

Economic Development Authority

Regular Meeting

Wednesday, May 15, 2024

4:00 p.m.

Charles S. Crandall Center -- Meeting Room

City Hall

1. EDA Agenda - May 15, 2024

Documents:

[EDA AGENDA - 05-15-2024.PDF](#)

2. Roll Call: Boeke, Cowell, DeVinny, McDermott, Mensink, Raney, Voss

3. Approval Of Minutes: April 10, 2024

Documents:

[EDA MINUTES 04-10-2024.PDF](#)

4. Treasurer's Report

Documents:

[TREASURERS REPORT MAY.PDF](#)  
[APRIL CASH BALANCES.PDF](#)

5. Loan Report

Documents:

[LOAN REPORT.PDF](#)

6. Reports

6.I. OACCT / OPED Report

Documents:

[OACCT EDA UPDATE-5-2024.DOCX](#)  
[LEADS EDA REPORT MAY.PDF](#)

6.II. OABDC Report

Documents:

[OABDC EDA REPORT 2405.PDF](#)

6.III. EDA Report

Documents:

[EDA REPORT MAY 2024.PDF](#)

7. Old Business

7.I. Downtown Second Floor Commercial Space Contest

7.II. Approve Repayment Agreement For 224 Cedar Avenue North

8. New Business

8.I. Swap Lots With Alexander Lumber

8.II. Exterior Forgivable Loan - 141 W. Bridge Street

8.III. Exterior Forgivable Loan - 120 Oak Avenue S.

8.IV. Exterior Forgivable Loan - 315 Cedar Avenue N.

9. Schedule Next Meeting - June 19, 2024 Is A Holiday - Reschedule?

10. Adjournment

# **Economic Development Authority**

Regular Meeting

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4:00 PM

Charles S. Crandall Center – Meeting Room  
City Hall

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## **Agenda**

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1. Roll Call: Boeke, Cowell, DeVinny, McDermott, Mensink, Raney, Voss
2. Approval of Minutes: April 10, 2024
3. Treasurer's Report
4. Loan Report
5. Reports
  - a. OACCT / OPED
  - b. OABDC
  - c. EDA Projects
6. Old Business
  - a. Downtown Second Floor Commercial Space Contest
  - b. Approve repayment agreement for 224 Cedar Avenue North
7. New Business
  - a. Swap lots with Alexander Lumber
  - b. Exterior Forgivable Loan – 141 W. Bridge Street
  - c. Exterior Forgivable Loan – 120 Oak Avenue South
  - d. Exterior Forgivable Loan – 315 Cedar Avenue North
8. Schedule Next Meeting – June 19, 2024 is a holiday – reschedule?
9. Adjournment

**EDA  
Minutes  
April 10, 2024**

The Owatonna Economic Development Authority met in regular session at 4:04 PM in the Charles S. Crandall Center – Meeting Room at City Hall Building with Vice President Voss presiding. Commissioners present: Dan Boeke, Andrew Cowell, Brenda DeVinny, Pat McDermott, and Doug Voss. Commissioners absent: Corey Mensink and Kevin Raney. Also present were Troy Klecker, Brad Meier, Lisa Cochran, Glenda Smith, and Kristen Kopp.

**Approval of Minutes.** Commissioner Boeke moved approval of the minutes of the March 13, 2024 meeting with second by Commissioner McDermott. All Commissioners voting Aye, the motion passed.

**Treasurer's Report.** Troy Klecker presented the revenue and expense reports for March. Checks are out for the first half contract with the Chamber and OABDC.

**Loan Report.** Troy Klecker presented the loan report for March. He said that Selective Looks, who was not current due to an oversight at the last meeting, is now caught up and paid through March.

**OACCT / OPED Report.** OACCT Director Brad Meier presented the OACCT Report for March. The next Made in Owatonna Day, Ag Day, is next week. The Chamber was fortunate to get a grant to pay for some work experiences for students. We can pay up to \$15/hour for limited hours for work experience. We've been pushing that out and he welcomed the Commissioners to share with others. Signing Day will be the end of May. SteeleCoWorks Coordinator Missy Koch took a new job at OHS as their second Career Navigator. He said they're looking at changing the way the role works, working together with Brian and Missy. He said it's very positive. Meier congratulated the City of Owatonna for being on the list as a nominee for Real Estate Journal awards. The next Chamber Growth Breakfast will feature the MNSCU Chancellor and Riverland President. The Chamber has been working on their new building and this summer they will be doing some exterior work. They would technically qualify for the forgivable loan, but has reservations because of their contract with the City. He asked the Commissioners what they thought. Boeke said his impression is to use the funds that are available. Cowell asked if nonprofits were excluded from applying. Voss said it's within the boundaries of downtown. Meier said they didn't apply for interior money when they did interior alterations. The Commissioners agreed that it was fine. Boeke asked about the OPED Annual Report. Meier said he can send out a copy of it.

**MainStreet Report.** MainStreet Director Lisa Cochran presented the quarterly MainStreet Report. She said her quarterly stats to the state aren't due until next week, so there is a different style of update in the packet. It gives you an overall idea of what's been happening first quarter. She's met with three businesses about forgivable loans. She's followed up with the dress shop and Family First Insurance. She hasn't heard back, but hopefully will. She completed the accreditation application and they do get to retain their accreditation. They implemented a new event with the Winter Walk: Beverages, Bites and Bar-ingo. They will plan on doing that again

with Bold and Cold. They went to the Capitol to advocate for additional funding for MainStreet Programs in 2026 and 2027. A couple of businesses closed: Bellebrook Boutique and Elwood Cleaners. She is trying to set up a meeting with that building owner. HotWorx opened, as well as The Clubhouse and Daryl Bauer Home Resource Group. Central Park Coffee has new owners and Flemke Agency moved to a new location.

**Tourism Report.** Tourism Director Glenda Smith presented the quarterly Tourism Report. She has been meeting with lodging properties to see how things are going and how we can help. The properties are a little nervous with Home 2 Suites opening. We expect to see occupancy rates down. Home 2 Suites is planning to open the end of May and are starting to take reservations for June. Double Tree is in the works and they have started to enter some contracts for April 2025. Visitor Guides are complete and have started to be delivered around town. They structured their marketing meetings differently—they did a big kickoff in January and are focusing on a different topic each month. Corky's Earlybird is their big spring event. National Travel and Tourism Week is May 19-25. Foremost will be doing a tourism focused trivia on May 22. She highlighted meetings and group tours coming up. They're working with the associations and trying to engage baseball, basketball, la crosse, gymnastics associations to see if they want to host something in our community. A lot of tournaments have scaled back to one night. Voss asked about the 24-hour welcome center. Smith said they are working on becoming a welcome center. It's not officially opened or unlocked yet, but it will be.

**Airport Report.** Klecker said that Accelerated Aviation will be hiring three more instructors, for a total of 16 instructors, and adding three planes. There are a number of projects going on at the airport this year. They're also working on a business plan for the airport now that they've met previous goals, including becoming financially self-sufficient.

**EDA Projects.** Community Development Director Troy Klecker presented the EDA Projects for March. He gave an update on former Bubba's. They know that Oscar isn't moving forward with the wine lounge. Klecker had a conversation with him today. There is the \$8,500 payback clause for the TIF consulting fees and also unpaid taxes. In discussions with him today, he wants to move forward with signing the property over to the City. He can't make the payments right away, but is willing to do a repayment agreement. If everyone is okay with that, Klecker will proceed with getting a repayment agreement drafted and work with Mark Walbran to get that property turned back over to us. Boeke asked how soon the property will come back into our hands. Klecker said he's hoping 30 days. He thinks it's a good compromise, as we were looking to get the building back and set up a repayment plan. The monthly payments will go to EDA Land Account. Cowell said there should be some interest on it to incent him to get it paid. He wondered if we'd be setting a precedent. Klecker said that this is so unusual that it would be hard to set a precedent. Cowell asked if we had a new buyer of the property and they wanted to do something similar or different, would the TIF district be transferred to them, or would the new owner would pay for the difference? Klecker said, in reality, even though the TIF district is established, they will still need to do another TIF plan. We'll still have a consultant and will need to amend the TIF plan. Cowell said that Nicolai TIF was able to be transferred. Klecker said that that was a similar situation. There was a repayment clause and they did write a check for that amount. They had their taxes paid. The new developer came in and we did have to amend the TIF plan and still incurred some consulting fees. That would be as similar a situation as we've

had. There will be some consulting expenses on the new one. The Commissioners agreed that they were good with that. Klecker said he will see if we can get some interest. Cowell asked what the rate is the County uses for past due taxes. Klecker said that interest will be included in his payments.

There was some discussion of Scooter's Coffee and the adjacent tower property. Klecker said, to his knowledge, Scooter's was not able to purchase the property. He reached out to the tower company to let them know that they will still be responsible for maintenance and property taxes for the property.

### **Old Business:**

**Downtown Second Floor Commercial Space Contest.** Cochran said she and Klecker met and went through some criteria. She handed some copies out. Klecker said it's up to the Commissioners how quickly they want to roll this out. The sooner we get it out and people start thinking about it, the better. He said he and Cochran were looking at it from a really broad sense and did not specify too much. They laid out some objectives, but are leaving it pretty wide open. They're proposing \$20,000. Boeke said this would be big for downtown. Cochran said that Rethos will have a grant that businesses can apply for at the end of the month. Meier said the application comes from MainStreet first. Cochran said she is the grantor to the grantee. She heard about this last year in Boston. Not every building will qualify because it has to be in the historic district. Klecker said that it might be best to keep the EDA contest separate. Cochran said Rethos is exciting. Voss said he doesn't feel like this is enough information to vote on. Cochran said that this isn't the form. Boeke said he likes it. Klecker said if the Commissioners want another month to review it and vote next month, that's fine, too. He said they will go with what they have here and if the Commissioners have any suggestions, get their feedback to Cochran in the next two weeks. Cowell said he doesn't care if it's for an existing business as long as it's driving people downtown. Voss said he likes that we reserve the right to say yes or no.

### **New Business:**

**151 Bridge Street West.** Klecker said that Darrin Stadheim is working on a lot of projects right now and this isn't one he feels he can make work. There is some work to do on the lower level to get a tenant in there. He is anxious to sell. He's talked to the neighbor to the west and there is some interest there. He is offering it to us for \$325,000 and will reimburse us for the environmental study that we did. He does want the City to own it. It will increase the values downtown. When the Governor was here, he brought his entourage. The DEED Commissioner is good friends with Tim Penny. Klecker said he gave them a tour of the city and they pointed that property out. It stands out like a sore thumb. If anything's going to happen, we have to take the lead. We have stuck out our neck on a number of projects downtown: the Arnold House, the Smersh House, the old Theater. He said that they will all eventually be occupied and look good. The good part about this one is that it's bringing in revenue and we'll have money to put back into it. We can make some improvements to it. He feels much better about this one. He laid out what he thinks we can do right away, such as constructing a dumpster screen, air conditioning in the apartments so the window units can come out, new windows on the restaurant side, and a

new sprinkler system. We could do tuckpointing and painting. There is a tank under Oak Avenue that will have to be removed. When the City owns it, we have access to some grant dollars through DEED. If we have a project, it's easier to get those dollars. Eventually we would like to enclose that overhang and make it part of the building. We'll still be looking for a tenant all the while. People will visually see what the City is doing to the building. He thinks it's a good opportunity for us to do something. It's the one building he gets the most complaints about. He would be asking for EDA approval to move forward with purchasing it for \$325,000. It would still need to get City Council approval. Cowell abstained from the conversation and the motion as he has a business relationship with the property owner. Boeke said if government doesn't do this, who will? He would vote yes on this. McDermott says it seems like a building that the next person that owns it will sink a lot of money into it; it might be hard to find a buyer. Klecker said it cashflows as it is. With improvements, it will eliminate some obstacles. Worst case scenario, we own it for three to five years and sell it as is, it will at least look better than it would have before. Boeke said it will be safer with the sprinkler system. Klecker said they can figure out what makes sense to do. Voss asked if we're eligible for money to get rid of the gas tank. Klecker said that DEED has some funds. With Main Street being redone, he'd like to see the tank taken care of by the County. He'd also like to get the water service in for the sprinkler system. We'd be very strategic about what the improvements are and when they happen. Voss asked if there were other DEED grants we'd qualify for. Klecker said he's not aware of anything else. Voss said the fear is that we get stuck with another building. This does cashflow, so it's a better scenario. Boeke said it will be a better-looking building than it is now. Klecker said we can sell it, but it will look better. Voss said just with the list, it would look 90% better. They still have the Council vote. A motion was made by Boeke and seconded by DeVinny to recommend approval of the purchase of 151 Bridge Street West for \$325,000. With Cowell abstaining, all Commissioners voting Aye, the motion passed.

**Stendel Parking Lot Lease.** Klecker said that we've rented this from Brian Stendel every year for 15 years. Every year Council asks if we could buy the lot. Stendel is getting to the point where he might be selling the building and would sell this portion of the parking lot to the City. Klecker suggested a six-month lease through October, and at that time, Stendel should know what is happening. If he decides to sell it, the City could purchase it at that time. If it is purchased, it would not be purchased with EDA dollars. It is a vital parking lot.

**Online Low Doc Application.** Lisa said that this is now online like the forgivable loan application.

**Forgivable Loan – 210 Main Street West (Vanity LLC / Miranda)** Klecker said that this is for the building right behind the Chamber. The EDA approved an exterior loan at the last meeting. The applicant found out that they need an air exchange unit which is a building code requirement for a salon. They did not anticipate this when they started. Our forgivable loan criteria is things that will stay with the building and make things meet code. Technically she is doing this to meet code, but it is specific to a hair salon. If she were to move out, the next owner wouldn't necessarily need that. The bathroom is not handicap accessible, and if she doesn't touch it, it is not required to become handicap accessible. She asked the question and Klecker said they wanted to run it by the EDA. Voss said he likes the way it's set up so it can accomplish things that are painful to do. A venting system for a hair salon is part of the cost of having a hair salon.

Boeke said he could go either way. DeVinny and McDermott agreed with Voss. Cowell said he could go either way, but he agrees that it's specifically intended for her business and not improving accessibility. It was agreed that the ventilation improvements would not meet the requirements of the forgivable loan program. Lisa said the Low Doc Loan would be available to her.

**Forgivable Loan – 306 Cedar Avenue North.** Klecker said that InstyPrints used to own the entire space, but they have reduced their space and there is another space available. They are interested in doing a wine bar. They have an application in for both interior and exterior. The building is owned by the real estate fund. Someone from the fund would sign the guarantee. They're looking at \$10,000 interior and \$10,000 exterior. They are doing a handicap accessible building. They wouldn't change the exterior brick work, but they are looking to take the arch window and put in a garage door behind it, which would be an access point. Lisa said she's already seen what they're thinking. Cowell asked if the real estate fund can provide a corporate guarantee instead of an individual guarantee. Klecker said that's probably what they were talking about. They're okay with the repayment and will sign a corporate guarantee. Cowell said he's comfortable with that. A motion was made by Cowell and seconded by McDermott to approve a \$10,000 exterior and \$10,000 interior forgivable loan for 306 Cedar Avenue North. All Commissioners voting Aye, the motion passed.

Klecker said he thinks they decided not to go with the low doc application.

**Schedule Next Meeting.** The next EDA meeting is scheduled for **May 15, 2024** at 4:00 p.m. in Charles S. Crandall Center – Meeting Room at City Hall.

**Adjournment.** There being no further business, a motion was made by Commissioner Boeke and seconded by Commissioner DeVinny to adjourn the meeting at 5:32 pm. All Commissioners voting Aye, the motion passed.

<b>EDA ADMINISTRATION</b>				
Account	Description	Current Budget	Current YTD	Budget Remaining
	<b>REVENUE</b>			
290-31000-690-691-000000	PROPERTY TAXES	- 200,000.00	- 66,680.00	- 133,320.00
290-31410-690-691-000000	LODGING TAX - 3%	- 250,000.00	- 52,449.43	- 197,550.57
290-33424-690-691-000000	STATE - OTHER PROGRA		- 140,000.00	140,000.00
290-34950-690-691-000000	TIF ADMINISTRATIVE F	- 71,773.00		- 71,773.00
290-36210-690-691-000000	INTEREST EARNINGS		- 1,277.21	1,277.21
290-36220-690-691-000000	RENT/RENTALS	- 3,600.00	- 1,200.00	- 2,400.00
290-36231-690-691-000000	GRANT FUNDS			
	TOTAL REVENUE	- 525,373.00	- 261,606.64	- 263,766.36
	<b>EXPENDITURES</b>			
290-41000-690-691-000000	WAGES - REGULAR FT	86,568.00	29,835.13	56,732.87
290-41300-690-691-000000	WAGES - OT		1.40	- 1.40
290-41410-690-691-000000	PERA	6,493.00	2,219.86	4,273.14
290-41420-690-691-000000	FICA	6,622.00	2,211.47	4,410.53
290-41500-690-691-000000	INSURANCE	7,445.00	2,190.28	5,254.72
290-41550-690-691-000000	WORKERS COMP INSURAN	493.00	168.73	324.27
290-42000-690-691-000000	OFFICE SUPPLIES	400.00		400.00
290-42300-690-691-000000	SMALL TOOLS & MINOR	400.00		400.00
290-43010-690-691-000000	OTHER PROFESSIONAL S	35,000.00		35,000.00
290-43121-690-691-000000	PHONE	200.00		200.00
290-43122-690-691-000000	POSTAGE	300.00		300.00
290-43220-690-691-000000	TRAVEL & TRAINING	1,000.00	105.62	894.38
290-43231-690-691-000000	OBD - MARKET SERVICE	80,000.00	40,000.00	40,000.00
290-43232-690-691-000000	OBD - LOAN SERVICES	20,000.00	10,000.00	10,000.00
290-43233-690-691-000000	OBD - SMALL BUSINESS	4,000.00		4,000.00
290-43234-690-691-000000	DOWNTOWN ENHANCEMENT	5,000.00		5,000.00
290-43235-690-691-000000	PARTNERS FOR PROGRES	12,000.00		12,000.00
290-43320-690-691-000000	ADVERTISING & PROMOT	1,000.00		1,000.00
290-43400-690-691-000000	MEMBERSHIPS & SUBSCR	200.00		200.00
290-43720-690-691-000000	REPAIR & MAINT - EQU	200.00		200.00
290-43810-690-691-000000	RENTS/LEASES	6,700.00	3,312.00	3,388.00
290-43972-690-691-000000	SOUTHERN MN INITIATI	1,667.00	1,666.00	1.00
290-43990-690-691-000000	MISCELLANEOUS		140,000.00	- 140,000.00
290-43991-690-691-000000	TOURIST DEVELOPMENT	237,500.00	34,959.06	202,540.94
290-47000-690-691-000000	TRANSFER TO OTHER FU	12,000.00	4,000.00	8,000.00
	TOTAL EXPENDITURES	525,188.00	270,669.55	254,518.45
	<b>EDA LOANS</b>			
Account	Description	Current Budget	Current YTD	Budget Remaining
	<b>REVENUE</b>			
292-34109-690-692-000000	OTHER REVENUE			
292-34960-690-692-000000	INTEREST ON LOANS		- 275.59	275.59
292-36210-690-692-000000	INTEREST EARNINGS	- 16,000.00	- 7,707.60	- 8,292.40

	TOTAL REVENUE	- 16,000.00	- 7,983.19	- 8,016.81
	<b>EXPENDITURES</b>			
292-48300-690-692-000000	LOAN PROGRAM DISBURS		30,000.00	- 30,000.00
	TOTAL EXPENDITURES		30,000.00	- 30,000.00
	<b>EDA LAND</b>			
Account	Description	Current Budget	Current YTD	Budget Remaining
	<b>REVENUE</b>			
294-34950-690-694-000000	TIF ADMINISTRATIVE F	- 1,362.00		- 1,362.00
294-34960-690-694-000000	INTEREST ON LOANS	- 43,235.00		- 43,235.00
294-36210-690-694-000000	INTEREST EARNINGS	- 12,000.00	- 7,326.05	- 4,673.95
294-36220-690-694-000000	RENT/RENTALS	- 30,000.00	- 17,920.00	- 12,080.00
294-39101-690-694-000000	SALE OF CAPITAL ASSE			
	TOTAL REVENUE	- 86,597.00	-25246.05	- 61,350.95
	<b>EXPENDITURES</b>			
294-43004-690-694-000000	LEGAL FEES			
294-43010-690-694-000000	OTHER PROFESSIONAL S	20,000.00		20,000.00
294-43320-690-694-000000	ADVERTISING & PROMOT			
294-43500-690-694-000000	PROPERTY & LIABILITY	4,100.00	2,050.00	2,050.00
294-43711-690-694-000000	RENTAL PROPERTY EXPE			
294-43910-690-694-000000	REAL ESTATE TAXES	20,000.00		20,000.00
294-45100-690-694-000000	LAND			
294-45300-690-694-000000	OTHER IMPROVEMENTS			
	TOTAL EXPENDITURES	44,100.00	2,050.00	42,050.00

**City of Owatonna**  
**Balance Statement by Fund**  
**30-Apr-24**

FUND 292: EDA LOANS

Account Number	Account Name	Ending Balance
ASSETS		
292-10100-000-000	BANK ACCOUNTS	\$ 12,649.35
292-10400-000-000	INVESTMENTS	800,000.00

FUND 294: EDA LAND

Account Number	Account Name	Ending Balance
ASSETS		
294-10100-000-000	BANK ACCOUNTS	\$ 302,306.79
294-10400-000-000	INVESTMENTS	500,000.00

CITY OF OWATONNA  
 EDA - LOAN PROFILE  
 As of : April 2024  
 prepared 5/10/2024

**EDA - Improvement Notes**

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Monthly Payment	Status	Type	Notes
Wagner's	10/1/2018	2.500	7	43,480.63	18,465.83	564.78	Current	Retail	
Total				<u>43,480.63</u>	<u>18,465.83</u>	<u>564.78</u>			

Profile by Loan Performance		Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current		1	43,480.63	18,465.83	100.00%
	Non-current		0	-	-	0.00%
			<u>1</u>	<u>43,480.63</u>	<u>18,465.83</u>	<u>100.00%</u>

**EDA - Low Doc Notes**

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Monthly Payment	Status	Type	Notes
Selective Looks	6/16/2020	2.500	7	25,000.00	9,496.97	259.78	Non Current		Last payment received in March
Vesterby	12/13/2021	1.625	7	12,500.00	8,490.71	157.53	Current		
Vesterby	12/13/2021	-	3	5,000.00	1,111.08	83.33	Current		
				<u>42,500.00</u>	<u>19,098.76</u>	<u>500.64</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	2	17,500.00	9,601.79	50.27%
	Non-current	1	25,000.00	9,496.97	49.73%
		<u>3</u>	<u>42,500.00</u>	<u>19,098.76</u>	<u>100.00%</u>

**EDA Land Fund**

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Annual Payment	Status	Type	Notes
Gateway #2 TIF note	12/31/16	3.000	25	472,889.00	425,262.87		Current		TIF Guarantee
Arrow Ace TIF note	12/1/17	3.000	25	350,000.00	313,732.13		Current		TIF Guarantee
Nicolai TIF note	12/31/17	3.000	25	524,845.17	518,820.84		Current		TIF Guarantee
Marriott TIF note	5/18/21	3.000	25	268,000.00	268,000.00		Current		TIF Guarantee
224 Cedar TIF note		3.000	25	225,000.00	225,000.00		Current		TIF Guarantee
Ascend TIF note	7/31/2023	5.000	25	100,000.00	100,000.00		Current		TIF Guarantee
KAMP TIF note	2/1/23	3.500	8	155,074.00	155,074.00		Current		TIF Guarantee
Total				<u>2,095,808.17</u>	<u>2,005,889.84</u>	<u>-</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	7	2,095,808.17	2,005,889.84	100.00%
	Non-current	0	-	-	0.00%
		<u>7</u>	<u>2,095,808.17</u>	<u>2,005,889.84</u>	<u>100.00%</u>

# Memo

To: Economic Development Authority  
From: Brad Meier, President/CEO  
Date: 5/15/2024  
Re: OACCT Economic Development Update

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## Economic Development

- **See report for leads and 'in progress' reports.**

## Workforce

- April 17<sup>th</sup> Made in Owatonna Day-Agriculture Day: 70 students
- Work experience grant, received 12 applications, grant is up to \$15/hour for up to 160 hours.
- 2024 'Signing Day' is May 29<sup>th</sup> at 4pm at Torey's conference room.
- SteeleCoWorks Coordinator-reconfiguring position with plan to hire new coordinator this summer.

## Other

- OPED: Did not win city of the year
- OPED: Next Real Estate Journal event May 30<sup>th</sup>-Restaurant & Retail
- OPED: Sean Williams hosted non-traditional financing event
- Growth Breakfast, May 16<sup>th</sup> features local health care leaders from Mayo, Allina, and OMC
- Ted G Ringhofer scholarship presented to Ethan Armstrong-\$1,000.

<u>Company</u>	<u>Date of Inquiry</u>	<u>Service Provided</u>	<u>Follow ups</u>	<u>Conclusion</u>	<u>Project Outcome: Green (progressing), yellow (probable); red (not moving)</u>
Franchise director for DQ US looking for a new person to run DQ franchise for Owatonna	10/9/2023	Looking for ideas on a new franchise owner for the DQ in Owatonna. They'd like to fill the space just vacated on Bridge.	Received some promotional information and have been sharing it out to business community. 01/09/24: franchisor they had lined up fell through, so still looking for one for Owatonna.		
Wants to run an adult daycare in his existing location downtown	12/4/2023	Some questions about what is needed by the city of owatonna to complete this project in current space.	Ken Beck & Brad Meier met with business owner to discuss what is needed and a realistic timeline.	Owner still working on details with architect. 2/15/24: conditional use permit approved at city.	
Looking for new site for their church	1/25/2024	Lead pastor has moved church to temporary location, wants to find an existing building with at least 10,000 sq ft	Building on the south end of Owatonna has come on the market. Discussed some informtion about the site with him.	Church is going to purchase land to put up a new structure.	
Group has purchase agreement on building looking for feedback on needs/use	1/8/2024	Redevelopment project that has high visitor attraction potential.	Provided ideas on the building and possible uses/needs.	2/22/24: meeting with the key investors of the project to discuss possible uses and operators.	
Discussion with developer about future projects.	2/27/2024	Discussed redevelopment sites at I35 & Hoffman as well as south end wholesale tires buildings	Did not seem like a project this individual was interested in taking on at this time.		
Development project idea for downtown Owatonna.	2/29/2024	Developer presented an idea for a new building in downtown Owatonna.	Early stages of the idea and it has some overlap with another downtown project being discussed.	Set up meeting between the two project developers for March.	
Met with new owners purchased existing business in Owatonna	3/1/2024	Plan to invest upwards of \$500,000 into the building	Improvements will allow for growth of the business.	Not asking for help with it, plan to complete in 2024.	
New attorney	2/19/2024	Divorce Attorney open Owatonna location	Planning to open small office in downtown Owatonna	Things are on-track and plan to open in April/May	
New Psychologist	2/19/2024	Psychologist opening Owatonna location	Planning to open small office in downtown Owatonna	On Track	
Restaurant for Downtown	4/26/2024	Working towards opening a restaurant business	Considering a cooperative agreement with existing location	Working with Sean at OABDC	
Distillery	4/26/2024	Wants to open small batch distillery	Timing not known right now.		

Commercial Kitchen	5/7/2024	Interested in commercial kitchen space to expand current business being run out of their house.	Sharing new space idea with the owner.	He is looking into the space to see if it is a suitable fit.	
Expand Retail Space	5/7/2024	Considering options for doubling his space.	Discussed several ideas and will continue discussion. They want to do something soon.	Probable	



## EDA Report for April 2024

### Updates:

- Non-Traditional Lending Workshop – 5/1/24
  - o In partnership with SMIF and Amplio
  - o 26 participants
- Knowledge Exchange Program SBDC Statewide Conference – 5/15 – 5/17
- MN Nonprofit Executive Summit – 5/22 – 5/24
- New additional SBDC consultant – Danielle Wavrin
- Design Thinking and Design Sprint Workshop – 4/4

### Upcoming:

- RFP for Software Studio
- Monthly entrepreneurial event
- Design sprint workshops
- Marketing Workshop - May 20<sup>th</sup> - in partnership with Chamber, Tourism, and SBDC
- English- and Spanish-language Small Business Academy cohorts – this fall

### OABDC - April 2024

Consulting						
Clients	Sessions	Hours	New	Operating	Hours	
					2024 YTD	2023 YTD
14	15	17.5	4	6	73.25	36.75

Occupancy				
Manufacturing			Offices	
Total Leasable Space	34,325		Total Leasable Offices	11
Total Leased Space	19,375		Total Number of Leased Offices	10
Present Occupancy	56%		Present Occupancy %	91%
Budget Occupancy	70%		Budget Occupancy %	70%
YTD Performance to Budget	\$(2,796)		YTD Performance to Budget	\$ 2,504
YTD Performance to Budget	89%		YTD Performance to Budget	130%
Number of Tenants	7		Number of Tenants	10
Future Makerspace	1,600			



## EDA Forgivable Loan Program – April 2024

### Updates:

- 605 N. Cedar – MO Fitness/Olson
  - o Receipts submitted for reimbursement
- 301 N. Cedar – PHFS/Prohaski (2021)
  - o Loan documents being drafted
- 130 E. Vine – Owatonna Fitness/West
  - o Receipts submitted for reimbursement
- 306 N. Cedar – OREF/Stadheim
  - o Waiting for timeline update to draft loan documents

### New Business:

- Forgivable Loan Program:
  - o 141 W. Bridge St. – Heinz Insurance / Otterson
    - \$10,000 – Exterior – tuckpointing
  - o 120 S. Oak Ave. – Chamber / Meier
    - \$10,000 – Exterior – signage
  - o 315 N. Cedar Ave – Dress Shop / Pankowski
    - \$10,000 – Exterior – windows, signage, awning
- Including these three loans, \$80,000 approved for 2024.

**May 15, 2024  
EDA Meeting**

**EDA Projects Report**

- The developer has sold the site for the second building on the old Hardees/Budget Mart site to Redline Development Group, LLC. TIF was approved for this project. There is enough TIF being generated from the first building to pay the City back for costs associated with realigning Barney Street. Any additional TIF generated from a second building would assist the developer for costs associated with the development.
- The land swap between the City and Cemstone is completed. The City now owns the current Cemstone site and Cemstone owns 14 acres of vacant land in the industrial park. Cemstone will have 5 years to build a new facility on the new site. The City will then redevelop the current site once Cemstone moves out. Tax Increment Financing is being used to assist with the project. Cemstone has completed the plant on their new site. They will be building an office and storage space this year.
- The property at 224 North Cedar Avenue has been conveyed to Oscar and Tammy Mazariago to renovate the building into a wine lounge. Tax Increment Financing has been approved for the project. A development agreement was approved and signed for the project. Costs has gone up on the project from the time the development agreement was signed and the owner is not moving forward with the project. Staff is working with the owner to be the property transferred back to the City.
- The City has purchased the property at 117 West Bridge Street formerly owned by Centro Campesino. Construction of a new roof on the building is complete as well as other improvements. The EDA paid for the roof and other improvements with the intent of redeveloping the property and utilizing tax increment financing to recoup those costs from the project. A redevelopment project is being sought for that property.
- The City owns the property at 148 West Main Street that was damaged from a collapsed roof. A redevelopment project is being sought for that property.
- Tax Increment Financing has been approved for the redevelopment of 202 West Bridge Street. The project will renovate the entire building into retail and office space. Construction is complete on the first floor and Graif has moved into that space. Additional tenant space is being built out in the upper level of the building.
- Plans have been announced for the riverfront redevelopment project north of West Vine Street and west of North Oak Avenue. Redline Development Group will be demolishing 5 buildings, including the Chamber of Commerce building and constructing a bank building and a second building which will contain Mineral Springs Brewery, 20,000 square feet of commercial space and 70 luxury apartments. The EDA owns one of the buildings at 216 North Oak Avenue. Tax Increment Financing has been approved for this project. A development agreement has been approved. The property is being platted and easements and streets are being vacated as part of the project. Demolition of the buildings is complete and construction has begun.

- Scooter's Coffee is proposing to build a drive-through coffee shop on city owned land at the corner of South Cedar Avenue and 18<sup>th</sup> Street SW. The City Council has approved a conditional use permit for the project and purchase agreement for the property. The property has been sold. Scooters is trying to purchase the tower property and incorporate it into the site before beginning the project. Building plans have been submitted and construction is planned for this summer.
- The City has purchased the property at 126 East Fremont Street. Plans will begin to demolish the house and garage on the site. A redevelopment project is being sought for this property and the 4 other lots the City owns. The house was burned on October 22 and the rest of the site has been cleaned up. Staff is working on a plan to develop the property.
- Foamcraft is proposing to construct a 15,000 square foot addition to their existing facility in the industrial park. Tax Increment Financing has been approved for the project. Construction has begun on the site.
- The City Council approved the purchase of 139 East Pearl Street. Closing on the property occurred on October 18<sup>th</sup>. The City will be demolishing the house this summer.