

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)  
JOINT OPERATIONS BOARD OF DIRECTORS (OB)  
FINANCE COMMITTEE SPECIAL MEETING  
MINUTES  
October 27, 2009  
Willmar Design Center**

Present: Brian Borgerding, Les Nelson, Wayne Nelson, Bruce Peterson and Randy Zinda

Excused: Nick Dalton and Kevin Rueckert

Staff: Jean Spaulding, Assistant Director

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

Jean Spaulding called the meeting to order at approximately 12:05 p.m. and explained the purpose of this meeting is to review the EDC's toolbox and make recommendations to the EDC Joint Powers Board and EDCOB for their annual planning session. Tools for Economic Development was distributed (see copy attached).

The committee discussed the following:

- Is there a need for grant dollars or to address funding issues seen at area financial institutions? Based on a company's financial viability. Do they need a grant because they cannot get financed or is it a decision making process on whether or not to move here.
- What are the barriers to deals coming together? Lack of resources or in particular types of businesses do we need incentives to encourage projects with good salary packages.
- There is a need for help in writing a good business plan with a market or feasibility study (those who have a good business plan have a higher success rate). Possibly have a resource person/organization to explain all programs (each area financial entity may need a contact). More research is needed on who prepares market and feasibility studies? The EDC could put together a resource guide.
- The EDC's focus areas are value-added agriculture, health industry, industrial park and MinnWest Technology Campus.
- Genesis10 accessed a technology program through Eau Claire, Wisconsin, that gave a \$1,000 grant for each job created. The EDC has the levy capability to fund specific programs.
- Do not want to limit to only new businesses; want to include current businesses that would recruit higher-end jobs. Jim Sieben has done an economic impact study on a \$40,000 job.
- The EDC and Willmar Lakes Area Chamber of Commerce have been teleconferencing with experts on an angel fund/network. Investors expect an average 10% return. One Minnesota county is creating an angel fund. Attempts are being made to create a statewide investment fund. Could all local financial institutions be asked to donate \$10,000 to an angel fund?

- Have the city of Willmar obtain permission from the Minnesota Department of Employment and Economic Development to turn over its \$400,000 Minnesota Investment Fund (MIF) plus interest to the EDC for a revolving loan fund.
- This committee, at its last meeting, decided to operate the Kandiyohi County Revolving Loan Fund, but no terms or conditions were placed on it. The committee needs to redesign the manual at its next regular meeting. The current maximum loan is \$25,000. Need to increase the amount per job created? Current requirement is to create one job per \$15,000 of loan funds over a five-year period.
- Mid-Minnesota Development Commission requires a ten percent owner equity (does not have to be cash).
- A requirement under the EDC's Industrial Initiatives (II) Loan Program is that a loan request for the purchase of equipment shall create/retain one job per \$20,000 of the request over a five-year period. The II program is a good program, but it does not fit everyone.
- Forgivable loans: \$1,000 per job; pay incentives such as \$1,000 up-front or \$1,500 after three years. Look at new ways to develop resources and tools.
- The Willmar Municipal Utilities Commission used to have electric rate incentives for factory size businesses on new loads, not total loads. Does Kandiyohi Power Cooperative have any incentives?
- Need a program that covers loans from \$150,000-\$200,000?
- The EDC needs to stress that EDC monies are in partnership or recommended by the local financing community.

IT WAS MOVED BY Bruce Peterson, SECONDED BY Randy Zinda, that the Kandiyohi County and City of Willmar Economic Development Commission pursue an expanded Revolving Loan Fund and look at sourcing dollars for a forgivable loan fund and an angel fund or angel network. MOTION CARRIED.

**ADJOURNMENT**—There being no further business, the meeting was adjourned at approximately 1:05 p.m.