

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)  
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING  
MINUTES  
December 12, 2013  
EDC Office, Willmar**

Present: Rollie Boll, Robert Carlson, Beverly Dougherty, Gary Gilman, Rick Nordin and Milan Schmiesing

Ex Officio: Jim Butterfield and Bruce Peterson

Absent: Robert Enos

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

Media: Anne Polta, West Central Tribune

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

President Bev Dougherty called the meeting to order at approximately 11:11 a.m.

**AGENDA—**

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Rollie Boll, to approve the Agenda and Consent Agenda.

**CONSENT AGENDA—**

- Approve:
1. Minutes of November 14, 2013 board meeting;
  2. Financial reports as of November 30, 2013, subject to audit;
  3. Payment of jobsHQ Statement No. 1326008 in the amount of \$1,236.40 from the Ag Committee's budget; and
  4. Payment of invoice from REDstar in the amount of \$1,130.83 from the Marketing and Public Relations Committee's budget
- Accept:
1. Committee minutes:
    - a. Business Retention and Expansion/Recruitment 10/2/2013
    - b. Marketing and Public Relations 10/28/2013

**UNFINISHED BUSINESS—**

**Ag Specialist position.** Renquist informed the board that the Agriculture and Renewable Energy Development position was changed by the Joint Powers Board to a Business Development Specialist to include agriculture. A new job description is being developed and will be emailed to the board to review for suggested changes. Renquist noted the position will be moved from the Ag Committee's budget and will be reported under Employee Compensation on the 2014 budget and financial reports.

## PROGRESS REPORTS

**Willmar Design Center (WDC).** Dougherty reported the WDC had its annual holiday thank you, which was very well attended. Carol Laumer was elected the 2014 president and the WDC will begin its annual planning in January. The WDC is in the process of filing for a 503(c)(3) designation for the Willmar Downtown Foundation. Dougherty showed a photo of the community greenhouse at MWTC from which greens were used for the WDC's banquet.

**Willmar.** Bruce Peterson reported through the end of November the city of Willmar has seen nearly \$49 million in new construction compared to \$17 million in 2012 and it is expected to increase by year end. There is also significant construction planned for 2014 by three major retailers, three industrial businesses, a restaurant, the Kandi Mall, MWTC projects, including the charter school, Rice Memorial Hospital and an individual for a downtown brew pub. Peterson reported on 2013 projects in the city of which 85% were taxable properties. Most recent state reports show the city had more than \$650 million in retail sales and more than \$775 million for Kandiyohi County. The county's unemployment rate is 4% compared to 8.5% in 2008 having picked up 2,000 people in the labor force between 2008 and 2013. Kandiyohi County is a net importer of labor. The city's population is 20,300, a 4% increase since 2010 and the median family income is now more than \$50,000 ranking it 30<sup>th</sup> out of 70 cities of similar size. Most of the changes are due to the county's diverse economy.

**EDC/MinnWest Technology Campus (MWTC).** Jean Spaulding reported she will be attending a quarterly meeting tomorrow for the Community Venture Network (CVN) and will look at the needs of the businesses that will be presenting. Spaulding distributed a Company Match Scorecard developed for the EDC to use at CVN presentations. Spaulding reported on a broadband listening session with Senator Schmit of the Red Wing area and a meeting between Connect Minnesota and the Governor's task force on broadband. There continue to be access and affordability issues in greater Minnesota, as well as speed—Kandiyohi County's broadband speed is behind Meeker and Chippewa Counties.

Renquist reported the Joint Powers Board requested staff be more specific as to activities being worked on and distributed and reviewed a report on development projects (see attached). Renquist noted December is his tenth anniversary with the EDC and in that time, the average weekly pay in the county rose from 30<sup>th</sup> or 33<sup>rd</sup> to 47<sup>th</sup> out of 87 counties. Renquist reported EDC's reserves are approximately \$750,000 of which \$405,000 came from Kandiyohi County through federal grants to the county for revolving loan funds for job creation. Over the past ten years, the EDC has placed \$345,000 in reserves. Renquist noted governmental entities are recommended to have 50% of their budgets in reserves. The board received an EDC Reserve Fund Accounts Summary (see attached). Renquist noted, in the past, the boards have authorized use of reserves for anticipated projects that eventually fell through. Milan Schmiesing requested the financial reports be updated to accurately show the reserves on hand. Renquist reported the EDC is working with Burlington Northern Santa Fe Railway on a TIGER grant application to get rail into the Willmar Industrial Park.

**Willmar Area Multicultural Business Center (WAM-BC).** Spaulding reported the WAM-BC loan committee reviewed three loan applications and is continuing to work on some of the applications to help them move forward.

[The agenda was taken out of order.]

## **COMMITTEE REPORTS—**

**Finance.** Spaulding reported the Finance Committee reviewed a loan application and the Revolving Loan Fund program. The Committee made a motion to increase the maximum for a loan under the Revolving Loan Fund from \$25,000 to \$50,000 and to decrease the EDC's participation to 25%. Requests for EDC loans are few because the maximum amount is too low. The current requirements for fixed interest and a maximum of five years will remain the same. The committee also recommended that \$200,000 be transferred from unreserved funds to the Revolving Loan Fund reserved funds. Bruce Peterson reported the committee discussed the motions in detail.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Rick Nordin, to increase the maximum amount of a loan under the Kandiyohi County and City of Willmar Economic Development Commission's (EDC) Revolving Loan Fund Program to \$50,000 with a maximum participation by the EDC of 25%. MOTION CARRIED.

Schmiesing stated the \$405,000 reported by Renquist from Kandiyohi County should be moved into designated reserved funds. Renquist stated there were two contributions from Kandiyohi County totaling \$405,000 of which the \$202,294 noted on the November 30, 2013 Balance Sheet as Revolving Loan Fund-County was a portion. Schmiesing stated the remaining \$202,706 needs to be included. A new category under Unreserved Funds should be added as Reserved Funds/County Designated. If the EDC folded, the county's funds would return to the county.

Nordin recommended any action as to reserves be tabled until the funds from Kandiyohi County are resolved. Schmiesing was asked to bring back information on the reserves to the January board meeting.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Rollie Boll, to approve a \$25,000 five-year Kandiyohi County and City of Willmar Economic Development Commission Revolving Loan Fund loan to Benjamin Dols, doing business as Snap Fitness of Willmar, Inc., at an interest rate of 5.25% and approve a \$15,000 three-year Entrepreneurs' Loan Guarantee Program loan. MOTION CARRIED.

The board noted the financials should be revised to reserve \$6,000 for the guarantee (50%) for three years. Nancy Birkeland believes the auditor, Jim Ruff, has stated the reserves should be adjusted annually.

[Spaulding was excused from the meeting.]

## **NEW BUSINESS—**

**Election of officers.** President Dougherty asked for nominations for 2014 officers.

IT WAS MOVED BY Rick Nordin, SECONDED BY Gary Gilman, to nominate Bev Dougherty as president; Robert Carlson, vice president; Gary Gilman, secretary and Rollie Boll, treasurer. MOTION CARRIED.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Rick Nordin, to cease nominations and cast a unanimous ballot for the following officers for 2014: Bev

Dougherty, president; Robert Carlson, vice president; Gary Gilman, secretary and Rollie Boll, treasurer. MOTION CARRIED.

**Recognition of outgoing board members.** Renquist recognized and presented plaques to Rick Nordin and Milan Schmiesing as outgoing board members and to Bev Dougherty as 2013 president.

**COMMITTEE REPORTS CONTINUED—**

**Agriculture and Renewable Energy Development.** Renquist noted many of the projects on which he reported earlier are ag-related.

**Business Retention and Expansion/Recruitment.** Renquist reported the committee continues to work on doing a business survey, but it has not yet decided if it will work with the University of Minnesota.

**Technology Advisory Subcommittee.** Renquist reported the BRE/R Committee allocated \$4,000 to be used for business website grants. The EDC grants are for 50% of the cost to develop a website up to a maximum of \$500.

**Marketing and Public Relations.** Nancy Birkeland reported the committee would like approval to purchase 200 travel mugs.

IT WAS MOVED BY Gary Gilman, SECONDED BY Bob Carlson, to approve purchasing 200 travel mugs at a cost not to exceed \$1,400 from the Kandiyohi County and City of Willmar Economic Development Commission's Marketing and Public Relations Committee's budget. MOTION CARRIED.

**Leisure Travel.** Jim Butterfield reported the Leisure Travel Committee met at the Little Theatre in New London and heard the prairie house is decorated in a Victorian Christmas theme; the progress on the trail from Sibley State Park to New London; a new advertising tracking system has been implemented that tracks website links and the committee has seen a lot of hits from websites.

**NEXT MEETING—**The next board meeting is the annual meeting at **11:00 a.m., Thursday, January 9, 2014**, at the EDC board room.

**ADJOURNMENT—**There being no further business, the meeting was adjourned at approximately 1:42 p.m.

  
\_\_\_\_\_  
Gary Gilman, Secretary

APPROVED: 1/9/2014:

  
\_\_\_\_\_  
Beverly Dougherty, President



WILLMAR LAKES AREA

45.1500° N, 95.0100° W

# COMPANY MATCH SCORECARD

COMPANY:

COMMUNITY VENTURE NETWORK DATE: 12/13/2013

## WORKFORCE GOALS

Our Willmar Lakes Area business community is home to 4,500 different companies ranging in size from promising entrepreneurial startups to loyal small businesses to world leaders in agribusiness. Most would tell you that they locate here because of our area's over 220 lakes and unique lakes area lifestyle. It provides an unmatched quality of life and recruitment advantage for growing companies. Each year, our area sees an average of 75 new business establishments get their start. Part of that success can be attributed to our supportive, collaborative business community which includes area resources like the MinnWest Technology Campus, a business community which is currently home to over 30 companies.

## SPACE/LOCATION NEEDS

We're a perfect match  We have lots of possibilities  Let's brainstorm about this

## WORKFORCE GOALS

We're a perfect match  We have lots of possibilities  Let's brainstorm about this



Joanna Schrupp, Business Development  
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WILLMAR LAKES AREA  
Kandiyohi County and City of Willmar  
Economic Development Commission

Jean Spaulding, Assistant Director  
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## VENDOR/PARTNER SYNERGIES REQUESTS

We're a perfect match    We have lots of possibilities    Let's brainstorm about this

## FINANCING/VENTURE CAPITAL FUNDING TARGET

We're a perfect match    We have lots of possibilities    Let's brainstorm about this

**We would like to invite you for a customized, personal community tour of the Willmar Lakes Area.**

Can we schedule it... Within a week?   Within a month?   Within the quarter?

Please email us to confirm.

Jean Spaulding, *Assistant Director - Kandiyohi County & City of Willmar EDC*  
[jean@kandiyohi.com](mailto:jean@kandiyohi.com)

- or -

Joanna Schrupp, *Business Development - MinnWest Technology Campus*  
[joanna.schrupp@mnwesttechnology.com](mailto:joanna.schrupp@mnwesttechnology.com)

\*See the attached coupon for a free night stay with your community tour.



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**Current Kandiyohi County and City of Willmar  
Economic Development Commission  
Development Projects**

**Report to EDC Joint Operations Board  
December 12, 2013**

Atwater – Business retention (1.1.6); hardware/greenhouse (1.1.10, 1.2.3)

Raymond –business acquisition (1.1.10,1.5.1); community marketing plan (1.5.1); save-the-school effort (1.1.6)

New London – Grocery store (1.1.10); downtown business acquisition (1.1.10); marketing highway potential (1.1.10);motel (1.1.11)

Pennock – develop city owned housing lots (1.1.9); develop downtown property(1.5.1)

Kandiyohi – develop near RR property (1.1.10); two business loans (1.2.3)

Lake Lillian – grocery store (1.1.10); natural gas pipeline (5); agricultural bio-mass pelleting center (5)

Priam – reconstituted animal feed – corn bio-mass and distillers grain (5)

Spicer – Highway 23 corridor marketing plan (1), downtown development (1)

MinnWest Technology Campus (3)

- Assisting in marketing this facility, results 30 companies 410 employees
- Manufacturing Showcase
- Animal Science Conference
- U of M Technology Showcase
- U of M Office for Technology Commercialization – recruiting
- Business center

Mid-Central Research and Outreach Center (3)

- U of M Regional Extension office
- U of M Avian Research Laboratory
- IREE
- AURI
- Renewable energy center

Turkey Research and Development Facility – joint venture, build w/ lease-back if necessary (3, 1)

Dairy Research, Training and Consumer Education facility (1)

Mastitis – MWTC Potential (1, 3)

Stem Cell – MWTC Potential (1,3)

Human vaccine – Department of Defense 1,3)

Epitopix

Renewable Energy – EDC is focusing on more than just NH<sub>3</sub> (anhydrous ammonia) (5)

Methane

Wind – 2 stalled wind farms

Bio-Gas

Bio-Mass

Ethanol – new energy source

Solar – solar farm near Atwater

Energy Commercialization Center (4, 5, 3)

Insurance Company Data Center (1)

Ag Bio – Epitopix, effort to attract Syntiron (3)



Jennie-O – two possible projects (1)

Venture capital (1)

Meadow Star, second plant (1, 5)

Cheese (1, 5)

Bio-Science corridor (4)

Renewable resource zone (4)

Beef finishing (1)

Kandiyohi County Landfill – waste to energy (5, 4)

Buhler manufacture (1)

Area Infrastructure (1)

Industrial park development

Airport – development of marketing plan

BNSF RR related projects

Rail Served Industrial Park

Railroad By-Pass

Passenger Rail

Highway 23 Task Force

Highway 12 Task Force

Veterans Home (1, 4)

National retailers – acquisition and site selection (1)

Willmar Business Attraction – entire city (1)

- downtown specific
- restaurant

Technology Committee – Blandin Web site grants have been successful (1)

Office center – downtown still possible (1)

Wal-Mart area – on hold

Centre Point Mall – assist w/ tenant relocation (1)

Angel Network – KCAN – Kandiyohi County Angel Network – merge efforts with Ag Finance – initial stages of regional Ag based finance network

Airport marketing (6)

- Life Link III
- Metro Cargo Overflow
- Tour regional facilities – marketing plan

Community Owned Grocery

Barn Shed project – food distribution center and other retail (5)

Downtown parking study (1)

Web site grants (1)

**EDC Reserve Fund Accounts Summary**

	<b>2003*</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Reserved	\$ 74,668.00	\$ 68,760.00	\$ 54,108.00	\$ 47,149.00	\$ 42,717.00	\$ 43,209.00	\$ 292,447.00	\$ 331,678.00	\$ 281,472.00	\$ 266,550.00
Unreserved-designated	\$ 88,047.00	\$ 93,955.00		\$ 156,815.00	\$ 244,120.00	\$ 225,155.00	\$ 128,938.00	\$ 27,753.00	\$ 18,611.00	\$ 34,306.00
Undesignated	\$ 127,333.00	\$ 188,927.00	\$ 369,856.00	\$ 316,030.00	\$ 231,881.00	\$ 285,217.00	\$ 347,028.00	\$ 401,892.00	\$ 441,058.00	\$ 433,895.00
<b>Total</b>	<b>\$290,048.00</b>	<b>\$ 351,642.00</b>	<b>\$ 423,964.00</b>	<b>\$ 519,994.00</b>	<b>\$ 518,718.00</b>	<b>\$ 553,581.00</b>	<b>\$ 768,413.00</b>	<b>\$ 761,323.00</b>	<b>\$ 741,141.00</b>	<b>\$ 734,751.00</b>

\* Kandiyohi County Rural Development Finance Authority