



Discussion Items

TO: Faribault EDA
FROM: Deanna Kuennen, Director
MEETING DATE: March 21, 2019
SUBJECT: Updates/Project Reports

UPDATES:

Prospects/Business Updates

- Quality Equipment
 - Staff continues to work with Quality Equipment on site location and planning and zoning actions associated with the project. They have identified a 10 acre site – and are working with the property owner to split and plat the parcel. The company requires interstate visibility, and the \$4 million project consists of the construction of a 20,000 SF facility that will house a Kubota dealership, industrial equipment repair/service operations, and aerial rentals. The project will also create 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
 - The Planning & Zoning applications were recently received, and the proposed project timeline includes obtaining City approvals in Spring 2019, with operations starting in late 2020

- SAGE
 - SAGE received approval from their parent company to move forward with an aggressive growth plan. The project is approximately \$10 million, and includes the addition of 16 FTE jobs over two (2) years. Staff is working with SAGE and DEED to identify possible incentive programs to assist with the project (MIF/JCF).

- Project Flower
 - Staff prepared and submitted a RFI response for this business prospect. The project consists of:
 - International company seeking to build a food manufacturing facility.
 - \$27 million investment – to include the purchase of land and construction of a 70,000-100,000 SF facility
 - Creation of 60 jobs
 - Located within one hour of MSP

- Project Film

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- Staff prepared and submitted a RFI response for this business prospect. The project consists of:
 - Small manufacturer of specialty plastic products – primarily films and composite processing materials for renewable energy
 - Final decision of site anticipated in April/May 2019
 - \$3 million investment – to include 15,000-20,000 SF facility, located on a 2+ acre site
 - Requires highway access for delivery of raw materials, and within one hour of MSP
 - Estimated startup employment of 5, growing to 15 in year 4

Other Projects/Initiatives:

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

- **Opportunity Zones**

The Opportunity Zone Training Session took place on February 21, 2019. Approximately 20 investors/developers/lenders attended. Staff will provide the slide deck presented by James Duffy, of Briggs and Morgan.

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

Attached is the agenda from Consul General Ito's visit. Feedback has been extremely positive from the Consul General and from representatives from the Japan External Trade Organization (JETRO).

- **Venture SE MN Diversification Loan Fund**

See attached fact sheet. This proposed program has been introduced during this legislative session.

Marketing:

- **Twin Cities Business Magazine**

The City of Faribault will be the featured community in the June publication of Twin Cities Business (TCB) magazine.

Each year, TCB selects three to four cities or regions around the state to showcase in a special profile section. The process begins with us having a conversation with leaders and stakeholders to identify possible regions that have a story of interest to our 75,000 statewide readers.

In these sections, we showcase the companies, people, places, and opportunities that make the city/region a great place to build and expand a business, as well as work and live. It will promote a positive image of the area and increase awareness by focusing on the area's economic development, key industries and commerce, workforce and academic strengths, and quality of life.

Below are links to past regional profile sections.

Duluth: [Twin Cities Business - January 2018](#)

Bemidji: [Twin Cities Business - February 2017](#)

St. Cloud: [Twin Cities Business - January 2019](#)

Currently the TCB editorial team is developing the content and has started writing articles. TCB is also contacting local businesses, industries, institutions, and partners seeking their support for this feature

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through the sale of advertising space. They are also seeking a feature “sponsor” to host the reveal party in May. Please see that attached endorsement letter from Mayor Voracek and the advertising/promotional materials.

- **GRE/City of Faribault Video**

GRE has reached out to Faribault regarding a joint video project that would highlight the recent projects and development opportunities in the community. The video would be revealed at SelectUSA in June. Additional details will follow.

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

Grassroots Caravan to Faribault • February 28, 2019

South Central College • 1225 3rd Street SW Faribault, MN

- 9:00 a.m. Welcome**
City of Faribault Mayor
Daikin Applied Presentation
- 10:00 a.m. Factory Tour of Daikin Applied**
Daikin Applied
300 24th Street NW Faribault, MN
- 11:30 a.m. Lunch**
10,000 Drops
28 4th Street NE Faribault, MN
- 1:00 p.m. Presentations + Roundtable Discussion**
Consul General Presentation, Consul General Ito
JETRO Presentation, Ralph Inforzato
City of Faribault Presentation, Dave Wanberg
Sustainability Roundtable Discussion
- 3:15 p.m. Factory Tour of SageGlass**
SageGlass
2 Sage Way Faribault, MN
- 4:45 p.m. Farewell**
Transportation Available to South Central College
1225 3rd Street SW Faribault, MN

Venture SE MN Diversification Loan Fund

OVERVIEW

- This fund is a result of the economic development initiatives identified in the state funded 2018 SE MN Regional Economic Study
- \$25M evergreen revolving loan fund
- Eleven counties are eligible: Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona
- Excludes the City of Rochester

ELIGIBILITY

- Agriculture
- Manufacturing
- Technology
- Health Care
- Childcare
- Residential Development
- Political Subdivisions may borrow for:
 - Redevelopment Projects
 - Main Street Commercial Improvements
 - Local Business and Transportation Infrastructure

LOAN PROCEEDS CAN BE USED FOR

- Equipment
- Facility improvements
- Employee housing
- Daycare construction or improvements

LOAN TERMS

- Maximum 10 years
- Competitive interest rate not more than 1% above the published prime rate
- Lesser of 25% of the total project or \$500,000 per project, in partnership with the borrower's participating financial institution.

