

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

1. Call to Order.
2. Pledge of Allegiance.
3. Approval of Agenda.
4. Approval of Minutes.
 - A. June 2, 2016
 - B. August 11, 2016
5. Approval of Financial Reports.
 - A. May 2016
 - B. June 2016
 - C. July 2016
 - D. August 2016
6. Old Business.
 - A. Rental Rehab Loan Program
7. New Business.
 - A. Tax Abatement: Cemstone New Construction
 - B. Preserve Redevelopment TIF Eligibility: Cemstone Downtown
 - C. Volunteer Tour – Osteopathic Medicine
8. Board Announcements.
9. Adjourn

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| A QUORUM OF THE CITY COUNCIL MAY BE PRESENT AT THIS MEETING. NO OFFICIAL ACTION BY THE CITY COUNCIL SHALL OCCUR AT THIS MEETING |
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**ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
OCTOBER 6, 2016 @ 6:00 PM**

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

Members Present: Vice President Bergersen, Hatlestad, Kloeckl, Councilmember Battcher,
Councilmember Nuesse

Member Absent: Sorenson, President Thomes

Also Present: Dir. Smith-Strack, Mayor Nagel

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

Add item 7C) Volunteer Tour – Osteopathic Medicine.

Motion by Kloeckl, seconded by Nuesse, and passed by unanimous vote to approve the minutes from the regular June 2nd meeting as presented.

Motion by Battcher, seconded by Kloeckl, and passed by unanimous vote to approve the minutes from the Special Joint Council & PZ meeting as presented.

The May, June, July and August Financial Reports were reviewed.

Motion by Kloeckl, seconded by Hatlestad, and passed by unanimous vote to approve the May, June, July, and August Financial Reports as presented.

Smith-Strack provided a recap of the discussion that was held at the Special Joint Council meeting pertaining to the establishment of a Rental Rehab Loan Program. Smith-Strack explained that some of the R-R-R Funds could be used to start the program. Some concern was expressed about whether or not to consider single family rentals in the program. Smith-Strack stated that setting loan standards (with varying term lengths depending on the project) would be up to the EDA Committee; including what the loan could be used for, such as maintenance/blight issues, pest control, radon mitigation, etc. It was also suggested to limit the number of loans an individual or business could have active at a time.

Motion by Nuesse, seconded by Battcher, and passed by unanimous vote to move forward with establishing a Rental Rehab Loan Program. Dir. Smith-Strack will draft some standards and present them at the next regular meeting for consideration.

Smith-Strack provided an overview on a Tax Abatement request from Cemstone related to their relocation and new construction project. She stated that the pre-application was approved by the Council recently due to time constraints for Cemstone. She explained that Cemstone had secured a new site on Circle Drive (out near Scott Equipment). It was noted that five jobs would be retained with the possibility of adding jobs in the future. Improvements to the roadway and utilities will be needed; which the City was awarded a \$65,000 grant from DEED to help with some of the infrastructure costs. The remaining improvement costs will be assessed to benefitting property owners. Smith-Strack reviewed the details on tax abatement/TIF. She explained that the following are some criteria to consider for abatement/TIF:

- To enhance, diversify or increase the City's economic base (a new facility with a business committed to be here at least 15 more years);
- Remove slum/blight (with demolition of existing structures in downtown) and/or encourage redevelopment (with the new site);

- Retain local jobs and/or increase the number of jobs;
- To facilitate the development process and to achieve development on sites that would not be developed without assistance;
- To encourage the removal of blight or the rehabilitation of a high profile site.

Smith-Strack commented that the Planning Committee held a public hearing to update the Comprehensive Plan and rezoned the property.

Motion by Kloeckl, seconded by Hatlestad, and passed by unanimous vote to recommend to the Council to approve the Tax Abatement request from Cemstone for their new construction/site project.

Smith-Strack talked about preservation redevelopment TIF eligibility for the Cemstone downtown site. She stated that Cemstone was proposing to remove/demolish the structures at the downtown site; which would disqualify the site as a redevelopment TIF district. The City can approve a resolution certifying that the property still meets the conditions to be considered for a redevelopment TIF district. With approving the resolution, the City is given a three-year period in which it can establish a redevelopment TIF district, but it does not have to. The resolution just simply preserves the City's right to do so.

Motion by Hatlestad, seconded by Kloeckl, and passed by unanimous vote to recommend to the Council to approve a resolution to retain eligibility for redevelopment tax abatement district on the Cemstone property downtown.

Mayor Nagel talked about the Osteopathic College coming to Gaylord and how what impacts it could have on Arlington, such as with housing needs, etc. He explained that scheduled tours are being planned (Oct. 30th-Nov. 2nd) in three of their other facilities out of state and was wondering if a representative from Arlington should go. Those present felt Arlington should have representation on the group. Some concern was expressed about the cost (\$1,800-\$2,000) to send someone; but it was agreed the City has more to lose if doesn't send someone/have representation. Kloeckl stated he would be interested in representing Arlington and Hatlestad stated he would go if Kloeckl couldn't. Battcher also expressed interest. Nuesse too was interested, but her work schedule would not permit her to go at this time.

Motion by Nuesse, seconded by Hatlestad, and passed by unanimous vote to send/fund one representative from the EDA to attend the Osteopathic College tours out of state.

Motion by Kloeckl, seconded by Battcher, and passed by unanimous vote to adjourn the meeting at 7:00 pm.

Vice President Dean Bergersen

Director Cynthia Smith-Strack