



**NORTHWEST**  
REGIONAL DEVELOPMENT  
COMMISSION

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# Comprehensive Economic Development Strategy for Northwest Minnesota

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



**Dancing Sky**  
Area Agency on Aging

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## MADO & DevelopMN

### Thank You

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

In 2012, the Minnesota Association of Development Organizations (MADO) began working on a Greater Minnesota Development Strategy, DevelopMN. DevelopMN establishes a strategic framework for coordinated action by MADO, the communities they serve and the federal and state agencies that share their commitment. During the creation of DevelopMN, four major cornerstones were identified as key components of strong regions and communities: Human Capital, Economic Competitiveness, Community Resources, and Foundational Assets. To ensure alignment between state and regional plans, NWRDC and the other MADO members agreed to use a similar framework to encapsulate their respective regions and yet provide the local perspective that is unique to each EDD in Minnesota.

# INTRODUCTION

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## Comprehensive Economic Development Strategy:

### A Planning Process Designed to Enhance the Economic Growth of the Region.

**The Northwest Regional Development Commission (NWRDC) is designated by the Federal Economic Development Administration (EDA) as Northwest Minnesota's Region One Economic Development District (EDD), serving Kittson, Marshall, Norman, Pennington, Polk, Red Lake and Roseau counties. As part of its EDA requirements, the NWRDC is tasked with the coordination of the Comprehensive Economic Development Strategy (CEDS), a locally-based regionally driven planning process designed to enhance the economic growth of the region.**

The CEDS provides a mechanism for coordinating the efforts of individuals, organizations, local governments, and private industry concerned with economic development. Planning and data collection for this document began in 2021 with public input derived through one-on-one visits, phone conversations, emails, and in-person meetings. The Northwest Regional Enterprise Fund, Inc. serves as the CEDS planning committee and provides input and direction to staff in the formation of this document. A draft document was provided to the Commission and 30 day comment period was provided. The final CEDS is made available to economic development stakeholders in the region.

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

(Strengths, Weaknesses, Opportunities, Threats) analysis provided in the appendix of the CEDS.

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

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

For those reasons, a SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis is done to provide a baseline for local governments to work from when addressing these resiliency concerns. The purpose of the SWOT Analysis is not just to recognize areas of strength and where opportunities may lie, but also to rigorously examine and increase awareness of weaknesses and potential threats so that proper preparation can take place. By doing so, Region One is strategically situated to more effectively combat and recover from any economic shock that may occur. Tenets of resiliency are therefore weaved throughout this document in an effort to proactively address the region's condition.

# EXECUTIVE SUMMARY

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## Northwest Minnesota's Economy is Driven by Innovation and Technology in a Variety of Different Sectors.

**Northwest Minnesota's economy continues to have a firm economic foundation and cluster development of agriculture and manufacturing, two industries that played a major role in mitigating the effects of the 2009 Great Recession. Only a few small localized areas of the region fall under traditional economic distress factors, making a unique challenge in finding alignment with and attracting federal economic development funding that is contingent upon that criteria.**

The northwest region of Minnesota has seen a decline in both population and labor force since the last census. This can be attributed to several factors such as an aging population and outmigration, especially within our age 18-25 population. Opportunities for growth are available as wages have rapidly increase and employment opportunities are high. Housing shortages and childcare continue to be barriers in replacing lost labor force even though we have seen increases in the 35-45 age category. Jobs are available across a variety of sectors, but affordable housing and lack of housing variety are mitigating factors. New multi-family housing development has recently occurred in regional centers where it is needed most to fill labor shortages, but more development is needed in smaller communities that provide labor to employers. Both public and private interests are looking for ways to address business needs and support innovation, technology and training initiatives that will strengthen job development, and labor and business retention strategies. These include ongoing planning efforts through inter-agency and inter-regional collaboration with influential groups like Impact 20/20 and MADO.

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

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

# 2026 GOAL

## “ Increase the job base and population level and in Northwest Minnesota. ”

### 1 PLANNING -

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

### 2 PROMOTION -

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

### 3 BUSINESS DEVELOPMENT -

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

### 4 LABOR FORCE DEVELOPMENT -

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

### 5 RENEWABLE ENERGY -

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

## Description of the Area

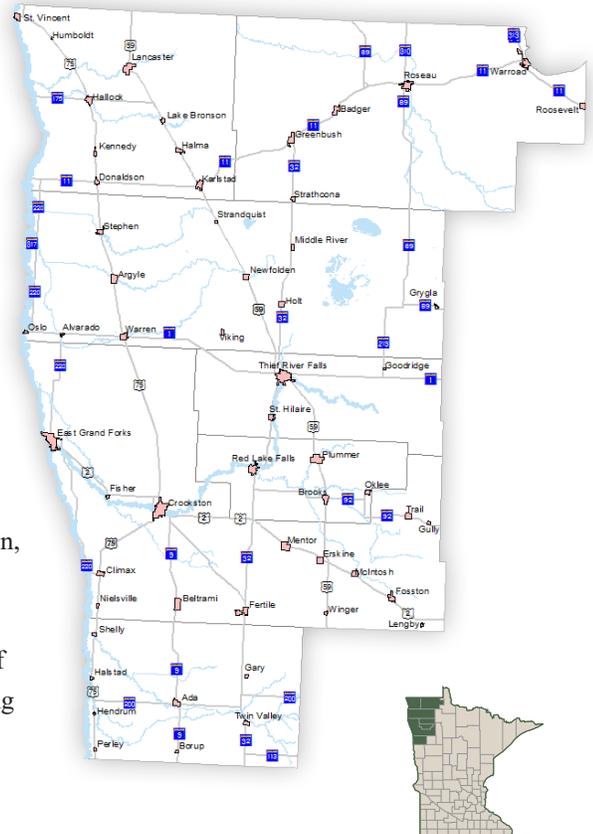
Region One is located in the northwest corner of Minnesota and consists of Kittson, Marshall, Norman, Pennington, Polk, Red Lake and Roseau counties. The Region is characterized by a population descended from the Swedish, Norwegian, German, Asian, Polish and French-Canadians who settled in the area in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

The political geography of Region One consists of seven counties, 54 incorporated cities, 228 townships and 6 unorganized territories.

