

**EDA
Minutes
August 22, 2018**

The Owatonna Economic Development Authority met in regular session at 4:00 PM at the Council Chambers with President Kevin Raney presiding. Commissioners Present: Jerry Carstensen, Kevin Raney, Jeff Okerberg, Doug Voss, and Kate Harthan. Also present were Troy Klecker, Brad Meier, Bill Owens, Shirley Schultz, and Kristen Kopp.

Approval of Minutes. Commissioner Carstensen moved approval of the minutes of the July 18, 2018 meeting with second by Commissioner Okerberg. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Troy Klecker presented the revenue and expense reports for July. He said that the report can be run in a different format and showed the Commissioners one option. He said that it can be customized in any way they want. Carstensen said that he liked the new format. Harthan said that it can be challenging to tell if the monthly expenses are normal or not. Klecker said that some expenses are monthly, but more are not. Voss said they'd take a look at this possible new format and let Klecker know. Carstensen said that he likes the direction it's going.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for July. He highlighted workforce and retention efforts. Harthan asked where the Workforce Coordinator was in the budget. Meier said that it is a partnership with United Way and Workforce Development. He said that they could have Anisha come in to report to the EDA if they are interested. MainStreet Director Shirley Schultz gave a report on the Downtown Thursday event. She said that there were fourteen vendors selling goods and seven vendors serving goods, including three Owatonna businesses such as Torey's. Eighteen downtown businesses stayed open later. Downtown businesses were surveyed and 100% of the vendors considered the event a success and would recommend involvement. The number one comment was, "Are you doing this next week?" Harthan asked if they were planning dates for next year. Schultz said that they have been in discussion and are looking to do it on the first Thursdays of the month, with the exception of July. She said that it takes a lot of manpower to pull it off, so it's not something that can be done on a weekly basis.

Loan Report. Bill Owens presented the Loan Report for July. He said that Wagner's would like to restructure their three loans so that they are easier to keep current on. Their loans total \$41,900. The new note would start on October 1, 2018. It would be 84 months. Restructuring will save them \$254 / month. Klecker said that he's been in discussions with Owens and Finance Director Rhonda Moen, and combining their loans solves a number of issues. A motion was made by Commissioner Voss and seconded by Commissioner Okerberg to restructure the loans for Wagner's as proposed. All Commissioners voting Aye, the motion passed.

EDA Projects. Troy Klecker presented the EDA Projects report for July. He highlighted Pro-Pet, Bubba's, and Pearl Street projects. He said developers of the Pearl Street project are proceeding with another architect. There is currently a lot of interest in the downtown area. He said that final details are being worked out for Cemstone. City Council approved the purchase of the property for Family Video's development. Raney asked whether the owners of the former Hardee's /

Budget Mart site are actively pursuing the development of the second building. Klecker said it's owned by Tailwind, and to his knowledge, they are not actively pursuing a second building. There is a local developer interested in the site. He said that they are collecting enough TIF money to pay for the realigning of the street, although it would be nice to see it develop. He said that Mineral Springs Brewery's CUP has been approved. They are still working with Foremost Brewing.

New Business. Klecker said that James Brothers, located behind the old Walmart, is operating crushing on their site. This doesn't meet the Zoning as part of the property is in a B-2 Community Business District. The City has been working with them on moving their operation to the Industrial Park. The City owns a 12-acre parcel off Park Drive NW and 39th Avenue NW. There have been no improvements to this property. It has a gravel road with sewer and water. They have offered to swap three of James Brothers' lots for this property, which is a much better location for their operation. The property behind the old Walmart is a commercial area. With the swap, the City would pay for the sewer and water access fees for James Brothers. They would enter into an agreement with the City to construct a building within two years and obtain a Conditional Use Permit to do crushing. They would be allowed to use the City's stockpile of clay and would retain two lots behind the old Walmart. He said that he would like the Commissioners' approval before proceeding. Okerberg asked if the City would get lots on State Avenue. Klecker said that only one of the lots fronts State Avenue, and this is one James Brothers would be retaining for commercial development. Raney asked if it would be feasible to put in a spurline for the three lots. Klecker said possibly, if neighboring properties are interested. He said that James Brothers' sewer access fees would be around \$2,000 and the water access fees around \$800. Raney said that, from a Council standpoint, he and Council President Greg Schultz met with Kris Busse about a potential business going in near here. This should make the area more interesting. He supports staff moving ahead with this. Okerberg said that he agrees that the swap is a great idea and Voss said that he's in favor of it. A motion was made by Commissioner Carstensen and seconded by Commissioner Harthan to proceed with the transfer of land between the City of Owatonna and James Brothers. All Commissioners voting Aye, the motion passed.

Klecker said that the Commissioners previously talked about the one-time MIF exception, but need a motion for the record. The One-time exception allows the EDA to use 80% of the revolving MIF loans without restrictions if 20% is given back the State. The EDA would transfer approximately \$240,000 from the loan account to the land account and forfeit approximately \$60,000 to the State. Klecker said these funds were unusable because of the restrictions and that this would allow the EDA to do more with it's money. A motion was made by Commissioner Carstensen and seconded by Commissioner Voss to approve the one-time exception. All Commissioners voting Aye, the motion passed.

OABDC Report. Bill Owens presented the monthly OABDC Report. He said that the Center is at 74% occupancy. He said things will pick up with the Retail Challenge.

Schedule Next Meeting. The next EDA meeting is scheduled for **September 19, 2018** at 4:00 PM at the City Council Chambers.

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

Dated: September 19, 2018

Respectfully Submitted,

Secretary