



Board of County Commissioners Agenda Request

7B
Agenda Item #

Requested Meeting Date: May 14, 2024

Title of Item: Economic Development Q2 Impact Report

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) <i>*provide copy of hearing notice that was published</i>	<input type="checkbox"/> Direction Requested <input checked="" type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing*
Submitted by: Mark Jeffers	Department: Administration	
Presenter (Name and Title): Mark Jeffers, Economic Development Coordinator		Estimated Time Needed: 20 minutes
Summary of Issue: Mark Jeffers will present the Q2 Impact Report to Commissioners at the Board meeting for discussion.		
Alternatives, Options, Effects on Others/Comments:		
Recommended Action/Motion: No action needed		
Financial Impact: Is there a cost associated with this request? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No What is the total cost, with tax and shipping? \$ Is this budgeted? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>Please Explain:</i>		

Legally binding agreements must have County Attorney approval prior to submission.



Economic Development Update

Board of Commissioners

May 14, 2024

Priorities to Invoke Change

- Support Career Development
- Promote Recreation and Tourism
- Business Retention, Expansion and Attraction
- Improve Broadband
- Support Housing Initiatives
- Support Childcare

Naturally Better.



Recreation & Tourism

- **Naturally Better Branding:** Merchandise is available, brochure for outside advertising, banner material for shows and events. Car wrap scheduled for install May 28th.



- **ATV Trails:** exploring working with Minnesota Extension on a survey project for ATV riders in our area.
- **Water Trails:** Pine Knoll Loop access building in 2024

Aitkin County Riverboat Trails

Trail 1	Pine Knoll Loop (Pine Knoll)
Trail 2	Cedarbrook Way (Aitkin County Campground to Pine Knoll)
Trail 3	Ripplesippi Trail (Aitkin City Park to Aitkin County Campground)
Trail 4	Kimball Run (Kimball Access to Aitkin County Campground)
Trail 5	(Waldeck to Kimball)
Trail 6	(Palisade to Waldeck)
Trail 7	(Wolds Ferry to Palisade)
Trail 8	(Sandy Lake Recreation Area)
Trail 9	(Lee Ferry to Wolds Ferry)
Trail 10	(Verdon to Lee Ferry)
Trail 11	(Jacobson to Verdon)

www.naturallybetterhere.com



Broadband

- **McGrath Project:** 5 million dollar project complete.
- **DEED Border to Border Grants:** Tremolo and Mille Lacs Energy have submitted requests for County support for their Border to Border grant applications
- **BEAD funding:** State of MN preparing for 2025 release of funds.

Aitkin County see gains in broadband access

Aitkin County saw some gains in broadband access in 2023 going from ranking 77 in 2022 to 40 in 2023. The county has gone from 60.36% coverage to broadband of 100 Mbps down and 20 upload in 2022 to 93.96% coverage in 2023. Mbps is megabits per second.

The county has 2,106 households without access to broadband at that speed. Estimates indicate that it will cost \$19.5 million to get to ubiquitous (found everywhere) broadband in the county. Aitkin County Economic Development Coordinator Mark Jeffers said, "We have made great progress!" Jeffers explained the estimated \$19.5 million will

help. "The BEAD (Broadband Equity, Access and Deployment) funding will be calculated and awarded in 2024-2025. Our local Internet Service Providers (MLEC, SCI and PBC) are working very hard to get it done and are making a difference."

In 2022, Aitkin County worked with Blandin Foundation as an IRBC (Iron Range Broadband Community) and it was a cohort in Blandin's Inaugural Accelerate program, a process to spur community acquisition and deployment of federal and state broadband funds.

In November 2022, the *Mille Lacs Messenger* reported that a \$4.8 million broadband construction

would be completed in fall of 2023.

In December 2022, Paul Bunyan Communications shared more about a Minnesota State Border to Border funded project that would expand broadband to Aitkin, Itasca and St. Louis counties. And in June 2023, Paul Bunyan reported broadband expansion in Grand Rapids, Warba, Marble, Calumet and Waukegan Township in Aitkin County. SCI was awarded almost \$800,000 from a Border to Border grant to serve 199 locations in the townships of Balsam, Logan, Spalding, Turner and Workman.

Mille Lacs Energy Cooperative has two applications

for Border to Border grants to the Office of Broadband Development; a decision should be announced in the winter 2024.

Aitkin County residents were awarded 65 line extension funding requests, which will subsidize last mile broadband extension to their homes.

