

**MEETING OF THE PEQUOT LAKES
ECONOMIC DEVELOPMENT COMMISSION
TUESDAY, OCTOBER 15, 2019**

Members Present: Chair Lindholm; Commissioners Clement, Crochet, Lelwica, and Lubke (arrived at 8:10 a.m.)

Members Absent: Commissioners Holley and Rieck

Others Present: Nancy Malecha, City Administrator; Angie Duus, City Clerk/Treasurer; Tyler Glynn, BLAEDC; Mark Jurchen

1. Call Meeting to Order

The meeting was called to order by Chair Lindholm at 8:03 a.m.

2. Consider Agenda

COMMISSIONER CROCHET MOVED TO APPROVE THE AGENDA AS PRESENTED. COMMISSIONER LELWICA SECONDED THE MOTION. MOTION CARRIED 4-0.

3. Approve EDC Minutes

COMMISSIONER CROCHET MOVED TO APPROVE THE SEPTEMBER 17, 2019 ECONOMIC DEVELOPMENT COMMISSION MINUTES. COMMISSIONER LELWICA SECONDED THE MOTION. MOTION CARRIED 4-0.

4. Review of Broadband/Fiber Optic Infrastructure Maps - Shawn

Commissioner Crochet, TDS Telecom, explained where TDS has fiber in the Pequot Lakes area. He stated that it goes down Rasmussen, Old 317/Patriot Avenue, towards Sluetter Road, south out of town to Brainerd, Derksen Road, through the Industrial Park and out on County Road 11. Commissioner Crochet said they have everything fibered through the Industrial Park. He stated that TDS is looking at getting fiber up to the corner Rasmussen and Main Street and slowly but surely working their way in. He stated right now the majority of everything is copper fed and that speeds can vary from 25 MB to 100 MB depending on the service location.

Commissioner Crochet said that he is looking at TDS doing a couple of different options for fiber and he is trying to get it funded. He discussed the A-CAM funding TDS received a few years ago that is for the underserved and not served areas of our territory. He stated that he believes they put in 72 new sites to shorten the copper loops to provide higher speeds and that it is the most cost effective way for them to provide higher speeds to rural areas. Commissioner Crochet stated hopefully as Rasmussen Road and as other road construction happens they can do fiber projects along with the City to increase that bandwidth and other opportunities. Discussion ensued about the opportunity of doing fiber expansion projects when the City is doing road construction.

Commissioner Lelwica asked if TDS would install fiber down Sluetter Road if it is paved. Commissioner Crochet stated if they are only going to be laying pavement on top of the road they would not budget to install fiber on that road at that time. He stated that if there is a development they would look at the opportunity to do a fiber build. Discussion ensued about the location of fiber throughout the territory and the possibility of fiber in new developments.

Commissioner Crochet discussed customers wanting higher bandwidths but some of the customers realize they are not using the high bandwidths they are paying for. He discussed that 25 to 50 MB is usually more than enough for most customers. He stated the state requirements are 25 MB download and 3 MB upload speeds right now and he believes they are currently doing that in 90% of our territory.

Mark Jurchen talked about part of the strategic plan for the Library, which is located on Rasmussen, is to eventually become a workforce center and communication and business center. He stated that fiber being available as we develop all of those plans is crucial. Commissioner Crochet said his plan with Rasmussen is he would like to get a fiber pon and if he could make it happen up to Main Street then from there they just branch out and hit so many more businesses. Chair Lindholm asked him to explain what he means by that because he thought there was fiber in the ground in that area. Commissioner Crochet said yes there is fiber in the ground right now but it is long haul fiber and it is not set up with splitters to hit individual locations. He said they have put splitters in and then plow individually drops to these locations in order to basically split that fiber. He discussed that he would like to do the same in the business park if the opportunity came up.

Mark Jurchen asked if there is anything that the City through the Council or EDC can do to keep the pressure on. Commissioner Crochet said to keep pressuring him, keep shooting him emails and if we keep the pressure on him he can send that information up to the decision makers so they know that people want this.

(Commissioner Lubke arrived at meeting.)

Discussion ensued about the current speeds in the downtown area being about 15-25 MB and that each customer has an option to pay for a product to get higher speeds but it is costly. Chair Lindholm stated that is a place for us to pressure since it is the heart of our retail stores, coffee shops and restaurants.

Mark Jurchen said the number one thing we are finding out is that the number one issue for people buying homes and businesses is the speed capability and his concern isn't what we have right now for businesses but what we could end up with or not end up with if we don't get that capability. Commissioner Crochet said that is a big driver. He said one of the big things that helped push us to get to where we are now is the EDC did a study a couple of years back with all the individual customers. Bob Perkins gave that information to him and they pulled up every customer to find out what speeds they're at, and that was very helpful

and beneficial. Commissioner Crochet said that pushed TDS to do some upgrades that allowed them to push higher bandwidth a lot further. He said before that they were not doing a 100 MB and now they doing a 100 MB to the customers that can get it.

