

Harmony EDA Minutes

October 7, 2021
7:30 AM

Community Center
Council Room

Present: Kerry Kingsley, Steve Donney, Andy Batstone, Steve Sagen, and Greg Schieber

Also Present: Melissa Vander Plas, Devin Swanberg, and Chris Giesen

The regular meeting was called to order at 7:32 AM by Kerry Kingsley.

Minutes

The board reviewed the minutes of the September 2, 2021 meeting. Motion by Donney, second by Sagen to approve the minutes as presented. Motion carried unanimously.

Financial Reports & Claims

The board reviewed the loan portfolio and home rebate ledger. One past due loan was discussed at length. Giesen will follow up with the borrower and report back. There were no claims for payment.

Potential Sale to Tonya & Kevin Reicks

Giesen presented a project request submitted by Tonya and Kevin Reicks. They propose to purchase Lot 3 Block 2 in the Industrial Park as well as the land immediately to the east, for a total of about 2.4 acres total. The listed price on this area is \$100,000. They intend to build a headquarters for their trucking business, which includes indoor truck parking, office, and wash bay. In addition, they would have other indoor and outdoor storage for rent to the public as a part of their business model. To make the project financially feasible, they are requesting assistance from the board which Giesen said could come in the form of tax increment financing similar to a recent sale. The county assessor estimated the new value created to be about \$330,000 this would generate a present value of about \$50,000 in TIF. Similar to recent discussions about sales, the list price of \$100,000 could be reduced by the anticipated TIF collected to make the project financially feasible. The board discussed. It was noted that 2nd Ave NE is not fully built yet and past discussions have always indicated that the board anticipates construction of that street to be at its own cost and not assessed to joining property owners as the construction price is included in the lot prices. It was also noted that 2nd Ave could be completed during the next street project which is anticipated for 2023. This would need to be discussed with the buyer but Giesen indicated they were aware of the situation and have access to the lot from Industrial Boulevard. In addition, general semi truck parking in the Industrial Park was discussed; the board would continue to think of and discuss potential solutions to the parking issue that will be created once parking rules are changed. Motion by Sagen, second by Donney to offer Lot 3 Block 2 and the immediate land to the east (totaling about 2.4 acres) for the asking price of \$100,000 less anticipated TIF collected of \$50,000, for a total of \$50,000 due at closing. It was noted that should the Reicks be agreeable to these terms, the city attorney would draft a purchase agreement with such terms and the board would hold a public hearing prior to final approval of the sale. Motion carried unanimously.

Giesen reminded the board that if the sale moves forward a development agreement outlining the use of TIF would be needed.

Industrial Park 2nd Addition Plat Discussion

Staff noted that with the recent sales and interest in the industrial park it may make most sense to pause efforts to plat the 2nd Addition because the remaining lots in that new plat would nearly all be considered outlots, defeating the purpose platting lots in preparation of development for marketing purposes. The board agreed.

Mower for Industrial Park

Giesen noted that land maintenance in the Industrial Park is an issue that should be discussed as the person mowing the property declined to do so again this year because the ground is very rough and hard on equipment. Public works mowed this year but broke their heavy brush mower, which was at or close to the end of its useful life. Giesen suggested that because the condition of the Industrial Park land is important for marketing purposes, perhaps the board would contribute towards the approximately \$10,000 cost of a new mower. The board discussed and no action was taken.

Sagen mentioned that Giesen should follow up with some of the property neighbors to see if they had an interest in mowing the Industrial Park for hay.

Potential Land Opportunity

Staff reported that a landowner of a highly visible property had approached them to see if there was interest in the EDA purchasing the property. The board discussed at length. Consensus of the board was that more discussions and information would be needed but that there was interest to continue the conversation. The board would be interested assuming the entire parcel was available for purchase or if reasonable provisions could be made to secure the entire parcel in a reasonable timeframe and fashion. Consensus was to continue working with the prospective seller.

Experience Harmony Goals

Giesen reported that the new goals discussed at the last meeting, which included several new business types that are needed in the community, would be added to the Experience Harmony goals. He said that there was no additional news to report.

Chamber of Commerce Report

Melissa Vander Plas was present to give the chamber report. She was happy that 2021 visitor numbers were trending towards pre covid visitor numbers. The chamber continues to plan for fall events and are finalizing the 2022 guide book. She noted that she is working on a new distribution plan for the guide book which would involve more interactive digital content online instead of physical printed/mailed books. They are also working on potentially developing a visitor app. She noted that the chamber would like to draw \$7,000 on their previously established line of credit with the EDA.

Prospects/Community Update

Giesen reported that at least 3 businesses are seriously considering applying for the first downtown revitalization grant due November 1.

Giesen continues to work with the school district to schedule a joint meeting for the fall of this year between the city and school.

Giesen gave a report on additional prospects considering projects in the community.

Swanberg noted that he had a recent inquiry from a prospective buyer of the Breadbasket Building.

Schieber noted that several buildings along Main Street have changed hands recently.

Giesen reported that the small cities block grant surveys were completed with about 36% of 500 surveys returned. Of those returned, a strong interest level from income qualified homeowners and commercial building owners were received. Giesen would keep the board posted of next steps.

There was no other business.

Hearing no objections, Kingsley adjourned the meeting. The meeting adjourned at 9:19 AM.

The next regular meeting is scheduled for November 4, 2021 at 7:30 AM at the Community Center.