

1. Call To Order/Roll Call

A. 1. EDA Agenda

Documents:

[1A. EDA AGENDA - 01-21-21.PDF](#)

2. Approve Minutes

A. 2A. 12-23-2020 Special Meeting Minutes

Documents:

[2A. 12-23-2020 EDA SPECIAL MTG MINUTES.PDF](#)

3. Routine Business

A. 3A. Monthly Loan Status - To Be Distributed At Meeting

B. 3B. Permit Activity Update Report

Documents:

[3B - 1 - MEMO MONTHLY PERMIT ACTIVITY REPORT.PDF](#)

4. Public Hearings

5. Items For Discussion

A. 5A. Funding Request For Downtown Programs

Documents:

[5A - FUNDING REQUEST FOR DOWNTOWN PROGRAMS.PDF](#)

i. 5Ai. EDA Upstairs Downtown Digital Experience Proposal Jan 2021

Documents:

[5A - ATTACHMENT 1 - EDA UPSTAIRS DOWNTOWN DIGITAL EXPERIENCE PROPOSAL JAN 2021.PDF](#)

ii. 5Aii. EDA Creative Placemaking Proposal Jan 2021

Documents:

[5A - ATTACHMENT 2 - EDA CREATIVE PLACEMAKING PROPOSAL JAN 2021.PDF](#)

6. 6. Project Updates

Documents:

[6 - PROJECT UPDATES.PDF](#)

7. Adjournment



Faribault Economic Development Authority
MEETING AGENDA

Minn. Stat. § 13D.021 – Meeting by Telephone or Other Electronic Means;
Conditions - [Minn. Stat. § 13D.021](#) provides that a meeting of a public body may be conducted via telephone or other electronic means if meeting in a public location is not practical or prudent because of a health pandemic or declared emergency

DATE: Thursday, January 21, 2021
TIME: 7:00 AM
PLACE: Zoom Meeting
Dial-In Information: +1 929 205 6099
Meeting ID: 830 5075 5971 Passcode: 827809

- 1. Call to Order/Roll Call/Agenda Approval**
- 2. Approval Minutes**
 - A. Minutes of December 23, 2020
- 3. Routine Business:** *Agenda items below are approved by one motion unless an EDA member requests separate action.*
 - A. Monthly Loan Status Report – *to be distributed at the meeting*
 - B. Permit Activity Update Report – *to be distributed at the meeting*
 - C. Budget Status Report – *to be distributed at the meeting*
- 4. Public Hearings**
 - A. None.
- 5. Items for Discussion**
 - A. Discuss Funding Request for Chamber/Main Street Programs
 - i. Upstairs Downtown Digital Experience
 - ii. Downtown Creative Placemaking
- 6. Updates/Project Reports**
- 7. Adjourn**

*Please contact the Community Development Department at 507-334-0100
If you need special accommodations related to a disability to attend this meeting*



Faribault Economic Development Authority
SPECIAL MEETING MINUTES

Wednesday | December 23, 2020 | Regular Meeting – held via Zoom

Minn. Stat. § 13D.021 – Meeting by Telephone or Other Electronic Means; Conditions - [Minn. Stat. § 13D.021](#) provides that a meeting of a public body may be conducted via telephone or other electronic means if meeting in a public location is not practical or prudent because of a health pandemic or declared emergency.

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

Members Absent: Gary Kindseth

Staff Present: Deanna Kuennen, Economic Development Director and Tim Murray, City Administrator

1. Call to Order / Roll Call / Agenda Approval

Action: Chair, Rod Gramse called the meeting to order at 7:30 a.m.

Roll Call Present: Albers, Carlander, Drevlow, Viscomi, Voracek, and Chair Gramse.

2. Items for Discussion

A. Approve Partial Release of Repayment Agreement

Staff explained that the EDA records Repayment Agreements with each approved Downtown Commercial Rehabilitation and Exterior Improvement Program award. Such agreement was executed between the EDA and FBO Property, LLC for the Crooked Pint. FBO Property, LLC is in the process of selling the land adjacent to the Crooked Pint, to the City of Faribault. Property lines are being redrawn as part of the sale/negotiation – which is necessitating the partial release of the repayment agreement. Staff clarified that this will remove the obligations from the portion of the land that is being transferred as part of the sale, but all obligations as identified in the Repayment Agreement will remain with FBO Property, LLC as originally outlined in the recorded document associated with the Downtown Commercial Rehabilitation and Exterior Improvement Program award for

the Crooked Pint. This will create a clean title and allow the portion of the land being sold to become unencumbered by the recorded document.

