

AGENDA  
HARMONY ECONOMIC DEVELOPMENT AUTHORITY  
Regular Meeting

October 3, 2024  
7:30 AM

Community Center  
Council Room

1. Call to Order
2. Roll Call
3. Minutes: September 5, 2024 Meeting
4. Financial Reports and Claims
  - a. Allan Dahl Home Rebate Award
5. Business
  - a. Miners Underground Land Sale Public Hearing
    - i. "But For" Letter
    - ii. Purchase and Development Agreements
6. Reports
  - a. Chamber of Commerce Report
  - b. Prospects / Community Update
    - i. Project/Goals Ongoing Discussion
    - ii. Bike Trail Project Update
  - c. Member Open Forum
7. Other Business
8. Adjourn

# Harmony EDA Minutes

September 5th, 2024  
7:30 AM

Community Center  
Council Room

Present: Kerry Kingsley, Steve Donney, Greg Schieber, Michael Himlie, and Stuart Morem

Also Present: Ron Zeigler, Erica Thilges, Monica Thilges Corcham, Alissa Stelpflug, Alex Miner, Klayton Miner, Cyndi Ofstedal, Jill Huffman, Meghan Gill, and Chris Giesen

The regular meeting was called to order at 7:30 AM by Kerry Kingsley.

## **Minutes**

The board reviewed the minutes of the August 1, 2024 meeting. Motion by Himlie, second by Donney to approve the minutes as presented. Motion carried unanimously.

## **Financial Reports & Claims**

The Chamber of Commerce requested its bi-annual funding - \$15,000 invoice . The Chamber of Commerce also requested \$2,400 for the Photograph Harmony project per the EDA's previous approval. Giesen reported that the latest updated loan schedule was from 8/28/2024, but that there is nothing of note that would cause discrepancy in the week gap. No issues were anticipated. No new home rebates had been made or claimed. Motion by Schieber, second by Himlie to approve payment of the claims as presented. Motion carried unanimously.

## **Loan Request: TBD Vintage**

Giesen reviewed a request to fund a \$40,000 loan to TBD Vintage. Chris noted that the typical maximum loan is usually \$25,000 but because of the need and scope of the project, \$40,000 was requested. Owner Monica Thilges Cochran was present to discuss any questions. The request would fund approximately 8% of the cost needed for repairs at 605 Main Ave N, for the parking lot, handicap-accessibility, and revitalization of the pre-existing building, particularly the entrance. Once repairs are adequately performed on the property, a vintage mall will be opened in the space, complimenting the pre-existing New Generations of Harmony Vintage mall as a sister business. Cochran noted that there are vendors lined up to occupy the mall. Owner equity and bank loan would cover the remaining expenses. The loan committee had reviewed the particulars of the request and recommended approval. Loan terms requested were a 10 year term and 6.75% fixed interest rate. Motion by Morem, second by Donney to approve the loan as requested. Motion carried unanimously.

## **Land Sale: Miners Underground - Industrial Park Land Sale**

Giesen reviewed a request for a purchase of 2.4 acres of land to Miners Underground to build an industrial building located on Lot 2 Block 2 of Harmony Industrial Park 1st addition, as well as Lot 2 Block 1 Harmony Industrial Park 2nd addition. Owners Klayton Miner and Alex Miner were present to discuss any questions. K. Miner noted that this business headquarters would be the base of operation for about 20 employees. The board discussed the implications of options for purchase of the land and how best the timing would work for the building to be finished by the end of the year in anticipation of

operations beginning in this new headquarters by spring. The lot as priced is listed at \$100,000. The board discussed the merits of reducing the lot price in lieu of creating a new TIF district for the project would have a similar net effect on the cost of the lot for the developer and the total revenue collected for the lot sale by the EDA. The buyers wished to begin construction in October of this year which would be problematic for starting a new TIF district given the length of time it takes to establish. Consensus of the board was to inquire as to whether the existing TIF district for this property could be utilized, and if so, along with the startup and administrative cost savings the board was willing to consider a cash-out-of-pocket sale price of \$50,000. This was agreeable to the buyers as well.

Motion by Donney, second by Kingsley to call for a public hearing at the October 3, 2024 EDA meeting to consider the land sale, direct the city attorney to draft a purchase agreement for consideration, out of pocket sale price of the desired lots of \$50,000, to utilize existing TIF to the extent possible, and to require substantial completion of the proposed building by December 31, 2025. Motion carried unanimously.

### **Chamber of Commerce Report**

Erica Thilges was present to give the chamber report. The last Back Alley Jam in August was a success, and there was discussion on ideas for how it will look next year. Upcoming planning was discussed, with planning for fall and winter events being underway. The Photograph Harmony project first round of photos have been posted to the Chamber of Commerce Facebook page and are available for use of Harmony-related marketing. The rest of the photos taken will be posted within the next month. The board reviewed the latest financial report.

### **Prospects/Community Update**

Giesen reported that multiple businesses had been in touch with him recently to discuss expansion opportunities.

The Downtown Revitalization Program is open to applications and is being discussed with applicable businesses. The applications are due 11/1/2024 and will be presented at the following EDA meeting on 11/7/2024.

Giesen gave an update on the current status of the bike trail, including bidding on the second phase of construction and ordering of signage for the intown connection route.

Giesen thanked all for a wonderful past 15 years and wishes all well.

There was no other business.

Hearing no objections, Kingsley adjourned the meeting. The meeting adjourned at 8:37 AM.

The next regular meeting is scheduled for October 3, 2024 at 7:30 AM at the Community Center.

