

**BOARD MEMBERS & APPOINTMENTS:**

The following appointments to offices were made at the January 27, 2015 EDA meeting. Oaths of office were issued to new Board Members.

President:	Richard Thomes
Vice President:	Dean Bergersen
Treasurer:	Tim Kloeckl
Secretary:	Ex-Officio Cynthia Smith-Strack
Members at Large:	Michelle Battcher (Council Representative)
	Jennifer Nuesse (Council Representative)
	Tom Hatlestad
	Larry Sorenson

Michelle Battcher and Tom Hatlestad joined the EDA Board in January of 2015. Battcher is a Council Member, Hatlestad an at-large representative.

**CORE FUNCTIONS AND STRATEGIC DIRECTIONS:**

The Arlington EDA, as a driving force for economic development, pursues the following core functions and strategic directions:

- Organizational Development
- Infrastructure Development
- Business Development
- Market Development

**FIGURE 1.1  
CORE FUNCTIONS**



## ORGANIZATIONAL DEVELOPMENT

The City of Arlington has an economic development organizational structure in place. The structure is prescribed by Ordinance with day to day operation governed through EDA by-laws and administrative (consulting) staff. The EDA works closely with the Planning Commission and City Council.

The EDA's Enabling Resolution provides for a separate political body established under Mn. Stat. 469.091 (City economic development authority) which is authorized to exercise economic development powers under Mn. Stat. 469.090 to 469.108 which include powers under Mn. Stat. 469.001 to 469.047 (housing redevelopment authority powers) and Mn. Stat. 469.152 to 469.165 (relating to industrial development powers).

The Arlington EDA is limited by the Enabling Resolution in terms of issuing bonds or other obligations (must be approved by the City Council); the EDA must follow the budget process (similar to any other department); the EDA's development and redevelopment plans must be consistent with the City's Comprehensive Plan (in Arlington all development/redevelopment plans created by the EDA have been brought to the City Council for approval as well); and, the EDA's proposed plans for building development/redevelopment (if owned by the EDA) must be submitted for planning review by the City.

Under the Enabling Resolution the EDA does have the ability to administer the revolving loan fund and the property development fund independently of Council oversight. As you may be aware most items (e.g. purchase of industrial property, sale of former adult daycare) of significance are run by the Council prior to action being taken.

The Arlington EDA's activities from April 2014 thru April 2015 related to Organizational Development included:

1. Meetings, as needed, at least quarterly (seven regular)
2. Preparation of packets for EDA meetings
3. Preparation of EDA minutes
4. Updating of official minute book
5. Preparation and presentation of EDA related items to the City Council as appropriate
6. Goal setting and work plan administration/implementation

