

**EDA
Minutes
December 16, 2020**

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

Community Development Manager Greg Kruschke read a statement to allow for the meeting to be conducted by telephonic or electronic means and all votes will be roll call votes.

Approval of Minutes. Commissioner Cowell moved approval of the minutes of the October 21, 2020 meeting with second by Commissioner DeVinny. Commissioners voting Aye: Cowell, DeVinny, Okerberg, Peterson, Voss, Raney. 6-0, the motion passed.

Treasurer's Report. Troy Klecker presented the revenue and expense reports for November. He said that we're at the end of the year, and there aren't any expenses coming up. It will just be the normal staff expenses to finish out the year.

Loan Report. Bill Owens presented the Loan Report for November. He said that one loan was past due when the report was put together, but is now current.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for November. There are Workforce updates as well as a success story from Anisha in the memo. He said they're meeting with the advisory board tomorrow. They want to connect with students who don't have a plan after graduation. He gave an update on the Covid-19 restrictions. The new updates from the Governor today continues a ban on indoor dining, although outdoor dining is permitted with restrictions. The State is giving the counties some dollars to give grants to businesses. Some restaurants can apply for the Department of Revenue money, which is a grant, and for the County dollars as well. If the Federal aid comes through, hopefully they'll be able to cobble something together. Fitness centers can open at 25% with 12 feet distance between people and masks required at all times. The Chamber is continuing to push forward with the takeout challenge. They're giving Chamber gift certificates away and also will be giving restaurant gift cards, which have been donated. They'll be making an effort toward consistent branding and marketing for Owatonna and will have more information for the EDA in the future. Cruisin' Main replaced the lighted parade this year. DeVinny asked if the grant will follow the same path as last time. Meier said they don't know exactly, but that they'll have flexibility. They may just plug it into the grant system already in place. He said he's talking with Scott Goldberg about it to make sure those who need it most are getting the opportunity. Voss said that he participated in Cruisin' Main and it was a lot of fun. He suggested doing both the cruise and parade in future years.

OABDC Report. OABDC Director Bill Owens presented the OABDC Report for November. He said he hasn't done a lot of consulting, but occupancy is solid and they're plugging along.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for November. He said they're working on the hotel project and The Pearl apartment right now.

There's some interest in the Bubba's building. A said that Minimizer and the Bosch Warehouse are under construction. The Centro Campesino building is getting a new roof. The bid was awarded to Sheehy Construction. Kruschke said that they were set to start on Monday, but won't be able to start until December 28th due to Covid. Klecker said that the project at 202 West Bridge Street is well underway. They're also working with Scott Mohs and Darrin Stadheim on a riverfront project.

New Business. Klecker asked if they wanted to have a discussion about the businesses that are shut down as it will be another four weeks before they're able to open. He said they could be in communication with them and also encouraging people to support them.

Owens said that in regards to forgivable loans, Al Martin has loans for 214 and 216 Cedar Avenue North and 147 West Broadway Street. He's had delays, but hopes the projects will be finished in 90 days. He will have to have engineering on 214 Cedar Avenue North because the front corner of the building is sinking. The windows have been replaced at 147 West Broadway, but nothing has been done on the ADA restrooms. Owens said that Dennis Johnson also had a loan. Mr. Johnson passed away this year, and Owens has been in contact with his widow Susan Johnson. She won't be able to get the sprinkler system done until the summer. Klecker said that the deadline was the end of this year, but they allowed applicants to ask for an extension. Owens said that the contract itself didn't specify an end date. Klecker said that one option could be a three-month extension. Should they not be done at that time, the EDA could review the loans again. Owens said that, realistically, he doesn't know if the projects will be done by then. Klecker said that another option would be to give them six months. Owens said that he thinks that's reasonable and he would keep in touch with them. Cowell asked about the Johnson loan. Owens said that Dennis passed away this year, and his widow thought that things were farther along than they are due to a communication issue. The sprinkler system can't be connected over the winter. Klecker explained that they would have to go into the street to access the water line, so they won't be able to do this until early summer. Raney said that he's okay with a six-month extension, but would like project updates. Cowell agreed that the shorter the extension the better. He said he'd rather have two 90-day extensions than one six-month extension. Klecker said that they won't be able to cut into the street for the sprinkler system at this point. Peterson asked if the extensions had to be equal. The one with the sprinkler system would need six months, where the Martin loans could be 90 days. Kruschke said that the city won't allow a street opening permit until May 15th, but said they could do a 90-day check in. A motion was made by Commissioner Peterson and seconded by Commissioner Cowell to extend the three loans for the Martin properties for 90 days and the loan for the Johnson property for six months provided that at the end of 90 days they have contracts in place to do the work. Commissioners voting Aye: Cowell, DeVinny, Okerberg, Peterson, Voss, Raney. 6-0, the motion passed.

