ANNUAL REPORT

Calendar Year 2018

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MID-MINNESOTA DEVELOPMENT Commission



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

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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 2018 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 2018. The enclosed year-end financial data is for Fiscal Year 2018 (July 1, 2017 to June 30, 2018).

In 2018 the Commission began its efforts for creating a Regional Transportation Coordination Council (RTCC) which we hope to be operating in Fiscal Year 2020. Please read the enclosed article to learn more. The Commission has been involved with many other economic and community development activities and projects throughout the year. The key activities are discussed in this report. There has been progress in such areas as broadband, housing, and child care development.

The MMDC serves on the Highway 23 Coalition as an ex-officio member on the Coalition's Board. MMDC also provides fiscal agent duties for the Coalition. During the year the Coalition achieved a major success with successfully applying for a Corridors of Commerce application that will allow MnDOT to complete the four-lane highway between Willmar and I-94/St. Cloud. When the project is completed in the upcoming years it will mean our Region will finally have a four-lane access to the nation's interstate highway network. Current efforts are underway to work on securing funding on Highway 212's four-lane connection to the Twin Cities.

Please take some time to read through the 2018 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. If there are projects we can be of assistance, please do not hesitate to contact us. You may also contact us if you would like staff to attend one of your meetings to either discuss a specific project, or just to receive a general update from the Commission. Through the services we offer, we pledge that we will not consider a job complete until the client is satisfied. Through our Board's leadership, and our talented staff, we will continue to strive to make a strong positive impact on the Region.

Respectfully yours,



Kevin Crowley
Kevin Crowley
Chairperson



Donn Winckler

Donn Winckler

Executive Director

2018 Commission Members

Kandiyohi County Representatives

Cathy BaumgartnerPublic Interest
Kevin Crowley, Chairperson
Municipalities / Public Interest
Rick Fagerlie City of Willmar
Robert Moller, SecretaryPublic Interest
Shawn MueskePublic Interest
Rollie NissenCounty
DuWayne Underthun, Vice-Chair Townships

McLeod County Representatives

Robert Anderson	Townships
Bob Becker	Municipalities
Doug Krueger	County
John Lofdahl	City of Hutchinson

Renville County Representatives

Jeff Benson	Public Interest
Doug Erickson	County
Sue Hilgert	Municipalities
Francis Schweiss	Public Interest
vacant	Townships

Meeker County Representatives

Frank Eder	Municipalities
Eric Day	Public Interest
Mike Housman, Treasurer	County
Greg Langmo	Public Interest
Maureen Melgaard-Schneider	Public Interest
Lorallen Schmeling	Townships

Prepare for 2020 Census

The MMDC encourages local units of government in the Region to help publicize the need to count all persons living in their jurisdiction by completing the 2020 Census. The 2020 Census begins their count on April 1, 2020. Ideally cities and counties should form Complete Count Committees as soon as possible to take steps to encourage as many as possible to answer the Census. For information about Complete Count Committees, and to register your Committee in order to be provided guidance and materials please contact the Minnesota State Demographers Office. Visit https://mn.gov/admin/demography and find information under the Census 2020 tab.

Counting all persons is important for several key reasons. First, the Census determines how many seats each state gets in the U.S. House of Representatives, and Minnesota is in danger of dropping to seven seats. Second, the Census helps direct billions of federal dollars to a variety of programs working in health care, education, infrastructure planning and construction, childhood nutrition, and many more. Each person not counted means thousands of dollars not coming into your locality over the ten years the Census is used. Minnesota also utilizes the Census for their programs. Third, the Census is used for many miscellaneous needs such as grant writing and local government planning. Lastly, businesses and nonprofits use the Census for important decisions and investments.



The Mid-Minnesota Development Commission and its area served is 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) for the Region and related short term planning activities.

Staff authored the Federal Economic Development Administration's Planning Grant Progress Report. The Report was then sent to the EDA's Chicago Regional Office to stay in compliance with the Special Award Conditions of the Planning Grant.





