

Harmony EDA Minutes

November 2, 2006
4:00 p.m.

Council Room
Community Center

Present: Sherry Hines, Mark McKay, Steve Cremer
Present: Jerome Illg, Cris Gastner, Allan Dahl

Meeting was called to order 4:10 p.m. by Sherry Hines.

Minutes

Motion by Mark, seconded by Steve to approve the October 5th. Motion carried.

Financials

Motion by Steve, seconded by Mark to approve claims and financials. Motion carried.

Heritage Grove

Roxanne arrived at 4:15.

An update was given on the stove/oven in the kitchen area. A cost estimate from Kingsley Merchantile for a top-of-line residential oven was given at \$2,300. If a commercial grade oven were install, it would require a hood system and cost \$10,000. Consensus was to proceed with Kingsley bid. It was noted Deb Long was hired for the housing manager and Tina Peters was hired for the RN position.

Dahl

Discussion occurred on Allan Dahl's revolving loan and collateral. Because of the wording in the loan guidelines, Allan felt that his personal guarantee/promissory note was security for the loan and a mortgage/lien was not necessary. It was recommend by Cris and Jerome, based on that misunderstanding, that it was necessary to proceed with that collateral for Allan's loan.

Motion by Roxanne, seconded by Mark, personal guarantee and promissory loan was sufficient guarantee for the note. Motion carried.

The EDA discussed Allan's interest in the development of the mobile home park site. Allan is still interested, but is concerned about immediate infrastructure cost, that would take time to be recovered. Allan was going to take a look at it again and get back to the EDA.

Haugerud

James Haugerud was present to discuss the development of his half of the industrial park lot based on the terms of the development agreement. He submitted a letter that stated Haugerud Painting and Drywall would retain the half of lot, paying taxes and special

assessments, and should the city have a developer that is interest in that half of lot, they would revert that lot back to the city.

Motion by Steve, seconded by Roxanne, to contact Dick Nethercut to draft a something legal, that allows the city to market the half of lot, and require them to relinquish ownership, should a developer want to build on the lot with a sufficient notice to Haugerud Painting and Drywall. Motion carried.

Cris and Jerome will put some ideas together to landscape, etc around the industrial park sign and make the entrance more attractive.

Chris arrived at meeting 5:30.

Downtown Redevelopment

Cris updated the board on a meeting he had with Brad Hoiness. Cris indicated that a developer is still interested in putting up a building. The Hoiness' want to do a market study to be assured of the economics of a new store.

Jerome mentioned that the building assessments were done earlier in the week. Once the results are known, we will obtain contractor bid prices for abatement. Mark also wanted the other buildings secured. Jerome will instruct maintenance staff to handle.

Housing Incentives

Jerome mentioned that there should be a beginning and ending date on the housing incentives, which will be for 2007. Also, the closing date, is the date will be used for the incentive, not the purchase agreement date.

KTTC Contributions

Jerome and Cris handed out a delegated list that the EDA board members should contact in the business community to solicit for KTTC donations.

Revolving Loan

Discussion occurred on minor language changes in the revolving loan guidelines to clear confusion on collateralization.

Motion by Roxanne, seconded by Chris to recommend to city council to change language that each loan will be secured by collateral and personal guarantees, and the loan shall be secured by first and second mortgages on property. Motion carried.

The revolving loan committee recommends approval for a revolving loan of \$12,000 (4% over 5 years) to renovate Jeremy Kruegel's building into office space. He has a commitment for one renter and hopes to obtain others for up to 4 spaces. Discussion occurred because he is not generating the jobs personally. Consensus was that jobs would be obtainable by having the renovated space available.

Motion by Chris, seconded by Roxanne to recommend to city council approval of revolving loan. Motion carried.

Steve left meeting.

Miscellaneous

Roxanne brought up the need to have a kiosk or billboard for information, so visitors to the community know all the locations to visit. Chris said he does not have a problem with locating something in the garden area in front of 15 Center St E. Jerome will check the MNDOT criteria and talk to HAPA about a possible design.

At 6:30 pm motion was made by Chris to adjourn, seconded by Mark, motion carried.