

REGULAR MEETING

City Hall 2nd Floor Conference Room

AGENDA: Monday,

May 11, 2026, 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 - April 13, 2026
- 2.1.2 April 2026 Financials

2.2 Actions Taken or Related to Progress/Status Reports

- 2.2.1 Approval of Façade Program Loan for Waters Edge Fairmont
- 2.2.2 Consider LHTF loan application for 1428 N. Elm St. (Mike Schutz, owner) for approval to take to City Council
- 2.2.3 Discussion of Business Subsidy application for Cress Refrigeration tax abatement
- 2.2.4 Approval of updated RLF Plan
- 2.2.5 Renewal of agreement with Site Locators Partnership

3.0 Strategic Conversations

- 3.1.1 Monthly Report
- 3.1.2 Loan Committee discussion and practices
- 3.1.3 Consulted with MSA, Zoning Official, and Jon O. regarding non-conforming lots and new zoning code update
- 3.1.4 New Mall owner & new potential tenants
- 3.1.5 Discussion w/ Region 9 & partners for potential free energy audits for local businesses
- 3.1.6 ACE – Wednesday the 6th

4.0 Board Discussion

5.0 Meeting Wrap-Up

- 5.1 Review Actions to be Taken
- 5.2 Next Meeting – June 8, 2026

6.0 Adjourn

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

REGULAR MEETING

City Hall 2nd Floor Conference Room

AGENDA: Monday,

April 13, 2026, 4:30

Minutes

Present: Jon, Jay, Brian, Britney, Jeff

Absent: Chris, Sarah

1. Opening

1.1 Welcome/Call to Order

1.2 Approval of Agenda – Motion Jay, 2nd Jon - Approved

2.0 Business Oversight / Responsibilities

2.1 Consent Agenda

2.1.1 Previous Meeting Minutes - March 9, 2026 – Motion Jay, 2nd Jeff - Approved

2.1.2 March 2026 Financials – Motion Jay, 2nd Jeff - Approved

2.2 Actions Taken or Related to Progress/Status Reports

2.2.1 Approval of Façade Program Loans for; B&B Gas Piping, David Greer, Alano Society, Evermore Bookstore, The Hive – Motion Jon, 2nd Jay – Approved, Jeff abstained

2.2.2

3.0 Strategic Conversations

3.1.1 Monthly Report – Ned answered questions

3.1.2 5 - RLF Loans Paid Off – Live Fit, Blazer Bar, Fairmont Awards, BowlMor Lanes, Shenanigan's

3.1.3 Housing Study – Had first meeting with Bowen National Research – Ned updated

3.1.4 SMEC Development – Legal on both sides are working to finalize development contract - Update

3.1.5 Demolition Assistance Application will be presented to council – Smith's Greenhouse

4.0 Board Discussion

Moving forward the FEDA board will approve Façade Program loans without loan committee participation. RLF Loan Committee discussion: Ned will bring "best practices" information, required applicant proofs and documentation, listing of loan committee roster for vetting,

5.0 Meeting Wrap-Up

5.1 Review Actions to be Taken

5.2 Next Meeting – May 11, 2026

6.0 Adjourn – Motion Jay, 2nd Jon - Approved

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

Fairmont Economic Development Authority

4/30/2026

Prospecting: Available Budget,		
Fund 210 Current Year	\$	- Budget not available on Springbrook
Fund 215 Non-Reportable Loans	\$	131,260.43
Fund 216 Non-Reportable Loans	\$	468,078.78
Fund 217 Micro Loans	\$	49,317.33
Fund 218 CARES Loans	\$	403,075.05
Total All Funds	\$	1,051,731.59

	Fund 210	Fund 215	Fund 216	Fund 217	Fund 218
Assets	Econ Dev	Non-Reportable	Non-Reportable	Micro	CARES
Cash	\$ 522,665.81	\$ 131,260.43	\$ 468,078.78	\$ 49,317.33	\$ 403,075.05
Market Value Adjustment	\$ (533.51)	\$ (124.48)	\$ (425.40)	\$ (29.69)	
Taxes Receivable, Delinquent	\$ 1,925.03	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	\$ -
Loans Receivable	\$ -	\$ 92,033.82	\$ 563,852.55	\$ 8,896.56	\$ 213,347.33
Forgivable Loans Receivable	\$ -	\$ -	\$ -	\$ 54,114.68	\$ -
Due from Other Funds	\$ 1,115.11	\$ -	\$ -	\$ -	\$ -
Due from Martin County	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets	\$ 525,172.44	\$ 223,169.77	\$ 1,031,505.93	\$ 112,298.88	\$ 616,422.38

Aging Report

City of Fairmont, MN

Funds: **All**
City: **All**

Include loans from 0101 to 9901

Status: **All**

County: **All**
Loan Officer: **All**

Cutoff Date: **4/30/2026**
Run Date: **05/05/2026**
Run Time: **9:47:56 am**
Page 1 of 1

-----Analysis of Payments Due-----

	Loan Amt	Disbursed	Current Balance	Regular Payment	1 Payment	2 Payments	3 Payments	Over 3	Total Due	Lt Days
1104	7,623.00	7,623.00	6,442.11	73.54	73.54	73.54	73.54	6,221.49	6,442.11	4866
1204	75,000.00	75,000.00	7,961.98	554.77	0.00	0.00	0.00	0.00	0.00	0
1502	75,000.00	75,000.00	43,957.08	454.49	0.00	0.00	0.00	0.00	0.00	0
1601	75,000.00	75,000.00	50,739.18	454.49	0.00	0.00	0.00	0.00	0.00	0
1602	4,685.00	4,685.00	740.10	41.10	0.00	0.00	0.00	0.00	0.00	0
1902	240,000.00	240,000.00	21,729.15	3,064.18	0.00	0.00	0.00	0.00	0.00	0
2001	25,600.00	25,600.00	19,736.22	155.13	0.00	0.00	0.00	0.00	0.00	0
2005	75,000.00	75,000.00	59,443.26	425.40	0.00	0.00	0.00	0.00	0.00	0
2101	7,508.99	7,508.99	2,135.60	99.22	0.00	0.00	0.00	0.00	0.00	0
2106	25,000.00	25,000.00	833.14	416.67	0.00	0.00	0.00	0.00	0.00	0
2107	75,000.00	75,000.00	23,848.27	304.38	304.38	304.38	304.38	2,739.42	3,652.56	340
2201	50,000.00	50,000.00	21,428.48	595.24	0.00	0.00	0.00	0.00	0.00	0
2202	55,000.00	55,000.00	23,571.52	654.76	0.00	0.00	0.00	0.00	0.00	0
2203	75,000.00	75,000.00	32,142.72	892.86	0.00	0.00	0.00	0.00	0.00	0
2301	50,000.00	50,000.00	29,797.29	683.44	0.00	0.00	0.00	0.00	0.00	0
2302	65,000.00	65,000.00	52,685.65	689.43	0.00	0.00	0.00	0.00	0.00	0
2303	75,000.00	75,000.00	60,768.35	795.49	0.00	0.00	0.00	0.00	0.00	0
2401	70,000.00	70,000.00	65,150.08	461.97	0.00	0.00	0.00	0.00	0.00	0
2402	9,000.00	9,000.00	6,570.42	129.33	0.00	0.00	0.00	0.00	0.00	0
2403	75,000.00	75,000.00	70,665.91	515.92	0.00	0.00	0.00	0.00	0.00	0
2404	75,000.00	75,000.00	71,396.97	515.92	0.00	0.00	0.00	0.00	0.00	0
2405	75,000.00	75,000.00	71,286.02	515.92	0.00	0.00	0.00	0.00	0.00	0
2501	65,000.00	65,000.00	58,511.95	689.43	0.00	0.00	0.00	0.00	0.00	0
2502	75,000.00	75,000.00	73,709.21	515.92	0.00	0.00	0.00	0.00	0.00	0
Totals	1,499,416.99	1,499,416.99	875,250.66	377.92	377.92	377.92	377.92	8,960.91	10,094.67	
*** Total Delinquent Dollars				30,290.38	30,290.38	30,290.38	30,290.38	30,290.38	30,290.38	3.46%
Percent Delinquent Dollars				3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%

