

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
September 12, 2019
EDC Board Room, Willmar**

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

Ex Officio: Dave Ramstad, Ph.D., Director, Willmar Planning and Development Services

Excused: Roger Imdieke and Kelly TerWisscha

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

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

Vice President Kerry Johnson 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 4c, payment of \$1,115 to Bolton & Menk from the engineering line item of the budget.

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

CONSENT AGENDA—

- Approve:
1. Minutes of August 8, 2019 meeting
 2. Financial reports as of August 31, 2019
 3. Appointment of Samantha Crow to the Business Retention and Expansion/Recruitment Committee
 4. Payment of bills over \$1,000:
 - a. \$1,125 to Lakeside Press for an ad in the 2020 Willmar Lakes Area Visitors Guide from the Marketing and Public Relations Committee's budget
 - b. REDstar invoice for \$1,966.32 from the Marketing and Public Relations Committee's budget
 - c. \$1,115 to Bolton & Menk from the engineering line item of the budget
- Accept:
- Committee/Subcommittee Minutes
 1. Agriculture and Renewable Energy Development 7/18/2019
 - a. Ag Industrial Hemp Subcommittee 7/8/2019
 2. Broadband and Advanced Technology 8/5/2019
 3. Business Retention and Expansion/Recruitment 7/19/2019

UNFINISHED BUSINESS

Golden Shovel Opportunity Zone Marketing Proposal. Backman reminded this board that it approved entering into a contract with Golden Shovel, contingent upon Willmar Main Street participating and the EDC's Joint Powers Board also approving it. The Willmar Main Street Board, at its August 26th, meeting approved a financial commitment of \$5,000 contingent upon the EDC contributing \$13,500. The EDC's Joint Powers Board will hold a special meeting at noon on Monday, September 16th, to reconsider the contract with Golden Shovel. Backman spoke with Golden Shovel about its marketing activities for other communities. Benton County and the City of Faribault have been aggressively marketing their Opportunity Zones.

Opportunity Zone Summit in Brooklyn Park, September 18th. Backman informed the board that an Opportunity Zone Summit will be held on September 18th in Brooklyn Park. The Summit is open to anyone who wishes to attend.

Township broadband project update. Connie Schmoll reported Compass Consultants is currently working on the engineering study for Kandiyohi County and has identified structures in the three townships. Compass Consultants has also put together an initial rough design and identified existing Arvig fiber and possible tie-in locations. Compass Consultants will have field staff onsite next week to verify field conditions, outside plant cable and equipment needs. Schmoll is waiting to hear if the EDC's Broadband and Advanced Technology Committee can assist with marketing to residents in the three townships.

NEW BUSINESS

Visit to Willmar by Steve Grove, Commissioner, Minnesota Department of Employment and Economic Development. Schmoll reported the Minnesota Department of Employment and Economic Development (DEED) Commissioner Steve Grove visited Willmar on August 29, 2019. Schmoll and Joanna Schrupp hosted tours of Jennie-O Turkey Store, MinnWest Technology Campus, including Nova-Tech, Prinsco and WORKUP and the Willmar CareerForce facility. A public listening session was held with Commissioner Grove on workforce, immigrant workforce, childcare, broadband, public infrastructure, business-related turkey production and processing, the farm crisis, KCEO and the role of government.

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Dave Ramstad reported the city of Willmar has approximately \$43 million in construction permits filed with his office, including Caribou Cabin. The construction is broken down as 9% retail, 27% institutional, 30% industrial and 34% in housing, which Ramstad states is impressive for a community the size of Willmar. A gas line extension was approved for Backes Technologies. The city of Willmar is starting to work on revisions to its Comprehensive Plan, which will take a while to complete. The revised plan will include action items to implement objectives of the plan. Mid-Minnesota Development Commission will assist in revising the plan. Ramstad reported Ziegler's construction is planned to be completed in 2020; Kennedy School had renovations done before school started; a development agreement with Herzog has been established, building plans

have been reviewed and construction will begin this fall; and the agreement with Unique Opportunities was signed and will be presented to the Willmar City Council.

Backman reported the Willmar City Council adopted a resolution to apply for a \$1.1 million grant to extend utilities from the Industrial Park to Etopix. The goal is to submit the application to the state by month end. Schmoll reported she met with the Willmar Township Board on annexation for Etopix and has spoken with all of the businesses in the area. Willmar Township Board will also meet with the businesses. Backman stated Kohl's announced its store at the Kandi Mall will open September 29th and this morning he attended the ribbon cutting for the new Co-op Credit Union.

