



## ECONOMIC DEVELOPMENT AUTHORITY AGENDA

PUBLIC MEETING ROOM

THURSDAY, APRIL 21, 2022

7:00 AM

1. Call to Order
2. Approval of the Minutes
3. Routine Business: *Agenda items below are approved by one motion unless an EDA member requests separate action.*
  - A. Monthly Loan Status Report
  - B. Permit Activity Update Report
  - C. Budget Status Report
4. Public Hearings
5. Items for Discussion
  - A. Preliminary Agreement with the Downtown Investment Group (DIG Holdings, LLC)
  - B. Hwy 60 West - Gateway Improvements Discussion with Jeff Jandro
  - C. Funding Request for Downtown Entrepreneurial Video Project
  - D. Funding Request for 2022 MicroGrant Program
  - E. Downtown Placemaking Discussion
  - F. 2022 Marketing - SelectUSA Participation Discussion
  - G. Election of Officers
6. Project Updates
7. Adjournment



Faribault Economic Development Authority  
**MEETING MINUTES**

Thursday | March 17, 2022

**1. Call to Order / Roll Call / Agenda Approval**

**Action:** Chair Gramse called the meeting to order at 7:01a.m.

**Present:** Campbell, Drevlow, Fort, Viscomi, Voracek, and Chair Gramse.

**Absent:** Forsythe.

**Staff Present:** Community & Economic Development Director Deanna Kuennen, Community Development Coordinator, Stephanie Aman and Recording Secretary, Kari Casper, City Administrator, Tim Murray and Attorney, Scott Riggs.

**2. Approval Minutes**

**Action:** Motion was made by Viscomi and seconded by Voracek to approve the Minutes of February 17, 2022 presented. Motion carried on a 6/0 vote.

**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

Kuennen gave an overview of the reports.

Motion was made by Voracek and seconded by Viscomi to receive and file the monthly status reports as presented. Motion carried on a 6/0 vote.

**4. Public Hearings**

- A. None.

**5. Items for Discussion**

**A. Downtown Investment Group Project – Presentation**

Kuennen began her presentation with introducing Attorney, Scott Riggs, who was at the meeting to discuss potential conflicts of interest rules and regulations in light of the

presentation for the Downtown Investment Group. Riggs indicated that if any board members are a part of the Industrial Corp, or have a financial interest in the newly formed LLC DIG Holdings, there is a conflict of interest and they should recuse themselves from the discussion. Conflicts of interest are important, and understanding what the conflict is – because certain conflicts could exclude the EDA as a body from financially participating in the DIG project. After Riggs explanation, it was identified that two parties present, Chair Rod Gramse and Matt Drevlow would not participate. Both recused themselves from the discussion.

Nort Johnson began his presentation explaining that a binding purchase agreement is in place to acquire 13 buildings in the downtown. DIG Holdings LLC intends to acquire the properties and then rehabilitate all (in phases). The properties represent 29 apartments in the downtown business district and approximately 60,000 SF of retail/commercial/residential space. DIG Holdings LLC is in the “due diligence” period – identifying funding sources and analyzing the buildings. They are seeking a total of \$1m in public financial assistance from EDA and HRA, plus they intent to apply for historic tax credits and seek private investments. Lori Bonin was introduced and identified other members of DIG Holdings, LLC as Brett Reese, Chris Connelly which are from Rebound 31, Troy Zabinski, Mike Ritchie, Matt Drevlow and representing the Chamber, Nort Johnson.

Discussion about the request ensued. The total project budget for acquisition and rehabilitation is approximately \$10-\$11 million. DIG Holdings LLC stated that their specific ask of the EDA was \$500,000. Kuennen reminded the EDA that two buildings in the portfolio currently have existing grants/forgivable loans. The EDA suggested that those forgiveness terms could be waived upon request, and the EDA members also stated that if they were to provide the funding, there would need to be a letter of understanding and a condition that that DIG Holdings LLC would not be able to come back and request additional dollars for those particular buildings that are in this project to fund any of the improvements or renovations. The EDA requested that Staff prepare an action item for the April meeting – for a \$500,000 forgivable loan with conditions that no additional funding would be available for specific projects associated with the buildings in the portfolio.

Fort left at 8:03 a.m.

The discussion was then turned over to Chair Gramse to facilitate the rest of the meeting.

Gramse started by recognizing Kuennen for her award of Economic Developer of the Year and presented her with some flowers.

## **6. Updates/Project Reports**

Kuennen reminded the EDA that they are hosting the 2022 Microsummit at 310 Event Center on April 28, 2022. Kuennen reviewed the agenda and announced that the reception will be at Cry Baby Craig's following. Viscomi asked if it could be recorded for future viewing. Kuennen stated she would inquire.

Addition conversation followed.

## **7. Adjourn**

A motion was made by Voracek and seconded by Viscomi to adjourn at 8:18 a.m.

Motion carried on a 5/0 vote.

Respectfully Submitted,

By: \_\_\_\_\_  
Kari Casper, Recording Secretary



**Request for Action**

**TO:** Faribault Economic Development Authority  
**FROM:** Stephanie Aman, Economic Development Coordinator  
**MEETING DATE:** April 21, 2022  
**SUBJECT:** Monthly Loan Status Report

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**BACKGROUND:**

The Economic Development Authority (EDA) has the authority to provide financial incentives to businesses growing and/or relocating to the City. The various different loan funds in the EDA's portfolio are made up of local, state, and federal dollars – all with their own set of criteria associated with each type of funding source.

Recently, Staff has been reviewing all old loan files to ensure that loan obligations have been met and loans are closed out as appropriate. The historical loan information is valuable in understanding how the EDA has assisted projects in the past, and what kinds of loans have been beneficial/impactful. This information can inform various EDA decisions as it relates to developing new loan programs and retooling existing loan programs. Cataloguing which businesses have utilized the various different programs over time is also an important data set that can be used for other purposes, such as identifying tiers of businesses to visit as part of a business retention and expansion (BRE) program.

The attached is a summary of the various City and EDA loan programs and their current available balances as of April 1, 2022.

**REQUESTED ACTION:**

No action required.

**ATTACHMENTS:**

1. 3A - Loan Status Reports

## Agenda Item: 3A

| Fund                                  | Program Name                                             | Available Balance                            | Notes                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------|----------------------------------------------------------|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fund 249                              | Minnesota Investment Fund (MIF)                          | \$13,654.44                                  | 2018 MN Legislature authorized 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.                                                                                                                                                                                                                |
| Fund 292                              | EDA Revolving Loan                                       | \$441,183.89                                 |                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                       | - Commercial Development Loan Program (and Grant)        | (\$341,183.89)                               |                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                       | - Façade Improvement Micro Loan                          |                                              |                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                       | - EDIF - Economic Development Incentive Program          |                                              | New program in 2021 – dedicated \$200,000 of loan balance.<br><br>One loan approved – \$100,000 for Try Star (not reflected in available balance)                                                                                                                                                                                                                                                                |
| Fund 243                              | Industrial Development Loan                              | \$294,953.77                                 | Last activity was loan for Cry Baby Craig’s                                                                                                                                                                                                                                                                                                                                                                      |
| <b>TOTAL EDA LOAN FUNDS AVAILABLE</b> |                                                          | <b>\$749,792.10</b><br><b>(\$649,792.10)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Fund 290                              | EDA Operating Fund/Fund Balance                          | \$2,042,660.30                               | Includes one-time transfer of \$249,175 from 2002 land sale                                                                                                                                                                                                                                                                                                                                                      |
|                                       |                                                          |                                              | 12/20/2017 – Authorized \$100,000 for the airport building demo/site prep (paid 12/2019) to support commercial development at airport                                                                                                                                                                                                                                                                            |
|                                       |                                                          |                                              | Authorized \$150,000 forgivable loan for Daikin                                                                                                                                                                                                                                                                                                                                                                  |
|                                       |                                                          |                                              | Does not include EDA Program Funds                                                                                                                                                                                                                                                                                                                                                                               |
| Fund 245                              | Downtown Commercial Rehab & Exterior Improvement Program | \$33,549.34                                  | Allocated Funds<br>2016 - \$300,000 from City Council<br>2018 - \$200,000 from City Council<br>2019 - \$200,000 from EDA<br>2020 - \$100,000 from EDA (total of \$200,000 identified in budget, only \$100,000 transferred)<br>2021 - \$0 (total of \$200,000 identified in budget, no funds transferred due to lack of program activity)<br>2022 – TBD (total of \$200,000 identified in budget for “downtown”) |
| Fund 248                              | Federal MIF Loan                                         | \$608,843.68                                 | Funds are difficult to spend. Uses must meet a national (federal) objective, public benefit standard, environmental review, Davis-Bacon, and extra business reporting requirements.<br><br>The City Council may request that funds are transferred into the Small Cities Development Program (same federal objectives). This required spending plan and DEED/HUD approval                                        |

## **Agenda Item: 3A**



**Request for Action**

**TO:** Faribault Economic Development Authority  
**FROM:** Deanna Kuennen, Community and Economic Development Director  
**MEETING DATE:** April 21, 2022  
**SUBJECT:** Permit Activity Update Report

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**BACKGROUND:**

Permit activity (building permits, etc.) is a reflection on the status of the economy. Over the last few years, the City of Faribault has seen an increase in permit activity – which translates into investment in our community. *However, COVID-19 is likely to have an impact on investment and construction activity moving forward, along with material cost increases and shortages.*

To track and follow trends, monthly permit activity reports are prepared. This information is shared on a monthly basis with the Economic Development Authority (EDA) to ensure the EDA has a pulse on the development activity occurring in the community. Trend information will also be one resource that the EDA can utilize to develop annual work plans and develop/modify programs to respond to and address business needs.

**REQUESTED ACTION:**

No action required.

**ATTACHMENTS:**

1. 3B - 1 - Memo Monthly Permit Activity Report



## Request for Action

**TO:** Faribault EDA  
**FROM:** Deanna Kuennen,  
 Community and Economic Development Director  
**MEETING DATE:** April 21, 2022  
**SUBJECT:** Permit Activity Report

### BACKGROUND:

Permit activity (building permits, etc.) is a reflection on the status of the economy. Over the last few years, the City of Faribault has seen an increase in permit activity – which translates into investment in our community. *However, COVID-19 is likely to have an impact on investment and construction activity moving forward, along with material cost increases and shortages.*

To track and follow trends, monthly permit activity reports are prepared. This information is shared on a monthly basis with the Economic Development Authority (EDA) to ensure the EDA has a pulse on the development activity occurring in the community. Trend information will also be one resource that the EDA can utilize to develop annual work plans and develop/modify programs to respond to and address business needs.

### The following summarizes building permit activity:

|                             | January        | February       | March          | April   | May      | June     |
|-----------------------------|----------------|----------------|----------------|---------|----------|----------|
| Total Building Permits      | 15             | 19             | 39             |         |          |          |
| Total Valuation             | \$1,411,787.89 | \$4,585,039.62 | \$6,180,438.37 |         |          |          |
| Total ALL Permits*          | 52             | 70             | 91             |         |          |          |
| Total ALL Permits Valuation | \$1,492,107.89 | \$6,021,764.62 | \$6,344,248.37 |         |          |          |
|                             | July           | August         | September      | October | November | December |
| Total Building Permits      |                |                |                |         |          |          |
| Total Valuation             |                |                |                |         |          |          |
| Total ALL Permits*          |                |                |                |         |          |          |
| Total ALL Permits Valuation |                |                |                |         |          |          |

*\*Total ALL Permit activity includes plumbing, heating, signs, electrical, etc.*



**Request for Action**

**TO:** Faribault Economic Development Authority  
**FROM:** Deanna Kuennen, Community and Economic Development Director  
**MEETING DATE:** April 21, 2022  
**SUBJECT:** Budget Status Report

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**BACKGROUND:**

The Economic Development Authority (EDA) approved a 2022 budget, levy request, and work plan. The budget is divided into "operating expenses" and "program funds." The Program Funds budget is made up of fund balance and various different one-time lump funds. These funds are targeted for specific projects based on the approved Work Plan in the categories of: Available Land, Gateways, Regionalism, Workforce/Data Analysis, and Ongoing Operations.

Dues and subscriptions that were paid in March were to the Chamber of Commerce and to DEED.

Attached is the Budget Status report for Fund 290 (Economic Development Authority). *This information is being provided for informational purposes.*

**REQUESTED ACTION:**

No action required.

**ATTACHMENTS:**

1. March, 2022 290 Budget Status

# General Ledger

## Budget Status

User: kcasper  
 Printed: 4/15/2022 - 10:40 AM  
 Period: 3, 2022



| Account Number      | Description                    | Budget Amount | Period Amount | YTD Amount | YTD Var     | Encumbered Amount | Available   | % Available |
|---------------------|--------------------------------|---------------|---------------|------------|-------------|-------------------|-------------|-------------|
| Fund 290            | Economic Development Authority |               |               |            |             |                   |             |             |
| Dept 290-00000      |                                |               |               |            |             |                   |             |             |
| R01                 | Taxes                          |               |               |            |             |                   |             |             |
| 290-00000-462-31010 | Current Ad Valorem Taxes       | 303,623.00    | 0.00          | 0.00       | 303,623.00  | 0.00              | 303,623.00  | 100.00      |
| 290-00000-462-31020 | Delinquent Ad Valorem Taxes    | 0.00          | 0.00          | 0.00       | 0.00        | 0.00              | 0.00        | 0.00        |
| 290-00000-462-31030 | Mobile Home Taxes              | 0.00          | 0.00          | 0.00       | 0.00        | 0.00              | 0.00        | 0.00        |
| 290-00000-462-31035 | Delinquent Mobile Home Taxes   | 0.00          | 0.00          | 0.00       | 0.00        | 0.00              | 0.00        | 0.00        |
| 290-00000-462-31500 | PILOT                          | 0.00          | 0.00          | 0.00       | 0.00        | 0.00              | 0.00        | 0.00        |
| 290-00000-462-31550 | Green Acres                    | 0.00          | 0.00          | 0.00       | 0.00        | 0.00              | 0.00        | 0.00        |
|                     | R01 Sub Totals:                | 303,623.00    | 0.00          | 0.00       | 303,623.00  | 0.00              | 303,623.00  | 100.00      |
| R02                 | Permit & Licenses              |               |               |            |             |                   |             |             |
| 290-00000-462-36215 | Loan Interest                  | 383.00        | 27.36         | 88.74      | 294.26      | 0.00              | 294.26      | 76.83       |
|                     | R02 Sub Totals:                | 383.00        | 27.36         | 88.74      | 294.26      | 0.00              | 294.26      | 76.83       |
| R03                 | Intergovernmental Revenue      |               |               |            |             |                   |             |             |
| 290-00000-462-33402 | Market Value Homestead Credit  | 0.00          | 0.00          | 0.00       | 0.00        | 0.00              | 0.00        | 0.00        |
|                     | R03 Sub Totals:                | 0.00          | 0.00          | 0.00       | 0.00        | 0.00              | 0.00        | 0.00        |
| R04                 | Charges for Services           |               |               |            |             |                   |             |             |
| 290-00000-462-34108 | Administrative Fees            | 0.00          | 0.00          | 0.00       | 0.00        | 0.00              | 0.00        | 0.00        |
| 290-00000-462-34700 | Application Fees               | 2,500.00      | 0.00          | 640.00     | 1,860.00    | 0.00              | 1,860.00    | 74.40       |
|                     | R04 Sub Totals:                | 2,500.00      | 0.00          | 640.00     | 1,860.00    | 0.00              | 1,860.00    | 74.40       |
| R06                 | Miscellaneous Revenue          |               |               |            |             |                   |             |             |
| 290-00000-462-36200 | Other Miscellaneous Revenue    | 500.00        | 0.00          | 0.00       | 500.00      | 0.00              | 500.00      | 100.00      |
| 290-00000-462-36210 | Interest on Investments        | 5,200.00      | 509.89        | 3,060.42   | 2,139.58    | 0.00              | 2,139.58    | 41.15       |
| 290-00000-462-36211 | Interest Market Value          | 0.00          | -23,912.88    | -36,275.69 | 36,275.69   | 0.00              | 36,275.69   | 0.00        |
| 290-00000-462-36240 | Refunds & Reimbursements       | 0.00          | 0.00          | 0.00       | 0.00        | 0.00              | 0.00        | 0.00        |
|                     | R06 Sub Totals:                | 5,700.00      | -23,402.99    | -33,215.27 | 38,915.27   | 0.00              | 38,915.27   | 682.72      |
| R07                 | Other Sources                  |               |               |            |             |                   |             |             |
| 290-00000-462-39100 | Sale of Land                   | 0.00          | 0.00          | 0.00       | 0.00        | 0.00              | 0.00        | 0.00        |
| 290-00000-462-39200 | Transfer In                    | 0.00          | 0.00          | 466,660.04 | -466,660.04 | 0.00              | -466,660.04 | 0.00        |

