

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
BUSINESS RETENTION AND EXPANSION/RECRUITMENT COMMITTEE MEETING
MINUTES
February 5, 2021
Via ZOOM Video Conference**

Present: Sam Bowen, Samantha Crow, Jim Ellingson, Les Heitke, Jennifer Mendoza, Les Nelson, Bridget Paulson, Ranae Rahn and Dean Steinwand

Excused: Roger Imdieke and Kelly TerWisscha

Guest: Marv Calvin, Willmar Mayor and Rollie Nissen, EDC Joint Powers Board Chair

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

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

Chairperson Sam Bowen called the meeting to order at approximately 9:03 a.m.

AGENDA—

IT WAS MOVED BY Les Nelson, SECONDED BY Jim Ellingson, to approve the Agenda as emailed. MOTION CARRIED.

MINUTES—

IT WAS MOVED BY Dean Steinwand, SECONDED BY Bridget Paulson, to approve the Minutes of the January 8, 2021 meeting as emailed. MOTION CARRIED.

UNFINISHED BUSINESS

Presentation by City of Willmar on Willmar Ten Proposal. Marv Calvin, Mayor of Willmar, gave a historical perspective of obtaining a new city hall. Approximately 13-14 years ago the city started to look at whether or not the current City Hall was adequate for current day. Four years ago a water purification system leaked through the entire building and documents were lost. The Alternative Learning Center on Trott Avenue was looked at, but the architects found that with three levels an elevator would need to be installed and the gym would need to be filled in. Four years ago the Mayor included in the city's budget to build a new city hall and community center as both buildings need to be rehabilitated and three years ago, he put in \$8 million as a placeholder. He and the interim administrator walked through the city and spoke to realtors about available properties. The property that came up was the former Hardware Hank building. One positive was it could possibly be connected to the current city buildings. The City Council wanted to look at other options and formed a task force that met

and reviewed a number of buildings in the downtown area. At that time, a location attached to the fire station came up and a public hearing was held, but it was not favorably received by the firefighters and access to the property was an issue. RockStep Capital contacted the city about the Herbergers area of Uptown Willmar (former Kandi Mall), but the Council voted to move forward with the Community Center site and build a new building. Approximately six to seven months ago, Willmar Ten submitted a proposal to purchase and redevelop the JC Penney location at Uptown Willmar. The offer by Willmar Ten to lease/purchase has not been removed, but it has moved to more of a purchase. Although the City Council already decided on the Community Center site, it was felt the local investors did extensive research on the JC Penny site that would be beneficial to the city and it deserves a review. City staff was directed to come back with cost proposals for each of the two sites. The City Finance Committee had a conversation about the project approximately two weeks ago and decided to have a work session to explore financing options. The Mayor believes the JC Penney site is a favorable location on Fifth Street SE and new businesses have opened in the area. Although connected to Uptown Willmar, it is a standalone building that has all services to it and it would be easy to upgrade. City Hall has approximately 10-12 visitors a day, many of whom are senior citizens. The JC Penney location is near grocery stores, medical facilities and schools, is on the CCT bus route, parking is available and it could spur more economic development. Concerns of staff and the City Council are funding and tax base. The city could do bonding, reallocate funds from fund balances or lease/purchase for five years. The last bond sale the city received one percent. Some Council members feel revenues from the local option sales tax are below what was projected, but the Mayor stated a small two percent increase would bring the tax back to what was projected. An advantage of the site is that it would not be starting from new, it would be an internal remodel so the cost of materials would be less. Cost estimates from staff or Willmar Ten have not yet been received.

The following questions were asked:

- When will cost estimates be ready? Willmar Ten stated it would be ready when the City Council wants to hear them. An initial estimate was \$8 million. There has been an 18% increase in supplies.
- Is there an estimate on what it would cost to demolish and build new at the Community Center site? Two years ago, soft numbers were \$10.5 and \$12 million; there would be a 30% increase for today.
- Accessibility and enhancements to the south end of Willmar by the heart of the retail sector and retail traffic generated the interest of this committee. Where does the Council's opinion stand as to business, retention and expansion and access come in? Mayor Calvin feels it needs to be high on the list. There are multiple individuals interested in purchasing the current Community Center site and it would be back on the tax rolls fairly quickly. The JC Penney location would bring economic development to the mall. The Council continues to question the financing. City has 100-112% set aside, which is more than the League of Minnesota Cities recommends. The Mayor is not aware of any reverse referendums happening on city hall projects.
- Is there a problem with the structure of the current building? The League of Minnesota Cities Trust may have something to say about the current condition of the building.
- Senior citizens were originally apprehensive about moving the Community Center, but when the pluses and minuses were shared, they were in favor of the JC Penney site.