***Total of loan balances which are in arrears

General Ledger

Summary Trial Balance

User: nkoppen
 Printed: 05/05/2026 - 9:39AM
 Period: 01 to 04, 2026



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	118,121.00	0.00	31,714.65	0.00	31,714.65
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	8,859.00	0.00	2,310.75	0.00	2,310.75
210-46500-12220	FICA Contributions	7,248.00	0.00	1,937.10	0.00	1,937.10
210-46500-12500	Medicare	1,713.00	0.00	453.04	0.00	453.04
210-46500-13120	Health Insurance	27,002.00	0.00	3,996.53	0.00	3,996.53
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
210-46500-13500	Other Medical Agreements	520.00	0.00	126.30	0.00	126.30
210-46500-14220	Unemployment Insurance	0.00	0.00	0.00	0.00	0.00
210-46500-15100	Work Comp Insurance	484.00	0.00	152.22	0.00	152.22
210-46500-20120	Office Supplies & Accessories	3,500.00	0.00	414.85	0.00	414.85
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	40.00	0.00	40.00
210-46500-32100	Telephone	1,800.00	0.00	335.44	0.00	335.44
210-46500-32200	Postage	650.00	0.00	146.34	10.21	136.13
210-46500-33100	Travel & Training	3,500.00	0.00	0.00	0.00	0.00
210-46500-33400	Car Allowance	3,240.00	0.00	0.00	0.00	0.00
210-46500-34305	Other Advertising	500.00	0.00	0.00	0.00	0.00
210-46500-36115	General Liability	850.00	0.00	605.17	0.00	605.17
210-46500-36215	Property Insurance	0.00	0.00	0.00	0.00	0.00
210-46500-36500	Public Officials	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
210-46500-36600	Crime Liability	0.00	0.00	0.00	0.00	0.00
210-46500-43300	Dues & Subscriptions	4,000.00	0.00	1,804.00	0.00	1,804.00
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	58,513.00	0.00	2,547.29	0.00	2,547.29
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	0.00	0.00	0.00
210-46500-43905	Taxes Paid	0.00	0.00	5,148.00	0.00	5,148.00
210-46500-49000	Donations to Civic Organizatio	3,000.00	0.00	0.00	0.00	0.00
210-46500 EXPENSE Totals:		244,500.00	0.00	51,731.68	10.21	51,721.47

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
Department 46600	Incubator Building	0.00	0.00	0.00	0.00	0.00
210-46600-31200	Other Contracted Services					
	210-46600 EXPENSE Totals:	0.00	0.00	0.00	0.00	0.00
	EXPENSE Totals:	244,500.00	0.00	51,731.68	10.21	51,721.47
	Fund 210 Totals:	-244,500.00	0.00	51,731.68	10.21	51,721.47
	Report Totals:	-244,500.00	0.00	51,731.68	10.21	51,721.47

General Ledger

Summary Trial Balance

User: nkooppen
 Printed: 05/05/2026 - 9:41AM
 Period: 01 to 04, 2026



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	562,233.81	28,749.99	68,317.99	522,665.81
210-00000-10403	Market Value Adjustment	0.00	-533.51	0.00	0.00	-533.51
210-00000-10700	Taxes Receivable - Delinquent	0.00	1,925.03	0.00	0.00	1,925.03
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	0.00	0.00	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	1,115.11	0.00	0.00	1,115.11
210-00000-15500	Prepaid Items	0.00	0.00	0.00	0.00	0.00
210-00000-16100	Land	0.00	832,475.72	0.00	0.00	832,475.72
ASSETS Totals:		0.00	1,397,216.16	28,749.99	68,317.99	1,357,648.16
LIABILITIES						
210-00000-20200	Accounts Payable	0.00	-123.52	26,087.91	25,964.39	0.00
210-00000-20700	Due to Other Funds	0.00	-164.83	3,276.86	4,287.65	-1,175.62
210-00000-21600	Accrued Wages & Salaries Payab	0.00	-1,494.65	23,348.05	21,853.40	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

Account Number	Description	Budget Amount	Beginning Balance	Debit This Period	Credit This Period	Ending Balance
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
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	-232.22	3,607.76	3,375.54	0.00
210-00000-21802	State W/H Payable	0.00	-104.54	1,599.72	1,495.18	0.00
210-00000-21803	FICA Payable	0.00	-264.96	4,139.16	3,874.20	0.00
210-00000-21804	PERA Payable	0.00	-287.56	4,600.96	4,313.40	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	-61.96	968.04	906.08	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	-37.90	623.04	585.14	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	0.00	0.00	0.00	0.00
210-00000-22206	Deferred Rev-Delinquent Taxes	0.00	-1,925.03	0.00	0.00	-1,925.03
210-00000-22207	Deferred Revenue - Forgivable	0.00	0.00	0.00	0.00	0.00
LIABILITIES Totals:		0.00	-4,697.17	68,251.50	66,654.98	-3,100.65
Fund Balance / RE		0.00	-1,392,518.99	0.00	0.00	-1,392,518.99
FUND BALANCE Totals:		0.00	-1,392,518.99	0.00	0.00	-1,392,518.99
Fund 210 Totals:		0.00	0.00	97,001.49	134,972.97	-37,971.48

