



**REGULAR MEETING**

**City Hall 2<sup>nd</sup> Floor Conference Room**

**AGENDA:** Tuesday, September 12, 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- August 15, 2022
- 2.1.2 August 2022 Financials

2.2 Actions Taken or Related to Progress/Status Reports

- 2.2.1 Preliminary agreement for Whitetail Ridge lots
- 2.2.2 Five Lakes Cooperative: Letter of support
- 2.2.3 Resolution Defederalizing RLF 215

3.0 Strategic Conversations (& "Education" when appropriate)

- 3.1.1 Monthly Report

4.0 Meeting Wrap-Up

- 5.1 Review Actions to be Taken
- 5.2 Next Meeting – October 17, 2022

5.0 Adjourn

**FEDA Mission: We support the successful growth and pride of the Fairmont area businesses and citizens.**

## **REGULAR MEETING MINUTES**

### **City Hall Conference Room**

August 15, 2022 at 4:30 pm

**Members Present:** Andy Noll, Bruce Peters, Michele Miller, Mike Wubbena  
**Members Absent:** Aaron Speltz, Sarah Gerhard, Chantill Kahler Royer  
**Others Present:** Brooke Wohlrabe, Fairmont Sentinel; Jennifer Howard Interim Economic Development Coordinator

#### **1.0 Opening -**

##### **1.1 Welcome/Call to Order**

Board member Mike Wubbena called the meeting to order at 4:45.

##### **1.2 Approval of Agenda**

Bruce Peters 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**

Bruce Peters made the motion to approve the July minutes, and July financial reports. The motion was seconded by Andy Noll and carried unanimously.

##### **2.2 Actions Taken or Related to Progress/Status Reports**

**2.2.1** Staff presented an update on the Child Care Forgivable Loan Program. One new loan has been approved and will be paid when receipts and documentation of the project is provided.

**2.2.2** Staff provided an update on the incubator building request for proposals. The RFP is in the final stages and will soon be ready for dissemination. FEDA members recommended to publish the RFP in the Photo Press and the Fairmont Sentinel.

**2.2.3** The Ranch /Steve Schmitz CARES ACT Loan, after FEDA discussion it was recommended the request for transferring ownership be reviewed by a loan review committee and present the recommendation at the September meeting.

### **3.0 Strategic Conversations**

#### **3.1 Monthly Staff Report**

**3.2** Staff provided an update on the Whitetail Ridge lots, Staff is continuing to work with a developer and anticipates having a recommendation for a development agreement soon. Whitetail ridge lot listings for eight of lots are set to expire on September 15 2022. Bruce Peters made the motion to continue listing the lots until a development agreement is reached. The motion was seconded by Andy Noll and carried unanimously.

**3.3** Five Lakes Cooperative plans to apply for grant funding from Minnesota Housing to improve the road systems. Five Lakes is requesting a letter of support in their application. They would also request that the city consider a financial contribution so their application will score better as the MHCRP grant dollars are in high demand among manufactured home communities across the state. Bruce Peters made the motion to draft a letter of support. The motion was seconded by Michele Miller and carried unanimously.

### **4.0 Meeting Wrap-Up**

**4.1** Review actions to be Taken: Continue finalizing the RFP for the Incubator Building. Conduct a loan review on The Ranch/Steve Schmitz CARES ACT Loan. Draft a 5Lakes recommendation letter.

#### **4.2 Next Meeting**

The next meeting is scheduled for Monday, September 19, 2022 at 4:30 pm.

### **5.0 Adjourn**

Peters made a motion to adjourn the meeting at 5:08 pm. The motion was seconded by Noll and carried unanimously.

