

REGULAR MEETING

City Hall 2nd Floor Conference Room

AGENDA: Monday, July 18, 2022, 4:30

1. Opening

- 1.1 Welcome/Call to Order
- 1.2 Approval of Agenda

2.0 Business Oversight / Responsibilities

2.1 Consent Agenda

- 2.1.1 Previous Meeting Minutes- June 20, 2022
- 2.1.2 June 2022 Financials

2.2 Actions Taken or Related to Progress/Status Reports

- 2.2.1 Consideration of Childcare Loan

3.0 Strategic Conversations (& “Education” when appropriate)

- 3.1.1 Monthly Report
- 3.1.2 Incubator Building discussion

4.0 Meeting Wrap-Up

- 5.1 Review Actions to be Taken
- 5.2 Next Meeting – August 15, 2022

5.0 Adjourn

REGULAR MEETING MINUTES

City Hall Conference Room

June 20, 2022 at 4:30 pm

Members Present: Andy Noll, Chantill Kahler Royer, Michele Miller, Mike Wubbena
Members Absent: Aaron Speltz, Bruce Peters, Sarah Gerhard
Others Present: Brooke Wohlrabe, Fairmont Sentinel; Cathy Reynolds, City Administrator

1.0 Opening -

1.1 Welcome/Call to Order

Board member Andy Noll called the meeting to order at 4:34.

1.2 Approval of Agenda

Noll made the motion to approve the agenda as presented. The motion was seconded by Michele Miller and carried unanimously.

2.0 Business Oversight/Responsibilities

2.1 Consent Agenda

Mike Wubbena made the motion to approve the May minutes, and the April and May financial reports. The motion was seconded by Noll and carried unanimously.

2.2 Actions Taken or Related to Progress/Status Reports

2.2.1 Consideration of amended agreement to Well Minded Properties Revolving Loan Fun. Miller made a motion to approve the amended contract agreement removing the balloon payment requirement. Wubbena seconded the motion and the motion passed.

3.0 Strategic Conversations

3.1 Monthly Staff Report

4.0 Meeting Wrap-Up

4.1 Review actions to be Taken

4.2 Next Meeting

The next meeting is scheduled for Monday, July 18, 2022 at 4:30 pm.

5.0 Adjourn

Noll made a motion to adjourn the meeting at 4:46 pm. The motion was seconded by Wubbena and carried unanimously.

Respectfully submitted:

Cathy Reynolds
City Administrator

Fairmont Economic Development Authority

6/30/2022

Prospecting: Available Budget,			
Fund 210 Current Year	\$	-	Budget not available on springbrook
Fund 215 Reportable Loans	\$	380,042.26	
Fund 216 Non-Reportable Loans	\$	735,065.07	
Fund 217 Micro Loans	\$	8,577.87	
Fund 218 CARES Loans	\$	141,645.44	
Total All Funds	\$	1,265,330.64	

Balance Sheets

		Fund 210	Fund 215	Fund 216	Fund 217	Fund 218
		Econ Dev	Reportable	Non-Reportable	Micro	CARES
Assets	Cash	\$ 502,161.45	\$ 380,042.26	\$ 735,065.07	\$ 8,577.87	\$ 141,645.44
	Taxes Receivable, Delinquent	\$ 3,096.43	\$ -	\$ -	\$ -	\$ -
	Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
	Loans Receivable	\$ -	\$ 237,381.26	\$ 431,575.08	\$ 20,400.71	\$ 510,761.33
	Forgivable Loans Receivable	\$ -	\$ -	\$ 2,000.00	\$ -	\$ -
	Due from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
	Due from Martin County	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets		\$ 505,257.88	\$ 617,423.52	\$ 1,168,640.15	\$ 28,978.58	\$ 652,406.77

