



# The EDA CENTER

at the University of Minnesota Crookston

The EDA Chronicle-April 2014

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## Events of Interest:

May 8

- NAFTA: Completing the Certificate of Origin hosted by the Minnesota Trade Office from 8AM to 2PM at the DEED Conference Center in St. Paul. For more information please go to <https://www.regonline.com/Registrar/Checkin.aspx?EventID=1438644>.

May 14-16

- MAEDC 2014 Best Practices Conference will be held at The Depot Renaissance Hotel in Minneapolis. For more information please go to [http://edam.site-ym.com/events/event\\_details.asp?id=423290&group=](http://edam.site-ym.com/events/event_details.asp?id=423290&group=).

May 21-22

- Profit Mastery-Arrowhead Builders Association will be held at the Arrowhead Builders Association in Duluth. For More information please go to [https://ibex.d.umn.edu/biz/umdcde/workshops/index.php?main\\_page=product\\_info&cPath=9&products\\_id=1265&zenid=nl463t6182eh5pankdn69h7434](https://ibex.d.umn.edu/biz/umdcde/workshops/index.php?main_page=product_info&cPath=9&products_id=1265&zenid=nl463t6182eh5pankdn69h7434).

June 1-3

- IEDC/EDAM Joint Conference will be held at the Radisson Blu at the Mall of America in Bloomington. For more information please go to [http://edam.site-ym.com/events/event\\_details.asp?id=423287&group=](http://edam.site-ym.com/events/event_details.asp?id=423287&group=).

## Inside This Issue

USDA Small Business Funding	2
USDA Water Quality Funding	2
DEED Employment/Unemployment Statistics	3
Regional Round-up	4
IDEA Competition Winners	5

## EDA University Center Showcase

On April 22nd and 23rd, the annual EDA University Center showcase was held in Bloomington, MN at the Best Western Plus/Mall of America.

Participants included staff from the seven EDA University Centers within the Chicago Region, EDA Chicago Regional representatives, and EDD officials from states within the region. There were 65 people present for seminars focusing on how each of the EDA University Centers help EDDs in their respective states, how people identify and address needs in their regions/states, how to leverage EDA dollars available, and how to measure impacts from assistance provided.

The seven EDA University Centers include:

- The EDA Center at the University of Minnesota Crookston (MN)
- Wisconsin Center for Commercialization Resources (WI)
- Purdue Center for Regional Development (IN)
- The Michigan State University EDA Center for Regional Economic Innovation (MI)
- Research Park at the University of Illinois Urbana Champaign (IL)
- Maxine Goodman Levin College of Urban Affairs Center for Economic Development (OH)

- Center for Regional Development (OH)

One initiative discussed at the showcase was the Great Lakes Regional Training Initiative. This initiative is a result of a multi-state grant obtained from the EDA intended to assess technical assistance and training needs as well as enhancing communication with EDDs across the entire region. This initiative is in the early stages and discussions will be continuing.

The showcase provided an excellent opportunity to connect EDDs, EDA University Centers, and EDA Chicago representatives. The showcase provided EDDs with better comprehension of the range of EDA University Center activities and how our organizations can partner more effectively.

This year's EDA showcase highlighted the need for creating greater awareness of expertise and programs among EDA University Center in the Chicago region to better serve client needs. A second theme which emerged was the need for greater collaboration with EDDs. Finally, much discussion in Showcase presentations noted the challenges in effectively serving clients under time and resource constraints.

## USDA Announces \$150 Million to Grow Small Businesses, Create Jobs in Rural Areas

The USDA has announced a \$150 million investment in a new Rural Business Investment Company. Advantage Capital Partners will be responsible for managing the new fund and eight Farm Credit Institutions will invest the \$150 million: **AgStar Financial Services (Mankato); AgriBank (St. Paul); Capital Farm Credit (Bryan, TX);**

**CoBank (Denver, CO); Farm Credit Bank of Texas (Austin, TX); Farm Credit Services of America (Omaha, NE); Farm Credit Mid-America (Louisville, KY); and United Farm Credit Service (Willmar).** Applicants have until July 29<sup>th</sup> to submit applications for FY 2014. Applications submitted after that time will

be considered for subsequent years. Funding is intended to be available until FY2016.

*For more information, please go to [http://www.usda.gov/wps/portal/usda/usdahome?contentid=2014/04/0067.xml&navid=NEWS\\_RELEASE&navtype=RT&parentnav=LATEST\\_RELEASES&deployment\\_action=retrievecontent](http://www.usda.gov/wps/portal/usda/usdahome?contentid=2014/04/0067.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&deployment_action=retrievecontent).*

## USDA Announces Record Funding for Water Quality Projects in 40 States, Puerto Rico

Agriculture Secretary Tom Vilsack announced support for 116 projects totaling \$386,948,086 intended to improve water and wastewater services for rural Americans and benefit the environment.