## Harmony Economic Development Authority New Home Construction Rebate Ledger

Original Project Funds	\$65,000
Total Funds Committed	\$183,750
Total Original Funds Remaining	(\$118,750)
Average Value Created (5 yr)	\$259,048
High EMV Created (5 yr Average)	\$ 415,150
Low EMV Created (5 yr Average)	\$ 60,800
Total # of Units	23
Total # of Structures	18

Address of Bldg	Name of Recipient	Phone	Rebate Approved	Date Approved	Expiration Date	Moving From	Spec?	Units	Claimed?	Estimated Value Created	Average Value	5 Year Payback - Actual	City Taxes	City	New Taxes Collected (All)	Total
615 3rd Ave SE	Paul Sikkink	507-273-4702	\$10,000	4/14/2016	4/14/2017	Rural Harmony, MN	No	1	X	\$218,900	282,580	\$ 17,422	\$ 17,422	\$ 5,395	\$ 4,560	\$ 27,376
515 3rd Ave NW	James & Tina Peters	507-886-2187	\$12,000	9/29/2016	9/29/2017	Harmony, MN	No	1	X	\$299,500	346,780	\$ 13,897	\$ 13,897	\$ 4,318	\$ 4,040	\$ 22,254
455 1st Ave SW	Andy Bunge	507-251-7952	\$10,000	9/28/2017	9/28/2018	n/a	Yes	4	X	\$395,233	415,150	\$ 10,793	\$ 10,793	\$ 3,414	\$ 3,226	\$ 17,433
830 3rd Ave SE	Hammel House & Co LLC	507-886-6666	\$10,000	4/12/2018	4/12/2019	n/a	Yes	1	X	\$195,100	238,750	\$ 7,213	\$ 7,213	\$ 2,267	\$ 1,977	\$ 11,456
740 6th ST SE	Joseph P. & Susan K. Hahn	507-458-0688	\$12,000	5/9/2018	5/9/2019	Harmony, MN	No	1	X	\$282,100	316,075	\$ 9,051	\$ 9,051	\$ 2,852	\$ 2,590	\$ 14,492
820 3rd Ave SE	Antis Schissel	563-581-9797	\$6,750	6/1/2018	6/1/2019	Rural Mabel, MN	No	1	X	\$160,328	200,450	\$ 5,568	\$ 5,568	\$ 1,755	\$ 1,663	\$ 8,986
725 3rd Ave SE	Richard Turner	651-238-5269	\$10,000	6/28/2018	6/28/2019	North Branch, MN	No	1	X	\$230,000	220,800	\$ 5,888	\$ 5,888	\$ 1,864	\$ 1,760	\$ 9,512
510 5th ST NE	Kinzee & Spencer Hovey	507-272-4655	\$12,000	11/29/2018	11/29/2019	Preston, MN	No	1	X	\$259,800	313,167	\$ 6,012	\$ 6,012	\$ 1,942	\$ 1,800	\$ 9,754
715 3rd Ave SE	Peter & Melinda Swartzentruber	507-421-8637	\$6,750	2/14/2019	2/14/2020	n/a	Yes	1	X	\$169,900	224,533	\$ 3,592	\$ 3,592	\$ 1,167	\$ 1,123	\$ 5,882
735 3rd Ave SE	Mike Sogla	952-239-1895	\$5,000	7/9/2019	7/9/2020	n/a	Yes	1	X	\$139,100	124,600	\$ -	\$ -	\$ -	\$ -	\$ -
155 1st Ave SW	Brent & Marie Hjelmeland	507-696-1358	\$2,000	10/30/2020	10/30/2021	n/a	REMODEL	1	X	\$87,100	87,100	\$ -	\$ -	\$ -	\$ -	\$ -
140 2nd Ave SW	Brent & Marie Hjelmeland	507-696-1358	\$2,000	10/30/2020	10/30/2021	n/a	REMODEL	1	X	\$60,800	60,800	\$ -	\$ -	\$ -	\$ -	\$ -
160 Wickett Drive NW	Allan Dahl	507-733-5473	\$10,000	7/1/2021	7/1/2022	n/a	Yes	1	X	\$225,900	--	\$ -	\$ -	\$ -	\$ -	\$ -
240 6th St SE	Alice Bigalik	507-261-5980	\$12,000	8/30/2021	8/30/2022	Harmony, MN	No	1	X	\$280,000	--	\$ -	\$ -	\$ -	\$ -	\$ -
345 5th Ave SE	Allan Dahl	507-733-5473	\$12,000	9/29/2022	9/29/2023	n/a	Yes	2	X	\$321,400	--	\$ -	\$ -	\$ -	\$ -	\$ -
835 3rd Ave SE	David and Laurie Opseth	507-259-8090	\$11,500	4/6/2023	4/6/2024	Wanamingo, MN	No	1	X	\$292,500	--	\$ -	\$ -	\$ -	\$ -	\$ -
625 6th ST SE	Roger Sanders	541-388-0990	\$20,000	4/27/2023	4/27/2024	Bend, OR	No	1	X	\$640,800	--	\$ -	\$ -	\$ -	\$ -	\$ -
347 5th ave SE	Allan Dahl	507-733-5473	\$17,750	2/29/2024	3/1/2025	n/a	Yes	2	X	\$404,400	--	\$ -	\$ -	\$ -	\$ -	\$ -

Totals: \$183,750 23 \$4,662,861 \$ 2,830,785 \$ 79,436 # \$ 79,436 \$ 24,971 \$ 22,738 \$127,145

**HARMONY ECONOMIC DEVELOPMENT AUTHORITY  
PUBLIC HEARING NOTICE**

**Sale of Land**

Notice is hereby given that the Harmony Economic Development Authority (EDA) is holding a public hearing to consider the sale of real estate at or shortly after 7:30 AM, Thursday, October 3, 2024 in the Council Room of the Harmony Community Center. The EDA is considering the sale of approximately 2.4 acres in the Harmony Industrial Park, City of Harmony, Fillmore County, Minnesota. Further information on the sale is available for review at the city offices during normal business hours. The public is invited to comment at the hearing or provide written comments prior to the hearing.

