

**MINUTES OF THE PROCEEDINGS
OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF JORDAN
IN THE COUNTY OF SCOTT
MARCH 20, 2018**

Present: Ron Jabs, Ray Sandey, Mike Franklin, Dr. Chuck Cook, Tanya Velishek
Absent: Ryan Danhert, Dan Elke
Also Present: Tom Nikunen, City Administrator, Addison Lewis, Planner/Economic
Development Specialist

1.0 CALL TO ORDER

Chair Jabs called the meeting to order at 6:35p.m.

2.0 ADOPT AGENDA

Motion by Sandey to approve the agenda. Second by Cook. Opposed: None. Motion Approved

3.0 APPROVAL OF MINUTES

A. February 21, 2018

Motion by Velishek to approve the minutes of the February 21, 2018 EDA meeting. Second by Cook. Abstain: Franklin. Motion approved.

4.0 NEW BUSINESS

5.0 OLD BUSINESS

A. Schrom Construction Workforce Housing Proposal

Nikunen provided an update on the market for the type of housing product proposed and more information on the developer's financial need for TIF. Nikunen stated that the reason the developer is here is because of the Maxfield study so they are comfortable with the market demand. According to the study, there is a market need for the amount of units they are looking to provide. The developer is looking to construct 28 units and 6 would fall into the "shallow subsidy" need identified in the Maxfield study. The rest would be considered market rate.

As for the proposal document, that has not changed. The developer would not plan out the site until the city provides support for TIF. The developer does not want to spend money on engineering and design if the city is not interested in using TIF for this project. The proforma provided by the developer indicates that the project won't happen without TIF. The applicant is available for any questions.

Chair Jabs noted we would collect approximately \$30,000 in taxes over those 13 years if we use TIF. If something similar developed on the property without TIF, we would collect over \$700,000. Jabs asked Mr. Schrom if there is any new information from his standpoint that the EDA should be aware of.

Mr. Schrom said nothing has changed. We'd like you to review the information you currently have. Until engineering is completed, there are some assumptions. We would like permission to move forward to start addressing next steps, such as park land, and design, to meet the expectation of the city.

Chair Jabs inquired about the Maxfield market study as to why the mobile home park units were not included as affordable.

Nikunen stated that the mobile home units were not counted as affordable units in the market study because they are not income restricted, and therefore, anyone can live there.

Chair Jabs noted that he finds it hard to support giving up \$700,000 to get 6 affordable units. Some people may move on to other permanent homes in the community but that is not guaranteed. Jabs asked if this would help satisfy any Met Council requirements.

Planner Lewis stated that the Met Council has allocated an affordable housing need to the City of Jordan of 64 units for those at or below 30% of the area median income (AMI), 38 units for those between 31%-50% AMI, and 74 units for those between 51%-80% AMI. With the proposed project, 6 units would be for those at 50% AMI or less. The projected market rate rents of approximately \$1,295 for the other 22 units would fall within the 51-80% AMI category. Therefore, it appears the project would provide affordable housing as deemed necessary by the Met Council.

Cook stated that he is in agreement with Chair Jabs that it seems like the City would be giving up a lot to get 6 affordable units.

Chair Jabs also noted that the proposed structure only has one car garages. A lot of cars will have to sit in the driveway or on the street.

Sandey stated that he would like to support everyone that comes to build in Jordan but does not see what the city gains by doing this.

Cook asked if the Wexford Square Town Homes are full. Nikunen said that he believed they are.

Sandey asked Mr. Schrom if the goal is to provide affordable housing or just to get assistance so that it makes financial sense to build.

Schrom stated that in order to create affordable housing, help from the community is needed. It is difficult to attract investors for this type of product. The City would be receiving more than just 6 affordable units. It would also be getting 22 workforce units that allow people to come

into the community. Young people will come and then you'll have a good chance to keep them here. This would be transition housing where the average stay would be about 12-18 months. We would not have been able to do our past projects without assistance from the city.

Velishek said she believes this would be good housing for people like teachers and others that can't afford a single family home. Velishek stated she believes the city needs this type of housing.

Sandey asked Mr. Schrom why the project could not be done without TIF and whether it was due to land, infrastructure or building costs. Schrom stated that it is all of it. There have been code changes that also drive up costs. Fire suppression alone is a significant cost.

Franklin noted that the project would likely add at least 50 people to the town, which means additional patrons of our businesses.

