

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT POWERS BOARD OF COMMISSIONERS MEETING
MINUTES
April 23, 2020
Via ZOOM Video Conference

Present: Steve Ahmann, Fernando Alvarado, Julie Asmus, Harlan Madsen, Roland (Rollie) Nissen and Kathy Schwantes

Staff: Aaron Backman, Executive Director and Connie Schmoll, Business Development Manager

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

Media: Shelby Lindrud, West Central Tribune

Chairperson Rollie Nissen called the meeting to order at approximately 11:40 a.m. and declared a quorum was present.

AGENDA—Added to the Agenda under New Business was item 5, Poultry Research and Training Facility Planning.

IT WAS MOVED BY Steve Ahmann, SECONDED BY Fernando Alvarado, to approve the amended Agenda. All present voted unanimously in favor by roll call.

MINUTES

IT WAS MOVED BY Harlan Madsen, SECONDED BY Fernando Alvarado, to approve the Minutes of the January 23, 2020 annual 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.

IT WAS MOVED BY Steve Ahmann, SECONDED BY Rollie Nissen, to approve the Minutes of the March 26, 2020 special 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—Aaron Backman presented the financial reports for periods ending January 31, February 29 and March 31, 2020. Backman reviewed the Balance Sheet as of March 31, 2020 noting the biggest change in assets since year-end 2019 is the reduction in the Heritage Bank savings account due to starting the new COVID-19 Business Assistance Loan (COBAL) program at Lake Region Bank. Backman noted all outstanding loans were current on March 31st. Total assets at year-end 2019 were over \$1 million and currently are \$889,757.30. As to the March 2020 Profit & Loss Statement, Backman noted larger expenses included the Census Education Contract and Startup Bootcamp Scholarships. Committee

expenditures are down due to meetings being cancelled, however, the Broadband & Advanced Technology Committee expended \$4,685 for the township broadband study and the Business Retention and Expansion/Recruitment Committee expended \$2,000 for development of the community video. The EDC's memberships in organizations were paid at the beginning of the fiscal year, including the partnership with the Willmar Lakes Area Convention & Visitors Bureau and under Professional Services, the final payment of \$9,250 was made to Golden Shovel. Steve Ahmann voiced a concern for the EDC to be prepared in case it has a reduction in income as a result of the COVID-19 pandemic and to think about its priorities. Backman noted he, Connie Schmoll and Nancy Birkeland have reviewed the EDC's financial position in case there is a delay in receiving the levy from Kandiyohi County and a plan has been discussed.

IT WAS MOVED BY Julie Asmus, SECONDED BY Kathy Schwantes, to accept the Kandiyohi County and City of Willmar Economic Development Commission financial reports for periods ending January 31, February 29 and March 31, 2020, subject to audit. All present voted unanimously in favor by roll call.

UNFINISHED BUSINESS

Strategic Planning Session. The board reviewed the Strategic Planning 2020 Summary Report April 2020 (see attached). In reviewing the PowerPoint presentation, Kandiyohi County and City of Willmar EDC 2020 Planning (see attached),

- The top three trends most likely to influence the direction of the EDC were workforce scarcity, housing availability and childcare availability.
- The most essential work items for the EDC were childcare, business support and workforce.
- The 2019 Goal Areas were workforce development, business support, childcare, agricultural innovation and broadband.
- The top three areas of actions/work in 2020 would have the greatest impact for the communities/region the EDC serves were in childcare, workforce and housing.
- Who might the EDC serve better in the future were businesses/employers.
- 85% of the respondents agreed or strongly agreed that the EDC engages in a broad mix of constituents that reflects the communities it serves in its work.
- The following statement stood out in response to the question "What will be different in the Kandiyohi County area if the EDC is successful in meeting its objectives over the next two to three years?"

We will have a stable workforce to meet employment demands; workers will have access to quality childcare they can afford; and more people will choose to live and stay here.

Harlan Madsen noted that in light of the pandemic, it would be interesting to see if broadband would move up the list, if the survey was done today, Chair Nissen noted broadband is a challenge in the northern part of the county and it would probably rise higher in the order of essential work to be done.

The 2019 EDC Accomplishments (see attached), were briefly reviewed. In 2019, the lack of childcare spaces was a concern resulting in the start of a strong rural childcare program. Agricultural Innovation moved forward with the Industrial Hemp Exploratory Subcommittee, which included attending a live presentation of a Vermont hemp conference and learning CBD is not as popular as it may have been over produced. The subcommittee is being cautious on what will be done in Kandiyohi County.

COVID-19 Business Assistance Loan (COBAL) Program. Backman provided information on the new loan program from his report to the board (see attached). To date, more than 40 businesses have requested information; 15 were provided information on Small Business Administration (SBA) and Minnesota Department of Employment and Economic Development (DEED) programs and 23 submitted COBAL applications. The EDC's Finance Committee met three times in February to review loan applications, approved loans totaling \$65,000. Thirteen loans have been closed in the last two weeks. Most common applicants have been restaurants, hair salons and massage therapists. EDC staff is responding to requests from small businesses that have been negatively impacted by the Governor's two Executive Orders. Staff recommends this board approve broadening the eligibility to allow for other businesses, such as chiropractors and pet groomers. Discussion was held on whether or not to broaden the program. Backman reported on a DEED conference call held today that addressed self employed and providing unemployment benefits. EDC staff has encouraged businesses to contact their lenders to extend payment terms for any loans and to apply for the Paycheck Protection Program (PPP) and Emergency Impact Disaster Loan (EIDL) Program. Businesses need to have a plan on how to address the situation. It was the consensus of the board to stay with the current loan criteria until funds are no longer being used.

NEW BUSINESS

Approve payment of bills over \$1,000. Chair Nissen presented an invoice from the United Somali Community of Willmar, LLC for payment.

IT WAS MOVED BY Steve Ahmann, SECONDED BY Julie Asmus, to approve payment of Invoice No. Census2020-01 from United Somali Community of Willmar, LLC for \$2,500. All present voted unanimously in favor by roll call.

Chair Nissen presented an invoice from Achieve TFC. Backman stated the amount was half of what would normally have been charged if the planning session had been held.

IT WAS MOVED BY Julie Asmus, SECONDED BY Fernando Alvarado, to approve payment of Invoice No. 20-195-2 from Achieve TFC for \$1,440. All present voted unanimously in favor by roll call.

Childcare Business Assistance Grant Program. Backman informed the board that childcare providers have been negatively impacted by the COVID-19 pandemic. Kandiyohi County has approximately 95 childcare home providers that are operating at 50 percent capacity, but have had additional costs due to extra cleaning. EDC staff is proposing the board consider using \$24,000 of unreserved funds to establish a Childcare Business Assistance Grant Program. Staff is reaching out to other organizations, such as BlueCross BlueShield, Kandiyohi County, Willmar Area Community Foundation, Southwest Initiative Foundation and United Community Action Partnership (UCAP), to participate. Schmoll stated UCAP received funds for some providers. Today's *West Central Tribune* had an article on a program by SWIF that helped about half of the county's providers. Schmoll is obtaining a list of childcare providers from the county's licensing department. Following discussion,

IT WAS MOVED BY Fernando Alvarado, SECONDED BY Harlan Madsen, to approve establishing a Childcare Business Assistance Grant Program with funding of \$24,000 from unreserved

funds and give grants of approximately \$250 to each of the approximately 95 home childcare providers in Kandiyohi County (excluding larger childcare centers) and to modify the 2020 budget to show this grant program. All present voted unanimously in favor by roll call.

RATIFY ACTIONS OF JOINT OPERATIONS BOARD

Fiscal Agent for Census Education for Diverse Communities and Contract. Chair Nissen reported at the March 12, 2020 meeting of the Joint Operations Board, it approved the EDC being the fiscal agent for the Census Education for Diverse Communities and signing a contract.

IT WAS MOVED BY Julie Asmus, SECONDED BY Kathy Schwantes, to ratify the Kandiyohi County and City of Willmar Economic Development Commission being the fiscal agent for the Census Education for Diverse Communities and authorize Aaron Backman to sign the contract. All present voted unanimously in favor by roll call.

Administrative Approval of COBAL Loans. Chair Nissen reported at the March 12, 2020 meeting of the Joint Operations Board, it authorized the loans under the new COBAL Program be approved administratively by staff and the EDC Finance Committee.

IT WAS MOVED BY Steve Ahmann, SECONDED BY Harlan Madsen, to ratify the loans under the Kandiyohi County and City of Willmar Economic Development Commission's COVID-19 Business Assistance Loan Program be approved administratively by staff and the EDC Finance Committee. All present voted unanimously in favor by roll call.

RATIFY ACTIONS OF FINANCE COMMITTEE

Revolving Loan Fund Payment Deferrals. Backman reported the Finance Committee approved the deferral of loan payments by Coffee & More and VP Enterprises for three months (May through July).

IT WAS MOVED BY Harlan Madsen, SECONDED BY Steve Ahmann, to approve a three-month deferral of loan payments under the Kandiyohi County and City of Willmar Economic Development Commission's Revolving Loan Fund Program by Coffee & More and VP Enterprises beginning in May 2020. All present voted unanimously in favor by roll call.

Microenterprise Loan Fund Payment Deferrals. Backman provided an update on Spurs Incorporated and Re-Cover Temp Agency. Chair Nissen reported at its April 14, 2020 meeting the Finance Committee approved the deferral of loan payments by Spurs Incorporated and Re-Cover Temp Agency for four months (May through August) and Huerta Auto Sales for May and June 2020.

IT WAS MOVED BY Fernando Alvarado, SECONDED BY Kathy Schwantes, to approve a four-month deferral (May through August 2020) of loan payments under the Kandiyohi County and City of Willmar Economic Development Commission's (EDC) Microenterprise Loan Fund Program by Spurs Incorporated and Re-Cover Temp Agency and a deferral of

payments by Huerta Auto Sales for May and June 2020. All present voted unanimously in favor by roll call.

Poultry Research and Training Facility Planning. Schmoll provided information on a collaborative effort for a Poultry Research and Training Facility (see attached) in Kandiyohi County. Marketing the program is crucial and Schmoll recommended the EDC use \$3,000 from its Community Development line item on the budget.

IT WAS MOVED BY Fernando Alvarado, SECONDED BY Julie Asmus, to approve using \$3,000 from the Kandiyohi County and City of Willmar Economic Development Commission's Community Development line of the 2020 budget for marketing the Poultry Research and Training Facility. The motion carried by roll call with Kathy Schwantes abstaining.

As an employee of the University of Minnesota Extension, Schwantes thanked the board for providing this funding.

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Backman reported construction of the realigned bridge for the Willmar Wye is underway and Highway 40 will reopen in June 2020. Schmoll reported she has been working with Bargains & Blessings to purchase the former Molenaar building in Willmar's Industrial Park. Bargains & Blessings will lease extra space in the building to other businesses as well. Backman reported Unique Opportunities is moving forward with its construction.

STRATEGIC PRIORITY AREAS

Agricultural Innovation. Schmoll reported the Partners In Ag Innovation conference will still be held in July; they are making plans to hold it virtually, if needed.

Broadband. Schmoll reported the Broadband and Advanced Technology Committee paid the bill from Compass Consultants for the study and will be reimbursed by the three townships and Kandiyohi County. The townships have decided not to move forward with a project this year, but remain interested. One would like to more education for its residents. The Broadband Committee decided now would be a good time to survey residents and will be putting one together. Willmar Public Schools has gathered some data during home schooling. The state is looking at funds for those areas that do not have access. Chair Nissen recommended reaching out to the KMS School District on its access to broadband.

Workforce Development. Backman reported the spring Job Fair being worked on for March was cancelled. They would like to reschedule, but a date is uncertain. Dr. Johnson of Ridgewater College informed Backman there have been significant changes pertaining to online classes and very few staff are working on campus during the pandemic.

Business Support. Schmoll stated a tab has been added to the top of the EDC's website that links to the community video. She encouraged the board to view the video and share it with local businesses.

Childcare. Schmoll directed the board to her report for more information (see attached).

Opportunity Zone Prospectus. Backman stated the prospectus was finalized in early March and printed for distribution (see attached). See his report for more information. Golden Shovel continues to promote Willmar's Opportunity Zone. Backman stated there was initial interest, but following the pandemic, there has been no activity. Two potential projects include a multi-family housing project along Highway 12 and a commercial project on the northeast along Highway 12.

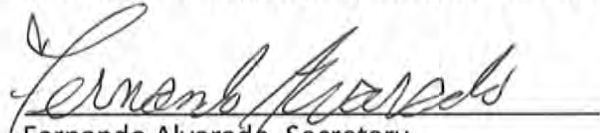
Business Visits and Meetings. Chair Nissen referred to the visits and meetings in Backman's and Schmoll's reports. Backman reported that since the COVID-19 Executive Orders priorities have changed. He has participated in 14 conference calls with DEED and 4 with members of the Minnesota Association of Professional County Economic Developers. Since the beginning of March, he has not visited businesses. Schmoll stated she and Neil Linscheid gave a presentation via ZOOM on the Kandiyohi County Retail Business Design program to southwest Minnesota to replicate the program. Schmoll stated they have been working in crisis mode, but have tried to work on other matters too. Ahmann reported has a company interested in the radiator facility in the Industrial Park; he will set up a tour after June.

ADJOURNMENT—There being no further business,

IT WAS MOVED BY Kathy Schwantes, SECONDED BY Julie Asmus, to adjourn the meeting.

The meeting was adjourned at approximately 1:20 p.m.

NEXT MEETING—The next regular board meeting is 11:30 a.m., Thursday, July 23, 2020, at the EDC office.


Fernando Alvarado, Secretary

APPROVED: 7/23/2020:


Roland Nissen, Chairperson



Kandiyohi County EDC Strategic Planning 2020 Summary Report April 2020

Planning Process

The EDC engaged a third-party consultant, Cheryl K. Glaeser with Achieve Consulting, to design a process and facilitate a strategic planning retreat to develop a shared vision of success and key strategies that will guide the work of the Commission throughout 2020, recognizing the current goal areas developed through planning in 2019 and considering the changing demographics and trends impacting the EDC service area.

Due to COVID-19, the planning process was abbreviated in early April, 2020 to include a survey and a virtual meeting to explore how the 2019 goals are meeting the needs of the region and what areas may be prioritized for 2020. Board members also briefly reflected on how current realities may impact the work of the EDC.

Recognizing that the unknown impact of COVID-19 will likely shift the needs of area businesses, communities, and constituents in the region, specific strategies for 2020 were not defined at this time.

