

**ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA
TUESDAY, JANUARY 27, 2015 @ 6:00 P.M.
Council Chambers**

1. Call to Order.
2. Pledge of Allegiance.
3. Oath of Office: Tom Hatlestad
4. Approval of Agenda.
5. Election of Officers
6. Farm Lease Bid Opening.
7. Approval of Minutes.
 - A. September 23, 2014
 - B. October 28, 2014
8. Approval of Financial Reports.
 - A. September, October, November, & December 2014
9. Old Business.
 - A. None
10. New Business.
 - A. Farm Lease Bid Opening/Rewarding
 - B. RLF Application: Kreft Cabinets, LLC
 - C. Chamber Request: Participation in Funding DOT Downtown Signs
 - D. Request for Donation: SMIF
 - E. EDA Property Vacant (Former Laundry)
 - F. 2015 Goals
11. Business Retention/Expansion Visits.
12. Board Announcements.
13. Adjourn

**MEETING MINUTES
JANUARY 27, 2015 @ 6:00 PM**

The meeting was called to order by member Richard Thomes at 6:00 pm.

Members Present: Tom Hatlestad, Tim Kloeckl, Larry Sorenson, Richard Thomes, Councilmember Jennifer Nuesse, Councilmember Michelle Battcher

Member Absent: Dean Bergersen

Also Present: Director Cynthia Smith-Strack, Mayor Richard Nagel, Jim Kreft

Director Smith-Strack administered the Official Oath of Office to new member Tom Hatlestad.

Motion by Kloeckl, seconded by Sorenson, and passed by unanimous vote to approve the agenda as presented.

Motion by Sorenson, seconded by Kloeckl to nominate Richard Thomes as President.

Motion by Sorenson, seconded by Kloeckl to nominate Dean Bergersen as Vice President.

Motion by Sorenson, seconded by Hatlestad to nominate Tim Kloeckl as Treasurer and EDA Director Cynthia Smith-Strack as Secretary/Assistant Treasurer.

Thomes called the question to elect Richard Thomes as President, Dean Bergersen as Vice President, Tim Kloeckl as Treasurer, and Director Cynthia Smith-Strack as Secretary/Assistant Treasurer; all present voted in favor thereof.

Thomes stated that the current lease holder for both the Nickel and Swenson properties has decided to terminate the lease early. He stated that both properties were advertised for bids. The following bids were received:

Nickel Property-

- 1) Glen Schlueter - \$125/ac (\$875)
- 2) Ryan Neubarth - \$198.50/ac (\$1,389.50)
- 3) Todd Mesker - \$280/ac (\$1,960) ***High Bidder***
- 4) Mark Wieman - \$250/ac (\$1,750)
- 5) Jason Thoele - \$220/ac (\$1,400)
- 6) Ken Jahr - \$2,000/ac purchase
- 7) Lucas Schwope - \$265/ac (\$1,855)
- 8) Sibley East Ag Dept. - \$266/ac (\$1,862)

Swenson Property-

- 1) Glen Schlueter - \$125/ac (\$1,250)
- 2) Ryan Neubarth - \$198.50/ac (\$1,985)
- 3) Todd Mesker - \$285/ac (\$2,850)
- 4) Mark Wieman - \$250/ac (\$2,500)
- 5) Jason Thoele - \$220/ac (\$2,200)
- 6) Ken Jahr - \$2,800/ac purchase
- 7) Lucas Schwope - \$275/ac (\$2,750)
- 8) Sibley East Ag Dept. - \$266/ac (\$2,660).

Thomes questioned if the EDA was interested in selling the property or wished to continue with leasing it. Kloeckl commented that upon receipt of a reasonable offer, there would be interest to sell. Smith-Strack commented on the estimated market value of the property.

Motion by Sorenson, seconded by Kloeckl, and passed by unanimous vote to reject Ken Jahr's offer to purchase both EDA properties (Nickel & Swenson).

Motion by Nuesse, seconded by Sorenson, and passed by unanimous vote to approve the minutes from the September 23rd and October 28th meetings as presented.

The September, October, November, and December Financial Reports were reviewed.

Motion by Kloeckl, seconded by Hatlestad, and passed by unanimous vote to approve the September, October, November and December Financial Reports as presented.

Smith-Strack provided an update on where things were with regards to the Dollar General Store. The site that was initially chosen (across the highway from Seneca Foods) was going to be cost prohibitive due to wetland mitigation costs being too expensive. The representatives are looking at three other sites around town.

Motion by Kloeckl, seconded by Nuesse, and passed by unanimous vote to approve the bids from the highest bidder Todd Mesker for the Farm Lease Bids in the amount of \$280/ac for the Nickel property and \$285/ac for the Swenson Property.

