

20 | ANNUAL
23 | REPORT

EXECUTIVE STATEMENT



The last twelve months have highlighted the importance of creating and nurturing connections to increase economic opportunities. The connections made this year have brought Region Nine to an international stage and presented opportunities that are rarely available in south-central Minnesota.

Many of these connections grew out of the Region Nine learning exchange with North Rhine-Westphalia, Germany. The learning exchange was the first chance for many attendees to see how another country approaches challenges similar to those we face in the region. Not only did the delegates from Region Nine learn about sustainable solutions to energy and infrastructure issues, they were also able to share ideas on creating welcoming communities. The learning exchange itself grew out of relationships created as part of the Climate Smart Municipalities partnership and my participation in previous delegations. You can read more about the delegation in the following pages.



As a direct result of the learning exchange, Guido Wallraven, Technical Director for the Climate Community Program in Saerbeck, Germany toured Region Nine and held round table discussions in New Ulm, Comfrey, and St. James. Guido's visit led to a connection with the German-American Chamber of Commerce that led to a business-to-business luncheon that brought business leaders and investors from Germany together with Region Nine stakeholders.

We were also honored to host Susan Brehm, Regional Director of the U.S. Economic Development Administration's Chicago Office, as she toured the region. Susan spoke to community members in Blue Earth and Sibley Counties. The conversations ranged from workforce issues, housing, and childcare, to broadband and ideas on how to market rural areas to potential residents.

RNDC also welcomed author, scholar, and democracy advocate, Dr. Yang Jianli to the Region. During his visit, he toured New Ulm and gave the keynote speech at the Minnesota Association of Development Organization's staff training in Mankato. I first met Dr. Yang Jianli when he spoke to my class at the Kennedy Harvard School of Government.

In the coming year, we are looking forward to watching these connections grow into new economic opportunities for Region Nine.

- RNDC Executive Director, Nicole Griensewic



“After a through discussion by the full commission, the 2024 budget was approved and Region Nine will continue to leverage the local tax levy with our state, federal, and foundational partners. This will allow us to continue to provide the region with resources and opportunities to keep the area economy vibrant.”

- RNDC Board Chair, Mike Laven

NADO IMPACT AWARD

South Central Minnesota Grower's Network

National Association of Development Organizations (NADO) awarded RNDP with an Aliceann Wohlbruck Impact Award for the organization's work with the South Central Growers Network.

The Growers Network is a group of local and sustainable farmers that meet to learn and support each other. They have been working to create opportunities for new farmers from historically underrepresented demographics and encourage connections with local restaurants.

One outcome was Local Foods Week which took place in July 2022. This week-long event paired local farmers and restaurants to create menu items featuring meats and produce grown within Region Nine. This has become an annual event with over twice as many participants signed up for 2023 event.

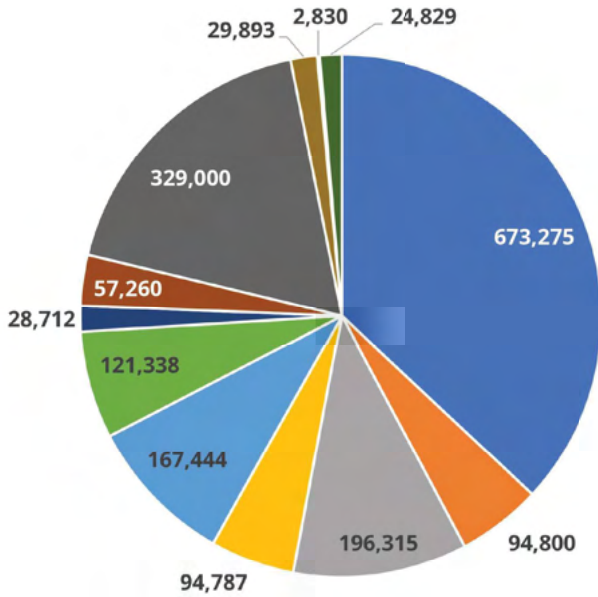
RNDP Associate Planner Sabri Fair works closely with The Grower's Network and led the Local Foods Week project. "Local food continues to grow as an area of interest and action in Region Nine because of the benefits it has for the health of our economy, constituents, and communities. Receiving this award from NADO is a great reminder that our colleagues across the country also recognize the impact of the work we are doing," said Fair.

NADO Impact Awards recognize regional development organizations for projects that take an innovative approach to economic development and focus on improving the quality of life in their region. RNDP has been awarded eight Impact Awards over the last 10 years.



FINANCE REPORT

Total Revenues = \$1,820,483



Levy	673,275
EDA Planning Grant	94,800
Other Federal Grants	196,315
Transportation	94,787
Other Grants	167,444
Contract Revenue	121,338
Deposit Interest & Dividends	28,712
Loan Interest Earned	57,260
CARES Act RLF Loan Proceeds	329,000
Loan Administration Revenue	29,893
Transfer Funds	2,830
Other Revenue	24,829

FY22 EXPENDITURES

Total Expenditures = \$1,789,566

Revenues Over Expenditures = \$30,917

Expenditure Description	\$
Salary & Wages	750,515
Fringe	205,843
Indirect Costs	290,330
Consultants	97,296
Staff Travel	77,381
Supplies	8,419
Copying	1,374
Postage	861
Phone	460
Staff Development	17,641
Software	10,415
Dues, Membership, Registration	19,309
Marketing & Publication	15,506
Rentals	7,547
Bank Service Charges	11,428
Service Fees	14,655
Insurance	(5)
Legal Fees	5,584
Catering & Event Meals	11,867
Service Contracts	36,443
Bad Debt Expense	92,268
Equipment	23,108
Subgrantee	29,786
Bus Tour	1,436
Miscellaneous	19,987
Commission	34,670
Debt Service	5,442
Total FY23 Expenditures	1,789,566

Indirect Rate of 24.11%

Fringe Rate of 27.18%



RNDC provided nine Revolving Loans between July 01, 2022 and June 30, 2023

REVOLVING LOAN FUND

RNDC operates several Revolving Loan Funds (RLF) within the organization. RNDC is generally viewed as a gap financier in that the organization partners with other financial institutions to make up a portion of the approved lending difference. This allows for new or existing businesses to meet capital goals where they may not otherwise be able to. The primary goal of the RLF is to create jobs within the nine-county area.

