

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
November 10, 2016
Goat Ridge Brewing Company, New London

Present: Art Benson, Rollie Boll, Donna Boonstra, Robert Carlson, Gary Gilman, Linda Kacher and Kelly TerWisscha

Ex Officio: Bruce Peterson and Doug Reese

Guests: Josh Reed, Goat Ridge Brewing Company; Bill Gossman, Mayor of New London; and Dean Lindquist, Little Crow Country Club

Staff: Aaron Backman, Executive Director and 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. Josh Reed, owner of Goat Ridge Brewing Company gave the history, growth and success of his business. His current goal to make it a destination brewery. Reed thanked the board for supporting his business with a guaranty loan through the EDC's Entrepreneurs' Loan Guarantee Program.

[Reed was excused from the meeting.]

Mayor Bill Gossman welcomed and thanked the board for coming to New London. Gossman spoke on the re-formation of the New London Economic Development Authority. Gossman reported New London's local option sales tax passed and will fund a portion of a new library—it still needs to be passed by the legislature. The city will bond to build the library and use the local option sales tax to payoff the bond.

AGENDA—The Consent Agenda was revised to add item 3, Payment of invoice from James Ruff in the amount of \$2,700 for the 2015 audit.

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

CONSENT AGENDA—

- Approve:
1. Minutes of October 13, 2016 meeting;
 2. Financial reports as of October 31, 2016; and
 3. Payment of invoice from James Ruff in the amount of \$2,700 for the 2015 audit.

Accept: Committee/Subcommittee Minutes

1. Ag Producers Survey Subcommittee 9/27/2016
2. Broadband and Advanced Technology 10/3/2016
3. Business Retention and Expansion/Recruitment (BRE/R) 10/21/2016
 - a. BRE/R Vision 2040 Workforce Subcommittee 9/20/2016
4. Finance 9/13 and 10/11/2016
5. Marketing and Public Relations 9/26 and 10/24/2016
6. Leisure Travel 9/12/2016

Little Crow Golf Course hotel project. Dean Lindquist thanked the EDC for supporting the hotel project and for Aaron Backman's assistance with the tax abatement approvals. Lindquist provided information on the proposed GrandStay Hotel, event center, restaurant and pro shop. The project is intended to minimize the risk to the golf course. Last week the golf course board voted unanimously to move forward with the project.

[Lindquist was excused from the meeting.]

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Bruce Peterson reported the City of Willmar signed an agreement with a new fixed base operator (FBO) for the airport. Since the new agreement, fuel sales have increased significantly to 10,000 gallons of jet fuel per month. The city will see increased revenue with the new agreement. Through the end of October there has been nearly \$60 million in new construction and renovation for 2016, which is up 40% from last year, and they issued permits for 35 new single-family homes. The city entered into a new contract with the state to handle plan reviews for all public projects. Hobby Lobby is scheduled to open in two months; they are looking forward to the Kandi Mall project to start; there is a substantial project planned for the Menards lot; property was sold to Dooley's and its office project is underway; and Bergh's Fabricating purchased the former airport terminal building. Getting the Industrial Park finished and receiving the state's shovel-ready certification will be beneficial to the city. Peterson stated the city had a very active year in 2016 and is looking forward to moving into 2017.

Aaron Backman showed aerial photos of the Willmar Industrial Park (see attached) that were taken by a photographer he hired. The EDC's Marketing and Public Relations Committee finalized the flyer for the Industrial Park (see attached). The flyer is on the EDC's website. Backman emailed the flyer to 10 site selectors nationally, all of whom are known to or have had projects in Minnesota. He has had positive responses from six of the site selectors and read some of the responses. Deane Foote of Glendale, Arizona, a site selector for food processors and manufacturers, is able to come to Willmar November 15-16, 2016. Foote's clients include Walmart distribution centers, aerospace manufacturers and Staples. Backman requested the EDC pay for Foote's travel expenses from Arizona to Willmar, including airfare, car rental and hotel.

IT WAS MOVED BY Kelly TerWisscha, SECONDED BY Linda Kacher, to approve payment of up to \$2,000 for the expenses of Dean Foote to travel to Willmar. MOTION CARRIED.

Backman distributed a letter (see attached) requested by the Joint Powers Board that was sent to local legislators regarding the preference for an at-grade crossing relative to the Wye. The City of Willmar and Kandiyohi County also sent letters promoting the at-grade crossing. Backman stated the legislators have already contacted MnDOT's government affairs person regarding the letters.

County Broadband Project. Connie Schmoll reported the state broadband grant application was submitted October 3, 2016. The state has stated it will have recipients selected before year end. Schmoll submitted the final report on the feasibility study to the Blandin Foundation, which accepted the report with no questions.

West Central Angel Fund I. Schmoll reported West Central Angel Fund I has not met in the last month, but the leaders are reviewing the organizational legal documents. As soon as the documents are completed, the group will meet again. There are currently 31 investors.

Business Visits and Meetings. Backman reported yesterday the fourth annual University of Minnesota (U of M) Showcase was held at MinnWest Technology Campus. Presenters included representatives from the U of M's Office of Technology Commercialization, Minnesota Poultry Testing Lab, Mid-Central Research and Outreach Center and Epitopix. Schmoll reported a staff person from Senator Franken's office toured New London with the assistance of Mayor Gossman. Schmoll reported she toured Chappell Central with Willmar High School students; visited businesses on First Avenue, including the surplus store, PALS and PALS Propane relative to road changes anticipated with the Wye project. Schmoll and Donna Boonstra attended a three-day broadband conference and came away with goals for the EDC's Broadband and Advanced Technology Committee. Backman provided information on the Micropolitan Summit he attended in Owatonna last month. Micropolitan Summits provide opportunities for development in a community and are attended by approximately 50 to 100 individuals that include developers, contractors, site selectors and realtors. Backman indicated a local group has been meeting about potentially hosting a summit in Willmar. The potential cost is \$9,500 and Backman is researching whether it would be beneficial to host a local summit.

UNFINISHED BUSINESS—

2015 Audit Recommendations. Backman indicated the auditor's recommendations have been addressed.

NEW BUSINESS—

2016 Budget Amendments. Backman suggested the following amendments be made to the income portion of the 2016 budget: add a line for Ag Producers' Survey Planning Subcommittee fund raising of \$2,500 and add interest received from the Certificate of Deposit that was cashed in at North American State Bank of \$518 and reduce a similar amount from the Income from Reserve Fund. The board determined these were not significant changes and did not take any action.

2017 Health Insurance. Backman reported staff's health insurance premiums are increasing 17% in 2017. The Joint Powers Board approved increasing staff's allowance from \$850 per month to \$920 per month and taking the increase from the reserve fund.

Diverse Business Retention and Expansion Program. Backman reported he has been discussing with Southwest Initiative Foundation (SWIF) a \$15,000 grant for the EDC to do a BRE program for diverse businesses. The grant does not require matching funds and would run from November 2016 to June 2017. Reimbursement to the EDC would be about \$2,100 per month. Backman has already started meeting with diverse businesses in Willmar and believes this would not add undue work for EDC staff. Schmoll stated Synchronist has forms that can be used for the grant reports. SWIF would require two visits each month with diverse businesses and a report on the findings. Peterson believes this is a way for SWIF to reinvest in the Willmar community.

IT WAS MOVED BY Linda Kacher, SECONDED BY Art Benson, to approve the Kandiyohi County and City of Willmar Economic Development Commission applying for and accepting a BRE program grant for diverse businesses from the Southwest Initiative Foundation. MOTION CARRIED.

[Bruce Peterson was excused from the meeting.]

Willmar Area Multicultural Business Center. Backman reported Charly Leuze resigned as the director of the Willmar Area Multicultural Business Center (WAM-BC). He has discussed with board officers the future direction of WAM-BC. Traditionally, WAM-BC has given loans to Latino, Asian and Somali businesses. WAM-BC is able to apply for grants that the EDC cannot. Backman has explored whether WAM-BC would be interested in subletting the EDC's empty office and their board has shown interest in the proposal. Backman also asked members of the Elks if they are open to the idea of the EDC subletting the office. Backman noted Small Business Development Center and SCORE counselors are available at the EDC, which could be of benefit to WAM-BC loan applicants/recipients. Backman may invite WAM-BC representatives to attend the next EDCOB meeting. Gary Gilman suggested the former Windstream office in the Elks building may be a possibility for WAM-BC.

COMMITTEE REPORTS

Finance. Backman reported the guarantee payment to United Minnesota Bank for Inspirations Books & Gifts was paid in October. Backman reported on meetings with Steve Peppin as to repaying the guarantee the EDC paid in 2010 to Heritage Bank for his defaulted loan in the amount of \$7,980.37. Peppin agreed to repayment and signed a Promissory Note and automatic payment authorization for \$250 per month beginning November 15, 2016.

IT WAS MOVED BY Gary Gilman, SECONDED BY Kelly TerWisscha, to approve the Kandiyohi County and City of Willmar Economic Development Commission entering into a Promissory Note with Steve Peppin for his repayment of \$7,980.37. MOTION CARRIED.

[Donna Boonstra and Gary Gilman were excused from the meeting.]

Broadband and Advanced Technology. Schmoll reported the Hack₂0 group has approved using the remaining hackathon grant funds from the Blandin Foundation for the MNyou Group (see attached).

IT WAS MOVED BY Linda Kacher, SECONDED BY Kelly TerWisscha to approve payment of \$3,385 to MNyou Group from the hackathon grant funds remaining in the Kandiyohi County and City of Willmar Economic Development Commission's account before year end. MOTION CARRIED.

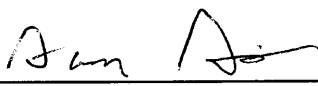
Marketing and Public Relations. Backman reported the fall newsletter is close to being done.

Other. Backman reported the state awarded a \$563,000 grant to ERC Holdings from the Job Creation Fund. ERC Holdings located here through the recommendation of a site selector who contacted Backman. ERC is currently training staff. Backman read a thank you email from ERC management (see attached). Backman is also working on a potential reuse of the downtown Mills Auto site.

Leisure Travel. Art Benson reported the coach of the Warhawks and the new manager of the Kandi Entertainment Center gave presentations to the Leisure Travel Committee. Kelly TerWisscha spoke in favor of a new artificial turf field at the New London-Spicer High School, which he believes could bring economic benefit to the area as it would be a draw to host Lacrosse and other outdoor sports tournaments.

NEXT MEETING—The next board meeting is **11:00 a.m., Thursday, December 8, 2016**, at the EDC Office, Willmar.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 12:50 p.m.



Gary Gilman, Secretary

APPROVED: 12/8/2016:



Robert Carlson, President











SHOVEL-READY WITH ROOM TO GROW

— WILLMAR INDUSTRIAL PARK —

Businesses ready to expand and build should consider the expanding industrial park in Willmar, Minnesota. It recently gained shovel-ready status, a certification by the Department of Employment and Economic Development (DEED), that means the planning, zoning, surveys, title work, environmental studies, soils analysis and infrastructure engineering are complete to start construction.

The park is just two miles from the Willmar airport, which has available hangar space and a modern terminal building. It is also a transportation hub with north/south connections via US Highway 71 and MN Highway 23 and east/west connections via US Highway 12. Plans to add direct rail car access to the Willmar Industrial Park were also recently announced. The site is close to the Burlington Northern Santa Fe switching yard connecting Chicago to the Pacific coastal states. Over 30 companies already call Willmar Industrial Park home, including Jennie-O Turkey Store, Willmar Poultry Company, Mills Parts Center, Willmar Electric Service, RELCO and Chappell Central.

One of only 34
shovel-ready
industrial parks in
Minnesota



Zoned I-1
Light Industry



Easy access to
US Highways 12, 71
and MN Highway 23



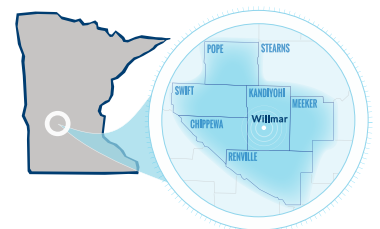
36 platted lots
available



Contact us:
kandiyohi.com
toll-free 866.665.4556

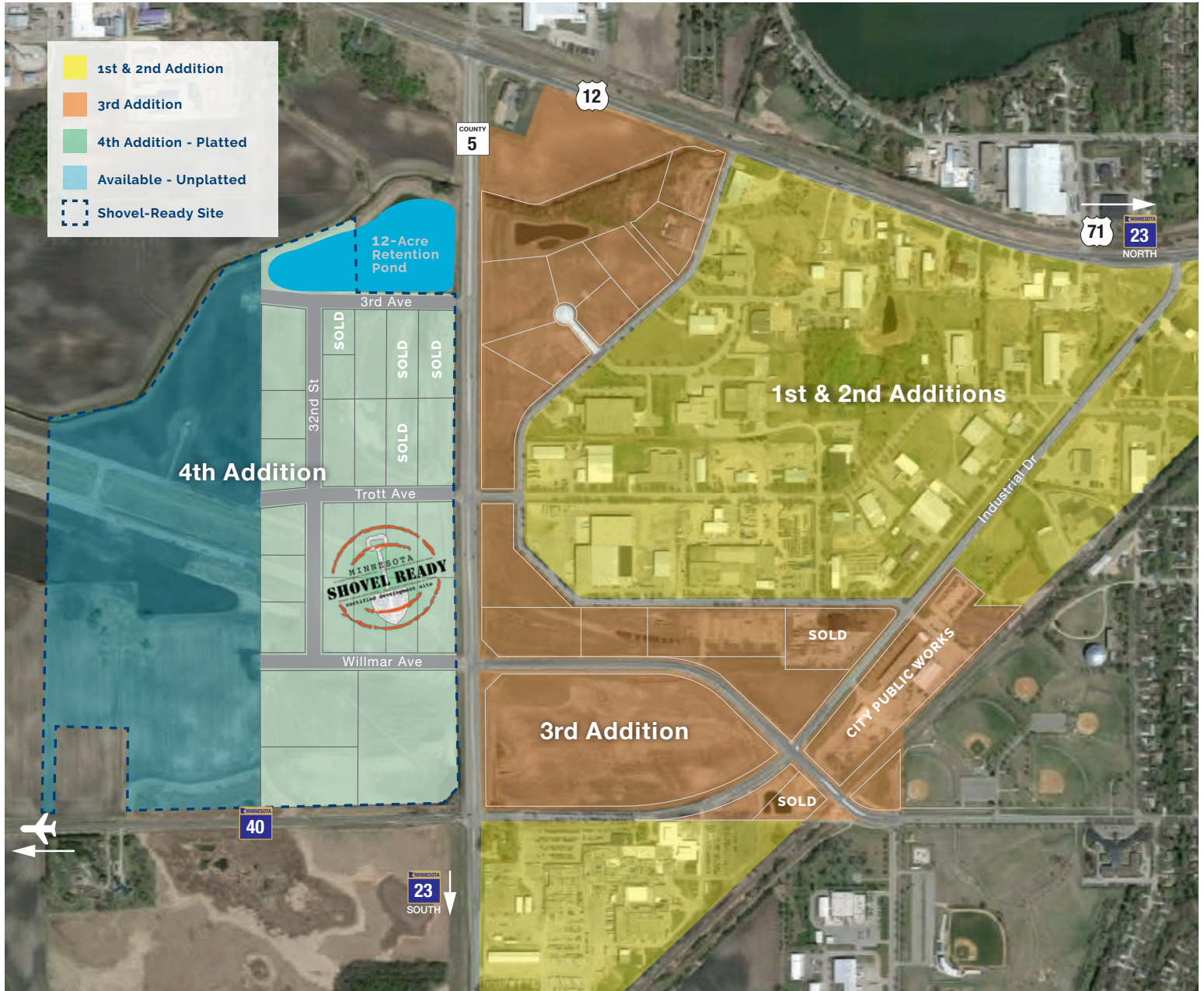


OPEN *for* BUSINESS



A CLOSER LOOK

WILLMAR INDUSTRIAL PARK



Available:

241 acres

150 acres Shovel Ready

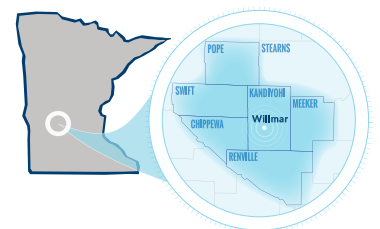
36 lots

1.4 - 29.0 acre lots

Contact us:
kandiyohi.com
toll-free 866.665.4556



OPEN *for* BUSINESS



November 9, 2016

U.S. Senator Amy Klobuchar
Room 250
1200 Washington Avenue South
Minneapolis, MN 55416

U.S. Senator Al Franken
Suite 220
60 East Plato Boulevard
St. Paul, MN 55107

Congressman Collin Peterson
Seventh Congressional District
324 Third Street SW
Willmar, MN 56201

RE: Railroad Wye Project

Dear U.S. Senators and Congressman:

The Joint Powers Board of the Kandiyohi County and City of Willmar Economic Development Commission (EDC) met on October 27th. During an update/discussion of the Railroad Wye Project, it was brought to the attention of the Board members that Option 2B would result in closure of the existing First Avenue Southwest serving a number of long-time businesses in the Willmar area. It was the unanimous recommendation of the Board that there be an at-grade crossing to serve the businesses on both sides of the proposed Railroad Wye. The most impacted businesses are Farm Service Elevator and PALS Propane. Gary Ascheman, Manager of Farm Service Elevator, indicates that Option 2B will hurt his business and impact his ability to expand. The elevator typically has an ADT for Trucks of around 80 trucks. Steve Minnehan, General Manager of PALS Propane, is concerned for the traffic safety associated with Option 2B. He is concerned with propane contract trucks and left turning traffic. Both businesses want an at-grade crossing.

The EDC appreciates your support of the TIGER grant that was approved for this important infrastructure project in the City of Willmar. In light of the local business concerns, the EDC's Joint Powers Board urges your support of keeping an at-grade crossing at First Avenue. The EDC believes the guidelines of the Federal Railroad Administration, the Federal Highway Administration, and the Minnesota Department of Transportation that limit new at-grade crossing of railways for safety reasons are not warranted in this particular case.

Sincerely,



Aaron A. Backman
Executive Director

c: EDC Joint Powers Board
Jon Huseby, MnDOT District 8

MNyou Group

Contact:

Nathan Erickson – Project Manager
341 N 7th St Apt. 2
Kandiyohi, MN 56251
(320) 429-0472
contact@naerickson.me

The MNyou (menu) project was created at the 2016 Hack2o event in Willmar, MN. The purpose of the website is to connect regional food growers with local consumers. The idea is to create an affordable online marketing website for local vendors and to give local consumers a convenient “hub” to find fresh food.

The group of people working on the project have decided to continue working and have plans to roll it out by the first of the year. Since the Hack, the group has met several times to discuss what’s next for the project and to gauge interest from local groups. One of the local groups we’ve met with is the Willmar Food Hub. Their group has made it clear that their web presence has been one of the biggest obstacles in getting the project off the ground and hope to utilize our website to generate interest.

To continue working on the project we are in need of some assistance. Please find our proposal overview below:

Projected time: October 2016 through October 2019

Budget: \$3,385

Total amount requested of the EDC: \$3,385

Project Needs:

Server space: 3 yrs. of service @ \$180 /yr. = \$540

Domain: 3 yrs. domain service @ \$15 /yr. = \$45

Trademarking: \$600 for name and logo

Contracted design work: 12.5 hours @ \$30 /hr. = \$500 Zach Wolf

.net back-end coding: Brandon, Guillermo, Kelly, Cody = \$200 each for continued work on the website

Marketing / Project management: Nate and Ben = \$200 each

Advertising: Facebook, fliers, business cards = \$500

Attachments:

Powerpoint: <http://www.slideshare.net/atreacy/hack2o-mnyou>

Video presentation from Hack: https://youtu.be/8Fvhcg_BARQ

Meeting notes & agenda from 11/07/16 meeting with the Food Hub:

Food Hub Planning Meeting

MSNBC Sunday SEFF - Financial Date / time 11/7/2016 1:00 PM Location 414 Becker Avenue SW


Purpose of meeting: Is to brainstorm, plan, and do visionary work around what the Food Hub will look like.

Why you were invited: We believe you are collaborative and creative and we want you on our food hub planning team.

Facilitator: Leah Schueler

Note taker: Beverly Dougherty

Ben, Fabiana, Time, Cody, Sara, Mary



Agenda Items

Topic	Presenter	Time allotted
<input type="checkbox"/> Updates around the table	All	30m - 1 hr
<input type="checkbox"/> Trip to Little Falls	Beverly	15-20 mins
<input type="checkbox"/> Hub Acres prep for winter	Beverly/Brett	20 mins
<input type="checkbox"/> Greenhouse	Beverly/Nancy	20 mins
<input type="checkbox"/> Other thoughts/wrap-up	All	5 mins

Other Information

Next meeting:

Vendor assistance notice

Hub Link

Readiness Banner

Test → Paper / SMS notice of meeting

Vendor Reference Link / sign up Tracker

Notice of Readiness

Visitor connect

Blog / FB / Twitter

Hub MSNBC Link

SHOCase Blog / Vendor / User

Pride of the Prairie

CSA style Bundles

Delivery / Drop Pick Return / Exchange

MSNBC Sunday SEFF - Financial

Ben, Fabiana, Time, Cody, Sara, Mary

Minnesota

Department of Employment and Economic Development

October 31, 2016

Mr. Christopher McClurg
Compliance and Quality Assurance Coordinator
ERC
8014 Bayberry Road
Jacksonville, FL 32256

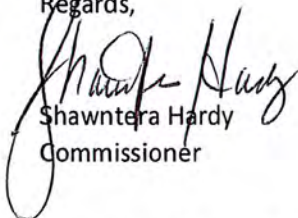
Dear Mr. McClurg:

I am pleased to inform you that ERC's application for Job Creation Fund designation in Willmar is approved. As outlined in the application, ERC is expected to have \$842,440 in eligible capital expenditures and create 238 new jobs. Based on those and other factors, the Department of Employment and Economic Development will provide up to \$563,183 in a Job Creation Fund award to ERC, consisting of up to \$500,000 in a job creation award and \$63,183 in a capital investment rebate. The contract will have a five (5) year term. To facilitate the timely delivery of this assistance, all contracts and agreements associated with this financing must be completed within 120 days from the date of this letter or the award may be rescinded.

A business subsidy agreement, which includes a provision regarding prevailing wage, is being prepared by the Business and Community Development Division staff. They will also provide you with additional information on performance goals, reporting and requesting funds. For additional information, contact Tom Washa, Program Administrator, at 651-259-7483 or Drew Lindorfer, Business & Community Development Representative, at 651-259-7450.

Thank you for your investment and job creation in Minnesota. We are excited about your expansion and look forward to your long-term success.

Regards,



Shawntera Hardy
Commissioner

C: Senator Lyle Koenen
Representative Dave Baker
Aaron A. Backman, Executive Director

Economic Development Division

1st National Bank Building ■ 332 Minnesota Street, Suite E200 ■ Saint Paul, MN 55101-1351 USA ■ www.mn.gov/deed

Toll Free: 800-657-3858 ■ Phone: 651-259-7114 ■ Fax: 651-296-5287 ■ TTY: 651-296-3900

AN EQUAL OPPORTUNITY EMPLOYER AND SERVICE PROVIDER

Aaron Backman

From: Chris McClurg <cmclurg@ercbpo.com>
Sent: Thursday, November 03, 2016 10:30 AM
To: Washa, Tom (DEED)
Cc: Hughes, Lisa (DEED); leslie@ginovus.com; Aaron Backman; Lindorfer, Drew (DEED); Marty Sarim; Mike Harrison
Subject: RE: ERC - Job Creation Fund Business Designation Next Steps

Tom, Aaron, and Team:

Let start by thank you again for all your support through this process thus far. We're truly appreciative of the opportunity the State and Kandiyohi county are providing to us and we look forward to the future and growing within Minnesota! Our team is working on the review of the documentation and will work to get these back to you as soon as possible.

Additionally, Leslie Wagner and Ginovus will continue to be involved through the duration of this process, as well as the annual compliance assessments. I kindly ask that you continue to include her on any communications as well.

Thank you again for all your support and we'll be in touch soon!

Chris

Warm regards,

Christopher J. McClurg | *Director of Internal Audit*
ERC
8014 Bayberry Road | Jacksonville | FL | 32256
T 904.680.2591 ext. 2022 | M 904.629.1860
ercbpo.com

From: Washa, Tom (DEED) [mailto:Tom.Washa@state.mn.us]
Sent: Wednesday, November 02, 2016 3:25 PM
To: Chris McClurg <cmclurg@ercbpo.com>
Cc: Hughes, Lisa (DEED) <lisa.hughes@state.mn.us>; leslie@ginovus.com; Aaron Backman <aaron@Kandiyohi.com>; Lindorfer, Drew (DEED) <Drew.Lindorfer@state.mn.us>
Subject: ERC - Job Creation Fund Business Designation Next Steps

Good afternoon Chris –

Congratulations on becoming a Minnesota Job Creation Fund business! Please find attached four (4) documents to aid in the next steps in the Job Creation Program. The first document is the "Baseline Establishment," which you will need to complete. This will help us establish the company's baseline employment level that will be used within the business subsidy agreement as of your benefit date. The second document is the "Prevailing Wage Certification" that requires you to pay prevailing wage for the eligible capital investment. Please complete BOTH forms and return as soon as

possible as we need both to process the business subsidy agreement. The third document is the "Program Guide." This handout will assist you with what will be needed of you, what the local government's role is and how we here at DEED are available to assist you. Finally, the fourth document is the "Award Letter." We have also mailed the letter via the US Postal Service as well.

Please review and if you have any questions or concerns, feel free to contact me, Tom Washa at 651-259-7483.

My best regards,

Tom Washa, MBA | Program Administrator – Principal

Minnesota Department of Employment and Economic Development

Office of Business Finance

1st National Bank Building, 332 Minnesota Street, Suite E200 St. Paul MN 55101

Direct: 651-259-7483

[Web](#) | [Twitter](#) | [Facebook](#)



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