

**Red Wing Mayor's Blue Ribbon Panel on Economic Development**  
**Meeting Location: Indigo Room - 3rd Floor of the Indigo Building, 325 Main St.**  
**Minutes of May 25, 2010**

Attendance: Scott W., Dennis E., Denny T., Dan M., Linda Thielbar, Carolyn Hedin, Scott A., Jim J., Gary Iocco, Duffy S., John B., Kathy R., Donna A.

The meeting was called to order by Scott W. at 6:10 p.m. on Tuesday, May 25. Scott provided opening comments about the process and the time commitment all have made. He felt that the expectations are high for the panelists and the community. When the work is concluded we need to be able to say that we asked the tough questions and provided the community with our recommendation. Scott encouraged Dave to "push us to get good results". Scott said that by the end of the night we need to address our charge as outlined by the community. Dennis Egan said that he echoes what Scott said.

Dave Unmacht highlighted the process and proposed a schedule for the evening. Dave started by asking panel members for their reflections on the blue ribbon panel process. Would you do it the same way? If not – what would you change? Here is the response:

1. If this panel proves to be effective, then other public entities should take on this process
2. Absolutely
3. Yes
4. Lots of education – but we need to make sure we are focused
5. Agreed with previous comment – hope that we come up with a cohesive plan and that the plan won't fall on deaf ears
6. Yes
7. Yes
8. Yes – we could have been more focus on the front end of who we wanted to involve in the education – still not sure we haven't missed someone
9. Liked process – how its evolved, like to have seen a little bit more input from people who had successes or failures
10. Yes – believe process was valuable for self – learned a lot – somewhat of a slow start, but now have momentum
11. A little bit more focused up front – if there was a way to summarize and collect all the information
12. Absolutely same process – suggest we bring committee back in twelve month to review progress
13. Good process, but we might have a blind spot in that we haven't heard from a local business

Dave next asked the committee to discuss the Mayor's first charge. Task one is:  
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?

Where have there been set backs/disappointments:

1. Communication – government is not communicating well about what we have to offer and there is limited communication coming back from elected and organizational leaders. Leaders need to make information readily and easily accessible. People shouldn't have to search.
2. Community hasn't created a business friendly culture.
3. Positive communication is so valuable – we need to quit focusing on negative and focus on positive – also collaborative communication.
4. Lack of a cohesive community vision/strategies – we do not have clarity on Economic Development goals – we are just charging forward.
5. Many commissions/agencies that don't necessary collaborate.
6. We don't do a good job of maximizing regionalism – we don't think regionally.
7. We don't think about impact on our neighbors across the river or in townships – regional perspective.
8. We are the county seat and that brings challenges and opportunities.
9. Too many silos – lack of collaboration – and not enough collaboration – need to work together as neighbors.
10. Regionalism is a great opportunity – break down individualism.
11. Attitude that we can get it done – not that we cannot do it.
12. Lack of leadership and competitiveness.
13. Underutilizing our assets.
14. Red Wing is not a welcoming community – we do not engage our minorities our youth and etc.

Dave helped the group categorize the thirteen listed items as follows:

1. Communication sharing.
2. Local flavor/assets.
3. Business culture.
4. Lack of cohesive strategy - clarify and charge ahead.
5. Too many silos – not cohesive, relations between ED organizations.
6. There is not a “can do” attitude.

So, if these aren't working, what do we recommend to make it better, along with sustaining what we are doing well?

Carolyn suggested if we have a unified vision, we could get people to gather around. Dave suggested that perhaps this was the first priority; it links everything. There was general support for this. Duffy suggested you add governance as the multiplier because with poor governance structure, and no vision, nothing gets done.

Carolyn suggested tourism, heritage, arts are all assets. Gary suggested there are all silo in those areas as well. The attitude or bickering that goes on at the City Council is a negative. Bickering at top levels is getting in the way.

Dave asked what the bottle neck is. If the panel were to identify all the variables that keep us from working well together, what would that list look like?

Scott suggested that we have conflicting interests that haven't been addressed. John added that there are too many institutions. Donna suggested that also within those, there are too many repetitive actions

Dave asked what this blue ribbon panel will do different from the others.

Scott A. suggested there is too much ownership of some programs. Dave suggested that in most communities, the problem is control. Some members expressed that control is a key component in our society. It's the hold back to all community collaboration. As resources get tighter and tighter, the controls get stricter.

Dave suggested that citizens don't care about it, but institutions want the control. Donna added the tighter the control, the more mistrust occurs.

Dave said maybe opening up the port and making it more transparent, it will give more trust to the community.