There was some discussion about the Covid restrictions. Klecker said that they exhausted a lot of options the first time around. It sounds like there will be County, State, and Federal money coming. Maybe the roll of the EDA is supporting the businesses. Meier said that it will be run through the Department of Revenue and deposited directly into bank accounts. The money to the Counties will come after that. Voss said there is no application. The State just decides who is eligible and send out the money. He said he's hoping the County will have more opportunity. Klecker asked who decides the County's criteria for distributing the money. Meier said that it sounds like there is a lot of flexibility to distribute as the community needs. It's directed to businesses and nonprofits. It sounds like Steele County will get around \$700,000. Meier said

he's thinking this will get businesses through a month or two, but there could be more of a need if the Federal government doesn't do anything. Peterson wondered if there was a way that the EDA could increase funding to the Chamber to help them get resources to business with revenue depletion. There was some talk about the lodging tax. Klecker said that the lodging tax is very defined on how it can be obtained and spent. There is a contract with the EDA, but they might be capped on that under State Statute. Kruschke said that it might be worthwhile to come up with a subcommittee. Klecker said that by the time the EDA meets again in January, the restrictions will hopefully be done.

Schedule Next Meeting. The next EDA meeting is scheduled for **January 20, 2021** at 4:00 PM at the City Council Chambers. Klecker said that there is work scheduled to be done in the Council Chambers on that day, so if they do meet in person, it would have to be in the Arts Center. Raney said he'd like to wait to make the decision on whether to have a virtual or in-person meeting. The Commissioners said that they were open to either.

Adjournment. There being no further business, a motion was made by Commissioner Okerberg and seconded by Commissioner DeVinny to adjourn the meeting at 4:54 pm. Commissioners voting Aye: Cowell, DeVinny, Okerberg, Peterson, Voss, Raney. 6-0, the motion passed.

EDA
Minutes
January 20, 2021

The Owatonna Economic Development Authority met in regular session at 4:00 PM at the Owatonna Arts Center with President Raney presiding. Commissioners Present: Andy Cowell, Brenda DeVinny, Kevin Raney, Doug Voss, Jeff Okerberg. Also present were Troy Klecker, Bill Owens, Brad Meier, Shirley Schultz, Karen Pehrson, Dave Beaver, Mayor Kuntz, and Kristen Kopp.

Approval of Minutes. Commissioner Okerberg moved approval of the minutes of the December 16, 2020 meeting with second by Commissioner DeVinny. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Troy Klecker presented the revenue and expense reports for December. He said that not everything is final for 2020 as bills are still coming in. We were over budget because there were more projects than anticipated. Over all, it was a really good year economic development-wise. Most everything will be identical budget-wise in 2021. He said because of Covid, we didn't have lodging tax dollars come in as anticipated.

