

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
June 13, 2019
EDC Board Room, Willmar

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

Ex Officio: Dave Ramstad, Ph.D., Director, Planning and Development Services, City of Willmar

Excused: Roger Imdieke and Connie Schmoll

Staff: Aaron Backman, Executive Director

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

President Kelly TerWisscha called the meeting to order at approximately 11:02 a.m.

AGENDA—Added to the Agenda under New Business were revisions to the 2019 budget and changing Connie Schmoll's title.

IT WAS MOVED BY Rollie Boll, SECONDED BY Donna Boonstra, to approve the revised Agenda and following Consent Agenda. MOTION CARRIED.

CONSENT AGENDA—

- Approve:
1. Minutes of May 9, 2019 meeting
 2. Financial reports as of May 31, 2019
 3. Payment of REDstar bill for \$3,674.71 from the Marketing and Public Relations Committee's budget
- Accept: Committee/Subcommittee Minutes
1. Ag Industrial Hemp Subcommittee 3/11 and 4/8/2019
 2. Broadband and Advanced Technology 5/6/2019
 3. Business Retention Expansion/Recruitment 5/3/2019
 4. Marketing and Public Relations 4/22/2019
 5. Leisure Travel 4/1 and 5/6/2019

UNFINISHED BUSINESS

USDA Intermediary Relending Program. Aaron Backman gave an update on discussions between the U.S. Department of Agriculture (USDA) and the Kandiyohi County Housing and Redevelopment Authority (HRA), about the EDC taking over the USDA Intermediary Relending Program (IRP) from the

Kandiyohi County HRA, which has been administering the program since 1998. There are three active loans and no loans have been issued in the last nine years. Backman and Schmoll appeared before the HRA board yesterday relative to this possible transfer. Backman voiced his concern that if the IRP is not used, the USDA will take back the program. If the IRP is transferred to the EDC, Backman would propose expanding the territory and eligible businesses and would administer the IRP in-house. Backman asked if the HRA is interested in this transfer and, if it is, what would be the process to complete the transfer. The HRA board will continue to discuss Backman's proposal. Dr. Dave Ramstad stated downtown Willmar has been struggling with its storefronts. Ramstad just received a list of incentive programs available for downtown Willmar and he would be in favor of the IRP remaining for just the downtown businesses. Board members spoke in favor of opening up the program to the entire county and noted downtown Willmar businesses would still be eligible if this change occurred. Backman stated the EDC would prepare a new plan to be approved by the HRA board followed by the transfer of the HRA's IRP assets. The HRA does not have a Finance Committee that reviews loan applications. Schmoll informed the HRA board of the EDC's loan approval process. Backman stated the initial guidelines were based on Willmar Design Center and Main Street Willmar guidelines. Backman indicated the likelihood of getting a new IRP approved by the USDA is remote; thus, transfer of the current program is the best scenario.

Revised Lease Renewal Proposal from Willmar Elks Club. Backman reviewed the changes in the revised Lease Agreement (see attached), which incorporates the changes requested by this board. Kerry Johnson questioned why the EDC does not own a building for its office space. Board members noted that for the space leased, availability of parking and rent being all inclusive with no increase for five years, the proposed rent increase is a favorable amount. It was also noted the location being on a major highway and an entrance into the city of Willmar is beneficial. Heitke suggested if ownership is desired, conversations could start with Marcus Construction as to purchasing a portion of the neighboring property.

IT WAS MOVED BY Kerry Johnson, SECONDED BY Donna Boonstra, to recommend to the Joint Powers Board that it approve the Lease Agreement as presented. MOTION CARRIED.

NEW BUSINESS

Loan Ratifications. Backman reported the Finance Committee recommended approval of two loans at its May 21, 2019 meeting. Backman provided information on K-Traps, Inc., along with the motion made by the Finance Committee. K-Traps, Inc. has a working relationship with Ridgewater College for some of the metal work done on its traps.

IT WAS MOVED BY Art Benson, SECONDED BY Jesse Gislason, to recommend to the Joint Powers Board that it approve a \$20,000.00 loan from the Kandiyohi County and City of Willmar Economic Development Commission's (EDC) Revolving Loan Fund Program to K-Traps, Inc. with a seven-year amortization, interest at 6% and a third security position after Heritage Bank and Mid-Minnesota Regional Development Commission (MMDC). This approval is subject to the MMDC approving its loan, assignment of life insurance policies to the EDC on the lives of Shawn Henkel and Joy Henkel and approval of a loan by Heritage Bank. MOTION CARRIED with Rollie Boll abstaining.

Backman provided information on the second loan applicant, VP Enterprises, L.L.C., which is purchasing Erickson Plumbing & Heating of Blomkest, along with the motion made by the Finance Committee. The two partners plan to continue using the current business name.

IT WAS MOVED BY Rollie Boll, SECONDED BY Les Heitke, to recommend to the Joint Powers Board that it approve a \$38,000.00 loan from the Kandiyohi County and City of Willmar Economic Development Commission's (EDC) Revolving Loan Fund Program to VP Enterprises, L.L.C. with a seven-year amortization, interest at 6% and a third security position after Home State Bank and Southwest Initiative Foundation (SWIF). This approval is subject to SWIF approving its loan, assignment of life insurance policies to the EDC on the lives of Kenneth Proctor and Ryan Vatnsdal and approval of a loan by Home State Bank. MOTION CARRIED.

Executive Director's Annual Review. Boonstra reported she, Kathy Schwantes and Roger Imdieke met to review a compilation of the performance reviews by the two EDC boards. Eight out of 14 review forms were returned. It was determined that the Backman's overall performance met or exceeded expectations. The review committee is recommending a 3% salary increase for 2020.

IT WAS MOVED BY Donna Boonstra, SECONDED BY Art Benson, to accept the review committee's verbal report and to recommend to the Joint Powers Board that it approve a 3% salary increase for the Kandiyohi County and City of Willmar Economic Development Commission's Executive Director Aaron Backman for 2020. MOTION CARRIED.

Backman voiced his appreciation for his position, the EDC/LAA staff, and the partners he works with through the EDC.

Auditor. Backman informed the board that Jim Ruff sent a letter stating he will no longer be doing audits, but will continue to assist the EDC with its daily accounting as requested. Nancy Birkeland reported letters were sent yesterday to four accounting firms in Willmar requesting a quote to do the EDC's financial audit. The proposals will be considered at the July board meeting.

New Laptop for Schmoll. Backman reported Schmoll's laptop was purchased in May 2014. The plan has been to replace computers on a rotating basis, which has not been done in several years. Schmoll has started to have issues with her laptop and, thus, quotes were obtained from Bennett Office Technologies for three different laptops. The quotes were for a HP EliteBook 840 G4 14" Notebook for \$1,053; HP ProBook 640 G4 14" Notebook for \$1,289; and HP EliteBook 840 G5 14" Notebook for \$1,609—all quotes include a docking station. The quotes were reviewed by Birkeland's brother, a computer network engineer, who recommends purchasing the HP EliteBook 840 G5 14" Notebook as it has the newest technology, is the fastest of the three proposals, has a three-year warranty and would last the longest before needing to be replaced.

IT WAS MOVED BY Rollie Boll, SECONDED BY Donna Boonstra, to approve purchasing an HP EliteBook 840 G5 14" Notebook and HP UltraSlim Dock for \$1,609 and to approve the purchase of up to two new monitors for Connie Schmoll. MOTION CARRIED.

TerWisscha recommended the EDC look into a wireless connection for the TV in the board room.

2020 Proposed EDC Budget. Backman informed the board he received notice from the County Administrator that the EDC's budget for 2020 must be submitted by June 19, 2019, a month earlier than in years past. Backman presented a proposed balanced budget for 2020 with comparisons to 2019, 2018 and 2017 (see attached). The tax levy request for 2020 is \$534,000 compared to \$528,600 in 2019, a 1% increase, the smallest increase in six years. Eighty-seven percent of the EDC's revenues come from levy and 13% from other funds. Committee expenses increase by 16.3%, which is mainly related to the Ag Committee. Backman is also recommending a salary increase for Schmoll based upon a good annual review, as well as a title change from Business Development Specialist to Business Development Manager. The proposed budget includes a 7.7% increase to staff health insurance with any increase above that being paid by staff. Heitke questioned if the EDC must comply with pay equity regulations—as this has never been raised before, it is not believed the EDC is governed by pay equity regulations. Board members questioned the amount budgeted for WORKUP and understood it was to be phased out. Backman indicated he did speak with Betsy Bonnema last year about phasing out the EDC's membership. Discussion was held on continued membership in WORKUP and supporting financially a private consulting business. Backman noted the \$2,400 included under furniture and equipment is to replace the chairs in the board room. Backman also noted that general administrative was reduced under Office Expenses to reflect general administrative services being allocated under each committee.

IT WAS MOVED BY Art Benson, SECONDED BY Rollie Boll, to recommend to the Joint Powers Board that it approve the proposed 2020 budget as presented with a reduction to \$3,600 for membership in WORKUP. MOTION CARRIED.

Backman will inform Bonnema of this board's decision about membership in WORKUP in 2020.

IT WAS MOVED BY Art Benson, SECONDED BY Donna Boonstra, to recommend to the Joint Powers Board that it approve changing Connie Schmoll's title from Business Development Specialist to Business Development Manager. MOTION CARRIED.

Proposed Changes to the 2019 Budget. Backman requested the 2019 budget be revised to increase the Business Retention and Expansion/Recruitment Committee's budget by \$3,000 to cover the expenses related to the production of a community video and to increase Schmoll's annual salary by \$1,000 effective July 1, 2019.

IT WAS MOVED BY Rollie Boll, SECONDED BY Kerry Johnson, to recommend to the Joint Powers Board that it increase the Business Retention and Expansion/Recruitment Committee's budget for 2019 by \$3,000 and to increase Connie Schmoll's 2019 annual salary from \$72,500 to \$73,500 effective July 1, 2019. MOTION CARRIED.

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Backman reported he attended the groundbreaking ceremony for the Child and Adolescent Behavioral Health Hospital, which plans to open in June 2020. Ramstad

reported he and Backman have been making proposed price adjustments to the Third Addition of the Willmar Industrial Park. Ramstad believes the prices will be lower than they currently are and should be very competitive. Backman and Ramstad have also been looking at extending utilities during the development on west Highway 12 to service some adjacent businesses and make them more marketable. In particular, Backman and Ramstad met with Eptopix on a potential expansion and connection to the sanitary sewer system.

[Johnson was excused from the meeting.]

Ramstad stated the City of Willmar is looking at options to cover the cost of expanding the system. Eptopix understands it would need to be annexed into the City of Willmar, if this should occur. Ramstad reported Kohl's is under construction. The Willmar Planning & Development Services Department has been doing a new weekly highlights of happenings in Willmar. In the most recent highlights, the Willmar Building Official reported \$32 million of construction is under review. The City of Willmar received its state designation to bid on state projects, which will be beneficial. Ramstad stated his office is very busy. Sarah Swedburg is working on Main Street Willmar and locating grants that can be applied for. At this time, Ramstad intends to keep Main Street Willmar in-house. The City of Willmar continues to negotiate for purchase of Block 25 for the new City Hall.

Strategic Priority Areas. Backman reported the Broadband and Advanced Technology Committee is facilitating discussions with four townships to do broadband projects (see Schmoll's report). Backman reported the Job Fair Partner Committee will meet soon.

Rural Child Care Innovation Program. Backman highlighted from Schmoll's report that Cindy Salfer of Ridgewater College reported that Ridgewater is planning to incorporate a training series for certifying childcare providers. Dave Henle had emailed that the YMCA started its fund raising for the facility at the Green Lake Mall and has raised \$356,000 of the \$575,000 thus far. Backman showed photographs of the renovations being done at the Willmar Child Care Center at 500 Industrial Drive.

Highway 23 Coalition Update. Boonstra reported the Coalition is traveling to Washington, D.C. next week. Meetings with each of Minnesota's congressional members along the Highway 23 corridor are scheduled and they will also meet with the Federal Highway Administration. The Coalition will also host a reception for legislative staff at the Capitol Visitors Center.

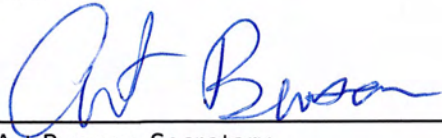
Business Visits and Meetings. Backman reported he gave a tour of area communities to Doug Griffiths, author and presenter of "13 Ways to Kill Your Community;" attended the Central Minnesota Freight Forum at River's Edge Convention Center in St. Cloud; attended a meeting regarding the tax abatement request by Suite Liv'n; met with Royal Barber Shop about a possible loan; attended the Chamber Connection at SBC Woodwork and toured Rustic Designs Flower Farm.

NEXT MEETING—The next board meeting is **11:00 a.m., Thursday, July 11, 2019**, at the EDC Office, Willmar.

ADJOURNMENT—

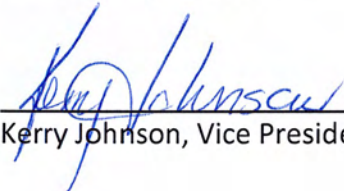
IT WAS MOVED BY Les Heitke, SECONDED BY Art Benson, to adjourn the meeting.

The meeting was adjourned at approximately 1:01 p.m.



Art Benson, Secretary

APPROVED: 7/11/2019:



Kerry Johnson, Vice President

	Proposed 2020	Rounded as of 5/31/2019	2019 Budget	2018 Actuals (rounded)	2017 Actuals (rounded)
REVENUES					
County Tax Levy	\$ 534,000	\$ 7,696	\$ 528,600	\$ 518,431	\$ 498,765
Ag Events Sponsorships/Fundraising/Fees (See Ag Committee)	\$ -	\$ -	\$ 7,000	\$ 7,028	\$ 750
Conference Income					
Creating Entrepreneurial Opportunities student loan program	\$ 28,000	\$ 24,817	\$ 28,000	\$ 24,200	\$ 32,861
Grants					
State of MN Grant for Hemp Study	\$ 5,000				
USDA Grant for Hemp Study	\$ 15,000				
USDA Grant for Simply Shrimp	\$ -	\$ 85,000	\$ 107,000		
Other Grants (e.g. SWIF for Diverse BRE Program)	\$ 6,500		\$ 10,000		\$ 15,000
Insurance dividends	\$ 1,000	\$ -	\$ 1,000	\$ 1,010	\$ 1,162
Interest on investments					
Bremer Bank - WAMBC	\$ 150	\$ 2		\$ 1	
Concorde Bank (Revolving Loan Fund savings account)	\$ 600	\$ 326	\$ 200	\$ 570	\$ 212
Concorde Bank CD matures at .76% matures 9/28/2018	\$ -	\$ -			\$ 1,572
North American State Bank CD at 1.06% matures 5/12/18	\$ -	\$ -		\$ 802	\$ 401
Heritage Bank savings account	\$ 1,500	\$ 900	\$ 141	\$ 1,198	\$ 96
United Prairie Bank \$104,592.73 CD @ 1.5% matures 10/12/2019	\$ 1,062	\$ -	\$ 780	\$ 1,409	
United Prairie Bank \$75,000 CD @ 1.75% matures 5/22/2020	\$ 1,300	\$ -	\$ 1,300		
US Bank CD (Tourism Dev. Account) matured 2/20/2018	\$ -	\$ -		\$ 379	
Loans					
ELGP loan application fees	\$ 200	\$ -	\$ 200	\$ -	\$ -
Microenterprise Loan Fund repayments interest (WAM-BC)	\$ 500	\$ 303	\$ 101	\$ 318	
Revolving Loan Fund application fees	\$ 600	\$ -	\$ 600	\$ 300	\$ 426
Revolving Loan Fund filing fee reimbursements	\$ 300	\$ 270	\$ 100	\$ 135	\$ 40
Revolving Loan Fund repayments interest	\$ 9,376	\$ 3,441	\$ 8,091	\$ 9,936	\$ 9,282
Retail Business Design Workshops	\$ -	\$ 13,625	\$ 14,000		
Other Income					
Refunds, reimbursements and in-kind contributions	\$ 1,500	\$ 295	\$ 1,500	\$ 1,127	\$ 13
WAM-BC rent		\$ -		\$ (375)	\$ 5,250
Total Revenues	\$ 606,588	\$ 136,675	\$ 708,613	\$ 566,470	\$ 565,830
EXPENSES					
Revolving Loan Fund Expenses					
Bank Fees	\$ -	\$ -	\$ 48	\$ -	\$ 1
Recording Fees				\$ 46	\$ 40
Other		\$ 20		\$ 69	
Total Revolving Loan Fund Expenses		\$ 20	\$ 48	\$ 115	\$ 41
WAM-BC Loan Program Expenses - Asset Acquisition					
Accountant fees	\$ -			\$ 500	
Attorneys' fees and costs	\$ 400			\$ 1,776	
Court filing fees	\$ 200			\$ 160	
Filing fees		\$ (55)		\$ 190	
Liability insurance				\$ 656	
Postage				\$ 14	
Services				\$ 52	
Total WAM-BC Loan Program Expenses - Asset Acquisition	\$ 600	\$ (55)	\$ -	\$ 3,348	
Economic Development Community Contributions			\$ 1,000		
Sponsor Fees					
Ag & Animal Science Conference (See Ag Committee)	\$ -		\$ 1,500	\$ 1,500	\$ 1,500
U of M Technology Showcase	\$ 500		\$ 500	\$ -	\$ 147
Vision 2040	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,500	\$ 2,000
Other			\$ 1,500	\$ 500	\$ 750
Total Contributions and Sponsor Fees	\$ 2,500	\$ 2,000	\$ 6,500	\$ 4,500	\$ 4,397



Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

	Proposed 2020	Rounded as of 5/31/2019	2019 Budget	2018 Actuals (rounded)	2017 Actuals (rounded)
Other Expenses:					
Joint Operations Board (includes meals/administrative time)	\$ 2,900	\$ 1,077	\$ 2,900	\$ 3,752	\$ 3,461
Joint Powers Board (includes meals/administrative time)	\$ 2,200	\$ 1,158	\$ 2,000	\$ 1,945	\$ 1,708
Loan writeoffs and allowance	\$ 750	\$ 2	\$ 750		
SCORE (cell phone and email account; moved to Finance Committee)					
Total Other Expenses	\$ 5,850	\$ 2,237	\$ 5,650	\$ 5,697	\$ 5,169
Countywide Business Development					
Retail Business Development Workshops			\$ 14,000		
Advertising		\$ -			
Marketing		\$ 1,195			
Meeting refreshments		\$ 445			
Mileage/Travel		\$ 3,040			
Supplies		\$ -			
Retail Business Design Workshops - Other		\$ -			
Total Retail Business Development Workshops	\$ -	\$ 4,681			
CEO Student Program Administration	\$ 500	\$ 110	\$ 800	\$ 481	\$ 375
Countywide business development	\$ 6,000	\$ 900	\$ 3,000	\$ 514	\$ 1,798
BUILD (TIGER II) Grant - Willmar Industrial Park	\$ 35,000	\$ -	\$ 35,000	\$ -	\$ -
USDA Grant Simply Shrimp	\$ -	\$ 35,000	\$ 107,000		
Total Countywide Business Development	\$ 41,000	\$ 40,691	\$ 145,800	\$ 995	\$ 2,173
COMMITTEE EXPENSES					
Agriculture and Renewable Energy Development					
Ag Producer BRE Survey		\$ -		\$ -	\$ 5,622
Annual Ag Workshop (Partners in Ag Innovation)	\$ 1,500	\$ 1,500			
Event Center and Fees		\$ -	\$ 1,100	\$ 1,991	
Food		\$ -	\$ 900	\$ 10	
Marketing		\$ -	\$ 3,000	\$ 1,890	
Mileage/Travel		\$ -		\$ 15	
Speaker		\$ -	\$ 2,000	\$ 1,000	
Total Annual Ag Workshop	\$ 1,500	\$ -	\$ 7,000	\$ 4,906	
Conferences/Seminars/Trainings (Ind. Hemp)	\$ 2,000	\$ 125	\$ 1,100	\$ 1,703	\$ 1,229
Industrial Hemp Value-Added Study	\$ 25,000	\$ -	\$ 5,000	\$ -	
Marketing		\$ 60		\$ 1,436	\$ 949
Meals/Meeting Refreshments	\$ 600	\$ 284	\$ 600	\$ 800	\$ 525
Mileage/Travel	\$ 1,200	\$ 437	\$ 1,200	\$ 684	\$ 1,181
Professional Services					
General Administrative Services	\$ 2,000	\$ 1,740	\$ 2,000	\$ 3,828	\$ 4,635
Professional Services - Other				\$ 548	\$ 380
Supplies (office or program)	\$ 250	\$ (65)	\$ 250		\$ 26
Total Ag Committee Expenses	\$ 32,550	\$ 4,081	\$ 17,150	\$ 13,905	\$ 14,547
Broadband and Advanced Technology					
Conferences/Seminars/Trainings	\$ 500	\$ -	\$ 500		\$ 255
Marketing	\$ 1,000	\$ -	\$ 200	\$ 565	\$ 2,587
Meals/Meeting Refreshments	\$ 1,000	\$ 551	\$ 1,000	\$ 1,265	\$ 1,452
Mileage/Travel	\$ 800	\$ 153	\$ 550	\$ 530	\$ 776
Postage	\$ 500	\$ 3	\$ 50	\$ -	\$ 52
Printing, copying & publishing	\$ 500	\$ -	\$ 350	\$ -	\$ 508
Professional Services					
General Administrative Services	\$ 1,000	\$ 540	\$ 1,030	\$ 1,619	\$ 2,932
Total Broadband and Advanced Technology Committee Expenses	\$ 5,300	\$ 1,247	\$ 3,680	\$ 3,979	\$ 8,562
Business Retention and Expansion/Recruitment					
Childcare Initiative	\$ 1,200	\$ 19	\$ 1,200		
Conferences/Seminars/Trainings	\$ 500	\$ -	\$ 800	\$ 12	\$ 155

	Proposed 2020	Rounded as of 5/31/2019	2019 Budget	2018 Actuals (rounded)	2017 Actuals (rounded)
Highway 23 Coalition					\$ 4,064
Conferences/Seminars/Trainings	\$ 200	\$ -	\$ 200	\$ 368	
General Administrative Services	\$ -	\$ -	\$ 2,000	\$ 3,505	
Marketing				\$ 56	
Meals/Meeting Refreshments	\$ 200	\$ 8	\$ 200	\$ 392	
Mileage/Travel	\$ 1,000	\$ 321	\$ 500	\$ 1,388	
Supplies		\$ (70)		\$ 65	
Other			\$ 100	\$ -	
Total Highway 23 Coalition	\$ 1,400	\$ 259	\$ 3,000	\$ 5,774	\$ 4,064
Marketing	\$ 500	\$ -	\$ 150	\$ -	\$ 4
Meals/Meeting Refreshments	\$ 200	\$ -	\$ 200	\$ 201	\$ 220
Mileage/Travel	\$ 1,000	\$ 583	\$ 1,000	\$ 436	\$ 694
Printing, copying & publishing	\$ 150	\$ -	\$ 150	\$ -	\$ 52
Professional Services					
General administrative services	\$ 1,500	\$ 690	\$ 1,200	\$ 1,860	\$ 1,693
Professional services - Other	\$ 100	\$ -	\$ 200	\$ -	\$ 50
Supplies (office or program)	\$ 200	\$ -	\$ 200	\$ -	
Workforce Development (Job Fair, CLUES, etc.)	\$ 2,500	\$ 1,403	\$ 2,500		
Grants	\$ 6,500		\$ 5,000		\$ 713
Total BRE/R Committee Expenses	\$ 15,750	\$ 2,952	\$ 15,600	\$ 8,283	\$ 11,709
Finance					
Marketing	\$ 100	\$ -	\$ 100	\$ -	
Meals/Meeting Refreshments	\$ 500	\$ -	\$ 500	\$ 518	\$ 345
Mileage/Travel	\$ 50	\$ 1	\$ 50	\$ 389	\$ 36
Professional services					
General administrative services	\$ 1,000	\$ 260	\$ 900	\$ 1,613	\$ 1,258
Legal services	\$ 400		\$ 400	\$ -	
SCORE (moved from Other Expenses)					
Telephone/Telecommunications (cell phone and email account)	\$ 850	\$ 308	\$ 750	\$ 968	\$ 728
Mileage/Travel	\$ 200				
Other				\$ 16	\$ -
Total Finance Committee Expenses	\$ 3,100	\$ 569	\$ 2,700	\$ 3,504	\$ 2,367
Marketing and Public Relations					
Meals/Meeting refreshments	\$ 800	\$ 271	\$ 800	\$ 837	\$ 718
Media	\$ 700	\$ 135	\$ 900	\$ 485	\$ 547
Mileage/Travel	\$ 100	\$ 15	\$ 100	\$ 48	\$ 102
Printing, copying & publishing					
Advertisements	\$ 800	\$ 4	\$ 800	\$ 2,923	\$ 3,297
Newsletters	\$ -		\$ -	\$ -	
Total Printing services	\$ 800	\$ 4	\$ 800	\$ 2,923	\$ 3,297
Professional Services					
General administrative services	\$ 1,800	\$ 484	\$ 1,800	\$ 1,786	\$ 1,698
REDstar Creative					
Design	\$ -			\$ 1,347	
General Project Management	\$ -			\$ 3,580	
Digital/Social Media	\$ 4,500	\$ 2,011	\$ 3,500	\$ 3,792	
Marketing Materials				\$ 3,376	
General Marketing	\$ 6,200	\$ 3,163	\$ 6,200		
West Central Angel Fund	\$ -	\$ -	\$ 100		
E-Newsletters	\$ 2,500		\$ 3,500	\$ 1,715	
Website	\$ 2,000		\$ 1,700	\$ 2,541	
Other	\$ 1,000	\$ 429	\$ 1,500	\$ -	
Total REDstar Creative	\$ 16,200	\$ 5,602	\$ 16,500	\$ 16,350	\$ 10,741
Total Professional Services	\$ 18,000	\$ 6,086	\$ 18,300	\$ 18,136	\$ 12,439
Special Projects		\$ 125	\$ 1,200	\$ 433	\$ 1,082
Total Marketing and Public Relations Committee Expenses	\$ 20,400	\$ 6,636	\$22,100	\$ 22,861	\$ 18,185



Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

	Proposed 2020	Rounded as of 5/31/2019	2019 Budget	2018 Actuals (rounded)	2017 Actuals (rounded)
Tourism/Leisure Travel					
CVB Tourism Partnership Agreement	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000
Meals/Meeting refreshments	\$ 100	\$ 41	\$ 100	\$ 67	\$ 40
Mileage/Travel	\$ 100	\$ 57	\$ 100	\$ 52	\$ 60
Other				\$ 1	
Total Tourism/Leisure Travel Committee	\$ 34,200	\$ 34,099	\$ 34,200	\$ 34,120	\$ 34,100
Total Committee Expenses	\$ 111,300	\$ 49,584	\$ 95,430	\$ 86,652	\$ 89,470
EMPLOYEE COMPENSATION					
Executive Director					
Director's salary	\$ 116,700	\$ 47,208	\$ 113,300	\$ 110,000	\$ 100,000
Director's health insurance	\$ 14,000	\$ 5,165	\$ 13,000	\$ 12,099	\$ 10,239
Director's payroll taxes (FICA = 6.20%; Medicare = 1.45%)	\$ 8,930	\$ 3,573	\$ 8,670	\$ 8,395	\$ 7,663
Director's pension (PERA) employer rate is 7.5%	\$ 8,753	\$ 3,541	\$ 8,498	\$ 8,250	\$ 7,500
Total Executive Director's Compensation	\$ 148,383	\$ 59,487	\$ 143,468	\$ 138,744	\$ 125,402
Business Development Manager's position					
Business Development Manager's salary	\$ 76,000	\$ 30,208	\$ 72,500	\$ 70,000	\$ 62,815
Business Development Manager's health insurance	\$ 14,000	\$ 5,165	\$ 13,000	\$ 12,099	\$ 8,447
Business Development Manager's payroll taxes (7.65%)	\$ 5,814	\$ 2,272	\$ 5,546	\$ 5,329	\$ 4,589
Business Development Manager's PERA	\$ 5,700	\$ 2,266	\$ 5,438	\$ 5,250	\$ 4,711
Total Business Development Manager's Compensation	\$ 101,514	\$ 39,911	\$ 96,484	\$ 92,678	\$ 80,562
Summer Intern	\$ -			\$ 2,240	
Accrued vacation and sick expense					
Executive Director	\$ 8,000	\$ (674)	\$ 8,000	\$ 9,676	\$ 9,243
Business Development Manager	\$ 4,000	\$ 1,905	\$ 3,000	\$ (69)	\$ (360)
Total Accrued vacation and sick exp.	\$ 12,000	\$ 1,231	\$ 11,000	\$ 9,607	\$ 8,883
Employer payroll tax expense	\$ -	\$ -	\$ -	\$ -	\$ 606
Employee workers' compensation insurance	\$ 1,000	\$ 522	\$ 1,000	\$ 505	\$ 433
Total other employee compensation	\$ 13,000	\$ 1,753	\$ 12,000	\$ 10,112	\$ 9,922
Total Employee Compensation	\$ 262,897	\$ 101,151	\$ 251,952	\$ 243,773	\$ 215,886
ADMINISTRATIVE EXPENSES					
MCIT property/casualty insurance	\$ 2,300	\$ 2,043	\$ 3,000	\$ 2,359	\$ 2,657
Meals not for a committee	\$ 900	\$ 708	\$ 900	\$ 711	\$ 478
Memberships, dues, subscriptions					
Subscriptions	\$ 600	\$ 572	\$ 500	\$ 541	\$ 483
Community Venture Network (CVN)	\$ 2,200	\$ -	\$ 2,200	\$ 2,125	\$ 2,125
EDAM membership	\$ 495	\$ 495	\$ 495	\$ 495	\$ 495
Highway 23 Coalition membership	\$ 500		\$ 500	\$ 500	
Local organizations	\$ 600	\$ 475	\$ 600	\$ 585	\$ 545
MAPCED membership	\$ 330	\$ 330	\$ 330	\$ 330	\$ 250
MN DEED Marketing Partnership dues	\$ 625	\$ 625	\$ 625	\$ 625	\$ 625
WORKUP membership	\$ 5,400	\$ 1,350	\$ 5,400	\$ 4,050	\$ 2,250
Other	\$ 400	\$ 150	\$ 400	\$ 900	\$ 150
Total Memberships, dues, subscription	\$ 11,150	\$ 3,997	\$ 11,050	\$ 10,151	\$ 6,923
Professional services:					
Accountant fees	\$ 1,500	\$ 168	\$ 1,500	\$ 672	\$ 1,085
Auditor	\$ 7,000	\$ -	\$ 7,000	\$ 5,970	\$ 6,360
Bookkeeping fees	\$ 6,000	\$ 2,150	\$ 6,000	\$ 5,840	\$ 4,846
Legal fees	\$ 400	\$ -	\$ 1,800	\$ -	\$ 375
Total Professional Services	\$ 14,900	\$ 2,318	\$ 16,300	\$ 12,482	\$ 12,666
Seminars and promotions	\$ 2,200	\$ 100	\$ 2,450	\$ 2,115	\$ 1,176
Travel, conference, school	\$ 11,000	\$ 1,706	\$ 11,000	\$ 8,023	\$ 6,597
Total Administrative Expenses	\$ 42,450	\$ 10,871	\$ 44,700	\$ 35,841	\$ 30,497



Kandiyohi County & City of Willmar
ECONOMIC DEVELOPMENT COMMISSION

	Proposed 2020	Rounded as of 5/31/2019	2019 Budget	2018 Actuals (rounded)	2017 Actuals (rounded)
OFFICE EXPENSES					
Bank Fees	\$ 100	\$ -	\$ 100		\$ 426
Cleaning person	\$ 2,700	\$ 859	\$ 2,700	\$ 2,734	\$ 2,351
Equipment maintenance and rental					
Software (Synchronist annual fee \$1,200)	\$ 2,200	\$ 1,100	\$ 2,000	\$ 2,198	\$ 2,250
Toshiba service contract w/Loffler Companies	\$ 2,400	\$ 1,458	\$ 2,000	\$ 3,017	\$ 2,514
Equipment maintenance and rental - other	\$ 700	\$ 641	\$ 750	\$ 411	\$ 323
Total Equipment Maintenance and Rental	\$ 5,300	\$ 3,199	\$ 4,750	\$ 5,626	\$ 5,087
Furniture and equipment					
Toshiba digital color copier lease (w/DeLage Financial \$139.59 mo.)	\$ 1,700	\$ 558	\$ 1,700	\$ 1,673	\$ 1,667
Furniture and equipment - Other	\$ 2,400	\$ -	\$ 1,300	\$ 1,037	\$ 898
Total Furniture and Equipment	\$ 4,100	\$ 558	\$ 3,000	\$ 2,710	\$ 2,565
Late Fees				\$ 68	
Office equipment and miscellaneous	\$ 1,800	\$ 920	\$ 2,000	\$ 227	\$ 1,012
Postage, mailing service	\$ 200	\$ 34	\$ 300	\$ 111	\$ 172
Printing, copying and publishing	\$ 1,000	\$ 680	\$ 300	\$ 16	\$ 470
Professional services:					
Engineering and other professional services	\$ 3,000	\$ -	\$ 3,000	\$ (3,828)	\$ 5,370
General administrative	\$ 52,000	\$ 15,431	\$ 62,850	\$ 48,221	\$ 47,388
Planning session facilitator	\$ 4,300	\$ 4,285	\$ 2,500	\$ 2,740	\$ 1,300
Website hosting and maintenance	\$ 250	\$ 210	\$ 450	\$ 180	\$ -
Total Professional Services	\$ 59,550	\$ 19,926	\$ 68,800	\$ 47,313	\$ 54,058
Rent and storage unit	\$ 24,720	\$ 9,250	\$ 23,400	\$ 22,900	\$ 23,300
Rent (water cooler, post office box)	\$ 260	\$ 139	\$ 220	\$ 282	\$ 148
Supplies	\$ 3,500	\$ 1,302	\$ 3,500	\$ 4,103	\$ 5,457
Telephone/Telecommunications (including cell phones)	\$ 7,900	\$ 2,216	\$ 5,700	\$ 5,872	\$ 5,384
Total Office Expenses	\$ 111,130	\$ 39,083	\$ 114,770	\$ 91,963	\$ 100,430
CREATING ENTREPRENEURIAL OPPORTUNITIES STUDENT LOAN EXPENSES					
Advertising/Promotions	\$ 150	\$ 56	\$ 200	\$ 420	\$ 829
Bank Fees	\$ 100	\$ 17		\$ 93	
Dinner Event and Silent Auction					
Advertising	\$ 1,400	\$ 417	\$ 1,500	\$ 1,659	\$ 731
Decorations	\$ 2,100	\$ 2,070	\$ 2,000	\$ 2,200	\$ 1,904
Entertainment	\$ 800	\$ 400	\$ 1,000	\$ -	\$ 1,200
Event Food and Beverages	\$ 11,000	\$ 12,897	\$ 7,400	\$ 5,806	\$ 9,422
Other	\$ 150	\$ 130			
Equipment	\$ 7,500		\$ 7,500	\$ -	\$ 8,570
Meals/Meeting refreshments	\$ 2,000	\$ 1,509	\$ 2,300	\$ 2,356	\$ 2,776
Memberships/Dues	\$ 300	\$ 500		\$ 450	
Miscellaneous	\$ 1,500	\$ 850	\$ 1,500	\$ 3,101	\$ 772
Registrations				\$ 325	
Scholarships	\$ 1,000		\$ 1,500	\$ -	\$ 1,000
Supplies	\$ -		\$ 100	\$ 988	
Tradeshow			\$ 2,500	\$ 578	\$ 2,157
Transfer loan repayments				\$ -	\$ 2,258
Transportation/Travel				\$ 611	
Other	\$ -		\$ 500		
Total CEO Loan Expenses	\$ 28,000	\$ 18,846	\$ 28,000	\$ 18,588	\$ 31,619
TOTAL PROGRAM EXPENSES	\$ 605,727	\$ 264,426	\$ 692,850	\$ 491,472	\$ 479,682



**Joint Operations Board Meeting
Connie Schmoll Report
June 13, 2019**

Child Care

The Rural Child Care Innovation Program met on Tuesday, June 11th, 2019. Jessica Beyer, First Children's Finance, is the facilitator of the core leadership team meetings and is committed to a full two years of assistance. Nine SMART (Specific, Measurable, Attainable, Realistic and Time-bound) goals have been created for future focus of tasks and fall in these primary goal areas of:

- Goal 1 – Diversity/Mentoring
- Goal 2 – Training Opportunities Locally
- Goal 3 - Identifying and accessing capital
- Goal 4 – Business Support and Legislation

Cindy Salfer, of Ridgewater College reported that the college is planning to incorporate a training series for certifying child care providers. The classes are targeted to begin January 2020. Others in the leadership team have offered assistance with such things as curriculum, technical assistance and child care centers where students can complete lab work as part of the training. Funds in the amount of \$5,000 are needed to fund the program. The EDC and WACF are possible funders. Kandiyohi County Health and Human Services social worker, Amanda Lager, reported that she is working with three people who are planning to open new family child care businesses. They hope to be open when the new school year starts. She also reported that she is aware of 4-5 childcare businesses that will close this year.

The Willmar Childcare Center has closed on all loans and construction is underway inside of the building.

The YMCA is moving forward on plans for a child care facility in Spicer. Many volunteers and local contributors are involved. They are currently conducting a capital campaign to raise \$575. They hope to have the facility in full operation later this year.

I scheduled and participated in tours of two local churches along with a UCAP agency director to assess and consider as locations for additional childcare. Both churches are interested in meeting community needs. They are the Assembly of God Church and Crossroads Community Church. UCAP has secured funding to expand their services by adding 72 slots of child care. They need to find space that provides at least 35 sq. ft. per child of open space plus space for supplies and storage.

Broadband

Townships Meetings

Broadband Committee members are facilitating discussions with Township Boards to encourage township level investment and planning for a high-speed broadband deployment project. Both Hiawatha and Arvig

have stated they would partner with us to do build out if we have funding partners that cover more than 30% of the project costs and a Border-to-Border grant for up to 45% of the costs.

Township meetings have been conducted with the following: Green lake Township on March 28th, Mamre Township on April 8th, St. John's Township on April 16th and Dovre Township on May 7th.

After a great deal of discussion, the supervisors agreed to further investigate the possibility of a project for the three townships together. We need to secure more information about the cost of a project and what would be expected of the constituents. The townships supervisors have tentatively agreed to help pay part of the cost for an engineering study that would provide data to plan for a project including the financial investment that would be needed. I sent each township and the county a request to pass resolutions to provide 1/4th of the \$18,000 to fund an engineering study for the three townships.

We will have a lot of work in the future if the township supervisors wish to proceed, including education to the constituents, assessing interest in subscribing if the project were to be done, assisting with a Border-to-Border grant application, securing letters of support and more.

Meetings and Events

1. Chaperone for 5th grade Dairy Tours at Lauriston Dairy
2. Industrial Hemp Exploration Subcommittee
3. Chamber Connection at Procore Technologies
4. Southwest Business Development Meeting in Spicer
5. Presentation for Willmar Noon Lions
6. Presentation for Sertoma
7. Budget planning with Ag and Broadband Committees
8. Consultant's Forum in Charlotte NC.
9. Partners in Ag Innovation event planning
10. HRA on IRP funds
11. Childcare Core Leadership Team meeting

Business Visits

1. Lunch meeting with Renee Nolting of West Central Industries
2. Ashley Thompson/ Healthy Fusion
3. Brian Burwell/ Universal Athletics
4. Kim Madsen Consulting assistance with coaching businesses on workforce retention
5. Epitopix visit with managers
6. Zach at Farm Bureau Financial Planning

Area Development Consultants Forum

June 3-5, 2019 | Charlotte North Carolina

Participation in the 2019 Area Consultants Forum in Charlotte, North Carolina, was an opportunity to hear from leading site consultants and industry experts and learn about best practices for economic development.

With 17 site selectors in attendance and over 150 participants, the opportunity to meet face-to-face with individual consultants was maximized.

The speaker program brought in leading site consultants and industry experts to cover a wide spectrum of topics relevant to today's competitive market place. Topics included:

- ✓ Maximizing employee attraction, retention and engagement
- ✓ Critical trends that affect location – tariffs, auto industry changes, industries entering U.S markets, etc.
- ✓ Expansion of automation in warehousing
- ✓ Retail changes and redevelopment options
- ✓ How technology is being used in creative space and design for offices
- ✓ Trends in foreign direct investment in the U.S., specifically from Germany, China and Japan
- ✓ The disruption of autonomous vehicles; driverless features are already present in most vehicles and trucks without drivers will soon be on the roads.
- ✓ Processes for working with site consultants, including incentive compliance requirements

Best practices concerning working with site consultants:

1. Keep in mind that the consultants have access to programs such as ESRI where area demographics and available sites can be investigated at any time.
2. Frequency of contact was suggested to be one time per year to quarterly. Contacts should be about new businesses that have been secured in our area or if a business closes its operations, something new and innovative that fits well with trends that affect businesses seeking to expand such as a training program (In the field of autonomous drivers, training programs for those who remotely operate trucks in their last mile parking and loading/unloading will be needed. Now is the time to get such training programs started).
3. Consultants prefer not to receive printed materials unless a specific project is underway. Please send items by email and keep them to a minimum.
4. When materials are sought for a particular project, be responsive. If you are unable to respond promptly, let them know when they can expect the response and why it will be delayed. Respond to calls within 2-3 business days, maximum.
5. Decide who the primary contact person is and communicate thoroughly with all contact information. Be sure that information is easily accessible for the site consultant.
6. Be knowledgeable about the community.
7. Understand the incentives mentioned or offered in response to an RFP. Only offer what is available and has sufficient funds to fulfill the offer.
8. Understand and report all administrative reporting and requirements. Be sure to bring those who provide the incentives, those who will need reports, and those who will conduct compliance, together with the new business leader at some point before documents are signed. Communicate all program claw back information.
9. Research and determine to whom a letter should be addressed to keep from overburdening the business owner with details or questions the site consultant can handle.

Jeff Borling of Great River Energy and I were the representatives from Minnesota. Jeff and I did some planning prior to and during the Forum to try to talk to as many consultants on behalf of Minnesota and Willmar Minnesota as possible.

Here are consultants either I met with or Jeff and I met with together and some of the topics discussed.

Kathy Mussio of Atlas Insight and Betty McIntosh of Cushman and Wakefield. Kathy spoke of her last visit to Minnesota as part of a DEED Site Selector tour. Both Kathy and Betty stated that such tours are grueling for the consultants, filled with too many sites to see, people to talk to and events to attend. They feel this event provides more time to meet people and discuss current issues. They have noticed that with GDP up and unemployment low, wages are increasing. This is good for individuals, but is a challenge for businesses. Many business leaders are experiencing a negative impact from too high corporate debt, some of it a result of wage increases. For instance, truckers, are very difficult to secure; some companies are offering signing bonuses to hire the employees they need. This is causing a sudden increase in the amount of debt they incur. They said that the highest hurdle right now is the issue of tariffs and trade wars. During their presentation, Betty spoke of yield curve. She explained to me later that it is important to watch T-bills and that we need the interest rates to come back down in order to keep yield curve conducive to strong businesses and economy. She spoke of immigration and how important it is for securing employees nationwide. "We need controlled and vetted immigration", she added.

Michael McDermott from Cushman & Wakefield presented survey and research data prepared by Cushman and Wakefield. He said that "human capital" is typically just under 90% of a business's expenses with utilities at 1% and rent at 10%. The data showed suburbs are losing working age population and downtowns are gaining population. In his presentation he spoke about the large number of businesses that are choosing smaller office spaces and forgoing printing of documents in order to reduce rent expenses. To do so, they are illuminating all document printing and filing, everything is stored on the cloud. Their work spaces are shared by all with little or no space for storing anything. Employees are typically not all on site at the same time. In our discussion, we talked about Highway 23 and how business leaders reported four-lane access to the metro area is critically important. He agreed that it is important for those looking to expand to new locations. Many businesses are deciding on bifurcation to target labor pools and they are thinking about access to transportation infrastructure when choosing a location. Rural area sites that show adequate labor pools and have good access to markets are being sought. I provided him with site information and our business brochure so he would keep Kandiyohi County in mind when he works with companies wishing to expand. His consultant work has been with multiple industry sectors, including industries that are in Kandiyohi County such as manufacturing, distribution centers and renewable energy.

Robert Boehringer of KPMG met with Jeff and I on the last morning. Robert reported an issue he had working with a company looking at a location in Minnesota. Although KPMG, on behalf of the company, applied for what seemed to be a good fit as incentives for the company to expand in Minnesota, the State found them non-qualifying for reasons that made no sense to the consultants nor the business. The city ended up saving the project with local incentives, including a site purchase write-down policy. Robert reiterated what we heard very often during the conference, the reputation a state provides is lasting and spreads quickly. Jeff Borling took it upon himself to have a discussion with DEED representatives that were involved in the project applications. During his presentation, Robert spoke about Qualified Opportunity Zones and why they are important to Economic Development.

Alexandra Segers, Senior Vice President of Evans International, is a woman that speaks 5 languages, is a U.S. private pilot, and holds a master's degree in Civil/Geotechnical/Structural Engineering and Surveying from the University of Tokyo. She was a delightful speaker, interesting and engaging in one-to-one conversation. She personally met with President Trump to talk to him about the impact of tariffs. Her presentation was on critical trends (tariffs) and location as a key to economic development. She called Thailand, "The New China" because they are quickly becoming the new targeted area for car makers as existing and threatened tariffs could add \$5600 to the cost of an average car. Vietnam is also capitalizing on the new vehicle markets in place of the U.S. BMW and Mercedes now build in Thailand in addition to South Carolina and Mississippi plants. Alexandra shared a story about finding a site for BOCAR Group to build a foundry plant in the US. The CEO and president of BOCAR decided he wanted a location between Huntsville, Alabama and the state of Georgia and instructed Alexandra to move forward on purchasing more than 60

sites to secure the location they desired. The nearest McDonalds is 11 miles from the site and a shopping center 27 miles away. The area is currently building up with new housing and services for construction workers and employees.

Alexandra told me about her work with Polaris in northern Minnesota. Her firm had searched the entire U.S. before the site was selected. She looked intently at my materials and I believe she will keep Kandiyohi County in mind as she does more site selection work in the future.

Jeff and I met with include David Alexander of Masuda Funai. His presentation was on Japanese Foreign Direct Investment in the U.S. He had a list of keys to working with Japanese Companies including the importance of having a process spelled out and easy to follow, respecting corporate culture, being responsive, and explaining the meaning and reason for everything. David ended with a caution to investigate and understand CFIUS regulations and changes made in late 2018 that impact location transactions when dealing with critical technologies. He said it is important to engage with site advisors when in such processes. He talked about VISAs and how it is becoming more and more difficult for immigrants to stay and work in the U.S. David asked Jeff and I about our work roles, our locations and what Minnesota has to offer. He said he would consider coming to the Willmar area for a visit.

Rose Davidson and Julie Miller of JLL presented information about best practices and proposals in response to Request for Proposals (RFP's). I met with Rose and Julie after the conference and discussed available sites and incentives in Kandiyohi County and Minnesota.

At roundtable discussions, networking breaks and lunch discussions, I had the opportunity to talk with **Neale Rath of Deloitte and Alexander Frei of CBRE.** Neale Rath provided me with a Minnesota contact in the Deloitte firm and recommended I make a visit with him. Alexander focused his discussion on local incentives and how important it is to clearly define them, to make sure they are backed by sufficient funds and are a fit for the inquiring company. He had positive remarks about work done in Minnesota including the vast amount of shovel ready sites that are available.

My next step is to email each of the consultants, thank them for their time and expertise invested in the forum and provide them with brief Kandiyohi County highlights, site options and contact information for both Aaron and me.

**Joint Operations Board Meeting
Aaron Backman Report
June 13, 2019**

Highway 23 Coalition

Planning continues for the Highway 23 Coalition's trip to Washington, D.C. from June 18th through 20th. A total of 16 members (including 10 from Kandiyohi County) will be traveling Washington. They have set up meetings with Minnesota's Congressional delegation and at the Federal Highway Administration. They will also be hosting, for the first time, a Hwy 23 Coalition Reception at the Capitol Visitors Center for Minnesota legislators, staff and others.



Proposed Bethesda New London Campus

Bethesda in Willmar has been considering and planning for a new senior housing project in the New London/Spicer market area. Bethesda's Board of Directors considered various locations and ultimately selected an 11-acre site along Peterson Parkway north of the ACMC Clinic in New London (they have a signed purchase agreement). The EDC has been interacting with Bethesda management, Marcus Construction, City of New London, and others regarding the new Bethesda campus, a \$16 million senior and assisted living complex that will feature 36 senior apartments, 18 assisted living units and 18 memory care units. On April 3rd the New London City Council called for

setting a TIF public hearing for the Bethesda project. Subsequently on May 22nd a public hearing was held at New London City Hall. The City Council unanimously approved the development agreement for the project and the establishment of a TIF District to reimburse some of the developer's costs and City infrastructure upgrades.

15th Street Flats—Construction Update

Construction for 15th Street Flats continues to move ahead. If the schedule continues to hold, the developer anticipates project completion and move-in by late August or September of 2019.



USDA Intermediary Relending Program (IRP)

Over the past year the local USDA Rural Development Office has encouraged the EDC to take over the administration of the Willmar Downtown Intermediary Relending Program (IRP). On April 9th, Jill Bengston, HRA, Kevin Friesen, USDA Rural Development, Connie and I met at USDA in Willmar to discuss this opportunity. The IRP was discussed at the EDC's Joint Powers Board meeting on April 27th and with the Joint Operations Board. Board members were open to exploring the concept.

The IRP Program in Willmar was established in 1998 and was capitalized at \$600,000. The IRP is a 1% loan from the USDA that is in turn lent to local businesses (at a higher interest rate). Approximately 20 business loans were approved for business acquisition, construction, and working capital, however, no loans have been issued or approved by the HRA in 9 years. Currently there are three active loans with a loan value of approximately \$100,000 and roughly there is \$500,000 in cash. The maturity date for the USDA loan is June of 2028 (and there was about \$158,233 left to pay on the note in May).

Back in 2014 and 2015 EDC staff (Steve Renquist and Jean Spaulding) put in a fair amount of time trying to get the IRP fund transferred to the EDC. The Finance Committee reviewed the loans and adopted a motion supporting it; and the Joint Operations Board adopted resolutions supporting it. Ultimately the transfer did not occur. The merger of the Willmar HRA and the Kandiyohi Co. HRA could have slowed the process down. If the HRA does not do something with the program, I'm concerned we could lose an economic development tool in Kandiyohi County.

If the EDC is to assume administration of the IRP I would recommend three changes to the program. First, expand the eligible program area from Downtown Willmar to citywide or countywide. Second, consider expanding the eligible business uses (businesses have evolved in the last 20 years). Third, consider bringing administration of the loan program "in house". Instead of having Heritage Bank prepare and administer the loans, have the EDC do so. We can do it (and keep the administrative fees). I believe the best approach to get adoption is for the EDC to prepare a new RLF Plan for the existing IRP, have the HRA Board approve the new Plan, then have the assets transferred to the EDC. On June 12th Aaron and Connie discussed this matter with the Kandiyohi County HRA Board of Directors. There will be further discussions at next month's HRA Board meeting.

Business Meetings (May 9th – June 13th)

1. As part of the EDC's 2019 Workforce Development goal, participated in interviews w/videographers for community video (5/9/19)
2. Hwy 23 Coalition Membership presentation to Sauk Rapids City Council (5/13/19)
3. Weekly development meetings w/Dave Ramstad, Director Planning & Development, City of Willmar (5/14, 5/21, 5/28, 6/4, 6/11)
4. Participated in Child Care Core Team meeting at Bethesda (5/14/19)
5. Provided tour of Willmar, Spicer & New London communities to Doug Griffiths, 13 Ways to Kill Your Community presenter (5/15/19) & attended his presentation at Willmar Conference Center (5/16/19)
6. Participated in Open Mic at KWLM Radio w/Sarah Swedburg (5/16/19)
7. Attended Southwest Business Development Network Mtg. at O'Neil's in Spicer (5/17/19)
8. Participated in EDC Finance Committee where K-Traps and VP Enterprises loan requests were considered (5/21/19)
9. Attended Hwy 23 Coalition Board of Directors meeting at Dooley's Petroleum (5/22/19)
10. Participated in meeting w/Dave R., Mayor Calvin, Ike H. regarding potential business project at Kandi Mall (5/24/19)
11. Attended Central MN Freight Forum at River's Edge Convention Center in St. Cloud (5/31/19)
12. Attended meeting re Suite Liv'n Tax Abatement request w/Gabe Olson, Larry Kleindl, and two county commissioners (6/3/19)
13. Meetings w/Lindsey Donner & Mike Bregel, REDstar re EDC/Hwy 23 marketing pieces

14. Participated in follow-up meeting of the Retail Business Design Workshop participants in conjunction with the Social Media Breakfast at WORKUP (6/5/19)
15. Monthly meeting w/Dr. Johnson, President of Ridgewater College (6/5/19)
16. Reviewed recent aerial photos of Willmar projects w/Melissa Knott (6/6/19)
17. Attended Willmar Chamber Public Policy Committee Mtg. (6/7/19)
18. Attended V2040 Steering Committee Mtg and V2040 Housing Subcommittee meetings (6/10/19)
19. Participated in meeting w/David Turch and Donna Boonstra, Mayor Calvin, Commissioner Nissen (6/10/19) (6/10/19)
20. Attended MnDOT TED Program Solicitation Mtg. at MnDOT District 8 and discussed potential project in Willmar Industrial Park (6/11/19)
21. Presented to Kandiyohi County HRA re IRP Program (6/12/19)

Business Visits

1. Attended Willmar Chamber Connection at Youth for Christ building
2. Participated in follow-up meeting w/Dave Ramstad & Connie Schmoll at EpiTopix production facility re extending City sanitary sewer to site near Willmar Railroad Wye (5/20/19)
3. Disc. w/Sergio Fuentes re potential business improvements and WAM loan for Royal Barbershop
4. Tours of the renovation area for the elevator project at Midtown Plaza with Zack Mahboub
5. Meeting & tour w/Larry Walter of Innovative Systems printing facility north of Willmar
6. Attended CVB Leisure Travel Committee Mtg. at Little Crow Resort
7. Tour of Willmar Child Care Center renovation at building on Industrial Drive in Willmar
8. Attended Willmar Chamber Connection at SBC Woodwork north of Willmar
9. Attended CABHS Groundbreaking Ceremony near Civic Center Drive (6/7/19)
10. Visit & tour w/Mary Solbrekken, Rustic Designs Flower Farm rural Belgrade (6/7/19)