



# The EDACENTER

at the University of Minnesota, Crookston

The EDA Chronicle-March 2013

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## Events of Interest:

March 20

- Minnesota Entrepreneurial Kick-off at Boy Scout Base Camp-Snelling, MN (See page 6)

March 21

- Business Time Saver Seminar: Planning for Success Techniques sponsored by the SBA and Alerus Financial at the Holiday Inn in Fargo, ND from 11:30AM to 1PM. To register, please go to <http://planning-for-success-fargo.eventbrite.com/#>.

March 26

- “Edina Emerald Export Initiative Conference” at the Microsoft Technology Center in Edina MN from 8-10:30AM. For more information, please go to <http://edina.chambermaster.com/event/s/details/edina-emerald-export-initiative-conference-432829>.

April 3

- “Generational Diversity and Your Business” hosted by the UMD Center for Economic Development from 2-4PM. Cost is \$25. To register please go to [https://ibex.d.umn.edu/biz/umced/workshops/index.php?main\\_page=product\\_info&cPath=9&products\\_id=1139&zenid=ibb7gq0ci54klsp1bi3qv5717](https://ibex.d.umn.edu/biz/umced/workshops/index.php?main_page=product_info&cPath=9&products_id=1139&zenid=ibb7gq0ci54klsp1bi3qv5717).

April 18

- Mid-Size CIO Forum hosted by the Minnesota High Tech Association. More information to come. Contact Kathy Marsh at [kmarsh@mhata.org](mailto:kmarsh@mhata.org) for more information.

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## Minnesota Management and Budget Office Releases February Economic Forecast

The February Budget Forecast released by the Minnesota Management & Budget Office outlines a further reduction in the budget deficit. The February Forecast now shows a \$627 million deficit for the 2014-2015 biennium. This is a \$463 million improvement over the \$1.1 billion projected deficit in the November Forecast. Currently, a \$295 million budget surplus is expected at the end of the 2012-2013 biennium. As a result of the surplus, \$290 million will be applied to previous school aid shifts with \$5 million going into reserves. This buyback will leave \$801 million in shifts outstanding.

There is very little change in the U.S. economic outlook since the November Forecast. As for Minnesota, Global Insight, Inc. is forecasting real GDP to grow 1.9% in 2013, 2.8% in 2014, and 3.3% in 2015. Fortunately, Minnesota can expect only a modest effect from the impact of the sequester cuts in Federal spending. Minnesota is 49<sup>th</sup> out of the 50 states as it relates to the proportion of GDP coming from Federal grants and other forms of funding. It is expected Minnesota should lose no more than 5,000 jobs prior to the end of 2013.

While much of the Minnesota budget defi-

## 8<sup>th</sup> Annual Minnesota Cup Competition Begins March 25<sup>th</sup>

The Minnesota Cup, which “is an annual competition that seeks to support and accelerate the development of the best breakthrough ideas from across Minnesota”, will begin the 8<sup>th</sup> competition on March 25<sup>th</sup>, 2013. All Minnesotans who think they have an innovative entrepreneurial venture are invited to submit their application between March 25<sup>th</sup> and May 17<sup>th</sup>. When sub-

mitting a pitch, applicants must include an executive summary, description of product/service, potential market size, sales/marketing strategy, operating plan, and financials.

cit has been reduced, indications are we should continue to see this reduction in the deficit. General fund revenues are expected to grow \$217 million for FY 2012-2013 and \$323 million for FY 2014-2015 from the November Forecast. Not only are revenues expected to be up, but expenditures are reduced from the November Forecast. For FY 2012-2013 spending is supposed to be \$63 million lower and for FY 2014-2015 spending is supposed to be \$129 million lower when compared to the November Forecast.

The Minnesota Management & Budget Office has released four Forecasts since the 2012-2013 budget was established in July of 2011. Each of those Forecasts have included positive general fund balances. MMB indicates within this forecast that \$2.824 billion has been added to the general fund. Also, over \$1.9 billion in K-12 shifts have been bought back and the state has been able to increase the budget reserve to \$642 million over that same time period.

For the entire February Forecast please go to <http://www.mmb.state.mn.us/doc/fu/13/complete-feb13.pdf>.

There are six divisions this year: Life Science & Health IT, Energy & Clean Technology, High Tech, Social Entrepreneur-

ship, as well as General and Student Divisions. All of the divisions will have three finalists who will give an 8-minute presentation followed by a 12-minute question and answer session to determine the winner of each division. The six division winners will give a 12-minute presentation followed by an 8-minute question and answer session prior to the September 11<sup>th</sup> Minnesota Cup Final

Awards event. At the awards event, the grand prize winner will be announced.

