

President:
David Grant

Commissioners:
Brenda Holden
Emily Rousseau
Tena Monson
Kurt Weber
Ted Brausen
Kyle Sorenson



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Agenda September 14, 2026

Special Economic Development Authority Immediately Following City Council Meeting

City Vision

Arden Hills is a strong community that values its unique environmental setting, strong residential neighborhoods, vital business community, well-maintained infrastructure, fiscal soundness, and our long-standing tradition as a desirable City in which to live, work, and play.

Members of the public may attend a meeting in-person at City Hall or they may view the meeting remotely on the City's website using the below link. Meetings are also broadcast on Cable Channel 16 for those that live in Arden Hills.

<https://cityofardenhills.org/320/Watch-City-Meetings>

Some EDA Commissioners may be participating in this meeting by interactive technology/remotely

CALL TO ORDER

1. APPROVAL OF AGENDA

2. APPROVAL OF MINUTES

A. July 27, 2026 EDA

3. NEW BUSINESS

A. Economic Development Authority Orientation Part 2A-Bylaws

Jake Reilly

B. Economic Development Authority Orientation Part 2B – Financing Tools

Jake Reilly

4. UNFINISHED BUSINESS

5. EDA MEMBER COMMENTS

6. ADJOURN



DRAFT

Approved: September 14, 2026

**CITY OF ARDEN HILLS, MINNESOTA
ECONOMIC DEVELOPMENT AUTHORITY MEETING
JULY 27, 2026
5:00 PM
CITY HALL**

CALL TO ORDER/ROLL CALL

Pursuant to due call and notice thereof, EDA President Grant called to order the Economic Development Authority meeting at 5:00 p.m.

Present: EDA President David Grant; EDA Commissioners Brenda Holden, Emily Rousseau, Tena Monson, Kurt Weber, Ted Brausen and Kyle Sorenson

Absent: None

Also present: EDA Secretary Jessica Jagoe, Public Works Director/City Engineer David Swearingen, EDA Executive Director Jake Reilly, and Assistant to the City Administrator/City Clerk Julie Hanson

1. APPROVAL OF AGENDA

MOTION: EDA Commissioner Rousseau moved and EDA Commissioner Weber seconded a motion to approve the EDA meeting agenda as presented. The motion carried unanimously (7-0).

2. OATHS OF OFFICE

Assistant to the City Administrator/City Clerk Hanson administered the Oath of Office to new EDA commissioners Ted Brausen and Kyle Sorenson.

3. APPROVAL OF MINUTES

A. October 27, 2025 EDA

MOTION: EDA Commissioner Weber moved and EDA Commissioner Monson seconded a motion to approve the October 27, 2025 Economic Development Authority Meeting Minutes as presented. The motion carried unanimously (7-0).

4. NEW BUSINESS

A. EDA Orientation

Executive Director Reilly welcomed new EDA Commissioners Brausen and Sorenson. He stated he would provide an overview explaining what an Economic Development Authority (EDA) is, its relationship to the City Council, what its roles and responsibilities are, and what the EDA can do (statutory powers) and welcomed questions.

Executive Director Reilly explained there are two tools that have to do with the tax base, Tax Increment Financing (TIF) and tax abatement.

Commissioner Holden stated that there are a lot of rules.

Executive Director Reilly agreed that TIF has a lot of rules and noted that at baseline, the tax increment is the delta between what property taxes are generated now and what the tax revenue could be. He went on to explain how tax abatement differs from TIF and provided a brief example, noting there are also many rules for tax abatements.

Executive Director Reilly stated the City Council sets the rules for how a city operates (zoning changes, comprehensive plan, PMP projects, Capital Improvement Plan and budget). He touched on the topic of a housing and redevelopment authority.

Executive Director Reilly indicated an EDA can enter into development agreements, fund the planning for a development or even fund the development itself, but ultimately having an EDA is a way to separate the decision making from what a City Council's decision can do, which are very broad. The EDA's decision allows for the focus to be purely on economic development challenges in a municipality. He went on to explain what an EDA cannot do.

Executive Director Reilly also gave a brief history of the establishment of the Arden Hills EDA. He referenced that the Arden Hills EDA bylaws are included in the packet and noted these bylaws are similar to EDA bylaws elsewhere. He discussed the EDA's member composition and the process of amending the bylaws.

Executive Director Reilly discussed the currently established meeting cadence, which is quarterly and noted the EDA can amend the meeting schedule in the bylaws.

Executive Director Reilly explained the EDA could discuss its current fund balance and budget. He also referenced the recent 2026 allocation of Local Affordable Housing Assistance (LAHA), which is an allocation from the State legislature resulting from the 2023 Legislative session. Arden Hills previously did not qualify but because the State demographer estimates the Arden Hills population at just over 10,000, Arden Hills now qualifies for this funding. LAHA funds can be used only for affordable housing.

EDA President Grant asked how much LAHA money was allocated.

Executive Director Reilly estimated between \$83,000 and \$86,000.

EDA Secretary Jagoe asked for clarification of how the LAHA funding is directed in absence of Arden Hills having a Housing and Redevelopment Authority (HRA)

Executive Director Reilly stated the funds could go directly to the City's EDA fund or to the General fund. There are two deposits that will be made ~ November and June.

A short discussion ensued regarding operation of the EDA fund and **EDA Secretary Jagoe** requested the topic of the LAHA dollars be reviewed and confirmed during a future discussion.

