



## Discussion Items

**TO:** Faribault EDA  
**FROM:** Deanna Kuennen, Director  
**MEETING DATE:** January 17, 2019  
**SUBJECT:** Updates/Project Reports

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### UPDATES:

#### Prospects/Business Updates

- SteinAir, Inc.
  - Construction is nearing completion, and it is anticipated that the move into the new facility will take place in late February.
  - The EDA approved spending up to \$100,000 to remove existing yellow building and complete site preparation. Known costs to date include:
    - The demolition contract for the yellow building was awarded – for \$31,250.00.
    - At the July 2018 EDA meeting – the EDA agreed to fund (as part of the site preparation costs) the cost to install 3-Phase electrical services to the airport at an approximate cost of \$19,200.
    - Remaining site preparation costs are still unknown at this time.



*Interior photo of the hangar space.*



*Interior photo of workshop – nearing completion*

- Daikin Applied
  - The construction of the Daikin project continues.
  - The infrastructure is on-track to be delivered on time, and the company continues to work through their Planning & Zoning and Building Permit applications.
- Quality Equipment
  - Staff continues to work with Quality Equipment on site location and planning and zoning actions associated with the project. They are seeking 10 acres, with interstate visibility, for

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the construction of a 20,000 SF facility that will house a Kubota dealership, industrial equipment repair/service operations, and aerial rentals.

- Project estimates a \$4 million investment and the creation of 8 FTE jobs (with benefits)
- Absolute Air
  - Absolute Air has identified a site in Faribault for the construction of an air separator plant. (The site is zoned appropriately and the use is permitted.)
  - Project includes a \$32m investment, creation of 5-20 jobs within 3 years
  - Proposed project timeline includes obtaining City approvals in Spring 2019, with operations starting in late 2020

### Other Projects/Initiatives:

The following is a summary of some other initiatives and projects underway that may be of interest to the EDA

- **Proposed Micro Grant Program – *FOR DISCUSSION/CONSIDERATION***

Staff has drafted preliminary micro grant program guidelines/program outline for EDA consideration and discussion (attached).

- This idea came from the Main Street ER Committee – as a potential replacement/substitute to the Downtown Business Challenge.
- The proposed Micro Grant Program would directly benefit tenants/businesses in the downtown.
- The proposed micro grant awards could/would be coupled with counseling services offered through the Rice County Small Business Center / Faribault Chamber / Faribault Main Street
- Staff modeled the draft program guidelines after the long-standing micro grant program in Northfield.
- The proposed program could be funded through the EDA Revolving Loan – earmarking a specific dollar amount specifically for this program.
- The proposed program could be administered by the Main Street – with oversight/approval authority by the EDA.

- **Counsel General Naoki Ito Visit – February 28, 2019**

Staff has been working with the MN Trade Office to coordinate a visit by the Consulate-General of Japan. The visit has been confirmed for February 28, 2019.

- Counsel General Ito has requested to visit Japanese investments happening outside of the metro area, throughout his 10-state area of jurisdiction.
- The MN Trade Office has identified Faribault as the host community.
- Staff is working with the MN Trade Office and Daikin to coordinate all details associated with the visit and the specific requests/expectations of Counsel General Ito.

- **Opportunity Zones**

Staff is working to coordinate an Opportunity Zone informational session, for the Faribault lending/investment community.

- Proposed date: February 21, 2019 – mid morning
- Presenter: James Duffy, Shareholder – Briggs and Morgan
- Audience: Faribault (and surrounding area) lending institutions and investment community

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- **AUAR**

- The EDA dedicated \$50,000 to the development of an Alternative Urban Areawide Review (AUAR)
- Staff met with consultant to understand scope of project. Rice County and Met-Con were invited to participate (*both Rice County and Met-Con have been asked to be financial participants in the project*).
  - Staff is defining the scope/area to be included in the AUAR
  - Staff will be preparing an RFP seeking professional services for the completion of the AUAR
  - A project timeline/scope will be shared with the EDA upon completion

### **Ongoing Projects –**

2019 – Here is a list of projects Staff will be and/or continues to work on:

- BRE Program – develop and implement in 2019
- Revised economic development webpages
- Marketing/branding materials – including Community Profile, etc.
- Outreach to Rice County / Owatonna / Austin – regionalism discussions
- I-35 corridor – including AUAR and County Road 9 discussions
- Available land inventory / annexation / acquisition
- Redevelopment of the Old Public Works site
- Workforce / market rate multi-family housing development

### **ATTACHMENT:**

- Proposed Micro Grant – Program Outline

# Downtown Micro-Grant Program

## Overview

The Downtown Micro-Grant Program is intended to help fund entrepreneurial and small businesses in the Central Business District in Faribault. The program is designed to help target funding opportunities for non-traditional requests and aid businesses in the build out and on-going business costs related to marketing and technical management. Businesses are encouraged to also take advantage of counseling services available for assistance with business plan development and ideas for funding that will maximize the outcome of the micro-grant. By assisting with these funding requests, the funding partners are hopeful this will continue to spur economic growth and business ventures in the Historic Downtown. Funds are made available from the Faribault Economic Development Authority and administered through the Faribault Main Street.

## Grant Criteria

- Location within the Central Business District of Faribault
- A completed business plan
- Demonstrate the need for grant funding
- Estimates for products and services
- Business must submit the following required documents:
  - Completed Application
  - Current Business Plan
  - Financial Projections for 12+ months
  - Profit and Loss Balance sheet for previous 12 months

Resources available for business plan assistance include:

- Small Business Development Center
- Faribault Area Chamber of Commerce
- SCORE / US Small Business Administration (SBA)

## Grant Amounts

\$5,000 per business (maximum 1 award per business)

## Grant Priorities

- Job creation
- Currently operating in Faribault and wanting to expand
- Filling a vacant storefront in the Central Business District
- Owned by minorities, women and veterans
- Internship opportunities to students in Faribault

## Ineligible Business

- Nonprofits
- Gambling Organizations

- Lending or Investment
- Land and property held primarily for sale or investment
- Business operating for 10 or more years

## Ineligible Projects

- Management Fees
- Financing or Legal Costs and Fees
- Franchise Fees
- Debt Consolidation
- Moving Costs

## Review Process

The Faribault Main Street will administer the Downtown Micro-Grant Program. Recommendation to the Faribault EDA for final approval.

Criteria for approval:

- Does this project benefit the Downtown Central Business District and meet the priorities and strategic initiatives of the Faribault Economic Development Authority and Faribault Main Street?
- How will this project contribute to the business, what are the anticipated outcomes, and what is the overall need for the grant funding?
- Is this project feasible given the timeline and budget for implementation?

## Grant Agreement

Grant Agreement with the Faribault Main Street and/or EDA (?)

## Reporting

- Photos of the project
- A written report of how the funds were utilized and the impact of the funds

## To Apply

- Completed Application
- Current Business Plan
- Financial Projections for 12+ months
- Profit and loss balance sheet for previous 12 months
- Written estimates for products and services included in the grant application

## Contact

**Faribault Main Street**  
Nort Johnson

**Economic Development Authority**  
Deanna Kuennen/Samantha Markman