

Northeast Minnesota Comprehensive Economic Development Strategy 2017 -2022

Table of Contents

INTRODUCTION	2
REGIONAL OVERVIEW	4
SWOT ANALYSIS.....	14
STRATEGIC DIRECTION	17
Human Capital	17
Economic Competitiveness	18
Community Resources	21
Foundational Assets.....	22
ACTION PLAN	26
APPENDIX A: COUNTY INDICATORS	32



The Northeast Minnesota Comprehensive Economic Development Strategy 2017-2022, annual performance reports, and supporting materials can be found online at www.ardc.org/CEDS.

INTRODUCTION

The Arrowhead Regional Development Commission (ARDC) is a multi-disciplined planning and development organization serving the Northeast Minnesota counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis. Regional Development Commissions (RDCs) were established by Minnesota State Statute in 1969. The purposes of the RDCs outlined in the Regional Development Act are to assist in multijurisdictional issues, coordinate resources to meet jurisdictional needs and coordinate planning activities within the specific regions.

The mission of ARDC is to serve the people of the Arrowhead Region by providing local units of government and citizens groups a means to work cooperatively in identifying needs, solving problems and fostering local leadership.

Arrowhead Regional Development Commission (ARDC) is designated by the U.S. Economic Development Administration (EDA) as the planning organization for the Economic Development District (EDD) for Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis Counties of Minnesota. The Comprehensive Economic Development Strategy (CEDS) is required by the EDA to maintain Economic Development District designation for the region and for projects to qualify for EDA assistance. ARDC is responsible for completing a new CEDS every five years and helping develop EDA funding requests for infrastructure, technical assistance, and planning projects consistent with the CEDS.

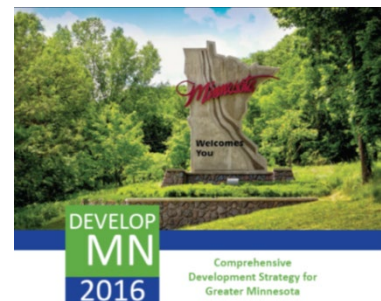
What is the CEDS?

The CEDS is a strategy-driven plan for regional economic development. Economic development planning – as implemented through the CEDS – is not only a cornerstone of the U.S. Economic Development Administration’s (EDA) programs, but successfully serves as a means to engage community leaders, leverage the involvement of the private sector, and establish a strategic blueprint for regional collaboration. The CEDS follows EDA guidelines to focus in on the region’s unique conditions, advantages, and challenges.

The Comprehensive Economic Development Strategy (CEDS) is required by the EDA to maintain Economic Development District designation for the region and for projects to qualify for EDA assistance. Since 1998, EDA has invested almost \$23 million in public works, economic adjustment, and planning grants in Northeast Minnesota leveraging \$31 million in public matching funds to stimulate many millions of dollars in private investment and create private sector jobs in every county in the region.

MADO and DevelopMN

The [DevelopMN Plan](#) is the result of a collaborative effort of the ten Economic Development Districts that make up the Minnesota Association of Development Organizations (MADO). DevelopMN was completed in 2016. It was developed to align strategic economic development efforts throughout Greater Minnesota, and leverage resources at all levels for a greater overall development impact. DevelopMN identified four cornerstones for strong regions and communities that are a template for the organization of the Northeast Minnesota CEDS: Human Capital, Economic Competitiveness, Community Resources, and Foundational Assets.



Human Capital

Developing, retaining and attracting talent are critical for Northeast Minnesota in order to sustain and grow our 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 Northeast 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

Northeast Minnesota communities seek to maintain 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

Northeast Minnesota communities require proactive and collaborative approaches 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 providing for growth opportunities. Foundational assets include aboveground and below-ground infrastructure such as transportation, utilities and water, and broadband.

Stakeholder Involvement and Public Engagement

ARDC identified public and private sector economic and community development leaders throughout the Arrowhead Region to participate in a survey and Strategy Committee meetings focused on developing goals and strategies around the four cornerstones of community and economic health identified by DevelopMN. ARDC promoted the CEDS survey and process at economic and community development meetings in the region. ARDC continued to engage the leaders and the public during a review period of the CEDS. A survey summary and list of all responses to the survey can be found at www.ardc.org/CEDS.

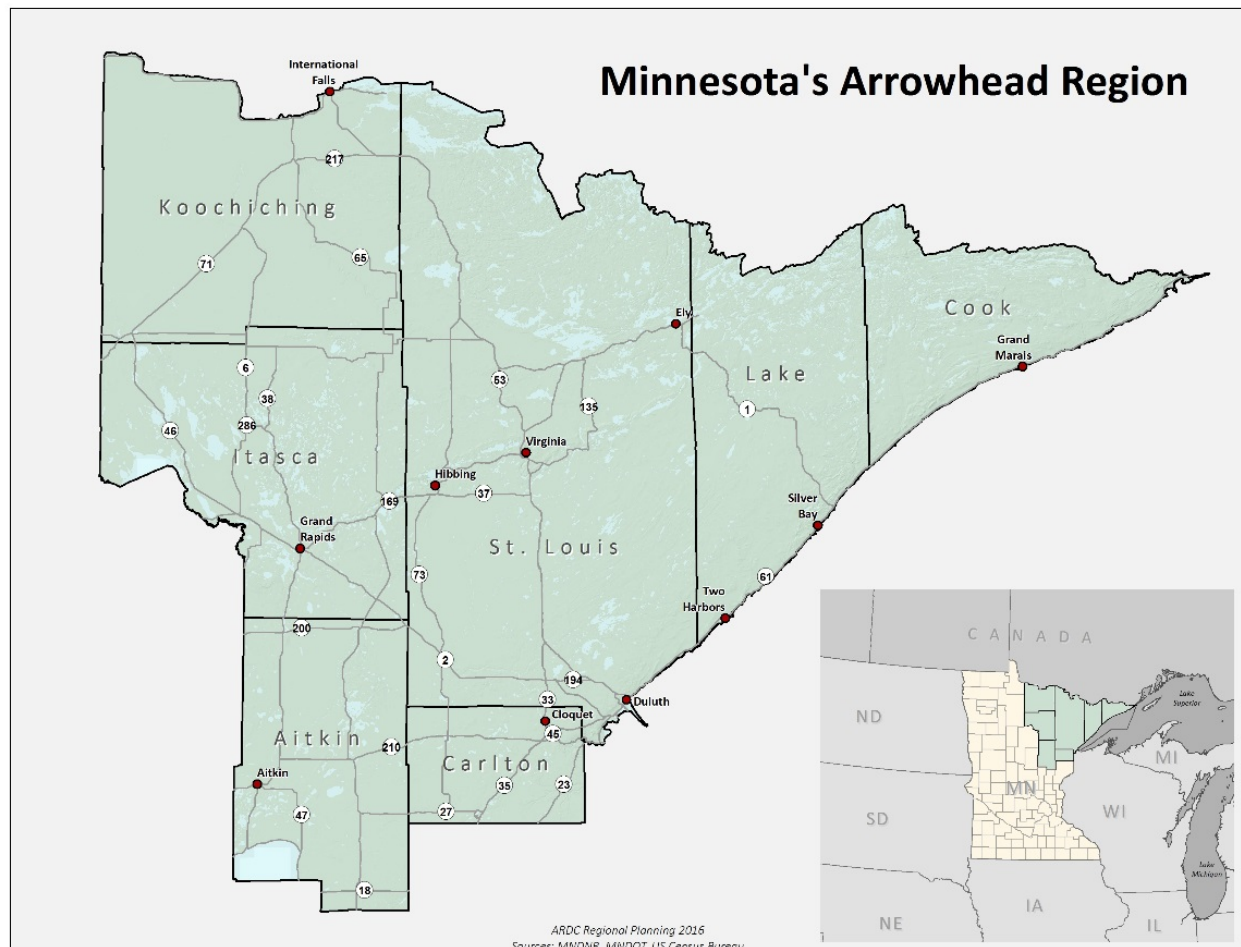
Economic Resilience

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 Northeast Minnesota.

The mission of ARDC is to serve the people of the region by providing local units of government and citizens groups a means to work cooperatively in identifying needs, solving problems and fostering local leadership. ARDC will offer a forum to convene diverse stakeholders and facilitate discussion and planning initiatives around the issues of economic resiliency and preparedness.

REGIONAL OVERVIEW

Northeast Minnesota covers 19,946 square miles, approximately 23% of the state's land area. The region, commonly known as the Arrowhead Region because of the shape its seven counties make on a map, is among the most beautiful and geographically diverse areas of Minnesota. Bordered on the east by Lake Superior and Wisconsin, to the north by Ontario, Canada, it is blessed with a wealth of scenic beauty and natural resources. The landscape is dominated by rivers, lakes, and forests. The traditional economy of the region is built around natural resources while having also developed high quality education, health care and human services. This section provides a quick overview of the region's demographic and economic profile. A larger Minnesota Department of Employment and Economic Development regional profile exploring the Northeast Minnesota labor market, including employment, unemployment, wages, occupations, and industries is available at: <https://mn.gov/deed/data/regional-lmi/northeast-lmi.jsp>





- 63 % of region's land is held in public ownership
- 1 National Wilderness area – BWCAW
- 1 National Park – Voyageurs
- 1 National Monument
- 2 National Forests – Superior and Chippewa
- 19,946 sq. miles
- 23% of state's land area
- 26 State Forests
- 16 State Parks
- 23 County Parks



- 34 school districts
- 2 universities
- 1 private college
- 10 community/technical colleges
- 9 environmental learning centers



- Population (2010 Census): 326, 639
- 57 % of Minnesota's forest land
- 4,621 miles of shoreline
- 43% of Minnesota's peat land
- 25% of Minnesota's lake and river access
- 25% of Minnesota's resorts
- 5 commercial ports
- 13,650 miles of highway
- 2nd largest metro area in the state



- 7 counties
- 70 cities
- 180 townships
- 3 reservations

Population

Northeast Minnesota is home to over 325,000 people. St. Louis County is the largest county in terms of area and is home to over 61% of the region's population. Duluth is the region's largest city, located in southern St. Louis County, has an estimated population of 86,265. With an estimated population of 5,194, Cook County consists of 1.6% of the population within Northeast Minnesota.