EDA Commissioner Rousseau indicated that last year during the budgeting cycle the City Council reduced the EDA funding by about \$50,000. She requested the EDA discuss the funding in order to plan for the future. She also noted the Financial Planning and Advisory Committee was recently reestablished and requested that group be kept in the loop.

EDA Commissioner Brausen asked what the current balance is.

EDA President Grant responded approximately \$839,000.

A discussion ensued regarding EDA funds and gateway signs. **Executive Director Reilly** commented the EDC would be discussing gateway signs at its upcoming meeting.

EDA Commissioner Rousseau stated she would like to review the bylaws as it's her understanding it is not statutorily required that the Mayor be President of the EDA. In her four years on the Council the only thing that has really been talked about was gateway signs and the EDC hadn't done much work until she was part of the group. Her preference was to allow other members of the EDC to be the President or Chair of the EDA and really run with things. She indicated Council has other priorities to discuss such as the budget or the number of one-off items that come up which distracts the Council from being able to focus on Economic Development in the city.

EDA Commissioner Holden said it wasn't that the EDC, prior to reforming, didn't do anything. A survey was conducted of 94% of the businesses in Arden Hills in order to get ideas to bring forward. With the zip code being 55426 for some businesses, it made them think they are in Shoreview. She went on to say other than small fixes that they wanted, people were very happy, taxes were low, and people could get to work on time as plowing was done. There were no ideas on how to move forward, and then the Community Development person left and we were waiting for a new person to be hired. She said so seven years ago there were no ideas suggested by the group, other than where gateway signs could be.

EDA Commissioner Brausen said he has read up on this and it's broad. It depends on the Council and what they want the EDA to do, from negotiating land purchases to just coming to the meetings. He stated he and **EDA Commissioner Sorenson** would like to get more involved and see what they can do. While gateway was a big opportunity, he recognized there were other needs in the city as well.

EDA Commissioner Sorenson agreed and stated there was room for improvement. From what he researched it has been a little stagnant. He felt more information about the budget was necessary.

EDA Commissioner Brausen would like to see the funding of \$50,000 that was cut last year, come back.

EDA Commissioner Holden said a lot of work was put into revitalizing Arden Plaza. She asked for clarification regarding **EDA Commissioner Brausen's** comment about "gateway", does he mean TCAAP or Round Lake.

EDA Commissioner Brausen confirmed he's talking about TCAAP (Rice Creek Commons).

EDA Commissioner Holden said a lot of work and negotiation went into it and **EDA Commissioner Brausen** replied he likes to negotiate; it's his gig in life.

EDA President Grant asked from a Council and EDA perspective how TIF and abatement come together.

Executive Director Reilly replied this would be a good standalone topic for the group and **EDA President Grant** said it sounds like that we should have that discussion.

EDA Commissioner Monson indicated she liked **EDA Commissioner Rousseau's** idea about having some change in an EDA President just to have someone keep the ball rolling as she struggles with \$840,000 sitting there when this EDA can do so much. She said yes, gateway signs are a piece of things but how do we know that is that the piece that we want to move forward since the EDA hasn't been real active. Her biggest concern is the Pace site. The EDA can help draw what it wants there, but she also understands there are many challenges associated with the site.

EDA Commissioner Holden asked how much of the \$800,000 can be used for commercial development versus housing.

EDA Commissioner Monson said we're restricted, we just don't know how much.

EDA Secretary Jagoe replied that was correct.

A short discussion ensued about the Pace site, contacting the owner and potential grants for cleanup efforts.

EDA President Grant referenced the last EDA meeting minutes and the \$839,000 fund balance. He believes a good portion of this money came from the closure of the TIF district for the Cottage Villas. He also said per the State there are requirements regarding usage of the funds. He believed that potentially \$600,000 was earmarked for housing but Director Bauman would need to confirm this.

EDA Secretary Jagoe asked about meeting cadence, noting the bylaws refer to once per quarter meetings beginning at 6 pm on the fourth Monday of the month or at some other time as scheduled by the EDA. There is agreement on future topics, including a discussion about the bylaws, but she wanted to confirm the meeting cadence going forward.

EDA President Grant noted the requirement for at least one meeting a year and that we could certainly schedule quarterly meetings.

EDA Secretary Jagoe stated she wanted to confirm the meeting cadence, which would call for the next meeting to occur in October.

A discussion ensued regarding options for the occurrence of future EDA meetings.

EDA Commissioner Rousseau stated she would like to meet every other month while the group is getting up and running since there is already just one month left before summer ends.

EDA Commissioner Monson was fine with every other month but would prefer the meeting not to be held the same night as Council meetings if at all possible. She would prefer the third Monday.

EDA Commissioner Holden was fine with quarterly, not knowing what staff has to do. She said changing the bylaws has been talked about and it's nothing personal, but the EDC has had a very slow start. She noted there were not great survey results and a limited number of people that attended the breakfast. She was hoping the EDC could do something so that the EDA could piggyback on that.

EDA Commissioner Weber stated he likes every other month meetings. He would like the opportunity to discuss as an EDA its advice to the Council what should be done with the EDA levy ahead of finalizing the budget for the year. With the preliminary levy being due at the end of September, there wasn't much time left to do that. He requested an EDA meeting occur before the end of September. He wants the newest members of the EDA to be able to express their opinion before the Council makes its decision.

