



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING**
Wednesday, June 17, 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. EDA Minutes - May 20, 2026
4. **Treasurer's Report**
 - 4.1. Treasurer's Report
5. **Loan Report**
 - 5.1. Loan Report
6. **Reports**
 - 6.1. OACCT / OPED Report
 - 6.2. OABDC Report
 - 6.3. EDA Projects
7. **Old Business**
8. **New Business**
9. **Schedule Next Meeting – July 15, 2026**
10. **Adjournment**

Economic Development Authority

Regular Meeting

Wednesday, June 17, 2026

4:00 PM

The Community Room
The Rose Street Center
115 Rose Street E

Preliminary Agenda

1. Roll Call: Boeke, Burbank, Cowell, Mensink, Savage, Voss
2. Approval of Minutes: May 20, 2026
3. Treasurer's Report
4. Loan Report
5. Reports
 - a. OACCT / OPED
 - b. MainStreet
 - c. OABDC
 - d. EDA Projects
6. Old Business
7. New Business
8. Schedule Next Meeting – July 15, 2026
9. Adjournment

**EDA
Minutes
May 20, 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, Andrew Cowell, Brian Savage, and Doug Voss. Commissioners absent: Corey Mensink. Also present were Troy Klecker, Brad Meier, Sean Williams, Lisa Cochran, and Kristen Kopp.

Approval of Minutes. Commissioner Burbank moved approval of the minutes of the April 16, 2026 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 April. He said first half for OABDC and OPED will be paid in the next month. Otherwise we are on track as usual.

Loan Report. OABDC Director Sean Williams presented the Loan Report for April. He said the EDA improvement loans are current. Uncaged sold their building and are paying back their loans. One was overpaid. Klecker said that there was an automatic withdrawal drawn shortly after it was paid, so that will be taken care of. They paid off the Tier 1 loan. Upon recommendation by City Attorney Walbran, we took a lien on their house as collateral for the Tier 2 loan. They were able to make the sale, and we have a new business in town. Williams said he had to give props to City staff for figuring this out at the last minute.

OACCT /OPED Report. OACCT Director Brad Meier presented the OACCT Report for April. The OHS Signing Day was yesterday and 17 students signed and today there were 3 in Blooming Prairie. Bosch Community Fund met to discuss continued funding for Made in Owatonna Days. REJournal awards event was this month and Greg Kruschke was awarded Developer of the Year.

MainStreet Report. MainStreet Director Lisa Cochran presented the Quarterly MainStreet Report. She said she was in Tulsa at the National MainStreet Conference last month so she wasn't able to report. She said she's talked with some people who are very interested in the shops on Rose Street. The opening will be pushed back to next Spring because the high school students will not be able to finish them. Because of the importance of the collaboration with the school, they want the students to finish. The opening date for the shops would be May 1, 2027. She said they are getting ready for the first Downtown Thursday two weeks from tomorrow. Savage said that the flower baskets went up this week and look nice. He asked about lights at Central Park. Cochran said that they are hoping to have lights on every tree in the park. She said volunteers from Federated are going to be making a Santa Shack that will be at the Holiday Lighted Parade. Santa will be a little more prominent.

OABDC Report. OABDC Director Sean Williams presented the OABDC Report for April. He said Rose Street Center has a phased opening. The co-worker space is open and the retail space is open and they are looking to open the Craft Apothecary next, when the ADA access is finished.

He said they are attending pitch events for angel networks. The next Co.Starters starts next month. There are plans for a Maker Fair in June 2027.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for April. There is one party still working on the Bubba's building. We are getting some bids for improvements on 117 Bridge Street West. There are drawings for the Barney Street extension and will meet with Heartland Car Wash on that. There was some discussion on 151 Bridge Street West and the possibility of trash enclosures for the trash bins.

Old Business: North Street Lot. Klecker said that there was approval to purchase Brad Spitzack's property on North Street for \$185,000 and we were going to cover the taxes and closing costs, which is typical. There was a bit of back and forth to try to get it lowered and the response times were not quick. There was not interest in lowering it. We have a draft purchase agreement to him and he came back because the assessed values have gone up on the property because we are into 2026. The assessed value went up almost \$15,000. Mr. Spitzack is asking if we can go up to a \$200,000 purchase price and the seller will cover the taxes up to the time of the sale. Klecker said he wanted to bring it back to the EDA because it is not the same deal. Monetarily it is about the same. Klecker said he talked to the owners of the transformer building, and that it could be moved. A motion was made by Boeke and seconded by Burbank to approve the amended terms with a \$200,000 purchase price. All Commissioners voting Aye, the motion passed.

