

## Harmony EDA Minutes

December 6, 2012  
7:30 AM

Council Room  
Community Center

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

Also Present: Roxanne Johnson, Theresa Knutson, Mark Dixon, Jerome Illg, and Chris Giesen

Meeting was called to order 7:30 AM by Steve Cremer

### Minutes

Motion by Donney, second by Swenson to approve the minutes from November 1, 2012 as corrected. Motion carried unanimously.

### Financial Reports and Claims

Illg gave an update on revolving loans. It was mentioned that per prior EDA approval, the Chamber of Commerce was reimbursed for a portion of its website expense. Staff anticipates about three more similar claims in the future from the Chamber to exhaust the \$2,000 the EDA had previously approved for the new Chamber website. Motion by Batstone, second by Donney to approve the financial report. Motion carried unanimously.

### Roxanne Johnson Residential Property Discussion

Roxanne Johnson was present to discuss her recent purchase of 6 residential lots in the Lutes-Scrabeck Addition. She asked whether the EDA currently had any residential incentive programs. The EDA briefly discussed possibilities, but Roxanne said that she would work with staff regarding incentive possibilities in the future.

Roxanne Johnson also discussed the sale of the Heritage Grove. She mentioned that she had teamed up with a commercial realtor from Rochester, Ron Braasch, and that they propose the EDA consider listing the property with them. She briefly discussed Ron's background. She said that the commission would be 6% and that listing the property with her and Ron would not limit other brokers from bringing buyers forward as other brokers could get 3% of the full 6% commission. The board discussed the listing offer. Consensus of the board was to wait until the next meeting to take action on the listing offer.

### Residential Development

Giesen briefly discussed a proposal for a residential development program using TIF 1 funds after the district was decertified and the city received its portion of increment from the county. As Roxanne had just mentioned she had just recently purchased the lots that were the subject of the program, the residential development program proposal was now moot.

Giesen suggested that the EDA formally request that the City Council earmark the city's portion of the returned increments after TIF 1 is decertified for economic development purposes as those funds were originally generated through economic development projects. Possible uses could be a large project fund, additional loan dollars, or seed

capital for another development project. Motion by Batstone, second by Cremer to recommend that the City Council earmark the city's returned increments after TIF 1 is decertified for economic development purposes. Motion carried unanimously.

### **Heritage Grove**

Theresa Knutson and Mark Dixon were present to discuss Heritage Grove. Theresa gave the operations report. She mentioned that they are working with independent living residents to see if assisted living apartments and services would be more appropriate for their needs. The board asked both Theresa and Mark how that assessment is made and discussed various options and processes to ensure residents received the highest care needed and also limit the liability of the EDA. Mark and Theresa said they would continue working with staff, families, and residents to make sure residents were receiving the appropriate levels of care.

Mark discussed some prospects interested in purchasing the facility. He said that he currently has two serious prospects. The board mentioned that they are considering formally listing the property with Roxanne Johnson and Ron Braasch. Mark said that he has worked with Ron in the past and he would give Ron a positive referral but asked that Oxford be given until the end of February 2013 to produce a purchase agreement before formally signing a listing agreement. The board told Mark that they would consider this issue at its next meeting and did not take any further action.

Cremer left at 8:32 AM.

Donney assumed the gavel.

Theresa explained the issue with the facility's license. She said that the "Class F" license is currently in the name of Heritage Grove when it should be in the name of Oxford Management. She presented the board with a letter to be signed transferring the license from Heritage Grove to Oxford. The board discussed possible implications and whether the transfer was necessary. Consensus of the board was that there was not enough information to take action on this issue. The board requested that Theresa come back to the board with further information documenting the need or requirement to transfer the license from Heritage Grove to Oxford.

Consensus of the board was to hold a special meeting to discuss both the listing of Heritage Grove with a commercial realtor and the licensure issue on December 13, 2012 at 7:30 AM.

### **Chamber**

There was no Chamber report.

### **Prospects**

Prospects were discussed.

### **Other Business**

There was no other business.

Motion by Swenson, second by Batstone to adjourn the meeting. Meeting adjourned at 9:10 AM.