

**ECONOMIC DEVELOPMENT AUTHORITY  
MEETING AGENDA  
THURSDAY, DECEMBER 1, 2016 @ 6:00 P.M.  
Arlington Community Center - Council Chambers**

**BID OPENING: NICKEL AND SWENSON FARM LEASE – PRIOR TO MEETING**

1. Call to Order.
2. Pledge of Allegiance.
3. Approval of Agenda.
4. Approval of Minutes.
  - A. October 4, 2016
  - B. October 26, 2016
5. Approval of Financial Reports.
  - A. September 2016
  - B. October 2016
6. New Business.
  - A. Farm Leases: Nickel and Swenson Property
  - B. Meeting Schedule
7. Old Business.
  - A. Discussion: Rental Rehab Loan Program
  - B. Discussion: State Bank of Delano Property
8. Board Announcements.
9. Adjourn

<p><b>A QUORUM OF THE CITY COUNCIL MAY BE PRESENT AT THIS MEETING. NO OFFICIAL ACTION BY THE CITY COUNCIL SHALL OCCUR AT THIS MEETING</b></p>
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**ECONOMIC DEVELOPMENT AUTHORITY  
MEETING MINUTES  
DECEMBER 1, 2016 @ 6:00 PM**

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

Members Present: Bergersen, Hatlestad, Kloeckl, Sorenson, President Thomes, Councilmember Battcher, Councilmember Nuesse

Member Absent: None

Also Present: Dir. Smith-Strack, Mayor Nagel, Councilmember Heiland

Motion by Nuesse, seconded by Bergersen, and passed by unanimous vote to approve the agenda with the following changes:

Add item 6B) Meeting Schedule.

Motion by Bergersen, seconded by Kloeckl, and passed by unanimous vote to approve the minutes from the regular October 6<sup>th</sup> meeting as corrected (reference to DEED Grant amount of \$65,000) and the special October 26<sup>th</sup> meeting as presented.

The September and October Financial Reports were reviewed.

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

President Thomes read the farm lease bids received for both the Nickel and Swenson properties. It was noted that Ken Jahr had the high bid of \$298/per acre for both properties. Smith-Strack commented that she had received a call from Tim Uhlenkamp at SE Schools inquiring if the EDA would consider a longer term lease at a lower lease rate. Kloeckl would consider it but only on the parcel not targeted for a hotel. Thomes disagreed; he felt that it should be both or not at all. It was commented that at some point it would be nice to work with the school.

Motion by Kloeckl, seconded by Nuesse, and passed by unanimous vote to accept the farm lease bids from Ken Jahr in the amount \$298/per acre for both the Nickel and Swenson properties (high bid).

Discussion was held on possibly changing the night the EDA meetings are held. Mondays appeared to be a good night, but it was consensus to wait to see what the first of the year brings and what the Council decides to do as far as the EDA Director position.

Discussion was held on putting draft language together pertaining to the Rental Rehabilitation Loan Program. Smith-Strack commented that this loan program would be operated like the other ones the EDA has. It was commented that there is a need for such a program and property values will increase if properties can be fixed up by landlords. The following were discussed at length:

1. What type(s) of rental property would be eligible:
  - a. Apartments in the CBD above/behind businesses? - *yes*
  - b. Single family detached rental homes? - *yes*
  - c. Rental townhomes/duplexes/quads? - *yes*
  - d. Apartments:
    - 1) ~~5 to 12 units~~ *1-10 units*
    - 2) ~~13 to 24 units~~
    - 3) ~~Greater than 24 units~~
  - e. Does where the landlord lives matter (i.e. out of state of county)? - *no*

2. What types of activities could be eligible:
  - a. Major maintenance – residing, re-roofing, new windows – *Any Improvement*
  - b. Urgent need – pest control, radon remediation
  - c. Other - *Tenant Improvement/Livability*
3. Size of loans:
  - a. Small, incidental – less than \$10,000 or less
  - ~~b. Larger – \$10,000 or more~~
  - ~~c. Is there a maximum?~~
4. Other participation:
  - a. Equity – *50% minimum*
  - b. Conventional lender
5. *Suggested Terms:*
  - a. Interest rate – *At/or tied to Prime Rate*
  - b. Number of years - *7 years*
6. Security:
  - a. personal guaranty - *yes*
  - b. position on the property – *2<sup>nd</sup>/junior lien*
  - c. personal property. – *no*

*\*\*if property is sold, loan is due immediately upon sale.*

*\*\*if a person owns multiple properties, eligible for multiple loans? – yes/per property (not person)*

Smith-Strack explained that the Delano State Bank (the ‘Bank’) owns most of the vacant lots contained in the Arlington Meadows Subdivision, which includes 16 townhome lots that abut the racetrack. The Bank inquired if the City/EDA would be interested in purchasing the 16 townhome lots (clustered in units of four). The property taxes are current and each lot is valued at between \$3,000 and \$4,000. Smith-Strack stated that if the City/EDA purchased this property it would come off the tax rolls. She commented that the City/EDA and Planning Commission have been having discussions about senior housing needs and or work force housing needs. Thomes commented he didn’t see a lot of positive of the City/EDA owning this property at this time. However, the EDA has programs available to help a developer, if one should come forward. Sorenson questioned if the Bank would consider a first right of refusal. Kloeckl was opposed to the City purchasing the lots also.

Motion by Kloeckl, seconded by Bergersen, and passed by unanimous vote to recommend to the City Council to not purchase the property in the Arlington Meadows Subdivision (16 townhome lots) from the State Bank of Delano.

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

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President Richard Thomes

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Director Cynthia Smith-Strack