



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING**
Wednesday, February 25, 2026 at 4:00 PM
Council Chambers, City Hall at 540 West Hills Circle

1. Agenda

1.1. EDA Agenda - February 25, 2026

2. Roll Call

3. Approval of Last Meeting Minutes

3.1. EDA Minutes - January 21, 2026

4. Treasurer's Report

4.1. Treasurers Report

5. Loan Report

5.1. Loan Report

6. Reports

6.1. OACCT / OPED

6.2. OABDC Report

6.3. EDA Report

7. Old Business

8. New Business

8.1. Discuss Forgivable Loan Program

8.2. Forgivable Loans

8.2.1. 119 Bridge Street West -- Quanxi LLC / Feng -- Interior: \$10,000 -- ADA Bathrooms

8.2.2. 115 Rose Street East -- Owatonna Area Business Development Center -- Exterior:
\$10,000 -- ADA Compliance -- Boardwalk, Ramp, Parking Access

9. Schedule Next Meeting – March 18, 2025

10. Adjournment

Economic Development Authority

Regular Meeting

Wednesday, February 25, 2026

4:00 PM

Charles S. Crandall Center – Chambers

City Hall

Preliminary Agenda

1. Roll Call: Boeke, Burbank, Cowell, Mensink, Savage, Voss
2. Approval of Minutes: January 21, 2026
3. Treasurer's Report
4. Loan Report
5. Reports
 - a. OACCT / OPED
 - b. OABDC
 - c. EDA Projects
6. Old Business
7. New Business
 - a. Discuss Forgivable Loan Program
 - b. Forgivable Loans
 - i. 119 Bridge Street West—Quanxi LLC/Feng
 - Interior: \$10,000—ADA Bathrooms
 - ii. 115 Rose Street East—Owatonna Area Business Development Center
 - Exterior: \$10,000—ADA Compliance—boardwalk, ramp, parking access
8. Schedule Next Meeting – March 18, 2026
9. Adjournment

**EDA
Minutes
January 21, 2026**

The Owatonna Economic Development Authority met in regular session at 4:00 pm in the Charles S. Crandall Center – Chambers at City Hall with Vice President Cowell presiding. Commissioners present: Dan Boeke, Andrew Cowell, Corey Mensink, and Brian Savage. Commissioners absent: Doug Voss and Dave Burbank. Also present were Troy Klecker, Sean Williams, Brad Meier, Lisa Cochran, Glenda Smith, Mayor Matt Jessop, and Kristen Kopp.

Approval of Minutes. Commissioner Mensink moved approval of the minutes of the December 17, 2025 meeting with second by Commissioner Savage. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Community Development Director Troy Klecker presented the revenue and expense reports for December.

Loan Report. OABDC Director Sean Williams presented the Loan Report for December. He said that Wagner's is non-current. He made his December payment, but we are still missing his November payment. Williams said he will be picking up the check from him next Tuesday.

OACCT /OPED Report. OACCT President Brad Meier presented the report for December. He handed out the strategic plan, which includes Tourism and MainStreet. He highlighted the focus areas including Member Communication, Championing a Strong Economy, Attracting and Retaining Talent, Restoring the Core (MainStreet), Attracting Tourism, and Resource Development. The next Made in Owatonna Day is on healthcare. OPED is going to be at the Rochester Economic Development event in February. He said that they are taking a lot of ICE related phone calls from businesses.

MainStreet Report. MainStreet Director Lisa Cochran presented the quarterly MainStreet Report. She handed out the 2026-2028 Strategic Goals. She said that Reggie's Bar used the Forgivable Loan and made improvements to the building. She highlighted the Strategic Plan. MainStreet is focusing on two areas: the message that a healthy downtown is vital for the whole community and the Rose Street Center. They are working on it. There are already five people who are committed to a space and several are more excited to learn about it.