Loan Report. Bill Owens presented the Loan Report for December. He said that there was one loan that was behind—American Legion-- but may have been made since the report was run. They're usually on time. All the rest of the loans are current.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for December. The County has another grant program out now, with \$700,000 available. As of this morning, 35 applications have come in. Anisha provided some workforce updates in the report. They are going to do a call with CLA to talk about some of the new federal plans and tax implications. Voss said he was fortunate enough to be a part of Jump Start Owatonna, and he asked if anyone else reported back. He said it would be fun to do a report on it. Meier said there were about 20 responses from over 45 grants. Voss said it would be interesting to know what people did with it. Meier said for their annual meeting, they reached out to Costco and asked John Theilan what his experience was like working with Owatonna. He said that it was great and they could tell that Owatonna wanted them to come. There was some discussion about daycare shortages. Mensink said that it will absolutely be an issue with the increase in employment recently.

MainStreet Report. MainStreet Director Shirley Schultz presented the quarterly MainStreet Report. She said handed out copies of the façade photos and highlighted the 2021 new businesses. Jaguar was purchased by MetroNet last year and Rossi Law Office has retired. Voss asked about 214 and 216 North Cedar Avenue and wondered if they know what it's going to look like when they're done. Schultz said that she's sure they'll have those conversations. Owens said that they discover something every time they tear something off and keep finding more stuff that's cool. Voss said that they want to make sure it's completed property as it's a central spot downtown. Schultz said that Lucky Dice just added the north windows to match the other side of the door. She gave updates on several façades including Foremost and the Johnson property. Raney asked whether there have been more inquiries for downtown properties since the hotel was announced. Schultz said that she thought so.

Tourism Report. Tourism Director Karen Pehrson presented the quarterly Tourism Report. She said one of their big strategies was to increase website activity. She said there was an increase of active users. There weren't many meetings or events due to Covid. They had to change their tune a little bit and have been targeting people from Minneapolis and Iowa. There weren't many events over Christmas, but they did try to push out the window displays. That went well and many people participated in it, as well as the downtown drive. A tourism guide is in the pipeline and they're hoping it will come out early March. They're working on destination branding and doing a lot of partnering with Park and Rec. There are six snow sculptures in Central Park, which is the most they've ever had. They're looking at putting together a partnership for a Valentine's package for an overnight or weekend special. She highlighted the lodging tax numbers. If you were to look at a comparison with Minneapolis, we did pretty well. Klecker asked what the hotels are saying for this year. Pehrson said that they're forecasting quarterly instead of yearly because of the unknowns. She said that they've heard it's going to take a couple years to rebound. People want to be travelling, but they're not ready yet. Mensink said he gets that travel over all might not come back as quickly, but he asked if people might want to do more regional travel. Pehrson said yes--they're doing more leisure activities like bike trails. They've been seeing a lot of regional tourists, but those tourists aren't staying overnight. People are doing some last minute trips because the kids aren't in school. Mensink said that it opens up different partnerships. Pehrson said that they've partnered with OBP and Park and Rec. She said that she hopes the group tours will start coming again. Raney mentioned skating at the chalet, ice fishing on Lake Kohlmier, and snowshoeing or cross-country skiing in Kaplan's Woods. He said not many communities have skating on the river. Pehrson said that they pushed that out recently. Raney asked how quickly they're able to get the word out after a snowfall. Pehrson said that they do a lot on social media. Mensink said it would be nice to encourage Chamber members to share that content. He said a lot of people are cooped up and looking for ways to get out.

OABDC Report. OABDC Director Bill Owens presented the OABDC Report for December. He said they finished the year with a little over half the consulting hours of 2019, but December was pretty good and January is turning out to be pretty decent, too. There hasn't been a change in occupancy. There's another project he's been working on with Steve Judd, Mike Beckman, and Dave Ramsey. The idea is to have a center that would support entrepreneurs. It's exciting to see.

