

Economic Development Authority

Regular Meeting

Wednesday, August 18, 2021

4:00 PM

City Council Chambers

1. EDA Agenda: August 18, 2021

Documents:

[EDA AGENDA 08-18-2021.PDF](#)

2. Roll Call: Cowell, DeVinny, Mensink, Peterson, Raney, Schultz, Voss

3. Approval Of Minutes: July 21, 2021

Documents:

[EDA MINUTES 07-21-2021.PDF](#)

4. Treasurer's Report

Documents:

[3. TREASURERS REPORT.PDF](#)

5. Loan Report

Documents:

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

6. Reports

6.I. OACCT Report

Documents:

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

6.II. OABDC Report

Documents:

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

6.III. EDA Projects

Documents:

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

7. Old Business

7.I. Streetscape Project

7.II. MainStreet Program

8. New Business

8.I. Extension Of United Properties Purchase Agreement

9. Other Business

10. Schedule Next Meeting: September 15, 2021

11. Adjournment

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Agenda

1. Roll Call
2. Approval of Minutes: July 21, 2021
3. Treasurer's Report
4. Loan Report
5. Reports
 - a. OACCT
 - b. OABDC
 - c. EDA Projects
6. Old Business
 - a. Streetscape Project
 - b. MainStreet Program
7. New Business
 - a. Extension of United Properties Purchase Agreement
8. Other Business
9. Schedule Next Meeting – September 15, 2021
10. Adjournment

**EDA
Minutes
July 21, 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, Corey Mensink, Tom Peterson, Kevin Raney, Greg Schultz, and Doug Voss. Also present were Troy Klecker, Greg Kruschke, Bill Owens, Brad Meier, Karen Pehrson, and Kristen Kopp.

Approval of Minutes. Commissioner Schultz moved approval of the minutes of the June 16, 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 June. He said we're halfway through the year. OPED had a glitch with the payments and they were paid twice. They'll have to do a refund.

Loan Report. Bill Owens presented the Loan Report for June. Owens said that there is one loan that is past due. They're waiting for their program payments to come through. He gave a handout and an update on the forgivable loan program. P H F S Properties is the Zamboni building. He said a lot of people are talking about the loan program, but not many applications. Insty Prints just came in. He said that everything has to go through MainStreet. Klecker said that there is still a MainStreet Design Committee. He also wanted to get the opinion of the EDA on the Zamboni building—whether it is one or two buildings. Mensink asked if Legacy Signs was part of the property. Klecker said that it is Urban Loft and the former Kristi's; it will be one business. Schultz said that they should go by the parcel. You could have five businesses and one parcel. Klecker said that they could have three separate buildings on the same parcel. Mensink said that they are connected. Klecker said that they'd only be combined if they were going to be used together. Owens said that is what they are doing. Cowell said that they should go off parcels. Kruschke said that they have to look at legal descriptions. DeVinny asked if they knew the lot description. Kruschke said that it's all one lot. Mensink said that if you looked at the apartments above, they'd only get one loan. Voss asked about 214 N Cedar Ave. Klecker said they haven't gotten everything from him yet. He said that they previously had said they have a year to do it. A lot of applicants are coming up on that one year. Owens said that Perez Investments just got a bid for the ADA restaurants. It's been tough to get contractors. Klecker said Costa's is working on getting approval from the Department of Agriculture. Klecker's Kreations is also having a hard time getting a contractor. He said that he'd ask that the EDA grant an extension on those three loans. Raney said that if they can't find contractors now, they won't find one in 90 days. Klecker said they could look for a contract in 90 days and evaluate at that time. Greg Schultz abstained from the motion. A motion was made by Peterson and seconded by Cowell to give a 90-day extension to Perez Investments, Costa's, and Klecker's Kreations to deliver contracts for work to be done for the 2020 Loan Program. All Commissioners voting Aye, the motion passed. Klecker said that there isn't a waiting list now, but he wouldn't be surprised if, by the next meeting, they'd have more applications than loans available. He said they may have more exterior requests than interior. Voss said that they're getting a lot of bang for their buck right now. Raney said that the loans were set up as exterior and interior and he'd like to see them stay with that. He said they should be consistent with that. Klecker said this is coming out of the Loan Account,

