

Economic Development Authority
Regular Meeting
Wednesday, May 19, 2021
4:00 PM
City Council Chambers

1. EDA Agenda 05-19-2021

Documents:

[EDA AGENDA 05-19-2021.PDF](#)

2. Roll Call

3. Approval Of Minutes: April 21, 2021

Documents:

[2. EDA MINUTES 04-21-2021.PDF](#)

4. Treasurer's Report

Documents:

[5. TREASURERS REPORT APRIL.PDF](#)

5. Loan Report

Documents:

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

6. Reports

6.I. 5. A. OACCT Report

Documents:

[5. A. OACCT REPORT.PDF](#)

6.II. 5. B. OABDC Report

Documents:

[5. B. OABDC REPORT.PDF](#)

6.III. 5. C. EDA Projects

Documents:

[5. C. EDA PROJECTS.PDF](#)

7. Old Business

7.I. 6. A. Improvements To Bubba's Building

7.II. 6. B. Streetscape Project

8. New Business
9. Other Business
10. Schedule Next Meeting - June 16, 2021
11. Adjournment

Economic Development Authority

Regular Meeting

Wednesday, May 19, 2021

4:00 PM

City Council Chambers

Agenda

1. Roll Call
2. Approval of Minutes: April 21, 2021
3. Treasurer's Report
4. Loan Report
5. Reports
 - a. OACCT
 - b. OABDC
 - c. EDA Projects
6. Old Business
 - a. Improvements to Bubba's building
 - b. Streetscape Project
7. New Business
8. Other Business
9. Schedule Next Meeting – June 16, 2021
10. Adjournment

EDA
Minutes
April 21, 2021

The Owatonna Economic Development Authority met in regular session at 4:00 PM at the City Council Chambers with Vice President Voss presiding. Commissioners Present: Corey Mensink, Jeff Okerberg, Tom Peterson, and Doug Voss. Also present were Troy Klecker, Bill Owens, Brad Meier, Karen Pehrson, Shirley Schultz, Dave Beaver, and Kristen Kopp.

Approval of Minutes. Commissioner Okerberg moved approval of the minutes of the March 17, 2021 meeting with second by Commissioner Peterson. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Troy Klecker presented the revenue and expense reports for March. He said that there was one payment made for consulting services. Everything else is pretty standard.

Loan Report. Bill Owens presented the Loan Report for March. He said that one loan was not paid current, but is supposed to be by the end of this week. He said he has a request for a Tier 1 and a Tier 2 loan from Grant Vesterby for his building on the corner of Cedar and Broadway. His plans are to put a furnace and central AC on the second floor, which would allow him to get rid of the window units. He wants to put in new windows on the second floor and to do some cornice work. He's asking for a Tier 1 and Tier 2 loan. Owens said he didn't see a downside to it. Voss asked if they had this in any of the other loans. Klecker said that Tier 1 and Tier 2 loans have been for a variety of reasons. There is a lot of loan money available and this would be good. Klecker recommended approving it as a board. A motion was made by Commissioner Okerberg and seconded by Commissioner Peterson to approve Tier 1 and Tier 2 loans, subject to approval by the Loan Committee. All Commissioners voting Aye, the motion passed.