In the past, a roadblock for Aitkin was that the county is widely served by a national provider that has not been upgrading the connectors in their area. It seems that is becoming less of a hindrance.

Grants:

- 2023: SCI - Aitkin County Broadband Expansion - grant \$794,822

• Mille Lacs Energy Cooperative, \$1,231,818

• Paul Bunyan Communications, \$3,052,120 (also serves Itasca and Louis)

• \$4.8 million block grant McGrath Project that was scheduled to be completed by fall 2023

• Mille Lacs Energy Cooperative (MLEC) - Mille Lacs Energy Cooperative Phase 4 FTTH - grant \$198,607. This fiber to the home (FTTH) project will serve 80 unserved and five underserved locations along the SE side of Farm Island Lake in Aitkin County. Through a funding partnership with the state of Minnesota, MLEC will bring 1 Gbps speeds to 84 homes and one business

on the fiber route, exceeding the state's 2022 and 2026 speed goals.

• 2017 - SCI - Shamrock Township Broadband Expansion - grant \$148,500

• 2018 - Mille Lacs Energy Cooperative FTTP Project - grant \$1,757,640

• 2020 - Emily Cooperative Telephone Company Round Lake Fiber Project - grant \$276,000

• 2020 Mille Lacs Energy Cooperative (MLEC) - MLEC Phase 3 FTTH Project with CBT - grant \$1,251,955

• 2020: SCI Broadband (Savage Communications Inc.) - Glen Township Broadband Expansion Project - grant \$195,848

Aitkin County Broadband Profile 2023: Green Rating: Ranking 40 out of 87

Rank: 40

Code: Green

(See Blandin Foundation interactive map)

Aitkin County sees great gains in 2022

Aitkin County went from ranking 77 last year to 40 in 2023. They have gone from 60.36 percent coverage to broadband of 100 Mbps down and 20 up in 2022 to 93.96 percent coverage in 2023. They have 2100 households without access to broadband at that speed. Estimates indicate that it will cost \$19.5 million to get to ubiquitous broadband in the county.

Child Care

- **2 Childcare Centers are planned to open in 2024.** Tamarack Learning Center, Tamarack and Little Pine Academy, McGregor.
- The openings have the potential to add close to 100 additional childcare slots to our County.
- An application for the DEED Childcare Economic Development Grant has been requested and a decision is pending.

Business Retention, Expansion and Attraction

- **2024 Workforce Summit.** This summit was held in March. 4 panels from local businesses led discussion on employee attraction, hiring, onboarding and retention. Over 40 local businesses attended.

1st Annual Workforce Summit- Aitkin County



Support Housing Initiatives

- **Bunker Hills Housing:**



- **Housing Trust Fund:**

- Housing Implementation plan is currently in development and expected to be reviewed in the Economic Development Committee in June, 2024.
- Work continues on housing development opportunities in outer areas of Aitkin County.

Coordinator Updates

- **Organizations served:**

- City of Aitkin Planning and Zoning Commission
- Northspan Board of Directors, Vice-Chair
- Iron Range Economic Alliance (IREA) Board of Directors, Vice-Chair
- Minnesota Association of Professional Economic Developers (MAPCED) Vice-President
- Aitkin Chamber of Commerce Board of Directors, current Chamber President
- McGregor Chamber of Commerce Board of Directors
- Aitkin County Habitat for Humanity Board of Directors

- **General updates:**

- March 12: MN Office of Broadband meeting- panelist for rural broadband connectivity
- March 14: Aitkin County Workforce Summit- Covenant Pines
- March 20: Attended Economic Development Day at the Capitol
- March 22: MAPCED quarterly meeting- Fergus Falls
- March 27: HRA Board meeting
- April 13: presented Naturally Better to ACLARA
- April 19: presentation to AMC Board of Directors, on behalf of MAPCED
- April 26: Aitkin Chamber of Commerce Annual Dinner
- May 3: Q2 meeting of the Naturally Better momentum group (marketing committee)
- May 22: 3rd annual Mille Lacs Tribal Economy Summit
- June 7: Aitkin County Legislative Luncheon- Government Center