Thomes commented that the EDA (sub) Loan Committee had met with Jim Kreft of Kreft Cabinets prior to the meeting regarding his application for a Revolving Loan. He stated that Kreft had purchased a new building, which will be remodeled so he can move the business. It was noted that Kreft had obtained a loan from the Arlington State Bank for the majority of the project. The EDA loan would be secondary and have a 3% interest rate as it pertains to the purchase of real estate. The Loan Committee was recommending approval of the Revolving Loan.

Sorenson introduced the following resolution and moved for its adoption:

EDA RESOLUTION NO. 1-2015

A RESOLUTION APPROVING A LOAN FROM THE ARLINGTON REVOLVING LOAN FUND FOR KREFT CABINETS, INC./KREFT HOLDINGS AND DIRECTING PREPARATION OF LOAN DOCUMENTS RELATING THERETO.

WHEREAS, James and Holly Kreft, d.b.a. Kreft Cabinets, Inc. and Kreft Holdings have applied for assistance available through the EDA; and

WHEREAS, the Applicant requests a \$24,000 loan through the Revolving Loan Fund; and

WHEREAS, the purpose of the loan is to purchase real property and make building improvements to said real property at 305 5th Avenue SW; and,

WHEREAS, the EDA has reviewed the loan application to determine compliance with loan policies and procedures,

NOW, THEREFORE, BE IT RESOLVED, that the Arlington Economic Development Authority hereby approves a loan from the RLF in the amount of \$24,000 for a term of 20 years at a rate of 3%.

BE IT FURTHER RESOLVED, that the EDA Director is hereby authorized and directed to have loan documents prepared and executed.

The motion for the adoption of the foregoing resolution was duly seconded by Kloeckl and upon poll being taken thereon the following voted in favor thereof: Hatlestad, Kloeckl, Sorenson, Thomes, Councilmember Nuesse, Councilmember Battcher; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: Bergersen.

Adopted by the Economic Development Authority of the City of Arlington this 27th day of January, 2015.

Attest: /s/ Cynthia Smith-Strack
EDA Director

Signed: /s/ Richard Thomes
President

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Discussion was held on the request from the Chamber of Commerce to share the cost for DOT Downtown signage. It was noted that two signs were being sought for placement along Hwy 5. The EDA's portion

of the signs would be \$670 (being split three ways: City, EDA, and Chamber). Thomes commented that he felt the Chamber should be purchasing the signs; however after giving it further thought, in lieu of the 'bad' publicity the City had been getting due to the announcements that both Seneca Foods and Technical Services (Administration) were leaving, he thought the amount wasn't that much and could be perceived as a good gesture on the City's behalf.

Motion by Sorenson, seconded by Nuesse, and passed by unanimous vote to approve the EDA's participation in funding DOT signs in the amount of \$670.

Discussion was held on the EDA property (f/k/a Adult Day Care Center, Old Laundromat, Dry Cleaner & Red Owl Grocery Store). Thomes explained that the property had been under lease (\$1,000/month rent) with Technical Services, who vacated the property on December 31st. He questioned what direction the EDA wanted to go with the property – sell or lease it. It was noted that the property was up to code.

Motion by Sorenson, seconded by Kloeckl, and passed by unanimous vote to advertise in an appropriate venue with a deadline of February 23rd the EDA property (referenced above) for sale and/or lease.

Motion by Nuesse, seconded by Hatlestad, and passed by unanimous vote to contribute \$500 to the Southern Minnesota Initiative Foundation (SMIF).

The following Goals for 2015 were discussed and/or reviewed:

- Platting of EDA Industrial Property.
- Conduct business retention and expansion visits with at least four businesses.
- Transition use of Seneca site.
- Examine an effort specifically designed to promote entrepreneurship among existing residents.
- Work with Sibley County and other communities to provide meaningful opportunities promoting aging in place.
- Use of the Seneca Site.

Motion by Sorenson, seconded by Kloeckl, and passed by unanimous vote to approve the 2015 Goals as listed above.

Thomes gave a brief explanation on how business retention/expansion visits have worked in the past. Smith-Strack noted that she had scheduled a visit with the Good Sam and RSMC already. She had reached out to Cemstone and Scott Equipment, but had not heard back at the time of the meeting.

Sorenson expressed his concerns about the city signage at both ends of town and that they are not fully lit or lit in the way they originally had been (uniform fluorescent). He would like to see them lit the way they had been intended. Thomes explained that City Staff replaced the fluorescent bulbs and ballast inside the signs because they could not take the cold and continued to fail; spotlights were installed. It was suggested to see if LED lighting could be used instead. Mayor Nagel commented that City Staff was already looking into this.

Motion by Kloeckl, seconded by Sorenson, and passed by unanimous vote to adjourn the meeting.

President Richard Thomes

Director Cynthia Smith-Strack