Alissa Stelpflug  
City Administrator



PO BOX 29  
610 MAIN AVE N  
HARMONY MN, 55939  
ADMIN@MINERSUNDERGROUND.COM

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Mayor Steve Donney  
Kerry Kingsley, EDA President  
City of Harmony  
225 3<sup>rd</sup> Ave SW  
Harmony, MN 55939

October 3, 2024

Re: Miners Underground Tax Increment Financing Request

Dear Mayor Donney and Mr. Kingsley:

As you know, our business Miner Underground is in need of additional office, warehousing, and shop space. We are interested in purchasing property from the Harmony Economic Development Authority in the Harmony Industrial Park. However, because of the high value of land and cost of public infrastructure, the acquisition price is prohibitive. We will not be able to move forward with this project without the assistance of tax increment financing.

If we move forward this project would construct a new corporate headquarters in Harmony, create a new tax base, and about 20 jobs that would be based in Harmony.

With the City and EDA's assistance, we look forward to our new home and future growth in Harmony. We are confident that this project will spark even more opportunities for the community and Miners Underground. Thank you for your consideration and support.

Sincerely, *Klayton Miner - CEO*  
*Klayton Miner*

*Alex Miner - COO*  
*Alex Miner*

Cc: Alissa Stelpflug; City Administrator

# PURCHASE AGREEMENT

09/13/24

THIS AGREEMENT is entered into by and between **MINERS, LLC**, a Minnesota limited liability company, d/b/a Miner Underground, Buyer, and **CITY OF HARMONY, ECONOMIC DEVELOPMENT AUTHORITY**, Seller.

**1. REAL PROPERTY:** Buyer agrees to purchase and Seller agrees to sell real property situated in the County of Fillmore, State of Minnesota, legally described as follows:

Lot 2, Block 2, Industrial Park First Addition, City of Harmony.

Tax parcel No. 15.0575.000  
Address: 940 2<sup>nd</sup> Ave NE, Harmony, MN 55939.

Lot 2, Block 1, Industrial Park Second Addition, City of Harmony

Tax parcel No. 15.0622.000

**2. PERSONAL PROPERTY AND FIXTURES:** No personal property is included in this transaction.

**3. PRICE & TERMS:** Seller has this day sold to Buyer for the sum of ONE HUNDRED THOUSAND and NO/100THS (\$100,000.00) DOLLARS, which Buyer agrees to pay in the following manner:

- (a) Earnest money herein paid of \$0.00;
- (b) \$50,000.00 paid through Tax Increment Financing District 1-8 within Municipal Development District No. 1, the resulting proceeds of which will be kept by the City to provide payment of \$50,000.00 of sales price; and
- (c) \$50,000.00 cash on the date of closing.

**4. DATE OF CLOSING:** Shall be on or before October 11, 2024.

**5. DATE OF POSSESSION:** Shall be on the date of closing, provided that all conditions of this agreement have been complied with.

**6. DEED:** Subject to performance by Buyer, Seller agrees to execute and deliver a merchantable Warranty Deed (to be joined in by spouse, if any) conveying marketable title to said premises subject only to the following exceptions:

- (a) Building and zoning laws, ordinances, State and Federal regulations.
- (b) Restrictions relating to use or improvement of property without effective forfeiture provisions.
- (c) Reservation of any minerals or mineral rights to the State of Minnesota.
- (d) Utility and drainage easements which do not interfere with present improvements.

- (e) Right of reverter whereby title to the real estate shall revert to Grantor in the event that Grantee fails to comply with and abide by the terms of the Development Agreement to be entered into by and between Grantor and Grantee at closing (mainly, finish construction on the proposed building within one year of the date of acquisition).

**7. REAL ESTATE TAXES:** Seller shall pay the real estate taxes due in 2024. Buyer shall pay the real estate taxes due in the year 2025. Neither Seller nor Seller's agent make any representation or warranty whatsoever concerning the amount of real estate taxes which shall be assessed against the property subsequent to the date of purchase.

**8. SELLER'S WARRANTIES:** Seller warrants that 1) buildings, if any, are entirely within the boundary lines of the property; 2) there is a right of access to the real property from a public right-of-way; 3) there has been no labor or material furnished to the real property for which payment has not been made; 4) the real property is not subject to a lien for Medical Assistance or other public assistance; and 5) there are no present violations of restrictions relating to the use or improvement of the real property. Seller shall remove all personal property not included herein and all debris from the premises prior to the possession date. All warranties contained in this paragraph 8 shall survive delivery of the deed or contract for deed.

