

Economic Development Authority
Regular Meeting
Wednesday, June 16, 2021
City Council Chambers

1. EDA Agenda - June 16, 2021

Documents:

[EDA AGENDA 06-16-2021.PDF](#)

2. Roll Call: Cowell, DeVinny, Mensink, Peterson, Raney, Voss

3. Approval Of Minutes: May 19, 2021

Documents:

[EDA MINUTES 05-19-2021.PDF](#)

4. Treasurer's Report

Documents:

[3. TREASURERS REPORT MAY.PDF](#)

5. Loan Report

Documents:

[4. LOAN REPORT MAY.PDF](#)

6. Reports

6.I. OACCT Report

Documents:

[5. A. OACCT REPORT.PDF](#)

6.II. OABDC Report

Documents:

[5. B. OABDC REPORT.PDF](#)

6.III. EDA Report

Documents:

[5. C. EDA REPORT.PDF](#)

7. Old Business

7.I. Streetscape Project

8. New Business

8.I. 216 North Oak Avenue

9. Other Business

10. Schedule Next Meeting - July 21, 2021

11. Adjournment

Economic Development Authority

Regular Meeting

Wednesday, June 16, 2021

4:00 PM

City Council Chambers

Agenda

1. Roll Call
2. Approval of Minutes: May 19, 2021
3. Treasurer's Report
4. Loan Report
5. Reports
 - a. OACCT
 - b. OABDC
 - c. EDA Projects
6. Old Business
 - a. Streetscape Project
7. New Business
 - a. 216 North Oak Avenue
8. Other Business
9. Schedule Next Meeting – July 21, 2021
10. Adjournment

EDA
Minutes
May 19, 2021

The Owatonna Economic Development Authority met in regular session at 4:00 PM at the City Council Chambers with Vice President Voss presiding. Commissioners Present: Andrew Cowell, Brenda DeVinny, Corey Mensink, Tom Peterson, and Doug Voss. Also present were Troy Klecker, Greg Kruschke, Bill Owens, Brad Meier, and Kristen Kopp.

Approval of Minutes. Commissioner Mensink moved approval of the minutes of the April 21, 2021 meeting with second by Commissioner Peterson. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Troy Klecker presented the revenue and expense reports for April. He said that, minus the tourism dollars that flow in and out of the EDA budget, everything else is on par for the year. Tourism is down and there tends to be a lag in the payments for some of the hotel properties.

Loan Report. Bill Owens presented the Loan Report for April. He said that there is one past due loan. He was told it was supposed to be current, but he is not sure if they are. He will check. The EDA approved a new loan for Grant Vesterby last month, a Tier 1 and Tier 2 loan, which is exciting. He gave an update on the 2019 Forgivable Loan Program. Because of unused loans, there is \$30,000 remaining for exterior loans and \$30,000 remaining for interior loans. There is a difference between the caps and what was actually approved. Klecker's Kreation's was approved, but they are still looking for a contractor. He said he talked to Grant Schultz about Costa's. Their project still needs State approvals, but hope to wrap up this fall. Klecker said that the Johnsons have decided to not pursue that project, which frees up some funds. Al Martin is making progress on his projects. Klecker said that they could probably have three more interior and three more exterior forgivable loans. There are others who are interested and he wanted to check with the EDA. Mensink asked if they would advertise for it. Klecker said he wasn't sure if they'd advertise, but people approach us. He said that they may want to go back to Grant Vesterby, because he was told that all of the forgivable loans were accounted for at that time. Kruschke said that there were a couple others who were told there weren't funds. Voss said this seems to be one of the most effective things they've done. Klecker said that they could say that, starting June 1st, there are leftover dollars available. Mensink said he'd be in favor of a process something like that, like a third phase of the program. He asked if they'd want to hold back the \$30,000 and wait until the Streetscape is going. Klecker said he likes that idea, but there are people who are looking to do something now. They could do both. He'd make anyone who has talked to us about it aware that it's available. The Commissioners agreed to redeploy the \$30,000 for interior and \$30,000 for exterior forgivable loans on July 1st. Mensink asked if there was any merit to changing it to \$5,000. Cowell said he'd like to keep it at \$10,000, A motion was made by Peterson and seconded by Cowell for the 2019 Forgivable Loan Program to be closed and for the excess \$30,000 for exterior and \$30,000 for interior to be used to fund an identical program starting July 1st and for the City to proactively make those who have inquired in the past aware of available dollars. All Commissioners voting Aye, the motion passed.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for April. He said that Signing Day is a week from today at Torey's. This is for students going directly into the

workforce. The coronavirus information is dated because of all the changes. The big thing is the PPP taxes. He said they're getting close to finalizing the Streetscape PR for downtown businesses. The deadline is to have it done before the June 3rd groundbreaking. Workforce has been the crisis issue of the day. They are partnering with Tri-M to get some information out there. There are bountiful opportunities here – 1,600 job openings. Cowell asked what has been pushed out for restaurant owners as there are funds available specifically for restaurants. Meier said it's been pushed out to members and on social media. Peterson asked if the City holds licenses on everyone who can serve food. Klecker said they do not; there is a liquor license, but no other business license. Meier said he thinks they have a pretty good list of restaurants. Cowell said that it was buried deep in the American Recovery Bills, so not as many restaurant owners know about it. Voss said that the downtown marketing during the Streetscape is a big deal. Mensink asked if the advertising with Tri-M a multifaceted approach, including digital. Meier said that they will create the concept and use it in their normal means. He said to do a full campaign will take some dollars, so for now they are creating a concept. Mensink said that he loves the concept. We're seeing a lot of folks looking for communities to live in. Meier said that they're also working on a consistent marketing message for Owatonna. Mensink said that will be powerful. Cowell said that there were seven billboards for businesses in Owatonna who are hiring between here and Lakeville. DeVinny said that other community partners would support that messaging and she encouraged Meier to reach out to those presidents.

OABDC Report. OABDC Director Bill Owens presented the OABDC Report for April. He said consulting has been low, which was anticipated. There will be money available from the State for SBDCs. Manufacturing space is at 87% occupied. There is more demand than availability for office space. Peterson asked if there was a strategic planning session coming up. Owens said yes, it's on May 28th and will be facilitated by Roger Warehime from OPU.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for April. Council approved the final plat for the Pearl Apartment project. Kruschke said that they plan to start the first week in June. Klecker said that Cemstone will start construction next year. There is a purchase agreement out for 147 West Pearl Street and they are working with a business on a potential project on that site. Bubba's has a tuck pointing contract, and they're looking to do it sometime this summer. There is a term sheet signed, and the proposed use is a wine bar. The City has sold the former theater property for the hotel project and the groundbreaking is on June 3rd. Construction on The Pearl will start first. There was some discussion about the restaurant that will go in the space. Kruschke said that some people will need to see shovels in the ground to believe this project is going to happen. Klecker said the theater was demolished in 2012, and first discussions of the hotel were in 2013. For eight years there has been some discussion about this project. 117 West Bridge needs some additional work with the leaking roof drain and rotted floor on the second level. A couple of contractors walked through and will give bids on it. The other thing is figuring out how to dry out the building. He said Wes Kain helped out on the Bubba's building. Peterson said that what Climate by Design has is too large and there's not enough power in the building to run it, so they'd have to have a generator. He said there are competitors that are building smaller equipment and they are in the process of going smaller, but aren't there yet. Some of their competition could have units that could work. He said he'd be concerned about using natural air because of the dew point, and that Wes should know what to do. He said that it's very hard to envision what the building could be. Klecker said that they could have the prison crew come in to help clean it out. He said that the Bosch Warehouse is pretty much done. Siding is going up at the Mound Street apartment.

Mensink asked if the 117 W Bridge would be a logical place for a co-working space. Owens said that there is a plan for making an entrepreneurial space. Kruschke said there are two other groups looking at them, too.

Old Business. Kruschke said that Streetscape bids are due next Wednesday, May 26th, with bids being awarded at the Council meeting on June 1st and work starting on June 14th.

Other Business. Klecker said that they should elect officers. Voss suggested waiting for the next meeting. Klecker said if anyone has an interest to let him know.

Schedule Next Meeting. The next EDA meeting is scheduled for **June 16, 2021** at 4:00 PM at the City Council Chambers.

Adjournment. There being no further business, a motion was made by Commissioner DeVinny and seconded by Commissioner Cowell to adjourn the meeting at 5:05 pm. All Commissioners voting Aye, the motion passed.

City of Owatonna
Income Statement by Fund
For the Period Ending May 31, 2021

FUND 290: EDA ADMINISTRATION

DEPT 690: EDA

Account Name	Original Budget	YTD Actual	Difference
<u>REVENUES</u>			
PROPERTY TAXES	\$ 185,000.00	\$ 77,095.00	\$ 107,905.00
LODGING TAX - 3%	250,000.00	40,395.74	209,604.26
TIF ADMINISTRATIVE FEE	22,217.00	0.00	22,217.00
INTEREST INCOME	1,000.00	56.71	943.29
LEASES & RENTS	1,666.00	1,966.00	-300.00
Total Revenues	\$ 459,883.00	\$ 119,513.45	\$ 340,369.55
<u>EXPENDITURES</u>			
PERSONNEL	\$ 90,462.00	\$ 37,409.58	\$ 53,052.42
OFFICE SUPPLIES	400.00	0.00	400.00
MINOR EQUIPMENT	400.00	0.00	400.00
CONSULTING SERVICES	25,500.00	8,500.00	17,000.00
TELEPHONE	200.00	0.00	200.00
POSTAGE	300.00	40.80	259.20
VEHICLE ALLOWANCE	500.00	192.50	307.50
TRAVEL & CONFERENCES	500.00	0.00	500.00
O B D - MARKET SERVICES(OACCT)	50,000.00	25,000.00	25,000.00
O B D - LOAN SERVICES (OBI)	20,000.00	10,000.00	10,000.00
DOWNTOWN ENHANCEMENTS	5,000.00	2.16	4,997.84
OBD-SMALL BUSINESS DEV CENTER	4,000.00	2,250.00	1,750.00
PARTNERS FOR PROGRESS	10,000.00	10,000.00	0.00
ADVERTISING	1,000.00	145.00	855.00
MEMBERSHIPS & SUBSCRIPTIONS	200.00	0.00	200.00
REPAIR SERVICE - OFFICE EQUIP	200.00	0.00	200.00
MAIN STREET-PARKING LOT RENTAL	4,500.00	4,032.00	468.00
TOURIST DEVELOPMENT	237,500.00	33,098.62	204,401.38
SOUTHERN MN INITIATIVE FOUNDAT	1,667.00	1,667.00	0.00
TRANSFER TO OTHER FUNDS	12,000.00	5,000.00	7,000.00
Total Expenditures	\$ 464,329.00	\$ 137,337.66	\$ 326,991.34
Expenditures	\$ -4,446.00	\$ -17,824.21	\$ 13,378.21

FUND 292: EDA LOANS

DEPT 690: EDA

Account Name	Original Budget	YTD Actual	Difference
<u>REVENUES</u>			
INTEREST INCOME	\$ 8,000.00	\$ 2,413.64	\$ 5,586.36

INTEREST - COMMERCIAL LOANS	0.00		376.60	-376.60
INTEREST - LOW DOC TIER II	0.00		271.72	-271.72
Total Revenues	\$ 8,000.00	\$	3,061.96	\$ 4,938.04
<u>EXPENDITURES</u>				
LOAN PROGRAM REIMBURSEMENT	0.00		16,480.52	-16,480.52
Total Expenditures	\$ 0.00	\$	16,480.52	\$ -16,480.52
Expenditures	\$ 8,000.00	\$	-13,418.56	\$ 21,418.56

