

Harmony EDA Minutes

July 12, 2012
7:30 a.m.

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 7:38 a.m. by Chris Skaalen

Minutes

Motion by Donney, second by Cremer to approve the minutes from June 7, 2012 with corrections. Motion carried.

Financials

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

There was one claim from CEDA for 3rd quarter economic development services in the amount of \$6,371.50. The defaulted David Barrett loan was also discussed. Motion by Swenson, second by Donney to approve the claim from CEDA as requested and to request that the City Attorney pursue a court ordered financial disclosure from David Barrett in regards to his defaulted loan. Motion carried.

Chamber

Emily Ellis gave the chamber report. She recapped the 4th of July celebration, stating that it went well without any big issues although attendance was down this year, most likely due to the weather and having the holiday in mid-week. Button sales were also down this year, likely because they were not sold at the beer garden this year.

Cremer entered the meeting at 7:42

Ellis reported that even with the smaller crowd this year, they did break even.

Batstone entered the meeting at 7:44

Ellis also said that there were about 1,100 visitors at the visitors center last month, and about 300 last week alone, which was a great in her opinion.

Prospects

Prospects were discussed.

Heritage Grove

Kristi Kiehne gave the operations report. She said that Grinnell Simplex completed a fire safety inspection of the facility and that their report came back well with no issues identified. She also reported that the new medication distribution “blister pack” system was going well.

Mark Dickson briefly discussed the most recent financials.

Dickson then discussed the letter of intent to purchase Heritage Grove received from Larry and Carmel Ledebuhr. He explained that the Ledebuhrs are prepared to offer \$2,100,000 for the purchase of Heritage Grove. He continued that they currently own facilities in La Crosse and La Crescent, that they have been through the facility multiple times, have the financial wherewithal, and have been in discussions with multiple lenders about financing for the facility. He stated further that HUD financing made this deal particularly attractive for the Ledebuhrs. He also mentioned he had confirmed Caring Bridge was no longer interested in the facility prior to receiving the letter from the Ledebuhrs.

At 8:37, Skaalen closed the meeting to discuss the sale of Heritage Grove. A recording of the discussion was made and is kept at the city office. Visitors left the meeting.

Skaalen opened the meeting at 9:16.

The letter of intent to purchase Heritage Grove by the Ledebuhr's was discussed. Motion by Skaalen, second by Swenson to make the following counter offer to Larry and Carmel Ledebuhr for the sale of Heritage Grove: agree to all points of the Ledebuhr's July 3, 2012 letter of intent to purchase except that the EDA counters with a sale price of \$2,250,000 subject to city council approval, tax abatement general obligation bonds being approved and issued, that the Ledebuhrs purchase Heritage Grove as a private tax-paying entity, that the EDA's letter of intent is not a legally binding offer but subject to a final purchase agreement, and that this letter of intent from the EDA would expire at 4:30 PM on July 20, 2012. Motion carried.

Swenson left the meeting at 9:25

Michelle Vrieze and Andrew Barbes of Community and Economic Development Associates were present to discuss progress on the small cities block grant application. They mentioned that they would complete the window survey today. They mentioned the survey would be sent in utility bills either this or next month.

Cremer left the meeting at 9:32

Consensus of the board was to have the survey publicized in the newspaper prior to having it sent out.

Motion by Batstone, second by Skaalen to adjourn the meeting. Motion carried. The meeting adjourned at 9:44 AM.