

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)  
JOINT POWERS BOARD OF COMMISSIONERS ANNUAL MEETING  
MINUTES  
January 24, 2019  
EDC Office, Willmar, MN**

Present: Fernando Alvarado, Roger Imdieke, Harlan Madsen, Roland (Rollie) Nissen and Kathy Schwantes

Excused: Aaron Backman

Absent: Andrew Plowman

Staff: Connie Schmoll, Business Development Specialist

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc. (LAA)

Chairperson Kathy Schwantes called the meeting to order at approximately 11:33 a.m. and declared a quorum was present.

**AGENDA**—Chair Schwantes added to the agenda under New Business, item 3, appointment of two board members to perform the Executive Director’s annual review and under 2b, add approval of signing a Mortgage Subordination Agreement for Urban Escape.

**MINUTES**

IT WAS MOVED BY Rollie Nissen, SECONDED BY Harlan Madsen, to approve the minutes of the October 25, 2018 meeting of the Kandiyohi County and City of Willmar Economic Development Commission Joint Powers Board of Commissioners as e-mailed. All present voted unanimously in favor by roll call.

**TREASURER’S REPORT**—Chair Schwantes presented the financial reports for periods ending October 31, November 30 and December 31, 2018. Connie Schmoll gave a summary of the 2018 year-end financials noting it is the first time the EDC has surpassed assets and liabilities in excess of \$1 million. Schmoll highlighted the acquisition of the Willmar Area Multiculture Business Center (WAM-BC) assets, including the checking account, outstanding loans and large-screen TV installed in the board room. Total expenses were about 86% of the budget, partly due to the TIGER grant not being expended and total income was 99% of the projected budget. There were additional expenses incurred related to the acquisition of WAM-BC and the summer intern was not budgeted.

IT WAS MOVED BY Roger Imdieke, SECONDED BY Fernando Alvarado, to accept the Kandiyohi County and City of Willmar Economic Development Commission financial

reports for periods ending October 31, November 30 and December 31, 2018, subject to audit. All present voted unanimously in favor by roll call.

**UNFINISHED BUSINESS**—There was no unfinished business.

## **NEW BUSINESS**

**Boards' Annual Strategic Planning Session.** Chair Schwantes announced the dates being looked at for the boards' annual strategic planning session are Thursday, March 14 or Friday, March 15, 2019. A majority of the board members indicated they are available on March 14, 2019.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Fernando Alvarado, to approve Thursday, March 14, 2019 as the date for the boards' annual planning session. All present voted unanimously in favor by roll call.

Committee chairs will also be invited to the planning session.

**Ratify Actions by Joint Operations Board.** Chair Schwantes reported the Joint Operations Board voted to recommend the approval of a seven-year Revolving Loan Fund loan to Willmar Child Care Center, LLC for \$25,000. Rollie Nissen reported a loan was approved last night by Mid-Minnesota Development Commission.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Roger Imdieke, to ratify the Joint Operations Board's approval of a seven-year \$25,000 loan from the Kandiyohi County and City of Willmar Economic Development Commission's Revolving Loan Fund Program to Willmar Child Care Center, LLC with interest at 5% contingent upon loans also being approved by Mid-Minnesota Development Commission and Southwest Initiative Foundation. All present voted unanimously in favor by roll call.

Schmoll provided information on the loan to Coffee & More and the request for interest-only payments for three months, which the Finance Committee and Joint Operations Board are recommending be approved. In addition, Urban Escape completed its permanent financing with Minnesota Business Finance Corporation for an SBA 504 loan and the EDC was asked to sign a Mortgage Subordination Agreement. The EDC's terms and position did not change.

IT WAS MOVED BY Roger Imdieke, SECONDED BY Rollie Nissen, to ratify the recommendation of the Kandiyohi County and City of Willmar Economic Development Commission's (EDC) Joint Operations Board to approve a request by Coffee & More to make interest-only payments for January-March 2019 and to approve signing a Mortgage Subordination Agreement with Minnesota Business Finance Corporation relative to the EDC's loan to Urban Escape. All present voted unanimously in favor by roll call.

Chair Schwantes reported the Finance Committee recommended the EDC's interest under the Revolving Loan Fund Program be changed, which was approved by the Joint Operations Board. The

original language in the manual was “The interest rate will be fixed at Wall Street Journal prime rate plus 2% at the time of closing.” Schmoll stated the EDC surveyed members of the Minnesota Association of Professional County Economic Developers relative to interest charged by other economic development associations and the EDC’s interest rate was higher. The board discussed the recommended change.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Fernando Alvarado, to ratify the recommendations of the Kandiyohi County and City of Willmar Economic Development Commission’s Finance Committee and Joint Operations Board to change wording in the Revolving Loan Fund Manual in the first sentence under “Interest Rate and Repayment Terms” to read: “The interest rate will be fixed and shall be at a rate not to exceed the Wall Street Journal prime rate plus 2% at the time of closing.” All present voted by roll call with a majority voting in favor and Roger Imdieke voting against.

Chair Schwantes announced attorney Mike Burgett resigned as the EDC’s legal counsel. Aaron Backman, Chair Schwantes and Rollie Boll interviewed three local attorneys, who varied in their level of experience. The recommendation of the three who interviewed the attorneys is to engage the legal services of Brad Schmidt and the law firm of Johnson, Moody, Schmidt & Kleinhuizen at an hourly rate of \$250 per hour, which the Joint Operations Board approved.

IT WAS MOVED BY Kathy Schwantes, SECONDED BY Roger Imdieke, to approve the recommendation of the Joint Operations Board that the Kandiyohi County and City of Willmar Economic Development Commission engage the services of attorney Brad Schmidt and the law firm of Johnson, Moody, Schmidt & Kleinhuizen at an hourly rate of \$250 per hour. All present voted unanimously in favor by roll call.

