



# The EDACENTER

at the University of Minnesota Crookston

The EDA Chronicle-December 2013

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## Events of Interest:

January 16

- Midwest Global Trade Association's 2014 Annual Meeting & Dinner at the Metropolitan Ballroom in Minneapolis from 5:30-9:30PM. The cost is \$15 for MGTA members and \$55 for non-members. For more information and to register, please go to [http://www.mgta.org/events/event\\_details.asp?id=373291&group=](http://www.mgta.org/events/event_details.asp?id=373291&group=)

January 23-24

- 2014 Economic Development Association of Minnesota (EDAM) Winter Conference begins at 9AM on Jan 23<sup>rd</sup> at the Minneapolis Marriott Northwest in Brooklyn Park. Registration fees range from \$50 to \$370 with early registration discounts ending Jan 10<sup>th</sup>. For more information and to register, please go to [http://www.edam.org/events/event\\_details.asp?id=360038](http://www.edam.org/events/event_details.asp?id=360038).

January 28

- The Export Process: An Introduction to Exporting hosted by the Minnesota Trade Office at the DEED Conference Center in St. Paul from 9AM-2PM. Fees are \$60 if you pre-register and \$80 if you pay on-site the day of the event. To register, please go to <https://www.regonline.com/Register/Chekin.aspx?EventID=1342444>.

January 29

- Generational Diversity and Your Business hosted by the University of Minnesota Duluth Center for Economic Development from 2-4PM. Workshop is held at the UMD CED office in the Duluth Technology Valley. Registration fee is \$25. For more information or to register, please go to [https://ibex.d.umn.edu/biz/umdcged/workshops/index.php?main\\_page=product\\_info&cPath=9&products\\_id=1264&zenid=gb661vod5lbn4ubg5tk9q566g1](https://ibex.d.umn.edu/biz/umdcged/workshops/index.php?main_page=product_info&cPath=9&products_id=1264&zenid=gb661vod5lbn4ubg5tk9q566g1).

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## U of Mn Extension Team Plans 2013-14 EDA Center Projects to Serve Communities, State

By Matt Kane

Projects from the University of Minnesota Crookston's EDA Center in 2013-14 include several from the University Extension aimed at serving communities and compiling practical, applied research that will advance economic development statewide. Extension's Community Economics educators will be working with communities and contacts statewide on the following initiatives in late 2013 and into fall 2014, as well as other work, too, as the year unfolds.

### Customer survey of seasonal residents

This project, now in process, will gather information through a survey of second homeowners in two Minnesota regions. The survey instrument, designed with substantial input from local, county and regional partners, is designed to estimate their local spending and impact, identify goods and services missing at their seasonal locations, provide an opportunity to assess the quality of local services and amenities, and invite second homeowners' input about location decisions, their plans for moving to their second residence, experience, skills and knowledge they might bring to their second community, demographic information, and communication preferences.. Targeted regions include the following counties: 1) Aitkin, Cass, Crow Wing and Hubbard, and 2) Becker, Douglas, Otter Tail and Pope. This project, led by Extension's Ryan Pesch, [pesch@umn.edu](mailto:pesch@umn.edu), 218-236-2270, is a collaboration with Professor Ann Ziebarth, a Faculty Research Fellow at the Housing Studies Program, University of Minnesota.

### Retail Success Study: Impacts of Wal-

Mart

For this project, Extension educators will be working with economic development contacts and other local leaders to examine retail in about a dozen non-metro communities in order to identify the types of retail stores that grew or successfully started after the opening of Wal-Mart stores. At present, Minnesota lacks information about the retail experience in non-metro communities with big box stores – information that could help guide communities and entrepreneurs with regard to viable, local retail operations. The project will focus on communities with populations mostly in the range of 9,000 to 25,000 where a superstore opened after 2000.

Targeted communities that meet this study's initial criteria for trade center hierarchy, population and superstore openings include Hutchinson, Monticello, Elk River, Marshall, Worthington, Bemidji, Thief River Falls, Crookston, Winona, Red Wing, Austin, Detroit Lakes and Hibbing. Some additional research will be conducted to determine which of these communities fit the parameters of the study. This project is being led by Extension's Bruce Schwartz, [bwschwar@umn.edu](mailto:bwschwar@umn.edu), (507) 536-6308.