General Ledger

Summary Trial Balance

User: bsteuber
 Printed: 07/12/2022 - 3:02PM
 Period: 06, 2022



Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 210	Economic Development					
EXPENSE						
Department 46500	Economic Development					
210-46500-10120	Full-time Employees - Regular	102,232.00	25,808.65	0.00	0.00	25,808.65
210-46500-10220	Full-time Employees - Overtime	0.00	0.00	0.00	0.00	0.00
210-46500-10320	Part-time Employees	0.00	0.00	0.00	0.00	0.00
210-46500-12120	PERA Contributions	7,667.00	1,474.30	0.00	0.00	1,474.30
210-46500-12220	FICA Contributions	6,338.00	1,589.24	0.00	0.00	1,589.24
210-46500-12500	Medicare	1,482.00	371.68	0.00	0.00	371.68
210-46500-13120	Health Insurance	24,626.00	5,596.42	0.00	0.00	5,596.42
210-46500-13300	Life Insurance	0.00	0.00	0.00	0.00	0.00
210-46500-13400	Disability Insurance	0.00	0.00	0.00	0.00	0.00
210-46500-14220	Unemployment Insurance	0.00	0.00	0.00	0.00	0.00
210-46500-15100	Work Comp Insurance	859.00	244.85	0.00	0.00	244.85
210-46500-20120	Office Supplies & Accessories	3,500.00	910.70	73.11	0.00	983.81
210-46500-20720	Training & Instructional Suppl	0.00	0.00	0.00	0.00	0.00
210-46500-21200	Motor Fuels	0.00	0.00	0.00	0.00	0.00
210-46500-30100	Auditing & Accounting Services	0.00	0.00	0.00	0.00	0.00
210-46500-30300	Engineering Fees	0.00	0.00	0.00	0.00	0.00
210-46500-30400	Legal Fees	0.00	0.00	0.00	0.00	0.00
210-46500-31200	Other Contracted Services	1,000.00	534.00	20.00	0.00	554.00
210-46500-32100	Telephone	1,800.00	378.19	74.18	0.00	452.37
210-46500-32200	Postage	500.00	431.14	20.57	0.00	451.71
210-46500-33100	Travel & Training	7,500.00	137.64	0.00	0.00	137.64
210-46500-33400	Car Allowance	4,860.00	1,121.52	0.00	0.00	1,121.52
210-46500-34305	Other Advertising	100.00	0.00	0.00	0.00	0.00
210-46500-36115	General Liability	1,000.00	927.95	283.17	0.00	1,211.12
210-46500-36215	Property Insurance	500.00	275.50	137.75	0.00	413.25
210-46500-36500	Public Officials	0.00	0.00	0.00	0.00	0.00
210-46500-36600	Crime Liability	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
210-46500-43300	Dues & Subscriptions	4,000.00	231.59	0.00	0.00	231.59
210-46500-43500	Books & Pamphlets	0.00	0.00	0.00	0.00	0.00
210-46500-43800	Credit Card Fees	0.00	0.00	0.00	0.00	0.00
210-46500-43805	Interest Expense	0.00	0.00	0.00	0.00	0.00
210-46500-43810	Prospecting	27,124.00	4,432.63	0.00	0.00	4,432.63
210-46500-43815	Loan Write-offs	0.00	0.00	0.00	0.00	0.00
210-46500-43900	Other Miscellaneous	0.00	0.00	200.00	0.00	200.00
210-46500-43905	Taxes Paid	0.00	0.00	0.00	0.00	0.00
210-46500-49000	Donations to Civic Organizatio	7,500.00	0.00	0.00	0.00	0.00
	210-46500 EXPENSE Totals:	202,588.00	44,466.00	808.78	0.00	45,274.78
Department 46600	Incubator Building					
210-46600-21100	Cleaning Supplies	0.00	0.00	0.00	0.00	0.00
210-46600-22300	Building Repair Supplies	500.00	0.00	0.00	0.00	0.00
210-46600-30400	Legal Fees	0.00	0.00	0.00	0.00	0.00
210-46600-31020	Other Professional Services	0.00	0.00	0.00	0.00	0.00
210-46600-31200	Other Contracted Services	5,000.00	2,435.00	1,737.00	0.00	4,172.00
210-46600-32100	Telephone	0.00	0.00	0.00	0.00	0.00
210-46600-36115	General Liability	0.00	0.00	0.00	0.00	0.00
210-46600-36215	Property Insurance	0.00	0.00	0.00	0.00	0.00
210-46600-36700	Contractors Equipment	500.00	203.97	101.99	0.00	305.96
210-46600-36800	Boiler Policy	0.00	0.00	0.00	0.00	0.00
210-46600-38100	Electric Utilities	5,000.00	2,030.74	377.71	0.00	2,408.45
210-46600-38200	Water	1,250.00	436.34	79.71	0.00	516.05
210-46600-38300	Gas Utilities	6,000.00	5,708.85	69.33	0.00	5,778.18
210-46600-38420	Refuse Disposal	3,800.00	1,598.19	420.80	0.00	2,018.99
210-46600-38500	Sewer	700.00	234.31	47.98	0.00	282.29
210-46600-38600	Storm Sewer	262.00	109.25	21.85	0.00	131.10
210-46600-40100	Repairs & Maint - Buildings	8,500.00	1,294.82	238.09	0.00	1,532.91
210-46600-43905	Taxes Paid	13,500.00	12,122.00	0.00	0.00	12,122.00
	210-46600 EXPENSE Totals:	45,012.00	26,173.47	3,094.46	0.00	29,267.93
Department 72000	Transfers Out					
210-72000-72500	Transfers Out to Gov't Funds	0.00	0.00	0.00	0.00	0.00
210-72000-72502	Transfers Out to Ent Funds	0.00	0.00	0.00	0.00	0.00
	210-72000 EXPENSE Totals:	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
	EXPENSE Totals:	247,600.00	70,639.47	3,903.24	0.00	74,542.71
	Fund 210 Totals:	-247,600.00	70,639.47	3,903.24	0.00	74,542.71
	Report Totals:	-247,600.00	70,639.47	3,903.24	0.00	74,542.71

