

Harmony EDA Minutes

August 5, 2021
7:30 AM

Community Center
Council Room

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

Also Present: Jeff O'Connor, 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 July 1, 2021 meeting. Motion by Batstone, second by Donney to approve the minutes as presented. Motion carried unanimously.

Financial Reports & Claims

The board reviewed the loan portfolio and home rebate ledger. All loans were current.

Sagen entered the meeting at 7:35 AM.

Giesen asked the board for consent on two rebate program items. A new home rebate application was anticipated from an applicant who didn't quite understand the program. Giesen noted he feared this person had already begun construction work prior to approval of the rebate which would make them ineligible for the rebate under the program rules. Because everything else was in order except for this technical oversight/misunderstanding on the part of the applicant, Giesen requested that the board waive the project start date requirement in this particular case. The board concurred. It was also noted that applicant Brent Hjelmeland had run into issues receiving an updated property assessment on his two renovation rebate applications. The county assessor did not have an ability to completely assess the projects until later this year so Giesen asked the board for permission to grant a lesser rebate amount as a place holder for now and revisit the issue once the county's issue is resolved to determine if an additional rebate is warranted. The board agreed with this approach.

There was one claim for payment of \$150 from Jack Hjelmeland for weed control along a section of the new bike trail owned by the city. Motion by Sagen second by Schieber to approve the claim as presented. Motion carried unanimously.

Purchase Agreement from Jeffery O'Connor

The board reviewed the purchase agreement for Lot 2 Block 2 Industrial Park First Addition in the Harmony Industrial Park. Mr. O'Connor had agreed to the terms the board offered at the last meeting to buy this lot at a cost of \$65,000 less \$46,000 in projected tax increment financing (TIF) assistance paid to the city, for an out of pocket price of \$19,000. In addition he would receive a first right of refusal on a similarly sized undeveloped parcel immediately to the east of this lot. This right of refusal would be valid for two years from the purchase date and allow him the ability to match any offer received from a third party within 30 days to purchase the property. The board had set an initial price on this undeveloped lot at \$35,000. The board discussed the project and noted that the purchase agreement matched the offer discussed at the prior meeting.

Kingsley opened a public hearing at 7:53 AM to accept public comment on the proposed sale of real estate. Giesen noted that the public hearing was published in the newspaper as required.

Jeff O'Connor spoke on behalf of his project and noted that construction would likely occur in spring 2022 due to material shortages but that he hoped to complete foundation and utility work yet this fall. He noted that he will likely construct a larger building than he proposed at the last meeting and had plans for a second building within the next 5-10 years.

Mr. O'Connor asked if the board had any desire to acquire an easement to build a public street on the north side of the lot to be purchased. He thought it might be easier to discuss such plans at this point as opposed to in the future. The board thanked him for his proactive thoughts and discussed the matter. It was determined that this matter had been reviewed on several occasions by the board and city engineer and that each time it was decided a public street wasn't necessary in that location. Sagen noted that our lot prices would likely need to be increased to cover such improvements. It was mentioned that an easement could always be acquired in the future. No action was taken in regards to an additional street easement, but it was noted that all parties would willingly revisit the matter in the future should the need arise.

Parking of semi cabs, trailers, and other utility trailers on 2nd Ave NE was also discussed as an issue for this project. The board discussed various options including the consideration to build or provide off street parking for such vehicles elsewhere in the community. The board concurred that residents living in Harmony who drive truck over the road should have a spot in town where they can park. They also agreed that such space for nonresidents isn't an issue of much importance to the city. The matter would be reviewed by council at a later date.

Asking for additional public comment three times and hearing none, Kingsley closed the public hearing at 8:19 AM.

The board discussed the merits of the project and noted that the purchase agreement was contingent upon approval of the city council and a development agreement. Motion by Donney, second by Sagen to approve the purchase agreement as proposed. Motion carried unanimously.

The board thanked Mr. O'Connor for his interest in Harmony.

Downtown Revitalization Program Guidelines

The board reviewed the draft guidelines presented by staff and discussed at length. Schieber asked if the program would be limited to a specific geographic area. Kingsley thought perhaps the entire commercial corridor in town could be eligible but others thought it should be more specific and centered on the historic downtown area. It was agreed that the area along Main Street between the 52/139 intersection (including the Village Green area) and between 1st Ave and 1st Ave, south to 2nd Street SE would be an appropriate area. Consensus was that only commercially taxed properties in this area would be eligible. School, city, church, and residential properties would not be eligible. It was agreed that \$40,000 from the board's annual budget should be set aside for this program and that the board should plan to try the project for three years, annually reviewing the status. Otherwise the board thought the proposed guidelines and application form were in good order with prior discussions about the program. Motion

by Batstone, second by Sagen to recommend that the city council approve implementation of the Downtown Revitalization Program as proposed. Motion carried unanimously.

2022 EDA Budget

The board reviewed the proposed 2022 EDA budget worksheet. Giesen explained that there were no increases other than a “not to exceed” 3% increase for the CEDA contract, a \$500 increase to the chamber of commerce, and \$75 increase for dues and memberships to better reflect the chamber dues and parks and trails membership costs. The total amounts for the pro rated city staff expenses was to be determined per the usual formula split but was not available at this time. The 2021 budget was \$124,694. The proposed 2022 budget is approximately \$126,333 assuming the pro rated city staff expenses stay similar. Motion by Sagen, second by Batstone to approve the 2022 budget and recommend that council adopt it as approved.

Trail Extension Open House

The board noted that on August 12, 2021 from 5-7 PM at the Community Center, the DNR would be hosting an open house to take public comment on the amendment for the trail extension project. The board discussed the proposed plan and concurred that overall the plan met its expectations but that it was imperative to construct all segments of the trail as originally proposed despite the readiness level of the Iowa trail system.

The board also again noted the poor condition of the existing trail to Preston and encouraged continued contact with the DNR officials in St. Paul and local legislators.

Chamber of Commerce Report

Melissa Vander Plas gave the chamber report. She reported that the 4th of July event was good, that the recent ribbon cutting event was very successful and caused the chamber to consider holding a regular business visit or happy hour event, and that customer appreciation night earlier in the week served over 270 meals. The chamber board is reviewing organizational goals through a strategic planning effort. One strategic initiative is to improve social media presence for the community. Vander Plas is currently refreshing the look of the chamber newsletter and planning for the taste of the trail event, fall garage sales, and Haunted Harmony later this fall.

Prospects/Community Update

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

Batstone left the meeting at 9:44 AM.

Kingsley asked the board to consider locations for semi parking in the community. The board concurred it was an important discussion.

There was no other business.

Hearing no objections, Kingsley adjourned the meeting. The meeting adjourned at 9:49 AM.

The next regular meeting is scheduled for September 2, 2021 at 7:30 AM at the Community Center.