Comprehensive Development Strategy for Greater Minnesota
The DevelopMN Plan

This plan is the result of a collaborative effort of the members that make up the Minnesota Association of Development Organizations (MADO). It was developed in order to align strategic economic development efforts throughout Greater Minnesota, and leverage resources at all levels for a greater overall development impact.

The beginning of the 21st century presents a number of challenges and opportunities to communities in rural Minnesota as they chart their economic future. Minnesotans live in an economy that is now driven by innovation demands, necessitating an environment that nurtures its talent and workforce, supports entrepreneurship and creates communities that can support both. In order for rural Minnesota to succeed, there is need for a strong, collective and credible voice that can create and move forward an economic agenda at the local, state and federal levels. MADO members are committed to providing that collective leadership for rural Minnesota.

DevelopMN creates a common framework for regional economic development, and identifies strategies to address the special challenges and opportunities of Greater Minnesota. This initiative will enhance and support economic development efforts on all levels and engages local, regional, state and federal partners. Collectively, MADO and partners will raise the bar on what constitutes effective rural economic development in Minnesota.

DevelopMN as Statewide Community Development

The primary goal of this development strategy for Greater Minnesota is strengthening communities. By expanding the diversity of job opportunities, providing access to safe and affordable housing, and developing employment training that meets the needs of businesses, DevelopMN builds on regional strengths and fosters vibrant, healthy communities. Stronger communities include more stable social infrastructure that supports the full range of opportunities for healthy families including education and the arts. Preserved and protected natural resources also help strengthen communities.

To accomplish all of this, there needs to be opportunities for businesses and individuals to create, develop and expand. These range from providing educational opportunities for employees to become skilled workers that meet the emerging needs of businesses, to offering financing options that support sustainability, diversity and expansion. And finally, strong businesses need a well-developed and maintained infrastructure, including water, sewer, communications and transportation systems.

A Rural Economic Development Collaborative

While DevelopMN was created through a collaborative effort of the 10 Minnesota Regional Development Organizations (RDO), the RDOs will partner with a host of local, regional, state and federal partners for the plan’s implementation. In fact, many of the initiatives listed here are already priorities for some of these partners, and it is through these collaborations that meaningful economic change will continue throughout rural Minnesota. The non-RDO areas of the St. Cloud Quad Counties and the 11 counties of Southeastern Minnesota were able to participate in this process to ensure their areas had representation and a voice in this project.
Introduction

Acknowledgments

MADO would like to thank all of the individuals and organizations who have given their time to share their vision for Greater Minnesota. It was a unique regional collaboration that brought together many team members to make this document possible. MADO would also like to specifically thank the following organizations for their significant financial contributions to the plan development:

- Bush Foundation
- Blandin Foundation
- Minnesota Department of Employment and Economic Development

A Vision for Greater Minnesota

Greater Minnesota will have attractive communities with outstanding place-based amenities and will encourage innovation, attract and retain a talented workforce, and provide economic opportunity for all.

What is MADO?

Minnesota Association of Development Organizations (MADO) is comprised of 10 Minnesota Regional Development Organizations (RDOs) whose purpose is to promote and create economic prosperity in Greater Minnesota. This is accomplished through alignment of a strong network of RDOs, the communities they serve, and the federal and state agencies that share their commitment.
The beginning of the 21st century presents a number of challenges and opportunities to rural Minnesota as it charts its economic future.

An economy driven by innovation demands an environment that nurtures its talent and workforce, supports entrepreneurship and creates communities that can support both. In order for rural Minnesota to succeed, there needs to be a strong, collective and credible voice that can create and move forward an economic agenda at local, state and federal levels. MADO members are committed to working on key issues in rural Minnesota as identified in this document.

Greater Minnesota has significant economic opportunities across the state. Regions throughout Greater Minnesota share many assets and challenges, but lack the intentional alignment needed to take advantage of shared priorities and maximize the use of resources. This lack of alignment has led to a limited voice in creating effective development policy based on regional priorities.