General Ledger

Summary Trial Balance

User: bsteuber
 Printed: 07/12/2022 - 3:03PM
 Period: 06, 2022



Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 210	Economic Development					
ASSETS						
210-00000-10100	Cash	0.00	502,770.84	3,317.50	3,926.89	502,161.45
210-00000-10700	Taxes Receivable - Delinquent	0.00	3,096.43	0.00	0.00	3,096.43
210-00000-11500	AR - Utility Billing	0.00	0.00	0.00	0.00	0.00
210-00000-11502	AR - Credit Card	0.00	0.00	0.00	0.00	0.00
210-00000-11504	AR - Misc	0.00	0.00	0.00	0.00	0.00
210-00000-11506	AR - Merchandise	0.00	355.00	2,932.50	3,287.50	0.00
210-00000-11507	AR - Property Rental	0.00	0.00	0.00	0.00	0.00
210-00000-11900	Loans Receivable	0.00	0.00	0.00	0.00	0.00
210-00000-13100	Due From Other Funds	0.00	0.00	0.00	0.00	0.00
210-00000-13200	Due From Federal Gov't	0.00	0.00	0.00	0.00	0.00
210-00000-13204	Due From Martin County	0.00	0.00	0.00	0.00	0.00
210-00000-15500	Prepaid Items	0.00	0.00	0.00	0.00	0.00
	ASSETS Totals:	0.00	506,222.27	6,250.00	7,214.39	505,257.88
LIABILITIES						
210-00000-20200	Accounts Payable	0.00	-23.65	3,403.98	3,380.33	0.00
210-00000-20700	Due to Other Funds	0.00	0.00	0.00	0.00	0.00
210-00000-21600	Accrued Wages & Salaries Payab	0.00	0.00	0.00	0.00	0.00
210-00000-21703	Accrued FICA	0.00	0.00	0.00	0.00	0.00
210-00000-21704	Accrued PERA	0.00	0.00	0.00	0.00	0.00
210-00000-21709	Accrued Medicare	0.00	0.00	0.00	0.00	0.00
210-00000-21710	Accrued Vacation	0.00	0.00	0.00	0.00	0.00
210-00000-21711	Accrued Vacation - Current	0.00	0.00	0.00	0.00	0.00
210-00000-21712	Accrued Sick Leave	0.00	0.00	0.00	0.00	0.00
210-00000-21713	Accrued Sick Leave - Current	0.00	0.00	0.00	0.00	0.00
210-00000-21715	OPEB	0.00	0.00	0.00	0.00	0.00
210-00000-21720	Other Employee W/H	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
210-00000-21725	Split Period	0.00	0.00	0.00	0.00	0.00
210-00000-21750	Imputed Income	0.00	0.00	0.00	0.00	0.00
210-00000-21801	Federal W/H Payable	0.00	0.00	0.00	0.00	0.00
210-00000-21802	State W/H Payable	0.00	0.00	0.00	0.00	0.00
210-00000-21803	FICA Payable	0.00	0.00	0.00	0.00	0.00
210-00000-21804	PERA Payable	0.00	0.00	0.00	0.00	0.00
210-00000-21805	Retirement Payable	0.00	0.00	0.00	0.00	0.00
210-00000-21807	Union Dues Payable	0.00	0.00	0.00	0.00	0.00
210-00000-21808	ICMA Payable	0.00	0.00	0.00	0.00	0.00
210-00000-21809	Medicare Payable	0.00	0.00	0.00	0.00	0.00
210-00000-21810	PERA Term Ins Payable	0.00	0.00	0.00	0.00	0.00
210-00000-21811	HSA Payable	0.00	0.00	0.00	0.00	0.00
210-00000-21812	Colonial Life Payable	0.00	0.00	0.00	0.00	0.00
210-00000-22000	Deposits Payable	0.00	-1,763.00	0.00	0.00	-1,763.00
210-00000-22206	Deferred Rev-Delinquent Taxes	0.00	-3,096.43	0.00	0.00	-3,096.43
210-00000-22207	Deferred Revenue - Forgivable	0.00	0.00	0.00	0.00	0.00
	LIABILITIES Totals:	0.00	-4,883.08	3,403.98	3,380.33	-4,859.43
FUND BALANCE						
210-00000-25000	Fund Balance / RE	0.00	-488,879.79	0.00	0.00	-488,879.79
	FUND BALANCE Totals:	0.00	-488,879.79	0.00	0.00	-488,879.79
	Fund 210 Totals:	0.00	12,459.40	9,653.98	10,594.72	11,518.66
	Report Totals:	0.00	12,459.40	9,653.98	10,594.72	11,518.66

