



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING**
Wednesday, August 21, 2024 at 4:00 PM
Council Chambers, City Hall at 540 West Hills Circle

- 1. EDA Agenda: August 21, 2024**
 - 1.1. EDA Agenda - August 21, 2024
- 2. Roll Call: Boeke, Cowell, DeVinny, McDermott, Mensink, Raney, Voss**
- 3. Approval of Minutes**
 - 3.1. EDA Minutes - July 17, 2024
- 4. Treasurer's Report**
 - 4.1. July Treasurer's Report
- 5. Loan Report**
 - 5.1. July Loan Report
- 6. Reports**
 - 6.1. OACCT Report
 - 6.2. OABDC Report
 - 6.3. EDA Report
- 7. Old Business**
- 8. New Business**
 - 8.1. Interior Forgivable Loan -- 114 Cedar Avenue North (Tone Music)
- 9. Schedule Next Meeting – September 18, 2024**
- 10. Adjournment**

Economic Development Authority

Regular Meeting

Wednesday, August 21, 2024

4:00 PM

Charles S. Crandall Center – Meeting Room
City Hall

Preliminary Agenda

1. Roll Call: Boeke, Cowell, DeVinny, McDermott, Mensink, Raney, Voss
2. Approval of Minutes: July 17, 2024
3. Treasurer's Report
4. Loan Report
5. Reports
 - a. OACCT / OPED
 - b. OABDC
 - c. EDA Projects
6. Old Business
7. New Business
 - a. Interior Forgivable Loan — 114 Cedar Avenue North (Tone Music)
8. Schedule Next Meeting – September 18, 2024
9. Adjournment

**EDA
Minutes
July 17, 2024**

The Owatonna Economic Development Authority met in regular session at 4:00 pm in the Charles S. Crandall Center – Chambers at City Hall Building with President Raney presiding. Commissioners present: Dan Boeke, Andrew Cowell, Corey Mensink, Kevin Raney, and Doug Voss (4:11 pm). Commissioners absent: Brenda DeVinny and Pat McDermott. Also present were Troy Klecker, Brad Meier, Sean Williams, Lisa Cochran, Glenda Smith, Dave Beaver, and Kristen Kopp.

Approval of Minutes. Commissioner Cowell moved approval of the minutes of the June 12, 2024 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 we haven't had any projects that have required consulting fees yet this year. First half payments have been made for the contracts with the Chamber and OABDC. He reminded them that if they can get an invoice, they will make the second half payments.

Loan Report. OABDC Director Sean Williams presented the loan report for June. He said Walbran is drafting three loan documents right now. All non-forgivable loans are current.

OACCT / OPED Report. OACCT Director Brad Meier presented the OACCT Report for June. He said that the work experience grant is in full swing. Signing Days were done on site at businesses. Each one did their own twist. They're finalizing the SteeleCoWorks position and they're hoping to hire before the school year. OPED is working with six proposals right now and one has Owatonna on a short list. Kruschke coordinated this, and the team came together for a presentation last week. OPED met with Riverland President Kat Linaker two weeks ago. It was a good time to reconnect. There are a couple Real Estate Journal events coming up next month. Marthaler Honda is planning to build in Owatonna and the Chamber had a meeting with them. They were very clear that Owatonna is a 180 degree difference than Albert Lea concerning the attitude toward growth. That was positive. Mayo has been investing in radiology in Owatonna and just opened a new MRI machine in Owatonna. Tonight they're hosting a Running For Office Event as the filing for City and School Board is July 30 through August 13.

Doug Voss arrived at 4:11 pm.

MainStreet Report. MainStreet Director Lisa Cochran presented the quarterly MainStreet Report. She said they are looking forward to a couple new businesses opening. She said they did have some new owners take over, and she's met with all of them. They are all excited to be owning businesses downtown. She said three businesses contacted her about the Upper Level Grant.

