

EDA
Minutes
September 15, 2021

The Owatonna Economic Development Authority met in regular session at 4:00 PM at the City Council Chambers with President Raney presiding. Commissioners present: Andrew Cowell, Brenda DeVinny, Tom Peterson, Kevin Raney and Doug Voss. Commissioners absent: Corey Mensink and Greg Schultz. Also present were Troy Klecker, Greg Kruschke, Bill Owens, Brad Meier, and Kristen Kopp.

Approval of Minutes. Commissioner Peterson moved approval of the minutes of the August 18, 2021 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 August. He said that there is enough in the budget to do consulting for one more project. Everything is on track. Lodging tax numbers are still down.

Loan Report. Bill Owens presented the Loan Report for August. He said that all loans are current except for one. The borrower is still working with their bank to get some money to get this covered. Voss asked if the last payment was received in February. Owens said that is correct. Raney said that he echoes the concerns and wondered what his goal is to get current. Owens said that his intent is to bring it current through August. He's been saying he'd make a payment. Klecker said that historically, EDA loans are given to businesses who may not be able to get them at banks, so the EDA is maybe in a little riskier position. They've had a good history with the loan program. There have been many instances where people have been behind, and they've come up to date. We have redone the loan repayment schedule for this loan. Each loan has had three months where they didn't have to make a payment because of COVID. We're fairly forgiving on it. We don't like to see it get this far behind on payments. If he can get access to some program dollars to get caught up, that would be great. In reality, we're in a position to extend his loan for another six months. We always try to make contact with them on a monthly basis. Kruschke said there have been ebbs and flows throughout the life of this loan, and they do tend to get caught up. Klecker said they were on automatic withdrawal, which was a good solution. Cowell said that he would see if we could reestablish automatic payments, and maybe collect the accrued interest up front and then extend the end of the loan. He said he'd only offer that extension if he's willing to go back to auto pay. Klecker said we can communicate we're willing to work with them, but we need to see an effort on their part as well. Voss said just an attempt on his part would be good to see. Kruschke said that they need to have a conversation with him. Raney said that the EDA Board is concerned and there needs to be a conversation. He needs to have a plan. Cowell said that there are sources available to restaurants. Owens said he can talk to him before the next EDA meeting. He said we could request an application for these relief funds so we know he has applied. Klecker said that would be good. Meier said that new grants open on Monday.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for August. Megan Horton has been hired and Brian Coleman is the new coordinator at OHS. There are at least three businesses that are mandating vaccines as a term of employment and a few are considering it. Businesses are trying to incentivize vaccines to keep their workforce intact. There

are a lot of questions about the Federal vaccine mandate. There aren't a lot of answers on that yet. This executive mandate is running through OSHA and could be in place in a couple weeks. There is a \$14,000 fine to businesses who don't comply. Meier said there more than likely will be a lawsuit. Once the mandate is filed it's in effect and there is a six-month period before they can sue. The US Chamber is on the case and that is where they're getting a lot of their information. DEED is opening up another grant program. They've been working with the City and businesses downtown.

OABDC Report. OABDC Director Bill Owens presented the OABDC Report for August. He said occupancy is stable. One person vacated on the 1st and another will on October 1st. There hasn't been a lot of consulting, but it's starting to get busier.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for August. The Pearl Apartments are progressing well. Cemstone has plans in for grading their site in the industrial park. He's working with a business at 147 W Pearl Street. Bubba's tuckpointers have been there the past few days. There is a purchase agreement on the building for a wine lounge. They just toured 117 W Bridge Street. All the construction work is done and that building is available. They will move the banner from Bubba's to that building. 148 W Main has been shown a couple times in the last few weeks. There are a couple adjacent property owners we might want to talk to. The 36-unit apartment building on Mound is open now. 202 W Bridge is pretty much done, with some available space on the second story. We are now the owners of 216 N Oak. We've taken the sign down and trimmed the weeds. We'll have to do some cleanup and salvage some things. Demolition won't happen as quickly as thought. He said he's talking to the owner of the vacant lot next door and we're negotiating the price right now. Raney said that it's a blighted building and simply removing it will be an improvement.

Old Business. Kruschke gave an update on the Streetscape project. There are 19 water services in that first block. Water services have all tested out and they'll be done by the end of this week, which will allow them to start putting that street back in and remove that little speed bump on Rose Street. The 200 block will be torn up and blocked up next week. Once they open and pave off the 300 block, they will go through the Pearl Street intersection, which will open at the same time as the 300 block. We have decided to forgo the 100 block this year. The contract will change, it is a contractual amendment. The contractors agreed to carry out their prices to next year and will continue to work as long as they can this year. All of the street lighting on the 200-300 block will be up and operational this year. Raney asked if the goal is to proceed with the 200 block through the intersection or stop at the intersection. Kruschke said it will be a combination just with how the utility work is through there. It will be shut down this year and then again next year. Cowell asked if there are targeted dates. Kruschke said that there are targeted dates in there. The targeted date is July 20th for the 100 block. He said that they don't want gravel all winter long. There will be some temporary patching.

Klecker said that they've started some conversations about the MainStreet Program. The EDA has a contract with the Chamber, and MainStreet is a part of that. They had a good first taskforce meeting with representatives from the Chamber, EDA, and MainStreet there. There was a lot of discussion around a full-time MainStreet Director. Meier said that it's set up to revitalize the downtown through design, economic restructuring, and more. How much you can accomplish depends on the size of the program. Klecker said it's an actual certified program through the State. Kruschke added that it's nationwide. Klecker said it's an ongoing process. Meier said he

has a draft budget around what it would look like if they had a full-time director. Cowell asked when the contract expires. Meier said the end of this year. Raney said it's a process and he said he looks at it as an opportunity.

Schedule Next Meeting. The next EDA meeting is scheduled for **October 20, 2021** at 4:00 PM at the City Council Chambers.

Adjournment. There being no further business, a motion was made by Commissioner DeVinny and seconded by Commissioner Cowell to adjourn the meeting at 4:43 pm. All Commissioners voting Aye, the motion passed.