



**MISSISSIPPI RIVER  
REGIONAL PLANNING COMMISSION**  
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*James Kuhn, Cashton, WI  
Chairman*  
*Margaret Baecker, Independence, WI  
Vice Chairman*  
*Vicki Burke, Onalaska, WI  
Secretary & Treasurer*  
*Greg Flogstad, Onalaska, WI  
Director*

**MINUTES**  
**MISSISSIPPI RIVER REGIONAL PLANNING COMMISSION (MRRPC)**  
**BIMONTHLY MEETING**  
**10:00 a.m., August 8, 2018**  
**Americinn, 1835 Rose Street, La Crosse, Wisconsin**

**Call to Order**

Chairman Kuhn called the meeting to order at 10:00 a.m. and asked for the roll call. A quorum was present. The attendance roster is attached. There were several guests, Jennifer Kuderer, Regional Economic Development Director, WEDC; Krista Heinz, Coulee Cap; Diane McGinnis, Vernon County, Community Development; Christina Dollhausen, Vernon County Economic Development; Tessa Conroy, Economic Development Specialist-UW Extension; and Francis Schelfhout, Wisconsin Department of Transportation.

**Minutes of June 13, 2018 Bimonthly Meeting**

Chairman Kuhn asked for a motion on the June 13, 2018 bimonthly meeting minutes. Commissioner Twidt made a motion to approve the June 13, 2018 meeting minutes and the motion was seconded by Commissioner Ehrsam. Chairman Kuhn asked if there were any questions or comments and hearing none, the minutes were unanimously approved.

**Treasurer's Report**

Secretary-Treasurer Burke gave the treasurers report. Ms. Burke said the May 31, 2018 balance in all MRRPC accounts was \$332,547.98 and the June 30, 2018 ending balance was \$308,133.13. She reported the beginning balance in July 2018 was \$308,133.13 and July 31, 2018 ending balance was \$284,786.69.

Ms. Burke said the Business Capital Fund (BCF) began with a May 31, 2018 balance of \$207,835.12. Activity from June 1, 2018 through July 31, 2018 included loan repayments of \$7,493.28, interest earned of \$87.89, and \$2,108.00 administrative expenses were paid leaving a July 31, 2018 balance on hand of \$213,308.29. The BCF Sequester Account began with a May 31, 2018 balance of \$60,317.84. There was no activity from June 1, 2018 to July 31, 2018 leaving a July 31, 2018 balance on hand of \$60,317.84. The Business Capital Fund (BCF) non-federal account began with a May 31, 2018 balance of \$131,580.40. Activity from June 1, 2018 through July 31, 2018 included interest earned of \$54.99 leaving a balance on hand of \$131,635.39.

Ms. Burke said the Business Capital Fund 2 began with a May 31, 2018 balance of \$48,530.90. Activity from June 1, 2018 through July 31, 2018 included loan repayments of \$1,627.87, interest earned of \$20.48, \$446.00 of administrative expenses were paid leaving a July 31, 2018 balance of \$49,733.25. Ms. Burke said the Business Capital Fund 2 Sequester Account began with a May 31, 2018 balance of \$160,833.23. There was no activity from June 1, 2018 through July 31, 2018 leaving a balance on hand of \$160,833.23.

Ms. Burke said the CMV Growth Development Fund began with a May 31, 2018 balance of \$71,964.79. Activity from June 1, 2018 through July 31, 2018 included loan repayments of \$1,726.16 and interest earned of \$18.79 leaving a July 31, 2018 balance of \$73,709.74.

The La Crosse County Economic Development Fund began with a May 31, 2018 balance of \$37,618.90. Activity from June 1, 2018 through July 31, 2018 included loan repayments of \$4,834.00, interest earned of \$10.23, and \$1,413.00 of administrative expenses paid leaving a July 31, 2018 balance of \$41,050.13.

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***Providing Planning and Economic Development Services to Improve the Environment, Economy and Quality of life***  
***• Land Use Planning and Zoning Assistance • Transportation Planning • Economic Development Planning • Recreation Planning • Business Lending • Grant Writing • Economic Data Dissemination • Assisting Local Interests in Responding to State, Federal and Private Programs • Advisory Services on Planning and Development Issues • Coordinator for Programs and Activities • Advocate on Issues Affecting the Region***

Chairman Kuhn asked for a motion to approve the treasurer's report as presented. Commissioner Borreson made a motion to approve the treasurer's report. The motion was seconded by Commissioner Nickelatti. Chairman Kuhn asked if there were any questions or comments and hearing none, the treasurer's report was unanimously approved.

