



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING**

**Wednesday, November 19, 2025 at 4:00 PM
Council Chambers, City Hall at 540 West Hills Circle**

1. Agenda

1.1. EDA Agenda - November 19, 2025

2. Roll Call

3. Approval of Last Meeting Minutes

3.1. EDA Minutes - October 22, 2025

4. Treasurer's Report

4.1. Treasurer's Report - October

5. Loan Report

5.1. Loan Report - October

6. Reports

6.1. OACCT / OPED

6.2. OABDC Report

6.3. EDA Projects

7. Old Business

7.1. Review Contracts with OACCT

7.1.1. Lodging Tax Agreement

7.1.2. Economic Development Agreement

8. New Business

8.1. Forgivable Loans

8.1.1. 120 Cedar Avenue N - Ameriprise Financial / Dean Velske

8.1.1.1. Exterior - \$5,000 - Window Replacement

9. Schedule Next Meeting – December 17, 2025

10. Adjournment

Economic Development Authority

Regular Meeting

Wednesday, November 19, 2025

4:00 PM

Charles S. Crandall Center – Chambers

City Hall

Preliminary Agenda

1. Roll Call: Boeke, Burbank, Cowell, McDermott, Mensink, Savage, Voss
2. Approval of Minutes: October 22, 2025
3. Treasurer's Report
4. Loan Report
5. Reports
 - a. OACCT / OPED
 - b. OABDC
 - c. EDA Projects
6. Old Business
 - a. Review contracts with OACCT
 - i. Lodging Tax Agreement
 - ii. Economic Development Agreement
7. New Business
 - a. Forgivable Loans
 - i. 120 Cedar Avenue N. – Ameriprise Financial / Dean Velske
 - Exterior – \$5,000
 - Exterior – Window Replacement
8. Schedule Next Meeting – December 17, 2025
9. Adjournment

**EDA
Minutes
October 22, 2025**

The Owatonna Economic Development Authority met in regular session at 4:00 pm at the Degner Regional Airport with President Voss presiding. Commissioners present: Dave Burbank, Andrew Cowell, Patrick McDermott, Corey Mensink, and Doug Voss. Commissioners absent: Dan Boeke and Brian Savage. Also present were Troy Klecker, Sean Williams, Brad Meier, Lisa Cochran, Glenda Smith, and Kristen Kopp.

Approval of Minutes. Commissioner Burbank moved approval of the minutes of the September 10, 2025 meeting with second by Commissioner Cowell. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Community Development Director Troy Klecker presented the revenue and expense reports for September. He said that they have made the second half payment to the OABDC for the loan services contract. A motion was made by Cowell and seconded by Mensink to approve the Treasurer's Report as presented.

Loan Report. OABDC Director Sean Williams presented the Loan Report for September. He said that all loans are current.

OACCT /OPED Report. OACCT President Brad Meier presented the report. Made in Owatonna Days are coming up again. OPED has been busy. There were 105 attendees at the Owatonna Summit in September. Voss said he heard a lot of good things about it. Meier said that they met with Benya with SMIF and plan to meet with her quarterly. SE Minnesota Together, the group looking at creating a regional development organization, was hosted here in Owatonna. Kruschke is in Chicago right now and representing Owatonna at several meetings. He said things are going well so far. OPED met with Riverland today to get an update on the Owatonna campus. That is an ongoing effort. They've also been spending a lot of time on Mayo's decision (to end labor and delivery services in Owatonna).

MainStreet Report. MainStreet Director Lisa Cochran presented the quarterly MainStreet Report. She highlighted visiting Batavia, Illinois to get information for Rose Street and that was helpful. Everyone seems to be excited about the retail incubator. They are working on the building right now. They did an evening Farmers Market and it was okay, and they will do it again next year on the third Thursday of each month. There are people shopping on Thursday nights. She talked about Gem Days and partnering again with the Business Partnership and they decided that Gem Days has run its course. They plan to ramp up the Downtown Thursdays and keep some of the events that were really popular during Gem Days. Cowell asked about Crazy Days. Cochran said that it morphed into Gem Days and it has changed over the years. Burbank said that he saw that the Rose Street Center received a grant and wondered how much it was for. Williams said \$45,000.

