

**EDA**  
**Minutes**  
**July 17, 2019**

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

**Approval of Minutes.** Commissioner DeVinny moved approval of the minutes of the June 19, 2019 meeting with second by Commissioner Boutelle. All Commissioners voting Aye, the motion passed.

**Treasurer's Report.** Troy Klecker presented the revenue and expense reports for June. He said that second half payments to the Chamber and OABDC have gone out. He said that they will be working with a consultant soon and will use up all of the consulting fees. The \$10,000 for MainStreet is set aside for downtown projects, specifically the removal of metal awnings. He said that he is proposing to replace existing awnings that are a potential hazard, although the new awnings will belong to the building owners and repairs will not be the City's responsibility. He said that the awning at The Kitchen is at least 50 years old and has never been repaired. It's unclear who would be liable if anything were to happen. By removing the awnings, they will be eliminating a lot of the liability. He said that while a typical awning is \$2,000 to \$3,000, The Kitchen's awning would be \$6,000 to \$7,000 because of the length of the building. Voss asked why it's the EDA's responsibility to pay. Klecker said that they are being proactive. There is still debate over whether the awnings are the City's or the property owners'. Voss said to make sure the property owners understand that they own the awnings. Klecker said they do, and the owners are also responsible for any brick repair as well. A motion was made by Okerberg and seconded by Boutelle to approve EDA's purchase of the awnings for up to four businesses, limited to \$10,000 at the time. All Commissioners voting Aye, the motion passed.

**Loan Report.** Bill Owens presented the Loan Report for June. He said that there was an issue with Mark's Repair payment as the business sold. Klecker said that this is a State MIF loan, which is tied to the business being there for ten years. The loan has transferred to the new owner and there was a delay in automatic withdrawals. He said he believes it's taken care of now. Owens said that there is a lot of interest in the forgivable loan program and that all exterior renovations will require a front elevation. Klecker said that this will best be handled as an agenda item for MainStreet meetings.

**OACCT Report.** Chamber Director Brad Meier presented the OACCT Report for June. He said that Anisha is working with businesses over the summer and is drafting a calendar for the school year. They met with new OHS principal Kory Kath. The first Made in Owatonna Day will be in October. Raney asked about the budget for watering flower baskets. Meier said that it's good; they're a year ahead on fundraising. Schultz said that they're doing well for next year, and would eventually like every hanger to have a basket.

**MainStreet Report.** MainStreet Director Shirley Schultz presented the quarterly MainStreet Report. She said that no businesses moved or closed in the second quarter. Several businesses

have been involved in Downtown Thursdays. Voss said that Downtown Thursdays are a lot of fun and that Schultz was doing an awesome job. He noted that all of the food vendors were fairly expensive and from out of town and asked whether local people were contacted. Schultz said that they got a list of food vendors from the Arts Center. She did talk to restaurants downtown and she said that they prioritized Main Street businesses to have a spot in front of their stores. Every food vendor had to apply. She said that they want people to come downtown and they want downtown businesses to do well. There is a tight balance to juggle. Raney thanked MainStreet and Schultz. He said he knows Downtown Thursdays are lot of work and is excited to see them continue to grow. They started from scratch and have had 2,500 to 3,500 people at each of the last two events. It's a safe place for people to congregate. Schultz said it's nice to see an active and lively downtown. Raney asked if they had to close of the 300 block of North Cedar Avenue. Schultz said that they were asked to. Klecker said that he heard positive comments about closing off the extra block. Voss asked about the alley lighting. Schultz said that they hope to have it by August 1<sup>st</sup>. She said that the Design Behind the Wall event went well and feedback has been great.

**Tourism Report.** Tourism Director Karen Pehrson presented the quarterly Tourism Report. She said that she's been out networking at conferences. She attended her first National Association of Sports Conference and got a warm lead. Social media is no longer being freelanced, but is done in house now. They're discussing land opportunities for a future farm show with IDEAg. Two tours were booked from the Circle Wisconsin Trade Show. 2019 Tourism Awards were presented on May 15<sup>th</sup> with two new categories. 11 tours are booked in 2019, which is a 90% increase from 2018. One of these tours will be staying overnight and is looking to book another tour in the future. She gave an update on the website. Users are up 73% and the bounce rate is low, which is a good thing. She gave an update on lodging tax and occupancy, which is down across the state. She said she's been talking with the Finance Department about unpaid lodging taxes.

**OABDC Report.** Bill Owens presented the OABDC Report for June. He said that consulting hours have been good. Occupancy was 81% at the end of June and they are doing fine financially.

**Airport Report.** Airport Director Dave Beaver presented the quarterly Airport Report. He said that they're in great shape and the T-hangars are at full occupancy. Raney asked about plans to add on. Beaver said that they've identified some bigger projects so they're ready to go if, for instance, a business needs a longer runway.

**EDA Projects.** Troy Klecker presented the EDA Projects report for June. He said that the City will begin approvals for a 350,000 square foot Costco Distribution Center. The property will need to be annexed into the City and TIF is being requested for the project. Approvals will take two months and they plan to begin grading in September. Construction will last one year. He said that he gives Kruschke all the credit as he's been working on the project on nearly a daily basis since last August. For a new business to build a 350,000 square foot facility in a community where they're not currently located is very rare. The last time this happened was Rayven in 2009. This will diversify the industrial base offering a different kind of job. They will employ around 200 people. Mankato news reporters were here this afternoon doing a story on the project. He said that Daikin is looking to build a 150,000 square foot warehouse facility which will add about 50 employees. There are plans for a second phase South Pointe project on the south end of

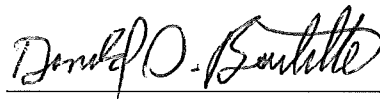
town. Raney noted that the national trend in housing is toward apartments. Voss asked about parking around South Pointe and if they can encourage tenants to park in the parking lot as opposed to the street. Klecker said that Mac could perhaps encourage people to park in the lot or they could possibly sign the street as no parking.

**Schedule Next Meeting.** The next EDA meeting is scheduled for **August 21, 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 Voss to adjourn the meeting. All Commissioners voting Aye, the motion passed. The Meeting adjourned at 5:33 pm.

Dated: August 21, 2019

Respectfully Submitted,

A handwritten signature in cursive script, reading "Donald O. Boutelle", written over a horizontal line.

**Secretary**