

Harmony Economic Development Authority

2021 Annual Activity Report (12 months ending December 31, 2021)

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. No special meetings were held. The annually scheduled joint city, school, and EDA workshop was not held due to scheduling conflicts.

Meeting frequency:

Meeting Frequency		
	Regular	Special
2021	12	0
2020	11	1
2019	12	2
2018	12	1
2017	12	1

Meeting attendance record:

Member	Meeting Dates												Absences		
	1/7	2/4	3/4	4/1	5/6	6/3	7/1	8/5	9/2	10/7	11/4	12/2	2021	2020	2019
K. Kingsley	x	x	x	x	x	x	x	x	x	x	x	x	-	-	2
S. Donney			x	x			x	x	x	x	x	x	4	3	-
A. Batstone	x	x	x	x	x	x	x	x		x		x	2	2	5
S. Sagen	x	x	x	x	x	x	x	x	x	x		x	1	-	2
G. Schieber	x	x	x	x	x	x	x	x	x	x	x		1	n/a	n/a

Project Highlights:

Dairyland Power Cooperative Expansion Project

- Finalized the multi-year city efforts to secure the project resulting in the construction of an approximately 23,000 square foot warehouse outpost, creation of 4 new FTE's at an average wage of \$44.92 per hour, a minimum of \$2 million in new tax base, with a total project cost of about \$6 million, and retaining a critical utility service in the community.
- Annexed the project site adding 10.3 acres to the City of Harmony.
- Facilitated the design and extension of city water and sewer to the site.
- **Awarded \$284,689** MN DEED Business Development Public Infrastructure (BDPI) grant to assist with about half of the cost needed for public infrastructure to support the project.
- **Approved \$315,000** tax increment financing (TIF) district to assist business with site development costs.
- **Secured \$84,083** loan through MiEnergy Cooperative at 0% interest over 10 years to assist with the elimination of any public costs for infrastructure.

Harmony Lodge

- Facilitated the sale and financing of 2.5 acres in the industrial park for the construction of an approximately \$800,000 10-room motel. Project ultimately did not move forward.

State Trail Extension Project

- Assisted with required public input meeting reviewing the amendment of the Harmony Stateline Extension state trail plan.
- Assisted landowners adjacent to the trail route to donate additional land to route the trail around several groves of mature oak trees, saving the trees and preserving this unique feature along the route. **Awarded up to \$1,000** grant from the Harmony Area Community Foundation to assist with transactional costs for donation.
- Received county approval for the “in town” bike trail link between the existing and future trail heads along 1st Ave SE.

Twin City Trimmers Project

- Facilitated the sale of 1.3 acres in the industrial park for the construction of an approximately 5,200 square foot facility that would relocate the corporate headquarters of a construction company to Harmony; creating 3-5 new jobs and \$260,000 in new tax base.
- **Awarded \$46,000** in tax increment financing to assist with land acquisition costs.

KTNS Trucking Corp. Project

- Began negotiations to sell approximately 2.4 acres in the industrial park for the construction of a corporate headquarters for a transportation business. Project anticipated to move forward in spring 2022.

Experience Harmony II

- Partnered with MiEnergy Cooperative to install two electric vehicle chargers to provide four charging stations downtown.
- Discussed and requested the implementation of a city-wide “trash and treasure” clean up day.
- Discussed and established the Downtown Revitalization Program to award up to \$40,000 for “once in a lifetime” repairs to core buildings in order to preserve the unique character of the downtown.
- Began exploration of the creation of a coworking space at the community center.
- Celebrated news of the city’s growth over the last 10 years. 2020 Census results **reported a 2.25% growth rate over the past 10 years** – from 1,020 in 2010 to 1,043 in 2020. Harmony was one of only 3 cities in Fillmore County that saw growth during this period.

Small Cities Block Grant

- Conducted a community survey to determine need and interest in commercial, rental, and residential rehabilitation. Received 36% response rate and applied for over \$1 million grant funding from the State of Minnesota.
- **Awarded \$2,245,849** special CARES Act Small Cities Block Grant for the installation of broadband fiber optic internet throughout the city.

Industrial Park

- Discussed and facilitated several prospective buyers. Resulting in the signing of three purchase agreements. One purchase did not move forward and one is in progress as of the date of this report.
- Updated the pricing schedule for lots.
- Moved forward with a plat for the 2nd Addition to the park.
- Discussed possible land acquisition for expansion of the industrial park.

Downtown Revitalization Program

- **Approved \$80,000** forgivable loan to fully repair the exterior brick and windows on a Main Street commercial building.

New Home Construction Rebate Program

- **Awarded 2 rebates totaling \$22,000 creating \$505,900** in new home value.
- Continued to receive state, national, and international media attention and interview requests.

Revolving Loan Fund

- **Approved \$25,000** line of credit to the Harmony Area Chamber of Commerce for marketing purposes.
- **Approved \$35,000** loan to Harmony Lodge for the purchase of an existing hotel facility.
- **Approved \$25,000** loan to The Shop A Cut Above the Rest salon for the purchase of a Main Street storefront.
- **Approved \$25,000** loan to Bee Balm for the purchase of a vacant Main Street storefront.
- **Approved \$25,000** loan to Josh and Kelsey Bergey for the purchase of Harmony Car Wash.
- Managed loan portfolio and repayments.

Other Grant Awards

- **Awarded \$75,000** grant from the Minnesota DNR Outdoor Recreation program for the construction of a picnic shelter at the to-be-constructed splash pad.
- **Awarded \$50,000** USDA “Community Facilities” grant to purchase a new fire truck.
- **Awarded \$44,125** USDA “Community Facilities” grant to purchase a fire rescue off-road vehicle and rescue equipment.

General Business Assistance/Other

- **Worked with 44 individual current and/or prospective businesses** in regards to projects, issues, programs, business planning, financial packaging and other general assistance.
- Participated in “Level Up Harmony” social media discussions.

Required Reporting

- Annual LCCMR land acquisition report (bike trail extension project).
- 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:

Active Loan Portfolio	2021	2020	2019
Total Number of Loans:	13	15	17
New Loans:	3	2	2
Total Principal Amount:	\$324,700	\$381,810	\$415,810
Total Balance Due:	\$203,593	\$218,052	\$241,662
Average Loan Amount:	\$24,977	\$25,454	\$24,459
Cash on Hand Available to Lend:	\$149,812	\$129,267	\$98,935

Loan Portfolio since Inception (1989, Harmony Enterprises Grant)

Total Loans Made:	71
Total Principal Amount:	\$1,203,531
Total Repayments:	\$1,222,886
Total Adjustments:	\$43,486
Total Interest Received:	\$294,023
Average Loan Amount:	\$16,951

Fillmore County Property Valuation Change:

City Wide Tax Base		
Year	EMV	% Change
2021	86,969,800	14.46
2020	75,984,200	0.93
2019	75,285,100	

Economic Development Authority's Financial Impact on Harmony:

(Excluding loan repayments & fund interest earnings)

	2021	2020	2019
Total Grants Received:	\$2,700,663	\$118,631	\$47,766
Total Loans Made:	\$135,000	\$50,000	\$50,000
Total Short Term Project Revenue Leveraged:	\$186,083	\$1,000	\$11,750
Total Long Term Project Revenue Leveraged:	\$361,000	\$132,500	\$84,082
Total Dollars Leveraged for Harmony:	\$3,382,746	\$302,131	\$193,598
Total City Levy:	\$775,361	\$745,550	\$700,000
Total EDA Budget:	\$105,000	\$105,000	\$102,500