**9. TITLE EVIDENCE:**

- (a) Seller shall deliver any abstract of title or a copy of any owner's title insurance policy for the Property, if in Seller's possession or control, to Buyer or Buyer's designated title service provider. Any abstract of title or owner's title insurance policy provided shall be immediately returned to Seller, or licensee representing or assisting Seller, upon cancellation of this purchase agreement; and Buyer shall obtain the title services determined necessary or desirable by Buyer or Buyer's lender, including but not limited to title searches, title examinations, abstracting, a title insurance commitment, or an attorney's title opinion at Buyer's selection and cost and provide a copy to Seller.
- (b) Buyer shall be allowed 15 days from the date of the purchase agreement for examination of said title and the making of any objections thereto, said objections to be made in writing or deemed to be waived. If any objections are so made Seller shall be allowed 120 days to make such title marketable. Pending correction of title the payments hereunder required shall be postponed, but upon correction of title and within 10 days after written notice to Buyer, the parties shall perform this agreement according to its terms.

**10. TITLE CORRECTIONS AND REMEDIES:** If said title is not marketable and is not made so within 120 days from the date of written objections thereto as above provided, this agreement shall be null and void, at option of Buyer, and neither principal shall be liable for damages hereunder to the other principal. All money theretofore paid by Buyer shall be refunded. If the title to said property be found marketable or be so made within said time, and Buyer shall default in any of the agreements and continue in default for a



period of 10 days, then and in that case Seller may terminate this contract and on such termination all the payments made upon this contract shall be retained by Seller and said agent, as their respective interests may appear, as liquidated damages, time being of the essence hereof. This provision shall not deprive either party of the right of enforcing the specific performance of this contract provided such contract shall not be terminated as aforesaid and provided action to enforce such specific performance shall be commenced within six months after such right of action shall arise.

**11. NOTICE REGARDING WELL:** It is understood and acknowledged by Buyer and Seller that there is not a well located on the premises.

**12. NOTICE REGARDING SEWAGE TREATMENT:** It is understood and acknowledged by Buyer and Seller that there is not a septic system or other private sewage treatment system located on the premises.

**13. NOTICE REGARDING METHAMPHETAMINE:** It is understood and acknowledged by Seller and Buyer that if there has been methamphetamine production on the premises, Seller has provided to Buyer the full disclosure required by Minnesota Statute § 152.0275 Subd. 2(m).

**14. NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information regarding the predatory offender registry and persons registered with the predatory offender registry under MN Statute 243.166 may be obtained by contacting the local law enforcement offices in the community where the property is located or the Minnesota Department of Corrections at (651) 361-7200, or from the Department of Corrections web site at [www.corr.state.mn.us](http://www.corr.state.mn.us).

**15. ADDITIONAL TERMS:**

- (a) **AS IS:** The above-described real estate is being purchased "**as is.**" Buyer has the right and duty to inspect the property, or to have the property inspected by a person of Buyer's choice, at Buyer's expense. Buyer also has the right to make a pre-closing inspection to determine that the property is in substantially the same condition as it is at the date of this agreement. **By signing this Contract, Buyer is acknowledging Buyer's acceptance of the property "as is."** Any warranties of physical condition of the property contained in this contract are void after closing. After closing Seller has no further liability or responsibility with respect to the condition of the property. This provision shall survive delivery of a deed or contract for deed.
- (b) **CONTINGENT ON FORMAL APPROVAL AFTER PUBLIC HEARING:** This transaction shall be contingent upon EDA and City Council approval after public hearing. If the EDA or City Council shall not approve the sale, this purchase agreement shall be cancelled and no further obligations shall exist between the parties.
- (c) **CONTINGENT ON DEVELOPMENT AGREEMENT:** This transaction shall be further contingent on Buyer, at closing, entering into a development agreement

with the EDA, outlining in greater detail Buyer's obligations to construct the planned building within one year of acquisition of the real estate and agreeing not to take any action that would jeopardize TIF district eligibility or recapture.

I, the undersigned owner of the above-described property and Seller, hereby agree to sell the above-described property for the price, terms and conditions stated above.

**ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF HARMONY**

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Seller: Kerry Kingsley, President  
Address: PO Box 488  
Harmony, MN 55939

\_\_\_\_\_  
Seller: Steve Donney, Vice President

I, the undersigned Buyer, hereby agree to purchase the above-described property for the price, terms and conditions stated above.

**MINER, LLC**

\_\_\_\_\_  
Date:

\_\_\_\_\_  
By: Klayton Miner  
Its: Manager  
Address: 610 Main Ave N  
Harmony, MN 55939  
Phone: (\_\_\_\_) \_\_\_\_\_  
Email: Klayton@minersunderground.com

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# **DEVELOPMENT AGREEMENT**

**BY AND BETWEEN**

**CITY OF HARMONY ECONOMIC DEVELOPMENT AUTHORITY**

**&**

**MINERS, LLC**

THIS AGREEMENT dated this \_\_\_\_\_ day of October 2024, by and between the ECONOMIC DEVELOPMENT AUTHORITY, CITY OF HARMONY (the “EDA”), a municipal corporation and MINERS, LLC, a Minnesota limited liability company, known as the “Developer” of the property legally described below.

