

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)  
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING

**MINUTES**

**December 11, 2014**

**EDC Office, Willmar**

Present: Art Benson, Rollie Boll, Donna Boonstra, Robert Carlson, Gary Gilman and Linda Kacher

Excused: Beverly Dougherty

Ex Officio: Jim Butterfield and Bruce Peterson

Staff: Steven Renquist, Executive Director and Jean Spaulding, Assistant Director

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

Vice President Robert Carlson called the meeting to order at approximately 11:00 a.m. and welcomed new board member Donna Boonstra followed by self introductions.

IT WAS MOVED BY Gary Gilman, SECONDED BY Rollie Boll to approve the Agenda and the following Consent Agenda. MOTION CARRIED.

**CONSENT AGENDA—**

- Approve:
1. Minutes of October 9 and November 25, 2014 meetings;
  2. Financial reports as of October 31 and November 30, 2014; and
  3. Payment of an invoice from REDstar in the amount of \$2,971.67.

- Accept:
1. Committee Minutes
    - a. Agriculture and Renewable Energy Development 9/18/2014;
    - b. Business Retention and Expansion/Recruitment 10/1/2014;
    - c. Finance 8/12 and 10/7/2014;
    - d. Marketing and Public Relations 8/25 and 10/27/2014; and
    - e. Leisure Travel 6/2, 8/4, 9/8, 10/6 and 11/3/2014.

**REPORTS**

**Willmar.** Bruce Peterson reported Taco Bell opened Saturday and Aldi's opened this morning; the Bethesda project continues to move forward; the city of Willmar approved a tax abatement for the development of Regency East; a tax abatement hearing will be held next Monday for Oil-Air, which Kandiyohi County has already approved; the city of Willmar awarded bids for the industrial park and some work has started—the bulk of the work will be done next spring/summer; the Jennie-O Turkey Store construction is on schedule; the old portion of Highway 40 that will be Jennie-O's new corporate entrance will be a nice entrance and give it a corporate campus feel; and the city is dealing with a couple of industrial park prospects and received a site plan from one.

**Willmar Downtown Development.** Steve Renquist reported the Food Hub (313 building) is leased with three on a waiting list. Peterson reported there were some issues with bringing utilities to the site, but the city worked to get better quotes and the work should be done soon, which is key to getting the brewer going. The city will also work with Willmar Downtown Development on new design standards for the central business district to achieve additional green space, better aesthetics, signage for public parking and uniformity to signage.

**EDC/MinnWest Technology Campus.** Renquist reported the Community-Owned Grocery is continuing its fund raising; Meadowstar is moving forward; he met with an individual he referred to SCORE on producing a food product; he started working with a new business prospect in Raymond; Maracom just announced a layoff; and the feasibility study for a motel in New London/Spicer came back positive—the next step is determining a site and finding a hotel developer. Jean Spaulding reported she and Joanna Schrupp will attend the Community Venture Network next week in St. Paul to hear presentations by companies and the state broadband grant recipients will be announced soon. Willmar was selected by Blandin Foundation as an alumni community for broadband, which will allow the community access to funds for community projects. Community meetings will be held to see what projects may qualify. Peterson noted an article on broadband connections appeared in the *Star Tribune* and others noted it was also in the *West Central Tribune*. Spaulding gave the state's goals for download and upload speeds. Providers can meet the state's download speed, which they say is the important speed, but they do not meet the upload speed. Providers will say they adequately meet the standards. In order to increase speeds, fiber is important and providers have copper. Area providers are committed to replacing infrastructure as needed. Who will pay for fiber upgrades is the problem that needs a solution. Spaulding stated the Technology Committee needs to determine what is the most important case scenario to move forward. One denominator for other counties that have made progress in infrastructure is they have one provider, where Kandiyohi County has five providers that care about population density. To be successful, the committee may need to come up with a local match in addition to what the state may offer. All providers are constantly making investments, but it is a difficult issue to solve. Spaulding reported she is chair of the Government Relations Committee for the Economic Development Association of Minnesota and is busy scheduling legislative meetings and putting together a platform. She met with the Minnesota Department of Employment and Economic Development's Deputy Commissioner and Governor's Policy Advisor and have meetings set up with committee chairs. A HackFest is scheduled for September 2015 and Ridgewater is moving forward with a plan that must be submitted to Blandin Foundation in January.

**Willmar Area Multicultural Business Center.** Spaulding informed the board that Roberto Valdez resigned as director of the Willmar Area Multicultural Business Center (WAM-BC) and the board will be advertising the position. WAM-BC also determined it is no longer feasible to purchase its current location.

#### **UNFINISHED BUSINESS—**

**2015 Strategic Plan.** Renquist presented the proposed 2015 Strategic Plan (see attached), which is a work in progress.

IT WAS MOVED BY Gary Gilman, SECONDED BY Linda Kacher, to approve the 2015 Strategic Plan as presented. MOTION CARRIED.

Staff was directed to continue working on the plan with input from the EDC's committees.

**USDA Intermediary Relending Program.** Spaulding informed the board the Housing and Redevelopment Authority in and for the City of Willmar (HRA) has not submitted the final amounts that will be transferred to the EDC. Spaulding was just informed by Jill Bengtson of the HRA that approximately \$20,000 will be paid to the city of Willmar before funds are turned over to the EDC. The EDC's Finance Committee has not had the information it needs to provide the board with an accurate opinion on what assets are in the loan portfolio, what collateral there is and how they have been recorded—there is a healthy portfolio, but the details are unknown. The EDC has requested to do a confidentiality agreement with the HRA in order to obtain this information. Peterson informed the board he and Renquist have served on the HRA loan committee and they have not seen any concerns. Spaulding believes the assets will be \$630,000 and the liability to the United States Department of Agriculture (USDA) is \$288,000, which continues until the program ends. Linda Kacher noted the board would also like to know who will be managing the program. Heritage Bank currently manages the program for the HRA and has indicated it is willing to play a role in continuation of the IRP, but nothing has been finalized. Paul Pierson of the USDA does not have a deadline for transferring the program, however, the HRA would like the transfer to occur before year end. The EDC must provide the USDA with a list of items to accept the program.

**Interest rate on lease prepayment and security deposit.** Spaulding noted that when the lease was approved, the board requested language be added as to interest being earned on the security deposit and last month's rent that have been paid. An addendum stating the security deposit will be deposited into an interest-bearing checking account has been approved by attorney Mike Burgett and will be added to the lease.

#### **NEW BUSINESS—**

**Election of 2015 officers.** Vice President Carlson asked for nominations for 2015 officers.

IT WAS MOVED BY Gary Gilman, SECONDED BY Linda Kacher, to nominate and elect Robert Carlson as president. MOTION CARRIED.

IT WAS MOVED BY Rollie Boll, SECONDED BY Art Benson, to nominate and elect Linda Kacher as vice president. MOTION CARRIED.

IT WAS MOVED BY Linda Kacher, SECONDED BY Rollie Boll, to nominate and elect Gary Gilman as secretary. MOTION CARRIED.

IT WAS MOVED BY Gary Gilman, SECONDED BY Art Benson, to nominate and elect Rollie Boll as treasurer. MOTION CARRIED.

**Recognition of outgoing board member.** Renquist informed the board that Bev Dougherty has completed her terms on the board. Dougherty was first appointed in 2004 to complete an open

two-year term. She was reappointed in 2005, 2009 and 2012 serving as secretary from 2007 to 2010 and president in 2013 and 2014. Renquist will present a plaque to Dougherty on behalf of the EDC.

**Budget amendment.** Renquist informed the board the Joint Powers Board approved a line item of \$12,000 for moving expenses, but it was erroneously added to the 2015 budget instead of 2014. Spaulding informed the board that not all of the expenses are in and the final amount will be close to the \$12,000.

IT WAS MOVED BY Gary Gilman, SECONDED BY Art Benson, to approve changing the moving expenses line item approved by the Kandiyohi County and City of Willmar Economic Development Commission's Joint Powers Board from the 2015 budget to the 2014 budget in the amount of \$12,000. MOTION CARRIED.

**Staff health insurance.** Renquist informed the board the EDC has provided single health insurance coverage for its staff. In 2014, the rates were significantly less than in 2013. The health insurance consultant is Bill Chukuske, who also advises Kandiyohi County and has recommended the EDC obtain three individual health insurance policies for its staff rather than group coverage. Renquist recommended raising the amount paid be increased from \$722.50 per month per employee to \$850.00, which will be an increase of \$3,000 that Renquist indicated he will find. The difference between the payment by the EDC will be a deduction from staff's salary. (Peterson noted the city of Willmar has three different options as does the county.)

IT WAS MOVED BY Rollie Boll, SECONDED BY Donna Boonstra, to approve a maximum of \$850.00 per month, per employee toward staff's single health insurance coverage. MOTION CARRIED.

## COMMITTEE REPORTS

**Agriculture and Renewable Energy Development.** Renquist reported the University of Minnesota is looking at Morris or St. Paul for the dairy facility. The committee is hosting a guest speaker at its next meeting.

[Vice President Carlson was excused from the meeting.]

**Business Retention and Expansion/Recruitment.** Renquist reported the committee is moving forward with the business surveys in cooperation with the Willmar Lakes Area Chamber of Commerce Grow Minnesota! program. Spaulding stated the data from the visits will be inserted into the EDC's Synchronist program and will be a benchmark for using the program. Kacher noted the board discussed how the data will be used at its planning session.

**Finance.** Spaulding stated the Finance Committee met Tuesday and approved a loan application for WorkUp, a private coworking space being developed by Betsy Bonnema that will be located in The Annex at MWTC. Peterson noted Willmar will have one of the only coworking spaces in outstate Minnesota. The space can be used by anyone and will include memberships for

individuals and corporations. Ridgewater College is considering a membership and Spaulding would like the EDC to also have a space at WorkUp.

IT WAS MOVED BY Art Benson, SECONDED BY Donna Boonstra, to approve a \$30,000 five-year loan through the Kandiyohi County and City of Willmar Economic Development Commission's Revolving Loan Fund Program to REDstar Creative doing business as WorkUp at 2% interest. MOTION CARRIED with Rollie Boll abstaining.

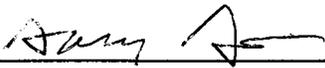
**Marketing and Public Relations.** Spaulding informed the board that the committee has been soliciting RFPs to redevelop the EDC's website and they would like approval to expend up to \$10,000 of the its budget to enter into an agreement with a website developer for the discovery phase of the website redevelopment.

IT WAS MOVED BY Rollie Boll, SECONDED BY Linda Kacher, to approve up to \$10,000 from the Kandiyohi County and City of Willmar Economic Development Commission's (EDC) Marketing and Public Relations Committee's 2014 budget to enter into an agreement with a website developer for the discovery phase of redeveloping the EDC's website. MOTION CARRIED.

**Leisure Travel.** Jim Butterfield reported the committee is signing up to staff upcoming sport shows and volunteers are needed. Anyone interested, should contact Beth Fischer. Requests for travel information has almost doubled from 2013. Advertising has been done in different publications this year than in the past, but Explore Minnesota is still a strong area. Last year, 300 visitor guides were distributed at the Sioux Falls sport show.

**NEXT MEETING**—The annual board meeting is **11:00 a.m., Thursday, January 8, 2015**, at the EDC's board room, 222 20<sup>th</sup> Street SE, Willmar. Renquist invited board members to attend the Chamber Connection the EDC will host at **7:00 a.m., Friday, February 20, 2015**.

**ADJOURNMENT**—There being no further business, the meeting was adjourned at approximately 12:58 p.m.

  
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Gary Gilman, Secretary

APPROVED: 1/8/2014:

  
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Robert Carlson, President



## 2015 Strategic Plan

The mission of the Kandiyohi County and City of Willmar Economic Development Commission (EDC) is **to be a catalyst for economic growth of the greater Kandiyohi County area.**

To advance our mission, the EDC has one comprehensive and overarching goal for 2015: **Increase business retention, expansion, creation and recruitment in Kandiyohi County.**

To successfully achieve our goal, we will invest our time, talent and resources in the following objectives, strategies and tactics:

Objective 1. Develop, invest in, and support programs and activities that increase business development

Strategy 1.1. Target activities that leverage our assets in agriculture, with a special emphasis on **ag-business** manufacturing, bioscience, technology, energy, and research

- Assessment of our opportunities in cluster development
- **Assessment of emerging opportunities in agri-centric industries**
- **Seek positive ROI predictive renewable energy projects**
- **Determine cooperative or separate angel/venture capital fund application for agri-based projects**

Strategy 1.2. Enhanced collaboration and integration of entrepreneurship programs within the county, including the EDC, Ridgewater College, WorkUp, Willmar Area Multicultural Business Center (WAM-BC) and other providers of technical assistance and resources

Strategy 1.3. Increase the availability of debt and equity capital for business projects

- Explore potential sources of capitalization for the EDC's loan program and other business finance programs within the county
- Leverage resources from regional, state and national financing programs
- Assess the feasibility of a countywide angel investor fund or network; support development efforts as warranted
- Participate in active angel investor networks within the state
- Increase the awareness and utilization of "crowdfunding" and innovative business financing mechanisms

Strategy 1.4. Assess the EDC's role in attracting talent and enhancing our available workforce

Strategy 1.5. Continued growth of the MinnWest Technology Campus (MWTC)

- Coordinate with MWTC Business Development staff information available entrepreneurship information
- Collaborate with MWTC for targeted business recruitment events and activities
- Develop materials for outreach and follow-up on leads generated that would fit the MWTC collaborative culture
- Support the Animal Science Venture Conference
- Support efforts to develop, engage, expand and promote the Mid-Central Research and Outreach Center (MCROC)

Strategy 1.6. Increase our communication with the public and our use of key analytics for internal assessment

- Continued outreach to city councils within the county to promote collaboration with EDC programs and services
- Leverage Synchronist software and other internal tools for assessment

Strategy 1.7. Market/attract major consumer goods retailer and hospitality industry companies to Willmar/Kandiyohi County

Objective 2. Increase Business Retention and Expansion (BRE)

Strategy 2.1. ~~Implement the Business Retention and Expansion visitation program with the Willmar Lakes Area Chamber of Commerce~~

Strategy 2.2. Progress through step 2—prioritize and step 3—implementation of the Kandiyohi County BRE visitation program in partnership with the Willmar Lakes Area Chamber of Commerce Grow Minnesota! team

Strategy 2.3. Completion of the hotel feasibility process for New London/Spicer

Strategy 2.4. Create continuing individual city BRE groups

Strategy 2.5. Plan and implement BRE programs in the Kandiyohi County cities that were not included in the 2014 program

Strategy 2.6. Continue Veterans Home recruitment using new definition

Strategy 2.7. Assess E.E. need/opportunity in individual county cities

Strategy 2.8. Address available workforce issue

Strategy 2.9. Assess the EDC's role in BRE visitation and follow-up after completion of Strategy 2.1

Objective 3. Provide leadership for industrial park development

Strategy 3.1. Completion of the Shovel Ready Certification process for the Willmar Industrial Park

Strategy 3.2. Assist other cities within the county in efforts to map their industrial properties and/or complete the Shovel Ready process.

Strategy 3.3. Implement railroad bypass program

- Determine TIGER II or non-grant dependent option funding

Strategy 3.4. Implement railroad siding into new industrial park

Strategy 3.5. Market availability of railroad served industrial park to railroad dependent industry

- Determine logical candidates

Objective 4. Enhance marketing to prospective businesses and residents, investors, site selectors and existing residents

Strategy 4.1. Complete redesign of the EDC website

Strategy 4.2. Development of a comprehensive written marketing plan for the EDC

Strategy 4.3. Enhance marketing of available buildings and sites

Strategy 4.4. Develop a plan to market Kandiyohi County as a prime location for ag-related development

Objective 5. Enhance broadband infrastructure, access and utilization in the county

Strategy 5.1. Develop a broadband plan to improve access in targeted locations in the county

Strategy 5.2. Conduct a survey and assessment of current internet access and critical need areas for internet access in Kandiyohi County.

Strategy 5.3. Execute the “Hackathon” event in collaboration with Ridgewater College, WorkUp and the Blandin Foundation’s MIRC Program