



Comprehensive Economic Development Strategy 2023

Cultivating a Proud Heritage to Bring Economic and
Community Vitality to Southeastern Minnesota

Economic Development Authority | Region 10
United States Department of Commerce



SOUTHERN MINNESOTA
INITIATIVE FOUNDATION

Collaborating for Regional Vitality

Introduction

The 11 counties of southeastern Minnesota are unique in many ways. We have several vibrant regional centers. We have dozens of smaller communities that are diversifying their economies, so as to not be solely reliant on production agriculture as they once were a couple decades back. We have the natural beauty of bluff country along the Mississippi River and its various tributaries – and a growing tourist economy driven in part by recreational opportunities and a burgeoning local foods sector. Our manufacturing base remains strong, and there is an ascendance of medical technology firms associated with research emerging from the world-famous Mayo Clinic.

Yet, despite these strengths, there remain challenges. As is true across the nation, southeastern Minnesota struggles to secure and retain the worker talent needed to grow our economy. Affordable workforce housing is a need across our region. Access to broadband is imperative in the more remote rural communities in our region. Availability of quality early childhood care is also a prevalent concern.

These challenges are not insurmountable – but rather manageable, with solutions achievable. Our optimism is based on the collaborative spirit of the leaders in this region ... leaders representing our counties, cities, higher education institutions and economic development entities. We have come together to develop this Comprehensive Economic Development Strategy (CEDS) for southeastern Minnesota. This CEDS plan highlights our current strengths and identifies our goals for future growth. Building on existing assets, and working collaboratively toward mutual goals, we see a bright and prosperous future for our region and its residents.



Tim Penny
President
Southern Minnesota Initiative Foundation

CEDS Strategy Committee

The overall process of developing this report was led by a Strategy Committee made up of nonprofit, business, government, higher education and community leaders representing all 11 counties in southeast Minnesota.

Strategy Committee members include:

Kay Kuhlmann
Goodhue County
City of Red Wing
Administrator

Scott Arneson
Goodhue County
Goodhue County
Administrator

Phillip Johnson
Freeborn County
ALEDA Executive Director

Brad Meier
Steele County
Owatonna Chamber of
Commerce

Amy Hinzmann
Dodge County
CFO of Kruckeberg
Industries

Ron Ziegler
Fillmore County
CEDA Executive Director

Natalie Siderius
Winona County
SE MN Together
Co-Founder and DEED
SE Regional Business
Development Manager

Tawonda Burks
Olmsted County
Owner at Elocina and
Project Manager at Mayo
Clinic

Brett Reese
Rice County
Managing Partner at
Rebound Partners

Adenuga Atewologun
Mower/Freeborn/Steele
Counties
President at Riverland
Community College

Chris Schad
Olmsted County
Director of Business
Development at DMC

Stacy Brumfield
Olmsted County
WDI D.E.I. Coordinator

Juan Molina
Mower County
SBDC Consultant and Owner
at Molina Tax Solutions

Kathy Zeman
Rice County
Executive Director at MFMA
and Farmer

Joel Young
Fillmore/Olmsted Counties
City Clerk of Chatfield

Dan Egglar
Dodge County
City Councilperson for
Kasson

Emily Durand
Wabasha County
Mayor of Wabasha

Bob Burns
Houston County
Houston County
Commissioner

Andi Sutton
Olmsted County
Executive Director of SE
RSDP

Lucy McMartin
Winona County
Director of Economic
Development





Summary Background

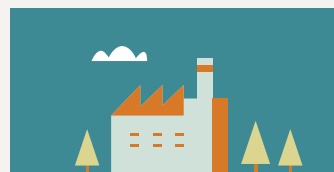
Human capital, economic competitiveness, community resources and foundational assets are the lenses through which the current state of the region was assessed and strategies for development identified. These categories align with the DevelopMN plan created by the Minnesota Association of Regional Development Organizations.



Human capital includes population, labor and educational elements.



Community Resources refers to the elements that make our region unique, the arts and culture, natural amenities and civic leadership.

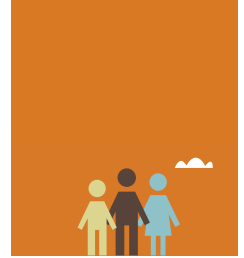


Economic competitiveness relates to the region's industry and employment mix, entrepreneurial activity and innovation trends.



Foundational assets include social and physical infrastructure upon which development can take place including broadband, water and wastewater, and intergovernmental/inter-organizational collaborative networks.

HUMAN CAPITAL



Southeast Minnesota's population has been growing and diversifying.

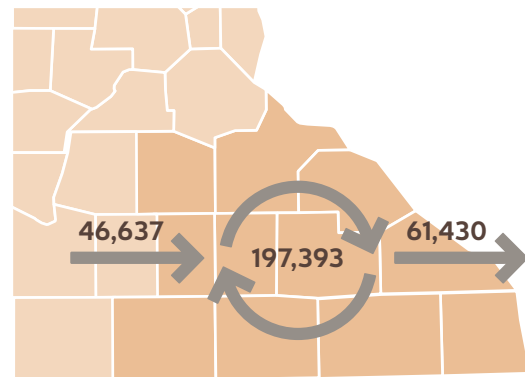
The region grew by 46,619 people between 2000 and 2019. More than half of the population growth occurred in non-white racial groups. Much of the population growth occurred in Olmsted County. Freeborn, Houston, Wabasha and Winona counties lost population between 2010 and 2020. The region's growth was driven by natural increase (more births than deaths) and international immigration. Over the last 10 years, international migration to the region slightly outpaced the state immigration rate. The number of immigrants from Africa doubled during that time. While the population of the region is projected to continue to grow through 2030, the Minnesota Demographer is projecting a slight decline in population between 2030 and 2040.

The region's population is relatively well educated, and a variety of higher education options are accessible within the region.

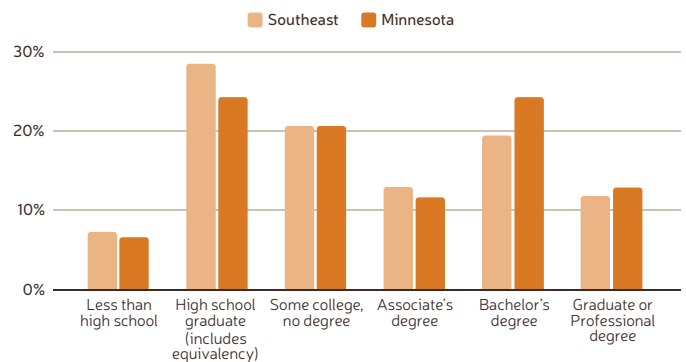
Educational attainment for the region's population is generally on par with state statistics. Nine institutions with 14 locations across the region offer a spectrum of degree options from certificates to PhDs.

Over 30,000 students are enrolled.

