



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA**

MONDAY, JUNE 11, 2018 @ 5:30 P.M.
Arlington Community Center - Council Chambers

1. Call to Order
2. Pledge of Allegiance
3. Approval of Agenda
4. Introduction of Sabrina Hille (Community Development Intern)
5. Approval of Minutes
 - A. May 14, 2018
6. Approval of Financial Reports
 - A. May 2018
7. New Business
 - A. Approve/Reject Ruether's Roost Daycare Childcare Loan/Resolution #2018-8
 - B. Consider Revising Commercial Lots Policy/Resolution #2018-9
 - C. Approve/Reject Tax Abatement/TIF Application Form/Resolution #2018-10
 - D. Discuss BDPI Application/JFC (added during meeting)
8. Old Business
 - A. Marketing Hometown America update
 - B. Housing Study update
9. Board Announcements
10. Adjourn

**A QUORUM OF THE CITY COUNCIL MAY BE PRESENT AT THIS MEETING.
NO OFFICIAL ACTION BY THE CITY COUNCIL SHALL OCCUR AT THIS MEETING**

**ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
JUNE 11, 2018 @ 5:30 P.M.**

The meeting was called to order by President Dean Bergersen at 5:30 p.m.

Members Present: Larry Sorenson, Richard Thomes, Kurt Menk, Tim Kloeckl, President Dean Bergersen & Councilmember Tom Hatlestad

Members Absent: Council Member Michelle Battcher

Also Present: Director Amy Newsom, Mayor Rich Nagel, & Sibley County Intern Sabrina Hille

Motion by Thomes, seconded by Hatlestad and passed by unanimous vote to approve the agenda with the following additions:

Edit item under New Business-D. Discuss BDPI Application/JCF.

Motion by Thomes, seconded by Hatlestad and passed by unanimous vote to approve the May 14, 2018 minutes as presented.

Motion by Kloeckl, seconded by Hatlestad and passed by unanimous vote to approve the May 2018 Financial Report as presented.

Thomes introduced the following resolution and moved for its adoption:

EDA RESOLUTION NO. 8-2018

**A RESOLUTION APPROVING TERMS OF A LOAN TO RUETHER'S ROOST
CHILDCARE FROM THE ARLINGTON EDA CHILD CARE LOAN PROGRAM**

WHEREAS, Mackenzie Ruether, d.b.a. Ruether's Roost Childcare, has applied for a Child Care Loan available through the EDA; and

WHEREAS, the Applicant requests a forgivable loan in the amount of \$1,000 or fifty (50) percent of the actual project cost, whichever is less; and

WHEREAS, the purpose of the loan is to help new daycares by covering the costs of startup expenses, these expenses include: the MN State Fire Marshall check, Background check and license fee, Fire Extinguishers, Outlet Plugs, Baby Gate, Eating Utensils, Cots, Toys, Craft Supplies and other requirements; 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 child care loan in the amount of \$1,000 to Ruether's Roost Childcare as follows:

1. The City and the EDA previously approved the EDA's Child Care Loan Program which is administered by the Arlington EDA.
2. Mackenzie Ruether, d.b.a. Ruther's Roost Childcare (the "Borrower") have submitted an official application form requesting financial assistance from the EDA Child Care Loan Program (the "Loan") in the amount of \$1,000 or fifty (50) percent of the project cost, whichever is less in order to finance costs associated with starting a daycare.

3. The Loan is to be made from the EDA Child Care Loan Program and will be forgiven provided the Borrower remains in business on the Property for at least one year following the disbursement of the Loan and the Project is substantially completed within a reasonable period of time defined as one hundred eighty (180) days.
4. The Board hereby approves the Loan proposed to be provided to the Borrower contingent on:
 - a. Execution of a Promissory Note by the Property Owner.
 - b. Submittal of valid receipts/invoices.
5. The Board has had an opportunity to review the Note to be executed by the Borrower. The Board hereby approves the form of Note.
6. Effective Date. This resolution shall be effective as of the date hereof.