Tourism Report. Tourism Director Glenda Smith presented the quarterly Tourism Report. She highlighted a list of events, many which were new. She said occupancy was 91% occupancy during Corky's Weekend. The Shop & Dine Challenge was new this year. They had 474 check-ins with 31 redemptions for prizes and a total of 280 users. The National Travel & Tourism Week was the end of May, and Ambassadors visited 22 Chamber Hospitality Members. Air Race Classic was a successful event, with 29 teams staying in Owatonna. She highlighted marketing events coming up in the region as well as social media stats. She highlighted lodging tax and occupancy. May was the highest month since September 2023. It continues to be on the lower end, but she continues to target new groups. Raney asked if the number of hotel rentals per week up since we've had more hotels open up in the last 18 months. Smith explained that she can't add new hotels one at a time. She'll have to wait for Double Tree opens, hopefully in January. The numbers aren't terribly accurate. Raney thanked Smith for all of her work to try to secure the Coalition of Greater Minnesota Cities Conference next year. He thought it was a five-star presentation. They will be attending the conference next week, and plan to find out why Owatonna did not win. If there are things that weren't even mentioned, how are we supposed to know? Smith said they will try again. Smith introduced their summer intern, Hillary Haarstad. She's majoring in marketing in La Crosse and will be a Junior this fall.

OABDC Report. OABDC Director Sean Williams presented the OABDC report for June. He said that they released an RFP for software studio program that is being funded in part by a grant that they received from DEED. That will be servicing all of SE Minnesota. They have four responses and the board is meeting with the top candidates next Friday. Everyone who reviewed the applications was impressed with the quality. They will also be releasing an RFP for the Makerspace program, which is also a DEED grant. He's hoping to get some outside-of-box thinking when it comes to the Makerspace. They hosted a Marketing 101 Workshop on May 20 in partnership with the Chamber, Tourism, and SBDC. They are spooling up their monthly entrepreneurial event, in partnership with Owatonna Business Partnership, and will take place the second Tuesday of every month. They will be doing English and Spanish language Small Business Academy cohorts this fall in partnership with Community Ed. At the end of June they hit 118 hours of consulting in comparison to 49 the last year. They only had 100 total last year. They're seeing a lot of demand. They brought on a new tenant in the manufacturing space. Even though they're only at 57% occupancy, they're at 94% of their budget.

Airport Report. Airport Manager Dave Beaver presented the quarterly Airport Report. He said the Air Race Classic was a successful event with teams from all over the country. We had the most overnights of any of the stops. The volunteers also stayed in our hotels. They had a lot of good things to say about Home2 Suites and other hotels. He thanked Glenda Smith and her team for their help with the event. He gave an update on projects happening at the airport. They have taken a lot of steps and met a lot of goals at the airport. They're in a good spot, but want to keep momentum going. The CIP projects are geared for that. They received a \$500,000 grant from the State Aeronautics Division for hangar roof repair. There is also runway intersection work for be done this year. Next year they'll want to do parking lot updates. They're taking steps toward a 7,000 foot runway to better support the economic development of the community. Accelerated Aviation is doing great things. They bring students from all over and have 15 instructors, 14 aircraft, and two full-time mechanics and an office manager. They continue to grow. He wants to see more development like that. Cowell asked if the fencing project is complete. Beaver said that

the contractor is done with the physical parts of the fence. They are just waiting for access control. They're using the same contractor the City uses for City Hall, so a little more coordination is needed to get that set up.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for June. Cemstone still has another building to put up on their new site. The development agreement ends in May of next year. Once they put up the new building, they'll have everything moved out, except for the retail portion. They have talked to him about leasing the area east of Riverside for sale of material for a period of time. He said it makes some sense. They're finding that the new site isn't big enough to accommodate everything they want to have out there. They will probably have to find something different for the retail portion. They're talking about that. That eastern portion will be tough to redevelop anyway because of the size and shape of it. They would vacate everything else on the west side of Riverside Avenue. Scooters has said they're going to start before the end of July. He said that the land swap with Alexander Lumber happened that morning. They swapped two City-owned lots on Fremont with their lot on Rose Street. Their short-term plan is to gravel it all, refence it, and use it for storage.

Old Business:

Bubba's Update.

Community Development Director Troy Klecker said that the City is the owner of the Bubba's lot once again. Oscar and Tammy came in and signed all the paperwork on Friday. They have a repayment agreement. They will pay it back over a five-year period at 3% interest starting on August 1. They signed over the deed and we have the keys. Raney asked if there was a strong marketing plan and wondered if they could expect any movement in the next year. Klecker said they have been noticing things slowing down a little bit right now. Retail is slow. It is normal for things to slow down before Presidential elections. He doesn't expect anything before the new year, but they only need the one right person. That could come at any point in time.

New Business:

State Avenue Lots.