| Account Number      | Description                    | Budget Amount | Period Amount | YTD Amount  | YTD Var      | Encumbered Amount | Available    | % Available |
|---------------------|--------------------------------|---------------|---------------|-------------|--------------|-------------------|--------------|-------------|
|                     | R07 Sub Totals:                | 0.00          | 0.00          | 466,660.04  | -466,660.04  | 0.00              | -466,660.04  | 0.00        |
|                     | Revenue Sub Totals:            | 312,206.00    | -23,375.63    | 434,173.51  | -121,967.51  | 0.00              | -121,967.51  | 0.00        |
|                     | Dept 00000 Sub Totals:         | -312,206.00   | 23,375.63     | -434,173.51 | 121,967.51   | 0.00              |              |             |
| Dept 290-46500      | Economic Development           |               |               |             |              |                   |              |             |
| E02                 | Supplies                       |               |               |             |              |                   |              |             |
| 290-46500-462-42110 | General Supplies               | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
| 290-46500-462-42115 | Meeting                        | 250.00        | 11.86         | 11.86       | 238.14       | 0.00              | 238.14       | 95.26       |
| 290-46500-462-42420 | Minor Computer Equipment       | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
|                     | E02 Sub Totals:                | 250.00        | 11.86         | 11.86       | 238.14       | 0.00              | 238.14       | 95.26       |
| E03                 | Other Services & Charges       |               |               |             |              |                   |              |             |
| 290-46500-462-43030 | Engineering Fees               | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
| 290-46500-462-43040 | Legal Fees - Civil Process     | 25,000.00     | 0.00          | 420.00      | 24,580.00    | 0.00              | 24,580.00    | 98.32       |
| 290-46500-462-43080 | Indirect Cost Allocation       | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
| 290-46500-462-43090 | Expert & Professional Services | 50,000.00     | 0.00          | 517.50      | 49,482.50    | 0.00              | 49,482.50    | 98.97       |
| 290-46500-462-43095 | Software Maintenance & Support | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
| 290-46500-462-43130 | EDA Program Budget             | 1,000,000.00  | 0.00          | 0.00        | 1,000,000.00 | 0.00              | 1,000,000.00 | 100.00      |
| 290-46500-462-43140 | Training & Education           | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
| 290-46500-462-43220 | Postage                        | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
| 290-46500-462-43250 | Other Communications           | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
| 290-46500-462-43310 | Travel Expense                 | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
| 290-46500-462-43430 | Advertising - Other            | 50,000.00     | 0.00          | 10,000.00   | 40,000.00    | 0.00              | 40,000.00    | 80.00       |
| 290-46500-462-43510 | Legal Notices Publishing       | 500.00        | 0.00          | 0.00        | 500.00       | 0.00              | 500.00       | 100.00      |
| 290-46500-462-43520 | Recording Fees                 | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
| 290-46500-462-43610 | Insurance & Bonds              | 1,889.00      | 0.00          | 0.00        | 1,889.00     | 0.00              | 1,889.00     | 100.00      |
| 290-46500-462-43810 | Electric Utilities             | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
| 290-46500-462-43860 | Storm Water Utilities          | 40.00         | 0.00          | 0.00        | 40.00        | 0.00              | 40.00        | 100.00      |
| 290-46500-462-44330 | Dues & Subscriptions           | 24,000.00     | 17,700.00     | 22,195.00   | 1,805.00     | 0.00              | 1,805.00     | 7.52        |
| 290-46500-462-44370 | Miscellaneous Charges          | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
| 290-46500-462-44390 | Taxes & Licenses               | 50.00         | 0.00          | 0.00        | 50.00        | 0.00              | 50.00        | 100.00      |
| 290-46500-462-44600 | Loans & Grants                 | 75,000.00     | 0.00          | 0.00        | 75,000.00    | 0.00              | 75,000.00    | 100.00      |
|                     | E03 Sub Totals:                | 1,226,479.00  | 17,700.00     | 33,132.50   | 1,193,346.50 | 0.00              | 1,193,346.50 | 97.30       |
| E04                 | Capital Outlay                 |               |               |             |              |                   |              |             |
| 290-46500-462-44160 | Rents & Leases                 | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
| 290-46500-462-45100 | Land                           | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
|                     | E04 Sub Totals:                | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
| E06                 | Other Uses                     |               |               |             |              |                   |              |             |

| Account Number      | Description              | Budget Amount | Period Amount | YTD Amount  | YTD Var      | Encumbered Amount | Available    | % Available |
|---------------------|--------------------------|---------------|---------------|-------------|--------------|-------------------|--------------|-------------|
| 290-46500-462-47200 | Transfer Out             | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
|                     | E06 Sub Totals:          | 0.00          | 0.00          | 0.00        | 0.00         | 0.00              | 0.00         | 0.00        |
|                     | Expense Sub Totals:      | 1,226,729.00  | 17,711.86     | 33,144.36   | 1,193,584.64 | 0.00              | 1,193,584.64 | 97.30       |
|                     | Dept 46500 Sub Totals:   | 1,226,729.00  | 17,711.86     | 33,144.36   | 1,193,584.64 | 0.00              |              |             |
|                     | Fund Revenue Sub Totals: | 312,206.00    | -23,375.63    | 434,173.51  | -121,967.51  | 0.00              | -121,967.51  | 0.00        |
|                     | Fund Expense Sub Totals: | 1,226,729.00  | 17,711.86     | 33,144.36   | 1,193,584.64 | 0.00              | 1,193,584.64 | 97.30       |
|                     | Fund 290 Sub Totals:     | 914,523.00    | 41,087.49     | -401,029.15 | 1,315,552.15 | 0.00              |              |             |
|                     | Revenue Totals:          | 312,206.00    | -23,375.63    | 434,173.51  | -121,967.51  | 0.00              | -121,967.51  | 0.00        |
|                     | Expense Totals:          | 1,226,729.00  | 17,711.86     | 33,144.36   | 1,193,584.64 | 0.00              | 1,193,584.64 | 97.30       |
|                     | Report Totals:           | 914,523.00    | 41,087.49     | -401,029.15 | 1,315,552.15 | 0.00              |              |             |



**Request for Action**

**TO:** Faribault Economic Development Authority  
**FROM:** Deanna Kuennen, Community & Economic Development Director  
**MEETING DATE:** April 21, 2022  
**SUBJECT:** Preliminary Agreement with the Downtown Investment Group (DIG Holdings, LLC)

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**BACKGROUND:**

At the March 17, 2022 EDA meeting, Nort Johnson and Lori Bonin representing the Downtown Investment Group (DIG Holdings, LLC.) presented their plans for the purchase and redevelopment of 13 properties in downtown. The properties represent 60,000 square feet total of commercial/retail space and 29 apartments (of which only 5 are occupied). The total project cost to acquire and complete the renovations is estimated at close to \$11 million. While DIG Holdings, LLC has a binding Purchase Agreement with the sellers, they are still seeking financing to complete the project - specifically \$1 million of grant funds from the HRA and EDA. DIG Holdings, LLC has applied for grant funds through the DEED Main Street Revitalization program (award yet to be determined), and they will be seeking Historic Tax Credits as part of the project proforma.

The EDA discussed the positive impacts that this proposed project can have in terms of preserving and redeveloping the downtown. Ultimately, the EDA determined that they were willing to commit to providing a total of \$500,000, over two (2) years, with the caveat that this contribution would be a one-time infusion of cash, and that the DIG would not be allowed to seek additional funding, from EDA sources/programs, for specific projects on any of the 13 buildings. The EDA then directed Staff to work with legal counsel to determine how best this action can be completed under the statutes regulating the EDA.

Staff has been working with legal counsel to evaluate the appropriate legal mechanism to accomplish the EDA's desired action. The EDA must adhere to a prescribed procedural process when providing public funding to ensure that evaluation of requests is universally fair and unbiased.

Furthermore, actions of the EDA are subject to scrutiny by the auditor. At this juncture, legal counsel felt it was premature to enter into a Memorandum of Understanding or draft a promissory note regarding the forgivable loan. Instead, it is recommended that the EDA enter into a Preliminary Agreement with DIG Holdings, LLC, which basically outlines that the EDA will endeavor to provide funding in the amount of \$500,000, and will work in good faith to review a specific funding request associated with a specific proposal at the appropriate time. This document recognizes that DIG is still in the process of raising and securing the overall funding for the project, that the EDA intends to provide funding in the amount of \$500,000, but cannot do so until DIG has closed on the buildings and prepared specific plans for each building. The Preliminary Agreement sets the stage for the review and execution of all necessary loan documents at which time a specific proposal is submitted and approved.

**REQUESTED ACTION:**

Review, approve, and execute the Preliminary Agreement between the EDA and DIG Holdings, LLC identifying the desire of the EDA to support the DIG Holdings, LLC project of acquiring and rehabilitating 13 properties in the downtown by providing up to \$500,000 in the form of a forgivable loan.

**ATTACHMENTS:**

1. EDA\_DIG\_Preliminary\_Agreement

## PRELIMINARY AGREEMENT

THIS AGREEMENT (the “Agreement”), made and entered into as of this \_\_\_\_ day of April, 2022, (the “Effective Date”) by and between the Economic Development Authority of Faribault, a public body corporate and politic under the laws of Minnesota (the “City”) and DIG Holdings LLC, a Minnesota limited liability company (the “Developer”) or its assigns:

WITNESSETH:

WHEREAS, Developer has entered into a purchase agreement for the acquisition of certain real property, which is located in Rice County, Minnesota, legally described on Exhibit A attached hereto and hereby made a part hereof (the “Development Property”); and

WHEREAS, the City desires to promote development of property, businesses and housing in the City of Faribault; and

WHEREAS, Developer, or a special purpose entity to be formed by the Developer for the purpose of completing this project, has submitted or is in the process of submitting an updated proposal for development of the 13 parcels in the Development Property (the “Development”); and

WHEREAS, the Developer has indicated that it will seek business subsidy assistance or financial incentives from the City to make the Development feasible; and

WHEREAS, the City and Developer are interested in discussing and further planning, as well as potential financial assistance, for the Developer’s proposal for the Development; and

WHEREAS, the City will need to determine if various studies, as may be determined to be reasonably necessary, should be conducted, including without limitation an environmental impact or related study, an infrastructure feasibility study, an economic impact study, and any other studies which are either required by law or deemed appropriate by the City; and

WHEREAS, the City will continue to discuss and negotiate with the Developer regarding the overall development of the Development Property; and

WHEREAS, the City is willing to discuss with the Developer public subsidies which may be available for the Development in an amount up to \$500,000.00, likely in the form of a forgivable loan, however, nothing herein shall be interpreted as an approval or guarantee of any future public financial assistance; and

WHEREAS, by providing public subsidies in an amount up to \$500,000, likely in the form of a forgivable loan, the City will not provide additional funding, from any/all other City programs, for these 13 properties included as part of the Development for a specific amount of time to be determined; and

WHEREAS, various ordinance, land use, zoning, and subdivision issues and actions related to the Development and the Development Property are required to be approved by the City in order to facilitate the Development by the Developer; and

WHEREAS, the City agrees to cooperate with the Developer to review and to assist the Developer, where deemed appropriate by the City, with obtaining various ordinance, land use, zoning, and subdivision approvals and actions related to the Development and the Development Property in order to facilitate the Development by the Developer, provided that nothing herein shall be interpreted as an approval or guarantee of any future land use, zoning, or other required City approvals; and

WHEREAS, the City is willing to consider and the Developer is desirous to undertake the Development if (i) a satisfactory agreement can be reached regarding the City's commitment for public costs, if any, necessary for the Development; (ii) satisfactory mortgage and equity financing, or adequate cash resources for the Development can be secured by Developer; and (iii) the feasibility and soundness of the Development and other necessary preconditions have been determined to the satisfaction of the parties.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

1. Future Negotiations.

The parties agree to continue negotiations pursuant to the terms of this Agreement in an attempt to formulate a definitive plan for the Development based on the following:

- (a) Developer's proposal, which shows the scope of the proposed Development in its latest form as of the date of this Agreement, together with any changes or modifications required by the City;
- (b) Mutually-satisfactory agreements or contracts to be negotiated and agreed upon in accordance with negotiations contemplated by this Agreement;
- (c) Mutually satisfactory terms for the Development that may be required for the Development (e.g. access and utility easements, allocation of infrastructure costs, etc.); and
- (d) Other terms and conditions of this Agreement.

2. Statement of Intent.

Although not conclusive or binding on either party, it is the intention of the parties that this Agreement: (a) documents the present understanding and commitments of the parties; and (b) will lead to the negotiation and execution of mutually-satisfactory agreements prior to the termination date of this Agreement.

3. Term; Duties.

- (a) During the term of this Agreement, the City agrees to:
  - (i) Proceed to seek all necessary information with regard to the anticipated public costs, if any, associated with the Development; and
  - (ii) Should negotiations be successful, enter into an agreement or agreements satisfactory to the City in its sole discretion, with the Developer for the Development.