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 to 469.133, the City of Harmony (“City”) has established Development District No. 1 (the “Development District”) and has adopted a development program therefor (the “Development Program”); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Sections 469.124 to 469.134 and Sections 469.174 to 469.1794, as amended (hereinafter the “TIF Act”) on September 14, 2021 the City established, within the Development District, Tax Increment Financing District No. 1-8 (the “Tax Increment District”) and has adopted a tax increment financing plan therefor (the “Tax Increment Plan”) which provides for the use of tax increment financing in connection with certain development within the Development District; and

WHEREAS, the Developer proposes to purchase from the EDA Lot 2, Block 2, Industrial Park First Addition and Lot 2, Block 1, Industrial Park Second Addition to the City of Harmony located in the County of Fillmore, State of Minnesota; and

WHEREAS, The Developer has requested tax increment financing assistance from the EDA to be used to buy down the Developer’s land cost; and

WHEREAS, to achieve the objectives of the Development Program and particularly to make the land in the Development District available for development by private enterprise in conformance with the Development Program, the City has determined to assist the Developer with the financing of certain costs of a Project (as hereinafter defined) to be constructed within the Tax Increment District as more particularly set forth in this Agreement; and

WHEREAS, the City believes that the development and construction of the Project, and fulfillment of this Agreement are vital and are in the best interest of the City, the health, safety, morals, and welfare of residents in the City, and in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted; and

NOW THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

**Section 1 Definitions:** In this Agreement, unless a different meaning clearly appears from the context:

- "Agreement" means this Agreement, as may be modified from time to time, amended or supplemented.
- "Authority" means the City of Harmony.
- "Benefit Date" means October 11, 2024.
- "City" means the City of Harmony, Minnesota, its successors and assigns.
- "County" means Fillmore County, Minnesota.
- "Developer" means Miners, LLC, or its permitted successors and assigns.
- "Development District" means the real property included in Development District No 1, heretofore established.
- "Development Program" means the Development Program approved in connection with the Development District.
- "Development Property" means the real property described above.
- "Events of Default" means an action by the Developer listed in Section 5.0 of this Agreement, which is not cured within the time period permitted in this Agreement.
- "Maturity Date" means the date that is earlier to occur of (a) the date the Termination Payment is paid to the Authority, or (b) the date that all TIF payments have been paid in full.
- "Project" means the construction of the building as detailed on the attached plans and specifications.
- "Project Area" means the geographic area within Municipal Development District No. 1.

- "Public Improvements" means the construction and/or installation of public streets, water, or sewer.
- "Site Improvements" or "Site Improvement Costs" mean the preparation of the project area including but not limited to demolition, excavating, grading, utility improvements, and/or parking lot improvements.
- "State" means the State of Minnesota.
- "Tax Increment" means 90% of the tax increments derived from the Development Property which have been received by the City in accordance with the provisions of Minnesota Statutes, Section 469.177, as amended.
- "Tax Increment Act" means Minnesota Statutes, Section 469.174 through 469.1796, as amended.
- "Tax Increment District" or "TIF District" means the City's Tax Increment District No. 1-8 located within the Development District, a description of which is set forth in the Tax Increment Financing Plan, which was qualified as an economic development district under the Tax Increment Act.
- "Tax Increment Financing Plan" or "TIF Plan" means the Tax Increment Financing Plan for Tax Increment District No. 1-8, as adopted September 14, 2021, and as amended.
- "Tax Official" means any County assessor; County auditor; County or State board of equalization, the commissioner of the Department of Revenue of the State or any State or federal district court, the tax court of the State or the State Supreme Court.
- "Unavoidable Delays" means delays, outside the control of the party claiming its occurrence, which are the direct result of strikes, other labor troubles, unusually severe or prolonged bad weather, acts of God, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state, or local governmental unit (other than the City) which directly result in delays.

## **Section 2 Representations and Warranties:**

2.1 The EDA represents and warrants that:

1. The EDA is a municipal corporation organized under the laws of the State.
2. The activities of the EDA are for the purpose of encouraging redevelopment of the project area, which is currently underutilized, and for promoting economic development and job opportunities.

3. The Tax Increment District is an "economic development district," within the meaning of Minnesota Statutes 469.174, subdivision 12, and was created, and adopted pursuant to the Tax Increment Act.
4. The development contemplated by this Agreement is in conformance with the development objectives set forth in the Development Program.
5. The EDA, to the best of its knowledge, represents and agrees that no member, official or employee of the EDA shall have any personal interest, direct or indirect in the Agreement, nor shall such member, official or employee participate in decision making relating to the Agreement which affects his/her personal interests. No member shall be personally liable to the Developer, or successors, in the event of any default or breach by the EDA for any amount, which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

2.2 The Developer represents and warrants that:

1. The Developer is a Minnesota limited liability company and has the power and authority to enter into this Agreement and to perform its obligations hereunder and doing so will not violate its operating agreement, or the laws of the State and by proper action has authorized the execution and delivery of this Agreement.
2. The Developer is in good standing under the laws of the State of Minnesota and is not in violation of any laws of the State of Minnesota, is duly authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery, and performance of this Agreement.
3. The Developer shall cause the Project to be constructed in accordance with the terms of this Agreement, the Development Program, and all local, state and federal laws and regulations (including but not limited to, environmental zoning, energy conservation, building code, and public health laws and regulations).
4. The construction of the Project would not be undertaken by the Developer, and in the opinion of the Developer would not be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.
5. The Developer will use its best efforts to obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet in a timely manner all requirements of applicable local, state and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.
6. Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions, or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party of by which it is bound, or constitutes a default under any of the foregoing.

7. The Developer will cooperate fully with the City with respect to any litigation commenced with respect to the Project.
8. The Developer will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Project.
9. The Developer acknowledges that Tax Increment projection contained in the Tax Increment Financing Plan are estimates only and the Developer acknowledges that it shall place no reliance on the amount of projected Tax Increments and the sufficiency of such Tax Increments to reimburse the Developer for a portion of the costs of the acquisition of the Development Property and Site Improvements as provided in Section 3.
10. Other:
  - a. It has not received notice or communication that the activities of the Developer or EDA with respect to the development will be in violation of any environmental law or regulation.
  - b. There are no other state or local government agencies providing financial assistance for the Project other than the EDA.
  - c. There is no parent corporation of the Developer.
  - d. It does not appear on the Minnesota Department of Employment and Economic Development's list of recipients that have failed to meet the terms of a business subsidy agreement.
  - e. They are in compliance with federal immigration laws governing the rights of individuals to work in the United States.

