

Jackson Economic Development Authority
August Meeting Agenda
Tuesday, August 16th, 2022, 12:00 p.m., Jackson City Hall

Attendance: Mike Brinkman, Brandon Finck, Tim Olson, Vice Chair; Rocky Sieler, Chair; Arlene Vee, Secretary/Treasurer

Staff: Dave Schmidt and Matt Skaret

Absences: Kent Bargfrede, Wayne Walter, Mayor

Guests: Ashley Schmit, of Focused Law Firm; Larry Clymer, of Jackson Cycle; Phil Markman, of the City of Jackson Street Department; Paul Fishel, of Svoboda Excavating

1. Agenda Changes

* Motion made by Mike Brinkman, seconded by Brandon Finck, to approve the agenda as presented. Motion carried unanimously.

2. Consent Agenda

- a. July 12 minutes

* Motion made by Mike Brinkman, seconded by Brandon Finck, to approve all consent items. Motion carried unanimously.

3. Reports

- a. EDC Report (**Attachment A**) Dave reported that Mitch is willing to sell the Coast building for \$1. Dave requested
- b. Financial Report (**Attachment B**)

4. Other Business

- a. Jackson Cycle Sewer Repair Forgivable Loan.

Chair Sieler welcomed guests to the meeting.

Mr. Clymer of Jackson Cycle, located at 412 Springfield Parkway, provided a brief overview of his business's frozen pipe and burnt-out pump with the board. Mr. Clymer stated that in 1996 during the Springfield Parkway Development, the City of Jackson installed a pipe that connected his business to the school's sewer line.

In February of 2022, during the school's renovations, Svoboda Excavating removed 18 inches of topsoil, exposing his line to freezing temperatures, which subsequently froze the line. The frozen line then burnt out his pump. He contacted a contractor to unthaw the pipes and install a new pump at the expense of approximately \$4,000.

Then the City of Jackson requested his business, Jackson Cycle, to install a pump, which Mr. Clymer did at \$14,000. Mr. Clymer believes the City of Jackson 1996 should have installed a central line on Springfield Parkway street so Jackson Cycle could connect to the main line. Still, that project was too expensive, so Mr. Clymer agreed to run a line from the Riverside school to Jackson Cycle. Mr. Clymer also displayed a city sewer map and pointed out that Jackson Cycle's sewer line doesn't appear on the map.

Mr. Clymer requested the City of Jackson reimburse him for the repair costs.

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The city administrator Mr. Skaret explained to the board that the City of Jackson could not reimburse Jackson Cycle for the repair costs because that would not be a proper use of public funds. However, he provided the board with the following timeline:

- In 1970 Jackson Cycle was connected to a private septic system.
- In the '90s, the County had the Springfield Parkway Road dug up, and the City of Jackson installed casings.
- In 2010 the City of Jackson started the sewer extension project.
- In 2013 the permit was approved for Jackson Cycle, and the project was completed in 2015.
- In February 2022, 18 inches of dirt was removed during the school construction project, exposing the Jackson Cycle's line to the elements which froze the Jackson Cycle's line.
- The City of Jackson submitted a claim to the insurance claim with the League of Minnesota Cities. The adjuster determined that the City of Jackson has no liability in the matter.
- Mr. Clymer was instructed to go before the public utility commission. Mr. Clymer attended the meeting, and they proposed splitting the expense with the City of Jackson.
- The city attorney, financial advisor, and auditor advised the City of Jackson to work with the Economic Development Authority to provide a forgivable loan to Jackson Cycle.
- In July, the Economic Development Authority met and approved the \$2,100 forgivable loan contingent upon the following:
 - Mr. Clymer first requests the contractor to pay the repair cost. If the contractor denies responsibility, then file a claim against the contractor in small claims court.
 - Complete the easement process with the City of Jackson and the Jackson School District.

Once satisfied, a forgivable loan of \$2,100 would be granted.

The City Administrator reported that he is willing to ask the insurance adjuster to reopen the claim to review additional information that was provided today.

A board member of the finance committee reported the committee recommends a forgivable loan of \$2,100 is granted from EDA to Jackson Cycle, with all contingencies being removed except for the easement.

EDA board member Tim Olson questioned why Svoboda Excavating is not responsible for the repair cost.

Paul Fishel of Svoboda Excavating said the Jackson School District hired them to move the dirt to reshape the slope at the school. However, the pipe from Jackson Cycle to the School District was not recorded in city/county records or maps. Gopher State Pipeline also did not locate the Jackson Cycle line. Mr. Fishel shared that Svoboda Excavating worked alongside Countryside Plumbing & Heating, helping Jackson Cycle install a new pump charging a reduced rate to the School District. The invoice was

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approximately \$3,000, including the digging up and insulating of the line. My company did not invoice Jackson Cycle for these costs. Mr. Fischell said Svoboda Excavating and the School District accepted responsibility for their damage to school property. However, Svoboda Excavating is not responsible for the expenses incurred by Countryside Plumbing and Heating.

Chair Sieler asked Mr. Clymer if a new pump was installed or if the pump was repaired. He also asked how old the pump was. Mr. Clymer said the pump was seven years old and needed to be replaced.

Board member Tim Olson said he doesn't think the City of Jackson is responsible for repairs, and the EDA board funds should be used for housing, not for business repairs. He thinks this matter should have been brought to the Revolving Loan Fund committee.

Chair Sieler said the additional facts were very helpful to the board and thanked the guests for attending the meeting.

*** Motion made by Brandon Finck, seconded by Mike Brinkman, to recommend offering Jackson Cycle a forgivable loan in the amount of \$2,100 with the monies coming from the Revolving Loan Fund with the following recommendations: the City of Jackson requests the claim be reopened, and if the claim is denied, the request to file a claim in small claims court is removed, and Mr. Clymer completes the easement process. The motion passed with Tim Olson abstaining.**

b. Jackson Business Challenge

Dave Schmidt reported that the JBDC will no longer select two winners and will consider locations outside the downtown area if no suitable building exists. He requested the EDA board consider providing the \$10K prize.

*** Motion made by Brandon Finck, seconded by Mike Brinkman, to recommend providing \$10,000 for the winner of the Jackson Business Challenge. Motion carried unanimously.**

c. Updated Drone Photography

Dave requested the board to hire Livewire to take aerial photos of the City of Jackson. The photos would be used to create maps and to be used to create marketing material. He would also like to take pictures of the housing development areas. The fee would be \$45 per hour with a \$10 download fee. The plan is to split the cost with the EDA and JEDC. The total budget would be approximately \$150 to \$200.

*** Motion made by Arleen Vee, seconded by Mike Brinkman, to approve Livewire Printing taking drone photos of the downtown business district, workforce housing area, and potential development around Sunset View. Motion carried unanimously.**

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d. Updated Housing Survey - Agenda item d was tabled.

5. Adjourn

The meeting was adjourned by Chair Rocky Sieler at 1:01 p.m.

Respectfully submitted
Shelley Pohlman

The next scheduled meeting is Tuesday, September 13, 2022, at 12 p.m.