



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING**
Wednesday, September 16, 2026 at 4:00 PM
Council Chambers, City Hall at 540 West Hills Circle

1. EDA Agenda

1.1. EDA Agenda - September 16, 2026

2. Roll Call

3. Approval of Last Meeting Minutes

3.1. EDA Minutes - July 15, 2026

4. Treasurer's Report

4.1. August Treasurer's Report

5. Loan Report

5.1. August Loan Report

6. Reports

6.1. OACCT Report

6.2. OABDC Report

6.3. EDA Projects

7. Old Business

8. New Business

8.1. EDA Forgivable Loan - 313 Cedar Avenue N - AlleyKat Properties LLC

8.1.1. Exterior: Up to \$2,500 (project up to \$5,000) - Replacing exterior door to improve energy efficiency and match rest of building

8.2. EDA Forgivable Loan Discussion

9. Schedule Next Meeting – October 21, 2026

10. Adjournment

Economic Development Authority
Regular Meeting
Wednesday, September 16, 2026
4:00 PM
Meeting Room
Rose Street Center – 115 Rose Street East

Preliminary Agenda

1. Roll Call: Boeke, Burbank, Cowell, Mensink, Savage, Voss
2. Approval of Minutes: July 15, 2026
3. Treasurer's Report
4. Loan Report
5. Reports
 - a. OACCT
 - b. OABDC
 - c. EDA Projects
6. Old Business
7. New Business
 - a. EDA Forgivable Loan Request
 - i. 313 Cedar Avenue N—AlleyKat Properties LLC
 - Exterior: Up to \$2,500 (project up to \$5,000)
 - Replacing exterior door to improve energy efficiency and match rest of building
 - b. EDA Forgivable Loan Discussion
8. Schedule Next Meeting – October 21, 2026
9. Adjournment

**EDA
Minutes
July 15, 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, Corey Mensink, and Doug Voss. Commissioners absent: Brian Savage. Also present were Troy Klecker, Brad Meier, Sean Williams, and Lisa Cochran.

Approval of Minutes. Commissioner Cowell moved approval of the minutes of the May 20, 2026 meeting with second by Commissioner Boeke. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Community Development Director Troy Klecker presented the revenue and expense reports for June. He said that they owe the second half payments to OABDC and the Chamber for second half contracts. A motion was made by Boeke and seconded by Mensink to approve the Treasurer's Report as presented. All Commissioners voting Aye, the motion passed.

Loan Report. OABDC Director Sean Williams presented the Loan Report for June. He said that all loans are current. Cowell asked about the overpayment for Uncaged VR & Game Lounge. Klecker said that the overpayment was applied to the other loan.

OACCT / OPED Report. OACCT Director Brad Meier presented the OACCT Report for June. They are kicking off a grant program to continue work experience funds for businesses. They will be able to provide wages for up to 160 hours for businesses that bring in students for work experience. Sputtering Components' ribbon cutting for their addition was yesterday.

MainStreet Report. MainStreet Director Lisa Cochran presented the Quarterly MainStreet Report for Quarter 2. She said that things are going great. She gave an update on Downtown Thursdays so far this summer. She said they are excited about Roma's reopening.

OABDC Report. OABDC Director Sean Williams presented the OABDC Report for June. They are planning to merge some monthly meetups in the entrepreneurial space as attendance has been on the decline across the state. They will talk about Rose Street Center later in the meeting. The Minnesota Angel Investor Network is going gangbusters. He has meetings lined up across the state for partners. The latest Small Business Academy started on June 16. There are a number of workshops and bootcamps coming up as well. The Makers Faire will be on June 12, 2027 and it is officially the SE Minnesota Maker Faire and they are excited about that. The Owatonna Business Incubator Program will be getting some funding through United Way. They recently hosted the Growing in the GreenSeam Workshop. They are in the process of transitioning the SBDC contract from being housed with the SE regional office to being a statewide contract. This will give them access to working with more clients in the angel network.

