

Faribault Economic Development Authority
Meeting Minutes
Thursday, April 19, 2018

The Faribault Economic Development Authority met in the 1st Floor Public Meeting Room at City Hall, 208 1st Ave NW, Faribault, MN 55021

Members Present: Dave Albers, Kay Duchene, Matt Drevlow, Matt Carlander, Gary Kindseth, and Steve Underdahl
Members Absent: Rodney Gramse
Staff Present: Community and Economic Development Director Deanna Kuennen, City Administrator Tim Murray, Economic Development Coordinator Samantha Markman, and Administrative Assistant II Sandi Tidemann
Presenters: Sara Folsted, Rice County Administrator

1. Call to Order

President 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 March 15, 2018 Meeting

Action: Motion was made by Duchene and seconded by Drevlow to approve the minutes of the March 15, 2018, as presented. Motion carried (6/0).

3. Routine Business

A. Monthly Loan Status Report

Discussion: The reports were presented for review. Kalway is holding off on his payments due to the pending sale of the property.

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 to with "Year-to-Date" expenditures by line item and the budgeted amounts for each. No unusual expenses to report.

Action: Motion was made by Carlander and seconded by Kindseth to approve all Routine Business as presented. Motion carried (6/0).

4. Public Hearings

A. None

5. Items for Discussion

A. Rice County Economic Development –County Administrator, Sara Folsted

Discussion: Kuennen introduced Sara Folsted who gave the Commission an update on current projects at Rice County. Some of the highlights included the County's Comprehensive Plan update currently underway; continuation of BRE visits; sharing information and partnering opportunities with the City on marketing efforts. Administrator Folsted also talked about working with City Staff on SelectUSA opportunities, and the upcoming NACO conference where a tool kit will be rolled out for "international engagement ready communities."

Kuennen expressed her excitement about Folsted's enthusiasm and involvement in economic development and the emphasis on a regional economic development approach. Commissioners also positively commented on Rice County's renewed involvement – even suggesting and encouraging annual or bi-annual meetings with all leaders/Commissions to be in contact and discuss what is going on or should be.

Action: None, information only.

5B. Airport Redevelopment Discussion-SteinAir, Inc. and Cross County Soaring

Discussion: Kuennen presented the report. The SteinAir project continues to progress, with the most recent step involving obtaining all FAA approvals to demolish the yellow building. Now SteinAir can move forward with site plan, land lease, and incentive applications.

With the redevelopment project moving forward, CCS will be required to relocate. After looking at all their options, Mr. Ingraham, owner of CCS, has decided to ask the EDA for help with costs associated with constructing a new hangar. Ingraham submitted his application and business plan for consideration to the EDA – seeking \$75,000 loan. Mr. Ingraham is also seeking financial assistance from the City of Faribault to offset site/utility expenses.

The EDA is in favor of the project but expressed hesitation concerning the loan application and the analysis. A member of the Loan Review Committee did an analysis and noted CCS's cash flow calculated at 0.22, less than the 1.0 required by FDIC. The EDA does not have to follow FDIC rules, and Commissioners noted that the EDA has been involved in risky loans before. After much discussion, the EDA agreed that this project could be a major boost to Faribault and the airport.

Action: EDA Consensus is favorable for the loan in general but asked Ingraham to meet with his banker to secure his primary loan and then return to EDA for final decision.

5C. Introduction-Economic Development Coordinator, Samantha Markman

Discussion: Kuennen introduced Samantha Markman who briefly talked about her education (Urban Studies), previous work history, and her local roots.

Action: None

5D. Downtown Commercial Rehabilitation & Exterior Building Improvement Requests.

Discussion: **5D (a)** 120 Central Avenue, Ronald Dwyer-Roof membrane replacement
Applicant submitted all required forms, has met all eligibility requirements, and has been determined by Staff to be eligible for the assistance.

Action: Motion was made by Albers and seconded by Kindseth to approve Res. 2018-007 as presented. Motion carried (6/0).

Discussion: **5D (b)** 308, 310, 312 Central Avenue, Ernster, Event and Convention Center LLC-Façade Improvements. First loan for sprinkler system was closed out. HPC approved the requested façade improvements.
Applicant submitted all required forms, has met all eligibility requirements, and has been determined by Staff to be eligible for the assistance.

Action: Motion was made by Duchene and seconded by Albers to approve Res. 2018-008 as presented. Motion carried (6/0). EDA members also requested a timeline for the project.

Updates/Project Reports

Discussion: Kuennen asked the EDA if they had any questions or concerns with the updates.

Kuennen provided an update on the Downtown Commercial Rehabilitation and Exterior Building Improvement award issued to 216 Central Avenue (Darrell Jensen). Since the award was made for exterior painting IN 2017, the City has received complaints on falling bricks and structural concerns. Staff met with Jensen to explain that the structural issues would need to be addressed before the funds could be accessed for the painting project. Mr. Jensen was going to contact a structural engineer.


10,000 Drops Craft Distillery submitted a partial application for the Downtown Commercial Rehabilitation and Exterior Building Improvement program for new outdoor patio between the current F-Town patio and the north side of 10,000 Drops building to include a fire pit, deck, railings to match F-Town and gate to allow deliveries. The EDA was asked to review the proposed work to determine whether the project fits the criteria or intent of the program.

Consensus of EDA is the request does not fit the guidelines since it is not restoring and/or improving the existing structure. Suggestion was EDA Micro-Loan. The EDA directed Staff to communicate with the applicant that the project did not fit the guidelines.


Action: None

6. Adjourn:

Action: Motion was made by Drevlow and seconded by Carlander to adjourn the regular meeting at 8:36 a.m. Motion carried (6/0).

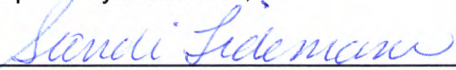


Steve Underdahl, President



Dave Albers, Secretary/Treasurer

Respectfully Submitted,



Sandi Tidemann, Administrative Assistant II