Owens gave an update on the forgivable loan program. Klecker said that there were a couple outstanding forgivable loans that they talked about six months ago. Al Martin had a couple. He is making progress on them, but has run into some problems. The other one is the Johnson loan for 204 North Oak. No work was done on that one last fall. Owens said that the stipulation last fall was that she had to have a contract for the sprinkler system. Ken saw some incomplete plans last fall and sent them back. They'll have to figure out the parking before they do anything. They would have to come up with an agreement with the neighbor or get a variance. He said that he had been working with Dennis and he passed away last spring. Susan thought the work had been done, but it hadn't. Klecker said that they submitted plans for review, but are running into some issues with the parking for the apartments above. Owens said that the forgivable loan programs didn't specify a drop-dead date for funding. Al is doing everything he can. Okerberg said that he is more apt to forgive someone if work is being done. No work is being done on the 204 North Oak Avenue. He said the Johnsons are doing work on other properties, other than that building. His standpoint is that they should give her maybe four weeks. Klecker said that they're finding difficulty in meeting the parking requirements. A motion was made by Commissioners Okerberg and seconded by Commissioner Mensink to give Susan Johnson until the next EDA meeting on May 19, 2021 to have a signed contract for the sprinkler system. All Commissioners voting Aye, the motion passed.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for March. He said a survey is going out to graduating seniors. Workforce is back on top of the list for everybody right now. The SBA has the restaurant recovery fund and we're just waiting for the applications to open. They've seen more and more companies doing vaccine clinics on-site. They are coordinating marketing materials for the Streetscape. They hope to have a plan in place by May. Voss said that it's important for us to show our faces downtown fairly often during the project. Meier highlighted the annual report from OPED for 2020. It was a record-breaking year for Owatonna with all of the development. Voss asked where the high school fits into that. Klecker said that it's about an \$80 Million project. This project is actually permitted and inspected through the State, so it doesn't run through the City Building Inspection office, but it is new development in Owatonna city limits.

MainStreet Report. MainStreet Director Shirley Schultz presented the quarterly MainStreet Report. She showed a photo of Al Martin's building and Owatonna Shoe. She said that Owatonna Shoe has put up gooseneck lights as a result of the design program last year. She said that they were talking to the hotel developers the other day and told them that they had 36 new businesses come to the downtown in the past few years. One business moved to the south end of town and one barber shop closed because of Covid. There are six new businesses downtown already this year. She said she's had six or seven inquiries on facades, including Vesterby. Urban Loft is expanding into the former Kristi's space and they inquired about a loan for ADA doors. She said they've had a lot of comments on the Streetscape and Bubba's on Facebook.

Tourism Report. Tourism Director Karen Pehrson presented the quarterly Tourism Report. She said they have been working on a marketing umbrella branding project for the last four or five months. The end goal is to get more people to come, work, and live here. They talked to the City and OPED and they got a go-ahead to get a consultant to come in. She gave an update on lodging tax. The last few months haven't been great, but they will see that coming up with construction and people getting their vaccines. They saw a check come in for \$13,000 for back taxes from 2019-2020. She also included average daily rate—the average rate at which a hotel room is selling in Owatonna. She said that she called six of the group tours that were booked for 2020 to see if they want to re-book for 2021. Some people are ready and some aren't, but the group tour leaders don't find it feasible to fill a bus, because they have to social distance. People have been calling for the orphanage and bank for individual tours. The Orphanage Museum will be opening on May 1st. She said they had to cancel the farm show and Smoking in Steele. From now on, the normal events are a go, but we don't know exactly how they will look. She said she hopes to see more guidelines. They booked two new events: Rustic Mamas and the Linder Farm Network is doing a show. She said that she also got to talk to the hotel developers. They're excited about the branding and growth. They will be hiring their GM and sales manager soon. She talked to the owners at Graif. They're excited and happy with their space and want to get involved with the community. They just finished their visitor guide.

OABDC Report. OABDC Director Bill Owens presented the OABDC Report for March. He said that consulting hours have not picked up. They're bring on an independent contractor to help with social media. He said he included a rent roll for the Center in the agenda packet.

Airport Report. Dave Beaver presented the quarterly Airport Report. He said activity has been good. Jet fuel sales have been good. Hangar occupancy is doing well and the schools are going well. Civil Air Patrol is back in person now. There are a lot of people wanting to learn to fly. A

