

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
March 8, 2018
EDC Office, Willmar

Present: Art Benson, Rollie Boll, Donna Boonstra, Les Heitke and Kerry Johnson

Excused: Robert Carlson and Kelly TerWisscha

Ex Officio: Roger Imdieke and Bruce Peterson

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

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

President Donna Boonstra called the meeting to order at approximately 11:00 a.m.

AGENDA—Added under the Consent Agenda under Approve, was item 4, Payment of bill from REDstar Creative in the amount of \$1,156.88 from the Marketing and Public Relations Committee budget; and item 5, Addition of new committee members Pam Rosenau and Joanna Schrupp to the Marketing and Public Relations Committee and removal of Ryan Thielen from the Marketing and Public Relations Committee. Added under New Business was Opportunity Zones.

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

CONSENT AGENDA—

- Approve:
1. Minutes of February 8, 2018 meeting
 2. Financial reports as of February 28, 2018
 3. Payment of \$1,100 to Blane Canada for the annual Synchronist user fee as budgeted
 4. Payment of \$1,156.88 to REDstar Creative from the Marketing and Public Relations Committee's budget
 5. Addition of new committee members Pam Rosenau and Joanna Schrupp to the Marketing and Public Relations Committee and removal of Ryan Thielen from the Marketing and Public Relations Committee

- Accept: Committee/Subcommittee Minutes
1. Agriculture and Renewable Energy Development 1/18/2018
 - a. Ag Marketing Subcommittee 1/17/2018
 2. Broadband and Advanced Technology 2/5/2018
 3. Marketing and Public Relations 1/22/2018

MOTION CARRIED.

As to a clarification on the Cash Disbursements Report, Nancy Birkeland reported the payment of \$180 to Johnson Group was for one year of website hosting. The contribution of \$34,000 to the Willmar Convention & Visitors Bureau for the Leisure Travel Committee was explained for the benefit of the new board member.

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Bruce Peterson reported the Willmar Wye project is still under negotiations as to language in the Master Agreement. The City of Willmar continues to deal with contractors who have an interest in building the project and are looking for sites near the city from which dirt may be removed. Peterson reported all projects from 2017 have been completed. There is commercial activity happening as to the construction of the Kwik Trips—the east side site demolition is to be completed in April, the First Street site is to be done in May and the building on the downtown site will be demolished for future construction. Peterson reported the Minnesota Pollution Control Agency no longer has an open file on downtown soil contamination, but he believes there will be some contamination that Kwik Trip will have to clean up at the downtown site. Activity is occurring relative to 15th Street Flats and another housing developer is replatting property north of Trentwood Addition for multi-family housing. Discussion was held on the two mobile home parks. The mobile home park on the east side has replaced about 40 mobile homes, made improvements to water and electrical and constructed a storm shelter. The owner has complied with the terms of the city's abatement conditions. Aaron Backman reported he is also working with housing projects, one of which is with a market-rate developer from Fargo, who will be providing concept plans soon. The EDC has worked with a small business looking at the former Chinese restaurant location in the Kandi Mall. Backman has suggested five locations on the south and southeast side of Willmar to a commercial retail developer that focuses on single tenant projects.

Minnesota Rural Broadband Coalition. Connie Schmoll reported the EDC is now a member of the Minnesota Rural Broadband Coalition developed by the Blandin Foundation to focus on rural Minnesota. The Coalition has approximately 20 paying members and several non-paying members. Judy Anderson has been hired as its consultant and Nancy Hoffman of Chisago County is the chair of the Coalition. The Coalition developed a fact sheet, including a definition for broadband with minimum speeds of 25 Mbps download and 3 Mbps upload. The Coalition secured Senate File 2787 promoting the state fund \$71 million for border-to-border grants over the next four bienniums. The file has an author in the House. The Coalition will host Broadband Day at the Capitol on April 12th. The Coalition is focusing on funding this year and will address policy language next year, including an incumbent's ability to challenge a project area. Schmoll noted another Broadband coalition is focusing its efforts on the metro area.

Historic 313 Project. Backman reported that Preservation Alliance of Minnesota (PAM) paid off the loan with North American State Bank and Southwest Initiative Foundation (SWIF). Loans remain with the EDC, Mid-Minnesota Development Commission (MMDC) and Willmar Downtown Development (WDD). Backman has suggested to PAM that it also payoff WDD to take over complete control of the building. PAM has purchased chairs and tables for the common area and renovations of the building are nearing completion.

Glacial Ridge Hospitality. Backman showed aerial photos of the construction site for the GrandStay Hotel and Event Center and Little Crow Country Club. Kerry Johnson reported the construction site had two thefts of tools recently and construction has been temporarily halted until the tools can be replaced. The first priority is to finish the event center and then the hotel. Schmoll reported she booked a date in August for an EDC event and was told it had events already scheduled for this summer.

Business Visits and Meetings. Backman reported on the following:

- meetings with Ridgewater College and CLUES on the diverse CNA program; they are scheduling second and third cohorts and looking at other areas of workforce training, such as welding;
- attended the County Planning Commission meeting to rezone property on County Road 9 for Black Bear Fish Houses;
- presented on economic development to the Lions Club;
- participated in Open Mic with Peterson;
- chaired the Vision 2040, Goal 2, Economic Diversity meeting at the Community Integration Center;
- meeting with Gary Geer, County Zoning Administrator, regarding potential changes relative to home-based businesses in rural areas of the county;
- attended Willmar City Council's TIF approval for 15th Street Flats;
- attended Dr. Kohl's presentation on the agricultural economic reset and future of agriculture;
- participated in Ridgewater College's interviews with candidates for president;
- as president of the Minnesota Association of Professional County Economic Developers (MAPCED), presided at the quarterly meeting in St. Paul where a panel discussion was held on childcare; Backman noted Kandiyohi County has 750 slots to fill to address its needs;
- attended the Area Transportation Partnership meeting for District 8 in Granite Falls;
- participated in a legislative reception yesterday at the State Office Building in St. Paul hosted by the Highway 23 Coalition; approximately 20 members had a very productive time with more than 25 legislators and 15 staffers; some members and county officials participated in the Transportation Alliance Day at the Capitol that was attended by Transportation Committee members.

Les Heitke noted it was important that legislative aids attended the reception as they research projects being considered by the legislators. Imdieke reported several legislative chairs and committee members addressed the attendees at the Transportation Alliance Day at the Capitol. Imdieke and Mel Odens also addressed the Wye project while at the Capitol. President Boonstra attended Transportation Alliance Day at the Capitol and met with several Minnesota Department of Transportation representatives.

Schmoll reported she made a presentation to legislators at a broadband meeting in Meeker County as to lessons learned during the EDC's border-to-border broadband grant process. She assisted the West Central Angel Fund I in developing a brochure; attended Dr. Kohl's presentation; currently completing annual subsidy reports for the Minnesota Department of Employment and Economic Development; attended Minnesota Rural Broadband Coalition meeting; and assisted with planning the Highway 23 Coalition's legislative reception. Schmoll also attended the quarterly MAPCED meeting where childcare was a topic. Schmoll noted U.S. Senator Tina Smith was in

Kandiyohi County relative to childcare and stopped at Goat Ridge Brewery to see its Model Citizen Café. Schmoll is working with a business on a potential location in the Kandi Mall and assisting entrepreneurs on various business ventures, including a medical interpreting business, catering business in Raymond, a massage in Atwater, expansion of Simply Shrimp, a chiropractic office in Spicer, the Model Citizen Café and Willmar Child Care Center.

Highway 23 Coalition. Backman distributed and reviewed highlights of activity by the Highway 23 Coalition (see attached). At the end of 2018, Backman will approach members to renew their memberships. Heitke stated many cities renew their budgets each summer and recommended contacting them early. Johnson noted businesses also often do their budgets in early fall. Imdieke stated annual township meetings are in the next couple of weeks and suggested they be contacted at that time. Backman invited the board to attend the Coalitions' annual meeting tomorrow at the Blue Heron in Cold Spring.

UNFINISHED BUSINESS—There was no unfinished business.

NEW BUSINESS—

CLUES Willmar Office. Backman reported CLUES wants to change its navigator from a half-time position to a full-time position and is in the process of receiving applications. Backman provided CLUES with four possible locations for a Willmar office.

Opportunity Zones. Backman reviewed Opportunity Zones Designation Recommendation to the Governor (see attached), which are due to the Governor by the end of today. The Governor asked local areas to designate census tracts for the Opportunity Zones. Three tracts were identified in Willmar, but order of priority still needs to be done. The program encourages investors to develop. Investors will receive tax benefits after 10 years or more. Schmoll provided information on the factors determining the areas chosen. The Kandiyohi County Board passed a resolution in favor of the Opportunity Zones and letters of support have been received from Mid-Minnesota Development Commission, Housing and Redevelopment Authority, Home State Bank and North American State Bank. Schmoll noted the county ranked high as to its distressed areas. SWIF will manage the funds and do annual reports for the region. It is anticipated the program will not be completed until 2019.

IT WAS MOVED BY Les Heitke, SECONDED BY Rollie Boll, to support the Opportunity Zones program and designation of census tracts. MOTION CARRIED.

COMMITTEE REPORTS

Agriculture and Renewable Energy Development (Ag). Schmoll reported the Ag Committee continues to plan a workshop for ag producers, which will be held August 13, 2018. Speakers will include Mike Henke on workforce issues, Kristie Haefner on employment regulations and Lyle Mangen on ag technology. Schmoll stated AURI (Agriculture Utilization Research Institute) is

holding its annual conference on April 12 with a featured topic being hemp, which is a goal of the committee.

Broadband and Advanced Technology. Boonstra reported Broadband Day on the Hill will be April 12, 2018 which Boonstra would like to attend. Schmoll reported Hiawatha Broadband Communications (HBC) spoke with the committee at its meeting on Monday about a possible broadband project in Kandiyohi County. HBC installs fiber/wireless mixed technology. The committee is struggling on projects to support when wireless connections are involved. HBC continually upgrades its wireless equipment.

Business Retention and Expansion/Recruitment. Backman reported the March meeting was cancelled as there was not a quorum available, but the members were encouraged to participate in a webinar by University of Minnesota Extension on BRE.

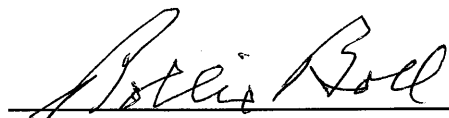
Finance. Schmoll reported the committee meeting was cancelled due to the weather. New dates are being looked at as a loan applicant would like a decision yet this month. Peterson noted the applicant has not approached the City of Willmar for any approvals for use of the proposed building. Schmoll noted if the loan is approved by the committee, the board may be asked to hold a special meeting.

Marketing and Public Relations. Backman reported the committee discussed its 2018 Marketing Plan and social media statistics.

Leisure Travel. Backman stated the last meeting was held in the Spicer City Offices with food catered by EDC loan recipient Coffee & More.


NEXT MEETINGS—The next board meeting is **11:00 a.m., Thursday, April 12, 2018** at the EDC Office, Willmar. The boards' planning session will be held March 29. Backman stated facilitator Bruce Miles will be contacting each board member in advance of the planning session.

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



Rollie Boll, Treasurer

APPROVED: 4/12/2018:



Art Benson, Secretary



Highway 23 Coalition Annual Meeting

March 9, 2018

Activities During the Previous Year

Organizational:

- ✓ Elected on 9/28/17 a nine-member Board of Directors with staggered terms; elected officers to the Board; and on 1/11/18 adopted Bylaws for the Coalition
- ✓ Adopted a Fiscal Agent Agreement with Mid-Minnesota Development Commission to establish checking and savings accounts for the Coalition, and to provide monthly bookkeeping services and financial reports
- ✓ Registered the Coalition with the MN Secretary of State under Section 317A for Nonprofit Corporation; and on 2/8/18 the Board authorized pursuing 501(c)4 status with IRS
- ✓ Created three standing committees—Membership, Marketing, & Legislative

Membership:

- ✓ Established a membership structure for the Coalition that provides different levels of support for businesses, governments and organizations
- ✓ Obtained 82 membership commitments, 77 of whom have already paid
- ✓ Sought a public-private partnership; members include 57 businesses, 16 units of governments and 9 organizations/individuals
- ✓ Saw members joining from 12 different cities along the Highway 23 Corridor

Financial:

- ✓ Adopted a 2017-2018 Budget of \$48,500 that allocated funds for legislative activities, marketing, website development, transportation studies, special events, bookkeeping, etc.
- ✓ Raised over \$55,000 in memberships; including 17 Platinum & 13 Gold sponsors
- ✓ Met or exceeded fundraising goals in all major categories

OPPORTUNITY ZONES DESIGNATION RECOMMENDATION TO THE GOVERNOR

Opportunity Zones are a new community development program established by Congress in the Tax Cut and Jobs Act of 2017 to encourage long-term investments in low-income and urban communities nationwide.

The U.S. Department of the Treasury is the lead agency to implement the Opportunity Zones program.

Opportunity Zones use tax incentives in low-income communities nationwide to draw long-term investment to areas that are in the most economic need.

We anticipate that projects in the designated areas would include housing and commercial and that they would create short-term and long-term employment opportunities for low and moderate income residents.

Governor Dayton has responsibility to designate 128 census tracts from 509 low-income eligible tracts in Minnesota. He also has the option of including a total of 7 tracts as contiguous out of the state's 128 designated Opportunity Zones.

Governor Dayton has requested that local community leaders recommend which eligible tracts in their county, city, tribal land or region should be designated Opportunity Zones.

Each of the 87 Minnesota Counties are being asked to prioritize and rank Opportunity Zones in their county from a list of eligible tracts.

Kandiyohi County has three tracts that are eligible in the 250 most distressed list and one that is eligible as contiguous zone. All four tracts are located in Willmar City limits.

A group of local representatives facilitated by us, the EDC including Economic Development, Housing and Redevelopment, Kandiyohi County, City of Willmar, and Mid-Minnesota Regional Development considered Opportunity Zone principles to prioritize and rank tracts for the Opportunity Zones designation.

Kandiyohi County and City of Willmar Economic Development Commission will submit recommendation to the Minnesota Department of Employment and Economic Development by the due date, March 8th with an extension potentially available that would add three weeks and create a new due date of March 29th.

The local representatives recommend the following designations:

1st Rank Designation: 780800 – Willmar Downtown area, south of Highway 12 and including areas west and east of 1st Street.

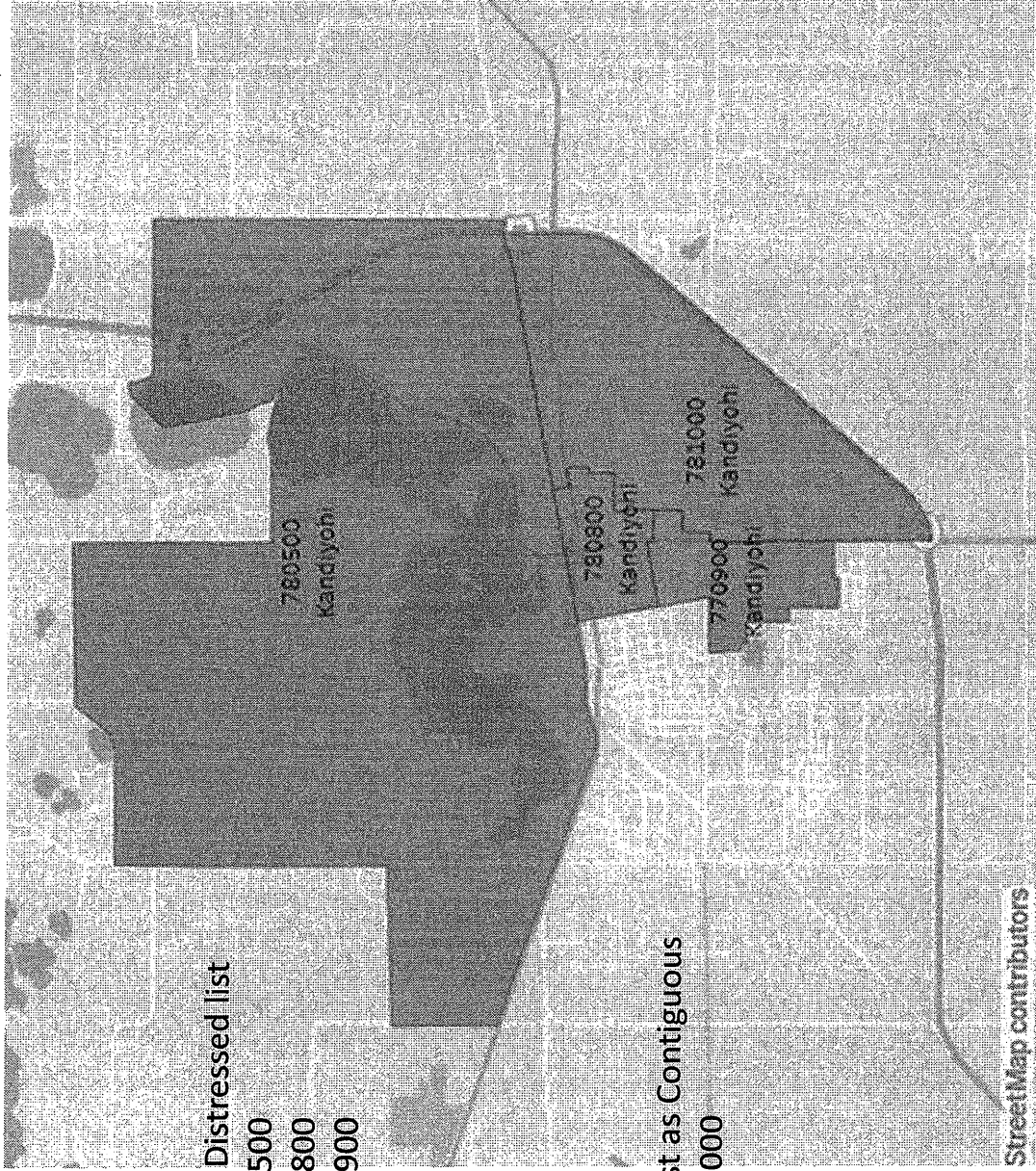
2nd Rank Designation: 780500 – Willmar north of Highway 12, east of Ridgewater College, including MinnWest Technology Campus, and residential areas.

3rd Rank Designation: 770900 – Willmar South 71 from Kandiyohi Ave. to 24th Ave., a portion of the area includes west and east of 1st Street until Willmar Ave., then only west of 1st Street.

Resolution of support of the designations as recommended is required of the Kandiyohi County Board of Commissioners.

Tracts in 250 Most Distressed list

- 780500
- 780800
- 770900



Tract in Eligible list as Contiguous

- 781000