Staff authored the Annual CEDS Performance Report and forwarded the report to EDA. Staff authored the Government Performance Results Act Report and the Report was forwarded to the EDA.

Staff participated in statewide Economic Development Counterparts meetings held on a quarterly basis. Some of the discussion centered around the statewide DevelopMN plan updates. Staff served on the Willmar Area Vision 2040's Economic Vitality & Diversity Committee, as well as the Housing Committee.

A Willmar Area Chamber of Commerce GROW Minnesota Seminar was held in Willmar. Staff attended and provided input. Grow Minnesota is a program that provides field interviews of business leaders in the state to examine the needs and wants of businesses.

Throughout the year staff attended conference calls from the Federal EDA to stay abreast of information, grant proposals, and news from EDA.

Staff authored the Economic Development Integration Plan that is a grant requirement of EDA. The plan articulated how the Commission provides multi-jurisdictional activities and informational processing to amalgamate the work of Federal, state, and local partners.

Staff attended meetings of statewide MADO partners. Economic development activities and events were discussed at the meetings. MADO continues to update "DevelopMN", which is the organization's economic development strategy for greater Minnesota. DevelopMN has identified four cornerstones for strong regions and communities:

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

To learn more about DevelopMN, visit www.mnado.org/developmn/.

Staff attended the Southwest Initiative Foundation's 2018 Grow Your Own Summit.

Staff prepared for the Commission's Annual Audit. The federal Program Element is always a large factor in the audit process.

Staff provided ongoing assistance to Kandiyohi County/City of Willmar Economic Development Commission. Staff attended meetings of the Broadband Committee, Finance Committee, Business Retention and Expansion Committee, Child Care Committee, and Housing Committee.

Staff also participated as a member of the Renville County EDA Revolving Loan Fund Committee.

Staff also attended meetings of the Meeker County Broadband Committee and provided relevant information to that committee. Staff also attended/sponsored a Regional Broadband meeting. The meeting was sponsored in part by the Blandin Foundation. Locally elected officials and other elected officials were in attendance.

Staff assisted Kandiyohi County in authoring an application for Opportunity Zone approval from the Department of Employment and Economic Development.

In late spring the Southwest Minnesota Initiative Foundation held a meeting in Redwood Falls regarding economic development activities in the Region. Information was shared and received.

Staff is a member of the SWWC Service Cooperative Rural CTE Consortium Advisory Committee. CTE stands for Career and Technical Education. The board provides guidance to the Launch Your Future Today (LYFT) Pathways Initiative with the purpose of rebuilding CTE in Southwest and West Central Minnesota. To learn more about the LYFT program visit www.LYFTpathways.org.

Regional Legislative Roundtable on Broadband

A MMDC Regional Legislative Roundtable on Broadband was held in February of 2018 in Litchfield. Attendees included speakers from counties in Region 6E. The speakers provided information on Broadband activities ongoing in their respective counties. The need for broadband infrastructure investment was also highlighted. Locally elected officials, State senators and representatives and congressional members or their staff were invited. The meeting was co-sponsored with the Blandin Foundation.



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 for activities principally 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 Transportation the Area Partnership's decision-making process of which projects receive Federal funding through the State's Improvement Transportation Program. MMDC's voting members on the ATP in 2018 were Mike Housman and Rollie Nissen. Renville County Engineer, Jeff Marlowe was Commission's County Engineer representative. The Commission holds an



Governor's Fishing Opener Bike Ride

annual public informational meeting on the proposed Area Transportation Improvement Program. Staff provides assistance for this activity as well as serving on the ATP makes Committee that **Transportation** Alternatives program (TA) funding recommendations. The TA program funds such activities as trails and other bicycle and pedestrian infrastructure projects, Safe Routes to School infrastructure funding, and Scenic Byway funding. Staff continues to be involved with developing application materials for this grant program.

