

**MINUTES OF THE PROCEEDINGS
OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF JORDAN
IN THE COUNTY OF SCOTT
MAY 15, 2018**

Present: Ron Jabs, Tanya Velishek, Mike Franklin, Ryan Danhert, Dan Elke

Absent: Ray Sandey, Dr. Chuck Cook

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 6:33p.m.

2.0 ADOPT AGENDA

Motion by Franklin, second by Velishek to approve the agenda. All ayes, motion approved.

3.0 APPROVAL OF MINUTES

A. April 17, 2018

Motion by Franklin, second by Danhert to approve the minutes. All ayes, motion approved.

4.0 NEW BUSINESS

A. 2018 Fast Track Business Challenge and Incubator/Accelerator Initiative

Planner Lewis introduced Joanne Foust, from Scott County Community Development Agency, who is here to discuss two initiatives that the county is leading. The first is the Fast Track Business Challenge which is a Shark Tank-like business competition. The second is regarding county-wide business incubation.

Joanne Foust provided an overview of the Fast Track Business Challenge and highlights of the previous years' competition. The intent is to have teams submit business ideas that get reviewed by a panel of judges. The winning team is awarded with various services to get their business idea going, such as legal and accounting services. Foust said that the program received an award and recognition by the Economic Development Association of Minnesota. Foust said that they are asking for assistance in promoting the program and looking for sponsors and those willing to donate their services.

Regarding the County-wide Incubator Program, Foust stated that the purpose is to assist entrepreneurs in Scott County by providing physical space, capital, coaching, networking, and education. The goal is to provide a venue to nurture innovation and entrepreneurship. We are

currently reaching out to communities for input and to see what their level of interest is and will meet again in July to determine a plan moving forward.

Franklin asked how the mentors are found. Foust stated that they generally look to the community to find those experts that are willing to volunteer.

Chair Jabs asked Foust, of the newly registered businesses, is there anything that stands out? What kinds of businesses are they?

Foust said that they notice a lot of transportation related businesses, IT, and housekeeping businesses.

Jabs asked what the next step would be, Foust said that they would look to have a staff member from Jordan attend the meeting in July and then next steps would be determined.

Jabs said that we've always had interest in business incubation but there have not been great opportunities as far as physical space. He said that it seems like a great opportunity and would be interested in investigating further.

Franklin stated that he knows other metro area chambers are getting into this.

Jabs asked if an email is also provided when there is a new business filing. Foust said that it is just a name and mailing address.

Foust thanked the EDA for the opportunity to present and said that they would welcome a Jordan staff member and EDA member to come to the meeting in July.

B. Schrom Construction TIF application for workforce housing

Administrator Nikunen provided an overview of the request for TIF from Schrom Construction and introduced Tom Denaway from Springsted who is here to present the details of the TIF plan. Denaway gave an introduction to TIF and the applicable statutes. In this case, the developer is proposing the construction of approximately 28 townhome style units, within five buildings. The buildings will contain a mix of two and three bedroom units, with each having its own attached garage and adjacent driveway. The site is located in the northwest part of the city across from the Wexford Square townhomes. Denaway stated that State Statute dictates the qualification standards for a TIF housing district. In this case, the developer is proposing to have 20% of the units be occupied by persons with incomes no greater than 50% of the county median income. The county median income for Scott County is \$90,400. The developer will be required to certify annually that the project is maintaining compliance with this requirement.

The building is estimated to have a post construction value of \$3,500,000, which equates to \$125,000 per unit. TIF revenues are capable of reimbursing the Developer for \$266,100 in TIF eligible site improvement expenses on a pay-as-you-go basis. Denaway noted that the City will have no obligation to satisfy any shortfall in the event TIF revenues are less than projected. TIF assistance is only being sought by the Developer for a period of 13-years, projected to be from

2020 through 2032. This is significantly less than the possible 26 years that can be requested. The projected is estimated to result in \$456,089 in tax increment revenue. Staff is looking for a recommendation to the City Council regarding the proposed TIF district and developer request.

Jabs said he thought that the request was reasonable compared to what was presented before where the TIF requested was in the \$700,000 range.

Troy Schrom asked a question about what happens if the County comes back with a higher assessed value for the property? Denaway said that unfortunately, once the value is in the contract, it can't be changed without going through the process again. If the value ends up higher, then the TIF district would be paid off sooner, because it will generate more in taxes each year. Denaway stated that Schrom could appeal the valuation as well.

Franklin asked if the value increases, does that mean the city gets paid back faster.

Nikunen said yes, the term would be shorter and the property would end up back on the tax roll sooner than 13 years.

Franklin made a motion to recommend approval of the TIF request, second by Velishek. All ayes. Motion approved.

5.0 OLD BUSINESS

6.0 MANAGEMENT REPORT

A. General Management Updates

Nikunen stated that the council had a visioning session with the number one priority being the 169 interchange. The next highest was attracting new businesses for new services and then attracting new businesses for reducing taxes. Third was parks and trails. We're working with Kimly Horn to come up with a design concept for the 169 interchange. Danhert stated that he wanted it to be clear that he is in favor of an interchange, as the previous meeting minutes made it appear he is against it.

B. Next Meeting- June 19, 2018

7.0 CITY COUNCIL MEMBER UPDATE

8.0 COMMISSIONER MEMBER REPORT

Danhert asked if there was any update with the two developments. Nikunen stated that they've already started in Stonebridge and Ames will get started next week in Bridle Creek.

Danhert asked when they would be ready to promote. Nikunen said that the school did advertise last year in the two Shakopee theaters last fall. If you go to our website, there's a developments page. Danhert said he would like to see the EDA support marketing efforts of the developments.

In reference to the TIF policy included in the packet, Chair Jabs asked if there is a council effort to push for low income housing. Nikunen said a variety of all housing types is the goal, especially starter homes. Nikunen added that staff is currently working with Scott County CDA on a potential senior building near the existing Brentwood Court development.

9.0 ADJOURNMENT

Motion by Velishek to adjourn, second by Elke. All ayes, meeting adjourned at 7:59 pm

Tanya Velishek, Mayor

ATTEST:

Tom Nikunen
City Administrator