

Harmony EDA Minutes

July 11, 2013
7:30 AM

Community Center
Council Room

Present: Chris Skaalen, Steve Cremer, and Deb Swenson

Also present: Theresa Knutson, Kim Worrall, Mark Dixon, Jerome Illg, and Chris Giesen

The regular meeting was called to order at 7:30 AM by Chris Skaalen

Public Hearing

Skaalen opened the public hearing regarding the sale of Heritage Grove at 7:30 AM. Illg recorded the hearing. There was no public present. Skaalen recessed the public hearing and meeting at 7:31 AM.

Skaalen reopened the meeting and public hearing at 7:35 AM. Illg recorded the hearing. There was no public present. Skaalen asked three times if there were any comments regarding the sale of Heritage Grove. Hearing none, Skaalen closed the public hearing at 7:36 AM.

The regular meeting resumed at 7:36 AM.

Minutes

The minutes of the June 6, 2013 meeting 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 claim for payment from Community and Economic Development Associates for 3rd Quarter 2013 economic development services in the amount of \$6,499. Illg also mentioned that there would be bills for the city attorney's services regarding the Heritage Grove sale that would be paid. Motion by Cremer second by Skaalen to approve the financial report and the payment claims as presented. Motion carried unanimously.

Loan Modification Request

Giesen presented a loan modification request from Quarter/quarter restaurant. They requested 12 months of interest only payments. The board discussed. Giesen presented an alternative option to help the business and try to avoid future interest only payments. The board discussed reducing the payments yet keeping payments on a seasonal schedule. Consensus was to reduce payments to \$200 from May through October and \$100 from November through April. These payments would be applied to the principal balance of the loan but interest would still accrue. The owner would be required to meet with EDA staff on a monthly basis to ensure progress. After 12 months the EDA would review the progress and based on timeliness of payments and effort by the owner, would reserve the right to forgive and waive any accrued interest for the past 12 months, as well as renew this payment plan.

Potential Loan Request

Giesen mentioned that there may be a request for a revolving loan coming at a future meeting. He wanted to put the potential request before the board early to make sure the board was comfortable with moving forward before too much time was spent on it. This request would require deviation from the guidelines but he felt that the project could be a benefit to the city if the numbers work. The board discussed at length. Consensus of the board was to have staff continue to work with the prospect and the board would review the request if it came forward.

Chamber Report

There was no chamber report.

It was discussed that the 4th of July events went well and the turnout was excellent.

Heritage Grove

Theresa Knutson gave the operations report.

Skaalen had a question about a write down on receivables that was on the latest financial report. Mark was not positive but would report back.

The roof repair was discussed. The buyer and city are in the process of working out a transfer of the insurance claim funds in conjunction with the sale.

Mark Dixon and Kim Worrall discussed the bathroom upgrade for a resident. It was discussed that this was a value-added upgrade and Mark felt that some of the costs should be shared with the property owners. The board discussed and reviewed its prior decision not to participate. Motion by Cremer, second by Skaalen to pay half (\$1,600) for the bathroom upgrade. Motion carried unanimously.

Prospects/ Community Update

Giesen gave an update on prospects.

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 August 1 or 8, 2013 at 7:30 AM at the Community Center.

Skaalen adjourned the meeting at 8:50 AM.