The winners of the Life Science & Health IT, Energy & Clean Technology, High Tech, and General divisions will each win \$25,000 as well as other benefits. The winner of the Student division will win \$10,000 and the winner of the Social Entrepreneurship division will win

\$20,000 as well as other benefits.

The grand prize winner will win the Minnesota Cup as well as an additional \$40,000 in seed capital and advice from business leaders in the areas of finance, accounting, legal and management support services.

*For more information about the upcoming Minnesota Cup please go to <http://breakthroughideas.org/about-mncup-event-info>.*

## **Nine New Broadband Communities Were Announced in November by the Blandin Foundation: Related Grants and Technical Assistance Available to all Rural Communities**

On November 14, 2012 at the Blandin Foundation's annual broadband conference they announced the nine rural communities which will be involved in a two-year project aimed at "advancing local broadband initiatives". The nine communities are as follows: the Fond du Lac Band of Chippewa, Itasca County, Kanabec County, Lake County, Southwest Minnesota Broadband Services, Lake of the Woods County, Mille Lacs County, and the Mille Lacs Band of Ojibwe.

Along with the new broadband communities, the Blandin Foundation is offering the opportunity for any rural community to receive funding and technical assistance from a variety of broadband project matching grants and technical resources this coming year. Opportunities for technical assistance exist through the Community Broadband Resources Program. Grant opportunities provided by the Blandin Foundation are: Broadband Initiative Grant, Light Speed Grant, Robust Broadband Network Feasibility Grant, Digital Inclusion Grant.

These grants and technical assistance programs may be used for a wide range of purposes. Communities

wishing to start or improve their current community technology initiatives may request up to 32 hours of technical assistance through the Community Broadband Resources Program. The Community Broadband Resources Program may assist communities in three ways: providing consultations, holding convening sessions (online and onsite), and virtually by providing online resources for communities. The Broadband Innovation Grant is a program which provides matching funds for projects relating to promoting broadband access, adoption, and use. The Light Speed Grant is a program which provides matching funds supporting the implementation of new broadband applications from institutions, like schools and healthcare facilities, to the home or between institutions whose main priority is reaching home users. The Robust Network Feasibility Grant program matches funds designed to support the cost associated with researching the feasibility of ubiquitous broadband networks across a geographic area (such as a county). Finally, the Digital Inclusion Grant is a broad program designed to use partnerships within

the community to address some of the barriers associated with broadband usage (such as expense, and lack of internet usage among the elderly).

Communities interested in technical assistance through the Community Broadband Resources Program may apply at any time and will be notified by the Blandin Foundation if the request has been approved. The next deadline for any of the grants available through the Blandin Foundation is April 26<sup>th</sup>, 2013. Applications are available online on each grant program's respective webpage which may be accessed from the 2<sup>nd</sup> link below.

*For the press release introducing the nine new broadband communities please go to <http://broadband.blandinfoundation.org/news/news-detail.php?intResourceID=3378>. For information regarding grant and technical assistance opportunities provided by the Blandin Foundation please go to <http://broadband.blandinfoundation.org/programs/>.*

## 2012-2013 Local Area Unemployment Statistics and Current Employment Situation

After seasonal adjustments, US unemployment in January rose to 7.9%. Unemployment in Minnesota also rose to 5.6%. Unemployment claims in January declined to 30,609 when compared to December. Over the year unemployment claims dropped 10.8% when compared to January 2012.

Minnesota employers added 12,100 jobs in January. Trade/Transportation/Utilities (4,100), Construction (2,600), and Leisure/

