

ANNUAL REPORT

Calendar Year 2015

MID-MINNESOTA DEVELOPMENT COMMISSION



*Serving the People of Kandiyohi, McLeod,
Meeker, and Renville Counties since 1974.*

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2015 Commission Members

Kandiyohi County Representatives

DuWayne Underthun..... Townships
Kevin Crowley Municipalities / Public Interest
Rick Fagerlie City of Willmar
Rollie Nissen County
Idalia (Charly) Leuze.....Public Interest
Shawn MueskePublic Interest
Cathy Baumgartner.....Public Interest
** Robert Moller, SecretaryPublic Interest

McLeod County Representatives

Alan Fredrickson..... Townships
Bob Becker.....Municipalities
Bill Arndt City of Hutchinson
Sheldon Nies County

* Denotes office held until June 24, 2015

** Denotes office held after June 24, 2015

Renville County Representatives

Helen Ruebel..... Townships
* Ronald Degner, Secretary Municipalities
John Stahl, Chairperson County
James Schafer..... Public Interest
Francis Schweiss Public Interest
Jeff Benson..... Public Interest

Meeker County Representatives

Dan Barka Townships
vacant Municipalities
Mike Housman, Treasurer County
Maureen Melgaard-
Schneider, Vice Chair Public Interest
Dee Schutte Public Interest
Greg Langmo Public Interest



2015 Annual meeting held at Peter's on Lake Ripley



MID-MINNESOTA DEVELOPMENT COMMISSION

Serving the People of Region Six East

To Those We Serve:

On behalf of the Mid-Minnesota Development Commission (MMDC), we respectfully submit this 2015 Annual Report. We thank you for taking the time to review this report. This report highlights key achievements of the Commission and its staff in carrying out the Commission's mission during calendar year 2015. The enclosed year-end financial data is for Fiscal Year 2015 (July 1, 2014 to June 30, 2015).

Within this year's Annual Report, we are highlighting a new joint planning effort between Minnesota's Regional Development Commissions. DevelopMN, is a project to improve the regions and communities we serve by creating a new statewide framework for community and economic development to address the special challenges and opportunities of Greater Minnesota. DevelopMN creates a unified assessment of the state of Greater Minnesota. From this assessment regional strategies will be developed to address common issues, and to engage partners across the state to achieve goals.

Also, within the Annual Report we have provided a short article on the importance of rural high-speed broadband. Counties and local units of government need to work together to investigate possible solutions in areas that have slow or no current service.

Please take some time to read through the 2015 Annual Report to gain an understanding of the variety of tasks we perform. Further information about the Commission may be found at the MMDC web site: www.mmrdc.org. Please give us a call if there are projects where you need assistance. Please also contact us if you would like us to attend one of your meetings to either discuss a particular project need, or just to receive a general update from the Commission. Through our Board's leadership, and our talented staff, we will continue to strive to make a strong positive impact on the Region. We pledge that we will not consider a job complete until the client is satisfied with the end product.

Respectfully yours,



John Stahl

John Stahl
Chairperson

Donn Winckler

Donn Winckler
Executive Director



Economic Development

The Mid-Minnesota Development Commission and its area served has been designated a Federally Certified Economic Development District (EDD) by the U.S. Department of Commerce's Economic Development Administration (EDA). The EDA and its planning program provides essential investment support to district organizations. The planning assistance provided assists MMDC with short term planning investments. Eligible activities under this program include the development, maintenance, and implementation of a Comprehensive Economic Development Strategy (CEDS) and related short term planning activities.

The CEDS, a locally-owned strategic planning, is critical to facilitating regional economic Development efforts. Effective planning creates a roadmap, which practitioners and policymakers use to identify and take actionable steps necessary to realize their desired economic vision. This is central to the bottom-up strategy of working with local communities to help them meet goals and achieve locally with the support of the MMDC and EDA. A revised CEDS will be authored in calendar year 2016.

