



**ECONOMIC DEVELOPMENT AUTHORITY
SPECIAL MEETING AGENDA
MONDAY, JUNE 8 @ 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. May 11, 2020
 - B. June 2, 2020
5. Approval of Financial Reports
 - May 2020
6. New Business
 - A. Discussion regarding incentives to build 8 Villas on multi-unit lot near racetrack
 - B. Approve/Deny Resolution 07-2020 A Resolution Forgiving the Façade Improvement Loan to Hip Hop Family Shop from the Arlington EDA Façade Improvement Loan Program for a Project at 339 West Main Street
 - C. Correspondence from Nick Melsha regarding former Siduri Hops property
7. Old Business
 - A. Marketing Ideas
8. Planning and Zoning update – Michael Kedrowski
9. EDA Director update on businesses and housing
10. Director and Board Comments
11. Adjourn



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA
MONDAY, May 11 @ 5:30 P.M.
Arlington Community Center - Council Chambers**

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Meeting ID: 149 770 1964

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1. Call to order – the meeting was called to order by President Dean Bergersen at 5:36 pm.
Present: By RingCentral – Tim Kloeckl, Laura Gilman, Larry Sorenson, Rich Nagel. In person: Kurt Menk, Howard Brinkman, Tom Hatlestad, Tony Hoff
Staff present: EDA Director Amy Newsom, P&Z Administrator Michael Kedrowski
2. Pledge of allegiance – all stood for the pledge
3. Approval of agenda - Motion by Brinkman, second by Hatlestad
4. Public hearing – regular meeting closed; public hearing began at 5:38 pm

No members of the public in attendance for the hearing

Hearing with Tony Hoff – Tony was in attendance for the public hearing to address the Committee with any questions they may have in respect to the situation. There have been question in relation to past judgements. Hoff stated that he has since then had no issues. It was asked to have a letter or commitment with an agreement for funding of the building/project. It was not provided at the time of the meeting. There is not much of a profit in late years due to the growth of his business, it is a steady flow in response to work and projects.

The committee considered options of looking at past tax statements and history with the business to assist with the process to make the agreement more comfortable among the EDA.

Public hearing adjourns 5:50 PM

Regular meeting resumes at 5:51 PM

5. Approve/deny the purchase agreement: The EDA Committee discussed the idea of Hoff's finances in relation to not having a letter of financing as agreed upon previously. Upon much discussion among the committee. Hatlestad motioned to table the purchase agreement and development agreement be put on hold until Hoff provided tax return info for 2018, provides a letter of financing, and pays off existing judgements within 20 days. Seconded by Sorenson. Motion carried.
6. Approve/deny development agreement with AJH Properties LLC – the above also applied for the development agreement.
7. Approval of Minutes – Sorenson motioned to approve the minutes, second by Hatlestad, motion carried.
8. Approval of Financial Reports – Motion Kloekl, second Hatlestad. Motion carried.
9. New Business:
 - A. Letter from Matt Johnson regarding Siduri Hops project – There has been a decision to move on from Arlington with the uncertainty of the hops market for the next year. The land has been recorded back to the EDA and the money from the purchase will be refunded back to Carvel Ventures, LLC. The land has been leased out to a local farmer for the season at \$200 an acre. Options for the land after the harvest season were discussed including the future buyer to provide information up front before moving along with the public hearing process if/when it gets there. This topic was used as a jumping point to discuss future marketing of this project as well as purchase agreements etc. in the future. There was consensus among the committee to market the property as soon as possible.
 - B. Approve/Deny Resolution No. 06-2020 A RESOLUTION APPROVING THE TERMS OF THE LOAN UNDER THE SIGN LOAN PROGRAM TO ARLINGTON ANIMAL CLINIC LOCATED AT 402 WEST ALDEN – Kloekl motioned, Menk seconded. Menk, Sorenson, Bergersen, Gilman, Hatlestad, Kloeckl, Brinkman in favor, none against. Motion carried.
 - C. Discussion on request from Matt Nelson for City to assist with fire suppression – The idea was brought up to have the city bond with Northland Drying on fire suppression for the building on their lot needing sprinklers. It was discussed and member of the Committee and assistance with grants will be provided but no bonding.
 - D. Capital improvement budget requests – Newsom brought the discussion as department head to discussion to see what members may like to see added to this year's CIP request. Land was discussed as a top priority and where to allocate funds. There was a consensus that not much can be done without the allocation of land.
 - E. Discussion on trailer parks – Seneca has had seasonal migrant workers from Glencoe there in summers, there is hope that the city moves along with improving the site and continuing conversations about life after Seneca. Create a berm between and a possible CIP would allow for use through said previous agreement. Nothing is worded into place as to terms of a previous agreement. Communication will be kept with Siwek in respect to what is next for that portion of his property. This topic was brought onto the EDA to assist with conversations moving forward with Planning and Zoning.
10. Old Business:
 - A. Marketing Ideas: A Choose Arlington grant needs to be closed out with some funds for an ad campaign or something else. Gilman brought up the idea of advertising Arlington as a great

community to live and work, even if it means working from home. There have been several new homes in town as well as homes selling rather quickly.