Tourism Report. Tourism Director Glenda Smith presented the quarterly Tourism Report. She said there was a total of 6,000 people who attended events during the Model T Convention. The

Fair had a great year again. They are working with some leagues to get more events. There have been 31 group tours scheduled. KSTP had us up twice and came down to interview Anne Peterson. Upcoming events include the US Bowling Tournament in April through the first week in May. The Women's Barbell Classic was last week. Occupancy for September was close to 63% with MN State at 66% and Southern MN at 58%. Voss said that's really good. Burbank said that last Wednesday on MN Live, they featured our water tower for Water Tower Wednesday. Voss asked what she is excited about for 2026. She said Motorcycles, Norwegians, and Highland Cows.

OABDC Report. OABDC Director Sean Williams presented the OABDC Report. He said that they have their Innovators & Business Owners Connect-up on the second Thursday of the month. The coworking space is ready to go and the Retail Incubator is being built out. Owatonna Angel Network is a new quarterly event for angel investors and professionals. They are formalizing the reboot of the incubator. They are in the middle of two Co.Starters classes—one in English and one in Spanish. Consulting is in range with what they have been doing.

Airport Report. Airport Manager Dave Beaver presented the quarterly Airport Report. He said that the Council approved the repair shop with Accelerated Aviation called Fountain Aviation. It's a service that is in demand and they are glad to make that announcement. The owners of Accelerated are excited about it, too. They already have two full-time mechanics at the airport right now and are interviewing two to three more. He said that MnDOT Aeronautics has a grant for Airport Zoning. This should be done next year and is in line with the Strategic Plan. He gave an update on the shutdown and said that it doesn't have a big impact on the airport. The biggest impact will be grants. He highlighted the October numbers and said that aircraft deliveries are up nationally.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for September. The EDA had approved moving forward with the land adjacent to Cemstone. He did counteroffer and has not got a response yet. We approved up to a certain point, so if it meets that, he will take it to Council. The Letter of Intent on 117 Bridge Street West lapsed but another party is interested and is under a Letter of Intent. We walked through the building with the interested party a couple weeks ago and they are in their due diligence period. Renneberg Hardwoods is working on the interior office right now and Meier said he'd expect they'd open by the end of the year. He gave an update on the Barney Street extension. The Council approved the purchase of 1301 Oak Avenue S and closing is set for December. Staff is putting a purchase agreement together for 1352 Cedar Avenue S. He said he's had an initial meeting with Heartland Carwash and they are open to the concept. We will need a little space from them, but will also give them some space on the street alignment.

New Business.

Forgivable Loan: 115 Rose Street East – Owatonna Area Business Development Center - \$10,000 Interior. Sean Williams said that there are a number of interior renovations they've gotten quotes for. They received the \$45,000 from the foundation. The total quotes are around \$70,000, including exterior, which isn't part of this loan. The bathrooms are fine. One concern is that it is inside the retail incubator, and with the shops being opened the same hours it will be

okay. A motion was made by Burbank and seconded by Cowell to approve the forgivable loan for up to \$10,000 for interior improvements at 115 Rose Street East. All Commissioners voting Aye, the motion passed.

Review Contracts with OACCT. Klecker said that this includes the Lodging Tax Agreement, Economic Development Agreement, and the MainStreet Agreement. He gave the Commissioners the current wording of the contracts. He didn't change any wording but just the dates. He said he wanted to get that in front of them in October to take a look at. The goal is that the Chamber has their recommended wording changes and the EDA have any changes they would like to see at the November EDA meeting or at least have discussion and approve it in December. They would all be three-year contracts and they have the current wording now.

Schedule Next Meeting. The next EDA meeting is scheduled for **November 19, 2025** at 4:00 pm in Charles S. Crandall Center – Chambers at City Hall.

Adjournment. There being no further business, a motion was made by Commissioner Mensink and seconded by Burbank adjourn the meeting at 4:50 pm. All Commissioners voting Aye, the motion passed.

