



Request for Council Action

TO: Mayor and City Council

THROUGH: Tim Murray, City Administrator

FROM: Deanna Kuennen, Com and Econ Dev Director

MEETING DATE: February 25, 2020

SUBJECT: Resolution 2020-032 Authorizing the Transfer of the 2019 Balance Sheet and Balances and the 2020 Budget of Fund 245 to the Economic Development Authority of the City of Faribault, Minnesota

Background:

In October 2016 the City Council approved the establishment of the original Downtown Commercial Rehabilitation & Exterior Improvement Program. At that time the City Council dedicated \$300,000 of Fund 245, and tasked the Economic Development Authority (EDA) with administering the program whereas the EDA would make awards to eligible properties based on pre-determined City Council criteria. Based on the success of the program, and at the EDA's request, the Council approved an additional \$200,000 from Fund 245 in November 2017 (the remaining fund balance), and transferred the Downtown Commercial Rehabilitation & Exterior Improvement Program in its entirety, including, but not limited to, the administration, the development and application of program requirements, and the discretionary decision-making regarding the program and awards made pursuant to the program, to the EDA.

Since then, the EDA has modified the program guidelines, continued to make awards now totaling nearly \$700,000 and leveraging almost \$1.2M in investment in the downtown. The EDA has also transferred their own funds into Fund 245 since the only activity in this fund is and has been the Downtown Commercial Rehabilitation & Exterior Improvement Program. However, Fund 245 is still considered a City fund not an EDA fund. While the intent of the 2017 City Council action was to transfer everything to the EDA, the action did not change the governing body of the fund.

In consultation with the City's Finance Director, it has been recommended that to complete the transfer the EDA must make a formal request to the City Council to transfer "the 2019 Fund 245 Balance Sheet and Balances, and the 2020 Fund 245 Budget" to the EDA. If approved by the City Council, the cash and liabilities associated with the fund would become the legal responsibility of the EDA.

At the February 20, 2020 EDA meeting, the EDA passed Resolution 2020-01, formally requesting that the City Council officially transfer the 2019 Fund 245 Balance Sheet and Balances, and the 2020 Budget including the liability of the fund, to the EDA, which will legally change the governing body of Fund 245 (attached).

Recommendation:

Approval of Resolution 2020-032 Authorizing the Transfer of the 2019 Balance Sheet and Balances and the 2020 Budget of Fund 245 to the Economic Development Authority of the City of Faribault, Minnesota

Attachments:

- Resolution 2020-032
- EDA Resolution 2020-01

CITY OF FARIBAULT

RESOLUTION #2020-032

AUTHORIZING THE TRANSFER OF THE 2019 BALANCE SHEET AND BALANCES AND THE 2020 BUDGET OF FUND 245 TO THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF FARIBAULT, MINNESOTA

WHEREAS, the Economic Development Authority (EDA) of the City of Faribault (City) supports and encourages the growth and attraction of new and existing businesses; and

WHEREAS, in November 2017 the City Council transferred the Downtown Commercial Rehabilitation & Exterior Improvement Program in its entirety, including, but not limited to, the administration, the development and application of program requirements, and the discretionary decision-making regarding the program and awards made pursuant to the program, to the EDA; and

WHEREAS, the intent of the City Council action was to transfer the legal authority of the loan fund to the EDA, including cash and liabilities; and

WHEREAS, since November 2017 the EDA has administered all aspects of Fund 245 and has transferred their own dollars into the program.

NOW, THEREFORE BE IT RESOLVED, that the City Council authorizes the transfer of the 2019 balance sheet and balances, and the 2020 budget of Fund 245 to the Economic Development Authority of the City of Faribault, Minnesota.

Date Adopted: February 25, 2020

Faribault City Council

Kevin F. Voracek, Mayor

ATTEST:

Timothy C. Murray, City Administrator

ECONOMIC DEVELOPMENT AUTHORITY OF FARIBAULT

RESOLUTION 2020-01

REQUEST TO THE CITY COUNCIL TO TRANSFER THE FUND 245 2019 BALANCE SHEET AND BALANCES, AND THE 2020 BUDGET FROM THE CITY COUNCIL TO THE ECONOMIC DEVELOPMENT AUTHORITY FOR THE CITY OF FARIBAULT, MINNESOTA

WHEREAS, the Economic Development Authority (EDA) of the City of Faribault (City) supports and encourages the growth and attraction of new and existing businesses; and

WHEREAS, the EDA has the ability to provide loans to businesses who demonstrate need, meet the loan program guidelines and criteria, and further the City's economic development vision; and

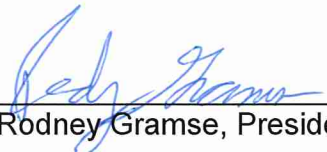
WHEREAS, in November 2017 the City Council *transferred the Downtown Commercial Rehabilitation & Exterior Improvement Program in its entirety, including, but not limited to, the administration, the development and application of program requirements, and the discretionary decision-making regarding the program and awards made pursuant to the program, to the EDA;* and

WHEREAS, the intent of the City Council action was to transfer the legal authority of the entire loan fund to the Economic Development Authority for the City of Faribault, including cash and liabilities; and

WHEREAS, since November 2017 the EDA has administered all aspects of Fund 245 and has transferred their own dollars into the Fund.

NOW, THEREFORE BE IT RESOLVED that the Economic Development Authority of Faribault requests that the City Council officially transfer the 2019 Fund 245 Balance Sheet and Balances, and the 2020 Budget – including the liabilities of the fund, to the EDA, which will legally change the governing body of Fund 245.

ADOPTED: February 20, 2020



Rodney Gramse, President

Attest



Dave Albers, Secretary/Treasurer