Staff reviewed the new rule changes that have come forward from the U.S. Department of Commerce Economic Development Administration (EDA). The rule changes affect the Comprehensive Economic Development Strategy (CEDS) and Governing Board Membership Requirement. The new rule, which took effect January 20, 2015, replaces a laundry list of items and simplifies the formatting of the CEDS down to four main pillars and provides for more latitude for districts in their membership board make-up.



Staff provided technical assistance to the Kandiyohi County Business Retention and Expansion Program and also assisted an individual with business planning assistance and a possible loan application in the future.

Staff provided technical assistance to the Kandiyohi County EDC regarding a Business Retention and Expansion program and the countywide Vision 2040 process.

Staff will attend an initial meeting of the statewide Revolving Loan Fund administrators in February 2016. The focus of the meeting will include training, mentoring, and education. The statewide RLF's have all been managed non-uniformly and this initiative will assist in bring the RLF's more in alignment and provide for team building.

Staff prepared for the annual audit and worked with the auditors to review the Revolving Loan Fund particulars.

The Comprehensive Economic Development Strategy Performance Report was authored by staff and was sent to the Chicago Office of the Economic Development Administration. The Performance Report is a requirement of the planning grant agreement with the EDA.

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The Comprehensive Economic Development Strategy will have to be revised in 2016. This will correspond to the new Statewide Rural Minnesota Development Strategy being worked on and completed in 2016. The new statewide plan will be titled DevelopMN. Staff had several meetings and conference calls with counterparts, executive directors, and several Minnesota Department of Employment and Economic Development individuals regarding the development of this plan throughout the year.

The Government Performance and Results Act report was authored by staff and was sent to the Chicago office of the Economic Development Administration.

The Comprehensive Economic Development Strategy Performance Report was authored by staff and was forwarded to the Chicago Regional office of the Economic Development Administration.

The Economic Development Administration Mid-Point Progress Report was authored by staff and forwarded to the EDA Chicago Regional Office. This was performed as a grant deliverable requirement of the Economic Development Administration grant funding.

The Department of Employment and Economic Development held a meeting in Marshall, which was attended by staff. Discussion centered on the multiple programs that the Department administers and how local economic development professionals can use these tools.

A meeting of the Southwest Minnesota Economic Development Professionals was held in Marshall and attended by staff. Various speakers educated attendees on the available resources that could be used to promote economic development in the region.

Staff attended the Southwest Minnesota Workforce Summit in Marshall. Information and breakout sessions focusing on creating and retaining a qualified workforce in Southwest Minnesota was provided at the summit.

Staff assisted the Department of Employment and Economic Development in compiling a list of regional businesses that are water reliant and/or water intense. The businesses were asked to complete a survey showing their water use and future needs.

Staff authored a grant application to the Blandin Foundation. The grant funding would partially pay for a broadband infrastructure feasibility study for Kandiyohi County. Funding partners are being developed and identified, as well as qualified Feasibility Study Consultants.

Staff attended meetings and provided technical assistance to the following entities:

- * Kandiyohi Housing Study,
- * Kandiyohi County/City of Willmar EDA,
- * Department of Employment and Economic Development,
- * U.S. Economic Development Administration – conference training call,
- * Green Alliance of Minnesota,
- * Agricultural Utilization Research Institute.

Community Development and Planning

The Community Development Department assists with a wide variety of consulting and planning projects for local units of government, including cities, counties, townships, watershed districts and school districts. This particular program area is not tied to any State or Federally funded program, however, many projects are funded through competitive grants. MMDC also charges a technical assistance rate, which is currently set at \$75 per hour. In addition, numerous questions are researched on a regular basis for our Region's citizens, elected officials, businesses, and other stakeholders, without MMDC charging a fee.

The Community Development Department specializes in the following types of projects:

- **Official Plans**, including comprehensive plans, water plans, hazard mitigation plans, and similar community development documents.
- **Official Controls**, including zoning and subdivision ordinances, ordinance codification, rules and regulations, and similar regulatory documents.
- **Environmental Reviews**, including environmental impact statements and environmental assessment worksheets.
- **Special Projects**, including grant writing, community surveys, public facilities planning, housing studies, mapping services, and many other technical services.

