

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

JOINT OPERATIONS BOARD OF DIRECTORS (OB)

MINUTES

September 8, 2022

Community Room, Heritage Bank, Willmar, Minnesota and Via ZOOM Video Conference

Present: Art Benson, Abdulcadir Gaal, Jesse Gislason, Les Heitke and Mary Warszynski

Excused: Donna Boonstra, Vicki Davis, Kelly TerWisscha and Justice Walker

Staff: Aaron Backman, Executive Director (via Zoom); Sarah Swedburg, Business Development Manager (via Zoom); and Kelsey Olson, Marketing & Communications Specialist

Media: Jennifer Kotila, West Central Tribune

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

President Art Benson called the meeting to order at approximately 11:07 a.m.

AGENDA—The date of the Minutes for approval under the Consent Agenda was corrected to August 11, 2022 and added under New Business was a tiny homes presentation by Justin Paffrath.

IT WAS MOVED BY Jesse Gislason, SECONDED BY Mary Warszynski, to approve the revised Agenda and the following revised Consent Agenda.

CONSENT AGENDA

Approve: 1. Minutes of August 11, 2022
 2. Financial reports as of August 31, 2022
 3. Payment of Invoice No. 1008 from Melissa Knott in the amount of \$1,386 to be paid from Office Expenses/Professional Services/Engineering and other services

Accept: Committee/Subcommittee Minutes
 1. Agriculture and Renewable Energy Development 7/21/2022
 2. Marketing and Public Relations 7/25/2022

MOTION CARRIED.

UNFINISHED BUSINESS

Transportation Economic Development Grant Application. Aaron Backman announced the application for a Transportation Economic Development grant was submitted to the Minnesota

Department of Transportation (MnDOT) last Thursday and he received confirmation of its receipt. The application is for the Nexyst 360 project at the Willmar Industrial Park. Four applications were submitted statewide. Letters of support for the EDC's application were received from Mel Odens, Kandiyohi County Engineer and Nexyst 360. Backman did not request letters of support from legislators as they were not required for the application. Backman will inform Rep. Dave Baker and Senator Andrew Lang that an application was submitted. Nexyst 360 was recently acquired by Realm 5, a Minnesota company. Chair Benson noted a switch was installed at the Wye by the main line.

Kandiyohi County Housing Study. Backman reported on August 15 he submitted a signed contract to Viewpoint Consulting Group to complete a countywide housing study. EDC staff informed the 12 communities in the county that a study will be done and to expect contact from Viewpoint. The study is to be complete in December.

NEW BUSINESS

Tiny Homes Subdivision. Les Heitke introduced Justin Paffrath, a local realtor, who is looking at a tiny homes project. Paffrath will be meeting with Willmar city staff on infrastructure for the project. He has submitted the concept to two contractors for bids. The city has approved the land sale to Paffrath of three city lots behind Giovanni's Pizza on which to construct the tiny homes. The sale is predicated upon this project happening. It will be a planned unit development with separate structures and a homeowners association will be created. Once bids are obtained, he will approach banks about financing and will pre-sell about half (six) of the homes. A base model is a one bedroom; one unit has an office with an upstairs bedroom and another is a lofted two bedroom. The size of the homes are guided by state guidelines and will be a 400 sq. ft. footprint or less. The homes will be stick built with possibly some assembly offsite. They could be owner occupied or rentals. Paffrath indicated he would be in favor of a nonprofit purchasing one building for someone in need of housing or transitional housing. He would like final numbers by mid-November. A two bedroom unit could be as much as \$225,000, but costs are unknown until the estimates are received. Planning and zoning is the hurdle for this type of project. Paffrath is interested to learn about what funding the EDC could maybe provide.

[Sarah Swedburg joined the meeting via phone.]

There are other areas in Willmar where a smaller project could be done. Paffrath would be interested in approaching other communities and has spoken with Pennock, but it would need to change its ordinances.

[Paffrath was excused from the meeting.]

UNFINISHED BUSINESS CONTINUED

Childcare Economic Development Grant Application. Sarah Swedburg reported a Child Care Economic Development grant application was submitted on August 29 with the EDC being the

applicant. About five community meetings were held with area childcare providers and business owners prior to applying for the grant. Michelle Marotzke of Mid-Minnesota Development Commission, Swedburg and Kelsey Olson wrote the application, which asks for the full amount of \$300,000. A match of \$150,000 is required and has been secured—\$150,000 from Kandiyohi County and \$100,000 from the City of Willmar. First Children’s Finance is a part of the program. If awarded, a majority of the funding will go toward forgivable loans of up to five years to local providers; 5 center-based or employer-based providers for expansions and to 10 providers with 300 or so new slots. Swedburg anticipates it will be six to eight weeks before the status of the application is known. Nobles County also applied for this grant. Twelve letters of support from providers, businesses and legislators were submitted with the application. United Community Action Partnership has a new Way Finder position that will work with providers. Kandiyohi County is currently in need of 651 childcare slots.

NEW BUSINESS CONTINUED

2022-2023 Corridors of Commerce Project Submittal. Backman reported five years ago the Highway 23 Coalition submitted the North and South Gap projects that were awarded \$105 million through the Corridors of Commerce Program. The 2022-2023 Corridors of Commerce solicitation has \$100 million available for Greater Minnesota projects. Applications are due in November. This time, only one project per organization or community can be submitted, they must include detailed cost estimates and must be for construction projects (cannot fund feasibility studies). Last week the Highway 23 Coalition’s Priority Projects Committee met to discuss potential projects. Backman suggested the committee recommend to the Coalition board that the 2022-2023 Corridors of Commerce project be to extend the four lane on the south side of Willmar from Business 71 to the new interchange on County Road 5/55, which the committee unanimously approved as it is the most shovel ready.

IT WAS MOVED BY Jesse Gislason, SECONDED BY Les Heitke, that the Kandiyohi County and City of Willmar Economic Development Commission supports the Highway 23 Coalition’s application for Corridors of Commerce funding to complete the approximate 2.5 mile stretch on the south side of Willmar.
MOTION CARRIED.

Backman has spoken with MnDOT District 8 staff, who also appear to support the project.

Maturing Certificate of Deposit. Backman noted the EDC has a Certificate of Deposit at United Prairie Bank that will mature on October 12. Rates were requested from Concorde Bank, Heritage Bank, Lake Region Bank and United Prairie Bank (see attached). Backman recommended remaining with United Prairie Bank at 18 months at an interest rate of 2.34%.

IT WAS MOVED BY Abdulcadir Gaal, SECONDED BY Mary Warszynski, to renew the Certificate of Deposit at United Prairie Bank for 12 months at an interest rate of 2.27%. MOTION CARRIED.

REPORTS

Economic Development Activity. Swedburg reported she continues to work with businesses looking to expand, seeking a new location or developing a new business; a couple of them are new Elevate students. She is helping to finalize the tax abatement with MinnWest Technology Campus, which will be presented to the Willmar school board on Monday as well as to the Willmar City Council and Kandiyohi County Board. Happy Halal continues to move forward and is going through city approvals for the property it is purchasing. Backman reported that next Tuesday a European business representative will be in Willmar to look at the Willmar Industrial Park for an agriculture processing facility. FedEx's construction is essentially done and they will move in mid-September. Last night the Willmar Planning Commission approved the preliminary and final plat for the Herzog housing project on Lakeland Drive and a Conditional Use Permit for three buildings of 72-units each that will now move onto the City Council. Swedburg noted she attended a Brownfields financial literacy forum yesterday in Bloomington where she learned of federal funding opportunities. Today and tomorrow she is in Red Wing attending the University of Minnesota Extension Connecting Entrepreneurial Communities Conference where she will participate in a panel tomorrow relative to the Elevate program.

Elevate Community Business Academy. Swedburg reported orientation starts next Monday with 12 students; 11 of whom are women and most of whom are looking at starting new businesses. Wilhelmina Watson of Earth Angels Hair & Accessories, a new business at Uptown Willmar, is one of the students. Prior to today's board meeting, Swedburg was on a conference call between Southwest Initiative Foundation and an attorney relative to the Elevate name. It was discovered there is another Elevate program in the Twin Cities called Elevate Business HC. Hennepin County launched in early 2021 a public-private initiative offering pro bono services with a particular focus on under-served business owners. The attorney will be looking at doing an analysis of the name and possibly trademarking it.

COMMITTEE REPORTS

Agriculture and Renewable Energy Development Committee. Swedburg reported the Ag Committee has adopted 6- and 12-month goals over the past couple of months and is looking at community education and outreach. On Monday, the Industrial Hemp Exploratory Subcommittee will hear from Kevin Ortenblad and will be looking at doing a feasibility study to attract an industrial hemp manufacturer. There is a potential manufacturer from Europe interested in Kandiyohi County.

Broadband and Advanced Technology Committee. Swedburg reported there has been no news on the Border-to-Border grant application as today was the last day for providers to challenge any applications. Vibrant Broadband was not awarded the USDA ReConnect Grant. A fourth round of the ReConnect Grant has been opened and Vibrant Broadband will apply as soon as more information is received on the project area. The committee is working with Mediacom on projects in Lake Andrew Township and the southern half of Colfax Township. The County Board is in support of this project and will be contributing funds.

Business Retention and Expansion/Recruitment. Backman reported the annual West Central Minnesota Area Job Fair will be held September 29 at Ridgewater College. Approximately 20 vendors have registered. Olson has been assisting with the job fair. The EDC will host a virtual job fair on November 16 and staff is working on obtaining partners. BNSF will hold a ribbon-cutting event for the Willmar Wye on October 25 at 10:30 a.m. Olson reported she has been working with Mel Odens and a MnDOT representative on invitations for the event. The event will include keynote and political speakers, ribbon cutting and train ride with lunch for invited special guests, which will include the EDC's board members. They are trying to determine how many people will be allowed to attend. Partners are BNSF, MnDOT, Kandiyohi County, City of Willmar and the EDC.

[Jesse Gislason was excused from the meeting.]

The BRE Committee is looking at possibly creating workforce-related videos and looking at its 2022-2023 goals. Olson noted Minnesota Manufacturing Month is in October and she recently toured West Central Steel, Hanson Silo, Rambow and Dahmes Stainless, all of which are open to having student or public tours; she has informed the local schools. The Minnesota Department of Employment and Economic Development has some funding available for school transportation. The EDC will have a full-page ad in the virtual magazine that is being done. Backman noted at the last minute, Olson assisted the Central Minnesota Manufacturers Association in finding a new location for its September meeting at West Central Steel.

[Gaal was excused from the meeting.]

Olson is working with West Central Steel on doing a recruiting tour. Hanson Silo may also do a public tour this year.

Finance. Swedburg reported Cheers of Raymond is looking at purchasing new coolers and may request additional funds of approximately \$8,000. The owner, Jessica Berghorst, will be joining Elevate this year.

Marketing and Public Relations Committee. Olson reported she has been doing several invitations for the virtual job fair, the housing study and the childcare initiative. Following her six-month review, it was determined that 10% of her time will be spent on workforce issues. She has contacted all childcare providers in the county and coordinated the meeting that was held; a Bingo night for the providers will be held soon. Partner counties will be invited to participate in the virtual job fair. She is close to printing new folders for the EDC, which has not been redone in some time. New aerial photos have been obtained. Olson will be attending the Minnesota Marketing Partnership meeting this afternoon.

[Swedburg was excused from the meeting.]

Leisure Travel. Backman reviewed the City of Willmar's financial reports showing lodging tax income, discovering five of the last six months were higher than pre-pandemic in 2019. Chair Benson noted all campgrounds have been full and local hotels are back to pre-pandemic reservations.

WHAT'S UP? Heitke noted the city is removing more dirt and sod by the new pickle ball courts across from Robbins Island—it is not known if more courts are being constructed; there appears to be some movement on the lot on east Litchfield Avenue. Backman reported Ben Fischer owns the property and will be moving the house onto a basement that is being constructed. The house will be remodeled and rented out and a parking area will be built. Heitke stated he spoke with the Willmar Post Master about the lobby of the post office and commented on the condition of the Uptown Willmar parking lot. Olson reported Tim Jackson, the new manager of Uptown Willmar, was at the childcare meeting and the Kandiyohi County Soil & Water Conservation District office met with him about putting in green and permeable space. The new manager is trying to get new tenants at the mall.

ADJOURNMENT—There being no business,


IT WAS MOVED BY Les Heitke, SECONDED BY Mary Warszynski, to adjourn the meeting.

The meeting was adjourned at approximately 12:55 p.m.

NEXT MEETING—The next regular board meeting is 11:00 a.m., Thursday, October 13, 2022 at the Community Room of Heritage Bank, Willmar, and via Zoom video conference.

Donna Boonstra, Secretary

APPROVED: 10/13/2022



Art Benson, President

CD Interest Rate Comparison

\$105,379.32 CD with United Prairie Bank matures on 10/12/2022

	12 months	18 months	24 months	36 months
Concorde Bank*	2.05%	2.09%	2.25%	2.35%
Heritage Bank	No response received			
Lake Region Bank			2.25%	
United Prairie Bank	2.27%	2.34%	2.40%	2.44%

*commented the rates are negotiable