

## **Harmony EDA Minutes**

November 5, 2015  
7:30 AM

Council Room  
Community Center

Present: Steve Donney, Deb Swenson, Andy Batstone, and Kerry Kingsley

Also Present: Jill Fishbauger, Jerome Illg, and Chris Giesen

The meeting was called to order 7:36 AM by Steve Donney

### **Minutes**

Motion by Swenson second by Donney, to approve the minutes of the October 1, 2015 and October 27, 2015 meetings. Motion carried unanimously.

### **Financial Reports & Claims**

Illg gave an update on the revolving loan fund and past due loans were discussed.

Giesen mentioned that the confession of judgement on Harmony Plumbing and Heating's loan was due October 1, 2015 and had not be paid in full per the agreement. He said that the city attorney had sent the borrower 30 days' notice of default which did not result in payment either. This was also in addition to a reminder sent in August 2015. It was mentioned that under the current direction of the board, a judgement against the owner is to be filed if payment in full was not received by Monday, November 9, 2015. Consensus of the board affirmed their prior directive.

### **Loan Modification Request**

Giesen and Illg presented a letter from Stephen Larson, Owner of Cheflars, LLC (Quarter/quarter Restaurant) to modify his EDA loan. The requested terms would have the borrower paying \$500 per month via automatic electronic transfers from his bank account for 20 months after which the remaining balance was requested to be forgiven.

The board discussed at length. It was discussed that the board had already forgiven the final \$2,000 received (if payments remain timely) from the building's mortgage buy-out, at last month's meeting and there was deep concern about setting a precedent for other loans. The board was not comfortable with forgiving a revolving loan. The board directed staff to communicate the board's intentions to the borrower and also illustrate to them various payoff scenarios including how many more \$500 per month payments in addition to the borrower's proposed 20 payments it would take to pay off the current outstanding balance; it was estimated that it would only take an additional 6 or 7 payments. The board also asked staff to illustrate how much a monthly payment would be if the borrower paid the loan in full over their proposed 20 month term.

### **2016 CEDA Contract**

The board reviewed the proposed 2016 contract for economic development staffing from Community and Economic Development Associates (CEDA). The contract amount was to cover the same staffing level as in years past, 1 day per week plus 1 extra day per month. The 2016 rate for this level of staffing is \$27,994, billed quarterly. As in the past the contract is for a 12 month period but could be cancelled with 30 days' notice. Motion

by Swenson, second by Kingsley to approve the contract as proposed. Motion carried unanimously.

### **Chamber of Commerce Report**

There was no chamber report this month.

### **State Trail Extension Update**

Illg mentioned that one property needed for the trail extension was to be auctioned in the upcoming weeks and that the trail committee would continue to work on securing the remaining land options to purchase and state funding. Otherwise, there were no new updates on this project.

### **Career Fair Project**

Giesen mentioned that the career fair would be held on November 13, 2015 at the Fillmore Central High School in the morning. He reported that about 25 or so businesses had volunteered to participate from around the school district and region. He mentioned that after this event and if the day care project was successful, nearly all of the Experience Harmony projects would be completed; a task thought difficult 2-3 years ago. Giesen and Jill Fishbauger thought a press release or some formal recognition should take place once the Experience Harmony projects are completed.

### **Day Care Project**

Giesen mentioned that he was working with the Cremer's on their day project. He said that the project may be bigger than originally proposed and might require an EDA loan. He would keep the board posted.

### **Other Business**

Giesen reminded the board of the award presentation to be held on November 20, 2015 at Harmony Enterprises. First Southeast Bank had nominated CEDA for a strong community award for helping with the recent Harmony Enterprises expansion, and the nomination received 1<sup>st</sup> place among applications from 13 states.

### **Adjournment**

The next regular meeting is scheduled for December 3, 2015 at 7:30 AM, at the Community Center. Board members were advised that a special meeting will be held on Monday, November 16, 2015 at 7:30 AM at the Community Center for the purpose of holding a public hearing on the sale of the Klip Joint building. It was noted that the public hearing was also published in the newspaper.

Donney adjourned the meeting at 9:04 AM.