

**EDA
Minutes
February 19, 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, Shirley Schultz, and Kristen Kopp.

Approval of Minutes. Commissioner Okerberg moved approval of the minutes of the January 15, 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 January.

Loan Report. Bill Owens presented the Loan Report for January. All loans are current except one—Wagner's Lunch. He said he will check in on them.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for January. He said that Owatonna keeps getting rated highly. We were in the Top Affordable Cities and the Top Cities for Raising a Family. He gave an update on Workforce. Anisha is working with 44 students. Of those, 19 have gotten a job and are currently working while in high school. 11 of the 44 are waiting until after they graduate. All of the students she's working with have stated that they do not plan to go to college. There are currently 24 students on the waiting list. He said this piece of the puzzle continues to work well and they are hitting the target mark. OPED held meetings the Dr. Nuga and Superintendent Elstad about Riverland's presence in Owatonna. MNSCU has been focusing on other communities, but Owatonna is outgrowing them. In conversations with Dr. Nuga, they do intend to move some programming to Owatonna such as Criminal Justice and Nursing. Okerberg asked if there was anything they could do to help the 24 students waiting. Meier said that he will talk to her and let them know by the next meeting. DeVinny asked if there is a breakdown of the interests of the 44 students she's working with. Meier said that interests are mainly healthcare and manufacturing. She also has an increase in the number of alumni she's working with—close to 20 former students on top of the 44. Mensink said that it's encouraging to know they're going back to her. Meier said that OPED has a meeting with the new CEO of Jostens scheduled for March. Raney asked if they've reached out to the person who's running the local Jostens and if there are any concerns. Klecker said that parking is the biggest concern as Jostens relies on public parking downtown. They've made a commitment to invest in their facility over the last few years and have plans for more improvements. He said he's not sure they'll be at a point to put in their own parking. The City had a lot near the library that they leased to Federated, but the lease ended and that's when Federated put in more parking on Main Street. This opened the public lot to Jostens. There are long-term plans for more parking in the area. Raney asked if it was not necessarily a shortage of parking, but that employees want to park close. Klecker said that some employees feel unsafe walking to their car at night.

Oath of Office. Troy Klecker administered the Oath of Office to Tom Peterson.

OABDC Report. OABDC Director Bill Owens presented the OABDC Report for January. He said that he's had a lot of new clients. Manufacturing occupancy is 80% and office occupancy is

63%. He said that the Forgivable Loan Program was well received in 2019 and asked if the Commissioners were interested in doing it again. If so, if they had any changes. Klecker said that he was planning to discuss this under Old Business. Owens said that this is Entrepreneurship Week. They met at the History Center on Monday and met with people at the high school today. There is a banquet on Friday where they will announce the Entrepreneur of the Year and the inductees to the Entrepreneur Hall of Fame.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for January. He gave an overview of all of the EDA projects: former Hardees/Budget Mart site, East Pearl Street Apartments, the Cemstone land swap, the property at 147 West Pearl Street, a letter of intent on the former Bubba's building, the hotel and event space on the 200 block of North Cedar, Costco Distribution Center, Daikin warehouse, Minimizer, and Foremost Brew Pub. He said that Cybex may have the opportunity to bring in another line and add more jobs. There is also another potential warehouse for an existing company who will be looking for TIF. This would be around 260,000 square feet and create 50 jobs. He also highlighted some projects that the EDA is not involved in: Revol Greens and Bushel Boy. There was some discussion on the number of units needed to house all of the additional employees that these projects are creating. Cowell asked when another Housing Study would be completed. Klecker said that the HRA ordered one that Maxfield is working on and it should be ready in April. Mensink asked if there was an update on the awning that was hit by a City plow. Klecker said he met with the owners and they are agreeable to a new awning.

