

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)  
JOINT OPERATIONS BOARD OF DIRECTORS (OB)  
BROADBAND AND ADVANCED TECHNOLOGY COMMITTEE MEETING  
MINUTES

February 2, 2015

Meeting Room, Multi-Tech Building, MinnWest Technology Campus, Willmar

Present: Mark Boesch, Travis Bonnema, Dean Bouta, Kathy Dillon, Wes Hompe, Linda Kacher, Mike Malone, Justin Mattern, Les Nelson, David Sisser and Donn Winckler

EDC Staff: Jean Spaulding, Assistant Director

Excused: Bruce DeBlieck, Larry Kleindl and Jean Marthaler

Absent: Gary Geiger, Leslie Kelly, Jonathan Marchand and Jeff Tengwall

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

Jean Spaulding called the meeting to order at approximately 1:00 p.m., which followed a tour of WorkUp, a new coworking space that will be located in the Annex at MinnWest Technology Campus. Spaulding informed the committee that the EDC Joint Operations Board changed the status of this committee to a full committee this year rather than a subcommittee.

Broadband survey. No changes were noted to the list of nearly 400 businesses and residences obtained from Bonnema Surveys for the areas of Blomkest, Prinsburg and Svea that will be targeted for the broadband survey. Wes Hompe noted the list may not cover residences that are on the edge of these community lines. Spaulding will speak with each community on how best to advertise the survey to obtain a good response. The Community Christian School may be the best avenue for Prinsburg. Committee members also suggested an article on the survey be placed in the *West Central Tribune*. Committee members volunteered to call businesses that do not respond to the survey.

The committee reviewed a draft survey (see attached) and offered the following comments:

- The shorter the survey the better possibility for a high number of responses.
- After the last subparagraph in the first question, add lines for comments.
- As to the question "For what do you use the Internet?" add Email, remove Remote/mobile/home office and add instead Business and describe use with blank lines.
- Remove the question "What providers are available to you?"
- As to the question "What are you willing to pay for high speed internet," change it to read "What are you willing to pay monthly for high-speed internet?"
- Add suggestions for the comments section at the end, i.e., I do not like my service because or I like my service because.

Donn Winckler offered his staff at Mid-Minnesota Development Commission to input the survey responses into their statistical software. A revised survey will be sent to the committee to review prior to it being mailed.

State broadband funding. Spaulding provided an update on legislative policies developed by the Economic Development Association of Minnesota (EDAM), which includes broadband infrastructure that was emailed to the committee (see attached). Spaulding, as chair of EDAM's Government Relations Committee, has been meeting with state legislators advocating for increased broadband in Minnesota. It is estimated \$200 million is needed to fund increased broadband. Senator Matt Schmit will be advocating for increased funding of \$100 million. February 11, 2015 is EDAM Day at the Capitol and Spaulding will be testifying this Thursday at a committee hearing.

Spaulding informed the committee she emailed them a list of communities that received the state broadband grant. If the state can see progress with the grant, it may be interested in funding another grant. The Federal Communications Commission last week revised its benchmark definition of broadband internet service to a download speed of 25 megabits per second (previously 4 Mbps) and an upload speed of 3 Mbps (previously 1 Mbps). Minnesota's goal is 10-20 Mbps down and 5-10 Mbps up.

Provider update. Spaulding forwarded to the committee an email she received from Jeff McCabe of Frontier Communications. Frontier has been notified it is receiving federal funding through Connect America Funding and will be prioritizing what areas in southwestern Minnesota it will upgrade. Spaulding would like to meet with the Frontier representatives again—possibly after the committee's survey results are in and compiled. Frontier is the largest provider for the southern part of Kandiyohi County.

Alumnus Blandin Broadband Community. Spaulding announced Kandiyohi County was accepted as an Alumnus Blandin Broadband Community for 2015-2016. The committee was asked to think about proposed projects to submit for up to \$40,000 in grant funds that could be received through this program. Projects should come from a need in the community. Ideas include hot spots, distance learning, telehealth, education infrastructure and projects that could enhance the United Way's Growmobile. This committee will host a community meeting and Spaulding asked for suggestions on who to invite. Winckler suggested a topic could be to educate businesses on how to list their business on Google maps and utilize technology. Spaulding noted this was an education item through the MIRC grant by University of Minnesota Extension educators. A new class on this could possibly be done at WorkUp once it opens.

Hackathon. Spaulding updated the committee on the Hackathon the EDC will host in September with the Blandin Foundation, Ridgewater College and WorkUp. Larry Handlin, the instructor for the new coding program at Ridgewater College, is writing the grant application. The EDC has budgeted \$5,000 for this Hackathon. People are needed to participate in defining a need on which the coders can work at the Hackathon. Blandin Foundation will provide some funding to finalize the project after the Hackathon is done. Spaulding suggested committee members Google Hackathon to get project ideas. Red Wing is hosting a Hackathon this spring.

