



## Champion Report

Theme Area: Economic Engines

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**REPORTING PERIOD: June 21-Sept 13, 2016**

Goals/Strategies or Action Steps:	What NEW success have you had in moving your theme goals forward over the reporting period?
Recommendation 2, Action Step B:	Sprout has been working with regional distribution systems with Amish cooperatives and regional food hubs at strengthening distribution between market channels within geographic regions. It is forecasted that this work with strengthen capacity in a regional partnership.
Recommendation 2, Action Step C:	Sprout has finalized policies and procedures for value added utilization of its facility. Initial users of the licensed kitchens are now able to apply to use the facility on line for value added capacity building within the region.
Recommendation 2, Action Step D:	Sprout is working to strengthen capacity with additional training for growers. It is realized that our capacity to scale up is fully dependent on grower's ability to more accurately forecast yields in order to continue to meet demand.
Recommendation 2, Action Step E:	Sprout is working with regional food hubs across Minnesota in a collaboration to strengthen buyer demand, including locally owned and operated grocery stores. This focus will allow for greater scalability in demand in realizing that most consumers purchase their "food" at grocery stores and not at market stands and on-line.
Recommendation 2, Action Step E:	Winter share CSA's have been secured through two regional hospital systems. Gleaning programs are advancing in partnership with Central Lakes College and Lakewood Health Systems, which will build sustainability into funding future CSA programs. St. Gabriel's Hospital system is utilizing Sprout facility for consumer nutrition education weekly and will begin to expand its programs through the winter in partnership with the University of Minnesota SNAP Educators.
Recommendation 2, Action Step E:	Sprout has submitted a \$182,000 USDA Value Added Producer Grant, which if received, will support all of the action steps in the RR plan to increase capacity, grower skills and marketing of locally produced foods in this region.
R1	<p><b>Business Dev-</b>The SBDC and SCORE have continued its initiative on business transition planning with small businesses in the region. Currently there are 6 businesses working through the process and others interested. Partnering with NCEDA to provide services to loan clients.</p> <p>R1 <b>Investment Crowdfunding-</b>Video and Workshop completed; Economic Development Professional Guide to Investment Crowdfunding published. Access to all information available on website: <a href="http://www.northcentraleda.org">www.northcentraleda.org</a></p> <p>Department of Commerce began accepting applications for Portal operators on June 20 2016. None completed at this time.</p>
R2	<p><b>Sprout- Presentations:</b></p> <p>Activities continue on a rapid pace and Arlene will provide verbal updates.</p>

<p>R3 Action Step A</p>	<p><b>FIVE WINGS ARTS COUNCIL</b></p> <ul style="list-style-type: none"> <li>FWAC funded its first grants in the pilot grant program, ARTS BASED COMMUNITY DEVELOPMENT (ABCD). The intention of the pilot program is to support collaborations between artists and non-arts organizations to utilize creative solutions which help solve issues facing our communities. Project 1: Wellness in the Woods, a peer-run mental health organization, will partner with Haley Honeman, a theatre artist with extensive experience in creating community-based art about mental health, to create an original performance called Life Acts. Life Acts is a touring performance and workshop created with community participation to raise awareness about issues of self harm and suicide in rural Minnesota. In collaboration with Wellness in the Woods and community partners, the artist will conduct interviews and story circles, write and stage an original script, and adapt suicide prevention curriculum to create a post-show workshop that raises awareness about rural suicide. Project 2: The Friends of the Brainerd Public Library and the Brainerd Public Library will install outdoor musical instruments that can be used by all ages year-round. These drums, xylophone and metallophones will bring people together to create music freely and spontaneously, integrating the arts into their regular day.</li> <li>Over \$139,000 in grants have been distributed this quarter to support the development of arts projects by both individual artists as well as arts and community organizations. This represents approximately 15% of arts-related expenditures during this time period throughout the region, with at least \$8100,000 being spent to create arts experiences each quarter.</li> </ul>
<p>R4</p>	<p>Bug-O-Nay-Ge-Shig School- Sen. Al Franken and Reps. Rick Nolan and Betty McCollum attended the groundbreaking, as well as Faron Jackson, chairman of the Leech Lake Band of Ojibwe; members of the school board and Superintendent Mary Trapp.</p> <p>The school, which is located in Bena, had been the subject of local and national discussion for years before the U.S. Department of the Interior announced in April it would contribute \$11.9 million toward the construction of a new building.</p>
<p><b>What future activities has your theme prioritized for the coming year?</b></p>	
<p>Increasing demand through regional collaboration. Scaling up facility utilization for value added capacity, including storage capacity. Increasing vendors for holiday markets, which appear to be the most lucrative for growers and makers. Building the marketplace with additional concepts including venue use for events. Continuing to build capacity with increasing institutional demand.</p> <ul style="list-style-type: none"> <li>Seeking funding to support more Arts Based Community Development collaborations. Create Creative Placemaking network within the region, connecting artists and communities, and providing training and grant support to support collaborative endeavors that will grow local economies.</li> <li>Enhance arts organization’s capacity to connect with and serve communities.</li> <li>Provide training for artists to increase their income from their art and art –related activity, such as teaching.</li> </ul> <p>Further development and education of the Investment Crowdfunding initiative. Continued work on the ArtPlace America grant submittal process, planning and development of potential projects.</p>	

Training growers in business operations and development to continue to scale up volume of locally grown commodities to schools, hospitals, institutions, consumers and those at risk nutritionally through CSAs and Choose Health programs  
Continuing to advance goals in placemaking by working collaboratively with artists to develop a unique sense of place and destination in the Marketplace

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

Healthcare CSAs are increasing. Changing Populations theme area is a focus with long-term care facilities and assisted living facility utilization of local products.

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

Farm to School is largely focused on Crow Wing County districts and there is considerable room for growth provided transportation logistics are considered.

# 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.