EDA ADMINISTRATION						
Account	Description	2025 Budget	Month Actual Oct-25	Current YTD	Budget Remaining	Percentage
	REVENUE					
290-31000-690-691-000000	PROPERTY TAXES	- 200,000.00		- 66,680.00	- 133,320.00	33.34
290-31410-690-691-000000	LODGING TAX - 3%	- 280,000.00	- 32,713.62	- 252,409.05	- 27,590.95	90.15
290-33424-690-691-000000	STATE - OTHER PROGRA					
290-34109-690-691-000000	OTHER REVENUE			- 281.52	281.52	
290-34950-690-691-000000	TIF ADMINISTRATIVE F	- 62,264.00		- 27,175.11	- 35,088.89	43.65
290-36210-690-691-000000	INTEREST EARNINGS	- 4,000.00		- 1,535.27	- 2,464.73	38.38
290-36220-690-691-000000	RENT/RENTALS	- 3,600.00	- 300.00	- 4,000.00	400.00	111.11
	TOTAL REVENUE	- 549,864.00	- 33,013.62	- 352,080.95	- 197,783.05	
	EXPENDITURES					
290-41000-690-691-000000	WAGES - REGULAR FT	90,894.00	7,146.48	77,947.78	12,946.22	85.76
290-41300-690-691-000000	WAGES - OT					
290-41410-690-691-000000	PERA	6,817.00	531.52	5,801.45	1,015.55	85.10
290-41420-690-691-000000	FICA	6,953.00	529.29	5,782.27	1,170.73	83.16
290-41500-690-691-000000	INSURANCE	6,870.00	562.16	5,621.13	1,248.87	81.82
290-41550-690-691-000000	WORKERS COMP INSURAN	536.00	40.39	440.89	95.11	82.26
290-42000-690-691-000000	OFFICE SUPPLIES	400.00		22.00	378.00	5.50
290-42300-690-691-000000	SMALL TOOLS & MINOR	400.00			400.00	
290-43010-690-691-000000	OTHER PROFESSIONAL S	33,000.00	265.00	13,462.65	19,537.35	40.80
290-43121-690-691-000000	PHONE	200.00			200.00	
290-43122-690-691-000000	POSTAGE	300.00			300.00	
290-43220-690-691-000000	TRAVEL & TRAINING	1,000.00		767.01	232.99	76.70
290-43231-690-691-000000	OBD - MARKET SERVICE	80,000.00		80,000.00		100.00
290-43232-690-691-000000	OBD - LOAN SERVICES	20,000.00		20,000.00		100.00
290-43233-690-691-000000	OBD - SMALL BUSINESS			2,781.60	- 2,781.60	
290-43234-690-691-000000	DOWNTOWN ENHANCEMENT	5,000.00			5,000.00	
290-43235-690-691-000000	PARTNERS FOR PROGRES	12,000.00		12,000.00		100.00
290-43320-690-691-000000	ADVERTISING & PROMOT	1,000.00		303.38	696.62	30.34
290-43400-690-691-000000	MEMBERSHIPS & SUBSCR	200.00			200.00	
290-43720-690-691-000000	REPAIR & MAINT - EQU	200.00			200.00	
290-43810-690-691-000000	RENTS/LEASES	6,700.00		6,624.00	76.00	98.87
290-43972-690-691-000000	SOUTHERN MN INITIATI	1,667.00		1,666.00	1.00	99.94
290-43990-690-691-000000	MISCELLANEOUS					
290-43991-690-691-000000	TOURIST DEVELOPMENT	266,000.00	32,739.62	208,710.65	57,289.35	78.46
290-47000-690-691-000000	TRANSFER TO OTHER FU	12,000.00		4,000.00	8,000.00	33.33
	TOTAL EXPENDITURES	552,137.00	41,814.46	445,930.81	106,206.19	
EDA LOANS						
Account	Description	2025 Budget	Month Actual Oct-25	Current YTD	Budget Remaining	Percentage
	REVENUE					
292-33424-690-692-000000	STATE - OTHER PROGRA			- 330,000.00	330,000.00	
292-34109-690-692-000000	OTHER REVENUE			- 30.00	30.00	
292-34960-690-692-000000	INTEREST ON LOANS		- 160.45	- 1,957.76	1,957.76	
292-36210-690-692-000000	INTEREST EARNINGS	- 20,000.00		- 6,569.53	- 13,430.47	32.85
	TOTAL REVENUE	- 20,000.00	-160.45	- 338,557.29	318,557.29	
	EXPENDITURES					
292-48300-690-692-000000	LOAN PROGRAM DISBURS			408,250.00	- 408,250.00	
	TOTAL EXPENDITURES			408,250.00	- 408,250.00	