EDA President Grant asked **Executive Director Reilly** what limits the EDA has on issuing levies.

Executive Director Reilly indicated there are limits but he did not have that information off the top of his head. He noted the Council is who ultimately makes the decision, and so the EDA does not have levy authority without approval from the Council. He said he hears **EDA Commissioner Weber** saying that he would like this group to meet before the 4th Monday in September in order to provide a recommendation to the Council regarding the levy.

EDA Commissioner Weber concurred.

EDA Commissioner Brausen said the bylaws are important and while he wasn't sure if the City Attorney has reviewed the bylaws, he highly recommends that the City hire an attorney with experience with EDAs to do this.

EDA Commissioner Holden asked if the City was going to become a broker and real estate agency just as St. Paul has the Port Authority.

EDA Commissioner Monson stated she understood there is the question about the positions of the EDA, and then she asked for clarification on **EDA Commissioner Brausen** requesting an attorney review the bylaws.

EDA Commissioner Brausen indicated he had read about EDAs and that it is very important that an attorney specializing in EDA be consulted to ensure bylaws are set up correctly.

EDA Commissioner Monson said she presumes the bylaws were previously reviewed by an attorney and asked if the City Attorney had reviewed the recent ordinance amendment.

EDA Secretary Jagoe replied yes and indicated that any future reviews would go through the City Attorney as well.

EDA Commissioner Monson commented that she would not want to spend money on an attorney to review the bylaws for the sake of wholesale review. Rather, the attorney is asked to review a specific idea and this is how this is typically done, though it does not have to be that way. She said the EDA decides the scope of the attorney and would like to use the City's money in a focused manner.

EDA Commissioner Holden asked **Executive Director Reilly** if other than the officers, is there anything else that is not the same or is missing from what other EDAs are doing.

Executive Director Reilly stated that in organizations that he was familiar with, those that use their elected officials or body as the EDA do often have someone who is different from the head of the council meetings be the head of the EDA.

EDA Commissioner Holden said no, she was talking about anything other than that that is blatantly different.

Executive Director Reilly stated no, it's pretty straightforward.

A discussion then ensued about when the next meeting should be.

EDA President Grant suggested the EDA meet at the September 14 meeting and then anything this group recommends could go to the council at the end of September.

EDA Commissioner Monson said she is not a big fan of having the next EDA meeting prior to a work session and is flexible to do another date such as September 21. She asked for clarification about the levy comment. She said yes, this body can decide to have a levy. She asked if **EDA Commissioner Weber** was referencing a new levy or what the EDA already levies.

EDA Commissioner Weber replied that the EDA funds are for the explicit use of this body. Last year the Council, being both bodies, decided to have that levy. He would like this body with the new members to have a say about what is already levied on an annual basis.

EDA Commissioner Holden stated she would like an additional meeting before the final tax levy meeting in December. She noted the EDA hasn't discussed an outline or topics, she doesn't want to pull a number out of the air. She wants to have a discussion to ensure an appropriate amount is levied.

EDA President Grant asked if it the same for the EDA in that it could recommend something and could not raise but could lower the levy?

Executive Director Reilly replied yes.

EDA Commissioner Weber stated if making a decision to increase the existing EDA levy is arbitrary because we don't have tasks then it was equally arbitrary to have cut it in half last year for no reason. The goal for this body now is to try to do something and that will require money. He doesn't think it's arbitrary for this body to come up with goals in the next two months, that is feasible. But without

knowing what the amount of money this body will be looking at in future years, how can a plan be made?

EDA Commissioner Holden stated she wouldn't view it as we cut the money for no reason, rather we were waiting for the EDC to bring a recommendation forward and they never did. She said the cut was made because we didn't need it in the budget as no purpose existed. She would like to look at this twice as every other committee makes an outline and goals, and this committee should be no different.

A discussion ensued about the cadence of the meetings and when should the next subsequent EDA meeting should be following the September 14 meeting.

EDA Commissioner Monson asked staff if adding a monthly meeting at this point in time is an effective strategy. Would staff rather work with what was discussed at this meeting and the Chair, and then determine if monthly meetings are necessary.

EDA Secretary Jagoe said she would connect with **Executive Director Reilly** as she doesn't want to commit his schedule if there is another meeting scheduled outside of the regular cadence. She noted the placeholder for a special work session on September 21. She said she was fearful of having an EDA meeting along with the August work sessions as those meetings were already full. She noted she would work with **Executive Director Reilly** to put together a timeline of what is needed for a concentrated and effective way to move forward.

A short discussion ensued and the consensus of the EDA was to meet the third Monday of November.

EDA Commissioner Rousseau commented about the ability to attend the meeting remotely.

EDA President Grant recapped that the targeted meeting dates for EDA are September 14 and November 16.

5. UNFINISHED BUSINESS

None.

6. EDA MEMBER COMMENTS

None.

7. ADJOURN

MOTION: **EDA Commissioner Monson moved and EDA Commissioner Weber seconded a motion to adjourn the Economic Development Authority meeting. The motion carried unanimously (7-0).**

EDA President Grant adjourned the Economic Development Authority meeting at 5:44 p.m.