Below is a summary of key findings and insights based on a review of 2019 goals and a survey completed by 20 Board members and EDC constituents. A full report of the survey may be viewed at <http://kandiyohi.com/your-team/>.

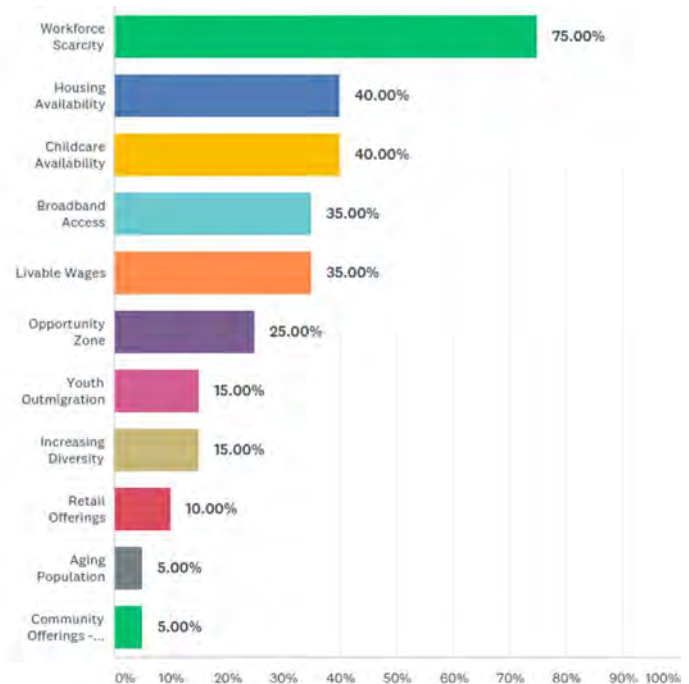
Key Observations and Recommendations

Trends & Influential Factors

When asked to consider several trends, survey participants indicated that the trends most likely to influence the direction of the EDC are:

- Workforce scarcity (75%/Compared to 76% in 2019)
- Housing Availability (40% compared to 18% in 2019)
- Childcare availability (40% compared to 47% in 2019)
- Broadband access (35% compared to 53% in 2019)
- Livable Wages (35% compared to 24% in 2019)

In 2019 Increasing Diversity and Aging Population were in the top 5 whereas in 2020 they were ranked in the bottom 5. In 2020, Opportunity Zone was added as a factor and was ranked as #6.



Essential Work

The 2020 survey indicated that the most essential work of the EDC is in the following areas:

1) Child Care – Supporting private and public partners in addressing the need for adequate child care throughout the County;

2) Business Support – Providing technical & financial assistance, gap loans, and entrepreneurial assistance such as diverse business owner programs; and

3) Workforce – Supporting events/programs such as the West Central MN Area Job Fair, CLUES workforce programs, and Diver CNA/Welding classes.

4) Business Support - While Business Retention & Expansion Surveys was closely ranked with Workforce as number 4, survey comments indicate that there is more interest in continuing outreach and support to businesses to ensure the EDC is meeting their needs than actually undertaking formal surveys.

CATEGORY	HIGH (1,2,3)	MID (4,5,6,7)	LOW (8,9,10)	RANK SCORE	Description
Child Care	11	6	3	6.9	Supporting private and public partners in addressing the need for adequate child care throughout the County
Business Support	9	8	3	6.65	Providing technical & financial assistance, gap loans, and entrepreneurial assistance, such as diverse business owner programs
Workforce	8	7	5	6.2	Supporting events/programs such as West Central MN Area Job Fair, CLUES workforce programs, and Diver CNA/Welding classes
BR & E Surveys	8	6	6	6.2	Undertaking Business, Retention, And Expansion surveys to better understand local business needs
Broadband	5	11	4	5.8	Supporting partners to extend high-speed broadband to all parts of Kandiyohi County
Marketing	6	8	6	5.65	Expanding social media and other marketing efforts to promote the area locally, regionally and nationally
Housing	4	8	8	4.75	Supporting and providing leadership for a variety of housing projects (affordable, senior, single-family, market-rate, etc.)
Infrastructure	4	8	8	4.45	Supporting partners in efforts such as Willmar Railroad Wye; Hwy 23 Coalition; Industrial Park expansions, etc.
Agriculture Feasibility	2	11	7	4.4	Supporting feasibility studies for new agricultural ventures (money and staff time)
Agriculture Events	3	7	10	4	Planning/hosting events such as the proposed 2019 Partners in Ag Innovation Conference in Willmar

Future Actions & Impact

When asked what near-term actions would have the greatest impact for Kandiyohi County, the following areas rose to the top:

1. Childcare
2. Workforce
3. Housing
4. Business Retention & Expansion (Business Support)

Also lifted up was opportunities related to the Opportunity Zone and marketing the region to attract and retain individuals and businesses.

Housing **Child care**
Workforce **Opportunity Zone**
Marketing
 Business Attraction, **Retention**, Expansion

Top Priority: Business Support

Most of the comments throughout the survey indicated a strong interest in advancing efforts to support existing employers in the region. Comments about business support were noted in nearly all of the survey questions. It is interesting to note that the survey was completed prior to COVID-19. It is likely that this will be a high priority in 2020.

The desired impact of strategic actions can be summarized by these 3 statements:

1. Establishing a stable workforce to meet employment demands and provide livable wages;
2. Providing workers/individuals with access to quality/affordable child care and housing; and
3. Marketing Kandiyohi County as a prime location to live and work.

Goals/Objectives – Strategic Insights for 2020

In 2019, the following goal areas were identified as top priorities:

- **Workforce Development**
- **Business Support**
- **Child Care**
- **Agricultural Innovation**
- **Broadband**

Key accomplishments for these goal areas and other important actions of the EDC throughout 2019 are highlighted on the left. A full description of accomplishments and partners involved can be viewed at <http://kandiyohi.com/your-team/>.

Insights and Recommendations for 2020

2020 Priorities – Overarching Goals and Key Strategies

The EDC has a strong record of outreach and partnerships that put it ahead of the game in ensuring that the needs of its people, businesses and communities are understood. Taking a positive, innovative approach to find opportunities that arise through the economic challenges will be key. While the Board and key constituents did not have the opportunity to discuss goal areas in person, the survey and subsequent discussions indicate that the currently established goal areas continue to largely address the needs of the region. Within each of these goal areas, specific strategies will likely need to be adjusted in light of current economic realities.

Consultant Reflections

The Kandiyohi County Economic Development Commission, its staff, Board, and committee members can take pride in the collaborative and innovative work that they are doing in the region. As evidenced by how the efforts of the organization are lifted up in state and national arenas, the EDC and the partners they work with are looked to as leaders: Leaders in the way they respond and act; leaders in the way they catalyze economic growth in the region.

The strategic direction developed in 2019 appears to be serving the needs of the region. In light of the current environment of rapid change, planning for 2020 is best defined in terms of evidence-based actions outlined within each goal area for smaller segments of time; perhaps quarterly. This allows

2019 EDC Key Accomplishments

Workforce Development

- Regional job fairs partnering with Ridgewater and MinnWest Technology Campus
- CDL Simulator Project
- Women on the Move
- Housing Projects – 143 multi-family units & 66 senior units

Business Support

- Retail Business Design Workshop & Coaching sessions
- Revolving Loan Fund supported 2 businesses
- Technical assistance for Simply Shrimp, Midtown Plaza

Child Care: Kandiyohi County Rural Child Care Innovation Program

- Resource manual for child care providers
- Introductory Course for Child Care/Early Childhood Education
- Legislative work for secure funding
- 90 new childcare spaces @ Spicer Learning Center

Agriculture Innovation

- 2019 Partners in Ag Innovation Conference
- Research of Industrial Hemp

Business Expansion & Infrastructure

- EpiTopix Expansion/IBDPI grant
- Willmar Wye project
- Willmar Industrial Park natural gas line extension
- Highway 23 Coalition

Willmar Opportunity Zone

- Developed Prospectus to generate interest by developers/investors

Marketing the Region

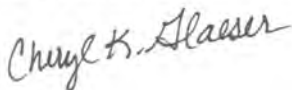
- 2 community videos for recruiting new businesses and securing workforce

planning to be more on-going and flexible and the work to be adjusted based on changing economic conditions.

By combining lessons learned in the past year with continued outreach to understand current economic challenges in the region, the EDC may remain responsive yet strategic in working collaboratively toward community betterment and economic growth.

As the EDC Board and Committees look ahead to the remainder of 2020 and into 2021, the following consultant insights may be helpful:

- **Business Support:** As already evidenced by the strong interest in and action of the EDC in offering the COBAL loan program in response to immediate business needs due to COVID-19, this goal area is likely to be a top priority for 2020. Continual and expanded outreach to businesses (especially businesses who may not have utilized EDC services in the past) may help ensure that businesses are able to adapt and bounce back following forced closures and/or economic challenges.
- **Workforce Development:** Listen to businesses and workers to identify the potential need to shift strategies from addressing scarcity of workers to helping unemployed workers with re-employment and/or re-training.
- **Child Care:** As a specific sector within your business community that may see varied impacts due to COVID-19, outreach to this sector to see if/how their business has been impacted will be essential.
- **Agricultural Innovation:** The Agriculture and Renewable Energy sub-committee and EDC staff may benefit from strategic discussions to determine the true purpose and desired outcomes for this work. This area appears to lack a strong vision of impact. A renewed sense of purpose and understanding of the role the EDC/sub-committee in supporting this sector is key. Questions you may ask include: What is the impact you wish to see through this work? Are you responding to the needs of the agricultural sector in your region in ways that align well with your organization's capacity? Are there other organizations who are more equipped to help and if so, what is your role in supporting them?
- **Broadband:** The current school closures and stay-at-home requirements have brought the need for broadband to the forefront. Is this still a key challenge for your communities/residents? If so, what is the role of the EDC and this sub-committee in working to improve broadband access? Is there additional work to be done and how much of a priority should this be in light of current challenges?
- **Additional Work:** The Opportunity Zone, housing, and other infrastructure projects such as the Highway 23 corridor will continue to be important economic development projects for the region. What, if any, strategies will be needed to ensure these can move forward despite potential economic realities due to COVID-19? What opportunities exist to support these efforts that may not have been in place previously?





Kandiyohi County and City of Willmar EDC 2020 Planning

April 9, 2020

What truly inspires and excites you about the current work of the EDC?

Answered: 18 Skipped: 2

EDC Staff

Vision

Passion

Knowledge

Quality

Collaboration

Inclusive

Broad Stakeholder Engagement

Willingness to partner

Catalyst for initiatives

Impact

Helping businesses grow

Making a difference in community/people's lives

Integral part of impact on communities

Working with others toward viable/successful outcomes

Notoriety

For EDC/County

Marketing the Area

Specific work:

Hwy 23

Incentive/Opportunity zones

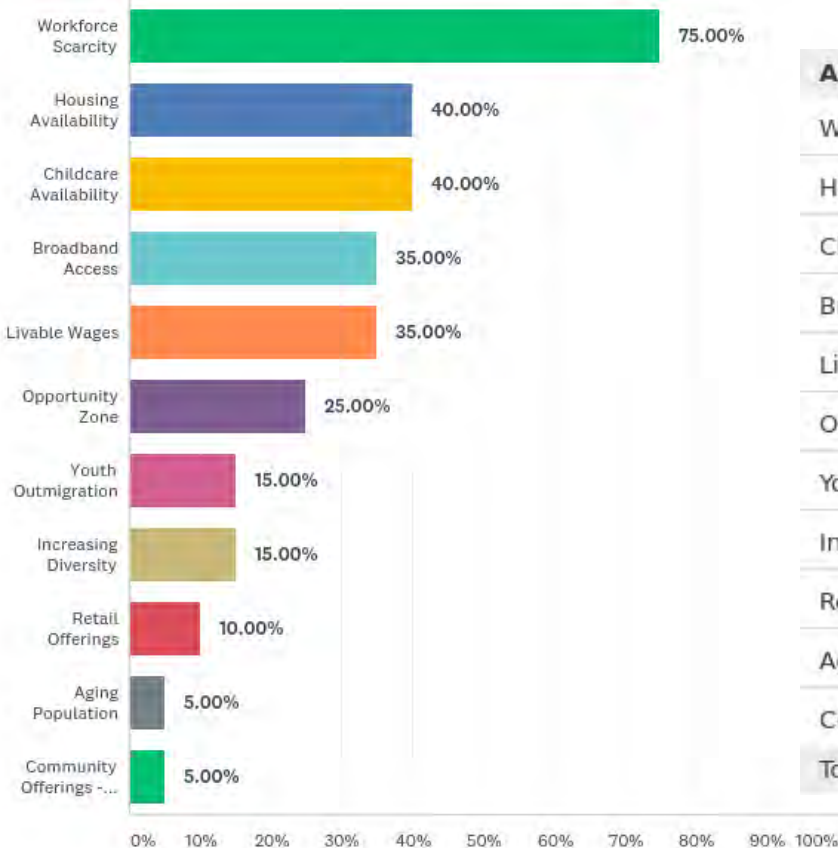
Job creation

Sub Committee work

Broadband

Considering the following trends, please select the three that you feel are most likely to influence the direction of the EDC.

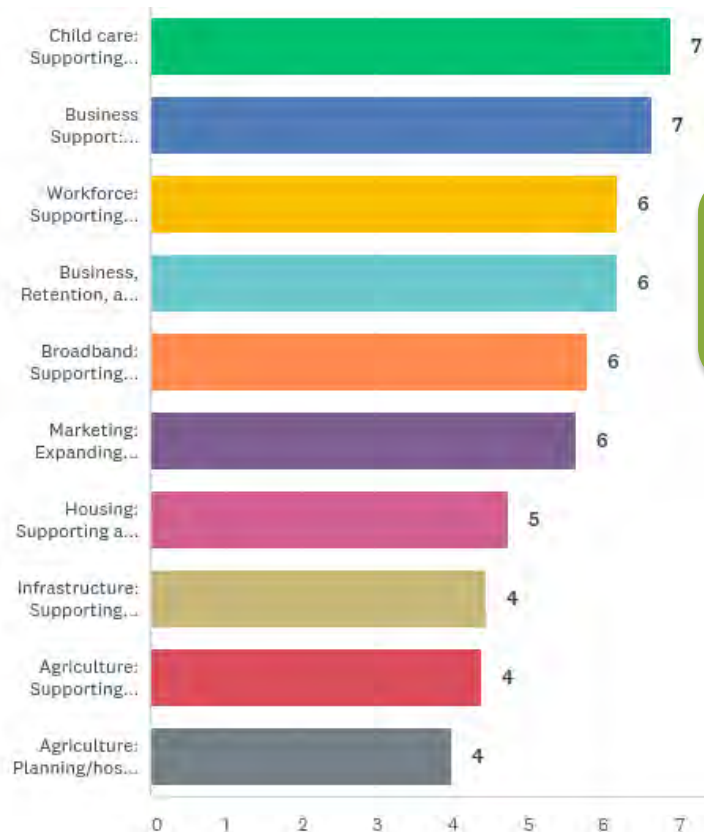
Answered: 20 Skipped: 0



ANSWER CHOICES	RESPONSES	
Workforce Scarcity	75.00%	15
Housing Availability	40.00%	8
Childcare Availability	40.00%	8
Broadband Access	35.00%	7
Livable Wages	35.00%	7
Opportunity Zone	25.00%	5
Youth Outmigration	15.00%	3
Increasing Diversity	15.00%	3
Retail Offerings	10.00%	2
Aging Population	5.00%	1
Community Offerings - Amenities and Activities	5.00%	1
Total Respondents: 20		

Please rank the items below (from 1 as most essential to 10 as least essential) when describing the essential work of the EDC?