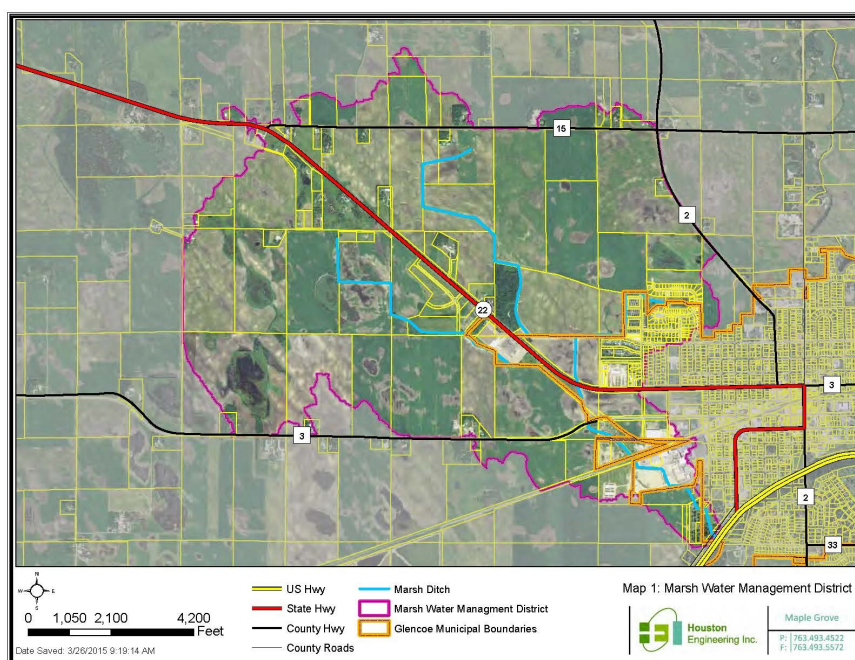
As one of Minnesota's State Data Centers, MMDC also regularly provides Census and demographic data free of charge to businesses, non-profit agencies, citizens, and other interested organizations.

Main Projects during the Fiscal Year

Meeker County Hazard Mitigation Plan – MMDC finalized Meeker County's Hazard Mitigation Plan, which was approved by the Federal Emergency Management Agency (FEMA) and the Minnesota Homeland Security and Emergency Management Office. The Plan was written to identify ways to minimize or prevent the loss of life or property damage due to natural disasters.

Buffalo Creek Watershed District – The BCWD's Overall Plan was amended to include the establishment of a Water Management District (refer to Map 1). The new management district will allow BCWD to partially fund the Marsh Water Project, designed to address flooding and water quality concerns along Buffalo Creek near the City of Glencoe.

City Codes – work continued with updating the city codes for a number of communities. The City of Pennock held a public hearing in December on the draft codes, after over two years of revising the new language. The new codes greatly address a number of potential problem areas, yet overall the codes remain customized to the smaller community. MMDC also began work with the City of Franklin on updating their codes.



McLeod County Trails Plan

In March 2015, MMDC was hired by McLeod County to facilitate the development of the County's first trails plan. The County Board established the McLeod County Trails Committee by appointing 11 members (two from each district and one at-large from the townships). At the beginning of the planning process, the Trails Committee developed the following Vision and Mission Statements:

~ Vision Statement ~

"Fostering multi-use trails while respecting property rights."

~ Mission Statement ~

"McLeod County will work with various stakeholders to develop and maintain a trail system in a fiscally responsible manner that accommodates a variety of uses; provides recreational, health and wellness, transportation and economic benefits; and recognizes the importance of safety, connectivity, and respecting the interests of neighboring property owners."

