
SUBJECT:	Resolution 2024-11: Forgivable Loan to KGPCo. for downtown relocation

BACKGROUND:

The City Council has recently passed two resolutions related to the relocation of KGP Telecommunications' headquarters:

- Resolution #2024-167: Support for A Minnesota Investment Fund (MIF) Application in Connection with KGP Telecommunications
- Resolution #2024-168: Support for A Job Creation Fund Application in Connection with KGP Telecommunications

As you know, KGP Telecommunications is exploring relocating its global headquarters to 511 and 513 Central Avenue in downtown Faribault. The EDA has previously expressed verbal support for a $250,000 forgivable loan to assist with this relocation. This loan is a key component in demonstrating local commitment to KGP’s project.

The purpose of this resolution is to formalize the EDA's support for the forgivable loan. By passing a formal resolution, the EDA can help bolster KGP’s application to the Minnesota Investment Fund by showing strong local support for the project. This action not only aligns with the city’s strategic goals but also strengthens the overall funding package by leveraging both state and local resources to support KGP’s continued presence in Faribault.

REQUESTED ACTION:

Approve resolution

ATTACHMENTS:

1. Resolution Supporting Forgivable Loan - KGP

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2024-11

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA SUPPORTING A FORGIVABLE LOAN TO KGPCo. FOR THE RELOCATION OF ITS GLOBAL HEADQUARTERS TO DOWNTOWN FARIBAULT

WHEREAS, business retention and expansion are core functions of the Economic Development Authority of Faribault, Minnesota (the "EDA"); and

WHEREAS, KGPCo., an existing telecommunications company based in Faribault, plans to relocate its global headquarters to a downtown location at 511 and 513 Central Ave N; and

WHEREAS, KGPCo.'s relocation project is critical to retaining 78 high-quality jobs in Faribault, with the intention of strengthening the local economy and contributing to the revitalization of the downtown area; and

WHEREAS, KGPCo. has not officially applied but made a request for a $250,000.00 forgivable loan from the EDA to assist with the costs associated with relocating its headquarters; and

***WHEREAS*,** the loan, upon final approval, would be disbursed in annual increments of $50,000.00 over a period of five years, starting in 2025, contingent on KGPCo. maintaining its operations in Faribault and fulfilling job retention commitments; and

***WHEREAS*,** the EDA reviewed the said request and found it aligns with the goals and mission of the EDA to retain and expand businesses within the city of Faribault; and

WHEREAS, the EDA recognizes the strategic importance of KGPCo. to the local economy and is committed to providing financial assistance to ensure the company's continued presence in Faribault; and

WHEREAS, the proposed forgivable loan is subject to the business subsidy requirements outlined in state law.

***NOW, THEREFORE, BE IT RESOLVED*,** that the EDA expresses support for a $250,000.00 forgivable loan to KGPCo. for the relocation of its global headquarters to 511 and 513 Central Ave N, with disbursements of $50,000.00 per year for five years beginning in 2025.

ADOPTED: September 19, 2024

____
Rodney Gramse, President

ATTEST:

____
David Wanberg, CED Director

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	September 19, 2024
SUBJECT:	Resolution 2024-12: Contract with Faribault Chamber for Main Street programming

BACKGROUND:

During a recent update provided by Nort Johnson, President/CEO of the Faribault Area Chamber of Commerce and Tourism, it was determined that the Chamber's current work on the Main Street programming is not in compliance with the 2017 Services Agreement (Exhibit A). Specifically, the Chamber has not met the requirements outlined in the original agreement, including maintaining Accredited Main Street status and managing the associated committees.

While the work is out of compliance, EDA staff recognize the ongoing importance of supporting the Chamber's downtown programming, as well as its operation of the Small Business Development Center (SBDC). To ensure continued collaboration, a new service agreement has been drafted. Key changes in the new agreement include:

- Elimination of the requirement to maintain Accredited Main Street status.
- Removal of obligations related to various Main Street committees.
- Broader scope to support the Chamber's existing downtown programming, as well as small business counseling and resources through the SBDC.

