



ECONOMIC DEVELOPMENT AUTHORITY AGENDA SPECIAL MEETING

3RD FLOOR CONFERENCE
ROOM

TUESDAY, MARCH 24, 2026

7:00 AM

1. Call to Order/ Approve Agenda
2. Approval of the Minutes from the February 19, 2026, EDA meeting.
3. Routine Business: *Agenda items below are approved by one motion unless an EDA member requests separate action.*
 - A. Monthly Loan Status Report
 - B. Budget Status Report
4. Public Hearings - None.
5. Items for Discussion
 - A. Update on the Service Agreement between the Faribault Economic Development Authority and the Faribault Area Chamber of Commerce and Tourism
 - B. Resolution 2026-05 Approval of Modification to the Development Program for Development District No. 1 and the proposed establishment of Tax Increment Financing District No. 20 - Riverchase II Apartments
 - C. Resolution 2026-08 Approve Contract for Private Development with Riverchase II for Certain Property in the City of Faribault
 - D. Resolution 2026-06 Approve a Downtown Commercial Rehabilitation and Exterior Improvement Program Loan for 22 NE 4th St., PID 18.31.1.26.177
 - E. Resolution 2026-07 Approve Transfer and Payment of Legal Expenses Related to FaribaultMill
 - F. Maxfield Housing Study Overview
 - G. Understanding Faribault's Economy: University of Minnesota Proposal
 - H. Strategic Planning Continued
 - I. Updates and Future Items — Verbal Report Only
6. Adjournment

HONESTY ▪ RESPECT ▪ DEDICATED ▪ VISIONARY ▪ ACCOUNTABILITY



ECONOMIC DEVELOPMENT AUTHORITY MINUTES

3RD FLOOR
CONFERENCE

THURSDAY, FEBRUARY 19,
2026

7:00 AM

Meeting Items

1. Call to Order/ Approve Agenda

Chair Kevin Voracek called the Economic Development Authority's regular meeting to order at 7:00 a.m. Members present were Chris Jeanes, Mayor Thomas Spooner, David Campbell, and Chair Kevin Voracek.

Staff present were Jacob Wiensch, Economic Development Coordinator, David Wanberg, Director of Community and Economic Development, Kari Casper, Administrative Assistant II, and Jessica Kinser, City Administrator.

Special guests included: Alex Braniak

Motion by Chris Jeanes, seconded by David Campbell, to approve the agenda with two additions by David Wanberg in the Items for Discussion area of the agenda. The motion passed unanimously.

2. Approval of the Minutes

Motion by Dave Campbell, seconded by Christine Jeanes, to approve the meeting minutes as presented. The motion passed unanimously.

3. Election of Officers

Motion by Christine Jeanes, seconded by Tom Spooner, to approve Kevin Voracek to continue as the Chair, and David Campbell agreed to accept the Vice Chair position. The motion passed unanimously.

4. Routine Business: *Agenda items below are approved by one motion unless an EDA member requests separate action.*

Motion by Dave Campbell, seconded by Christine Jeanes, to receive and file the reports as presented. The motion passed unanimously.

A. Budget Status Report

B. Monthly Loan Status Report

C. Adopt 2026 EDA Meeting Schedule

5. Public Hearings

None.

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6. Items for Discussion

- A. Resolution 2026-01 Accepting the Vacancy Rate Memorandum Prepared by Maxfield Research and Consulting

Motion by Tom Spooner, seconded by Dave Campbell, to Approve. Motion Passed.

- B. Resolution 2026-02 Approval of a Special Loan to MightyFine! Coffee Company

Chair Kevin Voracek recused himself from the discussion on this action item. Vice Chair David Campbell took over the meeting at that point.

Jake Wiensch began his presentation by stating that the EDA did not have any loan program that fit the applicant's request, so he prepared a special loan of \$50,000 at 3% for 10 years for Mighty Fine Coffee. It will be an interest only for the 1st years.

Motion by Christina Jeans, seconded by Tom Spooner, to approve Resolution 2026-02 Approval of Special Loan to MightyFine! Coffee Company as presented. The motion was passed on a 3/0 vote.

- C. Hill Block Presentation

Alex Braniak was present to appear before the board to present the gap financing this project is facing and stated that he will need the assistance of the EDA, HRA, and the city to move forward. They will not be able to complete the project if they do not get this support. The support they are asking for would be \$400,000-\$600,000 or evening 200,000 - \$300,000 from each board, and they are hoping that the city can assist with either tax abatement or TIF. They have applied for, and will be receiving, Historic Tax Credits for this project. What Wiensch has prepared would be a loan for 2.75% interest. After some discussion, the board seemed to like the idea of the loan and was looking at the \$200,000 to \$300,000 ask. Wiensch did state that, with this loan, they would be eligible to come back for the Downtown Commercial Rehab Improvement program as well as for each of the three addresses. There was some discussion relative to the FDC, and these buildings already receiving funds. Baraniak stated that the 217 building was pulled from the original FDC list of buildings. No action was taken at this time.

- D. Resolution 2026-03 Approve Assignment of the Contract for Private Development from FARIBAULT APARTMENTS LLC to SOUTH FARIBAULT APARTMENTS LLC

David Wanberg presented this item. A motion was made by Tom Spooner, seconded by David Campbell, to approve Resolution 2026-03 Approve Assignment of the Contract for Private Development from Faribault Apartments LLC to South Faribault Apartments LLC as presented. The motion passed unanimously.

- E. Resolution 2026-04 Approve Assignments and Subordination Agreements related to FARIBAULT APARTMENTS LLC and SOUTH FARIBAULT APARTMENTS LLC.

David Wanberg presented this item as well. A motion was made by Tom Spooner, seconded by David Campbell, to Approve Resolution 2026-04 Approve Assignments and Subordination Agreements related to Faribault Apartments LLC and South Faribault Apartments LLC as presented. The motion passed unanimously.

- F. Discussion on Loan Program Updates and Review

Wiensch went over the various loan programs that he's been working on and made his recommendations. No action at this time.

- G. Business Assistance Discussion

Tom Spooner is not in favor of any assistance. David Campbell agreed.

- H. BR+E Program Update

Wiensch stated that Business Retention and Expansion is probably the most important thing to create a good ecosystem. He has been working with the Chamber through our 2025 contract. They will be presenting their work at the end of the year in an annual report. He has presented a proposed press release.

I. Updates and Future Items — Verbal Report Only

Been very busy. Both Wiensch and Wanberg were recently at an EDAM conference in Saint Louis Park, where they had seen approx. 200-300 colleagues. Wiensch joined the Emerging Professional Committee. They both went to an Ehlers conference with two people from Finance and really learned a lot. SMIF is hosting its 40th Anniversary here in Faribault on 4/23 from 5 to 8 p.m. Would like to have a strong presence there. Staff will attend and host a table through sponsorship of a table of six. Three staff members will be there, and they would like to ask that some members of the EDA attend as well. Spooner stated that he expects full participation of the Council on this. Wanberg would also appreciate it if some of our businesses attended as well. Wiensch stated that there will also be about \$100,000 in forgivable loan requests com

7. Adjournment

A motion was made by David Campbell, seconded by Tom Spooner, to adjourn the meeting at 8:21 a.m. The motion carried unanimously.

By _____

2/12/2026, Preliminary Loan Balances

Fund	Program Name	Available Balance
Fund 251	EDA Revolving Loan	681,344
	- Commercial Development Loan Program (and Grant)	
	- Façade Improvement Micro Loan	
	- EDIF - Economic Development Incentive Program-	
Fund 252	Industrial Development	37,127
Fund 254	Minnesota Investment Fund (MIF)	20,097
TOTAL EDA LOAN FUNDS AVAILABLE		738,568
Fund 250	EDA Operating Fund/Fund Balance _____	1,042,826
Fund 253	Federal MIF Loan	683,254

3/12/2026 YTD Budget EDA

ACCOUNT	ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	% USED
250-46500-462-31010-	Current Ad Valorem Taxes	-431,071	0	-431,071	0.00	0.00	-431,071	0.00
250-46500-462-34108-	Administrative Fees	0	0	0	-300.00	0.00	300	100.00
250-46500-462-36210-	Interest on Invest	-16,040	0	-16,040	2,582.30	0.00	-18,622	-16.10
250-46500-462-36211-	Interest Market Value	0	0	0	-606.80	0.00	607	100.00
250-46500-462-36215-	Loan Interest	0	0	0	-1,922.08	0.00	1,922	100.00
250-46500-462-42010-	Supplies	500	0	500	0.00	0.00	500	0.00
250-46500-462-43040-	Legal Fees – Civil Process	25,000	0	25,000	113.10	0.00	24,887	0.50
250-46500-462-43080-	Indirect Cost Allocation	50,000	0	50,000	0.00	0.00	50,000	0.00
250-46500-462-43090-	Expert & Professional Services	82,500	0	82,500	1,032.50	0.00	81,468	1.30
250-46500-462-43095-	Software Maintenance & Support	5,500	0	5,500	0.00	0.00	5,500	0.00
250-46500-462-43140-	Training & Education	8,000	0	8,000	1,470.00	0.00	6,530	18.40
250-46500-462-43310-	Travel Expense	4,000	0	4,000	143.87	0.00	3,856	3.60
250-46500-462-43410-	Advertising	35,000	0	35,000	10,000.00	0.00	25,000	28.60
250-46500-462-43510-	Legal Notices Publishing	750	0	750	0.00	0.00	750	0.00
250-46500-462-43520-	Recording Fees	1,500	0	1,500	0.00	0.00	1,500	0.00
250-46500-462-43610-	Insurance & Bonds	2,500	0	2,500	0.00	0.00	2,500	0.00
250-46500-462-44330-	Dues and Subscriptions	20,000	0	20,000	575.00	0.00	19,425	2.90
250-46500-462-44390-	Taxes & Licenses	50	0	50	0.00	0.00	50	0.00
250-46500-462-44600-	Loans & Grants	25,000	0	25,000	0.00	0.00	25,000	0.00
250-46500-462-47200-	Transfer Out	650,000	0	650,000	650,000.00	0.00	0	100.00
	Revenue Total	-447,111	0	-447,111	-246.58	0.00	-446,864	0.10
	Expense Total	910,300	0	910,300	663,334.47	0.00	246,966	72.90
	Grand Total	463,189	0	463,189	663,087.89	0.00	-199,899	143.20



Request for Action

TO: Faribault Economic Development Authority

FROM: Jake Wiensch, Economic Development Coordinator

THROUGH: David Wanberg, CED Director

MEETING DATE: March 24, 2026

SUBJECT: Update on the Service Agreement between the Faribault Economic Development Authority and the Faribault Area Chamber of Commerce and Tourism

BACKGROUND:

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

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

The Chamber requested that the EDA provide \$50,000 in funding for 2025. At its May meeting, the EDA indicated that it would be willing to consider the Chamber’s request if the EDA and Chamber were to enter into an agreement that clearly states the required Chamber services, measurements, and reporting responsibilities in exchange for EDA funding.

Specifically, the EDA stated that additional funding from the EDA would require additional services from the Chamber.

At the current meeting, the Chamber will present documentation outlining the work it has completed under the existing agreement and demonstrating compliance with the services and expectations outlined in the contract. Following the presentation and any feedback from the EDA Board, staff will work with the Chamber to update the agreement and plan to bring a revised contract back to the EDA for consideration at the April meeting.

REQUESTED ACTION:

Option 1 – Continue the Agreement as Currently Structured

Direct staff to maintain the existing service agreement with the Chamber at the current funding level and service structure.

Option 2 – Review and Amend the Agreement (*Recommended for discussion*)

Direct staff to work with the Chamber to review and revise the service agreement to ensure that the services, performance measures, and reporting expectations clearly align with the EDA Board’s priorities. This may include identifying **core services** funded through a base agreement and **additional services** tied to any increased funding request.

Option 3 – Terminate the Agreement

Direct staff to discontinue the service agreement with the Chamber and explore alternative approaches for providing economic development support services.

ATTACHMENTS:

1. 2025 Service Agreement with Chamber of Commerce and EDA - Highlighted
2. March 2026 Faribault Main Street EDA Presentation

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

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

RECITALS

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

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

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

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

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

TERMS OF THIS SERVICE AGREEMENT

**ARTICLE ONE
PURPOSE**

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

ARTICLE TWO
SCOPE AND TERMS OF SERVICES

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

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

A. Chamber-Sponsored Events

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

B. Rice County Small Business Development Center

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

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

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

C. Small Business Coaching

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

D. Launchpad Incubator Space

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

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

A. Faribault Main Street Program and Related Services

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

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

B. Business Retention and Expansion

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

- Participate in a minimum of twelve (12) BRE visits with City staff annually.
 - Coordinate with City staff in the City's Regional Sustainable Development Program (RSDP) grant to promote a waste stream circular economy in Faribault that manages materials from their point of origin to their final use. This initiative aims to reduce waste and create new business opportunities in recycling and remanufacturing.
2. **Reporting and Measurements.** City staff, on behalf of the EDA, will administer and report on BRE efforts. The Chamber is responsible for conducting the services described in the overview above. The Chamber must participate in one to three (1-3) meetings with City staff to review BRE questions and contacts. Additionally, the Chamber must participate in 12 BRE visits with City staff annually. City staff will provide quarterly updates to the EDA.

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

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

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

B. Additional Services. Based on a \$33,000 annual compensation model for additional services, the EDA will pay the Chamber \$8,250 in 2025 for the additional services outlined in this Agreement from October 1, 2025, through December 31, 2025 ($\$33,000 \times 0.25 = \$8,250$). The compensation model assumes an average billable rate of \$110 per hour for the additional Chamber services, which the EDA uses to determine the estimated

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

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

TABLE 1: 2025 COMPENSATION FOR CHAMBER SERVICES			
Core Chamber Services Covering All of 2025			Amount
Chamber-Sponsored Events			\$5,000
Rice County Small Business Development Center			\$5,000
Small Business Coaching			\$1,000
Launchpad Incubator Space			\$4,500
Quarterly Reporting and EDA Meeting Attendance			\$1,500
Subtotal			\$17,000
Additional Chamber Services for October through December 2025	Hours	Hourly Rate	Amount
Faribault Main Street Program	45	\$110	\$4,950
Business Retention and Expansion	30	\$110	\$3,300
Subtotal	75	\$110	\$8,250
TOTAL FOR CHAMBER SERVICES IN 2025			\$25,250

- D. Scheduled Payment from the EDA to the Chamber.** Within thirty (30) days of the execution of this Agreement, the EDA will remit \$25,250 to the Chamber for its core services, covering both past and future Chamber services in 2025.

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

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

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

ARTICLE THREE GENERAL PROVISIONS

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

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

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

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

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

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

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

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

- 3.05. Verbal and Written Reports.** The Chamber must submit the required quarterly written reports outlined in this Agreement to City staff at least one week ahead of the EDA's scheduled meetings in March, June, September, and December, unless approved otherwise by the EDA. An authorized representative of the Chamber must present a summary of said written reports at the said EDA meetings, unless the EDA authorizes otherwise.
- 3.06. Independent Contractor.** This Agreement deems the Chamber an independent contractor. The Parties agree that the Chamber must perform its services with the expertise customarily expected by independent contractors performing the same or similar services for others. The Chamber must control the manner in which it performs its services. The Chamber is neither an employee nor an agent of the EDA and has no authority to make any binding commitments or obligations on behalf of the EDA except as provided in this Agreement. The Chamber must provide all services outlined in this Agreement as an independent contractor, not as an EDA employee, for any purpose, including but not limited to income tax withholding, workers' compensation, unemployment compensation, FICA taxes, liability for torts, and eligibility for employee benefits.
- 3.07. Subcontracting and Assignment.** The Chamber must not subcontract or assign, sublet, or transfer any rights under or interest (including but without limitation money that is due or money that may become due) in this Agreement without the EDA's prior consent. Any assignment in violation of this provision is null and void. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

ARTICLE FOUR ADDITIONAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**FARIBAULT ECONOMIC DEVELOPMENT
AUTHORITY**

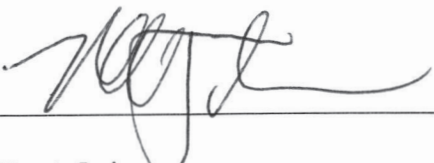
By:  _____

Kevin F. Voracek
Its: President

By:  _____

David J. Wanberg
City of Faribault CED Director

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

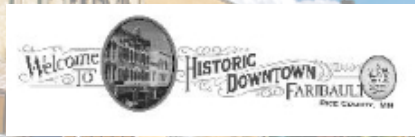
By:  _____

Nort Johnson
Its: President/CEO

EDA Presentation

March, 2026

AMERICA'S
SBDC
MINNESOTA



Faribault Area
CHAMBER OF COMMERCE
and Tourism

Today

- **Vision 2040**
- **What is Main Street?**
- **SBDC / Coaching**
- **Incubator**
- **Business Retention & Expansion**
- **Additional Activities / Opportunities and Updates**

How We Fit into Vision 2040

COMMUNITY VISION SMALL TOWN PRIDE. BIG CITY OPPORTUNITY. Faribault is one of America's best small communities. A place where all people find opportunities to succeed, grow, and prosper. We celebrate our unique strengths in education, business, industry, medical, nature, recreation, leisure, and the arts – **and we are proud of our historic downtown and iconic institutions.** As a community we embrace the future and plan for positive change through our commitment to innovation and excellence, making Faribault an outstanding place to live, work, grow, invest, and visit.

How We Fit into Vision 2040

Using community values as a framework, the Steering Committee established the following six strategic priorities:

- 1. Thriving economic development;**
- 2. Excellent schools and high quality education;**
- 3. Pride in our community;**
- 4. Public safety;**
- 5. A vibrant downtown; and**
- 6. Access to nature, leisure, and the arts.**

How We Fit into Vision 2040

Community Pride

Goal 2: Promote and celebrate the people, places, and events that are unique to the community and make us proud. Initiative Ongoing Short Term Medium Term Long Term

- A. Strive to ensure appointed commissions and boards reflect the diversity of the community.
- B. **Work with a variety of organizations to promote and celebrate Faribault as a diverse and inclusive community by planning and promoting a culturally diverse marketplace that includes foods, gifts, and arts from diverse cultures,** seniors, the schools for the deaf and blind, and others.
- C. Identify and promote iconic people, businesses, institutions, and cultures in the community.
- D. D. Explore the feasibility of developing a sports complex, such as a softball, hockey, and/or soccer complex, which will attract state and national athletic events.

How We Fit into Vision 2040

A Vibrant Downtown

A VIBRANT DOWNTOWN

An active downtown provides a sense of place for community residents and is vital for sustained economic activity. We are committed to actively managing our downtown to balance the preservation and transformational requirements to remaining vibrant in the 21st century.



Goal 1: Establish anchor businesses in the downtown that complement and strengthen existing downtown businesses.

Initiative	Ongoing	Short Term	Medium Term	Long Term
A. Identify potential sites for anchor businesses in the downtown area.		✓		
B. Develop a plan that identifies potential programs and incentives to establish anchor businesses in the downtown.		✓		
C. Identify and actively pursue anchor businesses that could locate in the downtown.			✓	

Goal 2: Enhance the appearance of downtown building and the streetscape.

Initiative	Ongoing	Short Term	Medium Term	Long Term
A. Enforce the building codes, rental ordinances, and property maintenance ordinances.	✓			
B. Aggressively pursue blighted properties with incentives to sell or renovate.			✓	
C. Explore possible programs and incentives for property owners interested in enhancing their properties.		✓		
D. Maintain and, where appropriate, enhance the existing streetscape through way finding signage, benches, lighting, and related features.		✓		
E. Establish a commercial rental licensing program for property owners leasing their properties to businesses			✓	

Goal 3: Establish market rate and high-end residential in the downtown.

Initiative	Ongoing	Short Term	Medium Term	Long Term
A. Identify potential properties where market rate and high-end residential would be appropriate.		✓		
B. Work with the HRA and City Council to develop and implement a plan to establish an appropriate mix of high-end housing in the downtown.		✓		
C. Identify and actively pursue partnerships and development opportunities to establish market rate and high-end housing in the downtown.			✓	

Goal 4: Create a museum in the downtown that will be a draw for tourists and the community.

Initiative	Ongoing	Short Term	Medium Term	Long Term
A. Establish a task force with local stakeholders to explore the idea of a museum in the downtown that could include a tourist center, a connection to the Paradise, and walking tours.		✓		
B. Select potential properties that could be used to renovate for a successful museum along Central Ave.			✓	
C. Prepare a detailed implementation plan to present to the Council including the purpose, partnerships, financing, and operations.			✓	

Goal 5: Create and strengthen public places and plazas in the downtown.

Initiative	Ongoing	Short Term	Medium Term	Long Term
A. Work with community organizations and businesses to develop and implement a plan that strengthens public places in the downtown.		✓		
B. Explore opportunities to acquire public land in or adjacent to the downtown for green space, plazas, connections to the river, and to accommodate celebrations and events.			✓	

Main Street

- The Main Street Four Point Approach™, is tailored to local needs and opportunities:
- **Board / Organization:** Building the organization itself through volunteer recruitment, community fundraising and building consensus and cooperation among internal committees and individuals who have a role in the process.
- **Design:** Enhancing the physical appearance of the commercial district by rehabilitating historic buildings, encouraging compatible infill, and developing sensitive design management systems.
- **Promotion/Events:** Marketing the traditional commercial district's assets to customers, potential investors, new businesses, local citizens, and visitors.
- **Economic Restructuring:** Strengthening the district's existing economic base while finding ways to expand it to meet new opportunities.