Respectfully submitted:

Jennifer Howard  
Interim Economic Development Coordinator

## Fairmont Economic Development Authority

8/31/2022

Prospecting: Available Budget,			
Fund 210 Current Year	\$	-	Budget not available on springbrook
Fund 215 Reportable Loans	\$	386,575.76	
Fund 216 Non-Reportable Loans	\$	739,196.80	
Fund 217 Micro Loans	\$	9,336.30	
Fund 218 CARES Loans	\$	116,810.19	
Total All Funds	\$	1,251,919.05	

### Balance Sheets

		Fund 210	Fund 215	Fund 216	Fund 217	Fund 218
		Econ Dev	Reportable	Non-Reportable	Micro	CARES
Assets	Cash	\$ 586,534.51	\$ 386,575.76	\$ 739,196.80	\$ 9,336.30	\$ 116,810.19
	Taxes Receivable, Delinquent	\$ 3,096.43	\$ -	\$ -	\$ -	\$ -
	Accounts Receivable		\$ -	\$ -	\$ -	\$ -
	Loans Receivable	\$ -	\$ 232,430.27	\$ 414,486.98	\$ 19,699.03	\$ 493,189.81
	Forgivable Loans Receivable	\$ -	\$ -	\$ 2,000.00	\$ -	\$ -
	Due from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
	Due from Martin County	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets		\$ 589,630.94	\$ 619,006.03	\$ 1,155,683.78	\$ 29,035.33	\$ 610,000.00

# Aging Report

City of Fairmont, MN

Cutoff Date: 8/31/2022  
 Run Date: 09/08/2022  
 Run Time: 12:58:32 pm  
 Page 1 of 2

Funds: All Status: All

County: All  
 Loan Officer: All

Include loans from 101 to 9901

		Loan Amt	Disbursed	-----Analysis of Payments Due-----							
				Current Balance	Regular Payment	1 Payment	2 Payments	3 Payments	Over 3	Total Due	Lt Days
1104	Crissinger , Cynthia	7,623.00	7,623.00	6,442.11	73.54	73.54	73.54	73.54	6,221.49	6,442.11	3528
1106	Rouse , Jeff	30,651.58	30,681.58	1,630.55	295.97	0.00	0.00	0.00	0.00	0.00	0
1204	Well Minded Properties	75,000.00	75,000.00	29,541.01	554.77	0.00	0.00	0.00	0.00	0.00	0
1302	Midwest Audio Video	20,000.00	20,000.00	2,306.38	202.49	0.00	0.00	0.00	0.00	0.00	0
1502	Wiederhoeft Welding & Machine	75,000.00	75,000.00	56,527.26	454.49	0.00	0.00	0.00	0.00	0.00	0
1601	Fairmont Butcher Block LLC	75,000.00	75,000.00	62,383.87	454.49	0.00	0.00	0.00	0.00	0.00	0
1602	Tonne , Dale	4,685.00	4,685.00	2,548.50	41.10	0.00	0.00	0.00	0.00	0.00	0
1701	TMeyer, Inc.	20,000.00	20,000.00	5,354.63	278.00	0.00	0.00	0.00	0.00	0.00	0
1702	Zierke Built Mfg.	360,000.00	360,000.00	112,820.74	4,596.28	0.00	0.00	0.00	0.00	0.00	0
1901	Landscaping Plus, Inc.	8,380.75	8,380.75	4,323.98	110.74	0.00	0.00	0.00	0.00	0.00	0
1902	Zierke Built Mfg.	240,000.00	240,000.00	150,078.71	3,064.18	0.00	0.00	0.00	0.00	0.00	0
2001	B & B Gas Piping Plus, LLC	25,600.00	25,600.00	23,384.84	155.13	0.00	0.00	0.00	0.00	0.00	0
2002	Live Fit & Wellness Center, LLC	75,000.00	75,000.00	61,204.12	1,025.16	0.00	0.00	0.00	0.00	0.00	0
2003	El Agave, Inc.	25,000.00	25,000.00	16,666.60	416.67	0.00	0.00	0.00	0.00	0.00	0
2004	Minuteman Press	25,000.00	25,000.00	16,666.60	416.67	0.00	0.00	0.00	0.00	0.00	0
2005	Fairmont Glass & Sign Products, Inc.	75,000.00	75,000.00	70,381.99	425.40	0.00	0.00	0.00	0.00	0.00	0
2006	Old Northrop Bar	25,000.00	25,000.00	17,083.27	416.67	0.00	0.00	0.00	0.00	0.00	0
2007	D&R Repair	20,000.00	20,000.00	13,666.73	333.33	0.00	0.00	0.00	0.00	0.00	0
2008	Cutting Edge Fitness of Fairmont, Inc.	25,000.00	25,000.00	17,083.27	416.67	0.00	0.00	0.00	0.00	0.00	0
2009	Shenanigans	25,000.00	25,000.00	17,499.94	416.67	0.00	0.00	0.00	0.00	0.00	0
2011	The Ranch	25,000.00	25,000.00	17,499.94	416.67	0.00	0.00	0.00	0.00	0.00	0
2101	Giddy Up Boutique	7,508.99	7,508.99	6,041.73	99.22	0.00	0.00	0.00	0.00	0.00	0
2102	Live Fit & Wellness Center, LLC	25,000.00	25,000.00	17,916.61	416.67	0.00	0.00	0.00	0.00	0.00	0
2103	Bowlmor Lanes, LLC	25,000.00	25,000.00	17,916.61	416.67	0.00	0.00	0.00	0.00	0.00	0
2104	Fairmont Awards Manufacturing, Inc.	25,000.00	25,000.00	17,916.61	416.67	0.00	0.00	0.00	0.00	0.00	0
2105	Blazer Bar	25,000.00	25,000.00	17,916.61	416.67	0.00	0.00	0.00	0.00	0.00	0
2106	Our Story Studios	25,000.00	25,000.00	19,166.62	416.67	0.00	0.00	0.00	0.00	0.00	0
2107	Fairmont Brewing Company, LLC	75,000.00	75,000.00	71,303.15	732.89	0.00	0.00	0.00	0.00	0.00	0
2108	Bean Town, LLC	25,000.00	25,000.00	20,833.30	416.67	0.00	0.00	0.00	0.00	0.00	0
2109	Fairmont Brewing Company, LLC	25,000.00	25,000.00	22,499.98	416.67	0.00	0.00	0.00	0.00	0.00	0
2201	Cutting Edge Fitness of Fairmont, Inc.	50,000.00	50,000.00	47,619.04	595.24	0.00	0.00	0.00	0.00	0.00	0
2202	D&R Repair	55,000.00	55,000.00	52,380.96	654.76	0.00	0.00	0.00	0.00	0.00	0
2203	Serenity Salon, LLC	75,000.00	75,000.00	71,428.56	892.86	0.00	0.00	0.00	0.00	0.00	0

