

Growing Owatonna

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WORKFORCE *By: Jennifer Libby*

Growing Owatonna.....How do we "grow" Owatonna? Certainly, with businesses and industry. But what is a key component to the success of business and industry? Workforce. Whether the business sector is manufacturing, retail, service or others, workforce is a key predictor and influence on success.

As we all hear, locally and nationally, workforce is an issue. We are challenged to train, educate and place the right talent into the right jobs; and, this is key, to find enough of the right talent. Baby boomers are aging and retiring, subsequent birth rates have declined. Needs of business and industry have changed and we as a society have struggled to keep pace with that increase and rapid infusion of technology in industries across the board.

Owatonna and surrounding communities are not alone in this struggle. However, our struggle is ours to address. How do we do that? As a community and a region. The Owatonna Partners for Economic Development or OPED (including partners from the Chamber of Commerce and Tourism, City, County, Business Incubator, Utilities) made workforce one of the top priorities in 2015.



This past year has seen participation by an increased number of entities and an enhanced level of engagement by those already involved. Businesses and education are partnering. Community groups such as the United Way, Junior Achievement, Minnesota Workforce Center and Southern Minnesota Initiative Foundation (SMIF) are also partnering with stakeholders from the OPED team.

What are these entities doing? Engaging in regional partnerships such as South East Minnesota Together, an organization funded by a grant from SMIF that facilitated meetings in Owatonna with Faribault, Austin/Albert Lea and Winona to discuss issues around workforce. In Owatonna alone over 120 business, education and government leaders participated. A wrap up/action planning meeting is scheduled for 2016.

We continued an initiative begun in 2014 where educators, business and community leaders meet on a quarterly basis to discuss workforce issues. Discussions from this group resulted in actions such as enhanced business participation in College and Career Day at Owatonna High School (OHS), identifying businesses to be filmed to give students a first-hand view of career opportunities and, finally, educating ourselves as a group about what actually exists in education today, rather than assuming or relying on anecdotal or third hand information. We are currently exploring how the re-introduction of apprenticeships may look in our community.

"Made in Owatonna Day", held once per year for the past four years, expanded to three days in the 2015/2016 academic year. Initially sponsored by the Chamber, schools, United Way and Junior Achievement in prior years, we were thrilled to expand our group this year to include the Bosch Foundation, due to their very generous grant. We also partnered with Blue Cross Blue Shield and the Blandin Foundation as community recipients of broader grants written by the United Way to enhance this program, as well as fund a position at the Workforce Center, which serves as a liaison between business and schools.

We are meeting with the Minnesota Department of Employment and Economic Development (DEED) to maximize their programs, impacting more employees, prospective employees and businesses. We have also met with our local and state legislators, Governor Dayton and MnSCU Chancellor Rosenstone to communicate our concerns, opportunities and desire to partner and support.

Schools involved to-date include OHS, the Alternative Learning Center, Choice Technical Academy and Wilson Elementary, as well as Riverland Technical College, South Central Technical College and Minnesota State University-Mankato. We met directly and candidly discussed what industry wants to see change in education and what education needs from industry in terms of partnership.

We welcome your input and ideas. Thank you to every one of you who contributes to our community, whether as an employer, employee, educator, leader, tax-payer or in another way. Workforce is an issue. It is ours to own and ours to impact. One business leader in our quarterly group said he has been involved in similar groups and discussions in three different communities and he has been encouraged to see that the most movement on this issue in our community. Certainly, that is heartening to hear and was much appreciated. But there is much more to do; people to connect with their professional passions and businesses to support. And that is what 2016 will look like.

SCHOOL REFERENDUM *By: Peter Grant*

On November 3, 2016, the voters of the Owatonna Public School District approved a \$77.9 million bond referendum to improve our schools.

Those improvements include upgrading safety and security at all schools. These upgrades will provide a significant improvement for keeping our buildings secure along with improving the safety of our students and employees. A second area of improvement will be addressing deferred maintenance issues in our buildings. This will include updating the heating and cooling systems in our schools from steam to hot water, addressing building code deficits in handicap accessibility, fire suppressant systems, and other electrical and plumbing areas. The third part is to address elementary over-crowding by adding classroom spaces to Lincoln, McKinley, OJHS, and Willow Creek. This investment will help improve our schools for the next fifteen to twenty years.

OWATONNA ENERGY *By: Jared Hendricks*

Photo Courtesy of Southern Minnesota Municipal Power Agency



Southern Minnesota Municipal Power Agency (SMMPA), Owatonna's wholesale power provider, broke ground on their newest generation facility on October 5th, 2015. The new station, called the Owatonna Energy Station, is located on the west edge of Owatonna Directly north of Crown Cork & Seal, near Owatonna's west substation.

The Owatonna Energy Station, when completed, will house four (4) Caterpillar natural gas engines. These 20 cylinder engines will provide 38 megawatts of electricity to Owatonna. The plant will also have a 500 kW diesel generator to ensure cold start capabilities. The station will be owned and operated by SMMPA and provide benefits to Owatonna such as local reliability, voltage control, and hedges on wholesale power pricing. The new station will also be able to provide emergency power for much of the city in the event that both transmission feeds to town are taken down. With summer

peaks around 70 megawatts and winter peaks just over 50 megawatts the station couldn't fully support town but would be enough to ensure Owatonna will not be left completely out of power if a disaster were to strike.

By locating their newest generation facility in Owatonna, SMMPA is also taking advantage of existing transmission capacity from the old decommissioned Owatonna Power Plant. The generation equipment from the Owatonna Power Plant was destroyed during the September 2010 flood leaving Owatonna with only a small gas turbine for local generation.

The station will be very similar to the Fairmont energy station that was recently put in service. That station houses 25 megawatts of natural gas generation. The Owatonna station, much like the Fairmont station, will be able to start and stop very quickly to assist with grid stability as more renewable generation, such as wind and solar, are added to the Owatonna area. With an in-service date anticipated in late 2017, construction will continue throughout 2016 for the Owatonna Energy Station.



Photo rendition of Owatonna Energy Station courtesy of Southern Minnesota Municipal Power Agency

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TRANSPORTATION PROGRESS FOR 2015 *By: Kris Busse*

Good transportation systems are critical to fostering economic development. Owatonna saw much needed progress in terms of transportation investments in 2015. A two year \$19.1 million MnDOT project replaced concrete I-35 roadways through Owatonna as well as four bridges. The project, completed in November, also provided for additional safety features such as auxiliary lanes, lighting improvements and improved ramp geometry. U.S. Highway 14 is an important interregional corridor that moves goods, services and workers throughout southern Minnesota and to other parts of the state and nation. Continued investment in this interregional corridor is essential to continued economic growth. \$12 million was invested in Highway 14 in 2015 to continue the expansion another 2.5 miles from two lanes to four lanes from east of Owatonna at Highway 218 to 54th Avenue. Funding for this segment was provided from the newly formed Corridors of Commerce program for highway construction. In addition to the expansion project, a \$4.1 million resurfacing project was completed on Highway 14 from I-35 to a few miles east of Claremont. Other improvements included old Highway 14 (Hoffman Drive) which received \$3.2 million worth of pavement replacement, concrete pavement repairs and pedestrian improvements from the beginning of the western city limits to the intersection of State Avenue. A new $\frac{3}{4}$ access was installed at Brady Boulevard making the adjacent property more attractive to development.

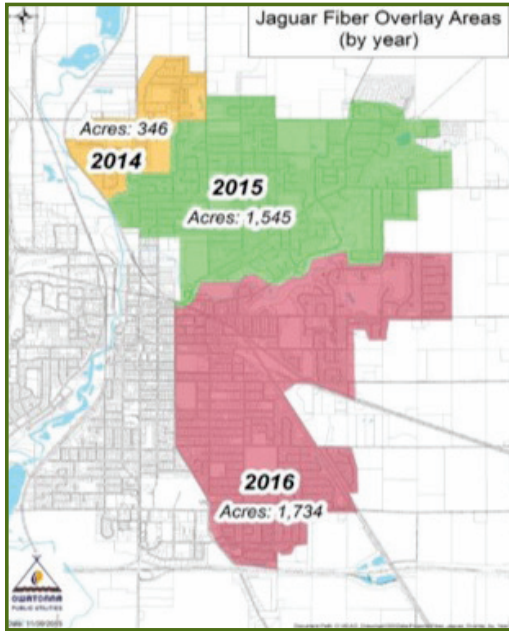


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JOINT UNDERGROUND PROJECT *By: Jared Hendricks*



The second year of Owatonna Public Utilities Joint Underground Project with Jaguar Communications has come to a close with some great results. The 4 year project, which started late in the 2014 season, is allowing OPU to put much of their single phase electric distribution system underground.

The first year of boring was limited to a couple months of work and saw about 4 miles of conduit being pulled. The 2015 year was able to run all summer resulting in 14 miles of conduit buried. With 18 miles of new conduit work started in specific areas to replace distribution in high problem areas reducing outages to these residential customers.

When completed, this project will provide storm hardening for much of OPU's distribution system. The anticipated project will locate a total of 60 miles of conduit underground using directional boring over a 4 year span. Once the conduit is completed it will take a number of years for OPU's line crew to pull the new distribution wire.

Locating single phase distribution underground has many benefits to the Owatonna community. Cost savings from reduced tree trimming will be passed along to customers as more overhead distribution is converted to underground. Storm hardening helps reduce outages after wind storms and blizzards and reduces the amount of infrastructure destroyed if Owatonna were hit by a tornado. OPU was reminded how easy it is to lose power poles after a wind storm during the summer of 2015. This storm toppled 3 poles and took out service to residential customers. A

reduction in squirrel and bird caused outages will also provide benefits to residential customers. Another benefit of the joint underground project is the ability for Owatonna residents and business to have additional access to broadband services with fiber to the home.

If not for Jaguar Communications seeking out OPU to work jointly and share boring costs, the ability to bore 60+ miles of distribution conduit would not have presented itself. Jaguar is the lead on the joint project having hired the contractor to perform the directional boring. Advancements in directional boring allow very precise location of utilities with minimal surface damage. Although there will be some ground restoration to be completed at each location, the contractor is able to perform the majority of their work with minimal interference in residents yards and activities. In areas that will have both OPU and Jaguar, the contractor is pulling all necessary conduits through one hole.



A FEW WORDS *By: Bill Owens*

"The Owatonna Business Incubator" has a rich history of helping area businesses get their start. The success stories are as numerous as they are varied. It is easy to say that the Owatonna area has benefited from the incubator. Since those that utilize the incubator are not strictly from Owatonna, maybe we should call it the "Owatonna Area Business Incubator"?

While we are on the subject of clarification, what about the word "incubator"? For many it brings to mind visions of young poultry getting their start. Eggs hatch and someone can conceivably "hatch" an idea. In both instances we are starting at the inception. While the Owatonna Business Incubator has helped many from the point of inception, it does much more than that. It helps businesses in various stages of development. Businesses that are ready to expand or purchase another entity are an equally important part of mix of clients here at the Owatonna Business Incubator. If the term incubator infers that it is from inception, and we have clarified we are here for more than the beginning, maybe "Owatonna Area Business Development Center" is a more accurate name to hang on the wall.

In addition to being the Executive Director of the Owatonna Business Incubator, I am a business consultant for the SBDC. The SBDC, or Small Business Development Center, is the consulting function of the SBA, or Small Business Association. The consulting I do for area businesses is actually paid for by the SBA. But these are small businesses. Right?

The SBA (SBA.gov) defines small businesses differently for each type of business. For instance a "Plumbing, Heating and Air Conditioning Contractor" needs to have less than \$15MM in annual receipts to be considered small. A "Dog and Pet Food Manufacturer" will have to have less than 500 employees to qualify. A "Sheet Metal Work Manufacturing Company" is also restricted to 500 employees. The Small Business Administration's definition of "small" includes many businesses that you may not consider small.

The Owatonna Business Incubator does not restrict the availability of our facility to "small" businesses by your definition or even the SBA. We are here for area businesses and we want to help.

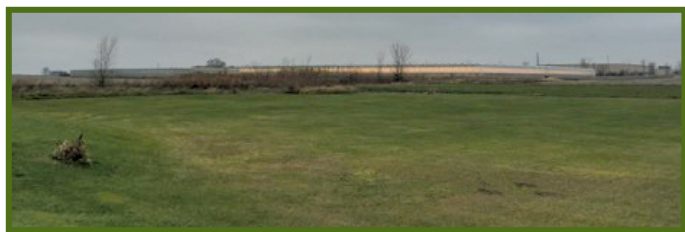
ECONOMIC UPDATES By: Troy Klecker



Viracon is constructing two additions onto their existing facility in the industrial park. One addition is 35,000 square feet on the southeast corner of the 300 building. The other addition is 55,000 square feet and is located on the west side of the 300 building. Viracon has experienced tremendous growth in the last few years and is planning another larger addition in 2016. The City is pursuing a Minnesota Investment Fund grant through the MN Department of Employment and Economic Development for this project.



Horizon EyeCare has completed a new office building on Heritage Lane in NW Owatonna. The new facility is approximately 10,000 square feet and is a result of partnering with Family Vision Care, previously located along Main Street in downtown Owatonna.



Bushel Boy has completed a 170,000 square foot greenhouse addition onto their facility in the industrial park and is looking at constructing another 170,000 square foot greenhouse addition. The City is pursuing a Business Development Infrastructure Grant from the MN Department of Employment and Economic Development to construct a regional stormwater pond to assist with the project.



Hardee's has opened a new restaurant at the corner of Hoffman Drive and State Avenue in December. It was the site of the former MC Fitness which has been demolished for the new restaurant. The new restaurant is 3,200 square feet and has drive-up facilities.

26TH STREET IMPROVEMENTS

By: Dale Oolman

Area residents have endured multiple major road construction projects over the past couple of years. Construction on I-35, Highway 14 East, and Hoffman Dr. / Crane Creek Road (Old Highway 14) have caused delays and detours. Those projects are now complete but as most drivers know construction is a never ending process in Minnesota. So while drivers are enjoying the long awaited improvements made to these roads, plans are being made for next construction season.

Projects that are being planned for next year, include improvements to a couple of intersections located on 26th St. (CSAH 34). Most motorists that use this road know that backups can occur especially during the morning and late afternoon hours. In an effort to reduce those backups and improve safety, projects are being planned for two intersections along that road.

At the CSAH 45 / State Ave. intersection several improvements are being designed. These include adding a stoplight and turning lanes at the intersection. Converting the east frontage road's (CR 190) intersection with 26th Street into a right-in/right-out and realigning 21st Ave. to connect onto CSAH 45 instead of 26th St. At the Cedar Ave. intersection, a stop light is being planned along with curb and gutter located along CSAH 1.

Other projects in the area include a pavement replacement on Lemond Road (CSAH 7) southwest of Owatonna and a concrete overlay on Highway 45 south of Owatonna.

Gateway Apartments have begun construction on a second apartment building. It is located along West Rose Street next to their first apartment building in downtown Owatonna. It will contain 36 units with some units having direct exterior access. The building will be 3 stories tall and will have underground parking. The City established a Redevelopment Tax Increment Financing District on the site to assist with expansion of the public parking lot to the east, widening of the alley to the south and burying overhead electrical lines. The project is planned to be completed in June of 2016.



Cottages, a 24 unit assisted living facility for memory care has completed construction on the east side of Austin Road, south of 18th Street SE. The facility is one of four planned buildings for the site. The other buildings will be constructed as there becomes a need for more units.