



The EDA CENTER

at the University of Minnesota Crookston

The EDA Chronicle-September 2013

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Events of Interest:

September 25-27

- North American Agricultural Safety Summit at the Marriott City Center in Minneapolis hosted by the Agricultural Safety & Health Council of America. Registration fees vary. For more information please go to <https://www.regonline.com/builder/site/Default.aspx?eventid=1191956>

September 30-October 1

- 3rd Annual Animal Science Conference at the MinnWest Technology Campus in Willmar. For more information please go to <http://www.mnwesttechnology.com/nsiventureforum/>

October 3

- FY13-Webinar: "How to Follow Up on Foreign Buyer Leads" from 2PM-3PM conducted by the Food Export Association of the Midwest. For more information please go to https://eweb.foodexport.org/eweb/ProfilePage.aspx?WebCode=CSCEventInfoSC&Site=MIATCO&evt_key=54723e54-338e-44a6-bf13-10f98c7401ad

November 20

- Great Plains Land Expo from 8AM-5PM at the Holiday Inn of Fargo. Registration fee is \$100. For more information please go to <http://greatplainslandexpo.com/>

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EXTENSION REPORT: Economic Emergency Program-City of Ada Elevator

When a fire broke out at the Triple Crown Nutrition elevator and building in Ada on January 3rd, the City of Ada as well as the Triple Crown Nutrition company had to make decisions that would determine the future of the facility. With the support of The EDA Center at the University of Minnesota Crookston, Brigid Tuck, Rani Bhattacharyya, and Neil Linscheid produced an economic impact analysis report to show how a cessation of all operations of the elevator would affect the City of Ada and Norman County.

Table 1 indicates the Triple Crown Nutrition company directly employs 12 people with 4 additional people employed by indirect and induced means. If the Triple Crown Nutrition elevator were to completely cease operations, 16 people earning \$796,610 would lose their jobs.

While the Triple Crown Nutrition elevator is categorized as a "wholesale trade" business, this industry is not the only one to feel the effects of a potential cessation of the elevator. Couriers/messengers, commercial lending, nursing/residential care facilities, and physician/dentist offices will face the largest indirect and induced impacts in employment. Rental activity for owner-occupied dwellings, commercial lending, telecommunications, and real estate establishments will face the largest indirect and induced impacts relating to output.

For the full report please go to http://www.edacenter.org/downloads/Ada_Economic_Impact_Report.pdf.

TABLE 1: ECONOMIC IMPACT OF TRIPLE CROWN ELEVATOR: NORMAN COUNTY, MINNESOTA

	Direct	Indirect	Induced	Total
	At the Elevator	Business-Business	Consumer-Business	
Output	\$1,818,683	\$217,620	\$271,635	\$2,307,939
Employment	12	2	2	16
Labor Income	\$678,251	\$54,562	\$63,798	\$796,610
Average Wage				

Estimates by University of Minnesota Extension Center for Community Vitality

Message from The EDA Center Associate Director

Greetings from the campus of University of Minnesota! Along with new EDA Center Director Brent Hales on our main campus, I was recently appointed as Associate Director of the EDA Center here at the Crookston campus.

Since launching in 2008, the EDA Center has provided valuable services to economic development stakeholders across Minnesota, helping communities and regions better understand and tackle challenges and opportunities. Under previous director Jack

Geller's leadership, The EDA Center has performed noteworthy work to address these barriers and opportunities, as well as design blueprints for growth. Brent and I have a mutual desire to connect with our stakeholders and are committed to engaging in discussions with leaders throughout the state to identify and pursue new projects that will produce long-term impact.

I bring more than 15 years of economic development experience to the EDA Center, 11 years as a director and city and county-level economic development corporations. Working as an "ED" director, coupled with experiences growing up in a small eastern North Dakota town,

I value the qualities of life in rural areas. I have witnessed the impact of outmigration and economic dislocation, which have shaped my outlook and sparked a desire to help reverse the social and economic trends affecting rural populations. When I enrolled in a "Small Business Projects" class while pursuing my MBA at the University of North Dakota I realized economic development was the sandbox I wanted to play in. As the first paid student consultant at the Center for Innovation, working with aspiring manufacturers in rural communities further crystallized my determination to work in the field.