Tourism Report. Tourism Director Glenda Smith presented the quarterly Tourism Report. She handed out the 2026-2028 Tourism Strategic Goals. She highlighted quarterly activity. She said there has been a 10% increase on overnight trips. She highlighted Placer data and where visitors are coming from. She highlighted the Strategic Goals and said elevating market position and brand identity is a top goal. Other goals are growing high-value overnight tourism, optimizing year-round demand and visitor flow, and deepening collaboration and shared value with local partners.

OABDC Report. OABDC Director Sean Williams presented the OABDC Report for December. He said they are moving the Connect up from Torey's to Rose Street. They are working on pitch

events for the Angel Network. The next Small Business Academy starts Monday. The online version of their software studio is available for preorder now. There were almost 250 hours of consulting in 2025. There are two manufacturers looking to locate at the Incubator.

Airport Report. Airport Manager Dave Beaver presented the quarterly Airport Report. He said that 2025 went well. They are now self-supporting from a budget standpoint. There are several students every week. Fountain Aviation is going well. They applied for four different Federal projects this year including paving and zoning updates. He said they have done a lot of work over the years to become a regional airport. Businesses are flying more business jets and that is the type of traffic that we want at the airport. It supports local businesses. He spoke about Advanced Air Mobility.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for December. He said that they are still working on the purchase of the property with the Spitzacks and should have a purchase agreement soon. He said that he thinks that this year they should start putting improvements into the Bubba's building. He said he talked with Community Development Manager Greg Kruschke about what they can do to this building without overcommitting to something that a future buyer wouldn't want. One thing they could do is get the vault removed from under the sidewalk and put a new sidewalk in. There is a new roof on it, tuckpointing, it's been cleaned out. We'll probably get some bids on the vault removal and bring it back to the EDA. He said that they would probably want to do more with 117 Bridge Street West as well—probably interior demo work. They will get numbers on that. He said they're looking at things that would have to be done regardless. Staff is looking at demolishing 140 Fremont Street East. They will pursue bids on that for spring or summer. There will then be three lots available for a redevelopment project. The City purchased the Marco building and a closing is set up for the Kreco Car Wash in February. They will start offering that as a potential site for businesses. Ascend South has been approved by the City Council. They plan on doing demolition in March. They will do the streets first and then the building.

New Business.

Forgivable Loan: 119 Bridge Street West – Quanxi LLC / Feng - \$10,000 Interior (ADA Bathrooms). Williams said that they did not get the application completed in time, so it will be tabled.

Discuss Forgivable Loan Program. Klecker said with this \$10,000 loan, there will be less than \$4,000 left. He said the number of requests is less as time goes on. It has been very popular. We don't have to decide at this meeting but need to have a conversation on whether it will be available as the construction season starts up. Mensink said he thinks it's been a great program and asked if it was possible to get a report. Klecker said they can have that available. Cowell asked if we could allocate some of those dollars to the properties the City owns and make it a bigger loan to help get these projects moving forward. Klecker said they could.

Schedule Next Meeting. The next EDA meeting is scheduled for **February 18, 2026** at 4:00 pm in Charles S. Crandall Center – Chambers at City Hall. Klecker said he will not be able to make that date. The Commissioners discussed changing the date of the February meeting. A motion

was made by Boeke and seconded by Mensink to change the February EDA meeting to **Wednesday, February 25, 2026**. All Commissioners voting Aye, the motion passed.

Adjournment. There being no further business, the meeting was adjourned at 5:23 pm.