Board/Organization

- **Board meetings could have better attendance**
- **Solid support for the framework**
- **Growing enthusiasm with the growing retail presence**

Goals and Projects

Design

- More “overnight stay” opportunities
 - Camping
 - VRBOs
 - Boutique Hotel
- Activity Attraction(s)
 - Axe throwing
 - Escape Room
- Trending experiential
 - Speakeasy
- Wayfinding Signage
 - Update approved set
- Parking Ramp
 - Long term placement – KGP lot?
- Street Patios



Goals and Projects

Economic Development

- Design Priorities fit here too!
 - Overnights, parking ramp, Patios
- Resource/Development Guide
- Micro-grant Program
- Targeted Business Recruitment or Development
- Upstairs/Downtown Tour and Summit

2026

Promotions/Events (to date)

- Ladies Night
- Flannel Formal
- Coming up
 - Monthly Car Cruise Events
 - More Ladies Nights



SBDC / Coaching

- **5 new clients in 2026**
- **Closing in on major expansion for a local business**
- **Reviewed/advised on financials for 2 businesses**
- **Working on a relocation to Faribault**
- **Potential new coach identified**

Incubator

- **Launchpad is housing 3 businesses**
- **2 open offices**
- **Likely needs to relocate late spring**
- **Potential advanced partnerships being explored**

Business Retention & Expansion

- **Visits to Date**
 - Formal : 6 (includes survey/data capture)
 - Casual: 3
- **Intern engaged in process**
 - Will make presentation to MCCE this fall, EDA this summer
- **City Representation coming –**
 - will make follow-ups as appropriate or requested
- **Feedback**
 - The tone is positive about the partnership and the Faribault efforts

Plans for the Future

- Continue “***Doing well, Doing Better and Doing More***”
- Increase Collaboration with PCA, RBNC, Buckham West and others
- Nurture long term relationship with EDA and Chamber
- Communication Plan – ***What does the EDA want to hear about?***
- Consider Advanced Economic Development Opportunities as they Align with EDA Goals

Thank You for Your Time Today!
Questions?

Νορτ θοηνσον

**Faribault Area Chamber of Commerce and
Tourism**

office 507.334.4381 mobile 605.490.4237

nort@faribaultmn.org



Request for Action

TO: Faribault Economic Development Authority
FROM: Jake Wiensch, Economic Development Coordinator
THROUGH: David Wanberg, CED Director
MEETING DATE: March 24, 2026
SUBJECT: Resolution 2026-05 Approval of Modification to the Development Program for Development District No. 1 and the proposed establishment of Tax Increment Financing District No. 20 - Riverchase II Apartments

BACKGROUND:

The Faribault Economic Development Authority (EDA) is recommending that the City Council modify Development District No. 1 to establish **Tax Increment Financing (TIF) District No. 20: Riverchase II** as an economic development workforce housing district. The proposed action includes adoption of a modification to the Development Program and approval of a Tax Increment Financing Plan to support the project. The purpose of the district is to help facilitate residential development and provide safe, quality lifecycle and workforce housing within the community. The use of TIF assistance is intended to provide only the level of public support necessary to make the private development financially feasible while encouraging investment and redevelopment within the district.

REQUESTED ACTION:

Approve Resolution 2026-05

ATTACHMENTS:

1. DOCSOPEN-#1081831-v1-EDA_Resolution_2026-05 regarding_TIF_District_No__20

RESOLUTION NO. 2026-05

**FARIBAULT ECONOMIC DEVELOPMENT AUTHORITY
CITY OF FARIBAULT
RICE COUNTY
STATE OF MINNESOTA**

**RESOLUTION RECOMMENDING THE CITY COUNCIL MODIFY
DEVELOPMENT DISTRICT NO. 1, ESTABLISH TAX INCREMENT
FINANCING DISTRICT NO. 20: RIVERCHASE II THEREIN AND ADOPT
A MODIFICATION TO THE DEVELOPMENT PROGRAM AND ADOPT
THE TAX INCREMENT FINANCING PLAN THEREFOR.**

WHEREAS, There is a proposal to modify Development District No. 1, establish Tax Increment Financing District No. 20: Riverchase II (an economic development-workforce housing district), adopt a Modification to the Development Program (the "Development Program Modification"), and adopt the Tax Increment Financing Plan (the "TIF Plan") therefor (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Program Modification and TIF Plan"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.134, and Sections 469.174 to 469.1799, inclusive, as amended (the "Act"); and

WHEREAS, the City of Faribault (the "City") has investigated the facts relating to the Program Modification and TIF Plan and has caused the Program Modification and TIF Plan to be prepared; and

WHEREAS, the City has performed all actions required by law to be performed prior to the adoption of the Program Modification and TIF Plan, and has scheduled a public hearing on the Program Modification and TIF Plan upon published notice as required by law.

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

1. The EDA hereby finds that the Program Modification and TIF Plan conform in all respects to the requirements of the Act; will provide an impetus for residential development and provide safe and decent life cycle housing in the City.

2. The EDA further finds that the Program Modification and TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Development District No. 1 by private enterprise in that the intent is to provide only that public assistance necessary to make the private developments financially feasible.

3. The EDA hereby approves the Program Modification and TIF Plan, as presented to the EDA on this date, and recommends that they be established and adopted by the City Council.

4. The President, Secretary and Executive Director, staff and consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution.

Approved by the Faribault Economic Development Authority this 24th day of March, 2026.

By: _____
Kevin F. Voracek
Its: President

By: _____
David Wanberg
Its: Executive Director



Request for Action

TO: Faribault Economic Development Authority
FROM: Jake Wiensch, Economic Development Coordinator
THROUGH: David Wanberg, CED Director
MEETING DATE: March 24, 2026
SUBJECT: Resolution 2026-08 Approve Contract for Private Development with Riverchase II for Certain Property in the City of Faribault

BACKGROUND:

Riverchase Faribault II LLC is proposing the construction of a 76-unit market-rate multi-family housing development on property to be platted as Lot 1, Block 2, Riverchase Addition. The developer has requested pay-as-you-go Tax Increment Financing (TIF) assistance not to exceed \$725,000 to help fund eligible project costs. The resolution approves a Contract for Private Development with the EDA.

REQUESTED ACTION:

Approve Resolution 2026-08

ATTACHMENTS:

1. DOCSOPEN-#1081335-v3-Contract_for_Private_Development_regarding_Riverchase_II
2. DOCSOPEN-#1081835-v2-EDA_Resolution_2026-08_approving_cpd_for_Riverchase_II



CONTRACT
FOR
PRIVATE REDEVELOPMENT
By and Between
THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF FARIBAULT

and

RIVERCHASE FARIBAULT II LLC



This document drafted by:

KENNEDY & GRAVEN, CHARTERED (SJR)
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

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EXHIBIT D FORM OF CERTIFICATE OF COMPLETION
EXHIBIT E FORM OF AUTHORIZING RESOLUTION
EXHIBIT F FORM OF INVESTMENT LETTER

CONTRACT FOR PRIVATE REDEVELOPMENT

This Contract for Private Redevelopment (the “Agreement”) is made this _____ day of _____, 2026, by and between the Economic Development Authority of the city of Faribault, a public body corporate and politic under the laws of Minnesota (“EDA”), and Riverchase Faribault II LLC, a limited liability company formed under the laws of Minnesota and having its principal office at 4057 28th Street NW, Suite 200, Rochester MN 55901 (the “Redeveloper”).

WITNESSETH:

WHEREAS, the EDA finds there to exist within the community buildings that have a blighting influence on surrounding properties and are structurally substandard due to their poor physical condition or functional obsolescence and which, because of those conditions, threaten the health, safety and welfare of the community; and

WHEREAS, the EDA finds that it is in the public interest, helpful for the tax base and beneficial for the health, safety and welfare of the community as a whole to remove vacant, underutilized, obsolete, and structurally substandard buildings and to replace them with new market-rate housing; and

WHEREAS, the EDA finds that, due to market conditions which exist today and are likely to persist for the foreseeable future, the private sector alone is not able to accomplish redevelopment of the type needed within the community and, therefore, such will not occur without public intervention; and

WHEREAS, in order to foster the redevelopment described above, the City of Faribault (“City”) established Development District No. 1 and a Development Program associated therewith, as modified, and adopted a redevelopment project plan related thereto, to implement the goals and objectives thereof, all pursuant to Minnesota Statutes, sections 469.001 through 469.047; and

WHEREAS, the City and EDA established Tax Increment Financing District No. 20 – Riverchase II (an economic development - workforce housing district) and adopted a tax increment financing plan related thereto, all pursuant to Minnesota Statutes, sections 469.174 through 469.1799; and

WHEREAS, the Redeveloper has proposed to redevelop the area located at 105 Riverchase Court SE, and legally described as Lot 1, Block 2, RIVERCHASE ADDITION (the “Redevelopment Property”) through a project which the EDA believes is in the vital and best interests of Faribault and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements for which Development District No. 1 and Tax Increment Financing District No. 20 – Riverchase II were established; and

NOW, THEREFORE, in consideration of the covenants and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I

Definitions

Section 1.1. Definitions. In this Agreement the following terms shall have the meanings given unless a different meaning clearly appears from the context:

“Administrative Costs” means the administrative expenses incurred by EDA as defined in section 469.174, subd. 14 of the TIF Act;

“Agreement” means this Agreement, as the same may be from time to time modified, amended, or supplemented.

“Assessor” means the county assessor of Rice County.

“Authorizing Resolution” means the resolution, in substantially the form attached hereto as Exhibit E, to be adopted by the EDA to authorize issuance of the Note;

“Available Tax Increment” means 90 percent of the Tax Increment paid to the EDA by the County with respect to the Redevelopment Property and the Minimum Improvements.

“Certificate of Completion” means the certificate, in substantially the form attached hereto as Exhibit D, which will be provided to the Redeveloper pursuant to Article IV of this Agreement.

“City” means the city of Faribault, a municipal corporation under the laws of Minnesota.

“Construction Plans” means the final plans for construction of the Minimum Improvements which shall be submitted by the Redeveloper pursuant to section 4.2 of this Agreement.

“County” means Rice County, Minnesota.

“Economic Development Authorities Act” or “EDA Act” means Minnesota Statutes, sections 469.090 through 469.108, as amended.

“EDA” has the meaning set forth in the preamble of this Agreement.

“Event of Default” means an action by the Redeveloper or EDA listed in Article VIII of this Agreement.

“Housing and Redevelopment Authorities Act” or “HRA Act” means Minnesota Statutes, sections 469.001 through 469.047, as amended.

“Material Change” means a change in the Construction Plans which may reasonable be expected to adversely affect the generation of tax increment from the Minimum Improvements.

“Maturity Date” means the date the Note has been paid in full or terminated, whichever is earlier.

“Minimum Improvements” means demolition of the existing structures and construction of a new 76-unit market rate multi-family workforce housing residential building on the Redevelopment Property. After completion of the Minimum Improvements, the term shall mean the Redevelopment Property as improved by the Minimum Improvements. The Minimum Improvements are generally depicted on Exhibit B attached hereto.

“Note” means the taxable Tax Increment Revenue Note, in substantially the form contained in the Authorizing Resolution, to be delivered by EDA to the Redeveloper pursuant to Article III of this Agreement.

“Preliminary Plans” means the preliminary plans for construction of the Minimum Improvements which have been submitted by the Redeveloper and approved by the EDA and which are attached hereto as Exhibit C.

“Qualifying Costs” means the cost of land acquisition, site preparation, demolition, utility installation, landscaping, grading, earthwork, retaining walls, storm water ponding, structured and surface parking, and all other expenditures made by the Redeveloper related to completion of the Minimum Improvements which the EDA intends to partially reimburse through the Note.

“Redeveloper” has the meaning set forth in the preamble of this Agreement.

“Redevelopment Assistance” means the financial assistance to be offered by the EDA to the Redeveloper through issuance of the Note.

“Redevelopment Plan” means the Redevelopment Plan for Redevelopment Project No. 20 which was approved by the EDA on March 19, 2026.

“Redevelopment Property” means all those properties which are included in Lot 1, Block 2 RIVERCHASE ADDITION. The Redevelopment Property is legally described in Exhibit A and depicted on Exhibit B attached hereto.

“Sale” means any conveyance of fee simple title in and to the Minimum Improvements or the Redevelopment Property, as more fully defined in Article VII of this Agreement.

“State” means the state of Minnesota.

“Substantial Completion” means completion of the Minimum Improvements to a degree allowing the issuance of a certificate of occupancy by the City’s building official.

“Tax Increment” means the tax increment, as that term is defined in Minnesota Statutes, section 469.174, subd. 25, which is paid to the EDA by the County with respect to the Redevelopment Property and the Minimum Improvements.

“Tax Increment Financing Act” or “TIF Act” means Minnesota Statutes, sections 469.174 through 469.1799, as amended.

“Tax Increment Financing District” or “TIF District” means Tax Increment Financing District No. 20 – Riverchase II (an economic development - workforce housing district).

“Tax Increment Financing Plan” or “TIF Plan” means the tax increment plan for Tax Increment Financing District No. 20 – Riverchase II which was approved by the EDA on March 19, 2026.

“Tax Official” means the Assessor, County auditor, County or state board of equalization, the commissioners of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

“Termination Date” means the date Tax Increment Financing District No. 20 – Riverchase II terminates, which is estimated to be after nine (9) years after the date of receipt of the first increment, or the date the Note has been paid through Available Tax Increment or terminated, whichever occurs first.

“Unavoidable Delays” means delays which are the direct result of unanticipated adverse weather conditions; strikes or other labor troubles; shortages of materials or labor; fire or other casualty to the Minimum Improvements; litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays; or, except those of the EDA or the City reasonably contemplated by this Agreement, any acts or omissions of any federal, State or local governmental unit which directly result in delays in construction of the Minimum Improvements; approved changes to the Construction Plans that result in delays; delays caused by the discovery of any previously unknown adverse environmental condition on or within the Redevelopment Property to the extent reasonably necessary to comply with federal and state environmental laws, regulations, orders or agreements; unanticipated future local events occurring within such proximity of the Redevelopment Property, and not caused by nor within the control of the Redeveloper, having a significantly adverse impact upon the marketability and reasonable profitability of the Minimum Improvements; and any other cause or force majeure beyond the control of the Redeveloper which directly results in delays.

Section 1.2. Exhibits. The following exhibits are attached to and by reference made a part of this Agreement:

- Exhibit A. Legal description of the Redevelopment Property
- Exhibit B. Depiction of the Redevelopment Property and Minimum Improvements
- Exhibit C. Preliminary Plans
- Exhibit D. Form of Certificate of Completion
- Exhibit E. Form of Authorizing Resolution
- Exhibit F. Form of Investment Letter

Section 1.3. Rules of Interpretation. (a) This Agreement shall be interpreted in accordance with and governed by the laws of Minnesota.

(b) The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than any particular section or subdivision hereof.

(c) References herein to any particular section or subdivision hereof are to the section or subdivision of this Agreement as originally executed.

(d) Any titles of the several parts, articles and sections of this Agreement are inserted for convenience and reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 1.4. Incorporation of Recitals and Exhibits. 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.

ARTICLE II

Representations and Warranties

Section 2.1. Representations by the EDA. The EDA makes the following representations as the basis for the undertaking on its part herein contained:

(a) The EDA is an economic development authority duly organized and existing under the EDA Act. EDA has the authority to enter into this Agreement and carry out its obligations hereunder.

(b) The individual(s) executing this Agreement and related agreements and documents on behalf of the EDA has the authority to do so and to bind the EDA by their actions.

(c) Development District No. 1 is a development district within the meaning of the Minnesota Statutes, section 469.125, subd. 9.

(d) TIF District No. 20 – Riverchase II is an economic development - workforce housing tax increment financing district within the meaning of the TIF Act and was created, adopted and approved in accordance with the TIF Act.

(e) There are no previous agreements to which the EDA is a party pertaining to the Redevelopment Property which would preclude the parties from entering into this Agreement or which would impede the fulfillment of the terms and conditions of this Agreement.

(f) The activities of the EDA pursuant to this Agreement are undertaken pursuant to the Redevelopment Plan and are for the purpose of redevelopment of the Redevelopment Property by removing the structurally substandard structures currently existing on the Redevelopment Property and replacing them with new market-rate housing.

(g) The EDA will act in a timely manner to consider all approvals required under this Agreement and will cooperate with the Redeveloper in seeking consideration by the City of approvals which must be granted by the City.

Section 2.2. Representations and Warranties by the Redeveloper. The Redeveloper makes the following representations and warranties as the basis for the undertaking on its part herein contained:

(a) The Redeveloper is a limited liability company validly existing under the laws of the State of Minnesota. The Redeveloper has the authority to enter into this Agreement and carry out its obligations hereunder.

- (b) The Redeveloper will attempt to acquire the Redevelopment Property in fee title.
- (c) The persons executing this Agreement and related agreements and documents on behalf of the Redeveloper have the authority to do so and to bind the Redeveloper by their actions.
- (d) Upon acquisition of the Redevelopment Property, the Redeveloper will construct the Minimum Improvements in substantial accordance with the terms of this Agreement, the Redevelopment Plan, the TIF Plan, the Construction Plans and all local, State and federal laws and regulations, including, but not limited to, environmental, zoning, building code and public health laws and regulations.
- (e) The Redeveloper will apply for and use all reasonable efforts to obtain, in a timely manner, all required permits, licenses and approvals from the EDA and the City, and will meet, in a timely manner, the requirements of all applicable local, State, and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed or used for their intended purpose.
- (f) The Redeveloper has analyzed the economics of acquisition of the Redevelopment Property, the cost of site improvements, including installation of any necessary utilities and construction of the Minimum Improvements and concluded that, absent the Redevelopment Assistance to be offered under this Agreement, it would not undertake this project.
- (g) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any corporation organizational documents or any evidence of indebtedness, agreement or instrument of whatever nature to which the Redeveloper is now a party or by which it is bound, or constitutes a default under any of the foregoing.

Section 2.3. Redeveloper Responsible for Costs. The Redeveloper agrees to pay to the EDA an administrative fee in the amount necessary to reimburse EDA for its reasonable costs and expenses in reviewing the redevelopment proposal, including the drafting and negotiation of this Agreement. The EDA may require the Redeveloper to deposit funds with the EDA, in an amount to be determined by the EDA, in order to cover the Redeveloper's obligations under this section. In the event that the deposit made herein reaches \$1,000.00, the EDA may require the Redeveloper to deposit an additional amount as may be deemed necessary by the EDA to pay for its future expenses. Upon the EDA's request for additional funds, the Redeveloper shall deposit such funds with EDA within 10 days.

ARTICLE III

Acquisition of Redevelopment Property; Redevelopment Assistance

Section 3.1. Acquisition of Redevelopment Property. The Redeveloper shall acquire the Redevelopment Property in fee no later than April 30, 2026. The EDA makes no representations to the Redeveloper regarding the suitability of the Redevelopment Property or the Minimum Improvements for the use and purpose intended by the Redeveloper. The failure by Redeveloper to

close on the purchase of the Redevelopment Property by April 30, 2026, shall result in this Agreement being canceled and terminated and of no further force and/or effect without any action by any party hereto, and neither party shall have any liability to the other in connection with such termination or cancellation.

Section 3.2. Issuance of Pay-As-You-Go Note. (a) In consideration of the Redeveloper constructing the Minimum Improvements and to finance the reimbursement of the Qualifying Costs, the EDA will issue and the Redeveloper will purchase the Note in the principal amount of \$725,000.00 in substantially the form set forth in the Authorizing Resolution attached hereto as Exhibit E. The EDA and the Redeveloper agree that the consideration from the Redeveloper for the purchase of the Note will consist of the Redeveloper's payment of the Qualifying Costs of land acquisition, site preparation, including utility installation, and other expenditures which are eligible for reimbursement with Tax Increment and which are incurred by the Redeveloper in at least the principal amount of the Note. The EDA will deliver the Note upon satisfaction by the Redeveloper of all the conditions precedent specified in section 3.3 of this Agreement.

(b) The Redeveloper understands and acknowledges that the EDA makes no representations or warranties regarding the amount of Available Tax Increment, or that revenues pledged to the Note will be sufficient to pay the principal of and interest on the Note. Any estimates of Tax Increment prepared by the EDA or its financial advisors in connection with the TIF District or this Agreement are for the sole benefit of the EDA and are not intended as representations on which the Redeveloper may rely.

Section 3.3. Conditions Precedent to Issuance of Note. Notwithstanding anything in this Agreement to the contrary, the EDA shall not be obligated to issue the Note until all of the following conditions precedent have been satisfied:

- (a) The Redeveloper has acquired the Redevelopment Property in fee;
- (b) The Redeveloper has submitted and the EDA has approved the Construction Plans;
- (c) The Redeveloper has constructed the Minimum Improvements and the EDA has issued the Certificate of Completion;
- (d) The Redeveloper has submitted evidence it has paid for the Qualifying Costs, including paid receipts and lien waivers;
- (e) The Redeveloper has reimbursed the EDA for all of its administrative costs incurred in conjunction with the processing of Redeveloper's request;
- (f) The Redeveloper has submitted the Investment Letter; and
- (g) There has been no Event of Default on the part of the Redeveloper which has not been cured.

Section 3.4. Records. The EDA and its representatives will have the right at all reasonable times after reasonable notice to inspect, examine and copy invoices paid by Redeveloper and/or its

general contractor relating to the Minimum Improvements and the Qualifying Costs for which the Redeveloper will be reimbursed under the Note.

Section 3.5. No Business Subsidy. The Redeveloper proposes to utilize the financial assistance from EDA to construct workforce housing and therefore such assistance is not a “business subsidy” within the meaning of Minnesota Statutes, sections 116J.993 to 116J.995.

ARTICLE IV

Construction of Minimum Improvements

Section 4.1. Construction of Minimum Improvements. If the Redeveloper acquires the Redevelopment Property in accordance with the terms of this Agreement, the Redeveloper agrees that it will construct the Minimum Improvements on the Redevelopment Property in accordance with the Construction Plans. The Redeveloper acknowledges that, in addition to the requirements of this Agreement, construction of the Minimum Improvements will necessitate compliance with other reviews and approvals by the City and possibly other governmental agencies and, to the extent such approvals have not already been obtained, agrees to submit all applications for and pursue to their conclusion all other approvals needed prior to constructing the Minimum Improvements.

Section 4.2. Preliminary and Construction Plans. (a) The Redeveloper has submitted and EDA has approved the Preliminary Plans listed in Exhibit C attached hereto. Prior to beginning construction on the Minimum Improvements, the Redeveloper shall submit dated Construction Plans to EDA. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in substantial conformity with the Preliminary Plans and this Agreement. The EDA will approve the Construction Plans if they (1) are consistent with the Preliminary Plans; (2) conform to all applicable federal, State and local laws, ordinances, rules and regulations; (3) are adequate to provide for the construction of the Minimum Improvements; (4) conform to the State building code; and (5) if there has occurred no uncured Event of Default on the part of the Redeveloper. Except as otherwise set forth herein, no approval by EDA shall relieve the Redeveloper of the obligation to comply with the terms of this Agreement, the terms of all applicable federal, State and local laws, ordinances, rules and regulations in the construction of the Minimum Improvements. Except as otherwise set forth herein, no approval by EDA shall constitute a waiver of an Event of Default.