EDA LAND						
Account	Description	2025 Budget	Month Actual	Current YTD	Budget	Percentage
			Oct-25		Remaining	
	REVENUE					
294-34109-690-694-000000	OTHER REVENUE			- 70.00	70.00	
294-34950-690-694-000000	TIF ADMINISTRATIVE F	- 1,356.00		- 2,091.75	735.75	154.26
294-34960-690-694-000000	INTEREST ON LOANS	- 29,150.00		- 39,231.33	10,081.33	134.58
294-36210-690-694-000000	INTEREST EARNINGS	- 20,000.00		- 9,494.00	- 10,506.00	47.47
294-36220-690-694-000000	RENT/RENTALS	- 30,000.00	- 1,000.00	- 24,274.00	- 5,726.00	80.91
294-39101-690-694-000000	SALE OF CAPITAL ASSE					
	TOTAL REVENUE	-80,506.00	-1,000.00	- 75,161.08	- 5,344.92	
	EXPENDITURES					
294-43004-690-694-000000	LEGAL FEES			92.00	- 92.00	
294-43010-690-694-000000	OTHER PROFESSIONAL S	20,000.00		620.00	19,380.00	3.10
294-43500-690-694-000000	PROPERTY & LIABILITY	3,600.00		2,050.00	1,550.00	56.94
294-43910-690-694-000000	REAL ESTATE TAXES	20,000.00		63,172.14	- 43,172.14	315.86
294-45100-690-694-000000	LAND					
294-45300-690-694-000000	OTHER IMPROVEMENTS		6,870.00	8,829.78	- 8,829.78	
	TOTAL EXPENDITURES	43,600.00	6,870.00	74,763.92	- 31,163.92	

City of Owatonna
Balance Statement by Fund
31-Oct-25

FUND 292: EDA LOANS

Account Number	Account Name	Ending Balance
ASSETS		
292-10100-000-000	BANK ACCOUNTS	\$ 24,852.20
292-10400-000-000	INVESTMENTS	700,000.00

FUND 294: EDA LAND

Account Number	Account Name	Ending Balance
ASSETS		
294-10100-000-000	BANK ACCOUNTS	\$ 625,580.40
294-10400-000-000	INVESTMENTS	500,000.00

EDA - Improvement Notes

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Monthly Payment	Status	Type	Notes
Wagner's	10/1/2018	2.500	7	43,480.63	8,823.73	564.78	Current	Retail	
Total				43,480.63	8,823.73	564.78			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	1	43,480.63	8,823.73	100.00%
	Non-current	0	-	-	0.00%
		1	43,480.63	8,823.73	100.00%

EDA - Low Doc Notes

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Monthly Payment	Status	Type	Notes
Selective Looks	6/16/2020	2.500	7	25,000.00	4,071.87	259.78	Current		
Vesterby	12/13/2021	1.625	7	12,500.00	5,980.45	157.53	Current		
Family 1st Insurance	7/5/2023	4.125	7	20,000.00	17,910.08	274.53	Current		
Family 1st Insurance	7/5/2023	-	3	5,000.00	2,916.66	138.89	Current		
				<u>62,500.00</u>	<u>30,879.06</u>	<u>830.73</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	4	62,500.00	30,879.06	100.00%
	Non-current				0.00%
		<u>4</u>	<u>62,500.00</u>	<u>30,879.06</u>	<u>100.00%</u>

EDA Land Fund

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Annual Payment	Status	Type	Notes
Gateway #2 TIF note	12/31/16	3.000	25	472,889.00	410,302.48		Current		TIF Guarantee
Arrow Ace TIF note	12/1/17	3.000	25	350,000.00	294,847.31		Current		TIF Guarantee
Nicolai TIF note	12/31/17	3.000	25	524,845.17	476,264.85		Current		TIF Guarantee
Marriott TIF note	5/18/21	3.000	25	268,000.00	266,398.23		Current		TIF Guarantee
224 Cedar TIF note		3.000	25	225,000.00	15,618.28		Current		TIF Guarantee
Ascend TIF note	7/31/2023	5.000	25	100,000.00	100,000.00		Current		TIF Guarantee
KAMP TIF note	2/1/23	3.500	8	155,074.00	155,074.00		Current		TIF Guarantee
Total				<u>2,095,808.17</u>	<u>1,718,505.15</u>	<u>-</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	7	2,095,808.17	1,718,505.15	100.00%
	Non-current	0	-	-	0.00%
		<u>7</u>	<u>2,095,808.17</u>	<u>1,718,505.15</u>	<u>100.00%</u>

