

Jackson Economic Development Authority
April Meeting Minutes
Thursday, May 9th, 2019, 12:00 p.m., Jackson City Hall

Voting Members: _A_ Kent Bargfrede _X_ Brandon Finck _X_ Dennis Frodermann
 PN_Tim Olson, Vice Chair _X_ Rocky Sieler, Chair _PN_ Arlene Vee, Sec./Treas.
 X Mayor Wayne Walter

Staff: _X_ Thomas Nelson _A_ Matt Skaret

1. Call to order

Meeting was called to order by Chairman Sieler at 12:03 p.m.

2. Agenda Changes

- a.
- b.

3. Consent Agenda

- i. April 11th, 2019 Minutes
- ii. Fix up Loan application
- iii. Facade Improvement program
 - 1. Royal Treatment
 - 2. Back 40 Wireless
 - 3. Deputy Registrar

Frodermann moved to approve the Consent Agenda; seconded by Mayor Walter. Motion passed unanimously.

4. Reports

- a. EDC Report:

Nelson has had a busy month as the weather heats up and more people are getting interested in projects. A lot of good talks with some solid leads have come through for the Spec Building for the JEDC to follow through with and get that hammered down and get that filled. A roofing company is trying to get into the Amigos building, but their not the only one. We are trying to get the person who has the contract for deed to sign off on it, Nelson is doing what he can by continuing to call. Chris is wanting to sell it and is willing but his lawyer is trying to get him out of it. It would be nice to get someone in there and get the building looking nicer but we are at a bit of a stand still. We had one person looking at doing a laundromat and had a building but looking into the finances it's just not going to work out. Nelson has met with the second person, they are interested and looking at one of the downtown buildings. The biggest concern they have is it have a 3" service for the sanitary sewer and to start with are looking at three washers and three dryers which would be fine. But are concerned about the future if they wanted to increase that capacity that could be a large project as far as the cost to upgrade that service. Nelson is looking to get a conversation with Phil to talk about that and what that might cost. He would be looking to do a more mixed use building and not just a laundromat but keeping a store front option, as well as having rentals above. Pretty good project if we can get it going, but the biggest thing is he's really looking at what can he see from the City to make sure that he's not getting into something too big. Nelson can't speak for the City but knows that usually the City would not be willing to pay for that upgrade. He might be looking at other ways to try to incentivize that. If we start to get to the point where it's not going to cash flow is it something that we want to try to get creative on. Business Challenge, we will be having the final interviews with the contestants. We have two contestants. One very strong and one a little weaker on their ideas but still

