

Red Wing Mayor's Blue Ribbon Panel on Economic Development
Meeting Location: SE Technical College
Minutes of February 10, 2010

Members Present: Scott Wordelman, Dennis Egan, Scott Adkisson, Donna Anderst, John Becker, Carolyn Hedin, Gary Iocco, Jim Johnson, Dan Massett, Denny Tebbe, Kathy Radmer, Duffy Schafer, Kenneth Bush, Linda Thielbar

Absent: Michael Murphy

Welcome

Scott Wordelman welcomed the panel and called the meeting to order at 6:30 p.m.

Minutes

Duffy Schafer moved, seconded by Kathy Radmer to approve the January 27, 2010 minutes, with one change of Quality of Life was discussed and added as it should be considered in our charge, but was not part of the initial charge (was discussed later in the meeting of January 27, 2010.)

Meeting Location Discussion

Linda Thielbar reported on the possibility of meeting at the Library and explained that the meeting would have to end by 8:00 p.m. and the need for city resources to make it work may be a concern. SE Tech could possibly live stream to web and has offered to continue to provide space for the panel. Gary Iocco agreed with live streaming and Duffy Schafer suggested maybe when the final report is given. Jim Johnson and Laura Blair (audience member) said they could get live streaming set up.

John Becker reported that the St. James could be a possible meeting space.

It was determined that the next three panel meetings will be held at the SE Technical College. The meeting dates will be moved to the second and fourth Tuesday's of the month at the same time, 6:30 p.m.

Linda Thielbar expressed concern with City Council being informed and invited.

Kent Laugen's resignation was received.

Discussion on Expansion on Norwood

Scott Wordelman spoke to the Port structure and VCB and the need to learn more about economic development. Gary Iocco suggested bringing the Norwood developers down to speak to the panel.

Linda Thielbar asked for clarification on the difference between the Port Authority and Economic Development Authority.

Denny Tebbe spoke to the lack of areas to provide space and the need to provide infrastructure. He asked how to provide for businesses.

Ken Fetterbush referred to the winery located at intersection of Hwy 61 & 19. Would like to make that presentation to the group. Creating living wage jobs and income.

Art Kenyon asked what tourism means in the context of money / value to Red Wing. John Becker asked if tourism creates jobs.

Don Olson spoke to demographics changing rapidly and people coming in with great credentials and the need to get them involved.

Gary Iocco moved, seconded by Kathy Radmer to approve live streaming. The motion was carried.

Discussion About Work Schedule

Dennis Eagan suggested a timeline of once a month with work groups meeting every two weeks.

Communication Discussion

Means of communication: blog or web page. There was a review of the purpose of using a blog or website to educate the public about what is related to economic development. It was reported that the initial blog was getting a quite a few hits; half the hits were coming out of Red Wing, but other towns too like Owatonna and Winona.

Panel members discussed setting up a blog that would or would not allow public postings. If information is allowed to be posted by the public it may need to be filtered somehow. A suggestion was made to set up a one-way blog, a place for presentations, minutes, agendas, final report, etc., to be available; a place to get information out to the public or possibly set up the blog to allow the public to respond to specific questions. It was also suggested that being the Mayor is an elected official that the blog be linked to the City website. There was concern about the blog becoming another “people’s platform”. There was concern about the potential cost.

Denny Tebbe, John Becker, Scott Adkisson, and Kent Laugen volunteered to set it up.

City Support

There were several suggestions about support for the panel:

- Just record the meetings.
- Jim Johnson said he was willing to offer tuition waiver for someone to take and compile notes and information.
- Donna Anderst offered to ask someone on her staff to compile the final report.

Guest Speakers – Laura Blair, City IT Director and Myron White, Port Authority Director

Laura Blair gave an overview of City’s IT system, cameras, and software. Laura and Myron White also provided a presentation on the City’s fiber initiative detailing background information,

historical timeline, the current timeline (2010), guiding principles, why government gets involved, copper versus fiber, and review of the City's resolution in support of application of Hiawatha Broadband Communications, Inc. to obtain federal stimulus grant funding to construct and operate a high-speed, fiber-to-the-premises broadband, network in the City of Red Wing.

Laura and Myron also reported on other communities that have fiber e.g. Wabasha, Rolling Stone. Laura stated that she consider living there because of it and commuting to Red Wing for work. Myron spoke of communities being successful with having fiber and communities that did not and failed to grow. They also reported that bandwidth is an issue for data companies.

Laura spoke to how Red Wing uses the fiber they currently have and explained that extensions have been done to the school and some other city own businesses. The City has been laying conduit any time they do work on roads or other work.

An audience member suggested focusing on businesses as a tool to grow economic development, not fiber to the home at this point.

Kent asked if we need a certain take rate to help support it? What is the build out future?

Laura spoke to points in the resolution (see resolution below) and said maybe 18 to 20 jobs with office in Red Wing by HBC.

RESOLUTION NO. 5983

A RESOLUTION SUPPORTING THE APPLICATION OF HIAWATHA BROADBAND COMMUNICATIONS, INC., TO OBTAIN FEDERAL STIMULUS GRANT FUNDING TO CONSTRUCT AND OPERATE A HIGH-SPEED, FIBER-TO-THE-PREMISES BROADBAND NETWORK IN THE CITY OF RED WING MINNESOTA

WHEREAS, The City of Red Wing, Minnesota ("City") is a historic river city with a population of 16,000 residents located approximately 60 miles south of the Twin Cities along the upper Mississippi River; and

WHEREAS, Red Wing ranks as one of the leading manufacturing cities in Minnesota producing a variety of products including shoes, pottery, leather, linseed oil, safety, and robotic products and is also home to a regional medical center, and a two-unit, 550 megawatts each, nuclear power plant that is located within the corporate limits of the City; and

WHEREAS, The City consists of a densely populated city core with substantial portions of the community extending into rural farmland. The City has long desired to have a fiber optic, symmetrical network capable of up to 1 gigabit speeds on a network available to both residents and businesses throughout the City (hereinafter the "Fiber Network"); and

WHEREAS, In 2005 the City formed a staff Fiber Committee due to the need to interconnect our government facilities and educational institutions; and

WHEREAS, In 2009 a "Fiber Now" Citizen Advisory Panel was created to review and consider options to develop a Fiber Network to benefit Red Wing citizens and businesses; and

WHEREAS, The City maintains that a Fiber Network with dedicated high-speed capabilities to and from residential and commercial customers is fundamental to maintain and improve education, healthcare, government, and the economic vitality of the City and would foster the growth of telecommuting, telemedicine and other applications the City does not currently have access to with the existing level of service offered in the City; and

WHEREAS, Other cities and towns in Minnesota and around the country are receiving access to such high-speed broadband service which places the City at a competitive disadvantage; and

WHEREAS, In early 2008 the City retained a professional consulting firm to analyze and prepare a report to the City outlining the costs and benefits of constructing a Fiber Network in the City. In November 2008 the City completed a Fiber to the

Premise Feasibility Study that supports the need for a Fiber Network in the City and outlines plans and specifications for such a Fiber Network; and

WHEREAS, On February 17, 2009 President Obama signed into law the American Recovery and Reinvestment Act of 2009 which provides federal agencies with \$7.2 Billion in stimulus funding for the provision of high-speed broadband service across the country; and

WHEREAS, The City is interested in partnering with a regional, private company with experience and expertise in constructing and operating broadband networks to work with the City to apply for federal stimulus funding to realize the benefits of a Fiber Network for the City; and

WHEREAS, Hiawatha Broadband Communications, Inc., located in Winona, Minnesota (HBC), is a local Internet Service Provider, cable television operator, and telephone service provider which offers broadband services to communities just south of the City; and

WHEREAS, HBC has been recognized as a successful over-builder with a proven track record having constructed fiber rich networks and operated systems capable of delivering the level of service desired by the City; and

WHEREAS, HBC would like to partner with the City to apply for federal grant funding to bring a fiber optic based, high-speed broadband service to the City of Red Wing as expeditiously as possible; and

WHEREAS, HBC has proposed a regional network that will include the adjacent communities of Lake City, Cannon Falls and under-served/unserved areas along the route to provide a truly regional network that will achieve the City's goals of improving education, healthcare, government, and the economic vitality of the City; and

WHEREAS, The City understands that HBC intends to provide dedicated network capacity interconnecting all governmental facilities and educational facilities in the City allowing for internal voice, video, and data services and maintain a strong local presence, to include a local office and local employees, all of which are reasons why the City, the City Fiber Committee, and the Fiber Now Citizen Advisory Panel support HBC's application for federal grant funding for this project; and

WHEREAS, The City acknowledges that HBC has indicated interest in discussing the possibility of the City having ownership of the Government/Education loop. Further discussion to better define this partnership is needed. The City will require a Memorandum of Understanding that outlines this partnership prior to construction.

NOW, THEREFORE, THE CITY OF RED WING DOES HEREBY RESOLVE AS FOLLOWS:

1. Each of the foregoing recitals are hereby incorporated by reference.
2. The City fully supports the application of Hiawatha Broadband Communications, Inc., to seek federal grant funding to build a high-speed, fiber-to-the-premises broadband network in the City of Red Wing, Minnesota.

Kent spoke to the upgrade or ability of cable companies to increase speed and asked what potential does having cable companies increase their speed have on an investment of city owned fiber project? Maybe have Gary Evans can answer that when he is here for a presentation.

Dennis Eagan commented that existing companies are failing to invest in the networks; they have older infrastructure. Dennis stated he lives in an under-served area and only has dial up. This panel needs to find out how we move forward to provide high speed to all areas of Red Wing.

Jim Johnson reported that Winona has good response when he sends something out. He can tell who has a good network connection on response times.

Kathy Radmer spoke on needs of schools and the ability to have speed for students and parents.

Carolyn Hedin referred to looking long term and said it will be far more important to everyone, it touches our quality of life.

Don (audience member) compare it to the light blub of the past; things to come that we can not imagine.

Mayor asked if we can require the current provider under new franchise agreement to serve under-served areas plus increase speeds. Laura Blair responded that they have an attorney examining it now. Dennis Eagan stated that current law supports existing structures / franchisee more.

Discussion about getting support and why it is important than just to businesses

Scott Wordelman asked what some of the barriers to getting support are.

Gary locco asked about other options, should the City not get stimulus funding. Laura responded that they do not have a specific answer for that yet; need to work with council.

Mayor asked if the HBC application was the highest rated fiber project that was not funded, and what are the percentages of match. Laura responded that it is somewhat confusing, because we do not know what was on the Governors list sent it to the federal government. Myron said there was a 20 percent HBC match on first round. Future rounds of funding would be the higher the private match the higher the selection.

Scott Wordelman asked what the risk is to the city? Myron reported they have invested all of the money so far?

To the panel: How important is fiber to economic development? Panel said it was very important and it should not prevent us to work other avenues.

Denny Tebbe spoke to Red Wing losing jobs in the past with not having high speed connections available.

John Becker reported that Google is looking for 1 gig test cities.

Dan Massett asked what the panel can do to move fiber forward.

Laura said they need support and answer some of the negative.

Conclusion: Fiber is a strategy that the panel should examine as a tool for economic development.

Going to continue with next meeting and get DVD of Mega-Trends by Bruce Chamberlain.

Guest speaker for next meeting is Bill Blazer.

Denny Tebbe provided copy of Navigating the Fiscal Crisis: Tested Strategies for Local Leaders.