

EDA MINUTES - DRAFT Copy
August 13, 2020

The Owatonna Economic Development Authority met in regular session on Thursday, August 13, 2020 at 4:00 PM at the Council Chambers with President Raney presiding. Commissioners Present: Corey Mensink, Kevin Raney, Doug Voss, Jeff Okerberg, Tom Peterson, and Andrew Cowell. Also present were Troy Klecker, Bill Owens, Brad Meier, and Jeanette Clawson. Commissioner Brenda DeVinny was not present.

Approval of Minutes. Commissioner Okerberg moved approval of the minutes of the July 15, 2020 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 July.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for July. Work Force initiatives are starting to ramp up; there should be students back in the high school a few days each week, so we are working with employers for opportunity to job shadow and internship and work experiences. Hope to have this established prior to the opening of school. The Jump Start Owatonna distributed \$94,000 to 45 businesses; the initiative is done and now working to evaluate the program to determine what impact does this program have/had on the community?

Loan Report. Bill Owens presented the Loan Report for July, one new application was received for the 2020 Forgivable Loan Program from Firestone at 102 N Oak for \$9,901. This will be the fifth loan approved from the \$50,000 allocated for this program leaving an available balance of \$4,652.32. Commissioner Voss asked if all projects will be completed this year. Klecker responded some may not, he will be contacting companies approved for loans to follow-up with them on their plans. Loan applications will continue to be accepted until funds have been allocated and spent. Commissioner Raney asked if an incentive could be awarded to the Central Campesino Building for updates. Klecker explained the intent to the business loan is for improvement to properties for business interest, there was some interest in this property; but they are no longer interested and currently looking at another property. Currently considering what improvements to make, will update the water supply so the sprinkler system will work, considering removing the metal exterior or demolition interior walls to open up, the building is very narrow and deep with concrete backing so little play in modification options. Commissioner Mensink made a motion to approve the loan application received from Firestone, Commissioner Cowell seconded the motion, all members voted aye in approval. Owens commented this forgivable loan is equivalent to \$15,000-\$20,000 equity as there is no debt equity involved.

OABDC Report. OABDC Director Bill Owens presented the OABDC Report for July. Consulting has been slow over the last few months because of COVID concerns. Many contacts have been made by phone; he has received more contacts in the last 13 days than he received in the three prior months. One tenant will be leaving the office area at the end of August, but another tenant will be moving in and there is space available in the Industrial Area.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for July. The Daiken project is complete and will be removed from the list. Bubba's building has several unknowns which should be addressed to increase marketability: interior demolition,

sprinkler system updated and exterior update for better street appeal. Commissioner Okerberg commented the City hired an architect for design options which the EDA should review, he also suggested using the prison crew to do some of the manual labor involved at minimal costs. Commissioner Mensink suggested posting copy of architectural drawings showing the potential exterior and interior to increase market appeal. Commissioner Voss suggested hanging a banner with a picture printed on it showing what it could look like. Commissioner Cowell questioned the cost of updating the water and sprinkler system. Klecker responded there is bulk so there will be several unknown costs, he will put some figures together, inquire if utilizing the prison crew is an option and present report at the September meeting. ISG has prepared a bid for the roof repair on the former Centro Campesino roof, once the roof is done, interior cleanup and demo could begin, estimating cost will be \$150,000. Commissioner Voss asked if Little Caesars would reopen, Meier commented he will follow-up with the franchise owner, believes they had difficulty finding workers and have closed. Caribou Coffee is coming along, this will be a drive through option on Bridge Street. Commissioner Raney asked if Starbucks on Bridge changed their hours, there have been some frustrated comments on Facebook; Meier commented Starbucks is also available at Target and now at Hy-Vee.

Old Business. The City received \$1.9 Million CARES ACT funds and has proposed to allocate \$500,000 towards Small Business Assistance. Steele County also plans to allocate approximately \$500,000 towards this program, which will be administered by the EDA. We must approve the loan program so the City and County can proceed with their fund allocations. Ehlers has been contacted to manage our program, Keith Dahl, Municipal Advisor is present to explain various program options. Mr. Dahl was introduced; he explained each city needs to decide what type of program they want to offer and create one accordingly. Several Program Options to consider are: a One Application Period Program which allows review of all applications for awards based on need, he believes this most effectively addresses business needs; a Rolling Program offers grants on a first come/first serve basis which does get funds out the quickest but many times funds don't go to the businesses needing it the most; a Rolling Application Period Program will allow receipt of applications for a two week period which are then review and payments issued; if funds remain available, there will be another application/review/payout process; a Lottery System Program accepts applications and funds then awarded to businesses whose names are drawn at random. The program proposed is a One Application Period Program to provide up to a \$10,000 grant to businesses with 50 employees or less, that incurred unreimbursed costs due to COVID-19. The application period will run from August 31st through September 21st, grants would be awarded based on business needs and all program funds must be spent by November 15th, consultant fees will also be reimbursable through the program. Commissioner Mensink commented he approves shortening the application period, so it is not a big race to submit. Commissioner Voss commented he does not like the Rolling Program process, the first companies to complete the application and submit will be those with full accounting staff and may not be those needing the most assistance. Commissioner Cowell questioned what type of businesses are eligible, will non-profit companies be considered. Klecker responded the program was structured to not include non-profit companies. Commissioner Mensink made a motion to approve this proposed program contingent on funding allocations from the City and County, Commissioner Peterson seconded the motion; all members voted aye in approval.

New Business. There was no new business to discuss.

Other Business. Commissioner Cowell asked if an offer was made on the property on 141 E Fremont. Klecker advised the property's assessed value is \$68,400 and an initial offer was

made for \$62,000; we negotiated and settled at \$68,000 plus \$3,000 towards closing costs. Commissioner Okerberg asked on the status of the home on West Bridge Street and 32nd Avenue; Klecker advised the tenant has been advised of the property sale but no formal notice or eviction has occurred. The home will be demolished but this may not occur until next spring, the tenants are currently looking for another home.

Schedule Next Meeting. The next EDA meeting is scheduled for September 16, 2020 at 4:00 p.m. in City Council Chambers.

Adjournment. There being no further business, a motion was made by Commissioner Voss and seconded by Commissioner Peterson to adjourn the meeting at 5:15 pm. All Commissioners voted aye in approval.