General Ledger

Summary Trial Balance

User: bsteuber
 Printed: 07/12/2022 - 3:06PM
 Period: 06, 2022



Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 215	Reportable Loan Fund					
ASSETS						
215-00000-10100	Cash	0.00	376,480.01	3,562.25	0.00	380,042.26
215-00000-11500	AR - Utility Billing	0.00	0.00	0.00	0.00	0.00
215-00000-11502	AR - Credit Card	0.00	0.00	0.00	0.00	0.00
215-00000-11504	AR - Misc	0.00	0.00	0.00	0.00	0.00
215-00000-11506	AR - Merchandise	0.00	0.00	0.00	0.00	0.00
215-00000-11900	Loans Receivable	0.00	240,193.43	0.00	2,812.17	237,381.26
215-00000-13100	Due From Other Funds	0.00	0.00	0.00	0.00	0.00
215-00000-13202	Due From State of MN	0.00	0.00	0.00	0.00	0.00
215-00000-13206	Due From Other Gov't	0.00	0.00	0.00	0.00	0.00
	ASSETS Totals:	0.00	616,673.44	3,562.25	2,812.17	617,423.52
LIABILITIES						
215-00000-20200	Accounts Payable	0.00	0.00	0.00	0.00	0.00
215-00000-20700	Due to Other Funds	0.00	0.00	0.00	0.00	0.00
215-00000-22209	Deferred Revenue - Accrued Int	0.00	0.00	0.00	0.00	0.00
	LIABILITIES Totals:	0.00	0.00	0.00	0.00	0.00
FUND BALANCE						
215-00000-25000	Fund Balance / RE	0.00	-612,157.14	0.00	0.00	-612,157.14
	FUND BALANCE Totals:	0.00	-612,157.14	0.00	0.00	-612,157.14
	Fund 215 Totals:	0.00	4,516.30	3,562.25	2,812.17	5,266.38

