



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
JANUARY 26, 2011**

The meeting was called to order by President Mark Lundstrom at 7:15 p.m.

Members Present: Mark Lundstrom, Larry Sorenson, Jennifer Nuesse, Richard Thomes,
Councilmember Pichelmann, Councilmember Ruehling

Member Absent: Krueger

Also Present: EDA Director Smith-Strack, Mayor Kreft, City Adm. Jaunich

Director Smith-Strack administered the Official Oath of Office to members Lundstrom and Nuesse.

Nominations and election of Officers were held.

Motion by Sorenson, seconded by Thomes, and passed by unanimous vote to re-elect Mark Lundstrom as President and David Krueger as Vice President; and to elect EDA Director Cynthia Smith-Strack as Secretary/Assistant Treasurer and Councilmember Robert Pichelmann as Treasurer.

Motion by Ruehling, seconded by Sorenson, and passed by unanimous vote to approve the agenda with the following additions:

Add 7E) Mayoral Goal – Mayor Kreft

Add 7F) SEDCO Representation.

Motion by Thomes, seconded by Pichelmann, and passed by unanimous vote to approve the minutes from the October 27th meeting as presented.

The December Financial Report was reviewed.

Motion by Thomes, seconded by Sorenson, and passed by unanimous vote to approve the December Financial Report as presented.

Dir. Smith-Strack stated that Larry Kicker of Kick's Bakery has applied for a Revolving Loan in the amount of \$21,000 over 5 years with an interest rate of 3%. The application and financial statements were reviewed. It was noted that the purpose of the loan was for remodeling the inside of the bakery to make room for a "Godfather's Pizza". Smith-Strack stated that there was currently \$23,000 in the Revolving Loan Fund (RLF). It was noted that the proposed use of the

funds appears to meet the purpose of the RLF. Smith-Strack commented that the RLF Policy has conflicting language within itself about whether or not 100% of the project costs can be loaned out. It was noted that in the past the EDA allowed up to 40% of the project costs to be loaned out, but there also had to be another primary lending source. Those present felt that the application was incomplete and that more financial data was needed.

Motion by Sorenson, seconded by Ruehling, and passed by unanimous vote to table the Kick's Bake Shop Revolving Loan Application until more information can be provided from the owner.

Smith-Strack gave a power point presentation on the 'orientation' of the EDA and its transitioning period from old/new members and new Ex-Officio member. The presentation included a flowchart illustrating how the EDA fits into local government; description of individual work areas (organizational development, infrastructure development, business development and market development); and also what the EDA's authority (powers) is.

Discussion was held on the Fiber to the Home Project. Adm. Jaunich talked about the Joint Powers Authority and the funding thereof. It was noted that the initial money (\$21,400) would come from the EDA's reserve fund. Adm. Jaunich commented that the Council has numerous concerns and/or questions with this project, along with some of the other communities within the county. Concern was expressed about how fast this project was being moved forward and also the costs associated therewith.

Motion by Thomes, seconded by Nuesse, and passed by unanimous vote to recommend denial of funding the Fiber to the Home Joint Powers Authority until such time that the Councils' concerns and/or questions are answered.

Brief discussion was held on changed the meeting date/time. Thomes commented that he liked the 6:00 start time.

Motion by Thomes, seconded by Sorenson, and passed by unanimous vote to change the date of the EDA meetings to the 4th Tuesday of each month at 6:00 pm.

Mayor Kreft talked about his goals for 2011. It was his intent to assign goal #3 to the EDA: Coordinate the railroad/street intersection up-grades and create a re-use concept plan for our downtown railroad corridor. He feels that the re-use concept goes hand-in-hand with economic development as Smith-Strack had pointed out earlier in her presentation. He noted that UFC had officially closed the elevator and was planning to remove all structures from the site. Kreft questioned if the City should consider owning the site and what could be done with it. The Cemstone property was also discussed briefly.

Adm. Jaunich stated that the City was looking for someone to represent Arlington on the SEDCO Board. Thomes expressed an interest in the position.

Thomes questioned where things were at with UFC and their relocating. Adm. Jaunich stated that he had received a phone call saying that UFC was going in a different direction, possibly combining a few projects into one.

Smith-Strack was thanked for the wealth of information she provided (for her first meeting with the group).

Brief discussion was held on what interest (if any) the EDA should have in the school project. It was noted that the school was looking at 2 sites for the proposed new school. Adm. Jaunich commented that the City has not received any inquiries about this subject (more specifically utilities) yet.

Motion by Thomes, seconded by Ruehling, and passed by unanimous vote to adjourn the meeting at 8:50 pm.

President, Mark Lundstrom

Director, Cynthia Smith-Strack