



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA
MAY 9, 2022 @5:30 P.M.
Arlington Community Center - Council Chambers**

1. Call to Order
2. Pledge of Allegiance
3. **Public hearing on the sale of parcel 31.0884.000 to Sew Quilty**
4. Approval of Agenda
5. Approval of Minutes
 - A. April 11, 2022
6. Approval of Financial Reports
 - A. April 2022
7. New Business
 - A. Approve/deny recommending to Council approval of the bare land purchase agreement with Sew Quilty
 - B. Approve/deny recommending to Council approval of the development agreement with Sew Quilty
 - C. Resolution #2-2022 A RESOLUTION GRANTING A LOAN TO MACKENZIE RUTHER D.B.A THE ROOST SCHOOLHOUSE DAYCARE FROM THE ARLINGTON EDA CHILD CARE LOAN PROGRAM
 - D. Discussion on updating the EDA business subsidy policy
 - E. SMIF Sprout program (informational only)
 - F. Housing data (informational only)
8. Old Business
 - A. Amba Homes housing development
 - B. CR 166 expansion
9. EDA Director update on businesses and housing
10. Director and Board Comments
11. Adjourn

STATE OF MINNESOTA

CITY OF ARLINGTON

COUNTY OF SIBLEY

ECONOMIC DEVELOPMENT AUTHORITY

**NOTICE OF PUBLIC HEARING
ON THE SALE OF LAND OWNED BY ARLINGTON EDA**

NOTICE IS HEREBY GIVEN that the Arlington Economic Development Authority will hold a public hearing at 5:30 p.m. on Monday, May 9, 2022. The meeting will be held at Arlington Community Center Chambers, 204 Shamrock Drive, Arlington, Minnesota, 55307 to consider the sale of land owned by the Arlington Economic Development Authority. The land is located on:

Parcel Identification Number: 31.0884.000

Legal Description: Part of the Northwest Quarter of the Northwest Quarter of Section 16, Township 113, Range 27

At this meeting, the Economic Development Authority will decide if it is advisable to sell the property under the City's Commercial Buildings and Lots Policy to Sew Quilty, LLC.

Copies of the Commercial Buildings & Lots Policy as well as the proposed purchase agreement will be on file and available for public inspection at the Arlington City Office located at the Arlington Community Center.

All interested persons may appear at the public hearing and present their views orally or in writing.

Amy Newsom
Arlington EDA Director
204 Shamrock Drive
Arlington, MN 55307

Publish: Week of April 25, 2022

Post: April 28, 2022

469.105 SALE OF PROPERTY.

Subdivision 1. **Power.** An economic development authority may sell and convey property owned by it within the city or an economic development district if it determines that the sale and conveyance are in the best interests of the city or district and its people, and that the transaction furthers its general plan of economic development. This section is not limited by other law on powers of economic development authorities.

Subd. 2. **Notice; hearing.** An authority shall hold a hearing on the sale. At the hearing a taxpayer may testify for or against the sale. At least ten, but not more than 20, days before the hearing the authority shall publish notice of the hearing on the proposed sale in a newspaper. The newspaper must be published and have general circulation in the authority's county and city. The notice must describe the property to be sold and state the time and place of the hearing. The notice must also state that the public may see the terms and conditions of the sale at the authority's office and that at the hearing the authority will meet to decide if the sale is advisable.

Subd. 3. **Decision; appeal.** The authority shall make its findings and decision on whether the sale is advisable and enter its decision on its records within 30 days of the hearing. A taxpayer may appeal the decision by filing a notice of appeal with the district court in the city or economic development district's county and serving the notice on the secretary of the authority, within 20 days after the decision is entered. The only ground for appeal is that the action of the authority was arbitrary, capricious, or contrary to law.

Subd. 4. **Terms.** The terms and conditions of sale of the property must include the use that the bidder will be allowed to make of it. The authority may require the purchaser to file security to assure that the property will be given that use. In deciding the sale terms and conditions the authority may consider the nature of the proposed use and the relation of the use to the improvement of the authority's city and the business and the facilities of the authority in general. The sale must be made on the authority's terms and conditions. The authority may publish an advertisement for bids on the property at the same time and in the same manner as the notice of hearing required in this section. The authority may award the sale to the bid considered by it to be most favorable considering the price and the specified intended use. The authority may also sell the property at private sale at a negotiated price if after its hearing the authority considers that sale to be in the public interest and to further the aims and purposes of sections 469.090 to 469.108.

Subd. 5. **One-year deadline.** Within one year from the date of purchase, the purchaser shall devote the property to its intended use or begin work on the improvements to the property to devote it to that use. If the purchaser fails to do so, the authority may cancel the sale and title to the property shall return to it. The authority may extend the time to comply with a condition if the purchaser has good cause. The terms of sale may contain other provisions that the authority considers necessary and proper to protect the public interest. A purchaser must not transfer title to the property within one year of purchase without the consent of the authority.

Subd. 6. **Covenant running with the land.** A sale made under this section must incorporate in the deed as a covenant running with the land the conditions of sections 469.090 to 469.108 relating to the use of the land. If the covenant is violated the authority may declare a breach of the covenant and seek a judicial decree from the district court declaring a forfeiture and a cancellation of the deed.

Subd. 7. **Plans; specifications.** A conveyance must not be made until the purchaser gives the authority plans and specifications to develop the property sold. The authority must approve the plans and specifications in writing. The authority may require preparation of final plans and specifications before the hearing on the sale.

History: 1987 c 291 s 106

Commercial Buildings & Lots Policy

The City of Arlington has acquired buildings and lots for the purpose of economic development. The intention of this policy is to set the price of commercial buildings and lots. The goal of the City of Arlington is to increase the tax base for the City. It is the purpose of this policy to outline the terms and conditions of the sale of buildings and lots with an assessed value of less than \$250,000.

1. Businesses must present a business plan to the EDA Director before sale of the land will be considered by the EDA. The EDA Director may also require additional financial documents including a credit check.
2. Sale of buildings and lots will be approved first by the EDA and then by the Arlington Council.
3. Commercial Buildings and Lots will be sold for \$1 per lot when the business meets the following criteria:
 - A. Will create at least 15 full-time equivalent (FTE) positions based in the City of Arlington.
4. Commercial Buildings and Lots will be sold for \$5,000 when the business meets the following criteria:
 - A. Will create at least 10 full-time equivalent (FTE) positions.
5. Commercial Buildings and Lots will be sold for \$10,000 when the business meets the following criteria:
 - A. Will create at least 5 full-time equivalent (FTE) positions.
6. If a lot(s) is purchased for \$1 or \$10,000 and construction is not started within 180 days of closing, the lot(s) will be returned to the City of Arlington. Purchase price will be refunded, minus closing costs.
7. Commercial Buildings and Lots that do not meet any of the above criteria will be sold at the Market Rate Value.
8. Closing will occur within 4 months of signing the purchase agreement.
9. A Development Agreement must be approved by City Council and both parties must adhere to the terms of the agreement.

Adopted by EDA: 5/14/2018
Adopted by City Council 5/21/2018
Amended by EDA: 6/11/18
Amended by City Council: 6/18/2018
Amended by EDA 8/10/2020
Amended by City Council: 8/17/2020
Amended by EDA 9/14/2020
Amended by Council 9/21/2020





**ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES**

APRIL 11, 2022 @5:30 P.M.

Arlington Community Center - Council Chambers

1. Call to Order – Meeting called to order at 5:30 pm by President Kurt Menk.
Present: Dean Bergersen, Larry Sorenson, Kurt Menk, Matt Scharpe, Tim Kloeckl, Joe Morgan, Howard Brinkman
Staff present: EDA Director Amy Newsom
Guests present: Rich Nagel, Phil Mangis, Kristine Knudten, Kristen Rickaby
2. Pledge of Allegiance – All stood for the Pledge of Allegiance
3. Approval of Agenda – Motion by Kloeckl to approve the agenda, seconded by Bergersen. Motion carried.
4. Approval of Minutes – Motion by Bergersen to approve the March 14, 2022 minutes, seconded by Sorenson. Motion carried.
 - A. March 14, 2022
5. Approval of Financial Report – Motion by Kloeckl to approve the March 2022 financial report, seconded by Scharpe. Motion carried.
 - A. March 2022
6. New Business
 - A. Proposal from Sew Quilty to purchase Swenson property
Kristine Knudten and Kristen Rickaby presented a proposal to build a quilting retreat with coffee shop on the Swenson property. Motion by Morgan, seconded by Brinkman to direct Newsom to complete a development agreement, purchase agreement and schedule a public hearing on the sale of the land.
 - B. Resolution #1-2022 A RESOLUTION GRANTING A LOAN TO GWEN SCHARPE DAYCARE FROM THE ARLINGTON EDA CHILD CARE LOAN PROGRAM – Motion by Sorenson, seconded by Morgan to approve Resolution #1-2022. Bergersen, Sorenson, Menk, Morgan, Scharpe, Brinkman voted in favor. None against. Scharpe abstained. None absent.
 - C. Proposed rec center – Newsom briefly updated the EDA on a recent proposal to Council by resident Ed Tully to create a rec center in Arlington, potentially partnering with the YMCA. Consensus of the EDA was not in favor of a rec center. Brinkman stated that he would rather see a motel in town, Scharpe

stated that he would like to see Community Ed doing more.

