

Harmony EDA Minutes

January 9, 2014
7:30 AM

Community Center
Council Room

Present: Chris Skaalen, Steve Donney, and Andy Batstone

Also present: Kerry Kingsley, Emily Ellis, Jerome Illg, and Chris Giesen

The regular meeting was called to order at 7:32 AM by Chris Skaalen

Minutes

The minutes of the December 12, 2013 meeting were reviewed. Motion by Donney, second by Batstone to approve the minutes as presented. Motion carried unanimously.

Financial Report

The financial report was reviewed and loans were discussed. Payment claims from CEDA in the amount of \$6,628.98 for 1st quarter economic development services and \$274 from Kingsley Mercantile for mechanical repairs at the residential donation house were presented. Motion by Donney second by Skaalen to approve the financial report and payment claims as presented. Motion carried unanimously.

Board Member Open Forum

The board discussed a possible residential development incentive program for new construction. The board discussed utilizing a form of tax abatement to reimburse funds spent to rebate new home construction. Discussion centered on the type of home construction that should be incented. The board asked staff to bring back estimates reflecting a city abatement repayment so that a sliding scale rebate based on value could be examined.

Tax Increment Finance/Revolving Loan Request

Giesen and Illg presented a TIF/revolving loan request from Harmony Enterprises, Inc. They mentioned that the company would be adding an approximately 5,500 square foot addition to its north side for shipping and receiving. This would result in 5 additional jobs. In order to complete this project, storm water and utility issues would have to be resolved. This would cause a financial burden for the project and the owners stated that they will not be able to complete without TIF assistance.

The project needs \$65,000 to assist with the utility and storm water issues. Mike Bubany with David Drown Associates identified utilizing the EDA revolving loan fund to loan the business \$65,000 and have the new tax increments repay the loan over 9 years at 3% interest. The business agreed to cover any shortfalls in payments at the end of the 9 year term. The loan committee had reviewed and recommended moving forward. The board discussed. Consensus was that this was a good project to support and good example of how having a healthy loan fund can provide flexibility on large projects. Motion by Donney, second by Batstone to recommend to the City Council to approve TIF and revolving loan to Harmony Enterprises, Inc. as requested. Motion carried unanimously.

“Welcome” Brochure

The board discussed the “Welcome” Brochure. Giesen reviewed cost quotes from the Fillmore County Journal. The board discussed possibilities for producing the material itself and suggested utilizing folders purchased a number of years ago. Giesen would bring back a draft.

Chamber Report

Emily Ellis gave the chamber report. She said that the 2014 guidebook was being redone and that they are still working on the redesign for their website. Their 1st quarterly meeting would be on January 15th.

She said that Becky Hoff was recently hired for 15 hours per week to share duties at the Visitor’s Center and with event coordination. Emily’s hours would be reduced and more focused on marketing activities.

Prospects/ Community Update

Donney reported that the residential house donated by Wells Fargo had been sold for \$26,000. Closing was scheduled for a future date. He reminded the board that the net proceeds would be donated to the Harmony Area Community Foundation.

Giesen gave an update on prospects. He mentioned that a \$356,500 DEED BDPI grant was submitted in conjunction with the Harmony Enterprises, Inc. expansion for a new municipal water well and that the EcoHarmony wind project was officially cancelled by project owners. He also mentioned that CEDA staff have been meeting with DMC staff at Mayo Clinic to connect CEDA client communities with the DMC project. It was also mentioned that there was a broadband internet discussion held in Chatfield.

Adjournment

Motion by Skaalen, second by Donney to adjourn the meeting. Motion carried unanimously. The meeting adjourned at 9:15 AM. The next regular meeting will be on February 6, 2014 at 7:30 AM at the Community Center.