Airport Report. Airport Manager Dave Beaver presented the quarterly Airport Report. He said January is slower at the airport. He said 2020 was a good year for the airport. The numbers were up and there's a lot of optimism within the Airport Board. Accelerated Aviation is up to six aircraft. He said that there are people who fly in, just to get away for the day. Langer Aviation is doing well. They're seeing good signs. Drones are impacting the industry. All the major cargo facilities like UPS has a whole division doing drones. They're already using them in Florida. FAA is loosening restrictions on them.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for December. The hotel is the big project for 2021. They're looking at demolition in late May or June with new construction starting in July. It will have a huge impact downtown, along with the streetscape project. Downtown will definitely be a disaster for a while this summer. Minimizer is pretty much done with the outside work. They're looking to open in the spring sometime. They're working on the roof at 147 West Bridge Street and planning to be done in mid-February. Bosch is completely enclosed now and they're working on the inside. The 36-unit apartment on Mound Street has all of the underground work done. The 202 West Bridge Street building is

under construction and will be a nice project when it's done. Mensink asked what the construction period of the hotel project will be. Klecker said 12 months. They hope to open early summer 2022.

New Business. Klecker said that he wanted to have a conversation about sprinkler line hook-ups. There will be a lot of underground utility work done on North Cedar during the streetscape project, with all of the concrete for the street and sidewalks being redone. The project will bring the water right up to the building, but would still need to be taken into the building. This is something that would be very advantageous to have this done while everything is torn up. He asked if the EDA want to be involved with assisting these businesses. It does add value to the building and makes it easier for them to renovate. If we didn't do it, they'd have to tear up the sidewalk again if it was ever to be done at a later date. Voss asked why they wouldn't just stub it into the basements. Klecker said that you're getting into private property when you bring it into the building. Do we want to assist with loans or grants to incent building owners to get it into the building? Mensink asked how many businesses it will be and what kind of dollar amount. Klecker said they don't have specifics yet, and it doesn't have to be decided today. He just wanted to start the conversation. Mensink said a loan program, at minimum, would be good. Voss said it should be developed to the point where they don't have to dig anything up in the future. Klecker said that's why they'd want to do it. Okerberg said he'd like to help out with it, maybe meet them half way. Klecker said the costs will vary from building to building. He said that he is referring to assisting with bringing it into the building, not a sprinkler system. Mensink said it would be up to them to figure out the sprinkler system. Raney said he's okay with that, but his concern is that these businesses have struggled last year and will struggle this year because of the street being shut down. He asked what happens if it's a forgivable loan verses regular loan verses grant. Klecker said that they have money to do it. They have the ability to create a program whether forgivable or not, to address items that the EDA wants to see happen. It could be forgivable or it could be a straight loan. Voss said that the sprinkler system is completely different from stubbing in the pipes. Just to ensure they're not tearing up the sidewalk. Klecker said that is correct. The investment we make in the concrete will stay. Cowell said that he's leaning more towards a loan. Mensink said that he agreed, and that the focus should be on making sure everyone is sprinkler ready. It enhances the value of the building. Klecker said that the incentive could be an interest-free loan, and the length of time to pay it back. They dealt with Covid last year and this year and the street project, including an assessment with the improvements. Klecker said that he likes the loan idea verses the grant. Some of these buildings will never need a sprinkler system. Mensink said that the purpose of the building may change at some point. Raney said if they do a loan with zero interest, it gives them the chance to offer the money again. They're not losing on it. Mensink said it creates the conversation while it's torn up. Voss said the stub-in is a no-brainer. They have to do it. Mayor Kuntz asked if this would replace the existing service to the building. Klecker said he doesn't know the details yet.

Mayor Kuntz thanked the board for their commitment to Owatonna. Without the 87 board members, we wouldn't be the community we are. He said he also appreciated everyone who reports. He asked the Commissioners to take a look at the mission statement of the EDA to tell people what it means to serve on the EDA. He asked them to give him five or six questions to ask someone. Mensink thanked the Mayor for his commitment to Owatonna.

Schedule Next Meeting. The next EDA meeting is scheduled for **February 17, 2021** 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 Cowell to adjourn the meeting at 5:20 pm. All Commissioners voting Aye, the motion passed.