

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
DOING BUSINESS AS KANDIYOHI COUNTY ECONOMIC DEVELOPMENT (KCED)
JOINT OPERATIONS BOARD
MINUTES**

December 12, 2024

KCED Board Room, 1601 Highway 12 East, Willmar and Via ZOOM Video Conference

Present: Art Benson, Abdulcadir Gaal, Veronica Garcia, Jesse Gislason, Les Heitke, Noah Hultgren and Mary Warszynski

Ex Officio: Corky Berg, Joint Powers Board Liaison

Staff: Michelle Marotzke, Business Development Manager

Media: Jennifer Kotila, West Central Tribune

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

President Jesse Gislason called the meeting to order at approximately 11:05 a.m. and announced a quorum was present.

AGENDA—Removed from the Agenda under New Business was item 4, Life insurance and short-term disability policies.

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

CONSENT AGENDA—

- Approve:
1. Minutes of November 14, 2024
 2. Financial reports as of November 30, 2024
 3. Payment of invoices over \$2,500:
 - a. \$6,250 to Willmar Lakes Area Convention and Visitors Bureau per the Tourism Partnership Agreement
 - b. \$2,690.50 to United Community Action Partnership for October services under the Shared Services Agreement for the Childcare Community Coordinator
 - c. Prairie Woods Environmental Learning Center grant reimbursement in the amount of \$6,467.76 from Kandiyohi County grant funds; and
 4. Addition of Hailey Helmin to the Marketing and Public Relations Committee
- Accept: Committee/Subcommittee Minutes
1. Broadband and Advanced Technology 11/4/2024
 2. Finance 11/12/2024

3. Marketing and Public Relations 10/28/2024

4. Leisure Travel 5/6, 6/3 and 11/4/2024

MOTION CARRIED.

UNFINISHED BUSINESS—There was no unfinished business.

NEW BUSINESS—

Staff updates. Michelle Marotzke noted that Patrick O'Rourke's position with the KCED was terminated by the Joint Powers Board on December 6, 2024. Any questions related to the termination should be directed to Joint Powers Board Chair Steve Gardner. Marotzke announced that Kelsey Olson had a baby girl the end of November and will begin her leave Monday, December 16, 2024, which will go through the beginning of March 2025. Marotzke stated the Joint Powers Board will be holding a special meeting tomorrow on how to proceed with the Executive Director position.

2023 audit presentation. President Gislason introduced Jordan Smith of Westberg Eischens. Smith reviewed the Financial Trends (see attached), which is an analysis of the past four years. Overall, the levy has increased each year; intergovernmental revenues fluctuate due to grants received; and miscellaneous income increased due to reimbursements for the housing study and the childcare grant.

Expenses have also increased each year, including payroll, administrative, committees due to the housing study and events and programs due to the Elevate Community Business Program. In 2022, Westberg Eischens started reporting the rent expense due to GASB (Governmental Accounting Standards Board) reporting. Smith noted the General Fund Analysis showing revenues and expenses fluctuates. The Cash Balance shows unrestricted, Certificates of Deposit and restricted cash. Overall, the cash balance has been consistent over the past four years. The largest activity has been due to the childcare grants. When questioned, Smith stated the cash balance is adequate for what the KCED does. It is not believed that the KCED is vulnerable to having its funds taken back. Smith noted restricted cash is restricted for loan programs or for a certain purpose; unrestricted is cash available for any operations. Discussion was held on having enough funds in reserve and being conservative in future spending. Corky Berg noted the KCED may need to consider how much increase can be made to the tax levy. Smith recommended having a minimum of six months of expenses held in reserves. Smith presented an estimate for preparing audits for the next three years, which the board will consider at a future meeting (see attached).

IT WAS MOVED BY Art Benson, SECONDED BY Noah Hultgren, to recommend to the Kandiyohi County and City of Willmar Economic Development Commission Joint Powers Board that it accept the 2023 audit prepared by Westberg Eischens. MOTION CARRIED.

Section 125 Premium Only Plan new provider. Nancy Birkeland informed the board that another document required by the new provider for its Section 125 Premium Only Plan, must be approved.

IT WAS MOVED BY Mary Warszynski, SECONDED BY Les Heitke, to approve signing the Certificate of Resolution for the Section 125 Premium Only Plan with HealthEquity.
MOTION CARRIED.

REPORTS

Economic Development Activity. Marotzke reported she worked with Christopher Corbett and Leslie Valiant on submitting a grant application to the state for development in the Willmar Industrial Park. She will follow up on the Willmar Airport expansion initiated by O'Rourke, but noted it is probably three to five years before any airline may come to Willmar due to the need for an onsite fire department. Marotzke noted there has been discussions with the city about uses for the KCED's real estate. She continues to work with small business owners on space and developers that have expressed an interest in the county. She received an email related to industrial hemp that O'Rourke started and she will be following up on work O'Rourke was doing. O'Rourke's emails are being forwarded to Marotzke. Information was provided on the city of Willmar receiving a \$1.3 million grant to construct an amphitheater at Robbins Island. The Rotary Club has also provided funds for the project. The construction of Les Schwab Tire east of Menards is moving along and Quist Financial moved into a new building on First Street. His former location is for sale. Marotzke is working with a couple of businesses for restaurant space, but there are no locations available.

Elevate Community Business Academy. Marotzke distributed a wood coaster created by Ian Schoultz, an Elevate student, which will be given to those attending the graduation ceremony to be held tomorrow evening, December 13, 2024, at the MinnWest Technology Campus Auditorium. There are 20 graduates. Marotzke showed a foldable blanket with the logo for the new Business Assistance Services program, which is the aftercare program for Elevate graduates. There are 103 who have graduated from the program thus far.

Childcare Program. Marotzke reported Tanna Stucky continues to work with current and new childcare providers. The new program at Prairie Woods Environmental Learning Center is coming along. The new program at Atwater is coming along slower, but is in the process. Marotzke submitted a childcare economic development grant request for 2025 in the amount of \$178,500 for a program in New London, as well as some programs previously done.

COMMITTEE REPORTS

Agriculture and Renewable Energy Development. Hultgren reported the committee met a few weeks ago and heard from guest speaker Jamey Cline of Christianson PLLP. The next meeting is a week from today. Committee chair Kevin Halvorson and Marotzke attended an ag career fair at Ridgewater College this week. Next week, the committee will discuss including an ag college student on the committee. The Lower Sioux Indian Community held an open house that Marotzke attended where it showed its process for using hempcrete in building construction. Green Seam is interested in hosting an industrial hemp conference in the county. Hultgren reported there was initially movement in growing industrial hemp, but there is not a market for it at present. Marotzke is still communicating with Dunagro Hemp Group of the Netherlands.

Broadband and Advanced Technology. President Gislason reported the Broadband Committee did not meet in December and will not meet in January. The committee returned approximately \$260,000 of ARPA (American Rescue Plan Act) funds to the county and requested that future broadband internet requests be considered from the committee.

Business Retention and Expansion/Recruitment (BRE). Marotzke reported the committee met yesterday. Joanna Schrupp of MinnWest Technology Campus attended the meeting and reported the businesses on the campus are growing. The campus has been open for nearly 20 years and has approximately 30 businesses employing 750-800 employees. Heitke noted Mr. B's Chocolates was sold to the Goose Gang out of Perham, Minnesota, which also owns Happy Sol and Lucky Duck. It is now known as B's Chocolates.

Finance. Marotzke reported the committee hosted a non-traditional lender event, which was attended by six lenders and some Elevate students. Speakers were Selina Berning of Southwest Initiative Foundation (SWIF), Christine Fischer of the Small Business Development Center, Mike Nicholas of Mid-Minnesota Development Commission and Marotzke, who spoke about gap lending and the programs that are available. The Finance Committee has discussed the KCED's security position on loans and Marotzke plans to review the KCED's loan policies. Marotzke informed the board that the KCED missed refiling a UCC continuation on its loan to VP Enterprises, which did get refilled, but it was refilled before the lead lender, Home State Bank, filed its continuation. SWIF approved a Subordination Agreement and Home State Bank has requested the KCED also sign a Subordination Agreement as to this loan. The Finance Committee recommends entering into this Subordination Agreement.

IT WAS MOVED BY Mary Warszynski, SECONDED BY Abdulcadir Gaal, to approve signing the Subordination Agreement between Home State Bank and the Kandiyohi County and City of Willmar Economic Development Commission relative to the loan to VP Enterprises. MOTION CARRIED.

Marketing and Public Relations. The committee will be meeting a week from Monday, which Marotzke will lead.

Leisure Travel. No report.

RECOGNITION OF RETIRING DIRECTORS—Marotzke recognized the following board members who are retiring and presented plaques to each: Art Benson, Jesse Gislason and Mary Warszynski.

[Benson was excused from the meeting.]

WHAT'S UP? Those present gave personal updates. Gislason noted his business Alley on Ash is doing well. There have been discussions in Willmar about the need for a bowling alley and other entertainment venues.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 12:51 p.m.

NEXT MEETING—The annual board meeting is 11:00 a.m., Thursday, January 9, 2025 at the KCED office, 1601 Highway 12 East, Suite 3, Willmar, and via ZOOM video conference.

Secretary

APPROVED: 1/9/2025

President

Patrick O'Rourke, Executive Director – Operations Board Report (Nov. 1 to Dec. 12)

Skywest Airlines (referral from Delta) video zoom to Daniel regarding future scheduled (FAA part 139) air service for BDH (Willmar Municipal Airport). He referred me to FAA grants administrator (new & expanded airports) and spoke about process to prepare for scheduled air service.

Participated in Chamber's Public Policy committee meeting at Heritage Bank. Shared my experience with labor law (CA) regarding independent contractors (proposed legislation in MN).

Attended Marketing & PR committee meeting to discuss targeted marketing/PR priorities and goals updates for 2025 and process to plan for target marketing to identified businesses and industries (Jan-Mar 2025).

Participated in CVB Tourism and Leisure Committee meeting at historical society. Will attend committee meeting during Kelsey's pre-planned absence.

Met with Christopher and Chris at City of Willmar Planning re updates on EDC and City development projects. Shared FAA part 139 airport development details and confirmed continued city interest in airport expansion.

Met with Paul & Chris Flyct re: Interested in selling their ~24 acre parcel (old brick plant) with rail spur agreement with BNSF adjacent to Willmar Industrial Park and Rail Park. Spoke with Jeff Pattison @ West Central Steel (re: potential interest – but concerned about environmental concerns – former dump site). Also, relayed opportunity to City of Willmar and Brian (Rail park).

Continued weekly attendance and networking at Rotary Luncheons, 501 social events, and service dictionary distribution at elementary school.

Met with Dr. Craig Johnson (Ridgewater) and Miles S. Hutchinson EDC to discuss mutual programs interests and to consider mirroring program to hire high school intern in Willmar to recruit more young women into trades/industrial tech occupations.

Reviewed Civic Serve software specifically designed for EDC organizations to interface both public facing and back office functions, RLF, TIF/abatements/incentives, etc. Will reconsider in 2025 or 2026, due to budgetary limitations.

Attended ILT Academy event and showcase of new entrepreneurs. Spoke to new business interested in locating in Kandiyohi County. Met with Brian Flemming Director of EDC for Sherburne County to discuss EDC topics of mutual interest.

Attended Ridgewater President's Advisory Council 1st meeting as invited new member.

Viewed YouTube premier video segment on "My Town – Willmar"

Met with short term rental agents (Spicer/New London area) at breakfast meeting to discuss their interest in countywide ordinance to ensure maximum collection of transient occupancy taxes to support tourism in Kandiyohi County.

Began extensive review of RLF loan files to identify missing documentation and update RLF and microloan policies. Worked with Home State Bank and SWIF on VP Enterprises (loan currently in default).

Met with Scott from Southwest Initiative Foundation to talk about mutual loan customers, VP Enterprises HSB subordination request, and future RLF mutual loan requests and participation.

Burbank Township meeting discuss with Clark Cronquest.

Attended Hwy. 23 Pizza Party at Steve Rambow's home on Green Lake Met Aaron Backman, and spoke with Steve and other attendees about various area projects.

Attended City of Pennock City Council meeting and spoke with council and Mayor Kevin Crowley about ready to build residential real estate development sites. Shared details about posting to KCED website and state LOIS DEED site. Had subsequent conversation with Kevin to discuss possible interest in site via Mike Dummer (Makato) meeting with Mike on 12/5.

Met with Dennis Pap (Nextys) and met with his engineers to talk about other potential development projects in industrial and rail park.

Participated in Leadership Perspectives continued monthly training on volunteerism and engagement in Willmar & Kandiyohi County – meet at both Lakeland Clinic (tour of all CentraCare Rice Memorial facilities). Also met at HHS and got intensive update on all county services at HHS.

Met at Dr. Bill Adams house re: talked about potential Mankato area developer he knew re: possible mall renovation and/or housing projects in area (meeting with Mike Drummer on 12/5 @ 1 p.m.). Also met and talked with Doug Fenster re: possible RE listing on Flyct property.

Reviewed EDA grant request opportunity in conjunction with City of Willmar – regrading development at Industrial Park, Hometown Fiber phase one to all properties in industrial park, and street/improvements, etc. Met with Willmar City planner, Federal EDC rep, city administrator, City Engineer, and others to develop EDC grant application

Attended KCED Non-traditional lenders event at HSS

Attended Roselund Township meeting

Took detailed tour of Spicer with Mayor Robin, City Administrator and City Operations Director. Attended Spicer EDA meeting and talked about ongoing collaboration.

Attended Kandiyohi County Board meeting – re: ARPA return of unused \$\$ from KCED broadband committee.

Attended SWIF sponsored State of Manufacturing – SW MN event at Granite Falls

Participated in HoliDaze Event downtown Willmar

Submitted HS Internship grant request to EDAM Foundation (\$2000 grant)

Attended KCED Marketing and Public Relation committee meeting

Hosted potential new business entrepreneurs Stephen Rider & Levi Bosshart interested in locating in Kandiyohi County. Met with folks at MinnWest campus and at Airport. Gave tour of pharmacies in Willmar.

Meeting #2 with operators of short term rentals and service businesses to discuss TOT and countywide licensing.

Met with McKale's Catering & New London Coop New London

Attended VFW charity event to support woman with breast cancer.

Hosted CVB Travel and Tourism/Leisure committee at KCED

Attended Kandiyohi City Council meeting; met with State Senator Andrew Lang; got update on Kandiyohi's TOT short term rental ordinance and got update on state level legislative advocacy via Sen. Lang.

Worked with auditors to finalize and receive final KCED audit and confirm presentation to Operations Committee on 12/1/2.

Participated in CEDS economic development update with MMDC and area EDC partners.

Met with Jon from Heritage Bank, and attended Heritage Bank event at Barn Theater

Participated on video Zoom with MNDOT Megan S. re: Hwy 40 connection to/from Industrial Park in conjunction with EDC grant City of Willmar.

12/5 meeting with Mike Drummer large developer in Mankato re: interest in Kandiyohi County housing development projects, mall redevelopment; and Hemp Crete plant. Participating in Green Seam Rural Forum.

Invited to serve on Board of Director of Economic Development Association of Minnesota (EDAM).

Participating in MNDOT SWATP-8 area transportation partnership meeting

Participating (virtually) in SSPCORE Meeting – Childcare updates

Participating in MAPCED quarterly meeting

Attending all service clubs luncheon – Willmar Convention Center

Attending BRE committee hosting speaker JoAnna S. from MinnWest to give committee updates on campus.

Attending New London EDA meeting – continuing collaboration



TO: Joint Operations Board

FROM: Michelle Marotzke, Business Development Manager

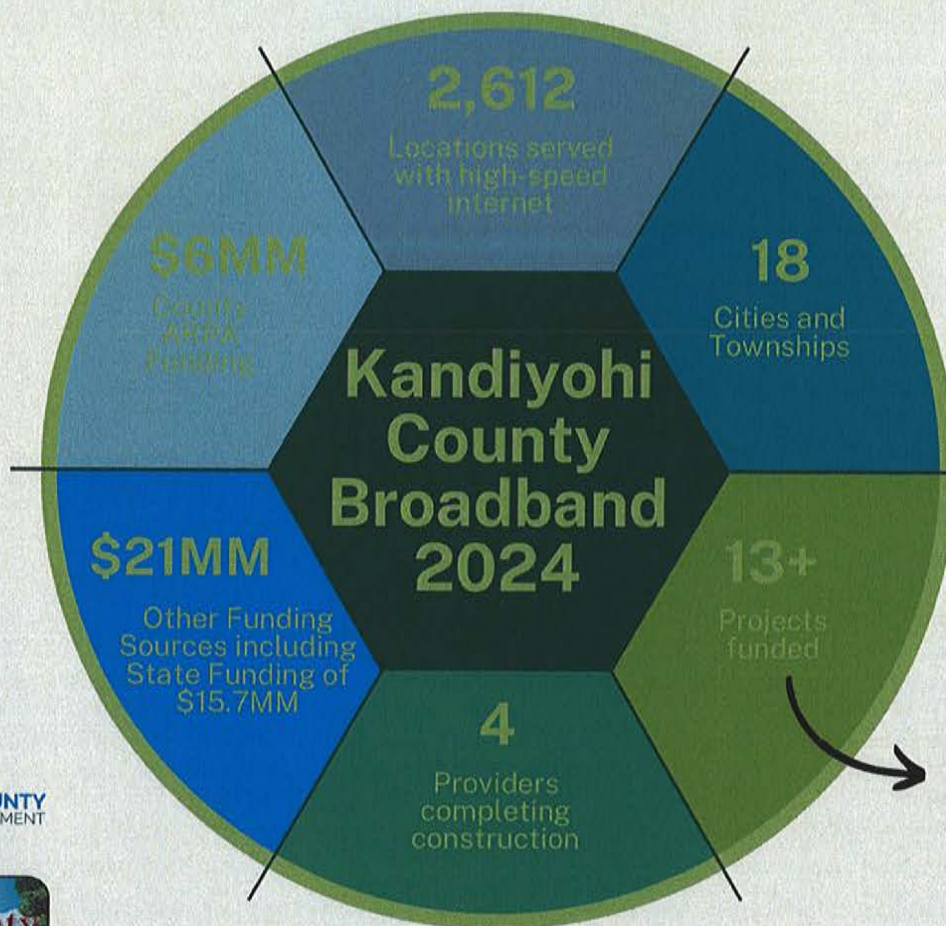
DATE: December 12, 2024 Board Meeting

Economic Development Activity

- I completed the Business Retention and Expansion course that is required for the Certified Economic Developer designation. There are two more classes to complete this year, including Real Estate Development and Reuse and Economic Development Credit Analysis. I will then need to complete two electives and schedule the exam (anticipated Fall 2025). A colleague at another organization is taking the same courses and we are connecting to be study partners.
- I have been working closely with our U.S. Economic Development Administration (EDA) representative and the City of Willmar to move forward on a grant opportunity for infrastructure development in Willmar's Industrial Park. We hope to get the application considered in the December review round.
- I am working with two small business owners looking for space. One is to move their existing business and another is to develop a new business. There are few spaces available for their types of business (restaurant and grocery), so relationships with our developers and building owners is important.

Elevate

- The Business Assistance Services program will have a soft launch at graduation on December 13th.
 - Storytelling podcasts have been recorded:
 - 11/4 – Jessica Hanson with Willmar Hypnosis
 - 11/7 – Fernando Alvarado with FIAFOTO
 - 11/11 – Gloria Gardner
 - 11/21 – Jean Geselius will be hosting with Dawn Lippert and Rochelle Peterson with Main Stream Boutique
 - This may continue into 2025, including the educational series
- There are officially 20 Elevate students that will graduate in the Fall 2024 cohort. The cohort has bonded really well and all students are very communicative if they are absent from class or have questions. They are excited to stay connected after the class ends and have already started developing working partnerships. Danny and Jeff continue to be major assets to the program. We have had speakers for marketing (Jean Geselius of Ten Oaks Design and an Elevate graduate), Cathy Fagerstrom (Cathy Counts/bookkeeping), Laura Warne (Home State Bank/personal and business credit) and Brandon Zumwalt (JMSK&Z/legal structure). Julie Anderson with Kensington Insurance will join us for our final class on 12/10.
- We will start work on the Spring 2025 English and Spanish cohorts after the current one concludes. I expect to start the class in February and end before Memorial Day.
- The quarterly report for our Small Business Assistance Partnership grant from DEED was submitted on 11/13 ahead of the 11/15 deadline with a reimbursement request of \$23,189.69. There were a couple of initial questions, which were quickly resolved so we are now waiting for final approval of this request.
- Graduation is scheduled for Friday, December 13th. It will again be held at the MinnWest Technology Campus Auditorium.
- Cathy has been amazing with coordinating details for the graduation ceremony. We are excited to give her a little break with decorating this year.



141st Ave NE (Charter)
(New London Twsp)
199th Ave NE (Charter)
(Irving Twsp)
30th Ave NW (Charter)
(Willmar Twsp)
Riverwood Circle (Charter)
Prinsburg (Arvig)
Hawick (Vibrant)
Long Lake (Vibrant)
Arctander (Federated)
Dovre (Federated)
Mamre (Federated)
St. Johns (Federated)
Harrison (Vibrant)
Lake Elizabeth (Vibrant)
East Lake Lillian (Vibrant)
Fahlun (Vibrant)
Lake Andrew (Federated)
Colfax (Federated)
Norway Lake (Federated)
Kandiyohi (Vibrant)
Genessee (Vibrant)