The primary purpose of the McLeod County Trails Plan is to guide development and maintenance of a county-wide network of trails to serve the needs of residents and visitors. In addition, this trails plan accomplishes the following:

1. Establish a Vision for McLeod County's trails.
2. Establish a Mission Statement for McLeod County Trails Plan.
3. Profile the existing network of trails in and near McLeod County.
4. Identify key destinations and points of interest.
5. Engage stakeholders to assist with identifying issues, ranking priorities, and successfully implementing trail projects.
6. Identify trail needs, including safety features, trail amenities (i.e., parking, benches, etc.), maintenance, and future trail extensions.
7. Recognize the importance of promoting the use of trails through advertising, tourism, and economic development.
8. Establish the county's goals, objectives, and policies for making trail decisions.
9. Identify priority projects to be implemented with stakeholders.
10. Understand potential funding sources, including grants, stakeholder agreements, and creative funding opportunities.



Photo by Heart of Hunch



*Mountain Biking at
Stahl's Lake County Park*

In addition to relying heavily from the Trails Committee, the McLeod County Trails Survey was developed and administered by MMDC to gather input from citizens. Three hundred forty-two participants completed the online survey. Approximately 35 people also attended an open house to gather input at the Silver Lake Auditorium on November 12, 2015.



MMDC 2015 Annual meeting held





Meeting at Peter's on Lake Ripley



Transportation Planning

The Mid-Minnesota Development Commission (MMDC) receives an annual grant from the Minnesota Department of Transportation (MNDOT), matched with the local tax levy, to provide transportation planning services within the Region's four counties principally for activities involving surface transportation and to participate in the Southwest Minnesota Area Transportation Partnership (ATP) process. The Transportation Advisory Committee (TAC) makes recommendations to the Commission on these transportation activities.



The Commission annually participates in the Area Transportation Partnership's decision-making process of which projects receive Federal funding through the State's Transportation Improvement Program. MMDC's voting members on the ATP are Sheldon Nies and John Stahl. Meeker County Engineer, Ronald Mortensen, was the Commission's County Engineer representative. The Commission holds an annual public informational meeting on the proposed Area Transportation Improvement Program. Staff provides assistance for this activity as well as serving on the ATP Committee that makes Transportation Alternatives Program (TAP) funding recommendations. This program combined several federal programs together under the new federal Transportation Act, including the Enhancement Program, Safe Routes to School infrastructure funding, and Scenic Byway funding. Staff continues to be involved with developing application materials for this grant program. Staff has also been part of a statewide MNDOT Local Technical Team that has made recommendations on the ATP process including the TAP application process.



GSL Panthers

Staff completed assistance in the preparation of a Safe Routes to School Plan (SRTS) for the Glencoe / Silver Lake School District, for both their elementary and middle schools. Staff are in the final stages of preparing SRTS plans the BOLD School District (Cities of Olivia, Bird Island, and Lake Lillian), and the Hutchinson School District. The Commission is also helping the City of Dassel's Elementary School with a SRTS plan. The SRTS program is an opportunity to make walking and bicycling to school safer for children and to increase the number of children who choose to walk and bicycle. SRTS is a nationwide program. MMDC is paid by MNDOT to provide technical assistance to school districts and cities that have successfully applied to the state to move forward in creating plans. Staff also assisted New London and Willmar School Districts receive state mini-grants for non-infrastructure SRTS projects.



BOLD Warriors

Staff provided assistance to MNDOT efforts to update the functional classification of all roads within the region and the state. Staff finalized work with county engineers and state aid city engineers. This included reviewing and commenting on MNDOT recommendations for roads to be classified as one of the following: principal arterials, minor arterials, major collectors, minor collectors, and local roads.



*Dassel-Cokato
Chargers*

Commission staff was also active in the following transportation activities during the 2015 Calendar Year:

- ◆ Staff provided input into various MNDOT statewide plans.
- ◆ Staff attended RDC Transportation Planners meetings during the past year. These quarterly meetings allow the planners to share information and coordinate planning efforts.
- ◆ Staff serves on a Willmar Downtown Design Center Committees that are working on improving

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High Speed Broadband is Essential to Region

For the economic health and the quality of life for our residents, affordable, world class high speed broadband service needs to be the goal for all locations in Region Six-East. There is much work to do within the Region, where a significant number of households and businesses are located in areas that are considered to be unserved or underserved.

