

Harmony EDA Minutes

November 3, 2005
4:00 p.m.

Council Room
Community Center

Present: Greg Turner, Roxanne Johnson, Sherry Hines, Steve Cremer
Also Present: Jerome Illg, Cris Gastner, Ralph Beastrom

Meeting was called to order 4:00 p.m. by Sherry Hines.

Minutes

Motion by Roxanne, seconded by Greg to approve the October 6th and October 20th minutes. Motion carried.

Financials

Motion by Steve, seconded by Greg to approve claims and financials with the addition of \$14,000 to Slaubaugh Construction for Clarissa Hughes basement. Motion carried.

Stumpy arrived at meeting at 4:10.

Tourism

Ralph Beastrom informed the board that the tourism committee has agreed to retain 1% of the Harmony lodging tax dollars (3%), instead of giving it to Historic Bluff Country. Ralph felt there were inequities occurring regarding Bluff Country from neighboring areas. Ralph was concerned that should they retain the 1% for Harmony Tourism, that the city would draw back the increase for 2006 of \$2,000 that was approved.

Mark joined meeting at 4:20.

Mobile Home Park

Henry Becker wanted to inform that EDA that he was interested in the former mobile home park site for development based on the bidding criteria. Bidding information was shared. Jerome stated that interested parties prior have been contacted again.

Development Project

Jerome and Cris updated the board on the presentation of the offer to Tri-County with Ted Kjos. Ted will inform the Tri-County board of the offer and the location of the city lot next to the city shop. Ted will try to put together a letter of interest as we proceed.

Jerome informed the board, that at the last county board meeting he attended, that the county instructed the county attorney to put together the bidding information to put the Harmony and Lenora county shop locations out for bid. Discussion occurred regarding the county shop location in Harmony and what price to offer. It was recommend that we include a letter with the bid assuring the county board, that there would be job creation and tax base created with the sale of the land to the EDA as well as making additional

possibilities available for jobs and tax base for the companies' current location. Motion by Roxanne, seconded by Steve to offer \$5,000 (using TIF dollars) for the county land when it is put out for bids as well as including a letter explaining that jobs and tax base would be created in addition. Motion carried.

Sherry updated the board regarding Arlo Wahl's property. She presumes that Susan will be meeting with Arlo and Marian Wahl in the next few weeks. She anticipates a response from them soon.

Motion by Roxanne, seconded by Greg to recommend to the city council the approval to purchase the bus garage property and the SE corner of 1st Ave NW and 1st St NW contingent upon the city council authorizing the TIF amendment to allow for the purchase. Motion carried.

Housing Incentive

Jerome and Cris explained a proposed preliminary housing incentive plan that would hopefully attract potential homeowners as well as improve existing homes in Harmony through various incentives, fee reductions, abatement, etc. Cris explained that this is only a starting point and it could be fine tuned with additional details to support the incentive policy. Several board members felt it was beneficial to have such a policy, since we already have a policy similar for business. Cris explained that it would be beneficial to have an incentive policy for housing as well, for recruiting businesses. That way, they can be informed that we have a policy for their business and their employees should they relocate here. Cris asked the board to review the incentives and come back to next meeting with comments and suggestions for possible revisions.

JOBZ Signs

Motion by Mark, seconded by Greg to purchase 3 small (2'x2') JOBZ signs and 1 large (6'x2') sign. Motion carried.

Heritage Grove

October 2005 Heritage Grove operation report was reviewed.

KTTC

The results from the KTTC survey were reviewed. It was the consensus that one year is too early to tell and make a decision not to continue the commercials as far as seeing the true benefit from them. Should the commercials not be continued, additional marketing would still need to occur, thus saving may or may not be substantial. Motion by Mark, seconded by Steve to continue the commercials for another year. Motion carried.

Industrial Park Assessments

Jerome informed the board that the assessments for the infrastructure for the industrial park lots are \$19,729. Some board members were concerned that Haugerud's have failed to inform the board regarding the development of a building on the east half of their lot. Consensus was to have Haugerud's come to next meeting to update on situation.

Clarissa Hughes

Clarissa Hughes was present to update the board regarding the status of her basement. She wanted to know if there were any contractors in the area to finish the entry way (porch) to her house so she could start heating the house and living there. Roxanne would assist in making some contacts.

Greg left meeting at 6 pm.

SEMDC

The contract for SEMDC was reviewed for 2006 at an amount of \$21,840. Motion by Roxanne, seconded by Steve to approve contract for 2006. Sherry abstained. Motion carried.

Revolving Loan

The loan committee recommended a revolving loan of \$25,000 at 4% for 7 years to the EDA for Michelle Miller to start a bookstore/coffee house. She would be using the loan for furnishings, equipment, and improvements. There would be 2 FTE's and 2 part-time FTE's added within 2 years. The loan committee also recommended that should the jobs not be added, that the interest rate increase to prime rate or prime-rate plus 1. It was noted, that Michelle has additional income from another job, thus this business would not be her primary source of income. Motion by Roxanne, seconded by Steve to recommend to the city council the approval of the revolving loan for Michelle Miller. Motion carried.

Prospects

Sherry was asked to leave the meeting, so the board could discuss a potential developer would result in a conflict for Sherry.

Sherry left the meeting.

Cris explained that the developer is a manufacturing company in the area and is looking to expand and Harmony is a possible location. Cris explained that the business has an offer from another community that was unsolicited. Cris wanted to know if the EDA would be willing to offer additional resources other than the incentive policies already in place to attract the business that would bring approximately 15 jobs and approximately \$500,000 building. The developer had looked at JOBZ and decided that he was not comfortable with it. The board felt that the developer would be doing his business justice by not looking seriously at JOBZ, due to the potential benefits that he could obtain. Roxanne and Cris will meet with the developer to discuss the potential benefits of JOBZ and gather more information so the board can make an informed offer to the developer.

At 6:45 pm motion was made by Roxanne to adjourn, seconded by Steve, motion carried.