ECONOMIC DEVELOPMENT AUTHORITY AGENDA

THIRD FLOOR CONFERENCE ROOM	THURSDAY, NOVEMBER 21, 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. 2025 Budget Update
   B. Resolution 2024-17 Approve Not Waiving the Monetary Limits on Municipal Tort Liability
   C. Resolution 2024-18 Establish the EDA's Final Tax Levy for Fiscal Year 2025
   D. Resolution 2024-19 Satisfaction of Promissory Note (Rebound 31 LLC)
   E. Resolution 2024-20 Accept Compeer Rural Feasibility Grant
   F. EDA Escrows and Application Fees
   G. Advertising Opportunity - Site Selection Magazine
   H. MREJ Membership Renewal
5. Annoucements and Updates
   A. Strategic Planning Committee Update
   B. Project Updates - Staff Verbal Report
6. Adjournment

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

		Valuation (2024)	# of Permits (2024)		Permit Fees (2024)		Valuation (2023)	# of Permits (2023)		Permit Fees (2023)
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	$	5,249,918.86	177	$	93,721.04	$	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:	**$**	**67,919,173.76**		**$**	**809,418.50**	**$**	**117,271,162.64**		**$**	**1,380,480.73**
YTD Permits:			**1588**					**1908**		

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

General Ledger

Budget Status

User: rharristhe3rd@ci.faribault.mn.us
Printed: 11/15/2024 - 12:54 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	31.41	31.41	-31.41	0.00	-31.41	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	31.41	31.41	-31.41	0.00	-31.41	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	258,593.01	258,593.01	138,017.99	0.00	138,017.99	34.80
	Dept 00000 Sub Totals:	-396,611.00	-258,593.01	-258,593.01	-138,017.99	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	16,490.77	16,490.77	3,509.23	0.00	3,509.23	17.55
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	31,096.00	31,096.00	43,904.00	0.00	43,904.00	58.54
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	907,021.77	907,021.77	263,339.23	0.00	263,339.23	22.50
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	907,021.77	907,021.77	263,589.23	0.00	263,589.23	22.52
	Dept 46500 Sub Totals:	1,170,611.00	907,021.77	907,021.77	263,589.23	0.00		
	Fund Revenue Sub Totals:	396,611.00	258,593.01	258,593.01	138,017.99	0.00	138,017.99	34.80
	Fund Expense Sub Totals:	1,170,611.00	907,021.77	907,021.77	263,589.23	0.00	263,589.23	22.52
	Fund 290 Sub Totals:	774,000.00	648,428.76	648,428.76	125,571.24	0.00		
	Revenue Totals:	396,611.00	258,593.01	258,593.01	138,017.99	0.00	138,017.99	34.80
	Expense Totals:	1,170,611.00	907,021.77	907,021.77	263,589.23	0.00	263,589.23	22.52
	Report Totals:	774,000.00	648,428.76	648,428.76	125,571.24	0.00		

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	November 21, 2024
SUBJECT:	2025 Budget Update

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 $650,000. 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.

Staff have recommenced small changes differing from the version presented in September. The program budget has been decreased to $650,000 and the $30,000 difference has been distributed across Expert and Professional Services, Training/Education, and Travel Expense.

REQUESTED ACTION:

Receive and file as presented.

ATTACHMENTS:

1. 290 Budget 11.8.24

General Ledger

Budget Analysis

User: jkinser@ci.faribault.mn.us
Printed: 11/08/2024 - 12:40PM
Fiscal Year: 2025

2022 Actual	2023 Actual	2024 Adopted	2024 Estimated	Account	Description	FTE	2025 Requested	2025 Proposed	2025 Approved	2025 Adopted
				290	Economic Development Authority					
				R01	Taxes					
301,698.82	320,100.44	372,648.00	0.00	462-31010	Current Ad Valorem Taxes	0.00	408,089.00	408,089.00	0.00	372,648.00
1,733.77	1,967.55	0.00	0.00	462-31020	Delinquent Ad Valorem Taxes	0.00	0.00	0.00	0.00	0.00
485.20	561.24	0.00	0.00	462-31030	Mobile Home Taxes	0.00	0.00	0.00	0.00	0.00
124.58	332.89	0.00	0.00	462-31035	Delinquent Mobile Home Taxes	0.00	0.00	0.00	0.00	0.00
1,001.66	0.00	0.00	0.00	462-31040	Excess Tax Increment	0.00	0.00	0.00	0.00	0.00
362.85	335.00	0.00	0.00	462-31500	PILOT	0.00	0.00	0.00	0.00	0.00
35.96	0.00	0.00	0.00	462-31550	Green Acres	0.00	0.00	0.00	0.00	0.00
305,442.84	323,297.12	372,648.00	0.00		Taxes Totals:	0.00	408,089.00	408,089.00	0.00	372,648.00
				R02	Permit & Licenses					
345.56	306.97	383.00	0.00	462-36215	Loan Interest	0.00	0.00	0.00	0.00	383.00
345.56	306.97	383.00	0.00		Permit & Licenses Totals:	0.00	0.00	0.00	0.00	383.00
				R03	Intergovernmental Revenue					
30.13	56.51	0.00	0.00	462-33402	Market Value Homestead Credit	0.00	0.00	0.00	0.00	0.00
750,000.00	0.00	0.00	0.00	462-33422	Other State Grants & Aids	0.00	0.00	0.00	0.00	0.00
750,030.13	56.51	0.00	0.00		Intergovernmental Revenue Totals:	0.00	0.00	0.00	0.00	0.00
				R04	Charges for Services					
108.64	(12.07)	0.00	0.00	462-34108	Administrative Fees	0.00	0.00	0.00	0.00	0.00
3,090.00	950.00	2,500.00	0.00	462-34700	Application Fees	0.00	2,500.00	2,500.00	0.00	2,500.00
3,198.64	937.93	2,500.00	0.00		Charges for Services Totals:	0.00	2,500.00	2,500.00	0.00	2,500.00
				R06	Miscellaneous Revenue					
1,080.27	15,233.00	500.00	0.00	462-36200	Other Miscellaneous Revenue	0.00	500.00	500.00	0.00	500.00
19,663.85	32,770.33	20,580.00	0.00	462-36210	Interest on Investments	0.00	29,360.00	29,360.00	0.00	20,580.00

