

Harmony EDA Minutes

June 7, 2012
7:30 a.m.

Council Room
Community Center

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

Also Present: Jerome Illg, and Chris Giesen

Meeting was called to order 7:32 a.m. by Chris Skaalen

Minutes

Motion by Cremer, second by Swenson to approve the minutes from May 3, 2012.

Motion carried.

Financials

Illg gave an update on revolving loans. Past due loans were discussed.

The commercial rehabilitation loan program guidelines were discussed. The provision requiring applicants to be current with taxes, utilities, loan payments, and other issues with the city was examined. Motion by Donney, second by Skaalen to clarify and amend the commercial rehabilitation loan program guidelines to require that all recipients are required to be current on all property taxes, utility payments, loan payments, code violations, and the like with the city at the time any payment under the program is disbursed. Motion carried.

The following commercial rehabilitation loan requests were made:

1. Alex Properties, Inc. (Lisa Miller & Miles Petree)
26 Main Ave Bldg.

Eligible costs: Roof replacement

- Total Project Cost: not to exceed \$14,955
- Commercial Rehab Contribution: not to exceed \$7,477.50

2. Alex Properties, Inc. (Lisa Miller & Miles Petree)
35 1st Ave NW (Old Am. Legion Bldg.)

Eligible costs: Replace siding, replace 4 windows, replace front entry steps, repair ramp.

- Total Project Cost: not to exceed \$26,000
- Commercial Rehab Contribution: not to exceed \$10,000

3. Miller & Petree, LLC (Lisa Miller & Miles Petree)
On The Crunchy Side

Eligible costs: Tuck point south and east sides of building, install exterior lighting for outdoor use and advertising.

- Total Project Cost: not to exceed \$23,000
- Commercial Rehab Contribution: not to exceed \$10,000

The loan committee reviewed the application prior to the meeting and recommended that the EDA approve it, as requested, provided the applicants were current on taxes, utilities, loans, and the like with the city. The EDA reviewed the application. It was mentioned that the funds originally set aside for the program were nearly all obligated to projects and that the EDA will now need to request, on a case by case basis, funds from the City Council if they wanted to continue the program. Illg mentioned that the City Council had been made aware of this situation and they didn't appear to have an issue with funding more rehabilitation projects if the funds were available. Motion by Swenson, second by Cremer to approve the commercial rehabilitation loan applications, as requested, and request that the City Council make available the appropriate funding. Motion carried.

Another commercial rehabilitation loan request was made as follows:

1. Harmony Golf Club, Inc.
Steve Lindstrom

Eligible costs: New windows, entry doors, siding, soffit & fascia.

Ineligible costs used towards match: Remodel interior of clubhouse including sheetrock, lighting and minor wall construction.

- Total Project Cost: not to exceed \$24,945
- Commercial Rehab Contribution: not to exceed \$10,000

This application was not received in time for loan committee review. The EDA reviewed the application. Motion by Donney, second by Skaalen to approve the commercial rehabilitation loan application, as requested, and request that the City Council make available the appropriate funding. Motion carried.

A payment request was received from the Minnesota Department of Transportation in the amount of \$60 for the annual permit renewal fee of the downtown billboard. Motion by Skaalen, second by Swenson to approve the claim, as requested. Motion carried.

Heritage Grove

Kristi Kiehne gave the operations report. The facility is in the process of switching to a new medication management system to create more efficiency. Also, staff turnover is improving since raising the starting rate. The staff appreciates the higher pay rate.

Chamber

Emily Ellis gave the chamber update. She reported that their promotions dollars are up for this time of year. She also gave a preview of the upcoming events including the motorcycle ride, 4th of July celebration, and family fun night. She reported that everything was going as planned so far.

She also mentioned that the visitor's center/ chamber office has finished its remodel and it now includes the karst geology display. She reported that in the past weekend they saw

100 individuals in the visitor's center and 150 individuals over the Memorial Day weekend.

Chamber membership is currently at 108 members and the chamber will be sending out 2,000 visitor's guides to postal addresses in Preston and Lime Springs.

The EDA thanked Emily for all of her work.

Heritage Grove, Continued

Mark Dixon was present to discuss the financial report and news on the lease/purchase offer from Caring Bridge. The financials were discussed.

Mark mentioned that his contact with the Department of Housing and Urban Development (HUD) in regards to financing options for Heritage Grove went well. He said that HUD gave him a favorable response that Heritage Grove could be eligible to receive 83% financing, with a non-recourse clause for the purchaser, at about 3.5- 4 % APR.

Mark continued that Caring Bridge, after reviewing this information was still leaning towards leasing the facility as offered previously. Mark said he would contact them to discuss. Consensus of the board was to work with Caring Bridge if they are still interested.

Mark mentioned that if Caring Bridge was no longer interested, he knows of other interested buyers that could be approached.

Consensus of the board was that Mark should have a response from Caring Bridge by June 15, 2012 for the EDA to review, or the EDA will pursue other offers. If Caring Bridge needs more time than that, the EDA would allow for a reasonable extension.

Prospects

Giesen discussed some prospects.

He reported that he had sent a letter Sterling Drug, the new owners of the drug store, welcoming them to the community. He also reported that the small cities grant application process would be starting over the summer.

Illg and Giesen gave an update on possible TIF 1 projects.

Motion by Skaalen, second by Swenson to adjourn the meeting. Motion carried. The meeting adjourned at 9:00 AM.