

EDA Minutes February 17, 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: Andy Cowell, Brenda DeVinny, Kevin Raney, and Doug Voss. Also present were Troy Klecker, Bill Owens, Brad Meier, and Kristen Kopp.

Approval of Minutes. Commissioner DeVinny moved approval of the minutes of the January 20, 2021 meeting with second by Commissioner Cowell. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Troy Klecker presented the revenue and expense reports for January. He said we've paid one consulting bill and first half checks are out to the OACCT and OABDC.

Loan Report. Bill Owens presented the Loan Report for January. He said that the loans are current and being paid as agreed.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for January. He provided the workforce updates. There were about 100 students total that attended the virtual Made in Owatonna Days. Schools are going to open up even more. He said they're waiting to see how the County grant program works out. The turn on the dial is good news for our restaurants. Several businesses are celebrating milestone anniversaries this year, including Wenger's 75th, Viracon's 50th, and Gopher Sports' 75th.

OABDC Report. OABDC Director Bill Owens presented the OABDC Report for January. He said consulting has been slow and occupancy is the same. Right now, they're in the middle of National Entrepreneurship Week.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for January. He said that the developer is looking to sell the site for the second building on the old Hardees/Budget Mart site. EDA accomplished what they wanted to with those lots and even if a building isn't built, it's still a successful project. DeVinny asked if the first building is full. Klecker said Little Cesar's is still empty. Meier said that the space is being shown. Last night City Council approved TIF for the Pearl Street Project. This will be constructed at the same time as the hotel downtown. He said that he will be in touch with Cemstone to find out their timeline. He gave an update on 147 West Pearl Street, which is next to former Family Video, and a vacant lot still owned by Family Video. Family Video may be willing to sell at this point as they just closed all of their stores across the country. The City could buy it, or we could wait until there is a potential buyer. Voss asked if they can come up with a Right of First Refusal on the lot. Klecker said that there's not a lot of room on Family Video's vacant lot. He said they'll probably just leave it. Raney said in this case it makes sense for the EDA to purchase it if we can get it for a good price as the individual lots aren't marketable on their own. If we own it, we don't have to worry about that. He said we should look at purchasing it and asked what it would cost. Klecker said he didn't know what they had in mind. By not buying it, we have another party that's interested in marketing it as well, so there is some value to that. The downside is if they were to find a buyer for just their lot and not ours. If they are motivated to sell, they're helping us.

Cowell thought we should not buy it since it is paying taxes now. Raney said an empty lot doesn't collect much in property taxes. Klecker said he will find out what they're asking for it and he will check into what they're paying in property taxes. He said there is a bit of urgency to get a project in there in the next year if we want to use TIF since they had a three-year period for it to be eligible for TIF. Owens asked if Family Video would be interested in buying the City's lot. Klecker said he didn't think so. He said he's been getting more calls on Bubba's. The hotel project is moving along. We're still working out the details of the development agreement and construction would start in June or July. Minimizer is nearing completion. They're working on the new roof at 117 West Bridge Street. There was a ledger missing on one side, so there may be a little add-on to that project. DeVinny asked if there has been any interest in that building. Klecker said that's another one they would like to TIF to recoup our dollars into it. 148 West Main Street has the least interest, although Sisters Salon is now next door, and they have expressed some interest in expanding into this space. It doesn't have a lot of possibilities by itself. The 36-unit apartment building at 660 Mound is framing the second story now and is going well. 202 West Bridge is under construction and going well.

Old Business. Raney said that they had a meeting with business owners about the streetscape project downtown. Klecker said that things are more unclear now relative to the sprinkler lines. It's looking like the main water line will likely get replaced and there is still some confusion as to whether all the service lines need to be replaced as well. The fire line sounds like it's going to be \$5,000 to \$7,000. This could all be assessed against the properties instead of doing a loan. The only scenario in which it would not be tied into the building is if they have service line and a fire line. The way he understands it today is that a loan program may not be needed. Raney said he's fine with assessing them. He said they'd be more likely to put a sprinkler system in if there is some sort of incentive. Klecker said that not every building is required to be sprinkled. Klecker showed the Commissioners a map showing the buildings that are and are not sprinkled. Voss asked if neighboring businesses could split a fire line. Klecker said that they are separate utility lines and cannot be split. Raney said that, even if they're not required to put in a sprinkler system, it's an investment in the building and could lower their insurance prices. Meier said that it seems reasonable to get it up to the building. Klecker said we should know more next month.

Schedule Next Meeting. The next EDA meeting is scheduled for **March 17, 2021** at 4:00 PM at the City Council Chambers.

Adjournment. There being no further business, a motion was made by Commissioner Cowell and seconded by Commissioner DeVinny to adjourn the meeting at 4:53 pm. All Commissioners voting Aye, the motion passed.