### **Section 3    Agreements**

3.1    The EDA agrees to the following:

1. Price: The EDA shall sell the property described above to the developer for \$100,000.00 and shall accept partial payment therefore by receipt of the tax increments generated by the property development up to \$50,000.00 as those payments are made to the City in future years and the balance of \$50,000.00 being payable by Developer in cash on the date of closing.
2. Taxes: The EDA shall pay for all current tax assessments against the real estate due in the year 2024.

3.2 The Developer agrees to the following:

1. Project: The Developer shall proceed with construction of a commercial/industrial building according to the specifications in the building plans attached as Exhibit A. Developer agrees to construct the building in substantial conformity to the plans as presented, as a minimum baseline. Developer may make changes to the plans that increase the prospective value of the building or real estate. The building construction shall begin by December 1, 2024 and shall be substantially completed by December 31, 2025.
2. Improvement Costs: The costs to develop the Property and the construction of the Site Improvements shall be paid by the Developer.
3. Reporting. The Developer shall provide the EDA supplementary data required including proof of title to the land, copies of paid invoices or other evidence that the Developer has incurred the redevelopment expenses and any other documents required to complete annual tax increment financing reports to the Department of Revenue, Department of Trade and Economic Development, and State Auditor's Office.
4. Business Subsidies Act: The value of assistance is less than \$150,000. The assistance given in this Agreement is not considered a business subsidy under Minnesota Statutes, 116J.993 to 116J.995 (the "Business Subsidy Act").
5. Hazardous Materials: The Developer agrees that the Development Property shall not be used for the storage, treatment or disposal of any environmentally hazardous waste or materials in violation of, or non-compliant with any applicable laws or regulations.
6. Business Continuation: The Developer agrees to cause business operations to continue on the Development Property for at least five (5) years after the Benefit Date.
7. Payment of Taxes: During the term of this Agreement, the obligation of Developer to pay real estate taxes shall be absolute and unconditional irrespective of any defense or right of setoff, recoupment, or counterclaim that Developer might have against City or any other government body or person.
8. Assessment Challenge Prohibited: During the term of this Agreement, Developer shall not object to or challenge the Fillmore County Assessor's estimated market value assigned to the premises.
9. Additional Public Improvements: The Developer acknowledges that in the future additional public improvements may be installed that benefit the Development Property. The Developer agrees to waive its right to challenge the special assessments for such additional public improvements.

#### **Section 4 Prohibitions Against Assignment and Transfer; Indemnification.**

- 4.1 The Developer represents and agrees that the execution of this Agreement is for the purpose of development of the property and not for speculative land holding.



- 4.2 In the event the Developer, upon transfer or assignment of the Development property or any portion thereof, seeks to be released from its obligations under this Development Agreement as to the portions of the Development Property that is transferred or assigned, the EDA shall be entitled to require, as conditions to the release that:
1. Any proposed transferee shall have the qualifications and financial responsibility necessary and adequate to fulfill obligations undertaken in this Agreement by the Developer as to the portion of the Development Property to be transferred.
  2. Any proposed transferee, by written recordable form, satisfactory to the EDA, shall have expressly assumed all the obligations of the Developer under this agreement. In the absence of written agreement, no such transfer or approval by the EDA shall be deemed to relieve the Developer, or any other party from its obligations.
  3. Any and all documents involved in the transfer of any interest in this Agreement shall be in a form reasonably satisfactory to the EDA.
- 4.3 EDA is not required to release Developer from its obligations under this Agreement if EDA is not satisfied the conditions above have been adequately met.
- 4.4 Indemnification: The EDA and the governing body members, officers, agents, and employees thereof shall not be liable for any damage or injury to persons or property of the Developer or its agents or employees or any other person who may be on the Development Property. All agreements of the EDA herein are agreements of the EDA and not of any governing body member, officer, agent, or employee of the EDA in the individual capacity.

## **Section 5 Events of Default:**

- 5.1 Events of Default Defined: The following shall be considered "Events of Default" under this Agreement and the term "Event of Default" shall mean whenever it is used in this Agreement any one or more of the following events:

1. Failure by the Developer to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement or Developer's obligations in the Purchase Agreement between EDA and Developer dated \_\_\_\_\_, 2024, incorporated herein by reference.
2. Failure to pay real property taxes, assessments, special assessments or other City charges on the Development Property or any part thereof by the date due to Fillmore County or the City of Harmony.
3. The holder of any mortgage on the Development Property or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default under the applicable mortgage documents.
4. If the Developer shall:
  - a. file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United State Bankruptcy Act of 1978; as amended or under any similar federal or state law; or
  - b. make an assignment for the benefit of its creditors; or
  - c. admit in writing its inability to pay its debts generally as they become due; or
  - d. be adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof; or a receiver, liquidator or trustee of the Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within sixty (60) days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.
5. Sale, transfer, or assignment of the Development Property by the Developer prior to maturity, without prior written approval of the EDA.

5.2 Remedies of Default: Whenever any Event of Default referred to in Section 5.1 occurs and is continuing, the EDA, as specified below, may take any one or more of the following actions after the giving of thirty (30) days' written notice to the Developer, but only if the Event of Default has not been cured within said thirty (30) days:

1. Suspend its obligations under this Agreement until it receives assurances from the Developer, deemed adequate by the EDA, that the Developer will cure its default and continue its performance under this Agreement.
2. Cancel and rescind this Agreement.