FUND 294: EDA LAND

DEPT 690: EDA

Account Name	Original Budget		YTD Actual	Difference
<u>REVENUES</u>				
TIF ADMINISTRATIVE FEES	1,161.00		0.00	1,161.00
INTEREST INCOME	7,500.00		2,472.57	5,027.43
LEASES & RENTS	30,000.00		18,645.25	11,354.75
SALE OF PROPERTY	0.00		54,573.89	-54,573.89
Total Revenues	\$ 38,661.00	\$	75,691.71	\$ -37,030.71
<u>EXPENDITURES</u>				
OTHER LEGAL SERVICES	\$ 0.00	\$	1,433.40	\$ -1,433.40
CONSULTING SERVICES	17,000.00		8,500.00	8,500.00
INSURANCE	900.00		450.00	450.00
RENTAL PROPERTY EXPENSES	0.00		1,029.79	-1,029.79
REAL ESTATE TAXES	21,000.00		19,478.68	1,521.32
OTHER IMPROVEMENTS	0.00		259,101.66	-259,101.66
Total Expenditures	\$ 38,900.00	\$	289,993.53	\$ -251,093.53
Expenditures	\$ -239.00	\$	-214,301.82	\$ 214,062.82

City of Owatonna
Balance Statement by Fund
31-May-21

FUND 292: EDA LOANS

Account Number	Account Name	Ending Balance
ASSETS		
292-000-000-10100	BANK ACCOUNTS	\$ 39,739.32
292-000-000-10900	INVESTMENTS	900,000.00

FUND 294: EDA LAND

Account Number	Account Name	Ending Balance
ASSETS		
294-000-000-10100	BANK ACCOUNTS	\$ 247,105.78
294-000-000-10900	INVESTMENTS	600,000.00

CITY OF OWATONNA
 EDA - LOAN PROFILE
 As of : May 31, 2021
 prepared 6/7/2021

EDA - Improvement Notes

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Monthly Payment	Status	Type	Notes
Williams	9/1/2016	5.250	7	20,000.00	7,997.47	285.03	Current	Retail	
Wagner's	10/1/2018	2.500	7	43,480.63	32,269.94	564.78	Non Current	Retail	Last Payment Received in February
Total				<u>63,480.63</u>	<u>40,267.41</u>	<u>849.81</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	2	63,480.63	40,267.41	100.00%
	Non-current	0	-	-	0.00%
		<u>2</u>	<u>63,480.63</u>	<u>40,267.41</u>	<u>100.00%</u>

EDA - Low Doc Notes

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Monthly Payment	Status	Type	Notes
American Legion Post 77	10/6/2014	1.625	7	20,000.00	2,004.23	252.05	Current		
Completely Kids	9/1/2016	1.625	7	20,000.00	7,405.45	252.05	Current		
Family 1st Insurance	4/1/2017	-	3	5,000.00	0.00	138.89	Current		Paid in Full March 2020
Family 1st Insurance	4/1/2017	1.625	7	19,609.00	8,912.23	247.13	Current		
Paula Trenda	4/6/2018	-	3	5,000.00	0.00	138.89	Current		Paid in Full April 2021
The Kitchen	10/1/2017	-	3	5,000.00	0.00	138.89	Current		Paid in Full Jan 2021
				<u>74,609.00</u>	<u>18,321.91</u>	<u>1,167.90</u>			

Profile by Loan Performance	Status	Number of Loans	Original	Current	% of Current
			Balance	Balance	Balance
	Current	7	74,609.00	18,321.91	100.00%
	Non-current	0	-	-	0.00%
		<u>7</u>	<u>74,609.00</u>	<u>18,321.91</u>	<u>100.00%</u>