### Economic Impact Analysis for Regional Development Commissions

Extension's Community Economics team seeks requests from Minnesota's Regional Development Commissions (RDCs) for research that can help RDCs understand and communicate about important economic changes. Extension will carry out this work using input-output modeling, building off of its capabilities and expertise

in economic impact analysis and tailoring these brief research projects to fit regional needs regarding high priority developments and areas of interest.

This research will be carried out, at the request of the RDCs, both for assessing the impact of RDC projects that received or might receive federal assistance through the U.S. Economic Development Administration, and for regions responding to a sudden and unexpected economic change, such as a plant closing, a business closing or a significant reduction in workforce by a local employer. RDCs interested in economic impact analysis should contact Extension's Neil Linscheid at

[lins0041@umn.edu](mailto:lins0041@umn.edu) or 507-476-1068.

### **Economic Impact Analysis for Communities Facing Emergencies or Needing Information**

For this initiative, Extension's Community Economics team researches the economic structure of communities, compiles reports, and presents findings useful to communities in framing economic development responses and approaches. Extension's Emergency EIAs are carried out for communities responding to a sudden and expected economic change, such as a plant closing, a business closing or a significant reduction in workforce by

a local employer. (For an example, see [http://edacenter.org/downloads/Hoffman\\_Nursing\\_Home\\_Economic\\_Impact\\_Report.pdf](http://edacenter.org/downloads/Hoffman_Nursing_Home_Economic_Impact_Report.pdf).) Extension's Futures workshop is done for communities that want information about the comparable economic impacts of key industries on their regional economy in order to inform discussions about areas of focus and opportunity for economic development efforts. (For an example, see [http://www.edacenter.org/downloads/Pine\\_County\\_Futures\\_Workshop\\_Summary\\_Report.pdf](http://www.edacenter.org/downloads/Pine_County_Futures_Workshop_Summary_Report.pdf).) Communities interested in economic impact analysis should contact Extension's Neil Linscheid at [lins0041@umn.edu](mailto:lins0041@umn.edu) or 507-476-1068.

## **Message from the Associate Director of The EDA Center**

2013 has been a year of transition at the EDA Center. With the departure of Director Jack Geller, and development of joint management between UMC and the Twin Cities campus, we have been busy sorting things out while moving ahead with on-going priorities. As might be expected, it has taken a little time to become acclimated to our roles, and become acquainted with operational and budgetary matters.

We are looking forward to assisting communities, counties, and regions in realizing their economic and communities. I want to urge all of you to con-

sider how the EDA Center might be able to assist you. In addition to EDA Center staff, we can access professional and faculty expertise to help your community, county, or region move ahead on your priorities.

*Right now is a particularly good time to apply for assistance from the EDA Center.* This will provide us with ample time to search and secure the right expertise for your project. It will enable those working on your project to begin in late spring and through the summer to focus on your project as their teaching and advising responsibilities are substantially reduced.

If you have any questions about how we can serve you, please call us at 218-281-8251, or at my personal line at 218-281-8187.

Here's wishing you a Merry Christmas and a Happy New Year!

Kevin Cooper  
Associate Director

## **EDA Summer Internships Available**

The EDA Center is announcing internship initiative in an effort to provide further assistance to regional and community-level economic and community-level development organizations, and expose college students to potential careers in the field. Eligible organizations include Regional Development Corporations

(RDCs), Tribal Development Authorities, and local economic and community development entities. The EDA Center will match up to \$3 for each \$1 committed by the applying organization. Interns will typically be expected to work 400 hours to complete their internship requirements. Details concerning

requirements and internship sponsor application material can be accessed at [http://www.edacenter.org/downloads/EDA\\_Center\\_Internship\\_Program.pdf](http://www.edacenter.org/downloads/EDA_Center_Internship_Program.pdf). For further questions feel free to call Kevin Cooper at 218-281-8187.

