

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

MINUTES

September 8, 2011
EDC Office, Willmar

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

Excused: Betty Bollig

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

Ex Officio: Jim Butterfield and Bruce Peterson

Media: Anne Polta, West Central Tribune

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

President Ron Erpelding called the meeting to order at 11:01 a.m. An addition was made to the agenda under Ag Committee: Steve Renquist will make a presentation regarding an office at MinnWest Technology Campus.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Bob Carlson, to approve the Agenda as amended and the Consent Agenda as presented.

CONSENT AGENDA—

Approve: 1. Minutes of August 11, 2011 meeting
2. Financial reports as of August 31, 2011, subject to audit

Accept: Committee Minutes
1. Agriculture and Renewable Energy Development 8/18/2011
2. Business, Retention & Expansion/Recruitment (BRE/R) 8/3/2011
3. Finance 8/9/2011
4. Marketing and Public Relations 7/25/2011

MOTION CARRIED.

PROGRESS REPORTS

Willmar. Bruce Peterson reported the city of Willmar was presented with a memo by the Federal Aviation Administration outlining conditions and phased releases of the former airport property. The city is trying to change the release dates on some of the conditions. West Central Steel broke ground for a 26,000 square foot expansion; United FCS's construction is almost done; the dental clinic on 19th Avenue is under construction; rehab of the former Film Drop site on First Street will be occurring for a dental clinic; Subway on First Street is putting in a drive thru; Rice Memorial Hospital is redoing its hematology area and west entrance; the former John's Supper Club is being worked on with plans for business use on the first floor and housing on the second floor; and the city is partnering with KWLM Radio to do an area-wide cleanup and recycling day this Saturday, September 10, from 8 a.m. to 1 p.m.

Willmar Design Center (WDC). Bev Dougherty reported the WDC's \$890,000 grant from the Minnesota Department of Employment and Economic Development (DEED) has been committed and restoration is taking place in downtown Willmar buildings. Signs will be placed in windows of the businesses that received grant monies. The WDC is applying for a second DEED grant. The mug auction will be held September 29 at 414 Becker Avenue SW parking lot and the Legacy Concert will be held October 6 at the Willmar Education and Arts Center.

EDC/MinnWest Technology Campus (MWTC). Steve Renquist reported Buhler Industries will soon be at 100 employees and may add another shift and Willmar Fabrication is at 60 employees after moving to its new location. Peterson reported Willmar Fabrication is expanding beyond the Bernick's building into the former Wearda Implement building for assembly and storage. Staff explained how the EDC assists businesses that show a need in finding employees, as well as other assistance where a need is shown. The upcoming Discover Manufacturing Innovation Showcase came from a need and request by the county's manufacturing businesses. The EDC participated in writing a grant with MWTC for an educational center. Renquist reported on a second visit today by a Minneapolis data center; meetings with other potential companies; and assisting the communities of New London, Spicer and Lake Lillian. Spaulding reported the EDC will co-host the Animal Science Venture Forum in October and Mitch Davis of Davis Family Dairies and Davisco Foods International will be the keynote speaker.

Willmar Area Multicultural Market (WAMM). Spaulding reported WAMM did not receive the federal HUD grant that would have allowed the purchase and rehab of their building.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

COMMITTEE REPORTS—

Agriculture and Renewable Energy Development. Renquist distributed a proposal on developing a bioenergy and renewable materials office at MWTC (see copy attached) and distributed a renewable energy update prepared for Al Juhnke, Ag/Energy Field Representative for Senator Al Franken (see copy attached). The bioenergy office will be discussed and acted on at the October board meeting. Board members should direct their questions concerning the office to Renquist before the next board meeting.

BRE/R. President Erpelding reported the BRE/R Committee considered and approved allocations out of its budget to GREAT, Discover Manufacturing Innovation Showcase and a business survey. A project overview of GREAT was distributed (see copy attached). Discussion was held on GREAT and whether it duplicates the efforts of other entities, including the Willmar Lakes Area Chamber of Commerce, Willmar Lakes Area Convention & Visitors Bureau and the EDC. President Erpelding informed the board that Renquist requested GREAT obtain matching funds from the cities of Spicer and New London.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Duane Hultgren, to approve the Business, Retention & Expansion/Recruitment Committee's allocation of \$2,000 to the Glacial Ridge Enrichment Advancement Team (GREAT) contingent upon other entities contributing and that GREAT's efforts not be a duplication of work already being done by other entities. MOTION FAILED.

Spaulding informed the board that Jim Rieth approached the EDC about holding a manufacturing event in Kandiyohi County. A steering committee was formed with a primary mission to promote what local manufacturers are doing and how the industry is innovative and changing. The showcase will be held October 28 at MWTC. Manufacturers will be invited to participate as vendors and area students will be the target audience with the general public included. See copy of flyer attached. Vendors will be charged a fee with the fee dependent upon what the EDC contributes.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Rick Nordin, to approve the Business, Retention & Expansion/Recruitment (BRE/R) Committee's recommendation to allocate an amount not to exceed \$4,000 to the Discover Manufacturing Innovation Showcase to be paid from the BRE/R Committee's budget. MOTION CARRIED.

