ECONOMIC DEVELOPMENT AUTHORITY AGENDA

3RD FLOOR CONFERENCE ROOM	THURSDAY, OCTOBER 17, 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. Items for Discussion
   A. Resolution 2024-14: Approve the Assignment of an Additional Investor related to 311 Central Avenue
   B. Small Business Development Center (SBDC) update
   C. Approve the Purchase of Additional Marketing Promotional Items
   D. Resolution 2024-15: Approve the Submission of Application for My Town Series Season 2
   E. Provide Guidance on EDA Escrow Procedures and Fee Schedule
   F. 2025 Strategic Planning Prep
   G. Resolution 2024-16 Approve a Restructuring of the Ownership Entity related to the Redevelopment of Lot 1 and Lot 2, Block 1, Midwest First Addition, Rice County, Minnesota
5. Other Discussion
6. Adjournment - *Next meeting scheduled for Thursday, November 21, 2024*

ECONOMIC DEVELOPMENT AUTHORITY MINUTES

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

Meeting Items

1. Call to Order

   The regular meeting of the Economic Development Authority was called to order by Chair Gramse at 7:01 am. Commissioners Chris Jeanes, Thomas Spooner, AJ Smith, and Chair Gramse attended. Also in attendance were David Wanberg, Robert Harris, III, Jessica Kinser, and Kari Casper.

2. Introductions

   Wanberg introduced Robert Harris, III and they went around the room introducing themselves to Harris as well.

3. Approval of the Minutes

   A motion was made by Smith, seconded by Spooner to approve the minutes as presented. The motion passed unanimously.

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

   Nothing unusual to report. Harris mentioned that the bowling center made mention of requesting a $100,000 loan but nothing has been submitted to date. **A motion to receive and file the Routine Business reports as presented by Smith, seconded by Jeanes. The motion passed unanimously.**

A. Monthly Loan Status Report

B. Permit Activity Update Report

C. Budget Status Report

5. Items for Discussion

A. Collaborative Public Art in Faribault

   Tami Ressler and Julie Fakler were present to discuss the request for the EDA to fund some public art. They are requesting $8,000 wherein they would hire three different artists with a budget of $2,400 each to come up with a piece of public art to be displayed outdoors. The remaining $800 would be for advertising and administrative fees to run the program. **A motion was made by Spooner, seconded by Smith to approve the request as presented. The motion passed unanimously.**

B. Resolution 2024-11: Forgivable Loan to KGPCo. for downtown relocation

   Wanberg presented this item stating that this Resolution would be only to affirm the EDA's support of KGP's proposal to relocate downtown and re-affirm the funding proposal to do this**. A motion was made by Jean, seconded by Smith to approve Resolution 2024-11 Forgivable Loan to KGPCo. for downtown relocation as presented. The motion passed unanimously.**

C. Resolution 2024-12: Contract with Faribault Chamber for Main Street programming

Harris stated that he rewrote the Main Street Program guidelines that would not require the City to be in the Main Street Program, which requires a full-time employee dedicated to Main Street. The Chamber is maintaining a lower-level membership to the Main Street program but we are not requiring them to be an “Accredited Main Street Community”. Af**ter some discussion, a motion was made by Spooner, seconded by Smith to approve Resolution 2024-12 Contract with Faribault Chamber for Main Street programming terminating the former service agreement and adopting a new service agreement as presented. The motion passed unanimously.**

D. Discussion of 2025 EDA Work Plan

Harris presented a proposed EDA work plan which was appreciated. Gramse commented that the EDA might want to dig in more deeply on this. Harris suggested a work session to discuss this and the chambers' role and other stakeholders that they could incorporate into some of the strategic planning that is tied into the work plan. No action was taken at that time.

E. Discuss of Preliminary 2025 EDA Budget

Harris presented the worksheet which showed the budget for 2024 and a proposed budget for 2025. Gramse asked if he could put together some sort of vision of what has been done in the last three years -- of what money the EDA spent, which also ties into the strategic planning of EDA's work plan. Harris stated that he added money to the Small Business Assistance Program. No action was taken at that time.

F. Provide feedback on small business assistance programming

Harris has prepared a small business program that would help owners with up to $15,000 for start-up. Harris mentioned that SMIF is an organization that had released a Sharia-compliant fund and could be a partner in structuring our program. Gramse stated that he wasn't sure that it was the city's role to provide technical assistance to businesses.

