

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
November 8, 2018
EDC Office, Willmar

Present: Art Benson, Rollie Boll, Donna Boonstra, Robert Carlson, Les Heitke and Kelly TerWisscha

Ex Officio: Roger Imdieke

Staff: Aaron Backman, Executive Director

Excused: Kerry Johnson, Bruce Peterson and Connie Schmoll

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

President Donna Boonstra called the meeting to order at approximately 11:06 a.m. and declared a quorum was present.

AGENDA—

IT WAS MOVED BY Les Heitke, SECONDED BY Rollie Boll, to approve the Agenda and following Consent Agenda with the addition of approving the REDstar Creative bill that was emailed to the board.

CONSENT AGENDA—

Approve: 1. Minutes of October 11, 2018 meeting
2. Financial reports as of October 31, 2018
3. Payment of bills:
a. REDstar Creative \$2,836.53 to be paid from the Marketing and Public Relations Committee's budget

Accept: Committee/Subcommittee Minutes
1. Broadband and Advanced Technology 10/1/2018
2. Business Retention and Expansion/Recruitment 10/5/2018
3. Finance 9/11/2018
4. Marketing and Public Relations 9/24/2018

MOTION CARRIED.

UNFINISHED BUSINESS

Neighborhood Development Center (NDC). Aaron Backman provided background on the services provided by the NDC. The EDC continues to have discussions with the NDC about replicating its services in Kandiyohi County. The NDC would not provide local services, but would provide advice to local

partners that would implement the entrepreneurship program. The NDC has access to funding sources and would work with the partners. The NDC's program is for businesses that have been in business less than three years. A second listening and planning session with the NDC will be held on November 16th at the EDC office and will focus on resource providers and potential partners.

NEW BUSINESS—There was no new business.

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Backman reported he has viewed the site drawings for the logistics company and a purchase agreement has been signed between the city of Willmar and Jones Development Company for 14.5 acres in the Willmar Industrial Park. The depth of the remaining four acres is sufficient for certain businesses interested in a smaller lot. Last night, the Willmar planning committee heard requests to annex 9.9 acres on the northwest side of Willmar (Thorpe property) and 74.4 acres (Jansen property) across from Arnold's on the south side of Willmar for a new location for Ziegler's. Samuel Herzog secured 15 acres on the northwest side of Willmar (Thorpe property) for a multi-family housing project. JH, LLC is proposing to build one apartment building each year for the next four years. Backman reported the Willmar City Council received a presentation of the Master Agreements for the Wye project at its meeting Monday.

2018 GOALS:

Rural Child Care Innovation Program. The board was invited to attend a Community Conversations event on November 29th from 6:00-9:00 p.m. at the Kandiyohi County Health & Human Services Building. RSVPs are required to United Community Action Partnership. The Association of Minnesota Counties Local Government Workforce Symposium held in October featured a panel discussion on childcare, which resulted in targeting areas that have the greatest need (Willmar, New London and Spicer), developing a strategy, providing workshops and several other actions noted in Connie Schmoll's report (see attached). Childcare was also discussed by some of the recent political candidates. The long-range plan is to address the provider shortage. Kelly TerWisscha noted there is a bank that works with childcare and early childhood education.

Diverse Business Initiative/Willmar Area Multicultural Business Center Acquisition Update. Backman reported a Bill of Sale to transfer all assets of the Willmar Area Multicultural Business Center (WAM-BC) to the EDC has been signed and Assignments of the Promissory Notes have been prepared and will also be signed. Nancy Birkeland has been organizing the loan files and checking on loan payments. One of the delinquent loans signed new loan documents with the EDC and the second delinquent loan has been filed in Conciliation Court.

Opportunity Zones. Backman stated there will be an Opportunity Zones Summit sponsored by *Minnesota Real Estate Journal* in the Twin Cities; two educational events will be held—one in Marshall and one in Golden Valley. Backman has requested Schmoll and TerWisscha to attend the event in Golden Valley on December 11, 2018. The EDC will pay the early-bird registration fee of \$99 per person.

