



Faribault Economic Development Authority  
**MEETING MINUTES**

Thursday | February 21, 2019 | Regular Meeting

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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> Avenue NW, Faribault, Minnesota.

**Members Present:** Rod Gramse, Gary Kindseth, Matt Drevlow, Kevin Voracek, Janna Viscomi, and Dave Albers

**Members Absent:** Matt Carlander

**Staff Present:** Community and Economic Development Director Deanna Kuennen, Economic Development Coordinator Samantha Markman, and Administrative Assistant I Kari Casper

**Others Present:** Nort Johnson and Royal Ross

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**1. Call to Order / Roll Call / Agenda Approval**

**Discussion:** Request from Rod Gramse to add Faribault Main Street discussion

**Action:** Motion was made by Gary Kindseth and seconded by Kevin Voracek. Motion carried (5/0).

**2. Approval of Minutes**

**A. Minutes of January 17, 2019 EDA Meeting**

**Action:** Motion was made by Gary Kindseth and seconded by Kevin Voracek to approve the minutes of the January 17, 2019 meeting as presented. Motion carried (5/0).

**3. Routine Business**

**A. Monthly Loan Status Report**

**Discussion:** Director Kuennen presented the reports for review.

**B. Permit Activity Update Report**

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

**C. Monthly Budget 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.

**Action:** Motion was made by Dave Albers and seconded by Janna Viscomi to approve Routine Business as presented. Motion carried (5/0).

#### 4. Public Hearings

##### A. None

(Commissioner Drevlow arrived at 7:04 a.m.)

#### 5. Items for Discussion

##### A. Election of Officers

**Discussion:** The following nominations of officers were made for the specified 2019 term.

Rod Gramse – President  
 Gary Kindseth – Vice President  
 Dave Albers – Secretary/Treasurer

**Action:** Motion was made by Kevin Voracek and seconded by Rod Gramse to accept the nominations of officers for the specified 2019 term. Motion carried (6/0).

##### B. Annual Review of EDA Enabling Resolution

**Discussion:** Director Kuennen stated that there were no issues or concerns with the resolution by Staff or Legal.

**Action:** Motion was made by Gary Kindseth and seconded by Dave Albers to adopt the EDA Enabling Resolution as presented. Motion carried (6/0).

##### C. F-Town Loan Update

**Discussion:** Director Kuennen requested that the City's Attorney, Scott Riggs, be telephoned to join the discussion. Director Kuennen gave the background of the status of the current loan stating F-Town had the opportunity to satisfy that loan by the end of January 2019, at a rate of \$0.38/\$1.00. The loan was not satisfied by the identified timeline and subsequent to that, Rice County unilaterally served a lawsuit against F-Town. The EDA discussed the fact Rice County did this without the other affected parties' consent. The EDA realizes their position and have decided to see how things progress through the current course and revisit. It was also discussed that before the EDA considers another deal that staff work with Legal to come up with some type of association agreement or terms of engagement letter. Also, the EDA should identify who would be taking the lead on projects and identify what particular parties the EDA will be partnering with in the agreement, when working laterally with economic development partners.

**Action:** Confer with Legal regarding the F-own Loan and bring back a drafted association agreement in the future.

#### D. Micro Grant Program – Proposed Program Review & Discussion

**Discussion:** The Downtown Micro Grant program is in cooperation with the Faribault Main Street which would allocate \$25,000 from the EDA's 2019 approved program budget and offer an additional \$5,000 for an administrative fee to the Faribault Main Street. Chamber President, Nort Johnson, addressed the EDA and gave feedback on the program to which he reported he has heard nothing but positive feedback from both existing and potential new businesses. Additionally, this program has been proved effective in other communities (i.e., Northfield).

**Action:** Motion was made by Kevin Voracek to approve Resolution 2019-02 establishing the Downtown Micro Grant Program and seconded by Janna Viscomi. Motion carried (6/0).

#### E. Downtown Exterior Rehabilitation and Exterior Improvement Program – Program Guideline & Application Review

**Discussion:** Coordinator Markman reiterated the changes discussed at the January 2019 meeting and reviewed the application as presented. Faribault Main Street Board Member Royal Ross addressed the EDA regarding the Downtown Exterior Rehabilitation and Exterior Improvement Program regarding a timeline to fill vacant storefronts. The EDA stood firm on the original intent which is to improve exterior façades and make the improvements for health and safety. The EDA collectively made the decision to leave the program as presented with the proposed changes.

**Action:** Motion was made by Gary Kindseth to approve Resolution 2019-01 and seconded by Kevin Voracek. Motion carried (6/0).

#### F. EDA Revolving Loan – Proposed Modifications to Existing Programs Discussion

**Discussion:** EDA presented proposed modifications with a 3% fixed interest rate. After discussion of the proposed modification as presented the EDA decided, the rate was too low and should balance with current lending institutions at a rate of prime +1 or 2%. This is a gap financing and would also include, not just main street but include the corridors. EDA requested the modification of the interest rate and agreed to bring this back to the EDA with changes.

**Action:** Bring back to the board with modifications.

#### 6. Updates/Project Reports

- Twin Cities Business interviewed Director Kuennen to have Faribault be a featured community in their publication. TCB will be reaching out to local area businesses for advertising. Kuennen will keep EDA posted on timing of issue.
- Great River Development has approached the City to do a joint video project on a drone or Virtual Reality. Will take three months to produce.
- Kuennen stated that Old Public Works Site project is on track, however, the MPCA is requesting vapor monitoring which are additional steps needed for the brownfield development site.

- Multi-family housing project still on track for the Evergreen Knoll site and have schedule two public meeting which had to be canceled due to adverse weather conditions. This project is properly zoned.
- Commissioner Gramse inquired about the old K-Mart site and Director Kuennen stated that they requested the necessary extensions and will be requesting tax credits for financing.
- Opportunity Zone Seminar at South Center College for Business Owners and Community Leader.
- Japanese General Counsel will be in town to observe economic development investments, discuss sustainability and tour the Daikin and Sage factories.

**7. Adjourn**

**Action:** Motion was made by Kevin Voracek and seconded by Dave Albers to adjourn the meeting at 8:29 a.m. Motion carried (6/0).

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Rod Gramse, President

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Dave Albers, Secretary/Treasurer

Respectfully Submitted,

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Kari Casper, Administrative Assistant I