

Harmony Economic Development Authority

2020 Annual Activity Report (12 months ending December 31, 2020)

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. A special meeting was held to make approvals related to the industrial park. The annually scheduled joint city, school, and EDA workshop was cancelled due to the COVID-19 pandemic. Also due to the pandemic, one regular meeting was cancelled and two regular meetings were held electronically.

Meeting frequency:

	Meeting Frequency	
	Regular	Special
2020	11	1
2019	12	2
2018	12	1
2017	12	1
2016	11	4

Meeting attendance record:

Member	Meeting Dates													Absences		
	1/9	1/16	2/6	3/5	5/7	6/4	7/2	8/6	9/3	10/1	11/5	12/3	2020	2019	2018	
C. Skaalen	x	x	x	x	x	x	x	x	x		x	x	1	2	2	
S. Donney	x	x	x		x		x	x	x	x	x		3	-	1	
A. Batstone	x		x	x	x	x	x	x	x	x		x	2	5	2	
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	n/a	

Project Highlights:

COVID-19 Pandemic Response

- Provided community's economic emergency response to the coronavirus pandemic.
- Contacted and talked with impacted businesses, researched and distributed information on emergency grants, loans, and other special programs created in response to the economic crisis induced by the pandemic and executive ordered shutdowns.
- Granted a three month loan payment holiday to interested businesses, **forgiving accumulated interest of \$1,000.**
- **Administered \$132,500** in emergency small business loans from Minnesota Department of Employment and Economic Development (MN DEED) to 5 businesses directly impacted by the initial executive orders by the governor to shutdown in response to the pandemic. Loans provided emergency liquidity at 0% interest and half of the principal amount can be forgiven.
- Recommended that the city council purchase PPE supplies with local government CARES Act funding for the benefit of Harmony businesses.

Dairyland Power Cooperative Expansion Project

- Finalized city hearings, approvals, and agreements for a facility relocation and expansion project.
- Finalized annexation of 8.2 acres, which was recently purchased east of the industrial park to accommodate this project and other growth.
- Designed extension of 1st Ave NE, 2nd Ave NE and improving 8th Street NE as well as the storm water retention pond in conjunction with this project.
- **Awarded \$74,537** MN DEED Business Development Public Infrastructure (BDPI) grant to assist with about half of the cost of needed public infrastructure for the project.
- Worked with Dairyland to realign the project and locate an alternative site.
- Began annexation proceedings on 10.28 acres of property for the project site.

State Trail Extension Project

- Coordinated with the city attorney to finalize the purchase of land corridor for the state trail extension.
- Continued to work with local trail volunteers, project stakeholders, and Minnesota Department of Natural Resources (MN DNR) to finalize an amendment to the Harmony-Preston Valley Trail master plan accommodating the to-be constructed Harmony Stateline Trail segment.
- Coordinated with city attorney, MN DNR, and the Legislative Citizen Commission on Minnesota Resources (LCCMR) to administer and close out \$235,000 grant that was awarded in 2018 for trail corridor acquisition.

Experience Harmony II

- Created a residential rehabilitation rebate program aimed at revitalizing dilapidated residences, in conjunction with the existing new home rebate program.
- Continued to support Harmony Telephone Company with their fiber optic internet implementation project.
- Partnered with the Harmony Area Chamber of Commerce to implement a digital marketing campaign to attract (primarily) new residents and employees with a newly created community marketing video.
- Contemplated installation of electric vehicle charging stations.
- Supported volunteer efforts to build a splash pad in Harmony.
- Supported “Trash and Treasure” day activities.

Highway 52 Speed Limit

- Discussed and pushed state highway department to review speed limit changes on Highway 52. Advocated for a transitional speed limit and/or lowering the limit in certain areas.
- Requested that a speed study be conducted.

Small Cities Block Grant

- Explored opportunities and agreed to apply for a small cities block grant for commercial, residential, and rental rehabilitation funding in 2021.

Industrial Park

- Created a new pricing schedule for industrial park lots.
- Developed maintenance plan for Phase III.

New Home Construction Rebate Program

- Renewed program and continued to receive national attention, inquiries, and interview requests including *The Wall Street Journal* and *LendingTree.com*.

Revolving Loan Fund

- **Approved \$25,000 loan** to Tin, Rust, & Harmony to assist with acquisition of a Main Street building.
- **Approved \$25,000 loan** to Chelsey Clausen to assist with acquisition of a recently closed Main Street restaurant.
- Managed loan portfolio and repayments.

Other Grant Awards

- **Awarded \$21,500** United States Department of Agriculture (USDA) “Community Facilities” grant to purchase a new ambulance cot and motorized lift.
- **Awarded \$22,594** Minnesota Department of Health emergency grant for ambulance equipment and hazard pay.
- Applied for \$50,000 USDA “Community Facilities” grant to purchase a new fire truck.
- Applied for \$44,124.57 USDA “Community Facilities” grant to purchase a fire rescue off road vehicle and rescue equipment.

General Business Assistance/Other

- **Worked with 39 individual current and/or prospective businesses** in regards to projects, issues, programs, business planning, financial packaging and other general assistance.
- Interviewed by *The Wall Street Journal* for an article on the Harmony Kids Learning Center project.

Required Reporting

- Annual Minnesota Investment Fund report to DEED (revolving loan fund).

Annual Program Review

- Annual review of Business Subsidy Policy and active program guidelines to ensure effectiveness and ease of use.

Memberships

- Harmony Area Chamber of Commerce
- Minnesota Parks and Trails Council

Revolving Loan Fund Summary:

<u>Active Loan Portfolio</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Number of Loans:	15	17	15
New Loans:	2	2	1
Total Principal Amount:	\$381,810	\$415,810	\$365,810
Total Balance Due:	\$218,052	\$241,662	\$241,484
Average Loan Amount:	\$25,454	\$24,459	\$24,387
Cash on Hand Available to Lend:	\$129,267	\$98,935	\$90,453.30

Loan Portfolio since Inception (1989, Harmony Enterprises Grant)

Total Loans Made:	68
Total Principal Amount:	\$1,146,531
Total Repayments:	\$1,145,085
Total Write Offs:	\$41,478
Total Interest Received:	\$286,165
Average Loan Amount:	\$16,860

Fillmore County Property Valuation Change*:

**limited property value data available from Fillmore County this year.*

Estimated Market Value		
Harmony		
2019 \$		75,285,100
2020 \$		75,984,200
Change		0.93%

Economic Development Authority's Financial Impact on Harmony:

(Excluding loan repayments & fund interest earnings)

	2020	2019	2018
Total Grants Received:	\$118,631	\$47,766	\$1,772,260
Total Loans Made:	\$50,000	\$50,000	\$7,700
Total Short Term Project Revenue Leveraged:	\$1,000	\$11,750	\$48,750
Total Long Term Project Revenue Leveraged:	\$132,500	\$84,082	\$0
Total Dollars Leveraged for Harmony:	\$302,131	\$193,598	\$1,828,710
Total City Levy:	\$745,550	\$700,000	\$652,200
Total EDA Budget:	\$105,000	\$102,500	\$100,000