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 216	Non Reportable Loan Fund					
ASSETS						
216-00000-10100	Cash	0.00	732,446.66	9,501.03	6,882.62	735,065.07
216-00000-11500	AR - Utility Billing	0.00	0.00	0.00	0.00	0.00
216-00000-11502	AR - Credit Card	0.00	0.00	0.00	0.00	0.00
216-00000-11504	AR - Misc	0.00	0.00	0.00	0.00	0.00
216-00000-11505	MN Community Cap Fund Deposit	0.00	0.00	0.00	0.00	0.00
216-00000-11506	AR - Merchandise	0.00	0.00	0.00	0.00	0.00
216-00000-11900	Loans Receivable	0.00	440,053.13	0.00	8,478.05	431,575.08
216-00000-11910	Forgivable Loans Receivable	0.00	2,000.00	0.00	0.00	2,000.00
216-00000-13100	Due From Other Funds	0.00	0.00	0.00	0.00	0.00
216-00000-13202	Due From State of MN	0.00	0.00	0.00	0.00	0.00
216-00000-13206	Due From Other Gov't	0.00	0.00	0.00	0.00	0.00
	ASSETS Totals:	0.00	1,174,499.79	9,501.03	15,360.67	1,168,640.15
LIABILITIES						
216-00000-20200	Accounts Payable	0.00	0.00	6,882.62	6,882.62	0.00
216-00000-20700	Due to Other Funds	0.00	0.00	0.00	0.00	0.00
216-00000-20705	Due to State of MN	0.00	-273,734.36	5,967.12	0.00	-267,767.24
216-00000-22208	Deferred Revenue - Other	0.00	-3,028.54	1,225.67	0.00	-1,802.87
	LIABILITIES Totals:	0.00	-276,762.90	14,075.41	6,882.62	-269,570.11
FUND BALANCE						
216-00000-25000	Fund Balance / RE	0.00	-884,623.90	0.00	0.00	-884,623.90
	FUND BALANCE Totals:	0.00	-884,623.90	0.00	0.00	-884,623.90
	Fund 216 Totals:	0.00	13,112.99	23,576.44	22,243.29	14,446.14

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 217	Micro Loan Fund					
ASSETS						
217-00000-10100	Cash	0.00	8,201.24	376.63	0.00	8,577.87
217-00000-11500	AR - Utility Billing	0.00	0.00	0.00	0.00	0.00
217-00000-11502	AR - Credit Card	0.00	0.00	0.00	0.00	0.00
217-00000-11504	AR - Misc	0.00	0.00	0.00	0.00	0.00
217-00000-11506	AR - Merchandise	0.00	0.00	0.00	0.00	0.00
217-00000-11900	Loans Receivable	0.00	20,747.73	0.00	347.02	20,400.71
217-00000-11910	Forgivable Loans Receivable	0.00	0.00	0.00	0.00	0.00
217-00000-13100	Due From Other Funds	0.00	0.00	0.00	0.00	0.00
217-00000-13202	Due From State of MN	0.00	0.00	0.00	0.00	0.00
217-00000-13206	Due From Other Gov't	0.00	0.00	0.00	0.00	0.00
	ASSETS Totals:	0.00	28,948.97	376.63	347.02	28,978.58
LIABILITIES						
217-00000-20200	Accounts Payable	0.00	0.00	0.00	0.00	0.00
217-00000-20700	Due to Other Funds	0.00	0.00	0.00	0.00	0.00
	LIABILITIES Totals:	0.00	0.00	0.00	0.00	0.00
FUND BALANCE						
217-00000-25000	Fund Balance / RE	0.00	-28,779.80	0.00	0.00	-28,779.80
	FUND BALANCE Totals:	0.00	-28,779.80	0.00	0.00	-28,779.80
	Fund 217 Totals:	0.00	169.17	376.63	347.02	198.78