*(See center spread for a larger map of the region.)*

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

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



# NORTHWEST MINNESOTA CORNERSTONES

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## Creating Economic Prosperity is a Multifaceted Process.

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

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

### ECONOMIC RESILIENCY

The Region'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. Previously, resiliency has been incorporated into aspects of the four cornerstones but given the onset of the worldwide COVID-19 pandemic, resiliency finds itself at the forefront of economic development planning.

### HUMAN CAPITAL

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

### ECONOMIC COMPETITIVENESS

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

### COMMUNITY RESOURCES

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

### FOUNDATIONAL ASSETS

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

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

**Specific:** target a specific area for improvement.

**Measurable:** quantify or at least suggest an indicator of progress.

**Attainable:** assure that an end can be achieved.

**Realistic:** state what results can realistically be achieved, given available resources.

**Time-related:** specify when the result(s) can be achieved.

# ECONOMIC RESILIENCY

## CORNERSTONE

## Economic Resiliency

### CALL TO ACTION

Communities across the region have been hard hit by the coronavirus pandemic, which has affected every aspect of our regional economic prosperity. The hospitality and retail sectors endured a months-long government-mandated shut down. Businesses were forced to transition to remote work models and schools have been challenged with remote learning since early 2020. The pandemic has upended life for many residents of our region.

### CONTEXT

- In NW Minnesota there was a loss of employment in retail and hospitality by 491 jobs in the early stages of the pandemic.
- NW Minnesota experienced a decline in available daycare providers by roughly 10% since the beginning of the pandemic. This impacts the area's ability to attract and retain new residents.
- The Great Resignation impacted NW Minnesota employers creating fierce competition for a dwindling workforce. Low unemployment continues to stress the job market for growing companies.
- Several counties in NW Minnesota have high-speed internet deficiencies in rural and remote rural locations. This impacts the area's ability to compete for a qualified workforce, provide equity in education and spur business growth.
- Nearby Native American Communities could experience a greater impact from the pandemic due to an economic disadvantage or geographic location.

### SMART GOAL

Assist communities of Region One with resilient responses to mitigate impacts from COVID-19 and prepare for future disasters with comprehensive strategies.

### STRATEGIES

- 1 Advocate on behalf of local communities for increased federal investment in Travel, Tourism, and Outdoor Recreation regional assets
- 2 Promote the deployment of a comprehensive response to the lack of childcare providers in the region. Support public-private efforts to build additional capacity for in-home and center-based childcare offerings.
- 3 Work with state and federal agencies to implement local solutions for high-speed internet.
- 4 Collaborate with regional higher education to provide for the regions need of a well-trained workforce.
- 5 Support regional entrepreneurs and emerging technology to create a more diversified portfolio of business assets.
- 6 Collaborate with local Tribes to create opportunities for prosperity by expanding tribal assets and partnerships to enhance economic growth.

## Educational Attainment

### CALL TO ACTION

The size of Northwest Minnesota's overall workforce is projected to fall 5% by 2030. Declining workforce participation, especially in 45-64 age cohort as the last of the baby boom generation nears retirement, necessitates increased worker skills to improve productivity and grow the economy.

### CONTEXT

2019 ACS data indicates 94.4% of the population aged 25-64 has a high school diploma. 35.5% of adults aged 25 and over have a college degree. In the 2019-2020 school year, early onset of the pandemic, the high school graduation rate was 89.9%. This was up slightly from 89.1% in 2019, and higher than the state graduation rate of 83.8% during the 2020 school year.

### SMART GOAL

Increase GED and/or high school equivalent education attainment to 93% by 2026.

### SMART GOAL

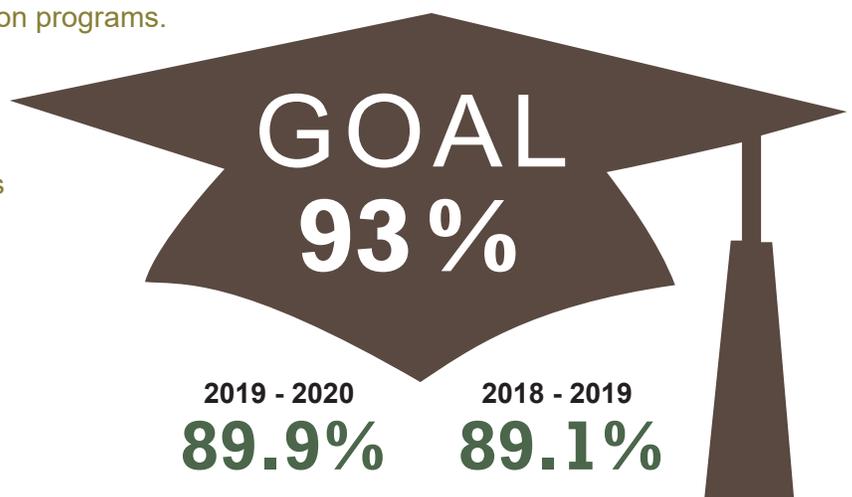
Increase the number of residents (ages 18-64) who have completed post-secondary education or training with a particular focus on certificates, technical degrees, and apprenticeships relevant to employment in middle skill, living wage occupations.