G. Authorize Restructuring EDA Loan to Cry Baby Craig's

Wanberg and Harris went over to CBC's recently and met with Sam. They are at the end of their EDA loan which requires a balloon payment. While they are doing well, they cannot make that payment. They are asking to restructure their existing loan to $700/month with the same interest rate for four years. **A motion was made by Jeanes, seconded by Smith to approve the restructuring. The motion passed unanimously.**

H. Authorize Collateral Assignment of Contract for Private Development regarding Faribault Apartments LLC.

Wanberg headed up this discussion by stating that the PUD with the initial 72-unit building is up and 100% leased. The developers have requested an early start agreement for the next 44-unit building. **A motion was made by Smith, seconded by Spooner to approve the request as presented. The motion passed unanimously.**

6. Project Updates- Verbal Only

- Wanberg reported that Vetrotech will be holding a ribbon-cutting ceremony on October 30th, and it will be limited. If anyone would like to go, we will need to give them a head count soon. Tom Spooner will check with his work. Rod Gramse said he could make it.
- Project Licorice has pulled their request for funding back.
- Wanberg had a great visit with the sister city representative from Germany and discussed mostly sustainability.
- The Farmer Seed redevelopment funding is contingent on housing, and they think they have a developer to assist them in this regard. Wanberg stated that they would need underground parking which would raise the building height another 13ft. May need to renegotiate with DEED to request a six-month extension.
- Wanberg said that housing is going well. Habitat for Humanity is moving forward.
- There has been a lot of interest in other projects for housing as well.

- Divine Mercy on the south end is up and running.
- The Hwy 60 master plan is before the council and there has been a lot of interest in that.
- Green data centers -- will start construction next year.
- Urban Flea Market will be before the council on their variances.
- MIF/JCF applications for KGP will be submitted soon with Harris' assistance.
- Jeanes asked about the old Mayo Clinic on the east side. Wanberg stated that they are undergoing a "blight" test with an architect out of Rochester.
- The Golf Box is out of business and the EDA had given them money. They are supposed to stay in business for five years. Jeanes asked if they signed a personal guarantee. Wanberg said they did. Smith suggested that the city should require businesses to give notice before they go out of business.

7. Adjournment

Smith made a motion to adjourn the meeting at 8:24 a.m., seconded by Jeanes. The motion passed unanimously.

By:______________________________
Kari Casper, Recording Secretary

Agenda Item: 3A

September 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.

	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	$	4,984,079.97	197	$	86,106.03	$	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:	**$**	**62,669,254.90**		**$**	**715,697.46**	**$**	**117,271,162.64**		**$**	**1,380,480.73**
YTD Permits:			**1411**					**1908**		

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

General Ledger

Budget Status

User: rharristhe3rd@ci.faribault.mn.us
Printed: 10/14/2024 - 1:29 PM
Period: 1 to 10, 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	11,163.65	11,163.65	-10,780.65	0.00	-10,780.65	0.00
	R02 Sub Totals:	383.00	11,163.65	11,163.65	-10,780.65	0.00	-10,780.65	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	258,561.60	258,561.60	138,049.40	0.00	138,049.40	34.81
	Dept 00000 Sub Totals:	-396,611.00	-258,561.60	-258,561.60	-138,049.40	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	14,096.00	14,096.00	60,904.00	0.00	60,904.00	81.21
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	887,232.08	887,232.08	283,128.92	0.00	283,128.92	24.19
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	887,232.08	887,232.08	283,378.92	0.00	283,378.92	24.21
	Dept 46500 Sub Totals:	1,170,611.00	887,232.08	887,232.08	283,378.92	0.00		
	Fund Revenue Sub Totals:	396,611.00	258,561.60	258,561.60	138,049.40	0.00	138,049.40	34.81
	Fund Expense Sub Totals:	1,170,611.00	887,232.08	887,232.08	283,378.92	0.00	283,378.92	24.21
	Fund 290 Sub Totals:	774,000.00	628,670.48	628,670.48	145,329.52	0.00		
	Revenue Totals:	396,611.00	258,561.60	258,561.60	138,049.40	0.00	138,049.40	34.81
	Expense Totals:	1,170,611.00	887,232.08	887,232.08	283,378.92	0.00	283,378.92	24.21
	Report Totals:	774,000.00	628,670.48	628,670.48	145,329.52	0.00		

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	October 17, 2024
SUBJECT:	Resolution 2024-14: Approve the Assignment of an Additional Investor related to 311 Central Avenue

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BACKGROUND:

Faribo Downtown Central ("FDC") and the Economic Development Authority of Faribault, Minnesota (the "HRA"), entered into loan agreements related to the property at 311 Central Avenue. FDC has proposed the inclusion of an additional investor to the loan agreement. FDC would continue to be an owner of the property. The attached resolution approves the inclusion of an additional investor in the property. Any additional changes to the ownership per the terms of the loan agreement would require additional EDA action.

REQUESTED ACTION:

Approve Resolution 2024-14

ATTACHMENTS:

1. Resolution 2024-14 Approving FDC Assignment and Subordiantion for 311 Central

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION 2024-14

APPROVE THE ASSIGNMENT OF AN ADDITIONAL INVESTOR, RESTRUCTURING OF THE OWNERSHIP ENTITY, AND MORTGAGE SUBORDINATION RELATED TO PROPERTY AT 311 CENTRAL AVENUE

WHEREAS, Faribo Downtown Central, LLC ("FDC") is the current owner of the property located at 311 Central Avenue, Faribault, Minnesota (the "Property"); and

WHEREAS, FDC and the Economic Development Authority of Faribault, Minnesota (the "EDA") entered into loan agreements, including all accompanying documents (Note, Mortgage, Security Agreement) dated December 27, 2022, and June 20, 2024, for the Property (the "Loan Agreements"); and