7. Old Business

- A. Consider request to purchase EDA land from Tony's Outdoor Services (discussion on draft of development agreements)- Consensus of the EDA Board not to move forward with either request from Hoff.
- B. Amba Homes housing development – Newsom stated that she sent an application to the developer for a preliminary plat review. The City has not received the application back.
- C. CR 166 expansion – Menk reported that the bonding requested has been presented on both the House and Senate floors. Newsom stated that she spoke with Representative Gruenhagen and he said that he would continue to push for our bonding bill.
- D. Low-income (affordable) housing – Review Tiny Home Policy – consensus to table to future meeting.
- E. Update on apartment complexes -Newsom reported that the developer of the 2, 27-unit apartment complexes has withdrawn their project.
- F. Update on motel – Phil Mangis reported that he plans to meet with Daryl Thurn to work on the proposed motel.

8. Planning and Zoning update – none.

9. EDA Director update on businesses and housing – Update from EDA Board regarding daycare building on main street for sale, the building and business may be sold.

10. Director and Board Comments - Sorenson reported that he was a delegate at the Republication delegation on Saturday, April 9. He felt that Arlington and the Community Center were all received.

11. Adjourn – Motion by Kloeckl to adjourn the meeting at 6:34 pm, seconded by Bergersen. Motion carried.

EDA Director Amy Newsom

EDA President Kurt Menk

BARE LAND PURCHASE AGREEMENT

PARTIES. This Purchase Agreement is made on **May 9, 2022** by and between the following parties:

Seller name(s) and address: City of Arlington
204 Shamrock Drive
Arlington, MN 55307

Buyer name(s) and address: Sew Quilty, LLC
206 Fairway Circle
Glencoe, MN 55336

2. **OFFER/ACCEPTANCE.** Buyer offers to purchase and Seller agrees to sell real property legally described as:

Part of the Northwest Quarter of the Northwest Quarter of Section 16, Township 113, Range 27 described as follows:

Commencing at the northwest corner of Said Section 16; thence on an assumed bearing of North 90 degrees 00 minutes 00 seconds East along the North line of said Northwest Quarter 436.50 feet to the point of beginning of the tract to be described; thence South 00 degrees 00 minutes 00 seconds West 200.00 feet thence North 90 degrees 00 minutes 00 seconds West 439.65 feet to the West line of said Northwest Quarter; thence South 00 degrees 54 minutes 05 seconds West along said West line 745.51 feet to the northerly right-of-way line of Trunk Highway Number 5; thence North 58 degrees 33 minutes 24 seconds East along said northerly right-of-way line 909.77 feet; thence North 00 degrees 00 minutes 00 seconds East 470.83 feet to the North line of said Northwest Quarter; thence South 90 degrees 00 minutes 00 seconds West along said North line 324.80 feet to the point of beginning.

Property Tax ID #: 31.0884.000

Located at the intersection of Minnesota State Highway 5 and Sibley County Highway 9, City of Arlington, County of Sibley, State of Minnesota.

3. **ACCEPTANCE DEADLINE.** This offer to purchase, unless accepted sooner, shall be null and void at 11:59 P.M. on **June 9, 2022.**
4. **PERSONAL PROPERTY AND FIXTURES INCLUDED IN SALE.** There are no fixtures or personal property included in this sale.

5. **PRICE AND TERMS.** The price for the real property included in this sale is \$1.00, which Buyer shall pay as follows:

\$1.00 shall be paid at closing of this sale, which shall be conducted as soon as all contingencies are met, but no later than **September 1, 2022**.

6. **DEED/MARKETABLE TITLE.** Upon performance by Buyer, Seller shall execute and deliver a Warranty Deed, joined in by spouse, if any, conveying marketable title, subject to:

- A. Building and zoning laws, ordinances, state and federal regulations;
- B. Restrictions relating to use or improvement of the property without effective forfeiture provisions;
- C. Reservation of any mineral rights by the State of Minnesota;
- D. Utility and drainage easements which do not interfere with existing improvements;
- E. Exceptions to title which constitute encumbrances, restrictions, or easements which have been disclosed to Buyer and accepted by Buyer in the Purchase Agreement;

- Tile line easement in favor of Harold and Rita Melsha dated April 30, 1962, recorded May 14, 1962 in Miscellaneous Book 10, page 163.
- Shared roadway access easement in favor of Wayne and Joyce Swenson, dated November 30, 2005, recorded December 12, 2005 as Document A-204269.
- A farm lease to Alex Fredin for the 2022 crop season. There is a provision in this lease allowing the City of Arlington to cancel the lease and give any Third Party Buyer immediate possession. With the understanding that Buyer does not plan to conduct any construction on the property before spring, 2023, the farm tenant shall be allowed to bring his 2022 crop to harvest. The City shall receive the farm lease payments under the terms of said lease.

7. **REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.** Real estate taxes due and payable in and for the year of closing shall be paid as follows:

Seller shall pay all real estate taxes due and payable in 2022. Buyer shall pay all real estate taxes thereafter.

Seller represents that the taxes due and payable in the year 2023 will be non-homestead classification, unless Buyer changes the tax classification for taxes payable in the year following closing by taking possession of the property as Buyer's homestead and filing a new homestead declaration within the time required by law.

Installments of Special Assessments certified for payment with the real estate taxes due and payable in the year of closing shall be paid as follows:

- By Seller.**
- By Buyer.**

Prorated between Seller and Buyer as of the date of closing.

As of the date of this Agreement, Seller represents that Seller has not received a Notice of Hearing of a new public improvement project from any governmental assessing authority, the costs of which project may be assessed against the property. If a special assessment becomes pending **after** the date of this agreement and **before** the date of closing, Buyer may, at Buyer's option:

- A. Assume payment of the pending special assessment without adjustment to the purchase agreement price of the property; or,
- B. Require Seller to pay the pending special assessment (or escrow for payment of same as provided above) and Buyer shall pay a commensurate increase in the purchase price of the property, which increases shall be the same as the estimated amount of the assessment; or,
- C. Declare this Agreement null and void by notice to Seller, and earnest money shall be refunded to Buyer.

SELLER SHALL PAY ON DATE OF CLOSING any deferred real estate taxes or special assessments payment of which is required as a result of the closing of this sale.

Buyer shall pay real estate taxes due and payable in the year following closing and thereafter and any unpaid special assessments payable therewith and thereafter, the payment of which is not otherwise provided for herein. Seller makes no representation concerning the amount of future real estate taxes or of future special assessments.

- 8. DAMAGES TO REAL PROPERTY.** If the real property is substantially damaged prior to closing, this Agreement shall terminate and the earnest money shall be refunded to Buyer. If the real property is damaged materially but less than substantially prior to closing, Buyer may rescind this Agreement by notice to Seller within 21 days after Seller notifies Buyer of such damage, during which 21-day period Buyer may inspect the real property, and in the event of such rescission, the earnest money shall be refunded to Buyer.
- 9. SELLER'S BOUNDARY LINE, ACCESS, RESTRICTIONS AND LIEN WARRANTIES.** The property abuts public rights of way, which will be the presumed public access to the property. Seller warrants that there has been no labor or material furnished to the property for which payment has not been made. Seller warrants that there are no present violations of any restrictions relating to the use or improvement of the property. These warranties shall survive the delivery of the deed or contract for deed.
- 10. CONDITION OF PROPERTY.** Seller has not received any notice from any governmental authority as to the existence of any Dutch Elm disease, Oak wilt, or other disease of any trees on the property. To the best of Seller's knowledge no hazardous substances or

petroleum products have been placed, stored, or released from or on the property by any party in violation of any law, nor have any underground storage tanks been located on the property at any time, except as follows:

NONE

Seller's warranties and representations contained in this paragraph 10 shall survive the delivery of the Deed or Contract for Deed, provided that any notice of a defect or claim or breach of warranty must be in writing and given by Buyer to Seller within one year of the date of closing or be deemed waived.

Buyer shall have the right to have inspections of the property conducted prior to closing. Unless required by local ordinance or lending regulations, seller does not plan to have the property inspected. Other than the representations made in this paragraph 10, the property is being sold "**AS IS**" with no express or implied representation or warranties by seller as to physical conditions, quality of construction, workmanship, or fitness for any particular purpose. (This paragraph is not intended to waive or modify any provisions of Minn. Stat., Chapter 327A.)

11. **DISCLOSURE OF NOTICES.** Seller has not received any notice from any governmental authority as to violation of any law, ordinance or regulation affecting the property. If the property is subject to restrictive covenants, Seller has not received any notice from any person as to a breach of the covenants.