REGIONAL COMMUTING PATTERNS



EDUCATIONAL ATTAINMENT (PERCENT OF POPULATION AGE 25+)

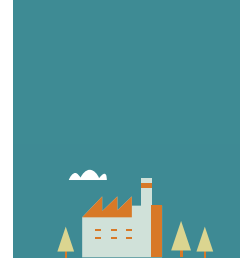


	Population, 2020	% of total
Region 10	512,691	100%
Olmsted	159,298	31%
Rice	67,084	13%
Winona	50,485	10%
Goodhue	46,318	9%
Mower	40,150	8%
Steele	36,596	7%
Freeborn	30,364	6%
Wabasha	21,642	4%
Fillmore	21,135	4%
Dodge	20,987	4%
Houston	18,632	4%

Source: 2020 U.S. Census



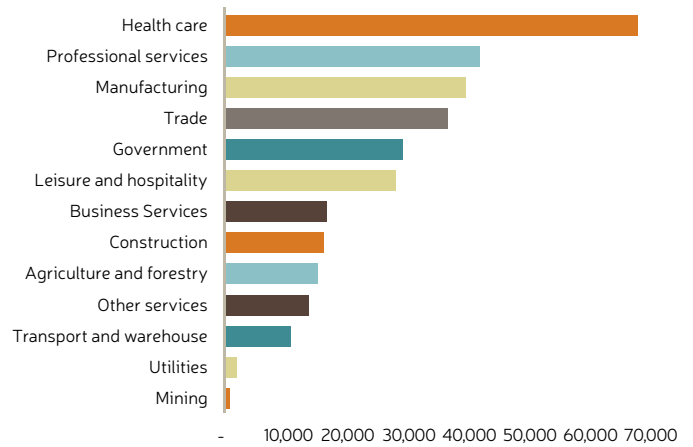
ECONOMIC COMPETITIVENESS



Southeast Minnesota has a thriving and diverse economy.

Healthcare is a major component of the region’s economy, providing one in five jobs. Other robust sectors include manufacturing and professional services. There is a higher-than-expected employment concentration in three manufacturing industry sectors: food, nonmetallic minerals and computer/electronics. Agriculture is also a strong force in the region’s economy. A long history of agricultural production and farmer collaboration has led several major food processors to locate in the area. Row cropping, hogs and cattle production drive the region’s agricultural activity. Healthcare, manufacturing and leisure and hospitality sectors accounted for the largest share of employment growth in the region over the past decade. Employment in agriculture and forestry declined during that same time period.

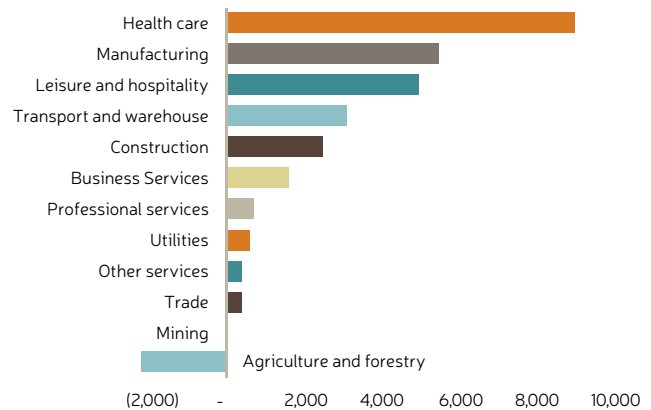
EMPLOYMENT BY INDUSTRY
SOUTHEAST MINNESOTA, 2020



Source: IMPLAN



CHANGE IN EMPLOYMENT BY INDUSTRY
SOUTHEAST MINNESOTA, 2010–2019



Source: IMPLAN

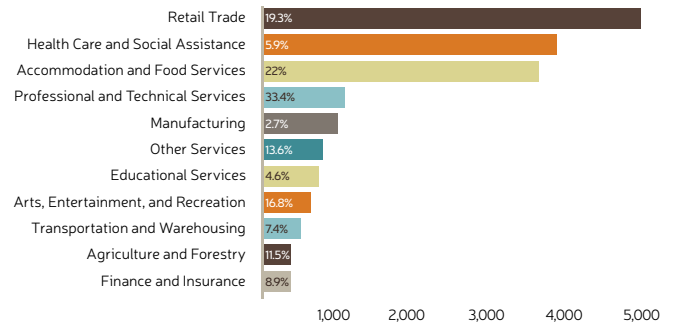
Southeast Minnesota businesses struggle to find workers, and the constraints are expected to last.

Since 2015, the number of job openings has often exceeded the number of unemployed people in the region. Labor force participation peaked in 2019 and is still down 2% since the pandemic, which aggravated the problem. In 2021, there were 12,500 more job openings than people looking for work.

Retail, healthcare and accommodations sectors are especially impacted. Now, there are 4.1 job openings per unemployed person in southeast Minnesota.

The unemployment rate overall was just under 4%, but significantly higher for certain segments of the population including youth, black and African American, and American Indian and Alaska Native. Looking ahead, the region will experience further declines in job seekers as an aging workforce approaches retirement.

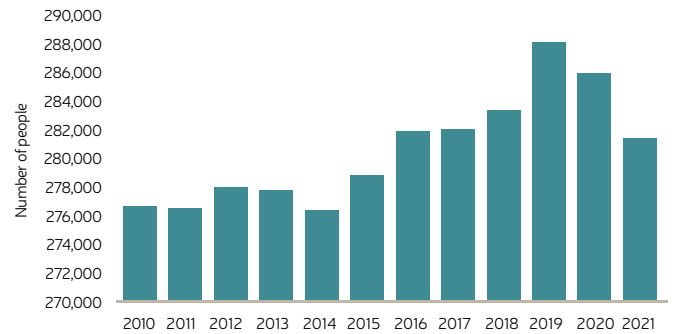
JOB VACANCIES BY INDUSTRY (PERCENT OF ALL JOBS)
SOUTHEAST MINNESOTA, 2ND QUARTER 2021



