

**MINUTES OF THE PROCEEDINGS
OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF JORDAN
IN THE COUNTY OF SCOTT
February 20, 2019**

Present: Ray Sandey, Tanya Velishek, Amanda Schuh and Ryan Dahnert

Absent: Dr. Chuck Cook and Ron Jabs

Also Present: Tom Nikunen, City Administrator

Also Absent: Addison Lewis, Planner/Economic Development Specialist

1.0 CALL TO ORDER

Vice Chair Ryan Dahnert called the meeting to order at 6:30 p.m.

2.0 ADOPT AGENDA

Motion by Velishek to adopt the agenda, second by Schuh. Vote all ayes. Motion approved.

3.0 APPROVAL OF MINUTES

A. January 15, 2019

Vice-Chair Dahnert asked to change the minutes to reflex that his comment was to look into merging the Jordan Chamber with area chambers not the Commercial Club. Motion by Velishek, second by Sandey, to approve the minutes of January 15, 2019. Vote all ayes. Motion approved.

4.0 NEW BUSINESS

A. Hotel Development – Memorandum of Understanding (MOU) and Letter of Support for Abatement

Nikunen presented the proposed MOU to the EDA, explaining the project and introduced Tom Hansen of Allied Development resources. Financial difficulties in the past have led to the purchase of the two lots in Whispering Meadows as potentially used as a subsidy for the project. It was also stated that tax abatement may be needed as well and that is why we have the proposed letter of support for the property being sold at a much reduced rate including down to as much as \$1 and the idea of the use of abatement to subsidize the project. Tom Hansen is the developer and he was present with his architect. GrandStay is a limited service product that is on the upper end of that specific market - highlights include robust reservation system- decent breakfast- and goal to have a pool in most properties. Staff and the developer both feel they offer more flexibility in architecture and market needs to help match the market demands. GrandStay is a more regional flagship property with no forced design standards on owners and

developers. The developer does not own any other hotels currently but the developer and architect team are working on 3 additional GrandStay projects currently.

Velishek said the business incubator space was an exciting attraction for the project. It will be great for sharing resources for start-ups and local businesses.

Nikunen added that the hotel designs currently have a conference room area. This will be meeting rooms but no official conference center proposed or imagined at this time. The plans also include a small brew pub with catering options for the meeting space as well. This will not be operated by the owners/developer. Another private company will operate and manage the brew pub.

Tom Hanson feels that hospitality services and market study already show a positive feedback so far regarding area and economics.

Cook asked if other developers have shown interest in the property. Nikunen reports they sent out letters to many hotel developers. They chose from a list of potential flags that might fit Jordan market for size of hotel per our past hotel market study. Staff met with and spoke to around 5 different developers. After working through this process staff is recommending Allied Development Resources due to their proposed product of a GrandStay hotel. This MOU would allow the process to move forward as we would not work with other developers during this agreement. There is a check list of items for the developer to accomplish per the MOU in exchange for the City support for the one developer for the next 6 months to allow all the due diligence work to be done.

Nikunen said the letter of support for a hotel project dated March 5, 2019 would also help move the project forward giving the developer feedback on the City's potential support for the project. The letter lists support for the idea of selling the land at a much reduced price including down to \$1 and the idea of tax abatement to help subsidize the development. The final need will be known later after the market study and full financials can be attained. The City is not agreeing to a certain dollar amount, just the idea of the use of both tools to help facilitate the development.

Cook asked if there were any concerns about having a hotel in this location from current businesses in the area. Nikunen replied that we feel this would be a strong benefit to the area as a business draw. Tom Hansen reports they are looking forward to this project being successful and working with the City of Jordan. The EDA discussed the need for parking in that area and need to add sidewalks. The MOU was prepared by the City Attorney and contains fairly standard language.

Motion to approve the MOU by Velishek, second by Schuh. Vote all ayes.

Motion to approve the Letter of Support for Abatement by Velishek, second by Schuh. Vote all ayes.

The EDA to move up item 4.0 C to the next item as Mr. Thill needs to leave early.

C. EDA Applicant – Joe Thill

Some discussion about potential conflict. Schuh commented that she had just attended the League of MN Cities Newly Elected Conference and this item was discussed. There is not a conflict of interest and small towns see two people from one family on council, boards and commissions a lot. Conflict of interest is only a legal issue where there is a financial interest. Dahnert thinks it good to have people interested in serving and he sees no issue with the recommendation for appointment. Motion by Cook, second by Schuh to recommend to the City Council appointment of Joe Thill to serve on the EDA.

B. Community Profile Review

The EDA reviewed the community profile that staff created to help promote our community both to businesses and prospective new residents. No suggested changes requested.

Motion by Velishek, second by Schuh, to approve the Community Profile as presented. Vote all ayes. Motion approved.

5.0 OLD BUSINESS

A. Pre roll marketing campaign with Spectrum Reach

A short discussion was had on the option to run the pre-roll promotion again. It was decided to table this issue until after the Parade of Homes ad is done and assess the benefits of doing this at that time.

7.0 MANAGEMENT REPORT

A. General Management Updates

A short discussion was had on any new businesses and any other items of interest. The EDA briefly discussed potentially talking about the Jordan Chamber at its next meeting.

B. Next Meeting- March 19, 2019

8.0 CITY COUNCIL MEMBER UPDATE

9.0 COMMISSIONER MEMBER REPORT

10.0 ADJOURNMENT

Motion by Cook to adjourn, second by Schuh. Vote all ayes. Motion approved. Meeting adjourned at 8:33 p.m.

Tanya Velishek, Mayor

ATTEST:

Tom Nikunen
City Administrator