Memo

To: Economic Development Authority
From: Brad Meier, President/CEO
Date: 11/19/2025
Re: OACCT Economic Development Update

Economic Development

- **See report for leads and 'in progress' reports.**

Workforce

- Made in Owatonna Day planning starting for February Health Sciences day. Successful Made in Owatonna day on Oct 29th with 50 students for Arts, Communication and information systems.
- Added 10 business opportunities to the SteeleCoWorks efforts to bring business and students together for job shadow, tours, internship, or work experiences.

Other

- OPED: Sponsored the REJournal Industrial Summit in Golden Valley, MN.
- OPED: New development website is live at OwatonnaDevelopment.com
- OPED: Recently hosted leadership from Riverland Community College to discuss offerings at the Owatonna Campus which includes: Advanced Manufacturing, Automation Robotics, Accounting, Business, Information Technology, Liberal Arts & Sciences, Healthcare.
- City, County, Chamber task force worked with Mayo and Allina diligently regarding on call labor and delivery for Owatonna. Positive outcome with Allina opening a Women's Health clinic in Owatonna.

<u>Company</u>	<u>Date of Inquiry</u>	<u>Service Provided</u>	<u>Follow ups</u>	<u>Conclusion</u>	<u>Project Outcome:</u> <u>Green (progressing),</u> <u>yellow (probable); red</u> <u>(not moving)</u>
Development project idea for downtown Owatonna.	2/29/2024	Developer presented an idea for a new building in downtown Owatonna.	Early stages of the idea and it has some overlap with another downtown project being discussed. 01/29/25 additional data being collected.	Set up meeting between the two project developers for March. 8/7 met with developer who now has more detail drawings. Will have join OPED for further discussion.	
Car wash	2/10/2025	Regional developer looking for a location to put in a new car wash	Met 2x's and also brought city into the conversation. Tour of town with Greg K.	Thought they had a location, but now looking again. 7/1/25 will be locating on former Salvation Army site.	
Runs a food truck, wants to open a physical location site	2/14/2025	Looking for a location to open a mexican restaurant downtown	Looking for visible location, but where he can put in some sweat equity to get it open	Landed in the former Pupuseria site and plans to be open summer 25. 7-3-2025 finally has all approvals and plans to open in July. Business has opened.	
Husband/Wife with an idea for a new business	2/18/2025	Indoor field house concept	Have done some business planning and looking for spaces	Met with them at OABDC with Sean to discuss location options, loan and grant information, and business planning.	

Recruiting new Insurance Agent/Agency for Owatonna	3/14/2025	Working to replace an agency that is retiring from the marketplace.	Share the opportunity details and sharing with people who may be a good fit.	Plan to pull it altogether this summer. 7/10/25 new agent has been identified and will start in the fall.	
Crafting Store	3/14/2025	Outreach to box retailer about possibility of Owatonna.	Corporate real estate department. Might be interest.		
Short Term Rental while building	4/29/2025	discussing their locating to Owatonna	Need 3-5000 sq ft of warehouse and some office space until new building is up in the fall	Provided multiple location options. 7/1/25 temp location in former Mustang building.	
Looking for a site to build a hotel	4/30/2025	Group is looking for I-35 site locations	Build Holiday Inn Express want 5 acres	Talked about the current marketplace, doubletree opening and sites	
Want to open a Kitchen/Sports Bar in downtown Owatonna	4/30/2025	Her and her husband have gone through the OABDC Co-Starters program	Looking for 5,000 sq ft for this business, ideally existing space	Lisa Cochran and Brad met via phone with her and talked through potential locations	
Developing an existing building on Bridge Street	5/9/2025	Looking for ideas for his site		GregK and Brad M provided some ideas.	
Company's District Office considering a centralized location in Owatonna	5/15/2025	3-5,000 sq ft office	Want to purchase	Sent over a couple options on the market right now.	
Looking for new office space in Owatonna	6/10/2025	2,000 sq ft 2 office + front desk	Lease and would like to be downtown, can afford \$1,800/mo	Provided a few options including one spot in a good downtown location.	

