

**EDA  
Minutes  
May 15, 2019**

The Owatonna Economic Development Authority met in regular session at 4:00 PM at the Council Chambers with Commissioner Voss presiding. Commissioners Present: Brenda DeVinny, Corey Mensink, Don Boutelle, Jeff Okerberg, and Doug Voss. Also present were Troy Klecker, Greg Kruschke, Bill Owens, Shirley Schultz, Emily Volkmer, Dave Beaver, and Kristen Kopp.

**Election of Officers.** Commissioner DeVinny nominated Kevin Raney for President, Doug Voss for Vice President, and Don Boutelle for Secretary with a second by Commissioner Jeff Okerberg. All Commissioners voting Aye, the motion passed.

**Approval of Minutes.** Commissioner Mensink moved approval of the minutes of the April 17, 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 April. Klecker asked Owens if he could pay the bill for the SBDC and the EDA will reimburse him. Owens said he can take care of it. Klecker said that it was a standard month. Voss asked about the bank investments. Klecker said that they can access those funds at any time.

**Loan Report.** Bill Owens presented the Loan Report for April. He said all loans are current, but they are still missing a couple payments from Wagners when their loans were consolidated.

He said that Al Martin has a loan request for three of his properties downtown: 214 and 216 N. Cedar Ave and 147 W. Broadway Street. He is applying for both the \$10,000 exterior and \$10,000 interior loans for each of the properties, for a total of \$60,000. 216 N. Cedar Avenue is the winner of the Retail Challenge. They have to upgrade their HVAC system because the space will be changed from retail to a venue and that triggered a change in ventilation. He will also be doing exterior upgrades. At 214 N. Cedar Avenue, the former tobacco store, he will be doing exterior upgrades as well as ADA restrooms. At 147 W. Broadway Street he will also be doing exterior upgrades and restrooms. Voss asked about the review process for this loan program. Klecker said typically the MainStreet Committee reviews the requests from a design perspective. Owens said that what Al Martin is proposing meets the intent of the loan program. Voss asked if the applicants' investments are tracked. Owens said that we pay them based on their invoices. Klecker noted that, as 216 N. Cedar Avenue was the Retail Challenge winner, that property has two different types of loans. He said that they are taking three empty buildings and will hopefully get them occupied. Mensink added that, with future Retail Challenges, more spaces will be ready for winners to occupy. Mensink agreed that this is exactly what they want. Okerberg said that he talked to one of the contractors at 147 W. Broadway Street and that property may be apartments rather than retail. Klecker said that they will clarify as apartments don't qualify for the loan program. Voss asked what's being done to ensure that everyone knows about the program. Schultz said she brought it up at Downtown Business Partnership meetings and that she's directing them to go to the website [Owatonna.biz](http://Owatonna.biz) for more information. Voss asked what is being done to ensure our dollars go to retail. Klecker said that both he and Bill will review and issue a check for half of the costs that qualify. A motion was made by Commissioner

Boutelle with a second by Commissioner Mensink to approve these six loans for properties at 214 and 216 N. Cedar Avenue and 147 W. Broadway Street for Al Martin as the program permits. All Commissioners voting Aye, the motion passed.

**OACCT Report.** Chamber Director Brad Meier presented the OACCT Report for April. He said it's been a busy month. The third Made in Owatonna Day was May 8<sup>th</sup>, with the focus on manufacturing and trades. There were 54 students who visited Cybex and Viracon. The first ever Signing Day was held on May 1<sup>st</sup> for students entering the workforce and they are working on the second edition of SteeleCoWorks for the 2019-2020 school year. They are trying to stay positive with the results of the bond referendum and look at next steps. Grow MN visits will resume in the summer with a goal to do 30 visits in three months. He said that businesses are looking into a shared aircraft. Earlier today, a group from Forest City, Iowa was in town and met with HR at Wenger and Viracon.