Flight Club might be a good idea. They opened bids for the T-Hangar in March. There's a high demand in the area. They're working with the FAA to see if they can award that contract. Business aviation is looking pretty strong. You can get to 5,400 locations for our airport, rather than the 500 for commercial flights. It's nice to see Costco and Revol come in. Voss asked what the status is on the shared aircraft they talked about a few years ago. Beaver said that Accelerated Aviation is interested in charter flights. He said they'd love to see a business aircraft based there.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for March. He said that Mac Hamilton is going to build The Pearl apartments. A variance and preliminary plat was approved at City Council last night. Construction would probably start in July. There has been some discussion on 147 West Pearl Street. He said that they are probably better off buying that corner and combining it with out lot. We have someone local interested in it. Family Dollar is looking to sell it and there is a local business looking at it that would be a good fit. Family Dollar is agreeable to selling it for \$75,000. It assesses at \$73,800. He recommended EDA purchase the lot. Peterson asked if the properties were the same size. Klecker said ours is bigger; ours is 77' wide and theirs is 55'. They own the actual corner, though. Mensink asked if the potential business would like the combined lot. Klecker said yes. Development is about eliminating the obstacles. Okerberg asked if there was anything that property would need as far as hazardous waste that the City would need to address in order to sell the property. Klecker said that more than likely a Phase 1 would be done before any sale of the property. He said that he thinks a house was located on the property previous so it shouldn't be problem. Voss said he thought it is better to control the development of that lot. A motion was made by Mensink and seconded by Peterson to approve purchasing that lot for up to \$75,000. All Commissioners voting Aye, the motion carried.

Klecker said that zoning approvals for the hotel were approved at the City Council meeting last night. He said that there is a roof drain that is leaking at 117 West Bridge Street. They'll get some numbers and schedule a time to look at the building. Voss said that they need to get a dehumidifier in there. Klecker said if anyone wants to see it, let him know. Peterson asked if there was any mold. Klecker said he didn't think there was any visible mold. A lot was taken out. Peterson said that he had a prototype he could test in the building. The Bosch Warehouse is done, and they are finishing off the second level at 202 West Bridge Street. Voss said they did a very nice job on that building. Okerberg asked about West Hills Lodge. Klecker said that he walked through it with Anna Lee last week. All they've done is painting, some plaster work—more cosmetic work and nothing structural. The use will be the same as before, so they don't have to do anything building code wise. She would like to get a similar use as before. They're intention is not to run the facility, but to meet a community need. They don't want to operate it, but just provide a space. He said they will give it about a year to find a user and then look at backup plans. She will be reaching out to talk to different housing groups. She wants revenue coming in to cover the costs of the facility. Okerberg asked about the lettering outside of the former Jerry's Restaurant. Someone approached him and was interested in those letters.

Old Business. Klecker gave an update on the improvements to Bubba's building. They had one bid for \$55,000 for the tuck-pointing and are working to get a second bid. The intention would be to recover that with the sale price. He said they want to eliminate obstacles. Mensink said that it will make it more marketable. Klecker said that they could recoup that through a TIF. He asked if they want to wait to get a second bid. A motion was made by Mensink and seconded by

Peterson to approve going ahead with the tuck-pointing with a maximum cost of \$55,000. All Commissioners voting Aye, the motion passed.

Klecker gave an update on the Streetscape project. Council approved to proceed with the project. There has been much debate over parallel vs. diagonal parking. The reality is that they need to narrow the roadway to add the amenities like the benches and planters. It was approved to go ahead. The majority of business owners want to see it done. Bids will be let the first meeting of May and awarded the first meeting in June. He said there will be one Downtown Thursday on Cedar in June as a kick-off, and then will be moved for July and August. Mensink asked about the timeline. Klecker said that ideally it will start in June with the 300 block and end with the 100 block in the end of October. They will make a call in September as to whether the 100 block will be done or delayed until 2022.

Other Business. Voss asked what's happening at The Blast. Klecker said that the whole exterior of The Blast will be painted and they may be doing some interior work.

Schedule Next Meeting. The next EDA meeting is scheduled for **May 19, 2021** at 4:00 PM at the City Council Chambers.

Adjournment. There being no further business, a motion was made by Commissioner Mensink and seconded by Commissioner Peterson to adjourn the meeting at 5:33 pm. All Commissioners voting Aye, the motion passed.

