

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
January 11, 2018
EDC Office, Willmar

Present: Art Benson, Rollie Boll, Robert Carlson, Donna Boonstra, Gary Gilman and Kelly TerWisscha
Excused: Les Heitke
Ex Officio: Roger Imdieke and Bruce Peterson
Guest: Beth Fischer, Executive Director, Willmar Lakes Area Convention & Visitors Bureau
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 11:02 a.m. and declared a quorum was present.

AGENDA—Added under Approve, was item 4, Remove Kathy Dillon from the Broadband and Advanced Technology Committee and add in her place, Gregg Price; and removed from the agenda under Unfinished Business was item 2, Natural Products Expo West 2018. Aaron Backman noted as to the financials he will make a few comments about the preliminary year-end financials.

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

CONSENT AGENDA—

- Approve:
1. Minutes of December 14, 2017 meeting
 2. Financial reports as of December 31, 2017
 3. Payment of bills
 - a. James M. Ruff, Inc. for \$1,400.00
 - b. REDstar for \$2,083.32
 - c. Minnesota Counties Intergovernmental Trust of \$2,359 for liability insurance coverage
 4. Remove Kathy Dillon from the Broadband and Advanced Technology Committee and add Gregg Price to the Broadband and Advanced Technology Committee

- Accept: Committee/Subcommittee Minutes
1. Agriculture and Renewable Energy Development 12/21/2017
 - a. Marketing Subcommittee 11/15 and 12/13/2017

2. Broadband and Advanced Technology 12/4/2017
3. Business Retention Expansion/Recruitment 12/1/2017

Year-end Financials. Backman reported the Profit & Loss Statement shows total income was \$565,829, which was very close to the budget of \$566,000. Total expenses were \$483,164, which was almost \$83,000 less than budgeted; however, the TIGER II grant was not expended and expenses for the BRE grant for diverse businesses (excluding staff time) were much less than grant funds received. Backman estimated he incurred approximately 200 hours in interviewing businesses and preparing the report. Administrative and office expenses were also less than budgeted. Backman reported all of the loans with the EDC are current and he may propose specifying certain funds for the Revolving Loan Fund program.

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Bruce Peterson reported the City of Willmar had \$50 million in new construction in 2017 and permit revenues were more than \$500,000. Preliminary hearings on 15th Street Flats will be on February 17th and presented to the council on February 20th. Peterson has been working with MinnWest Technology Campus about using a building for a manufacturing company and a technical educational facility with on-campus resident housing. Currently, city ordinance does not allow on-campus housing, but changes will be proposed to the council. No progress has been made on the Wye agreement. He is waiting for construction drawings on Legacy on First. Peterson announced Megan DeSchepper's replacement is Sarah Anderson, who came from Walker. The City of Willmar no longer has an administrative airport manager and the council is looking at possibly advertising the position. The current fixed base operator has expressed an interest in taking on the managerial duties. The Willmar Building Official is retiring in March, but will continue on a contract basis for a short period. PetSmart will be moving into the former Best Buy location, which will be remodeled. The Kandi Mall is looking for a third tenant for its new building. New service businesses have applied for sign permits. Building plans for the east Kwik Trip are being reviewed and he expects to receive plans in the near future for the downtown location; the south First Street plans are completed.

Business Visits and Meetings. Backman reported he received a call from the Minnesota Senate Capital Investment Committee administrator requesting the Highway 23 Coalition make a presentation to the committee, which was done on January 8th. Backman checked on the construction of the GrandStay Hotel, which is progressing. Backman has assisted Scott Marquardt of Southwest Initiative Foundation (SWIF) with Midtown Plaza and Ain-U-Shams grocery about financing. WAM-BC hired an employee, Carina Barrera. Backman attended the Chamber's Public Policy Committee meeting at Lakeland Elementary and the county's Planning Commission meeting as to rezoning for Black Bear Fish Houses. Black Bear Fish Houses is looking to relocate from Litchfield to a building on County Road 9 in Willmar. Realtor Doug Fenstra spoke with all neighboring property owners, who approve of the rezoning. The county board must formally rezone the property and a conditional use permit will also be needed. Backman attended the GROW Minnesota presentation by Bill Blazar and the 1 Million Cups presentation by Brian Bollig on Mr. B's Chocolates. He spoke with Granite Community Bank on Urban Escape's purchase of the Marketing Concepts building. Marketing Concepts is seeking to rent the second floor of the building for a short period. The loans to Urban Escape will be closed on March 1, 2018.

Highway 23 Coalition. Backman reported the Highway 23 Coalition currently has 67 members committed and is approaching \$51,000 in membership fees. Paid members consist of 16 units of government and 42 businesses (15 at the platinum level) totaling \$47,300. A board meeting was held this morning at Dooley's Petroleum where Bylaws were adopted. This past Monday approximately 12 state senators, who sit on the Capital Investment Committee, met in Willmar and heard presentations by the Coalition on completing the gaps on Highway 23 and by Mel Odens on the County Road 5/55 bridge project. Backman reviewed a packet of information that was presented to the committee, including quotes the EDC obtained from businesses along the highway. Backman spoke with Legislative Assistant Tim Bruels yesterday, who informed him the senators are discussing funding for the highway. Bruels felt the presentation went well and contained useful information. The Coalition was told to think of other options, if less than the full amount needed (\$140 million) is provided as the state estimates it will receive requests totaling \$4 billion. Backman stated the committee had a number of questions and the Coalition still intends to present both gaps for funding. The Coalition's next board meeting is February 8th at which they may discuss prioritization of the projects. Plans are being made for a general membership meeting. President Boonstra reported three of the Coalition's Legislative Committee members met with Rep. Kurt Daudt on December 21, who wanted to hear about the project. Daudt was impressed with the Coalition and is a supporter. It was noted that the Twin Cities is lobbying for a higher percentage of the Corridors of Commerce funds, which was conveyed to Daudt.

Recognition of Retiring Director. President Boonstra presented a plaque to Gary Gilman in recognition of his years of service on the board. The board thanked him for his service.

[Beth Fischer joined the meeting.]

UNFINISHED BUSINESS—

Tourism development funds. Backman indicated he invited Beth Fischer, Executive Director of the Willmar Lakes Area Convention & Visitors Bureau (CVB) to attend today's meeting relative to the potential use of the EDC's tourism development funds. The board previously approved \$5,000 of the funds being used for a silver sponsorship of the Governor's Fishing Opener to be held May 10-13, 2018. The Certificate of Deposit will mature on February 20, 2018 in the approximate amount of \$18,641.20. The board also approved \$3,750 for three bike trail signs to be located in Willmar, Spicer and New London. The CVB will also be installing signs—one on Progress Way in Spicer and one at the trail head in New London with the approval of the DNR. The signs will include new trail maps for the cities of Spicer and New London. Willmar is proposing their sign be at one of the parks. All maps were updated in conjunction with the county's bike trail plan. The CVB may do the sign with a county map rather than the city maps or have both with the county map as an inset. Additional use of the EDC's funds was to possibly replace the billboard by Raymond. The billboard by Pennock was also damaged by a storm. The billboards were not covered by insurance, but will be going forward. Fischer stated the Leisure Travel Committee budgets \$2,000 each year to update one billboard. In 2016, they redid the billboards by Raymond and Atwater. The Raymond billboard has more visibility compared to some of the other signs. Fischer stated the Leisure Travel Committee has had a lot of discussions on the billboards and determined it was important to keep them and prioritized the Raymond one to redo. Backman noted the EDC's tourism development funds are to be used for marketing. The board discussed the EDC's annual contribution to the CVB of \$34,000, which is used for marketing, updating billboards, maps, postage for

mailing the visitors' guide, etc. Fischer stated the graphics on the billboards are changed on a rotating basis about every six years. The board discussed the billboards should possibly be done more often and be more uniform in appearance and questioned if there are other entities that could be partners? The board would like to see a maintenance plan for all six billboards and to change their appearance.

[Fischer was excused from the meeting.]

NEW BUSINESS—

Boards' Annual Planning Session. Backman reported he has requested quotes from Linda Mathiasen and Bruce Miles to facilitate the boards' annual planning session. Suggested dates are March 22nd or 29th. Prairie Woods Environmental Learning Center is available on those days. The majority of the board members indicated a preference for March 29th. Backman will check with the Joint Powers Board as to their availability.

Auditor Selection. Backman reported the RFP for the EDC's audit went through 2016 and asked the board's preference going forward.

IT WAS MOVED BY Bob Carlson, SECONDED BY Kelly TerWisscha, to retain Ruff & Company to conduct an audit of the Kandiyohi County and City of Willmar Economic Development Commission's 2017 financial records. MOTION CARRIED.

ANNUAL MEETING

Regular Board Meeting Date, Time and Location. It was the board's consensus to continue meeting on the second Thursday of the month at 11:00 a.m. at the EDC office.

Assignment of Board Members to Standing Committees. Backman noted Bob Carlson would like to move to the Finance Committee and Kerry Johnson, who will be considered by the Joint Powers Board to replace Gary Gilman, is interested in continuing on the Finance Committee where she is currently a member. Committee assignments will be 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—Bob Carlson, Kerry Johnson and Bruce Peterson
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 that the president and vice president serve on the committee to perform the Executive Director's annual review.

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

Election of 2018 Officers. President Boonstra opened the floor to election of officers.

IT WAS MOVED BY Bob Carlson, SECONDED BY Gary Gilman, to elect the following: Donna Boonstra, president; Kelly TerWisscha, vice president; Art Benson, secretary and Rollie Boll, treasurer. MOTION CARRIED.

COMMITTEE REPORTS


Finance. Backman reported he was contacted by SWIF, which is proposing to refinance its loan to Peaceful Thymes Gifts & Garden. Such refinancing requires the approval of the other financing partners, Harvest Bank, the EDC and City of Atwater and the signing of a new Intercreditor Agreement. The loan with SWIF is ballooning February 5, 2018 and it is proposing a five-year loan of \$16,000, which will lower the monthly payments. Because of the short notice by SWIF, Backman is unable to obtain a recommendation by the EDC's Finance Committee. The current balance on the loan with the EDC is approximately \$8,141 and will mature in May 2019. The EDC is in a second shared collateral position with the lenders. This refinancing would move the EDC's loan down in priority regarding the forklift collateral, but does not involve any other changes to the EDC's loan.

IT WAS MOVED BY Bob Carlson, SECONDED BY Gary Gilman, to approve the refinancing of the loan from Southwest Initiative Foundation to Peaceful Thymes Gifts & Garden Center and the Kandiyohi County and City of Willmar Economic Development Commission signing a new Intercreditor Agreement with SWIF. MOTION CARRIED.

Board members recommended the Finance Committee be informed of this decision.


NEXT MEETING—The next board meeting is **11:00 a.m., Thursday, February 8, 2018** at the EDC office.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 12:59 p.m.



Art Benson, Secretary

APPROVED: 2/8/2018:



Kelly TerWisscha, Vice President