EDA - MIF Flood Recovery

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Monthly Payment	Status	Type	Notes
Plemel (direct loan)	6/22/11	-	10	27,378.50	-	228.15	Current		Paid in Full Oct 2020
Marks Repair (direct loan)	4/5/12	-	10	39,327.50	6,625.10	254.85	Current		Business was sold
Owatona Country Club (direct)	5/7/12	-	10	82,363.50	10,295.70	686.36	Current		
Cars-N-Credit (direct loan)	4/30/13	-	10	71,657.00	16,720.12	597.14	Current		
Plemel (deferred loan)	6/22/11	-	10	27,378.50	27,378.50	-			Forgiven after 6/22/21
Marks Repair (deferred loan)	4/5/12	-	10	39,327.50	30,581.00	-			Forgiven after 4/1/22
Owatonna Country Club (deferred)	5/7/12	-	10	82,363.50	82,363.50	-			Forgiven after 5/1/22
Cars-N-Credit (deferred loan)	4/30/13	-	10	71,657.00	71,657.00	-			Forgiven after 4/30/23
Total				<u>441,453.00</u>	<u>245,620.92</u>	<u>1,766.50</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	8	441,453.00	245,620.92	100.00%
	Non-current	0	-	-	0.00%
		<u>8</u>	<u>441,453.00</u>	<u>245,620.92</u>	<u>100.00%</u>

EDA Land Fund

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Annual Payment	Status	Type	Notes
Gateway #2 TIF note	12/31/16	3.000	25	472,889.00	459,977.81		Current		TIF Guarantee
Arrow Ace TIF note	12/1/17	3.000	25	350,000.00	344,162.31		Current		TIF Guarantee
Nicolai TIF note	12/31/17	3.000	25	524,845.17	524,845.17		Current		TIF Guarantee
Total				<u>1,347,734.17</u>	<u>1,328,985.29</u>	<u>-</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	5	1,347,734.17	1,328,985.29	100.00%
	Non-current	0	-	-	0.00%
		<u>5</u>	<u>1,347,734.17</u>	<u>1,328,985.29</u>	<u>100.00%</u>

Memo

To: Economic Development Authority
From: Brad Meier, President/CEO
Date: 6/16/2021
Re: OACCT Economic Development Update

Economic Development

- See report for leads and 'in progress' reports.

Workforce (From Anisha Zak, Workforce Coordinator)

- # Students Served in the program this year- 75 (number includes returning and new students this year)
- # Businesses that participated- 50 (rough estimate-that's businesses **this** year that offered tour, job shadow, internship employment, Made In Owatonna Days)
- Survey result from OHS - % of students graduating without a plan- Only 91 Seniors took that survey: 1 was entering the workforce, 2 were taking a gap year and working, 1 is attending a 2 year college, and the rest are all 4 year college bound
- 8 Signing Day students attended this year's event
- Total of 9 work experiences this school year where WDI paid students to work at least 200 hours for a local employer (WDI paid \$15,000 worth of wages, work apparel, gas vouchers, tools/accessories for these students)

Covid 19/Coronavirus

- MN hasn't conformed on PPP taxes yet- Key Chamber initiative to get this done (special session).
- Next question is about the federal dollars that will soon be flowing to cities and counties and how they can be used.

Other:

- Branding Initiative Moving Forward-Phase 1
- Workforce PR initiative

<u>Company</u>	<u>Date of Inquiry</u>	<u>Service Provided</u>	<u>Follow ups</u>	<u>Conclusion</u>	<u>Project Outcome: Green (progressing), yellow (probable); red (not moving)</u>
Retailer-Albert lea	6/29/2020	Interested in additional location for her business and Owatonna is on her radar. Currently has locations in Austin and Albert Lea.	Talked about the PartyPlus space and will consider others. Only needs 800-1000 sq ft unless she has additional treatment rooms. Wants to be in a downtown location.		
Daycare Center	9/30/2020	Interested in developing a daycare center for the community.	Looking at land options and wanted to know what locations would work best. Discussed some ideas and shared a map created by the city with open land options.	Met with Greg Krushcke about various location options. Idea about the former montessori school building on the south end of town. Called owner and made the connection. 11/30/20 They are working on buying that building. 4/19/21 this project is moving forward they are working out a few details and then closing on building soon.	
Downtown development	2/8/2021	Discussion about a new building project.	Looking at options that could possibly face the straight river.	Started exploring options. 4/19/21 additional work has been done on this to review option, no decision yet.	
Industrial business location r	2/4/2021	Local start up industry looking at moving locations. Discussed his options.	Leaning towards some space that will be opening in the spring.	4/19/21: this move is now pushed out to Aug/Sept, but still planning to do it.	