- B. One Million Cups – October 14, 2020. Gay Schott of One Million cups asked Arlington EDA to reconsider hosting even if via Zoom. Consensus of the group was still that Arlington will not host if meeting is held by Zoom.

11.Planning and zoning report

- Public Hearing 1- Amending the City of Arlington Comprehensive Plan & Land Use Map Pertaining to the “Old Nickel Property”. Hoff was in attendance and addressed the Committee with details of his plans to purchase the Nickel Property. He has steaked the property out and began working on plans to bring water and electric to the site. The committee wished to hear from him about his businesses and future plans such as business hours and plans for the current tillable acres. Hoff explained he plans to contact the neighboring property owners to see what they would prefer to have between them as he stated he would like to be a good neighbor.
- Public Hearing 2 - That the following section will be added to the City Code, Chapter 31, Zoning: section 29: restrictions on the residency of predatory offenders within city limits. Kedrowski was provided with the language by City Attorney Ross Arneson, there is currently a temporary order in place, it is wished to have this passed as a permanent ordinance in city code. It was reviewed by the Committee and recommended to be forwarded onto Council.
- The EDA minutes have now been added as a communications section of the planning and zoning agenda. They were happy to receive information on topics being discussed as economic development and planning go hand in hand.
- Approve/Deny changes to Zoning: Sign Ordinance - Upon further research and reading through City Code, there is no need to make any changes as highlighted in the past. It was an oversight by Kedrowski that there is NO prohibitive language about signs in the B2 Central Business District hanging or projecting out above the sidewalk if they are within guidelines
- The committee also discussed industrial park locations once again, as Kedrowski was looking for feedback on revival of previous research or new ideas. It was discussed that Kedrowski bring about the addition of land for an industrial park as Planning and Zoning’s recommendation for their departmental capital improvement request.

11. EDA Director Update: 10 new lots were purchased, and building has begun. For next meeting include plat map or portion of land use/zoning map in the new Frenzel/high island creek addition as requested by members of the EDA.

12. Director and Board Comments – Gilman voiced concerns over the Sibley County Sheriff’s Office opening to the public and the message it was sending to the metro area while we are trying to sell our community.

13. Adjourn – Motion by Hatlestad to adjourn at 7:30 pm, second by Sorenson. Motion carried.

Amy Newsom, EDA Director

Dean Bergersen, EDA President



**ECONOMIC DEVELOPMENT AUTHORITY
SPECIAL MEETING MINUTES
TUESDAY, June 2 @ 5:30 P.M.
Arlington Community Center - Council Chambers**

Join from PC, Mac, Linux, iOS or Android: <https://meetings.ringcentral.com/j/1481014670>

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Meeting ID: 148 101 4670

International numbers available: <https://meetings.ringcentral.com/teleconference>

1. Call to Order – Meeting called to order at 5:30 pm by President Dean Bergersen with the following present: Amy Newsom, Kurt Menk, Tom Hatlestad, and by RingCentral: Dean Bergersen, Tim Kloeckl, Larry Sorenson, Rich Nagel, Justin Horstman. Howard Brinkman arrived at 5:35 pm. Laura Gilman was absent.
2. Pledge of Allegiance – All recited the Pledge of Allegiance.
3. Approval of Agenda – Motion by Kloeckl to approve the agenda, second by Hatlestad. Motion carried.
4. Approve/Deny Purchase Agreement with AJH Properties, LLC – tabled from May 11 meeting
Motion by Hatlestad, second by Sorenson to Deny Purchase Agreement with AJH Properties, LLC, second by Sorenson. Motion carried.
5. Approve/Deny Development Agreement with AJH Properties, LLC – tabled from May 11 meeting
Motion by Bergersen to Deny the Development Agreement with AJH Properties, LLC, second by Kloeckl. Motion carried.
6. Discussion on Top Notch Construction – Motion by Hatlestad to move forward with Top Notch Construction, second by Bergersen. Motion Carried. Public Hearing will be scheduled June 16 at 5:30 pm.