**FIGURE 1.2**  
**ACTIVITIES: ORGANIZATIONAL DEVELOPMENT**



## INFRASTRUCTURE DEVELOPMENT

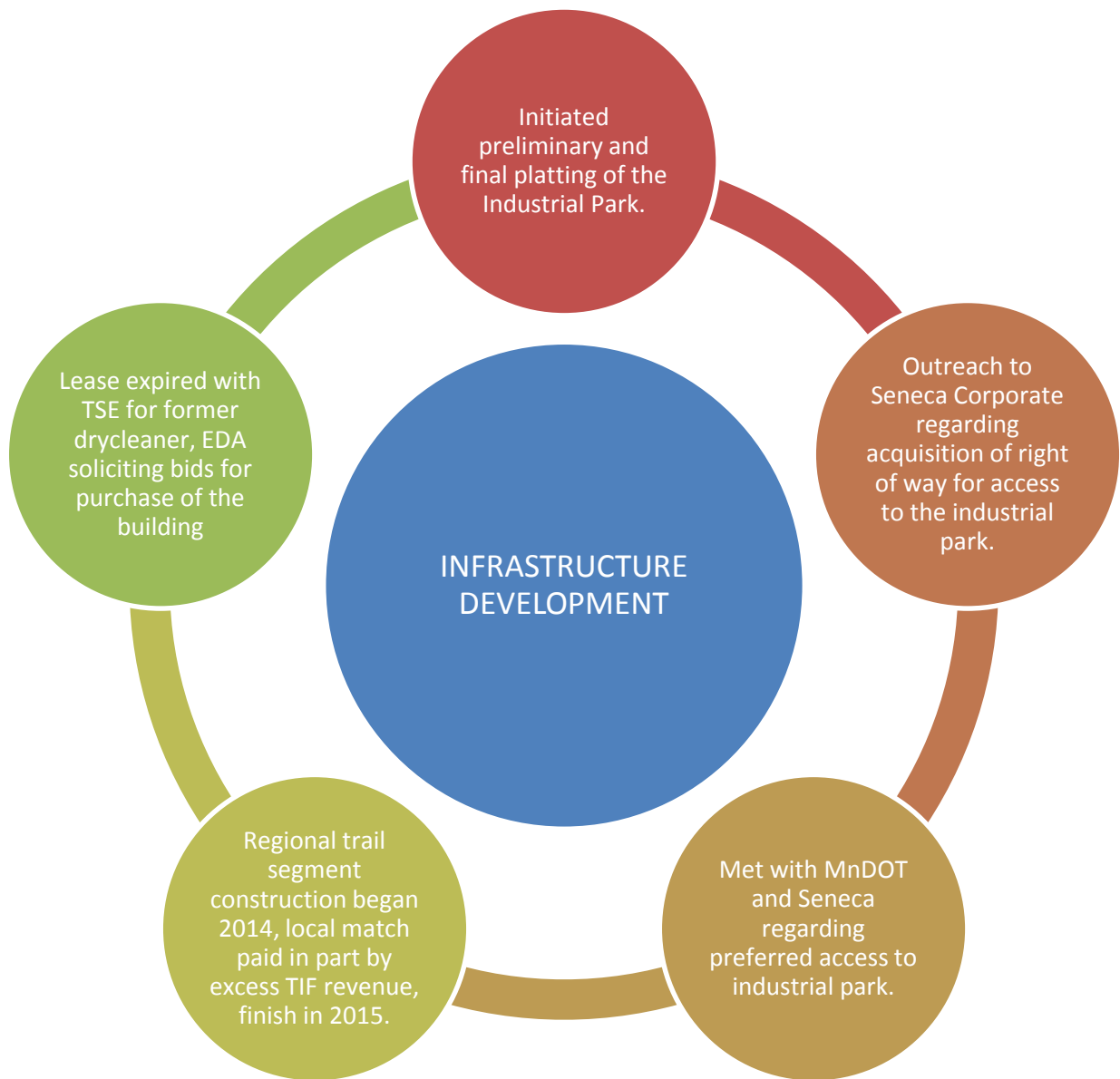
If the support infrastructure system needed to deliver and produce goods and services is not in place, economic development is unlikely to occur. Under this core function the EDA strives to 'set the table' for development.

Infrastructure needed to support economic development includes: availability of and available capacity within basic facilities and services (i.e. wastewater, drinking water, roadways, stormwater, schools, gas, electric, telephony, etc.) and available sites for development (platted, improved, shovel ready lots) in each business area (downtown and highway commercial) and industrial area.

The Arlington EDA's activities in 2014-15 related to Infrastructure Development include:

1. Meetings with MnDOT and Seneca regarding preferred access to industrial park. Access to the Park must be from gravel road through Seneca property.
2. Regional trail segment construction started summer 2014, local match paid in part by excess TIF revenue. Trail to be completed in summer, 2015.
3. EDA is meeting with a Surveyor who will be creating preliminary and final plat for the industrial park.
4. Outreach to Seneca to secure right of way for industrial park access.
5. Lease with TSE for the former dry cleaner/adult daycare center expired. EDA is currently accepting bids on the property (105 4<sup>th</sup> Ave. NW).