## DEED Report: 2012-2013 Local Area Unemployment Statistics and Current Employment

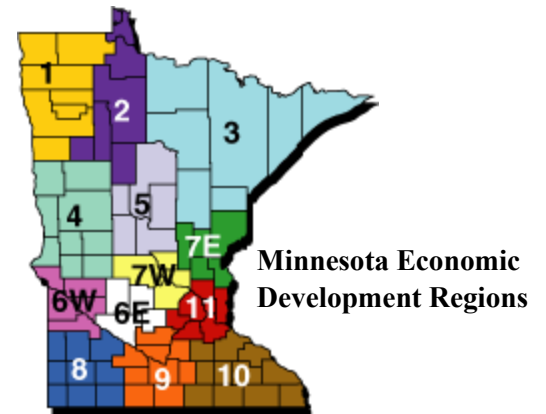
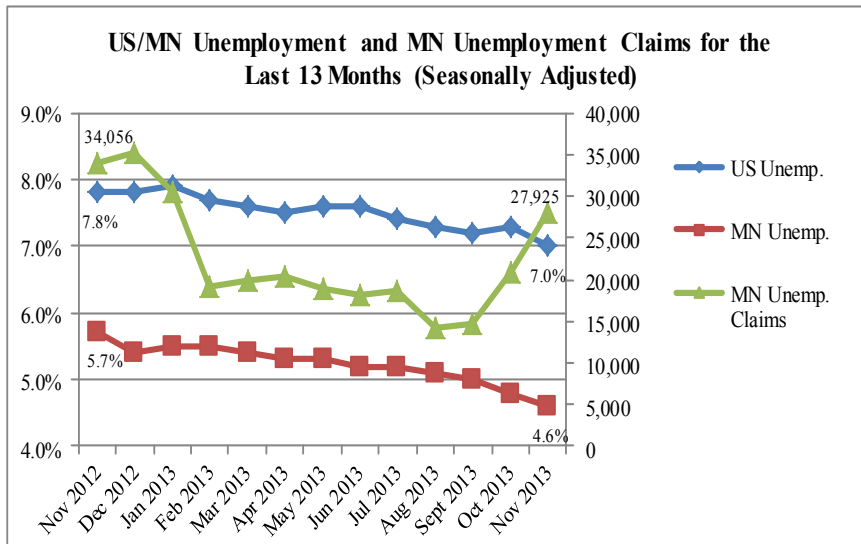
After seasonal adjustments, unemployment in November dropped to 7 percent in the U.S. and dropped to 4.6 percent in Minnesota. Unemployment claims in November increased 7,053 to 27,925 when compared to October. Over the year unemployment claims dropped 18 percent when compared to November 2012.

Minnesota employers eliminated 800 jobs in November. Information (1,300), Financial Activities (1,200), Other Services (1,100), Construction

(400), Manufacturing (400), and Leisure/Hospitality were the six sectors to post job gains in November. Four sectors posted job losses in November. These sectors include: Government (-3,200), Professional/Business Services (-1,600), Trade/Transportation/Utilities (-300), and Education/Health Services (-200). Mining/Logging was unchanged in November

Minnesota gained 39,800 additional jobs over the past year. Minnesota's

1.4 percent growth is now below the U.S. growth rate of 1.7 percent. Ten of the 13 EDRs experienced a rise in unemployment rates in November. The Southwest, Southeast, and 7 County Twin Cities regions were the three regions to experience a drop in unemployment in November. Unemployment numbers for the EDRs are NOT seasonally adjusted. Go to the DEED website; [www.positivelyminnesota.com](http://www.positivelyminnesota.com) to view more employment and wage statistics.



