



ECONOMIC DEVELOPMENT AUTHORITY AGENDA

3RD FLOOR CONFERENCE

ROOM

THURSDAY, JULY 17, 2025

7:00 AM

1. Call to Order/ Approve Agenda
2. Approval of the Minutes - to be distributed before the meeting
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 - Not Included
4. Public Hearings - None
5. Items for Discussion
 - A. Approve 2025 Service Agreement between the Faribault Economic Development Authority and the Faribault Area Chamber of Commerce and Tourism
 - B. Provide Direction on Funding and Managing the Micro-Grant Program in 2025
 - C. Status and Direction on the EDA's Marketing Folders
 - D. Clarify the Use of Downtown Commercial Rehabilitation and Exterior Improvement Program Loans
 - E. Provide Direction on Providing a Special Loan for the Demolition of the Former Mayo Clinic Building at 924 1st Street NE
 - F. Overview of the Hotel Feasibility Study Authorized by the EDA
 - G. Overview of Faribault's Participation in the 2025 SelectUSA Investment Summit
 - H. Announcements and Updates
6. Adjournment

Agenda Item: 3A

June 30, 2025 Totals

Fund	Program Name	Available Balance	Notes
Fund 249 (254)	Minnesota Investment Fund (MIF)	\$20,624.15	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. <ul style="list-style-type: none"> - Trystar \$125,000 – Pass through.
Fund 292 (251)	EDA Revolving Loan <ul style="list-style-type: none"> - Commercial Development Loan Program (and Grant) - Façade Improvement Micro Loan - EDIF - Economic Development Incentive Program- 	\$229,730.05	-A new program in 2021 – dedicated \$200,000 to the loan balance. <ul style="list-style-type: none"> - \$50,000 for Vetrotech/Sage - \$50,000 is requested by Forest to Fork. - \$100,000 TruVue (<i>Forgivable</i>) - Faribault Mill Loan or \$50,000 (<i>Forgivable</i>)
Fund 243 (252)	Industrial Development Loan	\$309,577.18	<ul style="list-style-type: none"> - The last activity was a loan for Cry Baby Craig’s. - 2024 Budgeted \$100,000. - Loan to Faribault Mill of \$250,000. - Finance Manager states that “this is almost all loaned out already.”
TOTAL EDA LOAN FUNDS AVAILABLE		\$559,931.38	
Fund 290 (250)	EDA Operating Fund/Fund Balance	*\$1,093,864.65	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 <ul style="list-style-type: none"> - 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 – paid out in 2025.
Fund 248 (253)	Federal MIF Loan	\$658,109.75	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 2025				Permit Activity Report 2024			
	Valuation	# of Permits	Permit Fees	Valuation	# of Permits	Permit Fees	
January	\$ 2,544,403.90	103	\$ 46,047.78	\$ 1,028,550.52	81	\$ 21,977.30	
February	\$ 13,151,067.68	78	\$ 202,727.55	\$ 4,245,529.34	111	\$ 59,132.10	
March	\$ 4,219,883.13	101	\$ 89,621.51	\$ 3,652,527.64	120	\$ 64,002.34	
April	\$ 6,327,535.28	143	\$ 93,280.01	\$ 14,300,701.74	161	\$ 127,751.61	
May	\$ 8,441,400.21	175	\$ 107,110.03	\$ 4,384,481.00	149	\$ 79,092.05	
June	\$ 10,846,195.36	143	\$ 132,372.06	\$ 7,695,949.56	176	\$ 64,129.64	
July				\$ 19,668,944.00	221	\$ 166,673.70	
August				\$ 2,708,491.13	195	\$ 46,832.69	
September				\$ 4,984,079.97	197	\$ 86,106.03	
October				\$ 5,249,918.86	177	\$ 93,721.04	
November				\$ 2,554,150.46	126	\$ 39,827.00	
December				\$ 3,815,735.23	135	\$ 61,803.19	
Total:				\$ 74,289,059.45		\$ 911,048.69	
YTD Permits:		743			1849		
<i>*All Permits includes Building Permits in total (plumbing, heating, signs and electrical).</i>							



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, CED Director
THROUGH: David Wanberg, CED Director
MEETING DATE: July 17, 2025
SUBJECT: Approve 2025 Service Agreement between the Faribault Economic Development Authority and the Faribault Area Chamber of Commerce and Tourism

BACKGROUND:

Over the years, the Faribault Economic Development Authority (the "EDA") and the Faribault Area Chamber of Commerce and Tourism (the "Chamber") have worked together to support and advance economic development goals, promote a vibrant business climate, and facilitate efforts to retain, expand, and attract businesses to the area. The EDA and Chamber have executed various service agreements that outline specific Chamber services in exchange for EDA funding.

In 2022, the EDA and Chamber had a service agreement in which the EDA provided \$17,000 to the Chamber to be a full member of the Main Street Program and promote Main Street initiatives. The Chamber discontinued its membership in the Main Street Program. Consequently, the EDA and the Chamber did not have a service agreement in place in 2023. However, in late 2024, the EDA and the Chamber executed a service agreement that provided the Chamber with \$17,000 for its efforts in offering Chamber-sponsored events, operating the Rice County Small Business Development Center, providing small business coaching, and managing the LaunchPad Incubator Space.

The Chamber is now requesting that the EDA provide the Chamber with \$50,000 in funding for 2025. At its May meeting, the EDA indicated that it would be willing to consider the Chamber's request if the EDA and Chamber were to enter into an agreement that clearly states the required Chamber services, measurements, and reporting responsibilities in exchange for EDA funding. Specifically, the EDA stated that additional funding from the EDA would require additional services from the Chamber.

Overview of Proposed 2025 Service Agreement

Core Chamber Services. Similar to the 2024 Service Agreement, the proposed 2025 Service Agreement provides \$17,000 for what this Agreement refers to as the Chamber's core services, which include offering Chamber-sponsored events, operating the Rice County Small Business Center, providing small business coaching, and managing the LaunchPad Incubator Space. However, the 2025 Service Agreement also requires the Chamber to meet specific measurements and provide quarterly written and verbal reports to the EDA. For example, the Agreement requires the Chamber to respond to coaching, support, and resource requests from small businesses in Faribault. It also requires the Chamber to proactively reach out to at least six (6) existing small businesses in Faribault to understand their hopes and concerns and direct them to appropriate resources. Finally, the Chamber must report its coaching efforts to the EDA on a quarterly basis.

Similar to the Agreement approved by the EDA in late 2024, the EDA would provide the Chamber with \$17,000 for its past and future core services in 2025. In other words, payment to the Chamber for its core services would not be prorated to cover only the remainder of the year.

Additional Chamber Services. Again, the Chamber requests \$50,000 annually from the EDA to provide services that strengthen economic development in Faribault. As discussed above, the attached Agreement allocates \$17,000 of the \$50,000 request for core Chamber services. The EDA stated that the remaining \$33,000 must be tied to additional Chamber services. The Agreement requires Chamber membership and participation in the Main Street Program, as well as Chamber participation in the EDA's Business Retention and Expansion Program.

Because the Chamber has not yet provided the additional services in 2025, the Agreement prorates the annual \$33,000 allocation. Consequently, in 2025, the EDA would allocate \$13,750 for the Chamber's additional services to be performed between August 1 and December 31. Assuming a rate of \$110 per hour, the Agreement anticipates that the Chamber will spend approximately 75 hours on Main Street Program efforts and 50 hours coordinating with the EDA on the Business Retention and Expansion Program from August 1 through December 31.

Additional Provisions. As noted earlier, the Agreement requires the Chamber to meet specific measurements and quarterly reporting requirements. It also requires the Chamber to acknowledge the EDA's financial assistance in all reporting, marketing, and promotional materials that the EDA has helped financially support.

The EDA can approve the attached Agreement as presented or can direct City Staff to revise the document, if desired.

REQUESTED ACTION:

Approve the 2025 Service Agreement Between the Faribault Economic Development Authority and the Faribault Area Chamber of Commerce.

ATTACHMENTS:

1. 2025 Service Agreement between the Faribault Economic Development Authority and Faribault Area Chamber of Commerce and Tourism

2025 SERVICE AGREEMENT BETWEEN THE FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY AND THE FARIBAULT AREA CHAMBER OF COMMERCE AND TOURISM

This Service Agreement (this "Agreement") is entered into on August 1, 2025, by and between the Faribault Economic Development Authority (the "EDA") and the Faribault Area Chamber of Commerce and Tourism, Inc., a Minnesota nonprofit corporation (the "Chamber"). This Agreement refers to the City and the Chamber individually as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, supporting revitalization and business development are core functions of the EDA; and

WHEREAS, the EDA desires to engage the Chamber to provide the services described in this Agreement to help the EDA accomplish its certain core functions; and

WHEREAS, the Chamber is willing to provide such services on terms and conditions set forth herein; and

WHEREAS, the EDA has the authority to enter into this Agreement pursuant to Minnesota Statutes, Section 469.101; and

NOW, THEREFORE, in consideration of the promises and mutual obligations of the Parties, each Party hereby covenants and agrees with the other as provided in this Agreement.

TERMS OF THIS SERVICE AGREEMENT

**ARTICLE ONE
PURPOSE**

This Agreement formalizes a partnership between the EDA and the Chamber to support and advance the EDA's economic development goals, promote a vibrant business climate, and facilitate efforts to retain, expand, and attract businesses to the area. More specifically, this Agreement outlines the Chamber's services, measurements, and reporting responsibilities in exchange for EDA funding.

ARTICLE TWO
SCOPE AND TERMS OF SERVICES

2.01. EDA Financial Support. The EDA agrees to provide limited financial support to help the Chamber deliver its core services outlined in this Agreement. The EDA’s financial contribution to these services does not cover the full cost of these services, but it acknowledges the value these services have on Faribault’s economy.

2.02. Core Services. The Chamber agrees to provide the following services during the term of this Agreement.

A. Chamber-Sponsored Events

1. Overview. The Chamber agrees to organize and implement Chamber-sponsored events that engage the community and support economic activity in Faribault. Such events may include, but are not limited to, Faribault Business Before Hours, Taste of Faribault, Faribault Fall Festival, Farm Business Lunch, Winterfest, Faribault Flannel Formal, and Quarterly Joint Board Meetings. See Section 2.06. for acknowledgement requirements.
2. Reporting and Measurements. The Chamber agrees to provide the EDA with quarterly written and verbal reports of Chamber-sponsored events that impact the local economy. The Chamber must share with EDA any pertinent data available, such as the estimated number of out-of-town visitors attending the events and the estimated economic impact of the events. Except for the required quarterly reporting described in this Agreement, the EDA does not require any additional measurements with this service.

B. Rice County Small Business Development Center

1. Overview. The Chamber agrees to staff, manage, and maintain the Rice County Small Business Development Center (the “SBDC”) office. The Chamber further agrees to respond to SBDC referrals from EDA staff in a timely manner and to coordinate with EDA staff as beneficial to both the business and the EDA’s economic development efforts. The EDA acknowledges that the Chamber receives funding from other

sources to conduct SBDC consulting services. However, the EDA's financial contribution to this service reflects the value of having an SBDC office in Faribault that supports local business clients more readily than if clients had to coordinate with SBDC staff elsewhere.

2. Reporting and Measurements. The Chamber agrees to provide the EDA with quarterly reports detailing the number and types of SBDC consultations specifically related to Faribault. As the data becomes available, the Chamber agrees to report on the number and types of small businesses that have developed in Faribault after meeting with Rice County SBDC staff. Rice County SBDC should conduct at least twelve (12) SBDC consultations annually (while this Agreement is in effect).

C. Small Business Coaching

1. Overview. The Chamber agrees to respond to coaching, support, and resource requests from existing small businesses in Faribault. The Chamber also agrees to proactively reach out to existing small businesses to understand their hopes and concerns, as well as to direct them to appropriate resources, including but not limited to EDA programs. These services are in addition to the Chamber's work with the Launchpad Incubator Space and the Chamber's participation in the EDA's business retention and expansion efforts described elsewhere in this Agreement.
2. Reporting and Measurements. The Chamber agrees to provide the EDA with quarterly reports detailing the number and types of small business coaching requests it receives, as well as the number of proactive contacts made with existing small businesses. The EDA expects the Chamber to proactively contact at least six (6) small businesses annually (while this Agreement is in effect) to offer coaching and other support. At least three (3) of the six (6) required visits must be within the Main Street Program boundary and not served through the other core services identified in this Agreement.

D. Launchpad Incubator Space

1. Overview. The Chamber agrees to maintain and operate the Launchpad Incubator Space in the downtown for up to four (4) small businesses. The EDA acknowledges that others help fund the space. Nevertheless, the EDA's financial contribution to this Chamber service acknowledges the economic value of having an incubator space in Faribault. The EDA's intent in providing financial assistance for this service is to help businesses get started and then assist them in finding their own space in Faribault, thereby allowing for the recruitment of another small business to the incubator space.
2. Reporting and Measurements. The Chamber agrees to provide the EDA with quarterly reports detailing the status of businesses that start in the incubator space and establish permanent locations elsewhere in Faribault.

2.03. Additional Services. The EDA agrees to provide limited financial support to the Chamber in return for the following additional services. The Parties acknowledge that without the EDA's support, the Chamber would not be able to provide, or assist the EDA in providing, these additional services.

A. Faribault Main Street Program and Related Services

1. Overview. The Chamber agrees to fund and maintain its membership in the Minnesota Main Street Program at the associate membership level. The Chamber must be in good standing with the Minnesota Main Street Program, which includes, at a minimum, being current on program dues and participating in the Program's statewide conference. Additionally, the Chamber must submit an annual work plan to the EDA for its review and comments. The work plan may include one or more of the following services:
 - a. Organize and convene quarterly Faribault Main Street Program board meetings. At a minimum, include a Faribault Community and Economic Development staff member as a non-voting liaison to the board.

- b. Budget and participate in Main Street training opportunities as needed or desired.
 - c. Collaborate with City staff to host a Downtown Summit that brings together downtown property and business owners to discuss the requirements and resources needed to strengthen the downtown area.
 - d. Organize and convene an “Upstairs Downtown” event to highlight opportunities for utilizing the underutilized upper levels of downtown buildings.
 - e. Provide input on the Housing and Redevelopment Authority’s (the “HRA’s”) upcoming housing study related to housing challenges and opportunities in the downtown area.
 - f. Review and comment on HRA and EDA programs and funding related to the downtown area.
 - g. Apply for funding from other sources to promote economic development in the downtown area.
 - h. If requested by City staff, collaborate with City staff on the Small Cities Development Program, State Historic Tax Credits, and similar programs and opportunities affecting the downtown area.
2. Reporting and Measurements. The Chamber agrees to submit its annual work plan to the EDA as soon as possible, but no later than one week prior to the EDA’s September 2025 meeting. Furthermore, the Chamber must provide the EDA with quarterly reports summarizing its efforts related to its work plan.

B. Business Retention and Expansion

1. Overview. The Chamber agrees to assist EDA and County Economic Development staff in developing and implementing a Business Retention and Expansion (BRE) plan. City staff, on behalf of the EDA, will lead the BRE effort with the following support from the Chamber:
 - Review and provide comments on City staff-prepared BRE questions.
 - Coordinate with City staff to identify key business contacts who might participate in BRE meetings.

- Participate in a minimum of twelve (12) BRE visits with City staff annually.
- Coordinate with City staff in the City's Regional Sustainable Development Program (RSDP) grant to promote a waste stream circular economy in Faribault that manages materials from their point of origin to their final use. This initiative aims to reduce waste and create new business opportunities in recycling and remanufacturing.

2. Reporting and Measurements. City staff, on behalf of the EDA, will administer and report on BRE efforts. The Chamber is responsible for conducting the services described in the overview above. The Chamber must participate in one to three (1-3) meetings with City staff to review BRE questions and contacts. Additionally, the Chamber must participate in 12 BRE visits with City staff annually. City staff will provide quarterly updates to the EDA.

2.04. Term. The term of this Agreement commences on August 1, 2025, upon execution of this Agreement by both Parties. This Agreement expires on December 31, 2025, except as noted otherwise in this Agreement. The Parties may renew a similar Agreement for the 2026 calendar year.

2.05. Compensation. In consideration for the Chamber's services outlined in this Agreement, the EDA agrees to compensate the Chamber based on a \$50,000 annual compensation model (\$17,000 for core services + \$33,000 for additional services = \$50,000) prorated as follows:

A. Core Services. The EDA will pay the Chamber \$17,000 for the core services outlined in this Agreement, covering both past and future Chamber core services in 2025.

B. Additional Services. Based on a \$33,000 annual compensation model for additional services, the EDA will pay the Chamber \$13,750 in 2025 for the additional services outlined in this Agreement from August 1, 2025, through December 31, 2025 ($\$33,000 \times 0.4166 = \$13,750$). The compensation model assumes an average billable rate of \$110 per hour for the additional Chamber services, which the EDA uses to determine the

estimated hours it expects the Chamber to dedicate to the services outlined in Table 1 below.

C. Compensation Allocation and Reallocation. Table 1 below outlines the EDA’s expectation for the Chamber’s compensation from the EDA. The Parties agree that the outlined allocation serves as a guide. The Parties can modify the outlined allocation if mutually agreed upon.

TABLE 1: 2025 COMPENSATION FOR CHAMBER SERVICES			
Core Chamber Services Covering All of 2025			Amount
Chamber-Sponsored Events			\$5,000
Rice County Small Business Development Center			\$5,000
Small Business Coaching			\$1,000
Launchpad Incubator Space			\$4,500
Quarterly Reporting and EDA Meeting Attendance			\$1,500
Subtotal			\$17,000
Additional Chamber Services for August through December 2025	Hours	Hourly Rate	Amount
Faribault Main Street Program	75	\$110	\$8,250
Business Retention and Expansion	50	\$110	\$5,500
Subtotal	125	\$110	\$13,750
TOTAL FOR CHAMBER SERVICES IN 2025			\$30,750

D. Scheduled Payment from the EDA to the Chamber. Within thirty (30) days of the execution of this Agreement, the EDA will remit \$30,750 to the Chamber for its core services, covering both past and future Chamber services in 2025.

E. Additional Financial or Other Support. This Agreement does not prohibit or prevent the Chamber from requesting additional funding or support from the EDA or other sources for projects not covered by this Agreement. Such requests, as well as any additional funding or support, are outside the scope of this Agreement.

2.06. Acknowledgment of EDA Funding. The Chamber must acknowledge the EDA’s financial assistance in all reporting, marketing, and promotional materials for Chamber services and activities that the EDA has helped to support financially.

2.07. Professional Quality Services. The Chamber must conduct all services outlined in this Agreement in a professional manner consistent with industry standards and in accordance with applicable federal, state, and local laws.

ARTICLE THREE GENERAL PROVISIONS

3.01. Termination. Notwithstanding any other provision of this Agreement to the contrary, the Parties may terminate this Agreement as follows:

A. Termination by Mutual Agreement. The Parties, by mutual written agreement, may terminate this Agreement at any time.

B. Termination by the Chamber. The Chamber may terminate this Agreement in the event of a breach of the Agreement by the EDA upon providing sixty (60) days' written notice to the EDA.

C. Termination by the EDA. The EDA may immediately terminate this Agreement at any time for any cause upon written notice to the Chamber, or for no reason or cause upon sixty (60) days' written notice to the Chamber. The EDA may also terminate this Agreement immediately upon the Chamber's failure to have in force any insurance required by this Agreement.

3.02. Remedies. In the event this Agreement is terminated, the Parties are entitled to all legal or equitable remedies available by law.

