



GOODHUE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, April 19, 2005

County Boardroom

Government Center, Red Wing, MN

2:00 p.m.

Present: Commissioners: Jim Bryant, Ron Allen, Dan Rechtzigel and Ted Seifert, Brad Johnson, David Hamilton and Stacy Mehrkens.

C/Allen called the meeting to order.

February 15th, 2005 minutes were approved as presented.

Moved by C/Bryant, second by C/Seifert carried to approve the April 19th, 2005 EDA agenda as presented.

Mr. Zeigler introduced Chris Gasner, he started with SEMDC 2 days ago, thought it would be appropriate for him to come along and sit in and listen to this conversation.

Mr. Zeigler stated that the information in the packet is a revised proposal which was in response to the previous motion that was made in regards to his agency and the Extension service working together. Mr. Zeigler and Mr. Hamilton met with Bruce Schwartau from Extension, had a good meeting and a good understanding of how both agencies could work together, where SEMDC would be in the lead and they would call on Extension for some research, at the end of the meeting asked Bruce Schwartau to forward some information in regards how they would perceive this and the charges that they would bill through SEMDC, in the information that was provided by Michael Darger, Mr. Schwartau's superior, the cost for some of those functions were higher than Mr. Zeigler anticipated.

Mr. Zeigler stated that his feeling right now is that Red Wing and Goodhue County are in a critical state; approximately 1,000 jobs have been lost recently, the proposal comes down to timing, we can have further discussions with Extension, the time is now, and the time is needed to move forward; the initial thought was that SEMDC would move forward with the studies, to gather the information and start working on processing that information and then see where Extension could fit in; that is what this revised proposal is geared at. Mr. Zeigler stated that he would like the support in moving forward on certain issues in representing the County, the whole key behind the study is to filter out if there are any issues that company's have, we do not want a situation where a company notifies the Mayor on an afternoon and the next day it comes out in the paper. Let's not wait and see how we can assist company's that want to expand as well. Once the surveys are done, come back to the EDA Board and at that point can determine if, when and how Extension can be involved.

Mr. Zeigler stated that in no way shape or form trying to replace local cities EDA's; working on cooperation with them, they will be invited to attend the meetings in the communities with the business owners.

C/Bryant stated that he likes the proposal likes the work that Mr. Zeigler does. C/Bryant also commented that he likes the proposal to work with are EDA's to combine the resources as soon as possible to get the best product out there, or the best approach. C/Bryant stated that he is a firm believer of business retention and expansion and can't wait for Mr. Zeigler to get going; commented on the meeting with the Mayor and the City of Red Wing, they are focusing on Red Wing and we are focusing on the Goodhue County.

Mr. Hamilton stated that today's opportunity is informational and is to have the discussion with Mr. Zeigler, the important thing right now is to get into the field immediately and get the first round of data collected.

C/Allen stated that the other EDA's are starting the same type of program, so that they are not short sided again like what happened with the last businesses. Mr. Zeigler stated that the timing is good, Myron White is looking to set a County-wide meeting together with staff people and what is the County going to be doing for Economic Development. Mr. Zeigler stated that everyone has to realize what is good for Red Wing is good for Zumbrota, we are all in this together.

C/Allen stated that at the last meeting at the Red Wing high school, they brought in someone from the Federal Reserve Bank and the discussion was to build a 4 lane road to Scott, Wright County, that is where you need to go to get a job; it is not that far to commute; that was the mind set. Mr. Zeigler stated that he has reviewed the City of Red Wing's plan and offered his opinion. It is much easier to grow what we have versus bringing something new in.

Mr. Hamilton stated that he was at the Lake City EDA, one of the telling issues in the whole discussion is the valued efforts of the whole community to save Federal Mogul, which has been there since after the civil war ended, and it is now the only plant left in America that makes that type of product, they are up against labor rates, there has been a legitimate attempt to make the company work, a lot of that is because Mr. Zeigler is there and got the problems on the ground and is a player and intervened, once a continuous production facility has closed it almost never opens back up again. Mr. Zeigler stated that the interesting thing with Federal Mogul is that to move the Lake City Federal Mogul plant it would cost \$35 million dollars; if they were to move to China it would save them \$26 million dollars a year; in China last year in there were 12,000 deaths in factory's that was reported; getting to the point from to today to the point where the Chinese, Mexican populations unionize to bring up the standard of living.

C/Rechtzigel stated that the closing of manufacturing plants, especially in this area have been the ones to make the headlines and the discussions have been centered around that, one thing would like to remain aware of is the agriculture part, many jobs are through contracts for the farmers, reiterated that he would like the focus to be on agriculture as well. There are two major creameries, there are not enough farmers in the area any more; the agriculture sector continues to drift as the manufacturing sector gets hit hard.

C/Samuelson stated that he wanted to piggyback on C/Rechtzigel stated about the agriculture industry, the U of M fell asleep at the switch, and they didn't keep up. JOBZ zones are not taking off; Mr. Zeigler stated that they are taking off in the State of MN, 145 projects across the state, for Goodhue County it is a matter of timing.

C/Bryant questioned the list of employers in Goodhue County and requested a copy of it.

C/Samuelson stated that he glad to here the Mr. Zeigler will be focusing on regional and not just one are.

Kathy Silverthorn – Southern MN Tourism Association

Kathy Silverthorn distributed tourism and travel materials to the Board and briefed them on the activities that she has been involved in and things that will be happening in Goodhue County throughout the summer.

FYI

State of MN Mission to China

Positively MN

Mr. Hamilton stated that there is a vacancy on the EDA Board and replacement suggestions should be brought to the EDA Chair, C/Allen so that acceptance can be made at the June EDA meeting.

Mr. Johnson distributed the financial reports.

Motion by C/Seifert, second by C/Rechtzigel to adjourn the EDA meeting.

Adjourned at 3:04 p.m.

Respectfully Submitted,

David Hamilton

Executive Secretary