(b) During the term of this Agreement, the Developer agrees to:

(i) Develop and submit its detailed proposal, including the plans and specifications, for purchase and development of the Development Property;

(ii) Conduct a due diligence review of the Development Property, including without limitation, which must be acceptable to the Developer in its sole discretion: title, survey, environmental (Phase I & Phase II reports), soils, and market studies;

(iii) Acquire the Development Property;

(iv) Obtain approval by the City (including its Engineer, Planning and Inspection Department, and any other governing authority) of the site plan, exterior elevations and finishes, and zoning and subdivision approvals;

(v) Obtain any other necessary governmental approval from any governing authority;

(vi) Obtain financing on terms acceptable to Developer, including but not limited to public subsidies, private loans, tax credits, or equity investment(s); and

(vii) Should negotiations be successful, enter into an agreement or agreements with the City for the Development.

4. Business Subsidies.

(a) The City understands that the Developer is seeking business subsidy assistance from the City in an amount up to \$500,000.00, likely in the form of a forgivable loan. During the term of this Agreement, Developer shall:

(i) Submit to the City 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 design and construction of the Development;

(iii) Submit a time schedule for the Development;

(iv) Undertake and obtain such other preliminary economic feasibility studies, income and expense projections, and such other economic information as Developer may desire to further confirm the economic feasibility and soundness of the Development;

(v) Submit to the City the Developer's financing plan showing that the proposed Development is financially feasible;

(vi) Furnish satisfactory financial data to the City evidencing Developer's ability to undertake the Development; and

(vii) Furnish information in its possession and assist the City with obtaining all available business subsidy assistance which the City may deem appropriate.

(b) Developer understands that any business subsidy assistance sought for the proposed Development must be obtained as outlined by law.

5. Feasibility.

It is expressly understood that execution and implementation of any agreements entered into between the parties hereto shall be subject to:

(a) A determination by the City in its sole discretion that its undertakings are feasible based on (i) satisfaction of City Code requirements; (ii) the purposes and objectives of any development plan created or proposed for the Development; (iii) the Studies, if any; and (iv) the best interests of the City.

(b) A determination by Developer that the Development is feasible and in the best interests of Developer.

6. Effective Date; Expiration.

This Agreement is effective from the Effective Date until six (6) months after the Effective Date. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

7. Termination.

This Agreement may be terminated if Developer abandons the acquisition of the Development Property, or ceases to negotiate in good faith with the City, and such failure to negotiate in good faith is not cured after 30 days written notice of such failure by City to Developer.

8. Severability.

If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the Agreement.

9. Breach; Waiver.

In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous, or subsequent breach.

10. Notice.

Notice or demand or other communication between or among the parties shall be sufficiently given if sent by mail, postage prepaid, return receipt requested or delivered personally:

(a) As to City: City of Faribault  
208 1<sup>st</sup> Avenue NW  
Faribault, MN 55021  
ATTN: Deanna Kuennen

With a copy to: Kennedy & Graven, Chartered  
150 South Fifth Street, Suite 700  
Minneapolis, MN 55402  
ATTN: Scott J. Riggs

(b) As to Developer: DIG Holdings LLC  
3305 Highway 60 West  
Faribault, MN 55021  
ATTN: \_\_\_\_\_

11. Counterparts.

This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

12. Governing Law.

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.

13. Additional Actions.

The parties hereto understand that additional and separate actions, for which no obligation is created hereunder, will be required before either the City or Developer is obligated to take various actions with respect to the Development. Those actions potentially include, but are not limited to:

(a) Zoning, comprehensive plan, and subdivision approvals for any land use or development proposed by Developer; and

(b) Review of any business subsidy, as required by law.

14. Incorporation.

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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Developer has caused this Agreement to be duly executed in its name and behalf and the City has caused this Agreement to be duly executed in its name and behalf as of the day and year first above written.

DEVELOPER:

DIG HOLDINGS LLC

By: \_\_\_\_\_

Its: Chief Manager

CITY:

ECONOMIC DEVELOPMENT AUTHORITY OF  
FARIBAULT

By: \_\_\_\_\_

Rodney Gramse  
Its: President

By: \_\_\_\_\_

Deanna Kuennen  
Its: Executive Director

**EXHIBIT A**  
**DESCRIPTION OF DEVELOPMENT REAL PROPERTY**



**Request for Action**

**TO:** Faribault Economic Development Authority  
**FROM:** Deanna Kuennen, Community & Economic Development Director  
**MEETING DATE:** April 21, 2022  
**SUBJECT:** Hwy 60 West - Gateway Improvements Discussion with Jeff Jandro

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**BACKGROUND:**

The EDA has identified "Gateways" as one of the core priorities in the 2022 EDA Work/Action Plan - specifically identifying Hwy 60 West. In January, Staff updated the EDA on conversations with property owners regarding developing a master plan for this area. The combination of the desirable location directly off of the interstate, good visibility, extension of public infrastructure to serve the site, the lack of encumbrances such as pipelines, and willing land owners/sellers - make this area prime for additional future commercial/industrial development. During this discussion, the EDA expressed their openness to support moving forward with the master plan, and also supporting incremental property improvements, understanding that some minimal investments may be necessary to improve the visual appearance of the area today - while pursuing a larger-scale plan.

Jeff Jandro is the owner of the former "Siegried Property"- which currently houses three (3) shed structures, located at the entrance to the Hwy 60 W area.



Mr. Jandro recognizes that these buildings do not "fit" into the longer-term vision for the property as a gateway, nor does mini-storage, which was originally what he had intended to construct when he purchased the property. He has tenants for the buildings today, has been working with the Planning and Zoning Staff on minimum site plan improvements required to use the property (paving, curb and gutter, and parking lot striping) - but is also willing to make some additional investments in the property while he holds it for future reuse to dress up the property. The additional investments in the property are not required from a planning and zoning perspective. Mr. Jandro is seeking financial participation from the EDA for the building enhancements, recognizing that the investments would dress up the area in the interim while the area is being marketed for development, but are not necessary for his tenants.

The attached renderings show the proposed "beautification" enhancements. They include painting of all of the buildings, fake facade on the middle building so that it has a pitched roof to blend with the other two buildings, stone kneewalls, landscaping, and fencing. The total cost for the project is as follows:

|                                      |               |
|--------------------------------------|---------------|
| Required Site Plan Improvements      | \$40,000 est. |
| Optional Beautification Enhancements | \$45,000 est. |
| Total                                | \$95,000 est. |

The EDA has budgeted \$100,000 in the 2022 Approved Program Budget for the Hwy 60 W Gateway. Based on the EDA's initial support for participation in visual improvements to the Hwy 60 W gateway -Staff is recommending that the EDA consider a forgivable loan with a similar loan

structure as the Downtown Commercial Rehabilitation and Exterior Improvement Program:

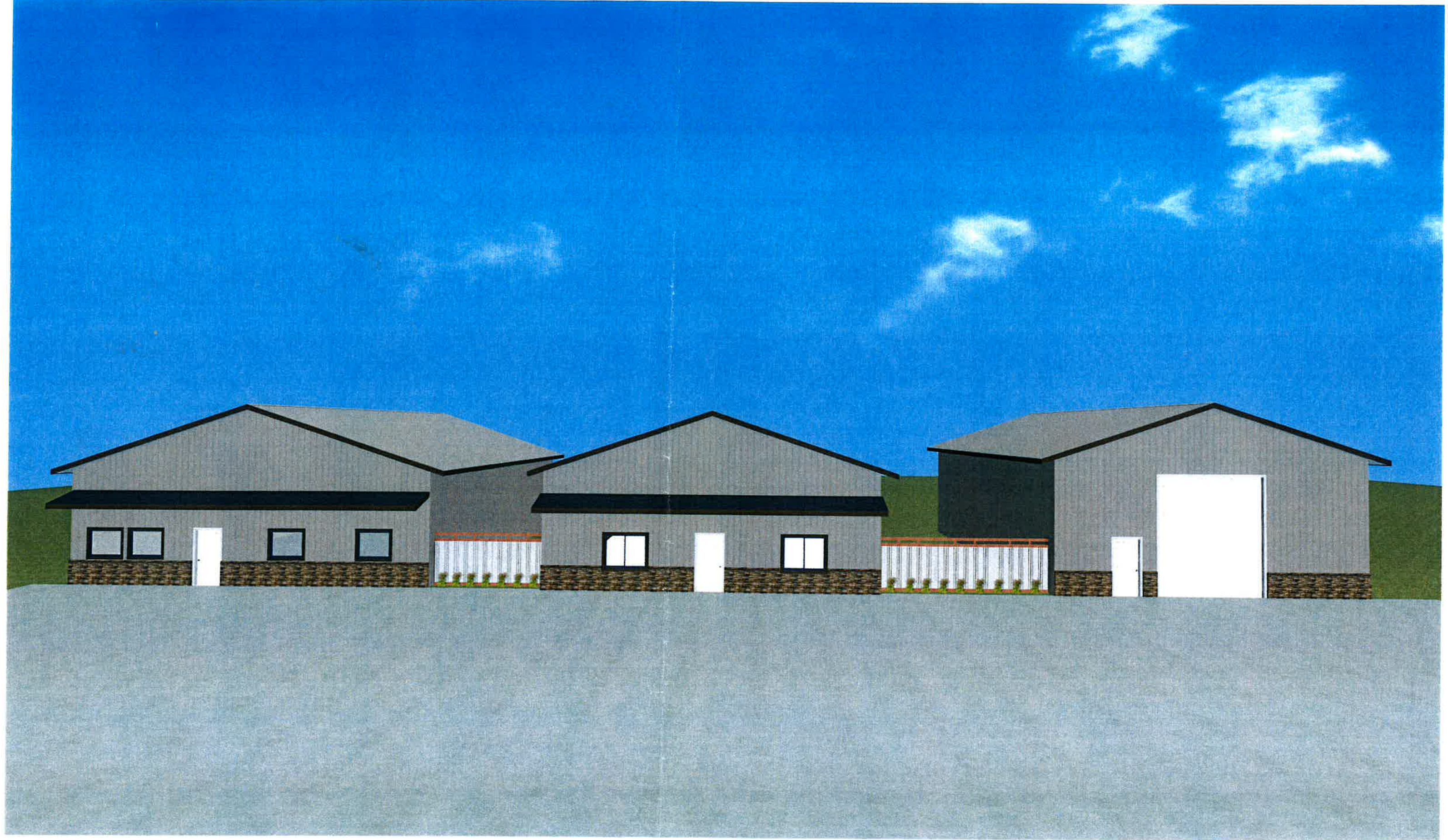
- Matching funds for the optional enhancements in an amount up to 50-percent of the investment (not to exceed \$22,500).
- Funds would be provided on a reimbursement basis - after the owner invested their own funds.
- Forgivable after 5 years.
- If the property is sold within 5 years - the total amount would be due and payable to the EDA.

Mr. Jandro will be at the meeting to discuss the request, and his long-term vision for this property as well as additional property he has acquired within the targeted Hwy 60 W gateway. If the EDA is agreeable to financially supporting the visual/beautification enhancements - Staff would formalize a program, draft the necessary loan documents, and bring the action forward to the next EDA meeting for consideration.

