

**EDA**  
**Minutes**  
**April 17, 2019**

The Owatonna Economic Development Authority met in regular session at 4:00 PM at the Council Chambers with Vice President Jeff Okerberg presiding. Commissioners Present: Brenda DeVinny, Corey Mensink, Jeff Okerberg, and Doug Voss. Also present were Troy Klecker, Greg Kruschke, Bill Owens, Shirley Schultz, Emily Volkmer, Dave Beaver, and Kristen Kopp.

**Approval of Minutes.** Commissioner DeVinny moved approval of the minutes of the February 20, 2019 meeting with second by Commissioner Mensink. All Commissioners voting Aye, the motion passed.

**Treasurer's Report.** Troy Klecker presented the revenue and expense reports for March. He said that the first half payments on contracts with the OACCT and OABDC have been made.

**OACCT Report.** MainStreet Director Shirley Schultz said that Brad Meier is gone at a meeting.

**MainStreet Report.** MainStreet Director Shirley Schultz provided the quarterly MainStreet report. She said that they received a SHIP Grant for \$3,400 for pedestrian directional signage—signage pointing to attractions. They also received a grant for \$4,200 from MN MainStreet to light one alley downtown. The committee chose the alley between Costa's and Tone Music, as it leads to a majority of the public parking downtown. She said that they have to be careful attaching the lights to the brick, so that was also a consideration. They are in the middle of planning Downtown Thursdays with Har Mar Superstar at the first one. They are expecting at least 3,000 people for that event. She said that the EDA helped to fund The Music Space, and Mark Woodrich has been a huge help in scheduling the music. Voss asked if this would just be for the Central Park stage. Schultz said no—they will also be using the green space on the 200 block of North Cedar. There will be two groups at each stage at 5 and 7 pm. Voss asked if they would have a stage for the green space. Schultz said that she hopes to. She said that she has had tremendous help with a new full time staff person at the Chamber. Emily Volkmer is the new Group Tour and Events Director. Voss said that they have two alleys they'd like to get spruced up. Klecker said that they have grant money for one alley. The one they chose leads to the bulk of parking downtown, so it was the obvious one. Schultz said that they did look at all of the alleys.

**Tourism Report.** Group Tour and Events Director Emily Volkmer provided the quarterly Tourism Report. She said they've been adding new user content to the webpage. This makes people more likely to interact. Karen Pehrson attended the National Sports Association Symposium in Tennessee. The Circle Wisconsin Tradeshaw was last week. She said that the group tour season is starting. They had 50 people last Saturday and 10 group tours scheduled so far. There were only one or two last summer, so this should be a better year. She said that they can tell how many e-newsletters have been opened and they are growing from last year.

**Loan and OABDC Report.** Bill Owens presented the monthly Loan and OABDC Reports. He pointed out that the Wagners loan has been consolidated and that is now reflected on the Loan Report. Things have been going well at the Center. Consulting is down somewhat, but occupancy has been solid.

**Airport Report.** Airport Manager Dave Beaver presented the quarterly Airport Report. He said that first quarter activity was down due to the bad winter weather, but they have been doing a lot in April. They are at full occupancy at the moment and getting into tour season. A fly-in breakfast and movie night are scheduled for the summer. He said that the focus is to get youth interested in aviation. Flight instruction is growing with four students. Instruction is done by Langer Aviation. Voss asked how the fuel system upgrade is going. Beaver said that it is working well.

**EDA Projects.** Troy Klecker presented the EDA Projects report for March. He said that they have everything for the Cemstone land swap. The Vine Street apartments are on target for a June 1 opening. The Pearl Street apartments are contingent on how the Vine Street apartments rent up. The James Brothers land swap is complete. Staff continues to work on filling the former Bubba's building. The brew pub is investigating another location at this time. He said that downtown hotel project is still in the works, although it's taken a different form. The scope may not be as large as originally intended, but it will a priority to have a hotel downtown.

**Old Business.** Klecker presented the EDA Forgivable Loans program and said that they have separated interior and exterior loans. This is a matching loan up to \$10,000 which could result in a \$400,000 investment in the downtown. The Commissioners discussed a timeline and decided it would be reasonable to allow them to get their permits this year and complete construction in 2020. The Commissioners discussed the intent of exterior improvements. Klecker said that the intent was to improve the street side of the building. Mensink said that this will be a nice catalyst to get other things done as well. A motion was made by Mensink and seconded by DeVinny to approve the EDA Forgivable Loans program. All Commissioners voting Aye, the motion passed.

**New Business.** Klecker said that, as part of enforcement efforts downtown, the Fire Department will be conducting inspections. He mentioned that the building next to Mizuki Fusion has a failing roof. The owners, Centro Campesino, are financially unable to make the improvements. This would result in the City having to make improvements and assessing it against the property. Klecker said he's been in discussions with Ernesto and their long-term plan is for Centro Campesino to dissolve. He said that they have a mortgage and unpaid taxes on the building for \$67,000 with First United Bank in Faribault. The bank could write this down to \$30,000 and would forgive the rest if the EDA is willing to purchase it. He said that if they don't, the building will sit for five more years and could deteriorate more. He said that it could be much worse and the bank will write off \$37,000 of the mortgage. With the \$130,000 roof repairs, this would be a total of \$160,000 into the building and then the EDA is in control of it. They can recoup costs through a TIF. Klecker said that they like to be preemptive. This building is in better shape than the Bubba's building was. Kruschke said that some people were really interested in the building last year, but the selling price was too high. This will allow someone to come in \$100,000 ahead. Voss said it would be good to get it fixed and sold. Klecker said that as is, it is not contributing anything to the downtown. Mensink said that he's all for the EDA getting control of it. Klecker said that this is the last failing building downtown. He said that they went back and forth with the bank to get the mortgage down to \$30,000. He said he would try to get the price down more if possible. A motion was made by Voss and seconded by Mensink to purchase this property for \$30,000 and authorize use of EDA funds to repair the roof. All Commissioners voting Aye, the motion passed.

**Schedule Next Meeting.** The next EDA meeting is scheduled for **May 15, 2019** at 4:00 PM at the City Council Chambers.

**Adjournment.** There being no further business, a motion was made by Commissioner Voss and seconded by Commissioner Mensink to adjourn the meeting. All Commissioners voting Aye, the motion passed. The Meeting adjourned at 4:59 pm.

Dated: May 15, 2019

Respectfully Submitted,

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**Secretary**