The Community Center is at an uncontrolled intersection and it would be safer for drivers at the JC Penney site; a semaphore might have to be installed.

- Did the City Council vote to discontinue the City Hall Task Force? The Council did vote to disband the task force and it may wish to move faster than it would by going through a committee. It is the Mayor's desire to move the project forward, but he is unsure of the Council's intent in disbanding the task force. He has been very encouraged by the Council's willingness to discuss a new location.

The Mayor encouraged this committee to speak with City Council members. He is concerned that Willmar Ten has other projects and generally developers do not want to wait for a long decision. The conditions at the City Hall and Community Center are of concern and this new location could solve those problems. The Auditorium also had concerns. Three years ago, the Mayor budgeted more than \$700,000 for repairs at the Auditorium and nothing has been done yet.

[Mayor Calvin was excused from the meeting.]

NEW BUSINESS

Meeting time. Aaron Backman reported that Kelly TerWisscha has a conflict with the current meeting time of 9:00 a.m. and asked if it could be moved to later the same day. It was the consensus of the committee that 10:30 or 11:00 a.m. will work, if there is a hard stop at 12 noon.

REPORTS

CLUES Updates. Jennifer Mendoza reported CLUES maintained its numbers in 2020. Twenty-four were served with educational classes, training in banking customer service, commercial driver's license (CDL) and Certified Nursing Assistant (CNA). As of January, 14 individuals completed the CNA test, 4 finished the course and 4 continue to search for positions. Five individuals finished the online portion of the CDL training, three are ready to start behind the wheel and others are waiting for permits; there are three participants in the current CDL course. One individual that went through the CDL training should move from earning \$17 per hour to over \$25 per hour. There have not been any problems with recruiting, the problems have been with funding for education; she spoke with Rep. Dave Baker yesterday about funding. Their numbers could have been higher. There is a lot of need and many are low income. The instructors at Ridgewater College have been great to work with. The CNA instructor accommodated individuals as to instruction times. Two individuals were helped with getting into virtual GED classes, three (two online) were helped with English learning and she is helping two individuals with getting their citizenship. Funds received from the EDC's CARES Pandemic Relief Grant have been used to purchase items, including computer bags, gloves and gift cards for those unable to obtain assistance elsewhere. They received piggy banks and Mendoza is thinking of doing a financial literacy course. She is moving more into job search and homelessness prevention and is assisting five families in Willmar and referring individuals to other agencies for resources CLUES does not cover. Mendoza has reached out to past

participants to find out how they are doing and all appreciate their involvement with CLUES. As to assisting other communities, Mendoza states she defines her own territory and has set a territory of 45 minutes from Willmar. Most information about CLUES is shared by word of mouth or through its Facebook page. She has one client in Lake Lillian. Schmoll stated it is great to have a program that zeros in on an industry's need.

CMJTS CDL Program Update. Bridget Paulson reported CARES Act funds were used for CDL training. They have one individual seeking a job, one doing behind the wheel and three are in the classroom. Central Minnesota Jobs and Training Services (CMJTS), in partnership with Ridgewater College, will hold the Women-on-the-Move Training program starting with virtual classes in March followed by forklift training in-person at the College. Because classes are virtual, they can reach a wider audience. Paulson stated CMJTS is in 11 counties; Kanabec County funds were used to purchase laptops and Chrome books that can be used throughout their program. Two students in Kandiyohi County received laptops to do their CNA studies. They are helping to keep people moving forward. They also have adult dislocated worker funds. Schmoll wrote a letter of recommendation for the Child Care Aware program, which is also part of economic development.

ADJOURNMENT—There being no other business,

IT WAS MOVED, SECONDED AND CARRIED to adjourn the meeting.

The meeting was adjourned at approximately 10:16 a.m.

NEXT MEETING—The next committee meeting is **11:00 a.m., Monday, March 5, 2021** via ZOOM video conference.