Chair Gramse asked if there were any intentions for the land. Administrator Murray explained that a Community Work Group will be formed in the near future to help identify ideas related to the Downtown Master Plan.

Action: Motion was made by Voracek and seconded by Albers to approve Resolution 2020-028 Approve Partial Release of Repayment Agreement as presented.

Roll Call:

Aye: Albers, Carlander, Drevlow, Viscomi, Voracek and Chair Gramse

Nay: None.

Motion carried on a 6/0 vote.

3. Adjourn

Action: Motion was made by Drevlow and seconded by Carlander to adjourn at 7:46 a.m.

ROLL CALL:

Aye: Albers, Carlander, Drevlow, Viscomi, Voracek and Chair Gramse

Nay: None.

Motion carried on a 6/0 vote

Rod Gramse, President

Dave Albers, Secretary/Treasurer

Respectfully Submitted,

Kari Casper, Recording Secretary

(Minutes completed by video of Zoom meeting recording.)



Request for Action

TO: Faribault EDA
FROM: Deanna Kuennen, Director
MEETING DATE: January 21, 2021
SUBJECT: Permit Activity Report

BACKGROUND:

Permit activity (building permits, etc.) is a reflection on the status of the economy. Over the last few years, the City of Faribault has seen an increase in permit activity – which translates into investment in our community. *However, COVID-19 is likely to have an impact on investment activity moving forward.*

To track and follow trends, monthly permit activity reports are prepared. This information is shared on a monthly basis with the Economic Development Authority (EDA) to ensure the EDA has a pulse on the development activity occurring in the community. Trend information will also be one resource that the EDA can utilize to develop annual work plans and develop/modify programs to respond to and address business needs.

The following summarizes building permit activity for 2020:

	January	February	March	April	May	June	July
Total # Permits	93	60	120	90	97 (458 YTD)	84	82
Total Valuation	\$2,735,158	\$1,932,076	\$6,203,034	\$1,532,734	\$1,049,380 (\$12,892,689 YTD)	\$2,359,209	\$3,748,422
	August	September	October	November	December		
Total # Permits	71	67	55	32	36		
Total Valuation	\$13,216,293 (YTD - \$31,505,764)	\$3,485,560	\$5,221,555	\$15,001,533	\$299,452		

**Building Permits Only – does not include plumbing, heating, signs, etc.*

TOTAL # Permits 2020 – 623
TOTAL Valuation 2020 - \$55,505,866.37

Agenda Item: 3B

2019 SUMMARY	2018 SUMMARY	2017 SUMMARY
1,429 Permits	1,244 Permits	1,193 Permits
\$49,142,522 Total Valuation	\$36,406 Total Valuation	\$64,464,993 Total Valuation
17 – New Home Starts	27 – New Home Starts	33 – New Home Starts

**Totals include plumbing, heating, signs, etc.*

REQUESTED ACTION: No action required.



Request for Action

TO: Economic Development Authority
FROM: Deanna Kuennen, Com. and Economic Development Director
MEETING DATE: January 21, 20201
SUBJECT: Discuss Funding Requests for Chamber/Main Street Programs

DISCUSSION:

Over the last few years the EDA has included funding in the annual budget for “other programs” as proposed by outside agencies that further the economic development goals of the city and fit within the EDA’s work plan. The Faribault Area Chamber of Commerce has developed two proposals for the EDA’s consideration – for programs aimed at bringing additional people and investments into the downtown. These program fit within the EDA’s “gateway” focus – specifically “continue investments into the downtown – partnering with City/HRA/HPC/Others on downtown initiatives). A brief synopsis of the programs and funding requests are as follows:

1. **Upstairs Downtown Digital Experience**

This fall the Chamber/Main Street hosted their first Upstairs Downtown Tour – bringing interested parties into various upper floors in the downtown to showcase potential for reclaiming and reuse of these spaces. The event was a success and the proposal involves creating a digital version of the event that can be used to supplement the annual event and serve as a standalone resource to ultimately encourage investment in the downtown buildings.

Funding Request: \$5000

2. **Creative Placemaking**

Creative placemaking is a concept involving big and small ideas and initiatives intended to bring interest and vitality to an area. This winter the City of Faribault hosted an online event with the Musicant Consulting Group to explore placemaking in downtown during COVID and beyond. This proposal would involve implementing placemaking ideas proposed by local artists/businesses.

Funding Request: \$6900

Kelly Nygaard with the Faribault Area Chamber of Commerce will attend the EDA meeting to describe the proposals in more detail and be available to answer any questions that the EDA might have.