Community Development Director Troy Klecker said this happened since the last EDA meeting, or he would have mentioned it then. The City owns two lots on State Avenue. Together they are about 2.5 acres. They're right across from the storage buildings and next to Mohs' offices. They've had those lots for a while and have had the least amount of interest on them as they are more commercial lots than industrial lots. He had some phone calls with Renneberg Hardwoods Inc. and they have submitted a purchase agreement. They sell hardwood products and service this area now from a different location. Having a facility in Owatonna would help service this whole southern Minnesota area. They are looking to build a 12,100 square foot facility with a 40 x 40 showroom / office space and the rest would be warehouse space. They do want room to expand, which they would. They had it listed at \$2/square foot which is probably a little on the high side. That would be about \$225,000. Their offer is for \$200,000, but it brings a new business into town with no incentives, just a straight up sale and build. They would start with

three employees and looking to get to six over a period of time. They want to expand once they establish themselves. They're putting plans together now. The closing date would be on or before August 31. They want to start building this fall. In laying out the approval process, typically it would go to EDA first and then City Council, but the next Council meeting after today is August 7. There was a City Council meeting last night and he presented it. The Council did approve it with the conditional that the EDA recommends approval as well. If the EDA approves it, then they will go ahead with a closing date before the end of August. Klecker said they cater mostly to contractors but there is a retail element. This is an ideal location for them. A motion was made by Mensink and seconded by Cowell to approve the sale of two City lots to Renneberg Hardwoods Inc. All Commissioners voting Aye, the motion passed.

Low Doc Loan Program Reimbursement Wording.

OABDC Director Sean Williams said this came about because they've got some interest in low doc loans again. In examining a couple of the low doc loans that were approved previously, it came to their attention that the wording in the original application and the current application online include that it's a reimbursement program and not a loan program where the dollars are dispersed up front. In talking to Troy about it, it became clear that it was not the original intent of the program. They wanted to get a vote that it is not a reimbursement program, but a disbursement upon approval program. Klecker said we haven't had a lot of use of the low doc loan program, but are seeing more interest now. He said the ones we've had before have been a loan. Grants work much differently where we want to see the applicant spend the money, and then they will reimburse them. This is what the Forgivable Loan Program is. These low doc loans are more like traditional loans. They're asking for a loan because they don't have the money up front. Raney asked if this was informational today. Klecker said they want an action clarifying the intent of the program. Raney said they haven't seen the new document. Klecker said the current application is on the website. Part of it is that they are putting the wording together to get it on the website. Williams said that before they move forward with posting it, they wanted to get a vote that it is not a reimbursement program, that it is a traditional loan structure. A motion was made by Mensink and seconded by Cowell to clarify the purpose of the low doc loan program is a loan program rather than a reimbursement program. All Commissioners voting Aye, the motion passed.

Schedule Next Meeting. The next EDA meeting is scheduled for **August 21, 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 Voss and seconded by Commissioner Cowell to adjourn the meeting at 4:58 pm. All Commissioners voting Aye, the motion passed.

