



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA**

November 8, 2021 @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. October 11, 2021
5. Approval of Financial Reports
 - A. October 2021
6. New Business
 - A. Update on Scott Equipment Expansion – Rich Lucas
 - B. Discussion on high-speed internet in Arlington
 - C. Southwest industrial development - email from Attorney Ross Arneson
 - D. Discussion on utilizing local businesses – Craig Buss
7. Old Business
 - A. Hemp Heaven
 - B. Consider request from Northland Drying to purchase 22.18 acres
 - C. Update on Amba Property Development
8. EDA Director update on businesses and housing
9. Planning and Zoning update – Philip Mangis III, Planning & Zoning Administrator
10. Director and Board Comments
11. Adjourn



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
OCTOBER 11, 2021 @5:30 P.M.
(Columbus Day)**

Arlington Community Center - Council Chambers

1. Call to Order – Meeting was called to order at 5:30 by President Kurt Menk.
Present: Dean Bergersen, Larry Sorenson, Kurt Menk, Tim Kloeckl – by RingCentral, Howard Brinkman, Craig Buss
Absent: Matt Scharpe
Staff Present: EDA Director Amy Newsom, P&Z Administrator Phil Mangis
Guests Present: Lee Olmscheid – Northland Drying
2. Pledge of Allegiance – All stood for the Pledge of Allegiance.
3. Approval of Agenda – Motion by Brinkman to approve the agenda, seconded by Bergersen. Motion carried.
4. Approval of Minutes – Motion by Bergersen to approve the September 13, 2021 minutes, seconded by Sorenson. Motion carried.
 - A. September 13, 2021
5. Approval of Financial Reports – Motion by Bergersen to approve the September 2021 Financial Reports, seconded by Brinkman. Motion carried.
 - A. September 2021
6. New Business
 - A. Arlington Area Chamber of Commerce – Discussion on the emails received by Newsom from Derek Hahn. Hahn was invited to the EDA meeting but did not attend.
 - B. Elected Officials Economic Development Training - Elected Officials Economic Development Training – Next Move On Demand | Powered By The Next Move Group
Motion by Brinkman to approve the purchase of the training in the amount of \$277, seconded by Bergersen. Motion carried.
7. Old Business
 - A. Hemp Heaven – Attorney Arneson has received the paperwork back but is attempting to collect the back taxes on the 22.18 acres before the deed can be recorded at the Courthouse.
 - B. Consider request from Northland Drying to purchase 22.18 acres- Lee Olmscheid again requested to purchase the 22.18 acres for \$129,200. Olmscheid stated the land would be used for an expansion of Northland Drying, but details of the expansion are in the very early stages of discussion. He felt that it would add tax base and possibly 3-6 jobs. Menk asked if they would be requesting additional assistance such as tax abatement, Olmscheid

said that Northland has not asked for it yet but could not say for certain. Olmscheid stated that the smell would be like a feed mill and hopes to have the expansion completed in less than 5 years. Menk asked if they would need all the land, Olmscheid stated that realistically they would probably only use about half. Consensus of the EDA Board to hold a public hearing once the land belongs to the EDA. Newsom to stay in touch with Olmscheid and will also contact other interested parties. Board was concerned there may be a lot of peat ground on that 22.18 acres.

- C. Update on Amba Property Development – Newsom reported that Patel is moving ahead with his plans for purchasing the Hennen property. Newsom has requested site plans from Patel to proceed with calculating TIF.
8. EDA Director update on businesses and housing – Newsom reported that there is a buyer interested in the bakery and liquor store. Newsom asked if the EDA would like to do anything to help Main Street businesses. Brinkman would like to see visits by EDA, Newsom will hand out some of the brochures about the EDA programs.
9. Planning and Zoning update – Philip Mangis III, Planning & Zoning Administrator Mangis reported that he is working with the P&Z Commission to update the City Code regarding Zoning (Chapter 31), adding a chapter regarding permitting, and applying for a Safe Routes to School grant, possibly a joint application with Green Isle.
10. Director and Board Comments - Brinkman reported that the insurance agent is no longer in his building, and he has an open spot. Buss felt the EDA/City should stop talking about the Chamber, it is like advertising for them. Consensus of the EDA to leave it alone and see if the Chamber approaches the City at a public meeting, not through the City Administrator.
11. Adjourn – Motion by Bergersen to adjourn the meeting at 6:45 pm, seconded by Buss. Motion carried.

EDA Director Amy Newsom

EDA President Kurt Menk

ARLINGTON ECONOMIC DEVELOPMENT AUTHORITY

Financial Report

As of October 31, 2021

General Fund:

Econ. Develop. Dept.	<u>Annual Budget</u>	<u>Expenses for October</u>	<u>YTD Exp. as of Oct. 31</u>	<u>Budget Balance</u>	<u>%</u>
Other Pay (Per Diems)	1,250.00	0.00	0.00	1,250.00	0.0%
Wages & Benefits	25,545.00	1,967.41	20,840.15	4,704.85	81.6%
Prof. Services	0.00	0.00	0.00	0.00	0.0%
Legal	500.00	0.00	0.00	500.00	0.0%
Postage/Printing/Advertising	1,800.00	137.52	779.52	1,020.48	43.3%
Other/Office/Phone	1,525.00	0.00	742.15	782.85	48.7%
Reimbursible Exp.	0.00	0.00	0.00	0.00	0.0%
Econ. Dev. Dept. Total:	\$30,620.00	\$2,104.93	\$22,361.82	\$8,258.18	73.0%

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, 2021	4,496.77
+ Interest		33.42
- WAC/SAC Waivers		0.00
Ending Balance	Oct. 31, 2021	\$4,530.19

	<u>Allocation</u>	<u>Loans</u>		<u>YTD Loan Interest Received</u>	<u>YTD Fund Interest Earned</u>	<u>Actual Fund Balance</u>
		<u>Outstanding</u>	<u>Balance</u>			
Special EDA Funds #204						
RRR Loan & Subsidy (See below)	\$154,518.46	\$40,000.00	\$114,518.46	0.00	\$846.57	\$115,365.03
Facade & Sign Imp. Loans (See below)	\$23,888.96	\$3,747.22	\$20,141.74	0.00	\$150.56	\$20,292.30
Child Care Loans (See below)	\$3,220.22	\$0.00	\$3,220.22	0.00	\$23.80	\$3,244.02
Property Development Fund	\$4,057.63		\$708.86	0.00	\$60.62	\$769.48
+ Land Rent	\$1,800.00					
+ Land sale	\$10,000.00					
-Fredin 'Nickel' Chem. Ref.	-\$1,279.60					
- Professional Services	-\$6,189.00					
- Property Taxes	-\$7,644.42					
- Land advertising	-\$35.75					
Totals:	\$185,685.27	\$43,747.22	\$138,589.28	\$0.00	\$1,081.55	\$139,670.83
Revolving Loan Fund #205 (see detail below)	\$174,246.37	\$53,960.57	\$120,285.80	\$2,537.76	\$776.04	\$123,599.60

Individual Loan Detail

	<u>Original Loan Amount</u>	<u>Outstanding Principal Amount</u>
#204 Special EDA Funds Detail		
<i>R-R-R Loan Program:</i>		
	\$0.00	\$0.00
<i>Business Subsidy</i>		
Scott Equipment Co. Forgivable after 5 years	Mar-20 \$40,000.00	\$40,000.00
	\$40,000.00	\$40,000.00
<i>Facade Improvements:</i>		
	\$0.00	\$0.00
<i>Sign Loan Program:</i>		
Fredin Construction Forgivable after 3 years	May-20 \$150.22	\$150.22
Arlington Animal Clinic Forgivable after 3 years	Jun-20 \$1,000.00	\$1,000.00
Lindsay Sjoström Forgivable after 3 years	Jul-20 \$837.50	\$837.50
Hip Hop Shop (Allison) Forgivable after 3 years	Jan-21 \$405.00	\$405.00
Who's On 1st (Hartman) Forgivable after 3 years	Jan-21 \$354.50	\$354.50
Grand K, LLC Forgivable after 3 years	Apr-21 \$1,000.00	\$1,000.00
	\$3,747.22	\$3,747.22
<i>Child Care Providers:</i>		
	\$0.00	\$0.00
#205 Revolving Loan Fund Detail		
Arlington Auto & Farm Supply 5%-15 Years	Jul-10 \$40,000.00	\$0.00
Bullert Hospitality Group 4.75 %-10 Years	Apr-20 \$60,000.00	\$53,960.57
TOTAL	\$100,000.00	\$53,960.57

Paid off early - May 2021

Amy Newsom

From: Heather Arneson <heather@arnesonlegal.com>
Sent: Tuesday, November 2, 2021 8:24 AM
To: Rich Nagel
Cc: Amy Newsom; Philip Mangis; Kurt Menk (kurtm@arlingtonmnnews.com)
Subject: Southern Area Development

Everyone:

I had a recent discussion with Julie Rath at Minnesota Valley Regional Rail Authority. They had a grant writer working on a Federal Grant to create a railyard on the Doehling farm. This is the farm just to the west of the former "Hemp Heaven" 22-acre parcel. The city EDA has recaptured the title to the 22 acres.

Unfortunately, the Rail Authority decided the project is not feasible. They were looking at a \$12 million dollar cost to develop this as a railyard and industrial park. They felt this project was too ambitious for them at this time.

However, they believe the project is still worthwhile, and encouraged the city to consider sponsoring it. With the new infrastructure federal package that may be passed soon, there may be expanded federal money available from the U.S. Department of Transportation and Federal Railroad Administration.

Julie asked if Sibley County was part of the Greater MSP Partnership. This is a Regional Economic Development Authority out of the Twin Cities. She thought that Sibley County was a member at one point. I checked the website. The group covers 15 counties, including Scott and LeSueur east of us, but Sibley County is not currently included. Julie thought that this organization might be of help in getting grant money of various kinds. However, the county would have to be the entity to apply for membership.

Although the railyard project is not going forward with federal funds at the moment, it demonstrated that Aaron Doehling is willing to consider developing his farmland. Perhaps we should have a discussion with him about that. We might explore a joint development of his land and our 22-acre parcel, which would also give us direct access to County Highway 9 and the railroad tracks.

Before considering what to do with the EDA 22-acre parcel, we may also want to consult with the Arlington City Engineer regarding the possible routes and costs of utility connections. We have utility line in place on the south side of the Northland Drying plant. We could also come south across Highway 5 to the Doehling farm.

Another recent topic for us was street access to the EDA parcel. The city has the right of Eminent Domain. This includes the possibility of taking private land for a new city street. One potential route would be an extension of First Avenue South, and then west along the north line of the Danielson farm. This area is clear of buildings because we already have a utility easement corridor running south.

Another possible access would be a road running from Highway 17 straight across to Highway 9. This southern perimeter road was often talked about in the past. This would be expensive, but would open up a wide area for future development.

The contents of a new federal infrastructure bill are a mystery at this time. However, it might contain money for an expansion of the city street network.

Thanks,

Ross R. Arneson
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Email: ross@arnesonlegal.com

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Northland

Northland Drying LLC
100 Henderson Road
Arlington MN 55307
(507) 242-8015

Arlington EDA/ City of Arlington,

Northland Drying LLC, has been in operation in Arlington since 2017. Northland Drying currently employs 30 full time employees. These employees range from entry level positions to business professionals. Many of these employees reside in the immediate area. By providing both entry level and skilled positions, Northland Drying is making an economic impact on the community. Northland Drying is currently one of the largest vegetable dryers for pet food in the region. As a community that prides itself on what it does for the area, Northland Drying has become a company Arlington can boast about.

Northland Drying LLC is interested in procuring the 22.18 acres currently under agreement between the city of Arlington and Hemp Heaven/ Derrick Bushman. Parcel Number 31-0880-000.

The 22.18-acre parcel is currently inaccessible to the public, being there is no right of way to the parcel from any bordering property. Northland Drying LLC owns the land to the North of the parcel and has the ability to access the parcel without any damage to the designated wetlands that border some of the 22.18-acre parcel.

Northland Drying LLC views the property as an opportunity for expansion. As one of the largest regional vegetable dryers for pet food, Northland Drying continues to recognize its need for expansion. As Northland Drying has grown over the past few years, the city of Arlington and Northland Drying have worked well together to address the issues that have arose with a new industry in town. Northland Drying is continuing to explore and implement new resources and techniques that are less intrusive to the community.

Northland Drying understands the value of bringing other industries to town. Therefore, Northland Drying plans to market remaining acres of the parcel to other potential business proprietors. This would allow for the continued expansion of Arlington's Industrial footprint and show immediate growth for the city with the sale of the 22.18 acre parcel.

Northland Drying is offering the Arlington EDA and the City of Arlington, the full Assessment Market Value of the property per the 2021 Sibley County Assessor's report of \$129,200.