

Harmony Economic Development Authority

2025 Annual Activity Report (12 months ending December 31, 2025)

The Harmony EDA meets regularly on the first Thursday of each month at 7:30 AM at the Community Center. Special meetings are held as needed to accommodate time-sensitive projects or community engagement events.

Meeting frequency:

| | Meeting Frequency | | | | | |
|------|-------------------|---------|-----------|-----------|---------------|--|
| | Regular | Special | No Quorum | Cancelled | Informational | |
| 2025 | 13 | 1 | 0 | 0 | 1(Town Hall) | |
| 2024 | 12 | 1 | | | | |
| 2023 | 12 | 1 | | | | |
| 2022 | 12 | 4 | | | | |
| 2021 | 12 | 0 | | | | |
| 2020 | 11 | 1 | | | | |

Meeting attendance record:

| Member | | Meeting Dates | | | | | | | | | | | | |
|-------------|---------------|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|
| | | 1/2 | 1/6 | 2/6 | 3/6 | 4/3 | 5/1 | 6/5 | 7/3 | 8/7 | 9/4 | 10/2 | 11/6 | 12/4 |
| K. Kingsley | President | X | X | X | X | X | X | X | X | X | X | X | X | X |
| G. Schieber | City Attorney | X | X | X | X | X | X | - | X | X | X | X | X | X |
| S. Morem | Member | X | X | X | X | X | X | X | - | X | - | X | X | - |

| | | | | | | | | | | | | | | | |
|-------------|---------|-----|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| K. Scheevel | Council | - | - | X | X | X | X | X | X | X | X | X | X | X | X |
| M. Himlie | Council | X | X | X | X | X | - | - | X | - | - | - | - | - | - |
| K. McIntosh | Council | N/A | A | N/A | X | X | X | X |
| S. Donney | Mayor | X | X | - | - | N/A |

Project Highlights:

- **Downtown Revitalization Program**
 - Approved \$35,205.52 in revitalization grants:
 - Farm Charm: \$9,587
 - Mason Weedman: \$25,618.52
 - Continued compliance monitoring of active agreements.
 - Bishop project remained on track for a September opening
- **Industrial Park Development**
 - Sinkhole mapping and feasibility analysis presented by Stantec.
 - Board approved contracting for a concept plat to continue expansions.
 - Phase 1 environmental review recommended.
 - MnDOT access questions pending.
- **Childcare Support**
 - Supported Harmony Kids Learning Center's USDA preschool classification effort.
 - SMIF Promise Act grant assistance
 - Potential \$70,000 reimbursement
 - Pending approval/denial
 - Received 637 applications so the process has been extended
- **Chamber of Commerce Partnership**
 - Co-hosted Family Leave Act informational session
 - 21 attendees
 - Supported major events:
 - Fall for Harmony
 - Haunted Harmony
 - Holidays in Harmony
 - Ongoing recruitment challenges for Chamber board
- **Data Center Ordinance**

- o Multi-phase ordinance development underway
- o Joint Planning and Zoning, Council, and EDA session held
- o Legal and conservation review scheduled once 3rd phase is completed
- **General Community and Business Support**
 - o Business outreach, Lunch and Learn planning, and RLF consultations.
 - o Rolling Hills Transit survey distributed via utility bills, online, and in person.
 - o Supported multiple grant applications for public improvements.

Revolving Loan Fund Summary:

- **General Updates**
 - o Bee Balm paid off loan in full (October 2025)
 - o All other borrowers current
 - o Forgave one loan
 - David Barrett
 - Removal from portfolio correction
 - Remaining interest balance forgiven
 - o June 2025
- **Interest Rate Policy Update**
 - o 3% interest rate for loans $\leq \$25,000$
 - o Loans $> \$25,000$ negotiable by EDA board
 - o All existing borrowers offered refinancing opportunity
 - o Notices sent in December 2025

Grant Awards:

- **SMIF Small Town Grant**
 - o Awarded \$10,000 grant for the Harmony Area Historical Society to create educational material for an interactive exhibit within the soon to be updated and renovated McMichael Grain Elevator
- **Minnesota Historical Society Large Legacy Grant**
 - o Awarded \$104,901 for the Harmony Area Historical Society to remodel the historic McMichael Grain elevator and begin the process of transforming the building into an interactive educational exhibition.
- **Taylor Family Farms Foundation**
 - o Awarded \$30,000 for the Trailhead Park playground to be transformed into an ADA compliant playground