2022 Actual	2023 Actual	2024 Adopted	2024 Estimated	Account	Description	FTE	2025 Requested	2025 Proposed	2025 Approved	2025 Adopted
(81,814.57)	26,644.80	0.00	0.00	462-36211	Interest Market Value	0.00	0.00	0.00	0.00	0.00
698.01	275.00	0.00	0.00	462-36240	Refunds & Reimbursements	0.00	0.00	0.00	0.00	0.00
78,285.00	0.00	0.00	0.00	462-36400	Loan Principal	0.00	0.00	0.00	0.00	0.00
17,912.56	74,923.13	21,080.00	0.00		Miscellaneous Revenue Totals:	0.00	29,860.00	29,860.00	0.00	21,080.00
				R07	Other Sources					
0.00	0.00	0.00	0.00	462-39100	Sale of Land	0.00	0.00	0.00	0.00	0.00
466,660.04	0.00	0.00	0.00	462-39200	Transfer In	0.00	0.00	0.00	0.00	0.00
466,660.04	0.00	0.00	0.00		Other Sources Totals:	0.00	0.00	0.00	0.00	0.00
1,543,589.77	399,521.66	396,611.00	0.00		REVENUES TOTALS:	0.00	440,449.00	440,449.00	0.00	396,611.00
				46500	Economic Development					
				E02	Supplies					
0.00	0.00	0.00	0.00	462-42110	General Supplies	0.00	0.00	0.00	0.00	0.00
77.98	0.00	250.00	0.00	462-42115	Meeting	0.00	1,000.00	1,000.00	0.00	250.00
0.00	0.00	0.00	0.00	462-42420	Minor Computer Equipment	0.00	0.00	0.00	0.00	0.00
77.98	0.00	250.00	0.00		Supplies Totals:	0.00	1,000.00	1,000.00	0.00	250.00
				E03	Other Services & Charges					
0.00	0.00	0.00	0.00	462-43030	Engineering Fees	0.00	0.00	0.00	0.00	0.00
11,791.80	9,455.60	20,000.00	0.00	462-43040	Legal Fees - Civil Process	0.00	25,000.00	25,000.00	0.00	20,000.00
0.00	0.00	0.00	0.00	462-43080	Indirect Cost Allocation	0.00	0.00	0.00	0.00	0.00
22,765.00	2,420.00	75,000.00	0.00	462-43090	Expert & Professional Services	0.00	87,000.00	90,700.00	0.00	75,000.00
0.00	246.56	0.00	0.00	462-43095	Software Maintenance & Support	0.00	0.00	0.00	0.00	0.00
256,172.77	39,017.50	650,000.00	0.00	462-43130	EDA Program Budget	0.00	680,000.00	650,000.00	0.00	650,000.00
0.00	0.00	3,500.00	0.00	462-43140	Training & Education	0.00	6,200.00	10,000.00	0.00	3,500.00
0.00	0.00	0.00	0.00	462-43220	Postage	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	462-43250	Other Communications	0.00	0.00	0.00	0.00	0.00
0.00	0.00	4,500.00	0.00	462-43310	Travel Expense	0.00	4,500.00	10,000.00	0.00	4,500.00
13,709.29	10,000.00	45,000.00	0.00	462-43430	Advertising - Other	0.00	30,000.00	45,000.00	0.00	45,000.00
510.50	124.20	500.00	0.00	462-43510	Legal Notices Publishing	0.00	1,000.00	1,000.00	0.00	500.00
230.00	345.00	1,000.00	0.00	462-43520	Recording Fees	0.00	1,500.00	1,500.00	0.00	1,000.00
1,913.00	1,640.00	1,771.00	0.00	462-43610	Insurance & Bonds	0.00	2,133.00	1,975.00	0.00	1,771.00
0.00	0.00	0.00	0.00	462-43810	Electric Utilities	0.00	0.00	0.00	0.00	0.00

2022 Actual	2023 Actual	2024 Adopted	2024 Estimated	Account	Description	FTE	2025 Requested	2025 Proposed	2025 Approved	2025 Adopted
0.00	0.00	40.00	0.00	462-43860	Storm Water Utilities	0.00	40.00	40.00	0.00	40.00
22,195.00	21,705.00	24,000.00	0.00	462-44330	Dues & Subscriptions	0.00	9,000.00	9,000.00	0.00	24,000.00
1.46	0.00	0.00	0.00	462-44370	Miscellaneous Charges	0.00	0.00	0.00	0.00	0.00
0.00	0.00	50.00	0.00	462-44390	Taxes & Licenses	0.00	50.00	50.00	0.00	50.00
904,203.00	42,300.00	345,000.00	0.00	462-44600	Loans & Grants	0.00	20,000.00	20,000.00	0.00	345,000.00
1,233,491.82	127,253.86	1,170,361.00	0.00		Other Services & Charges Totals:	0.00	866,423.00	864,265.00	0.00	1,170,361.00
				E04	Capital Outlay					
0.00	0.00	0.00	0.00	462-44160	Rents & Leases	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	462-45100	Land	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00		Capital Outlay Totals:	0.00	0.00	0.00	0.00	0.00
				E06	Other Uses					
0.00	45,637.78	0.00	0.00	462-47200	Transfer Out	0.00	0.00	0.00	0.00	0.00
0.00	45,637.78	0.00	0.00		Other Uses Totals:	0.00	0.00	0.00	0.00	0.00
1,233,569.80	172,891.64	1,170,611.00	0.00		EXPENDITURES TOTALS:	0.00	867,423.00	865,265.00	0.00	1,170,611.00
0.00	0.00	0.00	0.00		DEPARTMENT REVENUES	0.00	0.00	0.00	0.00	0.00
1,233,569.80	172,891.64	1,170,611.00	0.00		DEPARTMENT EXPENSES	0.00	867,423.00	865,265.00	0.00	1,170,611.00
(1,233,569.80)	(172,891.64)	(1,170,611.00)	0.00		Economic Development Totals:	0.00	(867,423.00)	(865,265.00)	0.00	(1,170,611.00)
1,543,589.77	399,521.66	396,611.00	0.00		FUND REVENUES	0.00	440,449.00	440,449.00	0.00	396,611.00
1,233,569.80	172,891.64	1,170,611.00	0.00		FUND EXPENSES	0.00	867,423.00	865,265.00	0.00	1,170,611.00
310,019.97	226,630.02	(774,000.00)	0.00		Economic Development Authority T	0.00	(426,974.00)	(424,816.00)	0.00	(774,000.00)