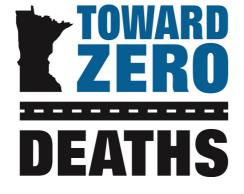


completed assistance in the MMDC preparation of Safe Routes to School Plans (SRTS) for the Eden Valley-Watkins School District and Cedar Mountain School District. The Commission also began work on assisting the Litchfield School District prepare a SRTS Plan. Assistance was provided to ACGC School District in preparing a SRTS planning grant application. 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.

Please refer to pages 10 and 11 for more information on current SRTS plans.

Commission staff was also active in the following transportation activities during the 2018 Calendar Year:

- * Staff provided input into various MNDOT statewide plans and provided assistance to MnDOT District 8 in helping develop project scoping documents. Staff were also involved with District 8's Bicycle Plan project. Other MnDOT meetings staff attended on their planning efforts included: a Commercial Vehicle Weight and Safety Enhancement Plan meeting a Highway 15 passing lane study meeting, Statewide SRTS Funding webinar, and a Mobility Study meeting. Staff also attended a state Transportation Issues Forum held in Willmar on September 20.
- * Staff attended RDC Transportation Planners meetings during the past year. These quarterly meetings allow the planners to share information and coordinate planning efforts.
- * Staff gave a presentation at the Minnesota Association of Planning & Zoning Administrators on road diets and developing Active Living Transportation Plans.
- * Staff is in the process of assisting Meeker County with a Trails Plan. See the Community Development Report in this document for further information.
- * Staff provided assistance to the City of Olivia on a trail project phase two planning. Staff also attended meetings between the City and MnDOT to discuss the upcoming Highway 71 project in the City.
- * Staff continues to be part of the City of Willmar's Bicycle Friendly Community Committee. The City has previously earned bronze level "Bicycle Friendly Community" status and has plans to try to receive designation at the silver level.
 - * Staff gave assistance to the Highway 23 Coalition. The Commission continues to be the Coalition's fiscal agent.
 - * Staff is a member of the District 8 Toward Zero Deaths (TZD) Committee.
 - * Staff attended the two-day Minnesota Transportation Conference, hosted by the University of Minnesota. The conference was at the St. Paul River Centre. Approximately 400 stakeholders participated in the conference.
 - * Staff oversees changes to the region's roadway functional classification system, which included changes to McLeod County's system in 2018.
 - * Staff assisted with a Willmar bicycle ride as part of the Governor's Fishing Opener.
 - * See article in this Annual Report on MMDC's Regional Transportation Coordination Council work.





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 \$80 per hour. This amount is set at a rate that closely covers MMDC's actual cost to provide consulting services.



Luce-Line Trail Bikers

In addition to the Community Development Department's major projects, numerous questions are researched by staff on a regular basis for our Region's citizens, elected officials, businesses and other stakeholders, without MMDC charging a fee. These types of phone calls and emails come in on a regular basis.

Although MMDC staff has experience with preparing several different types of planning documents, the Community Development Department specializes in the following types of projects:

Official Plans, including comprehensive plans, active living transportation plans, hazard mitigation plans, and other similar community development documents.

Official Controls, including zoning and subdivision ordinances, ordinance codification, rules and regulations, and other similar regulatory documents.

Environmental Reviews, including Environmental Assessment Worksheets (EAW) and Environmental Impact Statements (EIS).

Survey Research, MMDC staff has over 30 years of experience with designing and administering surveys. Although most current research is conducted online, paper surveys and survey interviews are still used to reach key populations.

Special Projects, including grant writing, public facilities planning, housing studies, mapping services, and many other types of technical assistance.

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



The MMDC welcomes Community Development Planner, Kyle Ten Napel. Kyle started work with the Commission on October 8, 2018. He has a bachelor's degree in Community and Regional Planning from Iowa State University with an emphasis in Geographical Information Systems. Kyle immediately jumped into providing planning assistance to the Meeker County Trails Plan and the Litchfield Safe Routes to School Plan.