3.03. Records and Inspections. This Agreement is subject to the requirements of Minnesota Statutes, Section 16C.05, subd. 5. The Chamber agrees that the EDA or any authorized representative of the EDA may have access to and the right to examine, audit, excerpt, and transcribe any books, documents, payments, records, or other materials during normal business hours and as often as deemed necessary. The Chamber agrees to maintain these materials, records, and documents for six (6) years from the date of termination of this Agreement.

3.04. Liaisons. Each Party must designate a representative to serve as its liaison with respect to the obligations set forth in this Agreement. Each representative, or their designee, must serve as the primary contact for the other Party and has the authority to instruct, interpret, and

define their respective Party's policies regarding the obligations in this Agreement.

3.05. Verbal and Written Reports. The Chamber must submit the required quarterly written reports outlined in this Agreement to City staff at least one week ahead of the EDA's scheduled meetings in March, June, September, and December, unless approved otherwise by the EDA. An authorized representative of the Chamber must present a summary of said written reports at the said EDA meetings, unless the EDA authorizes otherwise.

3.06. Independent Contractor. This Agreement deems the Chamber an independent contractor. The Parties agree that the Chamber must perform its services with the expertise customarily expected by independent contractors performing the same or similar services for others. The Chamber must control the manner in which it performs its services. The Chamber is neither an employee nor an agent of the EDA and has no authority to make any binding commitments or obligations on behalf of the EDA except as provided in this Agreement. The Chamber must provide all services outlined in this Agreement as an independent contractor, not as an EDA employee, for any purpose, including but not limited to income tax withholding, workers' compensation, unemployment compensation, FICA taxes, liability for torts, and eligibility for employee benefits.

3.07. Subcontracting and Assignment. The Chamber must not subcontract or assign, sublet, or transfer any rights under or interest (including but without limitation money that is due or money that may become due) in this Agreement without the EDA's prior consent. Any assignment in violation of this provision is null and void. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

ARTICLE FOUR ADDITIONAL PROVISIONS

4.01. Indemnification. To the fullest extent permitted by law, the Chamber and its successors or assigns agree to protect, defend, save, and hold harmless the EDA, its officers, agents, and employees from all claims, suits, or actions of any kind, nature, or character, and the

costs, disbursements, and expenses of defending the same, including but not limited to attorney's fees, consulting marketing and promotion services, and other technical, administrative, or professional assistance resulting from or arising out of negligence, breach of contract, or willful misconduct of the Chamber or its subcontractors, agents, or employees under this Agreement. Nothing in this Agreement constitutes a waiver or limitation of any immunity or limitation on liability to which the EDA is otherwise entitled.

4.02. Insurance and Bonds. The Chamber must maintain, at its sole expense, insurance coverage for itself, including workers' compensation, general liability, and directors and officers liability in an amount of not less than \$1 million per occurrence (except only statutory limits for workers' compensation coverage) and at least \$2 million aggregate coverage and an umbrella policy with limits of at least \$1 million. The Chamber must provide the EDA with information as to specific limits of its insurance upon receipt of this executed Agreement. If requested by the EDA, the Chamber must provide the EDA with current certificates of liability insurance for all insurance coverage referenced above. Such certificates of general liability insurance must list the EDA as an additional insured. All certificates of liability insurance must contain a statement that such policies of insurance must not be canceled or amended unless the Chamber provides at least sixty (60) days' written notice to the EDA or ten (10) days' written notice in the event of non-payment of premium. The EDA's acceptance of a certificate of insurance that does not comply with these requirements is not a waiver of the Chamber's or any other party's obligations hereunder. In addition, the Chamber must require all vendors and participants to maintain insurance coverage for themselves and their employees at tourism-related events conducted pursuant to this Agreement.

In addition to the insurance requirements outlined above, the Chamber must obtain a fidelity bond in the minimum amount of \$100,000, covering the person or persons in a position or name-scheduled basis who handle(s) any money pursuant to this Agreement. The Chamber must review the bond annually and, if necessary, modify the bond based on the compensation paid by the EDA to the Chamber per this Agreement.

- 4.03. Compliance with Laws.** The Chamber must exercise due professional care to comply with applicable federal, state, and local laws, rules, ordinances, and regulations.
- 4.04. Attorney's Fees.** In the event of any action to enforce or interpret this Agreement, the prevailing Party is entitled to recover from the losing Party reasonable attorney's fees incurred in a proceeding, as set by the court, at trial, on appeal, or upon review.
- 4.05. Entire Agreement and Amendments.** This Agreement constitutes the entire agreement between the Parties and supersedes any other written or oral agreements between the Parties. Modifications or amendments to this Agreement must be in writing and executed by both Parties.
- 4.06. Third Party Rights.** The Parties do not intend to confer any rights on any third party under this Agreement.
- 4.07. Choice of Law and Venue.** The laws of the State of Minnesota govern and construe this Agreement. State and federal courts of Minnesota must hear any disputes, controversies, or claims arising out of this Agreement. All parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.
- 4.08. Conflict of Interest.** The Chamber must use reasonable care to avoid conflicts of interest and appearances of impropriety in providing the services outlined in this Agreement. In the event of a conflict of interest, the Chamber must notify the EDA and either obtain a waiver of the conflict or inform the EDA that it will be unable to provide the requested service.
- 4.09. Data Practices Act Compliance.** The Parties agree to administer any data provided, received, created, collected, stored, used, maintained, or disseminated per this Agreement in accordance with and subject to the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13. This Agreement does not impose a duty on the part of the Chamber to provide public access to public data that is already available from the EDA, except as required by the terms of this Agreement.

4.10. No Discrimination. The Chamber agrees that, in providing products and services under this Agreement, it will not discriminate on the basis of race, color, sex, creed, national origin, disability, age, sexual orientation, religion, or status related to public assistance. The EDA may terminate this Agreement if the Chamber violates any part of this provision.

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

4.12. Severability. The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. Any valid or enforceable provision shall be deemed severable from this Agreement to the extent of its invalidity or unenforceability. The Parties must enforce and construe this Agreement as if the Agreement did not contain that particular provision to the extent of its invalidity or unenforceability.

4.13. Notices. Any notices permitted or required by this Agreement shall be deemed given when personally delivered or upon deposit in the United States mail, postage fully prepaid, certified, return receipt requested, addressed as follows:

A. As to the Chamber: Faribault Area Chamber of Commerce
and Tourism, Inc.
530 Wilson Avenue
Faribault MN 55021
Attn: Nort Johnson, President/CEO

B. As to the EDA: Faribault Economic Development
Authority
208 1st Avenue NW
Faribault, MN 55021
Attn: David Wanberg, CED Director

C. Address Change. Either Party may designate another address for communications if it notifies the other Party in writing.

[The remainder of this page is left intentionally blank.]

IN WITNESS OF THE ABOVE, the Parties have caused this Agreement to be executed on the date written above.

**FARIBAULT ECONOMIC DEVELOPMENT
AUTHORITY**

By: _____

Kevin F. Voracek

Its: President

By: _____

David J. Wanberg

City of Faribault CED Director

**FARIBAULT AREA CHAMBER OF COMMERCE
AND TOURISM, INC.**

By: _____

Nort Johnson

Its: President/CEO



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, CED Director
THROUGH: David Wanberg, CED Director
MEETING DATE: July 17, 2025
SUBJECT: Provide Direction on Funding and Managing the Micro-Grant Program in 2025

BACKGROUND:

For years, the EDA offered the Micro-Grant Program as a means to support innovative ideas or compelling business models that hold the prospect of making significant contributions to Faribault's economic base. Businesses in the Central Business District were eligible to receive grants ranging from \$500 to \$5,000.

The EDA provided \$25,000 annually to fund the Micro-Grant Program. Of the \$25,000 in funding, \$5,000 was allocated to the Faribault Main Street Program to promote, review, award, and manage the micro-grants. However, because the Chamber stopped its participation in the Faribault Main Street Program in 2023, the EDA's funding for the Micro-Grant Program also stopped.

Recently, City staff became aware of a business trying to locate in the Central Business District. The business requires a commercial kitchen, and the owner is struggling to cover the costs associated with installing an exhaust hood and similar equipment. The Micro-Grant Program historically helped cover some of these costs. Please see the attached 2022 Micro-Grant Program documents.

Does the EDA want to reinstate the Micro-Grant Program for 2025? If so, does the EDA want the Faribault Main Street Program to administer the program as was done in the past? Alternatively, City Staff received a comment suggesting that the Faribault Foundation may be a more suitable organization to manage the program. Also, the EDA may want to consider if the Micro-Grant Program should be limited to businesses in the Central Business District.

REQUESTED ACTION:

Does the EDA wish to reinstate the Micro-Grant Program for 2025 and allocate \$25,000 for the program? If yes, should the program only apply to the CBD? Who should administer the program, and what should the administrative costs be?

ATTACHMENTS:

1. Micro-Grant Guidelines



**City of Faribault – Economic Development Authority
Downtown Commercial Rehabilitation & Exterior Improvement Program**

Program Description

The City of Faribault is proud of its historic downtown – and the community identified downtown as a priority through the Vision 2040 efforts. To encourage property owners to invest in buildings and to help preserve and enhance economic activity in the downtown, the City of Faribault Economic Development Authority has created the Downtown Commercial Rehabilitation & Exterior Improvement Program. This program will provide assistance in the form of deferred loans to eligible applicants for the rehabilitation of commercial properties in and adjacent to the downtown Central Business District (as shown on the attached map) – *to help maintain a vibrant downtown that provides a sense of place for our community for years to come!*

The Program Fund on a first-come, first-serve basis for eligible applicants and eligible projects.

How it Works

The Downtown Commercial Rehabilitation & Exterior Improvement Program is a forgivable loan program. Eligible property owners must apply and be approved for the program **prior** to beginning any work. Loans are awarded depending on eligibility, availability of funds, and completeness of application. Only one project (building/PID) per owner at a time.

Once submitted projects are approved; the applicant pays the equity and public share of the project and the Economic Development Authority (EDA) agrees to reimburse the public share of the project cost.

- For eligible permanent exterior improvements: the following scale applies based on project type – \$15,000 maximum award per approved project; and
- A maximum of two EDA-approved projects per PID (multiple addresses per PID) for exterior projects and one EDA-approved project per PID for interior projects.

Project Type	Owner Equity	EDA Funds Max. \$15,000
Façade Renovation + Public Right-Of-Way Clean-Up (tuckpointing, cornice restoration, paint removal, paint application, large scale façade renovations, clean-up visible from public ROW)	50%	50%
Replacement of Windows and/or Doors	60%	40%
Awning (New, Repair, and/or Replacement)	70%	30%
Interior Improvements (health and safety violations, smoke detection system, sprinkler system, and/or elevators)	80%	20%
Roof Replacement and/or Repair	80%	20%

The applicant has one (1) year from the award date of the loan to complete the project and request payment of loan funds. All loan funds will be paid directly to the award recipient (*not* the

supplier/contractor) upon receipt of contractor lien waiver or paid invoices and proof of payment at the end of the project – or based on a pre-determined disbursement plan.

** Please note: Because this is a “match” program; owner equity must be the first money in, followed by EDA funds.*

Loan Forgiveness

Loans are considered deferred – which means that over time the loans will be forgiven based on the applicant successfully completing the rehabilitation or façade project and maintaining ownership of the building for a minimum of three (3) years. If the building is sold within this time period – the loan must be repaid in its entirety.

Program Eligibility

This program is intended to help maintain a vibrant downtown that provides a sense of place for our community for years to come. This includes a focus to enhance and preserve Faribault’s historic buildings of the downtown Central Business District and adjacent commercial properties with a specific emphasis on cleaning up the parts of buildings visible from the public ROW (alleys and parking lots).

Eligible Applicants/Recipients*

1. Must own the commercial property to be improved;
2. Must have the ability to provide owner equity cash investment in the project;
3. Must be current with mortgage, real estate taxes, and insurance payments;
4. Applicants/recipients can only receive funding for one project at a time. Successful completion of a project and subject to available funding – recipients can then apply for funding for a new project.

** Please note: Any person who has defaulted on a publically funded program or is delinquent on loan payments for a publically funded program within the last two years is ineligible to receive funding.*

Eligible Properties

1. Property must be located in the designated target area as shown on the attached map (Central Business District and commercial properties immediately adjacent to the Central Business District) and must have been originally constructed prior to 1950;
2. Property must be free of existing judgements, foreclosure actions, or delinquency of payments;
3. Property must require improvements.

Eligible Improvements*

1. Permanent exterior improvements of the building to correct building code violations, including but not limited to: repair or replacement of door, window, and roof.
2. Permanent façade improvements, including but not limited to: removal of aluminum or other metal awnings, frames, or siding, awning repair or replacement, pressure washing, paint removal, painting, tuckpointing, and cornice restoration, trash enclosures and improvements/clean-up visible from public ROW.
3. Permanent interior improvements related to: correction of health and safety violations, smoke detection system, sprinkler systems, and/or elevators.

** Please note:*

a) All projects located within the Historic Preservation District are required to obtain a Certificate of Appropriateness for any exterior work – prior to being awarded funds.

b) All projects must be inspected; unless otherwise noted – prior to being awarded funds.

Ineligible Improvements

1. Improvements made prior to the award of funds and the execution of required loan documents;
2. Financing or paying off existing debt or the payment of assessment for public improvements;
3. Non-permanent improvements (lease-hold improvements);
4. Exterior improvements not meeting the guidelines, including: parking lot repairs;
5. Interior improvements other than those noted above; and
6. Exterior improvements not approved by the Heritage Preservation Commission (HPC).

How to Apply

All eligible property owners within the downtown Central Business District, and commercial property owner's immediately adjacent to the Central Business District are encouraged to apply. There is no application deadline; however, funds are limited and will be awarded to qualified applicants on a first-come, first-serve basis – and there can only be one project (building/PID) per owner at a time.

The City of Faribault's Community & Economic Development Department staff will be responsible for administering all aspects of the Downtown Commercial Rehabilitation & Exterior Improvement Program – including marketing, application intake and review, loan processing, and program compliance.

Final decisions on all program awards will be at the sole discretion of the Economic Development Authority (EDA).

Application Submission

Applications will be processed on a first-come first-serve basis, with no set application deadline date. Completed applications with application fee of \$150.00 per commercial address should be submitted to:

City of Faribault – Community & Economic Development Department
Attn: Economic Development Coordinator
208 NW 1st Avenue Faribault, MN 55021

Processing and Review of Application

Using the criteria outlined in the program's guidelines, Staff will determine project eligibility and completeness of application. Once determined eligible, an inspection of the property will be conducted to determine that the proposed improvements are necessary for the building to conform to current building code and property maintenance ordinances.

- If a project is determined to be eligible, the final project information and deferred loan request will be forwarded to the EDA for consideration at their regularly scheduled monthly meeting.
- If a project application is determined not to be eligible, the applicant will be notified including reasons as to why the application is not being forwarded to the EDA for consideration.

The project request is submitted to the EDA for considerations at their regularly scheduled monthly meetings. Any recommendations, contingencies, and/or approval is at the sole discretion of the EDA and will be determined at the time of the regularly scheduled monthly meeting. The EDA will either approve requested amount, modify loan amount or deny the request.

- Loan recipients are required to seek at least two bids for all portions of a project. The award calculations will be based on the lowest bid – any contractor may be chosen to complete the work.
- For eligible permanent exterior improvements: the program scale applies up to 50-percent of project costs – \$15,000 maximum award per approved project (maximum of 2 EDA-approved projects per PID – multiple addresses per PID); or
- For eligible permanent interior building improvements: up to 20-percent of project costs - \$15,000 maximum award per PID.

The applicant will be notified by Staff as to the status of their application via email following the scheduled EDA meeting.

Contracting Procedures and Requirements

All applicants awarded funds will be required to execute loan documents including a Promissory Note and Repayment Agreement. **Please note:** No work may begin on a project until award approval is received and all required loan documents have been executed.

No changes to the scope of the project will be allowed without the execution of a “Change Order” approved by the owner, contractor, and Community & Economic Development Staff. Furthermore – additional HPC review and approval may also be required.

Work must be completed within one-year from the date of the program award. Exceptions may be made for weather-related delays, changes in contractors for non-performance, or other natural disasters.

Loan Disbursement

The award is a deferred loan and will be forgiven after the three (3) year compliance term. Program awards will be secured with an executed Repayment Agreement and Promissory Note. Payments to the awardee will be made only after the work is completed and receipts or contractor lien waivers have been submitted.

Maximum Award Amount:

For approved exterior improvements, up to \$15,000 per approved project with a maximum of 2 EDA-approved projects per PID (multiple address per PID); or

For approved interior improvements, up to \$15,000 per PID.

When Requesting for Disbursement:

- Applicant must submit proof of work completed in order to be reimbursed. This proof must include date, description of work and materials, amount paid, payee and payer. A lien waiver is preferred, but a paid invoice with proof of payment is acceptable.
- Applicable projects must have an approved inspection of work completed before receiving disbursement. Please contact the Building Code Division at 507-333-0357 to make an appointment.

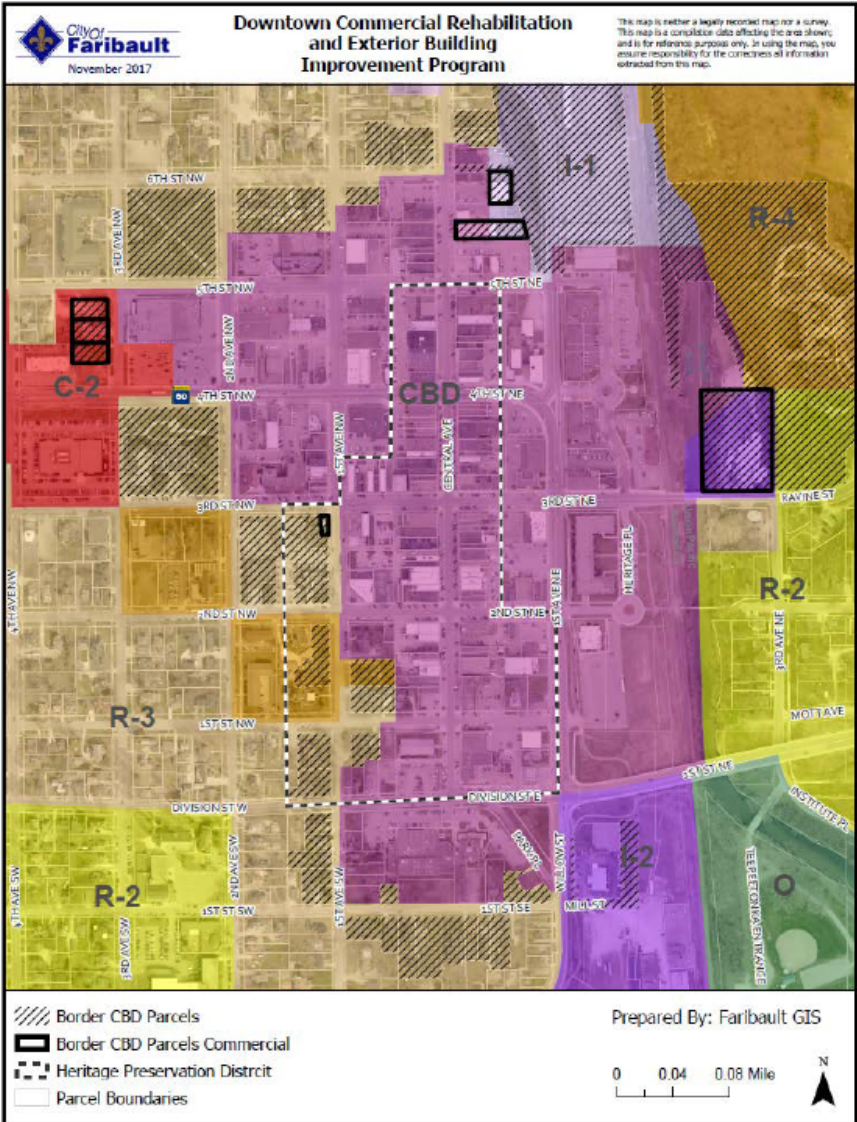
Reimbursement Disbursement Schedule for Program Award*	
Provide Receipts for Full Project Costs (Equity + EDA Funds)	EDA Funds Paid in Full to Owner
Provide Receipts for Owner Equity + ½ EDA Funds	½ EDA Funds Paid to Owner
Provide Receipts for Owner Equity + Second ½ EDA Funds	Second ½ EDA Funds Paid to Owner

* Please note:

- a) Funds will be disbursed on a reimbursement basis – based on submitted receipts.
- b) Owners’ equity must be the first funds used before EDA can release funds.
- c) EDA funds will be disbursed incrementally (½) or in one-lump sum payment upon completion of project.

