



**ECONOMIC DEVELOPMENT AUTHORITY  
MEETING**  
**Wednesday, May 20, 2026 at 4:00 PM**  
**Council Chambers, City Hall at 540 West Hills Circle**

- 1. Agenda**
  - 1.1. EDA Agenda
- 2. Roll Call**
- 3. Approval of Last Meeting Minutes**
  - 3.1. Approve April 15, 2026 Minutes
- 4. Treasurer's Report**
  - 4.1. Treasurer's Report - April
- 5. Loan Report**
  - 5.1. April Loan Report
- 6. Reports**
  - 6.1. OABDC Report
  - 6.2. EDA Projects
  - 6.3. MainStreet Report
  - 6.4. OACCT / OPED Report
- 7. Old Business**
  - 7.1. North Street Lot
- 8. New Business**
- 9. Schedule Next Meeting – June 17, 2026**
- 10. Adjournment**

# **Economic Development Authority**

Regular Meeting

Wednesday, May 20, 2026

4:00 PM

Charles S. Crandall Center – Chambers

City Hall

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## **Preliminary Agenda**

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1. Roll Call: Boeke, Burbank, Cowell, Mensink, Savage, Voss
2. Approval of Minutes: April 15, 2026
3. Treasurer's Report
4. Loan Report
5. Reports
  - a. OACCT / OPED
  - b. MainStreet
  - c. OABDC
  - d. EDA Projects
6. Old Business
  - a. North Street Lot
7. New Business
8. Schedule Next Meeting – June 17, 2026
9. Adjournment

**EDA  
Minutes  
April 16, 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 President Voss presiding. Commissioners present: Dan Boeke, Dave Burbank, Corey Mensink, and Doug Voss. Commissioners absent: Andrew Cowell and Brian Savage. Also present were Troy Klecker, Brad Meier, Sean Williams, Glenda Smith, Dave Beaver, and Kristen Kopp.

**Approval of Minutes.** Commissioner Boeke moved approval of the minutes of the February 25, 2026 meeting with second by Commissioner Burbank. All Commissioners voting Aye, the motion passed.

**Treasurer's Report.** Community Development Director Troy Klecker presented the revenue and expense reports for March. He said we still owe Tourism and OPED first half contract payments. A motion was made by Boeke and seconded by Mensink to approve the Treasurer's Report. All Commissioners voting Aye, the motion carried.

**Loan Report.** OABDC Director Sean Williams presented the Loan Report for March. He said all loans are current. Klecker said that Abdo is going through the Loan Report as not everything was tracking in the system. He said that Uncaged had a Tier 1 and a Tier 2 Low Doc Loan but have sold the business. We have a lien on their personal house as collateral on that loan. They continue to make payments and we won't notice anything on our end. A motion was made by Burbank and seconded by Mensink to approve the Loan Report. All Commissioners voting Aye, the motion carried.

**OACCT /OPED Report.** OACCT Director Brad Meier presented the OACCT Report for March. He said the Spring Made in Owatonna Day is coming up later this month. He said that REJournal's awards event has Owatonna nominees: Marthaler Honda, Olmsted Medical Center Owatonna (City of the Year), Greg Kurschke (Developer of the Year), and Wastewater Treatment Facility. There are five projects in the pipeline and they are working on City-owned buildings downtown.

**MainStreet.** OACCT Director Brad Meier was present to answer questions on the MainStreet Report in Lisa's absence. He said she is at the National MainStreet Conference this week, which is why she is not here.

**Tourism.** Tourism Director Glenda Smith presented the Tourism Report. She said they had a Tourism kick off in January. They added digital advertising in April. Steele County Fairgrounds acquired Smokin' in Steele and they are taking it to the next level. They are working with six restaurants on the downtown group tour. She gave an update on Google Analytics.

**OABDC Report.** OABDC Director Sean Williams presented the OABDC Report for March. He said the Craft Apothecary is up and running for Sunday Crafternoons. He gave an update on the Minnesota Angel Investor Network. He said that they booked a Makerfaire for June 12, 2027.

They started working on their new Owatonna Business Incubator Program. He said that they are way up on occupancy and consulting. He gave an update on the Commercial Incubator downtown. They are hoping for a grand opening in mid-May for the interior, but the shops won't be ready. The shops are being built out of the incubator building.