### SMART GOAL

Increase the percentage of residents aged 25 and up with an associate's degree or higher to 40% by 2026.

### STRATEGIES

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



# Labor Force

## CALL TO ACTION

As the Northwest Minnesota economy recovers from pandemic related disruptions, it is confronted with the challenge of hiring, retention, and skills needs of employers.

## CONTEXT

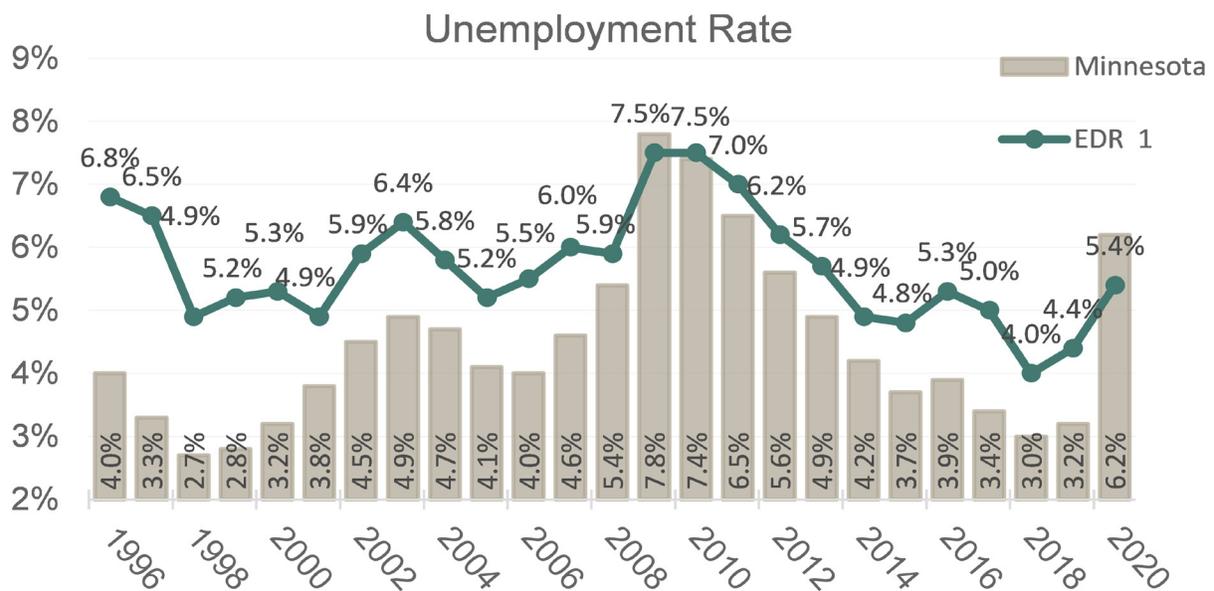
Data from DEED’s Local Area Unemployment Statistics (LAUS) showed that Region 1 had an annual average labor count of just shy of 49,000 workers through 2015. Despite the region’s population decrease from 2000-2015, Region 1 gained nearly 2,500 new workers, an increase of 5.4%. Peak workforce estimates were reached in 2009 at 49,558 and have fluctuated since that time. Since 2015 the labor force has shown a downward trend with 2020 estimates as few as 46,000 workers. As employment continues to decrease, the labor market in Region 1 has grown tighter, with fewer unemployed workers available and actively seeking work.

The Baby Boomer workforce continues to age and workforce succession is becoming more and more important. Employers are considering a variety of methods to retain experienced workforce. Current labor force participation rate is 67.1%, compared to the State level of 69.7%. Although many age cohorts in Northwest Minnesota have higher participation rates than the State, the overall rate is lower due to high percentage of workforce in the older age brackets.

According to Minnesota Department of Human Services, there are 209 active Family Childcare licenses and 16 active Child Care Center licenses for a total of 3,322 total licensed spots in the region to serve 5,400 children under the age of 5. The shortage of licensed daycare also affects the size of participating workforce due to one parent staying at home with children.

## SMART GOAL

- 1 Increase labor force participation by 2% by 2026.
- 2 Increase numbers of childcare facilities by 2026.





## STRATEGIES

- 1 Align education and workforce data to meet current and future skill needs of employers.
  - a. Participate in Impact 20/20 initiatives that inform students about expedited career pathways, especially in health care, manufacturing, and welding.
  - b. Educate high school students on regional career opportunities, and share information about in-demand careers.
  - c. Increase the college and career-readiness of the region's high school students through soft skill training beginning in elementary school level.
- 2 Support vocational training in high schools.
- 3 Advance college-credit based apprentices, internships, and on-the-job training as a workforce development solution.
- 4 Expand participation of mature workers with flexible scheduling to make up for shortage of new workforce entrants.
- 5 Build childcare capacity in the region to assist people in joining the workforce.
  - a. Educate the public and parents on childcare provider requirements.
  - b. Encourage employer involvement in childcare and expand upon current models in Region One.
  - c. Explore and encourage tax incentives for family childcare providers, as well as viable loan/grant options.
  - d. Encourage drop-in and overnight childcare options to accommodate shift workers at larger employers.
  - e. Develop programs and initiatives that encourage the creation of family childcare providers.
  - f. Connect minorities and immigrants to New Americans training program.