Julie Hanson
City Clerk

David Grant
EDA President

AGENDA ITEM – 3A



MEMORANDUM

DATE: September 14, 2026

TO: EDA President and Commissioners

FROM: Jake Reilly, Community Development Director/Executive Director

SUBJECT: Economic Development Authority Orientation Part 2A - Bylaws

Budgeted Amount:
N/A

Actual Amount:
N/A

Funding Source:
N/A

EDA President and Commissioners Should Consider

The EDA President and Commissioners will hear an overview of the existing EDA Bylaws and both required amendments and potential amendments and provide direction to City staff on next steps.

Background

Arden Hills established its Economic Development Authority under Minnesota Statutes Chapter 469 by enabling resolution 96-08 adopted in 1996. The bylaws were most recently amended last year by Resolution 2025-078 to add two members from the City's Economic Development Commission (EDC) to the board. However, the bylaws document has not yet been amended and adopted to reflect that change.

As the City contemplates taking a more active role specifically related to managing/disposing of City-owned land and outcomes associated with the newly adopted Strategic Plan, reorienting the members and new members of the board to the roles and responsibilities and history of the EDA is warranted.

In July we discussed what the EDA can and cannot do and covered the existing bylaws in brief.

Governance, Membership, and Bylaws

As noted previously, the Authority is the Mayor and City Council plus two EDC-appointed members. Because the EDA and Council do not share identical membership, the procedural clarity that bylaws provide is more than housekeeping. The existing EDA bylaws are included as Attachment A of this memorandum. The presentation will cover potential amendments for the

membership to consider. Staff requests direction from the EDA on a meeting cadence for 2027 alongside consideration of amendments to the bylaws to reflect that cadence.

At the July meeting, we discussed adding two special meetings to the 2026 calendar. This is the first of those two meetings, established in order to address needed amendments to the bylaws. The next is scheduled for November 14, 2026.

Next Steps

Amended bylaws can be brought to the EDA meeting in November. Additional agenda topics that have been proposed and can be addressed in November and subsequent meetings include:

- Review of Arden Hills Strategic Plan
- Discuss economic development priorities for Arden Hills
- Other Suggested Topics

Budget Impact

N/A

Attachments

A. Existing Bylaws

BY-LAWS OF THE ARDEN HILLS ECONOMIC DEVELOPMENT AUTHORITY DATED: February 13, 2017

1. THE AUTHORITY

Section 1.1. Name of the Authority.

The name of the Authority shall be the Arden Hills Economic Development Authority (hereinafter, the "Authority"), and its governing body shall be called the Board of Commissioners (hereinafter, the "Board"). The Board of Commissioners shall consist of the five members of the City Council.

Section 1.2. Office.

The principal office of the Authority shall be the Arden Hills City Offices.

Section 1.3. Seal.

The official seal of the City of Arden Hills shall be the Authority's official seal.

2. ORGANIZATION

Section 2.1. Officers.

The officers of the Authority shall consist of a President, a Vice President, a Secretary, a Treasurer, and an Executive Director. The President, the Vice President shall be members of the Board and shall be elected annually at the annual meeting. No Commissioner may serve as President and Vice President at the same time. The offices of Secretary, Treasurer, and Executive Director shall be appointed as set forth herein. The Secretary, Treasurer, and Executive Director are not voting members.

Section 2.2. President.

The President shall preside at all meetings of the Board. The President shall be the Mayor.

Section 2.3. Vice President.

The Vice President shall preside at any meeting of the Board in the absence of the President and may exercise all powers and perform all responsibilities of the President if the President cannot exercise or perform the same due to absence or other inability. The Vice President shall be the Mayor Pro Tem.

Section 2.4. Secretary.

The Secretary shall be the City Administrator. The Secretary shall be responsible for the acts of the Treasurer and have all the powers and duties of the Treasurer if the Treasurer is absent or disabled.

The Secretary shall also keep minutes of all meetings of the Board and shall maintain all records of the Authority. The Secretary shall have such additional duties and responsibilities as the Board may from time-to-time and by resolution prescribe.

Section 2.5. Treasurer.

The Treasurer shall have all the powers and duties of the Secretary if the Secretary is absent or disabled. The Treasurer shall be the Director of Finance and Administrative Services. The Treasurer shall receive and be responsible for Authority money, shall disburse Authority money by check or telephonic transfer, keep an account of all Authority receipts and disbursements and the nature and purpose relating thereto, shall file all financial reports and disclosures required of the Authority, make investments consistent with the City's Investment Policy.

Section 2.6. Executive Director.

The City's Community Development Director shall be the Executive Director of the Authority, and shall have such additional responsibilities and authority as the Board may from time-to-time by resolution prescribe.

Section 2.7. Advisory Committees.

The Authority may by resolution establish one or more advisory committees to the Authority.

3. PROCEDURES OF BOARD OF COMMISSIONERS

Section 3.1. Annual Meeting.

The annual meeting of the Board shall be held at 6:00 p.m. on the fourth Monday of the month of January in each year.

Section 3.2 Regular Meetings.

The Board shall hold regular meetings on the fourth Monday of January, April, July, and October, commencing at 6:00 p.m. or at such other time as the Board may determine.

Section 3.3. Special Meetings.

Special meetings of the Board may be called by the President, any two Commissioners, or by the Executive Director. The Executive Director shall post notice of any special meeting in the principal office of the Authority no less than three days prior to such special meeting.

Section 3.4. Quorum.

A quorum of the five member Board shall consist of three Commissioners. In the absence of a quorum, no official action may be taken by, on behalf of, or in the name of the Board or the Authority.