EDA ADMINISTRATION					
Account	Description	2026 Budget	Month Actual	Current YTD	Budget
			Jan-26		Remaining
	REVENUE				
290-31000-690-691-000000	PROPERTY TAXES	-240,000.00			
290-31410-690-691-000000	LODGING TAX - 3%	-280,000.00			
290-34109-690-691-000000	OTHER REVENUE				
290-34950-690-691-000000	TIF ADMINISTRATIVE F	-62,264.00			
290-36210-690-691-000000	INTEREST EARNINGS	-7,000.00			
290-36220-690-691-000000	RENT/RENTALS	-3,600.00	- 300.00	- 300.00	
	TOTAL REVENUE		- 300.00	- 300.00	
	EXPENDITURES				
290-41000-690-691-000000	WAGES - REGULAR FT	99,129.00	11,198.60	11,198.60	87930.4
290-41410-690-691-000000	PERA	7,435.00	834.73	834.73	6600.27
290-41420-690-691-000000	FICA	7,583.00	835.14	835.14	6747.86
290-41500-690-691-000000	INSURANCE	8,087.00	589.02	589.02	7497.98
290-41550-690-691-000000	WORKERS COMP INSURAN	585.00	63.43	63.43	521.57
290-41570-690-691-000000	MN PAID LEAVE EXPENS	773.00	86.82	86.82	686.18
290-42000-690-691-000000	OFFICE SUPPLIES	400.00			400.00
290-43010-690-691-000000	OTHER PROFESSIONAL S	30,000.00			30,000.00
290-43220-690-691-000000	TRAVEL & TRAINING	1,000.00			1,000.00
290-43231-690-691-000000	OBD - MARKET SERVICE	80,000.00			80,000.00
290-43232-690-691-000000	OBD - LOAN SERVICES	20,000.00			20,000.00
290-43233-690-691-000000	OBD - SMALL BUSINESS				
290-43235-690-691-000000	PARTNERS FOR PROGRES	12,000.00			12,000.00
290-43320-690-691-000000	ADVERTISING & PROMOT	1,000.00			1,000.00
290-43810-690-691-000000	RENTS/LEASES	6,700.00			6,700.00

EDA LAND					
Account	Description	2025 Budget	Month Actual	Current YTD	Budget
			Jan-26		Remaining
	REVENUE				
294-34109-690-694-000000	OTHER REVENUE				
294-34950-690-694-000000	TIF ADMINISTRATIVE F				
294-34960-690-694-000000	INTEREST ON LOANS				
294-36210-690-694-000000	INTEREST EARNINGS				
294-36220-690-694-000000	RENT/RENTALS		- 1,000.00	- 1,000.00	
	TOTAL REVENUE				
	EXPENDITURES				
294-43004-690-694-000000	LEGAL FEES				
294-43010-690-694-000000	OTHER PROFESSIONAL S	20,000.00			
294-43500-690-694-000000	PROPERTY & LIABILITY	3,600.00	900.00	900.00	2700
294-43910-690-694-000000	REAL ESTATE TAXES	20,000.00			
294-45100-690-694-26003	LAND				
294-45300-690-694-000000	OTHER IMPROVEMENTS				
	TOTAL EXPENDITURES	43,600.00	900.00	900.00	2,700.00

City of Owatonna
Balance Statement by Fund
31-Jan-26

FUND 292: EDA LOANS

Account Number	Account Name	Ending Balance
ASSETS		
292-10100-000-000	BANK ACCOUNTS	\$ 39,514.82
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	\$ 106,209.94
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	7,727.51	564.78	Current	Retail	
Total				43,480.63	7,727.51	564.78			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	1	43,480.63	7,727.51	100.00%
	Non-current	0	-	-	0.00%
		1	43,480.63	7,727.51	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	3,488.23	259.78	Current		
Vesterby	12/13/2021	1.625	7	12,500.00	5,381.49	157.53	Current		
Family 1st Insurance	7/5/2023	4.125	7	20,000.00	17,268.99	274.53	Current		
Family 1st Insurance	7/5/2023	-	3	5,000.00	2,499.99	138.89	Current		
				<u>62,500.00</u>	<u>28,638.70</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	28,638.70	100.00%
	Non-current				0.00%
		<u>4</u>	<u>62,500.00</u>	<u>28,638.70</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: 02/25/2026
Re: OACCT Economic Development Update

Economic Development

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

Workforce

- Made in Owatonna Day set for February Health Sciences day-50 students participated.
- Student opportunity board is complete and operational for work experiences at businesses locally (20).
- Marketing for OHS Career Fair

Other

- OPED: Met with representative from Mankato State about their customized training
- OPED: working with Riverland CC on a bus tour and to promote advanced manufacturing courses for Owatonna campus.
- OPED: Attended Rochester Chamber Economic Summit & met with two companies with plans for Owatonna.
- OPED: next marketing event is March 12th with ReJournal Land development summit.

