

Harmony EDA Minutes

September 5, 2013
7:30 AM

Community Center
Council Room

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

Also present: Jeremy Kruegel, Jerome Illg, and Chris Giesen

The regular meeting was called to order at 7:35 AM by Chris Skaalen

Minutes

The minutes of the August 1, 2013 meeting were reviewed. Motion by Cremer, second by Swenson to approve the minutes as presented. Motion carried unanimously.

Financial Report

The financial report was reviewed and loans were discussed. The Harmony Area Chamber of Commerce presented a request for its second half of 2013 contribution of \$10,000. Motion by Swenson second by Batstone to approve the financial report and payment claim as presented. Motion carried unanimously.

Donney entered the meeting at 7:50 AM.

Downtown Commercial Building

Jeremy Kruegel was present to discuss a proposal regarding the Klip Joint building in downtown Harmony. At the last meeting, the board reviewed a revolving loan request from Mr. Kruegel and referred the request back to the loan committee and city attorney for further questions. The loan committee said that it had spoken to the city attorney and that he recommended a contract for deed situation as opposed to a loan for this particular case, if the EDA wanted to support the project. The contract for deed would provide a much easier and more secure transaction for the EDA. The committee agreed with this position. Kruegel was agreeable to the terms suggested by the EDA of a \$5,000 non-refundable down payment, monthly payments to cover the remaining cost of the building (\$40,000) at 4% APR to be repaid over 15 years and in addition he would agree to cover all insurance, taxes, and maintenance issues with the property.

Motion by Swenson, second by Cremer to recommend that the City Council allow the EDA to purchase the Kilp Joint building for \$45,000 utilizing its revolving loan fund and execute a contract for deed with Mr. Kruegel according to the terms of the request. Motion carried 3-0. Skaalen abstained.

Heritage Grove

The board discussed the recent sale of Heritage Grove. It was reported that the transaction went smoothly but some details and final items might have to be settled over the next couple of months as accounts payable and receivable are settled.

Illg and Donney gave an update on the request made to the Fillmore County EDA for a forgivable loan to offset the EDA's loss on the sale of the facility. At a recent meeting, the County Board listened to the EDA's request and asked the County Attorney to review

the request as it pertained to county policy and state law. Illg and Donney reported that the County Board would again consider the request at a future meeting.

Chamber Report

There was no Chamber report.

2014 EDA Budget

Illg discussed the proposed 2014 EDA budget. He mentioned that he will propose a similar budget for 2014 as 2013 except that he was uncertain about how the City Council would adjust the EDA budget regarding Heritage Grove. He would not know that until a future meeting.

Cremer left the meeting at 8:30 AM.

Residential Property Donation

Giesen presented information on a request from Wells Fargo to donate a residential property to the City. The property is located at 510 N Hwy 52. He explained that the EDA could accept the property, sell it outright or gift it to an organization like the Community Foundation for their benefit. The board discussed. Consensus of the board was that the EDA would be interested but not want to own the property for any length of time without an end user. Motion by Donney, second by Skaalen to recommend that the City Council accept the donation from Wells Fargo on behalf of the EDA on the condition that the Harmony Area Community Foundation accepts the property as a gift, and have the Community Foundation pay for any legal costs related to the transaction if they are able. Motion carried unanimously.

EDA Strategic Planning

The board decided to hold off on this discussion until the next meeting. Skaalen asked that the board dedicate an hour and a half for this discussion at the October meeting.

Prospects/ Community Update

Giesen gave an update on prospects.

Adjournment

The next regular meeting will be on October 3, 2013 at 7:30 AM at the Community Center.

Skaalen adjourned the meeting at 9:00 AM.