**Appointment of two board members to perform the Executive Director’s Annual Review.** Chair Schwantes asked for volunteers to perform the Executive Director’s annual review. Harlan Madsen noted the long-standing tradition is for the chair, vice chair and president of the Joint Operations Board perform the review.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Roger Imdieke, to appoint the Joint Powers Board chair and vice chair and the Joint Operations Board president Kelly TerWisscha and outgoing president Donna Boonstra perform the Executive Director’s annual review.

## **ANNUAL MEETING**

**Election of Officers.** Chair Schwantes listed the current officers and stated that typically, the chair has alternated every two years between the county and city representatives.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Rollie Nissen, to re-elect Kathy Schwantes as chairperson, Roger Imdieke as vice chairperson and Rollie Nissen as secretary and to elect Harlan Madsen as treasurer of the Kandiyohi County and City

of Willmar Economic Development Commission's Joint Powers Board. All present voted unanimously in favor by roll call.

Imdieke questioned Andrew Plowman's position on this board since he only attended one meeting in 2018. Chair Schwantes has spoken with Plowman, who reaffirmed he wants to continue serving on this board. Plowman is unable to attend the January board meeting as he attends an annual conference for his work.

**Appointments to Joint Operations Board.** Chair Schwantes stated Art Benson and Rollie Boll are interested in and able to be reappointed to the Joint Operations Board. Roger Imdieke presented the application of Jesse Gislason to replace Bob Carlson, who has served three full three-year terms and cannot be reappointed. Imdieke stated he contacted four excellent candidates, but three were unable to serve. Gislason is co-owner of Alley on Ash in New London and serves on the Spicer City Council.

IT WAS MOVED BY Roger Imdieke, SECONDED BY Rollie Nissen, to reappoint Art Benson and Rollie Boll for three-year terms on the Kandiyohi County and City of Willmar Economic Development Commission's Joint Operations Board and to appoint Jesse Gislason to a three-year term. All present voted unanimously in favor by roll call.

Schwantes announced the new officers for the Joint Operations Board.

#### **2019 Standing Committees/Subcommittees and Members.**

IT WAS MOVED BY Rollie Nissen, SECONDED BY Roger Imdieke, to approve the following standing committees and subcommittee for 2019:

- Agriculture and Renewable Energy Development Committee
- Ag Marketing & Event Planning Subcommittee
- Broadband and Advanced Technology Committee
- Business Retention and Expansion/Recruitment Committee
- Finance Committee; and
- Marketing and Public Relations Committee

and to approve the committee members on the attached list. All present voted unanimously in favor by roll call.

Imdieke noted Gislason is interested in serving on the Marketing and Public Relations Committee. Chair Schwantes thanked all committee members for serving.

**Selection of Official Newspaper.** Chair Schwantes stated the West Central Tribune has been the official newspaper.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Rollie Nissen, to select the West Central Tribune as the official newspaper for the Kandiyohi County and City of Willmar Economic Development Commission. All present voted unanimously in favor by roll call.

Nancy Birkeland noted the only time meeting notices are published are for the Joint Powers Board annual and special meetings.

**Regular meeting time, date and location.** Chair Schwantes informed the board the current meeting time, date and location are 11:30 a.m. quarterly on the fourth Thursday in January, April, July and October at the EDC office.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Roger Imdieke, to set the regular meeting time, date and location for meetings of the Kandiyohi County and City of Willmar Economic Development Commission (EDC) Joint Powers Board for 11:30 a.m. quarterly on the fourth Thursday in January, April, July and October at the EDC office. All present voted unanimously in favor by roll call.

**Appointment of representative to the Audit Committee.** Chair Schwantes reported Rollie Boll and Kerry Johnson volunteered to serve on behalf of the Joint Operations Board and recommended the Joint Powers Board's treasurer also serve on the Audit Committee.

IT WAS MOVED BY Fernando Alvarado, SECONDED BY Roger Imdieke, to appoint Harlan Madsen, Rollie Boll and Kerry Johnson as the Audit Committee for the Kandiyohi County and City of Willmar Economic Development Commission. All present voted unanimously in favor by roll call.

IT WAS MOVED BY Roger Imdieke, SECONDED BY Harlan Madsen, to appoint Jim Ruff to audit the 2018 financial records of the Kandiyohi County and City of Willmar Economic Development Commission. All present voted unanimously in favor by roll call.

**Appointment of liaison to the EDC Joint Operations Board.** Chair Schwantes stated Roger Imdieke has served as this board's liaison to the Joint Operations Board for the past two years. The Joint Operations Board holds its meeting at 11:00 a.m. on the second Thursday of each month. The liaison attends the monthly meetings of the Joint Operations Board or appoints an alternate in their place. Imdieke volunteered to continue.

IT WAS MOVED BY Harlan Madsen, SECONDED BY Fernando Alvarado, to reappoint Roger Imdieke as the Joint Powers Board liaison to the Kandiyohi County and City of Willmar Economic Development Commission Joint Operations Board. All present voted unanimously in favor by roll call.

## **2018 GOALS**

**Child Care Initiative.** Schmoll reported a Community Conversation was held in November with about 90 people attending. First Children's Finance received responses from 1,200 individuals to a survey on local childcare, which was the largest number of responses it has ever received. The surveys were used to set goals for the Kandiyohi County Child Care Innovation Project. At least three people interested in starting a childcare center have contacted the EDC plus the YMCA is actively working to open a childcare center. Madsen thanked Schmoll for serving on this project.