EDA ADMINISTRATION				
Account	Description	Current Budget	Current YTD	Budget Remaining
	REVENUE			
290-31000-690-691-000000	PROPERTY TAXES	- 200,000.00	- 116,675.00	- 83,325.00
290-31410-690-691-000000	LODGING TAX - 3%	- 250,000.00	- 134,072.77	- 115,927.23
290-33424-690-691-000000	STATE - OTHER PROGRA		- 140,000.00	140,000.00
290-34950-690-691-000000	TIF ADMINISTRATIVE F	- 71,773.00	- 26,899.75	- 44,873.25
290-36210-690-691-000000	INTEREST EARNINGS		- 2,482.83	2,482.83
290-36220-690-691-000000	RENT/RENTALS	- 3,600.00	- 2,100.00	- 1,500.00
	TOTAL REVENUE	- 525,373.00	- 422,230.35	- 103,142.65
	EXPENDITURES			
290-41000-690-691-000000	WAGES - REGULAR FT	86,568.00	49,811.78	36,756.22
290-41300-690-691-000000	WAGES - OT		9.77	- 9.77
290-41410-690-691-000000	PERA	6,493.00	3,705.31	2,787.69
290-41420-690-691-000000	FICA	6,622.00	3,689.37	2,932.63
290-41500-690-691-000000	INSURANCE	7,445.00	3,833.34	3,611.66
290-41550-690-691-000000	WORKERS COMP INSURAN	493.00	281.63	211.37
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	35,000.00		35,000.00
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	619.72	380.28
290-43231-690-691-000000	OBD - MARKET SERVICE	80,000.00	80,000.00	
290-43232-690-691-000000	OBD - LOAN SERVICES	20,000.00	10,000.00	10,000.00
290-43233-690-691-000000	OBD - SMALL BUSINESS	4,000.00		4,000.00
290-43234-690-691-000000	DOWNTOWN ENHANCEMENT	5,000.00		5,000.00
290-43235-690-691-000000	PARTNERS FOR PROGRES	12,000.00		12,000.00
290-43320-690-691-000000	ADVERTISING & PROMOT	1,000.00		1,000.00
290-43400-690-691-000000	MEMBERSHIPS & SUBSCR	200.00		200.00
290-43720-690-691-000000	REPAIR & MAINT - EQU	200.00		200.00
290-43810-690-691-000000	RENTS/LEASES	6,700.00	3,312.00	3,388.00
290-43972-690-691-000000	SOUTHERN MN INITIATI	1,667.00	1,666.00	1.00
290-43990-690-691-000000	MISCELLANEOUS		140,000.00	- 140,000.00
290-43991-690-691-000000	TOURIST DEVELOPMENT	237,500.00	96,325.32	141,174.68
290-47000-690-691-000000	TRANSFER TO OTHER FU	12,000.00	7,000.00	5,000.00
	TOTAL EXPENDITURES	525,188.00	400,254.24	124,933.76
EDA LOANS				
Account	Description	Current Budget	Current YTD	Budget Remaining
	REVENUE			
292-34109-690-692-000000	OTHER REVENUE			
292-34960-690-692-000000	INTEREST ON LOANS		- 497.24	497.24
292-36210-690-692-000000	INTEREST EARNINGS	- 16,000.00	- 16,430.53	430.53
	TOTAL REVENUE	- 16,000.00	- 16,927.77	927.77
	EXPENDITURES			

292-48300-690-692-000000	LOAN PROGRAM DISBURS		54,326.16	- 54,326.16
	TOTAL EXPENDITURES		54,326.16	- 54,326.16
EDA LAND				
Account	Description	Current Budget	Current YTD	Budget Remaining
	REVENUE			
294-34950-690-694-000000	TIF ADMINISTRATIVE F	- 1,362.00	- 1,685.90	323.90
294-34960-690-694-000000	INTEREST ON LOANS	- 43,235.00	- 19,301.25	- 23,933.75
294-36210-690-694-000000	INTEREST EARNINGS	- 12,000.00	- 15,353.46	3,353.46
294-36220-690-694-000000	RENT/RENTALS	- 30,000.00	- 21,320.00	- 8,680.00
294-39101-690-694-000000	SALE OF CAPITAL ASSE			
	TOTAL REVENUE	- 86,597.00	- 57,660.61	- 28,936.39
	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	4,100.00	3,075.00	1,025.00
294-43910-690-694-000000	REAL ESTATE TAXES	20,000.00	18,374.24	1,625.76
294-45100-690-694-000000	LAND		1,683.40	- 1,683.40
294-45300-690-694-000000	OTHER IMPROVEMENTS		3,000.00	- 3,000.00
	TOTAL EXPENDITURES	44,100.00	26132.64	17,967.36

City of Owatonna
Balance Sheet
Period Ending: 7/2024

Account Number	Description	Debit	Credit
290-10100-000-000-000000	CASH	130,611.02	
290-20100-000-000-000000	ACCOUNTS PAYABLE		-1,102.20
290-29300-000-000-000000	FUND BALANCE		-107,532.71
Current Year Revenue/Expense			-21,976.11
Fund totals:		<u>130,611.02</u>	<u>-130,611.02</u>

City of Owatonna
Balance Sheet
Period Ending: 7/2024

Fund: 292 EDA LOANS

Account Number	Description	Debit	Credit
292-10100-000-000-000000	CASH	100,829.72	
292-10400-000-000-000000	INVESTMENTS	700,000.00	
292-10450-000-000-000000	ACCRUED INTEREST	60.50	
292-14530-000-000-000000	NOTE - WAGNERS 2016 LOAN #3	16,883.61	
292-14533-000-000-000000	NOTE - KUBISTA #2	8,372.61	
292-14534-000-000-000000	NOTE - VESTERBY TIER I	694.41	
292-14535-000-000-000000	NOTE - VESTERBY TIER II	8,051.47	
292-20100-000-000-000000	ACCOUNTS PAYABLE		-270.48
292-27300-000-000-000000	RESERVE FOR LOANS RECEIVABLE		-36,200.66
292-29300-000-000-000000	FUND BALANCE		-835,819.57
Current Year Revenue/Expense		37,398.39	
	Fund totals:	872,290.71	-872,290.71

Fund: 294 EDA LAND

City of Owatonna
Balance Sheet
Period Ending: 7/2024

Account Number	Description	Debit	Credit
294-10100-000-000-000000	CASH	330,027.79	
294-10400-000-000-000000	INVESTMENTS	500,000.00	
294-14200-000-000-000000	LAND HELD FOR RESALE	2,373,712.85	
294-14257-000-000-000000	NOTE REC - GATEWAY #2 TIF	418,878.55	
294-14258-000-000-000000	NOTE REC - ARROW ACE TIF	307,966.79	
294-14259-000-000-000000	NOTE REC - NICOLAI TIF	501,155.68	
294-14260-000-000-000000	NOTE REC - MARRIOTT TIF	268,000.00	
294-14261-000-000-000000	NOTE REC - 224 CEDAR TIF 17-1	10,425.74	
294-14262-000-000-000000	NOTE REC - ASCEND TIF	100,000.00	
294-14263-000-000-000000	NOTE REC - KAMP TIF	155,074.00	
294-22200-000-000-000000	UNAVAILABLE REVENUE		-597,973.34
294-27300-000-000-000000	RESERVE FOR LOANS RECEIVABLE		-2,005,889.84
294-29300-000-000-000000	FUND BALANCE		-2,329,850.25
Current Year Revenue/Expense			-31,527.97
Fund totals:		4,965,241.40	-4,965,241.40
***** End of Report *****			

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	16,883.61	564.78	Current	Retail	
Total				43,480.63	16,883.61	564.78			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	1	43,480.63	16,883.61	100.00%
	Non-current	0	-	-	0.00%
		1	43,480.63	16,883.61	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	8,372.61	259.78	Current		
Vesterby	12/13/2021	1.625	7	12,500.00	8,051.47	157.53	Current		
Vesterby	12/13/2021	-	3	5,000.00	694.41	83.33	Current		
				<u>42,500.00</u>	<u>17,118.49</u>	<u>500.64</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	3	42,500.00	17,118.49	100.00%
	Non-current				0.00%
		<u>3</u>	<u>42,500.00</u>	<u>17,118.49</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	418,878.55		Current		TIF Guarantee
Arrow Ace TIF note	12/1/17	3.000	25	350,000.00	307,966.79		Current		TIF Guarantee
Nicolai TIF note	12/31/17	3.000	25	524,845.17	501,155.68		Current		TIF Guarantee
Marriott TIF note	5/18/21	3.000	25	268,000.00	268,000.00		Current		TIF Guarantee
224 Cedar TIF note		3.000	25	225,000.00	10,425.74		Current		TIF Guarantee
Ascend TIF note	7/31/2023	5.000	25	100,000.00	100,000.00		Current		TIF Guarantee
KAMP TIF note	2/1/23	3.500	8	155,074.00	155,074.00		Current		TIF Guarantee
Total				<u>2,095,808.17</u>	<u>1,761,500.76</u>	<u>-</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	7	2,095,808.17	1,761,500.76	100.00%
	Non-current	0	-	-	0.00%
		<u>7</u>	<u>2,095,808.17</u>	<u>1,761,500.76</u>	<u>100.00%</u>

Memo

To: Economic Development Authority
From: Brad Meier, President/CEO
Date: 8/21/2024
Re: OACCT Economic Development Update

Economic Development

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

Workforce

- Work experience grant, 16 active work experiences finishing up summer.
- SteeleCoWorks Coordinator-position posted and reviewing applications.
- Planning underway for Made in Owatonna programming for 2024-25 school year.

Other

- OPED: Glenda Smith, Tourism Director met with group to discuss new website plans.
- OPED: Riverland Owatonna dean, Matt Bissonette joined the group to discuss plans for this campus.
- OPED: 2 new Real Estate Journal events this month (bag tournament and golf). Owatonna participating in both to determine future value with network in metro.
- OPED: walk through city 'for sale' downtown properties to make sure all members knew the spaces
- Hosted ribbon cutting at Home2Suites to celebrate their opening.
- SCFF: Chamber Booth promoting next year's Model T convention and Owatonna trivia.

<u>Company</u>	<u>Date of Inquiry</u>	<u>Service Provided</u>	<u>Follow ups</u>	<u>Conclusion</u>	<u>Project Outcome: Green (progressing), yellow (probable); red (not moving)</u>
Franchise director for DQ US looking for a new person to run DQ franchise for Owatonna	10/9/2023	Looking for ideas on a new franchise owner for the DQ in Owatonna. They'd like to fill the space just vacated on Bridge.	Received some promotional information and have been sharing it out to business community. 01/09/24: franchisor they had lined up fell through, so still looking for one for Owatonna.		
Wants to run an adult daycare in his existing location downtown	12/4/2023	Some questions about what is needed by the city of owatonna to complete this project in current space.	Ken Beck & Brad Meier met with business owner to discuss what is needed and a realistic timeline.	Owner still working on details with architect. 2/15/24: conditional use permit approved at city.	
Looking for new site for their church	1/25/2024	Lead pastor has moved church to temporary location, wants to find an existing building with at least 10,000 sq ft	Building on the south end of Owatonna has come on the market. Discussed some information about the site with him.	Church is going to purchase land to put up a new structure.	
Group has purchase agreement on building looking for feedback on needs/use	1/8/2024	Redevelopment project that has high visitor attraction potential.	Provided ideas on the building and possible uses/needs.	2/22/24: meeting with the key investors of the project to discuss possible uses and operators.	
Discussion with developer about future projects.	2/27/2024	Discussed redevelopment sites at I35 & Hoffman as well as south end wholesale tires buildings	Did not seem like a project this individual was interested in taking on at this time.		
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.	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.	
Met with new owners purchased existing business in Owatonna	3/1/2024	Plan to invest upwards of \$500,000 into the building	Improvements will allow for growth of the business.	Not asking for help with it, plan to complete in 2024.	
New attorney	2/19/2024	Divorce Attorney open Owatonna location	Planning to open small office in downtown Owatonna	Things are on-track and plan to open in April/May	
New Psychologist	2/19/2024	Psychologist opening Owatonna location	Planning to open small office in downtown Owatonna	On Track	
Restaurant for Downtown	4/26/2024	Working towards opening a restaurant business	Considering a cooperative agreement with existing location. 7-3-24: shifting idea to a food truck	Working with Sean at OABDC	

Distillery	4/26/2024	Wants to open small batch distillery	Timing not known right now.		
Commercial Kitchen	5/7/2024	Interested in commercial kitchen space to expand current business being run out of their house.	Sharing new space idea with the owner.	He is looking into the space to see if it is a suitable fit. Too big for what they need at this time. Will continue out of home.	
Expand Retail Space	5/7/2024	Considering options for doubling his space.	Discussed several ideas and will continue discussion. They want to do something soon.	Won't happen in 2024	
Beauty Services	6/3/2024	Trying to secure funding to get business started, first in her home.	Talked about business planning; she has an appointment with Sean Williams set. Looking to get a small loan for start up items.	6/19/24: phone conversation, she is still looking for a small loan of approx. \$1,500 to get her business started. She is scheduled to meet with Danielle at the OABDC	
Restaurant Interested in Owatonna	6/18/2024	Owns a restaurant in Rochester, MN and has a food truck that comes to Owatonna.	Wants to pursue a location for his restaurant in Owatonna and wants to discuss funding options		
Business looking for commercial land to build	6/19/2024	Business looking for 1-3 acres to build an initial building of 8,400 sq ft with space to expand.	Provided a variety of land options including space on Cedar north of 26th, corner land SW corner by Lowes, and land near Cabela's		
Has a home builder connection that wants to come to Owatonna	7/16/2024	Looking for 10 home lots to get started or potentially more.	Discussed a variety of options including existing lots and developments. Also discussed future plans and possible options there.	Provided a specific contact to them with a developer who has discussed a small project in Owatonna.	
Local non-profit looking for new space to purchase	7/15/2024	Needs approximately 4000 sq ft with the basic office amenities of conference room, offices, etc.	7-17-24: connected with a building owner who is willing to sell a space that has 4000 sq ft available. Did a tour.	Fall/winter timeframe	
Re-engaged on space in Owatonna -wants retail and creation space.	7/17/2024	Needs approximately 2500 sq ft with production space.	Toured the former Curly Girlz spot and really likes it. Considering moving the production side of the business from a different city to Owatonna.	Fall (Sept) timeframe	
Looking for a partner to move into a new space and expand.	7/17/2024	Want to expand into 2,500 sq ft, but need a partner organization to make it work financially.	Asking for ideas and contacts. Several provided.		



