Comprehensive Economic Development Strategy for Northwest Minnesota

Serving the counties of Kittson, Marshall, Norman, Pennington, Polk, Red Lake and Roseau.
Thank You

To our local partners who provided input and their time to this planning process, and a special debt of gratitude to the United States Department of Commerce Economic Development Administration for their financial contribution to the CEDS plan development.

In 2012, the Minnesota Association of Development Organizations (MADO) began working on a Greater Minnesota Development Strategy, DevelopMN. DevelopMN establishes a strategic framework for coordinated action by MADO, the communities they serve and the federal and state agencies that share their commitment. During the creation of DevelopMN, four major cornerstones were identified as key components of strong regions and communities: Human Capital, Economic Competitiveness, Community Resources, and Foundational Assets.

To ensure alignment between state and regional plans, NWRDC and the other MADO members agreed to use a similar framework to encapsulate their respective regions and yet provide the local perspective that is unique to each EDD in Minnesota.
The Northwest Regional Development Commission (NWRDC) is designated by the Federal Economic Development Administration (EDA) as Northwest Minnesota’s Region One Economic Development District (EDD), serving Kittson, Marshall, Norman, Pennington, Polk, Red Lake and Roseau Counties. As part of its EDA requirements, the NWRDC is tasked with the coordination of the Comprehensive Economic Development Strategy (CEDS), a locally-based regionally driven planning process designed to enhance the economic growth of the region.

The CEDS provides a mechanism for coordinating the efforts of individuals, organizations, local governments, and private industry concerned with economic development. Planning and data collection for this document began in early 2016 with public input derived through one-on-one visits, phone conversations, emails, and in-person meetings. The Northwest Regional Enterprise Fund, Inc. serves as the CEDS planning committee and provides input and direction to staff in the formation of this document. A draft document was provided to the Commission and 30 day comment period was provided. The final CEDS is made available to economic development stakeholders in the region.

The CEDS provides a methodology and plan for regional economic development and is unique to this region of Minnesota. The goals and strategies provided in this document are designed to enhance and support current and future economic development efforts in the region, and are also interwoven with tenets of economic resilience to mitigate future natural disasters or economic downturn. The region’s uniqueness makes it necessary to explore vulnerabilities and opportunities through the SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis provided in the appendix of the CEDS.

Throughout the CEDS document, references to the goals and objectives of the four cornerstones imply a basic connection to the structural framework that makes up a resilient region. Regional resiliency refers to the ability of a place to withstand and/or recover from a sudden blow like a natural disaster or a sudden plant closing, or it can be in the form of a chronic strain, such as a longstanding economic decline or unremitting population loss.

Measuring resiliency is difficult, but anecdotally speaking, resiliency and recovery from a disaster are easier when the local economy is diverse in terms of jobs and industry, recognizes and prepares for weaknesses and potential threats, and plans for a certain level of flexibility and adaptability within its emergency response network. This also holds true in terms of effective intergovernmental relationships and public/private partnerships needed to provide an adequate and sustained response to any disturbance in the economy.

For those reasons, a SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis is done to provide a baseline for local governments to work from when addressing these resiliency concerns. The purpose of the SWOT Analysis is not just to recognize areas of strength and where opportunities may lie, but also to rigorously examine and increase awareness of weaknesses and potential threats so that proper preparation can take place. By doing so, Region One is strategically situated to more effectively combat and recover from any economic shock that may occur. Tenets of resiliency are therefore woven throughout this document in an effort to proactively address the region’s condition.
Northwest Minnesota's economy continues to have a firm economic foundation and cluster development of agriculture and manufacturing, two industries that played a major role in mitigating the effects of the 2009 Great Recession. Only a few small localized areas of the region fall under traditional economic distress factors, making a unique challenge in finding alignment with and attracting federal economic development funding that is contingent upon that criteria.

Upward trends in employment and total sales are continuing, although the agricultural sector has softened in terms of crop prices and land values. Employment is close to historic highs even though the population of the region has either stabilized or moderately declined since the last Census. Growth is occurring in the health care industry due to the rapidly advancing retirement ages of the Baby Boomer generation. This, along with housing shortages in all areas of the region are causing some barriers to workforce availability for employers. Jobs are available across a variety of sectors, but affordable housing and lack of housing variety are mitigating factors. New multi-family housing development has recently occurred in regional centers where it is needed most to fill labor shortages, but more development is needed in smaller communities that provide labor to employers. Both public and private interests are looking for ways to address business needs and support innovation, technology and training initiatives that will strengthen job development, and labor and business retention strategies. These include ongoing planning efforts through inter-agency and inter-regional collaboration with influential groups like Impact 20/20 and MADO.

The region continues to forge ahead with new technologies, new processes, and new ways of doing things which diversify the economy and strengthen job development and productivity. Unmanned Aerial Systems opportunities continue to expand across the region, food processing businesses are growing, high-tech agriculture and support industries are adding well-trained employees, renewable energy opportunities are becoming more prevalent in the solar industry, and manufacturing remains at the forefront of robotics, computerization, advanced technologies, and export trade. Amenities continue to be an important attraction to younger workers and the senior population, as Active Living has become a major component of Quality of Life and Quality of Place for many.

