

**Faribault Economic Development Authority**  
**Meeting Minutes**  
Thursday, July 19, 2018

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The Faribault Economic Development Authority met in the 1<sup>st</sup> Floor Public Meeting Room at City Hall, 208 1<sup>st</sup> Ave NW, Faribault, MN.

**Members Present:** Dave Albers, Kay Duchene, Matt Drevlow, Gary Kindseth, Rodney Gramse, and Steve Underdahl

**Members Absent:** Matt Carlander

**Staff Present:** Community and Economic Development Director Deanna Kuennen, City Administrator Tim Murray, Economic Development Coordinator Samantha Markman, and Administrative Assistant II Sandi Tidemann

**Others Present:** Joe Donahue Crooked Pint, Don Ingham CCS, Barry Jaeger Pilot, Nort Johnson Chamber of Commerce

**1. Call to Order**

Chair Underdahl called the meeting to order at 7:00 a.m. in the 1<sup>st</sup> Floor Public Meeting Room at City Hall.

**2. Approval of Minutes**

**A. Minutes of May 17, 2018 Meeting**

Action: Motion was made by Kindseth and seconded by Duchene to approve the minutes of the May 17, 2018, meeting as presented. Motion carried (5/0).

**B. Minutes of May 22, 2018 Special Meeting**

Action: Motion was made by Kindseth and seconded by Duchene to approve the minutes of the May 22, 2018, Special meeting as presented. Motion carried (5/0).

**C. Minutes of June 26, 2018 Meeting**

Action: Motion was made by Kindseth and seconded by Duchene to approve the minutes of the June 26, 2018, meeting as presented. Motion carried (5/0).

**Commissioner Drevlow arrived after the motions.**

**3. Routine Business**

**A. Monthly Loan Status Report**

Discussion: The reports were presented for review. Kuennen talked about Fund 245, how 20% needed to go back to State because they were not used within the allotted time frame, but it could be put into another fund. This money will be used for economic development and put into a special account. It was suggested the fund 290 be used towards the demolition/site prep at the airport. Kuennen also touched on funds 247 and 248 and suggestions on how they could be used. The Downtown Rehab program (fund 245) has been a success but there are two applicants who have not met program guidelines and have exceeded the year to complete their projects. Staff recommended withdrawing the funds from these ineligible projects. Staff also updated Lockerby was delinquent and staff will work with them moving forward.

Action: A motion was made by Kindseth and seconded by Albers to withdraw the funding from the two projects.  
It was noted this is another reason that the "ACH" automated payments should be encouraged.

**B. Permit Activity Update Report**

Discussion: The current monthly permit activity was attached for review.

**C. Monthly Budget Status Report**

Discussion: This report provides the EDA with "Year-to-Date" expenditures by line item and the budgeted amounts for each. No unusual expenses to report.  
Kuennen asked the Commissioners for volunteers for the upcoming EDA budget discussion (Drevlow).

Action: Motion was made by Duchene and seconded by Albers to approve Routine Business as presented. Motion carried (6/0).

**4. Public Hearings**

A. None

**5. Items for Discussion**

**A(a). Downtown Commercial Rehabilitation & Exterior Improvement Requests.**

Discussion: 206 Central Avenue – Ellison Investment Group, LLC – Interior HVAC System in lower lever. Applicant submitted all required forms, has met all eligibility requirements, and has been determined by Staff to be eligible for the assistance.

Action: Motion was made by Kindseth and seconded by Gramse approving Resolution 2018-012 for Ellison Investment Group, LLC. There was some discussion on the bids. Markman could ask for clarification and make a visit, funding was awarded contingent upon the work not complete. Motion carried (6/0).

**A(b). Downtown Commercial Rehabilitation & Exterior Improvement Requests.**

Discussion: 125 1<sup>st</sup> Avenue NE – FBO Property, LLC – Paint patio fence posts, front entrance, seal coat, crack fill, and stripe entire parking lot. Applicant is asking for help with parking lot improvements and painting. Markman indicated the request is not an eligible item but it would improve the appearance as the building has been vacant and let go for a number of years. The painting is also complete but had to be done to keep them on track for opening.

The EDA did note that the parking lot is the first thing you see from the viaduct and they want to help and support them. They do not want to set a precedent but could make an exception for the painting due to the timeliness.