Main Community Development Projects during the Calendar Year

The Meeker County Trails Plan began with a kickoff meeting on August 1, 2018. Local residents and key stakeholders strongly participated throughout the planning process, including numerous stakeholder meetings and the use of an online Meeker County Trails Survey. The plan will help Meeker County know which trail and bicycle route projects to pursue and support over the next 10-20 years. The primary purpose of the Meeker County Trails Plan is to:

- 1. Guide development and maintenance of a county-wide network of trails to serve the needs of residents and visitors;
- 2. Create a planning process that is open to all stakeholders to assist with identifying issues and ranking trail and bicycle route priorities;
- 3. Profile the existing network of trails in or near Meeker County;
- 4. Identify key destinations and points of interest:
- 5. Identify and discuss trail needs, safety features, trail amenities (i.e. parking, benches, etc.), maintenance, and future trail extensions;
- 6. Recognize the importance of promoting the use of trails through advertising, tourism, and economic development;
- 7. Understand potential funding sources, including grants, stakeholder agreements, and creative funding opportunities; and
- 8. Facilitate a positive environment for Meeker County and all stakeholders to successfully work together to implement projects.





Community Development and Planning Continued on page 10

Community Development and Planning (Continued from page 9)

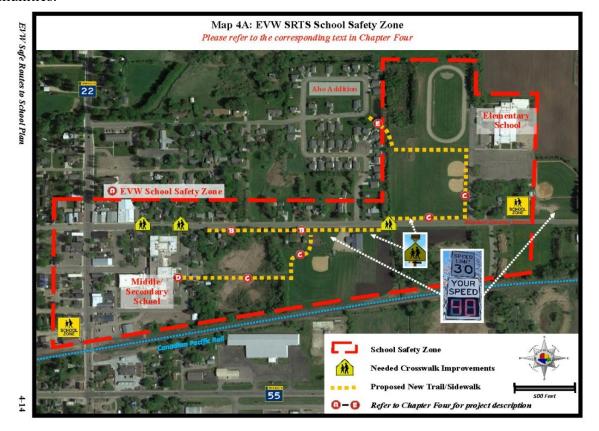
Safe Routes to School Plans

The Eden Valley-Watkins (EVW) SRTS Plan was completed in June 2018. Map 4A shows where a School Safety Zone will be established between the EVW Elementary School and Middle/Secondary School in Eden Valley. The Safety Zone would have targeted implementation projects and enforcement of existing pedestrian, bicycle, and vehicle laws. The plan was presented to the Eden Valley and Watkins City Councils.

Additional infrastructure projects in the EVW SRTS plan include the following:

- ✓ The installation of School Safety Zone signs, media coverage, and handouts included in school mailings.
- ✓ New sidewalks and/or trails, helping students safely walk and bike between the two schools.
- ✓ Needed crosswalk improvements, including proper paint and signage.
- ✓ Digital speed radar signs.
- ✓ A trail or path leading connecting the neighboring Aho Addition to the Elementary School.

Both communities have expressed interest in working with MMDC in the future to develop Active Living Plans to further discuss pedestrian and bicycle improvements throughout the communities.



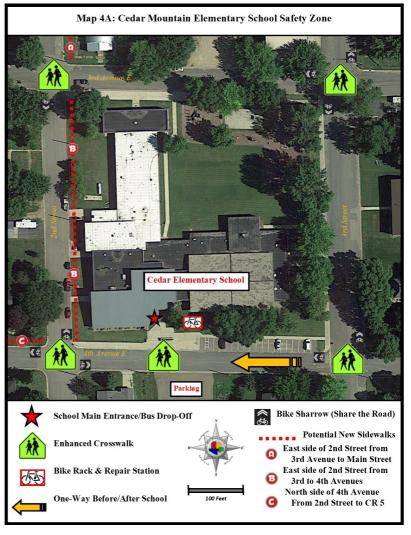
The Cedar Mountain Elementary (CME) SRTS Plan was also completed in June 2018. In addition to CME school staff, the Mayor of Franklin and city staff participated throughout the planning process. Map 4A highlights the implementation projects near the Cedar Mountain

- Elementary School. Projects include:
- ✓ Enhanced crosswalks near the elementary school at all for corners and in front of the school's main entrance.
- ✓ New sidewalks to complete missing gaps (listed as A-C on Map 4A).
- ✓ Changing 4th Avenue to a one-way before and after school.
- ✓ Installing a bicycle repair station near the school's bike rack and main entrance.
- ✓ Installing bike sharrows throughout the City of Franklin.

