

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
January 12, 2017
EDC Board Room, Willmar**

Present: Art Benson, Rollie Boll, Robert Carlson and Gary Gilman

Ex Officio: Bruce Peterson and Roger Imdieke

Excused: Kelly TerWisscha

Staff: Aaron Backman, Executive Director and Connie Schmoll, Business Development Specialist

Media: Shelby Lindrud, West Central Tribune

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

President Robert Carlson called the meeting to order at approximately 11:02 a.m.

AGENDA—

IT WAS MOVED BY Art Benson, SECONDED BY Rollie Boll, to approve the Agenda and Consent Agenda as emailed. MOTION CARRIED.

CONSENT AGENDA—

- Approve:
1. Minutes of December 8, 2016 meeting
 2. Financial reports as of December 31, 2016
 3. Payment of invoice from Minnesota Counties Intergovernmental Trust for \$3,380 (insurance for public employees, blanket bonds, property, business automobile, marine and general liability \$2,657 and workers' compensation coverage \$723)
 4. Payment of \$34,000 as budgeted to Willmar Lakes Area Convention & Visitors Bureau for 2017 Tourism Partnership Agreement

- Accept: Committee/Subcommittee Minutes
1. Ag Producers Survey Subcommittee 11/22 and 12/12/2016
 2. Broadband and Advanced Technology 12/5/2016
 3. Business Retention Expansion/Recruitment (BRE/R) 11/18/2016
 - a. BRE/R Vision 2040 Workforce Subcommittee 11/15/2016
 4. Leisure Travel 11/7/2016

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Aaron Backman reported the environmental assessment for the Willmar Wye project is in process. Backman stated a letter dated December 28, 2016 letter was sent by the Federal Railroad Administration to U. S. Rep. Collin Peterson and others pertaining to the First Avenue issue, portions of which are of concern to him. The Federal Railroad Administration has determined the Willmar Wye project will not include any at-grade crossings, which contradicts the original plan. Backman has spoken with Mel Odens of the Kandiyohi County Highway Department, who will respond to the letter. A final agreement is still being negotiated; at present there is a Memorandum of Understanding on the project. The board discussed the content of the letter, comments that will be taken during the environmental review process and concerns with turn back of the roads. It was suggested the local partners show up at future hearings and make their opinions heard. Bruce Peterson reported the City of Willmar is wrapping up its 2016 construction and gave an update on some of the projects. 2016 ended with approximately \$60 million in building permit values for new construction with about half being private versus public projects and 36 new homes. The Willmar City Council will be holding a retreat this weekend. Peterson reported there are preliminary plans for a 91,000 sq. ft. manufacturing distribution center to be built this spring along with another distribution center and the possible sale of 4.5 acres in the Industrial Park.

Business Retention and Expansion Grant for Diverse Businesses. Backman reported the grant to the EDC to visit and work with diverse businesses has been awarded by Southwest Initiative Foundation (SWIF). The grant will run from December 1, 2016 to June 30, 2017. Backman has met with the African Development Center and the Willmar Area Multicultural Business Center (WAM-BC) in regard to the grant. To fulfill the terms of the grant the EDC must meet with a minimum of 16 different diverse businesses. It was announced that Berny Berger, the Microenterprise Program Coordinator for SWIF is retiring tomorrow.

West Central Angel Fund I. Connie Schmoll reported the Service Agreement has been completed and the leaders hope to have all organizing documents finalized by next week after which they will schedule a membership meeting. There are about 31 members. Backman noted the group has had two informal presentations from businesses considering locating in the Willmar Lakes Area. Schmoll stated three businesses are waiting to make presentations to the Fund.

Business Visits and Meetings. Backman reported he and Schmoll met with a Spicer area business that is considering location options and are being encouraged to stay in the county. Backman informed the board staff has been meeting with vendors for a new server for the office. He anticipates having a recommendation for the February board meeting.

UNFINISHED BUSINESS—

WAM-BC Sublease. Backman reported the sublease has been reviewed by the EDC's attorney and WAM-BC officers. The attorney stated the sublease appears to be fine. Backman reviewed areas of the sublease with the board. The EDC's internal office doors have been rekeyed separate from the office that will be leased by WAM-BC. Gary Gilman recommended a list of contacts for the Elks be given to WAM-BC.

IT WAS MOVED BY Gary Gilman, SECONDED BY Rollie Boll, to recommend to the Kandiyohi County and City of Willmar Economic Development Commission's Joint Powers Board that it approve the sublease as presented. MOTION CARRIED.

Backman will forward the proposed sublease to the Elks representatives.

NEW BUSINESS—Gilman voiced his concern over the controversy on the reappointment of Linda Kacher and suggested this board show its support of Kacher and her work on this board. Gilman suggested both boards discuss reappointments to the Joint Operations Board at their annual strategic planning session and suggested the Joint Powers Board should move its board meeting from January to December to avoid gaps in membership on the Joint Operations Board. Backman read paragraph 12 of the Joint Powers Agreement, which states the Joint Operations Board members are appointed by and serve at the pleasure of the Joint Powers Board. Chair Carlson noted it is the Joint Powers Board's decision as to who it appoints to this board and suggested this board remain neutral on the political side of issues. Board members noted not reappointing a willing board member has never happened before and this situation is very unusual. Roger Imdieke confirmed that the Joint Powers Board may take the recommendations of the City of Willmar and Kandiyohi County Board and still appoint its own board member. Gilman voiced his opinion that Kacher's participation on this board has been above average and she has done a good job. Imdieke voiced his understanding of the board's discussion and suggested it may wish to give a vote of confidence for Kacher and appreciation of her work, but make no recommendation as to her reappointment.

IT WAS MOVED BY Gary Gilman, SECONDED BY Rollie Boll, to inform the Kandiyohi County and City of Willmar Economic Development Commission's Joint Powers Board that the Joint Operations Board supports Linda Kacher and is appreciative of her service to the Kandiyohi County and City of Willmar Economic Development Commission. MOTION CARRIED.

There was agreement that clarification is needed on Joint Operation Board member reappointments and that it should be a topic for the joint boards' strategic planning session.

COMMITTEE REPORTS

Agriculture and Renewable Energy Development. Schmoll reported the Ag Committee ended its year by meeting at McMillan's Restaurant. The committee had three candidates each for its chair and vice chair positions. The 2017 chair is Dan Tepfer and the vice chair is Larry Konsterlie. Jean Geselius from the EDC's Marketing and Public Relations Committee attended the December Ag Committee meeting to hear how that committee can assist the Ag Committee with marketing. The Ag Producers Survey Subcommittee has 55 ag producers, who will participate in the survey compared to 60 last time. When contacted, Township boards all said there are fewer farmers now. The first training session for the 34 volunteers was held yesterday. The volunteers will visit the ag producers between January 18 and February 24, 2017. Jim Molenaar will again analyze the data and submit a report. The report will be presented at workshops to be held at 12 noon and 4:00 p.m., April 5, 2017.

Broadband and Advanced Technology. Schmoll reported Consolidated Telephone Company (CTC) was awarded a state broadband grant for Kandiyohi County, as well as Frontier Communications. Altogether, Kandiyohi County received the largest grant award total of \$4.94 million. This is about 20-25% of what is needed to deploy broadband in the entire county. Backman stated the providers can choose to go beyond the areas submitted in the grant application, but they cannot use grant monies for those areas. Schmoll stated the committee will continue to work toward deployment of broadband throughout the entire county. Imdieke suggested some townships may be interested in bonding. Out of 62 applications, 42 were funded with the top 11 projects receiving 68% of the grant funds. It was noted that some areas that reapplied were not funded. The project will have a positive impact on the county's residents and businesses. Imdieke noted a challenge remains with the language that allows incumbents to block applications and suggested legislators be encouraged to strengthen the language and enforce a penalty if incumbents challenge projects, but do not complete a project. Backman stated 21 residences had to be removed from Kandiyohi County's grant area because they were contested by CenturyLink. Schmoll reported members of the committee have spoken with Rep. Dave Baker and will be meeting with Rep. Andrew Lang tomorrow. There are some questions as to who can be included in the area, if they are served by an incumbent. Backman noted Swift County's costs per household are almost twice what Kandiyohi County's will be. Imdieke stated the bonds are a loan to CTC, which must be repaid. CTC's application estimated a 40-42% take rate (subscribers). Imdieke applauded the work done by the EDC and its Broadband Committee and stated the County Board is pleased with the award. Schmoll reported the committee met Monday and will continue its work focusing on four areas: adoption and utilization, legislation, marketing and securing stakeholders for future projects.

Business Retention and Expansion/Recruitment. Backman reported the committee is working on its 2017 goals, including transportation. A Highway 23 corridor meeting was held this week on a possible transportation summit and completing the gaps along Highway 23.

Workforce Subcommittee. Schmoll reported the subcommittee completed its tasks as a subcommittee, but will act as consultants to other school districts that wish to do manufacturing tours. Willmar Public Schools is planning another event for 2017 and may include other career areas, such as healthcare.

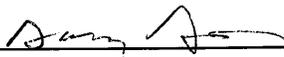
Finance. Backman reported he is awaiting more information for two loan applications. All EDC loans are current and more interest was collected than was forecast. A progress report and year-end financials were received from Historic 313. The Preservation Alliance of Minnesota has had discussions with Fox Hole Brewery on its space needs.

Marketing and Public Relations. Backman reported the committee is working on updating the EDC's general marketing brochure to coordinate with its new logo and look.

Other. President Carlson stated election of officers and the annual meeting of this board will be held in February.

NEXT MEETING—The annual board meeting is **11:00 a.m., Thursday, February 9, 2017**, at the EDC Office, Willmar.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 12:31 p.m.



Gary Gilman, Secretary

APPROVED: 2/9/2017:



Robert Carlson, President

SUBLEASE AGREEMENT

This is an agreement to sublet real property (hereinafter known as the "Sublease") between the Kandiyohi County and City of Willmar Economic Development Commission (hereinafter known as the "EDC") and the Willmar Area Multicultural Business Center (hereinafter known as the "WAM-BC"). EDC agrees to sublet, and WAM-BC agrees to take possession of one office space located within the EDC office at 222 20th Street SE, Willmar, Minnesota (hereinafter known as the "Premises") under the following terms and conditions:

I. Premises. The EDC hereby leases unto WAM-BC an office space located at 222 20th Street SE consisting of approximately 160 square feet as highlighted on Exhibit "A" attached hereto.

II. Term. Tenancy of this Sublease shall begin with WAM-BC taking possession of the office space on February 1, 2017 and ending on January 31, 2018. Under no circumstances shall there be holdover by WAM-BC. Either party may terminate this agreement upon 60 days' written notice.

III. Rent. The rent under this Sublease shall be \$250.00 (U.S. Dollars) per month payable on the first day of every month.

IV. Utilities. Per the original Lease Agreement, the landlord pays for and provides all utilities in or on the premises.

V. Liability. WAM-BC agrees to surrender and deliver to the EDC the premises, including all furniture and decorations within the premises in the same condition as they were at the beginning of the term with reasonable wear and tear accepted. WAM-BC will be liable to the EDC for any damages occurring to the premises, the contents thereof, the living areas, including any common spaces. All actions conducted by any guests of WAM-BC are the responsibility and liability of WAM-BC.

VI. Insurance. WAM-BC shall maintain at all times during the Initial Term and any Renewal Term, commercial general liability insurance against claims for personal injury, death or property damage occurring in, on or about the Premises or sidewalks or areas adjacent to the Premises to afford protection to the limit of not less than \$1,000,000 combined single limit. Such insurance may be covered under a blanket policy covering the Premises and other locations of WAM-BC or its general partner or the general partner's parent or an affiliate corporation. WAM-BC shall deliver a certificate of insurance to EDC upon signing this agreement.

VII. Maintenance and Repairs. WAM-BC shall be responsible for maintaining and cleaning its office space and removing its trash during the term of this agreement.

VIII. Signage. WAM-BC may install a sign of similar size to the EDC's sign located at the entrance to the EDC office in the common area of the Premises, if permitted by the Landlord.

IX. Guests. There shall be no other person(s) on the Premises other than WAM-BC staff, board members, representatives, clients and guests, unless otherwise approved by the EDC. WAM-BC will lock its office door at all times when no one is present on the Premises.

X. Security Deposit. The EDC shall require a Security Deposit in the amount of \$250.00 (U.S. Dollars) that will be paid at the beginning of the term. Any damage or repairs needed at the end of the term due to WAM-BC shall be credited against the Security Deposit. Any reason for retaining a portion of the Security Deposit shall be explained in writing when returning the funds to WAM-BC. The funds shall be sent to WAM-BC within 30 days after the Sublease has ended with WAM-BC vacating the Premises along with its possessions.

XI. Master Lease. This Sublease must follow and is subject to the original Lease Agreement between the EDC and Landlord, a copy of which has been attached, and is hereby referred to and incorporated as if it were set out here at length. WAM-BC agrees to assume all of the obligations and responsibilities of the EDC under the original lease for the duration of the Sublease.

XII. Disputes. If a dispute arises during or after the term of this Sublease between the EDC and WAM-BC, they shall agree to hold negotiations between themselves before any litigation.

XIII. Written Agreement. This Sublease constitutes the sole agreement between the EDC and WAM-BC with no additions, deletions or modifications that may be accomplished without the written consent of both parties (ANY ORAL REPRESENTATIONS MADE AT THE TIME OF EXECUTING THIS LEASE ARE NOT LEGALLY VALID AND, THEREFORE, ARE NOT BINDING UPON EITHER PARTY).

XIV. Language. The words "EDC" and "WAM-BC" as used herein include the plural as well as the singular; the language in this Sublease intends no regard for gender.

XV. Smoking Policy. Smoking on the Premises is not allowed in the Premises or any common areas.

XVI. Original Copies. Each signatory to this Sublease acknowledges receipt of an executed copy thereof.

XVII. Landlord's Consent. The original lease between the Landlord and EDC allows subletting with the consent of the Landlord and the Landlord has affirmatively given the EDC consent to sublease to WAM-BC an office space in the EDC's leased area.

XVIII. Governing Law. This Sublease shall be bound to the laws in the State of Minnesota.

XIX. Additional Terms or Conditions.

1. WAM-BC may use the EDC's Toshiba e-studio 3055c scanner/copier/printer and will reimburse the EDC for use of said Toshiba and paper at the rate of \$.25 per copy. WAM-BC may elect to have its own copier/printer in its Premises.
2. WAM-BC may use the EDC's board room when it does not conflict with EDC meetings or use by the EDC and at times when parking of several cars is convenient for the EDC and Landlord. WAM-BC will schedule use of the EDC's board room with EDC's support staff.
3. WAM-BC may use the furniture currently in the office space.
4. WAM-BC must provide its own telephone, Internet and computer systems and arrange for and pay for connection and installation of same.
5. WAM-BC will notify the EDC's support staff of any scheduled board meetings and meetings with guests/clients in order that the EDC may place it on its calendar and greet the individuals upon their arrival, if it is during normal business hours and times when the front desk is staffed. It is recommended that notice of such meetings be given at least one week in advance of the meeting dates.

XX. Date and Signature. The parties hereby bind themselves to this agreement with their authorization affixed below on the date(s) set out below.

KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION

Date: _____, 2017

By: _____
Joint Powers Board Chairperson

WILLMAR AREA MULTICULTURAL BUSINESS CENTER

Date: _____, 2017

By: _____
Board Chairperson

and By: _____
Board Secretary

LANDLORD'S CONSENT

Landlord hereby gives its consent to subletting of the above-described premises as set out in this sublease agreement.

Date: _____, 2017

By: _____

Chairman of Board of Trustees/Directors
Willmar Elks Lodge No. 952

ORIGINAL LEASE ATTACHED (INITIAL) _____

EXHIBIT "A"

PREMISES