The MMDC passed a resolution in support of a vision statement crafted by attendees of the 2015 Minnesota Border-to-Border Broadband Conference. The vision statement is as follows:

“Everyone in Minnesota will be able to use convenient, affordable, world-class broadband networks that enable us to survive and thrive in our communities and across the globe.”

The MMDC has assisted Kandiyohi County receive grant funds, through the Blandin Foundation, to conduct a broadband feasibility study. The study will help guide the County and City of Willmar Economic Development Commission’s Broadband Committee’s efforts to find solutions to the county’s broadband needs.

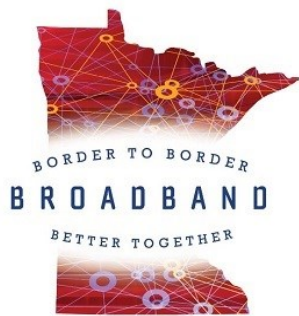


Image from Blandin Foundation

High speed broadband benefits are many. Businesses need high speed telecommunications networks to ensure on-demand access to suppliers, customers, and branch plants among other important uses. High speed broadband networks also benefit education, healthcare, the option for elderly to stay in their homes longer, government services, emergency responders, and precision agriculture. Economic Development will suffer in areas that are on the wrong side of the digital divide as both businesses and potential new residents will not consider moving to an area that does not have high speed broadband service. This will harm housing values that do not have the service and consumers miss out on a variety of useful services. Affordable high speed broadband is an essential building block for healthy communities, and should be considered as much of a core infrastructure as traditional elements as water, sewer, power, transportation, and educational services.

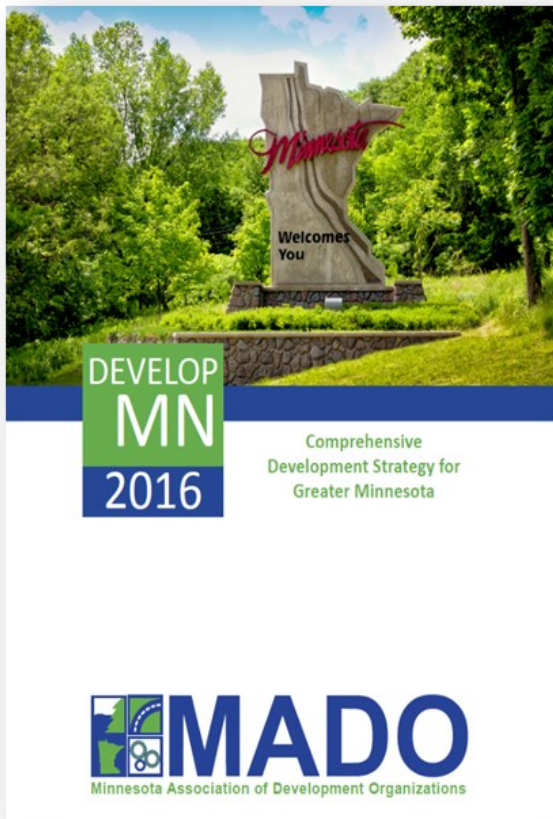
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transportation connections to the central business district.

- ◆ Staff has been part of meetings to work on applying for “Bicycle Friendly Community” status for the City of Willmar.
- ◆ The Commission continues to provide assistance to the Highway 15 Coalition. The Commission acts as the Coalition’s fiscal agent.
- ◆ The Commission serves as the Minnesota Valley Rail Road Coalition’s fiscal agent.
- ◆ Staff attended the MNDOT District 8 Toward Zero Deaths (TZD) conference that was held in the Spring.
- ◆ Staff is a member of the District 8 TZD Committee and has been part of county TZD committee efforts.