**Presentation on: Slow Churn: Declining Dynamism in America's Dairyland by Tessa Conroy, PhD, Economic Development Specialist, UW Extension Center Community and Economic Development.**

Tessa Conroy, Economic Development Specialist from the UW Extension Center for Community and Economic Development, presented a report that examined the decline in dynamism in the Wisconsin economy. She said that dynamism is defined as the speed and scope at which the economy can change and is measured by business activity, employment patterns, population mobility, spending on research and development, and lending activity by banks. She said this study takes a more comprehensive view of the State's non-farm sector of the economy. Her presentation discussed 4 key areas of dynamism (1) business dynamics (2) employment dynamics (3) population dynamics and (4) lending dynamics.

She said that Wisconsin's business dynamics have changed, and Wisconsin is producing fewer startup businesses than it once did, slowing growth of the business sector. She said that the churn of the combined business activity from openings and closures is linked to strong economic performance. She said that business startups and closures are both valuable but startup activity in Wisconsin has been on the decline and the last recession was particularly severe. In Wisconsin there have been more business deaths than births. She said that the places with the highest business birth and death rates are the most productive. Having several businesses to choose from to find work helps employees to find positions that match their skill sets so they are more productive. Entrepreneurship plays a huge role in business growth through having entrepreneurs' new ideas, raw innovations, connecting to those individuals with business savvy and financial backing. Business closures show that there is competition in the markets and allows entrepreneurs to learn from the mistakes from other firms. Wisconsin has had a longer period where there have been more deaths than births of businesses. Commissioner Schlesselman asked if there was more recent data since this data is four years old. Ms. Conroy said that there are a couple sources for business dynamics listed in the report that compares the two sources of data. She said that the Business Dynamic Statistics (BDS) is the most well-established research and goes back to 1977 which is the oldest data set to look at for long term trends in the Wisconsin economy and said that it is the best option. She said that they stopped releasing data in 2014 because they are overhauling the data set and will start to release it again in 2019. She said that at that point she would look at the new data set and update the report. There is another data set with more recent data, but she questioned the data since it is backwards revised. The BDS is the longest running and most well established source.

Mr. Bonifas commented that 75% of employers are sole proprietors and he asked if this has been changing with these business losses. Ms. Conroy replied that non-employers have been increasing since the 1990s as our employer businesses have been retreating we are seeing an increase of non-employer businesses of people working for themselves. This was seen especially after the recession. However, the statistics for the study are solely for employer businesses. She said that there needs to be more research into their impact. Commissioner Borreson commented that as the larger more secure businesses close which offered good wages and benefits, it is a self-fulfilling prophecy of wages going down. Ms. Conroy responded that a large share of production manufacturing jobs in Wisconsin have been reduced where people could be employed with only a high school diploma and some college and were able to make a good wage with benefits and those jobs have been harder to come by. She said that with those production jobs becoming leaner and those firms not needing as many workers to do the work we should see other businesses pop up. In general, young firms are productive and show a high growth which should pay higher wages.

Another key point is employment dynamics. Ms. Conroy said that new employer businesses create close to 1/3 of gross jobs and over 100% of net new jobs. She said that new businesses more than offset losses by more mature firms. She said that we used to think that small businesses create jobs, we now know it is their newness more than their smallness that is linked to job creation. Most existing jobs are in the mature firms, but young firms are having a strong influence on job growth. Wisconsin has a large percentage of mature firms. Commissioner Purdy commented that it seems like the new jobs are different types of jobs created within current firms and not a completely brand new job with a creative change. Ms. Conroy responded that although not all job creation is due to disruptive change any change can spur job growth and have an impact.