wanting to hear their ideas and if nothing else be able to give them some feedback for potential for the future. Nelson feels confident that we will have a winner and it will be a business that is value added and potentially even driving its own traffic. JBDC, you just approved three of those programs, they reviewed those yesterday and are totaling about \$9,000 worth that will be granted to those three combined together. Still having about \$16,000 left for the project. In addition to those three Virginia & Company was looking at it, we will see what their appetite is once the roof project gets going. Pillars has expressed some interest in the program, Schrader's has interest for Tooties Boutique as they own that building, also the Costello building. Three great projects with Royal Treatment being a torn awning which is a negative that we can help fix up; Back 40 Wireless is an example that he was only going to do maybe \$1,800 but he told the contractor what can be done for \$10,000 because he knew that was the max so we definitely encouraged someone to do a lot more because of it; and then a very visual building with the Deputy Registrar. Prairie Winds Redevelopment the first group they could have gotten some financing but didn't have the taste for it. Nelson's assessment is that they have a lot of experience in the flipping which is a lot more immediate return on investment and this is a project that would cash flow but they wouldn't see those gains for a number of years and that's something they are not quite used to. Nelson has a couple more leads on it. The first one Nelson probably won't spend much time on as they are wanting to come in and spend only \$175,000 for rehab funds, Nelson told them up front that it will be more like a million. They also don't know any contractors in the area so they are not very realistic. The third lead, Nelson does not know personally it's a connection through a connection, they are looking at it and it would be more of a cash deal and is trying to get more information on that lead as it seems a more solid deal. Nelson was informed from his contact that when they come in they immediately want TIF packages and they want it right away. Nelson is a little bit cautious on there and wants to be able to sit down and talk, he doesn't like the strong arm approach he'd rather sit down and find out where is your gap and why do you need this. Yes we want this project to happen but we are not just going to give you money to do it. On April 30th Nelson did meet with David Harchanko who did the Windom and Spicer hotel projects as well as many others and the GrandStay president, Jon Kennedy. They have been on site and looked at it with Nelson, they are interested in a hotel. They are doing drawings for a hotel with event space with an addendum of a restaurant, their appetite for a restaurant is really ify. The developer is looking to attract investors and the less complex the project the easier it is. Nelson is trying to push for the restaurant also, finding a local franchise for it rests on him to hopefully bring to the table, if he can do that then it will be a little easier. The harder part will be for him to be able to attract anything is going to be difficult for our market. So really looking at something like a Duffy's, as an example, where they have multiple and the capacity to do another project but that they are small enough to actually look at us. He is still going to add that in as a portion. The biggest problem is going to the community space as his perfect world would be a third party project funded, essentially externally funded whether it be the City or donations, etc. From his perspective that would make it easier to attract investors. He's doing the drawings for it though but we will see if we have any other developers that come in so Nelson can try to position them against each other a little bit more to actually try to get them to include that project. The biggest take away with a positive is the opportunity zone, that he said right away that this is what is going to get this project done if we get one in town. From what he has seen, since that came into place for the larger investments like that a lot of the larger accounting firms that he works with at least have seen the money directed towards those areas. He is waiting for his project in Austin gets a little more done where they are currently setting up the opportunity zone, he's going to have experience with one of those. He has dropped all projects that weren't in the opportunity zone. This might be specific to him as he is working with those contacts with the larger investors but that would be an example of what he would bring to the table that potentially some of the other investors might not if they don't have the contacts with the larger equity firms. Then we would be relying on a lot more local fundraising for that. The Housing Study for the most part is complete, besides a few typo corrections. Nelson has it and will be reading it at night while he's gone at his military training

next week. Matt's going to get a copy and anyone else who wants a copy Nelson can send it out to you. The next step is that if there is anything else that we want them to look a little more into, which Nelson has already identified that he would like him. We will schedule a date for a full presentation but this is pretty much done. Loan tracking and property listings - these are two examples that Trisha has been able to help out with. The tracking documents on the insurance is one of the things that we have been behind on this has been behind since before Nelson took over but it's an issue now that we are getting caught up on. Nelson had shared before about the LOIS or Location One Source that is on our website, we had some listings on there before but now we are more up to date on the sites available. Nelson feels more comfortable using that now to help market rather than before when it was incomplete.

