

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

Present: Rollie Boll, Jesse Gislason, Les Heitke and Kerry Johnson

Excused: Art Benson, Donna Boonstra and Kelly TerWisscha

Ex Officio: Julie Asmus and Dave Ramstad

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

Media: Shelby Lindrud, West Central Tribune

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

Vice President Kerry Johnson called the meeting to order at approximately 11:11 a.m. The agenda was taken out of order.

UNFINISHED BUSINESS

Update on COVID-19 Response. Aaron Backman reported the EDC has exceeded \$4 million in expenses this year, which is far above normal. Grants totaling approximately \$3.5 million were disbursed through the CARES Pandemic Relief (CPR) Grant Program. In mid-November, the EDC was contacted by Kandiyohi County about additional funds that needed to be expended. The EDC received an additional \$194,000 to distribute to 48 restaurants/bars, fitness centers and hospitality businesses that had already qualified under the CPR Grant Program. The grant checks were either \$3,000 or \$5,000 per business, dependent upon the previous award. Backman provided information on programs done by other counties noting the EDC did very well with its distribution of CARES Act funds. Backman indicated the state is looking at a new program to assist businesses during the pandemic. The legislature will hold its seventh special session next week to consider the new program, which may consist of three tiers: \$100 million for restaurants/bars and gyms to be distributed by the Minnesota Department of Revenue; \$100 million to convention centers and movie theaters to be distributed by the Minnesota Department of Employment and Economic Development; and \$100 million to counties to help rural businesses and organizations. Kandiyohi County could receive \$750,000.

AGENDA—Added to the Consent Agenda under Approve, was item 3, payment of \$2,000 to Vision 2040 for 2020 membership and added under New Business, was item 2, staff transition.

IT WAS MOVED BY Les Heitke, SECONDED BY Rollie Boll, to approve the revised Agenda and following revised Consent Agenda.

CONSENT AGENDA

Approve: 1. Minutes of November 12, 2020
2. Financial reports as of November 31, 2020
3. Payment of \$2,000 to Vision 2040 for 2020 membership

Accept: Committee/Subcommittee Minutes
1. Ag Industrial Hemp 9/14/2020
2. Broadband and Advanced Technology 11/2/2020
3. Business Retention and Expansion/Recruitment 11/6/2020
4. Finance 10/13, 27 and 30/2020
5. Marketing and Public Relations 10/26/2020

MOTION CARRIED.

UNFINISHED BUSINESS CONTINUED

CPR Grant Program. Backman reported the EDC received 308 grant applications. Staff is in the process of receiving and reviewing the final expense reports and documentation. Cheryl Glaeser has been instrumental in following up with the businesses as to their expense reports. Connie Schmoll noted the final expense reports have been a little challenging to obtain, but when they are informed they can include expenses from March 2020 forward, it is less cumbersome. Schmoll read a some of the many thank you notes the EDC has received.

Ridgewater College Surplus Property Update. Backman reported he spoke with Paul Harrington, who reported Minnesota State Colleges hired Bonnema Surveying to survey the property by the end of the month. A draft Purchase Agreement is expected by early January for approval by both EDC boards. Backman stated two parties have shown interest in purchasing the property.

NEW BUSINESS

Rising Tide Capital Opportunity. Schmoll reported she was contacted by Scott Marquardt of Southwest Initiative Foundation (SWIF) about Rising Tide Capital, which offers business training/capacity building services. SWIF will pay the startup costs for the program and fund it for the first year. Schmoll noted entrepreneurs have been starting new businesses during the pandemic and it is a good time to start this program. Schmoll and Marquardt have attended four

weeks of training for the program. Training of leaders will begin in January and will include a variety of individuals; plans are to hire a coordinator for the program. In March, a 12-week training academy for entrepreneurs would begin. The program requires collaboration and community partners are being sought. Backman noted some lenders have indicated interest, along with potential financial participation. The program has been around for 16 years and trainers must have some business background. A budget is being created and will be presented to the board for approval in January.

IT WAS MOVED BY Jesse Gislason, SECONDED BY Rollie Boll, to approve participation in the Rising Tide Capital Program. MOTION CARRIED.

Staff Transition. Schmoll informed the board she will be retiring the end of May 2021 and a replacement for her position will need to be sought. She is willing to assist with the Rising Tide Program and the broadband project, if her replacement has not been hired by the time she retires. Backman suggested a task force be formed to review and revise the job description, if needed; look at next steps, including advertising the position; review resumes and interview applicants. Backman would like a short overlap for job shadowing. Backman recommends representatives from both boards be included in the process. Heitke volunteered to assist with the process. Backman will contact Kelly TerWisscha as he would like the board president included.

Board Members. Backman noted Vice President Johnson and President TerWisscha's terms end this year and he has expressed a desire that their terms be renewed.

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Dave Ramstad reported the City Administrator, Brian Gramentz, will be leaving in June 2021. The comprehensive plan continues to be worked on and will be reviewed by a yet-to-be formed task force that will include Planning Commission members and community volunteers. Ramstad reviewed information that will be included in the plan. The City of Willmar has received some interest in its Renaissance Zone and is looking at doing some advertising of it. A request for proposal is being prepared for construction of a small hotel that would be connected to the hospital. An intern from Mid-Minnesota Development Commission (MMDC) is assisting his office. Ramstad noted the city had more building permits this year compared to last year, but permit values were less. Julie Asmus reported the Willmar City Council is waiting on cost estimates for refurbishing the JC Penney location versus building a new City Hall. Once a location is determined, the city will determine what to do with the current City Hall. Ramstad noted MMDC moved to the MinnWest Technology Center and its former space in the City Hall basement will not be re-rented.

Backman reported he and Schmoll met with a Mankato developer interested in building a multi-housing project. Another developer from the St. Cloud area is also interested in a housing project, possibly in the Renaissance Zone. Backman believes projects will be started in 2021.

COMMITTEE REPORTS

Agriculture and Renewable Energy Development. Schmoll reported the Ag Committee started meeting again in November; the Industrial Hemp Exploratory Subcommittee has continued to meet during the pandemic. The committee is working on updating the EDC's ag flyer and will host an online workshop on biofuels on January 27, 2021 with Christianson PLLP. A planning meeting was held for the Partners in Ag Innovation Conference to be held in July with a theme of change. Rollie Boll reported Kevin Ortenblad of Lettuce Abound near New London is now growing hemp seeds rather than lettuce.

Broadband and Advanced Technology. Schmoll reported Kevin Beyer of Federated Telephone Cooperative (FTC) attended the December committee meeting. FTC is interested in doing a project in Kandiyohi County and providing 25% of the cost. The project cost must be less than \$10 million as a maximum of 50% could be covered by a state Border-to-Border Grant. Beyer and the committee reviewed the roles and responsibilities for the state grant application. Kandiyohi County provided CARES Act funds to promote the Minnesota Rural Broadband Coalition speed test and to update the previous engineering study. Following the speed test promotion, Kandiyohi County had the highest response rate in the state. Backman acknowledged Schmoll's work on local broadband issues. Schmoll stated the Coalition is promoting the state designate \$15 million for its Border-to-Border Grant Program.

Business Retention and Expansion/Recruitment. Backman reported the committee did not meet this month. The county approved \$37,500 for a scholarship through Ridgewater College to retain students and were given to 22 students across a variety of programs. Funds were also approved for CLUES to obtain laptops for its Willmar location. Central Minnesota Jobs and Training Services has a program to encourage non-traditional students to the enroll in the Commercial Driver's License (CDL) Program at Ridgewater. So far, two students graduated from the program using the CDL simulators.

Finance. Backman reported the Finance Committee held its regular monthly meeting on December 8th at which it recommended approval of several loans and loan deferments. Backman provided information on La Manzanita Mexican Market to be located on Highway 12.

IT WAS MOVED BY Les Heitke, SECONDED BY Rollie Boll to approve a three-year \$9,000 loan under the Kandiyohi County and City of Willmar Economic Development Commission's Microenterprise Loan Program to La Manzanita Mexican Market at 4.5% interest along with a first security position on two new freezers and a fryer, subject to the owner providing proof of payment of two outstanding delinquent debts. MOTION CARRIED.

Schmoll gave an update on the COVID-19 Business Assistance Loan (COBAL) Program and provided information on the loan recommendation for Valley View Book and Tax.

IT WAS MOVED BY Rollie Boll, SECONDED BY Jesse Gislason, to approve a 24-month \$5,000 loan under the Kandiyohi County and City of Willmar Economic Development Commission's COVID-19 Business Assistance Loan Program to Valley View Book and Tax, with a six-month payment deferral. MOTION CARRIED.

Schmoll provided information on the loan recommendation for Mubarak Food & Grocery, Inc.

IT WAS MOVED BY Rollie Boll, SECONDED BY Les Heitke, to approve a 24-month \$5,000 loan under the Kandiyohi County and City of Willmar Economic Development Commission's COVID-19 Business Assistance Loan Program to Mubarak Food & Grocery, Inc., with a six-month payment deferral. MOTION CARRIED.

Schmoll reported loans totaling \$137,500 have now been issued through the COBAL program.

Information on the loan deferment requests by Re-Cover Temp Agency and Massage Therapy by Rita was provided. Backman noted the first COBAL payments were received in November.

IT WAS MOVED BY Rollie Boll, SECONDED BY Jesse Gislason, to approve a three-month deferral of the Microenterprise Loan to Re-Cover Temp Agency and a three-month deferral of the COVID-19 Business Assistance Loan to Massage Therapy by Rita. MOTION CARRIED.

Backman reported Willmar Child Care Center received its license from the state and is planning to open soon. The lenders (African Development Center, SWIF, MMDC and the EDC) met with the Child Care Center on Monday and all lenders agreed to a three-month deferral of their loan payments.

IT WAS MOVED BY Rollie Boll, SECONDED BY Les Heitke, to approve a three-month deferral of the Revolving Loan Fund loan to the Willmar Child Care Center. MOTION CARRIED.

Vice President Johnson requested the Finance Committee be informed of this deferral at their next meeting.

Marketing and Public Relations. Schmoll reported she requested a proposal from Jayme Sczublewski on creating a website for the Rising Tide Capital Program. Backman noted the committee will be working with the City of Willmar on marketing the Renaissance Zone.


What's Up. Gislason reported Alley on Ash is closed due to the Governor's Order. Johnson reported the bank has been very busy with business transactions. Schmoll indicated two individuals have shown interest in purchasing the Mill Pond Mercantile. Heitke encouraged everyone to drive through the Celebrate the Light at Robbins Island. Asmus noted it is very sad to see the closing of the Mill Pond Mercantile and asked if the EDC was offering its assistance. Schmoll reported the EDC provided the Mercantile with a CPR grant, but has not been involved in the potential sale of the business. Michelle Marotzke of MMDC is assisting the EDC in reaching out to the owners of the Mercantile for assistance.

NEXT MEETING—The annual board meeting is **11:00 a.m., Thursday, January 14, 2021** via ZOOM video conference.

ADJOURNMENT—

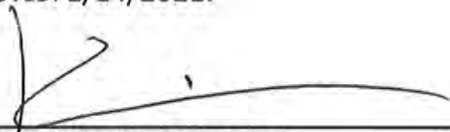
IT WAS MOVED BY Jesse Gislason, SECONDED BY Rollie Bollie, to adjourn the meeting.

The meeting was adjourned at approximately 12:39 p.m.



Art Benson, Secretary

APPROVED: 1/14/2021:



Kelly TerWisscha, President