



**ECONOMIC DEVELOPMENT AUTHORITY  
MEETING AGENDA**

**MONDAY, April 9, 2018 @ 5:30 P.M.**

Arlington Community Center - Council Chambers

1. Call to Order
2. Pledge of Allegiance
3. Approval of Agenda
4. Approval of Minutes
  - A. March 2018
5. Approval of Financial Reports
  - A. None
6. New Business
  - A. Approve/deny child care loan application and resolution #2018-4
  - B. Approve/deny resolution #2018-5 to end Lot Acquisition program
  - C. Review RLF limit and approve/deny Resolution #2018-6 (edited after meeting)
7. Old Business
  - A. Marketing Hometown America kick off meeting
  - B. Consider expanding area of Façade Loan Program
  - C. Sibley County Business and Community Expo
  - D. Housing Study Scope of Work (added at meeting)
8. Board Announcements
9. Adjourn

A QUORUM OF THE CITY COUNCIL MAY BE PRESENT AT THIS MEETING.  
NO OFFICIAL ACTION BY THE CITY COUNCIL SHALL OCCUR AT THIS MEETING

**ECONOMIC DEVELOPMENT AUTHORITY  
MEETING MINUTES  
APRIL 9, 2018 @ 5:30 P.M.**

The meeting was called to order by Commissioner Richard Thomes at 5:30 p.m.

Members Present: Larry Sorenson, Richard Thomes, Kurt Menk & Council Member Michelle Battcher.  
Members Absent: Tim Kloeckl, President Dean Bergersen & Councilmember Tom Hatlestad.  
Also Present: Director Amy Newsom

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

Edit item under New Business- C. Review Revolving Loan Fund limit and approve/deny resolution #2018-6.

Add item under New Business- D. Housing Study Scope of Work.

Motion by Battcher, seconded by Menk and passed by unanimous vote to approve the minutes from the March 19, 2018 meeting as presented.

No financial report.

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

**EDA RESOLUTION NO. 2018-4**

**A RESOLUTION APPROVING TERMS OF A LOAN TO JENNY'S DAYCARE  
FROM THE ARLINGTON EDA CHILD CARE LOAN PROGRAM**

WHEREAS, Jennifer Otto, d.b.a. Jenny's Daycare, has applied for a Child Care Loan available through the EDA; and

WHEREAS, the Applicant requests a forgivable loan in the amount of \$1,000 or fifty (50) percent of the actual project cost, whichever is less; and

WHEREAS, the purpose of the loan is to help new daycares by covering the costs of startup expenses, these expenses include: the MN State Fire Marshall check, Background check and license fee, First Aid supply box, Safety Gate, Smoke/Carbon monoxide alarms, Fire Extinguishers, Steel Door, and other requirements; 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 child care loan in the amount of \$1,000 to Jenny's Daycare as follows:

1. The City and the EDA previously approved the EDA's Child Care Loan Program which is administered by the Arlington EDA.
2. Jennifer Otto, d.b.a. Jenny's Daycare (the "Borrower") have submitted an official application form requesting financial assistance from the EDA Child Care Loan Program (the "Loan") in the amount of

- \$1,000 or fifty (50) percent of the project cost, whichever is less in order to finance costs associated with starting a daycare.
3. The Loan is to be made from the EDA Child Care Loan Program and will be forgiven provided the Borrower remains in business on the Property for at least one year following the disbursement of the Loan and the Project is substantially completed within a reasonable period of time defined as one hundred eighty (180) days.
  4. The Board hereby approves the Loan proposed to be provided to the Borrower contingent on:
    - a. Execution of a Promissory Note by the Property Owner.
    - b. Submittal of valid receipts/invoices.
  5. The Board has had an opportunity to review the Note to be executed by the Borrower. The Board hereby approves the form of Note.
  6. Effective Date. This resolution shall be effective as of the date hereof.

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

Adopted by the Economic Development Authority of the City of Arlington this 9<sup>th</sup> day of April, 2018.