New Business. Klecker said that all of the limestone downtown will be replaced by granite. The project will begin next Tuesday, May 26.

President Voss asked about getting a commercial realtor involved with the City owned properties downtown. Klecker said they have had commercial realtors before and it has not panned out well. He said that commercial realtors want to get the building sold, and they don't care about other businesses ideas for the building that could work at another location. When people inquire, we are able to filter them through our economic development system and find other properties that might work better for them or refer them to the OABDC to det their ideas off the gourd. We are in the business of business development. Klecker said there are plans for renovations to the City owned buildings and other things planned for this summer to get them developed.

Commissioner Cowell suggested sticking to the agenda.

Schedule Next Meeting. The next EDA meeting is scheduled for **June 17, 2026** at 4:00 pm at the Rose Street Center Conference Room.

Adjournment. There being no further business, a motion was made by Commissioner Boeke and seconded by Savage to adjourn the meeting at 5:14 pm. All Commissioners voting Aye, the motion passed.

EDA ADMINISTRATION						
Account	Description	2026 Budget	Month Actual	Current YTD	Budget Remaining	Percentage
	REVENUE					
290-31000-690-691-000000	PROPERTY TAXES	- 240,000.00			- 240,000.00	
290-31410-690-691-000000	LODGING TAX - 3%	- 280,000.00	- 16,305.15	- 90,275.31	- 189,724.69	32.24
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		- 1,200.00	- 2,400.00	33.33
	TOTAL REVENUE	- 592,864.00	-16305.15	- 91,530.99	- 501,333.01	
	EXPENDITURES					
290-41000-690-691-000000	WAGES - REGULAR FT	99,129.00	7,625.38	36,323.77	62,805.23	36.64
290-41410-690-691-000000	PERA	7,435.00	566.72	3,101.61	4,333.39	41.72
290-41420-690-691-000000	FICA	7,583.00	564.90	3,094.74	4,488.26	40.81
290-41500-690-691-000000	INSURANCE	8,087.00	589.76	2,948.07	5,138.93	36.45
290-41550-690-691-000000	WORKERS COMP INSURAN	585.00	43.06	235.65	349.35	40.28
290-41570-690-691-000000	MN PAID LEAVE EXPENS	773.00	58.94	322.58	450.42	41.73
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	24,900.00	28,815.00	1,185.00	96.05
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		10,000.00	10,000.00	- 10,000.00	
290-43235-690-691-000000	PARTNERS FOR PROGRES	12,000.00			12,000.00	
290-43320-690-691-000000	ADVERTISING & PROMOT	1,000.00	683.79	683.79	316.21	68.38
290-43400-690-691-000000	MEMBERSHIPS & SUBSCR	200.00		225.00	- 25.00	112.50

290-43710-690-691-000000	REPAIR & MAINT - BLD	5,000.00	43.69	509.69	4,490.31	10.19
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	22,466.61	70,271.65	195,728.35	26.42
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	67,542.85	196,531.55	396,367.45	
EDA LOANS						
Account	Description	2026 Budget	Month Actual	Current YTD	Budget Remaining	Percentage
	REVENUE					
292-34109-690-692-000000	OTHER REVENUE					
292-34960-690-692-000000	INTEREST ON LOANS		- 187.93	- 924.27	924.27	
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	- 187.93	- 924.27	- 19,075.73	
	EXPENDITURES					
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	

EDA LAND						
Account	Description	2026 Budget	Month Actual	Current YTD	Budget Remaining	Percentage
	REVENUE					
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	- 37.49	- 77.19	- 29,072.81	0.27
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	- 1,000.00	- 21,624.00	- 8,376.00	72.08
294-39101-690-694-000000	SALE OF CAPITAL ASSE					
	TOTAL REVENUE	- 80,506.00	-1037.49	-21701.19	- 58,804.81	
	EXPENDITURES					
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		1,800.00	1,800.00	50.00
294-43910-690-694-000000	REAL ESTATE TAXES	20,000.00		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	
	TOTAL EXPENDITURES	43,600.00		188716.97	- 145,116.97	

