



## ECONOMIC DEVELOPMENT AUTHORITY AGENDA

3RD FLOOR CONFERENCE THURSDAY, AUGUST 21,  
ROOM 2025

7:00 AM

1. Call to Order/ Approve Agenda
2. Approval of the July 17, 2025, Minutes - June 26, 2025, Minutes Pending
3. Routine Business: *Agenda items below are approved by one motion unless an EDA member requests separate action.*
  - A. Monthly Loan Status Report - None
  - B. Permit Activity Update Report - None
  - C. Budget Status Report - None
4. Public Hearings
5. Items for Discussion
  - A. Resolution 2025-09 Approve a Downtown Commercial Rehabilitation and Exterior Improvement Program Loan for 533 Central Avenue
  - B. Resolution 2025-11 Approve a Special Demolition and Rehabilitation Loan
  - C. Provide Direction on Requests for Assignments, Ownership Restructuring, and Subordination Agreements related to Faribo Downtown Central's Buildings
  - D. Resolution 2025-10 Establish the EDA's Preliminary Tax Levy for Fiscal Year 2026
  - E. Updates and Future Items - Verbal Only - No Report
6. Adjournment

## **ECONOMIC DEVELOPMENT AUTHORITY MINUTES**

Thursday, July 17, 2025 – 7:00 AM

EDA Members Present: Tom Spooner, Dave Campbell, Teri Menard, Christine Jeanes

Others Present: Jessica Kinser, David Wanberg, Brett Reese, Nort Johnson, Alex Baraniak, Dan Gatchell, Mike Tousignant

- 1. Call to Order/Approve Agenda:** Tom Spooner agreed to chair the meeting. He called the meeting to order at 7:00 AM. Dave Campbell made a motion to approve the agenda, and Terri Menard seconded the motion. The motion passed unanimously.
- 2. Approval of Minutes:** David Wanberg, stated that he did not have the June 26, 2025 meeting minutes prepared. So no action was taken by the EDA.
- 3. Routine Business.** David Wanberg stated that the budget and loan reports included in the packet were not accurate. Jessica Kinser stated that once we complete our 2024 audit and transfer our financial information to the City's new accounting system, we will have an accurate picture of the EDA's finances.
- 4. Public Hearings.** There were no public hearings.
- 5. Items for Discussion.**
  - A. Approve 2025 Service Agreement between the Faribault Economic Development Authority and the Faribault Area Chamber of Commerce and Tourism.** David Wanberg reviewed the refined Service Agreement with the EDA and noted that Nort Johnson agreed with the terms of the Agreement. Teri Menard made a motion to approve the Service Agreement as presented, and Christine Jeanes seconded the motion. The motion passed unanimously.
  - B. Provide Direction on Funding and Managing the Micro-Grant Program in 2025.** David Wanberg provided a brief review of the Micro-Grant Program that was previously funded by the EDA, but administered by the Chamber through its Main Street Agreement with the EDA. Because the Chamber stopped administering the Main Street Program, the EDA did not fund the Chamber for the Micro-Grant Program in 2025. Wanberg asked if the EDA wants staff to explore how the EDA could provide

Micro-Grant funding for the remainder of 2025. Teri Menard made a motion to direct staff to bring a Micro-Grant proposal to the EDA for consideration, and Dave Campbell seconded the motion. The motion passed unanimously.

**C. Status and Direction on the EDA’s Marketing Folders.**

David Wanberg updated the EDA on the status of the EDA’s marketing folders and expressed his concerns about the direction that the marketing folders were heading. He asked the EDA to pause work on the folders until the new Economic Development Coordinator has a chance to weigh in on the project. Dave Campbell made a motion to pause the project, and Christine Jeanes seconded the motion. The motion passed unanimously.

**D. Clarify the Use of Downtown Commercial Rehabilitation and Exterior Improvement Loans.**

David Wanberg stated that Michael Tousignant was requesting two Downtown Rehab loans for 533 Central, whereas the Program Guidelines allow one project at a time. Tousignant wanted to apply for a \$15,000 grant to assist with tuckpointing and a \$15,000 grant to assist with replacing an exterior ramp and steps.

Tousignant also requested a \$15,000 Downtown Rehab grant to paint his rental house at 604 Central. Other CED Staff had noted that he was eligible to apply for the grant. However, Wanberg noted that he did not feel the rental house was eligible for Downtown Rehab grant. He noted that he discussed this with Kevin Voracek, EDA Chair, and Kevin agreed that the program was intended for residential rental properties. Wanberg also noted that funding programs for residential maintenance should be administered through the HRA, but that the HRA currently does not want to fund rental properties. Wanberg noted that Tousignant wanted the full EDA to respond to his request. After much discussion, the EDA felt if the HRA was not going to provide funding for a rental house in or adjacent to the Downtown, the EDA should.

Deb Sonnek had informally requested a Downtown Rehab grant to rehab the façade of 16 5<sup>th</sup> Street NE. Wanberg noted that this building is the only remaining building on the north side of 5<sup>th</sup> Street NE, and stated that the City’s approved Downtown Master Plan identifies that area for redevelopment. Wanberg also stated that he had let the Sonneks know that if they were interested in

selling their property, the City would be interested in purchasing the property. The Sonneks expressed they were not interested in selling.

Dave Campbell made a motion that 533 Central should be eligible for one Downtown Rehab grant at a time, up to a total of two grants, per the Program guidelines. He also stated that 604 Central should be eligible for Downtown Rehab funding, given HRA does not have a program to assist rental housing property owners with exterior maintenance issues. Finally, he noted that a request to provide an EDA grant for a building that has been identified by the City for redevelopment is inconsistent with the Downtown Rehab Program. Christine Jeanes seconded the motion. The motion passed unanimously.

**E. Provide Direction on a Request for a Special Loan for the Demolition of the Former Mayo Clinic Building at 924 1<sup>st</sup> NE.**

Wanberg presented a loan request from Brett Reese to ensure the former Mayo Clinic site could be demolished as soon as possible. Brett Reese stated he is actively working on a townhome development proposal for the site, but that the building must be demolished now for life/safety/and aesthetic reasons. Teri Menard made a motion to direct staff to prepare a loan agreement for the demolition project. Chris Jeanes seconded the motion. The motion passed unanimously.

**F. Overview of the Hotel Feasibility Study Authorized by the EDA.**

Wanberg provided an overview of the hotel feasibility study. Dave Campbell made a motion to receive and file the study and distribute the study to interested parties. Chris Jeanes seconded the motion. The motion passed unanimously.

**G. Overview of Faribault's Participation in the 2025 SelectUSA Investment Summit.**

Wanberg reviewed Robert Harris III's report on his participation in the summit. Chris Jeanes made a motion to receive and file the report. Dave Campbell seconded the motion. The motion passed unanimously.

