

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

FINANCE COMMITTEE MEETING

MINUTES

September 14, 2021

EDC Office, Willmar and Via Zoom Video Conference

Present: Abdullahi Awale, Nick Dalton (via Zoom), Travis Jones, Michelle Marotzke and Justin Schnichels (via Zoom)

Excused: Matt Behm, Allen Huselid and Kerry Johnson

Guests: Trevor Johnson and Doug Kuehnast of United Prairie Bank

Staff: Aaron Backman, Executive Director and Sarah Swedburg, Business Development Manager

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

Vice Chairperson Nick Dalton called the meeting to order at approximately 12:02 p.m. followed by self introductions.

AGENDA—

IT WAS MOVED BY Justin Schnichels, seconded by Michelle Marotzke, to approve the Agenda as emailed. MOTION CARRIED.

MINUTES—

IT WAS MOVED BY Travis Jones, SECONDED BY Justin Schnichels, to approve the Minutes of the August 10, 2021 meeting as emailed. MOTION CARRIED.

UNFINISHED BUSINESS—There was no unfinished business.

NEW BUSINESS

Review Loan Application. Sarah Swedburg presented the loan application of Trevor Johnson, who will be purchasing Cheers of Raymond from its current owner, who will be retiring. The current owner has indicated to Johnson a willingness to help as needed. United Prairie Bank is looking to do a loan of \$200,000 plus a 12-month \$25,000 line of credit. Johnson is contributing \$25,000 as earnest money. Swedburg noted sales for 2021 are expected to exceed 2019 sales. Doug Kuehnast from United Prairie Bank, the lead lender, stated the seller will be carrying the inventory and Johnson noted the bank loan will be over 20 years rather 10 with a lesser interest rate than

noted in the Application form. Johnson noted the current owner repaired all of the equipment in the last year plus updated the inside of the building. Marotzke will provide Johnson with information for having an energy audit done. Johnson will be open six days a week and plans to be open during the lunch hour. Johnson provided his work history in the hospitality business and stated his front of house manager has 20 years of experience. Johnson is interested in participating in and re-establishing community events in Raymond. The EDC's loan will be fully amortized. Swedburg stated, if approved, the loan will be closed on October 18 and suggested loan payments start in November.

[Johnson and Kuehnast were excused from the meeting.]

IT WAS MOVED BY Michelle Marotzke, SECONDED BY Travis Jones, to recommend to the Kandiyohi County and City of Willmar Joint Operations Board that it approve a seven-year \$25,000.00 loan to High Intensity Fitness of MN LLC, doing business as Cheers of Raymond, under the Kandiyohi County and City of Willmar Economic Development Commission's Revolving Loan Fund Program at 5% interest with a security position in the real estate, machinery, equipment and inventory, secondary to United Prairie Bank with payments to begin November 15, 2021. MOTION CARRIED.

Other. Swedburg reported the loans to Amin Grocery closed on September 2nd and they have started remodeling the building. Swedburg noted Groom Zone is scheduled to close September 28, 2021. As to the SBA 7(a) loan to the Groom Zone, Kuehnast informed Swedburg that in the SBA 7(a) manual there is a specific provision allowing a home on the premises if animals are boarded. Backman reported there are no guidelines yet as to the use of the American Rescue Plan Act funds. Marotzke reported she spoke with the county's federal EDA representative in Chicago, who wants to see projects happen in Kandiyohi County. Willmar is considered a coal community because of Willmar Municipal Utilities, which is an additional qualifier to receive federal funds. Swedburg stated she participated in training by the Minnesota Department of Employment and Economic Development (DEED) training this morning on the new Minnesota Main Street COVID Relief Grants Program. Applications will be accepted from September 20-29, 2021. Applicants who have not yet received state funds will be prioritized; businesses must show financial hardship as a result of the pandemic, have a minimum of \$10,000 in revenue for 2020 or 2019 and have 200 full-time workers or less. Grants will be between \$10,000-25,000 based on full-time employees and will be awarded by a lottery system.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 12:33 p.m.

NEXT MEETING—The next committee meeting is **12:00 p.m., Tuesday, October 12, 2021** at the EDC office and via Zoom video conference.