



The EDACENTER

at the University of Minnesota Crookston

The EDA Chronicle-September 2014

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Events of Interest:

October 6-22

- Dakota County Technical College is hosting a 6 session course covering export trade compliance every Monday and Wednesday night from 6-8PM at the Burnsville Workforce Center. Fee is \$450. To register, please go to http://dctc.augusoft.net/index.cfm?method=ClassInfo.ClassInformation&int_class_id=33695&int_category_id=0&int_sub_category_id=0&int_catalog_id=0.

October 16

- Value-Added Tax: Global Refund Opportunities, Registration, and Understanding VAT Charged in Error will be held at the DEED Conference Center in St. Paul from 8:30-11:30AM. Fee is \$45 if you register by Oct. 14 and \$60 if you register after Oct 14. To register, please go to [https://www.regonline.com/Register/Chekin.aspx?EventID=1610958](https://www.regonline.com/Register/Checkin.aspx?EventID=1610958).

October 27

- The first "Worker's Compensation Seminar: What You Need to Know" will be held at Central Lakes College from 1-4PM. There will be additional seminars held at different locations on Oct. 28 (Bemidji), Oct. 29 (Thief River Falls), and Oct. 30 (Perham). Fee for each one is \$25. To register for any of the seminars and to see timing and location of the other seminars, please go to <https://www.regonline.com/builder/site/Default.aspx?EventID=1617620>.

November 1-Deadline for Submissions

- The Economic Development Association of Minnesota (EDAM) is requesting nominations for projects to be recognized at the EDAM Winter Conference, which will be held at the Minneapolis Marriott Northwest January 22-23, 2015. Awards will be presented in areas of business retention/expansion, economic development marketing, business recruitment, redevelopment, economic development initiative, and partnership. All nominations must be emailed to Becca Rogers at beccar@edam.org and include a completed [nomination form](#) and any supporting materials.

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EDA CENTER REPORT: Lake of the Woods Region Collaborative Destination Strategic Marketing Plan

By: Rachel Lundbohm

In the spring of 2014 the city of Warroad, MN participated in a sustainable tourism development assessment project completed by University of Minnesota Extension. A similar assessment was completed for the Kelliher, Waskish, and Grygla, Minnesota areas in 2011. One of the recommendations in this assessment was to promote regional collaboration of tourism assets in the region. Based on this recommendation, various partners in the Kelliher, Waskish, Baudette, and Warroad regions came together to further explore this possibility. The active partners in this project include representatives from Explore Minnesota Tourism, University of Minnesota Extension, Northwest Regional Sustainable

Development Partnership, Lake of the Woods Tourism, Warroad Convention and Visitors Bureau, Seven Clans Casino, and Big Bog State Recreation Center. This report will explore research on tourism partnerships and examine collaborative partnerships among other destination marketing organizations. Based off the research and case studies examined, recommendations will be made for the Lake of the Woods regional group. Based upon previous research, table 1 displays steps that can be followed for the implementation of a destination marketing collaboration in the Lake of the Woods region.

The entire report will be available by the middle of October at the following link: http://www.edacenter.org/downloads/Lake_of_the_Woods_Strategic_Marketing_Plan.pdf

TABLE 1: FRAMEWORK FOR DESTINATION MARKETING ALLIANCE FORMATION

Stage One	Stage Two	Stage Three	Stage Four	Stage Five
<i>Assembling</i>	<i>Ordering</i>	<i>Implementation</i>	<i>Evaluation</i>	<i>Transformation</i>
Issue identification	Establishing goals	Assign roles to execute program	Assess predefined goals	Evolve stronger
Partner selection	Develop program		Check against expectations	Other projects
				Continue the same
				Continue different form
				Finish

\$241 Million in Expansion Projects to Create 950 New Jobs in Minnesota

According to the most current business expansion report from the Minnesota Department of Employment and Economic Development (DEED) \$241 Million will be invested by companies in order to finance 22 expansion projects throughout the state. This expansion will result in the creation of approximately 950 jobs throughout Minnesota. As noted by Koch (2014), below are just some of the highlights included in the second quarter report:

1. Eleven of the projects were in Greater Minnesota, including Capital Safety in Red Wing and Jostens in Owatonna. Both companies plan to add 100 jobs in those communities.
2. Fifteen of the 22 projects were in manufacturing.
3. Four projects were announced by professional services firms.

4. Three of the projects involved investments by foreign firms: China-based WuXi AppTec, Canada-based Edmonton Trailer and Germany-based Wurth Adams Nut & Bolt.