The new agreement will be effective on an annual basis and will require the Chamber to provide both verbal and written reports on a semi-annual and annual basis to ensure transparency and ongoing evaluation of program outcomes.

REQUESTED ACTION:

Pass resolution terminating former service agreement and adopting new service agreement

ATTACHMENTS:

1. Exhibit B: 2024 Service Agreement
2. Exhibit A: 2017 Service Agreement
3. Resolution for New Downtown Agreement with Chamber

SERVICE AGREEMENT

This Service Agreement (the "Agreement") is made this ___ day of September, 2024, 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, supporting downtown revitalization and business development are core functions of the EDA; and

WHEREAS, the EDA and the Chamber previously entered into an agreement to support Main Street programming, which has since been evaluated for noncompliance; and

WHEREAS, the EDA and the Chamber agree that the prior agreement should be terminated to establish a new, broader partnership supporting downtown programming and small business development; and

WHEREAS, the EDA desires to engage the Chamber to provide services under this new Agreement, with expanded responsibilities including event support, management of the Small Business Development Center (SBDC) office, business coaching, operation of the Launchpad Incubator space, and small business outreach; and

WHEREAS, the Chamber is willing to provide these services as described in this Agreement 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 provide comprehensive support for downtown programming and business development, including but not limited to the following:

    a. Organizing and executing downtown events to promote community engagement and economic activity;

b. Managing the SBDC office, including coordinating programming and providing business coaching services;

c. Operating the Launchpad Incubator space to support new and emerging businesses in Faribault;

d. Conducting outreach to small businesses, offering coaching, support, and resources to enhance growth and sustainability; and

e. Providing semi-annual written and verbal reports to the EDA detailing program activities, fund usage, and outcomes, with a final annual report also required.

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, 2024. 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 2024, the EDA agrees to remit $17,000.00 to the Chamber on or before November 30, 2024.

    b. No compensation for any calendar year shall be distributed to the Chamber until the Chamber's budget for that year has been reviewed by the EDA.

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

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

b. 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 January 31st, 2025, the Chamber shall submit an annual report to the EDA ("Annual Report"). Each Annual Report shall include the following:

a. Detailed summaries of the Chamber's downtown goals and initiatives, including the goals for any downtown or main street focused committees;

b. Detailed summaries of the Chamber's downtown and main street accomplishments from the year;

c. Detailed report of both SBDC and Launchpad Incubator activities; and from the year; and

d. An explanation of how the funds were used to support the aforementioned downtown and main street programming and SBDC activities.

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, attorneys' fees, consulting marketing and promotion services, and other technical, administrative or professional assistance resulting from or arising out of the negligence, breach of contract or willful misconduct of 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 withholding, 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 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: Nort Johnson, President/CEO

EDA: Faribault Economic Development Authority
208 1st Avenue NW
Faribault, MN 55021
Attn: David Wanberg, CED Director

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

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

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

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

19. **Choice of Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

20. **Conflict of Interest.** In the execution of the services outlined in this Agreement, 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 regard to public assistance, or religion. Violation of any part of this provision may lead to immediate termination of this Agreement.

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

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

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

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

FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY

By: ______________________________
Rodney Gramse
Its: President

By: ______________________________
David Wanberg
Its: CED Director

FARIBAULT AREA CHAMBER OF COMMERCE AND TOURISM, INC.

By: ______________________________
Samanta Pirkl
Its: Chair of the Board

By: ______________________________
Nort Johnson
Its: President/CEO

SERVICE AGREEMENT

This Service Agreement (the "Agreement") is made this 20th day of April, 2017, 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, 2021. 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 2017, the EDA agrees to remit $15,000.00 to the Chamber on or before April 30, 2017.

   b. For each year subsequent to 2017 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, this 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 2017, 2018, 2019, and 2020, 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, attorneys' fees, consulting marketing and promotion services, and other technical, administrative or professional assistance resulting from or arising out of the negligence, breach of contract or willful misconduct of 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 withholding, 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 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. **Attorneys' Fees.** In the event of any action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees incurred in the proceeding, as set by the court, at trial, on appeal or upon review.