WHEREAS, FDC has proposed the inclusion of an additional investor to the Loan Agreement and the Property along with FDC, with the ownership of the Property being restructured under a new entity, Piepho Partners, LLC; and

WHEREAS, the EDA recognizes that the restructuring of the ownership and the assignment of the Loan Agreements and the Property to Piepho Partners, LLC will facilitate further development and investment in downtown Faribault, consistent with the EDA's goals; and

WHEREAS, upon the restructuring of the ownership of the Property, FDC has requested that the Property be exempted from the terms of the Loan Agreements – for this transaction - previously entered into with the EDA preventing the sale, transfer, or conveyance of the Property per the terms of the Loan Agreements; and

WHEREAS, FDC has also requested approval of the subordination of its mortgage on the Property to the State Bank of Faribault to secure financing necessary for the ongoing development of the Property; and

WHEREAS, the EDA has reviewed the request and determined that approving the inclusion of an additional investor, the restructuring of ownership and assignment to Piepho Partners, LLC, the exemption from sale, transfer, or conveyance of the Property under the original Loan Agreements, and the mortgage subordination aligns with the EDA's goals to support the revitaliztion of downtown Faribault.

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of Faribault, Minnesota, as follows:

1. The EDA hereby approves the inclusion of an additional investor, the restructuring of the ownership of the Property located at 311 Central Avenue, and assignment of the Loan Agreements referenced in the above recitals to Piepho Partners, LLC.

2. The Property located at 311 Central Avenue is hereby exempted from the terms of the Loan Agreements entered into by the EDA and FDC as to the sale, transfer, or conveyance of the Property for this transaction only.

3. The EDA further approves the subordination of the mortgage on the Property to the State Bank of Faribault to facilitate necessary financing for the ongoing development of the Property.

4. EDA staff and legal counsel are authorized to draft and revise all necessary Loan Agreement documents to accomplish the intent of this Resolution.

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

6. The Chair, Vice Chair, City Staff, and City Consultants, are hereby authorized and directed to take any and all additional steps and actions necessary or convenient to accomplish the intent of this Resolution.

ADOPTED: October 17, 2024.

____
Rod Gramse, Chair

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:	October 17, 2024
SUBJECT:	Small Business Development Center (SBDC) update

BACKGROUND:
Nort Johnson, President/CEO of the Faribault Area Chamber of Commerce and Tourism is present to provide an update on the Small Business Development Center (SBDC) Faribault Satellite Office.

REQUESTED ACTION:
Receive information, no action.

ATTACHMENTS:

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	October 17, 2024
SUBJECT:	Approve the Purchase of Additional Marketing Promotional Items

BACKGROUND:

Staff regularly attend various events, including the Minnesota Real Estate Journal (MREJ) and Community Venture Network (CVN), where we distribute promotional items such as pens, stickers, and flash drives to help increase visibility for the City of Faribault.

Our supply of these materials is running low, and to ensure we continue to present a professional and engaging image, we are requesting approval for up to $2,500 to replenish and enhance our inventory. In addition to restocking smaller items, we propose adding a few larger, branded pieces such as desk plants and notebooks. Additionally, we are exploring a collaboration with a local business, such as Cry Baby Craig's, to create a unique co-branded promotional item that highlights both Faribault and our local entrepreneurial community.

These items will help strengthen our marketing efforts and promote Faribault's commitment to supporting local businesses and economic development.

REQUESTED ACTION:

Approve $2500 for staff to purchase promotional materials.

ATTACHMENTS:

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	October 17, 2024
SUBJECT:	Resolution 2024-15: Approve the Submission of Application for My Town Series Season 2

BACKGROUND:

Attached is a resolution for your consideration, expressing support for the City of Faribault's application to be featured in Season 2 of the *My Town Series*. This series offers an exciting opportunity to showcase Faribault's community, local businesses, and economic development efforts on a national stage.

The cost to participate in an episode ranges from $35,000 to $40,000. While no specific funds are being designated at this time, the resolution directs staff to work on fundraising efforts to cover the necessary costs.

We believe this project has the potential to significantly enhance Faribault's visibility and appeal, and we recommend the EDA's support for the application.

Please review the attached resolution for approval.

REQUESTED ACTION:

Approve Resolution 2024-15

ATTACHMENTS:

1. Resolution 2024-15 Support for My Town Series Application

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION 2024-15

THE SUBMISSION OF AN APPLICATION FOR SEASON 2 OF THE MY TOWN SERIES

WHEREAS, the Economic Development Authority of Faribault, Minnesota (the "EDA") supports efforts to promote the City of Faribault and its economic development initiatives; and

WHEREAS, participation in the "My Town Series" provides an opportunity to showcase Faribault's community, local businesses, and unique assets on a national platform; and

WHEREAS, there is a cost of $35,000 to $40,000 for the City of Faribault to participate in an episode of the My Town Series; and

WHEREAS, the EDA recognizes the potential marketing and promotional benefits of participating in this series to further advance the visibility and economic vitality of Faribault; and

WHEREAS, the EDA will not designate specific funds at this time but expresses its support for the submission of an application for Season 2 of the My Town Series; and

WHEREAS, the EDA directs staff to work on fundraising efforts to cover a portion of the costs associated with participating in the My Town Series episode.