# Aging Report

City of Fairmont, MN

Funds: All  
City: All

Status: All

County: All  
Loan Officer: All

Cutoff Date: 8/31/2022  
Run Date: 09/08/2022  
Run Time: 12:58:32 pm  
Page 2 of 2

Include loans from 101 to 9901

		Loan Amt	Disbursed	Current Balance	Regular Payment	-----Analysis of Payments Due-----				Total Due	Lt Days
						1 Payment	2 Payments	3 Payments	Over 3		
2204	Gemini Studios	10,000.00	10,000.00	9,333.32	166.67	0.00	0.00	0.00	0.00	0.00	0
2205	Indulge Salon & Spa	75,000.00	75,000.00	71,428.56	892.86	0.00	0.00	0.00	0.00	0.00	0
<b>Totals</b>		<b>1,784,449.32</b>		<b>1,168,796.70</b>		<b>73.54</b>		<b>73.54</b>		<b>6,442.11</b>	
			<b>1,784,479.32</b>		<b>21,516.28</b>		<b>73.54</b>		<b>6,221.49</b>		
<b>*** Total Delinquent Dollars</b>						<b>6,442.11</b>	<b>6,442.11</b>	<b>6,442.11</b>	<b>6,442.11</b>	<b>6,442.11</b>	
<b>Percent Delinquent Dollars</b>						<b>0.55%</b>	<b>0.55%</b>	<b>0.55%</b>	<b>0.55%</b>	<b>0.55%</b>	<b>0.55%</b>
<b>***Total of loan balances which are in arrears</b>											

