

**ARLINGTON CITY COUNCIL
COUNCIL MEETING WORKSHOP AGENDA
OCTOBER 17, 2018 AT 6:00 PM
COUNCIL CHAMBERS**

1. Call meeting to order
2. Roll Call
3. Approve Meeting Workshop Agenda
4. Update on City's Attempt to Acquire Land for Industrial Park and Further Discussion with Council and EDA Committee on Future EDA Goals.
5. Discussion Regarding 2019 Arlington City Budget.

ADJOURNMENT

**ARLINGTON CITY COUNCIL
SPECIAL WORKSHOP MEETING MINUTES
OCTOBER 17, 2018**

The Special Council Workshop meeting was called to order at 6:00 p.m., Mayor Nagel presiding.

Members present: Mayor Rich Nagel, Michelle Battcher, Adam Cowell, Tom Hatlestad, Jim Heiland (arrived late), Ben Jaszewski

Members absent: None

Also present: City Adm. Pat Melvin, EDA Dir. Amy Newsom, EDA Members: President Dean Bergersen, Dick Thomes, Kurt Menk, Larry Sorenson, Maintenance Supvr. Kirby Weckworth

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

Mayor Nagel explained that the purpose of the joint meeting with the EDA members was to provide an update on the City's attempt to acquire land for a new industrial park. City Adm. Melvin stated that he and EDA Dir. Newsom had put considerable time and effort into looking at other options for an industrial park. Key factors to consider were extension of utilities and proximity to residential neighborhoods. After working with the City's engineer and financial advisor, a location was found to be ideal and a plan was put together. The Mayor, EDA Dir. Newsom, and Engineer Femrite approached the property owners about acquiring the land (approximately 38 acres). The initial meeting went well; a land swap was proposed (22 acres in southwest corner) and a second meeting was planned. The City was then notified that the property owner was no longer interested and no second meeting was held. Concern was expressed that the City is somewhat landlocked and cannot expand as it does not have any land and cannot obtain land. It was commented that the industrial park should stay in the same area (expand to the northeast).

EDA Dir. Newsom commented that businesses were looking for larger acreage both at the City and County levels. She added that these businesses did not want to deal with third parties; they wanted city-owned lots with incentives. Battcher questioned what incentives, if any, the City could offer if the property was acquired from a third/private party. Newsom commented that once the property changed hands and was incorporated into city limits that TIF could be offered. Initially the City would be waiving fees by issuing TIF, but once the abatement was done, the City would re-coop considerable funds through the tax base. Newsom commented that rail is not a big demand at this time.

Some discussion was held on re-zoning the property (approximately 14 acres) north of the racetrack back to industrial use. Thomes explained that when the City acquired the Nickel farm originally, it was zoned for industrial purposes and then years later was zoned residential.

Thomes commented that he had a conversation recently with a couple of individuals who were involved in the initial meeting for the property in the northeast corner. His take away from the conversations was that the door may not be completely closed on the idea of the City acquiring the land. It was suggested to try to keep working with the property owner(s) on the price of the land. Condemnation of the property was also offered as a way for the City to acquire the property.

It was questioned what funds were going to be used to purchase the property, if things moved forward. Mayor Nagel commented that the City's Financial Advisor should be consulted regarding its debt obligations. Adm. Melvin stated that at the end of 2019 some significant debt obligations would be

dropping off/completed. He added that the City also had investment funds that could be used for a one-time venture of this type. Concern was expressed about spending major dollars on a project (land and infrastructure) just to 'give' it away. It was commented that the City would benefit in the long term (through tax dollars later).

It was the consensus of the EDA members present and the Council to continue to pursue the property in the northeast corner and re-zone the 14 acres north of the racetrack to industrial.

EDA members left and the Council then discussed the proposed 2019 Budget. It was noted that Maintenance Supvr. Kirby Weckworth was present for the budget discussions.

Adm. Melvin provided a brief summary on the actions taken so far with regards to the proposed 2019 Budget. He stated that a 6% increase had been adopted for the Preliminary Budget. He commented that budgets are driven by three things: projects (capital improvements, etc.), people (staffing), and programs (what is happening within departments). Discussion was held on the various projects being proposed and what monies may be available (in the capital improvement/general funds or investments) to help cover costs for same. Discussion was held on staffing, wages and health insurance costs. It was suggested to have the city engineer and city financial advisor at the next budget meeting.

Motion by Battcher, seconded by Hatlestad, and passed by unanimous vote to adjourn the meeting at 8:25 pm.

City Administrator Patrick Melvin

Mayor Richard Nagel