**OABDC Report.** Bill Owens presented the OABDC Report for April. He said that consulting is slow and occupancy is good at 85%. One office will open up the end of this month and a space will open up the end of June. He has people interested in both. He said that he's still waiting to hear back from the roofer about the storm damage.

**EDA Projects.** Troy Klecker presented the EDA Projects report for April. He said the Cemstone land swap is close. A draft development agreement and lease agreement are being reviewed and are planned to be presented to the City Council for approval. The target is to do it by July. They plan to move their glass crushing operation in the fall. There will be a ribbon-cutting ceremony on May 31<sup>st</sup> for the 54-unit apartment at 111 E. Vine Street. Mensink asked about the occupancy. Kruschke said it's slow. Meier said that Mac Hamilton's last apartment was full on day one. Klecker explained that this type of apartment is new for Owatonna and people will need to see it. Klecker said the developer has a sign up on the vacant property at 147 W. Pearl Street. He said they continue to work on filling the former Bubba's space and the hotel on the 200 block of N. Cedar Avenue is still being worked on. He said that they still working on acquiring the Centro Campesino building.

**Old Business.** MainStreet Director Shirley Schultz presented a request to the EDA for assistance in covering costs for a professional consultant, Frontdoor Back, to come and give a presentation to downtown business owners. Afterward, interested owners can set up a time to meet with the consultant for a personalized plan. They will help clients with façade, ADA restroom planning, floor layouts, window displays, and more. Schultz handed out examples of businesses who have gone through the consulting process. The total cost is \$12,000 and she is asking the EDA for \$9,500 in assistance. She will also be looking for sponsors, which could bring the EDA's cost down. Mensink asked if there is a cost for businesses who choose to schedule a consultation. Schultz said there are two deliverables: one \$500 consultation with a punch list and one \$1,500 consultation with photos, floorplans, product numbers, and sources. Voss wondered why we would pay them to come in and do what they already do. Schultz said it would be nice, but it doesn't usually happen on its own. Klecker explained that they are very well known consultants and communities pay to have them come in. Kruschke asked if they provide architectural drawings. Klecker said that they are designers, not architects. Schultz said that the presentations are usually funded by EDAs or Port Authorities. Mensink asked if there was a way to see if there is any interest beforehand. Schultz said that, with the new Downtown Loan Program, she'd like to get them here in June to give people time to apply for the loans. She said that she's mentioned

to the downtown business owners that they're going to try to bring them in. She'd like to do it the second or third weekend in June. Boutelle asked if the consultants are familiar with the building code and ADA requirements so that their guidance is accurate. Schultz said that they will point them to an architect. Voss asked how they would come up with ideas without a consultant and said that it would easily be worth \$1,500 for guidance. He suggested building it into the loan. Klecker asked if the consulting fees for individual business owners would contribute to the \$12,000. Schultz explained that the presentation has a price point of \$6,000. (Regardless of how many consultations are done, the consultant is guaranteed \$12,000—although anything above the \$6,000 could be individual consultations). She said she has five people who want the \$500 consultations. Klecker said the EDA owns a few buildings downtown and asked the Commissioners if they'd like to have consultations and drawings on their own buildings. There was some discussion on the timing and Bill Owens said that there is a sense of urgency. He said this falls under OPED and they could use some funds as well. He said this shouldn't be conditional on the forgivable loan program. A motion was made by Commissioner Boutelle with a second by Commissioner Mensink to approve \$9,500 which includes \$2,500 for five \$500 presentations, to be reimbursed to the EDA. All Commissioners voting Aye, the motion passed. The Commissioners thanked Schultz for her work to make this happen.

**Schedule Next Meeting.** The next EDA meeting is scheduled for **June 19, 2019** at 4:00 PM at the City Council Chambers.

**Adjournment.** There being no further business, a motion was made by Commissioner Boutelle and seconded by Commissioner DeViny to adjourn the meeting. All Commissioners voting Aye, the motion passed. The Meeting adjourned at 5:37 pm.

Dated: June 19, 2019

Respectfully Submitted,

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**Secretary**