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Fund 218	CARES Act RLF					
ASSETS						
218-00000-10100	Cash	0.00	132,443.01	9,202.43	0.00	141,645.44
218-00000-11500	AR - Utility Billing	0.00	0.00	0.00	0.00	0.00
218-00000-11502	AR - Credit Card	0.00	0.00	0.00	0.00	0.00
218-00000-11504	AR - Misc	0.00	0.00	0.00	0.00	0.00
218-00000-11506	AR - Merchandise	0.00	0.00	0.00	0.00	0.00
218-00000-11900	Loans Receivable	0.00	519,963.76	0.00	9,202.43	510,761.33
218-00000-11910	Forgivable Loans Receivable	0.00	0.00	0.00	0.00	0.00
218-00000-13100	Due From Other Funds	0.00	0.00	0.00	0.00	0.00
218-00000-13202	Due From State of MN	0.00	0.00	0.00	0.00	0.00
218-00000-13206	Due From Other Gov't	0.00	0.00	0.00	0.00	0.00
	ASSETS Totals:	0.00	652,406.77	9,202.43	9,202.43	652,406.77
LIABILITIES						
218-00000-20200	Accounts Payable	0.00	0.00	0.00	0.00	0.00
218-00000-20700	Due to Other Funds	0.00	0.00	0.00	0.00	0.00
218-00000-22200	Def Rev	0.00	0.00	0.00	0.00	0.00
	LIABILITIES Totals:	0.00	0.00	0.00	0.00	0.00
FUND BALANCE						
218-00000-25000	Fund Balance / RE	0.00	-409,951.26	0.00	0.00	-409,951.26
	FUND BALANCE Totals:	0.00	-409,951.26	0.00	0.00	-409,951.26
	Fund 218 Totals:	0.00	242,455.51	9,202.43	9,202.43	242,455.51
	Report Totals:	0.00	260,253.97	36,717.75	34,604.91	262,366.81

TO: Fairmont Economic Development Authority
FROM: Jennifer Howard
DATE: July 18, 2022
RE: Staff Report



Childcare Loan Request

Review the Childcare loan request.

City of Fairmont CARES RLF Reporting

This report has been submitted and a copy is attached for review. All CARES RLF have been distributed.

Business Development Center (Incubator Building)

I have been looking into the financials and future budget planning for the Incubator Building.

Whitetail Ridge

Staff met with a prospective developer for the Whitetail Ridge lots. We are continuing discussions and hope to have a development agreement to present to FEDA.

Tour of Manufacturing Month in October

October is the Tour of Manufacturing month. Initial planning has begun for the planning process for the upcoming Tour of Manufacturing for South Central MN. Manufacturers should be seeing emails with registration for the tour.

Projects:

Continued research on Defederalizing Revolving Loan Fund
MVAC: Small Cities Development Program
TIF and Tax Abatements: Monitor progress
Update Principal Employers for Annual Audit
Fairmont CARES RLF Reporting

Meetings:

- Prospective business meeting
- Tour of Manufacturing Planning
- Prospective Construction Company
- Southwest Minnesota Housing Partnership
- Childcare Loan Review Committee

City of Fairmont
Award Number 06-79-06195
CARES Revolving Loan Fund Progress Report

Activities Overview for Reporting Period: **Period ending 6-30-22**

a. Provide a high-level overview of the activities undertaken;

We have successfully helped 19 businesses who have been negatively impacted by the COVID-19 pandemic. Most of these businesses and their employees were forced to close and lose income due to Executive Orders in response to the COVID-19 pandemic. Furthermore, many of these businesses have still not fully recovered, or has seen 100% of their business come back yet, from the economic distress as they are in the service industry. The service industry in southern Minnesota is not fully recovered as some of the population is not yet comfortable with frequenting these businesses, and workforce is more of a challenge than it was prior to the pandemic. Some of our businesses are having to reduce their hours of operation due to the lack of staffing. This is especially common in the service industry. Again, that industry is being affected more than some other industries in our region.

b. Explain how the project activities have prevented, prepared for, or responded to the coronavirus pandemic and advanced economic development;

The CARES Act funding was incredibly important to the City of Fairmont, as it ensured 19 local businesses remained open in a time of uncertainty. Without the assistance, our small town may have lost many restaurants, salons, and gyms. The funding provided much needed support coming out of the pandemic. Since these businesses were closed, they did not have the capital to make planned improvements or unexpected repairs. The CARES Act funding ensured businesses could stay on top of maintenance and repairs.

c. Document the expected and actual economic benefits of the project as of the time the report is written;