The full second-quarter 2014 report can be found at www.mn.gov/deed/data/research/biz-expansions.jsp.

Another funding opportunity is the Job Creation Fund. This program is available to businesses engaged in manufacturing, warehousing, distribution, technology-related industries, and other eligible activities. Companies must work with the local government (city, county or township) where a project is located to apply to DEED. To be designated as a Job Creation Fund business, a business must, at minimum:

- Be engaged in an eligible business activity
- Obtain official local government

- support for their project
- Invest at least \$500,000 in real property improvements within one year of becoming a designated Job Creation Fund business
- Create at least 10 new full-time permanent jobs within two years of becoming a Job Creation Fund business while maintaining existing employment numbers
- Pay at least \$12.45 in wages and benefits in 2014, adjusted annually based on 110 percent of federal poverty guidelines. The level will be \$12.61 starting Jan. 1, 2015.
- Have other location options outside of Minnesota
- Cause no undue harm to Minnesota business competitors
- Certify project would not occur without Job Creation Fund assistance

For more information please go to <http://mn.gov/deed/business/financing-business/deed-programs/job-creation-fund.jsp>

U.S. EDA Soliciting Applications for 3 Separate Funding Opportunities

In early September, U.S. Secretary of Commerce, Penny Pritzker announced the EDA will be providing \$15 million in funding for the 2014 Regional Innovation Strategies Program competition. This includes 3 separate competitions:

- **i6 Challenge** (\$8 million)- “a national competition based on the most impactful national models for startup creation, innovation, and commercialization”
- **Science & Research Park Development Grants** (\$5 million)- “provides funding for feasibility and planning for the construction of new or expanded science or research parks, or the renovation of existing facilities”
- **Cluster Grants for Seed Capital Funds** (\$2 million)- “provide funding for technical assistance to support feasibility, planning, formation, or launch of cluster-based

seed capital funds that are offered to innovation-based, growth-oriented start-up companies in exchange for equity”

According to the posted FFO: “Eligible applicants for EDA financial assistance under this FFO include:

1. a State;
2. an Indian tribe;
3. a city or other political subdivision of a State;
4. an entity that—
 - a. is a nonprofit organization, an institution of higher education, a public-private partnership, a science or research park, a Federal laboratory, or an economic development organization or similar entity; and
 - b. has an application that is supported by a State or a political subdivision of a State; or
5. a consortium of any of the entities

described in subparagraphs (1) through (4).

For Science and Research Park Development Grants only, in addition to the types of applicants listed above, the following applicants are also eligible to apply:

6. a Hospital;
7. a Commercial organization; or,
8. a consortium of any of the entities described in subparagraphs (1) through (7).”

There were webinars with more information about these programs. The webinars were recorded and can be viewed at <http://ssti.org/webinar-library> under the EDA Regional Innovation Grants heading.

For the application package and more information, please go to <http://www.grants.gov/web/grants/view-opportunity.html?oppId=263990>.

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

After seasonal adjustments, unemployment in August dropped to 6.1 percent in the U.S. and dropped to 4.3 percent in Minnesota. Minnesota unemployment claims in August decreased 3,455 to 11,873 when compared to July. Over the year unemployment claims decreased 16.9 percent when compared to August 2013.

Minnesota employers added 6,100 jobs in August. Nine sectors posted job gains: Professional/Business Services (2,500), Construction (2,500), Manufacturing (800), Information (400), Government (400), Mining/

