



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA
MONDAY, SEPTEMBER 10, 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. August 13, 2018
5. Approval of Financial Reports
 - A. August 2018
6. New Business
 - A. Approve/Deny SMIF Fund Request
 - B. Approve/Deny SBDC Fund Request
 - C. Request for Proposal submitted to Greater MSP for prospective Business
 - D. Rural Initiative Program Grant
 - E. Workforce Housing Development Program
7. Old Business
 - A. Marketing Hometown America/Choose Arlington Update
 - B. Housing Study Update/Review
8. Board Announcements
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
SEPTEMBER 10, 2018 @ 5:30 P.M.**

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

Members present: Richard Thomes, Kurt Menk, President Dean Bergersen, Councilmember Tom Hatlestad, Councilmember Michelle Battcher and Tim Kloeckl (late 5:32 pm).

Members Absent: Larry Sorenson.

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

Menk made a comment on how there are never any Board Announcements and how he would like to see the name changed to Director & Board Comments.

Motion by Menk, seconded by Hatlestad, and passed by unanimous vote to change the name of Board Announcements on the agenda to Director & Board Comments.

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

Motion by Thomes, seconded by Hatlestad, and passed by unanimous vote to approve the minutes from the August 13, 2018 meeting as presented.

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

The Southern MN Initiative Foundation (SMIF) has asked for a donation of \$600 from the City. Last year the EDA gave SMIF \$500. Discussion was had on whether to donate or not. The EDA is looking to apply for a grant through SMIF, so the committee felt it was fair to donate \$500 again this year.

Motion by Thomes, seconded by Battcher, and passed by unanimous vote to approve a \$500 donation to SMIF.

The Small Business Development Center (SBDC) has also requested a donation from the City. There was discussion on how the committee has not donated to SBDC in recent years. Newsom informed the committee that she intends to apply for a grant through SBDC next year to work on Succession Planning efforts that would include a few Arlington businesses. They are requesting \$1000, but they would accept any donation amount, consensus of the group was to also provide SBDC with a \$500 donation.

Motion by Thomes, seconded by Battcher, and passed by unanimous vote to approve a \$500 donation to SBDC.

Newsom provided an update on Greater MSP for prospective business. Newsom receives request for proposals (RFP) from Greater MSP and DEED. By answering these requests is how she acquires new business for our area, this is how she found Ninkasi Hops. She has recently received an RFP for a large food operating business looking for a new location. Newsom thought the former Seneca site would fit their needs. However, this potential business is looking nationally and not just in Minnesota. Newsom has sent a report to this prospective business, but she hasn't heard anything back yet. Newsom wanted to inform the committee that this is how she gets prospective businesses to come to Arlington. This is for information only so the committee knows what Newsom is working on.

Newsom explained the Rural Initiative Program grant. It is a grant the City could apply for that would engage the City, Chamber, EDA & Arlington Businesses together in a way to get funds for new businesses on Main Street. Potential businesses would submit an application to the EDA and selected applicants would be given help from the City for paying building rent and marketing efforts for their first year in business. It would be similar to a jump-start down town project that the City of Hutchinson has done in the past. The grant if selected, would be in the amount of \$5,000 for start-up costs or \$25,000 for the implementation portion of the program. This grant will need matching funds so it would need to become a joint effort between the City, Chamber, EDA and Arlington Industries. The application is due October 3rd, which will be before the next EDA meeting, so a decision needs to be made at this meeting. Consensus of the group was to apply for the grant and if we don't get it then we won't lose anything. If we do get the grant, the committee can later decide if they want to accept the funds and move forward with the project.

Motion by Thomes, seconded by Hatlestad, and passed by unanimous vote to allow Newsom to apply for the Rural Initiative Program Grant.

Newsom explained the Workforce Housing Development Program. This is another grant opportunity for the EDA. This grant would fund up to 25% of the project cost for a developer to come in and build new market rate rental properties. Newsom had approached a few local business owners in the past to see if they would be interested in building new rental properties. At that time, they all declined because even with a 25% grant it would be too costly and the rental rate needed to cover the costs would be too high for local renters. This program would be good to anyone willing to come in and build. Newsom asked the commissioners to ask around and spread the word of this potential grant. This is a grant and not a loan so developers wouldn't have to repay this amount. This grant is only for rental properties and not for homes for sale. This was for information and discussion purposes only, no action needed.

Newsom provided an update on Marketing Hometown America/Choose Arlington. Study circles are going very well, and her group has finished up. The groups have met at least four times and they seem to be very enthusiastic about the program. There will be a wrap up event at the Arlington Community Center on Wednesday, October 10th at 6:30 p.m. everyone from the public is invited to attend, all study circles will be in attendance to share their ideas. Group discussion will be had on how to move forward with the ideas the study circles have come up with.

Newsom provided an update on the Housing Study. The study has been completed and it was available in everyone's packets. One of the biggest surprises is that Arlington's housing sales are low, but after reading the report they are still the highest City in Sibley County. The sales being low are due to the sales of large rural property within Sibley County. The major recommendations from the housing study is the need for low income and rental properties throughout town. There was much discussion on the need for rental properties and new homes within Arlington. The biggest question is how does the City get developers to build here. Hatlestad would like the EDA to get involved with building a new home to show contractors that new homes in Arlington will sell. Menk questioned if the EDA can get a few local developers together in a meeting and listen to them as to why they are not building here. New homes are going up in Gaylord and Green Isle, but why not in Arlington? Newsom has heard from local developers that the cost to build in Arlington is too high but after running the numbers it isn't. The EDA needs to find a way to get that information out to the developers. There was much discussion on the housing study, the planning and zoning committee decisions and the Cemstone land. The committee would like to see Newsom create a meeting for local developers and come up with incentives for new builders for rental and residential properties.

Motion by Thomes, seconded by Kloeckl and passed by unanimous vote to send the housing study to the City Council along with a recommendation for Newsom to create a meeting for local developers.

No Director or Board comments.

Mayor Nagel provided an update that in the next few weeks, the council has a closed meeting scheduled to discuss potential new industrial park land.

Motion by Hatlestad, seconded by Kloeckl and passed by unanimous vote to adjourn the meeting at 6:21 p.m.

EDA Director Amy Newsom

EDA President Dean Bergersen