STRATEGIC PRIORITY AREAS

Agricultural Innovation. Schmoll reported the Ag Committee was pleased to partner with MinnWest Technology Foundation in hosting the Partners in Ag Innovation conference. The goal is to continue to increase attendance by ag producers. The Ag Committee is doing visioning on behalf of ag and will meet with ag businesses on how the EDC can assist local ag businesses.

Broadband. Schmoll reported she attended the Minnesota Rural Broadband Coalition meeting where it was reported applications for the state's Border-to-Border Broadband Grant are expected to be high in number. The committee is encouraging Rollie Nissen to apply to be on the Governor's Broadband Task Force and will write a letter of support for him. Donna Boonstra reported she and Schmoll will be attending a broadband conference hosted by Blandin and will attend a conference and will be meeting with legislators in Washington, D.C. at the end of October.

Business Support and Workforce Development. Backman reported the committee discussed holding a meeting with the Kandiyohi County Banker's Association about EDC programs. Backman stated continued activities are held with the businesses that participated in the Retail Business Design Workshops. Backman recently presented to the University of Minnesota Chancellor and college presidents on the importance of Ridgewater College and partnering on the Rural Child Care Innovation Program and CLUES. Dr. Johnson, president of Ridgewater College, emailed today that there is a 2% increase in enrollment this year. Fifteen more students than normal are enrolling this year in the Early Childhood Education Program. Backman reported a Job Fair will be held September 17th at Ridgewater College. Schmoll reported a video is being produced to promote the community that will be made available for use by local businesses. Leaf Line Labs, a medical marijuana dispensary, will be opening a location in Willmar and will employ up to 12 individuals. Leaf Line Labs will hold community meetings. It is currently looking at the former PayLess ShoeSource building. Schmoll reported Leaf Line Labs has very secure facilities and assists individuals who need its product. Discussion was held on the potential or concern for moving from medical marijuana to recreational marijuana. Ramstad stated Willmar would need to adopt a business license ordinance in order to prevent just any business from coming into the community.

Rural Child Care Innovation Program. Schmoll reported the leadership team met this month and discussed progress on its goals. Schmoll's report contains additional items as to childcare (see attached). Backman reported the YMCA Early Learning Center in Spicer is under construction. Jesse Gislason reported a six-inch watermain was installed this week for the Center.

Highway 23 Coalition Update. Backman reported there are currently 100 members in the Coalition and the Membership Committee has started renewing the governmental entities for 2020. New members for next year include Lincoln County and the city of Sauk Rapids. Boonstra reported the Minnesota Department of Transportation will host an open house for the north gap on October 3, 2019 at St. Peter and Paul School in Richmond from 5:30-7:00 p.m. on the design work. Backman announced the Coalition will hold its general membership meeting on October 18th at Prairie's Edge Casino in Granite Falls with Senate Majority Leader Paul Gazelka as the keynote speaker.

Business Visits and Meetings. Backman reviewed the business visits and meetings noted in his report (see attached). A medical equipment sterilization company is looking at expanding its business to the MinnWest Technology Campus, which was a connection through the EDC's membership in the Community Venture Network. Schmoll reviewed the business visits and meetings noted in her report (see attached). Schmoll recently heard a presentation by Mill Pond Salon at 1 Million Cups. In response to a question, Backman addressed the funds remaining from the Retail Business Design Workshops and the use of those funds for businesses. The workshop partners selected four businesses to receive one-on-one counseling with the premise that there would be follow-up projects for those businesses. Vice President Johnson believes the EDC may have difficulty in soliciting funds from some entities for future workshops as sponsors were not made aware that residual funds would be used by businesses. Backman stated the sponsors will receive a report on the workshops showing where the funds were used.

NEXT MEETING—The next board meeting is **11:00 a.m., Thursday, October 10, 2019**, at the EDC Office, Willmar.

ADJOURNMENT—

IT WAS MOVED BY Les Heitke, SECONDED BY Jesse Gislason, to adjourn the meeting.

The meeting was adjourned at approximately 12:25 p.m.



Art Benson, Secretary

APPROVED: 10/10/2019:



Kelly TerWisscha, President



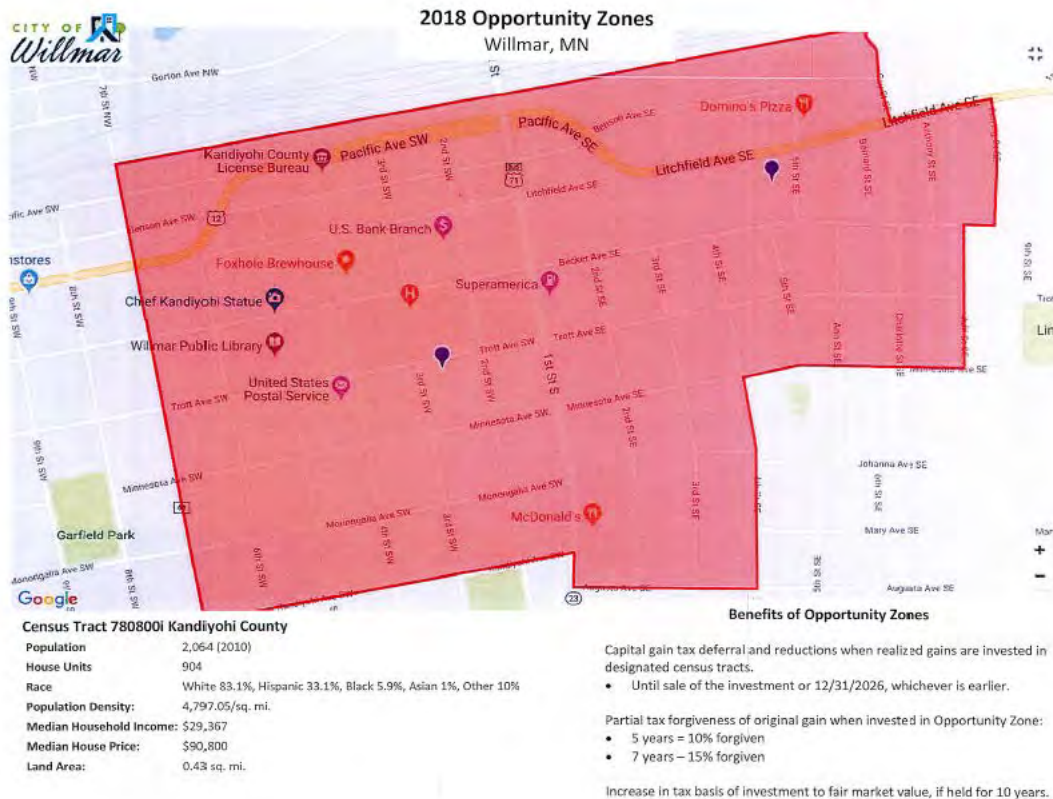
Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

Joint Operations Board Meeting Aaron Backman Report September 12, 2019

Marketing Proposal for Willmar Downtown Opportunity Zone

In June 2018 Governor Dayton selected 128 census tracts to be Qualified Opportunity Zones (QOZs). These are low-income communities that the federal government is encouraging investment by deferring taxation on capital gains until December 31, 2026, reducing gain that is taxed by up to 15%, and no tax on additional gain, if property is held for 10 years. So, there can be direct tax benefits to developers, developers can raise equity capital from investors who can use the tax benefit, and property owners can attract tenants who can use the tax benefits for capital costs.

In Kandiyohi County there is one approved Opportunity Zone (QOZ) located in Census Tract 780800 in Willmar. It covers the downtown and a residential area east of First Street. To take full advantage of the program, investments should be initiated in 2019. However, this requires a significant marketing effort (a marketing strategy, a prospectus and other materials provided to potential



investors). Given current workloads of Connie and myself, I am suggesting that we partner with an agency that has experience marketing Opportunity Zones. The Golden Shovel Agency, based in Little Falls, MN, specializes in marketing for economic development organizations around the country. (They have about 185 clients around the country.) They have worked with a number of cities to promote their QOZs.

Ken Warner, Sarah Swedburg, and I met on July 17th with Steve Gottwald to discuss Golden Shovel's approach. Subsequently, Golden Shovel provided a proposal to the EDC for Opportunity Zone services. The key components are: develop a marketing strategy, a prospectus for the EDC to use in different ways, promote awareness of the Opportunity Zone in Willmar, highlight the benefits of investing, and targeting key industry clusters. The work is expected to take about 12 weeks. The cost of the contract is \$18,500.

On August 8th, the EDC's Joint Operations Board held its regular monthly meeting. One of the topics was the Golden Shovel Opportunity Zone Marketing Proposal. After a full discussion, board members unanimously approved the following motion:

To recommend to the Kandiyohi County and City of Willmar Economic Development Commission's (EDC) Joint Powers Board that it accept the proposal of Golden Shovel to market the Opportunity Zone in Willmar at a total cost of \$18,500, contingent upon Willmar Main Street contributing \$5,000 and that there be a response from Willmar Main Street and the EDC's Joint Powers Board by September 23, 2019.

Subsequent to the Joint Operations Board meeting, I connected with Sarah Swedburg and Dave Ramstad regarding Willmar Main Street's financial participation in this marketing effort. They are supportive of partnering with the EDC in this regard. On August 26th, the Willmar Main Street Board approved a \$5,000 contribution to the cost of the Golden Shovel Opportunity Zone Marketing contract, contingent on the EDC's participation of \$13,500. For final action on this contract I have scheduled a special meeting of the Joint Powers Board for Monday, September 16th.

Business Meetings (August 8th – September 12th)

1. Participated in meeting w/Kevin Bronner re WAM-BC Loan and restaurant concept for Kandi Mall at EDC offices (8/9/19)
2. Participated in Poultry Research Facility meeting w/Mayor Calvin, Dr. Johnson, Kathy Schwantes at MCROC (8/9/19)
3. Development Mtg. w/Dave Ramstad, Director of Planning & Development, City of Willmar (8/13/19)
4. Presentations to Benton County (8/12), Yellow Medicine County (8/13), Pine County (8/20/19), City of Sartell (9/9/19), and Pipestone County (9/10/19) re Hwy 23 Coalition membership
5. Mtg. w/Kevin and Lisa Bronner re WAM-BC loan for Re-Cover Temp Agency at EDC Offices (8/14/19)
6. Attended MN Marketing Partnership Meeting at Como Zoo in St. Paul (8/15/19)
7. Attended Southwest Business Development Network meeting at Ortonville Public Library (8/16/19)
8. Presented at Willmar City Council re: resolution of support for grant application for utility extension for Epitopix (8/19/19)

9. Willmar Planning Commission re: Legacy Commons Phase II – Caribou Cabin project (8/21/19)
10. Presentation to MN State Chancellor Maholtra and all system Presidents re: the importance of Ridgewater College to Kandiyohi County and region (9/10/19)
11. Monthly Mtg. w/Dr. Johnson, President, Ridgewater College (9/11/19)
12. Attended Christie Ransom’s Going Away Event at Willmar Chamber (9/11/19)

Business Visits

1. Participated in meeting w/Epitopix management re: utility extension project at MWTC corporate offices (8/8/19)
2. Meeting w/Aydee Lopez, Spurs Restaurant (9/11/19)
3. Attended Co-op Credit Union ribbon cutting event in Willmar (9/12/19)



**Joint Operations Board Meeting
Connie Schmoll Report
September 12, 2019**

Child Care

The core leadership team of the Kandiyohi County Rural Child Care Innovation Program met again in September and discussed progress on goals. A manual of resources for providers has been completed and is ready to be put on a website, which is not yet developed. Translation of materials is also needed.

Sally Calvin, childcare provider and member of the leadership team, established a SWAP group for networking and fun among fellow providers. The established group of around five providers planned a larger group networking and appreciation event and successfully hosted 20 providers in all for a fun and relaxing evening. They hope other such networking and support groups will form among the providers.

Ridgewater College currently has 65 students registered in Early Childhood classes—40 of them new students. The Early Childhood Education Program is up about 15 students overall from last year. They are able to increase capacity due to the new course offerings in Willmar.

The Early Exploration Class has eight registered participants at this time. Another Early Exploration class is planned for January.

The Willmar Child Care Center is close to completing the build-out of its facility. It is brightly colored, welcoming to children and conducive to childcare services. The playground plans are underway. United Community Action Partnership and its Child Care Aware Program is working with potential childcare staff for the center to complete certification courses. Child Care Aware staff has also coached the owner and Abdi of the African Development Center on some licensing processes.

Broadband

Engineering study update by Jared Britten of Compass Consultant's Inc.

This is where we are sitting on the broadband study for the townships of Mamre, Dovre and St Johns.

We have completed identifying structures within all three townships. Structures have been classified as residential or business. These structures have also been grouped by current broadband service level available.

We have also put together a rough initial design and identified existing available Arvig fiber and possible network tie-in locations. I will be working with Arvig this week to solidify the network tie points and finalize the initial design. Compass will then have field staff on site next week to verify field conditions and outside plant cable and equipment needs. While on site our technicians will also verify structures, adding in any newly constructed homes or businesses and noting abandoned sites. This drive-out will take one week.

After the drive out, Compass will finalize the design and identify construction units and permitting requirements. Networking equipment has already been reviewed, but quantities will be determined by the final design.

Thank you, Jared

The Broadband and Advanced Technology Committee is preparing to conduct marketing, possibly in the form of email or postcard sent by U.S. Mail to the residents of the three townships to encourage participation in the study, if notified by Compass. We are awaiting Compass direction for what will be done to assess future subscriptions and when that will be done.

The committee is encouraging member and County Commissioner Rollie Nissen to apply to be on the Governor's Taskforce on Broadband. There are 15 seats that need to be filled. A list of possible members, who have already applied, is on the Governor's desk to be considered at this time. Diane Wells from the Minnesota Office of Broadband Development said it is still a good idea to get an application in as they are accepted year round. Connie sent Rollie the application link and is working on a letter of recommendation from the committee.

The Minnesota Rural Broadband Coalition has stated the competition for this year's Border-to-Border Broadband grants will be great. The Coalition is working on conversations to assess the possibility of increasing the amount in the state budget for Border-to-Border grants in 2020.

Neighborhood Development Centers

Mihailo Temali, founder and CEO of the Neighborhood Development Center in St. Paul has contacted me again to inquire about moving forward on establishing a program in Willmar. He had staff forward a training schedule so I could attend a St. Paul training for new business entrepreneurs to assess the curriculum and process used in St. Paul. This was an important next step for the EDC staff in Willmar. In addition, Mr. Temali reported that state funds are available for us if we decide to adopt a program. With a 30% match of local funds we would be able to access \$6,000 for training purposes; \$7,500 for lending or loan guarantee, if mixed with technical assistance for the business; and \$7,500 for the technical assistance portion of the program. Mr. Temali has requested to meet with the EDC and Southwest Initiative Foundation to further discuss the program. The philosophy of the Neighborhood Development Program closely matches that of the WAM-BC funds we have acquired; lower interest rates, businesses that may be un-bankable, training is provided in business management, and more advocacy and support is offered during the early stages of the business start-up.

Minnesota DEED Commissioner Visit

The Minnesota Department of Employment and Economic Development (DEED) Commissioner Steve Grove visited Willmar on August 29th. Joanna Schrupp of MinnWest Technology Campus and I worked with his staff to make arrangements for the day and host his visit. The Commissioner's Chief of Staff, Ms. Anna Peterson was also in attendance. A tour of Jennie-O Turkey Store was conducted by H.R. Director Melanie Faust. The tour included the main administrative building and the research and development kitchens. Joanna led tours of Nova-Tech, Prinsco and WORKUP on the MinnWest Technology Campus. A public discussion took place on the Campus with almost 30 people in attendance. Topics included workforce and immigrant workforce, childcare, broadband, public infrastructure, businesses related to turkey production and processing, the farm crisis, KCEO and the role of government. The Commissioner then toured the Willmar CareerForce facility (Workforce Center) and visited with staff there, who are all employed under Minnesota's DEED office.

Meetings and Events

1. Community Venture Network—business presentations
2. Childcare Core Leadership Team meeting
3. Partners in Ag Innovation Workshop debriefing
4. Job Fair Planning
5. MN DEED Commissioner visit planning and hosting
6. Industrial Hemp Exploratory Subcommittee meeting
7. USDA Grant work on behalf of Simply Shrimp with Christianson and Paul Damhof
8. Grow MN Chamber
9. Chamber Agri-Business
10. Chamber farewell for Christy Ransom
11. Chamber Connection at United Way
12. Meeting with Nancy Miller—business services
13. Dooley's Appreciation Event
14. Meeting with potential Ag Committee Member, Christy Kallevig

Business Visits

1. Dahlberg Trailers
2. Diamond Trailers
3. Beauty Box
4. Glow by J
5. Willmar Child Care Center
6. New salon
7. Fitness center

Kandiyohi County Retail Business Design Program August 2019 Follow-up Report

The success of the Retail Design Business Workshop program continues to be evident in messages received from the participating businesses. Two business participants recently shared with me they wish to do radio ads thanking the hosts and sponsors of the Kandiyohi County Retail Business Design Workshops because of the value of the program, i.e. the things they learned and the relationships they built.

With \$8,918 left in funds, the planning team members decided to offer funds to participating retail businesses. The request made to the businesses was to implement one or more of the action plans that were recommended to them by a professional coach. Jackie Parr of the University of Minnesota Retail Design Program worked with four businesses and offered marketing strategies, recommendations and possible action plans to the business owners. These are the current plans for the four businesses.

Mary Solbreken, Rustic Designs Flower Farm



Located near Belgrade, Rustic Designs Flower Farm offers fresh-cut flowers, bouquets, flower subscriptions and flower arranging classes.

Mary utilized the recommendation she received from Coach Jackie Parr by requesting funds for professional photography and video.

Mary said, “I have been thinking about what you have been offering and thinking about what would get me the best return.” She has already implemented an email marketing campaign and has found it effective. Mary added, “I have been thinking about having a professional photographer come out and make video from drone footage and also take some professional photos that could be used in my social media blasts, emails and flyers. Basically some branding photos and videos. I think this would be a great help to have these photos and footage to use.”

With her business in prime season, she was excited to implement right away. Mary reported that Jordan of Lundin Cinema and Photography was out on Friday, July 26th, to film. She found him great to work with and is excited to see the finished product. She viewed a sneak peak of the drone footage coming over the trees near the flower field and is happy with the footage. Jordan also took ground shots of the flower field. Mary will share the final product of the photos and video when complete. Total cost: \$1,700.

Terry and Tanya Smith, Patina Marquet

Located at the north end of the Kandi Mall, Patina Marquet is a vendor-based retail store that offers unique home furnishings, gifts and art.

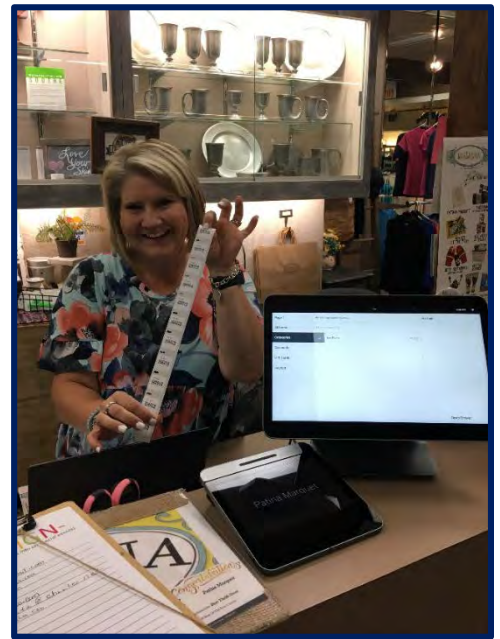
The Smiths reported their business needs at this time include a new POS (Point of Sale) system that will better meet the needs of a consignment-structured business, specifically, the Clover Station Small Business POS | Bank of America Merchant Services.

“With a new system we would be better able to track inventory and show our vendors just what sold. This would save us time as to make it work; we recently resorted to manually writing a daily sales report.”

The system, along with set up and conversion fees and additional barcode scanner, have an estimated cost of \$1,530.

“This has been on the back burner for us, so an opportunity to upgrade would really help us reinvest in this area of our business. With the advisement of Jackie Parr, we have taken steps to purchase advertising and a shopping rewards program. We funded these ventures with our limited store income and have seen great results.”

“We are so excited to see what the future will bring. Thank you again for the opportunity,” they said.



Tanya Smith of Patina Marquet showcasing the new POS System.

Heather Koffler, River Valley Arms and Ammo



A retail store offering guns, ammo, clothing and shooting supplies. Located in Morton, MN.

Heather knew right away that she would like to implement a plan recommended by Ms. Parr using an alternative advertising because of the limits on marketing firearms with traditional advertising outlets.

With a \$1,600 budget, Heather proposed finding an influencer to share their story. Influencer marketing is a type of advertising that uses category leaders or celebrities to communicate their brand message and content to the influencer’s vast amount of followers. The firearms industry especially, is taking increased notice of influencers, according to Jackie, such as the Military Arms Channel, Warrior Poet Society and others.

Misty Watkins, Beauty Box Boutique

Clothing and accessories store for women located on South First Street in Willmar.

Misty has already invested some of her own funds to create a decorative wall to make her products stand out and to use for photographing and videotaping for Facebook ads. She also reduced the amount of inventory on the floor to create more open spaces as advised by Ms. Parr.



Misty needs to market the business location and product to get people in the door. She will use funds of up to \$1,600 for radio ads and a targeted, high-impact Facebook posting program to run for a fixed

amount of time. The things she learned about photographing the products and reaching the target audience will be helpful for this stage of marketing her business.

There are other businesses with specific plans recommended by coaches of the program. As funds allow, one or two other businesses will be offered some funds to implement their plans.

Connie Schmoll