Answered: 20 Skipped: 0



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Workforce	8	7	5	6.2	Supporting events/programs such as West Central MN Area Job Fair, CLUES workforce programs, and Diverse CNA/Welding classes
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Agriculture Feasibility	2	11	7	4.4	Supporting feasibility studies for new agricultural ventures (money and staff time)
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2019 Goal Areas

- Workforce Development
- Business Support
- Child Care
- Agricultural Innovation
- Broadband



Fireside Chat: A Conversation on Ag State & Federal Perspectives

Moderator Dustin Kotrba – Christianson FLIP
Andrea Vaubel, Deputy Commissioner – MN Dept of Agriculture
Keith Jones, Sr. Professional Staff, US House of Representatives,
Committee on Agriculture Collin C. Peterson Chairman



What actions/work in 2020 would have the greatest impact for the communities/region the EDC serves?

Answered: 18 Skipped: 2

Housing Child care
Workforce Opportunity Zone
Marketing
Business Attraction, Retention, Expansion

Other:

- The Mall
- Broadband
- Education of Services
- Private sector investment
- Combined incentives
- Industrial park
- Dining options
- Infrastructure Development

COVID-19:

- 367,000 applied for unemployment benefits in last 3 weeks; more than total number of applicants for all of 2019
- Business retention needs
- Child care needs
- Workforce needs

Who might we serve in better ways in the future?
How might we serve them?

Answered: 11 Skipped: 9

“Those with the entrepreneurial spirit and those that provide consistent employment.”

Businesses/Employers

- Diverse businesses/entrepreneurs/representatives
- Existing employers
- New/Growing Small Businesses
- Multifamily Housing Developers
- Areas ready for development outside Willmar

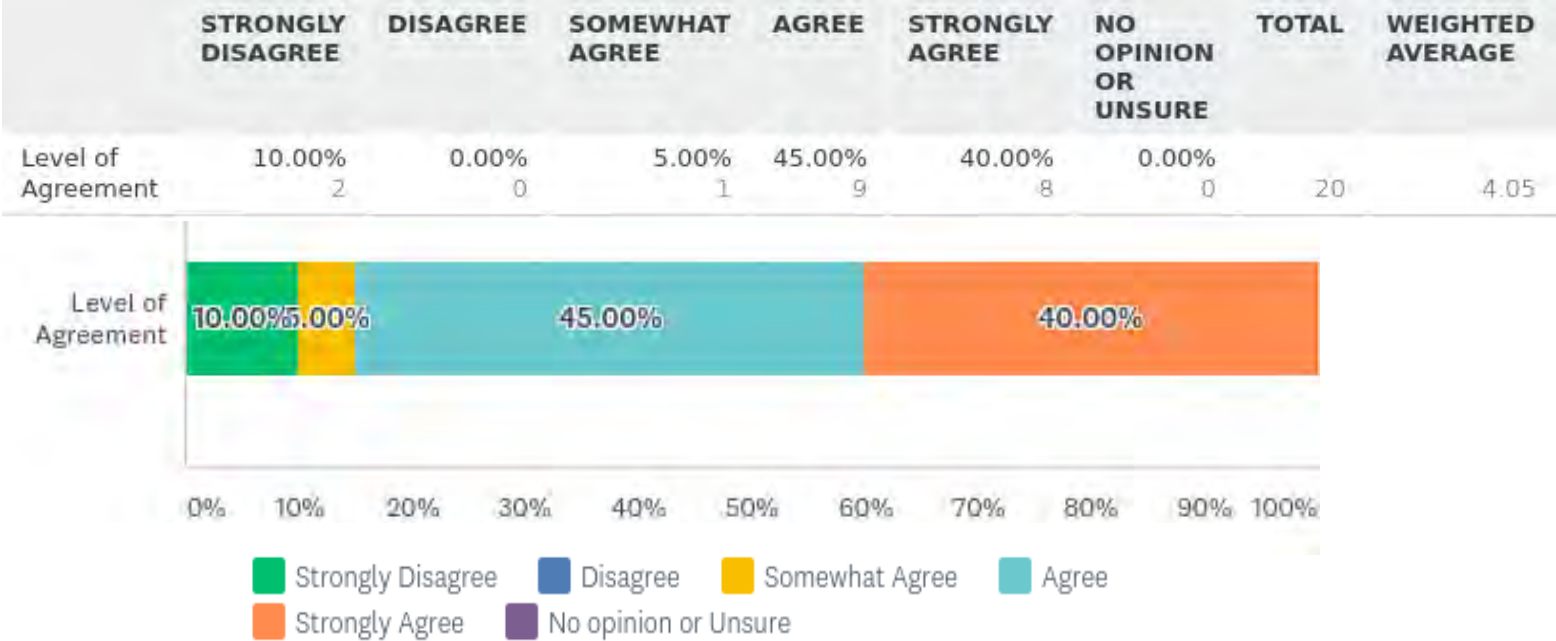
**Responsiveness with COVID-19
Business Assistance Loans**

**What else may they need to
pull through and/or recover?**

**What specific sectors might
need advanced help?**

The EDC engages a broad mix of constituents that reflect the communities they serve in their work. (Indicate your level of agreement with this statement.)

Answered: 20 Skipped: 0



What will be different in Kandiyohi County area if the EDC is successful in meeting its objectives over the next 2-3 years?
(Based on current objectives)

Answered: 16 Skipped: 4

Other:

- Hwy 23
- Population
- Retail
- Tax base
- Opportunity Zone
- Business partnerships

Housing Child care
Workforce Broadband

“We will have a stable workforce to meet employment demands; workers will have access to quality child care they can afford; and more people will chose to live and stay here.”

Thank You!



Cheryl K. Glaeser

Cheryl@achieveresultstogether.com

320-583-7526



2019 EDC Accomplishments

Child Care Initiative. The Kandiyohi County Rural Child Care Innovation Program made several strides during 2019. Among them is development of a resource manual for child care providers, an introductory course for people wanting to explore the child care and early childhood education fields, expansion of early childhood education courses at Ridgewater to include Willmar campus classes, scholarships for students entering early childhood education courses, and efforts by core team members during the 2019 state legislative session that resulted in funding opportunities to assist childcare centers. Grants became available to assist child care business with start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. Ninety new Spaces for childcare were secured in Kandiyohi County with the new Spicer Learning Center opening in December. Other spaces that are planned for opening in 2020 include 30 new spaces at the Willmar Assemblies of God Church and 90 new spaces at the Willmar Childcare Center.

Housing Projects. The EDC has assisted several developers to successfully move ahead with their housing projects in Kandiyohi County. These include:

15th Street Flats. The EDC began working on this project in the second quarter of 2016. Commonwealth Development, based in Fond du Lac, Wisconsin, is the developer for this \$9.3 million multi-family housing project. The four-story affordable housing project includes 47 units, a significant number of them being two and three-bedroom units, a fitness area, a community room, and a playground. The EDC played a significant role in assisting the developer to obtain \$8 million in tax credits from the MN Housing Financing Agency and to obtain \$586,000 in FIF assistance over 15 years from the City of Willmar, Kandiyohi County and the Willmar School District. In August of 2019 construction was completed within budget. Move-ins began in September and all units will filled in about two months.

Unique Opportunities. The EDC assisted Samuel Herzog, the Fergus Falls housing developer, in several ways—initially identifying potential sites in Willmar. Mr. Herzog acquired a 15-acre site from the Thorpe family along CR5 on the northwest side of Willmar. During 2019 this area was annexed into the City. Also during the first quarter

of 2019 the EDC presented at the Planning Commission in support of the project, and presented at Willmar City Council regarding the establishment of a housing TIF District, etc. During the summer of 2019 Mr. Herzog began construction of a 72-unit multi-family facility that will be 80% market-rate and will include underground parking. At full buildout, Mr. Herzog intends to have four facilities with a total of 288 units. This could generate a \$30 million investment in the County and housing for over 600 residents. The County is planning on constructing turnlanes to accommodate this development.



Sunwood Apartments. During the second quarter of 2019 the EDC responded to a request for assistance from Gabe Olson, AEHM, also known as Suite Liv'n. The housing developer and multi-family property owner wanted tax abatement to defray costs associated with developing a 24-unit market-rate apartment complex on 15th Avenue Northwest near Ridgewater College. Sunwood Apartments is a \$2.5 million facility primarily has three-bedroom units. The EDC presented information to the City of Willmar and Kandiyohi County. Ultimately the City of Willmar approved the tax abatement. Construction on the project began during the summer of 2019 and is expected to be completed in 2020.

Bethesda North Pointe. New London – Following a market study, Bethesda in Willmar in 2019 decided to move forward with a senior housing project in the New London/Spicer area. They considered several locations and ultimately decided to purchase an 11-acre site from the Pieh family located along Peterson Parkway north of the ACMC Clinic in New London. The EDC interacted with Bethesda management, Marcus Construction, City of New London, and others in regards to land and project valuations and the setting up of a TIF District that will reimburse the developer for eligible expenses and the City for utility extensions. The new Bethesda North Pointe campus, a \$17 million senior and assisted living complex, will feature 39 senior apartments with underground parking, 18 assisted living units and 18 memory care units. Phase I of the campus will include a town centre with chapel, community areas, dining areas, a spa, and Club Bethesda wellness center.

Workforce Projects. The EDC has been active on several fronts with workforce development during 2019.

West Central Minnesota Area Job Fair. The EDC has partnered with Ridgewater College, CareerForce (Workforce Center), K-95 and Central MN Jobs & Training Services (CMJTS) to hold regional job fairs. On March 26th and September 17th job fairs were held at the Ridgewater College Gym in Willmar. Close to 400 attended the Spring 2019 job fair, which a lot college students participating.

CDL Simulator Project. There is a significant shortage of truck drivers locally and throughout the state. Sam Bowen, Dean of Customized Training & Continuing Education at Ridgewater College, has been actively involved with expanding the College's Commercial Driver's License (CDL) Training Program. One way to do that is to acquire two CDL simulators to be used for driver recruitment and training. This enables the College to increase the number of students it serves from 80 students a year to about 255 students a year, and to better fulfill the new federal regulations that are set to go into effect in February 2020 that will require new commercial vehicle operators to go through an approved training facility prior to testing. At the October 4th BRE Committee meeting, members unanimously voted to recommend to the EDC's Joint Operations Board that the EDC contribute \$2,500 to this expanded CDL Training Program at Ridgewater College. The EDC Board subsequently approved funding the grant. Sam submitted several successful grant proposals (SWIF, Bernick's Foundaiton, etc.) to help defray the cost of the simulators (each one costs \$90,000). Local businesses and other organizations also provided \$40,000 in local contributions. Along with state matching funds there was sufficient funding to order the first CDL simulator.

Women on the Move. The EDC assisted Ridgewater College and the Central Minnesota Jobs and Training Services with planning and implementation of a training opportunity for women interested in exploring careers in manufacturing. The 'Women on the Move' training session took place at Ridgewater College January 14th through the 29th with 11 women completing the course. The course was free of charge for women of color, low-income women and women over 50. The courses covered the basics of manufacturing concepts and skills, workplace safety, and opportunity to meet industry employers. A forklift training and certification was also offered to the participants.

Business Expansion & Infrastructure. The EDC continues to involved with business expansion and infrastructure-related projects in Kandiyohi County. These include:

Epitopix Expansion/IBDPI Award. In 2019 a notable project that the EDC worked on pertains to the sewer line extension needed to facilitate the Expansion of Epitopix and the award of an Innovative Business Development Public Infrastructure (IBDPI) Grant Award to the City of Willmar. Epitopix, LLC is a privately-held company located in Willmar, and is an affiliate of Vaxxinova, a company based in the Netherlands. Epitopix produces veterinary vaccines for the agricultural sector, selling vaccine throughout the U.S. for use in poultry, cattle, and swine. The parent company plans to accelerate

Epitopix's growth in animal vaccines and is prepared to invest over \$15 million in Willmar in capital investment and add 17 well-paying biotech jobs within Kandiyohi County. However, they currently have inadequate sewer service to the site and currently they have tanker trucks haul all the dirty water to the Willmar Wastewater Treatment Plant. Based on engineering calculations, the sanitary sewer line would run 6,400 linear feet and would cost approximately \$1.3 million.

On October 3rd the EDC submitted a grant application to the MN Dept. of Employment & Econ. Development (DEED) on behalf of the City of Willmar requesting \$1.3 million in state grant funds for the project. On October 25th the EDC received word that the DEED Commissioner Steve Grove had approved the \$1.3 million IBDPI grant with the City of Willmar for the Epitopix sewer line project. The line runs from the main north-south interceptor near the Willmar Industrial Park, west along the north side of the new Hwy 12, then north on 45th to the Epitopix production facility.

The EDC continues to work with the City Attorney and City Staff on several aspects of the project, including the grant agreement, property declarations, addressing questions regarding the requisite property interest, a related waterline extension, the land annexation necessary for the project, and the appropriate zoning. The City and EDC team held several planning meetings and conference calls regarding this project. On December 16th the Willmar City Council formally accepted the grant. In January 2020 approximately 81 acres of land were annexed into the City to accommodate the Epitopix project.