2022 Actual	2023 Actual	2024 Adopted	2024 Estimated	Account	Description	FTE	2025 Requested	2025 Proposed	2025 Approved	2025 Adopted
1,543,589.77	399,521.66	396,611.00	0.00		REPORT REVENUES	0.00	440,449.00	440,449.00	0.00	396,611.00
1,233,569.80	172,891.64	1,170,611.00	0.00		REPORT EXPENSES	0.00	867,423.00	865,265.00	0.00	1,170,611.00
310,019.97	226,630.02	(774,000.00)	0.00		REPORT TOTALS:	0.00	(426,974.00)	(424,816.00)	0.00	(774,000.00)

City Of Faribault

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:	November 21, 2024
SUBJECT:	Resolution 2024-17 Approve Not Waiving the Monetary Limits on Municipal Tort Liability

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BACKGROUND:

The Economic Development Authority (the "EDA") has insurance coverage through the League of Minnesota Cities Insurance Trust. Each year, the EDA must decide whether to waive the statutory tort limits to the extent of the coverage purchased.

If the EDA **does not waive** the statutory tort limits, an individual claimant could recover no more than $500,000 on any claim to which the statutory limits apply. The total all claimants could recover for a single occurrence to which the statutory limits apply would be limited to $1,500,000.

If the EDA **waives** the statutory tort limits, a single claimant could recover up to $2,000,000 for a single occurrence. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to $2,000,000, regardless of the number of claimants.

The EDA can help control liability insurance costs by not waiving the monetary limits. Consistent with past practice, Staff and the City/EDA's Insurance Agent of Record recommend that the EDA **not waive** the monetary limits on municipal tort liability.

REQUESTED ACTION:

Approve Resolution 2024-17.

ATTACHMENTS:

1. Resolution 2024-17

2. LMCIT Waiver

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2024-17

APPROVE NOT WAIVING THE MONETARY LIMITS ON MUNICIPAL TORT LIABILITY

WHEREAS, the Economic Development Authority of Faribault, Minnesota (the "EDA") receives liability insurance coverage through the League of Minnesota Cities Insurance Trust (the "LMCIT"); and

WHEREAS, annually, the EDA must decide whether to waive the monetary limits on municipal tort liability established by Minn. Stat. 466.04; and

WHEREAS, the EDA finds that it can help control the cost of liability insurance if it does not waive the statutory tort limits to the extent of the coverage purchased, which is in the best interest of the EDA.

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority of Faribault, Minnesota (the "EDA"), that it does not waive the monetary limits on municipal tort liability established by Minn. Stat. 466.04.

NOW, THEREFORE, BE IT FURTHER RESOLVED, the EDA authorizes the EDA officers, City Staff, and the City Attorney to take any additional steps and action necessary or convenient to accomplish the intent of this Resolution, including executing the liability coverage waiver form attached to this Resolution.

ADOPTED: November 21, 2024

____
Rod Gramse, President

ATTEST:

____
David Wanberg, CED Director

LMC LEAGUE of MINNESOTA CITIES

LIABILITY COVERAGE WAIVER FORM

Members who obtain liability coverage through the League of Minnesota Cities Insurance Trust (LMCIT) must complete and return this form to LMCIT before their effective date of coverage. Email completed form to your city's underwriter, to pstech@lmc.org, or fax to 651.281.1298.

Members who obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. *The decision to waive or not waive the statutory tort limits must be made annually by the member's governing body, in consultation with its attorney if necessary.* The decision has the following effects:

- *If the member does not waive the statutory tort limits*, an individual claimant could recover no more than $500,000 on any claim to which the statutory tort limits apply. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would be limited to $1,500,000. These statutory tort limits would apply regardless of whether the member purchases the optional LMCIT excess liability coverage.

- *If the member waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could recover up to $2,000,000 for a single occurrence (under the waive option, the tort cap liability limits are only waived to the extent of the member's liability coverage limits, and the LMCIT per occurrence limit is $2,000,000). The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to $2,000,000, regardless of the number of claimants.

- *If the member waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

LMCIT Member Name: Economic Development Authority of Faribault, Minnesota

Check one:

☒ The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minn. Stat. § 466.04.

☐ The member **WAIVES** the monetary limits on municipal tort liability established by Minn. Stat. § 466.04, to the extent of the limits of the liability coverage obtained from LMCIT.

Date of member's governing body meeting: November 21, 2024

Signature: ____________________

Position: President

City Of Faribault

Request for Action

TO:	Faribault Economic Development Authority
FROM:	David Wanberg, CED Director
THROUGH:	David Wanberg, CED Director
MEETING DATE:	November 21, 2024
SUBJECT:	Resolution 2024-18 Establish the EDA's Final Tax Levy for Fiscal Year 2025

BACKGROUND:

By Minnesota Statutes, the amount the City Council can levy for EDA purposes cannot exceed 0.01813 percent of the estimated taxable market value in the district, which is $2,250,909,500 for fiscal year 2025. Consequently, the maximum the City Council can levy for EDA purposes in 2025 is $408,089 ($2,250,909,500 x 0.0001813 = $408,089).

