

**EDA
Minutes
June 12, 2024**

The Owatonna Economic Development Authority met in regular session at 4:00 PM in the Charles S. Crandall Center – Meeting Room at City Hall Building with Vice President Voss presiding. Commissioners present: Dan Boeke, Andrew Cowell, Pat McDermott, and Doug Voss. Commissioners absent: Brenda DeVinny, Corey Mensink, and Kevin Raney. Also present were Troy Klecker, Brad Meier, Lisa Cochran, and Kristen Kopp.

Approval of Minutes. Commissioner Cowell moved approval of the minutes of the May 15, 2024 meeting with second by Commissioner McDermott. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Troy Klecker presented the revenue and expense reports for May. He gave an overview of the Balance Statements. Payment on existing loans come into the EDA Loan Account. The EDA Land Account is what we use to buy property and do development. Voss asked, big vision wise, are there any idea what this can do? Klecker said the Forgivable Loan Program is one thing they are doing. We don't need to sit on \$1 Million. We're also seeing a little more interest in EDA loans now. We used to have over a million in that account. The Land Account has had over \$1 Million. We do have money coming back into that annually with our TIF projects. We're at a point where we've talked about what we want our next project to be. Boeke asked about the TIF districts and wondered why some of their balances haven't changed. Klecker said it usually doesn't start until the next year, and also not until it is generating increment. There is a bit of delay with those. There are three to four years before payments start to come in.

Loan Report. Troy Klecker presented the loan report for May. All loans are current. He said he thinks we're going to see more EDA loans as interest rates rise.

OACCT / OPED Report. OACCT Director Brad Meier presented the OACCT Report for May. He said there is a lot going on in the workforce. They were able to do 14 grants to help pay for high school students' work experience this summer at 14 different businesses. They cancelled the Signing Day because it was the same day as Olivia Flores' funeral. They've been doing Signing Day on site at all of the businesses and parents have been coming out to see the kids' workspace. It's more work, but the impact has been high. There are three partners involved in the SteeleCoWorks Coordinator position. They want to make sure they're all on the same page before they bring someone into the position. He said he hopes they're hiring by next month. Learn and Earn efforts continue. Meier said that he, Greg Kruschke, and Roger Warehime were able to attend a Retail & Restaurant Summit. They learned that in big developments for retail, they see a real positive future right now. Here a lot of small retailers are struggling right now. Restaurants are now seen as the draw, and retail is looking to locate near restaurants. There are five larger projects in the mix right now, although we are probably a longer shot on four of the five projects. They feel it's worth it to put in on these projects because they're getting in front of developers by submitting, even if it's not the right fit. The Chamber Growth Breakfast will be with our legislative leaders on June 20. After this meeting, the Country Club will be doing a

ribbon cutting on their pickleball courts. Cowell said always being at the table provides value, you still want to be there. Cowell asked about the housing development project for the land around the waterpark. Klecker said that he's not sure it's going to work with the original developer, but they have a motivated owner and another developer that's interested in it. Voss thanked Brad for the OPED report.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for May. He said that it sounds like there is some interest in the old Hardees / Budget Mart site. There is one party interested in 117 West Bridge Street and Sean Williams will get involved when he's back. There has been a lot of discussion on 151 West Bridge Street. Klecker has had discussions with Darrin and Scott on working on a project together that would include 148 West Main Street. The Ascend project is going well. Scooters is planning to start building in July. He said he made one more pitch to the new franchise owner about the tower land. Council approved the land swap with Alexander Lumber, which is trading two smaller lots on Fremont for a larger lot on Rose Street.

Old Business:

Downtown Second Floor Commercial Space Contest. MainStreet Director Lisa Cochran said she's assuming everyone was able to look at the application. They have to decide on a timeline for the application to be open and a timeline to finish. Klecker asked if there are opinions on the timeframe of the application process. Boeke asked if someone could put together a plan and hire a consultant this year. Klecker said that's tough to know because we don't know what the project will be. Maybe when we award it, we can come to an agreement on when it will be done. Cowell said he'd like to see a completion date. He'd like to have a reason for them to come back to the table to ask for an extension, if needed. Hypothetically it would start June 30 with a 90 day window and then they'd have 270 days to get it done. He would be fine if they said September 30, 2025, too. Meier said those date are good. Cowell said that would give people time to meet with Sean or an architect. Klecker said they'll discuss who will review it closer to the deadline. Cochran said she thinks there will be a couple applicants. She said right now if she were to put this out there, all applications will come back to her. A motion was made by Cowell and seconded by Boeke to approve the Downtown Second Floor Commercial Space Contest with an application completion date of September 30, 2024 and a project completion date of December 31, 2025. All Commissioners voting Aye, the motion passed.

Bubba's Update. Klecker gave a recap on where they were at the last meeting. The EDA approved the repayment agreement. Then it took him a while to meet with his attorney, and they were discussing option and whether they need to pay everything. He had been talking to Darrin Stadheim about the concept. He thought we could work with Darrin to get a project. Klecker said that Darrin is not interested in the wine bar project, but may be interested in the building down the road. Klecker said he met with Oscar again and told him there is not a project there. He said he knows the next step of the EDA will be to use attorneys, and it would cost him more. Oscar sent an update last night that we can move forward with the agreement we had agreed on. He will have to modify the numbers from May 15 to June 15 and he will still need to sign it. He hopes we have possession of it in the next two weeks.

Schedule Next Meeting. The next EDA meeting is scheduled for **July 17, 2024** at 4:00 PM in Charles S. Crandall Center – Meeting Room at City Hall.

Adjournment. There being no further business, a motion was made by Commissioner Boeke and seconded by Commissioner Cowell to adjourn the meeting at 4:44 pm. All Commissioners voting Aye, the motion passed.