

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
BUSINESS RETENTION & EXPANSION/RECRUITMENT COMMITTEE
MINUTES
February 7, 2020
EDC Board Room, Willmar

Present: Samantha Crow, Eric Day, Les Heitke (via phone), Les Nelson and Dean Steinwand

Excused: Sam Bowen, Jim Ellingson, Roger Imdieke, Ranae Rahn and Kelly TerWisscha

Guest: Jennifer Mendoza, CLUES Navigator

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

Vice Chair Les Nelson called the meeting to order at approximately 8:58 a.m.

AGENDA—The agenda was taken out of order.

MINUTES

IT WAS MOVED BY Dean Steinwand, SECONDED BY Eric Day, to approve the Minutes of the January 3, 2020 meeting as emailed. MOTION CARRIED.

Kandiyohi County/Community Video. Connie Schmoll stated Torry Norling made suggested changes to the videos. The committee viewed the 43-second teaser video. Schmoll will ask Norling to change the color of Kandiyohi County at the beginning of the video to match the EDC's logo. Committee members had positive comments about the teaser video. The main video (4 minutes, 11 seconds) was shown. The main comments were that the video needs to show more diversity to accurately reflect the community. Schmoll would like to see a cultural event shown. Schmoll will speak with Norling.

Succession Planning Workshop. Schmoll announced the EDC's Agriculture and Renewable Energy Development Committee will be hosting a succession planning workshop with Christianson PLLP and the Willmar Lakes Area Chamber of Commerce on March 24, 2020, 7:30-9:30 a.m. at the Willmar Conference Center. The cost is \$10 to cover refreshments. The University of Minnesota Extension and Heritage Bank will have materials available. An attorney will speak about an individual who did not do succession planning and one who did do planning. Generational differences will be included. It is anticipated that a significant number of area ag producers will be going through retirement soon.

[Schmoll was excused from the meeting.]

REPORTS

CLUES. Jennifer Mendoza reported she plans to become a member of WORKUP. She attended a training last week in Dallas, Texas; the latest training focus is to get bilingual people working in financial institutions, as well as other customer service sectors. Mendoza will host a Lunch 'n Learn February 26, 2020 11:30 a.m.-1:00 p.m. at Spurs and a Meet and Coffee that afternoon at WORKUP. She will forward the flyer when it is ready. The next Certified Nursing Assistant (CNA) course will begin mid-March with approximately 10 students. The students will work with CareerForce to complete their resumes. Mendoza is unsure of the status of CDL (Commercial Driver's License) classes; she will speak with Sam Bowen. It is believed Ridgewater College is working on the classes and working through some issues. Eric Day reported Central Minnesota Jobs and Training Services (CMJTS) is working on a Pathways to Prosperity grant and recruiting for the grant. Mendoza reported a diverse welding class is expected to start this summer in partnership with the Litchfield area. She has reached out to People Ready in Hutchinson on how to recruit. Day suggested also recruiting in Glencoe and McLeod County. She is also working on a phlebotomy class.

UNFINISHED BUSINESS

Bring Them Back Home Initiative. Samantha Crow reported they continue to working on getting a list together and looking for suggestions of whom to contact for the overall advisory group. They have recruiters from the medical field. It was felt that an instructor from Ridgewater College or a high school would be beneficial. Suggestions included Mike Kutzke of Ridgewater College or Tyler Gehrking of the Willmar High School. Also suggested were representatives from some of the social clubs, such as Lions, Kiwanis, etc. and school booster clubs or parent/teacher associations.

Women-on-the-Move Program. Day reported the Women-on-the-Move Training program starts next week. The goal was to have 10-15 participants and as of today 13 are enrolled plus another 2 possibly today. Ten participants are people of color (Latina), all are low-income, six are over age 40 and one is from out of the area. He is pleased with the enrollment so far. Until the program starts, the firm number of participants is unknown. Backman announced the EDC is paying for the meals of the enrollees. CMJTS will evaluate the program after its completion and will repeat it in June. If participants are more than 15, they will be given options, such as enrolling in June, individual training or placement in another CMJTS program.

LYFT Career Pathways. Backman reported LYFT (Launch Your Future Today) is a career initiative to encourage secondary students (7th-12th grades) to gain skills that lead to more education and careers. The advisory committee recently met with Cheryl Glaeser, who is working on the program. They will be encouraging job shadowing and internships in a variety of careers. Grants are up to \$50,000 for schools, businesses and colleges and must involve two schools and one business partner. Grants are for start up to be sustainable. Day stated he is on the advisory committee. He stated the grant could be used for development of an after-school club that is not part of the curriculum. Les Heitke suggested job shadowing in the area of government because of the wide range of solid jobs and tasks available. Day stated there is \$10,000 available for a one-time event, such as business tours or student workshops.

