



Final Report

Blue Ribbon Panel on Economic Development

January to June, 2010

**Presented to the City Council
June 28, 2010**

Vision

Red Wing will lead greater Minnesota in the retention and development of high technology, entrepreneurial, and small businesses by 2015.

June 28, 2010

Mayor and Members of the City Council
City of Red Wing
315 West 4th Street
Red Wing, MN 55066

Dear Mayor and City Council Members:

On behalf of the Blue Ribbon Panel on Economic Development we are pleased to submit to you our report and recommendations. This document is a culmination of many hours of work and a significant commitment from the Panel and many members of the Red Wing community.

We live in interesting times. Our economic conditions are evolving and changing in rapid pace and our community is subject to global market influences greater than ever before in our history. Our local businesses are impacted by events and activities not only across our country, our state and region, but also across the world. At times our task to develop and realize a local vision under these recognizable realities seemed nearly impossible.

Yet we were driven by an unmistakable conclusion that the time to shape, influence, and dream about our future is real and right now. This belief was evident in the passion of our Panel members, the unwavering commitment to the Mayor's original charge, and to the recognition that we could actually impact and change the future of our community. As you know our Panel focused on both process and outcome credibility and we worked hard to create an open, constructive and inclusive process.

We focused an extensive amount of time on the Port Authority and after much review and discussion unanimously agreed to fully invest in its future. It is important to be clear that while we support the structure, we believe additional focus on strengthening the Port's effectiveness is vital. We discovered and learned that there are other opportunities and investments that can be made in our future and we want the Port and the City to provide leadership to support a common economic development vision throughout the Red Wing community.

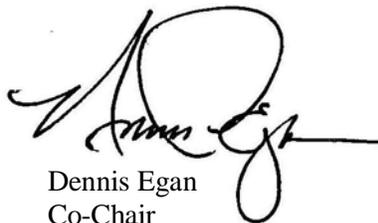
The next step for our recommendations rests with you and the community. Our Panel members are vested in our process and dedicated to continuing to support the City, the Port and the future investment they believe will serve our City for decades to come. Perhaps the strongest message we can deliver to you is this... ***the collective interests of the greater Red Wing community must own the vision and work together to achieve our goals and objectives.***

We encourage your strong consideration of our recommendations. We stand ready to support you in your considerations and deliberations of these findings and conclusions. Finally, on behalf of all Panel members and the greater Red Wing community, thank you very much for the opportunity to serve as Co-Chairs of the Blue Ribbon Panel on Economic Development. This was a professionally challenging experience and a personally motivating opportunity for both of us.

Sincerely yours,



Scott Wordelman
Co-Chair



Dennis Egan
Co-Chair

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I. Mayor John Howe's Letter to the Panel



I want to personally thank each of you for participating in this Panel. Your time and energy will make a positive difference in our community. Each of you represents a different aspect of the Red Wing community. Every member brings something different to the table. I would like to charge this Panel with the following:

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

The Port Authority, City Council, City Administration, and Mayor are available as resources as you move forward in this process. If the Panel needs any additional resources, please do not hesitate to contact me. This is a very important task and your dedication is sincerely appreciated.

Very Truly Yours,

A handwritten signature in blue ink that reads "John S. Howe".

John S. Howe | Mayor
Office of the Mayor
City of Red Wing
315 West 4th Street | Red Wing, MN 55066
Tel: 651-385-3610 | Fax: 651-388-9608
Email: John.Howe@ci.red-wing.mn.us

Make it a Great Day!

II. Blue Ribbon Panel Members

The members of the Blue Ribbon Panel were selected by Mayor Howe to bring a diverse and broad perspective to the work of the Panel. None of the members are economic development experts, but come from various roles in the community at large. The Panel consisted of resident citizens who were taxpayers, resident citizens who were business owners, and non-resident business owners who were local business owners and business leaders which provided a more regional overview.

Scott Wordelman, Co-chair
Dennis Egan, Co-chair
Scott Adkisson
Donna Anderst
John Becker
Kenneth Bush
Carolyn Hedin
Gary Iocco
James Johnson
Dan Massett
Michael T. Murphy
Kathleen Radmer
Duffy Schafer
Denny Tebbe
Linda Thielbar

III. Original Charge of the Blue Ribbon Panel

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

IV. Guiding Principles

During the course of the discussion the Panel introduced a set of guiding principles to help focus their discussion and to further define what economic development means to a community. The principles are a set of value statements that individually and collectively were used to support the discussion and frame policy decisions and recommendations.

- Focus on retention and sustainability of current businesses
- Enhance the Quality of Life to support a healthy community
- Sustain and create living wage jobs
- Maintain and expand the tax base
- Create additional income for the community

These principles guided Panel members in the determination of what economic development means and they assisted in defining and understanding the exciting opportunities and possibilities the City can realize in the pursuit of a common economic development vision, strategies and goals.

V. Process and Presenters

The design of the membership brought together multiple community perspectives and to assure a broad understanding of the task at hand, the Panel focused significant time on learning and understanding the forces that drive economic development in a community. The process included an intensive amount of time and effort specifically designed for learning, exploration and education. We were intentional not to jump to conclusions; rather we were deliberate and determined to base our recommendations on a diverse set of opinions coupled with well reasoned analysis and logic.

We explored “Economic Development” from the perspective of the following diverse interests:

- The State of Minnesota
- The City of Red Wing
- The Port Authority
- Goodhue County and the Region
- Academics and education
- Local business
- Tourism
- Developer perspectives and development
- Workforce
- General citizen interests

Over a six month period, the Panel held twelve meetings all of which totaled hundreds of hours of volunteer time. Our first meeting was held on December 16, 2009. Our work was completed on June 8 with a televised meeting in the Red Wing City Council Chambers. All of our speakers and guests volunteered their time and with a single exception, covered their own expenses. This is an important consideration and the interest of these professionals to assist our community should be applauded and the Panel is grateful for their participation, assistance and perspective. The culmination of our work is appreciably better as a result of the information we learned from presenters and speakers.

A critical step in our process was a 2.5 hour dialogue on May 24 with the leadership of the Red Wing Port Authority. This was the second appearance by Port officials and their candor and professional approach demonstrated by the board and staff representatives was greatly appreciated. During an earlier meeting, the Panel prepared a set of 29 questions and these were used as the basis for the Port Authority’s interaction with the Panel. This important conversation helped the Panel focus and shape its opinion on the future structure of economic development.

The City Council provided much needed support. They graciously supplied resources to assist in facilitating our process, shaping the end product, and preparing the final report. This investment resulted in the engagement of David Unmacht from Springsted, Incorporated to assist the Panel. A copy of Mr. Unmacht’s biography is attached in Appendix A. City staff, specifically Kay Kuhlman and Teri Swanson, provided important and valuable behind the scenes support to keep the Panel organized and the public informed. The Panel would like to thank the Southeast Minnesota Technical College for the use of their facility and for the taping of the meetings and Carolyn Hedin for the use of the Indigo Room for our lengthy workshops on the evenings of May 24 and 25, 2010.

Following is a list of the individuals and organizations they represented which graciously made presentations to the Panel members. We collectively express our appreciation to each for the contribution to our work.

- Tom Brown
 - President, Red Wing Port Authority
- Myron White

- Executive Director, Red Wing Port Authority
- Shari Chorny
 - Business Development Director, Red Wing Port Authority
- Randal Hemmerlin
 - Executive Director, Red Wing Housing and Redevelopment Authority
- Bill Balzer
 - Senior Vice President, Public Affairs and Business Development, Minnesota Chamber of Commerce and Grow Minnesota
- Laura Blair
 - Information Technology Director, City of Red Wing
- Brian Peterson
 - Planning Director, City of Red Wing
- Gene Goodard
 - Senior Business Development Specialist Minnesota Department of Employment and Economic Development
- Ann Markusen
 - Professor of Economics, University of Minnesota Humphrey Institute
- Marshall Hallock
 - Director of Finance, City of Red Wing
- Chris Gasner
 - Staff, Southeast Minnesota Development Corporation
- John Edman
 - Executive Director, Explore Minnesota
- Jennifer Ridgeway,
 - Analyst, Minnesota Department of Employment and Economic Development
- Ray Piirinen
 - System Director of Real Estate, Fairview Health Services
- Ian McRoberts
 - McRoberts Development
- Patty Brown
 - President Red Wing Area Chamber of Commerce
- Shannan Harris
 - President, Red Wing Downtown Mainstreet
- Kathy Silverthorn
 - Director Red Wing Visitors and Convention Bureau

During the course of the presentations and subsequent discussions, many topics were raised and identified as important to the future of Red Wing. There was a tendency for the Panel members to be actively engaged and consider every subject that was raised. For example, several specific aspects of the Port Authority were raised and questioned, including their financial outlook and debt levels, the changes to the enabling resolution under consideration and even the specific performance of the leadership of the Port. Although the Panel deemed these important and worthy of discussion, they were beyond the scope and outside the Charge of the Mayor's Panel purview. These topics are legitimate for future community consideration, but not as part of the Panel's process or recommendations. We discussed tourism, Red Wing 2020, county and regional economic development all of which fit into the bigger picture, but this was outside the scope of the Panel.

An extensive set of minutes, documentation and information exists which tracks the work and discussion of the Panel. All of this is public data and part of the official record which can be accessed or reviewed upon request. Information on each speaker is available from these sources.

The Panel was particularly careful and deliberate to ensure that the process was both credible and public. In fact, a number of community members attended the meetings and often participated in the discussion when appropriate.

VI. Charge One: An assessment of how Red Wing has done with Economic Development.

The Panel's education process was enlightening and informative. Each Panel member brought their own expanded perspective and opinion to the topic. The process moved along, some long held views were substantiated and some were altered. It did become clear, however, that Red Wing has some intrinsic economic development challenges regardless of anyone's particular viewpoint or perspective. Understanding them and knowing how they factor into the future of Red Wing became a Panel priority. The most important of considerations are:

- The City of Red Wing is not on a major freeway system; although access to Red Wing is good, the City is not located along an accessible and highly visible interstate transportation system.
- At present, the City does not have a large amount of land available for new development; this is both a problem and an opportunity.
- Red Wing's geography is one of its greatest assets, but it also can be a limiting factor in site selection and site development work.
- According to several panelists and speakers, Red Wing is simply not a recognizable name in the competitive world of economic development. Name recognition is an important consideration in the future.
- Major employers, if interested in Red Wing must understand that some of their labor force will have to be trained or recruited; access to a good labor is adequate, but not sufficient to handle all types of employers.

The Panel acknowledges the importance and impact of these on the future of the community. These topics were instrumental in the Panel's discussions, analysis and recommendations.

The Panel began the formal assessment process by submitting responses in writing on the following questions as per the Mayor's charge. An enormous amount of data was collected, as such all responses were organized by topic and combined into one common (one page) document. The opinions of the Panel generated a spirited set of discussions on both questions. Although the Panel fundamentally agreed on the most important characteristics, there were clearly strong and divergent opinions on both of these two questions. This information was used to brainstorm and explore the most important factors that have determined how well the City of Red Wing and its community have done with economic development in the past. The Panel conclusions are represented below:

Where have there been set backs / disappointments?

- The availability of community information and the knowledge of economic development opportunities within the community need improvement.
- The inability to maximize the value of all of the community assets and unique (niche) qualities and infrastructure that make-up the distinctiveness of Red Wing.
- Lack of a strong comprehensive and consistent marketing strategy.
- The overall business culture lacks a "can do" attitude; the perception is one of a negative culture.
- The lack of a common economic development vision and strategy that guides all stakeholders within the community.
- Many relationships between economic development interests seem to lack trust and lack cohesion or coordination.
- Lack of a current and guiding economic development strategic plan; the most recent one is over

10 years old.

What has Red Wing done well?

- A well rounded quality community consisting of a variety of positive characteristics: scenic beauty, strong educational system, multi-use riverfront, recognizable downtown, volunteerism, historic preservation, service organizations, parks and recreation, tourism, arts and philanthropy.
- Built, constructed and maintained a strong infrastructure base and have in place a comprehensive community land use, zoning and development plan.
- Demonstrated an ability to be flexible and adaptable in recognizing that original plans change and evolve and the community can respond accordingly, for example the Energy Park and the Med-Tech Park are good illustrations of this strength.
- Maintained and sustained a diversity of core businesses (not reliant on one dominant business or sector): tourism, agriculture, energy, resort and gaming, downtown, retail, manufacturing, and service industry.
- Recognized for its regional health care facilities – the physical location of the major health care facility has spurred other development and redevelopment investments in the community

VII. Red Wing Assets

The Panel is proud of its local heritage and each member takes great pride in the community. When asked to articulate the greatest assets of Red Wing, the following descriptions rose to the top:

- **Awesome, dynamic, generous, entrepreneurial, welcoming, innovative**

The Panel believed it was important to express these strong feelings as part of the report.

VIII. Charge Two: What strategies should Red Wing employ to position ourselves for the future?

The Panel engaged in several intensive discussions about the strategies that should define the future of Red Wing. Ideas and topics were put on the table, defined, discussed, and debated. Many economic development priorities and strategies were identified and determined to be important. It was clear to the Panel that an intrinsic piece was missing. The Panel proposed that rather than recommend that a vision “should be created”, we determined that we wanted to “create” the vision. As such the centerpiece to the second Charge is the presentation of a bold new vision followed by critical strategies and goals which will implement this futuristic direction.

Defining what economic development is in itself, at best, a difficult challenge. Furthermore allocating limited resources and prioritizing valuable staff time to the areas that will produce the maximum possible benefits is also no easy task. Although new development is an important priority for the City, the Panel firmly believes that the resources and staff priorities ought to be placed on the attention and retention of the existing businesses in the community. It is widely recognized and agreed that the majority of “new” economic development within a community is actually derived and created by existing businesses already present today.

For many recent decades, economic development strategies (and major headlines) were based upon pursuing and recruiting major manufacturing employers. This objective had glamour and significant possibilities, but often was hopeless and in the end unfulfilling. The Panel’s belief is that the future of Red Wing is to focus on its core small business base to ensure their success, growth and long term commitment to the community.

The Panel's deliberation on this vision produced interesting and wide range of opinions on the meaning and application of the phrase "high technology". The Panel debated whether or not the reference to *high technology* is outdated and relevant in what we all know now to be a technological world. When the original term high tech was coined, few could predict how technology ultimately would influence, shape and frame almost every aspect of our daily life.

Also, the Panel had mixed opinions about including the word, "high" and in the end concluded that it was defining yet not limiting. Regardless, of words, there is no question that all Panel members believe that the future of any business (of all shapes and sizes) is embedded with technology whether that is used for design, production, manufacturing, corporate support, marketing, development and/or product distribution. Technology may not be the nature of a particular business, but there is no question that the future of business linked with technology. The most salient reference pertains to the opportunities and possibilities that a community wide fiber connection can give to the Red Wing community.

In consideration of our learning process, the discussions over six months, the facts learned, the opinions shared, the challenges ahead and the strengths we as a community have, the Panel recommends a single vision to guide our collective efforts.

Vision

- ***Red Wing will lead greater Minnesota in the retention and development of high technology, entrepreneurial, and small businesses by 2015.***

Strategies

The Panel recommends two strategies which are instrumental in accomplishing this vision. It was evident from the time spent in educating the members on the current economic development environment that not everyone in the community is working collectively toward the same vision, direction and goals. In fact, this is a *critical* conclusion of the Panel. The Panel determined that economic development efforts within the community need to be more consistent, integrated and accountable. The Panel believes that in order for the Red Wing community to compete in the highly competitive economic development environment, this culture and practice *must* change.

Strategy One: Support the Port Authority goals as presented by the President

The Port Authority is the most influential economic development entity in the community. Almost all, if not all, economic development process, plans and programs either originate or pass through the Port at some point. The Panel unanimously agreed to recommend to the community that the Port Authority remain the primary structure to pursue and support the economic development vision of the community. During the Panel and Port discussions the Port Authority President, Tom Brown, outlined four futuristic goals for the Port. The Panel was pleased to hear these goals and planned direction. As a result, the first recommended strategy is to support the Port Authority goals and they are summarized as follows:

- Prepare performance benchmarks, (metrics)
- Focus on infrastructure and technology (fiber)
- Strengthen Board governance (policy)
- Provide staff with clear directions (accountability, strategy, and operations)

The Panel believes that these four goals are timely and important. The Panel also recommends that the Port integrate this vision, these strategies and the goals in their work plans and operations. .

Strategy Two: Ensure that all economic development interests in the community integrate the vision and goals into their work plans and operations.

- The Panel recommends that public and private sector groups that “touch” economic development integrate within their work plans and operations the Panel’s economic development vision and goals. This action will take time and a greater level of commitment from the community.
 - The Panel recommends that the City Council and Port Authority give consideration in how to assist and support the continuing integration of the Panel’s recommendations into the economic development discussions of the community. Red Wing 2020, the HRA, Downtown Council, Chamber of Commerce, Red Wing Manufacturers Association, VCB, and others are all stakeholders to be included.
- The Panel recommends that it continue to meet quarterly for the purpose of providing input and public review of progress on economic development. This in no way is meant to replace current structures or accountability, rather to allow the collective community interest generated by the Panel to fuel progress.

Goals

To realize the vision and strategies, the Panel recommends four specific goals. The following represent the most important actions that need to occur within the next 12 to 24 months:

- Build a collaborative, trusting and cohesive economic development community
- Develop a world class marketing and networking program
- Create opportunities for minority businesses and future business leaders to grow and thrive
- Evaluate, organize and develop community resources and tools that support economic development

Goal One: Build a collaborative, trusting and cohesive economic development community

- Integrate visions, goals and strategies between the Port Authority, City, Visitors and Convention Bureau, Chamber of Commerce, Downtown Mainstreet, 2020, Goodhue County Economic Development Authority and the Red Wing Housing and Redevelopment Authority.
- Identify performance measures so economic development outcomes can be tracked and evaluated. Identify performance benchmarks along with listings of successes and failures of all economic stakeholders.
- Seek energetic, engaged and experienced volunteers to serve on community boards and organizations.
- Create community wide opportunities to discuss and dialogue on economic development; allow for a free flowing exchange of ideas, opinions and perspectives.
- The Panel strongly encourages re-engagement of a community wide leadership development initiative similar to that offered by the Blandin Foundation

Goal Two: Develop a world class marketing/networking program

- Develop public - private partnerships to create a marketing/networking program
- Aggressively promote the community in many regional and statewide venues and events
- Determine what level of resources is necessary to accomplish this goal

Goal Three: Create opportunities for minority businesses and future business leaders to grow and thrive

- Identify business opportunities for minorities and younger business leaders
- Create a forum within the community inviting leaders and interested individuals to join in exploring how this goal can be moved forward

Goal Four: Evaluate, organize and develop community resources and tools that support economic development

- Develop and strengthen incentive policies, programs, and practices
- Identify strengths and enhance skill sets in professional staff – look for gaps and areas of need

IX. Charge Three: How does Red Wing effectively communicate these outcomes with the community?

The following activities are already planned and underway.

- Placing the report on the City website
- Requests are underway to place the report on other affiliated websites
- Presented the report at a business community breakfast meeting planned for June 21
- Presentation to the City Council scheduled for June 29, 2010

The Panel identified a series of opportunities on how to communicate the outcomes to the community. Key themes which emerged from the discussion that were important to the Panel – over the long term -- were sustainability and accountability. The Panel recognizes that its work is complete, but remains interested in tracking and following the discussion with the City, Port and the community.

The Panel recommends that during its deliberation of the Report, the City consider how the vision and strategies will be monitored and measured. The Panel is interested in staying involved, as such, the City is asked to discuss what role, if any, the Panel may have in the future.

Additional ideas offered by the Panel for future communication include:

- Brainstorm on ways to inform the general public to create a greater awareness of what is happening and of development considerations
- Create forums to present and discuss the report with the local business community
- Prepare simple, straight forward, and understandable documents that represent the final report
- Prepare all long range visions or master plans by including a business plan which clearly addresses accountability

X. Recommended Action:

The Panel recommends that the City Council and the Port Authority move forward expediently in reviewing the Blue Ribbon Panel Report. Upon acceptance of the report, integrate the report and its vision as part of the Comprehensive Plan and the Port Authority's strategic plan.

XI. Closing:

Over the past six months a significant amount of community conversation has taken place about the future of Red Wing. The topic of these conversations has centered on “economic development”, although indirectly and directly, the strengths and weaknesses of the overall community have been explored -- at many levels. Within the Panel’s domain, this has been a healthy and productive dialogue.

Strong leaders encourage and seek discourse; successful communities promote the discussion; and committed participants share opinions and ultimately find consensus. The Panel believes it has achieved this objective.

The Panel was formed from a Mayor’s initiative based on community concern and finished with passion to initiate a successful future. Along the way this diverse group of individuals came together for the purpose of defining the future. They reviewed, examined, projected and dreamed. As challenged by the Mayor, they met and exceeded their goals.

The Panel’s charge is done; the community’s work is just starting. The vision, strategies and goals represent an excellent starting point. It is now time for **the collective interests of the greater Red Wing community to own the vision and work together to achieve our goals and objectives.**

XII. Appendix A.

David Unmacht

Director of Springsted’s Organizational Management/Human Resources Group.

David is currently Director of Springsted’s Organizational Management/Human Resource Group. Prior to joining Springsted, Mr. Unmacht served for 11 years as Administrator for Scott County, Minnesota. Prior to that, he was Deputy County Administrator in Dakota County, Assistant City Manager/Economic Development Director and City Manager in Prior Lake and City Administrator in Belle Plaine, Minnesota. He has over 26 years of local government management experience. He holds a Master’s Degree in Public Administration from Drake University, Des Moines, Iowa (1982). He also received a B.A. Degree in Political Science and Business Administration from Wartburg College in Waverly, Iowa (1981). He has been recognized with the Excellence in County Government Award by the Minnesota Association of County Administrators and the Manager of the Year Award by the Minnesota City/County Management Association. Mr. Unmacht has also served as President of the Minnesota City/County Management Association and is a professionally Credentialed Manager with the International City/County Manager’s Association (ICMA).

Mr. Unmacht focuses on organizational structure, staffing reviews, team building and communication, strategic planning, executive searches, partnerships and collaborations, organizational needs assessments and elected official/staff relations.