(b) If the Redeveloper desires to make any Material Change or any other change in the Construction Plans affecting the size, height, footprint, exterior building materials, or any other change regarding the Minimum Improvements which would also require approval under any applicable code, ordinance or regulation after approval by the EDA, the Redeveloper shall submit the proposed change to the EDA for its prior written approval. If the proposed change is consistent with the Preliminary Plans or is otherwise acceptable to the EDA and meets all other requirements of section 4.2(a) above, the EDA shall approve the proposed change. Such change in the Construction Plans shall be deemed approved by the City unless rejected, in whole or in part, by written notice by the EDA to the Redeveloper, setting forth in detail the reasons therefore. Such rejection shall be made within 30 business days after receipt of the written notice of such change from the Redeveloper.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Redeveloper shall commence construction of the Minimum Improvements by no later than August 1, 2026. The Redeveloper shall substantially complete the Minimum Improvements by December 31, 2028. All work with respect to the Minimum Improvements to be constructed or provided by the Redeveloper on the Redevelopment Property shall be in conformity with the Construction Plans. The Redeveloper shall make such reports to the EDA regarding construction of the Minimum Improvements as the EDA deems necessary or helpful in order to monitor progress on construction of the Minimum Improvements.

Section 4.4. Certificate of Completion. (a) After Substantial Completion of the Minimum Improvements in accordance with the Construction Plans and all terms of this Agreement and at the written request of the Redeveloper, the EDA will, within 20 days thereafter, furnish the Redeveloper with an appropriate certificate so certifying in the form of Exhibit D attached hereto. Such certification by EDA shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement with respect to the obligations of the Redeveloper to construct the Minimum Improvements and the dates for the beginning and completion thereof. Following issuance of the Certificate of Completion pursuant to this section, the sole outstanding obligation is for the EDA to issue the Note and to make payments thereunder, subject to the terms of this Agreement and the Note.

(b) The Certificate of Completion shall be in such form as will enable it to be recorded in the proper County office for the recordation of deeds and other instruments pertaining to the Redevelopment Property. If the EDA shall refuse to provide such certification in accordance with the provisions of this section 4.4, the EDA shall promptly notify Redeveloper of the same within 20 days following receipt of request therefore from Redeveloper and shall provide the Redeveloper with a written statement, indicating in adequate detail in what respects the Redeveloper has failed to complete the relevant portion of the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default of a material term of this Agreement, and what measures or acts will be necessary, in the opinion of EDA, for the Redeveloper to take or perform in order to obtain such certification. If the EDA fails to issue such a written statement within such 20-day period, the EDA shall be deemed to have waived its right to do so and shall be deemed to have issued a Certificate of Completion to the Redeveloper. The Redeveloper shall have 60 days following receipt of the EDA's written response to cure or agree to terms with the EDA regarding issues to be resolved prior to the Redeveloper obtaining a Certification of Completion from the EDA.

ARTICLE V

Insurance

Section 5.1. Insurance. The Redeveloper or its general contractor will provide and maintain at all times during the process of constructing the Minimum Improvements a Special Form Basis Insurance Policy and, from time to time during that period, at the request of the EDA, furnish the EDA with proof of payment of premiums on policies covering the following:

(i) Builder's risk insurance, written on the so-called "Builder's Risk – Completed Value Basis," in an amount equal to one hundred percent (100%) of the

insurable value of the applicable portion of the Minimum Improvements at the date of completion, and with coverage available in reporting form on the so-called “special” form of policy;

(ii) Commercial general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) with limits against bodily injury and property damage of not less than \$2,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Workers’ compensation insurance, with statutory coverage.

Section 5.2. Evidence of Insurance. (a) All insurance required in this Article V of this Agreement must be taken out and maintained with responsible insurance companies selected by the Redeveloper which are authorized under the laws of Minnesota to assume the risks covered thereby. In lieu of separate policies, the Redeveloper may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein. Upon written request by the EDA, the Redeveloper agrees to deposit with the EDA a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect

(b) The required insurance provisions set forth in this Article V will terminate upon the issuance of the Certificate of Completion.

ARTICLE VI

Payment of Taxes; Use of Tax Increment

Section 6.1. Taxes. (a) The Redeveloper agrees to pay before delinquency directly to the taxing authority, all taxes, general and special assessments, and other public charges levied upon or assessed against the Redevelopment Property and any buildings, structures, fixtures, or improvements thereon which first become due during the term of this Agreement.

(b) The Redeveloper understands that any successful contest or challenge to the legality, validity or amount of taxes payable with respect to the Redevelopment Property will reduce the amount of Available Tax Increment and may adversely affect the EDA’s ability to fully pay the Note prior to the Termination Date.

Section 6.2. Use of Tax Increment. Except as provided for in this Agreement, the EDA shall be free to use any Tax Increment it receives from the County with respect to TIF District No. 20 – Riverchase II for any purpose for which such increment may lawfully be used under the TIF Act and the EDA shall have no obligations to the Redeveloper with respect to the use of such Tax Increment.

ARTICLE VII

Restrictions on Sale of Minimum Improvements

Section 7.1. Prohibition Against Sale of Minimum Improvements. The Redeveloper represents and agrees that its use of the Redevelopment Property and its other undertakings pursuant to

the Agreement, are, and will be, used for the purpose of construction of the Minimum Improvements on the Redevelopment Property and not for speculation in land holding. The Redeveloper represents and agrees that, prior to the issuance of a Certificate of Completion regarding the Minimum Improvements, there shall be no Sale of the Redevelopment Property or the Minimum Improvements constructed thereon nor shall the Redeveloper suffer any such Sale to be made, without the prior written approval of the EDA. As a condition of approval of any such Sale, the EDA shall require, at a minimum, that the proposed transferee shall have entered into an agreement whereby the transferee expressly assumes all of the Redeveloper's obligations under this Agreement. Any such agreement shall include the EDA as a party and otherwise be in form and substance reasonably acceptable to the EDA.

ARTICLE VIII

Events of Default

Section 8.1. Events of Default Defined. Each and every one of the following shall be an Event of Default under this Agreement:

- (a) Failure by the Redeveloper to acquire the Redevelopment Property in accordance with Article III of this Agreement;
- (b) Failure by the Redeveloper to seek approvals from the City and other entities necessary in order to construct the Minimum Improvements;
- (c) Failure by the Redeveloper to commence and complete construction of the Minimum Improvements pursuant to the terms, conditions and limitations of Article IV of this Agreement, including the timing thereof, unless such failure is caused by an Unavoidable Delay or waived by the Redeveloper and EDA;
- (d) Failure by the Redeveloper to provide and maintain any insurance required to be provided and maintained by Article V;
- (e) If the Redeveloper shall file a petition in bankruptcy, or shall make an assignment for the benefit of its creditors or shall consent to the appointment of a receiver;
- (f) Failure by the Redeveloper to reimburse the EDA for its administrative expenses associated with the processing of Redeveloper's requests, or to make the necessary escrow deposits pursuant to Section 2.3;
- (g) Sale of the Redevelopment Property or the Minimum Improvements, or any portion thereof, by the Redeveloper in violation of Article VII of this Agreement; or
- (h) Failure by either party to observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in section 8.1 of this Agreement occurs, then the non-defaulting party may take any one or more of the following actions after providing 30 days written notice to the defaulting party of the Event of Default, but only

if the Event of Default has not been cured within said 30 days from the receipt of Notice or, if the Event of Default is by its nature incurable within 30 days, the defaulting party does not provide assurances to the non-defaulting party reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

(a) Suspend its performance under this Agreement until it receives assurances from the defaulting party, deemed adequate by the non-defaulting party, that the defaulting party will cure its default and continue its performance under this Agreement;

(b) If the default occurs prior to completion of the Minimum Improvements, the EDA may withhold any undelivered Certificate of Completion until such default is cured;

(c) Take whatever action, including legal or administrative action, which may appear necessary or desirable to the non-defaulting party to collect any payments due under this Agreement, including reimbursement of the Redevelopment Assistance previously granted, or to enforce performance and observance of any obligation, agreement, or covenant of the defaulting party under this Agreement.

Section 8.3. No Remedy Exclusive. No remedy conferred herein or reserved to the parties is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the EDA or the Redeveloper to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in Article IX of this Agreement.

Section 8.4. No Additional Waiver Implied by One Waiver. In the event any covenant or agreement contained in this Agreement should be breached by either party and thereafter waived by the other 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 hereunder.

ARTICLE IX

Additional Provisions

Section 9.1. Conflict of Interests; Representatives Not Individually Liable. No member, official, or employee of the EDA shall have any personal financial interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his or her personal financial interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No member, official, or employee of the EDA shall be personally liable to the Redeveloper, or any successor in interest, in the event of any default or breach or for any amount which may become due or on any obligations under the terms of this Agreement.

Section 9.2. Equal Employment Opportunity. The Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in this

Agreement, it will comply with all applicable equal employment and nondiscrimination laws and regulations.

Section 9.3. Restrictions on Use. The Redeveloper agrees that through the Termination Date it will use the Minimum Improvements for only such uses as permitted under the City's land use regulations.

Section 9.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, any notice, demand, or other communication under the Agreement or any related document by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified United States mail, postage prepaid, return receipt requested, or delivered personally to:

- (a) in the case of the Redeveloper: Riverchase Faribault II LLC
4057 28th Street NW, Suite 200
Rochester, MN 55901
Attn: Ryan Nolander

- (b) in the case of EDA: Economic Development Authority of the
City of Faribault
208 1st Avenue Northwest
Faribault, Minnesota 55021
Attn: Executive Director

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

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this section 9.4.

Section 9.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 9.6. Disclaimer of Relationships. The Redeveloper acknowledges that nothing contained in this Agreement nor any act by the EDA or the Redeveloper shall be deemed or construed by the Redeveloper or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between EDA and the Redeveloper.

Section 9.7. Amendment. This Agreement may be amended only by the written agreement of the parties.

Section 9.8. Recording. The EDA intends to record this Agreement among the land records of Rice County, Minnesota and the Redeveloper agrees to pay for the cost of recording same.

Section 9.9. Indemnity. The Redeveloper hereby agrees that the EDA, and its governing body members, officers, agents, and employees shall not be liable for, and hereby agrees to indemnify and hold harmless the same, against any loss or claims arising under this Agreement, except for losses or claims arising out of the acts or omissions of the EDA.

Section 9.10. Titles of Articles and Sections. Any titles of the several parts, articles, and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 9.11. Governing Law; Venue. This Agreement shall be construed in accordance with the laws of Minnesota. Any dispute arising from this Agreement shall be heard in the State or federal courts of Minnesota, and all parties waive any objection to the jurisdiction thereof, whether based on convenience or otherwise.

IN WITNESS WHEREOF, the EDA and the Redeveloper have caused this Agreement to be duly executed in their names and behalves on or as of the date first above written.

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF FARIBAULT:**

By: _____
Kevin F. Voracek
Its: President

By: _____
David Wanberg
Its: Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument as acknowledged before me this _____ day of _____, 2026, by Kevin Voracek and David Wanberg, the President and Executive Director of the Economic Development Authority of the city of Faribault, a public body corporate and politic under the laws of Minnesota, on behalf of the Economic Development Authority.

Notary Public

REDEVELOPER:

By: _____
Mac Hamilton
Its: Chief Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was executed before me this _____ day of _____, 2026, by Mac Hamilton, the Chief Manager of Riverchase Faribault II LLC, a limited liability company formed under the laws of Minnesota, on behalf of the company.

Notary Public

**EXHIBIT A TO
REDEVELOPMENT AGREEMENT**

LEGAL DESCRIPTION OF REDEVELOPMENT PROPERTY

Lot 1, Block 2 of RIVERCHASE ADDITION, according to the recorded plat thereof on file and of record in the office of the County Recorder in and for Rice County, Minnesota.

**EXHIBIT B TO
REDEVELOPMENT AGREEMENT**

**DEPICTION OF THE REDEVELOPMENT PROPERTY
AND MINIMUM IMPROVEMENTS**



**EXHIBIT C TO
REDEVELOPMENT AGREEMENT
PRELIMINARY PLAN DOCUMENTS**

Those plans titled “Riverchase Phase II” dated February 6, 2026, and prepared by CRW architecture + design group, which are on file at the offices of the City Planner at Faribault City Hall.

**EXHIBIT D TO
REDEVELOPMENT AGREEMENT**

**FORM OF
CERTIFICATE OF COMPLETION**

WHEREAS, the Economic Development Authority of the City of Faribault, a public body corporate and politic under the laws of Minnesota (“EDA”), and Riverchase Faribault II LLC, a limited liability company formed under the laws of the state of Minnesota (the “Redeveloper”), have entered into a certain Contract for Private Redevelopment (the “Agreement”) dated the ____ day of March, 2026, and recorded in the office of the County Recorder or Registrar in Rice County, Minnesota, as Document No. _____, which Agreement contained certain covenants and restrictions regarding completion of the Minimum Improvements, as defined in the Agreement; and

WHEREAS, the Redeveloper has performed said covenants and conditions in a manner deemed sufficient by the EDA to permit the execution and recording of this certification.

NOW, THEREFORE, this is to certify that all construction of the Minimum Improvements specified to be done and made by the Redeveloper has been completed and the covenants and conditions in the Agreement have been performed by the Redeveloper, and the County Recorder in Rice County, Minnesota, is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions relating to completion of the Minimum Improvements and the expiration of certain obligations contained in the Agreement to the extent expressly provided for therein. Unless otherwise expressly provided in the Agreement, Redeveloper shall be deemed to have satisfied its obligations under the Agreement.

Dated: _____.

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF FARIBAULT**

By _____
Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument as acknowledged before me this ____ day of _____, 20__, by _____, the executive director of the Economic Development Authority of the City of Faribault, a public body corporate and politic under the laws of Minnesota, on behalf of the Economic Development Authority.

Notary Public

**EXHIBIT E TO
REDEVELOPMENT AGREEMENT**

FORM OF AUTHORIZING RESOLUTION

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF FARIBAULT

RESOLUTION NO. _____

**RESOLUTION APPROVING THE ISSUANCE OF, AND
PROVIDING THE FORM, TERMS, COVENANTS AND
DIRECTIONS FOR THE ISSUANCE OF ITS TAXABLE
TAX INCREMENT REVENUE NOTE, SERIES 202__ IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$725,000.00**

BE IT RESOLVED BY the Economic Development Authority of the City of Faribault (“EDA”), as follows:

Section 1. Authorization; Award of Sale.

1.01. Authorization. The EDA has heretofore approved the establishment of Tax Increment Financing District No. 20 – Riverchase II (the “TIF District”) within Development District No. 1 (“Redevelopment Project”) and has adopted a tax increment financing plan for the purpose of financing certain improvements within the Redevelopment Project.

Pursuant to Minnesota Statutes, Section 469.178, the EDA is authorized to issue and sell its bonds for the purpose of financing a portion of the public development costs of the Redevelopment Project. The bonds are payable from all or any portion of revenues derived from the TIF District and pledged to the payment of the bonds. The EDA hereby finds and determines that it is in the best interests of EDA that it issue and sell its taxable Tax Increment Revenue Note, Series 202__ (the “Note”), in the aggregate principal amount of \$725,000.00, for the purpose of financing certain public costs of the Redevelopment Project.

1.02. Agreement Approved; Issuance, Sale and Terms of the Note. The EDA has previously approved the Contract for Private Redevelopment (the “Agreement”) between the EDA and Riverchase Faribault II LLC (the “Owner”), and has authorized the Executive Director and President to execute the Agreement. Pursuant to the Agreement, the Note will be sold to the Owner. The Note will be dated as of the date of delivery and will bear interest at the rate of 4.0% per annum to the earlier of maturity or prepayment. In exchange for the EDA’s issuance of the Note to the Owner, the Owner will pay certain costs related to the Minimum Improvements (the Qualifying Costs, as defined in the Agreement) pursuant to Section 3.2 of the Agreement. The Note will be delivered in the principal amount of \$725,000.00 for reimbursement of the Owner’s costs in accordance with the terms of Section 3.3 of the Agreement.

Section 2. Form of Note. The Note will be in substantially the following form, with the blanks to be properly filled in and the principal amount and payment schedule adjusted as of the date of issue:

UNITED STATE OF AMERICA
STATE OF MINNESOTA
RICE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF FARIBAULT

No. R-1 \$725,000.00

TAXABLE TAX INCREMENT REVENUE NOTE
SERIES 202__

<u>Rate</u>	<u>Date of Original Issue</u>
4.0%	_____

The Economic Development Authority of the City of Faribault (“EDA”), for value received, certifies that it is indebted and hereby promises to pay to Riverchase Faribault, LLC, or registered assigns (the “Owner”), the principal sum of \$725,000.00 and to pay interest thereon at the rate of 4.0 percent per annum, as and to the extent set forth herein.

1. Payments. Principal and interest (“Payments”) are estimated to be paid on August 1, 2028, and each February 1 and August 1 thereafter to and including February 1, 2037 (“Payment Dates”), in the amounts and from the sources set forth in Section 3 herein. Payments will be applied first to accrued interest, and then to unpaid principal.

Payments are payable by mail to the address of the Owner or any other address as the Owner may designate upon 30 days written notice to EDA. Payments on this Note are payable in any coin or currency of the United States of America which, on the Payment Date, is legal tender for the payment of public and private debts.

2. Interest. Interest at the rate stated herein will accrue on the unpaid principal, commencing on the date of original issue. Interest will be computed on the basis of a year of 360 days and charged for actual days principal is unpaid.

3. Available Tax Increment. Payments on this Note are payable on each Payment Date in the amount of and solely payable from “Available Tax Increment,” which will mean, on each Payment Date, 90 percent of the Tax Increment attributable to the Redevelopment Property (defined in the Agreement) and paid to the EDA by Rice County in the six months preceding the Payment Date, all as the terms are defined in the Contract for Private Redevelopment between the EDA and Owner dated as of March __. 2026 (the “Agreement”). Available Tax Increment will not include any Tax Increment if, as of any Payment Date, there is an uncured Event of Default by the Owner under the Agreement.

The EDA will have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment, and the failure of the EDA to pay the entire amount of principal or interest on this Note on any Payment Date will not constitute a default hereunder as long as the EDA pays principal and interest hereon to the extent of Available Tax Increment. The EDA will have no obligation to pay unpaid balance of principal or accrued interest that may remain after the final Payment on February 1, 2037.

4. Optional Prepayment. The principal sum and all accrued interest payable under this Note is prepayable in whole or in part at any time by EDA without premium or penalty. No partial prepayment will affect the amount or timing of any other regular payment otherwise required to be made under this Note.

5. Termination. At the EDA's option, this Note will terminate and the EDA's obligation to make any payments under this Note will be discharged upon the occurrence of an Event of Default on the part of the Redeveloper as defined in Section 8.1 of the Agreement, but only if the Event of Default has not been cured in accordance with Section 8.2 of the Agreement.

6. Nature of Obligation. This Note is a single note in the total principal amount of \$725,000.00 issued to aid in financing certain public redevelopment costs and administrative costs of a Redevelopment Project undertaken by the EDA pursuant to Minnesota Statutes, Sections 469.001 through 469.047, as amended, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the EDA on March 19, 2026, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 to 469.179, as amended. This Note is a limited obligation of the EDA which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note and the interest hereon will not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the EDA or the city of Faribault. Neither the State of Minnesota, nor any political subdivision thereof will be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

7. Estimated Tax Increment Payments. Any estimates of Tax Increment prepared by the EDA or its financial advisors in connection with the TIF District or the Agreement are for the benefit of the EDA, and are not intended as representations on which the Owner may rely.

The EDA MAKES NO REPRESENTATION OR WARRANTY THAT THE AVAILABLE TAX INCREMENT WILL BE SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THIS NOTE.

8. Registration and Transfer. This Note is issuable only as a fully registered note without coupons. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the EDA kept for that purpose at the principal office of the Executive Director of the EDA as Registrar, by the Owner hereof in person or by the Owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the EDA, duly executed by the Owner. Upon the

transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the EDA with respect to the transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same dates.

This Note will not be transferred to any person other than an affiliate, or other related entity, of the Owner unless the EDA has been provided with an investment letter in a form substantially similar to the investment letter submitted by the Owner or a certificate of the transferor, in a form satisfactory to the EDA, that the transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. Notwithstanding the foregoing, Owner may grant, pledge and assign to its construction lender, to secure full payment and performance of its obligations under the loan, all of Owner's right, title and interest in and to this Note.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen, and to be performed in order to make this Note a valid and binding limited obligation of the EDA according to its terms, have been done, do exist, have happened, and have been performed in due form, time and manner as so required.

IN WITNESS WHEREOF, the board of commissioners of the Economic Development Authority of the City of Faribault, has caused this Note to be executed with the manual signatures of its President and Executive Director, all as of the Date of Original Issue specified above.

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF FARIBAULT**

President

Executive Director

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the Executive Director of the EDA, in the name of the person last listed below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of EDA Executive Director</u>
	Riverchase Faribault II LLC 4057 28 th Street NW, Suite 200 Rochester, MN 55901 Federal Tax ID #39-4016704	

[End of Form of Note]

Section 3. Terms, Execution and Delivery.

3.01. Denomination, Payment. The Note will be issued as a single typewritten note numbered R 1.

The Note will be issuable only in fully registered form. Principal of and interest on the Note will be payable by check or draft issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. Principal of and interest on the Note will be payable by mail to the owner of record thereof as of the close of business on the fifteenth day of the month preceding the Payment Date, whether or not the day is a business day.

3.03. Registration. The EDA hereby appoints the Executive Director to perform the functions of registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the EDA and the Registrar with respect thereto will be as follows:

(a) Register. The Registrar will keep at their office a bond register in which the Registrar will provide for the registration of ownership of the Note and the registration of transfers and exchanges of the Note.

(b) Transfer of Note. Upon surrender for transfer of the Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in a form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, a new Note of a like aggregate principal amount and maturity, as requested by the transferor. Notwithstanding the foregoing, the Note will not be transferred except (1) to any person other than an affiliate, or other related entity, of the Owner unless the EDA has been provided with an investment letter in a form substantially similar to the investment letter submitted by the Owner or a certificate of the transferor, in a form satisfactory to the EDA, that the transfer is exempt from registration and

prospectus delivery requirements of federal and applicable state securities laws, or (2) to the note holder's construction lender to secure full payment and performance of its obligations under the loan. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until the Payment Date.

