

**MINUTES OF THE PROCEEDINGS
OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF
JORDAN
IN THE COUNTY OF SCOTT
October 2, 2023**

1.0 CALL TO ORDER

Present: Shane Ahlbrecht, Derek Nelson, Dr. Amanda Schuh, and Joe Spillman

Absent: Andre Cilliers, Jeremiah Monyok, and Eric Shaughnessy

Chair Ahlbrecht called the meeting to order at 6:32 p.m.

2.0 ADOPT AGENDA

Motion by Schuh to adopt the agenda. Seconded by Spillman. All Commissioners present voted aye, and the motion was declared carried.

3.0 APPROVAL OF MINUTES

A. Economic Development Agency Meeting Minutes, September 5, 2023

Motion by Schuh to adopt the September 5, 2023 Minutes. Seconded by Nelson. All Commissioners present voted aye, and the motion was declared carried.

4.0 NEW BUSINESS

A. Façade Matching Grant Application – K-Mox Inc.

Barrett Voigt, Planner/Economic Development Specialist, presented information on an application request for a Façade Matching Grant in the amount of \$10,000 for K-Mox, Inc. located at 121 1st Street East to demolish an existing staircase on the west exterior side of the building and replace it with a new staircase. Voigt recommended approval.

Schuh inquired if the staircase would be available for public use. Voigt stated that they are to provide access to the living units on the second floor.

Ahlbrecht stated the staircase would be publicly visible from Mousse Winery and would improve the aesthetics of the stairs that meet the intent of the grant. Ahlbrecht inquired how the applicant became aware of the grant program and the anticipated start date for construction.

Vernon Schwartz, the applicant, stated that construction would commence as soon as possible and that the stairs were addressing a safety concern. Karen Schwartz, the co-owner, stated that they became aware of the grant program because they received a letter from the city that marketed the program.

Motion by Spillman to approve the applications as presented. Seconded by Nelson. All Commissioners present voted aye, and the motion was declared carried by a vote of 4-0.

B. Commercial Kitchen Loan – Brew d’Etat

Barrett Voigt, Planner/Economic Development Specialist, presented information on an application request for a Commercial Kitchen Loan in the amount of \$50,000 to purchase brewing and kitchen equipment for Brew d’Etat located at 230 Broadway Street South. Voigt recommended approval.

Schuh stated that she would like more details to be provided in the business plan regarding hours of operation and that she would like non-eligible items removed from the list of brewing and kitchen equipment such as the water heater, walk in cooler, HVAC system, and fixed equipment.

Tom Nikunen, City Administrator, stated that the Development Review Committee reviewed the expenses and would like to move forward with approval. He stated the promissory note was included with the application as well. Nikunen stated the loan is similar to a bridge loan. That the City did not pay for the fixed equipment and that the loan was needed to purchase the equipment well over \$50,000 in value.

Ahlbrecht requested further information on a promissory note.

Nikunen stated that it is a personal guarantee.

Spillman inquired if the program was a grant program.

Nikunen stated that it is a 5-year loan and that the city receives interest for the loan.

Spillman inquired if the SBA loan lender would hypothetically collect on collateral before the city was able to.

Nikunen stated that was correct. That the loan was a bridge loan with a subsidized interest rate to assist with starting businesses.

Schuh inquired what data was missing in the business plan.

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Keith Cooper, the applicant stated that merchandising information was missing.

Schuh inquired why the salary for the brewer is projected at a higher rate than the market rate salary.

Cooper stated that the brewer would be a general manager so that he could keep his day job.

Schuh inquired why percentage of margin is projected lower

Cooper stated that the salary of the brewer is higher than typical.

Nelson inquired what experience the applicant had.

Cooper stated that he had run a beer wholesaling business.

Spillman inquired if there would be a full bar.

Cooper stated there would not because that would be a violation of a state taproom license.

Motion by Spillman to approve the applications as presented. Seconded by Nelson. All Commissioners present voted aye, and the motion was declared carried by a vote of 4-0.

C. EDA Budget Discussion

Nikunen presented information on the EDA revenue and expense budget memo and requested feedback from the EDA.

Spillman inquired how many taxpayers there are in the City of Jordan.

Nikunen stated around 2,400

Albrecht stated that more efforts should be made to tout EDA success stories.

Spillman stated that projects create improvement that increase property tax base.

Schuh inquired what the goals were. She stated that the City does not want to be a landlord.

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Spillman stated he would like to retain \$500,000 to improve substantial buildings and get them back on the tax rolls right away.

Ahlbrecht stated that he would like to increase the façade matching grant amount.

Nikunen stated that the other grants had higher amounts.

Spillman stated that interest collected from Commercial Kitchen Loans should be included in projected revenues.

Schuh stated that she would like the city to show evidence of the success of the programs.

Voigt suggested the city could create a GIS map image to show before and after property values to compare properties that received the grants and those that did not.

Schuh and Spillman directed staff to carry out the project.

Nikunen stated that Sand Creek Flats received a tax abatement and is currently has the highest tax amount in the city. He stated that the abatement allowed the County and School District to continue to collect taxes and reduce the tax burden on residential tax payers overall.

Schuh stated that she would like this success communicated in the future and inquired how 216 Broadway Street South would be purchased.

Nikunen stated that a County CDA grant was approved for the demolition of a portion of the building and that downtown implementation funds contributed by the EDA at \$25,000 a year will be used to purchase the property.

Spillman stated he would like to see the facade matching grant expanded to allow for interior improvements and that grant recipients should be appraised right away to increase tax values.

Nikunen stated that grant investments generate increased tax values leading to substantial return on investment (ROI) for the city.

Schuh requested information on grants that were not successful.

Nikunen stated that a grant was approved for a sign for a coffee shop in the Carism building, but that is the only one he can think of.

5.0 OLD BUSINESS

6.0 MANAGEMENT REPORT

A. General Management Updates

Nikunen provided updates on the building permit for 116 2nd Street East, the legislator celebratory event for completing the fund for the Interstate 169 interchange project, Sand Creek Flats occupancy rate, and building permit estimates for new construction in Beaumont Bluffs and Bridle Creek Addition area.

B. Next Meeting – Tuesday, November 6, 2023

7.0 CITY COUNCIL MEMBER UPDATE

Schuh provided updates on the completion of the round-a-bout on Highway 21 and County Road 66 and that the message boards requested by the EDA were approved by the City Council.

8.0 COMMISSION MEMBER UPDATE

9.0 ADJOURNMENT

Motion by Nelson to adjourn. Seconded by Schuh. The meeting was adjourned at 7:59 p.m.