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

FUND 292: EDA LOANS

Account Number	Account Name	Ending Balance
ASSETS		
292-10100-000-000	BANK ACCOUNTS	\$ 33,847.24
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	\$ 155,869.67
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	4,974.94	564.78	Current	Retail	
Total				43,480.63	4,974.94	564.78			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	1	43,480.63	4,974.94	100.00%
	Non-current	0	-	-	0.00%
		1	43,480.63	4,974.94	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	1,722.67	259.78	Current		March 2026 - June 2026 payments made in May 2026
Vesterby	12/13/2021	1.625	7	12,500.00	4,779.28	157.53	Current		
Family 1st Insurance	7/5/2023	4.125	7	20,000.00	16,403.87	274.53	Current		
Family 1st Insurance	7/5/2023	-	3	5,000.00	1,944.43	138.89	Current		Loan paid off in April, overpaid
Uncaged VR & Game Lounge Tier	3/1/2025	-	3	5,000.00	(277.78)	138.89	Current		
Uncaged VR & Game Lounge Tier	3/1/2025	3.875	7	20,000.00	16,813.95	272.23	Current		
HC Properties of MN LLC Tier I	10/1/2025	-	3	5,000.00	3,888.88	138.89	Current		
HC Properties of MN LLC Tier II	10/1/2025	3.750	5	13,300.00	11,667.20	243.44	Current		
				105,800.00	56,942.50	1,624.18			

Profile by Loan Performance		Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
		Current	8	62,500.00	56,942.50	100.00%
		Non-current				0.00%
			8	62,500.00	56,942.50	100.00%

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	13,577.57		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				2,404,606.17	1,986,264.48	-			

Profile by Loan Performance		Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
		Current	8	2,404,606.17	1,986,264.48	100.00%
		Non-current	0	-	-	0.00%
			8	2,404,606.17	1,986,264.48	100.00%

Memo

To: Economic Development Authority

From: Brad Meier, President/CEO

Date: 6/17/2026

Re: OACCT Economic Development Update

Economic Development

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

Workforce

- Signing day hosted at Owatonna and Blooming Prairie High Schools to celebrate students entering the workforce and military service. 20 Students and their employers were recognized
- New agreement between SteeleCoWorks and Owatonna schools for coordinator position is being finalized
- Chamber is creating a new Work Experience fund to support employers who provide opportunities for student work. Start at the beginning of the school year.

Other

- OPED recently met with South Central College for customized training to gain further understanding about their initiatives and how they compliment or overlap with Riverland and the Owatonna area.
- Greg and Sean represented the group at the real estate journal event in Rochester for the DMC. They reported great attendance and good contacts at the event.
- The group has been working to be the key site for Minnesota on a significant project. This company is familiar with Owatonna because you've been in the running for a project in the past.

<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, Updated Meeting 5/13/26	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. 5/13/26 looking at new location for this	
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; changed mind and now not coming	
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	Secured location	
Small Business owner moving to Owatonna	5/27/2026	Mental health business; moving to Owatonna and wants to re-open here	Provided office space options that she requested: Approximately 800-1,000 sq ft	Sent images of potential space and connected with landlord there	



EDA Report – June 2026

Updates:

- **Innovators & Business Owners Connect-up (IBOC)**
 - 2nd Thursday of every month
 - Register at iboc.eventbrite.com
- **Rose Street Center**
 - The Commons – co-working space
 - 2 external members
 - Free Day of Co-working
 - Owatonna Makerspace
 - The Craft Apothecary
- **Minnesota Angel Investor Network (MNAIN) – June 24th**
 - Pitch events for entrepreneurs, angel investors, and professionals
 - mnain.eventbrite.com
 - 15 members
 - 16 startups in Gust
 - MNAIN.com
- **Co.Starters**
 - Next Small Business Academy – 6/16
- **Makerfaire – June 12, 2027**
- **Owatonna Business Incubator Program**
- **Recent Events:**
 - Growing in the GreenSeam Workshop – 6/9



OABDC – May 2026

Southeast MN Consulting					
Clients	Sessions	Hours	New	Operating	Hours
					2026 YTD
11	17	16.75	2	6	86.25

Occupancy			
Manufacturing		Offices	
Total Leasable Space	34,325	Total Leasable Offices	11
Total Occupied Space	17725	Total Number of Leased Offices	11
Present Occupancy	51%	Present Occupancy %	100%
Budget Occupancy	42%	Budget Occupancy %	70%
Occupancy Revenue to Budget	\$1,498	Revenue to Budget	\$348
Performance to Budget	134%	Performance to Budget	112%
Number of Organizations	8	Number of Organizations Total	18

**June 17, 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 has a signed purchase agreement to present to the City Council tomorrow to purchase the vacant property along North Street in front of the Cemstone site.
- The City currently owns 224 North Cedar Avenue (Bubba's Building). A new redevelopment project is being sought for that property. Staff are getting bids to remove the vault under the sidewalk and redo the sidewalk along Pearl Street. City staff have further cleaned the inside of the building.
- 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 getting bids to paint the building and expose the windows on Main Street. City staff has cleaned out more debris from inside 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 fall. Police and Fire are using the house for training.
- 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.