

# Growing Owatonna

PUBLISHED IN PARTNERSHIP WITH THE OWATONNA ECONOMIC DEVELOPMENT AUTHORITY, THE OWATONNA BUSINESS INCUBATOR & THE OWATONNA AREA CHAMBER OF COMMERCE & TOURISM

## Owatonna Business Incubator – 17 years and growing

Deciding to start a business and growing a business as a small business person can be a lonely, daunting task. SBA statistics on the success rates of those that try, show one in five will still be in business five years after starting. That statistic alone can discourage people with good ideas from trying.

The Owatonna Business Incubator is a non-profit organization that was formed in 1988, some 17 plus years ago. When the Incubator was originally started, the founders knew the horrific success rates and at the same time were seeing local companies being bought up, moved and closed. They decided that coffee shop talk would not change things, so they set out to make a proactive difference in Owatonna.

As you read the following questions and answers, please consider how the Incubator can and does impact Owatonna.

### **What does the Owatonna Business Incubator do?**

The Incubator's mission statement is, "to foster small business growth, job creation, and to create an environment conducive to entrepreneurial business success" within the Owatonna Area. OBI has four ways it works to achieve its mission.

1. A program called the Small Business Development Center (SBDC).
2. Affiliation with the City of Owatonna's Economic Development Authority (EDA).
3. Training workshops and resources.
4. A building rental program for start-up companies with regional or beyond marketing focus for their products.

### **Describe the Small Business Development Center program and give some results:**

The Incubator receives funding for this program, commonly referred to as the SBDC Program, from the US Small Business Administration through its SBDC network. OBI provides counseling to individuals starting small businesses and to individuals looking to grow their

business. OBI provides these services which can include help in writing a business plan, help in getting organized to apply for a loan, and by helping individuals answer the "how do I get started" questions, at no cost to the client.

This past year alone, OBI worked with 96 clients under the SBDC program. Of those 96 individuals and businesses, 42% were in business and 48% were in some stage of exploring or starting a new business. These are businesses locating or located around Owatonna and include restaurants, construction, health care, manufacturing, professional, other services and retail businesses. The individuals and businesses names are kept confidential; however, client satisfaction surveys are taken from each client by the State of Minnesota's Department of Employment and Economic Development each year. With a 50% plus return of surveys, OBI has had client satisfaction rates ranging from 92% to 96% over the past 5 years.

### **Describe the affiliation OBI has with the City of Owatonna's Economic Development Authority (EDA)**

OBI is a private non-profit organization. OBI operates just like any other small business, except as a non-profit, OBI does not pay state or federal income taxes. OBI pays real estate taxes, in 2005 that was \$30,488. OBI pays the City of Owatonna \$30,000 each year for the building OBI uses to rent space to start-up companies. Unlike City facilities that receive contributed services, OBI pays for the Utilities it uses, in 2005 that total was \$44,620. However, OBI and OPU have worked together to reduce its utility costs, freeing up funds for other expenses more directly related to OBI's mission. OBI pays all the customary expenses like payroll, advertising and so on. OBI contracts with the EDA to help those businesses that qualify for the EDA loan programs. That assistance can involve help with the required business plan; help with the loan application, and



**Scott Pierce, owatonna High School teacher and his business class touring the Incubator and talking to the Tenants about starting and owning a business.**

assistance through out the borrowing and life of the loan. As of the end of 2005, there were 23 loans on the EDA's books. Loans have been made for building facade repair, retention of employees, rehab of buildings and new business startups.

### **Describe the training and resources.**

OBI facilitated a Business Growth Workshop Series in the fall of 2005. The series centered on businesses need to innovate to grow. OBI has worked with the Minnesota Inventors Congress and had their all day workshops here in Owatonna. From time to time, OBI does a "How To Get Started In Business Workshop". OBI has a number of free publications available on various aspects of running a small business. OBI often is a referral point to other organizations including the SBA, DEED, Workforce Center, and various licensing organizations.

### **Describe the rental program.**

The OBI manufacturing building, located in Owatonna's industrial park, was built in 1998 and is rented to start-up

companies that have regional, or beyond, focus in their marketing plans. The facility has 10 offices for rent and approximately 26,000 square feet of manufacturing space. Under this program, individuals looking to start their business in the OBI facility will submit a business plan and an application to the OBI Board of Directors. The staff of OBI are available to help the applicant with the application process. When accepted as a tenant, they pay rent to OBI. The rental rate all Tenants pay is based on a study the OBI Board of Directors do periodically. The rates are at market rates. The advantages to someone renting from OBI are several. The new tenant only rents the space they need today.

