

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
November 12, 2020
Via ZOOM Video Conference**

Present: Art Benson, Rollie Boll, Donna Boonstra, Jesse Gislason, Les Heitke, Kerry Johnson and Kelly TerWisscha

Ex Officio: Julie Asmus

Guest: Cheryl Glaeser, Achieve TFC

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

Media: Shelby Lindrud, West Central Tribune, and Macklin Caruso, Lakes Area Review

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

President Kelly TerWisscha called the meeting to order at approximately 11:04 a.m.

AGENDA—Aaron Backman stated he will make a few comments on the financial reports.

IT WAS MOVED BY Kerry Johnson, SECONDED BY Rollie Boll, to approve the Agenda as emailed and the following Consent Agenda.

CONSENT AGENDA

- Approve:**
1. Minutes of October 8, 2020
 2. Financial reports as of October 31, 2020
 3. Payment of invoices over \$1,000:
 - a. Invoice No. 20-195-2.6 from Achieve TFC for \$1,316.25 from the CPR Grant Program
 - b. Invoice No. 47844 from Westberg Eischens for \$8,100 for the 2019 Audit
- Accept:** Committee/Subcommittee Minutes
1. Broadband and Advanced Technology 10/5/2020
 2. Business Retention and Expansion/Recruitment 10/2/2020
 3. Finance 9/15, 9/22, 9/29 and 10/6/2020
 4. Marketing and Public Relations 9/28/2020

MOTION CARRIED.

Financial Reports. Backman noted in October there were significant revenues related to CARES Act funding. Total grant income was \$3,071,004 and total expenditures was approximately \$3,183,855, which was mostly related to the CARES Pandemic Relief (CPR) Grant Program. The Balance Sheet under Assets shows a Heritage Bank Jumbo ICS account with a negative balance. This is a dummy account to manage the funds moved by the bank to stay within the FDIC limits. The Balance Sheet also shows a reserve for the KCEO loans, which Backman recommended be reduced to the actual outstanding loans of \$1,198.

IT WAS MOVED BY Art Benson, SECONDED BY Rollie Boll to reduce the funds held in reserve for the Kandiyohi County Entrepreneurial Opportunities (KCEO) outstanding loans to \$1,198. MOTION CARRIED.

UNFINISHED BUSINESS

Update on COVID-19 Response. Backman reported as a result of COVID-19, staff has been learning of businesses previously unknown to them. Eighty-five percent of the businesses contacting the EDC this year, have never before contacted the EDC or worked with the EDC. It is estimated that by the end of the year, the EDC will have provided close to \$3.5 million in financial assistance to Kandiyohi County businesses. Backman noted that approximately 43% of all CARES Act funds that came into the county were given to the EDC for the CPR Grant Program.

CPR Grant Program. Backman reviewed the 11.10.2020 Summary of CPR Grants (see attached). Backman recently communicated with an Atwater business that is the largest manufacturer of taxidermy pedestals in the United States. It is an example of unique businesses that we have in the country. There were 38 nonprofits (30 from Willmar) that received a total of \$1,017,000. Connie Schmoll noted some nonprofits did not lose income, but had increased activity in responding to the pandemic. Schmoll noted some communities across Minnesota did not give grants to nonprofits or gave significantly smaller grants. Schmoll stated this past week several businesses have contacted the EDC giving thanks for the grant they received, but asking for additional help. Backman recognized Kandiyohi County and the City of Willmar for the large sums given to the EDC. Julie Asmus indicated the City of Willmar is considering reimbursing license fees to bars. Schmoll stated off sale liquor establishments have done well, but those that have on sale are struggling. Jesse Gislason stated the City of Spicer reduced its liquor fee for 2021 by 50%.

COVID-19 Business Assistance Loan (COBAL) Program. Backman reported 27 out of 36 loan applications were approved with \$127,500 out of \$150,000 being expended. The funds came from the EDC's reserves and the program was extended through the end of November.

Immigrant Business Disaster Relief Grant Program. Backman reported 25 grants have been given at a maximum of \$750 to 17 East African businesses, 6 Asian businesses and 2 Latino businesses. As of yesterday, a total of \$17,450 has been given. The program was to have been concluded October 15th, but in speaking with Scott Marquardt of Southwest Initiative Foundation (SWIF), he is in support of extending the program by six months to April 15, 2021.

IT WAS MOVED BY Les Heitke, SECONDED BY Jesse Gislason, to extend the Immigrant Business Disaster Relief Grant Program by six months to April 15, 2021. MOTION CARRIED.

Schmoll noted it has been good to get to know the Asian business owners, many of whom live in St. Cloud and commute to Willmar to work.