Section 3.5. Adoption of Resolutions.

Resolutions of the Board shall be deemed adopted if approved by not less than a simple majority of all Commissioners present. Resolutions may, but need not be read aloud, prior to vote taken thereon. All resolutions shall be executed after passage.

Section 3.6. Rules of Order.

The meetings of the Board shall be governed by the most recent edition of Robert's Rules of Order.

4. MISCELLANEOUS

Section 4.1. Fiscal Year.

The fiscal year of the Authority shall be the calendar year. The Authority shall establish a separate special revenue fund for the purpose of maintaining all financial and accounting records of the Authority, including the nature of all receipts and disbursements, money on hand, and the purposes to which it may be applied, and records of Authority's debits and credits. The Authority shall establish such debt service funds as may be properly authorized and necessary for conduct of the Authority's funds.

Section 4.2. Bond.

The City shall ensure that all persons responsible for management of the Authority's financial records and resources are properly bonded.

Section 4.3. Checks.

The President, Secretary, and Treasurer shall execute all checks authorized by the Authority. Vouchers authorizing such expenditures shall be submitted and approved in conjunction and accordance with procedures for payments of other claims against the City.

Section 4.4. Financial Statements.

The Authority's detailed financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the Authority's credits and assets, and its outstanding liabilities in a form required for the City's financial statements. The Authority shall examine the statement together with the Treasurer's vouchers. If the Authority finds that the statement and vouchers are correct, it shall approve them by resolution and enter the resolution in its records.

Section 4.5. Report to City.

The Authority shall annually make a report to the City Council giving a detailed account of its activities and of its receipts and expenditures for the preceding calendar year.

Section 4.6. Budget to City.

The City shall annually send its budget to the City Council which budget includes a written estimate of the amount of money needed by the authority from the City in order for the Authority to conduct business during the upcoming fiscal year.

Section 4.7. Employees.

The Authority may employ an executive director, a chief engineer, technical experts and agents and other employees as it may require and determine their duties, qualifications and compensations.

Section 4.8. Services.

The Authority may contract for the services of consultants, agents, public accounts and others as needed to perform its duties and to exercise its powers. The Authority may also use the services of the City Attorney or hire a general counsel, as determined by the Authority.

Section 4.9. Supplies, Purchasing, Facilities, and Services.

The Authority shall purchase such supplies and materials as it needs. The City may furnish offices, structures and space, stenographic, clerical, engineering and other assistance to the Authority.

Section 4.10. Execution of Contracts.

All contracts, notes, and other written agreements or instruments to which the Authority is a part or signatory or by which the Authority may be bound shall be executed by the President, Secretary, and/or the Executive Director or by such other Commissioners or Officers of the Authority as the Board may by resolution prescribe.

Section 4.11. Amendment of By-Laws.

These by-laws may be amended by the Board by majority vote of all the Commissioners, provided that any such proposed amendment shall first have been delivered to each Commissioner at least five (5) days prior to the meeting at which such amendment is considered.

AGENDA ITEM – 3B



MEMORANDUM

DATE: September 14, 2026

TO: EDA President and Commissioners

FROM: Jake Reilly, Community Development Director/Executive Director

SUBJECT: Economic Development Authority Orientation Part 2B – Financing tools

Budgeted Amount:

N/A

Actual Amount:

N/A

Funding Source:

N/A

EDA President and Commissioners Should Consider

The Economic Development Authority President and Commissioners will hear an overview of the existing EDA Fund budget, existing TIF balances and uses for EDA dollars and provide direction to City staff on next steps.

Background

As previously established, the Arden Hills EDA and its City Council are contemplating taking a more active role specifically related to managing/disposing of City-owned land and outcomes associated with the newly adopted Strategic Plan.

In July we discussed what the EDA can and cannot do and covered the existing bylaws in brief. This meeting is intended to tackle first a review of the existing Bylaws and required amendments based on Council Resolution 2025-078 which added two appointed members of the Economic Development Commission to the Authority's membership for a total of seven voting members.

At the July meeting, we discussed adding two special meetings to the 2026 calendar. This is the first of those two meetings, established in order to address needed amendments to the bylaws. The next is scheduled for November 14, 2026.

State Statute outlines the powers of an EDA and its roles and responsibilities in creating and supporting economic development and economic opportunities for the City of Arden Hills. This memo and presentation that the EDA will receive goes over those roles and responsibilities and also what tools and funds are available to the EDA in support of those activities.

Current EDA Funds and City Holdings

Funds

The Arden Hills Economic Development EDA General Fund (Fund 250) has an anticipated year-end balance of \$728,241. These funds are used to cover operating expenses associated with the EDA. The 2026 budget included operating expenditures of \$103,438. The proposed 2027 CIP budget includes operating expenditures of \$105,055 and \$180,000 for additional Gateway Signs. The Economic Development Commission's update on its strategic plan-related workplan next month will include a recommended direction for siting new Gateway Signs.

Arden Hills also has two TIF districts with fund balances. No money is being deposited in those funds, as the projects in the TIF districts are complete and the TIF districts have expired.

TIF District 3 – Cottage Villas is a housing TIF district. The fund balance is \$843,253. Because this is a housing TIF district the money can be retained in that fund until an affordable housing project is identified. State law restricts the use of funds generated by housing TIF districts to affordable housing and establishes thresholds for what constitutes affordable housing.

