

Harmony EDA Minutes

December 5, 2019
7:30 AM

Council Room
Community Center

Present: Chris Skaalen, Steve Donney, Kerry Kingsley, and Steve Sagen

Also Present: Greg Schieber, Melissa Vander Plas, Jerome Illg, and Chris Giesen

The regular meeting was called to order at 7:37 AM by Chris Skaalen

Minutes

The board reviewed the minutes of the November 7, 2019 meeting. Skaalen noted a typo under the Financial Reports and Claims section. Motion by Kingsley, second by Sagen to approve the minutes as corrected. Motion carried unanimously.

Financial Reports & Claims

The board reviewed the loan portfolio and the new home rebate ledger. All loans were current. Giesen mentioned that the Swartzentruber home may be completed enough to be paid its new home rebate but had not heard from the applicant. He suggested approval of the rebate payment could be made, pending the home being completed. He noted that this home fell on the line between rebate amounts and that this payment of \$6,750 maybe increased to \$8,250 if the final taxable value is high enough. Motion by Sagen, second by Skaalen to approve the financial report and the payment of the Peter Swartzentruber new home rebate, if the home is completed, as presented. Motion carried unanimously.

Donney entered the meeting at 7:43 AM.

Bike Trail Project Update

Giesen and Greg Schieber gave an update on the bike trail corridor acquisition. They stated that after learning of additional administrative requirements, all the pieces are in motion to start closing on the real estate purchases. The total cost is projected to be \$178,094.15, of which \$147,967.31 is for land acquisitions, \$5,500 for appraisal costs, and \$20,000 for surveying, all of which are reimbursable through the LCCMR grant and up to about \$15,000 in fees, which were not yet finalized, but not part of the LCCMR project. Schieber had begun contacting landowners to conduct the transaction closings. The board discussed at length the details of how the transactions would occur and proceed. It was noted that the closings should still occur by the end of 2019.

Because of additional administrative requirements for the LCCMR grant, Schieber explained that the option contracts needed to be assigned to the City of Harmony, as they were currently in the name of the EDA. Motion by Skaalen, second by Donney to assign ownership of the bike trail extension option to purchase contracts to the City of Harmony. Motion carried unanimously.

Schieber also described a title issue with the Kevin Roesler property. It was discovered that there was a lien against that property and the owner didn't have the means to pay it in full prior to selling to the city. Schieber said that the owner was open to financing if the

lien amount could be advanced to him. The total lien amount was projected to be about \$2,100 but the proceeds of the sale could be applied towards the expense, so the actual amount needed to resolve the lien would be about \$375 less. Schieber and Giesen recommended that authorizing a loan to cover the difference would keep the project on schedule and resolve the issue. The board concurred. They also agreed that the term and rate should be structured so that the payment was affordable but paid quickly. Donney suggested that the board consider a loan of up to \$3,000 to Mr. Roesler in case there were any unforeseen fees or interest associated with it. Motion by Donney, second by Sagen to approve up to a \$3,000 loan to Kevin Roesler, should it be needed. Motion carried unanimously.

The board also discussed the use of the contribution of \$15,000 it received from the Harmony Area Community Foundation for the trail project. Consensus of the board was to utilize these funds to the extent needed, especially if there are any items not reimbursable through the LCCMR or bonding funds. Donney inquired about excess dollars from the foundation. The board agreed that any unused foundation funds would be returned to the foundation after the project is completed.

Dairyland Project Update

Giesen gave an update on the Dairyland project. He reported that the purchase agreement and memo that were approved by the board at the last meeting had not yet been approved by Dairyland due to questions about how the final development agreement would be constructed, however the project was still moving forward as planned. A draft of the final development agreement was supposed to be completed in mid December. The board would be able to review it at their January 2020 meeting.

Giesen also reported that Fillmore County had given its estimated tax valuation for the project. It was projected to be \$2.9 million. Because of this increase in tax base, the board might want to consider financing improvements to complete the unbuilt infrastructure in the industrial park, including extending 1st Ave NE, improving 8th Street, and extending water and sewer to the east along 8th Street. Illg said no decisions had to be made today. The board discussed at length. Consensus was to have the city engineer review and propose costs for future board consideration.

Chamber of Commerce Report

New chamber director Melissa Vander Plas was present to give the chamber update. The board welcomed her and was excited to have her on board leading the chamber of commerce. She distributed her 2020 goals and work plan status, discussing several projects and events, and her general philosophy as to how she will operate the chamber. The board was very happy with her report. Vander Plas also mentioned that there was a new business opening on Main Street but she had not had a chance to meet them yet.

Prospects/Community Update

Giesen reported that his work the last month was primarily focused on the Dairyland project and submitting a BDPI grant application and that there were no new prospects to report. Skaalen asked if Giesen would stop by the new Main Street business discussed in the chamber report to introduce himself and the EDA. Giesen agreed.

Other Business

Giesen said that per the board's request last month he did check with Steve Cremer about his intentions to build on 3rd Ave SW according to the development agreement. Giesen said he had talk with Mr. Cremer and that he had intended to build a home this fall but with weather and contractor scheduling, was not able to. Giesen reported that his current spec home is under contract to sell in about one week from today. Giesen also said that Mr. Cremer was aware of the upcoming deadline from the development agreement and offered building two homes in 2020 as an alternative, and if he didn't build two homes that he would then repay the prorated assistance at that point. The board discussed. The board was concerned about setting a negative precedent and getting behind if another home was not built. However, consensus of the board was to work with Mr. Cremer on a reasonable solution. The board agreed that if the first deadline was missed, the claw back fee should be paid, but that they would be open to rebating the fee to Mr. Cremer if a second house was built in 2020. The board asked Giesen to discuss this with Mr. Cremer and bring any proposal back to the January meeting.

Skaalen asked Donney about the status of the city's splash pad project. The board discussed briefly. It was discussed that the project was moving along and exploring cost and amenity options.

Skaalen discussed concerns related to the speed limit on Highway 52, especially in the area of the Industrial Park and Harmony Kids. He was concerned because of two recent car accidents in that area. He also had noticed the City of Preston's concern about increased speed limits in similar areas in their community. Skaalen asked if the EDA should make contact with the state in regards to adjusting the speed limits or conducting a speed study or recommend that the city council consider such action. The board agreed that it was unfortunately only a matter of time before a serious accident would occur if nothing was changed, especially now that the speed limits increased from 55 to 60 miles per hour. The board discussed. Sagen and Donney noted that the council had been discussing this issue and that speed radar signs were to be installed at entrances of the city at the speed reduction spots. Illg mentioned that it was hoped this would solve some of the problem before deciding to request a full speed study which might have unintended consequences. Skaalen remarked that he wanted to make sure the record reflected that the EDA had discussed this matter before anyone gets hurt and to make sure the council continues to pursue safety in this area. The board concurred.

Hearing no objections, Skaalen adjourned the meeting at 9:32 AM.

The next regular meeting is scheduled for January 9, 2020 at 7:30 AM, at the Community Center.