12. **POSSESSION.** Seller shall deliver possession of the property not later than **the completion of the farm tenant's 2022 harvest, but in any case no later than December 31, 2022.** All interest, fuel oil, liquid petroleum gas, and all charges for city water, city sewer, electricity, and natural gas shall be prorated between the parties as of **the possession date.**

13. **EXAMINATION OF TITLE.** Within a reasonable time after acceptance of this Agreement, Seller shall furnish Buyer with an Abstract of Title or a Registered Property Abstract certified to date including proper searches covering bankruptcies and State and Federal judgments, liens, and levied and pending special assessments. Buyer shall have ten (10) business days after receipt of the Abstract of Title or Registered Property Abstract either to have Buyer's attorney examine the title and provide Seller with written objections or, at Buyer's own expense, to make an application for a Title Insurance Policy and notify Seller of the application. Buyer shall have (10) business days after receipt of the Commitment for Title Insurance to provide Seller with a copy of the Commitment and written objections. Buyer shall be deemed to have waived any title objection not made within the (10) day period, except that this shall not operate as a waiver of Seller's covenant to deliver a statutory Warranty Deed, unless a Warranty Deed is not specified above.

14. TITLE CORRECTIONS AND REMEDIES. Seller shall have 120 days from receipt of Buyer's written title objections to make title marketable. Upon receipt of Buyer's title objections, Seller shall, within ten (10) business days, notify Buyer of Seller's intention to make title marketable within the 120 day period. Liens or encumbrances for liquidated amounts which can be released by payment or escrow from proceeds of closing shall not delay the closing. Cure of the defects by Seller shall be reasonable, diligent, and prompt. Pending correction of title, all payments required herein and the closing shall be postponed.

- A. If notice is given and Seller makes title marketable, then upon presentation to Buyer and proposed lender of documentation establishing that title has been made marketable, and if not objected to in the same time and manner as the original title objections, the closing shall take place within ten (10) business days or on the scheduled closing date, whichever is later.
- B. If notice is given and Seller proceeds in good faith to make title marketable but the 120 day period expires without title being made marketable, Buyer may declare this Agreement null and void by notice to Seller, neither party shall be liable for damages hereunder to the other, and earnest money shall be refunded to Buyer.
- C. If Seller does not give notice of intention to make title marketable, or if notice is given but the 120 day period expires without title being made marketable due to Seller's failure to proceed in good faith, Buyer may seek, as permitted by law, any one or more of the following:
 - 1. Proceed to closing without waiver or merger in the deed of the objections to title and without waiver of any remedies, and may:
 - (a) seek damages, costs, and reasonable attorneys' fees from Seller as permitted by law (damages under this subparagraph (a) shall be limited to the costs of curing objections to title, and consequential damages are excluded); or
 - (b) Undertake proceedings to correct the objections to title;
 - 2. Rescission of the Purchase Agreement by notice as provided herein, in which case the Purchase Agreement shall be null and void and all earnest money paid hereunder shall be refunded to Buyer.
 - 3. Damages from Seller together with costs and reasonable attorneys' fees, as permitted by law;
 - 4. Specific performance within six months after such right of action arises.
- D. If title is marketable, or is made marketable as provided herein, and Buyer defaults in any of the agreements herein, Seller may elect either of the following options, as permitted by law:
 - 1. Cancel this contract as provided by statute and retain all payments made hereunder as liquidated damages. The parties acknowledge their intention that any note given pursuant to this contract is a down payment note, and may be presented for payment notwithstanding cancellation;
 - 2. Seek specific performance of this Agreement within six months after such right of action arises, including costs and reasonable attorneys' fees, as permitted by law.

- E. If title is marketable, or is made marketable as provided herein, and Seller defaults in any of the agreements herein, Buyer may, as permitted by law:
1. Seek damages from Seller including costs and reasonable attorneys' fees;
 2. Seek specific performance within six months after such right of action arises.

TIME IS OF THE ESSENCE FOR ALL PROVISIONS OF THIS AGREEMENT.

- 15. NOTICES.** All notices required herein shall be in writing and delivered personally or mailed to the address as shown at Paragraph 1, above and, if mailed, are effective as of the date of mailing.
- 16. AGENCY DISCLOSURE NOTICE:** No agent represents the seller.
- 17. SURVEY OF LAND.** The parties agree that no new boundary survey of the property shall be conducted. Sellers previously surveyed this property and will provide a copy of survey to Buyer
- 18. MINNESOTA LAW.** This contract shall be governed by the laws of the State of Minnesota.
- 19. WELL DISCLOSURE.** Check one of the following:
- Seller certifies that Seller does not know of any wells on the described real property.**
- Wells on the subject real property are disclosed by Seller on the attached Well Disclosure form.
- 20. ADDITIONAL TERMS.**
- A. This sale is contingent upon the Buyer receiving city zoning approval for Buyer's intended use of the property.
- B. This sale is contingent upon Buyer obtaining approval from Sibley County for an appropriate driveway access to the property from Sibley County Highway 9 bordering the property on the west.
- C. This sale is contingent upon seller obtaining a release of the tile line easement in favor of Harold and Rita Melsha noted at paragraph 6 E above, if such release is requested by Buyer.

- D. This sale shall be subject to a Developer's Agreement to be entered into between the parties at closing, governing the future use of the property, a copy of which is attached at Appendix A and made a part of this agreement.
- E. The Buyer and Seller warranty that they have the requisite authority to execute this Agreement and bind the parties to the terms and condition contained herein.

I agree to sell the property for the price and terms and conditions set forth above.

I agree to purchase the property for the price and terms and conditions set forth above.

SELLER SIGNATURES:

For City of Arlington:

**Printed Name:
Richard Nagel, Mayor**

**Printed Name:
Amy Newsom, City Administrator**

Dated: _____

BUYER SIGNATURES:

For Sew Quilty, LLC:

**Printed Name:
Kristine Knudten, President/Chief
Manager**

**Printed Name:
Kristen Rickaby, Chief Financial
Officer**

Dated: _____

DEVELOPMENT AGREEMENT

The City of Arlington, a Minnesota municipal corporation, hereafter "City" and Sew Quilty, LLC, a Minnesota Limited Liability Company, hereafter "Buyer", hereby agree as follows:

1. City has agreed to sell to Buyer the following described real estate, hereafter "Premises":

Part of the Northwest Quarter of the Northwest Quarter of Section 16, Township 113, Range 27 described as follows:

Commencing at the northwest corner of Said Section 16; thence on an assumed bearing of North 90 degrees 00 minutes 00 seconds East along the North line of said Northwest Quarter 436.50 feet to the point of beginning of the tract to be described; thence South 00 degrees 00 minutes 00 seconds West 200.00 feet thence North 90 degrees 00 minutes 00 seconds West 439.65 feet to the West line of said Northwest Quarter; thence South 00 degrees 54 minutes 05 seconds West along said West line 745.51 feet to the northerly right-of-way line of Trunk Highway Number 5; thence North 58 degrees 33 minutes 24 seconds East along said northerly right-of-way line 909.77 feet; thence North 00 degrees 00 minutes 00 seconds East 470.83 feet to the North line of said Northwest Quarter; thence South 90 degrees 00 minutes 00 seconds West along said North line 324.80 feet to the point of beginning.

2. Consideration for this purchase is \$1.00, and the agreement of Buyer that Buyer will construct building improvements on the Premises, of a construction cost of at least **\$1,000,000.00**. **Said construction shall begin NO LATER THAN September 1, 2023, and be completed NO LATER THAN December 31, 2023.** It is the understanding and intent of this agreement that Buyer will construct such improvements in order to provide a place of operation for Buyer's quilt-making retail sales, and skills training business, with possible customer food service and lodging facilities.
3. If Buyer does not begin construction of the business building on the Premises by **September 1, 2023**, then at the option of the City, the City can require Buyer to deed back the property to the City for \$1.00. To expedite this possible reversion of the title to the City, Buyer shall execute a quit claim deed in recordable form and place it in escrow with the City, with the understanding that the City shall have the right to record said deed if the construction does not commence by **September 1, 2023**. If the condition in this paragraph is met, then the City agrees to promptly return said deed to Buyer for destruction.
4. If, through no fault of Buyer, weather conditions, non-availability of building materials, or any other cause prevents Buyer from beginning the building improvements on the Premises or completing said improvements by the respective deadline dates contained in paragraph 2 above, Buyer may be granted an extension of time to begin and/or complete such building improvements, in the sole discretion of the City.

