



## **EDA MEETING AGENDA**

**Thursday, May 4, 2023**

**3:30 p.m.**

***The EDA will meet in the City Hall Board Room***

- 1. CALL TO ORDER**
- 2. ROLL CALL: Cooreman, Dahl, Dombeck, Gesme, Montgomery**
- 3. EDA BUSINESS**
  - A. Approval of Agenda
  - B. Approval of Minutes – April 6 & April 13, 2023
  - C. Financials
    - i. Loan Payments
    - ii. Recalculate Tilion Interest Rate – (July 13, 2021)
  - D. EDA Projects
    - i. Hardwood Estates
  - E. Other Business
    - i. Lodging Tax
    - ii. ~~Blue Water Farms~~ -- *Tabled*
      - ~~1. City Lots~~
  - F. Upcoming Events
    - i. American Veteran Memorial Ribbon Cutting– May 14th at noon
    - ii. CEDA Redevelopment Tour Filming May 16th
    - iii. National Dairy Council Visit June 14th
    - iv. CEDA Annual Meeting June 27th
  - G. Next meeting: June 1st at 3:30 p.m.
- 4. ADJOURN.**

Posted: May 1st, 2023



EDA MEETING Background  
Thursday, May 4th, 2023  
3:30 p.m.

**Item C. Financials** – Reports will be available the day of the meeting.

- i. **Loan Payments** – ArtOrg March and April payments are unpaid. Email was sent on 4/28/23 as a reminder to pay.
- ii. **Tilion Brewing** – Upon reviewing the current loans and Promissory Notes/terms it was discovered that Tilion's interest rate was to have been recalculated in 2021 with a new interest rate based on WSJ Prime. (Similar to what was done for ArtOrg upon their 5, and 10 year loan anniversary). Qualey would like to discuss whether the interest rate should be recalculated from the 2021 Prime rate when it should have been adjusted, if it should be adjusted as of the current Prime rate.

**Item D. Hardwood Estates Updates**

- i. **WHKS Engineering Agreement** was approved by Council on 4-11-23 with a 4-2 vote in favor of moving forward and financing the preliminary plat for the subdivision and the final plat for Phase 1.
- ii. **Impact Fund MN Housing**– Qualey has been researching and there may be an opportunity for some funding through the program that does not have income eligibility requirements attached to it. Follow up discussions are in the works for more information specific to Hardwood Estates.

**Item E. Other Business.**

i. **Lodging Tax**– Cities in MN are able to impose a 3% lodging tax which is a line item tax added to the room renters bill at the hotel/motel. It is a 'pass-through' tax which means that it is not an extra tax that the lodging facility pays, it merely is extracted at the end of each month in a report and submitted to the City. The Lodging Tax does not affect any local resident's taxes; only people staying at the hotel/motel. The city initiates, collects, enforces, distributes, and accounts for the taxes. 95% of the revenue collected goes to promoting tourism in the community; the City keeps 5% for administering the funds. By implementing this tax, it would allow dollars to promote the community to people outside of the town to attract them and drive tourism or economic growth.

Included in the packet is more information about the Lodging Tax as well as a list of cities/towns in MN that already collect the tax (please note this is not a complete list), as well as a couple of screenshots of our local hotel/motel rates compared to Northfield hotel rates who impose an additional 3% tax. Conversations will need to be had with lodging owners before any action can take place.  
Discussion Only.

**ii. Blue Water Farms Walleye** – This company is ready to proceed with the acquisition of land to build their first of two facilities. They are interested in purchasing the two parcels directly north of the former Robinson Outdoors building in the industrial park. (images included). The EDA does not own these properties as the City of Cannon Falls is the owner; however, it is speculated that the Council will rely heavily on the EDA to manage the sale and redevelopment of these parcels on their behalf. Qualey would like to bring this project to the Finance Committee on May 8th for discussion with the hope of a recommendation to Council to proceed with an Option/Purchase Agreement for the parcels.

Tax Incentives (Abatement/TIF) have been discussed with the entrepreneur as a possible tool for development, however the EDA board's opinion on land price will also be of great importance to bring to the Finance Committee. Previous real estate agreements have hovered around .95 cents/sq. ft. However, the inventory of land is scarce therefore, the price should be reevaluated with the prospect of selling this property in the near future. The business owner is completing the proforma and other building plan schematics in preparation for the Finance Committee meeting and it may be available by the time of the EDA meeting on the 4th to review. ***Action: Seeking a recommended valuation for Parcels 52.399.0041 and 52.399.0030 to bring to the Finance Committee.***

## **F. Upcoming Events**

**i. American Veterans Memorial Park**–Ribbon Cutting ceremony Sunday, May 14th at noon. 16 day celebration. All are welcome and invited to attend.

**ii. CEDA Redevelopment Tour Filming** – Filming, photography and interviews will take place on May 16th for the RDT Bus tour that will occur on August 31st to showcase Cannon Falls, Pine Island and Kenyon.

**iii. National Dairy Council** – Deeann Lufkin contacted Qualey regarding a visit to our community from the National Dairy Council Ambassadors. This is a group of 15 high-profile registered dietitians, physicians, etc., who engage consumers and other health professionals, that will be visiting SE MN for an immersion in all things dairy June 13-14. They will be in Rochester on June 13 and then hoping to develop a farm-to-table dairy immersion day on June 14 in CF. They have learned of the CannonBelles story and want to tour their facilities and conduct a cheese or ice cream tasting or some other activity involving their products and collaboration with other producers in the area.

**iv. CEDA Annual Meeting** – Registration is available for the CEDA Annual meeting held on June 27th at the Cannon River Winery from 10 a.m. - 1 p.m. It is free to attend and folks can register online at Eventbrite and search CEDA Annual Meeting 2023.

The Cannon Falls Economic Development Authority (EDA) met on Thursday, April 6, 2023 at 3:00 p.m. in the City Hall Conference Room for its regular meeting. EDA Board Members present were: Luke Cooreman, Amy Dombeck, Mayor Matt Montgomery, Steve Gesme and Jon Dahl. Also present were Neil Jensen and Laura Qualey. Guests were Diane Johnson, Supt. Sampson and Rosie Schluter (via ZOOM.)

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|-----------------|--|
| Call to Order   | Dahl called the meeting to order at 3:02 p.m. Montgomery & Dombeck were not present at the time the meeting was called to order, but there was a quorum present.   |
| Approve Agenda  | Gesme made a motion to approve the agenda; Cooreman seconded the motion; passed.   |
| Approve Minutes | Minutes from March 2, 2023 motion by Cooreman to approve; seconded by Dahl; passed.  |
| Financials      | Cannon Realty/Bryan Skillestad made the February payment for ArtOrg; but March payment was not made. RLF balance is an estimated \$125,975.34 is available for lending; \$289,264.20 outstanding in loans. |

Montgomery entered the meeting at 3:05 p.m.

Qualey asked for a motion to approve the Sievers Creative invoice for \$125.00 to pay the website maintenance/host fee for Q2 to keep the Cannon Roots website live. Gesme made a motion; Cooreman seconded; motion passed.

- |                           |  |
|---------------------------|--|
| Hardwood Estates Updates: | CONCEPT PLAN: Qualey was able to provide the board with NEW concept plans that were received 4/6/23 that were revised from the ones the board had originally received on Tuesday, April 4th. |
|---------------------------|--|

Dombeck entered the meeting at 3:11 p.m. during the Concept Plan discussion.

After reviewing all of the concept designs provided, 'Modified Concept #1' was the most favored design concept containing 106 lots. Phase 1 would contain 29 lots. Montromgery made a motion to recommend Modified Concept #1 as the plan to move forward for a Preliminary Plat to be prepared to present to the Planning Commission; Gesme seconded the motion; unanimously passed.

Jensen, Qualey and WHKS Engineer Jesse Preston will work on putting a schedule/timeline together to proceed. Special meetings will be necessary in order to keep moving this project along. Most likely a special meeting in April to approve prelim plans; perhaps May or June for a public hearing at Planning Commission so fall excavation is a possibility.

Council member Diane Johnson entered the meeting at 3:28 p.m.

RENTING LAND: Per Schluter's question at the end of the March 2nd meeting, the city attorney was contacted to ensure whether or not the EDA had to have a public bidding process before renting the land. The attorney confirmed there is no need for the EDA as its own entity to hold a public bidding process as long as the land was going to be rented out at a reasonable rate and not 'gifting' the land or its revenue from the crops to a farmer.

Due to this discovery, Cooreman contacted the interested farmer, and brought a signed agreement to the meeting and then executed the document. The terms were approved at the March meeting to rent the 40 acres for \$150/acre for the 2023 planting season. Cooreman will give the 'go ahead' to plant as weather permits.

Other Business:

BLUE WATER FARMS WALLEYE:

A business owner and his research/investment team have been working on two different businesses that coexist with each other. They are seeking to build a sustainable indoor fish farm and aquaponic facility as soon as possible once they are able to secure a site. They have been looking in Red Wing as well as around Cannon Falls. They are interested in the two lots lying north of the former Robinson Outdoors building that are owned by the City of Cannon Falls (not the EDA) that are an approx. 7+ acres and he is interested in pursuing that property for the broodstock/aquaponics.

KELLER BAARTMAN: Qualey showed updated photos of the apartment building and the progress. Still on track to be completed in November 2023.

FEAST EXPO RECAP:

Great attendance! 59 vendors; 57 actually attended; 78 buyers registered, 67 actually attended. Cannon Roots bus tour was a hit. Deeann Lufkin and John Peterson co-narrated the stories of the producers and their partnership. Toured Cannon Belles facility and then Ferndale.

AMERICAN VET MEMORIAL: Excavation is going hard to meet their May 14th Opening with a 16 day opening. There is a meeting scheduled with the soccer coaches, Athletic Director and Admin at the CF Schools with Jim Boo and Founder Tou Fong Lor on Friday, April 14th to discuss what a partnership looks like between the two entities.

2023 GOAL PLANNING: Continue to stay focused on the projects at hand.

BOARD THOUGHTS: Cooreman requested a document of some sort to prove/disprove the tax comparison between Cannon Falls and 'everywhere else'. Jensen will find and provide the document to the board.

NEXT MEETING: May 4th meeting at 3:30 p.m.

Adjourn

Motion to adjourn by Dombeck, second by Montgomery; unanimously approved. Adjourned at 4:32 p.m.

Respectfully submitted by Laura Qualey

The Cannon Falls Economic Development Authority (EDA) met on Thursday, April 13, 2023 at 3:30 p.m. in the City Hall Conference Room for a special meeting. EDA Board Members present were: Luke Cooreman, Mayor Matt Montgomery, Jon Dahl and Amy Dombeck (ZOOM). Also present were Neil Jensen and Laura Qualey. Guests were Diane Johnson and Supt. Sampson and Jesse Preston (ZOOM). Absent: Steve Gesme.

Call to Order           Dahl called the meeting to order at 3:33 p.m. Montgomery was not present at the time the meeting was called to order, but there was a quorum present as Dombeck was on ZOOM..

Montgomery entered the meeting at 3:39 p.m.

EDA Business:  
Approve WHKS  
Engineering  
Agreement for  
Hardwood Estates  
Pre-Plat           Jesse Preston from WHKS joined via ZOOM to present the Concept Plan for Hardwood Estates and talk through the design. Phase 1 will come off of 72nd Ave and will have 19 lots for single family homes and 10 for townhomes.  
  
The Agreement will include the Preliminary Plat for the entire subdivision and Final Plat for Phase 1. The pond will serve the entire subdivision and will be completed during Phase 1.

Turn/Bypass lanes off Hwy 19 are not required for Phase 1 but will most likely be for Phase 2 or 3.

Estimated cost per lot will hover around \$60K.

Sidewalks will be put in at the same time as the roads as each phase is built.

Montgomery made a motion to recommend approval of the WHKS agreement and send it to Council for final approval on April 18th; Cooreman seconded the motion; unanimously passed.

Adjourn               Motion to adjourn by Montgomery, second by Cooreman; unanimously approved.  
Adjourned at 4:19 p.m.

Respectfully submitted by Laura Qualey

05/04/23  
10:58:27

CITY OF CANNON FALLS, MN  
Cash Report by Fund/Account  
For the Accounting Period: 4/23

Page: 1 of 1  
Report ID: L160

Funds 260- 260

Fund/Account	Beginning Balance	Received	Transfers In	Disbursed	Transfers Out	Ending Balance
260 ECONOMIC DEVELOPMENT AUTHORITY (EDA)						
101000 CASH	326,446.34	2,607.62	0.00	0.00	0.00	329,053.96
<b>Totals</b>	<b>326,446.34</b>	<b>2,607.62</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>329,053.96</b>

\*\*\* Transfers In and Transfers Out columns should match, with the following exceptions:  
1) Cancelled electronic checks increase the Transfers In column. Disbursed column will be overstated by the same amount and will not balance to the Redeemed Checks List.  
2) Payroll Journal Vouchers including local deductions with receipt accounting will reduce the Transfers Out column by the total amount of these checks.

05/04/23  
10:57:28

CITY OF CANNON FALLS, MN  
Cash Detail Report  
For the Accounting Period: 4/23

Page: 1 of 1  
Report ID: L160B

Fund/Account Transaction	Document Date	Received	Transfers In	Disbursed	Transfers Out
260 ECONOMIC DEVELOPMENT AUTHORITY (EDA)					
101000 CASH					
CR 257145	1 EDA INT PMT-TILION	149.03			
CR 257145	2 EDA PRINC PMT-TILION	1,299.51			
CR 257146	1 EDA PRINC PMT-MAGNOLIA ANIMA	605.33			
CR 257146	2 EDA INT PMT-MAGNOLIA ANIMAL	70.29			
CR 257147	1 EDA INT PMT-KEITH MEYERS	141.86			
CR 257147	2 EDA PRINC PMT-KEITH MEYERS	341.60			
	Total Received	2,607.62			
	Total Account	2,607.62	0.00	0.00	0.00
	Total Fund	2,607.62	0.00	0.00	0.00
	Grand Totals	2,607.62	0.00	0.00	0.00



05/04/23  
10:59:30

CITY OF CANNON FALLS, MN  
Detail Ledger Query

Page: 1 of 3  
Report ID: L091

For the Accounting Periods: 1/23 - 4/23

Funds 235- 235

Fund/Account/ Doc/Line #		Description	Vendor/Receipt From	Acct. Period	Debit	Credit	Ending Balance
235 PLANNING & ECONOMIC DEVELOPMENT DEPT							
101000 CASH							
SC 74142	1st Qtr 2023 Support Svces	CEDA		1/23		16,458.75	
SC 74157	Proj: 1910-RAP Addendum Prep-Cannon ATC GROUP SERVICES LLC			1/23		600.00	
SC 74178	Proj: 2185-December Svces-General-M HOFF BARRY, P.A.			1/23		618.75	
SC 74178	Proj: 2030-December Svces-General-J HOFF BARRY, P.A.			1/23		660.00	
SC 74189	2023 Qtrly Maint	SIEVERS CREATIVE LLC		1/23		125.00	
SC 74348	January Development	HOFF BARRY, P.A.		2/23		453.75	
SC 74348	Proj: 2185-January Dev-Hardwood Est	HOFF BARRY, P.A.		2/23		247.50	
SC 74348	Proj: 2195-January Dev-Stinar	HOFF BARRY, P.A.		2/23		1,478.75	
SC 74348	Proj: 2110-January Dev-Molenaar	HOFF BARRY, P.A.		2/23		41.25	
SC 74348	Proj: 2200-January Dev-Endres	HOFF BARRY, P.A.		2/23		618.75	
SC 74392	Proj: 2195-February Development-Sti	HOFF BARRY, P.A.		2/23		41.25	
SC 74392	Proj: 2200-February Development-End	HOFF BARRY, P.A.		2/23		41.25	
SC 74392	Proj: 2110-February Development-Mol	HOFF BARRY, P.A.		2/23		866.25	
SC 74392	Proj: 2205-February Development-Joh	HOFF BARRY, P.A.		2/23		8.10	
SC 74413	Feast Tradeshow	RENEWING THE COUNTRYSIDE		2/23		500.00	
SC 74438	Subscription	SHRPA LLC		3/23		500.00	
SC 74513	2023 Taxes-R 52-110-0090	GOODHUE COUNTY		3/23		1,220.00	
SC 74513	2023 Taxes-R-52-111-0010	GOODHUE COUNTY		3/23		1,084.00	
SC 74513	2023 Taxes-R-52-111-0030	GOODHUE COUNTY		3/23		822.00	
SC 74513	2023 Taxes-R-52-350-0070	GOODHUE COUNTY		3/23		5,666.00	
SC 74535	2nd Qtr 2023 Support Services	CEDA		3/23		16,458.75	
SC 74547	Reimb-Cookies-Tulip	QUALEY LAURA		4/23		15.47	
SC 74598	Advertising-Discover Cannon Fa	BY ALL MEANS GRAPHICS		4/23		301.00	
SC 74605	2023 Qtrly Website Maint	SIEVERS CREATIVE LLC		4/23		125.00	
Account Total:				149,443.27 DB		48,951.57	100,491.70 DB
202000 ACCOUNTS PAYABLE							
CL 46686	1 1st Qtr 2023 Support Svces	CEDA		1/23		16,458.75	
CL 46702	Proj: 1910-2470101 RAP Addendum	ATC GROUP SERVICES LLC		1/23		600.00	
CL 46726	Proj: 2185-17502 December Svce	HOFF BARRY, P.A.		1/23		618.75	
CL 46726	Proj: 2030-2030 December Svce	HOFF BARRY, P.A.		1/23		660.00	
CL 46735	1 1544 2023 Qtrly Maint	SIEVERS CREATIVE LLC		1/23		125.00	
SC 74142	1st Qtr 2023 Support Svces	CEDA		1/23	16,458.75		
SC 74157	Proj: 1910-RAP Addendum Prep-Cannon ATC GROUP SERVICES LLC			1/23	600.00		
SC 74178	Proj: 2185-December Svces-General-M HOFF BARRY, P.A.			1/23	618.75		
SC 74178	Proj: 2030-December Svces-General-J HOFF BARRY, P.A.			1/23	660.00		
SC 74189	2023 Qtrly Maint	SIEVERS CREATIVE LLC		1/23	125.00		
CL 46864	7 17544 January Development	HOFF BARRY, P.A.		2/23		453.75	
CL 46864	8 Proj: 2185-17544 January Dev-H HOFF BARRY, P.A.			2/23		247.50	
CL 46864	9 Proj: 2195-17544 January Dev-S HOFF BARRY, P.A.			2/23		1,478.75	
CL 46864	10 Proj: 2110-17544 January Dev-M HOFF BARRY, P.A.			2/23		41.25	
CL 46864	11 Proj: 2200-17544 January Dev-E HOFF BARRY, P.A.			2/23		618.75	
CL 46954	5 Proj: 2195-17576 February Dev HOFF BARRY, P.A.			2/23		41.25	
CL 46954	6 Proj: 2200-17576 February Dev HOFF BARRY, P.A.			2/23		41.25	
CL 46954	7 Proj: 2110-17576 February Dev HOFF BARRY, P.A.			2/23		866.25	
CL 46954	8 Proj: 2205-17576 February Dev HOFF BARRY, P.A.			2/23		8.10	

Funds 235- 235

Fund/Account/ Doc/Line #		Description	Vendor/Receipt From	Acct. Period	Debit	Credit	Ending Balance
235 PLANNING & ECONOMIC DEVELOPMENT DEPT							
202000 ACCOUNTS PAYABLE							
SC 74348	January Development			2/23			
SC 74348	Proj: 2185-January Dev-Hardwood Est		HOFF BARRY, P.A.	2/23	453.75		
SC 74348	Proj: 2195-January Dev-Stinar		HOFF BARRY, P.A.	2/23	247.50		
SC 74348	Proj: 2110-January Dev-Molenaar		HOFF BARRY, P.A.	2/23	1,478.75		
SC 74348	Proj: 2200-January Dev-Endres		HOFF BARRY, P.A.	2/23	41.25		
SC 74392	Proj: 2195-February Development-Sti		HOFF BARRY, P.A.	2/23	618.75		
SC 74392	Proj: 2200-February Development-End		HOFF BARRY, P.A.	2/23	41.25		
SC 74392	Proj: 2110-February Development-Mol		HOFF BARRY, P.A.	2/23	41.25		
SC 74392	Proj: 2205-February Development-Joh		HOFF BARRY, P.A.	2/23	866.25		
CL 46967	1 3777 Feast Tradeshow		RENEWING THE COUNTRYSIDE	2/23	8.10		
CL 47006	1 Subscription		SHRPA LLC	3/23		500.00	
CL 47062	1 2023 Taxes-R 52-110-0090		GOODHUE COUNTY	3/23		500.00	
CL 47062	2 2023 Taxes-R-52-111-0010		GOODHUE COUNTY	3/23		1,220.00	
CL 47062	3 2023 Taxes-R-52-111-0030		GOODHUE COUNTY	3/23		1,084.00	
CL 47062	4 2023 Taxes-R-52-350-0070		GOODHUE COUNTY	3/23		822.00	
CL 47094	1 2nd Qtr 2023 Support Services		CEDA	3/23		5,666.00	
SC 74413	Feast Tradeshow		RENEWING THE COUNTRYSIDE	3/23	500.00		
SC 74438	Subscription		SHRPA LLC	3/23	500.00		
SC 74513	2023 Taxes-R 52-110-0090		GOODHUE COUNTY	3/23	1,220.00		
SC 74513	2023 Taxes-R-52-111-0010		GOODHUE COUNTY	3/23	1,084.00		
SC 74513	2023 Taxes-R-52-111-0030		GOODHUE COUNTY	3/23	822.00		
SC 74513	2023 Taxes-R-52-350-0070		GOODHUE COUNTY	3/23	5,666.00		
SC 74535	2nd Qtr 2023 Support Services		CEDA	3/23	16,458.75		
CL 47101	1 Reimb-Cookies-Tulip		QUALEY LAURA	4/23		15.47	
CL 47165	1 16369 Advertising-Discover Can		BY ALL MEANS GRAPHICS	4/23		301.00	
CL 47169	1 1990 2023 Qtrly Website Maint		SIEVERS CREATIVE LLC	4/23		125.00	
SC 74547	Reimb-Cookies-Tulip		QUALEY LAURA	4/23	15.47		
SC 74598	Advertising-Discover Cannon Fa		BY ALL MEANS GRAPHICS	4/23	301.00		
SC 74605	2023 Qtrly Website Maint		SIEVERS CREATIVE LLC	4/23	125.00		
Account Total:					48,951.57	48,951.57	1,950.00 DB
466000 ECONOMIC DEVELOPMENT DEPARTMENT							
3041 LEGAL FEES-OTHER							
CL 46726	4 Proj: 2185-17502	December Svce	HOFF BARRY, P.A.	1/23	618.75		
CL 46726	5 Proj: 2030-2030	December Svce	HOFF BARRY, P.A.	1/23	660.00		
CL 46864	7 17544 January Development		HOFF BARRY, P.A.	2/23	453.75		
CL 46864	8 Proj: 2185-17544	January Dev-H	HOFF BARRY, P.A.	2/23	247.50		
CL 46864	9 Proj: 2195-17544	January Dev-S	HOFF BARRY, P.A.	2/23	1,478.75		
CL 46864	10 Proj: 2110-17544	January Dev-M	HOFF BARRY, P.A.	2/23	41.25		
CL 46864	11 Proj: 2200-17544	January Dev-E	HOFF BARRY, P.A.	2/23	618.75		
CL 46954	5 Proj: 2195-17576	February Deve	HOFF BARRY, P.A.	2/23	41.25		
CL 46954	6 Proj: 2200-17576	February Deve	HOFF BARRY, P.A.	2/23	41.25		
CL 46954	7 Proj: 2110-17576	February Deve	HOFF BARRY, P.A.	2/23	866.25		
CL 46954	8 Proj: 2205-17576	February Deve	HOFF BARRY, P.A.	2/23	8.10		
Object Total:					5,075.60		5,075.60 DB

05/04/23  
10:59:30

CITY OF CANNON FALLS, MN  
Detail Ledger Query

Page: 3 of 3  
Report ID: L091

For the Accounting Periods: 1/23 - 4/23

Funds 235- 235

Fund/Account/ Doc/Line #	Description	Vendor/Receipt From	Acct. Period	Debit	Credit	Ending Balance
235 PLANNING & ECONOMIC DEVELOPMENT DEPT						
466000 ECONOMIC DEVELOPMENT DEPARTMENT						
3092 CONSULTING FEES						
CL 46686 1 1st Qtr 2023 Support Svces	CEDA		1/23	16,458.75		
CL 46702 1 Proj: 1910-2470101 RAP Addendum	ATC GROUP SERVICES LLC		1/23	600.00		
CL 47094 1 2nd Qtr 2023 Support Services	CEDA		3/23	16,458.75		
Object Total:				33,517.50		33,517.50 DB
3430 MARKETING						
CL 46735 1 1544 2023 Qtrly Maint	SIEVERS CREATIVE LLC		1/23	125.00		
CL 47169 1 1990 2023 Qtrly Website Maint	SIEVERS CREATIVE LLC		4/23	125.00		
Object Total:				250.00		250.00 DB
4330 DUES AND SUBSCRIPTIONS						
CL 47006 1 Subscription	SHRPA LLC		3/23	500.00		
Object Total:				500.00		500.00 DB
4390 OTHER CHARGES						
CL 46967 1 3777 Feast Tradeshow	RENEWING THE COUNTRYSIDE		3/23	500.00		
CL 47062 1 2023 Taxes-R 52-110-0090	GOODHUE COUNTY		3/23	1,220.00		
CL 47062 2 2023 Taxes-R-52-111-0010	GOODHUE COUNTY		3/23	1,084.00		
CL 47062 3 2023 Taxes-R-52-111-0030	GOODHUE COUNTY		3/23	822.00		
CL 47062 4 2023 Taxes-R-52-350-0070	GOODHUE COUNTY		3/23	5,666.00		
CL 47101 1 Reimb-Cookies-Tulip	QUALEY LAURA		4/23	15.47		
CL 47165 1 16369 Advertising-Discover Can	BY ALL MEANS GRAPHICS		4/23	301.00		
Object Total:				9,608.47		9,608.47 DB
Account Total:				48,951.57		48,951.57 DB
Fund Total:				97,903.14	97,903.14	
Grand Total:				97,903.14	97,903.14	

CANNON FALLS EDA REVOLVING LOAN FUND Account 260

Applicant	Original Loan		Interest	Monthly	Loan	Maturity		Date		Total Int.		Deferred		Total Prin.		Principal	
	Loan Date	Amount		Payment	Status	Date	Date	Paid Off	Paid	Paid	Loan	Loan	Paid	Paid	Balance Due	Balance Due	
Raw Bistro	1/15/19	\$ 125,000	3.0%	\$828.79		1/15/24			\$13,543.71		\$5,000		\$27,555.71		\$91,867.59		**
Keith Meyers	8/18/19	\$ 75,000	3.0%	\$483.46		7/18/24			\$7,091.92		\$5,000		\$14,663.78		\$55,336.22		
Tilion Brewing Company	7/13/16	\$ 150,000	3.0%	\$1,448.54		9/24/26*			\$21,628.14		\$5,000		\$91,533.26		\$57,193.48		
Art Org	11/29/12	\$ 150,000	3.0%	\$1,035.87		12/1/27			\$29,980.59		\$5,000		\$95,737.68		\$53,383.87		
Magnolia Animal Hospital	11/15/21	\$ 37,600	3.0%	\$675.62		12/15/27			\$1,480.28		\$0		\$10,087.83		\$27,512.17		
<b>Total</b>		<b>\$537,600</b>		<b>\$4,472.28</b>					<b>\$73,724.64</b>		<b>\$20,000</b>		<b>\$239,578.26</b>		<b>\$285,293.33</b>		

\*90 Days COVID deferrment

\*\* Past due 30 days

Updated May 4, 2023

\$ 285,293.33	Outstanding Loans
\$ 125,995.34	Funds Available in RLF
<b>\$ 411,288.67</b>	<b>Total Assets</b>

12/30/22    \$200,471.00    Mulvihill downpayment

Form 1412 – Promissory Note

**PROMISSORY NOTE**

US \$150,000.00

Cannon Falls, Minnesota  
City

Date: July 13, 2016

FOR VALUE RECEIVED, the undersigned ("Borrower") promises(s) to pay Economic Development Authority in and for the City of Cannon Falls, a Minnesota body politic incorporate or order, the principal sum of One Hundred Fifty-Thousand and No/100----- Dollars, with interest on the unpaid principal balance from the date of this Note, until paid, at the rate of three (3)\*\* percent per annum. Principal and interest shall be payable at 918 River Road, Cannon Falls, MN 55009 or such other place as the Note holder may designate, in consecutive monthly installments of \$1,448.54 Dollars (US \$1,448.54), on the 13th day of each month beginning August 13, 2016. Such monthly installments shall continue until the entire indebtedness evidenced by this Note is fully paid, except that any remaining indebtedness, if not sooner paid, shall be due and payable on July 13, 2026.

If any monthly installment under this Note is not paid when due and remains unpaid after a date specified by a notice to Borrower, the entire principal amount outstanding and accrued interest thereon shall at once become due and payable at the option of the Note holder.\* The date specified shall not be less than thirty days from the date such notice is mailed. The Note holder may exercise this option to accelerate during any default by Borrower regardless of any prior forbearance. If suit is brought to collect this Note, the Note holder shall be entitled to collect all reasonable costs and expenses of suit, including, but not limited to, reasonable attorney's fees.

Borrower shall pay to the Note holder a late charge of n/a percent of any monthly installment not received by the Note holder within n/a days after the installment is due.

Borrower may prepay the principal amount outstanding in whole or in part. The Note holder may require that any partial prepayments (i) be made on the date monthly installments are due and (ii) be in the amount of the part of one or more monthly installments which would be applicable to principal. Any partial prepayment shall be applied against the principal amount outstanding and shall not postpone the

due date of any subsequent monthly installments or change the amount of such installments, unless the Note holder shall otherwise agree in writing.

Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

Any notice to Borrower provided for in this Note shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address stated below, or to such other address as Borrower may designate by notice to the Note holder. Any notice to the Note holder shall be given by mailing such notice by certified mail, return receipt requested, to the Note holder at the address stated in the first paragraph of this Note, or at such other address as may have been designated by notice to Borrower.

The indebtedness evidenced by this Note is secured by a ~~Mortgage~~ <sup>Security Agreement</sup>, dated July 13, 2016  
~~Security Agreement~~, and reference is made to the ~~Mortgage~~ <sup>Security Agreement</sup> for rights as to acceleration of the indebtedness evidenced by this Note.

432 Mill Street W.

Cannon Falls, MN 55009  
Property Address

TILION BREWING COMPANY, LLC

By:

Christopher E. Larson  
Chief Executive Officer

By:

Scott M. Larson  
Chief Customer Officer

By:

Ryan J. Seabright  
Chief Operations Officer

\* only after the Lender and Note holder have engaged in good faith negotiations to resolve the default.

**\*\*Provided however, on July 13, 2021, the interest rate to be charged against the then Note balance for the remaining five year term of the Note shall be reset to a new interest rate that will generally range from 2% below Wall Street prime to 2% above Wall Street prime subject to a floor of 4% and a ceiling of 10% published closest to the date of July 13, 2021. The approved rate of interest shall be determined by the Economic Development Authority in and for the City of Cannon Falls in part to reflect the projected capability of the borrower and proposed project to finance the higher rate of interest with the then Note balance subject to that newly reset interest rate amortized over the 60 remaining monthly payments of the Note with the newly established monthly payment first due and payable on July 13, 2021, and the 13<sup>th</sup> day of each month thereafter through to July 13, 2026, when all remaining unpaid sums shall be due and payable. The Note holder shall advise the Borrower of that reset interest rate and of the new monthly payment requirement prior to July 13, 2021.**

**Execute Original Only**

## **DESTINATION PROMOTION; AN ENGINE OF ECONOMIC DEVELOPMENT**

*“A destination organization is responsible for promoting the community as an attractive destination and enhancing its public image as a dynamic place to live and work. Through the impact of travel, they strengthen the economic position and provide opportunity for people and business owners in the community.”*

Cities can impose a 3% lodging tax which is a line item tax added to the room renters bill at the hotel/motel. It is a ‘pass-through’ tax which means that it is not an extra tax that the lodging facility pays, it merely is extracted at the end of each month in a report and submitted to the City. The Lodging Tax does not affect any local resident’s taxes; only people staying at the hotel/motel.

The city initiates, collects, enforces, distributes, and accounts for the taxes. 95% of the revenue collected goes to promoting tourism in the community; the City keeps 5% for administering the funds. This is all done by passing an ordinance.

The city controls the process and the state doesn’t have anything to do with collection. Most cities will have a designated marketing organization (DMO) and the tax revenue goes to this group. Most cities will have established a DMO as the recipient of the lodging tax funds, usually it is the Chamber/CVB in a community since they are usually already doing tourism marketing/welcoming visitors to the community, etc. The City of Cannon Falls can retain 5% for their own administration of the lodging tax and the other 95% needs to be dedicated to tourism marketing if it does not go to the Chamber of Commerce.

It’s imperfect because there’s no way to know what lodging owners really collected and you have to go off what they provide, and not every Airbnb/VRBO is active all the time or permitted to keep track of them.

The best way to communicate the message to lodging owners is that visitors are used to paying the lodging tax everywhere else, and it goes to promote the community/more stays at their lodging place.

### **From the MN Association of Convention & Visitor Bureaus:**

#### **FACTS:**

- The leisure and hospitality sector contributes \$16 billion in annual gross sales. That’s almost \$44 million per day.
- Tourism advertising returns \$180 of traveler spending for every \$1 invested in advertising.
- The industry supports 273,000 full- and part-time jobs, \$6.1 billion in payroll and represents 11% of all private sector employment in Minnesota.
- Tourism generates state and local sales tax revenue of \$1.04 billion – approximately 18% of all state sales tax revenue.
- In the absence of the state and local taxes generated by travelers, each Minnesota household would need to pay an additional \$625 in taxes to fill the gap.
- Tourism supports economic growth and vitality in virtually every county of Minnesota!

Maggie at the Chamber contacted some MN Chambers that have a similar population as CF that have implemented the lodging tax. The only response she received as of May 1st was from:

**Luverne:**

Luverne has adopted the highest rate (3%) of lodging tax. Now that the hotel prices have increased, they receive about \$50-60K annually that is administered by the Convention & Visitors Bureau and reviewed by the City. Luverne has about 5,000 people. Two mom & pop hotels and three larger hotels total about 145 rooms.



# Local Lodging Taxes in Minnesota

August 2019

## Overview

Lodging taxes are imposed on short-term lodging by a number of local governments in Minnesota, mainly by cities and towns. All cities and towns, and counties on behalf of unorganized townships, may impose up to a 3 percent tax by statute, if 95 percent of the revenue raised is used for tourism promotion. Lodging taxes imposed at a higher rate or for other purposes are generally imposed under special law, although a few enacted before 1972 were imposed by city charter. The first part of this publication explains the current general lodging tax law and discusses variations in the lodging tax under city charter or special legislation. This is followed by three appendices:

- [Appendix A – Statutory history of the general lodging tax provisions](#)
- [Appendix B – List of lodging taxes currently imposed under general law](#)
- [Appendix C – Chart of cities imposes lodging taxes under charters or special law](#)

## Statutory Authority for Lodging Taxes

### Cities, towns, and counties may impose the tax

Most local lodging taxes are imposed under the general authority contained in [Minnesota Statutes, section 469.190](#). Under this statute a city can impose the tax by ordinance, and a town can impose the tax by a vote of the electors at a general or special town meeting. A county may impose the tax in its unorganized territories, but to do so the board must pass a resolution to that effect, put a public notice in the newspaper, and hold a public hearing prior to passing a final resolution imposing the tax. If 5 percent of the voters in the unorganized territories petition for a vote within 30 days of the final resolution, the tax may not be imposed until approved by the voters in the unorganized territories at a general or special election.

### Lodging taxes are generally administered locally

Most local governments collect their lodging tax locally but jurisdictions may negotiate with the Department of Revenue to have them collect the lodging tax. The department is allowed to retain from the collected revenues an amount to cover the costs of collection. Currently the state only collects lodging tax for the cities of Minneapolis, St. Paul, Rochester, and Biwabik.

### Definition of lodging subject to the tax varies

A local lodging tax imposed under the general law applies to rentals of 30 days or less for lodging at a “hotel, motel, rooming house, tourist court, or resort.” A city may also choose to impose its lodging tax on camping receipts at a municipal campground, but not at private campgrounds.

Any local lodging tax collected by the state is required by law to use the statutory definition of “lodging” in the state sales tax statute as the tax base<sup>1</sup>. This differs slightly from the definition in the general lodging tax statute, because it explicitly includes ancillary charges including charges by accommodation intermediaries (online travel companies). The definition of lodging for lodging taxes imposed under some of the special laws may also differ.<sup>2</sup>

## **Use of lodging tax revenues**

The local government may use 5 percent of the proceeds for administration costs but the remaining 95 percent of the revenues from a tax imposed under the general authority must be used to fund a local convention or visitor’s bureau for tourism and convention center promotion. This required use does not apply to lodging taxes enacted prior to 1972 or to taxes authorized by a special law.

The allowed use of revenues from lodging taxes imposed under special laws is contained in each special law.

A special statutory provision<sup>3</sup> also allows cities of the first class to divert lodging tax revenues from a tax authorized by special law if the revenues raised exceed the amount needed for the original purpose authorized in the special law. The excess revenues may be used to fund construction or renovation of a large sports facility, convention center, or civic center.

# **Lodging Taxes Authorized by Charter or Special Legislation**

## **Taxes imposed under city charter authority**

Prior to 1972 the state did not prohibit local governments from imposing local sales taxes on either general sales or sales of specific items, including lodging. Home rule charter cities could enact local lodging taxes if allowed under the charter. Bloomington, Duluth, and St. Paul all passed 3 percent transient lodging taxes under city charter amendments in 1970. Rochester adopted a 3 percent local lodging tax under a charter amendment in 1971. Brooklyn Center also adopted a 3 percent lodging tax under its charter although the date of adoption is currently unknown.

## **Taxes imposed under special legislation**

Other jurisdictions that wanted to impose a local lodging tax could go to the legislature for special legislation to impose a tax. Minneapolis was allowed to impose a 3 percent tax on admissions, transient lodging, and sales at restaurants and bars with live entertainment in 1969.

In 1971 the state enacted a general prohibition against new or increased local sales and income taxes. The law states that “No county, city, town, or other taxing authority shall increase a present tax or

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<sup>1</sup> The requirement that these taxes must use the state definition of lodging is in [Minn. Stat. § 270C.171](#). The sales tax definition of lodging is found in [Minn. Stat. § 297A.61](#), subdivision 3, paragraph (g), clause (2).

<sup>2</sup> Some special laws lodging taxes include charges by online travel companies in the tax base and may treat other related services such as phone charges and room service differently.

<sup>3</sup> [Minn. Stat. § 297A.9905](#).

impose a new tax on sales or income.”<sup>4</sup> However, notwithstanding the statutory prohibition, cities continued to seek special legislation to impose local sales taxes. Between 1972 and 1983 only two new lodging taxes were authorized under special law: a 3 percent tax in the city of St. Cloud (1979) and a Minneapolis tax (1979) in the downtown area to fund the Metrodome.

In 1983 the state enacted the general local lodging tax authority but a number of jurisdictions continued to seek special legislation for lodging taxes. There are three main reasons that special legislation is sought: (1) to increase a lodging tax above the statutory three percent maximum rate; (2) to modify the geographic area in which a lodging tax applies; and/or (3) to allow the revenue from the tax to be used for a purpose other than funding a tourism or convention bureau. A complete chart of all the lodging taxes imposed under charter or special law is contained in Appendix C.

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<sup>4</sup> [Minn. Stat. § 477A.016](#).

## Appendix B – Lodging taxes imposed under Minn. Stat. § 469.190

Self-reported list of jurisdictions and joint powers groups imposing a lodging tax under the general statute. This list may be incomplete since there is no requirement that imposition of the tax be reported to the state.

Jurisdiction	Rate	Jurisdiction	Rate	Jurisdiction	Rate
Aitkin	3%	Ham Lake	3%	Orr	3%
Albert Lea	3	Harmony	3	Ortonville	3
Alexandria	3	Hastings	3	Osakis	3
Anoka	3	Hill City	3	Ottertail	3
Apple Valley	3	Hinckley	3	Owatonna	3
Appleton	3	Historic Bluff Country-Fillmore County	3	Park Rapids	3
Austin	3	Hutchinson	3	Perham	3
Baudette/ Lake Of The Woods	3	Ideal Twnshp/Whitefish Comms: Cross Lk, Peq Lks, Pine Rvr	1	Pipestone	3
Baxter	3	International Falls	3	Preston	3
Bemidji	3	Inver Grove Hgts	2	Proctor	3
Benson	3	Iron Range Communities/Eveleth/Giants Ridge	3*	Red Wing	3
Blaine	3	Jackson	3	Redwood Falls	3
Blue Earth	3	Lake Benton	3	Richfield	3
Brainerd	3	Lake City	3	Roseau	3
Brooklyn Center*	3*	Lakeville	3	Roseville	3
Brooklyn Park	3	Lanesboro w/ Carlton & Holt	3	Shakopee	3
Burnsville	3	Little Falls	3	Shoreview	3
Cloquet	3	Lk Vermilion Resort Assn	3	Sleepy Eye	3
Cook Cnty Event & Visitors Bureau	1	Lutsen-Tofte-Schroeder & vicinity	3	St. Cloud*	1*
Coon Rapids	3	Luverne	3	St. Louis Park	3
Crane Lk & Kabetogama	3	Madelia	1.5	St. Peter	3
Crookston	3	Mankato	3	St. James	1
Detroit Lakes	3	Maple Grove	3	St. Louis Park & Golden Valley	3

Jurisdiction	Rate	Jurisdiction	Rate	Jurisdiction	Rate
Duluth*	3*	Marshall	3	Stillwater/Oakdale	3
Eagan	3	McGregor	3	Thief River Falls	3
East Grand Forks	3	Milaca	3	Wabasha	3
Edge of the Wilderness Rsrts	3	Mille Lacs Area Tourism Council	3	Waconia	3
Edina	3	Minnesota Northwoods/Cass Lake vicinity	3	Wadena	3
Ely	3	Montevideo	3	Waite Park	3
Fairmont	3	Moorhead	3	Warroad	3
Faribault	3	Morris	3	Waseca	3
Fergus Falls	3	Morton	3	Willmar	3
Fridley	3	Moundsview	3	Windom	3
Grand Marais	3	New Ulm	3	Winona*	3*
Grand Rapids	3	North Mankato	3	Worthington	3
Granite Falls	3	Northfield	3		
Gunflint Trail	3	Olivia	2		

**Source:** Explore Minnesota Tourism

\* Jurisdiction imposes additional lodging tax(es) under special law or charter - **See Appendix C**

161	Dilworth	4,585
162	Rockford	4,575
163	Sauk Centre	4,531
164	Nowthen	4,521
165	Wayzata	4,367
166	Wadena	4,283
167	Cannon Falls	4,198
168	Pipestone	4,185
169	Le Sueur	4,174
170	Columbus	4,169
171	Cold Spring	4,168
172	Goodview	4,126
173	Rice Lake city	4,114
174	Park Rapids	4,026

## Appendix C – Cities imposing lodging taxes under charter or special law

Taxing Jurisdiction	Description and Purpose	Authorizing Legislation and Later Amendments
<b>Minneapolis</b>	<p><b>3.0% on all lodging in the city.</b> It was imposed as part of a general entertainment tax. Revenues may be used for any city purpose.</p> <p><b>Temporary tax no longer in effect—imposed at 3.0% rate from 1979-1984.</b> The law allowed the city to enter into an agreement with the Metropolitan Sports Facility Commission to impose a temporary tax in the downtown area if necessary to fund debt payments on the Metrodome. For purposes of this tax, the city defined the downtown taxing area as the entire city. The 1994 law extended the tax to allow it to be used to finance a basketball and hockey arena (i.e., Target Center) and the Minneapolis Park and Recreation Board for youth sports; but it was never imposed.</p> <p>Although a 2012 law abolished the Metropolitan Sports Facility Commission this tax authority has never been repealed.</p> <p><b>An additional 3.0% rate on lodging facilities with more than 50 rooms.</b> Originally the city could only use revenues for city convention center improvement, operations, and promotion. The 2001 law expanded the allowed uses of the tax to fund neighborhood and downtown capital improvements, including sports arenas. The 2012 law expanded the authorized use of the revenue to include funding the renovation, expansion, construction of the basketball arena and other capital projects in the city, and forbade the expiration of the tax prior to January 1, 2047.</p> <p>Originally this law capped the total <u>state and local</u> sales and lodging taxes applied to city lodging to a maximum of 12%. This cap caused the rate imposed under this law to fall as new county sales taxes were imposed. In 2018 the cap had reduced the imposed rate to 2.125%. The 2019 law changed the cap to 6.5% and made it apply only to city-imposed taxes—allowing the full rate of 3.0% to be imposed, beginning October 1, 2019.</p>	<p><a href="#">Laws 1969, ch. 1092</a></p> <p><a href="#">Laws 1979, ch. 203</a>, § 11, as amended by <a href="#">Laws 1994, ch. 648</a>, art. 1, § 11, and codified in <a href="#">Minn. Stat. § 473.592</a></p> <p><a href="#">Laws 1986, ch. 396</a>, § 5, as amended by <a href="#">Laws 2001, 1st spec. sess., ch. 5</a>, art. 12, § 87, <a href="#">Laws 2012, ch. 299</a>, art. 3, § 3, and <a href="#">Laws 2019, 1st. spec. sess., ch. 6</a>, art. 6, § 5</p>
<b>Bloomington</b>	<p><b>3.0% on all lodging in the city.</b> The city may use the tax revenues for general fund purposes and advertising and promotion of business and industry. The allowed uses were expanded in the 2008 law.</p>	<p>Approved by ordinance under the city charter in 1970</p>

Taxing Jurisdiction	Description and Purpose	Authorizing Legislation and Later Amendments
<b>Bloomington (cont.)</b>	<p><b>An additional 2.0% on all lodging in the city.</b> The city may use the improvements around the former Metropolitan Stadium site, south of the airport. The law allowed an additional tax rate of up to 5.0% but only 2.0% was imposed. The use was expanded in the 2008 law.</p> <p><b>An additional 2.0% on all lodging in the city.</b> The city must give these tax revenues to the Bloomington Convention Bureau for tourism promotion. The original law allowed a rate of only 1.0% and required revenues to be used for the metropolitan sports area. The 1991 law changed the revenue dedication, and the 2002 law increased the rate to 2.0%. The allowed uses were expanded in the 2008 law.</p> <p><b>Not imposed—up to an additional 1.0% tax on lodging in tax increment finance (TIF) districts No. 1-C and 1-G.</b> The city could use the revenue to fund Mall of America Phase II improvements.</p> <p>The law also allows the city to use a portion of revenue from all the other lodging taxes for the Phase II improvements if (1) they are derived from new lodging facilities in those TIF districts, and (2) the revenues are not contractually pledged to another purpose.</p>	<p><a href="#">Laws 1986, ch. 391</a>, § 4 as amended by <a href="#">Laws 2008, ch. 366</a>, art. 5, § 28</p> <p><a href="#">Laws 1990, ch. 604</a>, art. 6, § 9, amended by <a href="#">Laws 1991, ch. 291</a>, art. 8, § 25, and <a href="#">Laws 2002, ch. 377</a>, art. 3, § 20</p> <p><a href="#">Laws 2008, ch. 366</a>, art. 5, § 28</p>
<b>Duluth</b>	<p><b>1.0% on lodging facilities with more than 30 rooms.</b> The tax revenues must be used to fund maintenance of the Duluth Arena-Auditorium. This is in addition to the 3.0% tax imposed under general law on all lodging in the city.</p> <p><b>An additional 1.5% lodging facilities with more than 30 rooms.</b> The original law allowed a 1.0% tax with revenues used to subsidize the Duluth Arena-Auditorium (now the Duluth Entertainment and Convention Center) and the Spirit Mountain Recreation Area. The law also allowed the city to limit application of the tax to facilities with a certain number of rooms. Subsequent laws increased the tax rate to 1.5 % with the extra 0.5% dedicated to pay for specific recreational projects. The most recent law dedicates revenues from that 0.5% to fund \$18 million in tourism and recreation capital improvements in West Duluth.</p>	<p>Approved by ordinance under the city charter in 1970</p> <p><a href="#">Laws 1980, ch. 511</a>, § 2; as amended by <a href="#">Laws 1998, ch. 389</a>, art. 8, § 26, <a href="#">Laws 2003, 1<sup>st</sup> spec. sess., ch. 21</a>, art. 8, § 12; <a href="#">Laws 2014, ch. 308</a>, art. 3, § 22, and <a href="#">Laws 2017, 1<sup>st</sup> spec. sess., ch. 1</a>, art. 5, § 22</p>
<b>Rochester</b>	<p><b>3.0% on all lodging in the city.</b> The city must deposit revenues from this tax in the general fund or use them for tourism promotion.</p> <p><b>An additional 1.0% on all lodging in the city.</b> The city must use these revenues to fund a local tourism bureau.</p> <p><b>An additional 3.0% tax on lodging in the city.</b> The original law allowed the city to impose an extra 1.0% tax and the 2010 adding bonding authority to fund renovation and expansion of the Mayo Civic Center but the city never imposed the tax. The 2013 law</p>	<p>Approved by ordinance under the city charter in 1970</p> <p><a href="#">Laws 2002, ch. 377</a>, art. 3, § 25</p> <p><a href="#">Laws 2009, ch. 88</a>, art. 4, § 19, as amended by <a href="#">Laws 2010, ch. 389</a>, art.</p>



Taxing Jurisdiction	Description and Purpose	Authorizing Legislation and Later Amendments
<b>Rochester (cont.)</b>	amended this provision to allow an extra tax of 3.0% rate with the revenue used to fund up to \$50 million in bonds for the Mayo Civic Center complex and related facilities. This was imposed January 1, 2014.	5, § 3, as amended by <a href="#">Laws 2013, ch. 143</a> , art. 8, § 46
<b>St. Paul</b>	<p><b>3.0% on all lodging in the city.</b> Originally the revenues went to the city general fund but the 1982 law that superseded the original ordinance required at least 25.0% of the revenue be used for debt service on bonds for civic center parking improvements.</p> <p><b>An additional 4.0% rate on lodging facilities with more than 50 rooms.</b> The city must use these revenues for tourism promotion. The tax was originally authorized at a rate of 2.0% but was increased to 3.0% in 1991 and to 4.0% in 2019. The 2011 law updated the definition of “lodging” to match the definition in the 1982 law.</p>	<p>Approved by ordinance under the city charter in 1970, superseded by <a href="#">Laws 1982, ch. 523</a>, art. 25, § 1</p> <p><a href="#">Laws 1986, ch. 462</a>, § 31, amended by <a href="#">Laws 1991, ch. 291</a>, art. 8, § 24, <a href="#">Laws 2011, ch. 112</a>, art. 4, § 31, and <a href="#">Laws 2019, 1st spec. sess. ch. 6</a>, art. 6, § 6</p>
<b>Brooklyn Center</b>	<b>3.0% tax on all lodging in the city.</b> The revenues from this tax go to the general fund and may be used for any city purpose.	Approved by ordinance under city charter – date unknown
<b>St. Cloud</b>	<p><b>3.0% on all lodging in the city.</b> The law did not specify a use so the revenues may be used for any city purpose.</p> <p><b>An additional 1.0% on all lodging in the city.</b> The city must use revenues from this tax to promote, operate, and maintain the convention center and related facilities.</p>	<p><a href="#">Laws 1979, ch. 197</a></p> <p><a href="#">Laws 1986, ch. 379</a>, § 2</p>
<b>Towns of Tofte, Lutsen, and Schroeder</b>	<b>2.0% on all lodging in the three towns.</b> Tax revenues must be used for construction, debt service, and maintenance of public recreational facilities located in the towns. The tax is administered by Cook County but was approved by residents of the townships.	<a href="#">Laws 1987, ch. 168</a> , § 2
<b>Winona</b>	<b>1.0% on all lodging in the city.</b> Originally the city was required to use 50% of proceeds to pay debt on the Julius C. Wilke Steamboat Center with the remainder used for tourism and convention promotion. When the center was paid off, the city was to either reduce the tax to 0.5% or dedicate all proceeds to tourism and convention promotion. The 1995 law eliminated the reduction of the tax rate and allowed the city to use money revenues previously used for the Steamboat Center to also fund improvements to the levee and adjacent areas, Prairie Island shoreline, and the city marina.	<a href="#">Laws 1991, ch. 291</a> , art. 8, § 28, amended by <a href="#">Laws 1995, ch. 264</a> , art. 3, § 38
<b>Roseville</b>	<b>Not imposed—2.0% tax on lodging in the city.</b> The law required the city to hold a referendum prior to imposing the tax but the referendum failed so the tax was never imposed. The rink that was to be funded with this tax was later built with state funds.	<a href="#">Laws 1992, ch. 511</a> , art. 8, § 27

Taxing Jurisdiction	Description and Purpose	Authorizing Legislation and Later Amendments
<b>Two Harbors</b>	<b>1.0% on all lodging in the city.</b> The city must use the revenues to preserve and display the tugboat Edna G. The total combined lodging tax imposed under this law and general law was limited to 3.0%. The 2019 law changed the limit on the total lodging tax imposed on lodging by the city under this and other laws to 5%—including the 4% tax imposed by Lake County under its 2019 special law. (see Lake County)	<a href="#">Laws 1994, ch. 587</a> , art. 9, § 11, as amended by <a href="#">Laws 2019, 1st spec. sess. ch 6</a> , art. 6, § 7
<b>Central Cities</b> (St. Cloud, Sartell, Sauk Rapids, St. Joseph, and Waite Park)	<b>Not imposed—0.5% tax on lodging in each city.</b> If imposed the revenue from this tax was to fund costs related to the central Minnesota Events Center including operating costs for the first five years. Because a complementary general sales tax to fund the same project was not approved by local voters, no city imposed the lodging tax.	<a href="#">Laws 1998, ch. 389</a> , art. 8, § 44
<b>Newport</b>	<b>1.0 % rate on lodging facilities in the city with more than 25 rooms.</b> Revenue from this tax is dedicated to economic development purposes. The total combined lodging tax imposed under this law and Minn. Stat. § 469.190 may not exceed 4.0%.	<a href="#">Laws 2003, ch. 127</a> , art. 1, § 33
<b>Itasca County</b>	<b>Expansion of territory in which county tax is imposed.</b> Itasca County is allowed to impose a lodging tax in all organized and unorganized townships, instead of just unorganized areas. Any township lodging taxes imposed at the time the countywide tax was imposed expired. All the other provisions of the general law lodging tax apply.	<a href="#">Laws 2003, 1st spec. sess., ch. 21</a> , art. 8, § 18
<b>Hubbard County</b>	<b>Expansion of territory in which county tax is imposed.</b> Hubbard County is allowed to impose a lodging tax in all organized and unorganized townships, instead of just unorganized areas. Any township lodging taxes imposed at the time the countywide tax was imposed expired. All the other provisions of the general law lodging tax apply.	<a href="#">Laws 2005 1st spec. sess., ch. 3</a> , art. 5, § 40
<b>Proctor</b>	<b>Diversion of general law tax revenues.</b> Proctor may redirect up to 10% of the revenue from the existing local lodging tax imposed in the city under Minn. Stat. § 469.190 to preservation of a city-owned historic locomotive and airplane.	<a href="#">Laws 2005, 1st spec. sess., ch. 3</a> , art. 5, § 41
<b>Giant’s Ridge Recreation Area (Biwabik)</b>	<b>2.0% on lodging in the Giant’s Ridge Recreation Area only.</b> Revenues from this tax must be used to fund construction, maintenance, and improvement of public recreational facilities within the Giant’s Ridge Recreation Area located in the city of Biwabik. The allowed tax rate was up to 5.0% but it was only imposed at a 2.0% rate. The Biwabik city council and the Iron Range Resource and Rehabilitation Board (IRRRB) both had to approve imposing the tax, and the revenues are administered by the IRRRB.	<a href="#">Laws 2010, ch. 389</a> , art. 5, § 7

Taxing Jurisdiction	Description and Purpose	Authorizing Legislation and Later Amendments
<b>Marshall</b>	<b>1.5% on all lodging in the city.</b> The city had to get voter approval within two years of the legislation in order to impose this tax. This was extended to three years in 2011 to allow the vote to occur with a vote on imposing a general local sales tax to fund the same projects. Revenues from the tax must be used to pay costs related to the Minnesota Emergency Response and Industry Training (MERIT) Center and the Southwest Minnesota Regional Amateur Sports Center.	<a href="#">Laws 2010, ch. 389</a> , art. 5, § 6, as amended by <a href="#">Laws 2011, 1st spec. sess., ch. 7</a> , art. 4, § 9
<b>Sleepy Eye</b>	<b>2.0% on all lodging in the city.</b> This tax is in addition to the 3.0% allowed under general law. The revenue from the additional 2.0% must be used for the same purposes (tourism and convention center promotion) as the revenue from the tax imposed under the general law.	<a href="#">Laws 2017, 1st spec. sess., ch. 1</a> , art. 5, § 23
<b>La Crescent</b>	<b>2.0% on all lodging in the city.</b> This tax is in addition to the 3.0% allowed under general law. The revenue from the additional 2.0% must be used for the same purposes (tourism and convention center promotion) as the revenue from the tax imposed under the general law.	<a href="#">Laws 2019, 1st spec. sess., ch. 6</a> , art. 6, § 21
<b>Lake County</b>	<b>4.0% on all lodging in the county.</b> The revenues must fund the Lake County Events and Visitor's Bureau, with 75% of the revenue used to market the county and 25% used to promote community events and festivals in the county. Prohibits any city or town in the county that did not already impose a lodging tax under general law from imposing a new tax under the general law while the county tax is in effect.	<a href="#">Laws 2019, 1st spec. sess., ch. 6</a> , art. 6, § 22
<b>Plymouth</b>	<b>Up to 3.0% on all lodging in the city.</b> The city is allowed to impose this tax for up to ten years in addition to a lodging tax under general law. One-third of the revenue from this tax must be used for the same purpose as revenues under general law while the remaining revenues may be used for capital improvements to recreational facilities as well as marketing and promotion.	<a href="#">Laws 2019, 1st spec. sess. ch. 6</a> , art. 6, § 25



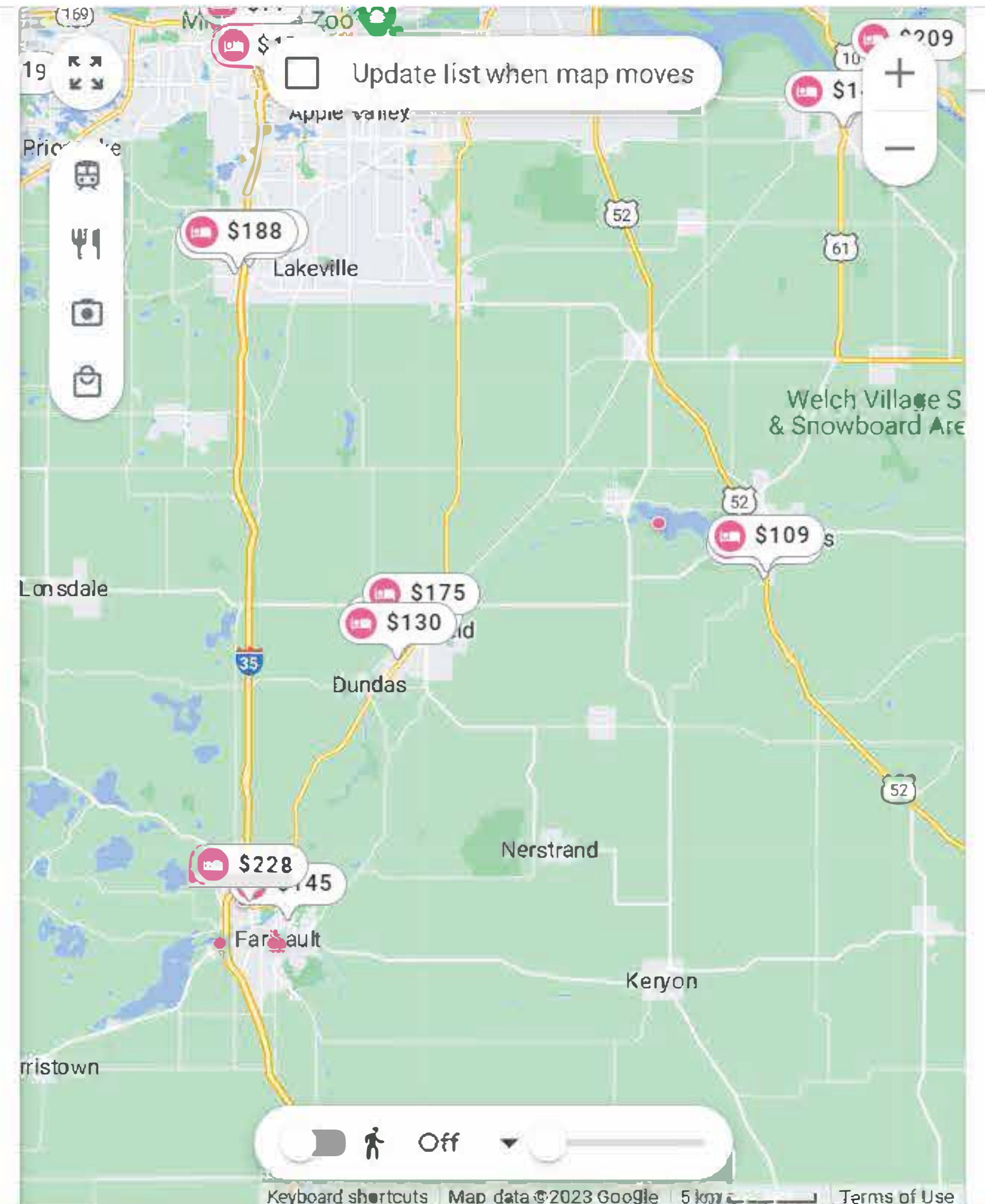
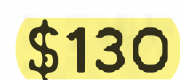
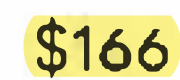
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3.0 acres

This is an aerial photograph of a land area. A red outline highlights two adjacent parcels. The upper parcel is labeled '3.0 acres' and the lower parcel is labeled '4.3 acres'. To the right of these parcels is a large industrial facility with several large white storage tanks and various buildings. A road, labeled 'NORTH PARK DR' in purple, runs vertically along the right side of the red-outlined parcels. At the bottom of the image, a road labeled 'COUNTY 29 BLVD' in purple runs diagonally from the bottom left towards the center. Another road, labeled 'HOLIDAY AVE' in purple, runs horizontally across the bottom right. The background shows a mix of green fields, some trees, and other industrial structures.

4.3 acres

NORTH PARK DR

COUNTY 29 BLVD

HOLIDAY AVE

Featuring Presentations on:

- Grant Writing
- Creative Childcare Solutions
- Organizing Community Events
- Rural Business Innovation Partnerships

# CEDA ANNUAL MEETING

June 27,  
2023

10 a.m. - 1 p.m.  
Cannon River Winery, Cannon Falls, MN



## REGISTRATION IS NOW OPEN!

Join us for CEDA's Annual Meeting on June 27 at  
Cannon River Winery in Cannon Falls, MN!

We will be sharing valuable information on topics such as:

- Grant writing
- Creative Childcare Solutions
- Organizing Community Events
- and Rural Business Innovation Partnerships

You'll be able to network with your peers while learning about  
issues and solutions that pertain to you and your community.

Optional wine tasting will be available, and lunch will be provided!  
Golf to follow.