



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.

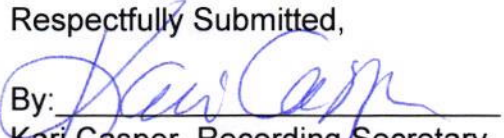
Addition conversation followed.

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