NOW, THEREFORE, BE IT RESOLVED, that the Economic Development Authority of Faribault expresses its support for submission of an application for the City of Faribault to be featured in Season 2 of the My Town Series and directs staff to pursue fundraising efforts for the project.

ADOPTED: October 17, 2024.

____
Rod Gramse, Chair

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:	October 17, 2024
SUBJECT:	Provide Guidance on EDA Escrow Procedures and Fee Schedule

BACKGROUND:

In ongoing discussions among staff about ways to make Faribault more business-friendly, one area of focus has been the escrow requirements for business subsidies such as Tax Increment Financing (TIF) and Tax Abatement. Currently, businesses are required to provide a $10,000 escrow for Tax Abatement requests and a $20,000 escrow for TIF requests.

To further support viable businesses looking to expand or locate in Faribault, staff would like to explore the possibility of the EDA covering these escrow costs for businesses that make an inquiry and are determined to have a strong potential for success.

We would like to have an initial discussion with the EDA to gauge your interest in this concept and determine if covering escrow costs could be a strategic move to attract more businesses and stimulate economic growth.

REQUESTED ACTION:

Provide General Direction.

ATTACHMENTS:

1. Amended Bus Subsidy Policy - with fee schedule

CITY OF FARIBAULT
AMENDED BUSINESS SUBSIDY POLICY

Including Tax Abatement and Tax Increment Financing Business Assistance

Approved February 27, 2018 ~ Resolution 2018-042

I. INTRODUCTION, PURPOSE AND DEFINITIONS

This Business Subsidy Policy (the "Policy") is adopted for purposes of Minnesota Statutes, Sections 116J.993 through 116J.995 and as may be amended, (the "Business Subsidy Act"). Terms used in this Policy are intended to have the same meanings as if used in the Business Subsidy Act ("Act"), and any amendments or modifications to the Act shall amend or modify the definitions and terms of this Policy without any further action of the City of Faribault ("City"). This Policy shall apply only with respect to subsidies granted under the Acts if and to the extent required thereby.

This Policy shall be used as a guide in processing and reviewing applications requesting business assistance – and all requests will be evaluated on a case-by-case basis.

A. **Purpose.** Business subsidies are used to stabilize and grow the community by providing resources to increase the tax base, provide basic goods and services, retain or reuse historically significant properties, remediate pollution, revitalize neighborhoods, retain and increase quality jobs, and enhance the economic growth and opportunity in the City. The City will consider business assistance requests on a case-by-case basis, focusing on providing the lowest possible level of business assistance, for the least amount of time, to leverage and optimize private investment.

B. **Types of Business Subsidy.** Every potential business subsidy project within the City will be evaluated according to this Policy and the criteria set forth herein. A Business Subsidy, as further defined herein and in the Act shall include, but not be limited to one of the following types of subsidies provided by the City:

1. Loan,
2. Grant,
3. Tax Abatement
4. Tax Increment Financing (TIF) or other tax reduction or deferral,
5. Guarantee of payment,
6. Contribution of property or infrastructure,
7. Preferential use of governmental facilities,
8. Land contribution, or
9. Other specified subsidy.

A Business Subsidy does not include assistance of less than $25,000, business loans or loan guarantees of less than $75,000, assistance generally available to all businesses, housing assistance, or any other type of assistance specifically excluded in the Business Subsidy Act.

C. **Definitions.** The following defined terms apply equally to business subsidies. Any terms not defined herein shall have the meanings set forth in the Act. If the Act is amended to affect any of these defined terms, then the definition or definitions set forth in the Act shall replace the definition or definitions set forth within this Section and be incorporated herein without amendment to this Policy or any type of action of the City.

"Benefit Date" means the date that the recipient receives the business subsidy. If the business subsidy involves the purchase, lease, or donation of physical equipment, then the benefit date begins when the recipient puts the equipment into service. If the business subsidy is for improvements to property, then the benefit date refers to the earliest date of either:

- When the improvements are finished for the entire project; or
- When a business occupies the property. If a business occupies the property and the subsidy grantor expects that other businesses will also occupy the same property, the grantor may assign a separate benefit date for each business when it first occupies the property.

"Business Subsidy" means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business, and as defined by the Business Subsidy Act.

Notwithstanding this definition, "Business Subsidy" as defined also includes the following forms of "Financial Assistance" and is subject to this policy with the exception of the required public hearing, if the amount is less than $150,000, and limited reporting forms shall be required:

- A Business Subsidy of $25,000 or more; and
- Business loans and guarantees of $75,000 or more

"Business Subsidy Agreement" means the agreement between the Recipient as defined herein and the City entered into pursuant to the Business Subsidy Act.

"Business Subsidy Recipient" mean any business entity that receives a business subsidy as defined by the Business Subsidy Act and that has signed a Business Subsidy Agreement with the City.

"Business Subsidy Report" means the annual reports submitted by the City each year for each business receiving a Business Subsidy in the City in order to comply with the Business Subsidy Act.

"DEED" means the Minnesota Department of Employment and Economic Development or a successor entity.

