

ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
APRIL 11, 2006

The meeting was called to order at 7:00 a.m., President Jim Kreft presiding.

Members Present: President Kreft, Noack, Rosenfeld (arrived late), Sorenson, Vrklan, Councilmember Voight, Councilmember Borchert

Members Absent: None

Also Present: Asst. Director Schultz, Mayor Czech

Motion by Voight, seconded by Vrklan, and passed by unanimous vote to approve the minutes from the March 14, 2006 meeting as presented.

The EDA reviewed the Financial Reports for February and March.

Asst. Director Schultz commented that the billboard (joint EDA/3 Developers) was up and located just east of Lano Equipment in Norwood. He had not received any responses prior to the meeting.

Asst. Director Schultz stated that the sign advertising the former Swenson property for commercial development was done. He and another city employee would be putting the posts in the ground in the next day and putting the sign up. Vrklan questioned if Duane Duenow was going to be renting the ground (as discussed at the previous meeting). Schultz said yes he had made contact with him and the rental agreement had been signed. Vrklan would let the Ag Dept. at the school know it was spoken for.

Voight explained that the City Council had served Glenn Klitzke (owner of G.E.I.S. Inc.) with a 30-day notice that stated the City was going to be taking action against him (seizing assets) due to his bad debt with the City. Klitzke sent a letter back to the City stating that he has \$2,000,000 worth of life insurance and intends to borrow against it to pay off his debts as his health is failing. The letter further explained that he had just taken on a new \$3,000,000 contract and the bird flu was still very much affecting his business. The Council agreed to give him some time to see what he could come up with, but could still take action at anytime after the 30-days.

Asst. Director Schultz stated that they were moving forward with the housing study. Administrator Krueger, P&Z Administrator Jenness and himself had met with Steve Griesert of Community Partners Research the day before. Interviews will be set up with people within the community in the next week to 10 days to get their perspective on the housing needs and environment. The housing study should be completed within 90 days and cost approximately \$10,000, which the City is applying for a \$5,000 grant to help cover some of these costs. Schultz commented that the City has not done this in the past, but it was time to have one done with regards to housing in Arlington. Mayor Czech added that the company they were working (Schoenecker Apts.) with to build apartments requires a study. Voight added that the Council questioned the need for this study when one had been done last year, when in fact it was for a specific area of town (slum and blight) not housing. During their meeting, Griesert pointed out that Arlington is lacking in the up market rate rental housing (houses to rent for families just moving to the area-not starter homes). Once this type of housing gets established, people will stay in Arlington.

Kreft spoke on the EDA/Chamber Cooperative Seminar Program. The first seminar will be held at the Technology Conference Center on Monday, May 8th over the noon hour and last approximately 60 minutes. Schultz commented that a light lunch would be available at a cost of \$3-\$4. He stated that marketing was the topic to be discussed at this seminar and gave a summary of what the other 7-8 seminars would cover (business reports: financial, cash flow, profit loss, etc.; when to say yes when being solicited by non-profits; insurance, and tax planning). The Committee will re-evaluate the program at the end of the year.

Discussion was held on the hotel marketing study. Members commented on the Choice Hotels open house that they had attended. They met with investors, developers, and various entities. It was noted that Arlington was the only community there. Schultz commented that both he and Director Krueger appreciated the EDA's support in attending the open house. The EDA reviewed the letter from Richard Sprecher of Choice Hotels International related to the need to have a hotel feasibility study done. Schultz reiterated how important this study was. Voight questioned how long the study was good for. Schultz commented that his understanding was that portions could be updated over time. Vrklan commented that Gaylord was trying to catch up to Arlington in that they have a 6 year plan to build a community center and they already have a hotel. He feels Arlington needs to pursue a hotel and stay ahead of the surrounding areas. Schultz commented that if a hotel would come to Arlington, the Community Center could be utilized more during the week for conferences and meetings, as people coming from out-of-town/state would have a place to stay. Schultz gave an explanation of what was included in the different phases within a hotel feasibility study. Sorenson questioned if the information obtained within the study would belong to Arlington. Schultz said yes it would belong exclusively to Arlington. Sorenson and Kreft expressed their thoughts on the subject (costs, incentives and the prospective of obtaining a positive study). Schultz explained that if the City (EDA) pays for the study it belongs to the City, however if the City gets reimbursed for the study it belongs to that party. Schultz will research the following questions and report back to the EDA:

- 1) Is there a reimbursement and/or cap?
- 2) How long is the study good for and could it be used for anything else?

It was agreed to continue discussion on the hotel feasibility study at the next meeting.

President Kreft and Asst. Director Schultz spoke briefly on establishing a strategic planning process. Sorenson questioned if there was anyone who could come in to walk them through the process. Schultz commented that the City needs to start looking ahead in order to be prepared as things arise. Kreft commented that the strategic planning would help the Comprehensive Land Use Plan. He liked the idea of having someone come in that has been through the process before to assist them. Schultz commented that with the EDA's approval they could attempt to find a facilitator to come in to help them. It was agreed to continue discussing this at the next meeting.

The next meeting was scheduled for Tuesday, May 9, 2006 at 7:00 a.m.

Motion by Voight, seconded by Rosenfeld, and passed by unanimous vote to adjourn the meeting.

Asst. Director Denny Schultz

President Jim Kreft