

# Harmony Economic Development Authority

## 2022 Annual Activity Report (12 months ending December 31, 2022)

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.

Meeting frequency:

Meeting Frequency		
	Regular	Special
<b>2022</b>	12	4
<b>2021</b>	12	0
<b>2020</b>	11	1
<b>2019</b>	12	2
<b>2018</b>	12	1

### Meeting attendance record:

Member	Meeting Dates																Absences		
	1/6	1/20	2/3	3/3	4/7	5/5	6/2	7/7	7/28	8/11	9/1	10/4	10/6	11/3	12/1	12/8	2022	2021	2020
K. Kingsley	x	x	x	x	x	x	x	x	x		x	x	x	x	x	x	1	-	-
S. Donney	x	x			x	x	x	x	x	x	x	x	x	x	x	x	2	4	3
A. Batstone	x		x	x	x		x		x	x		x	x		x	x	5	2	2
S. Sagen	x	x	x	x	x	x	x	x	x	x	x			x	x		3	1	-
G. Schieber	x	x	x	x	x	x		x	x	x	x	x	x	x	x	x	1	1	n/a

### Project Highlights:

#### KTNS Trucking Corp. Project

- Finalized negotiations for the construction of a corporate headquarters for a transportation business.
- **Approved \$50,000 TIF assistance.**
- Approved a purchase agreement to sell 2.4 acres in the industrial park for the project site at a price of \$100,000.

#### State Trail Extension Project

- Worked with DNR to finalize trail construction project and finding alternative methods of moving the project forward if the project bid was not successful in 2022.
- Met with state legislators to discuss additional funding in 2023 to complete the trail project.

#### Zoning and Retail Variety Store Discussion

- Discussed the future vision of the local economy and business community and concerns regarding trends of national retail variety stores potentially causing disruptions.
- Made several recommendations to the planning and zoning commission and city council including to pause the review of zoning applications for such projects until the current zoning code could be examined and updated in ways that might mitigate or minimize concerns.

#### Dairyland Power Cooperative Expansion Project

- Finished utility project and BDPI grant work.
- Facility opened for operation, final taxable value was higher than originally estimated.

#### Twin City Trimmers Project

- **Awarded \$19,000** in potential additional tax increment financing to assist with land acquisition costs if the building valuation is higher than estimated due to inflation, and excess increment is collected.
- Assisted further by extending the construction deadline to December 31, 2023 in exchange for payment of the missed TIF payments scheduled for that year.

#### Industrial Park

- Platted the 2<sup>nd</sup> Addition to the Harmony Industrial Park.
- Discussed the possible expansion of the industrial park with a nearby landowner who was interested in selling.
- Explored the possibility of selling or leasing the undeveloped land in the park for a utility/investor owned solar farm purposes.
- Reviewed ongoing maintenance needs of the park.

#### Downtown Revitalization Program

- **Approved \$40,000** forgivable loan to fully repair the exterior brick on a Main Street commercial building.

#### New Home Construction Rebate Program

- **Awarded 1 rebate totaling \$12,000** creating 2 new living units and \$321,400 in new home value.
- Studied current program status and making updates for 2023, including recommending a broader rebate matrix structure and increasing the maximum rebate amount to \$20,000.
- Continued to receive state, national, and international media attention and interview requests.

#### Revolving Loan Fund

- **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 KTNS Trucking Corp. for the purchase of a lot in the industrial park for their future corporate headquarters.
- **Approved \$25,000** loan to BA Properties for the purchase of a Main Street storefront.
- **Approved \$25,000** loan to Nicole Johnson for the purchase of a Main Street building.
- **Approved \$35,000** loan to On the Crunchy Side for window replacement and tuck pointing, as a part of their Downtown Revitalization Grant award.
- **Approved \$35,000** loan to Vita Partnership for the purchase of new playground safety equipment.
- **Approved \$25,000** loan to Everybody Eats LLC for the renovation of a Main Street building for a new restaurant.
- Updated program fees and processes.
- Processed and collected a defaulted loan.
- Managed loan portfolio and repayments.

#### Other Grant Awards

- **Awarded \$2,637 grant** for public works & fire rescue safety equipment through MN Dept. of Labor.
- **Awarded \$1,017,750 Small Cities Block Grant** for commercial and residential rehabilitation projects.

General Business Assistance/Other

- **Worked with 48 individual current and/or prospective businesses** in regards to projects, questions, issues, programs, business planning, financial packaging and other general assistance.

Required Reporting

- Project close out & annual report for BDPI Infrastructure Grant to DEED (Dairyland project).
- Annual Business Subsidy Job & Wage Report to DEED (Dairyland project).
- 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:**

<u>Active Loan Portfolio</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Number of Loans:	13	13	15
New Loans:	7	3	2
Total Principal Amount:	\$327,787	\$324,700	\$381,810
Total Balance Due:	\$243,916	\$203,593	\$218,052
Average Loan Amount:	\$25,214	\$24,977	\$25,454
Cash on Hand Available to Lend:	\$119,673	\$149,812	\$129,267

Loan Portfolio since Inception (1989, Harmony Enterprises Grant)

Total Loans Made:	76
Total Principal Amount:	\$1,346,319
Total Principal Repayments:	\$1,059,172
Total Adjustments:	\$43,486
Total Interest Received:	\$273,842
Average Loan Amount:	\$17,714

**Fillmore County Property Valuation Change:**

<b>City Wide Tax Base</b>		
<b>Year</b>	<b>EMV</b>	<b>% Change</b>
<b>2022</b>	99,979,000	14.96
<b>2021</b>	86,969,800	14.46
<b>2020</b>	75,984,200	0.93
<b>2019</b>	75,285,100	

## **Economic Development Authority's Financial Impact on Harmony:**

*(Excluding loan repayments & fund interest earnings)*

	2022	2021	2020
<b>Total Grants Received:</b>	<b>\$1,020,387</b>	<b>\$2,700,663</b>	<b>\$118,631</b>
<b>Total Loans Made:</b>	<b>\$195,000</b>	<b>\$135,000</b>	<b>\$50,000</b>
<b>Total Short Term Project Revenue Leveraged:</b>	<b>\$52,000</b>	<b>\$186,083</b>	<b>\$1,000</b>
<b>Total Long Term Project Revenue Leveraged:</b>	<b>\$69,000</b>	<b>\$361,000</b>	<b>\$132,500</b>
<b>Total Dollars Leveraged for Harmony:</b>	<b>\$1,336,387</b>	<b>\$3,382,746</b>	<b>\$302,131</b>
Total City Levy:	\$804,070	\$775,361	\$745,550
Total EDA Budget:	\$110,000	\$105,000	\$105,000