Regular meetings. It was decided to hold regular monthly committee meetings at 12 noon on the first Monday of each month at the EDC.

NEXT MEETING—The next meeting is 12 noon, Monday, March 2, 2015 in the board room at the EDC, 222 20<sup>th</sup> Street SE, Willmar.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 1:45 p.m.

# Help us improve your Internet!

The state of Minnesota has deemed access to high-speed broadband a priority for all state residents and communities have been asked to provide information that shows their residents are unserved or underserved.

The EDC and its partners are working to secure this information and need your input on the following questions!

Do you currently subscribe to an Internet service?  Yes  No

If **yes**, who is your Internet provider? (circle)

AT&T CenturyLink Charter Frontier MVTV Satellite

TDS Verizon Other, specify \_\_\_\_\_

If **yes**, what are your download and upload speeds?

Download speed \_\_\_\_\_ Mbps Upload speed \_\_\_\_\_ Mbps

*It is very **quick and easy** to test your speed.*

Go to [www.speedtest.net](http://www.speedtest.net) and click on "**Begin Test**" in the middle of the page.

If **no**, why not? (circle) Cost Availability Don't need Other

Comments, if any: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

For what do you use the Internet? (Circle all that apply)

Email Search for information Watch TV Social Media Education

Business (specify use) \_\_\_\_\_

\_\_\_\_\_

Other (specify) \_\_\_\_\_

\_\_\_\_\_

What are you willing to pay monthly for high-speed Internet?

\$ \_\_\_\_\_

Comments, if any (i.e. I do not like my Internet because . . . or I like my Internet service because . . .): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



**Questions? Contact the EDC at**  
320-235-7370 or 1-866-665-4556  
[edc@kandiyohi.com](mailto:edc@kandiyohi.com)

**More information on the state's**  
**Office of Broadband Development can be found at:**  
<http://mn.gov/deed/programs-services/broadband/>

Please complete this survey and return it to the EDC by

**February 20, 2015**



# LEGISLATIVE POLICY 2015

***EDAM***

ECONOMIC  
DEVELOPMENT  
ASSOCIATION OF  
MINNESOTA

## WHO IS EDAM?

The Economic Development Association of Minnesota (EDAM) is a statewide association representing more than 500 public and private sector professionals involved with implementing state, regional or local economic development initiatives. Our legislative policies are shaped by members' unique experience and understanding of the tools and tactics that are most effective in positioning and marketing Minnesota as a location for corporate, small business, housing and community investment.

Economic developers generally focus on financing, marketing and implementation for:

- Developing public infrastructure;
- Facilitating business expansion and job creation and retention;
- Undertaking redevelopment;
- Marketing our communities' benefits as a fine place to locate a business and live;
- Attracting, training and mobilizing a skilled local workforce;
- Addressing local housing needs.

## INTRODUCTION

Economic Development creates and retains jobs and increases incomes. This is done through supporting business expansion and entrepreneurship, promoting business development and retention, developing infrastructure, marketing to targeted industries, and enhancing human capital. EDAM's legislative policies are established through surveying our members and consulting with our partners. EDAM members support continued investment in economic development programs so that Minnesota remains competitive with other jurisdictions, both nationally and internationally.

## ENHANCING TAX INCREMENT FINANCING (TIF) AS AN ECONOMIC DEVELOPMENT TOOL

Tax Increment Financing remains the most viable tool for local economic development and community reinvestment efforts. Tax Increment Financing (TIF) is a method local governments use to pay for the costs of qualifying improvements necessary to create new development, redevelopment, or publicly-assisted housing. The financing of the qualifying improvements is paid from the increased property taxes generated from the new development, redevelopment, or housing that would not occur "but for" such assistance. In light of the economic challenges in Minnesota and in our country, there are steps that the state could take that would enhance the effectiveness of TIF and generate more jobs and tax base.

EDAM encourages the Minnesota Legislature to remove unnecessary or redundant components of state statutes addressing TIF and allow for greater flexibility for local governments to use TIF. This would save communities money, leverage more private

investment in communities, and it would not have a fiscal impact in the state's budget.

**Lengthen and expand authority for Economic Development Districts:** To spur additional development, EDAM encourages the Legislature to lengthen the duration of Economic Development TIF benefits to a full 10 years, or nine years from first tax increment collection. In addition, EDAM encourages the Legislature to expand authority to allow for the establishment of Economic Development TIF Districts for assisting with commercial project development for the purpose of retention and expansion of existing businesses and the attraction of new business to the state to create and retain jobs.

**Workforce housing will continue to be a critical issue in communities across Minnesota.** EDAM supports the authorization of TIF and tax abatement for workforce housing development. An economic development workforce housing TIF district should be available for up to 25 years.

## ECONOMIC DEVELOPMENT MARKETING

Minnesota is the one of the best-kept secrets for business development and expansion. DEED and its partners in the Minnesota Marketing Partnership have collaboratively sought business development opportunities for the state. However, to be more effective and to create consistent business relationships, additional funding is required. In FY 2015, Minnesota ranks 37th in the nation for economic development program expenditures according to the Center for Community and Economic Research. The Minnesota Marketing Partnership is a proven model in bringing stakeholder groups together, working on a common mission. The partnership has been active for 12 years with over 70 members representing the metropolitan areas as well as small communities and regional centers throughout the state.

EDAM supports additional funding of the Minnesota Marketing Partnership that would be used to supplement DEED and the partner communities in:

- a. Identifying and communicating Minnesota's competitive advantages throughout the Midwest and across the country.
- b. Attending targeted industry events.
- c. Hosting events that showcase Minnesota to site selectors and business representatives.
- d. Strengthening industry initiatives and messaging to key industries across the country.
- e. Continuing and enhancing DEED's shovel-ready site program and making it easier for communities with limited resources to certify shovel-ready sites. This may include making certification of shovel-ready sites an eligible expense under DEED's funding programs.

## PASSAGE OF STATE NEW MARKETS TAX CREDITS

New Markets Tax Credits loans provide financing to allow growing for-profit and not-for-profit business owners to expand their operations in low income census tract areas in Minnesota. The program emphasis is on real estate improvements, job generation and equipment purchases.

EDAM supports passage of a new statewide program to encourage and assist business that either expand or relocate in qualifying lower-income areas. The program proposed is modeled after the successful federal NMTC program, which has provided a strong track record of significant business and jobs growth throughout the state. Entities that have received federal tax credit allocations provide these to investors, who in turn help finance growing businesses and encourage private sector lender participation.

This program will address the lack of capital to finance business expansion and job opportunities in lower-income areas. The key elements of this new program are:

- a. Businesses are provided financing to purchase property, remodel existing buildings or construct new buildings, and purchase equipment.
- b. Investors receive a 39% tax credit over seven years for investing in low income areas.
- c. The NMTC tax credits provide leverage of additional private sector financing from lenders to the expanding businesses, thereby maximizing business and job growth, as well as providing the opportunity for businesses to expand their supplier networks.
- d. Minnesota DEED would administer this state tax credit program and ensure that 50% of the tax credits are available in Greater Minnesota and 50% are available in the Twin Cities Metro Area.

## EFFICIENT GOVERNMENT OPERATIONS: CHAPTER 469

Chapter 469 is the primary economic development law in Minnesota; it has been modified countless times over its approximate 30-year life. This has resulted in a significantly cumbersome legal vehicle to use for a variety of economic development initiatives. Greater efficiencies of cost and effort can be experienced by local units of government, port authorities, economic development agencies and housing and redevelopment authorities by simplifying and clarifying this statute.

EDAM supports review and redrafting efforts to transform Ch. 469 into a more easily useable law for economic development practitioners and their legal counsel. EDAM specifically requests the elimination of the \$50,000 contribution limit to EDAs identified in Chapter 469.

## BROADBAND INFRASTRUCTURE

The Governor's Broadband Task Force has created an action plan for identifying and correcting disparities in access and adoption of broadband in all communities – urban, rural and suburban. The Office of Broadband Development was created to “encourage, foster, develop and improve broadband within the state in order to drive job creation, promote innovation, and expand markets for Minnesota businesses.” The office is also charged with serving the ongoing and growing needs of Minnesota's education systems, healthcare system, public safety system, industries and businesses, governmental operations and citizens. The Minnesota Broadband Goals (Minnesota Statute § 237.012) will not be met in 2015 as directed, and additional resources are required to accomplish the statute goals and implementation of the Broadband Task Force recommendations.

EDAM believes that broadband is critical to future economic development, particularly in rural parts of Minnesota. EDAM supports identifying and implementing strategies to continue the growth of advanced broadband networks in unserved and underserved parts of the state as defined by DEED's Office of Broadband Development. EDAM members are uniquely positioned to work with both the public and private sectors to facilitate conversations that identify consumers who do not currently have access to broadband and develop strategies to deploy broadband services to those consumers. Specifically, EDAM believes the State of Minnesota should work towards:

- a. Applying the best practices learned from the 2014 grant program and continue the program as recommended by the Governor's Broadband Task Force.
- b. Offering incentives to private sector service providers to respond to local or regional needs and to collaborate with cities and counties to deploy broadband infrastructure capable of delivering sufficient bandwidth and capacity to meet immediate and future local needs;
- c. Developing public/private collaboration processes to achieve state broadband goals, including partnerships and cooperation in providing broadband services and infrastructure;
- d. Streamlining Right of Way procedures and fees for broadband providers.
- e. Modernize telecommunications statutes, specifically Minn. Stat. § 237.

## DEED PROGRAM FUNDING

The Department of Employment & Economic Development (DEED) is critically important in the support of communities and local economic development initiatives. DEED manages several funding programs, and EDAM believes that continued funding of these programs at the same or an increased level is vital to economic growth across Minnesota. EDAM actively supports

legislative initiatives that strengthen funding levels for economic development programs administered by DEED and other state agencies.

**Small Business Development Centers** — The statewide network of Small Business Development Centers (SBDCs) provide the professional expertise and guidance that every small business owner needs to flourish in today's competitive and ever-changing business world. EDAM supports allocating additional funding of \$500,000 to DEED for the SBDCs to continue their efforts in exporting, minority outreach, additional business counseling and assisting dislocated workers with starting their own businesses.

**Minnesota Investment Fund** — MIF has a strong history of using state loan dollars to leverage private sector investment to fuel job creation by Minnesota businesses. MIF is also an important local financing tool as repayments seed local revolving loan funds. EDAM supports the continued funding of MIF as one of the important funding sources for new or expanding businesses in the state.

**Job Creation Fund** — JCF is a new performance-based program that has proven to be solid complementary program to MIF in encouraging business investment and job creation by providing awards after the business meets performance commitments. EDAM supports the continued funding of JCF as an important tool that enhances accountability and transparency of business financing in the state.

Brownfield Cleanup and Redevelopment – DEED funds brownfield and redevelopment initiatives through the Contamination Cleanup Grant Program, and the Redevelopment Grant Program/Demolition Loan Program. These funding programs are vital to the growth and sustainability of communities. The programs provide funding to clean up contamination, demolish blighted buildings, and prepare dilapidated sites so that business expansions, new business development, and mixed-use projects can be located in our communities, creating jobs and increasing the tax base. EDAM supports the continued base funding of the Contamination Cleanup Grant Program. EDAM also supports funding the Redevelopment Grant Program/Demolition Loan Program, which is essentially out of funds, and placing the program appropriation into the department's base budget.

## TRANSPORTATION

EDAM believes that investments in transportation are a key driver of economic development, not only through direct expenditure, but also by helping Minnesota companies compete more effectively on a global basis by lowering their transportation costs. It is essential that Minnesota businesses have easy access to labor and

raw materials and be able to move their products to market quickly and effectively. EDAM supports a significant increase in funding for transportation and transit in both rural and metro areas of the state. This includes consideration of all potential revenue sources.

EDAM also believes that investments in transit provide significant opportunities for economic development and redevelopment. EDAM supports tools that drive development along transit lines and corridors. EDAM encourages the Legislature to authorize various financing tools for facilitating transit-oriented development. This includes enhancing use of existing tools, such as tax increment financing and tax abatement, as well as continued support for cities to authorize special service districts. EDAM supports funding the Transit Improvement Area (TIA) program and ensuring the eligibility criteria encourage a range of improvements and infrastructure and accommodate varying city circumstances and needs. EDAM also supports the ability of cities to self-designate TIAs in their communities. Additionally, the Legislature should consider adding park and ride facilities to the list of qualifying transportation modes, as defined in Minn. Stat. § 469.351.

## MINNESOTA JOB CREATION LAND ASSEMBLY PROGRAM

The purpose of this proposed new land recycling program is to generate business growth and job creation on dilapidated commercial and industrial sites through the assembly of small properties that individually are too small to be developed into more valuable uses. Small dilapidated and oftentimes contaminated sites that cannot offer development potential themselves provide key redevelopment, business growth and job creation opportunities when assembled over time into marketable sites. While there is some inventory of available land, in fully-developed areas, that inventory is in relatively short supply. The assembly of land from willing sellers and preparation of property for development allows for available sites that are ready to meet market demand.

EDAM supports this statewide program, which will provide economic growth opportunities in communities where there are small parcels that are contiguous, but owned by different entities. Results will include contamination clean-up, private sector business expansion, jobs, reduction of underutilized properties, and tax base enhancement. Grants will be provided to cities, port authorities, EDAs, and HRAs. The request is for \$15 million from the state's general fund or other non-bond fund. Fund distribution would be half to Greater Minnesota and half to the Twin Cities Metro Area. A local match of 10% is required, from either other public or private sector funds. The project cap would be \$500,000. Minnesota DEED would administer this program.

### ECONOMIC DEVELOPMENT ASSOCIATION OF MINNESOTA

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