

Harmony EDA Minutes

February 6, 2020
7:30 AM

Council Room
Community Center

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

Also Present: Roxanne Johnson, Kelsey Bergey, Joel Dhein, and Chris Giesen

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

Batstone entered the meeting at 7:32 AM.

Minutes

The board reviewed the minutes of the January 9, 2020 meeting and January 16, 2020 meeting. Motion by Donney, second by Kingsley to approve the minutes as presented. Motion carried unanimously.

Financial Reports & Claims

The board reviewed the loan portfolio. All loans were current. Giesen reported that there were no updates to the new home rebate program ledger this month. Motion by Sagen, second by Kingsley to approve the financial report as presented. Motion carried unanimously.

Dairyland Project Update/Industrial Park Construction Update

Giesen informed the board of a meeting that Dairyland had with him and Skaalen since the last board meeting. The purpose of this meeting was for Dairyland to inform us of some construction related developments that need to be addressed prior to any final approvals. During their site assessment it was discovered that the soils may not be suitable to support the weight of the building that they had designed. There were several options available to remedy the issue, but the cost of those remedies were estimated to be up to about \$650,000 and would make the project exceed their allotted budget. They reported that they still intended to move forward with the project but that this additional cost would require additional review of the scope and timeline of the project. This additional review may require a delayed project start date or different building design. The board discussed at length.

Giesen said that he is expecting to hear back by February 7, 2020 as to any project modifications or delays in schedule. He went on to say that all city council approvals are ready for the February 11, 2020 council meeting as planned and that at minimum the council could still consider approval of the zoning and plat, as well as hold the public hearings for the business subsidy and tax increment financing. If the project needs to be delayed, the council could table approvals of the business subsidy agreement, tax increment financing plan, and master development agreement. Giesen reported that he had checked with the city's TIF consultant, Mike Bubany, and he said that it would be possible to delay approval for a few months, but that if approval was delayed too long the tax increment plan would have to be updated. This would cost a nominal fee of about \$500-\$1,000. He also explained that if the proposed building construction plan changes, it might also impact the amount of TIF available to finance the project as a whole.

Sagen asked how this potential delay would impact the proposed infrastructure construction connected to the project. Giesen said that it will depend on what direction Dairyland chooses for their construction schedule. If the project is delayed until next year or beyond, there may not be a revenue source to pay for all or some of the improvements as planned. In addition, if the proposed building plans change the taxable value might be impacted, which will affect the amount of TIF the city can use to finance the land sale and infrastructure construction. If the TIF amount is impacted negatively, the board may have to cut elements of the public infrastructure project previously approved. He added that the council has until February 25, 2020 to make that decision though, so there is time to update the public infrastructure construction project before it goes out for bids.

Skaalen reminded the board members that a special meeting is scheduled for 6:30 PM on February 11, 2020 to consider any material changes to the master development agreement that may be requested by Dairyland. As previously agreed upon, if the chair doesn't see any material changes to the development agreement from what was previously approved by the board, the meeting will be cancelled.

2019 Housing Market Update

Roxanne Johnson and Kelsey Bergey were present to give a report on the local housing market over the past year. They distributed a report on both Harmony and Preston's listed properties. She noted that Harmony saw 19 homes sell in 2019. Homes were on the market for an average of 80 days, although this was skewed higher by one home that was on the market for over 500 days. She also reported that final sales prices were about 3.5% below asking price, which meant that homes were selling relatively close to their listing price. She noted that as a comparison, last year in Preston they had fewer homes sell but that they were higher in value compared to Harmony. She said this statistic can change over time for various reasons, usually simply based on what homes end up being listed, and isn't necessarily a good or bad thing. Johnson said that based on their count, of the homes that sold, 11 non-Harmony residents moved into Harmony. Both Johnson and Bergey were pleased with local trends and didn't report any major issues the board should address. They did mention that there might be a need for additional ranch style homes. The board discussed with Johnson and Bergey, and thanked them for this very helpful information.

Parks and Trails Membership

Giesen presented the 2020 renewal to the Minnesota Parks and Trails Council advocacy group. Renewal for the year is \$35. The board joined last year because of the group's support for the city's trail expansion project. Giesen said that Harmony trail project volunteers recommended rejoining again this year. Batstone concurred. Motion by Batstone, second by Sagen to renew the annual membership as presented. Motion carried unanimously.

2020 Joint Board Workshop

Giesen reported that the Fillmore Central school board suggested a March 17, 2020 date for the annual joint board workshop meeting between the school board, city council, and EDA. The board concurred this date worked for their schedules. The meeting would be held at the Harmony Community Center, start at 6:00 PM, and last one hour. Consensus of the board was to have staff set the meeting for March 17, 2020 and use a similar agenda as in prior years.

52 Speed Limit Discussion

Giesen said that since the previous discussion on the new speed limit on Highway 52, he had been asked by a local business owner that was concerned about the change in front of their property. Giesen said that a MnDOT representative had reached out to him recently to encourage questions about any potential highway issues. The board agreed that this was more of a city council issue to address, but because MnDOT had reached out to Giesen, the board asked if Giesen would reach out to MnDOT and ask what it might cost to conduct a traffic study and to inquire about the reasoning or study responsible for the speed limit change. The board supposed that perhaps the speed limit change process did not consider transition areas near the edge of towns, or growth that had recently occurred, that might affect various safety concerns. Giesen will contact MnDOT and report back.

Experience Harmony Projects/Goals

The board reviewed the Experience Harmony II project goals. Sagen asked about electric vehicle charging stations. The board discussed prior conversations on the matter and agreed that it might be a good idea to bring this conversation up again. Consensus was that even if initial use were low, it would be an excellent marketing opportunity. No further action was taken.

Chamber of Commerce Report

There was no chamber report this month. Skaalen reminded the board that the chamber annual meeting was February 12 at 6:30 PM at the Harmony Golf Course.

Prospects/Community Update

Giesen gave an update on prospects.

Other Business

There was no other business.

Hearing no objections, Skaalen adjourned the meeting at 9:28 AM.

The next regular meeting is scheduled for March 5, 2020 at 7:30 AM, at the Community Center.