

REGULAR MEETING

City Hall 2nd Floor Conference Room

AGENDA: Tuesday, February 15; 4:30 to 5:20

- 2 Minutes 1. Opening
- 1.1 Welcome/Call to Order
 - 1.2 Approval of Agenda
- 40 Minutes 2.0 ‘Business Oversight / Responsibilities’
- 2.1 Consent Agenda
 - 2.1.1 Previous Meeting Minutes- January 10, 2021 **(Pages 2-3)**
 - 2.1.2 January 2022 Financials **(Not yet ready)**
 - 2.2 Actions Taken or Related to Progress/Status Reports
 - 2.2.1 Consideration of CARES Act Loan Request from D & R Repair **(Page 4)**
 - 2.2.2 Consideration of CARES Act Loan Request from Serenity Salon **(Page 5)**
 - 2.2.3 Consideration of CARES Act Loan Request from Cutting Edge Fitness **(Page 6)**
 - 2.2.4 Consideration of Federal Grant Application **(Page 7)**
 - 2.2.5 Update on RFP for Whitetail Ridge
 - 2.2.6 Update on the Fairmont Area Succession Planning Project
 - 2.2.6 Update on the Establishment of Tax Increment Financing District No. 28
- 5 Minutes 3.0 Strategic Conversations (& “Education” when appropriate)
- 3.1 Monthly Report: January 2022 **(Page 8)**
- 3 Minutes 4.0 Meeting Wrap-Up
- 4.1 Review Actions to be Taken
 - 4.2 Next Meeting – March 8, 2022 at 4:30
- 5.0 Adjourn

REGULAR MEETING MINUTES

City Hall Conference Room

January 10, 2022 at 4:30 pm

Members Present: Sarah Gerhard, Michele Miller, Chantill Kahler Royer, and Aaron Speltz

Members Absent: Mike Wubbena, Bruce Peters and Andy Noll

Others Present: Brooke Wohlrabe, Fairmont Sentinel; Ned Koppen, Fairmont Area Chamber of Commerce; Linsey Preuss, Economic Development Coordinator

1.0 Opening -

1.1 Welcome/Call to Order

President Gerhard called the meeting to order at 4:30.

1.2 Approval of Agenda

Kahler Royer made the motion to approve the agenda as presented. The motion was seconded by Speltz and carried unanimously.

2.0 'Business Oversight/Responsibilities'

2.1 Consent Agenda

Speltz made the motion to approve the consent agenda including the minutes and financials of December 2021. The motion was seconded by Kahler Royer and carried unanimously.

2.2 Actions Taken or Related to Progress/Status Reports

2.2.1 Request for support from Area Career Exploration

Ned Koppen, President of the Fairmont Area Chamber of Commerce was in attendance regarding the 2022 Area Career Exploration event. The event was not held for two years in a row due to the pandemic but this year leaders are optimistic the event can be held. This event highlights area careers and area businesses to over 600 area sophomores. The goal is to educate our students on what careers exist in our region and to let them know that it's ok to go away and come back later in life. Koppen thanked the board for past sponsorship and requested the sponsorship for the 2022 event. **Kahler Royer made the motion to approve sponsorship of the Area Career Exploration (ACE) Event in the amount of \$1,500. The motion was seconded by Speltz and carried unanimously.**

2.2.2 Consider Modification of CARES Act RLF Program Guidelines

Preuss reported that we are nearing the deadline to spend the funds that are available to us, and we need to get the funds out there or we lose access to them in our community. Preuss suggested increasing the maximum loan amount. **Speltz made the motion to increase the maximum loan amount to \$75,000 and to review the fund again in March, 2022. The motion was seconded by Miller and carried unanimously.**

2.2.3 Whitetail Ridge Lots RFP

The draft Request for Proposals (RFP) was included in the packet for review. Discussion included the process for reviewing and awarding proposals for the property. The proposals received will be reviewed by a committee that will consist of community members with expertise in housing along with City Staff. That committee will then make a recommendation to the full FEDA board. The developer will be required to enter into a Development Agreement with FEDA. **Kahler Royer made the motion to release the Request for Proposals (RFP) as presented. The motion was seconded by Speltz and carried unanimously.**

Strategic Conversations

3.1 Monthly Report: December 2021

The report was included in the packet.

4.0 Meeting Wrap-Up

4.1 Review of Actions to be Taken

1. Release and market RFP for Whitetail Ridge.
2. Increase CARES Act RLF loan maximum and market the program which would include notifying current loan clients of the additional opportunity.
3. Support ACE program.

4.2 Next Meeting

The next meeting is scheduled for Monday, February 14, 2022 at 4:30

5.0 Adjourn

Kahler Royer made the motion to adjourn the meeting at 5:18 pm. The motion was seconded by Speltz and carried unanimously.

Respectfully submitted:

Linsey Preuss
Economic Development Coordinator

D & R Repair of Fairmont Inc Project Summary for the CARES Act RLF

D & R Repair, a sole prop owned by Duane Tenney has previously received a \$20,000 CARES loan in December, 2020. To date, this loan has always been paid as agreed – no issues. D & R Repair is located in Fairmont, Minnesota which is in Martin County, which is inside the lending territory of the CARES Act Revolving Loan Fund Program

The application is requesting a \$55,000 loan to assist with the loss of revenue due to COVID.

In an email dated January 28, 2022, Duane states that the proceeds from the loan will be used for payroll (of a new employee), rent, new equipment purchases for wheel alignment and tire equipment, tire changer, balancer and alignment equipment.

