

## Group plans to build hotel and conference center in Madison

MADISON, S.D. – A group of local investors hopes to bring a new hotel and conference center to Madison. Madison Hospitality Group, LLC announced their plans at the LAIC Forward Madison 3 Investor Social Thursday evening.

The group is led by Terry Schultz and Ron Howe.

“We’ve been working on this project for some time and we are excited about the impact it will have on the community,” said Schultz. “We first launched the idea in 2011, but at the time things didn’t line up. Studies have shown a need for this type of hotel in Madison and we look forward to seeing it, and hopefully a conference center, come to fruition.”

They have been working with the Lake Area Improvement Corporation and purchased a piece of property within the Lakeview Industrial Park. The group is hoping to develop this into a 70-room hotel with a 6,400 square-foot conference center.

“The LAIC fully supports the addition of a hotel and conference center,” said Julie Gross, executive director of the office. “We always need more space to host meetings and hotel rooms are in short supply when the city hosts big events, whether it be for the school, sports, Prairie Village or any other event.”

The group has applied for financing from Madison’s wholesale power supplier, Heartland Consumers Power District, as well as from Sioux Valley Energy’s Rural Electric Economic Development, Inc. (REED).

“Heartland is excited to be working on this project and putting our resources behind it,” said Casey Crabtree, director of economic development. “This project is a true community effort. Members of the business community, Dakota State University and the school district have expressed their support and we look forward to it becoming a reality.”

The Heartland Economic development Loan Program (HELP) Fund promotes community development in customer communities through a revolving loan fund. If the project moves forward, it would also be eligible for growth and hiring incentives through Heartland.

Representatives from Sioux Valley Energy’s REED Fund met to discuss the project and are looking forward to working with them on an application for financing, according to Betty VanDerWerff of Sioux Valley Energy.

REED provides business and community project financing in partnership with commercial and other economic development lenders to leverage private investment. Established in 1996 and governed by 23 electric cooperatives, REED assists projects that promote growth and contribute to job, business and wealth creation, as well as improve the infrastructure, community facilities/services and economic base of rural areas.

The group has most of the pieces in place to move forward, but is waiting on one key element to green light the project.

“Madison Hospitality Group plans to approach Lake County regarding Tax Increment Financing, commonly referred to as TIF, to help with the conference center only,” added Schultz. “To date, Lake County has completed five TIFs, all which have been successful. The TIF is an essential piece to the success of the conference center. Given the success the county has seen in the past with TIFs, we are optimistic about this going through.”

Madison Hospitality Group has the option to sell the piece of property back to the LAIC for the purchase price if the TIF does not go through.

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An artist’s rendering of the proposed hotel and conference center is attached.