The CVN Event did not happen. The JEDC has a couple really solid leads that they are working with, a couple immediate and also a couple that are more of a year or so timeline but good connections to keep in the docate and ready to go. The Motorplex visit did not happen but continuing to work on that, Donnie has been trying to set that up for us they are wanting to work with us to find ways to connect to tie the development in Jackson to the Motorplex and gain off of it. From Nelson's purposes, he's trying to get a meeting with Todd Quiring to get in front of him to see if anything we are working on would interest him with the Opportunity Zone aspect with him having a lot of capital gains that would be a perfect person that might be able to gain off of that. We had joined this year for the first time the Minnesota Marketing Partnership, splitting the fees with five other communities, going forward we might not be able to do that as they mentioned that if you are pooling your funds that you are an actual LLC. They are going out to a lot of trade shows and it's funded through partnership with cities. They are going to the trade shows and highlighting areas in Minnesota. In realities the focuses are probably more in the bigger cities, next year Nelson might not recommend to join as we can't pool the funds. At this point it was \$160 for three to four events a year in which meals are paid for and you have access to DEED people and that's why Drew Hage recommended that we join that. Nelson was able to meet the person that does their shovel ready programs, the certification program in which you can get your land certified. The problem with that is that shovel ready does not have a universal meaning and even she has mentioned that she is having problems with validity with developers on it. It can mean different things in different states. She did admit that the really short timestamp request for proposals come through and there's not a lot of time to collect data, then they will go look at that list. For us in Jackson, Nelson does not know if this is a good option for us as it would cost some money, such as Phase I, Phase II and having all the utilities, it's a lot of money to get your sites to that point and some of the projects like what we are dealing with don't need that. But being able to go there and talk to the person if we know that they are doing the requests for proposals hopefully we can get past in only going to the shovel ready list if they know that we have 80 acres of land available. If nothing else, we are not paying any fees to go to those three events. However, next year if we are going to have to pay \$600, Nelson does not know if it is worth it. Senator Klobuchar's office did have a round table event, everyone from the schools to the community college was there. Pretty good event talking about the workforce. The focus was mainly on the schools but Nelson was able to meet with the DEED staff. Had a visit with Last Deck. Both the Industrial and Commercial Property committees for the JEDC have been meeting regularly. We were able to go to the CEDA Staff Training day which was a great event a couple Tuesdays ago. We were there from 9am to 6:30 and it was non stop presentations and training, it was a good packed day. If you are not able to go to the CEDA Annual Meeting, the short/long is that we are growing rapidly, they are looking at a lot of areas with 25 members on staff. Last year they did have a loss of \$90,000, we are a non-profit, with the reason that they are being more aggressive in the areas. When they hire someone full time they might only have them somewhere two days in a contract and they do that knowing that they will be able to fill their time out and they have done that now so this year so they will stabilize. But that is one thing they have done in order to reach out to new communities and areas that need their services. Nelson will get into the Sunset View Facebook ads later on. He met

with the Golf Course about the potential with that. We had the Trade Allies meeting, essentially a meeting with a couple contractors for the rebate programs still trying to push that and help with that. We had a 60/90 meeting and we are going to try to meet regularly now to try to keep pushing that momentum forward. That is the group that we are trying to create a regional marketing aspect for livability in the communities. We made a couple changes for how people can post on that to make it easier and looking to utilize some of the funds to market more to try to get people to be contributors to that. In the three phases, we build the infrastructure, now we are trying to collaborators that are going to be able to create content, which is not spending Nelson and Trisha's time to create the content. And the third phase, once we do get more contributors, is to look at how we can get the HR professionals to be able to gain from this to be able to show that this is a livable community, the real estate agents to be able to utilize this as a resource and lastly, us to be able to push out and show people outside of our region we have a livable community. Nelson had a meeting on Monday with the head of HR of AGCO as well as couple people he has been pushing forward for their Young Professionals organization. This is something that he and Sharon have been talking about for a while. Nelson is part of assisting with the Lakes Area professionals and he knows quite a few connections through family in the Spencer one. Nelson has not been a part of those boards as he's been waiting to find identify a group in town that is doing some of this already and they are willing to open it up to the community. Really great meeting, Nelson was able to give them some advice how to do it. He and Sharon have said that they are not willing to take on the role and time of doing it themselves but if they can advise on it they would. They have a lot of excitement about it as they have 20 some interns this summer, which is a great timing to utilize this as a retention for young professionals but also as a recruitment for these interns coming in.

Nelson is out of the office next week with military obligations. He will not be available by phone as he will be in secure locations but if you send an email he will get back to you as soon as possible. Trisha will be in the office all next week and as always, Chris Geisen is a contact that you can call right away if something more immediate comes up that you want support from outside, we have people as close as Blue Earth if necessary.

