

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

Present: Rollie Boll, Donna Boonstra, Gary Gilman, Les Heitke and Kelly TerWisscha

Excused: Art Benson and Robert Carlson

Ex Officio: Roger Imdieke and Bruce Peterson

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

Media: Carolyn Lange, West Central Tribune

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

President Donna Boonstra called the meeting to order at approximately 11:01 a.m. and declared a quorum was present.

AGENDA—Added to the Consent Agenda under Approve was item 4. Payment of bill from REDstar Creative for \$1,165 and added to the Agenda under Unfinished Business was approval of 2016 draft audit.

IT WAS MOVED BY Gary Gilman, SECONDED BY Rollie Boll, to approve the revised Agenda and revised Consent Agenda. MOTION CARRIED.

CONSENT AGENDA—

- Approve:
1. Minutes of September 14, 2017 meeting
 2. Financial reports as of September 30, 2017
 3. Removal of committee members:
 - a. Larry Handlin from the Broadband and Advanced Technology Committee
 - b. Mike Negen from the Marketing and Public Relations Committee
 4. Payment of \$1,165 bill from REDstar Creative
- Accept:
- Committee/Subcommittee Minutes
1. Agriculture and Renewable Energy Development 7/20/2017
 2. Broadband and Advanced Technology 8/7/2017
 3. Business Retention and Expansion/Recruitment 9/1/2017
 4. Finance 9/12/2017
 5. Marketing and Public Relations 8/28/2017
 6. Leisure Travel 8/7 and 9/11/2017

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Aaron Backman showed aerial photos he had taken of commercial construction in Willmar. Bruce Peterson reported West Central Steel poured interior concrete this week; Magnum Trucking has steel up and will begin on its interior; Schwieters Chevrolet is ready to begin the tip-up concrete; Lakeland Elementary School plans to be operational in mid-January; and the Willmar Surgery Center is enclosed and work is being done on the interior. It has been a good construction year with permits issued in excess of \$50 million and valuations have been strong. Peterson announced Randy Kardell, Willmar's Building Official is retiring and the city is working on succession planning for the position. Peterson reported the City of Willmar provided a permit for Suite Livn' to construct 35 units on the north side of Tenth Street near the United States Department of Agriculture building. The EDC and Peterson are working with prospects for Willmar's Industrial Park. The State of Minnesota is building a 16-bed adolescent site. 15th Street Flats will find out by month end whether or not it has been approved for tax credit allocation for Minnesota Housing Finance Agency (MHFA). Peterson met with a developer/investors on a project to construct 100 units of market-rate, upper-scale rentals in southeast Willmar that would not have rental assistance. Peterson stated there will be two crosswalks on Lakeland Drive for Lakeland Elementary School—one at Olena Avenue and one in front of the YMCA. Backman reported he and Peterson participated in a conference call on the railroad Wye project and the partners continue to work with BNSF to finalize the terms of the Master Agreement. Backman reported the owner of Spurs intends to open the restaurant in Historic 313 on Fourth Avenue by the beginning of November 2017. The Minnesota Association of Professional County Economic Developers was hosted in Willmar in September and ended its tour of Willmar at Foxhole Brewhouse. Backman reported the shell of the new retail building at the Kandi Mall is up. Peterson reported Starbucks is working on its location in that building and Aspen Dental should open in the near future. Peterson reported a TIF plan was prepared for the Legacy on First Project and will be presented to the Willmar City Council next week—the project was approved for a redevelopment district. Discussion was held on the TIF plan and the new redevelopment district. Backman reported he provided technical assistance to Ain-U-Shams, the anchor tenant in Midtown Plaza, which obtained financing through Southwest Initiative Foundation. Renovation of the main floor of Midtown Plaza is in progress. The second floor of the building was renovated and is occupied by businesses. Exterior improvements are planned for the future. Backman informed the board he will be on vacation in December and will not be at the December board meeting.

Highway 23 Coalition. Backman reported the Highway 23 Coalition has been working on a membership drive and is hosting a Transportation Rally tomorrow. Lunch will be from 11:45 a.m. to 1:15 p.m. at Johnny O'Neil's in Spicer. At present, there are 47 members consisting of 14 units of government, 26 businesses, 4 organizations and 3 individuals. At a recent meeting of the Coalition a nine-member board was elected and the board had its first meeting this week. Officers were elected with Boonstra being elected vice chair. Backman requested the EDC become a member of the Coalition. The Coalition's board approved reimbursement of \$2,135 to the EDC for expenses paid. Mid-Minnesota Development Commission is the fiscal agent for the Coalition. Board members commended Backman for reinvigorating the Coalition.

IT WAS MOVED BY Gary Gilman, SECONDED BY Rollie Boll, to approve the Kandiyohi County and City of Willmar Economic Development Commission becoming a gold member of the Highway 23 Coalition and pay the fee of \$500. MOTION CARRIED.

Eighty-one attendees have registered for tomorrow's Rally. Minnesota Department of Transportation Commissioner Charles Zelle will fly into Paynesville and be driven by bus to Spicer receiving information on Highway 23 along the way. After lunch, Commissioner Zelle will travel from Spicer to Willmar via bus to view additional highway projects. Les Heitke and Gary Gilman will represent the EDC at the lunch. Imdieke stated Mel Odens has asked that statistics be provided to Zelle.

Business Visits and Meetings. Connie Schmoll reported:

- she participated in site selector familiarization (FAM) tours of six metro facilities hosted by Minnesota Marketing Partnership. Willmar was mentioned several times during the FAM tours.
- she attended PROCESS EXPO in Chicago, Illinois, which had 500 food processing vendors; she provided information on Willmar to some of the vendors.
- she attended the annual Ag & Animal Science Conference at MinnWest Technology Campus at which the EDC had a booth and displayed two of its new banners.
- she toured Simply Shrimp with the Willmar Lakes Area Chamber of Commerce's Agri Business Committee.
- she is helping to plan the University of Minnesota Technology Showcase for November 9th at MinnWest Technology Campus.
- she attended the public meeting on the possible merger between CentraCare, Rice Memorial Hospital and Affiliated Community Medical Centers.
- she met with several communities and businesses advocating for membership in the Highway 23 Coalition.
- West Central Angel Fund I is doing its first investment.
- she is meeting with several potential businesses.

Backman reported he gave a presentation on the BRE study of diverse businesses to the Willmar Human Rights Commission. He attended the McKnight Foundation's Unsung Heros event where Zack Mahboub was recognized and he was interviewed by the Bush Foundation as to the Midtown Plaza project. Backman made a presentation on the EDC to the Willmar WorkForce Center. Backman showed the article published in the September 2017 *Business In Focus* magazine.

UNFINISHED BUSINESS—

Urban Escape Boutique Loan. Backman reported yesterday, an SBA 504 loan was approved for Urban Escape Boutique. Eryn Hannig, owner of Urban Escape Boutique plans to purchase the Marketing Concepts building in Spicer. Marketing Concepts is purchasing property owned by Larry Rice on High Street with a goal to be into its new facility in February 2018.

2016 Audit. President Boonstra stated the auditor has requested that this board accept the 2016 draft audit and recommend its approval by the Joint Powers Board.

IT WAS MOVED BY Gary Gilman, SECONDED BY Rollie Boll, to approve the 2016 Annual Financial Report for the Kandiyohi County and City of Willmar Economic Development Commission and recommend the Joint Powers Board approve it.
MOTION CARRIED.

NEW BUSINESS—

Trade Show Banners. Two new trade show banners for the EDC were shown and highlight expanding Ag Innovation & Technology and building Entrepreneurial Culture. Schmoll noted a third banner will feature growing Industrial Development.

COMMITTEE REPORT

Agriculture and Renewable Energy Development. Schmoll stated the new *Impact* magazine published by the West Central Tribune features agriculture. Carolyn Lange provided each board member with a copy.

Broadband and Advanced Technology. Schmoll reported the committee has heard from several wireless providers. LTD Broadband has installed 43 towers in Kandiyohi County since Consolidated Telecommunications Company returned its state grant. The committee supported the Broadband Coalition's recommendations to the Governor's Broadband Task Force (see attached) and asks this board to also support the recommendations.

IT WAS MOVED BY Gary Gilman, SECONDED BY Rollie Boll, to ratify the Kandiyohi County and City of Willmar Economic Development Commission (EDC) Broadband and Advanced Technology Committee's recommendation to support the Broadband Coalition's recommendations to the Governor's Broadband Task Force. MOTION CARRIED.

Business Retention and Expansion/Recruitment. Backman reported the committee supported the EDC becoming a member of the Highway 23 Coalition. Amelia Amor, coordinator of the CLUES program at Ridgewater College, gave a presentation to the committee and noted Certified Nursing Assistant is the first program being offered.

Finance. Gary Gilman reported the Finance Committee approved a loan for a coffee shop in Spicer. Schmoll stated the owner is Diane Harms and the shop will be Coffee & More. Other funding will include United Prairie Bank, Southwest Initiative Foundation and the Spicer Economic Development Authority.

IT WAS MOVED BY Gary Gilman, SECONDED BY Rollie Boll, to ratify the Finance Committee's approval of a \$12,600 loan from the Kandiyohi County and City of Willmar Economic Development Commission Revolving Loan Fund Program to Coffee & More, LLC with a seven-year amortization, interest at 6.25% and a shared third security position with Southwest Initiative Foundation and the Spicer Economic Development Authority, subject to financing being approved by the other three financial entities, assignment of a life insurance policy on the life of Diane Harms and


Harms and approval of an SBA Express guarantee of the loan with United Prairie Bank. MOTION CARRIED.

Marketing and Public Relations. Backman reported the committee is working on a digital newsletter. Schmoll reported the EDC participated in a Taste of WORKUP.

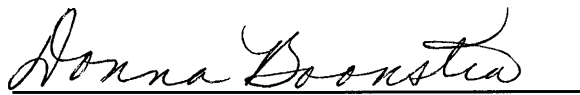
Leisure Travel. Backman reported the last meeting was at MinnWest Technology Campus and Mr. B's Chocolates.

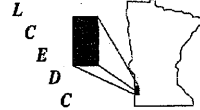
NEXT MEETING—The next board meeting is **11:00 a.m., Thursday, November 9, 2017**, at the EDC Office, Willmar.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 12:51 p.m.


Art Benson, Secretary

APPROVED: 11/9/2017:


Donna Boonstra, President



September 28, 2017

Margaret Anderson Kelliher, Chair
 Honorable Members
 Governor's Broadband Task Force
 St. Paul, MN

Dear Chair Anderson Kelliher and members of the Governor's Broadband Task Force,

The organizations signed on to this document represent a broad coalition of statewide and community interest groups, particularly in rural areas. Our organizations represent people and organizations that live and work in rural Minnesota. They know access to quality broadband services has never been so important. The vitality of our communities is directly affected by access to affordable high-quality broadband services.

This letter offers recommendations and comments from rural communities for your consideration as you develop and adopt your recommendations to the Governor and Legislature.

Our recommendations are:

1. **Fund the Border-to-Border Broadband Grant Program:** The grant program is essential to reaching the state broadband goals and allowing providers to extend and improve networks in the hardest to reach places in Minnesota. This program was not funded for fiscal year 2019, but there remain significant portions of Minnesota, especially low-density rural areas, that lack broadband service. The amount requested by all applicants continues to exceed the money available in the fund, showing the providers' continued interest in participating in this program.

We are further concerned that some policy makers may seek ways to diminish state investment in broadband, believing lesser technologies are adequate for rural residents and businesses. We continue to support the current requirement that funded projects must meet the scalability requirements and work

towards the 2026 state goal. We recommend the task force emphasize that state investment in broadband should continue to fund future-resilient technology that meets the current scalability standards.

2. **Provide multi-year funding for the Grant Program:** Providers have found it challenging to complete complex task of blending engineering, finance, partnership agreements and community support into a competitive application in the time allowed by the single-year funding model. Stable biennial funding, incorporated into DEED's base funding, would give confidence to providers and communities alike to continue to plan and build partnerships and prepare effective project proposals.
3. **Modify the Challenge Process:** The challenge process remains an obstacle to delivering the best network possible to communities. The Challenge Process is overprotective of incumbent providers and discourages non-incumbent providers from participating in the program over concerns their efforts will be undermined. The process does not require the incumbent to install the same or better service as proposed by the applicant, rather it allows a challenger to improve service – not to 2026 speed goals – but just enough to prevent a grant, to the detriment of the community. If a provider is not meeting a community's needs, they should not be allowed to place undue burdens on access to state grants.
4. **Remove or Increase the \$5 million cap on projects:** The \$5 million grant cap per project may limit applications for project that propose to cover larger areas, including entire counties. Larger projects may allow for more cost-efficient network planning and construction.
5. **Increase the match offered by the Grant Program:** The 50% maximum grant level is increasingly insufficient to attract providers due to the high costs and project risks of building networks in Minnesota's hardest-to-serve rural areas. OBD should be allowed to implement a sliding scale system in which the grant amount could be more than 50% based on deployment factors such as population density, terrain, the capabilities of the network proposed, and the expected consumer benefit.
6. **Emphasize the importance of the Office of Broadband Development:** DEED's Office of Broadband Development (OBD) provides a critical link between communities and providers, documenting successful infrastructure project design and management. They are critical to implementation of the Grant Program and mapping activities. We fully recognize that 2018 is not a budget year and that the office is funded through next year. We believe the task force should emphasize the office should be maintained in the future and enhanced to include a role in promoting the adoption and use of broadband so that the highest possible value is gained from broadband infrastructure investments.

Thank you for your work on behalf of the citizens of Minnesota and for your consideration of this input.

Sincerely,

Laura Ziegler
League of Minnesota Cities (LMC)

Emily Murray
Association of Minnesota Counties (AMC)

Steve Fenske
Minnesota Association of Townships (MAT)

Dan Dorman
Greater Minnesota Partnership (GMNP)

Bradley Peterson
Coalition of Greater Minnesota Cities (CGMC)

Nancy Vyskocil
Northwest Minnesota Foundation (NWMF)

Jack Kegel
Minnesota Municipal Utilities Association (MMUA)

Brad Lundell
Schools for Equity in Education (SEE)

Donn Winckler
Mid-Minnesota Development Commission (MMDC)

et Keough
Cloquet Valley Internet Initiative (CVII)

Mary Minnick-Daniels
East Central Regional Arts Council (ECRAC)

Vince Robinson
*Minnesota Association of Professional County
Economic Developers (MAPCED) and Lincoln
County Enterprise Development Corp. (LCEDC)*

Jay Trusty
*Southwest Regional Development Commission
(SRDC)*

Gary Johnson and Dawn Hegland
*Upper Minnesota Valley Regional Development
Commission (UMVRDC)*

Dan Pecarina
Hiawatha Broadband Communications (HBC)

Steve Gottwalt
Minnesota Rural Health Association (MRHA)

Cheryal Lee Hills
Region Five Development Commission

Christopher Mitchell
Institute for Local Self Reliance (ILSR)

Matt Varilek
Initiative Foundation

Glenn Kluis
Murray County



MEMBERSHIP LEVELS:

Government:

	<u>Supporter</u>	<u>Advocate</u>
Counties with Population >35,000	\$ 2,000	\$ 3,000
Counties with Population <35,000	\$ 1,000	\$ 1,500
Cities with Population >7,500	\$ 2,000	\$ 3,000
Cities with Population <7,500	\$ 1,000	\$ 1,500
Townships (Any Size)	\$ 200	\$ 300

Businesses/Organizations:

Platinum	\$ 1,000
Gold	\$ 500
Silver	\$ 250
Bronze	\$ 100



Highway 23 Coalition *Announces*
2017 Transportation Rally
Luncheon and Discussion

Featured Guest:

Minnesota Department of Transportation



Commissioner Charles Zelle

Date: **Friday, October 13, 2017**

Time: 11:45 a.m. to 1:15 p.m.

Location: Johnny O'Neil's, 152 Lake Avenue North, Spicer, MN

Cost: \$15 per person (non-coalition members)

Membership in the Highway 23 Coalition covers cost of event and meal as follows:

Three Participants

- Business Platinum
- Government Advocate

Two Participants

- Business Gold
- Government Supporter

One Participant

- Business Silver
- Business Bronze

RSVP Requested by October 9th for All Who Will Attend
Call EDC at 320-235-7370