On July 18, 2024, the EDA approved Resolution 2024-10, which established and recommended that the City Council approve the EDA's 2025 preliminary tax levy at the maximum allowed by Minnesota Statutes. On September 10, 2024, the City Council approved the EDA's request via Resolution 2024-178.

The EDA prepared its 2025 work plan based on its preliminary tax levy request. It must now submit its final tax levy request to the City Council. The attached Resolution 2024-18 requests that the City Council approve the maximum tax levy allowed for the EDA, which is $408,089 for fiscal year 2025.

REQUESTED ACTION:

Approve Resolution 2024-18.

ATTACHMENTS:

1. Resolution 2024-18

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2024-18

ESTABLISH THE EDA'S FINAL TAX LEVY FOR FISCAL YEAR 2025

WHEREAS, Minnesota Statute 469.107, Subdivision 1 provides that a City may, at the request of its Economic Development Authority (the "EDA"), levy a tax each year on all taxable property within the taxing district for the benefit of the EDA; and

WHEREAS, Minnesota Statute 469.107, Subdivision 1 limits the levy to a maximum of 0.01813 percent of the estimated taxable market value in the district; and

WHEREAS, the 2024 estimated taxable market value in the district is $2,250,909,500; and

WHEREAS, the maximum the City Council can levy for EDA purposes in 2025 is $408,809 ($2,250,909,500 x 0.0001813 = $408,089); and

WHEREAS, the EDA's work program and budget depend on whether the EDA receives the maximum levy amount allowed by Minnesota Statutes.

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority of Faribault, Minnesota (the "EDA"), that there be and hereby requested a levy on the taxable property of the City of Faribault, Rice County, Minnesota, for fiscal year 2025 a special benefit tax not to exceed 0.0183 percent of taxable market value as permitted in Minnesota Statutes. Based on the 2025 estimated taxable market value in the district, $408,089 will be the maximum appropriation available to the EDA through taxation in 2025. The EDA's requested 2025 tax levy is $408,089.

ADOPTED: November 21, 2024

____
Rod 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:	November 21, 2024
SUBJECT:	Resolution 2024-19 Satisfaction of Promissory Note (Rebound 31 LLC)

BACKGROUND:

On March 24, 2014, the Economic Development Authority (EDA) entered into a $10,000 Promissory Note with Rebound 31 Faribault LLC. The terms of the Note included forgiveness of 10% of the principal for each year the Borrower retained ownership of the associated property. Over a ten-year period, the Borrower fulfilled all terms of the agreement, retaining ownership for the required duration, thereby achieving full forgiveness of the Note.

The attached resolution acknowledges that Rebound 31 Faribault LLC has met all conditions of the Promissory Note, and it formally releases the Borrower from any further financial or legal obligations related to this agreement.

REQUESTED ACTION:

Approve resolution.

ATTACHMENTS:

1. Rebound 31 Satisfaction of Promissory Note
2. Resolution 2024-19 Approve Satisfaction of Promissory Note Rebound 31
3. Promisory Note between Rebound 31 Faribault LLC and EDA of Faribault MN March 24 2014

SATISFACTION OF PROMISSORY NOTE

This Satisfaction of Promissory Note ("Satisfaction") is executed on this ____ day of November, 2024 by Economic Development Authority of Faribault, located at 208 NW 1st Avenue, Faribault, MN 55021, in relation to the Promissory Note ("Note") dated March 24, 2014.

1. Background

- On March 24, 2014, Rebound 31 Faribault LLC, a Minnesota limited liability company ("Borrower") executed a Promissory Note in favor of the Economic Development Authority of Faribault ("Lender") for the original principal sum of $10,000.
- The Note stipulated that 10% of the principal amount would be forgiven for each year the Borrower retained ownership of the property associated with the Note.
- As of the date of this Satisfaction, the Borrower has retained ownership for a full 10-year period, fulfilling the terms for complete forgiveness of the Note.

2. Acknowledgment of Satisfaction

- The Economic Development Authority of Faribault hereby acknowledges that Rebound 31 Faribault LLC has fully satisfied the conditions of the Note, resulting in full forgiveness of the principal and release from any obligations under the Note.
- This Satisfaction serves as conclusive proof that the Note has been fully satisfied and that the Borrower has no further financial obligation related to this Note.

3. Release

- The Economic Development Authority of Faribault hereby releases and discharges Rebound 31 Faribault LLC from any and all obligations under the Promissory Note dated March 24, 2014.

4. Effective Date

- This Satisfaction is effective as of November ____, 2024

IN WITNESS WHEREOF, The Economic Development Authority of Faribault has executed this Satisfaction of Promissory Note on the date indicated below.

Economic Development Authority of Faribault

By: __________________________

Rodney Gramse

Its: President

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2024-19

ACCEPTING SATISFACTION OF PROMISSORY NOTE

WHEREAS, the Economic Development Authority of Faribault (the "EDA"), a public body corporate and politic, entered into a Promissory Note (the "Note") with Rebound 31 Faribault LLC (the "Borrower") on March 24, 2014, for an original principal sum of $10,000; and

WHEREAS, the terms of the Note stipulated that 10% of the principal amount would be forgiven for each year that the Borrower retained ownership of the property associated with the Note, resulting in full forgiveness of the Note after ten (10) years; and

WHEREAS, as of November 21, 2024, the Borrower has retained ownership of the property for a full ten-year period, thereby satisfying all conditions for forgiveness of the Note; and

WHEREAS, the EDA acknowledges that the Borrower has fully satisfied the terms of the Note and has no further obligations to the EDA related to the Promissory Note dated March 24, 2014; and

WHEREAS, the EDA wishes to formally accept the satisfaction of the Note and release the Borrower from any remaining obligations under the terms of the Note.