**Airport.** Airport Manager Dave Beaver presented the quarterly Airport Report. He said the Airport has been busy. He said aviation is pretty healthy right now. Jet activity up over last year, more because of corporate aviation. He said flight training is anticipated to be elevated the next five to ten years. They want to continue to work with the flight school. He highlighted strategies to accommodate growth including maintaining high-quality training hub, working with the flight school on opportunities to grow, and hangar development. The Civil Air Patrol Fly-in Breakfast is on May 17. Ulland Brothers is under contract for parking lot reconstruction and will start on May 18.

**EDA Projects.** Community Development Director Troy Klecker presented the EDA Projects for March. He said that they are on the last stages of getting the purchase agreement ready for the property in front of the Cemstone property. They continually have people going through Bubba's and 117 West Bridge Street. They are looking to do improvements to both of those buildings. They will be putting a scope of work together and bring it back to the EDA. They are looking into a marketing plan and are getting help from the Chamber. Glenda put together some renderings of what the interior of the spaces could be. They will try to promote them on Downtown Thursdays as well, potentially having them open to the public. He said that they will have to have a discussion on the 148 West Main Street property as there has not been interest in it. There was some discussion about demolishing the building and what that would entail because utilities to the surrounding properties run through that site. What would make the most sense is to time this with the Main Street reconstruction, which is probably going to happen summer of 2027. He said they closed on the Kreco Car Wash.

**Old Business.** There was some discussion on the corner of Main Street and Oak Avenue.

**Schedule Next Meeting.** The next EDA meeting is scheduled for **May 20, 2026** 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 Boeke and seconded by Burbank to adjourn the meeting at 4:51 pm. All Commissioners voting Aye, the motion passed.

|                           |                      |                     |                    |                    |                     |            |
|---------------------------|----------------------|---------------------|--------------------|--------------------|---------------------|------------|
| <b>EDA ADMINISTRATION</b> |                      |                     |                    |                    |                     |            |
|                           |                      |                     |                    |                    |                     |            |
| Account                   | Description          | 2026 Budget         | Month Actual       | Current YTD        | Budget<br>Remaining | Percentage |
|                           | <b>REVENUE</b>       |                     |                    |                    |                     |            |
| 290-31000-690-691-000000  | PROPERTY TAXES       | - 240,000.00        |                    |                    | - 240,000.00        |            |
| 290-31410-690-691-000000  | LODGING TAX - 3%     | - 280,000.00        | - 23,649.06        | - 73,970.16        | - 206,029.84        | 26.42      |
| 290-34109-690-691-000000  | OTHER REVENUE        |                     |                    | - 55.68            | 55.68               |            |
| 290-34950-690-691-000000  | TIF ADMINISTRATIVE F | - 62,264.00         |                    |                    | - 62,264.00         |            |
| 290-36210-690-691-000000  | INTEREST EARNINGS    | - 7,000.00          |                    |                    | - 7,000.00          |            |
| 290-36220-690-691-000000  | RENT/RENTALS         | - 3,600.00          | - 300.00           | - 1,200.00         | - 2,400.00          | 33.33      |
|                           | <b>TOTAL REVENUE</b> | <b>- 592,864.00</b> | <b>- 23,949.06</b> | <b>- 75,225.84</b> | <b>- 517,638.16</b> |            |
|                           |                      |                     |                    |                    |                     |            |
|                           | <b>EXPENDITURES</b>  |                     |                    |                    |                     |            |
| 290-41000-690-691-000000  | WAGES - REGULAR FT   | 99,129.00           | 7,625.37           | 28,698.39          | 70,430.61           | 28.95      |
| 290-41410-690-691-000000  | PERA                 | 7,435.00            | 566.72             | 2,534.89           | 4,900.11            | 34.09      |
| 290-41420-690-691-000000  | FICA                 | 7,583.00            | 564.90             | 2,529.84           | 5,053.16            | 33.36      |
| 290-41500-690-691-000000  | INSURANCE            | 8,087.00            | 589.76             | 2,358.31           | 5,728.69            | 29.16      |
| 290-41550-690-691-000000  | WORKERS COMP INSURAN | 585.00              | 43.06              | 192.59             | 392.41              | 32.92      |
| 290-41570-690-691-000000  | MN PAID LEAVE EXPENS | 773.00              | 58.94              | 263.64             | 509.36              | 34.11      |
| 290-42000-690-691-000000  | OFFICE SUPPLIES      | 400.00              |                    |                    | 400.00              |            |
| 290-42300-690-691-000000  | SMALL TOOLS & MINOR  | 400.00              |                    |                    | 400.00              |            |
| 290-43010-690-691-000000  | OTHER PROFESSIONAL S | 30,000.00           |                    | 3,915.00           | 26,085.00           | 13.05      |
| 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            |                    |                    | 1,000.00            |            |
| 290-43231-690-691-000000  | OBD - MARKET SERVICE | 80,000.00           |                    | 40,000.00          | 40,000.00           | 50.00      |
| 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            |            |
| 290-43400-690-691-000000  | MEMBERSHIPS & SUBSCR | 200.00              | 225.00             | 225.00             | - 25.00             | 112.50     |