Figure 1. Northeast MN Counties by Population

<u>County</u>	<u>2010 Population</u>	<u>2015 Population</u>
Aitkin	16,202	15,702
Carlton	35,386	35,569
Cook	5,176	5,194
Itasca	45,058	45,435
Koochiching	13,311	12,841
Lake	10,866	10,631
St. Louis	200,226	200,431
Region	326,225	325,803
Minnesota	5,303,925	5,489,594

Source: U.S. Census Bureau & 2015 Population Estimate Program

Figure 1. indicates that some models project the Arrowhead region has experienced a .13% decrease in population since 2010 while the State of Minnesota as a whole has experienced a 3.5% increase in population. The region has experienced little population growth this decade, a trend that is expected to

continue. According to the Minnesota State Demographers Office the region is expected to gain close to 5,000 people in the next 10 years, and then lose about 5,000 people over the following 10 years. In comparison, the state of Minnesota is projected to grow by 10.8 percent from 2015 to 2035.

Age

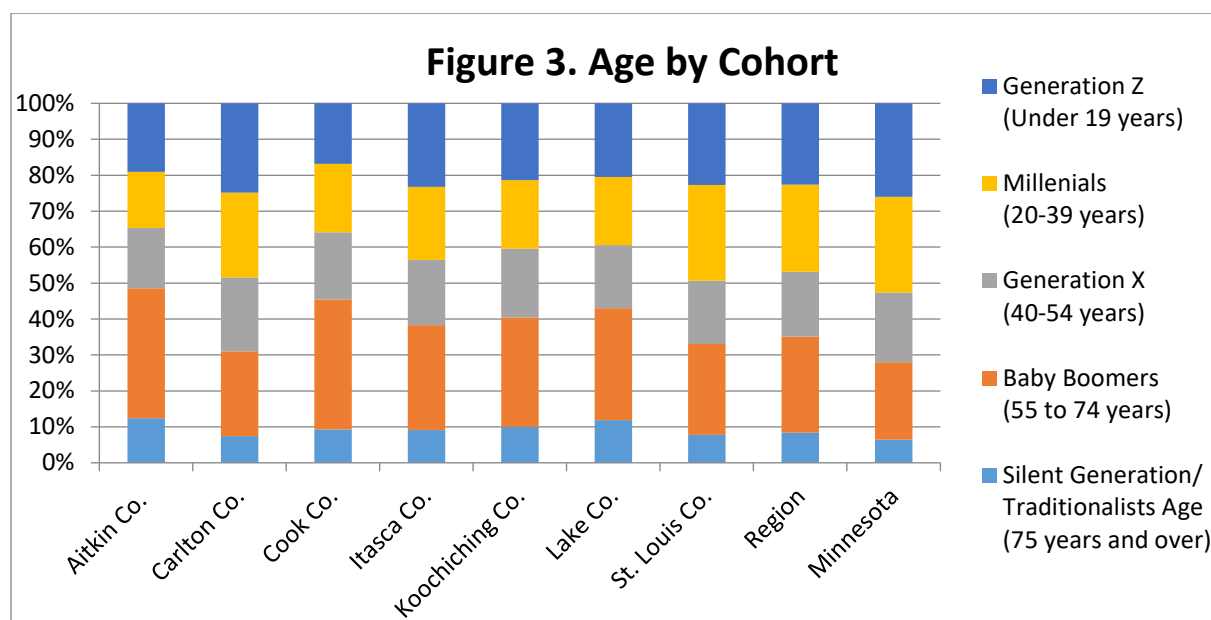
The State of Minnesota has a current median age of 37.7 years, younger than all the counties within Northeast Minnesota. St. Louis County has the lowest median age of 40.9, while Aitkin County has the highest with 53.1.

Figure 2. Northeast MN Median Age by County

<u>County</u>	<u>Median Age</u>
Aitkin	53.1
Carlton	41
Cook	51.3
Itasca	45.9
Koochiching	47.4
Lake	50.2
St. Louis	40.9
Minnesota	37.7

Source: 2015 American Community Survey

The aging population is expected to increase between years 2015-2045. According to the Minnesota State Demographer's Office, age groups 75 years and older are projected to grow. Projections show that the other age groups will remain consistent, neither experiencing much growth or decline, with minor fluctuations to each. The aging population trend will pose significant challenges for businesses, services providers, and community organizations.



Race

Northeast Minnesota is predominately Caucasian (White) consisting of approximately 93% of the population, while the state is 85% White. American Indian is the next largest race in the region at 2.9%, while African Americans are the second largest racial group in the state at 5.2% of the population. Approximately 1.1% of people are of Hispanic or Latino origin in Northeast Minnesota.

Figure 4. Arrowhead Region Race and Hispanic Origin (US Census 2010)

	Region		Minnesota	
	Number	Percent	Number	Percent
Total Population	326,225	100	5,303,925	100%
White	303,396	93.0%	4,524,062	85.3%
Black or African American	3,549	1.0%	274,412	5.2%
American Indian & Alaska Native	9,329	2.9%	60,916	1.1%
Asian	2,205	0.7%	214,234	4.0%
Native Hawaiian and other Pacific	90	0.0%	2,156	0.0%
Some Other Race	649	0.2%	103,000	1.9%
Two or More Races	7,007	2.1%	125,145	2.4%
Hispanic or Latino	3,746	1.1%	250,258	4.7%

Education

Northeast Minnesota features a strong network of primary, secondary, and higher education institutions with excellent secondary technical education programs. There are 34 school districts, ten community and technical colleges, and nine environmental learning centers. The Northeast Minnesota Higher Education District represents the interests of five community colleges and is an important leader in workforce development and economic development.

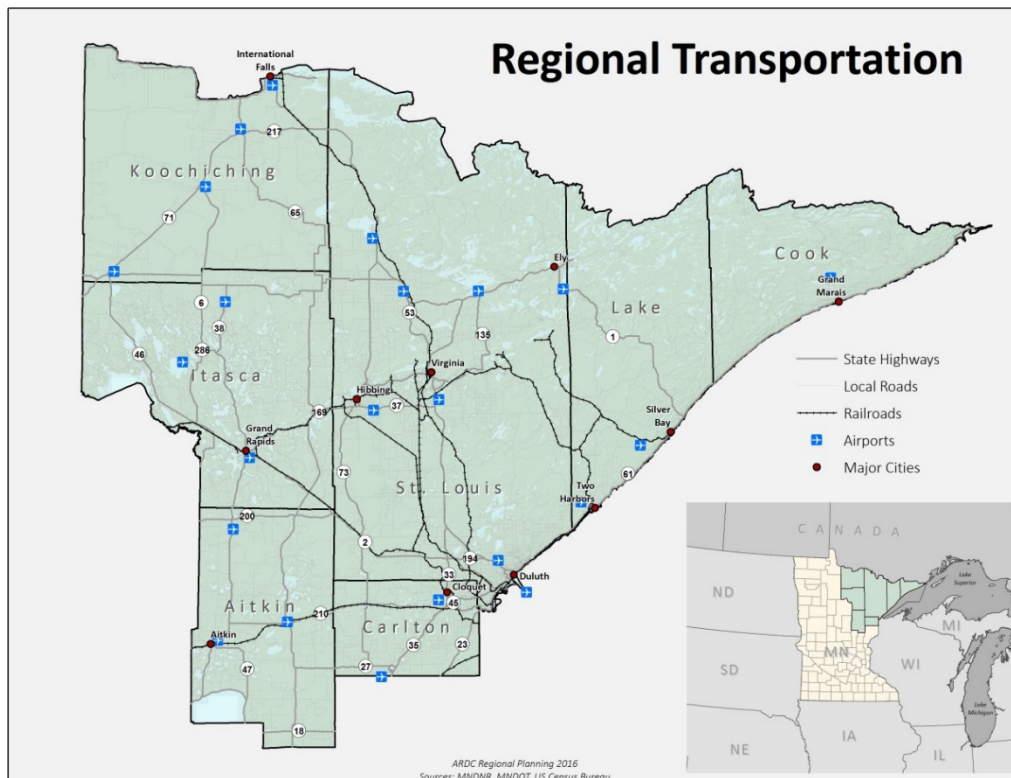
Duluth is home to the four-year private institution, College of St. Scholastica and the University of Minnesota Duluth (UMD). The university houses the Natural Resources Research Institute and other important research and economic development partners. Another four-year institution, the University of Wisconsin-Superior, is found in neighboring Superior, Wisconsin.

Figure 5. Educational Attainment by Age Group (Source: 2014 ACS, 5-Year Est.)

	Northeast Minnesota (%)	Minnesota (%)
25 to 44 Years		
High school graduate (incl. equiv)	94.7	93.3
Associate's Degree	16.1	12.9
Bachelor's and Higher	27.5	38.9
45 to 64 Years		
High school graduate (incl. equiv)	95.2	94.4
Associate's Degree	12.1	11.1
Bachelor's and Higher	24.5	32.3
65 Years & Over		
High school graduate (incl. equiv)	86.4	86.2
Associate's Degree	4.5	4.7
Bachelor's and Higher	20.5	23.9

Transportation & Infrastructure

Transportation has been a cornerstone of the region's economy for over a century. The need to move timber and iron ore from the point of extraction to national markets led to the development of a strong regional transportation network.



There are over 13,500 miles of highway and 920 miles of rail line including four Class 1 railroads in the region. The region's location on Lake Superior and access to the St. Lawrence Seaway connects it to the world. Five commercial ports export taconite, grain, and coal while receiving high value shipments such as machinery, oil and gas drilling equipment, and wind energy system machinery. Incoming shipments are bound for destinations both within the region and across North America.

There are 23 airports within in the region. Three airports: Falls International Airport, Chisholm-Hibbing International Airport, and Duluth International Airport – have scheduled commercial air service. The region's aviation manufacturing industry is centered on the Duluth International Airport.

Additionally, the region is home to a major fiber optics transmission network and has digital switching capacity. However, many rural communities and businesses do not have high speed internet connections that are needed in today's economy.

Economy

In June 2016, the UMD Labovitz School of Business and Economics Bureau of Business and Economic Research completed used IMPLAN to estimate Northeast Minnesota's Gross Regional Product (GRP) at \$14.9 Billion.