**REQUESTED ACTION:**

**ATTACHMENTS:**

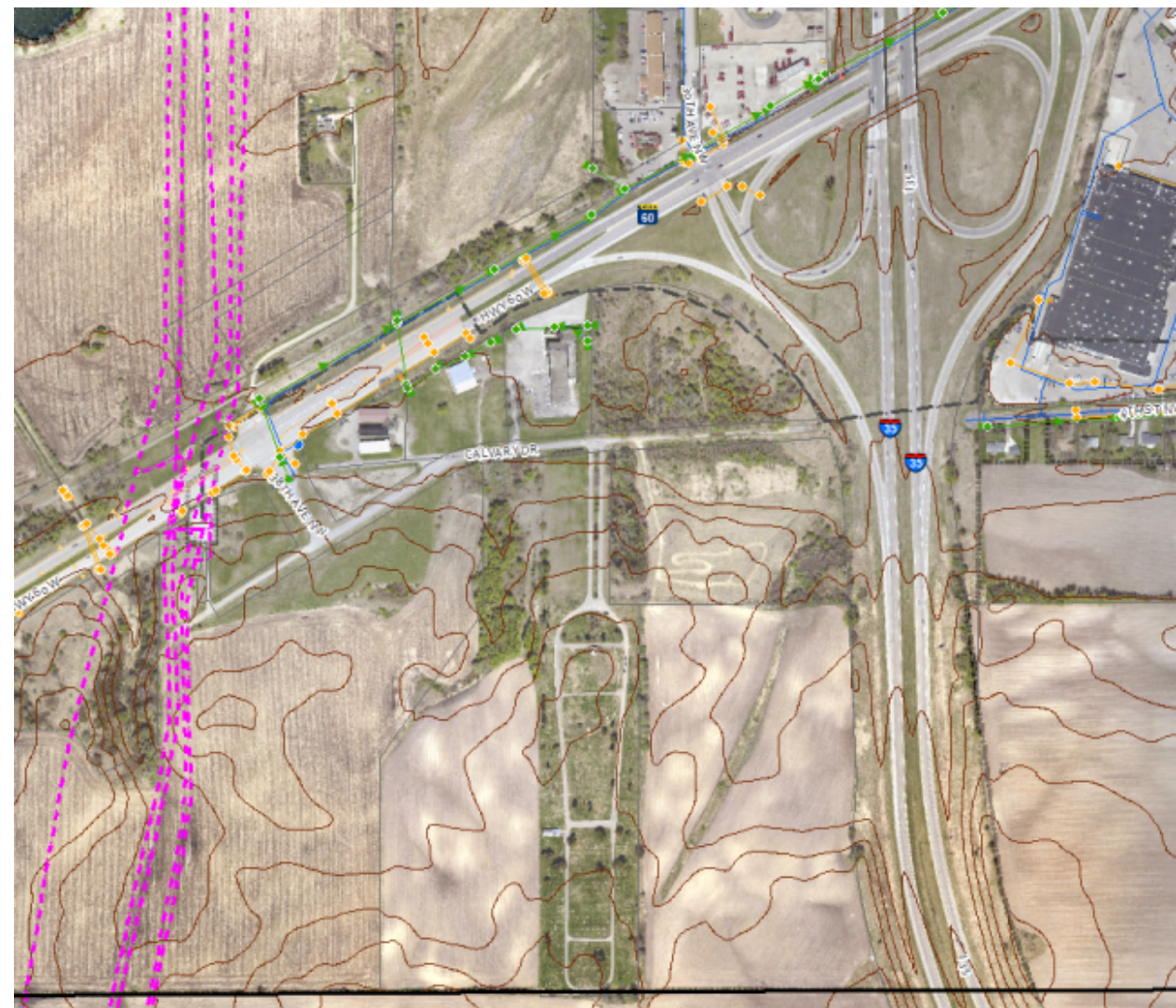
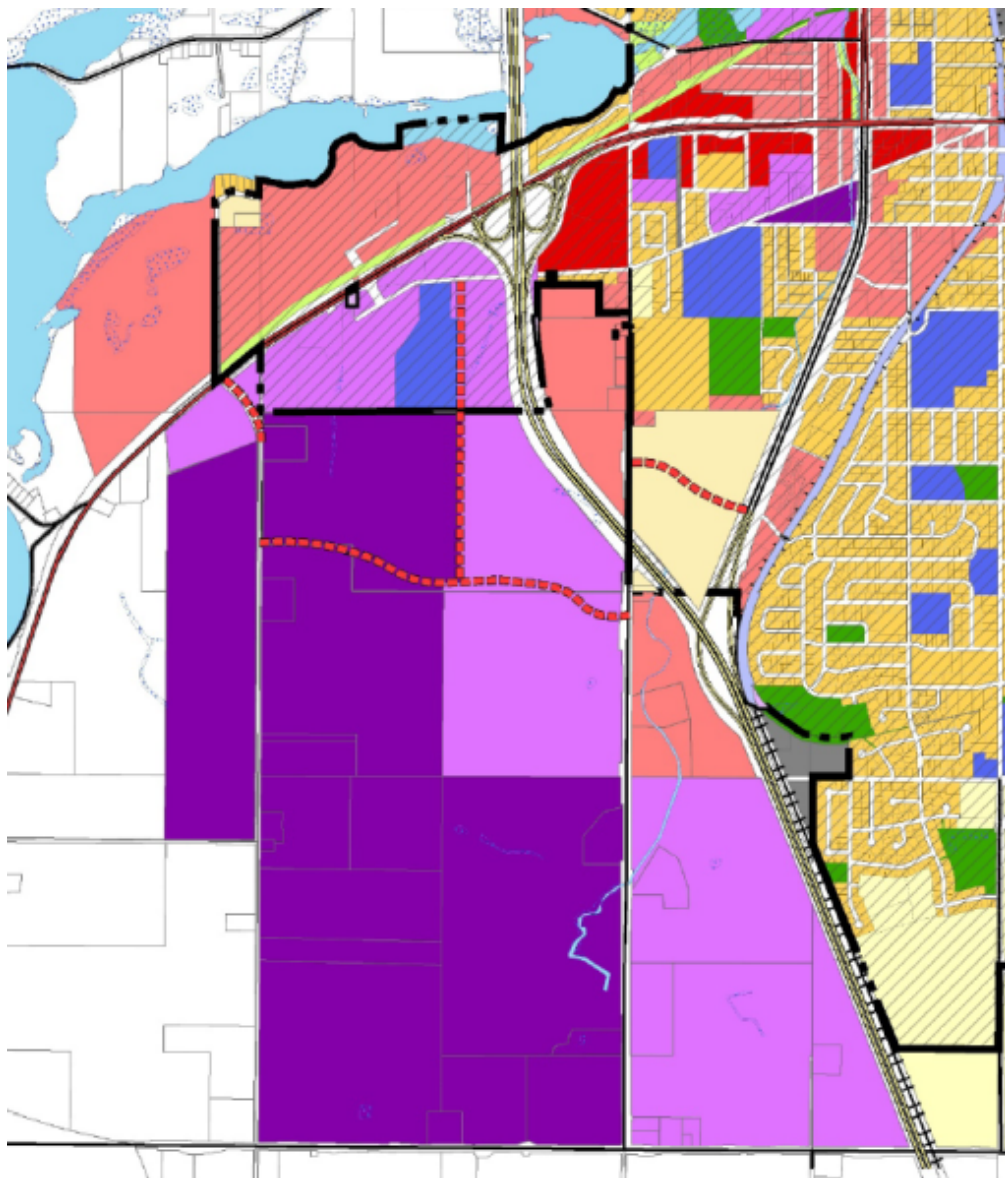
1. 04-2022 - renderings of building enhancements
2. Hwy 60 West - 1-10-22 Powerpoint

