



**ECONOMIC DEVELOPMENT AUTHORITY  
MEETING AGENDA  
MONDAY, OCTOBER 15, 2018 @ 5:30 P.M.  
Arlington Community Center - Council Chambers**

1. Call to Order
2. Pledge of Allegiance
3. Approval of Agenda
4. Approval of Minutes
  - A. September 10, 2018
5. Approval of Financial Reports
  - A. September 2018
6. New Business
  - A. Update on Industrial Park (Nagel)
  - B. Approve/Deny R&R Façade Loan Request/Resolution #2018-11
  - C. Small Business Revolution
  - D. Discussion on former TSE Building (Menk)
7. Old Business
  - A. Marketing Hometown America/Choose Arlington update
8. Director and Board Comments
9. 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  
OCTOBER 15, 2018 @ 5:30 P.M.**

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

Members present: Richard Thomes, Larry Sorenson, Kurt Menk, President Dean Bergersen, Councilmember Tom Hatlestad, Councilmember Michelle Battcher and Tim Kloeckl (late 5:35 pm).

Members Absent: None.

Also Present: Director Amy Newsom, Mayor Richard Nagel and Sibley County Intern Sabrina Hille.

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

Motion by Thomes, seconded by Battcher, and passed by unanimous vote to approve the minutes from the September 10, 2018 meeting as presented.

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

Mayor Nagel provided an update on the Industrial Park. He stated that he, along with EDA Dir. Newsom and City Engineer Femrite met with a property owner on the northeast side of town to discuss the idea of the City doing a land swap for approximately 38 acres for an industrial park. Engineer Femrite presented a proposed site plan that showed how the lots would be laid out. The property owner seemed favorable to the discussion and agreed to a second meeting; no offers were made at the meeting. The Council gave their consent to move forward and just prior to the second meeting, the property owner notified the City that it had changed its mind and did not wish to move forward. Various reasons were given, but capital gains tax was the top one. A joint Council and EDA meeting will be held on Wednesday of this week to discuss the next step and make sure everyone is on the same page. Mayor Nagel expressed some concern about the amount of money being spent on engineering fees each time the City looks at a different piece of land. He stated that the City will be proceeding more cautiously.

It was also noted that the Mayor and Newsom had met with another property owner in the same area; again no offers were made. City Engineer Femrite had put some tentative development/infrastructure costs together, which came in over two million dollars.

The EDA reviewed the Façade Loan Request from R & R. It was the consensus of the EDA that this will be a nice improvement.

Thomes introduced the following resolution and moved for its adoption:

**A RESOLUTION APPROVING TERMS OF A LOAN TO R & R AUTO REPAIR  
FROM THE ARLINGTON EDA FAÇADE IMPROVEMENT LOAN PROGRAM FOR A  
PROJECT AT 117 WEST MAIN STREET**

**WHEREAS**, Ross and Ryan Bergs, d.b.a. R & R Auto Repair, has applied for a Façade Improvement Loan available through the EDA; and

**WHEREAS**, the Applicant requests a forgivable loan in the amount of \$2,500 or fifty (50) percent of the actual project cost, whichever is less; and

**WHEREAS**, the purpose of the loan is to remove the basement, remodel the office with easier access, add a new front using brick, replace the roof and efficiency updates at 117 W main Street in the Central Business District; 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 façade improvement loan in the amount of \$2,500 to R & R Auto Repair as follows:

1. The City and the EDA previously approved the EDA’s Façade Improvement Loan Program which is administered by the Arlington EDA.
2. Ross and Ryan Bergs, d.b.a. R & R Auto Repair (the “Borrower”) have submitted an official application form requesting financial assistance from the EDA Façade Improvement Loan Program (the “Loan”) in the amount of \$2,500 or fifty (50) percent of the project cost, whichever is less in order to finance removing the basement, remodel the office with easier access, add a new front using brick, replace the roof and efficiency updates (the “Project”) at 117 W Main Street (the “Property”).
3. The Loan is to be made from the EDA Façade Improvement 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 Promissory Note by the Property Owner.
  - b. Submittal of valid invoices from a licensed contractor relating to the work done on this project.
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 the adoption of the foregoing resolution was duly seconded by Kloeckl, and upon poll being taken thereon the following voted in favor thereof: Bergersen, Kloeckl, Menk, Sorenson, Thomes, Councilmember Battcher, Councilmember Hatlestad; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

Adopted by the Economic Development Authority of the City of Arlington this 15<sup>th</sup> day of October, 2018.

Signed: /s/ Dean Bergersen  
Dean Bergersen, President

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

Whereupon the resolution was declared duly passed and adopted and was signed by the President whose signature was attested by the EDA Director.

Newsom commented that she received information from Lisa Hughes at DEED about a grant that the City is eligible for. The grant is worth \$500,000 for revitalization of the entire downtown. Newsom will be filling out the application for Arlington.

Menk wanted to discuss the sale of the former TSE Building. He commented that it has been almost a year since the property was listed for sale and would like to see larger signs on the property. Thomes commented that he spoke with two different individuals recently about the building and what their plans were for the space (storage). It was commented that is not what they really wanted for the space; they were hoping for a business with employees. Battcher suggested lowering the price. Hatlestad questioned if anyone has backed away from the property due to the price. Newsom commented that she has talked with those that have expressed interest

in the property and only talked about the incentives, not cost. Discussion was held on whether to reduce the price, renew the contract with Fahey in two months, or attempt to sell the building through a commercial broker in the metro area.

Motion by Hatlestad, seconded by Battcher and passed by unanimous vote to recommend to the City Council to list the TSE Building with a commercial broker in the metro area for six months.

Newsom commented on the Marketing Hometown America/Choose Arlington meeting that was held recently. She stated that it was very well attended. Many ideas were mentioned, but four topics were decided upon: signs and promotions, marketing towards builders/developers, cultural support for new businesses; show people/pamphlets and brochures. Various meetings dates have been scheduled. Battcher commented that she believes things will happen with the citizen involvement.

Motion by Hatlestad, seconded by Sorenson and passed by unanimous vote to adjourn the meeting.

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EDA Director Amy Newsom

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EDA President Dean Bergersen