

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
February 9, 2017
EDC Board Room, Willmar**

Present: Art Benson, Rollie Boll, Donna Boonstra, Robert Carlson, Gary Gilman, Les Heitke (via telephone) and Kelly TerWisscha

Ex Officio: Bruce Peterson and Roger Imdieke

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 Robert Carlson called the meeting to order at approximately 11:00 a.m. and welcomed new board member Les Heitke, who appeared via telephone.

AGENDA—Added to the Consent Agenda under Approve was item 3c payment of bill from REDstar for \$2,527.50 from the Marketing and Public Relations Committee’s budget.

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

CONSENT AGENDA—

- Approve:
1. Minutes of January 12, 2017 meeting
 2. Financial reports as of January 31, 2017
 3. Payment of bills
 - a. REDstar for \$1,045.42 from the Marketing and Public Relations Committee’s budget
 - b. WORKUP for \$2,250 as budgeted for membership
 - c. REDstar for \$2,527.50 from the Marketing and Public Relations Committee’s budget
- Accept: Committee/Subcommittee Minutes
1. Agriculture and Renewable Energy Development 12/15/2016
 2. Broadband and Advanced Technology 1/9/2017
 3. Business Retention Expansion/Recruitment (BRE/R) 12/16/2016
 - a. BRE/R Vision 2040 Workforce Subcommittee 12/20/2016

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Bruce Peterson reported the City of Willmar is waiting to hear from a business as to the purchase of a lot in the Industrial Park. Peterson prepared a proposal for the sale of another lot in the Industrial Park for expansion of an existing business; he believes a Purchase Agreement will be signed soon. He is waiting to hear from a company with 40-50 employees that made an offer on the downtown Mills property. Peterson is finishing up airport matters and capital improvements and continues to work on the Willmar Wye project. The Wye project includes a 500' rail spur into the Industrial Park. Backman reported he received a copy of the environmental assessment report for the Wye project. A public hearing will be held February 23, 2017 from 5:00-7:00 p.m. at the Minnesota Department of Transportation (MnDOT) District 8 office. There has been extensive discussion on rail and road drainage. The major partners in the Wye project met last week and a meeting will be held with the utility providers on February 15 to discuss relocation of some utilities. All field work for the geotechnical part of the project has been completed. The board discussed a proposed letter from the EDC to MnDOT in support of the project (see attached). Backman noted that even if there is no at-grade crossing at First Avenue, the EDC should still want the project to happen.

IT WAS MOVED BY Kelly TerWisscha, SECONDED BY Gary Gilman, to send the letter to the Minnesota Department of Transportation as presented. MOTION CARRIED.

Business Retention and Expansion (BRE) Grant for Diverse Businesses. Backman reported he developed a Diverse BRE Site Visit Form for his meetings with businesses. Backman met with two Willmar businesses this week and facilitated contacts for security cameras and other items. Schmoll stated the philosophy of BRE surveys is to get as much information from the business as they are willing to share by stating the confidentiality rule. The individual surveys are kept confidential, but a summary from all businesses surveyed is shared. Following the publicity on the grant, Backman received several contacts from entities interested in helping the diverse businesses, including the University of Minnesota Extension that would like to do a study at no cost; a local bank and a bank foundation interested in providing funds to the EDC to further the program. Backman intends to visit 16 businesses and will provide a report to Southwest Initiative Foundation in June 2017.

West Central Angel Fund I. Schmoll reported the fund members met this week. An organizing team of four members developed and reviewed the legal documents with the advice of an attorney. The fund members will meet again on February 24. There are 30 investors at this time.

[Art Benson joined the meeting.]

