



Faribault Economic Development Authority
MEETING MINUTES

Thursday | November 21, 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: Dave Albers, Rod Gramse, Kevin Voracek, Matt Drevlow and Janna Viscomi

Members Absent: Gary Kindseth, Matt Carlander

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: Ryan Ernster and Andrew Dziel

1. Call to Order / Roll Call / Agenda Approval

Action: Chair, Rod Gramse called the meeting to order at 7:01 a.m.

2. Approval of Minutes

A. Minutes of October 17, 2019 EDA Meeting

Action: Motion was made by Albers and seconded by Voracek to approve the minutes of the October 17, 2019 meeting as written. Motion carried (4/0).

3. Routine Business

A. Monthly Loan Status Report

Discussion: None.

B. Permit Activity Update Report

Discussion: None.

C. Monthly Budget Report

Discussion: Kuennen made comment that Staff will be submitting an AP for Stein Air's site prep cost share, and the share will be paid out in 2019.

Action: Motion was made by Voracek and seconded by Viscomi to approve Routine Business as presented. Motion carried (4/0).

4. Public Hearings

A. None

Drevlow arrived at 7:07 a.m.

5. Items for Discussion

A. Approval of the 2020 Budget and Final 2020 Levy Request

Discussion: Kuennen presented a potential association with a marketing company that reached out based on the EDA's response to a previous RFP, who is interested in assisting with business marketing and matchmaking for Faribault. Faribault would be their first Minnesota client. The package they proposed would be at a cost of \$10,000 and would be paid based on the amount of contacts/performance, and would primarily target potential industry developers. Gramse asked which fund this potential marketing cost would come from and Kuennen suggested increasing the 2020 marketing budget for this partnership, ultimately reducing the total amount of 2020 levy funds transferred to the Program Funds budget. Gramse requested a motion.

Action: Motion was made by Viscomi and seconded by Albers to approve an amended budget increasing the marketing expenses by \$10,000, which references Resolution 2019-030. Motion carried on a 5/0 vote.

Discussion: Chair Gramse then opened the discussion for resolution involving the 2020 Work Plan proposal. Kuennen made note that the above marketing activity would be noted in the work plan as well. Gramse then requested a motion.

Action: A motion was made by Voracek and seconded by Viscomi to approve Resolution 2019-029 Approving the 2020 EDA Work Plan. Motion carried on a (5/0) vote.

Discussion: Chair Gramse then opened up the discussion of the 2020 Tax Levy resolution and no further discussion took place and requested a motion.

Action: A motion was made by Albers and seconded by Voracek to approve Resolution 2019-031 Approving the Final Property Tax Levy for FY 2020. Motion carried on a (5/0) vote.

B. Review of Statutory Tort Limits Waiver

Discussion: Annually the EDA must take action on Statutory Tort Limit Waivers, either waiving or not waiving the limits. Kuennen stated that in all previous years the EDA did not waive the statutory limits as recommended by the League of MN Cities.

Action: A motion was then made by Albers and seconded by Voracek to approve not waiving the statutory limits. Motion carried on a (5/0) vote.

C. 306 Central Avenue – Funding Discussion`

Discussion: Markman presented the item including a brief summary of the status of the roof collapse at 306 Central that took place earlier this year. Markman then shared Ryan Ernster's proposal, who currently owns 310 Central Avenue located immediately adjacent to 306 Central. Ernster has negotiated the purchase of 306 Central Avenue, contingent on financing assistance, in order to grow his adjacent business. Ernster requested the EDA provide a forgivable loan in the amount of \$50,000 to offset the cost burden of making necessary repairs to the collapsed roof. Ernster explained that he does not have the capacity to take on the whole project, so is seeking financial assistance to fix the roof. He will then use his own capital to build out the space and transform it into an extension of 310 Event Center, including a storefront for lease at 306 Central Avenue.

In addition to the financial assistance request, Ernster also has an approved Downtown Commercial Rehabilitation and Exterior Improvement Program award for an elevator/chair lift at 310 Central Avenue, which would be modified to accommodate 306 Central Avenue. Staff recommended the requested forgivable loan be paid from the Downtown Commercial Rehabilitation and Exterior Improvement Program fund in the amount of \$50,000. After much discussion, the EDA felt those fund dollars needed to be used per the established guidelines – in which roof repairs at 306 Central Avenue would be eligible to receive up to \$15,000 from the Rehab Program. Ultimately, the EDA decided to modify Ernster's current Rehab Program funding – regarding the chair lift/elevator – to be for the roof at 306 and allow Ernster to come back in 2020 to have the chair lift considered, still under the 2019 guidelines. The board then discussed where the remaining \$35,000 could come from and Kuennen suggested there would be funding in the current budget under the Program Fund and have such conditions as forgivable after ten years. This would be written up as Resolution 2019-032. Gramse then requested a motion.

Action: A motion was made by Voracek and seconded by Viscomi to approve a Resolution proposed as 2019-32 to approve \$15,000 from the Downtown Commercial Rehab and Exterior Improvement Program for the roof repairs, an additional \$35,000 from the Program Fund for additional roof repairs, and allow a 2020 Request for the chair lift at 306 Central Avenue under the 2019 Downtown Exterior Rehab guidelines. Motion carried 5/0.

Updates/Project Reports

Kuennen mentioned that both Voracek and Murray attended a JETRO meeting that included a delegation from Japan touring the United States visiting Chicago, Detroit and Medtronics and Sage Glass in Minnesota. Kuennen also highlighted staffs attendance at the Governor's International Trade Awards Banquet wherein Daikin received an award. Other items discussed were updates on Farmer Seed, which is wrapping up contract requirements with ISG. The Masonic Building, which is being rehabbed by Todd Nelson and currently under review for funding from the HRA with the intent of coming to the EDA for additional funding under the Downtown Exterior Rehab program.

7. **Adjourn**

Action: Motion was made by Drevlow and seconded by Voracek to adjourn the meeting at 8:16 a.m. Motion carried (5/0).

Rod Gramse, President

Dave Albers, Secretary/Treasurer

Respectfully Submitted,

Kari Casper, Administrative Assistant I