



GOODHUE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, February 15, 2005

County Boardroom

Government Center, Red Wing, MN

3:00 p.m.

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

Mr. Hamilton called the meeting to order at 3:45 p.m.

Moved by C/Seifert, seconded by M/Vahlsing and carried to approve the November 2nd, 2004 Board Meeting minutes as written.

Moved by C/Rechtzigel, seconded by C/Seifert and carried to approve the February 15th, 2005, EDA Board Agenda.

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

C/Seifert nominated C/Allen 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/Rechtzigel to close nominations, C/Seifert second, carried to approve.

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

Mr. Hamilton announced that by acclamation, Commissioner Allen was the 2005 Chair of the EDA Board.

Mr. Allen called for nominations for Vice-Chair.

C/Bryant nominated C/Rechtzigel to serve as Vice Chair. C/Allen asked and 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/Bryant, second by C/Seifert, carried to accept Commissioner Rechtzigel as the Vice Chair of the EDA Board.

C/Allen announced that by acclamation, Commissioner Rechtzigel is the 2005 Vice Chair of the EDA Board.

Motion by C/Seifert, second by M/Vahlsing, carried to appoint the members of the County Board to the Board of the EDA Board

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

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

Year end Financial Reports – Brad Johnson

Year end summary was included in the packets.

Industrial Hardwoods account, FUND 95, which is essentially a loan that we have taken out for that organization, is at \$50,471.31, and the other general EDA account, FUND 96 is at \$39,578.61, for a total balance of \$90,049.92.

B/Johnson pointed out that FUND 95 has restrictive use being the fact that is loan money that we are the agent for.

Reviewed the activity of the EDA fund since it was established and the year to date 2004, activity in 2004 was \$19,936.21.

Business Retention Program

C/Allen stated that this agenda item refers to we are going to stop the exit's of jobs leave the County and we have two proposals. Mr. Hamilton stated referred to Commissioner Allen's memo that addressed the need for the County to look at a job retention and economic expansion program through out the entire County. Mr. Bruce Schwartau and Mr. Ron Zeigler both presented a proposal, that would develop a strategy along the lines of what Commissioner Allen asked the County Board to consider and the Management Team has also looked at.

Mr. Hamilton stated that the recommendation in the package includes looking at both and is largely based on cost, the recommendation is for South Eastern Minnesota Development Corporation and Ron Zeigler; however in an email that was circulated prior to the meeting, Mr. Schwartau reminded us that perhaps we might wish to enhance with some of the components that the Extension Program brings. Mr. Hamilton stated that the proposals are similar, but yet they are different and reminded the Board with the financial report that was just given under Fund 95 there is \$50,471 available for these types of initiative. Mr. Hamilton stated that he has hand written an amendment that would combine under the lead agency of the SEMDC the inclusion of Mr. Schwartau and some of the components of the Extension Program.

Mr. Schwartau presented a Power Point Presentation outlining how the Extension Program would work and what it entails.

Mr. Hamilton noted for the record that Mr. Zeigler is on vacation and was unable to attend.

R/Allen questioned what the Management Team thought when they had a chance to look it over? Mr. Hamilton stated that when the Management Team met a week and a half ago, based on the information in the packet they recommended SEMDC. Mr. Hamilton stated that as he mentioned earlier he has talked with Mr. Schwartau, he shows in the email circulated that perhaps should the Board not choose his firm to use the program, Mr. Hamilton commented that he is making the recommendation to continue with the Management Team recommendation for the Southeastern MN Development Corporation, but to also put in the resolution to require Mr. Zeigler to work with the University of MN to combine components to make it an overall stronger program. Mr. Hamilton stated that we would have the best of both worlds since we have the

resources to do it and under Mr. Zeigler's leadership we could have the research component the depth of the University of MN and Mr. Zeigler also front in center most recently presented a package for the proposed rescue of Federal Mogul in Lake City, which was adopted unanimously by the Council of Lake City, and applauded by both labor and management. Mr. Hamilton commented that his approach is to fully take advantage of all resources to do the job properly.

C/Bryant stated that he is a little bit familiar with the work that Mr. Zeigler has done with Federal Mogul, he is very knowledgeable of EDA work, put together the Federal Mogul project. C/Bryant commented that we would be advantageous to begin the process, because we are in the very beginning process, it would be beneficial for Mr. Zeigler to come on board and to meet with Mr. Schwartau to tap into some of his resources as well, as he is our Extension Educator in this area.

Motion by C/Bryant, second by C/Seifert, motion carried to accept the proposal of Southeastern MN Development Corporation for the purpose of developing a Business Expansion & Development Program as detailed in their proposal at a cost of \$5,500 and that Mr. Zeigler, their Director meet with Mr. Schwartau, Extension Educator and determine an appropriate portion of their Business Retention & Expansion strategies program to be incorporated into the Goodhue County EDA Strategy & report on the combined program to the next County EDA Board meeting.

C/Bryant questioned if we are looking at economic growth, Federal Mogul in Lake City waived taxes, are we going to start doing that? R/Allen stated that is further down the road, right now it is to look at the exit's jobs, 1,000 jobs alone in the 1st District that left, and what can we do to stop that stem? Mr. Hamilton stated that this new for the EDA, but is very appropriate for the kind of work that we are considering, March 15th is a scheduled EDA meeting and would envision Mr. Zeigler and Mr. Schwartau if available would come with an overall package of how we are going to do this in cooperation and the costing, anticipated results, a calendar of meetings that would take place, who would be involved, because we have not done this before there is a need to do this extensively.

C/Bryant stated that he is really interested in retention or growth or growing what we have, hope that this is something that we need to have a way to get everyone together, and not everyone spending on resources to reach the same goal, we would like that with Ron and Bruce to direct that and get everyone going the same direction, being a County Wide effort involving all 10 cities. C/Allen stated that part of proposal stated that it would be county-wide.

M/Vahlsing stated that he has administered when he was an EDA Director one of the things that they did was 10 years ago, Chisago County did a program like this through the U of M, the program for the County was a god send, they were similar to Goodhue County and that they were starting out and developing a strategic plan, this development as an end result was a strategic plan. The County partnered with cities helping them to buy land for industrial parks, etc. U of M is going to involve people and stake holders, the benefit is that it gets us out as EDA members and you will see the appreciation when they are done.

Board Vacancy

Two appointees are someone in the economic development field, the vacancy that was left by Ron Zeigler needs to be filled. Do not need to fill it today and is available to, bring back a recommendation to the March meeting.

FYI

The following items were attached for information only.

1. JOBZ email (attachment)
2. Dairy Modernization Program (attachment)
3. SE MN Initiative Foundation (attachment)

C/Bryant move to adjourn the County EDA meeting.

Respectfully Submitted,

David Hamilton

Executive Secretary