3. Take whatever action necessary, including legal suit to recover the lost TIF proceeds from Developer should Developer fail to pay the real estate taxes during any period this Agreement is in effect.
  4. Exercise the right to cancel the sale and retake the real estate under Minn. Stat. 469.105.
  5. These rights are non-exclusive and may be exercised concurrently.
- 5.3 No Remedy Exclusive: No remedy herein conferred upon or reserved to the EDA is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.
- 5.5. No Implied Waiver: In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.
- 5.6 Agreement to Pay Attorney's Fees and Expenses: Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due to or to become due for the enforcement or performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that it shall, on demand therefor, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

## **Section 6 Additional Provisions**

- 6.1 Restriction on Use: Until termination of this Agreement, the Developer agrees for itself, its successors and assigns and every successor in interest to the Development Property, or any part thereof, that the Developer and such successors and assigns shall operate, or cause to be operated, the Project as a corporate headquarters and shop for underground boring business and shall devote the Development Property to, and in accordance with, the uses specified in this Agreement.
- 6.2 Conflicts of Interest: No member of the governing body or other official of the EDA shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the EDA shall be personally liable to the EDA in the event of any default or breach by the Developer or successor or on any obligations under the terms of this agreement.

6.3 Titles of Articles and Sections: Any titles of the several parts, articles and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

6.4 Notices/Recording: Any communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or personally delivered and:

1. In the case of the Developer, is addressed to or delivered to the Developer at:

MINERS, LLC  
PO Box 29  
HARMONY, MN 55939

2. In the case of the EDA, is addressed to or delivered to:

EDA, CITY OF HARMONY  
ATTN: CITY ADMINISTRATOR  
PO BOX 488  
HARMONY, MN 55939-0488;

Or at such other addresses with respect to each party, from time to time, is designated in writing.

6.5 Counterparts: This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrumented.

6.6 Law Governing: This Agreement will be governed and construed in accordance with the laws of the State.

6.7 Recording: The EDA shall record this Agreement and any amendments with the Fillmore County Recorder. The Developer shall pay for all costs for recording. The terms and provisions of this Agreement shall be deemed covenants running with the Development Property and shall be binding upon future owners/successors.

**Section 7 Maturity:** This agreement shall expire on the earlier of (i) December 31, 2035, (ii) the date the TIF Note is paid in full or (iii) the date this Agreement is terminated or rescinded in accordance with its terms.

IN WITNESS OF THE ABOVE, the parties have caused the Agreement to be executed on the date and year written above.

**City of Harmony EDA:**

**Developer:**

\_\_\_\_\_  
By: Kerry Kingsley  
Its: President

\_\_\_\_\_  
By: Klayton Miner  
Its: Manager

By: Steve Donney  
Its: Vice President

STATE OF MINNESOTA     )  
  ) ss.  
COUNTY OF FILLMORE     )

On this \_\_\_\_\_ day of October 2024, before me a Notary Public within and for said County, personally appeared Kerry Kingsley and Steve Donney, to me personally known, who being by me duly sworn, did say they were the President and Executive Director of the EDA of Harmony, respectively, as named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said entity by authority of the EDA and they acknowledged said instrument to be their free act and deed on behalf of the EDA.

NOTARIAL STAMP

\_\_\_\_\_  
Notary Public

STATE OF MINNESOTA     )  
  ) ss.  
COUNTY OF FILLMORE     )

On this \_\_\_\_\_ day of October 2024, before me a Notary Public within and for said County, personally appeared Klayton Miner as Manager of Miners, LLC, a Minnesota limited liability company, to me personally known, who being by me duly sworn, did say they are the Developer of the property described herein, as named in the foregoing instrument, and that the instrument was signed of their free act and deed.

NOTARIAL STAMP

\_\_\_\_\_  
Notary Public

THIS INSTRUMENT DRAFTED BY:  
  
NETHERCUT SCHIEBER PA  
32 Main Avenue North | PO Box 657  
HARMONY, MINNESOTA 55939-0657  
507.886.6131 | Fax 866.576.3826

## EXHIBIT A

### Commercial New Construction – Valuation Estimate

In order for our office to provide an estimate of valuation for ad valorem tax assessment purposes we will need you to provide the following information:

**Proposed Use of Property** (Type of Business): Construction  
**Type of Construction:** Wood Pole Frame.  
Foundation (concrete, block, pole, etc): Concrete  
Wall Structure (frame, concrete, steel, panelized, etc): Frame  
Exterior Wall Covering (wood, steel, brick/stone, stucco, panelized): Steel  
Floors (concrete, wood/jolsted, etc): Concrete  
Finished Flooring (concrete, carpet, ceramic, vinyl, etc): Vinyl  
Roof Structure (flat, pitched, gabled, hip, etc): Pitched  
Roof Cover (asphalt/fiberglas shingles, steel, composite, membrane, etc): Steel  
Total Square Footage: ~~4,800~~ 4,800  
# Stories: 1  
Wall Height(s): Main Floor: 18 Second Level: — Office: 10 Other: —

### Mechanical Information

Heat (forced air, hot water/steam, in-floor, radiant, etc): Radiant / Forced - A/C  
Electrical (# amps, 110/220 Volt, 3-phase): 3-Phase  
Plumbing: 1-Bathroom, No Showers, Multiple Sinks,  
Elevators (if any)(height/# floors, capacity): NO-

