

Harmony EDA Minutes

May 23, 2013
7:30 AM

Community Center
Council Room

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

Also present: Roxanne Johnson, Richard Nethercut, Jerome Illg, and Chris Giesen

The special meeting was called to order at 7:33 AM by Chris Skaalen

Heritage Grove

Per the EDA's previous direction, the City Attorney, Richard Nethercut, and Roxanne Johnson presented a redraft of the proposals to purchase the real and personal property at Heritage Grove. The City Attorney went through his concerns and revisions line by line with the board and the board discussed.

Consensus of the board was to still sell the building "As-Is" and wanted the counter offer to reflect that position. The board discussed modifying the purchase agreement for personal property to only include one exception to the sale, motor vehicles.

Additionally, the board discussed how items such as utilities, inventory, accounts receivable and accounts payable should be priced and included in the transaction. Regarding such items, consensus of the board was to prorate the costs through the closing date and sell accounts receivable at 100% value except for receivables older than 90 days, which will be sold at 80% of their value.

The board discussed the details of both offers at length and the City Attorney gave advice on how to best proceed forward with the transaction.

Motion by Donney, second by Cremer to recommend approval of the purchase agreements for real estate and personal property of Heritage Grove with the changes discussed with the City Attorney at today's meeting. The City Attorney is directed to formalize the revisions discussed and present it as a counter offer to the offerors, 3 Rivers Properties, LLC and Clara House, LLC. Additionally, the EDA President is directed to sign a counter offer from 3 Rivers Properties, LLC and/or Clara House, LLC resulting from the EDA's counter offer authorized by this motion, if in the President's opinion no material changes have been made regarding the EDA position. Motion carried unanimously.

The board also discussed how to best relay information about this transaction with the City Council, as they will have ultimate approval authority. Consensus of the board was that the EDA will wait until they have a finalized offer they feel comfortable with and then hold a joint meeting with the City Council to discuss final approval.

Motion by Swenson, second by Cremer to adjourn. Motion carried unanimously.
Meeting adjourned at 8:46 AM.