Willmar Wye Project. On July 9, 2019 groundbreaking was held for the Willmar Rail Connector and Industrial Access Project (also known as the Willmar Wye). This \$48 million project milestone represented the culmination of a lot work by the partners—BNSF Railway, MnDOT, Kandiyohi County, City of Willmar, EDC and the federal partners. Prior to the installation of two miles of railroad tracks, various road improvements and utility modifications are being undertaken. These include re-location of U.S. Hwy 12 to the south, the installation of two roundabouts on County 5, the construction of bridges over the railroad bypass, the re-routing of other roads. Significant road work on the new Hwy 12, MN Hwy 40, County Road 55, 15 and 5 began during the second half of 2019 and continued during the winter.

Natural Gas Line Extension to Willmar Industrial Park 4th Addition. Backes Technology was the second business to locate in the Willmar Industrial Park 4th Addition. Backes was able to hook up to municipal water, sewer, and electricity, but not natural gas. CenterPoint Energy, the natural gas supplier, had not extended service to the middle and northern portion of the 4th Addition; and the cost to extend a four-inch line over half a mile to Backes, a small telecom business, was substantial. The EDC worked with the City of Willmar (\$10,324) and the business (\$4,000) to split the cost of the natural gas line. Because the natural gas line would serve 13 other lots in the industrial park the

City was agreeable to this approach. During the summer of 2019 the EDC presented the cost share proposal to the Community Development Committee and the Willmar City Council and both unanimously agreed. CenterPoint obtained the necessary permits and installed the natural gas line all the way to Backes during the last week of October.

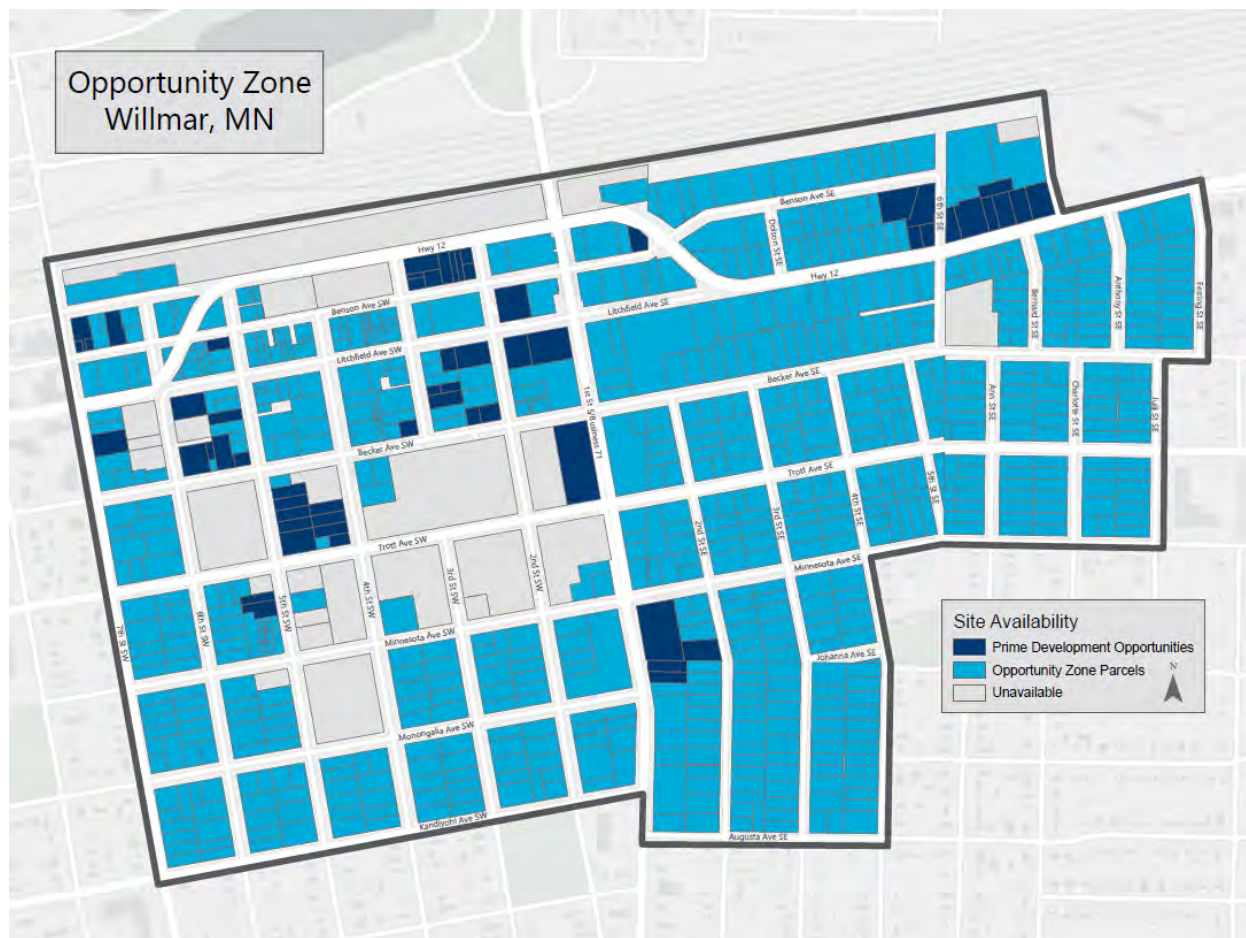
Highway 23 Coalition. During 2019 the Hwy 23 Coalition expanded its coverage to 14 cities and 10 counties and now covers from I-90 in Southwest Minnesota to I-35 in Northeast MN. At the end of the year the EDC reduced its role in terms of membership activities. Aaron Backman continues to serve on the Board as the Secretary/Treasurer. The Coalition continues to be active in support of improvements along the Hwy 23 Corridor. In terms of the two four-lane gaps that were funded with Corridors of Commerce funding in 2018, work continues on both segments. Bidletting for the North Gap is scheduled for November 2021 with construction in 2022 and 2023. Last year MnDOT District 8 moved up the timetable for the South Gap by one year. Bidletting for the South Gap is projected for December 2022 with construction in 2023 and 2024. The Coalition was supportive of an improved I-94/Hwy 23 Interchange, an important safety project near Waite Park. In 2019 MnDOT District 3 moved up the safety project by one year and began construction of that half clover improvement. In the Fall of 2019 at the General Membership meeting MnDOT Commissioner Anderson Kelliher announced the approval of the Intersection Safety Study at Hwy 23 and Hwy 7 in Clara City, another Coalition Priority. The safety study is expected to begin shortly.

Willmar Opportunity Zone Prospectus.

In June of 2018 Governor Dayton selected 128 census tracts to be Qualified Opportunity Zones (QOZs). These are low-income areas that the federal government is encouraging investment by deferring taxation on capital gains until December 31, 2026, reducing gain that is taxed by up to 15%, and no tax on additional gain if property held for 10 years. There can be direct tax benefits to developers, developers can raise equity capital from investors who can use the tax benefit, and property owners can attract tenants who can use the tax benefits for capital costs.

In Kandiyohi County there is one approved Opportunity Zone located in Census Tract 780800 in Willmar. It covers the Downtown and some surrounding residential areas to the east of 1st Street and to the southwest. To take full advantage of the program, the EDC decided to undertake a significant marketing effort (a marketing strategy, a prospectus and other materials provided to potential investors). The EDC contracted with the Golden Shovel Agency, based in Little Falls, MN, which specializes in marketing for economic development organizations around the country. The cost of the contract (\$18,500) was split between the EDC and Willmar Main Street. The contract was executed in mid-September and the kick-off meeting held on September 18th. The Willmar Opportunity Zone (OZ) Team developing the prospectus included Ron Kresha, Golden Shovel COO; David Ramstad and Sarah Swedburg from the City P&Z/Main Street; Melissa Knott, Director of Marketing, Christianson & Assoc.; Lindsey Donner, REDstar Creative; Connie Schmoll and Aaron Backman, EDC. The OZ Team held several face-to-face and zoom conference meetings

and provided significant input regarding the development of the Willmar OZ Prospectus (below is a map developed for the prospectus).



By the beginning of January of 2020 the Willmar OZ Team had largely completed their work on the prospectus. Limited runs of this penultimate version were printed for site selectors, developers, local businesses, and investors. The development of the prospectus generated several positive news articles both in West Central Minnesota and beyond. Several developers and investors have contacted the EDC because of those articles.

Community Video. The EDC's Business Retention Expansion and Recruitment Committee appointed a subcommittee to explore ways to market the Kandiyohi County area for recruiting new businesses and securing additional workforce to the area. Subcommittee members Kelly TerWisscha, Dan Temple and Connie Schmoll explored options and recommended a fast-paced, amenity-focused video that could be shared broadly by the EDC and businesses in the County. Torry Norling of GACX Media constructed the video which includes local events, community features, and people working or having fun. He provided two videos, first, a 30-second teaser

with no narration, constructed to entice viewers to seek further information. The second video, a 4.3-minute video with narration, also fast paced which follows a business leader as he explains the benefits of living and working in Kandiyohi County and a family enjoying the amenities in the area. Some studies report that millennials are drawn to areas to live as much by the things to do as the job opportunities. The videos with the focus on attractions and things to do is sure to lure a few good workers to the area. They are currently posted on the EDC website, they have been shared with business leaders and Kandiyohi County Administration. A West Central Tribune article featuring the videos was published on February 25, 2020.

Agriculture and Renewable Energy Development Committee partnered with the MinnWest Technology Campus (MWTC) to merge their annual workshops. Connie Schmoll and Joanna Schrupp had discussion in 2018, while both were engaged in planning their workshops for 2018. MWTC was changing their workshop focus to secure participants from local producers as well as bio-technology and ag-science. The EDC in 2018, planned their first annual workshop and focused on talent and technology for farm owners/managers and the agribusiness people that serve producers. The goals were fairly close. So joint planning began after the 2018 conferences were completed. A new title was selected as “Partners Ag Innovation” and a mutual time to hold the conference was selected as end of July or beginning of August. The EDC agreed to keep the services of a professional event planner and raise the level of sponsorships to help pay for the professional service as well as well-known speakers on current issue relative to agriculture, ag-bioscience, technology and renewable energy. Some highlights from the 2019 conference included an address by Representative Collin Peterson, presentations on industrial hemp as a new crop for producers, and storytelling by Dan Tepfer from Kandiyohi Power Cooperative and Mateo Mackbee of Model Citizen. The keynote speaker, Darrin Newsome, a nationally known market columnist and technical analyst blogger spoke on the market outlook and marketing agriculture products.

The first Partners in Ag Innovation workshop, held on August 1, 2019, was a success with more than 125 agribusiness and producer attendees, over \$30,000 in sponsorships and more than \$5000 net profit to be held for subsequent workshops. The focus topic was marketing which was a clear fit for ag production in 2019. The next Partners in Ag Innovation Conference is planned for July 30, 2020.



A new subcommittee of **The Agriculture and Renewable Energy Development Committee** took hold in 2019 to research production and processing of industrial hemp. The crop, if regulations and markets are favorable, can offer new vigor for farm producers who have experienced market declines for current farm products due to a major reduction in export of farm products. The subcommittee has membership from neighboring areas including Swift, Renville and Chippewa Counties. The group has gained the attention of Agriculture Utilization & Research Institute, Charles Levine, a Minnesota processor of industrial hemp, a Canadian hempcrete company and Representative Collin Peterson's office. The group has narrowed its research focus to hemp fiber processing and graphene. Speakers have come to the meetings and potential sites for development have been toured.

Retail Business Design Workshop Program

For several years the EDC sought workshop or training venues to aid retail businesses in the area. During 2019, a program aimed at revitalization of local retail sector was implemented. The EDC engaged a variety of partners to create a **Retail Business Design Workshop** series that included five merchandising workshops and five coaching sessions for small retailers in the greater Kandiyohi County area. Ultimately, there were ten partners in this effort—the U of MN Extension, U of MN College of Design, EDC, Willmar Main Street, Spicer Economic Development, City of New London, Willmar Area Community Foundation, United Way of West Central MN, Ridgewater College and the Willmar Lakes Area Chamber of Commerce.

A total of 22 participants representing 17 small retail businesses from the region participated in the workshop/coaching sessions over 10 weeks from February to April of 2019. Half the attendees were small retailers from Willmar. Other communities represented were Atwater (2 people), Belgrade, Morton, New London (3), Sauk Centre and Spicer (3). Of the 22 participants, 17 or 77% were women. Three diverse businesses (18%) participated, including 1 Latino and 2 Somali businesses. It is notable that 13 out of the 17 businesses or 76% were women-owned businesses. Types of businesses included: 4 boutiques, 2 clothing stores, 2 consignment stores, 2 ethnic grocery stores, 1 ethnic restaurant, 1 salon, 1 gun & ammo, 1 thrift store, 1 entertainment, 1 gift shop, and 1 flower farm business.

During the workshop series and following an application process, four of the business participants were matched with Jackie Parr, a University of Minnesota (U of M) College of Design doctoral student for additional one-on-one technical assistance (TA). Ms. Parr prepared a Business Brief that laid out findings (including marketing target market strategy, recommendations (including inventory recommendations, action plans, merchandising strategies) and other elements

When we surveyed participants afterwards, most participants ranked the presenters as very qualified and interesting (typically two-thirds or better of the participants gave the sessions the highest rankings). The retail participants were pleased with the sessions. So much so that they have continued meeting at member businesses on a bi-monthly basis to highlight what the host

business had implemented from the workshops and for other participant updates and for group discussions on various topics. Typically, 9 to 12 people have attended these follow-up sessions. The group is now starting to pick up small retailers that were not part of the workshop series, and its mailing list has been expanded from two dozen to over 50 businesses.

Because of the positive impacts of the program, the U of M Extension has been actively considering replicating this retail business design workshop series in other communities. It is also anticipated that Extension and other partners may develop and distribute a local economic development best practices guide for retail revitalization efforts to be replicated elsewhere.



Session 2 speaker, Jaye Thompson (Former Target Mgmt & Lecturer Professor within the College of Design's Retail Merchandising Program at the University of Minnesota) talks about target marketing to the workshop participants.



Abdiweli Yusuf, Owner of Amin Grocery in Willmar and one of the Workshop participants working at his new cash register location and with his new POS



Workshop Reunion on 10/2/19 at Camille's Closet in the City of New London

EDC Revolving Loan Fund Businesses. In June of 2019, revolving loan funds were approved for two Kandiyohi County businesses, K-Traps of Willmar located SW of Pennock and VP Enterprises, AKA Erickson Plumbing and Heating of Blomkest. K-Traps new owners Shawn and Joy Henkel are pleased to be operating the growing business which manufactures traps for minnow businesses throughout the U.S. Erickson Plumbing and Heating will retain the business name as it is well known by customers primarily in the a 50-mile radius surrounding Blomkest. Owners Kenneth Proctor and Ryan Vatnsdal own a plumbing and heating business in Alexandria as well as this new acquisition in Blomkest.

