

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
April 13, 2017
O'Neil's Event Center, Spicer

Present: Art Benson, Rollie Boll, Donna Boonstra and Gary Gilman

Ex Officio: Bruce Peterson and Roger Imdieke

Excused: Robert Carlson, Les Heitke, Connie Schmoll and Kelly TerWisscha

Staff: Aaron Backman, Executive Director

Guests: Denny Baker, Spicer Mayor; Jesse Gislason, Spicer City Council Member and Leslie Valiant, Spicer City Administrator/Economic Development Director

Media: Carolyn Lange, West Central Tribune

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

Aaron Backman welcomed the Spicer City guests. Spicer Mayor Denny Baker introduced Jesse Gislason, new Spicer City Council Member and Leslie Valiant, Spicer City Administrator/Economic Development Director. Mayor Baker gave an update on Spicer's development projects, including the new Hampton Inn that plans to open mid-May; the local option sales tax; Duinick Inc. will begin work on Lake Avenue North next Monday with plans to be done by the end of June; and the Department of Natural Resources has released the bid for a new boat ramp near Agnes Street, which will be under construction this spring. Leslie Valiant announced Spicer will hold a community day on August 20th with music and food to celebrate completion of its Lake Avenue North project and the renaming of its downtown park to Pirrotta Park. Valiant reported the City of Spicer is completing renovations to its Beach Street Park with new tennis courts, a basketball court, permanent restroom and lights; all of Spicer's highway lights, public buildings and downtown street lights have been retrofitted with LED lights and an Intellistreets digital sign project for some of its street lights and a banner by the downtown park. Mayor Baker provided information on property the Spicer Economic Development Authority has for sale (14 lots and 2 outlots). Seven lots have been sold and homes will be constructed. There are no assessments due on the lots. Three lake lots remain on Woodcock Lake. A two-unit townhouse is being considered for part of the development.

[Art Benson joined the meeting.]

President Donna Boonstra called the meeting to order at approximately 11:31 a.m. followed by self introductions.

AGENDA—Added to the Consent Agenda under Approve was item 7. Payment of a bill from REDstar Creative for \$2,905.25 and added to item 2. Broadband and Advanced Technology under Accept was the date 3/6/2017.

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

CONSENT AGENDA—

- Approve:
1. Minutes of March 9, 2017 meeting;
 2. Minutes of March 23, 2017 special meeting;
 3. Financial reports as of March 31, 2017;
 4. Payment of \$2,000 to Vision 2040 as budgeted;
 5. Addition of Melissa Knott and Emily Lien to the Marketing and Public Relations Committee; and Kerry Johnson and Jeff Welker to the Finance Committee;
 6. Removal of Ann Winge Johnson from the Marketing and Public Relations Committee and Jean Marthaler from the Business Retention Expansion/Recruitment Committee; and
 7. Payment of a bill from REDstar Creative for \$2,905.25.

- Accept: Committee/Subcommittee Minutes
1. Agriculture and Renewable Energy Development 2/16/2017
 - a. Ag Producers' Survey Subcommittee 2/28/2017
 2. Broadband and Advanced Technology 3/6/2017
 3. Business Retention Expansion/Recruitment 2/17/2017
 4. Marketing and Public Relations 2/27/2017
 5. Leisure Travel 3/13/2017

Backman informed the board that Connie Schmoll is attending the Wisconsin Cheese Industry Conference at which RELCO, a local business, has a significant presence.

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Bruce Peterson reported a Purchase Agreement has been signed for a lot in the Industrial Park. He is also working on a project with West Central Steel to build a 90,000 square foot facility on Gorton Avenue. Peterson is also working with a dental clinic; a number of retail facilities; and QuikTrip, a Wisconsin company, that is looking at several sites in Willmar. He is also working with a few downtown projects and a possible housing project, a 45-unit complex that is in the early stages. The City of Willmar is completing its negotiations for the Willmar Wye project and Peterson noted the Federal Railroad Administration has stated there will be no at-grade crossing in the project. Backman reported the environmental assessment for the Wye project is moving along and a master agreement meeting was held yesterday. Peterson indicated the City of Willmar had identified benefits with the Wye project and the City Council will need to determine if the present conditions are of benefit to the city.

Business Retention and Expansion Grant for Diverse Businesses. Backman reported he has completed seven site visits.

West Central Angel Fund I. Backman reported the West Central Angel Fund I held its first organizational meeting on April 6 at which the LLC was formalized. The Fund has 28 accredited investors and has \$1.2 million in capital. The EDC's Agriculture and Renewable Energy Development Committee will seek ag-related businesses that need early-stage equity funding to present to the Fund, however, the Fund is not restricted to ag projects.

Business Visits and Meetings. Backman reported he participated in Open Mic and the West Central Minnesota Area Job Fair on March 21 where 242 job seekers visited more than 50 businesses. This week he attended the second annual Job Fair at the Willmar High School and observed good interaction between the 30 businesses and the students. Backman met with a nonprofit organization that received a \$1.5 million grant to increase workforce skills for Latinos and is trying to get the organization to open an office in Kandiyohi County, possibly at Ridgewater College. The Transportation Alliance will be meeting April 19 at the State Capitol and the Willmar Lakes Area Chamber of Commerce is hosting 2017 Railroads meeting April 21 at The Oaks from 12 noon-2:00 p.m.; invited to participate are BNSF, Minnesota Regional Railroads Association and elected officials.

UNFINISHED BUSINESS—

Boards' Strategic Planning Session. Backman provided information from the boards' March 23 strategic planning session, which included an environmental scan and a 2014 Retail Trade Analysis of Willmar and Kandiyohi County by University of Minnesota Extension. Backman reported Linda Mathiasen is developing draft goals for staff to review and present to the boards. Backman proposed this board meet with the Joint Powers Board in followup of the planning session at 11:00 a.m., April 27, 2017 at the Willmar Area Community Foundation. Gary Gilman and Peterson indicated they may be out of state that day.

Certificate of Deposit. Backman reviewed the proposals submitted by area banks (see attached). North American State Bank had the highest interest rate and he recommends moving the funds there at a shorter term in anticipation of interest rates possibly increasing.

IT WAS MOVED BY Rollie Boll, SECONDED BY Art Benson, to cash in Certificate of Deposit No. 14334 at Concorde Bank in the original amount of \$103,548.44 and reinvest the funds plus accrued interest in a 12-month Certificate of Deposit at North American State Bank at an interest rate of 1.06%. MOTION CARRIED.

Highway 23 Coalition Transportation Summit. Backman reported the Highway 23 Coalition is attempting to hold a Summit with Minnesota Department of Transportation Commissioner Zelle. Backman is encouraging the local Coalition to attend the April 19 Transportation Alliance meeting. Backman is finalizing a flyer relative to completing the gaps in Highway 23 (see attached). Boonstra recommended sending letters to larger businesses along Highway 23 to attend the Summit.

[Harlan Madsen joined the meeting.]

NEW BUSINESS—

Executive Director's Annual Review. Harlan Madsen, Chairperson of the Joint Powers Board, stated the meeting will not be closed for discussion of the Executive Director's annual review. Madsen noted a subcommittee consisting of himself, Donna Boonstra and Gary Gilman reviewed the compilation of evaluations by the two boards. Madsen stated eight board members returned the evaluation. One new Joint Powers Board member returned a letter and some previous board members completed the evaluation. Madsen stated there is overwhelming support for Backman and he received a very positive review and feedback. Highlights and accomplishments of Backman's work over the past year include shovel-ready certification of the Willmar Industrial Park and work on the Wye project. Madsen noted Backman's gift for public relations, his high energy and enthusiasm and ability to engage citizens. Madsen stated the subcommittee is recommending that the EDC's 2018 budget include a salary of \$110,000 for Backman. Gilman added that the EDC has been moved from a passive organization to an aggressive one that seeks out projects and is moving the county along.

IT WAS MOVED BY Gary Gilman, SECONDED BY Rollie Boll, to recommend to the Kandiyohi County and City of Willmar Economic Development Commission Joint Powers Board that it renew the Employment Agreement with Aaron Backman as Executive Director and include in the 2018 budget a salary of \$110,000 for Backman. MOTION CARRIED.

Backman stated it has been an honor to serve as the EDC's Executive Director and noted the award of a nearly \$5 million state broadband grant for a major project in the northern part of Kandiyohi County has been a highlight, as well.

[Roger Imdieke was excused from the meeting.]

COMMITTEE REPORTS

Agriculture and Renewable Energy Development. Rollie Boll reported the Ag Producer BRE Report was completed and two workshops were held. Although it would have been nice to have attendance by more ag producers, Boll felt there was a good turnout for the workshops. The Ag Committee will be determining future work from the report's findings. Boonstra stated the workshops were very positive and it is encouraging. Carolyn Lange was thanked for the article in the *West Central Tribune*. Backman stated the report shows positives and negatives, as well as opportunities. Backman recognized Jim Molenaar, who compiled and analyzed the data. Madsen stated from a recent state farm analysis report, only one out of four crops showed a profit.

Broadband and Advanced Technology. Boonstra reported the committee has been very actively knocking on doors and signing up residents in the broadband project area. The committee has been brainstorming other marketing avenues, including an article in the *Lakes Area Review*. The committee co-hosted with Consolidated Telecommunications Company three Meet & Greet events

on March 23, March 24 and April 5 at the Dethlefs Community Center in Spicer. Additional Meet & Greet events will be held April 24 and 25 at the Lake Andrew Town Hall at 3:00 and 5:00 p.m. each day. Backman stated an electronic marketing campaign was done through the West Central Tribune.

Business Retention and Expansion/Recruitment. Backman reported the committee will meet next Friday and will look at ways to enhance workforce.

Finance. Backman reported the committee approved a \$30,000 loan for the owner of the former Erickson building, which will close in the near future.

Marketing and Public Relations. Backman reported a new brochure for the EDC was completed. Backman showed a new ad that is being developed for the Focus edition of the *West Central Tribune*.

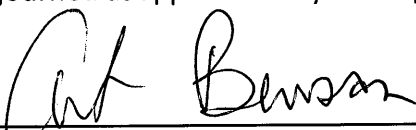
Leisure Travel. Backman reported the committee recently met and toured McKale's Catering's new facility in New London.

NEXT MEETING—A special meeting will be held April 27, 2017 with Linda Mathiasen at the Willmar Area Community Foundation. The next board meeting is **11:00 a.m., Thursday, May 11, 2017**, at the EDC Office, Willmar.

ADJOURNMENT—


IT WAS MOVED AND SECONDED to adjourn the meeting.

There being no further business, the meeting was adjourned at approximately 12:32 p.m.



Art Benson, Secretary

APPROVED: 5/11/2017:



Donna Boonstra, President

Revised

CD Interest Rate Comparison

\$103,548.44 CD with Citizens Alliance Bank maturing on 4/15/2017

\$104,333.87 includes interest at maturity

	6 months	12 months	18 months	24 months	36 months
Bremer Bank	0.25%	0.40%	13 mos./0.60%	0.80%	29 mos./1.00%
Citizens Alliance Bank	0.50%	0.65%		1.15%	
Concorde Bank	0.39%	0.81%		1.01%	
Heritage Bank	No response received				
Lake Region Bank	182 days/0.10%	0.25%		0.45%	0.75%
North American State Bank	0.76%	1.06%		1.26%	
United Minnesota Bank	No response received				
United Prairie Bank	0.45%	0.60%	17 mos./0.80%	0.95%	
US Bank			19 mos./0.50%		37 mos./0.75%
Wells Fargo Bank	No response received				



OUR ECONOMIC FUTURE DEPENDS ON FOUR-LANE ACCESS AND FILLING THE GAPS FROM WILLMAR TO I-94

COMMUNITY

- MnDOT District 8 completed environmental reviews, but does not currently have funding to complete the four-lane gaps.
- Willmar is the largest outstate city without four-lane access.
- A four-lane connection to the interstate is essential to West Central MN's economy & 60,000+ workforce.

GROWTH

- Accessibility is required to attract and retain manufacturing jobs, businesses and skilled employees.
- Willmar's \$48 million Railroad Wye project will provide spur line access which also enables multimodal transport.

INDUSTRY

- Logistics and warehousing businesses with just-in-time inventory models require four-lane accessibility.
- Safe, reliable transportation is crucial for our key industries and the traveling public.
- In the six county region, 585 transportation-related businesses with 13,000 employees will directly benefit.



Contact us at kandiyohi.com or toll-free at 866.665.4556



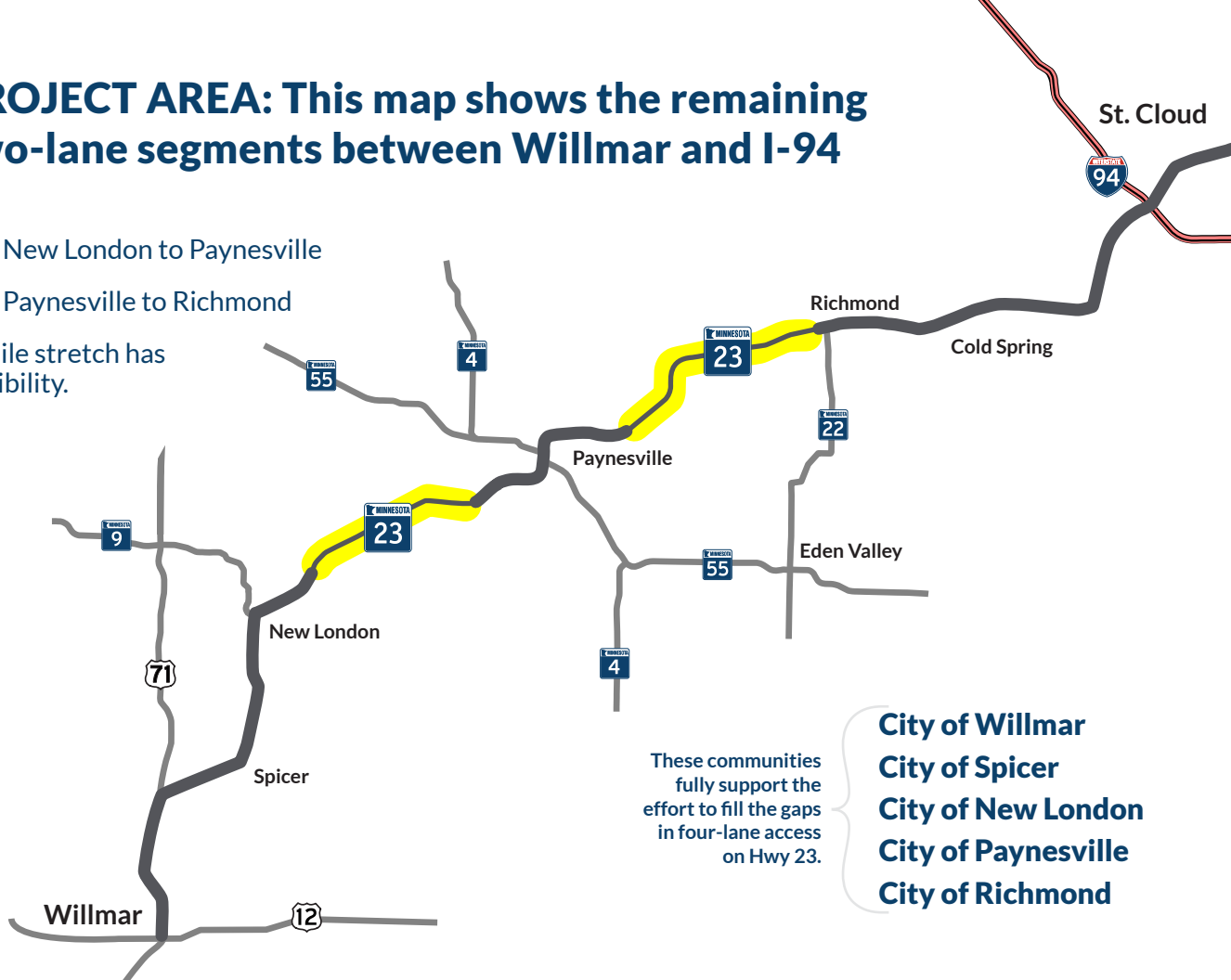


PROJECT AREA: This map shows the remaining two-lane segments between Willmar and I-94

7-mile gap from New London to Paynesville

8-mile gap from Paynesville to Richmond

72% of the 53-mile stretch has four-lane accessibility.



These communities fully support the effort to fill the gaps in four-lane access on Hwy 23.

- City of Willmar
- City of Spicer
- City of New London
- City of Paynesville
- City of Richmond