

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
FINANCE COMMITTEE
MINUTES
December 12, 2023
EDC Office, Willmar, and Via Zoom Video Conference

Present: Matt Behm, Allen Huselid (via Zoom), Kerry Johnson, Travis Jones (via Zoom), Michelle Marotzke and Chris Radel (via Zoom)

Excused: Justin Schnichels and Kelly TerWisscha

Staff: Aaron Backman, Executive Director and Sarah Swedburg, Business Development Manager

Guests: Hans and Victoria Hibma of Rendezvous LLC

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

Chairperson Kerry Johnson called the meeting to order at approximately 12:01 p.m. and announced a quorum was present.

AGENDA—There were no changes to the Agenda.

MINUTES—

IT WAS MOVED BY Matt Behm, SECONDED BY Chris Radel, to approve the minutes of the September 12, 2023 meeting as emailed. MOTION CARRIED.

UNFINISHED BUSINESS—There was no unfinished business.

NEW BUSINESS

Loan Request by Rendezvous. Sarah Swedburg introduced Hans and Victoria Hibma, who are graduates of the Elevate Community Business Academy, and owners of Rendezvous LLC. Hibmas stated the main theme of their business is ax throwing along with food service and a party room for special events; in the future they may add an arcade and a golf simulator. Swedburg noted financing has been approved by the Co-op Credit Union of Montevideo for \$353,000, Mid-Minnesota Development Commission (MMDC) for \$64,300 and Southwest Initiative Foundation (SWIF) for \$50,000. MMDC and SWIF will have a shared second position. A loan for \$45,000 is being requested of the EDC for renovations and to purchase pizza ovens. Hibmas are contributing \$22,900. The location of the business is on Highway 12. They will be applying for a beer and wine license and plan

to serve local brews. Projections are based on the number of hours they will be open and the number of games that can be played per hour. Hibmas worked with Ruth Ann Karty of the Small Business Development Center, who made very conservative projections.

[Hibmas were excused from the meeting.]

Committee members questioned the revenue projections. Swedburg stated the Hibmas plan to open the business in March 2024. The committee requested more information on the terms of the primary loan with the Co-op Credit Union, the kitchen/food service they plan to have, an expansion of their marketing plan and how they intend to get repeat customers. Swedburg believes the Hibmas will hold the food service license. The committee recommended they build in the seasonality of the business into their projections rather than have them static across the year. The committee agreed to an e-mail vote or to meet via Zoom once the extra information is provided.

Approve new committee member. Backman noted Kyle Grimm is the Branch Manager at the Co-Op Credit Union of Willmar.

IT WAS MOVED BY Matt Behm, SECONDED BY Travis Jones, to add Kyle Grimm as a member of the Kandiyohi County and City of Willmar Economic Development Commission Finance Committee. MOTION CARRIED.

Quarterly loan reviews. The committee reviewed the status of the outstanding loans.

Loan in Arrears. Backman reported two COVID Business Assistance Loans (COBAL) did not pay when due. A judgment was obtained against Kandi Adult Care and payments have been received monthly since then. The other loan that remains due is Somali Bride. The business has closed and it is believed the owner is not in the United States. Backman requested the COBAL to Somali Bride be written off.

IT WAS MOVED BY Matt Behm, SECONDED BY Michelle Marotzke, to write off the balance of the COVID Business Assistance Loan to Somali Bride in the amount of \$2,398.88. MOTION CARRIED.

Swedburg reported Coffee & More held an auction of her assets and filed for bankruptcy. Swedburg attended the creditor's hearing and a claim will be filed. Backman reported a judgment was obtained against Re-Cover Temp Agency and both individual owners, but no payments have been received on the judgment. Backman informed the committee that La Manzanita Mexican Market was sold and it did not payoff its loan with the EDC according to the loan terms. The owner has five payments remaining. A demand letter was sent with a deadline of this Friday to respond. If there is no response, it is anticipated a claim will be filed in Conciliation Court.

REPORTS

Elevate Community Business Academy. Swedburg gave an update on the Elevate program and announced the most recent class will graduate this Friday.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 1:15 p.m.

NEXT MEETING—The next regular committee meeting is **12:00 p.m., Tuesday, January 9, 2024** at the EDC office and via ZOOM video conference.