

**EDA
Minutes
May 19, 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: Andrew Cowell, Brenda DeVinny, Corey Mensink, Tom Peterson, and Doug Voss. Also present were Troy Klecker, Greg Kruschke, Bill Owens, Brad Meier, and Kristen Kopp.

Approval of Minutes. Commissioner Mensink moved approval of the minutes of the April 21, 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 April. He said that, minus the tourism dollars that flow in and out of the EDA budget, everything else is on par for the year. Tourism is down and there tends to be a lag in the payments for some of the hotel properties.

Loan Report. Bill Owens presented the Loan Report for April. He said that there is one past due loan. He was told it was supposed to be current, but he is not sure if they are. He will check. The EDA approved a new loan for Grant Vesterby last month, a Tier 1 and Tier 2 loan, which is exciting. He gave an update on the 2019 Forgivable Loan Program. Because of unused loans, there is \$30,000 remaining for exterior loans and \$30,000 remaining for interior loans. There is a difference between the caps and what was actually approved. Klecker's Kreation's was approved, but they are still looking for a contractor. He said he talked to Grant Schultz about Costa's. Their project still needs State approvals, but hope to wrap up this fall. Klecker said that the Johnsons have decided to not pursue that project, which frees up some funds. Al Martin is making progress on his projects. Klecker said that they could probably have three more interior and three more exterior forgivable loans. There are others who are interested and he wanted to check with the EDA. Mensink asked if they would advertise for it. Klecker said he wasn't sure if they'd advertise, but people approach us. He said that they may want to go back to Grant Vesterby, because he was told that all of the forgivable loans were accounted for at that time. Kruschke said that there were a couple others who were told there weren't funds. Voss said this seems to be one of the most effective things they've done. Klecker said that they could say that, starting June 1st, there are leftover dollars available. Mensink said he'd be in favor of a process something like that, like a third phase of the program. He asked if they'd want to hold back the \$30,000 and wait until the Streetscape is going. Klecker said he likes that idea, but there are people who are looking to do something now. They could do both. He'd make anyone who has talked to us about it aware that it's available. The Commissioners agreed to redeploy the \$30,000 for interior and \$30,000 for exterior forgivable loans on July 1st. Mensink asked if there was any merit to changing it to \$5,000. Cowell said he'd like to keep it at \$10,000, A motion was made by Peterson and seconded by Cowell for the 2019 Forgivable Loan Program to be closed and for the excess \$30,000 for exterior and \$30,000 for interior to be used to fund an identical program starting July 1st and for the City to proactively make those who have inquired in the past aware of available dollars. All Commissioners voting Aye, the motion passed.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for April. He said that Signing Day is a week from today at Torey's. This is for students going directly into the

workforce. The coronavirus information is dated because of all the changes. The big thing is the PPP taxes. He said they're getting close to finalizing the Streetscape PR for downtown businesses. The deadline is to have it done before the June 3rd groundbreaking. Workforce has been the crisis issue of the day. They are partnering with Tri-M to get some information out there. There are bountiful opportunities here – 1,600 job openings. Cowell asked what has been pushed out for restaurant owners as there are funds available specifically for restaurants. Meier said it's been pushed out to members and on social media. Peterson asked if the City holds licenses on everyone who can serve food. Klecker said they do not; there is a liquor license, but no other business license. Meier said he thinks they have a pretty good list of restaurants. Cowell said that it was buried deep in the American Recovery Bills, so not as many restaurant owners know about it. Voss said that the downtown marketing during the Streetscape is a big deal. Mensink asked if the advertising with Tri-M a multifaceted approach, including digital. Meier said that they will create the concept and use it in their normal means. He said to do a full campaign will take some dollars, so for now they are creating a concept. Mensink said that he loves the concept. We're seeing a lot of folks looking for communities to live in. Meier said that they're also working on a consistent marketing message for Owatonna. Mensink said that will be powerful. Cowell said that there were seven billboards for businesses in Owatonna who are hiring between here and Lakeville. DeVanny said that other community partners would support that messaging and she encouraged Meier to reach out to those presidents.

OABDC Report. OABDC Director Bill Owens presented the OABDC Report for April. He said consulting has been low, which was anticipated. There will be money available from the State for SBDCs. Manufacturing space is at 87% occupied. There is more demand than availability for office space. Peterson asked if there was a strategic planning session coming up. Owens said yes, it's on May 28th and will be facilitated by Roger Warehime from OPU.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for April. Council approved the final plat for the Pearl Apartment project. Kruschke said that they plan to start the first week in June. Klecker said that Cemstone will start construction next year. There is a purchase agreement out for 147 West Pearl Street and they are working with a business on a potential project on that site. Bubba's has a tuck pointing contract, and they're looking to do it sometime this summer. There is a term sheet signed, and the proposed use is a wine bar. The City has sold the former theater property for the hotel project and the groundbreaking is on June 3rd. Construction on The Pearl will start first. There was some discussion about the restaurant that will go in the space. Kruschke said that some people will need to see shovels in the ground to believe this project is going to happen. Klecker said the theater was demolished in 2012, and first discussions of the hotel were in 2013. For eight years there has been some discussion about this project. 117 West Bridge needs some additional work with the leaking roof drain and rotted floor on the second level. A couple of contractors walked through and will give bids on it. The other thing is figuring out how to dry out the building. He said Wes Kain helped out on the Bubba's building. Peterson said that what Climate by Design has is too large and there's not enough power in the building to run it, so they'd have to have a generator. He said there are competitors that are building smaller equipment and they are in the process of going smaller, but aren't there yet. Some of their competition could have units that could work. He said he'd be concerned about using natural air because of the dew point, and that Wes should know what to do. He said that it's very hard to envision what the building could be. Klecker said that they could have the prison crew come in to help clean it out. He said that the Bosch Warehouse is pretty much done. Siding is going up at the Mound Street apartment.

Mensink asked if the 117 W Bridge would be a logical place for a co-working space. Owens said that there is a plan for making an entrepreneurial space. Kruschke said there are two other groups looking at them, too.

Old Business. Kruschke said that Streetscape bids are due next Wednesday, May 26th, with bids being awarded at the Council meeting on June 1st and work starting on June 14th.

Other Business. Klecker said that they should elect officers. Voss suggested waiting for the next meeting. Klecker said if anyone has an interest to let him know.

Schedule Next Meeting. The next EDA meeting is scheduled for **June 16, 2021** at 4:00 PM at the City Council Chambers.

Adjournment. There being no further business, a motion was made by Commissioner DeVinny and seconded by Commissioner Cowell to adjourn the meeting at 5:05 pm. All Commissioners voting Aye, the motion passed.