

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
BUSINESS RETENTION & EXPANSION/RECRUITMENT (BRE) COMMITTEE

MINUTES

July 10, 2020

Via ZOOM Video Conference

Present: Sam Bowen, Jim Ellingson, Les Heitke, Roger Imdieke, Les Nelson and Ranae Rahn

Excused: Samantha Crow, Bridget Paulson, Jennifer Mendoza, Dean Steinwand and Kelly TerWisscha

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

Secretarial: Diane Beck, Legal & Administrative Assistants, Inc. (LAA)

Chair Sam Bowen called the meeting to order at approximately 9:05 a.m.

AGENDA—Due to the absence of Jennifer Mendoza, Aaron Backman suggested removing item 4a, CLUES Updates from the Agenda.

[Les Heitke joined the meeting.]

IT WAS MOVED BY Sam Bowen, SECONDED BY Ranae Rahn, to approve the Agenda as modified. MOTION CARRIED.

MINUTES—

IT WAS MOVED BY Chair Sam Bowen, SECONDED BY Les Nelson, to approve the June 5, 2020 minutes as emailed. MOTION CARRIED.

REPORTS

EDC Ag Committee Events. Connie Schmoll reported the Partners in Ag Innovation Conference will be held July 30th via virtual live stream from the MinnWest Technology Campus. The free event will begin at 7:45 a.m. and conclude at approximately 12:30 p.m. Speakers and topics include: Shannon Schlecht, Minnesota's food and ag ecosystem; John Christianson, opportunities in agriculture biofuels; Craig Schmidt, weather and precipitation trends/effects on regional agriculture; a panel discussion regarding COVID-19 impacts on the ag industry. The keynote speaker is Jason Broadwater, who will speak on economic, community and business development around the United States. Approximately 160 are registered from across Minnesota and Iowa. Schmoll commented with the virtual live stream the registrations are up over 60 from last year. She

encouraged committee members to attend; register at www.partnersinag.com and to encourage others to attend.

UNFINISHED BUSINESS

Bring Them Back Home Initiative. Rahn reported she and Samantha Crow have visited regarding next steps for the initiative. A vision and budget will be developed and shared. Due to COVID-19, in-person events will not be held; rather, a social media marketing campaign may be conducted, i.e., Facebook, online newspaper stories, business websites that may offer incentives to potential employees returning to the area, Instagram, LinkedIn, online magazines, Live-It magazine, etc. Committee members also suggested the following: Snapchat, TikTok and Twitter. Schmoll suggested Rahn check with the Willmar Lakes Area Convention and Visitors Bureau as they may have funds available. Backman stated the EDC may be able to offer financial assistance in the amount of \$400-\$500 to kick off the event to include engaging a marketing firm, such as REDstar. It was unknown if the video has resulted in anyone moving back to the area; Schmoll will check. Heitke commented with more people working from home the initiative should emphasize this benefit to moving back to the Willmar area. Rahn and the subcommittee plan to meet in the near future and will keep this committee updated. If committee members have any other ideas, they should contact Crow, Kelly TerWisscha or Rahn.

NEW BUSINESS

EDC PANDEMIC RESPONSE UPDATE

COVID-19 Business Assistance Loan (COBAL) Program. Backman reported the EDC has received requests for information from 62 businesses, 34 of which submitted loan applications and 25 loans have been approved, including some diverse businesses. The program is at approximately 80% of goal. The EDC Joint Operations Board extended the COBAL program to September 1, 2020.

Immigrant Business Disaster Relief Grants. Backman provided highlights of the grant program, which was funded by Southwest Initiative Foundation (SWIF) through the Minnesota Disaster Recovery Fund due to COVID-19. The grants range between \$500-\$750; Backman reported 15 grants have been approved to date.

Small Business Relief Grant Program. Backman shared this state program will grant up to \$10,000 to Minnesota-owned and operated businesses than can demonstrate financial hardship as a result of the COVID-19 outbreak. A total of \$60.3 million is available; selection will be on a computer-generated, randomized process. Approximately 29,000 applications were received by the July 2nd deadline. The state will make the selections in mid-to-late July. For this region of the state, SWIF will contact the businesses selected to obtain additional information.

CARES Act Disbursements to Cities, Counties & Townships. Backman reported when the federal government passed the Coronavirus Aid, Relief and Economic Security Act (CARES), a \$150 billion Coronavirus Relief Fund was also established with \$853 million set aside for Minnesota. Minnesota

cities and townships were allocated approximately \$7,600,000 including the city of Willmar which received \$1,514,000. Allocations can be given to counties, cities, towns and townships with more than 200 people. Kandiyohi County was one of the first counties to submit a certification form and received \$5,235,792, which was based on population. The county will develop a plan on how to distribute the funds; there are restrictions on the what the funds can be used for. Larry Kleindl, Kandiyohi County Administrator, has recommended forming five to six teams to come up with ways to use the money. Suggested teams include: health and human services, county employee costs, business/nonprofits, public safety and COVID-19 expenses. Backman stated some counties may allocate up to 25% in support of business and nonprofits. Kleindl suggested the EDC serve as the lead on the business and nonprofit team.

Roger Imdieke shared he serves on a statewide committee and commented the counties have until December 1, 2020 to return any allocations that have not been used. Discussion was held regarding the use of funds; Backman stated the EDC is getting input from various sources.

Backman reviewed the proposed CARES Pandemic Relief (CPR) Grant Application for Small Businesses (see attached), which was approved by the EDC's Finance Committee and Joint Operations Board. Backman noted a second application form for nonprofit businesses will also be prepared. Eligible applicants may request up to \$10,000 based on need. The grant applications will be considered and acted upon by the EDC Finance Committee and the Kandiyohi County Board of Commissioners. Imdieke urged the Finance Committee consider accepting applications for businesses that have suffered the most, i.e., restaurants, lodging and hospitality industry.

[Jim Ellingson was excused from the meeting.]

Committee members offered the following suggestions to the application form:

Funding Information:

- Les Nelson commented on the number of jobs retained and capital investment.
- Imdieke felt it is not meant for job creation, but for job retention.

Eligible Applicants:

- Discussion was held regarding the need to show a revenue reduction of at least 25% between March 1 and May 30, 2020.
 - Imdieke inquired if the date should be later than March 1, 2020; Backman shared the instructions refer to March 1st; he is being cautious not to use a partial month.
- Discussion held regarding the 25% reduction and the small business and 50 or less employees.
 - BRE Committee members concurred with the 25% and 50 or less employees.
 - Imdieke suggested using full-time equivalent (FTE) if 50 is used.

Schmoll reported she has contacted all Kandiyohi County townships regarding the CARES disbursement program and offered the EDC's assistance with paperwork, etc.

Ineligible Applicants:

- Discussion held regarding restaurants.
- Some committee members suggested leaving off golf courses for now.
- Chair Bowen inquired about the appeal process. Backman stated EDC Finance Committee's decision will be final.

Applications Requirements:

- Nelson commented on the last bullet of grant recipients providing documentation of how funds are spent within 60 days following disbursement and inquired if it should be more of a budget format instead of a narrative format.
- Committee members concurred with the requirements.

Backman appreciated the committee's suggestions and encouraged members to submit other ideas to him or Schmall.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 10:20 a.m.

NEXT MEETING—The next committee meeting is **9:00 a.m., Friday, August 7, 2020**, via ZOOM video conference.



CARES Pandemic Relief (CPR) Grant Application for Small Businesses

Approved 7/24/2020

APPLICANT INFORMATION

Legal Name of the Business, including assumed name, if any: _____

| | | | |
|--|--------------------------------------|---|------------------------------|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Partnership | <input type="checkbox"/> Corporation | <input type="checkbox"/> LLC |
| Length of Time in Business | Years Months | Fed Tax ID # | MN Tax ID # |
| Mailing Address | | City | Zip |
| Location Address | | City | Township |
| Business Phone | () | Cell Phone | () |
| E-Mail Address | | Web Address | |
| Contact Name | | Title | |
| Amount of Funding Requested | \$ _____ | FTE number of employees including owner(s): | |
| How has the COVID-19 pandemic financially affected your business? | | | |
| | | | |
| For what purpose will these funds be used (eligible expenses include PPE, rent/mortgage, utilities, insurance and other regular expenses that are difficult to pay because of COVID-19 related loss of revenue)? | | | |
| | | | |

Please check all funding sources applied for: ___ Federal PPP ___ Federal EIDL ___ MN SBEL ___ MN SBRG
 Please check all funding sources received: ___ Federal PPP ___ Federal EIDL ___ MN SBEL ___ MN SBRG

Principal #1

| | | |
|--------------------------------|------|-----|
| Name | DOB | SS# |
| Address | City | ZIP |
| Percentage of Ownership _____% | | |

Principal #2

| | | |
|--------------------------------|------|-----|
| Name | DOB | SS# |
| Address | City | ZIP |
| Percentage of Ownership _____% | | |

Funding Information

- Eligible applicants may request up to \$15,000 in CPR Grant assistance based upon need. Actual grant award will be based on number of employees impacted, gross revenue loss and available funding (see attached scoring criteria). The grant funds do not need to be paid back.

- Completed applications must be received by the EDC by 5:00 p.m. on October 29, 2020 to be considered.
- Applications will be considered and acted on by the EDC’s Finance Committee/County Board.
- The status of the data supplied for CARES Act funding will be governed by MN Statute 13.591.

Eligible Applicants

- For-profit businesses that can demonstrate business losses. Businesses need to show a gross revenue reduction of at least 25% between March 1, 2020 and May 30, 2020 compared to the previous year.
- Small businesses with up to 50 employees (Full Time Equivalents, FTEs). Employees for this grant program may be either W-2 employees or independent contractors.
- All eligible applicants must have a physical, commercial location, whether owned or leased, that is located in Kandiyohi County.
- All eligible applicants must be registered with the Minnesota Secretary of State and have been operating since March 1, 2019.
- Businesses are eligible to apply for CPR funding from only one local unit of government.

Ineligible Applicants

- Lending institutions, law firms, accounting firms, utility companies, chain convenience stores, residential rental properties, production agriculture, insurance agencies, financial advisors, passive investments and religious organizations.

Application Requirements

- The CPR Grant application must be completed in its entirety by the applicant and submitted to the EDC Office located at 222 20th Street SE, P.O. Box 1783, Willmar, MN 56201; or submitted electronically to edc@kandiyohi.com by October 29, 2020, in order to be considered.
- A copy of the most recent federal tax return filed by the business.
- A copy of the business’s current filing with the Minnesota Secretary of State Office.
- Income/expense statements for the second quarter of 2019 and the second quarter of 2020 (see attached form). If the financials fail to show loss/impact of loss, please explain with additional documentation.
- Other items as may be requested by the review committee.
- Grant recipients agree to provide documentation of how funds were spent within 60 days following grant disbursement (see attached form). Eligible expenses may date back to March 1, 2020.

AUTHORIZATION FOR RELEASE OF INFORMATION & ACKNOWLEDGEMENTS

I declare that the information provided in this application and on the accompanying exhibits is true and complete to the best of my knowledge. I understand that the Kandiyohi County and City of Willmar Economic Development Commission (EDC) has the right to verify any information contained in this application and may contact any individuals and agencies involved and that the EDC reserves the right to make modifications to the program in response to community need and available funds.

Signature/Title of Applicant: _____ Date: _____

Signature/Title of Applicant: _____ Date: _____

The EDC, along with the Kandiyohi County Board of Commissioners, retain final authority to determine if a business is eligible or not, whether to approve a grant or not, and the grant amount.

For questions, call 320-235-7370 or toll free 866-665-4556 or email edc@kandiyohi.com



CARES Act Payments to the County, Cities and Townships in Kandiyohi County

Distribution of funds for small businesses and nonprofits in Kandiyohi County

Governmental entities within Kandiyohi County have received CARES Act funding from the federal government through allocations made by Governor Walz. In Kandiyohi County, 9 cities and 22 townships, in addition to the County, have received funds to disburse. A portion of the funds may be utilized to support small businesses and nonprofits that have experienced challenges due to COVID-19 and the Governor’s orders to reduce or close businesses.

Several local government entities have formed a coordinated program utilizing the Kandiyohi County and City of Willmar Economic Development Commission (EDC) as the application and disbursement entity for all businesses and nonprofits. The EDC has created application forms and a process for reviewing and disbursing the funds.

Cumulative criteria has been established for grant award amounts as follows:

Small Businesses

A. First measure of award amount: Number of employees

| | |
|-------------------|---------|
| 1 - 4 employees | \$2,000 |
| 5 - 19 employees | \$5,000 |
| 20 - 50 employees | \$7,500 |

B. Second measure of award amount: Loss of gross revenue

| | |
|------------|---------|
| 25% - 34% | \$5,000 |
| 35% - 49% | \$6,000 |
| 50% - 100% | \$7,500 |