**H. Announcements and Updates.**

Wanberg made announcements and updated. No action was taken by the EDA.

**6. Adjournment.** Dave Campbell made a motion to adjourn. Seconded by Teri Menard. The motion passed unanimously. Tom Spooner adjourned the meeting at 8:13 AM.



## Request for Action

**TO:** Faribault Economic Development Authority

**FROM:** David Wanberg, CED Director

**THROUGH:** David Wanberg, CED Director

**MEETING DATE:** August 21, 2025

**SUBJECT:** Resolution 2025-09 Approve a Downtown Commercial Rehabilitation and Exterior Improvement Program Loan for 533 Central Avenue

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### BACKGROUND:

Michael Tousginant (the "Applicant"), on behalf of Michael A. Tousignant Trust the (the "Owner"), submitted a complete application (see Resolution 2025-09, Exhibit A) to the Economic Development Authority of Faribault, Minnesota (the "EDA") for a forgivable loan through the Downtown Commercial Rehabilitation and Exterior Improvement Program (the "Program") to tuckpoint the south and east wall of the existing building (the "Project") at 533 Central Avenue.



The Program limits building façade renovation (including tuckpointing) to 50 percent of the Owner's lowest bid, not to exceed a \$15,000 Program award. The Applicant received the following bids for the Project:

1. Restoration Services, Inc., dated July 22, 2025: \$51,450 for the south wall of the building; and
2. Douglas Boatright, dated July 16, 2025: \$45,900 to \$49,900 for the south and east wall of the building.

Fifty percent of the Applicant's lowest bid is \$22,950 ( $\$45,900 \times 0.5 = \$22,950$ ), which exceeds the maximum Program award, thereby limiting the Project to the \$15,000 maximum Program award.

The Program's policies limit an eligible property to a maximum of two awards. The Applicant received a \$15,000 Program award in 2017 to tuckpoint the north and west walls of the Property. Therefore, the Applicant is eligible to receive up to an additional \$15,000 to tuckpoint the south and east walls of the Property. However, based on the current Program policies, the Property will not be eligible for additional Program funding if the EDA approves the Applicant's current request.

The Property is not in the City's Heritage Preservation District and, therefore, does not require Heritage Preservation Commission approval.

The Community and Economic Development Director finds the Project is eligible for a \$15,000 forgivable loan through the Downtown Commercial Rehabilitation and Exterior Improvement Program to tuckpoint the south and east walls of the Property. The Director also recommends that the EDA re-evaluate the Program policies in the coming months. Possible revisions to the Program could include that the borrower pays interest only over a three (or five) year period on the loans. Potentially, the EDA could offer bigger (more than \$15,000 maximum) repayable low-interest loans (3 percent) on qualified projects. Over the remainder of this year, we will review, and if desired, refine the EDA's programs.

**REQUESTED ACTION:**

Approve Resolution 2025-09.

**ATTACHMENTS:**

1. Resolution 2025-09

# **ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT**

## **Resolution #2025-09**

### **APPROVE A DOWNTOWN COMMERCIAL REHABILITATION AND EXTERIOR IMPROVEMENT PROGRAM LOAN FOR 533 CENTRAL AVENUE**

**WHEREAS**, Michael Tousginant (the "Applicant"), on behalf of Michael A. Tousginant Trust the (the "Owner"), submitted a complete application (see Exhibit A: Owner's Application) to the Economic Development Authority of Faribault, Minnesota (the "EDA") for a forgivable loan through the Downtown Commercial Rehabilitation and Exterior Improvement Program (the "Program") to tuckpoint the south and east wall of the existing building (the "Project") at 533 Central Avenue, legally described in Exhibit B (the "Property"); and

**WHEREAS**, the Program limits building façade renovation (including tuckpointing) to 50 percent of the Owner's lowest bid, not to exceed a \$15,000 Program award; and

**WHEREAS**, the Owner received the following bids for the Project (see Exhibit A: Owner's Application):

1. Restoration Services, Inc., dated July 22, 2025: \$51,450 for the south wall of the building; and
2. Douglas Boatright, dated July 16, 2025: \$45,900 to \$49,900 for the south and east wall of the building; and

**WHEREAS**, 50 percent of the Owner's lowest bid is \$22,950 ( $\$45,900 \times 0.5 = \$22,950$ ), which exceeds the maximum \$15,000 allowed Program award, thereby limiting the Project to the \$15,000 maximum Program award; and

**WHEREAS**, the Applicant received a \$15,000 Program award in 2017 to tuckpoint the north and west walls of the Property; and

**WHEREAS**, the Program's policies limit an eligible property to a maximum of two awards; therefore, with the EDA's 2017 approval of a \$15,000 forgivable loan and approval of the current \$15,000 forgivable loan request, the Property will not be eligible for additional Program funding, based on current Program policies; and

**WHEREAS**, the EDA has reviewed the Owner's request for Program funding and found it consistent with the Program's policies and not subject to the Business Subsidy requirements outlined in state law; and

**WHEREAS**, the Property is not in the City’s Heritage Preservation District and, therefore, does not require Heritage Preservation Commission approval.

**NOW, THEREFORE, BE IT RESOLVED**, by the Economic Development Authority of the City of Faribault, Minnesota (the “EDA”), as follows:

Section 1: Program Award. The EDA approves a \$15,000 forgivable loan to the Owner for the Project outlined in the recitals above, with the following conditions:

- A. The Owner must comply with all terms and conditions outlined in the Program policies.
- B. The Owner must obtain all required permits before beginning any work on the Project.

Section 2: Ineligible for Future Program Awards. The current Program policies limit an eligible property to a maximum of two awards. The Property received a \$15,000 forgivable loan through the Program in 2017. Consequently, with the approval of the current \$15,000 forgivable loan in 2025, the Property is not eligible for additional Program funds in the future.

Section 3: Authorization to Execute Agreements. The EDA authorizes its President, the Community and Economic Development Director, and City Staff to execute all required financial agreements on behalf of the EDA in furtherance of the above-approved Program award.

**[The remainder of this page is intentionally blank. Signatures are on the following page.]**

**ADOPTED:** August 21, 2025

ATTEST:

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Kevin F. Voracek, President

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David J. Wanberg, CED Director

# EXHIBIT A



## 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!*

**In 2023, \$100,000 was allocated to 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.

<b>Project Type</b>	<b>Owner Equity</b>	<b>EDA Funds Max. \$15,000</b>
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.

*Adopted: March 2020 / Updated: October, 2023*

*\* 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 1<sup>st</sup> 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.

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

- 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.