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

1. That the EDA hereby accepts the full satisfaction of the Promissory Note dated March 24, 2014, by Rebound 31 Faribault LLC.
2. That the EDA acknowledges that Rebound 31 Faribault LLC has fulfilled all conditions for forgiveness of the Note.
3. That the EDA releases and discharges Rebound 31 Faribault LLC from any and all obligations under the Promissory Note.
4. That the President and Staff of the EDA are authorized and directed to execute the Satisfaction of Promissory Note and any additional documents necessary to effectuate this resolution.

ADOPTED: November 21, 2024

Rod Gramse, President

ATTEST:

David Wanberg, CED Director

PROMISSORY NOTE

$10,000.00 March 24, 2014

Rebound 31 Faribault, LLC, a Minnesota limited liability company ("Maker"), for value received, hereby promises to pay to the Economic Development Authority of the City of Faribault, a public body corporate and politic under the laws of Minnesota, or its assigns ("Holder"), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of Ten Thousand dollars and no/100ths Dollars ($10,000.00) or so much thereof as may be advanced under this Note, without interest thereon, in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. The date the principal sum is advanced under this Note shall constitute the loan closing date ("Loan Closing Date"). The principal of this Note is payable as follows:

1. The entire unpaid balance of principal shall be due and payable upon the earlier of the following: (i) thirty (30) days after written notification by Holder to Maker of the occurrence of any default or non-compliance with any provision or requirement of the Grant Agreement, dated March 24th, 2014, between the Maker and Holder (the "Agreement"); or (ii) any default or non-compliance with any provision or requirement of any motion or resolution approving the Agreement. Notwithstanding any other inconsistent provision of this Note or the Grant Agreement, ten percent (10%) of the principal balance of the Note shall be forgiven at the end of each successive year following the Loan Closing Date until such time that any remaining principal balance of the Note is required to be paid pursuant to the terms of this Note or ten years from the Loan Closing Date. If the Maker does not sell the Property within ten years of the Loan Closing Date, no payments shall be payable on this Note and the principal balance shall be forgiven.

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

3. All of the agreements, conditions, covenants, provisions, and stipulations contained in the Agreement are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note. If an Event of Default occurs under the Agreement, or any other instrument securing this Note, then the Holder of this Note may at its right and option, without notice, declare immediately due and payable the principal balance of this Note and interest accrued thereon, if any, together with reasonable attorneys fees and expenses incurred by the Holder of this Note in collecting or enforcing payment hereof, whether by lawsuit or otherwise, and all other sums due hereunder or any instrument securing this Note. The Maker of this Note agrees that the Holder of this Note may, without notice to and without affecting the liability of the Maker, accept additional or substitute security for this Note, or release any security or any party liable for this Note or extend or renew this Note.

4. The remedies of the Holder of this Note as provided herein, and in the Agreement, or any other instrument securing this Note shall be cumulative and concurrent and may be pursued singly, successively, or together, and, at the sole discretion of the Holder of this Note, may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Holder of this Note shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Holder and then only to the extent specifically set forth in the writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event. This Note may not be amended, modified, or changed except only by an instrument in writing signed by the party against whom enforcement of any such amendment, modifications, or change is sought.

5. If any term of this Note, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.

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

7. It is intended that this Note is made with reference to and shall be construed as a Minnesota contract and is governed by the laws thereof. Any disputes, controversies, or claims arising out of this Note shall be heard in the state or federal courts of Minnesota, and all parties to this Note waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

8. The performance or observance of any promise or condition set forth in this Note may be waived, amended, or modified only by a writing signed by the Maker and the Holder. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, and things required to exist, happen, and be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the ______ day of March, 2014.

Rebound 31 Faribault, LLC

By: Brett Reese
Brett Reese
Its: Chief Manager

441013v1 SJR FA275-49

EXHIBIT A

LEGAL DESCRIPTION

Tract A, D, E, & F, Registered Land Survey No. 10, City of Faribault, Rice County, Minnesota.

And

Tract B, & C, Registered Land Survey No. 10, City of Faribault, Rice County, Minnesota.

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	November 21, 2024
SUBJECT:	Resolution 2024-20 Accept Compeer Rural Feasibility Grant

BACKGROUND:

The Economic Development Authority (EDA) has been awarded a $5,000 grant from Compeer Financial, ACA through the Compeer Financial Fund for Rural America sponsorship program. This grant will support efforts to finalize the building design, develop an initial site plan layout, and conduct an in-depth analysis for a proposed cricket growing operation.

Over the past couple of months, staff have been working closely with 3Cricketeers LLC to better understand their business needs, operations, and long-term goals. As part of this collaboration, the EDA hosted the 3Cricketeers team in Faribault to explore potential building sites and existing real estate options that align with their vision for growth. This engagement is an important step in ensuring that 3Cricketeers has the resources and support needed to succeed in Faribault.

The attached resolution formally accepts the grant and authorizes the EDA to comply with the terms of the Sponsorship Agreement, which include using the funds solely for the specified project and providing a progress report upon completion of the study.

REQUESTED ACTION:

Approve resolution.

ATTACHMENTS:

1. Resolution 2024-20 Approve Grant from Compeer Financial
2. EDA of Faribault_spnsr agrmt

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA

RESOLUTION #2024-20

ACCEPTING A GRANT FROM COMPEER FINANCIAL

WHEREAS, the Economic Development Authority of Faribault (the "EDA") has been awarded a $5,000 grant from Compeer Financial, ACA through the Compeer Financial Fund for Rural America sponsorship program; and

WHEREAS, the grant is to be used to finalize the feasibility study of the proposed cricket barn operation in partnership with 3Cricketeers; and

WHEREAS, the EDA acknowledges the terms and conditions of the Sponsorship Agreement with Compeer Financial, including the requirement that the grant funds be used solely for the specified project and that periodic progress reports will be provided to Compeer Financial upon completion of the study; and

WHEREAS, the acceptance of this grant aligns with the EDA's mission to support economic development initiatives that enhance the community of Faribault.

