

Harmony EDA Minutes

September 28, 2017
7:30 AM

Council Room
Community Center

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

Also Present: Becky Hoff, Jerome Illg, and Chris Giesen

The regular meeting was called to order at 7:33 AM by Chris Skaalen.

Minutes

Motion by Swenson, second by Kingsley to approve the minutes of the September 7, 2017 meeting as presented. Motion carried unanimously.

Financial Reports & Claims

The loan schedule was reviewed. All the loans were current. There was a payment claim from the Harmony Area Chamber of Commerce for 2018 dues of \$60 and the 2018 visitor guide ad of \$365. Consensus was to use the same ad as last year. Motion by Deb, second by Batstone to approve the claim as requested. Motion carried unanimously.

Harmony Spirits

Giesen reported that the primary financing for the Harmony Spirits Distillery project was moving forward and was anticipated to be approved soon, but with the late time of the year and busy construction contractors the owners would not be able to begin construction this year. Giesen recommended that the board extend the closing date for the financial assistance package to May 1, 2018. The board discussed. Consensus was that no other prospects were looking at the property and it seemed that Harmony Spirits was still moving forward. Motion by Skaalen, second by Kingsley to extend the project closing date as recommended. Motion carried unanimously.

Housing Rebate Guideline Clarification

Giesen presented a request for a housing rebate from Andrew Bunge who proposed to demolish an existing dilapidated house at 455 1st Ave SW in Harmony and build a 4 unit, owner occupied, townhome. The new taxable value created for this project was estimated to be \$395,233 by Fillmore County. Giesen said that this was a unique request because the program guidelines do not address redevelopment situations like this – the guidelines only state “currently vacant” lots are eligible. However, the intention of the program was to create new homes, which this project would accomplish in addition to cleaning up a lot that is currently in poor condition. It was also reported that the board should determine how much of a rebate this project qualified for. Would each unit count as a new home? If so, the houses by themselves wouldn’t qualify. Would the units as a whole generate a rebate similar to a normal new construction situation with a stand-alone home?

The loan committee reported that it had reviewed the request and had a couple of concerns. The first concern was that the committee didn’t want to see the housing rebate used for the construction of rental units or apartments. The second concern was that the

guidelines don't allow for redevelopment as written, but it was felt that the guidelines should be updated to accommodate this type of situation.

The board discussed at length. Consensus was that the rebate program should not be used for rental development or construction, even though there wouldn't be any way to enforce it after the fact. For example if someone built a spec home and couldn't sell it for whatever reason and they decide to rent it out, the rebate could potentially have been paid out already.

The board concurred that in redevelopment situations like this, the rebate should be allowed but that the rebate amount should follow the existing payout scale. The rebate should not take into account the number of units created but the new tax created on the parcel that existed prior to redevelopment. It was discussed that shifting the scale for townhome or multi family unit homes could potentially exhaust all of the program funds if allowed, because the program was originally designed to provide a rebate to cover the approximate cost of one typical residential lot. The board agreed that the guidelines need to be updated and revised to address these issues, staff would do so and return the proposed changes for review.

Motion by Donney, second by Kingsley to approve the Bunge new home rebate application in the amount of \$12,000 based on the proposed new home value and the existing program rebate scale. Motion carried unanimously.

Experience Harmony Community Survey

The board reviewed proposed questions to the Experience Harmony II community survey. Giesen explained that because of low turnout at the first Experience Harmony II public input meeting, stakeholders suggested gathering additional input before the second public input meeting where projects would be discussed, prioritized, and begin identifying avenues to move the projects forward. The proposed questions were similar to the questions discussed at the first public meeting in order to illicit comparable information. The board agreed and discussed the proposed questions. Hoff suggested that in addition to the proposed questions, a couple of additional ones could be added such as "why do/don't you shop in Harmony." Consensus of the board was to include the additional questions and get the survey out to collect as much information as possible.

City Logo: Review Color Concepts

The board reviewed and discussed color options for the new city logo. Board members agreed that colors should be chosen for each particular application, as appropriate. It was felt that having just one color for all uses was not important. Motion by Swenson, second by Donney to affirm that the color of the new city logo should be determined on a case by case basis depending on use. Motion carried unanimously.

Chamber of Commerce Report

Becky Hoff was present to give the chamber report. She discussed the preparations for the annual fall events, noting that everything was on track. It was noted that the 2018 membership drive was underway utilizing new promotional pieces which featured new infographics. The board thought the new marketing pieces looked nice.

Hoff mentioned that there had been some discussion about locating a used clothing donation bin for the Library in the Visitor's Center parking lot and that the chamber

would be opposed to a donation bin in the parking lot, primarily because it would reduce parking for visitors and potentially cause clutter.

It was also reported that the Trail Towns annual retreat was approaching.

Bike Trail Project LCCMR

Giesen reported that the EDA's application for state LCCMR (Legislative-Citizen Commission on Minnesota Resources) funding had made the first review cut and was chosen as one of 101 of nearly 250 applications for further review. He reminded the board that the application was for \$235,000 for acquisition of the trail corridor only – with the intention of immediately donating the land to the DNR. For the next phase of review, Giesen, Illg, and Greg Schieber would present the project to the commission on October 5, 2017. Batstone said that he would be interested in presenting as well. It was discussed that this source of funding could be used as a backup plan in case bonding funding does not come through, so that the trail corridor is preserved and not lost once the option contracts expire in 2019.

Other Business

Giesen mentioned that there would be a group from the regional economic growth initiative, Journey to Growth visiting Harmony on October 20th. They would be touring Harmony Enterprises, Harmony Kids Learning Center, the Hammel House subdivision, the Monster Bash haunted house, downtown, and other points of interest in Harmony. Giesen said that their primary purpose of their visit was to tour Harmony Enterprises and Harmony Kids, who have been involved in Journey to Growth, and were causing regional leaders to notice the good things happening in Harmony. Giesen added that board members were invited to attend and that the goal of the daylong event would be to highlight why Harmony works, how Harmony has invested in itself, and the opportunities available for tourism, business, and living.

Motion by Skaalen, second by Donney to adjourn the meeting. Motion carried unanimously. The meeting adjourned at 8:51 AM.

The next regular meeting is scheduled for November 2, 2017 at 7:30 AM, at the Community Center.