There are a multitude of impediments to childcare, including rules and regulations, timing, location and a large factor for our county is shift work coverage. Schmoll stated First Children's Finance has provided a wealth of information. Schmoll reported a couple of large local employers have representatives on the core committee and have mentioned having childcare within their businesses. The AG Church also called the EDC to state it has space to offer to an interested childcare center or business.

**Diverse Business Initiative.** Schmoll reported a meeting between Southwest Initiative Foundation, Rep. Dave Baker and the EDC was held about additional funding for the diverse business community. The EDC is working with others, including the University of Minnesota Extension to host workshops for retail businesses beginning in February (see attached flyer). Chair Schwantes stated there was a great article in the *West Central Tribune* yesterday about the program. Sarah Swedburg is meeting with the Community Integration Center and downtown businesses next week to promote the workshops. The EDC continues to work with CLUES, which has 34 students complete the Certified Nursing Assistant (CNA) and diverse welding classes. As a group, wages increased from \$7.90 per hour to \$12.41 per hour after completing the classes.

**Opportunity Zones.** Schmoll reported she and Kelly TerWisscha attended a Real Estate Summit on Opportunity Zones in Golden Valley, where in-depth information was discussed on tax overview, legal considerations, capital markets and opportunities in office, industrial and housing. The EDC is doing everything possible to promote Willmar's Opportunity Zone.

**Transportation Infrastructure.** Schmoll reported the Highway 23 Coalition is determining its priorities; out of 32 potential projects, the board selected 5 on which to focus in 2019. The Coalition has expanded its membership from the South Dakota border to Duluth. At least 50% of the businesses have rejoined for 2019. New board members have been selected representing the new expansion. The top priority out of the five selected was removed as the Minnesota Department of Transportation (MnDOT) has already determined it will be funded. Imdieke noted the 2019 priorities were guided by MnDOT.

**Business Visits and Meetings.** Schmoll highlighted items from Backman's written report (see attached), including holding monthly meetings with Dr. Johnson, President of Ridgewater College. Schmoll highlighted business meetings, events and visits from her written report (see attached), including her completion of training to become a SCORE counselor along with John Soderholm. Schmoll provided information on the SCORE program and noted the EDC also uses the services of the Marshall Small Business Development Center. Chair Schwantes suggested information on SCORE would be good to provide to the attendees of the Retail Business Design Workshops. Schmoll invited the board to attend a legislative reception to be hosted by the Highway 23 Coalition's Legislative Committee on February 7<sup>th</sup> at the State Capitol.

## COMMITTEE HIGHLIGHTS

**Agriculture and Renewable Energy Development.** Schmoll reported the committee elected Larry Konsterlie to chair its new Industrial Hemp Exploratory Subcommittee. The Ag Marketing & Event Planning Subcommittee is working with Joanna Schrupp to co-host a conference to replace the

EDC's Talent & Technology Workshop and MinnWest Technology Campus' Ag & Animal Science Conference. The conference is tentatively set for August 1, 2019.

**Broadband and Advanced Technology.** Schmoll reported the committee is looking at creating a local broadband coalition and has heard from companies interested in coming into the county to provide service. There are more wireless options available countywide, but they are not high-speed fiber services. Imdieke commented because of the wireless service that is being provided greater gaps are being created in certain areas. Schmoll stated the providers are looking to the county to provide funding for fiber services. The United States Department of Agriculture is providing some funding for broadband, but its unserved definition is less than 10 Mbps download and 1 Mbps upload speed compared to the Minnesota's grant program of 25/3. Harlan Madsen noted Meeker County is doing a fiber project that will cover several Kandiyohi County townships.

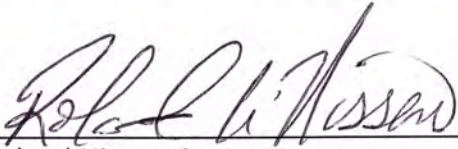
**Marketing and Public Relations.** Schmoll reported the committee is working on an education flyer that was started by the EDC's intern.

**ADJOURNMENT**—There being no further business,

IT WAS MOVED BY Fernando Alvarado, SECONDED BY Rollie Nissen, to adjourn the meeting. MOTION CARRIED.

The meeting was adjourned at approximately 1:00 p.m.

**NEXT MEETING**—The next regular board meeting is 11:30 a.m., Thursday, April 25, 2019, at the EDC office.

  
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Roland Nissen, Secretary

APPROVED: 4/25/2019:

  
\_\_\_\_\_  
Kathy Schwantes, Chairperson



## 2019 COMMITTEES AND MEMBERS

### Agriculture and Renewable Energy Development (Ag)

Rollie Boll*	Larry Konsterlie	Dan Lippert	Bruce Reuss
Ian Graue	Dustin Kotrba	Keith Poier	Dan Tepfer (Chair)
Kevin Halvorson (VC)	Kim Larson		

### Ag Marketing and Event Planning Subcommittee

Dan Tepfer	Dustin Kotrba (Chair)	Jean Geselius
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### Broadband and Advanced Technology

Mark Boesch (Chair)	Bruce DeBlieck	Brian Mort	Ramsey Schaffnit
Travis Bonnema	Scott Froemming	Les Nelson	David Sisser
Donna Boonstra*	Larry Kleindl	Gregg Price	Donn Winckler
Dean Bouta	Michelle Marotzke		

### Business Retention and Expansion/Recruitment (BRE/R)

Sam Bowen (Chair)	Roger Imdieke**	Dean Steinwand
Jim Ellingson	Les Nelson (Vice Chair)	Daniel Tempel
Les Heitke*	Ranae Rahn	Kelly TerWisscha*

### Finance

Matt Behm (Chair)	Les Nelson	Russ Weeks
Nick Dalton	Justin Schnichels	Jeff Welker
Kerry Johnson*		Randy Zinda