City of Owatonna
Income Statement by Fund
For the Period Ending April 30, 2021

FUND 290: EDA ADMINISTRATION

DEPT 690: EDA

Account Name	Original Budget	YTD Actual	Difference
REVENUES			
PROPERTY TAXES	\$ 185,000.00	\$ 61,680.00	\$ 123,320.00
LODGING TAX - 3%	250,000.00	26,661.21	223,338.79
TIF ADMINISTRATIVE FEE	22,217.00	0	22,217.00
INTEREST INCOME	1,000.00	36.27	963.73
LEASES & RENTS	1,666.00	1,966.00	-300
Total Revenues	\$ 459,883.00	\$ 90,343.48	\$ 369,539.52
EXPENDITURES			
WAGES - FULL TIME EMPLOYEES	\$ 72,635.00	\$ 24,847.85	\$ 47,787.15
PERA	5,448.00	1,847.37	3,600.63
FICA	5,557.00	1,848.46	3,708.54
INSURANCE	6,403.00	1,857.67	4,545.33
WORKERS COMP INSURANCE	419	155.18	263.82
OFFICE SUPPLIES	400	0	400
MINOR EQUIPMENT	400	0	400
CONSULTING SERVICES	25,500.00	8,500.00	17,000.00
TELEPHONE	200	0	200
POSTAGE	300	32	268
VEHICLE ALLOWANCE	500	154	346
TRAVEL & CONFERENCES	500	0	500
O B D - MARKET SERVICES(OACCT)	50,000.00	25,000.00	25,000.00
O B D - LOAN SERVICES (OBI)	20,000.00	10,000.00	10,000.00
DOWNTOWN ENHANCEMENTS	5,000.00	2.16	4,997.84
OBD-SMALL BUSINESS DEV CENTER	4,000.00	2,250.00	1,750.00
PARTNERS FOR PROGRESS	10,000.00	0	10,000.00
ADVERTISING	1,000.00	145	855
MEMBERSHIPS & SUBSCRIPTIONS	200	0	200
REPAIR SERVICE - OFFICE EQUIP	200	0	200
MAIN STREET-PARKING LOT RENTAL	4,500.00	0	4,500.00
TOURIST DEVELOPMENT	237,500.00	25,328.15	212,171.85
SOUTHERN MN INITIATIVE FOUNDAT	1,667.00	1,667.00	0
TRANSFER TO OTHER FUNDS	12,000.00	4,000.00	8,000.00
Total Expenditures	\$ 464,329.00	\$ 107,634.84	\$ 356,694.16
Expenditures	\$ -4,446.00	\$ -17,291.36	\$ 12,845.36

FUND 292: EDA LOANS

DEPT 690: EDA

Account Name	Original Budget	YTD Actual	Difference
REVENUES			
INTEREST INCOME	\$ 8,000.00	\$ 1,688.36	\$ 6,311.64
INTEREST - COMMERCIAL LOANS	0	301.05	-301.05
INTEREST - LOW DOC TIER II	0	246.24	-246.24
Total Revenues	\$ 8,000.00	\$ 2,235.65	\$ 5,764.35
EXPENDITURES			
LOAN PROGRAM REIMBURSEMENT	0	10,768.02	-10,768.02
Total Expenditures	\$ 0	\$ 10,768.02	\$ -10,768.02
Expenditures	\$ 8,000.00	\$ -8,532.37	\$ 16,532.37

FUND 294: EDA LAND

DEPT 690: EDA

Account Name	Original Budget	YTD Actual	Difference
REVENUES			
TIF ADMINISTRATIVE FEES	1,161.00	0	1,161.00
INTEREST INCOME	7,500.00	1,799.56	5,700.44
LEASES & RENTS	30,000.00	17,495.25	12,504.75
SALE OF PROPERTY	0	54,573.89	-54,573.89
Total Revenues	\$ 38,661.00	\$ 73,868.70	\$ -35,207.70
EXPENDITURES			
CONSULTING SERVICES	17,000.00	8,500.00	8,500.00
INSURANCE	900	450	450
RENTAL PROPERTY EXPENSES	0	841.51	-841.51
REAL ESTATE TAXES	21,000.00	0	21,000.00
OTHER IMPROVEMENTS	0	244,104.66	-244,104.66
Total Expenditures	\$ 38,900.00	\$ 253,896.17	\$ -214,996.17
Expenditures	\$ -239	\$ -180,027.47	\$ 179,788.47

City of Owatonna
Balance Statement by Fund
30-Apr-21

FUND 292: EDA LOANS

Account Number	Account Name	Ending Balance
ASSETS		
292-000-000-10100	BANK ACCOUNTS	\$ 41,701.93
292-000-000-10900	INVESTMENTS	900,000.00