### 2012-2013 Minnesota Unemployment by Economic Development Region (Not Seasonally Adjusted)

Date	EDR1	EDR2	EDR3	EDR4	EDR5	EDR6E	EDR6W	EDR7E	EDR7W	EDR8	EDR9	EDR10	EDR11
Nov 2012	4.5%	7.1%	6.5%	4.1%	6.9%	5.4%	4.2%	6.5%	5.1%	3.9%	4.6%	4.5%	4.9%
Dec 2012	5.7%	8.1%	6.9%	5.2%	8.1%	6.1%	5.4%	7.9%	6%	4.2%	5.2%	4.9%	5%
Jan 2013	8.1%	10.1%	8.4%	6.7%	10.2%	7.9%	7.4%	10%	7.6%	5.8%	6.7%	6.2%	5.8%
Feb 2013	7.1%	9.2%	7.7%	6.1%	9.3%	7.3%	6.5%	9%	6.9%	5.4%	6.1%	5.8%	5.3%
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%	3.6%	5.3%	4.2%	3.2%	3.8%	3.7%	3.9%

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

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

### Region Five Development Commission

*Dan Frank, Senior Program Manager for Community and Economic Development, The Initiative Foundation*

*Resilient Region Plan Civic Engagement Coordinator*

A little over one year ago a group of over 600 citizens of the five counties of Cass, Crow Wing, Morrison, Todd and Wadena Counties completed work on the **Resilient Region Plan** that intended to find a balance between the need for both economic vitality and the protection of our natural resources. When the plan was completed the core team recruited over 30 volunteer leaders, called "Champions", who collaborated with resource organizations and individuals to help move the Resilient Region plan forward. **Significant progress has been made; please join us on January 14th from 4:00 – 7:00 pm to celebrate the results to this point and to give us your input**

**on the work for 2014.** For more details on the Resilient Region Plan visit <http://resilientregion.org/plan/>.

**Please RSVP by Tuesday January 7th to give us time to arrange for space and food.**

Location: Arrowwood Lodge, Baxter Minnesota

**RSVP: [dfrank@ifound.org](mailto:dfrank@ifound.org) or 320-631-2056**

### Minnesota Association of Development Association (MADO)

The West Central Initiative Foundation has received a grant from the BUSH Foundation in order to create the "Greater Minnesota Development Strategy (GMDS)". This project is also looking for 4 other partners to provide funding. The purpose of the GMDS is to develop a statewide rural economic development strategy that will improve MADO members' abilities to improve local economic conditions. For more information about this project please contact Cheryal Lee Hills at 218-894-3233 or email her at [chills@regionfive.org](mailto:chills@regionfive.org).

### West Central Initiative Foundation (WCIF)

The WCIF has been getting some good press lately as it relates to manufacturing jobs and construction within the nine county region (Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens,

Traverse, and Wilkin). Within the October edition of the *Federal Reserve Bank of Minneapolis FedGazette* ([http://www.minneapolisfed.org/pubs/fedgaz/13-10/fedgazette\\_october\\_2013\\_full\\_issue.pdf](http://www.minneapolisfed.org/pubs/fedgaz/13-10/fedgazette_october_2013_full_issue.pdf)), Ronald A. Wirtz highlighted how this region has experienced a 53 percent increase in manufacturing jobs between 1990 and 2012. During this same timeframe, the U.S. experienced a 33 percent decline in manufacturing jobs. In 1990, the West Central region had approximately 7,500 manufacturing jobs. Between 1990 and 2012 that number increased to 11,494. Another article from the December 1, 2013 edition of *The Forum of Fargo-Moorhead* ([https://secure.forumcomm.com/?publisher\\_ID=1&article\\_id=419960&CFID=236337452&CFTOKEN=70294367](https://secure.forumcomm.com/?publisher_ID=1&article_id=419960&CFID=236337452&CFTOKEN=70294367)) highlights the increase of commercial development in the city of Hawley, Minnesota (Clay County).

## Governor Dayton to Speak at the State Economic Competitiveness Summit

On Wednesday, January 22<sup>nd</sup>, 2014 the St. Paul RiverCentre will host the State Economic Competitiveness Summit. The summit is scheduled to go from 8 AM to 4:15 PM and will feature Governor Mark Dayton as the opening speaker.