### Marketing and Public Relations

Kim Augeson	Jean Geselius	Pam Rosenau
Donna Boonstra*	Melissa Knott (Vice Chair)	Joanna Schrupp
Shari Courtney	Emily Lien	Brittany VanDerBill
Deb Geister (Chair)		

\*indicates EDC Joint Operations Board member

\*\* indicates EDC Joint Powers Board member



# KANDIYOHI COUNTY

## RETAIL BUSINESS DESIGN WORKSHOPS

### NEED HELP WITH YOUR BUSINESS?

A customized technical assistance program  
for **small retailers** in Kandiyohi County



- 10 week intensive-program designed to help you take your storefront to the next level.
- Technical assistance program for area businesses with a series of 5 workshops launching in February.
- Receive assistance from Industry Mentors, U of M students and retail coaches to help your business succeed.

 Flip over for Workshop details on back of flyer.

- Total cost of \$250
- Scholarships available on an as-needed basis.
- 5 workshops and 5 coaching sessions covering retail management, inventory management, target marketing and social media marketing.

Info and registration:  
[kandiyohi.com/retail](http://kandiyohi.com/retail)





# WORKSHOPS & COACHING SESSIONS

Meet with other rural retailers and learn from industry experts



## STORE PRESENTATION

February 6th | 8:00am - 9:30am | Bremer Bank

Understand the basic methods and techniques used for merchandise layout. Recognize effective design principles for merchandise displays and learn the many factors that contribute to a successful store layout.



Coaching Session | Feb 13th



## TARGET MARKETING

February 20th | 8:00am - 9:30am | Bremer Bank

Study how demographics influence merchandising decisions and customer profiles. Find out how to determine which types of customers your store wants to attract and the type of experience those customers will expect.



Coaching Session | Feb 27th



## INVENTORY MANAGEMENT

March 6th | 8:00am - 9:30am | Willmar Library

Learn diverse functions related to the tracking and management of stock.



Coaching Session | March 13th



## KEY ISSUES AND TRENDS IN RURAL RETAILING

March 20th | 8:00am - 9:30am | Willmar Library

We'll discuss the current key issues and trends in rural retailing. Plus, an overview on the roles of store owners and managers.



Coaching Session | March 27th



## SOCIAL MEDIA MARKETING

April 3rd | 8:00am - 9:30am | WORKUP

Dive into how social media can help build your brand, grow your customer base and generate more foot traffic in your storefront.



Coaching Session | April 10th

Info and registration: [kandiyohi.com/retail](http://kandiyohi.com/retail)







**Joint Powers Board Meeting**  
**Aaron Backman Report**  
**January 24, 2019**

**Highway 23 Coalition**

Looking beyond the two four-lane gaps funded by Corridors of Commerce, the Coalition is in the process of determining its 2019 priorities. On December 17<sup>th</sup> the Coalition's Freight Corridor Working Group reviewed 32 potential projects along the Hwy 23 Corridor submitted by members. The Working Group considered MnDOT District 8 feedback, ranked projects, narrowed it down to 12 projects and then to five. Those recommended projects were reviewed by the Coalition's Board of Directors on December 19<sup>th</sup>. On December 3<sup>rd</sup> the functional group leaders for District 8 (with input from District 3 as well) reviewed the Hwy 23 project list. On December 11<sup>th</sup> I received their feedback. After further discussions with MnDOT District 8 staff and project clarifications, the Coalition's Legislative Committee met on January 9<sup>th</sup>. That committee supports the following five Highway 23 projects for the 2019 legislative session:

- 1) An improved (half-clover) Interchange at Highway 23/I-94 near City of Waite Park at an estimated cost of \$2.3 million.
- 2) A Highway 23/Kandiyohi CSAH 55 Overpass on the southwest side of City of Willmar at an estimated cost of \$7.8 million (\$3.9M State Request & \$3.9M County Match)
- 3) Four-lane extension of Highway 23 approximately 4.5 miles from north of the City of Marshall to the Green Valley four-lane segment at a cost of \$27.0 million.
- 4) Intersection Safety Study at Highway 23/Highway 7 in Clara City at an estimated cost of \$100,000, including a 10% local match.
- 5) Roundabout at Highway 23/8<sup>th</sup> Avenue in the City of Foley and Preferred Route Safety Study Highway 23 between Foley and Milaca at a cost of \$2.0 million.

These project recommendations will be considered by the Coalition's Board at its next meeting on January 8<sup>th</sup>. It is anticipated that the Board will set its 2019 priorities at that meeting.

In other matters, two Board members stepped down at the end of December—Randy Dooley and Steve Ammerman; and four new Board members were appointed effective January—Jake Bauerly, Benton County Commissioner; Holly Wilson, Mille Lacs County Public Works Director & Assist. County Administrator; Bob Byrnes, Mayor of Marshall; and Luke Johnson, Pipestone County Commissioner.

The Coalition will be holding its Legislative Luncheon event at the Capitol on Thursday, February 7<sup>th</sup> from 11:00 a.m. to 1:00 p.m. It is an opportunity for members to meet their legislators. No cost for attendees, and if enough people sign up the Coalition will arrange for a coach bus to St. Paul.



### **WAM-BC Loan Portfolio**

Nancy organized the WAM-BC loan files and now has control of the WAM-BC bank accounts. Of the five loans in good standing, two have already been satisfied—Rockstar Tailoring Services and Short Circuit Electronics (the latter was paid off early). In terms of the two non-performing loans, prior to a court hearing, Huerta Auto, one of the non-performing loan recipients, reached out to resolve matters with the EDC and WAM-BC. After negotiations, the EDC established a new \$17,278.22 loan between the business and the EDC (superseding the WAM loan), received a good faith loan payment, and then WAM-BC cancelled the court hearing. Nancy prepared the loan documents and loan closing occurred on Sept. 27<sup>th</sup>. The other non-performing loan, Re-Cover Temp Agency, continues through the court process.