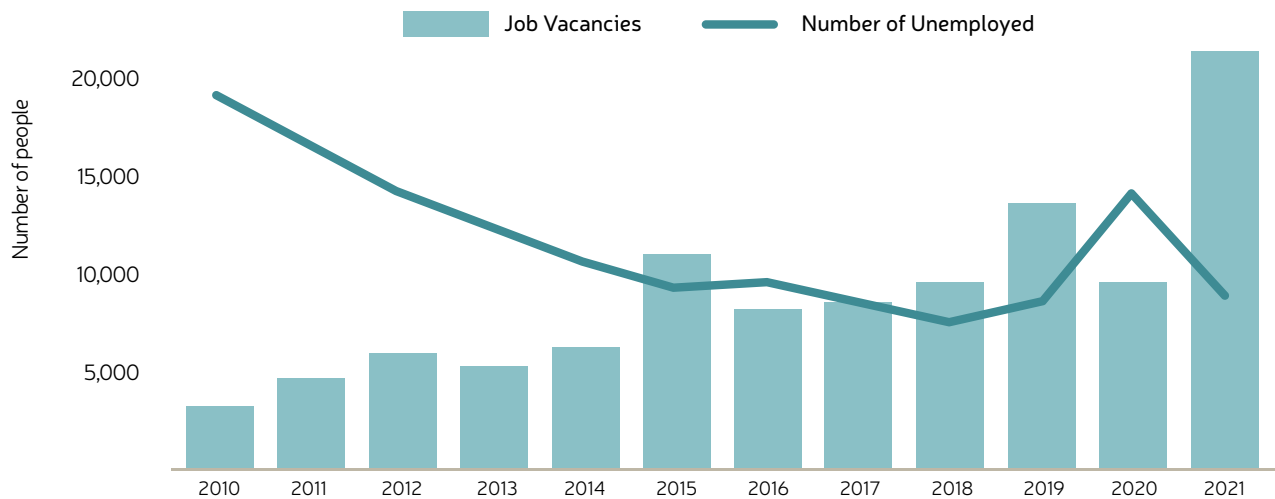
Source: DEED

	Labor Force Participation Rate	Unemployment Rate
Total Labor Force	68.6%	3.6%
16–19 years	57.0%	14.4%
Black or African American	66.4%	15.3%
American Indian and Alaska Native	57.6%	18.7%

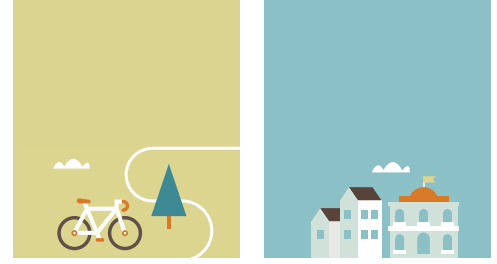
NUMBER OF PEOPLE IN LABOR FORCE
SOUTHEAST MINNESOTA, 2010–2021



Source: DEED



COMMUNITY RESOURCES AND FOUNDATIONAL ASSETS



Childcare availability and affordability varies across the region.

Like housing, childcare is a foundational asset for a robust economy. Availability of childcare varies widely across the region. Data indicate that some counties have adequate options, and in others, there are two spots for every three children needing care. Parents are spending between 14 and 25% of their income on childcare.

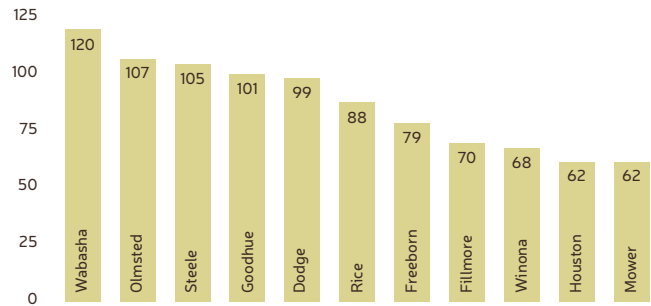
Robust commercial and passenger transportation options are available. Regional public transit options, however, are limited.

Approximately 200,000 people live and work within the region, necessitating transportation options. Most rely on private transportation, driving between home and work. The region’s average commute time is slightly lower than the state average. While public transit options exist – primarily buses – they are not coordinated across the region and primarily operate at county or city levels.

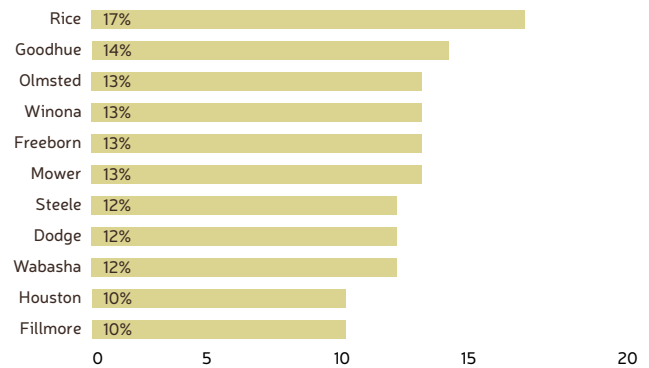
In addition, as the transition to electric vehicles accelerates, investment in charging infrastructure will be imperative. There are currently just 86 charging stations scattered across the region. Passenger air and rail transportation options are available for interstate travel.

Commercial transportation options in the region are robust and include air freight at Rochester International Airport, 421 miles of freight rail served by two national providers, and five maritime docks on the Mississippi River. Interstates 90 and 35 flow through the south and western edges of the region.

CHILDCARE SPACES PER 100 CHILDREN



CHILDCARE COSTS AS PERCENTAGE OF INCOME



Housing availability and affordability are concerns in Southeast Minnesota.

With the exception of Olmsted County, new housing growth has lagged the state rate. The homeownership rate is higher than both state and national averages, but people are aging in place. One in four homes have been occupied by the same owner since 2000. This low churn puts additional pressure on housing supply for those interested buyers. While rental vacancy rates are a bit higher than ownership vacancy rates, renting is a cost burden for many. About half of all renters are paying 30% or more of their income on housing.

The region is home to a variety of unique assets that can be leveraged and provide opportunities for investment.

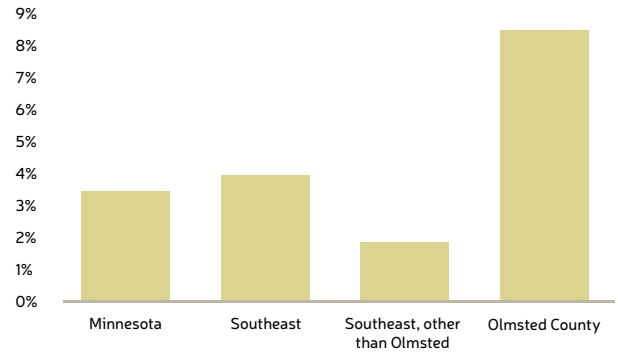
Rochester, Greater Minnesota’s largest city and home of the world-renowned Mayo Clinic, is located in the region. This urban center is complemented by a mix of smaller communities and rural, agricultural and forested areas which provide for a variety of lifestyle choices for the region’s residents. The region is leveraging the presence of the Mayo Clinic with public investments in the Destination Medical Center. Other efforts are underway to coordinate the region’s entrepreneurial ecosystem in support of startups. These activities leverage the presence of other innovative and global firms present in the region, including IBM, Hormel Foods and the Hormel Institute.

Broadband access varies widely across the region.

In one county, over 90% of residents have access compared with another county, where only 70% of residents have access.