*Download: Commercial Exterior Rehabilitation & Exterior Improvement Program*

*Adopted: March 2020 / Updated: October, 2023*

<b>Reimbursement Disbursement Schedule for Program Award*</b>	
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.

<b>Name(s) of Property Owner/Applicant</b>		
Michael Tousignant		
Telephone Number:	507-323-5209	
Email Address:	matousignant9423@gmail.com	
Mailing Address:	533 Central Ave	
City: Faribault	State: MN	Zip: 55021

<b>Property Information</b>	
<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:	533 Central Ave, Faribault MN 55021
Parcel ID (PID):	18.31.1.26.046
Original Year of Construction:	1900 (+ or -)
Business/Occupant(s):	Main Floor: Muslim Koran Center
	Lower Floor: Storage
Has this property previously received public financing?	Yes
Has the applicant defaulted on any public financing in the last two years?	No
Are there any liens or judgements on the property?	No
Are the property taxes paid/current?	Yes

*Downloaded Commercial Exterior Rehabilitation & Exterior Improvement Program  
Adopted: March 2010 / Updated: October, 2023*

<b>Project Information</b>	
Eligible expenses are limited to: Permanent exterior improvements Permanent façade improvements Permanent interior improvements	
Estimated Total Cost of proposed Rehabilitation and/or Façade Improvements: <i>(based on attached estimates)</i>	\$45,000
Requested Loan Amount: <i>(based on Program scale)</i>	\$15,000
<b>Description of Proposed Improvements / Project</b>	
Tuckpointing on the south and east side of the building exterior (north and west sides were completed around 10 years ago). Note: In order to thoroughly complete the tuckpointing project, the wheelchair access ramp must be removed. Separate application has been submitted for the wheelchair access ramp project.	
*533 Central Ave Tuckpointing Project + 533 Central Ave Exterior Stairways + wheelchair ramp projects will need to be completed simultaneously*	
<b>Justification / Impact of Project within Commercial Business District</b>	
<i>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.</i>	
Tuckpointing the brick will preserve the building's structural integrity and clean up any façade disrepair to create a positive visual impact to the Downtown area.	

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

**Data Practices Act**

The information that you supply in your application to the City of Faribault/Faribault EDA ("City") will be used to assess your 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.

 6/18/25  
\_\_\_\_ 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.

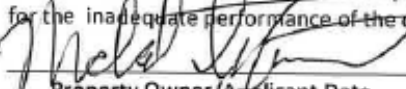
I/We certify that all statements on this application are true and correct to the best of my/our knowledge. I/We understand that any intentional misstatements will be grounds for disqualification.

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).

 6/18/25  
\_\_\_\_ Property Owner/Applicant Date

\_\_\_\_ Co-Property Owner/Applicant Date

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

**Acknowledgements**

Please initial each to confirm that you have read and understand the program policy and guidelines.	
<i>W</i>	I/We understand that awards are based on eligibility, availability, and completeness of application – approval is at the sole discretion of the EDA.
<i>W</i>	I/We understand that I/We can only receive one award at a time (only one project – building/PID at a time).
<i>W</i>	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>W</i>	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>W</i>	I/We are the owner of the commercial property to be improved.
<i>W</i>	I/We are current with mortgage, real estate taxes, and insurance payments.
<i>W</i>	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>W</i>	I/We understand that the building must be free of all lien and judgments.
<i>W</i>	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>W</i>	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>W</i>	I/We understand that I/we will be required to sign loan documents upon award, including a Promissory Note and Repayment Agreement.
<i>W</i>	I/We understand that the loan will be forgiven if I/we maintain ownership of the building for three (3) years.
<i>W</i>	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.

*Michael Lopez* / Property Owner / 6/18/25  
 \_\_\_\_\_  
 Property Owner/Applicant Title Date

**Restoration Services, Inc.**

Rick Thomas  
612.916.0808  
rickthomas44@msn.com  
restorationservicesinc.com  
P.O. Box 882  
Faribault, MN 55021

July 22, 2025


**Proposal**

**This is a proposal for:** Mike Tousignant  
533 Central Avenue, Faribault, MN

**General:** Cutout and repoint south elevation in historically correct mortar; wash upon completion.

**Total:** **\$51,450.00**

**Notes:** Existing mortar is incorrect composition as well as newly repointed areas.  
Includes all labor, materials, equipment, insurance, and cleanup.  
Water, electricity, and permits to be provided by the owner, if required.

  
\_\_\_\_\_  
Rick Thomas  
President

\_\_\_\_\_  
Mike Tousignant

7/29/25, 1:55 PM

Gmail - Bid



Mike Tousignant <matousignant9423@gmail.com>

---

**Bid**

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Douglas Boatright <daboaty@gmail.com>  
To: Mike Tousignant <matousignant9423@gmail.com>

Wed, Jul 16, 2025 at 5:27 PM

Will cut mortar 100% on the long side. 1 1/2-2 inches deep. Replace any brick that isn't structural sound. Replace with 5,000 psi mortar. We will remove lower railings to restore brick behind the railings. We will use a 40 foot boom lift to do upper wall. Clean and seal with TK 290 penetrating 10 year sealer.

32,400 low end 34,400 high end.

Back wall we will restore this wall the same as previous bid. Every thing the same.

13,500 low end 15,500 high end

Douglas Boatright

Quality Restoration All Masonry

507-272-1622

Sent from my iPad

EXHIBIT B

BEGINNING AT THE NORTHWEST CORNER OF LOT 5 OF BLOCK 20 OF THE ORIGINAL TOWN (NOW CITY) OF FARIBAULT; THENCE RUNNING NORTH 54½ FEET; THENCE EAST ALONG THE SOUTH LINE OF A PUBLIC ALLEY 128.5 FEET; THENCE SOUTHERLY TO A POINT ON THE NORTH LINE OF SAID LOT 5, 128.5 FEET EAST OF THE POINT OF BEGINNING; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 5 TO THE POINT OF BEGINNING; BEING A PART OF THE VACATED PORTION OF SIXTH STREET, AND SAID TRACT BEING LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF FARIBAULT, RICE COUNTY, MINNESOTA; SUBJECT TO AN EASEMENT FOR INGRESS AND EGRESS OVER THE EAST 20 FEET THEREOF FOR THE BENEFIT OF THE FOLLOWING DESCRIBED PROPERTY; AND TOGETHER WITH AN EASEMENT FOR INGRESS AND EGRESS OVER SAID FOLLOWING DESCRIBED PROPERTY: BEGINNING AT THE NORTHWEST CORNER OF LOT 5 OF BLOCK 20 OF THE ORIGINAL TOWN (NOW CITY) OF FARIBAULT; THENCE RUNNING NORTH 54½ FEET; THENCE EAST ALONG THE SOUTH LINE OF A PUBLIC ALLEY 128.5 FEET TO THE TRUE POINT OF BEGINNING OF THE TRACT TO BE HEREIN DESCRIBED; THENCE EAST ALONG THE SOUTH LINE OF SAID PUBLIC ALLEY 66.86 FEET; THENCE SOUTHERLY TO A POINT ON THE NORTH LINE OF SAID LOT 5, 194 FEET EAST OF THE FIRST ABOVE-MENTIONED POINT OF BEGINNING; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 5, 65.5 FEET; THENCE NORTHERLY TO THE TRUE POINT OF BEGINNING.



