



GOODHUE COUNTY  
ECONOMIC DEVELOPMENT AUTHORITY  
Tuesday, February 21, 2006  
County Boardroom  
Government Center, Red Wing, MN  
11:00 a.m.

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Present: Commissioners: Jim Bryant, Ron Allen, Dan Rechtzigel, Richard Samuelson and Ted Seifert, Brad Johnson, David Hamilton, Ron Zeigler

Mr. Hamilton called the meeting to order at 11:23 a.m.

C/Bryant questioned who the 2005 vice chair was for the EDA Board and if there was a Secretary? Mr. Hamilton indicated that C/Rechtzigel was the 2005 vice-chair and that by statute the County Administrator stands as the secretary.

Moved by C/Rechtzigel, seconded by C/Seifert and carried to approve the February 21<sup>st</sup>, 2006, EDA Board Agenda.

Moved by C/Bryant, seconded by C/Seifert and carried to approve the October 18<sup>th</sup>, 2005 Board Meeting minutes as written.

Mr. Hamilton asked for a nomination for the Chair for the Goodhue County Economic Development Authority.

C/Bryant nominated C/Rechtzigel to serve as the Chair. Mr. Hamilton asked a second and third time for nominations for position of Chair and receiving none.

*Moved by C/Seifert to close nominations, C/Bryant second, carried to close nominations.*

*Moved by C/Seifert, second by C/Allen to accept Commissioner Rechtzigel as the Chair of the EDA Board.*

Mr. Hamilton announced that by acclamation, Commissioner Rechtzigel was the 2006 Chair of the EDA Board.

C/Rechtzigel called for nominations for Vice-Chair.

C/Samuelson nominated C/Allen to serve as Vice Chair. C/Rechtzigel asked a second and third time for nominations for vice-chair, receiving none.

*Moved by C/Seifert, second by C/Bryant to close the nominations.*

*Moved by C/Samuelson, second by C/Seifert, carried to name Commissioner Allen as the Vice Chair of the EDA Board.*

C/Rechtzigel announced that by acclamation, Commissioner Allen is the 2006 Vice Chair of the EDA Board.

*Motion by C/Seifert, second by C/Bryant, carried to appoint the members of the County Board to the Board of the EDA Board.*

C/Bryant thanked C/Allen for chairing the EDA Board last year and sending us down a direction that we have not been before, with the survey and the summit. C/Rechtzigel stated that the sentiments are shared by everyone and that he moved the EDA in a positive direction and hopefully we can keep the momentum going.

*Motion by C/Bryant move, second by C/Seifert, carried to appoint the County Auditor/Treasurer as the Treasurer of the EDA Board.*

*Motion by C/Allen, second by C/Seifert, carried to appoint the County Attorney as the Attorney to the EDA.*

### **Summit Wrap Up & Moving Forward – Brad Johnson**

Mr. Zeigler congratulated C/Allen on a successful year with the EDA and the summit, through his efforts and the efforts of the Board, staff feels that we have had a very successful summit.

Mr. Zeigler indicated that it is very important to keep this momentum going and to create a Goodhue County Manufacturing Subcommittee to further discuss the issues brought forth in the Summit. It is recommended that this Committee be made up of a manufacturing representative of each of the major communities within the County, the EDA Board Chair and EDA staff, at a minimum. This group, through staff, will bring thoughts, ideas, suggestions and recommendations back to the Goodhue County EDA to be moved forward to other appropriate bodies.

C/Samuels stated that he was pleased, everyone at the summit was quite positive, he did not hear a lot of negative and that is very encouraging.

C/Bryant questioned if they could get a wrap up of some of the comments and suggestions that were made by people that attended the summit, for a future meeting a synopsis would be appreciated.

C/Bryant also stated that there is a Red Wing manufacturing group that is currently meeting and has been for years, can we piggyback onto that, it is talking about the same thing; maybe they could expand it and invite the other businesses through out the county.

Mr. Hamilton suggested that with a short overview of the points made at the summit that we incorporate that with the findings of the survey and include that in the package when we visit the legislature on March 10<sup>th</sup>. C/Rechtzigel suggested that we provide the entire report to the our legislators so that they can see the bottom up to top down the issues that businesses are facing in the County, it is an easy to read report.