# ECONOMIC COMPETITIVENESS CORNERSTONE

## Entrepreneurship and Innovation

### CALL TO ACTION

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

### CONTEXT

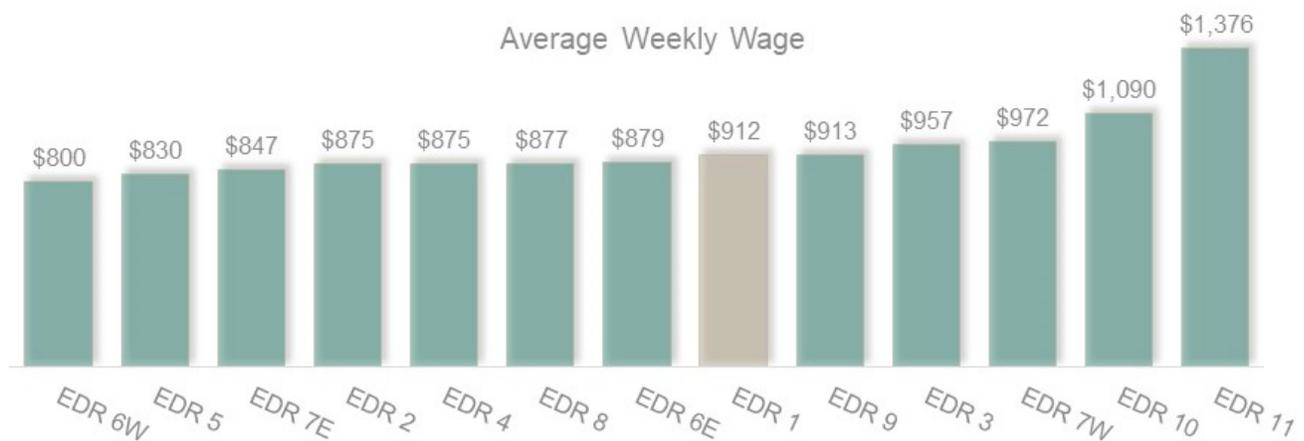
The Stats America Index compares local performance across a variety of indexes to State and U.S. performance. The number is calculated from five component indexes: Human Capital & Knowledge Creation, Business Dynamics, Business Profile, Employment and Productivity, and Economic Well-Being. Northwest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

### SMART GOAL

Improve the Northwest region's rank on the Stats America Innovation Index from 93.7% to National Average of 100% by 2026.

### STRATEGIES

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



## Small Business Growth

### CALL TO ACTION

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

### CONTEXT

As of 2019, 77.9% of employers in the northwest region have less than 10 employees, while 96.5% have less than 50 employees. However, some of the largest businesses in northern Minnesota are located in Region One, exceeding the 500 employee threshold often used to define a "small business". According to the Kaufman Foundation Entrepreneurship Policy Digest, new and young companies are the primary source of job creation in the American economy.

### SMART GOAL

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

### STRATEGIES

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



**77.9%**  
businesses in the region that  
employ fewer than 10 people.

**5982**  
number of self-employed  
businesses in the region. (2018)

# COMMUNITY RESOURCES

## CORNERSTONE

### Social Capital

#### CALL TO ACTION

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

#### CONTEXT

A 2019 Blandin Foundation Study “Rural Pulse” compiled research data to show how people from Minnesota felt their community works together to address local issues.

#### SMART GOAL

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

#### STRATEGIES

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



### Arts and Culture

#### CALL TO ACTION

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

#### CONTEXT

In 2019, Creative Minnesota released a comprehensive study documenting the arts in Minnesota. Creative Minnesota is a collaborative of arts and culture supporting organizations in partnership with Minnesota Citizens for the Arts. This industry supports the equivalent of 70 jobs in Northwestern Minnesota, with a total economic regional impact of \$3,332,694 for nonprofit arts and culture organizations.

#### SMART GOAL

Increase employment in the Arts, Entertainment and Recreation sector by 2% by 2026.

#### STRATEGIES

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

# Key Industries & Production

## Minnesota Region 1

Total Population: 84,138

Total Square Miles: 8,521

Unemployment: 5.4% (Statewide Unemployment: 6.2%)

Source: 2020 MN DEED Local Area Unemployment Statistics (LAUS) program

### KITTSON COUNTY

-  Agricultural Production
-  Transportation Equipment Manufacturing
-  Education
-  Health Care
-  Government
-  Construction Trades
-  Food Processing

Population: 4,207

Labor Force: 2,341

Unemployment: 4.3%

### POLK COUNTY

-  Agricultural Production
-  Transportation Equipment Manufacturing
-  Education
-  Health Care
-  Government
-  Food Processing
-  Construction Trades
-  Freight Transportation

Population: 31,192

Labor Force: 16,487

Unemployment: 5.1%

### NORMAN COUNTY

-  Agricultural Production
-  Education
-  Health Care
-  Government
-  Construction Trades
-  Repair & Maintenance

Population: 6,441

Labor Force: 3,250

Unemployment: 5.9%

## LEGEND

-  Municipality
-  Regional Counties





## ROSEAU COUNTY

- Recreational Vehicle Manufacturing
- Window & Door Manufacturing
- Agricultural Production
- Outdoor Furnace Manufacturing
- Education
- Health Care
- Government
- Freight Transportation

Population: 15,331  
 Labor Force: 7,889  
 Unemployment: 5.4%

## MARSHALL COUNTY

- Agricultural Production
- Education
- Health Care
- Government
- Ag Equipment Manufacturing
- Freight Transportation
- Fiberglass Equipment Manufacturing