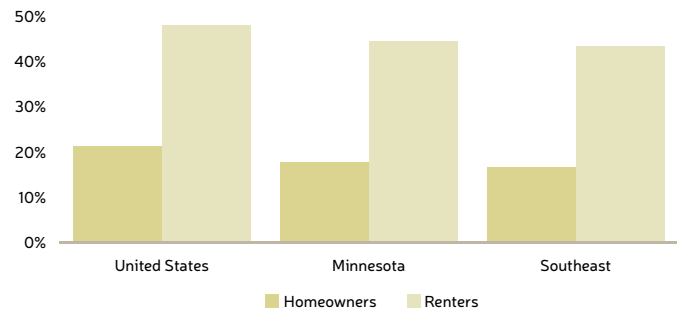
Broadband access affects education, healthcare and small business. A 2021 report by Southeastern Minnesota League of Municipalities (SEMLM) of communities in the Southeast Region reinforced the need for increased broadband investments. Respondents noted that where broadband access is unreliable or non-existent, access to school materials is not equitable. Parents in some cases must drive children to “hot spots” to do their homework in the car. People who need to have online medical visits are unable to have that option, and may not get the care required. Businesses struggle to function as they experience dropped signals while ordering supplies or interacting with customers.

CHANGE IN TOTAL HOUSING UNITS
SOUTHEAST MINNESOTA, 2015–2020



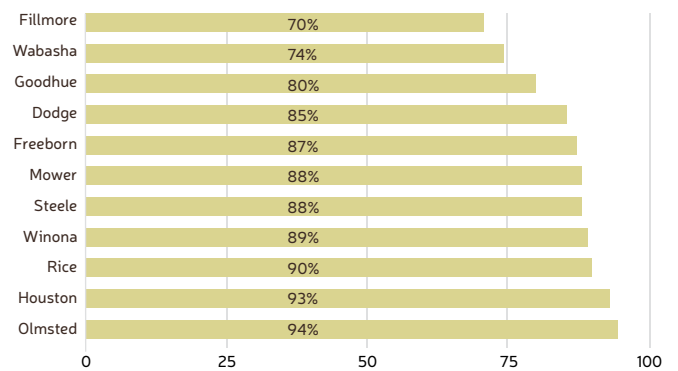
Source: U.S. Census

PERCENT OF HOUSEHOLDS WHERE HOUSING COSTS EXCEED 30% OF INCOME (2020)



Source: U.S. Census

PERCENT OF RESIDENTS WITH ACCESS TO BROADBAND



Source: U.S. Census

SOURCES: Minnesota Department of Employment and Economic Development Labor Market Information Office, Childcare Aware, IMPLAN, Minnesota Department of Transportation, U.S. Department of Transportation Bureau of Transportation Logistics, U.S. Census, 2021 Blandin Broadband Survey, Summary from Southeast Minnesota League of Municipalities.

REGIONAL

Strengths, Weaknesses, Opportunities and Threats

Discovery Process

To conduct the regional strengths, weaknesses, opportunities and threats (SWOT) analysis, the study team engaged a variety of stakeholders representing city and county leaders, economic development professionals, business and industry, non-profit organizations, educational institutions, and community leaders through in-person and online focus groups as well as an online survey.

Focus Groups

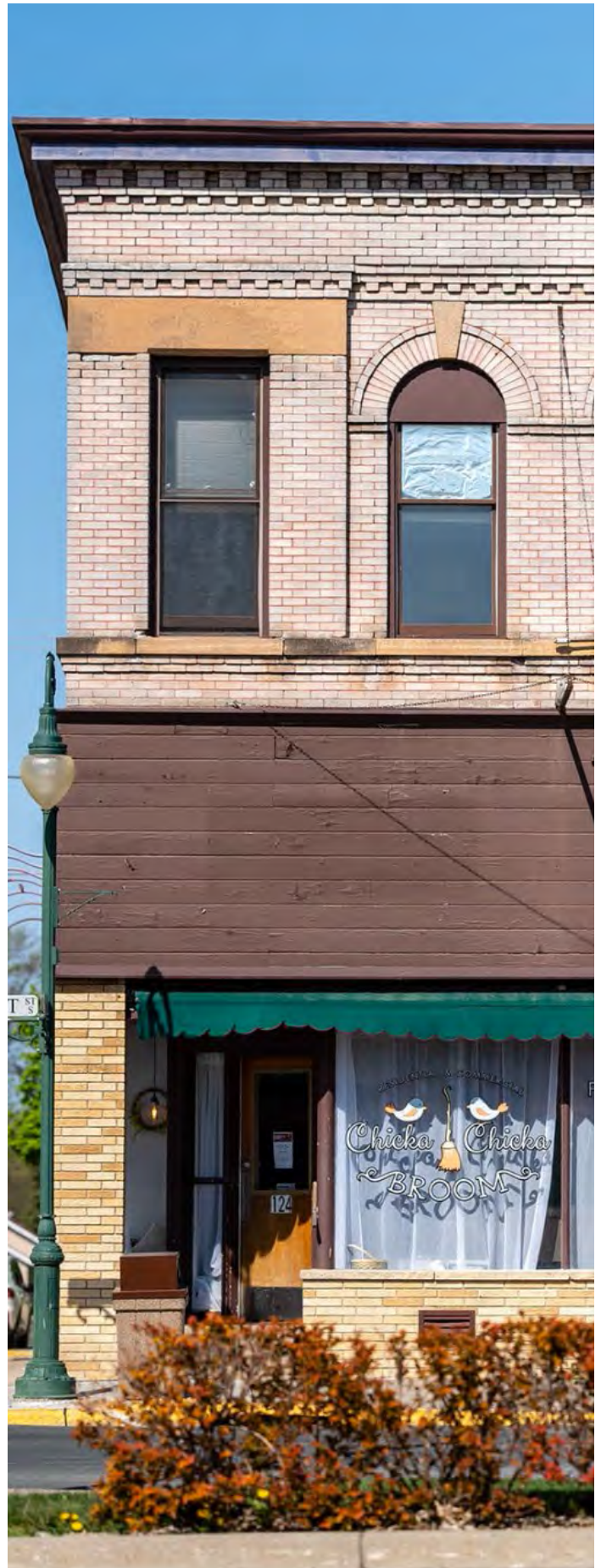
We held three convenings to capture the range of insights related to our region's economic opportunities and challenges. Two of the sessions were held in person at the Wood Lake Meeting Center in Rochester, a central location for the region. The third session was held virtually for participants not able to attend in person. Each of these sessions was four hours long and consisted of participants being separated into smaller discussion groups surrounding an important economic and community development topic for the region. The topics used to guide the discussion were childcare, transportation/transit, housing, regional workforce, economic environment, assets/infrastructure, demographics/diversity and schools/education. Each group of participants also had the opportunity to add any discussion topic that they felt was missing. Common discussion topics added include climate change, natural resources, agriculture/agritourism and tourism.