Airport Report. Airport Manager Dave Beaver presented the quarterly Airport Report. He said that activity is up because it's summertime. He gave an overview of projects. The parking lot is

now complete and they've gotten a lot of good comments on it. The fuel card reader replaced a 25-year-old system and is good for self-service 24 hours a day, which is helpful. Other projects include Airport Zoning and airfield pavement maintenance. The long-term vision is to look at runway extension and building area development closer to the hospital. The Exchange Club is doing a flag field in September. The Civil Air Patrol Fly-In Breakfast was in May this year.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for June. He said that there has not been any action on the old Hardees/Budget Mart site. That is a vacant lot that is privately owned. They are generating enough TIF to cover what we have into the Barney Street realignment. They would love to see it developed. He said that they close on the lots adjacent to the Cemstone site tomorrow morning. They will be doing some soil borings on it. He said that they are planning to do some improvements to the Bubba's building. They were able to get some of the waterpark staff to clean out 117 Bridge Street West. They are getting bids for painting and taking off the exterior covering over the windows on Main Street. The goal is to do it by winter. 148 Main Street West is still in limbo. OPU is doing some work along that street, but the water lines need some work. They plan to demo the house at 140 Fremont Street East. We own the Marco building and the Kreco Car Wash. We are still trying to line up a meeting with Heartland Car Wash.

New Business: Improvements to 224 Cedar Avenue North. Klecker said that they've talked about doing more improvements to Bubba's. They would want to do improvements that would have to be done regardless of what happens to the building and that would be noticeable from the exterior. One thing that would have to be done regardless is removing a vault under the sidewalk on Vine Street, as that is the responsibility of the owner of the building. There is also a gap between the sidewalk and the basement that will need to be fixed. They got a couple of bids. Hodgeman Concrete and Masonry came in at \$13,877.50 and Greenhaven Landscaping came in at \$13,500. He said this doesn't include the removal of the vault, which would cost around \$5,000 to \$7,000. It will probably be around a \$20,000 project when it is all said and done. Klecker said his recommendation is to go with the lower bid—Greenhaven Landscaping. Cowell asked if the City Street Department has the equipment and expertise to pull the vault out. Typically, the City hires out the removal of vaults. On all the street projects we do, we take the vaults out and assess the property owner. He thinks this is the only vault on Pearl Street. Boeke asked about the inside entrance to the vault. Klecker said that it is sealed up. Voss asked what they were used for. Klecker said that vaults were used for all kinds of things, including coal and utilities. A motion was made by Boeke and seconded by Cowell to approve Greenhaven Landscaping to do the Bubba's Sidewalk Project. All Commissioners voting Aye, the motion passed.

Discuss Rose Street Center. OABDC Director Sean Williams gave an update on the Rose Street Center. As of this week, all the work is done on the interior of the building including accessible doors into the back half of the building, a rail in the Maker Space, the security system, deferred maintenance around the fire safety lights, and the elevator. The money they got from the Owatonna Foundation along with the forgivable loan for interior improvements should cover it all. The exterior still needs electrical work for the shops and food trucks, a boardwalk between the shops, an accessible ramp at the front door, the drive through into the alley, along with striping and signage. The shops being delayed until this fall ended up being a good thing. They

are looking at \$50,000 for the electrical, \$30,000 for the boardwalk, and whatever the striping and drive through ends up being. Brad is planning on putting in for another Owatonna Foundation grant for the exterior. They're currently getting things organized on the inside and once that is cleared they can have a grand opening. Voss asked if any of them will office out of there. Williams said that he has been using the coworking space because there are fewer interruptions. Klecker said that it does generate some revenue, but there are startup costs. He said there might be an ask of the EDA to help finish the gap of the startup costs, especially when it comes to the shops and getting the boardwalk in. Williams said that all of the programs are expected to be fully self-sustainable once they are up and running. Williams said that it is a much more competitive landscape for grants than it was even a year ago. Klecker suggested that the EDA funnel a little more of their money into the EDA projects like Bubba's and the Rose Street Center to get some of our initiatives moving more quickly.

Schedule Next Meeting. The Commissioners decided to cancel the August meeting as it is during Fair week. The next scheduled meeting will be on **Wednesday, September 16, 2026 at 4:00 pm**. The Commissioners decided to hold the September meeting at the Rose Street Center Conference Room.