In October, Mike Burgett, the EDC's attorney, prepared the Bill of Sale and assignment of notes. The Bill of Sale was signed on November 2<sup>nd</sup> and the assignment of the notes on November 28<sup>th</sup>. The Articles of Dissolution were prepared and executed. As of the end of November, the EDC financials now reflect the WAM-BC checking account at Bremer Bank and the additional loan receivables. Altogether those amounts total \$101,315. Nancy has prepared a spreadsheet of the former WAM-BC loans and their status.

### **CLUES Willmar Workforce Initiatives Update**

CLUES, the Latino non-profit based in the Twin Cities, provides educational opportunities for low-income and minority populations, in hopes of raising income possibilities. In Willmar, CLUES has partnered with the EDC and Ridgewater College to provide Diverse Certified Nursing Assistant (CNA) and Diverse Welding classes. Once the certification is obtained the CLUES Navigator, Jennifer Mendoza, assists them with job placement. CLUES also continues to connect with the participants for one year after their certification.

After three cohorts (with a fourth group of students taking tests on 12/21) we have had 34 students go through the CNA and Welding programs. Of those, 22 were in the workforce and 12 were not. As a group, increased from \$7.90 per hour to \$12.41 per hour after going through the program. It is estimated that the program participants have increased their incomes by \$318,947 on annualized basis, excluding benefits.

The CLUES program has been a benefit for these diverse students by increasing their incomes by 56% on average (for the first three cohorts)! In addition, the CLUES program has been a benefit for the region's economy—12 of the students (or 35% of the participants) entered the workforce! A total of four dozen students have now gone through the program.



### **Neighborhood Development Center (NDC) Opportunity**

The Neighborhood Development Center (NDC) is a non-profit, community development financial institution. NDC provides entrepreneur training, small business loans, business services/technical assistance, and business incubators. The EDC has been having ongoing discussions with representatives of the NDC regarding their programs being replicated in the Kandiyohi County area. The NDC is based in the Twin Cities and has established similar programs in Duluth and St. Cloud. They provide integrated business services so that diverse and low-income entrepreneurs can start and grow businesses. They seek to empower low-income entrepreneurs and community partners to transform neighborhood economies. By working with the NDC we may be able to leverage the WAM-BC funding that we are have received.

Another listening and planning session was held on November 16<sup>th</sup> from 10:00 a.m. to 2:00 p.m. at the EDC Boardroom. This session focused on the resource providers/potential partners that have been identified. We are still in the information gathering-stage regarding this opportunity.

### **15<sup>th</sup> Street Flats—Construction Update**

The pace of construction picked up during the Fall at 15<sup>th</sup> Street Flats. The walls for the first floor started going up the end of the first week of Decmeber (the photo below was taken 12/9/18).







The contractors have begun working on the second floor of the multi-family apartment complex. This photo was taken on 1/7/19.

### **Herzog Housing Project—Unique Apartments**

Samuel Herzog, an experienced housing developer from Fergus Falls, has identified and secured a 15-acre location for a multi-family housing project on the NW side of Willmar (Thorpe property along CR5). The project currently entails four 72-unit buildings plus 120 garage stalls. JH, LLC would construct one building each year for four years beginning in 2019.

The City has approved an Orderly Annexation Joint Resolution Agreement with the Township (and the State of MN signed off on the annexation in December). The Willmar Planning Commission met on January 2, 2019 to consider two public hearings related to this housing project—a Planned Unit Development (PUD) Conditional Use Permit and a Preliminary Plat with 9 parcels. Following the hearings, the Commissioners unanimously approved both. At the Willmar City Council's first meeting of the year on January 7<sup>th</sup>, there were two public hearings regarding the Herzog project—the first related to the creation of Municipal Development District #10 and second related to J.H., LLC Housing TIF District. Both were approved unanimously by the City Council.

Overall, this housing project could create 288 units of housing in the community (80% being market rate) and could generate an investment approaching \$30 million. Assuming 288 units are developed over five years and an average rental household size of 2.3 people, Unique Opportunities could provide housing for over 660 residents. It is estimated that 40% will be new residents moving into the community for jobs and education.





### **DEED Employer Workforce Strategies Summit**

The EDC partnered with the MN Department of Employment & Economic Development (DEED), Ridgewater College, and Central MN Jobs & Training Services (CMJTS) on a workforce event held on January 8<sup>th</sup> at the Student Services Building. Over 60 people attended, primarily Human Resources and other representatives from businesses in the region. Among presentation highlights were:

Luke Greiner, Regional Analyst from DEED, provided a Labor Market Analysis of Region 6E.

Della Ludwig, Workforce Strategy Consultant from DEED, discussed Strategies to Recruit & Retain Workers in Today's Market.

Tammy Anhalt-Warner, Director of Workforce Development Center, St. Cloud State University talked about the MN Jobs Skills Partnership (MJSP) Program; and Tonya Fuller, HR for Park Industries, discussed how they used the MJSP Program.

Dan Solomon, PIPELINE Program Consultant, MN Dept. of Labor & Industry, elaborated on this dual-training program (public & program) that includes youth skills training and apprenticeships.

Eric Day, Business Service Coordinator, CMJTS, described the Incumbent Worker Grant Program; and Steve Barber, Controller, & Brandon Wulf, GM, from K&M Manufacturing spoke about their experiences with the program.

