



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA
TUESDAY, SEPTEMBER 22, 2015 @ 6:00 P.M.
Council Chambers**

1. Call to Order.
2. Pledge of Allegiance.
3. Approval of Agenda.
4. Approval of Minutes.
 - A. August 25, 2015
5. Approval of Financial Reports.
 - A. August 2015
6. Business.
 - A. RRR Loan Request: Kreft Holdings, Inc.
 - B. AgStar Rural Feasibility Study Grant Program Application
 - C. EDA Industrial Park
 - D. EDA Project Updates
7. Board Announcements.
8. Adjourn

**MEETING MINUTES
SEPTEMBER 22, 2015 @ 6:00 PM**

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

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

Member Absent: Sorenson, Councilmember Battcher

Also Present: Director Smith-Strack, James Kreft

Motion by Nuesse, seconded by Bergersen, and passed by unanimous vote to approve the agenda as presented.

Motion by Bergersen, seconded by Nuesse, and passed by unanimous vote to approve the minutes from the August 25th meeting as presented.

The August Financial Report was reviewed.

Motion by Bergersen, seconded by Hatlestad, and passed by unanimous vote to approve the August Financial Report as presented.

The EDA reviewed a Restoration, Renewal, and Rehabilitation (RRR) loan request from Kreft Holdings, Inc. in the amount of \$20,000. Dir. Smith- Strack stated that this was the same property the EDA approved a Revolving Loan for earlier in the year. She noted that the Loan Committee had reviewed the loan application, along with the required information pertaining to the business. The term on the loan was for 10 years at three (3) percent, with the first payment due in November. The funds were intended for an office/façade remodeling project, which were an addendum to the original project.

Bergersen introduced the following resolution and moved for its adoption:

EDA RESOLUTION NO. 2-2015

A RESOLUTION APPROVING A LOAN FROM THE ARLINGTON RESTORATION, RENEWAL, AND REHABILITATION 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 \$20,000 loan through the Restoration, Renewal, and Rehabilitation Loan program; 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 RRR in the amount of \$20,000 for a term of ten years at a rate of three (3) percent.

BE IT FURTHER RESOLVED, security for the loan will be Uniform Commercial Code (UCC) equipment lien.

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 Hatlestad and upon poll being taken thereon the following voted in favor thereof: Bergersen, Hatlestad, Thomes, Councilmember Nuesse; and the following voted against the same: None; and the following abstained from voting: Kloeckl; and the following were absent: Sorenson, Councilmember Battcher.

Adopted by the Economic Development Authority of the City of Arlington this 22nd day of September, 2015.

Signed: /s/ Richard Thomes
President

Attest: /s/ Cynthia Smith-Strack
EDA Director

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

Smith-Strack commented that she had been in contact with representatives from the Southern Minnesota Initiative Foundation (SMIF) regarding a market feasibility study for daycare facilities in Arlington. She was referred to Jeff Andrews at First Children's Finance. It was noted that there was a fee of \$5,500 associated with the market study proposal. SMIF has indicated that they do not have funds available to support such studies. However, the City/EDA would qualify for funds through AgStar's Rural Feasibility Study Grant Program. It was noted that daycare regulations are becoming stricter (especially for infants) and that is why so many individuals are getting out of the daycare business. Smith-Strack commented that she was working with an individual who was considering starting up a daycare facility.

Motion by Kloeckl, seconded by Nuesse, and passed by unanimous vote to move forward and pursue the AgStar Rural Feasibility Study Grant Program application.

Smith-Strack commented that she, Mayor Nagel, Councilmember Nuesse and City Administrator Donabauer had met with representatives from Cemstone recently; the purpose being a business retention and expansion visit. During the visit, they were informed that Cemstone really needs to move out of the downtown area much sooner than had been anticipated (out along the highway by the end of 2017 or will have to relocate altogether). Since that visit, discussions have been held with the City's Financial Advisor and Engineer regarding the installation of improvements to the industrial park for 2016/2017 (proposed over \$700,000 project, of which \$350,000 could be paid for by a {matching} grant through the State). Smith-Strack handed out a map showing proposed access to the industrial property. It was noted that the City has been attempting negotiations with Seneca Foods for land to access the industrial park.

Smith-Strack provided various updates:

- The Council approved the ordinance allowing limited manufacturing in the Central Business District through a conditional use permit.
- The Small Business Development Center will be holding a 16-hour Profit Mastery Course on October 20 & 27 in Gaylord.
- The Small Business Development Center will do business succession planning session with businesses individually (at no charge) or in a group setting (for a fee for consulting services). Thomes commented that he felt that individual sessions would probably be more beneficial versus a group setting. It was suggested to put something in the City Newsletter to inform the businesses that this service was available to them.
- Jennifer Anderson and Katy Boone from the Carver County Office of Aging will be providing information at a City/Council elected/appointed officials meeting in December (3rd or 10th). Smith-Strack invited all EDA members to attend.

- Smith-Strack stated that the potential purchaser of the old laundromat building is still pursuing other opportunities. It was her suggestion to list it with a realtor.
Motion by Kloeckl, seconded by Bergersen, and passed by unanimous vote to list the old laundromat property with Leah Prah Realty.
- Smith-Strack commented that she was going to be starting a full-time position with the City of Belle Plaine. She was going to continue as EDA Director and Planning/Zoning Administrator for Arlington. She would like to move the EDA meetings from the fourth Monday evening to the first Thursday evening (before the Planning meeting) at 6 pm starting November 5th. It was the consensus of the EDA to change the date to the first Thursday of each month starting November 5th.

Thomes commented that he has had someone inquire with him about purchasing the Liberty Station property. The renter from Heiland’s other property across the road was moving into the empty space next to Thomes Bros. Heiland would then occupy that space if the transaction comes together.

Smith-Strack commented that the wetland delineation has been done for the new site for the Dollar General Store. The preliminary site drawing did not show any encroachment into the wetland area. Things continue to move forward.

Motion by Kloeckl, seconded by Hatlestad, and passed by unanimous vote to adjourn the meeting at 6:40 pm.

President Richard Thomes

Director Cynthia Smith-Strack