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

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

19. **Choice of Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims

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

20. **Conflict of Interest.** In the execution of the services outlined in this Agreement, 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 regard to public assistance, or religion. Violation of any part of this provision may lead to immediate termination of this Agreement.

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

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

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

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

FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY

By: ______________________
Steve Underdahl
Its: President

By: ______________________
Dave Albers
Its: Secretary/Treasurer

FARIBAULT AREA CHAMBER OF COMMERCE AND TOURISM, INC.

By: ______________________
Nate Chappuis
Its: Chair of the Board

By: ______________________

Its: ~~Secretary/Treasurer~~ President

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2024-12

A RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA TERMINATING THE EXISTING AGREEMENT WITH THE FARIBAULT AREA CHAMBER OF COMMERCE AND TOURISM AND APPROVING A NEW AGREEMENT FOR DOWNTOWN PROGRAMMING SUPPORT

WHEREAS, supporting downtown revitalization and business development are core functions of the Economic Development Authority of Faribault, Minnesota (the "EDA"); and

WHEREAS, the EDA previously entered into an agreement with the Faribault Area Chamber of Commerce and Tourism (the "Chamber") to support Main Street programming (Exhibit A); and

WHEREAS, the Chamber has not complied with the terms outlined in the original agreement for Main Street programming, leading the EDA to evaluate the effectiveness of the agreement; and

WHEREAS, the EDA and the Chamber recognize the importance of continuing to support downtown programming and small business development but agree that the existing agreement should be terminated; and

WHEREAS, the EDA seeks to establish a new agreement with the Chamber to provide broader support for downtown activities, including events, management of the Small Business Development Center (SBDC) office, business coaching, operation of the Launchpad Incubator space, and small business outreach; and

WHEREAS, the total amount of financial support for the Chamber under the new agreement is $17,000, with $3,000 earmarked specifically for SBDC management and programming; and

WHEREAS, the Chamber will provide semi-annual written and verbal reports to the EDA, with a final annual report also required, detailing the use of funds, program progress, and outcomes; and

WHEREAS, the EDA reviewed the new agreement and found it aligns with the goals and mission of the EDA to foster economic growth and support local businesses.

NOW, THEREFORE, BE IT RESOLVED, that the EDA terminates the previous agreement on this day the 19th of September 2024 with the

Faribault Area Chamber of Commerce and Tourism for noncompliance with its terms, effective immediately.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the EDA approves a new agreement with the Chamber for the amount of $17,000, with $3,000 allocated for the SBDC, to support downtown programming, as outlined in the Agreement included in Exhibit B of this resolution.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the EDA requires semi-annual written and verbal reports from the Chamber and a final annual written and verbal report to monitor the program's effectiveness and progress.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the EDA authorizes City Staff to make minor revisions, as necessary, to the Agreement included in Exhibit B of this resolution, and authorizes the EDA's President and CED Director to sign the final Agreement

ADOPTED: September 19, 2024

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Rodney Gramse, President

ATTEST:

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David Wanberg, CED Director

City Of Faribault

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	September 19, 2024
SUBJECT:	Discussion of 2025 EDA Work Plan

BACKGROUND:

A draft of the 2025 work plan is being presented for review. Staff have reworked the plan to align each original initiative with recognized economic development strategies, ensuring greater clarity and strategic focus.

Key updates include:

- Available Land and Gateways initiatives have been encompassed by Cluster and Infrastructure-Driven Development, emphasizing industry clusters and infrastructure improvements to attract and support businesses.
- Workforce Development and Regionalism remain unchanged as central strategies, continuing efforts to strengthen the talent pipeline and foster regional collaboration.
- Ongoing operations are now captured under Departmental Resilience, focusing on operational sustainability and adaptability.