Discussion ensued about grants, the high cost of running fiber and offsetting those costs with construction.

Chair Lindholm asked what the EDC needs to do to help Pequot Lakes to get better connectivity. Commissioner Crochet said to keep being an advocate for the City, keep pressuring him and sending emails then he can put the pressure corporate so they are aware of the issue. Chair Lindholm said he believes the Growth Zone called out in our 2018 Comp Plan should be of highest priority. He explained that is Downtown and Government Drive.

Commissioner Lelwica asked how Charter fits into all this. Commissioner Crochet said that Charter's a competitor and they have co-ax that they feed to the majority of the area. Commissioner Lelwica asked how they can provide higher speeds than TDS. Commissioner Crochet explained it is because the co-ax is a thicker copper so they can push it a little bit further. Discussion ensued about businesses coming together to push TDS to make the investment to provide better speeds.

Commissioner Lelwica questioned if we have resources at the city that explores grants. Ms. Malecha said we do not have a grant writer but she would be the one to explore grants. Chair Lindholm mentioned BLAEDC for a grant resource also.

Ms. Malecha asked Commissioner Crochet if a letter from the EDC would help this cause or a letter from the City Council. Commission Crochet said it would help. Ms. Malecha suggested the EDC type a letter to send to TDS and then she said she could take it to the City Council to ask the same of them as well. Commission Crochet stated that the more pressure we get, the more TDS will be forced to do something.

COMMISSIONER LELWICA MOVED THAT THE EDC DRAFTS A LETTER TO SEND TO TDS THAT SELLS PEQUOT LAKES FOR GROWTH AND SALES POTENTIAL WITH THE FOCUS ON THE GROWTH ZONE ESPECIALLY WHEN THE GROUND IS OPENED UP AND ALSO RECOMMEND TO THE CITY COUNCIL THAT THEY DRAFT A SIMILAR LETTER. COMMISSIONER CLEMENT SECONDED THE MOTION. MOTION CARRIED 5-0.

Commissioner Crochet stated that any pressures for TDS are huge and brought up the donation for the flag display.

Commissioner Lelwica suggested putting together some incentives and make sure that all those incentives also include some fiber incentive Chair Lindholm said he would like to have that as a separate conversation, because he believes that is a little more complex.

5. October 2nd Regional EDA Workshop Update

Commissioner Crochet, Commissioner Lubke and Nancy Malecha attended the Regional EDA Workshop. Ms. Malecha stated that infrastructure and funding sources, housing updates from Jennifer Bergman from the Crow Wing County HRA, community branding, and communications and broadband were discussed at the meeting.

a. Funding Sources for City Improvements

Ms. Malecha stated that BLAEDC provided a handout that is included in the packet about local funding sources, regional, state, federal and other which includes several links of opportunities that we may be able to dabble in in the future as these projects become available.

b. Housing

Ms. Malecha stated that Jennifer Bergman provided an update as to where the workforce housing tax score study is at and that they hope to have some results to present by the end of the year. She said that they will be coming back to the EDC with those findings for Pequot Lakes and Crow Wing County as a whole. Ms. Malecha said that they did mention Pequot lakes is in the process of doing the Small Cities Development Program and that Pequot Lakes was mentioned several times throughout the presentations that took place.

Ms. Malecha stated that Brady Bussler, WSN Digital Marketing Manager, was there and talked about community branding. She said they showed a clip of our Heart of the Good Life video. Ms. Malecha stated that Josh Netland, General Manager from Emily and Crosslake Communications, was there to talk about communications and broadband as well. Commissioner Lubke discussed working on the Jenkins City Website after hearing the presentation from Mr. Bussler. Ms. Malecha stated that Pequot Lakes is in the process of updating the City website.

Discussion ensued about updating fiber optics.

Chair Lindholm discussed asking the Pequot Lakes Chamber to become involved with the letter to TDS about fiber optics. Tyler Glenn talked about the importance of fiber optics in communities.

6. Small Cities Development Program Update

Nancy Malecha reminded the EDC that she has been working with John Schommer, Jennifer Bergman and LeAnn Goltz from the Brainerd HRA regarding the Small Cities Development Program. She stated that 150 letters have been sent out for owner occupied and commercial property owners. She described the target area for the program. Ms. Malecha said they asked for people to respond

by the end of October to let us know if they're interested in learning more. She stated that they had an informational session for the residential property owners October 8th and only two people showed up but they have another informational session tonight at six o'clock. Ms. Malecha said she has received five residential applications back so far.