Discussion by Menk that he would like to see the Commercial Lots Policy changed include financial requirements. Consensus of the Board not to change the policy while in the middle of negotiating with Top Notch Construction, Board can revisit it later.

7. Adjourn – Motion by Kloeckl to adjourn at 5:50 pm, second by Menk. Motion carried.

EDA Director Amy Newsom

President Dean Bergersen

ARLINGTON ECONOMIC DEVELOPMENT AUTHORITY

Financial Report

As of May 31, 2020

General Fund:	Annual	Expenses for	YTD Exp. as	Budget	
Econ. Develop. Dept.	Budget	May	of May 31	Balance	%
Other Pay (Per Diems)	1,250.00	0.00	0.00	1,250.00	0.0%
Wages & Benefits	27,275.00	1,894.20	10,396.54	16,878.46	38.1%
Prof. Services	0.00	0.00	0.00	0.00	0.0%
Legal	500.00	0.00	30.00	470.00	6.0%
Postage/Printing/Advertising	1,900.00	0.00	0.00	1,900.00	0.0%
Other/Office/Phone	1,000.00	0.00	30.00	970.00	3.0%
Reimbursible Exp.	<u>100.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100.00</u>	0.0%
Econ. Dev. Dept. Total:	\$32,025.00	\$1,894.20	\$10,456.54	\$21,568.46	32.7%

Capital Equipment Fund #401

Capital Outlay - EDA	\$0.00	\$0.00	\$0.00	0.00
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EDA Fund #410

Beginning Balance	January 1, 2020	4,336.34
+ Interest		79.00
- WAC/SAC Waivers		0.00
Ending Balance	May 31, 2020	\$4,415.34

Special EDA Funds #204	Allocation	Loans		YTD Loan	YTD Fund	Actual Fund
		Outstanding	Balance	Interest Received	Interest Earned	Balance
RRR Loan & Subsidy (See below)	\$151,873.05	\$40,000.00	\$111,873.05	0.00	\$823.05	\$112,696.10
Facade & Sign Imp.Loans (See below)	\$24,297.20	\$1,059.67	\$23,237.53	0.00	\$154.69	\$23,392.22
Child Care Loans (See below)	\$3,148.14	\$0.00	\$3,148.14	0.00	\$20.84	\$3,168.98
Property Development Fund	\$12,449.41		\$5,512.51	0.00	\$68.42	\$5,580.93
+ Land Rent	\$1,025.50					
+ Land sale	\$1.00					
- Land Refund	-\$5,000.00					
- Professional Services	-\$1,735.00					
- Property Taxes	-\$1,158.00					
- Land advertising	-\$70.40					
Totals:	\$191,767.80	\$41,059.67	\$143,771.23	\$0.00	\$1,067.00	\$144,838.23

Revolving Loan Fund #205	\$169,787.81	\$77,251.41	\$92,536.40	\$374.54	\$835.78	\$93,746.72
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Individual Loan Detail	Original Loan	Outstanding
	Amount	Principal Amount

#204 Special EDA Funds Detail

R-R-R Loan Program:

\$0.00	\$0.00
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Business Subsidy

Scott Equipment Co.		\$40,000.00	\$40,000.00
Forgivable after 5 years	Mar-20		
		\$40,000.00	\$40,000.00

Facade Improvements:

R&R Auto		\$2,500.00	\$0.00	Forgiven 2/10/20
Forgivable after 1 year	Dec-18			
Hip Hop Shop (Allison)		\$909.45	\$909.45	
Forgivable after 1 year	May-19			
		\$3,409.45	\$909.45	

Sign Loan Program:

Fredin Construction		\$150.22	\$150.22
Forgivable after 3 years	May-20		
		\$150.22	\$150.22

Child Care Providers:

\$0.00	\$0.00
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#205 Revolving Loan Fund Detail

Arlington Auto & Farm Supply		\$40,000.00	\$17,251.41
5%-15 Years	Jul-10		
Bullert Hospitality Group		\$60,000.00	\$60,000.00
4.75 %-10 Years	Apr-20		

TOTAL	\$100,000.00	\$77,251.41
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ECONOMIC DEVELOPMENT AUTHORITY

Committee Member [NAME] introduced the following resolution and moved for its adoption:

RESOLUTION 07-2020

A RESOLUTION FORGIVING THE FAÇADE IMPROVEMENT LOAN TO HIP HOP FAMILY SHOP FROM THE ARLINGTON EDA FAÇADE IMPROVEMENT LOAN PROGRAM FOR A PROJECT AT 339 WEST MAIN STREET

WHEREAS Sharla Allison, d.b.a. Hip Hop Family Shop, applied for and was granted a Façade Improvement Loan available through the Arlington Economic Development Authority; and

WHEREAS, the Applicant requested a forgivable loan in the amount of \$1,250.00 or fifty percent (50%) of the actual project costs, whichever is less; and

WHEREAS, the purpose of the loan was to remove the basement, remodel the office with easier access, add a new front using brick, replace the roof, and apply efficiency updates at 339 West Main Street in the Central Business District.; and

WHEREAS, Hip Hop Family Shop has met the following program requirements:

1. The business to which the loan was granted remains in business in the improved building one (1) year following the distribution of loan funds; or
2. The Applicant transfers ownership to another entity that maintain the business in the improved building for at least one (1) year following the distribution of loan funds

The loan shall be forgiven by the Arlington Economic Development Authority.

NOW THEREFORE, BE IT RESOLVED, that the Arlington Economic Development Authority hereby forgives the Hip Hop Family Shop loan provided through the EDA Façade Improvement Program. This resolution shall be effective as of the date hereof .

The motion for the adoption of the foregoing resolution was duly seconded by Committee Member [SECOND] and upon poll being taken thereon the following voted in favor thereof: [VOTED IN FAVOR]; and the following voted against the same: [VOTED AGAINST]; and the following abstained: [ABSTAIN] and the following were absent: [ABSENT].

RESOLUTION 07-2020

MOTIONED BY:

SECONDED BY:

COMMITTEE MEMBER	YEA	NAY	ABSTN	ABSNT
<i>Bergersen</i>				
<i>Brinkman</i>				
<i>Gilman</i>				
<i>Hatlestad</i>				
<i>Kloeckl</i>				
<i>Menk</i>				
<i>Sorenson</i>				

The foregoing resolution was adopted by the Economic Development Authority of the City of Arlington this [DATE].

Signed:

 [NAME]
 [TITLE]

Attest:

 [NAME]
 [TITLE]

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

Re: Land

Amy Newsom <anewsom@arlingtonmn.com>

Wed 5/20/2020 10:04 AM

To: Nick Melsha <nick.melsha@cambriausa.com>

Okay, I'll bring it to the EDA and let you know what they think.

Amy Newsom,

City Administrator



204 Shamrock Drive

Arlington, MN 55307

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anewsom@arlingtonmn.com

From: Nick Melsha <nick.melsha@cambriausa.com>

Sent: Wednesday, May 20, 2020 9:57 AM

To: Amy Newsom <anewsom@arlingtonmn.com>

Subject: Re: Land

Amy,

I understand you are most likely trying to sell it for commercial use, but on the other hand it's been a field for the 38 years I have been alive, and just rented to the farmer. My intentions were to Purchase some of it or all of it and probably build a storage shed on it and the rest either keep farmland or habitat land, I have never thought of commercial use yet. As far as buying the land I would just pay for it or finance it , I wouldn't have any employees. I maybe would put up storage sheds like swenson has at some point , I don't know , I was just interested in purchasing the land as it hasn't change into anything in my Lifetime and nothing has been done with it for a long time besides farming it , so I was just curious, since I live there and it butts up to my land. Let me know your thoughts

Thanks,

Nick



NICK MELSHA

PROJECT MANAGER

TEL: 507-665-5003

CEL: 612-751-8102

FAX: 507-665-4403

31496 Cambria Ave Le Sueur MN 56058
United States



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On Wed, May 20, 2020 at 9:44 AM Amy Newsom <anewsom@arlingtonmn.com> wrote:
Hi Nick - we are looking at selling it for commercial use. If you'd like to submit a proposal I can place it on the June 8 EDA agenda. Let us know what you would like to do with the land, building(s) to be put on the land, number of employees, how you will finance your project, etc.

Amy Newsom,
City Administrator



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From: Nick Melsha <nick.melsha@cambriausa.com>
Sent: Wednesday, May 20, 2020 9:16 AM
To: Amy Newsom <anewsom@arlingtonmn.com>
Subject: Land

Hello Amy,
I live at 24021 411 Ave right next to where the hops plant was going to go. I was curious to know if the land in between my house and highway 5 would be available to be purchased at all ? I would be interested in buying the land, or even some of it if that were an option, just thought I'd ask.

Thanks,
Nick



NICK MELSHA
PROJECT MANAGER
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