As you page through the CEDS document, you will notice a somewhat different approach taken this year. Each of the 10 Economic Development Districts has agreed to follow a statewide template acknowledging four key cornerstones of development: Human Capital, Economic Competitiveness, Community Resources and Foundational Assets. This will not detract from previous NWRDC priority areas in planning, promotion, labor force development, business development, and renewable energy as in the past, although there will be more concentration on issues closely related to labor availability, including housing, daycare, workforce training, and succession planning for businesses and labor. Interwoven throughout the document are strategies and goals that address economic resiliency in all of these areas, assuring that strong regions and communities are the end result.
**2017 GOAL**

"Increase the job base and population level and in Northwest Minnesota."

1. **PLANNING** - Examine economic, social, and natural resource trends and develop regional strategies for job development and innovation.

2. **PROMOTION** - Promote the economic, cultural, and natural resource assets of Northwest Minnesota to attract business, workers, residents, and visitors.

3. **BUSINESS DEVELOPMENT** - Support on-going job growth, especially in regional economic clusters including, agricultural value added, manufacturing, UAVs, and energy.

4. **LABOR FORCE DEVELOPMENT** - Assist employers and communities in assuring the area maintains an adequate and qualified pool of workers by developing housing, educational, and job information systems.

5. **RENEWABLE ENERGY** - Develop strategies and support local effort to develop business and job opportunities related to wind and bio-mass energy.

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**Description of the Area**

Region One is located in the northwest corner of Minnesota and consists of Kittson, Marshall, Norman, Pennington, Polk, Red Lake and Roseau counties. The Region is characterized by a population descended from the Swedish, Norwegian, German, Asian, Polish and French-Canadians who settled in the area in the late 1800’s and by the varying topography created when glaciers spread across northern Minnesota. The Region features a climate with wide seasonal variations and a diversified economy based in agriculture and manufacturing. This combination of factors has encouraged independent progressive thinking, an attitude that obstacles can always be overcome and an awareness of our interdependence.

The political geography of Region One consists of seven counties, 54 incorporated cities, 228 townships and 6 unorganized territories. See center spread for a larger map of the region.

The dominant form of land use in Northwestern Minnesota is agricultural, as indicated by the high percentage of cultivated land. This pattern not only reflects the Region's involvement in agriculture, but also identifies cropland as one of the area's most valuable resources. The percentages of water and forest areas are reflective of the prairie environment which still cover parts of the Region. There are significant natural areas in the Region, with supplemented by hundreds of thousands of acres of public lands.

There are a variety of soil types within the Region resulting in diverse natural habitats and differing agricultural approaches. The soil in the western part of the Red River Valley is used primarily in the production of small grains, sugar beets, soybeans, corn and other heavy soil crops. The eastern section of the Region, with lighter soils, is more suited to small grain production, livestock grazing and dairy operations. The remaining soil types support a wide variety of natural environments including marshlands, peat land, forest, brush land and water areas.
Creating Economic Prosperity is a Multifaceted Process.

In Greater Minnesota, economic advantages historically included agriculture, natural resource extraction and low costs (inexpensive labor, low taxes, available land, etc.) Today, in a global economy, Greater Minnesota needs to place emphasis on preserving traditional industries, improving the quality of inputs and facilitating innovation as the driver of long-term competitiveness, growth and employment.

DevelopMN identified the following cornerstones as key components of strong regions and communities. When approached in a coordinated way, these cornerstones will help create prosperity in Greater Minnesota through these four focus areas:

**HUMAN CAPITAL**
Developing, retaining and attracting talent are critical for Greater Minnesota in order to sustain and grow rural businesses and communities. Tracking the characteristics of the labor force and the needs of employers, and creating strategies for alignment between the two, are the foundation for this cornerstone.

**ECONOMIC COMPETITIVENESS**
Making Greater Minnesota an attractive environment for growth is critical to creating jobs, improving living standards and financing necessary public services. Economic Competitiveness requires communities to develop and link all available assets to support innovation and encourage business growth.

**COMMUNITY RESOURCES**
Greater Minnesota communities seek to maintain rural values, their heritage and the assets that support them. Community Resources includes topics that balance the preservation and improvement of local social, cultural and natural assets that are critical for the future.

**FOUNDATIONAL ASSETS**
Greater Minnesota communities require proactive and collaborative approaches/strategies to address infrastructure needs in a cost-effective manner. Managing the access to, maintenance, replacement and growth of these assets are key to preserving and maintaining communities, and provide for growth opportunities. Foundational assets include above-ground and below-ground infrastructure such as transportation, utilities and water.

DevelopMN’s plan is based on SMART goals. SMART stands for:

- **Specific:** target a specific area for improvement.
- **Measurable:** quantify or at least suggest an indicator of progress.
- **Attainable:** assure that an end can be achieved.
- **Realistic:** state what results can realistically be achieved, given available resources.
- **Time-related:** specify when the result(s) can be achieved.
Educational Attainment

CALL TO ACTION
As the size of Northwest Minnesota's overall workforce is projected to fall by 2% by 2025. Declining workforce participation, especially in 45-64 age cohort, necessitates increased worker skills to improve productivity and grow the economy.

CONTEXT
2014 ACS data indicates 93.8% of the population aged 25-64 has a high school diploma. 29% of adults aged 18 and over have a college degree. In the 2014-2015 school year, the high school graduation rate fell to 88.9% from 90.8% in 2013, still higher than the state graduation rate of 81.9% during that year.

SMART GOAL
Increase GED and/or high school equivalent education attainment to 91% by 2021.