FUND BALANCE
210-00000-25000

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	128,319.92	2,940.51	0.00	131,260.43
215-00000-10403	Market Value Adjustment	0.00	-124.48	0.00	0.00	-124.48
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	94,397.45	0.00	2,363.63	92,033.82
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	222,592.89	2,940.51	2,363.63	223,169.77
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	-222,592.89	0.00	0.00	-222,592.89
	FUND BALANCE Totals:	0.00	-222,592.89	0.00	0.00	-222,592.89
	Fund 215 Totals:	0.00	0.00	2,940.51	2,363.63	576.88

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	455,859.36	24,919.14	12,699.72	468,078.78
216-00000-10403	Market Value Adjustment	0.00	-425.40	0.00	0.00	-425.40
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	581,992.43	0.00	18,139.88	563,852.55
216-00000-11910	Forgivable Loans Receivable	0.00	0.00	0.00	0.00	0.00
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	1,037,426.39	24,919.14	30,839.60	1,031,505.93
LIABILITIES						
216-00000-20200	Accounts Payable	0.00	-80.00	12,699.72	12,619.72	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	-25,418.99	9,038.39	0.00	-16,380.60
216-00000-22208	Deferred Revenue - Other	0.00	0.00	0.00	0.00	0.00
	LIABILITIES Totals:	0.00	-25,498.99	21,738.11	12,619.72	-16,380.60
FUND BALANCE						
216-00000-25000	Fund Balance / RE	0.00	-1,011,927.40	0.00	0.00	-1,011,927.40
	FUND BALANCE Totals:	0.00	-1,011,927.40	0.00	0.00	-1,011,927.40
	Fund 216 Totals:	0.00	0.00	46,657.25	43,459.32	3,197.93

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	30,743.17	18,684.39	110.23	49,317.33
217-00000-10403	Market Value Adjustment	0.00	-29.69	0.00	0.00	-29.69
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	12,404.52	64.23	3,572.19	8,896.56
217-00000-11910	Forgivable Loans Receivable	0.00	54,114.68	0.00	0.00	54,114.68
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	97,232.68	18,748.62	3,682.42	112,298.88
LIABILITIES						
217-00000-20200	Accounts Payable	0.00	0.00	110.23	110.23	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	110.23	110.23	0.00
FUND BALANCE						
217-00000-25000	Fund Balance / RE	0.00	-97,232.68	0.00	0.00	-97,232.68
	FUND BALANCE Totals:	0.00	-97,232.68	0.00	0.00	-97,232.68
	Fund 217 Totals:	0.00	0.00	18,858.85	3,792.65	15,066.20

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	376,515.16	26,717.89	158.00	403,075.05
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	238,319.54	1.00	24,973.21	213,347.33
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 Govt	0.00	0.00	0.00	0.00	0.00
	ASSETS Totals:	0.00	614,834.70	26,718.89	25,131.21	616,422.38
LIABILITIES						
218-00000-20200	Accounts Payable	0.00	0.00	158.00	158.00	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	158.00	158.00	0.00
FUND BALANCE						
218-00000-25000	Fund Balance / RE	0.00	-614,834.70	0.00	0.00	-614,834.70
	FUND BALANCE Totals:	0.00	-614,834.70	0.00	0.00	-614,834.70
Fund 218 Totals:		0.00	0.00	26,876.89	25,289.21	1,587.68
Report Totals:		0.00	0.00	282,871.83	324,731.34	-41,859.51



STAFF MEMO

Prepared by: FEDA - Coordinator	Meeting Date: 5.11.26	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 2.2.1
Reviewed by:	Item: Approve FEDA Façade Program Loan		
Presented by: FEDA - Coordinator	Action Requested: Façade Program Loan		
Vote Required: <input checked="" type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Approve Board/Commission/Committee Recommendation:		

PREVIOUS COUNCIL ACTION

REFERENCE AND BACKGROUND

FEDA staff received a Façade Program loan application from Garrett Myren. He is hoping to install new vinyl onto the existing sign frame at his business at 1533 Albion Ave. He is applying for a loan totaling \$839.00.

BUDGET IMPACT

\$839.00 from our Facade Program loan funds.

SUPPORTING DATA/ATTACHMENTS

Façade Program Loan Packet



STAFF MEMO

Prepared by: FEDA - Coordinator	Meeting Date: 5.11.26	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 2.2.3
Reviewed by:	Item: Recommend Cress Refrigeration Tax Abatement Application to City Council		
Presented by: FEDA - Coordinator	Action Requested: Refer The Tax abatement request to City Council with a positive endorsement.		
Vote Required: <input checked="" type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Approve Board/Commission/Committee Recommendation:		

PREVIOUS COUNCIL ACTION

REFERENCE AND BACKGROUND

Cress Refrigeration has purchase property and would like to build a new building for their business at 1605 Bixby Rd. Receiving tax abatement from the City of Fairmont would allow Cress Refrigeration to grow and expand their business. Their plan would be to add two additional service technicians and an office manager to their existing business and payroll. They are asking for 5 years of abatement and will also be working with Martin County and Fairmont area Schools for their portion of the abatement.

BUDGET IMPACT

City of Fairmont total tax abatement, delta of current tax vs estimated tax after improvements over 5 years = \$73,685.21

SUPPORTING DATA/ATTACHMENTS



STAFF MEMO

Prepared by: FEDA - Coordinator	Meeting Date: 5.11.26	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 2.2.4
Reviewed by:	Item: Approve Updated FEDA Federal RLF Plan		
Presented by: FEDA - Coordinator	Action Requested: Approve Plan		
Vote Required: <input checked="" type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Approve Board/Commission/Committee Recommendation:		

PREVIOUS COUNCIL ACTION

REFERENCE AND BACKGROUND

FEDA staff worked with our federal RLF administrator to make necessary updates, changes, and additions to our existing RLF plan. Our administrator helped to identify what updates needed to be made and advised on all updates. This draft has been approved by our federal administrator and now requires the FEDA board to approve it.

BUDGET IMPACT

NA

SUPPORTING DATA/ATTACHMENTS

Federal RLF Plan – updated and proofed by federal administrator

**EDA Cares Act
Recovery Assistance
Revolving Loan Fund Plan**

CITY OF FAIRMONT

U.S. Economic Development Administration

EDA Award #06-79-06195

Board Approval:

Signed: _____ May 11, 2026

INTRODUCTION

The City of Fairmont originally developed its Revolving Loan Fund (RLF) for assistance in recovery from the loss of a major employer. In 2020, the community was hit by the coronavirus pandemic and was economic devastated by its effects. This program will work to support the economic injury caused by the pandemic and will work toward economic competitiveness.