# General Ledger

## Summary Trial Balance

User: bsteuber  
 Printed: 09/08/2022 - 10:52AM  
 Period: 01 to 08, 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	0.00	25,808.65	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	0.00	1,474.30	0.00	1,474.30
210-46500-12220	FICA Contributions	6,338.00	0.00	1,589.24	0.00	1,589.24
210-46500-12500	Medicare	1,482.00	0.00	371.68	0.00	371.68
210-46500-13120	Health Insurance	24,626.00	0.00	5,596.42	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	0.00	244.85	0.00	244.85
210-46500-20120	Office Supplies & Accessories	3,500.00	0.00	1,091.78	0.00	1,091.78
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	0.00	16,510.00	0.00	16,510.00
210-46500-32100	Telephone	1,800.00	0.00	695.20	0.00	695.20
210-46500-32200	Postage	500.00	0.00	451.71	0.00	451.71
210-46500-33100	Travel & Training	7,500.00	0.00	153.14	0.00	153.14
210-46500-33400	Car Allowance	4,860.00	0.00	1,121.52	0.00	1,121.52
210-46500-34305	Other Advertising	100.00	0.00	60.00	0.00	60.00
210-46500-36115	General Liability	1,000.00	0.00	1,211.12	0.00	1,211.12
210-46500-36215	Property Insurance	500.00	0.00	413.25	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	0.00	231.59	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	0.00	4,546.08	0.00	4,546.08
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	0.00	61,770.53	0.00	61,770.53
Department 46600	Incubator Building					
210-46600-21100	Cleaning Supplies	0.00	0.00	55.00	0.00	55.00
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	0.00	5,046.00	0.00	5,046.00
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	0.00	305.96	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	0.00	3,449.48	0.00	3,449.48
210-46600-38200	Water	1,250.00	0.00	679.51	0.00	679.51
210-46600-38300	Gas Utilities	6,000.00	0.00	5,905.11	0.00	5,905.11
210-46600-38420	Refuse Disposal	3,800.00	0.00	2,904.24	0.00	2,904.24
210-46600-38500	Sewer	700.00	0.00	378.25	0.00	378.25
210-46600-38600	Storm Sewer	262.00	0.00	174.80	0.00	174.80
210-46600-40100	Repairs & Maint - Buildings	8,500.00	0.00	1,546.09	0.00	1,546.09
210-46600-43905	Taxes Paid	13,500.00	0.00	12,122.00	0.00	12,122.00
	210-46600 EXPENSE Totals:	45,012.00	0.00	32,566.44	0.00	32,566.44
	EXPENSE Totals:	247,600.00	0.00	94,336.97	0.00	94,336.97
	Fund 210 Totals:	-247,600.00	0.00	94,336.97	0.00	94,336.97

<b>Account Number</b>	<b>Description</b>	<b>Budget Amount</b>	<b>Beginning Balance</b>	<b>Debit This Period</b>	<b>Credit This Period</b>	<b>Ending Balance</b>
	Report Totals:	-247,600.00	0.00	94,336.97	0.00	94,336.97

# General Ledger

## Summary Trial Balance

User: bsteuber  
 Printed: 09/08/2022 - 10:58AM  
 Period: 01 to 08, 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	498,012.70	188,416.44	99,894.63	586,534.51
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	0.00	24,260.00	24,260.00	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	737.75	0.00	737.75	0.00
210-00000-15500	Prepaid Items	0.00	0.00	0.00	0.00	0.00
	ASSETS Totals:	0.00	501,846.88	212,676.44	124,892.38	589,630.94
LIABILITIES						
210-00000-20200	Accounts Payable	0.00	-910.62	70,389.32	72,028.70	-2,550.00
210-00000-20700	Due to Other Funds	0.00	-1,305.27	7,255.31	5,950.04	0.00
210-00000-21600	Accrued Wages & Salaries Payab	0.00	-2,880.19	20,719.67	17,839.48	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	-392.93	2,058.55	1,665.62	0.00
210-00000-21802	State W/H Payable	0.00	-207.31	1,089.46	882.15	0.00
210-00000-21803	FICA Payable	0.00	-563.88	3,742.36	3,178.48	0.00
210-00000-21804	PERA Payable	0.00	-660.47	3,412.48	2,752.01	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	-324.78	1,909.04	1,584.26	0.00
210-00000-21809	Medicare Payable	0.00	-131.88	875.24	743.36	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	-242.77	1,426.95	1,184.18	0.00
210-00000-21812	Colonial Life Payable	0.00	-87.56	514.64	427.08	0.00
210-00000-22000	Deposits Payable	0.00	-2,163.00	400.00	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	-12,967.09	113,793.02	108,235.36	-7,409.43
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	0.00	326,469.46	233,127.74	93,341.72

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	311,906.65	75,196.71	527.60	386,575.76
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	300,250.49	0.00	67,820.22	232,430.27
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	612,157.14	75,196.71	68,347.82	619,006.03
LIABILITIES						
215-00000-20200	Accounts Payable	0.00	0.00	527.60	527.60	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	527.60	527.60	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	0.00	75,724.31	68,875.42	6,848.89

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	712,743.33	78,367.40	51,913.93	739,196.80
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	482,396.56	0.00	67,909.58	414,486.98
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	1,197,139.89	78,367.40	119,823.51	1,155,683.78
LIABILITIES						
216-00000-20200	Accounts Payable	0.00	0.00	51,913.93	51,913.93	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	-298,976.70	44,837.18	0.00	-254,139.52
216-00000-22208	Deferred Revenue - Other	0.00	-13,539.29	13,539.29	0.00	0.00
	LIABILITIES Totals:	0.00	-312,515.99	110,290.40	51,913.93	-254,139.52
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	0.00	188,657.80	171,737.44	16,920.36

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	16,955.92	2,385.38	10,005.00	9,336.30
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	11,823.88	10,000.00	2,124.85	19,699.03
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	28,779.80	12,385.38	12,129.85	29,035.33
LIABILITIES						
217-00000-20200	Accounts Payable	0.00	0.00	10,005.00	10,005.00	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	10,005.00	10,005.00	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	0.00	22,390.38	22,134.85	255.53

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	93,618.29	321,432.01	298,240.11	116,810.19
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	316,332.97	255,833.34	78,976.50	493,189.81
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	409,951.26	577,265.35	377,216.61	610,000.00
LIABILITIES						
218-00000-20200	Accounts Payable	0.00	0.00	255,000.00	255,000.00	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	255,000.00	255,000.00	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	0.00	832,265.35	632,216.61	200,048.74
	Report Totals:	0.00	0.00	1,557,603.39	1,267,127.32	290,476.07



Fairmont Economic Development Authority (FEDA)
(September 12, 2022)

Agenda Item: 2.2.1

From: Jennifer Howard
To: FEDA Council

Subject: Preliminary agreement for Whitetail Ridge lots

Policy/Action Requested:

Vote Required: \_x\_ Simple Majority \_\_\_\_\_ Roll Call

Recommendation: Approve the Preliminary Agreement

Overview:

Staff are proposing a Preliminary Agreement for the development of the existing eight lot subdivision Whitetail Ridge on South Prairie Avenue into ten (10) single-family owner-occupied twin-home units.

Attachments: Preliminary agreement for Whitetail Ridge lots

\*\*\*\*\*

Council Action: \_\_\_\_\_ Date: \_\_\_\_\_

**FAIRMONT ECONOMIC DEVELOPMENT AUTHORITY  
AND  
SOUTHWEST MINNESOTA HOUSING PARTNERSHIP  
PRE-DEVELOPMENT AGREEMENT**

**THIS AGREEMENT** is made and entered into, as of the \_\_\_\_ day of \_\_\_\_\_, 2022, by and between **Fairmont Economic Development Authority**, a municipal corporation, under the laws of Minnesota, with a principal place of business located at 100 Downtown Plaza, Fairmont, Minnesota 56031, (hereinafter “FEDA”), and the **Southwest Minnesota Housing Partnership**, a Minnesota nonprofit corporation with a principal place of business located at 2401 Broadway Avenue, Slayton, Minnesota 56172, (hereinafter “SWMHP”), for the development of the existing eight (8) lot subdivision Whitetail Ridge on South Prairie Avenue into ten (10) single-family owner-occupied twin-home units in the FEDA of Fairmont, Minnesota, (the “Project”).