Ms. Conroy said that a third key point that impacts dynamism is the population dynamic. In Wisconsin the population has been slowing, partly because of an aging population. Ms. Conroy said that mobility is declining as well, limiting the state's ability to attract people – their talent and ideas. In Wisconsin out-migration is low which is good because once people are here they mostly tend to stay. However, in migration is low and is not only a Wisconsin problem but a Midwest problem. Mr. Conroy said that from a workforce perspective a state wants a high in migration and low out migration. Ms. McGinnis asked how telecommuting fits into this conversation since people aren't necessarily commuting to their jobs but can work from their homes. Ms. Conroy said that she couldn't speak directly to telecommuting specifically, but she is working on a study with a colleague regarding long distance commuting. She said since we've seen the housing market contract we've seen people commuting really far to get to work more than 50 miles to get to work. Trade-off between mobility and commuting to work. Rather than moving, people are commuting longer distances to get to work. Commissioner Jaekel agreed that telecommuting has a large impact. Ms. Conroy responded that since Wisconsin is rural this will be a factor in growing the economy and places that have broadband will benefit from telecommuting.

The fourth area is research and development (R&D). Ms. Conroy said that industry drives innovation along with higher education. She said that the share of resources going toward R&D has declined in recent years. Wisconsin has a somewhat small presence of the sectors doing the most R&D such as manufacturing and a larger presence of the sectors that are less active in R&D.

The last point Ms. Conroy discussed in dynamism in Wisconsin is lending dynamics. She said that small business lending seems to have reached a new normal where entrepreneurs are more constrained since 2009. She said that the banking sector is consolidating, and small community banks are declining. Ms. Kuderer asked if entrepreneurs are lending against business assets or if they are borrowing against their homes. Ms. Conroy said her data comes strictly from business loans of \$250,000 or less. She said that this isn't capturing how a lot of entrepreneurs fund their business. Many of them are using their personal credit cards and taking out a home equity loan. With the housing crisis this had an impact on people who were using their homes to finance their new business ventures. She said that relationship lending – a potentially important mechanism for entrepreneurs – is becoming harder to establish. Commissioner Schroeder commented that the smaller banks are overburdened with regulations which make it difficult to stay in business where larger banks have the advantage. Ms. Conroy said that there are a lot of pieces to the financial puzzle where entrepreneurs might be hesitant to go through the paperwork of applying for a revolving loan funds or SBA loans. Ms. Conroy concluded that entrepreneurs are important to the economy and that things are going well in Wisconsin overall, but it is important to be proactive in monitoring the economy and address issues before they become bigger issues. She thanked the commission for their time, comments, and insights.

**Report on the Wisconsin Department of Administration's proposed Community Development Block Grant (CDBG) Close Grant program involving terminating all CDBG Revolving Loan Funds in the cities and counties across in the state. Then allowing these communities to apply for a guaranteed CDBG grant for the amount of RLF funds returned.**

Mr. Flogstad said that 7 counties in our region (Pierce, Pepin, Buffalo, Monroe, Jackson, Vernon, and La Crosse) and the cities and villages of Tomah, Sparta, Kendall, Hillsboro, Osseo have Community Development Block Grant (CDBG) have Revolving Loan Funds which originated from funding sourced from the U.S. Department of Housing and Urban Development (HUD) through the Wisconsin Department of Commerce (now the Wisconsin Department of Administration). He said that HUD completed an audit a few years ago in Wisconsin and found compliance problems and a low lending utilization rate around the state. Mr. Flogstad said that there was a webinar put on by the Department of Administration (DOA) and they reported that there is over \$50 million in RLF funds in banks in Wisconsin not being utilized. The Department of Administration has put together this Close Grant program to help officials decide how to utilize these funds. There was a public comment period that ended in July. The DOA will be scheduling meetings around the state and the meeting scheduled in La Crosse is September 5<sup>th</sup>.

He said that counties, cities and villages that have these CDBG Revolving Loan Funds have two options. One is to return all the cash on hand to DOA and assign all the active loans over to the DOA and then apply for a CDBG Close Grant that equals the amount of CDBG cash the local government turned in to DOA. The application must have a 51% low and moderate income benefit (LMI). Some eligible projects include road, water, sewer, housing, planning, job training centers, opioid treatment centers, food pantries, senior centers, services to the homeless, and other similar projects approved by DOA. Mr. Flogstad said that preventing or eliminating slums or blight is another eligible activity and does not require meeting the 51% LMI benefit threshold. He said that Wisconsin State Statute defines blight and a copy of the statute definition is provided in the meeting packets. He said that option 2 would include returning all RLF cash on hand to the DOA and reimburse the state for the principal

owed on all active loans. Then the local government can apply for a CDBG Close Grant in the amount of the cash turned in plus the amount of the principal that they turned in on the active loans. He said that this Close Grant Application must also have a 51% low and moderate income benefit. Commissioner Schroeder asked what the timeframe is for reaching a decision. Mr. Flogstad replied that as soon as the US Department of Housing and Urban Development approves the State DOA's Close Program. Local governments will have two years to apply and utilize the funding.