|                          |                      |             |              |             |                     |            |
|--------------------------|----------------------|-------------|--------------|-------------|---------------------|------------|
| 290-43710-690-691-000000 | REPAIR & MAINT - BLD | 5,000.00    | 466.00       | 466.00      | 4,534.00            | 9.32       |
| 290-43720-690-691-000000 | REPAIR & MAINT - EQU | 200.00      |              |             | 200.00              |            |
| 290-43810-690-691-000000 | RENTS/LEASES         | 6,700.00    |              |             | 6,700.00            |            |
| 290-43972-690-691-000000 | SOUTHERN MN INITIATI | 1,667.00    |              |             | 1,667.00            |            |
| 290-43991-690-691-000000 | TOURIST DEVELOPMENT  | 266,000.00  | 47,805.04    | 47,805.04   | 218,194.96          | 17.97      |
| 290-46000-690-691-000000 | INTERFUND SERVICES   |             |              |             |                     |            |
| 290-47000-690-691-000000 | TRANSFER-OUT         | 44,240.00   |              |             | 44,240.00           |            |
|                          | TOTAL EXPENDITURES   | 592,899.00  | 57,944.79    | 128,988.70  | 463,910.30          |            |
|                          |                      |             |              |             |                     |            |
| <b>EDA LOANS</b>         |                      |             |              |             |                     |            |
|                          |                      |             |              |             |                     |            |
| Account                  | Description          | 2026 Budget | Month Actual | Current YTD | Budget<br>Remaining | Percentage |
|                          | <b>REVENUE</b>       |             |              |             |                     |            |
| 292-34109-690-692-000000 | OTHER REVENUE        |             |              |             |                     |            |
| 292-34960-690-692-000000 | INTEREST ON LOANS    |             | - 170.88     | - 736.34    | 736.34              |            |
| 292-36210-690-692-000000 | INTEREST EARNINGS    | - 20,000.00 |              |             | - 20,000.00         |            |
| 292-39000-690-692-000000 | LOAN PROCEEDS        |             |              |             |                     |            |
|                          | TOTAL REVENUE        | -20,000.00  | - 170.88     | - 736.34    | - 19,263.66         |            |
|                          |                      |             |              |             |                     |            |
|                          | <b>EXPENDITURES</b>  |             |              |             |                     |            |
| 292-48300-690-692-000000 | LOAN PROGRAM DISBURS | 20,000.00   |              | 19,400.00   | 600.00              | 97.00      |
|                          | TOTAL EXPENDITURES   | 20,000.00   |              | 19,400.00   | 600.00              |            |
|                          |                      |             |              |             |                     |            |
|                          |                      |             |              |             |                     |            |
|                          |                      |             |              |             |                     |            |
|                          |                      |             |              |             |                     |            |
|                          |                      |             |              |             |                     |            |
|                          |                      |             |              |             |                     |            |
|                          |                      |             |              |             |                     |            |
|                          |                      |             |              |             |                     |            |

