

Harmony EDA Minutes

August 31, 2006
11:00 a.m.

Council Room
Community Center

Present: Sherry Hines, Steve Cremer, Roxanne Johnson, Chris Skaalen
Present: Jerome Illg, Tim Rieck, Ron Ziegler, Allan Dahl

Meeting was called to order 11:00 a.m. by Sherry Hines.

SEMDC

Ron talked about the 2007 rate for SEMDC services, small cities grant administration, and the possibility of a small cities grant application. The SEMDC rate will increase to \$22,600. The small cities grant administration for commercial and residential is time consuming, with training necessary, income requirements and paperwork requirements. Cris does not have that training and expertise, nor is it part of the contracted services. Jerome also noted, that those grant administration work is paid through the grant dollars allocated. The possibility of a small cities grant application for next funding cycle will not be possible due to an October 14 deadline, which is unaccommodating for many communities. Should that deadline change, Ron will inform us. The costs for completing the pre-application survey would be approximately \$1,000 with the application itself costing around \$5,000 based on the criteria for the application.

Heritage Grove

Tim was present to discuss 2007 proposed Heritage Grove budget. Rent increases were discussed. Concerns were raised over increasing independent living rent above \$900/month. Board members asked Tim to look at other units in the area that offer assisted living and memory care to determine what their rent is. Tim will report back at the October meeting. Tim also discussed the cost for a new commercial stove in the kitchen. The cost for a new stove is approximately \$3,000. Tim was asked to confirm that it will meet safety standards and electric supply capabilities.

Mobile Home Park

Jerome updated the board regarding the DEED grant application for the mobile home park. DEED will not allow costs older than 12 months, thus the costs for site acquisition and clean up, are not allowable. However the costs to install utilities, street, road, etc would be allowable. The grant, if funded, based on the estimate costs for installing the infrastructure would be \$50,000 (on a \$100,000 estimate costs).

Revolving Loan

Jerome discussed with the board regarding Allan Dahl being interested in repairing his building on Center St (old fire hall). He would be doing roofing, electrical, windows, doors, and plumbing in Phase 1. We would like to assist through a revolving loan and TIF, however, the criteria for job creation would not be obtained. Jerome explained by completing Phase 1, would allow additional phases to be completed to create jobs, and

could draw interest to the building. Also, it would improve the existing building. The board members would support the project and loan deviating from the criteria.

Haugerud

Jerome updated the board on his discussion with James Haugerud. James could not be present due to a family illness. Discussion occurred regarding an additional building being built according to the terms of the development agreement. Extensions have been previously been given and no progress has been made. Steve and Roxanne felt we would be setting a precedence should we not follow through according to the terms of the development agreement. Jerome mentioned that Haugerud's currently are paying taxes and assessments on entire lot. Should we obtain that half of lot back, we would be forgoing that revenue. Also, we do have additional lots available for prospective developers. Consensus was to table decision until a full board was present, however inform James that he must come to next meeting with building and business plans and letter of financing commitment that he is proceeding to build a building.

Downtown Redevelopment

Jerome updated the board on the abatement assessment costs. Jerome had received an estimate of \$1,000 from the contractor that performed the assessment on the old motel (where Heritage Grove is now). Consensus was to proceed with assessment to determine how much contaminated materials exist to obtain contractor prices for abatement and demolition. Sherry mentioned that Susan Giblin realizes that she must remove belongs in the Bearly Used building, and plans to do so within the next month.

Housing Incentives

Jerome mentioned that Tri-County was participating in the housing incentives up to \$1,000 worth of incentive for the year with \$250 to market incentive. At the September council meeting the incentives should be approved by the council. They have budgeted for in the preliminary 2007 EDA budget.

2007 Budget

Jerome discussed the 2007 budget and answered some questions. Included in the budget were the housing incentives and KTTC advertising. It was the consensus at the roundtable meeting to ask for the business community to contribute to the cost of KTTC ads knowing that we have opportunities with the housing incentives now.

Roundtable Meeting

Due to a scheduling conflict the roundtable meeting will be September 27th instead of the 20th.

Minutes

Motion by Roxanne, seconded by Steve to approve the August 3rd. Motion carried.

Motion by Roxanne, seconded by Steve to approve the August 8th. Motion carried.

Financials

Slim's past due loan was discussed. Jerome mentioned that Slim will be bringing \$400-\$500 by Sept. 5 and hopes to be caught up by end of September. Jerome was concerned about the lack of follow through from Slim. It will be reviewed next month.

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

At 1:00 pm motion was made by Roxanne to adjourn, seconded by Steve, motion carried.