The purpose of the daylong event is to involve “community economic developers, workforce development practitioners, planners, civic and government leaders, educators, researchers and nonprofit and foundation representatives for a wide-ranging discussion on innovation, globalization and talent as key drivers to economic growth”. There will be an opening and a closing general session along with three hour-long concurrent breakout sessions providing excellent information for economic developers to use in

their own communities.

The schedule of events is as follows:

8:00 AM-8:30 AM – Welcome Remarks

8:30 AM-9:45 AM – Opening General Session-Building the Economy of the Future

10:00 AM-11:00 AM – Concurrent Breakout Sessions

- Minnesota’s Innovation Future: Disruptive Technology and Key Sectors for Economic Growth
- Supporting Minnesota’s Small Businesses
- Increasing Exports and Identifying Emerging Foreign Markets
- Driving the Talent Pipeline

11:15 AM-12:15 PM – Concurrent Breakout Sessions

- Investing in Minnesota: What is the Landscape for Private Investment in Minnesota Business
- Minnesota’s Economic Development Toolbox
- Building the Workforce of the Future

- The Training Toolbox

12:15 PM-1:30 PM – Lunch

1:30 PM-2:30 PM – Concurrent Breakout Sessions

- Regional Collaboration through Public/Private Partnerships
- Broadband Expansion and Economic Opportunity
- Attracting and Growing Foreign Direct Investment
- Aligning Business Needs with Training and Education

2:45 PM-4:15 PM – Closing General Session

Registration fee is \$95 per person and space is limited. To register please go to [https://](https://www.regonline.com/builder/site/Default.aspx?EventID=1348585)

[www.regonline.com/builder/site/Default.aspx?EventID=1348585](https://www.regonline.com/builder/site/Default.aspx?EventID=1348585).

For more information about the specific topics listed within the breakout sessions please go to <http://mn.gov/deed/events/competitiveness-summit/index.jsp>.

## MMB November Economic Forecast: \$1.086 Billion Balance for FY 2014-2015 Allows for Previous K-12 Shifts to be Completely Repaid

The November Economic Forecast shows an improving budget outlook for FY 2014-2015. The general fund balance is now projected at \$1.086 billion in the November Forecast compared to the projected \$47 million in the October Update. This \$1.038 billion dollar increase in the projected general fund balance is largely a result of \$787 million more in revenues than expected and \$247 million less in expenses than expected.

According to the Forecast, the

state should receive \$19.732 billion (up \$406 million from the October Update) from individual income tax revenues, \$10.194 billion (up \$64 million) from sales taxes, \$2.675 billion (up \$254 million) from corporate taxes, \$1.67 billion (down \$16 million) from statewide property taxes, and \$3.541 billion (up \$27 million) from other taxes in FY 2014-2015. This improved budget outlook allows the state to repay the final \$246 million in K-12 shifts as well as transferring \$15 million to the state airports fund,

which was originally borrowed in 2008. After these shifts are paid back, the forecasted balance is still \$825 million.

While Minnesota’s budget is improving, Global Insight (GII) anticipates weaker U.S. economic growth than projected in February. While GII does expect real GDP growth to continue, the estimate for 2013 is down to 1.7 percent in November (compared to 1.9 percent in February), down to 2.5 percent in 2014 (compared to 2.8 percent in February), and

down to 3.1 percent in 2015 (compared to 3.3 percent in February). This more pessimistic outlook is partly due to “fiscal policy uncertainty” in Washington, D.C.. The House of Representatives has agreed on a budget deal which must still make it through the Senate before the budget deal is

finalized. A new budget deal will hopefully alleviate some of the pressure that is preventing stronger economic growth. While the 2013-2105 real GDP growth estimates are weaker than projected in February, GII expect 2016 and 2017 to experience stronger growth than in February. GII expects 2016

growth to be up to 3.3 percent (compared to 2.9 percent in February) and expects 2017 growth to be up to 3.1 percent (compared to 2.8 percent in February).

*For the complete November Forecast please go to <http://www.mmb.state.mn.us/doc/fu/13/complete-nov13.pdf>.*



**All of us at the EDA Center wish everyone and their families a Happy Holiday Season and a prosperous 2014!**



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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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