

**Faribault Economic Development Authority
Meeting Minutes
Thursday, November 15, 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, Matt Drevlow, Gary Kindseth, Rodney Gramse, and Steve Underdahl

Members Absent: Matt Carlander, Gary Kindseth

Staff Present: Community and Economic Development Director Deanna Kuennen, City Administrator Tim Murray, and Administrative Assistant II Sandi Tidemann

Others Present: Travis Tempke, F-Town and Nort Johnson, Chamber of Commerce

1. Call to Order

Chair Underdahl called the meeting to order at 7:00 a.m. in the 1st Floor Public Meeting Room at City Hall.

2. Approval of Minutes

A. Minutes of September 20, 2018 Meeting

Action: Motion was made by Duchene and seconded by Albers to approve the minutes of the September 20, 2018, meeting as presented. Motion carried (5/0).

3. Routine Business

A. Monthly Loan Status Report

Discussion: The reports were presented for review. One loan paid in full and one is delinquent, which will be discussed under agenda item 5. There is a new format for the Downtown loans that will be easier to follow. Only \$3,000 remains at this time.

B. Permit Activity Update Report

Discussion: The current monthly permit activity was attached for review.

C. Monthly Budget Status 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.

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

4. Public Hearings

A. None

5. Items for Discussion

A. Downtown Master Plan Presentation by Dave Wanberg City Planner

Discussion: Kuennen introduced Dave Wanberg to present his report. The Comprehensive Plan has three parts to it: the Comprehensive Plan, Downtown Master Plan, and Trails/Parks Plan. City Council wants the Downtown Master Plan completed first and is asking for input from all the Commissions, Boards and public. Wanberg presented concept ideas for the downtown corridor – primarily focusing on proposed parking changes and green space. Much discussion followed, with

the EDA having mixed feelings on the proposed parking changes, location of green space, and overall areas best suited for the needed housing.

Action: Information shared and feedback given.

B. F-Town Loan Discussion

Discussion: Kuennen summarized F-Towns' current loan and the request from Mr. Tempke. F-Town will close their operations on December 31, 2018 to relocate to St. Paul. Mr. Tempke is asking the EDA to defer his current loan for three years (deferment for 12 months, interest only for 12 months, ending with full payment) or to agree to a buyout for 20 cents on the dollar.

The EDA discussed the request with these thoughts:

- EDA is in a low position
- They don't always get their dollars back
- Their goal is for a business to be successful
- The EDA must be good stewards of the taxpayers' dollars
- The business was not only closing but moving out of town

After a thorough discussion, the EDA decided to follow the lead of Rice County who agreed for a buyout of \$.38 cents on the dollar, directing Staff to negotiate with Mr. Tempke.

Action: Motion was made by Albers and seconded by Drevlow directing Staff to negotiate a buyout of \$.38 on the dollar for the remainder of F-Town's current loan with the EDA. Motion carried (5/0).

C. Lockerby Loan Discussion

Discussion: Kuennen informed the EDA Lockerby closed their doors. They received a \$190,000 MIF loan – of which \$95,000 was forgivable if certain terms were met. Scott Riggs, the City Attorney, is looking into the City's security on the loan. This information was presented for informational purposes only.

Action: None.

D. Approval of 2019 Budget and Final 2019 Levy Request

Discussion: The budget discussion started at the October meeting with a proposed work plan and a list of items Staff felt strongly needed to be in the budget. There are two pots of money and working with a sub-committee, they looked at how to use the dollars to their fullness. The operating budget is for the daily on-going expenses and the largest expense is still the cost allocation, which will go up in 2019 by approximately \$8,000. Going through all the expenses, Kuennen notes the slight reductions in some annual contributions recommended by the sub-committee, to align with the EDA's core economic development focus and mission. It was noted that organizations will have the ability to partner with the EDA on specific projects.

Motion: A motion was made by Duchene and seconded by Drevlow to approve the 2019 Budget as presented. Motion carried (5/0).

E. 2019 Work Plan Discussion - Continuation

Motion: A motion was made by Albers and seconded by Gramse to approve the 2019 Levy request as presented. Motion carried (5/0).

F. Updates/Project Reports - Verbal


Discussion: Kuennen gave an oral report on the Micro Summit and how well it was received by attendees. Great feedback was given and the interaction from those who attended was tremendous.

Albers asked Kuennen if there will be follow-up with all the attendees-yes. Staff will be using the attendance list to send out post cards thanking them for their participation.

Kuennen mentioned several companies who are interested and looking for acreage in Faribault.

Action: None

- 6. Adjourn** Motion was made by Drevlow and seconded by Gramse to adjourn the meeting at 8:43 a.m. Motion carried (5-0).



Steve Underdahl, President



Dave Albers, Secretary/Treasurer

Respectfully Submitted,



Sandi Tidemann, Administrative Assistant II