Backman introduced Cheryl Glaeser, who complimented the board on creating the CPR Grant Program. Glaeser is currently assisting with the use of grant fund reports. Approximately 40% of the business reports and 36% of the nonprofit reports have been received. Backman stated 307 applications were received for the CPR Grant Program and Glaeser's assistance has been very helpful. The use of grant fund reports are being collected in case the EDC's CPR Grant Program is audited. Backman noted the contract with Glaeser ends on November 15, 2020 and he would like it extended to December 31, 2020. Glaeser noted the extension (see attached) does not increase the dollar amount from the original contract.

IT WAS MOVED BY Kerry Johnson, SECONDED BY Jesse Gislason, to enter into the Addendum to Agreement for Services extending the contract with Cheryl K. Glaeser and Achieve TFC, LLC through December 31, 2020. MOTION CARRIED.

Glaeser commented another governmental entity she has been communicating with is struggling to distribute its funds, which speaks highly of the EDC's relationship with the county's businesses.

[Glaeser was excused from the meeting.]

Ridgewater College Surplus Property Update. Backman reported at its October 22nd meeting, the Joint Powers Board ratified this board's recommendation to purchase the 1.6 acre site being sold by Ridgewater College. Backman has been communicating with the representative in charge of the sale, who indicates a property survey will be done. It is anticipated a draft Purchase Agreement will be received by the end of this month with a closing in early 2021. Backman has received contact from three developers (two from the area and one from St. Cloud) interested in the property—one proposed a parking lot, one a multi-family housing project and the third a mixed-use development, including commercial. One party has asked permission to bring a team from St. Cloud to walk the property. The College is excited about possibly having some commercial use. The sale price will be the assessed value of \$60,000 plus the survey and related costs. Backman has informed the potential developers that the EDC is looking to recover its costs and create jobs and tax base. Backman intends to judge the proposals on whether or not it is a good fit for the community.

NEW BUSINESS

Entrepreneurs' Loan Guarantee Reserve. Backman reported there are no outstanding loan guarantees and the Finance Committee is recommending the reserve be removed from the EDC's Balance Sheet.

IT WAS MOVED BY Rollie Boll, SECONDED BY Les Heitke, to remove the reserve for the Entrepreneurs' Loan Guarantee Program in the amount of \$25,262.20. MOTION CARRIED.

Broadband Speed Test Marketing. Schmoll reported the Broadband and Advanced Technology Committee has been marketing the Minnesota Broadband Speed Test Initiative. The speed test is being done by sites rather than census tracts and will be a good tool for providers and the committee when it seeks to do broadband projects. Schmoll visited with the three townships (Mamre, Dovre and St. Johns) informing them a provider has been secured and will pay for 25% of the expense to install fiber. All townships have agreed to move forward and have asked what the costs will be. The committee will provide education and the townships will vote on whether or not to add the cost to their real estate taxes. The County Board approved using CARES Act funds to update the feasibility study previously done in four northern Kandiyohi County townships. Federated Telephone Cooperative is willing to add more townships, if the total project is under \$10 million as the maximum state grant is \$5 million or up to 50% of a project cost. Federated wants to continue to grow its territory on the west side of the county. Schmoll spoke with Meeker Cooperative Light & Power about extending its program on the east side of the county, however, it wants to focus on continuing its project in Meeker County, but it is willing to look at a project in the future. Schmoll noted that before the pandemic, the Governor had proposed an increase in broadband funding, but it did not happen. The committee will continue to work with state legislators for increased funding.

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Backman reported he and Schmoll are starting to move away from working on the CPR grants and yesterday met with a developer, who is looking at housing in Willmar. The project could potentially be similar to what Unique Opportunities is doing. Backman and Schmoll provided the developer with a list of 10 sites around Willmar, most of which are green field. The developer is also interested in Willmar's Renaissance Zone. Backman anticipates continued conversations with this developer. There is some talk of a project being done across from Legacy Commons. Schmoll reported she has been working with the owners of Subway for about six months to merge their two locations into one new location. Backman stated Sarah Swedburg, Willmar City Planner, has been assisting them with maps.

Agricultural Innovation. Schmoll reported a workshop will be held on January 27, 2021 with Christianson PLLP. The Ag Committee is looking at updating its flyer and the Industrial Hemp Exploratory Subcommittee continues to research possible production sites.

Broadband. Schmoll reported the county used CARES Act funds to market the speed test.

Other. RELCO was recently acquired by a division of the Koch empire. Relco is the world's third largest dairy equipment manufacturer. There is a concern that the business could be moved from the community. President TerWisscha stated he spoke with Loren Corle, who assured him that the new buyer was looking at expanding in Willmar.

[Donna Boonstra was excused from the meeting.]