EDA Report for July 2024

Updates:

- Software Studio Update – 60+ entrepreneurs directly
- RFP for Makerspace Update
- Innovators & Business Owners Connect-Up – 11 participants
- Co.Starters Workshop – 4 entrepreneurs, 3 businesses

Upcoming:

- Design sprint workshops
- English- and Spanish-language Small Business Academy cohorts – Starting Sept 16th

OABDC - July 2024

Consulting						
Clients	Sessions	Hours	New	Operating	Hours	
					2024 YTD	2023 YTD
11	16	19.5	5	5	138	67

Occupancy			
Manufacturing		Offices	
Total Leasable Space	34,325	Total Leasable Offices	11
Total Leased Space	19,675	Total Number of Leased Offices	10
Present Occupancy	57%	Present Occupancy %	91%
Budget Occupancy	70%	Budget Occupancy %	70%
Occupancy Revenue to Budget	\$(499)	YTD Performance to Budget	\$ 4,122
Performance to Budget	94%	YTD Performance to Budget	130%
Number of Tenants	8	Number of Tenants	10
Future Makerspace	1,600		



EDA Forgivable Loan Program – July 2024

Updates:

- 120 S. Oak Ave. – Chamber / Meier
 - Loan documents being drafted.
- 315 N. Cedar Ave – Dress Shop / Pankowski
 - Loan documents being drafted.

New Business:

- 114 N. Cedar – Tone Music / Schack
 - Interior - \$4,575
 - Accessibility improvements
 - Exterior forthcoming

August 21, 2024
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.
- 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. They will be building an office and storage space this fall.
- The property at 224 North Cedar Avenue has been conveyed to Oscar and Tammy Mazariego to renovate the building into a wine lounge. Tax Increment Financing has been approved for the project. A development agreement was approved and signed for the project. Costs has gone up on the project from the time the development agreement was signed and the owner is not moving forward with the project. The property has been transferred back to the City.
- The City has purchased the property at 117 West Bridge Street formerly owned by Centro Campesino. Construction of a new roof on the building is complete as well as other improvements. The EDA paid for the roof and other improvements with the intent of redeveloping the property and utilizing tax increment financing to recoup those costs from the project. A redevelopment project is being sought for that property.
- The City owns the property at 148 West Main Street that was damaged from a collapsed roof. A redevelopment project is being sought for that property.
- Tax Increment Financing has been approved for the redevelopment of 202 West Bridge Street. The project will renovate the entire building into retail and office space. Construction is complete on the first floor and Graif has moved into that space. Additional tenant space is being built out in the upper level of the building.
- Plans have been announced for the riverfront redevelopment project north of West Vine Street and west of North Oak Avenue. Redline Development Group will be demolishing 5 buildings, including the Chamber of Commerce building and constructing a bank building and a second building which will contain Mineral Springs Brewery, 20,000 square feet of commercial space and 70 luxury apartments. The EDA owns one of the buildings at 216 North Oak Avenue. Tax Increment Financing has been approved for this project. A development agreement has been approved. The property is being platted and easements and streets are being vacated as part of the project. Demolition of the buildings is complete and construction has begun.

- Scooter's Coffee is proposing to build a drive-through coffee shop on city owned land at the corner of South Cedar Avenue and 18th Street SW. The City Council has approved a conditional use permit for the project and purchase agreement for the property. The property has been sold. Scooters is trying to purchase the tower property and incorporate it into the site before beginning the project. Building plans have been submitted and construction is planned to start in August.
- 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.
- Foamcraft is proposing to construct a 15,000 square foot addition to their existing facility in the industrial park. Tax Increment Financing has been approved for the project. Construction is nearly complete.
- The City Council approved the purchase of 139 East Pearl Street. Closing on the property occurred on October 18th. The City will be demolishing the house this fall.
- The City received an offer to purchase the two EDA lots on State Avenue for \$200,000 for a 12,100 square foot facility for Renneberg Hardwood Inc. The City Council approved the sale on July 16th and the closing date is set for August 29th.