(c) Cancellation. The Note surrendered upon any transfer will be promptly cancelled by the Registrar and thereafter disposed of as directed by the EDA.

(d) Improper or Unauthorized Transfer. When the Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until they are satisfied that the endorsement on the Note or separate instrument of transfer is legally authorized. The Registrar will incur no liability for their refusal, in good faith, to make transfers which they, in their judgment, deem improper or unauthorized.

(e) Persons Deemed Owners. The EDA and the Registrar may treat the person in whose name the Note is at any time registered in the bond register as the absolute owner of the Note, whether the Note is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Note and for all other purposes, and all the payments so made to any registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability of the EDA upon the Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of the Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to the transfer or exchange.

(g) Mutilated, Lost, Stolen or Destroyed Note. In case the Note becomes mutilated or is lost, stolen, or destroyed, the Registrar will deliver a new Note of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of the mutilated Note or in lieu of and in substitution for the Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case the Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that the Note was lost, stolen, or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it, in which both the EDA and the Registrar will be named as obligees. The Note so surrendered to the Registrar will be cancelled and evidence of the cancellation will be given to the EDA. If the mutilated, lost, stolen, or destroyed Note has already matured or been called for redemption in accordance with its terms, it will not be necessary to issue a new Note prior to payment.

3.04. Preparation and Delivery. The Note will be prepared under the direction of the Executive Director and will be executed on behalf of the EDA by the signatures of its President and Executive Director. In case any officer whose signature appears on the Note ceases to be the officer before the delivery of the Note, the signature will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. When the Note has been so executed, it will be delivered by the EDA to the Owner following the delivery of the necessary items delineated in Section 3.3 of the Agreement.

Section 4. Security Provisions.

4.01. Pledge. The EDA hereby pledges to the payment of the principal of and interest on the Note all Available Tax Increment as defined in the Note. Available Tax Increment will be applied to payment of the principal of and interest on the Note in accordance with the terms of the form of Note set forth in Section 2 of this resolution.

4.02. Bond Fund. Until the date the Note is no longer outstanding and no principal thereof or interest thereon (to the extent required to be paid pursuant to this resolution) remains unpaid, the EDA will maintain a separate and special “Bond Fund” to be used for no purpose other than the payment of the principal of and interest on the Note. The EDA irrevocably agrees to appropriate to the Bond Fund in each year Available Tax Increment. Any Available Tax Increment remaining in the Bond Fund will be transferred to the EDA’s account for the TIF District upon the payment of all principal and interest to be paid with respect to the Note.

Section 5. Certification of Proceedings.

5.01. Certification of Proceedings. The officers of the EDA are hereby authorized and directed to prepare and furnish to the Owner of the Note certified copies of all proceedings and records of the EDA, and the other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all the certified copies, certificates, and affidavits, including any heretofore furnished, will be deemed representations of the EDA as to the facts recited therein.

Section 6. Effective Date. This resolution will be effective upon full execution of the Agreement.

Adopted by the board of commissioners of the Economic Development Authority of the City of Faribault, this 24th day of March, 2026.

President

Executive Director

**EXHIBIT F TO
REDEVELOPMENT AGREEMENT
FORM OF INVESTMENT LETTER**

To the Economic Development Authority of the City of Faribault (“EDA”)
Attention: Executive Director

Dated: _____, 202__

Re: \$725,000.00 Tax Increment Revenue Note (Riverchase Faribault TIF Project No. 20)

The undersigned, as Purchaser of \$725,000.00 in principal amount of the above-captioned Tax Increment Revenue Note (the “Note”), approved by the Board of Commissioners of the Economic Development Authority of the City of Faribault on March 19, 2026, hereby represents to you and to Kennedy & Graven, Chartered, Minneapolis, Minnesota, as legal counsel to the EDA, as follows:

1. We understand and acknowledge that the Note is delivered to the Purchaser on this date pursuant to the Contract for Private Redevelopment by and between the EDA and the Purchaser dated March __, 2026 (the “Agreement”).

2. The Note is payable as to principal and interest solely from Available Tax Increment pledged to the Note, as defined therein.

3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the above-stated principal amount of the Note.

4. We acknowledge that no offering statement, prospectus, offering circular or other comprehensive offering document or disclosure containing material information with respect to the EDA and the Note has been issued or prepared by the EDA, and that, in due diligence, we have made our own inquiry and analysis with respect to the EDA, the Note and the security therefor, and other material factors affecting the security and payment of the Note.

5. We acknowledge that we have either been supplied with or have access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the EDA, the Note and the security therefor, and that as reasonable investors we have been able to make our decision to purchase the above-stated principal amount of the Note.

6. We have been informed that the Note (i) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, or under federal

securities laws or regulations, (ii) will not be listed on any stock or other securities exchange, and (iii) will carry no rating from any rating service.

7. We acknowledge that the EDA and Kennedy & Graven, Chartered, as legal counsel to the EDA, have not made any representations or warranties as to the status of interest on the Note for the purpose of federal or state income taxation.

8. We represent to you that we are purchasing the Note for our own account and not for resale or other distribution thereof, except to the extent otherwise provided in the Note or as otherwise approved in writing by the EDA.

9. All capitalized terms used herein have the meaning provided in the Agreement unless the context clearly requires otherwise.

10. The Purchaser's federal tax identification number is #39-4016704.

11. We acknowledge receipt of the Note on the date hereof.

IN WITNESS WHEREOF, the undersigned has executed this Investment Letter as of the date and year first written above.

RIVERCHASE FARIBAULT II LLC

By: _____

Its: _____

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF FARIBAULT,
MINNESOTA**

RESOLUTION NO. 2026-08

**RESOLUTION APPROVING CONTRACT FOR PRIVATE
DEVELOPMENT WITH RIVERCHASE II FOR CERTAIN
PROPERTY IN THE CITY OF FARIBAULT**

BE IT RESOLVED by the Economic Development Authority of the City of Faribault, Minnesota (the "Authority") as follows:

Section I. Recitals.

1.01. The Authority has determined a need to exercise the powers of an economic development authority, pursuant to Minnesota Statutes, Sections. 469.090 to 469.108 ("EDA Act").

1.02. Among the activities to be assisted by the Authority is a proposed development by Riverchase Faribault II LLC, a Minnesota limited liability company (the "Developer"), which has asked for financial assistance to help pay a portion of the costs of constructing a 76-unit market rate multi-family residential building on certain real property located within the City of Faribault, Rice County and to be platted as Lot 1, Block 2, Riverchase Addition (the "Project").

1.03. The Authority supports private efforts to develop, redevelop, rehabilitate and renovate properties located within the City.

1.04. The Authority has received a request from the Developer to participate in funding a portion of the Project costs in an amount not to exceed \$725,000 and in the form of a pay-as-you-go tax increment financing note which will assist in funding the Project.

1.05. There has been presented before the Authority a form of Contract for Private Development between the Authority and the Developer (the "Contract for Private Development"), which sets forth the terms of the assistance and additional terms and conditions related to the Project.

1.06. The Developer proposes to utilize the financial assistance from the Authority to construct housing and therefore such assistance is not a "business subsidy" within the meaning of Minnesota Statutes, sections 1161.993 to 1161.995.

1.07. The Authority has reviewed the Contract for Private Development and finds that the execution thereof by the Authority and performance of the Authority's obligations thereunder are in the best interest of the City and its residents.

Section 2. Findings.

2.01. The recitals set forth in the preamble to this Resolution and the exhibits attached to this Resolution are incorporated into this Resolution as if fully set forth herein.

2.02. The Contract for Private Development is hereby in all respects authorized, approved and confirmed by the Authority and the President and the Secretary/Treasurer are hereby authorized and directed to execute and deliver the Contract for Private Development for and on behalf of the Authority in substantially the form now on file with the Authority, but with such modifications as shall be deemed necessary, desirable or appropriate, its execution thereof to constitute conclusive evidence of the approval of any and all modifications therein.

Section 3. Implementation.

3.01. The President and Executive Director are authorized and directed to execute and deliver any additional agreements, certificates or other documents that the Authority determines are necessary to implement this Resolution.

3.02. The Authority directs Authority and City staff to take any appropriate action and to prepare any appropriate documents to facilitate the directives of the Authority as set forth in this Resolution and in performing its obligations under the Contract for Private Development as a whole.

3.03. The President, Executive Director, Authority and City staff, City attorney, and Authority and City consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution.

Section 4. Effective Date. This resolution is effective upon the date of its adoption.

Approved by the Economic Development Authority of the City of Faribault, Minnesota, this 24th day of March, 2026.

**ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF
FARIBAULT, MINNESOTA**

Kevin F. Voracek
President

ATTEST:

David Wanberg
Executive Director



Request for Action

TO: Faribault Economic Development Authority
FROM: Jake Wiensch, Economic Development Coordinator
THROUGH: David Wanberg, CED Director
MEETING DATE: March 24, 2026
SUBJECT: Resolution 2026-06 Approve a Downtown Commercial Rehabilitation and Exterior Improvement Program Loan for 22 NE 4th St., PID 18.31.1.26.177

BACKGROUND:

In 2025, the EDA previously discussed this eligibility issue when staff sought guidance regarding whether the applicant could submit additional applications for properties associated with the same PID. At that time, the EDA indicated that the applicant could submit future applications for consideration, but noted that the program guidelines may need to be reviewed and potentially updated in the future to address situations where multiple buildings or addresses are associated with a single PID.

Staff has met with the applicant, who continues to demonstrate a commitment to reinvestment and ongoing maintenance of downtown properties. The applicant has indicated that additional requests may be forthcoming, as several buildings and addresses associated with this PID may require exterior improvements in the future.

REQUESTED ACTION:

Approve Resolution 2026-06

ATTACHMENTS:

1. Application - 10,000 Drops DCRIP
2. Beacon - Rice County, MN - Report_ 1831126177
3. Resolution 2026-06 Approve DREICP Loan for 22 4th Street NE

RECEIVED

SEP 05 2025

City of Faribault
Community Development

Downtown Commercial Rehabilitation & Exterior Improvement Program – Application

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

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

*No payment at
this time was
made.*
[Signature]

Application Information

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

Name(s) of Property Owner/Applicant		
David Hirstendahl, HUISTEN CORP.		
Telephone Number:	507-581-6322	
Email Address:	none	
Mailing Address:	818 FOREST AVE.	
City:	State:	Zip:
Northfield	MN	55057

Property Information		
<i>This Program is open to all commercial properties within the Central Business District and commercial addresses immediately adjacent the District – as shown on the attached map.</i>		
Address(es) of Eligible Property:	22 NE 4 th St.	
Parcel ID (PID):	18.31.1.26.177	
Original Year of Construction:	1988	
Business/Occupant(s):	Corks + Pints	
	1000 Drops	
Has this property previously received public financing?	Yes	<input checked="" type="radio"/> No
Has the applicant defaulted on any public financing in the last two years?	Yes	<input checked="" type="radio"/> No
Are there any liens or judgements on the property?	Yes	<input checked="" type="radio"/> No
Are the property taxes paid/current?	<input checked="" type="radio"/> Yes	No

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

Project Information

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

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

Requested Loan Amount: \$15,000.00
(based on Program scale)

Description of Proposed Improvements / Project

The work shall include performing masonry repairs to the east interior stone wall and exterior brick walls on the East & North sides of building 4. The masonry repairs include tuck pointing, replacing broken/damaged brick, and chemical/pressure washing. The work will also include necessary sealant joint replacement on flashings and windows openings.

Justification / Impact of Project within Commercial Business District

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

We are continuing to clean up and repair the facade of the 7 buildings in the 10000 Drops complex. The replacement of missing bricks is a necessary structural repair.

Data Practices Act

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

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

David Hystved 9-3-25
Property Owner/Applicant Date

Co-Property Owner/Applicant Date

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

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

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








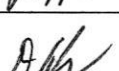
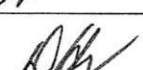
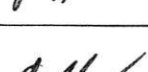
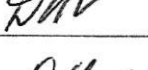
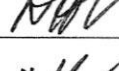
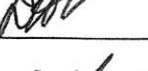
I/We authorize program representatives the right to access the property to be improved for the purposes of the deferred loan program and to take photographs of the structure before and after rehabilitation.



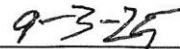
I/We understand that I/we are responsible for obtaining appropriate building permits and Certificate of Appropriateness. In the case of improvements that do not require a city-issued building permit, the applicant must submit the name and state license number of the contractor completing the work and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

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

David Hystved 9-3-25
Property Owner/Applicant Date

Co-Property Owner/Applicant Date

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

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

Jerry Topp
208 6th Street East
Northfield MN 55057

Date: 7-11-2025

To: DAVE #115762 DARTL

PROPOSAL FOR 22 4TH ST. N.G.
FARM BLDG. MN. 55024

Building Restoration #4

- INCLUDES • TUCK POINTING
- REPLACE DETERIORATED BRICK
- REPAIR-REPLACE DAMAGED FLASHING
- CAULK
- JOB SITE CLEAN-UP.

ALL ABOVE \$35,650

Jerry Topp
7-11-2025

O'LEARY RESTORATION INC.



204 W 7th St. #225
Northfield MN, 55057
612-432-4669
dan@olearyinc.com



April 9, 2025

BID FORM

Client: Dave Hvistendahl

Contact: Dave Hvistendahl

Email/Phone: dhvistendahl@hvmd.com / 507-581-6322

Project Name: 10000 Drops Building 4

Project address: 22 4th St NE, Faribault, MN 55021

Scope of work:

The work shall include performing masonry repairs to the east interior stone wall and the exterior brick walls on the East and North sides of building 4. The masonry repairs include tuckpointing, replacing broken/damaged brick, and chemical/pressure washing. The work will also include necessary sealant joint replacement on flashings and window openings.

Costs:

Total Costs: \$79,950.00

Rice County, MN

Summary

Parcel ID 18.31.1.26.177
Property Address 28 4TH ST NE (Primary Address)
 21 5TH ST NE
 22 4TH ST NE
 25 5TH ST NE
 404 1ST AVE NE
 406 1ST AVE NE
 409 1ST AVE NE
 FARIBAULT, MN 55021

Sec/Twp/Rng
Brief Lot 1 Block 33 of ORIGINAL TOWN FARIBAULT
Tax Description LOTS 1 THRU 4 & E100FT L5 B33 ORIG TOWN EX W20FT LOTS 1 THRU 4 B33
 (Note: Not to be used on legal documents)

Area N/A
Use Code 3A-Commercial/Industrial/Public Utility
Tax Authority Group FARIBO-SD656-HSP-HRA-EDA
 *Please contact the zoning authority for information regarding zoning.



Owners

Primary Owner Hvisten Corporation 311 Water St S Northfield MN 55057	Alternate Taxpayer	Fee Owner
--	---------------------------	------------------

Land

Lot Area 1.18 Acres ;51,480 SF

Commercial Buildings

Type	Base Area	Year Built
Shop	2426	1910
Warehouse (Storage)	4876	1910
Warehouse (Storage)	192	1910
Shop	3500	1910
Store - Retail Small	840	1950
Shop	4025	1910
Office - General	150	1910
Store - Retail Small	2423	1910
Warehouse (Storage)	1680	1910

Yard Extras

- #1 - (1) Paving - Asphalt 2,200 SF, Asphalt Parking, Low Pricing, Built 2000
- #2 - (1) Paving - Concrete 2,800 SF, Concrete Parking, Low Pricing, Built 2000

Permits

Permit #	Date	Description	Amount
25.0217	03/08/2025	Electrical	3,500
25.0216	03/08/2025	Electrical	3,200
24.1509	10/15/2024	Commercial Remo	35,000
23.1463	11/29/2023	Roof	59,000
23.0792	07/27/2023	Commercial Remo	35,000
23.0346	04/27/2023	Commercial Remo	1,000
20.1323	01/06/2021	New Windows	38,696
17.0910	10/11/2017	Commercial Remo	10,000
16.0579	07/08/2016	Commercial Remo	15,000
14.1197	01/06/2015	Commercial Remo	80,000
01.0262	05/22/2001	Int-Remodel	15,000

Valuation

	Payable 2026 Values	Payable 2025 Values	Payable 2024 Values	Payable 2023 Values
EMV Improvement	\$449,100	\$418,000	\$402,300	\$396,200
EMV Land	\$173,500	\$162,500	\$141,500	\$126,500
EMV Machine	\$0	\$0	\$0	\$0
EMV (Estimated Market Value) Total	\$622,600	\$580,500	\$543,800	\$522,700
Green Acres Value	\$0	\$0	\$0	\$0
Homestead Exclusion	\$0	\$0	\$0	\$0

Taxation

	2025 Payable	2024 Payable	2023 Payable	2022 Payable
Estimated Market Value	\$580,500	\$543,800	\$522,700	
Taxable Market Value	\$580,500	\$543,800	\$522,700	
Net Tax Amount	\$14,788.00	\$13,222.00	\$13,246.01	\$14,672.27
+ Special Assessments	\$240.00	\$240.00	\$801.99	\$827.73
= Total Taxes Due	\$15,028.00	\$13,462.00	\$14,048.00	\$15,500.00
+ Penalty	\$0.00	\$538.48	\$0.00	\$0.00
+ Interest	\$0.00	\$0.00	\$0.00	\$0.00
+ Fees	\$0.00	\$0.00	\$0.00	\$0.00
- Amount Paid	\$15,028.00	\$14,000.48	\$14,048.00	\$15,500.00
= Outstanding Balance	\$0.00	\$0.00	\$0.00	\$0.00

Taxes Paid

Please note that it may take up to three days from the date of payment for tax payments to be posted.

Tax Year	Receipt	Payment Date	Tax Amount	Special Assessment	Penalty	Interest	Fees	Total Payment
2025	U25.8286	10/15/2025	(\$7,394.00)	(\$120.00)	\$0.00	\$0.00	\$0.00	(\$7,514.00)
2025	U25.2028	5/2/2025	(\$7,394.00)	(\$120.00)	\$0.00	\$0.00	\$0.00	(\$7,514.00)
2024	U24.8892	11/6/2024	(\$6,611.00)	(\$120.00)	(\$538.48)	\$0.00	\$0.00	(\$7,269.48)
2024	B24.18541	10/15/2024	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2024	B24.3852	5/6/2024	(\$6,611.00)	(\$120.00)	\$0.00	\$0.00	\$0.00	(\$6,731.00)
2023	U23.17759	10/16/2023	(\$6,623.00)	(\$401.00)	\$0.00	\$0.00	\$0.00	(\$7,024.00)
2023	U23.10337	5/15/2023	(\$6,623.01)	(\$400.99)	\$0.00	\$0.00	\$0.00	(\$7,024.00)
2022	U22.18891	10/17/2022	(\$7,336.14)	(\$413.86)	\$0.00	\$0.00	\$0.00	(\$7,750.00)
2022	U22.11508	5/16/2022	(\$7,336.13)	(\$413.87)	\$0.00	\$0.00	\$0.00	(\$7,750.00)
2021	U21.20090	10/15/2021	(\$7,286.27)	(\$426.73)	\$0.00	\$0.00	\$0.00	(\$7,713.00)
2021	U21.12233	5/17/2021	(\$7,286.26)	(\$426.74)	\$0.00	\$0.00	\$0.00	(\$7,713.00)
2020	U20.19558	10/15/2020	(\$6,535.39)	(\$439.61)	\$0.00	\$0.00	\$0.00	(\$6,975.00)
2020	U20.13007	7/31/2020	(\$6,535.40)	(\$439.60)	\$0.00	\$0.00	\$0.00	(\$6,975.00)
2019	U19.20373	10/15/2019	(\$8,304.65)	(\$649.35)	\$0.00	\$0.00	\$0.00	(\$8,954.00)
2019	U19.11302	5/15/2019	(\$8,304.65)	(\$649.35)	\$0.00	\$0.00	\$0.00	(\$8,954.00)
2018	U18.18066	10/12/2018	(\$5,838.41)	(\$671.59)	\$0.00	\$0.00	\$0.00	(\$6,510.00)
2018	U18.10726	5/15/2018	(\$5,838.40)	(\$671.60)	\$0.00	\$0.00	\$0.00	(\$6,510.00)

Photos





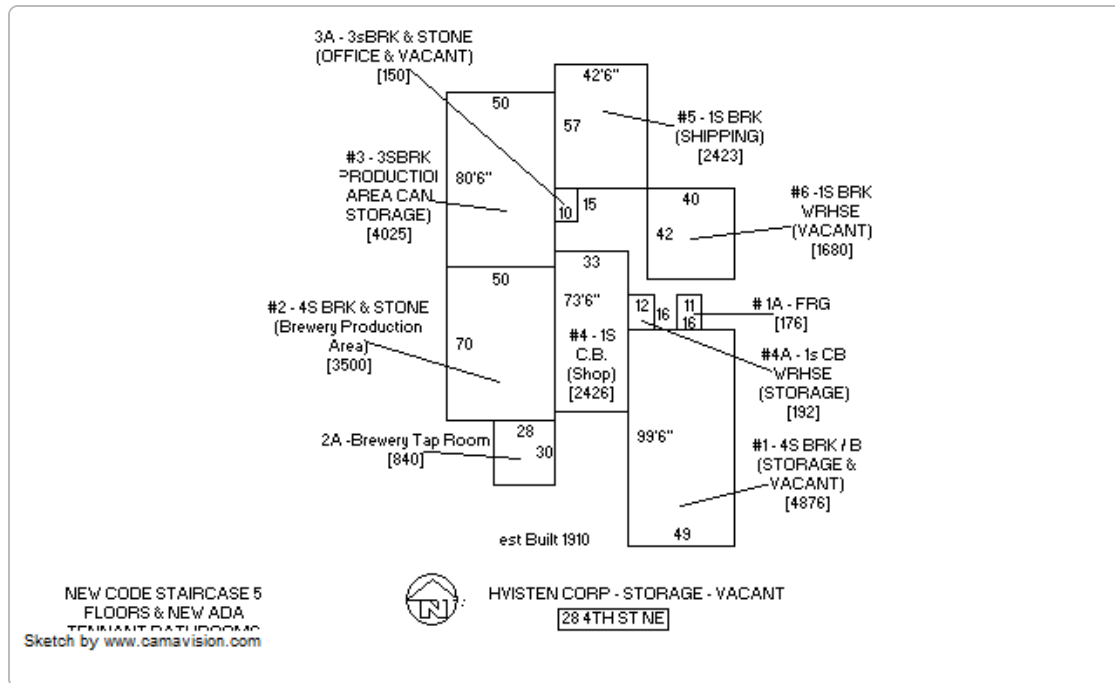
LOOKING NORTHEAST



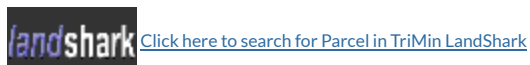
LOOKING SOUTHWEST



Sketches



TriMin LandShark



Original Tax Statements

[Click here to show a list of available documents](#)

Plats

[Click here to show a list of available documents](#)

No data available for the following modules: Condominiums, Mobile Home on Leased Land, Cell Towers, Cooperative, Divided Interest, Leased Land, Apartments, Billboards, Agricultural Land, Residential Dwellings, Agricultural Buildings, Sales, Tax Payment, Unpaid Taxes.

