

Growing Owatonna

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Owatonna Economic Development Authority, Owatonna Area Chamber of Commerce & Tourism, Owatonna Business Incubator, Owatonna Public Utilities & Steele County

Local Businesses Fuel Worldwide Economy

\$45 Billion Company buys Blount

Partners for Progress recently met with Matt Keeley, Operations Manager Forest Products for Caterpillar (CAT) located in Illinois and local plant manager Kurt Schrom. Caterpillar see's Owatonna as a key component to their forestry division and has already invested more than \$1 million into equipment in the local facility located on Highway 45 south. CAT brings a much bigger dealer distribution network which means more products from the Owatonna facility will be shipped globally. They are also working to bring in additional work from other CAT facilities to Owatonna which they hope will create stability for their workers who are used to the cyclical nature of the business.

New Management for Crown Cork & Seal

Four-and-a-half million cans are made each day and 120 people are employed full time at Crown Cork & Seal in Owatonna. Cans made at Crown Cork & Seal are used for several local and national brands including Menu Foods, Lakeside Foods, Faribault Foods, and Nestle Foods. Recently new plant manager Patrick Sheehy (left) gave Partners for Progress a facility tour.



Sheehy shows Kris Busse, City administrator and Steve Shurts, Owatonna Public Utilities General Manager part of their can creating process. More than 80 million cans are stored on site at the Owatonna facility.

Owatonna SPX – Center for Manufacturing Excellence

Owatonna's economic development team, PartnersforProgress, sent Mayor Tom Kuntz and Chamber President Brad Meier to Warren, MI to meet with SPX Americas President Tanvir Arfi.



Pictured: (L to R) Brad Meier, Tanvir Arfi, SPX Americas President, Tom Kuntz, Dan Cassons, SPX Vice President of Operations (Owatonna).

The visit was made to thank SPX for doing business in Owatonna and to develop a relationship with the people making decisions on the local facility.



Tanvir shows Mayor Kuntz a part to a GM engine that SPX engineers are working on tool designs for.

During the meeting, Tanvir talked about Owatonna as SPX Service Solutions center for manufacturing excellence. They have consolidated many of their manufacturing operations to Owatonna and continue to do so. Tanvir cited the high quality of the workers in Owatonna as their main reason for keeping and expanding operations here.

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*Well Placed.
Well Paced.*

Local Businesses linked to Canadian Trade

Canadian Trade Commissioner Kate Saba's visit to Owatonna proved to be a valuable international discussion. Kate toured 4 industries including Uber Tanning Company (pictured) where owner Jared Rinerson discussed their product and the challenges of shipping animal product across the border. Ms. Saba also presented to 30 business leaders at a luncheon about trade with Canada and how her office is a resource for business to make sales or purchasing from Canada easier. Saba also toured General Equipment, Concepts & Designs and Lakeside Foods. The visit was a collaborative effort with the Minnesota Department of Employment and Economic Development.



WORK PROGRESSING ON CITY STORM WATER MITIGATION PROJECTS

The city is moving ahead on the four most critical flood mitigation projects identified by the Bonestroo engineering study. Due to a lack of state grant funds, these projects will be funded through a storm water improvement district assessment on all property in the City of Owatonna and an increase in the storm water utility fees. The city has also requested federal funding to assist the city in completing the flood mitigation projects. Congressman Tim Waltz has included the City of Owatonna's \$7.5 million dollars in flood mitigation projects in his federal funding appropriations bill.

PROJECT DETAILS

SE Residential Area

Phase I - final grading and seeding has been completed in Bueckler Park. Trees have been planted along the earthen berm and a layer of sand/dirt mixture has been placed at the bottom of the dry pond. The pond is 100 % functional and is working as designed, which was demonstrated by the recent heavy rains on June 11, 2008.

Phase II- The city is still negotiating with the property owner and has revised the plans significantly. The pond is a different shape and the size has been increased. The city is also working on a separate design for the emergency overflow. Staff has been actively meeting with residents west of the pond site to obtain the necessary easements for the new storm sewer trunk line.

Industrial Park Area

Phase I - Culvert installation. Culverts are being placed under I-35, Bridge Street and St. John Drive. Work began on June 16, 2008. It is anticipated the work will be completed sometime in early August depending on weather conditions.

Phase II-Construction of upstream storm water ponds. The appraisals are completed and currently under review. An offer to purchase the land will be forthcoming.



