

EDA
Minutes
January 16, 2019

The Owatonna Economic Development Authority met in regular session at 4:00 PM at the Council Chambers with President Kevin Raney presiding. Commissioners Present: Brenda DeVinny, Don Boutelle, Kevin Raney, Jeff Okerberg, Doug Voss, and Kate Harthan. Also present were Troy Klecker, Brad Meier, Bill Owens, Shirley Schultz, Karen Pehrson, Dave Beaver, and Kristen Kopp.

Approval of Minutes. Commissioner DeVinny moved approval of the minutes of the December 19, 2018 meeting with second by Commissioner Okerberg. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Troy Klecker presented the revenue and expense reports for December. He said that they are the preliminary year-end numbers. Revenue is ahead of what was projected by \$13,000. This includes an \$8,500 repayment for consulting fees on the Pearl Street project.

Loan Report. Bill Owens presented the Loan Report for December.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for December. He said that the Chamber Annual Dinner is Friday. They're celebrating Highway 14. He gave an update on workforce efforts. Anisha is currently working with 44 high school students and there is a waiting list. She's worked with 140 students and 149 businesses over the last two years. The next employer meeting is on January 25th at OHS. He said they're continuing retention visits and have completed three out of town ownership businesses: Life Fitness, Apogee, and Jostens. Daikin Applied will be the next visit.

MainStreet Report. MainStreet Director Shirley Schultz presented the quarterly MainStreet Report. She highlighted 4th quarter reinvestment statistics and said three business opened or reopened (Torey's, Central Park, Crisis Resource Center) and three businesses closed (Tobacco Shop, Le Bomba, Perfect Day Cakes). She said it's been interesting to see businesses moving around, starting with Ace Hardware. The Retail Challenges have helped, as well as new apartments downtown. There was some discussion of Black Sheep and Meier said that they can reach out to them. Harthan asked if there is anything that gives businesses assistance before they close. Schultz said that if they reach out, she will direct them to Bill Owens.

Tourism Report. Tourism Director Karen Pehrson presented the quarter Tourism Report. She said they are working with drone photographers on videos for the website. They hosted the Blacksmith and Welders National Conference on November 29 – December 2. People weren't as willing to go out because of the weather. 35 people attended and spent three nights at Holiday Inn and Suites. She said it went well. She said there is a lot of traction with group tours and they are up to five tours booked for 2019. They have seen an increase in time spent on the website. She said that she is predicting that lodging tax will be down about 4.5% and that all Chambers in the region are down. This could be due to weather. She said that she did a travel show in Chicago for Minne-Roadtrip. They were the only group from Minnesota at the show and saw a lot of traffic at their booth. Raney asked about the \$5,000 set aside and asked if this is absolutely for new events. Pehrson said that they talked about new events, but it would have to hit certain

things, such as “heads on beds.” Raney said that there is an event that’s been here for years that is looking for financial assistance. He agreed that “heads on beds” is critical.

Airport Report. Airport Manager Dave Beaver presented the quarterly Airport Report. He said that in 2018 Congress approved a \$1 Billion supplemental appropriation for airport improvements as part of the omnibus spending bill. He said that they jumped on with three projects. He said that the government shutdown is affecting air travel. He said that there is also a pilot shortage. He said that Delta Airlines announced the Propel Pilot Career Path Program in anticipation of hiring approximately 8,000 pilots in the next ten years. Minnesota State Mankato is one of the eight universities who will be participating. He said that they are seeing some success from digital advertising. Voss asked if any aircraft from Faribault would be staying at the airport permanently following the storms in September. Beaver said that they currently have three aircraft and one may stay. Hangar occupancy is really good.

OABDC Report. Bill Owens presented the monthly OABDC Report. He said that the SBA is not able to fund the OABDC this year (\$6,000). He said he’s signed a short-term contract and they are still in the black over the year. He is still consulting, but just not billing the SBA for it and not getting compensation.

EDA Projects. Troy Klecker presented the EDA Projects report for December. He said that Pro-Pet is nearing the end of their project and will be finalizing TIF paperwork. Foremost Brewing Cooperative will be signing a purchase agreement for the former Bubba’s. He said that they are conveying the property at no upfront expense, but the EDA’s cost into the building will be reimbursed through TIF payback. He said the Pearl Street apartment is on hold; they are waiting to see how the Vine Street apartment fills up. The Vine Street apartment is anticipating a May 1st opening. HK Hospitality is still working on the possibly hotel and event space on the 200 block of North Cedar Avenue. They are hoping to have something finalized in the next few weeks. Phase 1 for the James Brothers property came up clear. He explained that a Phase 1 environmental is a historical review of the property. If anything alarming is found, they do testing on site.

New Business. Klecker said that there is a line item for MainStreet set aside for downtown projects. Last year they were looking at dumpsters, but that didn’t end up becoming necessary. He said with the Rose Street rehab work for Steele County from Hoffman Drive to Willow Avenue, there are likely to be improvements to the intersection at Cedar Avenue and Rose Street, including bump outs and handicap ramps. The Kitchen has an aluminum canopy in the right of way. There have been discussions at the staff level on this aluminum awning, as well as two others that protrude into the right of way downtown: The Dog Pound and the one near Wells Fargo. They are problematic as the posts are on the sidewalk in the right of way and it is likely that no maintenance has been done to them since the 1950s. The City has some liability. He said that they could talk to the property owners on getting them removed and replaced with a historically accurate awning on the building. He said that when the new Sign Ordinance was adopted, they had a sign grant program, and could perhaps do something similar with these awnings. This could spruce up some properties and relieve the City of liability issues surrounding the metal canopies. Voss said that the awning on Torey’s looks nice. Raney said that he agreed, but expressed concern on whether they would have a say over color. Klecker said he didn’t know if the EDA wanted to dictate color, but any design is reviewed by the MainStreet Committee. Raney asked if the owners have been contacted yet. Klecker said that they have not.

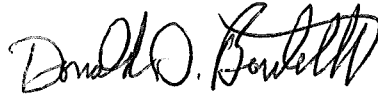
Raney said if they can replace the canopies it will be a big improvement. Voss asked how the owners will be approached. Klecker said they will address it as a liability issue. Raney asked if this would qualify for a business loan. Klecker said they could, but he is suggesting a grant for around \$2,000. There are only three or four businesses with these canopies. Raney asked if, regardless, the Kitchen canopy has to come down. Klecker said it looks like it. Boutelle said he thinks it's a great idea. The commissioners agreed. Raney said he's like to see sidewalk trees addressed downtown. Klecker said he would bring that up.

Schedule Next Meeting. The next EDA meeting is scheduled for **February 20, 2019** at 4:00 PM at the City Council Chambers.

Adjournment. There being no further business, a motion was made by Commissioner Okerberg and seconded by Commissioner Boutelle to adjourn the meeting. All Commissioners voting Aye, the motion passed. The Meeting adjourned at 4:58 pm.

Dated: February 20, 2019

Respectfully Submitted,



Secretary