

ECONOMIC DEVELOPMENT AUTHORITY

The EDA plays a key role in industrial and commercial development in Owatonna. To learn more, contact:

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We help businesses get started and grow. Contact us today to find out how we can help:

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OPU provides reliable, competitively priced water, gas and electric service to commercial and industrial customers. To learn more, contact:

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OWATONNA AREA CHAMBER OF COMMERCE & TOURISM

To assist businesses with economic growth and development. For business assistance, contact:

507-451-7970
320 Hoffman Drive • Owatonna, MN 55060

Growing Owatonna

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Downtown Business Properties "OPEN HOUSE TOUR"

By: Ken Henricksen, Owatonna Business Incubator

A commercial market study done for the City of Owatonna in 2005 identified 189 businesses located in the Downtown District. The district includes two of Owatonna's major employers; Federated Insurance and Jostens. The study went on to say, restaurants accounted for fully one-third of the retail businesses in the district.

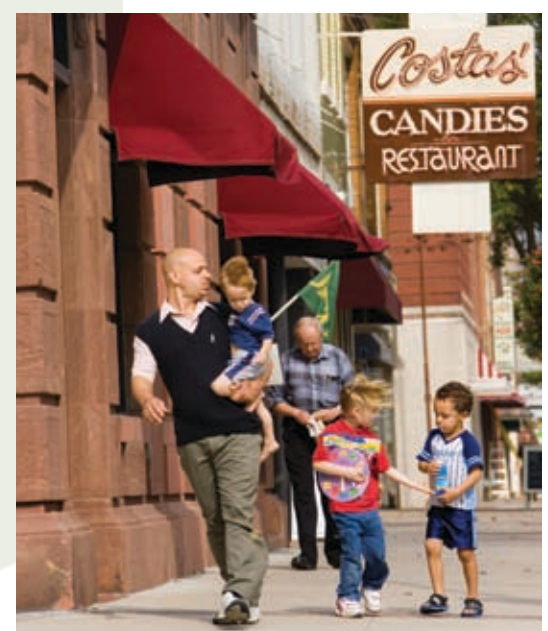
The 2005 study estimated there are approximately 438,700 square feet available with only a 7% vacancy. Driving through the downtown district and noticing a vacancy or for sale sign in the window can be deceiving. Today the vacancy rate still remains low.

The Chamber's Mainstreet Program in conjunction with the Owatonna Economic Development Authority have partnered to support the many store front renovations that are still taking place as I write this article. The flower baskets and the sign replacement projects and soon the new bike racks are some of the continuing subtle little enhancements happening to make downtown a great place to work, do business,

dine and shop. Then there is of course the summer music in the park series, the crazy days with the food and street dance, at Christmas time the lighting of the park and more.

Partnering with realtors and building owners, the Mainstreet program is coordinating a "Downtown Business Properties Open House Tour", the first tour was June 4th. Visitors shop and compare tour properties and talk to the realtors and/or owners about details that evening. They are encouraged to join others after the tour and visit with individuals who can help get a business started and also visit with current downtown business people.

With over 180 businesses already located in the downtown district, the downtown has proven its value as a place to do business. This newest program instead of calling it the "Downtown Business Properties Open House Tour" could simply be called the "Downtown Opportunities Tour". Thanks to the Mainstreet Program and the EDA for their continued



The downtown business tour coordinated by the Chamber's MainStreet Owatonna Program, marketed the central business district as a great place to start or move a business.

efforts. If you missed this tour, see you on the next, provided there are still properties available for another tour.

OPED'S ANNUAL CEO Meeting

By: Steve Shurts, Owatonna Public Utilities



So what were over 40 Owatonna area business and community leaders doing over the lunch hour on May 20th? They were attending the Owatonna Partners for Economic Development (OPED) Annual CEO Meeting. This venue provided them with the opportunity to learn of OPED's recent activities to attract and retain businesses, how the area is faring in the current economic climate, and generally what is happening in and around Owatonna.

Of interest to the participants were the transportation and infrastructure projects planned for the next two to three years. Many of these people represent businesses that will benefit from the new roads in the west and southwest areas of the city, including the intersection with new US Highway 14.

Statistics, particularly unemployment figures, presented at the meeting did affirm that Owatonna, with its large manufacturing base, has been hit harder than most other areas in the State. Dave Strand, Owatonna Development Director, provided this data, along with statistics on construction permits issued in 2009. The valuation data indicate that Owatonna could have the lowest construction valuation in years, after posting the highest ever in 2008.

