

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

FINANCE COMMITTEE

SPECIAL MEETING MINUTES

June 30, 2020

Via Teleconference

Present: Matt Behm, Nick Dalton, Les Nelson, Jeff Welker and Randy Zinda

Excused: Kerry Johnson, Travis Jones and Justin Schnichels

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

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc.

Chairperson Matt Behm called the meeting to order at approximately 11:02 a.m. followed by roll call.

Backman asked that discussion be held on the state's Small Business Relief Grant and CARES Act reimbursement to counties, cities and townships.

NEW BUSINESS

Immigrant Business Disaster Relief Grant Reviews. The committee reviewed the following grant applications:

- **Phuong Nguyen DBA Fashion Nails.** Connie Schmoll provided information on Phuong Nguyen DBA Fashion Nails located in the strip mall by Grizzly's in Willmar. The business has been closed since the Governor's Orders went into place. The business has three employees and would use grant funds to purchase supplies and pay utilities. Staff is recommending a grant of \$750. The business is registered with the Minnesota Secretary of State and a copy of her financials was received.

IT WAS MOVED BY Nick Dalton, SECONDED BY Les Nelson, to approve a \$750 grant under the Immigrant Business Disaster Relief Grant program to Phuong Nguyen, doing business as Fashion Nails. MOTION CARRIED.

- **Dung Jonson LLC DBA JK Nails & Spa.** Schmoll provided information on Dung Jonson LLC DBA JK Nails & Spa, which is owned by Vietnamese individuals. Schmoll was able to communicate with the help of an interpreter. The business had two and a half months of no income. The business has five employees and the grant would be used for rent and utilities. EDC staff is recommending a grant of \$750.

IT WAS MOVED BY Jeff Welker, SECONDED BY Randy Zinda, to approve a \$750 grant under the Immigrant Business Disaster Relief Grant program to Dung Jonson LLC DBA JK Nails & Spa. MOTION CARRIED.

Schmoll informed the committee she has had contact with several Asian-owned businesses (five Vietnamese and two Chinese). Southwest Initiative Foundation (SWIF) has agreed to pay any expenses related to this grant program.

- Barwaqo Grocery Store, Inc. Backman provided information on Barwaqo Grocery Store, Inc. owned by Hassan Sabri, an East African business. The business is registered with the Secretary of State. Sabri is the sole employee and the grant would be used for rent. EDC staff is recommending a grant of \$650. The business is located across from Azteca in downtown Willmar.

IT WAS MOVED BY Nick Dalton, SECONDED BY Les Nelson, to approve a \$650 grant under the Immigrant Business Disaster Relief Grant program to Barwaqo Grocery Store, Inc. MOTION CARRIED.

Backman noted that with today's approvals, there have been 13 grants issued.

COBAL Loan Reviews. The committee reviewed the following loan applications:

- Kingkhalid Trucking Incorporated. Backman provided information on Kingkhalid Trucking. The business meets the loan criteria and all documentation, including a credit report, has been received and reviewed. EDC staff is recommending approval of a \$2,500 loan with a six-month payment deferral. The funds would be used to pay insurance and maintenance on the truck. After review of the credit report, it was determined to issue a grant instead of a loan.

IT WAS MOVED BY Les Nelson, SECONDED BY Randy Zinda, to approve a \$750 grant under the Immigrant Business Disaster Relief Grant program to Kingkhalid Trucking Incorporated. MOTION CARRIED.

- Kandi Adult Care Inc. Backman provided information on Kandi Adult Care, Inc., owned by Kamaal Geele. The business provides adult care and was closed due to the pandemic. There are three employees impacted. The loan application is for \$5,000, which EDC staff is recommending be approved.

IT WAS MOVED BY Les Nelson, SECONDED BY Randy Zinda, to approve a 24-month \$5,000 COVID-19 Business Assistance Loan to Kandi Adult Care Inc. with a six-month payment deferral. MOTION CARRIED.

- Twin Lakes Center LLC. Backman provided information on Twin Lakes Center, owned by Mohamed Ali. The business provides adult care and was closed due to the pandemic. Ali is the sole employee and the business has been in operation a little over one year. Financial information has been received and a credit report obtained. The business is located in downtown Willmar. The loan application is for \$5,000. EDC staff is recommending a loan of \$3,500. No action was taken.

Chair Behm asked if borrowers will be notified when their COBAL payments are to begin. Backman responded that the EDC will inform each of the borrowers when their ACH payments will begin.

Small Business Relief Grant Program. Backman reported on the Small Business Relief Grant Program, a new program by the state. The application period started June 23, 2020 and will close July 2, 2020. Application must be done online and selection is by computer-generated lottery. EDC staff has contacted 98 businesses (approximately one-fourth being diverse) about the program. As of last Thursday, 20,000 applications had been received. A total of \$60.3 million is available for grant awards with 50% of the funds allocated for businesses in greater Minnesota and 50% for businesses in the seven-county metro area. Applicants must employ 50 or fewer full-time workers. EDC staff notified all businesses that contacted the EDC for a loan plus information was posted on the EDC's Facebook page.

CARES Act Reimbursement. Backman reported on a program to reimburse counties, cities and townships that have been involved with an emergency response due to COVID-19. Backman provided the amounts anticipated to be received by Kandiyohi County and some cities in the county. Each government unit must complete a certification form and submit it to the state to request the funds. At least 10% must be spent on economic support of businesses; Backman offered the EDC's assistance with those funds. The funds must be expended by November 2020. Backman provided examples for what funds may be used. Funds cannot be doubled up.

NEXT MEETING—The next regular committee meeting is **12 noon, Tuesday, June 9, 2020** via teleconference.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 11:50 a.m.