Loan Repayment

Deferred loan will be immediately due and payable in the event that the owner sells or otherwise transfers all of his/her/their ownership interest in the property within three (3) years of the date of the Agreement.



Downtown Commercial Exterior Rehabilitation & Exterior Improvement Program
 Adopted: March 2020 / Updated: October, 2023

Downtown Commercial Rehabilitation & Exterior Improvement Program – Application

Prior to submitting an application – applicants are encouraged to meet with Community & Economic Development Staff to review the program guidelines and proposed project.

Please contact the Economic Development Coordinator at:
507.333.0388 or dwanberg@ci.faribault.mn.us

Application Information

Applications must be submitted by the property owner(s) of the building.

Name(s) of Property Owner/Applicant		
Telephone Number:		
Email Address:		
Mailing Address:		
City:	State:	Zip:

Property Information		
<i>This Program is open to all commercial properties within the Central Business District and commercial addresses immediately adjacent the District – as shown on the attached map.</i>		
Address(es) of Eligible Property:		
Parcel ID (PID):		
Original Year of Construction:		
Business/Occupant(s):		
Has this property previously received public financing?	Yes	No
Has the applicant defaulted on any public financing in the last two years?	Yes	No
Are there any liens or judgements on the property?	Yes	No
Are the property taxes paid/current?	Yes	No

Project Information

Eligible expenses are limited to:
Permanent exterior improvements
Permanent façade improvements
Permanent interior improvements

Estimated Total Cost of proposed Rehabilitation and/or Façade Improvements:
(based on attached estimates)

Requested Loan Amount:
(based on Program scale)

Description of Proposed Improvements / Project

Justification / Impact of Project within Commercial Business District

Identify how the improvement is going to positively impact the Commercial Business District. Examples: Cleaning up façade disrepair; Preserving the building’s structural integrity; Creating a positive visual impact to the Downtown, Code compliance work.

Data Practices Act

The information that you supply in your application to the City of Faribault/Faribault EDA (“City”) will be used to assess you eligibility for financial assistance. The City will not be able to process your application without this information. The Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13) governs whether the information that you are providing to the City is public or private. If financial assistance is provided for the project, the information submitted in connection with your application will become public, except for those items protected under Minnesota Statutes, Section 13.59, Subdivision 3(b) or Section 13.591, Subdivision 2.

I/We have read the above statement and agree to supply the information to the City with full knowledge of the matters contained in this notice. **I/We** certify that the information submitted in conjunction with the application is true and accurate.

Property Owner/Applicant

Date

Co-Property Owner/Applicant

Date

City Staff or other authorized representative of the City shall have the right to inspect the property to be improved at any time from the date of application upon giving notice to the owner and to occupants.

I/We certify that all statements on this application are true and correct to the best of my/our knowledge. **I/We** understand that any intentional misstatements will be grounds for disqualification.

I/We have read the City of Faribault’s Downtown Commercial Rehabilitation and Exterior Improvement Program Policy and will abide by the rules and regulations set forth in the policy adopted on May, 21, 2020.

I/We authorize program representatives the right to access the property to be improved for the purposes of the deferred loan program and to take photographs of the structure before and after rehabilitation.

I/We understand that **I/we** are responsible for obtaining appropriate building permits and Certificate of Appropriateness. In the case of improvements that do not require a city-issued building permit, the applicant must submit the name and state license number of the contractor completing the work and agree to an inspection of the work by a city building official.

I/We further understand that **I/we** will make the final selection of the improvements to be made with the loan funds and that the contract for improvements will be solely between me and the contractor(s). The administering agency will not be liable for the inadequate performance of the contractor(s).

Property Owner/Applicant

Date

Co-Property Owner/Applicant

Date

Acknowledgements	
Please initial each to confirm that you have read and understand the program policy and guidelines.	
	I/We understand that awards are based on eligibility, availability, and completeness of application – approval is at the sole discretion of the EDA.
	I/We understand that I/We can only receive one award at a time (only one project – building/PID at a time).
	I/We understand that I/we have one year from the date of the loan award to complete the project and request payment of loan funds.
	I/We understand that the loan award funds will be dispersed upon receipt of paid invoices for the project and proof of payment at the end of the project.
	I/We are the owner of the commercial property to be improved.
	I/We are current with mortgage, real estate taxes, and insurance payments.
	I/We understand that if we have defaulted on a publically funded program or have been delinquent on loan payments for a publically funded program within the last two years, I/we are not eligible for this program.
	I/We understand that the building must be free of all lien and judgments.
	I/We understand that if the building is located within the HPC district – the project must receive approval by the Heritage Preservation Commission prior to the start of work.
	I/We understand that an inspection of the property will be conducted to determine that the proposed improvements are necessary for the building to conform to current code and property maintenance ordinances.
	I/We understand that I/we will be required to sign loan documents upon award, including a Promissory Note and Repayment Agreement.
	I/We understand that the loan will be forgiven if I/we maintain ownership of the building for three (3) years.
	I/We understand that if I/we sell the building or otherwise transfer all ownership interest within three (3) years – the loan must be repaid in its entirety.

Property Owner/Applicant	Title	Date
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Co-Property Owner/Applicant	Title	Date
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Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, CED Director
THROUGH: David Wanberg, CED Director
MEETING DATE: July 17, 2025
SUBJECT: Status and Direction on the EDA's Marketing Folders

BACKGROUND:

On April 17, 2025, the EDA approved the use of up to \$3,000 from the EDA's advertising budget to help cover the cost of updating economic development marketing materials. City staff received and approved a quote from Neuger Communications for \$7,000 to \$8,000 to redesign and print refreshed marketing folders. Staff asked the HRA and Chamber of Commerce (or Faribault Industrial Corporation) to each contribute roughly one-third of the cost of updating the marketing materials, which they agreed to do.

Neuger Communications met with City staff and others to develop the content and messaging of the marketing material. However, Neuger needs clarity on how to proceed. The draft material includes headings, such as "mission" and "values", but it is unclear whose mission and values the marketing material is intended to describe. Is it the community, City, EDA, HRA, or Chamber's values? Likewise, should the marketing material refer to the "Small Town Pride. Big City Opportunities." slogan that the City uses, or should it use the "From Historic to High Tech" slogan that the EDA used more recently? Or should it use the "Crafting American" themes that the Chamber uses?

In short, we must address significant questions before moving forward. Staff recommends putting this project on hold and not expending any additional funds until we have a clear and shared understanding of what we are trying to accomplish and until we have a new Economic Development Coordinator on staff who can help guide this process.

Marketing is a crucial component of economic development. The CED Director appreciates the efforts of staff and Neuger Communications in strengthening our economic development marketing materials, but also

feels it is in the best interest of all parties to pause this process until we can regroup and clarify our marketing goals and strategies.

REQUESTED ACTION:

Pause work on the economic development marketing folders until the City has a new Economic Development Coordinator on staff.

ATTACHMENTS:

1. Existing Marketing Folder to be Updated
2. Draft Marketing Folder (In Progress)





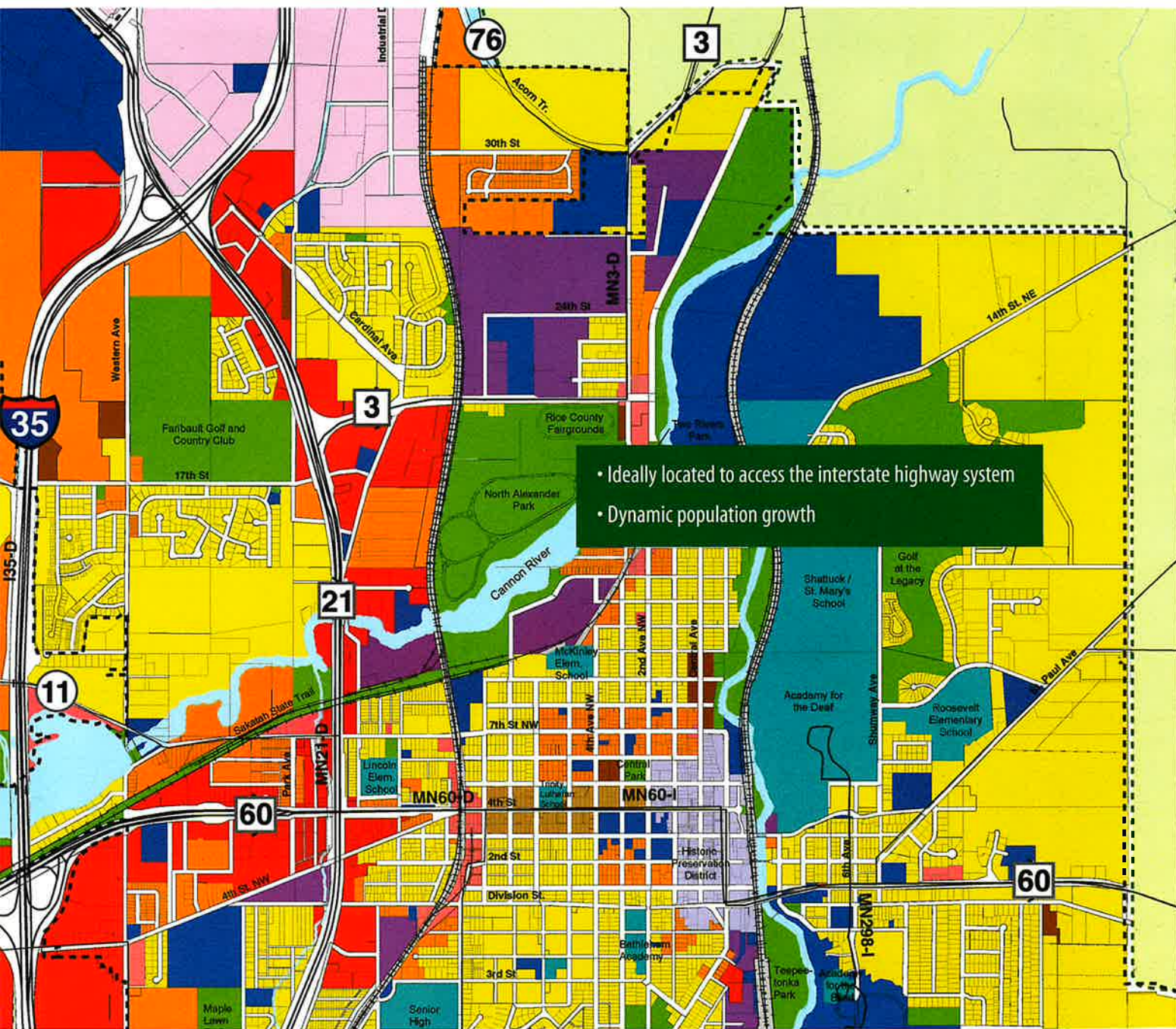
PROUD PAST



- Established by fur trader Alexander Faribault in 1852
- Nineteenth Century commercial district
- Elegant historic homes, schools, and churches
- 43 buildings on the National Historic Register
- County seat – Rice County

Whether you're all about business or focused on your family, whether you're young or old – Faribault is a place where you'll still find small town pride and big city opportunities. Located along Interstate 35 in the

beautiful lake country of Southern Minnesota, Faribault is just 30 minutes south of the Twin Cities. In Faribault you can enjoy a multitude of resorts and recreational opportunities right out your front door.



Faribault is a growing community of 30,000, named for Alexander Faribault who established a fur trading post here in 1844, where the Cannon River meets the Straight

River and its beautiful limestone bluffs. Faribault is proud of its roots. You'll love the historic – yet vibrant – downtown and the charming old neighborhoods.

well-planned new housing developments, growing industrial parks, municipal airport, and rapid expansion of the commercial and transportation sectors.

But big city opportunities are everywhere, too, in the

QUALITY OF LIFE



Circle Lake



- Recreational opportunities just outside your door
- 30 minutes to Twin Cities metro area
- Small town lifestyles



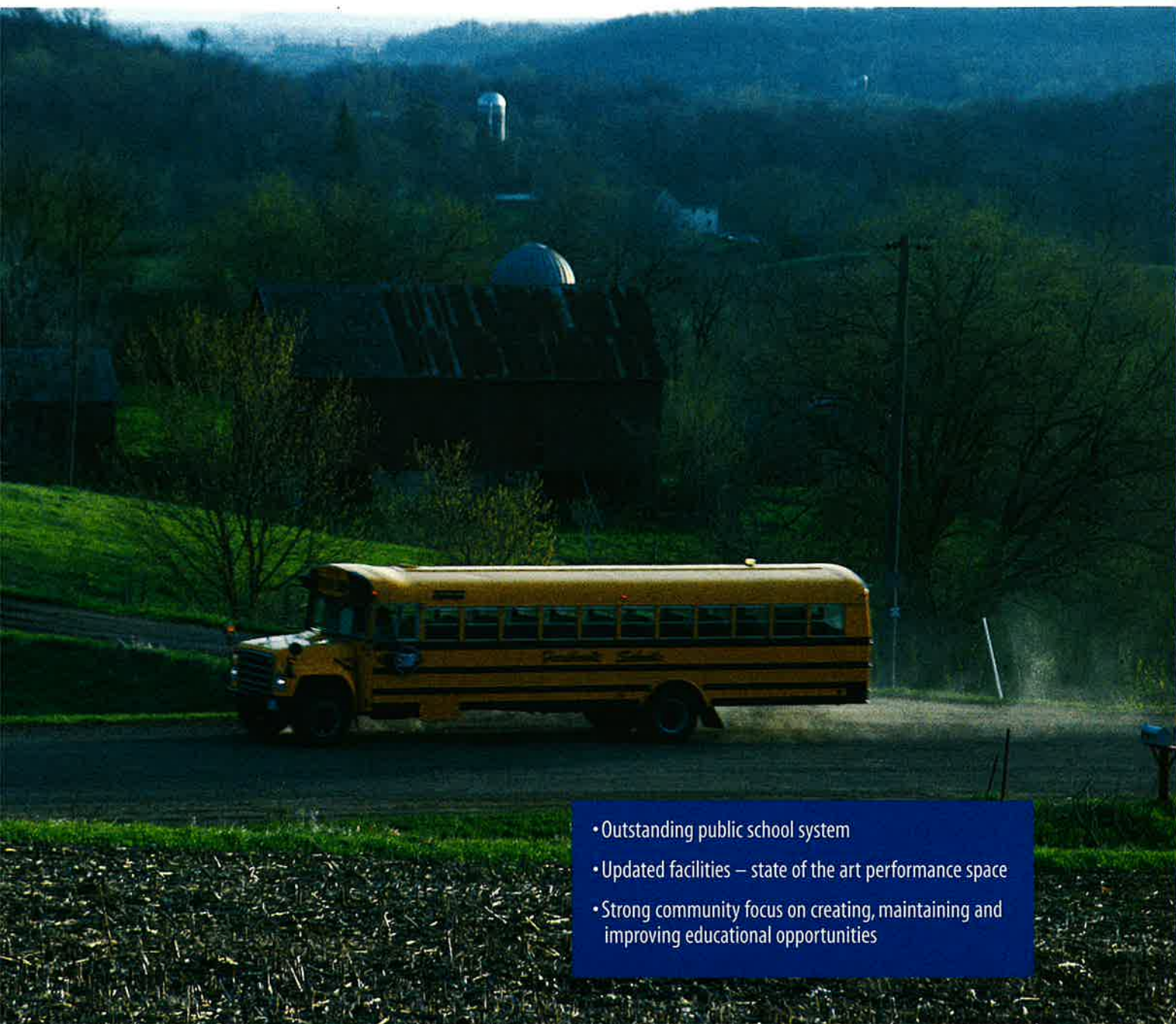
- The Faribault experience awaits you.
- Bike trails, festivals, lakes, resorts, historic sites, campgrounds



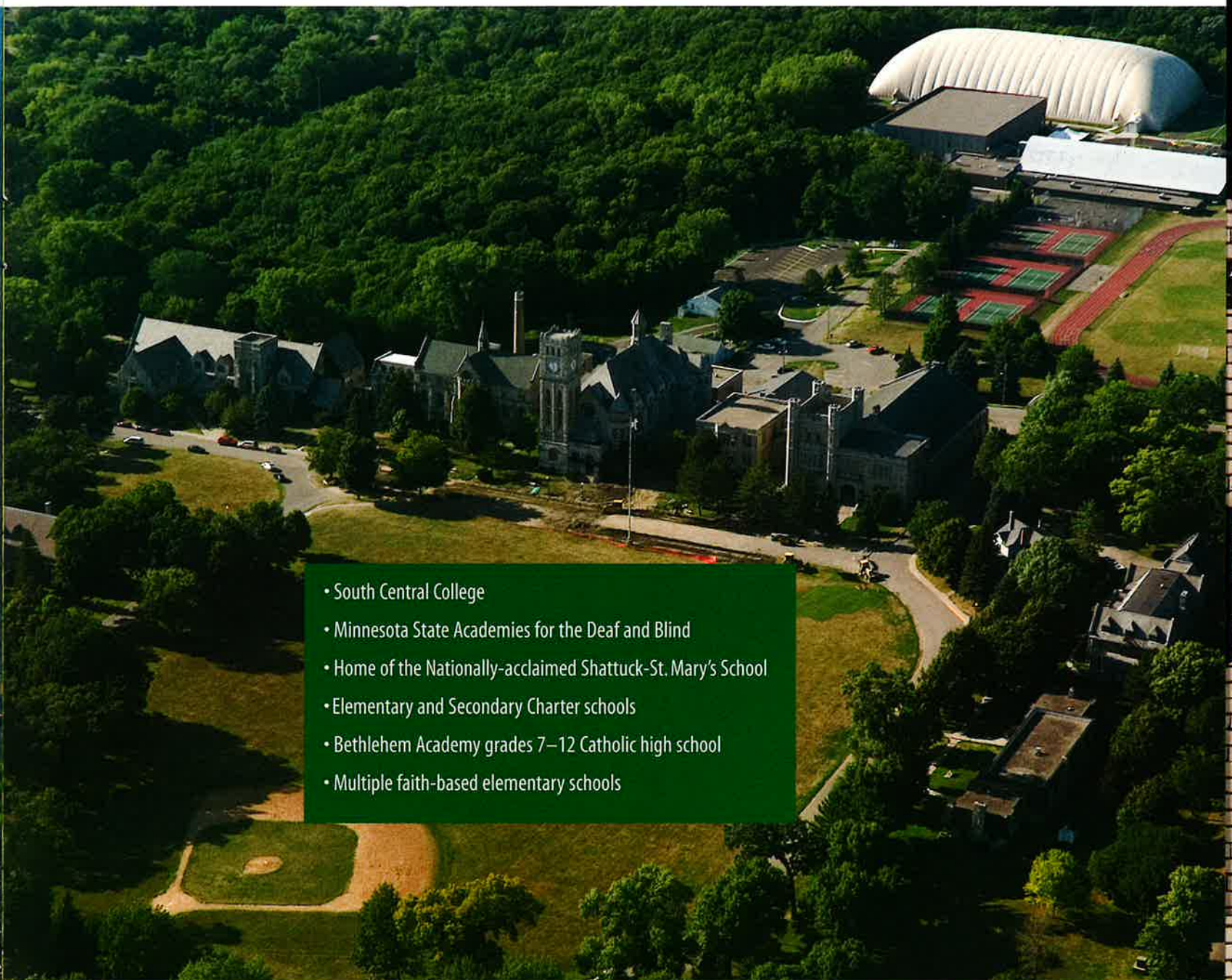
Take in some live theater at the Paradise Center for the Arts downtown or

How about a walk at the River Bend Nature Center, with its prairie, woodland, and river habitats – a 700-acre jewel with miles of trails for walking and cross-country skiing – all within the city

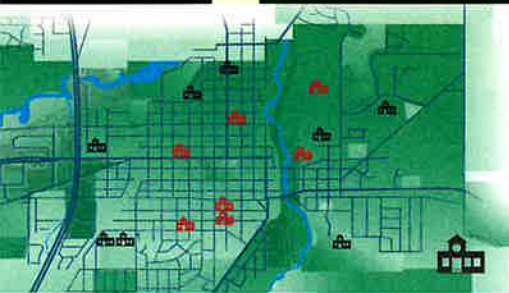
limits. Maybe golf is your game. Or perhaps you'd rather just lay around on a blanket from the Faribault Mills, enjoying Heritage Days, the Tree Frog Music Festival, or our Hot Air Balloon Rally and Air Fest



- Outstanding public school system
- Updated facilities – state of the art performance space
- Strong community focus on creating, maintaining and improving educational opportunities



- South Central College
- Minnesota State Academies for the Deaf and Blind
- Home of the Nationally-acclaimed Shattuck-St. Mary's School
- Elementary and Secondary Charter schools
- Bethlehem Academy grades 7–12 Catholic high school
- Multiple faith-based elementary schools



PUBLIC

Faribault offers excellent schools – both public and private – that are known for their unique fine arts and athletic opportunities – as well as quality post-secondary

education at South Central College. Faribault is home to the nationally-acclaimed Shattuck-St. Mary's School and the State Academies for the Deaf and the Blind. These

impressive campuses – with their striking historic architecture – are wonderful reminders of Faribault's long-standing commitment to education.



