



Faribault Economic Development Authority
MEETING MINUTES

Thursday | April 18, 2019 | Regular Meeting

The Faribault Economic Development Authority met in the 1st Floor Public Meeting Room at City Hall, 208 1st Avenue NW, Faribault, Minnesota.

Members Present: Rod Gramse, Matt Drevlow, Kevin Voracek, Janna Viscomi, Matt Carlander and Gary Kindseth

Members Absent: Dave Albers

Staff Present: Community and Economic Development Director Deanna Kuennen, Economic Development Coordinator Samantha Markman, City Administrator, Tim Murray and Administrative Assistant I Kari Casper

Others Present: Ari Kolas, Hamilton Real Estate

1. Call to Order / Roll Call / Agenda Approval

Action: Chair Gramse called the meeting to order at 7:00 a.m.

2. Approval of Minutes

A. Minutes of March 21, 2019 EDA Meeting

Action: Motion was made by Viscomi and seconded by Drevlow to approve the minutes of the March 21, 2019 meeting as presented. Motion carried (6/0).

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. Voracek asked who created the report and Kuennen stated that it was generated by an outside office and was attached for information purposes only.

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 Voracek and seconded by Viscomi to approve Routine Business as presented. Motion carried (6/0).

4. Public Hearings

A. None

5. Items for Discussion

A. Consider Modifications to the Development Program for Development District 1 and the Proposed Establishment of Tax Increment Financing District No. 13.

Discussion: Kuennen presented the need to modify development district I to establish a TIF plan for District 13 and see that the needs are met for qualification. The Hamilton project was presented for discussion. Kindseth questioned TIF districts and expressed that there could be tax increases if TIF’s were applied for too frequently. Kuennen pointed out that our community is not heavy with these types of requests and over time will be beneficial to both the City and the developer. With the Hamilton project, it is a redevelopment project is a 25-year district. The gap payable in increments over 10 year amounts to approximately \$272,000. The need for affordable housing is great with a less than 1% occupancy rate. Kindseth inquired if Council had debated this yet and Kuennen responded that they have.

Voracek asked if the property at 29 1st was considered for purchase. Kuennen stated that she wasn’t sure that the property would meet the requirements for the blythe for redevelopment and could slow down this process a minimum of 45 days. Hamilton is proposing to start on 7/1/19. The owner at 29 1st is a willing seller and it was mentioned to see if it could be brought up at the next council meeting – this property is not in TIF dist.

Action: Motion was made by Drevlow and seconded by Voracek to approve items 5A including Resolution 2019-05 as presented. Motion carried (6/0).

B. Transfer PID 18.31.1.26.517 from EDA to the City of Faribault

Discussion: Voracek asked who was paying for the replatting and Kuennen stated that the developer would be paying for the costs associated with the platting.

Action: Motion was made by Kindseth and seconded by Voracek to approve item 5B as presented. Motion carried (6/0).

C. Downtown Exterior Rehabilitation & Exterior Improvement Program Extension and Change Order Request from 601 Central Avenue – Townsquare Media Faribault LLC.

Discussion: Markman presented with their request for an extension due to a turnover in personnel they were unable to complete the project within the one year time frame and requested a 6-month extension bringing it to November 17, 2019. In addition to the extension request, Townsquare Media Faribault LLC has also requested a change order to the approved project scope. Instead of the approved tuck-pointing scope of work, the applicant would like to restore the outside of the building using a process that will preserve the bricks. Removing the paint and preserving the original brick work to the original appearance. This building is located outside the Historic Preservation District. Staff is directing the request for change in scope of the project back to the EDA for consideration.

Action: Motion was made by Kevin Voracek and seconded by Janna Viscomi to approve item 5C as presented. Motion carried (6/0).

D. Downtown Exterior Rehabilitation & Exterior Improvement Program Applications

a. Funding Request for 203 1st Street NW – Steve and Julie Underdahl

Discussion: Markman stated that the applicant will be removing existing metal and wood panels. The necessary paperwork has been submitted and a result for approval of Resolution 2019-05. This building is located within the Historic Preservation District and will require approval from the Heritage Preservation Commission.

Action: Motion was made by Voracek and seconded by Drevlow to accept the application at 203 1st Street, NW and approve Resolution 2019-06 as written. Motion carried (6/0).

b. Funding Request for 112 Central Avenue – T Nelson Properties LLC

Discussion: Staff received an application for a funding request at 112 Central Avenue. Markman stated that she was made aware that the applicant had started the project prior to the approval of funds which can directly affect the outcome of the award, per program guidelines. Viscomi commented that she related to trying to get the work done on the contractor's schedule but Drevlow stated that it deviates from the guidelines and we need to draw the line.

Action: A motion was made by Viscomi and seconded by Carlander to accept the application at 112 Central Avenue and approve Resolution 2019-07 as written. The motion carried at (3/3) with Viscomi, Carlander and Kindseth voting "Yay" and Gramse, Voracek and Drevlow voting "Nay". With a tie, the board brought the matter back for further discussion.

Further Discussion: Drevlow made the suggestion that a penalty of \$1,500 be assessed.

Action: A motion was made again by Carlander and seconded by Drevlow with the modification of a decrease in available funds to \$13,500 assessing a \$1,500 penalty. Motion carried (6/0) .

E. Consenting to the Process for the Creation of a Housing Tax Increment Financing District in Support of the Proposed Joseph Development LLC Multiple Family Housing Project.

Discussion: Kuennen has been working with Joseph Development LLC/MWF Properties who is interested in constructing a 76-unit multi-family housing development on the former Evergreen Knoll Supper Club site located at 405 Western Avenue. Kuennen is asking the EDA for approval of Resolution 2019-08 Consenting to the Process for the Creation of a Housing Tax Increment Financing District in Support of the Proposed Joseph Development, LLC Multiple Family Housing Project.

Action: Motion was made by Voracek and seconded by Drevlow to approve item Resolution 2019-08 as presented. Motion carried (6/0).

6. Updates/Project Reports

Kuennen spoke about the award that the City of Faribault received at the Minnesota Real Estate Journal dinner of Municipality of the Year. Daikin was also awarded with the Greater Minnesota Project of the Year. Kuennen stated that involvement with the Minnesota Real Estate Journal has had trickle down effects and as a direct result of the Micro Summit we invested in, it has also brought to us investors and other potential opportunities for the community.

Kuennen also stated that the deadline for submitting advertisements to TCBM is April 19, 2019.

7. Adjourn

Action: Motion was made by Voracek and seconded by Viscomi to adjourn the meeting at 8:17 a.m. Motion carried (6/0).

Rod Gramse, President

Dave Albers, Secretary/Treasurer

Respectfully Submitted,

Kari Casper, Administrative Assistant I