"Having reliable, clean and safe water is essential for any community to thrive and grow," Vilsack said. "I am proud that USDA helps build rural communities from the ground up by supporting water infrastructure projects like these. I am especially proud that we can help communities that are struggling economically and those that have urgent health and safety concerns due to their failing water systems." The record funding included \$222,350,000 in regular loans, \$14,598,086 in regular grants, and \$150,000,000 in Farm Bill grants.

Minnesota received funding for 8 projects totaling \$38,609,000 in investments. Nearly half of this amount was funded through the 2014 Farm Bill (\$18,312,000 in grants). Regular loan funding in the amount of \$19,688,000 comprised the other half. The City of

Lewisville received \$629,000 in regular grant funding.

The table below shows the recipients and further detail related to the funding received, project type, and project description.

*For more information, please go to [http://www.usda.gov/wps/portal/usda/usdahome?contentid=2014/04/0068.xml&navid=NEWS\\_RELEASE&navtype=RT&parentnav=LATEST\\_RELEASES&deployment\\_action=retrievecontent](http://www.usda.gov/wps/portal/usda/usdahome?contentid=2014/04/0068.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&deployment_action=retrievecontent).*

County Name	Customer File Name	Regular Loan	Farm Bill Grant	Regular Grant	\$ Total	Project Description	Project Type
Grant	City of Herman	\$850,000	\$1,835,000		\$2,685,000	Water System Improvements	Water
Wadena	City of Verndale	\$1,369,000	\$830,000		\$2,199,000	Sewer Collection Replacement	Sewer
Kanabec	City of Ogilvie	\$212,000	\$927,000		\$1,139,000	Waste Water System Improvements	Sewer
Redwood	City of Morgan	\$12,432,000	\$8,516,000		\$20,948,000	Utility Improvements	Water & Sewer
Chippewa	City of Maynard	\$1,664,000	\$1,211,000		\$2,875,000	Sewer Collection Replacement	Sewer
Renville	City of Sacred Heart	\$2,039,000	\$923,000		\$2,962,000	Wastewater Treatment Repairs	Sewer
Renville	City of Sacred Heart	\$805,000	\$4,070,000		\$4,875,000	Collection System Improvements	Sewer
Watsonwan	City of Lewisville	\$297,000		\$629,000	\$926,000	Water System Upgrades	Water
<b>MN TOTALS</b>		<b>\$19,668,000</b>	<b>\$18,312,000</b>	<b>\$629,000</b>	<b>\$38,609,000</b>		

## DEED Report: 2013-2014 Local Area Unemployment Statistics and Jobs Report

After seasonal adjustments, unemployment in March remained steady at 6.7 percent in the U.S. and 4.8 percent in Minnesota. Minnesota unemployment claims in March increased 868 to 20,112 when compared to February. Over the year unemployment claims increased 1.2 percent when compared to March 2013.

Minnesota employers added 2,600 jobs in March. Professional and Business Services (3,500), Construction (2,700), Financial Activities (1,200),

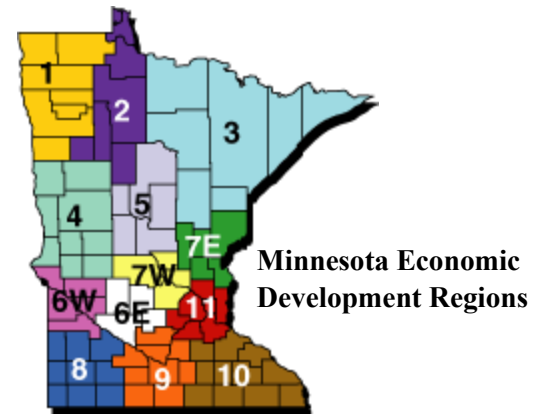
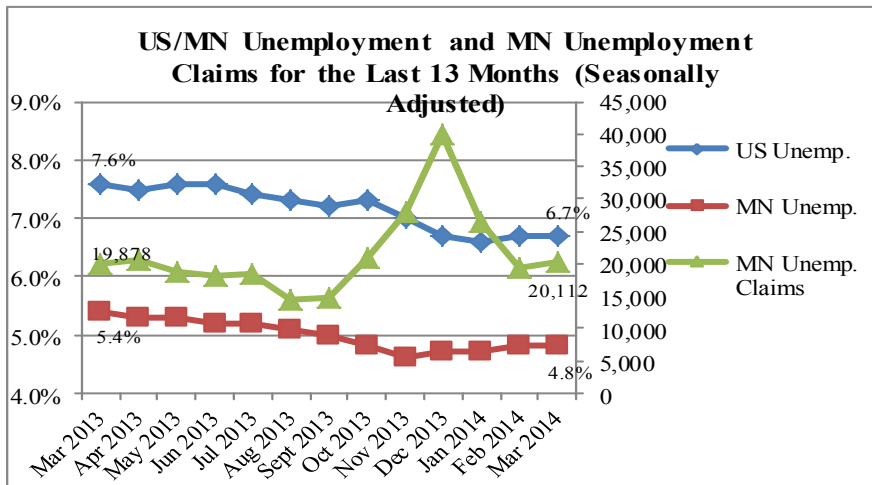
Government (1,000), Information (400), Manufacturing (200), and Logging and Mining (100) added jobs in March. Leisure and Hospitality (-2,700); Trade, Transportation and Utilities (-2,300); Education and Health Services (-1,000); and Other Services (-500) posted job losses in March.