Each discussion group was assigned a facilitator and note taker to capture key themes from the conversation. These key themes were recorded and presented back to each group to identify the most pertinent strengths, weaknesses, opportunities and threats.

The collected comments and data were used to identify strategic goals that address the region's weaknesses and threats by leveraging and building upon existing strengths and opportunities.

Survey

The CEDS committee created an online survey to gather additional insights from citizens and business leaders across the region as well as more detailed information about the current and future economic development activities of city leaders. A link to the survey was disseminated via the networks and memberships of organizations affiliated with the CEDS process, including SMIF, Southeast Minnesota Together, and the Southeastern Minnesota League of Municipalities. The survey garnered 169 responses representing all 11 counties in the region. The study team incorporated the insights into the SWOT summary and resulting strategic direction.



REGIONAL Strengths

Southeast Minnesota is home to a growing, highly educated workforce due to healthcare and higher education being key anchor industries. The region is also defined by a strong agricultural base and boasts a competitive advantage with robust access to outdoor recreation opportunities.



HUMAN CAPITAL

- Growing population numbers
- Growth from diverse peoples (minorities and youth)
- Highly educated workforce
- Organizational alignment and interest around diversity, equity and inclusion issues



ECONOMIC COMPETITIVENESS

- Anchor industries including healthcare and higher education
- Strong local agricultural economy
- Organizational resources and support for entrepreneurs
- High workforce participation
- Economic well-being (low concentrated poverty)



COMMUNITY RESOURCES

- Robust and accessible outdoor recreation opportunities, such as public parks, trails, lakes, rivers and streams
- Growing access to local foods and numerous existing arts and cultural institutions



FOUNDATIONAL ASSETS

- Strong commercial transportation networks that include road, rail, air and water
- Quality educational options across the full education continuum from kindergarten through post secondary

REGIONAL Weaknesses

Like many other regions, Southeast Minnesota struggles with a workforce shortage, race relations driven by shifting demographics, and affordable housing and childcare options. While the region has several key anchor industries, the business community and entrepreneurs see a shortfall around access to capital and a lack of collaboration within and across industries. There is also a lack of intentional environmental stewardship related to water quality and land use.



HUMAN CAPITAL

- Shortage of workers to fill existing labor needs of the region's employers, limiting long-term growth
- Slow adaptation to changes in cultural and racial demographics among communities and employers



ECONOMIC COMPETITIVENESS

- Inadequate access to risk capital for emerging entrepreneurs
- Low levels of industry collaboration and cohesiveness
- Lack of a shared regional identity
- No centralized economic development district or formal infrastructure for collaboration



COMMUNITY RESOURCES

- With the unique karst geology of the region, intensive farming practices and unchecked development are negatively impacting surface and groundwater quality
- Intensified land use and transitioning agricultural land from production to development
- Limited resiliency planning among local governments and agencies



FOUNDATIONAL ASSETS

- Lack of entry-level workforce housing options
- Lack of affordable and available childcare
- Limited coordinated regional transit options
- Aging public infrastructure coupled with limited ability for local governments to invest in modernization and resiliency

REGIONAL Opportunities

Southeast Minnesota has an opportunity to lean into our growing diversity to create more welcoming communities and build a more resilient workforce and entrepreneurial pipeline. The region must also lean into existing assets to bolster the agritourism and outdoor recreation sector. Lastly, continuing to improve upon foundational assets like housing, childcare and public infrastructure will be critical to long-term resilience.



HUMAN CAPITAL

- Embrace the growing cultural and racial diversity
 - » Create more welcoming communities
 - » Support employers' efforts around diversity, equity and inclusion
- Adapt to market shifts
 - » Understand priorities of employees and applicants and help employers adjust to these shifts
 - » Leverage automation as part of a longer term solution to the workforce shortage



ECONOMIC COMPETITIVENESS

- Leverage our region's strengths in community resources and increase investments in broadband to capture the shift towards remote work
- Build more inclusive pipelines for BIPOC entrepreneurs through regional collaboration
- Explore new investment and business models that retain and build local wealth



COMMUNITY RESOURCES

- Lean into momentum around local foods and agritourism to support an emerging entrepreneurial sector
- Improve water quality and protect outdoor recreation opportunities
- Create a more cohesive regional identity around existing resources and assets



FOUNDATIONAL ASSETS

- Build a more responsive transit and transportation system that includes collaboration across transit agencies and invests in next generation infrastructure like electric vehicle charging stations.
- Simplify childcare licensing and regulations while maintaining safety and compliance
- Leverage our competitive advantage in education and knowledge to accelerate entrepreneurship

REGIONAL Threats

The growing popularity of remote work presents a possible threat to retaining talent in the region. Additionally, low BIPOC participation in government and other key industries presents a challenge for maintaining population growth. Lastly, climate change is an existential threat to maintain our competitive advantage around agricultural production and access to outdoor recreation opportunities.



HUMAN CAPITAL

- The tilt toward remote work is a potential threat to workforce retention
- Race relations and low BIPOC participation in government and some industries
- Aging population and population stagnation in some parts of the region



ECONOMIC COMPETITIVENESS

- The region is home to a handful of very large employers
- Climate change is affecting how many sectors are able to do business
- Extreme weather is affecting a variety of economic elements – from agricultural production to river transportation
- Aging infrastructure in communities and inflationary pricing affecting upgrades and investments
- Shifting state and federal regulatory environment for business



COMMUNITY RESOURCES

- Emerald Ash Borer is damaging the regional tree canopy
- Poor water quality is affecting homeowners
- Agricultural lands are being consolidated, the average farm size is increasing, and institutional investors are gaining a controlling interest in the region's productive land



FOUNDATIONAL ASSETS

- Infrastructure is aging (water lines and wastewater treatment facilities, streets, roads, bridges and public buildings), and communities are faced with increasing costs for construction and repairs
- Climate change is having a significant impact on public infrastructure

Strategic Direction and Action Plan

Leveraging Assets and Mitigating Risks

Vision Statement

We envision a Southeast Minnesota filled with amenity-rich communities, that welcomes all residents and newcomers, that leverages and builds upon existing assets, and protects and improves the bountiful natural resources that make our region unique and allow our communities, economies and ecosystems to thrive. In fulfillment of this vision, we will rise to meet current and future challenges with creativity, resilience, and community-mindedness, leveraging opportunities and deepening collaborations through inclusion, innovation, and strategic investment.



HUMAN CAPITAL



GOAL ONE

Reduce the workforce shortage through retention, upskilling, training and education programs.

