

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)**  
**JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING**  
**MINUTES**  
**January 10, 2019**  
**EDC Office, Willmar**

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

Excused: Robert Carlson

Ex Officio: Roger Imdieke and Bruce Peterson

Guests: Jesse Gislason and Sarah Swedburg, Willmar City Planner

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 11:03 a.m. and declared a quorum was present followed by self introductions.

**AGENDA**—Added to the agenda under New Business was a recommendation for new legal representation.

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

**CONSENT AGENDA—**

- Approve:
1. Minutes of December 13, 2018 meeting
  2. Financial reports as of December 31, 2018
  3. Payment of bills
    - a. Minnesota Counties Intergovernmental Trust of \$2,565 (\$2,043 for liability insurance coverage and \$522 for workers' compensation)
- Accept:
- Committee/Subcommittee Minutes
1. Agriculture and Renewable Energy Development 11/15 and 12/20/2018
  2. Broadband and Advanced Technology 12/3/2018
  3. Business Retention Expansion/Recruitment 12/7/2018
    - a. BRE Survey Planning Subcommittee 12/27/2018
  4. Marketing and Public Relations 11/26/2018

**UNFINISHED BUSINESS**—There was no unfinished business.

## **NEW BUSINESS—**

**Boards' Annual Strategic Planning Session.** Aaron Backman stated he is beginning to plan the boards' annual strategic planning session. Backman has requested quotes from Linda Mathiasen and Bruce Miles to facilitate the session, as well as others. Suggested dates were discussed and March 14 and 15 were selected.

**New Legal Representation.** Backman reported the EDC's attorney Mike Burgett resigned from representing the EDC effective December 31, 2018. Backman, along with Rollie Boll and Kathy Schwantes interviewed three attorneys and are recommending the EDC engage the services of attorney Brad Schmidt at a rate of \$250 per hour.

IT WAS MOVED BY Kerry Johnson, SECONDED BY Art Benson, to recommend to the Joint Powers Board that the Kandiyohi County and City of Willmar Economic Development Commission engage the legal services of Brad Schmidt and the law firm of Johnson, Moody, Schmidt & Kleinhuizen at an hourly rate of \$250 per hour. MOTION CARRIED.

## **PROGRESS REPORTS**

**Willmar/Willmar Industrial Park.** Bruce Peterson reported they are still waiting for the closing by Jones Development Company and are looking at an early spring construction; city staff has reviewed engineering plans. The housing project by J.H., LLC on County Road 5 received approval for tax increment financing and they are working on finalizing the developer agreement. They will be working with Kandiyohi County on improvements needed on County Road 5 and the City of Willmar will be installing a new sewer line from the south. The steel is up for construction of the Credit Union. The agreements for the Wye project have been fundamentally approved. Annexation is complete for the Ziegler property, which is looking for spring construction.

## **2018 GOALS**

**Child Care Initiative.** Connie Schmoll reported the core group will be meeting tomorrow. She has had more than four calls from individuals interested in starting a childcare center. The YMCA is planning on opening a center in the Spicer mall for 90 children. Efforts are being done to raise local contributions for the project. Schmoll has been working with the Willmar Child Care Center following the EDC's loan approval. Mid-Minnesota Development Commission and African Development Center approved loans for the Willmar Child Care Center and Southwest Initiative Foundation (SWIF) is considering a loan request. Peterson reported Sarah Swedburg led the City of Willmar through a complex land use change for the Willmar Child Care Center project.

**Diverse Business Initiative.** Backman reported the EDC's acquisition of assets from the Willmar Area Multicultural Business Center has been largely completed. There has been some continued discussion with the Neighborhood Development Center.

**Opportunity Zones.** Backman provided information on the Willmar locations designated as Opportunity Zones. Part of the area is owned by the Graves family, which is not interested in selling at this time.

Peterson stated there is a demand for housing units by current residents. New construction is trying to attract new residents who commute for employment. Willmar has a 2% vacancy rate, healthy is 6%. The number of days housing is on the market dropped 12% and is currently under 90 days—this has been consistently dropping over the past several years. The sales price has risen 11% and the affordability index has dropped 15% since 2012. Single-family housing inventory is at four months, healthy is six months. There is a continuing need for housing for new residents and those who are downsizing. About 40% of anticipated tenants are new residents.

**Transportation Infrastructure.** Backman reported the Highway 23 Legislative Committee reviewed proposed projects submitted by the Freight Corridor Working Group and the Minnesota Department of Transportation and approved five projects noted on his report (see attached). Schmoll reported the Coalition will again host a legislative luncheon reception on February 7, 2019 at the State Office Building and invited board members to attend.

**Business Visits and Meetings.** Backman highlighted events from his written report and gave details on the Retail Business Design Workshops (see flyer attached). Backman reported there are nine partners hosting the workshops. Schmoll reported she attended the Atwater EDA meeting yesterday and they agreed to fund up to four Atwater businesses to attend the workshops. Bethesda is looking at constructing a facility in New London on 11 acres north of ACMC. Backman reported a housing developer purchased lots in Raymond and is constructing homes; the developer was approached about the senior housing that was approved by the City of Raymond. Schmoll continues to meet with Lake Lillian on a restaurant. Members of the Broadband and Advanced Technology Committee will be meeting with Arvig and Meeker County about its broadband project. Agprofessionals is hosting its annual event on February 1, 2019. The Agriculture and Renewable Development Committee will be exploring an industrial hemp study. Schmoll is working with the Spicer EDA on a new location for DI Labs and highlighted other meetings/events and business visits from her report (see attached).

## **ANNUAL MEETING**

### **Regular Board Meeting Date, Time and Location.**

IT WAS MOVED BY Kelly TerWisscha, SECONDED BY Rollie Boll, to continue meeting on the second Thursday of the month at 11:00 a.m. at the EDC office. MOTION CARRIED.

**Assignment of Board Members to Standing Committees.** Board members volunteered for committee assignments as follows:

Agriculture & Renewable Energy Development—Rollie Boll  
Broadband and Advanced Technology—Donna Boonstra  
Business Retention & Expansion/Recruitment—Les Heitke and Kelly TerWisscha  
Finance Committee—Kerry Johnson and Sarah Swedburg  
Marketing and Public Relations—Donna Boonstra  
Leisure Travel (CVB)—Art Benson

**Appointment of Two Board Members to Perform Executive Director's Annual Review.** It was the consensus for Donna Boonstra and Kelly TerWisscha to serve on the committee to perform the Executive Director's annual review.

**Audit Committee.** President Boonstra noted last year Bob Carlson and Rollie Boll served on the Audit Committee. Boll volunteered to continue and Kerry Johnson volunteered to serve on the Audit Committee.

**Election of 2019 Officers.** Backman noted there are four offices open and normally the president serves for two years and the vice president moves up to the position of president. President Boonstra opened the floor to election of officers.

IT WAS MOVED BY Kerry Johnson, SECONDED BY Art Benson, to elect the following: Kelly TerWisscha, president; Kerry Johnson, vice president; Art Benson, secretary and Rollie Boll, treasurer. MOTION CARRIED.

## COMMITTEE REPORTS

**Agriculture and Renewable Energy Development.** Rollie Boll announced Agprofessionals is holding its annual banquet on February 1, 2019 and everyone is welcome to attend. The purpose of the banquet is to raise funds for scholarships for students in ag-related fields.


**Broadband and Advanced Technology.** Boonstra reported the biggest issue is to change the state language as to the right of refusal by incumbents. Fiber continues to be the best broadband service.

**Business Retention and Expansion/Recruitment.** Backman reported the BRE Committee discussed the Workforce Summit co-hosted by the EDC, Minnesota Department of Employment and Economic Development and Central Minnesota Jobs & Training Services. More than 60 attended from the region. The Summit included a labor analysis by Luke Greiner; information by Jobs Skills Partnership and businesses shared their experiences with worker training programs. The committee also discussed the upcoming West Central Job Fair. A subcommittee is researching if another business survey should be done. The subcommittee discovered a lot of the projects suggested in the last report have been done.

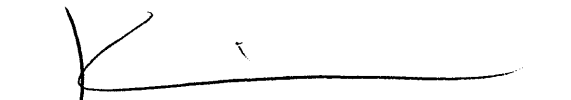
**Leisure Travel.** Backman reported the last meeting was at the Green Lake Bible Camp and the group received updated information on the Willmar Lakes Area Convention & Visitors Bureau's programs.

**NEXT MEETING**—The next board meeting is **11:00 a.m., Thursday, February 14, 2019** at the EDC office.

**ADJOURNMENT**—There being no further business, the meeting was adjourned at approximately 12:34 p.m.

  
Art Benson, Secretary

APPROVED: 2/14/2019:

  
Kelly TerWisscha, President



## **Joint Operations Board Meeting**

### **Aaron Backman Report**

**January 10, 2019**

#### **Highway 23 Coalition**

Looking beyond the two four-lane gaps funded by Corridors of Commerce, the Coalition is in the process of determining its 2019 priorities. On December 17<sup>th</sup> the Coalition's Freight Corridor Working Group reviewed 32 potential projects along the Hwy 23 Corridor submitted by members. The Working Group considered MnDOT District 8 feedback, ranked projects, narrowed it down to 12 projects and then to five. Those recommended projects were reviewed by the Coalition's Board of Directors on December 19<sup>th</sup>. On December 3<sup>rd</sup> the functional group leaders for District 8 (with input from District 3 as well) reviewed the Hwy 23 project list. On December 11<sup>th</sup> I received their feedback. After further discussions with MnDOT District 8 staff and project clarifications, the Coalition's Legislative Committee met on January 9<sup>th</sup>. That committee supports the following five Highway 23 projects for the 2019 legislative session:

- 1) An improved (half-clover) Interchange at Highway 23/I-94 near City of Waite Park at an estimated cost of \$2.3 million.
- 2) A Highway 23/Kandiyohi CSAH 55 Overpass on the southwest side of City of Willmar at an estimated cost of \$7.8 million (\$3.9M State Request & \$3.9M County Match)
- 3) Four-lane extension of Highway 23 approximately 4.5 miles from north of the City of Marshall to the Green Valley four-lane segment at a cost of \$27.0 million.
- 4) Intersection Safety Study at Highway 23/Highway 7 in Clara City at an estimated cost of \$100,000, including a 10% local match.
- 5) Roundabout at Highway 23/8<sup>th</sup> Avenue in the City of Foley and Preferred Route Safety Study Highway 23 between Foley and Milaca at a cost of \$2.0 million.

These project recommendations will be considered by the Coalition's Board at its next meeting on January 8<sup>th</sup>. It is anticipated that the Board will set its 2019 priorities at that meeting.

In other matters, two Board members stepped down at the end of December—Randy Dooley and Steve Ammerman; and four new Board members were appointed effective January—Jake Bauerly, Benton County Commissioner; Holly Wilson, Mille Lacs County Public Works Director & Assist. County Administrator; Bob Byrnes, Mayor of Marshall; and Luke Johnson, Pipestone County Commissioner.

The Coalition will be holding its Legislative Luncheon event at the Capitol on Thursday, February 7<sup>th</sup> from 11:00 a.m. to 1:00 p.m. It is an opportunity for members to meet their legislators. No cost for attendees, and if enough people sign up the Coalition will arrange for a coach bus to St. Paul.



## **DEED Employer Workforce Strategies Summit**

The EDC partnered with the MN Department of Employment & Economic Development (DEED), Ridgewater College, and Central MN Jobs & Training Services (CMJTS) on a workforce event held on January 8<sup>th</sup> at the Student Services Building. Over 60 people attended, primarily Human Resources and other representatives from businesses in the region. Among presentation highlights were:

Luke Greiner, Regional Analyst from DEED, provided a Labor Market Analysis of Region 6E.

Della Ludwig, Workforce Strategy Consultant from DEED, discussed Strategies to Recruit & Retain Workers in Today's Market.

Tammy Anhalt-Warner, Director of Workforce Development Center, St. Cloud State University talked about the MN Jobs Skills Partnership (MJSP) Program; and Tonya Fuller, HR for Park Industries, discussed how they used the MJSP Program.

Dan Solomon, PIPELINE Program Consultant, MN Dept. of Labor & Industry, elaborated on this dual-training program (public & program) that includes youth skills training and apprenticeships.

Eric Day, Business Service Coordinator, CMJTS, described the Incumbent Worker Grant Program; and Steve Barber, Controller, & Brandon Wulf, GM, from K&M Manufacturing spoke about their experiences with the program.

Cheryl Glaser, President of Achieve TFC, facilitated a panel discussion with Bruce Bergeson, Director of MN River Valley CTE Collaborative; Jason Duininck, Director of Bus. Development with Duininck; and Thomas Hoff, Technical Project Coordinator, with SWWC Service Cooperative, regarding innovative technical education and high school programs.

## **Retail Business Design Workshops**

The EDC has engaged partners to create Retail Business Design Workshops that will include five merchandising workshops for small retailers in Kandiyohi County. On alternating weeks there will be coaching sessions for participants to implement and assist one another in applying the information from the workshops. It is hoped that 20 to 30 local retailers will take advantage of the workshops. In addition, 4 or 5 businesses will be matched with U of MN College of Design students for one-on-one technical assistance or TA. The idea is to implement methods and techniques through the TA that will have a direct impact on those retail businesses. The partners will also write and distribute a local economic development best practices guide for retail revitalization efforts to be replicated elsewhere.

The workshops will run from 8:00 a.m. to 9:30 a.m. During February of 2019 the workshops and sessions will occur at the Bremer Bank Community Room. During March the events will occur at



the Willmar Public Library. The Social Media Marketing workshop will occur in conjunction with the Social Media Breakfast at WORKUP on the MWTC. The cost of this 10-week intensive program is \$250. Scholarships are available on an as-needed basis. In particular, we would want to assist women-owned businesses and minority retail owners and managers to ensure their participation.

The costs for developing and putting on the workshops and providing the mentoring and TA is significant—over \$24,000. (This excludes the cost of the College of Design faculty staff time.) The workshops collectively will cost about \$8,000 (this includes speaker honorariums, hotel, travel and presentation material expenses). The student projects are projected to cost \$5,000+. Jackie Parr, a PhD student from the School of Design, will be significantly involved. Her cost will be about \$8,000.

In terms of responsibilities, Neil Linscheid with U of MN Extension, is the project coordinator. He has obtained over \$12,000 in funding from the EDA Center for this project. Kathy Schwantes, Southwest Regional Director for MCROC, is involved with local coordination and funding. Dr. Hye-Young from the MN College of Design faculty will be creating and delivering five retail workshop modules. She and a colleague will be organizing student teams to provide the students teams that will be coming to Kandiyohi County during the Spring Semester. Sarah Swedburg, Planner with the City of Willmar, is lining up \$6,000 from the Willmar Main Street Program.

The EDC is putting in \$3,000 into the retail project and is focused on marketing and encouraging local retailers to sign up. The registration forms for the retail workshops went live on the EDC's website earlier this week and flyers are being distributed. The Willmar Chamber is also getting the word out.

### **Herzog Housing Project—Unique Apartments**

Samuel Herzog, an experienced housing developer from Fergus Falls, has identified and secured a 15-acre location for a multi-family housing project on the NW side of Willmar (Thorpe property along CR5). The project currently entails four 72-unit buildings plus 120 garage stalls. JH, LLC would construct one building each year for four years beginning in 2019.

The City has approved an Orderly Annexation Joint Resolution Agreement with the Township (and the State of MN signed off on the annexation in December). The Willmar Planning Commission met on January 2, 2019 to consider two public hearings related to this housing project—a Planned Unit Development (PUD) Conditional Use Permit and a Preliminary Plat with 9 parcels. Following the hearings, the Commissioners unanimously approved both. At the Willmar City Council's first meeting of the year on January 7<sup>th</sup>, there were two public hearings regarding the Herzog project—the first related to the creation of Municipal Development District #10 and second related to J.H., LLC Housing TIF District. Both were approved unanimously by the City Council.

Overall, this housing project could create 288 units of housing in the community (80% being market rate) and could generate an investment approaching \$30 million. Assuming 288 units are developed over five years and an average rental household size of 2.3 people, Unique Opportunities could provide housing for over 660 residents. It is estimated that 40% will be new residents moving into the community for jobs and education.



**15<sup>th</sup> Street Flats—Construction Update**



The contractors have begun working on the second floor of the multi-family apartment complex. These photos were taken on 1/7/19.







### **Business Meetings (December 13<sup>th</sup> – January 10<sup>th</sup>)**

1. SWMHP Housing Project meeting at Willmar City Hall (12/13/18).
2. Attended Southwest ATP Meeting at MnDOT District 8 (12/14/18)
3. Retail Business Design Workshops planning meeting (12/14/18)
4. Coalition Freight Corridor Working Group project ranking mtg. (12/17/19)
5. Present to St. Cloud City Council Meeting re membership in Hwy 23 Coalition (12/17/19)
6. Attended MMDC Finance Committee Mtg. re Willmar Child Care Center (12/18/18)
7. Participated in Hwy 23 Coalition Board Mtg. at Dooley's Petroleum (12/19/18)
8. Mtg. w/Jon Huseby, District Engineer re 2019 priorities (12/19/18)
9. Participated in Open Mic Radio Program w/Bruce Peterson at KWLM (12/20/18)
10. Presented Retail Business Design Workshops project to Willmar Chamber Board (12/27/18)
11. Monthly Mtg. w/Dr. Johnson, President, Ridgewater College (1/2/19)
12. Attended Willmar Planning & Zoning Mtg. – Herzog Housing Project (1/2/19)
13. BRE Committee Mtg. at EDC (1/4/19)
14. Participated in three interviews of attorneys for EDC legal rep (1/4/19)
15. Meeting w/Patrick Donohoe, Hill Capital in Minnetonka (1/4/19)
16. Attended Willmar City Council Mtg. –Herzog Housing Project (1/7/19)
17. Participated in the Regional Workforce Summit at Ridgewater College (1/8/19)
18. Mtg. w/Susann Karnowski & Lindsey Bruer, MnDOT Dist. 8 -- 2019 Hwy 23 Projects (1/8/19)
19. Mtg. w/Jayme S., REDstar re marketing flyer for Retail Flyer (1/8/19)
20. Attended Hwy 23 Coalition Legislative Committee Mtg. (1/9/19)

### **Business Visits**

1. Mtgs w/Zack Mahboub re funding for elevator project at Midtown Plaza
2. Attended WORKUP Holiday Mixer event
3. Mtg. w/Michelle Haefner, Bethesda, regarding new campus in New London
4. Tour & meeting w/Andrew Knight, Giovanni's Pizza
5. Tourism meeting & tour of Green Lake Bible Camp, Spicer
6. Barbershop prospect meeting

# KANDIYOHI COUNTY

## RETAIL BUSINESS DESIGN WORKSHOPS

### NEED HELP WITH YOUR BUSINESS?

A customized technical assistance program  
for **small retailers** in Kandiyohi County



10 week intensive-program designed to help you take your storefront to the next level.



Technical assistance program for area businesses with a series of 5 workshops launching in February.



Receive assistance from Industry Mentors, U of M students and retail coaches to help your business succeed.



Flip over for Workshop details on back of flyer.



Total cost of \$250



Scholarships available on an as-needed basis.



5 workshops and 5 coaching sessions covering retail management, inventory management, target marketing and social media marketing.

Info and registration:  
[kandiyohi.com/retail](http://kandiyohi.com/retail)





# WORKSHOPS & COACHING SESSIONS

Meet with other rural retailers and learn from industry experts



## STORE PRESENTATION

February 6th | 8:00am - 9:30am | Bremer Bank

Understand the basic methods and techniques used for merchandise layout. Recognize effective design principles for merchandise displays and learn the many factors that contribute to a successful store layout.



Coaching Session | Feb 13th



## TARGET MARKETING

February 20th | 8:00am - 9:30am | Bremer Bank

Study how demographics influence merchandising decisions and customer profiles. Find out how to determine which types of customers your store wants to attract and the type of experience those customers will expect.



Coaching Session | Feb 27th



## INVENTORY MANAGEMENT

March 6th | 8:00am - 9:30am | Willmar Library

Learn diverse functions related to the tracking and management of stock.



Coaching Session | March 13th



## KEY ISSUES AND TRENDS IN RURAL RETAILING

March 20th | 8:00am - 9:30am | Willmar Library

We'll discuss the current key issues and trends in rural retailing. Plus, an overview on the roles of store owners and managers.



Coaching Session | March 27th



## SOCIAL MEDIA MARKETING

April 3rd | 8:00am - 9:30am | WORKUP

Dive into how social media can help build your brand, grow your customer base and generate more foot traffic in your storefront.



Coaching Session | April 10th

Info and registration: [kandiyohi.com/retail](http://kandiyohi.com/retail)





**Joint Operations Board Meeting  
Connie Schmoll Report  
January 10, 2018**

**Child Care**

The Kandiyohi County Child Care Innovation Project Community Conversation has been completed with more than 90 people in attendance. Kandiyohi County turned in the greatest return on completed surveys with more than 1200 secured. The information that was collected was shared at the Community Conversation on November 29, 2018. Participants broke out into small groups to begin collecting ideas that could bring solutions to the shortages in childcare spaces. Highlights include:

- ✓ A childcare center for infants
- ✓ Business site or business financed spaces for child care
- ✓ A need for state, employers, churches and individuals to work together to solve the issues

The end result of survey, town hall meeting, and follow-up meetings will be to create a community action plan. The next meeting of the core group is scheduled for Friday, Jan. 11<sup>th</sup>.

I have had two inquiries from local residents that are interested in starting a child care and one call from a church pastor offering space for a childcare center.

**Willmar Child Care Center**

Mr. Mohamoud Mohamed of Minneapolis, owner of proposed Willmar Child Care Center, has found a site and facility for his business at 500 Industrial Drive SW in Willmar. The city rezoned the site for general business in November so that the site could be used for this purpose.

Mr. Mohamed submitted loan applications for the child care center to the EDC. The business will be a privately held, for-profit business, with Mr. Mohamed as 100% principal/owner. The child care center will provide services to 120 children. The plan includes 60 children per shift ages 4 months to 12 years. Services include:

- ✓ Full-time Child Day Care
- ✓ Part-time/After School Care
- ✓ After School Tutoring
- ✓ Drop-In Care

The African Development Center approved \$300K toward the purchase of the building and renovation costs. Other potential funders include Southwest Initiative Foundation (SWIF) at \$75,000, Mid-Minnesota Regional Development Center (MMDC) at \$50,000 and owner equity of \$50K.

The EDC approved a \$25,000 request for Revolving Loan Funds to be used for soft costs including administrative costs, marketing, and contingencies.





The MMDC has approved loan funds in the amount of \$50,000. The decision will be reviewed for ratification by the MMDC board on January 21<sup>st</sup>.

SWIF is currently taking under consideration the request for \$75,000 toward the business. They are working closely with First Children's Finance (FCF) on approving loan funds and offering technical assistance.

The EDC approval of loan funds includes a contingency that all proposed funding partners approve the applications for loan funds.

### **Opportunity Zones**

Resources now available online:

U.S. Treasury Department released its first guidance for the Opportunity Zones tax incentive on October 19. That guidance includes [74 pages of proposed regulations](#), a five page revenue ruling, an updated Q&A document and both a draft of Form 8996 for qualified opportunity funds and instructions for that form. The U.S. Treasury Department also alerted the public that we should expect some additional guidance for Opportunity Zones later this year.

### **Business Meetings and Events**

1. Lake Lillian Restaurant Conversation
2. Agcellence Planning meetings and calls
3. MWTC Business Development
4. CVN follow-up planning with Joanna – MWTC
5. Video Demo of Broadband Assistance from NEO Partners
6. Agprofessionals Event planning
7. BRE subcommittee to research and decide on new BRE Survey Program
8. Industrial Hemp study partnership calls
9. Highway 23 membership and legislative planning
10. Presentation Willmar Sertoma

### **Business Visits**

1. DI Labs space needs with Leslie of Spicer EDA
2. Simply Shrimp
3. Willmar Childcare Center Loan Application
4. Ag-business Start-up
5. Follow-up with Taxi Company and Kandi Kwik Stop, Kandiyohi