

Harmony Economic Development Authority

2016 Annual Activity Report (12 months ending December 31, 2016)

The Harmony EDA regularly meets the first Thursday of each month at 7:30 AM at the Community Center. The July regular meeting was cancelled due to a lack of quorum. Special meetings were held to accommodate special requests or projects where deadlines were in conflict with the regular meeting schedule. One special meeting was held as a joint session with the school board and city council.

Meeting frequency:

	Meeting Frequency	
	Regular	Special
2016	11	4
2015	12	4
2014	11	2

Meeting attendance record:

Member	Meeting Dates															Absences		
	1/7	2/4	2/23	3/3	3/14	4/7	4/19	5/5	6/2	8/4	9/8	10/6	11/3	12/8	12/15	2016	2015	2014
C. Skaalen	x	x	x	x		x	x	x		x	x	x	x	x	x	2	4	2
S. Donney	x	x	x	x		x	x	x	x	x	x	x		x	x	2	1	1
D. Swenson	x		x	x	x	x		x	x	x		x	x	x	x	3	5	2
A. Batstone	x	x	x	x	x	x		x	x	x	x		x			4	5	3
K. Kingsley	x		x	x	x	x	x	x	x	x	x	x	x	x	x	1	-	-

Project Highlights:

Harmony Spirits Project

- Assisted micro distillery locate a site in downtown Harmony.
 - Sold portion of downtown commercial lot.
 - **\$25,000 revolving loan.**
 - **\$10,000 economic development grant.**

State Trail Extension Project

- Had legislation introduced to secure \$1.5 million in state bond funds to acquire and construct an extension of the Harmony state trail to the Iowa boarder with a spur to Niagara Cave.
- Trail committee attended "Trail Advocacy Day on the Hill" in St. Paul to raise project awareness.
- Board members and staff met with legislators twice in Harmony and three times at the Capitol; testifying at two legislative committee hearings.
- Purchased 0.7 acres of property for trail route.

Industrial Park

- Sold a lot to Trevor Case to expand his painting business creating a new building valued at a minimum of \$45,000.
- Assisted 4 industrial park prospects; one of which is in the concept phase.

City Logo Contest

- Held contest to design new logo for the City of Harmony.

Dentist Attraction Project

- Discussed preliminary strategies to attract a dentist to Harmony.

Coordinated Joint Community Meeting

- Meeting held between City Council, Fillmore Central School Board, and EDA
- Discussed several issues, projects, and long term goals resulting in opportunities to partner together.

New Home Construction Rebate Program

- Awarded 3 rebates totaling **\$27,000** creating \$664,000 in new home value.

Revolving Loan Fund

- Made 5 loans totaling \$109,310.47 assisting 4 new businesses and 1 existing business expand.
 - Harmony Chiropractic Office; **\$4,390.47 loan.**
 - Harmony Gardens and Floral; **\$19,920 loan.**
 - Harmony Spirits; **\$25,000 loan.**
 - Monster Bash; **\$35,000 loan.**
 - Run Right Power Equipment; **\$25,000 loan.**

Grant Awards

- Applied and awarded **\$50,000** USDA Community Facilities grant to install back-up electric generators at the two city sewer lift stations and rewire the Community Center electric panel to accept a mobile back-up electric generator; improving the emergency preparedness of the city.
- Administered and closed out grant contract for MN DEED BDPI well grant.

Small Business Assistance/Counselling

- Assisted 21 unique businesses/prospects with business planning, finance packaging, general business assistance, questions with city issues, and similar help.

General/Administrative

- Reviewed and updated business subsidy policy.
- Reviewed and updated revolving loan fund policy.

Revolving Loan Fund Summary:

<u>Active Loan Portfolio</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Number of Loans:	15	14	14
New Loans:	5	4	2
Total Principal Amount:	\$382,110.47	\$356,403.63	\$341,303.63
Total Balance Due:	\$325,217.97	\$237,936.15	\$233,277.14
Average Loan Amount:	\$25,474.03	\$23,671.69	\$24,378.83
Cash on Hand Available to Lend:	(\$8,953.62)	\$68,186.53	\$67,570.22

Loan Portfolio since Inception (1989, Harmony Enterprises Grant)

Total Loans Made:	63
Total Principal Amount:	\$1,045,331.77
Total Repayments:	\$678,636.20
Total Write Offs:	\$41,477.62
Total Interest Received:	\$254,028.40
Average Loan Amount:	\$16,592.57

New Construction Estimated Market Value (actual yr. built):

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
\$ 1,018,500	\$ 930,900	\$ 414,700	\$ 911,000	\$ 464,500	\$ 219,100	\$ 150,500	\$ 198,800	\$ 427,600	\$ 363,500	\$ 1,407,900

2015 by Tax Classification

Ag/Rural	SRR	Res HM	Res Non-HM	Apt & BB	Comm	Indust	Total
\$ 180,000	\$ -	\$ 510,450	\$ 240,250	\$ 18,900	\$ 324,800	\$ 133,500	\$ 1,407,900

2014 by Tax Classification

Ag/Rural	SRR	Res Hm	Res Non-Hm	Apt & BB	Commercial	Industrial	Total
\$0	\$0	\$67,700	\$104,500	\$0	\$191,300	\$0	\$363,500

Economic Development Authority's Financial Impact on Harmony:

(Excluding loan repayments & fund interest earnings)

	2016	2015	2014
Total Grants Received:	\$50,000	\$217,400	\$490,000
Total Loans Made:	\$109,310	\$79,000	\$90,000
Total Short Term Project Revenue Leveraged:	\$37,000	\$0	\$36,896
Total Long Term Project Revenue Leveraged:	\$0	\$0	\$65,000
Total New Dollars Leveraged for Harmony:	\$196,310	\$296,400	\$681,896
Total City Levy:	\$567,503	\$550,000	\$550,000
Total EDA Budget:	\$123,599	\$97,500	\$115,565