

**ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA
TUESDAY, JANUARY 24, 2012 - 6:00 P.M.
Council Chambers**

1. Call to Order.
2. Pledge of Allegiance.
3. Appointment of Officers.
4. Approval of Agenda.
5. Approval of Minutes.
 - A. November 22, 2011
6. Approval of Financial Reports.
 - A. January, 2012
7. Guests.
 - A. Todd Sandberg, Administrator Sibley Medical Center.
 - B. Mayor, Jim Kreft.
8. New Business.
 - A. Donation to Initiative Foundation.
9. Old Business.
 - A. EDA Option: Resolution 01-2012.
10. Board Announcements.
11. Adjourn



**MEETING MINUTES
JANUARY 24, 2012**

The meeting was called to order by President Lundstrom at 6:00 pm.

Members Present: David Krueger, Mark Lundstrom, Jennifer Nuesse, Larry Sorenson, Richard Thomes, Councilmember Bob Pichelmann, Councilmember Jason Rueling

Member Absent: None

Also Present: EDA Director Cynthia Smith-Strack, SMC Adm. Todd Sandberg, Mayor Jim Kreft, Ellie Kreft, Oscar Kreft

Nominations and election of Officers were held.

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

Motion by Thomes, seconded by Pichelmann, and passed by unanimous vote to approve the minutes from the November 22nd meeting as presented.

The November and December Financial Reports were reviewed.

Motion by Krueger, seconded by Rueling, and passed by unanimous vote to approve the November and December Financial Reports as presented.

Smith-Strack commented that in 2011 the EDA conducted goal setting and work plan development exercises; and its top goal was to "Work with SMC and local businesses to make Arlington the medical hub of Sibley County". SMC Adm. Todd Sandberg was present to discuss this goal in more depth. It was noted that SMC's mission statement was "SMC your partner in care for life". SMC Adm. Sandberg talked about the focus/strategic planning meetings that were held last year. He stated that SMC's vision was to make a positive difference in people's lives. He commented that in the next few years SMC hopes to increase community trust, health and wellness programs, and involvement. He commented briefly on what steps are being taken to initiate this. Concern was expressed about having the adequate (assisted living) facilities/campuses available for the continuum care to the end of life, and retention of good doctors and the "critical access" designation. Lundstrom commented that the EDA is ready and willing to help where they can. Smith-Strack stated that she/the EDA can act as a liaison between SMC and the business community to open dialogue to help fulfill SMC's needs. SMC Adm. Sandberg stated that as SMC explores affiliation with other medical facilities, there will be a need for community involvement.

Mayor Kreft showed a short video pertaining to the History of Arlington (rural living with metropolitan convenience - the best of both worlds) that had been used several years back (early 1990's) when the City obtained its Star City status. He stated that many of things in the video are still the same today and tied them to his goals for 2012, more specifically exploring future uses for the downtown rail corridor. He would like the EDA to look at a concept plan for both the elevator and cement plant properties. He stated

that he had no specific idea/angle in mind for either property. It was suggested (in the interim) to utilize the cement plant property for parking for the school. It was also suggested to use the cement plant property for a trailhead facility. It was suggested to contact Cemstone to see what their plans are for the property and then try to put some kind of plan in place. Mayor Kreft suggested putting together a summary of advantages/disadvantages of (re)developing public vs. private owned properties.

Brief discussion was held on whether or not the EDA wanted to contribute to the Southern Minnesota Initiative Foundation in the amount of \$500 as it has in the past.

Motion by Nuesse, seconded by Ruehling, and carried (Krueger abstained) to contribute \$500 to the Southern Initiative Foundation.

Smith-Strack commented that the Purchase Option Agreement with Mr. Doehling had been executed, but even though it was 'after the fact' she was requesting the EDA's approval of the agreement and authorization to execute same.

Thomes introduced the following resolution and moved for its adoption:

EDA RESOLUTION NO. 1-2012

A RESOLUTION AUTHORIZING AND APPROVING PURCHASE OPTION AGREEMENT FOR CERTAIN REAL ESTATE

WHEREAS, the Arlington Economic Development Authority (EDA) is a legal political entity established by the Arlington City Council under Resolution 4-1997, repealed and replaced by City Council Resolution 15-2010 as provided for under Mn. Stat. 469.090 to 469.108; and

WHEREAS, the EDA has the authority under Arlington City Council Resolution 15-2010 to purchase land and/or buildings or other real property at the Authority's sole discretion using funding under the direct control of the EDA; and

WHEREAS, the Economic Development Authority in 2011 undertook intensive strategic goal setting and work plan development; and

WHEREAS, the EDA's goal setting and work plan development included securing a purchase option for industrial property; and

WHEREAS, the EDA finds that creating cost-effective, shovel ready industrial lots will facilitate expansion/attraction of industrial businesses as a means of creating jobs and diversifying the tax base; and

WHEREAS, the EDA finds that a purchase option is needed so as to define a selling price for industrial land that can be calculated and factored into determining the cost of development and the potential financial incentive available to business prospects; and

WHEREAS, the EDA finds a purchase option will eliminate land cost variables for a dedicated term and thereby make financial planning possible which, in turn, promotes economic development by reducing developer risk and by removing impediments to the development of 'shovel ready' industrial lots; and

WHEREAS, in August, September, October, and November of 2011 the EDA worked with a local real estate professional to review potential locations for industrial property, thereby considering fifteen (15) different properties based on: proximity to municipal utilities, proximity to the railway corridor, volume of acreage available, and suitability for industrial development; and,

WHEREAS, the EDA narrowed the scope of potential locations for the purchasing of industrial property to two properties; eliminating one based on the proposed selling price of over \$30,000 per acre; and

WHEREAS, the EDA identified the real estate owned by Mr. Aaron Doehling, Property No. 091602040, a portion of Section 16, Township 113, Range 27 as suitable for industrial development, consistent with the Arlington Comprehensive Plan; and,

WHEREAS, the EDA requested and received support from the City Council for the purchase of approximately twenty (20) acres of the aforementioned parcel; and

WHEREAS, the Property Owner has agreed to a purchase option agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Arlington Economic Development Authority hereby authorizes and approves the execution of a purchase option agreement with Aaron Doehling; and

BE IT FURTHER RESOLVED, the EDA President and the EDA Director are authorized and directed to execute said purchase option in the amount of \$5,000.

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

Adopted by the Economic Development Authority of the City of Arlington this 24th day of January, 2012.

Signed: /s/ Mark Lundstrom
President

Attest: /s/ Cynthia Smith-Strack
EDA Director

Whereupon the resolution was declared duly passed and adopted and was signed by the President whose signature was attested by the EDA Director.

Thomes expressed his opposition to the Fiber to the Home project, more specifically the risk of a \$69 million dollar commitment. It was noted that the EDA (at a previous meeting) had voted unanimously not to move forward to the next level of the project. Lundstrom agreed about there being risk and minimal information to act on. Considerable discussion was held. It was agreed to put this on the agenda for further discussion in February.

It was noted that the next regular meeting would be February 28th at 6:00 p.m.

Motion by Krueger, seconded by Nuesse, and passed by unanimous vote to adjourn the meeting.

President, Mark Lundstrom

Director, Cynthia Smith-Strack