IT WAS MOVED BY Bob Carlson, seconded by Duane Hultgren, to approve the Business, Retention & Expansion/Recruitment (BRE/R) Committee's recommendation to allocate an amount not to exceed \$2,000 from the BRE/R Committee's budget to have a business survey done by the Minnesota Extension Service, contingent upon the Minnesota Extension Service contributing \$1,500 toward the survey. MOTION CARRIED.

Finance. Spaulding provided information on two loans approved by the Finance Committee.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Bev Dougherty, to ratify a \$25,000 Revolving Loan Fund loan to LuLu Beans, Inc. of Willmar at a term of five years with the Kandiyohi County and City of Willmar Economic Development Commission taking third position in collateral. MOTION CARRIED.

Peterson informed the board that Mallory and Jay Cronen are his daughter and son-in-law and he abstained from voting on the loan at the Finance Committee meeting. The EDC will be in second position on the Cronen loan.

IT WAS MOVED BY Bev Dougherty, SECONDED BY Rick Nordin, to ratify a \$25,000 Revolving Loan Fund loan for a term of ten years and a five-year \$25,000 Entrepreneurs' Loan Guarantee Program loan to Jay and Mallory Cronen DBA Cronen Custom Cabinets and Flooring, subject to the corporation being created also providing a guarantee on both loans. MOTION CARRIED.

Marketing and Public Relations. Spaulding reported the new website is now live.

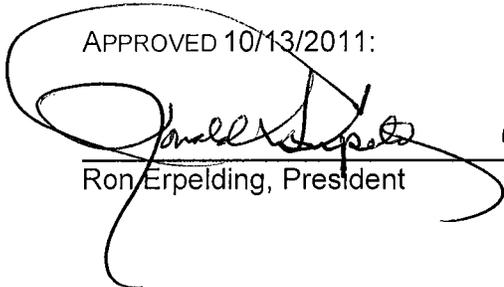
Other. Board members were given an opportunity to make comments. Jim Butterfield likes the Manufacturing Showcase and informed the board the Safety Coalition has a Facebook page. Nordin reported he attended his first meeting of the Marketing and Public Relations Committee and noted the number who utilize social media. Hultgren reported St. John's Township is now doing its own zoning.

NEXT MEETING—The next regular board meeting is 11:00 a.m., Thursday, October 13, 2011, at the EDC Board Room.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 12:49 p.m.


Betty Bollig, Secretary

APPROVED 10/13/2011:


10/13/2011
Ron Erpelding, President



EDC: Bioenergy & Renewable Materials Office

Purpose: Position Kandiyohi County to be a global leader in bioenergy and renewable materials. Become a local resource for community in bioenergy and renewable energy projects.

Staff: Cathy Keuseman, Agribusiness & Renewable Energy Specialist

Oversight: Steve Renquist, Executive Director and EDC Operations Board

- Weekly meetings with Executive Director on activities
- Monthly reporting to Operations Board
- Present to Board on projects when asked
- Computer log on system for recording project hours

Location: MinnWest Technology Campus (MWTC), Executive Suite, \$400.00 a month, building 1700, first three months free rent. Utilities from day 1 approx., \$50.00 per month.

Why open the EDC Bioenergy Office?

- Brand Kandiyohi County and City of Willmar EDC as a dominant player in bioenergy in partnership with MWTC.
- Complete long standing goal of Ag Committee
- Assist bioenergy and renewable material start-ups at MWTC with area resources and networking with local existing companies.
- Become liaison for the EDC and Mid Central Research & Outreach Center in bioenergy and renewable materials.
- Ag/Renewable Energy Office is running out of space and is shared with Score.
- Conference room scheduling has become extremely tight and there are parking challenges for the subcommittees.

Functions

NH3 Project: Assist start-up with the transition from the EDC to private sector during the Engineering and Planning Study Phase 1 & Phase 2.

Duties: Marketing and project team coordination, administration until new LLC can replace duties with private sector employees when Phase 3 Construction commences.

Project Duration: Approximately 1 year -hours per week 15, reviewed every 6 months.

Local Agriculture Investment Group- Pursue relationship with Ag Ventures Alliance (AgVa) to determine if this is a good fit for local projects.

Duties: Determine if funding of projects will be for local projects or projects taken out of Kandiyohi County. If determined projects to leave Kandiyohi County start new agriculture investment group here locally.

- Create data base of interested investors for special project meeting invitations
- Host investor meetings when projects become available
- Maintain relationships with investor group
- Create quarterly email newsletter for investment group

Project Duration: 6 months for determination of fit with AgVa. Review and determine course of future action. Hours per week 8

Heartland Energy Systems: Assist with marketing data base for new start-up in bio based fuel heating systems for farm sites.

Project Duration: 3 months -Hours per week: 2

Move committee meetings to MinnWest Technology Campus- Commons Meeting Room. Plenty of space **and parking** for the AG Committee, subcommittees and community presentations. Utilize Hegland Catering if needed. Six Biobusiness Forums have been held quarterly at the MinnWest Technology Campus Auditorium. The Biobusiness Forums have attracted over 300 people to the events. The Bioenergy and Renewable Materials Office will help create the brand and a permanent location for people to keep coming back to, therefore promoting MWTC.

- Ag Committee monthly hours: 20
- Regulatory Environment Subcommittee monthly hours: 4
- GreenStep Cities Subcommittee monthly hours: 4
- Fuel Cell Subcommittee monthly hours: 4 (this could increase with projects discussed with University of Minnesota in anaerobic digestion)
- BioBusiness Forums: 40 hours quarterly

Maintain Website Blog www.kandi-ag-energy.com (7,500 hits last month!)

The podcasts are played internationally now and we can position ourselves as a global leader in this industry cluster by continuing and increasing this activity.

Work currently done in home office and Ridgewater College. Need quiet space with no interruptions for sound editing , software and Macintosh computer laptop to work from office. Expenses: Mac computer \$1,500, Software \$500. These expenses can be scheduled in January 2012 to spread the budget out.

Podcasting from BioBusiness Forum: 48 hours quarterly.

Write articles, goal 3 per month when no podcasts: 24 hours month



**ATTENTION AREA EDUCATORS,
PUBLIC OFFICIALS AND
BUSINESS LEADERS**

*An event celebrating
Minnesota Manufacturer's Week,
October 23 - 29, 2011*

Please join the Kandiyohi County / City of Willmar Economic Development Commission, the Willmar Area Chamber of Commerce and their many partners in celebrating Minnesota Manufacturer's Week. Help us educate our community about the important role manufacturing plays in our local economy.

For more information about participating, contact edc@kandiyohi.com, call 320.235.7370 or go to www.kandiyohi.com

WHAT: *Discover Manufacturing — Innovation Showcase* is a community event highlighting Kandiyohi County's leaders in manufacturing innovation

WHEN: Friday, October 28, 2011, 10am – 3pm

WHERE: MinnWest Technology Campus Auditorium

WHO: We will be targeting an audience that includes technical college students, high school students in STEM (science, technology, engineering, and mathematics) related course work, workforce clients, employment agencies, business people and the community at large.

TO-DO: We invite you to attend this event to learn more about our area's leading manufacturing innovators. Please help us spread the word by encouraging students, peers and interested business people to attend, as well.



The Glacial Ridge Enrichment Advancement Team (GREAT) formed in 2010 with the mission of branding and promoting the New London-Spicer and surrounding region as a destination and to improve the economic base of the county.

Currently, GREAT has identified nearly 100 organizations, businesses, art studios and public entities as stakeholders that would benefit from a more concerted marketing and branding effort. Many—if not most—of these stakeholders find marketing to be time consuming, costly and frustrating on an individual basis and are looking to collaborate for a stronger marketing effort. Regional marketing provides a measurable return on investment. Every \$1 invested in tourism marketing returns an estimated \$4.60 in new state and local taxes, \$20.40 in wages and \$53 in gross sales. (*Based on Minnesota Office of Tourism Advertising, 2000*)

The next steps for GREAT include solidifying a business plan, establishing 501(c)(3) status, developing a website and contracting a project manager to coordinate activities. We request \$7,000 from the EDC in seed money to fund these activities.

\$2,200 to establish GREAT as a designated 501(c)(3) non-profit
\$2,400 coordinator time for support/grant writing activities (80 hours X \$30)
\$2,400 website (quote from local web designer includes photography, site development and maintenance)
\$7,000 total seed funding request.

It is our vision to support the EDC's goal of promoting economic growth in the greater Kandiyohi County area. Through a specific brand identity and unique promotional efforts, more people will be drawn to this area rich in recreation, shopping, arts and scenic beauty. We will build stronger local economies by enhancing current marketing efforts and creating a public awareness level which brings us to mind when people think of a good place to live, visit or start a business.

Respectfully submitted:
GREAT Executive Committee

KAFFE-CAFE-KAHWA MUG AUCTION

THURSDAY, SEPTEMBER 29TH

KRISTINE FLADEBOE DUININCK

5:30 PM • 19 MUGS!

414 SW BECKER PARKING LOT

FOOD AVAILABLE AT THE
BECKER MARKET CAFE

CASH WINE BAR

SPONSORED BY:

Willmar Design Center



willmararea
artscouncil

promoting the arts in west central minnesota



**CLEAN
WATER
LAND &
LEGACY
AMENDMENT**