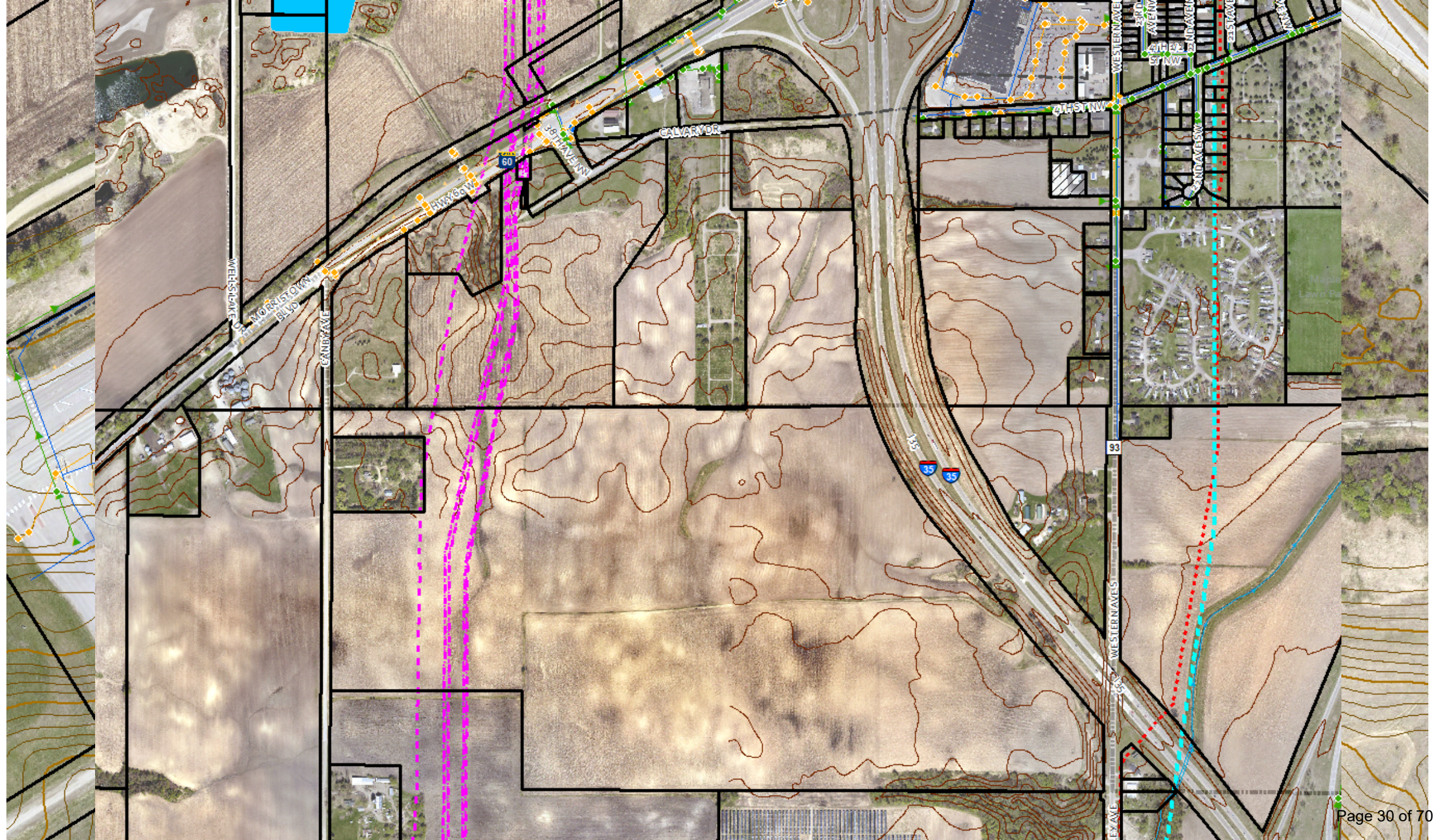


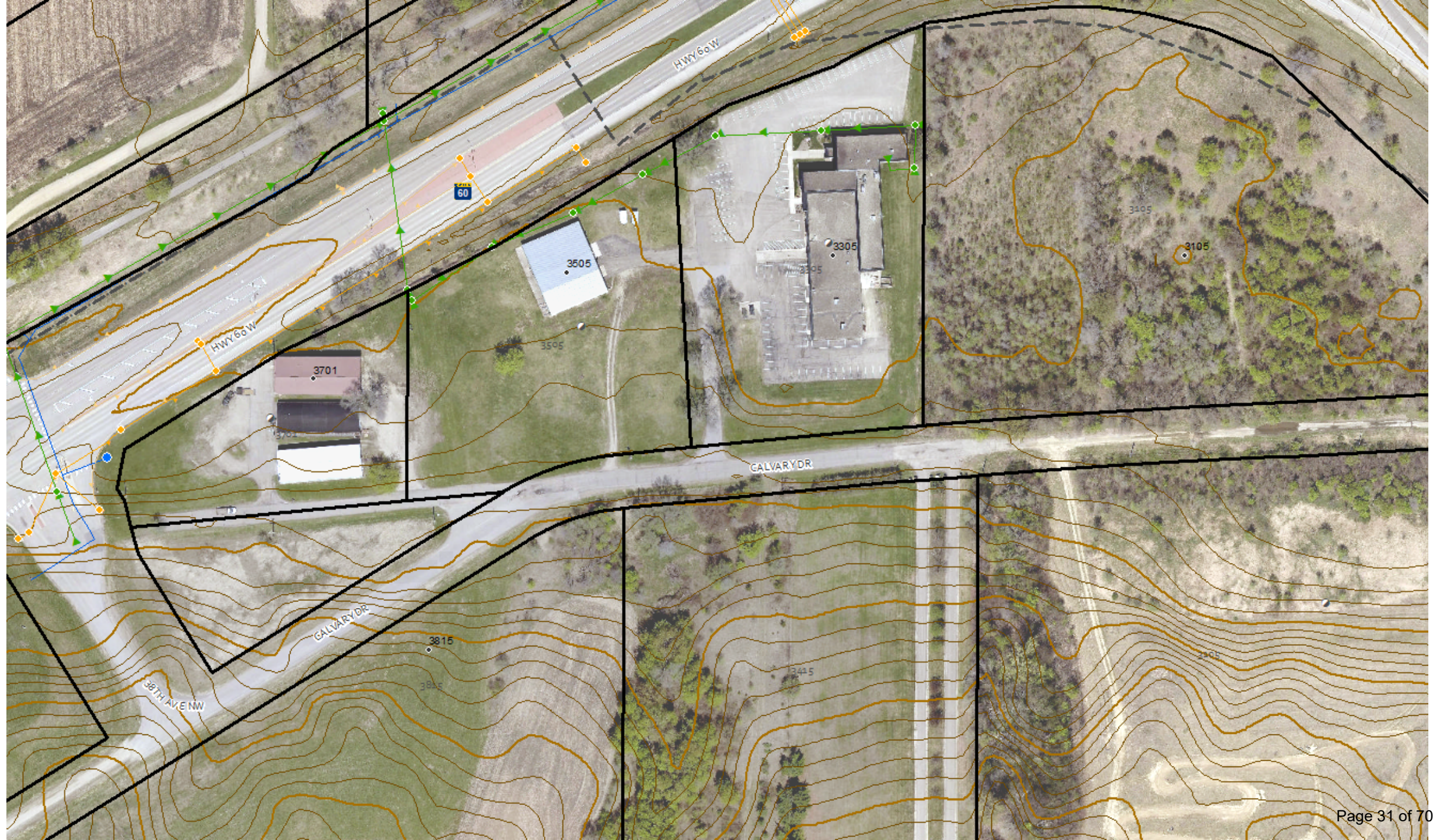


# Hwy 60 West – Master Planning

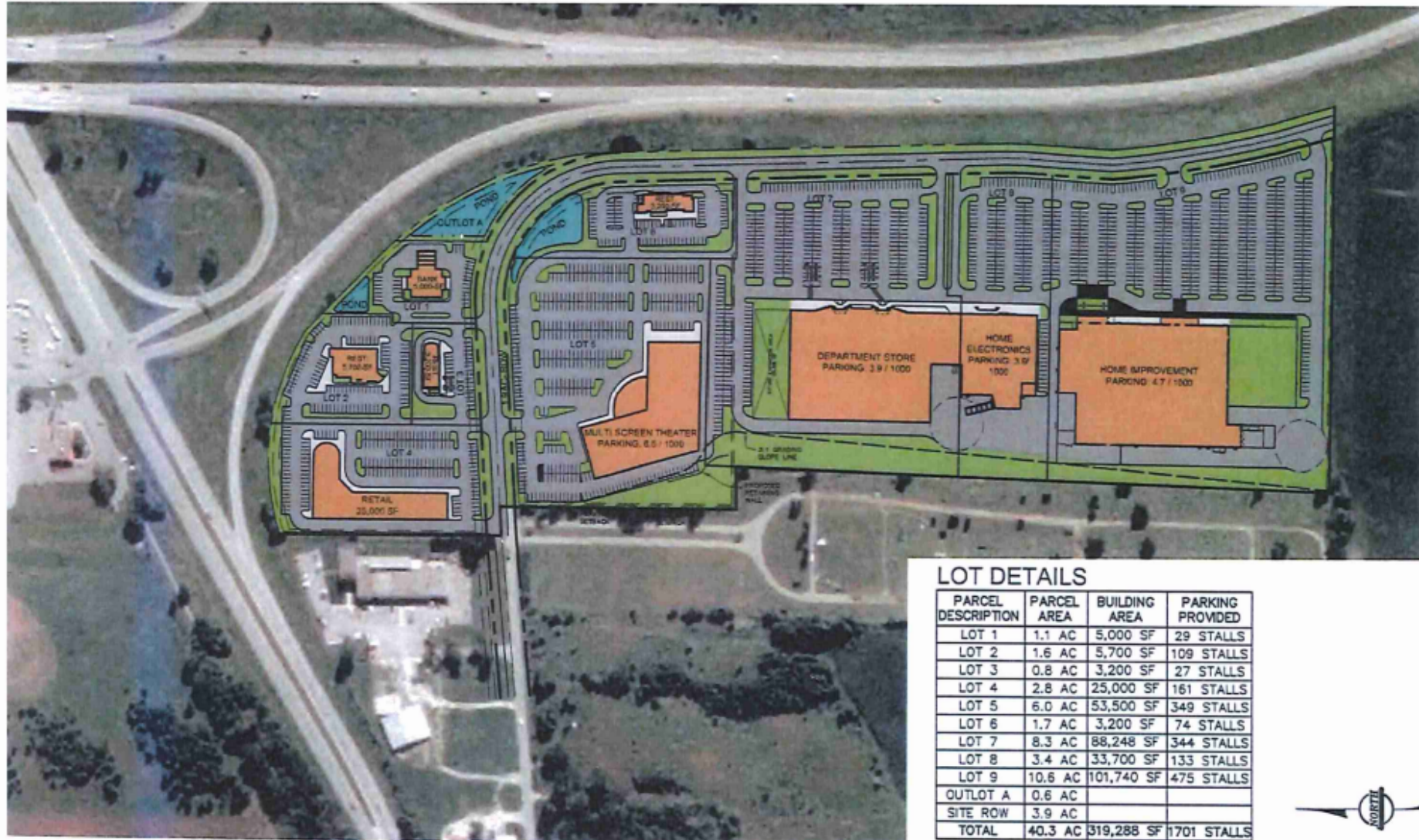
January 10, 2022







# SAMPLE PROPOSED DEVELOPMENT



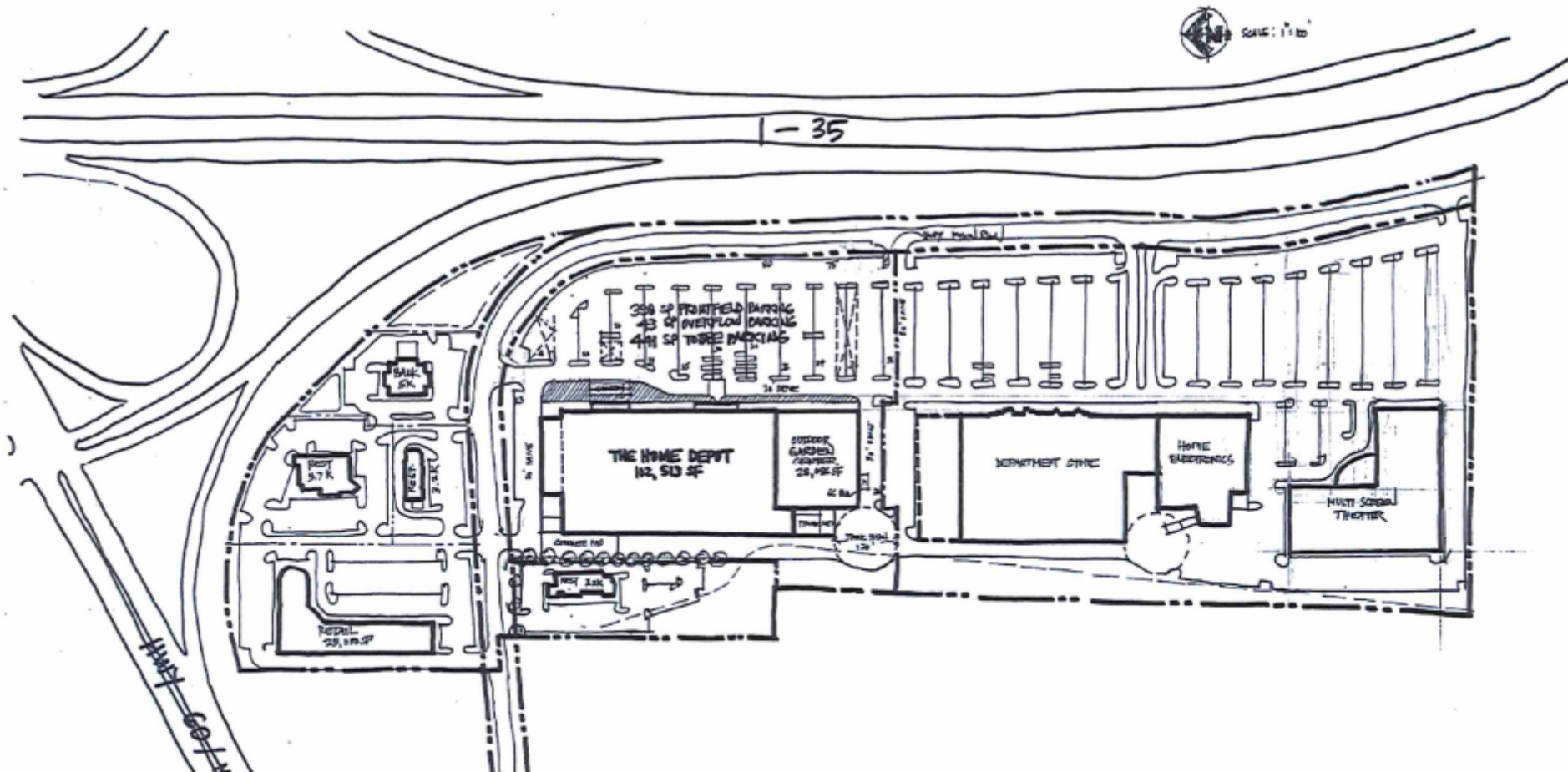
## LOT DETAILS

| PARCEL DESCRIPTION | PARCEL AREA    | BUILDING AREA     | PARKING PROVIDED   |
|--------------------|----------------|-------------------|--------------------|
| LOT 1              | 1.1 AC         | 5,000 SF          | 29 STALLS          |
| LOT 2              | 1.6 AC         | 5,700 SF          | 109 STALLS         |
| LOT 3              | 0.8 AC         | 3,200 SF          | 27 STALLS          |
| LOT 4              | 2.8 AC         | 25,000 SF         | 161 STALLS         |
| LOT 5              | 6.0 AC         | 53,500 SF         | 349 STALLS         |
| LOT 6              | 1.7 AC         | 3,200 SF          | 74 STALLS          |
| LOT 7              | 8.3 AC         | 88,248 SF         | 344 STALLS         |
| LOT 8              | 3.4 AC         | 33,700 SF         | 133 STALLS         |
| LOT 9              | 10.6 AC        | 101,740 SF        | 475 STALLS         |
| OUTLOT A           | 0.6 AC         |                   |                    |
| SITE ROW           | 3.9 AC         |                   |                    |
| <b>TOTAL</b>       | <b>40.3 AC</b> | <b>319,288 SF</b> | <b>1701 STALLS</b> |



0 200  
SCALE IN FEET

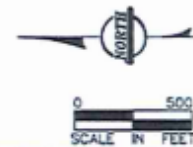
# SAMPLE – PROPOSED DEVELOPMENT



# SAMPLE SKETCH – PROXIMITY TO FARIBAULT

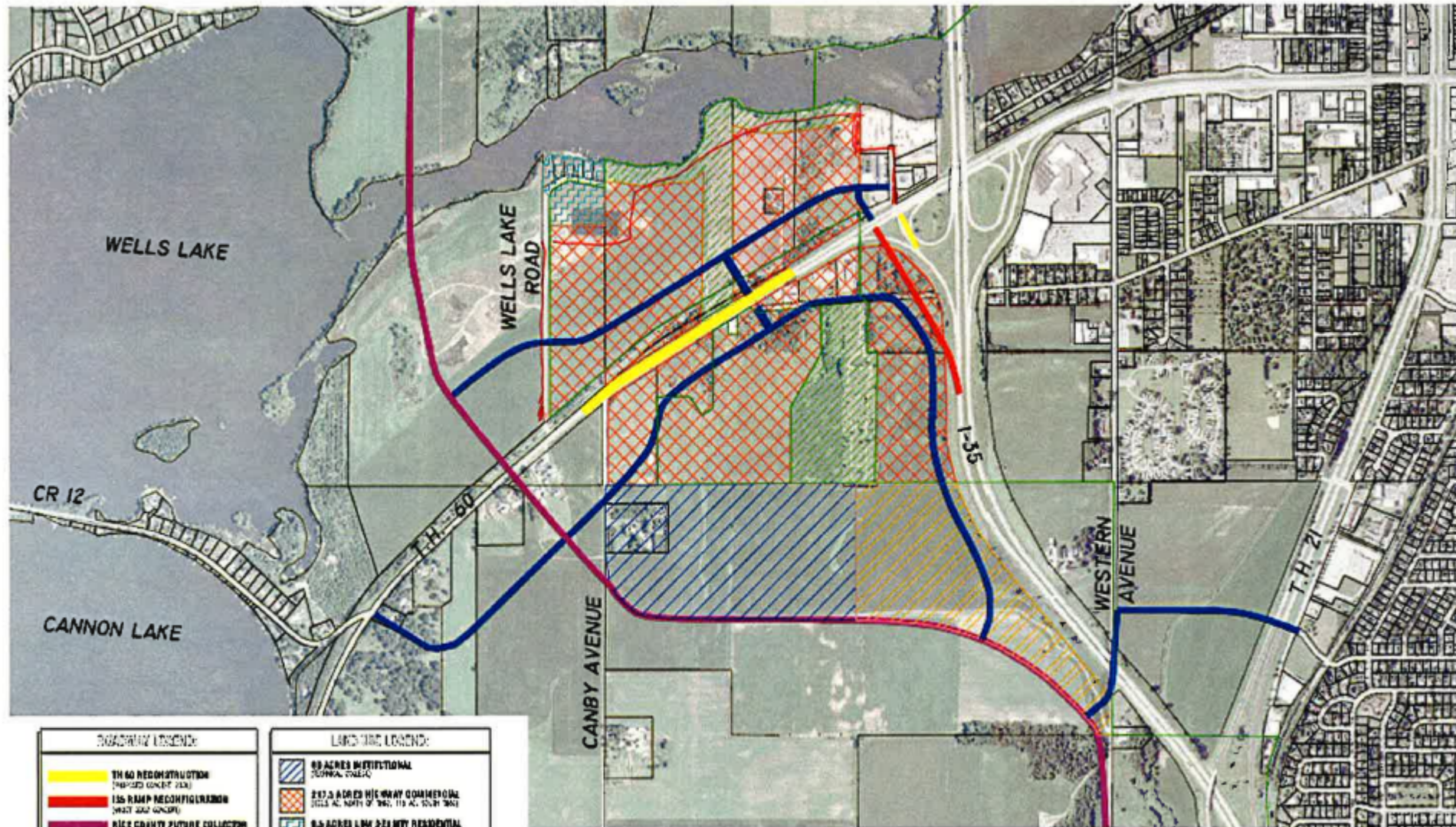


Faribault Commercial - Sketch Plan 3



# TH60 COMMERCIAL DEVELOPMENT AREA

FARIBAULT, MINNESOTA



| ROADWAY LEGEND:                       |                                                                |
|---------------------------------------|----------------------------------------------------------------|
| <span style="color: yellow;">—</span> | TH 60 RECONSTRUCTION<br>(IMPROVED CONCRET PAV)                 |
| <span style="color: red;">—</span>    | 135 RAMP RECONFIGURATION<br>(WAST 200' WIDE)                   |
| <span style="color: purple;">—</span> | RICE COUNTY FUTURE COLLECTION<br>PCE COLLECTOR ROAD (Rte. 253) |
| <span style="color: blue;">—</span>   | COMMERCIAL ROAD NETWORK<br>(CITY OF FARIBAULT 2006 2011)       |

| LAND-USE LEGEND:                                                                                                            |                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| <span style="background-color: #ccccff; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> | 88 ACRES INSTITUTIONAL<br>(SCHOOL, CHURCH)                                    |
| <span style="background-color: #ffcc99; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> | 287.5 ACRES HIGHWAY COMMERCIAL<br>(SOUTH AL. NORTH OF 135; 110 AL. SOUTH 135) |
| <span style="background-color: #ccffcc; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> | 8.5 ACRES LOW DENSITY RESIDENTIAL                                             |
| <span style="background-color: #ffcc99; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> | 48 ACRES MEDIUM DENSITY RESIDENTIAL                                           |
| <span style="background-color: #ccffcc; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> | 25 ACRES PARK/OPEN SPACE<br>(SOUTH AL. NORTH OF 135; 110 AL. SOUTH 135)       |

PREPARED BY:



I&S Engineers & Architects, Inc.  
One firm - start to finish

Scale:  
0 500 1000

PLOT DATE:  
9/15/06





| DEVELOPMENT BREAKDOWN |                |                      |                         |                 |
|-----------------------|----------------|----------------------|-------------------------|-----------------|
| LOT #                 | LOT AREA (AC.) | BUILDING AREA (S.F.) | PARKING STALLS (19'x9') | POND AREA (AC.) |
| 1                     | 10.70          | 150,000              | 538                     | -               |
| 2                     | 10.21          | 130,000              | 513                     | -               |
| 3                     | 4.23           | 26,300               | 258                     | -               |
| 4                     | 3.39           | 35,000               | 177                     | -               |
| 5                     | 3.01           | 24,000               | 172                     | -               |
| 6                     | 4.41           | 16,000               | 98                      | -               |
| OUTLOT A              | 2.85           | -                    | -                       | 1.96            |
| OUTLOT B              | 0.84           | -                    | -                       | -               |
| OUTLOT C              | 2.87           | -                    | -                       | 0.83            |
| STREET R/W            | 3.44           | -                    | -                       | -               |
| TOTALS                | 45.55          | 382,300              | 1754                    | 2.79            |

| LEGEND                                 |                                                                                   |
|----------------------------------------|-----------------------------------------------------------------------------------|
| Proposed Trail ROW- DNR                |  |
| Proposed Trail ROW - City of Faribault |  |
| Greenspace/Open Area                   |  |
| Outlots & Stormwater Facilities        |  |
| Commercial                             |  |
| Single-Family Residential              |  |

| LOT NUMBER    | BUILDING ID | LOT SIZE (ACRES) | BUILDING SIZE (SQ. FT.) |
|---------------|-------------|------------------|-------------------------|
| BLOCK 3 LOT 1 | A           | 11.49            | 90,000                  |
|               | B           | -                | 7,000                   |
|               | C           | -                | 7,000                   |
| BLOCK 3 LOT 2 | D           | 31.47            | 187,000                 |
|               | E           | -                | 131,000                 |
| BLOCK 4 LOT 1 | F           | 3.21             | 8,000                   |
|               | G           | -                | 8,000                   |
| BLOCK 4 LOT 2 | H           | 1.63             | 9,000                   |
| BLOCK 4 LOT 3 | I           | 1.58             | 8,000                   |
| BLOCK 4 LOT 4 | J           | 1.14             | 9,000                   |
| BLOCK 4 LOT 5 | K           | 1.04             | 9,000                   |
| BLOCK 4 LOT 6 | L           | 1.03             | 8,000                   |
| BLOCK 4 LOT 7 | M           | 1.08             | 12,000                  |
| BLOCK 5 LOT 1 | N           | 2.46             | 20,000                  |
| BLOCK 5 LOT 2 | O           | 1.26             | 7,000                   |
| BLOCK 6 LOT 1 | P           | 18.36            | 40,000                  |
| BLOCK 1 LOT 1 | Q           | 1.00             | 7,000                   |
|               | R           | 1.77             | 7,000                   |
|               | S           | 2.37             | 20,000                  |
| BLOCK 2 LOT 1 | T           | 3.30             | 40,000                  |
| BLOCK 2 LOT 2 | U           | 3.82             | 88,000                  |
| BLOCK 3 LOT 1 | V           | 1.22             | 10,000                  |
| TOTAL         |             | 88.22            | 731,000                 |





**Request for Action**

**TO:** Faribault Economic Development Authority  
**FROM:** Stephanie Aman, Economic Development Coordinator  
**MEETING DATE:** April 21, 2022  
**SUBJECT:** Funding Request for Downtown Entrepreneurial Video Project

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**BACKGROUND:**

In 2021, the EDA funded a successful video project entitled, “[Upstairs Downtown](https://www.faribaultmn.org/faribault-main-street/upstairs-downtown/)” (<https://www.faribaultmn.org/faribault-main-street/upstairs-downtown/>) that was spearheaded by Faribault Main Street and focused on upscale housing in Faribault's downtown. At the request of the EDA and in an effort to promote business in the Downtown, Kelly Nygaard, Tourism Director, Marketing Manager and Main Street Coordinator, is presenting a proposal for a similar project, with a focus on Downtown businesses.

