



Champion Report

Theme Area: **Economic Engines**

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REPORTING PERIOD: April 15, 2014 through July 15, 2014

Goals/Strategies or Action Steps:	What NEW success have you had in moving your theme goals forward over the reporting period?
Rec 1, Step A	Choose Health CSA Project in partnership with Lakewood Health Systems and Hunger Free Minnesota is a huge success and has been nationally recognized by NADO with Cheryal representing the region in August in Colorado. Numerous local agencies participating in providing high touch services to food insecure families in the region including U of M Extension, Public Health/SHIP and Prairie Bay's Side Dish.
Rec 1, Step C	Numerous local growers are continuing to pursue microloans to develop their agricultural operations and scale up production to meet growing demand for locally sourced commodities.
Rec 2, Step A	Submitted an application with U of M for CURA CAP student to draw out local ordinances which are counterproductive to agricultural production with U of M Extension/RSDP taking the lead in supervising this project (Molly Zins)
Rec 2, Step B, C, D and F	SPROUT continues to pursue grant funding to move forward with food hub eventual move to Little Falls facility (Submitted an LFPP grant for ~\$100,000); has entered into negotiations for two additional school districts; is meeting with Latino growers this week in Long Prairie with the assistance and partnership of LEDC; has participated in Upper Lakes Foods Show – speaking to nearly 150 potential regional consumers; has entered into initial agreement to partner with Upper Lakes Foods for distribution of excess local commodities; and continues to provide technical assistance to growers in sustainable practices, packaging and distribution strategies.
Rec 2, Step E	Participated in Wealthworks training and with local foods selected as a regional value chain, continuing to grow the demand sector while simultaneously growing the production sector. As this value chain develops, we will be drawing out the proof of concept of numerous forms of wealth growing in the region, with numerous opportunities for wealth development for the region that simultaneously grow together.

How are you working with any of the other RR Theme areas?

List any Goals or Recommendations within the plan that your team of theme Champions are struggling to address?

Economic Engines

Economic Engines Issue 1

Financing: This issue involves the availability of capital to new and expanding businesses in the region, in today's credit market, accessing capital can be a challenge for businesses, especially entrepreneurs and companies in research and development stages. Alternative financing mechanisms should be created to fill this void, such as microenterprise loan funds or local venture capital financing.

Economic Engines Goal

Economic engines: The region focuses on exporting manufactured goods and agricultural products in order to bring dollars into the regional economy. The region also focuses on tourism and the arts which bring dollars into the regional economy from outside the region. The health care sector increases to provide a high quality of life. The education sector adapts to training residents for jobs in the region. Government employment decreases.

Recommendation 1

Financing for economic development: Ensure capital is readily available for new and expanding businesses in the region.

Action Step A

Pilot programs: Promote "pilot programs" to try out new financing options. Give preferred grant points to education and training programs that have multi-discipline impacts.

Action Step B

Incentives: Provide tax benefits for businesses that promote a balanced approach of environmental, economic and social vitality. Create incentives, like tax credits or licensure requirements, for telecommunication providers to strategically expand broadband access in rural/remote geographical locations. Create more financial incentives for businesses and individuals that protect the environment and/or use alternative energy.

Action Step C

Revolving loan funds: Foster more regional and sophisticated Revolving Loan Fund (RLF) sources (Re: gap financing). These sources should have access to better

resources, lending expertise, funding sources, and technical assistance. This will create better financing and lending to entrepreneurs and small businesses. Consider using RLFs for broadband and energy-related development.

Action Step D

Angel investors: Develop angel investor pools and other financial resources that would serve a variety of business startup and expansion needs at different levels of risk. Engage existing and new sources of capital.

Action Step E

Data and measurement: Provide more and better ED/GIS data to expand the knowledge base, improving community and individual economic decisions and impacts.

Action Step F

Entrepreneurs: Provide low-interest economic development loans for entrepreneurs and additional entrepreneurial training opportunities.

Economic Engines Issue 2

Agriculture CSAs: We must protect our region's agricultural heritage and support smaller-scale efforts like Community Supported Agriculture (CSA). We should focus on developing a land use plan that keeps our prime farmlands in production rather than fragmenting and converting them to subdivisions. CSAs and local farmer's markets are excellent ways to promote local agriculture and affordable local food production.

Recommendation 2

Local foods: Promote and support the expansion of the local food economic sector.

Action Step A

Incentives for agricultural use: Current tax codes that encourage low-density residential development, taking farm and forest land out of production. Instead, pursue tax changes that incentivize innovative small-scale agricultural use on small tracts of land and leaving forests in production. Focus on natural resources and crop diversification.

Action Step B

Distribution systems: Develop local foods opportunities, including community gardens and local producer and distribution networks. The goal is to make local foods more accessible to residential and commercial consumers, such as schools, hospitals, and local grocery stores. Continue to move forward on local food education, production, processing, distribution, and purchasing at the regional level.

Action Step C

Value added: Explore options, including regulations and incentives, for adding value to locally grown agriculture and setting new, regional regulatory standards that encourage local food production, processing and distribution. These new standards must still meet federal and state regulations that

ensure the health, safety and welfare of the purchasing public.

Action Step D

Training and education: Focus on enhancing small farm training and increasing agriculture education in schools, including home processing, food preparation, and seed storage. Increase agricultural awareness through public education, using a "cradle to grave" approach.

Action Step E

Grow the demand: Increase demand from citizens, institutions, and businesses for locally produced goods. Make local foods more accessible by increasing transportation options for seniors and low-income populations. Create a distribution and marketing network which could improve transportation of bulk local food goods to stores.

Action Step F

Packaging: Teach and encourage local producers and distributors to use sustainable practices such as the use of recyclable and reusable containers for packaging.

Economic Engines Issue 3

Arts and culture: A unique arts and cultural environment in our region is a potential economic driver as well as the ongoing trend in ethnic diversity. How the region chooses to preserve its land and cultural traditions and make use of these assets in the future will have a direct impact on its economic vitality.

Value cultural differences: Address and embrace the various geographic and cultural differences of people in the five-county area. Fund and value arts and cultural preservation efforts for all arts, including culinary, visual, and others.

Action Step A

Collaborations: Develop collaborations that use and enhance local culture, such as collaboration between mental health care

professionals, artists, and local food producers.

Action Step B

Identify key technology areas that directly impact economic competitiveness: Advance manufacturing, broadband verticals communication, and value-added processing. Concentrate

resources in technology and virtual cluster areas. Work to improve technologies for base load energy and help local energy-related startup businesses become successful.

Economic Engines Issue 4

Economic engines: Prioritization of economic engines that the region will focus on in efforts to enhance economic vitality.

Recommendation 4

Economic engines: As a first tier of priority, the region will focus efforts on the following economic engines:

- **Entrepreneurs** - Develop and expand entrepreneurship and small, home-based businesses
- **Agriculture** – Promote the agricultural sector with an emphasis on local foods
- **Renewable energy** - Support renewable energy businesses already located within the region
- **Technology** – Expand the technology sector including software design and development, use of innovative technologies in agriculture, financial services, and delivery of health care
- **Eco-tourism** - Promote our region to seasonal visitors and worldwide that our region is an eco-friendly location in which to spend time to renew and regenerate
- **Education** - Develop and expand new approaches to education including high-tech tools, virtual and online, to address the high-tech skill development needed for the region
- **Healthcare** - Expand the use of telemedicine to deliver health care in patients' homes and to address the need for specialty health care

As a second tier of priority, the region will focus efforts on the following economic engines:

- **Manufacturing** - Continue to support regional manufacturing businesses with nation-wide and global markets
- **Retail** - Continue to support our local businesses with online tools to promote their products beyond the five-county borders
- **Transportation** - Continue to support and promote the regional rail and trail system
- **Mining** - Continue to support the Emily manganese mining operation as long as it is compatible with maintaining environmental quality
- **Financial Services** – Continue to support this under-the-radar regional economic engine
- **Camp Ripley** – Seek collaborative public/private efforts that leverage the governmental investment in Camp Ripley

Action Step A

Training and planning: Provide business training and planning for companies of all size.

Action Step B

Free market: While pursuit of economic engines and their supply chains as a cluster development approach to economic development is valued, this should be done while maintaining a diverse economy that is driven by the free market.