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Appendices
A. List of potential local projects

2017 CEDS Strategy Committee
I. Adjustment to the Strategy

The region’s new five-year Comprehensive Economic Development Strategy (CEDS) was officially adopted in late December, 2016. Since that time the region’s economy has continued to perform at a moderate rate of growth. We have not seen any dramatic changes happen in the past twelve months that would warrant a material change to the strategy.

II. Report on Economic Development Activities

The Region has been actively working to implement our regional CEDS is past year. Examples of this include:

Regional Child Care Capacity Building Summit

As part of our work program in the recently approved Regional Five-Year Comprehensive Economic Development Strategy (CEDS), the ECRDC facilitated a Regional Child Care Capacity Building Event on Monday, March 20th from 7:00 PM – 9:00 PM at Pine Technical & Community College in Pine City. Speakers covered topics such as related demographics and statistics, the Small Business Development Centers, small business revolving loan funds, success stories from in-home child care providers, non-profit child care centers, child care training and other programs from Pine Technical & Community College, and child care licensing.

Regional Tourism Business Resource Summit

As part of our work program in the recently approved Regional Five-Year Comprehensive Economic Development Strategy (CEDS), the ECRDC facilitated a Regional Tourism Business Resource Summit on Monday, April 17th from 7:00 PM – 9:00 PM at City Hall in Wahkon. Speakers covered topics such as an update from the Mille Lacs Area Tourism Council, related demographics and statistics, the Small Business Development Centers, small business revolving loan funds, assistance from Explore Minnesota Tourism, Hospitality Minnesota and tourism success stories.
Regional Financial Resource Summit

The ECRDC facilitated a Regional Financial Resource Summit on Wednesday, Sept 27th at Spring Brook Golf Club in Mora. The goal of the event was to connect businesses, lenders, elected officials, economic developers, accountants and attorneys with resources available to assist businesses in our region. Speakers included Luke Greiner with DEED (Labor Market Analyst), Greg Bergman with the Small Business Development Center, Bob Isaacson with DEED Business Finance, Tom Osborne with the SBA, David Wittwer with USDA Rural Development, Denis Griffin with the Export / Import Bank of the US, Sandy Voigt with NCEDA presenting on Gap Lenders and Rebecca Perrotti with CMJTS presenting on Technical Assistance Providers. The keynote speaker was Ron Wirtz with the Federal Reserve Bank of Minneapolis. Approximately 60 people attended this event.

Federal Reserve Bank of Minneapolis Meeting

Prior to the Regional Financial Resource Summit, keynote presenter Ron Wirtz with the Federal Reserve Bank of Minneapolis met with approximately 10 business leaders from across our region to take the temperature of the business economy in our region. Mr. Wirtz’s boss, Neel Kashkari, President of the Federal Reserve Bank of Minneapolis, sits of the Fed’s Federal Open Market Committee, which sets benchmark interest rates in the United States.

Mille Lacs Lake Area Economic Relief Loan Program

The ECRDC is assisting Mille Lacs County, grantee of MN DEED, in providing technical assistance, primarily loan closing work, to businesses in Mille Lacs, Crow Wing and Aitkin Counties distressed by the downturn in walleye numbers in Mille Lacs Lake. Approximately 32 loans have been closed to date, with several others anticipated to close before the end of 2017.
EDA Visit / Peer Review

The US Dept. of Commerce / Economic Development Administration (EDA) staff visited the East Central Regional Development Commission (ECRDC) on January 12th to conduct their biannual Peer Review. No deficiencies were found and EDA staff were pleased in the ECRDC’s performance. Lee Shirey of the EDA, and Donn Winkler – Executive Director of the Mid Minnesota Regional Development Commission in Willmar conducted the peer review. Also in attendance was Karen Amundson – ECRDC Commission Member and Chair of the CEDS Strategy Committee and Dr. Robert Musgrove – RLF Board Member and Pine County Economic Development Coordinator.

EDA

The ECRDC’s 2014 – 2017 Partnership Planning Grant expired at the end of March. Our application for a new Partnership Planning Grant for 2017-2020 was submitted, but we have not heard back from EDA as of yet. As part of our 2014-2017 EDA Partnership Planning Grant, the ECRDC submitted our CEDS Annual Progress report in March.

Sandstone Medical Campus

A ribbon cutting and open house was held on May 9th at the new medical campus in Sandstone. This project received approximately $2.3 million from the Federal EDA through the ECRDC’s CEDS program for infrastructure. Several related businesses have already located and opened in this medical park, all made possible with the financial assistance of the US Department of Commerce / Economic Development Administration.

EDA Visit

On May 31, 2017, Messrs. Darrin Fleener and Duggan Salley visited the region to inspect the Pine Innovation Center on the Campus of Pine Technical & Community College in Pine City. This facility was supported by an award from the US Department of Commerce / Economic Development Administration approximately four years ago. While in the region, these honored guests also reviewed the sites of two potential applications to the EDA for assistance.
Quarterly Administrators / Developers Meeting

The ECRDC facilitates clerks / administrators and developers luncheons approximately quarterly. These meetings serve a variety of purposes; we typically have presenters that educate attendees on economic and community development topics, they forge and maintain relationships with our local units of government, as well as provide a networking opportunity to share best practices and form connections.

Figure 8- On April 14, 2017, Steve Simon- MN Secretary of State presented on Business Filings. Also present was Kylle Jordan on DEED’s business financing programs.

Figure 9- January 13, 2017 Quarterly Administrators / Developers meeting.

Left: On January 13, 2017, the group met to hear presentations on business financing programs from Brad Brzezinski with the MN Department of Employment & Economic Development, as well as from Bob Kill with Enterprise Minnesota.

Right: At the September 15, 2017 meeting DEED’s Hillary Friend presents on the Small Cities Development Program grant opportunities. Also presenting at this meeting was Matt Varilek, President of the Initiative Foundation, Chinwe Ngwu – MN DEED’s MN Investment Fund, and Jeremy LaCroix on the TED / TEDI Program.
Revolving Loan Fund (RLF)

The ECRDC RLF has been quite active in 2017. The RLF Board has approved and closed on two loans to date in CY 2017, one to KMS Properties - a local printing business in Princeton that is opening a new location in Cambridge, as well as Bear Creek Bar & Grill in Cloverdale.

In an effort to market the RLF, RLF Board Members and Staff periodically “Barnstorm”, which is quick, unannounced stops at banks, credit unions and city halls. We do this to inform these folks about the RLF, generate RLF applicants, create and reinforce relationships with these key folks, and garner feedback on the local economy.
Quamba Comprehensive Plan

ECRDC Staff are assisting the City of Quamba with developing their new Comprehensive Land Use Plan and Zoning Ordinance. Their Comprehensive Plan was adopted in early July, 2017, and we anticipate their Zoning Ordinance to be completed and adopted in early 2018.

The Quamba Planning Commission meets with Heidi Steinmetz – Kanabec County Economic Development Director (2nd from right) and ECRDC Executive Director Robert Voss (right) to discuss economic development goals for the community.

Misc.

The ECRDC published a Regional Business Assistance Directory, available free-of-charge to anyone interested on our website: www.ecrdc.org. This directory can help would be entrepreneurs, business owners and anyone interested in supporting our region’s business community to financial resources, technical assistance providers, local units of government and elected officials. The ECRDC Staff accomplished the following:

- Participated in monthly meetings of GPS 45:93, a regional public/private economic development focused nonprofit. Focuses this year include broadband internet and workforce development.

- Presented on EDA, Economic Development and Revolving Loan Fund programs to a variety of Chambers, City Councils, Chambers, County Commissions and other interested groups in 2017, including: the North 65 Chamber, North Branch EDA, Sandstone Area Chamber, Pine County Lenders, the Isanti Mayor’s Business Appreciation Luncheon, Chisago County Board of Commissioners, Isanti County Board of Commissioners and EDA, Kanabec County Board of Commissioners and EDA, Mille Lacs County Board of Commissioners, and the Pine County Board of Commissioners.

- Focused on connecting local units of government, elected officials, lenders, and strategic regional partners focused on economic development to resources available to assist entrepreneurs and strengthen the local business economy. ECRDC staff regularly sends emails to the above-mentioned people on trainings, grant opportunities, webinars, financing opportunities and more, as well as publish these on the ECRDC Facebook® and Twitter® pages for interested parties to learn about.
• Volunteered to review competitive grant applications for the MN Department of Employment & Economic Development on September 28th in St. Paul.

• Participated in the MN Marketing Partnership meetings in March, June, September, and December.

• Helped facilitate and attended quarterly MADO Economic Development Planners meetings.

• Assisted with two potential EDA Infrastructure Grant applications.

III. Evaluation of Progress on Implementation and Goals

While the region’s new five-year CEDS is barely one year old, implementation has begun in full force. In an effort to meet the need for childcare in our region, the ECRDC facilitated a Child Care Capacity Building Summit on March 20th at Pine Technical and Community College in Pine City. We also facilitated a Tourism Business Resource Summit on April 17, 2017, and held a Financial Resource Summit on September 17, 2017. For more information on these events, please see Section II of this document.

Population

The Minnesota Economic Development Region designated as “7E” included five counties: Chisago, Isanti, Kanabec, Mille Lacs and Pine Counties. Region 7E was home to 164,343 people in 2016, which is approximately 3% of the State of Minnesota’s population. The region saw over a 20% increase in population between 2000 and 2016, one of Minnesota’s quickest growing non-metro regions.

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<tbody>
<tr>
<td></td>
<td>2000 Number</td>
<td>2016 Percent</td>
<td></td>
</tr>
<tr>
<td>Region 7E</td>
<td>136,244</td>
<td>164,343</td>
<td>+28,099</td>
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<tr>
<td>Chisago Co.</td>
<td>41,101</td>
<td>54,748</td>
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<td>Isanti Co.</td>
<td>31,287</td>
<td>39,025</td>
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<td>Kanabec Co.</td>
<td>14,996</td>
<td>15,830</td>
<td>+834</td>
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<td>Mille Lacs Co.</td>
<td>22,330</td>
<td>25,866</td>
<td>+3,536</td>
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<td>Pine Co.</td>
<td>26,530</td>
<td>28,874</td>
<td>+2,344</td>
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<td>Minnesota</td>
<td>4,919,479</td>
<td>5,519,952</td>
<td>+600,473</td>
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Source: U.S. Census Bureau, Population Estimates
### Labor Force

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<tbody>
<tr>
<td>16 to 19 years</td>
<td>5,013</td>
<td>3,974</td>
<td>-1,039</td>
<td>-20.7%</td>
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</tr>
<tr>
<td>20 to 24 years</td>
<td>10,158</td>
<td>10,253</td>
<td>+96</td>
<td>+0.9%</td>
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<tr>
<td>25 to 44 years</td>
<td>30,532</td>
<td>32,600</td>
<td>+2,068</td>
<td>+6.8%</td>
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</tr>
<tr>
<td>45 to 54 years</td>
<td>17,830</td>
<td>15,600</td>
<td>-2,230</td>
<td>-12.5%</td>
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<tr>
<td>55 to 64 years</td>
<td>16,696</td>
<td>12,893</td>
<td>-3,804</td>
<td>-22.8%</td>
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<tr>
<td>65 to 74 years</td>
<td>4,321</td>
<td>5,648</td>
<td>+1,327</td>
<td>+30.7%</td>
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<tr>
<td>75 years &amp; over</td>
<td>709</td>
<td>1,052</td>
<td>+343</td>
<td>+48.5%</td>
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</tr>
<tr>
<td><strong>Total Labor Force</strong></td>
<td><strong>85,259</strong></td>
<td><strong>82,021</strong></td>
<td><strong>-3,238</strong></td>
<td><strong>-3.8%</strong></td>
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*Source: calculated from Minnesota State Demographic Center population projections and 2011-2015 American Community Survey 5-Year Estimates*

Data shows that the age composition of the workforce will see a significant shift over time, with a steady gain in the number of workers aged 20 to 44 years and big gains in workers aged 65 years and over, against a huge decline in the number of workers aged 45 to 64 years – where the region may lose about 6,000 workers from 2020 to 2030. In comparison, the region is expected to gain over 1,600 workers aged 65 years and over, and about 2,200 workers from 20 to 44 years of age, but also a lost of more than 1,000 teenagers. The 25 to 54 year old age group will still be the largest part of the labor force. These changes will likely lead to a tight labor market in the future, with employers needing to respond to the changing labor force availability.

ECRDC Staff continues to monitor the benchmark indicators of the region's economic health, and gives quarterly reports to our CEDS Strategy Committee and bi-monthly reports to the district’s CEDS Governance Board. Our CEDS Strategy Committee meets often to review and discuss these indicators as well, and actively reviews our region’s strategies with any eye towards modifying our work plan, when necessary.
IV. Schedule of Goals for Next Year

These goals have been developed to align with the Statewide Development Plan, DevelopMN. These goals for the region have been divided into four pillars; Human Capital, Economic Competitiveness, Community Resources and Foundational Assets.

**Human Capital**

- **Goal:** Expand broadband internet penetration within our region
- **Goal:** Promote workforce development opportunities within our region

**Economic Competitiveness**

- **Goal:** Grow existing businesses through Business Retention & Expansion (BR&E) visits
- **Goal:** Work to keep businesses located in our region by promoting the idea of business succession planning.
- **Goal:** Diversify and strengthen the regional business community
- **Goal:** Operate our regional EDA Revolving Loan Fund (RLF)

**Community Resources**

- **Goal:** Capitalize on our region’s natural setting by promoting the tourism industry
- **Goal:** Strengthen our network of partners and promote workforce training.

**Foundation Assets**

- **Goal:** Expand broadband internet penetration within our region
- **Goal:** Expand housing (workforce, student, etc.) opportunities in our region
- **Goal:** Work to promote and strengthen the region’s transit and transportation infrastructure
- **Goal:** Be the “Go-To” resource for economic development in our region.
V. Hazard Mitigation and Resiliency Analysis

All five of the counties in Region 7E (Chisago, Isanti, Kanabec, Mille Lacs and Pine) have updated the Hazard Mitigation/Disaster Preparedness Plans, or are in the final steps of doing so.

Hazard mitigation is defined as: “sustained action taken to reduce or eliminate the long-term risks to human life and property from hazards” (Local Mitigation Planning Handbook, March 2013). Examples include mitigating flood-prone areas, raising the public's awareness on the risk of local hazards, and implementing projects to protect critical facilities, such as hospitals, emergency operation centers and public utilities.

Hazard Mitigations Plans are designed to accomplish the following:

- Protect public safety and prevent the loss of life and injury;
- Prevent or reduce damage to development;
- Protect a community’s economic, cultural, and environmental assets;
- Minimize operational downtime and accelerate the recovery time of government, business, and people after disasters;
- Reduce the costs associated with disasters; and
- Help create sustainable communities by leveraging capital investments, improving infrastructure, and enhancing the resiliency of natural resources and the local economy.