

**ECONOMIC DEVELOPMENT COMMISSION
MAY 19, 2015 MEETING MINUTES**

MEMBERS PRESENT: Chair Jurchen, Commissioners Rieck, Roggenkamp, and Merritt

ABSENT: Commissioner Stroot

ALSO PRESENT: Nancy Malecha, Finance Administrator/Deputy City Clerk; Matt Kilian and Jenna Crawford, Chamber of Commerce; Mike Fynboh, Cascade Computers; Chris Lindholm, Pequot Lakes School Superintendent; Sheila Haverkamp, BLAEDC

1. Call Meeting to Order

The meeting was called to order by Chair Jurchen at 8:02 a.m.

2. Approval EDC Minutes

COMMISSIONER RIECK MOVED TO APPROVE THE APRIL 21, 2015 ECONOMIC DEVELOPMENT COMMISSION MINUTES. COMMISSIONER MERRITT SECONDED THE MOTION. MOTION CARRIED 4-0.

3. Broadband Discussion

Mike Fynboh from Cascade Computers informed the Commission on the differences between the broadband providers in the area from an information technology perspective. Mr. Fynboh noted that TDS focuses on T1 lines that are bonded with their telephone service. He explained their speed ranges of 1.5 MB to 16 MB, how this varies between upload and download speeds, and the minimal broadband service in the rural outlying areas.

Charter Communications' services were discussed. Mr. Fynboh noted that their services are focused in corridor areas rather than residential areas. He stated that their service speed is 40 MB download, good upload speed, and even though their bundled services tend to be cheaper, Charter tends to suffer from reliability.

CTC's services were discussed. Mr. Fynboh noted that their services are currently as close as the Gull Lake area and their download and upload speeds are approximately 60 MB.

Chair Jurchen stated that offering personal broadband packages in the rural areas would need to be subsidized due to the enormity of the investment and equipment costs. Sheila Haverkamp noted that money for this is not easily accessible and companies should be expected to contribute as well.

Chair Jurchen noted that some of the issues may be due to technology capabilities within the home. Mike Fynboh concurred that residential customers tend to buy less expensive I.T. equipment based on their needs and knowledge level.

Matt Kilian stated that the State government needs to decide if broadband is an essential service because the market will not fix this issue. He informed the Commission about a \$40 million competitive grant pool that CTC participated in and received \$2 million in matching funds. The perception is that the State tends to focus on transportation and education funding, and broadband funding is not a top priority.

Chair Jurchen noted that Crow Wing and Cass counties are the fastest growing areas in Minnesota and providers need to be aware of the broadband need. Sheila Haverkamp stated that Pequot Lakes might want to start conversations with the providers in the area.

Chris Lindholm stated that the Pequot Lakes School has access to CTC's services. They currently have 100 MB and are out-growing it very fast. Students are unable to hook up when they walk out the doors.

Sheila Haverkamp stated that the conversations need to start on alternative broadband options and it would be a good idea to get the School, Landis Gyr, Breezy Point Resort, Pequot Tool, and other partners on board for these discussions.

4. Building Creative Communities

Commissioner Roggenkamp informed the Commission on the Arts and Economic Prosperity meeting she attended in Little Falls on March 2nd. Ms. Roggenkamp highlighted the important elements of arts in communities such as its economic impact, attracting people to the area, and bridging groups of people to work together.

5. Second Homeowner's Survey

The Commission reviewed the University of Minnesota - Profile of Second Homeowners Study. This was a household survey of second homeowner in eight counties in central and west central Minnesota. Chair Jurchen summarized the study and highlighted the following.

- Water quality holds significant importance for second homeowners.
- Internet service received the poorest ranking of amenities.
- People are less attached to the communities near their second homes.
- 31% of all housing units across eight counties are vacant at least part of the year. Aitkin and Cass counties exceed 45%.

- 53% of second homeowners own, operate, or play a significant management role in a business.
- Second home utilization received the most use during the summer months of June-August.
- A quarter of respondents report they engage in telework from their second home.
- The majority of seasonal residents (56%) plan to transition permanently to their second homes, while more than a quarter (27%) are undecided.
- The potential negative and positive impacts of rapid population growth in recreation counties.
- Strategies and tools recreation counties and communities can use to accommodate newcomers.
- The important role of lake associations and the connection they make with second homeowners.
- Natural resource issues are the most important changes needed to make life in their second home county better over the next 20 years.
- Importance of quality of life.

Chris Lindholm stated that in the school district over 50% are seasonal homeowners and it is important to build relationships with them. He noted that there is a window of opportunity to get second homeowners involved, especially from those who plan to retire here.

Sheila Haverkamp stated that BLAEDC will send Executive Initiative brochures to second homeowners who may be interested in joining this group.

Chair Jurchen noted that information on lake associations can be viewed on the Minnesota Waters website and the Whitefish Area Property Owners Association website and these are great communication tools for seasonal residents.

6. Crosslake EDC Empty Spaces

Mayor Sjoblad was not in attendance to discuss this agenda item.

7. Action Plan with Local Retailers

Chair Jurchen discussed the idea of creating a random marketing survey for businesses to address with their customers about their places of residence and future Highway 371 impacts. The Commission should decide on the businesses that are most impacted by the future Highway and determine the survey questions.

Commissioner Merritt stated that she is willing to work with Jenna Crawford in enticing Pequot business owners to join the Chamber. She stated that more business involvement is key to the action plan.

Matt Kilian noted that Mr. Quisberg at SuperValu may be able to provide valuable statistical information on its customers. He stated that the Chamber would be willing to promote the survey if there is enough interest.

Sheila Haverkamp stated that the list of questions and responses could be implemented into some type of computer application.

Chris Lindholm noted that the School has twelve iPads that could be used this summer for the survey project.

Chair Jurchen stated that the survey project should occur over a three week period around the 4th of July holiday. Some possible survey questions are:

- How did you find Pequot Lakes?
- Would the alternate Highway 371 route impact your future shopping in Pequot Lakes?

Matt Kilian reiterated that the computer application needs to be identified and purchased, School iPads need to be reserved, the list of questions compiled, and survey volunteers need to be organized before this can move forward.

It was the consensus of the Commission to discuss this at their next meeting.

8. School Update

Chris Lindholm informed the Commission that the School will approve their final budget in June which includes the elimination of 3 FTE positions for the next school year.

9. Chamber Update

Matt Kilian stated that the Chamber is appreciative of being allowed to weigh in on the bridge design. He noted that the Chamber is planning to have conversations with the downtown community.

10. BLAEDC Update

Sheila Haverkamp informed the Commission that she and the Mayor will have a conversation about the vacant spaces tour in Crosslake and how to invigorate empty spaces in the community.

11. Other Business

Chair Jurchen noted that agenda items for the next meeting will include the formulation of the retail action plan survey and further discussions on the retail trade and infrastructure analysis from the U of M Second Homeowners Study.

12. Adjournment

**THERE BEING NO FURTHER BUSINESS THE MEETING ADJOURNED
AT 9:26 A.M.**

Respectfully submitted,

A handwritten signature in cursive script that reads "Nancy Malecha".

Nancy Malecha

Finance Administrator/Deputy City Clerk