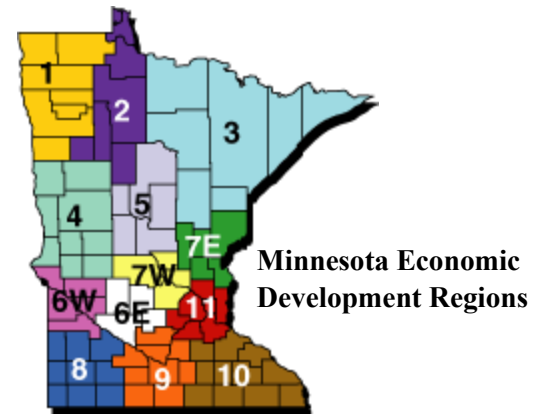
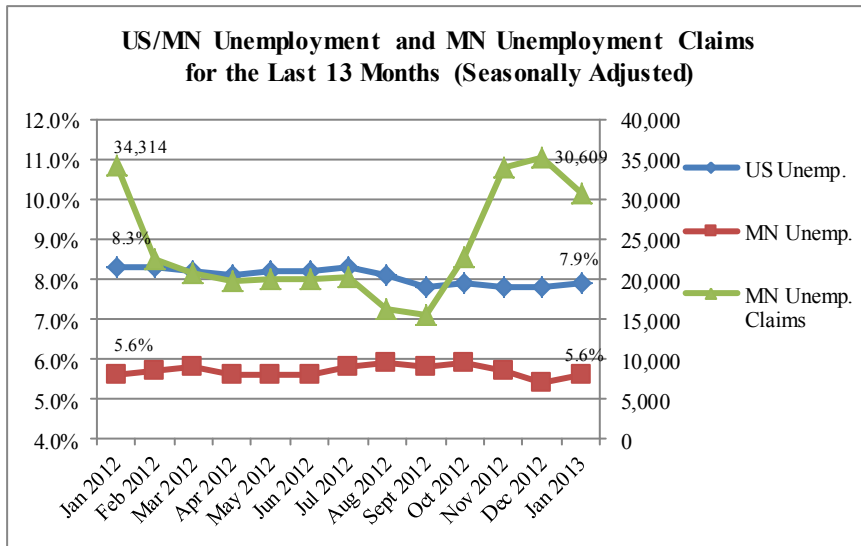
Hospitality (1,700) had the largest gains in January. Government (900), Other Services (900), Education/Health Services (700), Manufacturing (600), Information (400), Professional/Business Services (200), and Mining/Logging (100) also experienced gains. Financial Activities (-100) was the only industry to post job losses in January.

Minnesota is holding steady at 1.9% growth from 1 year ago with 50,029 additional jobs over the past year.

The 1.9% growth in Minnesota is above the U.S. growth rate of 1.6% for the last 12 months.

All of the EDRs experienced an increase in unemployment for the second month in a row in January. 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 |
|-----------|------|-------|------|------|-------|-------|-------|-------|-------|------|------|-------|-------|
| Jan 2012  | 7.7% | 9.3%  | 7.8% | 6.4% | 9.5%  | 7.5%  | 6.4%  | 9.9%  | 7.3%  | 5.4% | 6.2% | 5.9%  | 5.7%  |
| Feb 2012  | 7.9% | 9.7%  | 8.0% | 6.7% | 9.8%  | 7.8%  | 6.8%  | 10.2% | 7.6%  | 5.8% | 6.6% | 6.4%  | 5.9%  |
| Mar 2012  | 7.5% | 9.7%  | 8.1% | 6.4% | 9.4%  | 7.8%  | 6.6%  | 10.0% | 7.4%  | 5.5% | 6.4% | 6.3%  | 5.9%  |
| Apr 2012  | 5.8% | 7.6%  | 6.7% | 4.5% | 6.8%  | 5.8%  | 4.8%  | 7.5%  | 5.5%  | 3.9% | 5.0% | 4.8%  | 5.0%  |
| May 2012  | 4.8% | 7.0%  | 6.4% | 4.2% | 6.1%  | 5.5%  | 4.6%  | 6.8%  | 5.3%  | 4.0% | 5.0% | 4.9%  | 5.2%  |
| Jun 2012  | 5.1% | 7.6%  | 7.0% | 4.7% | 6.6%  | 6.1%  | 5.2%  | 7.0%  | 5.7%  | 4.7% | 5.5% | 5.5%  | 5.8%  |
| Jul 2012  | 5.2% | 7.8%  | 7.1% | 4.7% | 6.6%  | 6.2%  | 5.2%  | 6.9%  | 5.8%  | 5.1% | 5.7% | 5.6%  | 5.9%  |
| Aug 2012  | 4.8% | 7.1%  | 6.7% | 4.4% | 6.3%  | 5.8%  | 4.9%  | 6.6%  | 5.5%  | 4.5% | 5.3% | 5.3%  | 5.7%  |
| Sept 2012 | 4.3% | 6.5%  | 6.2% | 4.1% | 6.0%  | 5.3%  | 4.4%  | 6.2%  | 5.2%  | 4.2% | 4.9% | 4.8%  | 5.4%  |
| Oct 2012  | 4.1% | 6.7%  | 6.1% | 4.1% | 6.2%  | 5.3%  | 4.4%  | 6.2%  | 5.1%  | 4.7% | 4.9% | 4.8%  | 5.3%  |
| 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  | 8.3% | 10.3% | 8.6% | 6.8% | 10.4% | 8%    | 7.5%  | 10.2% | 7.7%  | 5.9% | 6.8% | 6.3%  | 5.9%  |

## 27<sup>th</sup> Annual NBIA International Conference on Business Incubation Begins April 7<sup>th</sup>

The National Business Incubation Association is an organization dedicated to the advancement of business incubation and entrepreneurship. NBIA has more than 1,900 members across 60 countries. Membership is not only composed of business incubator managers and developers, but also other individuals who have an interest in business incubation. NBIA will be hosting its 27<sup>th</sup> Annual International Conference on Business Incubation in Boston, MA from April 7<sup>th</sup> to April 10<sup>th</sup>.