**Decision on Resolution 08.08.18 EDA Regional Revolving Loan Fund (RLF) Plan for the Business Capital Fund, CMV Growth Development Fund and the La Crosse County Economic Development Fund.**

Mr. Flogstad said that the U.S. Department of Commerce – Economic Development Administration (EDA) is requiring all organizations with revolving loan funds to update their plans. He said that we have four of those revolving loan funds that have been created at different times. He said that EDA asked that all of our RLFs operate under one plan which we talked about at our prior bimonthly meetings. Mr. Flogstad said some of the main differences in the new plan include 1 job per \$20,000 to \$42,000 of lending, loan size from \$10,000 to \$300,000, and interest rates as low as 75% of the prime rate. Commissioner Burke asked if the La Crosse County Economic Development Fund board reviewed this Plan. Mr. Flogstad stated they approved it at their August 2. Meeting. Commissioner Borreson asked if this plan needed to be approved by EDA. Mr. Flogstad replied that it is conditionally approved by EDA subject to Commission's approval. Commissioner Schlesselman made a motion to approve Resolution 08.08.18 EDA Regional Revolving Loan Fund (RLF) Plan for the Business Capital Fund I, Business Capital Fund II, CMV Growth Development Fund and the La Crosse County Economic Development Fund. The motion was seconded by Commissioner Burke. Chairman Kuhn asked if there were any questions or comments and hearing none, the motion was unanimously approved.

**Report on Regionally Coordinated County Human Services Transportation Plans 2018-2023 meeting in West Salem on July 31 involving all nine counties to maintain state and federal transportation aids funding eligibility.**

Mr. Fletcher said that every five years counties in order to continue to receive vehicle funding must have a Coordinated County Human Services Transportation Plan to be able to apply for funds which includes funding for mini buses and 85.21 state funding for the elderly and disabled for transportation. He said that according to the federal transportation law, the FAST Act, states that counties must have and maintain a Human Services Public Transportation Coordination Plan. Those plans must be updated every five years. Wisconsin Department of Transportation has regional planning commissions work with the various counties to update those plans every five years. The plan update requires a transportation inventory of the various counties within the region and to identify strategies, needs and gaps. A requirement of the plan is that there be at least one public hearing to get information and to develop the strategies at that meeting. A public meeting was held on July 31, 2018 at the West Salem Public Library. He said that a meeting notice was posted in the public newspapers and there were over 150 invites that were sent out and about 40 attended the meeting with representation from our nine county region. The first part of the meeting involved developing regional transportation goals, and the second half involved identifying needs and goals for the specific counties.

Mr. Fletcher said that some of the ideas that emerged included a need for more regional transportation and county coordination. He also said that 2<sup>nd</sup> and 3<sup>rd</sup> shift transportation for workers was needed as well as funding being an issue. Continuation of support of regional transit authorities. Targeted marketing as well as more transportation coordination between counties and driver programs. He said that it was discussed how Uber and Lyft have changed transportation and how a program in Austin, Texas was using the Uber and Lyft based model for providing transportation. Mr. Fletcher said that the strategies were approved at the meeting which is a requirement under federal law. Mr. Fletcher said that for the next step he will take the information from the meeting and create the draft regional plan and also use the information from the individual counties to create the individual county plans making the counties eligible for federal and state grants. The deadline for submission of the plans to the Wisconsin DOT is October 15<sup>th</sup>.

**Report on the US Dept. of Commerce-EDA public facility flood disaster grant assistance projects in the cities of La Crosse, Arcadia, and Viroqua.**

Mr. Bonifas said that at the last meeting EDA had made available grant money for flood recovery assistance and the cities of La Crosse, Arcadia, and Viroqua had applied for these funds. He said that EDA had \$8 million available for our region and it is on a first come first serve basis. He said that there is a two step process; the first step is to submit the proposals and then if EDA accepts the proposal they would ask the applicant to submit the full application. He said that the three communities have all

submitted proposals and that Arcadia's proposal has been accepted for their \$6.1 million project with \$4.9 million from EDA and \$1.2 million local matching funds. They will be submitting a full application soon. The project will include upgrading storm main lifts, interior drainage lifts stations, and building a levee to protect their businesses. The city needs to come up with funds for interior drainage of the levee and adding pump stations.

