

**ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA
TUESDAY, OCTOBER 30, 2012 @ 6:00 P.M.
Council Chambers**

1. Call to Order.
2. Pledge of Allegiance.
3. Approval of Agenda.
4. Guests.
5. Approval of Minutes.
 - A. September 25, 2012
6. Approval of Financial Reports.
 - A. September, 2012
7. Old Business.
 - A. Industrial Property Purchase.
 - (1) Approval of Boundary and Wetland Surveys (Darin Mielke)
 - (2) Authorize Preparation of Closing Documents and Approve Closing.
 - B. Revised Loan and Creditworthiness Criteria.
8. New Business.
 - A. None.
9. Board Announcements.
10. Adjourn



**MEETING MINUTES
OCTOBER 30, 2012 @ 6:00 PM**

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

Members Present: Krueger, President Lundstrom, Nuesse, Sorenson, Thomes, Councilmember Pichelmann, Councilmember Ruehling

Member Absent: None

Also Present: Director Smith-Strack, Consultant Darin Mielke

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

Motion by Ruehling, seconded by Pichelmann, and passed by unanimous vote to approve the minutes from the September 25th meeting as presented.

The September Financial Reports were reviewed.

Motion by Krueger, seconded by Nuesse, and passed by unanimous vote to approve the September Financial Reports as presented.

Spirited discussion was held on possibly revising the Loan Committee and Creditworthiness Policy Standards for both the Revolving Loan Fund (RLF) and Storefront Restoration/Renewal/Rehabilitation (RRR). Sorenson expressed his opposition to the change of not asking for financial information if the applicant has a Letter of Commitment (LOC) from a lead lender. Lundstrom and Ruehling commented that they were uncomfortable reviewing some of the information presented by the applicants. Thomes commented that if someone is applying for a loan (regardless from where), they should be prepared to provide financial information. Concern was expressed about the information being public or private (and in a small town setting); and also treating each applicant fairly (the same whether from inside or outside of the community). Krueger suggested that in addition to the LOC, the lender could provide a credit narrative (something that highlights key points about the financials and also explains why the deal is good) for the EDA Loan Committee to review. Sorenson agreed. Thomes commented that a business plan is still needed.

Darin Mielke of Brewery Road Consulting presented the boundary and wetland surveys that he had done with regards to the Doehling property that the EDA is purchasing. Lundstrom questioned the wetlands and what issue they pose. Mielke commented that they really don't pose any issue as they total less than .5 of an acre and are not near any proposed roadways/accesses.

Motion by Sorenson, seconded by Krueger, and passed by unanimous vote to approve the Boundary and Wetland Surveys (as presented and attached), and authorize preparation of Closing Documents and approve closing on the Doehling property.

Discussion resumed on the revised Loan and Creditworthiness Criteria. Smith-Strack commented that it appears there is consensus that some financial information is still sought by the EDA and that it should be

reviewed by a smaller sub-committee within the EDA. It was suggested to put together a checklist of all the data that the EDA will want to review for either type of loan (RLF or RRR) and give that to each applicant up front so they will know what to expect. Krueger commented that he would be comfortable approving a loan if the lead lender would provide a credit analysis to the EDA. Smith-Strack commented that the loan committee needs to be objective, not subjective when reviewing applications. Sorenson commented that the committee/EDA needs to perform its due diligence (as a 2nd position lender) as a lead lender could take advantage of them. Lundstrom questioned if there were some best practices for smaller loan committees being used in other communities that could be looked at implementing in Arlington. Smith-Strack will draft some language based on the input from the members and bring it to the next regular meeting.

Sorenson commented that Arlington Industries recently granted a loan to Matt Carney of the Arlington Dugout so he could purchase the property the business is located in. It was noted that Carney is also interested in the restaurant portion (separate property) next door. Sorenson questioned if the EDA would be interested in this project (granting a loan). It was the consensus that the EDA was interested in this project.

Motion by Ruehling, seconded by Thomes, and passed by unanimous vote to adjourn the meeting.

President, Mark Lundstrom

Director, Cynthia Smith-Strack