**RECITALS**

- A. FEDA owns eight (8) vacant lots located in the City of Fairmont, County of Martin, and legally described as follows:

Block 1, Lots 1-8, Whitetail Addition

(hereinafter collectively referred to as the “Property”).
- B. SWMHP desires to purchase and develop the Property into five (5) twin homes, and thereafter sell the twin homes as owner-occupied residences.
- C. Redevelopment of the Property will require re-platting the Property into ten (10) residential lots.
- D. The Property is presently subject to a listing agreement with ReMax. ReMax has agreed to release the Property from said listing agreement.
- E. SWMHP desires to finance the purchase of lots on the Property through FEDA, with satisfaction of said financing to occur upon SWMHP’s sale of twin homes on the Property.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein, FEDA and SWMHP agree to the following Terms:

### **TERMS**

1. **Re-Plat of Property.** FEDA shall take such actions as are reasonably necessary to re-plat the Property into ten (10) lots consistent with the concept plan attached as Exhibit A, at FEDA's sole expense.

2. **Exclusive Option.** SWMHP shall have the exclusive option to purchase the re-platted lots on the Property subject to the conditions and requirements set forth in this Pre-Development Agreement.

3. **Marketing of Project.** SWMHP shall conduct one or more community open houses to educate, inform and secure homebuyers for the Project. FEDA agrees to provide facility space to SWMHP at no cost for the community open house(s).

4. **Exercise of Option.** SWMHP may exercise its option to purchase lots in groups of two adjacent lots. SWMHP shall give FEDA written notice of its exercise of its option to purchase each group of two lots, identifying in the written notice which two lots shall be conveyed by FEDA. Within thirty days of its receipt of written notice from SWMHP, FEDA shall convey the two lots to SWMHP.

5. **Conveyance Subject to Conditions.** Each conveyance of a lot by FEDA to SWMHP shall be subject to the following conditions:

a. **Promissory Note and Mortgage.** SWMHP shall execute and deliver to FEDA a promissory note ("Note") in favor of FEDA in the amount of \$8,000 for each lot conveyed. Said promissory note shall be secured by a mortgage ("Mortgage") on each lot.

b. **Option to Purchase.** SWMHP shall execute and deliver to FEDA a Right of First Refusal and Option to Purchase ("Option") for each Lot. Said

Option shall provide to FEDA a right of first refusal and the right to repurchase a particular lot if SWMHP has not constructed a twin home on that lot within one (1) year of conveyance of the lot to SWMHP. Upon exercise of FEDA's Option and the conveyance of the lot from SWMHP back to FEDA, SWMHP's obligations on the Note for that Lot shall be released.

6. **Subordination.** Upon reasonable request by SWMHP, FEDA shall subordinate its Mortgage on a lot to a construction loan obtained by SWMHP.

7. **Best Efforts to Construct.** SWMHP shall use its best efforts to timely construct a residential twin home on each pair of lots conveyed to SWMHP.

8. **Effective Dates.** This Pre-Development Agreement shall be in effect from the date of this agreement set forth above through and until September 1, 2023. During the period that this Pre-Development Agreement is in effect, SWMHP shall have the exclusive right to purchase the lots in accordance with this Pre-Development Agreement. Upon expiration of this Pre-Development Agreement, FEDA shall have no further obligation to convey any lot to SWMHP and SWMHP shall have no further option to purchase a lot. To the extent that a lot is owned by SWMHP when this Pre-Development Agreement expires, the rights and obligations of said Lot shall continue to be governed by this Pre-Development Agreement, together with the Note, Mortgage, and Option related to that lot.

9. **No Representations or Warranties.** FEDA makes no representation or warranty, either expressed or implied, as to any lot or its condition or the soil conditions thereof, or that any particular lot is suitable for SWMHP's purposes or needs. SWMHP acknowledges that it has conducted and is solely responsible for its own due diligence with regard to the lots.

10. **SWMHP to Cooperate.** SWMHP shall cooperate fully with the FEDA in resolution of any traffic, parking, trash removal, public nuisance, or public health or safety problems which may arise in connection with construction taking place on the lots.