Total grants received: \$114,901

Grants Pending:

- Solar panel light grants
- SMIF Promise Act (childcare)
- Harmony Area Community Foundation- Only need to apply to receive matching funds from the Give to the Max drive: ADA compliant playground

General Business Assistance/Other:

- Worked with 33 individual current and/or prospective businesses in regards to projects, questions, issues, programs, business planning, financial packaging and other general assistance.
- Coordinated with SMIF for grant opportunities.
- Supported Chamber of Commerce events, including Seed and Stone ribbon cutting.
- Participated in countywide planning and data center education forums
- Hosted online Zoom watch party at community center for SMIF Data Center forum

Annual Program Review:

- Annual review of RLF Policies and active program guidelines to ensure effectiveness and ease of use.
 - Updated RLF Policies to include the new 3% interest rate to ensure equitability for new business owners
- Approved conversion of applications into fillable PDFs for accessibility.
- Updated website to reduce spam inquiries for Home Rebate Program.

Memberships:

- Harmony Area Chamber of Commerce
- MN DEED Economic Development Professionals

Fillmore County Property Valuation Change:

- Estimated Residential Valuation Change:
 - Harmony +2.5% to +3.5%
 - Preston +1.1%
 - Spring Valley +0.9%
 - Chatfield +6% to +8%

- Countywide average: +5.1%
 - Harmony's residential property valuations for 2025 rose by approximately 2.5% to 3.5%, marking a significant slowdown from the double-digit increases observed in 2022 and 2023. The city's median listing home price in May 2024 was \$144,300, making it the most affordable city in Fillmore County, with a listing price per square foot of \$102. The Board of Appeal and Equalization meeting held in April 2025 provided property owners with an opportunity to contest valuations, but no major corrections were reported. The Fillmore County Assessor's Office attributes Harmony's modest valuation increase to a combination of stabilized demand, limited new construction, and a balanced inventory of homes for sale.
 - Fillmore County's assessment quality for the 2025 year is supported by robust sales ratio studies and low coefficients of dispersion. The county's median sales ratio for residential properties is 93.61%, with a COD of 8.36, both well within the Minnesota Department of Revenue's recommended ranges. These indicators demonstrate that property assessments are both accurate and uniform, minimizing disparities between appraised values and actual sales prices.
 - The county's performance measures, as reported in the annual Truth-in-Taxation hearing, confirm that the goal to keep the median ratio between 90% and 105% for residential, commercial, and agricultural classifications was met for residential and agricultural properties, with a slight miss on the commercial/industrial classification.
- Taxable Market Value and Certificate of Taxes Levied:
 - The total taxable market value for Fillmore County in 2025 is \$2,801,575,116, with residential properties accounting for \$280,778,578 and agricultural land comprising \$2,089,770,210. The county's Certificate of Taxes Levied (CTL) reflects a stable distribution of the tax base, with residential properties representing approximately 10% of total value and agricultural land making up 74.6%. The county's total levy for 2025 is \$13,729,152, with a per capita levy of \$646.75.
 - The Fillmore County Board approved a final levy increase of 4.468% for 2025, below the original proposed increase of over 9%. The reduction was made possible by lower-than-expected health insurance costs and careful budget management. The county's debt service levy remains low, at 2.12% for 2023, and the overall budget priorities include highway, airport, and

sanitation projects, as well as continued investment in mental health services and infrastructure.

