



## Champion Report

Theme Area: Economic Engines

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**REPORTING PERIOD: October 15, 2014 through January 13, 2015**

Goals/Strategies or Action Steps:	What NEW success have you had in moving your theme goals forward over the reporting period?
<p>R2 Action Steps: B, C, D, E &amp; F</p>	<p><b>SPROUT –</b>            RCDI project to make connections from local foods to art communities with grant submitted to FWAC January.            Todd County grant received for \$435,000 for build out of Eagle Bend facility.            Little Falls Food Processing Facility moving forward with lease agreement and initial build-out of Phase I and Phase II.            Innovation Grant received from National Joint Powers Alliance-\$100,000 received for begin of build-out. Pursuing additional funding through numerous grant opportunities.            CURA CAP work on ag ordinances with Central Regional Sustainable Development completed and final report submitted. Will be distributing widely.            Lakewood Health Systems receives additional funding from HUNGER FREE MN to extend Choose Health into the winter for all 50 families. Working with Staples FFA and Connections students for packing and distribution.            Gleaning and Ag rescue program launching at Central Lakes College            Pursuing several grant applications that support the food hubs            Arlene - Speaking at both local and state SFA conferences.            Arlene on Advisory Committee for Local Foods Economic Impact Study with U of M            Pursuing opportunity with Pillager Public Schools with additional of new superintendent.            Choose Health Webinar in partnership with Lakewood Health Systems and Champion Stacey Stockdill can be seen here: <a href="http://www.nado.org/choose-health-webinar/">http://www.nado.org/choose-health-webinar/</a>            NADO Conference in Louisville Kentucky with Cheryal in February to review Choose Health foundation and success, opportunity to connect with other economic development agencies from throughout the country.</p>
<p>R3</p>	<p><b>Five Wings Arts Council –</b>            Distributed \$47,000 in grants to artists and arts organizations in Region 5.            Completed 2014 Work of Art: Business Training for Artists training series. Formed Region Five Artist Network. Planning for 2015 artist training series.            Rural Arts and Culture Summit 2015-continue to advise and assist with planning for this event to be held June 2-4 in Morris, in conjunction with the Center for Small Towns            Providing guidance and training with staff of three city offices regarding how to work with artists and arts organizations and to successfully solicit funds for art based community development projects.            Preparing for cross sector event for community and business leaders, artists, arts organization leaders about the value of creative placemaking in community development, as well as to introduce</p>

	Creative Minnesota, a recently completed study of the economic development impact of the arts in Region 5. Thursday March 5 <sup>th</sup> , 9:00am, Little Falls
R1 Action Steps: C, D, F	<p><b>Business Dev</b> - Initiative Foundation, SCORE and the SBDC are working on a pilot to spur business transition (succession) planning in the region five area. The project’s purpose is to help retain small businesses in communities by helping existing business owners prepare to transition to the next generation of ownership whether that be a family member, existing employee or outside person interested in owning a business. We hope the project will also help attract skilled professionals to the area by providing self-employment opportunities to spouses as the look at re-locating to our communities. Since this is a pilot project we are starting small by trying to recruit business owner participants through commercial lenders, chambers of commerce and economic development organizations as well as ask them to organize opportunities for us to speak to groups of business owners in local communities. Ultimately, SCORE and the SBDC’s role is to act as a mentor or coach helping guide the business owner through the process or preparing the business for transition, identifying transition strategies, and helping them understand the role of various professionals to support their transition efforts.</p> <p><b>Microlending</b>-Region Five received grant of \$38,455 from USDA Rural Development for technical assistance for micro-borrowers.</p>

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

Education, Health Care, Energy and Changing Populations, Housing connections through the Service Member Housing project.

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

Getting artists to see their valued role as partners in community development.  
 Finding new opportunities to recap loan pools.  
 Taking time to understand minority populations and recognizing the opportunities the diversity can bring.  
 Overcoming the myth that local foods “costs more”. WE are overall struggling to share the success of many of the projects/programs going on.

# 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.