

Red Wing Mayor's Blue Ribbon Panel on Economic Development
Minutes of January 13, 2010
Meeting Location: SE Technical College

Members Present: 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 Murphy, Kathy Radmer, Duffy Schafer, Denny Tebbe,

Absent: Kent Laugen, Linda Thielbar

Welcome by Co-Chairs Scott Wordelman and Dennis Egan

Scott Wordelman and Dennis Egan welcomed everybody to the meeting and thanked Jim Johnson for allowing use of the meeting space.

Introductions

Panel members and the audience introduced themselves.

Welcome by Mayor Howe

Mayor Howe thanked all for attending the meeting. He reported that the City Attorney has indicated that the Blue Ribbon Panel does not fall under the open meeting law. Mayor Howe will forward a copy of the attorney's correspondence to panel members via email.

Dennis Egan reported the agenda will be changed slightly to accommodate the guest speakers, allowing them to go first on the agenda.

Scott Wordelman spoke briefly to the initial phase (through Jan) to try to focus on getting panel members educated so there is a common understanding of variables, etc., and then begin laying out goals. He referred to building a matrix as guest speaker Ann Markusen talked about at the meeting on December 16.

Guest Speaker City of Red Wing Planning Director Brian Peterson

Scott introduced Red Wing City Planner Brian Peterson who came forward and reviewed fundamentals of the City of Red Wing Comp Plan and the Downtown Action Plan. He encouraged panel members to read and become familiar with the documents.

Beginning with the City of Red Wing Comp Plan, Brian explained that the plan was adopted in April 2007 following a two and one-half year development process. He then reviewed a number of areas of the plan, which included discussion on the following:

- Vibrancy and Growth. Scott Wordelman added to this discussion speaking to the plan development and struggle with whether growth was vision. Scott asked the

group to keep in mind that the vision of the City is growth and was captured in a way that it is vibrant.

- Vision and Guiding Principles. The values that came out of the public process: Vision of guiding principle statements. Scott added to this discussion speaking to key points in this area and asked the panel to keep “preserving community character” and “great place to do business” in mind as the group thinks about what will ultimately come out of the panel’s process.
- Community Background and Context.
- Community Systems.
- Settlement Patterns.
- Design Character.
- Community Initiatives.

Downtown Action Plan

Brian reported that the DTAP process started about one and one-half years ago (or less) and City Council adopted the plan in November 2009. He then reviewed details within the five different areas of the plan:

- Where We Are: Downtown Red Wing Today
- How We See Things Changing: Trends
- Where Are We Going: The Vision
- How We Will Get There: Actions
- Using The Action Plan: Tool Kit

During this discussion John Becker spoke to Brian’s reference to the “pull-factor” and asked if “stay-factor” wouldn’t be more meaningful.

Brian spoke to the vision statement and said to think of downtown as historic, and not to think of it as being historic downtown on the river. He asked how to capture that connection in the future. Scott Wordelman asked the group to think about the following: What are the implications of this in downtown on economic development? What role does downtown play in economic development? He said he raised the question because it is critical in the roll of economic development.

As Brian spoke to the actions matrix defining 35 actions (page 70-77) that were grouped around the five value statements, Dennis Egan asked how do you expand that and not just look at the downtown. He asked if we are maximizing the effectiveness of everybody around the issues and how do we take the work that has been done and engage everyone and maximize everybody’s talent.

Carolyn Hedin spoke to the vision statement where it speaks to vibrancy and said if we can focus on vibrancy growth will follow.

Scott Wordelman asked some of the task force members what they think is important that the panel should think about. Carolyn referred to downtown as being the core and she said if the core is strong, healthy, and exciting it will hold everything together. Gary Iocco spoke to bringing housing into downtown and the more people we have downtown creates a buzz – people want to be there. John Becker said Red Wing’s downtown is very important and it is a natural asset – it’s what every community wishes they had. Gary added that downtown is one of the largest employers in the area. John added that seven out of ten new jobs is coming from new business – downtown is really where the growth is occurring.

Duffy Schafer asked if there is anything in the plan that speaks to Hwy. 61. Brian said yes and said one of the actions speaks to how to create better connections and the highway primary one. Gary Iocco spoke to “complete streets” and different things engineers can do and said it’s not major construction that needs to be done. Denny Tebbe provided some background on when the highway was built, how the corridor has been able to be adapted in many ways with downtown improvements, and how traffic has increased. Brian referred to the completestreets.org link for more information where they identify many resources that show what other communities are doing.

**Guest Speaker Gene Goddard, Senior Business Development Specialist,
Minnesota Department of Employment and Economic Development**

Gene Goddard, Senior Business Development Specialist at MN Dept. Employment and Economic Development, reviewed his background and experience and spoke to how he has worked with communities regarding their economic strategies, etc. He spoke to these four areas:

1. Focus on living wage – what is it and what is that type of job.
2. Opportunities to create new wealth.
3. Create tax base.
4. Create economic development authority.

Gene asked the panel for feedback on what they think a living wage job is:

- Probably manufacturing or retail.
- Trend to more service related.
- Overall view is a job that somebody becomes productive you can support a family on that wage without doing several jobs. They have to have a career track as well, so that they can excel and improve livelihood.

Gene spoke to his surprise with lack of focus in the plan on industrial sector jobs. He reported that the state focuses on head of household primary sector jobs (retail will always follow). Gene added that from the State’s standpoint the panel should focus on

the manufacturing sector. Need to look at planning significant more industrial space – and focus on manufacture head of household type of job.

Gary Iocco spoke to the last speaker, Ann Markusen, Professor, Humphrey Institute, and her comments about not offering incentives; she was not a fan of TIF or JOBZ. Gene Goddard spoke to where they have been constantly outbid because of incentives. He said incentives like JOBZ good or bad – there is a place for incentives. Gene spoke to the need to look at how to design incentives to fit target businesses. They are looking not for debt structure but for equity. He suggested focusing on manufacturing head of household type business or corporate.

Gene spoke to Red Wing not having land and said the group needs to look at other areas to either go up rather than wide – focus on more commercial – back operation type facilities – and target amenities of being on the river or being downtown.

Scott spoke to the clear understanding that Red Wing does not have enough land available or the land we have has alternative designation. Carolyn said if you put too much on a raw piece of land you are already limiting what can be done where a company might want to decide what they want.

Denny Tebbe suggested looking at how cost effective it is to move dirt to make land alternatives.

Gene spoke to the following:

- Need to identify land issues.
- Companies are looking for cheap energy and big fiber.
- Looking for walking paths.
- Retail.
- Relationships with educational institution.
- They are looking for high skilled individuals.

Gene spoke to companies not hearing Red Wing's story and encouraged the panel to go out and tell Red Wing's story – tell what availabilities you have for business infrastructure. Marketing is important to move forward with an economic development plan with community.

Dan Massett asked Gene to summarize two or three issues Red Wing would have for this area. Gene replied: location, access to market, availability of land, and perception of community politics. He said Red Wing has a perception in the business community as having volatile community politics.

Scott stressed the need to be careful to not allow what the panel is doing as political and asked how we can learn more about perceptions or what barriers to market might be that we are not even aware of. Gene suggested the panel speak with manufactures in the communities and talk with developers that would or could potentially bring projects here. Gene suggested the Port be given a marketing budget so that they can share the story and help change some of the perceptions that have been building; perception has been shared with him for some time.

John asked Gene to comment on “Grow WI.” Gene said they have had a bill in state legislature to create a tax credit – legislature passed it in 2007, the governor vetoed the bill, and the investor tax credit went away. They will bring it back again this year – it is critical to have it passed.

Jim Johnson asked if anybody in the State is doing a good job in growing their own business – helping companies expand. Gene reported that St. Cloud, Alexandria, and Chisago all do a good job in helping grow businesses. They use TIF, Abatement, and JOBZ. Chaska is doing fabulous job of growing businesses. He suggested looking at how to build off of businesses that are nearby.

Dennis Egan asked what type of opportunities there are with developing relationships with Mayo Clinic, etc. Gene said it is very hard to develop relationships with Mayo – the University of Minnesota is much easier to work with. Mayo draws in companies that want to be close to their facility. Have to have fiber infrastructure in place.

Scott suggested putting fiber infrastructure on the agenda.

Gene spoke to sticking with the Port Authority model rather than the Economic Development Authority model and said from his experience, Red Wing has the best and most powerful tool (Port Authority) you can have in the state.

Gene spoke to working together regionally with Lake City to grow the river corridor. He spoke about partnering together with larger entities and building off of that. He said marketing Red Wing by itself will be struggle.

Scott Wordelman captured what he heard:

- Question around open meeting law. Mayor Howe will email a copy of the correspondence that indicates this group is not subject to open meeting law.
- Brian Peterson shared two documents and walked through chapters. The take away from that is the vision capturing vibrancy of growth and historical nature of the community.

- Economic development plan is seven years old – understand what that says – get link out to folks.
- Downtown Action Plan – take way from this was the idea of the downtown being the core of the community – if it's healthy, the community is healthy. Concept: the number of jobs in the core and about maintaining it.

Gene's closing comments:

- The planning document - as a City there is nothing in there about economic growth (industrial develop). Should talk about it whether it is a blind spot or not; need to understand and think about it.
- \$24,000 target for livable wage. Targeting head of household. Land is a critical element in consideration of economic development.
- Need to market Red Wing's story – give Port a marketing budget.
- Partner with Department of Commerce as they go out of the state to target potential development.
- Shared blunt perception outside of the community from developers and others that this may not be business-friendly environment. Should understand that and talk to other developers.
- Challenged the group to talk to Red Wing's manufacturers and understand those perspectives.

Dan Massett referred to the panel now having had two outside speakers on a couple of issues with very different dynamics and asked if there is a way to encapsulate those philosophies.

Gary spoke to Red Wing's demographics / industries and suggested looking at what Red Wing actually has and what maybe is a direction to go. It can't be just one thing, look the whole gamut.

Dennis Egan referred to land use / land reuse and asked if Red Wing is maximizing what we have. He asked how Red Wing is partnering with townships and other communities around Red Wing. He said not to paint ourselves into a box but to take a look at it, not in a political way but as a course of educating ourselves in the community on opportunities.

Carolyn asked if it would be useful to talk to new local businesses that have come to Red Wing and ask them what brought them to here and clarify those reasons.

Duffy spoke to underlying paranoia and the fear of making change that won't happen overnight. He feels strongly about geographic synergy and energy of what it has done to downtown and how the retail fear of moving highways is unwarranted. Duffy said the

City has to look further out and create a different kind of situation, there is so much strength in the community that we forget about it – don't be afraid to take chances.

Next meeting date:

The next meeting of the Mayor's Blue Ribbon Panel is January 27 at 6:30 p.m. at SE Technical College. Future meetings are February 10, February 24, March 10, and March 24.

Adjournment

The meeting adjourned at 8:58 p.m.