11. **Events of Default Defined.** The following shall be “Events of Default” under this Pre-Development Agreement and the term “Event of Default” shall mean whenever it is used in this Pre-Development Agreement any one or more of the following events:

- a. Failure by SWMHP to timely pay any ad valorem real property taxes or special assessments assessed with respect to any Lot while it is owned by SWMHP.
- b. Failure of SWMHP to observe or perform any other material, covenant, condition, obligation or agreement on its part to be observed or performed under this Pre-Development Agreement.
- c. The holder of any mortgage or lien on a lot owned by SWMHP or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default under the applicable mortgage or lien documents.
- d. If SWMHP shall:
  - (A) file any petition in bankruptcy or for any similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or
  - (B) make an assignment for the benefit of its creditors; or
  - (C) admit in writing its inability to pay their debts generally as they become due; or
  - (D) be adjudicated a bankrupt or insolvent; or if a petition or answer proposing the adjudication of the SWMHP, as a bankrupt under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof; or a receiver, trustee or liquidator of the SWMHP shall be appointed in any proceeding brought against the SWMHP, and shall not be discharged within sixty (60) days after such appointment, or if SWMHP, shall consent to or acquiesce in such appointment.

(E) cease doing business.

12. **Remedies of Default.** Whenever any Event of Default occurs and is continuing, FEDA, as specified below, may take any one or more of the following actions after the giving of thirty (30) days' written notice to SWMHP citing with specificity the item or items of default and notifying SWMHP that it has thirty (30) days within which to cure said Event of Default. If the Event of Default has not been cured within said thirty (30) days:

- a. FEDA may suspend its performance under this Pre-Development Agreement until it receives assurances from SWMHP, deemed adequate by the FEDA in its sole discretion, that SWMHP will cure its default and continue its performance under this Development Agreement.
- b. FEDA may cancel and rescind this Pre-Development Agreement.
- c. FEDA may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of SWMHP under this Pre-Development Agreement.

13. **No Remedy Exclusive.** No remedy herein conferred upon or reserved to FEDA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Development Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right to power accruing upon any default shall impair any such right to power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

14. **No implied Waiver.** In the event any agreement contained in this Pre-Development Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

15. **Agreement to Pay Attorney's Fees and Expenses.** Whenever an Event of Default occurs and FEDA shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of SWMHP herein contained, SWMHP agrees that it shall, on demand therefor, pay to FEDA the reasonable fees of such attorneys and such other expenses so incurred by FEDA.

16. **Indemnification of FEDA.** SWMHP covenants and agrees that FEDA, its governing body members, officers, agents, including independent contractors, consultants and legal counsel, servants and employees thereof (collectively the "Indemnified Parties") shall not be liable for and agrees to indemnify defend, and hold harmless the Indemnified Parties against any loss or damage to property or injury to or death of any person occurring at or about or resulting from any defect. SWMHP agrees to indemnify, defend, and hold harmless the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of SWMHP (or if other persons acting on their behalf or under their direction or control) under this Pre-Development Agreement.

17. **Assignment.** SWMHP or the FEDA shall neither assign nor transfer any rights or obligations under this contract without prior written consent of all parties.

**IN WITNESS WHEREOF**, the parties hereunto have executed this Agreement the day and year first above written.

**SOUTHWEST MINNESOTA  
HOUSING PARTNERSHIP**

**FAIRMONT ECONOMIC DEVELOPMENT  
AUTHORITY**

By: \_\_\_\_\_

Its: Chief Executive Officer

Date: \_\_\_\_\_

By: \_\_\_\_\_

Its: Board Chair

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Its: Executive Director

Date: \_\_\_\_\_



Fairmont Economic Development Authority (FEDA)
(September 12, 2022)

Agenda Item: 2.2.3

From: Jennifer Howard
To: FEDA Council

Subject: Resolution Defederalizing RLF 215

Policy/Action Requested:

Vote Required: [x] Simple Majority [ ] Roll Call

Recommendation: Approve Resolution Defederalizing Revolving Loan Fund 215

Overview:

The United States EDA has invited the Fairmont Economic Development Authority to request release of EDA's federal interest in the organizations long-held EDA revolving loan fund.

The defederalization of this RLF will reduce the Fairmont Economic Development Authority administrative burden and allow RLF award funds to be used for broader economic development purposes, including less-restrictive lending.

