

Harmony Economic Development Authority

2019 Annual Activity Report (12 months ending December 31, 2019)

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. Special meetings were held this year to facilitate the annual joint city, school, and EDA workshop and a prospective industrial park expansion project.

Meeting frequency:

	Meeting Frequency	
	Regular	Special
2019	12	2
2018	12	1
2017	12	1

Meeting attendance record:

Member	Meeting Dates															Absences		
	1/10	2/7	3/12	3/14	4/4	5/2	6/6	6/27	8/1	8/29	9/5	10/3	11/7	12/5	2019	2018	2017	
C. Skaalen	x	x	x	x	-	x	x	-	x	x	x	x	x	x	2	2	1	
S. Donney	x	x	x	x	x	x	x	x	x	x	x	x	x	x	-	1	-	
A. Batstone	x	x	-	-	x	x	x	x	x	-	-	x	x	-	5	2	4	
K. Kingsley	x	-	x	x	x	-	x	x	x	x	x	x	x	x	2	1	-	
S. Sagen	-	-	x	x	x	x	x	x	x	x	x	x	x	x	2	-	-	

Project Highlights:

Dairyland Power Cooperative Expansion Project

- Assisted with site selection for prospective facility relocation and expansion project.
- Purchased 8.2 acres of land adjacent to the industrial park to accommodate the prospective project and additional industrial growth. Requested annexation of this property to the City of Harmony.
- Approved a purchase agreement selling 8.5 acres to Dairyland Power Cooperative for \$1 for a prospective 23,000 square foot maintenance and operations facility. When completed, the facility is estimated to retain 4 FTE jobs and create about \$2.3 million in new tax base.
- Approved extending 2nd Ave NE and improving the storm water retention pond in conjunction with this project.
- Approved a memorandum of understanding outlining the material terms of a to-be agreed upon development agreement detailing the City and EDA involvement in the project, including land acquisition and public infrastructure improvements.
- Applied for \$74,537 Minnesota Department of Employment and Economic Development (MN DEED) Business Development Public Infrastructure (BDPI) grant to assist with about half of the cost of needed public infrastructure for the project.
- **Awarded \$84,082 loan** at a fixed 0% interest with a 10 year term from MiEnergy Cooperative to finance approximately half of the needed public infrastructure for the project. This award saves city taxpayers about \$14,000 in interest expenses.

State Trail Extension Project

- Continued to work with local trail volunteers, project stakeholders, and Minnesota Department of Natural Resources (MN DNR) on amending the existing Harmony-Preston Valley Trail master plan to feature the new, to-be constructed Harmony Stateline Trail segment.
- Coordinated with city attorney, MN DNR, and the Legislative Citizen Commission on Minnesota Resources (LCCMR) to administer \$235,000 grant that was awarded in 2018 for trail corridor acquisition.

Experience Harmony II

- Received word from Harmony Telephone Company that fiber optic internet would be installed to serve the entire community within 1-2 years.
- Contemplated hosting a solar energy workshop.
- Partnered with the Harmony Area Chamber of Commerce to create a community focused video advertisement, creating a digital marketing campaign to attract (primarily) new residents and employees.
- Recommended to the city council that a “Trash and Treasure” day be established.
- Recommended to the city council that recycling receptacles be purchased and placed in public areas such as city buildings, parks, and Main Street.
- Contemplated current and possible public transportation options available for community residents.
- Contemplated installation of electric vehicle charging stations.

Coordinated Joint Community Workshop

- Meeting held between City Council, Fillmore Central School Board, and EDA
- Discussed several issues, projects, and long-term goals resulting in opportunities to collaborate.
- Received word on and discussed major renovation projects scheduled for the High School and football field, which were also completed in 2019.

Commercial Rehab Program

- Listening to business inquiries, created a new streamlined version of the existing revolving loan fund to provide a source of financing for specific commercial rehabilitation needs of existing businesses.

New Home Construction Rebate Program

- **Awarded 2 rebates** totaling **\$11,750** creating **\$317,200** in new home value.
- Received an inquiry about the program from the chairwoman of the U.S. House Committee on Financial Services and continued to receive national attention.

Revolving Loan Fund

- **Approved \$25,000 loan** to Shannon and Emily Onsager to assist with acquisition and opening of a recently closed Main Street restaurant.
- **Approved \$25,000 loan** to Aaron and Amy Bishop to assist with renovations and acquisition of a long vacant Main Street building.
- Managed loan portfolio and repayments; \$60,242 in repayments during 2019.
- Completed annual reporting requirements.

Other Grant Awards

- **Awarded \$46,000** United States Department of Agriculture (USDA) “Community Facilities” grant to assist the public works department in purchasing an emergency backup generator for the city’s wastewater treatment plant and other public works equipment.
- **Awarded \$1,766** grant from the Harmony Area Community Foundation to assist the city place recycling receptacles on Main Street.
- Applied for \$10,000 grant from the Arlin Falck Foundation to assist the city install new playground equipment at the community center.
- Applied for \$2,200 grant from Fillmore County Public Health for a traffic calming speed radar sign.