Sieler asked about the listings on the website if that is just the lots that we have available. Nelson responded that they are on there as well as commercial and industrial buildings. The JEDC lots as well as Asa's land, we are checking with Fulda Area Credit Union if they want their land on there, the embroidery store as being empty space, the Coast to Coast building, where Schrader's was, we included office space as well such as John Olson and the Porter's both have open office space. Trying to get spaces that aren't even listed on there, anything related to business as well. We are reviewing the rental list that the City has, it only lists their license, how many rooms and the cost, it's pretty minimal so Nelson is looking at trying to better that, maybe even getting a full listing with pictures etc and showing where they are in town. It's not just about helping the landlords get more occupancy but more so if someone looks at town we want them to be able to look at it and find it quickly. We have already done a couple things to switch it up on the website to make it easier to find because Nelson had a hard time finding it. The good and bad news is Nelson tried to reach out to find examples, we are already doing better than most communities because more communities do not even have a listing, bad news is that then we don't have any examples to copy. That's a work in progress. Sieler asked then if a property is listed with a realtor that we don't market that then? Nelson stated we do have them on their but if has to be a commercial building, we don't have any residential on there. We have been allowing commercial buildings listed with a real estate agent on there as it was started that way before Nelson started and he has continued that process. Sieler's concern is that we are going their job for them having them on our website by making it visible and they get a commission and we are marketing for them and wondered where we are drawing the line at we want to fill our buildings yet at the same time he feels there might be a little conflict there. Finck stated

that he doesn't have an issue with it as long as we aren't listing residential houses. It's hard enough to sell a building in this community the more exposure they can get he is all for it. Walter agreed with Finck, if you click on Jackson to see what's there, you don't know the real estate agents and if you can find it and go from there on our website, he thinks that's great. It doesn't favor one agent over another as it has them all listed. The agents have had access to put them on themselves and Nelson has reached out to them but that has been fairly unsuccessful so that's why we have taken some time to put them all on so that it is fair to everyone. Nelson's attempt is that it is a one stop shop, as for the business aspect side of things none of our real estate agents are commercial. They are all residential because we are too small of a market. It's a one stop shop to see what is available for businesses and buildings.

Financial Report - EDA Fund - 616 Fund, general funds, \$250,463.55, keep in mind the \$10k promised to the Business Challenge (which probably won't happen for a couple months) and \$9,000 for the facade program. Revolving Loan Fund - 801 Fund - \$482,747.43 available, income of \$26,160.34 so far this year, expenses \$21,800 for the Donnie Schoenrock for Kat's Hog Heaven loan and the remainder being the payment to SWIF that comes due on the Ashley Estates loan, 12 loans total with the outstanding balance of \$359,396.93. For the SCDP Income - 802 Fund - currently at \$24,197.14, YTD Income so far is \$4,728.48, this is before the approximately \$15,000 Virginia & Company loan, we had a payoff from Costello, Butzon, Carlson & Schmidt, with outstanding \$36,368.46. Housing Program Fund - 804 Fund - cash available at \$50,177.04, income is \$5,337.56, expenses being \$0.00, we do have the \$4,410 loan coming out soon for the Fix-up program, we had three loan payoffs as they got to the end of their amortization so it did drop down from 21 to 18, and outstanding is \$39,876.31.

b. SCDP Report

We did send out a mailer, everyone who is in town probably knows that. We are at 15 now so that is an increase over the last couple months. Nelson has been getting a lot of increased traffic at the office. We have probably about 50/50 people eligible either due to area or income. We have one of the fix-up loan applications at \$4,400. Previously Sue had only wanted \$5,000 loans and nothing less than that, Nelson spoke with Jeff Busing and he was in agreement to use as much grant money as possible so now looking doing loans less than \$5,000. Hopefully this will help increase the program. There is a lot of hand holding with this program, Nelson does not know what the next step will be after the mailer being sent out besides door knocking. We have seen a couple more this past month that are in the pipeline.

c. Projects Report

i. Prairie Winds Redevelopment

Nelson reported that they are working on financing, packets were sent out to Bank Midwest and Fulda Area Credit Union, they switched out from United Prairie. Nelson also let them know about SWIF, they were not aware of them, if they are needing some bigger gap financing. They had been looking at using some investors out of the Chicago area but pricing would be higher. He wanted to let them know of some cheaper financing options out there.