Strategies:

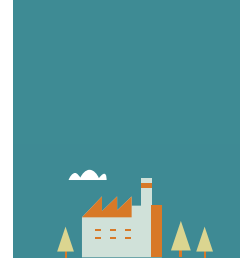
1. Collaborate with local employers to understand workforce needs and provide training resources.
2. Collaborate with K–12 school districts and institutions of higher education to develop relevant career pathways and on-the-job training opportunities.
3. Collaborate with regional community colleges to fast-track training for our region of needed skills to alleviate immediate workforce shortages in critical careers as identified by businesses, local government and other organizations.
4. Research workforce models which increase business efficiency.
5. Create training, support and pathways to employment for people with barriers to employment.

GOAL TWO

Attract and retain residents by creating a welcoming and inclusive environment.

Strategies:

1. Work with communities and employers to develop strategies that encourage and elevate cultural diversity, equity and inclusion.
2. Increase collaborations between local organizations to build community inclusion and organizational capacity.
3. Work with communities and organizations across the region to promote Southeast Minnesota to other targeted states as a place with good jobs, great quality of life and welcoming environment. Select target states by workforce availability, skill sets or other regional needs.
4. Work with communities and organizations across the region to promote Southeast Minnesota to former residents, people who grew up here, people who went to college here, people with business connections here, and others with experience in our region as a place with good jobs, great quality of life, and a welcoming environment.



ECONOMIC COMPETITIVENESS

GOAL ONE

Retain and expand current businesses in regional industry clusters including, but not limited to, food and agriculture, manufacturing, healthcare, hospitality and tourism, and education.

Strategies:

1. Implement a regional business retention program by engaging with existing employers.
2. Provide training and coaching for small- and medium-sized enterprises.
3. Support growth through global trade missions and hosting international delegations.
4. Identify key supply chain firms (based on needs of our regional businesses) to encourage their relocation to our region to reduce shipping costs and shipping time for our local firms, and to strengthen our regional businesses' position for access to supplies.
5. Connect businesses with local suppliers.
6. Collaborate with farmer support organizations with existing training, mentoring and land access programs to develop additional opportunities for beginning and retiring farmers.

GOAL TWO

Increase entrepreneurship and innovation commercialization.

Strategies:

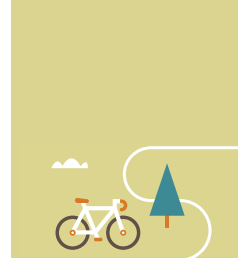
1. Increase awareness of tools and resources available to support the creation of new businesses.
2. Create initiatives which seed new ideas and provide early-stage funding.
3. Grow investor groups and investment opportunities to encourage innovative ideas.
4. Foster ecosystems which create an environment to advance high-tech companies.
5. Map entrepreneurs and resource opportunities to increase collaboration and business growth potential.

GOAL THREE

Maximize existing regional economic development resources and assets.

Strategies:

1. Explore models of formal regional collaboration that allow access to special economic development funding through the Economic Development Administration.



COMMUNITY RESOURCES

GOAL ONE

Advance the tourism and agritourism sectors to expand local economic development, attract visitors and new residents, and encourage resident retention.

Strategies:

1. Increase collaborative peer learning and networks to identify funding resources which advance business and visitor opportunities.
2. Coordinate regional tourism development and promotional efforts to attract diverse visitors and retain engaged residents.
3. Develop new tourism-related businesses.
4. Invest in assets such as arts and culture, parks, trails, and other recreation attractions that enhance the region's high quality of life and tourism industry.
5. Create or elevate a regional "brand" to showcase the assets available.

GOAL TWO

Increase regional collaboration and cooperation.

Strategies:

1. Promote collaborative sharing, encourage regional communication and activate networks to move the region into action.
2. Offer regular convenings for organizations and elected leaders eager to collaborate on regional issues and opportunities.
3. Provide training and networking opportunities for local government staff and elected officials on needs and issues that affect communities in the region, including topics that require coordinated action.
4. Examine models of regional collaboration for economic development and community vitality to determine best fit for the region.





FOUNDATIONAL ASSETS

GOAL ONE

Quality and capacity of physical infrastructure, including broadband, water and wastewater, roads and energy, meets the needs of residents and businesses.

Strategies:

1. Develop capacity and technical assistance for small and rural cities to apply for federal and state financing and grant programs.
2. Provide capital improvement planning resources and assistance to local governments.
3. Coordinate regional communication encouraging state legislators to help fund communities' water and wastewater facility needs that protect source water.
4. Increase broadband access in underserved communities.
5. Explore regional waste management solutions for the recycling and reuse of materials that would otherwise be in the waste stream.

GOAL TWO

Expand affordable housing availability, including ownership, rental, mixed-use and multifamily options, with creative solutions.

Strategies:

1. Work with developers, financial institutions and investors to increase production of affordable housing options.
2. Research innovative models for broad-scale housing rehabilitation, preservation and new development.
3. Work with city and county governments to design incentive programs that accelerate production of housing at all levels of affordability.
4. Educate communities on opportunities to increase affordable housing through residential zoning changes.
5. Explore investments and infrastructure that encourage sustainable development.

GOAL THREE

Increase options for affordable, quality childcare and elder caregiving services.

Strategies:

1. Expand availability of childcare options, including center, in-home and flexible work schedules.
2. Provide resources and build capacity to maintain existing operations and provide alternative options.
3. Explore and evaluate creative solutions to providing care services.
4. Research innovative childcare business models.
5. Explore creative solutions to streamline requirements and regulations for childcare providers.

GOAL FOUR

Communities in the region have established climate-readiness and resilience plans.

Strategies:

1. Connect local government leaders to existing programs that provide guidance for sustainable community development approaches and infrastructure investments.
2. Support transitions to clean energy alternatives.
3. Invest in electric vehicle charging infrastructure to ensure adequate coverage across the region.
4. Establish local, county and regional disaster mitigation plans.
5. Promote regional collaborations to highlight and leverage existing resources.
6. Educate residents about the complexity and interconnectedness of climate issues and impacts.
7. Provide training and education opportunities that support the transition to green jobs.

GOAL FIVE

Maintain productive agricultural and working lands.

Strategies:

1. Collaborate with agricultural producers to identify planning, training and technical assistance needs.
2. Explore financial models that transition farmland to new owners and operators that retains wealth for landowners and communities.

GOAL SIX

Sustain interregional commerce, trade and access to services by building a resilient and collaborative transit and transportation network.

Strategies:

1. Establish a regional Transit Management Organization to identify and implement transportation solutions.
2. Support community planning and investment for “park and ride” sites.
3. Encourage development that locates transit hubs for commuters near childcare centers, healthcare providers and elder care facilities.
4. Leverage state and federal funding for all forms of transit and transportation (water, rail, roads).