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

1. That the EDA formally accepts the $5,000 grant from Compeer Financial, ACA, through the Compeer Financial Fund for Rural America sponsorship program.
2. That the EDA agrees to comply with the terms of the Sponsorship Agreement, including the appropriate use of funds and required reporting.
3. That the President and Staff of the EDA are authorized and directed to execute the Sponsorship Agreement and any other documents necessary to effectuate this resolution.

ADOPTED: November 21, 2024

____
Rod Gramse, President

ATTEST:

____
David Wanberg, CED Director

SPONSORSHIP AGREEMENT

This SPONSORSHIP AGREEMENT ("Agreement"), dated November 4, 2024, is made by and between Economic Development Authority of Faribault (hereinafter referred to as "Grantee") and Compeer Financial, ACA (hereinafter referred to as "Compeer" or "Sponsor").

WHEREAS, Compeer has in place a discretionary fund for rural America and sponsorship program named the Compeer Financial Fund for Rural America, and

WHEREAS, Grantee desires to commence or has commenced a project for which Grantee desires financial sponsorship (the "Project"); and

WHEREAS, the project and its goals are consistent with the mission of the Compeer Financial Fund for Rural America; and

NOW THEREFORE, the parties agree to the following terms and conditions:

1. The Project for which Grantee desires financial sponsorship is described as follows:

   Finalize the building design, an initial site plan layout, and conduct an in-depth analysis of the proposed cricket barn operation.

   Total Amount Granted: $5,000

2. Compeer will provide financial sponsorship to Grantee for the Project in the amount of $5,000. Grantee understands and agrees that the funds provided by Sponsor may be spent only for the Project and for no other purpose. Grantee has full responsibility for the conduct of the Project sponsored hereunder and for adherence to this Agreement. Grantee shall not use the funds for any purpose prohibited by applicable law, and shall use the funds only for those purposes which are permissible under all applicable laws and regulations, including but not limited to the Internal Revenue Code, as amended and the regulations issued thereunder. Grantee shall comply with all applicable federal, state, and local laws, rules, regulations and ordinances.

3. Grantee shall return to Compeer any funds provided by Compeer which are not used for the Project. Grantee is responsible for the appropriate expenditure of funds and for maintaining adequate supporting records. Grantee shall provide to the Compeer Financial Fund for Rural America Liaison, Melanie Olson, periodic status reports, which shall include a progress narrative and a report of expenditures, on a (check one)

___ monthly ___ quarterly ___ year-end X other (study completion) basis. If Compeer determines, in its sole discretion, that the funds have not been used for the Project or Grantee has otherwise failed to comply with this Agreement, the funds shall be promptly returned to Compeer.

4. Grantee is required to recognize Sponsor and/or Compeer Financial Fund for Rural America in all publicity materials related to the Project, unless requested otherwise by Compeer or as mutually agreed upon by Grantee and Sponsor. Approval of Compeer is required prior to any announcement or release of publicity which references Compeer. Grantee shall not use the Compeer name or logo for any purpose or under any circumstance except as agreed upon in advance by Compeer.

5. Grantee agrees to indemnify and hold Compeer and Compeer Financial Fund for Rural America, harmless and, at Grantee's cost and expense, defend Compeer, Compeer Financial Fund for Rural America, and Compeer's and Compeer Financial Fund for Rural America's officers, employees and directors from and against any and all liability and claims for damages or loss, including but not limited to costs, expenses and reasonable attorney's fees, arising out of Grantee's actions in furtherance of the Project. Compeer and/or Compeer Financial Fund for Rural America shall not be liable for any claims arising out of the Project or for any work performed in connection therewith. Grantee shall be solely responsible for the acts or omissions of its officers, agents, employees, directors and contractors.

6. Grantee warrants and represents that it has not made to Compeer or Compeer Financial Fund for Rural America any material false statement or misstatement of fact in connection with the Project or its receipt of sponsorship funds from Compeer, and all information provided to Compeer and Compeer Financial Fund for Rural America, whether previously provided or to be provided in the future, is and will be true and correct.

7. Grantee shall not engage in discriminatory practices with respect to the Project for which sponsorship funds have been provided, and shall, with respect to the Project, fully comply with all applicable state and federal nondiscrimination laws.

8. Grantee agrees that Compeer's financial sponsorship of the Project is done with the understanding that Compeer has no obligation to provide other or additional support to the Grantee.

9. Nothing contained in this Agreement, nor in the provision of funds, shall be intended or construed in any manner as creating or establishing a relationship of partners or joint venture between the Grantee and Compeer or Compeer Financial Fund for Rural America, nor shall Grantee be considered or deemed to be an agent, representative or employee of Compeer.

10. This Agreement shall be construed in accordance with the laws of the State of Wisconsin and any proceedings or disputes arising out of this Agreement shall be venued in Dane County, Wisconsin.

11. The waiver of any breach of any provision of this Agreement shall not be deemed to be a waiver of any breach in the future or any other breach of any other provision.

12. Grantee may not assign this Agreement or the sponsorship funds provided by Compeer.

13. Grantee hereby states that no goods or services were received in exchange for the donation from Compeer.

IN WITNESS WHEREOF, this Agreement is entered into as of the date first written above.

GRANTEE:
ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT

By: ________________________________

Its: ________________________________

SPONSOR:
COMPEER FINANCIAL, ACA

By:________________________________

Its: ________________________________

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	November 21, 2024
SUBJECT:	EDA Escrows and Application Fees

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.

Staff has compiled some initial research on comparable cities and their escrow policies. A full memo with the findings is attached.

REQUESTED ACTION:

Discuss future escrow options for business subsidies such as abatement and tax increment financing.

ATTACHMENTS:

1. Amended Bus Subsidy Policy - with fee schedule
2. Research on Escrow Policies

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): ____

____

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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*

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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*

Memo: Options on Escrow Policy for TIF and Tax Abatement

From: Robert Harris III, Economic Development Coordinator

Date: 10/18/2024

Subject: Research on Escrow Policies from Comparable Cities and Recommendations for Faribault

Objective

This memo outlines research on the use of escrow requirements in cities comparable to Faribault (Mankato, Northfield, Owatonna, Albert Lea, Austin, Shoreview, Winona, Chanhassen, and Farmington) and provides recommendations for revising Faribault's current escrow policy for developers seeking TIF or tax abatement. The aim is to make the policy more business-friendly while ensuring the city remains protected from financial risk.

