

EDA
Minutes
September 23, 2020

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

Discuss CARES Grant. Klecker said that the application period ended at 5:00 pm on Monday. It was open for slightly over three weeks. The City and Chamber fielded a ton of phone calls and emails and everyone has been addressed. There were a total of 66 applicants for \$641,000 in requests. There is \$930,000 available. Consultant Keith Dahl did a great job and he will be going through the applications this week to make sure they are all eligible. At least \$290,000 will still be available. The EDA talked about opening up the grant for a second round and possibly expanding to beyond 50 employees, which might be an opportunity to widen it. Commissioner Voss said that he is very partial to very small businesses. He asked Klecker and Meier if there were any businesses that they were surprised didn't apply. Klecker said that some seemed to be hesitant because they didn't feel they were needy and didn't want to take funds from businesses who needed it more. There was some feedback that there wasn't enough time and an extra two weeks may help. Some businesses didn't apply in the first round who would apply in a second round. Some businesses thought that the City would have access to their information and thought this would be public information. He said that they should make clear that this is not public information—only the name of the business, address, and grant amount will be public. A third-party consultant will be doing the determination. Klecker said that he is the in-between person and doesn't make the determination or see information. He said they should make that clear in a second round. Commissioner Cowell asked if they feel that another 30-40 applications would come in. Klecker said that he can't answer that for sure, but opening it up to a larger group shows that they're trying to get the money out. Kruschke added that it's important to show a little difference from the first round. Commissioner Cowell clarified that the consultant is the determining person. Klecker said yes. Commissioner DeVinny asked whether they can still prioritize smaller businesses if they set up the second round to expand criteria. Klecker said he thought they could. If the applications exceed the funds, they can establish a preference. Commissioner Okerberg asked if they can shift extra funds to the County if necessary. Klecker said that the County has their program and has not had many applicants so far. Kruschke said that anything we don't spend automatically reverts to the County. Commissioner Voss said there's a possibility a business didn't do well during March through June, but have done well since, and so they didn't apply, but could because they meet the criteria. Klecker said that is a very good point—some businesses didn't apply because they bounced back. They also don't know what businesses received funds from PPP. Every scenario is different. Meier said that they will cross-reference their lists to see who didn't apply. They can do some checking. Commissioner Mensink pointed out that every business is different and their reasons for not applying vary. Commissioner Raney said that he'd like to open it up to businesses up to 100 employees as those who have under 50 had three weeks to apply. He said they can still apply. Just because a business has 75 employees, that doesn't mean they don't have a bigger challenge. He said he wasn't sure he supported small business priority as those with 51 to 100 employees may have specific needs. He said the board was correct to determine that a business not open in Owatonna in November 2019 didn't qualify for the first round. With the second round, there is a

second opportunity to change the criteria. Those businesses still had the same challenges as other businesses and they want to make a go in Owatonna. The little impact it may make on their grant may make a big impact on those businesses. A motion was made by Commissioner Peterson and seconded by Commissioner Mensink to start a second round of the CARES Act Grant addressing that monies were not fully used, and if not used will be returned; additionally, the City confirms that application data is secure and not reviewed by the City, with the applicant's name of business, address, and amount awarded the only information that is public; two changes to the first round are 1) increase to 100 FTEs and 2) clarify that any business that was open in November 2019 and is now located in Owatonna at this time qualifies for the grant. There was some discussion. Commissioner Voss said that he'd like to make sure that Klecker and Meier are willing to contact hesitant small businesses, especially hair and nail salons as they were completely out of business for three months. Kruschke asked how they would delineate if it comes down to that in the end: first come, first served; employee number; need; or if they would do \$5,000 grants instead. He said it would be helpful to know. Klecker said the first round was based on need. The Commissioners agreed to base the second round on need, as well. Commissioner Peterson amended the motion to include the timeframe of Friday, September 25 through Monday, October 12 at 5:00 pm. Commissioner Mensink seconded the motion. All Commissioners voting Aye, the motion passed.

Schedule Next Meeting. The next EDA meeting is scheduled for **October 21, 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 Mensink and seconded by Commissioner DeVinny to adjourn the meeting at 4:29 pm. All Commissioners voting Aye, the motion passed.