ii. Hotel

Nelson has been in contact with four potential developers, the most notable one is the gentlemen who did the Windom hotel project as well as the project in Spicer, which was the GrandStay, located on a golf course, with event space and a restaurant. He is definitely interested. He asked why Todd Quiring isn't doing it and he told him he is going to be talking with him and that he's reaching out to multiple developers.

iii. Laundromat - As stated earlier, working with three individuals just keeping the communication open to ensure we don't end up with three laundromats in town. Sieler asked where they would be located and Nelson replied that they are looking at a couple possible locations downtown. It was

asked if Chant had purchased the building with the embroidery business, he did not, it is still owned by Burt Joul at the time he was not wanting to sell. Nelson has not been able to get in touch with Burt to find out his intentions, he has told the possible laundromat owners that this might be a possible location as well. It will be another vacant building.

5. EDA Owned Properties

- a. Sunset View Phase 1 - nothing to report
- b. Sunset View Phase 2 - Nelson has had an additional contractor reach out due to the Facebook post from Fairmont. Nelson has had a chance to talk to him once by phone but he's in the middle of a project. He's interested but have not gotten past that. Contractor #1 from Worthington is still very interested but the timeline is he's looking at beginning in the fall, essentially he's looking to give himself something to do over the winter. Lastly, Nelson has put an email and two calls into Habitat for Humanity to our east as they have expressed interest as well in some potential projects as well, where those are at is something to be said with this group. Olson brought up some concern about Habitat for Humanity being in the subdivision. Another thought from the Housing Study presentation is that we have some in-fill lots that the City is now taking claim for and is redoing. Nelson doesn't know what the Council's plan is with those lots once we get rid of them maybe that's an example of somewhere that could be a better fit for the Habitat for Humanity. It was asked what in-fill lots he was referring to and Nelson said that they had just taken down a house on Maple Street. Finck also has concerns about putting Habitat for Humanity house out in the subdivision, that would be a pretty big uproar. It was suggested up at West Ridge as there are a couple lots left up there as well. If we have the lots full at the subdivision except for a couple lots then it might be okay to fill them in. With having 33 lots to fill, now is not the time to be putting them in. To sum up the general consensus is that the potential West Ridge is a good starter for them or some of the in-fill lots, Maple might be too small to put a house on. Habitat for Humanity is a build your own home program, with help and support, it's usually lower income, an individual cannot afford a home but they can afford if someone builds the home at cost and there is a lot of sweat equity into it with a very low payment type plan. A lot of people tend to help, a lot of volunteers with help build it. Employers usually employees as a good feel type program, Finck has gone out and done some of these where he was at before where we take a week and go work a Habitat for Humanity in another community. It's a great program. We have never had one in Jackson before, we do not have a local chapter here. This one is from Martin and Faribault Counties that the person who reached out is from.

Facebook post update
Facebook Ad Stats:
Reached - 20,074
Engagements - 2,138
Ad Reached - 16,803
Ad Engagements - 727

Nelson has not had anyone contact our office directly but he has heard that there were even some people in town that did not know we had lots for sale. He feels that for \$300 in three weeks we had a fairly successful campaign. Lots of conversations were started from the ad, even in other communities.

- c. Westview Ridge - nothing to report

6. Other Business

- a. Other business was an FYI.