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ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT

Resolution #2026-06

APPROVE A DOWNTOWN COMMERCIAL REHABILITATION AND EXTERIOR IMPROVEMENT PROGRAM LOAN FOR 22 4TH STREET NE, PID 18.31.1.26.177

WHEREAS, on September 5, 2025, David Hvistendahl (the "Applicant"), on behalf of Hvisten Corporation (the "Owner"), submitted a complete application (see Exhibit A) to the Economic Development Authority of Faribault, Minnesota (the "EDA") for a deferred loan through the Downtown Commercial Rehabilitation and Exterior Improvement Program (the "Program") for proposed building repairs at 22 4th Street NE (PID 18.31.1.26.172) (the "Property"); and

WHEREAS, the Applicant requests Program funding to perform masonry repairs to the east interior stone wall and exterior brick walls on the east and north sides of the building, including tuckpointing, replacing damaged brick, pressure washing, and sealant joint replacement at flashings and window openings (the "Project"); and

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

1. O'Leary Restoration Inc. (dated April 9, 2025): \$79,950; and
2. Jerry Topp (dated July 11, 2025): \$85,650; and

WHEREAS, the Program limits façade renovation awards to 50 percent of the Owner's lowest bid, not to exceed a maximum Program award of \$15,000; and

WHEREAS, the Applicant's lowest bid for the Project is \$79,950.00; and

WHEREAS, 50 percent of the Project's lowest bid exceeds the maximum Program award of \$15,000 ($\$79,950 \times 0.50 = \$39,975$); consequently, the Applicant may receive a maximum program award of \$15,000 for the Project; and

WHEREAS, the Property is not located in the City's Heritage Preservation District and does not require the Heritage Preservation Commission to review and approve the Applicant's Project; and

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

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

Section 1: Recitals and exhibits. This Resolution incorporates the recitals in the preamble of this Resolution and the exhibits attached to this Resolution as if fully set forth herein.

Section 2: Program award. The EDA approves a \$15,000.00 deferred loan to the Owner for the Project outlined in the recitals above, with the following conditions:

- A. The Owner must comply with all terms and conditions outlined in the Program policies adopted by the EDA in March 2022 and updated in October 2023.
- B. The Owner must obtain all required permits before beginning any work on the Project.

Section 3: Authorization to take additional steps. The EDA authorizes the City Staff and City Consultants to take any and all additional steps and actions necessary or convenient to accomplish the intent of this Resolution.

Section 4: Authorization to execute agreements. The EDA authorizes its President and the Community Development Director to execute all required financial agreements on behalf of the EDA in furtherance of the above-approved Program award.

ADOPTED: March 24, 2026

Kevin Voracek, President

ATTEST:

David Wanberg, CED Director



Request for Action

TO: Faribault Economic Development Authority
FROM: Jake Wiensch, Economic Development Coordinator
THROUGH: David Wanberg, CED Director
MEETING DATE: March 24, 2026
SUBJECT: Resolution 2026-07 Approve Transfer and Payment of Legal Expenses Related to FaribaultMill

BACKGROUND:

The EDA previously withheld \$5,000 from loan awards related to the FaribaultMill project to cover anticipated legal expenses. Legal services for the project were incurred between April and July 2024 and totaled \$5,607.05, which were paid through the general fund at that time. Because these costs slightly exceeded the amount withheld, staff recommends transferring the full \$5,607.05 in legal expenses to the EDA fund and covering the remaining \$607.05 balance rather than seeking reimbursement from FaribaultMill at this time.

REQUESTED ACTION:

Approve Resolution 2026-07

ATTACHMENTS:

1. Resolution 2026-07 APPROVE TRANSFER AND PAYMENT OF LEGAL EXPENSES RELATED TO FARIBAULTMILL

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT

Resolution #2026-07

APPROVE TRANSFER AND PAYMENT OF LEGAL EXPENSES RELATED TO FARIBAULTMILL

WHEREAS, the Faribault Economic Development Authority (EDA) previously withheld \$5,000 from loan awards associated with the FaribaultMill project to cover anticipated legal expenses; and

WHEREAS, legal services related to FaribaultMill were incurred between April and July 2024, totaling \$5,607.05 paid through the general fund; and

WHEREAS, the total legal expenses exceeded the \$5,000 previously withheld by the EDA by \$607.05; and

WHEREAS, the EDA finds it appropriate to allocate the full legal expense amount to the EDA fund and authorize payment of the remaining balance rather than seek reimbursement from FaribaultMill at this time.

NOW, THEREFORE, BE IT RESOLVED that the Faribault Economic Development Authority authorizes the transfer of \$5,607.05 in legal expenses related to FaribaultMill to the EDA fund (EDA 43040), including payment of the remaining \$607.05 balance not previously withheld, and directs staff to complete the appropriate accounting adjustments.

ADOPTED: March 24, 2026

Kevin Voracek, President

ATTEST:

David Wanberg, CED Director



Request for Action

TO: Faribault Economic Development Authority
FROM: Jake Wiensch, Economic Development Coordinator
THROUGH: David Wanberg, CED Director
MEETING DATE: March 24, 2026
SUBJECT: Maxfield Housing Study Overview

BACKGROUND:

Maxfield Housing Needs Analysis – Summary for EDA

In 2025, the City of Faribault commissioned Maxfield Research & Consulting to complete a Housing Needs Analysis to evaluate current housing conditions, market dynamics, and projected housing demand through 2035. The study analyzes population and employment trends, housing supply and demand across ownership and rental markets, affordability conditions, and senior housing needs, with the goal of informing housing policy, investment decisions, and economic development strategies.

Key findings indicate that Faribault is experiencing below-equilibrium vacancy rates across rental segments and strong demand across the housing continuum, particularly for workforce-priced rental and ownership housing, as well as housing options for older adults and seniors. These conditions reflect ongoing pressure in both the rental and for-sale markets, driven by limited supply, affordability constraints, and rapid absorption of available units. The study concludes that additional housing development will be necessary to support continued population growth, workforce stability, and economic development.

From an economic development perspective, the study highlights the relationship between housing availability and labor force competitiveness. Faribault is a net importer of workers, with a significant number commuting from outside the community, presenting an opportunity to better capture workforce demand locally through expanded housing options. The findings support a phased approach to new housing development, combined with continued attention to affordability and housing diversity, to ensure the

community can attract and retain employers and workers over the long term.

Selected highlights relevant to EDA discussion include:

- Projected demand for approximately 1,800 general occupancy housing units and 1,200+ senior housing units by 2035
- Sustained pent-up demand reflecting low vacancy rates, limited entry-level ownership supply, and affordability and transition barriers that restrict housing mobility and amplify pressure across both rental and ownership markets
- Workforce wages that can generally support rental housing but face barriers in the ownership market
- Housing availability as a key factor in supporting future employment growth and business retention

Link: [Housing Study](#)

REQUESTED ACTION:

Review and offer comments or questions.

ATTACHMENTS:

1. Faribault Housing Study - Executive Summary
2. City of Faribault March 11 2026 - Housing Study

EXECUTIVE SUMMARY

A Housing Needs Analysis for the City of Faribault, Minnesota



Scan the QR Code to download
the complete analysis or go to
[https://
www.ci.faribault.mn.us/
DocumentCenter/View/12647](https://www.ci.faribault.mn.us/DocumentCenter/View/12647)

Prepared for:
City of Faribault
Faribault, MN

November 2025

For more information about housing
opportunities in Faribault, please contact:

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Community and Economic Development
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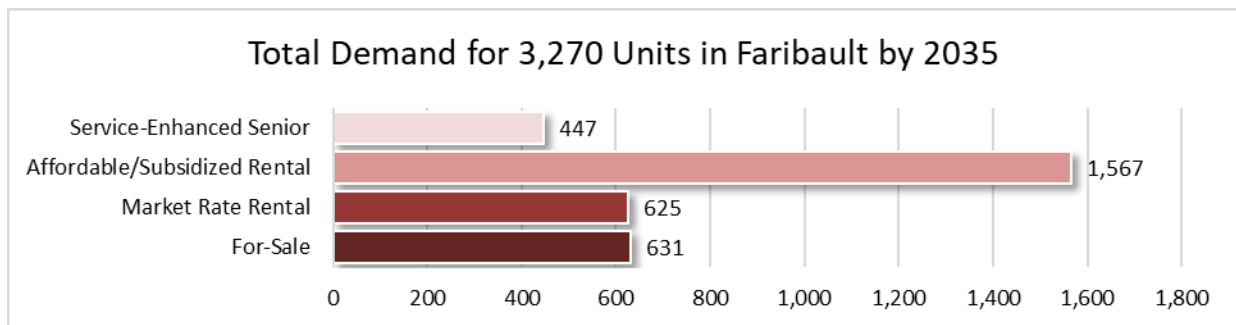
Purpose and Scope of Study

Maxfield Research and Consulting was engaged by the City of Faribault to prepare a Housing Needs Analysis for the City. The analysis provides recommendations on the amount and types of housing that may be developed to meet the needs of current and future households in the community.

The scope of this study includes an analysis of the demographic and economic characteristics of Faribault and the surrounding Primary Market Area (PMA), a review of existing housing stock characteristics and market analyses covering the for-sale, rental and senior housing markets. Additionally, the study includes an assessment of housing affordability in the area. Detailed housing demand calculations to 2035 and development concept recommendations are provided for the community. The study concludes with an evaluation of challenges and opportunities associated with housing development in Faribault.

Key Findings

- There are needs across the housing continuum, but feedback from area stakeholders suggests that moderately priced housing, both ownership and rental, targeted to the area’s workforce and housing alternatives targeted to older adults and seniors (townhomes, twin homes) are two of the most pressing needs in Faribault. The ongoing national affordability crisis has delayed many younger households from becoming homeowners, which has, in turn, led to a very tight rental housing market. Demand is also strong for affordable and subsidized housing, especially for seniors.
- Slightly less than half (48%) of the projected demand will be for affordable and subsidized rental housing (general occupancy and senior), while 14% will be for service-enhanced housing (independent living, assisted living, memory care). Another 19% will be for market rate rental housing (general occupancy and active adult) and 19% of the demand is for owned housing units (all ages).



Demographic Analysis

- As of 2020, Faribault contained 24,453 people and 8,612 households. Between 2010 and 2020, Faribault's population increased 4.7%, adding 1,101 people, while the household base expanded 3.5% (295 households). We estimate that the Market Area experienced solid growth during the first half of this decade, with Faribault adding 900 people (3.7% growth) and 443 households (5.1% growth) between 2020 and 2025.
- Faribault's population is projected to increase 3.6%, adding 925 people between 2025 and 2030, while the household base expands 4.7% (425). Faribault is expected to add another 767 people (2.9% growth) and 370 households (3.9% growth) between 2030 and 2035.
- Achieving the projected population and household growth in Faribault is dependent on the availability of suitable housing options in the community catering to a variety of household types, age groups and income levels. Growth will also be impacted by increased or decreased hiring at area employers.
- In 2025, the largest adult cohorts by age in Faribault are 35 to 44 and 25 to 34, totaling an estimated 3,607 people (14.2% of the population) and 3,560 people (14.0%), respectively. The 35 to 44 age group is projected to remain the largest age group in Faribault and Southeast Minnesota in 2035, representing 14.6% and 13.0% of the total population, respectively.
- Notable population shifts projected for Faribault between 2025 and 2035, include solid growth among the 35 to 44, 45 to 54 and 75 and older age groups and contraction among the age 55 to 64 and 65 to 74 cohorts, a result of the "Baby Bust" generation, a period of much lower births.
- In 2025, Faribault's median household income is estimated to be \$62,430, -26% lower than the PMA (\$84,771) and -25% lower than Southeast Minnesota (\$82,783). The projected average annual median household income growth of 4.1% in Faribault between 2025 and 2030 will exceed the historic annual inflation rate of 2.7% over the past ten years.
- In Faribault, 66% of all households own their housing in 2025, giving it a homeownership rate that is lower than Southeast Minnesota (74.0%). Between 2010 and 2025, the total number of renter households in Faribault grew by 408 households, an increase of 15%, while the number of owner households expanded 6% (330 households).
- In Faribault, households living alone are estimated to be the most common household type (36% of all households), followed by married couples without children households (21%).
- Family households experienced a modest contraction in Faribault between 2010 and 2025, declining by an estimated -18 households (-0.4%). Between 2010 and 2025, non-family households increased 24% in Faribault, adding 756 households. This suggests an ongoing need for housing products other than the traditional single-family home.

Employment Analysis

- Faribault and Rice County have historically maintained annual unemployment rates that have tracked consistently with Southeast Minnesota, albeit slightly higher. The 2024 average annual unemployment rates were 3.8% in Faribault, 3.0% in Rice County and 2.7% in the Region, similar to Minnesota (2.8%).
- The Market Area experienced a solid recovery of jobs post-COVID and the area is expected to sustain modest employment growth over the next several years. Rice County is projected to add 944 jobs between 2024 and 2035 (3.6% growth), including 3.8% growth in Faribault (503 jobs), compared to 3.4% growth in the Region. Labor availability will impact the ability of Faribault to achieve the projected job growth. New housing will be needed to support economic development in the area.
- An estimated 7,155 workers commute to Faribault for employment daily (inflow), while 6,205 resident workers leave the community (outflow). An estimated 4,468 people both live and work in the City (interior flow).
- Overall, Faribault is an importer of workers as a higher number of nonresidents commute into the City for employment than resident workers commute out. With 7,155 workers commuting to the City for employment daily and many commuting from more than 50 miles away, there is an opportunity to provide housing options for a portion of this workforce.
- A household earning the average weekly wage in Faribault (\$1,140) would be able to afford an apartment renting for an estimated \$1,482 per month to not exceed 30% of its monthly income on housing costs, higher than the average rent for market rate rental housing units in the community (\$1,250).
- Assuming that a potential home buyer has good credit and makes a 10% down payment, a household would need a minimum annual income of \$97,320 to be able to afford a single-family home sold at the September 2025 median resale price of \$317,920 in Faribault. The average weekly wage in Faribault equates to an annual income of \$59,280.
- This data indicates that rental housing in Faribault is relatively affordable proportionate to wages, but much of the for-sale housing would not be affordable for many workers.

Housing Characteristics

- There are an estimated 9,488 housing units in Faribault, 95% of which are occupied (9,055). By comparison, an estimated 93% of the housing units in Southeast Minnesota are occupied.

- Compared to the Region, Faribault has notably higher proportions of units in multifamily structures, as well as mobile homes. The proportion of detached single-unit structures in Faribault (63% of all occupied units) is substantially lower than the Region (72%).
- An estimated 20% of the housing units in Faribault (1,920 units) were built prior to 1940. The 1970s and 2000s were the most active decades in Faribault for housing unit production. An estimated 15% of Faribault's housing stock was built from 1970 to 1979 (1,437 units) and 14% of the housing units were constructed from 2000 to 2009 (1,362 units).
- From 2015 through 2019, 280 new housing units were permitted in Faribault, for an average of 56 new units per year. The pace of development activity grew significantly from 2020 through 2024, averaging 88.2 units per year (441 total units) over the past five years, most of which was multifamily development.
- The pace of new detached single-family home construction increased from 21.2 units per year from 2015 through 2019 to 24.2 units per year from 2020 through 2024, while town-home development activity decreased from 3.4 units per year (2015 to 2019) to 1.6 units per year (2020 to 2024). Multifamily unit production accelerated from 30.6 units per year (2015 to 2019) to 56.0 units per year since 2020.

For-Sale Housing Market Analysis

- Increased competition for homes (as indicated by the decreasing supply of available housing and shortened marketing times) caused strong price appreciation in recent years.
- In Faribault, the median resale price jumped 37%, climbing from \$215,000 in 2020 to \$294,000 in 2024, averaging 7.3% increases annually. The median price for detached single-family homes increased 40%, climbing from \$215,900 in 2020 to \$300,000 in 2024, averaging a 9.7% increase annually. Median multifamily resale prices jumped 24% from \$194,000 in 2020 to \$241,250 in 2024 (6.0% average annual increases).
- Detached single-family homes comprised 90% of all closed resales in Faribault since 2022, and the remaining 10% were multifamily (townhome, twin home, condominium) units.
- New construction detached single-family homes have a median price of \$400,000 in Faribault (33% higher than the median resale price). New construction multifamily units have a median price of \$359,900 in Faribault (42% higher than the median resale price).
- According to housing market statistics through the Realtor's Association, there is a 2.8-month supply of single-family homes in Faribault and a three-month supply of multifamily homes for sale as of October 2025. Equilibrium in the for-sale housing market is generally considered to be a six-month supply, indicating pent-up demand for for-sale homes in Faribault.

- We identified 143 existing vacant lots in 19 subdivisions in Faribault, although most are not currently listed for sale. As of November 2025, there are 31 lots listed for sale in Faribault. Many of these lots are small infill lots or left over lots in essentially built out subdivisions.

Rental Housing Market Analysis

- The equilibrium vacancy rate for market rate rental housing is considered to be 5.0% which allows for normal turnover and an adequate supply of alternatives for prospective renters. This implies pent-up demand, which means there is demand in the market not being met (i.e. not enough homes), and potential residents may live elsewhere.
 - Based on our Q3 2025 survey of general occupancy apartment buildings in Faribault, we found that the existing market rate rental properties are 2.5% vacant (17 units), while the affordable properties were 0.6% (2 units) vacant and subsidized facilities had no vacancies. This data indicates that there is pent-up demand for rental housing in Faribault for a broad range of income levels.
- Additionally, according to American Community Survey (ACS) estimates, rental housing vacancy rates in Faribault have tracked well-below equilibrium, averaging a vacancy rate of 2.9% over the past four ACS survey periods.
- We identified 225 units pending in three separate projects, including 108 market rate units under construction and 117 units approved.
- The average monthly rental rate across all market rate rental properties is \$1,250 (\$1.45 per square foot). There is a notable difference in rents between older and newer properties, as the newest properties (opened in the past five years) have an average rent per square foot of \$1.67, compared to \$1.26 PSF for properties built prior to 2020.

Senior Housing Market Analysis

- Strong growth is occurring among seniors in the PMA. Aging of baby boomers led to 71% growth in the 65 to 74 population between 2010 and 2025, adding 3,030 people.
- The number of households age- and income-qualified for independent and assisted living is expected to increase 19% (366 households), while the number of households qualified for affordable active adult housing is projected to expand 6% (203 households). We anticipate there will be an 18% increase in households qualified for memory care between 2025 and 2030 (103 households).
- Maxfield Research identified a total of nine senior housing facilities in Faribault, totaling 436 units. Among these, there are 86 market rate active adult owned units, 56 independent living units, 203 assisted living units and 91 memory care units.

Housing Affordability

- In Faribault, applications for Housing Choice Vouchers (HCV) are made through the Rice County HRA. The HRA has 334 vouchers; due to the higher cost of living and limited funding, only 201 vouchers are currently funded as of October 2025. Of the funded vouchers, 149 are used in Faribault.
- In total, an estimated 2,645 households in Faribault are considered cost-burdened, representing 29.2% of all households (paying more than 30% of their income for housing costs), including 17% of owner households and 53% of renter households. By comparison, 24% of owner households and 44% of renter households are cost burdened in Southeast Minnesota.
- An estimated 12.9% of all households in Faribault (1,320 households) are severely cost-burdened (paying 50% or more of their income toward housing costs), higher than the Remainder of the PMA (9.4%) and Southeast Minnesota (10.2%).
- Based on current home prices, an estimated 57% of owner households in the PMA could afford to purchase an entry-level detached single-family home priced at \$250,000. The proportion drops to 39% that could afford a new construction move-up detached single-family home priced at \$400,000.
- An estimated 49.8% of renter households in the PMA can afford to rent an existing studio or one-bedroom unit at older market rate properties in Faribault (average rent of \$1,025 per month), while 42% can afford a two-bedroom unit (\$1,200 per month, on average) at older properties.

Housing Demand Analysis

- As summarized in the following figure, we find demand for 1,809 general occupancy (not age-restricted) housing units in Faribault between 2025 and 2035, including 443 for-sale units and 1,366 rental housing units.
- We also estimate that there is excess demand for 1,227 housing units targeting older adults and seniors in Faribault in 2025, increasing to 1,461 units in 2035.
- There are 143 existing vacant lots among 19 active subdivisions in Faribault with 31 lots listed for sale on the MLS as of November 2025. Based on the for-sale housing demand calculations, there is just a 0.8-year supply of actively-marketing lots in Faribault, increasing to a 5.0-year supply when all vacant lots are included, although many may or may not be available for future development. Additional lots will need to be platted to meet long-term demand for new ownership housing in the community.

Summary of Housing Demand in Faribault
2025 to 2035

General Occupancy Housing Demand 2025 to 2035	
For-Sale Units	443
Detached Single-Family Units	288
Other/Multifamily Units*	155
General Occupancy Rental Units	1,366
Market Rate	444
Affordable^	461
Subsidized^	461
Total General Occupancy Housing Units	1,809

Excess Senior Housing Demand			
	2025	2030	2035
Market Rate Active Adult	290	334	369
Ownership Units	145	169	188
Rental Units	145	165	181
Affordable & Subsidized Senior Housing^	616	603	645
Subsidized Units	254	249	266
Affordable Units	362	354	379
Service-Enhanced Senior Housing	321	403	447
Independent Living (IL)	172	205	216
Assisted Living (AL)	74	102	124
Memory Care (MC)	75	96	107
Total Senior Housing Units	1,227	1,340	1,461

*Includes twin homes, townhomes, condominiums

^Subsidized = affordable to households at 30% AMI or less

^Affordable = affordable to households at 30% to 60% AMI

Recommendations

- Based on findings from this analysis, we recommend for-sale and rental housing development concepts in Faribault. These proposed concepts are intended to act as a development guide to meet the housing needs of existing and future households in the community to 2035.
- The following figures summarize recommended development concepts and price points for various housing product types in Faribault. Detailed findings are described in the *Conclusions & Recommendations* section of this report.