The motion for adoption of the foregoing resolution was duly seconded by Sorenson and upon poll being taken thereon the following voted in favor thereof: Menk, Kloeckl, Bergersen, Sorenson, Thomes, and Councilmember Hatlestad; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: Councilmember Battcher.

Adopted by the Economic Development Authority of the City of Arlington this 11th day of June, 2018.

Signed: /s/ Dean Bergersen
Dean Bergersen, EDA Commissioner

Attest: /s/ Amy Newsom
Amy Newsom, EDA Director

Director Newsom provided an update that the newly elected Commercial Buildings and Lots Policy that was adopted at the last meeting needed more updating. There is a potential new business that is looking to bring in at least 10 new jobs to town. Newsom felt the new policy needed to be adjusted to include this potential new business.

Sorenson introduced the following resolution and moved for its adoption:

EDA RESOLUTION NO. 9-2018

A RESOLUTION REVISING THE COMMERCIAL BUILDINGS AND LOTS POLICY

WHEREAS, the Arlington EDA and City Council previously approved a policy and resolution creating criteria for the sale of city owned lots and buildings at a reduced priced as an incentive to build or move to the City of Arlington, and

WHEREAS, the policy needs to be updated to address the creation of 10 full-time positions in the City of Arlington, and

WHEREAS, the City of Arlington has acquired buildings and lots for the purpose of economic development. The intention of this policy is to set the price of commercial buildings and lots. The goal of the City of Arlington is to increase the tax base for the City, and

WHEREAS, it is the purpose of this policy to outline the terms and conditions of the sale of buildings and lots with an assessed value of less than \$250,000.

NOW, THEREFORE, BE IT RESOLVED by the Arlington EDA:

1. Sale of buildings and lots will be approved by the Arlington Council.
2. Commercial Buildings Lots will be sold for \$1 per lot when the business meets the following criteria:

- A. Will create at least 15 full-time equivalent (FTE) positions based in the City of Arlington.
- 3. Commercial Building and Lots will be sold for \$5,000 when the business meets the following criteria:
 - A. Will create at least 10 full-time equivalent (FTE) positions.
- 4. Commercial Buildings and Lots will be sold for \$10,000 when the business meets the following criteria:
 - A. Will create at least 5 full-time equivalent (FTE) positions.
- 5. If a lot(s) is purchased for \$1 or \$10,000 and construction is not started within 180 days of closing, the lot(s) will be returned to the City of Arlington. Purchase price will be refunded, minus closing costs.
- 6. Commercial Buildings and Lots that do not meet any of the above criteria will be sold at the Market Rate Value.
- 7. Closing will occur within 4 months of signing the purchase agreement.
- 8. A Development Agreement must be approved by City Council and both parties must adhere to the terms of the agreement.

The motion for adoption of the foregoing resolution was duly seconded by Thomes and upon poll being taken thereon the following voted in favor thereof: Menk, Kloeckl, Bergersen, Sorenson, Thomes, and Councilmember Hatlestad; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: Councilmember Battcher.

Adopted by the Economic Development Authority of the City of Arlington this 11th day of June, 2018.

Signed: /s/ Dean Bergersen _____
 Dean Bergersen, President

Attest: /s/ Amy Newsom _____
 Amy Newsom, EDA Director

The City currently has a TIF/Tax Abatement policy. However within that policy it states, those interested should fill out an application, Newsom informed the commission that there isn't an application included in the policy.

Thomes introduced the following resolution and moved for its adoption:

EDA RESOLUTION NO. 10-2018

A RESOLUTION APPROVING THE BUSINESS ASSISTANCE APPLICATION

WHEREAS, the Arlington EDA strives to promote growth through the addition of businesses and jobs in the community, and

WHEREAS, the goal of the City of Arlington is to increase the tax base for the City, and

WHEREAS, it is the purpose of this application is to ensure that businesses have the ability to apply for Tax Abatement/TIF.