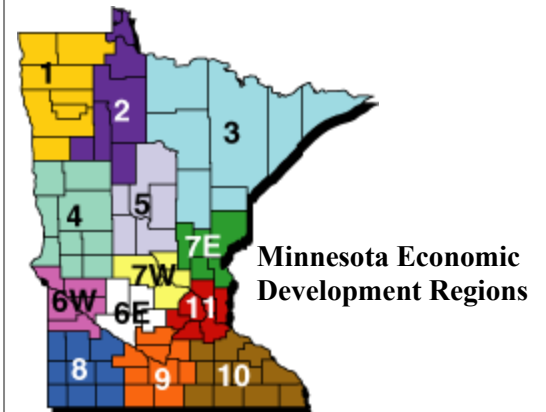
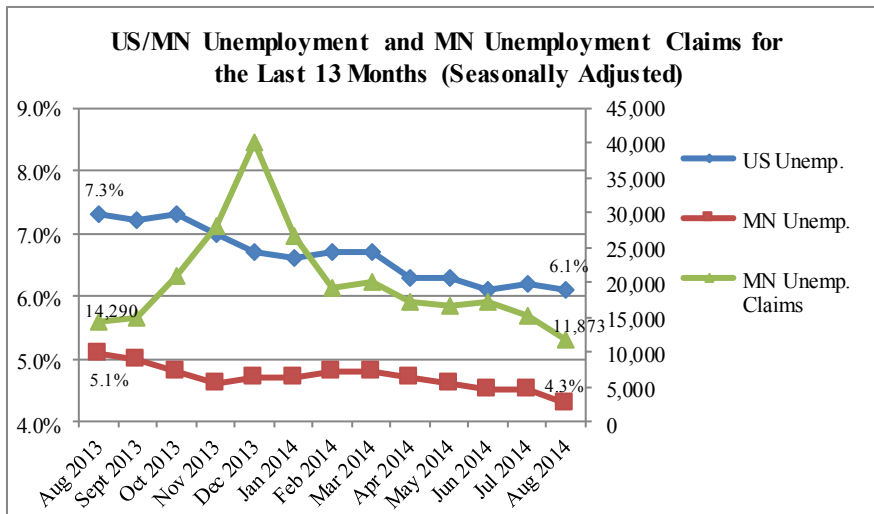
Logging (300), Other Services (300), Trade/Transportation/Utilities (200), and Educational/Health Services (100). Financial Activities (-800), and Leisure/Hospitality (-600), posted job losses in August

Minnesota has experienced 2.5 percent growth from 1 year ago with 56,311 additional jobs over the past year. This growth surpasses the U.S. growth rate of 1.8 percent over the past 12 months. Minnesota Labor participation rate in August dropped 0.3 percent to 69.8 percent. Minnesota's labor participation rate exceeds

the U.S. labor participation rate of 62.8 percent. The U.S. labor participation rate dropped slightly in August.

Unemployment for all of the EDRs decreased for the second month in a row in August. Three regions experienced the largest decrease in unemployment at 0.8 percent: Headwaters, Arrowhead, and Southwest.

Go to the DEED website; 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
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	6.6%	8.7%	7.2%	5.4%	8.7%	6.3%	5.9%	8.6%	6.3%	4.8%	5.6%	5.2%	4.7%
Apr 2014	5.3%	7.5%	6.3%	4.3%	6.9%	5.1%	4.7%	7.1%	4.9%	3.8%	4.5%	4.3%	4%
May 2014	4%	6.2%	5.9%	3.4%	5.3%	4.3%	3.9%	5.6%	4.1%	3.3%	4%	4%	4%
Jun 2014	4.4%	6.4%	6%	3.6%	5.4%	4.6%	4.3%	5.6%	4.5%	4.1%	4.5%	4.4%	4.5%
Jul 2014	4.3%	6%	5.5%	3.5%	5.0%	4.2%	4.1%	5.2%	4.2%	3.8%	4.2%	4.1%	4.3%
Aug 2014	3.7%	5.2%	4.7%	3%	4.5%	3.7%	3.6%	4.5%	3.7%	3%	3.6%	3.5%	3.8%

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 prior to the 15th of every month.

Region Nine Dev. Comm.

Submitted by Ashley Aukes

FEAST! - The largest celebration of local foods in the tri-state area will premiere November 2-3, 2014 at the Rochester Civic Center in Rochester, MN. The first day of this two-day event will be open to the public with a showcase of the best of local food by producers and makers from Minnesota, Iowa and Wisconsin. Sunday's theme will be "Homegrown for the Holidays" with plans to accommodate 150 exhibitor booths and an estimated attendance of over 5,000 food-savvy consumers. The event will feature a lineup of chef demonstrations, food samples, live music, workshops on healthy eating and holiday cooking, activities for kids, and sampling of local beer, wine and craft distillers for adults. In addition, event-goers will be able to purchase exhibitors' food items (for holiday gifts or homegrown holiday cooking).

Following Sunday's public FEAST! event, a regional conference and tradeshow will take place on Monday. "Grow It, Make It" will be the theme of this exchange planned exclusively for food growers, makers and buyers. For local growers and producers, this day will offer an affordable, accessible opportunity to exhibit their food products to a prime trade level audience of retail and institutional buyers. It will be a chance to network, discuss sales and forge supply-chain relationships.

Included in the day's mix will be technical guidance and access to funding opportunities, plus timely, topical classes for market-ready producers as well as aspiring farming and food business beginners.

