

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

FINANCE COMMITTEE

MINUTES

October 10, 2017

EDC Board Room, Willmar

Present: Nick Dalton, Gary Gilman, Les Nelson, Bruce Peterson, Justin Schnichels and Randy Zinda

Excused: Matt Behm, Kerry Johnson and Russ Weeks

Guests: Diane Harms, Coffee & More

Staff: Connie Schmoll, Business Development Specialist

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

Vice Chairperson Nick Dalton called the meeting to order at approximately 12:00 p.m.

MINUTES—

IT WAS MOVED BY Justin Schnichels, SECONDED BY Gary Gilman, to approve the minutes of the September 12, 2017 meeting as emailed. MOTION CARRIED.

REPORTS

Historic 313 on Fourth Street, LLC Project Update. Connie Schmoll reported the owner of the Spurs Restaurant continues to renovate her space in Historic 313 as funds become available. The entrance to Foxhole Brewhouse has changed and their remodeling is finished. Committee members commented on the article in the October 9, 2017 issue of the *West Central Tribune* on the transition of Willmar Downtown Development. The committee recommended a future meeting be held at Foxhole Brewhouse to view the progress made at Historic 313 on Fourth Street. Schmoll also recommended the meeting include a tour of Midtown Plaza.

Other. Dalton reported a closing was held between Little Crow Country Club and Glacial Ridge Hospitality. They expect construction to start in the next month and a celebration will be held October 25, 2017. Schmoll reported Eryn Hannig continues to move forward with her purchase of Building 320. Marketing Concepts has signed a Purchase Agreement for property in Willmar.

NEW BUSINESS

Coffee & More Loan Application. Schmoll provided background information on Diane Harms and her loan application for Coffee & More. Ruth Ann Karty worked with Harms on the financial projections. Schmoll stated the Spicer EDA is supportive of the project. Life insurance on Harms is pending. Schmoll stated

another individual is interested in opening a coffee shop on the north end of Spicer and Hannig plans to have a coffee shop in her new location. It was noted that none of the Spicer locations will have a drive through at this time.

[Diane Harms joined the meeting.]

Diane Harms was introduced to the committee and distributed her brochure/menu. Harms stated at present, Spicer does not have a coffee shop. Her shop will be located right off the bike path and will be easily accessible. She may look at adding an outdoor patio at some point. Harms will offer catering of boxed meals and businesses have indicated an interest in catering services. She has a three-year lease with Denny Baker and the building is shared with Baker Printing. There are six parking spots in front of the building and one will be designated for handicapped parking. Line striping will be done in the parking area. Baker Printing's staff will park on the side of the building and some can park on the service road. This location will not allow for a drive through. Harms may consider moving to a new location in the future, if a drive through is needed. Harms plans to operate the business along with the help of two daughters. All food preparation will be done onsite. Harms has been in contact with the state inspector for all requirements. A \$100,000 life insurance policy is being processed and she will have the policy before the loan is closed. Harms distributed an October 5, 2017 letter as to her personal financial commitment to the business. Harms has applied for a license with the State of Minnesota for catering and as a restaurant.

[Harms was excused from the meeting.]

It was noted that if approved, the EDC's loan would be a shared third security position with the Spicer Economic Development Authority and Southwest Initiative Foundation (SWIF). Schmoll stated SWIF is working on a women-owned business grant and United Prairie Bank is seeking approval of a SBA Express guarantee.

IT WAS MOVED BY Gary Gilman, SECONDED BY Jeff Welker, to approve a \$12,600 loan from the Kandiyohi County and City of Willmar Economic Development Commission Revolving Loan Fund Program to Coffee & More, LLC with a seven-year amortization, interest at 6.25% and a shared third security position with Southwest Initiative Foundation (SWIF) and the Spicer Economic Development Authority (EDA), subject to their approval of the financing; assignment of a life insurance policy on the life of Diane Harms and approval of an SBA Express guarantee of a loan with United Prairie Bank. MOTION CARRIED.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 12:30 p.m.

NEXT MEETING—The next committee meeting is 12 noon, Tuesday, November 14, 2017 at the EDC office.