The City of Fairmont, population 10,487 is located in south central Minnesota along Interstate 90 and Minnesota State Highway 15.

Part 1:

Revolving Loan Fund Strategy

The use and goals of the RLF are part of the broader business development strategy to support achievement of the economic competitiveness cornerstones as established through the regional Comprehensive Economic Development Strategy (CEDS) process. The CEDS is the result of a regionally based economic development planning process designed to enhance economic growth in the region. The CEDS builds capacity and is a guide to economic prosperity and resiliency. Economic development planning, as implemented through the CEDS, is not only a cornerstone of the U.S. Economic Development Administration's (EDA) programs, but successfully serves as a means to engage community leaders, leverage the involvement of the private sector, and establish a strategic blueprint for regional collaboration. The CEDS provides the capacity building foundation by which the public sector, working with other economic partners (individuals, firms, industries, financial institutions), creates the environment for regional economic prosperity.

Region Nine Development Commission is the organization that maintains the region's CEDS and fulfills the requirements of the EDA district, but the City of Fairmont has staff sit on Region Nine Community and Economic Development Planning Commission and the South Central Workforce Council of which both organizations give input to the CEDS document. The current CEDS document created by Region 9 Development Commission reflects the current economic conditions in the region and was approved for years 2022-2026.

The CEDS cornerstone primarily being addressed by the RLF is Economic Competitiveness. This cornerstone includes two goals and a number of strategies. The City of Fairmont will work towards these goals and utilize the RLF as a tool to achieve these goals. One of the two goals is

to increase entrepreneurship and innovation in south central Minnesota communities. The second goal is to increase the number of capital investment programs available to small and medium enterprises, small is considered 20 or fewer employees and medium is considered 21-50 employees, to allow growth and job creation for the majority of Region Nine businesses.

The City of Fairmont is the grant recipient of EDA funds used to capitalize the RLF and the RLF is a program of the City of Fairmont.

A. ECONOMIC ADJUSTMENT OVERVIEW

1. *Nature and scale of the economic adjustment problem(s) and economic distress to be addressed by the RLF:* The RLF will assist in relieving economic adjustment problems and economic distress through business lending. The RLF will be used as a business development financing tool. The RLF will also leverage private sector capital in creating an environment for growth and expansion. A CEDS strategy is to increase and diversify access to capital to boost innovation and entrepreneurship.

Issues identified in the CEDS that impact development in the region include, but are not limited to: affordable broadband, workforce housing, public infrastructure, transportation, lack of startup capital (or perception thereof), diversity in access to funding and others. With our heavy reliance on agriculture, our entire economic climate is impacted during agricultural economy struggles. While income and unemployment rates currently show relatively little stress, the lack of opportunity (or perception thereof) is forcing many to leave. Economic development activities, including business lending, therefore, is critical to bringing opportunity into the region.

Our Community: Fairmont is located in south central Minnesota, only 8 miles from the Iowa border. Fairmont has two exits off of Interstate 90 and Minnesota State Highway 15 is a main thoroughfare through our community. Rich loams, silts and clays are predominate soils. These soils, along with the climate and flat terrain create one of the best agricultural areas in the world. Fairmont has maintained a steady population. The median age is 46 and there are 4,812 households.

2. *Plans and strategies to deal with the economic adjustment problems and economic distress, and the CEDS:* The Business Development Strategy and Financing Strategy contained in this RLF Plan outline the scope of work to be followed to deal with economic adjustments in our region. Fairmont is known for its natural amenities, lakes and farm land. What is not commonly known is that there are unique and amazing partnerships that collaborate together with talent, knowledge and skills

toward common goals, identifying problems and promoting/sharing business development. The CEDS puts forth our regional strategy for increasing labor, expanding educational opportunities, broadening access to capital and investing in value-added agricultural products as well as supportive services such as daycares, succession planning, housing and transportation to name a few.

3. *How the RLF will be used to support economic adjustment activities identified in the CEDS:* This RLF Plan outlines goals, objectives and process for delivering business and loan assistance to the region. It provides a clear path and vision that will enable projects to get done. The CEDS identifies the areas targeted and the Plan provides fiscal capabilities to invest in the region. By partnering with local and regional gap lenders and leveraging resources of other partner agencies, projects of importance are achieved and efforts are not duplicated, thus maximizing return on investment for our region. The RLF is a key component of the regional strategy.

B. BUSINESS DEVELOPMENT STRATEGIES

Fairmont continues to update municipal plans and strategies to further economic development and commercial success in the community. The City of Fairmont's Economic Development Authority (FEDA) approved a three year strategic plan at the August 11, 2025 board meeting, including 5 major economic development components including housing, childcare, financing, business recruitment and retention, site development.

1. *Objectives:* FEDA will support business retention and expansion by providing the necessary human and financial resources to be successful in retaining and expanding our local businesses and industries of all sizes. FEDA will develop the best possible tool box of financial tools available for growing area businesses of all types. FEDA will continue to work toward attracting business and people to Fairmont. FEDA's key areas of action have been developed based on four strategic priorities of Finance, Facilitate, Educate and Collaborate. The key areas of action developed under Finance include reviewing current internal financial tools, investigating outside partnerships, collaboration, creative options, electric rates, etc. and communicate financial tools to the business community. Action steps to be completed include investigate and inventory outside financial tools, educate board on tools we have and how they are used, educate partner banks, work with our local electric provider regarding financial tools and monitor state and federal programs.

The region has an existing manufacturing base that the RLF will attempt to build on. Fairmont's target industries for new development include agriculture, advanced manufacturing and distribution which are potential high growth industries the RLF will attempt to encourage growth in. Supporting successors for retention purposes will be necessary. Commercial, retail and non-profit activities will also be encouraged that provide an essential service to help to diversify the local economy.

A primary objective of the RLF is to participate in projects which attract private capital and that create livable wage employment opportunities. It is not the intent of the RLF to replace private sector financing or merely refinance debt.

2. *Targeted Sectors:* The main target of the RLF is job creation and retention. The RLF is part of a strategy to diversify the area's economy and build on the existing industrial base. Targeted businesses can be either start-up or expansion, with no more weight given to either application for funding. Targeted industry clusters include:
 - a. Manufacturing, including food processing
 - b. Value-added agriculture
 - c. Healthcare, including pharmaceuticals, medical devices, biotechnology and services
 - d. Environmental, including environmental technology and environmental services
 - e. Alternative and renewable energy companies
 - f. Technology
 - g. Distribution
 - h. Commercial/service/essential retail

3. *Sector Needs:* Because the RLF cannot fill the capital needs for all the economic development projects in the region, it is necessary to put a priority on applications that meets CEDS objectives. The primary focus will be to achieve the RLF objectives and to advance the goals and strategies of the CEDS and the local strategic plan. Therefore, the RLF will focus on the following sector needs:
 - a. Creating jobs with a livable wage
 - b. Increase income levels
 - c. Diversifying regional economy
 - d. Improving the tax base
 - e. Stimulating private investment
 - f. Advancing innovation

4. *Other Programs & Activities:* Staff will seek out additional sources of funding and coordinate with state, federal, local and other financing programs. Staff also has business relationships with a number of private and public sector organizations that support business development, retention and expansion. Examples include: Small Business Development Center, Southern Minnesota Initiative Foundation, Minnesota Department of Employment and Economic Development, regional educational providers, and Martin County Economic Development Authority.

