



Serving Economic Development Region 6E

2021 Five-Year Assessment of Activities and Performance

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Five Year Assessment of Activities and Performance:

“In 2001 and every five years thereafter the commission shall review its activities and issue a report assessing its performance in fulfilling the purposes of the Regional Development Act. The report shall address whether the existence of the commission is in the public welfare and interest.” – Minnesota Statute 462.393 (Subdivision 2)

The following assessment report addresses the activities and performance of Mid-Minnesota Development Commission (MMDC) for the years 2017 through 2021.

MMDC Mission Statement:

The MMDC’s continued mission is to **“administer state and federal programs, coordinate multi-jurisdictional activities, and provide technical assistance to government, business, and local organizations to maintain or enhance the quality of life.”**

This means we partner with our communities to ensure a “success infrastructure” is in place. Our work can include helping communities gain input from their residents and use that information to develop plans for future development, otherwise known as “comprehensive planning”. We can also work with local elected officials and planning commissions to ensure that community codes and ordinances preserve community standards without becoming overly-restrictive. Furthermore, we can join communities and organizations to market business opportunities, pursue infrastructure grants that will promote growth, and address underlying issues that may be inhibiting growth and/or sustainability (e.g. housing or childcare shortages).

MMDC strives to promote thoughtful development, leadership, entrepreneurship, collaboration, and equity throughout Kandiyohi, McLeod, Meeker, and Renville Counties. We do this because we value the history and believe in the potential of this place we choose to call home.

MMDC Governance:

MMDC is guided by the MMDC Board of Commissioners. Membership to this board is largely prescribed by the Regional Development Act. Each of our region’s counties selects a county commissioner for participation on our board. A municipal representative (mayor or city councilor) and a township board member from each of our region’s counties is also selected for participation. In addition, each city with population over 10,000 sends an additional representative (again, mayor or city councilor) and two school board member volunteers are selected for participation. Therefore, MMDC receives guidance and oversight from 16 elected officials from across our four-county region.

The Regional Development Act also allows for the selection of additional citizens who may represent specific public interests. At present, MMDC’s Full Board of Commissioners includes participants who represent:

- Aging Individuals in the Public Interest
- People with Disabilities and Youth in the Public Interest
- The Healthcare Sector in the Public Interest
- Mental Health and Substance Abuse Treatment in the Public Interest
- The Transportation Sector in the Public Interest
- The Agriculture and Aggregate Mining Sectors in the Public Interest
- The Local Workforce Development Board in the Public Interest

- The Manufacturing and Production Industry in the Public Interest
- Higher Education in the Public Interest

Together, these 25 individuals ensure MMDC carries out its mission in an efficient and meaningful way. This through participation in MMDC Full Commission meetings, through individual conversations with staff, and through participation in one or more MMDC committees, which include:

- **MMDC Executive Committee:** This committee consists of a Chairperson, Vice-Chairperson, Secretary, Treasurer, and one additional “At-Large Executive Committee Member”. The majority of MMDC’s Executive Committee seats must be held by those who are serving the Commission based on their status as elected officials.

This committee may meet and take action on items that require immediate action or on such items delegated by the Full MMDC Board of Commissioners. The MMDC Executive Committee is also responsible for the annual evaluation of the MMDC’s executive director.

- **MMDC Personnel Committee:** This committee works with the Executive director to develop, review, and recommend changes to the MMDC’s personnel policies. The committee also makes recommendations on other personnel matters (e.g., approval of new position descriptions, wage and benefit recommendations).
- **MMDC Bylaw Committee:** This committee reviews MMDC bylaws, determines if changes are appropriate, and recommends and proposed changes to the full MMDC Board of Commissioners.
- **MMDC Budget and Work Program Committee:** This committee works with the executive director to recommend an annual work program and budget, budget expenditure increases, and the level of tax levy as limited by state statute (limited to a maximum levy increase of three percent annually). The Commission’s treasurer serves as one member of this committee.
- **Mid-Minnesota Regional Transportation Coordinating Council (MMRTCC) Committee:** This committee was formed to provide oversight and guidance of MMRTCC grant-specific activities, which are intended to help non-drivers connect with the transportation they need to meet their basic needs (e.g., ability to travel to the grocery store, medical appointments, worship services, social gatherings) and be active community participants.
- **MMDC Nominating Committee:** This committee meets to recommend and nominate a slate of candidates to fill positions of the MMDC Executive Committee and gives their recommendations at the Commission’s annual meeting. The nominating committee may also assist with the recruitment and selection of members who may serve in the public interest.
- **MMDC Marketing and Communications Committee:** This committee works with the Executive Director in recommending MMDC marketing efforts, developing better communications between Commissioners and staff, and in facilitating effective

communications between the Commission and the clients who are served. This Committee may include both Commissioners and staff.