Regional Resilience

Regions and communities may encounter significant challenges as the result of social, political, economic or environmental shocks. Resilience refers to an ability to recover quickly from a shock, to withstand a shock and to avoid the shock altogether.¹

Regional Risk Factors and Resilience Strategies

Building capacity for resilience is multidimensional and region specific. It is about effectively preparing for and responding to shocks and unique threats that a particular region may face. Preparing for shocks, or readiness, helps regions avoid or withstand or prevent shocks. Responsiveness, on the other hand, is a region’s capacity to quickly adapt and address issues to incidents and shocks if and when they occur.

The SWOT analysis for this CEDS process revealed regional vulnerabilities that are summarized below along with proposed strategies for both steady-state and responsive initiatives. The strategies identified here that contribute to levels of readiness and capacity to respond in the region are aligned with the proposed objectives and activities described in the Strategic Direction.

DIMENSION	RISKS	STRATEGIES
 <p>Human Capital</p>	<ul style="list-style-type: none"> • Aging population • Lack of coordination on regional issues such as transit and other infrastructure 	<p>Preparedness</p> <ul style="list-style-type: none"> • Regional coordination and network development • Local government hazard mitigation planning • Asset mapping and aligning existing services and stakeholders • Assess physical infrastructure to identify vulnerabilities and invest to ensure buffer capacity • Business retention visits • Workforce attraction and retention activities • Research resilient workforce models • Disaster response and climate resilience plans developed <p>Responsiveness</p> <ul style="list-style-type: none"> • Annual review of CEDS-related activity and metrics and update development approaches • Established business and government networks that can quickly activate to address shocks • Established business and government leadership succession plans • Fast-track training programs
 <p>Economic Competitiveness</p>	<ul style="list-style-type: none"> • High concentration of regional employment in healthcare sector • Low levels of industry collaboration and coordination • Transition to remote work • Labor force shortage • Inadequate broadband coverage 	
 <p>Community Resources</p>	<ul style="list-style-type: none"> • Water quality • Development of productive land • Climate change • Aging infrastructure 	
 <p>Foundational Assets</p>	<ul style="list-style-type: none"> • Resistance to change • Race relations • Low participation of BIPOC population in civic leadership • Lack of regional identity or brand • Lack of affordable housing • Lack of childcare • No regional development district 	

¹ <https://www.eda.gov/grant-resources/comprehensive-economic-development-strategy/content/economic-resilience>



Measuring Resilience

Researchers in the field of sustainable development suggest that communities and societies will survive shocks and transformative social and environmental changes through “adaptive consensus building” and “altering conventional assumptions, behaviors, processes and structures.”

Based on these theories, Lila Singh-Peterson and Steven Underhill, faculty at the University of Queensland, suggest a framework for measuring resilience and capacity to adapt. Their framework suggests three levels of assessment: household, local government and community.²

LEVEL	POSSIBLE INDICATORS OF RESILIENCE AND ADAPTIVE CAPACITY
Household	<ul style="list-style-type: none"> • Robust volunteer and civic engagement activity • Easy access to information to help plan and prepare for emergencies and disasters • Diversified household income • Access to cash during an emergency
Local Government	<ul style="list-style-type: none"> • Modeling completed to assess possible natural hazards • Plans incorporate risks in decisions regarding zoning, building and location of infrastructure investments • Long-term strategies in place that support capacity to adapt and transform by identifying and mitigate exposure to risks social, economic, political and environmental risks
Community	<ul style="list-style-type: none"> • Established communication channels and strategies among local government authorities that transmits accurate and timely information • Processes in place to allow for reflection on frequency and type of shocks every year and consider approaches in light of five- and 10-year trends

² Singh-Peterson, L., & Underhill, S. J. (2017). A multi-scalar, mixed methods framework for assessing rural communities' capacity for resilience, adaptation, and transformation. *Community Development*, 48(1), 124-140.

Building Regional Resilience Project

The Building Regional Resilience Project³ provides a tool that measures several of these factors at the county level to compile a vulnerability and resilience score. The results for the Region 10 counties are summarized below.

COUNTY	SOCIAL	ECONOMIC	INFRASTRUCTURE	ENVIRONMENT
Dodge	High Resilience Low Vulnerability	High Resilience Low Vulnerability	Low Resilience Low Vulnerability	Low Resilience High Vulnerability
Fillmore	High Resilience Low Vulnerability	High Resilience High Vulnerability	Low Resilience Low Vulnerability	High Resilience High Vulnerability
Freeborn	High Resilience Low Vulnerability	High Resilience High Vulnerability	High Resilience Low Vulnerability	Low Resilience Low Vulnerability
Goodhue	High Resilience Low Vulnerability	High Resilience High Vulnerability	High Resilience High Vulnerability	High Resilience Low Vulnerability
Houston	High Resilience Low Vulnerability	High Resilience High Vulnerability	High Resilience High Vulnerability	High Resilience Low Vulnerability
Mower	High Resilience High Vulnerability	High Resilience Low Vulnerability	High Resilience Low Vulnerability	Low Resilience High Vulnerability
Olmsted	High Resilience Low Vulnerability	High Resilience Low Vulnerability	High Resilience Low Vulnerability	High Resilience High Vulnerability
Rice	High Resilience Low Vulnerability	High Resilience Low Vulnerability	High Resilience High Vulnerability	Low Resilience Low Vulnerability
Steele	High Resilience Low Vulnerability	Low Resilience Low Vulnerability	High Resilience Low Vulnerability	Low Resilience Low Vulnerability
Wabasha	High Resilience Low Vulnerability	Low Resilience High Vulnerability	Low Resilience Low Vulnerability	High Resilience High Vulnerability
Winona	High Resilience Low Vulnerability	Low Resilience Low Vulnerability	Low Resilience High Vulnerability	High Resilience High Vulnerability

³ <https://resilience.engagementnetwork.org/resiliency-assessment-tool/>



Evaluation Framework


The evaluation framework is designed to assess planned work and progress as well as longer-term outcomes and impacts.

Planned work and progress




A number of activities are proposed in this document. Progress and action on each of these can be summarized and reported annually by each dimension as part of the evaluation and monitoring framework. Documented progress may include regional efforts as well as localized community activities that align with the CEDS priorities.