5. As further consideration for this purchase, Buyer agrees that Buyer shall employ at least 15 full time equivalent employees working primarily on the Premises, within two years after completion of the building improvements. Upon sufficient showing of the hiring of 15 full time equivalent employees by the Buyer, the City shall record a partial satisfaction of this agreement, releasing Buyer from this obligation. If this condition is not fulfilled, then at the option of the City, the City can require Buyer to pay an amended Premises purchase price, which shall be the Market Rate Value. For purposes of this agreement, the Sibley County Assessor's estimated market value for 2022 of \$54,400.00 will be considered the Market Rate Value. Such amended purchase price shall be paid by Buyer to the City within 30 days after written demand by the City for such payment, following the failure of Buyer to meet the employment goals as set out in this paragraph.
6. Municipal sewer and water service are not available to the Premises at this time. The City of Arlington will undertake construction of city sewer and water service infrastructure to the Premises at the Buyer's cost. The City will assist Buyer in applying for a State of Minnesota Business Development Public Infrastructure Grant to cover 50% of the cost of said sewer and water infrastructure extension. The City cannot guarantee that such grant will be approved.
7. The parties agree that this agreement is contingent on the Buyer receiving City real estate tax abatements for a period of up to 10 years to reimburse the Buyer for its costs in improving the Premises. This sale is also contingent on Sibley County also granting real estate tax abatements for a period of up to 10 years. If such abatements are not granted, Buyer may cancel this Premises purchase, in which case the Buyer shall deed the property back to the City for \$1.00.
8. The City will support the efforts of Buyer to secure financing for construction and equipping of this project to include possible available public sector financing. The City will make available its financial advisor and city staff to aid in such applications.

Dated: _____, **2022**

For City of Arlington:

By Richard Nagel
Its Mayor

By Amy Newsom
Its City Administrator

STATE OF MINNESOTA
COUNTY OF SIBLEY

The foregoing instrument was acknowledged before me on _____, 2022, by Richard Nagel and Amy Newsom, respectively the Mayor and City Administrator of the City of Arlington, a Minnesota municipal corporation.

NOTARIAL STAMP

**SIGNATURE OF PERSON TAKING
ACKNOWLEDGMENT**

Dated: _____, 2022

For Sew Quilty, LLC:

Kristine Knudten
Its President/Chief Manager

Kristen Rickaby
Its Chief Financial Officer

STATE OF MINNESOTA
COUNTY OF SIBLEY

The foregoing instrument was acknowledged before me on _____, 2022, by Kristine Knudten and Kristen Rickaby, respectively the President/Chief Manager and Chief Financial Officer of Sew Quilty, LLC, a Minnesota Limited Liability Company.

NOTARIAL STAMP

**THIS INSTRUMENT WAS DRAFTED
BY:**

Ross R. Arneson
Attorney At Law, (Lic. 313X)
302 West Main, Box 529
Arlington, MN 55307
(507) 964-5753

SIGNATURE OF PERSON TAKING
ACKNOWLEDGMENT

EDA RESOLUTION NO. 2-2022

A RESOLUTION GRANTING A LOAN TO MACKENZIE RUTHER D.B.A THE ROOST SCHOOLHOUSE DAYCARE FROM THE ARLINGTON EDA CHILD CARE LOAN PROGRAM

Motion by Commissioner _____

Seconded by Commissioner _____

WHEREAS, The Roost Schoolhouse, 329 West Main Street, Arlington, MN has applied for a Child Care Loan available through the EDA; and

WHEREAS, the Applicant requested a forgivable loan in the amount of \$1,000 or fifty (50) percent of the actual project cost, whichever is less; and

WHEREAS, the purpose of the loan is to help new daycare providers by covering the costs of startup expenses, these expenses include: training for new employees, licensing, fire extinguisher, various supplies, and other requirements; and,

WHEREAS, The Roost Schoolhouse must meet the following program requirements:
The Loan is to be made from the EDA Child Care Loan Program and will be forgiven provided the Borrower remains in business on the Property for at least one year following the disbursement of the Loan and the Project is substantially completed within a reasonable period of time defined as one hundred eighty (180) days.

NOW, THEREFORE, BE IT RESOLVED, that the Arlington Economic Development Authority hereby grant a loan to Gwen Scharpe from the Arlington EDA Child Care Loan Program. This resolution shall be effective as of the date hereof.

Yes No Abstain Absent

Bergersen
Brinkman
Kloeckl
Menk
Morgan
Scharpe
Sorenson

Adopted by the Economic Development Authority of the City of Arlington this 9th day of May 2022.

Signed: _____
Kurt Menk, President

Attest: _____
Amy Newsom, EDA Director

**ARLINGTON CHILD CARE
LOAN PROGRAM APPLICATION**

NOTE: Please read attached program criteria carefully before completing the application

Business Name: the Roost Schoolhouse

Property Address: 329 W Main St. Arlington, MN 55307

Business Owner(s): Mackenzie Ruether - Ruether's Roost, LLC

Property Owner(s): Cinder Property Management, LLC

Mailing Address: 103 E Brooks St, Arlington, MN 55307

Phone Number: 320-510-1943

Fax Number:

E-Mail Address: mackenzie.ruether@gmail.com

1. On the attached page, please identify the specific expenses you are proposing.

EXPENSE DESCRIPTION

Please provide an accurate and thorough list of your expenses.

- training for new employees (\$150)
 - new play equipment (\$850)
 - fire marshalls visit (\$50)
 - monitors (\$100)
-
-
-
-
-
-
-
-

Based on the description of your project and your motivation for wanting to make these improvements, please place a check mark next to that project preference item you feel your project meets.

Will create new child care slots and reduce the gap in the number of child care slots in the City of Arlington.

Result in a ratio of private investment to public investment greater than 2:1.


Loan Disbursement

Awarded loan funds will be dispersed to the child care provider upon submittal of receipts or invoices for supplies purchased and inspection of said receipts by the EDA Director .

I/We understand that any intentional misstatements will be grounds for disqualification.

I/We further understand that I/we will make the final selection of the improvements to be made with the loan funds and that the contract for improvements will be solely between myself and the contractor(s). Neither the City of Arlington nor the EDA will be liable for the inadequate performance of the contractor(s).

The information on this application is accurate. I have read, understand, and agree to comply with the program criteria for the Arlington Child Care Loan Program.

Authorized Agent: 

Date: 4/13/22

Title: owner/operator

Mail or Deliver to:
City of Arlington
Economic Development Authority
204 Shamrock Drive
Arlington MN 55307

City of Arlington

Business Subsidy Policy and Criteria

1. PURPOSE

- 1.01 This policy's purpose is to establish the City's position relating to the use of tax increment financing, tax abatement, industrial revenue bonds and other business assistance programs for private development. The City and EDA will use this policy as a guide in processing and reviewing applications requesting tax increment, tax abatement, bonding and other business assistance.
- 1.02 The City and the EDA may amend or waive any part of this policy as they determine necessary or appropriate in their sole discretion. *(As per statute, only by documenting in writing the reasons for the deviation and attaching a copy of the document to its next annual report to DEED)*

2. STATUTORY LIMITATIONS

- 2.01 This policy is adopted in compliance with M.S. 116J.994 Subd. 2. A copy of the policy shall be submitted to the Department of Employment and Economic Development along with the first annual Business Subsidy report. All business assistance requests must comply with applicable Minnesota law.

3. ELIGIBLE BUSINESS ASSISTANCE USES

- 3.01 The City and the EDA will consider using business assistance tools to assist private development only in those circumstances in which the proposed project meets at least one of the following public purposes:
- A. To redevelop blighted or under-utilized areas of the community.
 - B. To meet the following housing-related uses:
 - 1. To provide a diversity of housing not currently provided by the private market.
 - 2. To provide a variety of housing ownership alternatives and housing choices.
 - 3. To promote affordable housing for low or moderate income individuals.
 - 4. To promote neighborhood stabilization and revitalization by the removal of blight and the upgrading in existing housing stock in residential areas.
 - C. To remove blight and encourage redevelopment in the City's commercial and industrial areas to encourage high levels of property maintenance and private reinvestment in those areas.

- D. In combination with any other use provided for in this section, to increase the City's tax base to ensure the City's long-term ability to provide adequate services for its residents while lessening the reliance on residential property tax.
- E. To retain local jobs where job loss is specific and demonstrable, increase the local job base and create high quality job growth, and provide diversity in the job base.
- F. To enhance economic growth and diversity and encourage additional unsubsidized private development in the area, either directly, or through secondary "spin-off" development.
- G. To offset increased redevelopment costs, over and above those costs that a developer would incur in normal development, and to encourage redevelopment and revitalization of the City or specific areas within the City.
- H. To retain a stable and centralized business area and downtown to assist in assuring the City's continued vitality, culture and identity and to provide for a centralized and convenient location of retail sales and services for City residents.
- I. To accelerate the development process and to achieve development on sites which would not be developed without assistance.

4. BUSINESS ASSISTANCE PROJECT APPROVAL CRITERIA

- 4.01 All new projects the City or EDA approves must meet all of the following mandatory minimum approval criteria. However, the City or EDA will not automatically approve a project meeting these criteria, and meeting these criteria will not create contractual rights on the part of any potential applicant or developer.
- A. The assistance must be provided within applicable state legislative restrictions, State Auditor interpretations, debt limit guidelines, and other appropriate financial and legal requirements and policies.
 - B. The project must meet at least one of the uses outlined in Section 3 above.
 - C. The project must be in accord with the City's Comprehensive Plan and Zoning Ordinances, or required changes to the Plan and Ordinances must be under active consideration by the City at the time of approval.
 - D. The applicant must demonstrate that the project would not be created on the same scale and/or quality without City or EDA Business Assistance. The applicant should maximize the amount of private investment in the project. The City or EDA may undertake an independent review of the project to help ensure that the request for assistance is valid.
 - E. Before approving a Business Assistance Plan, the City or EDA may require an applicant to provide any required market and financial feasibility studies, appraisals, soil boring, information provided to private lenders for the project, and any other information or data that the City, the EDA or their financial consultants may require to independently review the project.