Starting a new business	7/10/2025	Stopped into Chamber office wanted to make sure she's doing all the right things to start her dog grooming business	Has a start on a business plan, location, LLC, insurance.	Going to connect her with the OABDC to walk through her business plan.	
Considering investment in city building on Broadway next to Mizuki	8/26/2025	Looking for an investor or 2 to make this project work.	Connected him to another development group in Faribault who also had interest in that building at one point in time.	Both have talked we'll know in 1 month (Oct1) if this will move forward. This project does not look like it will move forward.	
Working with local property owner to develop or sell parcels of commercial, residential and industrial sites	8/29/2025	Virtual call to discuss Owatonna economy and possibilities for each of the pieces of land they are working with.	Discussed the options and marketplace. Provided a couple possible leads.	Exploratory at this time.	
Business Idea	9/3/2025	Called to ask opinion on a call answering business idea.	Discussed briefly about the marketplace and that there isn't a business model like this.	Exploratory	
Business re-locate to Owatonna	9/19/2025	In person discussion about the need for more office space and locating it in Owatonna	Set up meeting with Brad, Greg Kruschke and the business	Conducted meeting; exploring new space and existing space for approximately 10,000 sq ft	

Business considering a building remodel	9/26/2025	Discussed options and who to contact for preliminary questions	Provided EDA loan programs.	10/14: follow up, business is waiting on cost estimates.	
Putting numbers together on a purchase renovation for downtown Building	10/7/2025	Discussed plans for the site and optimism for multiple businesses at the location	Evaluation period on numbers for the site	90 days	



EDA Report – November 2025

Updates:

- **Innovators & Business Owners Connect-up (IBOC)**
 - 2nd Thursday of every month
 - Register at iboc.eventbrite.com
- **Rose Street Center**
- **Owatonna Angel Network**
 - Pitch events for angel investors and professionals
 - Kick-off Event
- **Owatonna Business Incubator Program**
- **Small Business Academy – Powered by Co.Starters – Supported by SMIF Prosperity Initiative**
 - Started Sept 15 & 16 – English and Spanish (respectively)
 - 12 Entrepreneurs & 2 Entrepreneurs
- **Get Your Business Started Workshop – Powered by Co.Starters**
 - 11/15 @ 9 AM
 - Register at OABDCworkshop.eventbrite.com

OABDC – October 2025

Consulting					
Clients	Sessions	Hours	New	Operating	Hours 2025 YTD
16	28	27.25	3	5	195.25

Occupancy			
Manufacturing		Offices	
Total Leasable Space	34,325	Total Leasable Offices (excl. Flex Space)	10
Total Leased Space	21,375	Total Number of Leased Offices	8
Present Occupancy	61%	Present Occupancy %	80%
Budget Occupancy	42%	Budget Occupancy %	70%
Occupancy Revenue to Budget	\$1,525	Revenue to Budget	+\$1,010
Performance to Budget	134%	Performance to Budget	144%
Number of Organizations	10	Number of Organizations Total	18
Makerspace	3,000		



EDA Loan Programs – November 2025

New Business:

Forgivable Loans:

- 120 N. Cedar Ave. – Ameriprise Financial/Dean Velske
 - Exterior - \$5,000
 - Exterior – window replacement