New Construction For-Sale Housing Pricing Recommendations

NEW CONSTRUCTION FOR-SALE HOUSING PRICING RECOMMENDATIONS CITY OF FARIBAULT 2025 to 2035			
	Purchase Price*	Pct.	Units
Detached Single-Family			
Entry-level	Less than \$350,000	55%	158
Move-up	\$350,000 to \$450,000	25%	72
Executive/Luxury	\$600,000+	20%	58
Detached Single-Family Total:		100%	288
Townhome/Twin Home			
Entry-level	Less than \$350,000	60%	93
Move-up	\$350,000 to \$450,000	40%	62
Townhome/Twin Home Total:		100%	155
*Pricing is in 2025 dollars and can be adjusted to account for inflation.			
Source: Maxfield Research & Consulting			

- Based on feedback from area real estate professionals, we consider new construction detached single-family homes priced below \$350,000 to be entry-level housing, while move-up new construction detached single-family homes would likely be priced in the \$350,000 to \$450,000 range. Pricing for a move-up townhomes or twin homes would likely begin at \$350,000.
- We anticipate that 55% of the new detached single-family units (158 units) will target entry level buyers and recommend that 25% (72) target move-up buyers. A limited number of homes, 20% or 58 homes, are expected to be priced for the executive/luxury market.
 - A household would need to have a minimum income of \$85,927 to afford a home purchased at \$350,000, which falls within the upper range considered to be “moderate-income” (i.e. \$86,200 at 100% AMI to \$103,440 at 120% AMI for a two-person household).
- We recommend that 40% of the new construction townhome/twin home units (62) target move-up buyers and/or empty nesters and recommend that 60% (93 units) should be priced below \$350,000 to target moderate-income buyers.
- The development of any new for-sale housing products in Faribault priced to target moderate income buyers will likely require a public-private partnership.
- In addition to demand for owned housing products, we find strong demand for additional general market rental options in Faribault.

- Below-equilibrium vacancies at the existing market rate, affordable and subsidized rental properties indicate pent-up demand for new rental housing in the community.
- The following table summarizes recommended rental housing targets by product type, including monthly rent ranges, development timing and income level segments.

General Occupancy Rental Housing Recommendations

GENERAL OCCUPANCY RENTAL HOUSING RECOMMENDATIONS						
CITY OF FARIBAULT						
2025 - 2035						
		Monthly Rent Range ¹		No. of Units	Development Timing	
Market Rate & Workforce Rental						
Apartments	Studio	\$1,100 - \$1,650	2BR	230 - 250	2025+	
Townhomes	2BR	\$1,650 - \$1,895	3BR	130 - 140	2025+	
Downtown	Studio	\$1,200 - \$1,500	1BR	40 - 50	2025+	
Target Markets: An apartment building would likely attract younger workforce renters, lifestyle renters, older adults, and seniors. Rental townhomes would target young family households, empty-nesters, and seniors.						
Affordable Rental²						
Apartments	Studio	\$940 - \$1,200	2BR	400 - 420	2025+	
Townhomes	2BR	\$1,450 - \$1,680	3BR	400 - 420	2025+	
Target Markets: We recommend projects targeting households at 40% to 60% AMI which would likely be comprised of singles, single-parent households, older adults and seniors.						
¹ Pricing in 2025 dollars and can be adjusted to account for inflation.						
² Affordability subject to income guidelines; recommended rent ranges based on max rents at 50% and 60% AMI						
Note - Recommended development concepts do not equate to total demand.						
Source: Maxfield Research & Consulting						

- We recommend a phased approach to rental housing development in the community, beginning with a new market rate project priced to target the community’s workforce.
- Developing the concepts detailed above will greatly increase the amount and variety of housing in Faribault, and we believe would be significant step to ensuring adequate housing for existing and future residents of the City. However, maintaining existing the existing affordable housing stock in the community will also be necessary.

- The development of new senior housing would help to satisfy a portion of housing demand in Faribault by increasing housing options for older adults and seniors that want to relocate to housing that offers them a more convenient lifestyle in addition to providing services, if those are needed. Additionally, the development of housing alternatives for seniors will stimulate the turnover of existing homes and rental units occupied by seniors, creating more opportunities for younger buyers and renters.
- The following table summarizes a recommended mix of senior housing units by service level including product type, pricing, project size, and development timing.

Recommended Senior Housing Development Concepts

RECOMMENDED SENIOR HOUSING DEVELOPMENT				
CITY OF FARIBAULT				
2025 to 2035				
	Pricing Range ¹	No. of Units	Development Timing	
Age Restrictd Senior Housing				
Active Adult Housing				
Market Rate Rental ²	\$1,200/1BR - \$1,600/2BR	160 - 180	2025+	
Affordable Rental ^{2,3}	\$1,010/1BR - \$1,212/2BR	320 - 336	2025+	
Market Rate Ownership	\$350,000/2BR	160 - 180	2025+	
Market Rate Service-Enhanced Senior Housing				
Independent Living	\$2,200/1BR - \$3,100/2BR	200 - 216	2025+	
Assisted Living	\$3,300/Studio - \$5,100/2BR	120 - 124	2027+	
Memory Care ⁴	\$4,900/Studio - \$6,200/1BR	96 - 106	2025+	
¹ Pricing in 2025 dollars. Pricing can be adjusted to account for inflation. ² Alternative concept is to combine affordable and market rate active adult into mixed-income building. ³ Affordability subject to income guidelines; rates based on max rents at 50% AMI ⁴ Memory care housing could be a component of an assisted-living or service-intensive building. Note - Unit amounts reflect recommended size of property that for a single project, but do not equal total calculated long-term demand				
Source: Maxfield Research & Consulting				

- The tight market for all types of affordable housing leads to increased prices, less consumer choice, and ultimately potential residents not being able to find adequate housing in the community.

Purpose and Scope of Study

Maxfield Research and Consulting was engaged by the City of Faribault to prepare a Housing Needs Analysis for the community. The analysis provides recommendations on the amount and types of housing that may be developed to meet the needs of current and future households in the community.

The scope of this study includes an analysis of the demographic and economic characteristics of Faribault and the surrounding area, a review of existing housing stock characteristics, and market analyses covering the for-sale, rental, and senior housing markets. Additionally, the study includes an assessment of housing affordability in the area.

Detailed housing demand calculations to 2035 and development concept recommendations are provided for the community. The study concludes with an evaluation of challenges and opportunities associated with housing development in Faribault.

Methodology

This report includes both primary and secondary research. Primary research includes personal interviews, data on existing rental properties, and information on pending developments. Secondary research, which is credited to the source when used, is always used as a basis for analysis and is carefully considered along with other factors that may impact projections. Secondary data resources include:

- City of Faribault
- Faribault Housing and Redevelopment Authority (HRA)
- ESRI
- Rice County parcel data
- Greater Minneapolis Area Association of Realtors
- Minnesota Department of Employment and Economic Development (DEED)
- Minnesota Department of Health
- Minnesota Housing
- Minnesota Realtors Association
- Minnesota State Demographic Center
- United States Census Bureau: Decennial Census, American Community Survey and Longitudinal Employer-Household Dynamics (LEHD)
- United States Department of Housing and Urban Development (HUD)



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Comprehensive Housing Needs Analysis

Presented to: City of Faribault

Presented by: Mary Bujold, President
Maxfield Research & Consulting

Date Presented: March 11, 2026

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Maxfield Research & Consulting

We are a full-service real estate advisory company providing strategic value to our private and public sector clients' real estate activities.

OVERVIEW


- 40+ Years Experience
- Diverse Client-Base
- Multi-sector Capable
- Market Driven Strategies
- Recommending Highest & Best Uses
- Provide Actionable Plans




2

Project Particulars


OBJECTIVE	Provide custom comprehensive housing study
APPROACH	Identify current & future housing needs for residents in Faribault and provide framework for meeting housing needs
PROJECT DELIVERABLES	<ul style="list-style-type: none"> • Short and long-term housing needs • Recommendations guiding future housing development • Tools/policies to implement the plan
KEY DATES	<ul style="list-style-type: none"> • Kick-off: July 2025 • Data collection: August and September 2025 • Draft Report: November 2025 • Final Report: December 2025



3



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Primary Market Area

Demographics

Employment

Market Overview

Senior

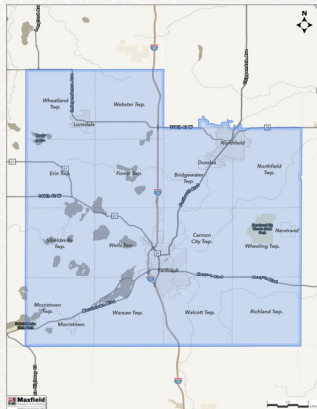
Affordability

Demand & Recommendations

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Primary Market Area (PMA)



➤ Faribault is a regional center in southern Minnesota. The Primary Market Area for housing in Faribault is based on community orientation, places of employment and commuting patterns, proximity to other communities and Maxfield's general knowledge of housing draw areas.

➤ Estimate: 70% to 75% of the housing demand will be generated from the PMA and the remaining 25% to 30% from outside of the PMA boundaries.



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Primary Market Area

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Senior

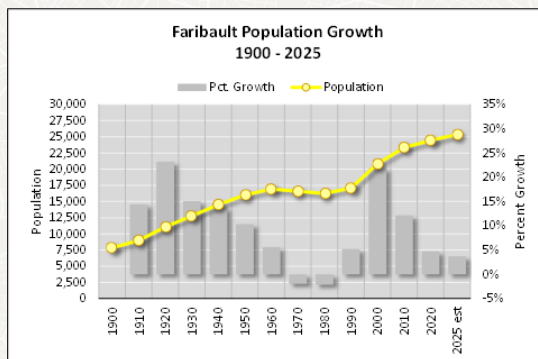
Affordability

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Historic Population Growth



Historic- Faribault

- ❑ 2010-2020: Faribault Population increased 4.7%, adding 1,101 people/ HHs increased 3.5%, 295 households
- ❑ 2020-25:
 - Faribault added 900 people (3.7% growth) and 443 households (5.1% growth)
 - Remainder of the PMA gained 1,500 people (3.4%) and 582 households (3.8%).
 - The SE MN population expanded an estimated 3.1% while the household base increased 4.0%.

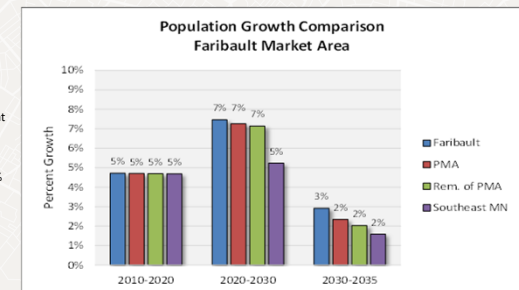


7

Steady growth projected to 2035

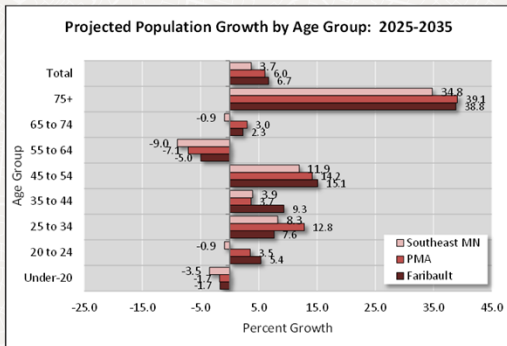
Projections- Faribault

- 2025-2030:
 - ❑ Faribault is expected to see 3.6% population growth (925 people) and 4.7% household growth (425 households).
 - ❑ The Minnesota State Demographer projects that Southeast Minnesota's population will increase 2.1% against household growth of 2.9%.
 - ❑ The PMA is expected to add 2,556 people (3.6% growth) and 920 households (3.7%)
- 2030-2035:
 - ❑ Faribault is expected to add 767 people (2.9% growth) and 370 households (3.9% growth)
 - ❑ The PMA is projected to experience 2.3% population growth (1,722) against 2.7% household growth (701).
 - ❑ The Region's population is projected to expand 1.6% while the household base increases 2.0%.



8

Seniors Expected to Drive Growth 2025-35

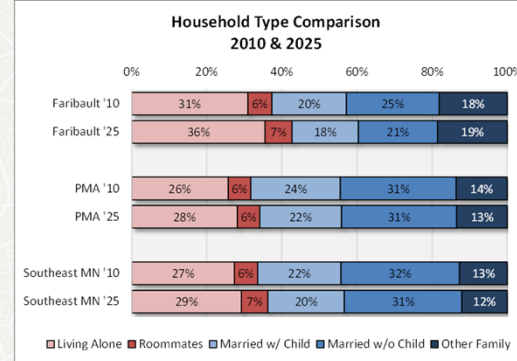


- In Faribault:
 - ❑ 75+ group is fastest growing group, projected to increase 39% in Faribault.
 - ❑ The 55 to 64 age group is projected to contract 5% (-),
 - ❑ The 65 to 74 age group is projected to grow 2%(+)
 - ❑ 45 to 54 group is second fastest growing group, increasing 15%.
- Solid 9% growth projected among people aged 35 to 44.
- Aging baby boomer population (born 1946-1964)



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Living Alone is the Largest HH Type in Faribault

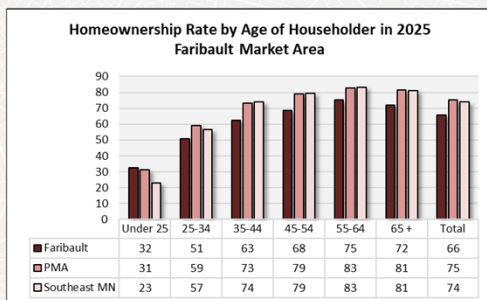


- Other (roommates) is the second largest HH type
- Family HHs are more common in the Remainder of the PMA



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Higher Renter Percentages in Faribault (Diversity in Hsg Stock)

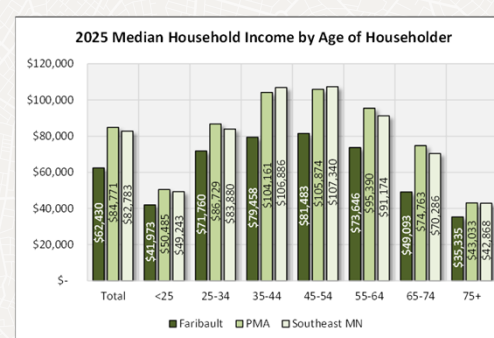


- Overall: 34% renter households in 2025 in Faribault.
- All age groups in Faribault experienced renter growth from 2010-2025 (except the under-25 age group)
- Significant renter growth across all age groups:
 - 25 to 34 (15%)
 - 35 to 44 (33%)
 - 45 to 54 (37%)
 - 55 to 64 (21%)



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Household Incomes forecast to increase 14.6% by 2030



- Median HH income (2025):
 - ❑ Faribault: \$62,430
 - ❑ PMA: \$84,771
- Median HH income (2030):
 - ❑ Faribault: \$75,331 (21%)
 - ❑ PMA: \$95,184 (12%)
- Based on the 2025 median household income in the PMA (\$84,771), a HH could afford an apartment unit renting for \$2,119/month.



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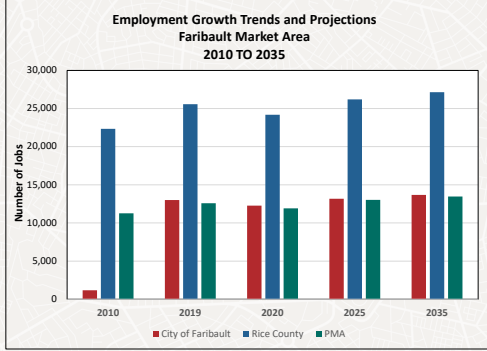
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Strong Employment Growth Projected




Historical:

- 2010-2019: Faribault gained 1,932 jobs (17.4%)
- 2019-2020: Faribault lost 737 jobs (-5.7%) (Pandemic period)
- 2020-2024: Faribault added 906 jobs (7.4%) (Recovery)

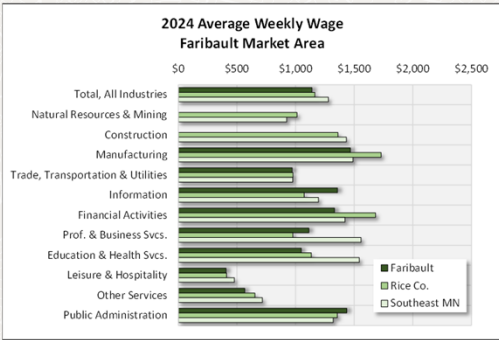
Projection:

- 2024-2035: Faribault is projected to add 503 jobs (3.8%). Rice County is expected to add 944 jobs (3.6% growth).



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Industry Employment Trends and Wages



Largest employment sectors

- Education/Health Services (36.3%)
- Trade/Transportation/Utilities (20.2%)


Faribault experienced 2.0% job growth (260 jobs) between 2023-2024.

Avg. weekly wages grew by 10.1% between 2022-24.

Since 2022, the Education and Health Services sector experienced the largest job growth, adding 217 jobs in Faribault.

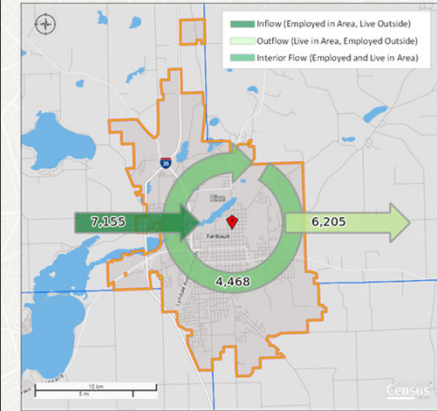
Highest wages in Faribault

- Manufacturing (\$1,468)
- Public Administration (\$1,437)



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Faribault is an Importer of Workers/Jobs...




Commuting patterns:

- 7,155 workers commuting into Faribault daily, many from 50+ miles
- The highest proportion of workers coming into the area are 30 to 54 and earn more than \$40K/year

Workers employed in the City

- Faribault (38%)
- Owatonna (7%)
- Northfield (3.3%)
- Waseca (1.3%)
- Morristown (1.2%)

58% of the workers living in Faribault commute outside of the City, most notably to Northfield (6.9%), Owatonna (5.7%), Minneapolis (3.2%) and St. Paul (2.2%).



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Community Interviews and Feedback

- Overall : Shortage of all housing types in the Faribault area
- Two housing types that were consistently mentioned as being priority needs in Faribault.
 - ❑ Moderately priced housing, both owner and renter, that would target younger people and provide living options for the area's workforce.
 - ❑ Housing alternatives for independent older adults and seniors that want to move out of their detached single-family homes.
- Faribault consistently has a shortage of housing, **particularly entry-level housing for younger people**. The housing shortage has persisted for several years. This shortage is impacting growth, particularly among younger households.
- A limited number of new homes being built.
- Turnover of older single-family homes would open up some more affordably priced housing for younger buyers.
- There is a lack of affordably priced housing, owner and rental, throughout Southeast Minnesota.
- Faribault seems to have a limited number of new single-family developments with little speculative development.



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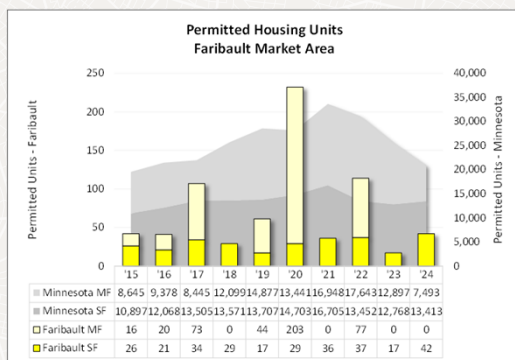
Affordability

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2015-24 Building Activity: 64% MF vs. 36% rest (SF, Modular, TH)



- From 2015 to 2024, Total 721 new housing units permitted in Faribault.
 - ❑ Avg of 72.1 new units/year (22.7 new detached single-family units, 3.6 modular homes, 2.5 townhomes, and 43.3 multifamily units).
- The pace of development activity increased from 2020 through 2024, averaging 88.2 (441 total) units/year.
- Multifamily unit production accelerated from 30.6 units per year (2015 to 2019) to 56.0 units per year since 2020.



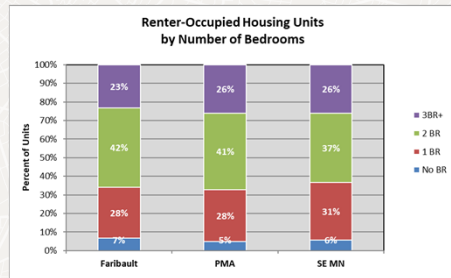
19

Residential Building Permits (2020 – July 2025) City of Faribault

- Most new construction is taking place on the outer edges of the community.
- New Construction detached single-family
- New Construction multifamily

20

Low Vacancy Rates in Market Rate Rental properties



	2020		2021		2022		2023	
	Vacancy	Rent	Vacancy	Rent	Vacancy	Rent	Vacancy	Rent
Faribault	2.7%	\$914	1.9%	\$977	1.9%	\$1,041	5.0%	\$1,041
Steele County	2.4%	\$882	2.2%	\$981	2.8%	\$1,022	4.8%	\$1,094
Minnesota	4.3%	\$1,022	3.9%	\$1,033	3.3%	\$1,121	5.4%	\$1,233

Note: Rent equals median gross rent.
Sources: American Community Survey, Maxfield Research & Consulting

- In 2020, it was estimated that the rental vacancy rate in Faribault was 2.7%, which is lower than the State of Minnesota (4.5%).
- According to American Community Survey data, Faribault had a vacancy rate of 5.0% in 2023, considered "market equilibrium." However, this may have included new construction unstabilized properties.
- The median gross rents in Faribault increased from \$914 to \$1,041, an increase of about 14%, while rents in Minnesota increased 22%, from \$1,010 to \$1,235.
- Two-bedroom units represent the largest proportion of renter-occupied housing units in Faribault at 42%.