Commissioner Lelwica asked about the loan length and if it is forgiven after that. Ms. Malecha stated that it is five years for commercial, seven years for residential and yes the loan is forgiven after that.

Commissioner Lelwica inquired if it is mostly exterior improvements for the program. Ms. Malecha agreed but said there is some mechanical items in there as well. She stated that it applies to accessibility improvements, fire safety and code related improvements on the commercial side. She stated on the homeowner's side is health and safety, energy efficiency issues, mechanical, structural and any compliance issues with the state building code. Ms. Malecha said that John Schommer has been a wealth of knowledge and if anyone has questions to reach out to him directly because he has helped other communities with this program in our area. Discussion ensued loan forgiveness and the length of the loans for residential and commercial.

Ms. Malecha stated the deadline for homeowners and commercial properties is October 23, 2019 and that the pre-application deadline for the program is November 15, 2019. She stated the final application is due in February 2020 and based on that application we find out if we are awarded funds. Commissioner Lelwica inquired if an applicant does not apply if the City would need to apply for the program again. Ms. Malecha stated that the City would have to go through the entire process again.

Discussion ensued about commercial loan forgiveness and the owner being responsible for 20% of the costs up front and 80% being covered through the program.

Chair Lindholm thanked Ms. Malecha for all of her work on this project and stated that this is a great opportunity for the community and for homeowners.

7. Heart of the Good Life Listening Sessions Update

Nancy Malecha stated that there were seven meetings within the last week and about 114 people participated in total between the meetings. She said that we are waiting to get feedback from ICS consulting and they will appear at our City Council meeting on November 5th with the information that they've compiled based on those listening sessions.

Chair Lindholm discussed the ICS timeline with the EDC. He stated that we will listen to the results on November 5th at the Council Meeting and they are currently trying to form a steering committee. He does not know if that's been solidified but said some people have stepped up. Chair Lindholm stated the

steering committee would then be looking at that data as well and go into an investigative phase in the month of October and early November. He stated that they will look at how the funding could work and put it together into some kind of package, packages, or phases. He assumes that the steering committee would draft some options and recommendations to be relayed back to the Community for feedback. Chair Lindholm stated that depending on the funding options and the options created that it will help determine who the decision makers will be. Discussion ensued about possible decision makers.

8. School Update

Chair Lindholm stated the school is finally fully staffed.

He stated that the school district is very close to offering and making a purchase agreement for a sliver of land behind the bus garage. He said if anyone gets question's it's a very small piece of a parcel and the reason is for storm water management.

Chair Lindholm stated that some of the tennis team players are going to state. He said that the Volleyball team may go to state and Football has been a positive surprise.

9. Chamber Update

No update was given.

10. BLAEDC Update

Tyler Glynn stated the quarterly BLAEDC meeting is November 5th at 8:00am in the CTC room at the Brainerd Chamber. He said that they have a company making a large announcement. It is pretty exciting and it is someone BLAEDC has been working with for a long time. He said it will be a good thing for the region.

Mr. Glynn said they may be providing a few staffing updates. Discussion ensued if they had a replacement for Shelia Haverkamp yet and Mr. Glynn stated that he did not know. He told the EDC that they assigned 4 individuals from the board to be part of the transition team and they are looking at what makes the most sense and reminded the EDC that Shelia will be around until the end of the year and will be available to BLAEDC as they move through the transition.

My Glynn asked for input from the EDC on the Pequot Lakes Incentive Program about what they are looking for. He said that Shelia Haverkamp mentioned that it is similar to what they have done in Brainerd's River to Rails. Ms. Malecha confirmed that we want to have discussions about creating something like that for Pequot Lakes. Mr. Glynn said he can send the full incentive package of what was approved by the City of Brainerd if we don't have it and talk about how BLAEDC went about coming to the conclusion of where the incentive program should be

offered. He stated a part of the River to Rails Program is to offer incentives based on SAC, WAC and permitting fees inside the corridor between the Mississippi River and the Northern Pacific Center in downtown Brainerd. He stated that they had a handful of businesses outside of the corridor asking questions about the incentive program and the City of Brainerd is taking those on a case to case basis. Discussion ensued about businesses outside of the corridor being considered for the incentives and thresholds that determine what fees will be waived. Mr. Glynn stated that 13 applications that have already been approved since it went into effect in June.

Mr. Glynn stated that BLAEDC has a lot of other projects a lot going currently and that his biggest concern is running out of funding.

11. City of Jenkins Update

No update was given.

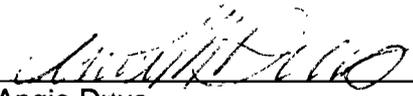
12. Other Business

There was no other business.

13. Adjournment

The meeting adjourned at 9:01 a.m.

Respectfully submitted,



Angie Duus
City Clerk/Treasurer