Other EDC-Assisted Projects

Simply Shrimp. During the fall of 2019, Paul Damhof of Simply Shrimp, rural Blomkest, announced plans to expand by constructing a new, larger shrimp production facility. The EDC has been assisting Paul with access to funding assistance through Minnesota DEED programs. The EDC staff also assisted the business with hosting visits from US Senator Tina Smith's office and Minnesota Commissioner of Agriculture, Thom Petersen.

Midtown Plaza Elevator Project. During the first half of 2019 the EDC worked with Zack Mahboub to line up funding to install a new elevator in Midtown Plaza, a diverse business center that have 15 diverse businesses operating on two levels. Funding for the \$129,000 project came from the Southwest Initiative Foundation, Mid-Minnesota Development Commission, Home State Bank, and owner equity. The new elevator replaces the old freight elevator that had not operated for over 30 years (in the former Erickson Building in downtown Willmar). During July of 2019 contractors installed the new passenger elevator. The new elevator provides access to all three levels of the building, including a large meeting space in the basement area.



Joint Powers Board Meeting

Aaron Backman Report

April 23, 2020

COVID-19 Emergency Response (Board Action Requested)

During March and April there have been a number of actions taken by the State of Minnesota related to addressing the coronavirus. On March 13th Governor Tim Walz declared a peacetime emergency in response to federal leaders pronouncing a state of emergency due to the fast moving COVID-19 outbreak. On March 16th the Governor issued Executive Order 20-04 announcing the temporary closure of restaurants, cafes, coffeehouses, etc. This was followed up by EO 20-08 on March 18th that added business closures, including hair and nail salons, barber shops, spas, massage therapists, etc. On March 25th the Governor issued his Stay-at-Home directive EO 20-20. That order was extended to May 4th by the Governor on April 8th and on April 13th the Governor extended the peacetime emergency to May 13th.

The safety measures, such as closing restaurants to dine-in customers and other social distancing measures designed to protect people during this health emergency have significantly affected businesses, especially small businesses. On March 26th the EDC Joint Powers Board in a special meeting decided that it was in the best interest of Kandiyohi County businesses and the overall economy of the area to create an emergency assistance fund for businesses that have been forced to close or significantly reduce their operations. The Board approved allocating up to \$150,000 in existing resources for the COVID-19 Business Assistance Loan (COBAL) Program. The maximum loan amount under this program is \$5,000. The terms of the loan were interest rate at 0%, a maximum length of 24 months with deferred payments up to six months, and a 1% loan origination fee. The EDC Joint Operations Board agreed to administratively approve the COBAL loans with review and approval by the EDC Finance Committee.

During the past four weeks EDC has assisted 40 businesses that wanted information about the COBAL Program and another 15 businesses that needed information about SBA and DEED Programs. Out of the 40, over half (23) submitted COBAL loan applications. The EDC Finance Committee has met three times (4/2, 4/7, 4/14) and is planning to meet next week. They have reviewed 19 applications and approved 13 loans totaling \$65,000 thus far. EDC staff has processed checks and closed on the 13 loans over the past two weeks. In terms of types of businesses assisted, loans have been approved for six restaurants, two hair salon/barbershops, two massage therapy, two gyms and one winery.

Currently, the number of COBAL-eligible loan applications has slowed down and at the same time the EDC is receiving financial assistance requests and COBAL applications from small businesses that have been negatively impacted by the closures or by the Stay-at-Home orders, but are outside of Executive Orders 20-04 and 20-08. Since \$85,000 in budget authority remains available, EDC staff is recommending EDC Board approval to broaden eligibility to allow for assistance for these types of businesses. We are recommending limiting COBAL loans to Kandiyohi County businesses with 10 or fewer employees in these new categories.



Childcare Business Assistance (CCBA) Proposed Program (Board Action Requested)

Another group of businesses that has been negatively impacted by COVID-19 and the Stay-at-Home directives from the State of Minnesota are the childcare home providers. They have not been closed by the Governor, however they are in a challenging financial position. Kandiyohi County has approximately 95 home providers. Most are currently operating at only 50% capacity and they are facing added costs of buying more disinfectants, cleaning supplies, etc. (About 4 or 5 have already temporarily closed.)

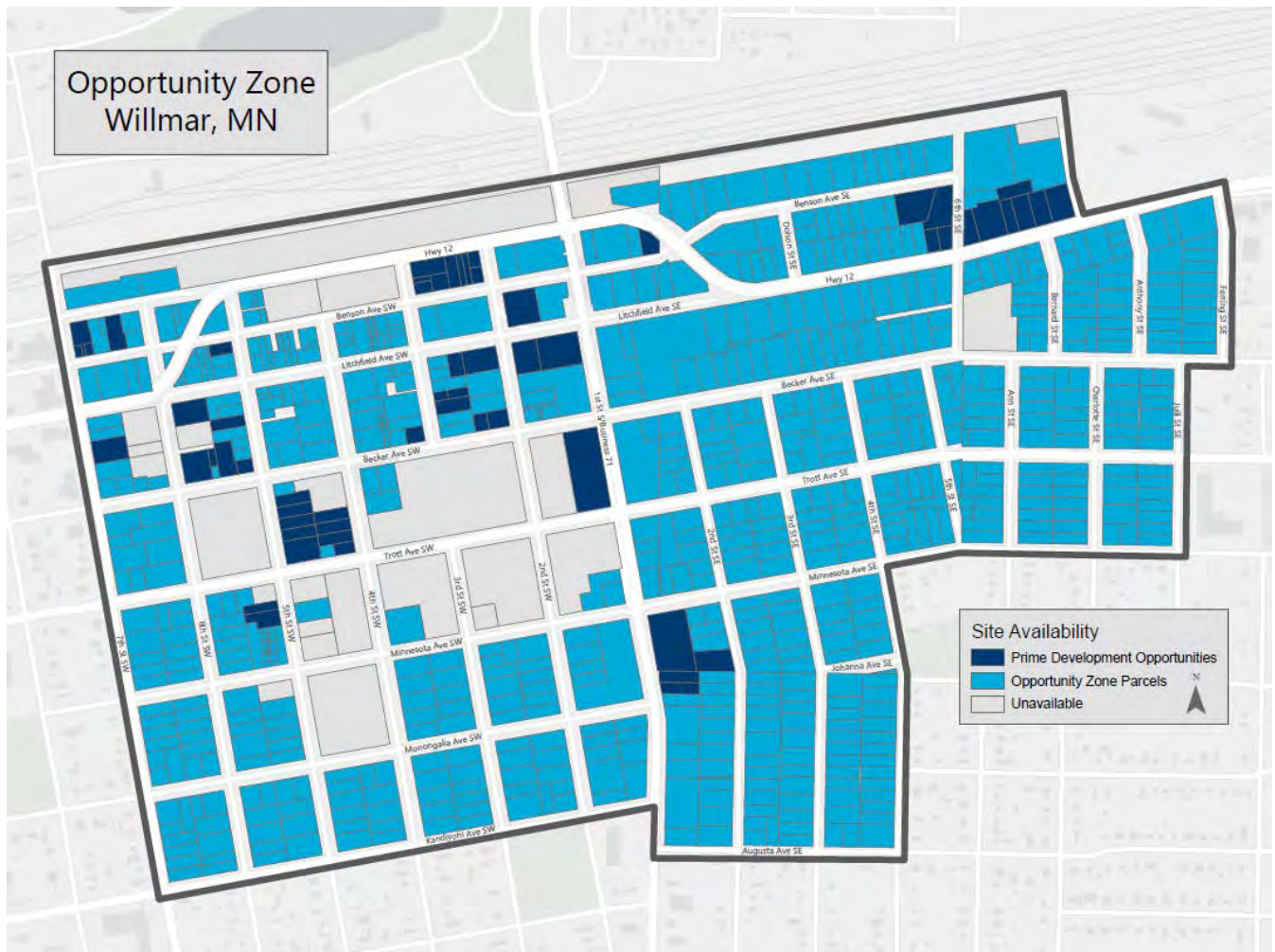
EDC staff is recommending that the EDC set-aside \$24,000 in unreserved funds in order to establish a new Child Care Business Assistance (CCBA) Grant Program that would provide small grants of approximately \$250 each for all childcare providers in Kandiyohi County (excluding the larger childcare centers). EDC staff has been reaching out to potential partners that could match EDC funding. The goal would be to disburse funds to licensed providers during May. The EDC would obtain a current list of providers from Kandiyohi County Child Care Licensing.

Marketing Effort for Willmar Opportunity Zone (OZ)

On September 16th the EDC's Joint Powers Board approved a marketing contract with Golden Shovel to develop a prospectus to market the Willmar Opportunity Zone (OZ). The Board approved the contract as was proposed by the EDC's Joint Operations Board, with \$13,500 coming from the EDC and \$5,000 from the Willmar Main Street Program. The Willmar OZ Team included: Ron Kresha, Golden Shovel COO; David Ramstad and Sarah Swedburg from the City of Willmar/Willmar Main Street; Lindsey Donner, REDstar Creative; Connie Schmoll, EDC; Melissa Knott, Director of Marketing, Christianson & Associates. The team held several meetings and interacted regularly.

On October 16th there was a helpful article in the *West Central Tribune* regarding Willmar's OZ and the EDC's efforts to promote it. As a direct result of that article the City of Willmar and the EDC were contacted by several property owners along the Highway 12 Corridor portion of the OZ potentially interested in selling for a redevelopment project. Also, several potential investors, the most notably HG Real Estate Partners based in the Twin Cities, contacted the EDC.

By the end of December 2019 the Willmar OZ Prospectus was largely ready. Several interesting maps have been created as a result of this effort. The OZ map below highlights prime development sites that the OZ Team has identified. Prospectuses were printed in the second week of January and about 50 were distributed to Board members, business owners, developers and investors in Willmar and beyond.



In early March the final version was printed by Speedy Print (75 copies) that are now available for distribution in hard copy and digitally to developers, site selectors, potential investors, etc. Even though Golden Shovel has completed its activities relative to the contract, it continues to highlight the Willmar prospectus to its contacts and on social media.

The EDC is currently working with several development groups interested in projects that would be located in the Willmar OZ. I have participated in several meetings with a group interested in a multi-family housing project on the northeast side of the zone along Highway 12. Initial concept diagrams have been developed and discussions held regarding site layouts, number of units, parking configurations, and phasing. I have also participated in several meetings with the group interested in a commercial project on the northeast side of the zone also along Highway 12. If both of these projects moved ahead, it would change the look of this arterial entrance into downtown Willmar.



2020 Connecting Entrepreneurial Communities (CEC) Conference

As was mentioned at the January meeting the Connecting Entrepreneurial Communities (CEC) Conference collaborative was seeking proposals to host its September 2020 conference. The CEC Conference is designed for small rural communities (under 10,000 in population) interested in building entrepreneurial communities throughout Minnesota and beyond. The two-day conference is not intended to be held in a conference center, but in a downtown setting that is walkable and that takes place in a community that has restaurants, retail stores, art galleries and other amenities.

Approximately 12 communities around the state submitted applications to host the conference, including the City of New London. During the first week of February we learned that CEC Collaborative selected the City of Staples to host the 2020 Conference. They were complementary regarding New London's application and the local effort, however, it appears that one advantage Staples has was the number of hotel rooms.

Census Education Initiative with United Somali Community of Willmar

At the January 23rd Joint Powers Board meeting Zack Mahboub, representing United Somali Community of Willmar (USCW), a local education group, presented an initiative that is designed to educate and encourage new immigrants to fill out the census forms so that Kandiyohi County has as accurate count as possible for the 2020 census. The EDC's Joint Powers Board unanimously approved providing \$5,000 toward this census education effort. A contract between USCW and the EDC for \$12,500 was developed, with matching grant funds of \$2,500 each from the Southwest Initiative Foundation, Willmar Area Community Foundation and Vision 2040 to support this effort. The contract has been reviewed and is viewed as satisfactory by Brad Schmidt, the EDC's attorney. All matching funds were received by the EDC.

Under the contract, at least four local members of the community that are bilingual in Somali, Karen and other languages will meet and talk with diverse households in Willmar. USCW will contact at least 400 Somali/East African households and at least 75 Karen households. USCW will submit biweekly progress reports to the EDC. The EDC would reimburse USCW in the following manner: \$5,000 paid upon signing the contract, \$2,500 upon USCW reaching 50% of the target numbers for both East African and Karen populations, and \$5,000 at the end of the USCW Census Education process, currently estimated to be during May.

USCW began its education activities in earnest. It opened a temporary office on the first floor of the Midtown Plaza on February 15th. USCW hired one project coordinator, four Somali and two Karen individuals as contractors. It finalized a Willmar map that will assign specific areas to the individual census educators. Two larger meetings were held on February 22nd and 29th with 60 East Africans at each to introduce the census. On February 29th and March 2nd meetings were held with the Karen and Somali contractors and the project coordinator. To date, the Karen census educators have reached out to 78 families and helped 13 households to fill out the census forms; and the Somali



census educators have reached out to 270 households and helped 37 households to fill out census forms. Thus, to date a total of 50 households have submitted census forms that otherwise might have been missed.

