

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
BUSINESS RETENTION AND EXPANSION/RECRUITMENT (BRE/R) COMMITTEE**

MINUTES

June 1, 2018

EDC Board Room

Present: Sam Bowen, Jim Ellingson, Les Heitke, Roger Imdieke, Les Nelson, Ranae Rahn and Kelly TerWisscha

Absent: Dean Steinwand

Guests: Amelia Amor, CLUES Navigator and Ridgewater College employee and Dan Tempel, Glacial Ridge Realty

Staff: Aaron Backman, Executive Director

Secretarial: Diane Beck, Legal & Administrative Assistants (LAA)

Chair Sam Bowen called the meeting to order at approximately 9:04 a.m.

AGENDA—Chair Bowen requested to move up the CLUES and Diverse Welding agenda topics in order to accommodate Amelia Amor’s schedule. The agenda was amended. Chair Bowen welcomed Amelia Amor, CLUES Navigator and Ridgewater College employee. Amor will be leaving the CLUES Navigator position effective today and focus on her new future position at Ridgewater College.

MINUTES—Chair Bowen presented the BRE/R minutes of April 6 and May 4, 2018.

IT WAS MOVED BY Kelly TerWisscha, SECONDED BY Jim Ellington to approve the April 6 and May 4, 2018 Minutes as emailed. MOTION CARRIED.

UNFINISHED BUSINESS

Diverse CNA and Diverse Welding Update. Amelia Amor provided a CNA update. Students of the first class have tested out. Ten of the twelve students will finish the class. Most of the students are employed at Rice Memorial Hospital and Bethesda; some are employed at smaller healthcare facilities. CLUES is looking for a cohort for the fall class. Amor reported the diverse welding class will run from June 4-22nd. Currently 13 students have registered (12 males and 1 female). Chair Bowen shared the diverse welding course is a condensed customized course (120 hours) and students will receive a certificate of completion of the course. Amor thanked everyone for their partnership and support; and distributed CLUES drinking cups and book marks to committee members.

Chair Bowen reported CLUES is planning to hire a full-time navigator. In the interim, a CLUES

employee from the Twin Cities area will be in Willmar one day a week until a full-time navigator is hired; interviews will be conducted. Until CLUES has located office and training space, they will remain at Ridgewater College.

West Central Job Fair. Chair Bowen reported the partners will meet next week. Chair Bowen and Backman will make a recommendation to hold the West Central Job Fair at another location next fall, i.e., Kandi Mall or Ridgewater College. One of the partners will contact the Willmar Conference Center regarding the current contract. If the contract must be adhered to, the West Central Job Fair location will not be changed until 2020.

REPORTS/PROJECT UPDATES

Highway 23 Coalition. Backman distributed newly designed Highway 23 buttons to committee members and provided an overview of the Highway 23 Coalition's visit to Washington, D.C. on May 22nd-24th. The 12 Coalition members met with congressional delegates to discuss federal funding for the Highway 23 project and seek Highway 23's designation as a Critical National Freight Corridor, which would open doors for other federal grants. The congressional delegation suggested the Coalition be more aggressive in seeking future Highway 23 funding north to Duluth and south to Sioux Falls, South Dakota.

Backman shared the good news that the Highway 23 project was among three additional Corridors of Commerce projects receiving funding in the latest round of transportation projects included in the public works bill (Bonding Bill) signed by Governor Dayton. The Highway 23 project funding of \$105 million will complete two gaps from north of New London to Paynesville and from north of Paynesville to Richmond. Backman complimented the entire Highway 23 Coalition for their diligence in seeking project funding. Backman reported Kelly Morrell's visit with Governor Dayton and staff during the Governor's Fishing Opener had a big impact on the Governor's decision. MnDOT is expected to begin the right of way process and final design; construction is slated for 2022-2024. Backman invited Patrick Weidemann, Minnesota Department of Transportation Planning Director, to the Highway 23 Coalition's Board of Directors meeting on June 27.

The Highway 23 Coalition will host a pizza celebration for Coalition members and backers at 6:00 p.m., June 6th at Steve's Rambow's home on Green Lake. Invitations will be emailed later today.

Business Visits/Tours. Backman reported on recent business visits and tours:

- Tour of NL-S Performing Arts Center
- LEDC approved a loan for Spurs Restaurant to complete the project; the restaurant may open the middle of June
- Attended a video conference at Ridgewater College with a University of Minnesota representative regarding the Neighborhood Development Center
- Attended a meeting with SWIF, WAM-BC and EDC. WAM-BC is looking to dissolve and some of its current loans may be transferred to SWIF or EDC. Backman stated if EDC takes over

the WAM-BC loans, it would increase EDC's loan portfolio by 50%; however, the loan records must be up to date and the recipients must be legal residents of the United States. Discussion will be held with EDC's Finance Committee and final approval is needed from the EDC Joint Operations Board.

- Attended a groundbreaking ceremony for Legacy Common's
- Chair Bowen inquired on Kandi Mall updates. Backman reported he contacted a Kandi Mall representative, but has not had a chance to follow up
- Attended a meeting with a University of Minnesota representative regarding a retail initiative, i.e., merchandising
- Kwik Trip on east Highway 12 and South Business 71 are progressing

BRE Committee commented it was good to meet at the Willmar Municipal Airport last month. Les Heitke promoted the use of the airport's meeting facilities.

NEW BUSINESS

Backman shared the EDC is in the process of hiring a summer intern, Thor Figenskau. He is currently a junior and a KCEO student and has his own company, Figenskau Advisory. Some of his job responsibilities as intern include: participation in EDC committee meetings and special interest meetings, promote workshops, attend out of town city council and EDA meetings and conduct research for EDC staff.

