

Economic Development Authority

Regular Meeting

Wednesday, September 15, 2021

4:00 PM

City Council Chambers

1. EDA Agenda - September 15, 2021

Documents:

[EDA AGENDA 09-15-2021.PDF](#)

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

3. Approval Of Minutes: August 18, 2021

Documents:

[2. EDA MINUTES 08-18-2021.PDF](#)

4. Treasurer's Report

Documents:

[3. TREASURERS REPORT.PDF](#)

5. Loan Report

Documents:

[4. LOAN REPORT AUGUST.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 Projects

Documents:

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

7. Old Business

7.I. Streetscape Project

7.II. MainStreet Program

8. New Business

9. Other Business

10. Schedule Next Meeting - October 20, 2021

11. Adjournment

Economic Development Authority

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Agenda

1. Roll Call
2. Approval of Minutes: August 18, 2021
3. Treasurer's Report
4. Loan Report
5. Reports
 - a. OACCT
 - b. OABDC
 - c. EDA Projects
6. Old Business
 - a. Streetscape Project
 - b. MainStreet Program
7. New Business
8. Other Business
9. Schedule Next Meeting – October 20, 2021
10. Adjournment

**EDA
Minutes
August 18, 2021**

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

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

Treasurer's Report. Troy Klecker presented the revenue and expense reports for July. He said that we're sitting pretty good a little over halfway through the year. He said that the lodging tax typically lags behind. We budget lodging tax numbers based on a good year. The revenues and expenses are down because of the lodging has been down. Schultz asked if the lodging tax is current. Klecker said that, no, they aren't always—Rhonda has to contact some properties if they're falling behind.

Loan Report. Bill Owens presented the Loan Report for July. There is one noncurrent loan, which is still noncurrent. He said that he's spoken with them and they said they will make it current today. He handed out loan packets. Vesterby was approved with a Tier 1 and Tier 2 Loan, but they would like to take advantage of the forgivable loan first. Klecker said that they fell into the window after forgivable loans were used and before the next phase was approved. He would want approval from the EDA Board for a forgivable loan. Voss asked if he applied for an interior loan. Owens said no, he didn't. He will be getting rid of the window units, which will improve the look of the building. A motion was made by Mensink and seconded by DeVinny to approve a forgivable loan for Vesterby. All Commissioners voting Aye, the motion passed. Owens said that Matt Kern is looking for some money to work on 113 North Cedar Avenue. Klecker said that there are \$30,000 of interior dollars and \$30,000 exterior. Schultz asked if they care whether it's interior or exterior if improvements are being done. Klecker said that the interior / exterior was meant so that someone that does both could get up to \$20,000. Peterson asked if there could be an option to add to it. Cowell said he'd be in favor of adding dollars instead of changing what has been approved. Klecker said that would require a motion by the EDA to do so. He said there is a small amount of money tied to specific requirements, but the bulk of it is local dollars that can be used how we want. It's entirely up to the EDA. Voss said, per his conversation from the meeting last night, he's bothered by the fact that so many aren't doing the sprinkler system as part of the downtown streetscape project. Kruschke said that they are putting lines up to the building, but it takes another cost to bore it into the building. That's a step that a lot of them aren't willing to take because it's significant cash out of pocket. Most who see a need for it are doing it. Schultz said that there is a \$4,000 assessment, and asked where that gets the pipe to. Kruschke said that gets it up to the outside of the building. Klecker asked if it's an improvement if you connect the line, but don't put the sprinkler system in? He said getting it sprinkled is the improvement. Kruschke said that for Nick's to be required a sprinkler, he'd need to put a party room in upstairs. Unless there is a major upgrade in use, there isn't a need to do it. He said they're not too concerned. Mensink asked what the timeframe is for Streetscape. Kruschke said completion date in the contract is mid-June next year. Mensink asked if they're