### Use of Space (Estimated Square Footage of Each)

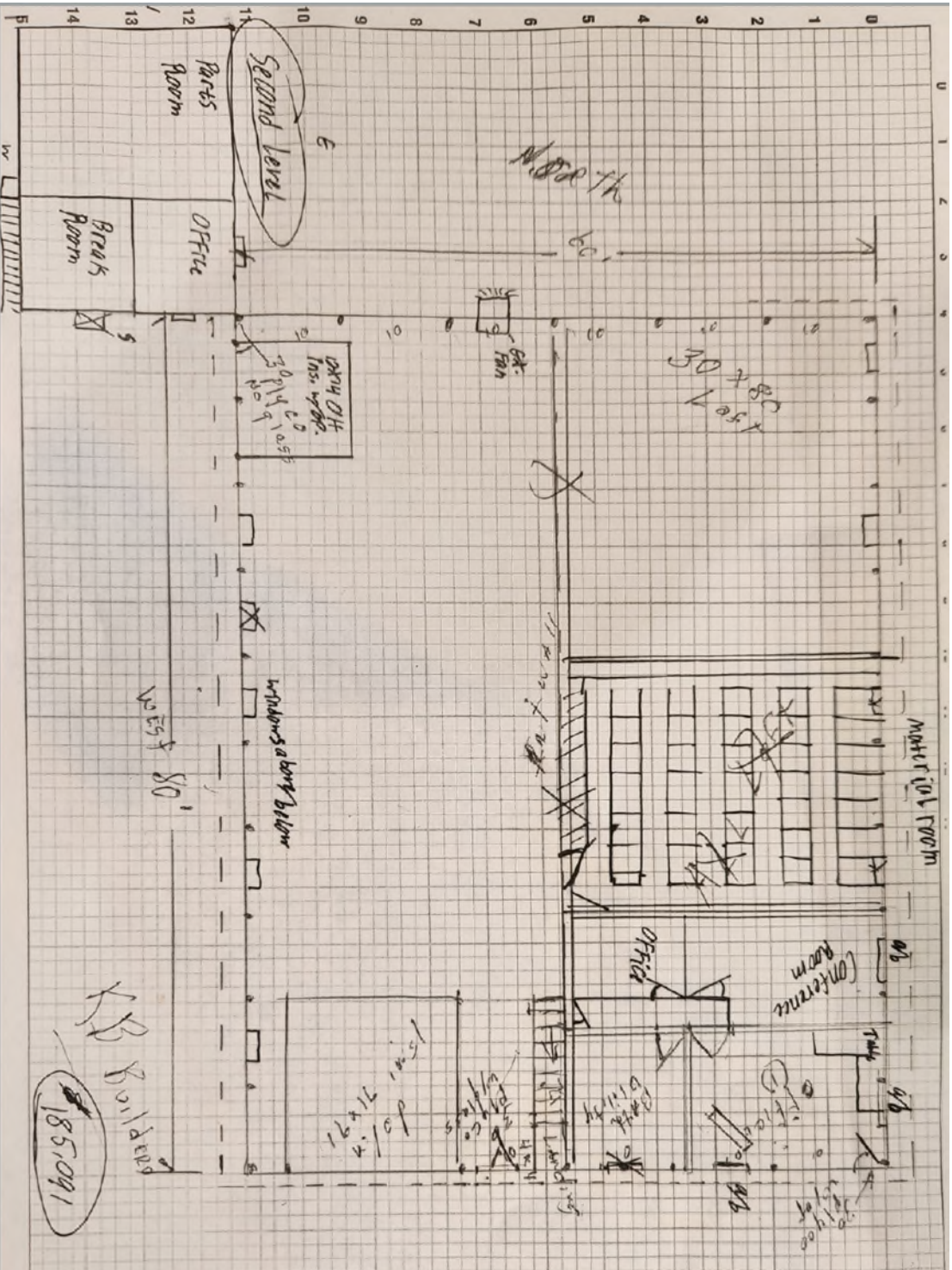
Office: 400  
Production: 4,400  
Storage: outside / lean to.  
Other: —

### Lodging Facilities

Brief Description of Type of Lodging Facility: (hotel, motel, B&B, etc) None  
Total Square Footage: \_\_\_\_\_  
# of Units & Type: Standard Room: \_\_\_\_\_ Suites: \_\_\_\_\_ Extend Stay/Kitchen: \_\_\_\_\_  
Square Feet per Unit: \_\_\_\_\_  
Square Footage of Common Areas (lobby, laundry, meeting rooms, exercise/pool area): \_\_\_\_\_  
Amenities (ie: pool, sauna, exercise room): \_\_\_\_\_

Signature: [Signature] Title: CEO Date: 08/23/2021

\*\*\*Note: You Must Provide a Sketch w/Dimensions, a Copy of Floor Plans or Blueprints.



4707 County Rd 7 SE, Elyria, MN 55934  
 (507) 545-3900 - Fax: (507) 545-3901  
 www.chatfieldlumber.com

MIVERS UNDERG

1-507-460-9122

60x80x18

24" OH & 2x3

12' CH (J) 6x6

2-30 Plyce

2- w/ glass for no

HOUSE WRAP

PEEP FOR CRAW

~~DRY OH. INS.~~

2x3 w/ 2x3

22 wds - 11 WP

OPTION 1031 w/ 11 wds

PICTURE FRAME IN

OPTION 30x80x9

INTERIOR WALLS w/ SHEETROCK OFFIC