Two new strategies have been introduced:

1. Entrepreneurship-Led Development: Focused on small business development, supporting startups, and fostering entrepreneurial growth within the community.
2. Sustainable and Green Development: This strategy applies to all initiatives and is designed to advance cross-sector work at the intersection of economic development and sustainability. With sustainable development being a major discussion topic across the country, and considering the concentration of international companies in the region, there is significant interest in promoting sustainability practices.

These revisions ensure that the work plan aligns with both local needs and broader economic trends, positioning Faribault for continued growth and innovation.

REQUESTED ACTION:
Provide input and direction on the development of the 2025 EDA work plan

ATTACHMENTS:
1. EDA 2025 Work Plan Draft

Priority area	Previous priority area	Strategies/Objectives	Key activities and performance indicators (KPIs) - 2025	Progress Indicator
Cluster/Infrastructure driven development	Available Land/ Gateways	• Collaborate with developers and owners to ensure sites are shovel-ready • Identify and proactively extend infrastructure to high priority developments areas. This may require the acquisition of the property by the EDA. • Work with GIS Coordinator on a regular basis to ensure maps utilized for marketing and attracting new business are accurate and informative. • Prioritize outreach and marketing to businesses within an existing cluster such as FDI, Manufacturing, Food Manufacturing, Small Aviation, etc. • Continue investments into the downtown	• Discussions started on orderly annexation agreements with adjacent townships • Development of shovel-ready industrial/commercial lots in key corridors and gateways • Clear strategy developed for business recruitment in key business clusters	

Workforce development	Workforce & Data Analysis	• Continue to meet regularly with SCC to ensure that the City/EDA is aware of opportunities to partner with and promote programming the benefits business partners.
		• Partner with the Faribault Area Chamber of Commerce and other partners on their “Career and Workforce Development” initiative
		• Work with employers to understand workforce needs
		    ○ Develop specific workforce strategies for local employers
		    ○ Develop “creative” talent attraction initiatives
			• Active working relationship with SCC and other workforce partners such as UofM, Riverland, WDI, etc.
			• Staff participation in Career fairs and events with school district and Chamber of Commerce
			• Integrated BRE visits that include workforce discussions	

Entrepreneurship-led development	Small Business Assistance	• Identify ways to attract and grow more small businesses • Develop a new loan/grant initiative along with technical assistance programming • Partner with the Small Business Development Center (SBDC) on workshops • Partner with U of M Extension to conduct a market gap analysis and market area profile • Develop a robust BRE program that will further assist in understanding the needs of all local businesses	• 1 new technical assistance program aimed at small businesses • 1 new loan/grant program available to small businesses • Completed market gap analysis • Robust BRE program started and sustained • Feasibility study completed on a food business incubator concept	
Sustainable/green business	Available Land/ Gateways/Workforce/ Small Business	• Explore the re-launch of a sustainable industries cohort program • Conduct a regional waste to wealth feasibility study • Partner with Xcel to assess the regional renewable energy mix and identify partners to reach net zero for commercial and industrial projects • Proactively identify and implement projects that decrease carbon emissions • Plan for the future energy developments in the region	• Completed waste to wealth feasibility study • Re-launched and active Sustainable Industries Cohort • Xcel and other energy providers actively engaged in development projects • Develop feasibility for Eco-Industrial Park concept	
Regionalism	Regionalism	• Understand regional issues impacting economic development by participating in regional events (E1, WDI, SMIF, SEMN together, GreaterMSP, MREJ, etc.) • Define, understand, and market Faribault’s place in the region • Collaborate with regional partners on priority initiatives such as marketing and sustainability	• Active working relationships with partners such as Northfield, Owatonna, and nonprofit partners • Staff present at 50% of regional economic developments • Establish 1 new initiative in partnership with a regional organization outside of Faribault city limits	
Departmental Resilience	Ongoing operations	• Develop economic impact analyses for key community and economic development activities such as downtown events, loan/grant, programs, outreach, relocations, etc. • Research CRM and Project Management software to be implemented across the CED department in 2026 • Continue to tell the Faribault story through various media including LinkedIn and through the City Communication team as appropriate • Work between departments to ensure continuity in conversations to best utilize resources available and serve current and potential businesses • Continue to market and implement existing EDA programs	• Active and relevant LinkedIn posts • Identified software programs to increase collaboration and efficiency • Economic Impact Analysis framework identified and implemented • Faribault’s economic development story told in local and regional outlets • Prompt response rate (within 24 hours) to EDA program inquiries	

