

Harmony EDA Minutes

June 6, 2013
7:30 AM

Community Center
Council Room

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

Also present: Emily Ellis, Theresa Knutson, Mark Dixon, Roxanne Johnson, Jerome Illg, and Chris Giesen

The regular meeting was called to order at 7:40 AM by Chris Skaalen

Minutes

The minutes of the May 2, 2013, May 8, 2013, and May 23, 2013 meetings were reviewed. Motion by Swenson, second by Cremer to approve the minutes as presented. Motion carried unanimously.

Financial Report

The financial report was reviewed and loans were discussed. There was one payment claim for \$60 from the Minnesota Department of Transportation for the annual billboard permit fee for the EDA sign on the old elevator. Motion by Donney second by Swenson to approve the financial report and the payment claim as presented. Motion carried unanimously.

Industrial Park Lease Request

Giesen presented a request from Slim's Woodshed to lease some unused space in Phase II of the Industrial Park. The lease would be a similar situation to the lease that was done with Hammell Equipment. Slim's Woodshed would like to place a few greenhouse-type buildings, a few wood-carved statues, and a small sign on a small portion just north of Generations of Harmony Antique Mall. Slim's Woodshed agreed to pay \$500 for the annual lease. This would help improve visibility for the business and provide an affordable marketing opportunity for them.

The board discussed the proposed lease. Consensus was that the agreement should note a 100' x 100' area allowed for use, that the renter keep that area mowed and maintained, and that the lease expire each year without an automatic renewal. Motion by Donney, second by Skaalen to approve the lease agreement with Slim's Woodshed as presented but also with the modifications the board reached by consensus. Motion carried unanimously.

Chamber Report

Emily Ellis gave the chamber report. Plans for the 4th of July activities were nearly complete and ready to go.

Ellis also discussed a new program that some chamber members were exploring called "Fossil Fest" which highlights fossils and geology. The program has been successful in many areas and was creating some excitement with chamber members as a positive and new event for the community.

The chamber website redesign was also going well and was nearly finished.

Heritage Grove

Theresa Knutson gave the operations report.

She mentioned the resident that was allowed to make a modification to their apartment's bathtub. The resident was asking if the EDA would contribute funds to the modification as it potentially could add value to the building. The board discussed. Consensus of the board was to not provide any funds as the modification was not a necessity and did not want to set any precedents.

It was also mentioned that a new cook had been hired but that a new resident assistant would also need to be hired.

The board discussed the purchase offer. Roxanne Johnson said that everything was moving forward between the attorneys. Mark Dixon said that the main reason for the request for the closing date moving back was the financing process.

The board discussed the aging of the accounts receivable and how those receivable would be sold in the property sale. Consensus was to be mindful so that the aging of more current accounts receivable do not get past 90 days since the purchase agreement would then discount the price of those receivables.

Skaalen gave an update on the purchase agreement negotiations that he was authorized to carry out at the previous meeting. He mentioned that per the board's previous motion he executed the purchase agreement for the real property and personal property at Heritage Grove. The board discussed the next steps of the process at length.

It was mentioned that the final approval of the purchase agreements will be considered at the June 11, 2013 city council meeting as the purchase agreements approved by the EDA were subject to city council approval. The EDA would still need to hold a public hearing for the land sale and the city would need to hold a public hearing to set up the tax abatement agreement and approve the bond issue. These events would be coordinated with the help of Mike Bubany of David Drown and Associates.

Prospects/ Community Update

Giesen gave an update on prospects. He mentioned that CEDA would be re-applying for the small cities development block grant for residential rehabilitation in the early fall. He said that some comments received on last year's application indicated that the EDA would potentially need to narrow the area of town eligible and provide some matching funds.

Giesen mentioned that there was an inquiry into the former Harmony Cold Storage building site and whether the EDA would get involved cleaning the site up. He said that the county would be willing to make a deal on the property if the EDA purchased it in order to get the property back on the tax roll more quickly.

Giesen also mentioned that the EDA was successful in securing \$10,000 for Slim Maroushek's "Musicians of Harmony" wooden statue project. The funds were a grant from the SE Minnesota Arts Council and funded through the Arts and Cultural Heritage Legacy sales tax funds. The statues will be created over the summer and placed around town for residents and visitors to enjoy.

Giesen gave an update on the proposed Gamesa Energy wind project. He said that the city received notice of a modification of the original permit issued by the Public Utilities Commission. The new permit issued would be for a smaller wind farm in the same location as proposed by EcoHarmony but did not give any timelines as to when the project would move forward. Staff has not heard back from attempts to contact Gamesa.

EDA Strategic Planning

Consensus of the board was to postpone strategic planning until after the Heritage Grove sale was finalized, although the board asked that it stay on as an agenda item so that it stays on board member's minds.

Adjournment

The next regular meeting will be on July 11, 2013 at 7:30 AM at the Community Center.

Skaalen adjourned the meeting at 9:02 AM.