- Responsive, service-oriented city government
- Competitive development incentives made available through local, state and federal programs
- Collaborative support through City of Faribault Economic Development Authority, Faribault Area Chamber of Commerce and Tourism and Faribault Industrial Corporation
- for additional information:
City of Faribault — www.faribault.org
Faribault Area Chamber of Commerce — www.faribaultmn.org



Faribault is a great place to move your business or your family. Spend an afternoon browsing our antique stores and unique shops, visit a local apple orchard, go boating

or fishing on one of the area lakes, or just play around at our wonderful water park. We're sure you'll agree — small town pride and big city opportunities are yours... in Faribault.



City of Faribault Economic Development Authority
www.faribault.org

Faribault Area Chamber of Commerce and Tourism
www.faribaultmn.org

Faribault Industrial Corporation

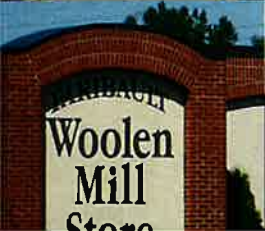
FARIBAULT
 SMALL TOWN PRIDE
 BIG CITY OPPORTUNITIES



Progress

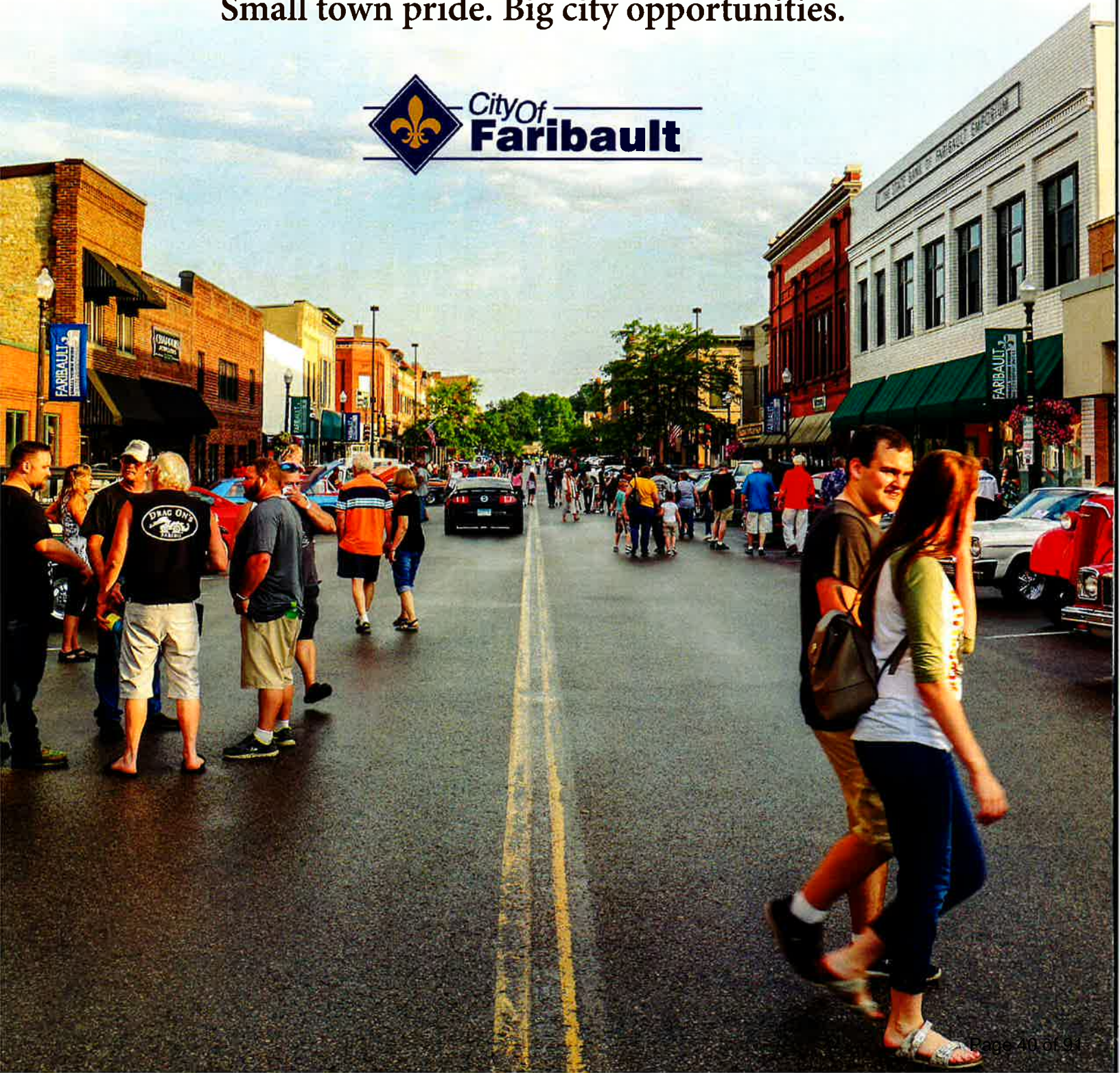
PROJECT ASSISTANCE

- City of Faribault
- Economic Development



Develop the Future with Faribault

Small town pride. Big city opportunities.





Welcome to Faribault

Nestled along the banks of the Cannon and Straight Rivers, Faribault has long been a center for innovation and industry. Faribault continues to evolve, welcoming new ideas, businesses and residents. With 250 acres of available land along the interstate corridor we are prepared to accommodate projects of any size. Our small town offers big city opportunities, and we hope you will join us in developing the future in Faribault.



Mission

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Values

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Our Residents

24,983 Population	88.3% High-school educated
5,000 Members of the community are bilingual	17.5% College educated
38.4 Median age	



Interested in developing in Faribault?



Scan the QR code or visit faribaultproperties.gov to view available properties.



Our Economy

Faribault has a diverse and resilient economy that supports employment and business opportunities for people of all backgrounds and skills. We are home to a variety of industries with over one-third of employment in Faribault coming from the production, distribution or repair sectors. Our strong industrial background has allowed us to continue to grow job opportunities across the economy.

Top industries within Faribault include:

- Production, Distribution and Repair-35%
- Education and Medical-26%
- Retail-12%

International Businesses

We are proud to be home to four international businesses from Mexico, Japan, Germany and France. These companies have chosen Faribault for their U.S. operations and our community has embraced these international businesses that have created a multitude of jobs and connected Faribault with the international economy.

Locational Benefits

Faribault offers strong regional connectivity for business and logistics. Located directly on Interstate 35, the city provides quick access to the Twin Cities metro area. Minneapolis-St. Paul International Airport is just 45 minutes away, and the Faribault Municipal Airport supports private and corporate travel. This central location supports efficient operations and helps businesses draw from a broad workforce.

Thanks to our skilled and growing workforce, Faribault has championed the relocation and expansion of businesses within the city. For decades, this has included growth in advanced manufacturing, food production and foreign direct investment.



Utility Opportunities

Utility opportunities are available, scan the QR code or visit faribaulttransportation.gov to view the different providers.

Development Support Partners

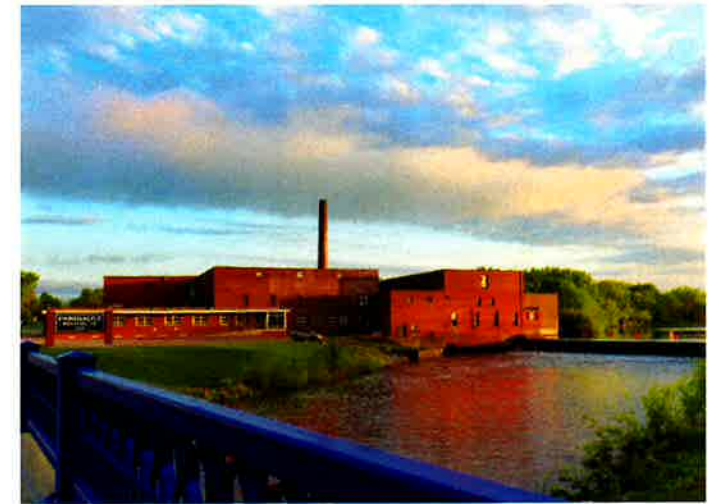
With the size of our community, we are lucky enough to offer direct support from our staff to assist in development. Additional support is offered by our partners within Faribault, Rice County and the State of Minnesota.

- Faribault Area Chamber of Commerce and Tourism
- South Central College-Workforce Education Program
- Great River Energy-Steele Waseca Cooperative Electric
- Southern Minnesota Initiative Foundation
- Rice County-County Seat is located in Faribault
- Minnesota Department of Employment and Economic Development



Partner Information

For more information on our partners scan the QR code or visit faribaultpartners.gov.



Commuters

- 7,100 people commute into Faribault daily
- 6,300 people commute out of Faribault daily

This dynamic highlights a valuable opportunity to expand both housing and commercial development in Faribault. By creating more options for people to live and work within the community, we can reduce the need for long commutes, ease regional traffic and support more sustainable growth. Shorter travel times not only lower transportation impacts but also give residents more free time for family, recreation and community life—enhancing overall quality of life while strengthening the local economy.

*Information sourced from 2015 census

Life in Faribault

In Faribault, our small town pride is what allows us to create big city opportunities. Throughout the duration of any development, our experienced staff is able to work hand-in-hand with your project team to make your dreams a reality. We're ready to make American stories with you.



Education

Faribault provides a wide range of educational opportunities, including both public and private schools.

- Faribault Public Schools
- Shattuck-St. Mary's School
- Bethlehem Academy
- Minnesota Academy for the Blind and Deaf
- South Central College



Arts and Recreational Opportunities

- Paradise Center for the Arts
- Summer Concerts in the Park Series
- 400 acres of parkland
- 10 lakes within 10 miles
- Quick access to State Parks
- Nearly 14 miles of trails within Faribault and nearby State Parks



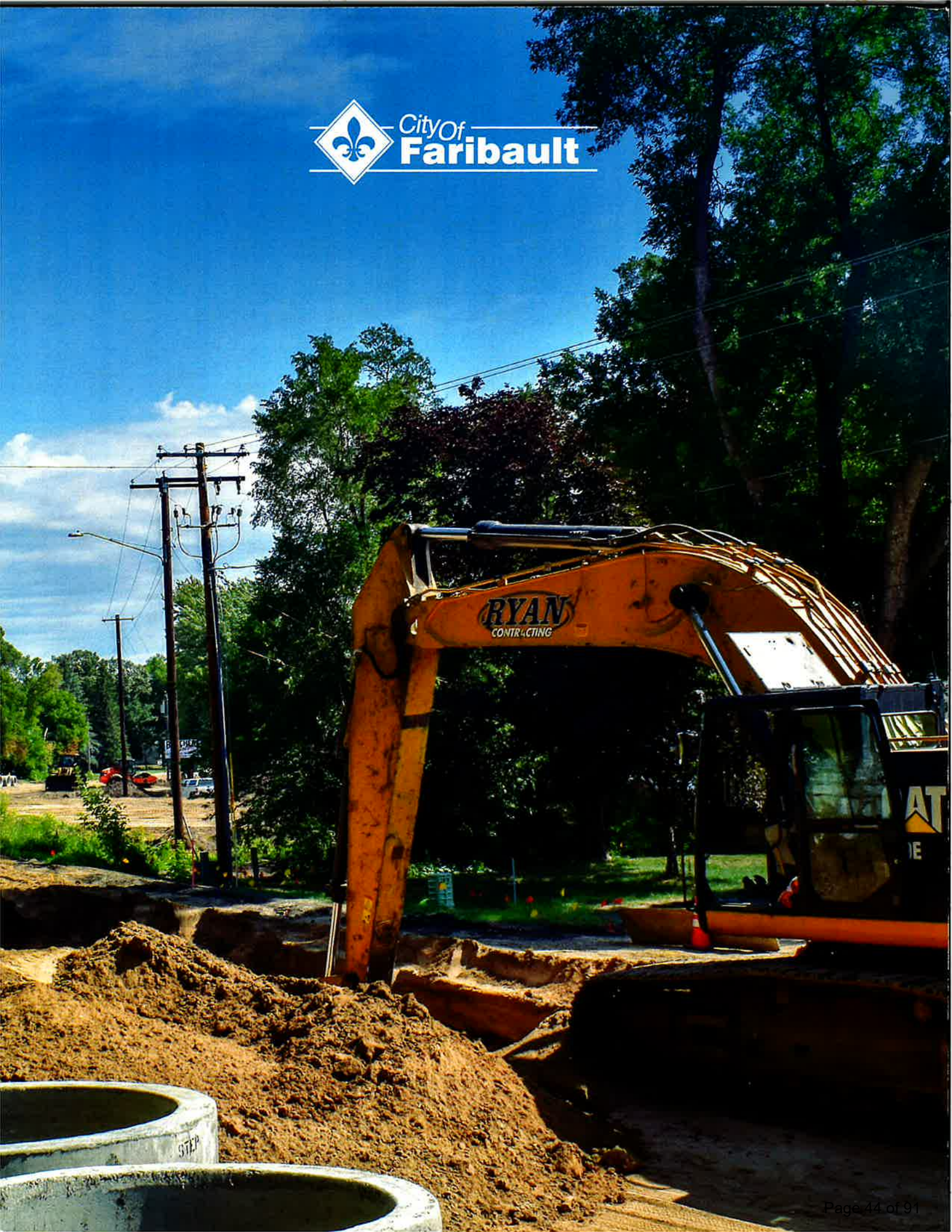
Historic Downtown

Faribault is rich in history, with our downtown being the second largest historic district in the State of Minnesota. Historic Downtown Faribault is home to many businesses and is a gathering place for numerous community events. The Faribault Chamber of Commerce and Faribault Economic Authority have come together to help support the Faribault Main Street Program, which assists in a community effort to revitalize Faribault's Central Business District.



Interested in developing? Our team is ready to help!
 507.334.0100 | communitydev@fairbaultmn.gov

Scan the QR code below or visit fairbaultcontact.gov for full department contact details.





Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, CED Director
THROUGH: David Wanberg, CED Director
MEETING DATE: July 17, 2025
SUBJECT: Clarify the Use of Downtown Commercial Rehabilitation and Exterior Improvement Program Loans

BACKGROUND:

Three property owners recently requested Downtown Commercial Rehabilitation and Exterior Improvement Program (DCREIP) funds to improve their properties. The requests from two of the three property owners are not straightforward. Consequently, the CED Director is seeking general feedback from the EDA before the property owners invest time and money in applying for DCREIP funds. Refer to the attached DCREIP Guidelines document.

604 Central. Mike Tousignant (the "Applicant") requested a \$15,000 DCREIP award to repaint an existing five-unit apartment building (that appears to have originally been a single-family residence) at 604 Central Avenue (see the attached map and street view). The Applicant believes that, because the residential building contains five apartments and is not owner-occupied, it is a commercial building that is eligible for DCREIP funds. However, the Community and Economic Development Director feels that because it is in the R-3, Medium Density Residential zoning district, and because Rice County's tax statement classifies the property as an "Apartment" rather than a "Commercial/Industrial" property, it is not eligible for DCREIP funds. While the Director very much appreciates the Applicant's proposed improvements, the Housing and Redevelopment Authority (the "HRA") is more suited than the EDA to provide housing improvement funding programs. However, if the EDA feels the project is eligible for DCREIP funding, the Director will process the Applicant's request.

533 Central. Mike Tousignant (the "Applicant") requested a \$15,000 DCREIP award to tuckpoint the existing commercial building at 533 Central Avenue (see the attached map and street view). He also requested a \$15,000 award to remove and replace the existing exterior stairs and

ramp. While both projects may be eligible for DCREIP funding, the program currently allows applicants to submit one request at a time. The EDA may choose to refine the program requirements at some point. However, for now, the Applicant can only receive funding for his requests at 533 Central Avenue. Once he completes that work, he can apply for the remaining DCREIP request.

16 5th Street NE. Deb Sonnek has informally requested DCREIP funding to improve Sonnek's building at 16 5th Street NE (see the attached map and street view). City-owned property surrounds the Sonnek property, and the City's adopted Downtown Master Plan envisions redevelopment of this area.

In recent years, the City offered to purchase the Sonnek property and the former Central Auto building at 505 Central Avenue. The Owner of 505 Central sold their property to the City. The City will demolish the 505 Central building and restore the site this summer. The Sonnek's chose to hold onto their building, which is their right. However, it is the only building remaining on the north side of 5th Street NE, east of Central Avenue.

The DCREIP wants to see downtown commercial properties improve. However, in this case, it may not be prudent to fund improvements to a building in an area that the City envisions for redevelopment. The EDA is not obligated to fund all project requests.

The Sonnek's may be open to selling their property to the City or EDA at some point. At this time, the City has no specific redevelopment plans for the area. The Deb Sonnek can submit a DCREIP request. However, if the EDA feels such a request would be premature, it would be helpful to let them know before she invests time and money in the application process. Given the City's desire to continue to implement the Downtown Master Plan, the CED Director believes it would not be a prudent investment to provide funding through the DCREIP at this time. Again, Deb Sonnek can submit a DCREIP funding request if she wishes.