C/Bryant stated that he would like to build on what is already here, the Red Wing Manufacturing Group, it covers more than Red Wing, joining forces with them will only make us stronger, time is valuable for the factory owners. Mr. Zeigler suggested that he have some discussions with Phil Jacobson who is the President, and throw out the offer that we are here to try and assist and see what we can do to build upon that, if there is some reason in difficulty for doing that, Mr. Zeigler indicated that he would come back to the Board and give a full report with a recommendation. Mr. Zeigler indicated that part of the problem might be the name, the Red Wing Manufacturers Association, that was the thought of trying to do something that is Goodhue County, but if they are already covering a couple of Counties and Cities, maybe they are covering what we want to cover. C/Rechtzigel stated that we will review this topic at the next meeting.

### **Business Urgent Response Team**

Mr. Zeigler indicated that one of the recommendations that came from the survey was to create a Business Urgent Response Team for the purpose of being able to meet with businesses in a very timely manner rather than waiting for the appointment of a subcommittee at a subsequent meeting. This Team will not have authority to offer incentives or the like but will be a Team that can meet with a business very quickly, putting thoughts and ideas together to assist in the retention of the business and showing a positive attitude that we are here to help in whatever way we can.

### ***Recommendation***

It is recommended that the Goodhue County EDA appoint the following positions to become the Goodhue County EDA Business Urgent Response Team:

1. Goodhue County EDA Chair
2. Goodhue County EDA Community Representative
3. Goodhue County Administrator
4. Goodhue County EDA Staff
5. Mayor of involved community
6. EDA staff of involved community
7. EDA Chair of involved community
8. City Administrator of involved community
9. Appropriate State elected officials
10. Appropriate DEED appointed officials.

C/Rechtzigel commented that he would also like to see that the county commissioner of the district that the business is in is notified and be involved as well.

*Motion by C/Seifert, second by C/Allen, carried to appoint the above listed positions to the Goodhue County EDA Business Urgent Response Team.*

C/Allen questioned how we are going to notify businesses that we have this response team? Mr. Zeigler stated that it would be a marketing campaign that we will have to do, not only through press releases and the newspaper, but press releases to the cities in the County, as we go through the manufacturing aspect of it we can contact them by email as well.

C/Seifert stated that we would like advance notice, and what we are saying to them right now is if you tell us we may have something to offer you, we can do something for you, and it closes the circle.

C/Samuelson stated that we need to look at the big picture and that includes housing, when looking at Cannon Falls a lot of the workers are coming from Kenyon, Wanamingo area because there is not that type of housing for that type of pay that is offered in Cannon Falls. Mr. Zeigler stated that he feels that the relationship with Cannon Falls has improved since Dan King became the Economic Development Director, it is a very open relationship, and hopefully he will bring us into the loop if and when needed.

### **Revolving Loan Fund Procedure & Guidelines**

Mr. Zeigler indicated that Goodhue County assisted a local manufacturer with a low interest loan. These funds originated from the State of Minnesota and were granted to the County, which in turn loaned the funds out to a manufacturer. As the loan funds are repaid, a certain amount of the repayment proceeds stays within the County to be utilized for an economic development purpose, typically the establishment of a Revolving Loan Fund.

C/Allen commented that it is going to be important, since we got a phone call from a business that wanted a loan. C/Bryant questioned the criteria to be approved or not approved, is there a score sheet? Mr. Ziegler indicated that they did not set up a score sheet, it is based on the thoughts and ideas of the Revolving Loan Fund Committee, the credit worthiness of the applicant, the collateral that is offered, the believe ability of their information and the types of jobs being created. C/Bryant stated that we would have to be prepared to defend what we did either way, fair and consistent ways of doing things. C/Rechtzigel stated that the amount of money that we have will not completely fund a business, there would need to be another lending firm involved as well. Mr. Zeigler indicated that typically where these funds will come into play is in smaller business and it will be where the owner is short some of their own equity, the bank will go up to 77% percent, the owner may have 10-

15% and these funds purely gap the financing funds. These are high risk funds they are not highly secured, they are highly leveraged dollars.

C/Samuelson questioned if there is money in the fund right now, Mr. Zeigler stated that there is \$57,000. C/Samuelson questioned what would happen if we did not have this loan fund, what becomes of the money? Mr. Zeigler indicated that it has to be used for an Economic Development purpose.

Mr. Zeigler stated that this is a way for the County Board and the Economic Development Board to say we are here to help; we want to create jobs and increase the tax base.

*Motion by C/Allen, second by C/Seifert, motion carried to approve the recommended revolving loan fund application and policy.*

### **Setting Special Meeting for Abatement Request**

Mr. Zeigler indicated that on February 8, 2006, Goodhue County Staff met with representatives from the City of Red Wing in regards to the retention of a major employer in the City of Red Wing. This company is rapidly growing and is in need of a different facility. Different considerations have been brought forth and it appears that the Company is interested in leasing a different facility rather than new construction. This is being considered a retention issue as it is understood that this Company can consider other options outside of Red Wing and Goodhue County since a move will need to happen. Once a decision to move is determined, the distance of the move is not a major cost factor. It is being requested that the County consider a Tax Abatement for the retention of this Company.

The Company will be requested to move through the Goodhue County Economic Development (Tax) Abatement Procedure. Timing is such that a determination will need to be made by the end of 1<sup>st</sup> Quarter, 2006, thus, a special meeting will be needed in mid-March.

Mr. Zeigler indicated that it is recommended that the Goodhue County EDA Board of Directors set a Special Meeting for 2:30 p.m. on Tuesday, March 21, 2006 at the Commissioner's Room of the County Courthouse to review and make recommendation to the Goodhue County Board of Commissioners in regards to an Economic Development Abatement.

*Motion by C/Allen, second by Seifert, carried to set a special meeting at 2:30 p.m. on Tuesday, March 21<sup>st</sup>, 2006 of the Goodhue County Economic Development Authority.*

C/Bryant commented that he will be unavailable to attend the meeting, just making sure that there is a quorum present if action needs to be taken.

C/Seifert stated that he is under the impression that it is a Red Wing Company, indicated that the County referencing back to the 1916 building, we put our share of stuff into it and the City abated the taxes to make the project work, we should return some of that favor.

C/Samuelson questioned if we are only listening, Mr. Zeigler indicated that we are asking for the meeting to be set, but at the meeting we will be asking for the Board to take action.

C/Rechtzigel questioned the number of a quorum if we are required to have 4 voting members as a quorum with 7 voting Board members. Mr. Hamilton indicated that this will be confirmed with the County Attorney's office.

### **EDA Meeting Dates**

Mr. Hamilton indicated that recently appointed Board member Gary Schmidgall has indicated that he will be unable to serve should the EDA Board continue to meet on the third Tuesday of the month. An alternate meeting time is recommended to accommodate his schedule

## **Background**

The EDA Board has been comprised of the five County Commissioners plus two appointees. Recently, the EDA Board has sought to include representatives from the business community to fill these two important positions. This may also require that the Board consider meeting at a time that fits into their primary schedules within the businesses that they serve. One member, Gary Schmidgall, has indicated that he can not continue to serve should our schedule of meetings occur on the first Tuesday of the month. However, he would be willing to serve, should the meeting date change to an alternate Tuesday. In order to continue with our combined first and third Tuesday schedule of meetings, we recommend the following revision.

- April 4<sup>th</sup> – EDA – 4:00 p.m.
- June 6<sup>th</sup> – EDA – 4:00 p.m.
- September 5<sup>th</sup> – EDA – 4:00 p.m.
- December 7<sup>th</sup> at 4:00 p.m.

These dates would represent the regularly scheduled EDA meetings but would not preclude special additional meetings should circumstances create the need for one. In addition, for the information of the County Board members, this would simply involve the switching of the Committee of the Whole to 11 a.m. on the third Tuesday of every month.

*C/Samuelsen move, C/Allen second, motion carried to revise the meeting schedule for the EDA Board to the above listed dates.*

## **Year End Financials**

Mr. Johnson reviewed the financial reports that were distributed in the packet.

C/Samuelsen questioned the revolving loan fund, would we have to pay that back to the State if we do not use it? Mr. Johnson indicated that is essentially the case and the State strongly encourages us to get the money loaned out as soon as possible and keep using it.

## **FYI**

The following items were attached for information only.

1. SE MN Initiative Foundation (attachment)

*Motion by C/Bryant, second by C/Allen, motion carried to adjourn the County EDA meeting at 11:58 a.m.*

Respectfully Submitted,  
*David Hamilton*  
Executive Secretary