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	September 19, 2024
SUBJECT:	Discuss of Preliminary 2025 EDA Budget

BACKGROUND:

Staff is presenting the preliminary budget for 2025 for the EDA's consideration. The proposed EDA levy for 2025 is $408,089. Estimated operating expenses are projected at $187,935, with the program budget estimated at $680,000. This increased program budget is largely attributed to the minimal program expenditures over the past two years, a result of the vacancy in dedicated economic development staffing.

Additionally, staff is presenting a revised estimate for the 2024 budget. Revenues and operating expenses remain consistent with previous projections. However, the original program budget of $650,000 has been corrected to $50,000. Staff recommends utilizing this $50,000 to initiate the entrepreneurship-led development program, aimed at fostering small business growth and innovation.

We welcome the EDA's feedback and look forward to further discussion on the proposed budgets.

REQUESTED ACTION:

Review and provide inpuit on the preliminary 2025 EDA budget.

ATTACHMENTS:

1. 2025 EDA Budget

2025 EDA BUDGET - Proposal									
REVENUES - Operating Budget									
			Account Description	**Notes**	**2023**	**2023 Actual**	**2024**	**2024 (revised)**	**2025 (proposed)**
EDA	290	31010	Current Ad Valorem Taxes		$322,273.00	$ 321,112.93	$ 372,648.00	$ 372,648.00	$408,089.00
EDA	290	31020	Delinquent Ad Valorem Taxes		$0.00	$ 1,913.96	$ -	$ -	$ -
EDA	290	31030	Mobile Home Taxes		$0.00	$ 490.80	$ -	$ -	$ -
EDA	290	31035	Delinquent Mobile Home Taxes		$0.00	$ 320.92	$ -	$ -	$ -
EDA	290	31500	PILOT		$0.00	$ -	$ -	$ -	$ -
EDA	290	31550	Green Acres		$0.00	$ -	$ -	$ -	$ -
EDA	290	33402	Market Value Homestead Credit		$0.00	$ 56.51	$ -	$ -	$ -
EDA	290	34108	Administrative Fees		$0.00	$ -	$ -	$ -	$ -
EDA	290	34700	Application Fees		$2,500.00	$ 950.00	$ 2,500.00	$ 2,500.00	$ 2,500.00
EDA	290	36200	Other Miscellaneous Revenue		$500.00	$ 15,233.00	$ 500.00	$ 500.00	$ 500.00
EDA	290	36210	Interest on Investments		$6,600.00	$ 30,643.78	$ 20,500.00	$ 20,500.00	$ -
EDA	290	36240	Refunds & Reimbursements		$0.00	$ 275.00	$ -	$ -	$ -
EDA	290	39100	Sale of Land		$0.00	$ -	$ -	$ -	$ -
EDA	290	36215	Loan Interest		$0.00	$ 306.97			
EDA	290	39200	Transfer In		$0.00	$ -	$ -	$ -	$ -
EDA	290	36211	Interest On Market Value		$383.00	$ 26,644.80	$ 383.00	$ 383.00	$ -
			TOTAL 2023 REVENUE		**$332,256.00**	**$ 371,303.87**	**$ 396,531.00**	**$ 396,531.00**	**$ 411,089.00**
EXPENSES - Operating Budget									
			Account Description		**Detail Amount**				
EDA	290	42110	General Supplies		$0.00	$ -	$ -	$ -	$ -
EDA	290	42115	Meeting		$250.00	$ -	$ 250.00	$ -	$ 1,000.00
EDA	290	43040	Legal Fees - Civil Process	Legal expenses associated with TIF/Abatement are paid by applicant.	$20,000.00	$ 9,455.60	$ 20,000.00	$ 20,000.00	$ 25,000.00
EDA	290	43080	Indirect Cost Allocation		$0.00	$ -	$ -	$ -	$ -
EDA	290	43090	Expert & Professional Services	Financial Advisor fees associated with established TIF Districts are paid by applicant.	$75,000.00	$ 15,185.50	$ 75,000.00	$ 30,000.00	$ 87,000.00
EDA	290	43095	Software Maintenance & Support		$0.00		$ -	$ -	$ -
EDA	290	43140	Training & Education		$3,500.00	$ -	$ 3,500.00	$ 3,500.00	$ 6,200.00
EDA	290	43220	Postage		$0.00	$ -	$ -	$ -	$ -
EDA	290	43250	Other Communications		$0.00	$ -	$ -	$ -	$ -
EDA	290	43310	Travel Expense		$4,500.00	$ -	$ 4,500.00	$ 1,000.00	$ 4,500.00
EDA	290	43430	Advertising - Other	MREJ	$45,000.00	$ 10,000.00	$ 45,000.00	$ 20,000.00	$ 30,000.00
EDA	290	43510	Legal Notices Publishing		$500.00	$ 124.20	$ 500.00	$ 500.00	$ 1,000.00
EDA	290	43520	Recording Fees		$1,000.00	$ 345.00	$ 1,000.00	$ 1,000.00	$ 1,500.00
EDA	290	43610	Insurance & Bonds		$1,951.00	$ 1,640.00	$ 1,975.00	$ 1,975.00	$ 2,645.00

EDA	290	43810	Electric Utilities		$0.00	$ -	$ -	$ -	$ -
EDA	290	43860	Storm Water Utilities		$40.00	$ -	$ -	$ -	$ 40.00
EDA	290	44330	Dues & Subscriptions		$100.00	$ -	$ 100.00	$ -	$ -
EDA	290	44330	Dues & Subscriptions		$1,000.00	$ 545.00	$ 1,000.00	$ -	$ -
EDA	290	44330	Dues & Subscriptions		$1,000.00	$ -	$ 1,000.00	$ -	$ -
EDA	290	44330	Dues & Subscriptions		$17,000.00	$ 17,000.00	$ 17,000.00	$ -	$ -
EDA	290	44330	Dues & Subscriptions		$4,000.00	$ 4,000.00	$ 4,000.00	$ -	$ -
EDA	290	44330	Dues & Subscriptions		$900.00	$ 160.00	$ 900.00	$ -	$ -
	290	44330	Dues & Subscriptions					$ 20,000.00	$ 9,000.00
EDA	290	44370	Miscellaneous Charges		$0.00	$ -	$ -	$ -	$ -
EDA	290	44390	Taxes & Licenses		$50.00	$ -	$ -	$ -	$ 50.00
EDA	290	44600	Loans & Grants		$25,000.00	$ -	$ -	$ -	$ -
EDA	290	44600	Loans & Grants		$20,000.00	$ -	$ -	$ 20,000.00	$ 20,000.00
EDA	290	44600	Loans & Grants		$50,000.00	$ -	$ -	$ 50,000.00	$ -
			TOTAL EXPENDITURES - Operating Budget		**$270,791.00**		**$ 175,725.00**	**$ 167,975.00**	**$ 187,935.00**
EDA	290	47200	Transfer Out		$0.00				
FINAL 2023 PROGRAM BUDGET - Spending Allocations to support Work Plan					**2023**	**2023 Actual**	**2024**	**2024 Revised**	**2025 Proposed**
EDA	290	43130	EDA Program Budget	Available Land Initiative	$100,000.00		$ 650,000.00	$ -	$ 100,000.00
EDA	290	43130	EDA Program Budget	Available Land Initiative	$20,000.00				
EDA	290	43130	EDA Program Budget	Gateways Initiative	$80,000.00				$ 80,000.00
EDA	290	43130	EDA Program Budget	Gateways Initiative	$100,000.00				$ 100,000.00
EDA	290	43130	EDA Program Budget	Gateways Intiative	$150,000.00				$ 150,000.00
EDA	290	43130	EDA Program Budget	Workforce Initiative	$50,000.00				$ 50,000.00
EDA	290	43130	EDA Program Budget	Small Business Assistance	$75,000.00			$ 50,000.00	$ 125,000.00
EDA	290	43130	EDA Program Budget	Small Business Assistance & Available Land	$75,000.00				$ 75,000.00
			Allocation of Program Budget		**$902,023.00**		**$ 650,000.00**	**$ 50,000.00**	**$ 680,000.00**
			TOTAL BUDGET				**$ 825,725.00**	**$ 217,975.00**	**$ 867,935.00**
			Estimated end-of-year FUND BALANCE 290	FUND BALANCE - Fund 290	$1,100,000.00		$ 1,348,069.85	$ 1,478,665.78	$ 610,730.78

