

EDA
Minutes
July 21, 2021

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

Approval of Minutes. Commissioner Schultz moved approval of the minutes of the June 16, 2021 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 June. He said we're halfway through the year. OPED had a glitch with the payments and they were paid twice. They'll have to do a refund.

Loan Report. Bill Owens presented the Loan Report for June. Owens said that there is one loan that is past due. They're waiting for their program payments to come through. He gave a handout and an update on the forgivable loan program. P H F S Properties is the Zamboni building. He said a lot of people are talking about the loan program, but not many applications. Insty Prints just came in. He said that everything has to go through MainStreet. Klecker said that there is still a MainStreet Design Committee. He also wanted to get the opinion of the EDA on the Zamboni building—whether it is one or two buildings. Mensink asked if Legacy Signs was part of the property. Klecker said that it is Urban Loft and the former Kristi's; it will be one business. Schultz said that they should go by the parcel. You could have five businesses and one parcel. Klecker said that they could have three separate buildings on the same parcel. Mensink said that they are connected. Klecker said that they'd only be combined if they were going to be used together. Owens said that is what they are doing. Cowell said that they should go off parcels. Kruschke said that they have to look at legal descriptions. DeVinny asked if they knew the lot description. Kruschke said that it's all one lot. Mensink said that if you looked at the apartments above, they'd only get one loan. Voss asked about 214 N Cedar Ave. Klecker said they haven't gotten everything from him yet. He said that they previously had said they have a year to do it. A lot of applicants are coming up on that one year. Owens said that Perez Investments just got a bid for the ADA restaurants. It's been tough to get contractors. Klecker said Costa's is working on getting approval from the Department of Agriculture. Klecker's Kreations is also having a hard time getting a contractor. He said that he'd ask that the EDA grant an extension on those three loans. Raney said that if they can't find contractors now, they won't find one in 90 days. Klecker said they could look for a contract in 90 days and evaluate at that time. Greg Schultz abstained from the motion. A motion was made by Peterson and seconded by Cowell to give a 90-day extension to Perez Investments, Costa's, and Klecker's Kreations to deliver contracts for work to be done for the 2020 Loan Program. All Commissioners voting Aye, the motion passed. Klecker said that there isn't a waiting list now, but he wouldn't be surprised if, by the next meeting, they'd have more applications than loans available. He said they may have more exterior requests than interior. Voss said that they're getting a lot of bang for their buck right now. Raney said that the loans were set up as exterior and interior and he'd like to see them stay with that. He said they should be consistent with that. Klecker said this is coming out of the Loan Account,

and the balance for the Loan Account is in the packet. He said that the money that is lent out comes back, unless they are doing a forgivable loan. He said that they're not getting a lot of loans right now. Money is coming in from existing loans on a monthly basis. They have over \$900,000 in the loan account. Mensink said that they can capture momentum. Klecker said that right now, there is a lot of interest. Raney asked if it would be out of the realm to do another \$100,000. Kruschke said that they can wait and see what the interest is before making a decision. It's been a pretty easy program. He said that they need to look at timelines with contractors. Klecker said that \$10,000 is a good amount. Schultz said that windows are a minimum of 24 weeks, and with most contractors, you'd be looking at installation next summer. Kruschke said that it can also take a long time just to get an estimate. He asked Owens how this is being marketed. Klecker said that there was an article in the paper. Schultz said that the previous MainStreet Director was going door-to-door. DeVinnny said that they also had a training session at Torey's. Raney said that when staff comes back with recommendations, a marketing plan also needs to be put in place. Mensink asked if they could require businesses to put a sticker in their window about the EDA Loan Program, similar to the Chamber Member sticker.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for June. He said that Anisha Zak has taken a new position and they are working to replace her. The school has hired a career navigator, in the meantime, which is terrific. There was a meeting with the Workforce Center, and they're looking at some locations in Owatonna. It will be a small office, but they would like to be visible. He said they're working with SMIF on grant programs. They're continuing to move forward on the branding initiative. He also highlighted the Workforce PR initiative and OPED marketing initiative.

He said they don't have an official MainStreet Director right now as Shirley Schultz retired. They'll finish up the Downtown Thursdays this summer.