Stories and videos are powerful in being able to showcase the people behind the businesses and our downtown businesses have some really great stories to tell. The EDA has set aside up to \$200,000 in the 2022 budget to leverage and focus on Downtown assets and this project would work toward achieving goals set forth in our 2022 workplan, including identifying ways to support small business growth and creating synergy in the downtown.

When successful, the EDA may consider adding digital efforts into the industrial sector, creating a suite of materials for Faribault that include housing, downtown, and Industrial – Historic to High Tech.

**REQUESTED ACTION:**

Staff requests that the EDA discuss the funding request and either suggest changes to the proposal or approve the funding request.

**ATTACHMENTS:**

1. EDA Downtown Showcase Entrepreneur video proposal April 2022



## **EDA Downtown Entrepreneur Video Proposal**

Total Request: \$10,000

### **Budget:**

Video/photography: \$5000

Software: \$1500

Main Street Facilitation and Implementation Fee: \$2700

Marketing Materials and Social Media Boosts: \$800

### **Overview:**

Downtown Faribault, like many historic downtowns has seen ebbs and flows of business demand over the last century. But, in recent years, there has been a renewed level of investment in both the restoration of buildings, and also in the businesses. Existing businesses have evolved, and new entrepreneurs have entered the scene. This combination has shown the innovation, and opportunity that awaits in downtown Faribault. There are several resources available to prospective business owners in the downtown, and a collection of interviews highlighting the existing businesses, which are a variety of essential services, retail, service industry, creative enterprises and more would make a compelling case in recruiting new businesses as well as fostering community pride in everything the community presently has.

Building owners or investors may see this success and want to make similar improvements and be part of a dynamic community with great growth potential. New businesses will add to the economic base for the community, add vibrancy to the downtown, support existing businesses, and attract visitors. When long-term vacancies are eliminated in a downtown, many of the associated negative effects of those vacancies can be reduced or eliminated as well.

### **Process:**

Work with a videographer to capture footage of interviews with entrepreneurs who have set up shop in downtown Faribault, videos will also include shots from around the district for a sense of place. This video will showcase a variety of business sectors, inventiveness of our more recent innovators and deliver a message of excitement and opportunity for businesses, investors, and customers in the downtown area. The website build out will include information on opportunities, Micro Grant, Main Street, EDA, SMIF, and other resources, as well as reasons to invest in historic property, and other relevant information. The outcome would be to create an engaging set of interviews and resources that inspires prospective entrepreneurs to take the next step in historic downtown Faribault.



**Request for Action**

**TO:** Faribault Economic Development Authority  
**FROM:** Stephanie Aman, Economic Development Coordinator  
**MEETING DATE:** April 21, 2022  
**SUBJECT:** Funding Request for 2022 MicroGrant Program

---

**BACKGROUND:**

In 2019, the EDA approved a new program aimed at supporting entrepreneurial initiatives and small businesses in the Central Business District in Faribault. The Micro Grant Program provided grants in the amount of \$500-\$5,000 to fund a variety of traditional and non-traditional requests specific to individual business needs. This program was funded in 2019, 2020 and 2021, and administered by the Faribault Main Street. The program was also included in the 2022 EDA budget in the amount of \$25,000, with an additional \$5,000 for administration fees.

Both the program and the collaboration with Faribault Main Street have proven to be successful. The Faribault Main Street, after reviewing the previous three years of grant activity, proposes a minor modification to the Micro Grant program for 2022. Faribault Main Street will meet with Economic Development Staff during the awarding process to ensure that the funding that is being requested is best served by the Micro Grant award.

The modification does not change the intent of the program – but provide some additional clarification based on their experience in administering the program and recruiting businesses to the downtown.

**REQUESTED ACTION:**

Staff requests that the EDA discuss the request for funding and either suggest changes to the program or approve the funding request.

**ATTACHMENTS:**

1. EDA Micro Grant proposal April 2022

2. 2022 MAIN STREET Micro Grant Entry form
3. 5A - Res 2022-02 Approving Funding to the Downtown Micro-Grant Program

### **Downtown Faribault Micro Grant Program**

Total Request: \$30,000

#### **Budget:**

Micro Grants: \$25,000

Main Street Administration Fee: \$5000

#### **Overview:**

The Micro Grant Program provides grants in the amount of \$500-\$5000 to fund a variety of traditional and non-traditional requests specific to individual business needs. This program was funded in 2019, 2020, and 2021 by the EDA and administered by the Faribault Main Street. All applicants are encouraged to seek free business coaching through the SBDC.

Minor program updates were made in 2021. Following feedback from review panel and applicants, no changes are requested at this time. However, the addition of a joint meeting with Economic Development staff following the complete business plan submission to assess all potential funding options, and additional programs that might be appropriate has been added in mid-July.

Proposed timeline:

June 1- Applications Due

July 11 -Business Plan Due

Mid July- Meet with Economic Development staff

July 27- Optional 3rd Round, at review panel's discretion.

Aug 18- Present Recommendations to EDA

The Downtown Micro Grant program and the collaboration of Faribault EDA and Main Street have proven to be successful , as the past three years have awarded \$75,000 in micro-grants to 21 recipients.

# *Faribault Main Street* **DOWNTOWN MICRO GRANT** **APPLICATION**

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The Faribault Area Chamber of Commerce in partnership with the Faribault Economic Development Authority is excited to announce the Downtown Micro Grant program.

## Application Form

Applicant Name(s) \_\_\_\_\_

Business Name \_\_\_\_\_

Current Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Email Address \_\_\_\_\_

Phone Number \_\_\_\_\_

I/we, the applicant, understand that no materials submitted for this business plan contest will be disclosed to any person or company, except as deemed necessary to evaluate them for purposes of the Micro Grant review process. All materials submitted will remain the intellectual property of the applicant and all copies of said materials will be returned to the applicant upon request. I/we understand that the judges' decision is final.

**Applicant** \_\_\_\_\_ **Date** \_\_\_\_\_

**Applicant** \_\_\_\_\_ **Date** \_\_\_\_\_

**Application Deadline: June 1, 2022**

|                                                             |
|-------------------------------------------------------------|
| Attach your short narrative - <b>no more than one page!</b> |
|-------------------------------------------------------------|

## Entry Materials

Applicants must submit the following:

1. Contest entry form
2. A single 8 ½ x 11 page containing
  - a. Name of proposed business
  - b. 1-2 sentence description of the proposed business
  - c. 1-2 paragraph summary explaining the perceived market opportunity, how the business will take advantage of that opportunity.
  - d. 1-2 sentences of how the Micro Grant funds would be used if awarded. (Please reference list of ineligible projects to ensure your proposal meets the necessary criteria)
  - e. List amount you are applying for. Accepted applicants will receive between \$500 to \$5000

Applications must be submitted by June 1, 2022 to Faribault Main Street c/o Faribault Area Chamber of Commerce and Tourism attn. Kelly Nygaard. E-mail to [kelly@faribaultmn.org](mailto:kelly@faribaultmn.org) (confirm delivery) or hard copy to the office; 530 Wilson Avenue, Faribault, MN 55021. Late applications will not be accepted. Faribault Main Street reserves the right to make changes to the Micro Grant program at any time, without notice.

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Applicants are strongly encouraged to utilize the **free** Small Business Development Center (SBDC) counseling available through the Faribault Area Chamber of Commerce and Tourism. This is an opportunity to meet with a business consultant to have your business or pre-venture questions answered and discuss the challenges and opportunities of business ownership.

For more information, please visit: [www.faribaultmn.org](http://www.faribaultmn.org)

### Questions? Contact:

**Kelly Nygaard**

**[kelly@faribaultmn.org](mailto:kelly@faribaultmn.org)**

**Faribault Area Chamber of Commerce and Tourism**

**507-334-4381**



## **Resolution 2022-02**

### **APPROVING FUNDING TO THE DOWNTOWN MICRO-GRANT PROGRAM**

WHEREAS, the City Council adopted Community Vision 2040 in 2015 – a long term vision for the community; and

WHEREAS, Community Vision 2040 provides a framework to help ensure success of the community; and

WHEREAS, “thriving economic development” is one of the strategic priorities identified in the vision – with the specific goal of developing a comprehensive business incentive package to attract, retain, and grow quality businesses and industries; and

WHEREAS, as a means to further the community vision, support entrepreneurialism, encourage investment, and leverage business retention and expansion in the Central Business District the Economic Development Authority has provided \$25,000 in budget years 2019, 2020, and 2021 and earmarked \$25,000 from the approved 2022 Program Fund Budget to be dedicated to a program focused on financial support of downtown commercial businesses; and

WHEREAS, the Economic Development Authority has reviewed the following Downtown Micro-Grant Program Policy and desires to adopt such policy.

NOW, THEREFORE, BE IT RESOLVED, by the Economic Development Authority for the City of Faribault, Minnesota that the recitals and exhibits set forth in this Resolution are incorporated into and made a part of this Resolution.

BE IT FURTHER RESOLVED, by the Economic Development Authority for the City of Faribault, Minnesota that the Economic Development Authority adopts the following updated Downtown Micro-Grant Program Policy, as essentially set forth and attached in Exhibit “A”.

BE IT FURTHER RESOLVED, by the Economic Development Authority for the City of Faribault, Minnesota that the Economic Development Authority authorizes the Faribault Main Street to administer the program on behalf of the Authority for a fee of \$5,000.

BE IT FINALLY RESOLVED, by the Economic Development Authority for the City of Faribault, Minnesota that the Community and Economic Development staff and consultants are hereby authorized and directed to take all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution.

**ADOPTED: April 21, 2022**

ATTEST:

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Rodney Gramse, President

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, Secretary

## EXHIBIT A



**Request for Action**

**TO:** Faribault Economic Development Authority  
**FROM:** Stephanie Aman, Economic Development Coordinator  
**MEETING DATE:** April 21, 2022  
**SUBJECT:** Downtown Placemaking Discussion

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**BACKGROUND:**

In early 2021, the EDA considered proposals for creative placemaking in Downtown Faribault. As it is the desire of the EDA to continue to support ways to encourage residents and visitors alike to frequent Faribault's Downtown, Staff have worked with the staff at the Paradise Center for the Arts to put together a proposal for Placemaking in Downtown Faribault.

Staff received the attached proposal from the Paradise Center for the Arts on how they would approach a Placemaking Program for Downtown Faribault. They have structured this Placemaking program similarly to their Artists on Main Street Project, which received funding in 2018 from the Preservation Alliance of Minnesota . The proposed Placemaking program would include a required workshop for all funding applicants, review of the project by the Paradise Center for the Arts, and ultimately funding of the individual Placemaking projects at a 80% EDA / 20% Artist match. The Paradise and Staff are seeking feedback on this proposal to ensure that it meets the objectives and goals of the EDA for Placemaking.

Questions for the EDA for discussion:

1. Is the EDA still interested in funding a Placemaking program for downtown?
2. If yes, the EDA has identified a total of \$200,000 in the approved 2022 budget for downtown. How much of this total funding is the EDA interested in providing for the Placemaking program?
3. If the EDA chooses to fund a Placemaking program - are there specific criteria that the EDA would want incorporated into the

guidelines?

**REQUESTED ACTION:**

Staff requests a discussion on potential funding for the proposed placemaking program that will be led by Paradise Center for the Arts.

**ATTACHMENTS:**

1. Placemaking proposal guidelines
2. Placemaking workshop
3. participant agreement

## Community Placemaking in downtown Faribault

### What you need to do to get involved?

1. Attend the Downtown Placemaking Workshop in Faribault *date to be determined*
2. Develop a placemaking project that includes a minimum of one artist, and one community collaborator (i.e. business, nonprofit, school program, etc.).
3. Fill out the application for your proposal and budget.
4. Submit your proposal to Julie Fakler at [info@paradisecenterforthearts.org](mailto:info@paradisecenterforthearts.org) or deliver it to the Paradise Center for the Arts at 321 Central Ave. N. Faribault MN 55021 by **DTBT**.

### If your project is accepted:

1. Sign contract and receive 80% of project support (i.e. \$800 if you're requesting \$1000).
2. Execute and complete project by DTBD.
3. Provide Paradise Center for the Arts updates, photos, video, information about the project for marketing, and publicity.
4. In any description or promotion of project, you must include the following language: *"Funding language"*
5. Submit final project report. This will be a simple set of questions asking what you did for your project, impact your project had on the community, and a list of final expenses. The form will be sent with your contract when the project is accepted.
6. Receive remaining balance of funds when the project is complete, and final project report is submitted.

## What to include in your project proposal

*Please send the following in pdf or word format to [info@paradisecenterforthearts.org](mailto:info@paradisecenterforthearts.org) by **DTBD***

### 1. Cover page (1 page max) will need to include the following

- Project name
- Short project description (keep it short, how would you describe to someone on the street, more info will be added later in the proposal)
- Lead Artist(s) contact information
  - Name:
  - Address:
  - Phone:
  - Email:
  - Website:
- Short artist statement and/or bio
- Address/Location(s) of proposed project (describe if necessary)

### 2. Work samples, location images, and image list (12 jpgs max)

- Provide up to 4 work samples of your current artwork.
- Provide up to 4 images of the site(s) where the project will happen. Cell phone photos are acceptable.

- Provide up to 4 supporting images (Include draft designs, mock-ups or other relevant materials that reflect the final product for your Project.)
- Provide a list of the images. Work samples should include title, date created, medium, and any other pertinent info. For the site and supporting images please provide any pertinent info to the project.

### 3. Project description (3 pages max)

- The story (what are the community issues/needs/opportunities being addressed?)
- The artistic merit of the project (what are you going to do? How does it address ideas stated above using art and culture? If it is related to existing work, how is it new or different?)
- The plan, timeline, and ability to accomplish the project (Describe the activities and timeline required to complete your project by **DTBD**)
- Outreach/Promotion (Who is your audience? How will you let people know about your activity or event?)
- Additional Info (Is there anything else you would like to tell us about your proposal?)

### 4. Budget (1 page max)

- Use the template on the next page as a guideline for developing your budget.

