

**Jackson Economic Development Authority**  
**December Meeting Minutes**  
**Tuesday, December 17<sup>th</sup>, 2019, 12:00 p.m., Jackson City Hall**

**Voting Members:**      PN\_ Kent Bargfrede      \_X\_ Brandon Finck      PN\_ Dennis Frodermann  
                                 \_X\_ Tim Olson, Vice Chair      \_X\_ Rocky Sieler, Chair      \_X\_ Arlene Vee, Sec./Treas.  
                                 PN\_ Mayor Wayne Walter

**Staff:**                              \_X\_ Thomas Nelson      \_X\_ Matt Skaret

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**1. Call to order**

**Meeting was called to order by Chair Rocky Sieler at 12:00 p.m.**

**2. Agenda Changes**

- a.
- b.

**3. Consent Agenda**

- i. November 12th, 2019 Minutes
- ii. November 18th, 2019 Minutes

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

**4. Other Business - APX Construction - Jorge Lopez -** Jorge has worked 15 years with Southwest Minnesota Partnership and has a lot of experience, even worked on the Eagle Ridge apartments in Jackson. He has been with the Mankato based APX for one year now in the Worthington area. Nelson was connected with Jorge through Nicole who manages the Eagle Ridge apartments. He came to Jackson two weeks ago to meet with Nelson and they drove around town to look at a number of projects in town. Four possible options to consider: Sunset View for retiree duplexes and family housing, in-fill near the elevator with a potential partnership with SWMNP and market rate apartments.

Jorge passed around some marketing brochures to the group. APX hired Jorge to develop projects as before they were mainly just a construction company. He has been working with the Cities of Blue Earth, Marshall and Austin. In Austin, they are going to build a 60 unit market-rate apartment building. In Marshall, a 54 unit with commercial on the main floor. It was just approved last night in Blue Earth to build a four-plex, a two-story duplex and a single story duplex, they are also building three one-story duplexes that will be built in the new subdivision and have potential buyers already for them. The City of Blue Earth has a buyer for the new single story duplex and the two-story and four-plex they will use as rentals. He works with the Cities to use the tools that they have as options, i.e. TIFF, tax abatements to get projects to move forward. He also works with SWMNP to use their programs. He will be meeting with the SWMNP to talk to them on in-fill projects to be completed in Jackson.

Jorge has seen our Housing Study and was asked if he had any recommendations. He was impressed that it suggested to build duplexes, as they are usually more affordable than a single family home. He pointed out that young couples can buy a duplex and live in one side and rent

out the other side to help pay the mortgage. It was asked if the duplexes are built on slab or with a basement. APX can build what is wanted, right now they are building both styles in Blue Earth. If there is no basement, then they work to make a bathroom a safe room so they have a protected space in the unit in case of storms.

The pricing from the Blue Earth projects was discussed:

Fourplex (including lots) were \$675,398.40, \$172,000 per unit for a 3 bedroom, 1 ½ bath, 1 car garage

Two-story duplex (including lots) were \$374,489, \$185,744 per unit for a 3 bedroom, 1 ½ bath, 1 car garage

One-story duplex (including 6 lots-\$109,000 just for lots) were \$230,000 per unit, 1,531 sq ft, 2 bedroom, 2 bath, 2 car garage

If wanted, they can be built with basements or extra storage depending on target areas. If units are sold prior to being built they can be made as buyer wants, especially if they are for retirees. APX works to have both good costs to build and high amenities, he does not put cheap products in the units.

It was requested that he explain how the involvement with the cities that he is working with. He explained that, for example, the City of Blue Earth has given him the opportunity to sit down and work with the EDA and HRA and then asked what they need to go in order to get the project to work and to provide a budget. He provided a budget of \$140-\$150 per sq ft, once that was agreed to get plans and specifications then Jorge was able to bid the project. The City of Marshall is different as it's a 54 unit building with commercial and have knocked down buildings that were on the site and have been able to utilize a redevelopment TIF. City of Austin is the same, knocking down buildings and using a redevelopment TIF.

Jorge is wanting to talk to local businesses to potentially form partnerships in order to provide housing that is needed for employees and he will be transparent with his numbers. Nelson mentioned that the local snow and lawn care businesses should be brought in to have that a part of the process for future needs. Jorge also mentioned that the City of Blue Earth is adding access to the city-owned pool and exercise rooms to the tenants of the units. The projects that Jorge has been a part of have waiting lists.

It was asked how he gets the bids. There are programs that you add your project and it gets sent out to contractors that use that same program and they bid on the job. Jorge goes farther than that by contacting local contractors to make them aware of the project and will provide the plans if they want to bid on it also. APX has their own concrete division but on his current projects they did not win the bid, his boss was not very happy with him but they didn't have the lowest bid.

It was asked who oversees the construction, Jorge oversees the project because he wants to make sure they are following his plans and the quality that he wants to see there. Since he saw the possible sites in town it was asked what he would like to start with. Jorge said that he liked the sites at the subdivision and feels that the two-story duplex would fit in there, they would be a family unit at market rate that would maybe rent the other side. Single family units would be to be

built and sold, however, a multi-unit apartment could be potentially be built and APX would own to rent.

Options for retirees was discussed: they do not want the hassle to build on their own, they want a single story, with high quality and amenities. Nelson suggested that we could set up a couple pre-sales, then build three units so two are sold and one spec so that it can be used as a show house for future retiree sales. To lower the risk. Right now is bad timing to be able to show plans and get pre-sales as some of them go south for the winter.

In regards to market rate rentals, Nelson had talked with the HR Department at AGCO, and Lloyd Management want AGCO out of the market rate units at Eagle Ridge because they have a list of renters and they can fill them on their own. AGCO needs places for their people so they will have the ability to guarantee at least 5 units, Nelson would like to get them to 8 units and feels they could get 4 more guarantees from other local businesses; which would mean that ½ of a 24 unit apartment building could be guaranteed. This would lower the risk. The HR at AGCO does not allow the employees to stay long term in the units they guarantee, she uses it at a landing pad for employees.

Jorge Lopez told the group that he is available for future questions and that he has no problem coming to Jackson and working on getting projects going, Worthington is not far away. He wished everyone a Merry Christmas and left the meeting.

Olson shared that Nelson had been at his office the day prior and they included the United Prairie Bank president from Worthington in the conversation and he couldn't speak highly enough about Jorge, he is legit and is greatly respected.

With Nelson being able to obtain some guaranteed units he feels that both APX and another developer he spoke with at the last CVN event would be interested. Nelson discussed a potential site that he would work to obtain a redevelopment grant program with a February deadline in order to purchase site and prepare it for a developer to come in to build a 24 unit apartment, with a potential of a brewery on the main floor. A few sites were discussed as potential locations.

Next steps: Nelson will work on applying for the grant; reach out to retirees to start working on pre-sales.

## **5. Reports**

- a. EDC Report: to be reviewed next meeting
- b. SCDP Report - to be reviewed next meeting
- c. Financial Report - to be reviewed next meeting

## **6. Other Business**

- a. Sacred Heart Clinic - selling this week, buyer is looking to convert it into student housing. Nelson has also talked to HR at AGCO about committing to having summer interns
- b.

**New Business**

a.

**7. Adjourn**

**Chair Sieler adjourned the meeting at 1:10 pm**