Strategic Plan Tracking



Priority	Project	Action	Start Date	Completion Date	Status
Promote Recreation and Tourism					
	Aitkin County Branding Project		June, 2022	June, 2023	Completed
	Mississippi naming of trails		March, 2023	May, 2023	Completed
	Boost Grant		2022	2023	Not on Track
	Business Development & Recreation Grant	Annual County Grant		ongoing	On track or Completed
Improve Broadband					
	McGrath Project	CDBG Grant, 5 Million to build internet availability	Aug, 2021	March, 2024	Not on Track
	Border to Border Projects	continued support of ISP projects in Aitkin County	June, 2021	ongoing	Not on Track
	Blandin Accelerate Cohort	County led committee on broadband knowledge	June, 2021	December, 2021	Not on Track
	Digital Inclusion Committee	County led committee on inclusion of rural residences	April, 2023	August, 2023	Not on Track
Support Childcare					
	Childcare facilities grant program	2022 Aitkin County Grant	April, 2022	Dec, 2022	Not on Track
	Childcare summit		June, 2022	June, 2022	Not on Track
	OEED Childcare grant		Dec, 2022	Dec, 2023	Not on Track
	Childcare Acceleration Grant		Dec, 2022	Dec, 2023	Not on Track
Support Career Development					
	Aitkin HS FAB LAB	Collaboration with School District to improve program		ongoing	Caution on timing
	Collaboration with JET			Feb, 2023	Not on Track
Business Retention, Expansion and Attraction					
	Business Revitalization Grant	Aitkin County Grant	Jan, 2023	Dec, 2023	Not on Track
	Community Grant Program	Aitkin County Grant	Jan, 2022	Dec, 2022	Not on Track
Support Housing Initiatives					
	Housing Strategy Sessions			ongoing	Caution on timing
	INHI Development Tax Abatement	developer agreements complete			Completed
	Established Housing Trust Fund		23-Oct		Not on Track
	Statewide local Housing Aid	\$97,000 available for Housing Trust Fund type events			Caution on timing



