

Harmony EDA Minutes

April 8, 2010
7:30 a.m.

Council Room
Community Center

Present: Sherry Hines, Steve Donney, Roxanne Johnson, Steve Cremer, Chris Skaalen
Present: Jerome Illg, Chris Giesen, Kristi Kiehne, Tim Samuelson

Meeting was called to order 7:35 a.m. by Roxanne Johnson.

Minutes

Motion by Hines, seconded by Cremer to approve the minutes from March 4th with a minor change on meeting attendees. Motion carried.

Financials

Jerome gave an update on past due revolving loans.

Motion by Cremer, seconded by Skaalen to approve claims of \$7,180.75 to SEMDC and financials. Motion carried.

Commercial Rehab Loan

A commercial rehab loan request was made for REMAX Building to install new siding, soffits, fascia, shingles, and doors, along with signage. Ineligible uses of furnace/AC replacement and interior lights will be used for the match. The cost of the project is \$17,069.05, thus the loan would not exceed \$8,534.53. Motion by Hines, seconded by Cremer to recommend to city council approval of commercial rehab loan. Motion carried with Johnson abstaining.

Chamber

There was no chamber report. Roxanne gave an update on the TV show on KSMQ.

Steve Donney arrived at 8 am.

Heritage Grove

Kristi Kiehne and Tim Samuelson presented the operations report for Heritage Grove. Tim presented estimates for installing appliances and electrical in an assisted living unit for it to be like an independent unit. Kristi mentioned that she had contact some residents on the independent waiting list to gauge their interest in this type of room, and they were not interested at that time. Tim was concerned that it may also not be financial feasible, due to the lost service income. Tim will have Tim Rieck review finances to determine the number of units that could be converted to still manage cash flow. Discussion occurred regarding the walkthrough that Scrapeck Construction did on the building because of the ice-damming. Jerome will check for an inspection report as well as plans. Tim will check with contractors to do some necessary repairs.

Goals & Objectives

The following goals and objectives were discussed: Website, Marketing-Industrial Park & Downtown Lot(s), and Heritage Grove. Chris will create a brochure to list all services of the EDA and programs and mail in utility bills. Jerome and Chris will review website possibilities.

Discussion occurred on the beautification of downtown. Motion by Donney, seconded by Skaalen to utilize marketing/advertising funds up to \$5,000 for new benches and flower pots downtown. Motion carried

Prospects

Chris Giesen mentioned a business that is in the process of locating to Harmony in an existing building, that will be utilizing the revolving loan fund and commercial rehab loan fund.

Chris Giesen is continuing to gather additional information from the developer interested in purchasing a lot for a large LP storage tank for a distribution business.

Steve Donney mentioned making it a requirement for revolving loans, that there payments must be made ACH. Consensus for Jerome and Chris to draft language for requirement to be considered at the May meeting.

Revolving Loan Modification

Chris Skaalen presented a request for Stephen Larson's loan for the EDA to subordinate. Currently, the EDA has second mortgage position on the building. The build out phase and the purchase of equipment caused cost overruns of the project of \$25,000. SBA funds were secured for the costs, however, the EDA would need to subordinate to a position after the bank/SBA. Motion by Cremer, seconded by Hines to subordinate. Motion carried with Skaalen abstaining.

It was mentioned that Ingvalson's were concerned regarding the lot leased north of the Antique Mall to Hammell Equipment, with customers driving across their property. Jerome had contacted Linus Hammell and Ingvalson's have put up roping. It was suggested that Ingvalson's discuss with Hammell's.

At 9:30 a.m. motion was made by Hines to adjourn, seconded by Cremer. Motion carried.