Duchene hopes in the next cycle, they can use these funds to help with backs of buildings, parking lots, and trash enclosures – or create a new program to address them.

Action: Motion was made by Kindseth and seconded by Albers to approve the request for painting patio fence post and front entrance, parking lot improvements were not eligible for an award. Motion carried (6/0).

**A(c). Downtown Commercial Rehabilitation & Exterior Improvement Subordination Agreement Request.**

Discussion: 310 Central Avenue – Event and Convention Center, LLC – entered into two forgivable loans through the Downtown Commercial Rehab and Exterior Improvement program and now want to restructure their construction loan to a

traditional loan held by two banks. They have requested the EDA to allow the banks to take priority on the current liens and subordinate both to the banks. Staff reviewed the documents and guidelines and are agreeable to the request. Gramse asked if the façade work is complete; no. The restructure is due to the completion of the interior construction projects. Markman noted applicants have been very active with Staff and the HPC.

Action: Motion was made by Drevlow and seconded by Gramse to approve the subordination agreements. Motion carried (6/0).

#### **B. Cross County Soaring Loan Request - Update**

Discussion: Staff contacted CCS in regards to required documents needed for their loan request that had not been received. Staff asked for information on the private financing, complete business plan, and project plans, which has not been received. Documents were sent late in the day (Wednesday) but Kuennen did not have time to disseminate the information. Kindseth asked about the timetable and when demolition was scheduled for (later this month). CCS would be moved into a temporary location at the airport. The loans can stipulate specific conditions: CCS must stay at the airport during the construction and specific terms in the loans. Jaeger is working with the City on his hangar and wants to do both together. DRC did not have Jaeger on their agenda and there is a City process and an EDA process that should be adhered to. Murray believed his staff is ok to approve.

Underdahl asked if a special meeting should be held to further discuss, but other members were not sure one was needed. Kuennen reiterated the loan can have specific conditions: proof of financing, project scope/development plan, and a complete business plan including all costs. Kuennen did note that they did not receive all the required documents – Ingraham said he is looking at different bank.

The Commissioners were open to a special meeting but made it very clear that all the pieces must be in place prior to setting the date. Ingraham felt he would only need a few days to get everything. Jaeger asked what exactly was needed: totals for parking lot, utilities (hook-up), site development costs, etc. Murray noted there was not a land lease on the City Council agenda yet for Ingraham (CCS).

Action: None at this time.

#### **C. Faribault Main Street-2018 Downtown Business Challenge Request**

Discussion: The EDA has received a request to participate in this year's Business Challenge. With the success in 2017, The Faribault Main Street is excited for this year's challenge with several businesses already making commitments for the 2018 Challenge. Two contestants from the 2017 Challenge remain in Faribault today and are supporting this Community endeavor. Ruf Acres open house Saturday, July 21<sup>st</sup>.

Action: A motion was made by Gramse and seconded Drevlow to approve the \$5,000 commitment for the 2018 Downtown Business Challenge. Motion carried (6/0).

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

Discussion: Director Kuennen reported on Stein Air's JCF award and the building submittals to DRC for review. Their land lease will go to City Council on July 24<sup>th</sup> for approval. EDA will spend up to \$100,000 towards the removal of the existing yellow building and site preparation.

Daikin Applied - the annexation was approved also received their JCF State award with eligible amount up to \$1,633,750 based on job creation/capital investment

over 7 years. They were also approved for a MIF forgivable loan.

The City applied for a Business Development Public Infrastructure (BDPI) grant and are still working with DEED providing information and clarifications if needed. Kuennen spoke briefly on Project Pepper, Drywall Supply, the Met-Con Business Park and Wolf Creek Motorsports. A brief summary of the Faribault Micro-Summit was attached for the Commissioners and a list of on-going projects and a brief list of EDA budget recommendations for consideration. Other mentions Kuennen included: her time at the Select USA Conference and meeting the President of Daikin, how to be more engaged the community workforce and the lack of affordable housing, the upcoming Micro Summit, marketing for the global economy, and International Community Engagement Readiness (program not running yet) and her desire to have Faribault participate in it.

Action: None

**Adjourn**

Motion was made by Albers and seconded by Drevlow to adjourn the meeting at 8:31 a.m. Motion carried (6/0).

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Steve Underdahl, President

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Dave Albers, Secretary/Treasurer

Respectfully Submitted,

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Sandi Tidemann, Administrative Assistant II