

**ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
November 18th, 2009**

The November 18th, 2009 Arlington EDA meeting was called to order by President Mark Lundstrom at 6:00 p.m.

Members present were; Noack, Sorenson, Vrklan, Pederson, Krueger and Lundstrom. Also present was Administrator Jaunich and Director Schultz. Absent was member Feterl.

Agenda was reviewed and motion to approve the agenda with the addition of 9b/G.E.I.S. update was made and seconded (Lundstrom/Krueger).
Approved.

Motion/second (Krueger/Lundstrom) to approve the meeting minutes of the October 21st EDA meeting. Approved.

Financial report was reviewed. Motion/second (Pederson/Krueger) to approve October financial report. Approved.

After discussion regarding attaching dollar amounts and interest payment deposits to the EDA loan Programs to further clarify the positions of each, the following resolutions were introduced:

Commissioner **Pederson** introduced the following resolution and moved for its adoption:

EDA RESOLUTION 4-2009

**A RESOLUTION AUTHORIZING THE ECONOMIC DEVELOPMENT AUTHORITY
TO FULLY FUND, APPROVE, ADMINISTER AND DIRECT THE
ARLINGTON EDA REVOLVING LOAN PROGRAM**

WHEREAS, Minnesota Statutes, Sections 469.090 through 469.108 (the "Act") provides for the establishment of an Economic Development Authority by a municipality; and

WHEREAS, the City Council of the City of Arlington duly established the Authority on January 21, 1997 pursuant to the Act to facilitate and assist economic development and redevelopment efforts in the community; and

WHEREAS, it is one of the goals and purposes of the Arlington EDA to improve the community, strengthen the tax base, and enhance employment opportunities; and

WHEREAS, the Arlington EDA Board of Commissioners is seeking authorization from the City Council to carry out activities for the economic development and redevelopment of property in the City, including loans or grants of EDA funds for private redevelopment projects benefiting the City as a whole; and

WHEREAS, the Arlington EDA Board of Commissioners wishes to expedite the process of review and approval of the applications for the above named loan using criteria and requirements set forth in each loan's respective Policies and Procedures documents; and

WHEREAS, the EDA Loan Committee shall consist of all seven (7) members of the EDA Board of Commissioners; and

BE IT RESOLVED, that the City Council of Arlington Minnesota grants full authorization to the Arlington EDA to approve, administer and direct the EDA Revolving Loan Program and;

BE IT FURTHER RESOLVED, that the funds available for this EDA Revolving Loan be capped at \$100,000.00 of all EDA monies. Interest earned through these loans shall be deposited directly back into the Revolving Loan Program fund.

BE IT FURTHER RESOLVED, that a copy of this resolution be passed onto the Arlington City Council.

BE IT FURTHERMORE RESOLVED, that the EDA pursue authorization of this loan program from the City Council according to the requirements of the EDA's enabling resolution.

BE IT FURTHERMORE RESOLVED, that this resolution makes null and void EDA Resolution 2-2009 dated October 21, 2009 and that this resolution also supersedes any previous EDA or Council resolution granting authority for the above named EDA Loan Program or the City Council's authorization of said EDA Loan Program.

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner **Sorenson** and upon poll being taken thereon the following voted in favor thereof: Pederson, Vrklan, Lundstrom, Krueger, Sorenson, Noack; and the following voted against the same: none ; and the following abstained from voting: none ; and the following were absent: Feterl.

Adopted by the Arlington Economic Development Authority this 18th day of November, 2009.

Mark Lundstrom, President

ATTEST:

Denny Schultz, Executive Director

Commissioner **Pederson** introduced the following resolution and moved for its adoption:

EDA RESOLUTION 5-2009

A RESOLUTION AUTHORIZING THE ECONOMIC DEVELOPMENT AUTHORITY TO FULLY APPROVE, ADMINISTER AND DIRECT THE ARLINGTON EDA LOT ACQUISITION LOAN PROGRAM

WHEREAS, Minnesota Statutes, Sections 469.090 through 469.108 (the "Act") provides for the establishment of an Economic Development Authority by a municipality; and

