

Economic Development Authority

Regular Meeting

Wednesday, February 21, 2024

4:00 p.m.

Charles S. Crandall Center - Meeting Room

City Hall

1. EDA Agenda - February 21, 2024

Documents:

[EDA AGENDA 02-21-2024.PDF](#)

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

3. Approval Of Minutes: January 17, 2024

Documents:

[EDA MINUTES 01-17-2024.PDF](#)

4. Treasurer's Report

Documents:

[TREASURERS REPORT JANUARY.PDF](#)
[3. B. JANUARY CASH BALANCES.PDF](#)

5. Loan Report

Documents:

[4. LOAN REPORT JANUARY.PDF](#)

6. Reports

6.I. OABDC Report

Documents:

[OABDC EDA REPORT 2402.PDF](#)

6.II. EDA Projects

Documents:

[EDA REPORT FEBRUARY 2024.PDF](#)

7. Old Business

- 7.I. Update On 224 Cedar Avenue N
8. New Business
 - 8.I. Forgivable Loan - 605 Cedar Avenue N
 - 8.II. Downtown Second Floor Commercial Space Contest
9. Schedule Next Meeting - March 20, 2024
10. Adjournment

Economic Development Authority

Regular Meeting

Wednesday, February 21, 2024

4:00 PM

Charles S. Crandall Center – Meeting Room

City Hall

Agenda

1. Roll Call: Boeke, Cowell, DeVinny, McDermott, Mensink, Raney, Voss
2. Approval of Minutes: January 17, 2024
3. Treasurer's Report
4. Loan Report
5. Reports
 - a. OACCT / OPED
 - b. OABDC
 - c. EDA Projects
6. Old Business
 - a. Update on 224 Cedar Avenue N
7. New Business
 - a. Forgivable Loan – 605 Cedar Avenue N (MO Fitness / Olson)
 - b. Downtown Second Floor Commercial Space Contest
8. Schedule Next Meeting – March 20, 2024
9. Adjournment

EDA
Minutes
January 17, 2024

The Owatonna Economic Development Authority met in regular session at 4:00 PM in the Charles S. Crandall Center – Meeting Room at City Hall Building with President Raney presiding. Commissioners present: Andrew Cowell, Brenda DeVinny, Pat McDermott, Corey Mensink, Kevin Raney, and Doug Voss. Commissioners absent: Dan Boeke. Also present were Troy Klecker, Brad Meier, Lisa Cochran, Glenda Smith, Sean Williams, Dave Beaver, and Kristen Kopp.

Approval of Minutes. Commissioner DeVinny moved approval of the minutes of the December 20, 2023 meeting with second by Commissioner Cowell. All Commissioners voting Aye, the motion passed.

Klecker said that Tom Peterson resigned from EDA and the Mayor appointed Pat McDermott to take his place. McDermott said he's the director of manufacturing operations at Climate by Design. He was born and raised in Owatonna and served on a number of boards.

Treasurer's Report. Troy Klecker presented the revenue and expense reports for December. He said this is not a final report as invoices are trickling in yet. It will be close, though. The good things are, lodging tax revenue is up this year—more than what we budgeted. That's a good sign. We had an oddity, a grant that was funneled through our budget that kind of throws things off a bit. There were some consulting fees and we were under budget on that, as well. In the end, we'll be under budget, it's just a matter of by how much. Our activity is pretty consistent year after year. There isn't a lot of deviation. The most deviation is consulting fees. We've budgeted for about three projects every year. There are usually 12-15 projects going on at a time. Those are either incentives or EDA Land projects. He said all of the public parking lots are City owned, except for one. The parking lot by Curly Girls is rented from Brian Stendel and has been for many years. There has been some discussion on whether we should own that. He hasn't been in the position taxwise to sell it. The lease will end the end of April. The fund balance is pretty good, and we've got the ability to do some things. Cowell said he still thinks there is opportunity for the south corridor. He said that he believes the vet clinic is moving their operations out of that area. It would be an idea of where to begin, to kind of get the ball rolling. He said that corridor and where the Budget Inn is next to Perkins, would be interesting projects. Klecker said he's had many discussions with developers about that. It has the highest potential for development. To be along and interstate at an interchange next to a Walmart. Raney said that utilities earmarks \$100,000 a year for beautification of corridors. Would that be an opportunity to do that? Klecker said they did adopt that for a five-year period and we're beyond that. They're doing some burying of lines by Ascend. If there is another area, that would be a separate conversation. OPU has always been very good at working with us on projects. Raney said he agrees with Cowell, right off the interstate along old 14 would be intriguing. He said we should expect a pretty good return on investment should we acquire that. Klecker said that is one small piece of property. (The hotel) He said that is best suited for a developer as it is probably too large for us. Cowell asked if there was a Phase 2 environmental study on the building across from the Chamber office. Klecker said we did complete that. There is some vapor concerns that could be

fixed with the flooring (sealing it). The tank sits in the right of way of the street, toward the Chamber, which adds a little twist to it all. There are some soils corrections that will have to be done. There has been much discussion on that. There are some possibilities with a developer. We're working with a local business as a possible tenant. His hope is we can get a project without having to acquire anything. That is the role of the EDA—to throw out development ideas and figure out if it's something we should do or not. Mensink asked if we are still in the process of acquiring the US Bank parking lot. Klecker said the City Attorney is working on presenting a counter purchase agreement back. The goal is to get that purchase agreement together, have them agree on it, and go to bid by the end of February and do a construction project this summer. The layout is figured out. It will be two parking lots separated by a drive going to US Bank's property. One lot will be short-term and the other long-term. We'd also be acquiring the green space next to US Bank and we'd create a walkway there. Raney asked about the property owner north of Perkins. Klecker said we have a ton of I-35 frontage available for commercial development. Conceptually there is a lot of potential. The owner wants to sell a bigger chunk to a developer who has key businesses that will help make the rest of his property more valuable. Maybe a mall with three or four tenants. Mensink asked if there was an update on Scooters. Klecker said it's a different franchisee and they will pursue the store just as it was approved. There is still the odd piece of property that may end up sitting there. That will be a summer 2024 project.

Loan Report. Sean Williams presented the loan report for December. He said there was an email outage in mid-December, which has been rectified. Klecker said they did approve HotWorx forgivable loan. Williams said there were a number of checks that were going to be cut at that City Council meeting. There is a permit for 206 W Rose that is waiting for approval. The PFHS at 301 N Cedar is waiting for materials to arrive. There is an entrepreneur at 605 N Cedar who is putting in an ADA compliant ramp on the building and has booked the contractor to start next week. Williams explained that he can't start work until the loan is approved by the EDA. There is no precedent with moving forward and he said he would rather wait and get the forgivable loan. He said his recommendation is to tell him to wait and follow the process. He said literally yesterday was the first time we've heard about it. Cochran said she talked to him as well and told him to get the application in as soon as possible. The Commissioners agreed that he should follow the process and apply for the loan. He said that they built out an online application, which was sent to the EDA members. Klecker said that has all of the information on the Forgivable Loan Program. He said he thought it was very well done. Klecker said that for the Cars N Credit EDA MIF Flood Recovery Loan still has a balance of one more payment. They thought they were done, and we thought they were done, but their payments started one month after the payment plan, and they have one more payment to make. We've made contact with them that there is one more payment and that should be coming in.

OACCT / OPED Report. Chamber Director Brad Meier presented the OACCT Report for December. He said they received a \$40,000 grant for work experience over the summer months. OPED conducted their strategic planning process. They'll bring more detail back to this group. He highlighted some business changes.

MainStreet. MainStreet Director Lisa Cochran presented the quarterly MainStreet Report. She said this quarter was not as happy as third quarter as there were some business closures. They're

excited the hardware store is going to Ace. She said new holiday banners will go up in 2024. She said she loves working with businesses and building owners. She excited to be working with Sean and having a full time position is good for the loan program. She said they ended the year with a successful holiday parade. She's really excited for 2024 and doing what they do even better. She thanked the EDA for their support.

Tourism. Tourism Director Glenda Smith presented the quarterly Tourism Report. She said lodging tax revenue is a little higher than budgeted. At the end of the year, they ended up with an average occupancy rate of (48.1%). The number of trips coming to Owatonna increased by 3.1%. Visitor days decreased by 11%. She said they want to find ways to continue to bring people into town. She spoke about branding and creating a seamless visitor process. They've been working on the new Visitor Guide. She said she went to the Chicago Travel Show. They are working with an organization called Bandwango. They've reached out to restaurants and retail for a challenge. She highlighted Play Easy, a free program that matches tournament planners to tournament venues. Raney said he likes that occupancy is up and asked what the average is. Smith said we're lower than the average, but not too far off. Klecker said the occupancy rate will go down when Home 2 Suites and Double Tree open. Smith said that construction was at least 20% of the occupancy at one point.

OABDC Report. Sean Williams presented the OABDC Report. He said that they had a strategic planning session. Consulting hours were down in December because we were limited in contract hours with the regional office. For this year, we've contracted for 150 hours of consulting. Hopefully we'll pass that 150. The SBDC is a federal program that funds half of their consulting hours. Last year they secured a grant through DEED for the other half. CDI moved out of the center today. What is reassuring about that is the new tenants have offset their revenue. They're working on a couple ideas to generate some activity out there. He connected with an individual who is interested in running the maker space. He said they're also converting an office to a drop-in office.

Airport Report. Airport Manager Dave Beaver presented the quarterly Airport Report. He said 2023 was a good year and they continue to see good numbers on fuel volumes. Activity has been good and the flight school has been busy. They're hopefully filling some of the hotels as their students are sometimes here for months. They are budgeting to be self-sufficient. Operational revenues are covering the expenses. They finished the T-hangar last year and it's fully occupied. The security fence is in process. The Airport Commission is interested in discussions on economic development and how the airport can support Ihlenfeld's property. They have a very long runway and that's driving their performance. They're interested in bringing corporations into town. There are only two airports in the Cities that have runways longer than us, and that's MSP and downtown St. Paul. Raney said he sees the airport as an economic driver in Owatonna. Is the Airport Commission working toward short-term and long-term economic goals. Beaver said that's a great question. They've discussed their next steps. They're looking at their master plan and talking about a mechanic school. He said he and Klecker have talked about that. Klecker said that they had a plan to fill the vacant hangar space and be self-sufficient. We've accomplished both of those goals. They're at a good point to reassess.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for December. He said that he took CDI off the list because they are in the building now. This is typically our slowest time of year. We'll have an update from Oscar at the next meeting.

New Business: Approve the 2024 Forgivable Loan Program. Klecker said they sent out what Sean had put together. We've had discussions at the last couple meetings. We'd be looking at \$100,000 for 2024. Criteria would be much the same. Looking to get rid of application fee. There is the question if someone has already used the program and is looking to do another project, would they be eligible? There has been some discussion on second floors. Williams said that 12 month deadline was in the application the whole time, but not enforced. Klecker said we're at a point we can enforce that now. Raney asked if it meets expectations if someone comes in, can they go through the process in 12 months. Mensink said some of these projects got much more involved than anticipated. Raney said we do not have a fine. Klecker said they can ask for an extension. Raney said that Martin's is still not done. Mensink said on the flip side, if the catalyst wasn't there, it wouldn't get done. Cochran said she will be meeting with Al. Cowell said we're in a new environment than we were before. There aren't as many projects for architects. That has eased. Overall access to contractors has eased. A lot has to do with the interest rates. Cowell said a 12-month time frame is fine for 2024. Mensink said we might have to adjust on the fly if needed. Mensink said why not apply for a second one—our dollars are getting leveraged. He said this isn't a perpetual program. Klecker said the message is we have money set aside for this year and this year only. Voss said it seems more important to go by location. Mensink said this may not be something we continue. Klecker said there is a five-year period before it's forgiven. Some of the very first ones we did are at the five-year point. Technically you could owe some of that money should you leave. Mensink said you're leveraging your dollars over and over. He said he doesn't see a big issue. Raney asked if a first time applicant earn more points. Cochran said they don't usually come in at the same time. Mensink said if it's a competitive situation that could factor in. Cochran said that there is already \$20,000 for 605 N. Cedar. There are a few who will reapply. She said there is a potential to use all \$100,000. Mensink said there are other projects that could use it downtown. Raney asked if we should use language for a second time loan. Meier said we used to have to beg people to put a nickel in. You have erred on the side of generosity and it's been good. Cowell said the language in the loan indicates it's a one-time use. Klecker said if we want to allow it, we'd have to change the wording. Mensink said you could evaluate as needed. Cowell said there's always been more demand than supply. If that flips, we could change it. Mensink said he agreed with that. Maybe someone new will be slower to act. He suggested leaving it in and we can reevaluate and adjust. We can restrict it on the front end to encourage new applicants. Cochran said there can always be some sort of adjustment made. Mensink said we've pivoted almost every time. The idea is to get the money out. Cowell said he's all for the second story. Mensink said for sure if it's office space. He said he likes the idea of windows. Raney asked if it's maintenance or upgrading your apartment. Klecker said they could specify commercial use of second floor. He said that doesn't have to be tied into this. Do you have a commercial second floor contest? We did a retail challenge. Maybe this would be a separate program. Klecker said this is all to bring people downtown. Klecker said he likes keeping it separate. Meier said they can talk to other MainStreets and get some ideas. Raney said his suggestion is to put that under new business in February.

A motion was made by Mensink and seconded by DeVinny to approve the 2024 EDA Forgivable Loan Program for \$100,000 total, removing the application fee, and specifying new applicants. All Commissioners voting Aye, the motion carried.

Schedule Next Meeting. The next EDA meeting is scheduled for **February 21, 2024** at 4:00 PM in Charles S. Crandall Center – Meeting Room at City Hall.

Adjournment. There being no further business, a motion was made by Commissioner Mensink and seconded by Commissioner Cowell to adjourn the meeting at 5:29 pm. All Commissioners voting Aye, the motion passed.

EDA Administration				
Account	Description	Current Budget	Current YTD	Budget Remaining
	REVENUE			
290-31000-690-691-000000	PROPERTY TAXES	- 200,000.00	- 16,685.00	- 183,315.00
290-31410-690-691-000000	LODGING TAX - 3%	- 250,000.00		- 250,000.00
290-34950-690-691-000000	TIF ADMINISTRATIVE F	- 71,773.00		- 71,773.00
290-36210-690-691-000000	INTEREST EARNINGS			
290-36220-690-691-000000	RENT/RENTALS	- 3,600.00	- 300.00	- 3,300.00
290-36231-690-691-000000	GRANT FUNDS			
	TOTAL REVENUE	- 525,373.00	- 16,985.00	- 508,388.00
	EXPENDITURES			
290-41000-690-691-000000	WAGES - REGULAR FT	86,568.00	6,529.04	80,038.96
290-41300-690-691-000000	WAGES - OT			
290-41410-690-691-000000	PERA	6,493.00	485.22	6,007.78
290-41420-690-691-000000	FICA	6,622.00	482.52	6,139.48
290-41500-690-691-000000	INSURANCE	7,445.00	547.17	6,897.83
290-41550-690-691-000000	WORKERS COMP INSURAN	493.00	36.88	456.12
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		80,000.00
290-43232-690-691-000000	OBD - LOAN SERVICES	20,000.00		20,000.00
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		6,700.00
290-43972-690-691-000000	SOUTHERN MN INITIATI	1,667.00		1,667.00
290-43990-690-691-000000	MISCELLANEOUS			
290-43991-690-691-000000	TOURIST DEVELOPMENT	237,500.00		237,500.00
290-47000-690-691-000000	TRANSFER TO OTHER FU	12,000.00	1,000.00	11,000.00
	TOTAL EXPENDITURES	525,188.00	9,186.45	516,001.55
	EDA LOANS			
Account	Description	Current Budget	Current YTD	Budget Remaining
	REVENUE			
292-34109-690-692-000000	OTHER REVENUE			
292-34960-690-692-000000	INTEREST ON LOANS		- 55.11	55.11
292-36210-690-692-000000	INTEREST EARNINGS	- 16,000.00		- 16,000.00
	TOTAL REVENUE	- 16,000.00	- 55.11	- 15,944.89
	EXPENDITURES			
292-48300-690-692-000000	LOAN PROGRAM DISBURS			
	TOTAL EXPENDITURES			

EDA LAND				
Account	Description	Current Budget	Current YTD	Budget Remaining
	REVENUE			
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		- 12,000.00
294-36220-690-694-000000	RENT/RENTALS	- 30,000.00	- 850.00	- 29,150.00
294-39101-690-694-000000	SALE OF CAPITAL ASSE			
	TOTAL REVENUE	- 86,597.00	-850.00	- 85,747.00
	EXPENDITURES			
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		4,100.00
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		44,100.00

City of Owatonna
Balance Statement by Fund
31-Jan-24

FUND 292: EDA LOANS

Account Number	Account Name	Ending Balance
ASSETS		
292-10100-000-000	BANK ACCOUNTS	\$ 17,822.24
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	\$ 267,531.51
294-10400-000-000	INVESTMENTS	500,000.00

CITY OF OWATONNA
 EDA - LOAN PROFILE
 As of : January 2024
 prepared 2/15/2024

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	20,038.20	564.78	Current	Retail	
Total				<u>43,480.63</u>	<u>20,038.20</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	20,038.20	100.00%
	Non-current	0	-	-	0.00%
		<u>1</u>	<u>43,480.63</u>	<u>20,038.20</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	10,334.12	259.78	Current		
Selective Looks	6/16/2020	-	3	5,000.00	0.00	138.89	Current		Paid in Full
Vesterby	12/13/2021	1.625	7	12,500.00	8,927.10	157.53	Current		
Vesterby	12/13/2021	-	3	5,000.00	1,527.75	83.33	Current		
				<u>47,500.00</u>	<u>20,788.97</u>	<u>639.53</u>			

Profile by Loan Performance		Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current		4	47,500.00	20,788.97	100.00%
	Non-current		0	-	-	0.00%
			<u>4</u>	<u>47,500.00</u>	<u>20,788.97</u>	<u>100.00%</u>

EDA - MIF Flood Recovery

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Monthly Payment	Status	Type	Notes
Plemel (direct loan)	6/22/11	-	10	27,378.50	-	228.15	Current		Paid in Full Oct 2020
Marks Repair (direct loan)	4/5/12	-	10	39,327.50	-	254.85	Current		Paid in Full Nov 2021
Owatona Country Club (direct)	5/7/12	-	10	82,363.50	-	686.36	Current		Paid in Full Aug 2022
Cars-N-Credit (direct loan)	4/30/13	-	10	71,657.00	-	597.14	Current		Paid in Full Jan 2024
Plemel (deferred loan)	6/22/11	-	10	27,378.50	-	-			Forgiven after 6/22/21
Marks Repair (deferred loan)	4/5/12	-	10	39,327.50	-	-			Forgiven after 4/1/22
Owatonna Country Club (deferred)	5/7/12	-	10	82,363.50	-	-			Forgiven after 5/1/22
Cars-N-Credit (deferred loan)	4/30/13	-	10	71,657.00	-	-			Forgiven after 4/30/23
Total				<u>441,453.00</u>	<u>-</u>	<u>1,766.50</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	8	441,453.00	-	#DIV/0!
	Non-current	0	-	-	#DIV/0!
		<u>8</u>	<u>441,453.00</u>	<u>-</u>	<u>#DIV/0!</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		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
Total				<u>1,840,734.17</u>	<u>1,750,815.84</u>	<u>-</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	4	1,840,734.17	1,750,815.84	100.00%
	Non-current	0	-	-	0.00%
		<u>4</u>	<u>1,840,734.17</u>	<u>1,750,815.84</u>	<u>100.00%</u>



EDA Report for January 2024

Updates:

- CDI moved out of OABDC and into their new space.
- One tenant moved out of an office and onto manufacturing floor with same rent.
- Vacated office converted into “Drop-in Office” to accommodate up to five entrepreneurs instead of one.
- Utilities standardized for all tenants, bringing in additional revenue and reducing costs.
- Habitat 4 Humanity occupying 2,000 sq ft. of space, in partnership with OHS. Building walls for homes for Chatfield and Owatonna, bringing region-wide marketing of space through sponsorship.
- DEED Small Business Assistance Partnership grant contract in-process.
 - o Funding: Small Business Development Center (SBDC) consulting match dollars; Makerspace; Software Studio; community events and workshops; Co.Starters curriculum; teleconferencing equipment; translation expenses; administration.

Upcoming:

- Owatonna Community Education partnership, using Co.Starters curriculum:
 - o Starting Your Business Bootcamp – March 2nd & 3rd
 - o Small Business Academy – Monday evenings, March 18th – May 20th
 - o Scholarships available
 - o Sponsored by SMIF and SBDC

Consulting						
Clients	Sessions	Hours	New	Operating	Hours	
					2024 YTD	2023 YTD
14	23	19.25	4	5	19.25	10.00

Occupancy			
Manufacturing		Offices	
Total Leasable Space	34,325	Total Leasable Offices	10
Total Leased Space	19,375	Total Number of Leased Offices	9
Present Occupancy %	56%	Present Occupancy %	90%
Budget Occupancy %	70%	Budget Occupancy %	70%
YTD Performance to Budget \$	\$ (699)	YTD Performance to Budget \$	\$ 635
YTD Performance to Budget %	89%	YTD Performance to Budget %	130%
Number of Tenants	7	Number of Tenants	8
Future Makerspace	1,600		



EDA Forgivable Loan Program – January 2024

Updates:

- 116 N. Cedar – Hotworx/Scholljegerdes
 - Loan paperwork being drafted by Walbran. Project estimated to be completed by end of February.

New Business:

- 605 N. Cedar – MO Fitness/Olson
 - \$20,000
 - Exterior – Ramp
 - Interior – ADA Bathrooms

February 21, 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 next 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 developing a new plan. The EDA gave the owner until February to get a contract signed for the project.
- 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. A tenant has now moved into the upper level of the building.
- Kamp Automation is proposing to purchase a city owned lot to construct 50,000 square foot manufacturing facility. The company is currently in Waseca and would be moving 25 jobs here as well as adding 23 more jobs. Tax Increment Financing has been approved for the project. The company has applied for the State's Job Creation Fund and Minnesota Investment Funds to help with the project costs. The development agreement and business subsidy agreement are approved. The property has been sold to KAMP and construction has begun on the site. KAMP has occupied 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 18th 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. Construction is planned for next year.
- 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 18th. The City will be demolishing the house in the spring.