NOW, THEREFORE, BE IT RESOLVED by the Arlington EDA:

The Arlington EDA approves the following Tax Abatement/TIF Application:

**CITY OF ARLINGTON
 BUSINESS ASSISTANCE APPLICATION
 TAX ABATEMENT/TIF REQUEST**

GENERAL INFORMATION:

Business Name: _____ Date: _____
Address: _____

Type (Corporation, Partnership, etc.): _____
Authorized Representative: _____
Phone: _____ Cell: _____
Fax: _____ E-mail: _____
Description of Business: _____
Attorney: _____
Address: _____
Phone: _____ Fax: _____

FINANCIAL BACKGROUND

1. Have you ever filed for bankruptcy? _____
If yes, explain: _____
2. Have you ever defaulted on any loan commitment? _____
If yes, explain: _____
3. Have you applied for conventional financing for the project? _____
If yes, describe: _____
4. List financial references:
 - a. _____
 - b. _____
 - c. _____
5. Have you ever used Business Assistance Financing before? _____
If yes, what, where and when? _____

PROJECT INFORMATION

1. Location of proposed project: _____
2. Amount of Business Assistance requested: _____
3. Need for Business Assistance: _____

4. Present Ownership of site: _____
5. Number of permanent jobs created as a result of project? _____
6. Estimated annual sales: Present: _____ Future: _____
7. Market value of project following completion: _____

8. Anticipated start date: _____
9. Estimated project related costs: _____

10. Financing sources and dollar amount financed:
 - a. _____ \$ _____
 - b. _____ \$ _____
 - c. _____ \$ _____
 - d. _____ \$ _____
 - e. _____ \$ _____

PLEASE INCLUDE:

1. Bank's preliminary financial commitment
2. Project plans and drawing
3. Company's background materials:
4. Pro Forma analysis
5. Business financial statements
6. Statement of property ownership or control
7. Payment of application fee.

The motion for adoption of the foregoing resolution was duly seconded by Hatlestad and upon poll being taken thereon the following voted in favor thereof: Menk, Kloeckl, Bergersen, Sorenson, Thomes, and Councilmember Hatlestad; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: Councilmember Battcher.

Adopted by the Economic Development Authority of the City of Arlington this 11th day of June, 2018.

Signed: /s/ Dean Bergersen
Dean Bergersen, President

Attest: /s/ Amy Newsom
Amy Newsom, EDA Director

Director Newsom explained the following two DEED programs, Business Development Public Infrastructure (BDPI) and the Job Creation Fund (JCF). The BDPI is a grant program through DEED that the City could apply for to help with the cost of providing water and sewer infrastructure to the County 9 & Highway 5 parcel on the northwest side of town, next to the Prairie Winds storage buildings. There is a potential new business very interested in moving forward in to that location. The Job Creation Fund provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets. Businesses interested in applying for JCF must apply through the City. Consensus of the group was to move forward with the creation of such applications, Director Newsom will create them.

Intern Hille provided an update on Marketing Hometown America, which has since been named Choose Arlington. Facilitator training is set for Friday June 29th, from 8:00 a.m. to 12:00 p.m at the Arlington Community Center. Marketing Hometown America manager Neil Linscheid will be training the program facilitators. Small group facilitators are still needed, as well as participants for the study.

Intern Hille provided an update on the Housing Study. Ashley, a University of Minnesota student working on the Housing Study, has interviewed Arlington realtor Leah Prahl. Ms. Ashley is still trying to connect to more area realtors as she is having trouble contacting them. There was discussion on potential contacts for housing work. Housing surveys were distributed with the June utility bills. Surveys were also translated in to Spanish and given to La Casa Del Pueblo Market to distribute.

No board announcements.

Motion by Sorenson, seconded by Bergersen and passed by unanimous vote to adjourn the meeting at 6:00 p.m.

EDA Director Amy Newsom

EDA President Dean Bergersen