Figure 6. Contribution to Gross Regional Product, by Sector (in Billions of USD)

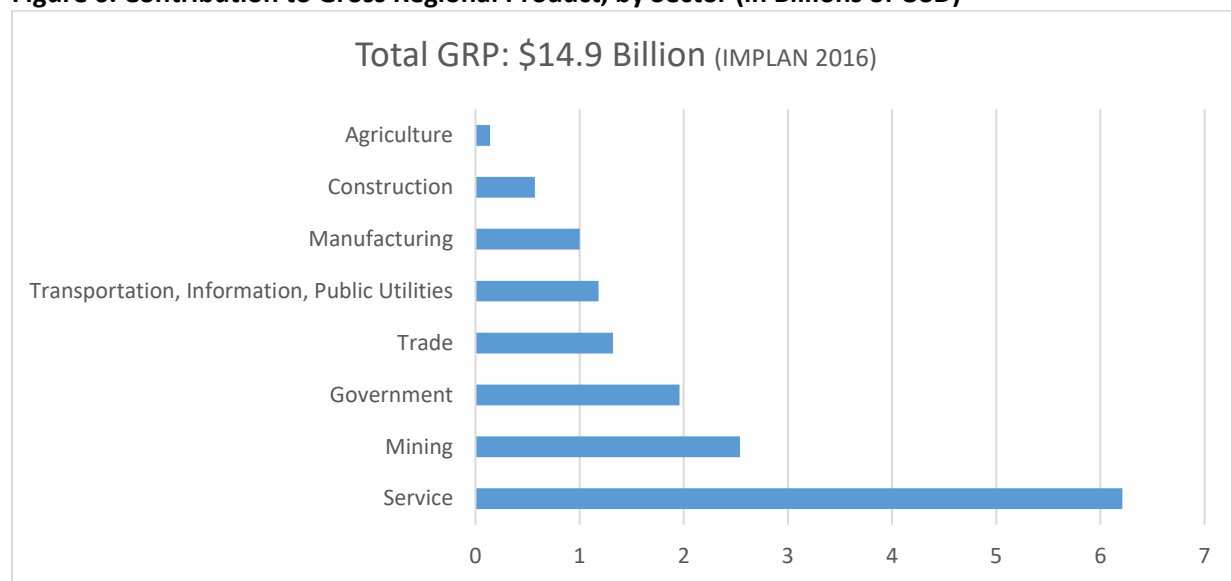


Figure 6. "indicates that the service sector is, by far, the largest contributor to the region's GRP, with a total contribution of more than \$6.2 billion in 2014. The Service sector includes Education, Hospitality, Health Care, and Social Services, among other industries. The second largest contributor to GRP was the Mining sector, with contributed more than \$2.5 billion to the region's economy in 2014. Iron Ore Mining has, by far, the largest contribution of any individual industry. Other major industries, as measured by value added, include Hospitals, Real Estate, and Electric Power Generation from Fossil Fuel."

Reference for the above graph and paragraph: Haynes, Monica, Gensing Chiodi, Gina, Burke, Andrew. The Economic Impact of the Canada/Northeastern Minnesota Relationship on the Arrowhead Region of Minnesota – June 2016, 2016.

Major Industries

Northeast Minnesota is home to approximately 8,400 businesses establishments providing nearly 142,664 jobs through 2015, with a total payroll of just over \$5.9 billion, which is about 5.1 percent of total employment in the State of Minnesota. St. Louis County is the largest employment center in the region with 97,267 jobs at 5,148 firms; followed by Itasca County (16,388 jobs) and Carlton County (13,536 jobs).

Figure 7. Major Industries (Source: DEED Occupational Employment Statistics, Qtr.1 2016)

2015			2010-2015			2014-2015		
	Number of Firms	Number of Jobs	Total Payroll (\$1,000s)	Avg. Annual Wage	Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	8,454	142,664	\$5,955,572	\$41,756	+5,226	+3.8%	+1,054	+0.7%
Health Care & Social Assistance	880	33,169	\$1,539,800	\$46,384	+520	+1.6%	+396	+1.2%
Retail Trade	1,362	17,810	\$431,638	\$24,232	+533	+3.1%	+181	+1.0%
Accommodation & Food Services	895	14,691	\$220,061	\$14,924	+502	+3.5%	+290	+2.0%
Educational Services	265	11,901	\$506,848	\$42,692	+232	+2.0%	+69	+0.6%
Public Administration	335	10,711	\$526,525	\$49,140	+105	+1.0%	+62	+0.6%
Manufacturing	337	8,588	\$487,733	\$56,784	+289	+3.5%	+66	+0.8%
Construction	900	6,983	\$393,354	\$56,108	+1,367	+24.3%	+316	+4.7%
Other Services	758	4,893	\$124,166	\$25,376	+546	+12.6%	+128	+2.7%
Finance & Insurance	423	4,527	\$231,577	\$51,116	-172	-3.7%	-355	-7.3%
Mining	29	4,364	\$360,656	\$82,212	+539	+14.1%	-229	-5.0%
Professional & Technical Services	538	4,278	\$261,376	\$61,152	+526	+14.0%	+100	+2.4%
Admin. Support & Waste Mgmt. Svcs.	290	4,039	\$104,285	\$25,792	+60	+1.5%	-61	-1.5%
Transportation & Warehousing	325	3,786	\$174,915	\$46,176	+439	+13.1%	+100	+2.7%
Arts, Entertainment, & Recreation	236	3,697	\$81,577	\$22,100	-56	-1.5%	+4	+0.1%
Wholesale Trade	265	3,126	\$163,677	\$52,364	+123	+4.1%	+8	+0.3%
Utilities	54	1,724	\$156,575	\$90,792	+69	+4.2%	-30	-1.7%
Information	138	1,603	\$68,111	\$42,484	#N/A	#N/A	-48	-2.9%
Real Estate & Rental & Leasing	266	1,312	\$36,063	\$27,456	+105	+8.7%	+72	+5.8%
Management of Companies	35	799	\$62,214	\$78,156	-206	-20.5%	-64	-7.4%
Agriculture, Forestry, Fish & Hunt	126	656	\$24,419	\$36,972	+50	+8.3%	+45	+7.4%

Source: DEED Quarterly Census of Employment & Wages (QCEW) program , DEED LMI 2016 Regional Profile, Nov. 23, 2016

Regional Clusters

ARDC has previously identified nine key industry groups that have shown clustering or the potential for clustering in the region.

1. New Energy Production, Manufacturing and Servicing
 - a. Key subsectors: Biomass, solar, wind, and potential green energy and chemical spinoffs.
2. Regional Creative Clusters
 - a. Key Subsectors: Computing system design and development, architecture, engineering, technical services.

3. Innovative Manufacturing
 - a. Key Subsectors: Transportation manufacturing, large item manufacturing, parts of machinery manufacturing, many subsectors of most manufacturing sectors.
4. Mature Manufacturing
 - a. Key Subsectors: Machinery manufacturing, nonmetallic mineral product manufacturing, printing and related manufacturing, printing and related manufacturing, fabricated metal product manufacturing.
5. Timber, Wood, Paper and Spinoffs
 - a. Key Subsectors: Forestry, wood product manufacturing, paper manufacturing, and furniture manufacturing.
6. Mining
 - a. Key Subsectors: Iron ore mining, non-ferrous mining.
7. Medical Services and Biomedical/Biotechnical Spinoffs
 - a. Key Subsectors: Ambulatory care hospitals, residential care, and social assistance.
8. Transportation and Logistics Support
 - a. Key Sectors: All modes of transportation and logistics distribution centers and breaking bulk, and transportation-related education and research.
9. Arts, Entertainment, Recreation and Visitor Industries (Tourism)
 - a. Key Subsectors: Visitor services, accommodations, gambling, and some parts of dining, drinking, retail services.

The region's higher education, research, and entrepreneurial networks were also identified as important economic drivers. The CEDS recognizes the importance of supporting endeavors in these areas as they will lead to growth of existing clusters and help create new ones.

Labor Force

The Arrowhead Region, according to DEEDS's Local Area Unemployment Statistics Program, had nearly 164,000 workers in 2015. In 2009, the region's labor force reached its peak with nearly 170,000 workers, but has steadily declined as the recovery from the recession has taken hold. Applying current labor force participation rates to future population projections creates labor force projections for the region. If the region's population grows at the projected rate, the region's labor force is expected to decrease significantly. The Arrowhead Region's workforce is expected to drop by nearly 10,000 workers by 2025, which is a 6 percent decrease. The region has the lowest regional labor force participation rate in the state and some of the highest racial participation gaps.

Figure 9. Labor Force Projections, 2015-2025 (Source: MN Demographer's Office, 2014 ACS)

	2015 Labor Force Projection	2025 Labor Force Projection	2015-2025 Change	
			Numeric	Percent
16 to 19 years	10,266	9,779	-487	-4.7
20 to 24 years	17,548	18,960	+1,412	+8.0
25 to 44 years	58,241	57,932	-310	-0.5
45 to 54 years	35,967	28,387	-7,579	-21.1
55 to 64 years	31,568	25,646	-5,922	-18.8
65 to 74 years	6,856	9,417	+2,561	+37.4
75 years and over	1,237	1,796	+559	+45.2
Total Labor Force	161,683	151,917	-9,765	-6.0

Distress Context

Economic distress criteria must be met to be eligible for EDA Public Works or Economic Adjustment investments. The base geographic area for measuring distress criteria is the county but requirements can be demonstrated at levels below including city, metropolitan areas, and Census tracts and blocks. At this time, four counties meet at least one standard distress criteria.

The distress requirements are:

- A 24 month unemployment rate at least one percent greater than the national average.
- Per capita income that is 80 percent or less of the national average per capita income (Census ACS 5-year PCMI considered first, if available).
- A special need (certain unemployment conditions, economic adjustment problems, natural disaster) as determined by EDA.

Figure 10. Regional Economic Distress Calculations, Through December 2016

	24 Month Unemployment (Ending December 2016)	Threshold Calculation	ACS 5-Year PCMI (2014)	Threshold Calculation
Aitkin	6.16	1.09	\$25,591	88.5%
Carlton	5.19	0.12	\$24,584	85.0%
Cook	4.37	-0.7	\$33,056	114.3%
Itasca	7.33	2.26	\$25,219	87.2%
Koochiching	8.27	3.2	\$25,398	87.5%
Lake	5.48	0.41	\$29,346	101.4%
St. Louis	5.4	0.33	\$27,190	94.0%
Northeast Minnesota	5.77	0.7	\$26,648	92.1%
US	5.07	-	\$28,930	100%
Sources: U.S. Bureau of Census, Labor Statistics, and Economic Analysis; Calculations generated by StatsAmerica.org ACS 5-Year PCMI: American Community Survey Per Capita Money Income				

SWOT ANALYSIS

ARDC conducted a SWOT analysis via a survey sent to the regional leaders previously mentioned. A SWOT was conducted for each of the four cornerstones first identified by DevelopMN. The SWOT was reviewed, refined, and affirmed at a CEDS strategy meeting. SWOT stands for:

Strengths: Internal factors that give our region, communities, and businesses an advantage over others.

Weaknesses: Internal factors that place our region, communities, and businesses at a disadvantage relative to others.

Opportunities: External factors that our region, communities, and businesses could capitalize on to our advantage.

Threats: External factors that could create challenges for our region, communities, and businesses.

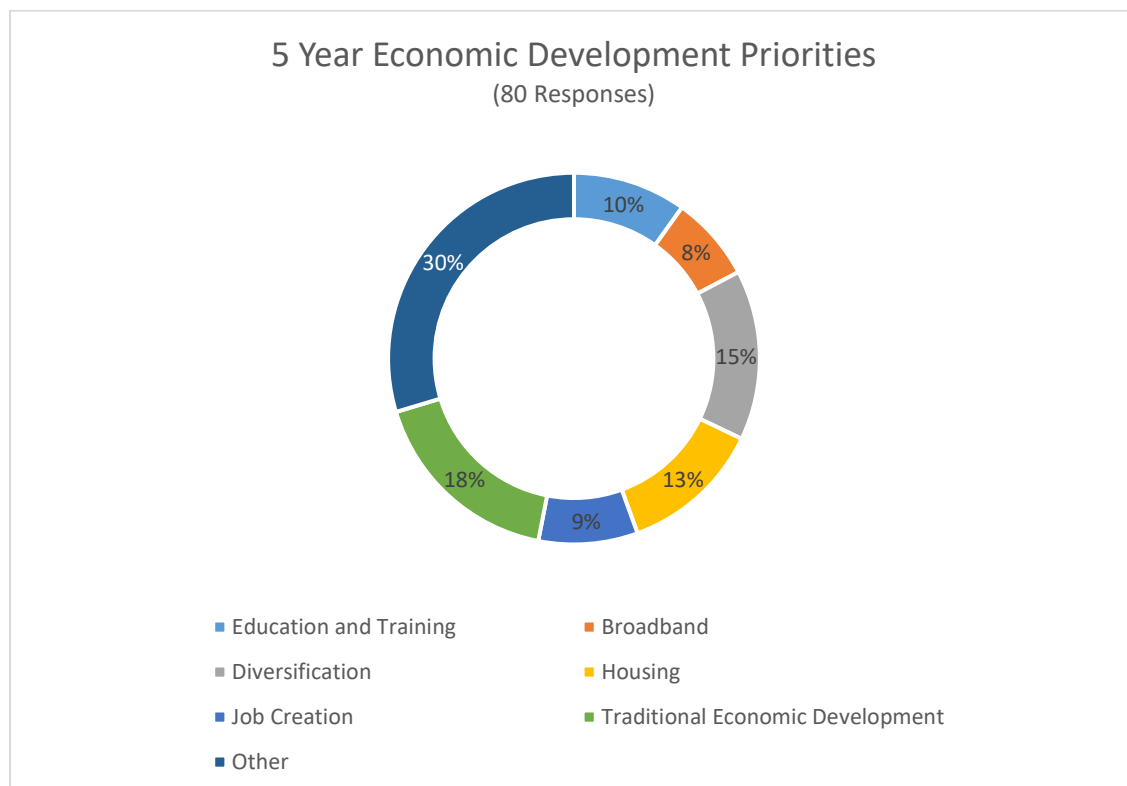
Human Capital	
Strengths (79)* Work Ethic (9) Education System (11) Higher Education (5) Well Educated Workforce and Population (6) Community and Technical Colleges (5) Access to Job Training (11) Available Labor Force (9) Productive Workforce (4) Quality of Life (5) <i>*No. of total and category responses</i>	Weaknesses (87) Education System Obstacles (7) Lack of Economic Diversification (5) Politics (7) Affordable Housing (5) Retention and Attraction (7) Technical Education (4) Transportation Access (4) Lack of Skills and education (14) Childcare (7) Job Access (3) <i>Lack of Inclusiveness/Diversity (Added by Committee)</i>
Opportunities (55) Expand Training (8) Improve Connections Between Business, Education, and Workforce Training (8) Expand Training in High Schools (5) Available Workforce (5) Broadband for telecommuting (3) Expand Housing (3)	Threats (48) Public Policy and Funding (10) Out Migration (8) Aging Demographics (4) Child Care (4) Regulations (3) Labor Skills (3)

Economic Competitiveness	
<p>Strengths (62)*</p> <p>Economic Development Organizations and Infrastructure (36)</p> <p>Access to Capital and Financing (6)</p> <p>Entrepreneurship (4)</p> <p>Workforce (4)</p> <p>Natural Resources (3)</p> <p><i>*No. of total and category responses</i></p>	<p>Weaknesses (43)</p> <p>Lack of Access to Capital and Finance (14)</p> <p>Low Wages and Incomes (3)</p> <p>High Taxes (3)</p> <p>IRRRB Funding (3)</p> <p>Challenges of Mining and Forestry (3)</p>
<p>Opportunities (43)</p> <p>Support for Entrepreneurs (7)</p> <p>Natural Resource Development (6)</p> <p>Further Develop Workforce Systems (5)</p> <p>Small Business Assistance (4)</p> <p>Broadband (3)</p>	<p>Threats (57)</p> <p>Demographics (Aging and Low Population Growth) (6)</p> <p>Jobs and the Environment (5)</p> <p>Interregional Competition (4)</p> <p>Lack of Skilled Workforce (3)</p> <p>Childcare (3)</p> <p>Drugs (3)</p> <p>Lack of Education Funding (3)</p> <p><i>Electricity Prices (Added by Committee)</i></p>

Community Resources	
<p>Strengths (86)*</p> <p>Outdoor Recreation (19)</p> <p>Arts and Culture (14)</p> <p>New Leaders (10)</p> <p>Natural Resources (9)</p> <p>Tourism (9)</p> <p>Water Quality (8)</p> <p>Quality Healthcare (3)</p> <p><i>*No. of total and category responses</i></p>	<p>Weaknesses (43)</p> <p>Barriers to Leadership (7)</p> <p>Remoteness (3)</p> <p>Cost to Maintain Amenities (3)</p>
<p>Opportunities (54)</p> <p>Grow Arts and Entertainment (7)</p> <p>Tourism (7)</p> <p>Brain Gain/Population Growth (5)</p> <p>New Leaders (4)</p> <p>Placemaking (4)</p> <p>Trail (3)</p> <p>Outdoor Recreation (3)</p> <p><i>Healthy Communities (Added by Committee)</i></p>	<p>Threats (25)</p> <p>Jobs and the Environment (5)</p> <p>Parochialism (Geographic, Generational) (3)</p>

Foundational Assets	
Strengths (59)* Trails (13) Electric Utilities (7) Road System (6) Affordable Housing (5) Public Transportation (5) Port (4) Rail System (4) Broadband (4) Airports (4) <i>*No. of total and category responses</i>	Weaknesses (55) Housing (14) Public Transportation (12) Broadband (6) Roads (6)
Opportunities (47) Broadband Expansion (10) Workforce Housing (6) Expand Public Transportation (6) Downtown Revitalization (5) Trails (4) Pedestrian and Biking Facilities (4) <i>Regional Rail (Added by Committee)</i>	Threats (32) Aging Infrastructure and Facilities (5) Lack of Funding (5) Lack of Broadband (3)

Participants were also asked to identify what they believed should be the top economic development priorities for the next five years. The results were compiled into categories and appear in the following graph.



STRATEGIC DIRECTION

This section sets an overarching CEDS vision, provides regional context to the four cornerstones, and sets goals, and strategies to address the region's economic and community development needs. The sub-categories, goals, and strategies are derived from the SWOT and top five priority responses. Many overlap and support MADO's DevelopMN plan for Greater Minnesota and align with other regional community and economic development efforts. Each is also supported by economic and demographic data and direction for the CEDS strategy committee.

VISION

THE CEDS WILL HELP CREATE MORE PROSPEROUS, RESILIENT, DIVERSIFIED, AND INCLUSIVE ECONOMIES AND COMMUNITIES ACROSS NORTHEAST MINNESOTA.

Human Capital

Developing, retaining and attracting talent are critical for Northeast Minnesota in order to sustain and grow 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.

Labor Force Context

As Northeast Minnesota looks to grow its economy, it is confronted with the challenge of meeting the hiring and skills needs of employers. Northeast Minnesota's labor force has fallen by 3.5% from a ten year high annual average high of 169,772 in 2009. The State Demographic Center projects a 6.1% decline from 2015 to 2025. Northeast Minnesota has the lowest regional workforce participation rate in the State at 60.8% compared to 70.1%. Graying Demographics suggest labor force availability will be a more serious concern in the future.

Labor Force Goal

Increase labor force participation by 5% by 2022 and begin closing the racial labor force participation gap.

Labor Force Strategies

1. Increase employment access and retention by connecting potential employees to the existing employment and workforce support networks.
2. Expand labor force participation of mature workers to make up for shortage on new workforce entrants.
3. Build a regional/local talent pipeline that starts in elementary school to inform about opportunities in the region and prepare future workers.

Education and Skills Context

Education and training beyond a high school diploma is increasingly important to economic competitiveness of the region and raising living standards for its people. Northeast Minnesota has a

higher percentage of population, 11.7 %, that has an associate's degree than the nation's 8.1%. However, Northeast Minnesota trails the nation in the residents with a bachelor's degree or higher with 24.9% compared to 29.7%.

Education and Skills Goals

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 the region's leading industries.

Increase the percentage of residents aged 25-44 with a bachelor's degree or higher by 2026.

Education and Skills Strategies

1. Support "brain gain" programs to recruit and retain people aged 25-54.
2. Build a regional/local talent pipeline that starts in elementary school to inform about opportunities in the region and prepare future workers.
3. Build and improve career technical education opportunities for high school students interested in careers as skilled tradespeople.
4. Increase education and skills attainment by connecting potential residents to the existing education and workforce support networks.

Child Care Context

Finding and affording child care is a key component of accessing and staying in the labor force, especially for lower-income community members. A recent report published by the Center for Rural Policy and Development identified a statewide shortage of licensed childcare capacity to child care spaces needed of 37%. Northeast Minnesota was identified as the area with the greatest shortfall with 55%.

Childcare Goal

Reduce the child care capacity gap (of 55% by half) by 2022.

Strategies

1. Document and share best practices from around the state and nation support and expand service.
2. Explore grant and loan programs to support child care providers.
3. Explore technical assistance and professional development support for child care providers.

Economic Competitiveness

Making Northeast Minnesota an attractive environment for business 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.

Context

Only in 2015 did Northeast Minnesota surpass regional employment highs recorded before the great recession that started in 2008. While the region has consistently added jobs over the past six years it has done so at 3.8%, less than half the rate of the state. Northeast Minnesota has seen a decline in business establishments of 23% between 2005 and 2015.

Entrepreneurship and Innovation Context

Northeast Minnesota must embrace innovation, calculated risk-taking and entrepreneurship in order to compete effectively in the global economy. The StatsAmerica Innovation Index 2.0 compares regional innovation performance to state and U.S. performance. It is calculated from five component indexes: human capital and knowledge creation; business dynamics, business profile, employment and productivity, and economic well-being. With 100 on the composite index being the national average Northeast Minnesota scores a 95.3 and ranks sixth among the ten Economic Development Districts in Minnesota.

Entrepreneurship and Innovation Goal

Improve Northeast Minnesota's score on the StatsAmerica Innovation Index 2.0 by five points to the national average of 100 by 2022 by increasing entrepreneurship and innovation in the region.

Entrepreneurship and Innovation Strategies

1. Increase and broaden access to capital, including equity investments, to encourage innovation and entrepreneurship.
2. Sustain and bring regional Economic Gardening to scale to support regional based companies with high growth potential.
3. Create and support programs to grow an entrepreneurial culture.

Small Business Context

Small business growth plays an important part in the regional economy. In Greater Minnesota, 74% of businesses have 10 or fewer employees. Research shows that as much as 80% of job growth comes from existing and small businesses. 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, Northeast Minnesota's small businesses must have access to more public and private funding.

Small Business Goal

Increase the number of small businesses participating in capital investment and technical assistance programs.

Small Business Strategies

1. Increase and broaden access to capital, including equity investments, to encourage small business growth, including gap financing.
2. Increase awareness and use of existing regional, state, and federal small business assistance programs.

Natural Resource Development Context

Forestry and mining are two of the region's traditional industries that continue to play an important part in the region's economy and communities. The region is home to many active legacy taconite mining and pulp and paper mills. A number of mining and forestry product projects are proposed. A 2016 estimate of Northeast Minnesota's Gross Regional Product by the University of Minnesota Duluth using the IMPLAN model found that Mining was single largest contributing industry to the estimated annual Gross Regional Product at \$2.54 Billion. Paper Mills added another \$248 million. Mining, metals, and forestry related products accounted for \$209 million of the \$341 million estimated annual average exports to Canada, the region's largest trading partner. Mining and Forestry related manufacturing jobs generally offer better pay and benefits than many other sectors.

Natural Resource Development Goal

Support socially and environmentally viable, technologically advanced production of the region's mineral and forestry resources.

Natural Resource Development Strategies

1. Support value-added opportunities, equity investments, new uses for resources, and technological and market transformations in natural resource industries.
2. Improve the management of forestry resources to more ably respond to changes in demand.

Diversification Context

Traditionally Northeast Minnesota's economy has been based on the land. First in natural resource extraction, specifically iron ore and timber. Then a strong tourism economy developed. While these industries will remain important they have challenges and weaknesses (employment reductions, boom-bust cycle in mining and low wages and seasonality in tourism) that must be addressed to keep them viable. The region must also explore other industries going forward to help drive economic growth. Economic development and business leaders have spent considerable time studying these opportunities in the recent past.

Diversification Goal

Improve the health of traditional industries and support emerging industries to create new businesses and jobs.

Diversification Strategies

1. Support value-added linkages, equity investments, new uses for resources, and technological and market transformations in existing industries.
2. Support niche and smaller industries which have potential to grow through targeted investments and assistance.

Continue Traditional Economic Development Activities Context

Northeast Minnesota has long been acknowledged for the extent of its economic and community development resources. This strength was reflected in the SWOT survey when components of the region's economic development institutions accounted for more than half of the Economic Competitiveness responses and continuing traditional economic development activities was the single largest category of answers in the 5 Year priorities question.

Traditional Economic Development Activities Goal

Continue to support and expand effective economic development programs, projects, and organizations in Northeast Minnesota.

Traditional Economic Development Activities Strategies

1. Create new connections between economic development activities.
2. Increase awareness and use of existing regional, state, and federal small business assistance programs.
3. Raise the profile and utilization of US EDA programs in the region.
4. Identify, prepare, and market a group of the most strategically positioned development sites in the region.

Community Resources

Northeast Minnesota communities seek to maintain their values, 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.

Social Capital Context

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.

The Blandin Foundation publishes a research report, Rural Pulse, to assess perceptions of rural Minnesota residents. Northeast Minnesota residents responded in lower numbers than the residents of the state overall when asked if they felt ownership of their community and an ability to contribute to its future with 56% agreeing that they did compared to 61% statewide. Perhaps, more concerning, the rate of Northeast Minnesota residents responding affirmatively to the question fell from 74% just three years earlier. 71 % believed that their community works together effectively to address local issues compare to 73% statewide. Research has shown that connectedness to community is correlated with economic prosperity.

Social Capital Goal

Increase the percentage of Rural Pulse respondents who felt ownership of their community and an ability to contribute to it by five percentage points by 2021.

Social Capital Strategies

1. Connect the next generation of leaders (ages 20-45) to the information, resources, and support they need to get involved and be successful as community leaders.
2. Expand training and support for community officials, leaders, and volunteers.

Arts and Culture Context

Arts, culture and placemaking contribute to the vibrancy of Northeast Minnesota's economy and quality of life. The 2015 Creative MN profile of arts in Northeast Minnesota found that the arts and culture impact on the economy had a nearly \$40,000,000 economic impact including \$4,000,000 in state and local government revenues, add accounted for 1,063 full time equivalent jobs, and 140,527 volunteer hours. Employment opportunities and incomes in the arts and culture often lag behind regional averages.

Arts and Culture Goal

Increase employment and incomes in arts and culture and leverage arts, culture, and entertainment to improve community quality of life.

Arts and Culture Strategies

1. Utilize arts-based placemaking to improve downtowns and public spaces.
2. Document and share best practices for using arts to improve communities.
3. Bring more public, private, and non-profit funding into the region to support our artists.

Tourism and Outdoor Recreation Context

Communities across the region consider tourism to be an essential industry for economic and community development, and actively promote the region's attractions and assets. Much of the region's tourism is based on outdoor recreation and the state, region, and communities have invested in parks, trails, and access to lakes and rivers. Often times, investments that serve to improve local quality of life and tourism overlap. A challenge to developing the Tourism industry is the nature of seasonal, part-time, lower wage jobs.

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 Northeast Minnesota generated more than \$850 million in gross sales in 2014 and 16,763 full- and part-time jobs, about 11% of total regional employment.

Tourism Goal

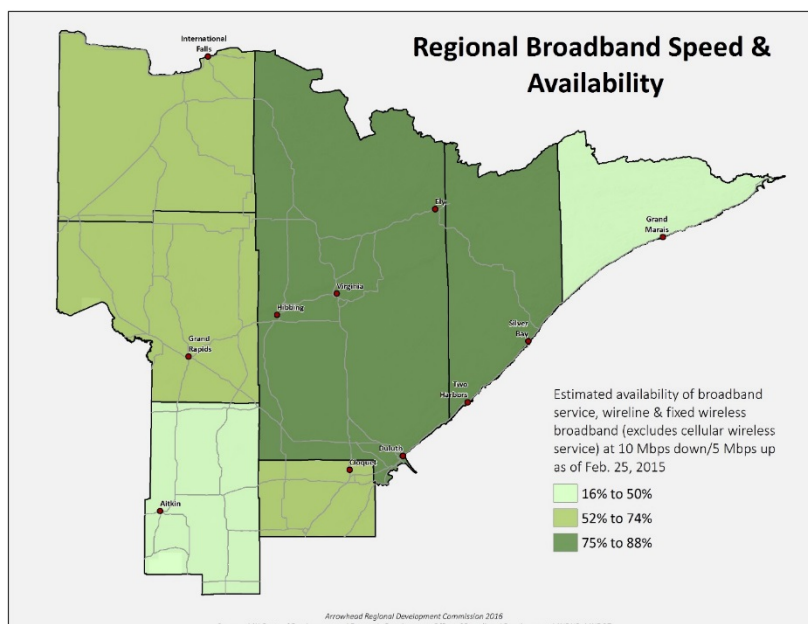
Increase tourism's economic and community impact.

Tourism Strategy

1. Strategically invest in tourism infrastructure and projects which also support economic competitiveness and quality of life of the region's communities.
2. Create and support place and culture based tourist destinations that leverage the unique identities and history of our communities and regions.
3. 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.

Foundational Assets

Northeast Minnesota communities require proactive and collaborative approaches 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 providing for growth opportunities. Foundational assets include aboveground and below-ground infrastructure such as transportation, utilities and water, and broadband.



Broadband Access Context

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. Blandin's Rural Pulse found that 61% of respondents were satisfied with improvements in internet access, down from 80%

in 2013. The map on the previous page shows regional broadband availability in 2015.

Broadband Goal

100% of businesses and households in the region have access to broadband with speeds of 100 Mbps download and 20 Mbps upload by 2026.

Broadband Strategies

1. Advocate for broadband funding at both state and federal levels.
2. Create and leverage public and private partnerships to fund improved broadband access.
3. 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.
4. Promote an understanding of the importance of broadband to a community's infrastructure.

Transportation Context

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.

In Northern Minnesota, county and state highways, with rail, 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.

Rail and the Lake Superior Ports are an integral part of the regional economy. For example, metallic ores account for more than 60% of freight rail products by tonnage originating and terminating in the state. The vast majority of this is taconite ore moving between the mines on the Iron Range and the Great Lake Ports for shipping to steel mills.

Transportation Goal

Develop and maintain a regional transportation system that supports economic productivity, efficiency, and competitiveness throughout the region.

Transportation Strategies

1. Prepare our communities for growth by encouraging investment in key freight facilities (water, rail, air and highway)
2. Support development of stable transportation funding policies and sources.
3. Offer assistance to local units of government with their long-range planning to address sustainability, resiliency, and economic competitiveness in transportation systems.
4. Improve connections and mobility for regional tourism.

Active Transportation Context

Active transportation and living planning and implementation will help improve community health, livability and social capital. Healthy communities are correlated with higher productivity and lower business costs.

Active Transportation Goal

Increase the number of communities that adopt and implement active transportation programs and policies.

Active Transportation Strategies

1. Promote transportation decisions that support regional and neighborhood vitality.
2. Increase the number of cities that are designated bike friendly communities, adopt complete streets, and complete safe routes to school planning.
3. Include active transportation policies in comprehensive plans.

Transit Context

Transit service in rural and small towns and regional centers will be increasingly important for access to services and employment. According to the Center to Rural Policy and Development “In 2010, a little over 50% of transit riders in Greater Minnesota reported not having either a car or a driver’s license. That share rose to 70% for small rural systems. The number of “transit-dependent” people is only expected to grow as the senior population is expected to double over the next 20 years.” Northeast Minnesota must decide what transit systems needs must be addressed to meet a projected increasing mobility gap.

Transit Goal

Increase the level of service of the region’s transit system and expand alternative transportation programs.

Transit Goals

1. Work to ensure that long-range public transit policy decisions in Northeast 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. Work to ensure that the 2017 regional transit plan update incorporates employment and economic development needs.
4. Study and work to scale best practices to provide alternate transportation to underserved populations.

Water and Wastewater Infrastructure Context

Much of the region’s water and wastewater infrastructure has exceeded its original design service life. Communities struggle with the affordability of water infrastructure. Fourteen-percent of the projects on the Minnesota Pollution Control Agency 2017 Clean Water Priority list (PPL) are in Northeast Minnesota.

Water and Wastewater Goal

Increase the number of communities ready for economic growth by ensuring water and waste water systems are up to standards.

Water and Wastewater

1. Focus municipal infrastructure investments to support business development and affordable housing.
2. Encourage cities to develop capital improvement plans that are aligned with comprehensive plans and zoning/land use ordinances.
3. Collect and share best practices that demonstrate funding scenarios and solutions to update outdated and undersized systems.
4. Provide small communities with funding research and grant writing assistance.

Housing Context

Housing issues in Northeast 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.

The standard measure of cost burdened housing expenses is 30% of income. In Northeast Minnesota, 50% of all renters spent more than 30% of income on housing in 2015 compared to 32% in 2009, while 24% of homeowners with a mortgage spent at least 30 cents of every dollar they earn on housing in 2015 compared to 23 % in 2009.

A 5% vacancy rate is generally considered a sign of a healthy housing market. The average county owner occupied vacancy rate in 2015 was 2.7% and the rental vacancy rate was 4.4%.

Housing Goal

Move toward equilibrium in local housing markets.

Housing Strategies

1. Develop a regional housing strategy that recognizes each community has different challenges and opportunities.
2. Provide coordinated housing planning.
3. Advocate for funding programs for demolition of vacant, unsafe and dilapidated housing units.
4. Increase the number of units rehabilitated or preserved.
5. Encourage development of transitional and permanent supportive housing.
6. Explore and advocate for a regional housing fund that can address the multitude of regional needs.
7. Explore non-traditional solutions to housing development including housing co-ops.

ACTION PLAN

This section lays out a framework to begin addressing each of Four Cornerstone's strategies listed in the CEDS. The Action Plan identifies partners and stakeholders, a timeframe, and performance measures to gauge progress.

Partners and Stakeholders

Each strategy has a group of stakeholders made up of regional, state, and federal partners but each list should not be considered inclusive of all potential partners.

Timeline/Priority

The planning timeframe for the CEDS is 5 years with annual updates to review the Goals, Strategies, and Action Plan. Each priority is assigned one of three general timeframes:

Short Term: Indicates a specific action or program that can or should be achieved within 2 years through specific, known actions.

Ongoing: A strategy that should be continuously implemented through multiple activities and projects that occur on a shorter timeframe.

Long Term: A strategy that will take a multiple coordinated efforts over a longer time frame before results can be seen. Some of these projects extend beyond the 5 year CEDS window.

Performance Measures

Each strategy is assigned at least one performance measure. Where possible, ARDC will use standardized state and federal data and funding and assistance programmatic reports applicable to the region and communities to measure changes in regional performance.

Funding and Budget

No specific dollar figure is attached to each individual element. Arrowhead Regional Development Commission prepares its budget annually, and these prioritized items will be factored in to the annual budget. The scope of this plan is 5 years. It should be noted that it is anticipated that the greatest costs are anticipated to be tied to staff time. It should be noted that we plan to partner with other likeminded organizations to not only reduce redundancy, but also reduce costs. We also plan to mitigate costs as much as possible, again working with partners, but also exploring opportunities for grants and cost sharing, whenever possible.

In order to accomplish these goals, local and regional leaders will utilize all potential financial resources including those offered through DEED, the federal EDA and all of the programs of the USDA Rural Housing / Business / Utility Service including the Community Facilities program and the Strategic Economic Community Development (SECD) Community Facilities set-aside program (6025 Initiative).

Human Capital Action Plan and Performance Measures	Strategy	Partners and Stakeholder	Timeline/Priority	Performance Measure/Evaluation
	Increase employment access and retention by connecting potential employees to the existing employment and workforce support networks.	NEMOJT, Workforce Centers, Employers, NorthForce, Community Colleges, DEED, Blandin	Long Term	Lower unemployment rate, Higher Labor Force participation rate, More people entering and completing workforce assistance programs
	Expand labor force participation of mature workers to make up for shortage on new workforce entrants.	NEMOJT, Workforce Centers, DEED, Community Colleges, Employers	Long Term	Higher LF participation among 55+ year olds
	Build a regional/local talent pipeline that starts in elementary school to inform about opportunities in the region and prepare future workers.	School Districts, Career Counselors, Chambers of Commerce, Community Colleges, Workforce Centers, Employers	Long Term	Increase in programs connecting schools and employers, increase in enrollment in technical education
	Support “brain gain” programs to recruit and retain people aged 25-54.	IRRRB, ReGen, LGUs, Chambers of Commerce, UM Extension, NorthForce, DEED, ARDC	Ongoing	Increase in 25-54 year olds in region, Increase no./investment in attraction programs
	Build a regional/local talent pipeline that starts in elementary school to inform about opportunities in the region and prepare future workers.	School Districts, Career Counselors, Chambers of Commerce, Community Colleges, Higher Education, Employers	Long Term	Increase in programs connecting schools and employers, increase in enrollment in technical education, No. of HS students staying in region post-graduation
	Build and improve career technical education opportunities for high school students interested in careers as skilled tradespeople.	School Districts, Career Counselors, Chambers of Commerce, Community Colleges, Workforce Centers, Employers	Long Term	Increase in programs connecting schools and employers, increase in enrollment in technical education, No. of region’s students employed in region 5 years post-graduation
	Increase education and skills attainment by connecting potential residents to the existing education and workforce support networks.	NEMOJT, Workforce Centers, Transit Providers, DEED, Community Colleges, Higher Ed.	Ongoing	Higher Skills and Ed attainment, More people entering and completing workforce assistance programs
	Document and share best practices from around the state and nation support and expand service.	NEMOJT, Workforce Centers, Transit Providers, DEED, Community Colleges, Higher Ed.	Short Term	Completion of a Best Practices report, New or improved programs
	Explore grant and loan programs to support child care providers.	Blandin, Northland Foundation IRRRB, DEED, RLFs, LGUs, CED, employers, ARDC	Short Term	Increase # of childcare providers, Increase # of loans or grants
	Explore technical assistance and professional development support for child care providers.	Blandin, Northland Foundation IRRRB, DEED, RLFs, LGUs, CED	Short Term	Increase # of childcare providers, Increase # of providers in programs

Economic Competitiveness Action Plan and Performance Measures	Strategy	Partners and Stakeholder	Timeline/Priority	Performance Measure/Evaluation
	Increase and broaden access to capital to encourage innovation and entrepreneurship.	RLFs, Northland Foundation, Entrepreneur Fund, Regional financial institutions, ARDC, Northspan	Ongoing	Increase in business lending in region, Increase in use of RLFs, Business expansions
	Sustain and bring regional Economic Gardening to scale to support regional based companies with high growth potential.	CED, IRRB, APEX, Entrepreneur Fund, Northspan, Chambers of Commerce, Local EDAs, 2 nd Stage Businesses, ARDC	Short Term	Increase in 2 nd stage business expansions, Increase in jobs, Sustainable funding for program
	Create and support programs to grow an entrepreneurial culture.	Entrepreneur Fund, CED, Local EDAs, DEED, Northland Foundation, ARDC, Northspan	Long Term	Increase in business start-ups and expansions, Increase in awareness/use of programs, Increase in financial and technical assistance
	Increase awareness and use of existing regional, state, and federal small business assistance programs.	RLFs, USDA, Northland Foundation, Entrepreneur Fund, CED, Chambers of Commerce, Northspan	Short Term	Increase in business start-ups and expansions, Increase in awareness/use of programs, Increase in financial assistance
	Support value-added linkages, new uses for resources, and technological and market transformations in existing industries.	NRRI, IRRRB, DEED, Entrepreneur Fund, APEX, AGA, Employers, ARDC	Long Term	Increased new types of jobs, industries, products in region, Increased # of SMEs
	Support niche and smaller industries which have potential to grow through targeted investments and assistance.	NRRI, IRRB, DEED, Ag Dept., LGUs, Local EDAs, RLFs, NEM Sustainable Development Partnership, ARDC	Long Term	Increased new types of jobs, industries, products in region, Increased # of SMEs
	Support value-added opportunities, new uses for resources, and technological and market transformations in natural resource industries.	NRRI, IRRB, DEED DNR, RLFS, NEM Sustainable Development Partnership, Employers	Ongoing	Increase in new products and businesses, support for mining and forestry activities
	Improve the management of forestry resources to more ably respond to changes in demand.	NRRI, IRRB, DNR NEM Sustainable Partnership, Employers	Short Term	Increase in cords of wood harvested, logging jobs
	Create new connections between economic development activities.	LGUs, All economic development and workforce partners	Long Term	Increase in new and cross connected programs and projects, increased funding
	Identify, prepare, and market a group of the most strategically positioned development sites in the region.	LGUs, IRRB, DEED, APEX, Local EDAs, EDA, AGA, Northland Connection, Northspan	Ongoing	No. of sites developed
	Advocate for funding to market economic and workforce development programs to maximize their reach.	LGUs, All economic development and workforce partners, State and Federal funders	Long Term	Increase in awareness/use of programs, increase in funding
	Raise the profile and utilization of US EDA programs in the region.	ARDC, EDA, ED Partners, Local EDAs, LGUs		Increase in awareness/use of EDA programs, increase in awards

Community Resources Action Plan and Performance Measures	Strategy	Partners and Stakeholder	Timeline/Priority	Performance Measure/Evaluation
	Connect the next generation of leaders (ages 20-45) to the information, resources, and support they need to get involved and be successful as community leaders.	Blandin, ReGen, LGUs, Chambers of Commerce, Local volunteer organizations, ARDC, Northforce	Short Term	Increase in 25-45 year olds holding leadership positions in community organizations and LGUs.
	Expand training and support for community officials, leaders, and volunteers.	Blandin, ReGen, LGUs, Chambers of Commerce, Local volunteer organizations, League of Minnesota Cities, ARDC	Long Term	Increase in # of leaders participating in training and education programs
	Utilize arts-based placemaking to improve downtowns and public spaces.	Arrowhead Arts, Recharge the Range, LGU's, Local EDAs, Local arts groups, ReGen, ARDC	Long Term	Increase in # of communities participating in programs
	Document and share best practices for using arts to improve communities.	Arrowhead Arts, Recharge the Range, Local arts groups, ReGen, ARDC	Short Term	Completion of a Best Practices report, New or improved programs
	Bring more public, private, and non-profit funding into the region to support our artists	Arrowhead Arts, Local Arts Groups, Local EDAs, Artists, ARDC	Long Term	Increase in program utilization and funding into region, Increase in median incomes for artists
	Strategically invest in tourism infrastructure and projects which also support economic competitiveness and quality of life of the region's communities.	LGUs, Local EDAs, MN/DOT, DNR, CVBs, User groups, ARDC	Long Term	Increase in trails and parks investments, Increase in Visitor Spending
	Create and support place and culture based tourist destinations that leverage the unique identities and history of our communities and regions.	LGUs, Local EDAs, CVB, DNR, Arrowhead Arts, Historical societies, Chamber of Commerce, ARDC	Long Term	Increase in place based investments, Increase in visitor spending
	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.	Employers, Workforce Centers, Chambers of Commerce, CVBs, Community Colleges	Long Term	Increase in median incomes and average weeks worked in industry, Increase in training programs and participation

Foundational Assets Action Plan and Performance Measures

Strategy	Partners and Stakeholder	Timeline/Priority	Performance Measure/Evaluation
Advocate for broadband funding at both state and federal levels.	Blandin, DEED, LGUs, Telecom and Utility Providers	Long Term	Increase number of communities/areas that achieve state broadband upload/download speed
Create and leverage public and private partnerships to fund improved broadband access.	Blandin, DEED, LGUs, Telecom and Utility Providers, ARDC	Ongoing	Increase in funding, Increase number of communities/areas that achieve state broadband upload/download speed
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.	Blandin, DEED, LGUs, Telecom and Utility Providers, ARDC	Short Term	Creation of Best Practices Report
Promote an understanding of the importance of broadband to a community's infrastructure.	Blandin, DEED, LGUs, Telecom and Utility Providers, ARDC	Ongoing	Increase in # of communities engaging broadband planning and infrastructure projects
Prepare our communities for growth by encouraging investment in key freight facilities (water, rail, air and highway)	LGU's, MN/DOT, Rail providers, DEED, Employers, IRRRB, ARDC, EDA, USDA	Ongoing	Increase in funding and strategic investments, Fewer freight delays or gaps
Offer assistance to local units of government with their long-range planning to address sustainability, resiliency, and economic competitiveness in transportation systems.	LGUs, MN/DOT, IRRRB, ARDC	Ongoing	Increase in # of cities with current Comprehensive Plans and CIPs
Improve connections and mobility for regional tourism	LGUs, Mn/DOT, CVBs, Transit Providers, ARDC	Long Term	Increase in alternative transportation connections between destinations, Increase number of visitors less dependent of cars
Promote transportation decisions that support regional and neighborhood vitality.	LGUs, Mn/DOT, SHIP, Transit Provider, School Districts, ARDC	Long Term	Increase in communities addressing in plans, Increase in ped, bike, transit facilities.
Increase the number of cities that are designated bike friendly communities, adopt complete streets, and complete safe routes to school planning.	LGUs, Mn/DOT, SHIP, School Districts, ARDC	Ongoing	Increase in ped, bike, transit facilities, Increase SR2S plans, Increase BFC designation
Include active transportation policies in comprehensive plans.	LGUs, SHIP, ARDC	Ongoing	Increase in # of cities with active living policies and projects in Comprehensive Plans and CIPs
Work to ensure that long-range public transit policy decisions in address demographic needs.	LGUs, Mn/DOT, Transit Providers, Legislators	Long Term	Changes in funding and policy

Foundational Assets Action Plan and Performance Measures	Strategy	Partners and Stakeholder	Timeline/Priority	Performance Measure/Evaluation
	Work with state and local partners to evaluate funding and service options to meet mobility and access needs of individuals.	LGU, Mn/DOT, Transit Providers, Legislators	Long Term	Changes in funding and policy
	Work to ensure that the 2017 regional transit plan update incorporates employment and economic development needs.	MN/DOT, MIC, LGU's, Transit Providers, NEMOJT, Workforce Centers, ARDC	Short Term	2017 Transit Plan includes employment and economic development recommendations
	Study and work to scale best practices to provide alternate transportation to underserved populations.	Transit Providers, LGU's	Long Term	Increased service and programs to underserved populations.
	Focus municipal infrastructure investments to support business development and affordable housing.	LGUs, IRRRB, MNDOT, EDA, USDA, DEED, ARDC, Northspan	Ongoing	Increase in strategic infrastructure funding projects
	Encourage cities to develop capital improvement plans that are aligned with comprehensive plans and zoning/land use ordinances.	LGUs, IRRRB, ARDC	Ongoing	Increase in # of cities with current Comprehensive Plans, zoning codes, CIPs
	Collect and share best practices that demonstrate funding scenarios and solutions to update outdated and undersized systems.	LGUs, IRRRB, DEED, PCA, USDA, ARDC	Ongoing	Completion of Best Practices Report
	Provide small communities with funding research and grant writing assistance.	LGUs, IRRRB, ARDC, Northspan	Ongoing	Increase number of cities participating in AGAP
	Develop a regional housing strategy that recognizes each community has different challenges and opportunities.	LGUs, Minnesota Housing Partnership, MHFA, AGA, IRRRB, Blandin, AEOA, Kootasca, ARDC, Northspan	Short Term	Creation of a region housing strategy
	Provide coordinated housing planning.	LGUs, MHP, AEOA, Kootasca, ARDC	Ongoing	Increase number of housing plans in region (aligned with regional strategy)
	Advocate for funding programs for demolition of vacant, unsafe and dilapidated housing units.	LGUs, AEOA, Kootasca, IRRRB, MHP	Ongoing	Increase in funding to communities
	Increase the number of units rehabilitated or preserved.	LGUs, AEOA, Kootasca, IRRRB, MHP	Ongoing	Increase in funding to communities, # of units rehabilitated
	Encourage development of transitional and permanent supportive housing.	LGUs, AEOA, Kootasca, IRRRB, MDG, MHP	Ongoing	Increase in funding to communities, # of units developed
	Explore and advocate for a regional housing fund that can address the multitude of regional needs.	LGUs, Minnesota Housing Partnership, MHFA, AGA, IRRRB, Blandin, AEOA, Kootasca, ARDC, Northspan	Long Term	Creation of a regional housing fund
	Explore non-traditional solutions to housing development including housing co-ops.	LGUs, AEOA, Kootasca, IRRRB, MHP, IRRRB, ARDC	Long Term	Creation of program and # of projects

APPENDIX A: COUNTY INDICATORS

Selected Economic Indicators for Aitkin County, Minnesota

<i>Indicator</i>	<i>Value</i>	<i>Regional Rank (7 Counties)</i>
<i>Population (2015 Census estimate)</i>	15,702	4
<i>Growth (%) since 2010</i>	-3 %	6
<i>Labor Force (2015 Annual Average)</i>	6,828	4
<i>Unemployment Rate (2015 Annual Average)</i>	6 %	5
<i>24 Month Unemployment Rate (Ending 10 -2016)</i>	6.12 %	5
<i>Per Capita Personal Income (2015 BEA)</i>	\$35,546	7
<i>Median Household Income (2010-2015 ACS)</i>	\$42,252	7
<i>Poverty Rate* (2010-2015 ACS)</i>	12.4%	2
<i>H.S. Diploma or More (2009-2015 ACS)</i>	90.6%	5
<i>Bachelor's Degree or More (2009-2015 ACS)</i>	15.5%	7
<i>Associate's Degree (2009-2015 ACS)</i>	11.0%	4

* Poverty rates are listed with the lowest rate receiving the 1 score and so on.

2015 QCEW Industry, Employment and Wages for Cook County, Minnesota

<i>Industry</i>	<i>Establishments</i>	<i>Employment</i>	<i>Percent Total Employment</i>	<i>Average Weekly Wage</i>
<i>All Industries</i>	427	3,770	100 %	\$635
<i>Construction</i>	58	190	5.0 %	\$705
<i>Manufacturing</i>	23	326	8.7%	\$824
<i>Trade, Transportation & Utilities</i>	96	876	23.2 %	\$564
<i>Information</i>	9	39	1 %	\$645
<i>Financial Activities</i>	26	112	3.0 %	\$805
<i>Professional & Business Services</i>	35	116	3.1%	\$619
<i>Education & Health Services</i>	38	1,109	29.4 %	\$773
<i>Leisure & Hospitality</i>	66	514	13.7 %	\$231
<i>Other Services</i>	42	139	3.7 %	\$291
<i>Public Administration</i>	26	310	8.2 %	\$844

Selected Economic Indicators for Carlton County, Minnesota

Indicator	Value	Regional Rank (7 Counties)
<i>Population (2015 Census estimate)</i>	35,569	3
<i>Growth (%) since 2010</i>	.6%	2
<i>Labor Force (2015 Annual Average)</i>	17,511	3
<i>Unemployment Rate (2015 Annual Average)</i>	5.0%	4
<i>24 Month Unemployment Rate (Ending 10 -2016)</i>	5.12%	2
<i>Per Capita Personal Income (2015 BEA)</i>	\$37,872	4
<i>Median Household Income (2010-2015 ACS)</i>	\$53,227	1
<i>Poverty Rate* (2010-2015 ACS)</i>	13.7%	5
<i>H.S. Diploma or More (2009-2015 ACS)</i>	94.2%	3
<i>Bachelor's Degree or More (2009-2015 ACS)</i>	29.0%	2
<i>Associate's Degree (2009-2015 ACS)</i>	10.7%	5

* Poverty rates are listed with the lowest rate receiving the 1 score and so on.

2015 QCEW Industry, Employment and Wages for Carlton County, Minnesota

Industry	Establishments	Employment	Percent Total Employment	Average Weekly Wage
<i>All Industries</i>	723	13,356	100 %	\$766
<i>Natural Resources and Mining</i>	17	96	.7 %	\$754
<i>Construction</i>	94	866	6.5 %	\$1,175
<i>Manufacturing</i>	29	1,481	11.1 %	\$1,129
<i>Trade, Transportation & Utilities</i>	168	2,186	16.4 %	\$586
<i>Information</i>	7	49	.4 %	\$502
<i>Financial Activities</i>	52	486	3.6 %	\$886
<i>Professional & Business Services</i>	72	413	3.1 %	\$924
<i>Education & Health Services</i>	88	3,717	27.8 %	\$773
<i>Leisure & Hospitality</i>	88	1,985	14.9 %	\$354
<i>Other Services</i>	82	323	2.4 %	\$515
<i>Public Administration</i>	28	1,934	14.5 %	\$828

Selected Economic Indicators for Cook County, Minnesota

Indicator	Value	Regional Rank (7 Counties)
<i>Population (2014 Census estimate)</i>	5,233	7
<i>Growth (%) since 2010</i>	1.1%	1
<i>Labor Force (2015 Annual Average)</i>	3,044	7
<i>Unemployment Rate (2015 Annual Average)</i>	4.5	1
<i>24 Month Unemployment Rate (Ending 10-2016)</i>	4.41%	1
<i>Per Capita Personal Income (2015 BEA)</i>	\$45,900	1
<i>Median Household Income (2010-2015 ACS)</i>	\$52,299	1
<i>Poverty Rate* (2010-2015 ACS)</i>	11.4%	1
<i>H.S. Diploma or More (2009-2015 ACS)</i>	95.6%	1
<i>Bachelor's Degree or More (2009-2015 ACS)</i>	39.0%	1
<i>Associates Degree (2010-2015 ACS)</i>	10.4%	7

* Poverty rates are listed with the lowest rate receiving the 1 score and so on.

2014 QCEW Industry, Employment and Wages for Cook County, Minnesota

Industry	Establishments	Employment	Percent Total Employment	Average Weekly Wage
<i>All Industries</i>	295	2,790	100%	\$564
<i>Construction</i>	48	157	5.6%	\$603
<i>Trade, Transportation & Utilities</i>	65	500	17.9%	\$560
<i>Information</i>	6	33	1.2%	\$541
<i>Financial Activities</i>	18	84	3.0%	\$671
<i>Professional & Business Services</i>	26	53	1.9%	\$515
<i>Education & Health Services</i>	20	380	13.6%	\$736
<i>Leisure & Hospitality</i>	71	1,120	40.1%	\$408
<i>Other Services</i>	14	36	1.3%	\$232
<i>Public Administration</i>	16	382	13.7%	\$832

Selected Economic Indicators for Itasca County, Minnesota

Indicator	Value	Regional Rank (7 Counties)
<i>Population (2015 Census estimate)</i>	45,435	2
<i>Growth (%) since 2010</i>	.8%	3
<i>Labor Force (2015 Annual Average)</i>	22,600	2
<i>Unemployment Rate (2015 Annual Average)</i>	6.5%	6
<i>24 Month Unemployment Rate (Ending 10-2016)</i>	7.13%	6
<i>Per Capita Personal Income (2015 BEA)</i>	\$37,730	5
<i>Median Household Income (2010-2015 ACS)</i>	\$47,761	5
<i>Poverty Rate* (2010-2015 ACS)</i>	13.6%	4
<i>H.S. Diploma or More (2009-2015 ACS)</i>	92.8%	5
<i>Bachelor's Degree or More (2009-2015 ACS)</i>	21.9%	5
<i>Associate's Degree (2009-2015 ACS)</i>	11.6%	6

* Poverty rates are listed with the lowest rate receiving the 1 score and so on.

2015 QCEW Industry, Employment and Wages for Itasca County, Minnesota

Industry	Establishments	Employment	Percent Total Employment	Average Weekly Wage
<i>All Industries</i>	1,150	16,388	100%	\$771
<i>Natural Resources and Mining</i>	31	947	5.8%	\$1,252
<i>Construction</i>	133	1,180	7.2%	\$1,117
<i>Manufacturing</i>	39	999	6.1%	\$1,113
<i>Trade, Transportation & Utilities</i>	267	3,303	20.2%	\$758
<i>Information</i>	19	142	0.9%	\$683
<i>Financial Activities</i>	83	460	2.8%	\$842
<i>Professional & Business Services</i>	113	1,000	6.1%	\$560
<i>Education & Health Services</i>	184	4,699	28.7%	\$724
<i>Leisure & Hospitality</i>	126	1,715	10.5%	\$305
<i>Other Services</i>	96	631	3.9%	\$552
<i>Public Administration</i>	60	1,310	8.0%	\$903

Selected Economic Indicators for Koochiching County, Minnesota

Indicator	Value	Regional Rank (7 Counties)
<i>Population (2015 Census estimate)</i>	12,841	5
<i>Growth (%) since 2010</i>	-3.5%	7
<i>Labor Force (2015 Annual Average)</i>	6,308	5
<i>Unemployment Rate (2015 Annual Average)</i>	8.0%	7
<i>24 Month Unemployment Rate (Ending 10 -2016)</i>	8.18%	7
<i>Per Capita Personal Income (2015 BEA)</i>	\$36,482	6
<i>Median Household Income (2010-2015 ACS)</i>	\$42,919	6
<i>Poverty Rate* (2010-2015 ACS)</i>	15.2%	6
<i>H.S. Diploma or More (2009-2015 ACS)</i>	89.4%	7
<i>Bachelor's Degree or More (2009-2015 ACS)</i>	18.4%	6
<i>Associate's Degree (2009-2015 ACS)</i>	10.5%	6

* Poverty rates are listed with the lowest rate receiving the 1 score and so on.

2015 QCEW Industry, Employment and Wages for Koochiching County, Minnesota

Industry	Establishments	Employment	Percent Total Employment	Average Weekly Wage
<i>All Industries</i>	412	4,582	100%	\$754
<i>Natural Resources and Mining</i>	26	133	2.9%	\$852
<i>Construction</i>	34	188	4.1%	\$931
<i>Manufacturing</i>	15	742	16.2%	\$1,423
<i>Trade, Transportation & Utilities</i>	120	966	21.1%	\$499
<i>Information</i>	8	71	1.5%	\$637
<i>Financial Activities</i>	23	185	4.0%	\$860
<i>Professional & Business Services</i>	28	115	2.5%	\$461
<i>Education & Health Services</i>	50	950	20.7%	\$754
<i>Leisure & Hospitality</i>	55	594	13.0%	\$302
<i>Other Services</i>	31	128	2.8%	\$307
<i>Public Administration</i>	23	445	9.7%	\$934

Selected Economic Indicators for Lake County, Minnesota

Indicator	Value	Regional Rank (7 Counties)
<i>Population (2015 Census estimate)</i>	10,631	6
<i>Growth (%) since 2010</i>	-2.1%	5
<i>Labor Force (2015 Annual Average)</i>	5,623	6
<i>Unemployment Rate (2015 Annual Average)</i>	4.8%	2
<i>24 Month Unemployment Rate (Ending 10-2016)</i>	5.38%	4
<i>Per Capita Personal Income (2015 BEA)</i>	\$43,408	2
<i>Median Household Income (2010-2015 ACS)</i>	\$48,417	3
<i>Poverty Rate* (2010-2015 ACS)</i>	13.0%	3
<i>H.S. Diploma or More (2009-2015 ACS)</i>	94.9%	2
<i>Bachelor's Degree or More (2009-2015 ACS)</i>	24.4%	4
<i>Associate's Degree (2009-2015 ACS)</i>	11.6%	2

* Poverty rates are listed with the lowest rate receiving the 1 score and so on.

2015 QCEW Industry, Employment and Wages for Lake County, Minnesota

Industry	Establishments	Employment	Percent Total Employment	Average Weekly Wage
<i>All Industries</i>	307	4,215	100%	\$818
<i>Natural Resources and Mining</i>	13	527	12.5%	\$1,639
<i>Construction</i>	18	51	1.2%	\$683
<i>Manufacturing</i>	18	508	12%	\$1,066
<i>Trade, Transportation & Utilities</i>	57	530	12.6%	\$714
<i>Information</i>	7	19	.5%	\$1,245
<i>Financial Activities</i>	20	119	2.8%	\$726
<i>Professional & Business Services</i>	24	153	3.6%	\$593
<i>Education & Health Services</i>	41	900	21.4%	\$656
<i>Leisure & Hospitality</i>	71	829	19.7%	\$312
<i>Other Services</i>	26	132	3.1%	\$430
<i>Public Administration</i>	14	426	10.1%	\$844

Selected Economic Indicators for St. Louis County, Minnesota

Indicator	Value	Regional Rank (7 Counties)
<i>Population (2015 Census estimate)</i>	200,431	1
<i>Growth (%) since 2010</i>	.13%	4
<i>Labor Force (2015 Annual Average)</i>	101,813	1
<i>Unemployment Rate (2015 Annual Average)</i>	4.9%	3
<i>24 Month Unemployment Rate (Ending 10 -2016)</i>	5.31%	3
<i>Per Capita Personal Income (2015 BEA)</i>	\$42,803	3
<i>Median Household Income (2010-2015 ACS)</i>	\$48,331	4
<i>Poverty Rate* (2010-2015 ACS)</i>	16%	7
<i>H.S. Diploma or More (2009-2015 ACS)</i>	93.2%	4
<i>Bachelor's Degree or More (2009-2015 ACS)</i>	27.0%	3
<i>Associate's Degree (2009-2015 ACS)</i>	12.0%	1

* Poverty rates are listed with the lowest rate receiving the 1 score and so on.

2015 QCEW Industry, Employment and Wages for St. Louis County, Minnesota

Industry	Establishments	Employment	Percent Total Employment	Average Weekly Wage
<i>All Industries</i>	5,153	97,293	100%	\$828
<i>Natural Resources and Mining</i>	58	3,257	3.3%	\$1,515
<i>Construction</i>	519	4,368	4.5%	\$1,087
<i>Manufacturing</i>	209	4,490	4.6%	\$1,012
<i>Trade, Transportation & Utilities</i>	1,234	18,093	18.6%	\$686
<i>Information</i>	83	1,256	12.9%	\$862
<i>Financial Activities</i>	469	4,387	4.5%	\$898
<i>Professional & Business Services</i>	570	7,261	7.5%	\$970
<i>Education & Health Services</i>	723	33,927	34.8%	\$919
<i>Leisure & Hospitality</i>	657	11,493	11.8%	\$305
<i>Other Services</i>	467	3,502	3.6%	\$493
<i>Public Administration</i>	169	5,886	6.0%	\$1,014

Northeast Minnesota Comprehensive Economic Development Strategy

2017 – 2022

Adopted _____

This report was prepared by the Arrowhead Regional Development Commission under an award from the Chicago Office of the U.S. Department of Commerce Economic Development Administration.

ARDC's Mission

"To serve the people of the Arrowhead Region by providing local units of government and citizens groups a means to work cooperatively in identifying needs, solving problems, and fostering local leadership."

If you have questions regarding ARDC or the Northeast Minnesota Comprehensive Economic Development Strategy, please contact ARDC.

ARDC would like to thank all those that helped to develop the CEDS by participating in the survey and strategy meetings.

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