SMART GOAL
Increase the number of residents (ages 18-64) who have completed post-secondary education or training with a particular focus on certificates, technical degrees, and apprenticeships relevant to employment in middle skill, living wage occupations.

SMART GOAL
Increase the number of residents aged 25-44 with a bachelor’s degree or higher to 25% by 2021.

STRATEGIES
1. Build and improve career technical education opportunities for high school students interested in careers as skilled tradespeople.
2. Encourage student-employer partnerships that encourage apprenticeships and exchange scholarship funding for future employment.
3. Create local talent retention and attraction programs.
4. Embrace emerging populations with targeted educational programs.
5. Create and sustain healthy communities that attract and retain residents.

GOAL 91%

2013 - 2014 90.8% 2014 - 2015 88.9%
CALL TO ACTION

As the Northwest Minnesota economy recovers to pre-recession levels, it is confronted with the challenge of hiring, retention, and skills needs of employers.

CONTEXT

Data from DEED’s Local Area Unemployment Statistics (LAUS) showed that Region 1 had an annual average labor count of just over 49,000 workers through 2015. Despite the region’s population decrease from 2000-2015, Region 1 gained nearly 2,500 new workers, an increase of 5.4%. Peak workforce estimates were reached in 2009 and have fluctuated since that time, although the past three years are trending back upwards to the previous record high of 49,558. As employment continues to increase, the labor market in Region 1 has grown tighter, with fewer unemployed workers available and actively seeking work.

The Baby Boomer workforce continues to age and workforce succession is becoming more and more important. Employers are considering a variety of methods to retain experienced workforce. Current labor force participation rate is 67.3%, compared to the State level of 70.1%. Although many age cohorts in Northwest Minnesota have higher participation rates than the State, the overall rate is lower due to high percentage of workforce in the older age brackets.

According to Minnesota Department of Human Services, there are 283 active Family Childcare licenses and 17 active Child Care Center licenses in the region to serve 5,400 children under the age of 5. The shortage of licensed daycare also affects the size of participating workforce due to one parent staying at home with children.

SMART GOAL

1. Increase labor force participation by 2% by 2021.
2. Increase numbers of childcare facilities by 2021.
STRATEGIES

1. Align education and workforce data to meet current and future skill needs of employers.
   a. Participate in Impact 20/20 initiatives that inform students about expedited career pathways, especially in health care, manufacturing, and welding.
   b. Educate high school students on regional career opportunities, and share information about in-demand careers.
   c. Increase the college and career-readiness of the region’s high school students through soft skill training beginning in elementary school level.

2. Support vocational training in high schools.

3. Advance college-credent based apprentices, internships, and on the job training as a workforce development solution.

4. Expand participation of mature workers with flexible scheduling to make up for shortage of new workforce entrants.

5. Build childcare capacity in the region to assist people in joining the workforce.
   a. Educate the public and parents on child care provider requirements.
   b. Encourage employer involvement in childcare and expand upon current models in Region One.
   c. Explore and encourage tax incentives for family child care providers, as well as viable loan/grant options.
   d. Encourage drop-in and overnight child care options to accommodate shift workers at larger employers.
   e. Develop programs and initiatives that encourage the creation of family child care providers.
   f. Connect minorities and immigrants to New Americans training program.
Entrepreneurship and Innovation

CALL TO ACTION
The Northwest region must embrace innovation, calculated risk-taking and entrepreneurship in order to compete effectively in the global economy.

CONTEXT
The Stats America Index compares local performance across a variety of indexes to State and U.S. performance. The number is calculated from five component indexes: Human Capital & Knowledge Creation, Business Dynamics, Business Profile, Employment and Productivity, and Economic Well-Being. Northwest Minnesota ranks higher than the national average in Employment and Productivity and Economic Well-Being.

SMART GOAL
Improve the Northwest region’s rank on the Stats America Innovation Index from 93.7% to National Average of 100% by 2021.

STRATEGIES

1. Broaden access to capital to encourage innovation and entrepreneurship.
2. Create networks of incubator, co-working, proof of concept and maker spaces.
3. Establish and expand entrepreneurship education programs in K-12 schools.
4. Maintain and expand renewable energy production incentives.
5. Invest in value-added opportunities from agricultural and forest products, including MN Dept of Ag Value-Added and SARE grants, USDA Value-Added Producer Grant, USDA Rural Business Development Grant or USDA Rural Cooperative Development Grant.
Small Business Growth

CALL TO ACTION
Small businesses in rural areas generally have more limited access to capital sources than larger businesses, including government economic development programs. In order to prosper, Northwest Minnesota’s small businesses must have access to information and more public/private funding.

CONTEXT
77.1% of employers in the northwest region have less than 10 employees, while 96.5% have less than 50 employees. However, some of the largest businesses in northern Minnesota are located in Region One, with four having more than 500 employees (the official cut off point for a “small business,” according to Small Business Administration. According to the Kaufman Foundation Entrepreneurship Policy Digest, new and young companies are the primary source of job creation in the American economy.

SMART GOAL
Increase the number of capital investment programs available to small and medium enterprises (SME), where small is considered 20 or fewer employees and medium is 21-50 employees.