November 19, 2025
EDA Meeting

EDA Projects Report

- The developer has sold the site for the second building on the old Hardees/Budget Mart site to Redline Development Group, LLC. TIF was approved for this project. There is enough TIF being generated from the first building to pay the City back for costs associated with realigning Barney Street. Any additional TIF generated from a second building would assist the developer for costs associated with the development. There is still another lot available for development.
- The land swap between the City and Cemstone is completed. The City now owns the current Cemstone site and Cemstone owns 14 acres of vacant land in the industrial park. Cemstone will have 5 years to build a new facility on the new site. The City will then redevelop the current site once Cemstone moves out. Tax Increment Financing is being used to assist with the project. Cemstone has completed the plant on their new site. The storage building is complete and Cemstone has moved out of the North Street site. Staff is pursuing purchasing adjacent land.
- The City currently owns 224 North Cedar Avenue (Bubba's Building). A new redevelopment project is being sought for that property.
- The City has purchased the property at 117 West Bridge Street formerly owned by Centro Campesino. Construction of a new roof on the building is complete as well as other improvements. The EDA paid for the roof and other improvements with the intent of redeveloping the property and utilizing tax increment financing to recoup those costs from the project. A letter of intent has been signed as a business is going through a due diligence process for a potential redevelopment project.
- The City owns the property at 148 West Main Street that was damaged from a collapsed roof. The City has cleaned out the property and secured it. A redevelopment project is being sought for that property.
- The City has purchased the property at 126 East Fremont Street. Plans will begin to demolish the house and garage on the site. A redevelopment project is being sought for this property and the 4 other lots the City owns. The house was burned on October 22 and the rest of the site has been cleaned up. Staff has a signed agreement with Alexander Lumber to swap 2 City owned lots on East Fremont Street for a lot on Rose Street. The City Council has approved the land swap and we have closed on the land swap. The EDA still has 3 lots on Fremont and is pursuing a redevelopment project.
- The City has purchased the property at 139 East Pearl Street for a future redevelopment project. Demolition of the house is complete.
- The City received an offer to purchase the two EDA lots on State Avenue for \$200,000 for a 12,100 square foot facility for Renneberg Hardwood Inc. The City Council approved the sale of the property and the property has been conveyed to the new owners.

Construction on a new building will begin in this year. The platting of the property is complete. Construction of the new building has started.

- Sputtering Components is planning a 12,500 square foot addition onto their facility in the industrial park. Tax Increment Financing is being requested for the project. Tax Increment Financing has been approved for the project. A building permit has been issued for the project and construction has begun.
- Foremost has closed. This was a TIF project and the property is being marketed for a new tenant or buyer.
- The City is proposing to purchase the property at 1301 South Oak Avenue to extend Barney Street to Park Drive. There will be remaining land beyond the land for the street for a redevelopment project. The City Council has approved the purchase and closing is set for December. Staff is putting a purchase agreement together for 1352 South Cedar.

City of Owatonna
Lodging Tax Agreement

This AGREEMENT made between the Owatonna Economic Development Authority, a municipal corporation (hereinafter ~~refeffered~~referred to as the "EDA"), and the Owatonna Area Chamber of Commerce and Tourism (hereinafter ~~refeffered~~referred to as the "Chamber").

WHEREAS, the City of Owatonna has created the EDA to oversee and manage the economic development functions of the City; and

WHEREAS, the City of Owatonna has imposed a tax on lodging to stimulate the growth of tourism within the City; and

WHEREAS, tourism is important to the economic health of the community and the Chamber's organizational structure is committed to promoting tourism in collaboration with the EDA,

NOW THEREFORE, the parties agree as follows:

1. TERM. The term of this Agreement shall begin on January 1, 202~~6~~3, and shall terminate on December 31, 202~~8~~5.

2. SERVICES RENDERED BY CHAMBER. The Chamber shall furnish the following services:

- (a) The Chamber will utilize lodging taxes to support tourism development consistent with state law.
- (b) Informational services in answering inquiries about events and attractions in the community.
- (c) Provide planning, coordination, and registration assistance to organizations and groups planning visits to or conventions in the community.
- (d) Provide support materials to visitors including such items as name badges, city maps, accommodations lists, general information, etc.
- (e) Prepare a marketing strategy that utilizes a website and multi-media approach to attract new visitors to the community.
- (f) Represent the community at appropriate trade shows, conventions, exhibits and other group meetings that would provide the potential to generate additional tourist and/or convention visits.

~~Tracking will include:~~

- ~~• Website analytics~~
- ~~• Lodging Occupancy %~~
- ~~• Number of Events attracted~~
- ~~• Social media engagement/analytics~~

3. **CHARGES.** All services, excluding support materials, provided pursuant to paragraph two (2) of this Agreement, shall be without charge to the person or organization utilizing such services.

4. **BUDGET.** The Chamber shall submit its annual operating budget for tourism promotion to the EDA. Such budget shall detail the uses to which monies received shall be spent to provide the services described in paragraph two (2) of the Agreement.