West Central Minnesota Area Job Fair. Backman reported the West Central Minnesota Area Job Fair is March 19, 2020 from 11 a.m. to 3 p.m. at Ridgewater College (see attached). It is an opportunity for businesses to have a booth seeking employees and for students looking for employment.

Retail Business Design Workshop Follow-Up Meeting. Backman reported the group had its fifth follow-up meeting at Habitat for Humanity ReStore. Backman provided information on the workshops that were held. Following the end of the workshops, the participants and others have met every other month at each other's businesses. The next meeting will be held at Amin Grocery. Backman gave an update on the participants and some changes they implemented following the workshops. A few businesses were featured in the *West Central Tribune* and one was featured on WCCO news. Jackie Parr, a University of Minnesota College of Design doctoral student, who provided one-on-one technical assistance to the participants was just hired as an associate professor at St. Catherine University and will be presenting on the program at the American Collegiate Retailing Association Conference in New Orleans. Another workshop coach is up for a national award.

Opportunity Zone Prospectus. Backman reviewed the Opportunity Zone Prospectus that will be used to recruit investors for the zone (see attached). Backman foresees development could happen on First Street, Highway 12 corridor and downtown Willmar. Backman highlighted areas of the Prospectus, including the map of the zone, noting the average annual household income in the area east of First Street is \$27,000; the map showing construction in the past three years; and the Fast Facts shown throughout the document. Backman announced Ridgewater College is 1 of 8 community colleges out of 37 in Minnesota that has seen an increase in enrollment and its CAD program ranked #2 in the nation, which may be added to the final version of the Prospectus this month.

NEW BUSINESS

Election of 2020 Chair/Vice Chair. Vice Chair Nelson accepted nominations for the office of chair and vice chair. Backman stated Bowen is interested in continuing as chair, if no one else is interested.

IT WAS MOVED BY Dean Steinwand, SECONDED BY Eric Day, to re-elect Sam Bowen as chair of the Business Retention and Expansion/Recruitment Committee. MOTION CARRIED.

IT WAS MOVED BY Dean Steinwand, SECONDED BY Eric Day, to re-elect Les Nelson as vice chair of the Business Retention and Expansion/Recruitment Committee. MOTION CARRIED.

Diverse Entrepreneurs Presentation. Backman announced he gave a presentation on Investing in Diverse Entrepreneurs at the Economic Development Association of Minnesota Winter Conference. Also presenting were Zack Mahboub, Scott Marquardt of Southwest Initiative Foundation and Judy Jandro of the Community Reinvestment Fund. Backman will email his presentation to the committee.

ADJOURNMENT—There being no further business,

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

The meeting was adjourned at approximately 10:15 a.m.

NEXT MEETING—The next committee meeting is **9:00 a.m., Friday, March 6, 2020**, at the EDC Office, Willmar.

Resource booth for entrepreneurs
or business start-ups!



WEST CENTRAL MINNESOTA AREA **JOB FAIR**

Thursday, March 19, 2020 • 11 am – 4pm

RIDGEWATER COLLEGE | 2101 15TH AVENUE NW, WILLMAR

If you're looking for a job or new career challenge, don't miss this exciting, one-day event. Bring your your best handshake and a can-do attitude! Meet the area's top human resource directors, business owners, manufacturers and employment services.

Individuals who need a reasonable accommodation to participate in this event please call 320-231-1600 by February 28, 2020.

YOUR OPPORTUNITY:

Your business is valuable to us! This exciting event is an opportunity for you to:

- Find employees — take job applications on site
- Meet job seekers from an 11-county area
- Increase community awareness of your business
- Attract new customers for your products and services
- Network with other businesses

YOUR INVESTMENT:

The cost to participate is \$325 (\$350 after February 28) and you will receive:

- 10-30 second ads to be aired on KDJS, K95 & The River letting listeners know you will be at the Business Expo/Job Fair
- Live coverage or interview broadcast from the Expo/Fair
- 8 foot table, skirting, and 2 chairs for your display area
- Print support in local/area newspapers and radio mentions in Willmar, Morris, Montevideo, and Hutchinson

Individuals who need a reasonable accommodation to participate in this event please call 320-231-1600 by February 28, 2020.

