

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

MINUTES

June 12, 2014
EDC Office, Willmar

Present: Rollie Boll, Robert Carlson, Beverly Dougherty, Gary Gilman and Linda Kacher
Absent: Art Benson
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)

President Beverly Dougherty called the meeting to order at approximately 11:05 a.m.

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

CONSENT AGENDA

- Approve:
1. Minutes of May 8, 2014 meeting
 2. Financial reports as of May 31, 2014
 3. Payment to REDstar Creative of \$1,106.25 for the 1/31/2014 invoice from the Marketing and Public Relations Committee's budget
 4. Adding Connie Schmoll as a voting member of the Agriculture and Renewable Energy Development Committee
 5. Adding Lindsey Donner to the Marketing and Public Relations Committee

- Accept: Committee Minutes
1. Business Retention and Expansion/Recruitment 5/7/2014
 2. Marketing and Public Relations 3/3/2014 and 5/7/2014
 3. Leisure Travel 3/3/2014, 4/7/2014 and 5/7/2014
 4. Finance 4/8/2014

MOTION CARRIED.

PROGRESS REPORTS

Willmar. Bruce Peterson reported work on the 313 building is moving forward; the Jennie-O Turkey Store project will close July 1; Willmar Avenue construction is to be done in July; plans have been approved for an ALDI supermarket; Relco's expansion is moving forward as is Bethesda Health and Housing; and he anticipates Willmar will have \$40 million in construction by July. Spaulding reported Loren Corle, CEO of Relco, was featured in Enterprise Minnesota's magazine in February 2014.

President Dougherty welcomed new board member Linda Kacher, who gave her background followed by self introductions.

Willmar Design Center. Dougherty reported an open house was held at Historic 313 on Fourth Street; all 8,000 square feet has been leased and they are raising money for continued renovations. Willmar Design Center is now Willmar Downtown Development and has aligned its committees along the model of Minnesota Main Street.

EDC/MinnWest Technology Campus (MWTC). Steve Renquist reported Connie Schmoll is working on a potential motel for the Spicer/New London area; the EDC is helping to find additional financing for the Historic 313 on Fourth Street project; is working on two wind tower projects; staff met with the Willmar Community-Owned Grocery (COG) as to being a fiscal agent; and he attends Vision 2040 meetings when able, but they conflict with this board's meetings. Jean Spaulding reported she is working on a Job Creation Fund program using outcome measures from the JOBZ program for a business expansion in the northern end of the county and on June 30, 2014 the EDC will host an educational meeting for potential angel investors with Gopher Angels of Minneapolis—investors must contribute a minimum of \$50,000. Renquist believes a new manager made the decision to move the local Cargill office to Sioux Falls, South Dakota.

UNFINISHED BUSINESS

Office locations. Spaulding reviewed the office lease comparisons with the board (see attached). Additional proposals were received after the deadline, but were not considered. The task force, consisting of Spaulding, Rollie Boll and Gary Gilman, reviewed 14 proposals and narrowed the sites to 5 plus the current location. Board members toured the five sites: Lakeland Professional Building, R & J Tours, Tiffany Square, Windstream and the Kandiyohi County Office Building. The task force reviewed all of the costs, compared the square footage and monthly lease rates, including CAM. Spaulding used \$30 or \$40 a square foot for build-out costs. Gilman stated the consensus was the square footage in the current location is not ideal in how it is laid out; it is believed the current location is closer to 1600 square feet. Gilman noted the Elks, a private club, is negotiating the purchase of the Windstream building. Renquist notified the board that although Gilman is an Elks member, he has no personal monetary gain in the EDC's decision so there is no conflict. Dougherty informed the board she is also an Elk and will receive no monetary gain in a decision. Spaulding believes if a location with a build-out is considered, a 7-year lease should be entered into as she believes 5 years is too short to depreciate the investment and 10 years is too long. Board members commented the decision should take into consideration the future of the EDC, visual appeal, image that is portrayed, identity, location, feel of the location, parking, cost, disruption to operations, convenience and staff input. Board members voiced their opinions and preferences on the various sites.