and the balance for the Loan Account is in the packet. He said that the money that is lent out comes back, unless they are doing a forgivable loan. He said that they're not getting a lot of loans right now. Money is coming in from existing loans on a monthly basis. They have over \$900,000 in the loan account. Mensink said that they can capture momentum. Klecker said that right now, there is a lot of interest. Raney asked if it would be out of the realm to do another \$100,000. Kruschke said that they can wait and see what the interest is before making a decision. It's been a pretty easy program. He said that they need to look at timelines with contractors. Klecker said that \$10,000 is a good amount. Schultz said that windows are a minimum of 24 weeks, and with most contractors, you'd be looking at installation next summer. Kruschke said that it can also take a long time just to get an estimate. He asked Owens how this is being marketed. Klecker said that there was an article in the paper. Schultz said that the previous MainStreet Director was going door-to-door. DeVinny said that they also had a training session at Torey's. Raney said that when staff comes back with recommendations, a marketing plan also needs to be put in place. Mensink asked if they could require businesses to put a sticker in their window about the EDA Loan Program, similar to the Chamber Member sticker.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for June. He said that Anisha Zak has taken a new position and they are working to replace her. The school has hired a career navigator, in the meantime, which is terrific. There was a meeting with the Workforce Center, and they're looking at some locations in Owatonna. It will be a small office, but they would like to be visible. He said they're working with SMIF on grant programs. They're continuing to move forward on the branding initiative. He also highlighted the Workforce PR initiative and OPED marketing initiative.

He said they don't have an official MainStreet Director right now as Shirley Schultz retired. They'll finish up the Downtown Thursdays this summer.

Tourism Report. Tourism Director Karen Pehrson presented the quarterly Tourism Report. She gave an update on the branding initiative. Bill Geist from DMOProz is working with them. They will continue to engage with OPED and EDA and figure out what that plan is for a three-year program. They're hoping to have a plan by the end of this year. Peterson said that he was very impressed with Bill and his organization, and he felt comfortable with how he would fit with us and Owatonna. The hope is to combine marketing budgets and come up with one message. One of the concepts is that we have all these different groups with a marketing budget. He asked Bill what the range would be and he said \$300,000 is the minimum and \$500,000 was a much better number. Pehrson said that they will eventually do RFPs. Depending on what businesses are willing to participate, they'll have to see what people are comfortable with. Schultz said that they talked about the smaller companies, even if they put a little in, they're buying into the program, and the more people they can get to buy in, the more successful they will be. Raney said it will take some time, but he said that as they're moving along, there is more momentum from large and small companies. At the end of the day, it will be extremely positive. Pehrson said that lodging tax is going up and people are looking at the calendar for tours. For Meetings and Events, people are planning a lot of reunions and staying at hotels and asking for ideas for food and shopping. They contracted with Andy on the billboard along I-35 and it's running for three months. It will change daily. They did a fun campaign with WCCO: "Stay Here, Play Here; Small Town with Big Opportunity". Raney asked if they've ever looked at who the hotel customers are. Pehrson said that it depends on the weekend—it could be people coming for the

Fair, Corky's tournament, business travel, or people just coming in off the interstate. They're doing a photoshoot at Lake Kohlmier tonight if the weather holds out.

OABDC Report. OABDC Director Bill Owens presented the OABDC Report for June. He said that consulting is pretty much the same as last year. One of the office tenants is growing out of her office and will be moving downtown. Raney asked what the occupancy breakdown is between warehousing and entrepreneurs. Owens said that there are entrepreneurs who are warehousing. Klecker asked what percentage of the space is warehousing. Owens said probably 35% is warehousing. Klecker said that some of them may be startup companies.

Airport Report. Community Development Director Klecker presented the quarterly Airport Report. Klecker said that Accelerated Aviation is doing really well out there. They are trying to finalize a grant for a T-hangar this year. All of the existing T-hangars are filled and there are 8 to 10 people interested in space. A lot of the federal dollars for Covid relief are going toward airports.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for June. The apartment building on Pearl has started. There is a potential project on the corner by Dollar General. They're working with a business for the Bubba's building and the hotel is under construction. There was a second bid for 117 W Bridge Street and they talked to Wes Kain about getting some airflow through that building. They are working on the second level of the 202 West Bridge building. Council approved purchasing 216 N Oak Ave and they will close early to mid-August and then pursue a bid to demo it. He will be talking to the landowner of the former Freedom Gas Station site next door.

Old Business. Kruschke gave an updated on the Streetscape project. He said that they're on schedule and clipping right along. Rose Street should be opened soon.