Minnesota has experienced 1.5 percent growth from 1 year ago with 41,582 additional jobs over the past year. This growth is below the U.S.

growth rate of 1.6 percent over the past 12 months.

March unemployment for the EDRs either remained the same or dropped when compared to February. The Northwest, North Central, and Central regions remained steady. The Upper Minnesota Valley region experienced the largest drop in unemployment at 0.4 percent.

Go to the DEED website; [www.positivelyminnesota.com](http://www.positivelyminnesota.com) to view more employment and wage statistics.



### 2013-2014 Minnesota Unemployment by Economic Development Region (Not Seasonally Adjusted)

Date	EDR1	EDR2	EDR3	EDR4	EDR5	EDR6E	EDR6W	EDR7E	EDR7W	EDR8	EDR9	EDR10	EDR11
Mar 2013	7.1%	9.2%	7.5%	6%	9%	7.1%	6.4%	9%	6.6%	5.2%	5.9%	5.5%	5.1%
Apr 2013	6.5%	8.7%	7.1%	5.3%	7.9%	6.1%	5.7%	8.1%	6%	4.7%	5.4%	5%	4.8%
May 2013	4.6%	7.1%	6.7%	4.1%	6.3%	5.1%	4.9%	6.4%	4.9%	4%	4.7%	4.6%	4.7%
Jun 2013	4.9%	7%	6.7%	4.3%	6.2%	5.3%	4.8%	6.3%	5.2%	4.2%	5%	4.9%	5.1%
Jul 2013	4.9%	6.8%	6.5%	4.1%	6%	5.1%	4.8%	6%	5%	4.7%	4.9%	4.8%	5%
Aug 2013	4.4%	6.2%	6%	3.7%	5.6%	4.6%	4.5%	5.5%	4.6%	3.8%	4.4%	4.5%	4.7%
Sept 2013	3.9%	5.8%	5.7%	3.6%	5.4%	4.4%	4.1%	5.3%	4.3%	3.6%	4.1%	4.2%	4.6%
Oct 2013	3.4%	5.4%	5.3%	3.2%	5.1%	4%	3.5%	4.8%	3.9%	3.8%	3.7%	3.8%	4.1%
Nov 2013	4%	6.3%	5.8%	3.6%	6.3%	4.3%	3.7%	5.4%	4.2%	3.2%	3.8%	3.7%	4%
Dec 2013	5%	7.4%	6.3%	4.6%	7.5%	5.3%	4.7%	6.9%	5.1%	3.9%	4.5%	4.3%	4.2%
Jan 2014	7%	9.1%	7.4%	5.8%	9%	6.6%	6.8%	8.7%	6.4%	5.2%	5.8%	5.4%	4.9%
Feb 2014	6.5%	8.8%	7.4%	5.6%	8.7%	6.5%	6.3%	8.7%	6.3%	5.1%	5.8%	5.4%	4.8%
Mar 2014	6.5%	8.7%	7.2%	5.4%	8.7%	6.3%	5.9%	8.5%	6.3%	4.8%	5.6%	5.1%	4.7%

## The EDA Center's "Regional Round-up"

*Each month The EDA Center will collect information from the different regions in Greater Minnesota in an effort to highlight notable projects and events across the state. If you have any projects or events you would like highlighted in future newsletters, please submit them to [walke810@umn.edu](mailto:walke810@umn.edu) prior to the 15th of every month.*

### Arrowhead Regional Development Commission (ARDC)

*Report written by Brigid Tuck, Jan Saxhaug, Jon Bennett, and Neil Linscheid*

### The Economic Contribution of the Duluth-Superior Aerospace Industry

The following is a summary of the results of a recent University of Minnesota Extension study. The study was conducted in partnership with the Northern Aero Alliance, the Minnesota Department of Employment and Economic Development, and APEX. The research was supported by the EDA Center at the University of Minnesota-Crookston

In the United States, there are 1.2 million jobs in the core aerospace industry. Nationally, Minnesota is ranked 23rd in the number of aerospace jobs and Wisconsin is ranked 36th.