Outcomes and Impacts

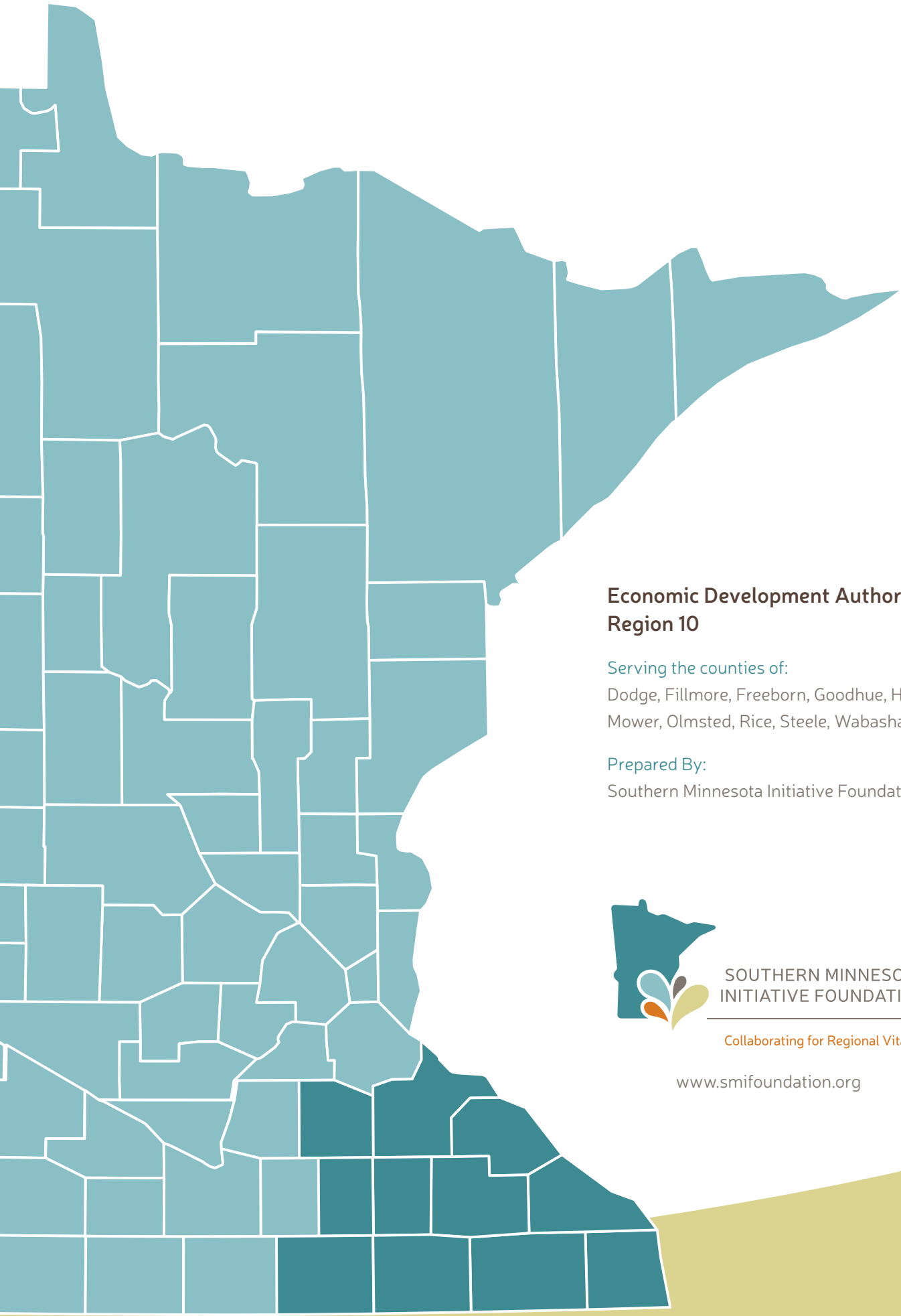
Longer-term outcomes and impacts can be assessed using secondary data sources. Indicators to evaluate longer-term results from CEDS related activities are documented in the table below and include a baseline measure and five-year goal.

DIMENSION	INDICATOR	BASELINE	FIVE-YEAR GOAL	DATA SOURCE
 Human Capital	Enrollment in higher education programs in the region	30,957	Increase by 5%	Integrated Postsecondary Education Data System, (Fall 2020)
	Total working age population (20–74 years of age)	337,752	All counties maintain or increase by 2%	U.S. Census American Community Survey, 5-Year estimate (2020)
	Unemployment rate for minorities	8–15%	Match region's unemployment rate	U.S. Census American Community Survey, 5-Year estimate (via DEED, 2019)
	Population	494,367	All counties maintain or increase by 2%	U.S. Census (2020)
	Percentage of working age population with at least a high school diploma	5.7% for white population and between 12 and 44% for other racial and ethnic groups	Reduce disparity in educational attainment among racial and ethnic groups by half	U.S. Census (DEED Regional report 2019 data)
	Enrollment of regional graduates enrolling in higher education	3,280 (61% of all graduates)	Exceed state rate of 62%	DEED SLEDS (2020)

⁴ Thousands of current dollars. Estimates the value of the goods and services produced in an area.

DIMENSION	INDICATOR	BASELINE	FIVE-YEAR GOAL	DATA SOURCE
 <p>Economic Competitiveness</p>	Number of business loan originations	7,177	Increase by 5%	Federal Financial Institutions Examinations Council (2020)
	Growth in new business formations	4,074 (32% increase between 2020 and 2021)	Exceed state rate (22% between 2020 and 2021)	U.S. Census, Business Formation Statistics (2021)
	Number of new patents	717	Exceed state growth rate	US Patent and Trade Office (2015)
	Number of counties in region within 10 points or exceeding national benchmark for patent diffusion	8	9	StatsAmerica (2022)
	Gross regional product	\$25.4 billion ⁴	Match or exceed U.S. GDP growth rate	U.S. Bureau of Economic Analysis (2020)
	Total annual payroll	\$11.9 billion	Retain same number of jobs while achieving 10% wage growth.	U.S. Census, County Business Patterns (2020)
	Percentage of workers living in region but working outside of region	24% (61,246 workers)	Retain 5% (or approximately 3,000) more workers in region	U.S. Census, On the Map (2019)
 <p>Community Resources</p>	Number of counties with adequate childcare availability	4	8	Childcare Aware (2022)
	Number of housing units	218,295	Increase by 2% or 4,366 units	U.S. Census, American Community Survey (2021)
	Percentage of households paying >30% of income on housing	17% for homeowners; 45% for renters	Reduce to 10% of homeowners and 25% for renters	U.S. Census ACS Housing
 <p>Foundational Assets</p>	Number of communities in region considered at risk or distressed (zip code level)	13	Less than 10	Economic Innovation Group (2022)
	Number of counties with more than 90% of population with access to broadband	3	All 11 counties	Minnesota Department of Employment and Economic Development (2022)
	Number of vehicle charging stations	86	Increase by 20%	Minnesota Department of Transportation, (2022)
	Acres in agricultural production	3,329,368	Maintain acreage	U.S. Department of Agriculture (2017)
	Tons of waste to landfill	174,782 tons	Reduce by 5%	Minnesota Pollution Control Agency (2020)
	Number of communities with an infrastructure asset management plan	25	40	Minnesota Pollution Control Agency (2019)

Appendix Available Online



**Economic Development Authority
Region 10**

Serving the counties of:
Dodge, Fillmore, Freeborn, Goodhue, Houston,
Mower, Olmsted, Rice, Steele, Wabasha and Winona

Prepared By:
Southern Minnesota Initiative Foundation



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