New Business. Meier said that they're overseeing the MainStreet program, but don't have a staff member. He said that now is a good time to do an evaluation. This relationship started in 2003 to get a MainStreet Program started. Lisa Havelka was the first director. Over the last 19 years, they've had four directors: Lisa Havelka, Warren Simons, Melanie Sunnarborg, and Shirley Schultz. He said that over the years, this position has been part-time, but the staff has sometimes been full-time with other roles at the Chamber, so 20-40 hours a week. Meier said that if they want to evaluate it, it would be good to have some EDA members involved, as well as someone from MN MainStreet, etc. The State can give some perspective on what they've seen. Voss asked if Meier would define the program and job description. Meier said that they have the contract in their agenda packets. The problem is that it's a full-time job done with a part-time person. Raney said that we're at a critical point with the Streetscape going on and the revitalization is in no small part due to the Marriott. Klecker said that there are different ways MainStreet Programs are run: some through Chamber, some through City, some are independent. We've done it for 19 years through the Chamber and they've done a great job. Having the State person come down would be a good thing. Peterson said that, in the meantime, the Chamber will handle it. He asked if there should be an interim step. Raney said the current contract runs through this year. Kruschke said there are some reporting items that will have to be kept up on. Schultz said that he thinks it's a fantastic program, and Owatonna has only scratched the surface of what that is. He said that they need to decide on what they want to concentrate on. It can become overwhelming. The EDA needs to think about what they want to see that program do. Meier said that there are

some great strategies. Schultz said that they need to take the opportunity. Meier said that if they can get the parties together, they can have a discussion around the key issues. Peterson asked what a reasonable time would be. Meier said it's possible to get it done in August. He asked who the three volunteers would be. Raney said that he thinks they'd need Council representation on it. Mensink said he'd be willing. Raney and Schultz also volunteered.

Schedule Next Meeting. The next EDA meeting is scheduled for **August 18, 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 5:23 pm. All Commissioners voting Aye, the motion passed.

City of Owatonna
Income Statement by Fund
For the Period Ending July 31, 2021

FUND 290: EDA ADMINISTRATION

DEPT 690: EDA

Account Name	Original Budget	YTD Actual	Difference
<u>REVENUES</u>			
PROPERTY TAXES	\$ 185,000.00	\$ 107,925.00	\$ 77,075.00
LODGING TAX - 3%	250,000.00	77,699.97	172,300.03
TIF ADMINISTRATIVE FEE	22,217.00	24,440.19	-2,223.19
INTEREST INCOME	1,000.00	86.27	913.73
LEASES & RENTS	1,666.00	2,266.00	-600.00
Total Revenues	\$ 459,883.00	\$ 212,417.43	\$ 247,465.57
<u>EXPENDITURES</u>			
PERSONNEL	90,462.00	51,234.06	39,227.94
OFFICE SUPPLIES	400.00	0.00	400.00
MINOR EQUIPMENT	400.00	0.00	400.00
CONSULTING SERVICES	25,500.00	8,500.00	17,000.00
TELEPHONE	200.00	0.00	200.00
POSTAGE	300.00	61.64	238.36
VEHICLE ALLOWANCE	500.00	300.44	199.56
TRAVEL & CONFERENCES	500.00	0.00	500.00
O B D - MARKET SERVICES(OACCT)	50,000.00	50,000.00	0.00
O B D - LOAN SERVICES (OBI)	20,000.00	20,000.00	0.00
DOWNTOWN ENHANCEMENTS	5,000.00	4,245.16	754.84
OBD-SMALL BUSINESS DEV CENTER	4,000.00	2,250.00	1,750.00
PARTNERS FOR PROGRESS	10,000.00	10,000.00	0.00
ADVERTISING	1,000.00	145.00	855.00
MEMBERSHIPS & SUBSCRIPTIONS	200.00	0.00	200.00
REPAIR SERVICE - OFFICE EQUIP	200.00	0.00	200.00
MAIN STREET-PARKING LOT RENTAL	4,500.00	4,032.00	468.00
TOURIST DEVELOPMENT	237,500.00	73,814.98	163,685.02
SOUTHERN MN INITIATIVE FOUNDAT	1,667.00	1,667.00	0.00
TRANSFER TO OTHER FUNDS	12,000.00	7,000.00	5,000.00
Total Expenditures	\$ 464,329.00	\$ 233,250.28	\$ 231,078.72
Expenditures	\$ -4,446.00	\$ -20,832.85	\$ 16,386.85

FUND 292: EDA LOANS

DEPT 690: EDA

Account Name	Original Budget	YTD Actual	Difference
<u>REVENUES</u>			
INTEREST INCOME	\$ 8,000.00	\$ 3,170.58	\$ 4,829.42