## Request for Action

**TO:** Faribault Economic Development Authority  
**FROM:** David Wanberg, CED Director  
**THROUGH:** David Wanberg, CED Director  
**MEETING DATE:** August 21, 2025  
**SUBJECT:** Resolution 2025-11 Approve a Special Demolition and Rehabilitation Loan

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### BACKGROUND:

The former Mayo Clinic building at 924 1<sup>st</sup> NE has been vacant and deteriorating since at least 2017. The City has reviewed several proposals for the redevelopment of the property, none of which have moved forward. Meanwhile, the building and the site have become blighted and unsafe. Consequently, it is imperative that the building be demolished and the site cleaned up to promote redevelopment.

After a luxury townhome development proposal failed to materialize in 2021, Brett Reese, who helped finance the developer, received ownership of the property. He then transferred the property to ThinkBiz LLC, and applied for state funding to assist in the demolition and redevelopment of the site, but did not receive a grant. Consequently, ThinkBiz LLC (the "Applicant") is requesting a \$210,000 low-interest loan from the EDA to demolish the building this year (see the attached request).

At its July 17, 2025, meeting, the EDA expressed a willingness to provide a low-interest loan based on the Applicant's request. The Applicant proposes to leave the existing parking lot for approximately 18 months before removing it, at which time it expects to start construction on a new townhouse development.

### REQUESTED ACTION:

Approve the attached Special Demolition and Rehabilitation Loan Agreement. Authorize City Staff and City Consultants to refine the Loan Agreement as needed.

### ATTACHMENTS:

1. Resolution 2025-11 Approve Special Demolition Loan and Rehabilitation Agreement

2. Special Demolition and Rehabilitation Loan Agreement

**ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA**

**RESOLUTION #2025-11**

**APPROVE SPECIAL DEMOLITION LOAN AND REHABILITATION AGREEMENT**

**WHEREAS**, the former Mayo Clinic building at 924 1<sup>st</sup> NE has been vacant and deteriorating to the point that it has become a threat to life/safety; and

**WHEREAS**, the City Council approved Resolution 2025-024, which determined the building was substandard; and the Property Owner conducted a blight study, which determined the building was blighted; and

**WHEREAS**, a Redevelopment Grant to demolish the building and redevelop the site was applied for through Minnesota DEED, but denied by DEED; and

**WHEREAS**, the Property Owner has submitted bids for the demolition of the building and has requested a low-interest, repayable loan to assist in the timely demolition of the building; and

**WHEREAS**, the EDA finds the blighted building is on a major corridor and should be removed as quickly as possible for life/safety and aesthetic reasons.

**NOW, THEREFORE, BE IT RESOLVED**, by the Economic Development Authority of Faribault, Minnesota (the "EDA"), that it approves a Special Demolition Loan and Rehabilitation Agreement as presented in Exhibit A. The EDA authorizes City Staff and its consultants to refine the Agreement as necessary or desired to meet the intent of this Resolution.

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, that the EDA approves the transfer of money from Fund 250 (the EDA's operating fund) to Fund 251 (the EDA's revolving loan fund).

**ADOPTED:** August 21, 2025

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Kevin F. Voracek, President

**ATTEST:**

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David J. Wanberg, CED Director

**SPECIAL DEMOLITION AND REHABILITATION LOAN AGREEMENT**

THIS SPECIAL COMMERCIAL REHABILITATION AGREEMENT (the “Agreement”) is made and entered into this \_\_\_\_\_ day of August, 2025, between the Economic Development Authority of Faribault, a public body corporate and politic under the laws of Minnesota (the “City”) and ThinkBiz, LLC, a Minnesota limited liability company (the “Borrower”):

**RECITALS**

1. The purpose of the City is as follows:
  - A. Provide a sufficient supply of adequate, safe and sanitary dwellings in order to protect the health, safety, morals and welfare of the city;
  - B. Clear and redevelop blighted areas;
  - C. Provide commercial development opportunities; and
  - D. Redevelop blighted areas in situations in which private enterprise would not act without governmental participation or subsidies.
2. The Borrower has acquired certain real property legally described on Exhibit A attached hereto (the “Property”), which is located in Rice County, Minnesota.
3. The Borrower has submitted or is in the process of submitting an updated proposal for development of the Property (the “Development” or the “Project”) particularly the demolition of existing building and structures located at the Property, all as set forth in Exhibit F.
4. Business assistance is proposed to be granted by the City to Borrower under Minnesota Statutes, Sections 116J.993 through 116J.995 (the “Business Subsidy Act”), and Minnesota Statutes, Chapter 469 for the Property pursuant to the requirements of the City’s Business Subsidy Policy (the “Policy”).
5. This Agreement between the Borrower and the City, provides for certain benefits and business assistance to the Borrower in connection with development of the Property, including the following assistance: a one-time loan in the maximum principal amount of \$210,000.

- (a) During the term of this Agreement, Borrower shall:
    - (i) Submit to the City a demolition plan (the “Plan”) and a design proposal to be reviewed by the City showing the location, size, and nature of the proposed Development, including layouts, renderings, elevations, and other graphic or written explanations of the Development. The design proposal shall be accompanied by a proposed schedule for the starting and completion of the Development;
    - (ii) Submit an over-all cost estimate for the Plan;
    - (iii) Submit a time schedule for the Plan;
    - (iv) Undertake and obtain such other preliminary economic feasibility studies, income and expense projections, and such other economic information as Borrower may desire to further confirm the economic feasibility and soundness of the Development;
    - (v) Submit to the City the Borrower’s financing plan showing that the proposed Development is financially feasible;
    - (vi) Furnish satisfactory financial data to the City evidencing Borrower’s ability to undertake the Plan and the Development.
  - (b) Borrower understands that any business assistance sought for the proposed Development must be obtained as outlined by law.
6. The Borrower has requested financial assistance from the City in the amount of \$210,000 to assist with the Plan and the Development at the Property.
  7. This Agreement shall be administered by the City, consistent with the terms and conditions of the authorizing resolution and any applicable policies of the City.
  8. The City has agreed to lend to the Borrower, upon execution of this Agreement, project financing for the Development in the maximum principal amount of \$210,000 (the “Funds”), to be repaid as follows: the unpaid balance of principal and interest or so much thereof as may be advanced under this Note is payable in installments due as follows: Repayment of interest only during year 1, with repayment of principle and interest during years 2 through 5, such that principal and interest payments must not exceed a term of five (5) years. The Borrower must make monthly principal and interest payments to the City per the amortization table included in Exhibit E of the Agreement, which allows the Borrower to pay interest only - without principal payments - during the first twelve (12) months of the loan term (the “Repayment”).
  9. The City has reviewed this Agreement and finds that execution of this Agreement by the City and performance of the City’s obligations hereunder are in the best interests of the City, and its residents.