The Mid-Minnesota Development Commission participated with the Minnesota Association of Development Organizations (MADO) for the purpose of forming a statewide peer group of Economic Development Districts and Regional Development Organizations. This peer group created a Greater Minnesota Development Strategy, now identified as DevelopMN.



The entire document can be viewed at:
<http://www.mnado.org/developmn/>

Statewide MADO planners and directors have completed SWOT (Strengths, Weaknesses, Opportunities, & Threats) analysis and developed strategic SMART (Specific, Measurable, Attainable, Relevant, & Time Bound) goals. These goals lead to strategies and objectives for the implementation of DevelopMN.

This strategic statewide plan identifies the primary pillars of

- ◆ Human Capital
- ◆ Economic Competitiveness
- ◆ Foundational Assets
- ◆ Community Resources

These four pillars assisted in identifying development opportunities in greater Minnesota. The plan fosters more inter-regional collaboration, increased local alignment with state and federal partners, and a more effective voice in promoting economic development objectives in rural Minnesota.

Why is this important?

The beginning of the 21st century presents a number of challenges and opportunities to rural Minnesota as it charts its economic future. An economy that is now driven by innovation demands that we create an environment that nurtures its talent and workforce, supports entrepreneurship, and creates communities that can support both. In order for rural Minnesota to succeed, there needs to be a strong, collective and credible voice that can create and move forward an economic agenda at the local, state, and federal level.

The MMDC along with other Minnesota Regional Development Organizations are committed to providing that collective leadership for rural Minnesota.

Revolving Loan Fund Program

In 1995, MMDC received a grant from the U. S. Department of Commerce/Economic Development Administration to initially create a \$1,200,000. Revolving Loan Fund (RLF). The grant was partially matched by the Commission, local units of government, and the Southwest Initiative Foundation. Program goals include assisting businesses with gap financing and creating employment opportunities within Region Six-East's four-county service area.

After due diligence, by the loan committee, loans are funded for working capital, real estate purchases, and equipment purchases. The purpose of the RLF program is to strengthen and diversify the local economy. This is reached by providing a source of low interest financing to businesses, when credit is not otherwise available from other sources, and to ensure the successful completion of a project or activity. Job creation and retention are also a priority of the fund.

Since inception the fund has borrowed almost \$4,000,000 and leveraged over \$27,000,000 in private investment. The loans have created or retained over 800 jobs in the four counties.

FEATURED BUSINESS

In the summer of 2009 Brian Sietsema and John-Adam Day decided to combine their skills and knowledge and open a full service truck repair shop in Raymond, Minnesota, population 750. Their spouses would be assisting in the office. Services that the business would be providing included, but was not limited to, alignment front suspension parts, adjustment of axels, and Department of Transportation inspections.



S & D Repair, LLC

603 East Babcock Ave, Raymond MN 56282

320-967-4200

The building, which housed a former agricultural implement dealership, was leased. The business was performing well. Several years ago, Brian bought out partner, John-Adam Day, and continued growing the business. With business growing, Brian decided to purchase the building in 2014. MMDC was able to provide financial assistance in the start-up and purchase.

The business employs several persons and continues to prosper. New customers are always welcome. Brian can be reached at the business address of 603 East Babcock Avenue (on the south side of highway 23) in Raymond. The phone number is 320-967-4200.



Willmar Area ACT on Alzheimer's

Willmar Area ACT on Alzheimer's project was completed in December 2015. We members are grateful to Mid-Minnesota Development Commission for their support as our fiscal host. Here is a summary of the accomplishments to meet the goals of building greater awareness of dementia through education and supporting caregivers who serve families and care partners who strive to provide care to loved ones in their homes.

ACT on ALZ provided numerous presentations on the early signs of dementia and the necessary medical assessments done to determine a diagnosis and follow-up care. Volunteer community educators, trained by the Alzheimer's Association, offered this education to service organizations, support groups, county employees, church groups, and other organizations requesting this education.