FUND 294: EDA LAND

Account Number	Account Name	Ending Balance
ASSETS		
294-000-000-10100	BANK ACCOUNTS	\$ 273,834.88
294-000-000-10900	INVESTMENTS	600,000.00

CITY OF OWATONNA
 EDA - LOAN PROFILE
 As of : April 30, 2021
 prepared 5/11/2021

EDA - Improvement Notes

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Monthly Payment	Status	Type	Notes
Williams	9/1/2016	5.250	7	20,000.00	8,246.42	285.03	Current	Retail	
Wagner's	10/1/2018	2.500	7	43,480.63	32,269.94	564.78	Non Current	Retail	Last Payment Received in February
Total				<u>63,480.63</u>	<u>40,516.36</u>	<u>849.81</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	2	63,480.63	40,516.36	100.00%
	Non-current	0	-	-	0.00%
		<u>2</u>	<u>63,480.63</u>	<u>40,516.36</u>	<u>100.00%</u>

EDA - Low Doc Notes

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Monthly Payment	Status	Type	Notes
American Legion Post 77	10/6/2014	1.625	7	20,000.00	2,253.23	252.05	Current		
Completely Kids	9/1/2016	1.625	7	20,000.00	7,647.14	252.05	Current		
Family 1st Insurance	4/1/2017	-	3	5,000.00	0.00	138.89	Current		Paid in Full March 2020
Family 1st Insurance	4/1/2017	1.625	7	19,609.00	9,147.29	247.13	Current		
Paula Trenda	4/6/2018	-	3	5,000.00	0.00	138.89	Current		Paid in Full April 2021
The Kitchen	10/1/2017	-	3	5,000.00	0.00	138.89	Current		Paid in Full Jan 2021
				<u>74,609.00</u>	<u>19,047.66</u>	<u>1,167.90</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	7	74,609.00	19,047.66	100.00%
	Non-current	0	-	-	0.00%
		<u>7</u>	<u>74,609.00</u>	<u>19,047.66</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	6,879.95	254.85	Current		Business was sold
Owatona Country Club (direct)	5/7/12	-	10	82,363.50	10,982.06	686.36	Current		
Cars-N-Credit (direct loan)	4/30/13	-	10	71,657.00	17,317.26	597.14	Current		
Plemel (deferred loan)	6/22/11	-	10	27,378.50	27,378.50	-			Forgiven after 6/22/21
Marks Repair (deferred loan)	4/5/12	-	10	39,327.50	30,581.00	-			Forgiven after 4/1/22
Owatonna Country Club (deferred)	5/7/12	-	10	82,363.50	82,363.50	-			Forgiven after 5/1/22
Cars-N-Credit (deferred loan)	4/30/13	-	10	71,657.00	71,657.00	-			Forgiven after 4/30/23
Total				<u>441,453.00</u>	<u>247,159.27</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	247,159.27	100.00%
	Non-current	0	-	-	0.00%
		<u>8</u>	<u>441,453.00</u>	<u>247,159.27</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	459,977.81		Current		TIF Guarantee
Arrow Ace TIF note	12/1/17	3.000	25	350,000.00	344,162.31		Current		TIF Guarantee
Nicolai TIF note	12/31/17	3.000	25	524,845.17	524,845.17		Current		TIF Guarantee
Total				<u>1,347,734.17</u>	<u>1,328,985.29</u>	<u>-</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	5	1,347,734.17	1,328,985.29	100.00%
	Non-current	0	-	-	0.00%
		<u>5</u>	<u>1,347,734.17</u>	<u>1,328,985.29</u>	<u>100.00%</u>

Memo

To: Economic Development Authority
From: Brad Meier, President/CEO
Date: 5/19/2021
Re: OACCT Economic Development Update

Economic Development

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

Workforce (From Anisha Zak, Workforce Coordinator)

- 65 students served this year. A combination of Juniors from last year and new students from this year.
- Signing Day, May 26th 5:30-6:30 hoping to sign 7-10 students @ Torey's Upstairs Conference Room.
- MIOD- first session on Manufacturing starts Wednesday.
- OHS Student survey goes out next week-will tell us % of students plans.