Population: 9,040  
 Labor Force: 5,308  
 Unemployment: 6.1%

## PENNINGTON COUNTY

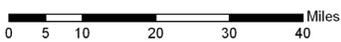
- Recreational Vehicle Manufacturing
- Electronic Parts Distribution
- Education
- Health Care
- Government
- Agricultural Production
- Construction Trades
- Freight Transportation

Population: 13,992  
 Labor Force: 8,574  
 Unemployment: 5.8%

## RED LAKE COUNTY

- Agricultural Production
- Outdoor Furnace Manufacturing
- Education
- Health Care
- Government
- Wood Products (Housing) Manufacturing
- Construction Trades

Population: 3,935  
 Labor Force: 2,192  
 Unemployment: 6.0%



## Tourism

### CALL TO ACTION

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

### CONTEXT

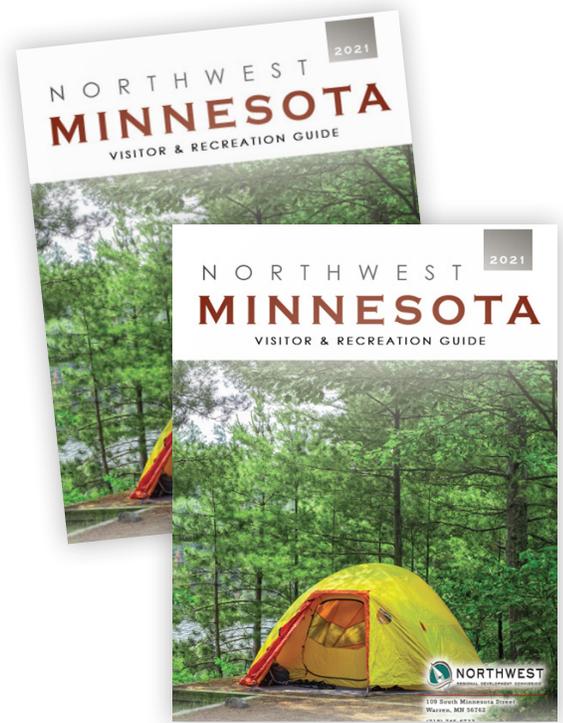
Travel and tourism make up a large portion of the leisure and hospitality industry. They create jobs and generate sales in every county of Northwest Minnesota. Tourism jobs represent all levels of employment, from important entry-level service jobs to high-paying executive positions. Traveler spending indirectly supports jobs in many other industries, as well, from financial services to printing. 2019 Leisure and Hospitality industry economic impact in Region One included more than \$110,148,788 in gross sales, \$7,177,787 in state sales tax collection and 2,275 jobs.

### SMART GOAL

Increase visitor spending in Northwest Minnesota by 5% by 2026.

### STRATEGIES

- 1 Keep travel experiences in Northwest Minnesota fresh and current by creating new outdoor recreation, arts and cultural heritage experiences and amenities.
  - a. Collaborate with local Chambers of Commerce and tourism organizations to promote river corridors, regional trails and regional parks systems.
  - b. Use the Comprehensive Planning process to recognize community assets and marketing niches that draw visitors.
- 2 Develop career paths in the tourism industry to attract and retain younger employees while staying competitive in pay and benefits.
- 3 Develop and capitalize on regional branding efforts that promote local businesses and locally made products.
- 4 Capitalize on the economic strengths of the region by promoting nature-based, agricultural-based, and manufacturing-based tourism.
  - a. Promote flood retention areas, river corridors, and unique biomes that attract birding and wildlife enthusiasts from around the world to see a huge diversity of animal and bird life.
  - b. Work collaboratively with higher education to promote internships and applied research with tourist-based businesses.



# Natural Resources

## CALL TO ACTION

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

## CONTEXT

Northwest Minnesota has a long tradition of hunting, angling, and wildlife watching. In 2017, Conservation Minnesota estimated that hunters, anglers and wildlife watchers contributed \$5.5 billion to Minnesota's \$15.3 billion tourism economy, and accounted for one-fifth of the state's tourism jobs. Minnesota's natural resource industry provides 342,000 agricultural, 62,400 forest products, 11,000 mining and 48,000 fishing/hunting related jobs.

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

## SMART GOAL

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

## STRATEGIES

- 1 Identify and safeguard valuable natural resources and outdoor heritage through education, preservation, and conservation efforts. Incorporate outdoor heritage and preservation strategies that draw connections between historic land uses and natural ecosystems, including agri-tourism, mining/timber tourism, transportation tourism (land, air, water), and flora/fauna tourism.
- 2 Generate comprehensive plans that address biodiversity, watersheds, wetlands, critical habitats, grasslands, agriculture, unique biomes, minerals, forest habitat and migration corridors in the planning process.
- 3 Develop, implement and consistently enforce land use objectives that balance economic competitiveness/regional resilience with human well-being and natural amenities preservation.
- 4 Support efforts to reduce or eliminate invasive species.
- 5 Support and enhance stronger conservation efforts across all natural resources through an increase of Legacy Act investment in Northwest Minnesota.
- 6 Reduce carbon footprint.
  - a. Promote comprehensive energy audits to reduce energy costs in both private and public buildings.
  - b. Promote composting, recycling and zero waste events.
  - c. Promote collaborative efforts to inform and educate the public in energy efficiency best practices.

# Water Quality

## CALL TO ACTION

There is increased demand for water resources related to population use, agricultural and manufacturing utilization, and an increase in urbanization and recreational activities. Water quality is a leading indicator of the region's overall economic health. In 2020, the Minnesota Pollution Control Agency added 757 bodies of water to its list of 5,799 impaired waters, statewide, of which 271 of the total listings are located in Northwest Minnesota. Since 2016 only 56 impaired bodies of water have been delisted, 12 of which were located in Region.