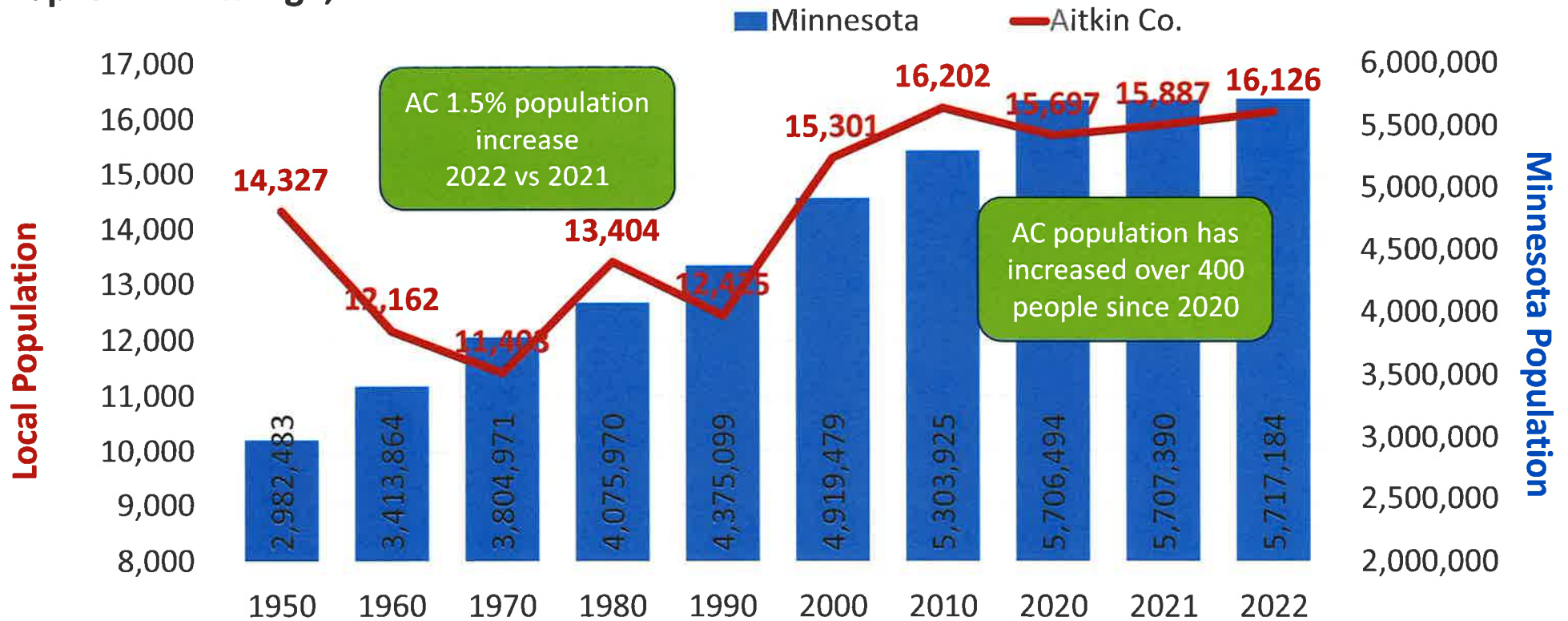
Aitkin County Workforce Summit

Carson Gorecki | *Regional Labor Market Analyst*

Labor Market Information Office (<http://mn.gov/deed/data>)

Slowing Population Growth

Population Change, 1950-2022

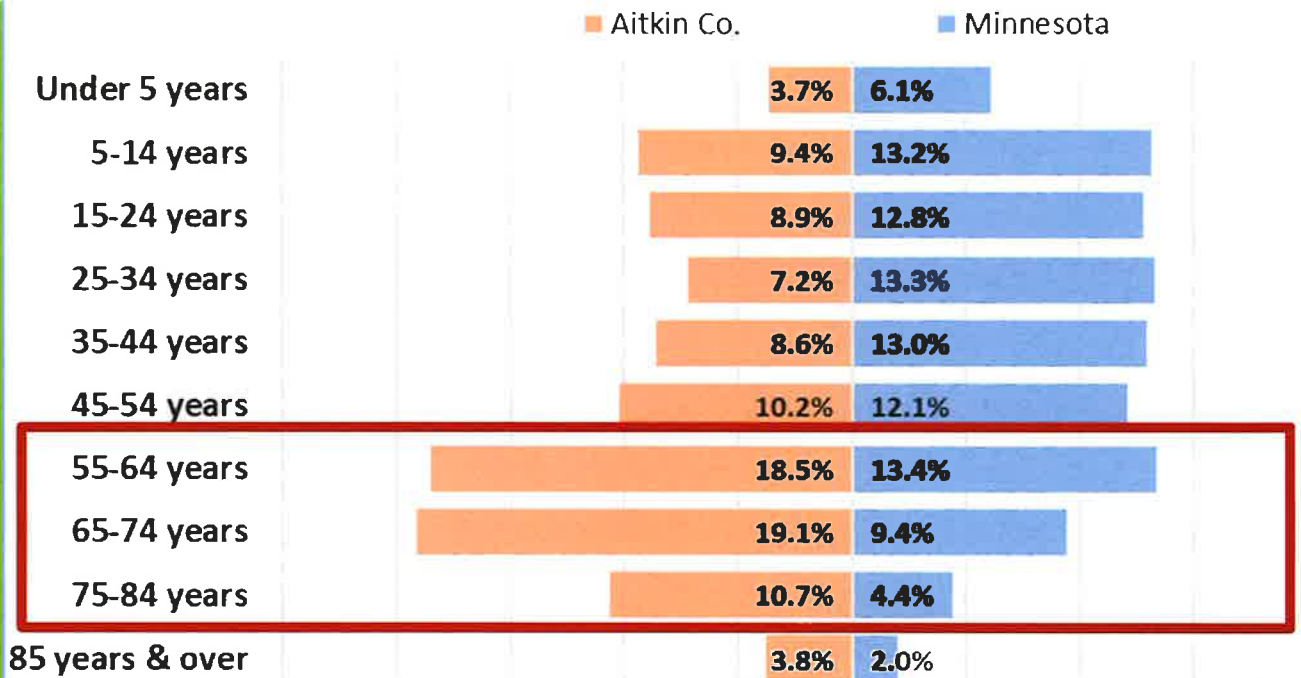


Source: U.S. Census Bureau

Population by Age

- Older than average population
 - Median age of 56.2 years (38.5 MN, 48.3 NE MN)
- Third of the population is 65+ (16% MN)
 - 37.5% 55-74
- Projections show declines in most age groups
 - Growth in 35-54 and 75+