Signed: /s/ Dean Bergersen  
Dean Bergersen, EDA President

Attest: /s/ Amy Newsom  
Amy Newsom, EDA Director

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

**EDA RESOLUTION NO. 2018-5**

**A RESOLUTION DISCONTINUING THE EDA LOT AQUISITION PROGRAM**

WHEREAS, the Arlington City Council previously authorized allocation of a maximum of \$120,000.00 to the Arlington EDA to fund the lot acquisition program, to be used by the EDA for the program; and

WHEREAS, the Arlington EDA retained the power to decide which lots, if any, would benefit from the lot acquisition program. The EDA also absolutely retained the authority to change the policy from time to time, to best meet the needs of the City of Arlington. The EDA also retained the ability to change the policy in order to adjust to the directives and funding allocations of the City Council toward the project; and

WHEREAS, the goal of this program was to stimulate development of housing that might not otherwise be built; and

WEHREAS, the Arlington EDA has created the SAC and WAC Waiver Residential Lots Policy to stimulate housing development that might not otherwise be built in the City of Arlington, and;

WHEREAS, there is only \$2,834.19 left in the Lot Acquisition Fund;

NOW THEREFORE BE IT RESOLVED that the Arlington EDA elects to discontinue the Lot Acquisition Program;

BE IT FURTHER RESOLVED that the \$2,834.19 is to be retained in Special EDA Funds #204 to be used for other EDA programs.

Effective Date. This resolution shall be effective as of the date hereof.

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

Adopted by the Economic Development Authority of the City of Arlington this 9<sup>th</sup> day of April, 2018.

Signed: /s/ Dean Bergersen  
Dean Bergersen, EDA President

Attest: /s/ Amy Newsom  
Amy Newsom, EDA Director

Director Newsom gave an explanation of the revolving loan fund and the difference in the maximum dollar amounts. There was discussion on what the maximum dollar amount should be.

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

**EDA RESOLUTION NO. 2018-6**

**A RESOLUTION AMENDING THE REVOLVING LOAN FUND MAXIMUM LOAN AMOUNT**

WHEREAS, the Arlington EDA last revised their revolving loan fund policies and procedures in November of 2012, and;

WHEREAS, the current policy reads: It is policy that RLF funds should be loaned out as quickly as possible to all applicants that meet or exceed RLF guidelines. The amount of a loan (within maximum) for any business or project will be at the discretion of the Arlington EDA Loan Committee. The review board determines the interest rate and it is their goal that the interest rate should not fall below a 3% annual rate. Suggested project financing percentages are as follows: 50-60% lending institution (bank, credit union or other), owner equity 10-20%, subordinated financing 20-30% (local, county or regional revolving loan funds).

The maximum loan amount shall not exceed \$10,000 or 40% of the project; whichever is less. And;

WHEREAS, there is some confusion as to the maximum loan amount from the revolving loan fund, and;

WHEREAS, the EDA has the authority to set the maximum loan amount, and;

WHEREAS, the EDA has taken into consideration the past five loan amounts which range from \$15,000 to \$40,000;

NOW THEREFORE BE IT RESOLVED that the Arlington EDA elects to set the maximum revolving loan amount at \$40,000

Effective Date. This resolution shall be effective as of the date hereof.

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

Adopted by the Economic Development Authority of the City of Arlington this 9<sup>th</sup> day of April, 2018.

Signed: /s/ Dean Bergersen  
Dean Bergersen, EDA President

Attest: /s/ Amy Newsom  
Amy Newsom, EDA Director

Director Newsom presented the Housing Study Scope of Work from Streeter Consulting to the group. Within the scope of work, it lays out the time line of the project and the budget of the project. The target completion date is within the month of July and the budget is under the agreed amount of \$5,000. There was discussion on the project details. Consensus of the group was there is a need to send out a public survey to the residents about what type of housing needs the residents believe are needed in town.

Motion by Battcher, seconded by Sorenson and passed by unanimous vote to recommend to council to approve the Housing Study Scope of Work from Streeter Consulting with the addition of adding a resident survey.

Director Newsom reminded the EDA that the Marketing Hometown America kick-off meeting was rescheduled to Thursday, April 26<sup>th</sup> from 7:00 to 8:00 pm at the Arlington Community Center. She encouraged all EDA members to attend.

There was discussion on whether to expand the area of the Façade Loan Program. Currently, the program is only eligible to properties within the Central Business District. Consensus of the group was to keep it the same as of now, but to advertise the program more this year.

Newsom reminded the EDA about the Sibley County Community & Business Expo on Thursday, April 19<sup>th</sup> from 4:00 to 7:00 pm at the Arlington Community Center. The City will have a booth with EDA information available.

No board announcements.

Motion by Battcher, seconded by Menk and passed by unanimous vote to adjourn the meeting at 6:15 p.m.

\_\_\_\_\_  
EDA Director Amy Newsom

\_\_\_\_\_  
EDA President Dean Bergersen