STRATEGIES
1. Increase awareness of regional business planning and financing options by eligibility and stage.
2. Utilize public/private partnerships to facilitate SME business lending.
   a. Maintain regional revolving loan fund for small business development.
3. Establish new business programs to fill gaps in the capital market.
4. Fully fund regional Small Business Development Centers at the State level.
   a. Advocate for the full funding from the State to expand SBDC resources to all rural areas of the State, especially in Northwest Minnesota.
5. Expand and improve technical assistance for growers and producers.
   a. Expand and improve opportunities to growers that diversify their operations, encourage local foods development, and open doors to localized renewable energy options.
   b. Provide grantwriting and loan packaging services that focus on leveraging private investment with public dollars and job creation.
6. Assist in development of local investor groups to increase access to capital.
7. Provide succession planning options for businesses whose owners are transitioning to retirement.
**Social Capital**

**CALL TO ACTION**
Local residents must act together to improve their communities through the fostering of leadership skills, encouraging civic engagement, and developing resiliency against future challenges. Transforming communities for the better can happen when residents believe that civic participation is an integral component of creating the greatest impact.

**CONTEXT**
Blandin Foundation Study "Rural Pulse" compiled research data to show how people from Minnesota feel their community works together to address local issues.

**SMART GOAL**
Increase civic engagement and community participation across all age groups and ethnicities.

**STRATEGIES**
1. Actively recruit and nurture emerging community leaders.
2. Formalize community leadership networking groups.
3. Enhance the knowledge and capacity of community leaders and educators through development opportunities.
4. Establish succession planning in private, public and non-profit organizations.
5. Encourage volunteerism as a method of giving back to community capacity-building and cultivate a culture of citizenship.

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**Arts and Culture**

**CALL TO ACTION**
Arts, culture and placemaking contribute to the vibrancy of the economy and quality of life. Local culture and arts and entertainment are vital to the dynamics of the region.

**CONTEXT**
In 2015, the Northwest Regional Arts Council and Minnesota Citizens for the Arts released an economic impact study completed by Creative Minnesota, a collaborative of arts and culture organizations. The study found that arts and culture contributed almost $1.1 million to the region's economy. This industry supports the equivalent of 23 full-time jobs, 237 volunteers and over 19,000 volunteer hours.

**SMART GOAL**
Increase employment in the Arts, Entertainment and Recreation sector by 2% by 2021.

**STRATEGIES**
1. Utilize arts-based placemaking to improve downtowns and public spaces that advances the creative culture in Northwest Minnesota.
2. Assist artists with business oriented education programs to enhance their knowledge and acumen.
3. Connect artists with resources they need to make a living and improve the quality of life in Northwest Minnesota.
4. Expand existing and create new artist-in-residence programs.
5. Coordinate with NW Mn Arts Council to increase regional promotion of all cultural and arts events for greater reach and increased community support of these sectors.

**ARTS IMPACT ON ECONOMY AND EMPLOYMENT**

<table>
<thead>
<tr>
<th>Component</th>
<th>Expenditure</th>
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<tbody>
<tr>
<td>Total Direct Expenditure by</td>
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<tr>
<td>Organizations</td>
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<tr>
<td>Total Arts and Culture Related</td>
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<tr>
<td>Spending by Audiences</td>
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<tr>
<td>Total Economic Impact</td>
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<tr>
<td>State Government Revenues: $88,000</td>
<td></td>
</tr>
<tr>
<td>Local Government Revenues: $18,000</td>
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</tbody>
</table>

source: www.creativemn.org
Tourism

CALL TO ACTION
The leisure and hospitality industry is an important producer of jobs in Northwest Minnesota. Communities across the region consider tourism to be an essential industry for local economic development and actively promote the region’s attractions and assets.

CONTEXT
Travel and tourism make up a large portion of the leisure and hospitality industry. They create jobs and generate sales in every county of Northwest Minnesota. Tourism jobs represent all levels of employment, from important entry-level service jobs to high-paying executive positions. Traveler spending indirectly supports jobs in many other industries, as well, from financial services to printing. 2014 Leisure and Hospitality industry economic impact in Region One included more than $107,250,000 in gross sales, $6,939,000 in state sales tax collection and 2,345 jobs.

SMART GOAL
Increase visitor spending in Northwest Minnesota by 5% by 2021.

STRATEGIES

1 Keep travel experiences in Northwest Minnesota fresh and current by creating new outdoor recreation, arts and cultural heritage experiences and amenities.
   a. Collaborate with local Chambers of Commerce and tourism organizations to promote river corridors, regional trails and regional parks systems.
   b. Use the Comprehensive Planning process to recognize community assets and marketing niches that draw visitors.

2 Develop career paths in the tourism industry to attract and retain younger employees while staying competitive in pay and benefits.

