

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
May 14, 2020
Via ZOOM Video Conference**

Present: Art Benson, Rollie Boll, Jesse Gislason, Les Heitke, Kerry Johnson and Kelly TerWisscha

Absent: Donna Boonstra

Ex Officio: Julie Asmus and Dave Ramstad

Staff: Aaron Backman, Executive Director and Connie Schmoll, Business Development Manager

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc. (LAA)

Media: Shelby Lindrud, West Central Tribune

President Kelly TerWisscha called the meeting to order at approximately 11:05 a.m. and declared a quorum was present.

AGENDA—The following changes were made to the Consent Agenda: the financials reports were removed, added under Approve was the removal of Eric Day from the Business Retention and Expansion/Recruitment (BRE) Committee and the addition of Bridget Paulson to the committee; and added to the Agenda under New Business was an update on the Kandi Mall.

IT WAS MOVED BY Rollie Boll, SECONDED BY Les Heitke, to approve the revised Agenda and revised Consent Agenda. MOTION CARRIED.

CONSENT AGENDA

- Approve: 1. Minutes of April 9, 2020 meeting
2. Removal of Eric Day from the BRE Committee and the addition of Bridget Paulson to the committee
- Accept: Committee/Subcommittee Minutes
1. Broadband and Advanced Technology 4/6/2020
2. Finance 3/24, 4/2 and 4/7/2020

ITEMS REMOVED FROM THE CONSENT AGENDA. Backman reviewed the April 30, 2020 financials noting the biggest changes are the reduction in the Heritage Bank checking and savings account balances and the addition of the COVID-19 Business Assistance Loan (COBAL) account at Lake Region Bank. Total current assets is \$517,982.15 compared to February 29th of \$700,517.55. Backman noted a significant portion of the reduction is related to the new COBAL program; the EDC is using resources to help local businesses.

[Dave Ramstad joined the meeting.]

Total COBAL receivables are close to \$75,000 and Revolving Loan Fund receivables are nearly \$192,000. Rollie Boll noted some loans show \$4,950 rather than \$5,000. Backman stated the initial loans had the \$50 deducted from the loan proceeds; this will be corrected going forward. Total other assets increased in April. The total expenses year-to-date are \$211,386.41 compared to the YTD budget of \$219,307.64. The EDC is tracking well with overall expenditures, but there are some differences within categories. Overall, committee expenditures are down as some committees are not meeting, but the Finance Committee is meeting almost weekly.

IT WAS MOVED BY Rollie Boll, SECONDED BY Jesse Gislason, to approve the financial reports as of April 30, 2020.

UNFINISHED BUSINESS

COVID-19 Response. Backman reviewed the COBAL Requests and Approvals as of mid-May. Overall, there have been 45 businesses requesting COBAL funding and 22 additional businesses requesting technical assistance for federal programs. The Finance Committee has met five times in the past two months approving 20 loans totaling \$92,500 with 18 closings to date. The types of businesses approved are seven restaurants, four hair salon/barbershops, three other salons, two massage therapy salons, two gyms, one winery and one yoga studio. The loan requests have slowed down some, but staff is getting requests from other businesses not eligible under the loan criteria. The maximum loan amount is \$5,000 at zero percent interest for 24 months.

Childcare Business Assistance Update. Connie Schmoll reported the checks have not yet been sent to local childcare businesses as the EDC is awaiting receipt of \$5,000 from the Willmar Area Community Foundation for the grant program. The total fund will be \$29,000 or \$325 for each provider. Another grant through CenterPoint Energy was applied for, but withdrawn due to program priorities.

Backman gave an update on the Governor's Peacetime Emergency that was extended to June 12, 2020. Restaurants, bars, gyms and salons remain closed. Religious gatherings can take place with less than 10 people, but they are allowed to have outside services from vehicles. The impact on the local labor force as of May 12 is 3,300 people applied for unemployment insurance or 13.9% of the county's total labor force; statewide, the average is 21%. The initial impact was on food service workers, healthcare workers and later, transportation and warehousing. Younger demographic applied first for unemployment and now older workers are applying. The number of days housing remains on the market continues to decline; there is a demand for single-family homes. In April, new listings in the region are down 26% (most of the year it was positive) and pending sales are down 21% so there is some impact on the housing market.

SWIF Grant for New Immigrant Businesses. Backman reported the EDC was approached by Southwest Initiative Foundation (SWIF) to develop an Immigrant Business Disaster Relief Grant Program that is intended to provide support for small businesses owned by new immigrants. SWIF's \$25,000 allocation comes from the Minnesota Disaster Recovery Fund for the COVID-19 pandemic. Backman presented the grant program parameters (see his written report attached). The program would run until mid-October and SWIF will reimburse the EDC for any costs related to the program.

The EDC's Finance Committee unanimously recommended the board approve this grant program. Backman gave examples of how the program will be marketed to businesses impacted by the pandemic. Backman is reviewing the proposed grant agreement from SWIF.

IT WAS MOVED BY Les Heitke, SECONDED BY Rollie Boll, to approve receiving \$25,000 from Southwest Initiative Foundation for an Immigrant Business Disaster Relief Grant Program, entering into a grant agreement and amending the 2020 budget to include income and expenses for the program. MOTION CARRIED.

Leader's Team. Schmoll reported a group of local leaders have been meeting relative to the pandemic and its effect on local businesses. She is working on a subcommittee, We KanDo This Hope Committee, with Steve Ammermann, Doug Hanson, Steve Linder, Kelly TerWisscha and Pastor Keith Kerstetter. They will be sharing Stories of Hope on the Vision 2040 website. The Vision 2040 Mental Health group is also interested in sharing stories. Anyone who has stories can share them with Schmoll. Backman is impressed with what business owners are doing, including TerWisscha Construction's support of local businesses in giving away gift cards. Backman noted that in today's *West Central Tribune*, Bethesda will be doing weekly testing of all employees and residents; the only senior care provider in the Minnesota to do this. Schmoll spoke of a video shared on Facebook by Hair Designs on how it is preparing to reopen. The video was shared with the Governor and the Minnesota Department of Employment and Economic Development on what businesses are doing to prepare for reopening.

NEW BUSINESS

Cash in Certificate of Deposit at United Prairie Bank. Backman stated a Certificate of Deposit at United Prairie Bank will be maturing on May 22nd and he is recommending it be cashed in to cover operational expenses.

IT WAS MOVED BY Jesse Gislason, SECONDED BY Rollie Boll, to approve cashing in Certificate of Deposit No. 50110014245 at United Prairie Bank in the original amount of \$75,000.00 and depositing it into the Heritage Bank checking account for operational expenses. MOTION CARRIED.

Kandi Mall Update. Backman stated the Kandi Mall was closed due to the Governor's Executive Orders, but is scheduled to reopen on Monday. Dave Ramstad announced more than half the former K-mart spot will be taken over by Hardware Freight; renovations are anticipated to be done in November. Julie Asmus reported Paradise Pools and Spas is doing well in its sales of above-ground pools and hot tubs. JoAnn Fabrics is open for curbside pickup. President TerWisscha stated JC Penney may file bankruptcy and the status of the Willmar store is unknown.

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Backman reported Bühler is moving its Farm King production line from Fargo, North Dakota, to Willmar where it currently produces Versatile tractors and sprayers. The Fargo plant has 35 employees. It plans the transition to be done by September. Backman noted

several years ago Bühler purchased another lot south of its facility from the City of Willmar, which was good planning for any expansions. Bühler interacted with the EDC on federal programs that are available during the pandemic. Schmoll also provided Bühler with resources on manufacturing programs. Kerry Johnson noted United Prairie Bank was given a nice referral by SWIF to assist Bühler with the Payroll Protection Program.

Ramstad reported the Renaissance Zone was approved by the Willmar City Council so incentives are now available for downtown. The city is also looking at a citywide exterior home improvement matching grant program of \$5,000 that would be forgiven over five years. Willmar is trying to be innovative and improve distressed and blighted properties in the city. The city is working with Mid-Minnesota Development Commission (MMDC) on its comprehensive plan. The city is looking at creating a task force in September or October. Ramstad's office is continuing to work on data entry for a rental program and doing a citywide property maintenance review to be evaluated after the city reopens. The maintenance review will be done annually going forward. Construction has not slowed down and is at \$8.5 million for the year; \$4.5 in retail commercial construction, \$3.5 of institutional construction plus some home construction. The project by Unique Opportunities is going well. TerWisscha Construction is doing an interior remodel. Ziegler Cat should finish its \$15.5 million project in July and there are a variety of other projects across the city. The city building official has been busy. MMDC has hired a new director, will be hiring a new planner and is moving its office to the MinnWest Technology Campus after remodeling is done.

[Art Benson joined the meeting.]

Asmus reported the City of Willmar is not collecting as much for the local option sales tax as projected. Projections were to collect \$600,000 from October through December, but future projections are now \$100,000 to \$150,000 a month less. Over the 13 years the worse case shortfall is \$10 million; the best case scenario is still short of the projected amount. The city is hopeful it can do an extension of the planned 13 years. All city committees are looking at their designs and scaling back to two-thirds of what was initially requested and will be prioritizing their projects.

Agricultural Innovation. Schmoll reported planning continues for the July 30th Ag Innovation Conference, which will be done virtually and onsite, if allowed. Registrations have come in. The Legacy Planning Workshop (see attached) has been rescheduled as a webinar on June 2nd. Registration is with the Chamber. Committees and subcommittee have not been meeting.

Broadband. Schmoll provided information on the township broadband project (see her report attached). All three townships are still interested in a future project. A countywide broadband survey will be done with the assistance of REDstar Creative. The survey will be sent to businesses as they may know who is having trouble working from home. The committee is also working closely with Senators Smith and Klobuchar and Congressman Peterson on broadband issues. An additional \$10 million was allotted by Minnesota to the existing \$20 million border-to-border grant program plus \$17 million for schools and \$2 million for telehealth. The EDC's Broadband and Advanced Technology Committee has had conversations with Jason Hulstein of Willmar Public Schools as to surveying students. Many students within the city of Willmar did not have internet access. The school also delivered computers to students who needed them. Hulstein also contacted other schools and will provide their information to the EDC. Jesse Gislason recommended looking into the beta testing being done by Elon Musk and SpaceX.

Childcare. Schmoll reported all lenders are still working with Willmar Child Care Center. The county childcare leadership team has had some meetings, but nothing new.

Backman reported the Minnesota Association of Professional County Economic Developers, which he chairs, has been meeting weekly and is looking at participating in the Association of Minnesota Counties' Blue Ribbon Committee. The committee is made up of county commissioners and other leaders regarding lessons learned during the pandemic. President TerWisscha acknowledged the County Commissioners helping its citizens by extending the real estate tax deadline.

NEXT MEETING—The next regular board meeting is **11:00 a.m., Thursday, June 11, 2020** via ZOOM video conference.

ADJOURNMENT—

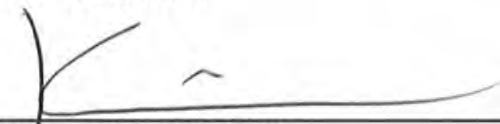
IT WAS MOVED BY Kerry Johnson, SECONDED BY Art Benson, to adjourn the meeting.

The meeting was adjourned at approximately 12:14 p.m.



Art Benson, Secretary

APPROVED: 6/11/2020:



Kelly TerWisscha, President



Joint Operations Board Meeting
Aaron Backman Report
May 14, 2020

COVID-19 Business Assistance Loan (COBAL) Program Update

The safety measures, such as closing restaurants to dine-in customers and other social distancing measures designed to protect people during this health emergency have significantly affected businesses, especially small businesses. On March 26th the EDC Joint Powers Board in a special meeting decided that it was in the best interest of Kandiyohi County businesses and the overall economy of the area to create an emergency assistance fund for businesses that have been forced to close or significantly reduce their operations. The Board approved allocating up to \$150,000 in existing resources for the COVID-19 Business Assistance Loan (COBAL) Program. The maximum loan amount under this program is \$5,000. The terms of the loans are interest rate at 0%, a maximum length of 24 months with deferred payments up to six months and a 1% loan origination fee. The EDC Joint Operations Board agreed to administratively approve the COBAL loans with review and approval by the EDC Finance Committee.

During the past five and a half weeks the EDC has assisted 45 businesses that wanted information about the COBAL Program and another 22 businesses that needed information about SBA and DEED Programs. Out of the 45 businesses, 27 or 60% have submitted complete COBAL loan applications. The EDC Finance Committee has met five times (4/2, 4/7, 4/14, 4/28 and 5/12) and is planning to meet additional times in May. They have reviewed 27 applications and approved 20 loans totaling \$92,500 thus far. EDC staff has processed checks and closed on 18 loans over the past month. In terms of types of businesses assisted, loans have been approved for seven restaurants, four hair salon/barbershops, three other salons, two massage therapy, two gyms, one winery and one yoga studio.

The number of COBAL-eligible loan applications has slowed down and at the same time the EDC is receiving financial assistance requests and COBAL applications from small businesses that have been negatively impacted by the closures or by the Stay-at-Home orders, but are outside of Executive Orders 20-04 and 20-08.

SWIF Grant for Immigrant Businesses (Board Action Requested)

The EDC has the opportunity to receive \$25,000 in funding from the Southwest Initiative Foundation (SWIF) to create a grant program for immigrant-owned businesses in Kandiyohi County. This new program entitled **Immigrant Business Disaster Relief Grant Program** is intended to provide support for small businesses, especially new immigrants whose primary language may not be English. The goal is to close the gap for those businesses that have the highest hurdles during this COVID-19 pandemic.



This special allocation of funds from SWIF comes from the Minnesota Disaster Recovery Fund (MDRF) for Coronavirus. That fund has received philanthropic resources from funders such as Best Buy, Cargill, McKnight, Medtronic, Target, United Healthcare, etc. The program parameters would be:

- Grants of \$500 to \$750
- Existing immigrant-owned businesses in Kandiyohi County, operating for a maximum of seven years and a minimum of five months
- Businesses would need to be registered with the MN Secretary of State
- Uses of grant funds would be for working capital, rent, utilities, taxes, etc.
- A streamlined application form would be created and translated into several languages, including English, Spanish, Somali and Karen
- There would be no fees or credit report requested, but basic financial information would be required
- Businesses that have already received assistance from the EDC's COBAL loan program would not be eligible for this grant program

It is anticipated that the number of grants provided by the Immigrant Business Disaster Relief Grant Program would be between 30 and 40. The estimated timeline for program completion is October 15, 2020. SWIF would reimburse the EDC for costs incurred related to any translation or interpreting costs. The EDC would provide a final report to SWIF at the conclusion of the program.

Business Meetings (January 24th – April 23rd)

1. Participated in Hwy 23 Coalition Board of Directors Conference Call Mtg. (4/15/20)
2. Listened to Planning Commission GoTo Mtg. re Renaissance Zone Ordinance and permit incentives for development (4/15/20)
3. Led MAPCED weekly Zoom Conferences (4/16, 4/23, 4/30, 5/7, 5/14) re: economic development emergency response to COVID-19 and Governor's EOs
4. Participated in Open Mic Program at KWLM (4/16/20)
5. Participated in business development meeting w/Joanna, MWTC (4/20/20)
6. Participated in Community Leaders meetings (4/20, 4/27, 5/4 5/11)
7. Participated in Poultry Education conference call w/Dr. Tim Johnson & Kathy Schwantes at MCROC (4/21/20)
8. Windshield tour of Willmar Wye and Unique Opportunities Projects (4/22/20)
9. EDC Joint Powers Board Zoom meeting (4/23/20)
10. Conference Call w/Dr. Craig Johnson, Ridgewater College (5/1/20)
11. Listened to Willmar City Council discussion and approval of Renaissance Zone (5/4/20)
12. Participated in Bi-weekly Mtgs w/Willmar Planning & Zone as GoTo Meeting on 5/5/20
13. Participated in Vision 2040 Leadership Zoom meeting (5/4/20)
14. Zoom Conference with Diana Anderson, other reps from SIF, and Connie re Immigrant Business Disaster Relief Grant Program (5/8/20)



Business Visits

1. Since the COVID-19 Executive Orders in Mid-March we have not been meeting at businesses. Instead, we have been interacting with them on phone, e-mail or text. For loan closings the business owners have been coming to the EDC.
2. Conference call re: potential residential project on Green Lake
3. Conference calls re: Minneapolis business considering MinnWest Technology Campus
4. Mtg. w/prospects interested in buying business in Downtown Willmar

Legacy Planning

Taking the First Steps...

June 2nd, 2020 from 8:00 - 9:30 am via Webinar

Join us on **June 2nd, 2020 from 8:00 - 9:30 am via webinar** for a morning of information and story telling to better understand the options, resources, and steps to transferring your farm operation, including:

- **Succession Planning for Next Generation Farmers**
 - Why have a succession plan
 - How to create one
 - What to include
- **Estate planning, including generational differences**

\$10 registration fee

To Register: Contact the WLACC at 320-235-0300 or email Chamber@WillmarAreaChamber.com

Speakers:



John Christianson, CPA
Managing Partner, Christianson PLLP
**Succession Planning for Next
Generation Farmers**



Joel Gratz, CPA
Partner, Christianson PLLP
**Leaving a Lasting Legacy:
Planning Your Estate**





**Joint Operations Board Meeting
Connie Schmoll Report
May 14, 2020**

Child Care

Willmar Child Care Center: Inspections and licensing have been delayed because of COVID-19. Owner, Mohamoud Mohamed, has made requests of local lenders for further deferment of loan payments and additional funds for start-up. I prepared a letter on behalf of the local lending team, asking for written documentation to show verification of past costs, final payments to contractors and preparedness for opening.

State grants: As part of their COVID-19 Response Supplemental Budget proposal, Gov. Tim Walz and Lt. Gov. Peggy Flanagan implemented a grant program for licensed childcare providers serving essential workers during the COVID-19 public health emergency. This program is administered by Child Care Aware of Minnesota. A second application period has just ended. Programs that have already received funding are again eligible. Award criteria is based on serving families of essential workers.

Childcare Business Assistance Program: I worked on funding applications to augment the \$24,000 the EDC set aside for grants to home-based childcare businesses. A grant application to Willmar Area Community Foundation (WACF), Willmar Area Response Fund was awarded in the amount of \$5,000. After initial work on a grant to CenterPoint Energy for the same purpose, I talked with its Minnesota grant administration representative, Rachael Shields. Rachel reported that their funds for COVID-19 emergency needs had already been completely expended. She said that if they get more funding she would let me know and I could apply at that time. A check to all 89 Kandiyohi County licensed home-based child care businesses, in the amount of \$325 will be mailed when the check from WACF arrives.

Broadband

The township broadband project will not move forward as planned since one of the townships, St. Johns, voted to not proceed after ballots came in. They received 22 no votes and 16 yes votes. They are hopeful that with more education of the constituents, they can continue to seek a project for next year. Mamre Township was just 8 ballots short of the 75% of ballots they determined they needed to vote on pursuing the project. Dovre Township supervisors, Marie Ostby and Sherry Jean Larson expressed interest in pursuing a project for just their township, if a provider shows interest in doing so. Arvig will only be interested if 78% of the residents commit to subscribing to services.

The Broadband and Advanced Technology Committee will be working on gathering statistics now that the Stay-at-Home and Distance Learning mandates have given schools and families time to assess if what they are currently using is sufficient. Contacts have been made to the school districts to collect information on internet access and distance learning. In addition, the committee is working on a county-wide survey that could be accessed on the EDC's website.



On May 13th, I participated in a call with board members and the new CEO of Kandiyohi Power Cooperative, Sonja Bogart. Other Broadband Committee members on the call included Roger Imdieke and Glenn Otteson. Our goal was to create interest by the Coop board members and CEO, for a potential broadband build and then services management for subscribers from the rural areas of the County. Ms. Bogart was very interested. She had explored what Meeker County is doing and wants to return to hear more about its Vibrant Broadband Project. I will be sharing our past feasibility and engineering studies with her.

Agriculture Innovation

The EDC's Agriculture Subcommittee for Event Planning and Marketing has secured a keynote speaker and story tellers for the July 30, 2020 Partners in Ag Innovation Workshop in conjunction with the MinnWest Technology Campus. The event will be conducted virtually even if it can be done on site as well. The seminar on estate transfer and succession planning for ag producers has been rescheduled for June 2nd and will be done as a webinar. The cost is \$10. Registration is available at Chamber@Willmarareachamber.com

Business Visits and Meetings

COBAL loan inquiries and application assistance
COBAL loan approvals and closings
Business calls for emergency resources due to COVID-19
Business planning with three potential startups and two expansions
Simply Shrimp planning for expansion and application for state incentive programs
Community Leaders & Kan Do Hope Subcommittee to plan a process for people to share their stories
Broadband Survey Planning subcommittee
Broadband discussions with providers and Kandiyohi Power Cooperative
Childcare Leaders team meetings
Childcare Business Assistance planning
City of Willmar planning meetings
DEED weekly update conference calls
MAPCED weekly conference calls
Chamber Connection on ZOOM
Workup Social Media Breakfast on ZOOM and without breakfast
One Million Cups – Becki Melvie of Abundant Kitchen, Excelsior, MN
GrowMN! ZOOM meeting with State Chamber Rep. Kathi Schaff