- **MMDC Legacy Revolving Loan Fund (RLF) Committee:** This committee reviews and approves RLF applications, from entrepreneurs/businesses interested in start-up, expansion, or financing to maintain operations. The committee may approve loans of up to \$60,000 without additional approval from MMDC's full Board of Commissioners and makes recommendations to the Commission for larger loans (up to \$150,000). The committee weighs each application with the economic needs, including but not limited to the need for employment opportunities in the surrounding area. In addition to MMDC commissioners, this committee also includes outside regional experts (e.g., finance professionals).
- **MMDC CARES Act Revolving Loan Fund Committee:** This committee functions much the same as MMDC's Legacy Revolving Loan and also includes outside industry experts in addition to MMDC's Executive Committee Chairperson and Treasurer. As with MMDC's Legacy RLF Committee, the MMDC CARES Act RLF Committee may approve loan applications in amounts up to \$60,000 without further action from the MMDC's full Board of Commissioners. The Committee provides recommendations to the Commission for larger loan requests (up to \$150,000).
- **Transportation Advisory Committee (TAC):** This committee helps to guide the transportation planning activities of the Commission. The TAC makes recommendations to the commission on scoring projects as to their regional significance. These recommendations are submitted to the Southwest Minnesota Area Transportation Partnership. The TAC also makes other recommendations on transportation matters as deemed appropriate. In addition to MMDC Commissioners, this committee also includes outside industry experts
- **Area Transportation Partnership Representatives:** Two MMDC commissioners are joined by one county engineer to represent the region and help guide transportation planning in Southwest Minnesota.

MMDC's executive director works at the pleasure of our Board of Commissioners and provides direct supervision and guidance to MMDC's small but nimble professional staff.

Areas of MMDC Emphasis:

- **Economic Development:** As a federally-designated Economic Development District, MMDC collaborates with regional partners to identify projects that will support the accomplishment of goals outlined in our **Comprehensive Economic Development Strategy (CEDS)**, which can be thought of as a 5-year roadmap for regional economic development and is developed with information gained through a process of public engagement. Once projects are identified, MMDC acts as a conduit to funding by authoring or providing technical assistance to support grant applications. MMDC also participates in efforts aimed at reducing underlying barriers to workforce participation and economic health. These barriers include housing, childcare, and broadband infrastructure shortages, to name a few.

In addition to these broader efforts, MMDC currently operates two revolving loan funds (RLF). They include:

1. **MMDC's Legacy RLF:** This RLF fund was defederalized in 2021 and is now under MMDC's complete control. The fund is now valued at \$941,527. As of December 30, 2021, the fund has supported 86 regional businesses, across multiple sectors, with a current portfolio of 17 borrowers, who have enjoyed low application fees and competitive rates. At the end of 2021, \$88,097 is available for lending (following a November loan payoff in the amount of \$43,650).
2. **MMDC's EDA CARES Act Supplemental RLF:** This RLF was capitalized as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. At that time, the U.S. Economic Development Administration (EDA) invited MMDC to apply for the capitalization of a second revolving loan fund, totaling \$870,000. At that time, MMDC was also provided \$87,000 to defray "grant administration costs. These additional administration dollars afforded MMDC the opportunity to provide businesses and prospective businesses introductory interest rates of zero percent (0%), along with a six-month deferment of first payment throughout the funds initial disbursement. While the U.S. EDA provided MMDC up to two years to disburse these funds, MMDC managed to push all of the funds out to qualified lenders in approximately one year. Funds are now revolving back and are available for relending. Prospective borrowers may apply for loans ranging from \$7,000 to \$150,000, subject to fund availability. As per EDA guidance, new loans are required to meet standard RLF requirements (elimination of 0% introductory rate and six-month deferment of first payment). While 100% of this fund has been disbursed, as of December 30, 2021, \$20,700 is again available for lending due to loan repayments.

These funds, when coupled with technical assistance from our organization's Economic Development Professionals, can help businesses open, maintain operations, or expand, creating and preserving jobs in the process. Our revolving loan funds are often used to provide gap financing, providing the capital borrowers need to leverage private financing. In other cases, MMDC has the ability to act as the primary or even the sole lender. During the last five years, our revolving loan funds have supported small to midsize manufacturers, grocery stores and other small retailers, child and senior care facilities, and more.

Coronavirus Aid, Relief, and Economic Security (CARES) Act Supplemental Grant: In 2020, in addition to the CARES Act RLF, MMDC received a two-year, \$400,000 CARES Act Grant from the U.S. Economic Development Administration. The intent of this noncompetitive award, offered to Economic Development Districts and Indian Tribes, was to help recipients prevent, prepare for, and respond to the coronavirus pandemic in their regions. MMDC used these funds to increase the size of our Economic Development Team and implement a multi-faceted plan of action to accomplish EDA-prescribed goals. Activities within this workplan included but were not limited to:

- o Helping business and public stakeholders develop and implement economic resiliency plans.

