

**EDA  
Minutes  
September 16, 2020**

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

**Approval of Minutes.** Commissioner Okerberg moved approval of the minutes of the August 13, 2020 meeting with second by Commissioner Cowell. All Commissioners voting Aye, the motion passed.

**Treasurer's Report.** Troy Klecker presented the revenue and expense reports for August. He said that lodging tax is down from hotels, but that is just passing through—it comes in and goes out of the account. He said that EDA maxed out spending for the year; it was a busy year, and they used all of their consulting dollars. He said that the second round of TIF will come in in October. They are done spending for the year. There are no projects at this point.

**Loan Report.** Bill Owens presented the Loan Report for August. He said all loans are being paid as agreed and there are no new loans.

**OACCT Report.** Chamber Director Brad Meier presented the OACCT Report for August. He handed out the results of the Jump Start Owatonna initiative. It had a positive financial impact and funds went toward rent, PPE, marketing, and product. He said the CARES grant is open to businesses of 50 and fewer employees. Steele County is covering businesses in unincorporated parts. This will be good for our businesses. Voss said that he is planning to go live with his new website this week and thanked Brad and Jump Start Owatonna, as he wouldn't have been able to do it without help. He suggested getting the word out that our local restaurants and businesses are doing a great job and working hard to make their businesses safe. Meier said that they've been doing that on the tourism side, but they also need to get the word out to local residents.

**OABDC Report.** OABDC Director Bill Owens presented the OABDC Report for August. He said that occupancy is very good and one office is open. He said he's also trying to help out with the CARES grant.

**EDA Projects.** Community Development Director Troy Klecker presented the EDA Projects for August. He said that the Cemstone lot will be used by Bosch during the construction of their warehouse. This may roll into some development on their site. The business that was looking at Bubba's has chosen to locate in a different building. He said that a 'For Sale' sign was put up at Bubba's as well as 148 W. Main Street. He said that they're still hoping to get a new roof on the Centro Campesino building before winter. There are a number of projects underway, including Costco, Minimizer, and Foremost Brewery. Costco and Foremost are shooting for an October opening. There is a planned 36-unit apartment building on Mound Street currently in the demolition phase. Eastgate, a 36-unit tax credit workforce housing project, is underway, as well as a 43-unit apartment near Baymont. Mensink asked about the Pearl Street apartment. Klecker said that Mac Hamilton is working on the downtown hotel project, which is the first priority right now, but the apartment might be done next year.

**Old Business.** Klecker said that the CARES grant program opened on August 31<sup>st</sup> and will be closing at 5 pm on September 21<sup>st</sup>. He said that they've been getting the word out through the radio, public access channel, and an article in the paper. Keith Dahl with Ehlers is the consultant for the program. The response has been pretty good, with 17 applicants, and they are expecting more. Klecker said he had two questions for the Commissioners. One applicant is a downtown business. One of the criteria is that the business must have been open prior to November 1, 2019. In this case, the business moved to Owatonna from a different city. They were open in the other city on November 1, 2019, but not in Owatonna. They opened in Owatonna in June of 2020. Their opening was slower due to Covid-19. Need is evaluated based on March through May 2019 vs. March through May of 2020. The question is whether they qualify because they moved from a different city. Meier asked if they were getting revenue from the other city. Klecker stated that he didn't think so. DeVinny asked when they were planning to open. Klecker said they were planning to open in Owatonna in the spring. They were open in their old city on November 1, 2019. Voss asked if we could let the consultant decide. Klecker said the consultant said this is a local decision. DeVinny asked what is the possibility that there are other businesses who didn't apply because they didn't meet the criteria. Klecker reminded the Commissioners that this will be audited by the Federal Government. If they find errors, the City will have to pay. Mensink asked how many people would have been discouraged from applying because they didn't meet the criteria. Voss said that they didn't want to open themselves to liability. DeVinny asked if there was an opportunity to relook at the parameters and open it up to more applicants. Klecker said that leads into his second question. If they have funds left, do they want to have an additional application time with the opportunity to open up parameters. He said that they would want approval for this next week so they can shift. He asked the Commissioners what they would like the parameters to be. The amount they have left after the first round could change the parameters, so he suggested meeting next week after the first round has closed. A motion was made by Commissioner Mensink and seconded by Commissioner Okerberg that they stick to the original parameters the EDA defined for the CARES grant program and further define that a business had to be open in Owatonna on November 1, 2019 in order to be eligible for the grant. All Commissioners voting Aye, the motion passed. A motion was made by Commissioner Mensink and seconded by Commissioner DeVinny that the EDA reconvene to discuss and possibly open up a second phase of the CARES grant program should they have funds remaining after this round. All Commissioners voting Aye, the motion passed.

**New Business.** A loan was discussed for Redline Development. Klecker wanted to wait on acting on a loan until after a discussion with the developer on the implications of the loan was had.

**Schedule Next Meeting.** The next EDA meeting is scheduled for **September 23, 2020** at 4:00 PM at the City Council Chambers. This is a special meeting.

**Adjournment.** There being no further business, a motion was made by Commissioner DeVinny and seconded by Commissioner Cowell to adjourn the meeting at 4:49 pm. All Commissioners voting Aye, the motion passed.