C. Financing Strategy

Businesses eligible to receive lending are those located in Martin County.

1. **Financing Needs:** Both existing businesses and entrepreneurs have traditionally had a difficult time obtaining sufficient financing from local financial institutions in the region. Many of our financial institutions are small with limited assets. Agriculture lending has historically been the focus of the region's financial institutions because of the area's large agriculture base. As a result, business lending has been and continues to be a small part of the portfolios for the region's financial institutions. The borrower must demonstrate a need for gap financing. As a resource for gap financing, the RLF is intended to work with, not supplement or compete with existing sources of local and private capital.
2. **Local Capital Market:** Due to limiting factors for accessing private financing, public financing is a vital tool for business development in the region. RLF financing will be used to fill financing gaps and be accessed when credit is otherwise not available. The RLF will try to partner with other public sources of funds whenever possible to fill financing gaps. Other gap financing sources that may be accessible include, but are not limited to:
 - a. Public and Private funding sources
 - b. 504 Corp (SBA Lender)
 - c. MN Department of Employment and Economic Development (public funding)
 - d. USDA Rural Development (federal funding)
 - e. Southern Minnesota Initiative Foundation
3. **RLF financing niche:** The RLF financing niche will be to provide gap financing to businesses that fulfill one or more objectives of the RLF's business development strategy. To fulfill the RLF's goals and objectives stated herein, the RLF may take guidance from the following financing impact factors:

- a. Market based – capitalize on the region’s unique assets and strengths and build comparative advantages for future business investment
- b. Proactive in nature and scope – support and advance innovation and increased productivity when possible. The RLF should attempt to enhance the region’s success in achieving a high and rising standard of living
- c. Looks beyond the immediate economic horizon, anticipates economic changes and diversifies the local and regional economy – the RLF investments should attempt to be part of an overarching, long-term regional strategy that includes expanding existing industry and developing emerging, new industry and create conditions for sustained productivity.
- d. Maximize attraction of private sector investments that would not have otherwise come to fruition but for the RLF investment.
- e. Focus on projects with a high probability of success
- f. Contribute to an environment where higher skill, higher wage jobs are created

D. Financing Policies

RLF loans may be made to qualifying businesses for fixed assets and inventory, real estate and working capital. The only factor that limits the number of loans that can be made is the availability of funds. The RLF committee shall take guidance from the following points in its implementation of the RLF:

1. Eligible Lending Area: Businesses located in Martin County are eligible applicants
2. Allowable borrowers: To be eligible for assistance, applicants must be a for profit business. Borrowers must be operating legally in accordance with all federal, state and local laws and regulations; and must be current with all taxes, fees, and licenses.
3. Allowable lending activities:
 - a. Working capital
 - b. Inventory
 - c. Machinery and equipment
 - d. Construction and renovation of non-speculative commercial and industrial development
4. Prohibited lending activities:
 - a. Acquire an equity position in a private business
 - b. Subsidize interest payment on an existing RLF loan

- c. Providing a borrower's required equity contribution under other Federal loan programs
 - d. Enabling borrowers to acquire an interest in a business through the purchase of stock
 - e. Providing a loan for the purpose of investment capital unrelated to the RLF
 - f. Refinancing existing debt, unless 'sound economic justification' or purchase rights of a prior lien holder are achieved under alignment with the RLF and governing regulations.
5. Loan Size: Loan size will range from \$10,000 to \$125,000 for a single borrower, with maximum loan size not to exceed 33% of the RLF capital case.
6. Interest Rates: Interest rates will be determined in relation to current market rates and shall consider economic conditions, administrative costs, bank terms and project details. The minimum interest rate an RLF may charge is four percentage points below the lesser of the current money center prime interest rate quoted in the *Wall Street Journal*, or the maximum interest rate allowed under State law. In no event shall the interest rate be less than the lower of four percent or 75 percent of the prime interest rate listed in the *Wall Street Journal*. However, should the prime interest rate listed in the *Wall Street Journal* exceed 14 percent, the minimum RLF interest rate is not required to be raised above 10 percent if doing so compromises the ability of the RLF to implement its financing strategy.
7. Repayment Terms: The term selected will take into consideration the value and depreciable life of the assets to be financed. The RLF committee has the discretion regarding terms and balloon payments. When a balloon payment comes due, the borrower shall pay the remaining principal and interest balance in full or may request the RLF committee to consider extension. Prepayments are accepted anytime without penalty. A general guide for repayment:
- a. Fixed assets and inventory will generally have a 7-15 year term
 - b. Real estate can generally go up to 20 years
 - c. Working capital will generally have a 5-7 year term
8. Fees: The borrower will pay 1.5% of proceeds origination fee.
9. Equity & Collateral:
- a. Equity – The strongest possible equity commitment from borrowers shall be sought as determined by the RLF Committee through an analysis of the

borrower's net worth and financial condition. As a general guide, a minimum borrow equity contribution of ten (10) percent of the total project cost will be sought when possible. In-kind equity will be allowed to permit greater flexibility.

- b. Collateral - The RLF Committee shall make no unsecured loans. The RLF may take a security interest in real estate, equipment, fixtures, accounts receivable and all other business assets. Equity may be in the form of a business asset that is not leveraged to provide greater flexibility. Personal guarantees, corporate guarantees, assignment of life insurance, assignment of leases and rents, subordinate positions to other financing, etc., may be required.

10. Moratoria: The RLF Loan Committee may extend terms of the loan through a moratorium on the principal payments up to 6 months, and upon review for another moratorium, upon borrower request if circumstances warrant such actions. Terms may also be restructured with a loan extension agreement approved by the RLF Committee if circumstances warrant such action. The borrower must provide personal and business information as requested by the RLF Committee, of which this information will be used by the RLF Committee to evaluate the need for a moratorium or extension on payments.

11. Start-ups: Loans for start-ups (new businesses) versus loans for retention or expansion of an established business are weighted equally and the policies remain the same.