He said that the City of La Crosse has submitted their proposal and full application. The City of La Crosse has submitted their proposal for \$3.6 million total for three lift stations with a 20% local match. The bigger lift stations and adding additional pumps will help hundreds of businesses and individual homes by preventing the sewer from backing up.

He said the City of Viroqua is working with the county and is applying for \$3.3 million for water and sewer infrastructure to be brought to a parcel of land they purchased from the county to form an industrial park and a parcel of land near Hwy 14/61. They have been in contact with EDA but they haven't received the official letter to submit their application.

Commissioner Borreson asked where the \$8 million in grant funding from for the Chicago office came from. Mr. Bonifas responded that the funding was part of a National Disaster Declaration. Only eleven counties in five states were eligible and all eleven were in Wisconsin and seven of the eleven are in the Mississippi River Region. He said that \$578 million total for the nation was provided for disaster relief and went to other disasters such as hurricanes and wildfires. The Chicago office was given \$8 million of this total amount.

Mr. Bonifas concluded by stating that with his assistance La Crosse County and Jackson County had applied last year to update their All Hazard Mitigation Plans. He said that FEMA has just approved those two grants and contracts will be presented at the next bimonthly meeting.

**Report on the Association of Wisconsin Regional Planning Commissions First Annual Summit in Wisconsin Rapids on June 14, 2018.**

Mr. Flogstad said that the first Summit for the Association of Wisconsin Regional Planning Commission was held in Wisconsin Rapids on June 14 and 15. In attendance were Chair, James Kuhn; Vice-Chair, Margaret Baecker; Peter Fletcher, Sarah Ofte and himself. Commissioner Kuhn commented that he learned about the differences between the commissions and attended breakout sessions with other commissioners and staff from around the state. Commissioner Schroeder asked how many planning commissions in the state. Mr. Flogstad responded that there are nine regional planning commissions in the state.

**Old, Business, New Business and Adjourn**

Chairman Kuhn asked if there was any old business. Commissioner McMillan-Urell shared that the Buffalo County board had approved the new zoning ordinance and thanked the Commission and staff for their work. Chairman Kuhn asked if there was any new business, there was no response, Chairman Kuhn asked for a motion to adjourn. A motion was made to adjourn by Commissioner Twidt and seconded by Commissioner Schroeder. The motion was unanimously approved.

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Vicki Burke, Secretary-Treasurer

MISSISSIPPI RIVER REGIONAL PLANNING COMMISSION

MEETING ATTENDANCE ROSTER

DATE: 8-8-2018

PLACE : AmericInn

	NAME	REPRESENTING
1.	Greg Fliggstad	MRRPC Staff
2.	Del Twist	Buffalo Co
3.	James Ehrsam	LaCrosse Co
4.	Francis Schellhout	WisDOT
5.	John Schlesselman	Buffalo Co
6.	Cedric Schmitz	monroe Co
7.	Phillip Borreson	Trempealeau Co.
8.	Ernest Vold	TREMP CO
9.	A. Brad Chown	Jackson County
10.	Mary Anne McMillan Urell	Buffalo County
11.	Sarah Ofte	MRRPC Staff
12.	Peter Pletten	"
13.	<del>Don</del>	"
14.	Todd Stilleborg	Jackson County
15.	Rich Purdy	Pierce Co.
16.	Roy Carney	JACKSON CO
17.	Nancy Washel	Vernon County
18.	Bill Schroeder	Pierce Co.
19.	Derald Vadez	Winthrop Co.
20.	RON LEYS	CRAWFORD
21.	Herb Cornell	Vernon CO
22.	Glenn Nickelatti	Vernon Co.
23.	Vicki Bunker	Jackson Co
24.	James Kuhn	Monroe Co.
25.	Todd Alby	Jackson Co

MISSISSIPPI RIVER REGIONAL PLANNING COMMISSION

MEETING ATTENDANCE ROSTER – Page 2

NAME	REPRESENTING
26. Krista Heinz	Cowlee Cap
27. <del>CHRISTINA DOWNS</del>	Vernon County - Economic Development
28. Diane McGinnis	Vernon County - Community Development Director
29. Jenny Kuderer	WEDC
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