The CARES Act funding enabled the City of Fairmont to minimize the impact of the pandemic for 19 local businesses. Many of these businesses experienced closures, and the funding allowed the business to reopen and stay on top of planned maintenance and repairs. Seven of the businesses are restaurants and bars which are facing a huge workforce shortage. The funding has helped bridge this hardship and enable businesses to hire more workers.

d. Detail lessons learned during the project that may be of assistance to EDA or other communities undertaking similar efforts; and

When the City of Fairmont undertook this project, there was a maximum loan request of \$25,000. After giving applicants an initial period to request funds, we realized there were several businesses who would have applied if the maximum amount was increased. In retrospect the City of Fairmont supported the lower amount to ensure all businesses had access to funds, but we were able to increase the maximum loan amount and utilize the funding.

e. Provide any other information necessary to understand the project and its impacts

TO: Fairmont Economic Development Authority
FROM: Jennifer Howard
DATE: July 12, 2022
RE: Business Development Center (Incubator Building)



Business Development Center (Incubator Building)

The Fairmont Economic Development Authority (FEDA) has owned and operated the incubator building since 1993. Located at 426 Winnebago Avenue, this building provides office suites and work areas for up to seven businesses. There are currently five tenants in the building. The building has over 12,000 square feet of space available with loading docks, exterior truck access, concrete parking area and other related amenities. Of the five tenants, only one has been in the building for less than a year. The remaining four have been in the building for at least five years. The longest tenant has been in the building since 1997 (25 years).

Incubator office space is typically leased below market value to allow new businesses the ability to focus on the startup and success of their business. Many incubation programs set graduation requirements by development benchmarks, such as company revenues or staffing levels, rather than time. According to Enteprenour.com, companies typically spend an average of **2-5 years** in a business incubator.

At this time, there is no structured outline of goals or steps a business should reach during their time in the incubation building. There is also no defined step for increasing lease prices or when a company should move to another space to make room for an incoming business. The

goal of this document is to summarize the situation, outline options for the next steps and show the potential impacts on the City of Fairmont.

Based on a draft facility analysis conducted in August of 2021, there are \$94,500 in repairs in immediate need. Over the next ten years the grand total of repairs necessary for the building is estimated to be \$1,025,000.00. If all of these recommended repairs were to be done, there would be a significant amount of revenue lost in the first year alone.

The revenue and expense report are attached for review. This includes the actuals from 2016 through 2022 year to date (YTD).

Recommendations:

1. Keep the incubator building and develop a policy for the utilization of the incubator program. The policy would create goals for businesses and define when a company is no longer considered to be in incubation. As part of the policy development staff would complete a study to evaluate current market rate for commercial space and look at the best way to keep rental rates in line with market rate in the community.
2. Based on the amount of maintenance required over the next 10 years, another option would be to sell the building.

Facility Assessment Draft Report Conducted August 2021

Sum of Total Project Cost at year of Construction Category	Immediate Need Priority 1	0-2 Years Priority 2	3-5 Years Priority 3	6-10 Years Priority 4	Grand Total
Mechanical Systems		154,500	13,000		167,500.00
Accessibility	6,500				6,500.00
Electrical Systems	35,500	355,500			391,000.00
Exterior	30,000	39,000		295,000	364,000.00
Interior	18,000	1,000		14,000	33,000.00
Site	4,500	58,500			63,000.00
	\$94,500.00	\$608,500.00	\$13,000.00	\$309,000.00	\$1,025,000.00

Current Occupancy Information

Location	Occupancy Year	Square Feet	Current Monthly Rent	Current Monthly Price Per SF	Annual Price Per SF
Office A	Vacant	145	Vacant	Vacant	Vacant
Office B	1997	144	127.5	0.89	10.63
Office C & D	2017	488	355	0.73	8.73
Office E & F	2007	290	325	1.13	13.45
Warehouse A	Vacant	2488	Vacant	Vacant	Vacant
Warehouse B	2014	3600	1125	0.31	3.75
Warehouse C	2021	3600	1000	0.28	3.33

