

**KANDIYOHU COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT POWERS BOARD OF COMMISSIONERS MEETING**

MINUTES

April 27, 2017

EDC Office, Willmar, MN

Present: Fernando Alvarado, Roger Imdieke, Harlan Madsen, Rollie Nissen and Kathy Schwantes

Absent: Andrew Plowman

Staff: Aaron Backman, Executive Director and Connie Schmoll, Business Development Specialist

Media: Carolyn Lange, West Central Tribune

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc. (LAA)

Chairperson Harlan Madsen called the meeting to order at approximately 12:10 a.m. and declared a quorum was present.

MINUTES

IT WAS MOVED BY Roger Imdieke, SECONDED BY Fernando Alvarado, to approve the minutes of the January 26, 2017 annual meeting and March 23, 2017 special meeting of the Kandiyohi County and City of Willmar Economic Development Commission Joint Powers Board of Commissioners as e-mailed. All present voted unanimously in favor by roll call.

TREASURER'S REPORT—Aaron Backman presented the financial reports for periods ending January 31, February 28 and March 31, 2017. Backman reviewed the March Balance Sheet noting the Kandiyohi County Creating Entrepreneurial Opportunities (KCEO) board wrote off the 2014-2015 student loans in April. Backman also reviewed the March Profit & Loss Statement noting receipt of grant funds from Southwest Initiative Foundation. Backman noted the expenditures are within budget for the first quarter with total memberships, dues and subscriptions being slightly higher than budgeted.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Kathy Schwantes, to accept the Kandiyohi County and City of Willmar Economic Development Commission financial reports for periods ending January 31, February 28 and March 31, 2017, subject to audit. All present voted unanimously in favor by roll call.

PROGRESS REPORTS

County Broadband Project. Chairperson Madsen noted in the board packet is a map of the broadband project area and a letter that was sent to potential subscribers (see attached). Connie Schmoll reported more than 400 individuals have registered online and 400 more are needed. Schmoll provided a marketing packet to the Joint Powers Board members for their use in getting individuals to sign up. Schmoll reported seven Meet & Greet events were held with CTC representatives, including CTC's CEO, who attended the last Meet & Greet. Committee members are and will continue to go door-to-door to solicit registrations. Consolidated Telecommunications Company (CTC) was awarded a \$4.94 million grant from the state of Minnesota and the county is ready to bond for \$5 million upon CTC's request. CTC has stated that unless 50% of the potential subscribers sign up, it will not start construction of the project. Local media has been helping market the need for subscribers. Chairperson Madsen noted the Kandiyohi County Board of Commissioners postponed the sale of the bonds at this time. Schmoll thanked Donna Boonstra for her contact with legislators. Rollie Nissen asked that all board members assist with signing up users. Nissen stated individuals can check their Internet speed on CTC's website and noted that during the initial sign up, subscribers can have the fiber installed to their home at no charge and installation will increase their home's value. If they sign up afterwards, they will have to pay approximately \$1,500 for installation. Feedback from individuals in the project area has been good; about 80% of those contacted through door-to-door solicitations have preregistered. Some places are seasonal and do not wish to have technology at their seasonal home. Schmoll stated individuals outside the project area are wanting to sign up. If there is a large enough cluster of people in the project area who are not included in the project, CTC may consider including them.

West Central Angel Fund I. Schmoll reported the limited liability company was formed and held its organizational meeting. The members are currently working on the application process. Schmoll has turned over her information to Laura Arne, who was hired as the Fund's administrative person, and to Christianson PLLP, which will do the accounting. Schmoll will no longer attend the Fund's meetings, but will bring to it potential projects.

Business Retention and Expansion Grant for Diverse Businesses. Backman reported he is halfway through the site visits, which has been an interesting and informative process. He has visited with both Somali and Latino-owned businesses.

[Rollie Boll was excused from the meeting.]