| <b>EDA LAND</b>          |                           |                    |                 |                  |                     |            |
|--------------------------|---------------------------|--------------------|-----------------|------------------|---------------------|------------|
|                          |                           |                    |                 |                  |                     |            |
| Account                  | Description               | 2026 Budget        | Month Actual    | Current YTD      | Budget<br>Remaining | Percentage |
|                          | <b>REVENUE</b>            |                    |                 |                  |                     |            |
| 294-34109-690-694-000000 | OTHER REVENUE             |                    |                 |                  |                     |            |
| 294-34950-690-694-000000 | TIF ADMINISTRATIVE F      | - 1,356.00         |                 |                  | - 1,356.00          |            |
| 294-34960-690-694-000000 | INTEREST ON LOANS         | - 29,150.00        |                 | - 39.70          | - 29,110.30         | 0.14       |
| 294-36210-690-694-000000 | INTEREST EARNINGS         | - 20,000.00        |                 |                  | - 20,000.00         |            |
| 294-36211-690-694-000000 | LEASE INTEREST REVEN      |                    |                 |                  |                     |            |
| 294-36220-690-694-000000 | RENT/RENTALS              | - 30,000.00        | - 16,624.00     | - 20,624.00      | - 9,376.00          | 68.75      |
| 294-39101-690-694-000000 | SALE OF CAPITAL ASSE      |                    |                 |                  |                     |            |
|                          | <b>TOTAL REVENUE</b>      | <b>- 80,506.00</b> | <b>-16624</b>   | <b>-20663.7</b>  | <b>- 59,842.30</b>  |            |
|                          |                           |                    |                 |                  |                     |            |
|                          | <b>EXPENDITURES</b>       |                    |                 |                  |                     |            |
| 294-43004-690-694-000000 | LEGAL FEES                |                    |                 |                  |                     |            |
| 294-43010-690-694-000000 | OTHER PROFESSIONAL S      | 20,000.00          |                 |                  | 20,000.00           |            |
| 294-43500-690-694-000000 | PROPERTY & LIABILITY      | 3,600.00           | 900.00          | 1,800.00         | 1,800.00            | 50.00      |
| 294-43910-690-694-000000 | REAL ESTATE TAXES         | 20,000.00          | 74,481.84       | 74,481.84        | - 54,481.84         | 372.41     |
| 294-45100-690-694-000000 | LAND                      |                    |                 | 111,967.20       | - 111,967.20        |            |
| 294-45100-690-694-26003  | LAND                      |                    |                 |                  |                     |            |
| 294-45300-690-694-000000 | OTHER IMPROVEMENTS        |                    |                 | 467.93           | - 467.93            |            |
|                          | <b>TOTAL EXPENDITURES</b> | <b>43,600.00</b>   | <b>75381.84</b> | <b>188716.97</b> | <b>- 145,116.97</b> |            |

**City of Owatonna**  
**Balance Statement by Fund**  
**30-Apr-26**

FUND 292: EDA LOANS

| Account Number    | Account Name  | Ending Balance |
|-------------------|---------------|----------------|
| ASSETS            |               |                |
| 292-10100-000-000 | BANK ACCOUNTS | \$ 49,984.49   |
| 292-10400-000-000 | INVESTMENTS   | 727,505.47     |

FUND 294: EDA LAND

| Account Number    | Account Name  | Ending Balance |
|-------------------|---------------|----------------|
| ASSETS            |               |                |
| 294-10100-000-000 | BANK ACCOUNTS | \$ 295,533.79  |
| 294-10400-000-000 | INVESTMENTS   | 519,646.77     |

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        | 5,528.21        | 564.78          | Current | Retail |       |
| Total    |           |          |       | 43,480.63        | 5,528.21        | 564.78          |         |        |       |

| Profile by Loan Performance | Status      | Number of Loans | Original Balance | Current Balance | % of Current Balance |
|-----------------------------|-------------|-----------------|------------------|-----------------|----------------------|
|                             | Current     | 1               | 43,480.63        | 5,528.21        | 100.00%              |
|                             | Non-current | 0               | -                | -               | 0.00%                |
|                             |             | 1               | 43,480.63        | 5,528.21        | 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        | 2,902.16        | 259.78          | Current |      | March 2026 - June 2026 payments made in May 2026 |
| Vesterby                        | 12/13/2021 | 1.625    | 7     | 12,500.00        | 4,930.14        | 157.53          | Current |      |                                                  |
| Family 1st Insurance            | 7/5/2023   | 4.125    | 7     | 20,000.00        | 16,621.26       | 274.53          | Current |      |                                                  |
| Family 1st Insurance            | 7/5/2023   | -        | 3     | 5,000.00         | 2,083.32        | 138.89          | Current |      | Loan paid off in April, overpaid                 |
| Uncaged VR & Game Lounge Tier   | 3/1/2025   | -        | 3     | 5,000.00         | (138.89)        | 138.89          | Current |      |                                                  |
| Uncaged VR & Game Lounge Tier   | 3/1/2025   | 3.875    | 7     | 20,000.00        | 17,031.18       | 272.23          | Current |      |                                                  |
| HC Properties of MN LLC Tier I  | 10/1/2025  | -        | 3     | 5,000.00         | 4,027.77        | 138.89          | Current |      |                                                  |
| HC Properties of MN LLC Tier II | 10/1/2025  | 3.750    | 5     | 13,300.00        | 11,873.54       | 243.44          | Current |      |                                                  |
|                                 |            |          |       | 105,800.00       | 59,330.48       | 1,624.18        |         |      |                                                  |