Walnut Avenue Area

The plans and specifications for the project are 95% completed. Additional information is needed on pumping equipment and specifications. It is anticipated approval of the plans and specifications and ordering the advertisement for bids will be in mid July. Bid opening is tentatively scheduled for mid August with a construction date for mid September. The phase I project is being designed to allow for a possible phase II project as funding allows.

4th Ave Cedardale Drive SE Area

Plans are complete for this project. The City has received the necessary permits from MNDOT. The City Council at the June 17, 2008 meeting approved the plans and specifications and ordered the advertisement for bids. Bids will be opened on July 17, 2008 and will be considered by the Council at the August 4 meeting. Construction will be completed this year.

CITY INFRASTRUCTURE BEING UPGRADED

Transportation Improvement Projects

Signal Project:

Bridge Street – I-35 West Ramp, city cost of \$100,000

Project Completed 2007.

Signal Project:

West Frontage Road and 21st Avenue NW, city cost of \$300,000

Bid awarded on 6-17-08.

Under Construction.

Project completion 11-2008.

Signal Project:

TH 14 and 24th Avenue NW, city cost of \$250,000

Bid awarded on 6-17-08.

Under Construction.

Project completion 11-2008.

Signal Project:

46th Street and CSAH 23, city cost of \$300,000

Project construction

2009-2010



West Hills, Fire Hall, Library Improvement Projects

Owatonna Public Library – water line, fire suppressions system, alarm system

Project Completed 2007

Senior Center – new windows, two roofs, parking lot expansion (Minor landscape work around parking lot is done)

Project Completed

Administration Building indoor air quality – new HVAC system

Approximately 75% complete. Structural work is approximately 90% done. **Completion date for the entire project is 9-1-08**

West Hills building waterproofing foundation, carpenter shop window wells, tuck pointing and stone repair replacement.

(All of these projects have been lumped into one due to the similar nature of work.)

Bid opening was 6-20-08. Bid will be awarded July 1.

Henderson Hall restoration.

Currently under renovation.

Fire Hall elevator/third floor renovations

Plans completed.

Bid awarded 6-17-08 to Brennan Companies.

Under construction.

The city has received \$1,894,834 in sales tax to date and another \$62,535 in vehicle excise tax for a total collected of \$1,957,369.

Revenue has been coming in ahead of projections. Much progress has been made on the various sales tax projects.

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.

OWATONNA'S AUTUMN HILLS – IS MAKING ROOM FOR HOMEOWNERSHIP

AUTUMN HILLS is making room for growing families working in our community. With attention to design features, energy efficiency, and space for families to grow into. Eleven affordable homeownership opportunities are available by contacting the Southwest Minnesota Housing Partnership. They maintain affordable loans for households buying an Autumn Hills home. Their Loan Officers work with low-interest mortgages, gap financing, and down-payment assistance to find the best products for each buyer.



Autumn Hills is a model of best practices land use planning, home design, and partnerships among public and private funders to achieve a community vision for a planned cohesive, economically balance neighborhood for working families within our community.

AUTUMN HILLS PREPARES HOMEOWNERS for homeownership and the purchase process which is essential for long-term buyer satisfaction and community growth. Homeowners get off on the right foot by attending a Home Stretch homebuyer education classes. Local experts

share their experience in homebuying during the Home Stretch workshop. By addressing credit, budgeting, real estate, maintenance, and other questions before purchase, homeowners can avoid many of the headaches and heartaches that befall uninformed buyers. To find out more information about Autumn Hills contact the Southwest MN Housing Partnership at 1-888-468-8010 x 405.

Foreclosures in Minnesota

A recent study completed by Housing Link and Greater Minnesota Housing Fund looked at foreclosure trend from 2005 through 2008. The study showed over 66,000 families are projected to lose their homes during the 2005-2008. In 2008 - it is estimated that over 110,000 households will fall behind on mortgage payments - and over 28,000 families in Minnesota will lose their homes to foreclosure.

Minnesota counties accounted for 17%. Here in Steele County for 2008 it is estimated that we will see 142 foreclosures. This is an increase from 64 foreclosures in 2005.

Traditionally, foreclosure happened due to loss of job, loss of spouse, or loss of health. Now households are facing the foreclosure crises due to predatory lenders pushing high priced sub-prime loans that were too costly to borrowers, lending standards that allowed borrowers to buy homes without adequate proof of income, negative

Overview of foreclosure process

A large majority of Minnesota foreclosures occur by Advertisement. In Minnesota that takes place at the county level and are regulated, for the most part, by state legislation. The foreclosure process can start as early as 30 days after a borrower first misses a mortgage payment.

amortization loans increasing the loan balance overtime rather than decreasing the loan, adjustable rate mortgages (ARMS) that are re-setting to higher interest rates, and mortgage fraud. While the total number of foreclosures continues to increase substantially in Minnesota, the majority of foreclosures are occurring in the Twin Cities seven-county metro and in a subset of counties in Greater Minnesota. For example, in 2007 the Twin Cities seven-county metro accounted for 64% of total foreclosures. The 10 counties in Greater Minnesota with the next highest number of foreclosures accounted for 19%, while the 70 remaining Greater

Once the mortgage is in delinquency, the lender empowers an attorney who then files notice of pendency against the borrower, starting the foreclosure process. Shortly thereafter, the attorney publishes a foreclosure sale notice in a local newspaper (at least six weeks before the date of the sheriff's sale) and the county serves the filing to the homeowner. At any point before the sheriff's sale, the property owner can reinstate the mortgage by paying all dues, fees and expenses.

After the notice has been published and served, the sheriff's sale occurs and the sheriff auctions the property off to the highest bidder, resulting in foreclosure of the mortgage. Following the sale is a redemption period of up to six months, during which the borrower can redeem the property by paying the amount of sale plus interest, taxes, fees, or liens on the property. Borrowers who do not redeem the property by the expiration of the redemption period lose title and right of occupancy in the property.

Sample Foreclosure by Advertisement Action Timeline on a Conventional Mortgage



This chart based on information developed by Michael Grover of Federal Reserve Bank of Minneapolis (based on Minnesota state statute) and further refined by HousingLink.

ECONOMIC DEVELOPMENT AUTHORITY

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

507 - 444 - 4300

540 West Hills Circle •
Owatonna, MN 55060

OWATONNA BUSINESS INCUBATOR

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

507 - 451 - 0517

1065 24th Avenue SW •
Owatonna, MN 55060

PO Box 505
Owatonna, MN 55060

OWATONNA PUBLIC UTILITIES

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

507 - 451 - 2480

208 Walnut Avenue, South •
Owatonna, MN 55060

STEELE COUNTY

Is a vital partner in providing the necessary infrastructure to support business expansion and access. For assistance, contact:

507 - 444 - 7400

630 Florence Avenue •
Owatonna, MN 55060

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

STRAIGHT FROM THE AUCTION BLOCK

Ritchie Bros. Auctioneers, the world's largest industrial auction company, is currently constructing a new permanent auction facility next to I-35 and in-between Medford and Owatonna.

The facility is set to open later this fall and when complete will sit on approximately 70 acres of the 140-acre property, with plenty of room for future growth. The facility will include an approximately 30,000 square foot auction theater and administrative offices, a 24,000 square foot refurbishing building and a 2,200 square foot equipment check-in building.

Ritchie Bros. made the decision to construct the new permanent auction site to replace the Company's existing facility located in Lakeville, MN (at 22100 Pillsbury Avenue). The new site will be able to accommodate more equipment and larger auctions. The location in between Medford and Owatonna was chosen as it provides good visibility to traffic along I-35 and easy access for both truck and car traffic. The close proximity to hotels and restaurants at the Three-Corners intersection near Cabela's is an added benefit for Ritchie Bros. customers who come to the sales, which are all day events and may occur over two or three days.

Representatives from Ritchie Bros. worked with officials from both the City of Medford and Owatonna prior to the start of construction. A collective decision was made by all stakeholders to annex the property for the facility into Medford's

municipal limits and extend water and sanitary services along the Frontage Road. As in many of its other locations, the presence of Ritchie Bros. Auctioneers should help stimulate business and attract new growth for both cities.

The project was kicked off with a groundbreaking ceremony in the fall of October 2007 and Ritchie Bros. plans to hold an auction on the property sometime in late 2008. The official grand opening of the facility is planned for early 2009.

Established in 1958, Ritchie Bros. is the world's largest auctioneer of industrial equipment, operating through over 110 locations in more than 25 countries around the world. The Company sells, through unreserved public auctions, a broad range of used and unused industrial assets, including equipment, trucks and other assets utilized in the construction, transportation, material handling, mining, forestry, petroleum, marine, real estate, and agricultural industries. The Company maintains a web site at www.rbauction.com.