Cheryl Glaser, President of Achieve TFC, facilitated a panel discussion with Bruce Bergeson, Director of MN River Valley CTE Collaborative; Jason Duinink, Director of Bus. Development with Duinink; and Thomas Hoff, Technical Project Coordinator, with SWWC Service Cooperative, regarding innovative technical education and high school programs.

### **Retail Business Design Workshops**

The EDC has engaged partners to create Retail Business Design Workshops that will include five merchandising workshops for small retailers in Kandiyo County. On alternating weeks there will be coaching sessions for participants to implement and assist one another in applying the information from the workshops. It is hoped that 20 to 30 local retailers will take advantage of the workshops. In addition, 4 or 5 businesses will be matched with U of MN College of Design students for one-on-one technical assistance or TA. The idea is to implement methods and techniques through the TA that will have a direct impact on those retail businesses. The partners will also write and distribute a local economic development best practices guide for retail revitalization efforts to be replicated elsewhere.

The workshops will run from 8:00 a.m. to 9:30 a.m. During February of 2019 the workshops and sessions will occur at the Bremer Bank Community Room. During March the events will occur at





the Willmar Public Library. The Social Media Marketing workshop will occur in conjunction with the Social Media Breakfast at WORKUP on the MWTC. The cost of this 10-week intensive program is \$250. Scholarships are available on an as-needed basis. In particular, we would want to assist women-owned businesses and minority retail owners and managers to ensure their participation.

The costs for developing and putting on the workshops and providing the mentoring and TA is significant--over \$24,000. (This excludes the cost of the College of Design faculty staff time.) The workshops collectively will cost about \$8,000 (this includes speaker honorariums, hotel, travel and presentation material expenses). The student projects are projected to cost \$5,000+. Jackie Parr, a PhD student from the School of Design, will be significantly involved. Her cost will be about \$8,000.

In terms of responsibilities, Neil Linscheid with U of MN Extension, is the project coordinator. He has obtained over \$12,000 in funding from the EDA Center for this project. Kathy Schwantes, Southwest Regional Director for MCROC, is involved with local coordination and funding. Dr. Hye-Young from the MN College of Design faculty will be creating and delivering five retail workshop modules. She and a colleague will be organizing student teams to provide the students teams that will be coming to Kandiyohi County during the Spring Semester. Sarah Swedburg, Planner with the City of Willmar, is lining up \$6,000 from the Willmar Main Street Program.

The EDC is putting in \$3,000 into the retail project and is focused on marketing and encouraging local retailers to sign up. The registration forms for the retail workshops went live on the EDC's website on January 8<sup>th</sup> and flyers are being distributed. The City of Willmar, Spicer, Atwater, Willmar Chamber and others are also getting the word out.

#### **Business Meetings (October 26<sup>th</sup> – January 24<sup>th</sup>)**

1. Highway 23 Coalition Board of Directors Meeting and General Membership Meeting at the Little Crow Resort on 10/26/18.
2. Mtg. w/Kim Nagel, NDC, and Connie re Neighborhood Development Center on 10/29/18/
3. Housing Presentation at Meeker County EDA meeting in Litchfield on 10/30/18.
4. Discussions w/Finance Committee Chair Matt Behm re Aydee Lopez financing request for Spurs Restaurant.
5. Conference call with Brian Bochman, Mode Development re potential housing development in Willmar on 11/2/18.
6. Attended Vision 2040 Housing Subcommittee Mtg. Samuel Herzog, housing developer, presented his proposed Willmar project.
7. Made Hwy 23 Coalition membership presentation to Marshall Area Transportation Group (10/16/18) and Lyon County (11/6/18).
8. Hwy 23 Coalition Membership Committee Mtg. (11/14/18).
9. Attended MN Real Estate Journal Industrial Summit in Golden Valley (11/15/18).
10. Mtgs. re NDC, including partner meeting at EDC (11/16/18).
11. Mtg. w/Lakeland Broadcasting rep.
12. Monthly Development Update w/Joanna Schrupp (11/19/18).





13. Attended Tax Reform Part 2 Event at Willmar Conference Center (11/20/18).
14. West Central MN Job Fair Partner & Planning Mtg. (11/26/18).
15. Kandiyohi County Revitalization Project Mtg. at MCROC (11/27/18).
16. Participated in Hwy 23 Coalition Board Mtg. (11/28/18).
17. Mtg. w/Ken Warner re Kandiyohi Co. Retail Project (11/30/18).
18. BNSF Holiday Express Event (11/30/18)
19. Attended AMC Board Mtg. in Bloomington (12/2/18).
20. Led MAPCED Quarterly Mtg. in Bloomington (12/3/18).
21. Willmar Child Care Conference Call
22. Monthly Mtg. w/Dr. Johnson, President of Ridgewater College (12/7/18)
23. SWMHP Housing Project meeting at Willmar City Hall (12/13/18).
24. Attended Southwest ATP Meeting at MnDOT District 8 (12/14/18)
25. Retail Business Design Workshops planning meeting (12/14/18)
26. Coalition Freight Corridor Working Group project ranking mtg. (12/17/19)
27. Present to St. Cloud City Council Meeting re membership in Hwy 23 Coalition (12/17/19)
28. Attended MMDC Finance Committee Mtg. re Willmar Child Care Center (12/18/18)
29. Participated in Hwy 23 Coalition Board Mtg. at Dooley's Petroleum (12/19/18)
30. Mtg. w/Jon Huseby, District Engineer re 2019 priorities (12/19/18)
31. Participated in Open Mic Radio Program w/Bruce Peterson at KWLM (12/20/18)
32. Presented Retail Business Design Workshops project to Willmar Chamber Board (12/27/18)
33. Monthly Mtg. w/Dr. Johnson, President, Ridgewater College (1/2/19)
34. Attended Willmar Planning & Zoning Mtg. – Herzog Housing Project (1/2/19)
35. BRE Committee Mtg. at EDC (1/4/19)
36. Participated in three interviews of attorneys for EDC legal rep (1/4/19)
37. Meeting w/Patrick Donohoe, Hill Capital in Minnetonka (1/4/19)
38. Attended Willmar City Council Mtg. –Herzog Housing Project (1/7/19)
39. Participated in the Regional Workforce Summit at Ridgewater College (1/8/19)
40. Mtg. w/Susann Karnowski & Lindsey Bruer, MnDOT Dist. 8 -- 2019 Hwy 23 Projects (1/8/19)
41. Mtg. w/Jayme S., REDstar re marketing flyer for Retail Flyer (1/8/19)
42. Attended Hwy 23 Coalition Legislative Committee Mtg. (1/9/19)
43. Mtg. w/Rep. Dave Baker & Scott Marquardt, SWIF regarding funding for a Diverse Business initiative (1/10/19)