Adjournment. There being no further business, a motion was made by Commissioner Cowell and seconded by Burbank to adjourn the meeting at 5:01 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		- 120,000.00	- 120,000.00	50.00
290-31410-690-691-000000	LODGING TAX - 3%	- 280,000.00	- 28,555.40	- 200,717.81	- 79,282.19	71.69
290-34109-690-691-000000	OTHER REVENUE			- 24,955.68	24,955.68	
290-34950-690-691-000000	TIF ADMINISTRATIVE F	- 62,264.00		- 33,620.54	- 28,643.46	54.00
290-36210-690-691-000000	INTEREST EARNINGS	- 7,000.00		- 2,039.71	- 4,960.29	29.14
290-36220-690-691-000000	RENT/RENTALS	- 3,600.00	- 300.00	- 2,100.00	- 1,500.00	58.33
	TOTAL REVENUE	- 592,864.00	- 28,855.40	- 383,433.74	- 209,430.26	
	EXPENDITURES					
290-41000-690-691-000000	WAGES - REGULAR FT	99,129.00	3,812.68	59,199.85	39,929.15	59.72
290-41410-690-691-000000	PERA	7,435.00	280.43	4,801.43	2,633.57	64.58
290-41420-690-691-000000	FICA	7,583.00	279.63	4,792.78	2,790.22	63.20
290-41500-690-691-000000	INSURANCE	8,087.00	327.10	4,454.69	3,632.31	55.09
290-41550-690-691-000000	WORKERS COMP INSURAN	585.00	21.31	364.81	220.19	62.36
290-41570-690-691-000000	MN PAID LEAVE EXPENS	773.00	29.17	499.37	273.63	64.60
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		29,895.00	105.00	99.65
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		158.70	841.30	15.87
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	10,000.00	10,000.00	10,000.00	50.00
290-43233-690-691-000000	OBD - SMALL BUSINESS			10,000.00	- 10,000.00	
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	960.94	1,644.73	- 644.73	164.47
290-43400-690-691-000000	MEMBERSHIPS & SUBSCR	200.00		465.00	- 265.00	232.50
290-43710-690-691-000000	REPAIR & MAINT - BLD	5,000.00		3,298.52	1,701.48	65.97
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	32,405.28	160,990.46	105,009.54	60.52
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	48,116.54	342,565.34	250,333.66	
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		- 165.96	- 1,414.72	1,414.72	
292-36210-690-692-000000	INTEREST EARNINGS	- 20,000.00		- 8,017.95	- 11,982.05	40.09
292-39000-690-692-000000	LOAN PROCEEDS					
	TOTAL REVENUE	-20,000.00	- 165.96	- 9,432.67	- 10,567.33	
	EXPENDITURES					
292-48300-690-692-000000	LOAN PROGRAM DISBURS	20,000.00	35,000.00	54,400.00	- 34,400.00	272.00
	TOTAL EXPENDITURES	20,000.00	35,000.00	54,400.00	- 34,400.00	

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		- 2,196.06	840.06	161.95
294-34960-690-694-000000	INTEREST ON LOANS	- 29,150.00	- 127.58	- 36,989.61	7,839.61	126.89
294-36210-690-694-000000	INTEREST EARNINGS	- 20,000.00		- 8,460.44	- 11,539.56	42.30
294-36211-690-694-000000	LEASE INTEREST REVEN					
294-36220-690-694-000000	RENT/RENTALS	- 30,000.00	- 1,000.00	- 24,624.00	- 5,376.00	82.08
294-39101-690-694-000000	SALE OF CAPITAL ASSE					
	TOTAL REVENUE	- 80,506.00	-1127.58	- 72,270.11	- 8,235.89	
	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		76,563.92	- 56,563.92	382.82
294-45100-690-694-000000	LAND			317,837.20	- 317,837.20	
294-45100-690-694-26003	LAND					
294-45300-690-694-000000	OTHER IMPROVEMENTS			1,145.46	- 1,145.46	
	TOTAL EXPENDITURES	43,600.00		397,346.58	- 353,746.58	

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

FUND 292: EDA LOANS

Account Number	Account Name	Ending Balance
ASSETS		
292-10100-000-000	BANK ACCOUNTS	\$ 40,654.70
292-10400-000-000	INVESTMENTS	734,709.05

FUND 294: EDA LAND

Account Number	Account Name	Ending Balance
ASSETS		
294-10100-000-000	BANK ACCOUNTS	\$ 34,095.53
294-10400-000-000	INVESTMENTS	524,792.17