Business Meetings (January 24th – April 23rd)

1. Presentation re Investing in Diverse Entrepreneurship at the EDAM Winter Conference in Bloomington, MN (1/24/20)
2. Participated in EDC Marketing & PR Committee Mtg. at WORKUP (1/27/20)
3. Attended w/Donna Boonstra the 2020 MN Legislative Session Outlook at InterContinental in St. Paul (2/29/20)
4. Attended Donn Winckler's Retirement Event
5. Participated in Vision 2040 Steering Committee Meeting at WACF
6. Interviewed by writer for Willmar article in Business in Focus magazine (2/3/20)
7. Attended Willmar City Council meeting approving Bargains & Blessings rezoning of building in Willmar Industrial Park
8. Conference call re MAPCED Meeting agenda during AMC Legislative Conference
9. Participated in Ridgewater College General Advisory Council Mtg. in Hutchinson; followed by tour of campus (2/6/20)
10. Attended Willmar Chamber Public Policy Committee Mtg at The Oaks
11. Monthly mtg. w/Dr. Craig Johnson, Ridgewater College (2/7/20)
12. Participated in Zoom Conference for final changes to Willmar OZ Prospectus (2/11/20)
13. Attended Renaissance Zone presentation at Willmar Main Street Board meeting at Spurs
14. Participated in conference call w/Bob Isaacson, Director of Business Finance, DEED, and Connie re Simply Shrimp, etc. (2/14/20)
15. Participated in Willmar Area Job Fair partner planning meetings at Ridgewater College (2/14 and 3/5/20)
16. Participated in Poultry Education meeting w/Dr. Tim Johnson & Kathy Schwantes at MCROC (2/18/20, 3/17/20, 4/21/20)
17. Participated in Hwy 23 Coalition Board of Directors Mtg. at Dooley's Petroleum (2/19/20)
18. Participated in SBA Roundtable Meeting w/Bryan McDonald, State Director, SBA, and reps for SBDC, SWIF, MMDC, City, local banks, etc. re Willmar Renaissance Zone (2/19/20)
19. Submitted site and utility info to New Mexico rep of prospect for industrial project in Willmar Industrial Park
20. Participated in Open Mic Program at KWLM (2/21/20, 3/19/20, 4/16/20)
21. Participated in EDC Marketing & PR Committee Mtg. at WORKUP (2/24/20)
22. Presented Willmar OZ info to Vision 2040 Housing Subcommittee (2/24/20)
23. Participated in Bi-weekly Mtgs w/Willmar Planning & Zone (2/25, 3/10/20; and GoTo Meeting on 4/16/20)
24. Chaired MAPCED Quarterly Meeting at AMC Legislative Conference in St. Paul (2/26/20)
25. Mtg. w/Beth Fischer, CVB re marketing activities, etc. (3/4/20)
26. Presented to Vision 2040 Leadership Group participants (3/5/20)

27. Attended SW ATP Meeting at MnDOT District 8 Conference Room (3/6/20)
28. Participated in Vision 2040 Housing Subcommittee Meeting (3/9/20)
29. Various meetings in preparation for Hwy 23 Coalition Annual Meeting on 3/13/20
30. Since the COVID-19 Executive Orders in Mid-March EDC staff has been working on staggered shifts with one person always working remotely. Connie and I have participated in 14 conference calls with the State of MN DEED; and 4 MAPCED conference calls
31. Participated in Special Board Meeting via conference call of the Hwy 23 Coalition on 3/27/20 and a regular Board Meeting via conference call on 4/15/20
32. Buy Local Conference Call (4/3/20)
33. Monthly Conference Call w/Dr. Craig Johnson, Ridgewater College (4/3/20)
34. Participated in GoTo Meeting w/Willmar Planning Commission regarding establishment of Renaissance Zone (4/15/20)
35. Community Leadership Conference Call re COVID-19 Response (4/20/20)
- 36.

Business Visits

1. Meeting w/Terry Smith re a proposed business in Willmar area
2. Meeting w/Jason Butler re commercial development in Willmar OZ
3. Site visit by Minneapolis company & tour of proposed space at MinnWest Tech. Campus
4. Mtg. w/owner of Rochester medical company; tour of MinnWest Technology Campus
5. Retail Business Design Group meeting and tour at Habitat for Humanity/ReStore
6. Mtg. w/Josh Slagter, Pinnacle X-Ray regarding new manufacturing building
7. Mtg. w/development group re redevelopment project in Willmar OZ; reviewed a number of initial concept diagrams
8. Meeting w/Jenrry Diaz re proposed business Valladares Drywall in Willmar
9. Meeting & tour of community w/Chaska developer interested in housing project in Willmar
10. Meeting prospective medical device company in Minneapolis w/Scott Marquardt, SWIF
11. Meeting w/Bob Isaacson, Dir. of Bus. Finance, DEED, and Connie re Simply Shrimp in Willmar
12. Participated in CVB Leisure Travel Committee Mtg & Tour of Ridgewater College
13. Meeting w/rep of health-related business in Willmar
14. Discussions with owner of Spurs Restaurant
15. Discussion w/potential restaurant in Willmar
16. Meeting w/potential Microenterprise Loan prospect for new business
17. Since the COVID-19 Executive Orders in Mid-March we have not been meeting at businesses. Instead, we have been interacting with them on phone, e-mail or text. For loan closings the business owners have been coming to the EDC.
18. Conference call re potential project on Green Lake



Poultry Research and Training Facility Planning (Board Approval Needed)

The EDC has been part of a collaborative planning group discussing ways to secure the attention of the University of Minnesota (U of M) for the Willmar area to be considered as the premier site for the future new home of the U of M Turkey Research, Training and Outreach Facility. Partners include the EDC, Ridgewater College, MCROC, and the University of Minnesota. Poultry industry personnel have also been invited into the planning process. Approximately one year ago, U of M personnel had announced they would be relocating from the Twin Cities within the next 5 years. To strengthen a local proposal and to enhance the area for poultry expertise, the group has made the following plans:

Inauguration of a new online Poultry Education Program for this fall at Ridgewater College which will include the following educational courses:

- Poultry Nutrition, Feeds and Feeding
- Environmental Management for Poultry Production
- Managing Poultry Health

Ridgewater entry level classes will help grow our own workforce/talent pool for local poultry producers and strengthen any proposal we may develop in the future to secure the U of M facility for this area.

Also planned are online, 5000 level courses, primarily graduate level, at the University of Minnesota. The courses to be offered will include:

- Bio-security
- Microbiology of the Poultry Environment
- Poultry Food Safety

All the classes will help local and regional industry with workforce/talent recruitment. Classes can be chosen singularly or in sequence which allows current poultry production workers to enhance the skills they already have with targeted areas of additional educational attainment.

The next step for this planning process is to develop marketing materials highlighting the value proposition to businesses and prospective students. Ridgewater Agriculture and Marketing students will be involved in this part of the planning. After the message and campaign are approved, videos and other marketing materials will be created and posted locally and to targeted groups including the Minnesota Poultry Growers, the Poultry Science Association, the Midwest Poultry Convention, and poultry associations in states where the industry is highly notable such as Iowa, North Carolina and Arkansas.

The marketing campaign is where the EDC may be of the greatest help. The video creation and placing ads will take roughly \$12,000 to \$15,000. The University of Minnesota has some funds (approximately \$5,000) to put toward this effort. I am asking the Board to consider approving EDC marketing funds toward this effort in the amount of \$3,000. The budget line items to consider for this cost could be Marketing/General Marketing (\$4,864 remaining of \$6,200), or the Countywide Business Development line item (\$6,000 remaining).



**Joint Powers Board Meeting
Connie Schmoll Report
April 23, 2020**

Childcare

Willmar Child Care Center. The Center has made a final payment for construction costs. It is currently awaiting final inspections. Willmar Child Care Center potential staff continues to access trainings provided by United Community Action Partnership (UCAP). UCAP is using BlueCross BlueShield funds and some Language Access Funds to provide this assistance. Several RCCIP participants have been offering support and will continue to do so as time and funds allow.

The Kandiyohi County Rural Childcare Innovation Program core leadership team is working on a document to show career paths for childcare and early childhood education as a means of enticing students to the field. “Thriving in a Changing World,” a conference for providers is planned for September 11th and 12th in Spicer. A *Launch Your Future Today* (LYFT) grant planning meeting was set for March 17, 2020. Willmar High School and NL/S High School administrators planned to attend. A provider appreciation event will be in May. Fifteen Ridgewater students have shown interest in Early Childhood classes at the Willmar Campus.

The six Minnesota Initiative Foundations created an Emergency Child Care Grant Program to provide immediate financial support to licensed childcare providers in greater Minnesota in response to the coronavirus pandemic or COVID-19. Each of the six foundations committed \$50,000—for a total of \$300,000 dedicated for greater Minnesota childcare providers right away—and are working to secure additional resources from other partners. The Minnesota Initiative Foundations have awarded grants of up to \$3,000 to licensed family and center-based providers in their respective service regions. To be eligible, providers had to be caring for children (ages birth to 5 years) of parents or guardians who are working in government-identified critical sectors, who are exempt from the stay-at-home order.

As part of their COVID-19 Response Supplemental Budget proposal, Gov. Tim Walz and Lt. Gov. Peggy Flanagan announced a new grant program for licensed childcare providers serving essential workers during the COVID-19 public health emergency. This program is administered by Child Care Aware of Minnesota.

Broadband

The township broadband project will not move forward as planned since one of the townships, St. Johns, voted to not proceed after ballots came in. They received 22 no votes and 16 yes votes. They are hopeful that with more education of the constituents, they can continue to seek a project for next year. Mamre Township was just 8 ballots short of the 75% of ballots that they determined they needed to vote on pursuing the project. Dovre Township supervisors, Marie Ostby and Sherry Jean Larson expressed interest in pursuing a project for just their township, if a provider shows interest in



doing so. Arvig will only be interested if 78% of the residents commit to subscribing to services. The EDC's Broadband and Advanced Technology Committee will be working on gathering statistics now that the Stay-at-Home and Distance Learning mandates have given schools and families time to assess if what they are currently using is working for them. Contacts will be made with the school districts, townships and others to gather data and consider next steps.

Opportunity Zones

I attended the Minnesota Real Estate Journal (MREJ) Summit on Opportunity Zones (OZ) on March 5th along with David Ramstad and Sarah Swedburg of Willmar Planning. This is the third summit on OZ that has been put on by MREJ. The first had more than 500 participants. The March 5th summit included information on what is currently happening throughout the nation and some cautions and encouragement. "Do your homework" and "invest in assistance by attorney and/or accountants with experience" was stated several times. It was reported that Community Foundations across the nation are working to engage local investors. Investors get involved for reasons other than just tax savings, including wanting to make a community impact and seeking a good return on the funds invested. It was mentioned frequently that the program incentives did not end at the end of 2019, there is still a significant payoff for investors with a 10% reduction in capital gains taxes. There was also the reminder that the taxes do need to be paid after December 2026 and investors need to keep that in mind. Deals made and projects planned include multi-family housing, condos and hotels. Larger development started on the west and east coast and is now moving to the Midwest. It is expected that current OZ projects will be followed up with retail and service projects in the same communities. A medical office or facility may follow as well and would be a key component of moving forward in the OZs. Funds need to be created and projects need agreements in 2020 to get full advantage. Promoting local OZs now is a good plan. Many communities are behind in doing so.

I have shared the Willmar Opportunity Zone Prospectus with 23 people, including site selectors from 17 different companies, business consultants and representatives of USDA Rural Development. Some of the companies included are CBRE, JLL, Colliers, Deloitte, Cushman and Wakefield, Evans Group, Atlas Insight, Dean Foote Consultants and others. I also handed some out at the MREJ summit. The document will be a great resource to take to the Area Development Forum in Detroit when it is rescheduled.

Agriculture Innovation

The EDC's Agriculture Subcommittee for Event Planning and Marketing has secured a keynote speaker and story tellers for the July 30, 2020 Partners in Ag Innovation Workshop in conjunction with MinnWest Technology Campus. The seminar on estate transfer and succession planning for ag producers on March 24th was postponed until July.



Meetings and Events

1. Poultry Research and Training Facility meeting
2. Childcare Core Leadership Team
3. Willmar City Planning meetings
4. Chamber of Commerce Grow Minnesota Team meeting and visioning
5. Neil Linscheid planning for March SWBDN meeting in Willmar—Retail Business Design Program
6. Update meetings with Compass Consultants and Arvig
7. Highway 23 Legislative Committee meeting
8. Ag Innovation Workshop planning
9. Live online participation in Vermont Industrial Hemp Conference
10. MN Real Estate Journal OZ Summit
11. Broadband meetings with townships, Dovre, Mamre, St. Johns and Arctander
12. Broadband Day on the Hill
13. St. Johns and Mamre broadband education presentation in Pennock
14. Highway 23 Coalition Annual Meeting
15. Partners in Ag Innovation planning
16. Working Remotely Webinar
17. ZOOM training with Neil Linscheid
18. MAPCED ZOOM networking meetings
19. Emergency teleconference meetings with the EDC Finance Committee
20. Emergency ZOOM Board meeting
21. City of Willmar Planning GoTo meeting
22. State of Minnesota DEED conference calls

Business Visits

1. Simply Shrimp tours with DEED's rep. Bob Isaacson
2. Simply Shrimp and West Central Steel tours with staff of Sen. Tina Smith's Office
3. Model Citizen business planning
4. Bargains & Blessings business planning
5. Business planning with high-school student, Nuredin
6. Bahatti GI Clinic planning
7. Business calls and planning concerning COVID-19



Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

OPPORTUNITY ZONE PROSPECTUS

Prepared by the Kandiyohi County and City of Willmar Economic Development Commission



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INCREASE

Willmar's population is up 9% since 2000.



INNOVATIVE

regional investments in the fields of animal vaccine, metal fabrication, food processing, and value-added agriculture.



MINNWEST TECHNOLOGY CAMPUS

business community currently accommodating over 30 agribusiness, bioscience and other innovative companies who are global leaders.



GROWTH

Kandiyohi County's labor force has risen by 5.4% from 2010 to 2018.



INCLUSION STRATEGIES

by community leaders maintain a goal of equitable and diverse growth for all segments of the community.



VIBRANT

arts community and rich cultural diversity featuring distinctive events and over 80 ethnic businesses.



COMMUNITY-BUILT

19,000 square foot, fully-accessible Destination Playground is one of the many recreational opportunities for families.



WIDESPREAD

access to 200Mbps download speeds gives innovative companies the needed bandwidth to succeed.



SIGNIFICANTLY

lower cost of living than other areas of Minnesota with annual property taxes between \$800-\$1,499.



