



Faribault Economic Development Authority
MEETING MINUTES

Thursday | August 15, 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, Matt Carlander, Kevin Voracek, and Janna Viscomi

Members Absent: Gary Kindseth, Matt Drevlow

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

Others Present: Andrew Deziel, Faribault Daily News.

1. Call to Order / Roll Call / Agenda Approval

Action: Chair, Rod Gramsey called the meeting to order at 7:03 a.m.

2. Approval of Minutes

A. Minutes of July 18, 2019 EDA Meeting

Action: Motion was made by Albers and seconded by Voracek to approve the minutes of the July 18, 2019 meeting as written. Motion carried (4/0).

3. Routine Business

A. Monthly Loan Status Report

Discussion: Director Kuennen presented the reports for review and stated that there are some additional legal fees that will be coded to the Downtown Exterior Rehab program, and therefore the available fund balance is less than \$70,000 indicated on the report.

B. Permit Activity Update Report

Discussion: The current monthly permit activity was attached for review. Voracek asked if the City had the capability of doing on-line permitting and Kuennen stated that we did not, but on-line permitting had been previously explored and it was determined the costs of processing the credit cards was an issue. Kuennen did confirm that the City does accept credit cards for the utility bills. Viscomi asked if there was a way to simplify the permitting process and Kuennen stated that the department is to revisit the topic

when the City hires a new finance director. Viscomi stated that she would like to bring this before the council.

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. No discussion was held.

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

4. Public Hearings

A. None

5. Items for Discussion

A. Resolution 2019-023 Approving the Preliminary EDA Levy Request for FY2020

Discussion: State Statutes require the City to certify its proposed property tax levy amounts to the County Auditor by September 30. Accordingly, the EDA is asked to adopt a preliminary levy request and submit the request to City Council to be included with the City’s proposed levy. The EDA would like to propose for the year 2020 the maximum levy amount allowed of \$246,869.

Action: Motion was made by Voracek and seconded by Albers to approve Resolution 2019-23 Authorizing Approving the Preliminary EDA Levy Request for FY2020 as written. Motion carried (4/0).

Kuennen, then requested the Board skip to Item 5C to provide time for another board member to arrive and so that Carlander may recuse himself from this action.

C. Downtown Exterior Rehabilitation & Exterior Improvement Program – Proposed Program Guideline Updates

Discussion: the initial intent of the Program was to provide a funding incentive to encourage building owners to invest in their historic building, as a means to preserve and enhance the historic buildings in the Central Business District. The funds were to offset expense associated with deferred property maintenance, so that the historic buildings would remain an asset for another 100 years. The EDA has since the inception of the program awarded over \$625,000 and has about \$65,000 remaining. The proposed changes were set for as 1) adding language to the guidelines stating that the EDA has discretion, within reason, to comment on the project seeking funding and deny or approve based on the proposed project’s impact to the historic downtown; 2) Adding a “project impact narrative” requirement to the application. The EDA will use the narrative when considering the overall impact of the proposed exterior maintenance and/or rehabilitation to ensure the project is meeting the intent of the program; 3) Limit eligible buildings to buildings within the designated area build on/before a specific year - i.e., buildings built before 1950; 4) Limit the eligible district to Central Avenue and immediate side streets within the Central Business District; and 5) continue to allow only tax code 3A – Commercial/Industrial/Public Utility as the only eligible tax code for eligible

properties. I.e., ineligible properties include tax codes: Residential/Non-Homestead and Exempt Properties, among others.

The EDA seemed fine with the additions/inclusions with the exception of the age of the building wherein the difference was between 1950 and 1960 ultimately agreeing on 1960. EDA would update the map and the list of eligible applicants to make it clear which properties are eligible. Leave as CBD. Staff to provide suggestions on the narratives.

6. Updates/Project Reports

Kuennen updated the board on the housing developments. There are four housing developments in various stages. Employers are desperate for housing. Another statistic is that there have been 2,300 jobs created in Rice County in the last three years and much of them are in Faribault – providing an additional strain on the already tight housing market. Farmer Seed, ISG is creating a 3D model and is working with the data to design reuse options. Should see something in the next few weeks. Business View Magazine would like to feature an article on Faribault. Marketing side – Markman will be attending marketing FAM Tour MN Marketing Partners in Chicago; been meeting with Owatonna for joint marketing materials. People tend to look at areas as regions and Markman is creating a foldable brochure to use as a tool including information such as square footage and investment dollars. Budget season and looking for a subcommittee. Kuennen stated that Drevlow expressed an interest and Gramse agreed to help. Kuennen stated that she will be heading to Japan again on Global Business and traveling with the Governor on FDI. The State has been using Faribault as their model community on FDI.

Viscomi arrived at 7:25 a.m. and Carlander recused himself at 7:40 a.m.

B. Cry Baby Craig's (313 Central Avenue) – Business Assistance Request:

Discussion: This is a continuation of the discussion that took place last month. The State Bank of Faribault (TSBF) closed with Cry Baby Craig's (CBC) yesterday approving an amount of \$250,000 thereby reducing the funding gap to \$100,000 from the original project cost of \$350,000. The EDA will split the funding gap with Southern Minnesota Initiative Foundation (SMIF). SMIF, in partnership with Faribault EDA have agreed to finance \$50,000 with the EDA also funding \$50,000. Right now the EDA is in negotiations with TSBF to have the bank subordinate the inventory. We would need to enter into a shared collateral agreement with the SMIF on the inventory specifically.

Action: Motion was made by Voracek and seconded by Albers to approve the \$50,000 loan amending resolution 2019-24 to allow EDA staff to negotiate equitable loan terms, including but not limited to collateral to cover the EDA's loan in the event of a default. Motion carried (4/0).

7. Adjourn

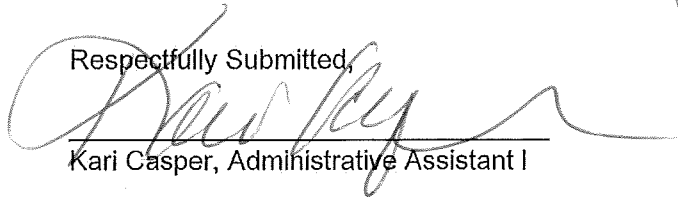
Action: Motion was made by Viscomi and seconded by Viscomi to adjourn the meeting at 7:46 a.m. Motion carried (4/0).



Dave Albers, Secretary/Treasurer



Deanna Kuennen, Community &
Economic Development Director

Respectfully Submitted,


Kari Casper, Administrative Assistant I