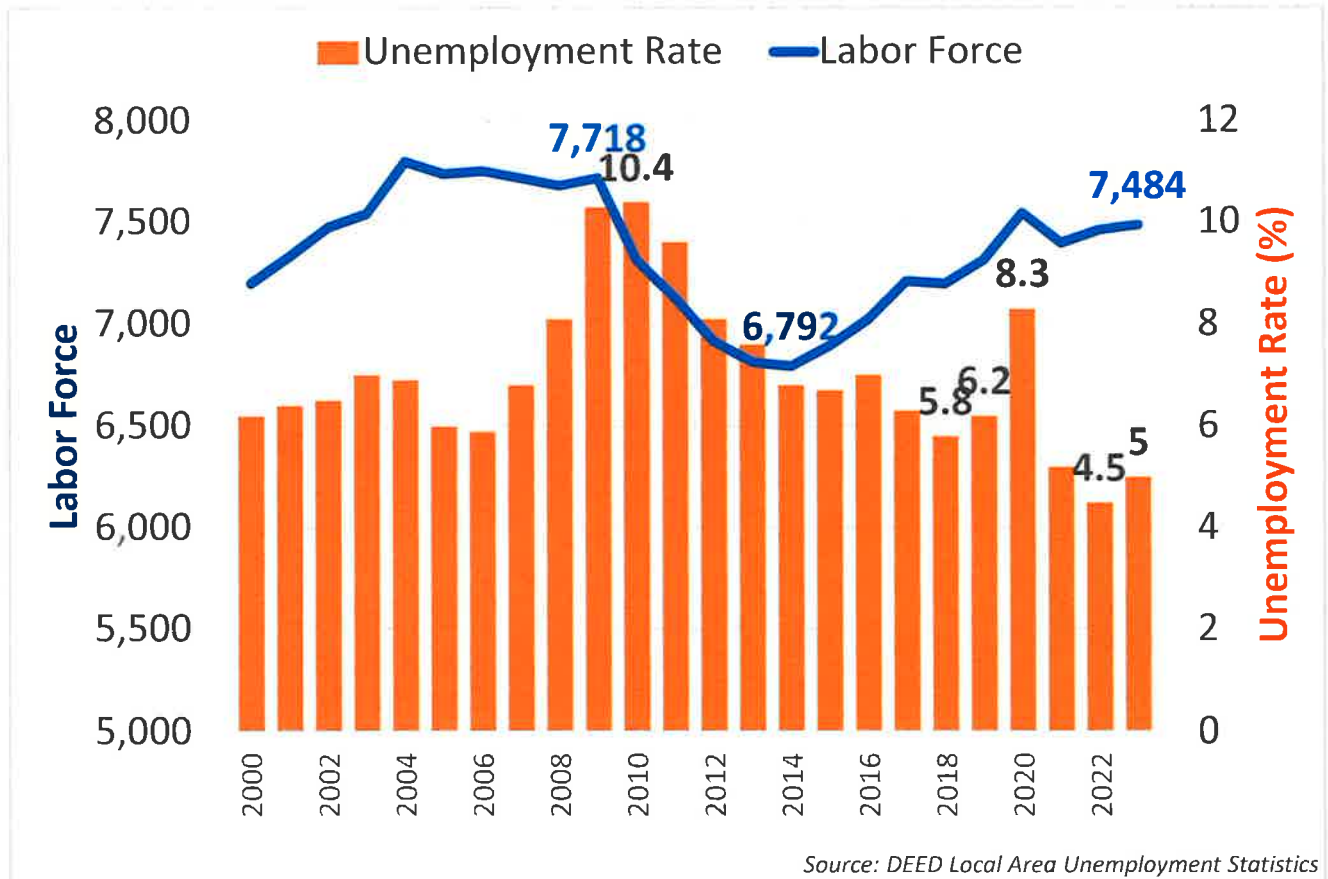
Percentage of Population by Age Group, 2022