WHEREAS, the City Council of the City of Arlington duly established the Authority on January 21, 1997 pursuant to the Act to facilitate and assist economic development and redevelopment efforts in the community; and

WHEREAS, it is one of the goals and purposes of the Arlington EDA to improve the community, strengthen the tax base, and enhance employment opportunities; and

WHEREAS, the Arlington EDA Board of Commissioners is seeking authorization from the City Council to carry out activities for the economic development and redevelopment of property in the City, including loans or grants of EDA funds for private redevelopment projects benefiting the City as a whole; and

WHEREAS, the Arlington EDA Board of Commissioners wishes to expedite the process of review and approval of the applications for the above named loan using criteria and requirements set forth in each loan's respective Policies and Procedures documents; and

WHEREAS, the EDA Loan Committee shall consist of all seven (7) members of the EDA Board of Commissioners; and

BE IT RESOLVED, that the City Council of Arlington Minnesota grants full authorization to the Arlington EDA to approve, administer and direct the EDA Lot Acquisition Loan Program and;

BE IT FURTHER RESOLVED, that the funds available for this EDA Lot Acquisition Loan Program be capped at \$60,000.00 of all EDA monies. Interest earned through these loans shall be deposited directly back into the Lot Acquisition Loan Program fund.

BE IT FURTHER RESOLVED, that a copy of this resolution be passed onto the Arlington City Council.

BE IT FURTHERMORE RESOLVED, that the EDA pursue authorization of this loan program from the City Council according to the requirements of the EDA's enabling resolution.

BE IT FURTHERMORE RESOLVED, that this resolution supersedes any previous EDA or Council resolution granting authority for the above named EDA Loan Program or the City Council's authorization of said EDA Loan Program.

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner **Krueger** and upon poll being taken thereon the following voted in favor thereof: Pederson, Vrklan, Lundstrom, Krueger, Sorenson, Noack; and the following voted against the same: none ; and the following abstained from voting: none ; and the following were absent: Feterl.

Adopted by the Arlington Economic Development Authority this 18th day of November, 2009.

Mark Lundstrom, President

ATTEST:

Denny Schultz, Executive Director

Commissioner **Pederson** introduced the following resolution and moved for its adoption:

EDA RESOLUTION 6-2009

A RESOLUTION ESTABLISHING AN ECONOCOMIC DEVELOPMENT AUTHORITY STOREFRONT RESTORATION/RENEWAL/REHABILITATION LOAN PROGRAM AND REQUESTING THAT THE CITY COUNCIL APPROVE THE ESTALISHMENT OF SUCH PROGRAM

WHEREAS, Minnesota Statutes, Sections 469.090 through 469.108 (the "Act") provides for the establishment of an Economic Development Authority by a municipality; and

WHEREAS, the City Council of the City of Arlington duly established the Authority on January 21, 1997 pursuant to the Act to facilitate and assist economic development and redevelopment efforts in the community; and

WHEREAS, it is one of the goals and purposes of the Arlington EDA to improve the community, strengthen the tax base, and enhance employment opportunities; and

WHEREAS, the Board of Commissioners have reviewed the "Storefront Restoration/Renewal/ Rehabilitation" loan program, attached hereto as Exhibit A, and desires to adopt such program; and

WHEREAS, the Board of Commissioners has designated that funding for this program shall come from the EDA Lot Loan Fund in the amount of \$60,000; and

WHEREAS, the Arlington EDA Board of Commissioners is seeking authorization from the City Council to carry out planned activities for the economic development and redevelopment of property in the City, including loans or grants of EDA funds for private redevelopment projects benefiting the City as a whole; and

WHEREAS, the Loan Committee for this program will be comprised of the full EDA body.

NOW, THEREFORE BE IT RESOLVED, by the Board of Commissioners of the Arlington Economic Development Authority, that the Restoration/Renewal/ Rehabilitation loan program as attached in Exhibit A is hereby in all respects approved, and that the Executive Director of the Arlington EDA is hereby authorized to earmark \$60,000 from the EDA Lot Loan Fund to help fund this loan program.

BE IT ALSO RESOLVED, that Interest earned through these loans shall be deposited directly back into the Storefront Restoration/Renewal /Rehabilitation Loan Program fund.