**FIGURE 1.3**  
**ACTIVITIES: INFRASTRUCTURE DEVELOPMENT**



## BUSINESS DEVELOPMENT

Business development efforts center on three general programs: business recruitment, entrepreneurial development, and retention/expansion.

The Arlington EDA has an established business recruitment program including: information on the local business climate, active lead follow-up, inventories of available properties, business basics and start up information, business incentive programs, available & current demographic information (i.e. population make-up), general market data (housing, employment, business mix, market potential, etc.), and information on current and planned projects.

The Arlington EDA Director implements an on-going retention/expansion/attraction (BREA) program: (1) as leads are initiated, received, followed-up on, and pursued; (2) as available properties/establishments are identified (toured) and promoted; (3) and as technical and/or financial assistance is sought. Time dedicated to BRE type activities include:

1. Discussions, meetings, research, and information distribution to seven business/property owners and/or contacts seeking project review, site plan review, technical assistance, financial assistance, business management direction/assistance and similar items.
2. Meetings with various property owners regarding an array of issues related to economic development.
3. Promotion, administration, and implementation of technical and financial incentives for local businesses including:
  - a. Tax abatement programs (five inquires in 2014-15)
  - b. Tax increment financing programs (four inquiries in 2014-15)
  - c. Storefront Restoration, Renewal, Rehabilitation Loan program (three inquiries 2014-15)
  - d. Revolving Loan Fund (three inquiries in 2014-15)
  - e. Mn. Department of Employment and Economic Development programs:
    - a. Business Development Infrastructure Grant Program (one inquiry).
    - b. Minnesota Investment Fund (one inquiry).
  - f. Sibley County loan program (one inquiry).
  - g. SBA program parameters/contact information (two inquiries).
  - h. Technical information: business planning, business financing, business management, land use planning, land use review.

**FIGURE 1.4**  
**ACTIVITIES: BUSINESS DEVELOPMENT**



## MARKET DEVELOPMENT

There are two ways a community can bring new dollars into the local economy: attract new individuals (rooftops) and/or attract new organizations (e.g. businesses, non-profits, educational organizations, government, etc). The Arlington EDA has historically focused primarily on attracting new organizations; however, the EDA has continued to support attracting new individuals to the community as well.

The 2014-15 market outreach efforts undertaken or planned include:

1. Participating in development of new website.
2. Update flyers for all commercial and industrial property that is available in Arlington, LOIS website.
3. Community profile for Location One database being drafted:
  - a. Demographic statistical information
  - b. Economic information
  - c. Employment information
  - d. Quality of life information (parks, amenities, trails)
  - e. Infrastructure information (proximity to interstates, international airports, larger cities, Class I rail, etc.)
  - f. Advantages of doing business in Arlington
  - g. Advantages of doing business in Minnesota
4. The EDA Board Member, Richard Thomes, attends Sibley County Economic Development Coalition meetings.



**FIGURE 1.5**  
**ACTIVITIES: MARKET DEVELOPMENT**



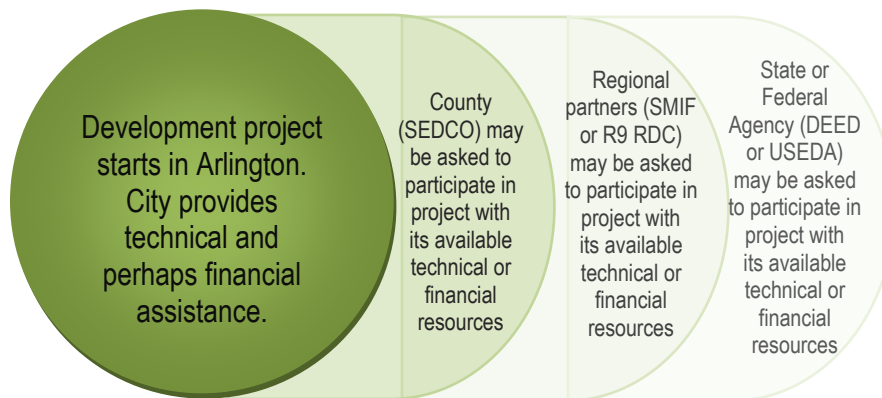
**ARLINGTON EDA & REGIONAL ECONOMIC DEVELOPMENT:**

The EDA doesn't operate in a vacuum but rather interacts with other economic development agencies and powers thereof. Figure 1.6 below illustrates the relationship of various economic development agencies on a project originating in Arlington.