| Profile by Loan Performance | Status      | Number of Loans | Original Balance | Current Balance  | % of Current Balance |
|-----------------------------|-------------|-----------------|------------------|------------------|----------------------|
|                             |             |                 |                  |                  |                      |
|                             | Current     | 8               | 62,500.00        | 59,330.48        | 100.00%              |
|                             | Non-current |                 |                  |                  | 0.00%                |
|                             |             | <u>8</u>        | <u>62,500.00</u> | <u>59,330.48</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          | 397,786.31          |                | Current |      | TIF Guarantee |
| Arrow Ace TIF note  | 12/1/17   | 3.000    | 25    | 350,000.00          | 290,088.02          |                | Current |      | TIF Guarantee |
| Nicolai TIF note    | 12/31/17  | 3.000    | 25    | 524,845.17          | 462,414.85          |                | Current |      | TIF Guarantee |
| Marriott TIF note   | 5/18/21   | 3.000    | 25    | 268,000.00          | 258,525.73          |                | Current |      | TIF Guarantee |
| 224 Cedar TIF note  |           | 3.000    | 25    | 225,000.00          | 14,540.08           |                | Current |      | TIF Guarantee |
| Ascend TIF note     | 7/31/23   | 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 |
| Monson TIF note     | 4/1/22    | 4.500    | 25    | 308,798.00          | 308,798.00          |                | Current |      | TIF Guarantee |
| Total               |           |          |       | <u>2,404,606.17</u> | <u>1,987,226.99</u> | <u>-</u>       |         |      |               |

| Profile by Loan Performance | Status      | Number of Loans | Original Balance    | Current Balance     | % of Current Balance |
|-----------------------------|-------------|-----------------|---------------------|---------------------|----------------------|
|                             |             |                 |                     |                     |                      |
|                             | Current     | 8               | 2,404,606.17        | 1,987,226.99        | 100.00%              |
|                             | Non-current | 0               | -                   | -                   | 0.00%                |
|                             |             | <u>8</u>        | <u>2,404,606.17</u> | <u>1,987,226.99</u> | <u>100.00%</u>       |



## EDA Report – May 2026

### Updates:

- **Innovators & Business Owners Connect-up (IBOC)**
  - 2<sup>nd</sup> Thursday of every month
  - Register at [iboc.eventbrite.com](http://iboc.eventbrite.com)
- **Rose Street Center**
  - The Commons – co-working space
    - 1 external member
    - Free Day of Co-working
  - Owatonna Makerspace
  - The Craft Apothecary
- **Minnesota Angel Investor Network (MNAIN)**
  - Pitch events for entrepreneurs, angel investors, and professionals
  - 11 members
  - 15 applications
  - MNAIN.com
- **Co.Starters**
  - Next Small Business Academy – 6/16
- **Makerfaire – June 12, 2027**
- **Owatonna Business Incubator Program**
- **Recent Events:**
  - Minnebar – 5/2
  - Angel Fest – 5/6 – 5/7
  - Hill Capital Event – 5/14



### OABDC – April 2026

| Consulting |          |       |     |           |                   |
|------------|----------|-------|-----|-----------|-------------------|
| Clients    | Sessions | Hours | New | Operating | Hours<br>2026 YTD |
| 14         | 20       | 25.5  | 2   | 7         | 69.5              |

| Occupancy                   |         |  |                                   |
|-----------------------------|---------|--|-----------------------------------|
| Manufacturing               |         |  | Offices                           |
| Total Leasable Space        | 34,325  |  | Total Leasable Offices 11         |
| Total Occupied Space        | 17725   |  | Total Number of Leased Offices 10 |
| Present Occupancy           | 51%     |  | Present Occupancy % 91%           |
| Budget Occupancy            | 42%     |  | Budget Occupancy % 70%            |
| Occupancy Revenue to Budget | \$1,498 |  | Revenue to Budget -\$51           |
| Performance to Budget       | 134%    |  | Performance to Budget 98%         |
| Number of Organizations     | 8       |  | Number of Organizations Total 17  |

**May 20, 2026  
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. Staff is looking into doing 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.

- 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 as well as the old Kreco Car Wash at 1352 South Cedar Avenue. There will be remaining land beyond the land for the street for a redevelopment project. The remaining land for Barney Street is being pursued.