There are two options for renter-occupied housing, both of which require annual reporting to the City by the recipient of those funds.

- Option 1: 20% of the units must be affordable for those with incomes at or below 50% of the area median income (AMI)
- Option 2: 40% of the units must be affordable for those with incomes at or below 60% of the AMI.

For owner-occupied housing projects, the income of a family of two (or fewer) cannot exceed 100% of AMI and for a family of three or more it cannot exceed 115% of AMI to qualify. This is a one-time certification.

TIF District 4 – Presbyterian Homes has a fund balance of \$429,374. The available uses for this fund are any qualified expenditure included the state's TIF law (Minn. Stat. Section 469.174 - . 469.1794) These include:

- Acquisition and demolition of blighted property
- Environmental remediation
- Public improvements that promote renovation/renewal
- Limited job creation and housing creation activities

State law also establishes limits to the timeframe during which increment can be collected, based on the type of district established. Some costs cannot be covered in a tax increment district, including public park and open space facilities.

There are additional options for how to manage these funds that can be discussed if and when the Authority determines a need.

Use of Financing Tools

To set up future conversations regarding a strategic approach to economic and community development that aligns with the city's adopted strategic plan, the following information is offered to Authority members to consider.

The Authority may wish to clarify under what circumstances it is comfortable deploying financial tools. This includes identifying the type of public return that should be expected when such tools are used and establishing consistent evaluation criteria. Clear parameters can help ensure predictability, transparency, and avoid ad hoc decision-making.

Staff have learned that Ehlers and Bolton & Menk have collaborated in other communities to develop formal financial policy frameworks that provide structured review standards. If desired, a similar framework could be developed for Arden Hills to guide future decision-making.

Staff have also previously provided information associated with the EDA's ability to bond for projects and if there is interest, representatives from the city's financial advisors at Ehlers can provide additional information on that and Tax Increment Financing at a future meeting.

Local Affordable Housing Aid (LAHA) helps cities, counties and Tribal Nations develop and preserve affordable housing and was created by the state legislature through the adoption of a 7-county metropolitan area sales tax dedicated to those uses. The City of Arden Hills will receive its first allocation of those funds. Population size is a component of the state's approach to determining distribution of LAHA and as of 2026 the City of Arden Hills population estimates completed by the State Demographer's office is above the 10,000 population eligibility threshold.

Aid is deposited directly to cities in July and December the year following eligibility. Arden Hills will receive its first allocation in July 2027. Aid recipients must report their use of these funds to Minnesota Housing each year by December 1.

Property and community investment strategy

The EDA may also want to consider how to handle property ownership and acquisition. Should the Authority proactively acquire sites or assemble land to influence redevelopment outcomes or continue with the established market-driven approach. In addition, the City Council and EDA have expressed interest in evaluating the long-term management and disposition strategy for both vacant and underutilized properties in the city and city-owned parcels including the former City Hall site.

Another policy consideration is whether, where and when limited EDA resources could or should be directed toward programs to address private enterprises such as façade grants, business assistance programs, or targeted reinvestment incentives, or whether funds should prioritize infrastructure and public realm improvements within defined areas or corridors of the city. One such opportunity is associated with the stated intent to complete and/or update small area plans for the area between Interstate 694 and the border with Roseville and between Lexington and Snelling Avenues.

Finally, the Authority may consider whether the EDA should function primarily as a traditional financing entity focused on discrete redevelopment transactions, or whether it should serve more broadly as a vehicle to advance the City's or a specific subset of the City's defined strategic initiatives.

Considering these options will establish whether the EDA will operate in a more reactive, project-by-project relationship with individual property owners, or through broader, place-based investments intended to strengthen business districts, their relationship with residential districts, and community development overall over time. While this approach expands the functional scope of the Authority beyond conventional economic development activities and would require clear

policy guidance to define when and how EDA resources should be used in support of broader City objectives, it is more likely than not to reduce uncertainty for developers and community members alike as well as provide more opportunities to be proactive in retaining Arden Hills' reputation as a fiscally responsible and vibrant, green, affordable safe place for all to live, work and play.

Next Steps

Staff seek direction on which of the proposed additional agenda topics should be addressed in November.

- Review of Arden Hills Strategic Plan
- Discuss economic development priorities for Arden Hills, including tools and strategies
- Discuss economic development opportunities such as grants, partnerships, and uses of existing and potential funds
- Other Suggested Topics

Budget Impact

N/A

Attachments

ECONOMIC DEVELOPMENT AUTHORITY

Arden Hills EDA

Board Orientation

EDA Meeting

City of Arden Hills, Minnesota • September 14, 2026



02

Bylaws & Financing tools

Arden Hills' EDA Bylaws, potential amendments & tools to facilitate development/redevelopment



■ Workshop Series Roadmap

Four topic areas guide the EDA's orientation and strategy work

TOPIC 1

Formation & Governance

What an EDA is, its statutory powers and limits, board composition, bylaws, and current holdings.

TOPIC 2

Bylaws & Financing Tools/budget

Arden Hills' EDA bylaws discussion, including potential amendments; available financing tools and budget. If time, primer on employment base, workforce, land use, and property-tax productivity.

TOPIC 3

Strategic Goals

EDA vs. Council roles, and four draft goals with objectives and board discussion questions.