II. BUSINESS SUBSIDY REQUIREMENTS, PROCEDURES AND GOALS

The requirements for a Business Subsidy herein described apply to any Business Subsidy. If the Act is amended to modify any of these requirements, then the requirement or requirements set forth in the Act shall replace the requirement or requirements set forth in this Section and be incorporated herein without amendment to this Policy or any type of action of the City.

A Business Subsidy Recipient must:

1. Comply with the City's comprehensive plan and any other plans or guides created by the City to guide development,
2. Enter into a Business Subsidy Agreement with the City that complies with the Business Subsidy Act and the requirements set forth herein,
3. Meet a public purpose as described in Section II B. below and either achieve job and wage goals as described in Section II. C below or meet the goals described in Section II D. Below,
4. Meet all of the additional polices set forth in Section II. D below, including holding a public hearing if required and complying with payback provisions.

A. **Business Subsidy Implementation.** The following is the Business Subsidy procedure:

1. *Application.* A business must submit a written request/application to the City for a Business Subsidy or other financial assistance with the required fee. The business must submit all information as found in the Business Subsidy Application for any request for financial assistance from the City. The City may request additional financial information as the City deems appropriate or necessary in its discretion to analyze and process the application.

2. *A Public Hearing.* A Business Subsidy valued at $150,000 or more requires a public hearing with at least a 10-day notice in the local newspaper. A public hearing for another purpose such as tax increment financing or tax abatement may be combined with the Business Subsidy hearing. A copy of the draft Business Subsidy agreement must be on file with the City.

3. *Business Subsidy Agreement.* In all cases of business subsidy, where the subsidy is equal to or greater than the threshold prescribed in Minnesota Statutes, a subsidy agreement will be entered into between the City and the recipient. This agreement will comply with the requirements of Minn. Stat. Section 116J.994, subd. 3, and delineate, among other required provisions, the subsidy structure and amount, as well as the expected public benefit. The agreement will include provisions for repayment and other resolution options if the expected public benefit is not achieved. Upon completion of the project, the actual costs of the elements of the project eligible for the business subsidy will be verified. All business subsidies will be subject to the criteria outlined in Minnesota Statutes, Section 116J.933 through Section 116J.955, except those subsidies as exempted by the same. Business Subsidies in the form of grants must be structured as forgivable loans. For other types of Business Subsidies, the agreement must state the fair market value of the subsidy to the recipient, including the value of conveying property at less than a fair market price, or other in-kind benefits to the recipient. The City shall monitor the progress by the recipient in achieving the goals contained in the business subsidy agreement, and the recipient shall cooperate in all respects in meeting the reporting requirements contained in Minnesota Statutes Section 116J.994 subd. 7.

4. *Length of Operation.* All Business Subsidy Recipients must agree to continue operation within the City for at least five years after the benefit date as described in the Business Subsidy Act. After a public hearing, the City may authorize the Business Subsidy Recipient to move outside the City within the first five years of operation.

5. *Monitoring.* The City shall monitor the progress by the recipient in achieving the goals contained in the business subsidy agreement, and the recipient shall cooperate in all respects in meeting the reporting requirements contained in Minnesota Statutes Section 116J.994, subd. 7.

6. *Payback Provisions and Extensions.* Any Business Subsidy Recipient must pay back assistance received if the job and wage goals or other specified goals are not met within two (2) years of the Benefit Date or such time as permitted by the Act as it may be amended. For all Business Subsidies, assistance provided by the City must be paid back, with interest as determined in the Business Subsidy Act, to the City, or at the City's request, to the account created under the Business Subsidy Act. Any repayment may be prorated by the City to reflect partial fulfillment of goals. The City may, after a public hearing, extend the period for meeting job and wage goals for up to one year and may pursuant to the procedures in the Act, extend the period for meeting other goals for any period specified by the City.

7. *Modification.* The City reserves the right to modify the Policy from time to time in accordance with the Act.

B. **Economic Growth Goals.** Every Business Subsidy must meet a public purpose as follows, which may include but must not be limited to increasing the tax base:

1. Enhance economic growth and increase the tax base in the City;
2. Revitalize neighborhoods and the community;
3. Create high quality jobs in the City with minimum job creation goals as set forth in the policy;
4. Locate industrial development within established industrial parks;
5. Retain high quality jobs, increase local job base, and/or provide diversity in the job base in the City;
6. Prevent or eliminate blight;
7. Foster economic and commercial diversity;
8. Encourage additional unsubsidized private development, either directly or through "spin-off" development;
9. Stabilize the community;
10. Meet housing-related issues pertaining to diversity of housing options and affordable housing;
11. Provide basic goods and services;
12. To offset increased costs of redevelopment, over and above those costs that a developer would incur in normal development;
13. Remediate pollution;
14. Promote the retention or reuse of historically significant property;
15. Fully utilize existing or planned infrastructure improvements;
16. Assist in the development of public improvements of facilities; and
17. Provide business subsidy incentives to qualified businesses pursuant to Minnesota Statutes Sections 116J.993 through 116J.995 (the "Business Subsidy Act").