The theme for this year's conference is "Forging Connections, Collaboration, & Community". The confer-

ence has a large number of sessions for participants to choose from. Some examples include "Beyond Facebook: Making Valuable Use of Social Networks", "Perspectives on Incubator Stability", "How Rural and Small Community Incubators Achieve Top-Level Performance", and "Economic Impact Data: Why to Collect, What to Collect, and How to Collect".

Conference registration fees prior to March 22<sup>nd</sup> are \$895 for NBIA members and \$1,095 for non-members. After March 22<sup>nd</sup>, fees rise to "on-site" prices which are \$995 for members and \$1,195 for

non-members. There are also pre-conference workshops held on Saturday April 6<sup>th</sup> and Sunday April 7<sup>th</sup> which have additional fees. Space is limited for these workshops so register as early as possible. There are also tours of Boston and local business incubators participants may take for an additional fee: 1) Old Town Trolley Tour of Boston (\$38), 2) Cambridge Innovation Center Tour (\$49), and Massachusetts Incubator Tour (\$95).

*For more information about the upcoming conference and registration please go to <http://nbia.org/events/conf2013/index.php>.*

## University of Minnesota Extension MIRC Project Case Studies: Individual Business Stories

*By Lisa Hermanson*

Several sole proprietors found ways to use broadband to increase their share of the market. Often, they had either no website or a weak, ineffective website. The following is a strong, albeit extreme, example of an owner-operated business that benefitted from having his website completely redesigned.

Jim Reuter is so busy he has put his muskie lure business up for sale. Reuter, the owner of Glittertail said that University of Minnesota-Morris student Eugene Butler designed his website exactly how he wanted it. This included pictures, videos, contact information and a PayPal account to allow customers to buy online. "Eugene made it so I could add pictures and new products right from my kitchen table."

Reuter now has the opportunity to

add more products to his online store and advertise bargains on his merchandise to his nationwide customers. The problem is he is too busy to do any of that! He says that his business is more successful than he desires and that is why it's for sale. "I'm looking at retiring," Reuter added, "I have grandkids I want to take fishing; I don't want to sit in my basement making lures all day long."

Reuter was put in contact with the student through the Hoffman Economic Development Agency. The EDA received a technical assistance grant administered by the University of Minnesota Extension to increase awareness and adoption of broadband by rural Minnesota businesses. The technical assistance grant made it possible for Hoffman and other rural Minnesota communities to perform special projects such as hiring

a student intern to assist local businesses with increasing their digital presence.

There are other stories like Reuter's. His was one of the earliest MIRC success stories, but several similar to that of Glittertail are emerging.

On the opposite side of the state Stephen Hوجلund of Stephen Hوجلund Jewelry in Grand Marais (Cook County) attended a MIRC workshop because he was used to having to learn such skills on his own, and he was glad he followed what he called a "whim." The educator "was filled with clarity, and I learned more in an hour than I have in a lifetime." As a result, Stephen requested technical assistance where the educator helped him claim his place on Google Maps and gave him advice about how his website could be more effective. Stephen runs two other businesses as well and has



been in the progress of cleaning up his websites. So far, Stephen says he has had some customers who notice changes to his website and some that can find his business better. With the help of two interns, he hopes to finish the Stephen Høglund Jewelry website this fall.

Most of these stories have similar or identical counterparts in other communities. For example, a Morris (Stevens County) hotel saw similar results to claiming its place on

Google maps as did the Java Moose. The Java Moose, also in Grand Marais, is a great coffee place at the west end of town. Unfortunately it is not easy to spot and Google Maps had it in the wrong place -- two miles northeast of town. The owner used to get a dozen or more calls a day during the tourist season asking where she was located, and there were likely more who did not call and chose instead to dine elsewhere. Since claiming their location on the

map and correcting the error, Java Moose no longer gets calls from confused patrons.

