



Faribault Economic Development Authority  
**MEETING MINUTES**

Thursday | February 20, 2020 | Regular Meeting

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

**Members Present:** Dave Albers, Rod Gramse, Kevin Voracek, Matt Drevlow and Janna Viscomi

**Members Absent:** Gary Kindseth, Matthew 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:** None.

**1. Call to Order / Roll Call / Agenda Approval**

**Action:** Chair, Rod Gramse called the meeting to order at 7:07 a.m.

**2. Approval of Minutes**

**A. Minutes of December 19, 2019 EDA Meeting**

**Action:** Motion was made by Voracek and seconded by Viscomi to approve the minutes of the December 19, 2019 meeting as written. Motion carried (5/0).

**3. Routine Business**

**A. Monthly Loan Status Report**

Discussion: None.

**B. Permit Activity Update Report**

Discussion: Kuennen added that included in the packet was the 2019 Permit activity report as well as a report created by the City of Lonsdale to put permit activity in perspective for the surrounding areas, including Faribault.

**C. Monthly Budget Report**

Discussion: Kuennen added the 2020 Work Plan in the packet for future reference.

Action: Motion was made by Albers and seconded by Voracek to approve Routine Business as presented. Motion carried (5/0).

#### 4. Public Hearings

A. None

#### 5. Items for Discussion

##### A. Election of Officers

Discussion: Rod Gramse agreed to remain the EDA President and Mayor Voracek agreed to be Vice President. Albers agreed to remain in the position of Secretary/Treasurer for the EDA for another one year term as well. With regard to Gary Kindseth, President Gramse will contact him as to his availability to remain on the Board.

Action: Motion was made by Voracek and seconded by Viscomi to approve Gramse as President, Voracek as Vice President and Albers as Secretary Treasurer for the FY 2020. Motion carried (5/0).

##### B. Annual Review of EDA Enabling Resolution

Discussion: Kuennen conferred with Attorney Riggs to ensure that the EDA was consistent with the state statues regarding the current Enabling Resolution and found that no changes were necessary.

Action: Motion was made by Voracek and seconded by Viscomi to approve the EDA Enabling Resolution as presented. Motion carried (5/0).

##### C. Request to Transfer the Fund 245 2019 Balance Sheet and Balances, and the 2020 Budget from the City Council to the EDA

Discussion: None.

Action: Motion was made by Voracek and seconded by Viscomi to approve Resolution 2020-01 Requesting the City County to Transfer the Fund 245 2019 Balance Sheet and Balances, and the 20320 Budget From the City Council to the Economic Development Authority for the City of Faribault, Minnesota. Motion carried (5/0).

##### D. Discussion – Possible Land Transfer from the EDA to the City of Faribault – PIDs 1831176004, 1831176003, and 1831126503

Discussion: Kuennen stated that the parcels at issue were not developable and consistent with the Downtown Master Plan to remain that way.

Action: Staff was looking for direction on whether to proceed with the land transfer and the EDA advised staff to move forward.

##### E. Contract Agreement – Site Location Partnership

Discussion: Markman presented that the contract has been established in continuation of the December, 2019 meeting.

Action: Motion was made by Albers and seconded by Voracek to approve the proposed contract with Site Location Partnership (SLP) for services including the Comprehensive Standard Plan as presented. Motion carried (5/0).

**F. Subordination Request – 31 3rd Street NE; Rebound 31 Faribault, LLC**

Discussion: Markman presented stating that normally an agreement to subordinate in a third position could be done administratively with the exception in this case that the value of the request exceeded the 90%. With that being said, the value in this case is at a 113% request for additional funding to improve the 2<sup>nd</sup> and 3<sup>rd</sup> floors of the building. As a result, the staff would need approval from the EDA. Staff pointed out that the owners have been consistent with their payments and brought the initial repayable loan down from \$40,000 to the current approx. \$27,000. Viscomi was not comfortable with the request in that she felt that it should be absorbed in the refinancing of the 1<sup>st</sup> mortgage amount; Drevlow concurred with her interpretation. Gramse asked what would happen if the EDA did not agree to the subordination of this \$27,000. Drevlow felt that the project would move forward regardless since they have already began their improvements. Markman stated that the loan is targeted to be paid off by the year 2024 and they have been consistently paying on time. Staff agreed that if the subordination did pass, they would ask the owner if it were possible to include the \$27,000 in the 1<sup>st</sup> mortgage refinance.

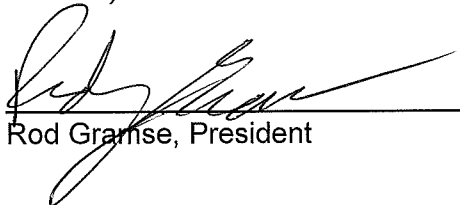
Action: Motion was made by Voracek and seconded by Albers to approve the subordination request of Rebound 31 as presented. Motion carried (3/2) with Drevlow and Viscomi at the Nay votes.

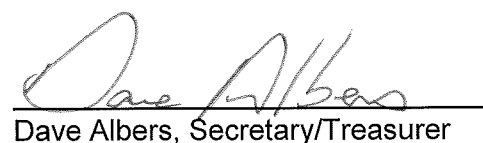
**6. Updates/Project Reports**

Discussion: Staff gave a brief overview of the updates presented at the meeting. Of note, Kuennen stated that they will be intending on making on-site visits to the properties that have received funding from the EDA as a follow-up on the improvements made as a result of the funding.

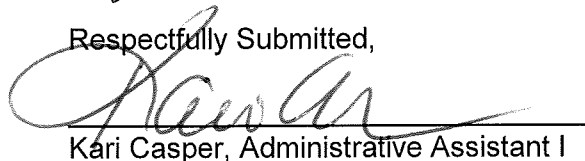
**7. Adjourn**

**Action:** Motion was made by Voracek and seconded by Albers to adjourn the meeting at 8:10 a.m. Motion carried (4/0). (*Viscomi left during the Project Updates at approx. 7:55 a.m.*)

  
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 Rod Gramse, President

  
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 Dave Albers, Secretary/Treasurer

Respectfully Submitted,

  
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 Kari Casper, Administrative Assistant I