ADMINISTRATION & REVIEW

- Administered by Journey to Growth
- Experienced loan approval committee will be established
- Annual reporting to DEED Commissioner and economic development legislative committees

APPROPRIATION

- One-time appropriation of \$25M from the State's general fund

RETURN ON INVESTMENT PROJECTIONS

- \$25 million state funding results in \$200 million investment by SE MN businesses
- Results in \$8 of capital investment for every \$1 of state money provided



Dear Business Leaders and Community Partners,

There are many exciting things happening in Faribault these days! From an overall community perspective, we are completing Journey to 2040 – a strategic planning initiative that includes a Downtown Master Plan, Parks, Trails, and Open Space Plan, and a Comprehensive Plan Update. Together these three plans will guide decision making as we strive to be the best that Faribault can be. We have also experienced phenomenal economic development success. With millions of dollars invested and hundreds of jobs planned and created in the last few years – Faribault is outgrowing and outshining many other similarly sized communities, and establishing itself as a global economy. What is our secret? It is our people, our businesses, our partners, our location, our hard work, and our vision.

Others are seeing what Faribault is doing, hearing about our success – and wanting to learn more. This “Faribault buzz” has led to an amazing opportunity to be featured in *Twin Cities Business* magazine. *Twin Cities Business* magazine has selected Faribault to profile in their June 2019 publication, allowing us to bring our story to a broader audience.

If you are not familiar, *Twin Cities Business* is considered one of a few statewide media publications read by a vast audience of business leaders. The statewide readership is more than 75,000 in 90% of all companies in Minnesota with 50 employees or more.

Our Staff is now working with the *Twin Cities Business* editorial team to help develop content for this special Faribault feature. They may be contacting your business to offer you an opportunity to be a sponsor or to advertise within the special feature, or potentially to schedule an interview. If you want to reach a statewide audience, while helping to enhance Faribault’s profile, we encourage you to consider including this advertising opportunity in your overall marketing efforts. For more information on this opportunity, contact Shelly Elmore at selmore@tcbmag.com or 612.336.9212.

Thank you for taking time to give *Twin Cities Business* your consideration and for your role in our community’s narrative, success, and future. If you have questions regarding this project, please reach out to Deanna Kuennen, the City’s Community and Economic Development Director at 507.333.0376 or via email at dkuennen@ci.faribault.mn.us

Let’s work together to share our success stories with the rest of this state and nation – and provide a glimpse into why Faribault!

On behalf of the City Council for the City of Faribault,

Kevin F. Voracek, Mayor

Special City/Regional Profile

City of Faribault

by Twin Cities Business in June 2019 issue

Twin Cities Business shines a light on the economic vitality of **Faribault** in a special section in the June issue by showcasing the companies, people, places, and opportunities that make it a great place to work, live, visit and do business.

In cooperation with the City of Faribault and other local community organizations, TCB will develop a profile promoting the benefits of locating, building, expanding and doing business with companies in Faribault.

Endorsed by:



We have seen the power and benefits derived when communities and businesses work together to promote a region through *Twin Cities Business* and know the same will be true of this campaign.

TCB and the community partners encourage you to support your city by advertising in this section read monthly by more than 75,000 business leaders statewide.

Advertising Rates

<u>Ad Sizes</u>	<u>Dimensions</u>	<u>Regular Rate</u>	<u>Discount Rate</u>
Full-page, 4-color	9" wide x 10-3/4" high*	\$7,940	\$5,000
1/2-page, 4-color	9" wide x 4-7/8" high	\$5,120	\$3,500
1/4-page, 4-color	4-9/16" wide x 5-1/4" high	\$4,490	\$2,500

* Bleed Specifications: Full Page: Trim: 10" x 12". Live matter should be kept 5/16" in from the trim.

Section + Event Sponsorship

- Logo on front cover of the section
- Full-page, four-color, premium position in the section
- Opportunity to host issue release party for community
- Complimentary ad design/production

Investment: \$7,500

Participation Deadlines

Space Reservation Deadline: Friday, April 19
Ad Material Deadline: Wednesday, April 24



***Twin Cities Business* is Minnesota's leading business publication with more than 75,000 readers statewide in 90% of all Minnesota companies with 50 or more employees.**

Reserve your participation today, contact:

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TWIN CITIES BUSINESS