For exhibitor details and application form, visit http://local-feast.org/exhibitor_app or contact Devon at devon@rtcinfo.org. Sign up today!

Check out the main page at <http://www.local-feast.org/>.

EDA Center Announces 2014-15 Economic Research Projects

Minnesota Communities, Entrepreneurs and Regional Economic Development organizations to benefit

In its ongoing partnership with the University of Minnesota Extension, the EDA Center has funded five projects for 2014-15 that will inform local economic development professionals and advance entrepreneurial networks statewide. Extension's Community Economics educators will work with community and regional organizations on these initiatives through the fall 2015.

Economic Impact Analysis for Communities

What is the effect of our business closing? With EDA Center support, Extension will make economic impact analysis available to communities facing the closing of a critical business. Extension responds quickly to communities facing a loss, providing key data that describes the structure of the local economy, the extent of expected impacts on local jobs, sales and wages, as well as estimates of how other industries will be affected by the loss. So far, seven communities have taken advantage of these reports. Communities have used these reports to expand the focus of local action, to increase productive communication, to replace "rumors" with economic literacy in the community, and to apply for

available loans and grants. (For an example, see http://edacenter.org/downloads/QuadGraphics_Economic_Impact_Report.pdf.)

What drives our local economy?

The Extension's Futures workshop compares the economic impacts of key industries in a regional economy. These reports inform discussions about economic development focus and investment. Past users of these reports benefitted from data that contradicted or reinforced their "best guesses" about their economies, and supported a common language about the local economy. (For an example, see http://edacenter.org/downloads/Mille_Lacs_County_Futures_Workshop_Summary_Report.pdf).

We encourage interested economic development professionals to contact Extension's Neil Linscheid at lins0041@umn.edu or 507-476-1068 to learn more or request an economic impact analysis.

Extension research in 2014-15 will also inform entrepreneurial economic development in local foods and tourism.

How are Central Minnesota's small farm food producers doing?

Extension's Community Economics team will provide some benchmark information to answer this question, building upon ground-breaking work by Cornell University researchers in 2013. Working with local, county and regional partners, Extension's Center for Farm Financial Management and other agricultural educators, the research will examine production inputs and outputs, as well as cash flow benchmarks for producers with fewer than three acres, and market farms of three to twelve acres. Interviews with growers will generate cash flow data from the most recent growing season. The study will be enriched with detailed, in-person

interviews with growers that generate purchase-and-sales cash flow data from the most recent growing season. The Central Minnesota region to be used for this project is made up of Aitkin, Cass, Crow Wing, Mille Lacs, Morrison, Otter Tail, Todd and Wadena Counties – the region designated for SPROUT’s operations as a food hub.

How can a food hub manage metrics and examine economic impact?

SPROUT MN is regional food hub in Central Minnesota that aggregates, stores, distributes, and markets food products from local growers to residential, commercial and institutional buyers. SPROUT MN has asked Extension and project partners to look at their seasonal sales data across as many seasons as possible in order to

- better understand trends in volume and price;
- establish financial metrics;
- create a spreadsheet tool to

compile and track financial metrics; and,

- analyze annual data on sales to identify SPROUT’s economic impacts in the region.

Project work will include a limited review of literature on best practices in food hub financial management. SPROUT will make share its data when available.

What do Hmong tourists want?

The Extension team will conduct research to understand the travel behavior of the Hmong in Minnesota. Results will inform tourism businesses and communities interested in attracting Hmong tourists as a niche group. A Hmong facilitator will conduct six focus groups of Hmong across three age groups (Millennial, Gen X and Boomer). The project team will develop questions based on past research and then adapt them for cultural appropriateness and for the age groups. Audio recordings of the focus group discussions will be transcribed for content analysis and

to identify themes. The study results will be available to businesses and tourism leaders through a written report, an “at a glance” summary, and presentations at local, state and regional association venues.

Economic analysis and data support for Regional Development Organizations

Regional development organizations (RDOs) need data to prepare Comprehensive Economic Development Strategy (CEDS) plans for their regions. UMN Extension’s Community Economics team hopes to provide data support and general economic analysis for CEDS development, for projects that have received or might receive federal assistance, and for other RDO efforts and priorities. Extension is best equipped to use analysis from IMPLAN, shift-share, EMSI Analyst labor force data, and other economic analysis tools. Extension will be available to train or help RDO staff as they tap such data about their regional economies.



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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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