Transportation Infrastructure/Highway 23 Coalition. Backman reported a general membership meeting was held October 26, 2018 at Little Crow Golf Resort with 102 attending. Jason Duininck provided an update on the Coalition's legislative activities and Rep. Paul Torkelson, Chair of the Minnesota House Transportation Finance Committee, was the featured speaker. The Coalition will seek to meet with Governor-Elect Walz and new legislators to inform them of work being done by the Coalition. The Coalition continues to identify potential projects along the corridor.

[Art Benson joined the meeting.]

Business Visits and Meetings. Backman highlighted business meetings from his written report (see attached) and from Schmoll's written report. Backman noted a new Mexican restaurant will be located in the south end of Legacy Commons. Photos of the 15th Street Flats construction were shown.

COMMITTEE REPORTS

Agriculture and Renewable Energy Development. Rollie Boll reported Harold Stanislawski will speak on industrial hemp at the committee's November 15, 2018 meeting, which will be held at Kandiyohi Power Cooperative and is open to the public.

Broadband and Advanced Technology. President Boonstra reported she and Schmoll attended the 2018 Blandin Broadband Summit at Madden's on Gull Lake. Discussions included cooperatives taking over the installation of broadband in communities. Great River Energy and McLeod Cooperative are working on a project. Great River Energy will research how to help a community that does not have a cooperative interested in doing a project. Cooperatives can apply for broadband funds through the United States Department of Agriculture. Boll stated Frontier contacted his brother in the Lake Lillian area about fiber hookup. Frontier received a state grant to improve service in several communities in Kandiyohi County. Monday, the committee discussed changing the right of first refusal language for incumbents relative to the state broadband grant. A conference call was recently held with Arvig about a project in Kandiyohi County. Arvig would apply for a state broadband grant and would require a 50% match with a minimum take rate of 50 percent. It is possible some funds may come to the state as a result of a recent U.S. Supreme Court decision in *South Dakota v. Wayfair* where the Court ruled in favor of South Dakota requiring Wayfair to start collecting sales tax, even if it does not have a building in the state. Andrew Martin of Midco, a wireless service, wants to canvass Kandiyohi County. Boonstra mentioned the Universal Service Funds that are protected by telcos. The committee has discussed forming a countywide Broadband Coalition. Roger Imdieke noted the state Office of Broadband Development has ranked Kandiyohi County 86th out of 87 counties for availability of broadband service.


Business Retention and Expansion/Recruitment. Backman reported the committee received an update on the diverse CNA program. Wages increased significantly for those who graduated from the program. Prior to attending the program, wages were approximately \$6.50 per hour and after attending the program, wages were approximately \$13.50 per hour. Welders also received a 15% increase in wages after receiving certification following graduation from the diverse welding program. A meet and greet between graduates of the welding program and businesses that need welders will be held November 13 and 19, 2018 at Ridgewater College.

Marketing and Public Relations. Backman distributed a draft of a new education flyer developed by the committee, which highlights unique education features and a list of all schools in Kandiyohi County (see attached). The basic information for the flyer was gathered by the EDC's intern Thor Figenskau. Backman distributed the EDC's new ad for the *2019 Willmar Lakes Area Guide* (see attached). The ad features three businesses assisted by the EDC and will link to stories on the three businesses on the EDC's website.

Leisure Travel. Backman reported the committee held its November meeting at The Village, a nonprofit children's museum in Willmar. The museum has 200 members. Membership categories include family, grandparent and daycare and range in cost from \$50 to \$125 per year. The Village also has day passes per person or per family and areas available to rent for events. Art Benson reported the committee discussed creating a visitors' events calendar for placement at local resorts and hotels.


NEXT MEETING—The next board meeting is **11:00 a.m., Thursday, December 13, 2018** at the EDC office.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 12:30 p.m.