REQUESTED ACTION:

Consider funding for two new programs proposed by the Faribault Area Chamber of Commerce/Main Street – focused on bringing people and investments into downtown Faribault.

ATTACHMENT:

Proposal – Upstairs Downtown Digital Experience

Proposal – Creative Placemaking

EDA Upstairs Downtown Digital Experience Proposal

Total Request: \$5000

Budget:

Video/photography: \$2000

Software: \$1000

Main Street Facilitation and Implementation Fee: \$1000

Marketing Materials and literature for Spring Upstairs Downtown Tour: \$400

Incentives for tenants to participate in Upstairs Downtown tour: \$600

Overview:

Downtown spaces have a central location, high visibility, unique architectural elements, complete community infrastructure, and are prime candidates for redevelopment. UpstairsDowntown is an award-winning national initiative created to help owners reclaim and reuse these vacant upper floors, and turn them into income-producing assets. Following a successful fall Upstairs Downtown Tour, there is great interest in creating an interactive digital version which can be used to both supplement the annual event as well as serve as a stand alone resource.

Vacancy doesn't contribute to vibrancy, housing needs, or economy. Research shows that in any given community 5-10% of population will/will want to live downtown. So for Faribault, at roughly 24,000 people, that could mean 2400 people living downtown. Often, people can't conceptualize what downtown living can look like, so this would serve to bring it to life, and allow them to experience it from the comfort of their computer.

When a dilapidated building is repaired and rented out successfully, other building owners or investors may see this success and want to make similar improvements. When long-term vacancies are eliminated in a downtown, many of the associated negative effects of those vacancies can be reduced or eliminated as well. Development and investment in general can, of course, add to the tax base in a municipality and increase property values.

Process:

Work with photographers and videographers to capture footage of prime examples of downtown Faribault residential units. Also, use software to create interactive Before/After sliders, as well as other visual resources. Include information on housing demand, proformas, and reasons to invest in historic property, as well as links to vendors who specialize in historic renovations, the Faribault EDA, and other relevant information. The outcome would be to create an engaging online experience that inspires transformation of underutilized upper level space in historic downtown Faribault.

EDA Creative Placemaking Proposal

Total Request: \$6900

Budget

Musicant Consulting Group: \$900 (6 hours of service x \$150 an hour)

Main Street Facilitation and Marketing Fee: \$1000

Project Funds For Artists and Businesses: \$5000

Objective:

Work with downtown business and property owners as well as area artists to add creative installations throughout the historic downtown, bringing interest and vitality to the historic district during the ongoing COVID 19 Pandemic. Prospective fund recipients attend an online workshop with Musicant Consulting group, where they learn about creative place-making, our historic downtown and the guidelines for participation. Interested parties then submit a project proposal for potential selection. Funds will support the selected participants time and materials, as well as the consulting fee for Musicant Consulting Group. The evaluation project team includes local artist, city officials, and business leaders.

This project would allow business owners, property owners and artists to be part of creative placemaking in downtown Faribault and explore creative ways of engaging audiences. The program will include help navigating city approvals, agreements with property owners, marketing, and fiscal support. With projects located in the downtown, the amount of visibility will be significant, drawing attention to area businesses during a difficult year.

Process:

Through this process, we will expand relationships with the business and creative community and explore opportunities to creatively address issues downtown. We will host a digital workshop, that will be publicized and advertised in advance. At the workshop, prospective fund recipients will receive an overview of the process along with proposal guidelines. Proposals are due one month from the date of the workshop. Upon submission of proposals, a panel would review all possible projects and select the projects that best fit the parameters and goals. Fund recipients will then be contacted to complete a contract and receive 80% funding. Upon project completion, they will receive the remaining 20% funding. Funding will vary based on the project

A panel will review the artists' proposals and make determinations based on the parameters and overall fit within the downtown. Projects are selected based on creativity, engagement, visibility and ability to complete a project.