The specific agencies represented in Figure 1.6 are: City (EDA, City Council); County level (Sibley County Economic Development Commission or SEDCO, County Board); Regional level (Southern Minnesota Initiative Foundation or SMIF, Region 9 Regional Development Commission or R9RDC); State level (Department of Employment and Economic Development or DEED); and Federal level (U.S. Economic Development Agency or USEDPA, which also includes the Small Business Association or SBA).

Figure 1.6 is intended to express that as a project moves out in scope (ripple effect) the more tangential the relationship between the actual development and the project participant becomes. Information contained below Figure 1.6 provides potential assistance provided by each entity. Typically the contact with entities is coordinated by the local EDA Director meaning the Developer isn't responsible for contacting other offices individually.

**FIGURE 1.6  
ECONOMIC DEVELOPMENT AGENCY INTERACTION  
ASSUMES PROJECT INITIATED IN CITY OF ARLINGTON**



As you are aware different economic development entities can provide different resources to a single project. For example, the City of Arlington can authorize tax increment financing or tax abatement for a project within the corporate limits. A regional or state authority can not undertake such an effort. Conversely, DEED can allocate industrial development bonds to a project which are then issued by the City. In addition, all entities provide specific technical resources to prospective developers as well. For simplicity's sake the following page highlights financial resources available to prospective projects based on issuing agency:

The Arlington EDA currently has the following financial resources available to perspective, qualifying projects:

- Tax Increment Financing: economic development, redevelopment, and housing districts possible.
- Tax Abatement.
- EDA Revolving Loan Fund.
- EDA Storefront RRR Loan.

SEDCO currently has the following financial resources available to perspective, qualifying projects:

- Revolving Loan Fund.

The Southern Minnesota Initiative Foundation (SMIF) currently has the following financial resources available to perspective, qualifying projects:

- Entrepreneurial Loan Program.
- Small Enterprise Loan Program.

Region 9 RDC currently has the following financial resources available to perspective, qualifying projects:

- Nine County Revolving Loan Program
- Six County Revolving Loan Program
- Microenterprise Loan Program

The state DEED currently has the following resources available to perspective, qualifying projects:

- Industrial Revenue Bonds (a.k.a. industrial development bonds)
- Small Business Development Loans.
- Minnesota Investment Fund.

The federal government currently provides the following resources to perspective, qualifying projects:

- SBA Loan/Grant
- Financing through the Minnesota Business Finance Corporation
- Loan guarantees through the USDA's Rural Business Cooperative Service

**EDA GOALS:**

The EDA has established the following goals for 2015. Goals are listed by work area.

<b>ORGANIZATIONAL DEVELOPMENT GOALS</b>
Audit goals/progress: January 2015

<b>BUSINESS DEVELOPMENT GOALS</b>
Promote reuse of Seneca property
Outreach to Sibley County, RMC, GSS, and others regarding regional approach to active aging in place
Work with identified industry to expand operations in Arlington
Cultivate new business contacts
Create façade grant program

<b>INFRASTRUCTURE DEVELOPMENT WORK AREA</b>
Continue to hold 'hotel/motel' property as is (new farm lease entered 2015)
Plat Industrial Park (initiated April 2015)
Sell 'Nickel' property (attempted January – no reasonable bid received)
Sell property at 105 4 <sup>th</sup> Ave NW

<b>MARKET DEVELOPMENT WORK AREA</b>
Update community profile on LOIS