

Jackson Economic Development Authority
Meeting Minutes
Tuesday, June 11, 2024, 12:00 p.m., Jackson City Hall

Quorum: 4

Voting Members: Mike Brinkman, Tim Olson, Vice Chair; Joe Pell, Council Member and Treasurer; Rocky Sieler, Chair; and Michelle Eckert, Secretary

Absent: Kent Bargfrede and Marcus Polz, Mayor

Staff: Wendy Anderson and Shelly Oltmans

Call the meeting to order.

Chair Rocky Sieler called the meeting to order at 12:05 p.m.

1. Agenda Changes

Motion made by Joe Pell, seconded by Mike Brinkman, to approve the agenda as presented. The motion was approved unanimously.

2. Consent Agenda

May 14th meeting minutes

Motion made by Tim Olson, seconded by Mike Brinkman, to approve all consent items. The motion was approved unanimously.

3. Financials

Motion made by Michelle Eckert, seconded by Joe Pell, to approve the financials. The motion was approved unanimously.

4. Other Business

**a. Lot sales to spec builders in Sunset View / Pond Drive proposed \$1
What other area Cities are doing - Lakefield, Fairmont, Luverne**

Wendy proposed incentivizing the sale of lots in the Sunset View at Pond Drive for a \$1 to developers only for the purpose of getting the lots in the middle sold, developed, and on the tax rolls. She has contacted Lakefield, Fairmont, and Luverne to see what incentives they are offering to get developers to build.

Luverne offers to developers is the sell the land for a reduced rate, with perimeters such a showing the development plans, with a four-month due date to start the build and a 12-month completion date. No liens or incumbrances on that lot outside of the construction loans so they can take the land back if the agreement is not kept.

The City of Lakefield offers a tax abatement, the County of Jackson offers a tax abatement and Fairmont does not any incentives.

Wendy said the goal is to get the all the center lots sold to developers only.

Tim said he would want this offer this incentive only to the interior/middle lots only.

Joe asked can the same developer buy all the lots and Wendy said yes.

Mike asked if their a specified value of the homes/duplexes to be built? Wendy said in the declaration of restrictive covenants which specifies one private residential home or twin home only, not less than 1200 sq. ft. of gross living floor area, an attached garage which will dictate and determine the price.

Rocky said it will require the purchase of two lots to build one home.

Wendy said this location would be perfect for duplexes 1,600 sq ft with a two-car garage.

Joe emphasized the need to clarify allowable construction on the two lots, eligibility for lot purchase, and the need for specificity in the purchase agreement.

Rocky said the infrastructure investment for this development will be paid off in February 2025. Rocky said the lots are zoned for residential.

Wendy said she will review the building plans and make her recommendation to the EDA board.

Michelle said she would like this incentive to have a time limit and then review the incentive option at a later date.

After much discussion the group consensus is that selling a lot for a dollar requires following covenants, getting architectural plan approval, and providing all purchase agreement details prior to closure.

Michelle motioned to offer a financial incentive to spec builders to promote the development of the middle lots of Sunrise Addition. The incentive would allow spec builders to purchase lots at the cost of one dollar each. To be eligible for the incentive, the builders must construct the dwelling within 12 months of signing a purchase agreement and comply with the current covenants. Spec builders can purchase up to four lots for a duplex or two lots for a single-family home. Additionally, they must submit an architectural plan to the EDA Board for approval. The incentive will be re-evaluated on April 1, 2025. Tim Olson seconded the motion, and it was unanimously approved.

Wendy suggested that the EDA should have its own Meta Page to market EDA properties, programs, and activities. The EDA also needs to send press releases marketing the incentive program and properties. Rocky wants the EDA Office to create and present a marketing plan at the July meeting.

b. Interest rate UCAP loans

Rocky explained that he visited with Jeff of UCAP and he said the rate on the commercial loans of 3.25% was part of the agreement and not negotiable. He asked him several

questions about other loans and Jeff said he will research the question with DEED and get back to him.

The Classic Hair/Corrine Vacek rate must be \$3.25. This loan was to repair the roof.

Mike inquired about the process if someone retired or sold the business, particularly regarding the loans. Wendy explained that the loan would be called and reminded the board members that the COVID loans used mortgages as collateral.

Tim reminded the board what the commercial rehabilitation loan is to be used for and the terms.

The funds are to be used by target area business owners to make repairs to their buildings.

Funding is in the form of a combination of 0% deferred loan in proportion of total cost: 70% - 0% deferred loan 7-year term – forgiven 1/7 th per year 10% - 2% loan that has at least \$1,000 of principal paid back each year of the loan term 20% - owner match (matching funds) A deferred loan is a loan with no monthly payments, which will be forgiven 1/7th per year and will revert into a grant if the property does not change ownership within 7 (seven) full years. The average Commercial Repair Loan amount is \$40,000

c. Update Belmont Heights Housing project - S Oltmans

Shelley Oltman, the City Administrator, said she met with the DBS group regarding the Belmont Height development, which is 36 acres off of HWY 71, known as the Homedale Subdivision, located near the liquor store. DBS is finalizing its equity capital with internal and external investors.

She said Phase 1A, a 40-unit housing development purchase agreement and a promissory note, will be approved by the Jackson City Council on June 18. It is expected that Phase 1A will be completed and leased by December 2025, with the groundbreaking set for September 3, 2024.

Rocky ask what will be the rent rate for the apartments. The City Administrator said these apartments are market rate housing and she doesn't have the rate at this time.

d. Next phase on UCAP lot designation - S Oltmans

Oltman requested this item be tabled to July which will give her time to gather additional information.

e. EDA Marketing

Wendy suggested that the EDA should have its own Meta Page to market EDA properties, programs, and activities. The EDA also needs to send press releases marketing our programs and properties. Rocky wants the EDA Office to create and present a marketing plan at the July meeting.

- 5. Adjourn: Tim made a motion to adjourn the meeting. The motion passes unanimously. The meeting was adjourned at 1:05 p.m.**

Respectfully Submitted

Signature

Date

The next meeting is Tuesday, July 9, at 12 p.m.