After reviewing national and state employment in the aerospace industry, major competitive states for Minnesota and Wisconsin in the

aerospace industry include Kansas, Connecticut, Alabama, South Carolina, and Utah.

**Direct Impact:** Under an expanded definition of the aerospace industry, there are an estimated 1,400 jobs in the aerospace industry in Duluth-Superior. This includes aerospace product manufacturers employing 430 people in the region, electric component manufacturers employing 371 people and aeronautical systems manufacturers employing 320 people.

**Total Impact:** Based on 2012 estimates, the aerospace industry, including the Air National Guard, contributed \$988.0 million to the economy of the Duluth-Superior region. The industry supported 4,630 jobs, including jobs beyond the aerospace sector. Those jobs paid \$268.9 million in wages, salaries, and benefits to residents of the Duluth-Superior region.

A survey of aerospace businesses indicates an aerospace supply chain exists in Duluth-Superior. Local aerospace businesses are interested in further development of the local supply chain.

Businesses in the region cite general aviation aircraft sales as the most important industry trend. While local leaders may have little influence over this trend, they can assist with other trends like general business conditions, workforce development, and public perception of the industry.

Business retention and expansion

efforts could concentrate in two areas. First, local leaders may wish to address issues that affect all businesses (i.e. workforce development). Second, local leaders may consider assisting individual businesses (i.e. building and space needs).

Both opportunities and threats exist for the aerospace industry in the region. Opportunities include building on current strengths such as increasing aviation training and developing the local supply chain. Examples of threats include the national economy and the lack of a strong national reputation as an aerospace hub.

Businesses find value in current collaborations focused on developing and supporting the industry in the region. Suggestions for future joint efforts include: building on and increasing collaborations; building a national reputation as an aerospace hub; addressing workforce issues including training and education; and retaining individual businesses in the region.

*Look for the full report by going to our publications page at [http://www.edacenter.org/publications\\_researchPublications.php](http://www.edacenter.org/publications_researchPublications.php).*

### Region Five Development Commission

*Submitted by Cheryal Lee Hills, Executive Director, Region Five Development Commission*

Minnesota is one step closer to a full-fledged effort to coordinate our



tremendous renewable energy potential now that the 18-month Proof of Concept Center project planning grant is complete.

The original one-year project was titled Minnesota Renewable Energy Proof of Concept Center planning

grant. Extended six months, we transitioned to a more manageable Renewable Energy Innovation Project (REIP) as we formulated an implementation strategy for moving the state's vast renewable energy into a globally competitive future.

The 49-page Final Report, including a four-page Executive Summary, can be read and downloaded at [www.resilientregion.org/cms/files/REIP%20Report.pdf](http://www.resilientregion.org/cms/files/REIP%20Report.pdf).

## IDEA Competition Winners Announced at April 24<sup>th</sup> Banquet

The entrepreneurial spirit was in the air April 24<sup>th</sup> at the Sanford Event Center in Bemidji. The IDEA Competition completed its sixth annual competition with the announcement of the three winners of a \$10,000 grand prize intended to help develop their ideas in an effort to market them. The finalists receiving the three \$10,000 cash rewards were:

- **Addy-Olly, LLC—Cynthia J.**

**Krankkala, Thief River Falls:** a safer infant playpen mattress lining.

- **Berd's Innovations, LLC—Coreen and Brian Berdahl, Red Lake Falls:** device used to refill fishing line from a spool to the reel.
- **CR Data Solutions—Robert Cloose, Bagley:** fiber optic cable testing software intended to reduce the time spent locating

splices in the cable.

The three winners were selected from a pool of approximately 20 entrants narrowed down to six finalists. The three finalists who did not win the grand prize received \$1,000 in funding.

*For more information about the awards banquet and winners, please go to <http://ideacompetition.org/awardsbanquet.html>.*



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*The EDA Center at the University of Minnesota Crookston is one of more than 40 university centers nationwide, supported by the Economic Development Administration, U.S. Department of Commerce.*

*We conduct applied research, provide direct technical assistance and deliver educational programs development agencies that support the economy of economically-distressed rural communities throughout Minnesota.*

*EDA Center Staff:*

*Brent Hales-EDA Center Director*

*Kevin Cooper-EDA Center Associate Director*

*Eddie Walker-Research Analyst/Editor*



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