TOPIC 4

Properties & Asset Strategy

Review of holdings and a framework for disposition, assembly, and activation decisions.

■ What can an EDA do, and with what?

Minnesota cities are authorized to establish Economic Development Authorities under the state EDA Act (Minn. Stat. §§ 469.090–469.1082) to promote local economic growth.

ACTIVITIES

EDA powers

- Acquire, hold, and dispose of real property — including City-owned land.
- Undertake site-preparation activities.
- Make public infrastructure improvements that support development.
- Use development financing tools.
- Enter development agreements, fund development planning, and more.
- Only for commercial/industrial development/redevelopment



ACTIVITIES

HRA powers

- To provide a sufficient supply of adequate, safe, and sanitary dwellings in order to protect the health, safety, morals, and welfare of the citizens of this state.
- To clear and redevelop blighted areas.
- To perform those duties according to comprehensive plans.
- To remedy the shortage of housing for low and moderate income residents, and to redevelop blighted areas, in situations in which private enterprise would not act without government participation or subsidies.



ACTIVITIES

Limitations

- An EDA cannot act on housing unless it is specifically granted the powers of a Housing & Redevelopment Authority (HRA) described in Minn. Stat. §§ 469.001 – 469.047.
- Best practice is to adopt an enabling resolution that states clearly whether HRA powers are included.
- Arden Hills' EDA enabling resolution does not include HRA powers.
- Resolution can be amended to include HRA powers.



■ Bylaws

Procedural structure — not an expansion or restriction of powers

- Bylaws are largely boilerplate and were first adopted in 1996 (Resolution No. 96-008) and amended in 2013, 2017, and 2025.
- Their purpose is procedural clarity: officer roles and responsibilities; meeting procedures, quorum, and voting for EDA actions; and consistency in how EDA actions, including fiduciary responsibilities, are recorded and administered.
- Arden Hills' EDA has five voting members and five officer positions spelled out in the bylaws.
 1. President (Mayor) – voting member
 2. Vice President (Mayor Pro Tem) – voting member
 3. Secretary (City Administrator) – non-voting
 4. Treasurer (Finance Director) – non-voting
 5. Executive Director (Community Development Director) – non-voting
- Bylaws must be amended to reflect Council Resolution No. 25-078 which added two appointed members of the Economic Development Commission to the EDA.
- Other amendments may be considered.

■ Bylaws

- Potential additional amendments may be considered:
 - Address responsibilities of officers:
 - Many EDAs identify limits and levels of signing authority for officers
 - Many EDAs separate executive authority from that of the Mayor when the elected body serves as the EDA
 - Address meeting calendar, identify content of annual report materials
 - Consider additional clauses based on how the authority wishes to use available financial tools
 - For example: consider adding HRA powers
 - Accomplished through a resolution including required preliminary city findings and declaration established in Statute:
 - Substandard, slum, or blighted areas exist which cannot be redeveloped without government assistance
 - OR
 - There is a shortage of decent, safe, and sanitary dwelling accommodations available to persons of low income and their families at rentals they can afford
 - AND
 - That there is need for a housing and redevelopment authority

■ Current EDA Holdings & Budget

The financial and real-property position the board is working from

EDA fund balance	\$ 728, 251 (year-end 2026)	
Fund number	EDA General Fund 250	
Budgeted expenditures, current year	\$103,438 operating expenses (salaries/overhead)	
Budgeted expenditures, future years	\$105,055 operating; \$310,000 gateway signs	
Local Affordable Housing Aid (LAHA) allocation – new in 2026	\$83,412.76 (1/2 Payable in July and December each year)	
TIF fund balance(s)	TIF District 3 – Cottage Villas	\$843,253
	TIF District 4 – Presbyterian Homes	\$429,374

