

**EDA
Minutes
February 20, 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, Corey Mensink, Don Boutelle, Kevin Raney, Jeff Okerberg, and Doug Voss. Also present were Troy Klecker, Bill Owens, and Kristen Kopp.

Approval of Minutes. Commissioner Boutelle moved approval of the minutes of the January 16, 2019 meeting with second by Commissioner DeVinny. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Troy Klecker presented the revenue and expense reports for January. He said that first half payments for the Chamber and OABDC contracts have gone out. There have been some expenses under EDA Land for the James Brothers land swap.

Loan Report. Bill Owens presented the Loan Report for January. He said that all loans are current and there are no new loans.

OACCT Report. Chamber Director Brad Meier was not able to present the report at the meeting. Refer to report in EDA agenda packet.

OABDC Report. Bill Owens presented the monthly OABDC Report. He said that they couldn't bill for consulting in January. Occupancy at the Center is good with no changes in the near future. He said that he expects 70%+ occupancy for the rest of the year.

EDA Projects. Troy Klecker presented the EDA Projects report for January. He said that it is unlikely that the second building on the former Hardees / Budget Mart site will be a TIF project as there has not been any movement on it. He said that Pro-Pet, which is now Cargill, has completed their 30,000 addition. The last piece of this, though not necessarily directly related to the addition, is that that they were assured that the odor would be addressed. Cargill is aware of this and it was a key point of the expansion. Klecker said they are working with Cargill on this and hope to get results. Klecker gave an update on the former Bubba's. He said that Foremost Brewing pulled the purchase agreement because they weren't happy with some things. He explained that the deal's a little different because of Roger Warehime's new position at OPU and because of the other brewery downtown, which did not seek or receive assistance from the City. He said there was some concern about the public perception. Dave Effertz is now the front person and he said we're trying hard to make it happen. EDA has \$160,000 to \$170,000 into the building already. They could give the building to them and recoup the money through a TIF. He said that if the EDA upfronted the money, that would limit them in not being able to do other projects. The TIF can act as the bank. He said that for the City to be the main investor on this project would put them in a bad position. He said that Dave Effertz understands and they are working on it, he just wanted the EDA Commissioners to know what was going on. He said they hope to have a purchase agreement soon. He said that the purpose of it was so that the City didn't sell it to anyone else and so that Foremost can show their investors that they have a building. Okerberg said that they had a hard date for funding to come in. Klecker said that the Pearl Street apartments are on hold—they are waiting to see how the Vine Street apartments rent

out. So far, the top floor is rented up. They are still waiting on Cemstone. Torey's has a full certificate of occupancy and they are up and going well. The hotel project is still being worked on; there are hard deadlines in March. The four-plex on West Pearl is down and Klecker said he has to talk to Family Video. The James Brothers land swap is complete and they have plans to shift their operations. The Commissioners discussed vacant City property on State Avenue on South Cedar. Raney asked how it's being marketed. Klecker said it's on the website and there is signage.

New Business. The Commissioners discussed using some of the EDA Loan Fund for downtown projects. Klecker said that there is over \$900,000 in the Loan Account and it would be good to utilize it. He suggested using it for façade renovations for downtown buildings, as downtown revitalization is one of the City Council's priorities. Voss said he thinks the signage ordinance is restrictive and that he thinks LED lights would make the downtown come to life. Klecker said there are different viewpoints. He said that the downtown is historic, and the signage ordinance was changed to reflect this. Voss said that it depended on which historic time period they were looking to reflect. Klecker said that he's never had a business say that they'd like to put up a big, lit sign and weren't able to. He said the ordinance gets to what common look or theme they're going for—that's what people recognize. Klecker suggested have forgivable loans are what downtown property owners want to see. The said the existing loans do not interest them. He added that they could have a matching grant with a maximum amount. Mensink suggested putting a sunset on the program, which would create a sense of urgency. Raney asked if it would be specific to the downtown. Klecker said it would, and he said that he can put something together and bring it back to the EDA. Owens asked if they would consider a loan for interior improvements such as sprinkler systems. Klecker said that handicap restrooms, sprinkler systems, and elevator access are the biggest issues downtown. Mensink suggested having two separate programs—one for the façade and one for the interior alterations. He said that the façade updates spur more investment and he suggested offering more incentive for the façade updates. He said that every project is unique and said they could start at \$10,000. Klecker said that they could piggyback it with a forgivable loan or other loan. He said that the biggest complaint on the Small Cities grants was the red tape. Offering this program directly through the EDA will eliminate that.

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

Adjournment. There being no further business, a motion was made by Commissioner Mensink and seconded by Commissioner Voss to adjourn the meeting. All Commissioners voting Aye, the motion passed. The Meeting adjourned at 4:49 pm.

Dated: March 20, 2019

Respectfully Submitted,

Secretary