

## **Harmony EDA Minutes**

September 1, 2022  
7:30 AM

Community Center  
Council Room

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

Also Present: Amy Bishop, Aaron Bishop, Lisa Miller, Erica Thilges, Becky Jones, Roxanne Johnson, Mark Bishop, Michael Himlie, Cindy Ofstedal, Vicky Tribon, 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 28, 2022 and August 11, 2022 meetings. Motion by Sagen, second by Schieber to approve the minutes as presented. Motion carried unanimously.

### **Financial Reports & Claims**

The board reviewed the loan portfolio. Schieber reported that the settlement of the Tin Rust & Harmony loan had been accepted as approved and a payoff was received. Giesen reported that all loans were current.

Giesen noted that the Chamber of Commerce had only requested \$27,000 of the \$28,000 budgeted for their annual stipend. He reported that the chamber is now requesting the remaining \$1,000 budgeted for 2022.

Motion by Donney, second by Sagen to approve the financial report and payment of \$1,000 to the Harmony Area Chamber of Commerce as requested. Motion carried unanimously.

### **Hammel House & Co. Development Agreement Question**

Giesen reviewed a memo regarding a question on the Hammel House & Co development agreement related to the Walnut Farms subdivision and the recent listing of the lots with a professional real estate agent. Roxanne Johnson was present, representing the developer as their real estate agent. Giesen noted that the question was merely a matter of clarifying the understanding of responsibilities, especially around the issue of keeping the deferred assessments assigned to lots as security for the agreement. The board discussed at length. There was a concern that the deferred assessments would cause an issue for a buyer if the assessments could not be removed prior to purchase. Consensus of the board was that modification of the development agreement wasn't needed. It was also agreed that since penalty payments have been made in the past, technically those lots could have their deferred assessments released. However, since it was unknown which and when lots would sell or build and the need to secure the agreement, it was agreed that at the request of the developer, the development agreement would allow the board to release such assessments on specific lots that were "paid off" so to speak. For illustrative

purposes, it was said that as of today, there have been two penalty payments made – so up to two lots could have their assessment released if requested, resolving potential issues with closing a sale. Further it was agreed that ultimately that one qualified house must be built each year regardless of this clarification and that the developer is ultimately responsible for any penalty payments. There would be nothing preventing the developer from creating secondary agreements to make sure lot buyers also build a qualified home, but the board was not in favor of becoming involved in such third party/secondary agreements. It was reaffirmed that per the development agreement the new home rebate program would not apply to any of the lots within the subdivision until the termination of the agreement as a whole.

### **Bike Trail Project**

Giesen gave an update on the bike trail project. The construction project has been designed but issues with culverts and possible erosion control remain to be resolved. The DNR still plans to bid the project around Thanksgiving and award the bids the first part of December. The board encouraged reaching out to possible bidders to ensure a good response. It was noted that in the event that no bids are received or not acceptable, the bonding dollars could be at risk to be lost entirely at the end of the year. To prevent losing the dollars, the DNR could award the funds to the city to manage the project and construct the trail to their specifications. Giesen noted there were still many unknowns but gave the board a preview of a possible agreement to make such an arrangement between the DNR and city. The project budget was also discussed. It was noted that the segment between town and the cave was now estimated to cost \$1.7M to construct but only \$1.4M remained available. It was noted that in the event not enough funds are available, a series of alternate bids Vicky Tribon and Mark Bishop were present to give additional thoughts and comments on the project status. The board asked staff to request a meeting with our local state legislators to get their advice on the current project status and thoughts for possible funding for any shortfalls. Consensus of the board was that if the DNR is only financially able to construction a portion of the trail at this time, we should prioritize the city to highway 30 segment which would at least bring people from town to a paved surface that could get them to the cave for the time being. Staff is to follow up with the DNR and keep everyone posted on the project status.

### **Digital Marketing**

The board reviewed draft documents for the upcoming digital marketing campaign approved at a prior meeting. The focus is to promote the new home rebate program. The board discussed running digital social media ads in the SE MN/La Crosse/Rochester/Twin Cities area to start and review results to refine and possible expand the effort in the future. Consensus was to move forward with the project as approved previously.

### **New Home Rebate Program Updates**

The board continued discussion on a possible refresh of the new home rebate program, including creating additional award brackets for higher valued homes. This would result in possibly higher rebate amounts too. This would reflect the rising value and costs of homes and keep the rebate amounts attractive for potential buyers. The board agreed that the suggested amounts put forward by Donney seemed reasonable and logical. Staff will

put together a clean version of Donney's suggestions and bring back for further discussion next month.

### **Chamber of Commerce Report**

Amy Bishop was present to give the chamber report. She noted that director Melissa Vander Plas had recently resigned the position and the board was in the process of interviewing for a new director. Erica Thilges was appointed to fill the remainder of Andy Batstone's chamber board seat. Becky Jones is assisting the chamber with social media. Related to events and projects, Bishop reported that they recently wrapped up the summer Alley Jam concert series, have Taste of the Trail approaching, and that the chamber is planning various beautification and signage projects. Additionally, the chamber is going to fix a broken sign at the visitor's center and are not hosting holiday fest this year in the traditional format. Wrapping up the report Bishop noted that they are reviewing the results of a recent member survey, considering a membership rate increase to assist with increasing costs and services, are working to recruit new volunteers.

### **Prospects/Community Update**

Kingsley inquired about the status of the Dollar General project. Swanberg reported that he did not have any new updates as no additional information had been reported to the city for some time. He noted that the city process is completed but that there may be some unresolved questions between private landowners.

Kinglsey inquired about the status of the Twin City Trimmers project in the industrial park. Giesen reported that in a recent conversation with the owner, the intention was still to get the building enclosed by the end of the year and finish the inside over the winter. He noted that because of supply chain issues and pricing, the project was slightly delayed from the original timeline but still on track to begin soon. He will follow up and keep members posted.

There was no other business.

Hearing no objections, Kingsley adjourned the meeting. The meeting adjourned at 9:53AM.

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