Velishek asked Mr. Schrom how many square feet the units would be. Mr. Schrom stated that the units would be 1,232 sq. ft. Nikunen said that the units in Wexford Square are 1,600 sq. ft. or more. Sandey asked if these would be slab on grade units. Schrom said that they would be.

Franklin said he believes it is a guessing game as to whether this type of project will happen without subsidy. He said that he leans in favor of supporting the use of TIF because he believes there is a need. The City will still collect water and sewer fees and that helps.

Sandey asked if someone could do single family housing on this site. Planner Lewis replied that the current zoning would allow for single family housing.

Sandey made a motion, seconded by Cook, to send the request to the City Council without a recommendation. Sandey stated that it isn't because we don't want to make a decision but it's because we're not sure if this is what the council wants.

Velishek said that most of our housing is \$300,000 and above. There are many people that can't afford that. There is a need to provide a variety of housing. Sandey said that his biggest frustration is that we have our single family homes getting built and there is no subsidy for those, nor should there be.

Chair Jabs said he feels something will happen on this site with or without subsidy and that the primary benefit he sees is the 6 units. Jabs said he believes that is too costly for what is being asked. Jabs called for a vote on the motion to send to the council without a recommendation.

Ayes: 4-1, Opposed: Jabs. Motion approved.

- B. Discussion of City Council feedback on Economic Development and EDA Goals for the Economic Competitiveness Chapter of the Comp Plan

Chair Jabs stated that last night the city had a special meeting to discuss commission goals. The discussion was brief. The one piece of feedback discussed was that perhaps the EDA could be more proactive in looking at properties to acquire to help facilitate redevelopment. The property that was specifically mentioned was the property on Broadway that was recently reviewed by the Planning Commission and Council for a request to rezone to allow for townhomes. Jabs stated that from a personal standpoint, he needs to stay out of that one because his parents' property is within that area. Jabs mentioned that he told the council that we are short on commercial/industrial area and mentioned that the EDA wants to start looking at property outside the city for annexation.

Sandey mentioned that in regards to the property on Broadway, it is a gateway into the community, so we really want something special there. He said he would be happy with it being housing but believes it could be commercial as well.

Nikunen stated that he'd hoped the goals discussion with the council could include what projects the city would support for TIF. Franklin said that the council has had those discussions related to affordable housing.

Nikunen said that a visioning survey was done previously. 371 people took the survey. Nikunen said that the EDA helped develop the questions. Surveys were distributed at Celebrate Jordan and then a visioning session was held with the City Council. Nikunen said it would be great if the EDA wanted to come up with new questions.

Jabs said he thought it would be beneficial to list all different types of businesses and have people tally which ones they want to see in Jordan. Sandey said that he struggles with questions like that because then people say they want a Target and something like that isn't going to happen. Franklin agreed, stating the he appreciates hearing that kind of input but wonders what we are to do with it. There are some things we're not going to get.

The Commission discussed other goals related to the visioning survey. Cook said that with regard to the park amenities question, there should be costs associated with each improvement so that people can see what different amenities cost.

Sandey asked if people are liking the temporary hockey rinks. Nikunen said yes, people love them and it was much more cost effective than a permanent rink.

Sandey asked if the city is caught up on gym space. Velishek said that her opinion is no. Cook said it is frustrating that they don't use all of the gym space and that people are crammed into the CERC. Velishek noted that there would be a cost to staff other facilities. Sandey said that he thought the basketball tournament was good for the city. Cook asked Nikunen when he wanted the EDA's feedback on the survey. Nikunen said that he would like to post the survey a week before Celebrate Jordan so EDA members could email him their comments in the next week or two.

- A. General Management Updates
- B. Next Meeting- April 17, 2018

7.0 CITY COUNCIL MEMBER UPDATE

Franklin stated that the City Council approved the splash pad and improvements at the Mini Met, which included landscaping, new concrete, and a rock wall. The EDA discussed assessments related to the Southwest Interceptor. Sandey asked who is being assessed. Nikunen stated that it is people along Valley View Road. Franklin provided an overview of the assessment discussion that was held with the City Council. Franklin also provided an update on new council rules for meetings.

8.0 COMMISSIONER MEMBER REPORT

10. ADJOURNMENT

Chuck Cook motioned to adjourn, seconded by Franklin. Ayes 4-0. Motion approved.

Tanya Velishek, Mayor

ATTEST:

Tom Nikunen
City Administrator