Other.

- MinnWest Technology Campus will host an Open House on June 19th
- Backman reported Connie Schmoll is out of work for a few days due to an unfortunate fall; she will be on crutches for a few weeks.
- Roger Imdieke reported the Master Agreement for the Willmar Wye project is complete. An RFP for the design-build project will be sent to contractors.
- Due to 4th of July holiday, discussion held regarding the date for the next BRE/R. EDC administrative staff will send out a survey to committee members to meet either July 6 or July 13.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 10:05 a.m.

NEXT MEETING—The next regular committee meeting is **9:00 a.m., July 6, 2018**, at Midtown Plaza, 313 Litchfield Avenue SW, Willmar.

Minutes from Willmar Area Multicultural Business Center

Friday, June 9, 2018

Present: Jennifer Mendoza, Noe Carranza, Harvey Nelson

Guest: Linda Mathiasen

- I. Review of agenda items: financials, microenterprise loan updates, nonprofit future, and other.
- II. Review of financials:
 - a. Jennifer reported on current bills including James M Ruff, Inc. for accounting services, US Bank for expenses regarding account closure, Minnesota Unemployment Insurance. Since WAM-BC does not have any current employees, Jennifer will call to let them and see if the fees can be waived.
 - b. Current loan fund balance available is \$46,874.70 and loan portfolio in good standing is valued at \$26,295.59. General operating balance is between \$4,000 - \$4,500.
- III. Review of loans in bad standing:
 - a. Noe delivered a letter in person to Kevin Bronner, owner of Re-Cover Temp Agency. He also delivered a letter in person to Huerta Auto Sales owners: Jose Luis Huerta and partners Hernandez & Andrea Gallegos- Balderas. Huerta has recently opened two restaurants in Willmar. Both loans have not had any payments made in the past 17 months, when the ACH payments inadvertently stopped. Several attempts have been made to call and send registered mail to reinstate payments. Both loans carry a 5% fee of nonpayment.
 - b. A motion by Noe to begin recovery of the Re-Cover Temp Agency loan through small claims court. Seconded by Jennifer. Motion passed 3-0. The value of the loan is \$7,039.24. Through small claims court up to \$15,000 can be sought.
 - c. A motion by Harvey to revise the letter to share the outstanding loan balance of \$16,898.14 plus late payment fees be delivered again to Jose Luis Huerta. Then, if no action the board will consider next steps as the value is in excess of the \$15,000 small claims court threshold. Second by Noe. Passed 3-0.
 - i. Assignment: Noe to deliver letter. Linda to assist with letter writing.
- IV. The board reviewed Minnesota statute for dissolving a nonprofit, transferring of assets and possible future reinstatement. Next, the board reviewed a joint proposal from Southwest Initiative Foundation (SWIF) and Kandiyohi County and City of Willmar Economic Development Commission (EDC).
 - a. Jennifer made a motion to ask the EDC to assume the WAM-BC Microenterprise Loan Fund, accepting the good and bad loans as is. Seconded by Noe. Passed 3-0.
 - i. Option B is to ask SWIF to be the new administrator.
 - b. The proposal included the formation of a Loan Advisory Committee—both Jennifer and Harvey are interested in assisting with the transition, formation and being participants. Noe is available as needed and will consider committee participation once it is operational. Due to his businesses, his availability is limited.
 - c. Harvey made a motion to begin dissolving WAM-BC. Seconded by Jennifer. Passed 3-0. The board would like to propose the EDC or SWIF (future loan administrator) assists with the legal process to dissolve and transfer assets—the process is closely tied together with the State of Minnesota.

- d. Harvey made a motion for any excess WAM-BC general operating funds to transfer to the new loan administrator. Seconded by Noe. Passed 3-0.
- V. With the vote to dissolve WAM-BC, Jennifer will give notice on rental space, phone, and Internet. Noe will remove the website. Board of Director Insurance will continue with Bremer Insurance.
- VI. No other business. Meeting adjourned.

Board Meeting – June 9, 2018 (second meeting held)

Guests: Scott Marquardt and Aaron Backman joined the meeting with board members Jennifer Mendoza, Noe Carranza and Harvey Nelson. Linda Mathiasen was also in attendance.

- I. Linda provided a recap of the earlier WAM-BC board meeting.
- II. Jennifer made a motion to assign and transfer the WAM-BC Microenterprise Loan Fund as it currently stands with five loans in good standing, two default loans, and loan cash balance to Kandiyohi County and the City of Willmar Economic Development Commission (upon their acceptance). Seconded by Noe. Passed 3-0.
- III. Aaron agreed to present the idea to the EDC's finance committee and boards to become the new Loan Fund administrator. In addition, Aaron will request the EDC provides legal support and attorney assistance to dissolve WAM-BC and transfer assets. This includes the Loan Fund and any remaining financial assets of WAM-BC. Jennifer checked WAM-BC's articles of incorporation and bylaws to ensure this transfer of assets is in compliance. Scott offered SWIF's assistance to see the smooth transition and effective dissolution. Possible timeline is the July EDC board meeting. Goal is to have the dissolution complete and new loan fund administration by September 30, 2018.
 - a. Assignment: Linda to draft a letter to EDC proposing the transfer to the EDC.
- IV. WAM-BC board members will assist as needed to provide appropriate documents, signatures, etc. to support the smooth transaction.
- V. No other business. Meeting adjourned.

Respectfully submitted by Linda Mathiasen, LDMarketing