Business assistance funding should not be provided to those projects that fail to meet good public policy criteria as determined by the EDA and City, including: poor project quality; projects that are not in accord with the comprehensive plan, zoning, redevelopment plans, and city policies; project that provide no benefit or improvement to surrounding land use, the neighborhood, and/or the City; projects that do not meet financial feasibility criteria established by the City; and projects that do not meet the highest and best use for the property. Business assistance should also not be used when the developer's credentials, in the judgement of the City, are inadequate due to past record of accomplishment relating to: timeliness and quality level of completed projects, general reputation, bankruptcy, credit worthiness or other relevant considerations by the City.

C. **Job and Wage Goals.** Except as provided in Section II D. herein, every Business Subsidy Recipient must meet at least the job and wage goals described herein within two (2) years of the Benefit Date, unless an extension is granted pursuant to the Act or an amendment to the Act extends this time. Every Business Subsidy Recipient must meet at least the General Job Goal and General Wage Goal set forth in 1 and 2. In addition, every Business Subsidy Recipient must create the number of full-time specified in the Business Subsidy Agreement and must meet the wage goals for those jobs specified in the Business Subsidy Agreement. The Business Subsidy Agreement may contain separate job and wage goals for part-time jobs and full-time jobs. The City may set goals in terms of full-time equivalent at their discretion. In cases where the public purpose of the Business Subsidy is the retention of existing jobs, the Business Subsidy Recipient must demonstrate that job loss is specific and demonstrable. The setting of specific wage and job goals in the Business Subsidy Agreement will be sensitive to local economic conditions, external economic forces over which neither the grantor nor the Business Subsidy Recipient has control, the individual financial resources of the recipient, and the competitive environment in which the Business Subsidy Recipient's business exists.

1. *General Job Goal.* For all Business Subsidies, the Business Subsidy Recipient must create at least one (1) full-time job.

2. *General Wage Goal.* For all Business Subsidies, the Business Subsidy Recipient must create full-time job(s) that pay a living wage and/or meet the specific wage threshold as published annually by DEED. Living wage is defined as wages and health benefits that have an hourly rate that totals at least 110-percent of the current poverty level for a family of four.

The City may deviate from job and wage goals by documenting the reason in writing for the deviation and attaching a copy of this reason to the next annual Business Subsidy Report submitted to DEED. Wages should increase annually based on the consumer price index.

D. **Alternative to Job and Wage Goals.** The City may determine, after a public hearing, that job creation or job retention is not a goal of a general Business Subsidy. In such cases, the Business Subsidy Recipient must meet at least one of the following minimum requirements:

1. The Business Subsidy accomplishes the removal, rehabilitation or redevelopment of, or prevention of development or spread of, a blighted area as defined by Minnesota Statutes, Section 469.002, Subdivision 11, or constitutes a cost of correcting conditions that permits

designation of a redevelopment district or renewal and renovation district under Minnesota Statutes, Section 469.174 to 469.179; or

2. The Business Subsidy improves public infrastructure or public facilities, including without limitation streets, sewers, storm sewers, streets, parks, recreational facilities, and other City facilities; or

3. The Business Subsidy removes physical impediments to development of land, including without limitation poor soils, bedrock conditions, steep slopes, or similar geotechnical problems; or

The above requirements must be expressed as specific, measurable and tangible goals in each Business Subsidy Agreement. The job and wage goals that would otherwise be required may be set at zero.

APPLICATION FOR BUSINESS SUBSIDY AND BUSINESS FINANCING

Applicant Information

1. Applicant Name: ____________________

(Name should be the officially registered name of the business entity.)

Address: ____________________

Telephone: ____________________ Email Address: ____________________

2. Name of Person Completing the application: ____________________

Address: ____________________

Telephone: ____________________ Email Address: ____________________

3. Names and Addresses of Attorney, Architect, Engineer, and General Contractor for this project:

Attorney Name: ____________________
Address: ____________________
Telephone: ____________________ Email Address: ____________________

Architect Name: ____________________
Address: ____________________
Telephone: ____________________ Email Address: ____________________

Engineer Name: ____________________
Address: ____________________
Telephone: ____________________ Email Address: ____________________

General Contractor Name: ____________________
Address: ____________________
Telephone: ____________________ Email Address: ____________________

4. If the applicant is a corporation, please name officers, directors, or stockholders holding more that 5% of the stock of the corporation. If the corporation is not formed, provide as much information as possible concerning potential officers, directors, or stockholders:

____
____
____

4a. If the applicant is a general partnership, name of the general partners and if a limited partnership, state the general partners and limited partners with more than 5% interest in the limited partnership. If the partnership is not formed, provide as much information as possible concerning potential officers, directors or stockholders.

____
____
____
____

4b. Has the applicant ever been in bankruptcy? If yes, please describe the circumstances.

Yes (please Explain): ______________________________________
____
____

No: ________

4c. Has the applicant ever been convicted of a felony? Is yes, please describe the circumstances.

Yes (please Explain): ______________________________________
____
____

No: ________

4d. Has the applicant ever defaulted on any bond or mortgage commitment?