- F. An applicant requesting business assistance must demonstrate past successful general development capability as well as specific capability in the type and size of proposed development.
- G. If applicable, the applicant must retain ownership of the project at least long enough to complete it, to stabilize its occupancy, and to establish the project's management.
- H. The applicant must demonstrate evidence of required equity and other project financing sources. The applicant should reduce its level of needed business assistance funding to the lowest possible level and least amount of time by maximizing the use of private debt and equity financing first, and then using other funding sources or income producing vehicles that can be structured into the project's financing, before using additional business assistance funding.
- I. The project must be located in the City or planning to locate in the City before completion.
- J. The applicant must use all business assistance funding from the City or EDA for land and/or building improvements which increase the property's tax value, foster future economic development within the City, and maintain existing or create additional jobs in the City.
- K. *The Applicant must demonstrate a clear and ongoing commitment to the community by providing living wage jobs to their employees and to City residents, and where applicable, by giving priority to those residents.)* The hourly wage to be paid for jobs created as a result of receiving business assistance from the City or HRA cannot be less than \$12.25 per hour, not including benefits. The City or HRA may deviate from this requirement according to state law depending on the type of job(s) created.
- L. The applicant must demonstrate the ability to repay the business assistance if the goals set forth in the business assistance agreement are not met.
- M. *The applicant agrees to comply with annual Business Subsidy Reporting Requirements as required by Business Subsidy Statute M.S. 116J.993-116J.995 and/or Job Opportunity Building Zone (JOBZ) statute M.S. 469.310-469.320*
- N. *All other things being equal and to the extent legally possible, the City will give preferential treatment for business subsidies to businesses that engage in responsible labor relations defined as neutrality on union organizing.*

5. BUSINESS ASSISTANCE PROJECT EVALUATION CRITERIA

- 5.01 The City or EDA will evaluate all projects on the following criteria for comparison with other proposed business assistance projects reviewed by the City and the EDA, and for comparison with other subsidy standards (where appropriate). Changes in local markets, construction costs, and interest rates may cause changes in the amounts of business assistance subsidies that a given project may require at any given time.
- 5.02 While some criteria, by their very nature, must remain subjective, the City and HRA have established possible "benchmark" criteria for review purposes. The fact that a given proposal meets one or more "benchmark" criteria does not mean that the project is entitled to funding under this policy, but rather that the City or EDA is in a position to proceed with evaluations of (and comparisons between)

various business assistance proposals, using uniform standards whenever possible.

5.03 The City or EDA will use the following evaluation criteria:

- A. All proposals should optimize a site's private development potential.
- B. All proposals should create the highest feasible number of jobs on the site given the project's nature and other goals.
- C. All proposals must meet all applicable business assistance criteria established by the City or EDA.
- D. All proposals should create the highest possible ratio of property taxes paid before and after redevelopment after taking into consideration all of the project's goals. Given the different assessment circumstances in the City, this ratio will vary widely.
- E. Proposals should normally not be used to support speculative industrial, commercial, and office projects.
- F. The City or EDA will not normally provide business assistance to a project that involves an excessive land and/or property price.
- G. All projects obtaining business assistance must meet the "but for" test. The City or EDA will not provide assistance unless the need for the City's or EDA's economic participation is sufficient that, without that assistance, the project could not proceed in the manner as proposed.
- H. The City or EDA will not provide business assistance if the project developer's credentials, in the sole judgment of the City or EDA, are inadequate due to past track record relating to project completion, general reputation and/or bankruptcy, or other problems or issues considered relevant by the City or EDA.
- I. The City or HRA will not normally use business assistance for projects that would generate significant environmental or social problems in the opinion of the local, state, or federal governments.
- J. The City or EDA will not provide business assistance funding to those projects that fail to meet good public policy criteria including project quality; projects that are not in accord with the City's comprehensive plan, zoning, redevelopment plans and policies; projects that provide no significant improvement to surrounding land uses, the neighborhood, and/or the City; where applicable, projects that do not provide a significant increase in tax base; where applicable, projects that do not have significant new, or retained, employment; projects that do not meet financial feasibility criteria established by the City or EDA; and projects that do not provide the highest and best desired use for the property.

6. APPLICATION PROCESS AND FEES

- 6.01 All applicants for business assistance must fill out and submit a Pre-application for Business Assistance form to the City or EDA.
- 6.02 Based upon the Pre-application submitted, the City or EDA may request the applicant to fill out and submit a formal Business Assistance Application.
- 6.03 All applications must include an application fee as established by the City or HRA. As of August 1, 2004 the application fee is \$250. For projects and types of assistance not listed, the City or EDA may establish a fee based upon the specific assistance requested.
- 6.04 All applications that are approved by the City of Arlington will have an annual administrative fee of .25% of the gross income or a cap of \$2,500.

7. BUSINESS ASSISTANCE AWARD

- 7.01 The City or EDA shall consider, evaluate and make a decision regarding a business assistance application within sixty (60) days after receiving a properly completed Business Assistance Application.
- 7.02 *If the amount of the requested business assistance exceeds \$100,000, the City or EDA will hold a public hearing before granting or denying the business assistance. The City or HRA will publish notice of the public hearing at least ten (10) days before the hearing.*
- 7.03 If the City or EDA decides to grant any business assistance to the applicant, the applicant and the City or HRA must enter into a Business Assistance Agreement containing at least the following elements: *Review if we need to do this for our grant program and bldg permit rebate program.)*
- A. A description of the business assistance, including the amount and type of assistance, and the type of district if tax increment financing is provided.
 - B. A statement of the business assistance's use and public purpose.
 - C. Measurable, specific and tangible goals for the business assistance.
 - D. A description of the recipient's financial obligations if the goals are not met.
 - E. A statement of why the subsidy is needed.
 - F. The recipient's commitment to continue operations in the City for at least five (5) years.
 - G. The name and address of the recipient's parent corporation, if any.
 - H. A detailed list of all financial assistance by all grantors for the project.
 - I. Goals for the number of jobs created or retained, and wage goals for the jobs created or retained, if any.

8.0 BUSINESS SUBSIDY REQUIREMENTS

- A. *Any time the City of Arlington provides a business subsidy to a Qualified Business or Recipient, that business is subject to the wage goals, job goals and other criteria set forth in this policy. In the event of a conflict between the requirements of the Business Subsidy statute M.S. §§ 116J.993 - 116J.995 and the JOBZ statute M.S. §§ 469.310 - 469.320, the JOBZ statute shall control.*
- B. *The recipient, in the case of a quantifiable non-JOBZ business subsidy, shall create and retain at least one full-time living wage job and which provide employer paid basic health insurance for each \$25,000 of business subsidy received. These jobs shall be created not later than [redacted] (Specify date.)*
- C. *The qualified business in the case of a currently non-quantifiable JOBZ business subsidy, must create and retain for the period of the JobZone duration or until December 31, 2015, whichever is shorter, at least [redacted] (#) of jobs that pay a living wage; and which provide employer paid basic health insurance. These jobs shall be created not later than [redacted] (Specify date.)*
- D. *The City of Arlington may deviate from wage and job criteria in this Section. By documenting the reason in writing for the deviation and attaching a copy of this reason to the next annual Business Subsidy Report submitted to DEED.*
- E. *The City of Arlington shall have an overall goal of 10% of new jobs created under this policy will be held by City of Arlington residents. It is expected that all qualified businesses or recipients shall have a quantified target for the number of residents to be hired.*
- F. *The City shall require all businesses receiving a business subsidy to comply with the following:*

1. *Attend a properly noticed public hearing shall be held by the City as provided by M.S. § 116J.994. The purpose of the hearing shall be held to identify the criteria that the qualified business or recipient will meet in order to be eligible to receive a business subsidy or become a qualified business for purposes of the JOBZ statute. The hearing shall specify the subsidy provided, public purpose(s) that shall be achieved by offering the subsidy, and shall specify the measurable, specific, and tangible goals committed to by the qualified business. As provided by M.S. 116J.994, Subd. 5., a public notice shall be published in print and if possible, on the internet, at least 10 days prior to the hearing, identifying the location, date time and place of the hearing; and providing information about the business subsidy proposed, including a summary of the terms of the subsidy.*
2. *If the business is qualified to receive JOBZ tax benefits, that business shall agree to continue to operations in the jurisdiction where the subsidy is used (the subzone) for the duration of the job zone term.*
3. *If the qualified business or recipient is a relocating business under the definition in this agreement, the business shall be required to enter into a binding written "Relocation Agreement between the qualified business and the commissioner of DEED pledging that the qualified relocating business will either:*
 - (a) *increase full-time for full-time equivalent employment in the first full year of operation within the job opportunity building zone by at least 20 percent,*
or
 - (b) *make a capital investment on the property equivalent to 10% of the gross revenues of operation that was relocated in the immediately preceding taxable year; and provides for repayment of all tax benefits if the requirements of (a) or (b) are not met.*