REQUESTED ACTION:

Confirm whether DCREIP funding can be applied to exclusively residential properties, such as the apartments at 604 Central Avenue.

Confirm that a property can only receive one DCREIP award at a time.

Provide initial thoughts on whether the EDA would consider DCREIP funding for a building that the City has identified for future redevelopment.

ATTACHMENTS:

1. DCREIP Guidelines
2. 604 Central
3. 533 Central
4. 16 5th St NE



**City of Faribault – Economic Development Authority
Downtown Commercial Rehabilitation & Exterior Improvement Program**

Program Description

The City of Faribault is proud of its historic downtown – and the community identified downtown as a priority through the Vision 2040 efforts. To encourage property owners to invest in buildings and to help preserve and enhance economic activity in the downtown, the City of Faribault Economic Development Authority has created the Downtown Commercial Rehabilitation & Exterior Improvement Program. This program will provide assistance in the form of deferred loans to eligible applicants for the rehabilitation of commercial properties in and adjacent to the downtown Central Business District (as shown on the attached map) – *to help maintain a vibrant downtown that provides a sense of place for our community for years to come!*

The Program Fund on a first-come, first-serve basis for eligible applicants and eligible projects.

How it Works

The Downtown Commercial Rehabilitation & Exterior Improvement Program is a forgivable loan program. Eligible property owners must apply and be approved for the program **prior** to beginning any work. Loans are awarded depending on eligibility, availability of funds, and completeness of application. Only one project (building/PID) per owner at a time.

Once submitted projects are approved; the applicant pays the equity and public share of the project and the Economic Development Authority (EDA) agrees to reimburse the public share of the project cost.

- For eligible permanent exterior improvements: the following scale applies based on project type – \$15,000 maximum award per approved project; and
- A maximum of two EDA-approved projects per PID (multiple addresses per PID) for exterior projects and one EDA-approved project per PID for interior projects.

Project Type	Owner Equity	EDA Funds Max. \$15,000
Façade Renovation + Public Right-Of-Way Clean-Up (tuckpointing, cornice restoration, paint removal, paint application, large scale façade renovations, clean-up visible from public ROW)	50%	50%
Replacement of Windows and/or Doors	60%	40%
Awning (New, Repair, and/or Replacement)	70%	30%
Interior Improvements (health and safety violations, smoke detection system, sprinkler system, and/or elevators)	80%	20%
Roof Replacement and/or Repair	80%	20%

The applicant has one (1) year from the award date of the loan to complete the project and request payment of loan funds. All loan funds will be paid directly to the award recipient (*not* the

supplier/contractor) upon receipt of contractor lien waiver or paid invoices and proof of payment at the end of the project – or based on a pre-determined disbursement plan.

** Please note: Because this is a “match” program; owner equity must be the first money in, followed by EDA funds.*

Loan Forgiveness

Loans are considered deferred – which means that over time the loans will be forgiven based on the applicant successfully completing the rehabilitation or façade project and maintaining ownership of the building for a minimum of three (3) years. If the building is sold within this time period – the loan must be repaid in its entirety.

Program Eligibility

This program is intended to help maintain a vibrant downtown that provides a sense of place for our community for years to come. This includes a focus to enhance and preserve Faribault’s historic buildings of the downtown Central Business District and adjacent commercial properties with a specific emphasis on cleaning up the parts of buildings visible from the public ROW (alleys and parking lots).

Eligible Applicants/Recipients*

1. Must own the commercial property to be improved;
2. Must have the ability to provide owner equity cash investment in the project;
3. Must be current with mortgage, real estate taxes, and insurance payments;
4. Applicants/recipients can only receive funding for one project at a time. Successful completion of a project and subject to available funding – recipients can then apply for funding for a new project.

** Please note: Any person who has defaulted on a publically funded program or is delinquent on loan payments for a publically funded program within the last two years is ineligible to receive funding.*

Eligible Properties

1. Property must be located in the designated target area as shown on the attached map (Central Business District and commercial properties immediately adjacent to the Central Business District) and must have been originally constructed prior to 1950;
2. Property must be free of existing judgements, foreclosure actions, or delinquency of payments;
3. Property must require improvements.

Eligible Improvements*

1. Permanent exterior improvements of the building to correct building code violations, including but not limited to: repair or replacement of door, window, and roof.
2. Permanent façade improvements, including but not limited to: removal of aluminum or other metal awnings, frames, or siding, awning repair or replacement, pressure washing, paint removal, painting, tuckpointing, and cornice restoration, trash enclosures and improvements/clean-up visible from public ROW.
3. Permanent interior improvements related to: correction of health and safety violations, smoke detection system, sprinkler systems, and/or elevators.

** Please note:*

a) All projects located within the Historic Preservation District are required to obtain a Certificate of Appropriateness for any exterior work – prior to being awarded funds.

b) All projects must be inspected; unless otherwise noted – prior to being awarded funds.

Ineligible Improvements

1. Improvements made prior to the award of funds and the execution of required loan documents;
2. Financing or paying off existing debt or the payment of assessment for public improvements;
3. Non-permanent improvements (lease-hold improvements);
4. Exterior improvements not meeting the guidelines, including: parking lot repairs;
5. Interior improvements other than those noted above; and
6. Exterior improvements not approved by the Heritage Preservation Commission (HPC).

How to Apply

All eligible property owners within the downtown Central Business District, and commercial property owner's immediately adjacent to the Central Business District are encouraged to apply. There is no application deadline; however, funds are limited and will be awarded to qualified applicants on a first-come, first-serve basis – and there can only be one project (building/PID) per owner at a time.

The City of Faribault's Community & Economic Development Department staff will be responsible for administering all aspects of the Downtown Commercial Rehabilitation & Exterior Improvement Program – including marketing, application intake and review, loan processing, and program compliance.

Final decisions on all program awards will be at the sole discretion of the Economic Development Authority (EDA).

Application Submission

Applications will be processed on a first-come first-serve basis, with no set application deadline date. Completed applications with application fee of \$150.00 per commercial address should be submitted to:

City of Faribault – Community & Economic Development Department
Attn: Economic Development Coordinator
208 NW 1st Avenue Faribault, MN 55021

Processing and Review of Application

Using the criteria outlined in the program's guidelines, Staff will determine project eligibility and completeness of application. Once determined eligible, an inspection of the property will be conducted to determine that the proposed improvements are necessary for the building to conform to current building code and property maintenance ordinances.

- If a project is determined to be eligible, the final project information and deferred loan request will be forwarded to the EDA for consideration at their regularly scheduled monthly meeting.
- If a project application is determined not to be eligible, the applicant will be notified including reasons as to why the application is not being forwarded to the EDA for consideration.

The project request is submitted to the EDA for considerations at their regularly scheduled monthly meetings. Any recommendations, contingencies, and/or approval is at the sole discretion of the EDA and will be determined at the time of the regularly scheduled monthly meeting. The EDA will either approve requested amount, modify loan amount or deny the request.

- Loan recipients are required to seek at least two bids for all portions of a project. The award calculations will be based on the lowest bid – any contractor may be chosen to complete the work.
- For eligible permanent exterior improvements: the program scale applies up to 50-percent of project costs – \$15,000 maximum award per approved project (maximum of 2 EDA-approved projects per PID – multiple addresses per PID); or
- For eligible permanent interior building improvements: up to 20-percent of project costs - \$15,000 maximum award per PID.

The applicant will be notified by Staff as to the status of their application via email following the scheduled EDA meeting.

Contracting Procedures and Requirements

All applicants awarded funds will be required to execute loan documents including a Promissory Note and Repayment Agreement. **Please note:** No work may begin on a project until award approval is received and all required loan documents have been executed.

No changes to the scope of the project will be allowed without the execution of a “Change Order” approved by the owner, contractor, and Community & Economic Development Staff. Furthermore – additional HPC review and approval may also be required.

Work must be completed within one-year from the date of the program award. Exceptions may be made for weather-related delays, changes in contractors for non-performance, or other natural disasters.

Loan Disbursement

The award is a deferred loan and will be forgiven after the three (3) year compliance term. Program awards will be secured with an executed Repayment Agreement and Promissory Note. Payments to the awardee will be made only after the work is completed and receipts or contractor lien waivers have been submitted.

Maximum Award Amount:

For approved exterior improvements, up to \$15,000 per approved project with a maximum of 2 EDA-approved projects per PID (multiple address per PID); or

For approved interior improvements, up to \$15,000 per PID.

When Requesting for Disbursement:

- Applicant must submit proof of work completed in order to be reimbursed. This proof must include date, description of work and materials, amount paid, payee and payer. A lien waiver is preferred, but a paid invoice with proof of payment is acceptable.
- Applicable projects must have an approved inspection of work completed before receiving disbursement. Please contact the Building Code Division at 507-333-0357 to make an appointment.

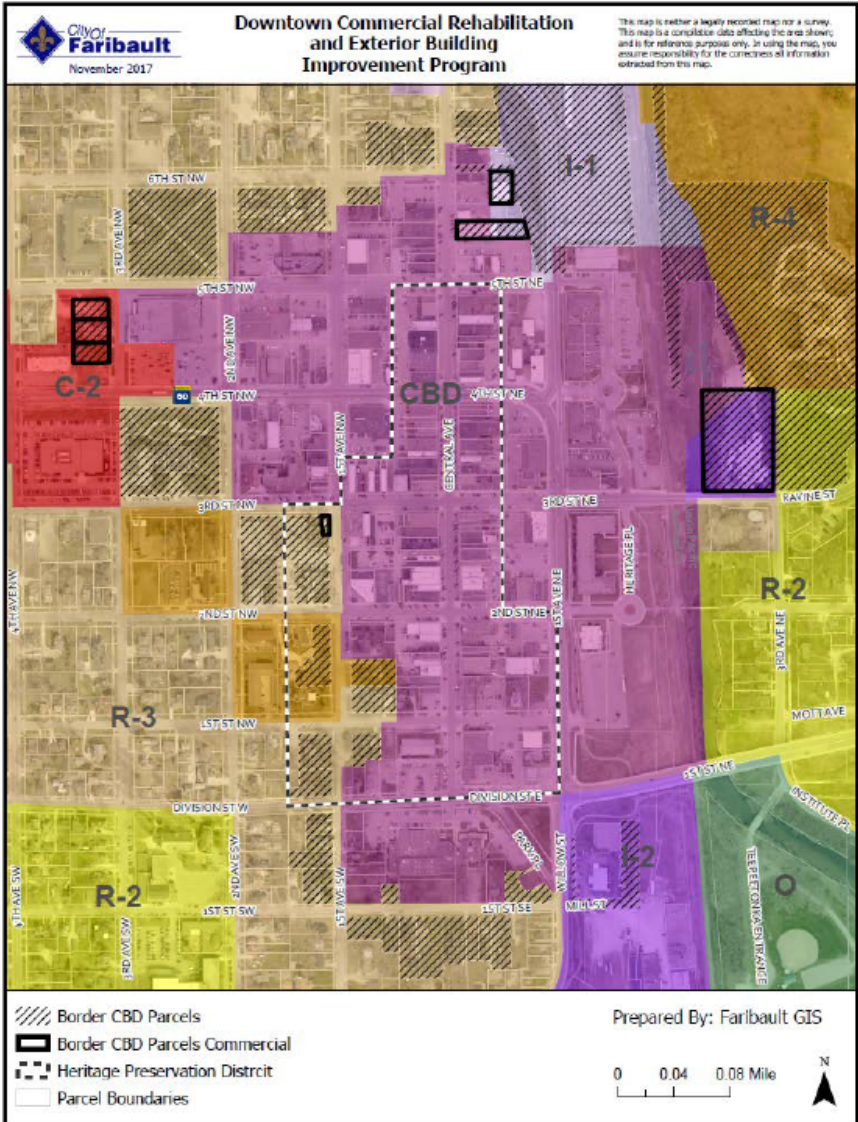
Reimbursement Disbursement Schedule for Program Award*	
Provide Receipts for Full Project Costs (Equity + EDA Funds)	EDA Funds Paid in Full to Owner
Provide Receipts for Owner Equity + ½ EDA Funds	½ EDA Funds Paid to Owner
Provide Receipts for Owner Equity + Second ½ EDA Funds	Second ½ EDA Funds Paid to Owner

* Please note:

- a) Funds will be disbursed on a reimbursement basis – based on submitted receipts.
- b) Owners’ equity must be the first funds used before EDA can release funds.
- c) EDA funds will be disbursed incrementally (½) or in one-lump sum payment upon completion of project.

Loan Repayment

Deferred loan will be immediately due and payable in the event that the owner sells or otherwise transfers all of his/her/their ownership interest in the property within three (3) years of the date of the Agreement.



Downtown Commercial Exterior Rehabilitation & Exterior Improvement Program
 Adopted: March 2020 / Updated: October, 2023

Downtown Commercial Rehabilitation & Exterior Improvement Program – Application

Prior to submitting an application – applicants are encouraged to meet with Community & Economic Development Staff to review the program guidelines and proposed project.

Please contact the Economic Development Coordinator at:
507.333.0388 or dwanberg@ci.faribault.mn.us

Application Information

Applications must be submitted by the property owner(s) of the building.

Name(s) of Property Owner/Applicant		
Telephone Number:		
Email Address:		
Mailing Address:		
City:	State:	Zip:

Property Information		
<i>This Program is open to all commercial properties within the Central Business District and commercial addresses immediately adjacent the District – as shown on the attached map.</i>		
Address(es) of Eligible Property:		
Parcel ID (PID):		
Original Year of Construction:		
Business/Occupant(s):		
Has this property previously received public financing?	Yes	No
Has the applicant defaulted on any public financing in the last two years?	Yes	No
Are there any liens or judgements on the property?	Yes	No
Are the property taxes paid/current?	Yes	No

Project Information

Eligible expenses are limited to:
Permanent exterior improvements
Permanent façade improvements
Permanent interior improvements

Estimated Total Cost of proposed Rehabilitation and/or Façade Improvements:
(based on attached estimates)

Requested Loan Amount:
(based on Program scale)

Description of Proposed Improvements / Project

Justification / Impact of Project within Commercial Business District

Identify how the improvement is going to positively impact the Commercial Business District. Examples: Cleaning up façade disrepair; Preserving the building’s structural integrity; Creating a positive visual impact to the Downtown, Code compliance work.

Data Practices Act

The information that you supply in your application to the City of Faribault/Faribault EDA (“City”) will be used to assess you eligibility for financial assistance. The City will not be able to process your application without this information. The Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13) governs whether the information that you are providing to the City is public or private. If financial assistance is provided for the project, the information submitted in connection with your application will become public, except for those items protected under Minnesota Statutes, Section 13.59, Subdivision 3(b) or Section 13.591, Subdivision 2.

I/We have read the above statement and agree to supply the information to the City with full knowledge of the matters contained in this notice. **I/We** certify that the information submitted in conjunction with the application is true and accurate.

Property Owner/Applicant

Date

Co-Property Owner/Applicant

Date

City Staff or other authorized representative of the City shall have the right to inspect the property to be improved at any time from the date of application upon giving notice to the owner and to occupants.

I/We certify that all statements on this application are true and correct to the best of my/our knowledge. **I/We** understand that any intentional misstatements will be grounds for disqualification.

I/We have read the City of Faribault’s Downtown Commercial Rehabilitation and Exterior Improvement Program Policy and will abide by the rules and regulations set forth in the policy adopted on May, 21, 2020.

I/We authorize program representatives the right to access the property to be improved for the purposes of the deferred loan program and to take photographs of the structure before and after rehabilitation.

I/We understand that **I/we** are responsible for obtaining appropriate building permits and Certificate of Appropriateness. In the case of improvements that do not require a city-issued building permit, the applicant must submit the name and state license number of the contractor completing the work and agree to an inspection of the work by a city building official.

I/We further understand that **I/we** will make the final selection of the improvements to be made with the loan funds and that the contract for improvements will be solely between me and the contractor(s). The administering agency will not be liable for the inadequate performance of the contractor(s).

Property Owner/Applicant

Date

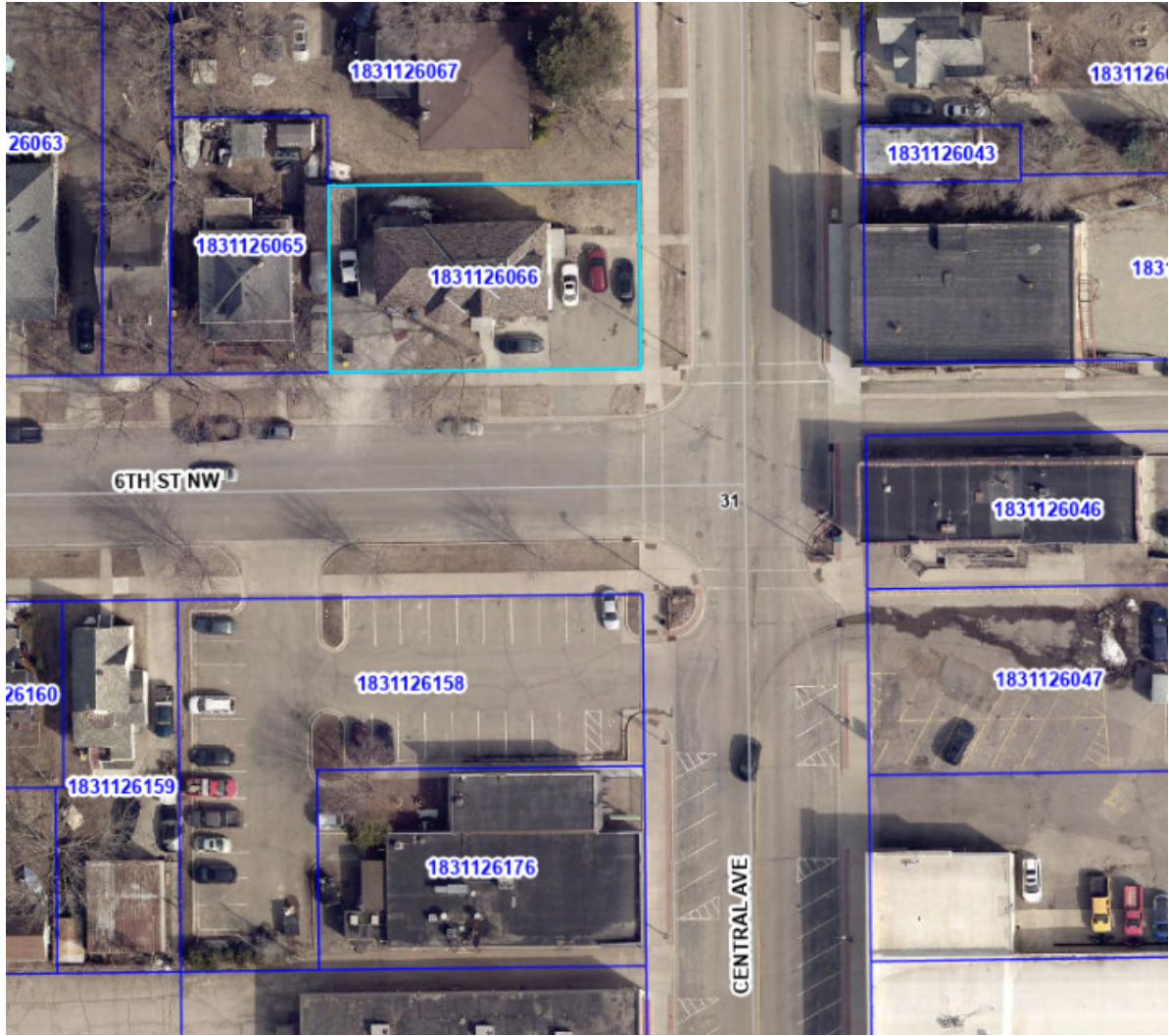
Co-Property Owner/Applicant

Date

Acknowledgements	
Please initial each to confirm that you have read and understand the program policy and guidelines.	
	I/We understand that awards are based on eligibility, availability, and completeness of application – approval is at the sole discretion of the EDA.
	I/We understand that I/We can only receive one award at a time (only one project – building/PID at a time).
	I/We understand that I/we have one year from the date of the loan award to complete the project and request payment of loan funds.
	I/We understand that the loan award funds will be dispersed upon receipt of paid invoices for the project and proof of payment at the end of the project.
	I/We are the owner of the commercial property to be improved.
	I/We are current with mortgage, real estate taxes, and insurance payments.
	I/We understand that if we have defaulted on a publically funded program or have been delinquent on loan payments for a publically funded program within the last two years, I/we are not eligible for this program.
	I/We understand that the building must be free of all lien and judgments.
	I/We understand that if the building is located within the HPC district – the project must receive approval by the Heritage Preservation Commission prior to the start of work.
	I/We understand that an inspection of the property will be conducted to determine that the proposed improvements are necessary for the building to conform to current code and property maintenance ordinances.
	I/We understand that I/we will be required to sign loan documents upon award, including a Promissory Note and Repayment Agreement.
	I/We understand that the loan will be forgiven if I/we maintain ownership of the building for three (3) years.
	I/We understand that if I/we sell the building or otherwise transfer all ownership interest within three (3) years – the loan must be repaid in its entirety.