I view my work as a university instructor and EDA Center staff member a perfect opportunity to pursue my passion for economic development and help to equip young people with the skills to enable them to flourish. Since completing two consulting engagements for the EDA Center, and directing the Center for Rural Entrepreneurial Studies (CRES) the past 3+ years, I have a solid grasp of the opportunities and challenges facing outstate Minnesota. I look forward to meeting new people and working on new projects!

Cooper's Musings:

As an economic developer and general observer, I have either noticed or experienced certain realities that, almost without exception, often can stand in the way of successful outcomes in rural economic development. I describe a couple below and welcome any thoughts from you on whether they are worth studying:

Real Estate Cost/Value Gaps:

These realities affect commercial, industrial and residential development. Invariably the value of new or improved real property is far less than the cost to complete it. While some existing ED related programs

may address this gap, it still remains a problem and depletes development resources that can be leveraged more effectively. Is this issue worth discussing further? Are there communities or regions that have addressed it in a novel way?

Entrepreneurial Behavior: We all know about the entrepreneurial successes reside in rural Minnesota. Despite this, a cursory look at recent information would suggest we may be lagging behind other rural areas with similar characteristics. While I don't expect that rural areas will generate rates of new business starts on par with urban areas,

it would be useful to understand how we stack up. This may be a first step to better understanding the underlying causes.

Drop me a note at coope474.crk.umn.edu or give me a call (1-218-281-8187).

2012-2013 Local Area Unemployment Statistics and Current Employment Situation

After seasonal adjustments, unemployment in July dropped to 7.4 percent in the U.S. and remained at 5.2 percent in Minnesota. Unemployment claims in July rose 464 to 18,535 when compared to June. Over the year unemployment claims dropped 8.4 percent when compared to July 2012.

Minnesota employers added 4,300 jobs in July. Government added 4,000 jobs in July. Financial Activities (2,300), Leisure/Hospitality (1,400),

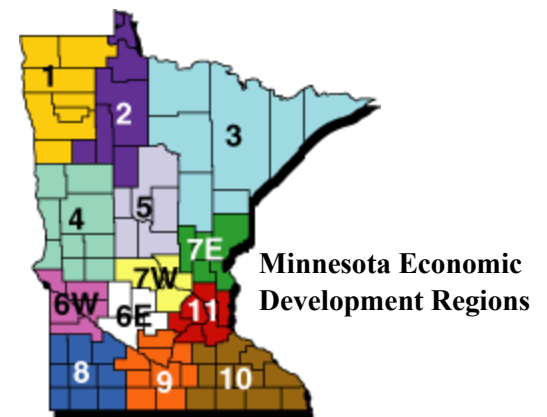
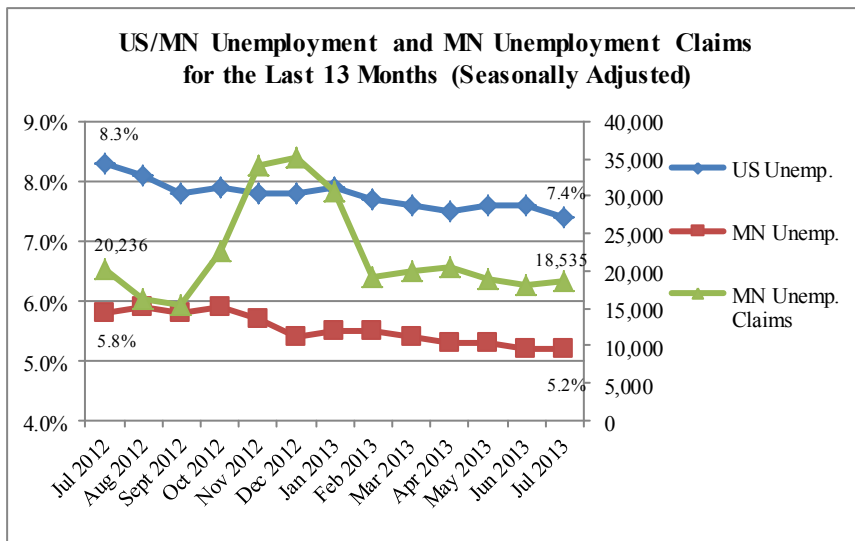
Other Services (1,300), Information (-900), and Professional/Business Services (100) sectors also posted job gains. Four sectors posted job losses in July. These sectors included: Education/Health Services (-2,600), Construction (-1,700), Manufacturing (-1,400), and Trade/Transportation/Utilities (-200). Mining/Logging remained steady.