Old Business. The Commissioners discussed the Forgivable Loan Program. Klecker handed out the existing guidelines. The original \$100,000 for interior improvements and \$100,000 for exterior improvements has been spoken for. There is additional interest from businesses downtown. He asked if the EDA would like to extend the Loan Program and allocate more dollars toward it. There is \$770,000 in the EDA Loan Account. There hasn't been as much interest in the EDA's other loan programs because of low interest rates. Those loans are used more for gap financing. Voss asked if they concluded when the loans end and the applicants would have to start over with the application process. Klecker said that's another conversation. Since the loans were approved no work has been done. There was a race to secure the loans. Raney asked if we've had communication with the applicants. Klecker said they have with some, and said he thinks it's a good idea to put a deadline on them. Raney said it has been awfully tough to find contractors to do small projects. Mensink said that a deadline creates some urgency. Raney asked if businesses can piggyback on each other to hire the same contractor, which could be more appealing for the contractor. Klecker said that they can—it's up to them. Mensink said he's in favor of extending the loan program if they can ensure that the dollars are on the street. The program makes a lot of sense and is a good use of EDA dollars. DeVinnny asked if there are any limitations on what the EDA keeps in the loan account. Klecker said that there aren't. Some of it is federal revolving loan dollars and cannot be spent, but the bulk of it can. He recommended an extension of \$50,000 for interior improvements and \$50,000 for exterior improvements. Raney clarified that this is for retail and not apartments. Klecker said that it is for commercial use, although exterior covers everything. Mensink asked if they can put a deadline on current plans in addition to reopening the loan program. Klecker suggested giving existing loans until the end of the year and all new loans one year to get it done. Owens suggested 18 months for new loans because of weather concerns. Klecker said they could have the option of asking for an extension after 12 months. Mensink agreed that this was fair. Schultz pointed out that the façade loans were approved in August and October. Because of the weather,

they weren't able to complete their projects. She agreed that they should be able to ask for an extension. Owens said that he and Schultz looked at the application checklist and have made it more extensive. Businesses will have to be more ready when they apply for the loan. Cowell asked how the deadline will be communicated to existing applicants. Klecker said that a follow-up phone call can be made. Raney added that Schultz did a great job communicating about the loan program at neighborhood meetings. A motion was made by Commissioner Okerberg and seconded by Commissioner DeVinny to extend the Forgivable Loan Program with another \$100,000—\$50,000 for interior and \$50,000 for exterior improvements—utilizing the same criteria as before. Existing loans must be complete by the end of this year and new loans will have 12 months to complete improvements with the option to ask for an extension in both cases. All Commissioners voting Aye, the motion passed.

OABDC Director Bill Owens said that the 2018 Retail Challenge winner, The Music Space, is considering a change of venue. Klecker said that Mark Woodrich has utilized just a little of the Retail Challenge dollars and most everything can be moved. He suggested Mark cover the green paint. Mensink said that it makes sense. Owens said that he will be moving within the downtown district. Mensink asked how long he would have to spend the dollars. Okerberg suggested one year from today. A motion was made by Commissioner Mensink and seconded by Commissioner Okerberg to approve a change in location for the 2018 Retail Challenge winner with a deadline of February 19, 2021 to utilize the dollars. All Commissioners voting Aye, the motion passed.

Mensink asked about the roof on the former Centro Campesino building. Klecker said that they have purchased the building. The roof leaks and they are in the process of getting bids to have it fixed. All design work is done and they have to be able to get contractors in to look at it. With the recent snow events, it's not safe to bring people in at this time. They're hoping to have it done by the end of May and to sell it for what they have into it or utilize TIF and recoup the costs.

Schedule Next Meeting. The next EDA meeting is scheduled for **March 18, 2020** at 4:00 PM at the City Council Chambers.

Adjournment. There being no further business, a motion was made by Commissioner Voss and seconded by Commissioner Cowell to adjourn the meeting. All Commissioners voting Aye, the motion passed. The Meeting adjourned at 5:13 pm.