Business Visits and Meetings. Backman reported a meeting on broadband was held with Senator Andrew Lang in January. Backman attended a WORKUP visioning meeting, Open Mic, Willmar Airport Master Plan meeting and Economic Development Association of Minnesota winter conference. He and Schmoll attended Senator Klobuchar's Farm Bill tour and met with the owner of West Central Bait in New London and toured his facility. Backman has attended the 1 Million Cups events, Highway 23 meeting and toured the new location of Anytime Fitness. Backman and Schmoll also toured GeistWerks and Navigator Consulting in rural New London. Backman met with

Bremer Bank on a \$40 million allocation it received for use on new market tax credits and made a presentation to the Kandiyohi County CEO (Creating Entrepreneurial Opportunities) board. Backman was a presenter at Ehlers Public Finance Seminar, which Schmoll also attended. Schmoll has visited six Ag producers for the Ag Producers BRE Survey; 33 volunteers are visiting 56 farms. Schmoll reported she attended a Clean Energy Resource Teams (CERTs) Advisory meeting and the group is coming to Willmar this summer to tour the Barn Theatre, Food Hub and Foxhole Brewery. Schmoll will be speaking at the AURI New Uses Innovation Forum on developing an investment group and will attend a Wisconsin dairy conference in April. Backman reported the tax abatement documents between Rockstep and the City of Willmar for the Kandi Mall have been signed and the documents with Kandiyohi County and Willmar Public Schools will be signed soon. RockStep is expecting construction to begin in April or May 2017. The City of Willmar has approved signage and reallocation of an access for the Kandi Mall. Glacial Ridge Hospitality is in its equity drive of \$2.4 million with approximately two-thirds of the money secured. Once the equity has been raised, the tax abatement documents for the project will be signed.

UNFINISHED BUSINESS—

WAM-BC Sublease. Backman reported all parties have signed the Sublease Agreement and WAM-BC has moved into the office. Backman has requested the Elks prepare an addendum to the EDC's lease reflecting the increase in rent from \$1,800 to \$1,900 during the time WAM-BC occupies the EDC's office. The EDC received a damage deposit of \$250 plus the first month's rent from WAM-BC.

NEW BUSINESS—

Amend 2017 Budget. Backman noted the EDC's auditor recommends the budget be amended whenever there are known changes. Thus, Backman requested expense line items for the SWIF BRE grant be added and income lines for the WAM-BC rent and damage deposit be added.

IT WAS MOVED BY Rollie Boll, SECONDED BY Kelly TerWisscha, to amend the 2017 budget by adding expense line items for the Diverse BRE grant and income lines for the damage deposit and rent to be received from the Willmar Area Multicultural Market Business Center. MOTION CARRIED.

Replacement of EDC server. Backman provided information on the EDC's server and three quotes obtained to replace the server (see attached). Backman noted a cloud option was also explored, but will not be considered. Funds available include using the office expenses and furniture and equipment lines of the budget.

IT WAS MOVED BY Gary Gilman, SECONDED BY Rollie Boll, to approve purchase of a new server and related equipment from Bennett Office Technologies at an estimated cost of \$6,236.95. MOTION CARRIED.

Boards' Strategic Planning Session. Backman announced the boards' strategic planning session will be held March 23, 2017 from 9:00 a.m. to 3:00 p.m. in the Westby Observatory at the Prairie Woods Environmental Learning Center for the Westby Observatory. A facilitator will be engaged.

ANNUAL MEETING

Regular board meeting date, time and location. President Carlson noted the current meeting date and time.

IT WAS MOVED BY Kelly TerWisscha, SECONDED BY Donna Boonstra, to adopt the second Thursday of each month at 11:00 a.m. at the Kandiyohi County and City of Willmar Economic Development Commission office as the date, time and location for the 2017 Joint Operations Board meetings. MOTION CARRIED.

Assignment of Board Members to Standing Committees.

IT WAS MOVED BY Kelly TerWisscha, SECONDED BY Gary Gilman, to approve the following committee assignments for board members:

Agriculture and Renewable Energy Development—Rollie Boll
Broadband and Advanced Technology—Donna Boonstra
Business Retention Expansion/Recruitment (BRE/R)—Bob Carlson,
Les Heitke and Kelly TerWisscha
Finance—Gary Gilman and Bruce Peterson
Marketing and Public Relations—Donna Boonstra
Leisure Travel—Art Benson

Election of 2017 Officers. President Carlson asked for nominations for 2017 officers.

IT WAS MOVED BY Art Benson, SECONDED BY Gary Gilman, to cast a unanimous ballot for Donna Boonstra as president. MOTION CARRIED.

IT WAS MOVED BY Rollie Boll, SECONDED BY Art Benson to cast a unanimous ballot for Gary Gilman as vice president. MOTION CARRIED.

IT WAS MOVED BY Rollie Boll, SECONDED BY Donna Boonstra, to cast a unanimous ballot for Art Benson as secretary. MOTION CARRIED.

IT WAS MOVED BY Donna Boonstra, SECONDED BY Gary Gilman, to cast a unanimous ballot for Rollie Boll as treasurer. MOTION CARRIED.

IT WAS MOVED BY Gary Gilman, SECONDED BY Rollie Boll, to update the bank signature cards by removing Robert Carlson and adding new president Donna Boonstra and the new Joint Powers Board treasurer once known. MOTION CARRIED.

The board thanked Bob Carlson for his service as president over the past couple of years.

Appointment of Two Board Members to Perform Executive Director’s Annual Review. By consensus, the president and vice president will serve with Harlan Madsen to conduct Backman’s annual performance review before the April board meetings. As in the past, a review form will be emailed to board members around March 1 to complete and return by March 15. Peterson reminded the board that as Backman’s peer, he does not participate in his review.

Appointment of Board Member to serve on Audit Committee.

IT WAS MOVED BY Kelly TerWisscha, SECONDED BY Donna Boonstra, to appoint Gary Gilman and Rollie Boll as to serve on the audit committee. MOTION CARRIED.

COMMITTEE REPORTS

Agriculture and Renewable Energy Development. Schmoll reported the Ag Committee had a slate of candidates for chairperson and vice chair this year and selected Dan Tepfer as chairperson and Larry Konsterlie as vice chair. Schmoll and Rollie Boll noted topics raised by Ag producers during the survey process having been optimism for the future, finances, water issues, buffer strips and water quality. One Ag producer congratulated the EDC on its assistance with tax abatements, especially for Bushmills Ethanol. The surveys are due by the end of February and the subcommittee is looking forward to receiving the final report and sharing the results on April 5.

Broadband and Advanced Technology. Donna Boonstra reported the committee is excited to have received the state broadband grant. The project will bring hope to the rural areas of the county for expansion, farmers and telemedicine. CTC (Consolidated Telecommunications Company) will look at ways to include residents who are close to, but not in the grant area. The committee continues to look at other technology and heard a presentation from WildFire 5G, a 5th generation wireless technology similar to 5G wireless cell service. Willmar will be a test site for this new service and found out about Willmar/Kandiyohi County from the Blandin Foundation’s blog. An informational meeting will be held February 13 at 6:00 p.m. Backman noted a business visited this past week is excited about having better broadband service. Schmoll reported Frontier Communications also received a state grant. It is believed they will add fiber rings in Lake Lillian and around Big Kandiyohi and Diamond Lakes—the enhancement will likely be copper. CTC intends to have an online map showing the project area. The committee will assist CTC with its marketing. A meeting will be held on February 23 with CTC and it expects the project will take two years. Imdieke noted the county’s bond is treated as a guaranteed loan to CTC. The committee is also looking at future broadband projects, implementing utilization for low-income residents and some members will attend the first-ever Broadband Day on the Hill. Schmoll recently gave a presentation on the broadband project to the Kandiyohi County Board of Commissioners.

BRE/R. Schmoll reported the committee is working on its goals and has invited Bob Mathiasen of the Highway 23 Task Force to come to its next meeting. Backman would like to get Commissioner Zelle to Willmar to address the Highway 23 issues. Sam Bowen is the new chair of the committee and he would like to see the committee continue to address workforce issues.


Finance. Backman reported the committee did not meet in December or January. He is awaiting information from a potential loan applicant before the committee meets again. Backman reported contractors were at Historic 313 this week and he believes the Preservation Alliance of Minnesota is becoming more involved. Another entity has contacted Backman about refinancing the Historic 313 project.

Marketing and Public Relations. Backman reported the committee is working on redoing the EDC's general marketing brochure.

Leisure Travel. Backman and Art Benson stated the January meeting was cancelled.

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

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 12:30 p.m.


Art Benson, Secretary

APPROVED: 3/9/2017:


Donna Boonstra, President



Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

February 9, 2017

Mr. Paul Rasmussen
Project Manager
MnDOT District 8
2505 Transportation Road
Willmar, MN 56201

Dear Mr. Rasmussen:

The Kandiyohi County and City of Willmar Economic Development Commission (EDC) appreciates the opportunity to comment on the Environmental Assessment for the Willmar Rail Connector and Industrial Access Project (Willmar Wye). The proposed project includes a 2.8 mile connection between the BNSF Morris and Marshall Subdivisions and a 2.5 mile realignment of Highway 12. Two bridges would be constructed on Highway 12 and Highway 40.

The \$48.4 million project also provides vital spur line access to the City of Willmar's Industrial Park. Significant funding for the project is coming from a variety of sources, including BNSF (\$16 million), MnDOT (\$17.5 million), U.S. Department of Transportation's TIGER Grant (\$10 million), Local Road Improvement Program (\$3.8 million), Kandiyohi County \$459,000, and the City of Willmar \$646,000 (Right-of-Way).

Our position is that the final product provides a long-term solution of a westerly bypass of Willmar for both railroad and heavy commercial truck traffic, good industrial park access, and safety for employees of local businesses and the traveling public. The EDC feels this is a great public-private partnership project and we continue to fully support it.

Sincerely,

A handwritten signature in cursive script that reads 'Robert P. Carlson'.

Robert P. Carlson, President
EDC Joint Operations Board

c: Roger Imdieke, Chair, County Board of Commissioners
Marvin Calvin, Mayor, City of Willmar

EDCOB Agenda—New Business

2. Replacement of EDC Server

Currently, the EDC has a Hewlett Packard ML350 Generation 6 (G6) Server that is from 2009. Providers tell us that server longevity is typically 3 to 5 years. At 8 years, we have had good utilization of the server. We currently have 4 drives w/146 GB capacity each. (We should have drives that offer at least 600 Gigabytes capacity each.) The speed of the EDC's existing switch is one-tenth of what it should be (1 GB).

During the past six months the EDC has experienced several instances where we have had to call in technical support because the server was acting up or maxing out. Staff is concerned that the server may fail and our information might not be fully backed-up or our firewall is breached.

The EDC has obtained quotes from three local suppliers—BusinessWare Solutions, DATASuccess, Inc., and Bennett Office Solutions. The goal was to obtain quotes for a server with sufficient disk space and RAM (memory) sufficient for the EDC's operations, an internal router that is reasonably secure, and an Internet firewall that secures the EDC's files—particularly confidential business information. All quotes include the equipment and labor to install/configure the new server, migrate data from the old to the new server, configure server backup, labor to install/configure the router and switch, etc.

BusinessWare Solutions	Cost—\$7,049.38	HP ML350 G9 Server SATA Hard Drives (3)— 600 GB Intel Xeon E-5-2620, 20 MB Processor WatchGuard Firebox – Firewall HP 2530 Switch – 8 Ports / 1G Speed
DATASuccess, Inc.	Cost—\$6,219.99	Dell PowerEdge Server T330 SATA Hard Drive (1) – 1 TB Intel Xeon E-3-1220, 8 MB Processor Cisco RV130 – Firewall Cisco RV Router – 4 Port Switch / 1G Speed
Bennett Office Technologies	Cost—\$6,236.95	HP ML350 G9 Server SAS Hard Drives (4) – 600 GB Intel Xeon E-5-2620, 20 MB Processor SonicWALL SOHO – Firewall HP 1920 Switch – 16 Ports / 1G Speed

The EDC requested a third-party review the quotes. His comments:

- DATASuccess—The Dell is an older server operating system. The Cisco router is not as secure as the HP Switches from Bennett and BusinessWare.
- Bennett Offices Technologies—Offers the fastest processor on server. Uses SAS hard drives, which is newer technology than SATA hard drives.
- BusinessWare Solutions—More RAM memory than Bennett. Internet firewall (Watchguard) is good, but favors Bennett's firewall (SonicWALL).

Overall, after reviewing the quotes and receiving third-party comments, EDC staff is recommending the server from Bennett Office Solutions. It is the best value offering of the three vendors.