## CONTEXT

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

## SMART GOAL

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

## STRATEGIES

- 1 Promote adherence to federal Clean Water Act standards that presume a water body should sustain healthy aquatic life, recreation and additional uses, such as drinking water (domestic consumption), industry, agriculture, navigation and aesthetic uses.
- 2 Achieve delisting of impaired waters on MN MCPA baseline inventory through identification of critical ecosystems and promotion of conservation best practices.
- 3 Use of buffer strips, shoreline management, and other best practices to stabilize banks and reduce erosion.
- 4 Support and promote regional water quality plans, projects and initiatives. Promote intergovernmental cooperation and partnerships related to water quality issues.
- 5 Support measures that protect valuable farmland and soil from degradation and erosion.

# FOUNDATIONAL ASSETS

## CORNERSTONE

### Broadband Access

#### CALL TO ACTION

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

#### CONTEXT

Based on 2021 broadband maps provided by the Minnesota Office of Broadband, 88.52% of the state and 75.05% of rural areas are underserved with wireline broadband at speeds of 100 Mbps download and 20 Mbps upload.

#### SMART GOAL

100% of businesses and households in Minnesota will have access to state broadband goals currently set at 100Mbps download and 20Mbps upload by 2026.

#### STRATEGIES

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



## Water-Wastewater Infrastructure

### CALL TO ACTION

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

### CONTEXT

The 2022 Clean Water Priority list (PPL) consists of 235 projects with an estimated total project cost of \$1.76 billion. Twelve of these projects are located in the Northwest Region making up \$24.8 million in project costs.

### SMART GOAL

Decrease the number of communities out of MPCA compliance by 2030.

### STRATEGIES

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



# Transportation

## CALL TO ACTION

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

## CONTEXT

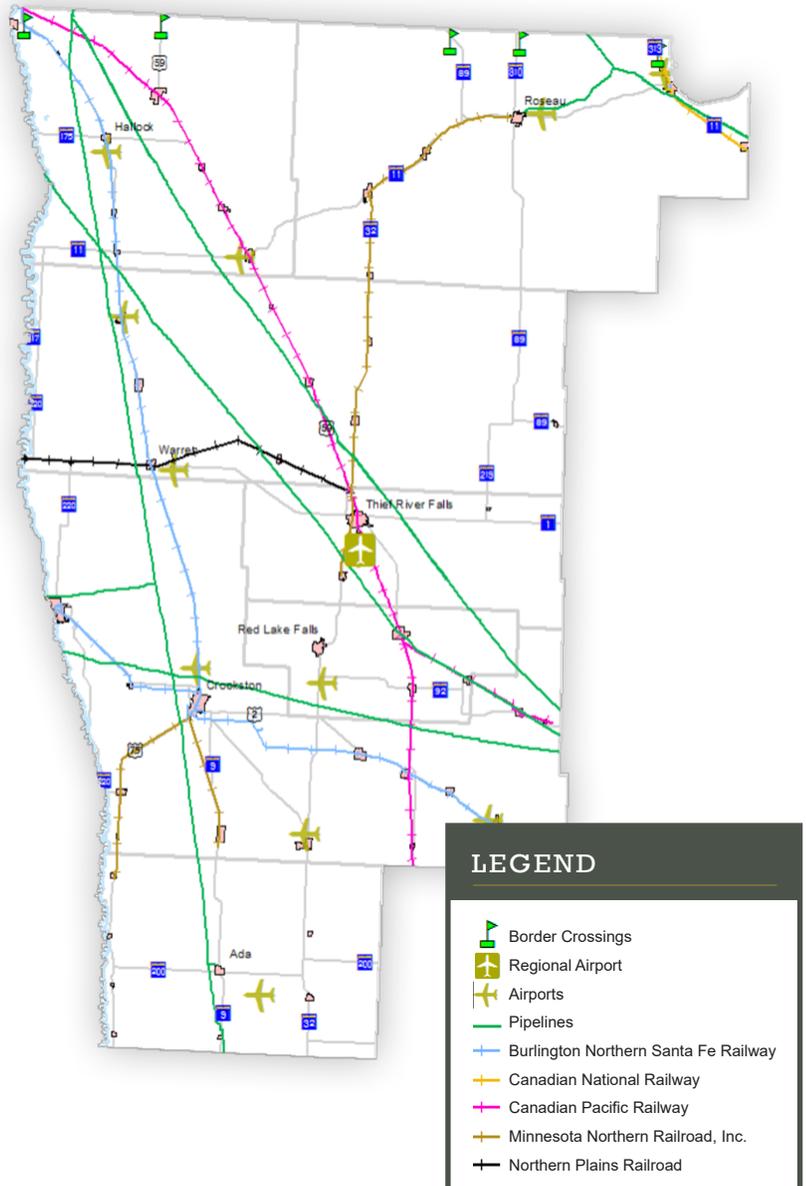
In Northwest Minnesota, county and state highways are the primary means for moving freight. The 2018-2037 Minnesota State Highway Investment Plan (MN SHIP) has identified approximately \$39 billion in needs for the Minnesota state highway system for the 20-year period of 2018 to 2037. Minnesota DOT estimates it will see an \$18 billion funding gap to meet those needs

## SMART GOAL

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

## STRATEGIES

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



# Active Transportation

## CALL TO ACTION

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

## CONTEXT

The Bicycle Friendly Community (BFC) program provides a roadmap to improve conditions for bicycling and guidance to create and implement a plan for better, bikeable communities.

Currently, there are 33 communities, 105 businesses, and 6 universities that have the designation, two of which is in the northwest region.

