

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)  
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING  
MINUTES  
February 9, 2012  
EDC Office, Willmar**

Present: Robert Carlson, Beverly Dougherty, Ronald Erpelding, Duane Hultgren, Rick Nordin and Milan Schmiesing

Staff: Steven Renquist, Executive Director

Ex Officio: Jim Butterfield and Bruce Peterson

Guest: Linda Mathiasen, Willmar Community-Owned Grocery

Media: Anne Polta, West Central Tribune

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

President Ronald Erpelding called the meeting to order at approximately 11:00 a.m.

**AGENDA—**

IT WAS MOVED BY Duane Hultgren, SECONDED BY Bob Carlson, to approve the agenda as presented and approve the following Consent Agenda:

**CONSENT AGENDA—**

Approved:

1. Minutes of January 12, 2012 annual board meeting
2. Financial reports as of January 31, 2012, subject to audit
3. Remove Kim Larson from the Agriculture & Renewable Energy Development Committee

Accepted:

Committee Minutes

1. Agriculture & Renewable Energy Development 12/15/2011
2. Business Retention & Expansion/Recruitment 1/4/2012
3. Marketing and Public Relations 12/5/2011
5. Leisure Travel 12/5/2011

MOTION CARRIED.

**PROGRESS REPORTS**

**Willmar.** Bruce Peterson reported the city of Willmar will be submitting to the Federal Aviation Administration (FAA) the legal descriptions for land release. The FAA must publish notice of the release in the *Federal Register*. The city of Willmar is working with Mid-Minnesota Development Commission to submit an EDA grant application for \$1.25 million for infrastructure in the new industrial park; unused funds would be used to expand the trail system. Peterson is working with Adam Arvidson to hold a meeting next Thursday, February 16, to review a draft of the downtown plan, topics, elements and graphics. Following Thursday's meeting, Peterson will set one or two public meetings in March for adoption of the plan.

**Willmar Design Center (WDC).** Bev Dougherty reported the WDC is coordinating with the city of Willmar on the downtown draft plan. The WDC is currently undergoing an accreditation study by Minnesota Main Street. There are presently no accredited cities in Minnesota. Five are eligible to receive accreditation in 2012: Willmar, Brainerd, Red Wing, Faribault and New Ulm. Mayor Yanish was recognized for his comments on the WDC in his state of the city address.

**EDC/MinnWest Technology Campus (MWTC).** Renquist reported last night he attended TIE (The Indus Entrepreneurs) Minnesota's annual entrepreneur gathering where the EDC had a display and he distributed information on the EDC and MWTC. Renquist distributed an invitation to the West Central MN Innovation & Renewables Showcase that will be held Tuesday, February 14, 2012 at the Minnesota Capitol Great Hall (see attached). The EDC and 11 local companies will participate in the showcase.

[Jim Butterfield joined the meeting.]

IT WAS MOVED BY Duane Hultgren, SECONDED BY Milan Schmiesing, to ratify the approval of funds expended to participate in the West Central MN Innovation & Renewables Showcase at the Minnesota Capitol on February 14, 2012. MOTION CARRIED.

Jean Spaulding reported she and Peterson attended a meeting at which three companies that have gone through the process of being certified by the Minnesota Angel Network (MNAN) made company presentations. Interest was shown by investors. MNAN premiered "Something Ventured," a 90 minute documentary on Silicon Valley, in the metro area and will show it in Willmar 5:30-8 p.m., Thursday, February 23, 2012 at the Holiday Inn/Willmar Conference Center. Southwest Initiative Foundation, Willmar Lakes Area Chamber of Commerce and Willmar Area Development Corporation are partnering with the event. Spaulding attended a Positively Minnesota meeting at the Minnesota Department of Employment and Economic Development (DEED) this week, which is pushing the state's Shovel Ready Program. Once its infrastructure is done, Willmar should include its new industrial park. The cost is approximately \$3,000 for the certification. Spaulding reported she and Erpelding attended a meeting by the New London-Spicer High School's Robotics team to look at hosting a BEST competition (the closest competition at this time is at North Dakota State University). Erpelding stated the competition covers grades 6-12 and is a way to increase student interest in the fields of science, technology, engineering and mathematics (STEM). New London-Spicer Schools has mentored other local schools in robotics. BEST is a regional competition with an initial cost of \$30,000-\$35,000 for which New London-Spicer Schools will be seeking contributions. Erpelding volunteered to attend a Business Retention & Expansion/Recruitment (BRE/R) Committee meeting to let them know what he learned from this meeting. Spaulding stated statistics show that in the next five years there will be a large number of retirements in the STEM fields and manufacturers are concerned with workforce recruitment. The competition is a connection to local workforce development. Spaulding distributed a *Minneapolis/St. Paul Business Journal* article on Tenex Health raising \$11.8 million (see attached).

**Willmar Area Multicultural Business Center.** Spaulding met with the Latino EDC this week concerning the passthrough grant from DEED. The Latino EDC will submit its information to DEED so reimbursement for activities they conducted in Willmar and Spicer can be paid.

## UNFINISHED BUSINESS

**NEXT grant.** Renquist reported the EDC is awaiting an announcement by the state of Minnesota. The EDC submitted an acceptance letter for \$450,000. Until all acceptance letters are received by the state and the Governor has signed them, no announcement will be made.

**Other.** The board recommended that the EDC Joint Powers Board adopt a motion that the Executive Director's car allowance stipend be included on his W-2 statement.

There was no other unfinished business.

[Linda Mathiasen joined the meeting.]

## NEW BUSINESS

**Willmar Community-Owned Grocery.** Linda Mathiasen was introduced and showed a PowerPoint presentation updating the board on the status of the Willmar Community-Owned Grocery.

[Linda Mathiasen was excused from the meeting.]

**Selection of bank(s) to hold EDC bank accounts for 2012-2014.** President Erpelding reported the Executive Committee met and reviewed the responses to the Request for Proposal.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Duane Hultgren, to leave the checking and savings accounts at Heritage Bank with a minimum joint balance of \$90,000; leave the Tourism Certificate of Deposit at US Bank; leave the Revolving Loan Fund at Concorde Bank; and direct staff to distribute the remaining investable funds between three Kandiyohi County banks in the form of Certificates of Deposit with terms of 1 year, 2 years and 3 years. MOTION CARRIED.

**Funding requests.** President Erpelding informed the board the EDC received funding requests from the Community Marketing Coalition (CMC) and New London Fine Art Festival. Erpelding informed the board it made a one-time contribution of \$2,500 from the Community Contributions line item of its budget to the New London Fine Art Festival. Renquist reported the EDC made \$5,000 contributions to the CMC for the past six years and prior to that contributed \$10,000 annually. Dougherty reported the CMC is moving from print ads to education and its work very positive. Discussion was held on the need for formal funding request guidelines. Staff directed to work with a couple of board members and review the policy and if the EDC's contribution to the CVB should be increased come up with a recommendation followed by discussion; strong emphasis on collaboration of groups.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Bev Dougherty, that a revised funding policy should be prepared for consideration by the Kandiyohi County and City of Willmar Economic Development Commission's Joint Operations Board regarding how funding requests are dealt with and funding proposals should contain evidence of strong collaborative efforts with other groups. MOTION CARRIED.

President Erpelding, Schmiesing and Bob Carlson volunteered to assist with the revised policy.

**CGMC Economic Development Partnership Program.** This item was tabled until next month.

**COMMITTEE REPORTS—**

**Agriculture & Renewable Energy Development Committee.** Renquist informed the board that Cathy Keuseman's report this month is comprehensive and was emailed to the board yesterday. Schmiesing reported the committee determined its goals at the last committee meeting, which are included in Keuseman's report.

**BRE/R.** Dougherty reported the committee heard a presentation by Cameron Macht on the Kandiyohi County Economic and Demographic Profile and has asked Renquist to analyze the data.

**Technology Advisory Subcommittee.** Spaulding stated the subcommittee requested \$4,000 from the BRE/R Committee to fund website grants, which the committee approved.

[Duane Hultgren was excused from the meeting.]

**Finance.** The Finance Committee meets next week.

**Marketing and Public Relations.** Renquist reported the Marketing and Public Relations Committee created the invite to the West Central MN Innovation & Renewables Showcase.

**Leisure Travel.** Erpelding reported he just joined the committee and is very impressed with the work they are doing and the tracking they do as to advertisements done.

**Other.** Spaulding announced Temple Grandin will be the keynote speaker at the September 5, 2012 Animal Science Venture Forum. Renquist stated the next year will be critical in the development of the anhydrous ammonia project.

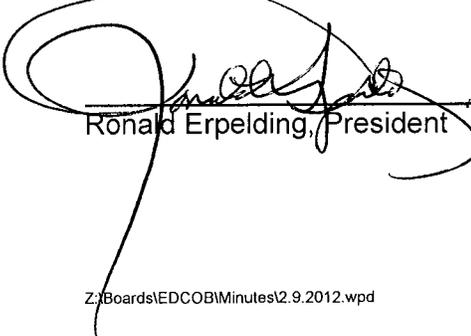
**NEXT MEETING—**The next regular board meeting is **11:00 a.m., Thursday, March 8, 2012**, at the EDC Board Room.

**ADJOURNMENT—**There being no further business, the meeting was adjourned at approximately 12:50 p.m.

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Rick Nordin, Secretary

APPROVED 3/8/2012:

  
Ronald Erpelding, President  
President 3/8/2012



*You are invited!*

# WEST CENTRAL MN INNOVATION & RENEWABLES SHOWCASE

**Tuesday, February 14, 2012**

**MINNESOTA CAPITOL GREAT HALL**

**9 a.m. - 3 p.m. | Refreshments served**

**FEATURING: THE MINNWEST TECHNOLOGY CAMPUS**

*Please join Senator Joe Gimse and Representative Bruce Vogel at the West Central Minnesota Innovation and Renewables Showcase where you'll have the opportunity to view their area's leading renewable energy projects. You'll also learn more about the MinnWest Technology Campus, a high-tech home for R&D focused companies serving the agriculture, animal and green energy industries. This facility's transition from a state-owned Regional Treatment Center to a privately-owned Technology Campus has much to offer and much to teach us all about collaboration and innovation.*

***Please stop by to learn more!***

# Mayo Clinic spin-out Tenex Health raises \$11.8M

Minneapolis / St. Paul Business Journal by Katharine Grayson, Staff reporter

Date: Monday, February 6, 2012, 10:51am CST



Katharine Grayson

Staff reporter - *Minneapolis / St. Paul Business Journal*

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Tenex Health Inc., a startup that's commercializing **Mayo Clinic** technology for treating tendon injuries, has raised \$11.8 million in capital.

The company rounded up the funding via a reverse merger with a publicly traded company and a PIPE (private investment in a public entity) deal.

Tenex launched in 2009. It was initially based in Rochester, Minn., but moved its headquarters Lake Forest, Calif., in 2010. But the company has maintained some ties to Minnesota, as it announced plans last summer to produce its device at the MinnWest Technology Campus in Willmar, Minn.

Tenex's CEO is serial med-tech entrepreneur and former **Boston Scientific Corp.** executive Jagi Gill.

The company's technology uses ultrasonic energy to remove degenerated tissue from tendons. The firm recently ranked No. 74 on a *Forbes* magazine list of "America's 100 most promising companies."

The financing allowed Tenex to expand its marketing efforts and better integrate its manufacturing and sales operations, Gill said in a news statement.

Bloomington-based Emergent Financial Inc. represented Tenex in its fundraising effort.

Tenex initially planned to raise \$8 million, but increased that amount due to strong investor interest, Emergent Financial said in its statement.

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Tenex raised \$4.6 million in capital last year.

Katharine Grayson covers med tech, clean tech, technology, and venture capital, and she writes the Innovation|Minnesota blog