



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA
FEBRUARY 14, 2022 @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. January 10, 2022
5. Approval of Financial Reports
 - A. December 2021
 - B. 2021 Year End Financial Report
 - C. January 2022
6. New Business
 - A. Consider request to purchase EDA land from Tony's Outdoor Services
 - B. Consider financial request from RCEF
 - C. Discussion on Council direction for low-income housing
 - D. 2021 Annual Report
7. Old Business
 - A. 2022 Goals
 - B. Amba Homes housing development
 - C. Update on CR 166 expansion
8. Planning and Zoning update
9. EDA Director update on businesses and housing
10. Director and Board Comments
11. Adjourn



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES**

JANUARY 10, 2022 @5:30 P.M.

Arlington Community Center - Council Chambers

1. Call to Order – Meeting was called to order at 5:30 pm.
Present: Dean Bergersen, Larry Sorenson, Kurt Menk, Tim Kloeckl, Joe Morgan, Matt Scharpe, Howard Brinkman
Staff present: EDA Director Amy Newsom, P&Z Administrator Phil Mangis
2. Pledge of Allegiance – All stood for the Pledge of Allegiance.
3. Swearing in of Howard Brinkman
4. Election of Officers
 - I. President -Motion by Brinkman to appoint Kurt Menk as President, seconded by Dean Bergersen. Motion carried.
 - II. Vice President – Motion by Brinkman to appoint Matt Scharpe as Vice President, seconded by Tim Kloeckl. Motion carried.
 - III. Secretary -Motion by Bergersen to appoint Amy Newsom as Secretary, seconded by Sorenson. Motion carried.
5. Approval of Agenda – Newsom requested to remove the December Financial Reports. Motion by Kloeckl to approve the agenda as amended, seconded by Bergersen. Motion carried.
6. Approval of Minutes
 - A. December 13, 2021 – Motion by Scharpe to approve the December 13, 2021 EDA minutes, seconded by Kloeckl. Motion carried. Joe Morgan abstained.
7. Approval of Financial Reports
 - A. ~~December 2021~~
8. New Business – Discussion of 2022 goals – CR 166 expansion, selling 22-acre parcel and 10-acre parcel, motel, main street businesses, dog park
9. Old Business
 - A. Amba Homes housing development – Newsom reported that the Workforce grant will be submitted after the Council resolution is approved later that evening.
 - B. Update on CR 166 expansion – Meeting scheduled for Monday, January 18, 2022. Representative Gruenhagen and Senator Newman to attend.

10. Planning and Zoning update – none

11. EDA Director update on businesses and housing - Newsom reported that the Council extended the WAC and SAC waiver (excluding rental units). Siwek is building his next 4 units.

12. Director and Board Comments - Menk brought up the low tax rate in the City of Arlington.

13. Adjourn – Motion by Brinkman to adjourn the meeting at 6:22 pm, seconded by Bergersen. Motion carried.

EDA Director Amy Newsom

EDA President Kurt Menk



February 10, 2022

AJH Properties
23119 411th Avenue
Arlington, MN 55307

Arlington EDA Board
204 Shamrock Drive
Arlington, MN 55307

Arlington EDA Board:

AJH Properties is interested in purchasing and developing two properties owned by the Arlington EDA: parcels 31.0884.000 (10.45 acres) and 31.0880.000 (22.18 acres).

AJH Properties purchased the former Nickel property where Tony's Outdoor Services will be headquartered. We have started construction on the first building in Arlington and plan to start construction on a second building soon. As our own business continues to grow, we see the EDA owned parcels as an opportunity to work with other developers in the area to increase Arlington's commercial tax base. AJH Properties and Tony's Outdoor Services have a good reputation working with the Arlington EDA and the City of Arlington and we would propose a public-private partnership to develop 31.0884.000 and 31.0880.000.

AJH Properties would like to offer \$10,000 for parcel 31.0884.000 and an additional \$10,000 for parcel 31.0880.000. We would be willing to enter into a development agreement with the intention to begin construction on the 10.45-acre parcel within 1 year. We would be willing to work with the City of Arlington and Sibley County to create road access to the 22.18-acre property. We understand that access will be necessary to fully develop that parcel. We would also be willing to enter into a development agreement to develop that land once access is created.

We believe that is important for the Arlington EDA to continue to work with private businesses to create jobs, increase the City's tax base and grow the community.

If you have any questions, please do not hesitate to contact me. I can be reached at 612-328-3860.

Tony Hoff
President



January 26, 2022

Dear Amy Newsom:

Sibley County has partnered with the Regional Center for Entrepreneurial Facilitation (RCEF) to provide Countywide Economic Development to all Seven Communities, including Arlington, Gaylord, Gibbon, Green Isle, Henderson, New Auburn & Winthrop.


Our goal is to provide a seamless proactive approach to Economic Development in all Sibley County communities, whether large or small. We intend to work collaboratively with each community's unique and individual goals and enhance each community's strengths. RCEF will have the ability to work with any business, from new start-ups to existing businesses, whether on the main street or off the beaten path.

Services provided to the entrepreneurs include:

- Needs, Goals & Business Assessment
- Business Planning
- Sales & Marketing Plan's
- Market Research
- Start-up & Expansion Assistance
- Financial Analysis
- Strategic Planning
- Professional Management Advice
- Succession Planning

By establishing strong communication with each community, we can assist them in developing a model of collaboration that, in the end, will create a more robust entrepreneurial environment. These services will be provided to the business free and confidentially. In support of Sibley County investment, we ask each community to help fund these services with an investment of \$2000. Should you have any questions regarding how we can further help your community, please do not hesitate to reach out to the RCEF at 507-382-5679.

Kind regard,


Bryan Stading

Executive Director/Senior Business Facilitator



**City of Arlington
Economic Development Authority**

Annual Report

ANNUAL ACTIVITIES FOR YEAR 2021

I. ARLINGTON ECONOMIC DEVELOPMENT AUTHORITY

The Arlington Economic Development Authority (EDA) is governed by a seven-member Board of Directors. The Board consists of two members from the business community members, three residents, and two City Council liaisons. The structure of the Board during 2021 is provided in the table below:

<i>Member</i>	<i>Position</i>	<i>Affiliation</i>	<i>Term Expires</i>
Kurt Menk	President	Resident	12/2026
Matt Scharpe	Vice President	Councilmember	12/2024
Craig Buss	Member, Board of Directors	Councilmember	Resigned 11/2021
Larry Sorenson	Member, Board of Directors	Resident	12/2025
Dean Bergersen	Member, Board of Directors	Resident	12/2023
Tim Kloeckl	Member, Board of Directors	Business Owner	12/2022
Howard Brinkman	Member, Board of Directors	Business Owner	12/2021

Amy Newsom serves as the EDA Director as well as the City Administrator.

II. 2021 GOALS AND OBJECTIVES

At the start of the 2020 the EDA specified several goals. With the mission of creating jobs, raising incomes, and broadening the City's tax base, the following goals and objectives were broken down as follows:

ECONOMIC DEVELOPMENT AUTHORITY 2021 EDA Goals

1. Business and Industrial Development Goals

- a. Work toward purchasing industrial park land.
- b. Work with P&Z on creating an Orderly Annexation.
- c. Work to attract specific businesses to town - i.e., meat market.
- d. Work to sell existing businesses - i.e. - bakery

2. Housing Goals

- a. Work with developers on rental properties.

3. Marketing Goals

- a. Work with City on new website.
- b. Collaborative projects with regional and local partners.
- c. Completion of dog park.
- d. Develop other areas that would drive people to live in Arlington.
- e. Market Arlington having low (lowest) tax rate in Sibley County.

III. ACTIVITY REPORT

In addition to the identified goals and objectives above, there were other activities undertaken by the EDA in 2021. These activities included:

- A. In January of 2021 the EDA marketed Arlington and the bakery for sale on KFAI 90.3 FM radio station.



Initially opened in 1970, this family-owned, main street bakery, offers full bakery services for locals and businesses around its rural community in the South Central region of Minnesota.

As brought under new ownership in 1980, this business is classified as a sole proprietorship. The current owner has many community ties with churches, local fairs, and restaurants allowing the business to drive consistent sales. The current owner is looking to retire within the next year from the business to focus on another venture within the area but is willing to work with a new owner for up to one month for training purposes. Currently, the business is open to the public six days a week, providing service to walk-in customers and an average of three wholesale clients. With a loyal community, the walk-in business contributes nearly 85 percent of total revenues. Current staff is made up of three long term, well-trained staff that are expected to stay on with the business through and after transition.

This bakery is the only full-service bakery in a 35-mile radius, setting them apart from other smaller bakery operations. Specialty products include custom order cakes, pastries, cookies, and breads. Walk in business is supported through small order pastries and coffee for the local business community as well as foot traffic from a nearby school with an open lunch hour. Currently, the business holds a pizza franchise inside it as well, that is separately organized and non transferable but has developed more traffic within the bakery since its opening and could be an opportunity for new ownership to launch themselves.

With these businesses long term commitment to the community, it is looked as one of the more consistent storefronts in town and has a loyal following from both long-time locals and newer citizens. As this business is seen for its consistency, local walk-in traffic and wholesale clients have not fled the business over product price changes throughout time. With this loyal following, the owner has implemented minimal marketing leaving room for a new owner to take further efforts to break into different communities.

The current facilities and equipment are all state-licensed, health department compliant and have been maintained to keep them in good condition. The business sits in a space approximately 3,600 square feet with about one third set up as a café seating area and the rest as a production facility. Part of the space includes a large unfinished basement that is currently used as office space for the owner but provides development opportunities if needed for expansion. The business must transfer through outright purchase, and the real estate can be negotiated for purchase, lease-to-purchase or lease arrangement. High-value equipment with the sale of the business includes two Hobart mixers, an additional 80 quart floor mixer, oven sets, labeler, coolers, showcases, café area tables and seating, freezer, and all associated bakery equipment. As negotiable with the sale, a licensed food truck equipped with fryer can also be included to assist a new owner with outreach to community events.

Listing price: \$145,000 - \$180,000

If interested, please contact EDA Director Amy Newsom at 507-964-2378 or anewsom@arlingtonmn.com

- B. Assisted Main Street business with Covid-19 grant writing. Provided resources for business owners regarding Sibley County Business Assistance Program.
- C. In February EDA was part of the ribbon cutting at FillMe Up Pitstop.



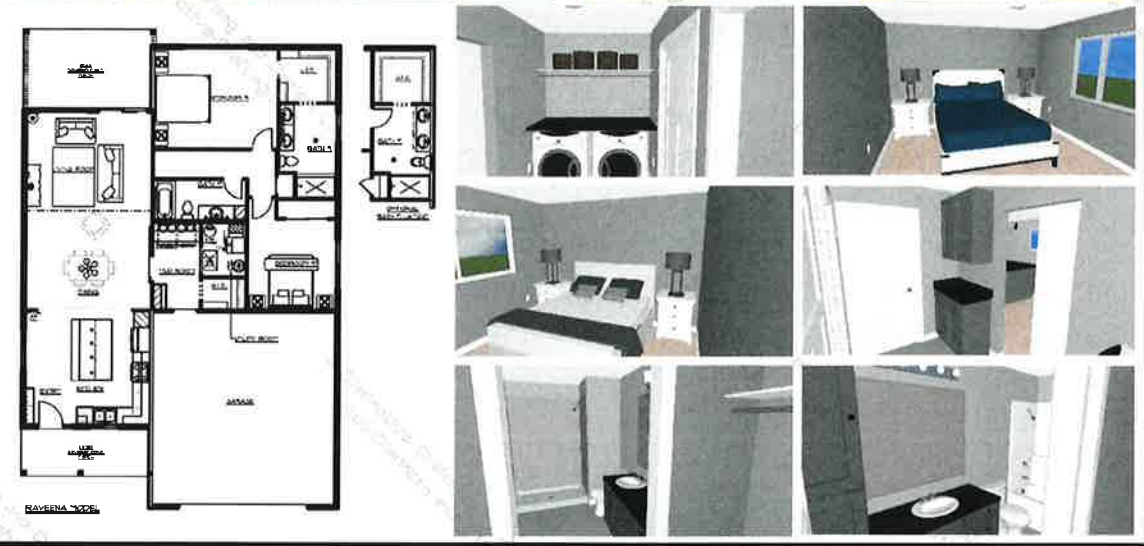
Enterprise photo by Kurt Merik

- D. Grand opening for A-Town Tavern.
- E. EDA asked Newsom to reach out to Tony Hoff regarding the Nickel property.
- F. In March the EDA considered a proposal from Tony Hoff to purchase the Nickel property.
- G. EDA decided against purchasing the Hennen land on the west side of town.
- H. EDA member Craig Buss brought up the idea of having a tractor pull in Arlington.
- I. EDA held a public hearing on the proposed dog park near the wastewater treatment plant. Those in attendance at the EDA public hearing were in favor of the smaller dog park proposed by Menk and Newsom. Received commitment for \$1,000 in funding from Lyle Braun and \$1,000 in funding from Denise Swenson.
- J. EDA received an update on the Scott Equipment expansion.
- K. Approved a sign loan for Brandon Brinkman Grand K LLC
- L. In April the EDA held a public hearing on the sale of the Nickel property to Tony Hoff.
- M. EDA voted to approve the purchase agreement and development agreement with AJH Properties LLC (Tony Hoff).



- N. In May the EDA approved a Façade Improvement Loan to Jacob Behnke for his building located at 407 West Main Street
- O. In June the EDA received an estimate for the dog park for \$12,133.60. EDA applied for a SMIF grant to help cover the expenses.
- P. Worked through issues with the survey on the Nickel property so that Tony Hoff could close on the property.
- Q. Siwek began construction on 4 of the 8 rental villas.
- R. In July Gene O'Brien presented his intentions to move Data Metalcraft Inc. (DMI) to Arlington. Working on Phase I and Phase II environmental assessments.
- S. In August Newsom worked with O'Brien on DEED applications and tax abatement at the City and County.
- T. In September the EDA approved sign loans to Kellie Miexl and Corine Carney for their businesses at 318 West Main Street.
- U. Received an offer from Northland Drying to purchase the 22-acre parcel for \$129,200.
- V. Nishul Patel presented plans to purchase the Hennen land and proposed to build 30 rental units.

RAVEENA MODEL BY: AMBA HOMES



W. EDA received a SMIF grant in the amount of \$6,450 for the dog park.

- X. EDA members were asked to attend the Sibley County Tax Abatement hearing to show support for DMI.



- Y. Received Minnesota Investment Fund grant in the amount of \$350,000 for DMI.
- Z. Received Job Creation Fund grant in the amount of \$175,000.
- AA. In October Derrick Bushman returned the 22-acre parcel to the EDA.
- BB. EDA brochures detailing the different EDA programs were mailed to local businesses.
- CC. Received DEED Redevelopment grant in the amount of \$80,500 for DMI.
- DD. Rich Lucas from Scott Equipment presented an update on the expansion. He stated they added approximately 50,000 square feet and now have 26 employees.



- EE. Lucas brought up concerns about the internet speeds and options in Arlington.

FF. Discussion and support from the EDA to utilize local businesses such as Tony's Outdoor Services.

GG. EDA began work on CR 166 expansion.

HH. EDA is working with St. Paul's Lutheran Church and School on grant for the sign at Frenzel Park.

IV. 2022 GOALS AND INITIATIVES

The EDA has identified the following goals for 2022:

1. Business and Industrial Development Goals

- a. Sell parcels of land owned by the EDA
- b. Work with P&Z on creating an Orderly Annexation
- c. Work to attract specific businesses to town – i.e., meat market, pharmacy
- d. Focus on Main Street/sell existing businesses – i.e. – bakery
- e. CR 166 expansion
- f. Work to bring motel to town

2. Housing Goals

- a. Work with developers on low-income housing as directed by City Council
- b. Continue to encourage new housing development in town

3. Marketing Goals

- a. Completion of dog park



ECONOMIC DEVELOPMENT AUTHORITY 2022 EDA Goals

1. Business and Industrial Development Goals

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- a. Completion of dog park



Lupe
Development
Partners

MILL CITY QUARTER
Minneapolis



WHERE QUALITY AND AFFORDABILITY MEET

Lupe Development is an award-winning affordable housing firm with 25 years of experience. Through **creative design** and **adaptive reuse**, Lupe Development brings innovation and excitement to the art of building great communities.

Lupe Development's portfolio includes rental communities, new ownership condominiums, and mixed-use projects. Centered around **thoughtful planning**, Lupe Development's affordable housing units are located near transportation, with easy access to employment and amenities.

• PORTFOLIO •

BROADWAY FLATS North Minneapolis

Broadway Flats offers workforce housing that serves residents of the Jordan neighborhood with a level of quality and amenities not previously available in the community. Lupe Development integrated a transit station into the building, which is located on a future bus rapid transit line. This project was named a Top Project by *Finance & Commerce*.



EAST SIDE APARTMENTS Saint Paul

East Side Apartments offers spacious units, desirable amenities, community gathering spaces, and easy access to transit to create a vibrant community. The project featured new construction as well as a renovation of a naturally occurring affordable housing property.



MILL CITY QUARTER Downtown Minneapolis

Set on one of the last open parcels of land in the Mill District, Mill City Quarter is the first high tech affordable apartment community in Downtown Minneapolis. The building offers an affordable community with an abundance of desirable amenities, easy access to transit, and a bike and pedestrian friendly Woonerf. This project was named a Top Project by *Finance & Commerce*.



To see our full portfolio, visit LupeDevelopment.com



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Development
Partners**

A TRUSTED COMMUNITY PARTNER

LAKE STREET HOUSING

A three-phase development on Lake Street will offer affordable and entry-level market-rate housing near the Lyndale Avenue and Lake Street intersection in the Uptown area of Minneapolis. In a neighborhood where abundant, quality housing is often only available through luxury properties, Lake Street Dwelling will provide greater housing choices to working residents at a variety of price points. Award-winning affordable housing firm Lupe Development Partners is working with Hennepin County and the nearby James Ballentine VFW Post 246 to serve homeless veterans with safe housing, programming and services. The first of three phases is already under construction and 111 units of affordable housing will be available for occupancy in fall 2020.



The campus will replace a surface parking lot and automotive uses with transit-oriented housing. Lake Street Dwelling is located close to the Midtown Greenway, a new bus rapid transit (BRT) station at Lake Street and I-35W, as well as several high-frequency bus routes.

TYPE: Mixed-income housing
LOCATION: Uptown Minneapolis
UNITS: 203 affordable
 130 market rate
AMENITIES: Fitness center, green roof, solar panels, bike room and repair station

First phase expected completion in Q3 2020



VALLEY CREEK REDEVELOPMENT



Lupe Development Partners is completing a transformational, mixed-use redevelopment of key retail properties at the intersection of Valley Creek Road and I-494 in Woodbury. The Valley Creek project represents a once-in-a-generation site assembly opportunity in a high-demand market. Lupe Development will replace a troubled motel and dilapidated site structure with a new multi-tenant medical office building and prime retail. In its 2040 Comprehensive Plan, the city of Woodbury positioned the site for redevelopment, envisioning the intersection as an important gateway area with more employment, retail and services.

A key component of the new development is a 34,000-square-foot medical office building. As part of the project, Lupe Development will acquire and tear down the existing Key Inn motel to build the medical office facility. The retail buildings – a Chick-fil-A restaurant and another 5,000-square-foot credit union anchored building – will front Valley Creek Road. Two small office buildings on Woodlane Drive will also be significantly renovated and made available for multi-tenant use.

TYPE: Mixed-use commercial
LOCATION: Woodbury
SIZE: 6.75 acres
FEATURES: Medical office, retail and office

First phase completion in Q3 2020



To see our full portfolio, visit LupeDevelopment.com