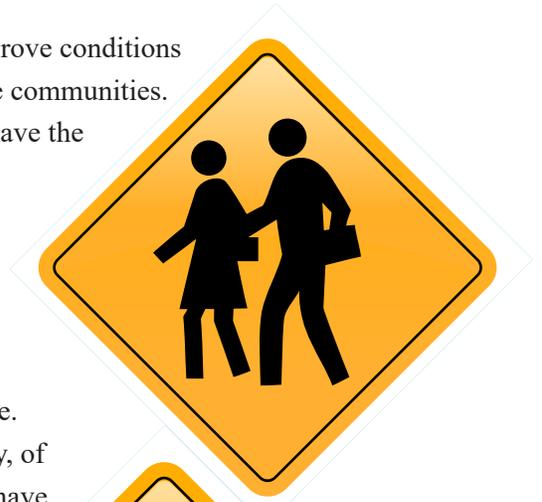
Complete Streets is an approach to road planning and design that considers and balances the needs of all transportation users. It is about the basics: improving the transportation system’s safety and functionality for all users. Its main premise is nothing more than for people to get around safely and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

## SMART GOAL

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

## STRATEGIES

- 1 Work with state and local partners to coordinate efforts to develop and enhance regional bicycle and pedestrian systems.
- 2 Explore long-term funding mechanisms for the maintenance and improvement of bike and pedestrian infrastructure.
- 3 Work with state and local partners to support the expansion and maintenance of regional trail systems.
- 4 Ensure that pedestrians and bicyclists are considered in future transportation infrastructure decisions.
  - a. Maintain NWRDC Regional Trail Plan.
  - b. Provide technical assistance to Greater MN Parks and Trails applicants.
  - c. Assist with formation of local trails groups to purchase vacated rail systems for conversion to trails.
  - d. Improve connectivity between individual trails and promote regional trail systems.
  - e. Cultivate partnership with Statewide Health Improvement Partnership to promote active living in regional communities.



# Transportation Coordination and Transit

## CALL TO ACTION

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

## CONTEXT

In 1990, 40 of Greater Minnesota's 80 counties had some form of public transportation system. By 2009, 76 counties had transit systems logging 11.1 million passenger trips, 1.03 million service hours, and traveling 14.9 million miles to serve passenger needs. Currently, Northwest Minnesota is served by 1 public transit system, covering all seven counties with varying levels of service. There are also public transit systems in Fosston, East Grand Forks and Roseau.

In 2019, the Northwest Regional Transportation Coordination Council was established to identify gaps in the rural transportation system and create partnerships with stakeholders to help fill them

## SMART GOAL

Increase access to the right ride, at the right time, from the right provider.

## STRATEGIES

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



# Housing Availability

## CALL TO ACTION

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

## CONTEXT

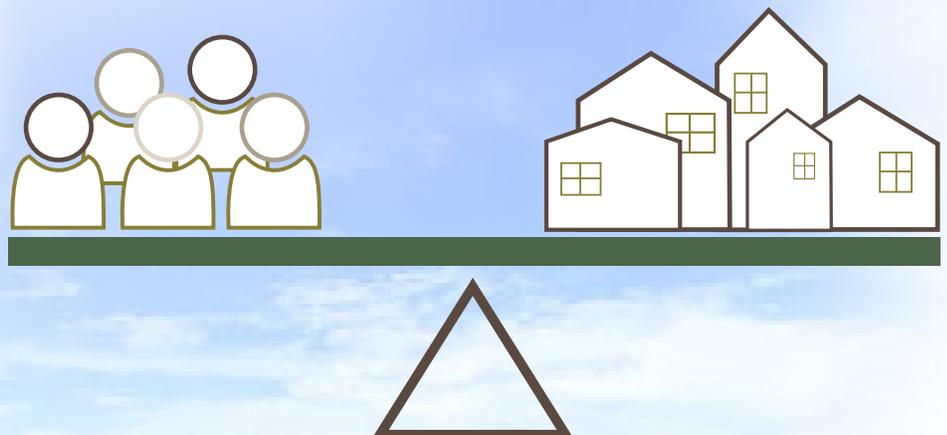
- In Northwest Minnesota, 41% of all renters spend more than 30% of income on housing, while 19% of homeowners with a mortgage spend at least 30 cents of every dollar they earn on housing.
- Since 1991, homelessness in Greater Minnesota has increased. Between 2012 and 2018, the homeless rate slightly decreased from 14.1 to 13.6 per 10,000 residents, while the number of homeless adults ages 55 and up continues to increase faster than any other age group.

## SMART GOAL

Move toward equilibrium in local housing markets.

## STRATEGIES

- 1 Provide more coordinated housing planning.
- 2 Advocate for funding programs for demolition of vacant, unsafe and dilapidated housing units.
- 3 Increase the number of units rehabilitated or preserved.
- 4 Encourage development of transitional and permanent supportive housing.
- 5 Collect and share best management practices around housing policy and financing.
- 6 Collaborate with area agencies to provide informational housing summits for the purpose of bringing challenges to the forefront and exploring best practices in rural housing development, rehabilitation, and financing options.