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Low Vacancy Rates in Market Rate Rental properties

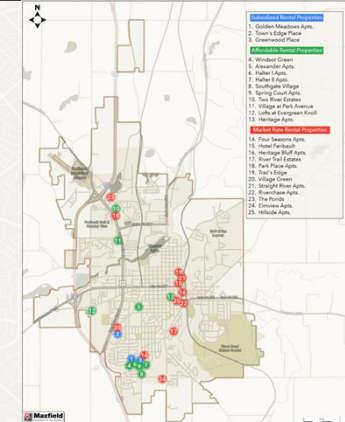
Maxfield Survey of Rental Properties (24+ units)

Total GO Rental Inventory (20+ Units)

- 22 Properties | 1,150 units
 - ❑ 423 affordable and subsidized units and 727 market rate units.
 - ❑ 14 units vacant; Blended vacancy rate 1.3%
 - ❑ Surveyed 90% of total rental units in the PMA

Market Rate

- 727 units | 12 properties
 - ❑ 17 units vacant; Vacancy rate: 2.5%
 - ❑ Average rent: \$1,250, \$1.45 PSF



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Low Vacancy Rates in Subsidized/Affordable Product

Subsidized

- 191 units | 3 properties
 - ❑ 0 units vacant, Vacancy rate: 0%
 - ❑ Average Rent: \$1,044, \$1.30 PSF



Affordable (Shallow-subsidy)

- 322 units | 10 properties
 - ❑ 2 units vacant, Vacancy rate: 0.6%
 - ❑ Average rent: \$983, \$1.11 PSF



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General Occupancy Rental Development Pipeline

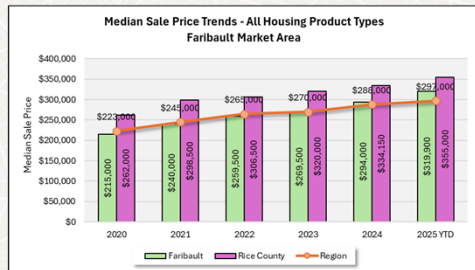
Pipeline Summary

- Under construction
 - ❑ 108 Market Rate GO units
 - Elmview Apartments Phase II (48 units)
 - Midwest Flats (60 units)
 - River Chase Senior (45 units)
- Approved
 - ❑ 117 Market Rate GO units



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For-Sale Housing Resale Prices at Peak Levels

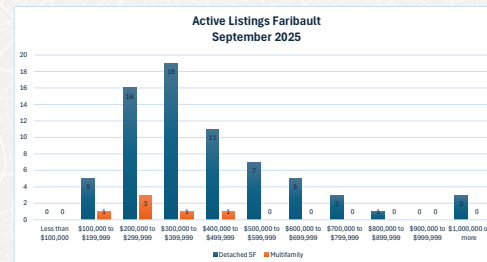


- 37% increase in Median Sales price from 2020-2025.
 - ❑ 40% inc. from 2020-2025 for SF
 - ❑ 24% inc. from 2020-2025 for SF
- 90% of home sales since 2023 have been detached SF
- Marketing times for homes in Faribault changed from:
 - ❑ 37 days in 2023 and 48 days in 2024 to 63 days on market in 2025 for SF
 - ❑ 57 days in 2023 and 61 days in 2024 to 59 days on market in 2025 for SF
- Detached Single-Family (Faribault)
 - ❑ 2025: \$317,450
- Owned Multifamily (Faribault)
 - ❑ 2025: \$326,000



25

For-Sale Active Listings: Detached SF vs MF

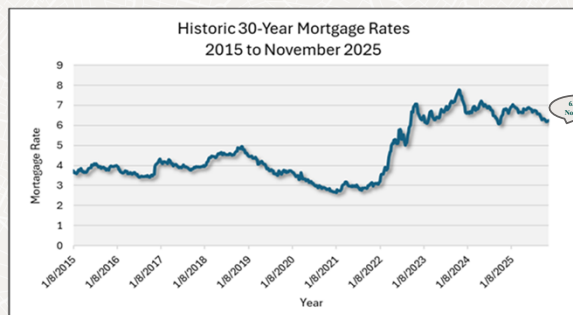


- 76 active listings as of 09/25 at Median price of \$372,450 | Median price: \$387,500 SF vs. \$275,000 MF
- 92% of listings (70 homes) are SF, 8% of listings are MF (6 homes)



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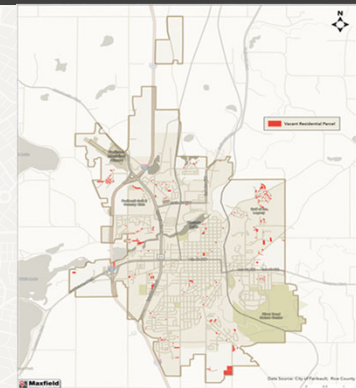
Interest Rates Elevated...yet still low



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Lot Inventory/ Supply

- Lot Inventory/Supply
 - ❑ 143 vacant lots | 19 subdivisions
 - ❑ 10.5% are platted for future detached single-family development (15 lots)
 - ❑ 35.0% (50 lots) are platted for single-family or low density
 - ❑ 41.3% are platted for low density and 13.3% are platted for medium density.
- Low density zoning allows for up to four units. Other than single-family homes, the low-density zoning also includes townhomes, duplexes, triplexes and fourplexes.
- Medium density housing allows for higher densities and is primarily used for senior housing and small apartment buildings (three stories or less).
- 31 actively marketing lots



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Manufactured Homes – most affordable

Total Inventory

➤ 529 lots; five properties

- Five Homes for Sale
- 34 lots vacant
- Average Lot Rent: \$639/mo.

MANUFACTURED HOME COMMUNITIES FARIBAUT PRIMARY MARKET AREA November 2025							
Community	Year Opened	No. of Lots	No. of Homes For-Sale	Home Price Range	No. of Vacant Lots	Lot Rental Range	Amenities
Evergreen Estates 415 Western Avenue SW Faribault	1971	160	5	\$51,500 - \$94,600	1	\$726 - new lease \$409 - older lease	Playground Clubhouse Off-street parking
Koalwood Courts 1920 2nd Street NW Faribault	1975	96	0	None Available	15	\$400 \$1,100	Clubhouse Off-street parking 11 lots owned by RH Properties
Sunrise Mobile Home Park 1155 Willow Street Faribault	1977	73	0	None Available	6	\$475 - \$575	Off-street parking
Cannon River Mobile Home Park 1503 Hulett Avenue Faribault	1980	170	0	None Available	11	\$400 - \$1,100	Off-street parking
Millstone Creek 18451 Chester Court Faribault	1970/ 1976	30	0	None Available	1	\$450 - \$750	Off-street parking
Total Lots/Total Vacant Lots		529			34		

Sources: Maxfield Research and Consulting



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Market Conditions-Needs/Challenges

➤ Market Rate Multifamily Development

- Preferred real estate sector for a decade or more.
- Investors/Developers have targeted growing communities where single-family development has stagnated.

➤ Entry-level Single-Family

- Units being converted to rentals and a commercial valuation; challenge to convert back to for-sale market
- Older homes not coming on the market due to people limited turnover; relocation
- Higher mortgage interest rates
- Young buyers reluctant to invest "sweat equity."

➤ Downtown Redevelopment

- Adding 19 units to underutilized vacant second-story commercial space increases building values and tax base to the Downtown; preservation of historic space (can utilize federal historic tax credits as financial support)

➤ Rental Assistance

- Meant to be short-term
- Typically arises due to loss of income, unemployment, emergency situations (medical crisis, eviction,
- Utility shutoffs



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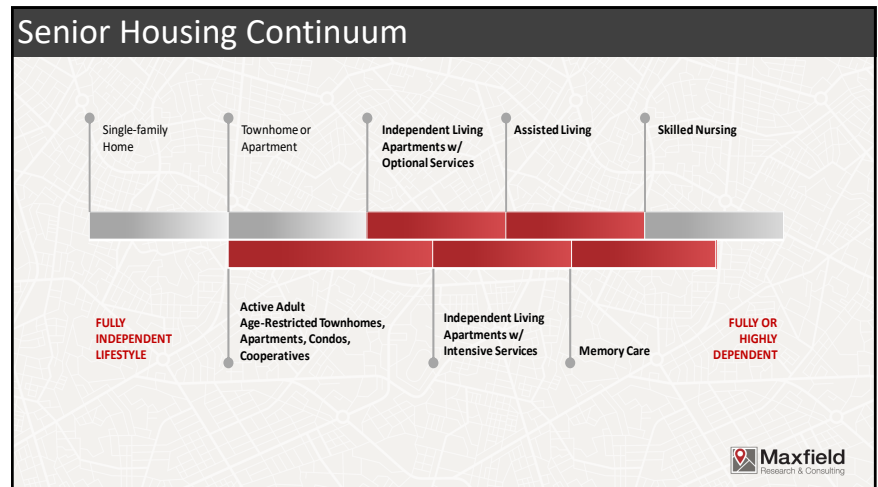
Senior Housing

Affordability

Demand & Recommendations

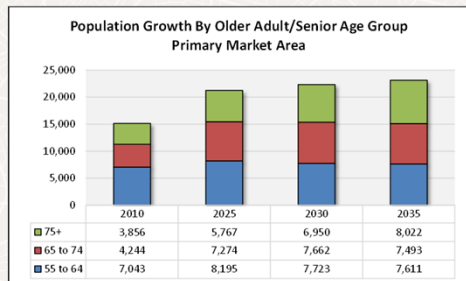
Discussion

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65+ Driving Senior Growth



- Aging of baby boomers led to a significant increase in the 65+ population between 2010-2025.
- The 65 to 74 age group accounted for most of the growth, increasing 71% between 2010-2025.
 - ❑ As this group ages, the 75 and older age group is projected to grow rapidly between 2025 and 2035, adding 2,255 people (39% growth).
- Between 2025-2035, all senior age cohorts (65+) are projected to increase.



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Generally, a Tight Senior Housing Market

Senior Inventory

- 487 units | 10 projects
 - ❑ 51 affordable active adult rental units
 - ❑ 86 market rate active adult owned units
 - ❑ 0 market rate active adult rental units
 - ❑ 56 independent living units
 - ❑ 203 assisted living units
 - ❑ 91 memory care units



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Special Needs

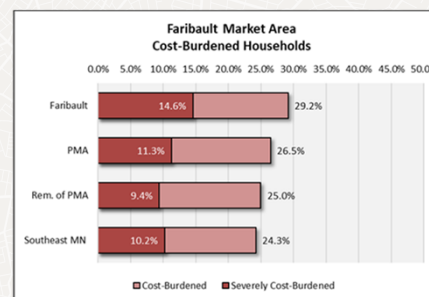
Affordability

Demand & Recommendations

Discussion

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Housing Cost Burden



- Faribault- Owner HHs
 - ❑ Overall: 16.8%
 - ❑ Severely cost-burdened: 7.8%
- Faribault- Renter HHs
 - ❑ Overall: 53%
 - ❑ Severely cost-burdened: 27.5%
- Although affordable rentals have been developed in Faribault, there is still a significant demand for affordable rental housing as demonstrated by vacancy rates well below market equilibrium.



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Housing Affordability Based on HH income- For Sale

- For- Sale- SF Detached
 - \$250,000- Entry Level
 - ❑ Min income required: \$77,367
 - ❑ Pct. of Owner HHs (income-qualified)- 56.8%
 - \$400,000- Move Up
 - ❑ Min income required: \$123,788
 - ❑ Pct. of Owner HHs (income-qualified)- 38.7%
- For- Sale- Townhome
 - \$255,750- Entry Level
 - ❑ Min income required: \$87,437
 - ❑ Pct. of Owner HHs (income-qualified)- 68.7%
 - \$348,750- Move Up
 - ❑ Min income required: \$117,051
 - ❑ Pct. of Owner HHs (income-qualified)- 41.9%



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Housing Affordability Based on HH income- Rental

- Existing Rental- 1BR
 - \$1,025/month
 - Min income required: \$41,000
 - Pct. of Renter HHs (income-qualified)- 49.8%
- Existing Rental- 2BR
 - \$1,275/month
 - Min income required: \$51,000
 - Pct. of Renter HHs (income-qualified)- 42%
- New Construction Rental- 1BR
 - \$1,200/month
 - Min income required: \$48,000
 - Pct. of Renter HHs (income-qualified)- 44.3%
- New Construction Rental- 2BR
 - \$1,500/month
 - Min income required: \$60,000
 - Pct. of Renter HHs (income-qualified)- 35.6%



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Real Estate Research
Providing Comprehensive
Market Information
and Feasibility Studies

Primary Market Area

Demographics

Employment

Market Overview

Senior

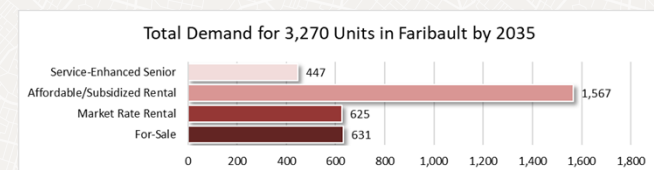
Affordability

Demand & Recommendations

Discussion

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Overall Housing Demand Recommendations



- Moderately priced housing, both ownership and rental, targeted to the area's workforce and housing alternatives targeted to older adults and seniors (townhomes, twin homes) are two of the most pressing needs in Faribault.
- **48%** of projected demand for **affordable and subsidized rental housing** (general occupancy and senior)
- **14%** for **service-enhanced housing** ((independent living, assisted living, memory care).
- **19%** for **market rate rental housing** (general occupancy and active adult)
- **19%** of the demand is for **owned housing units** (all ages).

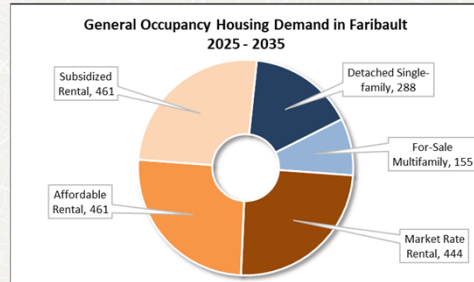


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General Occupancy (GO) Housing Demand

➤ Demand for **1,809 general occupancy units** in Faribault between 2025 to 2035:

- ❑ 443 For-sale Homes
 - 288 Detached Single-Family
 - 155 Owned Multifamily Homes
- ❑ 1,366 Rental Units
 - 444 Market-Rate (60%+ of AMI)
 - 461 Affordable (50% to 60% of AMI)
 - 461 Subsidized Rental (<50% of AMI)

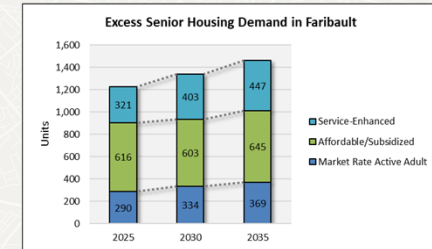


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Senior Housing Demand

➤ Excess demand 1,227 senior units in 2025, **expanding to 1,461 senior housing units by 2035.**

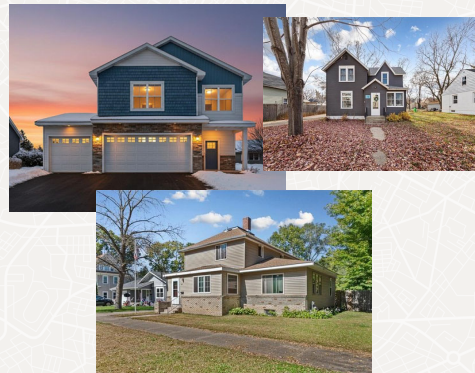
- ❑ 2025:
 - 290 Market Rate Active Adult
 - 145 Rental
 - 145 For-sale (coop/townhomes)
 - 616 Affordable/Subsidized
 - 321 Service-Enhanced
- ❑ 2035:
 - 369 Market Rate Active Adult
 - 181 Rental
 - 188 For-sale
 - 645 Affordable/Subsidized
 - 447 Service-Enhanced



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GO For-Sale Demand - Considerations

- Recommend 3-year lot supply at current absorption rates
 - ❑ Tight lot supply in Faribault
 - ❑ Need for diverse lot types (smaller lots, medium density,)
 - ❑ As of 11/25, 143 vacant lots; 31 lots listed for sale.
- Demand for 443 new SF For-Sale homes (to 2035)
 - ❑ 288 Detached SF homes
 - ❑ 155 other/Multifamily units
- Demand across all price points, products, etc.
- Strong need for Entry-level SF...but most difficult to build in today's environment



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Rental Demand - Considerations

- The survey identified a 2.5% vacancy rate for existing market rate rental properties and a 0.6% vacancy rate for affordable/subsidized properties. Both rates well-below market equilibrium.
- Currently, 203 units in the development pipeline (all general occupancy market rate rental)
- A limited amount of demand for rental units (market rate) could be met through the renovation of existing vacant commercial space in the Downtown
- Current financial resource tools include TIF and the potential for use of historic tax credits



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For-Sale Housing Recommendations

➤ For-Sale Housing:

- ❑ Demand for 288 general occupancy detached single-family housing units and 155 general occupancy townhome/twin home units in Faribault between 2025 and 2035.
- ❑ Excess demand for 11 active adult ownership housing units, which would likely be satisfied with the development of townhome or twin home products.
- ❑ Recommend that
 - 55% of the new detached single-family units target entry level buyers and 25% target move-up buyers.
 - 60% of the new construction townhome/twin home units target entry-level buyers and 40% target move-up buyers and empty nesters.

NEW CONSTRUCTION FOR-SALE HOUSING PRICING RECOMMENDATIONS CITY OF FARIBAULT 2025 to 2035			
	Purchase Price*	Pct.	Units
Detached Single-Family			
Entry-level	Less than \$200,000	55%	158
Move-up	\$200,000 to \$450,000	25%	72
Executive/Luxury	\$600,000+	20%	58
Detached Single-Family Total:		100%	288
Townhome/Twin Home			
Entry-level	Less than \$350,000	60%	93
Move-up	\$350,000 to \$450,000	40%	62
Townhome/Twin Home Total:		100%	155

*Pricing is in 2025 dollars and can be adjusted to account for inflation.
Source: Maxfield Research & Consulting



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GO Rental Housing Recommendations

- ❑ Rental housing priced to target the area's younger workforce is a priority need in Faribault.
- ❑ Recommend a phased approach to rental housing development in the community, **beginning with a new market rate project priced to target the community's workforce (this is already occurring).**
- ❑ Recommend a market rate workforce rental housing project with rent limits set to target households earning between 60% and 80% AMI (\$45,240 to \$60,320 for a one-person household).
 - With rents ranging from \$1,125 for a studio unit to \$1,600 per month for a 2BR unit.
 - Demand also exists for market rate rental townhome units with rents starting at \$1,650 for 2BR units and \$1,895 for 3BR units

➤ Affordable GO Rental Housing:

- ❑ Demand exists for general occupancy affordable units in Faribault; a portion of seniors may also be attracted to this type of product depending on the product design.
- ❑ We recommend an affordable project that would target residents with incomes between 40% and 60% AMI.



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Senior Housing Recommendations

- Demand identified for 1,277 age-restricted units in Faribault as of 2025.
- Aging of the population is generating increased demand for housing targeted to meet the needs of older adults, primarily due to the baby boomers.
- The highest demand was identified for affordable and subsidized senior housing.
 - ❑ 369 Market Rate Active Adult:
 - 188 owned units - satisfied through various products including detached villas/townhomes/twinhomes cooperatives/condominiums.
 - 181 rental units - apartment-style, patio homes, cottage-style.
 - ❑ 645 Affordable/Subsidized:
 - Stand-alone buildings (Apartment-style)
 - Fully affordable or mixed-income
 - ❑ 447 Service-Enhanced:
 - Independent living and memory care units would be most popular
 - Additional assisted living requirements challenging developers and operators



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Recommended Initiatives

- Mix of initiatives targeting different housing segments to support a more balanced housing market
- Focus on assisting entry-level buyers with education, downpayment assistance and options for more affordable housing product
- Development of affordable rental housing at or less than 80% of AMI
- Development of affordable housing to serve active seniors that want to relocate
- Preservation of the existing affordable housing stock



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Housing Programs

Housing Programs for Consideration:

- Workforce Housing Development Program
 - ❑ Assistance toward the development of workforce rental housing
- Land Banking – targeted land banking for the development of affordable housing
 - ❑ Would require long-term outlook
 - ❑ Funding resources for purchase of underutilized parcels or vacant land
- Rent-to-Own Program
 - ❑ Apply to rental housing (low-density products that would become owner-occupied)
 - ❑ Various ways to establish and operate this type of a program
- Homebuyer Education and Assistance Programs
- Programs through the Greater Minnesota Housing Fund
 - ❑ Target affordable ownership programs




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Key Takeaways...


- Steady growth last 5 years | 3.6 % pop and 5.1% HH growth this decade | 6.7% pop and 8.8% HH growth from 2025-2035
- Aging of Baby Boomers | 75+ population growth, an increase of 35% forecast from 2025-2030
- 34% renter HHs in 2025 | Significant renter growth across all age groups
- Strong HH Incomes (\$62,430) in Faribault and (\$84,771) in the PMA
- Major job importer | 38% live & work in Faribault | Total employment continues to grow
- Very tight rental market – 2.5% vacancy rate | Need for more affordable/subsidized housing
- Rental housing priced to target the area’s younger workforce is a priority need in Faribault
- Demand for additional senior housing among various product/service levels
- For-sale market is at peak pricing | Lack of supply, esp. entry-level | High interest rates impacting sales/affordability
- Low vacant lot supply | Faribault has less than 1-year lot supply | Need for platted lots to meet growth
- Supply not keeping up | Demand continues to outstrip new production across all housing types



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Real Estate Research
Providing Comprehensive
Market Information
and Feasibility Studies



Primary Market Area

Demographics

Employment

Market Overview

Special Needs

Affordability

Demand & Recommendations

Discussion

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Thank You!



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mbujold@maxfieldresearch.com

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Request for Action

TO: Faribault Economic Development Authority
FROM: Jake Wiensch, Economic Development Coordinator
THROUGH: David Wanberg, CED Director
MEETING DATE: March 24, 2026
SUBJECT: Understanding Faribault's Economy: University of Minnesota Proposal

BACKGROUND:

Staff is proposing that the City of Faribault EDA partner with the University of Minnesota Extension to complete an updated *Understanding Faribault's Economy* analysis. A similar study was last completed around 2016 as part of the Vision 2040 process, and staff believe an updated analysis would help reflect current economic conditions and trends.

