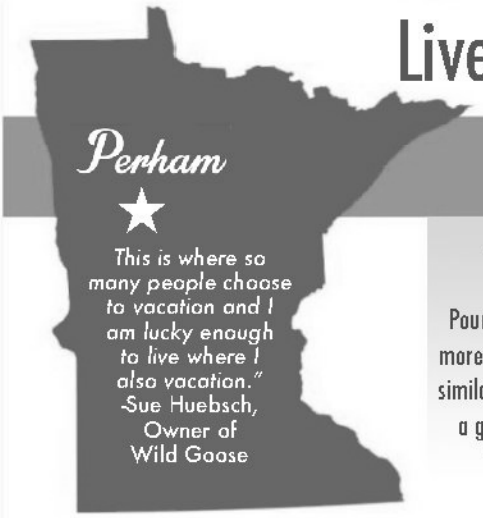
ANNUAL REPORT 2022

Perham Economic Development Authority



Live Here. Do Business Here.

ProgressivePerham.com

The Most Jobs.

Pound for pound, Perham offers more jobs than many communities similar or larger in size, and offers a great quality of lakeside life with big city amenities.

Help for Businesses.

Local tax incentives and business services can help you achieve dreams of business ownership in a town with a great quality of live and midwestern work ethic.

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NOTE FROM DIRECTOR

Another year in the books and our second EDA Annual Report is ready for your reading and viewing pleasure! Thank you for taking the time to review this document.

Looking back at 2022, we didn't break any records for permits like in years past, but we did see a lot of progress in very important initiatives, projects, and programs. We had new businesses join our community, great events that entertained and engaged residents and visitors, and increased and enhanced housing opportunities in and around Perham.

In this report you will find information about your Perham EDA and what our goals are. We also highlight new businesses, expanded businesses and housing opportunities. You'll also find demographics and data from location tracking software that we demoed recently, giving us insights into how people move around the city, county, state, and region. This was one of my most interesting engagements with a software provider this year, it helped that they did a live demo and allowed me to keep the data that was generated. It made me reflect on why Perham is so special and why so many people are drawn here from so far away. Are they coming for the shopping, the fishing, the hunting, the events, their job, their family, their vacation, the opportunity?

We can use the word OPPORTUNITY to describe all of the reasons to come to Perham. I want to use this opportunity to highlight an amazing trend that is happening and being highlighted in this year and last year's report that you might not have noticed. Look at the new business section (page 16) …what stands out? I'm going to tell you even if you didn't look. Three of the four new businesses this year and four of four last year are owned/managed by women. Women are taking the lead roll in entrepreneurship across the board and having great success! Thank you all for seizing the opportunity!

OPPORTUNITY

Our main goal at the Perham EDA is to foster relationships between, and aid those entities looking to improve on our already fantastic community. So, moving in to 2023, we need to make sure we're thankful for our community, and know that we've been blessed to call Perham our home.

Nick Murdock
EDA Director, City of Perham
02/17/2023

MISSION AND VISION

Perham EDA Mission Statement

The Perham Economic Development Authority is committed to being a catalyst for growth within the city of Perham.

Perham EDA Vision Statement:

We seek to provide every member of our community access to quality housing, employment, and recreation by:

- **Encouraging and assisting the development of new and existing businesses by providing information, financing, mentoring, and education.**
- **Working with the Perham Area Chamber of Commerce and other groups to promote tourism and recreational opportunities.**
- **Partnering with local businesses, industry leaders, and the Perham Housing & Redevelopment Authority to expand and enhance housing opportunities.**

EDA Board of Directors

- Charlie Cavanagh, Chair
- Denise Schornack, Vice Chair
- David Arvig
- Curt Osterfeld
- Chuck Hofius
- Tim Meehl, City Council Representative
- Brad Schmidt, City Council Representative

All board members are volunteer and serve six-year terms.

The Perham Economic Development Authority Board meets monthly on the fourth Tuesday at 7:00 AM in the Council Chambers of Perham City Hall.

EDA PROGRAMS

- **EDA Loans**
  The Perham EDA offers business loans for startups, expansion, equipment, acquisition, and many other needs.

- **Tax Increment Financing**
  The EDA administers TIF to assist with housing or business developments.

- **Otter Tail County Tax Abatement Program**
  We participate in Otter Tail County's Big Build housing initiative through tax abatement.