3 Develop and capitalize on regional branding efforts that promote local businesses and locally made products.

4 Capitalize on the economic strengths of the region by promoting nature-based, agricultural-based, and manufacturing-based tourism.
   a. Promote flood retention areas, river corridors, and unique biomes that attract birding and wildlife enthusiasts from around the world to see a huge diversity of animal and bird life.
   b. Work collaboratively with higher education to promote internships and applied research with tourist-based businesses.
Marshall County
- Agricultural Production
- Education
- Health Care
- Government
- Ag Equipment Manufacturing
- Freight Transportation
- Fiberglass Equipment Manufacturing
Population: 9,423
Labor Force: 5,016
Unemployment: 7.3%

Kittson County
- Agricultural Production
- Transportation Equipment Manufacturing
- Education
- Health Care
- Government
- Construction Trades
- Food Processing
Population: 4,424
Labor Force: 2,243
Unemployment: 4.9%

Norman County
- Agricultural Production
- Outdoor Furnace Manufacturing
- Education
- Health Care
- Government
- Wood Products (Housing) Manufacturing
- Construction Trades
Population: 6,678
Labor Force: 3,341
Unemployment: 5.1%

Red Lake County
- Agricultural Production
- Transportation Equipment Manufacturing
- Education
- Health Care
- Government
- Food Processing
- Construction Trades
- Freight Transportation
Population: 31,533
Labor Force: 16,504
Unemployment: 4.2%

Polk County
- Recreational Vehicle Manufacturing
- Electronic Parts Distribution
- Education
- Health Care
- Government
- Agricultural Production
- Construction Trades
- Freight Transportation
Population: 14,219
Labor Force: 7,807
Unemployment: 5.7%

Pemberton County
- Recreational Vehicle Manufacturing
- Window & Door Manufacturing
- Agricultural Production
- Outdoor Furnace Manufacturing
- Education
- Health Care
- Government
- Freight Transportation
Population: 15,770
Labor Force: 8,624
Unemployment: 5.0%

Roseau County
- Recreational Vehicle Manufacturing
- Education
- Health Care
- Government
- Agricultural Production
- Construction Trades
- Freight Transportation
Population: 14,219
Labor Force: 7,807
Unemployment: 5.7%

Key Industries & Production

Minnesota Region 1
- Total Population: 86,102
- Total Square Miles: 8521
- Unemployment: 5.1% (Statewide Unemployment: 3.8%)
Source: July 2016 Local Area Unemployment Statistics (BLS)
Natural Resources

CALL TO ACTION
Region One is blessed with an abundance of natural resources that are essential to the economy. Strain on resources continues to grow, putting pressure on stakeholders to adapt. Multiple threats include groundwater overuse and contamination, invasive species, decline of natural areas, exploitation of natural resources and loss of species.

CONTEXT
Northwest Minnesota has a long tradition of hunting, angling, and wildlife watching. In general, Minnesota’s angling and hunting participation rates are double the national averages of 14% and 6%, respectively. Total expenditures by Minnesota residents on hunting and fishing in and out of Minnesota totaled $3.3 billion in 2011 with wildlife watchers spending an additional $700 million (most recent data from federal information regarding hunting, fishing and wildlife recreation).

As climate change and global interaction have become more prevalent, Minnesota has seen the rise of several non-native species, including zebra mussels, spiny water flea, Eurasian Milfoil, West Nile Virus, and Emerald Ash Borer. These invasive species (and others) have a direct effect on water quality, fishing, forest production and human health.

SMART GOAL
Protect and preserve natural resources for continued responsible use. Achieve no net loss of wetlands/prairie lands, and add programs and policies that reduce the carbon footprint through the use of renewable energy and energy efficiency measures.

STRATEGIES
1. Identify and safeguard valuable natural resources and outdoor heritage through education, preservation, and conservation efforts. Incorporate outdoor heritage and preservation strategies that draw connections between historic land uses and natural ecosystems, including agri-tourism, mining/timber tourism, transportation tourism (land, air, water), and flora/fauna tourism.

2. Generate comprehensive plans that address biodiversity, watersheds, wetlands, critical habitats, grasslands, agriculture, unique biomes, minerals, forest habitat and migration corridors in the planning process.

3. Develop, implement and consistently enforce land use objectives that balance economic competitiveness/regional resilience with human well-being and natural amenities preservation.

4. Support efforts to reduce or eliminate invasive species.

5. Support and enhance stronger conservation efforts across all natural resources through an increase of Legacy Act investment in Northwest Minnesota.

6. Reduce carbon footprint.
   a. Promote comprehensive energy audits to reduce energy costs in both private and public buildings.
   b. Promote composting, recycling and zero waste events.
   c. Promote collaborative efforts to inform and educate the public in energy efficiency best practices.
Water Quality

CALL TO ACTION
There is increased demand for water resources related to population use, agricultural and manufacturing utilization, and an increase in urbanization and recreational activities. Water quality is a leading indicator of the region's overall economic health. In 2016, the Minnesota Pollution Control Agency added 582 bodies of water to its list of 4,600 impaired waters, statewide, of which 250 of the total listings are located in Northwest Minnesota.

CONTEXT
Water, although plentiful in Minnesota, can still be in short supply in certain areas of the state, and can also be subject to contamination due to topographical and geological features. Moreover, areas of the state with fertile sandy soils are important to crop production and livestock operations, but ground and surface waters can also be compromised by high nitrate, bacteria, and turbidity levels. The few lakes that make up the Red River Drainage Basin are generally very shallow, while intense drainage in ag areas and degraded municipal wastewater systems can also play a role in impaired waters designations.

SMART GOAL
Improve water quality by ensuring Northwest Minnesota’s groundwater and surface water supplies are protected from depletion and degradation by reducing the number of impaired waters and endangered ecosystems in the region.

STRATEGIES
1. Promote adherence to federal Clean Water Act standards that presume a water body should sustain healthy aquatic life, recreation and additional uses, such as drinking water (domestic consumption), industry, agriculture, navigation and aesthetic uses.

2. Achieve delisting of impaired waters on MN MCPA baseline inventory through identification of critical ecosystems and promotion of conservation best practices.