Upon request, the information in this document can be made available in alternative formats for people with disabilities by contacting 320-231-1600.

Equal Opportunity Employer and Program Provider.

SPONSORED BY:



Resource booth for
entrepreneurs
or business
start-ups!

SPONSORED BY:



WEST CENTRAL MINNESOTA AREA

JOB FAIR

Thursday, March 19, 2020 • 11am – 4pm

RIDGEWATER COLLEGE | 2101 15TH AVENUE NW, WILLMAR

Please complete the following for a business directory for the attendees. Only the information listed here will be in the directory. To be included, return with payment by **February 28, 2020**.

Business name: _____

Contact person: _____

Address: _____

Phone: _____ Fax: _____

E-mail: _____ Website: _____

Description of business: _____

Job openings: _____

Limited space available. Register early to ensure space and inclusion in early promotional mentions. Cancellation request for a refund no later than 10 days prior to Job Fair.

Registration Cost: \$325 if by February 28, 2020 (\$350 after February 28, 2020)

More Information: 320-231-1600

Fax Registration to: 320-235-7010

Email: spots@k-musicradio.com

Mail Check Payable to: KDJS, P.O. Box 380, Willmar, MN 56201

Do you need electricity for your booth? ☐ Yes ☐ No

Company contact for questions about your registration or additional information:

Name: _____ Phone: _____ E-mail: _____

Individuals who need a reasonable accommodation to participate in this event please call 320-231-1600 by February 28, 2020.

Upon request, the information in this document can be made available in alternative formats for people with disabilities by contacting 320-231-1600.

Equal Opportunity Employer and Program Provider.



Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

OPPORTUNITY ZONE PROSPECTUS

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



TABLE OF CONTENTS

Fast Facts	2-3
Opportunity Zone Map.....	4
Location Overview	5
Industries.....	6-7
Growth	8
Willmar Investment Map	9
Workforce.....	10
Education	11
Transportation/Distribution	12
Capital Investment	13
Inclusion Strategy	14-15
Incentives	16
Property Taxes.....	17
References	18-19
Biographies	20-21
What are Opportunity Zones?	22-25



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

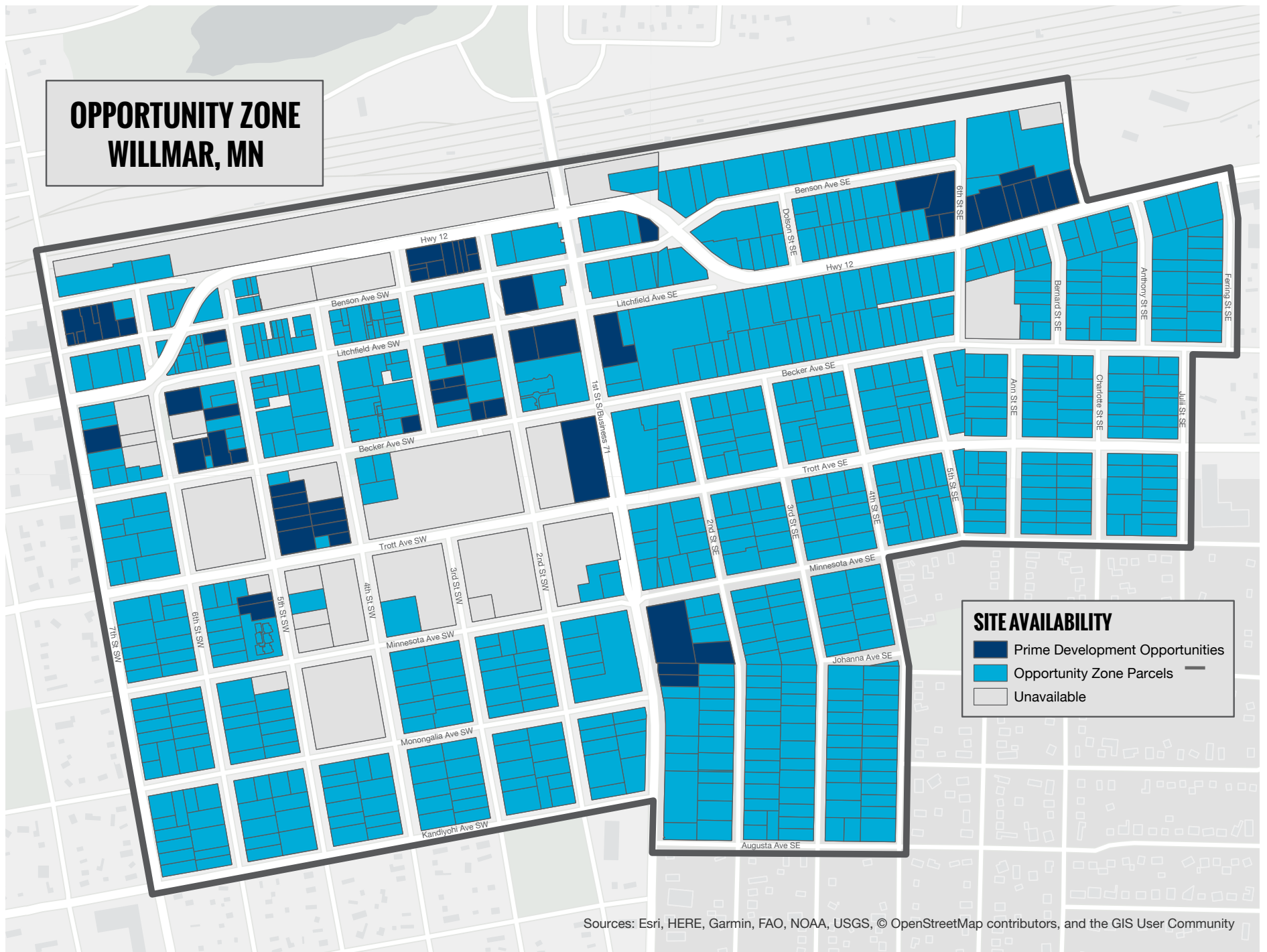
economic development leaders collaborating with community leaders to offer the best possible opportunity zone investments.