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	September 19, 2024
SUBJECT:	Provide feedback on small business assistance programming

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BACKGROUND:

Staff is presenting a concept for small business programming aimed at supporting businesses located outside of the downtown area, as well as startup operations throughout Faribault. The program is designed to provide a combination of loans, forgivable loans, and technical assistance, with a focus on fostering entrepreneurial growth in all areas of the community.

As part of this initiative, staff has begun exploring the integration of Islamic-compliant financing options, given the significant growth of the Somali community in Faribault. This would allow the program to be more inclusive by accommodating Sharia-compliant financing models, ensuring broader access to capital for all business owners.

Additionally, staff would like to further investigate potential partnerships to enhance the delivery of technical assistance. These partnerships would aim to provide business owners, particularly those in the early stages, with the tools and support needed to ensure long-term success.

We look forward to discussing this concept further and welcome the EDA's feedback and guidance on these efforts.

REQUESTED ACTION:

Provide feedback and direction on new small business support program

ATTACHMENTS:

1. DRAFT Faribault Small Business Support Program

Faribault Small Business Support Program

Program Overview:

The Faribault Small Business Support Program provides financial support through loans, forgivable loans, and technical assistance to small businesses in Faribault, MN. The program includes both traditional lending and Islamic finance options, with supplemental forgivable loans available for loan recipients. The program emphasizes the importance of technical assistance, particularly for newer businesses, to ensure their long-term success.
Program Budget:

- **Total Budget:** $125,000
- **Breakdown:**
  - Business Loans: $70,000
  - Forgivable Loans: $30,000 (with specific criteria)
  - Technical Assistance: $25,000

1. Business Loans ($70,000)

Loans are available to startups and existing businesses for capital improvements, equipment, or operational support. Loans are divided into two categories to accommodate both traditional lending and Islamic finance models.

a. Traditional Loans ($45,000)

- **Loan Amounts:** $5,000 to $15,000 per business
- **Interest Rate:** Low fixed rate (e.g., 3-5%)
- **Terms:** 3 to 5 years repayment, with a 6-month deferment period option.
- **Eligibility:**
  - Open to all businesses located in Faribault, MN.
  - **Technical Assistance Requirement:** Businesses with less than 5 years of operations must participate in the technical assistance program. This can be fulfilled by attending 3 workshops covering business planning, financial management, and marketing, or by completing 3 one-on-one coaching sessions with the SBDC or Economic Development Coordinator.
- **Collateral:** Not required for loans under $10,000.

b. Islamic Finance-Compliant Loans ($25,000)

Islamic finance adheres to Sharia law, prohibiting interest (riba) and excessive uncertainty (gharar). Loans are structured as profit-sharing or cost-plus models.

- **Types of Islamic Finance Structures:**
  1. **Murabaha (Cost-Plus Financing):** The program purchases the asset or equipment and sells it to the business at a profit margin. Repayment includes the agreed-upon profit, with no interest.

2. **Mudarabah (Profit-Sharing Agreement):** The lender provides capital, and profits are shared based on an agreed ratio. Losses, however, are borne by the lender.

- **Loan Amounts:** $5,000 to $10,000 per business
- **Terms:** Based on the chosen Islamic financing structure, repayment is either fixed or tied to business performance over a 3-year period.
- **Eligibility:**
  - Open to any business requesting Islamic finance-compliant loans.
  - **Technical Assistance Requirement:** Businesses with less than 5 years of operations must fulfill the same technical assistance requirement as stated above.

2. Forgivable Loans ($30,000)

Forgivable loans are available to businesses as supplemental funding, awarded only in conjunction with a business loan.

- **Loan Amounts:** Up to $5,000
- **Eligibility:**
  - A business must qualify for and accept a loan from the program.
  - **Technical Assistance Requirement:** Similar to the loan program, businesses with less than 5 years of operations must participate in the technical assistance programming (either by attending 3 workshops or completing 3 one-on-one coaching sessions).
  - Businesses must remain operational for at least 5 years after receiving the forgivable loan. If the business closes before the 5-year period, the loan must be repaid in full.
  - Special consideration will be given to BIPOC entrepreneurs, technology-based startups, and businesses implementing an environmentally sustainable business model.

3. Technical Assistance ($25,000)

Technical assistance is a core component of the program to ensure that businesses, especially those in the early stages, are equipped with the skills necessary for success.

Participation Requirement for Newer Businesses:

Businesses with less than 5 years of operations must participate in technical assistance as a condition of both loan and forgivable loan eligibility. This requirement can be fulfilled in one of two ways:

1. **Workshops:** Attend at least 3 workshops focused on:
   - Business planning
   - Financial management
   - Marketing strategies

2. **One-on-One Coaching:** Complete a minimum of 3 coaching sessions with either:
    - The Small Business Development Center (SBDC)
    - The Economic Development Coordinator

Delivery Model:

- **In-House Support:** A business development advisor will be contracted for $15,000 to provide guidance.
- **Partnered Service:** Contract with local business development organizations (e.g., SBDC) for additional support ($10,000).

Services Provided:

- **Business Planning:** Workshops or coaching sessions will cover the creation and refinement of business plans.
- **Financial Literacy:** Guidance on managing finances, setting up bookkeeping systems, and securing funding.
- **Marketing & Branding:** Focus on building a brand and leveraging digital marketing tools.

Program Criteria:

- **Local Impact:** Applicants must demonstrate how the funds will help grow their business and benefit the local economy.
- **Sustainability:** Preference is given to businesses with environmentally sustainable practices.

Application Process:

1. **Loan/Forgivable Loan Application:** Applicants must submit a detailed business plan with financial projections and an explanation of how the funds will be used.
2. **Review Committee:** A committee of local business leaders and financial experts will assess applications.
3. **Ongoing Support:** Recipients must participate in quarterly check-ins and mandatory technical assistance, especially for businesses with less than 5 years of operations.

Program Outcomes:

- Support the growth of 10-15 small businesses in Faribault.
- Ensure that newer businesses develop key business skills through required technical assistance.
- Create 20-30 new local jobs, contributing to the economic growth of the region.

This program links technical assistance to both loan and forgivable loan eligibility, ensuring that newer businesses are equipped with the knowledge and skills necessary for sustained growth.