On the other hand, the participants also learned that, even with the economic downturn, a few businesses are growing and expanding. History has proven that Owatonna is resilient and will pull through the recession. The question is how long will it take to get back to square one. This question was one of many that our guest and keynote speaker, Mr. Tobias 'Toby' Madden addressed in his presentation titled, "How did we get into this financial mess and what does it mean for the future?"

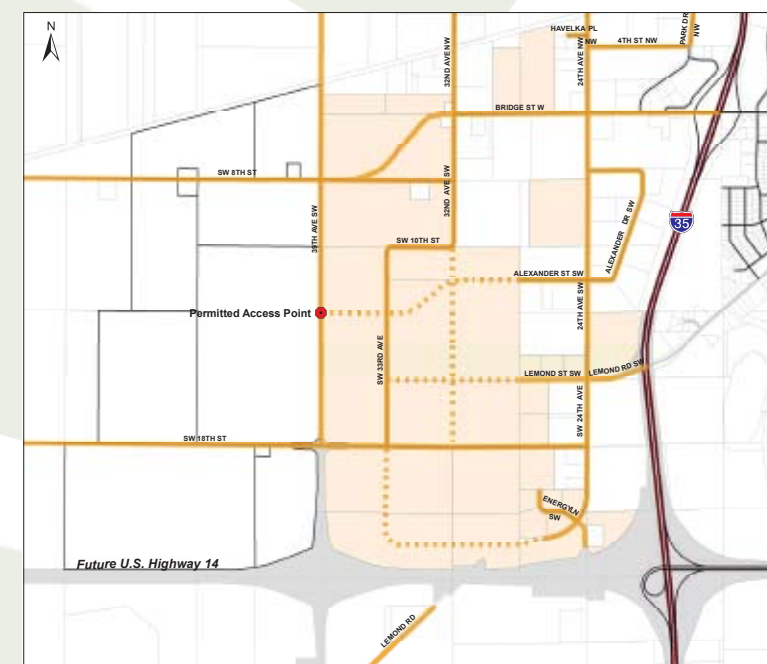
Toby blamed misaligned incentives for getting us into this mess. Companies took on too much risk, assuming the government was going to cover any losses. Therefore, an artificial boom occurred in the housing and consumer segments. The Federal Reserve then responded by providing liquidity to financial institutions.

Toby suggested that the needed adjustments were made in the residential and retail sectors. However, the credit crunch is still with us and will affect the overall economy for some time. This has the potential to severely impact the commercial real estate markets.

Toby is a regional economist in the Public Affairs department at the Federal Reserve Bank of Minneapolis. In this position, he writes articles for Bank publications and frequently speaks on the district economy. In addition, he is actively involved with the Bank's economic education program. These credentials, along with an undergraduate degree in accounting, master's degree in finance, and working on his doctorate in applied economics, made him the perfect person to talk about the state of our economy.

Major Road Construction Projects in SOUTHWEST OWATONNA TO BEGIN THIS SUMMER

By: David Strand, City of Owatonna



## SUPPLYING PRODUCT TO THE AUTO INDUSTRY

### Q&A with SPX Dan Sayner



**Q: The auto industry is taking a beating right now and you manufacture tools for the auto industry. How is this impacting SPX in Owatonna?**

We have definitely seen fewer orders this past year from some of our US customers who are car and truck manufacturers. However, our business is more closely tied to the number of service repair bays. What we are watching there is the bankruptcy proceedings for GM and Chrysler, which will consolidate more dealerships. Fewer dealership orders from car and truck manufacturers have been offset by more orders from do-it-yourself retailers like AutoZone, O'Reilly, and NAPA. Also, some of our product introductions have helped make the independent repair shops more productive. As consumers have postponed buying new vehicles, we are seeing an increase in our vehicle service business.

**Q: With the cutbacks we've seen in manufacturing, rumors spread about the future of our companies. Will SPX close its plant in Owatonna?**

There are never any guarantees given how rapidly our market can change, but our Owatonna operations are SPX's only remaining manufacturing sites for automotive-related products in North America. This is too large of a market to abandon or underserve our customers. As long as we remain flexible and competitive, we have an investment here in Owatonna that makes good business sense.

**Q: What makes Owatonna a good location to manufacture products for SPX?**

I've been here over 10 years and have always been impressed with the level of commitment and work ethic of our employees. They have the necessary skills and abilities for our complex mix of products, but I believe their "can do" attitudes separate them from many other places. SPX has consolidated operations from Michigan, Florida, and Ohio into Owatonna because of the business climate, access to transportation, and the availability of a skilled and motivated workforce.

