

**ECONOMIC DEVELOPMENT COMMITTEE
MAY 21, 2013
MEETING MINUTES**

MEMBERS PRESENT: Mark Jurchen, Barb Merritt, Cindy Rieck, and Cindy Roggenkamp

MEMBERS ABSENT: Tommy Woog

ALSO PRESENT: Sandy Peine, City Clerk; Sheila Haverkamp, BLAEDC; and Dawn Bittner, Zoning Administrator

1. Call Meeting to Order

The meeting was called to order by Chair Jurchen at 8:00 a.m.

2. Approval of 4-16-2013 EDC Minutes

COMMISSIONER RIECK MOVED TO APPROVE THE 4/16/2013 EDC MINUTES. COMMISSIONER MERRITT SECONDED THE MOTION. MOTION CARRIED 4-0.

3. Urban and Rural Taxing Districts

Jack Schmidt questioned what the EDC hopes to do that the Council themselves is not capable of doing.

The EDC reviewed the information provided by Springsted for the urban and rural district tax rate analysis. The analysis consisted of a 6-year phase in of the current rural tax rate to that of the urban tax rate. The analysis provided the impact of the phase-in on various property types. The EDC reviewed the impact on properties both in the rural and urban districts.

The taxable market value in the rural district is larger than that in the urban district. Because of this, the property owners in the rural district will realize a smaller increase than the decrease that the urban area property owners will realize.

Chair Jurchen stated that the Springsted study used a six-year phase in because that is what was used in the original annexation agreement for the commercial properties. He stated that a six-year phase-in to equalize the remaining properties is too long. He noted that this must be done in a manner that is fair to all property owners and suggested a three-year phase-in period.

John Derksen stated that this has been a concern for many years, but nothing has ever been done to correct it. Cindy Roggenkamp stated that the EDC is in the process of studying the issue and will be making a recommendation to the

Council to correct it. She noted that it was necessary for the EDC to study the issue before making a decision so they understood all of the parameters.

CHAIR JURCHEN MOVED TO RECOMMEND THAT THE CITY COUNCIL EQUALIZE THE TAXES IN THE URBAN AND RURAL TAXING USING A PHASE-IN PERIOD OF NO SHORTER THAN ONE YEAR AND NO LONGER THAN THREE YEARS. CINDY RIECK SECONDED THE MOTION. MOTION CARRIED 4-0.

4. Broadband Technology – Discussion – Sheila Haverkamp

Sheila Haverkamp spoke to the EDC on the topic of technology services. She noted that this term relates to companies delivering products or services via technology. There are about 20 companies that are employing more than 1,000 people in the Crow Wing County area that are using technology to deliver their products and services.

Sheila spoke about the strategies involved in growing the broadband technology in our area. She listed the following areas of importance regarding broadband technology:

1. BLAEDC companies - how to grow, attract new and expand - Continue to create partnerships with companies that use broadband technology. Helping companies to grow and expand and attracting new companies are important.
2. Creating a fiber ring infrastructure is important. There are over 5,000 home based businesses in Crow Wing County.
3. We need to attract a trained work force in the technology services area. We can begin by training our own people through high school and Central Lakes College and also by learning how to attract people from other areas. Sheila noted that the wage scale in our area compared to the metro area is a challenge. Crow Wing County has an average differential of pay at 70% compared to the metro area.
4. We must begin working at branding the area technological area that offers broadband services.

6. Chamber Update

Update by Mark Jurchen. The Chamber is working on the planning for the July 4th celebration in Pequot Lakes -

7. June Agenda Items

Bob Perkins – TDS – Broadband Update – Where are you at and what are you doing. How can Pequot be competitive to move forward? The EDC stated that it is interested in meeting with TDS to find out what they have available and where are they going in the future in relation to broadband services. The EDC would also like to discuss ways that the City can support TDS to help them continue to grow in our area.

Sheila will bring the Broadband map to the next meeting for discussion.

8. Other Business

No other business.

9. Adjournment

**THERE BEING NO FURTHER BUSINESS, CHAIR JURCHEN
AJOURNED THE MEETING AT 9:15 A.M.**

Respectfully Submitted,

Sandy Peine
City Clerk