What's Up? Schmoll is attending a month-long training through the Rising Tide Network about launching a community business academy that teaches entrepreneurs on how to operate a business. The program is focused on low income and new immigrant businesses. SWIF is in favor of hiring a trainer. Kerry Johnson stated she is working on the sale of a couple of businesses. Les Heitke reported a lake association has been organized for Willmar and Foot Lakes, which received grants to hire a company to treat the lakes next spring for curly leaf pondweed. Rollie Boll stated he is concerned with the transfer of the Farm Business Management Program at Ridgewater College. Jesse Gislason stated his concern with his business now having to close at 10 p.m. and bowling be at 25% capacity. Chair TerWisscha reported they are breaking ground for the new Project Turnabout on the north side of Willmar, are working with Willmar Ten on the possible redevelopment of the Uptown location for the Willmar City Hall and are giving Apple Tree Square a facelift. Johnson reported United Prairie Bank has been working with TerWisscha Construction on a new entrance on the south side of the building to lease space to other businesses.

NEXT MEETING—The next regular board meeting is **11:00 a.m., Thursday, December 10, 2020** via ZOOM video conference.

ADJOURNMENT—

IT WAS MOVED BY Kerry Johnson, SECONDED BY Jesse Gislason, to adjourn the meeting.

The meeting was adjourned at approximately 12:10 p.m.

Art Benson, Secretary

APPROVED: 12/10/2020:

Kelly TerWisscha, President

11.10.2020 Summary of CPR Grants

Businesses

232 business grants

199 city applications approved from 10 different cities: Willmar-139 (60%), New London-22, Spicer- 21, Atwater-5, Pennock-3, Kandiyohi-1, Lake Lillian-1, Raymond-1, Sunburg-1, Raymond-1

33 township applications from 17 different townships: Dovre- 8, New London-9, Willmar-4, Burbank-2, Roseville 2 (one of them in Regal), Colfax-1, Edwards-1, Genessee-1, Holland-1, Irving-1, Kandiyohi-1, Lake Andrew-1, Lake Elizabeth-1, Lake Lillian-1, Mamre-1, Roseland-1, Whitefield-1

Diverse Businesses: 46 or 20% East African-24, Asian-13, Latino-9

Average years in business: 14 (14.37)

1,076 FTE jobs – average per business: 4.6 (4.64)

Average loss: 60%

Average grant: \$9,780

Business Types:

42	Barber/Salon/Nails/Massage
35	Restaurant/Cafe/Bar/Grocery/Catering
32	Service, i.e.: Staffing/Photography/Interior Design, etc.
28	Retail
28	Health, i.e.: Dental/Eye care/Chiropractic/Fitness
19	Construction/Manufacturing
15	Transportation/Logistics
8	Media/Printing
7	Auto Sales/Service
7	Entertainment
7	Hotel
4	Childcare

Nonprofits

38 nonprofit grants

30 or 79% from Willmar, and Atwater-1, New London-4, Spicer-1, Lake Andrew Township- 1, Dovre Township-1

286 FTE jobs – average per nonprofit: 8

Average loss: 36%

Average grant: \$26,782

Mission:

Arts, Recreation, Education and Other-20 (\$5,000 mission award)

Social Services-14 (\$12,500 mission award)

Mix of Social Services and Other-4 (\$8,000-\$10,000 mission award)

Healthcare-0 (\$7,500 mission award)

Kandiyohi County and City of Willmar Economic Development Commission
ADDENDUM to AGREEMENT FOR SERVICES
CARES Pandemic Relief Grant Program Development & Implementation
Original Sign Date: 7/24/20

This addendum pertains to the agreement for services signed on 7/24/20 between Kandiyohi County and City of Willmar Economic Development Commission (hereafter EDC) and Achieve TFC, LLC (hereafter called Contractor). Effective as of 11/15/20, May it be known that the undersigned parties, for good consideration, do hereby agree to make the following changes and/or additions that are outlined below. These changes/additions shall be made valid as if they are included in the original stated contract.

A. Duties and Terms, Paragraph 2, Line 2: "This Agreement shall commence on 7/20/2020 and be completed on or before 11/30/2020" shall be stricken and replaced as follows:

This Agreement shall commence on 7/20/20 and be completed on or before 12/31/20.

C. Written Reports and Materials, Paragraph 1, Line 1: "The contract will require that all written documentation compiled within the scope of work be provided on or before November 30, 2020." Shall be stricken and replaced as follows:

The contract will require that all written documentation compiled within the scope of work be provided on or before December 31, 2020.

D. Compensation, Paragraph 2, Line 1 : "A final invoice covering remaining costs shall be submitted by Contractor within 15 days of the contract end date of November 30, 2019" shall be stricken and replaced as follows:

A final invoice covering remaining costs shall be submitted by Contractor within 15 days of the contract end date of December 31, 2020.

Exhibit A: Proposal/Scope of Work, Box 2, Title and Bullet Point 3:

Title "August through November" shall be stricken and replaced as follows: "*August through December*"
Box 2, Bullet Point 3, shall be added as follows: *Assist with outreach to ensure appropriate reporting documentation is provided by businesses*

No other terms or conditions of the above-mentioned contract shall be negated or changed as a result of this here stated addendum.

By: _____

Aaron Backman, Executive Director
Kandiyohi County & City of Willmar EDC
PO Box 1783
Willmar, MN 56201

By: Cheryl K. Glaeser

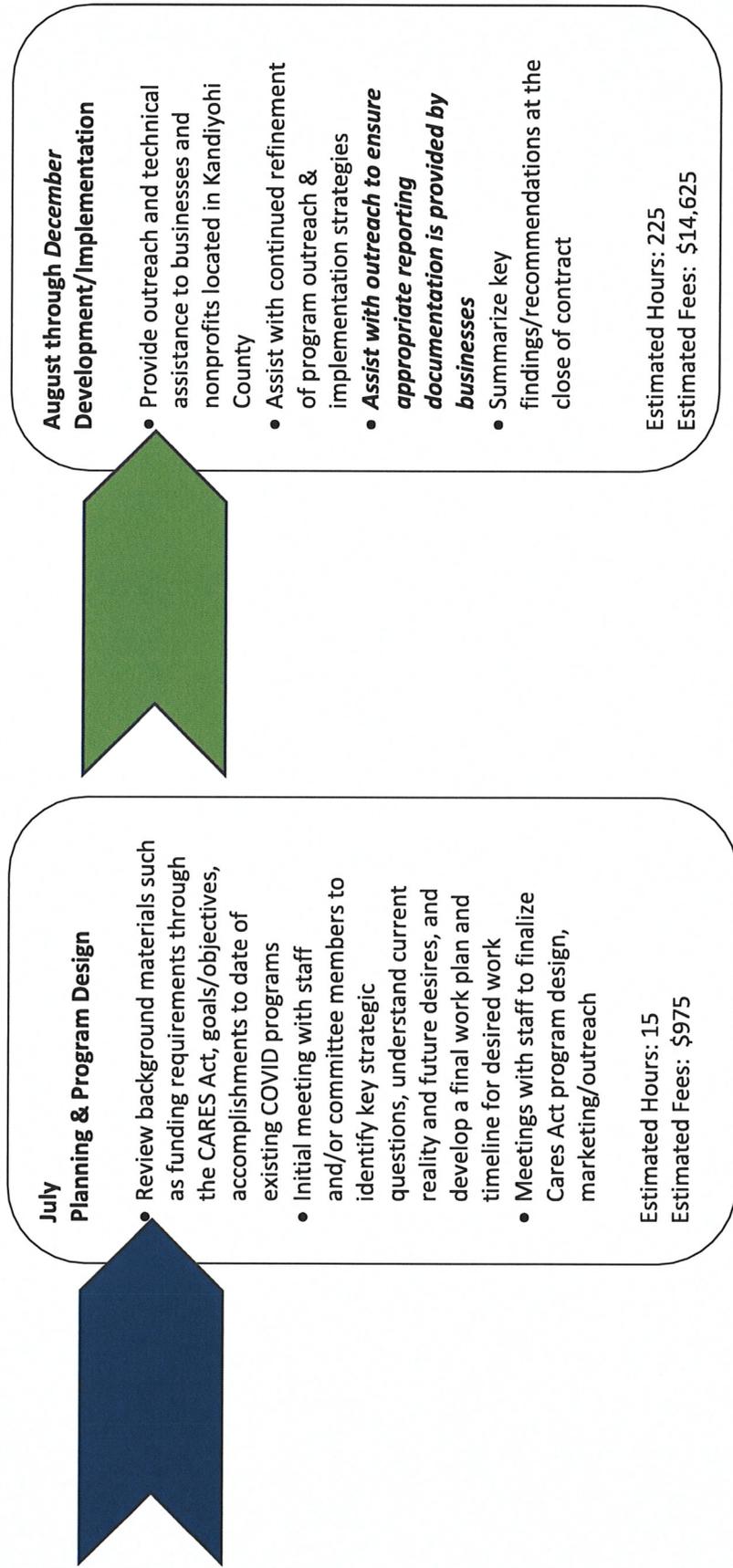
Cheryl K. Glaeser, Owner/President
Achieve TFC, LLC
820 Ash St NE
Hutchinson, MN 55350

Date: _____

Date: 11/10/15

EXHIBIT A: Scope of Work

The following chart outlines draft concepts for proposed activities, timeline, and estimated costs required to complete them. This outline should be considered a starting point for discussion about the preferred process and timeframe to best meet the desired outcome of this project. A full scope of work will be developed based on further discussion and understanding of needs. Final estimated costs may be adjusted to reflect the work required.



Estimated Fees: Contracted Work - \$15,600; Supplies/Materials: \$150.00; Travel/Mileage Stipend: \$1,000 Estimated Total: \$16,750