General Business Assistance/Other

- **Met with 50 individual current and/or prospective businesses** in regards to projects, issues, programs, business planning, financial packaging and other general assistance.
- Renewed option to purchase contract for three lots in the industrial park with the Harmony Veterinary Clinic.
- Hosted a stop on the Community and Economic Development Associates (CEDA) annual “Regional Development” bus tour, which brought about 65 investors, real estate agents, developers, engineers, architects, and similar development-minded individuals to tour Harmony and development opportunities.
- Supported the function and location of the Harmony Visitor’s Center.

Required Reporting

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

Annual Program Review

- Annual review of Business Subsidy Policy and active program guidelines to ensure effectiveness and ease of use. Active programs during 2019 were the revolving loan fund and new home construction rebate.

Revolving Loan Fund Summary:

<u>Active Loan Portfolio</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Number of Loans:	17	15	15
New Loans:	2	1	0
Total Principal Amount:	\$415,810	\$365,810	\$382,110
Total Balance Due:	\$241,662	\$241,484	\$294,729
Average Loan Amount:	\$24,459	\$24,387	\$25,474
Cash on Hand Available to Lend:	\$98,935	\$90,453.30	\$27,381.40

Loan Portfolio since Inception (1989, Harmony Enterprises Grant)

Total Loans Made:	66
Total Principal Amount:	\$1,096,532
Total Repayments:	\$1,066,372
Total Write Offs:	\$41,478
Total Interest Received:	\$279,796
Average Loan Amount:	\$16,614

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

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
911,000	464,500	219,100	150,500	198,800	427,600	363,500	1,407,900	194,700	630,700	1,076,300

Fillmore County Property Tax Valuation Comparison (spring 2019):

City	House Rate House		Chang	Prime Lot Sq Ft	Lot Value		Change	Levy		Levy 2019P	Change %
	2019P	2020P			2019P	2020P		2018P	2019P		
Mabel	\$42.00	\$47.00	\$5.00	10000	\$1.35	\$1.35	\$0.00	181.055	183.697	2.642	
Rushford Vill.	\$65.00	\$65.00	\$0.00	10000	\$1.75	\$1.75	\$0.00	102.381	96.514	(5.867)	
Rushford City	\$68.00	\$81.00	\$13.00	10000	\$2.25	\$2.25	\$0.00	152.255	146.528	(5.727)	
Peterson	\$57.00	\$57.00	\$0.00	14000	\$1.00	\$1.00	\$0.00	175.639	148.407	(27.232)	
Canton	\$49.50	\$49.50	\$0.00	10000	\$1.05	\$1.05	\$0.00	143.312	134.244	(9.068)	
Whalan	\$63.75	\$63.75	\$0.00	12000	\$1.50	\$1.50	\$0.00	78.627	90.153	11.526	
Harmony	\$54.00	\$62.00	\$8.00	10000	\$1.50	\$1.50	\$0.00	136.866	139.876	3.010	
Preston	\$54.00	\$61.00	\$7.00	10000	\$1.65	\$1.65	\$0.00	164.813	167.515	2.702	
Lanesboro	\$78.00	\$92.00	\$14.00	14000	\$2.10	\$2.10	\$0.00	140.689	164.894	24.205	
Fountain	\$70.50	\$81.00	\$10.50	14000	\$1.40	\$1.40	\$0.00	111.909	110.416	(1.493)	
Chatfield	\$83.00	\$99.00	\$16.00	10000	\$2.50	\$2.50	\$0.00	160.548	172.839	12.291	
Wykoff	\$50.00	\$62.50	\$12.50	10000	\$1.50	\$1.50	\$0.00	145.612	138.657	(6.955)	
Ostrander	\$45.00	\$45.00	\$0.00	10000	\$1.10	\$1.10	\$0.00	169.863	192.453	22.590	
Spring Valley	\$65.00	\$77.00	\$12.00	10000	\$1.75	\$1.75	\$0.00	161.609	162.22	0.611	

Economic Development Authority's Financial Impact on Harmony:

(Excluding loan repayments & fund interest earnings)

	2019	2018	2017
Total Grants Received:	\$47,766	\$1,772,260	\$11,000
Total Loans Made:	\$50,000	\$7,700	\$0
Total Short Term Project Revenue Leveraged:	\$11,750	\$48,750	\$132,000
Total Long Term Project Revenue Leveraged:	\$84,082	\$0	\$0
Total New Dollars Leveraged for Harmony:	\$193,598	\$1,828,710	\$143,000
Total City Levy:	\$745,550	\$652,200	\$590,000
Total EDA Budget:	\$105,000	\$100,000	\$119,118