Source: 2018-2022 American Community Survey, 2022 Population Estimates

Aitkin County Labor Force & Unemployment Trends 2000-2023

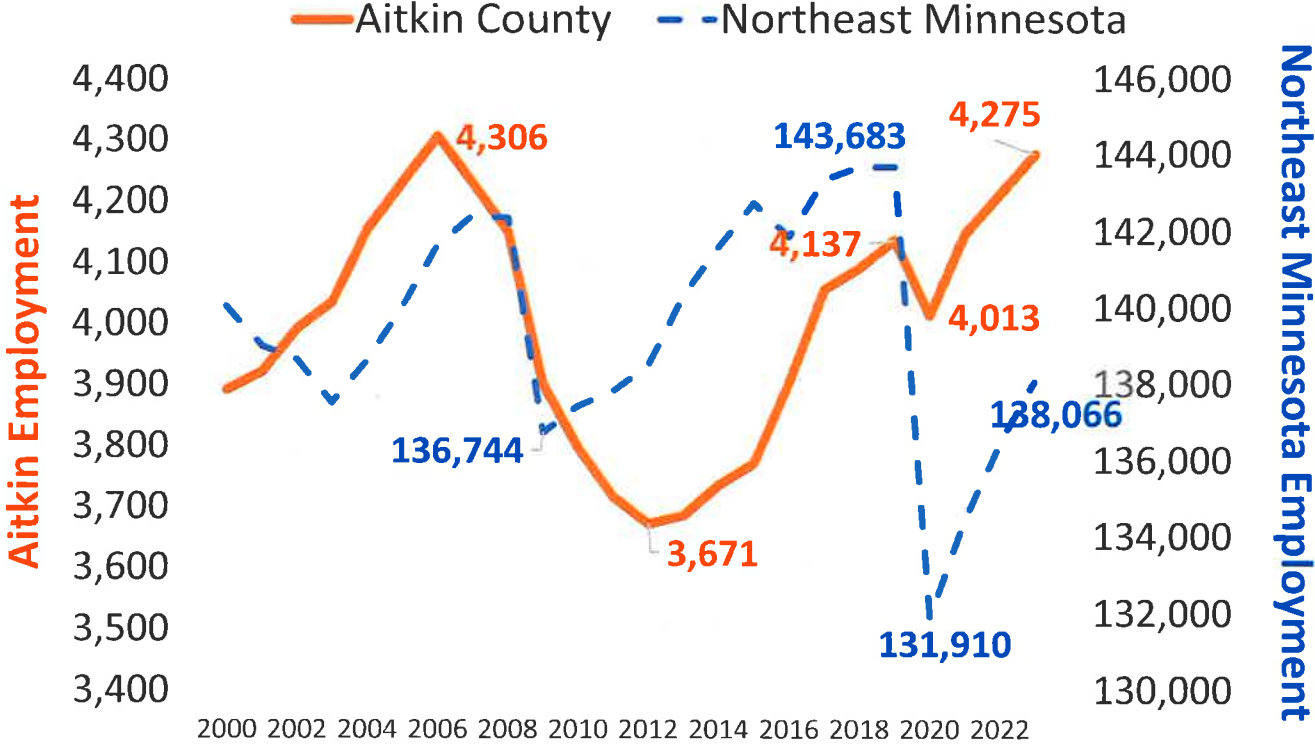
- Labor force is larger than pre-pandemic
 - +171 workers (+2.2%)
 - Only county in the region to have a larger labor force now, regional LF down 2%
- Fewer unemployed people
 - About 80 fewer on average compared to 5 years leading into 2020 (-17%)



Long-term Employment Trend

- Employment up 3.3% from 2019, +1.4% OTY
- Aitkin's employment proved more resilient relative to the state and region
 - 2019-2020 decline: -3% vs -8% (NE MN)

Average Annual Employment Trend by Area, 2000-2023



Source: DEED QCEW

Aitkin County Industry Employment & Wage Statistics, 2023

NAICS Industry Title	2023 Data (Q1-Q3 Avg.)			2022-2023		2019-2023	
	Number of Firms	Number of Jobs	Avg. Annual Wage	Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	476	4,275	\$46,159	57	1.4%	138	3.3%
Health Care & Social Assistance	29	763	\$65,572	-8	-1.0%	N/A	N/A
Retail Trade	68	615	\$30,905	2	0.3%	37	6.4%
Accommodation & Food Services	59	557	\$19,361	-7	-1.2%	46	9.1%
Educational Services	16	447	\$40,768	14	3.2%	N/A	N/A
Manufacturing	21	403	\$57,893	32	8.5%	25	6.5%
Public Administration	30	363	\$49,955	33	9.9%	-11	-3.0%
Construction	68	249	\$50,024	1	0.4%	34	15.8%
Other Services	42	149	\$22,204	10	7.0%	8	5.4%
Wholesale Trade	10	128	\$53,889	17	15.0%	-5	-4.0%
Admin. Support & Waste Mgmt. Svcs.	25	104	\$43,862	8	8.4%	29	38.0%
Finance & Insurance	19	97	\$50,544	6	7.0%	6	7.0%
Professional & Technical Services	16	90	\$70,304	2	2.3%	N/A	N/A
Arts, Entertainment, & Recreation	15	56	\$30,368	-37	-39.4%	11	25.2%
Mining	4	48	\$75,166	1	1.1%	-19	-28.0%
Agriculture, Forestry, Fish & Hunt	13	24	\$58,448	-6	-20.0%	6	33.3%
Real Estate & Rental & Leasing	10	20	\$35,854	1	2.6%	3	14.7%
Information	7	13	\$72,488	-2	-15.6%	-3	-20.8%

