

**MINUTES OF THE PROCEEDINGS
JORDAN ECONOMIC DEVELOPMENT AUTHORITY
March 17, 2015**

1. Roll Call

Present: Council Member Mike Franklin, Council Member Tanya Velishek, Dan Elke, Dave Wolf and Ron Jabs

Absent: Dr. Chuck Cook and Ray Sandey

Also Present: Administrator Tom Nikunen, Planner Andrew Barbes, Planner Laura Holey, Jeff Will, Troy Hoekstra, Scott England, Terry Eid and Joe Thill.

2. Minutes of the February 18, 2015 regular meeting

Motion Tanya Velishek second Dan Elke to approve the Minutes of the February 18, 2015 regular meeting with fix of typo. Motion approved. Vote all ayes.

3. Management Report

A. Hotel Business Subsidy Application

Administrator Nikunen gave an update on the tax abatement request made by the Jordan Hotel Group LLC and Clancy's Restaurant 220 Triangle Lane Jordan MN. The abatement request would just be the Cities portion of the taxes on new construction. The existing taxes generated from the land and buildings will still be on going. Doing so will not negatively affect the taxes of residents or businesses. The abatement request is for a max cap of \$1.1 Million dollars over 20 years, total project costs will be upwards of \$10 million dollars. The amount being requested is in direct correlation to the assessment the County is giving the project. The County gave a much lesser value than what was originally expected which changes the amount of financing that can be secured for the development.

The value was based off of surrounding hotels of the like in Shakopee, New Prague, and Belle Plain. Staff agrees this is what the City needs to do to help get the hotel financed and the project completed. Scott England noted that going forward we would have less taxes in general, having a higher abatement would give the development group bigger loan upfront freeing up cash flow to get the project done.

Administrator Nikunen said the hotel and restaurant is a catalyst to bring more development into Jordan. There are some open lots next to the hotel that will be prime once the hotel and restaurant are finished. We have tried very hard to get a hotel and this is the best deal we have seen after trying to work with other developers who wanted local investors and money upfront. Getting a hotel has been a long term goal of the EDA and we're asked to actively advertise our subsidy programs for just this type of development.

Discussion ensued.

Wolf asked if the development has to be raised above the floodplain. Terry Eid answered yes, we will be at least a foot above floodplain.

Jabs stated it is a wonderful project, I have a little difficulty with the amount of subsidy. From the last meeting the Jobs for Fees program has already been approved. I am not a fan of the taxes being abated for 20 years. What are some of the previous abatements have we done.

Elke said I believe we did Oak terrace for 26 years. Dynotech and Hearth and Home were both given abatement and jobs for fees as well.

Wolf the big thing for me is every other hotel developer that has come into town has asked for these subsidies and wanted local investors for around \$5 million. You don't need any local investors for this project and they are willing to make a significant investment and jobs in our community. Jabs stated I am glad we are having this conversation and pulling out the positives so the community understands why we are trying to do this.

Motion Dan Elke second Tanya Velishek to approve Hotel Business Subsidy Application abatement for up to 1.1 mil up to 20 years. Motion approved. Vote all ayes.

B. 2015 EDA Goals

Administrator Nikunen gave an update on the previous goals the EDA has set forth. We have accomplished a good chunk of our goals including the hotel. Jabs said that there have been a lot of talking be residents to get a drive through Coffee shop and Mexican restaurant

Ron- Is it worth a concept plan to show a vision for new development?

Franklin said maybe we do a civic survey online and create short term specifics goals.

We should come back with a in depth discussion for next meeting on goals.

Website- Bring is on the next agenda with some research on website.

No Motion Needed

C. Update on the Wolf Motors Expansion Project

Wolf gave an updated saying his company still wants to do the expansion. We are still stuck on the \$500,000 on flood proofing. Still waiting on Mike to let us know on the levels.

Bolten and Menk will hopefully have some more information by the April meeting.

No Motion Needed

D. Report from Jordan Area Chamber of Chamber Commerce

Greg Ott- Next meeting April 22nd at the golf course with special guest MNDOT as the speakers.

No Motion Needed

E. General Business Updates

Planner Barbes gave an update that there is a possible sport complex to be started right outside of City limits. The sports complex would house volleyball and horses.

Joe Thill Jordan resident asked the board on where the City is currently at with the overpass mapping?

Administrator Nikunen stated the engineers are still working on the mapping for F and G.

No Motion Needed

4. Next Meeting -Tuesday April 21 2015, 6:30 PM, Jordan City Hall

5. Adjournment

Motion Dan Elke second Tanya Velishek to approve 5. Adjournment. Motion approved. Vote all ayes.

Mike Shaw, Mayor

ATTEST:

Tom Nikunen
City Administrator