Property Owner/Applicant	Title	Date
---------------------------------	--------------	-------------

Co-Property Owner/Applicant	Title	Date
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Map of 604 Central



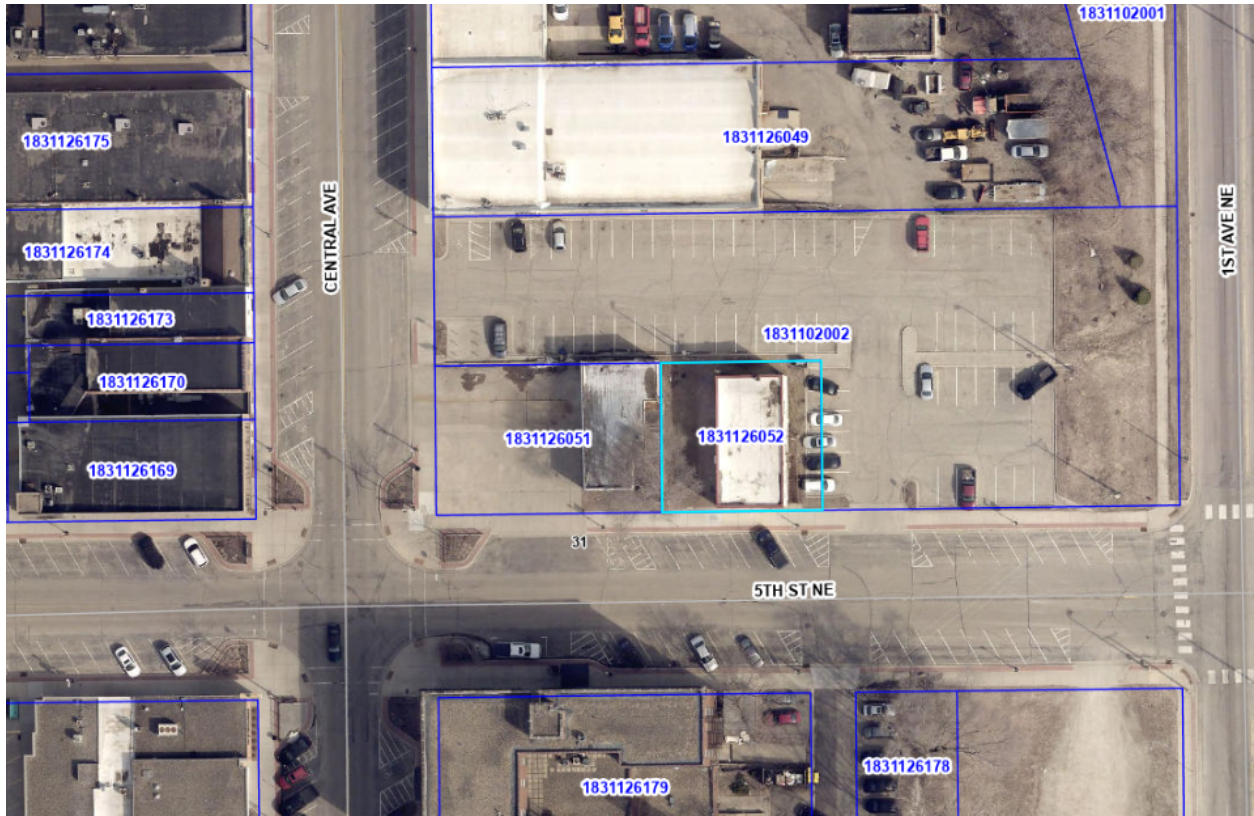
Street View of 604 Central



Map of 533 Central



Street View of 533 Central



Map of 16 5th Street NE



Street View of 16 5th Street NE



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, CED Director
THROUGH: David Wanberg, CED Director
MEETING DATE: July 17, 2025
SUBJECT: Provide Direction on Providing a Special Loan for the Demolition of the Former Mayo Clinic Building at 924 1st Street NE

BACKGROUND:

Think Biz LLC (the "Owner") is requesting an EDA loan to fund the demolition of the former clinic building at 924 1st Street NE (see the attached map). The Owner intends to ready the site for future rental townhomes. This is a blighted site that also presents life and safety concerns, as people have illegally entered the building for various purposes.

The Owner requests a \$210,000 loan to enable the building to be removed this summer. Refer to the attached Loan Request and Term Sheet for additional information. In short, the Owner is requesting a 5-year, 3.00% loan – interest only for Year 1, then fully amortizing principal and interest over the remaining four years. The City Attorney verified that this project would not require the EDA to follow the business subsidy procedures.

The Director supports providing the Owner with the requested EDA loan to demolish the former clinic building as soon as possible. If the EDA agrees, City staff will draft the loan agreements, which will include the required guarantee.

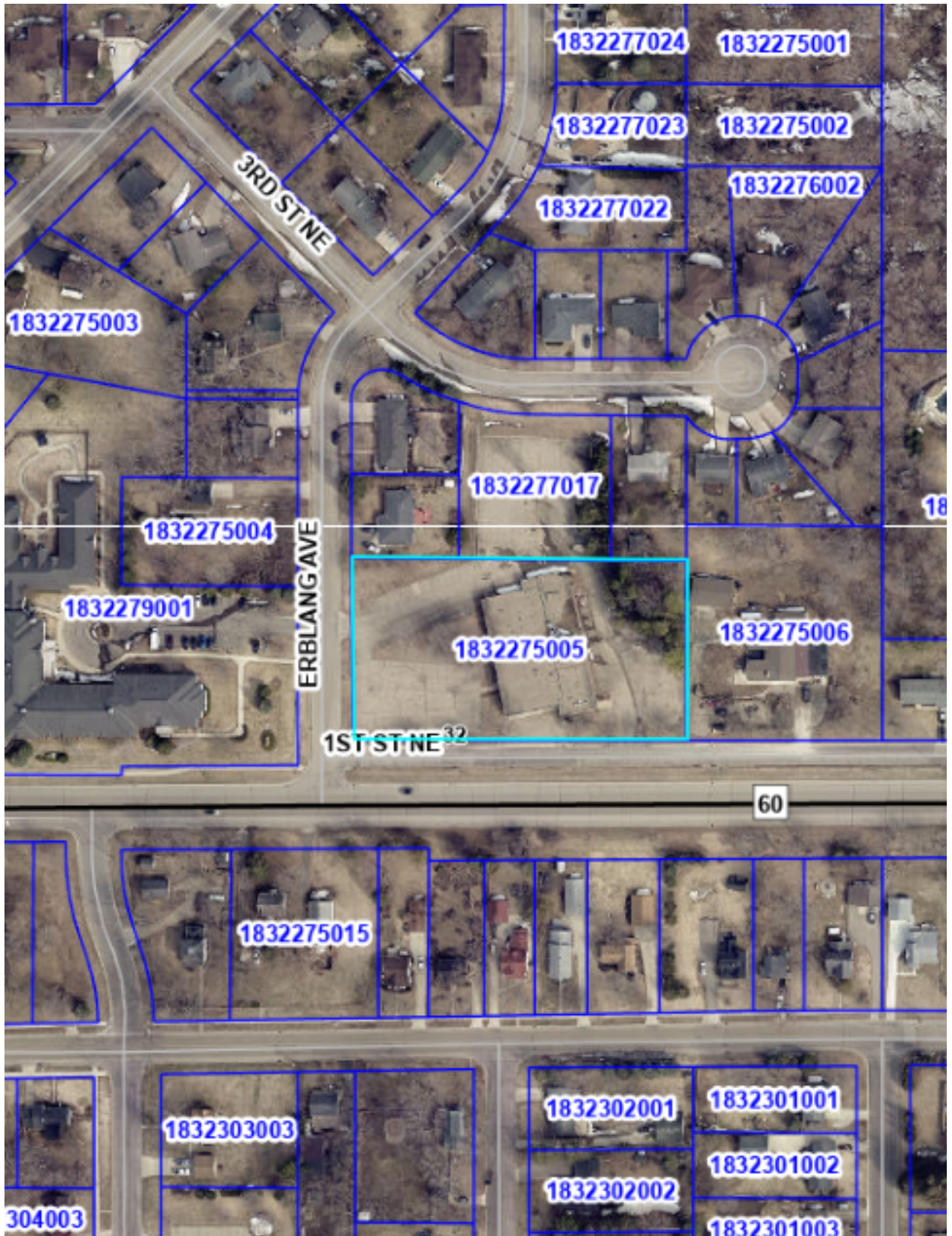
REQUESTED ACTION:

Direct City staff to draft a loan agreement based on the attached loan request and term sheet for approval at the EDA's August meeting.

ATTACHMENTS:

1. 924 1st NE
2. Demolition Loan Request

3. Demolition Quote



924 1st Street NE

LOAN REQUEST & TERM SHEET

Demolition Loan – 924 1st Street NE, Faribault, MN

Submitted to: Faribault Economic Development Authority (EDA)

Date: 7.10.25

1. Project Overview

Think Biz LLC is requesting a loan from the City of Faribault to fund the demolition of the former clinic building at 924 1st Street NE. This site is being prepared for the development of approximately 34 to 38 workforce rental townhomes, which will help address Faribault's critical need for high-quality workforce housing.

2. Purpose of Loan

To reimburse the developer for costs associated with the demolition of the existing vacant structure on site.

- **Use of Funds:** Demolition only
 - **Invoice Total:** \$210,000 (invoice attached)
-

3. Loan Request Details

Term	Description
Borrower	Think Biz LLC
Loan Amount	\$210,000
Loan Term	5 years
Interest Rate	3.00% fixed
Repayment Structure	Interest-only for Year 1, then fully amortizing principal + interest over remaining 4 years
Collateral	Subordinate mortgage on the property at 924 1st Street NE and personal or corporate guaranty
Disbursement Terms	Reimbursement upon submission of proof of demolition completion and paid invoice(s)
Loan Use Restriction	Funds to be used solely for demolition costs
Reporting Requirement	Annual updates on development status

Term	Description
Default Provisions	Full repayment due upon sale of property or failure to meet development milestones

4. Supporting Materials (Attached)

- Paid demolition invoice totaling \$210,000
 - Initial concept renderings for the proposed townhome development
 - Background narrative and redevelopment goals
-

5. Public Subsidy Clarification

Because this loan is used exclusively for demolition of a non-operational building and is fully repayable with interest, we believe it may fall outside the statutory definition of a “business subsidy” under MN Statutes § 116J.993–116J.995. We are open to further review by City staff and legal counsel, and we will provide a full repayment plan and development timeline for transparency

Jeff Jandro
PO Box 712
Faribault, MN 55021
507-330-2782

TO: Think Biz LLC
RE: Old Clinic

1) Timm's Trucking	\$128,720.00
2) Asbestrol Bid (\$60,510.00)	\$50,910.00
3) Jeff Jandro	\$28,500.00
Total	\$208,130.00



Ph: 507-685-2222 FAX: 507-685-2367
 Email: rtimm@timmstrucking.com

DATE 10/17/2024

TO Rebound Real estate LLC

SUBJECT "Old Clinc" Hwy 60 East
 Demo

Phone:
 Cell:
 email: jeffjandro@hotmail.com

Proposal for demolition

1 Acquire MPCA permit (notification of demolition)	
2 Demolish building and foundation, remove appliances	
3 Haul and dispose demo debris to proper landfill	
4 Cap water and sewer at the property line	
5 Remove portion of East asphalt parking lot, remove concrete walks	
6 Remove in place cat.II non-friable (water materials)	<u>\$104,150.00</u>
7 Remove AC units 17 Units @ \$210 each	<u>\$ 3,570.00</u>
8 Import Screened pit run @ \$10.50/ton x 2,000 ton	<u>\$ 21,000.00</u>
Total	<u><u>\$128,720.00</u></u>

Estimate does not include & is not limited to;
 Asbestos inspections or removal, moving utilities, erosion control,
 tree removal, topsoil

Note: Proposal may be withdrawn by us if not accepted within 30 days. All materials are guaranteed to be as specified and the above work to be performed in accordance with drawings and specifications and completed in substantial workmanlike manner. All payments to be made per monthly draw. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate.

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted.
 You are authorized to do the work as specified. Payment will be made as outlined above.
 Date _____

Signature _____

Signature _____

ASBESTROL INC.

LICENSED, EPA CERTIFIED
ASBESTOS ABATEMENT
REMOVAL, DISPOSAL & ENCAPSULANT

PO BOX 1041
AUSTIN, MN 55912
Phone (507)433-2390
Fax (507)433-4030
Email office@asbestrol.com

October 14, 2024

Think Biz, LLC
Jeff Jandro

Email: jeffjandro@hotmail.com
Phone Number: (507)330-2782

Scope of work – Removal and disposal of approximately 4360 ft² of asbestos containing floor tile under carpet, 1480 ft² of floor tile and mastic, 8 sinks, 240 ft² slate counter tops, 1660 ft² 2 layers floor tile and mastic under carpet, 15 ft² of counter top and 1383 ft² of transite board from building located at 924 1st ST NE Faribault, MN

Dear Jeff,
Asbestrol, Inc. will provide all labor and material necessary to remove and dispose of the defined materials in compliance with Federal, State and Local regulations for the sum of **\$60,510.00**

NOTE – Work to be done when building temperature is above 35°. Also, non-asbestos carpet and other building materials will be set aside. Snow removal to be done by others. Asbestrol will supply our own electric and water supply

Thank you for the opportunity to provide a quote for this project. If you have any questions, or to schedule the work, please contact our office.

Sincerely,

Brian Landherr

Brian Landherr
Manager

Approved by _____

Date _____

ASBESTROL, INC.

506 10th Street NE
 PO Box 1041
 Austin, MN 55912

Phone #	Fax #
507/433-2390	507/433-4030

DATE	INVOICE #
6/30/2025	10457

BILL TO
Think Biz. LLC Jeff Jandro jeffjandro@hotmail.com

P.O. NO.	TERMS
	Due Upon Receipt

ITEM	DESCRIPTION	AMOUNT
Quote	Removal and disposal of approximately 4360 ft ² of asbestos containing floor tile under carpet, 1480 ft ² of floor tile and mastic, 8 sinks, 240 ft ² slate counter tops, 1660 ft ² 2 layers floor tile and mastic under carpet, 15 ft ² of counter top and 1383 ft ² of transite board from building located at 924 1st ST NE Faribault, MN	50,910.00
No statement will be sent. Please pay from this invoice. Thank you		Sales Tax (6.875%) \$0.00
		Total \$50,910.00

Jeff Jandro
PO Box 712
Faribault, MN 55021
507-330-2782

TO: Think Biz LLC
RE: Old Clinic

1) Cap 1-6" Water Main "Sprinkler" Cap 1-1½" Water Service Cap Two Sewer Services (All at the Mains) Concrete and Asphalt Replacement	\$10,800.00
2) Supply and Place Silt Sock	\$1,200.00
3) Place and Pack 2,000 Tons of Material for Fill in the Old Foundation	\$12,500.00
4) Site Seeding	\$4,000.00
TOTAL	\$28,500.00



Request for Action

TO: Faribault Economic Development Authority

FROM: David Wanberg, CED Director

THROUGH: David Wanberg, CED Director

MEETING DATE: July 17, 2025

SUBJECT: Overview of the Hotel Feasibility Study
Authorized by the EDA

BACKGROUND:

Several hotel developers are interested in developing an upper-midscale hotel in Faribault. However, developers requested more clarity about the Faribault market, specifically if Faribault's industries and businesses (like the 3 Ten Event Venue) would have sufficient clientele to make such a hotel feasible. Additionally, Council members and others have inquired about the feasibility of establishing a brand hotel, or possibly a boutique hotel, in the downtown area.

To help answer these and related questions, the EDA authorized HVS, a leading specialist in hotel feasibility studies, to conduct a hotel feasibility study for Faribault. City staff collaborated with HVS to identify individuals to interview at leading industries, businesses, and institutions. Staff also identified potential sites for hotel development.

HVS conducted interviews, reviewed Smith Travel Research trend reports, analyzed data of other hotels in the region, and contacted hotel affiliations to determine if Faribault could support an upper-midscale hotel. HVS concluded the following:

1. Assuming an opening date of May 2027, Faribault could accommodate a 70- to 80-room franchise-affiliated hotel, such as a Hampton by Hilton, Fairfield by Marriott, or Holiday Inn Express.
2. While an upper-midscale hotel in Faribault may accommodate some corporate clients, leisure and group travelers associated with sporting events, weddings, and similar activities would likely provide a higher number of clients.
3. Given the limited number of events requiring lodging options in Faribault, the hotel must also cater to passersby on Interstate Highway 35. As such, the hotel would need visibility and convenient

access from Interstate Highway 35. It would also need to be close to desirable restaurants, retail, and/or other amenities.

4. It is unlikely that a franchise-affiliated hotel would locate in the downtown area. A small, private boutique hotel (similar to the Inn at Shattuck) may be a viable option.
5. The hotel should have a fitness room, a market pantry, an indoor pool, and a complimentary breakfast area that can serve as a meeting room for 25-50 people.

Based on City staff's conversations with HVS, here are some additional thoughts on Faribault's hotel situation:

1. Existing and planned hotels in Owatonna and the Lakeville/Burnsville area provide significant competition for those looking for an upper-midscale hotel in the area. While a new hotel in Faribault would help provide local lodging options for some corporate clients and those attending weddings and other events, a new hotel would also need to attract passersby. Discussions of a new hotel in Faribault should also include discussions about restaurants and other amenities that would encourage people to stay in Faribault over Owatonna, Lakeville, and Burnsville.
2. The most likely locations for a new hotel in Faribault are at the I-35 and State Highway 60 and the I-35 and State Highway 3 interchanges.
3. If any existing Faribault hotel closes or redevelops into a different use, it would likely not increase the demand for a new upper-midscale hotel in Faribault.
4. Hotel development costs have increased significantly. Development costs will likely be in the range of \$150,000 to \$200,000 per room. HVS stated that a new hotel would likely require financial incentives.