AMBITIOUS

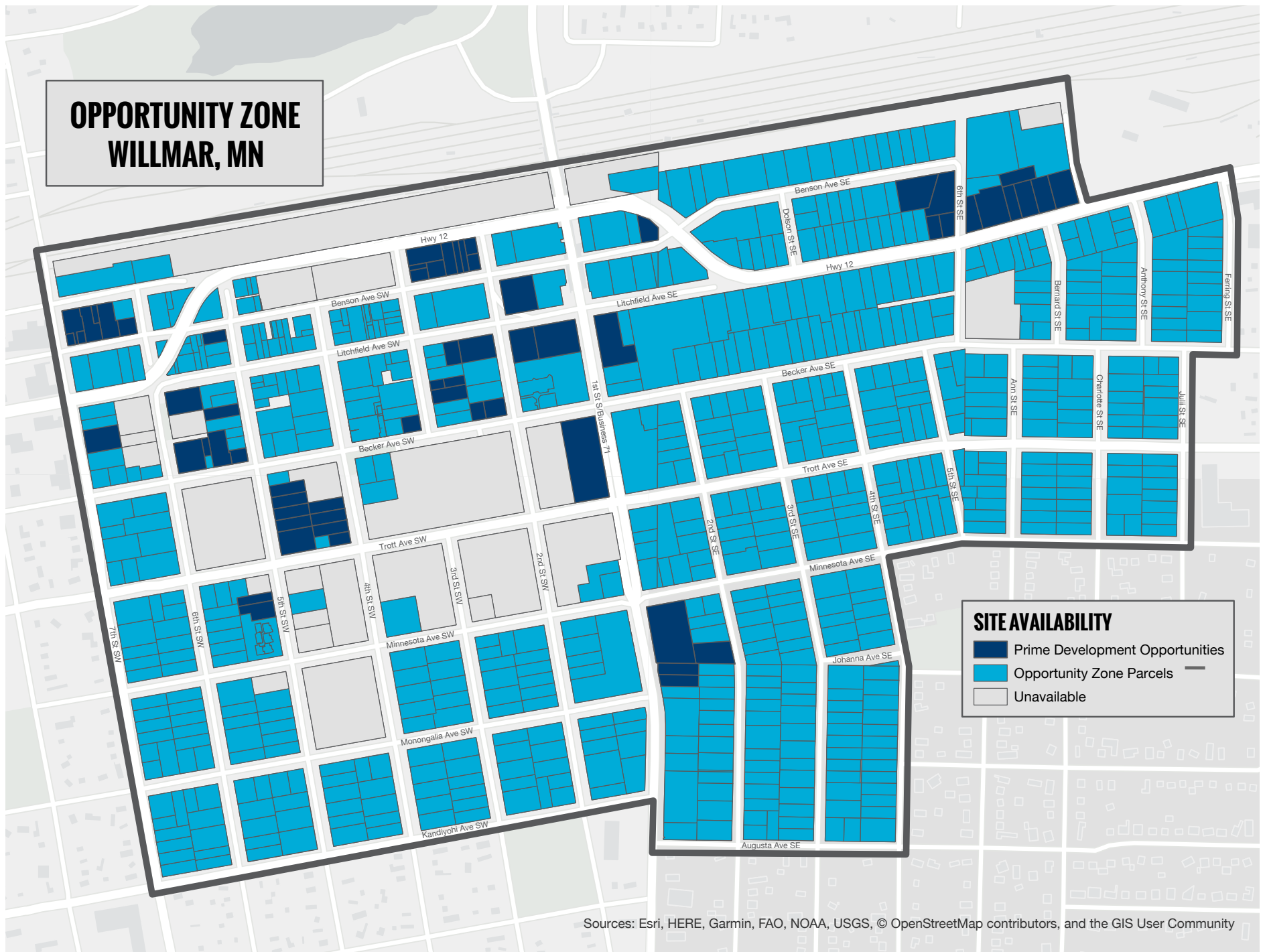
economic development leaders collaborating with community leaders to offer the best possible opportunity zone investments.



"The way this community [Willmar] has embraced its growing workforce, its immigrant workforce, and is navigating those challenges is really a model for the rest of the state."

**Steve Grove, DEED Commissioner
& former Google Executive**

OPPORTUNITY ZONE WILLMAR, MN



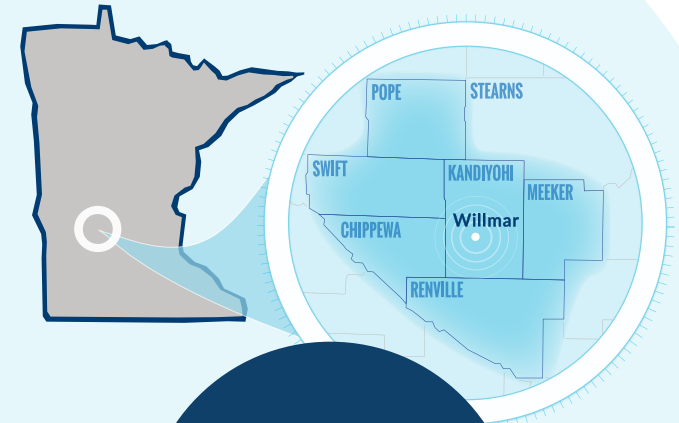
Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

LOCATION OVERVIEW

Willmar's diverse economy and population provide new and existing businesses the right socio-economic environment for growth and success. Located 90 miles west of Minneapolis/St. Paul, this county seat with 20,000+ residents, offers the key transportation routes needed for today's businesses.

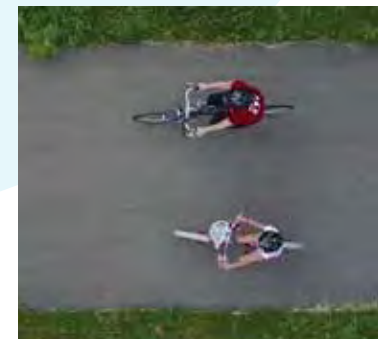
Originally established on a railroad town in 1869, Willmar is surrounded by productive farmlands and scenic lakes. This vibrant community supports robust medical, technology, service and value-added sectors.

Willmar, the largest city in Kandiyohi County, is a regional center for advanced manufacturing, agricultural biosciences, healthcare, and retail service and hospitality. These industries generate employment opportunities and livable wages for thousands of families in the surrounding communities.



FAST FACT

Nearly 12,000 employees commute to Willmar for work on a daily basis.



INDUSTRIES



FAST FACT

Private investment
in the MinnWest
Technology Campus now
exceeds \$17 million.

ADVANCED MANUFACTURING

The Willmar area hosts emerging regional technologies in the fields of food manufacturing, robotics, and advanced agriculture. Companies like Select Genetics, Nova-Tech Engineering, DI Labs, Epitopix, and RELCO have access to a thriving, highly-skilled workforce provided by Ridgewater College and the University of Minnesota's Mid-Central Research and Outreach Center (MCROC). Cooperation with educational programs and Ridgewater College allow business leaders to help prepare the future workforce.

AGRICULTURE

Willmar is a prime location for agribusiness, bioscience, and technology businesses and is home to industry leaders. Jennie-O, the nation's largest turkey processing company, and RELCO, the world's third-largest dairy equipment manufacturer, are located in Willmar's Industrial Park. Epitopix, an affiliate of the Netherlands' company, Vaxxinova, is a veterinary biologics research, development, and manufacturing company located in Willmar. Nova-Tech Engineering, situated on the MinnWest Technology Campus, manufactures and leases poultry-treating equipment used globally.



MEDICAL

As a regional medical center, Kandiyohi County has state-of-the-art facilities and hundreds of medical providers who provide outstanding care. At every stage of your life, Kandiyohi County has healthcare options for almost every circumstance. There are over 5,000 healthcare jobs in Kandiyohi County, making it the region's top industry and that number continues to grow.



GROWTH

Healthcare and social assistance are the largest and fastest growing industries and may account for up to 40 percent of the projected growth. Construction, professional services, technical services and agriculture represent areas of expected further growth.

During 2019 several notable construction projects were underway or completed, including, the Ziegler Cat sales and service center (a \$15 million project), 15th Street Flats multi-family housing project (a \$9.3 million project), the Child & Adolescent Behavioral Health Services (an \$8.7 million project), and Unique Opportunities' multi-family housing project (a \$4.8 million project). Notably, in 2019, Policom ranked Willmar as the top Micropolitan community in Minnesota and #66 in the country.

The projected growth continues to build the confidence in business owners and community leaders who support expansion. Willmar's Opportunity Zone is an ideal location for investors wishing to tap into the city's future.

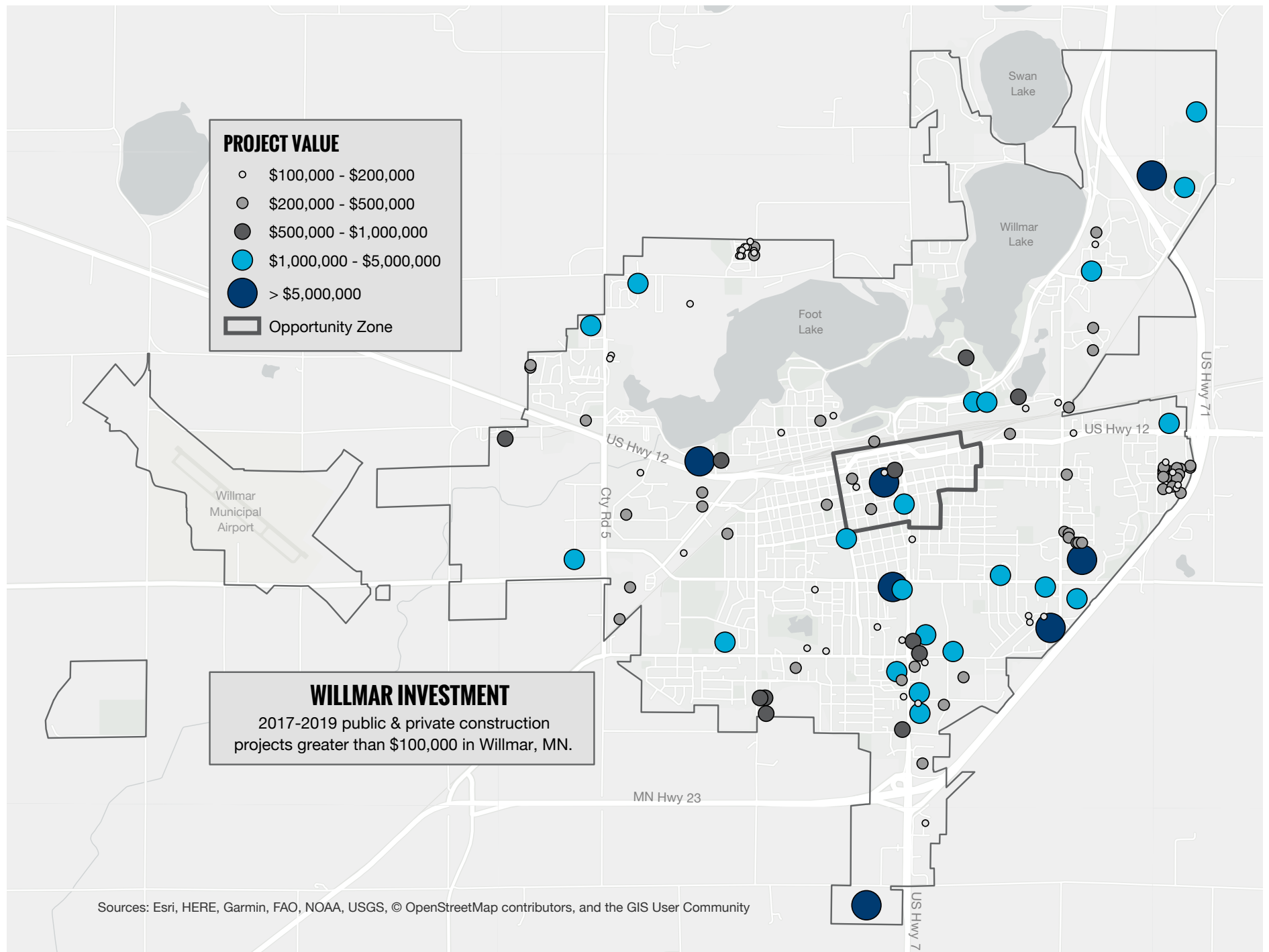
FAST FACT

From 2016 to 2019, there has been \$190 million in commercial, industrial, institutional, and residential construction in Willmar.



"The Willmar Lakes Area is full of people deeply invested in our communities. They dream big dreams, step up to lead and roll up their sleeves to make things happen not only from a business mindset, but from a quality of life perspective."

Sara Carlson, Executive Director • Willmar Area Community Foundation



WORKFORCE

Willmar is the regional center for West Central Minnesota and extends employment opportunities into the six contiguous counties of Chippewa, Meeker, Pope, Renville, Swift and Kandiyohi. Of the 103,000 residents, over 65,000 are employed earning an average household income of \$51,859. Almost 90% of the residents have a high school or higher level of education with 18% holding a bachelor's degree or higher.

Willmar continues to see steady increases in the number of workers aged 20 to 44 years and gains in workers over 65 years of age. The 25 to 54-year-old age group is the largest contributor to Willmar's labor force, accounting for 58 percent of the total. Latino and East African working populations increasingly contribute to Willmar's workforce. As with many areas of the U.S., access to a steady or growing workforce is critical to future area economic development.

"The way this community has embraced its growing workforce, its immigrant workforce, and is navigating those challenges is really a model for the rest of the state," Steve Grove, MN DEED Commissioner, said in an interview following an hour-long question-and-answer exchange with about 30 business and community leaders at the MinnWest Technology Campus.

FAST FACT

From 2010 to 2018 Kandiyohi County's labor force grew three times as fast as its overall population growth



EDUCATION

Ridgewater College, with campuses in Willmar and Hutchinson, boasts of several highly ranked programs: Ridgewater's Computer-Aided Drafting (CAD) Associate Degree is ranked #2 in the U.S. Its Nondestructive Testing (NDT) Program in the Hutchinson campus is ranked in the top 18 programs in the U.S. Its Nursing Program is ranked 5th in Minnesota. Ridgewater's Dairy Management Program is Minnesota's only two-year dairy program. Moreover, the college's Customized Training and Continuing Education Department serves nearly 10,000 individuals a year.

With an average yearly enrollment of 4,500 students and rated #1 among Minnesota Community Colleges, Ridgewater College is an essential asset for the Willmar community and employers.¹

¹Niche.com



“Ridgewater College has set a priority goal to eliminate the achievement gaps in our student population, aimed at ensuring that all members of our community achieve their full potential for career and life success.”

**Dr. Craig Johnson, President •
Ridgewater College**





TRANSPORTATION/DISTRIBUTION

Willmar's comprehensive transportation network has an abundance of modalities to keep goods and services moving through Kandiyohi County.

As a regional trade center for West Central Minnesota, one of the key elements in the city's plans is enhanced freight connectivity for industrial development. The \$48 million Willmar Rail Wye Project provides access, the opportunity to expand businesses, and create jobs. With this rail spur, the Willmar Industrial Park will be served by all three major freight modes - air, rail, and trucking.

FAST FACT

Each day 17,000 vehicles travel through the Opportunity Zone on 1st Street/Business 71 alone.

The Willmar Industrial Park to the west of the Opportunity Zone is stimulated by The Burlington Northern Santa Fe Class I Railroad. Minnesota's most active railway connections travel through Willmar providing superior access for our companies.

Highway Business 71 goes through the Willmar Opportunity Zone and connects with two major highways, US Highway 12 and MN Highway 23.