A straw vote was taken with one board member voting to stay at the current location in Centre Place and four voting to move to the Windstream building.

IT WAS MOVED BY Gary Gilman, SECONDED BY Roland Boll, to recommend to the Kandiyohi County and City of Willmar Economic Development Commission (EDC) Joint Powers Board that the EDC move its office to the Windstream building. MOTION CARRIED.

Status of board members. Renquist reported the Joint Powers Board appointed two new members, Linda Kacher and Art Benson. Harlan Madsen has approached several individuals from his district, but no one has accepted an appointment. Spaulding informed Kacher that new board members are asked to be on one of the EDC's committees. Renquist informed the board that Madsen requested this board consider paying board members mileage.

[Peterson was excused from the meeting.]

IT WAS MOVED BY Roland Boll, SECONDED BY Robert Carlson, that Kandiyohi County and City of Willmar Economic Development Commission board members be paid mileage, if they wish. MOTION FAILED.

NEW BUSINESS

Vacation policy. Renquist informed the board he does not have a recommendation for a new vacation policy at this time and will research the city of Willmar's and Kandiyohi County's policies before presenting a new policy for the EDC.

Blandin Foundation grant. Spaulding distributed a June 1, 2014 letter to Blandin Foundation (see attached). Blandin Foundation has asked the EDC to participate in a grant application for an Economic Vitality with Information Technology project, along with Ridgewater College and the Minnesota High Tech Association. The project will include a Hackfest, community-wide social media gaming event and a Maker Faire with the intent of bringing together IT people for social interaction to benefit the community in advancing technology and expanding broadband usage. The EDC would receive \$20,000 to use for the three events, be the lead organization to host the events with Blandin Foundation, find resources within the community for the cash match of \$7,500 and participate in bringing together regional partners to be involved in hosting the events and ongoing sustainability. The EDC Technology Advisory Subcommittee would work on the events. Spaulding reported Ridgewater College, along with colleges in Brainerd, Pine City and one in Texas, received an \$18 million Rural Information Technology Alliance grant to develop programming for mobile devices.

IT WAS MOVED BY Gary Gilman, SECONDED BY Robert Carlson, that the Kandiyohi County and City of Willmar Economic Development Commission participate with Blandin Foundation in a Rural Business Opportunity Program grant application for an Economic Vitality with Information Technology project, and contribute \$3,750 from the 2014 budget already designated for a Blandin Foundation grant. MOTION CARRIED.

COMMITTEE REPORTS

Business Retention and Expansion/Recruitment. Renquist reviewed with the board a May 19, 2014 memo from Connie Schmoll (see attached) regarding the business surveys to be done by the committee and a request to increase the committee's budget.

[Dougherty was excused from the meeting and Carlson took over chairing the meeting.]

IT WAS MOVED BY Roland Boll, SECONDED BY Gary Gilman, to move forward with the business surveys and purchase the CERTS portion of the Synchronist program at an approximate cost of \$2,600 plus annual fees thereafter. MOTION CARRIED.

2015 budget meeting. Consensus was to hold the joint board budget meeting on July 8, 2014 from 10:00 a.m. to 1:00 p.m. Renquist noted he will propose a five percent increase in the 2015 budget.

Finance. Spaulding reported the committee approved a loan request at its last meeting. Linda Kacher informed the board she knows the loan applicant, but will not benefit from any board decision.

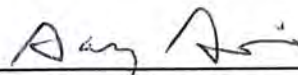
IT WAS MOVED BY Gary Gilman, SECONDED BY Roland Boll, to approve a five-year \$50,000 loan guarantee with United Minnesota Bank to Karen Baalson, doing business as Inspirations Books & Gifts That Feed the Soul, LLC, under the Kandiyohi County and City of Willmar Economic Development Commission's Entrepreneurs' Loan Guarantee Program. MOTION CARRIED with Robert Carlson abstaining.

Fiscal agent. Renquist reported the EDC was asked to be fiscal agent for the Willmar Community-Owned Grocery (COG), a for profit cooperative. A meeting was held between the COG director, Renquist, Spaulding and Jim Ruff, the EDC's auditor. If the EDC is approved as fiscal agent, the COG can apply for grants available to nonprofit corporations. The EDC would pay expenses approved by the COG board from grants obtained. Grants allow a 10% administration fee, which would be used by the EDC for being fiscal agent.

IT WAS MOVED BY Gary Gilman, SECONDED BY Roland Boll, to approve the Kandiyohi County and City of Willmar Economic Development Commission being the fiscal agent to administer grants obtained by the Willmar Community-Owned Grocery. MOTION CARRIED.

NEXT MEETING—The next regular board meeting is **11:00 a.m., Thursday, July 10, 2014**, at the EDC Board Room.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 1:15 p.m.



Gary Gilman, Secretary

APPROVED 7/10/2014:



Robert Carlson, President

2014 Office Lease Comparisons

	Approx Sq Ft	Monthly Lease	CAM	Build-out 5 - 7 - 10 yr	Parking	Utilities	Garbage	Snow Renewal	Total Month
Centre Place	2070	\$ 2,045.00	0	0	\$30/mo 4 spaces	0	\$21	pro-rated 4/18 619 or 51.5/mo	\$ 2,147.50 \$12.44/sq
Lakeland Professional \$45,000 build-out	1500	\$ 1,393.75	3.3	750 536 375	12+ spaces	218	\$21	in CAM est.	\$ 2,383.00 \$ 2,169.00 \$ 2,008.00 \$16.06/sq
MWTC	1822	\$ 1,974.00	3	0	12+ spaces	146.43 80	0	0	\$ 2,200.43 \$14.49/sq
R&J Tours	1668.5	\$1,650	0	1112 795 556	12+ spaces	200	\$21	0	\$ 2,983.00 \$ 2,666.00 \$2,427.00 \$17.46/sq
\$66,740 build-out TerWisscha 2	3148 3008	1,000 per office	0	0	12+ spaces	0	0	0	\$ 4,000.00 \$15.25/sq \$ 3,000.00 \$11.97/sq
TerWisscha 3	1781	\$ 1,613.00	2.85 422.99		12+ spaces	200	0	0	\$1,813.00 \$12.22/sq
Tiffany Square	1550	\$ 2,300.00	0	0	12+ spaces	0	0	0	\$ 2,300.00 \$17.80/sq
Willmar Overhead Door \$60,000 build-out	2000	\$ 1,333.00	1.875	1000 714 500	14+ spaces	200 200 200	\$21		\$ 3,096.00 \$ 2,268.00 \$ 2,033.00
Windstream Bldg	1500	\$ 1,800.00	0	0	12+ spaces	0	0	0	\$ 1,800.00 \$14.40/sq
Kandiyohi County	1500	\$ 1,625.00	0	0	12+ spaces	0	0	0	\$ 1,625.00 \$13.00/sq unknown
Professional Suites on First	1525	\$ 2,034.00	0	0	12+ spaces	0	0	0	\$ 2,034.00 \$16.01/sq
Kandi Plaza	1650 - ?	\$2,152.25	571		12+ spaces	0	21	0	\$ 2,173.25 \$15.81/sq

June 1, 2014

Bernadine Joselyn
Blandin Foundation
100 North Pokegama Avenue
Grand Rapids, MN 55744

Dear Ms. Joselyn:

Thank you for the opportunity to work with the Blandin Foundation on these rural technology events. As you are aware, the Kandiyohi County/Willmar Economic Development Commission, by our mission, is designed to be a catalyst for economic growth in the greater Kandiyohi County area. Our Board has targeted specific industry sectors that we feel provide the highest economic vitality to the communities we serve, including entrepreneurship and technology innovation. The project being proposed by Blandin Foundation is perfectly aligned to address difficult challenges facing rural communities.

One of the greatest challenges for rural areas is the attraction/retention of an educated workforce. The EDC has been working several years on ways to create an innovative culture in Kandiyohi County in which technology companies can thrive, be successful and grow the economy with good paying jobs. We know that individuals in information technology industry can work anywhere they choose, which is important to rural regions interested in providing opportunities for people to live in our communities. The project being proposed by Blandin Foundation is very important because it addresses all of the above concerns and develops a template that could be replicated in other rural regions in the future.

As a partner in the EVIT project, the EDC will commit to recruiting regional involvement; including individual and organizational participants in the three events to be hosted in Willmar, providing leadership in identifying local technology needs, hosting the events and assisting local partners with the sustaining efforts after the grant period. As an authorized representative of the Kandiyohi County and City of Willmar Economic Development Commission, we will provide \$7500 from our budget and through community partnerships. This cash match provided by our community will be available throughout the project period of 9/1/2014 – 8/30/2015. Our Operations Board of Directors has formally confirmed the cash contribution for RBOG purposes on 6/12/14. I understand that the cash contribution amount described above is to be used for eligible expenditures under the RBOG program.

We are excited about the opportunities this partnership with Blandin Foundation offers. The proposal offers a sound, and innovate approach to economic development using technology based strategies. Thank you for your consideration.

Sincerely,

Steven Renquist
Executive Director
Kandiyohi County & Willmar Economic Development Commission

Date: May 19, 2014
To: EDC Operation Board
From: Kandiyohi County & City of Willmar EDC Staff
Connie Schmoll, Business Development Specialist
Steve Renquist, Executive Director
RE: Database Software and Services for BR&E Program

After a side by side comparison of the University of Minnesota BR&E Survey process and using our own Synchronist BR&E Database, EDC staff has decided that using the Synchronist Data System to implement and complete our BR&E survey makes the best financial sense.

The EDC has in the past, purchased the PRIME data portion of Synchronist Systems. PRIME is geared toward manufacturing industries.

To complete the BR&E study, the EDC will also need the CERTS data portion of the Synchronist System. CERTS provides survey tools and data utilization for Convention, Retail, Tourism, Service Industries. The additional cost to secure the CERTS portion is \$2600 one time and annual fees thereafter of \$300.


After on-site surveys are complete and information is inserted in the database, Synchronist professionals will supply a 150 page summary of entered data, one for PRIME and one for CERTS data at a cost of \$350 per report. Reports will be needed after each city study has been completed for each city and will cost \$350 each time. Some cities will need a report for PRIME industries and some for CERTS or both.


This request is for two things. We are asking for board approval to purchase the Synchronist CERTS database at \$2600. This purchase will be considered a business retention, expansion, and recruitment cost. In addition, I am asking for additional funds to be allocated for the process for the Synchronist CERTS addition, publicity for implementing the program, public meetings to solicit volunteers and support for the program, mailings, and data summary reports.

The total budget for Business Retention & Expansion was approved at \$11,000. Of the \$11,000, \$4,000 has been allocated to the Technology Advisory Subcommittee. Another \$4,000 has been reserved for subcontracting assistance with LLA for business data entry for the surveys. This leaves \$3,000 in the current budget for the remainder of BR&E survey process for this year. Additional funds will need to be approved for Synchronist additions and fees and for other costs associated with completing the survey.

List of potential costs:

Synchronist addition:	\$ 2,600
Publicity:	\$ 2,000
Meetings:	\$ 400
Mailings:	\$ 400
<u>Summary reports in 2014 (4)</u>	<u>\$ 1,400</u>
Total	\$ 6,800
<u>Currently available</u>	<u>\$ 3,000</u>
Budget increase request	\$ 3,800

Signed: 
Connie Schmoll, Business development Specialist

Signed: 
Steve Renquist, Executive Director