

**ARLINGTON CITY COUNCIL
COUNCIL SPECIAL MEETING AGENDA
AUGUST 12, 2019 AT 6:30 PM
COUNCIL CHAMBERS**

1. Call meeting to order
2. Roll Call
3. Approve Special Meeting Agenda
4. Consider sale of 22 acres to Hemp Heaven.

ADJOURNMENT

**ARLINGTON CITY COUNCIL
SPECIAL MEETING MINUTES
AUGUST 12, 2019**

The regular meeting was called to order at 6:30 p.m., Mayor Richard Nagel presiding.

Members present: Mayor Rich Nagel, Michelle Battcher, Adam Cowell, Tom Hatlestad and Jim Heiland.
Ben Jaszewski arrived at 6:46 p.m.

Members absent: None

Also present: City Adm. Pat Melvin, Kurt Menk and John Behnke.

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

The purpose of the meeting was to have continuing discussion regarding the sale of the 22 acres of bare land to Hemp Heaven. Administrator Melvin informed the group that he had spoken with the City's alternate attorney Rachael Holland just prior to the meeting however he did not have a purchase agreement from Ms. Holland as he was initially hoping. However he did have discussion with Ms. Holland and she had several comments that he proceeded to share.

Ms. Holland felt that many of the City's concerns regarding extension of utilities, access to the property, etc. should be spelled out in a Business Subsidy or Economic Development Agreement. The Purchase Agreement was simple because it was simply bare land that was being sold,.

She encouraged the City to consider putting these 22 acres into a Tax Increment Financing (TIF) zone with the benefit being that the City can capture the increased value from the multiple taxing jurisdictions and utilize that to pay for future extension of utilities, roads, etc.

After she reviewed the Commercial Lots Policy and in light of the response from the purchaser as to how many jobs will be created, many of which appear to be seasonal, Ms. Holland suggested that perhaps the City sell the lot to Hemp Heaven for \$10,000 and then as the number of jobs created are verified that money can be reimbursed to the purchaser. She felt that this demonstrates to the City a more significant commitment on behalf of Hemp Heaven to this project.

Additional concerns that came out of the earlier EDA meeting and this Council meeting are listed below:

- 1) The land should remain with Hemp Heaven and should not be sold.
- 2) Develop a standard to quantify the number of employees at Hemp Heaven given that some are seasonal.
- 3) The number of jobs created for Hemp Heaven has to be independent of Northland Drying.

Council member Tom Hatlestad informed the group about a hemp farm outside of Waconia and was going to make arrangements for a tour if any of the Council wished to attend. Council member Hatlestad and EDA Director Amy Newsome had visited some hemp fields to investigate the smell and found nothing offensive. He even took some plants home to test how they react to heat and drying and again found nothing offensive. He invited other Council members to take a tour of a hemp field. It was noted that depending on how many Council members are participating this may require a notice for a public meetings. Council member Hatlestad will coordinate a visit with Administrator Melvin.

Council member Hatlestad requested that Mr. Bushman be notified that if Northland Drying is planning to dry Hemp Heaven's hemp they would have to install sprinklers into the building which is a costly expense. The Council agreed making him aware of this in advance since Mr. Bushman has indicated this option in a previous discussion so that there are no surprises. Amy Newsom will communicate this expectation to Derrick if working with Northland Drying to dry his product.

Council member Battcher made the suggestion that previous Purchase Agreements that City Attorney Ross Arneson has created be shared with Alternate Attorney Rachael Holland to aid her in drafting one for this sale. Administrator Melvin indicated that he would work with Ms. Holland to produce the Purchase Agreement and any additional documents necessary to ensure Derrick Bushman fully understands and agrees to the expectations from the Council. Once this is done it will be shared with Derrick Bushman in advance of the August 19th meeting where the Council and Derrick hope to consider this sale. Administrator Melvin advised the Council that City Attorney Arneson will be provided a copy to review on the August 19th.

Motion by Heiland, seconded by Hatlestad, and passed by unanimous vote, to adjourn the meeting at 6:57 p.m.

City Administrator Patrick Melvin

Mayor Richard Nagel