



## Discussion Item

**TO:** Faribault EDA  
**FROM:** Deanna Kuennen, Director  
**MEETING DATE:** September 20, 2018  
**SUBJECT:** 2019 Budget/Work Plan Overview

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### Background

The City is in the midst of 2019 budget preparation. As part of that – the EDA is required to prepare and approve a 2019 budget that will be incorporated into the overall City budget documents.

An EDA Budget Subcommittee has been identified (Gary Kindseth and Matt Drevlow) – who will work with Staff on developing specific budget recommendations. The Subcommittee has met to review the proposed levy, discuss “new” funding, review the existing work plan, and propose initiatives based on the preliminary budget discussion held at the August EDA meeting.

In general, the EDA and the Subcommittee recognized that there are 2 distinct funding sources:

- EDA levy – which funds the operating expenses of the EDA
- “One-Time” Program funds – which are a new source of dollars for the EDA

The EDA also recognized that the existing work plan is still very relevant and is a solid representation of the ongoing efforts and priorities of the EDA. However, there is a desire to move into being more proactive and aggressive in ongoing economic development efforts, as well as transition from a facilitator to a catalyst role. Based on this overall direction, the 2019 proposed EDA “work/action plan” for discussion includes:

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### 2019 PROPOSED WORK/ACTION PLAN

<p><b>AVAILABLE LAND</b></p>	<ul style="list-style-type: none"> <li>• Identify underutilized parcels</li> <li>• Identify infill development opportunities</li> <li>• Identify “highly-visible/catalyst” sites for development/redevelopment</li> <li>• Start discussions with business owners about expansion/land needs</li> <li>• Identify additional development land</li> <li>• Land assembly / annexation</li> <li>• Position Faribault Municipal Airport to be an economic development engine               <ul style="list-style-type: none"> <li>○ Infrastructure investments</li> <li>○ Marketing</li> </ul> </li> </ul>
<p><b>GATEWAYS</b> <i>(Formerly I-35 Transportation Corridor)</i></p>	<ul style="list-style-type: none"> <li>• Identify (and map) opportunities and threats along major gateways</li> <li>• Encourage investment / redevelopment along major gateways               <ul style="list-style-type: none"> <li>○ Clear hurdles to kick-start investment</li> <li>○ Develop programs to infuse funds/leverage private resources</li> <li>○ Replicate success on north side of Faribault in other areas of the city</li> </ul> </li> <li>• Develop programs to encourage visual enhancements</li> <li>• Support/actively participate in I-35 interchange and frontage road initiatives</li> <li>• Develop initiatives to enhance Hwy 60 reconstruction project</li> <li>• Continue investments into the downtown – focusing on backsides of buildings</li> </ul>
<p><b>REGIONALISM</b></p>	<ul style="list-style-type: none"> <li>• Understand regional issues impacting economic development               <ul style="list-style-type: none"> <li>○ Housing – partner with the HRA and employers on workforce housing initiatives</li> </ul> </li> <li>• Define and market Faribault’s place in the region               <ul style="list-style-type: none"> <li>○ Rice County</li> <li>○ I-35 Corridor / Corridors of Commerce</li> <li>○ Destination Medical Center</li> <li>○ Greater MSP</li> </ul> </li> </ul>
<p><b>WORKFORCE &amp; DATA ANALYSIS</b></p>	<ul style="list-style-type: none"> <li>• Actively engage with SCC on workforce training programs</li> <li>• Partner with the Faribault Area Chamber of Commerce and other partners on their “Career and Workforce Development” initiative</li> <li>• Work with employers to understand workforce needs</li> <li>• Tell Faribault’s story               <ul style="list-style-type: none"> <li>○ Growing workforce population</li> <li>○ Positive impact of proximity to south metro</li> <li>○ Training opportunities</li> </ul> </li> </ul>
<p><b>ONGOING OPERATIONS</b></p>	<ul style="list-style-type: none"> <li>• Redirect/review/reduce funding support to other organization – focusing on those that align with the EDA’s core economic development focus and mission</li> <li>• Continue enhanced marketing and networking initiatives               <ul style="list-style-type: none"> <li>○ Leverage marketing funds by pursuing joint marketing efforts</li> <li>○ Pursue targeted marketing campaign</li> <li>○ Actively participate in MMP, targeted industry visits, FAM Tour, FDI opportunities</li> </ul> </li> </ul>

Based on the proposed work/action plan – the following budget is proposed for discussion:



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### Program Budget (Special Revenue Sources)

EDA PROGRAM BUDGET - REVENUE			
	Description	Amount	
	Fund Balance	\$ 350,000.00	estimate
	2018 Franchise Fees	\$ 141,000.00	
	MIF One-Time Exception	\$ 638,165.00	
		<b>\$ 1,129,165.00</b>	<b>TOTAL AVAILABLE FOR PROGRAMMING</b>
EDA PROGRAM BUDGET - EXPENSES			
	Description	Amount	
	Gateway Programs	\$ 500,000.00	Hwy 60 - \$200,000 Lyndale - \$100,000 Downtown - \$200,000
	Available Land	\$ 200,000.00	Land options (land assembly) - \$50,000 Infrastructure enhancements/airport - \$50,000 Shovel-ready/clear hurdles/spur development - \$100,000
	Other	\$ 429,165.00	For Discussion
		<b>\$ 1,129,165.00</b>	<b>TOTAL PROPOSED EDA PROGRAM</b>

#### Discussion

The EDA is being asked to discuss the proposed work/action plan and EDA priorities, the current status of the various initiatives that the EDA has previously identified, *and the development of a plan for the special EDA program budget.*

Based on the EDA's comments and direction - Staff will work with a Budget Subcommittee (Gary Kindseth and Matt Drevlow) to prepare a more detailed proposed 2019 budget for review and further discussion at the October EDA meeting. Staff will also start to fine-tune program budgets based on EDA input (for example – what would a “Hwy 60 Gateway” program look like).

#### Attachments:

None