

Winona County Economic Development Authority

Thursday April 28, 2022 - 4:30 p.m.

Location: County Office Building, Boardroom

Members Attending: Commissioners Chris Meyer and Greg Olson, Mike Kennedy, Ken Fritz, Amber Hamernik, and ex-officio member Scott Sherman

Members Absent: President Duane Klein, James Doerr, Jeff Larson, and ex-officio member Linda Soderstrom

Also attending: Kay Qualley, Planning & Environmental Services Director; Lew Overhaug, Planner; Paul Ellison, Assistant County Attorney; Dusty Liston, Community and Business Specialist (CEDA) and guest speakers, Mark Schultz, Regional Analyst for MN Department of Employment and Economic Development (DEED) and Christie Ransom, Executive Director, Winona Area Chamber of Commerce

Regular Meeting

1. Call to Order

Vice President Mike Kennedy called the meeting to order at 4:30 p.m.

2. Presentation of census information and updated Location Quotient from DEED (Mark Schultz)

Overall, in Winona County, the population since 2020 has decreased. 2021 also saw a slight decrease in population as well. Birth rates have been declining, as well as baby boomers passing away as a contributor to the decrease. This will have an impact on our labor force without a new population influx. Winona County has a high concentration of 15–24-year-olds, due to the high number of college education opportunities, compared to the State of Minnesota as a whole. Winona County has a lot of retail opportunities for these younger age categories to fill. Overall, Winona County's population is aging. The population projections from 2023 through 2043 are expected to decline by about 5,000 people. Southeast Minnesota (.5 to 1 people) has the lowest unemployment numbers in the state; for every 10 jobs open, the County only has 5 individuals to fill that spot. Winona County has seen an increase in diversity; races and ethnicities, other than white, are expected to continue to increase. Some of this is due to an increase in foreign-born people who will be able to fill the unemployment vacancies. The labor force has declined by over 1,000 people due to the pandemic and an aging population. This is also due to people retiring and/or phasing out of the workforce for other reasons. The average number of workers in this area has continued to decline. The 16–19-year-old age group is looking for work so there are opportunities for employers with that segment. Other portions of the population that are not working at full capacity are those with disabilities or with lower levels of education. The manufacturing industry is the highest/strongest entity in Winona County, along with healthcare, education, retail, and food services. The job trends for these industries are relatively stable. Annual wage trends have seen an increase of about 37.7 percent across all industries. Industry

sector wage changes have also increased in arts, education, and recreation, which are traditionally not high paying jobs. Mr. Schultz was thanked for his comprehensive presentation.

Discussion immediately following the presentation: Vice President Kennedy asked Scott Sherman if the City of Winona was still disputing the census numbers (pursuant to student populations, landlord efforts). Scott has not heard an update but was not confident that big changes would emerge. Vice President Kennedy stated that he believed that those omissions may be skewing some of the labor force reduction percentages.

Commissioner Meyer informed the EDA about a SE League of Municipalities study which showed that some of the potential labor force is at home without childcare, which is usually falling to women to exit their jobs to provide this care if it cannot be found in the marketplace. There will be increased effort relating to support of childcare providers toward getting these parents back into the work force.

3. Approval of Agenda

No motion was made. *(Note: out of order due to lack of a quorum at the beginning of the meeting)*

4. Approval of Minutes – January 27, 2022

On motion by Commissioner Olson and seconded by Amber Hamernik, the EDA voted to approve the amended minutes, with minor corrections. Vote: Yes – All.

5. Financial Reports, Kay Qualley

A. January – March 2022

Kay Qualley reviewed the financial reports with the EDA and the balance of the Revolving Loan Fund, as of March 2022. Additionally, Ms. Qualley explained the status of the 3 loans through the EDA.

On motion by Commissioner Olson and seconded by Ken Fritz, the EDA voted to approve the January-March 2022 financial reports. Vote: Yes – All.

6. Loan Updates, Kay Qualley and Dusty Liston

A. Current Loan Status

Kay Qualley showed the financial statements which indicated that no loans are over 30 days in payment arrears. No new applications were received. All three loan holders are keeping up to date. Kay mentioned that the Revolving Loan Fund floor remains at 3 percent or 1% below the prime rate if interest rates increase significantly. A. Hamernik (banking industry) stated that the current Prime rate is at 3.5%, but more rate increases were anticipated.

Scott Sherman discussed developers and the prices of inflation and that the Revolving Loan Fund may be more attractive to them as interest rates keep rising.

7. New Business

A. Update from Dusty Liston, CEDA report

Dusty Liston explained to the WC-EDA that she was working on the EDA website, which is being updated to become more user-friendly. Also, she explained that a site visit to Bluff Country Co-Op with Kay Qualley took place on 4/26/22. Dusty and Kay will visit with Metz Creamery when schedules line up, later in May. Dusty sent a couple RFPs as examples for a Winona County Housing Study for staff analysis. Dusty assured the EDA that she would focus on the revolving loan fund and outreach to banks and future loan holders after some additional file work. Dusty will assist Megan Kabele, County Planner, with OpenGov for the EDA module. This permitting software will allow EDA applicants to review loan checklist requirements and complete preliminary loan applications on-line.

Kay Qualley stated that productivity and forward progress had already improved for the County EDA with the 2 days per month addition of CEDA and Dusty Liston's efforts. She mentioned that one day a week would be more beneficial than 2 days a month toward effective outreach.

Vice President Mike Kennedy asked staff to review the types of loans issued in the past with a goal of possibly looking for similar potential loan holders (e.g., Metz Creamery) as there are a lot of built-up possibilities with the pandemic being almost over.

Staff mentioned that Mark Schultz's data dive for Location Quotient work also identifies stronger industries in Winona County with potential for making contact with them also.

B. Covid-related business support program review 2020-2022

- I. **Fund 29 CARES ACT (COVID) 2020.** This grant cycle was partnered with SEMMCHRA. This grant was made for pandemic shutdowns. The Chamber approved 154 grants throughout the County. \$10k capped for profit and \$20k capped at non-profit applications.
- II. **Fund 28 COVID COUNTY RELIEF 2021.** These were given at the end of 2020 where the Governor put citizens on the pandemic shutdown. Only four industries were represented in this grant cycle (restaurants and bars).
- III. **Fund 27 CLFRF Coronavirus 2022 year to date.** These grant dollars were exhausted less than 24 hours later. Project Fine partnered with the Chamber to address the diversity in this grant cycle. This cycle was close to \$2 million. These grants were worth \$20k each.
- IV. **Chamber of Commerce Distribution of Fund 29 CARES ACT 2020 and Information on grant benefits for County businesses (Christie Ransom, Executive Director, Winona Area Chamber of Commerce).** Christie Ransom spoke about each of the grant cycles and provided data for where the money was distributed throughout the County. Ken Fritz thanked the Chamber of Commerce for assisting with the distribution of all funds. Christie mentioned that the recovery will still be taking place for a couple years.

Commissioner Meyer would like to invite Christie to speak to the board as well. Christie spoke about the emotional impact that she saw after a small business received the grants.

8. Old Business

Commissioner Greg Olson asked about Metz and their acceptance of the MDA grant. Dusty and Kay will ask them about what was accomplished with it at their site visit. Vice President Mike Kennedy spoke about the potential for value-added regarding small family farms that could be a model for the County RLF and in general, tapping into the rural areas would be beneficial for the County EDA.

Commissioner Meyer spoke about the upcoming CEDS analysis with SMIF and the encouragement to participate or attend one of their upcoming May sessions. The board would like to fund the rest of the jail through a sales tax. A million and a half a year would be needed to match the bonds. Commissioner Meyer spoke at the Senate Tax Committee and it was well received. It may be approved through an Omnibus Bill. Kay Qualley stated that SMIF had sent a letter of thanks for the support/membership for their work to the WC-EDA recently.

Vice President Mike Kennedy spoke about Broadband and to watch how the County can assist with getting that information out to rural Winona County.

9. Member Updates Reports/Comments

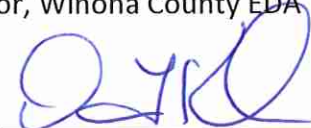
None

10. Adjournment

On motion by Commissioner Meyer and seconded by Commissioner Olson, the EDA voted to adjourn at 5:30 p.m. Vote: Yes – All.

Notwithstanding the need for contract review or new loans, the next scheduled meeting is July 28th, 2022.

Respectfully submitted by:
Kay Qualley, Planning & Environmental Services Director
Acting Director, Winona County EDA

Signed by: 

EDA President/Vice President

7.28.22
Date