## 2026 Quarter 1 Report for EDA

### **Stats/Downtown News:**

- Businesses Opened: Hidden Rose (New location and expansion)
- Businesses Closed: Graif Clothing (-2 part-time)
- Properties Demolished: 3, toward future growth
- New owners: Melissa Ward, Fresh Cafe
- Business Move: see above
- Business Expansion: see above
- Volunteer Hours: 42

### **Design:**

- Developed next phase of holiday lights for Central Park

### **Economic Vitality:**

- Gave information to 5 business/building owners regarding Forgivable Loan
- Attended 2 EDA Meetings
- Attended 3 IBOC (Innovators & Business Owners Connect-Up) meetings, led by Sean from OABDC
- Secured 7 vendors for Retail Incubator (Retail Collective)
- Planned opening for Retail Collective along with layout, ordering supplies, meeting with vendors and developing work schedule.

### **Organization:**

- Held 3 Advisory Board Meetings
- Completed accreditation application
- Gathered and sent in 4<sup>th</sup> Quarter stats MN Main Street and Main Street America

**Promotion:**

- Appeared on MN Live to promote Bold & Cold Celebration in Owatonna  
It is the 3rd year of event in Main Street District highlighting restaurants and bars – A Winter Walk w/ Beverages, Bites and Brringo (14 businesses and over 50 participants, some who made a special trip from other towns specifically for this event)
- Secured over half of goal for sponsorships for Downtown Thursdays. Goal is \$21,000.

**Training:**

- Attended 5 Main Street Directors meetings via Zoom
- Attended MN Main Street Director's Retreat

**Communication:**

- 2 interviews on Straight Talk
- 2 interviews on KOWZ
- 3 full-page articles/ads in Steele County Times focused on Main Street
- Wrote 2 articles for the Chamber's Business Brief
- Attended Main Street Day at MN Capitol

**Community Involvement:**

- Attended 3 Owatonna Business Partnership Meetings to share Main Street news, events, and programs (average 20 people in attendance at each meeting)
- Attended 2 Business After Hours hosted by OACCT, 1 in Main Street District
- Was a Day Leader for Owatonna Leadership Academy
- Spoke to business class at High School for series of Small Business Classes led by Danielle Wavrin, OABDC
- Attended 2 Ambassador's visits to Main Street businesses, Torey's (25<sup>th</sup> anniversary) and Owatonna Thrift North (new store)
- Led the new Downtown Food Tour group as guide

# Memo

To: Economic Development Authority  
From: Brad Meier, President/CEO  
Date: 05/20/2026  
Re: OACCT Economic Development Update

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## Economic Development

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

## Workforce

- Final Made in Owatonna day for this school year held on April 23<sup>rd</sup>
- Bosch Community Fund meeting to discuss continued funding for Made in Owatonna Day
- Signing Day at OHS and Blooming Prairie High schools this week

## Other

- OPED: ReJournal's awards event-Kruschke Wins Developer of the Year! Rise Modular project also won 2 awards.  
Other Owatonna nominees: Marthaler Honda, Olmsted Medical Center Owatonna, City of the year, wastewater treatment facility
- OPED: 4 projects in pipeline, 1 locating project in Steele County

| <u>Company</u>                                   | <u>Date of Inquiry</u> | <u>Service Provided</u>                                                               | <u>Follow ups</u>                                                                                                                         | <u>Conclusion</u>                                                                                                                                                 | <u>Project Outcome:</u><br><u>Green (progressing),</u><br><u>yellow (probable);</u><br><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. 3/10 decided to purchase a building in downtown Medford |  |
| 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                                                                         |  |

|                                                               |           |                                                                                        |                                                                    |                                                                                                    |  |
|---------------------------------------------------------------|-----------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--|
| Existing business, wants to own retail space in downtown area | 2/17/2026 | Business wants to be in owatonna, but wants to own space and would like to be on Cedar | Showed the City owned spot, former Bubba's, and there is interest. | Timing seems up in the air right now, but targeting summer/June. Updated on open Zamboni building. |  |
| Existing business looking for new space in Owatonna           | 3/30/2026 | Not happy in current location because of landlord                                      | Looking for 4,000 sq ft; open to lease or own                      | Not much available for what they're looking for right now.                                         |  |
| Interested in retail space in Owatonna                        | 4/20/2026 | Considering a relocation from a smaller community to Owatonna                          | Looked at a couple spots.                                          | Moving to Owatonna Aug                                                                             |  |
| New to town looking for office space                          | 5/4/2026  | Discussed what they're looking for and need                                            | Follow up and scheduled day to do visits of sites                  |                                                                                                    |  |