

**Faribault Economic Development Authority**  
**Meeting Minutes**  
Thursday, May 17, 2018

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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> Ave NW, Faribault, MN.

**Members Present:** Dave Albers, Kay Duchene, Matt Drevlow, Gary Kindseth, Rodney Gramse, and Steve Underdahl

**Members Absent:** Matt Carlander

**Staff Present:** Community and Economic Development Director Deanna Kuennen, City Administrator Tim Murray, Economic Development Coordinator Samantha Markman, and Administrative Assistant II Sandi Tidemann

**Others Present:** Wanda Holmgren, artist

**1. Call to Order**

Chair Underdahl called the meeting to order at 7:00 a.m. in the 1<sup>st</sup> Floor Public Meeting Room at City Hall.

**2. Approval of Minutes**

**A. Minutes of April 19, 2018 Meeting**

Action: Motion was made by Albers and seconded by Kindseth to approve the minutes of the April 19, 2018, meeting as presented. Motion carried (6/0).

**3. Routine Business**

**A. Monthly Loan Status Report**

Discussion: The reports were presented for review. No new information.

**B. Permit Activity Update Report**

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

**C. Monthly Budget Status 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 Duchene and seconded by Albers to approve Routine Business as presented. Motion carried (6/0).

Kuennen talked about the State making a one-time-exception for using the dollars in fund 249. This fund has had no recent activity due to existing guidelines. City Council can decide what they want to use these dollars for, but Kuennen hopes City Council will respect that the dollars were for economic development and keep them there.

Also discussed was the rehab program (Fund 245). Out of the \$500,000 only approximately \$50,000 remains. Kuennen asked if the EDA has an appetite to add some of their dollars into the fund for more projects. If so, the money would come from their fund balance. Underdahl feels this needs further discussion. Underdahl and Duchene indicated Council has not discussed it but they both are in agreement to keeping the program with the EDA.

This year the Chamber's program will be focusing on membership-Markman has been invited to attend. Kuennen asked for a deliberate program-one per month.

The EDA discussed time between follow-up visits for new and old businesses, tracking growth and trends, and learning what the gaps are for a successful retention. Underdahl noted this could be meshed with the Comprehensive plan and asked for a definite plan.

Action: Staff was directed to bring a definite plan to a future meeting.

**B. EDA Loan Program Update**

Discussion: The EDA discussed updating their loan policy at previous meetings since no applications have been received for some time. Staff learned that the interest rate was higher than other funding sources, making it unattractive. Staff reached out to the existing loan committee asking them to review the current revolving loan terms and give feedback/input on how the loan policy could be revised to make the revolving loan more appealing to businesses that need help.

Action: Staff will provide an update on possible modifications based on the feedback from the loan committee for review and consideration at an upcoming EDA meeting.

**D. Downtown Commercial Rehabilitation & Exterior Building Improvement Requests.**

Discussion: 601 Central Avenue – Townsquare Media Faribault, LLC-Tuckpointing  
Applicant submitted all required forms, has met all eligibility requirements, and has been determined by Staff to be eligible for the assistance.

Action: A motion was made by Gramse and seconded by Duchene to approve Res. 2018-009 as presented. Motion carried (6/0).

**6. Updates/Project Reports**

Discussion: Director Kuennen reported on Stein Air. They have fast-tracked their time line since the FAA process is done. The job creation fund will go to City Council's next meeting for support and then submitted. The City requested a long-term lease and an eight-year tax abatement was requested. The EDA has been asked for \$100,000 to aid in the costs associated with site prep and demolition of the current outdated yellow building previously slated for redevelopment. Farmington has given SteinAir a letter of support and the City is working on a preliminary Development Agreement. Permission to demo the yellow building was approved by City Council. Cross County Soaring has a month-to-month lease with the City with a 30-day notice to vacate.

The Old Boston's building has sold to the Crooked Pint and should be opening in August. The EDA loan will be satisfied and loan costs will be recouped. There also might be a public-private partnership component added to the project scope, much like the Crooked Pint's Chaska location.

Minnesota Real Estate Micro Summit is September 21, 2018. There is still organizing to be done for the tours and reception, and Staff encouraged EDA members to volunteer if possible.

Action: None

Most of the rehabilitation and improvement work has been done on the front facades but the rear of the buildings is just as important. Drevlow noted that the owners have opted for their fronts over the rear. He also noted Faribault needs to attract a new tax base. Gramse feels they should use the dollars for development and jobs. The City has done a lot of rehab already; he is open to discussion but wants strict guidelines. Consensus is to bring this back during the budget process for further discussion. Kuennen noted there is an opportunity here to mesh this into the bigger picture with the Comp Plan Kick-off.

Markman asked the EDA if they would consider restructuring the guidelines, creating flexibility to allow some of the requests that have come in that do not meet the current guidelines. The EDA is open to discussion.

Action: Motion was made by Duchene and seconded by Albers directing Staff to request City Council to leave the funds with the EDA. Motion carried (6/0).

**4. Public Hearings**

A. None

**5. Items for Discussion**

**A request was made to change the agenda order moving 5C. Installation of Public Art on EDA land to first item for discussion.**

**C. Request-Installation of Public Art on EDA Land**

Discussion: Kuennen presented the request. The Main Street received a grant for arts and culture, downtown revitalization, and historic preservation in the downtown area from the "Perceptions-Artist on Main Street" initiative. Over 30 artists attended the meeting in April to learn about the initiative and details on the project. Fifteen artists will receive up to \$1,000 to help with their creative placemaking project. The projects are to be completed by the fall of 2018.

Wanda Holmgren approached Staff seeking the EDA and Faribault Parks Board's permission to use EDA and City property. If permission is given, they will install 20 stainless steel mirrored panels on the green space/park parcel behind Heritage Bluff apartments. Each panel will have inspiring messages etched on it using several languages.

The EDA was favorable to the idea but made it clear they must retain rights of the property (opt-out clause) incase an opportunity to sell came up or the goal was not being achieved. They prefer wood posts to metal and want the signs permanent. They also hope this is not a target for vandalism.

Action: Motion was made by Gramse and seconded by Drevlow approving permission for the artists to use PID 1831176001. Motion carried (6/0).

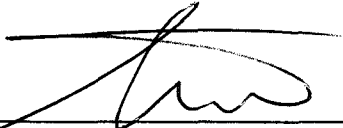
Kindseth wondered if it made sense to transfer the property to the City. It would make a more desirable sized lot for a land sale or public park. Consensus of the EDA is to move forward with the transfer of PID 1831176001 to the City of Faribault.

**A. BRE Program Update**

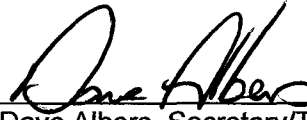
Discussion: Markman presented the report. She recognizes the importance of keeping and expanding the current businesses. By learning what different businesses need to help them succeed, the EDA can improve and expand the Business Retention and Expansion program. Markman will be implementing the BRE program for the City and will work closely with the Chamber of Commerce and Rice County so they can share information and find the best way to complement each other for success.

**Adjourn**

Motion was made by Albers and seconded by Drevlow to adjourn the meeting at 8:25 a.m.  
Motion carried (6/0).

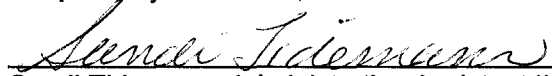


Underdahl, President



Dave Albers, Secretary/Treasurer

Respectfully Submitted,



Sandi Tidemann, Administrative Assistant II