Once defederalized, use of these funds can be used towards purchasing land or other economic development investments without the restrictions of the RLF.

Attachments: RESOLUTION NO. 2022-03

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Council Action: \_\_\_\_\_ Date: \_\_\_\_\_

FAIRMONT ECONOMIC DEVELOPMENT AUTHORITY, MINNESOTA

RESOLUTION NO. 2022-03

RESOLUTION SUPPORTING THE REQUEST TO DEFEDERALIZE THE FAIRMONT  
ECONOMIC DEVELOPMENT AUTHORITY REVOLVING LOAN FUND

WHEREAS, the City of Fairmont received a Federal Economic Development Authority (EDA) Revolving Loan Fund (RLF) Award in September 1988; and

WHEREAS the original loan amount is \$241,330.00; and

WHEREAS the current value of the RLF is \$619,006.03; and

WHEREAS the Fairmont Economic Development Revolving Loan Fund (RLF) has operated satisfactorily for more than seven years beyond grant disbursement; and

WHEREAS, the United States EDA has invited the Fairmont Economic Development Authority to request release of EDA's federal interest in the organizations long-held EDA revolving loan fund.

WHEREAS the defederalization of this RLF will reduce the Fairmont Economic Development Authority administrative burden and allow RLF award funds to be used for broader economic development purposes, including less-restrictive lending.

NOW THEREFORE BE IT RESOLVED that the Fairmont Economic Development Authority supports the release of the United States EDA's federal interest in the qualifying revolving loan fund.

BE IT FURTHER RESOLVED that the Fairmont Economic Development Authority is committed to using associated dollars to continue to support our regions economy and promote job retention and expansion via business financed, a Public Works and Economic Development Act- supported activity.

BE IT FURTHER RESOLVED that the Fairmont Economic Development Authority will comply with any ongoing restrictions required by the Reinvigorating Lending for the Future Act.

I certify that the above resolution was adopted by the Economic Development Authority of the City of Fairmont on September 12, 2022.

Fairmont Economic Development Authority

\_\_\_\_\_  
Chantill Kahler Royer, It's Treasurer/Secretary



**TO:** Fairmont Economic Development Authority

**FROM:** Jennifer Howard

**DATE:** September 12, 2022

**RE:** Staff Report

## **STAFF REPORT**

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### **Business Development Center (Incubator Building)**

A Request For Proposals has been drafted. The property runs through 3 parcels and has the parcel lines running through the building. To provide an easier transition for prospective buyers, staff has requested a Survey to get the property into one parcel. This will make permitting and any changes the new owner would make easier in the future. A survey is expected to be conducted within the next month. Once the building is in one parcel, the RFP will be published.

### **The Ranch/Steve Schmitz CARES ACT Loan**

A Loan Review Committee will be conducted prior to the October FEDA meeting and a recommendation will be presented.

### **Whitetail Ridge Lots**

A development agreement has been created and will be presented at the September FEDA meeting.

### **Five Lakes Cooperative**

Five Lakes is requesting a letter of support in their application and consideration of financial assistance.

### **De-federalizing Revolving Loan Fund:**

Staff is requesting a resolution for the Defederalization of Revolving Loan Fund (RLF) 215. Once Defederalized, use of these funds can be used towards purchasing land or other economic development investments without the restrictions of the RLF.

### **Region 9, Blue Earth/Fairmont collaborative grant project**

The City of Blue Earth and Fairmont are working on a joint application for economic recovery assistance. Seeking assistance to jointly contract with a partner to serve the communities as an Economic Recovery Coordinator. Additional capacity is built into the proposal to develop a workforce attraction, retention, and development program in partnership with regional entities, industries, and institutions of higher education.

### **Martin County Fair**

Staff participated in a joint booth at the Martin County Fair, and displayed FEDA marketing materials and community development statistics.

#### **Projects:**

- Defederalizing Revolving Loan Fund
- TIF and Tax Abatements: Monitor
- CARES Act Loans: Monitor/evaluating
- Create New Marketing Material
- Business Incubator Building RFP
- Preparing Transition document

#### **Meetings:**

- Blue Earth / Fairmont Meeting for Application
- New Martin County EDA Team
- County EDA Director Re Business Development