*For more information on some of the University of Minnesota Extension's programs related to rural digital literacy, please go to [http://www.edacenter.org/downloads/Case\\_Study\\_UofM\\_Ext.pdf](http://www.edacenter.org/downloads/Case_Study_UofM_Ext.pdf).*

## Minnesota House Panel Considers Boosting Business Fund

*By Tim Pugmire-Minnesota Public Radio*

A Minnesota House committee will hold a hearing next week on a bill to boost the funding for a key state economic development program.

The measure, which mirrors a proposal from DFL Gov. Mark Dayton, would provide \$30 million over two years to the Minnesota Investment Fund to help relocating and expanding businesses that promise to create new jobs.

Loans under the program are forgivable if companies meet hiring and wage goals.

Commissioner Katie Clark Sieben of the Department of Employment and Economic Development said companies talk to many states to see what kind of financial incentives are available.

"We need these tools," she said, "to be able to have a seat at that negotiation table and be able to show the companies that Minnesota values their investment, values these new jobs and will be a partner to them in their future growth."

DFL Sen. David Tomassoni of Chisholm, who chairs the Senate Environment, Economic Development and Agriculture Finance Division, said he thinks it's a good investment to "put government money into job creation that grows the general fund by putting people to work and creating tax revenues that we didn't have before."

Tomassoni added: "Ultimately you're investing in the future of the state, and I think you're not robbing anybody to pay anybody. But you're doing something to create something, and that's what government

should be doing."

Republican Senate Minority Leader David Hann of Eden Prairie said he doesn't know a lot about the proposal but said he thinks it can win some bipartisan support.

The House Jobs and Economic Development Finance and Policy committee has a hearing on the bill scheduled Tuesday. No hearings have been set for the Senate version of the bill.

*For more news from Minnesota Public Radio please go to <http://minnesota.publicradio.org/>. For more information regarding DEED's Minnesota Investment Fund please go to [http://www.positivelyminnesota.com/Business/Financing\\_a\\_Business/DEED\\_Business\\_Finance\\_Program/s/Minnesota\\_Investment\\_Fund.aspx](http://www.positivelyminnesota.com/Business/Financing_a_Business/DEED_Business_Finance_Program/s/Minnesota_Investment_Fund.aspx).*

## 3<sup>rd</sup> Annual Minnesota Entrepreneur Kick-off Scheduled for March 20th

*By Lois Josefson-Executive Director, TiE Minnesota*

Minnesota's entrepreneur community will come together once again at this year's third annual Minnesota

Entrepreneur Kick-Off on March 20, 2013 at the Boy Scout Base Camp in Fort Snelling.

New features to this year's event include a spotlight on the entrepre-

neurial mindset and student entrepreneurs. Minnesota is home to an international student entrepreneur competition top-five finalist and it is soon to be home to Venture Academy an entrepreneur mindset foster-

ing charter school to launch this fall. These firsts are joined by a panel of state entrepreneurship financing leaders: Rep. Tim Mahoney, Jeffrey Robbins, Doug Cameron and Bjorn Stansvik for a discussion about the pace and financing of technology in our state and an unforgettable keynote from a Minnesota inventor, entrepreneur and community lifter, Andy Wells, Sr. of Wells Technology, Inc. and Wells Academy.

“The Annual Minnesota Entrepreneur Kick-off is an opportunity for entrepreneurs and the supporting business community to network and hear about the latest resources and opportunities for Minnesota’s startup community,” said Lois Josefson, Executive Director of TiE Minnesota. “Working as an aggregate, this event brings together mul-

iple organizations and competitions that exist to support Minnesota’s entrepreneurs.”

Entrepreneur advancing competitions that will be present at the event include the Minnesota Inventors Congress Invention & Idea Show, Minnesota Cup, Midwest Cleantech Open, Idea Competition, TiE Cons , Acara, Global Student Entrepreneur Awards as well as accelerators Innové and the MN Angel Network.

The Minnesota 2013 Entrepreneur Kick-Off is sponsored by Winthrop & Weinstine P.A., Sunrise Banks, Inc., and AdaptivePortal and is hosted by the following: Ashoka, Life Science Alley, Inventor’s Network, Metropolitan Economic Development Association, Minnesota Angel

Network, Minnesota Chamber of Commerce/Grow Minnesota!, Minnesota Cup, Department of Employment & Economic Development, Minnesota High Tech Association, MOJO Minnesota, AngelPolleNation, Northland Foundation, Southern Minnesota Foundation, Southwest Initiative Foundation and TiE Minnesota.

*For more information please go to <http://www.mnentrepreneurs.org/>. To register for the event please go to <http://www.mnentrepreneurs.org/registration/>.*



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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.*

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*Jack Geller-EDA Center Director*

*Eddie Walker-Research Analyst/Editor*



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