



Champion Report

Theme Area: Economic Engines

Champions: Arlene Jones, Vicki Chepulis, Greg Bergman and Sandy Voigt

REPORTING PERIOD: October 2015-December 2015

Goals/Strategies or Action Steps:	What NEW success have you had in moving your theme goals forward over the reporting period?
<p>R1</p> <p>R1 Action Step D</p>	<p>Business Dev-The SBDC and SCORE have continued its initiative on business transition planning with small businesses in the region. Currently there are seven businesses working through the process and others interested. Presentations have been made to trade groups such as the Minnesota Resort and Campground Association, service clubs like rotary and presentations sponsored by Todd County Economic Development Corp and a local bank (in fact one is tomorrow in Staples). Some of the next steps are to find a source of funding to support the project long term and find ways to standardize some of the process and tools so it is transferable to other SBDC and SCORE consultants.</p> <p>Investment Crowdfunding-August 21, 2015-United States Department of Agriculture (USDA) granted the Region Five Development Commission (R5DC) a \$98,000 Rural Business Development Grant (RBDG) to acquire knowledge and develop training modules aimed at informing Economic Development Professionals (ED Pros) and small and medium enterprises (SME) throughout the region and state around MNvest, the recently passed legislation allowing investment crowdfunding in Minnesota.</p> <p>The RBDG will allow R5DC to create and host an education-based website, create train-the-trainer materials and develop training curriculum that offers information around investment crowdfunding to assist businesses and economic development practitioners understand the pros and cons of investment crowdfunding and make a well informed decision on whether it is a good fit for their business or the businesses that ED Pros are working with. Angel/Equity Investment: This grant will develop training materials that will also allow Non-Accredited Investors (MN residents only) to learn about opportunities and how to make an equity investment in a variety of business startup and/or expansion needs for companies located within the State of Minnesota. Research and learning ventures are underway; Design Team has been identified and met; Webinars and Training videos are being planned and developed.</p>
<p>R2</p>	<p>Sprout- Presentations:</p> <p>May 31, 2015 – Arlene Jones and Cheryal Hills attended and presented on the Choose Health program at the Rooting Opportunity Conference, Washington, DC. This conference allowed sharing of best practices in our community food work with Choose Health, and created continued opportunity to learn from practitioners from across the nation who are working to create access to locally grown foods.</p> <p>HOLIDAY MARKETS! Held at Saturday, November 21 Saturday & December 12, Growers & Makers Marketplace, Little Falls allowing the public to shop local produce, local meats, local jams and preserves, local art, and more!</p>
<p>R3 Action Step A</p>	<p>“NEW”-ARTPLACE AMERICA GRANT APPLICATION: NCEDA’s Community Development Investment grant application to ArtPlace America was selected as one of 21 finalists from across the nation (3 from MN). Although not selected as the winner, simply by being a part</p>

	<p>of this application process, awareness of the possibilities of arts and culture playing a more significant role in community development has been enlivened. We have been encouraged to submit an application for funding from different source of money and work has begun with grant preparation.</p> <p>FIVE WINGS ARTS COUNCIL FY15 distributed over \$????? in grants to communities, arts organizations, and artists, ranging from free Classical Music presentations in the Brainerd area to children’s theater in Walker.</p> <ul style="list-style-type: none"> • HIGHLIGHT: Beyond the Bricks, a collaborative project coordinated by Crossing Arts Alliance which brought together community writers and visual artists and inmates in the Crow Wing County Jail, was selected to receive the "Dave Grant" Program of the Year Award through the Minnesota Jail, Programs & Services. An interesting example of the arts partnering with an unlikely collaborator and having positive results for the community.
R4 Action Step A	<p>Training and Planning: Core Four Business Planning Workshop held on December 8, 2015 at Sprout Growers and Makers Marketplace, Little Falls, MN.</p>

What future activities has your theme prioritized for the coming year?

Continued work on the ArtPlace America grant submittal process, planning and development of potential projects.

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

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 plane 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.