Covid 19/Coronavirus

- No later than July 1st for ending covid restrictions statewide! (sooner if 70% vaccination goal is reached)
- SBA Restaurant Revitalization Grant dollars opened last week. Advised area restaurants about the opportunity.
- MN hasn't conformed on PPP taxes- Key Chamber initiative to get this done.

Other:

- Coordinating with downtown businesses for marketing and PR during streetscape construction
- Workforce shortages are at a crisis for many businesses. Working on an idea around marketing to those on unemployment about getting great job before everyone else is searching (ends Sept '21).

<u>Company</u>	<u>Date of Inquiry</u>	<u>Service Provided</u>	<u>Follow ups</u>	<u>Conclusion</u>	<u>Project Outcome: Green (progressing), yellow (probable); red (not moving)</u>
Retailer-Albert lea	6/29/2020	Interested in additional location for her business and Owatonna is on her radar. Currently has locations in Austin and Albert Lea.	Talked about the PartyPlus space and will consider others. Only needs 800-1000 sq ft unless she has additional treatment rooms. Wants to be in a downtown location.		
Daycare Center	9/30/2020	Interested in developing a daycare center for the community.	Looking at land options and wanted to know what locations would work best. Discussed some ideas and shared a map created by the city with open land options.	Met with Greg Krushcke about various location options. Idea about the former montessori school building on the south end of town. Called owner and made the connection. 11/30/20 They are working on buying that building. 4/19/21 this project is moving forward they are working out a few details and then closing on building soon.	
Downtown development	2/8/2021	Discussion about a new building project.	Looking at options that could possibly face the straight river.	Started exploring options. 4/19/21 additional work has been done on this to review option, no decision yet.	
Industrial business location r	2/4/2021	Local start up industry looking at moving locations. Discussed his options.	Leaning towards some space that will be opening in the spring.	4/19/21: this move is now pushed out to Aug/Sept, but still planning to do it.	

Business looking to open sales office in owatonna	2/4/2021	Looking for 500 sq ft with potential for growth.	Provided 3 or 4 locations with this sq ft	Follow up has gone unanswered. 4/19/21 still no response from the business.	
Rental Business Looking to expand to Owatonna	2/19/2021	Looking for 8-10,000 sq ft possibly along old 14 for a rental business	Provided several space options and contacts near that area to explore. There are 2 or 3 options that could fit his space requirements, probably 1 that would be in the location he wants.	He's made contact on the locations, hasn't decided yet.	
Local business looking to spread into a new market of food. Looking for locations.	2/19/2021	Looking for existing restaurant space locations. Has walked thru former little cesears pizza site.	Discussed the former Black Sheep site above the Blast, former torey's site, former godfathers site.	No decisions-haven't found right spot.	
Hotel business looking for buyer	4/19/2021	Working with owner who is looking at possible sale of the business.	Received price amount after mayor kuntz met with the individual. Concerns about future of this property.		
Local organization needs space for expanding operations.	4/19/2021	Looking for 3,000 sqft and 15 ft clear span ceilings for their youth atheletic programming.	Walked through all the options we are aware of that are available right now and have put feelers out to local property owners and commercial realtor.	No location found yet	
Local industry moving into larger location running into difficulties opening in new space.	4/19/2021	Working with local business and city on getting space operational according to code needs.	Continue meetings and email communication. City has allowed operation after life/safety was addressed.		
Property Owner looking to develop 5 acres	4/19/2021	Discussion about property on north side of Owatonna for possible residential/apartment development.	Property owner willing to sell. Discussed with OPED group and it is on the radar for future growth.		

Downtown business desire to purchase building	4/19/2021	Met with business owner who is struggling with some issues with landlord and wants to purchase building.	Connected with the right resources as well as city inspections. Holding pattern to see if building owner will move on a sale.		
Existing business looking to expand food production	4/27/2021	Business needs more production space because their business has expanded on line and commercially. Food grade with loading dock.	Contacted new owner of the former Zumbro Foods. He has space available and is willing to show the space. 4/27 did a tour of the facility with the inquiring business. They seem interested, but aren't planning on making a decision until July.		
Restaurant	5/4/2021	Contacted owner of ChilAqui to discuss their future plans and possible locations.	Discussed the corner of N Cedar to discuss long term. They want to own whatever building they would move into. They are interested, but driving truck right now to save \$'s for possible purchase.		