<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);</u> <u>red (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. 2/19/26 update: plan to do demo and build in 2026	
Developing an existing building on Bridge Street	5/9/2025	Looking for ideas for his site		GregK and Brad M provided some ideas. 2/19/26 update: plans in place for national brand to move into this site.	
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	
Local business looking for more office space	12/23/2025	in need of 1,500 sq feet	parking needs and price conscience	Provided 3 options; 2/19/26: still looking for a site.	

Retail business moving to downtown	12/23/2025	Existing business considering purchasing a building to operate out of versus renting	Plans to purchase a building in Downtown Owatonna	Viewed city owned building and has had bank through the space and architect.	
Owatonna business looking for new space	12/24/2025	Need about 1,500 sq ft	Not happy at current location, looking for lower rent	Options provided, one of them looks like it will work.	
Ownership group looking to build on existing site	1/14/2026	The group owns a piece of land near I35 and want to find either a build to lease or build to sale customer	Could put a 6,000 sq ft office building on the site, but could be something else. 0.89 acres	Looking into some options with an existing business who is looking for more space.	
Visit business that has shown interest in locating in Owatonna from Rochester	1/29/2026	Looking for options in downtown Owatonna	Talked about the former Bubba's site	2/5/26: Coordinated with Kruschke to view city owned buildings	
Kruschke and Meier met with business considering expansion plans in Owatonna	1/29/2026	Heard this business was considering growth options in Owatonna.	Visited with CFO and buildings lead to discuss land options	Kruschke had sites put together and provided to the business	



EDA Report – February 2026

Updates:

- **Innovators & Business Owners Connect-up (IBOC)**
 - o 2nd Thursday of every month
 - o Register at iboc.eventbrite.com
- **Rose Street Center**
 - o The Commons – co-working space – 1 external member
 - o Owatonna Makerspace – out of OABDC, in at Rose Street
 - o The Craft Apothecary – Sunday Crafternoons
- **Owatonna Angel Network**
 - o Pitch events for entrepreneurs, angel investors, and professionals
 - o March 4th – 3 companies pitching
 - o Owatonna.biz/oan
- **Getting Started with Online Flexible Work**
 - o February 24 - Remote entrepreneurship → Coworking Memberships
- **Small Business Academy – Powered by Co.Starters**
 - o Started January 26th – 5 participants
- **Upcoming Events:**
 - o Entrepreneur Kick-off – 3/24
 - o Enterprise Rising Conference – 4/23

OABDC – January 2026

Consulting					
Clients	Sessions	Hours	New	Operating	Hours 2026 YTD
9	13	12.75	3	0	12.75

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	-\$350
Performance to Budget	134%	Performance to Budget	88%
Number of Organizations	8	Number of Organizations Total	18



EDA Loan Programs – February 2026

New Business:

Forgivable Loans:

- 115 E. Rose Street – Owatonna Area Business Development Center
 - Exterior: \$10,000
 - Exterior: ADA Compliance – boardwalk, ramp, and parking access

February 25, 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. Staff is looking and doing some improvements to the building like removing the vault under the sidewalk that is attached to the building this summer.
- 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 expired. Staff is looking into do some improvements to the building like more demolition within the building.
- 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. Staff is looking at demolishing 140 East Fremont this summer.
- 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 is complete and the business is open. They are looking to build another building this summer.
- Foremost has closed. This was a TIF project and the property is being marketed for a new tenant or buyer. TIF payments are being held until a project is proposed for the space.
- The City has purchased 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 of the old Kreco Car Wash at 1352 South Cedar Avenue. Closing on that property is set for February 26.