

Harmony EDA Minutes

December 2, 2021
7:30 AM

Community Center
Council Room

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

Also Present: Lisa Miller, Roxanne Johnson, Devin Swanberg, and Chris Giesen

The regular meeting was called to order at 7:31 AM by Kerry Kingsley.

Minutes

The board reviewed the minutes of the November 4, 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. Giesen will contact the borrower and provide updates to the board.

The board reviewed the annual membership renewal of \$75 for the Harmony Area Chamber of Commerce and ad in the visitor guide for \$390.

Motion by Donney, second by Sagen to approve the financial report and payment claims. Motion carried unanimously.

Downtown Revitalization Program Proposals

The board reviewed the status of the Downtown Revitalization Program applications and the discussion held at the previous meeting. The proposal from Lisa Miller and Miles Petree for their On the Crunchy Side building was the finalist selected at the last meeting. At that prior meeting, the board proposed additional funding be awarded based on the initial application's scope, provided additional improvements to the south wall and windows of the building were completed. Because of the project scope and impact, and the current availability of extra, unutilized project funds in the 2021 budget the board considered a total award of \$80,000 structured as a forgivable loan through the Downtown Revitalization Program. The board would also consider a traditional revolving loan application for up to \$35,000 as a part of the total award. Any remaining project costs would be on the building owners to provide. The project would fully restore the brick on the building's front and fully restore the brick and upper windows on the south side of the building. The brickwork was quoted to cost \$103,000 and the windows were quoted at \$7,300.

Lisa Miller was present to discuss their proposed project and answer questions. She thanked the board for their interest and said that she was humbled to have been selected as a finalist. She noted that they want to do something very special with this project and that these renovations will allow them to also open an AirBnB unit in their long vacant upstairs. She reviewed the quote for the windows, noting that they will completely fill the original space and will be 89" high. The original brick detail around the windows would be saved and restored too.

The board discussed the proposed project and award at length. Giesen noted that he had discussed the decisions made at the last meeting with each of the other applicants, noting

that while disappointed they weren't selected this year they understood the program goals and were supportive. The board discussed the terms of a potential agreement to ensure the funds would be appropriately implemented and the interests of the city would be kept. Consensus of the board was that the general outline of the agreement should include a 10 year forgiveness period, payment of funds to vendors or upon proof of prior payment, that the quoted project elements be completed as quoted, and that the usual requirements of all development agreements including remaining current on property taxes, city ordinances, and the like be set as conditions. The agreement would be secured by a mortgage on the real estate. Batstone asked what options there were if the building was sold prior to the agreement term ending. It was agreed that any remaining unforgiven portion of the loan would be immediately due upon sale, with the option to transfer the agreement terms to a new buyer if agreeable to the city. All of the conditions set in the agreement are needed to be met each year in order to receive forgiveness. The event of the building becoming vacant was discussed. Consensus was that while vacancy is not always 100% avoidable, the agreement should require the recipients to make every reasonable effort to keep the storefront filled with an active business. Further consensus of the board was that at no time during the agreement period may the building be used for any kind of storage, other than incidental to the main operating business. Ms. Miller was agreeable to these terms. The board agreed that all subsequent awards in subsequent years to anyone should have similar terms.

Motion by Donney, second by Sagen to recommend that the city council approve a Downtown Revitalization Program award to Lisa Miller and Miles Petree for the On the Crunchy Side building totaling \$80,000 to be forgiven over a 10 year period provided that the building is not used for storage and the terms of the program agreement outline the usual development agreement terms as discussed.

It was noted that the board would also entertain an application for up to \$35,000 in a traditional revolving loan, provided the council approved this recommendation and that the application supported such a loan. Hearing no further discussion the question was called. Motion carried unanimously.

Potential Land Opportunity

Roxanne Johnson was present to discuss a potential land purchase opportunity. A client of hers was willing to sell approximately 4.3 acres located on a highly visible corner, which is located in an industrial zone for \$160,000 provided they could have the ability to live in the house that is currently on a small portion of the property. City services are currently present in multiple locations of the property. The board discussed at length. No decisions were made but consensus was that an opportunity such as this warrants investigation. Staff noted that there may be avenues to find the funds necessary to purchase the property, but they have not identified a clear solution yet. Staff noted that they do not recommend requesting that the city levy for such a purchase and the board agreed. Staff is to investigate possible sources of funding and continue discussions with the seller.