Denny added that when the Joint Rec board was created, it was to try to consolidate facilities to have single services instead of three pools, multiple hockey arenas and etc. It's a lot of money and that money could be better spent if we worked more efficiently together.

Dave asked the panel to move the conversation to the first part of the question

What has Red Wing done very well:

1. Historic preservation – fairly successful and added housing in the downtown.
2. Riverfront parks and recreation.
3. Comprehensive Plan – is being reviewed regularly and it's a good plan – planning has been well done.
4. Lot of examples of business retention – (John B. expressed a different perspective that it has not been a success. Scott added that he thinks that the big retention successes are all we hear about and that below the radar line there are a lot of small businesses that we haven't retained. It's a different problem and it's a gap – so maybe we need to say the results are mixed.

Dave challenged the group to identify business retention strategies. What does business retention mean? Every city has the same problem; how do we resolve this?

Gary said he feels this falls under poor communication – Dave agreed, but thinks it's a little broader. Business retention is about strengthening the business climate and strengthening your assets. Dave elaborated that there has to be good information and a really active entity that has good information available.

Gary said we need to provide more support for businesses.

Dan suggested that he sees enough businesses where it's not the community's responsibility to keep them alive – it may be a bad business plan.

Dan said overall he thinks there are a lot of good stories on the Port's good works. Some committee members suggested that if we had a community where we all want to live, we wouldn't have businesses leaving. It's a quality of life issue. Dave suggested that every city offers quality of life. The list was then revisited.

5. Philanthropic investments have been significant including those from Red Wing Shoe, Red Wing Area Fund, Jones Family Foundation and etc. Dave added that this is a true distinguishing factor in our community.
6. Significant support system for education. It's a huge asset.
7. Volunteerism is strong.
8. Creative adaptation - Ability to adapt original ideas to make something work – like energy park and the med tech park.
9. Strong in the arts.
10. Diversity of core businesses – anchor businesses – retail, manufacturing, service industry. If you lose one – it'll hurt, but we won't go down the tubes.
11. Service organizations.
12. Tourism – dollars come from twin cities.
13. Collaboration in manufacturing – which is the emphasis of Port.
14. Health care facilities – investment lead to significant development and redevelopment – driven by private investment with partners of city/port – very powerful, and not easy.
15. Strong in history and preservation – museums, archaeology – recognition of forefathers looking forward.
16. Tribal community.

Dave asked about the relationship with the Tribal Council. Gary said that they are very generous.

Dave asked if there is anything missing before we conclude the list.

17. Natural beauty.

Dave asked if you had one word to describe Red Wing what would it be. The responses were: Awesome, dynamic, generous, entrepreneurial, welcoming, innovative.

Scott W. said he felt that this gets to the charge – this is a good foundation. Committee members felt comfortable with the list.

Duffy S. added that he has always had a tremendous amount of pride. He thinks we have more pride here than in other communities. Gary said he doesn't think the pride factor is any different than other places. Dave expressed that the connection between the list above and the strong pride factor is that the pride should help you get to a joint vision and collaboration. Dan expressed a concern that all of these assets have allowed us to attract people who want to come for a day, but it hasn't developed a culture for businesses to come and relocate here. Carolyn said we haven't done a good enough job of identifying what we need to do better.

Dave asked if there is consensus on the two lists. Scott W. feels the list is a little Pollyannaish. We have developed a list of assets and maybe not what we have done well in economic development. He suggested we discuss this at the June 8 meeting.

Dave next directed the panel to take on TASK TWO – 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?

Dave suggested that the economy is in a constant state of flux and that we should focus on future economic vision but keep in mind the current economy.

Dave reiterated what the panel had discussed and decided that the Port model was the right structure, but that doesn't mean we can't address the Port and recommended changes.

Dave recalled that two meetings ago we reflected on the end report. Words like clear concise, living were listed. Dave suggested the panel needs to take those qualities and infuse it into the report and suggested the panel limit the number of major strategies to five or less. The more strategies you have the more goals and actions you have, but less emphasis.

Scott added that less is more - forcing ourselves to identify the vital few points will be more powerful and very critical to our success. There seemed to be comfort with that approach.

Scott said it's maximizing our impact by constricting our sphere. It's also recognition that we can't do everything.

Kathy suggested that the panel could provide a recommendation for deeper examination by future panels to address specific issues.

Dave suggested that the panel was ready to develop strategies, goals and actions. He stated that he has worked under a process that uses the following flow of work:

- 1) Develop the vision
- 2) Develop the mission
- 3) Develop strategy, goals, and action steps.

Red Wing City Council has already developed a vision and mission for the community. The panel will focus on strategy, goals, and actions specifically for economic development.

Dave asked the panel to consider strategies and put them into short statements. Strategies should be items that do not change over time. When we get to action items, they will be more tactical and change regularly.

The panel developed the following draft list of strategies:

**Strategy 1** – development of a cohesive economic plan. This means that it will develop the comprehensive plan chapter on economic development.

- This will include identifying roles/responsibilities of different economic development partners. This exercise should help eliminate bottlenecks and barriers.
- Dennis E. stated that he thought this was really important and could be a “game-changer”. He suggested the panel with a fresh perspective, as if there isn’t any structure to work around. This would help to identify the most successful model.
- Others suggested there needs to be specific benchmarks that have to be met to keep the various agencies accountable. The plan needs to eliminate overlaps and foster collaboration.
- Also, it’s important that the economic development charter of the comprehensive plan articulates the vision; a vision that is easily understood and accept able to the community.
- Panelists said it’s important to have a plan, so that we aren’t just waiting for the next opportunity. Scott emphasized by saying “Form follows function – we need to nail what we want to be”.
- Denny said the panel is here because there is a problem or a perception of a problem, and that maybe the panel needs to talk about public sentiment. It’s the gorilla in the room. Gary said we need public buy-in.

In summary, the Blue Ribbon Panel felt the current strategy of the Port, taxes and jobs, is too narrow and needs to be broadened.

Dave added that City Council, if they find this report and recommendations acceptable, will embed the recommendations into City documents such as the Comprehensive Plan, budget, CIP, and annual goals.

The panel discussed the audience for this document. Dave suggested we have to identify our audience, considering who can make these recommendations happen.

Kathy R. asked if the panel was accepting that the Comprehensive Plan is our community vision for economic development?.

Dave said you have a unique relationship between the City and Port. You have a duality here that you have to get your arms around. Knowing the role of the City Council and the Port is an issue, but it's not "the" issue.

Committee members commented that it appears that the Council is the group in charge and that maybe there is some tension there, but there is strength also. Dave suggested that as much as the panel wants to avoid sticky issues, like the winery, there will be another sticky issue. The vision helps minimize the impact.

Scott W. suggested the following Strategy:

**Red wing will lead outstate MN in the development and retention of high tech entrepreneurial and small business by 2015.**

Committee members commented that the strategy creates a strong common purpose, and our fiber work supports this strategy. The strategy also supports the Ports focus on small businesses under 50 employees.

Dave suggested that if you can agree on this strategy the discussion should focus on action or tactical suggestions. It's also important to identify an effective support system. Dave challenged the committees to be sure that this sole strategy is what is in the best interest of the panel because it really is putting all of your eggs in one basket. Gary disagreed, saying that he thought the strategy was broad enough and that the panel has heard that it's a legitimate 'niche market'. Gary also said he felt having a time certain of 2015 was important.

Duffy said he felt the strategy had no boundaries and that this statement to the community will show that we are thinking bigger. Red Wing needs to develop grass roots support behind this strategy. Duffy said we also need to have government behind us. In other words, we have multiple audiences.

Jim Johnson said he thinks it's a really good direction to go. He works with different groups that foster entrepreneurial clubs. Most of the new jobs will be developed from these groups. Scott added that there is also a great potential of working in collaboration with our sister cities on this strategy.

Gary reported Bill Sweasy has said to him that he has always had a vision for plant one being a boutique leather facility or small specialty entrepreneurial.

Dave closed the first half of the meeting with reviewing the draft strategy. He questioned the words “outstate”, “high tech”, “small”, and “2015”.

The group took a ten minute break.

The meeting was called back to order at 8:10 p.m.

Dave asked the panel to talk about the strategy again and questioned several words that should be evaluated. He suggested using the word outstate may be limiting. There was some discussion about broadening this term. Carolyn stated that the comment is that we are leading the state; it's not a statement on which we are competing with. Scott W. said his mental model is related to the comment shared by an earlier speaker that 70 percent of businesses that are locating in Minnesota are choosing greater MN and that the point is to stimulate intentional focus.

Dave also asked the panel to consider a date with a longer focus. Scott A. said some legislation is focusing on fiber in 2015 and that we should keep the 2015 date. John Becker concurred. Donna suggested that we could use 2020 since we have a 2020 organization. Scott said the date was intended to stimulate action. Scott W. also said high tech is a niche that he feels presents great opportunity for our community. Scott also said that with Fairview the connection with the U of M and other current business connections with high tech facilities, gives us great resources in the high tech industry.

The panel focused on identifying goals and actions. The goal identified is: Update economic development vision to tie in with new strategy (**Red wing will lead outstate MN in the development and retention of high tech entrepreneurial and small business by 2015.**)

- a. Tactic One: Integration - Break down silos between the Port, VCB, Chamber, and DTMS and identify the role of everyone. Integrate work, if not agencies. Identify metrics and hold everyone accountable. Address leadership and ensure skill of appointed leaders. Understand that a huge influence on success is elected officials. Pressure on elected and Port appointed leaders from the community will keep the panel's work 'alive'.
- b. Tactic Two: Marketing/Networking - Develop public private partnerships to develop community stewards of the panel's strategy.
- c. Tactic Three: leverage - Identify opportunities for minorities and younger business leaders – leverage existing assets.
- d. Tactic Four: Identify Resources/Tools – Develop or strengthen incentive programs. Identify and enhance necessary skill sets in professional employees. Identify gaps and plan to address shortages in organizational model. (Consider assessment and organizational analysis to see what skills are missing/ gaps).
- e. Tactic Five: Support Four Goals Related by Port Authority Chair Tom Brown

- Functional board
- Strong/functional business plan
- Marketing program to get the word out on Red Wing
- Peace in our community, common interest and support on Port priorities.

Dennis E. asked who really drives the issue – the Port Board or staff. Dave suggested leaders should be leading and driving the issues and if you want to enhance those skills for elected and appointed officials you could consider conducting community leadership building. The Blandin program was suggested.

Kathy stated that she wasn't sure the panel had resolved the issue of the finances. Specifically she wanted to talk about the relationship between the City and the Port. Gary I. said there has to be buy in by the funders of the priorities.

Scott reflected on the work done by the Blue Ribbon Panel and asked if the strategy takes away from retention of major manufacturers like Capital Safety. Could the Port have succeeded with the Capital Safety project if this were their strategy? Jim J suggested that the Port has multiple strategies and that just because this would become the top priority, wouldn't mean that we should walk away from opportunities. The issues will be limited staff resources. Jim elaborated that it's healthy to have a mix between new initiatives and retention purposes. Jim J. added that that biggest issue will be staffing.

Dave suggested that perhaps after the draft was reviewed by the panel, it could be shared with Tom Brown, Myron White and a City Council representative to see if its seems acceptable.

Scott W. added that we have heard a lot of about the wisdom of retention. He feels we need to create a strategy that addresses the bigger businesses. Gary I. added that they need to help us. Carolyn suggested that we use the word local vs. small.

Myron said he feels the conversation with the large employers could be that we say we will want them to be the leaders in their individual industries in technologies. In this way, we can continue with retention but talk about our new focus on entrepreneurial development.

Duffy added that we need to make a strong statement about our existing business. Dave suggested we pull the word retention out and have it be an important separate statement on retention. Kathy suggested that if we bleed out the strategies, we will be less effective. The committee did not want to separate out retention into a separate strategy.

Jim suggested a tactical approach that could include turning the retention function over to the Chamber or other entities that could help. Dennis suggested Shari could share her expertise and

train others to do the retention visits. Gary I. said we need to tap into the expertise of the companies we have. Red Wing Shoe has people who work everywhere. These businesses people should be ambassadors of the City, who travel all over the world.

Dave said he felt that the essence of the message is there and that the panel should move onto how we communicate charge three. Charge three is “How does the city effectively communicate these outcomes with the community?”

The following are suggestions identified by panelists:

1. Multi-faceted
2. Need teamwork
3. Tell the people our expectations and what the process is
4. Presentation to leaders of the VCB, Chamber, DTMS, and Red Wing 2020
5. Presentation to City Council
6. Public forum before the City Council meeting
7. Build PowerPoint for presentation.

Dave wrapped up by saying the group has done good work. The panel has stayed consistent in its identification of themes that need to be addressed. Dave will put the word into a presentation format and share with the panel prior to the next meeting (June 8). Dave encouraged the group to start working on presentation dates.

Scott reminded the panel that the June 8 meeting will be live and in the City Council chambers starting at 6:00 p.m.

Carolyn said she was cloudy on one matter. She wants us to be clear as to if we are creating a different model and if we are creating a new model; what is different?

Scott suggested the panel report on what we have learned through our educational process and that we go back to the five principles – focus on retention - sustainability of existing business, quality of life – healthy communication – living wage jobs (sustain/create) – tax base (maintenance and expand) and create additional income..

Adjournment: The meeting wrapped up at 9:15 pm.