

Harmony EDA Minutes

November 1, 2012
7:30 AM

Council Room
Community Center

Present: Chris Skaalen, Steve Cremer, Steve Donney, Deb Swenson, and Andy Batstone

Also Present: Jerome Illg, and Chris Giesen

Meeting was called to order 7:35 AM by Chris Skaalen

Minutes

Motion by Donney, second by Swenson to approve the minutes from October 4, 2012 as corrected. Motion carried unanimously.

Financial Reports and Claims

Illg gave an update on revolving loans. There was one payment claim from the Harmony Area Chamber of Commerce in the amount of \$220 for 2013 member dues and visitor's guide advertising. Motion by Cremer, second by Donney to accept the financial report and pay the claim as requested. Motion carried unanimously.

Heritage Grove

Theresa Knutson and Mark Dixon were present to discuss Heritage Grove. Theresa gave the operations report. The board welcomed Theresa to Heritage Grove.

Theresa reported that staff is working on getting residents matched with the most proper care levels and services. The board discussed becoming more efficient with move out/in maintenance for the building to reduce cost and time that rooms are out of service.

Mark discussed the proposed 2013 Heritage Grove budget. At the last meeting the board reviewed the budget. Consensus of the board was to move forward with the 2013 Heritage Grove budget as proposed but that there should be some minor modifications to how the report reads, namely having a cumulative cash and payroll expense line items on the monthly reports. Mark said those modifications would be done. It was also the consensus of the board to use the 2012 EDA marketing budget of \$10,000 and request that the city council allow the EDA to use \$25,000 of city reserves to cover shortfalls in facility operations to make the December 2012 bond payment.

Mark also reported that he has had interest from potential buyers of the facility. He said if all works out, that his prospect's target date would be to have a sale in the first quarter 2013.

The board discussed the sale of the facility and strategies to do so further. Consensus of the board was to have staff explore enlisting the help of a commercial real estate broker or other similar avenues in order to advance the sale of Heritage Grove more quickly.

2013 EDA Budget

The complete 2013 EDA budget was again discussed. Motion by Skaalen, second by Donney to approve the 2013 EDA budget to mirror the 2012 EDA budget with the

exceptions of the previously approved increase in the CEDA contract and adjusting the annual contribution to Heritage Grove to \$40,000. Motion carried unanimously.

Residential Programs/TIF 1 Use

Giesen discussed a few different options for residential development as requested at the previous meeting by the board. It was discussed that the EDA could use current TIF 1 funds for purchasing residential property but that then income levels would apply to those lots purchased.

It was discussed that the EDA could let the TIF 1 funds expire at the end of the year, and then use the returned funds from the county to do projects in a more unrestricted manner. Giesen mentioned that if the EDA were to use these more unrestricted funds to purchase the land that the EDA itself could set up a tax abatement district to recover the initial EDA investment.

Consensus of the board was to discuss this program again at the next meeting.

2013 CEDA Contract

Giesen presented the 2013 CEDA contract renewal for economic development staffing services. The 2013 contract amount for one day a week plus one day per month is \$25,996 which is a 2% increase from the 2012 rate. Motion by Skaalen, second by Batstone to approve the 2013 CEDA contract renewal for economic development staffing services, as presented. Motion carried unanimously.

Chamber

Batstone gave a brief chamber update. He mentioned that there will be one vacancy on the chamber board next year.

Prospects

Prospects were discussed. Giesen also mentioned that he continued to look for interested parties to rent space on the new 800 MHz radio tower and that he had helped secure \$11,000 for new park equipment in Selvig Park through a \$5,000 Harmony Area Community Foundation grant, \$5,000 Southern Minnesota Initiative Foundation grant, and \$1,000 Wal-Mart Foundation Grant.

Giesen discussed having a strategic planning session at the beginning of 2013. The board concurred.

Other Business

There was no other business.

Motion by Donney, second by Swenson to adjourn the meeting. Meeting adjourned at 9:20 AM.