

## EDA Minutes June 17, 2020

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

**Approval of Minutes.** Commissioner DeVinny moved approval of the minutes of the May 20, 2020 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 May.

**Loan Report.** Bill Owens presented the Loan Report for May. He said that all loans are being paid as agreed at this point.

**OACCT Report.** Chamber Director Brad Meier presented the OACCT Report for May. He said they held a quasi-signing day in May. He said their work lately has been mostly pandemic related, such as Shop Safe Zones and Jumpstart Owatonna. Klecker asked about the hotel occupancy rates. Meier said that they're in the upper 20s and lower 30s. The local hoteliers feel fortunate compared to the metro area, but it's still hard. Construction related activity is what keeps them moving forward.

**OABDC Report.** OABDC Director Bill Owens presented the OABDC Report for May. Occupancy for manufacturing is at 87%. He said that the building needs a new roof due to the wind damage a couple years ago. He said that they have the cash, but there was some reluctance on the board to borrow \$64,000. He asked the EDA if they could use a revolving loan if needed. Klecker said that this would be a vote of confidence on the part of the EDA. The OABDC will fix the roof, and if they are in a position to need to borrow, the EDA would be saying they're willing to help out. Owens said that it's a 25-year-old roof. They've kept money aside for it and have contracted with Malo to finish it. Voss said that he's on the board and this came up right at the beginning of the viral outbreak. They didn't want to use all of the cash to fix the roof at that time, with so many unknowns, but there is less uncertainty now. Raney asked if the entire roof was 25 years old. Voss said that two-thirds of the roof is left. Owens said that part was done last year as well and that there will be a 20-year warranty on the entire roof, including the portion done last year. Klecker said that this wouldn't be an official action, but should circumstances require, they can come back to the EDA to get a loan. Okerberg said he didn't see any issues with it. Cowell said that they can proceed. Voss said that he foresees it is very unlikely that they will need a loan. Mensink and Peterson both agreed it makes sense.

**EDA Projects.** Community Development Director Troy Klecker presented the EDA Projects for May. He said that the Cemstone deal is complete. There are a lot of projects in the works, including the former Bubba's and the hotel downtown. Costco is moving forward quickly, Daikin is nearly done, and Minimizer and Foremost Brewery have started. Centro Campesino is the most problematic as the roof still needs to be replaced. Architects have been busy, so they fit in projects when they can. He said that they are moving on to a different architect because the

roof has to be replaced before winter. They're going with ISG because they have more capacity to get it done before winter. Mensink said that he's in favor of that. He asked about the inside. Kruschke said that it is very, very wet. He said they could do an alternate roof bid with the option of cleaning out the building. Bosch is hoping to start this year. There was some discussion on the Centro Campesino building on North Oak Avenue. Klecker said that he will check into it. The EDA could convey it to a developer, but he said they won't pursue the purchase of the property. Klecker said that there are three recently platted industrial lots on Bridge Street West and 32<sup>nd</sup> Avenue. Brad Seykora is purchasing one, and there are potential buyers for the remaining two lots. Raney asked how they're sitting on industrial property. Klecker said that they're priced out of buying new property. They bought at farmland prices because no one was buying industrial property. There is no longer a reason for the City to be the middle man. Kruschke said that sellers are expecting \$90,000 an acre now. The need for the City to be an industrial developer is nonexistent now. There are developers in the metro that can access channels the City couldn't reach.

**Old Business.** The Commissioners discussed Jumpstart Owatonna. Klecker said that the EDA contributes 50% of the annual OPED budget and OPED was one of the original contributors to Jumpstart Owatonna with \$10,000. So, the EDA has indirectly contributed to Jumpstart. The EDA also has a forgivable loan program to support the efforts of Jumpstart. He said that there are many other worthwhile groups that are looking for assistance. He had a conversation with Meier and Peterson. Commissioner Peterson said that that he's new to the EDA, so he made the request, but hadn't realized the relationship between the EDA and OPED. He thanked the EDA for supporting OPED and said that he was withdrawing his request for EDA support. Raney thanked Peterson for bringing this forward—it's a great program. Jumpstart can be an avenue to be in conversation with business owners and can open doors. Voss thanked Peterson and all involved. He said that the expertise the group offers is even more valuable and a strength of the group. Peterson said that he's been pleasantly surprised—half of the applicants are looking for web-based help—reinventing social media presence and online shopping. Meier said that the shields, made by Gandy and Viracon, are going out quickly. They're also offering sanitizing kits. Mensink also thanked Peterson and Meier. He said it's times like this that make him proud to live in Owatonna. Okerberg also thanked Peterson. Peterson said that the committee is meeting two times a week. There is a lot of energy and momentum. When you come alongside to help someone, it gives them energy to keep going.

**New Business.** Kruschke said that the second amendment to the Purchase Agreement with United Properties is set to expire in August and they have requested another year. They have a lot of dollars into the site and are interested in continuing efforts in Owatonna. The best marketing event every year is the United Properties event with metro area brokers. A motion was made by Commissioner Mensink and seconded by Commissioner Cowell to renew the Purchase Agreement with United Properties for another year as requested. All Commissioners voting Aye, the motion passed.

**Schedule Next Meeting.** The next EDA meeting is scheduled for **July 15, 2020** 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 DeViny to adjourn the meeting at 4:55 pm. All Commissioners voting Aye, the motion passed.