May-21

Consulting for April								
Clients	Sessions	Hours	New	Operating	Hours		Inquiries	Inquiry Hours
					2021 YTD	2020 YTD		
3	3	3.75	0	3	24.50	30.50	0	0

Occupancy for April			
Manufacturing		Offices	
Total Leasable Space	25,200	Total Leasable Offices	10
Total Leased Space	22,020	Total Number of Leased Offices	9
Present Occupancy %	87%	Present Occupancy %	90%
Budget Occupancy %	70%	Budget Occupancy %	70%
YTD Performance to Budget \$	\$ 8,600	YTD Performance to Budget \$	\$ 2,568
YTD Performance to Budget %	133%	YTD Performance to Budget %	128%
Number of Tenants	9	Number of Tenants	9

EDA Loan Programs					
Standard Programs	Number of Loans	Original Balance / Committed	Current Balance / Advanced	Amount Past Due	Available to Advance
Low Doc Notes (Tier I and II)	7	\$ 74,609	\$ 19,048	\$ -	
Improvement Notes	2	63,481	40,518	849	
MIF Flood Recovery	8	441,453	247,159	-	
Land Fund	3	1,347,734	1,328,985	-	
		<u>\$ 1,927,277</u>	<u>\$ 1,635,711</u>	<u>\$ 849</u>	
Special Programs					
2019 Forgivable Loans - Exterior	9	\$ 80,091	\$ 33,547		\$ 46,544
2019 Forgivable Loans - Interior	10	80,000	35,216		44,784
		<u>\$ 160,091</u>	<u>\$ 68,763</u>		<u>\$ 91,328</u>

**May 19, 2021
EDA Meeting**

EDA Projects Report

- The developer is looking to sell the site for the second building on the old Hardees/Budget Mart site. The EDA paid for the consulting costs to complete the TIF requirements for the project and will be paid back over the life of the district which would be up to 25 years.
- The City has conveyed the 5 properties along East Pearl Street to Steve Nicolai for an apartment building. All the structures have been demolished on the site. Tax Increment Financing has been approved to reimburse the EDA the expenses to acquire and clear the properties over a 25 year period. The developer has sold the property to Mac Hamilton. Hamilton is proposing to construct a 43 unit market rate apartment build this year. The development agreement and TIF has been approved for the project. The project is planned to start this summer.
- 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 is planning to do some dirt work on their new site this year.
- The City has purchased the property at 147 West Pearl Street for redevelopment. Demolition of the 4-plex is completed. The City is pursuing the purchase of the corner property to create a buildable lot. This City is also working with a local business about possibly building a new building in that site.
- The metal has been removed from the front of the Bubba's building. We have a contract signed to tuckpoint the brick which should be completed this summer. There is a term sheet signed for the building for a potential business. The term sheet allows for a 3 month due diligence period to put the deal together.
- The old theater property and the parking lot on Pearl Street has been sold to Owatonna Hospitality 1, LLC to construct a Marriott Courtyard hotel on the 200 block of North Cedar Avenue. Tax Increment Financing has been approved for the project. The ground breaking for this project is scheduled for June 3rd.
- 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. There may need to be additional improvements to the building. The EDA would pay for the roof with the intent of redeveloping the property and utilizing tax increment financing to recoup our costs from the project.
- 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.

- The City Council has approved tax increment financing for Bosch to construct a 266,000 square foot warehouse facility in the industrial park. The City has received a DEED grant for \$176,000 to help pay for a public cul-de-sac to serve the property. The EDA would upfront the costs of the for the public improvements which would be paid back with the first year of increment from the project. Construction is nearly complete.
- The City Council has approved tax increment financing for a 36 unit market rate apartment at 660 Mound Avenue. Construction has begun on the project.
- 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. Work continues on the upper level.