10. The parties are authorized and empowered to enter into this Agreement under the laws of the State of Minnesota.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the City and the Borrower agree as follows:

1. The recitals set forth in the preamble to this Agreement and the exhibits attached to this Agreement are incorporated into this Agreement as if fully set forth herein.
2. The Borrower intends to conduct activity and to make the contemplated improvements to the Property in accordance with the Plan and the Development. Upon submission of the materials to the reasonable satisfaction of the City required for the Development as set forth particularly in Recital No. 5 above, and as required by the Policy and the fulfillment of all terms and conditions of this Agreement, the Funds shall be provided as a \$210,000 loan pursuant to the terms and conditions set forth in the City's Authorizing Resolution # \_\_\_\_\_ and the Repayment as required by this Agreement, the Promissory Note (the "Note"), the form of which is attached hereto as Exhibit B, a separate mortgage (the "Mortgage"), the form of which is attached as Exhibit C, and a separate Guaranty Agreement, the form of which is attached hereto as Exhibit D. The Borrower agrees to execute all such documents at closing.
3. Upon closing, the City agrees to provide the Funds.
4. The business assistance in the form of a loan are proposed to be granted by the City to Borrower under Minnesota Statutes, Sections 116J.993 through 116J.995 (the "Business Subsidy Act"), and Minnesota Statutes, Chapter 469 and pursuant to the requirements of the Policy. Notwithstanding such Business Subsidy Act and the Policy, such business assistance does not constitute a business subsidy under the Act and Policy as the business assistance being provided is for housing.
5. The Borrower agrees to fully comply with all stated requirements, and acknowledges that all terms, conditions, and requirements are made part of this Agreement.
6. All documents executed shall, as deemed reasonably necessary by the City, be filed with the County Recorder and/or Registrar of Titles. The City shall maintain a lien on the Property pursuant to the security instruments required herein.
7. Failure to comply with any term, covenant, condition, or requirement contained in this Agreement, or a default under any note, mortgage, or other instrument executed in connection with this Agreement (following the passing of any applicable notice and cure periods), following thirty (30) days after the City gives written notice specifying the form of said non-compliance, shall constitute a breach of this Agreement and a default by the Borrower. The foregoing notwithstanding, if a default requires more than thirty (30) days to cure, such default shall not constitute an uncured default, provided that the curing of the default is promptly commenced upon receipt of written notice from the City, and with due

diligence is thereafter continuously prosecuted to completion and is completed in a reasonable period of time, not to exceed ninety (90) days.

If any default shall occur, following the passing of applicable cure periods, the City may declare the Funds provided to Borrower to be due and payable in accordance with the terms of the Note. The City may also pursue remedies available under the terms of any mortgage or other instrument executed to secure its interests in the Funds or the Property, and other such remedies as may be available under local, state, or federal laws.

8. The Borrower, for itself and for its successors and/or its assigns, further agrees and consents to the filing of such security instruments and this Agreement with the government officials or entities appropriate to protect the interest of the City in the Property.
9. Without limitation of any provision set forth herein, the Borrower agrees to pay to the City any costs or expenses, including without limitation attorney fees, incurred by the City in enforcing any provision of this Agreement.
10. Except as expressly set forth herein, nothing in this Agreement shall constitute a limitation or waiver of the City's right to enforce any ordinance, law, rule, or regulation.
11. The Borrower shall and does hereby agree to protect, defend, indemnify and hold the City, including its officers, agents, and employees, harmless of and from any and all liability, loss, or damage that it may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against the City by reason of any alleged obligations or undertakings on the part of the City to perform or discharge any of the terms, covenants, or agreements contained in this Agreement. This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement and the payment or repayment of any Funds. The Borrower waives notice of the acceptance of this Agreement by the City. Nothing in this Agreement shall constitute a waiver or limitation of the City's immunities or limitations on liability as set forth in Minnesota Statutes, Chapter 466 or otherwise.
12. A notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(A) as to the Borrower: ThinkBiz, LLC  
527 Professional Drive  
Northfield, MN 55057  
ATTN: Brett Reese

(B) as to the City: Economic Development Authority  
of Faribault  
208 1<sup>st</sup> Avenue NW  
Faribault, MN 55021  
ATTN: Executive Director

with a copy to:

Scott J. Riggs, City Attorney  
Kennedy & Graven, Chartered  
150 South 5<sup>th</sup> Street, Suite 700  
Minneapolis, MN 55402

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this section 12.

13. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.
14. The City and the Borrower acknowledge that nothing contained in this Agreement nor any act by the City and the Borrower shall be deemed or construed by the parties or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between the City and the Borrower.
15. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.
16. The performance or observance of any promise or condition set forth in this Agreement may be waived, amended, or modified only by a writing signed by both parties. No delay in the exercise of any power, right, or remedy operates as a waiver thereof, nor shall any single or partial exercise of any other power, right, or remedy.
17. This Agreement may be modified solely through written amendments hereto executed by both the Borrower and the City.
18. The Borrower shall not assign, subcontract, transfer, or pledge this Agreement whether in whole or in part, without the prior written consent of the City. The Borrower may sell, assign or transfer interest in the Property to a third party with notice to, and with the City's consent, which consent shall not be unreasonably withheld or conditioned.
19. Wherever possible, each provision of this Agreement and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other related document.
20. This Agreement, together with the Exhibits hereto, which are expressly incorporated by reference, constitutes the complete and exclusive statement of all mutual understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, pertaining to the subject matter of this Agreement or concerning the Funds.