### **Business Visits**

1. Various meetings with Zack Mahboub re financing for elevator in Midtown Plaza
2. Mtg. w/Troy Honzay, Bus. Dev., Home State Bank
3. Various meetings with Aydee Lopez, owner of Spurs Restaurant re direct deposit for WAM-BC loan, and potential buyout of business partner.
4. Attended Domino's Legacy Store Ribboncutting at Legacy Commons on 11/5/18.
5. Coffee & More, Spicer
6. Goat Ridge Brewhouse, New London



7. Concorde Bank Holiday Open House in Willmar
8. Mtg. w/Raymond James Financial in Willmar
9. Mtg. re Midtown Plaza Elevator Project
10. Tour of West Central Steel w/City Council and County Commissioners (12/5/18)
11. Attended DI Labs Open House on 12/6/18
12. Attended WORKUP Holiday Mixer event
13. Mtg. w/Michelle Haefner, Bethesda, regarding new campus in New London
14. Tour & meeting w/Andrew Knight, Giovanni's Pizza
15. Tourism meeting & tour of Green Lake Bible Camp, Spicer
16. Barbershop prospect meeting



**Joint Powers Board Meeting  
Connie Schmoll Report  
January 23, 2019**

**Child Care**

The Kandiyohi County Child Care Innovation Project Community Conversation has been completed with more than 90 people in attendance. Kandiyohi County had the greatest return of completed surveys with more than 1200 secured. The information collected was shared at the Community Conversation on November 29, 2018. Participants broke out into small groups to begin collecting ideas that could bring solutions to the shortages in childcare spaces.

Highlights include:

- ✓ A childcare center for infants
- ✓ Business site or business financed spaces for childcare
- ✓ A need for state, employers, churches and individuals to work together to solve the issues

The end result of the survey, town hall meeting and follow-up meetings will be to create a community action plan. At the meeting of the core group held on Friday, Jan. 11<sup>th</sup>, members selected practical projects that have potential to be successful. The core group formed subgroups to lead the project tasks and get the subgroups organized. In addition, a member announced that a new daycare center is being considered by the YMCA and other volunteers and may be located in Spicer, MN.

I have had two inquiries from local residents who are interested in starting a childcare and one call from a church pastor offering space for a childcare center.

**Willmar Childcare Center**

Mr. Mohamoud Mohamed of Minneapolis, owner of the Willmar Childcare Center, found a site and facility for his business at 500 Industrial Drive SW, Willmar. The city rezoned the site for general business in November so the site could be used for this purpose.

Mr. Mohamed submitted loan applications for the childcare center to the EDC. The business will be a privately held, for-profit business, with Mr. Mohamed as 100% principal/owner. The childcare center will provide services to 120 children. The plan includes 60 children per shift ages 4 months to 12 years. Services include:

- ✓ Full-time Child Daycare
- ✓ Part-time/After School Care
- ✓ After School Tutoring
- ✓ Drop-In Care

The African Development Center approved \$300K toward the purchase of the building and renovation costs. Other potential funders include Southwest Initiative Foundation (SWIF) at \$75,000, Mid-Minnesota Regional Development Center (MMDC) at \$50,000 and owner equity of \$50K.

The EDC approved a \$25,000 request for Revolving Loan Funds to be used for soft costs, including administrative costs, marketing and contingencies.



The MMDC approved loan funds in the amount of \$50,000. The decision will be reviewed for ratification by the MMDC board on January 23<sup>rd</sup>.

SWIF is currently taking under consideration the request for \$75,000 toward the business. It is working closely with First Children's Finance (FCF) on approving loan funds and offering technical assistance.

The EDC's approval of loan funds includes a contingency that all proposed funding partners approve the applications for loan funds.

### **Opportunity Zones**

Workshops and trainings are now available in Minnesota even though reports say Minnesota remains in a holding pattern on making policy decisions in order to see what the new administration will do; however, funds are being established and projects are being planned in tracts selected to be designated as Opportunity Zones. As of early this week, more than 400 funds have been established nationwide. Opportunity Zones provide capital gain tax deferral and reductions when realized gains are invested in designated census tracts, until the sale of investment or December 31, 2016, whichever is earlier. Partial tax forgiveness of original gain is possible when invested in Opportunity Zones; 5 years—10% forgiven, 7 years—15% forgiven. The program offers the possibility of stimulating economic development in otherwise economically distressed areas. We have been asked to encourage our legislators to align with federal standards and conform to the federal code for Opportunity Zones.

Kelly TerWisscha and I attended the Dec. 11<sup>th</sup> Real Estate Summit on Opportunity Zones in Golden Valley, Minnesota, where in-depth information was discussed on tax overview, legal considerations, capital markets, opportunities in office, Industrial and housing, among many other entities that could be developed in Opportunity Zones.