3. Use of buffer strips, shoreline management, and other best practices to stabilize banks and reduce erosion.

4. Support and promote regional water quality plans, projects and initiatives. Promote intergovernmental cooperation and partnerships related to water quality issues.

5. Support measures that protect valuable farmland and soil from degradation and erosion.
Broadband Access

CALL TO ACTION
Affordable high-speed internet is necessary to remain competitive in today’s global economy. Many businesses and residents experience lack of access to reliable broadband at acceptable speeds and costs.

CONTEXT
Based on broadband maps provided by the Minnesota Office of Broadband, 88.29% of the state is underserved with wireline broadband at speeds of 25 Mbps download and 6 Mbps upload.

SMART GOAL
100% of businesses and households in Minnesota will have access to federal broadband goals currently set at 25MB/sec down and 6MB/sec up by 2025.

STRATEGIES
1. Advocate for broadband funding at both state and federal levels.
2. Advocate for a symmetrical standard.
3. Create and leverage public and private partnerships to fund improved broadband access.
4. Develop an inventory for best management practices (BMP) to improve policies and procedures for broadband and deployment of broadband service in rural, sparsely populated and high-cost regions.
5. Ensure the collection of accurate data around served and underserved regions.
6. Promote an understanding of the importance of broadband to a community’s infrastructure.
   a. Gather information in regard to increased property values as a result of broadband infrastructure.
   b. Collaborate with providers to educate residents on capabilities of various speeds as it relates to tele-medicine, tele-home care, home based businesses, etc.
Water-Wastewater Infrastructure

CALL TO ACTION
Rural communities with low populations frequently struggle with the affordability of water infrastructure—they lack the economies of scale that help keep costs down in more populous cities.

CONTEXT
Over 80% of the cities on the MPCA 2016 Clean Water Priority list (PPL) are in rural Minnesota, including 10 cities in the northwest region. There are 297 cities listed statewide with total estimated project costs of $1.4 billion. Of the total estimated project costs, over $800 million are rural projects—$18.6 million of which is in Northwest Minnesota.

SMART GOAL
Decrease the number of communities out of MPCA compliance by 2025.

STRATEGIES
1. Focus municipal infrastructure investments to support business development and affordable housing.
2. Facilitate dialog around right-sized wastewater infrastructure projects and consider regional type systems where possible.
3. Encourage cities to develop capital improvement plans that are aligned with comprehensive plans and zoning/land use ordinances.
4. Collect and share best practices that demonstrate funding scenarios and solutions to update outdated and undersized systems.

RURAL CLEAN WATER PRIORITY PROJECT LIST = $800 MILLION
Transportation

CALL TO ACTION
Economic growth, production and trade depend on safe and reliable transportation networks. Virtually no production can take place unless raw materials, manufactured products, labor and fuel can be moved to and from different locations.

CONTEXT
In Northwest Minnesota, county and state highways are the primary means for moving freight. Planning experts working on the Minnesota State Highway Investment Plan (MN SHIP) have determined that, during the 20-year period of 2018 to 2037, Minnesota will see a shortfall of $16.3 billion of funding necessary to provide a transportation system that addresses congestion and meets the needs of Minnesota businesses.

SMART GOAL
Increase the percentage of the northwest region's good quality-rated roadways in the next 20 years and increase/maintain the region's ten ton network.

STRATEGIES
1. Define a significant and coherent priority network of roads, ranking the most critical connections to maintain over the next 20 years.
2. Offer assistance to local units of government with their long-range planning to address transportation sustainability and resiliency.
3. Encourage county and local units of governments to use all available options that increase transportation funding.
4. Standardize baseline ranking and project prioritization throughout the region.
5. Prioritize transportation projects that connect regional economic hubs.
6. Identify freight generators and map a county network of freight routes.
7. Advocate for railroad funding at state and federal levels.
8. Support safety, mitigation and planning initiatives.
   a. Assist local governments with emergency management planning and staffing.
Active Transportation

CALL TO ACTION
Active-living planning and implementation will help improve community health, livability and social capital.

CONTEXT
The Bicycle Friendly Community (BFC) program provides a roadmap to improve conditions for bicycling and guidance to create and implement a plan for better, bikeable communities. Currently, there are 16 communities, 75 businesses, and 2 universities that have the designation, one of which is in the northwest region.

Complete Streets is an approach to road planning and design that considers and balances the needs of all transportation users. It is about the basics: improving the transportation system’s safety and functionality for all users. Its main premise is nothing more than for people to get around safely and efficiently from point A to point B, using whatever mode of travel they choose. There are 43 communities in Minnesota that have the Complete Streets policy, of which 22 are in Greater Minnesota. The northwest region does not currently have any communities with a designated policy.

SMART GOAL

1 Assist 2 communities to achieve BFC-designated status from League of American Bicyclists.

2 Assist 2 communities to adopt Complete Streets policies.

STRATEGIES

1 Work with state and local partners to coordinate efforts to develop and enhance regional bicycle and pedestrian systems.