OTHER REVENUE	0.00		75.00	-75.00
INTEREST - COMMERCIAL LOANS	0.00		522.80	-522.80
INTEREST - LOW DOC TIER II	0.00		320.35	-320.35
Total Revenues	\$ 8,000.00	\$	4,088.73	\$ 3,911.27
<u>EXPENDITURES</u>				
LOAN PROGRAM REIMBURSEMENT	0.00		46,480.52	-46,480.52
Total Expenditures	\$ 0.00	\$	46,480.52	\$ -46,480.52
Expenditures	\$ 8,000.00	\$	-42,391.79	\$ 50,391.79

FUND 294: EDA LAND

DEPT 690: EDA

Account Name	Original Budget		YTD Actual	Difference
<u>REVENUES</u>				
TIF ADMINISTRATIVE FEES	1,161.00		1,188.89	-27.89
INTEREST INCOME	7,500.00		3,110.15	4,389.85
INTEREST - EDA LAND LOANS	0.00		14,022.17	-14,022.17
LEASES & RENTS	30,000.00		20,645.25	9,354.75
SALE OF PROPERTY	0.00		28,751.37	-28,751.37
Total Revenues	\$ 38,661.00	\$	67,717.83	\$ -29,056.83
<u>EXPENDITURES</u>				
OTHER LEGAL SERVICES	\$ 0.00	\$	1,433.40	\$ -1,433.40
CONSULTING SERVICES	17,000.00		8,500.00	8,500.00
INSURANCE	900.00		675.00	225.00
RENTAL PROPERTY EXPENSES	0.00		1,102.27	-1,102.27
REAL ESTATE TAXES	21,000.00		19,478.68	1,521.32
LAND PURCHASES	0.00		77,360.42	-77,360.42
OTHER IMPROVEMENTS	0.00		269,036.66	-269,036.66
Total Expenditures	\$ 38,900.00	\$	377,586.43	\$ -338,686.43
Expenditures	\$ -239.00	\$	-309,868.60	\$ 309,629.60

City of Owatonna
Balance Statement by Fund
31-Jul-21

FUND 292: EDA LOANS

Account Number	Account Name	Ending Balance
ASSETS		
292-000-000-10100	BANK ACCOUNTS	\$ 16,620.48
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	\$ 251,417.64
294-000-000-10900	INVESTMENTS	600,000.00

CITY OF OWATONNA
 EDA - LOAN PROFILE
 As of : July 31, 2021
 prepared 8/9/2021

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	7,469.30	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>39,739.24</u>	<u>849.81</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	1	20,000.00	7,747.43	19.36%
	Non-current	1	43,480.63	32,269.94	80.64%
		<u>2</u>	<u>63,480.63</u>	<u>40,017.37</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	1,505.21	252.05	Current		
Completely Kids	9/1/2016	1.625	7	20,000.00	6,921.08	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	8,441.79	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>16,868.08</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	16,868.08	100.00%
	Non-current	0	-	-	0.00%
		<u>7</u>	<u>74,609.00</u>	<u>16,868.08</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	6,115.40	254.85	Current		Business was sold
Owatona Country Club (direct)	5/7/12	-	10	82,363.50	8,922.98	686.36	Current		
Cars-N-Credit (direct loan)	4/30/13	-	10	71,657.00	15,525.84	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>242,544.22</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	242,544.22	100.00%
	Non-current	0	-	-	0.00%
		<u>8</u>	<u>441,453.00</u>	<u>242,544.22</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	456,010.13		Current		TIF Guarantee
Arrow Ace TIF note	12/1/17	3.000	25	350,000.00	339,888.31		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>1,320,743.61</u>	<u>-</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	5	1,347,734.17	1,320,743.61	100.00%
	Non-current	0	-	-	0.00%
		<u>5</u>	<u>1,347,734.17</u>	<u>1,320,743.61</u>	<u>100.00%</u>

Memo

To: Economic Development Authority
From: Brad Meier, President/CEO
Date: 8/18/2021
Re: OACCT Economic Development Update

Economic Development

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

Workforce

- Workforce Center to reopen in Owatonna at the United Way Space (tentatively).
- Offer extended to replace Anisha in the Workforce Coordinator role. Anisha has taken a new position.
- Quarterly employer meeting held last week to update and inform the engaged members of our business community and community partners.
- Planning for first Made in Owatonna Days of the year is underway.

