

Jackson Economic Development Authority
December Meeting Minutes
Thursday, December 20th, 2018, 12:00 p.m., Jackson City Hall

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

Staff: _X_ Thomas Nelson _X_ Matt Skaret

1. Call to order

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

2. Agenda Changes

a.

3. Minutes

a. November 8th, 2018 Minutes

Vee moved to approve the meeting minutes with amendments; seconded by Frodermann. Motion passed unanimously.

4. Reports

a. EDC Report:

Nelson gave a summary of his report. Nelson reported that he had been work to obtain hotel study proposals, following up with leads, and setting up for the JEDC business after five events. Nelson mentioned that the embroidery store was likely going to shut down. He also mentioned that he was working with her and another party to sell the business. Nelson said that he did not know if the new owners would be keeping to the storefront.

Nelson said that he had attended a Opportunity Zones info session that was very informative. He said that for Jackson multifamily house would be a great fit but he did not think that single-family housing development would benefit. Nelson reported that he had attended the Southwest Minnesota Arts council celebration of the legacy funding at the Jackosn Center for the Arts. Nelson said that he had attended the Community Venture Network Event in St. Paul where he had obtained multiple leads. Nelson reported that he had met with Jim Newberger and said that he would discuss that later in the meeting. He also reported that he had started meeting with six community members for the purpose of starting a brewery in Jackson.

b. Financial Report

Nelson talked through the financial report. He reported that the 616 fund had a cash balance of \$336,501.43, a year to date income of \$325,033.74 and a year to date expense of \$24,033.74. He reported that the 801 fund had cash available balance of \$369,193.22, a year to date income of \$237,265.83, a year to date expense of \$3,600.00, and 9 outstanding loans totaling \$330,830.04 in remaining principle. Nelson reported that the 802 fund had a cash balance of \$18,242.14 a year to date income of \$8,871.13, a year to date expense of \$8,000.00, and 5 outstanding loans totaling \$41,444.93 in remaining principle. Lastly, Nelson reported that the 804 fund had a cash balance of \$42,897.88, a year to date income of \$22,328.43, a year to date expense of \$31,550.00, and 19 outstanding loans totaling \$41,219.91 in remaining principle.

5. EDA Owned Properties

- a. Sunset View Phase 1 - nothing to report
- b. Sunset View Phase 2 - nothing to report
- c. Westview Ridge - nothing to report

6. Other Business

- a. Student Housing Update

Nelson reported that he was unable to attend the visit to the Iowa community college. He reported that he had been in community with the development company that did the project in Worthington. Nelson said that the group was very interested and thought that a project would be feasible. He said that they discussed the need for more parking than the project in Worthington. Nelson also reported that he told the group that the EDA would want to utilize all of the lands near the college.

- b. Good Samaritan Society: Windom Project

Nelson reported that he had been in communication with Drew Hage from Windom about the project that the Good Samaritan Society of Windom is pursuing. Nelson reported that they would be developing a subdivision for cottages that would be marketed for retirees. Nelson reported that he would be meeting with the director of the Good Samaritan Society of Jackson to discuss the possibility of doing a similar project.

- c. Jim Newberger: Wise Venture Groups

Nelson reported that he had met with Newberger to discuss the Wise Venture Group. The group's mission is to help municipalities finance workforce housing. Nelson told the group that what they do is finance 100% of a project for a sponsor and then after 30 years that property is turned over to the sponsor. He told the members that the sponsor would be responsible for overseeing the construction and management of the property. Nelson said that usually a profit-sharing agreement is established between the sponsor and the Wise Venture Group. Nelson said that the two potential projects that they could pursue would either be student housing or multi-family housing. The group discussed the opportunity and decided that they would need to learn more about what it means to be a sponsor before moving forward with a project.

- d. Hotel Feasibility Study

Nelson summarized the three proposals for the board.

- i. Hospitality Marketers International

Cost: \$4,995(Limited-Service) , \$6,759 (Select-Service) , \$8,495 (Full-Service)

Nelson told the board that the Hospitality Marketers International was recommended by one of the two developers that had contacted his office. He also mentioned that HMI had done multiple studies for other CEDA communities. He told the group that the recommended action with HMI would be to order a Select-Service study and after the initial meeting adjust accordingly. Nelson told the board that the group was based out of Wisconsin and that the cost presented would include travel.

- ii. Patek Hospitality Consultants, Inc

Cost: \$7,500, Travel Cap of \$1,000, and \$125 per hour for attending meetings

Nelson reported that Patek Hospitality Consultants, Inc had presented proposals to other CEDA communities but he did not know of any communities that they had worked in. He told the group that Patek Hospitality Consultants does not usually do event or restaurant studies but would be able to accommodate.

- iii. Core Distinction Group, LLC

Cost: \$8,000

Nelson reported that Core Distinction Group, LLC was recommended by one of the two developers that had contacted his office. He noted that the Core Distinction Group had not heard from the developer in some time. He also pointed out that if the findings showed that the project was not feasible the fee would be cut in half. If found not feasible Core Distinction Group would be able to revisit again if anything had changed in the community. He reported that the COre Distinction Group would be able to do a seprate study regarding event space and restaurant space.

The board discussed the difference in the proposals and asked Nelson what the CEDA communities thought of the different groups. Nelson said that he received both positive and negative reports from different CEDA Communities. The board mentioned that they liked the ability to adjust the study as it went on and that the fee of the HMI proposal included travel expenses.

Mayor Walter moved to approve the Hospitality Marketers International proposal for a select service study; seconded by Vee. Motion passed unanimously.

7. New Business

8. Adjourn

Chairman Sieler adjourned the meeting at 1:12 pm.