- Providing focused technical assistance to help businesses add ecommerce to their operations.
- Promoting Small Business Development Centers and working to supplement their services, as needed.
- Working within the business community to develop and strengthen local supply chains.
- Supporting communities by identifying economic development grant-eligible projects and pursuing state, federal, and private resources that will improve infrastructure and resource availability, and in-turn stimulate job creation to speed economic recovery.
- Collaborating with regional partners to reduce underlying barriers to Coronavirus Pandemic Recovery (e.g., workforce, childcare, housing, and broadband shortages).
- Connecting employers with local Workforce Development agencies to help them find and hire workers.

While this grant was originally-intended to continue through June 2022, the U.S. EDA recently notified recipients that time extensions may be possible. MMDC will request such an extension to ensure all available funds can be used to serve the District. It is now anticipated that all CARES Act Supplemental funds will be fully-expended by or before December 2022.

➤ **Community Development:** MMDC's community development professional works to improve quality-of-life around the MMDC region. This is largely accomplished through various types of planning projects. Examples include:

- **Ordinance Update and Codification:** MMDC often assists communities as they work to update antiquated community rules and regulations. These projects often provide the legal basis needed to address nuisance issues (e.g., unkept properties, excessive noise), thereby ensuring a quality living and working environment for a community's residents and employers. In recent years, MMDC has assisted a number of communities with ordinance-related project, most recently including the cities of Atwater, Lake Lillian, Plato, Renville, and Watkins.
- **Comprehensive Planning:** MMDC helps communities engage their members to create a more prosperous, convenient, equitable, healthy, and attractive environment for present and future generations. In recent years, MMDC has assisted the cities of Lester Prairie, Spicer, and Willmar with comprehensive planning projects.

In 2021, MMDC's community planner also participated in two less-traditional planning projects. One included creating a local supply chain for Halal-certified goat meat, to better support the Willmar community's growing Muslim population. Prior to this project, almost all of the locally-available Halal-certified goat was imported from Australia and had been frozen for six months or more. A second project was the organization of the first ever MN Gravel 160 bike event. This three-day event, held in September 2021, was meant as a demonstration of the viability of non-traditional economic development via tourism. Specifically, the region's ability to draw gravel-bikers, and their dollars, to the region.

In recent years, additional MMDC projects included a McLeod County Solid Waste Facilities plan, Meeker County Broadband Plan, Meeker County Trails Plan, and Kandiyohi County Parks Plan. MMDC will continue to support improved quality-of-life for our residents, via traditional and less-traditional projects such as those described above.

While more traditional community planning projects are typically funded via contracts with stakeholders (i.e. cities, counties, townships, etc.), the cost of service is often partially defrayed by MMDC's local levy funds. Often times, significant consultation and technical assistance is provided without charge. MMDC believes it is important that we ensure quality services are available to even our smallest communities.

- **Transportation Planning:** MMDC also employs a transportation-focused planner. This professional informs our stakeholder communities of various funding opportunities and provides technical assistance with funding applications. This planner participates on the Southwest Minnesota Area Transportation Partnership, which determines how federal transportation infrastructure funds will be spent in MnDOT District 8.

MMDC's transportation planner also participates in other important groups to tackle important transportation-related issues. They include:

- **Southwest Minnesota TZD (Toward Zero Deaths):** TZD is Minnesota's cornerstone traffic safety program. It employs an interdisciplinary approach to reducing traffic crashes, injuries, and deaths on Minnesota roads. Its mission is "to create a culture for which traffic fatalities and serious injuries are no longer acceptable through the integrated application of education, engineering, enforcement, and emergency medical and trauma services. These efforts will be driven by data, best practices, and research."
- **Minnesota Safe Routes to School (SRTS):** This coalition works to improve walking and bicycling safety, particularly along routes traveled by students and their parents between their home and their school. Six "E"s are foundational to SRTS work. They include Education, Encouragement, Enforcement, Evaluation, Engineering, and Equity. MMDC's Transportation planner is able to consult with schools and even lead the SRTS planning process on their behalf. In recent years, SRTS projects have been completed for the Cedar Mountain, Eden Valley-Watkins, and Litchfield School Districts.

MMDC's transportation planner also works with stakeholder cities to create **Active Living Transportation Plans**, which encourage better health through increased walking and biking. These plans, which are often partially-funded through the Statewide Health Improvement Partnership, help cities prioritize infrastructure improvements and typically provide low-cost suggestions (e.g., paint, signage, demonstration projects) that improve pedestrian comfort and reinforce walking and biking as part of residents' daily routine. In recent years, MMDC has worked with the Cities of Atwater, Bird Island, and Spicer, to complete Active Living Transportation Plans.

