

**EDA
Minutes
January 15, 2020**

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

Approval of Minutes. Commissioner Mensink moved approval of the minutes of the December 18, 2019 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 December, which are the preliminary year-end numbers. He said they will probably be a little over budget on consulting and awnings, but these were approved expenditures.

Loan Report. Bill Owens presented the Loan Report for December. He said that loan balances are current. He said that there has been some interest in the forgivable loan program. Klecker said that he would like to have a conversation about the forgivable loan program and whether the EDA wants to open it up again. He said that there were people who weren't ready last year. He said that if they do extend it, he would like to define and promote it. Right now they have \$200,000 in forgivable loans and very little of the work has been done right now. Raney said that word of mouth has been their best asset and asked how it affected the bottom line. Klecker said that they have a balance of \$967,000 in EDA Loans and with the first forgivable loans coming in at \$200,000, that will leave \$767,000. Raney asked if that was average. Klecker said it was high. He said that it's not the first alternative that people are looking for—it's more for gap financing. Forgivable loans spur development and leverage EDA dollars. Mensink said that he likes that it's proactive and gives owners incentive. Voss said that it doubles or triples the bang for buck. Cowell asked if there is a cap per person or property. Are different properties with the same owner eligible? Klecker said that they've had owners and businesses apply. A business and owner could not apply for the same property. Mensink said that the whole point is to get investment in the downtown and assuring that businesses stay in the property for five years. Voss asked if there was any preference given to someone who doesn't have any loans as opposed to once who has three loans and is asking for a loan for a fourth property. Klecker said that, for the most part, the loans are approved as they're received until they're gone. He said that this could result in someone grabbing allocations and then doing the work at any time. He suggested adding a timeline for the work to be done in "x" amount of months, perhaps a year. Mensink suggested giving a lead time so that people who aren't currently familiar with the program have time to learn about it. Owens said that there is a checklist and unless they don't have all of it done, it is not considered a viable application. Raney asked if this was retail based or if it can be used for apartments above a business. Owens said it can so long as it's the exterior portion of the loan. Klecker added that all interior work has to be commercial space. They are still getting interest, taking applications, and putting people on a waiting list. Raney asked if they can email the rules and they can tweak it and vote on it at the February meeting. Voss asked if they can add a timeline to existing loans. Klecker said that they could give applicants a year from when the loans were approved and after that they could reapply. Cowell said that he'd like to see a cap per business or guarantor. Klecker said that right now Al Martin has (two properties with three loans

each). Raney pointed out that he's also spending \$60,000 of his own. Mensink said that it's worth looking at. Schultz said that she's had a couple calls this last week. She said that some business owners are slower to jump on the bandwagon. The first people to apply for loans were property owners. Raney said it should be first come, first served. Mensink said that it creates urgency and that he liked the year time limit. Klecker said it would be on the February agenda.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for December. He gave an update on workforce. There are 45 new students enrolled as well as 10 alumni from 2018 and 13 alumni from 2019. Fourteen of the 45 students have a job since meeting in September. This is the largest number of students interested in manufacturing. The next Made in Owatonna Day is February 12 and will focus on health care. Owatonna was featured in the current edition of Twin Cities Business Magazine.

MainStreet Report. MainStreet Director Shirley Schultz presented the quarterly MainStreet Report. She gave an update on the alley activation. They have funding to buy string lights for three alleys and all property owners are amenable and excited. She talked to OPU about a permanent fixture on one of the alleys because of the stucco building. The goal is to have the lights up before the first Downtown Thursday in June. Voss said if they need any additional help with the lights, don't hesitate to ask. Shultz said that she will continue to spread the word about the forgivable loan program. Raney said that he's gotten a lot of compliments on the holiday lights in Central Park. Schultz said that it was coordinated by Cindy Stelter, Brad Meier, and Tom Brick.

Tourism Report. Tourism Director Karen Pehrson presented the quarterly Tourism Report. She said that Minne Road Trip was nominated for an Explore MN 2020 Destination Marketing Award. She gave an update on Meetings & Events and on Lodging Tax and Occupancy. She said that they were down moneywise, but occupancy was slightly above average for southern Minnesota. Voss suggested looking into marketing kayaking and canoeing on the Straight River. Pehrson said that they have talked to Park and Rec about it.

OABDC Report. OABDC Director Bill Owens presented the OABDC Report for December. He said that consulting hours and occupancy are good. He said that there was a windfall in 2019, but he doesn't want to budget on the windfall.

Airport Report. Community Development Director Troy Klecker presented the quarterly Airport Report. He said that a Business Development Working Group is working on bringing businesses to the airport. They've been meeting for a few years now, and are currently working with two different flight schools. One is smaller and long term and the other is a very short, intense program. They can both operate out of the airport and are working on lease agreements now. The group is also working with an area company looking at a corporate based aircraft and are in the midst of shopping for one now. Getting businesses to move is tough, so this is a very positive thing for the airport.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for December. He highlighted Bubba's and the downtown hotel project. Costco is working through the winter, as is Daikin. Minimizer is on hold until spring. The City is set to close on the Centro Campesino property on Friday and they are getting bids for the roof, which will be presented to City Council on February 4th. The City put up For Sale signs on all of the properties for sale.

Okerberg thanked the City for doing this and said he's already received calls. Raney asked about Cemstone. Klecker said that they're trying to get the last clearance from the DNR.

Old Business. The Commissioners discussed the OABDC Contract, which is a two-year contract. A motion was made by Commissioner Okerberg and seconded by Commissioner Mensink to renew the OABDC Agreement. All Commissioners voting Aye, the motion passed.

New Business. Klecker gave an update on the downtown awnings and said that there is one other business with a metal awning. A City plow hit the Dog Pound's awning in a recent snowstorm. It's been temporarily repaired and they've started conversations with the Dog Pound owner. This would be the last metal awning downtown aside from Jerry's, which is part of the downtown hotel project. The Dog Pound is willing to have it replaced. Raney asked if this would be the same as the other awnings, with the City taking it down. Klecker said he's recommending that it's treated the same as the previous awnings. Raney asked if there was an estimate on the cost. Klecker said around \$3,000 with \$2,000 for engineering. A motion was made by Commissioner Okerberg and seconded by Commissioner Cowell to approve replacing the metal awning at the Dog Pound. All Commissioners voting Aye, the motion passed.

Klecker said that they need to appoint an EDA secretary. A motion was made by Commissioner Cowell and seconded by Commissioner Okerberg to nominate Commissioner Mensink as EDA secretary. All Commissioners voting Aye, the motion passed.

Klecker handed out the permit numbers for southern Minnesota in 2018 and 2019. He said that Owatonna is third to Rochester and Mankato. New home construction was down last year, but Owatonna had more new homes than Faribault, Albert Lea, and Austin combined.

Schedule Next Meeting. The next EDA meeting is scheduled for **February 19, 2020** 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 Voss to adjourn the meeting. All Commissioners voting Aye, the motion passed. The Meeting adjourned at 5:18 pm.