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	3,308.22	564.78	Current	Retail	
Total				43,480.63	3,308.22	564.78			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	1	43,480.63	3,308.22	100.00%
	Non-current	0	-	-	0.00%
		1	43,480.63	3,308.22	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	831.58	259.78	Current		
Vesterby	12/13/2021	1.625	7	12,500.00	4,325.48	157.53	Current		
Family 1st Insurance	7/5/2023	4.125	7	20,000.00	15,747.20	274.53	Current		
Family 1st Insurance	7/5/2023	-	3	5,000.00	1,527.76	138.89	Current		
Uncaged VR & Game Lounge Tier I	3/1/2025	-	3	5,000.00	0.00	138.89	Current		Loan paid off in April
Uncaged VR & Game Lounge Tier II	3/1/2025	3.875	7	20,000.00	16,158.04	272.23	Current		
HC Properties of MN LLC Tier I	10/1/2025	-	3	5,000.00	3,472.21	138.89	Current		
HC Properties of MN LLC Tier II	10/1/2025	3.750	5	13,300.00	11,044.31	243.44	Current		
				<u>105,800.00</u>	<u>53,106.58</u>	<u>1,624.18</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	8	62,500.00	53,106.58	100.00%
	Non-current				0.00%
		<u>8</u>	<u>62,500.00</u>	<u>53,106.58</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	392,640.40		Current		TIF Guarantee
Arrow Ace TIF note	12/1/17	3.000	25	350,000.00	283,726.34		Current		TIF Guarantee
Nicolai TIF note	12/31/17	3.000	25	524,845.17	449,164.85		Current		TIF Guarantee
Marriott TIF note	5/18/21	3.000	25	268,000.00	255,138.02		Current		TIF Guarantee
224 Cedar TIF note		3.000	25	225,000.00	12,205.15		Current		TIF Guarantee
Ascend TIF note	7/31/23	5.000	25	100,000.00	97,531.72		Current		TIF Guarantee
KAMP TIF note	2/1/23	3.500	8	155,074.00	145,628.05		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>1,944,832.53</u>	<u>-</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	8	2,404,606.17	1,944,832.53	100.00%
	Non-current	0	-	-	0.00%
		<u>8</u>	<u>2,404,606.17</u>	<u>1,944,832.53</u>	<u>100.00%</u>



EDA Report – Sept 2026

Updates:

- **Innovators & Business Owners Connect-up (IBOC)**
- **Rose Street Center – Ribbon Cutting 9/17/26**
 - The Commons – co-working space
 - Free Day of Co-working
 - Owatonna Makerspace
 - The Craft Apothecary
 - 5,000+ lbs. of donations to date
- **Minnesota Angel Investor Network (MNAIN)**
 - Education & pitch events for entrepreneurs, angel investors, and professionals
 - MNAIN.com
- **Co.Starters**
 - Small Business Academy – started 9/15
 - New curriculum 2027
- **Makerfaire – June 12, 2027**
- **Owatonna Business Incubator Program**
- **Recent Events:**
 - Compeer Rooted & Rising: Rural Forum – 9/15



OABDC – July & August 2026

Southeast MN Consulting					
Clients	Sessions	Hours	New	Operating	Hours
					2026 YTD
10	15	18.5	3	2	115.5
8	16	14.5	2	2	130

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



EDA Loan Programs – September 2026

New Business:

Forgivable Loans:

- 313 N. Cedar Ave – AlleyKat Properties LLC
 - Exterior: Up to \$2,500 (project up to \$5,000)
 - Exterior: Replacing exterior door to improve energy efficiency and match rest of the building.

September 16, 2026
EDA Meeting

EDA Projects Report

- A portion of the old Hardees/Budget Mart has been redeveloped. TIF was used to assist with the project. There is enough TIF being generated from the first building to pay the City back for costs associated with realigning Barney Street. There is still another lot available for development.
- The City swapped land with Cemstone. The City owns the Cemstone site and Cemstone owns 14 acres of land in the industrial park. Tax Increment Financing was used to assist with the project. Cemstone has completed the plant on their new site and has moved out of the North Street site. The City has purchased the vacant property along North Street in front of the Cemstone site and is currently using the buildings. The redevelopment project is being sought for the property.
- The City owns 224 North Cedar Avenue (Bubba's Building). A number of improvements have been completed on the building. A new redevelopment project is being sought for that property. The sidewalk along Pearl Street has been replaced and there was no vault underneath.
- The City owns the property at 117 West Bridge Street. A number of improvements have been completed on the building. A new redevelopment project is being sought for that property. Staff is attempting to get bids to paint the building and expose the windows on Main Street.
- 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 2 vacant lots on the 100 block of East Fremont Street as well as vacant house at 140 East Fremont Street. Staff is looking at demolishing the house this fall. Police and Fire are using the house for training. A redevelopment project is being sought for the property.
- The City owns two vacant lots on the 100 block of East Rose Street. A redevelopment project is being sought for the property.
- 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.