## Budget Template

| Expense Item                                                                 | Cost |
|------------------------------------------------------------------------------|------|
| Time: artist/collaborator compensation (must show method of calculation)     | \$   |
| Materials: described materials needed for the project (break down the costs) | \$   |
| Other:                                                                       | \$   |
| Total                                                                        | \$   |

| Income Source                                                                    | Amount |
|----------------------------------------------------------------------------------|--------|
| Artists on Main Street support (up to \$1000)                                    | \$     |
| Other <i>(not required, but if you have other secured funds, list them here)</i> | \$     |

## **Creative Placemaking Workshop**

Creatives of any level, experience, or discipline who live or work, or have a clear connection to Faribault area or Rice County are invited to a free training on placemaking. Use your creative talents to have an impact on your downtown, your local businesses, and the entire community. After completing the training, *artists will be eligible to apply for collaborative placemaking project support through a simple application process.*

### **Eligibility**

- You consider yourself an artist
- You live, work, or have a clear connection to Faribault area or Rice County
- You want to learn about placemaking
- Artists must take this workshop to be eligible to apply for collaborative placemaking project support

### **Benefits**

- Free training on placemaking and collaboration tools
- New connections to downtown resources and other artists
- Eligibility to apply for collaborative placemaking project support (up to \$1000 per eligible artist)

Workshop is **DTBD** at Paradise Center for the Arts 312 Central Avenue N. Faribault MN 55021. Light snacks will be served.

Artists must take workshop to be eligible.

Please register online at:

## Placemaking Participation Agreement

Paradise Center for the Arts & the City of Faribault EDA and **NAME OF ARTIST** ("Artist") make this Participation Agreement for purposes of implementing an artist-led creative placemaking project in Faribault, Minnesota.

### 1. Roles and Responsibilities of Artist

- a. Artist is responsible for implementing Project as detailed in submitted proposal (attached).
- b. Artist completes project and submits final report by **DTBD**.
- c. Artist provides project updates regarding events and activities to which public is invited in order for Paradise Center for the Arts, and city of Faribault to help promote them.
- d. Artist is responsible for arranging any insurance coverage needed. Artist assumes all risk of loss and damage to the project from any cause, and agrees to hold Paradise Center for the Arts, and the city of Faribault harmless for loss or damage from any cause.
- e. Artist is responsible for upkeep and maintenance of any physical portions of the project for the duration of the project. Paradise Center for the Arts, and city of Faribault will make no alterations, repairs or maintenance to the project.
- f. Any significant changes or alterations to project and/or timeline must be approved by Paradise Center for the Arts, and city of Faribault.

### 2. Roles and Responsibilities Paradise Center for the Arts & city of Faribault Staff

- a. Assistance, when requested, in supporting implementation of project on a best-effort basis.
- b. Promotion of project: online resources, social media, and other networks.

### 3. Documentation

Artist agrees to permit Paradise Center for the Arts & city of Faribault and its designated personnel to photograph, video and document the Project, and use resulting materials without restrictions.

### 4. Credit Acknowledgement

Any written, electronic documentation of project preferably acknowledges the following support:

*"Funding language."*

\_\_\_\_ Please initial here to indicate your willingness to be contacted by interested media outlets (TV, newspaper etc).

### 5. Fees

City of Faribault agrees to pay Artist a fee of \$XX.XX (AMOUNT) for the work specified above.

City of Faribault agrees that it will pay Artist 80% of the total fee, \$XX.XX (AMOUNT) upon execution of this agreement.

Upon completion of artist's project and submission of final report, city of Faribault agrees to pay artist the remaining fee of \$XX.XX (AMOUNT).

**6. Employment**

The artist is not an employee of Paradise Center for the Arts or the city of Faribault and will not represent themselves as such.

**7. Hold Harmless**

The artist agrees to indemnify, save, and hold Paradise Center for the Arts and the city of Faribault, their employees and representatives harmless from any and all claims or causes of action, including attorneys' fees, arising from the performance of this Agreement.

**8. Entire Agreement**

This agreement contains the entire agreement between the parties. No modification of this agreement shall be valid unless in writing and signed by both parties. Any waiver or modification of one part shall not affect the other portions of this agreement.

**9. Governing Law**

The laws of the State of Minnesota shall govern this contract; any litigation shall be brought in the courts of that state.

Signed:

\_\_\_\_\_  
NAME, Artist

\_\_\_\_\_  
(date)

\_\_\_\_\_  
NAME, Placemaking Organization

\_\_\_\_\_  
(date)



**Request for Action**

**TO:** Faribault Economic Development Authority  
**FROM:** Deanna Kuennen, Community & Economic Development Director  
**MEETING DATE:** April 21, 2022  
**SUBJECT:** 2022 Marketing - SelectUSA Participation Discussion

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**BACKGROUND:**

The EDA budget and work plan both identify the importance of marketing. The EDA has identified \$50,000 for Advertising/Marketing initiatives in 2022. Specifically - \$25,000 has been identified for participation in FAM Tours, Site Selector meetings/events, Minnesota Marketing Partnership (MMP) activities, *and SelectUSA*.

<https://www.selectusasummit.us/About/SelectUSA-Investment-Summit>

SelectUSA is an annual event hosted by the US Department of Commerce that focuses on facilitating job-creating business investments into the USA. Prior to the pandemic, Staff was invited to participate in SelectUSA as part of Team Minnesota, to represent Faribault, the foreign-direct investments (FDI) in our community, and to foster relationships with other international organizations with the goal of increasing investments in Minnesota. These events have allowed us to tell the story of "Why Faribault" to an international audience ( highlighting the uniqueness of having four large foreign-owned companies in a single greater MN community), and to enhance the business relationships with other agencies including the US Department of Commerce. SelectUSA was canceled in 2020, moved to a virtual setting in 2021, but is back in person in 2022.

The Minnesota Trade Office has requested participation from Faribault again in the 2022 SelectUSA event planned for June 26-29 in National Harbor, Maryland, to represent FDI in SE Minnesota, and to renew discussions and relationships with international agencies that have been paused due to the global pandemic. It is anticipated that the attendance will be less than in years past - which will allow for the Minnesota Trade

Office to re-tool what Minnesota's presence at this event will be - focusing on entrepreneurial businesses from counties that already have a Minnesota presence, one-on-one meetings/networking with foreign-government agencies, speaking events/participation on panels to amplify local government success stories with international companies, and more invitations to embassies to meet with business leaders and government representatives.

The Minnesota Trade Office is seeking commitments from economic development partners by May 14th - so that they can obtain approval of the participants (each attendee must be individually vetted) and build out the itinerary. While SelectUSA was identified in the approved 2022 budget, prior to committing, Staff is seeking renewed commitment to be part of Team Minnesota to promote the City of Faribault's existing FDI and support the State of Minnesota's JoinUs and Build What Matters campaigns. The final cost to participate is not determined at this time - but costs would include:

- Registration as part of Team Minnesota - \$1250 (same as previous years)
- Flights - est \$600 per Expedia
- Hotel
- Faribault branded items
- Incidentals/Meals

**REQUESTED ACTION:**

Discuss participation as part of Team Minnesota at the 2022 SelectUSA Investment Summit.

**ATTACHMENTS:**

1. FINAL 2022 EDA WORK
2. Approved 2022 Operating and Program Budget

## 2022 EDA WORK / ACTION PLAN

|                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AVAILABLE LAND</b>                                                     | <ul style="list-style-type: none"> <li>• Identify underutilized parcels throughout and adjacent to city limits</li> <li>• Identify infill development opportunities <ul style="list-style-type: none"> <li>○ Be prepared to assembly and acquire land if/when appropriate</li> </ul> </li> <li>• Proactively identify “highly-visible/catalyst” sites for development/redevelopment <ul style="list-style-type: none"> <li>○ Fund studies/projects that will help market catalyst sites (Farmer Seed example)</li> </ul> </li> <li>• Start discussions with business owners about expansion/land needs <ul style="list-style-type: none"> <li>○ Build an “inventory needs” assessment based on business input</li> </ul> </li> <li>• Identify additional development land</li> <li>• Support/encourage annexation</li> <li>• Position Faribault Municipal Airport to be an economic development engine <ul style="list-style-type: none"> <li>○ Infrastructure investments</li> <li>○ Participate in Runway Expansion Analysis</li> <li>○ Marketing – existing and future airport opportunities</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>GATEWAYS</b><br><br><i>(Formerly I-35<br/>Transportation Corridor)</i> | <ul style="list-style-type: none"> <li>• Identify (and map) opportunities and threats along major gateways (SWOT)</li> <li>• Encourage investment / redevelopment along major gateways <ul style="list-style-type: none"> <li>○ Provide funding (loans/grants) to clear hurdles to kick-start investment</li> <li>○ Develop programs to infuse funds/leverage private resources</li> <li>○ Replicate success on north side of Faribault in other areas of the city – investment in infrastructure, etc.</li> </ul> </li> <li>• Develop programs to encourage visual enhancements <ul style="list-style-type: none"> <li>○ Develop programs that will make a visual impact on the community</li> </ul> </li> <li>• Support/actively participate in I-35 interchange and frontage road initiatives</li> <li>• Develop initiatives to enhance Hwy 60 reconstruction project <ul style="list-style-type: none"> <li>○ Develop infrastructure plan</li> <li>○ Develop master plan/concept plan/engineering plans to show the potential for development and to use to market the area</li> </ul> </li> <li>• Continue investments into the downtown <ul style="list-style-type: none"> <li>○ Map areas with highest traffic patterns (foot/bike/vehicle) – provide investments</li> <li>○ Focus on back sides of buildings, ROW, etc.</li> <li>○ Develop priority scoring and funding system to deploy funds to have biggest impact</li> <li>○ Partner with City/HRA/HPC/Others on downtown initiatives (example: mural)</li> <li>○ Partner with PCA on placemaking initiatives that bring people downtown</li> </ul> </li> </ul> |
| <b>REGIONALISM</b>                                                        | <ul style="list-style-type: none"> <li>• Understand regional issues impacting economic development <ul style="list-style-type: none"> <li>○ Continue to partner with Owatonna on regional marketing</li> <li>○ Work with HRA and employers to address workforce housing needs and initiatives</li> </ul> </li> <li>• Define, understand, and market Faribault’s place in the region <ul style="list-style-type: none"> <li>○ I-35 Corridor / Corridors of Commerce</li> <li>○ Greater MSP</li> <li>○ SE MN</li> <li>○ Minnesota Marketing Partnership</li> <li>○ State of MN Trade Office / Foreign Direct Investment</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>WORKFORCE &amp; DATA ANALYSIS</b> | <ul style="list-style-type: none"> <li>• Actively engage with SCC on workforce training programs- including H2C</li> <li>• Partner with the Faribault Area Chamber of Commerce and other partners on their “Career and Workforce Development” initiative</li> <li>• Work with employers to understand workforce needs <ul style="list-style-type: none"> <li>○ Develop specific workforce strategies for local employers</li> <li>○ Develop “creative” talent attraction initiatives</li> </ul> </li> <li>• Participate with DEED on talent-attraction efforts/events/initiatives</li> <li>• Tell Faribault’s story <ul style="list-style-type: none"> <li>○ Growing workforce population</li> <li>○ Positive impact of proximity to south metro</li> <li>○ Training opportunities</li> </ul> </li> </ul>                                                                                                                             |
| <b>SMALL BUSINESS ASSISTANCE</b>     | <ul style="list-style-type: none"> <li>• Identify ways to support small business growth</li> <li>• Create synergy in the downtown</li> <li>• Provide programs to encourage investments in small business</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>ONGOING OPERATIONS</b>            | <ul style="list-style-type: none"> <li>• Redirect/review/reduce funding support to other organization – focusing on those that align with the EDA’s core economic development focus and mission (Maintain 2019 funding levels)</li> <li>• Continue enhanced marketing and networking initiatives <ul style="list-style-type: none"> <li>○ Leverage marketing funds by pursuing joint marketing efforts</li> <li>○ Pursue targeted marketing campaign – to include site selection partnership/consultant services</li> <li>○ Actively participate in MMP, targeted industry visits, FAM Tour, FDI opportunities, talent attraction events</li> <li>○ Conduct second Micro Summit (postponed due to COVID-19)</li> </ul> </li> <li>• Determine COVID-19 Response to support Faribault’s economy. Look for opportunities to help Faribault businesses sustain operations, re-establish operations, or re-envision operations.</li> </ul> |

# 2022 APPROVED OPERATING BUDGET

|               |                             |            |
|---------------|-----------------------------|------------|
| Revenue       | Current Ad Valorem Taxes    | 303,623.00 |
|               | Delinquent Ad Valorem Taxes | 1,500.00   |
|               | Misc Taxes                  | 700.00     |
|               | Interest & Misc Revenue     | 2,500.00   |
| Total Revenue |                             | 308,323.00 |

|                          |                                  |             |              |                                                                                                                                                         |
|--------------------------|----------------------------------|-------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | Legal                            | (25,000.00) |              | legal review - policies, programs, satisfactions, loan docs, packets, etc.                                                                              |
|                          | Insurance & Bonds                | (1,889.00)  |              |                                                                                                                                                         |
|                          | Taxes & Licenses                 | (500.00)    |              |                                                                                                                                                         |
|                          | Legal Notices Publishing         | (500.00)    |              |                                                                                                                                                         |
|                          | Meeting Expenses                 | (250.00)    |              | reduced, but keep for special meetings                                                                                                                  |
|                          |                                  |             | (28,139.00)  |                                                                                                                                                         |
|                          | Expert & Professional Services   | (50,000.00) | (50,000.00)  | \$10,000 Financial Consultant, \$25,000 eng./consultant for land initiatives, \$5,000 Main Street for Micro Grant admin, \$10,000 "other" program admin |
|                          | Loans & Grants                   | (75,000.00) | (75,000.00)  | \$25,000 Micro Grant, \$20,000 Placemaking, \$30,000 city-wide program (new)                                                                            |
|                          | Advertising (ED Marketing Budget | (50,000.00) | (50,000.00)  | \$25,000 FAM, Site Selector, MMP, SelectUSA events, \$12,000 marketing ads/materials, \$10,000 MREJ, misc.                                              |
|                          | Dues & Subscriptions             | (24,000.00) | (24,000.00)  | \$1,000 EDAM, \$100 Daily News, \$1,000 MMP, \$4,000 SMIF contrib., \$17,000 Chamber/Main Street/SCDC contrib., Misc subscript.                         |
| Total Operating Expenses |                                  |             | (227,139.00) |                                                                                                                                                         |

# 2022 APPROVED PROGRAM BUDGET

|                     |                                                |
|---------------------|------------------------------------------------|
| Estimated Fund      |                                                |
| Balance end of 2021 | 938,750.19 (plus unspent 2021 Operating Funds) |
| Excess Levy         | 81,184.00                                      |
|                     | 1,019,934.19                                   |

|                          |    |              |                                                                                                             |
|--------------------------|----|--------------|-------------------------------------------------------------------------------------------------------------|
| Available Land           | \$ | (400,000.00) | \$250,000 land assembly, \$50,000 infrastructure enhancement/airport, \$100,000 shovel-ready, clear hurdles |
| Gateways                 | \$ | (400,000.00) | \$200,000 downtown, \$100,000 Hwy 60 W, \$100,000 other corridors/programs                                  |
| Work Force               | \$ | (100,000.00) | TBD                                                                                                         |
| Small Business Asssistar | \$ | (100,000.00) | TBD                                                                                                         |
|                          | \$ | 19,934.19    |                                                                                                             |



**Request for Action**

**TO:** Faribault Economic Development Authority  
**FROM:** Deanna Kuennen, Community & Economic Development Director  
**MEETING DATE:** April 21, 2022  
**SUBJECT:** Election of Officers

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**BACKGROUND:**

The EDA is a seven (7) member-board originally established in May 1986 pursuant to Minnesota State Statutes. Per the enabling resolution, the EDA officer positions include President, Vice President, Secretary, Treasurer, and Assistant Treasurer. Annually, the EDA must elect officers for the positions of President and Treasurer/Secretary, and traditionally the EDA also elects the Vice President on an annual basis.