In addition to the projects highlighted in Map 4A, the CME SRTS Plan also identified

establishing a trail to the City's Boat Landing Park along the Minnesota River and installing digital speed radar signs along Minnesota State Highway 19.





Other Main Community Development Projects:

- * Began the planning process to develop a Safe Routes to School Plan for the Litchfield School District.
- * Began the process of updating Atwater's City Codes.
- * Authored a grant application to the Minnesota Pollution Control Agency on behalf of McLeod County to secure funds to build an axillary Materials Recovery Facility in Hutchinson.
- * Facilitated the process to update the Buffalo Creek Watershed District's Rules and Regulations.
- * Authored an application to MnDOT to secure funds for the development of a Regional Transportation Coordination Council (RTCC) Phase 1 Planning Grant for Kandiyohi, Meeker, McLeod, Renville and Sibley Counties. For more information on the RTCC, refer to pages 12 and 13 of this Annual Report.



The Mid-Minnesota Development Commission (MMDC) received a Phase 1 Organization Planning Grant from the Minnesota Department of Transportation (MnDOT) beginning on July 1, 2018. The grant allows MMDC to develop an operational plan for the implementation of a Regional Transportation Coordination Council (RTCC). The formation of the Mid-Minnesota RTCC is being pursued by its member counties with the underlying belief that many of the Region's growing transportation needs would be better addressed through regional cooperation. At the time of the grant application in March 2018, McLeod, Meeker, Kandiyohi, Renville, and Sibley Counties have all officially expressed interest in becoming member counties.

Purpose of the RTCC

The concept of RTCCs has grown over the last 20 years in Minnesota after transportation stakeholders have increasingly recognized that many transportation issues would best be managed or addressed on a regional basis. To clarify, some transportation issues are greatly localized, while others affect stakeholders on a statewide basis. As localized transportation issues have expanded beyond individual cities and/or counties, local governmental units have bonded together to pool resources. The primary example of this is the formation of public transit providers, which mainly have been formed through neighboring counties formally uniting through joint powers boards.

Overall, the emergence of public transit services throughout rural Minnesota has been considered a huge success. The number of rides provided has continued to increase on an annual basis for most transit providers. The harsh reality, however, it that public transit cannot meet all of the people's transportation needs. For example, due to budget constraints, public transit providers cannot operate 24-hours a day, seven days a week. More importantly, public transit providers also have limited service areas.

In addition to expanded hours and service areas, private providers have grown out of the demand to accommodate people's transportation needs based upon other variables. These include convenience, medical needs, door-to/through-door service, and flexible wait times. Volunteer drivers have also played a large role in meeting people's transportation needs. Helping promote the need for volunteer drivers and working with stakeholders to address volunteer driver issues is one important role for the RTCC.

RTCC Goals and Objectives

Phase 1 will include the identification of the RTCC's goals and objectives. Initially, the primary goals and objectives of the RTCC are as follows (the RTCC will have the opportunity to expand the goals and objectives as it evolves):

RTCC Goal: Safe, convenient, and affordable transportation options for all citizens.

- *Objective 1*: Mitigate obstacles for people who have transportation disadvantages, so they can safely, conveniently and affordably get where and when they need to travel.
- **Objective 2**: Cooperatively work towards identifying and addressing the Region's transportation needs and issues through public and private partnerships.
- **Objective 3**: Use extensive citizen and stakeholder participation to develop sustainable relationships throughout the planning and implementation process.

People who have transportation disadvantages may include seniors, low-income households, veterans, individuals with disabilities, and people who use English as a second language. Our Region has an extra-large number of people with transportation disadvantages, especially due to the Region's new immigrants who face additional challenges using services that are currently available.

