

## Harmony EDA Minutes

March 3, 2022  
7:30 AM

Community Center  
Council Room

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

Also Present: Sue Sikkink, Kent Whitcomb, Chris Morem, Aaron Bishop, Amy Bishop, Erica Thilges, Melissa Vander Plas, Devin Swanberg, and Chris Giesen

The regular meeting was called to order at 7:33 AM by Kerry Kingsley.

### **Minutes**

The board reviewed the minutes of the February 3, 2022 meeting. Motion by Batstone, second by Kingsley to approve the minutes as presented. Motion carried unanimously.

### **Financial Reports & Claims**

The board reviewed the loan portfolio. Past due payments were discussed.

### **Solar Energy Options**

Chris Morem of Morem Electric and Kent Whitcomb of MiEnergy were present to discuss items related to solar energy initiatives. Environmental sustainability is one of the Experience Harmony strategic goals. Chris reached out to Giesen after hearing about a prior discussion at a board meeting where utilizing the undeveloped northern portion of the industrial park for a solar field was discussed. Kent noted that there are several considerations to keep in mind if the city was going to generate through its own solar power system, but that he would be available to help. Chris echoed Kent's comments noting that perhaps a solar array could be installed to offset the wastewater plant, community center, and/or well house. It was discussed that there are limits to what the city can produce for its own use and that because of the city's lower wholesale cost to purchase its power the savings of creating its own power would provide a longer payback than for most other users. However, it still could be done especially if grants are available. It was also noted that the undeveloped area of the industrial park on its own is likely too small for an industrial/3<sup>rd</sup> party solar farm and the presence of sink holes would also create challenges. Chris Morem will put some thoughts together for cost estimates on possible projects for the city's energy consumption and given them to Swanberg for consideration by the utility committee. The board agreed that it was worth exploring further, to keep an eye out for possible solar developers interested in the industrial park, and thanked Kent and Chris for the expertise and assistance.

Kent noted that he has the EV car charging stations and will deliver them to the city's electrician for installation.

### **Revolving Loan Fund Request: KTNS Trucking Corp.**

Tonja and Kevin Reicks, owners of KTNS Trucking Corp applied for a revolving loan in the amount of \$25,000 to assist with the purchase of a lot in the industrial park for their business expansion. The terms requested were a 10 year payback at 3.25% APR fixed. The total project cost was \$100,000 for acquisition. Building financing would come separately through a bank over the summer of 2022. The loan committee reviewed the particulars of the application and recommended approval. Motion by Sagen, second by

Batstone to recommend that council approve the loan as requested. Motion carried unanimously.

### **Development Agreement with KTNS Trucking Corp.**

In order to finalize the sale of 2.4 acres in the Industrial Park to KTNS Trucking Corp owned by Tonja and Kevin Reicks, a development agreement was drafted to outline how TIF assistance totaling \$50,000 would be applied to the purchase price of the lot. This assistance would be used through the existing TIF 1-8 district established last year so no new TIF district is needed. The building is required to be fully constructed by the end of 2022 or a penalty of \$5,000 would be owed to the EDA, which represents one lost year of TIF revenue. Giesen noted that the developers were agreeable with the terms but had not yet been able to sign the document. The board agreed that the terms matched their intentions. Motion by Schieber, second by Batstone to recommend that the city council approve the development agreement as presented and authorize the board chair and city administrator to sign the agreement once approved. Motion carried unanimously.

### **Industrial Park Maintenance/Mowing**

The board reviewed a memo outlining several maintenance issues that are pending with the undeveloped areas of the industrial park. Namely, mowing grass and the future of the planted field. It was noted that the long time caretaker is no longer willing to mow and that the public works department no longer has the heavy duty equipment to take care of the property properly either.

With the pending sale of land to KTNS Trucking, the board also needs to inform the caretaker of the planted field, which is currently used as a test plot as an enticement to get a business prospect to locate in the industrial park, that a portion from the middle of that area will soon be inaccessible as private property. In addition, there is a fence and brush line that may need to be removed, at least in some sections.

The board discussed at length. Motion by Batstone, second by Kingsley to approve up to 50% or \$5,000 whichever is less, to contribute towards a new mower provided the public works crew can maintain the grounds. Motion carried unanimously.

Giesen will talk with the current caretaker of the planted ground and bring back information to the board for further consideration.

### **Chamber of Commerce Report**

Melissa Vander Plas was present to give the chamber report. She reviewed the chamber's 2021 annual report noting that they have recovered from the pandemic in 2020 but numbers were still not as good as in 2019. The chamber is looking towards an even better 2022. She mentioned that the chamber welcomed new directors to its board, the new visitor guide was being printed, that they are expecting grant funds from Explore Minnesota to be delivered soon, and that they are planning two new events this summer downtown. The new events will be two concerts held outside near the alley behind the bank, the event will be called "Alley Jams." Melissa noted that she was able to get the new EV car charging stations included in the visitor guide for this year.

### **Prospects/Community Update**

Giesen discussed a couple of items that recently came forward that were in need of attention. First, he noted that he had received a letter from Erica Thilges who is now managing the Antique Mall. The letter was requesting permission from the city to allow the transfer of the special exception for residential quarters in an industrial zone, which

her parents have, to her. She is now managing the Antique Mall and would like to live in quarters similar to previous owners. Giesen noted that in the past two instances related to this issue, the board provided support to their application to the planning and zoning commission. Consensus was that support should be given again provided the new manager understood that they are living in an industrial park and that future developments might not be conducive to residential living next door. Motion by Schieber, second by Sagen to recommend that the planning and zoning commission and city council approve the special exception requested by Erica Thilges. Motion carried unanimously.

Giesen mentioned that he had received concerns about the possible negative impacts of the Preston Veterans Home on local medical facilities. He noted that the Preston home is seeking to fill 126 positions and could make staffing local facilities even more difficult. The board discussed and expressed similar concerns. It was agreed that Giesen will reach out to local providers for further discussion and insight on this issue as well as other issues/opportunities. Kingsley and Batstone agreed to assist if available.

Sagen mentioned the recent public hearing regarding possible zoning changes related to retail variety stores. He noted that it would be a good idea for the city to update its long range plans so that an update of the zoning codes overall could be possible. The board discussed. It was agreed that having a comprehensive plan would be very helpful in the decision making process for a variety of projects. Motion by Sagen, second by Batstone to recommend that the planning and zoning commission and city council undergo the process to create a comprehensive plan for the city. Motion carried unanimously. The board continued to discuss the public hearing, noting that it was very civil. It was appreciated that both sides of the issue were able to voice their opinions and be heard by council.

There was no other business.

Hearing no objections, Kingsley adjourned the meeting. The meeting adjourned at 10:07 AM.

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