**The 2022 officers included:**

|                     |                |
|---------------------|----------------|
| President           | Rod Gramse     |
| Vice President      | Kevin Voracek  |
| Secretary/Treasurer | Grant Forsythe |

Unfortunately, Grant Forsythe has resigned from the EDA - which leaves an open officer seat. The current EDA membership includes:

Rod Gramse, President  
Kevin Voracek, Vice President  
Matt Drevlow  
Dave Campbell  
Will Fort  
AJ Smith (appointed by City Council on April 12, 2022)  
Janna Viscomi, City Council Rep.

**REQUESTED ACTION:**

Nominate and elect Secretary/Treasurer for 2022 to replace Grant Forsythe via motion

**ATTACHMENTS:**

1. EDA Term Limits - updated 04-12-2022

EDA TERM LIMITS

| Member         | Start Year / 1st Term | Full or Partial Term | End of 1st Term - January of 20xx | End of 2nd Term - January of 20xx | Notes                                                                                                                                           |
|----------------|-----------------------|----------------------|-----------------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| David Campbell | 2022                  | Full                 | 2028                              | 2034                              | Full Term - appointed to fill Dave Albers seat at the end of Dave's first term                                                                  |
| Matt Drevlow   | 2017                  | Full                 | 2023                              | 2029                              |                                                                                                                                                 |
| AJ Smith       | 2021                  | Partial              | 2023                              | 2029                              | Partial - filled G. Forsythe seat who was appointed to fill T. Duncan who had a partial term to fill M. Carlander                               |
| Rodney Gramse  | 2014                  | Partial              | 2019                              | 2025                              |                                                                                                                                                 |
| Will Fort      | 2021                  | Partial              | 2027                              | 2033                              | Partial - Filled Mark Jarret's seat - MJ was appointed into a full term to fill G. Kindseth's seat, but resigned after 6 months due to conflict |

|                                                                                                                                                          |  |  |  |  |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|
| <b>Council Representative - 2021*</b>                                                                                                                    |  |  |  |  |  |
| Kevin Voracek                                                                                                                                            |  |  |  |  |  |
| Janna Viscomi                                                                                                                                            |  |  |  |  |  |
| *EDA bylaws updated in 2021 to reflect that City Council appointees will fill EDA term as long as their City Council term vs. being reappointed annually |  |  |  |  |  |

|                                      |                                      |                                      |
|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Council Representative - 2020</b> | <b>Council Representative - 2019</b> | <b>Council Representative - 2018</b> |
| Kevin Voracek                        | Kevin Voracek                        | Steve Underdahl                      |
| Janna Viscomi                        | Janna Viscomi                        | Kay Duchene                          |

**\*\*All terms expire at the first City Council meeting in January**  
\*\*EDA members per Enabling Resolution can serve a maximum of 2 terms (full or partial) and no more than 12 years  
\*\*EDA members must take a 1 year break before being reappointed after serving 2 terms

| Resignations      |      |         |      |      |                                                                                                                                                                                                |
|-------------------|------|---------|------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Matthew Carlander | 2015 | Partial | 2017 | 2023 | Resigned February 2021 / T Duncas to fill term<br>Resigned July 2021/ W Fort to fill term<br>Resigned August 2021 / Grant Forsythe to fill term<br>Resigned March 2022 / AJ Smith to fill term |
| Mark Jarret       | 2021 | Full    | 2027 | 2033 |                                                                                                                                                                                                |
| Trisha Duncan     | 2021 | Partial | 2023 |      |                                                                                                                                                                                                |
| Grant Forsythe    | 2021 | Partial | 2023 |      |                                                                                                                                                                                                |
|                   |      |         |      |      |                                                                                                                                                                                                |
| Expired Terms     |      |         |      |      |                                                                                                                                                                                                |
| Gary Kindseth     | 2009 | Full    | 2015 | 2021 | Term Expired - Served 2 Consecutive Terms                                                                                                                                                      |
| Dave Albers       | 2016 | Full    | 2022 | 2028 | 1st Term Expired / Dave Campbell appointed to fill 2nd Term                                                                                                                                    |



**Request for Action**

**TO:** Faribault Economic Development Authority  
**FROM:** Staphanie Aman, Economic Development Coordinator  
**MEETING DATE:** April 21, 2022  
**SUBJECT:** Project Updates

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**BACKGROUND:**

Project updates are attached.

**REQUESTED ACTION:**

No action required.

**ATTACHMENTS:**

1. 6 - Project Updates



## Discussion Items

**TO:** Faribault EDA  
**FROM:** Stephanie Aman, Economic Development Coordinator  
**THROUGH:** Deanna Kuennen, Community & Econ Dev Director  
**MEETING DATE:** April 21, 2022  
**SUBJECT:** Updates/Project Reports

### UPDATES

#### Prospects/Business Updates:

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Food Producer</b>               | <p>In the spring, Staff had been in contact with a food producer regarding possible expansion in Faribault. Staff prepared a proposal of possible land and financing options and will continue to stay in touch with them as they make decisions on their next steps and finalize their location.</p> <p>Staff and our Economic Development partners met with them to discuss incentives and financing; staff toured possible sites with them and they recently decided on a Faribault site and a purchase agreement is now in place. Staff are meeting with the prospective owners to go over site plan information as well as their build out plans to ensure a smooth transition. Staff and economic development partners will meet soon to determine incentive considerations.</p> <p>City staff completed a tour with the prospective business. An Economic Development partner meeting is scheduled to determine incentives available as they complete due diligence of the purchase.</p> |
| <b>Food Producer/CVN Prospect</b>  | <p>September: Staff connected with a food producer prospect at CVN and prepared a very high-level informational response; including two different sites that fit their criteria.</p> <p>Faribault originally made the short list of places to be considered, but other areas (states) were able to offer lower taxes and more incentives. Staff recently learned that there has been some reconsideration for Faribault and is in touch with this company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Potential Food Manufacturer</b> | <p>Staff is working with an existing Minnesota food manufacturing company that is looking to expand their product line, and have identified a possible site for this part of their business to expand into. Staff participated in a virtual meeting with the company and partners to explore funding and incentives for the expansion. Staff continues to follow up with the company while they make a decision on the location for their project.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

## Agenda Item: 6

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <b>Potential Food Manufacturer</b>                   | <p>Staff was made aware of a regional food manufacturer that is looking to expand their product offering and had identified a possible site for their business to expand into. Staff met with company leaders to discuss location options and possible funding incentive. Staff were made aware of a potential location for lease, and have followed up with this option. Staff will continue to stay in touch with the company leaders as they decide on the location for their project.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Potential Food Production/Restaurant Business</b> | <p>Staff was provided a lead for a local food production/restaurant that may be interested in opening a bricks and mortar facility to Faribault. Staff has identified possible sites for this company and the owners are exploring the sites. Staff continue to stay in touch and follow up to ensure that this business is supported and will arrange a meeting with economic development partners when the timing is right.</p> <p>Business owner is in conversation with the potential site and are working through logistics of a build out. Staff continue to stay in touch with the business owner. The cost of building out a commercial kitchen as well as improvements to the space is of concern to the client. Staff has identified potential resources to assist in financing capital improvement.</p> <p>Staff toured another site with the business owner. Owner is completing due diligence on sites and ensuring a good fit for them and Faribault.</p> |
| <b>Potential Light Manufacturing Business</b>        | <p>Staff attended the December CVN meeting and met with the Business Development Manager of a Minnesota based light manufacturing company that is looking to relocate their operations. A response was prepared with possible sites for this company. Staff will continue to follow up with them as they make decisions on their new location.</p> <p>The business is completing a campaign to raise funds, and will be making decisions on site tours in the next couple of months.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Potential Food Manufacturer</b>                   | <p>Staff responded for a request for information from CVN for a Minnesota based food manufacturer looking to expand operations. Staff met the president of the company at the CVN event, and followed up with their operations manager. Faribault is being considered and the company is looking at a possible site visit in the very near future.</p> <p>The site that was submitted to this company recently sold and Faribault does not have a building that meets the business needs. Staff has reached out to this business with a lease space that could meet their needs.</p>                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>HWY 60 Project(s)</b>                             | <p>Staff has participated in a number of different meetings regarding potential development/redevelopment along the Hwy 60 W corridor. Staff will continue to be an active participant in development/redevelopment opportunities, and will bring potential projects/requests to the EDA as appropriate.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

## Agenda Item: 6

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     | <p>October: Land has been purchased along the south side of Hwy 60 and staff has been in contact with the new owner regarding development possibilities.</p> <p>Conversations are ongoing.</p>                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>International Manufacturer</b>   | <p>Staff were contacted by an international manufacturing company looking for space in Faribault. Staff are working to ensure that the proper infrastructure is in place to meet their needs.</p> <p>The company has identified the property they think would be a good fit. Staff is providing requested information to the company, specifically regarding electrical capacity and loading dock feasibility.</p>                                                                                                                                                                              |
| <b>Cold Storage Property</b>        | <p>Staff were contacted by a company seeking rail accessible property to build a facility. Information regarding accessible property and city infrastructure was provided. Staff continue to follow up to ensure the company has the information they need to determine a best fit for their business.</p> <p>The property presented has made a short list of properties the company is considering. Staff obtained additional requested pictures of the property and continues to follow up with any requested information.</p>                                                                |
| <b>Truck Driving School/Station</b> | <p>Staff were contacted about possible property that would be a good fit for a training course for truck drivers. Staff provided information and have followed up with the owner.</p>                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Food Manufacturing Expansion</b> | <p>A local business contacted staff seeking help in finding property to expand and already successful food business. They seek space for automating their manufacturing process and staff prepared several sites that would meet their current needs and criteria.</p>                                                                                                                                                                                                                                                                                                                          |
| <b>Adult Day Care Services</b>      | <p>Staff have met with an individual that is seeking space to open an adult day care service. Several sites have been identified and staff continue to work with the potential owner to ensure that they have what they need to find a good fit for the service.</p>                                                                                                                                                                                                                                                                                                                            |
| <b>Family Restaurant</b>            | <p>A broker has contacted staff seeking potential sites in Faribault for a family restaurant. Staff has provided contact information for sites that match their criteria. Staff will work with the broker to ensure that their client has the information that is needed.</p>                                                                                                                                                                                                                                                                                                                   |
| <b>MISC.</b>                        | <ol style="list-style-type: none"> <li>1. Staff has been made aware that there are possibly two (2) distribution type of businesses seeking a location along the I-35 corridor. Currently the site selector is looking at locations further north than Faribault – but Staff has provided information on possible Faribault locations for consideration.</li> <li>2. Staff has provided available land information to a Twin Cities broker working with various warehouse/distribution type businesses. Through conversations with the broker it was confirmed that there is growing</li> </ol> |

|  |                                                                                                                                                                                           |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | demand for land outside of the metro area, and he was collecting information proactively for potential clients. Staff will continue conversations with the broker on demand and movement. |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Other:**

- Staff participated in several Business Retention and Expansion visits in March, and were pleased to hear about potential expansion efforts as well as successful expansion. Staff will continue follow up on those expansion efforts, as well as visit other businesses in the coming months. COVID19 restrictions have made this a more difficult task.
- Staff are participating in discussions and keeping abreast of the state and federal funding that is being made available to businesses and communities including for downtowns and small businesses.
- Staff participated in EDAM's TIF/Development seminar that was presented by Ehler's.
- Staff was asked by GreenSeams to gather a panel of ag focused panel of business owners. The panel met on Monday, February 14 via zoom with 4 industry leaders participating. A comprehensive report will be made available in the coming months from meetings held in the GreenSeam region.
- Staff participated in the Southeast Minnesota Economic Development meeting the state presented updates on Job Creation Fund and Minnesota Investment Fund programs.
- Staff were pleased to learn that Minnesota Real Estate Journal selected Cry Baby Craig's as finalists in the "Best of" in both the Retail category and Greater Minnesota category.
- Staff were pleased to learn that Minnesota Real Estate Journal selected the City of Faribault as a finalist for City/Municipality of the Year.

**Other Projects/Initiatives:**

- **BDPI Grant Application – NW Water Tower**
  - Staff, in coordination with the City Engineer, submitted a \$2M grant application to help fund the construction of a water tower and associated mains, located in the Met Con Business Park. The grant has been funded. Construction will begin later this summer, with an anticipated completion date of 12/2023. The water tower project is important because it has been identified by multiple industries in this area that water flow rates are inadequate. The project will improve flow rates for existing business, and position the city to continue to attract additional industries to this area.
- **C-Alan Homes/Thompson James Group South Division/ Old Mayor Clinic Site**
  - Staff has been working with a luxury custom home builder from the Twin Cities on a proposed attached 34-unit townhome rental development on the old Mayo Clinic site (924 First Street NE). After a supportive neighborhood meeting in February, the company engaged ISG Engineering and submitted all necessary planning and zoning applications. The project has successfully completed the planning and zoning approval process, and is now preparing final drawing and finalizing funding. It is anticipated that the site improvements associated with the project will begin later this year.

**Marketing:**

**Minnesota Real Estate Journal**

- Staff have planned and are excited to host MREJ's Historic to High-Tech MicroSummit on April 28. This MicroSummit was rescheduled from 2020; at the suggestion of MREJ staff, we have held off until spring 2022 to ensure that that we have the best opportunity to attract more attendees. We have focused 3 panels of local businesses and partners that highlight some unique attributes to Faribault that others may not know and would be interesting to businesses looking to expand or move here.
- Staff met with staff from MREJ to determine how to best leverage the budget that is allocated to this marketing effort. Staff have been participating in more MREJ Summits.
- Staff moderated MREJ's Women in Real Estate Summit.
- Staff submitted advertising material for MREJ e-blasts and will continue to utilize e-blast marketing through MREJ as a tool for outreach.

• **Minnesota Marketing Partnership**

- Faribault continues to be active participants in the Minnesota Marketing Partnership (MMP). Last year Faribault elected to participate in the MMP digital marketing campaign, and now has access to all of the video and social medial materials. In addition – Staff was selected to help represent the State of MN – specifically Faribault/SE MN, with DEED and others, at the Site Selector Guild table talks. This has generated additional connections with the site selector community.