**Q: What are the keys for SPX to continue to have success in a rapidly changing market?**

Innovation, flexibility, quality, and responsiveness to our customers will continue to differentiate SPX from our competitors in this market. While the current economic environment has created many challenges for SPX, it has also provided us with exciting new growth opportunities as several of our competitors reassess their position within the market. We are in the process of cultivating these opportunities as potential areas of future growth. Owatonna has a legacy of businesses that has adapted these tenets and has fared better than many places throughout the country.

*By: Brad Meier, OACCT*



## OWATONNA Housing & Redevelopment Authority

### MISSION STATEMENT

The Housing and Redevelopment Authority is a five-member board created by the City Council with members appointed by the mayor. The Mission of the HRA is to:

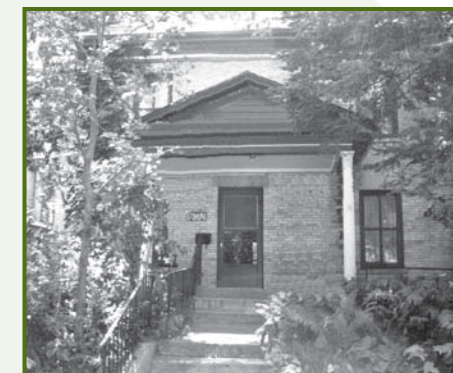
- Monitor and assess housing and redevelopment needs in the community.
- Assist private sectors initiatives in developing housing that meets identified needs.
- Revitalize the City's housing stock and eliminate slum and blight conditions.
- Benefit low and moderate income households by improving housing conditions and maintaining affordable housing costs.
- Encourage and support efforts toward economic self sufficiency.
- Provide safe, sanitary, decent and affordable housing opportunities to low and moderate income households.



## HEADING HOME STEELE

### "God Takes Care of the Lilies and the Sparrows, He'll Take Care of You, Too!"

The name for the Lily Sparrow house was inspired by this Mother Teresa quote. It is the hope that guests feel loved and valued and cared for, just as God cares for the flowers of the fields and the birds of the air. Last summer a group of Christians of varying faith backgrounds began offering hospitality to homeless women and children in Owatonna. Lily Sparrow House operates in the tradition of the Dorothy Day Catholic Worker houses of hospitality which have been in existence since the 1930's. Guests are interviewed before being offered hospitality to give hosts and guests a chance to get to know each other before committing to live together. Although length of stay varies, guests are expected to be able to transition through their episode of homelessness within 30 days. The Lily Sparrow House has a full time volunteer resident host who is supported by a core community of volunteers. These hosts simply share their three bedroom home and meals with those in need. Typically, two families can be accommodated at a time. Guests needing hospitality are requested to get a referral through either Salvation Army or clergy from one of the local churches. For the comfort and safety of our guests and hosts, unscheduled walk-in guests cannot be offered a place to stay.



*Lily Sparrow House operates in the tradition of the Dorothy Day Catholic Worker houses of hospitality which have been in existence since the 1930's.*

Life at Lily Sparrow House is a simple rhythm of sharing life together. Rules based on mutual respect and dignity are simple and few. Guests must be drug and alcohol free at all times, they are expected to share in the household duties, and are to be diligent in the care of their children. Hosts encourage guests in their efforts to transition through this difficult time in their lives.

### HOSPITALITY HOUSE Provides Emergency Shelter for Homeless Men



The mission of Hospitality House is to provide emergency shelter and short-term transitional housing to single men, as well as assistance in meeting basic needs and accessing area social service agencies. Emergency sheltering is understood as being for a very short period, typically a stay of one to three nights. Longer stays, up to three months or so, require further assessing of the individual's needs or if he has the desire to become a productive member of our town. In either case, the individual also has access to food and laundering facilities during his stay. So our purpose is to alleviate the basic survival needs, ie. food and shelter, of the individual so he can concentrate on getting employment and saving money for his own place.

### GET READY! US Census Day is April 1, 2010

Minnesota needs YOU to answer the questionnaire that will be sent to your address during February and March 2010. Minnesota's Congressional representation is based on Minnesota's population count from the Census. In addition, approximately \$300 billion in federal dollars are distributed based on the Census results.

The U.S. Census Bureau and the Minnesota State Demographic Center want to be sure that every Minnesotan is counted. Working together Minnesotans will once again lead the nation in responding to the Census.