7. New Business

- a. Brief update on the Housing Study - Nelson had not showed you the 13th Study, it was dramatically smaller than this one. We had wanted to make sure that they were not just brushing over it since it is the same group. Nelson feels very confident that he was very thorough and made a lot of phone calls. They were able to reach a good number around 406 of the estimated 511 units in town, they were able to contact most of them. We were able to reach out and connect with a couple different real estate firms than they had in the past, as well as some different landlords, such as John Olson who is a little more on the negative side so we made it a point to reach out to some who are negative to make sure we got a well rounded inquiry. They did a pretty good job of reaching out to a lot of the employers as well in the area. On that demographic side, the first thing to note is that due to us being in 2019 with the census being a big one there, we probably won't have the census data until 2022. Nelson feels that is was a good time to do it but you will be a little bit of those differences. The three biggest sources that they use is the census, S Street which is a paid service of surveys and the State Demographer. As a general whole you see both the census and the paid service showed more of a projected and showed more of a loss over the last couple years and over the future projections. The State Demographer showed a slight increase. A little bit of a difference there, showing that the local state demographer is going to be able to see some of those things. In general some of the projections, even the last two years, you see statewide, just two or three years ago we were looking at 80% chance we were going to lose a congregational seat and right now the state demographer is reporting that it's a 50/50, so that's the biggest thing you see there. He looks at that and says that it's pretty much statewide, if he's looking at the two out of the three are saying low and the other is staying there, it's probably more of a stabilization so we've at least been able to curb some of the decreases we've seen in the last couple of years. Aging wise we are seeing the baby boomer population is the big thing there, seeing an increase there. Other areas base are pretty stagnant in that area. Nothing major there but you can get really long in the demographics. He does think that some of the things we are doing now have the potential to help curb and increase that, even before any of his suggestions. The market rate, overall we see about a 10% vacancy rate. Problem is what we are seeing is Rolling Hills apartments alone has a large vacancy rate at 12 units empty. Rolling Hills apartments is one of our problem children that we will want to look at. We are seeing that people are full and constantly full or empty. Looking at the tax subsidy, the market rate apartments is the one that is really empty the rest of them are doing pretty good. Specifically looking at Ashley Estates they get full right away. Looking at the snapshot, right now we see that it's a little bit low for the student housing areas but again they fill up right away. Eagle Ridge, any of the units that are market rate are always full. The Wedgewood Apartments are not available, they are always full. So you see any of the reasonable priced nicer apartments are full a lot then the lower end stuff, such as the Rolling Hills is not. They had opted out 2015 of the subsidy program, they were previously in that and we are looking at that as maybe not a good choice by them. Nelson requested that he look more into that, his hypothesis

without looking into it is that it might not be a high quality building. Nelson asked if anyone knew the condition of the units, our group have not been in it but know it's a rougher place with the cops being called there frequently. Nelson found the specific numbers in the report - there is 21 vacant units for overall rate of 10%, is really high as what you want is 3-5%. 14 of the 21 vacancies were in Rolling Hills for market rate alone. So if you take out Rolling Hills we are at a 4.8%. In 12 of the 18 properties, had no vacancies. We see that the vacancies are coming from six separate areas. It doesn't really help to look at the snapshot because we have a fairly high rate but you are looking at specific properties that are in that. As a whole general of the town but with the tax credits, properties being River Bluff and Eagle Ridge townhomes have a hard time filling them. There's that really thin layer where they have to make the low 60% of the market rate, when in reality they have to make between 50-54% is what they are having to make of the median income in order to even be able to make those areas work. That's an example of talking to them and seeing what we can do to help fill that but also to get out of that program and area as soon as possible. The subsidies are full, all the things that are in the subsidies programs are very full, waiting lists on those. Housing redevelopment program is being used well. Senior services we see a 75% occupancy rate at the Pines and 86% in the Good Samaritan Center. Nothing too much there, Nelson talked to Darren himself beforehand as well. They are not too concerned about that because of the baby boomers population is coming up and that is nothing else they are going to be concerned for more space. In specific, looking at those cottages and such, the Pines kind of fills that area so they did not include a recommendation there, we might want to monitor that in the next five years. But for now with having 8 units open in that area we might not see as much of a demand for that unless we see that people would want to live in their own separate unit. In short for his recommendations, market rate is 16 to 20 to develop, so if you wait until Rolling Hills is full, because they are the problem child, by the time they are full you are going to need more. He is recommending 16 to 20 new units. One of the biggest takeaways on the market rate side is he specifically he suggests a mixed use building downtown, near the river. So utilizing a commercial something below, having the high amenities in the area. That is one specific project that he suggested which is an interesting potential. Tax subsidies don't get anymore, even if we wanted to we probably couldn't there is only one per year that outstate Minnesota gets on that but we probably don't need anymore. He suggests we build more subsidy, it's probably not feasible but he does put that down that if possible we could use some more true subsidized where they are only paying 30% of their income, if nothing else just maintaining there. For Nelson, that means he's wanting to stay in communication with those owners to make sure that they are not opting out of the program. Student housing also suggests about 40 beds, that's a little bit high, the President of the college had a little bit of talk on that, not that high but his mindset is that is the HRA's with student housing. So if we were able to continue to focus on the student housing to in effect create some subsidized openings. For single family houses, he suggests to build about six per year, we are at about two per year right now. The big target area he's looking at is the affordable and he categorizes that as under \$200,000. The conversation that Nelson has been talking about with the developers is that's the same market that he has been going after, if we can get under that amount then we will be there. We have a lot under the \$100,000 but then we do have some high rate housing. It's not a hard core boom but there is opportunity for some of that housing because we do have some of that in there. In general, reviewing some of our programs, such as the home buyer program is not being utilized a lot and the

