

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

JOINT OPERATIONS BOARD OF DIRECTORS (OB)

MINUTES

December 8, 2022

Community Room, Heritage Bank, Willmar, Minnesota and Via ZOOM Video Conference

Present: Art Benson, Abdulcadir Gaal, Jesse Gislason, Les Heitke and Mary Warszynski

Excused: Donna Boonstra and Kelly TerWisscha

Ex Officio: Vicki Davis

Staff: Aaron Backman, Executive Director; Sarah Swedburg, Business Development Manager; and Kelsey Olson, Marketing & Communications Specialist

Guests: Jacob Kolander, Spicer City Administrator and Leslie Valiant, Willmar City Administrator

Media: Jennifer Kotila, West Central Tribune

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

President Art Benson called the meeting to order at approximately 11:11 a.m.

AGENDA—

IT WAS MOVED BY Mary Warszynski, SECONDED BY Jesse Gislason, to approve the Agenda and the following revised Consent Agenda.

CONSENT AGENDA

Approve: 1. Minutes of November 10, 2022
2. Financial reports as of November 30, 2022
3. Addition of Bob Meyerson to the Industrial Hemp Exploratory Subcommittee

Accept: Committee/Subcommittee Minutes
1. Industrial Hemp Exploratory Subcommittee 11/14/2022
2. Broadband and Advanced Technology 10/3 and 11/7/2022
3. Marketing and Public Relations 10/24/2022

MOTION CARRIED.

UNFINISHED BUSINESS

Kandiyohi County Housing Study. Aaron Backman announced he received a draft of the housing study, which confirms some things and reveals some surprises. Once the report is in its final form, it will be shared with this board and others. The report forecasts the need for a number of housing units in Willmar and New London over the next eight years, including senior housing. Backman has received calls from individuals interested in receiving the report, including several developers. Backman expressed his appreciation to the partners involved in the study.

Child Care Economic Development Grant. Sarah Swedburg announced the EDC was awarded \$200,000 by the Minnesota Department of Employment and Economic Development (DEED). She is working with the state on the grant requirements and the City of Willmar and Kandiyohi County on the required matches for the grant. Swedburg and Kelsey Olson have been visiting all of the cities and townships in the county about childcare. About 80% of the grant funds will be used for forgivable loans to providers to increase slots for children plus other programs, such as mentorships, fee reimbursements and translations. She is also working in partnership with United Community Action Partnership and its Child Care Wayfinder Program, which helps new providers navigate licensing requirements. Clear and concise information will be provided to local providers in regard to the grant. Michelle Marotzke of Mid-Minnesota Development Commission assisted with the grant application. Backman noted only 17 organizations across the state were funded; matching funds weighed in on the entities selected. Backman reviewed the changes needed to the 2023 budget as a result of receiving this grant. Southwest Initiative Foundation (SWIF) has pledged funds toward this grant, but those funds will not go through the EDC. The terms of the loans will include requirements that must be met over a specific number of years. Once the loan requirements are developed, the EDC will host community meetings with the providers early next year.

IT WAS MOVED BY Les Heitke, SECONDED BY Mary Warszynski, to approve the following changes to the 2023 budget: under Revenues/Grants/American Rescue Plan Act change the amount from \$8,000 to \$258,000; under Revenues/Grants/MN Department of Employment & Economic Development add a line for Child Care Grant in the amount of \$200,000; and under Committee Expenses/Business Retention and Expansion/Recruitment Committee/Childcare Initiative change the amount from \$750 to \$450,750. MOTION CARRIED.

NEW BUSINESS

Dental Plan. Backman noted the EDC has a small group health insurance plan through Blue Cross Blue Shield of Minnesota. Staff would like to participate in a dental plan at an estimated total premium of \$128.80 per month, which would be paid by the employees.

IT WAS MOVED BY Jesse Gislason, SECONDED BY Mary Warszynski, to approve the Kandiyohi County and City of Willmar Economic Development Commission enroll in a dental plan with Blue Cross Blue Shield of Minnesota with an estimated total

premium of \$128.80 per month in 2023 to be paid by the employees. MOTION CARRIED.

Location of Board Meetings. Backman asked the board if it would like to continue meeting at Heritage Bank or return to the EDC office. Leslie Valiant invited the EDC to hold meetings at the new Events & Recreation Center at no charge. Valiant invited everyone to attend the ribbon cutting for the new Events & Recreation Center on December 21 from 10-11 a.m. It was the consensus of the board to continue meeting in the Community Room of Heritage Bank, if it is available.

REPORTS

Economic Development Activity. Backman reported the Minnesota Department of Transportation approved up to a \$900,000 grant through its Transportation Economic Development Program for improvements to Highway 40 for the Nexyst 360 project in the Willmar Industrial Park. Burlington Northern Santa Fe (BNSF) Railway has invited Willmar to participate in its certification process, which takes about one year to complete. The proposed certification area involves 335 contiguous acres within the Willmar Industrial Park/former airport site (see attached). No fees will be assessed by BNSF, but Backman estimates there could be costs of \$20,000 to \$30,000 charged by the state that may be split between the EDC and the City of Willmar. It was the consensus of the board to support the certification process by BNSF. Valiant reported she has been in discussion with Dan Bilka, co-founder and president of All Aboard Northwest of South Dakota, who is heavily involved in rail advocacy.

Backman has had continued discussions with EpiTopix/Vaxxinoa; Swedburg has encouraged Lumber One to apply for a brownfield award; construction of Block 25 is coming along; rising interest rates are having an effect on housing projects—one developer is looking at a project for the Renaissance Zone; however, until interest rates lower they will not move forward. Backman stated Willmar has had \$88 million in construction so far in 2022 and according to DEED the local unemployment rate is now down to 1.5%.

Valiant announced Farm Rite will be expanding and the city will work on its stormwater issues using Farm Rite property; Slim Chickens will be starting construction; Popeyes will start construction in the spring of 2023; and the Willmar Planning Commission approved a petition to annex property next to Jennie-O Turkey Store. The pedestrian bridge built in 1947 by BNSF over the railway has been closed due to deterioration. The bridge was to have been maintained by BNSF so the city will be working with it to find the correct representative with whom to communicate. Last week the City Council received a presentation by the architect for the city hall and community center; they are working on developing a couple of other sites for a new city hall.

Jacob Kolander reported Brüdgers Butcher is opening a location on the west end of Heritage Bank in Spicer; the city has available space to rent (820 sq. ft.) in the library building; Spicer is close to signing a developer's agreement with Koosman for 13 acres for construction of 14 duplexes; they are meeting about 45 acres on County Road 8 tomorrow with Rep. Dave Baker and possibly Senator Andrew Lang as to bonding for roads and infrastructure. Swedburg

attended a meeting where the Greater Minnesota Partnership presented and will be following its roads and infrastructure priorities.

Elevate Community Business Academy. Swedburg reported Monday will be the last Elevate class for this cohort. The course started with 12 students and 11 will graduate 6 p.m., Friday, January 13, 2023 at the Willmar Education and Arts Center. Tonight is the first information session for spring 2023 classes, which will be held in conjunction with Willmar Main Street. Two classes will be held in the spring—one in English and one in Spanish. Rising Tide Capital has all of the curriculum in Spanish so there will be no cost for translation. Swedburg is working with the Latino Economic Development Center and SWIF as to a Spanish speaking economic development leader. She is also working on training three more graduates to be instructors, as well as training another Spanish speaking instructor and one for Somali.

COMMITTEE REPORTS

Agriculture and Renewable Energy Development (Ag). Swedburg reported the Ag Committee is working with the Agriculture Utilization Research Institute (AURI) in regard to a foreign company interested in expanding into the United States. An exploratory meeting will be held with the company next Thursday in Willmar. The committee will also meet next Thursday; its key focus in 2023 is education, including a potential event with the Stingers.

Broadband and Advanced Technology. Swedburg announced that today Federated Telephone Cooperative was awarded nearly \$5 million through the state Border-to-Border Broadband Grant Program to bring fiber-to-the-home in the townships of Arctander, Dovre, Mamre and St. Johns. The total project will be approximately \$10 million. Olson will develop a press release announcing the grant award. Backman congratulated the committee on its work in obtaining this grant. TDS and Spectrum are installing fiber in the Spicer area. From now until May, the committee will be educating property owners on the buildout that will be done to each home. Whether a resident signs up for the new service or not, the property owner must approve the work being done on their property. Backman noted Federated received 8% of the state's grant allocation; the project will bring fiber to more than 600 households and businesses. Swedburg has coordinated with each local legislator to inform them of local broadband issues. The committee will be speaking with state legislators ahead of the session about 2023 priorities.

Business Retention and Expansion/Recruitment. Olson reported Redwood and Renville Counties have committed to sponsoring the January 18th virtual job fair, as well as one in the spring. Meeker County will join in sponsoring the spring virtual job fair. Olson has also communicated with the Lower and Upper Sioux Communities about the virtual job fairs. Twelve businesses have signed up for the virtual job fair to date. Olson has been creating a marketing toolkit for the virtual job fair for the counties and businesses to use. Today she met with Ridgewater College about the virtual job fair. Backman noted Ridgewater College has 16 openings. The EDC is requesting each participating business to pay a \$50 fee.

Finance. Swedburg reported the Finance Committee approved another loan to Cheers of Raymond to purchase new cooler doors.

IT WAS MOVED BY Jesse Gislason, SECONDED BY Abdulcadir Gaal, to approve a \$15,000 five-year loan to High Intensity Fitness of MN LLC, doing business as Cheers of Raymond, at 6% interest per annum. MOTION CARRIED.

Swedburg reported Olson has been working on a new marketing flyer for the EDC's loan programs and in reviewing the current materials staff noted the language in the Revolving Loan Fund Manual under the Interest Rate and Repayment Terms section was not consistent with current practice and needs to be corrected.

IT WAS MOVED BY Mary Warszynski, SECONDED BY Jesse Gislason, to approve the following changes to the Revolving Loan Fund Manual under Interest Rate and Repayment Terms:

The interest rate will be fixed and shall be at a rate not to exceed the Wall Street Journal prime rate plus 2% at the time of closing. The interest rate will be computed as simple interest and will be fixed for a period not to exceed ~~five~~ **ten** years and adjusted for a ~~similar~~ **any remaining** period using the same index and margin. All loans will be structured to fully amortize over the term of the loan. Borrowers will be required to set up automatic payments from their checking account for the monthly loan payments under this program.

MOTION CARRIED.

Marketing and Public Relations Committee. Olson reported she has been working on brand consistency. She went through the literature in the entryway to the EDC office, discarding old information and requesting new materials; she will be contacting a local business to create a new brochure holder. Three responses were received to the request for proposals to update the EDC's website in 2023. Additions to the website include the capability of registering for EDC events, collection of funds and a schedule of events. More information will be provided on the new website in January. Backman noted the Joint Powers Board may be moving its January meeting date, if a majority can attend. Olson announced Prinsburg will hold a ribbon cutting event for its Arvig broadband project today at 3:00 p.m. and next Wednesday at 3:00 p.m. a ribbon cutting will be held at the Roseville Township Hall for the Hawick/Long Lake broadband project. She will be sending surveys to all townships about their important projects and will host a reception for new mayors.

Backman announced March 16th is a tentative date for the EDC boards' planning session at a location to be determined.

Leisure Travel. Olson attended the Leisure Travel Committee meeting that was held at Willmar's new Events & Recreation Center. A virtual passport project is being considered by the Willmar Convention & Visitors Bureau.

WHAT'S UP? Gaal noted his business is slow. Valiant is interviewing for a new Director of Community Growth, who will focus on equity and inclusion—there were 19 applications and she will be interviewing for a Youth Recreation Director. Warszynski also noted business is

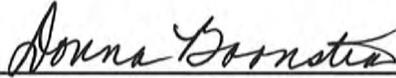
slow. Chair Benson announced a large group is coming into Willmar today to learn curling. Gislason is keeping busy at Alley on Ash. Swedburg reported she is one of four coaches leading 60+ kids in the Willmar High School speech program.

ADJOURNMENT—There being no business,

IT WAS MOVED BY Les Heitke, SECONDED BY Mary Warszynski, to adjourn the meeting.
MOTION CARRIED.

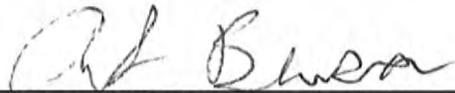
The meeting was adjourned at approximately 1:11 p.m.

NEXT MEETING—The annual meeting is 11:00 a.m., Thursday, January 12, 2023 at the Community Room of Heritage Bank, Willmar, and via Zoom video conference.



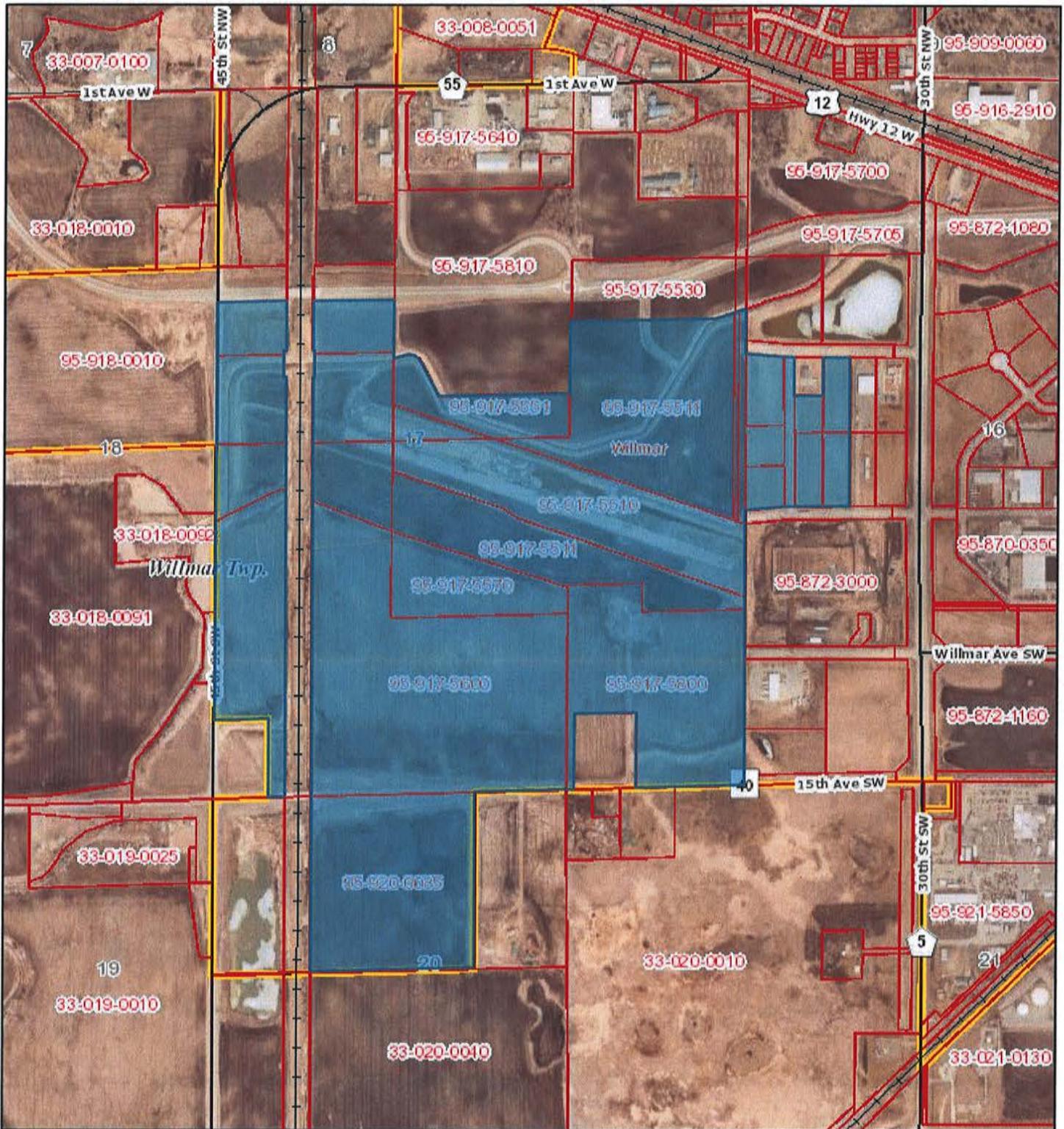
Donna Boonstra, Secretary

APPROVED: 1/12/2023



Art Benson, President

Willmar Industrial Park - BNSF Certification Area (Appx 335 Acres)



12/7/2022, 12:20:40 PM

1:18,056

- +— Railroad
- Township Roads
 - US
 - State
 - Township
 - County Gravel
- County
 - County Gravel
 - County
 - US & State Highways
 - US
 - State
- City Limits
- Lines
- Labels
- Labels
- Parcels
- Waters-Lakes