Much of the MMDC transportation planners work is funded via the Minnesota Department of Transportation's (MnDOT's) Transportation Planning Grant. In some cases, MMDC also contracts with local stakeholders to provide more in-depth services.

- **Ride Resources:** In addition to the MnDOT Transportation Planning Grant, MMDC is a MnDOT and Minnesota Council on Transportation Access (MCOTA) grantee. Since 2018, MMDC has received funds, via the Regional Transportation Coordination Council (RTCC) grant. The purpose of this grant and the Mid-Minnesota Regional Transportation Coordinating Council (MMRTCC) is to improve transportation services for our region's nondrivers, including but not limited to older residents, low income residents, and residents with disabilities. MMDC employs one transportation resource coordinator to work toward this goal, with some assistance from MMDC's executive director, communications specialist, and finance staff. Work includes:
 - Improving coordination among our region's public and private transportation providers.
 - Supporting a Transportation Management Coordination Center (TMCC). Currently, MMDC supports a Level 1 TMCC, which can be thought of as a transportation resource directory which provides the foundation for a higher-level TMCC. Eventually, a goal is to implement multiple TMCC call centers, which can help nondrivers connect with transportation providers throughout the entire state and can also help providers by assisting with third-party billings.
 - Supporting volunteer driver programs, via volunteer recruitment and education of elected officials who might be in position to help remove barriers to volunteer driving. As part of our volunteer driver-focused work, MMDC participates as members of the MN Volunteer Driver Coalition. In 2021, this group worked with legislators to achieve two important goals:
 1. Creating a legal definition of "volunteer drivers", which distinguished volunteers from livery drivers, with a goal of avoiding undue insurance premium increases.
 2. Creating a state income tax subtraction for drivers reimbursed above the \$0.14 per mile volunteer rate and more than \$600 annually.
 - Working to educate residents and various service providers (e.g., county or facility case managers) about the various transportation service options available to them and those in their care.
 - Engaging with emergency preparedness staff from each of our four counties to ensure emergency management plans consider transportation needs and to help those staff identify local ride resources with potential. to meet those needs.

Identified Areas with Additional Potential to Benefit Our Region

As MMDC looks to the future, we see potential to move in new directions to benefit our stakeholders. Some of these areas include:

- **Communications:** MMDC is interested in partnering with regional stakeholders who lack dedicated communications-focused staff (e.g., small cities and nonprofits) to bolster their online presence. This could be achieved via the development or improvement of stakeholder-focused websites or social media sites (e.g., Facebook) which can help them to improve local access to information (e.g., city ordinance, information pertaining to local emergencies, operating hours). While some of this communications-focused work could be achieved via contract between MMDC and stakeholders, it's possible that some work may result from no-cost consultation and technical assistance, funded via the local levy.

- **Civic Engagement/Community Leadership:** MMDC is interested in connecting and empowering those who have yet to become engaged with their communities. This may be accomplished by educating residents on the processes by which impactful decisions are made. It will be important for MMDC to give special focus to engaging People of Color, Youth, People with Disabilities, Women, and others who may face barriers or feel intimidated by public processes. Areas of emphasis could include:
 - Increasing awareness of local city council, county commissioner, township and school board meetings, including their format and the opportunity these meetings provide residents to voice their support for and/or concerns over various issues of the day.
 - Educating residents on the process of running for public office.
 - Helping residents identify other ways in which they can become more involved or otherwise influence decision makers (e.g., petitions, direct contact with elected officials or their staff).
 - Connecting potential volunteers with opportunities to make a difference in their communities.

(Note: Any work by MMDC in this space will be non-partisan in nature. MMDC staff will avoid influencing residents on particular issues or on specific political candidates. Instead, we would work to ensure all residents have ample opportunity to influence decision makers on issues important to them.)

- **Renewable Energy and Environmental Protection & Preservation:** With advances in engineering and increasing climate change-related threats, MMDC may find a space in the area of renewable energy. It's possible that we can help communities find ways to incorporate and even regulate wind or solar energy installations. MMDC could also help stakeholders connect with funding opportunities to support improved energy efficiency.

MMDC may also embark on new projects that preserve wetlands and other natural habitat and/or help watershed districts prepare for increasingly unpredictable weather patterns.

Commission Review

On December 1, 2022, during a meeting of the MMDC's full Board of Commissioners, representing counties, cities, townships, school districts, and regional public interests, carried, without dissent, a motion to include the following statement in this report:

"The MMDC Board of Commissioners both recognizes the value the Mid-Minnesota Development Commission provides to our region and supports its continued operation in the public interest."

MMDC will therefore continue to operate, under the supervision of and with guidance from our Board of Commissioners, to support economic health and development, improve quality-of-life, and ensure resilience throughout Kandiyohi, McLeod, Meeker, and Renville Counties.