Art Benson, Secretary

APPROVED: 12/13/2018:



Donna Boonstra, President



**Joint Operations Board Meeting
Connie Schmoll Report
November 8, 2018**

Agriculture/Renewable Energy Development Committee

Consider attending the November 15, 2018 Ag and Renewable Energy Development Committee meeting to hear Harold Stanislawski of AURI speak on opportunities for industrial hemp production and processing. Joining Harold is Charles Levine, owner of Hemp Acres, LLC. The location is Kandiyohi Power Cooperative starting at 7:30 a.m. A \$10 fee at the door includes a breakfast buffet. Please RSVP to Connie.

Child Care

United Community Action Partnership (UCAP), with a 2018 Technical Assistance grant, hosted the first Kandiyohi County Child Care Innovation Project planning meeting on July 27th with over 20 core team leaders in attendance. The second meeting took place on Friday, September 7th. First Children's Finance (FCF) staff member, Jessica Beyer led an action-packed, two-hour discussion and planning process. Decisions were made and core team leaders took on tasks to plan and implement the following:

1. Conduct a Child Care Provider Appreciation event scheduled for October 30, 2018.
Completed!! This event had wonderful participation by providers, community leaders and state personnel in the field of child care. Gratitude to the providers was expressed by Rep. Dave Baker and Ridgewater college president, Dr. Craig Johnson. Gifts and drawing prizes were presented to the providers and a delicious meal to all in attendance.
2. Conduct surveys on child care with parents, employers, and providers including past providers, with a collection deadline of November 1, 2019.
Currently in process with a new deadline of November 16th.
3. Conduct a Community Conversation inviting as many people as possible from the entire county scheduled for November 29, 2018, starting at 6 p.m. and at the Kandiyohi County Community Room.
Please register and attend.

The end result of survey, community conversation and follow-up planning will be creating a community action plan. The group met again on October 19th and representatives will be featured on KWLM Open Mic on November 19th.

A delegation of state senators visited Willmar for a community listening session on the statewide childcare shortage on August 13th. The EDC made arrangements for an informal discussion prior to the community listening session with child-care leaders and providers, business leaders, social services, healthcare professionals and school personnel. The meeting took place at the Jennie-O corporate office training room.

The October 18th-19th Association of Minnesota Counties Local Government Workforce Symposium featured a panel discussion on the topic of child care. Highlights include recommendations as follows:

1. Target the areas with the biggest need. For us that is Willmar, New London and Spicer.
2. Develop strategy.

3. Provide workshops—mandated training for providers locally. Hospitals can provide the first aid portion of the mandated training.
4. Family-based child care may work better than center care because of age of children ratios and center requirement to keep age groups separate.
5. Consider models with collaborations: churches, employer-based, nursing home-based, family childcare pod model, school district model.
6. Need a community champion.
7. One of the speakers, after having gone through the rural Childcare Innovation Program with FCF and starting with a 3,079 count deficit in spaces in a 12-county region, secured 49 new providers in one region and 38 new providers in another region. NW MN Foundation led the efforts and one event they hosted was a provider recruitment event.
8. Recognize providers as business managers.
9. Nighttime child care provisions have not worked out.

Business Meetings and Events

1. MAPCED in Litchfield
2. Meeting with U of M VP of Finance and Operations
3. Ag & Animal Science Conference - Trade Show Booth/Sponsor of Event
4. Child Care Group planning of events
5. Discussion with Sen. Tina Smith representative, Carson Ouellette
6. Kandiyohi County Board Meeting on Highways 23 and 212
7. Social Media Breakfast – Wilmar videos
8. Jennifer Mendoza - CLUES planning for welders to meet with welding firms
9. WORKUP Fall Member Event
10. Rural Broadband Coalition
11. Planning Trade Show Booth at Local Government Workplace Symposium
12. Hwy 23 Annual Membership Meeting
13. Ag Professionals event planning
14. Broadband discussion with Arvig

Business Visits

1. Lake Lillian Restaurant to replace the Food Garage
2. Kwik Trip ribbon cutting
3. Assisted new start-up with application for angel funds
4. Business and SBDC new rep Paul Pierson
5. Happy Family Asian Grocery Loan Review
6. New business planning with a:
 - a. blading company
 - b. family entertainment business
 - c. travel/taxi business
 - d. downtown Willmar restaurant



Joint Operations Board Meeting

Aaron Backman Report

November 8, 2018

Highway 23 Coalition

The General Membership Meeting of the Coalition was held on Friday, October 26, 2018 at the new Little Crow Resort Main Ballroom from 11:30 a.m. to 1:00 p.m., with a Board of Directors meeting held right before on site. Jason Duinick provided an update on the Coalition's 2018 legislative activities during the business meeting. The featured speaker was Rep. Paul Torkelson, Chair of the MN House Transportation Finance Committee. This was the Coalition's best attended event yet with 102 attendees!

Since the 2018 Corridors of Commerce funding was approved for the two four-lane gaps between Willmar and I-94, the Hwy 23 Coalition is gearing up for the 2019 Legislative Session. We continue to poll member cities and counties to identify and rank specific projects along the corridor that the Coalition could potentially support. So far about two dozen Highway 23 projects have been identified. Later this Fall the Coalition's Freight Corridor Working Group anticipates making recommendations to the Coalition's Board of Directors in terms of specific projects that could become our 2019 legislative priorities.

WAM-BC Loan Portfolio

At the regular meeting on July 26th the EDC's Joint Powers Board considered and approved the EDC taking over the WAM-BC loan portfolio. The Joint Powers Board members unanimously approved accepting the WAM-BC assets, assuming the administration of the Microenterprise Revolving Loan Fund and all loans, and assisting in the WAM-BC dissolution process. This action was communicated to WAM-BC representatives and Mike Burgett, the EDC's attorney. Following discussions with the EDC, WAM-BC did file in small claims court regarding the two non-performing loans. It was expected the court would consider those filings in October of 2018.

Mike Burgett, the EDC's attorney is preparing the transfer documents (Bill of Sale to transfer accounts and assets, Assignment of Notes, etc.) and is expected to complete them in the next few days. Nancy has been organizing the WAM-BC loan files and checking on the WAM-BC bank accounts. Of the five loans in good standing, two have already been satisfied—Rockstar Tailoring Services and Short Circuit Electronics (the latter was paid off early). In terms of the two non-performing loans, five days prior to the court hearing, Huerta Auto, one of the non-performing loan recipients reached out to resolve matters with the EDC and WAM-BC. After negotiations, the EDC established a new \$17,278.22 loan between the business and the EDC (superseding the WAM loan), received a good faith loan payment, and then WAM-BC cancelled the court hearing. Nancy prepared the loan documents and loan closing occurred on Sept. 27th. The other non-performing loan, Re-Cover Temp Agency, continues through the court process.

15th Street Flats—Construction Update



The pace of construction is picking up at 15th Street Flats. The photo (taken 11/5/18) shows the foundation walls have been poured. There were quite a few people on site the day I visited. The contractors are working on plumbing and backfilling activities.

Herzog Housing Project—Unique Apartments

Samuel Herzog, an experienced housing developer from Fergus Falls, has identified and secured a 15-acre location for a multi-family housing project on the NW side of Willmar (Thorpe property along CR5). The project currently entails four 72-unit buildings plus 120 garage stalls. JH, LLC would construct one building each year for four years beginning in 2019. On October 1st the developer presented at the City of Willmar Work Session. Dennis and James Thorpe submitted a petition for annexation of a 9.9 acre area in the City (Herzog would purchase another parcel that is already within the City limits.) The annexation request now goes to the Planning Commission for review and the Willmar Township Board will review it on November 12th. What is proposed is an Orderly Annexation Joint Resolution Agreement with the Township. Annexation and land use approvals will also be sought concurrently. Overall, this housing project could create 288 units of housing in the community (80% being market rate) and could generate an investment approaching \$30 million.



Neighborhood Development Center (NDC) Opportunity

The Neighborhood Development Center (NDC) is a non-profit, community development financial institution. NDC provides entrepreneur training, small business loans, business services/technical assistance, and business incubators. The EDC has been having ongoing discussions with representatives of the NDC regarding their programs being replicated in the Kandiyohi County area. The NDC is based in the Twin Cities and has established similar programs in Duluth and St. Cloud. They provide integrated business services so that diverse and low-income entrepreneurs can start and grow businesses. They seek to empower low-income entrepreneurs and community partners to transform neighborhood economies. By working with the NDC we may be able to leverage the WAM-BC funding that we are in the process of receiving.

On October 5th, representatives of NDC held a listening session at the MinnWest Technology Campus. Approximately 22 people (inc. lenders and service providers) from Kandiyohi County met to learn about NDC's approach and how they can be a benefit to our community. We explored what resources already exist for entrepreneurs, the strengths in the resources, the gaps that may exist, etc. Another listening and planning session is planned for November 16th from 10:00 a.m. to 2:00 p.m. at the EDC Board room. This session will be focused on the resource providers/potential partners that have been identified.

Business Meetings (July 27th – October 25th)

1. Participated in the Kandiyohi County Merchandising Meeting at MCROC (10/11/18).
2. Attended Social Media Breakfast presentation by Sarah Swedburg at WORKUP.
3. Attended AMC Board of Directors Mtg. in St. Paul on 10/12/18.
4. Participated in Business Development Mtg. w/Joanna Schrupp, MWTC on 10/15/18.
5. Attended AMC Local Government Workplace Symposium at Willmar Conference Center and MWTC on 10/18/18 and 10/19/18. Presentation by Digi-Key, VP.
6. Participated in Open Mic on KWLM on 10/18/18.
7. Mtg. w/Dr. Craig Johnson, President of Ridgewater College on 10/18/18 and 11/2/18.
8. Mtg. w/Bruce Peterson on 10/23/18 and 10/30/18 regarding development in Willmar.
9. Mtg. w/Troy Honzay, Home State Bank, re development in Willmar on 10/23/18.
10. Mtg. w/David Turch (and other local reps) re Hwy 23 Coalition, 2019 priorities, and lobbying in Washington, DC. On 10/23/18.
11. Attended an "All Things Kandi Mall" Meeting held by the Chamber/EDC at The Oaks. Representatives of RockStep made a presentation and responded to questions.
12. Conference Call w/SWIF and MMDC re Midtown Plaza elevator project.
13. Highway 23 Coalition Board of Directors Meeting and General Membership Meeting at the Little Crow Resort on 10/26/18.
14. Mtg. w/Kim Nagel, NDC, and Connie re Neighborhood Development Center on 10/29/18/



15. Housing Presentation at Meeker County EDA meeting in Litchfield on 10/30/18.
16. Discussions w/Finance Committee Chair Matt Behm re Aydee Lopez financing request for Spurs Restaurant.
17. Conference call with Brian Bochman, Mode Development re potential housing development in Willmar on 11/2/18.
18. Attended Vision 2040 Housing Subcommittee Mtg. Samuel Herzog, housing developer, presented his proposed Willmar project.
19. Made Hwy 23 Coalition membership presentation to Marshall Area Transportation Group (10/16/18) and Lyon County (11/6/18).

Business Visits

1. Various meetings with Zack Mahboub re financing for elevator in Midtown Plaza.
2. Mtg. w/Troy Honzay, Bus. Dev., Home State Bank on 10/23/18.
3. Various meetings with Aydee Lopez, owner of Spurs Restaurant re direct deposit for WAM-BC loan, and potential buyout of business partner.
4. Attended Domino's Legacy Store ribbon cutting at Legacy Commons on 11/5/18.

A COLLABORATIVE, OUT-OF-THE-BOX APPROACH TO EDUCATION



The wide variety of education opportunities in Kandiyohi County make our area unique. We have nine school districts within our county, one of the best community colleges in Minnesota and plenty of other alternative public and private learning options. One thing they all have in common, is their focus on creating innovative, hands-on curriculum.

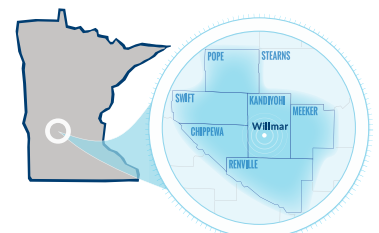
Many schools have partnered with local businesses to develop unique programs such as *Kandiyohi CEO* and *Jumpstart*. *KCEO* is a year-long class for high school juniors and seniors that immerses students into the business world; allowing them to learn by touring over 100 local businesses and even launching a startup of their own. *Jumpstart* is a new course taught by area experts that introduces manufacturing careers to young talent. Ridgewater College also has an exceptional Customized Training & Continuing Education Program designed to help students and professionals of all ages receive ongoing training in their areas of interest.



From pre-school to college diplomas, Kandiyohi County has you covered.



Ridgewater College was recently ranked #31 of 851 best community colleges in America.





Ridgewater College ridgewater.edu

1. #31 out of 851 in the best Community Colleges in America
2. Job placement over 94%
3. Low student to instructor ratios (21:1)
4. Over 100+ degrees and certificates to explore

Community and
Technical College



ACGC Schools (Atwater Cosmos Grove City) acgc.k12.mn.us

1. Four-day school week (Tuesday-Friday)
2. National Blue Ribbon School for grades K-6
3. College in the Schools Courses
4. Participant in Kandiyohi CEO Program



BOLD Schools (Bird Island, Olivia, Lake Lilian) bold.k12.mn.us

1. Free Preschool Programs
2. Integrated Technology
3. College in the Schools Courses
4. Growing enrollment



Dream Technical Academy dreamta.org

1. Project-based learning (7-12th Grades)
2. Small class sizes (avg. 15-18 students)
3. Unique art/theatre groups
4. Partners with CMCS for athletics



MACCRAY Schools (Maynard, Clara City, Raymond) maccray.k12.mn.us

1. Extensive extra-curricular activities
2. College in the Schools Courses
3. Free transportation for surrounding communities
4. Driver's education during the regular school day

Public
Schools



NL-S Schools (New London-Spicer) nls.k12.mn.us

1. Participant in Kandiyohi CEO Program
2. 4-star Parent Aware Early Childhood Education Program
3. State-of-the-art facilities, fitness center & technology
4. Small class sizes and 100% graduation rate



KMS Schools (Kerkhoven Murdock Sunburg) kms.k12.mn.us

1. Excellent band & choral department
2. Adult/youth enrichment opportunities
3. KMS 4 KIDS
4. KMS Early Childhood Initiative (ECI)



Willmar Schools willmar.k12.mn.us

1. High number of extra-curricular activities
2. Diverse performing arts (band/choir) opportunities
3. Participant in Kandiyohi CEO Program
4. Notable student ethnic diversity



CMCS (Central Minnesota Christian Schools) cmcschool.org

1. Impressive student to teacher ratios (12:1)
2. Brand new facilities
3. Increasing enrollment
4. Strong performing arts

Private
Schools



CCS (Community Christian School) willmarccs.com

1. Low student to teacher ratios (15:1)
2. Specialized instruction for Elementary students
3. College in the Schools Courses
4. Foreign language opportunities

WEST CENTRAL MINNESOTA

Where you'll find a mix of culture, business and opportunities.

Little Crow Golf Resort

a new place to
gather, golf and
stay.



Midtown Plaza

a multicultural shopping
destination.



Goat Ridge Brewing Company

crafting beer and
building community.