Local Human Service Transit Coordination Plan

MMDC completed the update to Region 6E's Local Human Service Transit Coordination (LHSTC) Plan in 2017. The LHSTC Plan, which is updated every five years, will be used as a guidance document in establishing RTCC goals and implementation priorities. For example, the LHSTC Plan had the following objective: "To Ensure Viable Transportation Options Exist to Meet People's Transportation Needs." The need for the formation of the RTCC was identified as an implementation step in the 2012 plan and 2017 update. Many of the implementation steps listed in the LHSTC Plan will be addressed by the RTCC.



Region 6E 2017 Local Human Service Public Transit Coordination Plan

For more information on the Mid-Minnesota Regional Transportation Coordination Council, please contact Matthew Johnson, MMDC Community Development Director.

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 loaned almost \$4,000,000 and leveraged over \$27,000,000 in private investments. The loans have created or retained over 800 jobs in the four counties.

In calendar year 2018 one loan was applied for and closed. The Mid-Town plaza application was approved and finished. There were also several applications and inquiries to the Revolving Loan in 2018.



Featured Business — South 71 Veterinary Clinic

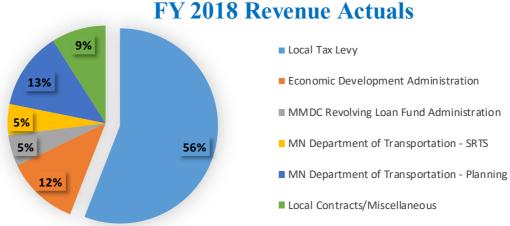
In 2017 the South 71 Veterinary Clinic in Willmar, Minnesota, came up for sale on the semi-retirement of the owner/founder. Dr. Ryan Tollefsrud decided to purchase the business. The Clinic has the latest tools and is powered by an experienced team of eight veterinarians and a solid support staff. The facility and team treat a wide variety of small and large animals, along with pet boarding and maintain a veterinary supply store. There are also satellite clinics in the cities of Benson and Granite Falls. The facility provides services that include specialty surgery, microchipping, exotic animal care, and chiropractic care. The Mid-Minnesota Development Commission was able to provide financial assistance to the project.

More information on the facility, services, contact information, or appointments, can be found at https://www.south71vet.com/.

Financials & 2019 Budget

	FY 2018		FY 2018		FY 2019		
REVENUES	Budget		Actuals		F	Budget	
Local Tax Levy	\$	325,000	\$	327,063	\$	325,000	
Economic Development Administration		70,000		70,000		70,000	
MMDC Revolving Loan Fund Administration		30,126		30,303		28,452	
MN Department of Transportation - SRTS		25,180		30,021		25,854	
MN Department of Transportation - Planning		75,000		75,000		75,000	
Local Contracts/Miscellaneous		33,129		52,691		39,094	
MN Department of Transportation - RTCC		-		_		66,750	
TOTAL	\$	558,435	\$	585,078	\$	630,150	
	FY 2018		FY 2018		FY 2019		
EXPENDITURES	Budget		Actuals		Budget		
Salaries & Fringe	\$	465,762	\$	467,463	\$	540,438	
Supplies & Printing		7,520		7,938		7,287	
Communications		18,703		19,105		18,606	
Services		42,664		40,535		45,785	
Capital Outlay		3,192		28,991		3,550	
Volunteer Services		78		-		1,468	
Travel & Training		12,304		12,993		15,681	
Commissioner Travel/Expenses		8,212		8,053		8,400	
TOTAL	\$	558,435	\$	585,078	\$	641,215	

Fiscal Year 2018 Audit: The Mid-Minnesota Development Commission contracts with Conway, Deuth and Schmiesing, PLLP, Certified Public Accountants, Willmar, Minnesota to conduct an annual audit. The Fiscal Year 2018 auditors report expresses an unqualified opinion on the General Purpose Financial Statements of the Mid-Minnesota Development Commission.





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