2 Explore long-term funding mechanisms for the maintenance and improvement of bike and pedestrian infrastructure.

3 Work with state and local partners to support the expansion and maintenance of regional trail systems.

4 Ensure that pedestrians and bicyclists are considered in future transportation infrastructure decisions.
   a. Maintain NWRDC Regional Trail Plan.
   b. Provide technical assistance to Greater MN Parks and Trails applicants.
   c. Assist with formation of local trails groups to purchase vacated rail systems for conversion to trails.
   d. Improve connectivity between individual trails and promote regional trail systems.
   e. Cultivate partnership with Statewide Health Improvement Partnership to promote active living in regional communities.
Transit

CALL TO ACTION
Transit in Northwest Minnesota will be increasingly important for access to services, employment, and educational opportunities. Rural transit systems must meet population needs to address this increasing mobility gap.

CONTEXT
In 1990, 40 of Greater Minnesota’s 80 counties had some form of public transportation system. By 2009, 76 counties had transit systems logging 11.1 million passenger trips, 1.03 million service hours and traveling 14.9 million miles to serve passenger needs. Local, state and federal sources combined to fund transit programs at a level of $55.3 million. Currently, Northwest Minnesota is served by 1 public transit system, covering all seven counties with varying levels of service. There are also public transit systems in Fosston, East Grand Forks and Roseau.

SMART GOAL
Increase the level of service of Northwest Minnesota’s transit system by 2021.

STRATEGIES
1. Work to ensure that long-range public transit policy decisions in Northwest Minnesota address future demographic shifts and needs.
2. Work with state and local partners to evaluate funding and service options to meet mobility and access needs of individuals.
3. Support public bus and volunteer programs that provide services.
4. Foster connections between transit systems, businesses and customers to increase transit ridership through education and information systems.
Housing Availability

CALL TO ACTION
Housing issues in Greater Minnesota vary from community to community. Challenges that need to be addressed include: tight rental and ownership markets, cost-burdened households, workforce (especially entry-level workers) and elderly housing shortages, homelessness, and low quality and/or aging housing stock.

CONTEXT
• In Greater Minnesota, nearly half of all renters spend more than 30% of income on housing, while 30% of homeowners with a mortgage spend at least 30 cents of every dollar they earn on housing.

• Since 1991, homelessness in Greater Minnesota has increased. Between 2009 and 2012, the homeless rate increased from 13 to 14.1 per 10,000 residents, and the number of homeless adults ages 55 and older nearly doubled.

• A 5% vacancy rate is generally considered a sign of a healthy rental housing market. A 2014 Minnesota Housing Partnership report showed 78% of 24 communities studied had a market rate rental vacancy rate of 5% or less, and 91% had subsidized rental vacancy rates of 5% or less.

SMART GOAL
Move toward equilibrium in local housing markets.

STRATEGIES

1. Provide more coordinated housing planning.

2. Advocate for funding programs for demolition of vacant, unsafe and dilapidated housing units.

3. Increase the number of units rehabilitated or preserved.

4. Encourage development of transitional and permanent supportive housing.

5. Collect and share best management practices around housing policy and financing.

6. Collaborate with area agencies to provide informational housing summits for the purpose of bringing challenges to the forefront and exploring best practices in rural housing development, rehabilitation, and financing options.
Resources

DEED Regional Profile

DevelopMN Plan

United States Census Bureau
WWW.CENSUS.GOV

Minnesota Department of Education
WWW.EDUCATION.STATE.MN.US

Minnesota Department of Human Services
WWW.MN.GOV/DHS

Minnesota Department of Agriculture
WWW.MDA.STATE.MN.US

United States Department of Agriculture
WWW.USDA.GOV

Stats America
WWW.STATSAMERICA.ORG

Kauffman Foundation
WWW.KAUFFMAN.ORG

Wilder Foundation
WWW.WILDER.ORG

Blandin Foundation
WWW.BLANDINFOUNDTION.ORG

McKnight Foundation
WWW.MCKNIGHT.ORG

Northwest Minnesota Foundation
WWW.NWMF.ORG

Creative Minnesota
WWW.CREATIVEMN.ORG

Explore Minnesota
WWW.EXPLORERMINNESOTA.COM

Minnesota Department of Natural Resources
WWW.DNR.STATE.MN.US

Minnesota Pollution Control Agency
WWW.PCA.STATE.MN.US

Minnesota Office of Broadband
WWW.MN.GOV/DEED/PROGRAMS-SERVICES/BROADBAND

Minnesota Department of Transportation
WWW.DOT.STATE.MN.US

Minnesota Housing Partnership
WWW.MHPONLINE.ORG

Minnesota Department of Employment and Economic Development
WWW.MN.GOV/DEED

Bush Foundation
WWW.BUSHFOUNDATION.ORG

Economic Development Administration
WWW.EDA.GOV
Northwest Regional Development Commission
Membership

Kittson County
- Dr. Joe Bouvette**
- Kimberley Johnson*
- Kevin Hanson

Marshall County
- Gary Kiesow*
- Loren Lusignan
- Lindsey Osland
- Kristina Potucek
- Gail Yutzenka

Norman County
- Milton Alm
- Sharon Josephson
- Nathan Redland*

Pennington County
- Elvera Cullen
- Dave Erickson
- Brian Holmer
- Dante Steele
- Oliver Swanson*

Polk County
- Gerald Amiot
- Gerald Jacobson
- Keith Sistad
- Warren Strandell*
- Toby Strom
- Kathleen Twite

Red Lake County
- Kevin Harmoning
- Catherine Johnson
- John Lerohl*
- Kevin Reich
- Ronald Weiss