Business looking to open sales office in owatonna	2/4/2021	Looking for 500 sq ft with potential for growth.	Provided 3 or 4 locations with this sq ft	Follow up has gone unanswered. 4/19/21 still no response from the business.	
Rental Business Looking to expand to Owatonna	2/19/2021	Looking for 8-10,000 sq ft possibly along old 14 for a rental business	Provided several space options and contacts near that area to explore. There are 2 or 3 options that could fit his space requirements, probably 1 that would be in the location he wants.	He's made contact on the locations, hasn't decided yet.	
Local business looking to spread into a new market of food. Looking for locations.	2/19/2021	Looking for existing restaurant space locations. Has walked thru former little cesears pizza site.	Discussed the former Black Sheep site above the Blast, former torey's site, former godfathers site.	No decisions-haven't found right spot.	
Hotel business looking for buyer	4/19/2021	Working with owner who is looking at possible sale of the business.	Received price amount after mayor kuntz met with the individual. Concerns about future of this property.		
Local organization needs space for expanding operations.	4/19/2021	Looking for 3,000 sqft and 15 ft clear span ceilings for their youth atheletic programming.	Walked through all the options we are aware of that are available right now and have put feelers out to local property owners and commercial realtor.	No location found yet	
Local industry moving into larger location running into difficulties opening in new space.	4/19/2021	Working with local business and city on getting space operational according to code needs.	Continue meetings and email communication. City has allowed operation after life/safety was addressed.		
Property Owner looking to develop 5 acres	4/19/2021	Discussion about property on north side of Owatonna for possible residential/apartment development.	Property owner willing to sell. Discussed with OPED group and it is on the radar for future growth.		

Downtown business desire to purchase building	4/19/2021	Met with business owner who is struggling with some issues with landlord and wants to purchase building.	Connected with the right resources as well as city inspections. Holding pattern to see if building owner will move on a sale.		
Existing business looking to expand food production	4/27/2021	Business needs more production space because their business has expanded on line and commercially. Food grade with loading dock.	Contacted new owner of the former Zumbro Foods. He has space available and is willing to show the space. 4/27 did a tour of the facility with the inquiring business. They seem interested, but aren't planning on making a decision until July.		
Restaurant	5/4/2021	Contacted owner of ChilAqui to discuss their future plans and possible locations.	Discussed the corner of N Cedar to discuss long term. They want to own whatever building they would move into. They are interested, but driving truck right now to save \$'s for possible purchase.		
New Building	5/24/2021	Troy Klecker and Brad Meier met with business looking to build an office building somewhere near downtown.	Discussed location options for their use and next steps.		
Industrial Building	6/8/2021	Local business has an option to purchase a building in the industrial park.	Discussed lease rates and space utilization of warehouse vs manufacturing.		
Commercial Property	6/8/2021	Commercial broker looking for information on the former Sisters Salong location.	Connected with building owner to get the building details and post on the owatonnadevelopment.com site. Looking for a national chain for the 6k sq ft site.		

