

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
May 9, 2019
EDC Board Room, Willmar

Present: Rollie Boll, Donna Boonstra, Jesse Gislason, Les Heitke and Kerry Johnson and Kelly TerWisscha

Ex Officio: Roger Imdieke

Excused: Art Benson

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

Guest: Dave Ramstad, Ph.D., Director, Planning and Development Services, City of Willmar

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

President Kelly TerWisscha called the meeting to order at approximately 11:00 a.m.

AGENDA—Added to the Agenda under New Business was revisions to the 2019 budget and a Certificate of Deposit that is coming due on May 22nd and added to the Consent Agenda under Approve was item 4, removal of Travis Bonnema from the Broadband and Advanced Technology Committee due to his moving out of state.

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 11, 2019 meeting
 2. Financial reports as of April 30, 2019
 3. Payment bills over \$1,000:
 - a. MinnWest Technology Foundation \$1,500 as budgeted from the Ag Committee's budget for the 2019 Ag Innovation Conference
 - b. Payment of REDstar bill for \$2,230.95 from the Marketing and Public Relation Committee's budget
 4. Removal of Travis Bonnema from the Broadband and Advanced Technology Committee

Accept: Committee/Subcommittee Minutes

1. Agriculture and Renewable Energy Development 3/21/2019
2. Broadband and Advanced Technology 4/1/2019
3. Business Retention Expansion/Recruitment 4/5/2019
4. Marketing and Public Relations 3/25/2019

UNFINISHED BUSINESS

USDA Intermediary Relending Program. Aaron Backman presented information from his written report (see attached) on the potential transfer of the United States Department of Agriculture (USDA) Intermediary Relending Program (IRP) from the Kandiyohi County Housing and Redevelopment Authority (HRA). If transferred, Backman proposes the program area be expanded to cover the entire county rather than just downtown Willmar businesses, the eligible business uses be expanded and the EDC administer the program. Kerry Johnson reported her last meeting as HRA board chair was this week and the board tabled the issue of transferring the IRP as the board wanted more time to think about it. Assets are still being transferred as a result of the merger between the Willmar HRA and the Kandiyohi County HRA and new board members are joining. The HRA board has some interest in keeping the program to do more redevelopment—the HRA board wants to make the right decision. Election of HRA board officers is in July. Backman noted a Slayton entity is funding projects in Willmar because the local IRP is not being used. The EDC will continue to pursue transfer of the IRP; Les Heitke noted a concern about adding more responsibility to EDC staff.

NEW BUSINESS

Revised 2019 Budget. Backman reported the Joint Powers Board revised the 2019 budget (see attached) to add revenues and expenses of \$14,000 for the Retail Business Design Workshops and \$107,000 for the USDA grant for Simply Shrimp.

IT WAS MOVED BY Les Heitke, SECONDED BY Donna Boonstra to approve amending the Kandiyohi County and City of Willmar Economic Development Commission's 2019 budget by adding revenues and expenses of \$14,000 for the Retail Business Design Workshops and \$107,000 for the United States Department of Agriculture grant for Simply Shrimp. MOTION CARRIED.

Lease Renewal Proposal from Willmar Elks Club. Backman presented a proposed Lease Agreement (see attached) received from the Elks—the EDC's lease ends in December this year. The current rent is \$1,800 (\$14.40 per sq. ft.) per month all inclusive and the proposed new lease increases rent to \$2,000 (\$16 sq. ft.) per month all inclusive for five years. Backman noted the corrections that are needed to the agreement. President TerWisscha recommended mechanical (HVAC), electrical and plumbing repairs and replacement be included in the lease as a responsibility of the Elks. Backman stated members of the Joint Powers Board, at their April 25th meeting, spoke in favor of the current location noting ease of access, visibility and parking, but indicated there should be a paragraph allowing an early out, should it be needed.

IT WAS MOVED BY Rollie Boll, SECONDED BY Les Heitke, to approve renewing a five-year lease with Willmar Elks Lodge #952. MOTION CARRIED.

YMCA Early Learning Center. Connie Schmoll reported Rep. Dave Baker contacted the EDC to ask if it could help finance the new YMCA Early Learning Center to be developed in Spicer. Schmoll informed Rep. Baker the YMCA could apply for a contribution under the EDC's countywide business development funds. The project is volunteer-led with the Green Lake Mall owner as a partner. Representatives of the Early Learning Center will be presenting a funding request during today's meeting.

Willmar/Willmar Industrial Park. Dr. Dave Ramstad gave an update on the Willmar City Hall location and the selection of Block 25 (Nelsen property) as the site. The City Council gave authorization to negotiate for the purchase of the Nelsen property.

[Ramstad was excused from the meeting.]

Certificate of Deposit at United Prairie Bank. Backman provided the details of the Certificate of Deposit held by the EDC at United Prairie Bank, which is up for renewal on May 22, 2019. Backman recommended the EDC renew the Certificate.

IT WAS MOVED BY Rollie Boll, SECONDED BY Donna Boonstra, to renew Certificate of Deposit No. 50110014245 at United Prairie Bank in the original amount of \$75,000 for 12 months at 2.14% interest. MOTION CARRIED with Kerry Johnson abstaining.

PROGRESS REPORTS

Willmar/Willmar Industrial Park continued. Backman indicated there were information discussions between the City of Willmar and EpiTopix regarding a wastewater issue, the rerouting of Highway 12 and possibly extending a sanitary sewer line to the north side of the Willmar Industrial Park. The Willmar Industrial Fund would possibly pay for a portion of the sewer line. The EpiTopix property would be required to be annexed into the City of Willmar to receive services from the Wastewater Treatment Plant. The City of Willmar has approved roundabouts for the Wye area on Highway 12 and County Road 5. Backman reported Trouw Nutrition was closed by its owner Nutreco of the Netherlands. The closing affected 23 employees, many of whom were hired by Jennie-O Turkey Store. The property is for sale (see attached) and Backman has spoken with CBRE about the property. The CBRE representative toured the facility on April 30th with a business prospect from California. Backman also spoke with a business representative from France that is interested in a U.S. location. Backman welcomed board input on reselling the property.

[Dave Henle and Troy Pederson joined the meeting.]

YMCA Early Learning Center. Schmoll introduced Dave Henle of Heritage Bank and Troy Pederson, Senior Program Director of the Kandiyohi County Area Family YMCA. Henle provided information on the shortage of childcare facilities in the county and, in particular, the New London/Spicer area. Pederson stated the biggest childcare gap is for infants and toddlers. The YMCA Early Learning Center in Spicer will facilitate 90 children with spaces for 12 infants and 28 toddlers. The new Center and location in the northeast side of the Green Lake Mall will be presented for approval tomorrow to the

YMCA board. Pederson researched the closeness of the liquor store and although it is not ideal, it is allowed. The Center will have safe and secure access. The project has verbal commitments of \$220,000, which includes a large donation from an individual, \$50,000 from the Spicer Economic Development Authority, a \$20,000 grant from the Willmar Area Community Foundation and a verbal commitment of \$15,000 from the Southwest Initiative Foundation; a funding request will also be made to the Spicer City Council. Any gap financing will be provided by Spicer to the YMCA at 0% interest. The fund-raising and media campaigns will begin next week. Pederson believes some families, who use the YMCA Child Care Center in Willmar may move their children to the new Spicer location. Pederson has facilitated the Willmar Child Care Center located at the Kandiyohi County Health & Human Services Building for about 10 years and policies and procedures are already in place. The goal is to open the Spicer Center in September 2019. Some YMCA staff would like to transition to the Spicer location; 25 new jobs will be added. Pederson also provided information on the childcare shortage in the county noting the county is short 774 spots. Because of the shortage, Minnesota has made variances for home-based childcare to become accredited. Henle stated the YMCA is requiring 50-75% of the project cost must be raised before it will start construction; about one-third has been raised. Roger Imdieke asked if there has been collaboration with Prairie Meadows Learning Center for transportation of children to the new facility. Pederson stated the current plan for the new facility does not include school-age children. Henle stated Paul Carlson, Superintendent of New London-Spicer Schools, is a member of the planning committee and has stated Prairie Meadows has no space for a daycare; however, P.A.L.S. operates an after school program and summer childcare out of Prairie Meadows.

[Henle and Pederson were excused from the meeting.]

Schmoll reviewed the EDC's Funding Request Guidelines as they relate to the YMCA's \$5,000 funding request (see attached). Schmoll stated there is \$2,100 available in the EDC's budget under Community Development; however, as childcare is a priority for the EDC, Schmoll recommends funding of \$10,000 be approved as a grant. Backman noted the EDC approved a Revolving Loan Fund loan to the Willmar Child Care Center for \$25,000. The YMCA will renovate a significant portion of a private business, the Green Lake Mall. Johnson stated the YMCA board does not want to take on debt, but would be okay with gap financing. Meals will be purchased from Teal's Market. Rent will not be charged until the Center opens. Schmoll stated the EDC cannot do loans to a nonprofit corporation. Additional discussion was held on the funding request.

IT WAS MOVED BY Donna Boonstra, SECONDED BY Rollie Boll, to recommend to the Kandiyohi County and City of Willmar Economic Development Commission Joint Powers Board that it approve funding of \$10,000 grant to the Kandiyohi County Area Family YMCA to be used for renovations at the Green Lake Mall for the new Early Learning Center in Spicer.
MOTION CARRIED.

Board members spoke in favor of paying the funds in one year. Imdieke recommended informing the YMCA of the EDC's decision as soon as possible. Schmoll will inform Henle of the decision, which is subject to ratification by the Joint Powers Board.

Rural Child Care Innovation Program. Schmoll directed the board to her written report as to the status of the Rural Child Care Innovation Program.

Highway 23 Coalition Update. Backman reported there are 16 representatives, 10 from Kandiyohi County, who will travel to Washington D.C. in June to meet with legislators. The Coalition board approved scholarships for three members to go on the trip.

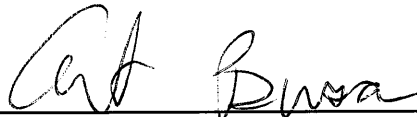
Business Visits and Meetings. Backman reported he had a conversation with one of the owners of Suite Liv'n and provided him with several suggestions as to their request for a tax abatement for the proposed Sunwood Apartment building. The Willmar City Council approved the tax abatement earlier this week, which is not contingent upon approval by Kandiyohi County. Backman indicated he responded to concerns by the City of Willmar and Kandiyohi County as to the tax abatement request. Backman stated there will be construction of two roundabout projects this summer on County Road 5 and the new section of Highway 12 and on County Road 5 and 19th Avenue in Willmar.

NEXT MEETING—The next board meeting is **11:00 a.m., Thursday, June 13, 2019**, at the EDC Office, Willmar.

ADJOURNMENT—


IT WAS MOVED BY Les Heitke, SECONDED BY Donna Boonstra, to adjourn the meeting.

The meeting was adjourned at approximately 1:13 p.m.



Art Benson, Secretary

APPROVED: 5/9/2019:



Kelly TerWisscha, President



Joint Operations Board Meeting

Aaron Backman Report

May 9, 2019

USDA Intermediary Relending Program (IRP)

The local USDA office has asked if the Willmar Downtown Intermediary Relending Program (IRP) could be transferred from the Kandiyohi County HRA to the EDC. On April 9th, Jill Bengston, HRA, Kevin Friesen, USDA Rural Development, Connie and I met at USDA in Willmar to discuss this opportunity. The IRP was discussed at the EDC's Joint Powers Board meeting on April 27th. Board members were open to the concept (which should also involve the EDC's Finance Committee reviewing the outstanding loans, etc.). The HRA Board discussed the IRP transfer at their April 10th meeting. They wished to think it over during May (concerned about "giving up a program").

The IRP Program was established in 1998 and was capitalized at \$600,000. Approximately 20 business loans were approved for business acquisition, construction, and working capital, however, no loans have been issued or approved by the HRA in 9 years. The IRP is a 1% loan from the USDA that is in turn lent to local businesses (at a higher interest rate). Currently there are three active loans with a loan value of approximately \$100,000 and roughly there is \$500,000 in cash. The maturity date for the USDA loan is June of 2028 (and there is approximately \$158,233 left to pay on the note). If the HRA does not do something with the program, the USDA can force them to turn back the money to USDA.

Back in 2014 and 2015 EDC staff (Steve and Jean) put in a fair amount of time trying to get the IRP fund transferred to the EDC. The Finance Committee reviewed the loans and adopted a motion supporting it; and the Joint Operations Board adopted resolutions supporting it. Ultimately the transfer did not occur. The merger of the Willmar HRA and the Kandiyohi Co. HRA could have slowed it down. Also, a USDA rep had indicated that the EDC would have to go back to D.C. and apply for a new IRP and then ask for the transfer.

If the EDC is to assume the IRP I would recommend three changes to the program. First, expand the eligible program area from Downtown Willmar to countywide. Second, consider expanding the eligible business uses (businesses have evolved in the last 20 years). Third, bring administration of the loan program "in house". Instead of having Heritage Bank prepare and administer the loans, have the EDC do so. We can do it (and keep the administrative fees). I believe the best approach to get adoption is for the EDC to prepare a new RLF Plan for the IRP, have the HRA Board approve the new Plan, then have the assets transferred to the EDC.

Hwy 23 Coalition Update

The Highway 23 Coalition's Board of Directors held a special meeting on April 8th to continue planning for a Coalition trip to Washington, D.C. from June 18th through 20th. The Coalition Board

approved scholarships of up to \$500 per participant for the first five Coalition members in good standing who apply. (Three members in good standing are taking advantage of the scholarship program). On April 11th MnDOT announced that construction of the South Gap would move up by one year. At the April 24th Board meeting MnDOT representatives provided an update on activities related to the North and South Gaps, the Willmar Wye project, and authorized a reception in Washington, D.C. for the MN Congressional Delegation and Staff.

Steve Voss, MnDOT District 3 Planning Director confirmed on April 29th the construction bidletting for the half clover project at I-94 and Hwy 23 is scheduled for June 7, 2019. That means the project, which the Coalition supports, has moved up a year. So, Hwy 23 now has two projects that have moved up one year—the South Gap construction and the Interchange construction project at I-94 and Hwy 23.

Also, Mr. Voss has agreed to add a Hwy 23 Coalition update at the upcoming Central MN ATP Meeting for District 3. I am planning on presenting at that meeting that is tentatively scheduled for Thursday, June 20th at MnDOT in St. Cloud. (Jake Bauerly is the chair of that ATP.)

Business Meetings (April 12th – May 9th)

1. Attended Community Venture Network Session in West St. Paul; met with three business prospects (4/12/19)
2. Mtg. w/Laura Warne, Home State Bank regarding business acquisition in Blomkest 4/15/19)
3. Mtg. w/Dave Ramstad, new Planning & Development Director, and Sarah Swedburg, Planner for Willmar (4/16/19)
4. Participated in Hwy 23 Coalition Board Mtg. (4/26/19)
5. Attended Life Connection and met with local businesses
6. Meeting with Epitopix reps, Dave Ramstad, and Connie re wastewater issue (4/29/19); follow-up meeting with Dave and Sean C. at City Hall.
7. Attended Retail & Restaurant Summit at Golden Valle Country Club (4/30/19)
8. Attended Empire Builders Event (Hill Capital) in Eden Prairie (5/2/19)
9. Presentation to Leadership Perspectives Class at MWTC (5/3/19)
10. Presentation to Not Done Yet (Senior Group) at Calvary Lutheran (5/3/19)
11. Monthly Meeting w/Dr. Craig Johnson (5/3/19)

Business Visits

1. Mtg. w/Joanna Schrupp re business development at MWTC; and later a tour of new building and recently renovated buildings on campus (4/25/19)
2. Mtg. & tour of K-Traps, a business located between Willmar and Pennock (4/26/19)
3. Tours of the renovation area for the elevator project at Midtown Plaza with Zack Mahboub
4. Attended CVB Leisure Travel Committee Mtg. at Island Pine Golf Course in Atwater (5/6/19)
5. Meet & Greet w/Melanie Faust, new HR Director for Jennie-O Turkey Store (5/8/19)

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is entered into this 1st day of **December**, 2019, by and between Willmar Elks Lodge #952 ("Landlord") and Economic Development Commission of Willmar.

WHEREAS, Landlord is the owner of certain real property and improvements as are hereinafter defined; and

WHEREAS, Tenant desires to lease the real property and improvements from Landlord.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises set forth herein, Landlord and Tenant agree as follows:

1. **Premises.** Landlord hereby leases unto Tenant certain real property located at 222 – 20th Street SE in the city of Willmar, county of Kandiyohi, state of Minnesota which is more particularly described as approximately **1500** square feet shown hatched in Exhibit "A" attached hereto ("Premises"). The Premises is located within an office building known as 222 – 20th Street SE (together with the parking lot and other common areas surrounding the building, the "Building").

2. **Term.** The renewal term of this Lease shall commence on the Effective Date (as hereinafter defined) and shall terminate sixty (60) full calendar months after the date that Tenant accepts possession of the Premises ("Renewal Term"). Within ninety (90) days prior to the expiration of the Contract, Tenant may provide notice to Landlord that Tenant elects to terminate this Lease. If such Contract extends beyond the Initial Term, Tenant shall have the right to renew this Lease for additional terms of Three (3) years each "Renewal Term(s)". During the Renewal Terms, this Lease shall continue upon the same terms, covenants and conditions as in the Initial Term except that the rental due Landlord during the Renewal Terms shall be based upon a market rent for similar space in the surrounding Willmar area.

3. **Rental.** Effective as the sale of the Building to Landlord from Tenant, ("Renewal Date"), Tenant shall pay to Landlord on the first day of each calendar month the sum of **Two Thousand Dollars** (\$ 2000) as rental for the Premises through the Initial Term. The above rent schedule is inclusive of all charges including taxes, insurance, utilities, janitorial and Common Area Operating Costs and Tenant shall not be obligated to pay any other charges to Landlord except those described in this Lease. Tenant will be responsible for Cable, Telephone system and installation, Internet and Internet installation. Tenant has a Security deposit and last rental payment currently in the amount of One Thousand Eight Hundred Dollars each. Both of these will remain in place.

4. **Use of Premises.** Tenant shall have the right to use and occupy the Premises for office space. Tenant's employees, contractors and related parties will at all times during its business hours have access to the restrooms and break room of the Building. Landlord and Tenant acknowledge that Tenant's Premises will be locked and secured at all times and that Landlord has access with either a 24 hour notice, or in emergency situations.

5. **Quiet Enjoyment.** Landlord warrants to Tenant that Landlord has good title to the Premises free and clear of all liens and encumbrances, except as set forth in paragraph 22 of this Lease, and that Landlord may rightfully enter into this Lease. Landlord shall protect, defend and indemnify Tenant against any interference with Tenant's use and quiet enjoyment of the Premises.

6. **Landlord's Work.** Exterior trimming or removal of the overgrown landscaping is kept up by landlord. Any/all other improvements will be at the tenants expense.

7. **Intentionally Deleted.**

8. **Insurance.**

(a) **Tenant Insurance.** Tenant shall maintain at all times during the Renewal Term, commercial general liability insurance against claims for personal injury, death or property damage occurring in, on or about the Premises or sidewalks or areas adjacent to the Premises to afford protection to the limit of not less than \$2,000,000 combined single limit. Such insurance may be covered under a blanket policy covering the Premises and other locations of Tenant or its general partner or the general partner's parent or an affiliate corporation. Tenant shall deliver a certificate of insurance to Landlord upon written request.

(b) **Landlord Insurance.** Landlord shall maintain at all times during the Renewal Term, commercial general liability insurance of at least \$2,000,000; and statutory workers compensation insurance. Any improvements made by tenant after initial occupancy and initial landlords build out, will be insured at the sole cost of the tenant. Landlord shall deliver certificates of all policies of insurance to Tenant upon written request.

9. **Utilities.** Landlord shall provide to the Premises connections for all utilities necessary for Tenant's conducting of its business therein at Landlord's sole cost and expense. Landlord shall pay for all sewer, water, gas, electric utilities in or on the premises.

10. **Maintenance and Repairs.** Landlord shall maintain the structural portions of the Premises and Building, including the roof, foundation, exterior walls, and loadbearing interior walls and columns, as well as the common areas including, without limitation, the parking areas, sidewalks, landscaping, snow removal from common areas including but not limited to parking lots and sidewalks, electrical and plumbing. Landlord shall be responsible for cleaning, repairing and remediating all portions of the Premises and Building which may be contaminated or damaged by mold, mildew, fungus or other biohazardous materials.

11. **Common Area Maintenance.** Landlord shall repair and maintain and clean the common area of the Building.

12. **Improvements, Fixtures and Signage.** Tenant may install such tenant improvements, fixtures and finishes in the Premises, as Tenant may deem necessary or desirable, with consent from the Exalted Ruler or Chairperson of the board of directors of the Willmar Elks Lodge #952. Tenant shall not be required to remove any such improvements or fixtures and Tenant's failure to do so within thirty (30) days after the expiration of the term of this Lease shall be deemed to be an

abandonment thereof whereby the same shall become part of the real estate with title thereto vesting in Landlord. Tenant may install signs in, on and about the Premises to the maximum extent permitted by local law, including signage on top portion of the monument sign adjacent to East Highway 12, in cooperation with landlord and any other tenants.

13. **Fire or Casualty.** In the event the Premises, or the Building in which it is located, are taken or destroyed in whole or in part by fire or other casualty, Tenant may in its sole discretion terminate this Lease. Within thirty (30) days after the date of a fire or other casualty, Landlord must inform Tenant if the Premises and the Building will be rebuilt. If the Premises and Building is to be rebuilt and Tenant elects not to terminate the Lease, the Premises and Building must be rebuilt and ready for occupancy within ninety (90) days of date of fire or other casualty.

14. **Eminent Domain.** If any portion of the Premises, or the Building in which it is located, shall be taken by right of eminent domain, Tenant shall have the right, at its discretion, to terminate this Lease and be relieved from further liability hereunder. Following such taking, Landlord shall, with all due diligence and at its own cost and expense, make all necessary repairs and alterations required to make the remaining portion of the Premises an architectural whole. All compensation awarded for such taking shall be allocated in accordance with the Landlord's and Tenant's respective interest therein.

15. **Intentionally Deleted.**

16. **Landlord's Default.** If Landlord shall be in default or shall fail or refuse to perform or comply with any of its obligations under this Lease and shall continue in default for a period of thirty (30) days after Tenant has given Landlord written notice of such default and demand of performance, Tenant may remedy the same and seek reimbursement from Landlord, pursue any other remedies available at law or in equity, or terminate the Lease and recover from Landlord any and all damages Tenant may have incurred due to such default or failure.

17. **Assignment and Subletting.** Tenant may not sublease the Premises or any portion thereof or assign the Lease without Landlord's consent. For purposes of the Lease, any sale or transfer of capital stock including redemption or issuance of additional stock of any class will not be deemed an assignment, subletting or any other transfer of the Lease or the Premises.

18. **Intentionally Deleted.**

19. **Hazardous Materials.** Landlord warrants and represents that the Premises and the Building (collectively referred to as the Property) are in compliance with environmental laws and regulations. Landlord will indemnify and hold Tenant harmless from loss relating to any hazardous materials. Tenant will hold Landlord harmless from loss for any hazardous materials present on the Property as a result of Tenant's negligence or willful misconduct.

As used herein, "hazardous material" means any substance that is toxic, ignitable, reactive, or corrosive and which is regulated by any local government, the state in which the Property is located, or the United States government or poses a threat to human health or the environment. "Hazardous material" includes any and all material and substances which are defined as "hazardous waste", "toxic

substances" or a "hazardous substance" pursuant to state, federal or local governmental law. "Hazardous material" includes, but is not restricted to, asbestos, polychlorobiphenyls ("PCBs") and petroleum.

20. **Condition of Premises and Building.** Landlord warrants and represents that upon delivery and throughout the term of this Lease, the Premises and Building will be and Landlord will maintain the same in sound condition, in compliance with all applicable federal, state and local codes and that the structural elements, roof and building systems of the Building along with the Premises will be seismically and otherwise sound and will meet all applicable federal, state and local codes, including but not limited to the Americans with Disabilities Act.

21. **Attorney's Fees.** In connection with any litigation arising out of this Lease, the prevailing party, Tenant or Landlord, shall be entitled to recover all costs incurred, including reasonable attorney's fees.

22. **Liens.** Each party represents to the other that it has complete authority to enter into this transaction. Landlord further warrants to Tenant that Landlord owns the land and Building in fee simple, free and clear of all liens and encumbrances of every kind and nature, except for those listed below.

Name of Lienholder

Type of Lien

Concorde Bank

Mortgage

Landlord shall use reasonable efforts to obtain from the holder of any lien which is not discharged within ten (10) business days of the date of execution of this Lease, a Subordination, Attornment and Nondisturbance Agreement in form acceptable to Tenant.

23. **Notices.** Any notice, report, statement, approval, consent, designation, demand or request to be given under this Lease shall be effective when made in writing, deposited for mailing with the United States Postal Service or with a recognized overnight delivery service and addressed to Landlord or Tenant at the following addresses:

LANDLORD:

Willmar Elks Lodge #952
P.O. Box 816
Willmar, MN 56201
Phone 320-231-2188
Paul Ryan 320-295-3121

TENANT:

Economic Development Commission of Willmar
P.O. Box 1783
Willmar, MN 56201

24. **Continuous Operation.** Tenant shall have no obligation to operate continuously in the Premises during the Initial Term or any Renewal Term.

25. **Miscellaneous.**

(a) **Successors and Assigns.** This Lease shall be binding upon and shall inure to the benefit of Landlord, Tenant and their respective successors and assigns.

(b) **Governing Law.** This Lease shall be construed under the laws of the State of Minnesota.

(c) **Merger Clause.** This Lease contains the entire agreement between Landlord and Tenant regarding the Premises which are the subject of this Lease and may only be altered by a written agreement executed by both Landlord and Tenant.

(d) **Severability.** If any term or provision of this Lease or the application hereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected thereby.

(e) **Force Majeure.** In the event the performance by either party of any of its obligations hereunder, except with the respect of payment of money, is delayed by reason of the act or neglect of the other party, act of God, strike, governmental restrictions, war, or any other cause, similar or dissimilar, beyond the reasonable control of the party from whom such performance is due, the period for the commencement of completion thereof shall be extended for a period equal to the period during which performance is so delayed.

(f) **Counterparts.** This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute but one and the same instrument.

(g) **No Partnership Created.** Landlord and Tenant are not and shall not be considered joint ventures, not partners, and neither shall have power to bind or obligate the other except as set forth herein.

(h) **Headings.** The titles to the paragraphs of this Lease are inserted only as a matter of convenience and for reference and in no way confine, limit or describe the scope or intent of any section of this Lease, nor in any way affect this Lease.

(i) **Modification.** No modifications, alterations, or amendments of this Lease or any agreements in connection therewith shall be binding or valid unless in writing and duly executed by both Landlord and Tenant.

(j) **Leasing Commissions and Agency Disclosure.** Landlord acknowledges that no real estate broker was involved in this Lease. Landlord and Tenant shall each indemnify, defend and hold the other harmless from and against, all damages (including reasonable attorneys'

fees and costs) resulting from any claims that may be asserted against Landlord or Tenant by any broker, finder, or other person with whom the indemnifying party has or purportedly has dealt.

(k) **Intentionally Deleted**

(l) **Compliance.** Landlord and Tenant agree to comply with any and all Federal, State and Local ordinances or regulations regarding the Building.

(m) **Authority.** Each party hereby represents to the other that the person(s) who have executed this Lease are duly authorized to do so.

(n) **Effective Date.** The “Effective Date” of this Lease shall be the date upon which the latter of Tenant or Landlord shall so execute this Lease as evidenced by the date inserted below the signature of each party at the time of execution.

(o) **Parking.** Landlord shall provide all necessary parking for Tenant’s employees and invitees and Landlord shall apply for and obtain all variances needed to meet all codes and permitting requirements for Tenant’s anticipated use throughout the term of this Lease. The current parking ratio of the Building is 3 spaces per 1,000 square feet.

*****END OF PAGE*****

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year above first written.

LANDLORD:

Willmar Elks Lodge #952

By: _____

Title: _____

Date: _____

TENANT:

Economic Development Commission

By: _____

Title: _____

Date: _____

ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

On this ____ day of _____, 20__ before me, a Notary Public in and for the State of _____, personally appeared _____ known to me to be the _____ of _____ who stated that the within and foregoing instrument was executed as the free and voluntary act and deed of said _____ for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument on behalf of the _____.

WITNESS my hand and the official seal affixed the day and year first above written.

Notary Public

My Commission Expires:

(S E A L)

ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

On this ____ day of _____, 20__ before me, a Notary Public in and for the State of _____, personally appeared _____ known to me to be the _____ of _____ who stated that the within and foregoing instrument was executed as the free and voluntary act and deed of said _____ for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument on behalf of the _____.

WITNESS my hand and the official seal affixed the day and year first above written.

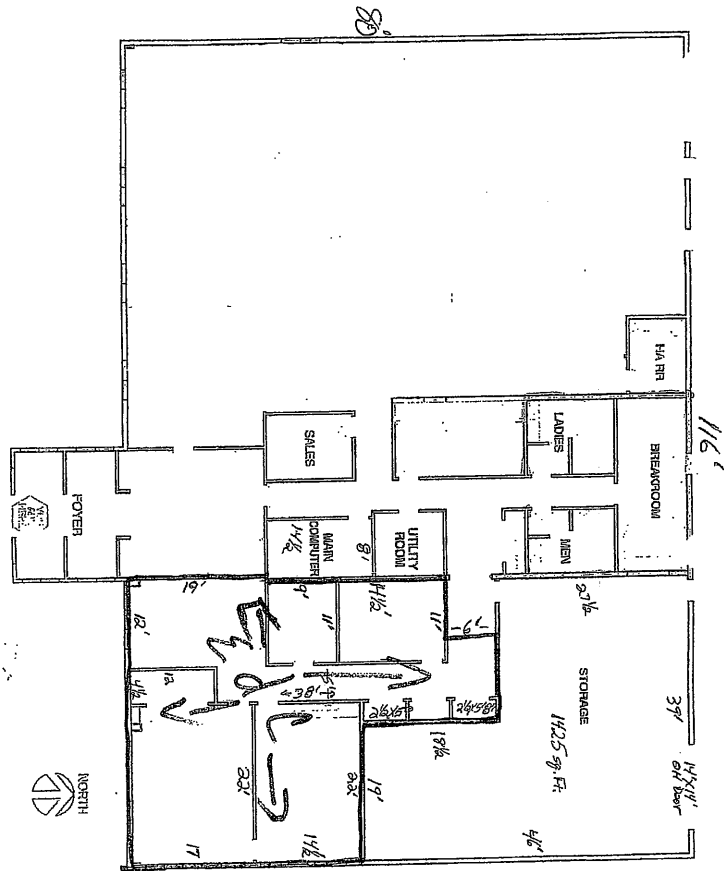
Notary Public

My Commission Expires:

(S E A L)

EXHIBIT "A"

PREMISES





Available For Sale: Willmar, MN



917 Hwy 71 Srv Rd, Willmar, MN 56201

Manufacturing Facility

Land: 2.3 acres -- 2 easements with the city and neighbor to the south -- approximate value \$125K

Building, Warehouse & Office Space: Total sqft 48.5K, warehouse 23K sqft, 12 offices, 1 conference room, reception area -- not wheelchair accessible, 30 plus parking spaces

Raw Materials Description: Mineral and organic powders of various particle size used to produce livestock premixes.

Manufacturing Capabilities: Capacity of the unit -- 10 million kilos per year, technology provider servicing production equipment -- BetaRaven, 1,089 rack spaces -- half push back and half tear drop beam racking, 8 dock doors, 21 bulk bins -- purchased in 1993, 5 mixers -- One 2.5 years old, the other four thirty-seven plus years old, and much more (see equipment appendix) no grinding or pelleting capabilities, Ceiling heights -- finished feed and ingredient warehouse 11ft, warehouse areas #1 & #2 19ft, warehouse area #3 22ft

Utilities: Gas -- 2 meters, one inch lines, Water -- 2 meters, three quarter inch lines, Voltage -- 240, Internet & Cable -- Primary AT&T, Secondary Charter Spectrum, 2018 Utility Cost Snapshot -- Electric 45.8K, Gas 9.3K, Water 1.3K, Water Treatment/Sewage: 2.4K

For more information: Andrew Hunt, andrew.hunt@trouwnutrition.com | 716-225-1212

RESIDENTIAL DISTRICTS

- R-1, One Family Residential
- R-2, One and Two Family Residential
- R-3, Low Density Multiple Family
- R-4, Medium Density Multiple Family
- R-5, High Density Multiple Family

BUSINESS DISTRICTS

- LB, Limited Business
- GB, General Business
- CBD, Central Business District
- SC, Shopping Center

INDUSTRIAL DISTRICTS

- I-1, Limited Industry
- I-2, General Industry

PARK DISTRICTS

- P, Park District

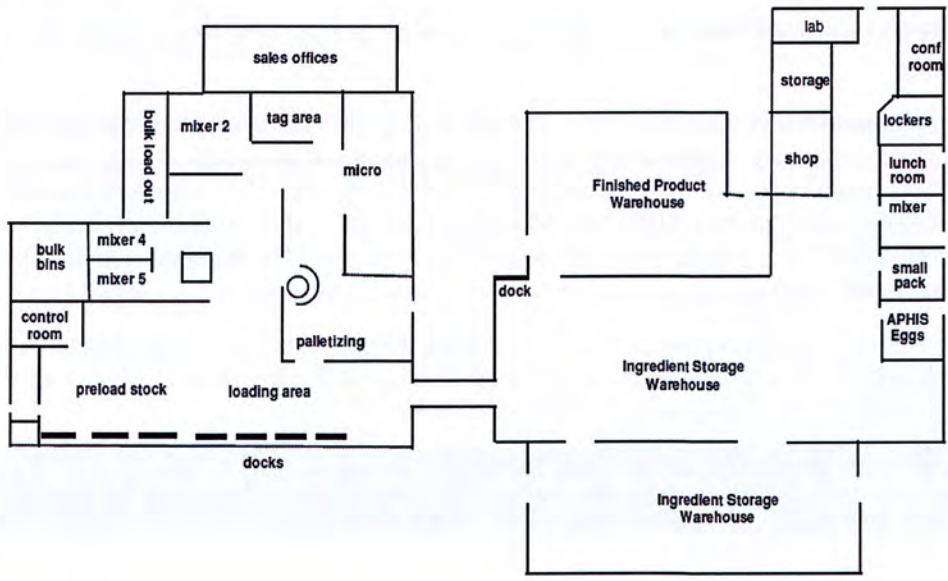
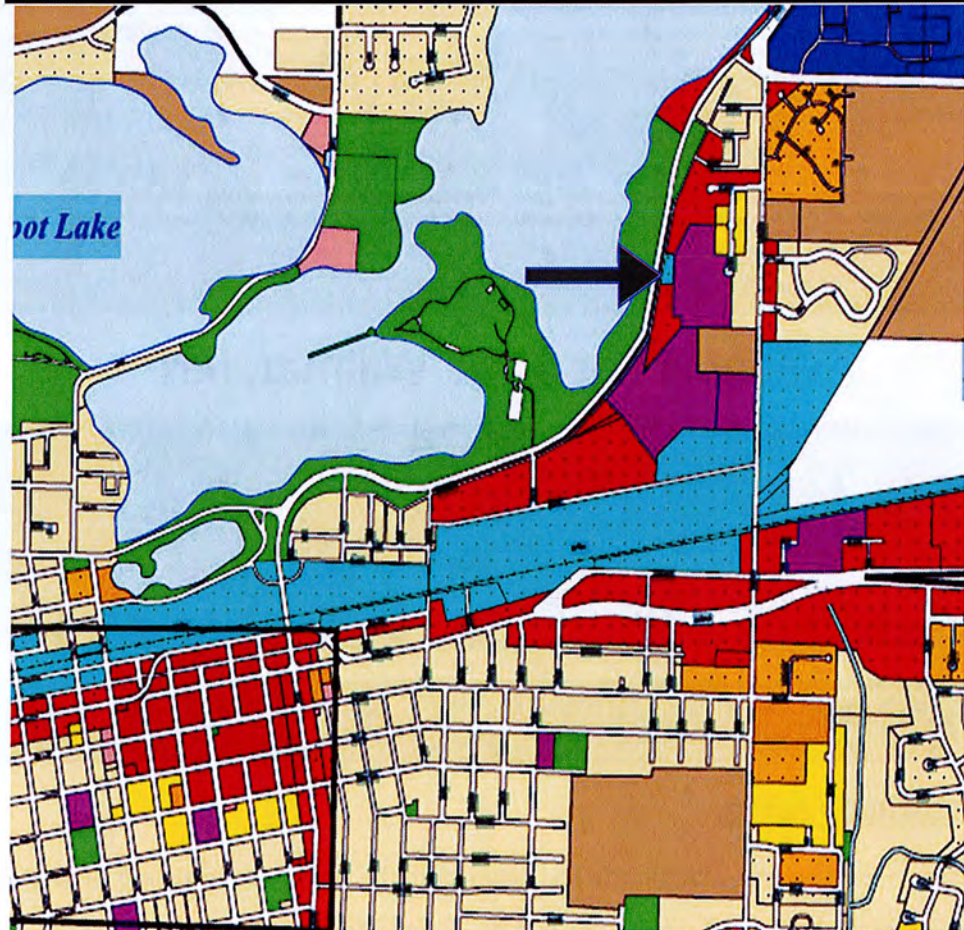
MICELLANEOUS DISTRICTS

- A, Agricultural
- G, Government/Institution District
- T, Technology District

- Unpaved Road
- Paved Road
- Railroad
- Section
- Township
- River, Stream or Ditch
- Lake/Wetland

- U.S. Highway
- State Highway
- County Road

(Section #)





Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

Name of applicant Kandiyohi County Area Family YMCA Name of contact person Troy Pederson

Telephone 320-222-9622 Cell 320-262-2668 Email troy@kandiyymca.org

Describe your organization, its mission and goals:

At the Y, strengthening community is our cause. The YMCA focuses our work in three areas: Youth Development, Healthy Living, and Social Responsibility. Youth Development includes child care, before and after school care, summer learning loss prevention reading program, summer day camp, youth sports, child watch, and swimming lessons. Healthy Living offers a variety of health and wellness programs. Social responsibility features our Safety Around Water program and volunteer programs. The YMCA mission is to put Christian principles into practice through programs that build healthy spirit, mind and body for all.

Our Strategic Goals are to:

- Fill the Child Care Gap
- Identify and grow programming
- Identify and remove barriers to membership
- Seek and Grow Community Collaborations

Is your organization a ☒ nonprofit corporation or ☐ governmental entity?

Amount requested \$ 5000. Will the funds be matched? Yes ☒ No ☐. If yes, how will they be matched?

The YMCA and a group of community volunteers, city entities, and businesses are involved in a community fundraising effort to secure \$575,000 in funds for the initial needs to start a child care center.

For what purpose will the requested funds be used? Provide a copy of your budget.

The Spicer/New London YMCA Child Care Center is a collaborative effort between the Kandiyohi County Area Family YMCA, City of Spicer, City of New London, Spicer-New London Schools, Marcus Construction, First Children's Finance Kandiyohi County Core Team, Willmar Area Chamber of Commerce, and several community members. The project is focused on providing for initial needs to start a child care center, including renovations of space, initial lease costs, furnishings, appliances, and supplies to establish a child care center to care for up to 90 children ages 6 weeks to pre-K. The funds will be used to help with initial infrastructure costs needed to allow the current building meet codes for licensing requirements including a main water line needed for a fire suppression system.

If your request is for an event and is "seed money," can the event be profitable and self-supporting in future years?

Please explain: Not applicable.

Does the request fit within the EDC's mission (To be a catalyst for economic growth of the greater Kandiyohi County area.) and goals? Yes

Please explain: The new YMCA Early Learning Center – Spicer will help to reduce the Child Care Crisis in Kandiyohi County which is in line with the EDC Goal of Childcare: To continue efforts of the Kandiyohi County Rural Childcare Innovation Program designed to develop right-sized solutions to address the challenges of early care and education in the area. Currently over 700 children are in need of child care, 255 of those children in the Spicer/New London area. The center will employ 25 staff people, 7 full-time and 18 part-time staff. The center will provide care for up to 90 children, which will allow parents of those children to seek employment in the area. This is in line with the EDC Goal of Workforce Development: To develop and expand workforce availability and skills to support the growth and expansion of businesses.

If funded, your federal tax ID number must be provided. 41-1908049

Return this application to: Kandiyohi County and City of Willmar Economic Development Commission
222 20th Street SE | P.O. Box 1783 | Willmar, MN 56201 | edc@kandiyohi.com

Adopted by EDC Joint Operations Board 3/8/2012
Ratified by the EDC Joint Powers Board 4/26/2012

**YMCA Early Learning Center - Spicer
Start-up Expenses**

	Total
Furnishings & Toys	75000
Construction/ Remodel Costs per Marcus Construction Estimate*	440000
Water Main to Building	60000
TOTAL	575000

*Marcus has collected preliminary bids from contractors to estimate all interior demolition and reconstruction of space into 5 child care rooms, infant sleeping room, 6 bathrooms, a kitchen, 2 storage rooms, laundry room, and offices. Bids include all systems needed for operation of the child care center.



BUILDING BRIGHTER FUTURES

"The lack of childcare options in the Willmar Lakes area is putting substantial strain on young families who are forced to decide between childcare or continuing their careers. "

Brandon and Kirsten Zumwalt
Current YMCA Child Care Family



SPICER EARLY LEARNING CENTER

OUR STORY...

Innovative programming that meets the needs of the community continues to be a priority of the YMCA. The Y is dedicated to nurturing the potential of every child and teen, improving our communities health and well-being and giving back while supporting our neighbors. We have been listening to our communities needs and we are committed to bridging the gap in child care. Through local research, we found the need for Child Care in our communities left over 700 without care everyday. For our communities and businesses to thrive, that is unacceptable. By rallying community leaders, uniting neighbors and establishing trust across cultures, we will provide a safe haven built to meet the developmental needs of each child. As a non-profit charitable organization, we are fortunate to have a community that embraces opportunities to donate – and we are asking for your financial support to solve the child care crisis plaguing our communities.

THE DREAM...

- Help reduce the Child Care shortage of 255 children needing care in the NL-S area alone.
- Open a Child Care facility to serve 90 children.
- Reduce 18-24 month waiting lists for infants and toddlers.
- Utilize existing facilities to revitalize vacant storefronts.

LEADING THE CHARGE...

Jim Bach	Dave Henle
Dave Baker	Jenny Holweger
Dennis Baker	Kerry Johnson
Paul Carlson	Andrew Lang
Sara Carlson	Susan Lange
Mike DeGree	Troy Pederson
Mary Jo de Cathelineau	Leslie Valiant
Trudie Guptill	Ken Warner



Infant through Preschool Care

The Kandiyohi County Area Family YMCA believes we are building a child's future from the day they begin in our care. We work to create the brightest future possible for each child – one activity, one interaction at a time.



We take academics seriously

We recognize that even the youngest children are learners and our curriculum is aligned with early learning content standards for math, science, literacy, social studies, music and art. It is designed to:

- Meet the needs of children ages six weeks through pre-kindergarten.
- Enrich cognitive, language, social, emotional, physical, and creative development.
- Provide opportunities to create, explore the environment, and develop problem solving skills.
- Regular assessments and screenings are incorporated into our curriculum to allow for developmental tracking and are reviewed at parent teacher conferences.



Play Ground & Play Space

Playgrounds are where children learn by doing. Playgrounds engage the imagination and keep children active. Our playground and indoor play spaces will provide the tools to keep kids healthy, improve heart and lung functions and help prevent obesity. Playgrounds help build self confidence, self esteem and develop important social skills. Playgrounds and play spaces teach conflict resolution, self regulation, encourages language development and supports literacy. Sensory activities stimulate brain development providing children the ability to complete complex learning tasks and enhance memory functions.

"It is more than Child Care; it is a FAMILY. We have been a part of the Y Family for more than 5 years now and have had the pleasure of being a part of some pretty spectacular projects. Nothing brought me more excitement than hearing that the YMCA plans to expand their program to include the City of Spicer. "

Samantha Contreras
Current YMCA Child Care Family

INFANT ROOM

AGE: 6 weeks – 16 months

Room Capacity: 12 children

Highlights:

- Separate sleeping spaces
- Reading and tummy-time area
- Manipulative areas, with puzzles, music and dramatic play
- 1:4 staff to child ratios



PLAYGROUND / PLAYSPACE



TODDLER ROOM

AGE: 16 – 36 months

TOTAL ROOMS: 2

Room Capacity: 14 Children

Highlights:

- Separate science, art, math, reading and library spaces
- Manipulative areas, with puzzles, music and dramatic play
- 1:7 staff to child ratios



PRESCHOOL ROOM

AGE: 36 months – Kindergarten

TOTAL ROOMS: 2

Room Capacity: 20-30 children

Highlights:

- Separate science, art, math, reading and library spaces
- Manipulative areas, with puzzles, music and dramatic play
- 1:10 staff to child ratios



"I currently work in Willmar, but I live an hour away. After having my first child, I realized I wanted to spend as much time as I could with my baby so my husband and I decided to move to the Willmar area. However, finding daycare has been nearly impossible. We called 35+ places and the earliest we could get in was a year and a half out. I heard about the daycare shortage but never realized it was this bad! I have absolutely no options on who takes care of my baby, I just need to go to whoever has an opening. This is very concerning to me as I know I'm not the only one who is running into this problem. When I heard about the YMCA opening another day care center, I was thrilled! I have heard amazing things about the day care program, plus the stress of having to find an opening was gone! We can finally make plans on moving to the Willmar Lakes area and I get more precious time with my baby!"

Hannah Strand
Parent Seeking Child Care

"Had there been a quality, affordable option to place her children all together, we would have kept this quality employee on staff. We obviously had to fill her position and now that she is thinking of returning to the workforce, we don't necessarily have a position available to her..."

Jim Tezloff
Pioneer Heritage Insurance
Spicer, MN



"I was very encouraged to hear about the YMCA Early Learning Center plan to open a daycare in Spicer. A teacher informed me that she made 60 phone calls to arrange for a daycare last year after the birth of her first child. She was down to her last option when she found a daycare. She told me that she was thinking about resigning from her teaching position, because she could not find a daycare. She is a phenomenal teacher, we sure would have missed her being in our school district. In September, we will have three staff members on childcare leave."

Paul Carlson
Superintendent
New London - Spicer Schools

HOW CAN I HELP?

100% of all gifts will support Child Care expansion via the Kandiyohi County Area Family YMCA.

<u>Donor Level</u>	<u>Donation Amount</u>	<u>Max # Donors</u>
Dream Maker	\$100,000+	2
Community Builder	\$50,000 - \$99,999	3
Classroom Partner	\$25,000 - \$49,999	5
Playground Friend	\$5,000 - \$24,999	10

All donors of \$1,000 or more will receive recognition on our Donor Appreciation Wall. Naming rights for each classroom begin at \$50,000. Outdoor playground recognition is available for gifts over \$20,000. These sponsorship opportunities are limited. Donors contributing at the Community Builder, Classroom Partner and Playground Friends will be listed on both the donor wall as well as within the respective area of sponsorship.

Name _____
And/or Business _____
Address _____
City, Zip _____
Phone # _____
E-Mail _____

_____ Pledge payment Included
_____ Please bill me
_____ Charge my Gift (please Contact me)

Pledge Amount
_____ \$500 _____ \$1000
_____ Other

Signature _____ Date _____

Print Name _____

Thank you for your support! Donations are tax-deductible. Checks payable to Kandiyohi County Area Family YMCA. Memo: Spicer Early Learning Center. P O Box 757, Willmar, MN 56201





FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

REACHING OUR POTENTIAL

GOAL SETTING

Help us reach our dream of opening a new
YMCA Early Learning Center in Spicer.

FUNDRAISING GOAL: \$575,000

*Estimated Goal

GRAND OPENING GOAL: SEPTEMBER 2019

CONTACT INFORMATION

Kandiyohi County Area Family YMCA
P.O. Box 757, Willmar, MN 56201
320-222-9622

Jenny Holweger, Executive Director
E-Mail: jennyh@kandiymca.org

Troy Pederson, Sr. Program Director
E-mail: troypp@kandiymca.org

Dave Baker, Fundraising Co-Chair
dbaker0327@gmail.com

Sara Carlson, Fundraising Co-Chair
scarlson@communitygiving.org

Dave Henle, Fundraising Co-Chair
dhenle@heritagebankna.com





**Joint Operations Board Meeting
Connie Schmoll Report
May 9, 2019**

Child Care

The next meeting of the Rural Child Care Innovation Program is scheduled for Tuesday, May 14th, 2019. Jessica Beyer, First Children's Finance, is the facilitator of the core leadership team meetings and is committed to a full two years of assistance.

Nine SMART (Specific, Measurable, Attainable, Realistic and Time-bound) goals have been created for future focus of tasks and fall in these primary goal areas of:

- Goal 1 – Diversity/Mentoring
- Goal 2 – Training Opportunities Locally
- Goal 3 - Identifying and accessing capital
- Goal 4 – Business Support and Legislation

Because of involvement with the leadership team, Ridgewater College is planning to incorporate a training series for certifying child care providers. The classes are targeted to begin January 2019. Others in the leadership team have offered assistance with such things as curriculum, technical assistance and child care centers where students can complete lab work as part of the training.

The Willmar Childcare Center has submitted all necessary documents and has now scheduled closing of the last two loans; Southwest Initiative Foundation and Mid-Minnesota Regional Development Commission. Construction will begin soon to ensure standards are met for licensing of the facility for childcare services.

The YMCA is moving forward on plans for a child care facility in Spicer. Many volunteers and local contributors are involved. They hope to have the facility in full operation later this year.

I scheduled and participated in tours of two local churches along with a UCAP agency director to assess land consider as locations for additional childcare. Both churches are interested in meeting community needs. They are the Assembly of God Church and Crossroads Community Church.

Broadband

Townships Meetings

Broadband Committee members are facilitating discussions with Township Boards to encourage township level investment and planning for a high-speed broadband deployment project. Both Hiawatha and Arvig have stated they would partner with us to do build out if we have funding partners that cover more than 30% of the project costs and a Border-to-Border grant for up to 45% of the costs.



Township meetings have been conducted with the following: Green lake Township on March 28th, Mamre Township on April 8th, St. John's Township on April 16th and Dovre Township on May 7th.

Dave Sisser, Michelle Marotzke and I partnered in presenting the current state of broadband in Kandiyohi County, why high-speed broadband is a necessity for residents, businesses, students, healthcare and more, and the difference in types of internet technologies. We also presented what townships in Chisago County were able to accomplish with interest and some investment by the constituents. The meetings were before the township supervisors generally; few constituents were in attendance. Other committee members that have attended the meetings include Roger Imdieke, Mark Boeschen, Rollie Nissen and Ramsey Schaffnit.

The interest level is high for the township supervisors that have been in attendance at the meetings. The supervisors of St. Johns Township went so far as to contact Mamre and Dovre supervisors and request a second meeting to propose questions for our team. We went there two days after the request. I secured the township attorney, Robert Ruppe, to accompany us. He worked with two Chisago County Townships on their broadband projects. His assistance was necessary for inquiries about legal issues and financing structures. I was grateful he was in attendance.

After a great deal of discussion, the supervisors agreed to further investigate the possibility of a project for the three townships together. We need to secure more information about the cost of a project and what would be expected of the constituents. The townships supervisors have tentatively agreed to help pay part of the costs for an engineering study that would provide data to plan for a project including the financial investment that would be needed.

In addition to these contacts, I have had conversations again with Mark Birkholz of Arvig and with Dan Pecarina of Hiawatha. Both are showing interest now that we have a potential location and the possibility of investment from the townships. Arvig and Hiawatha are pulling together some costs for the engineering study that will be necessary to calculate the price of build-out in the three townships. Arvig said they would expect a financial partnership to pay for the engineering study. Hiawatha will do the engineering study for themselves and without an investment from our end to help them determine if they would do the project.

We will have a lot of work in the future if the township supervisors wish to proceed, including education to the constituents, assessing interest in subscribing if the project were to be done, assisting with a Border-to-Border grant application, securing letters of support and more.

Meetings and Events

1. Townhall meeting with Rep. Baker and Sen. Lang
2. Joint Ag Conference with MWTC – Planning
3. Meetings with new Willmar City Planner, Dave Ramstad
4. Industrial Hemp Exploratory Subcommittee
5. Township meetings on broadband
6. Minnesota Marketing Partnership meeting, St. Louis Park
7. Roundtable on workforce with staff of Sen. Amy Klobuchar
8. Chamber agri-business planning meeting

9. Tour of 2 churches as potential childcare center space
10. Energy savings workshop for businesses at MCROC
11. Preliminary meetings with videographers for community video project
12. SIAL Canada – Trade show for global food and beverage processors
13. Willmar City Council meeting
14. Meet & Greet new HR Director at Jennie-O

Business Visits

1. Tour and visit with management at K-traps of Pennock
2. EpiTopix visit with managers
3. Retail Design Workshop follow-up with 2 businesses
4. Diamond Trailers
5. VP Enterprises, business plan and loan application
6. K-traps, business plan and loan application
7. New restaurant start-up
8. Willmar Childcare Center
9. YMCA Childcare Center