

# Rural Minnesota Community Development Program



**Request:** To provide funding for economic development technical assistance grants to 18 small communities across rural Minnesota.

**Investment:** \$627,000 over the biennium.

**Purpose:** To provide grants to communities across rural Minnesota to receive technical assistance with basic economic development strategies. These grants would be based on need, given to communities that otherwise aren't able to afford such services, and are therefore at an automatic competitive disadvantage. CEDA will design, implement, market, and administer specific types of basic community and economic development programs tailored to the individual community's needs.

Due to local government budget constraints across rural Minnesota, basic economic development is often deferred in an effort to stretch taxpayer dollars. However, economic development will catalyze entrepreneurship, expand the tax base, and improve jobs and income in the communities that have the most need. Through this important collaboration with the State of Minnesota, CEDA will aid small rural communities by establishing a strong economic development foundation – yielding long-term success.

**Program Summary:** All communities need time and expertise dedicated to creating viable, effective development programs. However across rural Minnesota, small cities struggle to afford administration of basic economic development efforts including 1) program guideline design, 2) application creation, 3) stakeholder input/review, 4) funding research and compatibility check, 5) program marketing, 6) application intake, 7) application review, 8) application presentation and recommendation, 9) communication with applicants and staff, 10) and other required administrative reporting and responsibilities.

**In order to close the gap of economic disparity and give rural Minnesota a swing at the plate, we have created a kit of essential development tools that all communities should implement:**

- Revolving Loan Funds. Many cities have dormant loan funds (especially MIF funds) because they lack the capacity to implement a loan fund program.
- Commercial Exterior Improvement Grant/Loan Programs.
- Small Business/Entrepreneurial Incubation.
- Childcare Incentives.
- Business Retention and Expansion Efforts.

## Rural Minnesota Community Development Program

1st Round Implementation Timeline

**August 2023**



Grant applications are released and the program is marketed.

**September 2023**



Selected communities are notified of award.

**October 2023**



Preliminary kick-off meetings are held with selected communities to identify a plan for services.

**November 2023**



Community to approve work plan/summary of services.

**December 2023- June 2024**



CEDA works on identified programming services for selected communities.

**July 2024**



CEDA provides final reporting to DEED regarding outcomes of programming.

**Despite the need, too often rural MN can't afford to provide these basic tools. There are 644 cities in Minnesota with a population under 3,000.**

**If Funded:** CEDA will administer a competitive grant program to receive the technical services above free of cost to the local government. This grant program will aid 18 rural communities throughout the economic development regions in Greater Minnesota. These grants will allow communities to access services at no cost to them. CEDA will attempt to distribute/award grants geographically equitably. Rural cities in the State of Minnesota will be eligible to apply.

CEDA will work with selected communities to formulate an individualized plan based on their needs. Communities can apply to receive technical assistance with one of the program services listed above. Approximately 150 hours of technical assistance will be provided to each selected community. Each community will also have access to up to \$15,000 in project funds.

**Evaluation Criteria/Metrics:** CEDA staff will document all aspects of the application process and program. We will report all program outcomes to the Legislature.

It is expected that the impact metrics of this program will involve increased rates of entrepreneurship, improved levels of community engagement, and aesthetic revitalization for rural Minnesota cities.

**CEDA - Community Economic Development Associates**

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