

**Economic Development Authority**  
Regular Meeting  
Wednesday, October 21, 2020  
4:00 PM  
City Council Chambers

1. EDA Agenda 10-21-2020

Documents:

[EDA AGENDA 10-21-2020.PDF](#)

2. Roll Call

3. Approval Of Minutes

4. Treasurer's Report

Documents:

[3. TREASURERS REPORT.PDF](#)

5. Loan Report

Documents:

[4. LOAN REPORT SEPTEMBER.PDF](#)

6. Reports

6.I. OACCT

6.II. Tourism

Documents:

[5. C. TOURISM REPORT.PDF](#)

6.III. OABDC

Documents:

[5. D. OABDC REPORT.PDF](#)

6.IV. Airport

7. New Business

8. Other Business

9. Schedule Next Meeting – November 18, 2020

10. Adjournment

# **Economic Development Authority**

Regular Meeting

Wednesday, October 21, 2020

4:00 PM

City Council Chambers

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## **Agenda**

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1. Roll Call
2. Approval of Minutes: September 16, 2020 & September 23, 2020
3. Treasurer's Report
4. Loan Report
5. Reports
  - a. OACCT
  - b. MainStreet
  - c. Tourism
  - d. OABDC
  - e. Airport
  - f. EDA Projects
6. Old Business
  - a. CARES Act Funds
7. New Business
8. Other Business
9. Schedule Next Meeting – November 18, 2020
10. Adjournment

**City of Owatonna**  
**Income Statement by Fund**  
**For the Period Ending September 30, 2020**

FUND 290: EDA ADMINISTRATION

Account Name	Original Budget	YTD Actual	Difference
<b><u>REVENUES</u></b>			
PROPERTY TAXES	\$ 185,000.00	\$ 138,755.00	\$ 46,245.00
LODGING TAX - 3%	250,000.00	104,832.22	145,167.78
REFUNDS & REIMBURSEMENTS	0	710	-710
TIF ADMINISTRATIVE FEE	35,969.00	14,995.65	20,973.35
INTEREST INCOME	1,000.00	282.82	717.18
LEASES & RENTS	1,666.00	0	1,666.00
Total Revenues	\$ 473,635.00	\$ 259,575.69	\$ 214,059.31
<b><u>EXPENDITURES</u></b>			
PERSONNEL	\$ 84,398.00	\$ 62,056.35	\$ 22,341.65
OFFICE SUPPLIES	400.00	35.00	365.00
MINOR EQUIPMENT	400.00	0.00	400.00
CONSULTING SERVICES	30,000.00	34,000.00	-4,000.00
TELEPHONE	200.00	0.00	200.00
POSTAGE	300.00	94.38	205.62
VEHICLE ALLOWANCE	500.00	403.30	96.70
TRAVEL & CONFERENCES	500.00	0.00	500.00
O B D - MARKET SERVICES(OACCT)	50,000.00	50,000.00	0.00
O B D - LOAN SERVICES (OBI)	20,000.00	20,000.00	0.00
DOWNTOWN ENHANCEMENTS	15,000.00	17,504.00	-2,504.00
OBD-SMALL BUSINESS DEV CENTER	4,000.00	3,000.00	1,000.00
PARTNERS FOR PROGRESS	10,000.00	5,000.00	5,000.00
ADVERTISING	1,000.00	595.15	404.85
MEMBERSHIPS & SUBSCRIPTIONS	200.00	0.00	200.00
REPAIR SERVICE - OFFICE EQUIP	200.00	0.00	200.00
MAIN STREET-PARKING LOT RENTAL	4,500.00	4,032.00	468.00
TOURIST DEVELOPMENT	237,500.00	95,115.55	142,384.45
SOUTHERN MN INITIATIVE FOUNDAT	1,667.00	0.00	1,667.00
TRANSFER TO OTHER FUNDS	12,000.00	9,000.00	3,000.00
Total Expenditures	\$ 472,765.00	\$ 300,835.73	\$ 171,929.27

FUND 292: EDA LOANS

Account Name	Original Budget	Current Year to Date Actual	Available Budget
<b><u>REVENUES</u></b>			
INTEREST INCOME	\$ 15,000.00	\$ 9,613.87	\$ 5,386.13
OTHER REVENUE	0	150	-150
INTEREST - COMMERCIAL LOANS	450	283.34	166.66

INTEREST - LOW DOC TIER II	1,400.00		664.57		735.43
Total Revenues	\$ 16,850.00	\$	10,711.78	\$	6,138.22
<b><u>EXPENDITURES</u></b>					
LOAN PROGRAM REIMBURSEMENT	0		26,218.43		-26,218.43
Total Expenditures	\$ 0.00	\$	26,218.43	\$	-26,218.43

FUND 294: EDA LAND

Account Name	Original Budget		Current Year to Date Actual		Available Budget
<b><u>REVENUES</u></b>					
REFUNDS & REIMBURSEMENTS	22,287.00		0		22,287.00
TIF ADMINISTRATIVE FEES	1,172.00		1,119.29		52.71
INTEREST INCOME	7,500.00		8,433.63		-933.63
INTEREST - EDA LAND LOANS	0		20,250.72		-20,250.72
LEASES & RENTS	35,000.00		485		34,515.00
SALE OF PROPERTY	0		7,370.35		-7,370.35
Total Revenues	\$ 65,959.00	\$	37,658.99	\$	28,300.01
<b><u>EXPENDITURES</u></b>					
CONSULTING SERVICES	17,000.00		6,377.75		10,622.25
ADVERTISING	0		82.88		-82.88
INSURANCE	500		375		125
REAL ESTATE TAXES	21,000.00		18,128.04		2,871.96
LAND PURCHASES	0		189,447.13		-189,447.13
OTHER IMPROVEMENTS	0		9,001.80		-9,001.80
Total Expenditures	\$ 38,500.00	\$	223,412.60	\$	-184,912.60

**City of Owatonna**  
**Balance Statement by Fund**  
**30-Sep-20**

FUND 292: EDA LOANS

Account Number	Account Name	Ending Balance
ASSETS		
292-000-000-10100	BANK ACCOUNTS	\$ 76,624.40
292-000-000-10900	INVESTMENTS	900,000.00

FUND 294: EDA LAND

Account Number	Account Name	Ending Balance
ASSETS		
294-000-000-10100	BANK ACCOUNTS	\$ -40,047.17
294-000-000-10900	INVESTMENTS	800,000.00

**CITY OF OWATONNA**  
**EDA - LOAN PROFILE**  
**As of : September 30, 2020**  
 prepared 10/12/2020

**EDA - Improvement Notes**

<u>Borrower</u>	<u>Loan Date</u>	<u>Int Rate</u>	<u>Years</u>	<u>Original Balance</u>	<u>Current Balance</u>	<u>Monthly Payment</u>	<u>Status</u>	<u>Type</u>	<u>Notes</u>
Williams	9/1/2016	5.250	7	20,000.00	9,958.99	285.03	Current	Retail	
Wagner's	10/1/2018	2.500	7	43,480.63	34,752.90	564.78	Current	Retail	
Total				<u>63,480.63</u>	<u>44,711.89</u>	<u>849.81</u>			

<b>Profile by Loan Performance</b>	<u>Status</u>	<u>Number of Loans</u>	<u>Original Balance</u>	<u>Current Balance</u>	<u>% of Current Balance</u>
	Current	2	63,480.63	44,711.89	100.00%
	Non-current	0	-	-	0.00%
		<u>2</u>	<u>63,480.63</u>	<u>44,711.89</u>	<u>100.00%</u>

**EDA - Low Doc Notes**

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Monthly Payment	Status	Type	Notes
American Legion Post 77	10/6/2014	1.625	7	20,000.00	3,740.19	252.05	Current		
Completely Kids	9/1/2016	1.625	7	20,000.00	9,329.88	252.05	Current		
Family 1st Insurance	4/1/2017	-	3	5,000.00	0.00	138.89	Current		Paid in Full March 2020
Family 1st Insurance	4/1/2017	1.625	7	19,609.00	10,781.61	247.13	Current		
Paula Trendera	4/6/2018	-	3	5,000.00	972.19	138.89	Current		
The Kitchen	10/1/2017	-	3	5,000.00	555.52	138.89	Current		
				<u>74,609.00</u>	<u>25,379.39</u>	<u>1,167.90</u>			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	7	79,609.00	25,379.39	100.00%
Non-current	0	-	-	0.00%	
		<u>7</u>	<u>79,609.00</u>	<u>25,379.39</u>	<u>100.00%</u>

**EDA - MIF Flood Recovery**

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Monthly Payment	Status	Type	Notes
Plemel (direct loan)	6/22/11	-	10	27,378.50	2,738.30	228.15	Current		
Marks Repair (direct loan)	4/5/12	-	10	39,327.50	8,663.90	254.85	Current		Business was sold
Owatona Country Club (direct)	5/7/12	-	10	82,363.50	15,786.58	686.36	Current		
Cars-N-Credit (direct loan)	4/30/13	-	10	71,657.00	21,497.24	597.14	Current		
Plemel (deferred loan)	6/22/11	-	10	27,378.50	27,378.50	-			Forgiven after 6/22/21
Marks Repair (deferred loan)	4/5/12	-	10	39,327.50	30,581.00	-			Forgiven after 4/1/22
Owatonna Country Club (deferred)	5/7/12	-	10	82,363.50	82,363.50	-			Forgiven after 5/1/22
Cars-N-Credit (deferred loan)	4/30/13	-	10	71,657.00	71,657.00	-			Forgiven after 4/30/23
Total				441,453.00	260,666.02	1,766.50			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	8	441,453.00	260,666.02	100.00%
	Non-current	0	-	-	0.00%
		8	441,453.00	260,666.02	100.00%

**EDA Land Fund**

Borrower	Loan Date	Int Rate	Years	Original Balance	Current Balance	Annual Payment	Status	Type	Notes
Gateway #2 TIF note	12/31/16	3.000	25	472,889.00	465,230.08		Current		TIF Guarantee
Arrow Ace TIF note	12/1/17	3.000	25	350,000.00	349,838.75		Current		TIF Guarantee
Nicolai TIF note	12/31/17	3.000	25	524,845.17	524,845.17		Current		TIF Guarantee
Total				1,347,734.17	1,339,914.00	-			

Profile by Loan Performance	Status	Number of Loans	Original Balance	Current Balance	% of Current Balance
	Current	5	1,347,734.17	1,339,914.00	100.00%
	Non-current	0	-	-	0.00%
		5	1,347,734.17	1,339,914.00	100.00%



# EDA REPORT – September 2020

**Tourism Staff Assigned:** Karen Pehrson

*Promote Owatonna as a destination for leisure, group, tournament and meeting travel*

## Tourism Economic Impact YOY:

**Sales (gross Leisure & hospitality)**

\$76 Million (Up 1.3%)

**Tax revenue (Annual state & local tax)**

\$4.9 Million (Up 2.5%)

**Impact on jobs related to leisure & hospitality**

1,5431 (Up 2.7%)

## Strategic Plan Dashboard – YTD

Updates highlighted

BRANDING	2019 YEARLY	LAST 90 DAYS	2020 MONTHLY GOAL
INCREASE WEBSITE PAGE <i>(USER SESSIONS/PER PAGE)</i>	313,808 Impressions 3341 Clicks 1.06 Click Thru Rate	18,325 Sessions (Up 37% from last qtr)  Welcome Back Campaign: <i>(Above average results)</i> 1,320 clicks 2.64% CTR	3%
INCREASE WEBSITE ENGAGEMENT <i>(USER GENERATED CONTENT &amp; MENTIONS)</i>	2+ min: 6603 2+ pages: 6486	2+ min:1252 (up 41% from last qtr) 2+ pages:1550 (up 45% from last qtr)	3% 2+ min: 566 2+ pages: 556
INCREASE CLICK THROUGH RATE ON EMAILS	2.47%	2.6%	3%
INCREASE # OF ACTIVE USERS <i>who had at least one session within the 14 days.</i>	865	1,215	5%

REGIONAL COLLABORATION	2019 YEARLY	2020 YTD	2020 GOAL
INCREASE NUMBER OF GROUP TOURS	12	All but 1 hour canceled – A group of 18 came a they stayed 3 night	15
INCREASE NUMBER OF OVERNIGHT ROOMS <i>(Heads in beds)</i>	54	14rooms for 3 nights	60

MEETINGS & EVENTS	2019 YTD	2020 YTD	2020 GOAL
INCREASE THE NUMBER OF MEETING & EVENTS <i>(meetings over 20 people – that we had a hand in planning)</i>	11	3	13
INCREASE THE NUMBER OF OVERNIGHT ROOM <i>(Heads in beds – that we had a hand in planning)</i>	70	30	100
INCREASE ECONOMIC IMPACT WITH EXISTING EVENTS <i>(Farm &amp; Power Show, Corky's &amp; SCFF) YOY</i>	1.3%		1.4%

## Lodging Tax YTD

2020	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
# of Properties	8	8	8	8	7	8	9	9					
95% of lodging tax	16,376	11,588	8,123	5,493	6,876	10,808	12,350	12689					\$83,723

2019	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
# of Properties	9	9	9	9	10	9	9	9	9	9	9	9	
95% of lodging tax	17,083	16,473	14,985	17,043	19,600	23,445	21,896	23,691	20,317	20,839	15,874	16,358	\$227,616

2018	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
# of Properties	9	10	10	10	10	10	10	10	10	10	10	9	
95% of lodging tax	19,887	19,447	22,905	19,484	21,475	26,199	22,209	25,492	20,401	21,872	15,505	18,222	\$253,098

Chart reflects the 95% of total lodging tax received by City of Owatonna which is passed to the Chamber. 100% of penalty charges from late payments go to City, not tourism (5% if due date is missed, 2% per month if not paid after 30 days)

## Occupancy YTD

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	Average
2020	45.7	46.8	34.3	28	35.4	52%	37%	38%					39%
2019	42.6	50.9	42.3	50.0	57.1	68.3	63.4	67.0	59.6	58.4	46.9	43.9	46.5%
2018	49.9	49.6	53.80	50.20	55.5	68.10	57.80	69.00	65.4	59.60	41.9	45.7	57.1%
2017	62.4	58.6	61.2	49.4	59.3	70.9	68.0	69.0	65.4	67.7	62.8	50.2	62%

Source: STR, Inc. Republication or other re-use of this data without the express written permission of STR is strictly prohibited. We receive the Smith Travel Research Data Reports monthly, which includes occupancy numbers for 458 of the 547 lodging rooms that are available in Owatonna (6 of 10 properties). Occupancy Definition as reported by STR: Rooms sold divided by rooms available multiplied by 100. Occupancy is always expressed as a percentage of rooms occupied.

## Lodging: Supply & Demand

### Properties

Baymont Inn & Suites Owatonna  
 Comfort Inn Medical Center Owatonna  
 Country Inn & Suites Owatonna  
 Motel 6 replaced - Holiday Inn & Suites Owatonna (closed in June)  
 Owatonna Inn & Suites (previously Microtel)  
 Super 8 Owatonna

**2020 Average Occupancy: 40%**  
 (Percent of rooms filled in a month)

2020	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
# of Rooms per Mo. Included in this report	458	458	458	328	328	328	435	435				
Days in the Mo.	31	29	31	30	31	30	31	31				
Supply (Total # of Rooms in a mo.)	14,198	12,824	14,198	9,840	10,168	9,840	13,485	13,485				
Demand (Total # of rooms occupied in a mo.)	6,490	5,999	4,850	2,756	3,604	5,076	5,019	5,165				
Total Hotel rooms filled per day	209	207	156	92	116	169	162	166				
Occupancy (Percentage of Rooms filled in a mo.)	45.7%	46.7%	34.2	28	35.4	51.6%	37.2%	40%				

## August 2020 Lodging Performance for Minnesota

	Occ%	ADR	RevPAR
U.S. AVERAGE	48.6	102.46	49.83
MINNESOTA AVERAGE	43.6	96.26	42.01
Minneapolis	18	94.94	16.60
Minneapolis North Area	40.5	87.35	35.39
Minneapolis South Area	47.4	71.76	33.99
Duluth	66.9	148.57	99.46
St Cloud	41.9	89.17	37.37
Mankato	54.1	85.02	45.96
Rochester	44.1	107.21	47.32

<i>Minnesota Southern Area</i>	<i>49.9</i>	<i>84.73</i>	<i>42.29</i>
<b>OWATONNA</b>	<b>38.3</b>	<b>81.58</b>	<b>31.25</b>

October-20

Consulting for September						Hours		Inquiries	Inquiry Hours
Clients	Sessions	Hours	New	Operating	2020 YTD	2019 YTD			
3	4	4.25	0	3	60.75	121.00	4	3	

Manufacturing		Occupancy for September		Offices	
Total Leasable Space	25,200	Total Leasable Offices	10		
Total Leased Space	22,020	Total Number of Leased Offices	9		
Present Occupancy %	87%	Present Occupancy %	90%		
Budget Occupancy %	61%	Budget Occupancy %	63%		
YTD Performance to Budget \$	\$ 10,834	YTD Performance to Budget \$	\$ 3,344		
YTD Performance to Budget %	117%	YTD Performance to Budget %	121%		
Number of Tenants	9	Number of Tenants	9		

EDA Loan Programs						
Standard Programs	Number of Loans	Original Balance / Committed	Current Balance / Advanced	Amount Past Due	Available to Advance	
Low Doc Notes (Tier I and II)	6	\$ 74,609	\$ 25,379	\$ -		
Improvement Notes	2	63,481	44,712	-		
MIF Flood Recovery	8	441,453	260,666	-		
Land Fund	3	1,347,734	1,339,914	-		
		\$ 1,927,277	\$ 1,670,671	\$ -		
<b>Special Programs</b>						
2019 Forgivable Loans - Exterior	10	\$ 91,050	\$ 14,506		\$ 76,544	
2019 Forgivable Loans - Interior	10	90,000	20,000		70,000	
2020 Forgivable Loans - Exterior	5	45,348	5,447		39,901	
2020 Forgivable Loans - Interior	2	20,000	-		20,000	
		\$ 246,398	\$ 34,506		\$ 206,445	