

ECONOMIC DEVELOPMENT AUTHORITY  
MEETING MINUTES  
MAY 9, 2006

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

Members Present: President Kreft, Noack, Sorenson, Vrklan, Rosenfeld & Councilmember Borchert  
arrived late

Members Absent: Councilmember Voight

Also Present: Director Krueger, Asst. Director Schultz, Mayor Czech

Motion by Vrklan, seconded by Noack, and passed by unanimous vote to approve the minutes from the April 11, 2006 meeting as corrected.

The EDA reviewed the Financial Report for April and Lot Acquisition Loans.

Kreft stated that he had an informal meeting with Pat Connolly a friend of his who is a real estate developer (historic building rehab for residential) about the old Noack property. Director Krueger, Asst. Director Schultz, P&Z Administrator Jenness, Pat Connolly, Jeff Hardel (associate of Danny Woehler who owns property) and he took a tour of the buildings to see what if any, redevelopment ideas they could come up with for the property. Connolly informed Kreft that his company probably would not be interested as the City of Arlington (this building project) does not really match their tax credit criteria that his company needs to cash flow these types of projects. Kreft commented that he feels this would be a good project for redevelopment as it is considered to be in a transition (residential/commercial – multi-use) area. Schultz commented that they are trying to expose this property to as many developers as possible to hopefully spark some interest for redevelopment.

Asst. Director Schultz stated that the sign (advertising the former Swenson property) is done and waiting for city staff to put it up. Director Krueger explained that MNDot wanted to look at the sign before it went up to see if any permitting was needed before it went up. Noack questioned if there has been any feedback from the property owners in the area. Director Krueger commented that he had not heard any.

Director Krueger reviewed a letter that he had received from the Meeker McLeod Sibley Community Health Services. They had done a survey at the Sibley County Senior Expo in April and Arlington did pretty well. The survey asked questions about housing for seniors; support for caregivers; navigating the community; and affordable, accessible transportation, etc. Krueger commented that it was good to see what the senior population thinks about Arlington.

Schultz commented that they were just winding things up regarding application for the grant for the housing study, which is due by May 16<sup>th</sup>. He stated that a list of possible interviewees had been compiled, but has not heard back from Community Partners (the company doing the study).

Discussion was held on the first Chamber of Commerce/EDA Cooperative Seminar Program. It was noted that approximately 25 people had attended. Kreft commented that the guest speaker was good and the people that he talked to after will be coming to other seminars. Krueger was impressed by the speaker and he saw some enthusiasm in those in attendance. Schultz suggested bringing this speaker back in the next 6-8 months to speak more specifically on certain areas of marketing (more fine tuned).

Krueger suggested holding a workshop to show those individuals interested how and where to market and/or advertise their businesses.

Discussion was held on the hotel marketing study. Asst. Director Schultz addressed the questions that were brought up at the last meeting through a fact sheet, which provided development definitions. Schultz commented that 3 consultants had submitted proposals to the EDA. He found Hospitality Marketers International to be the most qualified to do a study for Arlington as they have done local evaluations in St. James, Sleepy Eye (smaller communities) and would charge Arlington \$4,900 for Phase 1, plus put a cap on travel expenses at \$600. Schultz explained that the developer is responsible for Phase 2 & 3 of the study. Kreft questioned what the timeline was for getting this done. Schultz commented that within a month to 2 months time, but there was an "aging" element associated with it. Rosenfeld questioned where the money would come from to pay for the study. Director Krueger explained that it would come from the EDA Fund. Kreft questioned what was meant by preliminary research. Schultz was not completely sure what this meant, but gave some idea of what it could encompass. Noack favored moving forward with the study, it could mean more business for the hospital and Community Center down the road. Sorenson expressed his feelings against doing the study on the basis that there was not a business or developer asking to have this done, the City was essentially going out to drum up new business that could possibly hurt a similar already existing business. Kreft commented that the City does have to be careful and work at it on a project-by-project basis. Vrklan agreed with Sorenson, but felt there was a real need to have a motel/hotel within the community to fill a greater need than the present facility. Sorenson reiterated the philosophical idea of possibly affecting an existing business. Vrklan does not want to hurt any other business, but feels that having a hotel/motel would also bring revenue to other facets within the community and is the lesser of 2 evils. Brief discussion was held on the possible affects to the existing motel. The majority of the members present felt that the new hotel would not really affect it as it would be for people who travel and not stay any length of time.

Motion by Noack, seconded by Vrklan, and carried (Sorenson opposed) to move forward with the Hotel Marketing Feasibility Study and hire Hospitality Marketers International to do the study at a cost of \$5,500.

Asst. Director Schultz talked about Strategic Planning. He stated that he had obtained some prices (\$500-\$700) for different locations to hold a strategic planning meeting with an outside facilitator. Noack questioned why the meeting had to be held out of town. It was suggested that a change of scenery (different location) helps keep people's minds set on what is being discussed. A few names were suggested to see if they would be interested in being the facilitator for this. Kreft questioned if one meeting would be enough. Krueger commented that generally one 4-6 hour meeting is held to brainstorm and then a follow up meeting is held to make final decisions to determine what direction to take for future development. It was suggested to look at holding a meeting in September. The calendars for September and October will be reviewed at the next meeting to try to pick a date.

The next meeting was scheduled for Tuesday, June 13, 2006 at 7:00 a.m.

Motion by Vrklan, seconded by Noack, and passed by unanimous vote to adjourn the meeting.

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Director David L. Krueger

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President Jim Kreft