21. This Agreement shall be recorded among the land records of Rice County, Minnesota. The provisions of this Agreement shall run with the Property and be binding upon the Borrower and its assigns or successors in interest.
22. The Borrower warrants that all work performed pursuant to this Agreement shall be in compliance with existing laws, codes, ordinances, pertinent regulations, standards, and specifications. This Agreement does not act as a substitute for any permits or approvals that are otherwise required by the Borrower in order to complete any of the Improvements.
23. Each of the undersigned parties warrants it has the full authority to execute this Agreement.
24. Borrower represents and warrants that no person or business will be displaced or otherwise entitled to relocation benefits as a result of the acquisition, sale, rehabilitation or redevelopment of the Property, and that there are no tenants or other persons or businesses in possession of the Property other than Borrower, or that have been disclosed by Borrower. The Borrower represents and warrants that no relocation benefits are applicable to the Property. Borrower acknowledges that, absent these representations and warranties being made by Borrower to the City in this Agreement, the City would not provide funds pursuant to the Policy and this Agreement to the Borrower to rehabilitate or redevelop the Property. Borrower agrees to defend and indemnify the City against any claims made by any third parties for relocation benefits or services.
25. Additional Loan Requirements.

(a) Five Year Requirement. The Borrower covenants and agrees with the City that if the Property is sold, transferred or otherwise conveyed, voluntarily or involuntarily, either while the Borrower is living or by reason of the death of the Borrower, within a period of five (5) years after the date of this Agreement, the Borrower or its heirs, executors, or representatives, as the case may be, shall repay to the City a sum equal to the full amount of the Loan.

Any such repayment shall be made to the City no later than the 30th day following such sale, transfer or other conveyance, or on such later date or dates as the City, in its sole discretion, may designate.

(b) One Year Requirement. The Borrower further covenants and agrees with the City that if the improvements described in the application for this Agreement are not completed within one year of the date of this Agreement, the Borrower shall immediately repay to the City a sum equal to the full amount of the Loan. This one-year deadline may be extended, if in writing and agreed-upon by the City, for unforeseeable weather-related delays, changes in contractors for non-performance, or other natural disasters.

**[Signature pages to follow]**



**ECONOMIC DEVELOPMENT AUTHORITY  
OF FARIBAULT**

Dated: March \_\_\_\_, 2024.

By: \_\_\_\_\_  
Kevin F. Voracek  
Its: President

By: \_\_\_\_\_  
David J. Wanberg  
Its: City of Faribault CED Director

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF RICE        )

On this \_\_\_\_ day of \_\_\_\_\_, 2025, before me personally appeared Kevin F. Voracek and David J. Wanberg, the Present and City of Faribault CED Director, respectively, of the Economic Development Authority of Faribault, a public body corporate and politic under the laws of Minnesota, on behalf of said authority.

\_\_\_\_\_  
Notary Public

THIS DOCUMENT DRAFTED BY:  
Kennedy & Graven, Chartered (SJR)  
700 Fifth Street Towers  
150 South Fifth Street  
Minneapolis, MN 55402

**EXHIBIT A TO LOAN AGEEMENT**

**LEGAL DESCRIPTION OF THE PROPERTY**

**LEGAL DESCRIPTION OF THE PROPERTY**

**[Insert Legal]**

The land to which this Agreement applies is legally described as follows:

**EXHIBIT B TO LOAN AGREEMENT**

**PROMISSORY NOTE**

\$210,000.00

Date: August \_\_, 2025

ThinkBiz, LLC, a Minnesota limited liability company (“Maker”), for value received, hereby promises to pay to the Economic Development Authority of Faribault, a public body corporate and politic under the laws of Minnesota (the “EDA”), a public body corporate and politic under the laws of Minnesota, or its assigns (referred to herein as "Holder"), at its designated principal office or such other place as the Holder may designate in writing, the principal sum of Two Hundred Ten Thousand and No/100 Dollars (\$210,000.00) or so much thereof as may be advanced under this Note, without interest thereon, in any coin or currency that at the time or times of payment is legal tender for the payment of private debts in the United States of America. The principal of and interest on this Note is payable in installments due as follows:

1. The entire unpaid balance of principal shall be due and payable upon the earlier of the following: (i) thirty (30) days after written notification by Holder to Maker of the occurrence of any default or non-compliance with any provision or requirement of the Loan Agreement (following notice and passing of all applicable notice and cure provisions), dated \_\_\_\_\_, 2025, between the Maker and Holder (the “Agreement”); or (ii) ten (10) days after the Maker makes or allows to be made any total or partial transfer, sale, assignment, conveyance or transfer in any other mode, of the Property (as such term is defined in the Agreement), if such transfer occurs before the issuance of a Certificate of Occupancy for the Development (as defined in the Agreement); unless, such transfer, sale, assignment, conveyance or transfer in any other mode is expressly allowed under the Agreement. Payments made under this Note shall be governed by the terms of the Agreement entered into between the Maker and Holder, particularly the loan requirements set forth in Recital No. 8 and Paragraph Nos. 2 and 25 of the Agreement.

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the Maker has caused this Note to be duly executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

ThinkBiz, LLC, a Minnesota limited liability company

By: \_\_\_\_\_  
Brett Reese  
Its: Manager

**EXHIBIT C TO LOAN AGREEMENT**

**MRT \$1,150.00**

**MORTGAGE**

THIS MORTGAGE, made this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by ThinkBiz, LLC, a Minnesota limited liability company, with its principal place of business located at 527 Professional Drive, Northfield, MN 55057 (“Mortgagor”), to the Economic Development Authority of Faribault, a public body corporate and politic under the laws of Minnesota, located at 208 1<sup>st</sup> Avenue NW, Faribault, MN 55021 (“Mortgagee”).

**WITNESSETH:** That said Mortgagor hereby mortgages and conveys to said Mortgagee the following described premises located at:

[Add PIDs and/or legals]

Faribault, Minnesota, Rice County Minnesota (the “Property”), and legally described in Exhibit A attached hereto and made a part hereof.

This Mortgage is given in consideration of and as security for the payment of Two Hundred Ten Thousand and No/100 Dollars (\$210,000.00) (the “Loan”), receipt of which is hereby acknowledged and which is made to enable the Mortgagor to make improvements to the Property. The Loan is evidenced by a Promissory Note (the “Note”), attached hereto as Exhibit B, and repayment of the Loan shall be in accordance with the terms of the Note.

Mortgagor makes and includes in this Mortgage the statutory covenants and other provisions set forth in Minnesota Statutes Section 507.15, including the following:

- a. To warrant title to the Property;
- b. To pay all other mortgages, liens, charges or encumbrances against the Property as and when they become due;
- c. To pay the indebtedness of the Note as herein provided;
- d. To pay all real estate taxes on the Property;
- e. To keep the Property in repair and not commit waste; and
- f. To keep the Property insured against loss by fire and other hazards for at least the sum of the full insurable value of the Property for the protection for the Mortgagee.