"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

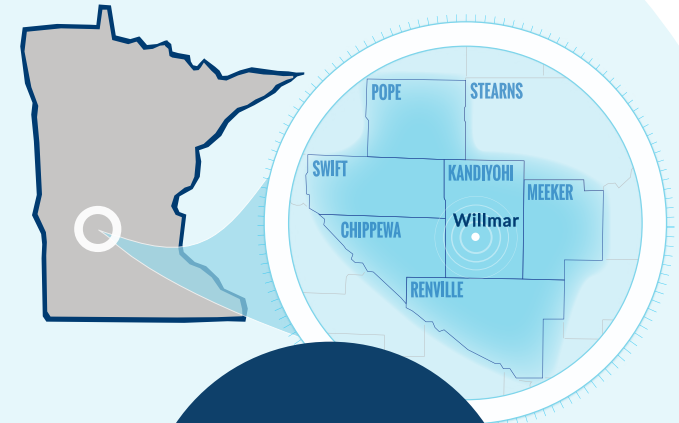


LOCATION OVERVIEW

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.

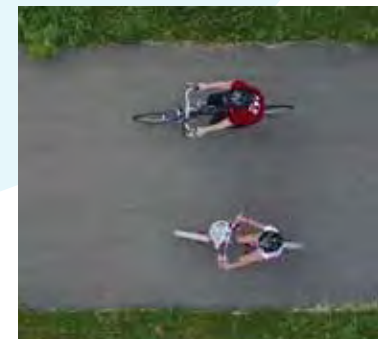
Originally established on a railroad town in 1869, Willmar is surrounded by productive farmlands and scenic lakes. This vibrant community supports robust medical, technology, service and value-added sectors.

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.