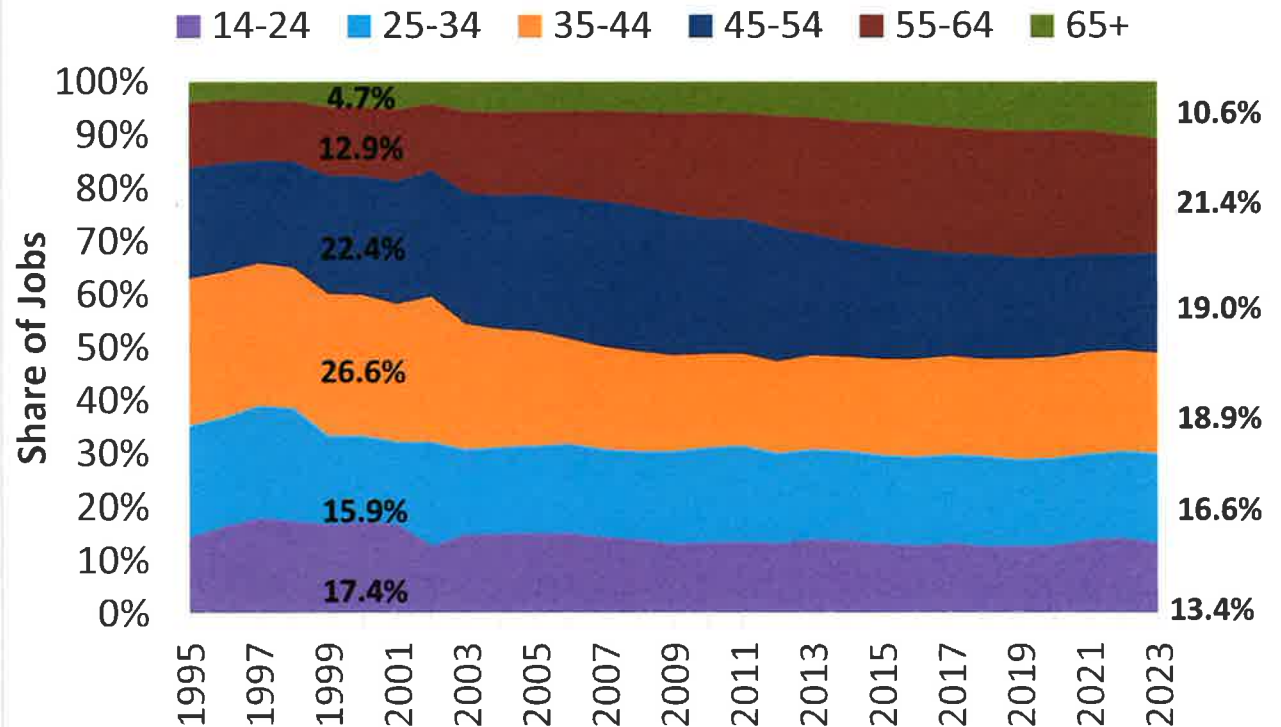
65% of jobs

Source: DEED Quarterly Census of Employment & Wages (QCEW) program

Workforce by Age

- Reflects population trends
- 55+ workers accounted for 18% in 2000, now 32%
- 65+ share has doubled to 11% since 2007
- Workers under 25 share decreased from 17% in 2000 to 13% in 2023
- Since 2019 the fastest growing age groups have been 19-21 (+27%) and 65+ (+20%)
- 55-64 (-6.8%) and <19 (-5.5%) declined

Share of Employment by Age Group in Aitkin County, 1995-2023



Source: US Census QWI

Summary

- Population growth has been slow over the longer term, but picked up in recent years largely due to migration
- Despite an older than average population and workforce, Aitkin County's labor force and employment has proven resilient
- A tight labor market will continue to constrain future employment growth
- There are many different (and overlapping) reasons and barriers preventing people from looking for work