5. **TOURISM ADVISORY COMMITTEES.**

Tourism Marketing Committee

~~A designated committee of 9-11 shall be appointed by the Conventions & Tourism Director. This committee shall consist of representatives of businesses and organizations that play a role in bringing visitors to Owatonna through events, meetings, tournaments, leisure activities, group tours and employment. This committee will meet no less than 6 times per year in person or virtually.~~

~~**Role & Purpose of committee:** To offer feedback and marketing recommendations in regards to the allocation of the lodging tax dollars with the intention of benefitting overall Owatonna Tourism.~~

~~**Terms 3 years (rotating):** a committee of 9-11 with no more than 4 rotating off each year~~

~~**Committee Representation:** Individuals on the committee may consist of, but is not limited to, representatives from lodging properties, attractions, retail, restaurants, places of employment and meeting, event & sports venues.~~

Lodging Representatives Committee

Representatives from the lodging properties shall meet monthly to review occupancy rates, and statistics, offer feedback of marketing plans and tactics in place.

Quarterly Education Presentation

~~Quarterly, the tourism director will organize and offer an opportunity for all interested representatives of businesses and organizations to hear about marketing updates and education about opportunities within the tourism industry.~~

6. **TOURISM EXECUTIVE ADVISORY COMMITTEE.** The EDA shall appoint an advisory committee to the Chamber. This executive committee shall review the annual tourism ~~budget at least once a year~~plan and personnel matters relative to tourism as deemed necessary, and make recommendations to the Chamber. The committee shall consist of ~~up to 63~~ members representing separate lodging properties, 2 members representing separate tourist attractions, 2 members representing members of the Chamber and 1 EDA member.

7. **FUNDING.** Within 45 days of the monthly tax report date, the EDA shall remit to the Chamber for funding, 95% of the lodging tax payments received by the EDA, less refunds, during the term of this Agreement.

8. REPORTING. As part of the budget submission requirements of paragraph four (4), the Chamber shall submit an annual program of work for tourism promotions that outlines the major goals to be addressed and initiatives to be accomplished by the Chamber during the funding period. In addition, the Chamber shall submit to the EDA quarterly progress reports containing information relative to work program performance.

9. VERIFICATION OF EXPENDITURES. The Chamber will provide the EDA a copy of its monthly financial statements and annual audit. The EDA treasurer and/or City Finance Director shall have the right of access to the books and records of the Chamber to audit any item of revenue or expenditure from the lodging tax. The cost of audits directed by the EDA or City shall be paid from the lodging tax funds.

10. HOLD HARMLESS. Any and all employees of the Chamber or any other person, while engaged in the performance of any service required by the Chamber under this Agreement, shall not be considered employees of the EDA or City, and any and all claims made by the third party as a consequence of any act or omission on the part of the Chamber, or its agents or employees or other person while so engaged in any of the services provided to be rendered herein, shall in no way be the obligation or the responsibility of the EDA or City. In connection therewith, the Chamber hereby agrees to indemnify, save, and hold harmless, and defend the EDA or City and all of their officers, agents, and employees from any and all claims, demands, actions, or causes of actions, including costs of suit and attorney fees, of whatever nature or character arising out of or by reason of the execution or the ~~performance~~ performance of the services provided for in this Agreement. The Chamber shall provide the EDA with a certificate of insurance naming the EDA and City as additional insured.

11. DISCRIMINATION. The Chamber, in providing services hereunder shall comply with the provisions of Minnesota Statutes Section 181.59 as the same may be amended from time to time. Minnesota Statutes Section 181.59 is incorporated in this Agreement as though set forth in its entirety and the Chamber shall not discriminate against any person or firm in any of its activities hereunder on the basis as established by State law.

12. INSURANCE. The Chamber shall carry insurance to cover its employees and agents while performing services pursuant to this Agreement. Such insurance shall provide comprehensive general liability and property damage coverage to the Chamber and its employees and agents in such amounts not less than \$1,000,000. The Chamber shall also carry worker's compensation as required by Minnesota Statutes Section 176.182 and provide the EDA with proof of compliance before commencing to provide services hereunder.

13. TERMINATION. This Agreement may be terminated by either party upon a sixty ~~(12060)~~ day written notice.

13. LAWS. The Chamber will comply with all applicable federal, state, and local laws in the performance of its obligations hereunder.

14. INTEGRATION. This document is fully integrated, embodying the entire Agreement between the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date to follow given.

This ____ day of _____, 20__.

OWATONNA ECONOMIC DEVELOPMENT AUTHORITY

By: _____

President

By: _____

Secretary

OWATONNA AREA CHAMBER OF COMMERCE AND TOURISM

By: _____

Chairman of the Board

By: _____

President/CEO