Hammel House & Co. Development Agreement Annual Status Check

The board conducted its annual status review of the development agreement between the city and Hammel House & Co. for the residential subdivision along 3rd Ave SE. It was noted that at this point of the year, it was unlikely that a qualified house for 2021 would be constructed and that a repayment of \$12,000 for the year would be required. As in a prior year that did not have a qualified home constructed, Giesen asked the board if they would again consider refunding the \$12,000 repayment if two qualified homes were

constructed in 2022. The board was agreeable to provide this refund again. Motion by Batstone, second by Sagen to refund the 2021 penalty repayment of \$12,000 to Hammel House & Co. on the condition that two otherwise qualified homes, under the development agreement, are constructed in 2022 and that the city continues the new home rebate program for the year. Motion carried unanimously.

Chamber of Commerce Report

Melissa Vander Plas submitted the following written chamber activity report:

Harmony Area Chamber of Commerce Director's Report ~ December 2, 2021

November Activities

- ~ Hosted the Holiday Fest Art, Craft and Vendor show with the two high school gyms filled with vendors. Many reported "the best sales" they've had at a vendor show. Businesses in town also reported good sales day and lots of people in the stores.
- ~ Distributed "Small Business Saturday" items - bags, masks, Small Business and Shop Local promotional materials from American Express that is shared with the retail businesses.
- ~ Developed and implemented the "12 Days of Christmas" Drawing with the promotions committee that is running from Small Business Saturday through Dec. 10. Each day we select one business (by a picker wheel app) from a list of participating businesses. We call that business and they draw that day's winner. Each winner wins \$25 Harmony Dollars and a \$25 gift certificate to a Harmony business (also randomly selected.)
- ~ Coordinated Breakfast with Santa (this Saturday, Dec. 4) with help from the Harmony Lions, DianeH Photography, Fillmore Central ECFE, Harmony Girl Scouts, First Southeast Bank, Bluff Country Computer Works, Greenfield Youth.
- ~ Coordinated Community Tree Lighting with assistance from volunteer Sandy Strozyk. We will light 25 trees on Saturday night at 6 p.m. with the Remembrance Tree sponsored by Lane and Jessie Powell and the large Selvig Park tree.
- ~ Our membership drive began this past month and we have received a majority of those back already.
- ~ Perfect Glossy will be doing our 2022 visitor guide and we have started working with them on new design, ads and editorial copy. Response from advertisers is good with a few new ads coming in.
- ~ Received information and sat through webinar on the new Explore Minnesota Marketing Grant. We are eligible for \$10,000 this year and application is due Dec. 8, so began working on that.
- ~ Began working on Fourth of July schedule and booking entertainment for the weekend.
- ~ Sent out weekly newsletters and notes to members through the month – highlighting events and local news
- ~ Met with several potential new members and existing members

Visitor Center in November

- ~ The visitor center is officially closed, but the door is unlocked when Annette or I are there. We've had 128 visitors come in through the month and have sent out 54 visitor guides on request.

Goals going forward

- ~ Continue social media push
- ~ Update membership information on website
- ~ Create 2022 guidebook with new design and information
- ~ Recruit members for our Chamber board as well as marketing and guidebook committees
- ~ Continue to plan events and promotions with Promotions Committee
- ~ Visit Chamber members
- ~ Work on ways to make it easier for visitors to find information on website (QR codes in businesses) – More to come on that in January.

Upcoming events

Breakfast with Santa (8:30 to 11 a.m.) and Community Tree Lighting (6 p.m.) – Saturday,
Dec. 4

12 Days of Christmas drawings – Now through Dec. 10

Annual Meeting at the golf course – Feb. 15 at 6 p.m. Format will be a cocktail hour with
business updates and short business meeting. Looking for three Chamber board members if you
might be interested or know of someone.

Easter Bunny on April 16

Fourth of July weekend: Friday, July 1 – Monday, July 4

Contact me

As always, feel free to contact me in the office Monday through Thursday. My office
number is 507-886-2469 and my cell is 507-450-5971.

Prospects/Community Update

Donney gave an update on the veteran's memorial project and the success that the
Harmony Area Community Foundation had on give to the max day. He reported that the
foundation raised about \$42,000 from very generous community members.

Giesen gave a brief update on prospects. He noted that a purchase agreement was signed
by Tonja and Kevin Reicks to purchase approximately 2.4 acres in the industrial park for
their trucking business headquarters and that the board would review that proposed
project at its next meeting. He also mentioned that there was currently one application in
progress for a new revolving loan.

There was no other business.

Hearing no objections, Kingsley adjourned the meeting. The meeting adjourned at 9:41
AM.

The next regular meeting is scheduled for January 6, 2022 at 7:30 AM at the Community
Center.