In short, the market could support a new 70- to 80-unit, upper-midscale hotel in Faribault if it is near amenities and visible from I-35. Financial incentives may be needed for the development. City staff will continue to work with property owners and hotel developers. Staff will update the EDA as more information becomes available.

REQUESTED ACTION:

Receive and file the Hotel Feasibility Study. Authorize distribution of the Study to Interested Parties.

ATTACHMENTS:

1. Hotel Feasibility Study



HVS STUDY RESULTS

Proposed Faribault Hotel

FARIBAULT, MINNESOTA

HVS Study Results - Selected Tables

Project:	Proposed Faribault Hotel
Location:	Faribault Exit of Interstate 35
Date of Inspection:	April 3, 2025
Date of Report:	July 9, 2025
HVS Associate Name:	Tanya J. Pierson, MAI and Kaitlyn R. Hennessy
Assumed Opening Date:	May 1, 2027

During the months of April and May of 2025, numerous interviews and surveys in the market were conducted with demand generators including area businesses, event facilities, and schools. In addition, we spoke with members of the business community, as well as lodging facilities in the area. Market trends were utilized to illustrate the expected seasonal numbers based on the annual and monthly figures provided by the market respondents.

Based on our interviews conducted in the market, it would be our recommendation for a site with favorable access and visibility from Interstate 35 and proximate to retail and restaurants, as this is the main corridor throughout the region with direct access to/from the Minneapolis-St. Paul metropolitan area.

While some corporate demand exists in the immediate area, there is significant demand from leisure and group travelers in the Faribault, mostly associated with sporting events, school events, and weddings. Given the demand that exists in the greater Faribault area, our projections assume the development of a 70- to 80-room limited-service, franchise affiliated hotel. Our projections reflect an 80-room hotel, with recommended amenities inclusive of a fitness room, market pantry, indoor pool, and complimentary breakfast area. Our projections assume the property is branded with a well-recognized upper midscale hotel affiliation such as Hampton by Hilton, Fairfield by Marriott, or Holiday Inn Express. Our interviews with demand generators in the area indicated that that a recognizable hotel affiliation would be preferred for their travelers for loyalty programs and product consistency.

Based on information obtained during these conversations as well as industry data from STR and our in-house database, the following tables reflect our projections for a proposed hotel in Faribault, Minnesota with an assumed opening date of May 1, 2027.

FIGURE 1-1 PROPOSED FACILITIES SUMMARY

Guestroom Configuration	Number of Units
Queen/Queen	at least 50%
King	remainder
Suites	1 to 5%
Total	80 rooms
Food & Beverage Facilities	
Breakfast Dining Area	
Indoor Meeting & Banquet Facilities	
Meeting Room	25 to 50 people
Amenities & Services	
Market Pantry	Fitness Room
Lobby Workstation	Indoor Swimming Pool

FIGURE 1-2 HISTORICAL SUPPLY AND DEMAND TRENDS

Year	Average Daily Room Count	Available Room Nights	Change	Occupied Room Nights	Change	Occupancy	Average Rate	Change	RevPAR	Change	
2012	615	224,475	—	118,379	—	52.7 %	\$89.31	—	\$47.10	—	
2013	614	224,292	(0.1) %	122,759	3.7 %	54.7	90.29	1.1 %	49.42	4.9 %	
2014	612	223,380	(0.4)	127,408	3.8	57.0	92.54	2.5	52.78	6.8	
2015	612	223,380	0.0	126,163	(1.0)	56.5	97.44	5.3	55.03	4.3	
2016	612	223,380	0.0	128,985	2.2	57.7	100.71	3.4	58.15	5.7	
2017	612	223,380	0.0	136,438	5.8	61.1	99.36	(1.3)	60.69	4.4	
2018	631	230,495	3.2	131,017	(4.0)	56.8	103.41	4.1	58.78	(3.1)	
2019	720	262,979	14.1	146,758	12.0	55.8	105.58	2.1	58.92	0.2	
2020	800	291,968	11.0	115,740	(21.1)	39.6	91.31	(13.5)	36.20	(38.6)	
2021	805	293,794	0.6	161,404	39.5	54.9	108.57	18.9	59.65	64.8	
2022	846	308,760	5.1	173,621	7.6	56.2	125.28	15.4	70.45	18.1	
2023	907	331,055	7.2	180,879	4.2	54.6	133.03	6.2	72.68	3.2	
2024	963	351,635	6.2	192,054	6.2	54.6	132.17	(0.6)	72.19	(0.7)	
Year-to-Date Through March											
2024	907	81,630	—	36,625	—	44.9	\$127.02	—	\$56.99	—	
2025	991	89,190	9.3 %	39,199	7.0 %	43.9	127.10	0.1 %	55.86	(2.0) %	
Average Annual Compounded Change:											
2012 – 2019			2.3 %	2012 – 2019			3.1 %	2012 – 2019			3.2 %
2012 – 2024			3.8	2012 – 2024			4.1	2012 – 2024			3.6

Hotels Included in Sample	Class	Number of Rooms	Year Affiliated	Year Opened
Baymont by Wyndham Owatonna	Midscale Class	90	Jul 2016	Jun 1992
Country Inn & Suites Northfield	Upper Midscale Class	54	May 1993	May 1993
Country Inn & Suites Owatonna	Upper Midscale Class	48	May 1995	May 1995
Comfort Inn Owatonna Near Medical Center	Upper Midscale Class	62	Nov 1998	Nov 1998
Days Inn by Wyndham Faribault	Economy Class	57	May 2001	May 1999
AmericInn Lodge & Suites Northfield	Midscale Class	41	May 2000	May 2000
Quality Inn Owatonna Near Medical Center	Midscale Class	62	Jul 2020	Jun 2000
Holiday Inn & Suites Minneapolis Lakeville	Upper Midscale Class	131	Nov 2006	Nov 2006
GrandStay Faribault	Upper Midscale Class	59	Aug 2009	Aug 2009
Fairfield Inn & Suites Northfield	Upper Midscale Class	80	May 2020	Oct 2018
Hampton Inn by Hilton Lakeville Minneapolis	Upper Midscale Class	117	Oct 2019	Oct 2019
Courtyard by Marriott Owatonna Downtown	Upscale Class	106	Aug 2022	Aug 2022
Home2 Suites by Hilton Owatonna	Upper Midscale Class	84	May 2024	May 2024
Total		991		

Source: STR

FIGURE 1-3 SEASONALITY

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
High Season - June, July, August, September, October												
Occupancy	64.4 %	65.8 %	67.2 %	67.2 %	70.3 %	65.9 %	64.4 %	48.3 %	66.9 %	64.5 %	62.3 %	63.2 %
Average Rate	\$91.27	\$94.10	\$98.24	\$103.41	\$101.31	\$103.87	\$108.20	\$90.84	\$117.67	\$131.65	\$138.27	\$135.78
RevPAR	58.79	61.89	65.99	69.50	71.20	68.44	69.69	43.90	78.75	84.89	86.12	85.79
Shoulder Season - February, March, April, May, November												
Occupancy	50.0 %	52.4 %	50.4 %	51.8 %	55.6 %	52.0 %	53.2 %	32.2 %	49.3 %	52.8 %	50.4 %	50.6 %
Average Rate	\$89.21	\$91.20	\$96.30	\$98.03	\$97.46	\$104.07	\$103.35	\$91.86	\$97.96	\$119.15	\$129.21	\$129.00
RevPAR	44.58	47.80	48.49	50.78	54.20	54.11	54.99	29.60	48.31	62.90	65.19	65.30
Low Season - January, December												
Occupancy	42.3 %	46.7 %	44.9 %	48.7 %	51.6 %	46.6 %	41.5 %	35.8 %	39.0 %	43.7 %	45.9 %	42.1 %
Average Rate	\$89.71	\$90.76	\$97.54	\$98.40	\$97.78	\$100.15	\$102.57	\$91.72	\$102.48	\$119.08	\$125.62	\$127.33
RevPAR	37.96	42.35	43.82	47.95	50.44	46.69	42.61	32.87	39.92	51.99	57.68	53.65

Source: STR

FIGURE 1-4 AVERAGE DAILY OCCUPANCY PATTERNS BY MONTH

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Month
Apr - 24	33.1 %	53.5 %	61.7 %	62.3 %	56.7 %	55.0 %	58.3 %	54.6 %
May - 24	34.7	51.9	62.1	60.2	52.8	68.6	73.9	58.0
Jun - 24	39.2	65.3	72.0	67.5	64.2	78.9	77.8	65.9
Jul - 24	42.6	58.4	64.5	58.0	56.2	74.1	71.5	60.7
Aug - 24	43.1	66.7	74.2	71.1	62.0	70.8	78.9	67.1
Sep - 24	41.8	61.4	68.8	63.0	55.0	69.4	77.0	61.6
Oct - 24	38.8	59.5	65.3	60.8	55.4	70.9	73.7	60.6
Nov - 24	29.5	49.3	50.7	52.5	44.3	48.3	48.4	46.3
Dec - 24	26.1	39.1	44.2	43.0	39.3	53.5	60.1	42.9
Jan - 25	25.8	39.7	44.7	38.1	31.2	54.5	62.7	42.3
Feb - 25	24.8	43.8	48.5	47.6	35.9	45.2	52.4	42.6
Mar - 25	28.2	46.1	59.4	55.2	43.8	47.8	51.3	46.9
Average	34.0 %	52.8 %	59.6 %	56.4 %	49.7 %	61.4 %	65.4 %	54.2 %

Source: STR

FIGURE 1-5 AVERAGE DAILY ADR PATTERNS BY MONTH

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Month
Apr - 24	\$114.39	\$113.77	\$115.96	\$116.21	\$121.15	\$147.72	\$152.99	\$125.78
May - 24	115.87	119.14	118.41	119.29	124.51	163.45	168.41	136.16
Jun - 24	117.97	121.65	122.35	119.91	130.21	166.69	168.45	138.66
Jul - 24	121.66	119.18	120.26	122.87	123.12	148.22	151.54	130.12
Aug - 24	118.43	123.18	126.53	126.29	124.67	153.42	158.26	135.72
Sep - 24	124.98	124.12	127.66	121.53	120.29	156.28	161.37	134.97
Oct - 24	117.11	120.27	120.88	120.44	127.86	180.48	177.27	139.29
Nov - 24	116.07	117.64	120.17	117.78	118.11	141.89	144.67	126.89
Dec - 24	113.94	112.30	119.81	112.86	118.37	150.44	150.47	127.53
Jan - 25	116.79	115.74	116.33	115.24	115.24	141.94	147.39	127.28
Feb - 25	118.56	117.53	117.68	117.94	118.96	140.08	147.97	126.65
Mar - 25	118.36	120.01	118.51	120.13	118.34	141.77	148.51	127.32
Average	\$118.28	\$119.13	\$120.68	\$119.68	\$122.60	\$154.12	\$157.65	\$132.12

Source: STR

FIGURE 1-6 NEW SUPPLY

Proposed Property	Number of Rooms	Property Type	Address/Location	Estimated Opening Date	Development Stage
Proposed Faribault Hotel	80	Limited-Service	Faribault Exit off of I-35	May 1, 2027	Early Development
DoubleTree by Hilton	107	Full-Service	2365 NW 43rd Street, Owatonna	June 1, 2025	Under Construction
Totals/Averages	187				

FIGURE 1-7 ACCOMMODATED-ROOM-NIGHT DEMAND – BASE YEAR

Market Segment	2024 Marketwide	
	Accommodated Demand	Percentage of Total
Commercial	112,894	55 %
Meeting and Group	24,847	12
Leisure	66,336	33
Total	204,077	100 %

Based on interviews with economic officials in the area, as well as evaluation of demographic forecasts, seasonality and weekly patterns trends, and new supply, the following table illustrates our estimate of marketwide occupancy

FIGURE 1-8 FORECAST OF MARKET OCCUPANCY

	2024	2025	2026	2027	2028	2029
Commercial						
Base Demand	112,894	116,281	122,095	124,537	127,027	128,298
Growth Rate		3.0 %	5.0 %	2.0 %	2.0 %	1.0 %
Meeting and Group						
Base Demand	24,847	26,089	27,394	28,763	29,626	29,922
Growth Rate		5.0 %	5.0 %	5.0 %	3.0 %	1.0 %
Leisure						
Base Demand	66,336	72,969	75,888	79,683	83,667	85,340
Growth Rate		10.0 %	4.0 %	5.0 %	5.0 %	2.0 %
Totals						
Base Demand	204,077	215,339	225,377	232,983	240,320	243,560
Overall Demand Growth	6.6 %	5.5 %	4.7 %	3.4 %	3.1 %	1.3 %
Market Mix						
Commercial	55.3 %	54.0 %	54.2 %	53.5 %	52.9 %	52.7 %
Meeting and Group	12.2	12.1	12.2	12.3	12.3	12.3
Leisure	32.5	33.9	33.7	34.2	34.8	35.0
Existing Hotel Supply	1,037	1,065	1,065	1,065	1,065	1,065
Proposed Hotels						
Proposed Faribault Hotel ¹				54	80	80
DoubleTree by Hilton ²		63	107	107	107	107
Available Room Nights per Year	378,645	411,623	427,780	447,380	456,980	456,980
Nights per Year	365	365	365	365	365	365
Total Supply	1,037	1,128	1,172	1,226	1,252	1,252
Rooms Supply Growth		8.7 %	3.9 %	4.6 %	2.1 %	0.0 %
Marketwide Occupancy	53.9 %	52.3 %	52.7 %	52.1 %	52.6 %	53.3 %

¹ Opening in May 2027 of the 100% competitive, 80-room Proposed Faribault Hotel

² Opening in June 2025 of the 100% competitive, 107-room DoubleTree by Hilton

FIGURE 1-9 FORECAST OF SUBJECT PROPERTY'S OCCUPANCY

Market Segment	2027	2028	2029	2030
Commercial				
Demand	124,537	127,027	128,298	128,298
Market Share	4.3 %	6.6 %	7.2 %	7.2 %
Capture	5,360	8,350	9,179	9,179
Penetration	98 %	103 %	112 %	112 %
Meeting and Group				
Demand	28,763	29,626	29,922	29,922
Market Share	3.9 %	6.3 %	6.3 %	6.3 %
Capture	1,131	1,880	1,899	1,899
Penetration	90 %	99 %	99 %	99 %
Leisure				
Demand	79,683	83,667	85,340	85,340
Market Share	4.9 %	7.5 %	7.5 %	7.5 %
Capture	3,911	6,270	6,396	6,396
Penetration	112 %	117 %	117 %	117 %
Total Room Nights Captured	10,402	16,500	17,473	17,473
Available Room Nights	19,600	29,200	29,200	29,200
Subject Occupancy	53 %	57 %	60 %	60 %
Market-wide Available Room Nights	447,380	456,980	456,980	456,980
Fair Share	4 %	6 %	6 %	6 %
Market-wide Occupied Room Nights	232,983	240,320	243,560	243,560
Market Share	4 %	7 %	7 %	7 %
Market-wide Occupancy	52 %	53 %	53 %	53 %
Total Penetration	102 %	107 %	112 %	112 %

FIGURE 1-10 ADR FORECAST – MARKET AND SUBJECT PROPERTY

Calendar Year	<i>Historical</i>						
	2024	2025	2026	2027	2028	2029	2030
Market ADR	\$130.07	\$130.07	\$132.67	\$136.65	\$140.75	\$144.97	\$149.32
Projected Market ADR Growth Rate		0.0%	2.0%	3.0%	3.0%	3.0%	3.0%
Proposed Subject Property ADR (As-If Stabilized)	\$145.00	\$145.00	\$147.90	\$152.34	\$156.91	\$161.61	\$166.46
ADR Growth Rate		0.0%	2.0%	3.0%	3.0%	3.0%	3.0%
Proposed Subject Stabilized ADR Penetration	111%	111%	111%	111%	111%	111%	111%
Fiscal Year							
				2027/28	2028/29	2029/30	2030/31
Proposed Subject Property Average Rate				\$153.84	\$158.45	\$163.21	\$168.10
Opening Discount				3.0%	0.0%	0.0%	0.0%
Average Rate After Discount				\$149.22	\$158.45	\$163.21	\$168.10
Real Average Rate Growth				—	6.2%	3.0%	3.0%
Market ADR				\$137.99	\$142.13	\$146.40	\$150.79
Proposed Subject ADR Penetration (After Discount)				108%	111%	111%	111%
ADR Expressed in Base-Year Dollars Deflated @ Inflation Rate				\$135.22	\$139.40	\$139.40	\$139.40

FIGURE 1-11 FORECASTS OF OCCUPANCY, AVERAGE RATE, AND REVPAR

Year	Occupancy	Average Rate Before Discount	Discount	Average Rate After Discount	ADR % Change	RevPAR	RevPAR % Change
2027/28	54 %	\$153.84	3.0 %	\$149.22	-0.1 %	\$80.58	—
2028/29	58	158.45	0.0	158.45	6.2	91.90	14.1 %
2029/30	60	163.21	0.0	163.21	3.0	97.93	6.6
2030/31	60	168.10	0.0	168.10	3.0	100.86	3.0

Our projection of income and expense reflect typical operating expenses for a limited-service hotel, inclusive of management fees, property taxes, insurance, and reserve for replacement.

