

Harmony Economic Development Authority

2014 Annual Activity Report

(Through November 20, 2014)

The Harmony EDA regularly meets the first Thursday of each month at 7:30 AM at the Community Center. There were 10 regular meetings and 2 special meetings held. The board cancelled its regular July meeting.

Meeting attendance record:

| | 1/9 | 2/6 | 3/6 | 3/20 | 4/3 | 5/1 | 6/5 | 8/7 | 9/4 | 10/2 | 11/6 | 11/20 | Absences |
|-------------|-----|-----|-----|------|-----|-----|-----|-----|-----|------|------|-------|----------|
| C. Skaalen | x | x | | x | | x | x | x | x | x | x | x | 2 |
| S. Donney | x | x | x | x | x | x | x | | x | x | x | x | 1 |
| D. Swenson | | x | x | x | x | x | x | x | x | x | x | | 2 |
| A. Batstone | x | x | x | x | x | | x | | | x | | x | 3 |
| K. Kingsley | n/a | x | x | x | x | x | x | x | x | x | x | x | - |

Project Highlights:

Harmony Enterprises Project

- 5,500 square foot expansion to existing facility.
- 14 new FT jobs with a cash wage of at least \$18/hr.
- **Awarded \$250,000** Greater Minnesota Business Development Infrastructure Grant for new municipal water well.
- **Awarded \$215,000** Minnesota Job Creation Fund; one of first 5 of such awards in the State.
- **Issued \$65,000 TIF** award to business.
- **Made \$65,000 EDA loan** repaid by TIF.

Economic Development Strategic Planning Discussions

Residential Housing Incentive Program

- Created program to award up to \$12,000 for new home construction in Harmony.
- Fund to be self-sustaining, with zero tax impact to residents.
- Seed money from expired TIF district.
- **Gained nationwide, free media exposure:**
 - KTTC TV
 - KAAL TV
 - Startibune
 - Associated Press
 - Post Bulletin
 - Harmony News Record
 - Fillmore County Journal
- No applicants to date.

Residential House Donation Project

- EDA received, processed, and sold donated house over 6 month period.
- **Donated \$36,895.82** to the Harmony Area Community Foundation from the proceeds of sale.

Dollar General Offer

- Negotiations with Dollar General developer.
- Secured exception from MnDOT for alternative entrance to Industrial Park.
- Developed alternative site layouts for Phase II and Phase III of Industrial Park.

Experience Harmony Project

- Sponsored 3 community roundtable meetings to identify short and long term community goals and projects as well as individual champions for those projects.
- Conducted community input survey.

Potential Redevelopment Project - Former Harmony Cold Storage

- Discussed and declined involvement at this time.

Torgerson Floor & Paint Retirement Sale

- Assisted the owner and 2 prospective buyers.
- **Made \$25,000** EDA loan to Bryan Ostby to purchase the business.

Miscellaneous Grant Applications, Not Yet Awarded

- Submitted Small Cities Block Grant application to complete \$207,400 of residential rehabilitation.
- Submitted USDA Community Facilities grant application for \$35,000 for emergency siren and generator.

Miscellaneous Grant Awards

- Assisted in securing **\$22,000 award** for AED/heart monitor equipment for ambulance dept.
- **Awarded \$3,000** for ambulance sled equipment.

Small Business Assistance/Counselling

- Assisted 5 businesses with business planning, finance packaging, and business valuation & secession planning.

Revolving Loan Fund Summary:

Active Loan Portfolio

| | |
|---------------------------------|--------------|
| Total Number of Loans: | 14 |
| Total Principal Amount: | \$341,303.63 |
| Total Balance Due: | \$233,277.14 |
| Average Loan Amount: | \$24,378.83 |
| Cash on Hand Available to Lend: | \$67,570.22 |

Loan Portfolio Since Inception (1989, Harmony Enterprises Grant)

| | |
|--------------------------|--------------|
| Total Loans Made: | 55 |
| Total Principal Amount: | \$850,521.30 |
| Total Repayments: | \$787,612.25 |
| Total Write Offs: | \$40,492.62 |
| Total Interest Received: | \$25,257.22 |
| Average Loan Amount: | \$15,464.02 |

Economic Development Authority's 2014 Financial Impact on Harmony:

(Excluding loan repayments)

| | |
|--|------------------------|
| Total Grants Received: | \$490,000 |
| Total Loans Made: | \$90,000 |
| Total Short Term Project Revenue Recv'd: | \$36,895.82 |
| Total Long Term Project Revenue Recv'd: | <u>\$65,000</u> |
| Total 2014 Dollars Leveraged for Harmony: | \$681,895.82 |

| | |
|------------------------|-----------|
| Total 2014 City Levy: | \$550,000 |
| Total 2014 EDA Budget: | \$115,565 |