feedback is that there are a lot of other options out there to get people into homes. Looking at a home buyer and rehab, so instead of getting funds for that it's maybe looking at that mid-range/mid-market houses where they want to buy them but there are some fix-ups and they don't want to buy that thought because they'd rather buy new. So maybe trying to help some of those that have the option to buy something that's in their market but then they have a way to finance some of those. Senior housing just to monitor it as we are pretty good now but in five years time we might feel a pinch. Some very good specific recommendations from him. Some direction on some specific projects that we can look at. He didn't really have a lot to say about twin homes and those things being really successful. He wanted to encourage the group to not get discouraged about the twin home that the EDA built because he feels strongly that the issue was the specific building itself. A big thing to talk about is what the EDA wants on the half lots, do we want twin homes or allow triplexes. Plus looking at the future as to where the next large lots are, he does not view the inside of the Sunset View as the higher price. You are looking at about \$200,000 now mark for those inside lots which he feels fits great for that but now looking that the JEDC has some land available, not now but looking at the next couple years at starting to look at how we are going to develop that next one, probably at the end of the five year mark is what he was suggesting. Sieler said that there is a need for the rental type units, whether it's twin homes or fourplexes or whatever, there is a need but you've got the void at the Rolling Hills where it either needs some money put into it or get rid of it. He suggested looking at Southwest Minnesota Housing Partnership, unfortunately Rick Blom passed recently and he was very aggressive. We need to take a look at our existing stock, Nelson would love to do new projects as it's new and exciting but if we look at our existing units and they are doing it right and are full. If it's nice and affordable rent they are filling them, if it's subsidized they are filling them. We have some areas that aren't doing well, but if they were moved into a different category it sounds like they could do well. In Nelson's mind then that's a project and we need to figure out what's going on there and figure out who can come in and rehab that because it's probably a lot cheaper to rehab that than to build it brand new unit. Walter pointed out that the problem with the rehab is that you have to get in there soon enough to fix it instead of letting it go too far down the creek. Sometimes they are so far gone that they can't be brought back. Sieler said that that is what is happening with Prairie Winds. Even the Econo Lodge, being partially open, they are looking at construction work but they might be passed the point of a rehab into a nice hotel. In looking at the construction up there, he suggested that this group look into getting some multi houses, so encouraging the contractors. One was looking at one, another was interested in twin homes a couple more triplexes and such. Maybe triplexes on the far west side or if we don't want triplexes up there. Trying to get them to buy five lots and take away the restriction of the build and have them build at least one per year for the next five years, we get them built in and maybe drop the price a little bit but get them invested in doing it and now they are the ones marketing it and we don't have to. That was one suggestion that he had to start those conversations with the contractors to say what can we do to get them committed to more than just one. We have a lot of opportunity to grow, he talks more about the community marketing that we are doing. It was recommended that the full presentation should be given to this group and that Nelson should bring a condensed version to the Council.

8. Adjourn

Chairman Sieler adjourned the meeting at 1:00 pm.