If the Mortgagor herein shall pay the Mortgagee herein, its successors or assigns, the sum of Two Hundred Ten Thousand and No/100 Dollars (\$210,000.00) when it becomes due according to the terms of the above-mentioned Note, then this Mortgage shall be null and void, otherwise to remain in full force and effect. But if default shall be made in payment of said sum when due or

in any of the covenants or agreements contained herein, then the Mortgagee may declare immediately due and payable the entire unpaid principal balance, and the Mortgagee, its successors or assigns, are hereby authorized and empowered to foreclose this Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota in such case made and provided, power being expressly granted to sell the Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay the principal of the Note with interest, if any, together with all legal costs and charges of such foreclosure and the maximum attorneys' fees permitted by law.

Mortgagee prior to acceleration shall mail notice to Mortgagor specifying: (1) the event of default; (2) the action required to cure such event; (3) the date, not less than 30 days from the date the notice is mailed to Mortgagor, by which date such default must be cured; and (4) that failure to cure such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Mortgagor to acceleration and sale. If the default is not cured on or before the date specified in the notice (subject to the cure rights set forth below), Mortgagee at Mortgagee's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedy permitted by applicable law. Any one of the following events shall constitute an Event of Default:

- i. Mortgagor fails to pay any amounts due under the Note when said payment is due, and such default shall continue for ten (10) days after notice from the City; and
- ii. Mortgagor violates or fails to perform any of the other terms, covenants or conditions of this Mortgage and such default shall continue for thirty (30) days after notice from the Mortgagee, unless such default cannot be cured in the exercise of reasonable diligence within said thirty (30) day period, in which event Mortgagor shall be allowed such additional time as is needed to cure such default with all due diligence.

Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage, Mortgagor shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to the earlier of (i) sale of the Property pursuant to the power of sale contained in this Mortgage or (ii) a judgment enforcing this Mortgage, if: (a) Mortgagor pays Mortgagee all sums constituting the default actually existing under this Mortgage and the Note at the commencement of foreclosure proceedings under this Mortgage; (b) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor contained in this Mortgage; (c) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this Mortgage and in enforcing Mortgagee's remedies as provided herein, including, but not limited to, reasonable attorneys' fees, and (d) Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

MORTGAGOR HEREBY: EXPRESSLY CONSENTS TO THE FORECLOSURE AND SALE OF THE MORTGAGED PROPERTY BY ACTION PURSUANT TO MINNESOTA STATUTES CHAPTER 581 OR, AT OPTION OF MORTGAGEE, BY ADVERTISEMENT PURSUANT TO MINNESOTA STATUTES CHAPTER 580, WHICH PROVIDES FOR SALE AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE MORTGAGED PROPERTY AND PUBLICATION OF SAID NOTICE FOR SIX WEEKS IN THE COUNTY IN MINNESOTA WHERE THE MORTGAGED PROPERTY IS SITUATED AND ACKNOWLEDGES THAT SERVICE NEED NOT BE MADE UPON MORTGAGOR PERSONALLY UNLESS MORTGAGOR IS AN OCCUPANT AND THAT NO HEARING OF ANY TYPE IS REQUIRED IN CONNECTION WITH THE SALE AND EXCEPT AS MAY BE PROVIDED IN SAID STATUTES, EXPRESSLY WAIVES ANY AND ALL RIGHT TO PRIOR NOTICE OF SALE OF THE MORTGAGED PROPERTY.

This Mortgage and the Note shall be construed according to the laws of the State of Minnesota. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision.

(Signatures Appear on Next Page)



**EXHIBIT A TO MORTGAGE**  
**PROPERTY LEGAL DESCRIPTION**  
**LEGAL DESCRIPTION OF THE PROPERTY**

The land to which this Agreement applies is legally described as follows:

[Insert Legal]

**EXHIBIT B TO MORTGAGE**  
**EXECUTED PROMISSORY NOTE**

**EXHIBIT D TO LOAN AGREEMENT**  
**GUARANTY AGREEMENT**

This Guaranty Agreement (the “Guaranty” or “Guaranty Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2025, by Brett Reese (the "Guarantor") for the benefit of the Economic Development Authority of Faribault, a public body corporate and politic under the laws of Minnesota ("Lender").

WITNESSETH:

WHEREAS, pursuant to the loan agreement of even date herewith between Borrower and Lender (the “Loan Agreement”), ThinkBiz, LLC, a Minnesota limited liability company (the "Borrower") proposes to borrow the sum of \$210,000.00 from Lender in order to make certain upgrades and improvements on the property within the City of Faribault, Minnesota, legally described as set forth in the attached Exhibit A to this Guaranty, which is incorporated by reference and included in this Guaranty as if fully set forth herein; and

WHEREAS, Borrower has agreed to repay to Lender \$210,000.00 together with interest thereon at the rate and within the time stated in Borrower’s promissory note of even date herewith (“Note”); and

WHEREAS, to secure payment of the Note, Lender has required, and the Guarantor has agreed to provide, a guaranty of the indebtedness above described between Borrower and Lender; and

WHEREAS, the Guarantor will receive a direct financial benefit from the loan to Borrower by Lender pursuant to the Note.

NOW, THEREFORE, to induce Lender to make the loan to Borrower, Guarantor hereby covenants and agrees with Lender, for the benefit of all who at any time become holders of the Note, as follows:

Section 1.1. The Guarantor hereby unconditionally guarantees to Lender for the benefit of the Holder (as defined in the Note) from time to time of the Note: (a) the full and prompt payment of the principal of the Note when and as the same shall become due, whether at the stated maturity thereof, by acceleration or otherwise; (b) the full and prompt payment of any interest, if any, on the Note when and as the same shall become due; and (c) any other amounts due Lender under the Loan Agreement and the Note. All payments shall be paid in lawful money of the United States of America. Each and every default in payment of the principal of or interest on the Note shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

Section 1.2. The obligations of Guarantor under this Guaranty shall be absolute and unconditional and shall remain in full force and effect until the entire principal of and interest on

the Note shall have been paid or forgiven as provided for in the Note and Loan Agreement, and such obligations shall not be affected, modified or impaired upon the happening from time to time of any event, including, without limitation, any of the following:

- a. The compromise, settlement, or release of less than all of the obligations, covenants or agreements of Borrower under the Loan Agreement and the Note;
- b. The failure to give notice to any person of the occurrence of an event of default under the terms and provisions of this Guaranty or the Note executed by Borrower;
- c. The extension of the time for payment of principal of or interest on the Note or under this Guaranty;
- d. Any failure, omission, delay, or lack on the part of Lender to enforce, assert or exercise any right, power, or remedy conferred on Lender in this Guaranty or other instruments executed and delivered in connection with the loan contemplated thereby, or any other act or acts on the part of Lender or any of the holders from time to time of the Note;
- e. The default or failure of Guarantor to perform any of the obligations set forth in this Guaranty.

