

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING

MINUTES

October 11, 2007
EDC Office, Willmar

Present: Betty Bollig, Bev Dougherty, Ron Erpelding, Oliver Hagen and Milan Schmiesing
Ex Officio: Richard Falk, Bruce Peterson and Jean Spaulding
Excused: Duane Hultgren and Larry Knutson
Staff: Steven Renquist, Executive Director
Media: Anne Polta, West Central Tribune
Secretarial: Jodie Heuring, Legal & Administrative Assistants, Inc. (LAA)

President Betty Bollig called the meeting to order at approximately 11:08 a.m.

MINUTES—

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Oliver Hagen, to approve the minutes of the September 13, 2007 meeting as mailed and e-mailed. MOTION CARRIED.

TREASURER'S REPORT—The financial report as of September 30, 2007 was distributed and reviewed by the board. Steve Renquist stated the difference in the 2006 and 2007 salaries is attributed to the City of Willmar not handling the EDC financials for the first four months of 2006; thus, does not include the salaries for that period of time.

[Bruce Peterson and Jean Spaulding joined the meeting.]

IT WAS MOVED BY Oliver Hagen, SECONDED BY Milan Schmiesing, to approve the financial report for the period ending September 30, 2007 as presented, subject to audit. MOTION CARRIED.

Bills—Renquist presented bills for approval.

IT WAS MOVED BY Oliver Hagen, SECONDED BY Bev Dougherty, to approve payment of the following bills:

- Fall Explorer ad in the amount of \$1,228 from the Tourism Committee's budget;
- General Mailing in the amount of \$1,211.09 from the Tourism Committee's budget; and
- \$1,500 to Mobile Computer Support, Inc.

MOTION CARRIED.

UNFINISHED BUSINESS—

2006 audit. Renquist reported the EDC's accounts still include \$75,000 the EDC Joint Powers Board agreed to return to Kandiyohi County for economic development purposes following dissolution of the Kandiyohi County Rural Development Finance Authority (KCRDFA). Bollig reported the Kandiyohi County Commissioners agreed the \$75,000 given to Kandiyohi County from the KCRDFA's dissolution will be placed as a line item designated for economic development. The accounts also included funds to support the EDC's Entrepreneurs' Loan Guarantee Program (ELGP) guaranteed loans; Renquist believes it is prudent to start reserve funds to handle possible ELGP losses—perhaps \$100,000. Richard Falk shared concerns of the EDC not receiving interest for its fund balance. Milan Schmiesing believes even though the EDC funds are co-mingled with City of Willmar funds, the interest earned is shared equally by all City departments. This possibly will show in year-end financials.

Schmiesing asked that the EDCOB be provided a regular report of outstanding ELGP loan guarantees. Renquist stated a letter will be going to the participating banks reminding them to report to the EDC quarterly on their ELGP loans. Schmiesing suggested having a rolling restricted fund that equals the EDC's obligation, if all ELGP loans default.

There was no other unfinished business.

NEW BUSINESS

Board Planning Session. Renquist announced the planning session will start at 9 a.m., Thursday, October 18, in Lake Lillian and end by 5 p.m. Lunch will be at the Olde Country Winery and will include a tour.

Committee Member Additions and Removals.

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Ron Erpelding, to approve the addition of Bob Dice to the Tourism Committee and the removal of Tim Johnson from the Tourism Committee. MOTION CARRIED.

ELGP/Ratification. Renquist reported the EDCOB's Finance Committee approved an ELGP loan to Heffron Properties, LLC in the amount of \$25,000 contingent upon the owners providing 10% equity (cash) and pro-rata personal guarantees and regulatory issues are resolved. Discussion was held.

IT WAS MOVED BY Oliver Hagen, SECONDED BY Milan Schmiesing, to ratify a \$25,000 Entrepreneurs' Loan Guarantee Program loan to Heffron Properties, LLC through Home State Bank contingent upon the owners providing 10% equity (cash) and pro-rata personal guarantees and regulatory issues are resolved. MOTION CARRIED.

The Northspan Group, Inc. Contract. Renquist reported receipt of a contract from this year's EDC's planning session facilitator, The Northspan Group, Inc. (see copy attached to the original

minutes). Renquist stated the EDCOB previously authorized the hire of this group, which was the same facilitator as last year; Northspan anticipates its cost to be similar in 2007.

IT WAS MOVED BY Bev Dougherty, SECONDED BY Milan Schmiesing, to approve the contract with The Northspan Group, Inc. as a facilitator of the Kandiyohi County and City of Willmar Economic Development Commission's 2008 Planning Session. MOTION CARRIED.

Business Retention and Expansion/Recruitment Technology Task Force Contract.

Renquist presented a draft of a part-time employee contract with First Marketing Group, Inc. (see copy attached to the original minutes) relating to the *Get Broadband* program. Renquist proposes the additional \$4,000 needed from the EDC for this contract be taken from leftover 2007 funds or the BRE/R budget.

The following are recommended changes:

1. Remove "part-time employee" from the title.
2. Change "coordinator" to "contractor."
3. Modify gender references from she and her to he/she or him/her or neutral.
4. Add "and increase" after stimulate in 3c.i.
5. Add similar language to 3c as the first item under b, i.e., b. i. Stimulate and increase residential use of broadband by 10%.
6. Do not mention hours per month; just maximum amount of \$9,000. It should be noted that if this contract is successful, it could possibly be amended to include additional dollars.

Renquist will clarify with Gary Laughlin of First Marketing Group, Inc. that the contract price will be \$30 per hour.

IT WAS MOVED BY Ron Erpelding, SECONDED BY Bev Dougherty, to recommend the Kandiyohi County and City of Willmar Economic Development Commission (EDC) Joint Powers Board approve the contract with First Marketing Group, Inc. relating to the *Get Broadband* project pending recommended changes and approval by the EDC's legal counsel and the City of Willmar's Finance Director. MOTION CARRIED.

Following completion of the recommended changes, **Renquist** will provide a copy to Attorney Dean Anderson and City of Willmar Finance Director for review and approval.

Other. Discussion was held about tax abatement.

There was no other new business.

COMMITTEE REPORTS

Agribusiness/Renewable Energy Development (Ag). Erpelding stated due to harvest, this committee will not meet in October.

Renquist reported the EDC assisted in sponsoring a Green Workshop October 3 at the MinnWest Technology Campus (MWTC). All sponsors were very delighted with its success. Erpelding stated the BRE/R cancelled its regular meeting and about six or seven of its committee members attended. Jean Spaulding and Bev Dougherty requested copies of workshop handouts.

Renquist reported the EDC has advertised and received seven responses for the part-time Ag employee position. The Ag Committee does not have a recommendation at this time.

BRE/R. Renquist reported working with the Willmar Lakes Area Chamber of Commerce Minnesota Grow! program. Due to participation, Minnesota Grow! has doubled the number of businesses planned to be visited this year. The EDC has started revisits.

Finance. No further report.

Marketing and Public Relations. Erpelding shared a member from Eco Ventures, during the Green Workshop presentation stated “your EDC gets it” and referred the audience to the EDC’s logo; i.e., supporting local business, assisting area entrepreneurs, recruiting targeted industry.

Tourism. Bollig suggested board members look at the trails website www.willmar.com/trails. Bollig reported the fifth billboard has been installed on west Highway 12.

ECONOMIC DEVELOPMENT ACTIVITIES—Spaulding reported the Green Lake Clinic will open soon in the Green Lake Mall; the library has done groundbreaking; park design committee is working on the next stages of the downtown park with landscaping and gazebo; the city is in the second year of its Small Cities Development grant and received notice from the Minnesota Department of Employment and Economic Development (DEED) that it will be expanding its grant to include 17 single family rehabs and expanding commercial rehabs as well; ball fields are almost done and they are submitting a bid for either the 2011 VFW or Legion state baseball tournament—the fields provide opportunities to work with the Willmar baseball complex in attracting larger tournaments; the Harbor Inn Restaurant has a new owner, who will open a new restaurant called Michael’s.

Bruce Peterson reported the City of Willmar has started cleaning up the industrial park and street projects; county is working on County Road 47; the larger part of the industrial park plat for development will come next year; last evening the City Planning and Zoning Commission approved a conditional use permit for expansion of Willmar Poultry Company; the City Planning and Zoning Commission continues to debate a senior housing project; city’s construction is underway for a hangar at the new airport; the 16-bed Community Behavioral Health Hospital has started construction; working with Rice Care Center on a possible new facility.

Bollig reported a national video company (anchor store) plus strip mall will occupy the corner lot of First Street and Kandiyohi Street.

Renquist reported October 26 the EDC will be presenting to a legislative bonding company looking for bonding for the local veterans home; November 9 the EDC will host the legislative bio-science and technology committee at MWTC and also presenting will be EpiTōpix,

Nova-Tech, Syntiron and Earth Tech; working with a local Ag manufacturer and local robotics company on possible expansions; Monday evening the EDC conducted a community marketing meeting in Raymond and this evening will be conducting one in New London; the EDC continues to work with the pelletization company.

The Rice Memorial Hospital dental program was discussed. It is possible some of the dollars given to the county from the KCRDFA dissolution may be used to help fund this project.

MWTC. Nothing further to report.

Willmar Design Center (WDC). Dougherty reported the WDC continues to work on the assessment and ownership of all available downtown property, which will be available through the WDC, EDC and City of Willmar; in the process of completing a survey, which will be used in applying for a DEED grant (multi-purpose instrument); establish downtown commons; Heartland Community Action Agency has purchased a building and is moving downtown with approximately 40 employees; the Holidaze Parade will be November 17.

ANNOUNCEMENTS—

- ★ October 18 all-day board planning session for 2008 at former First State Marketing building, Lake Lillian.
- ★ Jeff Welker's 50th birthday will be at the New London Legion Saturday, October 13, from 3 to 7 p.m.

ADJOURNMENT—There being no further business,

IT WAS MOVED BY Milan Schmiesing, SECONDED BY Ron Erpelding, to adjourn the meeting. MOTION CARRIED.

The meeting was adjourned at approximately 12:40 p.m.

NEXT MEETING—The next board meeting is **11:00 a.m., Thursday, November 8, 2007**, at the EDC office, Willmar.

Bev Dougherty, Secretary

APPROVED 11/08/07:

Oliver Hagen, Vice President