

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB)**

MINUTES

February 9, 2023

Four Season Shelter, Robbins Island, Willmar, Minnesota and Via ZOOM Video Conference

Present: Abdulcadir Gaal, Jesse Gislason, Les Heitke (via Zoom), Kelly TerWisscha and Mary Warszynski

Excused: Art Benson

Ex Officio: Steve Gardner and Justice Walker

Staff: Aaron Backman, Executive Director; Sarah Swedburg, Business Development Specialist; and Kelsey Olson, Marketing & Communications Specialist

Media: Jennifer Kotila, West Central Tribune

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

Vice President Jesse Gislason called the meeting to order at approximately 11:09 a.m. and declared a quorum present.

AGENDA—

IT WAS MOVED BY Kelly TerWisscha, SECONDED BY Les Heitke, to approve the Agenda and the following Consent Agenda.

CONSENT AGENDA

Approve: 1. Minutes of January 12, 2023
2. Financial reports as of January 31, 2023
3. Addition of Kelsey Baker to the Broadband and Advanced Technology Committee

Accept: Committee/Subcommittee Minutes
1. Agriculture and Renewable Energy Development 12/15/2022
2. Broadband and Advanced Technology 1/9/2023
3. Finance 12/20/2022
4. Marketing and Public Relations 12/19/2022

MOTION CARRIED.

UNFINISHED BUSINESS

2023 Planning Session. Sarah Swedburg announced the boards' annual planning session is Thursday, March 16, 2023 from 9 a.m. to 2:30 p.m. at the new Willmar Events & Recreation Center. It will be structured similar to previous ones; however, more individuals will be attending. Kelsey Olson announced a representative from each city and township in the county has been invited to attend.

[Abdulcadir Gaal joined the meeting.]

REPORTS

Economic Development Activity. Jacob Kolander reported the construction of four duplexes is close to being done, as well as a senior housing development of 20 units in Spicer. Justice Walker reported the Willmar City Council will be asked to approve the open access fiber network for downtown Willmar and an individual is trying to open a welding school in the Industrial Park. Swedburg reported staff met with a European company interested in the Industrial Park and other businesses. The certification process by Burlington Northern Santa Fe (BNSF) Railway in the Industrial Park has begun.

[Aaron Backman joined the meeting.]

The EDC has interacted with Global Location Strategies, a site selector involved in the BNSF process. Also, EDC staff is working on the Main Street Economic Revitalization Program. Southwest Initiative Foundation (SWIF) applied for the program and was awarded funds for six regional communities; \$744,000 of which is for use in building improvements to downtown Willmar and along the Highway 12 corridor. A couple of community sessions have been held with eligible property owners. The Department of Employment and Economic Development (DEED) is providing funds for up to 30% of a project (\$75,000 maximum for one building) with the remainder being paid by the property owner. Swedburg and TerWisscha met with a property owner this week on his plans. DEED is working on a proposal to re-fund the program. SWIF received about half of what it requested in its application. A sample application for owners has been received and is due April 1. A small community panel will be developed to review applications and recommend awards. There are approximately 200 unique property owners throughout the corridor. The grant can include interior cosmetic improvements, but not the purchase of furniture or equipment. Olson is working on new web pages to market this program.

UNFINISHED BUSINESS CONTINUED

Kandiyohi County Housing Study Update. Aaron Backman noted two reports were completed, one for the City of Willmar and one for Kandiyohi County (see attached). He emailed the reports to 41 individuals, 6 of whom are developers and has received positive feedback. The reports indicate a strong need for senior housing. Projections are an increase of 2,700 people

in Kandiyohi County with 1,300 of those being seniors aged 75 to 84. The county report includes the change in population of 12 communities plus a breakdown of recommended housing by community. The proposed next steps are: 1) communication—sending the report to decision makers, builders and developers; 2) interest will determine where to put time and effort; and 3) implement things, such as going to conferences and meeting with senior housing experts and developers. Backman invited Jay Thompson to the boards' planning session where he will present his reports and answer any questions. A Sauk Rapids developer, who specializes in populations less than 5,000 is reviewing the report. Backman reiterated that all townships have been invited to have one representative from each township at the planning session. Interest rates will impact some construction. Olson stated she will send a special newsletter with general information on the housing studies. It was questioned if existing buildings, such as Uptown Willmar, could be repurposed for housing. Backman noted he has had conversations with some towns outside of Willmar about housing development.

2023 Planning Session. Backman indicated a conference call will be held with Cheryl Glaeser tomorrow.

NEW BUSINESS

Participation in Aflac. Backman reported staff has noted an interest in a short-term disability policy. Information was obtained from Aflac. A small group must have a minimum of three employees. The EDC must approve of enrolling in a small group policy, but premiums would be paid by staff.

IT WAS MOVED BY Kelly TerWisscha, SECONDED BY Mary Warszynski, to approve of enrollment in a policy with Aflac with staff paying the premiums for their own policies. MOTION CARRIED.

Staff sick leave. Backman noted the EDC's current policy relative to sick leave is a maximum carryover of 160 hours; his is 192 which he negotiated in 2016. Accumulation is four hours per pay period. He noted the county's maximum accumulation is 800 hours. Backman requested the EDC's policy be changed to 192 hours of accumulation. Payment at termination of employment is at the employee's current salary. Discussion was held on being paid at the current salary rate rather than at the rate it was initially earned. Kolander noted Spicer staff accumulates four hours per pay period with a maximum of 800 hours, but when a staff person leaves, they only get paid for 25% of the accumulated hours.

IT WAS MOVED BY Abdulcadir Gaal, SECONDED BY Kelly TerWisscha, to recommend to the Kandiyohi County and City of Willmar Economic Development Commission's Joint Powers Board that the sick leave policy be changed to allow a maximum accumulation of 192 hours. MOTION CARRIED.

Backman informed the board that Juneteenth was passed by the state as a paid holiday. He has spoken with county administration, which may request approval of that holiday and, if so, Backman may also request approval of that holiday by the EDC boards.

Elevate Community Business Academy. Swedburg reported 11 students graduated last month, which was attended by 90 people. Spring semester for English speaking students will begin March 1 and be held each Wednesday from 5:30-8:30 p.m. Classes for Spanish speaking students will begin March 2 and be held each Thursday from 5:30-8:30 p.m. Three additional alumni are training to be instructors and will graduate this evening. Information sessions for the new session have been held this week and one-on-one meetings will be held with a few next week. Backman indicated he is pleased with instructor Danny Carranza, who was just hired by the Latino Economic Development Center. Olson encouraged everyone to attend the next graduation. This year five graduates told their stories. Steve Gardner stated the last graduation ceremony was the most robust and noted people are realizing their dreams through this program.

COMMITTEE REPORTS

Agriculture and Renewable Energy Development Committee. Swedburg reported continuing to interact with the European business. The committee is nearing its six-month review of its goals. The committee decided not to hold a Farmtastic event this summer with the Stingers, but will look at it for 2024. The Partners in Ag Innovation Conference will be held July 25. The planning committee has secured more than 50% of the sponsorship funding and is planning the agenda. Backman reported EDC staff continues to work on projects in the Willmar Industrial Park, including Nexyst 360 and a couple of other businesses that need a rail spur. One business is looking at moving forward with a letter of intent. Another business's letter of intent was presented to the Willmar City Council this week in a closed session. Les Heitke noted there seems to be growers interested in growing hemp, but they lack production of a product. It was noted the EDC is connected with the Agriculture Utilization Research Institute (AURI), which brought the European prospect; the prospect is only looking at Kandiyohi and Renville Counties. The Industrial Hemp Exploratory Subcommittee has identified a processor and the AURI and University of Minnesota are researching products, but the European company is already producing products in Europe. Construction and automotive are two large industries for hemp products, as well as the poultry industry for bedding. Swedburg emphasized that industrial hemp and marijuana are two completely different plants.

Broadband and Advanced Technology Committee. Vice President Gislason reported attending his first committee meeting. The committee is looking at new fiber projects for East Lake Lillian and Elizabeth Townships. Swedburg reported the committee is working with Vibrant Broadband to apply for 75% funding for East Lake Lillian and Elizabeth Townships and will be gathering letters of support for the project. The application deadline is three weeks away. Harrison Township is seeking 45% of project funding from the state Border-to-Border Broadband Development Grant Program. The County continues to be extremely supportive and approved these two projects. Lake Andrew, Colfax and Norway Lake Townships continue to be interested in a project, but the engineering is more difficult to obtain. The committee is waiting to find out how much the state will refund along with federal funds. The committee will be doing more proactive work with townships to get them on board when projects are proposed. Two other projects being pursued are for the cities of Lake Lillian and Blomkest;

state funds are not needed for those projects. Federated Telephone Cooperative has had many people calling about broadband. Swedburg noted Federated has projects noted by big stars on the attached map. It is believed that Federated now has a signed contract with the state. Federated pre-ordered its supplies and intends to build the entire project in 2023 with service starting by 2024. All residents within the project area received a Line Installation Permission Agreement requesting they give permission to Federated to do construction on their property. Olson has been marketing to the residents to have them return a signed agreement. Federated is hosting an open house on February 16 at the Kandiyohi County Health & Human Services Building. All projects started in 2022 have been completed. Most townships are using American Rescue Plan Act funds for their projects; the funds must be allocated by 2024. Vibrant Broadband submitted a ReConnect 4 grant application and is awaiting notification by the United States Department of Agriculture (USDA). The size of the proposed project changed due to USDA requirements and will cover Burbank, Irving and Roseville Townships.

Business Retention and Expansion/Recruitment. Backman reported the childcare initiatives are moving forward. SWIF is also providing funding. Swedburg will be asking the core team for the Kandiyohi County Rural Child Care Innovation Program (RCCIP) to reconvene and divide into six groups.: mentorship, translation, funding, transportation, mental health care and training. A request was made for family providers and three indicating interest came from Facebook. The RCCIP group will meet in February and again on March 6 when an open house will be held for childcare providers to learn about the grant. Olson will be updating the website to include information on the grant. The grant funds must be spent in 2023. Backman reported Stay 'N Play Child Care purchased the Willmar Child Care Center building and will be moving into this new location next week; Swedburg visited the new location. It has 90 slots moving to the new building and it will be expanding by 10 slots. Two local family providers are closing and Stay 'N Play will be able to take those children. Swedburg reported a Spanish-speaking Elevate student is interested in starting a childcare and another center provider will open in the former Stay 'N Play location at MinnWest Technology Campus. Swedburg reported the EDC received another childcare grant of \$30,000 from First Children's Finance, which will be included as a part of the new program. At present, the total funds are \$630,000. Swedburg and Olson have visited every city and some townships in the county to talk about childcare and will be making a financial request of those cities and townships as well.

Highway 23 Coalition. Backman reported construction progress is being made on the north gap. The Minnesota Department of Transportation (MnDOT) held a bid opening for the south gap, which was also awarded to Mathiowetz Construction. Construction between New London and St. Cloud will begin again this spring. Backman announced that effective at the end of 2022, he resigned from the Coalition's board. The Coalition hired Tracy Duinck as its coordinator. The annual membership meeting will be held April 14 in Mora with Congressman Pete Stauber as keynote speaker. Backman encouraged board members to attend the annual meeting, which is at no cost for most members or \$20 for nonmembers. This meeting is a great way to meet with MnDOT representatives. There are approximately 100 members and 50-80 attend the annual meetings. The Coalition applied for Corridors of Commerce funds under new requirements. Backman noted there were 43 applications submitted with 21 being

in Greater Minnesota and 3 being for Highway 23 projects. The Coalition submitted an application to complete the Willmar 4-Lane Bypass on the south side of town (from Menards to County Road 5/55), a distance of 2.5 miles. Bolton & Menk was hired to do cost estimates and diagrams. Kandiyohi County submitted an application for an interchange by New London at Highway 23/9. Letters of support are being gathered. Gardner noted that if an interchange was not approved by MnDOT for Highway 23/9, the county also approved a roundabout as an alternative. An interchange is more expensive, but would be the safest. Stearns County also submitted a project for Highway 23. Backman announced Jeff Bertram is the newly-elected chair of the board.

Finance Committee. Swedburg announced Mainstream Boutique will open a women's clothing boutique in Bear Path Plaza and the EDC will host its Chamber Connection at Mainstream Boutique on March 24 at 7:30 a.m. The focus will be the Elevate Community Business Academy.

Marketing and Public Relations Committee. Olson reported she has been busy with marketing activities. The EDC hosted a virtual career fair on January 16 with 41 businesses and 30 job seekers participating, including one from Arizona and one from Tennessee. Partners in the event were Redwood and Renville Counties and Ridgewater College. A robust marketing campaign for the career fair was done and a wrap-up meeting with the partners was recently held with suggestions to start planning the next one. A survey was sent to the businesses that participated in the career fair; suggestions were to not require a resume, allow early access and extend the time beyond the live event. Meeker County will partner in the next virtual career fair. Ridgewater College may change to holding one in-person job fair as the last one it held had low attendance. The EDC will again sponsor the Willmar Lakes Area Chamber of Commerce's annual Student Job Fair & Career Expo at the Willmar High School, which will also include students from the Alternative Learning Center and DREAM Technical Academy. Olson reported all of the EDC's new marketing materials (pens, credit card holders, folders and car magnets) have arrived and updated flyers with consistent branding are being printed. Improvements are being added to the website, including new landing pages for broadband, childcare and the housing studies. She will begin working with Redwood Valley Technical Solutions on the new website within the next three weeks; an initial meeting was held. An audit of the website will be done first.

Leisure Travel. Olson reported the Leisure Travel Committee meetings are a great sharing experience for events and communities. The committee is looking at paying for a "passport" subscription involving local business; the passport is still being defined. Hotels are very busy with hockey season and the Willmar Convention Center recently hosted the annual Women in Ag Conference.

WHAT'S UP? Kolander announced the City of Spicer is seeking a Utility Billing Clerk, an ad is on the Willmar Chamber's website. Kolander announced that Swedburg recently received the Emerging Young Professional Award from the Economic Development Association of Minnesota (EDAM). Gardner reported Larry Kleindl gave his final report as County Administrator on Tuesday; Kelsey Baker will start as the new administrator next week. An open house reception for Kleindl will be held on February 24 from 2-4 p.m. Gardner stated the

county recently received tax forfeited properties, one of which is a house on 13th Street SE. The county has had conversations with local nonprofits about acquiring the property. Habitat for Humanity of West Central Minnesota toured the house and will make a recommendation to its board, if a price can be negotiated with the County Board. It is a five bedroom home, but it needs at least \$200,000 of work done to make it habitable. The county would like to keep it affordable housing. Walker reported he met with the Willmar High School Key Club about establishing a youth board for Willmar Main Street. Suite Liv'n hired an attorney, who is working with the City of Willmar on a solution. The City of Willmar will be sending a letter to landlords about ordinance changes and addressing issues. Jennifer Kotila announced the West Central Tribune received 25 awards from the Minnesota Newspaper Association for newspaper content plus an award for the paper in general. TerWisscha announced South 71 Veterinary Clinic will open in its new space on Monday; footings and foundation for the new 7-71 Travel Plaza are going in this week; and he and guests participated in Spicer's Polar Plunge. Warszynski reported her business, Employment Plus, is busy and constantly recruiting people and was selected by the Willmar Lakes Area Chamber of Commerce to seek a new director to replace Ken Warner, who is retiring. Les Heitke requested an update on the curling center next month. Swedburg continues to coach the Willmar High School speech team that has 55 students, who have been placing very well at competitions; the Willmar Speech Gala will be held February 24th at The Barn Theatre. Olson attended EDAM's 2023 Winter Conference with Swedburg, which was held at the new InterContinental Minneapolis-St. Paul Airport. Gislason reported Spicer Winterfest went well.

ADJOURNMENT—There being no business, the meeting was adjourned at approximately 1:06 p.m.

NEXT MEETING—The next regular board meeting is 11:00 a.m., Thursday, March 9, 2023 at the Community Room of Heritage Bank, Willmar, and via Zoom video conference.

Mary Warszynski, Secretary

APPROVED: 3/9/2023

Art Benson, President



Housing Market Analysis for Kandiyohi County, Minnesota

Prepared for:

**Kandiyohi County and City of Willmar Economic Development
Commission**

Prepared by:

Viewpoint Consulting Group, Inc.

Date:

January 13, 2023

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Key Findings

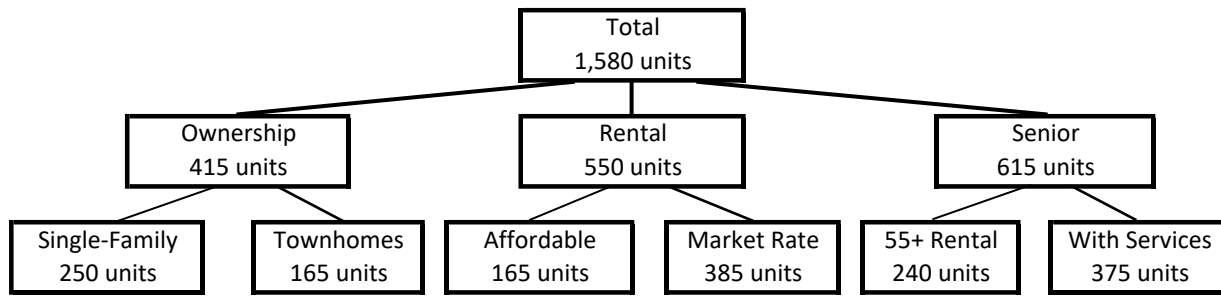
The Kandiyohi County and City of Willmar Economic Development Commission engaged Viewpoint Consulting Group, Inc. to conduct an analysis of housing needs for Kandiyohi County, including all 12 communities within the County. Calculations of housing demand from 2022 to 2030 are found in the *Demand Analysis and Conclusions* section of the report. Recommendations are also provided on the amount and types of housing that should be developed to accommodate the housing needs over the next five years. The following are key highlights from the housing needs analysis.

At 21,015 people (2020 census), Willmar is the largest community in Kandiyohi County. Key findings are presented for Willmar, then the remainder of the County, which includes 11 communities ranging in population from 43 (Regal) to 1,252 (New London).

Willmar

1. Willmar is a regional center with nearly 18,500 jobs as of 2019, of which about two-thirds commuted from residences outside the community. Overall, about 70% of the County's jobs are in Willmar.
2. Willmar experienced growth of 820 people during the 1990s, 1,259 people during the 2000s, and 1,405 people during the 2010s. Growth during the 2010s was despite the Great Recession and corresponding housing downturn that curtailed growth nationwide in the beginning of the decade. This decade (2020 to 2030) Willmar is projected to grow by 2,685 people. This growth projection partly stems from recent development trends and the potential for Willmar to draw some of the many people who commute to Willmar for work.
3. Willmar's population growth is projected among all major age groups this decade. The senior population is projected to grow more quickly as the baby boom generation ages. Projected growth of younger and middle-aged adults should lead to a corresponding growth of children. Growth of all age groups should create demand for a variety of housing types, including rentals, single-family homes, townhomes, and senior housing.
4. Sources of housing demand in Willmar include projected household growth, pent-up rental demand, capturing a portion of commuters to jobs in Willmar, and senior housing needs. All these sources combine for demand for 1,580 housing units in Willmar between 2022 and 2030. The mix is estimated at 415 ownership units, 550 rental units, and 615 senior units.

Willmar Housing Demand – 2022 to 2030



- Housing types by number of units to meet projected demand in Willmar over the next five years (from 2023 to 2028) is shown below. The recommended housing units total about 965 units, for an average of 193 units annually. In comparison, 63 housing units were added annually in Willmar during the 2000s and 40 units annually during the 2010s. Recommendations for rental and senior housing over the next five years largely address pent-up demand created by limited development over the past two decades.

Housing Units Recommended in Willmar from 2023 to 2028 to Meet Demand

Owner-Occupied Housing		Rental Housing		Senior Housing	
Single-Family		Market Rate	380 - 400	Supportive Senior Housing	
Entry-Level	60 - 65	Affordable	45 - 55	Independent	90 - 100
Move-Up	50 - 55	Total	425 - 455	Assisted Living	45 - 55
Executive	35 - 40			Memory Care	30 - 40
Total	145 - 160			Market Rate 55+ Rental	80 - 100
Townhomes	90 - 110			Total	245 - 295

- Willmar currently has about 70 available lots remaining in three subdivisions that could support single-family homes. It is recommended that new subdivisions come on-line within the next two years with at least 50 lots for single-family homes, with the potential for more lots to be added incrementally in future additions. The majority of lots should be priced to accommodate entry-level homes with base prices of about \$275,000 to \$325,000 and move-up homes with base prices of about \$325,000 to \$375,000.
- While both the Trentwood Estates and Woodberry Additions allow townhomes, there are very few lots available to accommodate townhomes in Willmar, and no recent subdivisions exist that are designated solely for townhomes. New lots should be created to accommodate up to 50 townhomes by 2024. To capture most of the target market, it is recommended that lots be made available to accommodate one-level townhomes with attached two-car garages to appeal to the primary target market – empty nesters. Townhomes should be in the \$250,000 to \$300,000 price range.

8. New rental developments under construction or in the permit review process will meet the bulk of Willmar's market rate rental demand. These developments include Block 25 Lofts (58 units, under construction), Edgeview (144 units, under construction), The Preserve on 24th (108 units, including 36 units open and 72 units under construction), and Unique Opportunities – Lakeland Drive (72-unit first phase, under building permit review).
9. It is recommended that an affordable rental property with 45 to 55 units be added in Willmar from 2023 to 2028. Units should have three to five bedrooms to accommodate large families. These units would fill a void that is existing in Willmar's existing multifamily rental supply. Recommended rents should be affordable at 60% of AMI and also be under the Payment Standard for the Housing Choice Voucher program, are approximately \$1,025 for three-bedroom units, \$1,175 for four-bedroom units, and \$1,300 for five-bedroom units.
10. There is potential to accommodate a portion of Willmar's affordable rental demand in the various Suite Liv'n properties throughout Willmar. The Suite Liv'n properties have approximately 85 vacancies. Suite Liv'n is in jeopardy of not having their rental license renewed on several of their properties and it is recommended that efforts be made to bring Suite Liv'n properties up to code to provide quality affordable rental housing. Currently, the rent at most Suite Liv'n properties is \$750 for one-bedroom units, \$850 for two-bedroom units, and \$950 for three-bedroom units. These rents are considered affordable to households earning 50% of AMI for Kandiyohi County.
11. It is recommended that a market rate senior (55+) rental development be added in Willmar with 80 to 100 units within the next five years. This type of housing would meet the needs of younger, more active seniors who wish to downsize from their existing homes but do not need meals or personal care services found in a supportive services building. These units could be in a single, multistory building with 80 to 100 units. Additionally, some could be townhome-style units with attached garages that offer single-level living. Rents should begin at about \$1,200 for one-bedroom units and \$1,400 for two-bedroom units.
12. It is recommended a development(s) with 165 to 195 units of independent, assisted living, and memory care housing be added in Willmar within the next five years. These units would be the first substantial senior housing development in Willmar in almost 20 years. The recommended service-level mix should be about 90 to 100 independent units, 45 to 55 assisted living units, and 30 to 40 memory care assisted living units.

Remainder of Kandiyohi County

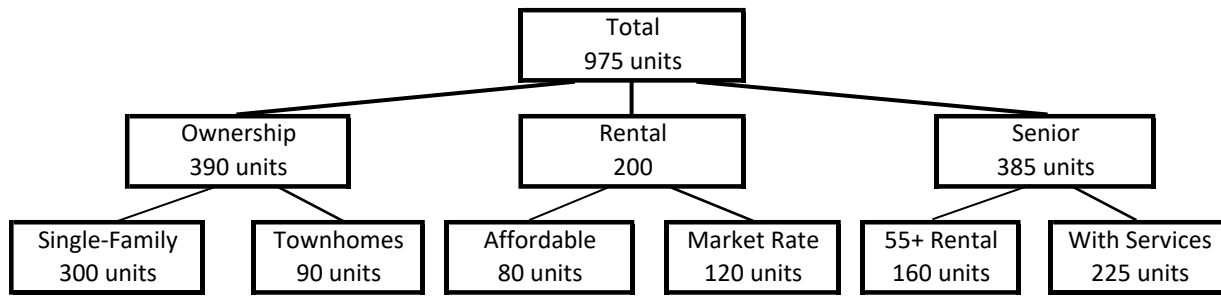
1. After Willmar, there are 11 other smaller communities in Kandiyohi County. They combined for a population of 6,366 in 2020, which was relatively unchanged from 2010. In addition, there were another 16,351 people living in the County in 2020, with a large share living in the northern part of the County on lake homes and other estates.

Kandiyohi County Population Change, 2010 to 2020

	2010	2020	Change
Willmar	19,610	21,015	1,405
New London	1,251	1,252	1
Atwater	1,133	1,124	-9
Spicer	1,167	1,112	-55
Raymond	764	782	18
Kandiyohi	491	569	78
Prinsburg	497	520	23
Pennock	508	479	-29
Lake Lillian	238	246	8
Blomkest	157	145	-12
Sunburg	100	94	-6
Regal	34	43	9
Rural	16,289	16,351	62
Total	42,239	43,732	1,493

2. Projections are that this decade (2020 to 2030), the population in the remainder of the County will decline slightly (-1.0%). Much of the projected population decline is attributed to a decline in the overall average household size (people per household) as the household base is projected to grow by 1.9% (+176 households). The growth projection partly stems from past development trends and there is potential to exceed it by adding to the County's housing stock to meet pent-up demand.
3. Like Willmar, the remainder of the County's population growth is projected among all major age groups this decade. The senior population is projected to grow more quickly as the baby boom generation ages. Projected growth of younger and middle-aged adults should lead to a corresponding growth of children. Growth of all age groups should create demand for a variety of housing types, including rentals, single-family homes, townhomes, and senior housing.
4. Sources of housing demand include projected household growth, pent-up rental demand, capturing a portion of commuters to jobs, and senior housing needs. All these sources combine for demand for 975 housing units in the Remainder of the County between 2022 and 2030. The mix is estimated at 385 ownership units, 200 rental units, and 390 senior units.

Remainder of Kandiyohi County Housing Demand – 2022 to 2030



5. Housing types by number of units to meet projected demand in the Remainder of the County over the next five years (from 2023 to 2028) is shown below. The recommended housing totals about 640 units, for an average of 130 units annually. In comparison, about 98 housing units were added annually in the Remainder of the County during the 2010s, even though the Census Bureau found growth that averaged 15 households annually. Recommendations for rental and senior housing over the next five years largely address pent-up demand created by limited development over the past few decades.

Housing Units Recommended in the Remainder of the County from 2023 to 2028

Owner-Occupied Housing		Rental Housing		Senior Housing	
Single-Family		Market Rate	100 - 110	Supportive Senior Housing	
Entry-Level	40 - 50	Affordable	50 - 52	Independent	50 - 60
Move-up/Executive	185 - 200	Total	150 - 162	Assisted Living	40 - 50
Total	225 - 250			Memory Care	20 - 30
Townhomes	45 - 50			Market Rate 55+ Rental	70 - 80
				Total	180 - 220

6. A summary of recommendations is shown on the following page. Demand in the Remainder of the County is not spread evenly between the communities. The greatest demand is in New London and Spicer, which are only about four miles apart and share the same school district. They are effectively the same housing market and combine for about 75% of the recommended housing units in the Remainder of the County over the next five years.
7. About 225 to 250 single-family homes should be built to meet demand over the next five years. Of this demand about 115 to 125 is projected in the rural parts of the County, particularly on lakes and in other large estates. This demand is largely for move-up or executive homes priced at over \$325,000. The remainder of demand for move-up/executive homes is largely in New London and Spicer. Demand for entry-level single-family homes (40 to 50 units) is largely in the remaining communities. Prices for these homes should generally begin at about \$250,000.

Summary of Housing Recommendations by Community over the Next Five Years

Atwater
<ul style="list-style-type: none"> A single-family/townhome subdivision with 15+ lots Single-level, market rate rental twinhome (2 to 4 units) A workforce rental housing building with 10 to 12 units
Blomkest
<ul style="list-style-type: none"> One to two single-family homes on in-fill lot
Kandiyohi
<ul style="list-style-type: none"> A single-family/townhome subdivision with 15+ lots Single-level, market rate rental twinhomes/townhomes (2 to 4 units) A workforce rental housing apartment with 8 to 10 units
Lake Lillian
<ul style="list-style-type: none"> One to two single-family homes on in-fill lot Single-level, market rate rental twinhomes/townhomes (2 to 4 units)
New London
<ul style="list-style-type: none"> A single-family/townhome subdivision(s) with 50+ lots Single-level, market rate rental twinhomes/townhomes (12 to 16 units) A workforce (market rate/affordable) apartment building(s) with 85+/- units* Supportive senior housing with 90+/- units of independent/assisted living/memory care housing*
Pennock
<ul style="list-style-type: none"> Single-level, market rate rental twinhome (4 to 6 units)
Prinsburg
<ul style="list-style-type: none"> A single-family/townhome subdivision(s) with 10+ lots Single-level, market rate rental twinhomes/townhomes (4 to 6 units)
Raymond
<ul style="list-style-type: none"> A single-family/townhome subdivision(s) with 10+ lots Single-level, market rate rental twinhomes/townhomes (4 to 6 units)
Regal
<ul style="list-style-type: none"> One to two single-family homes on in-fill lot
Spicer
<ul style="list-style-type: none"> A single-family/townhome subdivision(s) with 60+ lots Single-level, market rate rental twinhomes/townhomes (10 to 12 units) A workforce (market rate/affordable) apartment building(s) with 85+/- units* Supportive senior housing with 90+/- units of independent/assisted living/memory care housing*
Sunburg
<ul style="list-style-type: none"> One to two single-family homes on in-fill lot Single-level, market rate rental twinhomes/townhomes (2 units)
<p>* New London and Spicer share the same general market. It is not recommended that they each add 90+ units of supportive senior housing units, but instead developments in the two communities could combine for 90+/- units. Likewise, between the two, apartment buildings totaling 85+/- units could be built.</p>

8. An estimated 30% or more of the demand for owner-occupied homes in the 11 smaller communities in the County is projected to be for one-level townhomes. Forty to 50 single-level townhomes with attached two-car garages are recommended over the next five years. Townhomes should be priced starting at about \$225,000. New subdivisions should allow townhomes on at least a portion of the lots.
9. About 100 units of general-occupancy (open to all ages) rental housing developed in the Remainder of the County over the next five years should be market rate with no income restrictions but with rents affordable to households with incomes of 60% of AMI. – or workforce housing. Of the total, it is recommended that about 85 workforce units be added in either New London or Spicer. New London and Spicer could be regarded as the same market as they are four miles apart on Highway 23 and have a shared school district. Rents should be about \$825 for one-bedroom units, \$1,000 for two-bedroom units, and \$1,300 for three-bedroom units.
10. Outside New London and Spicer, it is recommended that duplex and/or four-plex rental buildings be added in Atwater, Kandiyohi, Lake Lillian, Pennock, Prinsburg, and Raymond. Atwater and Kandiyohi could potentially support more than one such building, and potentially a small workforce apartment building with up to 12 units. Units in duplex or four-plex buildings should be single-level units with attached garages and a mix of two- and three-bedrooms units. Rents should begin at about \$1,300 for two-bedroom units and \$1,500 for three-bedroom units. Being single-level units, they could accommodate a portion of the senior rental demand.
11. It is recommended a development(s) with about 90 units of independent, assisted living, and memory care housing be added in either New London or Spicer within the next five years. These units could include an addition to Bethesda North Pointe, which opened with 70 units in 2021. The recommended service-level mix to meet demand is about 50 to 60 independent units, 40 to 50 assisted living units, and 20 to 30 memory care assisted living units. Some of the market rate senior rental demand could be met by duplex or four-plex townhomes spread throughout the County. A larger complex of townhomes is recommended in New London and/or Spicer, with an expansion to Bethesda North Pointe being a logical location for this housing type.

Kandiyohi County Overview

Kandiyohi County is in west-central Minnesota, about 90 miles west of Minneapolis and 65 miles southwest of St. Cloud. It had a population of 43,732 in 2020. The county seat is Willmar, which at 21,015 people, is its largest community. There are 11 other communities in the County which range in size from 43 people (Regal) to 1,252 people (New London).

Cities in Kandiyohi County

Atwater	Prinsburg
Blomkest	Raymond
Kandiyohi	Regal
Lake Lillian	Spicer
New London	Sunburg
Pennock	Willmar

Willmar is centered within the County and is the economic center of a multi-county area. It has nearly 18,500 jobs, or about 70% of Kandiyohi County's total. About two thirds of the jobs in Willmar are filled by people commuting from homes elsewhere in the County and beyond. After Willmar, the greatest concentration of jobs are in New London and Spicer, each with over 800 jobs. In addition to its large job base, Willmar is a health care center (it is home to CentraCare Health - Rice Memorial Hospital) and has a large retail base (including Target, Walmart, Kohl's, Menards, and The Home Depot) that serves the County.

Willmar's diverse economy has helped it and the County to consistently grow. From 1980 to 2020, Willmar grew by 32.2% and the Remainder of the County grew by 8.9%.

Kandiyohi County Population

	Kandiyohi County	Willmar	Remainder of County
1940	26,524	7,623	18,901
1950	28,644	9,410	19,234
1960	29,987	10,417	19,570
1970	30,548	12,869	17,679
1980	36,763	15,895	20,868
1990	38,761	17,531	21,230
2000	41,203	18,351	22,852
2010	42,239	19,610	22,629
2020	43,732	21,015	22,717

Demographic Highlights

The following are key demographic highlights as they pertain to the need for housing in Kandiyohi County. Demographic data was obtained from the U.S. Census Bureau, from both the decennial census and the American Community Survey. Population and household projections were made by Viewpoint Consulting Group, Inc. based on data provided by the Census Bureau, ESRI, and the Minnesota Demographic Center, along with local building trends and employment growth trends.

Population and Household Growth Trends

- Willmar’s population grew by 7.2% during the 2010s, reaching 21,015 in 2020. The growth last decade exceeded growth the previous decade (2000 to 2010), when it grew by 6.9%.
- Willmar added 1,405 people during the 2010s, which was 94% of the County’s total growth (+1,493). The previous decade, Willmar added 1,259 people while the rest of the County lost 223 people. Since the 1990s, Willmar has increased its share of the countywide population from 45.2% to 48.1% in 2020.
- Willmar’s population in 2020 was nearly half the total population of Kandiyohi County. After Willmar, the greatest portion of the population lived in rural areas, which includes on the many lakes in the northern part of the County (37%). The eleven smaller communities combined to account for 15% of the County’s population. The largest of these was New London (1,252 people) and the smallest was Regal (43 people).

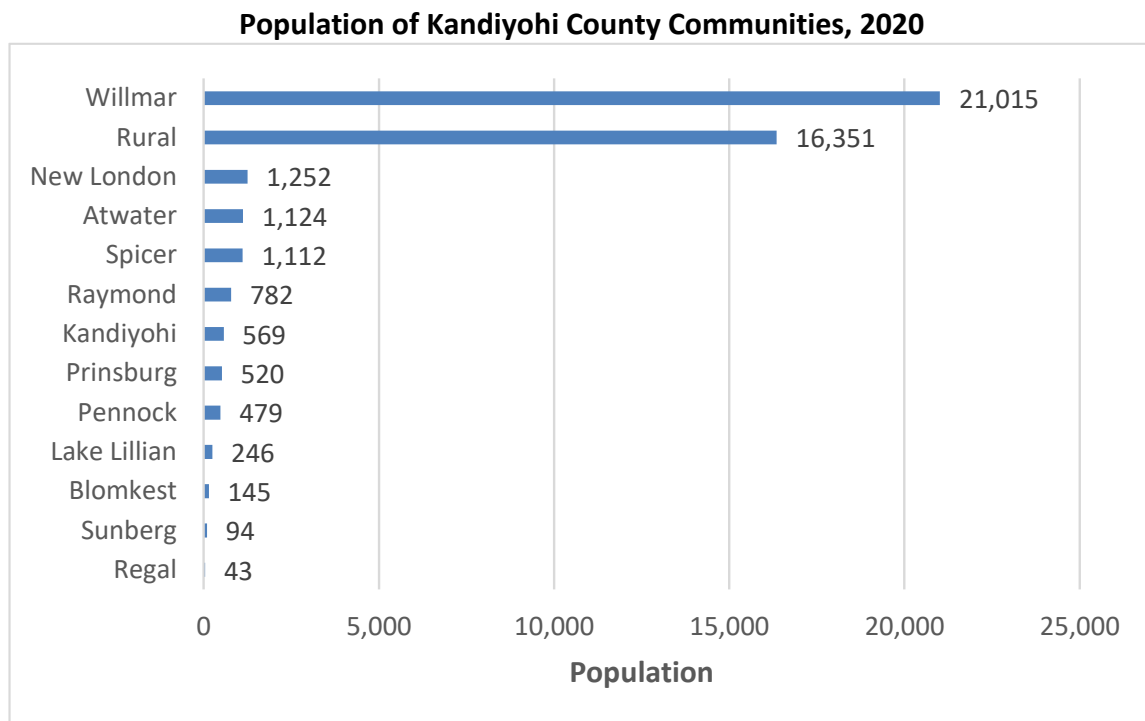


Table 1
Population and Household Growth Trends
Kandiyohi County
1990 to 2020

	---- Census ----				--- Change ---			
	1990	2000	2010	2020	2000 to 2010		2010 to 2020	
					No.	Pct.	No.	Pct.
POPULATION								
Willmar	17,531	18,351	19,610	21,015	1,259	6.9	1,405	7.2
Atwater	1,053	1,079	1,133	1,124	54	5.0	-9	-0.8
Blomkest	183	186	157	145	-29	-15.6	-12	-7.6
Kandiyohi	506	555	491	569	-64	-11.5	78	15.9
Lake Lillian	229	257	238	246	-19	-7.4	8	3.4
New London	971	1,066	1,251	1,252	185	17.4	1	0.1
Pennock	476	504	508	479	4	0.8	-29	-5.7
Prinsburg	502	458	497	520	39	8.5	23	4.6
Raymond	668	803	764	782	-39	-4.9	18	2.4
Regal	51	40	34	43	-6	-15.0	9	26.5
Spicer	1,020	1,126	1,167	1,112	41	3.6	-55	-4.7
Sunburg	117	110	100	94	-10	-9.1	-6	-6.0
Rem. of County	15,454	16,668	16,289	16,351	-379	-2.3	62	0.4
Total	38,761	41,203	42,239	43,732	1,036	2.5	1,493	3.5
Greater Minn.	2,086,378	2,277,417	2,454,358	2,543,390	176,941	7.8	89,032	3.6
Minnesota	4,375,099	4,919,479	5,303,925	5,706,494	384,446	7.8	402,569	7.6
HOUSEHOLDS								
Willmar	6,678	7,302	7,677	7,875	375	5.1	198	2.6
Atwater	415	461	468	459	7	1.5	-9	-1.9
Blomkest	63	66	68	70	2	3.0	2	2.9
Kandiyohi	191	215	202	226	-13	-6.0	24	11.9
Lake Lillian	103	124	121	112	-3	-2.4	-9	-7.4
New London	389	415	521	556	106	25.5	35	6.7
Pennock	162	166	174	170	8	4.8	-4	-2.3
Prinsburg	191	188	207	205	19	10.1	-2	-1.0
Raymond	264	310	307	311	-3	-1.0	4	1.3
Regal	21	19	19	20	0	0.0	1	5.3
Spicer	429	528	520	538	-8	-1.5	18	3.5
Sunburg	49	51	47	40	-4	-7.8	-7	-14.9
Rem. of County	5,343	6,091	6,401	6,497	310	5.1	96	1.5
Total	14,298	15,936	16,732	17,079	796	5.0	347	2.1
Greater Minn.	772,349	873,671	969,478	1,014,464	95,807	11.0	44,986	4.6
Minnesota	1,647,853	1,895,127	2,087,227	2,253,990	192,100	10.1	166,763	8.0

Sources: US Census, Viewpoint Consulting Group, Inc.

Population and Household Growth Projections

- Both Willmar and Kandiyohi County are projected to experience population growth this decade (2020 to 2030). Additional housing in Willmar will be needed to accommodate future residents and to meet the growth projections. In 2030, Willmar is projected to have 23,700 people and 8,625 households.
- Willmar's 2030 household projection represents an increase of 750 from 2020. This equates to a 9.5% growth rate, or higher than Minnesota's projected growth rate (+6.5%). The household growth rate also greatly exceeds Willmar's growth rate last decade (+2.6%), when very few multifamily units were developed. In the first two years of this decade, nearly 600 multifamily units have already come on-line, are under construction, or have been approved.
- The projected growth of 750 households in Willmar this decade is greater than what was experienced during the 2000s (+375) and 2010s (+198). However, it is not completely unprecedented. During the 1990s, Willmar added 624 households (+9.3%).
- Household growth is a better indicator of overall housing demand since households, by definition, are occupied housing units. With growth of 750 households projected this decade, there would essentially need to be 750 new housing units added to accommodate this growth. Additional housing units will be needed to accommodate pent-up demand and replacement demand.

Willmar Population & Household Growth Trends and Projections



Table 2
Population and Household Growth Projections
Kandiyohi County
2010 to 2030

	-- Census --		Projection 2030	--- Change ---			
	2010	2020		2010 to 2020		2020 to 2030	
				No.	Pct.	No.	Pct.
POPULATION							
Willmar	19,610	21,015	23,700	1,405	7.2	2,685	12.8
Atwater	1,133	1,124	1,105	-9	-0.8	-19	-1.7
Blomkest	157	145	130	-12	-7.6	-15	-10.3
Kandiyohi	491	569	645	78	15.9	76	13.4
Lake Lillian	238	246	250	8	3.4	4	1.6
New London	1,251	1,252	1,450	1	0.1	198	15.8
Pennock	508	479	445	-29	-5.7	-34	-7.1
Prinsburg	497	520	540	23	4.6	20	3.8
Raymond	764	782	795	18	2.4	13	1.7
Regal	34	43	50	9	26.5	7	16.3
Spicer	1,167	1,112	1,045	-55	-4.7	-67	-6.0
Sunburg	100	94	85	-6	-6.0	-9	-9.6
Rem. of County	16,289	16,351	16,165	62	0.4	-186	-1.1
Kandiyohi County	42,239	43,732	46,405	1,493	3.5	2,673	6.1
<i>Greater Minn.</i>	<i>2,454,358</i>	<i>2,543,390</i>	<i>2,608,000</i>	<i>89,032</i>	<i>3.6</i>	<i>64,610</i>	<i>2.6</i>
<i>Minnesota</i>	<i>5,303,925</i>	<i>5,706,494</i>	<i>6,050,000</i>	<i>402,569</i>	<i>7.6</i>	<i>343,506</i>	<i>6.0</i>
HOUSEHOLDS							
Willmar	7,677	7,875	8,625	198	2.6	750	9.5
Atwater	468	459	455	-9	-1.9	-4	-0.9
Blomkest	68	70	70	2	2.9	0	0.0
Kandiyohi	202	226	255	24	11.9	29	12.8
Lake Lillian	121	112	105	-9	-7.4	-7	-6.3
New London	521	556	700	35	6.7	144	25.9
Pennock	174	170	165	-4	-2.3	-5	-2.9
Prinsburg	207	205	205	-2	-1.0	0	0.0
Raymond	307	311	315	4	1.3	4	1.3
Regal	19	20	20	1	5.3	0	0.0
Spicer	520	538	565	18	3.5	27	5.0
Sunburg	47	40	35	-7	-14.9	-5	-12.5
Rem. of County	6,401	6,497	6,590	96	1.5	93	1.4
Kandiyohi County	16,732	17,079	18,105	347	2.1	1,026	6.0
<i>Greater Minnesota</i>	<i>969,478</i>	<i>1,014,464</i>	<i>1,045,000</i>	<i>44,986</i>	<i>4.6</i>	<i>30,536</i>	<i>3.0</i>
<i>Minnesota</i>	<i>2,087,227</i>	<i>2,253,990</i>	<i>2,400,000</i>	<i>166,763</i>	<i>8.0</i>	<i>146,010</i>	<i>6.5</i>

Sources: US Census, MN Demographic Center, Viewpoint Consulting Group, Inc.

Population Age Distribution

- The greatest growth rate in Kandiyohi County this decade (2020 to 2030) is projected among seniors. This is a nationwide trend as the first baby boomers began turning age 75 in 2021. Growth of this age group should lead to increased need for single-level townhomes and senior housing in Willmar and the remainder of the County.
- A decline of 55-to-64-year-olds is projected in the County this decade. Again, this is a nationwide trend as baby boomers (born between 1946 and 1964) will be aging out of the 55 to 64 age group.
- Children (under age 20) are projected to grow slightly over the next five years as age-25-to-54 persons also grows. The growth of children will stem from growth of families. People ages 20 to 54 are projected to grow by about 1,500 in the County this decade.
- Growth in the County of both younger persons and seniors should lead to a variety of housing types needed to accommodate growth of people in various life-cycle stages – including owned and rented housing and senior housing.
- Seniors ages 75 and over are the primary target market for senior housing. This age group numbered 3,470 in the County in 2010. It grew to 3,700 in 2020 (+7%). With the first baby boomers turning age 75 in 2021, the population is projected to grow at a much faster pace this decade. There are projected to be 5,195 age 75+ seniors in the County in 2030 (an increase of 40.4% from 2010).

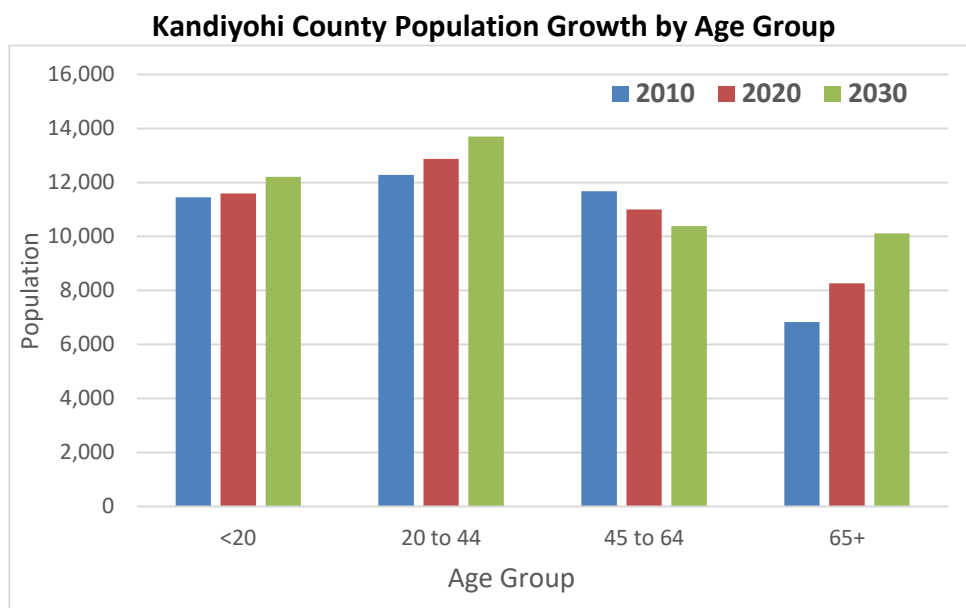
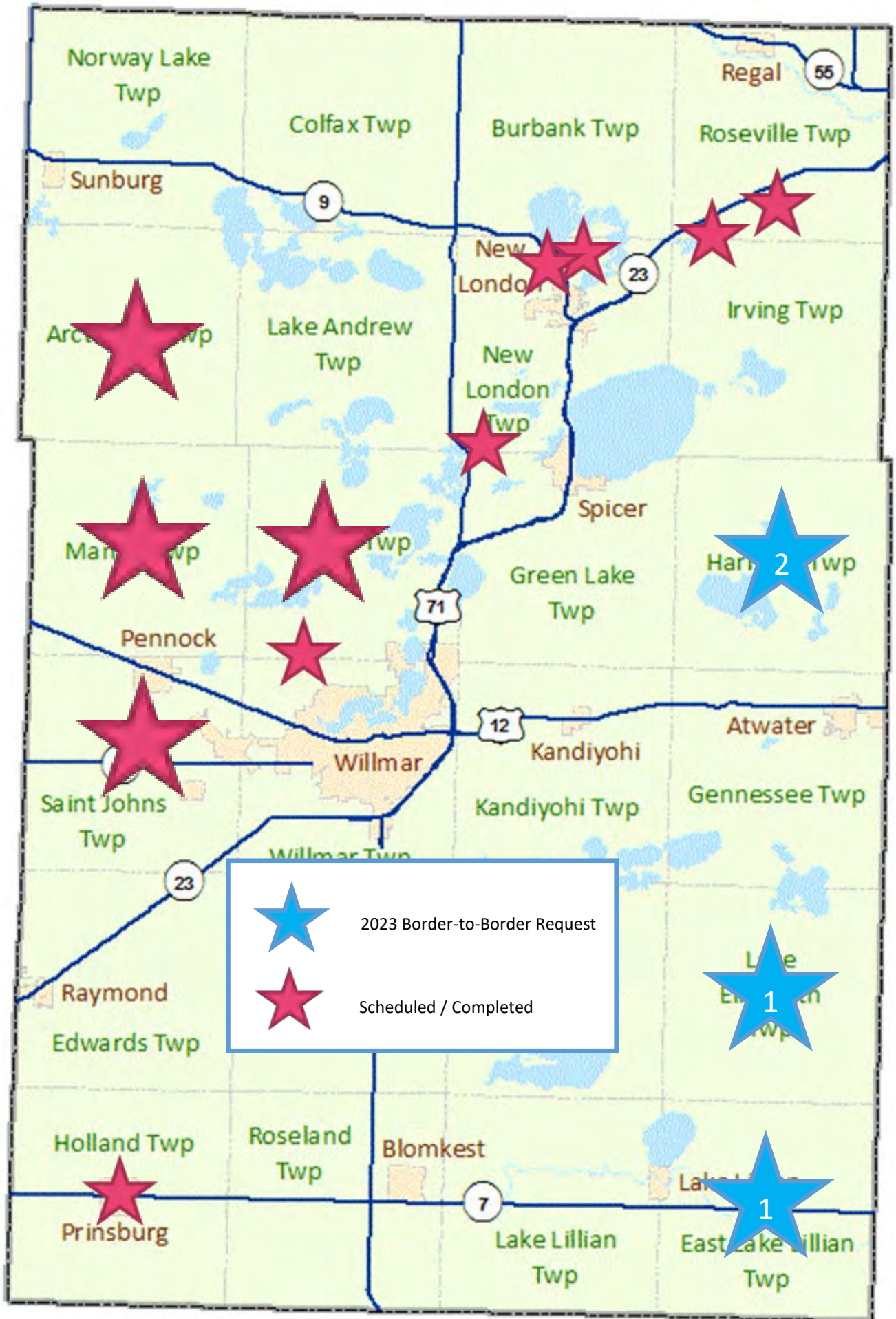


Table 3
Projected Population Growth by Age
Kandiyohi County
2000 to 2030

	2010	2020	2030	---- Change ----			
				2010 - 2020		2020 - 2030	
				No.	Pct.	No.	Pct.
Willmar							
<20	5,714	5,944	6,380	230	4.0%	436	7.3%
20-24	1,700	1,663	2,005	-37	-2.2%	342	20.6%
25-34	2,647	2,824	3,045	177	6.7%	221	7.8%
35-44	2,096	2,581	3,170	485	23.2%	589	22.8%
45-54	2,389	1,984	2,520	-405	-17.0%	536	27.0%
55-64	1,974	2,317	2,005	343	17.4%	-312	-13.5%
65-74	1,222	1,879	2,155	657	53.8%	276	14.7%
75 - 84	1,093	1,000	1,490	-93	-8.5%	490	48.9%
85+	775	821	930	46	6.0%	109	13.2%
Total	19,610	21,015	23,700	1,405	7.2%	2,685	12.8%
Remainder of County							
<20	5,741	5,645	5,825	-96	-1.7%	180	3.2%
20-24	1,029	1,063	1,190	34	3.3%	127	11.9%
25-34	2,263	2,471	2,185	208	9.2%	-286	-11.6%
35-44	2,547	2,272	2,105	-275	-10.8%	-167	-7.3%
45-54	3,859	2,830	2,925	-1,029	-26.7%	95	3.4%
55-64	3,448	3,872	2,935	424	12.3%	-937	-24.2%
65-74	2,140	2,686	2,765	546	25.5%	79	3.0%
75 - 84	1,154	1,409	2,245	255	22.1%	836	59.3%
85+	448	469	530	21	4.7%	61	13.0%
Total	22,629	22,717	22,705	88	0.4%	-12	-0.1%
Kandiyohi County							
<20	11,455	11,589	12,205	134	1.2%	616	5.3%
20-24	2,729	2,726	3,195	-3	-0.1%	469	17.2%
25-34	4,910	5,296	5,230	386	7.9%	-66	-1.2%
35-44	4,643	4,853	5,275	210	4.5%	422	8.7%
45-54	6,248	4,814	5,445	-1,434	-23.0%	631	13.1%
55-64	5,422	6,189	4,940	767	14.2%	-1,249	-20.2%
65-74	3,362	4,565	4,920	1,203	35.8%	355	7.8%
75 - 84	2,247	2,409	3,735	162	7.2%	1,326	55.0%
85+	1,223	1,290	1,460	67	5.5%	170	13.2%
Total	42,239	43,732	46,405	1,493	3.5%	2,673	6.1%

Sources: US Census; Minnesota Demographic Center; Viewpoint Consulting Group, Inc.



EDC Broadband and Advanced Technology Committee
2/7/2023

Project 1 – Lake Elizabeth and East Lake Lillian Township

Provider: Vibrant Broadband (Meeker Coop)

Description: This project would cover approximately 199 passings that are unserved or underserved within the two townships with fiber-to-the-premise internet service. This project would depend on funding from the townships, the provider, funding from County ARPA funds, and a 75% grant from the Minnesota Border-to-Border grant program. Lake Elizabeth has already approved the requested funding. A meeting with East Lake Lillian Township is scheduled. The deadline for the Minnesota Border-to-Border grant program application is March 2nd.

Estimated Project Cost	\$1,879,251.00
MN Border-to-Border	\$1,409,438.25
Vibrant	\$281,887.65
County ARPA	\$148,125.10
Lake Elizabeth Tshp	\$20,800.00
East Lake Lillian Tshp	\$19,000.00
TOTAL	\$1,879,251.00

Project 2 – Harrison Township

Provider: Vibrant Broadband (Meeker Coop)

Description: This project would cover approximately 222 passings that are unserved or underserved in Harrison Township with fiber-to-the-premise internet service. This project would depend on funding from the townships, the provider, funding from County ARPA funds, and a 45% grant from the Minnesota Border-to-Border grant program. A meeting with Harrison township is scheduled. The deadline for the Minnesota Border-to-Border grant program application is March 2nd.

Estimated Project Cost	\$1,184,000.00
MN Border-to-Border	\$532,800.00
Vibrant	\$355,200.00
County ARPA	\$251,600.00
Harrison Tshp	\$44,400.00
TOTAL	\$1,184,000.00

Request

Approval for using County ARPA funds, not to exceed \$399,725.10 for these two projects. Also, request a letter of support from the County Board to include in our Minnesota Border-to-Border grant program application.