BE IT FURTHER RESOLVED, that a copy of this resolution be passed onto the Arlington City Council.

BE IT FURTHERMORE RESOLVED, that the EDA pursue authorization of this loan program from the City Council according to the requirements of the EDA's enabling resolution.

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner **Sorenson** and upon poll being taken thereon the following voted in favor thereof: Pederson, Vrklan, Lundstrom, Krueger, Sorenson, Noack; and the following voted against the same: none; and the following abstained from voting: none; and the following were absent: Feterl.

Adopted by the Arlington Economic Development Authority this 18th day of November, 2009.

Mark Lundstrom, President

ATTEST:

Denny Schultz, Director

Extended discussion was held on the possibilities in creating an EDA Property Development Fund. Purposes could be for improving EDA property, retaining rent income, signing rent contracts, purchasing additional property and community projects that the EDA may want to participate in. Revenue from future EDA property sales would be deposited into this fund also. The EDA asked Director Schultz to create a draft resolution establishing the Property Development Fund and its guidelines and possible beginning dollar transfer and present it to the group at their next meeting for discussion and possible approval.

The City Council has asked all departments to reduce their 2010 budgets in the amount of 5%. Motion made and seconded (Sorenson/Lundstrom) to reduce the Professional Services#300 line item to \$5000 and reduce the Other Print/ Binding #354 line item to \$1000. Total reduction in the 2010 EDA Budget of \$1800. Approved.

The City Capital Improvement Plan form was briefly discussed. The City has asked the EDA to look 5 years into the future and determine what the EDA may need for development-type investment projects (infrastructure, commercial/industrial park) and how these projects could be financed.

Jeff Hennen is still interested in negotiating with the EDA concerning the sale of his property along Hwy. 5. The EDA wishes to continue an open conversation with Jeff Hennen regarding his property.

Ron Soeffker has submitted an application for a \$30,000 Lot Acquisition Loan. Soeffker has not furnished any financials with his application. There was motion and second (Sorenson/Vrklan) to approve his application for a \$30,000 Lot Loan with the stipulations that he provide a current personal or business balance sheet and 3 years of his Schedule C tax returns.
Approved.

City legal council has indicated that we may remove the uncollectible G.E.I.S. loans from the EDA financial books through the passage of a resolution requesting the City of Arlington and the City auditors to do so.

Commissioner **Sorenson** introduced the following resolution and moved for its adoption:

EDA RESOLUTION 7-2009

A RESOLUTION AUTHORIZING THE REMOVAL AND DELETION OF THE INACTIVE G.E.I.S. EDA REVOLVING LOANS FROM THE FINANCES OF THE EDA

WHEREAS, the EDA, wishing to remove delinquent and inactive loans from the Revolving Loan listing; and

WHEREAS, the company, General Electronics and Information Systems (G.E.I.S.) has filed bankruptcy, is no longer doing business and has not made payments of loan principle or interest for 4 years; and

WHEREAS, the City of Arlington's legal counsel has recommended writing off the principle balances on the two loans (loan #1-\$81,007.57 principle and loan #2-\$44,222.99 principle) totaling \$125,230.56.

BE IT RESOLVED, that the EDA declares the above loans to be uncollectable and requests the City of Arlington and the City's Financial Auditors proceed with the steps necessary to remove the delinquent G.E.I.S. loans from the EDA financial records.

BE IT FURTHER RESOLVED, that a copy of this resolution be passed onto the Arlington City Council.

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner **Vrklan** and upon poll being taken thereon the following voted in favor thereof: Vrklan, Lundstrom, Krueger, Sorenson, Noack; and the following voted against the same: none ; and the following abstained from voting: none ; and the following were absent: Pederson, Feterl.

Adopted by the Arlington Economic Development Authority this 18th day of November, 2009.

Mark Lundstrom, President

ATTEST:

Denny Schultz, Executive Director

Next meeting will be held in the City Tech Center, 6:00 p.m. on December 16th.

Motion and second (Krueger/Lundstrom) to adjourn. Approved.

President, Mark Lundstrom

Director, Denny Schultz