ACT on ALZ developed a dementia resource sheet of numerous books, DVDs, and audiotapes. This sheet identified materials available in the county's Pioneerland Public Library system and Rice Memorial's Community Library. We also provided these resources to the 3 support groups in Willmar, Atwater, and Spicer. All materials were purchased with the ACT grant funds.

ACT on Alzheimer's volunteers manned display tables at various community events to share educational pamphlets, our resource sheet, and inform community members about caregiving organizations who could help those diagnosed with memory loss. We promoted the educational event sponsored twice a year by the West Central Dementia Awareness Network.

During Fall 2015 we, together with members of WCDAN, applied for a grant to sustain and expand our work through the Minnesota Board on Aging. Again MMDC offered to be fiscal host. We were happy to receive good news in January 2016 that \$49,999 was awarded for 18 more months to continue this important work in Kandiyohi County.

Financial Report

<u>Actual Figures</u> <u>Fiscal Year 2015</u>		<u>Original Budget</u> <u>Fiscal Year 2016</u>	
<i>Revenues</i>		<i>Revenues</i>	
Economic Development Admin	\$ 52,628	Economic Development Admin	\$ 52,628
Revolving Loan Fund Admin	33,193	Revolving Loan Fund Admin	29,339
HHS - MNRAAA	28,146	HHS - MNRAAA	-
Department of Transit	<u>48,877</u>	Department of Transit	<u>37,427</u>
<i>Total Federal Sources</i>	<u>\$ 162,844</u>	<i>Total Federal Sources</i>	<u>\$ 119,394</u>
Agricultural Credit	\$ 3,680	Agricultural Credit	\$ 3,680
Department of Transportation	75,000	Department of Transportation	75,000
DoT - SRTS Mini Grant	8,625	DoT - SRTS Mini Grant	-
HHS - MNRAAA	9,441	HHS - MNRAAA	-
HHS - EDP/Sail	<u>12,600</u>	HHS - EDP/Sail	<u>-</u>
<i>Total State Sources</i>	<u>\$ 109,346</u>	<i>Total State Sources</i>	<u>\$ 78,680</u>
Property Taxes	\$ 308,702	Property Taxes	\$ 295,320
Interest and Dividends	9,876	Interest and Dividends	6,400
Fiscal Agent Services	6,197	Fiscal Agent Services	9,900
Technical Assistance	44,725	Technical Assistance	13,800
Other	38,058	Other	13,512
In-kind	<u>-</u>	In-kind	<u>-</u>
<i>Total Local Sources</i>	<u>\$ 407,558</u>	<i>Total Local Sources</i>	<u>\$ 338,932</u>
<i>Total Revenues</i>	<u>\$ 679,748</u>	<i>Total Revenues</i>	<u>\$ 537,006</u>
<i>Expenditures</i>		<i>Expenditures</i>	
Personnel	\$ 354,502	Personnel	\$ 318,087
Supplies & Printing	12,559	Supplies & Printing	2,764
Communications	6,454	Communications	7,149
Capital Outlay	2,539	Capital Outlay	1,500
Services	2,283	Services	30,533
Volunteer Service/Other Uses	1,154	Volunteer Service/Other Uses	1,044
Travel & Training	19,127	Travel & Training	14,016
Commission	10,098	Commission	10,600
In-kind	1,775	In-kind	-
Indirect	<u>226,216</u>	Indirect	<u>185,687</u>
<i>Total Expenditures</i>	<u>\$ 636,707</u>	<i>Total Expenditures</i>	<u>\$ 571,380</u>

Mid-Minnesota Development Commission

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E-mail: mmrdc@mmrdc.org

Please visit us at:
<http://www.mmrdc.org>

Serving the People of Kandiyohi, McLeod, Meeker, and Renville Counties since 1974.



Executive Director..... Donn Winckler
Financial Director/Office Manager Sue Gimse
Economic Development Director Les Nelson
Community Development DirectorMatthew Johnson
Admin.Assist./Tech Support Specialist.....Terresa Westerman

2015 MMDC Staff