Section 1.3. No set-off, counterclaim, reduction, or diminution of any obligation, or any defense of any kind or nature that Borrower has or may have against Lender shall be available hereunder to Guarantor against Lender.

Section 1.4. In the event of a default in the payment of principal of the Note when and as the same shall become due, whether at the stated maturity thereof, by acceleration or otherwise, or in the event of a default in the payment of any interest on the Note when and as the same shall become due, or upon the occurrence and continuance of any Event of Default under the Loan Agreement, Lender may proceed hereunder, and Lender, in its sole discretion, shall have the right to proceed first and directly against Guarantor for the full amount due without proceeding against or exhausting any other remedies it may have as to Borrower.

Section 1.5. Guarantor hereby expressly waives notice from Lender or the holders from time to time of the Note of acceptance of or any reliance upon this Guaranty. Guarantor agrees to pay all the costs, expenses, and fees, including attorneys fees, which may be incurred by Lender in enforcing or attempting to enforce this Guaranty whether the same shall be enforced by suit or otherwise.

Section 1.6. This Guaranty is entered into by Guarantor with Lender for the benefit of Lender and the holders from time to time of the Note, all of whom shall be entitled to enforce performance and observance of this Guaranty.

Section 1.7. Guarantor is duly authorized and empowered to execute, deliver, and perform this Guaranty.



Section 1.13. Brett Reese hereby acknowledges and agrees that he is liable for each and every obligation of the Borrower set forth in the Note and that such liability shall survive death, divorce, and any other event and shall be binding on his respective estate.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed as of the date first above written.

GUARANTOR:

\_\_\_\_\_  
Brett Reese

**EXHIBIT A TO GUARANTY AGREEMENT**

**LEGAL DESCRIPTION**

That property located within the city of Faribault, Rice County, Minnesota and legally described as follows:

[Insert legal]

**EXHIBIT E**  
**AMORTIZATION TABLE**

**[Insert Table]**

**EXHIBIT F**  
**PROJECT MATERIALS**



## Request for Action

**TO:** Faribault Economic Development Authority  
**FROM:** David Wanberg, CED Director  
**THROUGH:** David Wanberg, CED Director  
**MEETING DATE:** August 21, 2025  
**SUBJECT:** Provide Direction on Requests for Assignments, Ownership Restructuring, and Subordination Agreements related to Faribo Downtown Central's Buildings

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### **BACKGROUND:**

The City Council, EDA, and HRA scheduled a joint work session on Monday, August 18, 2025, to review Faribo Downtown Central's (FDC's) request for assignments, ownership restructuring, and subordination agreements related to the proposed sale of its buildings on and adjacent to Central Avenue. The work session will provide a detailed background on FDC's request and present options on how the Council, EDA, and HRA can independently respond to the request at their upcoming meetings.

At its regular meeting on Thursday, August 21, the EDA should provide City Staff with directions on how it will respond to FDC's request. Staff will then prepare the required documents for final action by the EDA at its September 18 meeting.

### **REQUESTED ACTION:**

Provide City Staff with directions on how to respond to FDC's request for assignments, ownership restructuring, and subordination agreements related to the proposed sale of its buildings on and adjacent to Central Avenue. Staff will then prepare the required documents for final action by the EDA at its September 18 meeting.

### **ATTACHMENTS:**



## Request for Action

**TO:** Faribault Economic Development Authority  
**FROM:** David Wanberg, CED Director  
**THROUGH:** David Wanberg, CED Director  
**MEETING DATE:** August 21, 2025  
**SUBJECT:** Resolution 2025-10 Establish the EDA's Preliminary Tax Levy for Fiscal Year 2026

### **BACKGROUND:**

Minnesota Statute 469.107, Subdivision 1 provides that a City may, at the request of its Economic Development Authority (EDA), levy a tax each year on all taxable property within the taxing district for the benefit of the EDA. The City Council approves the levy amount, but the statute limits the levy to a maximum of 0.01813 percent of the estimated taxable market value in the district.

Since 2011, the EDA has recommended, and the City Council has approved, the maximum levy amount allowed by the statute. The EDA may request the maximum allowed levy for 2026 to support its preliminary work program and budget. The levy is the EDA's primary source of flexible revenue that the EDA can use to fund its programs and fulfill its mission. The 2025 actual taxable market value is \$2,377,664,400. Therefore, the maximum the City Council can levy for the EDA in 2026 is \$431,071 ( $\$2,377,664,400 \times 0.0001813 = \$431,071$ ), which is an estimated increase of \$22,982 over the 2025 estimate.

The City must certify its proposed 2026 property tax levy to the Rice County Auditor by September 30, 2025. Presuming the EDA wishes to request the maximum levy amount allowed by statute for 2026, the EDA should adopt Resolution 2025-10, requesting that the City Council approve the maximum tax levy allowed by statute for EDA purposes in 2026, not to exceed \$431,071 (refer to the attached resolution). Once the City Council certifies the tax levy, the Council can reduce the levy, but it cannot increase it.

### **REQUESTED ACTION:**

Approve Resolution 2025-10.

### **ATTACHMENTS:**

1. Resolution 2025-10 Establish the EDA's Preliminary Tax Levy for Fiscal Year 2026

**ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT, MINNESOTA**

**RESOLUTION #2025-10**

**ESTABLISH THE EDA'S PRELIMINARY TAX LEVY FOR FISCAL YEAR 2026**

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

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

**WHEREAS**, the 2025 actual taxable market value in the district is \$2,377,664,400; and

**WHEREAS**, the maximum the City Council can levy for EDA purposes in 2026 is \$431,071 ( $\$2,377,664,400 \times 0.0001813 = \$431,071$ ); and

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

**NOW, THEREFORE, BE IT RESOLVED**, by the Economic Development Authority of Faribault, Minnesota (the "EDA"), that it establishes and recommends that the City Council approve a 2026 tax levy of \$431,071 for the EDA's purposes.

**ADOPTED:** August 21, 2025

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Kevin F. Voracek, President

**ATTEST:**

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David J. Wanberg, CED Director



## Request for Action

**TO:** Faribault Economic Development Authority  
**FROM:** David Wanberg, CED Director  
**THROUGH:** David Wanberg, CED Director  
**MEETING DATE:** August 21, 2025  
**SUBJECT:** Updates and Future Items - Verbal Only - No Report

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**BACKGROUND:**

The CED Director will provide a verbal update on pertinent items related to the EDA.

**REQUESTED ACTION:**

None

**ATTACHMENTS:**