If that is 800 sq ft today, that is what they pay for. If next month they need an additional 800 sq ft to add to their present space, they can do that. The tenants have access to conference rooms, loading docks and amenities usually only

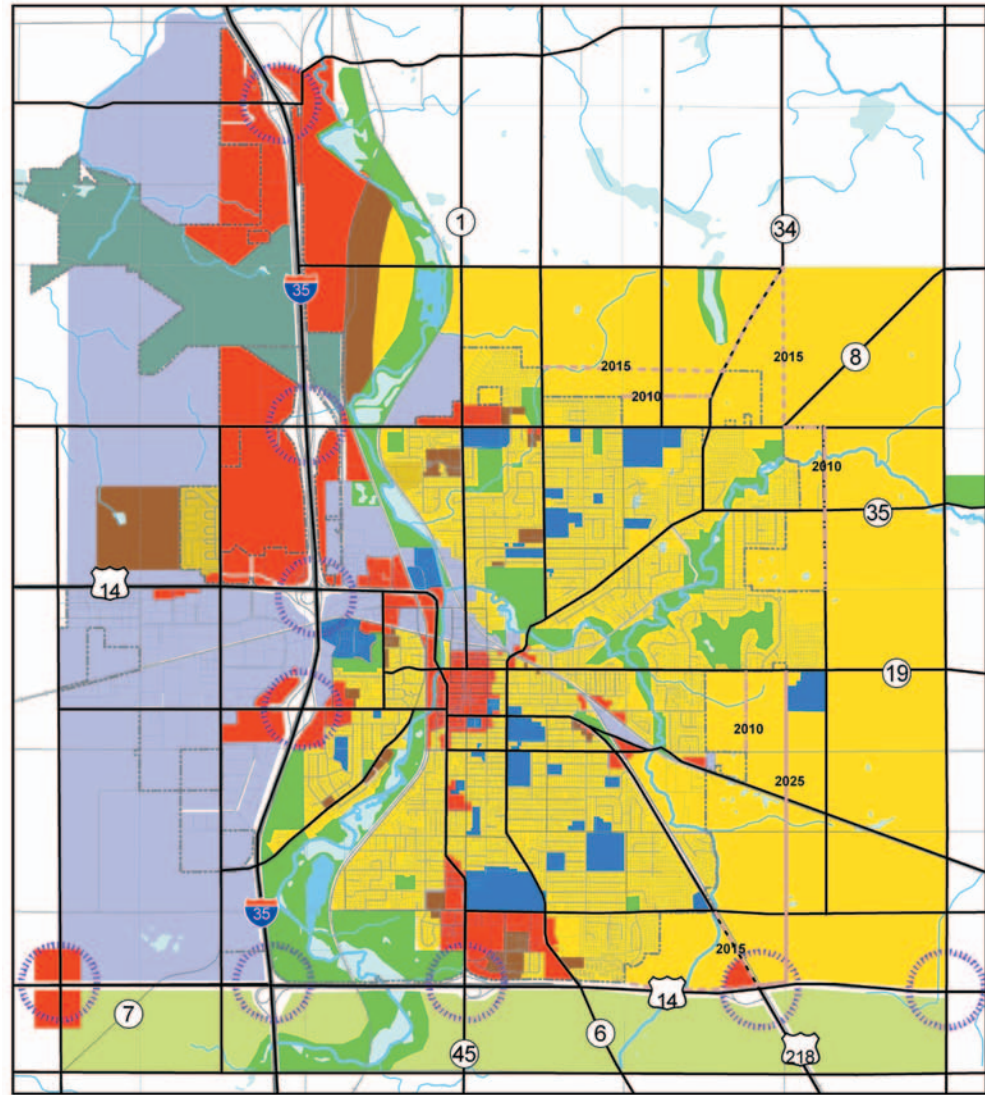
**OBI**  
Continued on page 2

# Owatonna Development Plan - Blueprint for City's Growth

When building a house it is important to have a good set of blueprints to guide construction. Building a city likewise needs a basic plan to provide a framework to guide its growth and development. Many cities create such development plans, which are sometimes called comprehensive plans, to provide for the orderly and efficient growth of the city. Owatonna first adopted a plan for development in 1965. The plan was subsequently revised in 1975 and again in 1988. The city is now engaged in revising and updating its development plan to reflect the anticipated growth of the city through 2025. The heart of the plan is the development map which outlines future land use designating where commercial and industrial development will occur as well as indicating the future residential areas necessary to accommodate projected population growth. The plan map also indicates future major roads and potential sites for parks and trails. The Owatonna Development Plan is based on extensive studies that have recently been undertaken.

Population and household growth projections have been developed for the city which serve as the basis for determining how much residential land needs to be indicated in the plan. A commercial market study recently completed provided information on the amount of land that was needed to be set aside for future commercial development as well as the locations where such growth should occur. The city has also conducted detailed studies on its sanitary sewer and stormwater systems to determine what improvements will be necessary to service future development.

The city has distributed drafts of the plan map to various governmental entities and organizations for review and comment. At a future date the Owatonna Planning Commission will hold a public hearing on the plan. After public hearing the plan will be presented to the City Council for adoption. If you have questions or comments on the development plan please contact the Owatonna Planning Department at 507-444-4340.



**Future Land Use Plan**  
City of Owatonna, Minnesota

- |                                |                      |
|--------------------------------|----------------------|
| Municipal Boundary             | Mobile Homes         |
| Highway Intersections          | Commercial           |
| Major Transportation Corridors | Industrial           |
| Railroad                       | Park/Open Space      |
| 2010 Growth Boundary           | Public/Institutional |
| 2015 Growth Boundary           | Airport              |
| 2025 Growth Boundary           | Agricultural         |
| Low Density Residential        | Open Water           |
| High Density Residential       | NWI Wetland          |

DAHLGREN  
SHARDLOW  
AND · URBAN  
December 15, 2005  
KJ...A486/ru.mxd

## Primary Land Use Objectives of the Owatonna Development Plan

- Provide sufficient land area to satisfy needs of an anticipated moderate, but steady residential, commercial, and industrial growth.
- Provide and protect enough land for the city's industrial sector thereby insuring additional employment opportunities and a broader tax base.
- Provide conveniently located and economically viable commercial areas to meet the needs of the consumer and business owner.
- Provide for the development of new high quality residential areas which are a prominent Owatonna characteristic.
- Insure that new growth is compatible with existing development patterns.
- Discourage unnecessary urban sprawl into the agricultural areas surrounding the city.
- Provide a broad frame of reference relative to the city's future within which private decision-making can operate in confidence.
- Insure that the pattern of new development allows for the most efficient and economical extension of city services and infrastructure.

## OBI

Continued from page 1

available to larger more established businesses. All OBI lease rents are in writing for three years, however, the Tenant can break the lease with 3 month notice. The individuals that choose to start at OBI have management assistance available, join other individuals in the building and gain from their experiences and support.

In 2005, two manufacturing tenants and one service tenant relocated out of OBI. Between these three tenants, they have created over 60 jobs in Owatonna, and an annual payroll of over \$2 million dollars. The two manufacturing companies purchase parts, goods and services in Owatonna supporting even more jobs/payroll. OBI's rental facility gave

these three companies a great place to get started.

### Who makes up the Board of Directors?

The current board members and their affiliation are: Audrey Hyland – Wenger Corporation, Steve Thein – Federated Insurance Companies, Perry Christensen – Viracon/Curvlite, Greg Sparks – City Administrator, Steve Grams – Community Bank, Steve Kath – Retrofit Companies, Mark Carver – Dow, Einhaus, Mattison & Carver, Don Rooks – SPX Corporation, Roger Warehime – Owatonna Public Utilities, Marline Levine – Gainy Conference Center, Doug Parr – Riverland College.

### Summarize what OBI means to Owatonna.

OBI in 2005 provided assistance to 96 businesses and individuals, many of who are starting businesses downtown as well as other areas of Owatonna. The training programs and resources, and EDA loan programs provide additional opportunities for Owatonna entrepreneurs. The rental program at OBI's industrial park facility generated over \$2 million in payroll for Owatonna last year, and there are more tenants that will be relocating in the near future.

The Incubator's Board of Directors and Staff work hard to make the Incubator a true asset for Owatonna. However, they can not do it alone. Many individu-

als and businesses support OBI. They recognize that what OBI is doing will have a long lasting effect on what Owatonna looks like tomorrow and into the future.

Please let OBI know if you or you know of anyone that could benefit from OBI services. OBI currently has some rental space available. OBI welcomes questions.

Contact any of the Board members, or the Web site:  
www.owatonnaincubator.com,  
E-mail at OBI@owatonnaincubator.com  
or call 507-451-0517.



## Bridges Out Of Poverty

Thursday, April 6, 2006

St. Joseph Church, 512 S. Elm, Owatonna

Half day session, 8:30 a.m. to 12 noon OR

1:00 p.m. to 4:15 p.m.

As business owners and industry leaders we need to become more knowledgeable on the values and 'hidden rules' of each economic class in order to bring a fundamental connection between employers and employees. Phil DeVol will provide insight from a business perspective on the 'Bridges Out of Poverty' Concepts. Phil DeVol has researched with Dr Ruby Payne on the eight basic resources that are necessary to successfully sustain a community's quality of life. Join us on April 6, 2006 at St Joseph Church as we increase the awareness of differences in the economic cultures in order to maintain and attract a dependable workforce within our community.

This workshop will increase participants awareness of the differences in cultures and how those differences impact opportunities for success. The workshop will discuss key causes for poverty and leave participants with the skills needed to develop action plans to improve their serve to employees.

*Sponsored financially and in-kind by Southern Minnesota Initiative Foundation,*

*City of Owatonna Housing & Redevelopment Authority, Riverland Community College, Express Personnel Services and Blandin Foundation*

## Home Stretch Homeownership Workshop Unlocking the secrets to Homeownership

Purchasing a home is one of the biggest investments you will ever make. Take your first step to unlocking the secrets to homeownership by attending the Home Stretch Workshop in Owatonna on Wednesday, April 12, 2006 at Senior Place. SEMCAC, in coordination, with the local lenders and realtors, will provide a pre-purchase education program know as Home Stretch. Local housing professionals walk you through each step of the home buying process from budgeting, through completing a loan application, all the way to closing the sale and maintaining your new home. A registration fee of \$50 covers class manual per household. Contact the Owatonna HRA at 507-444-4346 or SEMCAC in Rushford 507 864-7741 to register.

**Home Stretch Workshop  
Wednesday, April 12, 2006**



**9:30am to 6:30pm  
Senior Place  
500 Dunnell Drive  
Owatonna, MN 55060**

## Improving Access and Coordination to Essential Support Services that End Chronic Homelessness

Regional housing advocates meet monthly in Owatonna at the Regional Continuum of Care Network to develop and implement innovative new strategies to eliminate homelessness in our region. The Network shares information and resources among nonprofit service providers, HRA's, human services, homeless and housing coalitions, faith-based and community action agencies, grass roots and civic organizations. With the intention of securing regional funding to end homelessness - one person, one family at a time, the Network builds part-

nerships and collaborations that encourage the proactive development of supportive and affordable housing.

The Network is focused on the Congress's 10 year plan placing an emphasis on preventing and ending chronic homelessness. Persons experiencing chronic or long-term homelessness are generally homeless for over one year or have been at least four times in the past three years and may be living with a disability, an addiction or mental illness. Research indicates that 10 to 20 percent of this homeless population uti-

lizes more than half of all federal resources targeted for homeless assistance. By focusing more attention on the needs of long-term homeless persons and improving access and coordination to essential supportive services, the plan prevents reoccurring episodes of homelessness. This allows more housing resources to become available for families and individuals who face temporary homelessness.

Each year the region receives just under a million dollars in federal funding to provide housing and support services

for people experiencing homelessness through programs such as rent assistance, transitional housing, and emergency shelter. The Network also supports state funding for homelessness and works collaboratively to support the state Homeless Management Information System which provides a standardized case history data management system between service providers. The Regional Continuum of Care Network meets on the third Thursday of each month in the Stewart Holmes room of the Owatonna Hospital.

## RENT SMART

**Tuesday, April 18th & Wednesday, April 19th, 2006**

**500 Dunnell Drive (Senior Place – East Meeting Room) • 5:00 pm – 8:00 pm**

*Providing opportunities for tenants to learn information and acquire skills that improve & maintain a positive rental history*

The Rent Smart is a community program that provides practical training to assists low-income households in Steele County succeed as renters and avoid confrontations and legal hassles.

A Certificate is awarded at completion of the Rent Smart Program. On request, the coordinator will also supply letters of recommendation to help out participants who are in the process of a housing search. The classes are free and are open to anyone wanting to learn more about your rights and responsibilities as a renter.

To enroll in the program a participant can call Nancy Bokelmann at the Owatonna HRA or Gina Pohlen at Steele County Transitional Housing. The class will last approximately 3 hours nightly with the assistance from Local Property Management Agencies.

**Topics Covered**  
Money management & budgeting  
Ways to reduce spending & save money  
Understanding credit & How to improve your credit  
Landlord/tenant rights and responsibilities

Finding a Place to Live/ Checking out the Landlord  
Understanding Rental Applications Rental Agreements  
Housekeeping & Home Maintenance  
Communicating with your Landlord & How to be a good neighbor  
Moving On: Giving notice, Security Deposits, and Evictions  
This class will start on 4/18 and continue on 4/19 from 5:00 – 8:00 pm. Childcare and dinner will be provided.

**For more information  
or to register for the  
session, call  
Nancy at 444-4346 or  
Gina at 446-9315.**

# OWATONNA

## Well Placed. Well Paced.

A thriving regional center, Owatonna serves as a shopping, tourism and health-care magnet for southern Minnesota. The city consistently ranks among the most livable small towns in the country. It's amenities rival those in cities many times its size

Not too close and not too far captures what many people comment when they discuss Owatonna and its distance from the Twin Cities metro area.

In an effort to capture that feeling and compete with southern Minnesota and other Midwest cities for new and relocating companies, the Partners For Progress (PFP) group and a host of cooperating community interests and experienced economic development professional consultant worked together to develop a comprehensive and attractive marketing brochure for Owatonna. The theme or message "Owatonna- Well Placed. Well Paced." is something local business interests want to stick in people's mind when they consider Owatonna.

Partners for Progress - including the City of Owatonna, Owatonna Area Chamber of Commerce & Tourism, Owatonna Business Incubator, Owatonna Public Utilities and Steele County meets weekly to discuss and build on the strengths of the five organizations, strive to coordinate services, accommodate requests and fast-track decisions for this already rapidly growing city.

The task of designing an Owatonna marketing brochure outlining the strengths and uniqueness of the city and surrounding

area was enlightening. To touch on all that the city offered, the rich history and diversity of the community's businesses was unique and challenging. According to a site selectors criteria when looking at relocating, starting up or expanding a company, items at the top of most lists and which are readily available in Owatonna are:

**Steele County has one of the highest concentrations of manufacturing jobs in Minnesota – more than double the state's average. The county also outpaces the nation in the percentage of finance/insurance jobs-a mark of its skilled diverse workforce.**

- Location
- Interstate and highway access
- Airport amenities
- Development zones
- Tax incentives such as JOBZ, TIF, other tax abatement and funding

- Colleges & workforce training programs.
- Business Incubator
- Telecommunications

The brochure fans out and covers a spectrum of information from sustained growth high quality of living, vibrant downtown to a strong surrounding labor pool that companies look for when analyzing a potential location. To learn more or receive a brochure visit our website at "http://www.owatonnadevelopment.com" www.owatonnadevelopment.com or call 1-800-423-6466.

## Workforce Profile - Careers with Opportunities in Owatonna.

**Title: Broad classification – Machinists**

**Skills:** Technical to highly technical.

**Wages/Salaries:** Range from \$17 to \$24/hr or more (annual \$35,000 to \$50,000 plus).

**Working environment:** The machinist today often operates machines costing thousands of dollars into the millions of dollars. The work place is a professional setting that reflects the companies investment in the skills and knowledge of the machinist and the equipment the machinist is responsible for.

**Occupational description:** Includes robotics, process control programmers, and tool and die making specialists. The machinist may program, set up and operate a variety of machining tools to produce precision parts and instruments. This is an occupation for those individuals that take pride in using their skills and training in creative ways.

**Future:** Growing need, shortages exists for skilled machinists. Reviewing the web sites listed here will identify trends and projected growth. Comments of the future need for machinists: Machinists will lead the way for manufacturing's future in the United States. As technology keeps changing, machines will do more and more. The need for skilled, trained machinists to operate these machines will continue to grow.

**Where to look for more information:**

"http://www.iseek.org" www.iseek.org - excellent site to explore careers and locate regional educational opportunities. (Click: find careers; manufacturing; machinists)

"http://www.mnwfc.org" www.mnwfc.org - Minnesota Workforce Center site. (Click: labor market information; careers; employment outlook/employment projections; southeast Minnesota; production occupations; view detailed occs; select occupation group; 514.... ) High School Councilors; Area Technical/Community colleges.



**Multiple task Machining Center in operation at General Equipment Company, Owatonna, Minnesota. Requires programming, inspection, measuring, print reading and machining skills to operate this high technology equipment.**

"In the future, I won't be able to grow my company by doubling my workforce, growth will come with machines and the skills of the individuals who operate these machines." Dennis Von Ruden, President of General Equipment Company, Owatonna, Minnesota.

### ECONOMIC DEVELOPMENT AUTHORITY

The EDA plays a key role in industrial and commercial development in Owatonna.

To learn more, contact:

**540 West Hills Circle  
Owatonna, Minnesota 55060**

**507-444-4300**

### OWATONNA AREA CHAMBER OF COMMERCE & TOURISM

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

**320 Hoffman Drive  
Owatonna, Minnesota 55060**

**507-451-7970**

### OWATONNA BUSINESS INCUBATOR

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

**1065 24th Avenue SW  
Owatonna, Minnesota 55060**

**507-451-0517**