Minnesota gained 71,490 additional jobs over the past year. Minnesota's 2.6 percent growth is well above the

U.S. growth rate of 1.7 percent.

Most EDRs' unemployment rates dropped or remained the same in July. Northwest and Southwest regions unemployment rose in July. Unemployment numbers for the EDRs are NOT seasonally adjusted.

Go to the DEED website; 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
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	8.1%	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	5%	6.8%	6.5%	4.1%	6%	5.1%	4.8%	6%	5%	4.7%	4.9%	4.8%	5%

USDA Investing more than \$22 Million in Energy Projects Across 42 States and 2 Territories: Acting Undersecretary Visits with Minnesota Agricultural Leaders

Agriculture Secretary Tom Vilsack announced funding for 631 projects to help agricultural producers and rural small businesses reduce energy consumption/costs, utilize renewable energy technologies, as well as renewable energy project feasibility

studies. The funds coming from the Rural Energy for America Program (REAP) will total \$15,772,773 in grants and \$5,974,200 in loans for 612 projects and \$298,589 in grants for the 19 feasibility studies. This is in addition to the 17 projects across

Minnesota also receiving \$166,645 in REAP grants. The total for these 648 projects totals \$22,212,207 in grants and loans. The Minnesota projects listed below received REAP funding.

Recipient	Grant Amount	Location	Description
William A. Brandt	\$9,966	Lakefield	To install a geothermal system in a new 24-x-36 produce storage facility. The project is expected to produce 34,229 kWh annually.
Colonial Cleaners	\$10,510	Worthington	To replace five commercial clothes dryers. The new dryers are expected to reduce energy consumption by 50%.
Country Pork, LLP	\$7,960	Renville	To replace heat lamps in a farrowing barn. The new lamps are expected to reduce energy consumption by 35%.
Elite Mechanical Systems, LLC	\$11,500	Windom	To install a geothermal system. The project is expected to produce 52,588 kWh annually.
Thomas Glaser	\$5,167	Lakefield	To install a geothermal system. The project is expected to produce 31,606 kWh annually.
Bruce Gustafson	\$10,000	Hanley Falls	To replace a grain dryer with a newer model. The project is expected to reduce energy consumption by 43%.
Andy John Henning	\$8,701	Adrian	To install a geothermal system. The project is expected to produce 31,355 kWh annually.
Hutchinson Co-Op	\$7,489	Hutchinson	To help farmers, ranchers and small businesses develop renewable energy systems and make energy efficiency improvements. The project will install a blender pump that will dispense various grades of ethanol.
Marvin Jensen	\$12,382	Kensington	To help farmers, ranchers and small businesses develop renewable energy systems and make energy efficiency improvements. The project is expected to save 61,625 kWh annually.
Mark Madsen	\$9,469	Morgan	To install a geothermal system. The project is expected to produce 40,967 kWh annually.
Douglas Oachs	\$11,500	Herman	To help farmers, ranchers and small businesses develop renewable energy systems and make energy efficiency improvements. The project is expected to save 61,216 kWh annually.
George Olsem	\$8,279	Dundee	To install a geothermal system. The project is expected to produce 43,008 kWh annually.
Rabbe Ag Enterprises	\$12,664	Trimont	To install a geothermal system. The project is expected to produce 72,216 kWh annually.
Dale Scholl	\$11,211	Royalton	To help farmers, ranchers and small businesses develop renewable energy systems and make energy efficiency improvements. The project will replace diesel irrigation motors with energy efficient electric motors.
Son D Farms, Inc.	\$7,938	Adrian	To replace lighting and heating in a hog facility. The project is expected to reduce energy consumption by 35%.
Son D Farms, Inc.	\$10,886	Adrian	To install a geothermal system. The project is expected to produce 70,010 kWh annually.
Toth Farms, Inc.	\$11,023	Elk River	To help farmers, ranchers and small businesses develop renewable energy systems and make energy efficiency improvements.

Coinciding with the announcement of the Minnesota REAP recipients, Acting Undersecretary for Rural Development Doug O'Brien also met with Minnesota agricultural producers, business owners, and officials to discuss the President Obama's administration's renewable energy policy. After announcing the Minnesota REAP award win-

ners, he highlighted the importance of Congress developing a new, comprehensive Food, Farm, and Jobs Bill to further develop the rural economy and continue programs like REAP.