9. Definitions

- 9.01** *"Authorized Business Subsidy Signatory" means the President of the Mayor of the City of Arlington and/or the EDA Director and Treasurer, who are authorized by this Policy to execute business subsidy agreements on behalf of the City of Arlington and/or Arlington EDA;*
- 9.02** *"JOBZ Business Subsidy" means tax exemptions or tax credits available to a qualified business located in a job zone under the Job Opportunity Building Zone (JOBZ) statute M.S. §§ 469.310 - 469.320;*
- 9.03** *"Business Subsidy" means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business, and as defined by the Business Subsidy statute M.S. §§ 116J.993 - 116J.995. Business subsidy does not include the following:*
1. *assistance of less than \$25,000.*
 2. *assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of businesses, size, location or similar general criteria;*
 3. *public improvements to buildings or lands owned by the (CHOOSE) City/Township/County that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;*
 4. *property polluted by contaminants being redeveloped as defined in M.S. § 116J.552, subd. 3.*

5. assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance to designated historic preservation sites or districts, provided that the assistance is equal to or less than 50% of the total cost of the development;
6. assistance to provide job readiness and training services;
7. assistance for housing;
8. assistance for pollution control or abatement, including assistance from a TIF hazardous substances subdistrict;
9. assistance for energy conservation;
10. tax reductions resulting from conformity with federal tax law;
11. workers compensation and unemployment compensation;
12. benefits derived from regulation;
13. indirect benefits derived from assistance to educational institutions;
14. funds from bonds allocated under M.S., Chapter 47A refunding bonds and 501(c)(3) bonds;
15. assistance for collaboration between a Minnesota higher education institution and a business;
16. assistance from a tax increment financing soils condition district as defined under M.S.469.174, subd.19;
17. redevelopment when the Recipients or Qualified Business' investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current years estimated market value;
18. general changes in tax increment financing law and other general tax law changes of a principally technical nature;
19. federal assistance until the assistance has been repaid to and reinvested by the local governmental unit;
20. funds from dock or wharf bonds issued by a seaway port authority;
21. business loans or loan guarantees of \$100,000 or less; and
22. federal loan funds provided through the U.S. Economic Development Administration.

9.04 **"Business Subsidy Report"** means the annual report submitted by the LGA required to comply with M.S. § 116J.994 Subd. 7. (b);

9.05 **"Criteria"** means the equitably applied, uniform standards by which the Economic Development Agency and /or the City bases its decision to award any business subsidy to a private business or development project establishing a business and creating jobs in the City of Arlington;

9.06 **"DEED"** means Minnesota Department of Employment and Economic Development;

9.07 **"Economic Development Agent"** means the city department, local or regional economic development agency or other authorized entity that is empowered to solicit, negotiate and form business subsidy agreements on behalf of the City of Arlington. Economic Development Agent for the City of Arlington shall be the Arlington EDA, hereinafter "Agent";

9.08 **"Health Insurance"** means basic health insurance which shall include: employer 100% premium payment for individual coverage or 80% premium payment for family coverage; employer minimum payment for 80% of office visits, emergency care, surgery and prescriptions; a maximum yearly deduction of \$1,000, and maternity coverage;

- 9.09 **“Living Wage Job”** shall mean a job which pays wages and health benefits that total at least the rate of 110% of the current poverty level for a family of four;
- 9.10 **“Local Governmental Unit”** hereinafter LGA, means the statutory or home rule charter city, county, town, iron range resources and rehabilitation agency, regional development commission;
- 9.11 **“Qualified Business”** means a person that carries on a trade or business at a place of business located within a Job Opportunity Building Zone as referenced in M.S. § 469.310 Subd. 11; and complies with the reporting requirements specified by M.S. § 469.313 Subd. 2. (5); and shall comply with the criteria in Section II.C. of this agreement; and shall also mean “Recipient” as defined by Business Subsidy law. A qualified business shall not include a retail business, a low-wage service business, an agricultural production business, or a business that pays less than the living wage defined in this agreement;
- 9.12 **“Recipient”** mean any business entity that receives a business subsidy as defined by M.S. § 116J.993, and that has signed a Business Subsidy Agreement with a city;
- 9.13 **“Relocating Business”** A business relocating from another Minnesota non-JOB Zone location;
- 9.14 **“Relocation Agreement”** means a binding written agreement between a relocating qualified business and the commissioner of DEED pledging that the qualified business will either: (a) increase full-time for full-time equivalent employment in the first full year of operation within the job opportunity building zone by at least 20 percent, **or** (b) make a capital investment on the property equivalent to 10% of the gross revenues of operation that was relocated in the immediately preceding taxable year; and provides for repayment of all tax benefits if the requirements of (a) or (b) are not met;
- 9.15 **“Subzone”** means the parcel or parcel of land designated by the Commissioner of Employment and Economic Development within a Job Opportunity Building Zone within the boundaries of Arlington to receive certain tax credits and exemptions specified under M.S. § 469.310-469.320;
- 9.16 **“Zone”** means a Job Opportunity Building Zone or an Agricultural Processing Facility Zone designated by the commissioner of Employment and Economic Development under M.S. § 469.314.

CITY OF ARLINGTON

PRE-APPLICATION FOR BUSINESS ASSISTANCE

Legal name: _____

Address: _____

Phone: _____ Fax: _____ E-mail: _____

Primary Contact: _____

REQUESTED INFORMATION:

Applicant will attach an Addendum addressing all of the following in detail:

1. A map showing the proposed development's exact boundaries.
2. A general description of the project, including the size and location of all buildings, the business type or use, traffic information such as parking, projected vehicle counts and traffic flow, the project's timing, estimated market value following completion and other pertinent information.
3. The property's existing Comprehensive Guide Plan Land Use designation and zoning, along with a statement regarding how the proposed development will conform to the land use designation and how the property will be zoned.
4. A statement identifying the type of business assistance requested, how the assistance will be used and why it is necessary to undertake the project.
5. A statement identifying the public benefits of the proposal, including the estimated increase in property valuation, new jobs to be created, hourly wages and other community assets.
6. A written description of the applicant and developer including principals, history, qualifications, experience, past projects and other pertinent information.

I understand that the application fee will be used for City staff and consultant costs and is partially refundable if my assistance request is withdrawn after the City's costs are recovered. If the initial application fee is insufficient, I will be responsible for additional deposits.

SIGNATURE

Applicant's Signature: _____

Date: _____

CITY OF ARLINGTON
BUSINESS ASSISTANCE APPLICATION

GENERAL INFORMATION:

Business Name: _____ Date: _____

Address: _____

Type (Corporation, Partnership, etc): _____

Authorized Representative: _____

Phone: _____ Fax: _____ Cell: _____ E-mail: _____

Description of Business: _____

Attorney: _____

Address: _____ Phone: _____ Fax: _____

FINANCIAL BACKGROUND:

1. Have you ever filed for bankruptcy? _____

If yes, explain: _____

2. Have you ever defaulted on any loan commitment? _____

If yes, explain: _____

3. Have you applied for conventional financing for the project? _____

If yes, describe: _____

4. List financial references:

a. _____

b. _____

c. _____

5. Have you ever used Business Assistance Financing before? _____

If yes, what, where and when? _____

PROJECT INFORMATION:

1. Location of Proposed Project: _____

2. Amount of Business Assistance requested? _____

3. Need for Business Assistance: _____

4. Present ownership of site: _____

5. Number of permanent jobs created as a result of project? _____

6. Estimated annual sales: Present: _____ Future: _____

7. Market value of project following completion: _____

8. Anticipated start date: _____ Completion Date: _____

1. Estimated project related costs:

a. land acquisition \$ _____

b. site development \$ _____

c. construction/building costs \$ _____

d. machinery & equipment \$ _____

e. architectural/engineering fee \$ _____

f. legal fees \$ _____

g. off-site development costs \$ _____

h. interest during construction \$ _____

i. Other \$ _____

2. Financing sources:

a. private lending institution \$ _____

b. applicant equity \$ _____

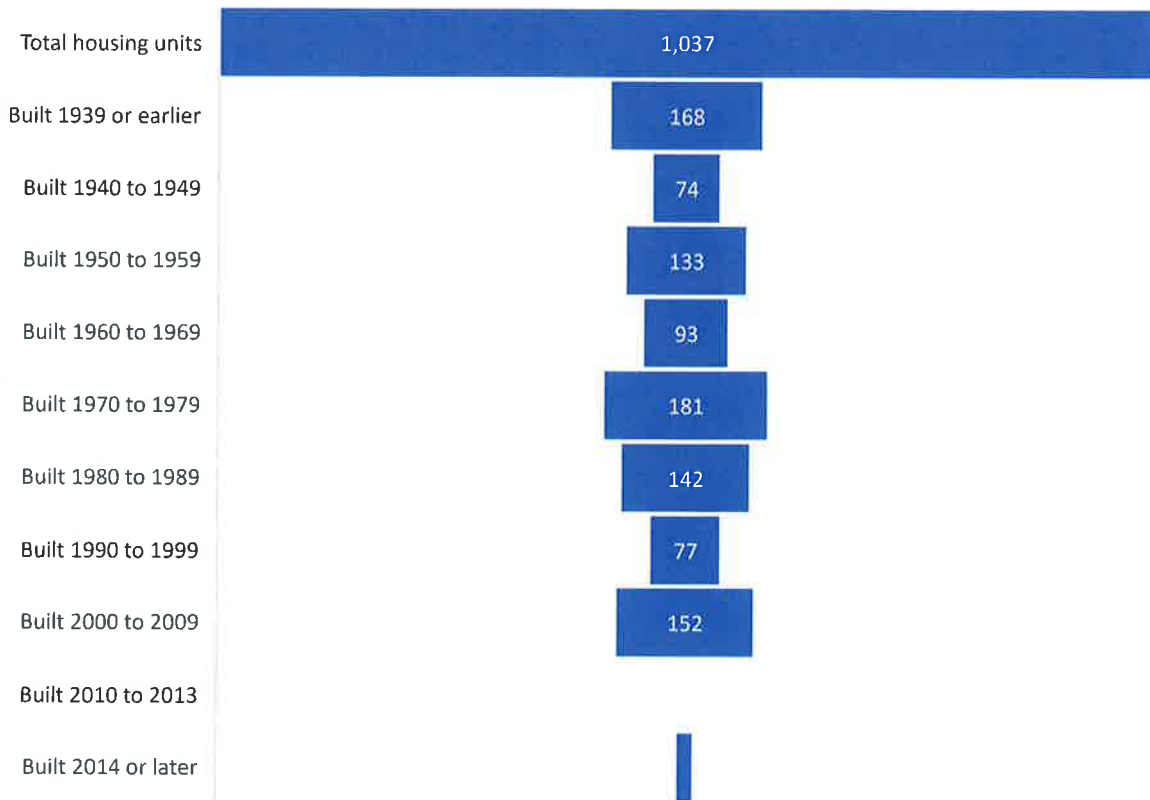
- c. other private funds \$ _____
- d. Federal/State grants & loans \$ _____
- e. tax increment funds \$ _____
- f. tax abatement funds \$ _____
- g. city/HRA loans \$ _____
- h. other public funds \$ _____

PLEASE INCLUDE:

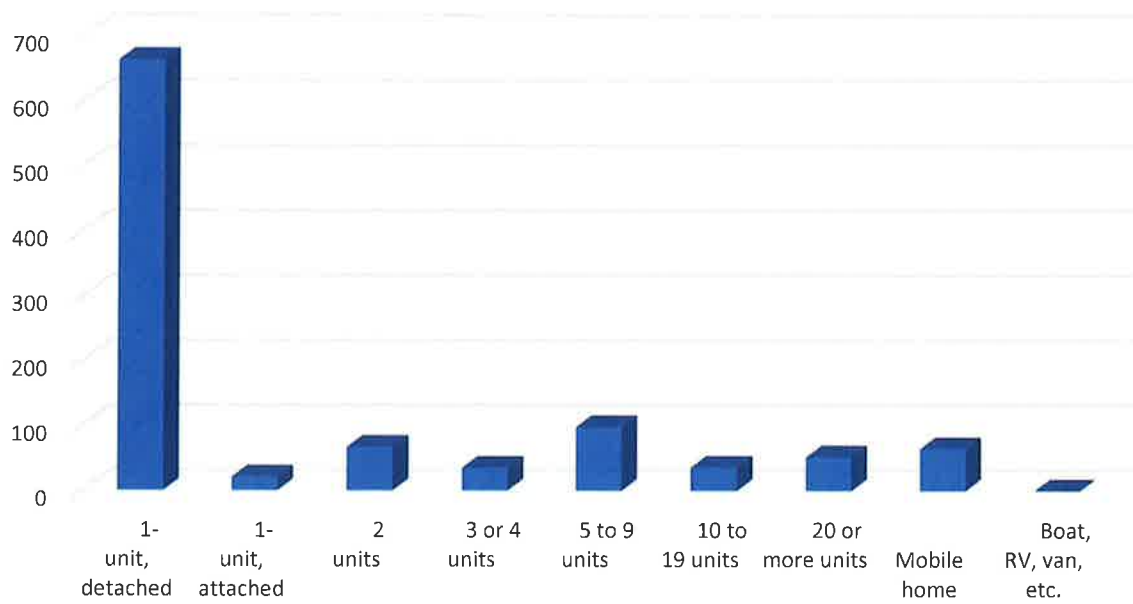
1. Bank's preliminary financial commitment
2. Project plans and drawing
3. Company's background materials
4. Pro Forma analysis
5. Business and Personal financial statements
6. Statement of property ownership or control
7. Payment of application fee (**\$5,000.00**) [\$15,000 if TIF District created]

YEAR STRUCTURE BUILT	Estimate	Margin of Error	Percentage	Margin of Error
Total housing units	1,037	±95	1,037	(X)
Built 1939 or earlier	168	±54	16.20%	±5.1
Built 1940 to 1949	74	±33	7.10%	±3.2
Built 1950 to 1959	133	±41	12.80%	±4.1
Built 1960 to 1969	93	±51	9.00%	±4.8
Built 1970 to 1979	181	±61	17.50%	±5.6
Built 1980 to 1989	142	±62	13.70%	±5.8
Built 1990 to 1999	77	±39	7.40%	±3.8
Built 2000 to 2009	152	±66	14.70%	±6.2
Built 2010 to 2013	0	±9	0.00%	±1.9
Built 2014 or later	17	±23	1.60%	±2.2