better off waiting until the Streetscape is completed as that could be a catalyst. Klecker said that one fear he has is that we lose the impact of taking advantage of it now, or if people will think that there will always be money. Kruschke said that they are discovering issues with some of the buildings that need to be addressed, but the property owners don't have the means for it. Raney said that his concern is all of the projects that are ready to advance, but can't get contractors. If we open it up to more, will we be creating challenges? DeVinny asked if we have any risks if we change the criteria for interior or exterior. Klecker said that it's all based on a first come, first served basis. Schultz asked if we'd be able to look at projects on a one-by-one basis. Klecker said that would be a special request, and would probably be presented to the EDA as such. DeVinny asked if that would be the same as Vesterby, so that they know there are options out there. Klecker said that if those situations pop up, that's what the program is for. Peterson said if he were a downtown business, he'd want to do the work now while the street is under construction. A motion was made by Mensink and seconded by Schultz to reallocate the dollars to interior or exterior. All Commissioners voting Aye, the motion passed. Owens said that there is a request by Matt Kern for exterior upgrades to Central Park Coffee at 113 N Cedar Avenue. A motion was made by Cowell and seconded by Peterson to approve a forgivable loan for \$5,000 for Matt Kern for 113 N Cedar Avenue. All Commissioners voting Aye, motion passed.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for July. He said that the Workforce Center has been busy. Looks like they will locate in the United Way space and will have a presence with signage. Anisha's replacement as the Workforce Coordinator will be Megan Horton. Made in Owatonna Days are coming up and will be in person. There is a grant project through DEED that ties in with Covid. The State will go through foundations, so they're working with SMIF. DeVinny asked about Viracon. With the news of shutting down two facilities, are they seeing an impact? Meier said it will be good for Owatonna, but there have been cuts here, too. Corey Mensink, Greg Schultz, and Kevin Raney met to discuss MainStreet, and the MN Director came down. Voss asked where Brian Coleman fits in to all of this. Meier said Brian's focus will be within the schools. The Workforce Coordinator is reaching out to businesses. The model from the start was to have two people, but they've never had two people. He said they think Brian will only help those efforts.

OABDC Report. OABDC Director Bill Owens presented the OABDC Report for July. Owens said that June was slow for consulting, but it was slow for everyone. They're just ahead of last year at this time. He said that he also put together an EDA Space Utilization list. There was some discussion about established businesses located at the OABDC.

Raney asked about the office space regarding established businesses. He said he'd hate to lose out on a potential startup to a business that's been around 15 years. Klecker said that they're paying market rate. Owens said yes, they didn't get a discount. Raney said that there is office space in Owatonna. Owens said there is a board meeting coming up to discuss this. Klecker said the goal is to keep a certain percentage available for startups. Owens said there is flexibility if needed for startup. Voss said that, as a person on that board, it's a tough spot. Klecker asked how many in there right now are paying the discounted rate. Owens said that everyone is paying the market rate. He said that they have access to a bathroom, breakroom, parking lot. They share amenities. Klecker said that it comes down to what is a startup and how long they should be there. Raney said that there is no incentive for them to leave. Klecker said it's probably more of a space-by-space scenario. Some businesses may want to move out or build, but it's not feasible at this time. He said that he's sure there's a scenario for each of these. He said it's difficult. Schultz

said that those are good problems to have. Peterson said that CDI is on the list and that started when he saw there was some empty space. He said that he understands that he has options, so if Bill finds someone that needs the space, they will move out.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for July. He said there aren't a lot of changes. The Pearl Apartments and hotel are under construction. There are couple of potential projects on the Dollar General lot and Bubba's. We are doing some repairs to the roof drain at 117 W Bridge Street. There have been a couple calls on 148 W Main Street. The Mound project and 202 West Bridge Street are under construction. There is a closing date of August 25th for the Centro Campesino property on North Oak.

Old Business. Krushke gave an update on the Streetscape project. The 300 block is 125 feet longer than the other blocks, plus there are complications with utilities in Rose Street. They will hopefully be into the 200 block late next week. We'll make a call mid- to late September on the 100 block. The goal is to get the street, curb, lights in this fall with the finishes in the spring. It's moving along.

Raney said that they met for MainStreet yesterday, and it was a good meeting. Cowell asked if the team will come back to the EDA with suggestions or approvals. Raney said yes. The EDA supplies \$20,000 for that program. Klecker said that representatives from EDA, Chamber Board, and MainStreet are in the group.

New Business. Kruschke said that our purchase agreement with United Properties is set to expire tomorrow and it was taken to City Council to extend it for two years. There have been a number of issues, water specifically. We continue to work through those difficulties and see what we get.

Schedule Next Meeting. The next EDA meeting is scheduled for **September 15, 2021** at 4:00 PM at the City Council Chambers.

Adjournment. There being no further business, a motion was made by Commissioner Schultz and seconded by Commissioner Peterson to adjourn the meeting at 4:54 pm. All Commissioners voting Aye, the motion passed.

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

FUND 290: EDA ADMINISTRATION

DEPT 690: EDA

| Account Name | Original Budget | YTD Actual | Difference |
|--------------------------------|-----------------|---------------|---------------|
| <u>REVENUES</u> | | | |
| PROPERTY TAXES | \$ 185,000.00 | \$ 123,340.00 | \$ 61,660.00 |
| LODGING TAX - 3% | 250,000.00 | 102,275.13 | 147,724.87 |
| TIF ADMINISTRATIVE FEE | 22,217.00 | 24,440.19 | -2,223.19 |
| INTEREST INCOME | 1,000.00 | 111.06 | 888.94 |
| LEASES & RENTS | 1,666.00 | 2,266.00 | -600.00 |
| Total Revenues | \$ 459,883.00 | \$ 252,432.38 | \$ 207,450.62 |
| <u>EXPENDITURES</u> | | | |
| PERSONNEL | 90,462.00 | 58,205.53 | 32,256.47 |
| 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 | 70.65 | 229.35 |
| VEHICLE ALLOWANCE | 500.00 | 338.94 | 161.06 |
| TRAVEL & CONFERENCES | 500.00 | 0.00 | 500.00 |
| O B D - MARKET SERVICES(OACCT) | 50,000.00 | 50,000.00 | 0.00 |
| O B D - LOAN SERVICES (OBI) | 20,000.00 | 20,000.00 | 0.00 |
| DOWNTOWN ENHANCEMENTS | 5,000.00 | 4,245.16 | 754.84 |
| 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 | 95,162.16 | 142,337.84 |
| SOUTHERN MN INITIATIVE FOUNDAT | 1,667.00 | 1,667.00 | 0.00 |
| TRANSFER TO OTHER FUNDS | 12,000.00 | 8,000.00 | 4,000.00 |
| Total Expenditures | \$ 464,329.00 | \$ 262,616.44 | \$ 201,712.56 |
| Expenditures | \$ -4,446.00 | \$ -10,184.06 | \$ 5,738.06 |

FUND 292: EDA LOANS

DEPT 690: EDA

| Account Name | Original Budget | YTD Actual | Difference |
|------------------------|-----------------|-------------|-------------|
| <u>REVENUES</u> | | | |
| INTEREST INCOME | \$ 8,000.00 | \$ 3,820.90 | \$ 4,179.10 |

| | | | | |
|-----------------------------|-------------|----|------------|---------------|
| OTHER REVENUE | 0.00 | | 75.00 | -75.00 |
| INTEREST - COMMERCIAL LOANS | 0.00 | | 593.44 | -593.44 |
| INTEREST - LOW DOC TIER II | 0.00 | | 343.19 | -343.19 |
| Total Revenues | \$ 8,000.00 | \$ | 4,832.53 | \$ 3,167.47 |
| <u>EXPENDITURES</u> | | | | |
| LOAN PROGRAM REIMBURSEMENT | 0.00 | | 46,480.52 | -46,480.52 |
| Total Expenditures | \$ 0.00 | \$ | 46,480.52 | \$ -46,480.52 |
| Expenditures | \$ 8,000.00 | \$ | -41,647.99 | \$ 49,647.99 |

FUND 294: EDA LAND

DEPT 690: EDA

| Account Name | Original Budget | | YTD Actual | Difference |
|----------------------------|-----------------|----|-------------|----------------|
| <u>REVENUES</u> | | | | |
| TIF ADMINISTRATIVE FEES | 1,161.00 | | 1,188.89 | -27.89 |
| INTEREST INCOME | 7,500.00 | | 3,714.21 | 3,785.79 |
| INTEREST - EDA LAND LOANS | 0.00 | | 14,022.17 | -14,022.17 |
| LEASES & RENTS | 30,000.00 | | 21,795.25 | 8,204.75 |
| SALE OF PROPERTY | 0.00 | | 28,751.37 | -28,751.37 |
| Total Revenues | \$ 38,661.00 | \$ | 69,471.89 | \$ -30,810.89 |
| <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 | | 675.00 | 225.00 |
| RENTAL PROPERTY EXPENSES | 0.00 | | 1,169.77 | -1,169.77 |
| REAL ESTATE TAXES | 21,000.00 | | 19,478.68 | 1,521.32 |
| LAND PURCHASES | 0.00 | | 154,110.26 | -154,110.26 |
| OTHER IMPROVEMENTS | 0.00 | | 286,584.78 | -286,584.78 |
| Total Expenditures | \$ 38,900.00 | \$ | 471,951.89 | \$ -433,051.89 |
| Expenditures | \$ -239.00 | \$ | -402,480.00 | \$ 402,241.00 |

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

FUND 292: EDA LOANS

| Account Number | Account Name | Ending Balance |
|-------------------|---------------|----------------|
| ASSETS | | |
| 292-000-000-10100 | BANK ACCOUNTS | \$ 20,295.41 |
| 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 | \$ 158,806.24 |
| 294-000-000-10900 | INVESTMENTS | 600,000.00 |

CITY OF OWATONNA
 EDA - LOAN PROFILE
 As of : August 31, 2021
 prepared 9/8/2021

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 | 7,244.07 | 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>39,514.01</u> | <u>849.81</u> | | | |

| Profile by Loan Performance | Status | Number of Loans | Original Balance | Current Balance | % of Current Balance |
|-----------------------------|-------------|-----------------|------------------|------------------|----------------------|
| | Current | 1 | 20,000.00 | 7,244.07 | 18.33% |
| | Non-current | 1 | 43,480.63 | 32,269.94 | 81.67% |
| | | <u>2</u> | <u>63,480.63</u> | <u>39,514.01</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 | 1,255.19 | 252.05 | Current | | |
| Completely Kids | 9/1/2016 | 1.625 | 7 | 20,000.00 | 6,678.40 | 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 | 8,206.10 | 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>16,139.69</u> | <u>1,167.90</u> | | | |

| Profile by Loan Performance | Status | Number of Loans | Original Balance | Current Balance | % of Current Balance |
|-----------------------------|-------------|-----------------|------------------|------------------|----------------------|
| | Current | 7 | 74,609.00 | 16,139.69 | 100.00% |
| | Non-current | 0 | - | - | 0.00% |
| | | <u>7</u> | <u>74,609.00</u> | <u>16,139.69</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 | 5,860.55 | 254.85 | Current | | Business was sold |
| Owatona Country Club (direct) | 5/7/12 | - | 10 | 82,363.50 | 8,236.62 | 686.36 | Current | | |
| Cars-N-Credit (direct loan) | 4/30/13 | - | 10 | 71,657.00 | 14,928.70 | 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>241,005.87</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 | 241,005.87 | 100.00% |
| | Non-current | 0 | - | - | 0.00% |
| | | <u>8</u> | <u>441,453.00</u> | <u>241,005.87</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 | 456,010.13 | | Current | | TIF Guarantee |
| Arrow Ace TIF note | 12/1/17 | 3.000 | 25 | 350,000.00 | 339,888.31 | | 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>1,320,743.61</u> | <u>-</u> | | | |

| Profile by Loan Performance | Status | Number of Loans | Original Balance | Current Balance | % of Current Balance |
|-----------------------------|-------------|-----------------|---------------------|---------------------|----------------------|
| | Current | 5 | 1,347,734.17 | 1,320,743.61 | 100.00% |
| | Non-current | 0 | - | - | 0.00% |
| | | <u>5</u> | <u>1,347,734.17</u> | <u>1,320,743.61</u> | <u>100.00%</u> |

Memo

To: Economic Development Authority
From: Brad Meier, President/CEO
Date: 9/15/2021
Re: OACCT Economic Development Update

Economic Development

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

Workforce

- Megan Horton hired as new Workforce Coordinator for the SteeleCoWorks program.
- First Made in Owatonna Days will be held on Oct. 20th: arts, video, graphic design, journalism.
- Met with OHS to discuss plan between Career Navigator and Workforce Coordinator.

Covid 19/Coronavirus

- Employers conducting incentives to employees for vaccines.
- MN DEED rolling out different grant programs for projects impacted by covid, daycare and business.

Other:

- New owners at Harlands-Name will change to TGK
- Mankes name will stay with new ownership
- Held 2 meetings to discuss next steps with MainStreet Program including Raney & Schultz
- Discussing flower basket watering with Parks Director this month
- Continuing to push the #BuildingOwatonna and promoting businesses on N. Cedar

| <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. | This is still on hold. | |
| 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. 8/13 met with company and architect on this project. | |

| | | | | | |
|--|-----------|---|---|---|--|
| 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. | | |

| | | | | | |
|---------------------|-----------|---|---|--|--|
| Industrial | 7/1/2021 | Business creating eliptical equipment for people who are in wheelchairs. New venutre located in Shakopee, MN. | Wanted to see if there were either manufacturing he could partner with to build the equipment or space to do the work. Scheduled a time for him to come to Owatonna for a visit. | Owner followed up with an email and said they are now staying in Shakopee. | |
| Commercial Property | 7/15/2021 | Local business looking to move to new location and purchase approx. 2,500 sq ft of office space. | Looking for high visibility and want to own. | | |
| Church | 7/15/2021 | Local church looking to own building and expand into 10,000 sq ft of space | Looked at Pillsbury and couple other vacant buildings, but haven't found the right fit. | Reviewed all options. Keeping an eye out for them.8/5 might have an option for them-current church that may be available | |
| Office Space-WDI | 7/29/2021 | Looking for 1,000-1,500 sq feet of office space to reopen the workforce center in Owatonna. | Lined up several spots in the community for review. | Looks like they will co-locate with United Way of Steele County | |
| Piano Lessons Space | 7/30/2021 | Looking for approx. 500 sq ft to do piano lessons | Provided several downtown building owners who might have that type of space. She still isn't finding what she needs. 8/2: provided contact information for the Music Space to see if that could be a fit. | nothing finalized | |

| | | | | | |
|----------------------------|-----------|---|--|--|--|
| Automation Business | 8/13/2021 | Through a staff member at the Chamber learned that this business is looking to relocate to Owatonna. They are growing and need space. Also want I35 visibility. | 8/15/2021: sent an introductory email and have a phone call scheduled for next week to learn more details. 8/17/21: spoke on the phone about their needs: company works with customers from 3M to Advance Coil, employs 27 engineers, looking to own a 50,000 sq ft building, 22 ft clear, near I35. | 8/25/21: Greg Kruschke and Brad Meier went to the business to discuss their needs and view their operation. 8/30/21: Kruschke set up meeting with developer to meet with the business later in the week. | |
| Owatonna Retailer | 8/13/2021 | Business is changing their sales model and want to find a new location | Providing multiple location options in downtown | | |
| Downtown Retail/Building O | 9/1/2021 | Has an opportunity to possibly sell the building and wanted to better understand the market. | Identified a couple recent sales downtown. Not totally comparable, but gave some idea. Also encouraged her to discuss with a realtor. | | |
| | | | | | |

September-21

| Consulting for August | | | | | | | | |
|-----------------------|----------|-------|-----|-----------|----------|----------|-----------|---------------|
| Clients | Sessions | Hours | New | Operating | Hours | | Inquiries | Inquiry Hours |
| | | | | | 2021 YTD | 2020 YTD | | |
| 1 | 4 | 8.50 | 0 | 0 | 57.25 | 54.25 | 0 | 0 |

| Occupancy for August | | | |
|------------------------------|-----------|--------------------------------|----------|
| 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 \$ | \$ 14,997 | YTD Performance to Budget \$ | \$ 4,836 |
| YTD Performance to Budget % | 128% | YTD Performance to Budget % | 127% |
| Number of Tenants | 6 | 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 | \$ 16,140 | \$ - | |
| Improvement Notes | 2 | 63,481 | 39,514 | 3,389 | |
| MIF Flood Recovery | 8 | 441,453 | 241,007 | - | |
| Land Fund | 3 | 1,347,734 | 1,320,744 | - | |
| | | \$ 1,927,277 | \$ 1,617,404 | \$ 3,389 | |
| Special Programs | | | | | |
| 2019 Forgivable Loans - Exterior | 9 | \$ 68,763 | \$ 53,547 | | \$ 15,216 |
| 2019 Forgivable Loans - Interior | 8 | 55,216 | 40,432 | | 14,784 |
| 2020 Forgivable Loans - Exterior | 5 | 45,348 | 24,715 | | 20,633 |
| 2020 Forgivable Loans - Interior | 2 | 24,715 | 20,000 | | 4,715 |
| 2021 Forgivable Loans - Exterior | 4 | 35,000 | - | | 35,000 |
| 2021 Forgivable Loans - Interior | 0 | - | | | - |
| | | \$ 229,042 | \$ 138,694 | | \$ 90,348 |

September 15, 2021
EDA Meeting

EDA Projects Report

- The developer has sold the site for the second building on the old Hardees/Budget Mart site to Redline Development Group, LLC. TIF was approved for this project. There is enough TIF being generated from the first building to pay the City back for costs associated with realigning Barney Street. Any additional TIF generated from a second building would assist the developer for costs associated with the development.
- 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 is under construction.
- 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 has purchased the corner property to create a buildable lot. The 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. Tuck pointing has started on the building. There is a purchase agreement for the property for a wine lounge contingent on TIF being approved for the project. A public hearing for TIF is set for October 19th.
- 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 under construction.
- 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. Staff is working on 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 a 36 unit market rate apartment at 660 Mound Avenue. The project is under construction.
- 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.
- The City has purchased 216 North Oak Avenue. Plans are to redevelop the site. The City will clean up the property and then seek bids to demolish the building.