

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)

FINANCE COMMITTEE

MINUTES

November 9, 2021

EDC Office, Willmar and Via Zoom Video Conference

Present: Abdullahi Awale, Matt Behm, Nick Dalton (via Zoom), Allen Huselid, Kerry Johnson and Michelle Marotzke (via Zoom)

Excused: Travis Jones and Justin Schnichels

Staff: Aaron Backman, Executive Director and Sarah Swedburg, Business Development Manager

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc.

Chairperson Matt Behm called the meeting to order at approximately 12:02 p.m.

AGENDA—There were no changes to the Agenda that was emailed.

MINUTES—

IT WAS MOVED BY Allen Huselid, SECONDED BY Kerry Johnson, to approve the Minutes of the September 14, 2021 meeting as emailed. MOTION CARRIED.

UNFINISHED BUSINESS—There was no unfinished business.

NEW BUSINESS

Cheers of Raymond Status. Aaron Backman informed the committee that Trevor Johnson, the new owner of Cheers of Raymond, passed away on October 29, 2021. The EDC's \$25,000 loan was closed on October 14, 2021 and United Prairie Bank closed its \$219,000 loan on October 21, 2021. The EDC's life insurance was not yet processed, but the premium had been paid. The EDC contacted the insurance agent and was informed that because the policy had not been processed, the premium would be returned and no claim could be made. The manager, Jessica Berghorst, operated the business until November 5, 2021 when it was closed by United Prairie Bank. Kerry Johnson reported she had been communicating with Berghorst, who continued to operate the business and was a signer on the bank account, until issues arose with third parties. The bank's attorney filed papers late yesterday to return the asset to the bank as an abandoned business. The community would like the business to continue to operate. Johnson stated Berghorst is very interested in buying the business and family may help financially. Michelle Marotzke stated

Mid-Minnesota Development Commission may have funds available in its Revolving Loan Fund program soon that could be used for the purchase.

Loan deferral request by Amin Grocery. Swedburg provided an update on Amin Grocery, which purchased and is renovating the former Public Defender's building in downtown Willmar. Permits by the State of Minnesota have been issued and Abdiweli Yusuf, the owner, is waiting for the City of Willmar to finish its permits. Because of unexpected renovation costs, Yusuf has requested a deferral until February. Southwest Initiative Foundation (SWIF) has deferred its loan payments until January. Swedburg has been working with Yusuf to obtain a Small Cities Development Grant through the Housing and Redevelopment Authority, which would be forgivable after seven years.

IT WAS MOVED BY Kerry Johnson, SECONDED BY Allen Huselid, to approve a three-month (November and December 2021 and January, 2022) deferral of the loan payments by Amin Grocery. MOTION CARRIED.

Other. Swedburg provided updates on Chaw's Asian Market and Groom Zone. Hteh Rue has Chaw's up and running and formally received approval of her EBT, which has increased sales. Swedburg connected Rue with Ridgewater College and its Sales and Marketing students to assist her with marketing her business. Heather Larson has moved her business, Groom Zone, from downtown New London to the new location on Highway 23 NE and has a prospective renter for the downtown location.

Backman reported all of the EDC's COVID-19 Business Assistance Loans (COBAL) are current except for one, Kandi Adult Care, Inc. Six businesses have paid off their COBAL. Backman has attempted to contact the owner of Kandi Adult Care, Inc., Kamaal Geele, without success. He has not been operating his business in Kandiyohi County for several months. Further action to collect the loan will be taken.

Willmar Child Care Center (WCCC) is still not operating, but has been making its loan payments to the EDC and all lenders have been brought current at this time. There is a party who is extremely interested in operating a childcare at the location. SWIF is also aware of this. WCCC's business model is to work with families who need child-care subsidies from the county. In order for clients to qualify for subsidies, they must be working full time or furthering their education. Marotzke spoke with WCCC about obtaining market-rate clients. Its license is active but it cannot find staff. The EDC sent a certified letter to the owner as to non-performance and a plan for the future, but the letters were rejected.

Swedburg reported the current Elevate class is in its eighth week and has seven students representing five businesses. The students are very motivated and participatory. One business is currently operational and the others are business ideas. Most of the students are under the age of 30 with a good mix of race and gender. The current classes are being held in-person at The Goodness with some attending via Zoom. Graduation is December 17 at the Willmar Education and Arts Center. A list of students has already been started for the spring course. There is a Spanish version of the curriculum and they are looking at getting the curriculum translated into Somali, which will cost approximately \$25,000. Swedburg recently attended a summit held by Rising Tide with all of the business academies across the United States. SWIF has been a good partner for the program. A state grant was applied for to help fund the Elevate program, but no

response has yet been received. The program was nominated for an award through the Minnesota Association of Professional County Economic Developers.

Backman noted Swedburg has been assisting businesses with any new state programs that have developed, including the Minnesota Main Street COVID Relief Grant Program. Swedburg emailed all of the previous grant and loan recipients about the program plus handled telephone calls from other businesses.

Backman gave an update on housing construction in Kandiyohi County. He believes more developers may look at rural Minnesota due to the rent control restrictions recently passed in Minneapolis. Backman reported at the end of October there were 625 construction permits issued in the city of Willmar at a value of \$59 million, which is more than what was done in 2019, an increase of 14%. One-third of the permits were for housing, the majority of which was multi-family housing.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 12:53 p.m.

NEXT MEETING—The next committee meeting is **12:00 p.m., Tuesday, December 14, 2021** at the EDC office and via Zoom video conference.