A site in the Kandiyohi County Opportunity Zone located on Highway 12 was shown to a developer, who is proposing to build a housing complex in Willmar. The developer decided not to consider the site at this time.

### **Business Meetings and Events**

1. MAPCED in Litchfield
2. Meeting with U of M VP Finance and Operations
3. Ag & Animal Science Conference- Trade Show Booth/Sponsor of Event
4. Child Care Group Planning of Events
5. Discussion with Sen. Tina Smith's representative, Carson Ouellette
6. Kandiyohi County Board Meeting on Highway 23 and Highway 212
7. Social Media Breakfast – Willmar Videos
8. Jennifer Mendoza- CLUES Planning for welders to meet with welding firms
9. WORKUP Fall Member Event
10. Rural Broadband Coalition
11. Planning Trade Show Booth at Local Government Workplace Symposium
12. Hwy 23 Annual Membership Meeting
13. Broadband discussion with Arvig
14. Opportunity Zones Informational Session Marshall
15. Neighborhood Development Centers Level 4 Session at EDC
16. New London EDA Meeting – Local Food Coop planning





17. CLUES Welder Program Meet & Greet
18. Lake Lillian Restaurant Conversations
19. Open Mic on childcare and the upcoming Community Conversation
20. Presentation for Professional Business Women's Group
21. Computer Systems Technology Annual Advisory Board Meeting at Ridgewater College
22. Community Venture Network Session in St. Paul
23. Minnesota Association of Professional County Economic Developers (MAPCED), Bloomington
24. Simply Shrimp Feasibility Study review
25. Hill Capital update with Patrick Donahue
26. Ridgewater College Ag Career Expo – AgProfessionals table
27. Minnesota Marketing Partnership meeting
28. Real Estate Journal workshop on Opportunity Zones
29. Agcellence planning meetings and calls
30. MWTC business development
31. CVN follow-up planning with Joanna Schrupp – MWTC
32. Video demo of Broadband assistance from NEO Partners
33. AgProfessionals event planning
34. BRE subcommittee to research and decide on new BRE Survey
35. Industrial Hemp study partnership calls
36. Highway 23 membership and legislative planning
37. DEED Conference on Workforce at Ridgewater College
38. Presentation Willmar Sertoma
39. Atwater EDA Meeting

#### **Business Visits**

1. Kwik Trip ribbon cutting
2. Willmar downtown restaurant new business planning
3. Assisted new start-up with application for angel funds
4. Business and SBDA new rep, Paul Pierson
5. Happy Family Asian Grocery loan review
6. New business planning – blading company
7. Family entertainment business planning
8. Travel/Taxi new business planning
9. Follow-up with taxi company and Kandi Quick Stop, Kandiyohi
10. Lake Lillian Restaurant to replace Food Garage
11. DI Labs appreciation event
12. Simply Shrimp
13. Willmar Childcare Center loan application
14. DI Labs space needs with Leslie Valiant of Spicer EDA
15. Ag-business start-up
16. Planning with start-up salon



# NEIGHBORHOOD DEVELOPMENT CENTERS

## Level 4.10 Workshop in Willmar MN

November 16, 2018

Working with Neighborhood Development Center (NDC) leadership and trainers, we conducted a level 4 NDC training at the EDC on November 16<sup>th</sup>.

The purpose of the workshop was to give organizations, entrepreneurs and community members in Kandiyohi County and the city of Willmar the opportunity to gain a deeper understanding of the NDC approach.

This workshop and the NDC program goal is to enhance current efforts to assist low-income and diverse entrepreneurs by developing a Comprehensive, Connected and Coordinated Entrepreneurial Ecosystem that supports four essential pillars: training, technical assistance, micro-lending and real estate activities.

### **Attendance**

At the November 16 session, participants included past attenders and people new to the table, including

Prior: Jayme Sczublewski of WORKUP, Laura Arne of the West Central Angel Fund, Les Nelson of MMDC and Abdirashid Mohamed, local citizen with business consultation experience

New: Gary Geiger of Heritage Bank and Bob Meyerson of Harvest Bank

Also present to assist and promote the program were the NDC Executive Director, Mike Temali, NDC Chief Program Director, Isabel Chanslor, trainers Kimberle Nagel and Mary Matthews, and Exavier (X) a representative of an onboarding program in Duluth.

We met one of the goals of conducting a level 4 training by engaging business trainers, training organizations, technical assistance providers, business coaches and lenders that are responsive to high-touch/high-risk financing. Others that were targeted included downtown development and persons in-tune with real estate opportunities for small business development.

The workshop was customized to meet the Willmar community--where we are at in the ecosystem development process.

### **Outcomes**

Banker participation was extraordinary—both bankers knew the founder and both offered ideas to pull in information about past programs with similar philosophy.

NDC leaders support a program here that does not need to be under the umbrella of a nonprofit. Although to seek funding, we may need to engage a nonprofit host.

A vote to move forward would open up the doors for us to review the training materials and the implementation processes.

Next steps were discussed. A plan is in place for Connie and Abdirashid to attend a training for entrepreneurs in the metro area. This could be arranged along with scheduling a visit during the day to the NDC office to talk



with some of the NDC loan people and advocates and perhaps tour one of the real estate properties that are occupied with NDC clients.

Other steps to take:

- ✓ Engage with Northwest Area Foundation on funds for loans.
- ✓ Submit a formal proposal to SWIF for ongoing annual funds for this program.
- ✓ Engage with a USDA Rural Development representative locally. We are currently waiting to hear what is decided on a proposal already submitted by NDC on behalf of Willmar, Red Lake Reservation and Lower Sioux Agency.