In 2012, MADO began working on a Greater Minnesota development strategy, which was named “DevelopMN.” DevelopMN establishes the strategic framework for coordinated action by MADO, the communities they serve and the federal and state agencies that share their commitment. In this spirit, MADO strives to promote and create economic prosperity in Greater Minnesota through alignment of a strong network of Regional Development Organizations.

PROCESS

MADO met regularly over a two-year period to create DevelopMN, and collected, reviewed and analyzed information from a variety of sources.

- The Department of Employment and Economic Development (DEED) and the University of Minnesota Extension provided data on current economic conditions, housing, population and social conditions in Greater Minnesota.
- MADO met with state and local economic development organizations, philanthropic foundations, local governments, state and local elected officials, the business community, educational institutions and members of the public to review and discuss issues and opportunities.
- MADO synthesized the 10 Comprehensive Economic Development Strategies that were developed by each of the Economic Development Districts.
- MADO reviewed best practices for economic development from the U.S. Economic Development Administration (EDA), the National Association of Development Organizations (NADO) and examples of statewide comprehensive plans compiled in other states.
- Economic resiliency—defined as an area’s ability to prevent, withstand and quickly recover from major disruptions (i.e., ‘shocks’) to its economic base—is a key element to ensuring and preserving regional economic prosperity. While it is an important enough element to be identified as its own cornerstone, the approach recommended is that economic resiliency strategies be a consideration for carrying out the work identified in all four cornerstones. While not called out further in the document, it is implied that economic resiliency is a component of all activities associated with economic development in Greater Minnesota.
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
- Economic Competitiveness
- Community Resources
- Foundational Assets

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.

**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.
LABOR FORCE

Call to Action
As Greater Minnesota’s economy recovers to pre-recession levels, it is confronted with the challenge of meeting the hiring and skills needs of employers. The labor force for Greater Minnesota’s businesses has declined four years in a row (2011-2014). Demographics suggest labor force availability will be a more serious concern in the future.

Context
Labor force participation is the proportion of people ages 16 and older who are either working or seeking work. Students, homemakers, retired individuals and others not looking for work do not count as participating in the labor force.

Greater Minnesota’s labor force peaked at 1,345,402 workers in 2010. While the prime labor force aged 25-54 is projected to decline by 1.4% statewide through 2025, Greater Minnesota’s prime labor force aged 25-54 is projected to decline by 5.2% during the same period.

SMART Goal
Increase labor force participation by 2% by 2021.

Strategies
1. Align education and workforce development to meet current and future skill needs of employers.
2. Expand the participation of mature workers to make up for the shortage of new workforce entrants.
3. Increase childcare options to assist parents in joining the workforce.
4. Advance credit-based apprentices, internships, and on the job training as a workforce development solution.

EDUCATIONAL ATTAINMENT

Call to Action
As the size of Greater Minnesota’s workforce is projected to decline, increased worker skills will be critical to improving productivity and growing the economy.

Context
The percentage of Greater Minnesota’s population aged 25 and over that have earned a bachelor’s degree or higher is 28%, compared to 39% statewide.

SMART Goals
1. 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.
2. Increase the percentage of residents aged 25-44 with a bachelor’s degree or higher to 39% by 2025.

Strategies
1. Build and improve career technical education opportunities for high school students interested in careers as skilled tradespeople.
2. Create local talent retention and attraction programs.
3. Embrace emerging populations through targeted educational programs.
4. Create and sustain vibrant and healthy communities that attract and retain residents.
ENTREPRENEURSHIP AND INNOVATION

Call to Action
Greater Minnesota must embrace innovation, calculated risk-taking and entrepreneurship in order to compete effectively in the global economy.

Context
The Stats America Innovation Index compares regional performance to state and U.S. performance. It is calculated from four component indexes: human capital, economic dynamics, productivity and employment, and economic well-being.

With 100.0% representing the national average, Greater Minnesota ranks 91.8% on the Stats America Innovation Index and the State of Minnesota ranks 105.8%.

SMART Goal
Improve Greater Minnesota’s rank on the Stats America Innovation Index from 91.8% (Greater MN) to the National Average 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.

SMALL BUSINESSES GROWTH

Call to Action
Small businesses, especially those in rural areas, have more limited access to capital than larger businesses. This includes government economic development programs. In order to prosper, Greater Minnesota’s small businesses must have access to more public and private funding.

Context
74% of businesses in Greater Minnesota have less than 10 employees and 96% have fewer than 50 employees. Research shows that as much as 80% of job growth in a community comes from existing businesses.

SMART Goal
Increase the number of capital investments programs available to Small and Medium Enterprises (SME, small is considered 20 or fewer employees, medium is considered 21-50 employees) to allow growth and job creation for the majority of Greater Minnesota businesses.

Strategies
1. Build a statewide resource of capital programs by eligibility and stage.
2. Utilize public-private partnerships to facilitate increased SME business lending.
3. Establish new business programs to fill gaps in the capital market.
4. Fully fund regional Small Business Development Centers at the state level.
5. Expand and improve technical assistance for growers and producers.
SOCIAL CAPITAL

Call to Action
Residents must act together to meet challenges, improve their communities and transform their communities for the better. This can happen if residents believe that their civic participation, as an individual or as part of a larger group, can have an impact.

Context
MN Compass asked people throughout the state to rate the following statement: “When there is a problem in your community, people get together and work on it.” In Greater Minnesota, respondents answered:

- 52.5%: “That is a lot like my community,”
- 35%: “That is a little like my community,”
- 12.4% “That is not like my community.”

SMART Goal
Based on MN Compass data, reduce the percentage of respondents who feel that people working together on community problems “is not like my community” by 5% by 2025.

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 programs in private, public and nonprofit organizations.

ARTS AND CULTURE

Call to Action
Arts, culture and placemaking contribute to the vibrancy of Minnesota’s economy and quality of life.

Context
According to the Minnesota Department of Employment and Economic Development (DEED), arts industry jobs in Minnesota increased 5.7% from 2004-2014. Greater Minnesota has a slightly smaller concentration of employment in arts, entertainment and recreation than the Twin Cities; though in both cases, it is less than 2% of total jobs. Greater Minnesota has 18,907 arts-related jobs, comprising 1.7% of total employment; compared to 30,601 jobs in the Twin Cities, which is 1.9% of total jobs. Greater Minnesota also saw job declines, while the Twin Cities saw gains in this sector.

SMART Goal
Increase employment in the arts industry in Greater Minnesota by 5% by 2021.

Strategies:
1. Utilize arts-based placemaking to improve downtowns and public spaces.
2. Connect artists with resources they need to make a living and life in Greater Minnesota.
3. Expand existing and create new artist-in-residence programs.
4. Support and enhance arts and culture efforts through an increase of Legacy Act investments in Greater Minnesota.
TOURISM

Call to Action
The leisure and hospitality industry is a leading producer of jobs in Greater Minnesota. Communities across the state consider tourism to be an essential industry for economic development, and actively promote the state’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 Greater 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.

Travel and tourism in Minnesota generate $13 billion in gross sales in 2013 and 250,000 full- and part-time jobs.

SMART Goal
Increase visitor spending in Greater Minnesota by 5% by 2021.

Strategies
1. Keep Minnesota travel experiences fresh and current by creating new outdoor recreation, arts and cultural heritage experiences and amenities.
2. Develop career paths in the tourism industry to attract and keep younger employees while staying competitive in pay and benefits to attract and retain employees.
Community Resources
Cornerstone

NATURAL RESOURCES

Call to Action
Greater Minnesota is fortunate to have an abundance of natural resources that are essential to the state’s economy. As Minnesota continues to grow, strain on natural resources is on the rise, putting pressure on stakeholders to adapt. Minnesota must solve multiple threats from groundwater overuse and contamination, invasive species, decline of natural areas, exploitation of natural resources and a loss of species.

Context
In 2011, hunters, anglers and wildlife watchers contributed $3.8 billion to Minnesota’s $12.5 billion tourism economy, and accounted for one-fifth of the state’s tourism jobs.

Minnesota’s natural resources provide 342,000 agricultural, 62,400 forest products, 11,000 mining and 47,900 fishing/hunting related jobs. More than 200,000 jobs are attributable to the tourism industry.

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 renewable energy or energy efficiency initiatives.

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 (land, water, air) tourism, and flora/fauna tourism.
2. Generate comprehensive plans that address biodiversity, watersheds, wetlands, critical habitats, grasslands, agriculture, minerals, forest habitat and migration corridors in the planning process.
3. Develop land-use objectives that balance economic competitiveness/resilience with human well-being and natural amenities preservation.
4. Identify policies and procedures to understand how invasive species enter ecosystems, and focus efforts on their reduction or elimination.
5. Support and enhance stronger conservation efforts across all natural resources through an increase of Legacy Act investment in Greater Minnesota.
WATER QUALITY

Call to Action

Minnesota’s water resources are world-renowned and a leading indicator of the state’s overall economic health. Demand for water resources is increasing due to a growing population, agricultural and manufacturing utilization, increased urbanization and recreational activities.

Context

Minnesota’s water resource is becoming more important as the state grows. Ground water use was 300 billion gallons in 2012 and is increasing by an average of 3 billion gallons per year across the state. During 2012, the Minnesota Pollution Control Agency had 512 additions to their impaired waters list of about 3,645 listings, while only delisting thirteen.

SMART Goal

Improve water quality by ensuring Greater 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 state.

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 enjoyment.

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

3. Identify policies and procedures to understand how invasive species enter water-based ecosystems and focus efforts on their reduction or elimination.
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.

TRANSPORTATION

Call to Action
Economic growth 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 Greater Minnesota, county and state highways are a 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 Greater Minnesota’s fair quality-rated roadways in the next 20 years. This includes arterials and collectors under both state and local jurisdictions.

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 state and local units of governments to use all available options that increase transportation funding.
4. Standardize baseline ranking and project prioritization throughout the state.
5. Prioritize transportation projects that connect regional economic hubs.
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 13 communities in Greater Minnesota have this designation: Bemidji, Crosby, Duluth, Fargo-Moorhead metropolitan area, Fergus Falls, Frazee, Grand Marais, Grand Rapids, East Grand Forks, Greater Mankato, Hutchinson, Rochester and Winona.

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. Greater Minnesota communities that have adopted a Complete Streets policy include: Rochester, Albert Lea, Duluth, Byron, Stewartville, Big Lake, Fargo-Moorhead Metropolitan Council of Governments, Red Wing, Pipestone, Breckenridge, St. Cloud Area Planning Organization, Rochester-Olmsted Council of Governments, Battle Lake, Dilworth, Wilkin County, St. Cloud, Clay County, Otter Tail County, Northfield, Austin, Fergus Falls and Frazee.

SMART Goals
1. Increase the number of communities that have achieved BFC-designated status by League of American Bicyclists.
2. Increase the number of communities that have adopted 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.

TRANSIT

Call to Action
Transit in rural and small urban areas will be increasingly important for access to services. Greater Minnesota must decide what needs their rural transit systems must meet 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.

Smart Goal
Increase the level of service of Greater Minnesota’s transit system by 2021.

Strategies
1. Work to ensure that long-range public transit policy decisions in Greater 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.
WATER-WASTEWATER INFRASTRUCTURE

Call to Action
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. There are 297 cities listed statewide with total estimated project costs of $1,347,854,296. Of the total estimated project costs, over $800 million are rural projects.

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.
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.

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 and elderly housing shortages, homelessness, and low-quality and 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.
IMPLEMENTATION

The primary purpose of this plan is to align public and private entities around a common vision for Greater Minnesota. DevelopMN is a strategic document that will become that foundation. MADO’s hope is that through this process partners can align work plans across state and local governments, organizations, educational institutions and businesses. As DevelopMN rolls out, MADO will look to a number of state, local and federal partners to implement initiatives and projects that will help accomplish the goals outlined here. MADO will review DevelopMN annually. Each year, MADO will assess progress, identify gaps and modify plans as needed. Lastly, MADO welcomes your participation and involvement. Greater Minnesota is most successful when all are involved. If you have ideas, or comments, please contact your local regional development organization listed on this page, or visit mnado.org for more information.
Support for DEVELOP MN 2016 comes from

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