Discussion Items

TO: Faribault EDA
FROM: Samantha Markman, Econ Dev Coordinator
THROUGH: Deanna Kuennen, Community & Econ Dev Director
MEETING DATE: January 21, 2021
SUBJECT: Updates/Project Reports

UPDATES

Prospects/Business Updates:

- **Multi-Tenant Warehouse Prospect**
Staff received a blind inquiry from a developer looking for 10-acres of land to construct a 100,000 square foot warehouse to hold 3+ tenant spaces. The developer is currently working with a Faribault client who has an expansion need that would fulfill one of the multi-tenant spaces for lease, but it would be the intention of the developer to have additional square footage to lease for other prospects. This developer is a national firm with a reputable portfolio. Staff met with this developer and their design-build firm to preliminarily discuss the site-plan to help inform the land transaction. This development continues to move forward, and staff remains committed to working with the developer to kick start the project.
- **Project Pathfinder**
Project Pathfinder is associated with a site selection process for identifying sites with capacity to accommodate nearly 300,000 square feet for a business expansion project. Staff was diligently working with the Company to provide sites and opportunities in the Faribault Community; however, the Company has redirected the Project's scope. With a new company CEO on-board, Project Pathfinder is looking at other national markets to expand their operations. Staff is connected with the Company and will track its progress to ensure at any reconsideration of the local market, Faribault has an opportunity to be considered.

Other Projects/Initiatives:

- **CARES Act Funding**
At the direction of the City Council, Staff worked with local Small Businesses on local funding opportunities available through the Federal CARES Act. Over \$700,000 in funds were dispersed to local small businesses, self-employed entrepreneurs, sole-proprietors, and non-profits. All application periods for the City of Faribault grant funds has closed. Rice County, through dollars allocated by Minnesota Department of Employment and Economic Development, released a grant program on January 15, 2020, for eligible businesses up to \$10,000. Staff continues to coordinate with the local business community and Rice County for a successful Program.

- **Mural Project**

The EDA approved funding to help off-set the cost of developing a mural art on the blank wall left from the tear-down of 27 3rd Street NW. The Request for Proposal process closed in December 2020 and twelve (12) high quality submissions were received. The newly-formed Mural Committee will review the submissions with the intent to recommend two (2) potential pieces to the City Council for official adoption. The Mural Committee includes EDA Member Matt Drevlow.

- **Housing Development**

The EDA is aware that there is a housing shortage in Faribault. City Staff has been dedicated to addressing this issue and pursuing developers. Based on these efforts, a number of multi-family housing developments are moving forward. Two such projects include the Lofts at Evergreen Knoll (MWF - 77 units) and the Straight River Apartments (111 units). The EDA has provided TIF for each of these projects, both projects have broken ground and will continue their construction phase through the winter months.

The Housing Redevelopment Authority has commissioned Maxfield Research to conduct a Housing Market Analysis of Faribault. This Market Analysis will help share how the Faribault community, including the addition of the new multi-family housing projects compares to market conditions. This will give Staff a direction of what type of housing is needed moving forward, and how the new projects have fulfilled market and community needs. A draft of the Market Analysis is expected soon.

Additionally, the City Council has authorized Staff to release a Request for Proposal (RFP) process for the "Green House" property located near Hillside Apartments at the corner of 1st Avenue NW and 1st Street NW. In December 2020, the City Council chose DIC Holdings, LLC as the preferred developer for this site. Due diligence will continue with an anticipated ground breaking in late Spring 2021.

Marketing:

- **Minnesota Real Estate Journal – Faribault Micro Summit**

Staff had identified September 17, 2020, as the date for the next Faribault Micro Summit hosted with the Minnesota Real Estate Journal. Unfortunately, due to COVID-19 Staff has decided to cancel the event and postpone to a later date. Staff will be sure to keep the EDA posted on when this event can be expected in the future. Staff has had the opportunity to speak at both the Land Development Conference and Industrial Development Summit with the Minnesota Real Estate Journal in late 2020, to highlight successes and opportunities in Faribault. Staff continues to attend various virtual Minnesota Real Estate Journal events.

- **Site Location Partnership Contract**

Staff continues to work with Site Location Partnership – regardless of the changes due to COVID-19. There is still ample opportunity to capitalize on this contract despite – including virtual representation at tradeshow, virtual meetings with site selection consultants, digital marketing, and continued coordination with SLP staff. Staff will be participating in a series of virtual site selection meetings in the Chicago market in late January 2020. To date, seven (7) meetings have been established with representatives in the site selection, incentives, and corporate real estate markets. Staff will continue to find ways to capitalize on the remaining obligations of the EDA's 12-month contract with SLP.

Agenda Item: 6

- **Minnesota Marketing Partnership**

At the August 2020 EDA meeting members of the EDA approved a financial contribution to the Minnesota Marketing Partnership digital campaign. The Minnesota Marketing Partnership Executive Committee, which Director Kuennen serves on, has continued to coordinate the video series with Giant Voices of Duluth – deliverables have been created and members of the Minnesota Marketing Partnership have full access to the creative assets, including videos and digital campaign materials. Staff is coordinating updating the Economic Development website and materials to include these marketing initiatives.