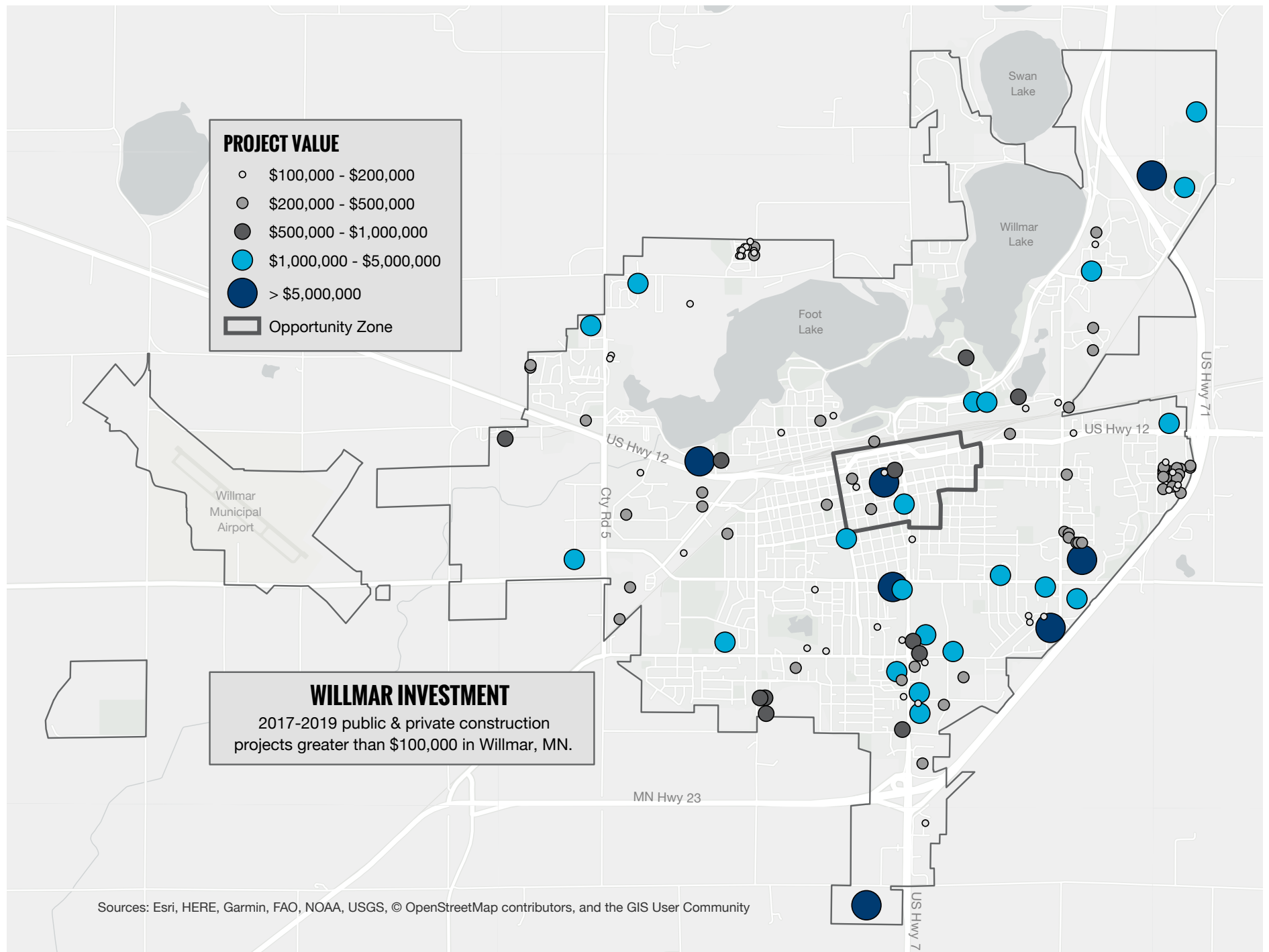
FAST FACT

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.



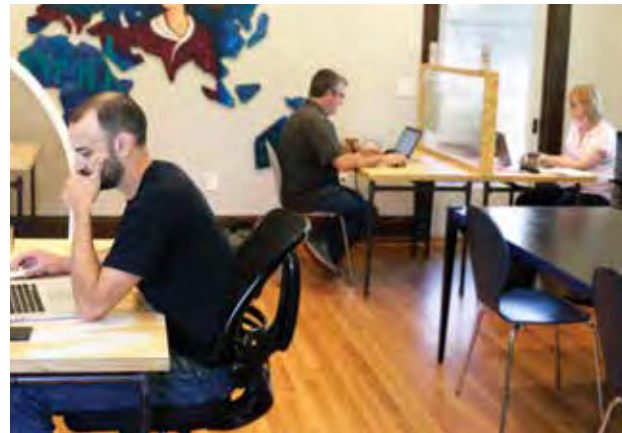
HOW DOES THE WILLMAR OPPORTUNITY ZONE WORK?

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.

For more information contact Aaron Backman, Executive Director aaron@kandiyohi.com or Connie Schmoll, Business Development Manager connie@kandiyohi.com. Or call, 320-255-7370 toll-free 866-665-4556.





222 20th Street SE
P.O. Box 1783
Willmar, Minnesota 56201
320-235-7370 **phone**
866-665-4556 **toll-free**
320-231-2320 **fax**
www.kandiyohi.com

Prospectus Prepared in Partnership With:

