



**Arrowhead Regional
Development Commission**

2020 CEDS Annual Performance Report



Introduction

The 2020 Northeast Minnesota Comprehensive Economic Development Strategy (CEDS) Annual Performance Report communicates the Arrowhead Regional Development Commission's (ARDC) accomplishments in economic development in the past year and fulfills its obligation to annually report to EDA on the state of the region and progress made implementing the CEDS.

Adopted in January 2017, the CEDS was developed to set the Northeast Minnesota Economic Development District's (NEMEDD) vision for economic development and to maintain the region's federal designation as an Economic Development District (EDD). Designation as an EDD allows communities in the region to be eligible for funding opportunities through the Economic Development Administration (EDA), a division of the United States Department of Commerce.

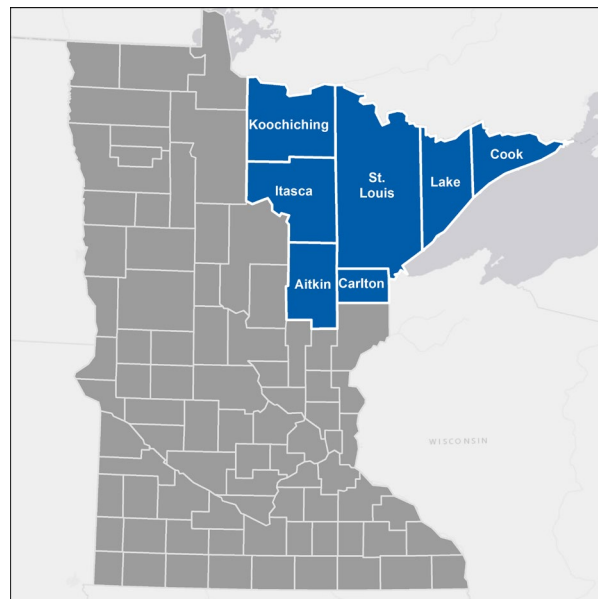
This report is a supplement to the complete CEDS. More detailed information on the region and its economy can be found in the complete CEDS which is available for download at:

www.ardc.org/ceds

About ARDC and NEMEDD

The Arrowhead Regional Development Commission (ARDC) is the designated planning organization for the Northeast Minnesota Economic Development District (NEMEDD). ARDC receives an annual planning grant from EDA to conduct economic development planning activities in the district which includes maintaining the CEDS, developing regionally based economic development goals and strategies, identifying and prioritizing EDA eligible projects, and assisting communities seeking EDA funding.

NEMEDD's service area is identical to ARDC's. The region consists of the seven Counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis.



Regional Overview

COVID-19 Pandemic Economic Impacts

The COVID-19 Pandemic has impacted nearly every business, industry, and community in the seven counties of Northeast Minnesota. Healthcare, manufacturing, mining, forest products, tourism and other sectors have all seen an economic downturn.

The region's economy has been traditionally characterized by the Three T's – Timber, Taconite, and Transportation. Currently, four of six taconite mines have been idled due to a lack of demand for steel, resulting in almost 2,000 direct layoffs. Another major impact has been to small businesses that support iron mining related activities. The forest products industry, not yet fully recovered from the recession of the late aughts, have also seen idled plants, incoming wood stoppage, and the indefinite closure of the Verso Paper plant in Duluth. The region's growing aviation cluster was impacted by two permanent closures affecting nearly 400 workers.

However, the most impacted sector might be service and tourism businesses. The Arrowhead Region is known for its natural beauty and tourism is a critical part of the economy. Resorts, restaurants, bars, outfitters, guides, and other tourism focused businesses have been deeply affected by COVID-19 related restrictions and closures. This sector is characterized by small, locally owned businesses in communities across the region. The near complete shutdown of these sectors has led to significant and ongoing impacts to local budgets making it harder for local governments to extend help.

The region's unemployment rate more than doubled from 4.9 percent to 10.8 percent from March to April 2020 after experiencing annual rates of 4.6 percent in 2019 and 4.1 percent in 2018. From March 16, 2020 through June 10, 2020 nearly 43,000 new unemployment insurance claims were filed affecting 26.5% of the labor force. The labor force in April 2020 was at 159,949, erasing all the gains made in the past few years.

ARDC surveyed its CEDS Strategy Committee from mid- to late-May about the regions' economic and community development priorities, opportunities, and threats that need to be addressed in the next year. The top priorities that were identified include workforce development, economic recovery and resilience, expansion of broadband and technology access, and creating and retaining high quality jobs.

Top opportunities included workforce development, growing the natural resource industries, and economic recovery and resiliency. Leading threats include impacts from global economic conditions, workforce availability, and low wage, less stable jobs.

Overall Trends

Northeast Minnesota, also known as the Arrowhead Region, includes a total of 7 counties. According to population data from the U.S. Census Bureau, Northeast Minnesota was home to 325,092 people in 2018, accounting for 5.8 percent of the state's total population. Since 2010, the Arrowhead's population decreased by 1,133 residents. County level changes ranged from an estimated 6.5 percent decline in Koochiching County to an estimated 4.2 percent

increase in Cook County. Four of the seven counties experienced population decreases. The State projects the population to remain stable with a slight increase followed by a slight decline over the next 20 years. The region has an older median age than the state and nation. While the population is not expected to increase much, it is expected to age.

The region reached its highest labor force in 2009 at nearly 170,000. It has fallen since then to an estimated 163,057 in 2018 which is below the labor force of 164,670 in 2000. The State projected the labor force will decline by 5.7% through 2030. The region's unemployment rate has consistently been high than the state and its labor force participation rate lower. In the face of these constraints, it has become evident that a more diverse workforce in terms of age, gender, race, ethnicity, disability status, and immigration has been and will continue to be a vital source of the workers that employers need to succeed.

With 60.7 percent of the working age population aged 16 years and over in the labor force, Northeast Minnesota had considerably lower labor force participation rates than the state's 69.9 percent rate. Labor force participation rates were lower for all age cohorts in the region than the state, except for 16 to 19-year-olds.

Increasingly tight labor markets and a growing scarcity of workers is now recognized as one of Northeast Minnesota's most significant barriers to future economic growth. As the number of available workers has declined and the economy continues to recover, the region's labor market has tightened. In the face of these constraints, it has become evident that a more diverse workforce in terms of age, gender, race, ethnicity, disability status, and immigration has been and will continue to be a vital source of the workers that employers need to succeed.

The region has consistently reported higher unemployment rates than Minnesota, typically hovering at least 1.0 percent above the state rate. According to Local Area Unemployment Statistics, the region's unemployment rate reached its peak in 2009 at 9.3 percent, then steadily declined to an annual rate of 5.4 percent in 2015 but increased to 6.3 percent in 2016, due in part to mining layoffs. Since then, the unemployment rate dropped beginning in 2017 as the mines began to hire back laid off employees. The current 24-month unemployment rate through April 2020 of 4.53 percent is .87 percentage points higher than the national average.

The employment recovery from the last recession had not been evenly shared by all areas within the region Pre-COVID-19. Forest products have struggled to recover to pre-recession employment and establishment levels and mining in Itasca County has not recovered as fast as other parts of the Iron Range. Aitkin, Itasca, and Koochiching have 24-month unemployment rates that are 2.4 percent and 2.23 percent, and 2.68 percent higher than the national average respectively as of April 2020.

Northeast Minnesota's median household income climbed to \$51,626 in 2017, a steady 3.9 percent increase over the previous year. That matched the state's annual income growth rate exactly, though the region's income was still \$14,000 below the statewide median household income.

At a more detailed regional level, median incomes ranged from a low of \$45,680 in Aitkin County to more than \$56,000 in both Lake and Carlton counties. Likewise, the percentage of

households that had incomes below \$50,000 ranged from a high of 54.7 percent in Aitkin County to a low of 41.7 percent in Carlton County.

Though incomes across all groups are rising, there was still a lot of variation by race or origin. Black or African American households reported the lowest median incomes, equaling less than one-third of the comparable income for whites. Poverty rates also vary widely by race and origin within the region, with whites posting the lowest rates and black or African Americans and American Indians reporting the highest rates. Though the margins of error are much larger in Northeast Minnesota, so are the gaps between whites and residents of other races

Northeast Minnesota has seen employment ups and downs over the past decade but ended 2018 with about 3,000 more jobs than it had in 2013. Though it lost jobs during the recession from 2008 to 2010, it had finally regained all those jobs by 2015, then suffered a decrease of 942 jobs in 2016. However, it rebounded in 2017 with an increase of nearly 1,200 jobs. In sum, the region lost 5,624 jobs due to the recession but has gained 6,240 jobs since 2009. The Arrowhead has recovered more slowly than the state, which gained jobs at a 7.9 percent clip from 2013 to 2018, compared to a 2.4 percent increase in the region.

According to DEED's Quarterly Census of Employment & Wages (QCEW) program, Northeast Minnesota was home to 8,846 business establishments providing an average of 143,638 covered jobs through 2018, with a total payroll of almost \$6.5 billion. That was about 5.0 percent of total employment in the state of Minnesota. Average annual wages were \$45,000 in the region, which was about \$13,000 lower than the state's average annual wage. Perhaps the most well-known industry in the region is mining, which offered 4,186 jobs at 32 firms. The mining industry rebounded in 2017 to add nearly 400 jobs but still has 500 fewer jobs than in 2012. Due to COVID-19, four of six taconite mines have been idled resulting in almost 2,000 direct layoffs.

Economic development needs are focused on human capital, economic competitiveness and diversification, and community and foundational resources needed to support growth. ARDC will work with regional partners and communities to leverage this investment to support the existing and emerging economic base and help its communities and businesses meet the challenge of economic recovery from the COVID-19 Pandemic. General regional economic development needs that affect all industries and communities include preparing the next generation of workers through modern education and workforce training, increasing access to capital and technical expertise, fostering an entrepreneurial environment, creating welcoming communities, and providing adequate public infrastructure including broadband telecommunications infrastructure. Providing access to childcare, transportation, and overcoming opioid abuse are major issues to addressing labor force challenges in the region.

Source Information: Northeast Minnesota Planning Region, 2019 Regional Profile, September 20, 2019, Erik White, Regional Labor Analyst, Minnesota Department Employment and Economic Development and Northeast Region Blog, June 10, 2020, Cameron Macht, Regional Analysis Manager, Minnesota Department of Employment and Economic Development.

Distress Criteria Statistical Report

Reference Date: 04 / 2020 (All data elements refer to this date or earlier.)

Region Consists of: Aitkin Co. MN, Carlton Co. MN, Cook Co. MN, Itasca Co. MN, Koochiching Co. MN, Lake Co. MN, St. Louis Co. MN

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Economic Distress Criteria—Primary Elements

	Region	U.S.	Threshold Calculations
24-month Average Unemployment Rate (BLS) period ending April 2020	4.53	3.66	0.87
2018 Per Capita Money Income (5-year ACS)	\$29,812	\$32,621	91.39%
2018 Per Capita Personal Income (BEA)	\$45,992	\$54,446	84.47%

Economic Distress Criteria—Geographic Components

	24 Month Unemp	Threshold Calculation	BEA PCPI	Threshold Calculation	Census PCMI (2000)	Threshold Calculation	ACS 5-Year PCMI	Threshold Calculation
Aitkin County, MN	6.06	2.4	\$39,780	73.1	\$17,848	82.7	\$27,646	84.7
Carlton County, MN	4.51	0.85	\$43,098	79.2	\$18,073	83.7	\$28,117	86.2
Cook County, MN	4.35	0.69	\$55,319	101.6	\$21,775	100.9	\$32,703	100.3
Itasca County, MN	5.89	2.23	\$43,685	80.2	\$17,717	82.1	\$28,636	87.8
Koochiching County, MN	6.34	2.68	\$41,890	76.9	\$19,167	88.8	\$29,051	89.1
Lake County, MN	3.65	-0.01	\$48,132	88.4	\$19,761	91.5	\$33,602	103
St. Louis County, MN	4.09	0.43	\$47,417	87.1	\$18,982	87.9	\$30,321	92.9

Sources: U.S. Bureaus of Census, Labor Statistics, and Economic Analysis; Calculations generated by StatsAmerica.

Adjustment to the Strategy

EDA Guidance: The CEDS is meant to be a flexible document and may be adjusted to respond to changing economic conditions. The first section of the CEDS Performance Report must describe any necessary adjustments in the strategy that the EDD and the region have made or are in the process of implementing. Additionally, this section must document changes in the composition of the CEDS committee and staff or capacity of the District Organization to support the development or implementation of the CEDS.

The CEDS was adopted in January 2017. ARDC will begin a full update of the CEDS in the summer of 2020. A major focus of this update will recovery from the COVID-19 pandemic and overall economic resilience.

Based on regional activities and needs ARDC will adjust focus to working with communities, organizations, and industries impacted by COVID-19 and changes to traditional economic sectors, resiliency and diversification, improving workforce skills, lowering barriers to entering the workforce, community economic development strategies, and Economic Development Integration.

Staff Changes

ARDC has added a new team member to assist with implementation of the economic development program and development of the CEDS to be carried out under the CARES Act Supplemental Planning Grant. All other staff members will remain the same in 2020-2021 with additional assignments to supplement the planning program and CEDS development. Staff members and their roles are identified in the FY 2019 Partnership Planning application.

Anthony Landgren, Associate Planner, is a 2020 graduate of The College of Saint Scholastica with a bachelor's degree in Marketing. Anthony will work with senior staff members on the Supplemental Planning Grant, CEDS update, and both of ARDC's EDA seeded revolving loan funds. Anthony, a native of Duluth, Minnesota is excited for the opportunity to live and work in his hometown.

Governing Board

2019-2021 Governing Board Roster	Name	Location	Representing
NATC	Holliday, Jason (Secretary)	Cloquet	Fond du Lac Tribal Council
At Large	Nevanen, Paul	International Falls	Economic Development
At Large	Somnis, Mary	Grand Marais	Economic Development
At Large	Rasmussen, Allen	International Falls	International Falls
County Commissioner (Aitkin)	Niemi, Don	Aitkin	Aitkin County

	(Vice Chair)		
County Commissioner (Carlton)	Brenner, Dick (Chair)	Cloquet	Carlton County
County Commissioner (Cook)	Storlie, Ginny	Lutsen	Cook County
County Commissioner (Itasca)	Snyder, Terry	Grand Rapids	Itasca
County Commissioner (Koochiching)	Pavleck, Wade	International Falls	Koochiching County
County Commissioner (Lake)	Hurd, Jeremy	Two Harbors	Lake County
County Commissioner (St. Louis)	Jewell, Frank	Duluth	St. Louis

CEDS Strategy Committee

ARDC began forming a new CEDS Committee in March 2020. The Committee will be actively engaged in the entire process of developing a new CEDS in 2020 and 2021. The Committee is broadly representative of the main economic interests of the region. The members are listed below.

