

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

FINANCE COMMITTEE

MINUTES

April 12, 2022

EDC Office, Willmar, and Via Zoom Video Conference

Present: Matt Behm, Allen Huselid, Travis Jones and Michelle Marotzke

Excused: Nick Dalton, Kerry Johnson, Justin Schnichels and Kelly TerWisscha

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 12:06 p.m.

AGENDA—There were no changes to the Agenda.

UNFINISHED BUSINESS—There was no new business.

NEW BUSINESS—

Quarterly reports of outstanding loans. The committee reviewed the outstanding loan chart for the Revolving Loan Funds as of March 31, 2022 (see copy on file). Sarah Swedburg gave an update on the progress of the construction at the new location for Amin Grocery. The business continues to operate out of its first location. Cheers in Raymond is seeking staff. VP Enterprises d/b/a Erickson Plumbing in Blomkest gave a presentation at the EDC boards' planning session; the business has grown. Swedburg and Kelsey Olson created a timeline to followup with loan recipients. No formal follow up has been done on a regular basis. Aaron Backman provided the history of the EDC's work with Willmar Child Care Center (WCCC) beginning in December 2018. African Development Center (ADC) is the lead lender. ADC, Southwest Initiative Foundation (SWIF) and Mid-Minnesota Development Commission (MMDC) have security positions in the real estate. SWIF started a mortgage foreclosure. Subsequently, WCCC hired an attorney to request a restraining order to stop the sheriff's sale, which was denied by the judge. The sheriff's sale occurred on April 6, 2022. The WCCC's license has been inactive for five months. The property was appraised at \$690,000 and WCCC has it listed for \$1.2 million. The EDC has an individual interested in purchasing the building to operate a childcare center, however, the redemption period is six months. The total debt is approximately \$650,000.

[Nick Dalton joined the meeting via telephone.]

Groom Zone Loan Deferral Request. Swedburg noted the EDC approved a loan to the Groom Zone in October 2021. Olson visited the business last month and suggested followup be done with the business. The committee reviewed Profit & Loss Statements provided by the business. United Prairie Bank, MMDC and the EDC met with the owner on March 31 about concerns. MMDC's loan was \$60,000 with a six-month deferral at the beginning of the loan; her payments with MMDC will begin in May. United Prairie Bank is waiting for the completion of the 2021 income tax returns and will then review a deferral request. Total debt between the three lenders is approximately \$588,000. The owner appears to have a good working relationship with United Prairie Bank. It was the committee's consensus to table any action until the lead lender has made a decision relative to its loan.

[Dalton was excused from the meeting.]

Microenterprise Loan Program Outstanding Loans. The committee reviewed the status of the outstanding Microenterprise Loan Program loans. Backman informed the committee a payment of \$150 was made last week by Re-Cover Temp Agency and the owner intends to make regular payments going forward. As to Spurs, the owner's daughter is in the Elevate class this semester. It was noted that Fox Hole Brewery intends to move into a new location on Business Highway 71 with Heglund Catering.

Kandi Adult Care Update. Backman reported Kandi Adult Care received a \$5,000 loan under the EDC's COVID-19 Business Assistance Loan Program and has not made any payments. The EDC filed a Conciliation Court claim in Kandiyohi County against the business and the owner Kamaal Geele, individually. The court hearing was held yesterday. Geele was present and told the judge that he closed the business in June 2021, however, the last communication to him by the EDC about payments was in July 2021. The judge took the matter under advisement and will issue his decision in the future.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 1:07 p.m.

NEXT MEETING—The next committee meeting is **12:00 p.m., Tuesday, May 10, 2022** at the EDC office.