12. Working Capital: Loans are limited to no more than fifty percent of the RLF portfolio.

13. Credit Not Otherwise Available: The RLF cannot be used to substitute for otherwise available private capital. Any potential borrow must demonstrate that credit is not otherwise available. This would typically be in the form of a bank 'turn-down' letter or equivalent such as a low credit score which indicates that a bank can only finance a portion of the needed capital.

E. PORTFOLIO STANDARDS AND TARGETS

1. Target percentages: No more than 50% of the total RLF will go towards working capital; otherwise, there are no targeted percentages for RLF investments based on the categories of land use (industrial, commercial, service, etc.), business status

(start-up, expansion, retention). The loans awarded depend on the quality of the loan application and the degree to which they create or retain jobs within the targeted sectors.

2. Private Sector Leverage: The portfolio as a whole will have a minimum ratio of \$2 in private sector investment for every \$1 of RLF dollars committed.
3. Job Cost Ratio: A goal of 1 job create or retained for every \$20,000 in RLF loan proceeds, for the loan portfolio overall, when possible.

F. RLF Loan Selection Criteria

1. RLF Plan Consistency: All loans will be in compliance and will be consistent with the RLF Plan. Loans that capitalize on existing regional assets and sectors targeted in the CEDS will have preference. Loan applications that are part of an existing industry cluster, support and advance innovation and/or increase productivity in a particular industry or emerging sector of the economy will also have preference. Loans will be vetted to ensure that the project leverages the maximum private investment. All loans should have the emphasis of creating and/or retaining higher-skill, higher wage employment opportunities for workers.

G. Performance Assessment Process

Performance of the RLF will be assessed based on:

1. Number of jobs created and/or retained
2. Amount of private sector dollars leveraged
3. Cost per job

The Loan Review Committee will report to the Fairmont Economic Development Authority and the City of Fairmont City Council on the progress of the Program.

Information learned from performance assessments will be integrated into the RLF Plan, as appropriate. The RLF Plan will be reviewed annually, at a minimum, and will be updated at least every five years.

Part 2:

Revolving Loan Fund Operational Procedures

This section serves as our internal operating manual and will inform staff of the approved set of administrative procedures for operating the RLF. All operating procedures will conform to the most current “Prudent Lending Practices,” as defined in 13 CFR 307.8. In administering the RLF, the City of Fairmont Economic Development Authority adopted these procedures to comply with and ensure that potential borrowers comply with the applicable Federal, State and local laws and regulations including, but not limited to, 13 CFR Part 307.

A. ORGANIZATION STRUCTURE

1. The Fairmont Economic Development Authority is the entity responsible for RLF Funds.
2. Functions Critical to the RLF’s Lending Activities

Activity	Party Responsible for the Activity
Marketing the RLF	Fairmont EDA staff
Business Assistance/Advisory Services	Fairmont EDA staff/Small Business Development Center
Environmental Review	City of Fairmont staff (may hire consultant if needed)
Loan Preparation/Packaging	City of Fairmont Staff and Legal Council
Loan Closings	City of Fairmont Staff
Loan Servicing	City of Fairmont Staff and Legal Council
Organizational Administration	City of Fairmont Staff

3. Loan Administration Board

The Fairmont Economic Development Authority (FEDA) will act as the Loan Administration Board. FEDA is designated as the Chief Economic Development Agency in the City by the City Council. Membership includes:

- Two City Council Members – the Councilperson At-Large and an additional Council Member as appointed by the Mayor
- Five Community Members as appointed by the Mayor, providing a good cross section of the community.

Efforts are made to balance representation between business, labor and finance expertise and interests. FEDA Board members will be provided training on RLF policy

goals, issues and guidelines on an ongoing basis. FEDA will have at least one female representative as a board member at all times and will work to have representation from a broad range of industry ranging from agriculture, manufacturing, commercial, medical, and service.

4. Conflicts of Interest:

It's FEDA's policy to maintain the highest standards of conduct to prevent conflicts of interest in connection with RLF Funds. FEDA utilizes a conflict of interest policy for RLF committee members. Signed copies of the statement are maintained. A copy of the policy is provided.

§302.17 Conflicts of interest.

(a) *General.* It is EDA's and the Department's policy to maintain the highest standards of conduct to prevent conflicts of interest in connection with the award of Investment Assistance or its use for reimbursement or payment of costs (*e.g.*, procurement of goods or services) by or to the Recipient. A conflict of interest generally exists when an Interested Party participates in a matter that has a direct and predictable effect on the Interested Party's personal or financial interests. A conflict also may exist where there is an appearance that an Interested Party's objectivity in performing his or her responsibilities under the Project is impaired. For example, an appearance of impairment of objectivity may result from an organizational conflict where, because of other activities or relationships with other persons or entities, an Interested Party is unable to render impartial assistance, services or advice to the Recipient, a participant in the Project or to the Federal government. Additionally, a conflict of interest may result from non-financial gain to an Interested Party, such as benefit to reputation or prestige in a professional field.

(b) *Prohibition on direct or indirect financial or personal benefits.*

(1) An Interested Party shall not receive any direct or indirect financial or personal benefits in connection with the award of Investment Assistance or its use for payment or reimbursement of costs by or to the Recipient.

(2) An Interested Party also shall not, directly or indirectly, solicit or accept any gift, gratuity, favor, entertainment or other benefit having monetary value, for himself or herself or for another person or entity, from any person or organization which has obtained or seeks to obtain Investment Assistance from EDA.

(3) Costs incurred in violation of any conflicts of interest rules contained in this chapter or in violation of any assurances by the Recipient may be denied reimbursement.

(4) *See* §315.15 of this chapter for special conflicts of interest rules for Trade Adjustment Assistance Investments.

(c) *Special rules for Revolving Loan Fund ("RLF") Grants.* In addition to the rules set forth in this section:

(1) An Interested Party of a Recipient of an RLF Grant shall not receive, directly or indirectly, any personal or financial benefits resulting from the disbursement of RLF loans;

(2) A Recipient of an RLF Grant shall not lend RLF funds to an Interested Party; and

(3) Former board members of a Recipient of an RLF Grant and members of his or her Immediate Family shall not receive a loan from such RLF for a period of two years from the date that the board member last served on the RLF's board of directors.

B. LOAN PROCESSING PROCEDURES

1. Standard Loan Application Requirements

The following is a list of items that may be required for RLF applicants. Not all items will apply for each loan applicant and certain situations may require additional items not on the list.

Loan Application

Credit Report(s)

Past tax returns and/or financial statements

Pro-forma financial statements

Personal financial statements

Resumes

Appraisal Reports

Projections

Schedule of Debts

Certificate of Incorporations and Corporate Resolution

Lease

Business Plan

2. Credit and Financial Analysis

The RLF Committee is provided with an analysis of tax statements, financial statements, credit reports, available collateral (i.e. personal guarantees, mortgages, life insurance), available equity, appraisal reports and whether credit is not otherwise available.

Collateral requirements and equity requirements will be dealt with on a case by case basis, as all application have unique circumstances.

3. Environmental Reviews:

FEDA will ensure compliance with applicable environmental laws and regulations, including but not limited to 13 CFR Parts 302 and 314, the National Environmental Policy Act of 1969 and other Federal environmental mandates. FEDA staff will be responsible for ensuring compliance. These procedures will be followed regarding environmental review of loan applications for construction projects:

FEDA staff will determine if the project will result in a significant adverse environmental impact. The applicant may be asked to submit additional information as necessary to make the determination. No activity shall be financed which would result in a significant adverse environmental impact unless that impact is to be mitigated to the point of insignificance. When necessary to ensure compliance, any required mitigation shall be made part of the loan conditions.

FEDA staff shall determine whether the project involves new above-ground development within a floodplain based on a review of the proposed development against FEMA Flood Insurance Rate Maps. No activity will be financed which would result in a new above-ground development in a 100-year flood plain, per E.O. 11988.

FEDA staff will determine whether the proposed project will be located within or adjacent to any wetland area. The applicant may be required to provide wetland delineation information as necessary. No activity shall be financed which would result in alteration of any wetland or in any wetland or have any adverse impact on any wetland without consultation with the U.S. Department of the Interior/Fish and Wildlife Service and, if applicable, a Section 404 Permit with the Army Corp of Engineers shall be obtained.

FEDA shall notify the State Historic Preservation office of each loan application that involves significant new construction or expansion and request and receive comments on the effect of the proposed activity on historic and archaeological resources prior to closing the loan. In cases where SHPO has recommended actions or has determined an adverse impact, the recipient and loan applicant must work with the SHPO and EDA to address any issues identified before the loan is closed.

All loan applicants may be required to provide information regarding whether or not there are hazardous material such as EPA listed hazardous substances (see 40CFR 300), leaking underground storage tanks, asbestos polychlorinated bi-phenols (PCB), or any other hazardous materials present on or adjacent to the affected property that have been improperly handled and have the potential of endangering public health. If deemed necessary, the loan applicant may be required to perform or provide evidence of performance of a Phase 1 Site Assessment to identify possible sources of contamination, a PHASE 11 Site Assessment to test soil and/or groundwater samples, and a Phase 111 Site Remediation involving mitigation of applicable

contaminates. No activity shall be financed which involves unresolved site contamination issues. The Loan Applicant shall be responsible for working with the appropriate state environmental agency office to resolve any outstanding issues before any loan can be approved for the affected site.

4. Loan Write-up

The loan write-up is intended to summarize the key components of the proposed loan including: firm history, management, product, production capability, market conditions, financing, collateral, repayment ability, consistency with the RLF's Financing Policy and whether any environmental issues exist.

5. Procedures for Loan Approvals

The loan application will be presented to the RLF Committee with package format with all the required submittals. The RLF Committee will provide due diligence and financial analysis of the application. The RLF Committee will vote on the application making a recommendation either approving the loan or denying it to the Fairmont Economic Development Authority.

The Fairmont Economic Development Authority (FEDA) shall review and approve loans in accordance with the approved financing policies, targeting criteria and loan selection criteria of the RLF Plan.

Approval will be based on a majority vote of a meeting where a quorum is present. Official minutes will be kept in accordance with the Fairmont Economic Development Authority Operating Procedures.

C. LOAN CLOSING AND DISBURSEMENT PROCEDURES

1. Loan Closing Documents:

The following documents will be required for the types of loans made under the RLF:

- Loan Application
- Authorization Agreement
- Loan Agreement
- Board Meeting Minutes
- Promissory Note
- Security Agreements(s)
- Mortgage/Financing Statement (as applicable)

- Correspondence from primary lender stating the need for gap financing

2. Loan Agreement Provisions

The loan agreement will state the purpose of the loan and ensure that the RLF funds are used as intended.

All RLF loan documents and procedures will protect and hold the Federal government harmless from and against all liabilities that the Federal government incur as a result of providing an RLF funds to assist directly or indirectly in site preparation or construction, as well as the direct or indirect renovation or repair of any facility or site.

FEDA staff will insure that prospective borrowers, consultants, or contractors are aware of and comply with the Federal statutory and regulatory requirements that apply to activities carried out with RLF loans. The closing documents include a loan call stipulation for instances of non-compliance.

3. Loan Disbursement

After all compliance issues and closing requirements have been assessed and met, documentation will be provided to the finance department to have a check cut. City legal council will review all draft loan closing documents. The loan closing will be scheduled, most often at the same time as other lenders involved. The City will disburse the funds by check. All necessary procedures will be performed to protect RLF assets. These may include, but are not limited to invoices, purchase orders or receipts.

D. LOAN SERVICES PROCEDURES

1. Repayment

Collections of loan repayments will be done through ACH preferably, or check payments. Loans will be repaid monthly unless there are special circumstances. Once the check is received it will be safeguarded and a timely deposit will be made either that same business day or at the very most the next business day.

2. Monitoring

Loans will be monitored for all approved loan conditions including annual financial statements, annual insurance renewals, UCC filing, balloon payments and borrow site visiting. Borrowers will be asked about job creation and retention at annual site visits. A file is maintained to ensure compliance.

3. Loan Files

Loan files are maintained in a secure file cabinet. Loan file contents include but are not limited to:

- Loan Application
- Original Loan Closing Documents
- Financial statements
- Insurance documentation
- Annual site visit reports
- Copies of Loan closing documents
- General correspondences
- EDA required forms
- UCC filings/extensions
- Title cards/lien information

4. Job Creation

The borrower is asked how many jobs will be created and retained at the time of application. Borrowers are asked how many jobs are created and retained during annual site visits.

4. Defaulted Loans:

Loans over 90 days in arrears will be handled in a firm yet flexible manner with provisions for modifying or restructuring consistent with program objectives and proper management of the Fund.

If a default occurs under a Note and is not cured within ten (10) days after written notice of the loan client, or if default occurs under the Loan Agreement and other loan documents and is not cured within any applicable grace period, then FEDA may, as it's right and option, declare immediately due and payable the principal balance of the Note and interest accrued thereon.

The loan client shall pay a late charge of the five percent (5%) of the payment due of principal or interest if payment for any of the installments are not received within fifteen (15) calendar days following the due date. The late charge shall be considered unpaid if not received within (30) calendar days of the missed due date for which it was imposed. Any unpaid late charge shall be added to principal and bear interest at the same rate as noted for the principal. Acceptance of a late charge by FEDA does not constitute a waiver of default.

5. Write-offs

The standard procedure for a loan write-off will be a determination that the loan is not collectible. FEDA staff, legal counsel, auditor and member(s) of the RLF Committee will

determine the best way of handling the work-out. All necessary collection practices shall be used including sale of secured property, equipment, inventory and the like. After liquidation, having no further alternative, the loan is written off.

Priority of payments on defaulted and written off RLF loans. When an RLF Recipient receives proceeds on a defaulted or written off RLF loan that is not subject to liquidation pursuant to §307.21, such proceeds shall be applied in the following order of priority:

- (1) *First*, towards any costs of collection;
- (2) *Second*, towards outstanding penalties and fees;
- (3) *Third*, towards any accrued interest to the extent due and payable; and
- (4) *Fourth*, towards any outstanding principal balance.

E. ADMINISTRATIVE PROCEDURES

1. Accounting

Management of the RLF capital includes tracking RLF program and administrative funds separately within the commission general ledger for the RLF so that repayments and interest income are clearly identifiable and auditable. The EDA RLF portfolio and cash are clearly distinguishable from any other Recipient loan program. Additionally, software is utilized to track loans by loan client. The recipient will ensure that the RLF is operating in accordance with Generally Accepted Accounting Principles (GAAP).

2. Administrative Costs

FEDA intends to use RLF income to cover administrative costs with funding for these services to be provided by the RLF income received, not to exceed 100% of the RLF income received in the same fiscal year. Staff time, training, and all associated expenses will be accounted for using Generally Accepted Accounting Principles. FEDA acknowledges that if administrative fees exceed 100% of the annual RLF income, the overage will be paid by the FEDA general fund. Funds not used to offset administration of the RLF shall be returned to the RLF Capital Base.

FEDA will maintain adequate accounting and source documentation to substantiate the amount and percent of RLF income expended to the RLF.

FEDA acknowledges that it will generally be allowed a reasonable period of time to lend excess funds and achieve the capital utilization standard. However, if FEDA fails to achieve the capital utilization standard after a reasonable period of time, as determined by EDA, it may be subject to sanctions such as suspension or termination. FEDA also realizes that a chronic retention of excess cash will be considered a performance issue.

3. EDA Reporting

FEDA acknowledges that EDA requires submission of a semi-annual RLF financial report. ED 209 report.

4. Audits

FEDA acknowledges that the EDA RLF funds are subject to an annual audit requirement in accordance with 2 CFR Part 200, Subpart F “Uniform Guidance” and related Compliance Supplement. The RLF must be shown every year in the Recipients Schedule of Expenditures of Federal Awards (‘SEFA’). FEDA acknowledges that if the dollar amount of the RLF qualifies the RLF as a major federal program, FEDA will ensure that the auditor performs the required federal audit procedures.



STAFF MEMO

Prepared by: FEDA - Coordinator	Meeting Date: 5.11.26	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 2.2.5
Reviewed by:	Item: Approve '26 marketing agreement with Site Location Partnership.		
Presented by: FEDA - Coordinator	Action Requested: Approve entering SLP agreement.		
Vote Required: <input checked="" type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Approve Board/Commission/Committee Recommendation:		

PREVIOUS COUNCIL ACTION

REFERENCE AND BACKGROUND

FEDA staff is recommending continued engagement with this company at their Premium Program level. This effort will promote Fairmont as an attractive location for new businesses. FEDA staff will continue to work with SLP staff to target specific industries and businesses, working toward promoting our community to a large, targeted audience and setting meetings with potential companies interested in Fairmont. This continued engagement with SLP will allow them to continue to engage and develop the prospects already identified and continue to develop new leads and prospects.

BUDGET IMPACT

\$13,700.00 from our prospecting budget.

SUPPORTING DATA/ATTACHMENTS

Attached



SERVICE AGREEMENT

Between:

SITE LOCATION PARTNERSHIP

CLIENT

<p>Site Location Partnership (SLP) 6021 Morriss Road, Ste. 107 Flower Mound, TX 75028 Phone: 972-874-7483</p> <p>Contact: Justin Thompson jthompson@sitelocationpartnership.com</p>	<p>Fairmont Economic Development Authority 100 Downtown Plaza Fairmont, MN 56031 Phone: 507-238-3925</p> <p>Contact: Ned Koppen nkoppen@fairmont.org</p> <p>Product: Comprehensive Premium Program</p> <p>Duration: 12 Months</p>
<p>Investment</p>	<p>\$13,700</p>

TERMS & CONDITIONS:

1. SERVICES. Targeted Industry Prospect Development- 4 industries/1,200 companies; Site Selector Appointment Setting- 6 meetings; Trade Show Representation/Site Selector Forums- 5 shows (AUTOMATE- 6/22/26-6/25/26, IMTS- 9/14/26-9/19/26, Fabtech- 10/21/26-10/23/26, MD&M West- 2/9/27-2/11/27, ProMat- 4/19/27-4/21/27); Web Exposure- Hot Spot Listing/Microsite.
2. LENGTH OF AGREEMENT. The term of this Agreement shall be one year (365 days), commencing on the date of Client's signature below, and may be extended only by the written agreement of both parties.
3. PROJECT FEE. Client shall pay to SLP a one-time, all-inclusive fee of \$13,700, due upon engagement.

The undersigned agree to the terms as stated and acknowledge that this Agreement shall be binding upon both parties.

SLP REPRESENTATIVE: Justin Thompson, CEO

 Date: 5/1/27

CLIENT REPRESENTATIVE NAME/TITLE: _____

_____ Date: _____

Plastics Manufacturing Overview



Suspects

14

✓ Opened targeted marketing email blast 1 time.

Warmes

11

✓ Opened targeted marketing email blast 2 - 3 times.

Hots

8

✓ Opened targeted marketing email blast 4+ times and/or visited Client's website.





Warehousing/Distribution Overview



Suspects
15

✓ Opened targeted marketing email blast 1 time.

Warmes
9

✓ Opened targeted marketing email blast 2 - 3 times.

Hots
5

✓ Opened targeted marketing email blast 4+ times and/or visited Client's website.





Machinery Manufacturing Overview

Suspects

18

✓ Opened targeted marketing email blast 1 time.

Warmes

10

✓ Opened targeted marketing email blast 2 - 3 times.

Hots

7

✓ Opened targeted marketing email blast 4+ times and/or visited Client's website.



Chemical Manufacturing Overview



Suspects
16

✓ Opened targeted marketing email blast 1 time.

Warmes
7

✓ Opened targeted marketing email blast 2 - 3 times.

Hots
5

✓ Opened targeted marketing email blast 4+ times and/or visited Client's website.