Roseau County
- Mark Foldesi*
- Brenda Sather
- Debra Wiskow

Enterprise Loan Fund Membership

Kittson County
- Betty Younggren
- Ryan Evenson

Marshall County
- Loren Lusignan
- Shannon Mortenson
- Darby Boe

Norman County
- Danielle Harless

Pennington County
- Michelle Benton
- Christine Anderson

Polk County
- James Herdliska
- Gerald Jacobson
- Mike Moore
- Brad Brekken
- Nancy Thomasson
- Jim Thomasson

Red Lake County
- Reed Engelstad
- Tim Hoefer
- John Lerohl

Roseau County
- Todd Peterson
- Anita Locken

* Board Members  ** Chairperson
REGIONAL SWOT ANALYSIS

Human Capital

**S**trengths
- Strong post-secondary education system
- "Midwest" work ethic of individuals
- Strong K-12 Schools
- Seniors looking for volunteer work / flexible hours
- Regional collaboration
- Partnerships with philanthropic foundations, non-profits and state agencies
- High occurrence of entrepreneurs and innovations

**W**eaknesses
- Aging workforce and population
- Perceptions of rural lifestyle
- "Brain Drain" of high school graduates
- Lack of affordable and diverse workforce housing
- Occupations in demand not being filled
- Lack of technical education in schools

**O**pportunities
- Willingness of strategic partners
- Spirit of collaboration and cooperation
- Great careers for 2 & 4 year degrees
- Immigrants
  - "Brain Gain" of 30 - 49 age cohort
  - Increase of young / school-aged people
  - Increase technical education at high schools/colleges
  - Targeted career planning for K-12

**T**hreats
- Willingness to accept change
- Lack of housing diversity / affordability
- Childcare shortage
- Funding shortages
- Lack of opportunities for "trailing spouse"

Economic Competitiveness

**S**trengths
- Location on key transportation / freight corridors
- Available industrial park land, some shovel ready
- Availability of community / regional economic development loan programs
- Manufacturing associations
- Skilled workforce
- Low cost of living
- Strong international manufacturing base
- Growing business and industry diversity
- Regional clusters including manufacturing, food processing and agriculture
- Good road and rail infrastructure
- Productive employees and work ethic

**W**eaknesses
- Lower wages than other areas of the state
- Lack of workforce housing
- Lack of venture capital
- Regional branding
- Regional broadband speeds
- Geographic pockets lack rail access
- Shortage of business incubator / accelerator space

**O**pportunities
- Centrally located within the nation, proximity to Canada
- Surplus of renewable energy options - solar, wind and biomass
- Opportunities to grow a sustainable regional economy
- Creation of equity / venture capital programs
- Business incubator / accelerator
- Willing funding partners from the private sector
- Skilled economic developers in the region
- Strong workforce training opportunities
- Broadband expansion programs from strategic partners
- UAS development

**T**hreats
- Higher wages offered in other regions
- The "Brain Drain" of high school graduates
- Lack of technical education opportunities in schools
- Freight distance to regional population and transportation centers
- Business ownership and aging employee succession planning
- Lack of business training for entrepreneurs
Community Resources

**STRENGTHS**
- Community support for comprehensive planning
- Strong strategic partners and support of community and economic development
- Good schools and colleges in the region
- Strong medical facilities
- Ag-centric land use along with tourism opportunities
- Proximity to regional and international cultural centers

**WEAKNESSES**
- Areas of blight and poverty in some small towns
- Lack of broadband internet in certain geographic areas
- Water/wastewater funding for small communities
- Distance/commute times to work and culture
- Shortage of childcare

**OPPORTUNITIES**
- Tourism - birding, hunting/fishing, ag tourism, unique biome diversity
- Healthy communities/active living/elder-friendly
- Wide open rural setting
- Buildable space and infill options
- Opportunities to expand broadband access
- Committed strategic community and economic development partners
- Opportunities for business and housing diversification

**THREATS**
- Lack of funding for crucial projects
- Old & decaying infrastructure
- Universal acceptance of change
- Energy needs in an uncertain future
- Natural hazards/weather/natural resource depletion, etc.

Foundational Assets

**STRENGTHS**
- Strong schools
- University of Minnesota - Crookston
- Northland Community and Technical College - Thief River Falls and East Grand Forks
- Critical access healthcare facilities
- Recreational amenities
- Land/open space/ag
- Shovel ready industrial property
- Entrepreneurial/innovative manufacturing
- Transportation infrastructure - roads, air, rail
- Natural resources - water, clean air, etc.

**WEAKNESSES**
- Broadband/internet infrastructure is not equitable spread across region
- Shortage of housing opportunities for all - workforce, seniors, families, students
- Aging population
- Diminishing rail infrastructure for freight
- Commercial building rehab/blight
- Downtown redevelopment in smaller communities
- Shortage of childcare opportunities

**OPPORTUNITIES**
- Local foods expansion
- Industry cluster marketing
- Regional branding
- Broadband expansion assistance programs
- Develop public/private partnerships
- Shared local resources/intergovernmental cooperation
- Career technical advancement with schools and colleges
- College's customized training for private sector
- Housing rehabilitation/commercial rehabilitation

**THREATS**
- Disparity in school funding
- Lack of skilled workforce
- Lack of child care center opportunities
- Diminished grant opportunities from government and others
- State government funding decreased
- Lack of housing opportunities for all sectors
- Market variability for agriculture production
- Natural disasters - spring flooding and storms