Member	Affiliation
Jeff Borling	Great River Energy
Brad Brzezinski	Minnesota Department of Employment and Economic Development
Deborah DeLuca	Duluth Seaway Port Authority
Marie Domiano	Northeast Minnesota Office of Job Training
Wade Fauth	Blandin Foundation
Kate Ferguson	Duluth Seaway Port Authority
Chris Fleege	City of Duluth
Elissa Hansen	The Northspan Group
Brian Hanson	Area Partnership for Economic Expansion
Amy Hietapelto	University of Minnesota Duluth
Matthew Johnson	St. Louis County
Tom Lambrecht	Great River Energy
Tamara Lowney	Itasca Economic Development Corporation
Barbara McDonald	College of St. Scholastica
Jason Metsa	Minnesota Department of Iron Range Resources
Nancy Aronson Norr	Minnesota Power
Mark Philips	Minnesota Department of Iron Range Resources
Michael Raich	Northeast Higher Education District
Patricia Rogers	Lake Superior College
Tony Sertich	Northland Foundation
Matt Sjoberg	Minnesota Department of Iron Range Resources
Rolf Weberg	Natural Resource Research Institute
Shawn Wellnitz	Entrepreneur Fund
Jason Hollinday	Fond du Lac Tribal Council
Ed Zabinski	Zabinski Consulting
Andy Hubley	Arrowhead Regional Development Commission

Report on Economic Development Activities

EDA Guidance: In this section, the District Organization should provide a brief narrative describing the activities that were undertaken to help support the development or implementation of the CEDS.

CEDS Strategic Direction			
Human Capital	Economic Competitiveness	Community Resources	Foundational Assets
Labor Force	Entrepreneurship and Innovation	Social Capital	Broadband Access
Education and Skills	Small Business	Arts and Culture	Transportation
Child Care	Natural Resources Development	Tourism and Outdoor Recreation	Active Transportation
	Diversification		Transit
	Traditional Economic Development Activities		Water and Wastewater Infrastructure
			Housing
Economic Resilience			
Economic Development Integration			

Evaluation of Progress on Action Plan and Goals

EDA Guidance: In this section, the District Organization should analyze its progress toward achieving the specific goals based on the Action Plan and Performance Measures contained within the CEDS, as well as goals set out in previous CEDS Performance Reports. If specific goals for the year were not met, the report should discuss what factors contributed to the goals not being met, and how the District Organization plans to address these factors so that goals will be met in the future.

The evaluation of action plan and goals discussed in this section relates to the work plan items approved in the FY 2019 planning investment awarded to ARDC as it relates to the CEDS and ARDC's economic development program. See the attached approved Scope of Work for more information on Scope of Work indicators.

In FY 2019 ARDC started, completed, or continued more than 20 projects with an economic development focus or component. The following is a summary of some key projects.

Project: Implement the 2017-2022 CEDS/Update the CEDS

Summary: ARDC continued implementing the 2017-2022 CEDS. The CEDS set a new strategic direction, set goals, identified performance measures and partners. The CEDS is organized around four cornerstones adapted from DevelopMN – Human Capital, Economic Competitiveness, Community Resources, and Foundational Assets. ARDC formed a new CEDS Strategy Committee in March 2020. The Committee is formed by the members of the Arrowhead Growth Alliance, a leadership group representing business, non-profit, higher education, workforce development, and community and economic development in Northeast Minnesota and select members of ARDC’s Board.

Objectives: All - Strategic Direction

Scope of Work: 1, 2, 5, 12

Project: Hat Point Ferry Terminal and Marina Redevelopment

Summary: ARDC is administering an EDA Public Works and Economic Development Grant that was awarded to the Grand Portage Tribal Council. The \$5 million project is redeveloping a commercial boat launch, dock, and ferry terminal at Hat Point on Lake Superior. Hat Point is the only commercial ferry dock in Minnesota serving Isle Royal National Park. It needs major repairs and expansion if it is to continue as a viable option for ferry operations and Tribal commercial fisherman.

Objectives: Transportation, Diversification, Economic Resilience, Tourism and Outdoor Recreation.

Scope of Work: 4

Project: EPA Brownfields Assessment Coalition Grant

Summary: ARDC applied for and was awarded a Brownfields Coalition Assessment grant through the Environmental Protection Agency. ARDC will act as the lead coalition member for a three-year, \$600,000 grant to conduct environmental assessments and planning for brownfield sites in Northeast Minnesota. ARDC is joined by seven economically distressed communities as coalition members. ARDC selected a consulting engineering firm through a competitive bid process to assist with project administration and provide technical services to help return blighted sites to productive use.

Objectives: Economic Resilience, Traditional Economic Development Activities, Economic Development Integration

Scope of Work: 4, 6, 8

Project: Regional Transportation Coordinating Council (RTCC)

Summary: ARDC is facilitating the Regional Transportation Coordination Council (RTCC). During the RTCC Phase 2, the RTCC successfully cataloged service data of approximately 175 transportation providers in the region. The database aided in transportation coordination of healthcare access, food access and other essential needs during COVID. The RTCC was active stakeholder in ongoing transportation coordination throughout COVID and during future planning. The ARDC secured Phase 3 grant from MnDOT for ongoing support of the RTCC workplan. Phase 3 will focus on continuation of RTCC work tasks. All the RTCC work tasks have the potential to support enhanced workforce transportation.

Objectives: Transportation, Transit, Labor Force, Economic Development Integration

Scope of Work: 4, 5, 6, 16

Project: Cohasset Public Works and Economic Development Application

Summary: ARDC assisted the City of Cohasset in Itasca County with an application to EDA for a \$4 million project to construct a spec/incubator building in its industrial park. The City will own the building which will provide a permanent location for an existing manufacturing and medical supply business, an additional space for a future light industrial tenant, and a light industrial incubator managed by the Itasca Economic Development Corporation. The project is an effort in economic diversification and resilience. The City has been significantly impacted by changes in the coal economy. The City's largest employer and taxpayer is coal fired power plant that has reduced operations and permanently laid off workers. The City has also been impacted by the COVID-19 pandemic.

Objectives: Economic Resilience, Entrepreneurship and Innovation, Small Business, Diversification, Education and Skills

Scope of Work: 4, 5, 15

Project: Carlton County Airport Public Works and Economic Development Grant

Report: ARDC assisted Carlton County with a Public Works and Economic Development application under the 2019 Disaster NOFO to help with the construction of a new hangar at the Cloquet-Carlton County Airport. The County will lease the building to allow a fixed base operator and flight training school to expand their operations. The Minnesota DNR aerial forest fire suppression will be able to establish a permanent presence in the county by moving into the FBO had previously occupied.

Objectives: Small Business, Transportation, Resilience

Scope of Work: 4, 5, 15

Project: Northern Aero Alliance (NAA)

Report: Northern Aero Alliance, a collaboration of aviation industry and agency stakeholders centered in Duluth, is one of the many activities supported by ARDC. The goal of Northern Aero Alliance is to enhance the region's aviation manufacturing and business cluster through public and private economic development partnerships. Northern Aero Alliance was founded after the recession of 2008 had major impacts on the region's aviation sector. Since the organization's inception in 2009, all the original members are still in operation, two major aviation anchors have been added, a new International Airport terminal has been built, and membership has tripled.

Objectives: Labor Force, Small Business, Diversification, Transportation

Scope of Work: 15, 17

Project: U.S. Highway 2 Corridor Project

Report: ARDC Planning is partnering with the Minnesota Department of Transportation (MnDOT) to study ways to improve traffic flow, pedestrian and bicycle accommodations, and aesthetics in the U.S. Highway 2 Corridor in Minnesota between Cohasset and Grand Rapids. The corridor serves as a major truck route and as Cohasset's business district, and the final study report will suggest ways to increase safe, multi-modal access to corridor businesses. The study also considers a potential commercial and recreational development site adjacent to the corridor and along the Mississippi River.

Objectives: Transportation, Traditional Economic Development Activities, Tourism and Outdoor Recreation

Scope of Work: 4, 5, 6,

Project: Trunk Highway 11 Corridor Project

Report: ARDC Planning is partnering with the Minnesota Department of Transportation (MnDOT) to prepare a transportation plan for International Falls, Minnesota. The focus of this plan will be the Trunk Highway 11 corridor, which is scheduled for reconstruction in 2027 and serves as "main street" in International Falls' downtown business district. To this end, the project will also include a revitalization plan for downtown International Falls.

Objectives: Transportation, Traditional Economic Development Activities, Small Business

Scope of Work: 4, 5, 6

Project: Hermantown Planning

Report: ARDC worked with the City of Hermantown to identify planning, infrastructure, and funding needs for several development and redevelopment properties.

Objectives: Economic Competitiveness, Community Resources, Foundational Assets

Scope of Work: 4, 9, 16

Project: Tourism Cluster and Scenic Byways

Report: Tourism and related industries are identified as one of the region's industry clusters in the CEDS. To create and support place and culture-based tourist destinations that leverage the unique identities and history of our communities and regions is one of the CEDS goals. ARDC has several active tourism related projects.

Objectives: Community Resources, Foundational Assets, Economic Competitiveness

Scope of Work: 5, 15, 16

Project: Two Harbors Planning

Report: ARDC is provided planning assistance to the City of Two Harbors with several expansion and new development projects, workforce housing, and a transportation plan that is significant to the Highway 61 and downtown business districts.

Objectives: Economic Competitiveness, Community Resources, Foundational Assets

Scope of Work: 4, 9, 16

Per the agency's Economic Development Integration plan ARDC tracks and reports on smaller activities related to economic development as well. Activities carried out since July 2019 include:

- Notified local units of governments, economic, workforce, and community development groups of eligibility under the 2019 Disaster NOFO. ARDC promoted and hosted a meeting with the Economic Development Representative, and coordinate follow-up project discussions. (4, 8)
- Notified local units of governments, economic, workforce, and community development groups of eligibility under the CARES Act NOFO. ARDC has communicated with several communities and groups regarding potential projects and facilitated connections with the Economic Development Representative. (4, 8)
- Participating in an economic response effort in Itasca County focused on the closure of a manufacturer because of the COVID-19 pandemic. (4,8)

- Assisting the City of Grand Rapids in Itasca County with an application for a public works project under the CARES Act NOFO. (4, 8)
- Continuing to aid Itasca Economic Development Corporation as it implements its 2019 EAA recovery and response investment. (4, 8, 9)
- Assisting the Fond du Lac Band to identify and develop state and federal funding applications for a technology center and business park. (4,8)
- Attended regional and statewide economic development meetings. (17)
- ARDC began updating its Revolving Loan Fund plan and bringing administration in house. (9, 16)
- Provided Deer River with information regarding USDA funding for water and wastewater that was received through EDA's Economic Development Integration's periodic federal resource updates. (8)
- Held a discussion with Iron Range Resources, a state agency charged with economic development of the iron mining areas of the state, regarding economic development services gaps. (4, 8)
- Provided information to Tribal Nations on funding opportunities available through the EPA. (8)

Planning Grant Scope of Work

1. Implement and Report on the CEDS for the region, as appropriate, using the CEDS and CEDS process to foster collaborative regional economic development efforts by coordinating and implementing the economic development activities of the District.
2. Complete a new CEDS as required. This is currently scheduled for December 31, 2021.
3. Conduct analysis of economic trends in the District's economy.
4. Provide economic development program outreach to local governments to facilitate project development and implementation of strategies to ensure the region's capacity to provide the necessary infrastructure and workforce to attract private investment and encourage the creation and expansion of higher-paying jobs.
5. Implement the strategic direction/action plan of the CEDS including grant writing, planning and technical assistance, other economic development assistance, training, travel, and other related activities, if directly associated to CEDS implementation.
6. Coordinate federal, state, local and not-for-profit resources/funds to optimize the implementation of the CEDS strategic direction/action plan and progress toward attainment of regional goals, objectives, and vision.
7. Host and/or assist with coordinating Regional Economic Diversification Summit (REDS) meetings and activities related to implementation of the CEDS.
8. Identify relevant opportunities for multi federal agency involvement in economic development activities as it relates to the implementation of the CEDS and inform the EDA CRO Economic Development Integrator and/or the Economic Development Representative when appropriate.
9. Conduct other economic development activities such as research, planning and advisory functions as it relates to the implementation of the CEDS.
10. Provide reports, data and regional information as requested by EDA in a timely manner.
11. Comply with EDA regulations particularly those regarding eligibility, designation, and CEDS.
12. Include a disaster/resiliency strategy as a component of the CEDS. The Disaster Strategy shall comply with the CEDS Content Guidelines and may be a separate section of the CEDS, or may incorporate by reference a separate plan, that details the Recipient's emergency planning, response and recovery plan to be implemented should a disaster occur. The Disaster Strategy may also contain a list of implementation priorities and steps to stabilize and support a community's economic resiliency.
13. Comply with any audit requirements.
14. Comply with and support GPRA reporting.
15. Collaborate with public and private sector leaders from industry clusters identified in the CEDS. Efforts will be focused at strengthening existing and emerging clusters by increasing understanding of the economic impact, identifying needs in the areas of infrastructure, workforce training, and financing, and identifying supply chain connections and gaps in the

makeup of the cluster. Other actions that help improve cluster competitiveness may be pursued.

16. Participate in development of community and regional strategies and comprehensive plans that complement the CEDS, facilitate business attraction and retention, and prepare communities for increased private investment and population growth.
17. Coordinate and participate in national, state, and regional organizations and activities, including training affecting the Economic Development District.

Schedule of the Goals for the Next Year

EDA Guidance: The final section of this report should set achievable goals for the CEDS development or implementation for the upcoming year. The program of activities, both construction and non-construction, should be described in a format that mirrors the Action Plan in the CEDS document. This should include a schedule which is as detailed as possible to set the baseline for evaluating the CEDS performance in the next year.

In FY 2020 ARDC's economic development work plan will address the following:

1. Complete a new CEDS by December 31, 2021. ARDC will begin working with Arrowhead Growth Alliance to align the CEDS with other regional development strategies and programs.
2. ARDC will implement a two-year economic recovery program targeting assistance to communities, organizations, and industries impacted by the COVID-19 pandemic.
3. ARDC will implement a two-year program to assist businesses with financing through a new EDA seeded CARES Act RLF.
4. Hat Point Ferry Terminal and Marina Redevelopment: ARDC will continue to administer the Public Works investment with the Grand Portage Tribal Council.
5. Itasca Economic Recovery Effort: ARDC will continue to participate in the planning and implementation of economic recovery efforts in Itasca County.
6. Economic Development Integration: ARDC will work to implement its Economic Development Integration proposal into the CEDS and economic development workplan.
7. Northern Aero Alliance: ARDC will continue to facilitate the Northern Aero Alliance in 2020-2021. Ongoing in major initiatives include maintaining an up to date website and addressing workforce development and workforce housing needs.
8. DevelopMN and MAD0: ARDC will continue to work with other Economic Development Districts in the state to further fund and implement several of the goals and strategies identified in DevelopMN.
9. Community Assistance: ARDC will assist communities and organizations to plan for, identify, and access EDA, state funding, and other federal funding and assistance programs to develop regionally significant economic development projects that leverage private sector investment and job growth.
10. Participate in development of community and regional strategies and comprehensive plans that complement the CEDS, facilitate business attraction and retention, and prepare communities for increased private investment and population growth.

11. Coordinate and participate in national, state, and regional organizations and activities, including training affecting the Economic Development District.

Northeast Minnesota Economic Development District

2020 CEDS Annual Performance Report

FY 2019 Planning Grant

Award Number ED19CHI3020024



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U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

This report was prepared under award #ED19CHI3020024 from the U.S. Department of Commerce Economic Development Administration Chicago Regional Office.