Covid 19/Coronavirus

- Employers nervous about the increase in cases and plans moving into the fall.
- Minnesota Main Street Grant Program details have been released-Owatonna working with Southern MN Initiative Foundation to apply for funds.

Other:

- Visit with new Viracon President (Kuntz, Busse, Meier)
- 75 year anniversary Owatonna Shoe & Wenger
- New owners at Harlands and Mankes
- New Owatonna Community Leadership Academy class started 2021-22
- Branding Initiative Moving Forward-Phase 1
- Workforce PR initiative
- OPED Marketing Initiative

<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.	This is still on hold.	
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. 8/13 met with company and architect on this project.	

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.		
New Building	5/24/2021	Troy Klecker and Brad Meier met with business looking to build an office building somewhere near downtown.	Discussed location options for their use and next steps.		
Industrial Building	6/8/2021	Local business has an option to purchase a building in the industrial park.	Discussed lease rates and space utilization of warehouse vs manufacturing.		
Commercial Property	6/8/2021	Commercial broker looking for information on the former Sisters Salong location.	Connected with building owner to get the building details and post on the owatonnadevelopment.com site. Looking for a national chain for the 6k sq ft site.		

Industrial	7/1/2021	Business creating elliptical equipment for people who are in wheelchairs. New venutre located in Shakopee, MN.	Wanted to see if there were either manufacturing he could partner with to build the equipment or space to do the work. Scheduled a time for him to come to Owatonna for a visit.	Owner followed up with an email and said they are now staying in Shakopee.	
Commercial Property	7/15/2021	Local business looking to move to new location and purchase approx. 2,500 sq ft of office space.	Looking for high visibility and want to own.		
Church	7/15/2021	Local church looking to own building and expand into 10,000 sq ft of space	Looked at Pillsbury and couple other vacant buildings, but haven't found the right fit.	Reviewed all options. Keeping an eye out for them.8/5 might have an option for them-current church that may be available	
Office Space-WDI	7/29/2021	Looking for 1,000-1,500 sq feet of office space to reopen the workforce center in Owatonna.	Lined up several spots in the community for review.	Looks like they will co-locate with United Way of Steele County	
Piano Lessons Space	7/30/2021	Looking for approx. 500 sq ft to do piano lessons	Provided several downtown building owners who might have that type of space. She still isn't finding what she needs. 8/2: provided contact information for the Music Space to see if that could be a fit.	nothing finalized	

Automation Business	8/13/2021	Through a staff member at the Chamber learned that this business is looking to relocate to Owatonna. They are growing and need space. Also want I35 visibility.	8/15/2021: sent an introductory email and have a phone call scheduled for next week to learn more details		
Owatonna Retailer	8/13/2021	Business is changing their sales model and want to find a new location	Providing multiple location options in downtown		

August-21

Consulting for June								
Clients	Sessions	Hours	New	Operating	Hours		Inquiries	Inquiry Hours
					2021 YTD	2020 YTD		
4	7	9.75	1	0	48.75	47.75	0	0

Occupancy for July			
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 \$	\$ 13,398	YTD Performance to Budget \$	\$ 4,494
YTD Performance to Budget %	129%	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	\$ 16,868	\$ -	
Improvement Notes	2	63,481	39,739	2,823	
MIF Flood Recovery	8	441,453	242,544	-	
Land Fund	3	1,347,734	1,320,744	-	
		<u>\$ 1,927,277</u>	<u>\$ 1,619,895</u>	<u>\$ 2,823</u>	
Special Programs					
2019 Forgivable Loans - Exterior	9	\$ 68,763	\$ 53,547		\$ 15,216
2019 Forgivable Loans - Interior	8	55,216	40,432		14,784
2020 Forgivable Loans - Exterior	5	45,348	24,715		20,633
2020 Forgivable Loans - Interior	2	24,715	20,000		4,715
2021 Forgivable Loans - Exterior	3	30,000	-		30,000
2021 Forgivable Loans - Interior	0	-			-
		<u>\$ 123,979</u>	<u>\$ 93,979</u>		<u>\$ 30,000</u>

August 18, 2021, 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 under construction.
- 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 has purchased the corner property to create a buildable lot. The 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. Tuck pointing has started on the building. 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 project is under construction.
- 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. Staff is working on 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 a 36 unit market rate apartment at 660 Mound Avenue. The project is under construction.
- 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.
- The has approved the purchase of 216 North Oak Avenue. Plans are to develop the site. After closing on the property the City will seek bids to demolish the building.