

Harmony EDA Minutes

December 15, 2011
4:00 p.m.

Council Room
Community Center

Present: Chris Skaalen, Steve Cremer, Steve Donney, Roxanne Johnson, and Deb Scrabeck

Also Present: Andy Batstone, Richard Nethercut, Jerome Illg, and Chris Giesen

Meeting was called to order 4:00 p.m. by Roxanne Johnson

Commercial Rehab Loan

Giesen presented an application for the Commercial Rehabilitation Loan Program from R&J Woodgoods. The request is to assist with the replacement of their marquee sign and awnings on their buildings. The total project cost is \$8,131.50, and the request for assistance is for \$4,065.75. The loan committee reviewed this application and recommended that the EDA approve the request. Motion by Skaalen, second by Scrabeck to approve the Commercial Rehabilitation Loan application from R&J Woodgoods, as requested. Motion carried.

Donney entered the meeting at 4:03 p.m.

Heritage Grove

The Heritage Grove offer from Caring Bridge was discussed at length. John Cashman, CEO of Caring Bridge, representatives from Traditions who frequently partner with Caring Bridge on projects, and Mark Dixon from Oxford Management were present for the discussion. They gave background on past projects they had completed in other cities.

Caring Bridge stated that they are able to use their non-profit status to gain more favorable financing or terms for projects, and that Traditions, which is a for-profit company, supports Caring Bridge with the technical and financial considerations. They then utilize Oxford to manage their facilities.

Caring Bridge and Traditions explained the purpose of the option/lease offer and how they would finance the proposed expansion. They stated that the proposed option/lease period until 2016 was essentially a test period to determine whether or not it would be feasible to purchase the facility. During the option/lease period, Caring Bridge and Traditions would conduct more in-depth market studies, modify operations if necessary, and conduct a phased expansion of the facility.

They mentioned that under a revised plan, Caring Bridge and Traditions would apply for tax credits, with support from the City, and also look into other options such as TIF. They would propose splitting the property between existing and future expansion, having a "zero lot-line." They would also work with HUD programs to secure financing for the project.

The offer was further discussed. Caring Bridge said that their offer was negotiable and said they were willing to work with the EDA.

On other matters, Kristi Kiehne was present to discuss the changes in her health insurance benefit. There was a question of how the new plan paid benefits and whether the benefits could accumulate year-to-year. The board offered to help her clarify these questions and asked her to send her schedule of benefits to Jerome so that he could distribute to Donney and Batstone for review before making any final decisions. Kristi agreed.

The management contract was also discussed.

Residential Development

Discussion on residential development was tabled.

At 6:00 p.m. a motion was made by Skaalen to adjourn, seconded by Cremer. Motion carried.