For more information about the other recipients, please go to <http://www.usda.gov/wps/portal/usda/>

[usdahome?content-tid=2013/08/0161.xml&contentidonly=true](http://www.usda.gov/wps/portal/usda/usdahome?content-tid=2013/08/0161.xml&contentidonly=true)

For the press release announcing Acting Undersecretary O'Brien's visit please go to <http://www.rurdev.usda.gov/STELPRD4021799.html>

Toro Expands Bloomington Headquarters With \$25 Million Addition

The Toro Company, a leader in turfgrass, landscaping, irrigation, and construction equipment, is expanding its Bloomington, Minnesota headquarters with a \$25 million addition. The current Bloomington site has 400,000 square feet devoted to office, manufacturing, and research and development with 950 employees. The addition will be a 75,000 square feet, three-story and

is expected to be completed by the summer of 2014. The space is intended to give Toro more room for product testing and development. Minneapolis-based Ryan Companies will take on the expansion project. Minnesota Department of Employment and Economic Development spokeswoman Madeline Koch confirms to the Star Tribune that Toro will receive a \$750,000 loan

from the Minnesota Investment Fund that will be forgiven as long as Toro retains 900 jobs in Minnesota and adds at least 50 new corporate jobs.

To read the Star Tribune Article, please go to <http://www.startribune.com/business/222621211.html>

Tekne Award Finalists Announced: More Good News for The Toro Company

On September 12th, the Minnesota High Tech Association (MHTA) announced the finalists for the 2013 Tekne Awards. Two or three finalists were announced for each of the 15 categories: Advanced Manufacturing, Agricultural Technology, Computer Hardware/Electronic Devices, Edtech, Healthcare Delivery, Impact on Industry, Innovative Collaboration, Mobile Technologies, Safety & Security, Software, Startup, and STEM Education & Digital Learning.

As mentioned earlier in this newsletter, The Toro Company has announced an expansion of their Bloomington Headquarters. The good news keeps coming for Toro as the MHTA announced they are a finalist for the Agricultural Technology Award along with Winehaven Winery and Vineyard

(Chisago City) and Winfield Solutions, LLC (Shoreview). The Agricultural Technology Award "recognizes innovation in technological development and/or usage in Minnesota agricultural operations, improving productivity, efficiency, and environmental sustainability".

The Toro Company was founded in 1914 and has been a major player in the development and production of equipment used to maintain golf course, sports fields, public green spaces, commercial/residential properties, and agricultural fields. As of October 31, 2012, Toro has more than 5,000 employees worldwide and more than \$1.95 billion in revenues.

Winehaven Winery and Vineyard was founded in 1995 in Chisago City and has been recognized by

USA Today as a "Notable Producer" with their popular Stinger Honeywine being selected as a "top pick" by national wine critic Andrea Robinson. Winehaven has 50 acres surrounded by Lake Ellen, Green Lake, and Lake Martha.

Winfield Solutions, LLC is based out of Shoreview and provides farmers, dealers, landscape and turfgrass maintenance professionals with "expertise, products, and insight tools" to help them succeed.

For more information about the finalists, please go to <http://www.toro.com>, <http://winehaven.com/home>, and <http://www.winfield.com/default.aspx>. For information about the finalists in the other categories, please go to <http://www.tekneawards.org/>.

REMINDER: Phase I Applications for USDA Small Business Innovation Research Program due September 26th

The USDA is accepting applications for funding through the Small Business Innovation Research (SBIR) Program until September 26th. Applicants should go to www.grants.gov to apply. The Funding Opportunity Number is USDA-NIFA-SBIR-004332. The USDA is expected to award \$18 million with awards ranging from \$70,000 to \$100,000.

Each applicant “must qualify as a small business concern for R/R&D purposes at the time of award”, have fewer than 500 employees, and the R/R&D work must be performed in

the United States.

“The USDA recognizes Agriculturally-related Manufacturing Technology and Energy Efficiency and Alternative and Renewable Energy as two cross-cutting priorities with relevance to all topic areas listed in Section 8.0 of this program solicitation.”

The topic areas recognized as SBIR topics include:

- Forests and related resources
- Plant production and protection
- Animal production and protection

- Air, water and soils
- Food science and nutrition
- Rural development
- Aquaculture
- Biofuels and biobased products
- Small and mid-size farms
- Plant production and protection-engineering

For more information please go to <http://www.nifa.usda.gov/fo/sbir.cfm>.

For the request for application please go to http://www.nifa.usda.gov/funding/rfas/pdfs/14_sbir_phase%20I.pdf.



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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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