Highway 23 Coalition. Backman reported 15 individuals representing Kandiyohi County and communities and businesses along Highway 23 attended transportation meetings on April 19, 2017 at the State Capitol with Minnesota Department of Transportation (MnDOT) Commissioner Zelle, Rep. Baker, House Speaker Daudt and Paul Torkelson, Chair of the State Transportation Committee. MnDOT has spent \$151 million on expanding Highway 23 to four lanes, but additional funding is needed to complete the gaps. Baker, Daudt and Torkelson are supportive of transportation funding and Corridors of Commerce projects. Backman noted Jennie-O Turkey Store alone has more than 22,000 semi loads traveling Highway 23 each year and referred to the statistics used on the post card developed by the EDC (see attached). Backman distributed copies of an article "Governor Expects GOP Transportation Plan to Win As Negotiations Begin" (see attached). Backman stated House File 861 is the transportation finance bill that includes \$250 million for

Corridors of Commerce and at this time contains only one reference to an earmark, which is for Highway 212. Rollie Nissen stated Jeff Thompson, Mayor of Paynesville, made a good point during the meetings that there is no four-lane highway going from Sioux Falls, South Dakota to Duluth, Minnesota—Highway 23 has been designated a Corridor of Commerce, but not developed. Backman stated the next step is to have a transportation rally, possibly in Spicer. Roger Imdieke stated the House Bill addresses about one-third of the shortfalls and anticipates there will be more discussions about transportation.

Business Visits and Meetings. Backman provided a list of businesses he has visited in the first quarter and events he has attended. He also participates in a monthly Open Mic show on KWLM radio. Schmoll made some business visits, but mainly focused on ag producer visits for the Ag BRE Study. Meetings and events attended included a Latino service providers meeting as to workforce needs, Job Fair, broadband Meet & Greet events, Farmers Union meeting, railroad update with BNSF and West Central Ag Show at which the EDC's Ag Committee had a booth and made contact with 93 attendees. Schmoll was a presenter at the AURI New Uses Forum on the West Central Angel Fund I. Chairperson Madsen noted he cannot participate in a program for dairy farmers that monitor cows through a chip in the cow's ear because he does not have high-speed broadband. Access to broadband would be a phenomenal opportunity to enhance smaller dairies. Schmoll agreed that ag producers need higher upload speeds. Schmoll also attended the Wisconsin Cheese Industry Conference and learned of value-added processes.

UNFINISHED BUSINESS

Executive Director's Annual Review Process. Chairperson Madsen stated he, Donna Boonstra and Gary Gilman met and reviewed the compilation of board member's responses to Backman's annual review. They then met with Backman about the results and had a very enlightening and productive conversation. Outgoing board members and new board members were sent the surveys, but not all wanted to participate. Madsen noted feedback was very positive and the responses averaged 3.56 out of 4. Board members highlighted the shovel-ready certification of the Willmar Industrial Park as a strong indicator of success. Board members were very positive as to Backman establishing relationships, making business visits and making connections with people. There was a strong note of support for Backman's fiduciary responsibility and competency and adjusting being very proactive in adjusting the budget when needed. Chairperson Madsen presented the review to the Joint Operations Board, which recommended a salary increase in 2018 of \$110,000.

IT WAS MOVED BY Roger Imdieke, SECONDED BY Kathy Schwantes, to approve the recommendation of the Kandiyohi County and City of Willmar Economic Development Commission Joint Operations Board to accept the annual evaluation of Aaron Backman, continue his employment and include in the 2018 budget a salary of \$110,000 for Backman. All present voted unanimously in favor by roll call.

Backman thanked the board for their support and indicated he is looking forward to the future.

NEW BUSINESS

Amend 2017 budget.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Harlan Madsen, to approve the recommendation of the Kandiyohi County and City of Willmar Economic Development Commission Joint Operations Board to amend the 2017 budget by adding expense line items for the Diverse BRE grant and income lines for the damage deposit and rent to be received from the Willmar Area Multicultural Market Business Center. All present voted unanimously in favor by roll call.

Payment of Broadband General Obligation Bond Interest. Backman presented information on the bonds for the broadband project. Kandiyohi County is a partner with CTC and the bonds are subject to market rate interest, which is currently lower than anticipated. Schmoll stated CTC is appreciative of the Joint Operations Board's recommendation as to the bond interest assistance.

IT WAS MOVED BY Kathy Schwantes, SECONDED BY Fernando Alvarado, to approve the recommendation of the Kandiyohi County and City of Willmar Economic Development Commission (EDC) Joint Operations Board that the EDC pay to Consolidated Telecommunications Company the interest expense above the interest estimated by Ehlers as of January 12, 2017 at a maximum of \$10,000 per year, if needed, limited to three years or until the project meets a 60% sign-up rate, whichever occurs first. The EDC's first interest payment of \$5,000 will be made February 1, 2018 and \$5,000 installments every six months thereafter until the EDC's commitment is completed. All present voted unanimously in favor by roll call.

[Bruce Peterson and Kelly TerWisscha were excused from the meeting.]

Revolving Loan Fund Loan to New Minnesotan Realty, LLC. Backman provided background information on the loan and complete financing package of New Minnesotan Realty, LLC. The EDC's loan was closed this week and is the first EDC loan approved to an East African business in Kandiyohi County.

IT WAS MOVED BY Rollie Nissen, SECONDED BY Roger Imdieke, to ratify the Kandiyohi County and City of Willmar Economic Development Commission Joint Operations Board's approval of a seven-year \$30,000 Revolving Loan Fund loan to New Minnesotan Realty, LLC at 5.5% interest with interest-only payments for the first 12 months and taking a shared third-position security interest with Mid-Minnesota Development Commission. All present voted unanimously in favor by roll call.

Certificate of Deposit. Backman stated a Certificate of Deposit became due and after receiving responses to a request for proposal, the Joint Operations Board recommended it be reinvested with North American State Bank.

IT WAS MOVED BY Fernando Alvarado, SECONDED BY Kathy Schwantes, to ratify the Kandiyohi County and City of Willmar Economic Development Commission Joint Operations Board's decision to cash in Certificate of Deposit No. 14334 at Concorde

Bank in the original amount of \$103,548.44 and reinvest the funds plus accrued interest in a 12-month Certificate of Deposit at North American State Bank at an interest rate of 1.06%. All present voted unanimously in favor by roll call.

COMMITTEE REPORTS

Agriculture and Renewable Energy Development. Schmoll reported the Ag Producer BRE Report now includes Chapter V, Potential Strategies. Schmoll suggested board members read the new chapter plus Chapter IV, Findings. The Ag Committee wants to accomplish at least two strategies in the next year. Some strategies are not time limited. Schwantes complimented the Ag Committee, Jim Molenaar and Schmoll on the results of the report.

Business Retention and Expansion/Recruitment. Backman reported Magnum Trucking is moving forward and a public hearing will be held May 1 on the purchase of a lot on the south end of Fourth Addition in the Willmar Industrial Park. Backman will make the presentation to the City of Willmar in Bruce Peterson's absence.

Marketing and Public Relations. The committee is working on various materials (see attached), including a flyer for the Ag Committee. The Ag Committee formed a Marketing Subcommittee to address what it would like to accomplish.

Leisure Travel. Backman stated the last meeting was held at McKale's Catering's new facility in New London.

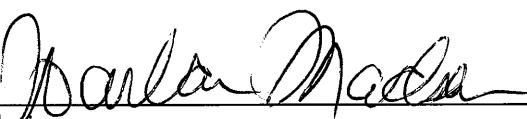
ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 1:07 p.m.

NEXT MEETING—The next regular meeting is 11:30 a.m., Thursday, July 27, 2017, at the EDC office.



Secretary

APPROVED: 7/27/2017:



Chairperson



Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

Dear Kandiyohi County Resident:

The EDC's Broadband and Advanced Technology Committee is working diligently on getting broadband to rural Kandiyohi County. Consolidated Telecommunications Company (CTC) was awarded a state broadband grant of \$4.94 million. Kandiyohi County is issuing bonds in the amount of \$5 million as a grant match which will be repaid to the County by CTC.

CTC wants to bring high-speed, frustration-free fiber Internet to your business, **BUT FIRST...we need to show at least 50% interest from residents and businesses in the project area.** For high-speed Internet that will not slow down when more devices are added or in the evenings when many people in the area are connecting, this project is essential because it has fiber services that will meet access and speed demands well into the future. The prices are comparable to other services in the area that are not offering such speeds. And, **because of the state grant, there will be no installation charges for those signing up** during the project timeline.

We need every each and every one of you to **show your interest in this project by signing up today** at CTC's website at <http://join.connectctc.com>. Showing interest and signing up is not a commitment at this time and no billing information will be required. We are requesting that you go on-line to show your interest by April 10th in order to secure the project. Because a service option needs to be selected to complete and be counted as showing interest, we suggest you choose the minimum service at this time which is the 50M Internet plan.

Here are the **residential Internet service rates** that are available on the site.

Internet Only – 1 Gig.....	\$300.00/mo
Internet Only – 250M.....	\$85.00/mo
Internet Only – 50M.....	\$50.00/mo

(Pricing for businesses may be slightly different)

At a later time, someone from CTC will be calling you to determine the level of service you're interested in and answer all your questions. They will also ask for a \$25 deposit that will be credited back to you on your first billing if you commit to services when they call.

The next CTC Meet & Greet event will be held April 4th from 5:00-6:30 p.m. at Dethlefs Community Center, 217 Hillcrest Avenue, Spicer, MN and it will be an additional opportunity for individuals and businesses to:

- Meet with the broadband provider, CTC;
- Ask any questions they may have; and
- Sign up for future broadband services if they haven't already.

The **2016 Broadband Feasibility Study** for rural Kandiyohi County residents **revealed that 82% of respondents desire better Internet service and speeds** and would support such a project. Many who are not in the project area are calling and asking when they will be able to receive such services. I hope you will help us secure the project that will move forward in your area if enough interest is shown by April 10, 2017.

Thank you for your consideration,

Donna Boonstra

Donna Boonstra, President
Kandiyohi County & City of Willmar EDC Joint Operations Board

Kandiyohi County Proposed Service Area



join.connectctc.com



COALITION

OUR ECONOMIC FUTURE DEPENDS ON FOUR-LANE ACCESS AND FILLING THE GAPS FROM WILLMAR TO I-94

COMMUNITY

- MnDOT District 8 completed environmental reviews, but does not currently have funding to complete the four-lane gaps.
- Willmar is the largest outstate city without four-lane access.
- A four-lane connection to the interstate is essential to West Central MN's economy & 60,000+ workforce.

GROWTH

- Accessibility is required to attract and retain manufacturing jobs, businesses and skilled employees.
- Willmar's \$48 million Railroad Wye project will provide spur line access which also enables multimodal transport.

INDUSTRY

- Logistics and warehousing businesses with just-in-time inventory models require four-lane accessibility.
- Safe, reliable transportation is crucial for our key industries and the traveling public.
- In the six county region, 585 transportation-related businesses with 13,000 employees will directly benefit.



Contact us at kandiyohi.com or toll-free at **866.665.4556**



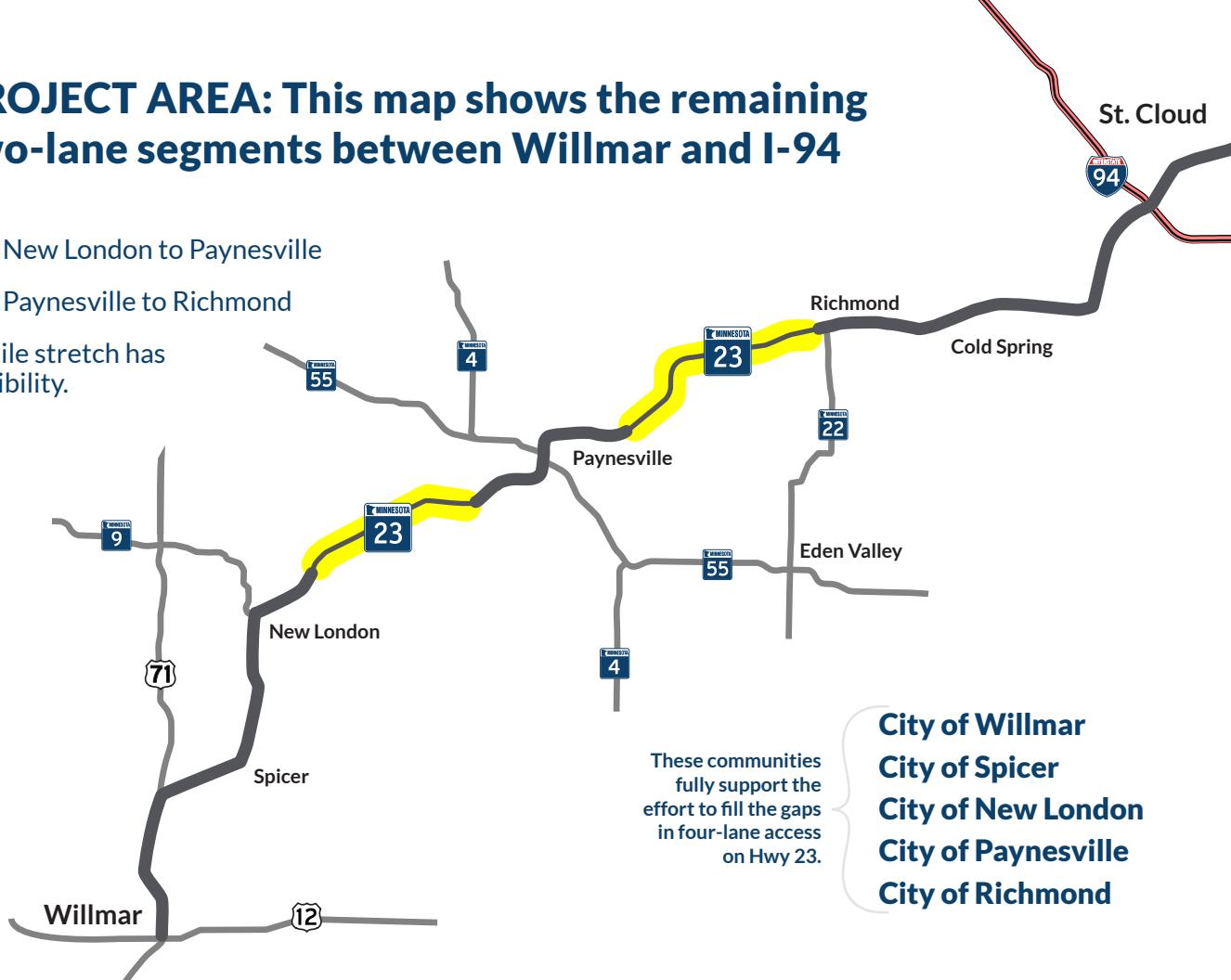


PROJECT AREA: This map shows the remaining two-lane segments between Willmar and I-94

7-mile gap from New London to Paynesville

8-mile gap from Paynesville to Richmond

72% of the 53-mile stretch has four-lane accessibility.





Governor Expects GOP Transportation Plan To Win As Negotiations Begin

Posted on [April 19, 2017](#)

by [Don Davis](#)

[Minnesota government](#)

Minnesota's Democratic governor admitted he probably will accept a Republican transportation funding plan he does not like, rural lawmakers said they heard loud and clear during a holiday break that farmers want buffer law changes and ralliers chanted support for the House Democratic leader's comments critical of white men who did not listen to women of color.

Tuesday, April 18, was the first day of the 2017 Minnesota Legislature's home stretch, with a goal of reaching agreement on a \$46 billion, two-year budget before a May 22 adjournment date.

Dayton told an interviewer that he likely will give in to Republican demands on transportation funding. He wants to increase fuel taxes, while GOP bills transfer sales tax funds collected on vehicle-related goods from other programs to road and bridge construction.

"Will I swallow it?" Dayton asked in a WCCO radio interview. "Yeah, probably I will, because we need a transportation bill."

Dayton has talked about a dime-a-gallon gasoline tax increase, which along with borrowing money and raising the license renewal fee would bring in \$8.5 billion for road and bridge work over the next decade. That is more than either the House or the Senate propose.

Some experts say nearly \$20 billion is needed in 10 years to bring roads and bridges up to par.

The transportation issue likely will become part of end-of-session negotiations that could begin as soon as Wednesday.

Dayton's office reported he had no meetings planned with Republican leaders.

On Monday, Dayton sent a letter to legislative leaders and his commissioners delivered 55 letters to legislative budget negotiators outlining places where they disagree with Republican legislation.

Sen. David Tomassoni, D-Chisholm, spoke for many lawmakers when he said: “I have no idea how this is going to come together.”

Senate Majority Leader Paul Gazelka, R-Nisswa, and House Speaker Kurt Daudt, R-Crown, have said they want House, Senate and Dayton administration negotiators to jointly decide spending questions; the governor said the Legislature needs “one position” before he is willing to enter budget negotiations.

Another place Dayton said he will not negotiate is about a 2015 law he championed to require plant buffers between cropland and water. Republicans, in particular, want to delay next year’s implementation deadline and some want to provide farmers with payments for land they no longer will be able to use.

Many rural legislators returning from a 10-day Passover-Easter break said the buffer issue was what they heard about most.

Rep. Paul Marquart, D-Dilworth, said buffers dominated eight town hall meetings he had with Sen. Kent Eken, D-Twin Valley. While the discussion was not confrontational, he said that farmers at every meeting made comments like: “This is taking away my income, taking away my land.”

Rep. Paul Anderson, R-Starbuck, said he worked on his farm during the break, but he heard from farmers wondering what they must do to comply with the buffer law.

While it may not happen this year, Anderson said that the Legislature needs to consider paying farmers for land they lose to buffer strips.

Sen. Mark Johnson, R-East Grand Forks, said his holiday break seemed a lot like when he campaigned last fall: Health care insurance dominated discussion.

While others were discussing legislation, more than 100 women, along with some men, rallied in the Capitol rotunda in support of House Minority Leader Melissa Hortman, D-Brooklyn Park.

Hortman recently complained that some white men were playing cards in a room adjoining the House chamber while women of color were speaking. She said they should have listened to the “important debate.”

Republicans demand that Hortman apologize, but the group Minnesota Protests organized the rally to back her.

Women at the rally held a variety of signs, including one that read: “If you don’t want to be called out for ignoring women of color, try listening to women of color.”

DIVERSE AGRICULTURE & RENEWABLE ENERGY OPPORTUNITIES

AGRICULTURE & RENEWABLE ENERGY DEVELOPMENT COMMITTEE

Kandiyohi County has deep roots in agriculture and a bright future as well. Our strong agriculture sector makes us a prime location for agribusiness, bioscience and technology businesses. Many industry leaders such as Nova-Tech Engineering, Select Genetics, RELCO, LLC and Jennie-O Turkey Store are headquartered here in West Central Minnesota's business hub. Recently, we've made some great strides towards creating a more eco-friendly business community by investing our time in renewable energy efforts.

The EDC is committed to working collaboratively with local farmers and ag-related industries through our Agriculture & Renewable Energy Development Committee. The committee's mission is "To sustain, identify and develop agriculture, agribusiness and renewable energy opportunities." It supports this mission by targeting activities that leverage Kandiyohi County's assets in agriculture, with a special emphasis on ag business, manufacturing, bioscience, technology, energy and research.

Diverse ag economy with over 1,300 farms



Produced enough wind & solar to power 1,280 homes



Contact us:
kandiyohi.com
toll-free 866.665.4556

IMPACT BY THE NUMBERS

— — — A PROFILE OF AG AND RENEWABLE ENERGY IN KANDIYOHİ COUNTY — — —

Agriculture in Kandiyohi County



Farmland:

415,090 acres

Land Area:

75%

of Farms:

1,310

Average Size:

317 acres



Agricultural Marketing:

\$414 million { Crops: \$183 million
(2016) Livestock: \$231 million

Renewable Energy in Kandiyohi County



Wind:

7.7 million kwh

Enough to Power:

800 homes



Solar:

5.3 million kwh

Enough to Power:

480 homes



Ethanol:

65 million gallons

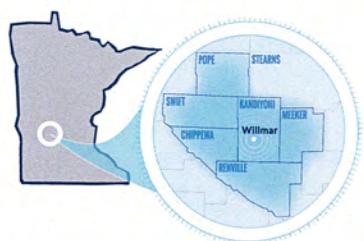
Enough E-85 to Power:

190,000 cars

Contact us:
kandiyohi.com
toll-free 866.665.4556


Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

OPEN *for* BUSINESS





The Kandiyohi County and City of Willmar EDC has **built collaborative relationships** with our city and county governments, private industry and community organizations. We are funded by a local levy, allowing us to address economic development for West Central Minnesota's business hub.

The EDC has provided **visionary leadership** in several regional projects:



Development of the MinnWest Technology Campus



Expanding current industrial park and getting it certified "shovel-ready"



Supporting alternative energy projects



Spearheading a broadband initiative that was awarded a \$5 million grant in 2017



Promoting a locally-based multicultural market



Aaron Backman

Economic Development Director

aaron@kandiyohi.com



Connie Schmoll

Business Development Specialist

connie@kandiyohi.com

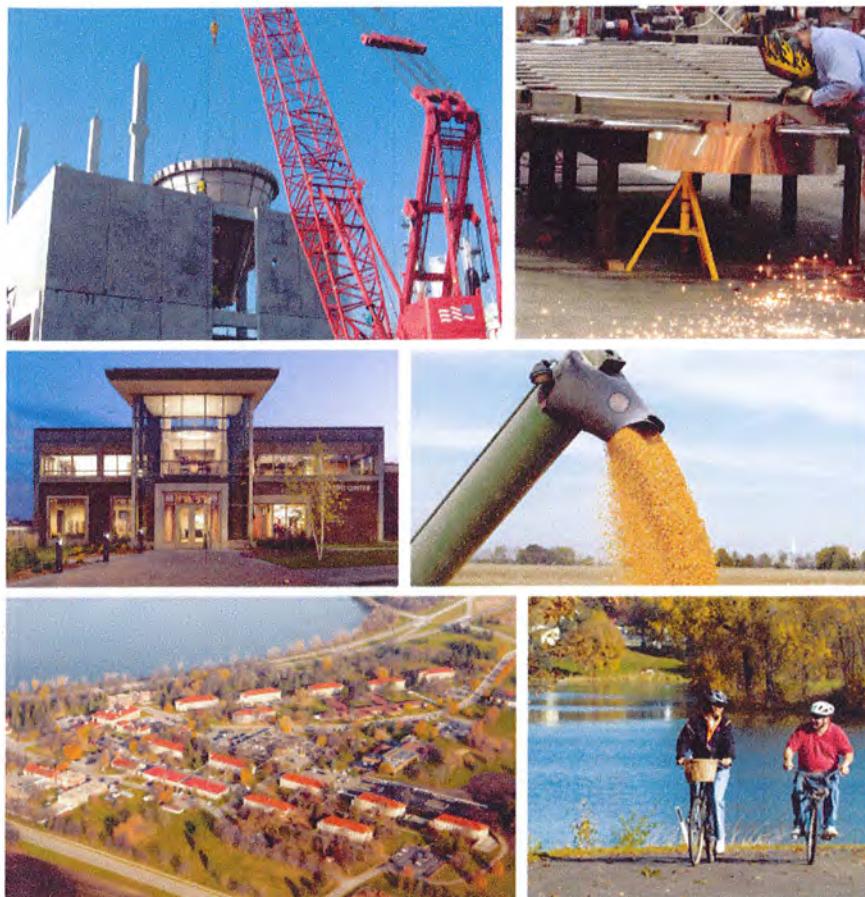
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Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION



OPEN *for* BUSINESS

OUR FOCUS

ADVOCACY

We advocate for the local business community by providing customized support, consulting and mentoring programs. We also provide access to critical funding sources and aid in the application process.

RETENTION

We support our local business community by providing customized business retention, expansion and relocation support. It's our goal to assist startups by providing access to funding opportunities and our growing entrepreneurial network.

EXPANSION

We actively recruit businesses to our area in the industries that are best suited to our local economy: healthcare, agriculture, renewable energy, biotechnology, retail and e-commerce.

MARKETING

We work closely with our marketing committee to promote our community in order to attract targeted businesses and talent from all sectors.



Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

Proudly serving these
Kandiyohi County communities:

Atwater | Blomkest | Kandiyohi | Lake Lillian
New London | Pennock | Prinsburg | Raymond
Spicer | Sunburg | Willmar

AREA HIGHLIGHTS



REGIONAL HEALTHCARE CENTER



COMMUNITY COLLEGE



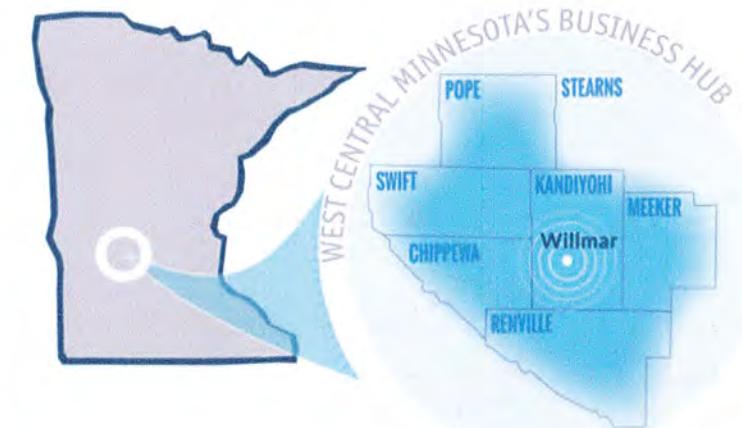
RESEARCH & TECHNOLOGY CAMPUS



COWORKING SPACE



REGIONAL AIRPORT & RAIL HUB



Kandiyohi County and the **Willmar Lakes Area** is a vital, growing, regional center in the heart of West Central Minnesota. The total population of the county has surpassed 103,500 and is growing. Willmar is a diversified, growing, micropolitan city. The Minnesota demographer forecasts continued growth because of our diverse economy, expansion in smaller industries as well as tourism in the area.

KEY INDUSTRIES



Ag Technology



Medical



Advanced
Manufacturing



Retail /
Restaurants