Tourism Report. Tourism Director Karen Pehrson presented the quarterly Tourism Report. She gave an update on the branding initiative. Bill Geist from DMOProz is working with them. They will continue to engage with OPED and EDA and figure out what that plan is for a three-year program. They're hoping to have a plan by the end of this year. Peterson said that he was very impressed with Bill and his organization, and he felt comfortable with how he would fit with us and Owatonna. The hope is to combine marketing budgets and come up with one message. One of the concepts is that we have all these different groups with a marketing budget. He asked Bill what the range would be and he said \$300,000 is the minimum and \$500,000 was a much better number. Pehrson said that they will eventually do RFPs. Depending on what businesses are willing to participate, they'll have to see what people are comfortable with. Schultz said that they talked about the smaller companies, even if they put a little in, they're buying into the program, and the more people they can get to buy in, the more successful they will be. Raney said it will take some time, but he said that as they're moving along, there is more momentum from large and small companies. At the end of the day, it will be extremely positive. Pehrson said that lodging tax is going up and people are looking at the calendar for tours. For Meetings and Events, people are planning a lot of reunions and staying at hotels and asking for ideas for food and shopping. They contracted with Andy on the billboard along I-35 and it's running for three months. It will change daily. They did a fun campaign with WCCO: "Stay Here, Play Here; Small Town with Big Opportunity". Raney asked if they've ever looked at who the hotel customers are. Pehrson said that it depends on the weekend—it could be people coming for the

Fair, Corky's tournament, business travel, or people just coming in off the interstate. They're doing a photoshoot at Lake Kohlmier tonight if the weather holds out.

OABDC Report. OABDC Director Bill Owens presented the OABDC Report for June. He said that consulting is pretty much the same as last year. One of the office tenants is growing out of her office and will be moving downtown. Raney asked what the occupancy breakdown is between warehousing and entrepreneurs. Owens said that there are entrepreneurs who are warehousing. Klecker asked what percentage of the space is warehousing. Owens said probably 35% is warehousing. Klecker said that some of them may be startup companies.

Airport Report. Community Development Director Klecker presented the quarterly Airport Report. Klecker said that Accelerated Aviation is doing really well out there. They are trying to finalize a grant for a T-hangar this year. All of the existing T-hangars are filled and there are 8 to 10 people interested in space. A lot of the federal dollars for Covid relief are going toward airports.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for June. The apartment building on Pearl has started. There is a potential project on the corner by Dollar General. They're working with a business for the Bubba's building and the hotel is under construction. There was a second bid for 117 W Bridge Street and they talked to Wes Kain about getting some airflow through that building. They are working on the second level of the 202 West Bridge building. Council approved purchasing 216 N Oak Ave and they will close early to mid-August and then pursue a bid to demo it. He will be talking to the landowner of the former Freedom Gas Station site next door.

Old Business. Kruschke gave an updated on the Streetscape project. He said that they're on schedule and clipping right along. Rose Street should be opened soon.

New Business. Meier said that they're overseeing the MainStreet program, but don't have a staff member. He said that now is a good time to do an evaluation. This relationship started in 2003 to get a MainStreet Program started. Lisa Havelka was the first director. Over the last 19 years, they've had four directors: Lisa Havelka, Warren Simons, Melanie Sunnarborg, and Shirley Schultz. He said that over the years, this position has been part-time, but the staff has sometimes been full-time with other roles at the Chamber, so 20-40 hours a week. Meier said that if they want to evaluate it, it would be good to have some EDA members involved, as well as someone from MN MainStreet, etc. The State can give some perspective on what they've seen. Voss asked if Meier would define the program and job description. Meier said that they have the contract in their agenda packets. The problem is that it's a full-time job done with a part-time person. Raney said that we're at a critical point with the Streetscape going on and the revitalization is in no small part due to the Marriott. Klecker said that there are different ways MainStreet Programs are run: some through Chamber, some through City, some are independent. We've done it for 19 years through the Chamber and they've done a great job. Having the State person come down would be a good thing. Peterson said that, in the meantime, the Chamber will handle it. He asked if there should be an interim step. Raney said the current contract runs through this year. Kruschke said there are some reporting items that will have to be kept up on. Schultz said that he thinks it's a fantastic program, and Owatonna has only scratched the surface of what that is. He said that they need to decide on what they want to concentrate on. It can become overwhelming. The EDA needs to think about what they want to see that program do. Meier said that there are

some great strategies. Schultz said that they need to take the opportunity. Meier said that if they can get the parties together, they can have a discussion around the key issues. Peterson asked what a reasonable time would be. Meier said it's possible to get it done in August. He asked who the three volunteers would be. Raney said that he thinks they'd need Council representation on it. Mensink said he'd be willing. Raney and Schultz also volunteered.

Schedule Next Meeting. The next EDA meeting is scheduled for **August 18, 2021** 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 DeVinny to adjourn the meeting at 5:23 pm. All Commissioners voting Aye, the motion passed.