The study would provide a comprehensive review of the city's economic conditions, including workforce trends, industry strengths, and potential future growth opportunities. The project would analyze economic, labor market, and demographic data and include a SOAR (Strengths, Opportunities, Aspirations, and Results) workshop with community stakeholders, expert review of preliminary findings, and a final written report summarizing key economic insights and strategic considerations for the community.

The results of this work would help inform the City's economic development strategy and complement the Business Retention and Expansion (BR+E) efforts currently being implemented by providing a broader economic context to business feedback and local market trends.

REQUESTED ACTION:

Motion to approve entering into a partnership with the University of Minnesota Extension to complete the "Understanding Faribault's Economy"

analysis, with a project cost not to exceed **\$15,000**, and to authorize staff to execute the necessary agreement and coordinate the project on behalf of the Economic Development Authority.

ATTACHMENTS:

1. City of Faribault - Understanding Your Economy Project Proposal v2



UNDERSTANDING FARIBAULT'S ECONOMY UNIVERSITY OF MINNESOTA PROPOSAL

PROJECT TITLE

Understanding Faribault's Economy

CLIENT

David Wanberg

Community Development, City of Faribault

208 1st Avenue NW

Faribault, MN 55021

Email: dwanberg@faribaultmn.gov

PROJECT START – END DATES

Start: March 1st, 2026

End: November 30th, 2026

PROJECT OVERVIEW

Ten years ago, the City of Faribault and University of Minnesota Extension partnered to create the first “Understanding Faribault’s Economy” report in response to their citywide Vision 2040 process, which identified economic development as a top priority. As the City continues to move forward to grow its economy, City leaders are interested in receiving a comprehensive update of this report. Questions the city is considering include (but are not limited to):

- Current economy:
 - What are the current strengths of the economy? What industries have historically brought growth to the city?
 - Which of these industries are prime for future growth?
 - What economic strengths and opportunities are present in Faribault?
 - What is the economic value of childcare and housing and how do these topics impact workforce development?
- Future economy:
 - What new industries fit with the current profile of the city - its demographics, its workforce, and its current industry mix? What are the regional strengths that Faribault might tap into?
 - What skills are present in Faribault that industries can build upon?

Answering these questions will help the City of Faribault craft a story about its economy. This story will be useful in guiding both internal discussions regarding the future of economic development efforts, but also useful in communicating the message to external groups and businesses interested in locating in Faribault.

University of Minnesota Extension has expertise in collecting, analyzing, and interpreting economic data. Extension is proposing to assist the City of Faribault in addressing the above questions in order to craft the story of Faribault's economy.

Extension will use a variety of data sources in this project including IMPLAN, Lightcast, and the Department of Employment and Economic Development labor market information. Further, Extension will use the data already collected to inform Faribault's economic development plan. The data already collected includes housing and childcare assessments.

PROJECT APPROACH

Extension is proposing to offer a custom "Understanding Faribault's Economy" program. The program will consist of several stages.

- Scan of relevant data resources related to the City of Faribault
 - In particular, Extension will focus on data related to the economic climate, labor markets, and demographics. Other information will be included if deemed relevant.
 - In this stage, Extension will be scanning resources and determining what types of data are most applicable to City of Faribault
 - Extension will coordinate with Amanda Blaschko, DEED Labor Market analyst, and Natalie Siderius, DEED Business Development specialist to gather relevant data available from DEED.
 - This will include a cluster analysis to measure the location quotient of businesses within Faribault and compare the findings to employment changes.
 - It will also include an analysis of commuting patterns and show where Faribault residents work and where workers commuting to Faribault originate.
- SOAR analysis to help Extension and community leaders understand the economic strengths and opportunities present in Faribault. SOAR stands for Strengths, Opportunities, Aspirations, and Results. It is a strength-based analysis tool used in strategic conversations. SOAR uses a process rooted in Appreciative Inquiry that encourages the whole system to explore what it is working well and how to build on those strengths. SOAR is similar to a more commonly used process called a SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats). It uses the same concepts of

strengths and opportunities as a foundation and then adds aspirations and results. SOAR does not ignore weaknesses and threats; it works to reframe them.¹

- Extension will facilitate the SOAR analysis meeting.
- The City of Faribault will invite parties they believe can contribute to the conversation.
- Extension and the City will work together to schedule this conversation.
- The conversation will include a discussion on what industries the community believes to have the strongest potential for growth and where the community sees economic opportunities.
- The results of this discussion will be compared with data sources such as Lightcast to see where the opportunities identified by the community and workforce data overlap.
- Expert Panel Discussion of Preliminary Findings
 - Extension will bring together experts in the area of community and economic development (see below for more on expert panel), along with Faribault staff to discuss the preliminary findings. At this meeting, Extension will present a draft of the information and analysis. Experts will be asked to provide:
 - Interpretation of the key findings from the data
 - Suggestions for any additional data to obtain / review
 - Suggestions for the most important data to share with the EDA and the most effective format to communicate the key findings
 - Key implications for Faribault

By the conclusion of the meeting, Faribault staff and Extension will negotiate the data to be included, format of the written report, and presentation.
- Preparation of written report
 - Extension will prepare a written report, based on the data collection and on the feedback from the EDA and the expert panel.
 - This is the final stage, tying together all of the information.

PROJECT COST

Extension estimates the project fee for Faribault will be \$12,000 based on known needs broadly defined as of March 18, 2026.

¹ DeeDee LeMier, "SOAR Process"

RESEARCHER ROLES AND RESPONSIBILITIES

Aiden Opatz, Extension educator(Principle Investigator)

- Oversee data scan, collection, and interpretation
- SOAR workshop co-facilitator
- Report lead author

Brigid Tuck, applied research specialist in Community Economics

- Oversee data scan, collection, and interpretation

Becca Leys, Extension educator

- SOAR workshop co-facilitator

John Bennett, Extension educator

- SOAR workshop co-facilitator

CLIENT ROLES AND RESPONSIBILITIES

City of Faribault – Community Development

- Provide relevant resources on economic development data, as applicable
- Host SOAR workshop
- Review draft of written report and provide feedback

ANY KNOWN CONSTRAINTS

- City-level data will be available for much of the analysis. At times, county-level data may need to be used.

PROJECT DELIVERABLES

- SOAR workshop
- Pdf copy of final written report



Request for Action

TO: Faribault Economic Development Authority
FROM: Jake Wiensch, Economic Development Coordinator
THROUGH: David Wanberg, CED Director
MEETING DATE: March 24, 2026
SUBJECT: Strategic Planning Continued

BACKGROUND:

The materials in this section reflect a focused "Strategic Planning Lite" effort undertaken over the past several months to provide clarity and alignment on the EDA's role, priorities, and direction.

This process began in September 2025 as a practical alternative to a full strategic planning process, with the goal of establishing a clear mission, vision, and set of priorities in a manageable and efficient way.

REQUESTED ACTION:

Provide feedback on the discussion questions to assist staff in compiling input and continuing the ongoing Strategic Planning Lite process.

ATTACHMENTS:

1. Draft Strategic Planning Lite

Faribault Economic Development Authority

Strategic Planning Lite – Draft Summary

Purpose

The Strategic Planning Lite framework provides clear direction for the EDA’s work over the next 3–5 years. It is intended to guide decisions, improve accountability, and align resources with the community’s economic priorities.

Narrative (Draft)

Strategically located along Interstate 35, Faribault connects businesses to regional markets, a skilled workforce, and a community that values growth and partnership. With a diverse economy, development-ready sites, and a collaborative approach to business support, Faribault offers access to a metro location with the advantages of a community that moves projects forward.

Here, historic character meets modern opportunity—creating a place where businesses, workers, and families thrive together.

Mission (Draft)

Strengthen and diversify Faribault’s economy by supporting job creation and retention, attracting private investment, and strategically using financial tools and partnerships to achieve measurable economic impact.

Vision (Draft)

Faribault is a community known for economic opportunity, business diversity, and community pride—where development is predictable, investment-ready, and aligned with a high quality of life.

Core Services

- Business retention and expansion
- Financial tools and incentives
- Redevelopment and site readiness
- Business attraction and marketing
- Partnership coordination

Guiding Principles

Stewardship • Collaboration • Engagement • Predictability • Proactive • Community

Strategic Focus Areas (Draft)

Business Retention & Growth • Development Readiness • Workforce Alignment • Business Attraction & Positioning • Accountability & Impact

Status

Working draft — subject to board review and refinement.

Why a Community Narrative Matters

This narrative is a shared story about Faribault as a business community. It is not a slogan or advertising copy—it is a foundational message that aligns economic development, marketing, and outreach efforts.

Its purpose is to:

- Clearly communicate who Faribault is
 - Explain why businesses should consider locating or investing here
 - Ensure the City and EDA are telling a consistent story across platforms
-

Previous (Existing) Community Mission Statement

Previous Mission Statement

“The mission of the Faribault Economic Development Authority (EDA) is to collaborate with City, County, State and Community leaders to develop programs, resources and initiatives that will support existing businesses, foster local business expansion and encourage the development of new businesses in all economic sectors throughout the City of Faribault.”

Key characteristics of the previous mission:

- Collaboration-centered
 - Focused on programs and resources
 - Broad and inclusive
 - Oriented toward *how* the work is done
-

New (Draft) Community-Facing Mission

Draft Community Mission (For Discussion)

“Faribault strengthens and grows its economy by connecting businesses to opportunity—through strategic location, a skilled workforce, development-ready sites, and a collaborative, business-supportive community.”

What’s different:

- Shorter and clearer
- Written for external audiences
- Focus on *why Faribault matters as a place*
- Translates internal work into outward value

Previous (Existing) Community Vision Statement

Previous Vision Statement

“The vision of the Faribault Economic Development Authority (EDA) is to create a favorable business climate that will help develop and retain viable, successful businesses in order to provide quality employment opportunities, enhance the tax base, spur new investment and diversify the local economy.”

Key characteristics of the previous vision:

- Strong focus on business climate and employment
 - Emphasizes tax base growth and diversification
 - Primarily functional and outcome-driven
 - Well-suited for internal guidance and program justification
-

New (Draft) Community Vision

Draft Community Vision (For Discussion)

“Faribault is a thriving, connected community where historic character meets modern opportunity—offering businesses, workers, and families a place to grow, invest, and succeed together.”

What’s different:

- More aspirational and place-based
- Balances heritage with forward momentum
- Explicitly ties economic success to quality of life
- Designed to support marketing, recruitment, and storytelling

Faribault EDA – Core Services

Business Retention & Expansion (BRE)

What it means in Faribault

Supporting the businesses that already call Faribault home is the foundation of our economic development work. Business retention and expansion focuses on maintaining strong relationships with existing employers, understanding their needs, and helping them grow and succeed locally.

What this looks like in practice

- Regular outreach and check-ins with local businesses
- Identifying workforce, space, or infrastructure challenges early
- Connecting businesses to resources, partners, and funding
- Supporting expansions that create or retain jobs

Why it matters

Existing businesses are Faribault’s largest source of jobs, investment, and community stability. Helping them succeed strengthens the entire local economy.

Financial Tools & Incentives

What it means in Faribault

The Faribault EDA uses targeted financial tools to reduce barriers to investment and support projects that align with community goals. These tools are designed to be flexible, responsible, and focused on measurable economic outcomes.

What this looks like in practice

- Revolving loan funds and gap financing
- Incentives that support job creation, redevelopment, and reinvestment
- Clear, consistent program guidelines
- Strategic use of public dollars to leverage private investment

Why it matters

Thoughtful financial tools help projects move forward that might not otherwise be feasible—while protecting taxpayer investment and ensuring long-term impact.

Redevelopment & Site Readiness

What it means in Faribault

Preparing land and buildings for development is critical to attracting new investment. Redevelopment and site readiness focus on making it easier, faster, and more predictable to invest in Faribault.

What this looks like in practice

- Identifying and prioritizing key redevelopment sites
- Supporting land assembly, predevelopment, and due diligence
- Coordinating with City planning, engineering, and utilities
- Promoting available sites and redevelopment opportunities

Why it matters

Businesses and developers need certainty. Site-ready communities compete more effectively for investment and can respond quickly to opportunities.

Business Attraction & Marketing

What it means in Faribault

Attracting new businesses starts with telling a clear, compelling story about Faribault. Business attraction and marketing focus on promoting the city's assets, opportunities, and competitive advantages.

What this looks like in practice

- Marketing Faribault's sites, workforce, and quality of life
- Responding to business and site selector inquiries
- Supporting targeted recruitment efforts
- Coordinating messaging with City and community partners

Why it matters

A strong, consistent message helps Faribault stand out in a competitive environment and ensures opportunities don't pass us by.

Partnership Coordination

What it means in Faribault

Economic development is a team effort. The EDA plays a coordinating role to align efforts across local, regional, and state partners to maximize impact and avoid duplication.

What this looks like in practice

- Working with the City, Chamber, Main Street, County, and regional partners
- Aligning funding, programs, and priorities
- Supporting collaborative initiatives that benefit businesses and the workforce
- Regularly evaluating partnerships for effectiveness and alignment

Why it matters

Strong coordination ensures resources are used efficiently and that businesses experience a clear, seamless support system.

Our Guiding Principles

At the Faribault Economic Development Authority, our work is guided by core principles that shape how we make decisions, work with partners, and support businesses—ensuring consistent, transparent, and impactful outcomes for our community.

Stewardship - We responsibly manage public resources with accountability and transparency, focusing on measurable outcomes that strengthen Faribault's economy and protect long-term community value.

Collaboration - We build strong partnerships with local, regional, and state organizations to align efforts, share resources, and maximize economic impact across the community.

Engagement - We engage proactively with businesses, listen first to understand their needs, and connect them with the right tools, resources, and support to succeed in Faribault.

Predictability - We apply clear, fair, and consistent standards to our programs and decisions to create certainty and build trust for businesses, investors, and the broader community.

Proactivity - We anticipate opportunities and challenges, taking strategic action to position Faribault for long-term, sustainable economic growth rather than reacting after the fact.

Community (*optional, if included*) - We advance initiatives that enhance quality of life and shared prosperity, ensuring economic development benefits residents, workers, employers, and the community as a whole

Strategic Focus Areas

Business Retention & Growth • Development Readiness • Workforce Alignment • Business Attraction & Positioning • Accountability & Impact

The Faribault Economic Development Authority will advance its mission and vision by focusing on the following strategic areas. These focus areas are intended to guide priorities, inform decision-making, and align resources over the next 3–5 years.

Business Retention & Growth

Description

Support existing businesses through proactive engagement, technical assistance, and strategic use of EDA tools, while encouraging expansion, reinvestment, and long-term economic stability.

Why this matters

Existing businesses are the primary source of jobs and investment in Faribault. Retention and growth efforts strengthen the local economy and build resilience over time.

Development Readiness

Description

Improve Faribault’s competitiveness by preparing sites for development, supporting redevelopment and infill, and improving predictability and coordination in development processes.

Why this matters

Communities with development-ready sites are better positioned to attract investment, respond quickly to opportunities, and guide growth in alignment with community goals.

Workforce Alignment

Description

Coordinate with employers, education providers, and workforce partners to align talent development efforts with business needs and support workforce participation and retention.

Why this matters

A strong workforce is essential to business success. Aligning workforce and economic development helps sustain growth and competitiveness.

Business Attraction & Positioning

Description

Promote Faribault’s assets, available sites, workforce strengths, and quality of life through coordinated marketing and outreach to attract new businesses and investment aligned with community priorities.

Why this matters

Clear and consistent positioning helps Faribault compete for investment and ensures opportunities are actively pursued rather than passively received.

Accountability & Impact

Description

Strengthen transparency, performance measurement, and communication to ensure EDA programs, partnerships, and investments align with strategic priorities and deliver measurable results.

Why this matters

Clear goals and reporting support responsible stewardship of public resources and build confidence in economic development decision-making.

Suggested Success Measurements for the Faribault EDA

1. Business Retention & Growth

Goal: Support existing employers and encourage expansion.

Business outreach

- Number of Business Retention & Expansion visits annually
- Number of businesses assisted through EDA programs

Job creation/retention

- Jobs created or retained through EDA-supported projects

Private investment

- Total private investment leveraged through EDA activities

Business expansion

- Number of expansion projects supported
-

2. Development Readiness

Goal: Prepare sites and redevelopment opportunities.

Site inventory

- Number of development-ready sites maintained in city inventory

Redevelopment activity

- Number of redevelopment or infill projects supported

Project response

- Response time to development inquiries or site selector requests

Catalytic projects

- Number of major development projects facilitated
-

3. Workforce Alignment

Goal: Strengthen connections between employers and workforce systems.

Employer engagement

- Number of workforce partnership meetings or initiatives

Education partnerships

- Number of collaborations with schools, colleges, or workforce programs

Workforce challenges identified

- Number of workforce barriers identified through BRE visits

Workforce initiatives supported

- Number of workforce programs supported by EDA partnerships
-

4. Business Attraction & Positioning

Goal: Promote Faribault as a competitive business location.

Business recruitment

- Number of recruitment leads or site selector inquiries

New business investment

- Number of new businesses locating in Faribault

Marketing reach

- Website or marketing engagement metrics for economic development content

Community promotion

- Number of regional or statewide economic development partnerships
-

5. Accountability & Impact

Goal: Ensure transparency and measurable results.

EDA annual report

- Annual public report on economic development outcomes

Loan program performance

- Utilization rate of EDA loan programs

Return on investment

- Ratio of public dollars invested to private dollars leveraged

Board engagement

- Strategic plan reviewed annually by the EDA board

Strategic Focus Areas & Success Measures (Snapshot)

Strategic Focus Area	What Success Looks Like	Key Measures
<i>Business Retention & Growth</i>	Existing businesses expand and remain strong in Faribault	<ul style="list-style-type: none">• Business retention visits annually• Jobs created or retained through EDA-supported projects• Number of business expansions supported
<i>Development Readiness</i>	Sites and redevelopment opportunities are prepared for investment	<ul style="list-style-type: none">• Development-ready sites maintained in inventory• Redevelopment or infill projects supported• Major development projects facilitated
<i>Workforce Alignment</i>	Employers have access to a skilled workforce pipeline	<ul style="list-style-type: none">• Workforce partnership initiatives• Employer workforce needs identified through BRE visits• Education and training partnerships supported

<i>Business Attraction & Positioning</i>	Faribault attracts new investment and businesses	<ul style="list-style-type: none"> • Business recruitment leads or inquiries • New businesses locating in Faribault • Marketing engagement and promotion reach
<i>Accountability & Impact</i>	EDA activities demonstrate measurable economic impact	<ul style="list-style-type: none"> • Private investment leveraged through EDA projects • Utilization of EDA loan or incentive programs • Annual economic development report to the community

Distinct Roles (Collaboration)

While each organization has a distinct role, regular coordination between the City, HRA, and EDA ensures that housing, economic development, and infrastructure investments move forward in alignment with the community’s long-term vision

City of Faribault – Policy, Infrastructure, and Community Services

The City provides the foundational framework that enables economic and housing development to occur.

Primary responsibilities include:

- Establishing community policy and strategic direction
- Investing in public infrastructure (roads, utilities, parks, and public facilities)
- Managing land use planning, zoning, and development regulations
- Providing public services that support quality of life
- Coordinating municipal departments and community engagement

The City’s mission emphasizes connecting residents, businesses, and institutions while ensuring a clean, safe, and vibrant community.

By investing in infrastructure and community services, the City creates the conditions necessary for economic development and housing growth.

Housing & Redevelopment Authority – Housing Stability and Neighborhood Investment

The HRA focuses on ensuring Faribault maintains a stable, healthy housing market and strong neighborhoods.

Key responsibilities include:

- Supporting development of new housing opportunities
- Stabilizing housing through targeted financial assistance
- Rehabilitating and preserving existing housing stock
- Addressing blight and underutilized properties
- Partnering with nonprofit housing organizations

The HRA’s mission is to eliminate blight and fulfill housing needs within the City of Faribault, ensuring residents have access to safe and attainable housing.

A stable housing market is crucial to economic development, as businesses rely on housing availability to attract and retain skilled workers.

Economic Development Authority – Business Growth and Investment

The EDA focuses on strengthening the local economy by supporting businesses, encouraging investment, and preparing sites for development.

Primary responsibilities include:

- Business retention and expansion outreach
- Business recruitment and investment attraction
- Development readiness and redevelopment coordination
- Strategic use of economic development financing tools
- Marketing Faribault as a place to invest and grow

The EDA’s mission is to strengthen and diversify Faribault’s economy by supporting job creation and retention, attracting private investment, and strategically using partnerships and financial tools.

Example of Coordination in Practice

Community Goal	City Role	HRA Role	EDA Role
Workforce attraction	Infrastructure and planning	Housing availability	Business recruitment
Redevelopment	Zoning, utilities, and planning	Housing redevelopment	Investment attraction
Neighborhood stability	Public services	Housing rehabilitation	Commercial investment
Economic growth	Policy and infrastructure	Housing supply	Business expansion



Request for Action

TO: Faribault Economic Development Authority
FROM: Jake Wiensch, Economic Development Coordinator
THROUGH: David Wanberg, CED Director
MEETING DATE: March 24, 2026
SUBJECT: Updates and Future Items — Verbal Report Only

BACKGROUND:

LET Winter 2026 Course — University of Minnesota

Accepted into a leadership and engagement training program for local government professionals. I will share updates as the course progresses.

BR+E Update

EDA staff, in partnership with Chamber staff, has begun conducting Business Retention and Expansion (BR+E) visits with local businesses. To date, staff have completed three visits with Harry Brown's, State Bank of Faribault, and a local State Farm agent.

SMIF 40th Anniversary Event — Update

The Southern Minnesota Initiative Foundation (SMIF) will host its 40th Anniversary celebration in Faribault on April 23, 2026, at the 3 Ten Event Venue.

The City of Faribault will serve as the sole sponsor of the event with a \$2,500 sponsorship. As part of the sponsorship, the City will receive three tickets to the event. Additional tickets may be purchased if EDA members or staff are interested in attending.

SMIF has also expressed interest in discussing additional ways the City, EDA, and Chamber may participate in the event beyond sponsorship, given that the celebration is being hosted in Faribault. Staff will coordinate a

Agenda Item: 5.I

follow-up conversation with SMIF and Chamber leadership to explore potential involvement opportunities.

The event will celebrate SMIF's 40 years of impact across southern Minnesota and its partnerships with communities on entrepreneurship, economic development, workforce initiatives, and early childhood programs.

Date: April 23, 2026

Location: 3 Ten Event Venue, Faribault

REQUESTED ACTION:

Updates

ATTACHMENTS: