KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC) JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING MINUTES October 13, 2016 EDC Office, Willmar

- Present: Art Benson, Rollie Boll, Donna Boonstra, Robert Carlson, Gary Gilman and Linda Kacher
- Ex Officio: Doug Reese
- Excused: Aaron Backman, Bruce Peterson and Kelly TerWisscha
- Guests: Luke Greiner, Regional Analyst, Central & Southwest Minnesota Department of Employment and Economic Development; Gene West, Assistant Project Manager and Paul Rasmussen, Resident Engineer, District 8, Minnesota Department of Transportation
- Staff: Connie Schmoll, Business Development Specialist
- Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc. (LAA)

President Robert Carlson called the meeting to order at approximately 11:00 a.m. and added to the Consent Agenda, under Approve, item 3, payment of invoice from REDstar in the amount of \$1,680.00 and item 4, payment of invoice from EsseX Capital, LLC in the amount of \$2,125 as budgeted for membership in the Community Venture Network and signing of the Agreement for Professional Services.

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

CONSENT AGENDA-

- Approve: 1. Minutes of September 8, 2016 meeting;
 - 2. Financial reports as of September 30, 2016;
 - 3. Payment of invoice from REDstar in the amount of \$1,680.00; and
 - 4. Payment of invoice from EsseX Capital, LLC in the amount of \$2,125 as budgeted for membership in the Community Venture Network and signing of the Agreement for Professional Services.

Accept: Committee/Subcommittee Minutes

- 1. Agriculture and Renewable Energy Development 8/18/2016
- 2. Broadband and Advanced Technology 8/29/2016
- 3. Business Retention and Expansion/Recruitment (BRE/R) 8/17/2016
- 3. BRE/R Vision 2040 Workforce Subcommittee 8/16/2016
- 4. Leisure Travel 8/1/2016

Kandiyohi County Economic Profile. Connie Schmoll introduced Luke Greiner, Regional Analyst for Central & Southwest Minnesota Department of Employment and Economic Development (DEED). Greiner stated anyone may obtain information on Kandiyohi County from the DEED website under https://mn.gov/deed/data/regional-Imi/central-Imi.jsp select Region 6E. Greiner presented a PowerPoint presentation on Kandiyohi County's Economic Profile (<u>see</u> attached). Greiner encouraged businesses and agriculture producers to complete surveys sent to them by DEED as the state's data is based on self reporting. Non-employer statistics are self employed individuals. The largest segment of the county's employers are small businesses that employ 1-4 employees. Schmoll distributed DEED's "Central Region: 2016 Manufacturing Highlights" (<u>see</u> attached).

[Greiner was excused from the meeting and Gene West and Paul Rasmussen joined the meeting.]

BNSF Railway Wye Project. Schmoll introduced Gene West, Assistant Project Manager and Paul Rasmussen, Resident Engineer, District 8, Minnesota Department of Transportation (MNDOT). Rasmussen gave a presentation on the Willmar Rail Connector and Industrial Park Access Project (Willmar Wye) (see attached). A big benefit of the project is to provide rail access to Willmar Industrial Park, however, location of the 500 foot railroad spur has not yet been finalized. The Environmental Assessment is in process with plans to hold a public hearing in January 2017. West reviewed three alternative railway connections and road improvements (see maps attached). The main differences between the three alternatives relate to Highway 12 and County Road 55 on the north end. MNDOT staff recommends Alternative 2B. MNDOT is making specific contacts with freight haulers and emergency responders on the proposed routes. Doug Reese noted concerns from citizens about trucks using County Road 5 rather than County Road 55. The next open house on the Wye project is October 18, 2016 at the MNDOT office. West encouraged individuals to review information on MNDOT's website http://www.dot.state.mn.us/d8/projects/willmarwye.

[West and Rasmussen were excused from the meeting.]

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Schmoll informed the board that Aaron Backman is attending a Micropolitan Summit in Owatonna today to see if there is benefit to holding a similar summit in Willmar. Backes Technology Services, Inc. will be building a 4800 square foot facility this fall in the Willmar Industrial Park. Backman is working with the EDC's Marketing and Public Relations Committee on creating a flyer to market the Industrial Park.

Tax Abatement Projects. Schmoll reported the Kandi Mall received the requested 10-year tax abatement from Kandiyohi County and the Willmar School District. They are currently working on drafting the Business Subsidy Agreement. Glacial Ridge Hospitality also received its requested 10-year tax abatement from Kandiyohi County and the New London/Spicer School District and is working on the Business Subsidy Agreement. It was noted the EDC funded a portion of the feasibility study for the hotel to be constructed by Glacial Ridge Hospitality. The Job Creation Fund application by ERC Holdings was approved by the State of Minnesota in the amount of \$563,183 to be used toward renovation of the building owned by Kandiyohi Power Cooperative. Between these projects plus the Spicer hotel project, approximately 350 new jobs will be created in the county.

County Broadband Project. Schmoll reported Consolidated Telecommunications Company (CTC) submitted the Border-to-Border Grant application to the State of Minnesota for \$9,999,993. The State received 62 applications for projects in 37 counties. In addition to CTC's application for Kandiyohi County, TDS Telecom and Frontier Communications submitted applications. TDS Telecom's application was for approximately the same area as CTC's application and Frontier Communications' application was for southern Kandiyohi County. CTC's application included 71 letters of support and 7 videos.

West Central Angel Fund I. Schmoll reported West Central Angel Fund I is reviewing its legal documents and has four individuals in leadership roles and 31 members. The Fund has secured an accounting firm and a bank. Schmoll has two businesses that want to make presentations to the Fund.

Business Visits and Meetings. Schmoll informed the board that MSNBC was in Willmar last week to do a program on the diverse business community. Backman visited several minority-owned businesses, including Estrella Bakery, La Fiesta Foods, La Michoacana, Ainu-Shams, Samah Home Health Care and West Central Interpreting Services. Schmoll and Backman both participated in the Willmar Lakes Area Chamber of Commerce's Ag tours. Yesterday, Schmoll, Backman and the EDC's Workforce Subcommittee hosted 400 Willmar High School 10th graders at eight manufacturers. Schmoll reported she toured JMD Manufacturing this week.

UNFINISHED BUSINESS—Linda Kacher requested Backman follow up on several items recommended by the auditor at last month's meeting that needed to be done following the annual audit.

New Business—There was no new business.

COMMITTEE REPORTS

Ag Producers' Survey Subcommittee. Rollie Boll reported the subcommittee is raising funds to help conduct the survey and are looking for volunteers to help do the interviews. Board members voiced concern about the agriculture field and ability to secure financing. Schmoll stated Jim Molenaar has been secured to evaluate the survey data as he did in 2005.

Broadband and Advanced Technology. Schmoll stated the committee will be inviting TDS Telecom and Frontier Communications to attend a future committee meeting to discuss the projects they have planned for Kandiyohi County in the next few years.

BRE/R. Schmoll stated Sam Bowen was selected as the committee's new chair. The committee has changed its meetings to the third Friday of each month in hopes of gaining more participation.

Workforce Subcommittee. Schmoll reported the subcommittee completed the student tours. The Willmar High School would like the tours to continue and other area schools would also like to participate.

Finance. Gary Gilman reported the committee met and discussed the defaulted loan under the Entrepreneurs' Loan Guarantee Program. Schmoll informed the board of the committee's recommendation to pay the guarantee.

IT WAS MOVED BY Art Benson, SECONDED BY Rollie Boll, that the Kandiyohi County and City of Willmar Economic Development Commission pay to United Minnesota Bank the guarantee of \$23,253.88 from the Entrepreneurs' Loan Guarantee Program reserves for the defaulted loan of Inspirations Books & Gifts. MOTION CARRIED with Robert Carlson abstaining.

Gilman noted steps have been taken to limit such losses by requiring life insurance on the debtor. Gilman stated Backman is discussing the progress of remodeling The Hub with the Preservation Alliance of Minnesota and Willmar Downtown Development so tenants can open their businesses.

Marketing and Public Relations. Donna Boonstra reported the main item being worked on is a flyer for the Industrial Park.

Leisure Travel. Art Benson stated he was unable to attend the meeting.

NEXT MEETING—The next board meeting is **11:00 a.m., Thursday, November 10, 2016**, at the Goat Ridge Brewing Company, **17** Central Avenue West, New London.

ADJOURNMENT—There being no further business,

IT WAS MOVED BY Linda Kacher to adjourn the meeting.

The meeting was adjourned at approximately 12:50 p.m.

Gary Gilman, Secretary

APPROVED: 11/10/2016:

Robert Carlson, President



Labor Market Information Kandiyohi County

Luke Greiner

Regional Labor Market Analyst Department of Employment and Economic Development Labor Market Information Office <u>http://mn.gov/deed/data/</u>

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Labor Market Information Office

- Each state produces employment and economic statistics in cooperation with U.S. Department of Labor's Bureau of Labor Statistics.
- LMI includes employment statistics, unemployment rates, wages and salaries, job projections and more.
- LMI is the foundation for informed, market-responsive planning.





Minnesota DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

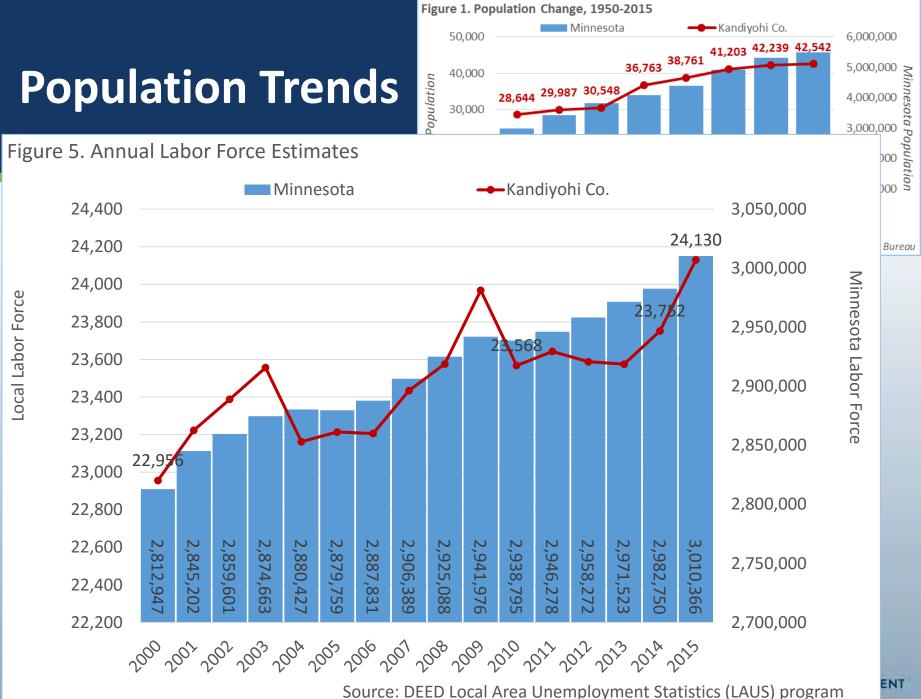
DEED's Regional Analysts

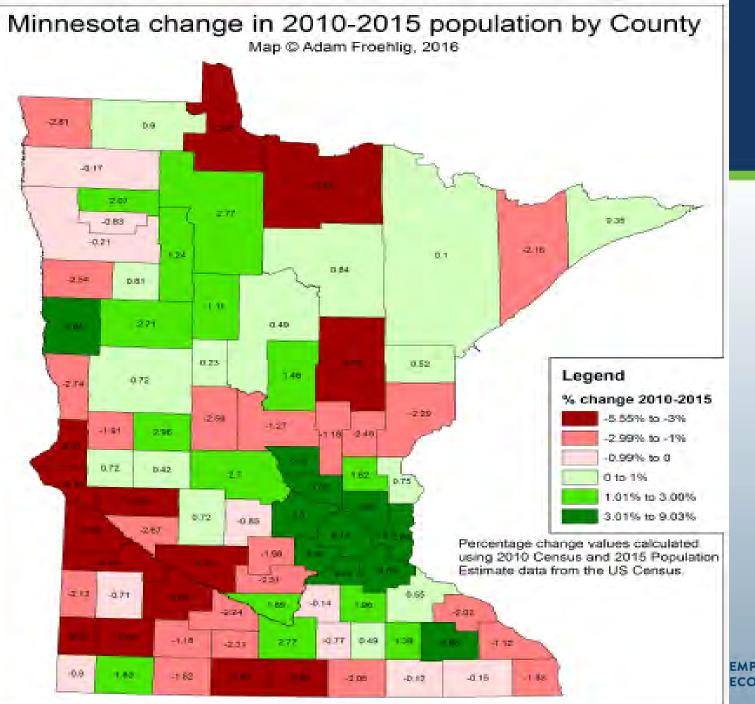
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Regional Profiles

EMPLOYM ECONOMI	ENT AND C DEVELOPMENT
For Job Seekers For Business	For Government About Us Data A-Z Index
Home Data Regional Labor Markets	Central
Data Current Economic Highlights Data Tools Export and Trade Statistics Research and Analysis Data Release Schedule Regional Labor Markets Central Metro Northeast Northeast Southeast Southeast Southeast	Central Region Labor Market Explore the Central Minnesota labor market, including employment, unemployment, wages, occupations, and industries. <i>Counties:</i> Benton, Chisago, Isanti, Kanabec Kandiyohi, McLeod, Meeker, Mille Lacs Pine, Renville, Sherburne, Stearns, Wright Profiles Profiles Articles Blog Tools Regional Profiles
Talk To Our Experts	Planning Region <u>Central Minnesota</u> Counties: Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Stearns, Wright <u>Economic Development Regions</u> <u>Region 6E</u> Counties: Kandiyohi, McLeod, Meeker, Renville



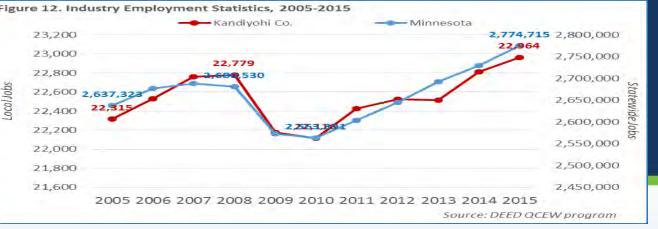


EMPLOYMENT AND ECONOMIC DEVELOPMENT

able 14. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2016									
	Family	Hourly	Monthly Costs						
	Yearly Cost of Living	Wage Required Child Care		Food	Health Care	Housing	Trans- portation	Other	Taxes
Kandiyohi Co.	\$44,445	\$14.25	\$221	\$765	\$408	\$687	\$725	\$454	\$444
Minnesota	\$54,804	\$17.57	\$462	\$771	\$408	\$916	\$805	\$528	\$677
		Source: DEED Cost of Living tool							

Table 20. Job Vacancy Survey Results	, Qtr. 2 2016							
Region 6E	Number of Total Vacancies	Percent Part-time	Percent Temporary or Seasonal	Requiring Post- Secondary Education	Requiring 1 or More Years of Experience	orlicense	Median Hourly Wage Offer	
Total, All Occupations	1,940	42%	13%	42%	38%	40%	\$13.29	
Management	22	11%	0%	87%	89%	67%	\$27.19	
Business & Financial Operations	13	20%	21%	91%	93%	20%	\$19.69	
Computer & Mathematical	10	0%	0%	100%	100%	0%	\$19.78	
Architecture & Engineering	23	0%	0%	63%	90%	79%	\$27.94	
Life, Physical & Social Sciences	25	0%	0%	95%	45%	36%	\$16.48	
Community & Social Service	160	21%	1%	83%	76%	38%	\$18.24	
Legal	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
Education, Training & Library	137	44%	12%	70%	42%	53%	\$15.05	
Arts, Design, Entertainment & Media	31	55%	9%	23%	57%	28%	\$13.46	
Healthcare Practitioners & Technical	168	34%	4%	96%	69%	99%	\$26.26	
Healthcare Support	135	62%	0%	74%	12%	76%	\$12.83	
Protective Service	15	43%	16%	39%	25%	71%	\$12.52	
Food Preparation & Serving Related	235	66%	8%	2%	24%	3%	\$9.89	
Building, Grounds Cleaning & Maint.	65	55%	62%	2%	4%	39%	\$10.37	
Personal Care & Service	54	51%	16%	0%	4%	9%	\$9.90	
Sales & Related	167	30%	5%	14%	21%	12%	\$11.28	
Office & Administrative Support	111	28%	6%	35%	28%	12%	\$13.74	
Construction & Extraction	265	41%	3%	55%	39%	10%	\$14.25	
Installation, Maintenance & Repair	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
Production	59	12%	8%	49%	4%	8%	\$14.10	
Transportation & Material Moving	212	66%	60%	0%	39%	92%	\$12.91	A
Internships	10	48%	27%	42%	2%	2%	\$7.72	E١

AND



Kandiyohi Co.	2015 Annual Data			2010-2015		2014-2015		
NAICS Industry Title	Number of Firms	Number of Jobs	Total Payroll (\$1,000s)	Avg. Annual Wage	Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	1,316	22,964	\$841,891	\$36,660	848	3.8%	152	0.7%
Agriculture, Forestry, Fish & Hunt	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Mining	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Construction	175	1,255	\$64,650	\$50,908	57	4.8%	47	3.9%
Manufacturing	68	3,349	\$153,424	\$45,812	378	12.7%	-7	-0.2%
Utilities	5	116	\$8,410	\$72,488	-3	-2.5%	2	1.8%
Wholesale Trade	55	732	\$44,235	\$60,424	-80	-9.9%	8	1.1%
Retail Trade	212	2,951	\$73,976	\$25,064	-24	-0.8%	32	1.1%
Transportation & Warehousing	78	585	\$23,247	\$39,676	54	10.2%	4	0.7%
Information	24	385	\$10,922	\$28,392	#N/A	#N/A	1	0.3%
Finance & Insurance	65	542	\$30,734	\$56,784	-39	-6.7%	-5	-0.9%
Real Estate & Rental & Leasing	40	128	\$4,051	\$31,720	-20	-13.5%	-14	-9.9%
Professional & Technical Services	81	637	\$29,020	\$45,552	117	22.5%	11	1.8%
Management of Companies	9	179	\$7,257	\$41,080	#N/A	#N/A	39	27.9%
Admin. Support & Waste Mgmt. Svcs.	55	626	\$15,498	\$24,804	#N/A	#N/A	2	0.3%
Educational Services	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Health Care & Social Assistance	#N/A	*5,584	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Arts, Entertainment, & Recreation	19	238	\$3,379	\$14,196	-19	-7.4%	-1	-0.4%
Accommodation & Food Services	80	1,526	\$25,875	\$17,108	161	11.8%	118	8.4%
Other Services	104	772	\$17,520	\$22,672	31	4.2%	-4	-0.5%
Public Administration	41	964	\$43,615	\$45,240	-11	-1.1%	12	1.3%

Source: DEED Quarterly Census of Employment & Wages (QCEW) program

Table 28. Census of Ag		Change in				
	Number of Farms	Market Value of Products Sold	State Rank (of 87)	Change in Mkt. Value, 2007-2012		
Kandiyohi Co.	1,310	\$495,390,000	8	60.3%		
State of Minnesota	74,542	\$21,280,184,000		61.5%		
Source: 2012 Census of Agriculture						

Table 27. Nonemployer Statistics, 2014								
		2014	2004-2014					
	Number of Firms	Receipts (\$1,000s)	Change in Nonemps.	Percent Change				
Kandiyohi Co.	3,117	\$143,471	158	5.3%				
State of Minnesota	394,690	\$17,982,080	33,610	9.3%				
Source: U.S. Census, Nonemployer Statistics program								

Table 26. Employers by Size Class, 2014							
	Kandiy	Kandiyohi Co.					
Number of Employees	Number of FirmsPercent of Firms		Percent of Firms				
1-4	709	51.2%	53.9%				
5-9	275	19.9%	17.7%				
10-19	206	14.9%	13.4%				
20-49	125	9.0%	9.1%				
50-99	44	3.2%	3.2%				
100-249	19	1.4%	1.9%				
250-499	3	0.2%	0.5%				
500 or more	3	0.2%	0.3%				
Total Firms	1,384	100.0%	100.0%				
Source: U.S. Census, County Business Patterns							

Source: U.S. Census, County Business Patterns

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Other LMI products and publications

Local Look Regional Blog

- Monthly blog covering regional economic trends
- Workforce insights. Occupations In Demand, Unemployment Rates

http://mn.gov/deed/data/locallook/

Minnesota Economic TRENDS

- Quarterly magazine on economic topics
- Subscriptions available free of charge or on-line

http://mn.gov/deed/trends

Minnesota Employment REVIEW

- Monthly magazine on economic data and regional trends
- Includes Minnesota business development
- Available exclusively on-line

http://mn.gov/deed/review







Thank you!



Please let me know how I can help!

Luke Greiner Regional Labor Market Analyst

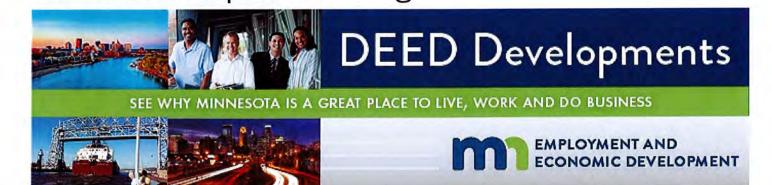
Labor Market Information Office Phone: (320)-308-5378 Luke.greiner@state.mn.us





DEED Developments Blog / Minnesota Department of Employment and Economic Development

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Central Region: 2016 Manufacturing Highlights

October 5, 2016

(http://www.mn.gov/deed/newscenter/infographics/manufacturing-infographics/central-info.jsp)Manufacturing is the second largest industry in Central Minnesota, behind health care and social assistance. With 41,473 jobs at 1,147 firms, manufacturing accounts for 15.5 percent of all employment in the region. That is much more concentrated than in the state as a whole, where 11.4 percent of total jobs are in manufacturing.

From 2011 to 2015, manufacturers in Central Minnesota added 4,675 new jobs, an increase of 12.7 percent. Food manufacturing and fabricated metal products are the largest manufacturing subsectors in the region with 18.5 and 16.9 percent of manufacturing jobs, respectively.

Manufacturing is one of the highest paying industries in the region. Total payroll in manufacturing neared \$2.1 billion in 2015. That accounted for 19.5 percent of total wages in Central Minnesota.

Average annual wages in manufacturing in the region were \$50,336 in 2015. That was 26.2 percent higher than average annual wages across all industries. Manufacturing wages in the region increased 9.9 percent from 2011 to 2015, compared to an overall increase of 12.5 percent.

Central Spotlight: Advancing the Global Economy with Advanced Manufacturing

Manufacturers in Central Minnesota produce everything from poultry to precision parts, however a cluster of manufacturing sectors collectively known as "advanced manufacturing" is special to Central Minnesota's manufacturing community.

Advanced manufacturing includes sub-sectors such as fabricated metal products, machinery, computer and electronic products, electrical equipment, appliance, and components, transportation equipment and miscellaneous manufacturing.

Although food manufacturing is the largest sub-sector in the region, when the sub-sectors within advanced manufacturing are combined, employment reaches 18,824 jobs – more the double the employment found in food manufacturing. Advanced manufacturing not only has a large number of jobs (45 percent of all manufacturing jobs in the region), but the sector is growing faster than manufacturing in general.

10/13/2016

DEED Developments Blog / Minnesota Department of Employment and Economic Development

In the last year, Central Minnesota's job growth across all industries amounted to 1.7 percent, while manufacturing grew by 2.3 percent, and advanced manufacturing growth was 2.5 percent from 2014 to 2015. Half of all new jobs in manufacturing over the last year were due to advanced manufacturing companies expanding their payrolls.

Average annual wages for advanced manufacturing were \$53,442 in 2015, up 5.7 percent from 2014. In comparison the average annual wage for all industries in Central Minnesota was just under \$40,000 while manufacturing jobs averaged a little more than \$50,000 (see Figure 1).





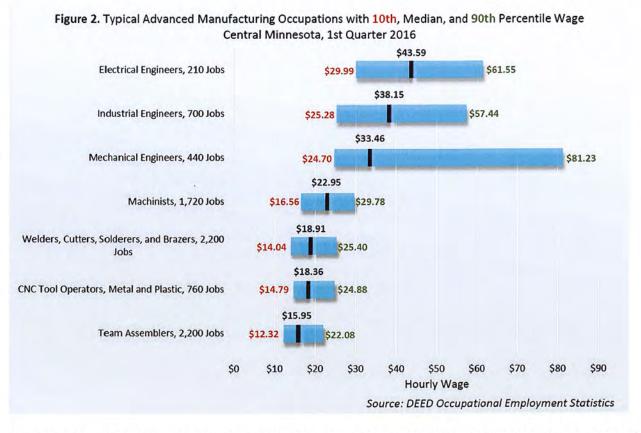
In the second quarter of 2016, manufacturers reported 839 job openings, up from 610 openings reported during the second quarter of the previous year. The median wage offer for job vacancies was nearly the same at \$15 per hour. Only 3 percent of manufacturing openings in the region were posted as part-time, while 37 percent required education

DEED Developments Blog / Minnesota Department of Employment and Economic Development

beyond a high school diploma/GED, and 48 percent required at least one or more years of experience.

Typical occupations found in advanced manufacturing facilities include team assemblers, machinists, welders, CNC operators, and industrial, mechanical and electrical engineers. These occupations are not exclusive to advanced manufacturing, however, and are also found in a variety of other sectors of manufacturing.

Figure 2 (below) illustrates the large range of hourly wages that can be earned by common occupations in advanced manufacturing. With roughly 2,200 jobs apiece, team assemblers and welders are the most numerous occupations in Central Minnesota, with wages ranging between \$12 and \$25 per hour. There are 440 mechanical engineers in Central Minnesota, with a median hourly wage of \$33.46, and the top 10 percent earning \$81.23 or more per hour.



While the global economy leans on advanced manufacturing to produce everything from buses and trailers to stainless steel tanks used in breweries and dairies, Central Minnesota can count on this sector to provide ample job opportunities with excellent wages.

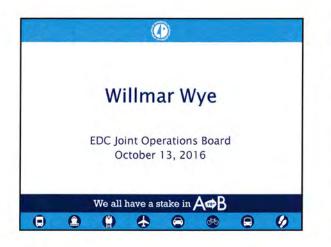
For more information, contact Luke Greiner (mailto:luke.greiner@state.mn.us), 320-308-5378.

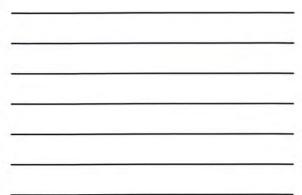
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Archives

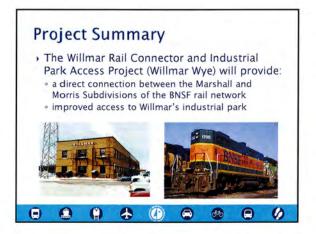
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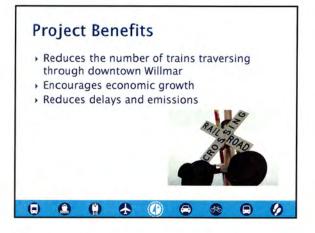




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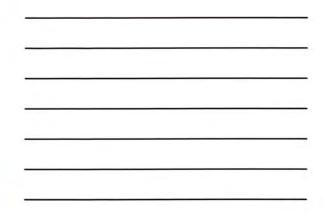


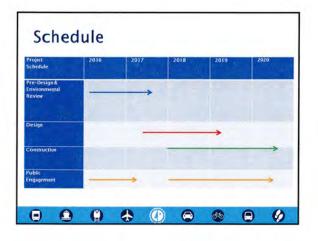


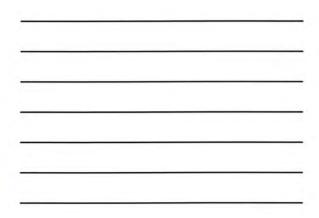


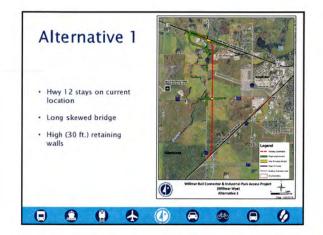


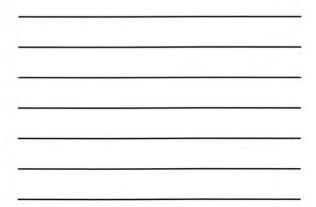


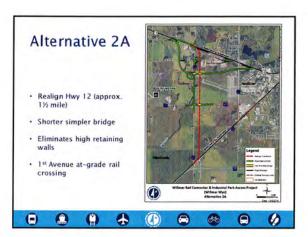




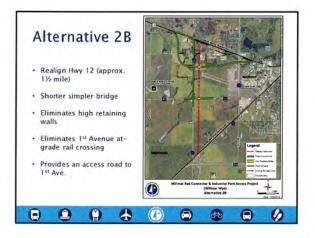




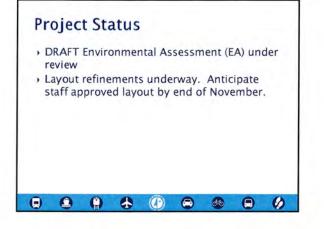


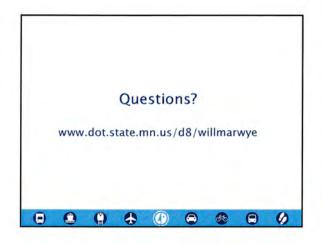




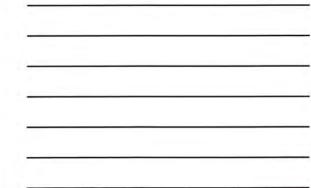


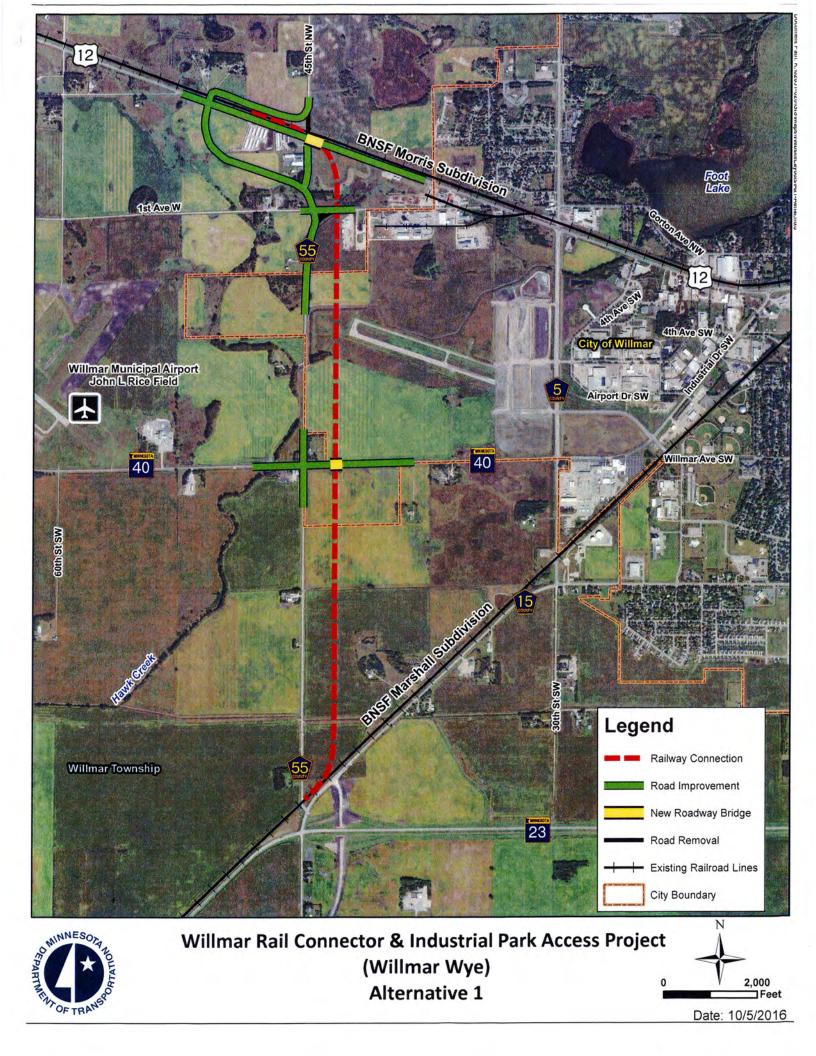


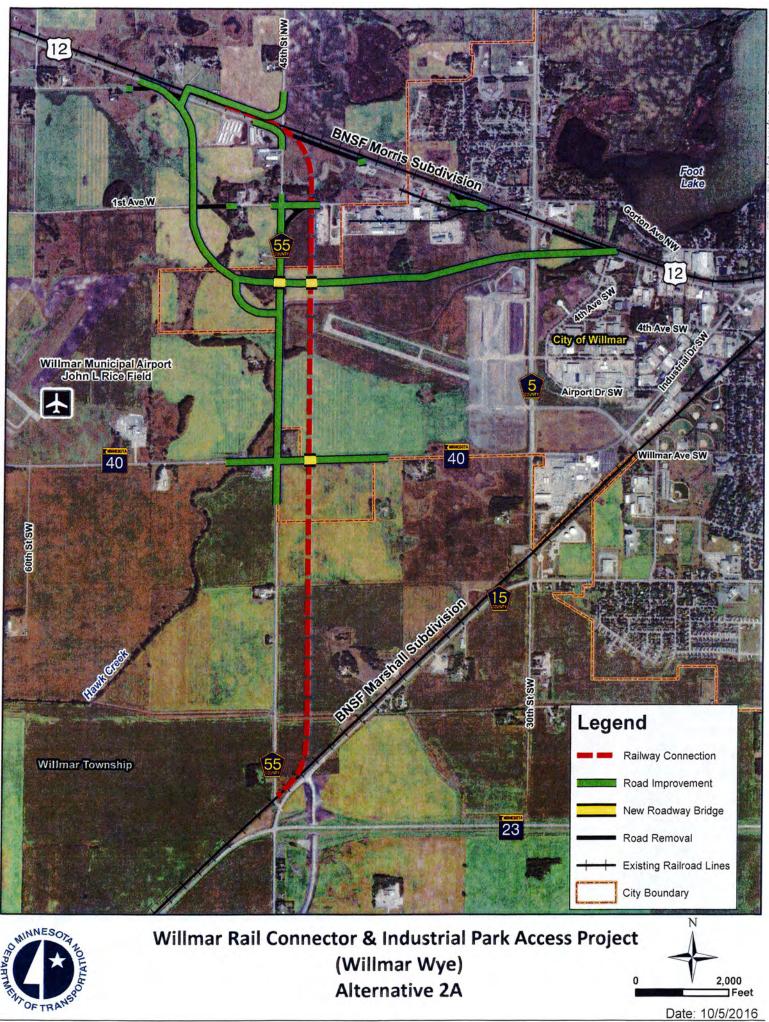




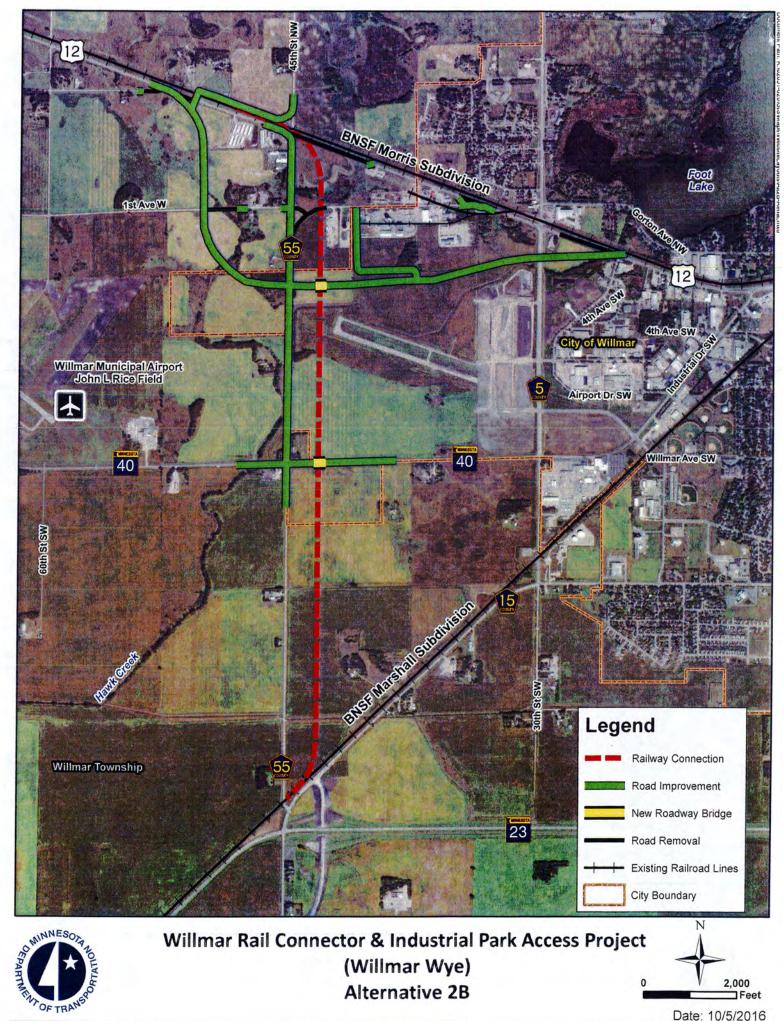








Date: 10/5/2016



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