Yes (please Explain): ____
____
____
No: ________

Project Information

5. PID#'s, legal description, address, and size of project site:

PID#: ____

Address:____

Legal Description:____

____

____

Size of Project Size (Acres): ____________________________

6. Current ownership of the site:______________________

7. Do you have current control of the site:

Yes: ______ No: ______

8. Project description.

____

____

____

____

9. If property is to be subdivided or replatted, please describe.

____

____

____

____

10. Estimated project costs: (<u>Please enclose detailed sources and uses and 15-year operating *Pro Forma*</u>).

Land Acquisition:	$________________________
Environmental/Soil Corrections:	________________________
Surveys:	________________________
Public Improvements:	________________________
Site Development:	________________________
Demolition:	________________________
Building(s):	________________________
Shell (if applicable)	________________________
Tenant Improvements (if applicable)	________________________
FF&E:	________________________
Architectural & Engineering Fees:	________________________
Legal Fees/Other Consulting Fees:	________________________
Financing Costs:	________________________
Construction Interest:	________________________
Title Insurance:	________________________
Mortgage Registration:	________________________
Bank/Borrower Legal:	________________________
Recording/Closing:	________________________
Construction Loan Fees:	________________________
SAC/WAC:	________________________
Park Dedication:	________________________
Appraisal:	________________________
Taxes:	________________________
Contingencies (construction):	________________________
Contingencies (soft):	________________________

Other: ________________________

TOTAL **$**________________________

11. Source of Financing

Equity: $________________________

Bank Financing: ___________________

Public Assistance: (TIF or Tax Abatement) ________________

Other governmental loans/grants: ________________________

Deferred Developer Fees: ________________________

Other: ___________________

TOTAL **$**________________________

Terms of Financing (years): ________________________

Rate of Financing: ________________________

Cap Rate: ________________________

Project Construction Schedule:

Construction Start Date: ________________________

Construction Completion Date: ________________________

If Phased Project:

January 2, (year) ______ % Completed ___________

January 2, (year) _______ % Completed ___________

12. **Total Estimated Market Value of Project upon completion** $____________________

13. Please indicate whether the project meets one or more of Faribault's Economic Growth Goals as identified in Section II. B of the City's Business Subsidy Policy (identify desired qualification and state reason):

____

____

____

____

____

14. Will any public official of the City, either directly or indirectly, benefit from the issuance of public assistance within the meaning of Minnesota Statutes, Section 412.311 or 471.87? If yes, please explain the circumstances.

No: ______
Yes (please explain): ____

____

Public Assistance Request

15. Amount of public assistance requested and desired term.

Amount: ____________ Term (years): _____

16. **Describe the purpose for which public assistance (TIF, Tax Abatement, etc.) is required.**

____
____
____
____
____

17. Please submit an itemized list of project costs for which public assistance is being requested.

____
____
____

18. State specific reasons why, "but for" the use of public assistance, this project would not be possible.

____
____
____
____
____

Application Process

19. The following documents must accompany the Application:

A. A detailed sources & uses statement and 15-year project *Pro Forma*
B. Preliminary Financial Commitment from lending institution.
C. Financial statements.
D. Parcel Map depicting the proposed redevelopment area
E. Site plans and floors plans (as available)
F. Significant additional information may be requested at any time by the City/EDA/HRA and may be in addition to the materials outlined in this application. The Applicant shall be required to submit all information as requested by the City/EDA/HRA.

20. Applicant acknowledges and agrees to pay the $5,000 Business Subsidy/Public Assistance Application Fee and is **non-refundable**.

21. At the time of acceptance by staff of the Business Subsidy/Public Financing Application, the applicant shall deposit $10,000 with the City/HRA to cover attorney and consultant costs incurred as part of conducting any fiscal analysis that may be required to meet the requirements of utilizing any public financing, drafting and negotiating a development agreement, and establishing a TIF district or abatement.

    If additional expenses are incurred beyond the $10,000, prior to the execution of a development agreement, the City/EDA/HRA shall notify the applicant in writing and the applicant will be required to deposit additional funds upon notice.

22. The Applicant shall hold the City/EDA/HRA, its officers, consultants, attorneys, and agents harmless from any and all claims arising from or in connection with the Project or Public Assistance Application, including but not limited to, any legal or actual violations of any State or Federal securities laws.

23. The Applicant recognizes and agrees that the City/EDA/HRA reserves the right to deny any application for Business Subsidy/Public Assistance at any stage of the proceedings prior to adopting the resolution approving the public assistance, that the Applicant is not entitled to rely on any preliminary actions by the City/EDA/HRA prior to the final resolution, and that all expenditures, obligations, costs, fees, or liabilities incurred by the Applicant in connection with the Project are incurred by the Applicant at its sole risk and expense and not in reliance on any actions of the City/EDA/HRA.

    The undersigned, a duly authorized representative of the Applicant, hereby certifies that the foregoing information is true, correct, and complete as of the date hereof and agrees that the Applicant shall be bound by the terms and provisions herein.