The Willmar Municipal Airport sufficiently accommodates business jets and cargo planes with the paved 5,500-foot runway. This airport offers precision instrument approach, non-precision instrument approach, and aircraft storage. Business travelers and owners have access to a full-service, fixed-base operator (FBO) without the congestion of a metro airport.

CAPITAL INVESTMENT

Kandiyohi County has experienced sustained growth over the past six years with investments occurring in medical, manufacturing, institutional, retail, and housing.

Private investment in the MinnWest Technology Campus now exceeds \$17 million since 2006.

Highway 23 Coalition successfully lobbied for \$105 million in Corridors of Commerce funding to expand two-lane gaps to four lanes extending north from Willmar.

From 2016-2018, approximately \$63 million has been invested in housing in Kandiyohi County (including Willmar) creating over 300 multi-family and single-family housing units, and over 150 housing units are underway in 2020.

In the last two years, education investments include a newly constructed \$27 million Lakeland Elementary school in Willmar and a \$25 million Performing Arts Center/Gymnasium addition in the New London-Spicer School District.

Implementation of the Rural Child Care Innovation Program has a total of 210 new spaces in two new childcare centers that are under construction.

FAST FACT

Public and private investment in Willmar's Central Business District exceeded \$21 million over the last six years.





INCLUSION STRATEGY

The City of Willmar is working towards equitable and inclusive growth for all segments of the community. Our inclusion process is evidenced by the successful participation of large Latino and East African populations that continue to grow the business community of Willmar and the surrounding area.

The 2017 Diverse BRE Survey identified 31 East African businesses, 27 Latino businesses and at least 8 Asian businesses in Willmar. Almost half of the Latino businesses have been operating for more than 10 years, and a fifth of the Latino businesses have been started within the last two years. Businesses created by the Somali population are more recent with one third in operation for over 10 years and one third starting in the last two years.

Successful Opportunity Zone (OZ) development will increase economic growth, security and mobility for all Willmar residents and reduce racial wealth gaps. Developers, builders, and investors will have equal access to opportunities in the zone. The Opportunity Zone drives investments that foster mixed-income housing, affordability, and security for families most at risk of displacement, including low-income households and households with new Americans. Investments are expected to drive equitable growth and prosperity for current low-income residents and communities of new Americans within the zone.

Community groups and leaders continue to intentionally pursue equity throughout all facets of life in the Willmar area.

FAST FACT

Kandiyohi County leaders understand the benefits of social and economic diversity and maintain a goal of equitable and inclusive growth for all segments of the community.

“A healthy Willmar is an equitable and inclusive community where everyone is empowered, valued and treated with dignity.”

Willmar Human Rights Commission



INCENTIVES

Kandiyohi County & City of Willmar Economic Development Commission (EDC) provides technical and financial assistance to businesses (both direct loans and loan guarantees). The EDC can develop and submit funding applications to the Minnesota Department of Employment & Economic Development (DEED) on behalf of companies.

Southwest Initiative Foundation (SWIF) provides business loans in West Central and Southwest Minnesota communities. SWIF can finance up to \$300,000 for equipment, inventory, working capital and real estate.

West Central Angel Fund is Willmar-based and focuses on early to mid-stage investments in high-tech and growth companies. 28 investors have committed \$1.5 million to the fund.

Business & Industry (B & I) Loan Guarantees through USDA. This program is only available in rural areas with populations under 50,000. The maximum loan guarantee is 80% for up to \$5 million.

The EDC can also collaborate with the City of Willmar's Planning & Development Services Department on Tax Increment Financing (TIF) and Tax Abatement financial assistance for projects in the Willmar Opportunity Zone.

FAST FACT

City officials pursuing additional layers of incentives to be added to the OZ capital gains tax incentives.

FAST FACT

Development-friendly city issuing around \$50 million in construction permits annually



PROPERTY TAXES

This chart shows that households in Willmar, MN distributed according to applicable tax rates compared to the national averages. Willmar households pay taxes in the \$800-\$1,499 range (Census Bureau).

County Rate	59.15
City of Willmar Rate	38.076
Willmar School District Rate	24.05
Countywide HRA Rate	1.091
Countywide EDC and MMDC Rate	1.147
Total for Willmar Residents	123.514

County rates the same for all cities but the city and school amounts vary.

FAST FACT

The overall index cost of living is almost 32% lower in Willmar than in the Minneapolis, Minnesota metropolitan area. Minneapolis area housing costs are 68% higher and transportation costs more than 82% higher than in Willmar.



REFERENCES

PAGE NOTE

SOURCE

2	Willmar's population is up 9% since 2000	In 2000, the U.S. Census listed Willmar's population as 18,351. In 2010, the U.S. Census listed Willmar's population as 19,610, an increase of 6.97%. In June 2018, Susan Brower, MN State Demographer, indicated Willmar's population was 20,008 or a 9.0% increase.
2	Kandiyohi County's labor force has risen by 5.4% from 2010 to 2018	Luke Greiner, Regional Analyst, MN DEED, May 2019, in Kandiyohi County Profile Report, Table II.
3	Arts community and rich cultural diversity featuring distinctive events and over 80 ethnic businesses	Aaron Backman, Executive Director, Kandiyohi Co. & City of Willmar EDC, Business Retention & Expansion (BRE) Program for Diverse Businesses in the Willmar Area (July 2017 and more recent data)
3	Lower cost of living than the Twin Cities and other metropolitan areas of Minnesota with average annual property taxes ranging between \$800-\$1,499	Mark Thompson, Kandiyohi County Auditor/Treasurer; Sperling's Best Places, 2019 Cost of Living Calculator
5	Nearly 12,000 employees commute to Willmar for work on a daily basis	Luke Greiner, Regional Analyst, MN DEED, June 2018, the data from State of Minnesota is from 2015
6	Private investment in the MinnWest Technology Campus now exceeds \$17 million	Joanna Schrupp, General Manager, MinnWest Technology Campus, September 2019.
8	From 2016 to 2019, there has been \$190 million in commercial, industrial, institutional and residential construction in Willmar	Bruce Peterson and Dave Ramstad, Planning & Development Services, City of Willmar.
10	From 2010 to 2019 Kandiyohi County's labor force grew three times as fast as its overall population growth	Luke Greiner, Regional Analyst, MN DEED, May 2019.
12	Each day 17,000 vehicles travel through the Opportunity Zone on 1st Street/Business 71 alone	Willmar Traffic Volume Map, 2016, Minnesota Department of Transportation.

- | | | |
|----|--|---|
| 13 | Public and private investment in Willmar's Central Business District exceeded \$21 million over the last six years | Sarah Swedburg, City Planner, City of Willmar, Willmar Downtown Main Street Economic Development Report (2018). |
| 15 | Kandiyohi County leaders understand the benefits of social and economic diversity and maintain a goal of equitable and inclusive growth for all segments of the community | City of Willmar Council and Human Rights Commission |
| 16 | City officials pursuing additional layers of incentives to be added to the OZ capital gains tax incentives | Dave Ramstad, Planning & Development Services, City of Willmar. |
| 16 | Development-friendly city issuing over \$50 million construction permits annually | Dave Ramstad, Planning & Development Services, City of Willmar. |
| 17 | The overall index cost of living is almost 32% lower in Willmar than in the Minneapolis, Minnesota metropolitan area. Minneapolis area housing costs are 68% higher and transportation costs more than 82% higher than in Willmar. | Sperling's Best Places, 2019 Cost of Living Calculator |



BIOGRAPHIES

Aaron Backman

Executive Director

Aaron Backman, Executive Director, has been active in economic development management at the local level for 26 years. Since February of 2016 he has been the Executive Director of the Kandiyohi County & City of Willmar Economic Development Commission (EDC) in West Central Minnesota. In that capacity Aaron has been instrumental in getting approvals for a variety of projects in the Willmar Lakes Area, including:



- \$525,000 in TIF financing for 15th Street Flats, a new \$9.3 million multi-family affordable housing project in Willmar offering 47 units utilizing a 9.0% tax credit program from Minnesota Housing;
- \$983,000 in tax abatement financing for Little Crow Resort, a new \$7.8 million complex that includes a 51-room GrandStay Hotel, 300-seat event center, 75-seat restaurant and clubhouse;
- \$1,527,000 in TIF financing for Bethesda North Pointe, a new \$17.5 million senior lifestyle housing development under construction in New London encompassing 75 units of independent living, assisted living, and memory care.

As the Executive Director of the Windom Economic Development Authority (EDA), Aaron was responsible for promoting, facilitating, and coordinating economic development activities for the City of Windom in Southwest Minnesota. He facilitated the development and expansion of the North Windom Industrial Park, a new 80-acre subdivision. He raised over \$1.4 million in state infrastructure grants for the project.



Connie Schmoll

Business Development Manager

As the Business Development Manager for the Kandiyohi County and City of Willmar Economic Development Commission, Connie Schmoll identifies development needs and opportunities in Kandiyohi County emphasizing advancing agribusiness, bio-business, value-added agriculture and renewable resource development as economic drivers in the future success of Kandiyohi County.

In five years, she has facilitated several committees, including the Business Retention and Expansion/Recruitment Committee, Agriculture and Renewable Energy Development Committee, and the Broadband and Advanced Technology Committee. She has conducted studies of local business needs and agriculture production, agri-business and agriculture/bioscience industries retention issues and expansion plans.

In 2017, Connie was instrumental in establishing the West Central Angel Fund that has 28 local members and makes investments in early to mid-stage private companies that demonstrate the potential for sustainable, profitable, growth-capable operations while providing a suitable return for investors.

Connie has over 20 years of experience in fund development and grant writing. She wrote a successful proposal for Transportation Economic Development (TED) Grant funds to enhance a rural road for a large dairy operation. She has recently prepared and submitted a \$1.3 million grant proposal to the State of Minnesota for Innovative Business Development Public Infrastructure funds to assist the City of Willmar and a local business in expansion efforts, including an extension of city utilities.

Connie gained her fundraising and grant writing skills in a prior position as Executive Director of a non-profit organization. She led the organization in a \$1.5 million capital campaign and building project that served as a shelter for women and children.

Connie is a graduate of St. Catherine's University in St. Paul, Minnesota.

WHAT ARE OPPORTUNITY ZONES AND HOW DO THEY WORK?

In 2017, opportunity zones were added to the tax code by the Tax Cuts and Jobs Act. This federal legislation recognized distressed neighborhoods with high-poverty as places needing investment. Willmar, MN received an opportunity zone designation for Census Tract: 27067780800 located in the City of Willmar.

Willmar's Opportunity Zone is an economic development tool designed to attract investment and job creation.

WHAT IS AN OPPORTUNITY ZONE?

An opportunity zone is an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as opportunity zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service.



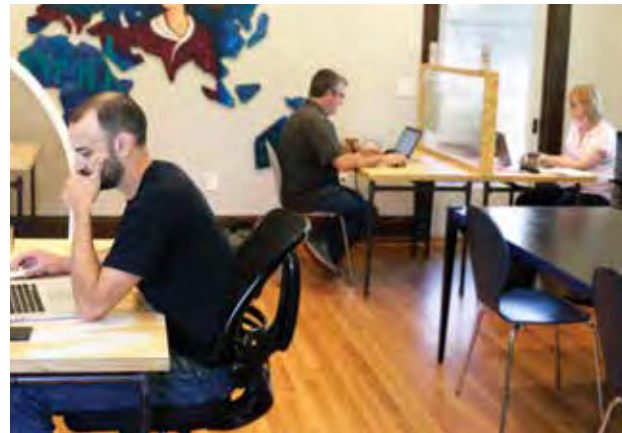
HOW DOES THE WILLMAR OPPORTUNITY ZONE WORK?

Opportunity Zones are designed to spur economic development by providing tax benefits to investors. First, investors can defer tax on any prior gains invested in a Qualified Opportunity Fund (QOF) until the earlier of the date on which the investment in a QOF is sold or exchanged, or December 31, 2026. If the QOF investment is held for longer than 5 years, there is a 10% exclusion of the deferred gain. If held for more than 7 years, the 10% becomes 15%. Second, if the investor holds the investment in the Opportunity Fund for at least ten years, the investor is eligible for an increase in basis of the QOF investment equal to its fair market value on the date that the QOF investment is sold or exchanged.

- A poverty rate of at least 20%; or
- A median family income of:

No more than 80% of the statewide median family income for census tracts within non-metropolitan areas.

No more than 80% of the greater statewide median family income or the overall metropolitan median family income for census tracts within metropolitan areas.



Up to 25% of the census tracts of each jurisdiction that met these criteria could be nominated. An additional 5% of each jurisdiction could qualify if they met a different set of income and geographic qualifications:

- A census tract that's contiguous with a low-income Opportunity Zone; and
- A median family income of no more 125% of the median family income of the adjacent Qualified Opportunity Zone.

DO I NEED TO LIVE IN WILLMAR?

No. You can get the tax benefits, even if you don't live, work or have a business in an opportunity zone. All you need to do is invest a recognized gain in a Qualified Opportunity Fund and elect to defer the tax on that gain.

WHAT IS A QUALIFIED OPPORTUNITY ZONE FUND (QOF)?

A Qualified Opportunity Fund is an investment vehicle that files either a partnership or corporate federal income tax return and is organized for the purpose of investing in Qualified Opportunity Zone property. It is the intent of the EDC to pursue the creation of a local/regional QOZ Fund that would have local and outside investors.



HOW CAN WILLMAR TAKE ADVANTAGE OF THE OPPORTUNITY ZONE?

Opportunity Zones and Opportunity Funds were created to stimulate private investment in exchange for capital gain tax incentives. This program is intended to stimulate the investment of the estimated \$6.1 trillion of unrealized private gains held by U.S. taxpayers.

This program is less restrictive than other tax credit programs, such as New Markets Tax Credits (NMTC) and Low-Income Housing Tax Credit (LIHTC) Program. Opportunity Zones don't operate through a tax credit program. Instead, Opportunity Zone designation and investment are governed through two Internal Revenue Code sections. This removes any limitation on the number of Opportunity Funds that can exist, making them more the product of an entirely new IRS rule that changes the tax treatment of capital gains than the subject of a more traditionally structured tax credit program.

There is no cap on the amount of capital that can be invested into qualified Opportunity Zones, and hence no arbitrary limit on the extent to which Opportunity Zones and Opportunity Funds may help reshape downtrodden communities.

Most importantly, the Opportunity Zone program allows local investors, at any level, to participate in investment in Willmar and to participate in the economic growth of the community.

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