The FEDA Loan committee reviewed the request and has unanimously recommended approval of the loan in the amount of \$55,000 at 0% interest for 7 years. Collateral will be personal guarantees and a UCC on all inventory, machinery and equipment.

Serenity Salon Project Summary

For the CARES Act RLF

Serenity Salon is located in Fairmont, Minnesota which is the County Seat of Martin County. This location qualifies for the CARES Act Loan Program. The business is owned and operated by Melissa Lampman at 800 E Blue Earth Avenue in Fairmont. Melissa is planning for a relocation and this project consists of a complete buildout of the new proposed space.

This project includes several new rooms within the current garage footprint, all new flooring, insulation, windows, door, etc. This project will require building an additional garage to relocate the current parking and storage needs.

Collateral will include a second position on the property located at 1020 South State Street, Fairmont; a UCC Filing on all inventory and equipment; and personal guarantees of both Melissa and Jordan Lampman. May need to include vehicles also depending on what the value of property is expected to be after the project.

In review of the project, the FEDA Loan Committee met and recommends approval of a loan to Serenity Salon in the amount of \$75,000 with a 7-year amortization at 0% interest. The loan approval is contingent upon an approved home occupation permit, zoning permit for the new garage and building permit regarding this project.

Cutting Edge Fitness of Fairmont Inc Project Summary

For the CARES Act RLF

Cutting Edge Fitness of Fairmont Inc, co-owned by CJ and Marissa Johnson of Welcome. The business is located within the lending territory of the CARES Act Revolving Loan Fund. Cutting Edge previously applied for and was approved for a \$25,000, 0% interest loan to assist with the offset of loss of revenue and help pay expenses as a result of COVID. That loan was issued December 6, 2020 and has been paid as agreed since then.

Cutting Edge Fitness of Fairmont Inc is now requesting an additional \$50,000 for help with a remodel project that includes a new basketball court, new artificial turf, and renovation of the rest of the gym.

The FEDA Loan Committee met and is recommending approval of the loan in the amount of \$50,000 with a term of 7 years with 0% interest. Collateral will include 5 Cybex Arc trainers and a star trac treadmill and personal guarantees from both CJ and Marissa Johnson.

ARPA Grant through the Federal EDA

February 15, 2022

FEDA has been given an opportunity to partner with the City of Blue Earth on an ARPA grant through the Federal EDA, that would create a position that would focus directly on economic recovery and resiliency within Blue Earth and Fairmont. The grant, if awarded, will fund a full time Economic Recovery Coordinator or a Workforce Recruitment and Retention Coordinator position for 5 years. The grant will be written for approximately \$1M. Marketing, supplies and expenses will be written into the grant. Region 9 feels a partnership between 2 communities such as Blue Earth and Fairmont is a huge advantage in the grant application process and is excited at the potential of developing a model based on the results from Blue Earth and Fairmont that other communities could utilize when working together.

This position would work closely with existing staff and local and regional stakeholders to stimulate workforce development and higher paying career opportunities for the local workforce through industry and academic partnerships. The grant match would be 20% and can be in kind, meaning that the time spent with staff could be considered as the match. Therefore, we have no direct cash investment. We would need to provide an office space in Fairmont, so a place such as SMEC, which would also be considered in-kind match and will be part of our total 20% match.

Building on existing initiatives by the local EDA's it is the vision for the position to connect industry clusters and individual businesses with the expertise and talent best positioned to meet their needs through local and external resources in an extensive network crossing public and private sectors, non-profits, and community assets. By uniting industry, academia, communities and the workforce around strategic and collective goals, the new position would remove gaps in the local economy quickly, efficiently and with durable results through targeted needs assessments and inter-organizational coordination. The goal is to jointly develop, create, and expand innovative solutions that address strategic growth and transformations to strengthen long-term economic resiliency while simultaneously assisting industries operating in the local economy through the process of recovering from COVID 19, while supporting regionally important clusters suffering from ongoing labor shortages.

This person can also strengthen relationships and develop more collaboration with the South Central Workforce Council, CareerForce, local school districts, and other state agencies.

It is my recommendation that the EDA moves ahead with the grant application. Region Nine's Kristian Braekkan is writing the bulk of the grant at no cost to Blue Earth or Fairmont. With the current state of the workforce it would be invaluable to have a dedicated position to focus solely on recovery and retention efforts of the workforce in these two communities.

City of Fairmont

Economic Development Authority

Monthly Report – January 2022

Projects:

- New industrial park – infrastructure extension nearly complete – will complete final touches in the spring
- Admin work continues on the CARES Act RLF – we received 4 new applications since expanding the maximum loan amount
- The Fairmont Area Life targeted advertising campaign was paused due to funding
- Worked with housing developers – no sites available
- Partner of the Career Navigator Program through the Chamber – the effort continues – presented at Bureau 14. Check out the website:
<https://www.areacareerexploration.org>
- Began work on Succession Planning Project
- Work with businesses on potential projects
 - Planning, Coordination and Administration of TIF 28
- Released RFP for a developer for Whitetail Ridge – Due March 3rd!
- Attended Martin County Leadership for Government Day in January

Meetings:

- Attended meeting with ReSimplifi – location consultant
- Met with Golden Shovel RE: Website Updates
- Participated in Martin County on TV show and gameshow
- Attended Bureau 14
- Met with Blue Earth Economic Development Staff to talk regional marketing
- Attended City Council to request approval of Resolution to set Public Hearing for TIF 28
- Participated in several community development software demos