Research Findings: Escrow Use in Comparable Cities

1. **Mankato (44,488)**
   Mankato uses performance-based agreements for TIF and tax abatement projects but does not universally require escrows. Instead, developers often meet specific milestones before subsidies are released, offering flexibility for both parties.

2. **Northfield (20,790)**
   Northfield sometimes utilizes escrows, particularly for larger or riskier projects. However, the city often relies on performance guarantees or other financial securities such as letters of credit to mitigate risk, making it more flexible for developers.

3. **Owatonna (26,400)**
   Owatonna applies similar performance-based agreements. Rather than a uniform escrow requirement, the city adjusts financial safeguards based on project size and risk, often using letters of credit or phased payments.

4. **Albert Lea (18.193)**
   Albert Lea requires performance guarantees rather than strict escrows. Developers are asked to provide financial securities like letters of credit or phased reimbursements, easing upfront capital burdens.

5. **Austin (26,160)**
   Austin's policy emphasizes developer agreements with performance bonds or guarantees, similar to escrows but more flexible. These mechanisms ensure that the developer meets specific milestones.

6. **Shoreview (26,192), Winona (25,948), Chanhassen (25,922), Farmington (23,623)**
   These cities typically use performance guarantees like letters of credit or phased funding structures instead of traditional escrow accounts. They aim to balance risk management with business-friendly terms that ease the financial burden on developers.

Challenges with Current Policy in Faribault

- **Escrow Requirements Are Capital-Intensive**: Developers often face high upfront costs when posting significant escrows, which can deter investment, especially for smaller developers or those new to the area.
- **Developer Frustration**: The blanket application of escrow requirements does not account for project size or developer risk profiles, creating unnecessary barriers for experienced or financially stable developers.

Options to Make Faribault More Business-Friendly

1. Replace Escrow with Letters of Credit or Performance Bonds

Instead of requiring developers to post significant escrows, allow them to provide letters of credit or performance bonds. These instruments protect the city while reducing the upfront cash requirements for developers, making Faribault more attractive for investment.

Rationale: Letters of credit and bonds are common in cities like Mankato, Northfield, and Owatonna, where developers are offered more flexible options to secure their obligations. This will improve Faribault's competitiveness.

2. Adopt a strict "Pay-As-You-Go" TIF Policy

Implement a "pay-as-you-go" approach for TIF projects. Under this model, the developer fronts the initial costs, and the city reimburses based on the achievement of specific milestones. This eliminates the need for large escrows by ensuring that public funds are only disbursed once the developer delivers results. We would recoup our upfront costs through administrative fee on the back end.

Rationale: Cities like Shoreview and Austin use this method to mitigate financial risk while reducing the upfront burden on developers. It creates a win-win scenario where the city retains control over the timing of public reimbursements.

3. Use Risk-Based Escrow Adjustments

Tailor escrow or financial security requirements based on the risk profile of the developer and project. For example, projects with pre-committed tenants or substantial private financing may warrant lower or no escrows, while riskier projects could still require some form of security.

Rationale: Cities like Northfield and Owatonna use a case-by-case assessment to determine financial safeguards. Adopting a similar approach in Faribault would encourage investment by reducing unnecessary financial burdens.

4. Escrow Reductions for Experienced Developers

Create a tiered escrow structure that reduces requirements for developers with a strong track record in the region. Developers who have successfully completed similar projects could be exempt from full escrow requirements, encouraging experienced developers to choose Faribault for future projects.

Rationale: Many cities provide incentives for developers with proven success. This approach encourages repeat business and fosters long-term relationships with reliable developers.

5. Implement Clawback Provisions Instead of Escrows

In place of significant upfront escrows, Faribault could implement strict clawback provisions. If a developer fails to meet agreed-upon performance targets, the city could recoup funds through future tax payments or penalties, providing security without requiring large upfront commitments.

Rationale: Clawback provisions are a common alternative to escrows and are easier on the developer’s cash flow, which would make Faribault’s policies more attractive to a broader range of developers.

6. Support Small Developers through a Reduced Escrow Program

For smaller projects, particularly those under a certain investment threshold, Faribault could offer a reduced escrow requirement or eliminate it altogether. This would allow emerging developers or smaller-scale projects to thrive in the city without being burdened by large upfront financial obligations.

Rationale: Supporting small businesses and developers is crucial for fostering local entrepreneurship. Providing reduced or waived escrows for qualifying projects would help boost economic development at the grassroots level.

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III. Economic Development Coordinator
THROUGH:	David Wanberg, CED
MEETING DATE:	November 21, 2024
SUBJECT:	Advertising Opportunity - Site Selection Magazine

BACKGROUND:

Site Selection Magazine is offering an advertising opportunity in its January *State of the States* site selector guide. This publication reaches over 112,000 key decision-makers, including C-suite executives, site selection consultants, and industrial brokers, many of whom are actively considering relocation and expansion opportunities.

The *State of the States* guide provides state-by-state legislative updates, GDP figures, workforce data, and project information, making it a premier resource for showcasing Faribault as an attractive location for investment and development.

Advertising Details

- **½-Page Horizontal Ad**: $4,000
- **½-Page Spread**: $7,500
- **Full-Page Ad**: $7,000

Advertisers committing to a 3x ad schedule in 2024 receive a bonus *Investor Watch e-newsletter Site of the Week* feature, offering additional exposure.
The deadline for reserving ad space is **December 2, 2024**, and artwork is due by **December 9, 2024**. Ads are sold on a first-come, first-served basis.

REQUESTED ACTION:

Discuss the effectiveness of this advertising opportunity.

