

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

FINANCE COMMITTEE

MINUTES

April 11, 2023

EDC Office, Willmar, and Via Zoom Video Conference

Present: Matt Behm, Allen Huselid (via Zoom), Michelle Marotzke (via Zoom) and Kelly TerWisscha

Excused: Kerry Johnson, Travis Jones and Justin Schnichels

Staff: Aaron Backman, Executive Director and Sarah Swedburg, Business Development Manager (via Zoom)

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

The meeting was opened at approximately 12:06 p.m. and the Agenda was taken out of order.

Minnesota Main Street Revitalization Grant. Sarah Swedburg reported there has been a great response to the Main Street Revitalization Grant program with approximately 40 applications being received thus far. Only one application did not qualify at this time. The grant is administered by the Southwest Initiative Foundation (SWIF), which will reimburse the EDC for administrative costs. Willmar was allotted \$744,000 for this grant. A majority of the projects need to be new construction and can include expenses after July 1, 2021. The maximum award per applicant is 30% of the project costs or \$75,000, whichever is less. The grant covers downtown Willmar, along U.S. Highway 12 and along north Business Highway 71.

Outstanding Revolving Loan Funds. The committee reviewed the outstanding loans. A ribbon cutting was held for Amin Grocery's new location for which he received good press. Cheers was used as a command center during the train derailment in Raymond and the business appears to be doing well. Swedburg reported Coffee & More closed due to health issues of its owner and an online auction of the inventory is currently being done. Communication has been attempted with the owner and the auctioneer to inform them that any proceeds from the auction must be given to SWIF and the EDC. The other lenders were previously paid off. Swedburg and Scott Marquardt will continue to try and contact the owner. Kelly TerWisscha recommended staying on top of the auction. Backman believes VP Enterprises is now at 12 employees. Swedburg reported the former Willmar Child Care Center building was extensively upgraded for Stay 'N Play to be able to open after purchasing the building in December 2022; it has had more job applicants than positions. Stay 'N Play will pay real estate taxes this year, but it does not qualify for tax exempt so next year it will not pay real estate taxes.

Outstanding Microenterprise Loans. The committee reviewed the outstanding loans. Swedburg noted a good portion of Chaw's Asian Market's customers are from the Asian community. SWIF is providing weekly QuickBooks training to the owner. Dandelion Wishes (Mainstream Boutique) has been doing well since opening; the EDC hosted its Chamber Connection at its location. They are busiest on weekends and have been collaborating with Primrose Boutique located in Legacy Commons and which has a different target market. Backman gave an update on Re-Cover Temp Agency; a

judgment was obtained in Conciliation Court in favor of the EDC. Spurs just celebrated its fifth anniversary. Swedburg noted the growth of Stephanie Lopez as a business owner, who is a graduate of the Elevate program. Swedburg noted the casino in Granite Falls did not reopen its kitchen and Spurs received its food contracts. Spurs is building out the unused space in the building to expand its footprint for hosting parties and large groups.

MINUTES—

IT WAS MOVED BY Kelly TerWisscha, SECONDED BY Matt Behm, to approve the minutes of the March 14, 2023 meeting as emailed. MOTION CARRIED.

UNFINISHED BUSINESS

Wings Gymnastics. Swedburg noted some changes developed after this committee approved the loan to Wings. The appraisal for the building came in higher so the entire building was financed by Home State Bank. Thus, \$65,000 from SWIF will be used to purchase three pieces of equipment. With the additional equipment, the value of the equipment has increased. SWIF will now take a first position on the equipment and the EDC will be in second position. The equipment is sellable. Following discussion,

IT WAS MOVED BY Allen Huselid, SECONDED BY Kelly TerWisscha, to approve the Kandiyohi County and City of Willmar Economic Development Commission being in second security position on a UCC Financing Statement covering the personal property, equipment and inventory of Wings Gymnastics. MOTION CARRIED with Matt Behm abstaining.

NEW BUSINESS

Urban Escape Boutique Loan. Backman reported contact was made with Eryn Hannig, whose loan was to have a balloon payment in March of \$17,409.70. She submitted a written request to extend the due date of her loan to August 15, 2023 and to continue her monthly payments until then. Following discussion,

IT WAS MOVED BY Matt Behm, SECONDED BY Allen Huselid, to approve extending the payoff of the loan to Urban Escape Boutique until August 15, 2023 with monthly loan payments to continue until then and to refile a UCC Financing Statement. MOTION CARRIED.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 12:46 p.m.

NEXT MEETING—The next committee meeting is 12:00 p.m., Tuesday, May 9, 2023 at the EDC office and via ZOOM video conference.