- Truth in Taxation Notices and Local Levy-Setting Outcomes:
 - Truth-in-Taxation (TNT) notices were mailed to Fillmore County property owners in November 2024, providing detailed estimates of proposed 2025 property taxes and opportunities for public input at local hearings. The TNT process is mandated by Minnesota law and is designed to enhance transparency and public participation in the levy-setting process.
 - The Fillmore County TNT hearing, held on December 2, 2025, reviewed departmental budgets and performance measures, with no public comment on the proposed levy. The final levy for 2026 was approved at \$14,551,646, representing a 5.99% increase over the 2025 levy. The county's approach to budgeting emphasizes efficiency, collaboration, and responsiveness to legislative changes, including the Minnesota Paid Leave Act and succession planning for key positions.
- Regional Housing Market Indicators:
 - Regional housing market data from Zillow and local MLS sources confirm the trends observed in Fillmore County. The average home value in Preston is \$273,342 (+1.1% year-over-year), while Spring Valley's average is \$225,124 (+0.9%). Chatfield and Fountain command higher median prices, at \$331,000 and \$313,000, respectively, reflecting their status as top-value markets in the county.
 - Fillmore County's housing market is characterized by a high percentage of fully paid-off homes (4,972) and low distress rates, with only 17 properties in pre-foreclosure and 211 involuntary liens. The average loan-to-value ratio is 19.4%, indicating strong equity positions for most homeowners.
- Comparison to Neighboring Counties (Winona, Houston, Mower):
 - Neighboring counties such as Winona, Houston, and Mower experienced similar trends in residential property valuations for the 2025 assessment year. Winona County's city tax base followed the statewide trend, with residential property valuations increasing 5–17% depending on jurisdiction. The City of Winona itself saw a +7% valuation increase, contributing significantly to countywide growth.
 - Houston and Mower counties reported moderate increases in residential values, consistent with the Southeast Minnesota regional average of 5.1%. The convergence of valuation trends across counties reflects shared market dynamics, including stabilized demand, limited new construction, and the impact of recent sales on assessment practices.
- Impact of Statewide Levy Increases on Fillmore County City Levies:

- The statewide increase in city levies has a direct impact on Fillmore County's city levies, with local governments adjusting their budgets and tax rates to align with broader trends. Preston's final levy increase of 5.53% is below the statewide average of 7.7%, while other cities such as Chatfield and Fountain approved higher increases in response to local needs and market conditions. The distribution of levy increases across jurisdictions reflects differences in health insurance costs, employee compensation, infrastructure investments, and state aid allocations.
- Drivers of Valuation Changes: Housing Demand, New Construction, and Market Trends:
- Commentary from the Minnesota Department of Revenue and Fillmore County Assessor's Office highlights several key drivers of valuation changes for the 2025 assessment year:
 - Housing Demand:
 - Demand for residential properties in Fillmore County has stabilized after the post-pandemic surge, with fewer new listings and a balanced supply-demand dynamic. The market remains attractive to buyers seeking affordable homes and high equity positions.
 - New Construction:
 - Limited new construction activity contributed to moderate increases in property values, with most jurisdictions reporting only incremental additions to the housing stock.
 - Market Trends:
 - The cooling of the housing market, rising interest rates, and inflationary pressures on household budgets have tempered the pace of valuation increases. The county's median home sale price and AVM values reflect a shift toward normalization after two years of rapid appreciation.
 - Assessment Practices:
 - The Fillmore County Assessor's Office emphasizes the importance of accurate and uniform assessments, supported by robust sales ratio studies and regular physical inspections. The use of comparable sales, cost approaches, and income capitalization methods ensures that valuations reflect true market conditions.

Economic Development Authority's Financial Impact on Harmony:

(Excluding loan repayments & fund interest earnings)

| | 2025 |
|--|----------------------------------|
| Total Grants Received: | \$114,901 |
| Total Loans Made: | \$100,000 |
| Total Revitalization Grants Awarded: | \$35,205.52 |
| Total Short Term Project Revenue Leveraged: | N/A |
| Total Long Term Project Revenue Leveraged: | \$4,000 (industrial park) |
| Total Dollars Leveraged for Harmony | \$154,406.52 |
| Total City Levy: | \$1,015,307(Preliminary) |

Notes

- EDA President Recognition
 - Kingsley recognized for 12 years of service and 100% attendance
- Grants:
 - \$114,901 in total grant funding secured in 2025.
- Revenue Leveraged:
 - Short-term (Rolling Hills Transit) and long-term (Industrial Park Concept Plat) projects significantly expanded impact.
- Total Dollars Leveraged:
 - Over \$150,000 in combined grants, loans, and leveraged project funding.
- Investments:
 - Advanced Industrial Park concept plat mapping (\$4,000 investment).
- Growth:
 - Maintained RLF repayments and prepared for fund growth in 2026.