FIGURE 1-12 DETAILED FORECAST OF INCOME AND EXPENSE

	2027/28 Begins May				2028/29				Stabilized				2030/31			
Number of Rooms:	80				80				80				80			
Occupancy:	54%				58%				60%				60%			
Average Rate:	\$149.22				\$158.45				\$163.21				\$168.10			
RevPAR:	\$80.58				\$91.90				\$97.92				\$100.86			
Days Open:	365				365				365				365			
Occupied Rooms:	15,768	%Gross	PAR	POR	16,936	%Gross	PAR	POR	17,520	%Gross	PAR	POR	17,520	%Gross	PAR	POR
OPERATING REVENUE																
Rooms	\$2,353	98.2 %	\$29,412	\$149.22	\$2,684	98.4 %	\$33,545	\$158.45	\$2,859	98.4 %	\$35,743	\$163.21	\$2,945	98.4 %	\$36,815	\$168.10
Other Operated Departments	23	1.0	293	1.49	25	0.9	308	1.46	26	0.9	320	1.46	26	0.9	330	1.51
Miscellaneous Income	19	0.8	234	1.19	20	0.7	246	1.16	21	0.7	256	1.17	21	0.7	264	1.21
Total Operating Revenues	2,395	100.0	29,940	151.90	2,728	100.0	34,099	161.07	2,906	100.0	36,320	165.84	2,993	100.0	37,409	170.82
DEPARTMENTAL EXPENSES *																
Rooms	647	27.5	8,086	41.02	685	25.5	8,560	40.43	715	25.0	8,936	40.80	736	25.0	9,204	42.03
Other Operated Departments	13	56.2	165	0.84	14	55.4	171	0.81	14	55.0	176	0.80	15	55.0	182	0.83
Total Expenses	660	27.6	8,250	41.86	698	25.6	8,730	41.24	729	25.1	9,112	41.61	751	25.1	9,385	42.86
DEPARTMENTAL INCOME	1,735	72.4	21,689	110.04	2,030	74.4	25,369	119.83	2,177	74.9	27,208	124.24	2,242	74.9	28,024	127.96
UNDISTRIBUTED OPERATING EXPENSES																
Administrative & General	257	10.7	3,207	16.27	271	9.9	3,382	15.97	281	9.7	3,512	16.04	289	9.7	3,618	16.52
Info & Telecom Systems	47	2.0	588	2.98	50	1.8	620	2.93	52	1.8	644	2.94	53	1.8	663	3.03
Marketing	126	5.2	1,571	7.97	126	4.6	1,578	7.45	131	4.5	1,639	7.48	135	4.5	1,688	7.71
Franchise Fee	235	9.8	2,941	14.92	268	9.8	3,354	15.85	286	9.8	3,574	16.32	295	9.8	3,681	16.81
Prop. Operations & Maint.	92	3.9	1,154	5.86	103	3.8	1,285	6.07	112	3.9	1,405	6.42	116	3.9	1,447	6.61
Utilities	111	4.6	1,390	7.05	117	4.3	1,465	6.92	122	4.2	1,522	6.95	125	4.2	1,568	7.16
Total Expenses	868	36.2	10,851	55.05	935	34.2	11,685	55.20	984	33.9	12,296	56.15	1,013	33.9	12,665	57.83
GROSS OPERATING PROFIT	867	36.2	10,838	54.99	1,095	40.1	13,684	64.64	1,193	41.1	14,911	68.09	1,229	41.1	15,359	70.13
Management Fee	72	3.0	898	4.56	82	3.0	1,023	4.83	87	3.0	1,090	4.98	90	3.0	1,122	5.12
INCOME BEFORE NON-OPR. INC. & EXP.	795	33.2	9,940	50.43	1,013	37.1	12,661	59.81	1,106	38.1	13,822	63.11	1,139	38.1	14,236	65.01
NON-OPERATING INCOME & EXPENSE																
Property Taxes	142	5.9	1,772	8.99	183	6.7	2,281	10.78	188	6.5	2,350	10.73	194	6.5	2,420	11.05
Insurance	57	2.4	717	3.64	59	2.2	739	3.49	61	2.1	761	3.47	63	2.1	784	3.58
Total Expenses	199	8.3	2,489	12.63	242	8.9	3,020	14.27	249	8.6	3,111	14.20	256	8.6	3,204	14.63
EBITDA	596	24.9	7,450	37.80	771	28.2	9,641	45.54	857	29.5	10,711	48.91	883	29.5	11,032	50.38
Reserve for Replacement	48	2.0	599	3.04	82	3.0	1,023	4.83	116	4.0	1,453	6.63	120	4.0	1,496	6.83
EBITDA LESS RESERVE	\$548	22.9 %	\$6,852	\$34.76	\$689	25.3 %	\$8,618	\$40.71	\$741	25.5 %	\$9,258	\$42.27	\$763	25.5 %	\$9,536	\$43.54

*Departmental expenses are expressed as a percentage of departmental revenues.

FIGURE 1-13 TEN-YEAR FORECAST OF INCOME AND EXPENSE

	2027/28		2028/29		2029/30		2030/31		2031/32		2032/33		2033/34		2034/35		2035/36		2036/37	
Number of Rooms:	80		80		80		80		80		80		80		80		80		80	
Occupied Rooms:	15,768		16,936		17,520		17,520		17,520		17,520		17,520		17,520		17,520		17,520	
Occupancy:	54%		58%		60%		60%		60%		60%		60%		60%		60%		60%	
Average Rate:	\$149.22	% of	\$158.45	% of	\$163.21	% of	\$168.10	% of	\$173.15	% of	\$178.34	% of	\$183.69	% of	\$189.20	% of	\$194.88	% of	\$200.73	% of
RevPAR:	\$80.58	Gross	\$91.90	Gross	\$97.92	Gross	\$100.86	Gross	\$103.89	Gross	\$107.01	Gross	\$110.22	Gross	\$113.52	Gross	\$116.93	Gross	\$120.44	Gross
OPERATING REVENUE																				
Rooms	\$2,353	98.2 %	\$2,684	98.4 %	\$2,859	98.4 %	\$2,945	98.4 %	\$3,034	98.4 %	\$3,125	98.4 %	\$3,218	98.4 %	\$3,315	98.4 %	\$3,414	98.4 %	\$3,517	98.4 %
Other Operated Departments	23	1.0	25	0.9	26	0.9	26	0.9	27	0.9	28	0.9	29	0.9	30	0.9	31	0.9	32	0.9
Miscellaneous Income	19	0.8	20	0.7	21	0.7	21	0.7	22	0.7	22	0.7	23	0.7	24	0.7	24	0.7	25	0.7
Total Operating Revenues	2,395	100.0	2,728	100.0	2,906	100.0	2,993	100.0	3,083	100.0	3,175	100.0	3,270	100.0	3,368	100.0	3,469	100.0	3,573	100.0
DEPARTMENTAL EXPENSES *																				
Rooms	647	27.5	685	25.5	715	25.0	736	25.0	758	25.0	781	25.0	805	25.0	829	25.0	854	25.0	879	25.0
Other Operated Departments	13	56.2	14	55.4	14	55.0	15	55.0	15	55.0	15	55.0	16	55.0	16	55.0	17	55.0	17	55.0
Total Expenses	660	27.6	698	25.6	729	25.1	751	25.1	773	25.1	797	25.1	820	25.1	845	25.1	870	25.1	897	25.1
DEPARTMENTAL INCOME																				
	1,735	72.4	2,030	74.4	2,177	74.9	2,242	74.9	2,309	74.9	2,378	74.9	2,450	74.9	2,523	74.9	2,599	74.9	2,677	74.9
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	257	10.7	271	9.9	281	9.7	289	9.7	298	9.7	307	9.7	316	9.7	326	9.7	336	9.7	346	9.7
Info & Telecom Systems	47	2.0	50	1.8	52	1.8	53	1.8	55	1.8	56	1.8	58	1.8	60	1.8	62	1.8	63	1.8
Marketing	126	5.2	126	4.6	131	4.5	135	4.5	139	4.5	143	4.5	148	4.5	152	4.5	157	4.5	161	4.5
Franchise Fee	235	9.8	268	9.8	286	9.8	295	9.8	303	9.8	312	9.8	322	9.8	331	9.8	341	9.8	352	9.8
Prop. Operations & Maint.	92	3.9	103	3.8	112	3.9	116	3.9	119	3.9	123	3.9	126	3.9	130	3.9	134	3.9	138	3.9
Utilities	111	4.6	117	4.3	122	4.2	125	4.2	129	4.2	133	4.2	137	4.2	141	4.2	145	4.2	150	4.2
Total Expenses	868	36.2	935	34.2	984	33.9	1,013	33.9	1,044	33.9	1,075	33.9	1,107	33.9	1,140	33.9	1,175	33.9	1,210	33.9
GROSS OPERATING PROFIT																				
	867	36.2	1,095	40.1	1,193	41.1	1,229	41.1	1,266	41.1	1,304	41.1	1,343	41.1	1,383	41.1	1,424	41.1	1,467	41.1
Management Fee	72	3.0	82	3.0	87	3.0	90	3.0	92	3.0	95	3.0	98	3.0	101	3.0	104	3.0	107	3.0
INCOME BEFORE NON-OPR. INC. & EXP.																				
	795	33.2	1,013	37.1	1,106	38.1	1,139	38.1	1,173	38.1	1,208	38.1	1,245	38.1	1,282	38.1	1,320	38.1	1,360	38.1
NON-OPERATING INCOME & EXPENSE																				
Property Taxes	142	5.9	183	6.7	188	6.5	194	6.5	199	6.5	205	6.5	212	6.5	218	6.5	224	6.5	231	6.5
Insurance	57	2.4	59	2.2	61	2.1	63	2.1	65	2.1	67	2.1	69	2.1	71	2.1	73	2.1	75	2.1
Total Expenses	199	8.3	242	8.9	249	8.6	256	8.6	264	8.6	272	8.6	280	8.6	288	8.6	297	8.6	306	8.6
EBITDA																				
	596	24.9	771	28.2	857	29.5	883	29.5	909	29.5	936	29.5	964	29.5	993	29.5	1,023	29.5	1,054	29.5
Reserve for Replacement	48	2.0	82	3.0	116	4.0	120	4.0	123	4.0	127	4.0	131	4.0	135	4.0	139	4.0	143	4.0
EBITDA LESS RESERVE																				
	\$548	22.9 %	\$689	25.3 %	\$741	25.5 %	\$763	25.5 %	\$786	25.5 %	\$809	25.5 %	\$834	25.5 %	\$859	25.5 %	\$884	25.5 %	\$911	25.5 %

Our positioning of each revenue and expense level is supported by comparable operations or trends specific to this market.

FIGURE 1-14 COMPARABLE OPERATING STATEMENTS: RATIO TO SALES

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Def. Stabilized
Number of Rooms:	90 to 130	50 to 70	80 to 110	80 to 110	70 to 100	80
Days Open:	365	365	365	365	365	365
Occupancy:	65%	66%	65%	62%	60%	60%
Average Rate:	\$139	\$120	\$126	\$125	\$129	\$139
RevPAR:	\$90	\$79	\$82	\$78	\$77	\$84
REVENUE						
Rooms	98.8 %	99.2 %	98.8 %	98.1 %	99.0 %	98.4 %
Other Operated Departments	0.4	0.5	0.9	1.0	1.0	0.9
Miscellaneous Income	0.7	0.3	0.4	0.9	0.0	0.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
DEPARTMENTAL EXPENSES*						
Rooms	25.6	22.1	25.1	25.8	22.8	25.0
Other Operated Departments	90.4	43.6	54.2	16.7	0.0	55.0
Total	25.7	22.1	25.3	25.5	22.6	25.1
DEPARTMENTAL INCOME	74.3	77.9	74.7	74.5	77.4	74.9
UNDISTRIBUTED OPERATING EXPENSES						
Administrative & General	9.2	14.9	10.2	8.7	10.1	9.7
Info. and Telecom. Systems	0.6	2.2	0.9	1.1	0.1	1.8
Marketing	4.6	8.7	4.2	7.5	4.7	4.5
Franchise Fee	10.0	5.9	6.9	9.8	11.0	9.8
Property Operations & Maintenance	2.8	2.9	3.7	6.4	4.5	3.9
Utilities	3.5	2.8	5.6	4.2	3.8	4.2
Total	30.7	37.5	31.5	37.6	34.2	33.9
GROSS OPERATING PROFIT	43.6	40.4	43.2	36.9	43.2	41.1
Management Fee	3.9	3.0	3.0	5.9	4.7	3.0
INCOME BEFORE NON-OPER. INC. & EXP.	39.7	37.3	40.3	31.0	38.4	38.1
EBITDA LESS RESERVE	35.8 %	27.0 %	33.4 %	25.3 %	35.2 %	25.5 %

* Departmental expense ratios are expressed as a percentage of departmental revenues

FIGURE 1-15 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER AVAILABLE ROOM

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Def. Stabilized
Number of Rooms:	90 to 130	50 to 70	80 to 110	80 to 110	70 to 100	80
Days Open:	365	365	365	365	365	365
Occupancy:	65%	66%	65%	62%	60%	60%
Average Rate:	\$139	\$120	\$126	\$125	\$129	\$139
RevPAR:	\$90	\$79	\$82	\$78	\$77	\$84
REVENUE						
Rooms	\$32,873	\$28,811	\$30,091	\$28,483	\$28,215	\$30,530
Other Operated Departments	146	145	260	288	273	274
Miscellaneous Income	243	79	115	249	0	219
Total	33,263	29,035	30,466	29,021	28,488	31,022
DEPARTMENTAL EXPENSES						
Rooms	8,409	6,362	7,552	7,357	6,442	7,632
Other Operated Departments	132	63	141	48	0	151
Total	8,542	6,429	7,693	7,405	6,442	7,783
DEPARTMENTAL INCOME	24,721	22,606	22,773	21,615	22,045	23,239
UNDISTRIBUTED OPERATING EXPENSES						
Administrative & General	3,074	4,320	3,099	2,516	2,891	3,000
Info. and Telecom. Systems	214	644	277	306	26	550
Marketing	1,532	2,539	1,267	2,184	1,330	1,400
Franchise Fee	3,317	1,726	2,106	2,848	3,134	3,053
Property Operations & Maintenance	915	855	1,137	1,844	1,295	1,200
Utilities	1,151	808	1,709	1,205	1,079	1,300
Total	10,203	10,892	9,594	10,904	9,755	10,503
GROSS OPERATING PROFIT	14,518	11,714	13,179	10,711	12,290	12,736
Management Fee	1,313	871	914	1,725	1,341	931
INCOME BEFORE NON-OPER. INC. & EXP.	13,205	10,843	12,265	8,986	10,949	11,806
EBITDA LESS RESERVE	\$11,893	\$7,833	\$10,179	\$7,311	\$10,035	\$7,908

FIGURE 1-16 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER OCCUPIED ROOM

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
						Def. Stabilized
Number of Rooms:	90 to 130	50 to 70	80 to 110	80 to 110	70 to 100	80
Days Open:	365	365	365	365	365	365
Occupancy:	65%	66%	65%	62%	60%	60%
Average Rate:	\$139	\$120	\$126	\$125	\$129	\$139
RevPAR:	\$90	\$79	\$82	\$78	\$77	\$84
REVENUE						
Rooms	\$139.11	\$119.94	\$126.49	\$125.26	\$128.87	\$139.40
Other Operated Departments	0.62	0.60	1.09	1.27	1.25	1.25
Miscellaneous Income	1.03	0.33	0.48	1.10	0.00	1.00
Total	140.76	120.88	128.06	127.62	130.12	141.65
DEPARTMENTAL EXPENSES						
Rooms	35.59	26.49	31.74	32.35	29.43	34.85
Other Operated Departments	0.56	0.26	0.59	0.21	0.00	0.69
Total	36.15	26.76	32.34	32.57	29.43	35.54
DEPARTMENTAL INCOME	104.61	94.11	95.73	95.06	100.69	106.12
UNDISTRIBUTED OPERATING EXPENSES						
Administrative & General	13.01	17.99	13.03	11.07	13.21	13.70
Info. and Telecom. Systems	0.90	2.68	1.16	1.35	0.12	2.51
Marketing	6.48	10.57	5.33	9.61	6.07	6.39
Franchise Fee	14.04	7.19	8.85	12.53	14.31	13.94
Property Operations & Maintenance	3.87	3.56	4.78	8.11	5.92	5.48
Utilities	4.87	3.36	7.18	5.30	4.93	5.94
Total	43.18	45.35	40.33	47.95	44.56	47.96
GROSS OPERATING PROFIT	61.44	48.77	55.40	47.10	56.13	58.16
Management Fee	5.55	3.63	3.84	7.59	6.13	4.25
INCOME BEFORE NON-OPER. INC. & EXP.	55.88	45.14	51.56	39.52	50.01	53.91
EBITDA LESS RESERVE	\$50.33	\$32.61	\$42.79	\$32.15	\$45.84	\$36.11

FIGURE 1-17 COMPARABLE OPERATING STATEMENTS: COMPOSITE STATEMENT

	Number of Rooms:	448			
	Days Open:	365			
	Occupancy:	63.6%			
	Average Rate:	\$128.84	Percentage	Amount per	Amount per
	RevPAR:	\$81.92	of Revenue	Available	Occupied
				Room	Room
REVENUE					
Rooms		\$13,396	98.8 %	\$29,903	\$128.84
Other Operating Departments		101	0.7	224	0.97
Miscellaneous Income		67	0.5	149	0.64
Total		13,564	100.0	30,276	130.45
DEPARTMENTAL EXPENSES					
Rooms		3,293	24.6	7,350	31.67
Other Operating Departments		37	36.5	82	0.35
Total		3,330	24.5	7,432	32.02
DEPARTMENTAL INCOME					
		10,234	75.5	22,844	98.43
UNDISTRIBUTED OPERATING EXPENSES					
Administrative & General		1,389	10.2	3,100	13.36
Info. and Telecom. Systems		122	0.9	273	1.18
Marketing		771	5.7	1,721	7.42
Franchise Fee		1,209	8.9	2,699	11.63
Property Operations & Maintenance		549	4.0	1,225	5.28
Utilities		547	4.0	1,221	5.26
Total		4,587	33.8	10,239	44.12
GROSS OPERATING PROFIT					
		5,647	41.6	12,605	54.31
Management Fee		564	4.2	1,260	5.43
INCOME BEFORE NON-OPER. INC. & EXP.					
		5,083	37.5	11,345	48.88
EBITDA LESS RESERVE					
		\$4,311	31.8 %	\$9,622	\$41.46



Request for Action

TO: Faribault Economic Development Authority

FROM: Robert Harris III, Former Economic Development Coordinator

THROUGH: David Wanberg, CED Director

MEETING DATE: July 17, 2025

SUBJECT: Overview of Faribault's Participation in the 2025 SelectUSA Investment Summit

BACKGROUND:

From May 11–14, 2025, Robert Harris III, Economic Development Coordinator at the time, attended the SelectUSA Investment Summit in Washington, D.C., representing Minnesota’s economic development interests. The SelectUSA Summit is the United States’ leading platform for promoting foreign direct investment (FDI). This year, attendance was slightly lower than in previous years, contributing to a more focused, relationship-building environment. More than 4,000 attendees from over 80 global markets participated, including company executives, U.S. and foreign government officials, and economic development professionals.

The 2025 Summit was characterized less by deal-making and more by fostering long-term relationships. In response to shifting federal policy signals, states and regions were encouraged to build direct relationships with international markets. Many discussions emphasized cultivating state-level partnerships as a more stable and accessible entry point for foreign investors.

This year’s Summit featured high-profile speakers from both federal and state governments. Key participants included Trevor Kellogg, Chief of Staff and performing the duties of the Under Secretary for International Trade, U.S. Department of Commerce, emphasized the vital role of state and local leaders in driving investment and economic diplomacy. Governors attending the event included J.B. Pritzker (Illinois), Tate Reeves (Mississippi), Gretchen Whitmer (Michigan), Matt Meyer (Delaware). President Trump provided a pre-recorded video message emphasizing reshoring, manufacturing investment, and continued support for U.S.-based industrial expansion.

Faribault's participation in the event deepened our ties with the Japanese

delegation, including the Japan External Trade Organization (JETRO), and the German delegation. Faribault's participation also deepened our ties with the Minnesota Trade Office.

Faribault was the only Minnesota city represented at the 2025 SelectUSA Investment Summit. Other Minnesota participants included representatives from utilities, regional organizations, and county-level economic development entities. Being visible and engaged at forums like SelectUSA helps build credibility with global partners and ensures Faribault remains part of broader state and national economic development strategies. Pending the completion of the EDA's Strategic Plan, the EDA and the forthcoming Economic Development Coordinator should discuss Faribault's continued participation in this annual event.

REQUESTED ACTION:

Receive and file the overview of Faribault's participation in the 2025 Select USA Investment Summit.

ATTACHMENTS:



Request for Action

TO: Faribault Economic Development Authority
FROM: David Wanberg, CED Director
THROUGH: David Wanberg, CED Director
MEETING DATE: July 17, 2025
SUBJECT: Announcements and Updates

BACKGROUND:

The Community and Economic Development Director will make announcements and provide a verbal update on various projects, including but not limited to the following:

- Status of Economic Development Coordinator position;
- Status of the EDA's Strategic Plan
- Status of MIF Application for Project Buckeye in the downtown area;
- Status of Regional Sustainable Development Partnership Grant;
- Upcoming EDA Loan Agreement for Project Buckeye;
- Upcoming Faribo Downtown Central assignments;
- Upcoming Purchase and Development Agreement and Economic Development TIF for Riverchase II;
- Upcoming Twin Oaks TIF Amendments;
- Other.

REQUESTED ACTION:

None

ATTACHMENTS: