



Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

OPPORTUNITY ZONE PROSPECTUS

Prepared by the Kandiyohi County and City of Willmar Economic Development Commission



TABLE OF CONTENTS

Fast Facts	2-3
Opportunity Zone Map.....	4
Location Overview	5
Industries.....	6-7
Growth	8
Willmar Investment Map	9
Workforce.....	10
Transportation/Distribution.....	11
Capital Investment.....	12
Incentives	13
Inclusivity Strategy	14-15
Broadband	16
Property Taxes.....	17
References	18-19
Biographies	20-21



INCREASE

Willmar's population is up 9% since 2000.



INNOVATIVE

regional investments in the fields of animal vaccine, metal fabrication, food processing, and value-added agriculture.



MINNWEST TECHNOLOGY CAMPUS

business community currently accommodating over 30 agribusiness, bioscience and other innovative companies who are global leaders.



GROWTH

Kandiyohi County's labor force has risen by 5.4% from 2010 to 2018.



INCLUSION STRATEGIES

by community leaders maintain a goal of equitable and diverse growth for all segments of the community.



VIBRANT

arts community and rich cultural diversity featuring distinctive events and over 80 ethnic businesses.



SIGNIFICANTLY

lower cost of living than other areas of Minnesota with annual property taxes between \$800-\$1,499.



WIDESPREAD

access to 200Mbps download speeds gives innovative companies the needed bandwidth to succeed.



COMMUNITY-BUILT

19,000 square foot, fully-accessible Destination Playground is one of the many recreational opportunities for families.



AMBITIOUS

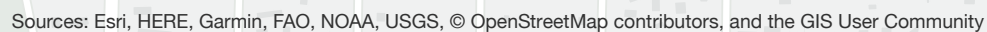
economic development leaders collaborating with community leaders to offer the best possible opportunity zone investments.



"The way this community [Willmar] has embraced its growing workforce, its immigrant workforce, and is navigating those challenges is really a model for the rest of the state."

**Steve Grove, DEED Commissioner
& former Google Executive**

Willmar, MN



LOCATION OVERVIEW

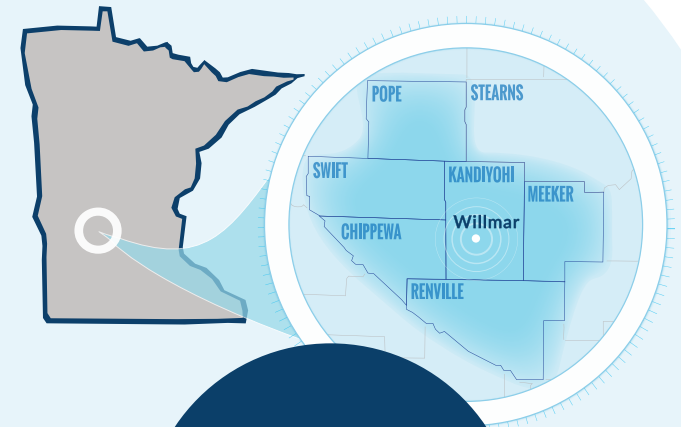
Willmar's diverse economy and population provide new and existing businesses the right socio-economic environment for growth and success. Located 90 miles west of Minneapolis/St. Paul, this county seat with 20,000+ residents, offers the key transportation routes needed for today's businesses.

Surrounded by productive farmlands and scenic lakes, this vibrant community supports robust medical, technology, service and value-added sectors.

With an average yearly enrollment of 5,500 students and rated #1 among Minnesota Community Colleges, Ridgewater College is an essential asset for the Willmar community and employers.¹

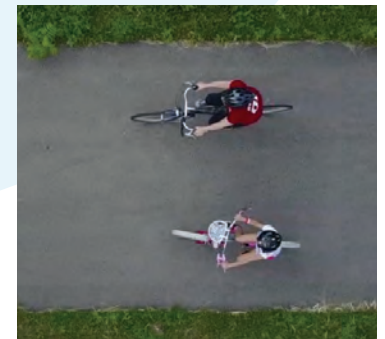
Willmar is a regional center for advanced manufacturing, agricultural biosciences, healthcare, retail, service and hospitality. These industries generate employment opportunities and livable wages for thousands of families in the surrounding communities.

¹Niche.com



FAST FACT

Nearly 12,000 employees commute to Willmar for work on a daily basis.



INDUSTRIES



FAST FACT

Private investment
in the MinnWest
Technology Campus now
exceeds \$17 million.

ADVANCED MANUFACTURING

The Willmar area hosts emerging regional technologies in the fields of food manufacturing, robotics, and advanced agriculture. Companies like Select Genetics, Nova-Tech Engineering, DI Labs, Epitopix, and RELCO have access to a thriving, highly-skilled workforce provided by Ridgewater College and the University of Minnesota's Mid-Central Research and Outreach Center (MCROC). Cooperation with educational programs and the Ridgewater College allows business leaders to help prepare the future workforce.

AGRICULTURE

Willmar is a prime location for agribusiness, bioscience, and technology businesses and is home to industry leaders. Jennie-O, the nation's largest turkey processing company, and RELCO, the world's third-largest dairy equipment manufacturer, are located in Willmar's Industrial Park. Epitopix, an affiliate of the Netherlands' company, Vaxxinova, is a veterinary biologics research, development, and manufacturing company located in Willmar. Nova-Tech Engineering, situated on the MinnWest Technology Campus, manufactures and leases poultry-treating equipment used globally.



MEDICAL

As a regional medical center, Kandiyohi County has state-of-the-art facilities and hundreds of medical professionals who provide outstanding care. At every stage of your life, Kandiyohi County has healthcare options for almost every circumstance. There are over 5,000 healthcare jobs in Kandiyohi County, making it the region's top industry and that number continues to grow.



GROWTH

Health care and social assistance are the largest and fastest growing industries and may account for up to 40 percent of the projected growth. Construction, professional services, technical services and agriculture represent areas of expected further growth.

The projected growth continues to build the confidence in business owners and community leaders who support expansion. Willmar's Opportunity Zone is an ideal location for investors wishing to tap into the city's future.

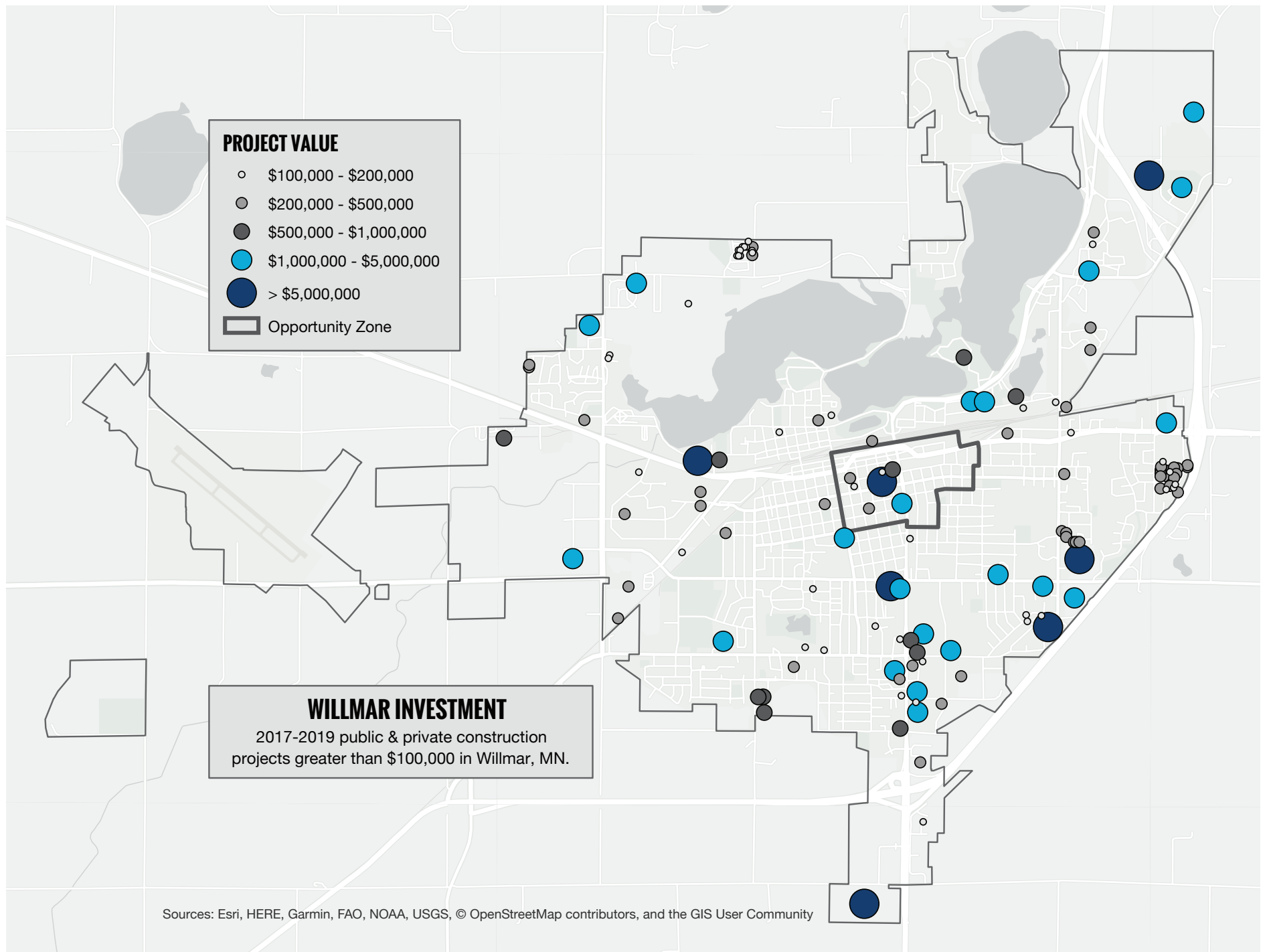
FAST FACT

From 2016 to 2019, there has been \$190 million in commercial, industrial, institutional, and residential construction in Willmar.



"The Willmar Lakes Area is full of people deeply invested in our communities. They dream big dreams, step up to lead and roll up their sleeves to make things happen not only from a business mindset but from a quality of life perspective."

Sara Carlson, Executive Director • Willmar Area Community Foundation



WORKFORCE

Willmar is the regional center for West Central Minnesota and extends employment opportunities into the six contiguous counties of Chippewa, Meeker, Pope, Renville, Swift and Kandiyohi. Of the 103,000 residents, over 65,000 are employed earning an average household income of \$51,859. Almost 90% of the residents have a high school or higher level of education with 18% holding a bachelor's degree or higher.

Willmar continues to see steady increases in the number of workers aged 20 to 44 years and gains in workers over 65 years of age. The 25 to 54-year-old age group is the largest contributor to the Willmar's labor force, accounting for 58 percent of the total. Latino and East African working populations increasingly contribute to Willmar's workforce. As with many areas of the U.S., access to a steady or growing workforce is critical to future area economic development.

"The way this community has embraced its growing workforce, its immigrant workforce, and is navigating those challenges is really a model for the rest of the state," Steve Grove, MN DEED Commissioner, said in an interview following an hour-long question-and-answer exchange with about 30 business and community leaders at the MinnWest Technology Campus.

FAST FACT

From 2010 to 2018 Kandiyohi County's labor force grew three times as fast as its overall population growth





TRANSPORTATION/DISTRIBUTION

Willmar's comprehensive transportation network has an abundance of modalities to keep goods and services moving through Kandiyohi County.

As a regional trade center for West Central Minnesota, one of the key elements in the city's plans is enhanced freight connectivity for industrial development. The \$48 million Willmar Rail Wye Project provides access and the opportunity to expand businesses and create jobs. With this rail spur, the Willmar industrial park will be served by all three major freight modes - air, rail, and trucking.

FAST FACT

Each day 17,000 vehicles travel through the opportunity zone on 1st Street/Business 71 alone.

The Willmar Industrial Park to the west of the Opportunity Zone is stimulated by The Burlington Northern Santa Fe Class I Railroad. Minnesota's most active railway connections travel through Willmar providing superior access for our companies.

Highway Business 71 goes through the Willmar Opportunity Zone and connects with two major highways, US Highway 12 and MN Highway 23.

The Willmar Municipal Airport sufficiently accommodates business jets and cargo planes with the paved 5,500-foot runway. This airport offers precision instrument approach, non-precision instrument approach, and aircraft storage. Business travelers and owners have access to a full-service, fixed-base operator (FBO) without the congestion of a metro airport.

CAPITAL INVESTMENT

Kandiyohi County has experienced sustained growth over the past six years with investments occurring in medical, manufacturing, institutional, retail, and housing.

Private investment in the MinnWest Technology Campus now exceeds \$17 million since 2006.

Highway 23 Coalition successfully lobbied for \$105 million in Corridors of Commerce funding to expand two-lane gaps to four lanes extending north from Willmar.

From 2016-2018, approximately \$63 million has been invested in housing in Kandiyohi County (including Willmar) creating over 300 multi-family and single-family housing units, and over 150 housing units are underway in 2020.

In the last two years, education investments include a newly constructed \$27 million Lakeland Elementary school in Willmar and a \$25 million Performing Arts Center/Gymnasium addition in the New London-Spicer School District.

Implementation of the Rural Child Care Innovation Program has a total of 210 new spaces in two new childcare centers that are under construction.

FAST FACT

Public and private investment in Willmar's Central Business District exceeded \$21 million over the last six years.



INCENTIVES

Kandiyohi County & City of Willmar Economic Development Commission provides technical and financial assistance to businesses (both direct loans and loan guarantees). The EDC can develop and submit funding applications to the Minnesota Department of Employment & Economic Development on behalf of companies.

Southwest Initiative Foundation (SWIF) provides business loans in West Central and Southwest Minnesota communities. SWIF can finance up to \$300,000 for equipment, inventory, working capital and real estate.

West Central Angel Fund is Willmar-based and focuses on early to mid-stage investments in high-tech and growth companies. 28 investors have committed \$1.5 million to the fund.

Business & Industry (B & I) Loan Guarantees through USDA. This program is only available in rural areas with populations under 50,000. The maximum loan guarantee is 80% for up to \$5 million.

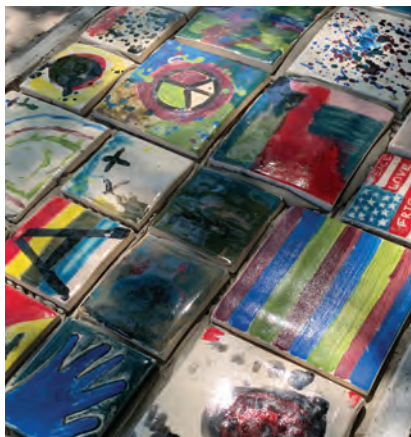
The EDC can also collaborate with the City of Willmar's Planning & Development Services Department on Tax Increment Financing (TIF) and Tax Abatement financial assistance for projects in the Willmar Opportunity Zone.

FAST FACT

City officials pursuing additional layers of incentives to be added to the OZ capital gains tax incentives.

FAST FACT

Development-friendly city issuing around \$50 million in construction permits annually





INCLUSION STRATEGY

The City of Willmar is working towards equitable and inclusive growth for all segments of the community. Our inclusion process is evidenced by the successful participation of large Latino and East African populations that continue to grow the business community of Willmar and the surrounding area.

The 2017 Diverse BRE Survey identified 31 East African businesses, 27 Latino businesses and at least 8 Asian businesses in Willmar. Almost half of the Latino businesses have been operating for more than 10 years, and a fifth of the Latino businesses have been started within the last two years. Businesses created by the Somali population are more recent with one third in operation for over 10 years and one third starting in the last two years.

Successful Opportunity Zone development will increase economic growth, security and mobility for all Willmar residents and reduce racial wealth gaps. Developers, builders, and investors will have equal access to opportunities in the zone. The Opportunity Zone drives investments that foster mixed-income housing, affordability, and security for families most at risk of displacement, including low-income households and households with new Americans. Investments are expected to drive equitable growth and prosperity for current low-income residents and communities of new Americans within the zone.

Community groups and leaders continue to intentionally pursue equity throughout all facets of life in the Willmar area.

FAST FACT

Kandiyohi county leaders understand the benefits of social and economic diversity and maintain a goal of equitable and inclusive growth for all segments of the community.

“A healthy Willmar is an equitable and inclusive community where everyone is empowered, valued and treated with dignity.”

Willmar Human Rights Commission



BROADBAND

Willmar's aggressive approach to broadband accessibility is the bedrock of their regional resiliency and ensures long-term success and greater connectivity. Willmar continues to be a statewide leader in broadband adoption and has a strong legislative presence advocating for more accessibility and faster speeds.

FAST FACT

Widespread access to high download speeds ensures global accessibility.



"Ridgewater College has set a priority goal to eliminate the achievement gaps in our student population, aimed at ensuring that all members of our community achieve their full potential for career and life success."

Dr. Craig Johnson, President • Ridgewater College

PROPERTY TAXES

This chart shows the households in Willmar, MN distributed between a series of property tax buckets compared to the national averages for each bucket. In Willmar, MN the largest share of households pay taxes in the \$800-\$1,499 range (Census Bureau).

County Rate	59.15
City of Willmar	38.076
Willmar School District	24.05
Countywide HRA Rate	1.091
Countywide EDC and MMDC Rate	1.147
Total for Willmar Residents	123.514

County rates the same for all cities but the city and school amounts vary.

FAST FACT

The overall index cost of living is almost 32% lower in Wilmar than in the Minneapolis, Minnesota metropolitan area. Minneapolis area housing costs are 68% higher and transportation costs more than 82% higher than in Willmar.



REFERENCES

PAGE NOTE

SOURCE

2	Willmar's population is up 9% since 2000	In 2000, the U.S. Census listed Willmar's population as 18,351. In 2010, the U.S. Census listed Willmar's population as 19,610, an increase of 6.97%. In June 2018, Susan Brower, MN State Demographer, indicated Willmar's population was 20,008 or a 9.0% increase.
2	Kandiyohi County's labor force has risen by 5.4% from 2010 to 2018	Luke Greiner, Regional Analyst, MN DEED, May 2019, in Kandiyohi County Profile Report, Table II.
3	Arts community and rich cultural diversity featuring distinctive events and over 80 ethnic businesses	Aaron Backman, Executive Director, Kandiyohi Co. & City of Willmar EDC, Business Retention & Expansion (BRE) Program for Diverse Business in the Willmar Area (July 2017 and more recent data)
3	Lower cost of living than the Twin Cities and other metropolitan areas of Minnesota with average annual property taxes ranging between \$800-\$1,499	Mark Thompson, Kandiyohi County Auditor/Treasurer; Sperling's Best Places, 2019 Cost of Living Calculator
5	Nearly 12,000 employees commute to Willmar for work on a daily basis	Luke Greiner, Regional Analyst, MN DEED, June 2018, the data from State of Minnesota is from 2015
6	Private investment in the MinnWest Technology Campus now exceed \$17 million	Joanna Schrupp, General Manager, MinnWest Technology Campus, September 2019.
8	From 2016 to 2019, there has been \$190 million in commercial, industrial, institutional and residential construction in Willmar	Bruce Peterson and Dave Ramstad, Planning & Development Services, City of Willmar.
10	From 2010 to 2019 Kandiyohi County's labor force grew three times as fast as its overall population growth	Luke Greiner, Regional Analyst, MN DEED, May 2019.
11	Each day 17,000 vehicles travel through the opportunity zone on 1st Street/Business 71 alone	Willmar Traffic Volume Map, 2016, Minnesota Department of Transportation.

- | | | |
|----|---|---|
| 12 | Public and private investment in Willmar's Central Business District exceeded \$21 million over the last six years | Sarah Swedburg, City Planner, City of Willmar, Willmar Downtown Main Street Economic Development Report (2018). |
| 13 | City officials pursuing additional layers of incentives to be added to the OZ capital gains tax incentives | Dave Ramstad, Planning & Development Services, City of Willmar. |
| 13 | Development-friendly city issuing over \$50 million construction permits annually | Dave Ramstad, Planning & Development Services, City of Willmar. |
| 16 | Widespread access to 200MBPS in city of Willmar download speeds ensures global accessibility | Pam Theisen, Account Manager Charter/Spectrum Enterprise |
| 15 | Kandiyohi County leaders understand the benefits of social and economic diversity and maintain a goal of equitable and inclusive growth for all segments of the community | City of Willmar Council and Human Rights Commission |
| 17 | The overall index cost of living is almost 32% lower in Wilmar than in the Minneapolis, Minnesota metropolitan area. Minneapolis area housing costs are 68% higher and transportation costs more than 82% higher than in Willmar. | Sperling's Best Places, 2019 Cost of Living Calculator |



BIOGRAPHIES

Aaron Backman

Executive Director

Aaron Backman, Executive Director Aaron Backman has been active in economic development management at the local level for 26 years. Since February of 2016 he has been the Executive Director of the Kandiyohi County & City of Willmar Economic Development Commission (EDC) in West Central Minnesota. In that capacity Aaron has been instrumental in getting approvals for a variety of projects in the Willmar Lakes Area, including:



- \$525,000 in TIF financing for 15th Street Flats, a new \$9.3 million multi-family affordable housing project in Willmar offering 47 units utilizing a 9.0% tax credit program from Minnesota Housing;
- \$983,000 in tax abatement financing for Little Crow Resort, a new \$7.8 million complex that includes a 51-room GrandStay Hotel, 300-seat event center, 75-seat restaurant and clubhouse;
- \$1,527,000 in TIF financing for Bethesda North Pointe, a new \$17.5 million senior lifestyle housing development under construction in New London encompassing 75 units of independent living, assisted living, and memory care. As the Executive Director of the Windom Economic Development Authority (EDA), Aaron was responsible for promoting, facilitating, and coordinating economic development activities for the City of Windom in Southwest Minnesota. He facilitated the development and expansion of the North Windom Industrial Park, a new 80-acre subdivision. He raised over \$1.4 million in state infrastructure grants for the project.



Connie Schmoll

Business Development Manager

As the Business Development Manager for the Kandiyohi County and City of Willmar Economic Development Commission, Connie Schmoll identifies development needs and opportunities in Kandiyohi County emphasizing advancing agribusiness, bio-business, value-added agriculture and renewable resource development as economic drivers in the future success of Kandiyohi County.

In five years, she has facilitated several committees including the Business Retention and Expansion/Recruitment Committee, Agriculture and Renewable Energy Development Committee, and the Broadband and Advanced Technology Committee. She has conducted studies of local business needs and agriculture production, agri-business and agriculture/bioscience industries retention issues and expansion plans.

In 2017, Connie was instrumental in establishing the West Central Angel Fund that has 28 local members and makes investments in early to mid-stage private companies that demonstrate the potential for sustainable, profitable, growth-capable operations while providing a suitable return for investors.

Connie has over 20 years of experience in fund development and grant writing. She wrote a successful proposal for Transportation Economic Development (TED) Grant funds to enhance a rural road for a large dairy operation. She has recently prepared and submitted a \$1.3 million grant proposal to the State of Minnesota for Innovative Business Development Public Infrastructure funds to assist the City of Willmar and a local business in expansion efforts, including an extension of city utilities.

Connie gained her fundraising and grant writing skills in a prior position as Executive Director of a non-profit organization. She led the organization in a \$1.5 million capital campaign and building project that served as a shelter for women and children.

Connie is a graduate of St. Catherine's University in St. Paul, Minnesota.



Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

222 20th Street SE
P.O. Box 1783
Willmar, Minnesota 56201
320-235-7370 **phone**
866-665-4556 **toll-free**
320-231-2320 **fax**
www.kandiyohi.com

Prospectus Prepared in Partnership With:

