

Red Wing Mayor's Blue Ribbon Panel on Economic Development
Minutes of December 16, 2009

Present: Scott Wordelman, Co-Chair, Dennis Egan, Co-Chair, Scott Adkisson, Donna Anderst, John Becker, Kenneth Bush, Carolyn Hedin, Gary Iocco, James Johnson, Kent D. Laugen, Dan Massett, Michael Murphy, Kathy Radmer, Duffy Schafer, Denny Tebbe, Linda Thielbar

Absent: **None**

Welcome by Co-Chairs Scott Wordelman and Dennis Egan

Scott called the meeting to order at 7:01 p.m. and welcomed the group. He reported that the purpose of the meeting is to get the group grounded and to begin the process of understanding the topic of economic development so that when they reassemble in January the group can get down to some work.

Dennis spoke to looking forward to working with the panel and the community, and to understand where Red Wing is at and how all can be benefited, and to assist with moving the community forward.

Introduction of Panel

Members introduced themselves to each other, identified backgrounds, and spoke to their interest in being on the panel.

Mayor's Charge to Panel

Scott reviewed Mayor Howe's "Charge to the Panel" as identified in a letter provided to the panel:

- An Assessment of how Red Wing has done with Economic Development.
 - What has Red Wing done very well?
 - Where have there been set backs / disappointments?
- What strategies should Red Wing employ to position our city for the future?
- Given today's / future economic conditions?
- What structure will give Red Wing the best opportunity for success?
- How does the city effectively communicate these outcomes with the community?

Ann Markusen to present on "The Challenge of Economic Development"

Scott introduced Ann Markusen, professor, Humphrey Institute, and reviewed her background and experience.

Ms. Markusen came forward and spoke to her excitement for the Blue Ribbon Panel and spoke about projects she has been involved in where task forces such as this panel were in place.

Ms. Markusen spoke to laying out framework defining boundaries of what the group can do and started by encouraging the panel to know what the goals and outcomes are for economic development. She referred to measuring economic development

and asked what the group wants to get out of this and asked what members thought economic development is about: (these are all indicators for economic development)

- Job creation
- Income
- Creating tax base

She said there are more philosophical things thought about with regard to economic development and asked how to get jobs, incomes, and tax base. The panel provided feedback on principles to keep in mind:

- Equity
- Quality (often quality is traded off with quantity)
- Short-term and long-term
- Balance (important for stability)
- Efficiency (make sure to get the best out of the money that is spent)
- Environmental
- Education

Ms. Markusen then spoke to Red Wing's economy and asked what the panel's thoughts were about what Red Wing's largest assets are or what makes Red Wing's economy distinctive:

- River
- Grain mills
- Tourism
- Attracting people
- Large medical facility
- Red wing shoe
- Hydratight
- Xcel energy (having 3 electrical facilities – nuclear plant, steam plant, and service center).
- Etc.

She encouraged the panel to get profiles of businesses in the community (by sector and occupation) and to compute percentages to compare to the state as a whole.

Ms. Markusen asked the panel for feedback on what economic development has worked in the community - what has worked well and where there have been surprising good returns:

- Public/private partnerships with medical facility and their relationship with public entities to move forward. (It was a common goal and everybody was moving in the same direction.)
 - Ms. Markusen suggested using the medical facility public/private project as a role model. She spoke to the economic activity that has a multiplier affect where there is spinoff around it. She suggested the panel figure out how much the different partners put into the project, what the return was, and an estimate on the cost of creating a job.
- There has been significant partnering with the Chamber, Port, City, and SE MN College (businesses look at many resources). This community does a good job of pulling together those resources to meet with potential

businesses.

- There are a number of foundations in the community that bring unique opportunities.

Ms. Markusen asked the panel to think about what the cost of recruiting a business is and the way to do the recruitment. She said there are real resources that go into recruitment and suggested talking to businesses that have recently come to Red Wing about what brought them to Red Wing. She suggested finding out what Red Wing has that other places don't have and use that information to recruit.

Ms. Markusen asked the panel if there are any comments on frustrating or disappointing things that have happened:

- Be open to new ideas and don't necessarily just cross them off the list.
- Transportation issues.
- Budget tends to govern an idea - tend to measure in dollars per sq. ft. instead of dollars per capital.

Ms. Markusen asked the panel to think about how Red Wing compares to other places in southern Minnesota and Wisconsin.

She referred to economic development options and spoke to the different kinds of initiatives Red Wing can do:

- Portfolio – always be thinking forward.
- Incentives for businesses to come to the community (subsidies, JOBZ, and training).
- Tourism to grow businesses that we already have – what works?
- Think about trying to capture discretionary income from people within the community – can think in smaller kinds of ways, recycle money within the community.
- Entrepreneurship.
- Workforce development - schools are also a form of human capital development and workforce development.
- Target group: recruiting not just businesses, but also people.
- Generic infrastructure.
- Services to help businesses: different kinds of financial support of companies starting up or who want to go to the next stage and also technical assistance for businesses.

Ms. Markusen spoke to tax increment financing, JOBZ, abatement and deferments and said it is very difficult to spend money on something through programs versus using tax forgiveness as a way to fund projects. She said tax abatements are a form of spending and reminded everyone tax abatements mean locking into a long period of time; foregoing resources that the City would otherwise have. She suggested not getting caught up in competition thing and said there are two things that can be done:

- Know what you would be willing to pay to have the company come to Red Wing.

- Know what the opportunity cost is.

She suggested talking to the other community and share information.

Ms. Markusen then talked about thinking in terms of strategy:

- Important to have diversified community – there are certain things to make community distinctive. Figure out what they are and what can be added to it.
- Build on tourism and ways to reach new tourism.
- Expand portfolio approach – what is the portfolio; what kinds of resources do we have; what activities are we doing now and what other things could we be doing; what other resources are there.
- Building on human capital through education and attracting people from other places. What leads businesses here? Retain people here – make it a place people want to stay.
- Community assets – think about ideas; space that is underutilized – can it be used in other ways in new business ways. What are the community assets we have in terms of people and what can we do with it.
- Evaluate economic developments:
 - How do they really add to incomes, jobs and tax base?
 - Do the benefits outweigh the costs?
 - Think about and evaluate programs in terms of not only enumerating jobs but how much was spent to get the jobs.
 - How do we really know we are getting what we are getting?

Ms. Markusen will try to find resources on these, and suggested looking to the Department of Employment and Economic Development for more information:

- Studies on iron range case.
- Rural economy (local food movement).
- Green economy.

Next meeting date Meet twice in Jan.

The group will meet twice in January:

- January 13 and 27 at 6:30 p.m. at (Location is yet to be determined)

Miscellaneous discussion and future agenda items:

- Kent Laugen spoke to the group as being an independent panel and said they should discuss how to take up work.
- Scott Wordelman suggested the panel's initial focus will be to get organized and set up a work plan. The first couple of meetings will mainly be to gather as much information as the panel can before trying to solve problems right away.
- Jim Johnson emphasized the need to know who is working on what and bring others in as we move forward and learn.
- Linda Thielbar spoke to a missing resource on the panel from the casino or Prairie Island.
- Dennis Egan asked the panel to come back with a list of resources to continue to grab information from or other entities to bring in to talk about

resources available.

- Linda Thielbar suggested including Tim Penny on the list of resources.
- Scott Wordelman reported that Mayor Howe hopes for a progress report to City Council in 90 days.
- Scott said the January meetings will be to focus on educating the panel, to learn locally what is in play, understand enabling legislation and how it works, and understand how the County EDA works.
- Scott asked the group to read all of the handouts provided at this meeting by the next meeting.
- Scott and Dennis will think about speakers to bring in January.
- Linda asked to think about providing information to the community maybe by videotaping special meetings/speakers.
- Ms. Markusen suggested some sort of deliverables:
 - By the end of January create a map of who are in economic development, their resources, tools, and jobs they have created, and build it as a matrix and constantly try to pull and put that information into the matrix.

Adjournment

The meeting adjourned at 8:55 p.m.