

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
BUSINESS RETENTION AND EXPANSION/RECRUITMENT (BRE/R) COMMITTEE**

MINUTES

May 4, 2018

Willmar Municipal Airport, Willmar

- Present: Jim Ellingson, Les Nelson, Ranae Rahn and Kelly TerWisscha
- Excused: Sam Bowen, Les Heitke, Roger Imdieke and Dean Steinwand
- Staff: Aaron Backman, Executive Director and Connie Schmoll, Business Development Specialist
- Guests: Dan Tempel, Glacial Ridge Realty and Eric Rudningen, Willmar Municipal Airport and co-owner of Oasis Aero, Inc.
- Secretarial: Diane Beck, Legal & Administrative Assistants (LAA)

Vice Chair Les Nelson called the meeting to order at approximately 9:08 a.m.

AGENDA—The agenda was approved as emailed.

MINUTES—As there was not a quorum in attendance, the April 6, 2018 minutes were received, but not approved.

Willmar Airport Update. Aaron Backman introduced Eric Rudningen, owner of Erick's Aviation and co-owner of Oasis Aero, Inc. He provided his bio and interesting information on the airport's history and business. Rudningen started working at the airport in the 1990s as a flight instructor and soon started Eric's Aviation Service. Also in the 1990s, his business partner, Paul Beck, began his employment at Willmar Air Service and in 2003 started Weep No More, a Mooney fuel tank repair specialist business. The new Willmar Municipal Airport terminal opened in September 2006 and is accessible 24-hours a day with a key code. There is a pilot lounge and amenities. In 2016, Rudningen and Beck bought Willmar Air Service and started Oasis Aero, Inc. They currently employ one full-time and one part-time mechanic and a front desk person. Another full-time mechanic will start soon and two maintenance interns will begin in June. In June of 2016, they applied to be Fixed Based Operators (FBO). A FBO is granted the right by an airport to operate the airport and provide aeronautical services, such as fueling, hangaring, tie-down and parking, aircraft rental, aircraft maintenance, flight instruction, and similar services. Oasis Aero, Inc. was granted the FBO in December 2016. There are approximately 135 airports in Minnesota with 60-70 having an FBO; there are 2,500 FBOs in the United States. Rudningen stated it is Oasis Aero's goal to be a one-stop shop for aircraft and pilots with access to rental vehicles, assist with hotel reservations, transportation to and from hotels and promote and market the airport in the community and

region. Signage at the airport is also expected to increase. They continue to promote fly-ins and car club shows, etc., to make the airport a friendly place to visit. Oasis Aero, Inc. stays competitive with jet fuel prices and offers one of the lowest jet fuel costs in Minnesota. Fuel sales have maintained at an even level. Backman inquired about pilot training and plane rentals. Rudningen reported due to time constraints, he is not doing as much flight instruction as in previous years; however, is hoping to increase pilot training in the future. He does recurrent training and transition training and hopes to find a flight instructor in the future. Their main focus is on plane maintenance and fuel. Rudningen reported the based aircraft has increased and is expected to increase in the future.

Rudningen is a member of the Minnesota Aviation Trades Association, a FBO group, the Air Transportation Association and Minnesota Council of Airports. Oasis Aero, Inc. represents the City of Willmar and may officially take over the Airport Manager duties. Rudningen also serves as a Swift County Commissioner. Rudningen addressed the Airport Master Plan. When asked about charters, Rudningen commented there is a great amount of overhead in chartering a plane. Some Willmar businesses that own planes participate in fractional ownership by sharing a pool of pilots which enables them to work around some of the rules of chartering operations. Rudningen reported future commercial flights out of Willmar is doubtful as smaller commercial flights are pulling out of areas that have Essential Air Service funding. Willmar Municipal Airport conducts tours on an as-needed basis and encourages the use of its meeting room. The beacon from the former Willmar Airport building will soon be on display at the airport. An important goal of Willmar Municipal Airport is to preserve the memorabilia and history of John Rice Field.

Backman introduced Dan Tempel of Glacial Ridge Realty and prospective BRE/R Committee member.

REPORTS/PROJECT UPDATES

Highway 23 Coalition. Backman reported the disappointing announcement that the Corridors of Commerce Program did not award funds to the two gaps on Highway 23. The majority of the project awards were in the metro area. Backman briefly discussed the proposed sales tax from the sale of auto parts going to roads and bridges, the cost split between metro and greater Minnesota, the Bonding Bill and supplemental budget. There are several earmarks for metro projects but none for rural Minnesota projects. On May 22-24th, approximately 10 Highway 23 Coalition members will travel to Washington, D.C. to meet with Congressmen and Senators to request federal funding for the Highway 23 project. The Highway 23 Coalition will continue to promote the project to secure funding.

Business Visits/Tours. Backman reported on a few recent business visits and tours:

- Student Job Fair
- Met with a business owner regarding a new business in New London
- Meetings with Kandi Mall representatives
 - Kohl's and T.J. Maxx retail prospects may open in the mall
- Kiwanis Club presentation

- Marketing Concepts open house
- WAMBC loan portfolio
 - Shifting loans to EDC
- Met with Bob Bonawitz regarding a SCORE consultant
- Market rate housing meeting
- Mid-Central Research and Outreach Center (MCROC) meeting

Connie Schmoll reported she:

- Visited Christianson Systems
- Visited Double J Concrete and Masonry
- Simply Shrimp. They secured a \$35,000 grant for a feasibility study
- Assisted Christianson PLLP with an application for Simply Shrimp to secure a \$90,000 grant. EDC will serve as the fiscal host.
- Attended Broadband Day at the Capitol
- Attended the 2018 International Cheese Technology Exposition in Wisconsin

Dan Tempel of Glacial Ridge Realty reported Kwik Trip on South First Street is in the process of training new employees at the Kwik Trip in Paynesville. Negotiations continue on building property for Maurices and Dunkin' Donuts. Middle Fork Café will open a satellite restaurant in June at the former site of Diedra's. They are also looking for a buyer for the Spicer Castle. The structure would be torn down and replaced with condos.

UNFINISHED BUSINESS

CNA/Diverse Welding. Ridgewater College recently signed two contracts with two cohorts one with CNA and one for diverse welding. Courses will begin soon. Course costs are low due to the grant.

Student Job Fair Update. Backman reported on the Student Job Fair held on April 10th at the Willmar Senior High School.

NEW BUSINESS

Results of the EDC Strategic Planning Session. Backman reviewed EDC's four Goals and Benchmarks for 2018 developed at the EDC Planning Session on March 29, 2018 and adopted by EDC's boards (see attached).

- Transportation Infrastructure
- Diverse Business Initiative
- Opportunity Zones
- Childcare

Schmoll stated there is a great need for childcare in the Willmar area. Legislative changes are necessary for licensed childcare providers as they find the current regulations too strict.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 10:42 a.m.

NEXT MEETING—The next regular committee meeting is **9:00 a.m., June 1, 2018** in the EDC Board Room.

Kandiyohi County & City of Willmar EDC 2018 Plan

Benchmarks: Childcare

1) What do we want to accomplish? (New Goal)

- Increase the number of childcare options, including diverse childcare options, available for the workforce in Kandiyohi County and in the region.
- Secure sustainable solutions for existing and new childcare centers and family childcare providers, including diverse childcare.

2) What should be done to begin? (Data Needed or Action Steps)

- Participate as economic development representative, in community stakeholder meetings to define the current situation and potential solutions.
- Identify local leaders in the childcare industry.
- Bring family providers together to seek their ideas about what might be helpful for them locally.
- Research policy and proposed legislation that could support local childcare businesses.

3) What should we see happening within 90 days? (Benchmarks)

- Support legislation to provide relief for providers and address the overreach of regulations while still ensuring safety for children and families in childcare environments.
- Communicate with leaders in the childcare industry about our desire to participate in conversations and planning, as an economic development entity, regarding the childcare issue.
- Assist childcare industry leaders with gathering information from businesses about the current need for childcare for reports and grant applications.

Adopted by Joint Powers Board 4/26/2018

Kandiyohi County & City of Willmar EDC 2018 Plan

Benchmarks: Transportation Infrastructure

1) What do we want to accomplish? (New Goal)

- Implementation of Willmar Railroad Wye project on the west side of Willmar bypassing the downtown and installation of rail spur to Willmar Rail Park by 2021.
- Completion of the Minnesota Highway 23 four-lane corridor between Willmar and I-94, including the two gaps north and south of Paynesville by 2024.
- Construction of the County Road 5/55 bridge over railroad tracks just north of new Highway 23 bridge on the southwest side of Willmar.
- Increase operations at Willmar Municipal Airport by 25% by 2020.

2) What should be done to begin? (Data Needed or Action Steps)

- The Master Cooperation Agreement between MnDOT, City of Willmar, Kandiyohi County and BNSF needs to be completed before the Design-Build bid letting process for final design and construction can proceed.
- Willmar Wye project partners have solid relationships and the partners remain optimistic for a summer or fall of 2018 construction start for the Wye project.
- Continue to make investments in support of long-term, collaborative regional approaches, such as the EDC being active in the Highway 23 Coalition.
- Support Corridors of Commerce funding to finish the four-lane gaps on Highway 23.
- Support federal and state funding for Highway 23-related projects, such as the County Road 5/55 bridge over the BNSF railroad tracks.
- Recruit business prospects interested in locating at the Willmar Industrial Park or Willmar Airport.

3) What should we see happening w/in 90 days? (Benchmarks)

- Interact with the Willmar Railroad Wye partners to understand the status of the Master Agreement and construction timeline.
- In April, MnDOT is expected to announce the Corridors of Commerce projects that will be funded. Based on that announcement, the Coalition may seek additional state bond funding. In late May, the EDC should send two representatives to participate in the Washington D.C. Fly-In to meet with Congressional representatives and federal Department of Transportation staff regarding the funding of transportation priorities in Willmar and West Central Minnesota.

Adopted by Joint Powers Board 4/26/2018

Kandiyohi County & City of Willmar EDC 2018 Plan Benchmarks: Opportunity Zones

1) What do we want to accomplish? (New Goal)

- Designate Opportunity Zones, for one to three tracts in Kandiyohi County to encourage development of housing or commercial businesses in low to moderate income areas that are considered eligible.
- Encourage investment for new commercial and housing projects in designated Opportunity Zones in Kandiyohi County.
- Facilitate and secure new commercial and housing projects in Kandiyohi County Opportunity Zones.

2) What should be done to begin? (Data Needed or Action Steps)

- Submit recommendations to DEED stating priority for each of three eligible tracts in Kandiyohi County to be considered for the designation of “Opportunity Zones.”
- Track the processes and determinations made by the Minnesota Governor’s Office and the final Opportunity Zones determinations made by the U.S. Department of the Treasury.
- Study the rules and processes of Opportunity Zones as more information is published.

3) What should we see happening within 90 days? (Benchmarks)

- Development of Opportunity Zone marketing materials.
- Present Opportunity Zone information to county, city and other potential partners. Invite potential investors and developers to community discussions about opportunities in the designated zones.

Adopted by Joint Powers Board 4/26/2018

Kandiyohi County & City of Willmar EDC 2018 Plan

Benchmarks: Diverse Business Initiative

1) What do we want to accomplish? (New Goal)

- Examine the possibility of implementing a Diverse Business Retention Expansion (BRE) Phase II Program during 2018, including businesses located outside of Willmar.
- Consider receiving and administering the Willmar Area Multicultural Business Center (WAM-BC) loan portfolio. WAM-BC has seven active loans around Kandiyohi County. WAM-BC prefers to focus on technical assistance and less on financial assistance.
- Seek to establish a self-sustaining diverse workforce training program in partnership with Ridgewater College, CLUES, Central Minnesota Jobs & Training Services (CMJTS), Carris Health/Rice Memorial Hospital, Bethesda and others.

2) What should be done to begin? (Data Needed or Action Steps)

- Explore partnering with the Neighborhood Development Center (NDC), a nonprofit CDFI, to assist diverse entrepreneurs and businesses in the Willmar area.
- Continue discussions with the Bush Foundation staff regarding a Community Innovation Grant for capacity building for diverse entrepreneurs in the Willmar area.
- The WAM-BC loan portfolio transfer is predicated on WAM-BC updating its financial documents for all of its outstanding loans. So far, they have updated five out of the seven loan documents. WAM-BC expects to complete the loan document updating by June of 2018. The EDC will continue to discuss the loans with WAM-BC leadership.
- Comunidades Latinas Unidas en Servicio (CLUES), a Latino nonprofit organization based in the Twin Cities, with EDC assistance, is considering leasing office space near downtown Willmar for office and training space. It is currently interviewing a new Navigator lead and should be finalizing a new lease in the next 30 to 60 days.
- New contracts for Diverse CNA and Diverse welding programs are expected to be signed by Ridgewater College and CLUES in the next 30 days.

3) What should we see happening w/in 90 days? (Benchmarks)

- The EDC will stay in communication with NDC and the Bush Foundation regarding a follow-up Diverse BRE Program.
- Once the WAM-BC loan documents are updated, the EDC will present the loan portfolio transfer opportunity to the EDC's Finance Committee and EDC Board members for final approval. If approved, the EDC would create a new RLF for diverse businesses in Kandiyohi County.
- The EDC will remain in communication with CLUES and Ridgewater College regarding the diverse training programs and collaborate with CMJTS regarding workforce initiatives.

Adopted by Joint Powers Board 4/26/2018