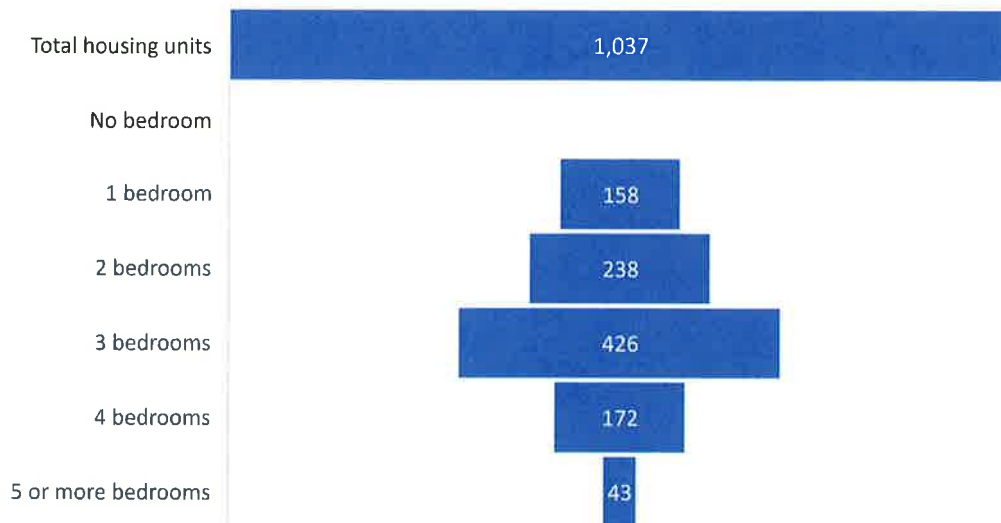
Housing Units Built



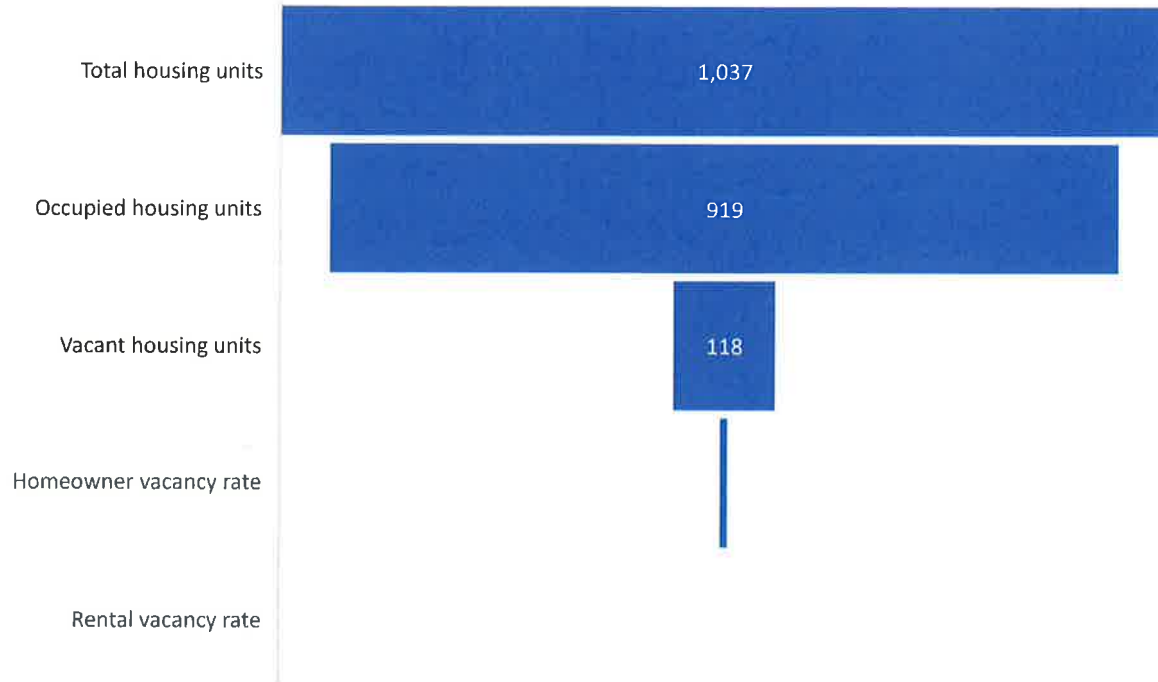
UNITS IN STRUCTURE	Estimate	Margin of Error	Percentage	Margin of Error
Total housing units	1,037	±95	1,037	(X)
1-unit, detached	663	±95	63.90%	±6.0
1-unit, attached	21	±13	2.00%	±1.3
2 units	67	±51	6.50%	±4.9
3 or 4 units	35	±26	3.40%	±2.5
5 to 9 units	98	±52	9.50%	±5.0
10 to 19 units	36	±28	3.50%	±2.7
20 or more units	52	±27	5.00%	±2.7
Mobile home	65	±28	6.30%	±2.7
Boat, RV, van, etc.	0	±9	0.00%	±1.9



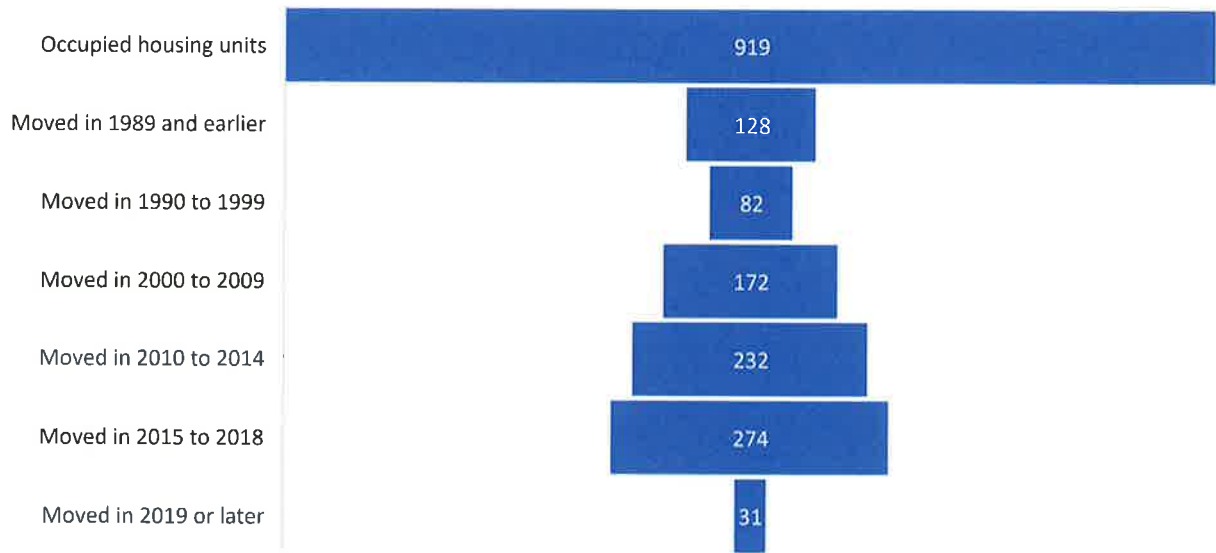
BEDROOMS	Estimate	Margin of Error	Percentage	Margin of Error
Total housing units	1,037	±95	1,037	(X)
No bedroom	0	±9	0.00%	±1.9
1 bedroom	158	±61	15.20%	±5.7
2 bedrooms	238	±63	23.00%	±6.4
3 bedrooms	426	±98	41.10%	±7.6
4 bedrooms	172	±51	16.60%	±5.0
5 or more bedrooms	43	±32	4.10%	±3.0



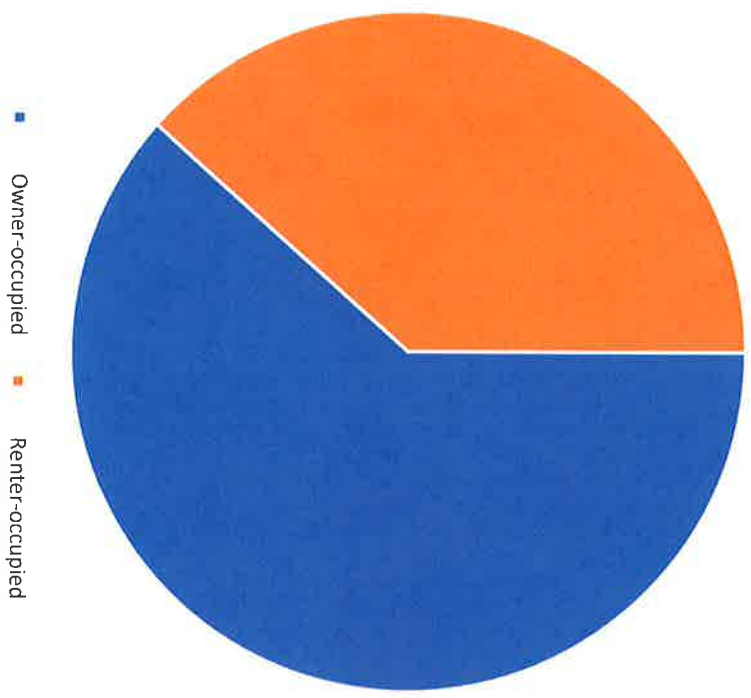
HOUSING OCCUPANCY	Estimate	Margin of Error	Percentage	Margin of Error
Total housing units	1,037	±95	1,037	(X)
Occupied housing units	919	±103	88.60%	±5.9
Vacant housing units	118	±62	11.40%	±5.9
Homeowner vacancy rate	8.6	±8.4	(X)	(X)
Rental vacancy rate	0	±5.5	(X)	(X)



YEAR HOUSEHOLDER MOVED INTO UNIT	Estimate	Margin of Error	Percentage	Margin of Error
Occupied housing units	919	±103	919	(X)
Moved in 1989 and earlier	128	±36	13.90%	±4.1
Moved in 1990 to 1999	82	±33	8.90%	±3.7
Moved in 2000 to 2009	172	±65	18.70%	±6.6
Moved in 2010 to 2014	232	±82	25.20%	±8.5
Moved in 2015 to 2018	274	±72	29.80%	±6.6
Moved in 2019 or later	31	±31	3.40%	±3.3



HOUSING TENURE				
	Estimate	Margin of Error	Percentage	Margin of Error
Occupied housing units	919	±103	919	(X)
Owner-occupied	566	±103	61.60%	±7.4
Renter-occupied	353	±71	38.40%	±7.4
Average household size of owner-occupied unit	2.87	±0.29	(X)	(X)
Average household size of renter-occupied unit	2.22	±0.34	(X)	(X)



GROSS RENT	Estimate	Margin of Error	Percentage	Margin of Error
Occupied units paying rent	353	±71	353	(X)
Less than \$500	47	±38	13.30%	±10.8
\$500 to \$999	214	±64	60.60%	±14.2
\$1,000 to \$1,499	49	±30	13.90%	±8.3
\$1,500 to \$1,999	17	±23	4.80%	±6.4
\$2,000 to \$2,499	0	±9	0.00%	±5.5
\$2,500 to \$2,999	0	±9	0.00%	±5.5
\$3,000 or more	26	±26	7.40%	±7.3
No rent paid	0	±9	(X)	(X)

Occupied units paying rent

353

Less than \$500

47

\$500 to \$999

214

\$1,000 to \$1,499

49

\$1,500 to \$1,999

17

\$2,000 to \$2,499

\$2,500 to \$2,999

\$3,000 or more

26

No rent paid



Sprout

Growing ideas one connection at a time

June 7

New Ulm
Schell's Biergarten

June 14

Dundas
Keepsake Cidery

June 21

Winona
Island City Brewing

REE networking event | 5 - 6:30 p.m. | Short program at 5:20 p.m. | Hors d'oeuvres served

Register: smifoundation.org/sprout by June 1.