- **Down Payment Assistance Loan Program**
  Funds are available for income qualified first-time home buyers for assistance with their down payment.

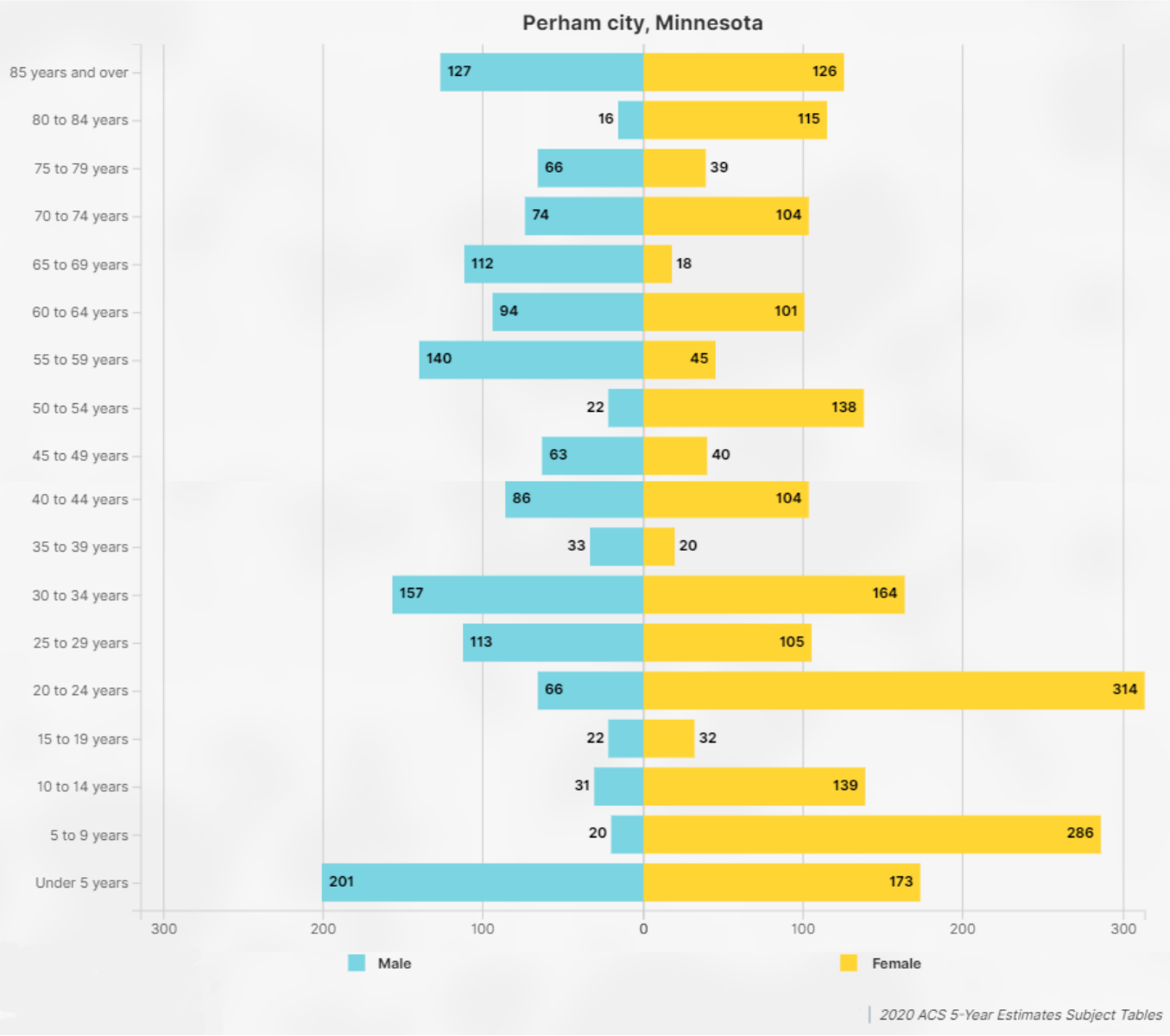
- **Small Cities Development Program**
  Rehabilitation dollars are available for income qualified single-family homeowners and commercial properties within a certain geography.

- **Site Selection and Marketing**
  The EDA maintains a listing of available commercial properties and assists with connecting prospective buyers, sellers, landlords and lessees.

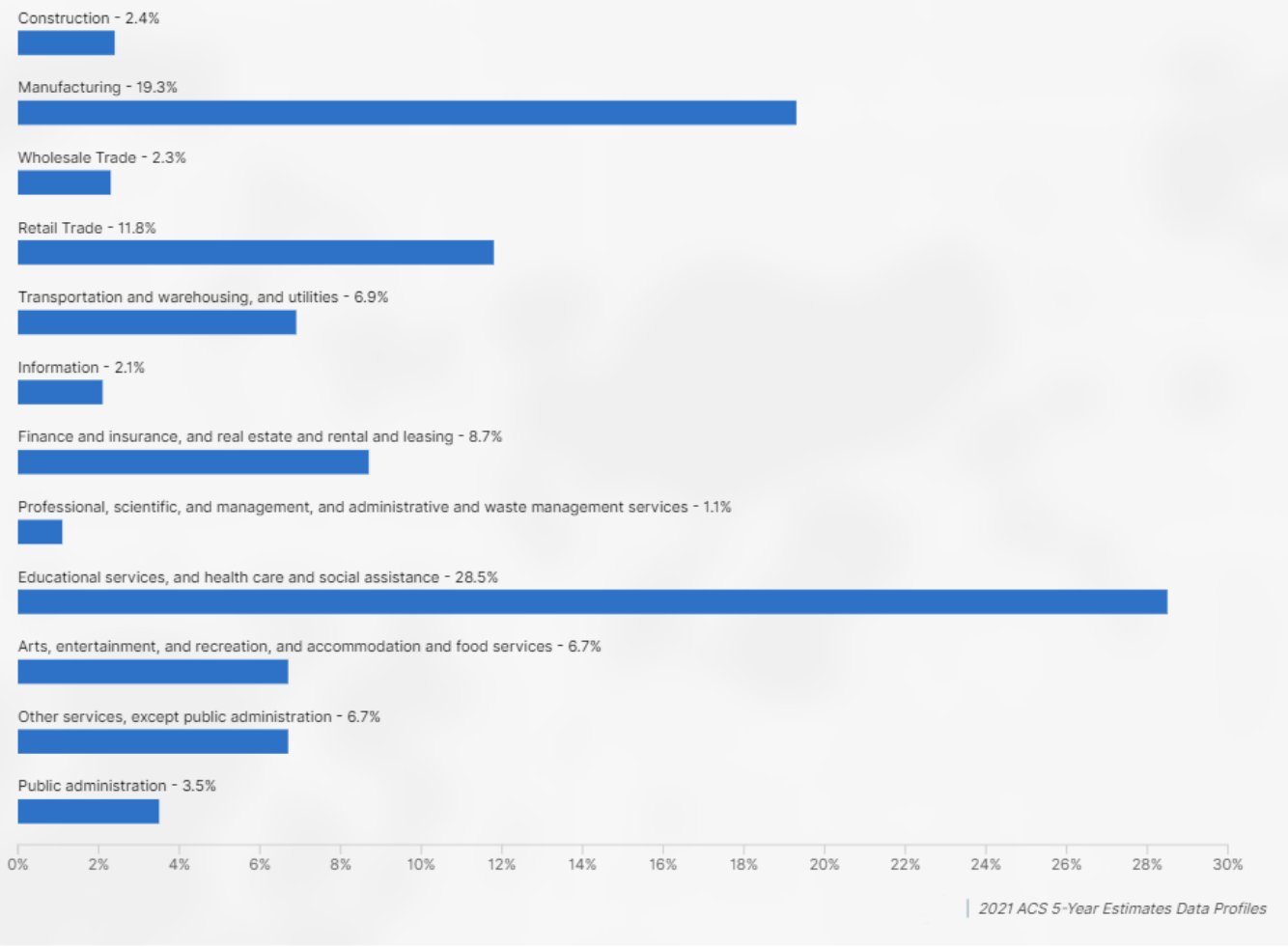
- **Opportunity Grants**
  The City of Perham and the EDA will be rolling out a city wide grant program to assist in the expansion and upkeep of residential and commercial properties. More information to come in 2023.

DEMOGRAPHICS
CITY OF PERHAM – POPULATION: 3512

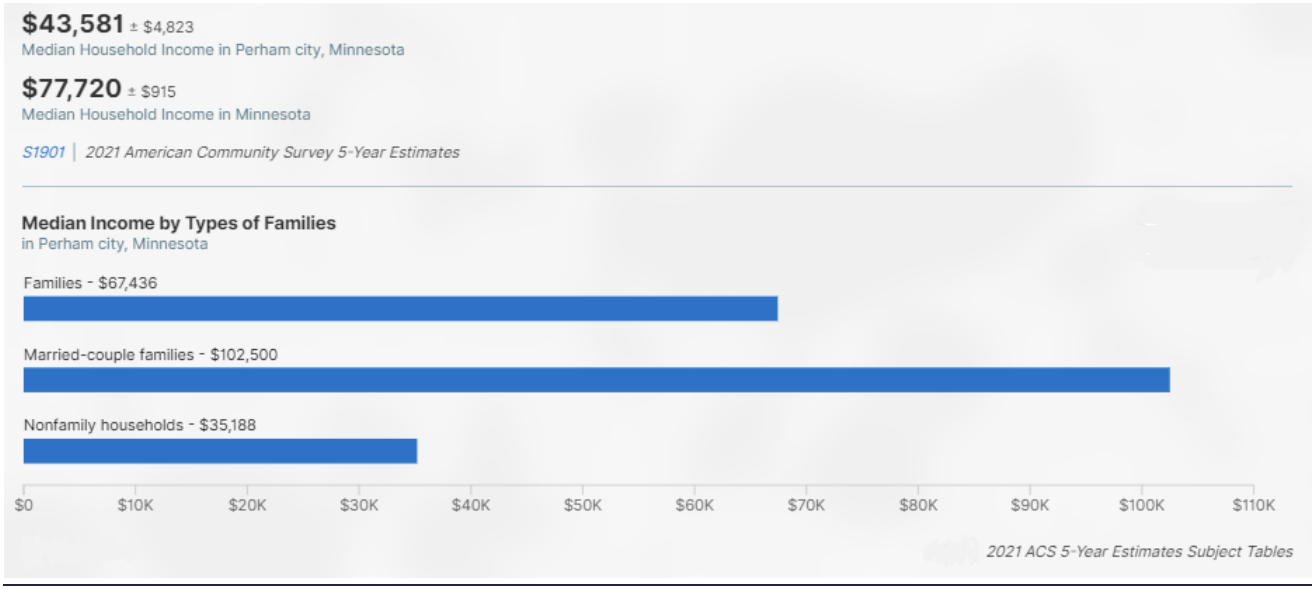
Age/Gender Distribution



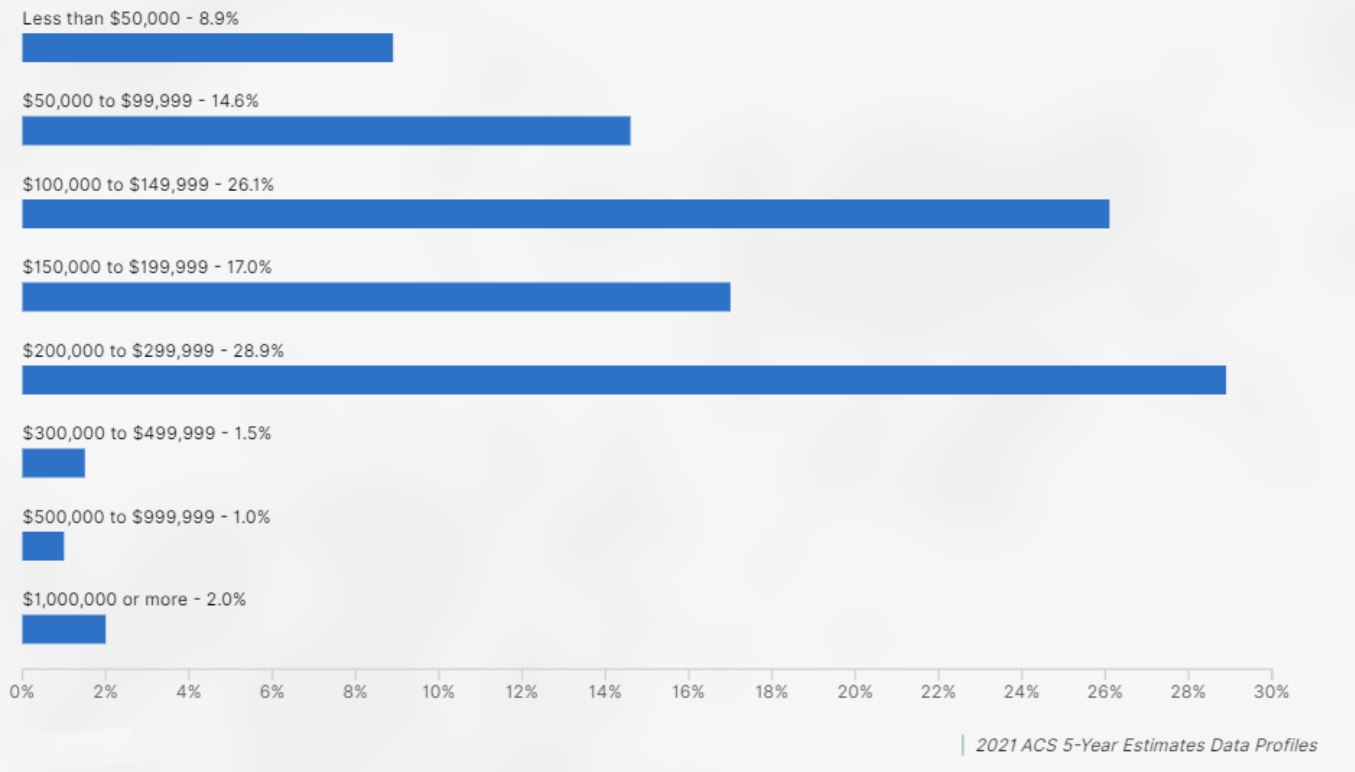
Employment by Industry - Age 16 and Over



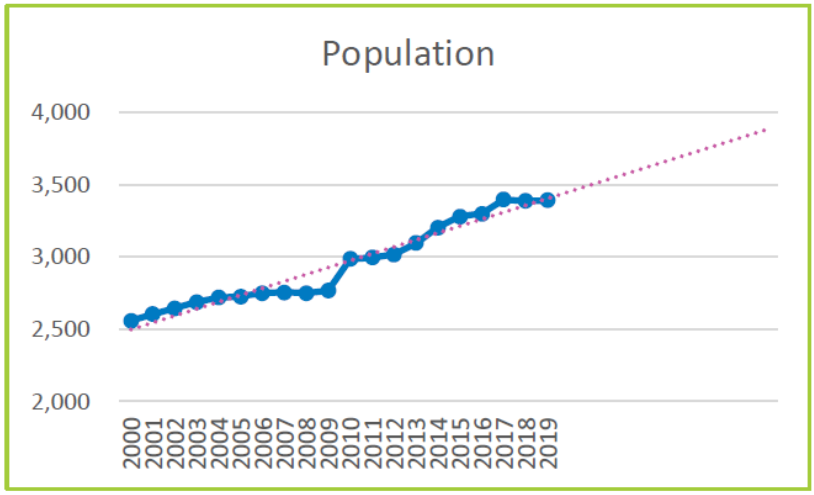
Income and Earnings



Housing Values



Projected population growth of 48 (1.41%) people per year.



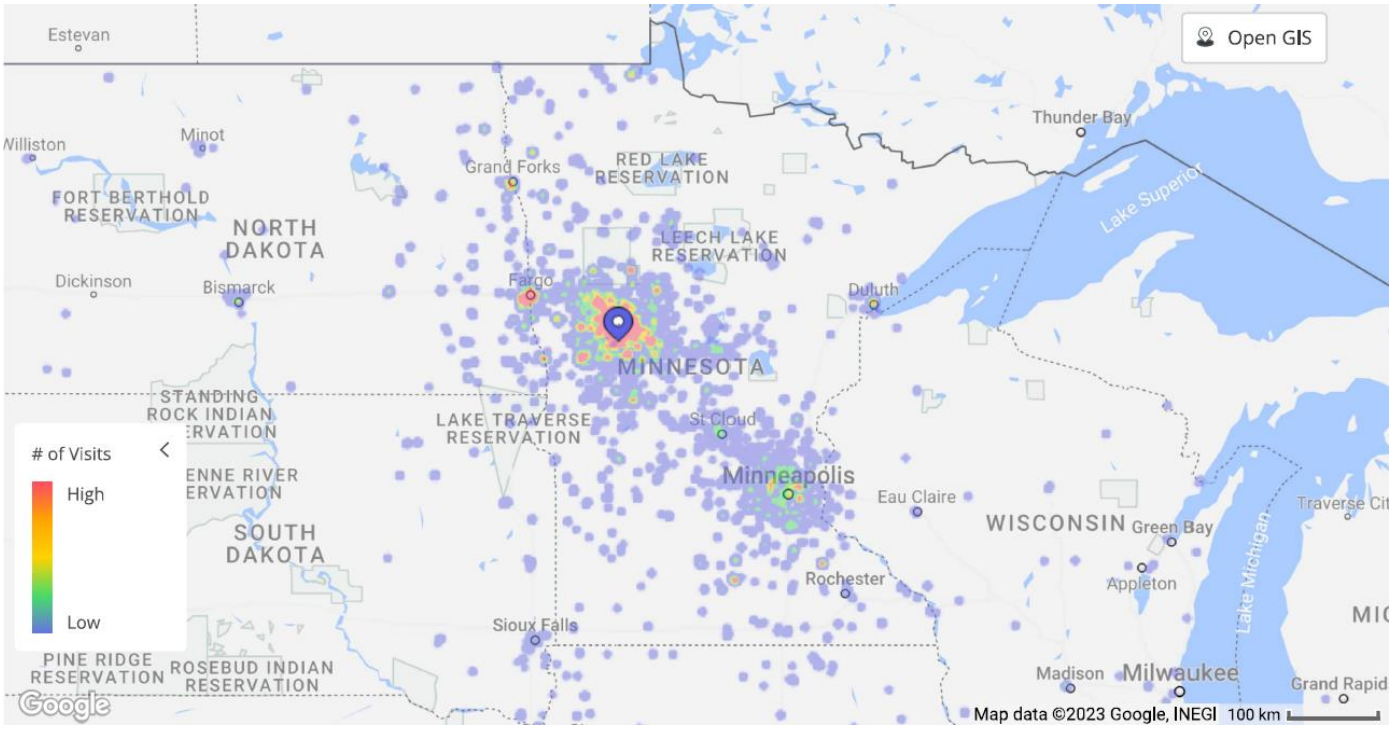
The full 2021 Perham Housing Study is available on ProgressivePerham.com.

TRAFFIC ANALYSIS

We recently had a chance to demo some powerful software that tracks mobile devices through their location services. The following information uses downtown Perham as the test area and the charts were provided to us by the software company free of charge. The software estimated **642,900** visitors came through downtown Perham in 2022. Year over year visits in 2022 were +2.6% from 2021, +31.4% from 2020, and +2.4% from 2019.

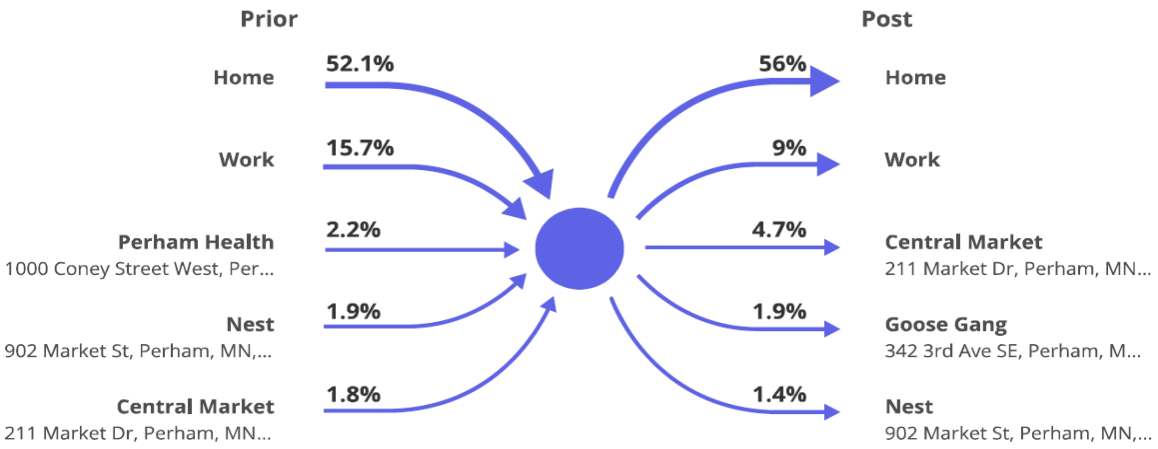
Trade area:

This map shows hot spots based on where our down town visitors call home.



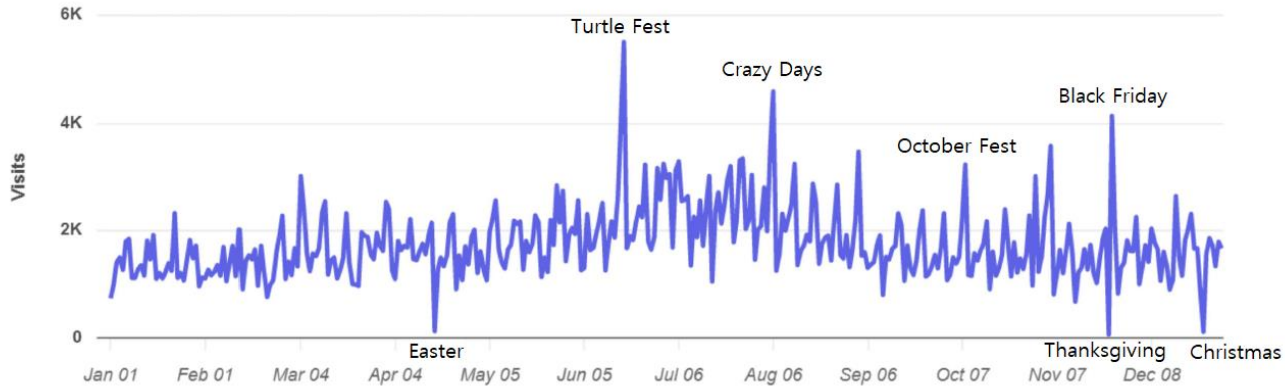
Visit Journey:

The software also tracks where the visitors were and where they went before and after entering the test area. Here you see some of the more common origination and destination points.



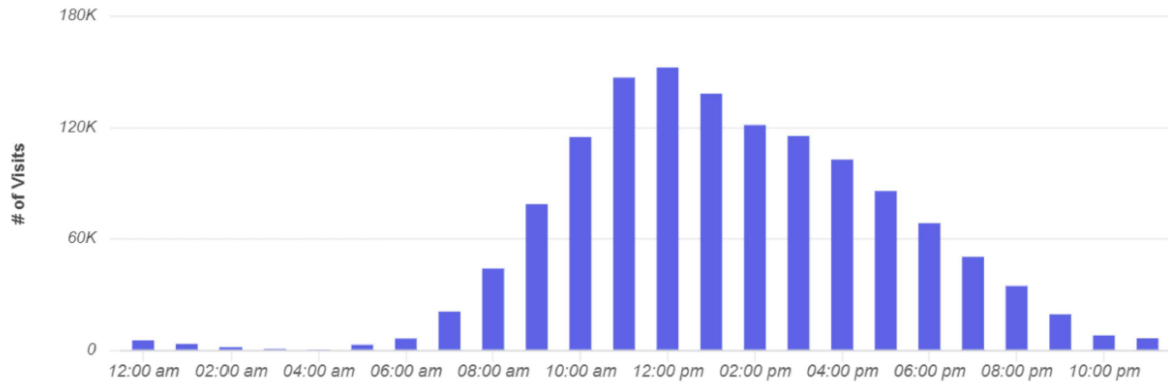
Visit Trends:

Here you see traffic counts by specific day throughout 2022. I've marked some dates with holidays and events. You can also see the significance of weekend and Wednesday (Turtle Race) traffic through the summer months.



Hourly Visits:

Here you see aggregated visits based on time of day for the year.



COMMERCIAL BUILDING

Commercial Building Permit Year Comparison

	2019	2020	2021	2022
Number of Permits Issued	32	36	28	**28**
Value of Permits Issued	$11,161,537.77	$22,707,902.04	$ 29,117,754.00	**$ 11,064,652.74**
Average Permit Value	$ 348,798.06	$ 630,775.06	$ 1,039,919.79	**$ 395,199.17**

Commercial Building Highlights for 2022

Newly Permitted for '22

JP Place by EPIC Companies = $6,800,000.00

Estimated completion: August 2023

Arvig Operation Center Remodel = $2,500,000.00

Completed in ‘22

New St. Henry’s Catholic School = $5,275,000

Grow Perham 24-Unit Apartment = $2,741,377

Bongards Warehouse Expansion = $7,230,000

THE BIG BUILD: 2022 Progress

Housing Growth & Investment Initiative

2022 Investments

499 new and rehabbed units

444 new units

55 rehabbed units

$116.4 million

housing investment added in Otter Tail County from new construction and rehab

New Construction

= permitted units

343 single-family

26 twin home

75 multi-family

13% increase in new construction countywide

Measured by permitted units compared to 2021

87 Property Tax Rebate Program applications

Provided Down Payment Assistance for **2** homebuyers

6 NEW Housing Finance Programs for homeowners, builders, and cities

Progress to Goal

= total of 2019 - 2022 new and rehabbed units

5,000 new, preserved or significantly rehabbed units by **2025**

40% of goal completed

OTTER TAIL COUNTY · MINNESOTA

bigbuildotc.com

RESIDENTIAL BUILDING

Residential Building Permit Year to Year Comparison

	2019	2020	2021	2022
# of Permits Issued	71	87	65	**51**
# of New Homes	3	5	10	**9**
# of New Twin-Homes	0	21	4	**2**
Value of Permits Issued	$1,012,628.00	$5,508,040.00	$4,397,628.00	**$ 3,195,683.00**
Average Permit Value	$13,684.16	$48,743.72	$55,666.18	**$ 51,543.27**

2022 Active Housing Developments

-West Wind 4-

Finished up their second build season with 8 new permitted builds.

-Prairies Edge-

Planning is underway for the next phase of Prairies Edge including a section of twin-homes for sale or rent.

-Clearwater Estates-

All but one city owned lots have been sold to private parties. Clearwater Estates should see some increased construction activity in 2023.

-Meadowview Homes-

Two twin-homes were completed in 2022 with another two started.

NEW BUSINESS

Schiller's House – Katie Schiller - 131 E. Main Perham

Farm Bureau Financial Servies - Michelle Beck – 130 E. Main Perham

Edward Jones – Al Lepp – 256 3rd St. SE Perham

Back on the Rack – Jodi Roy - 710 3rd Ave SE #2 Perham

NEW OWNERS

Perham Super 8 Motel – Perham Hotel Group

Black Diamond Detailing – Paul Swentik

BLACK DIAMOND
DETAILING

Lakes Area Cooperative – Lakes Community Cooperative

As of January 1, 2023

A merger of Lakes Area Cooperative and Community Coop of Lake Park

Lakes Area Cooperative

Lakes Community Cooperative

Cornerstone Advisors / Stabler Financial Group – Jim Benson

CORNERSTONE
ADVISORS

Subway – Perham

SUBWAY™

Silver Moon – Perham

NEW OR ENHANCED LOCATIONS

Bongards Cheese Store

Temporary Space - 145 2nd Ave SE

Backyard Boarding and Playcare

Expansion - 730 NE 2nd St

McDonalds

Interior Remodel - 100 Judd Street

Essers Plumbing and Heating

Expansion - 542 West Main Street

Children's Corner

Expansion - 622 SW 6th Ave

Nyhus Family Sales

Additional Location - 423 SE 3rd Ave

UPCOMING PROJECTS

-2024 Main Street-

Start making plans for traffic interruptions on Main Street in 2024. Planning for the 2024 Main Street project is well underway. A planning group has been assembled to act as liaison between the business community and the project team.

-SCDP-

Rehabilitation grant money through the Small Cities Development Program is available to qualifying homeowners and for commercial building owners with-in a certain geography. Applications are available upon request.

-JP Place-

This multi-use development is currently under construction. When finished, it will have main floor commercial rental space and 35 market rate apartments. We're excited to bring housing density and more commercial spaces to our downtown area. The project is expected to be ready by August 2023.

-Gabrielson Development-

More housing is on its way to Perham. A motivated developer has purchased 3+ acres on the Northeast side of town and the plot of land South of Lakes Country Landscaping. Their plan is to build twin homes and offer them for rent.

-Dovetail Development-

We have sold most of the remaining Clearwater Estate lots to Dovetail Development out of Fargo. They also have a handful of vacant lots in East Park as well. Their plan is to construct twin homes on the lots that will be offered for sale.

-Prairies Edge-

The next phase of Prairies Edge is in the planning stages. Developers are contemplating layout changes to allow twin homes for sale or rent on one section of the development. TIF is expected to be used to fund the infrastructure install for the new phase.

Perham
ECONOMIC DEVELOPMENT