ATTACHMENTS:

1. 2025_SSEditorialCalNew
2. Site Selection Magazine pricing

SITE SELECTION MAGAZINE

EDITORIAL CALENDAR 2025

Issue Deadlines	**JANUARY** Space: Dec. 2, 2024 Material: Dec. 9, 2024	**MARCH** Space: Jan. 31, 2025 Material: Feb. 7, 2025	**MAY** Space: Apr. 2, 2025 Material: Apr. 9, 2025	**JULY** Space: May 31, 2025 Material: June 7, 2025	**SEPTEMBER** Space: Aug. 1, 2025 Material: Aug. 8, 2025	**NOVEMBER** Space: Oct. 2, 2025 Material: Oct. 19, 2025
THEME	**State of the States**	**Governor's Cups**	**Global Best-to-Invest**	**Technology & Innovation**	**Global Infrastructure & Logistics**	**Business Climate Rankings**
FEATURES	State Data Pages Workforce Development Rankings Site Selectors Survey Emerging Tech Hubs Megasites Energy Transition	The Governor's Cups Rankings Top Metros, Micros & Industries Airports & Airport Cities Mississippi River Corridor	Global Best-to-Invest Rankings The Prosperity Cup The Mac Award Top Deals Water Resources Tribal Economic Development	America's Best Counties Sustainability Rankings Smart Cities Startup & Innovation Hubs Research & Science Parks Workforce Rural Advantage	Global Groundwork Index Outdoor Recreation Top Utilities Transit-Oriented Development Quality of Life	Incentives Business Retention & Expansion FDI in America U.S. Opportunity Zones Top FTZ Rankings
INTERNATIONAL FOCUS	Australia & New Zealand Colombia Western Canada *(AB, BC, MB, SK)* Western Europe	Central America Eastern Europe Ontario Brazil Middle East	Latin America & Caribbean Québec United Kingdom South America	Atlantic Canada Africa China The Nordics	Canada's Best Locations Middle East & North Africa Mexico	India Germany Top Caribbean Locations
STATE SPOTLIGHTS	Alabama, Oregon Connecticut, Tennessee Delaware Michigan	California, Maryland Minnesota, Illinois New Mexico, S. Carolina Indiana	Arizona, Kentucky Colorado, Ohio Florida, Utah Iowa	Louisiana, Oklahoma Maine, W. Virginia Missouri, Wisconsin New Jersey	Arkansas, Nevada California, North Carolina Idaho, Pennsylvania Massachusetts, Texas	Dakotas, New York Kansas, Virginia Mississippi, Washington Montana, Wyoming Nebraska
NORTH AMERICAN REGIONS	Midwest *(IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI)* Bos-Wash Corridor (Northeast) I-70 Corridor	Northeast *(NJ, NY, PA)* Pacific Northwest *(AK, OR, WA)* South Central *(AR, LA, OK, TX)* I-5 Corridor	Great Lakes *(U.S. & CANADA)* Gulf Coast Ports *(AL, FL, LA, MS, TX)* New England *(CT, ME, MA, NH, RI, VT)* I-75 Corridor	Upstate New York Rocky Mountains *(CO, ID, MT, UT, WY)* U.S.-Mexico Border I-20 Corridor	Mid-Atlantic *(DE, DC, MD, VA)* Upper Midwest *(IA, IL, IN, MI, MN, WI)* I-95 Corridor	Ohio River Corridor *(IL, IN, KY, OH, PA, WV)* Southeast *(AL, FL, GA, MS, NC, SC, TN)* Southwest *(AZ, NV, NM)* New Interstate Corridors
INTELLIGENCE REPORTS	Tennessee Valley Authority	Charlotte Regional Business Alliance	Georgia	Day One / Texas Economic Development Connection	Grand Junction, Colorado	
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CONWAY DATA

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Robert,

Thanks again for taking the time to meet. Let me know if you have any questions.

The January State of The States site selector guide will reach over *112,000 c-suite executives, site selection consultants, industrial brokers, IAMC members and ultimate decision-makers, many with active relocation, and expansion plans thru the print and digital editions, via our website siteselection.com , in our Investor Watch e-Newsletter and across our **social media platforms (most post, most followers in the industry).

This is the state-by-state digest compiling legislative updates, GDP figures, workforce data, project/investment info, Governor's quote, photo and more, from each state.

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The Ad space deadline is Dec 2nd, but this is sold on a 1st come 1st serve basis so let me know as soon as possible. Art is due here on or before Dec 9th.

Best,

Paul

Paul Newman
Regional Director
Site Selection Magazine I Conway Data, Inc. I Sales
Mobile: 404-232-0978
**Publishers Own Data*

Request for Action

TO:	Faribault Economic Development Authority
FROM:	Robert Harris III, Economic Development Coordinator
THROUGH:	David Wanberg, CED Director
MEETING DATE:	November 21, 2024
SUBJECT:	MREJ Membership Renewal

BACKGROUND:

The Economic Development Authority (EDA) has participated as a corporate sponsor for the Minnesota Real Estate Journal (MREJ) in previous years. This partnership has provided valuable opportunities to network with industry leaders, promote Faribault's economic development initiatives, and attract new investment to the region.

MREJ events have proven to be effective platforms for building relationships with developers, brokers, and other stakeholders critical to Faribault's growth. By showcasing Faribault's assets and initiatives, these events have helped position the city as a prime location for investment and development.

Staff recommends renewing the EDA's $10,000 corporate sponsorship for 2025. This level of sponsorship provides significant visibility at MREJ events and access to marketing and networking opportunities that align with the EDA's strategic goals.

Value of Sponsorship

- Brand Visibility: Prominent branding at MREJ events, including signage, program materials, and online platforms.
- Networking Opportunities: Direct access to decision-makers in the real estate and development sectors.
- Economic Development Promotion: Opportunities to highlight Faribault's unique assets and initiatives to a targeted audience.

REQUESTED ACTION:

Approve $10,000 sponsorship to MREJ in 2025.

ATTACHMENTS: