

**Economic Development Authority**

Regular Meeting

Wednesday, March 13, 2024

4:00 PM

Charles S. Crandall Center – Meeting Room

City Hall

1. EDA Agenda - March 13, 2024

Documents:

[EDA 03-13-2024.PDF](#)

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

3. Treasurer's Report

Documents:

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

4. Loan Report

Documents:

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

5. Reports

5.I. OACCT / OPED Report

Documents:

[EDA UPDATE-3-2024.PDF](#)  
[LEADS EDA REPORT MARCH.PDF](#)

5.II. OABDC Report

Documents:

[OABDC EDA REPORT 2403.PDF](#)

6. Old Business

6.I. Downtown Second Floor Commercial Space Contest

6.II. Discuss Bubba's

7. New Business

7.I. Forgivable Loan - 210 Main Street West (Vanity LLC / Miranda)

7.II. Lucky Dice

7.III. Discuss Multiple Forgivable Loans For The Same Property

8. Schedule Next Meeting - April 17, 2024

9. Adjournment

# **Economic Development Authority**

Regular Meeting

Wednesday, March 13, 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: February 21, 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. Discuss Bubba's
7. New Business
  - a. Forgivable Loan – 210 Main Street West (Vanity LLC / Miranda)
  - b. Lucky Dice
  - c. Discuss Multiple Forgivable Loans for the Same Property
8. Schedule Next Meeting – April 17, 2024
9. Adjournment

<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	- 33,350.00	- 166,650.00
290-31410-690-691-000000	LODGING TAX - 3%	- 250,000.00	- 12,648.85	- 237,351.15
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	- 600.00	- 3,000.00
290-36231-690-691-000000	GRANT FUNDS			
	TOTAL REVENUE	- 525,373.00	- 46,598.85	- 478,774.15
	<b>EXPENDITURES</b>			
290-41000-690-691-000000	WAGES - REGULAR FT	86,568.00	13,187.92	73,380.08
290-41300-690-691-000000	WAGES - OT			
290-41410-690-691-000000	PERA	6,493.00	980.16	5,512.84
290-41420-690-691-000000	FICA	6,622.00	974.95	5,647.05
290-41500-690-691-000000	INSURANCE	7,445.00	1,094.87	6,350.13
290-41550-690-691-000000	WORKERS COMP INSURAN	493.00	74.50	418.50
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	2,000.00	10,000.00
	TOTAL EXPENDITURES	525,188.00	18,418.02	506,769.98
	<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		- 108.94	108.94
292-36210-690-692-000000	INTEREST EARNINGS	- 16,000.00		- 16,000.00
	TOTAL REVENUE	- 16,000.00	- 108.94	- 15,891.06
	<b>EXPENDITURES</b>			
292-48300-690-692-000000	LOAN PROGRAM DISBURS		10,000.00	- 10,000.00
	TOTAL EXPENDITURES		10,000.00	- 10,000.00
	<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		- 12,000.00
294-36220-690-694-000000	RENT/RENTALS	- 30,000.00	- 1,700.00	- 28,300.00
294-39101-690-694-000000	SALE OF CAPITAL ASSE			
	TOTAL REVENUE	- 86,597.00	-1700	- 84,897.00
	<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		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**  
**29-Feb-24**

FUND 292: EDA LOANS

Account Number	Account Name	Ending Balance
ASSETS		
292-10100-000-000	BANK ACCOUNTS	\$ 8,683.44
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	\$ 268,381.51
294-10400-000-000	INVESTMENTS	500,000.00

CITY OF OWATONNA  
 EDA - LOAN PROFILE  
 As of : February 2024  
 prepared 3/4/2024

**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	19,515.17	564.78	Current	Retail	
Total				<u>43,480.63</u>	<u>19,515.17</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	19,515.17	100.00%
Non-current	0	-	-	0.00%	
		<u>1</u>	<u>43,480.63</u>	<u>19,515.17</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	Non Current		Last Payment Received 12/29/2023
Vesterby	12/13/2021	1.625	7	12,500.00	8,781.65	157.53	Current		
Vesterby	12/13/2021	-	3	5,000.00	1,388.86	83.33	Current		
				<u>42,500.00</u>	<u>20,504.63</u>	<u>500.64</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	3	42,500.00	20,504.63	100.00%
	Non-current	0	-	-	0.00%
		<u>3</u>	<u>42,500.00</u>	<u>20,504.63</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		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>

# Memo

To: Economic Development Authority  
From: Brad Meier, President/CEO  
Date: 3/13/2024  
Re: OACCT Economic Development Update

---

## Economic Development

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

## Workforce

- 68 high school students from OHS, Owatonna ALC, Medford, and Blooming Prairie participated in the health care day. Students were on site at Mayo Clinic and Allina. They did small group rotations at Riverland Owatonna in the afternoon.
- Chamber received a grant from Greater Twin Cities United Way/MN Chamber of Commerce to offer 10 additional work experiences this summer.
- Planning taking place for the 2024 'Signing Day'
- Owatonna Opportunity: working with Superintendent Elstad to talk with business leaders about supporting this scholarship program.

## Other

- OPED: Livability new articles (5) have been published at Livability.com
- OPED: Senior Affordable Housing Tax credits meeting
- OPED: Met with Faribault Park & Rec Director about their Community Center efforts
- Website updating for VisitOwatonna, Chamber, and Owatonna Partners for Economic Development-collecting proposals
- Working with Deanna (city) and Lori (school) to hire a contract employee to assist Engage Owatonna and 'beef up' the activity on the platform.





## EDA Report for February 2024

Updates:

- Starting Your Business Bootcamp – March 2<sup>nd</sup> and 3<sup>rd</sup> – 5 entrepreneurs – 1 restaurant, 4 service providers

Upcoming:

- Owatonna Community Education partnership, using Co.Starters curriculum:
  - o Small Business Academy – Monday evenings, March 18<sup>th</sup> – May 20<sup>th</sup>
  - o Scholarships available
  - o Sponsored by SMIF and SBDC
- RFP for Software Studio
- Monthly entrepreneurial event
- Online EDA Low Doc Loan Application

Consulting						
Clients	Sessions	Hours	New	Operating	Hours	
					2024 YTD	2023 YTD
13	17	16.00	7	6	35.25	16.75

Occupancy				
Manufacturing			Offices	
Total Leasable Space	34,325			Total Leasable Offices
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	\$(1,398)		YTD Performance to Budget	\$1,270
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 – February 2024**

### Updates:

- 605 N. Cedar – MO Fitness/Olson
  - o Loan paperwork executed
- 214 N. Cedar – Martin Family LLC
  - o In permitting process for approved interior loan (2019)

### New Business:

- 210 W. Main St. – Vanity LLC/Miranda
  - o \$10,000
    - Exterior – Doors, awning, and lighting