

Harmony Economic Development Authority

2018 Annual Activity Report (12 months ending December 31, 2018)

The Harmony EDA regularly meets the first Thursday of each month at 7:30 AM at the Community Center. Special meetings are 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
2018	12	1
2017	12	1
2016	11	4

Meeting attendance record:

Member	Meeting Dates														Absences		
	1/11	2/1	2/13	3/1	4/12	5/3	6/7	7/12	8/9	9/6	10/4	11/1	12/6	2018	2017	2016	
C. Skaalen	x		x	x	x	x	x	x	x	x		x	x	2	1	2	
S. Donney	x	x	x		x	x	x	x	x	x	x	x	x	1	-	2	
D. Swenson	x			x	x	x	x	x			x	x	x	4	2	3	
A. Batstone	x	x	x	x	x		x	x	x	x	x	x		2	4	4	
K. Kingsley	x	x	x	x	x	x	x	x	x	x		x	x	1	-	1	

Project Highlights:

Live2Lead Leadership Seminar

- Sponsored leadership seminar for local community leaders.

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 collaborate.

Experience Harmony II

- Completed community input process including analyzing community survey responses.
- Developed and **implemented 6 strategic community goals**: telling our story, housing, transportation, environmental sustainability, lodging & amenities, and technology.

Harmony Spirits Distillery

- Held groundbreaking ceremony and media event; business plans to open in February 2019.

State Trail Extension Project

- Lobbied the state legislature to advance the \$1.5 million bonding bill that would acquire and build the state trail extension to the Iowa boarder with a spur to Niagara Cave.
- Completed **24 meetings** with Minnesota legislators in both the House and Senate.
- **Received \$1.5 million** state appropriation to build the trail as proposed in the 2018 “bonding bill.”
- **Received \$235,000** state appropriation to acquire trail corridor land as a part of the 2018 “bonding bill” stemming from the grant application to the Legislative-Citizen Council on Minnesota Resources (LCCMR).

- **Awarded \$15,000** grant from the Harmony Area Community Foundation to assist with land acquisition for trail corridor.
- Created work plan for LCCMR appropriation.

Harmony Enterprises Equipment at Visitor Center

- Based on initiatives discussed during Experience Harmony II, EDA initiated discussions between the Chamber of Commerce and Harmony Enterprises to locate a Smart Pack trash container at the visitor's center with the purpose of displaying to tourists the technology and equipment manufactured in Harmony.

Dairyland Power Prospect

- Approved option to purchase contract for property in the industrial park in support of a new maintenance building.

Harmony Welcome Monument

- Began process with local volunteers to locate, build, and install third "Welcome to Harmony" sign at south entrance on Highway 139.

Community Marketing

- Began creation of a new community marketing video and digital marketing campaign.

New Home Construction Rebate Program

- **Awarded 5 rebates** totaling **\$48,750** creating **\$1,154,352** in new home value.
- Received national media attention from outlets such as The Wall Street Journal, Bloomberg, CNBC, Trulia.com, and Realtor.com.

Revolving Loan Fund

- **Approved \$7,700 loan** to Homespun Harmony to assist with building acquisition.
- Managed loan portfolio and repayments; \$55,000 in repayments made during 2018.
- Completed annual reporting requirements.

Other Grant Awards

- **Awarded \$10,000** "Small Town" grant from the Southern Minnesota Initiative Foundation to support the Harmony Freenotes Music Park project discussed in Experience Harmony II.
- **Awarded \$10,000** grant from the Harmony Area Community Foundation to assist the Harmony Park Board in repairing the municipal outdoor basketball courts.
- **Awarded \$2,260** grant from the Harmony Area Community Foundation to assist the City of Harmony place garbage receptacles in public spaces on Main Street.

General Business Assistance

- **Met with 37 individual current and/or prospective businesses** in regards to projects, issues, programs, business planning, financial packaging and other general assistance.

Tax Increment Financing (TIF) District Decertification

- Decertified Industrial Park TIF district (Antique Mall & Oak Meadow Meats) adding **\$695,100** in new taxable value.

Required Reporting

- Annual Minnesota Investment Fund report to DEED (revolving loan fund).
- Annual Redevelopment Grant report to DEED (downtown parking lot grant).

Annual Program Review

- Annual review of Business Subsidy Policy and active program guidelines to ensure effectiveness and ease of use. Active programs during 2018 were the revolving loan fund and new home construction rebate.

Revolving Loan Fund Summary:

Active Loan Portfolio	2018	2017	2016
Total Number of Loans:	15	15	15
New Loans:	1	0	5
Total Principal Amount:	\$365,810.47	\$382,110.47	\$382,110.47
Total Balance Due:	\$241,483.74	\$294,729.49	\$325,217.97
Average Loan Amount:	\$24,387.36	\$25,474.03	\$25,474.03
Cash on Hand Available to Lend:	\$90,453.30	\$27,381.40	(\$8,953.62)

Loan Portfolio since Inception (1989, Harmony Enterprises Grant)

Total Loans Made:	64
Total Principal Amount:	\$1,046,531.77
Total Repayments:	\$1,008,579.94
Total Write Offs:	\$41,478.12
Total Interest Received:	\$271,135.81
Average Loan Amount:	\$16,352.06

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

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
\$414,700	\$911,000	\$464,500	\$219,100	\$150,500	\$198,800	\$427,600	\$363,500	\$1,407,900	\$194,700	\$630,700

2017 by Tax Classification

Ag/Rural	SRR	Res Hm	Res Non Hm	Apt & BB	Commercial	Industrial	Total
\$0	\$0	\$334,700	\$154,700	\$0	\$141,300	\$0	\$630,700

2016 by Tax Classification

Ag/Rural	SRR	Res Hm	Res Non Hm	Apt & BB	Commercial	Industrial	Total
\$0	\$0	\$47,500	\$99,100	\$48,100	\$0	\$0	\$194,700

2015 by Tax Classification

Ag/Rural	SRR	Res Hm	Res Non Hm	Apt & BB	Commercial	Industrial	Total
\$180,000	\$0	\$510,450	\$240,250	\$18,900	\$324,800	\$133,500	\$1,407,900

Economic Development Authority's Financial Impact on Harmony:*(Excluding loan repayments & fund interest earnings)*

	2018	2017	2016
Total Grants Received:	\$1,772,260	\$11,000	\$50,000
Total Loans Made:	\$7,700	\$0	\$109,310
Total Short Term Project Revenue Leveraged:	\$48,750	\$132,000	\$37,000
Total Long Term Project Revenue Leveraged:	\$0	\$0	\$0
Total New Dollars Leveraged for Harmony:	\$1,828,710	\$143,000	\$196,310
Total City Levy:	\$652,200	\$590,000	\$567,503
Total EDA Budget:	\$100,000	\$119,118	\$123,599