______________________________	______________________________
APPLICANT' S NAME	DATE
______________________________	______________________________
CITY ACCEPTANCE OF APPLICATION	DATE
$____________________	______________________________
FEE AMOUNT REMITTED	DATE

APPLICATION FEES:

- Industrial Development Loan - $350.00
- Minnesota Investment Fund - $350.00
- Economic Development Revolving Fund - $350.00
- Tax Abatement - $500.00 *plus escrow*
- Tax Increment Financing - $500.00 *plus escrow*

ADOPTED 2022 FEE SCHEDULE

Commercial and Industrial Development Program Application	
Application Fee	
Special Program Application Fee	$150
Industrial Development Loan	$350
Minnesota Investment Fund	$350
Economic Development Revolving Fund	$350
Micro Loan Program	$100

(ADMINISTRATIVE FEES CONTINUED)

Tax Abatement Program	
Application fee	$500
Tax Abatement escrow	$10,000*
* Note: Applicants pay City's legal costs and consultant costs	Balance returned after City costs are recovered*

Tax Increment Financing	
Application fee	$500
Tax Increment Financing escrow	$20,000*
* Note: Applicants pay City's legal costs and consultant costs	Balance returned after City costs are recovered*

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	October 17, 2024
SUBJECT:	2025 Strategic Planning Prep

BACKGROUND:

The City Council is initiating a strategic planning process that will include both the Economic Development Authority (EDA) and the Housing and Redevelopment Authority (HRA). This effort will play a key role in shaping the future direction of economic and community development in Faribault. Prior to working with the consultant, there is important preparatory work that needs to be completed.

This preparation includes a comprehensive review of the EDA's bylaws, mission, vision, and values, as well as an assessment of all existing economic development resources in the region. Understanding these resources will help clarify the EDA's role within the broader economic landscape.

To facilitate this process, we have three potential options for how to proceed:

1. **Form a sub-committee**: A dedicated sub-committee would meet 3-4 times to review and discuss these topics in detail, with findings presented to the full board for consideration.
2. **Host 3 work sessions**: We could schedule three work sessions (one per month through the end of the year) to engage the full board in discussions about these matters.
3. **Staff-led approach**: Staff can take the lead in conducting this review and mapping process, then present a comprehensive recommendation for the board's consideration.

We would appreciate your input on the preferred approach to ensure that we are well-prepared for the strategic planning process. Your guidance will be instrumental in helping the EDA fulfill its mission effectively.

REQUESTED ACTION:
Provide General Direction on the Strategic Planning Prep Work for 2025.

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:	David Wanberg, Community and Economic Development Director
THROUGH:	David Wanberg, Community and Economic Development Director
MEETING DATE:	October 17, 2024
SUBJECT:	Resolution 2024-16 Approve a Restructuring of the Ownership Entity related to the Redevelopment of Lot 1 and Lot 2, Block 1, Midwest First Addition, Rice County, Minnesota

BACKGROUND:
KK&G Properties LLC entered into various agreements and received various approvals to redevelop the former Farmer Seed and Nursery site at 818 4th Street NW. KK&G is currently constructing an indoor climate-controlled storage facility on the property. However, to help develop the proposed apartment building on the property, KK&G created a new ownership entity - Midwest Flats LLC. KK&G requests permission to have the pertinent prior approvals and forthcoming agreements and documents reflect the new ownership entity.

REQUESTED ACTION:
Approve Resolution 2024-16.

ATTACHMENTS:
1. Resolution 2024-16

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2024-16

APPROVE A RESTRUCTURING OF THE OWNERSHIP ENTITY RELATED TO REDEVELOPMENT OF LOT 1 AND LOT 2, BLOCK 1, MIDWEST FIRST ADDITION, RICE COUNTY, MINNESOTA

WHEREAS, KK&G Properties LLC (the "Developer") entered into agreements and received approvals to redevelop property legally described as Lot 1 and Lot 2, Block 1, Midwest First Addition, Rice County, Minnesota (the "Property"); and

WHEREAS, KK&G Properties LLC created a new ownership entity – Midwest Flats LLC – to facilitate the proposed apartment building development on Lot 2, Block 1, Midwest First Addition, Rice County, Minnesota; and

WHEREAS, the Economic Development Authority of Faribault, Minnesota (the "EDA") acknowledges that the new ownership entity will facilitate further development consistent with the EDA's goals; and

WHEREAS, the EDA supports the continued development and investment in the Property through this ownership restructuring.

***NOW, THEREFORE, BE IT RESOLVED* by the Economic Development Authority of Faribault, Minnesota, as follows:**

1. The EDA hereby approves the modification of pertinent previous agreements and approvals to reflect the new ownership entity – Midwest Flats LLC – as appropriate or necessary to facilitate the developments of the proposed apartment building on the Property.

2. EDA staff and consultants are authorized to work with the Developer to amend and finalize any previous and new agreements or necessary documents to accomplish the intent of this Resolution

3. The recitals in the preamble of this Resolution are incorporated into this Resolution as if fully set forth herein.

4. The Chair, Vice Chair, City Staff, and City Consultants are hereby authorized and directed to take any and all additional steps necessary to accomplish the intent of this Resolution.

ADOPTED: October 17, 2024.

Rodney Gramse, Chair

ATTEST:

David Wanberg, Community and Economic Development Director