# APPENDIX

## Resources



### DEED Regional Profile

United States Census Bureau  
[WWW.CENSUS.GOV](http://WWW.CENSUS.GOV)

Minnesota Department of Education  
[WWW.EDUCATION.STATE.MN.US](http://WWW.EDUCATION.STATE.MN.US)

Minnesota Department of Human Services  
[WWW.MN.GOV/DHS](http://WWW.MN.GOV/DHS)

Minnesota Department of Agriculture  
[WWW.MDA.STATE.MN.US](http://WWW.MDA.STATE.MN.US)

United States Department of Agriculture  
[WWW.USDA.GOV](http://WWW.USDA.GOV)

Stats America  
[WWW.STATSAMERICA.ORG](http://WWW.STATSAMERICA.ORG)

Kauffman Foundation  
[WWW.KAUFFMAN.ORG](http://WWW.KAUFFMAN.ORG)

Wilder Foundation  
[WWW.WILDER.ORG](http://WWW.WILDER.ORG)

Blandin Foundation  
[WWW.BLANDINFOUNDATION.ORG](http://WWW.BLANDINFOUNDATION.ORG)

McKnight Foundation  
[WWW.MCKNIGHT.ORG](http://WWW.MCKNIGHT.ORG)

Northwest Minnesota Foundation  
[WWW.NWMF.ORG](http://WWW.NWMF.ORG)

Creative Minnesota  
[WWW.CREATIVEMN.ORG](http://WWW.CREATIVEMN.ORG)

Explore Minnesota  
[WWW.EXPLOREMINNESOTA.COM](http://WWW.EXPLOREMINNESOTA.COM)

Minnesota Department of Natural Resources  
[WWW.DNR.STATE.MN.US](http://WWW.DNR.STATE.MN.US)

Minnesota Pollution Control Agency  
[WWW.PCA.STATE.MN.US](http://WWW.PCA.STATE.MN.US)

Minnesota Office of Broadband  
[WWW.MN.GOV/DEED/PROGRAMS-SERVICES/BROADBAND](http://WWW.MN.GOV/DEED/PROGRAMS-SERVICES/BROADBAND)

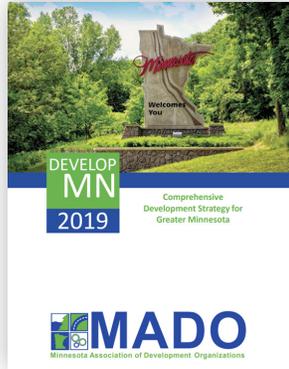
Minnesota Department of Transportation  
[WWW.DOT.STATE.MN.US](http://WWW.DOT.STATE.MN.US)

Minnesota Housing Partnership  
[WWW.MHPONLINE.ORG](http://WWW.MHPONLINE.ORG)

Minnesota Dept. of Employment and Economic Development  
[WWW.MN.GOV/DEED](http://WWW.MN.GOV/DEED)

Bush Foundation  
[WWW.BUSHFOUNDATION.ORG](http://WWW.BUSHFOUNDATION.ORG)

Economic Development Administration  
[WWW.EDA.GOV](http://WWW.EDA.GOV)



### DevelopMN Plan

## NWRDC Membership

### Kittson County

Loren Younggren	Hallock	County
Kimberley Johnson*	Kennedy	Townships
Dave Treumer	Hallock	Municipalities

### Marshall County

Gary Kiesow**	Goodridge	County
Loren Lusignan	Grygla	Townships
Lindsay Oslund	Grygla	Municipalities
Gail Yutzenka	Argyle	School Boards

### Norman County

Lucas Spaeth	Halstad	School Boards
Sharon Josephson	Fertile	Townships
Nathan Redland*	Halstad	County
Crystal Stene	Ada	Municipalities

### Pennington County

Elvera Cullen	Thief River Falls	Seniors
Dave Erickson	Thief River Falls	Townships
Bruce Lawrence*	Thief River Falls	County
Judy Jones	Goodridge	Municipalities

### Polk County

Gerald Amiot	Crookston	Labor
Gerald Jacobson	Fertile	Seniors
Keith Sistad	Fosston	Townships
Warren Strandell*	East Grand Forks	County
Norma Campos	East Grand Forks	Minorities
Kathleen Twite	East Grand Forks	Businesses
Toby Strom	McIntosh	Municipalities

### Red Lake County

John Dudycha	Plummer	County
Jim DuChamp	Plummer	Municipalities
Kevin Reich	Red Lake Falls	Townships
Ronald Weiss*	Red Lake Falls	Watershed Districts

### Roseau County

Daryl Wicklund*	Badger	County
Dan Fabian	Roseau	Municipalities
Debra Wiskow	Greenbush	Townships

\* Board Members    \*\* Chairperson

## Enterprise Loan Fund Membership

### Kittson County

Aimee Sugden

### Marshall County

Nan Nelson

### Norman County

Jake Aakre

### Pennington County

Randy Pederson

### Polk County

Bill Anderson

### Red Lake County

Reed Engelstad

### Roseau County

Dale Stauffenecker

# REGIONAL SWOT ANALYSIS

## Human Capital

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

**S**

**STRENGTHS**

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

**W**

**WEAKNESSES**

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

**O**

**OPPORTUNITIES**

- Willingness to accept change
- Lack of housing diversity / affordability
- Childcare shortage
- Funding opportunities
- Lack of opportunities for “trailing spouse”

**T**

**THREATS**

## Economic Competitiveness

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

**S**

**STRENGTHS**

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

**W**

**WEAKNESSES**

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

**O**

**OPPORTUNITIES**

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

**T**

**THREATS**

# Community Resources

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

**S**

**STRENGTHS**

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

**W**

**WEAKNESSES**

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

**O**

**OPPORTUNITIES**

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

**T**

**THREATS**

# Foundational Assets

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

**S**

**STRENGTHS**

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

**W**

**WEAKNESSES**

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

**O**

**OPPORTUNITIES**

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

**T**

**THREATS**



109 South Minnesota Street, Warren, MN 56762 | (218) 745-6733