June-21

Consulting for May									
Clients	Sessions	Hours	New	Operating	Hours		Inquiries	Inquiry Hours	
					2021 YTD	2020 YTD			
4	6	7.75	1	3	32.25	35.75	0	0	

Occupancy for April					
Manufacturing			Offices		
Total Leasable Space		25,200	Total Leasable Offices		10
Total Leased Space		22,020	Total Number of Leased Offices		9
Present Occupancy %		87%	Present Occupancy %		90%
Budget Occupancy %		70%	Budget Occupancy %		70%
YTD Performance to Budget \$	\$	10,199	YTD Performance to Budget \$	\$	3,210
YTD Performance to Budget %		131%	YTD Performance to Budget %		128%
Number of Tenants		9	Number of Tenants		9

EDA Loan Programs						
Standard Programs	Number of Loans	Original Balance / Committed	Current Balance / Advanced	Amount Past Due	Available to Advance	
Low Doc Notes (Tier I and II)	7	\$ 74,609	\$ 18,322	\$ -		
Improvement Notes	2	63,481	40,267	1,130		
MIF Flood Recovery	8	441,453	245,621	-		
Land Fund	3	1,347,734	1,328,985	-		
		\$ 1,927,277	\$ 1,633,196	\$ 1,130		
Special Programs						
2019 Forgivable Loans - Exterior	9	\$ 80,091	\$ 33,547		\$ 46,544	
2019 Forgivable Loans - Interior	10	80,000	35,216		44,784	
		\$ 160,091	\$ 68,763		\$ 91,328	

**June 16, 2021
EDA Meeting**

EDA Projects Report

- The developer is looking to sell the site for the second building on the old Hardees/Budget Mart site. The EDA paid for the consulting costs to complete the TIF requirements for the project and will be paid back over the life of the district which would be up to 25 years.
- The City has conveyed the 5 properties along East Pearl Street to Steve Nicolai for an apartment building. All the structures have been demolished on the site. Tax Increment Financing has been approved to reimburse the EDA the expenses to acquire and clear the properties over a 25 year period. The developer has sold the property to Mac Hamilton. Hamilton is proposing to construct a 43 unit market rate apartment build this year. The development agreement and TIF has been approved for the project. The project has begun.
- The land swap between the City and Cemstone is completed. The City now owns the current Cemstone site and Cemstone owns 14 acres of vacant land in the industrial park. Cemstone will have 5 years to build a new facility on the new site. The City will then redevelop the current site once Cemstone moves out. Tax Increment Financing is being used to assist with the project. Cemstone is planning to do some dirt work on their new site this year.
- The City has purchased the property at 147 West Pearl Street for redevelopment. Demolition of the 4-plex is completed. The City is pursuing the purchase of the corner property to create a buildable lot. This City is also working with a local business about possibly building a new building in that site.
- The metal has been removed from the front of the Bubba's building. We have a contract signed to tuckpoint the brick which should be completed this summer. There is a term sheet signed for the building for a potential business. The term sheet allows for a 3 month due diligence period to put the deal together.
- The old theater property and the parking lot on Pearl Street has been sold to Owatonna Hospitality 1, LLC to construct a Marriott Courtyard hotel on the 200 block of North Cedar Avenue. Tax Increment Financing has been approved for the project. The project is planned to start in June.
- The City has purchased the property at 117 West Bridge Street formerly owned by Centro Campesino. Construction of a new roof on the building is complete. There may need to be additional improvements to the building. The EDA would pay for the roof with the intent of redeveloping the property and utilizing tax increment financing to recoup our costs from the project.
- The City owns the property at 148 West Main Street that was damaged from a collapsed roof. A redevelopment project is being sought for that property.

- The City Council has approved tax increment financing for Bosch to construct a 266,000 square foot warehouse facility in the industrial park. The City has received a DEED grant for \$176,000 to help pay for a public cul-de-sac to serve the property. The EDA would upfront the costs of the for the public improvements which would be paid back with the first year of increment from the project. Construction is nearly complete.
- The City Council has approved tax increment financing for a 36 unit market rate apartment at 660 Mound Avenue. Construction has begun on the project.
- Tax Increment Financing has been approved for the redevelopment of 202 West Bridge Street. The project will renovate the entire building into retail and office space. Construction is complete on the first floor and Graif has moved into that space. Work continues on the upper level.