Area Office Space Lease Rates

Area	Square Footage	Lease Price Per Month	Utilities Included?	Monthly Price Per SF	Annual Price Per SF
Victoria State Crossing at 717 State Street (2020 rates)	3600	\$5,500.00	yes	\$1.53	\$18.33
Victoria State Crossing at 757 State Street (2020 rates)	2329	\$2,950.00	yes	\$1.27	\$15.20
Incubator Building Office Space Market Rate per Appraisal in 2017	145	\$170.00	yes	\$1.17	\$14.07



*not to scale

Account Number	Account Description	2022 YTD	2021 Actual	2020 Actual	2019 Actual	2018 Actual	2017 Actual	2016 Actual
Revenues								
210-36200-36224	Property Rental	16,795	29,833	36,480.00	37,780.00	38,077.00	28,717.44	28,233.58
	Totals	16,795	29,833	36,480.00	37,780.00	38,077.00	28,717.44	28,233.58
Expenses								
Incubator Building								
210-46600-21100	Cleaning Supplies	55	222	-	-	-	-	72.39
210-46600-22300	Building Repair Supplies			1,673.06	-	66.42	-	-
210-46600-31020	Other Professional Services			-	-	-	-	43.84
210-46600-31200	Other Contracted Services		6,831	3,899.75	5,649.63	4,899.52	4,064.12	2,155.20
210-46600-32100	Telephone			-	-	-	-	-
210-46600-36115	General Liability			-	-	-	-	-
210-46600-36215	Property Insurance			-	-	-	-	-
210-46600-36700	Contractors Equipment	306	449	474.00	447.00	408.00	106.03	89.69
210-46600-38100	Electric Utilities	2,408	4,157	4,367.13	4,429.66	5,607.93	4,551.28	4,752.61
210-46600-38200	Water	516	927	727.99	1,134.14	840.98	702.10	749.26
210-46600-38300	Gas Utilities	5,778	4,723	3,748.78	6,718.10	6,006.01	4,121.14	4,405.30
210-46600-38420	Refuse Disposal	2,444	4,306	3,963.75	3,533.25	4,135.60	2,682.61	3,220.54
210-46600-38500	Sewer	282	540	373.38	623.98	412.24	355.56	384.45
210-46600-38600	Storm Sewer	131	262	262.20	240.35	262.20	262.20	240.35
210-46600-40100	Repairs & Maint - Building	1,524	10,809	566.08	348.93	3,159.95	8,060.57	3,300.09
210-46600-43905	Taxes Paid	12,122	14,220	13,058.00	12,940.00	9,298.00	10,094.00	9,774.00
210-46600-52000	Buildings & Structures			-	-	-	-	-
210-46600-58000	Other Equipment			-	-	-	-	-
	Totals	25,566	47,446	33,114.12	36,065.04	35,096.85	34,999.61	29,187.72

2015 Actual	2014 Actual	2013 Actual	2012 Actual	2011 Actual	2010 Actual
26,900.50	22,516.00	22,116.50	22,546.00	4,140.00	898.51
26,900.50	22,516.00	22,116.50	22,546.00	4,140.00	898.51
182.80	-	56.47	231.80	-	71.78
453.65	1,052.11	62.59	4,668.28	225.15	1,289.02
100.00	-	-	381.50	74.20	-
3,193.38	2,015.90	2,285.50	2,711.98	4,176.32	5,930.47
-	59.44	83.59	441.96	378.52	472.45
-	-	-	-	-	-
-	-	-	-	-	-
90.49	98.39	75.61	125.51	96.80	88.91
4,028.80	2,320.09	2,145.32	2,579.71	2,519.66	2,695.02
819.69	898.10	1,593.53	876.25	793.90	1,029.50
5,595.55	8,696.61	7,923.32	5,506.98	7,383.85	6,036.91
3,105.13	3,288.00	3,162.91	3,415.42	2,866.68	502.19
469.02	513.63	1,069.76	477.42	542.10	889.57
262.20	262.20	262.20	1,568.19	262.20	261.48
8,124.22	1,092.80	711.89	2,446.32	184.29	684.74
9,220.00	7,662.00	9,378.00	10,028.00	9,430.00	9,998.00
-	-	-	-	-	-
-	-	-	-	-	-
35,644.93	27,959.27	28,810.69	35,459.32	28,933.67	29,950.04