

**Faribault Economic Development Authority
Special Meeting Minutes
Thursday, June 26, 2018**

The Faribault Economic Development Authority met in the 1st Floor Public Meeting Room at City Hall, 208 1st Ave NW, Faribault, MN.

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

Members Absent: Matt Carlander and Matt Drevlow

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

Others Present: Don Ingraham-CCS and Barry Jaeger-Pilot

1. Call to Order

Chair Underdahl called the meeting to order at 7:01 a.m. in the 1st Floor Public Meeting Room at City Hall.

2. Items for Discussion

A. Consideration for Financial Assistance for Cross Country Soaring (CCS)

Discussion: Kuennen gave a brief history on the changes at the airport and how it has affected CCS. The SteinAir project has been expedited since the work with the FAA was started before the new ruling and increased interest in the Faribault airport. This project would include demolition of the current space CCS occupies on a month-to-month lease. Mr. Ingraham, owner of CCS, would like to build a new building and is asking the EDA for assistance. His options are to either build his own hangar (with loan from EDA), co-locate with Mr. Jaeger, or move to the Owatonna airport. The City gave Mr. Ingraham a notice to vacate by July 15, 2018 and offered Mr. Ingraham a temporary place for his business during the transition.

Mr. Ingraham spoke to the EDA. His current monthly payment is \$700 per month and would like to keep it there. He asked if the EDA would consider his request of \$75,000 as a grant since his bank loan (\$100,000) would increase his monthly cost to \$900. He is confident he will have no problem managing the additional \$200 per month. Ingraham's future plan is to grow his business, and add customers. Several of his customers have been with him for years and Ingraham hopes, when he is ready to retire, one of them will buy the business and continue at the Faribault Airport.

The EDA wants a letter of approval from Ingraham's banking institution and asked if job creation was part of his project scope (yes). Ingraham's plan is to add 1 part-time grounds keeper and 1 full time flight instructor.

The EDA has reservations and would like some protection. Gramse reminded the EDA these types of loans are normal for them. The EDA can add provisions: 5-year ownership or pay it back in full, remain at the Faribault Airport during the transition, submit a complete business plan and complete cost of project.

After an active discussion, the EDA would be open to a \$75,000, five-year forgivable loan with Ingrham with conditions.

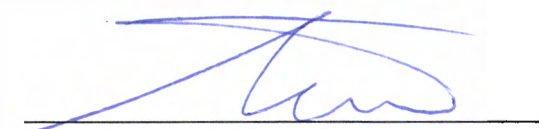
Action: A motion was made by Gramse and seconded by Kindseth to approve the \$75,000 forgivable 5-

year loan.

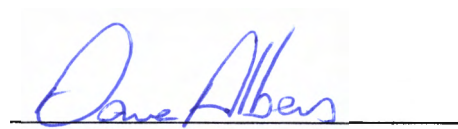
Conditions added to the loan include: remain at the airport during the transition, submit complete business plan with total costs, enter into a development agreement, submit a letter of intent from his banker, and enter into a land lease.

3. Adjourn

Motion was made by Gramse and seconded by Kindseth to adjourn the meeting at 8:09 a.m. Motion carried (5/0).

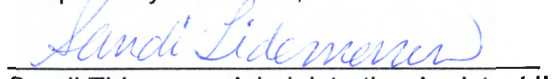


Steve Underdahl, President



Dave Albers, Secretary/Treasurer

Respectfully Submitted,



Sandi Tidemann, Administrative Assistant II