

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
June 13, 2013
EDC Office, Willmar**

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

Excused: Robert Carlson

Guests: Scott Jorgenson, Dean Shuck, Aaron Sondrol and Wayne Torkelson

Ex Officio: Jim Butterfield and Bruce Peterson

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

Media: Bev Ahlquist, KDJS Radio and Anne Polta, West Central Tribune

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

President Bev Dougherty called the meeting to order at approximately 11:00 a.m. followed by self introductions.

Steve Renquist stated the EDC is intentionally visiting other communities to let them know of the EDC's availability to assist communities and businesses and to obtain community feedback on what they may need. In response to public comments, Renquist noted the EDC can represent the wishes of the county's communities and inform the state and county of community concerns.

AGENDA—Added to the agenda under New Business was item 2, application for a Rural Business Opportunity Grant. Milan Schmiesing noted the payroll tax deposit on the financial report should be reviewed as it seems high.

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

CONSENT AGENDA—

- Approve: 1. Minutes of May 9, 2013 board meeting
 2. Financial reports as of May 31, 2013, subject to audit
- Accept: 1. Committee minutes:
 a. Business Retention and Expansion/Recruitment 5/1/2013
 c. Finance 4/9/2013
 d. Marketing and Public Relations 4/22/2013
 e. Leisure Travel 4/1 and 5/6/2013

PROGRESS REPORTS

Willmar Design Center (WDC). Dougherty stated the Community-Owned Grocery's mission is to increase use of local food in the region and the Becker Market is a food and arts collaborative in downtown Willmar.

Willmar. Bruce Peterson reported the city of Willmar will be opening bids for the trail improvement from downtown and over the First Street bridge to Robbins Island; Ridgewater College's and the Surgery Center's expansions are moving forward; the city approved plans for upper-scale rentals of two-story town homes off Lakeland Drive to the east; Torgerson Properties began construction and renovation of its Comfort Inn; the city is looking at the Phase 3 land release of the former airport and has negotiated a mitigation plan; plans are being done for lift stations; and LifeLink is close to finalizing its relocation from Hutchinson to the Willmar airport and is meeting today, which will bring 25 jobs to the city and put the city on pace to more than double building valuations from last year. Renquist reported Molenaar's 80,000 square foot building is listed and has office space available—an industrial prospect is looking at the building; and the city is in the process of creating local business urgent response protocol.

EDC/MinnWest Technology Campus. Renquist reported Dean Johnson has been instrumental in getting Dr. Herman to tour the MinnWest Technology Campus (MWTC) and a showcase of ag technology products will be at the Mid-Central Research and Outreach Center. Jean Spaulding reported Ridgewater College hosted a summit on entrepreneurship at which she and Greg Jodzio of the Southwest Initiative Foundation did a program on financing for start-up businesses; college presidents showed their support of economic development and entrepreneurship at the summit.

Willmar Area Multicultural Business Center (WAM-BC). Spaulding reported she and Dougherty attended a steering committee meeting led by two individuals from the National Association for Latino Community Asset Builders of San Antonio, TX. Dougherty indicated it was one of the best learning sessions she has ever attended. WAM-BC is changing its focus from a marketplace to a business center and provides low-interest loans and cultural business assistance, i.e., formalize accounting practices, expand employment, etc. WAM-BC received an EDA Community Economic Development grant of \$40,000 for a loan pool through which 26 jobs have been created. Two loans have been repaid and the funds are available for relending. WAM-BC is looking at how to do business incubation in its current location; there is presently a Latino restaurant in the location. Diamond Builders, a locally-owned construction company that specializes in ag-related steel buildings, has its home office in the WAM-BC building and received startup funds from WAM-BC. Spaulding noted cultural businesses do not like carrying debt and tend to repay as soon as possible. WAM-BC is working on defining its mission and where its skill set in economic development should be focused.

[Bob Enos joined the meeting.]

UNFINISHED BUSINESS

Budget. Renquist distributed and reviewed with the board a 2014 budget adjustment memo (see attached), which included a levy increase to \$480,000 and a \$25,000 budget increase from 2013 for a total 2014 budget of \$531,707. Renquist recommended the EDC wait until early fall for its annual planning meeting to obtain more information from Vision 2040.

There was no other unfinished business.

NEW BUSINESS—

Grant. Spaulding provided information on a Rural Business Opportunity Grant (see attached) and recommended the EDC apply for a grant. The grant would be to conduct a feasibility study on a coworking technology center and to train Ridgewater College educators to lead a Kauffman FastTrac. The technology center would be a self-sustaining business plan. The grant applicant needs to have a DUNS number, which the EDC has and would be at no financial risk to the EDC. Spaulding is seeking participation from Southwest Initiative Foundation, Ridgewater College and other regional MnSCU colleges.

IT WAS MOVED BY Rollie Boll, SECONDED BY Rick Nordin, to approve the Kandiyohi County and City of Willmar Economic Development Commission being the applicant for a \$100,000 Rural Business Opportunity Grant under the USDA Rural Development program. MOTION CARRIED.

COMMITTEE REPORTS—

Agriculture and Renewable Energy Development. Renquist reported Lee Petersen just returned from the Ag Star conference approved by the board last month. Petersen informed Renquist that the conference was very informative and will hopefully be a positive for obtaining the state's new Dairy Research Facility. The University of Minnesota's Avian Research Facility has been relocated to MWTC.

Business Retention and Expansion/Recruitment (BRE/R). Renquist reported the BRE/R Committee is working on a business-to-business survey to be emailed to approximately 2,000 businesses in the county.

Finance. Rick Nordin informed the board the Finance Committee reviewed a loan application at its last meeting. Spaulding provided information on the loan approved by the committee and the need to review the loan reserve amount.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Gary Gilman, to approve a seven-year \$47,900 loan guarantee to Cynthia M. Swenson, individually and doing business as Middle Fork Café, under the Kandiyohi County and City of Willmar Economic Development Commission's Entrepreneurs' Loan Guarantee Program and to increase the loan reserve amount to maintain a 50% reserve. MOTION CARRIED.

Spaulding informed the board the city of Atwater approved a tax abatement for Peaceful Thymes.

Leisure Travel. Jim Butterfield reported the committee is up approximately 40 inquiries from last year; next Monday is the Humane Society's Bark in the Park at the Stingers game; the Studio Hop is this Friday and Saturday; a kiosk done by the Glacial Ridge Trail Association is located across the street from this meeting site; and the Little Crow Water Ski team will be at Willmar Fest. Rick Nordin noted a concert will be held tonight at the Glacial Ridge Winery.

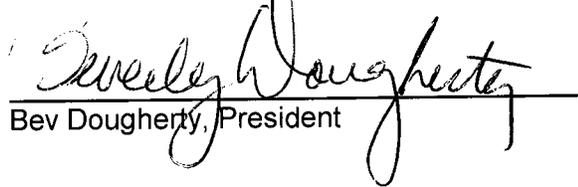
NEXT MEETING—The next regular board meeting is **11:00 a.m., Thursday, July 11, 2013**, at a location to be determined in Raymond.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 12:27 p.m.



Rick Nordin, Secretary

APPROVED: 7/11/2013:



Bev Dougherty, President

To: Joint Operations Board
From: Steve Renquist
Date: June 13, 2013
RE: 2014 Budget Adjustment

The EDC will operate with a similar budget for 2014 as we have in 2013, with the following recommended adjustments.

Agriculture and Renewable Energy Development Committee from \$65,000 to \$75,000.

I have reviewed comparable salaries and recommend the following adjustments for our Assistant Director and Agriculture and Renewable Energy Specialist:

Assistant Director – Existing - \$60,984; Recommended - \$65,984

Agriculture and Renewable Energy Specialist – Existing \$45,000; Recommended - \$50,000

The examination of comparable salaries was based on position, length of service and levels of training obtained. This is a one-time adjustment intended to position our staff with their peer level.

The aforementioned adjustments total \$20,000 – I have announced to the Board my intention of asking for a \$25,000 adjustment to the EDC's 2014 budget. The remaining \$5,000 will be absorbed by increased insurance, PERA, FICA and administrative services costs.

Budget process: The acknowledgment of receipt of this memo does not constitute Joint Operations Board acceptance of its content. Our 2013 budget is \$506,707 and I recommend increasing the 2014 Budget to \$531,707. Our levy is \$455,000 – a figure that has not changed for three years. I further recommend we increase the levy to \$480,000 – a very modest increase when averaged over a four year period. The Joint Operations Board must recommend a levy amount to the Joint Powers Board. The Joint Powers Board must certify a levy amount to the County Auditor by September 13th (15th falls on weekend). The EDC budget must be presented to the Willmar City Council and Kandiyohi County Board of Commissioners no later than October 15th for their respective approval. Prior to calendar year end the EDC must make final determination on the levy amount – it may decrease but must not increase from the amount certified to the County Auditor on September 13th.

Annual Planning Meeting – The EDC is involved in the Vision 2040 reevaluation of community priorities process. I have reason to believe the EDC may become more intricately involved with the marketing of the Willmar Municipal Airport (Rice Field). It seemed prudent to wait until early fall to conduct our Annual Planning Meeting so that we may learn more of the outcomes of community re-prioritization.

Scope of Project:

Request a grant for \$100,000 to be used in the following parameters

Kandiyohi County/Willmar EDC

Prepare a RFP for a feasibility study for a Business Community Center program concept. This concept would provide a means by which entrepreneurship is accelerated and integrated into a region at large while also leveraging and building upon the existing solid foundation in the community. There could be four major categories of impact for the Greater Willmar community from this economic development program:

- Increased community engagement and exposure of minorities and youth to entrepreneurship and mentoring opportunities
- Cross-pollination of entrepreneurial ideas and projects among knowledge workers spurring new start-up activity
- Expansion of regional brand recognition of Willmar as a creator and magnet for talent
- Accelerated pathway for entrepreneurial job growth and company valuations

Ridgewater College – Willmar and Hutchinson Campuses

Map entrepreneur resources within the MnSCU system so that each campus could offer a unique niche opportunity, specialized services, while eliminating duplication of efforts.

Develop trainers specifically for entrepreneur curriculum – using the Kaufman Foundation FastTrac Program as an initial basis since it is currently being utilized in programs through the BioBusiness Alliance – Mn Angel Network program.

Allow funding opportunities for program “grants” for entrepreneurs for the FastTrac Program. This would jumpstart the program and provide a feeder network to a Business Community Center concept.

Building an Entrepreneurship Ecosystem

Demographic forecasts predict that the economies of the future will look different than they have in the past decade. For example, in the period from 1994 to 2004 we in the United States witnessed a 20% decrease in farm worker employment and a 23% decrease in tool and die makers, but a 78% increase in financial service sales positions and a 61% increase among actors and directors. The job opportunities are clearly migrating to significantly different sectors. The general economic downturn of 2006-2010 has warped this trend, but it is clear we are moving into a post-industrial economy. With this shift in career opportunities, it's natural to predict that the way in which work will be conducted will also shift to a new model. Organizations are becoming smaller and more diffuse. Small businesses in the US generate 75% of the new jobs, with that trend expected to continue. This offers opportunities for rural communities to develop an ecosystem that will foster and embrace small business entrepreneurship which will allow workers to determine where they choose to live and work versus making them choose to live in a community where they find the best job opportunity.

Purpose: Develop a model for a Rural Community Entrepreneur Ecosystem that could be replicated in communities in which similar traits and structure are available or are capable of being developed. Currently there are several organizations that actively engage with assistance and resources with a prospective entrepreneur. However the path that an entrepreneur takes to access resources and knowledge can be cumbersome and would certainly not be described as coordinated in most cases. Communities that are committed to the concept of maximizing the available technology could implement a model developed through this program grant that would encourage a Business Center, supported by the community businesses and entrepreneurs, and a host of partners including economic development and higher education.

Partners:

Economic Development Commission –

Ridgewater College (MnSCU System) –

BioBusiness Alliance of MN – Innovation Engine –

Southwest Initiative Foundation –

Business Entrepreneurs –