■ Understanding financing tools

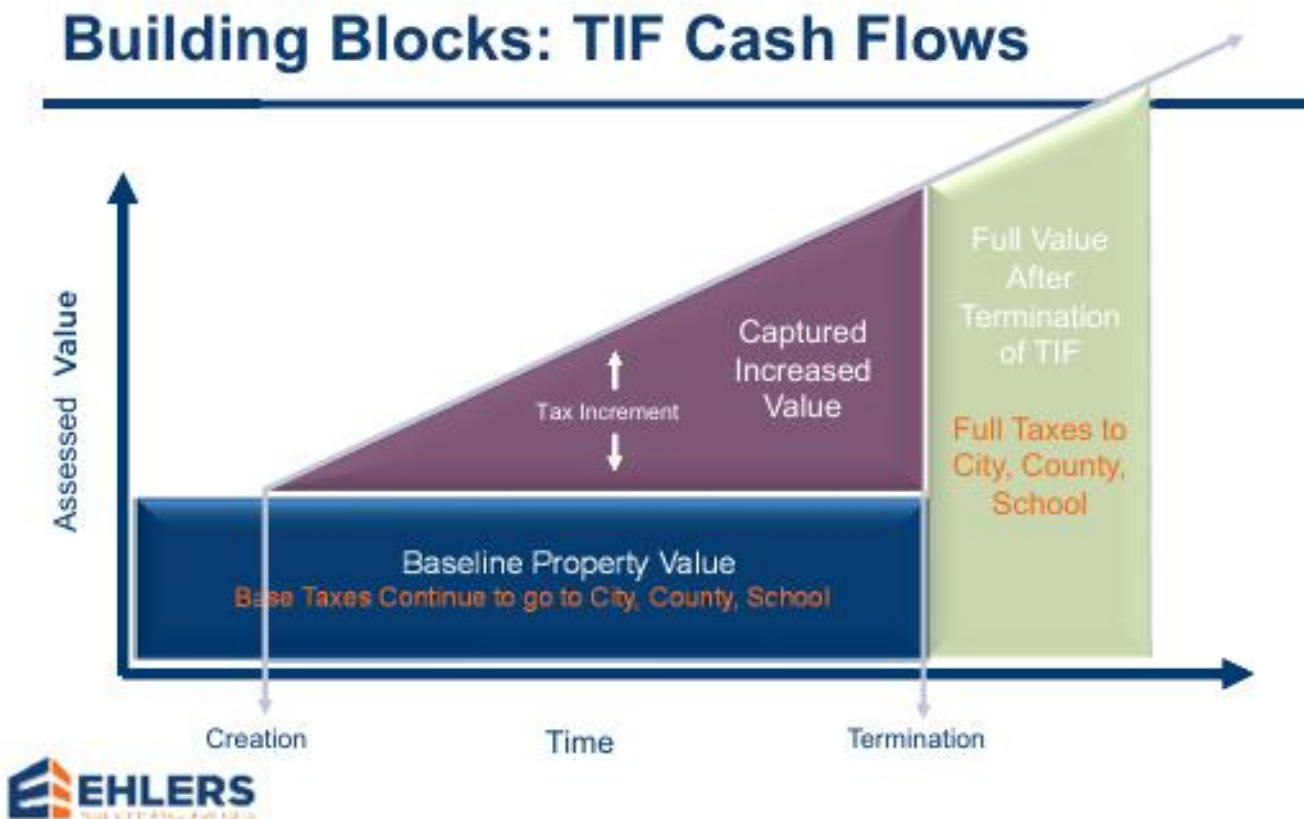
Different tools for different outcomes

- EDA General fund:
 - May be levied. Must not be more than 0.01813 percent of the estimated market value.
 - Amount levied must be deposited in a separate fund.
 - May be used to acquire, sell, lease and improve property.
 - May be used to pay for salaries and overhead for personnel assigned to EDA.
 - May be used to pay EDA members.
 - May be used to pay for studies, analysis, research directly related to local economic development and community growth.
 - May be used to supply small business capital.
 - May be used to cover memberships in industrial, commercial, or trade association and/or organizations that may contribute to advancing the economic development.
- Other tools:
 - EDA may establish **Tax Increment Finance districts**
 - EDA may issue **general obligation bonds**
 - Subject to 2/3 majority of Council
 - If GO bonds issued, levy must cover at least 5% more than required debt service
 - EDA may issue **revenue bonds**
 - Revenue bonds are NOT a city debt and are only payable by project revenue
 - If EDA sells property, the use must be consistent with economic development plans, and the revenue stays with the EDA.

■ Understanding Tax Increment Financing

TIF 101

WHAT: The ability to capture most of the increase in local property tax revenues generated from a new development (within a defined geographic area for a defined period of time) to help pay for a portion of the public redevelopment costs associated with the new development



■ Understanding Tax Increment Financing

TIF 101 - WHY USE TIF

- Redevelop blighted areas
- Remediate polluted sites
- Construct or retain affordable housing
- Increase tax base
- Change community market conditions and/or perception
- Encourage development that otherwise wouldn't occur (passes the "But-for test")
- Create or retain jobs

PROS	CONS
✓ Greater control of development/redevelopment	➤ Captures taxes on increased market value for a (limited) period of time
✓ Advance strategic priorities	
✓ Most financially efficient: • Leverages other tax dollars • Accepted financing mechanism in the private market (minimal uncertainty) • No risk to cities (pay-as-you-go)	

■ Understanding Tax Increment Financing

TIF 101 – Arden Hills’ TIF districts

TIF District 3 – Cottage Villas	TIF District 4 – Presbyterian Homes
Existing balance: \$843,253	Existing Balance: \$429,374
✓ Available uses:	✓ Available uses:
• For an affordable housing project or projects, ownership or rental • Minimum requirements: • Rental: must have 20% of total units affordable to households making 50% AMI or 40% at 60% AMI • Ownership: family of two or fewer must have an income at or below 100% AMI (\$131,500). Family of three or more must have an income at or below 115% AMI (\$151,225) • Can also be used for home rehab and/or downpayment assistance	• Qualified expenditures under the TIF law: • Acquisition and demolition of blighted property • Environmental remediation • Public improvements that promote renovation/renewal

■ Understanding Local Affordable Housing Aid

New fund established through dedicated sales tax in 7-county metro area

Arden Hills' allocation in 2026 is new - based on state population estimates 10,313 residents

Allocation: \$83,412.76 annually

Directly deposited to city from state

✓ Available uses:

- Emergency rental assistance for households earning less than 80% of (AMI)
- Financial support for nonprofit affordable housing providers
- Construction, acquisition, rehabilitation, demolition, or removal of housing
- Permanent financing, interest rate reduction, refinancing, and gap financing for affordable housing
- Must be committed within three years and spent within four
- Annual reporting requirement
- Unspent funds must be returned to Minnesota Housing or placed in a housing trust fund
 - City can establish a local affordable housing trust fund by resolution at any time



Questions and discussion

Presented by Jake Reilly, Community Development Director