The source of funding is the Federal Economic Development Administration (EDA). Some specific guidelines may apply. RNDC welcomes partnering with other lenders to assist local businesses to succeed and thrive.

The following are some of the businesses RNDC partnered with in distributing these award dollars:



Precision Chiropractic & Wellness/ Nyla Hagen, Edward Jones Financial Advisor:

Precision Chiropractic & Wellness and Nyla Hagen, Edward Jones Financial Advisor used RLF funds to purchase and renovate a building to house both businesses. The renovated office space will allow both to expand their services and staff.



Picklebarn:

Sidney and Mitch Elofson fell in love with pickleball while working at a tennis academy in Florida. Their dream was to create a place where family and friends could be together in a fun and healthy atmosphere. They used RLF funds to purchase their new building that houses eight, tournament-grade courts.



Emma's Bakery and Eats:

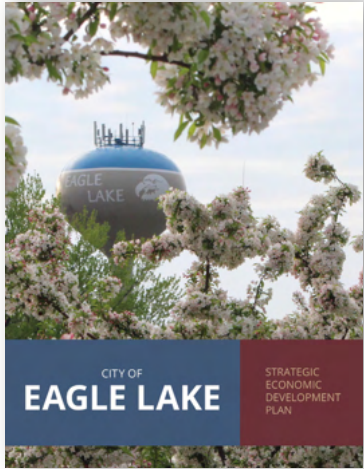
Emma's Bakery and Eats in Arlington partnered with RNDC and the Small Business Development Center (SBDC) to help create an updated business plan and secure funding for their new storefront. They utilized the RLF to purchase a storefront at 343 West Main St., Arlington, MN. Emma's specializes in fresh donuts but is also known for creating custom cakes, cupcakes, and cookies.

ECONOMIC DEVELOPMENT

Eagle Lake Strategic Economic Development Plan

Over the last couple of years, Eagle Lake has become one of the fastest-growing communities in the State of Minnesota, contrary to other rural communities in the south-central region that are grappling with declining populations and brain drain. As with all growing cities, Eagle Lake faces the significant challenge of managing the pressures of rapid growth paired with limited financial resources and limited capacity. To address this challenge, Eagle Lake applied for grant funding in 2021 from the Southern Minnesota Initiative Foundation (SMIF) through its Small-Town Grant program to conduct a Strategic Economic Development Plan. Upon selection, the City of Eagle Lake hired RNDK to create and design a plan informed by community and business input with specific implementation components that can strengthen the local economy and guide economic development efforts toward long-term sustainability.

The Strategic Economic Development Plan for the City of Eagle Lake is a guiding document that formulates the economic vision, mission, and long-term goals for the city based on community-identified priorities. This plan is the result of a wide-ranging engagement process that integrates the knowledge and input of residents and is representative of the wide range of viewpoints in the community. The seven-month planning process incorporated a public survey, one-on-one interviews, small group sessions, and a community planning workshop. Responses identified Eagle Lake as a fast-growing community with a high and affordable standard of living, a high-quality school, and a family-friendly atmosphere, supported by a strong-neighborhood job market and local economy. Yet several challenges were identified too. Specifically, community members voiced concerns including the effective management of growth, the quality of drinking water, housing, and the difficulty in attracting and retaining businesses. Overall, respondents expressed optimism that Eagle Lake can remain competitive and remain a high-quality community to live in over the next 20 years.





Manufacturing Resiliency Plan

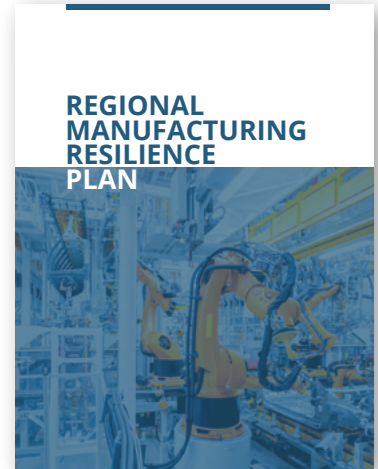
RNDC in partnership with the U.S. Economic Development Administration (EDA), completed a Manufacturing Resiliency Plan for Region Nine. The plan lays out the current state of manufacturing in Region Nine, economic disruptions, challenges, and recommendations to position the region for success in the future.

Most notably, the plan calls for initiatives to upskill the existing workforce, programming aimed at enhancing diversity in the workforce, more co-manufacturing and shared learning opportunities, closer collaborations with academia, and the geographic expansion of resources centered in Mankato to smaller communities in the region.

The findings also indicated three underlying areas of opportunity, each of which were articulated through engagements with industry partners and other stakeholders. The most pressing issues identified were improvements in operating efficiency, supporting a resilient workforce, and developing stronger clusters in the region.

The recommendations section lays out opportunities, strategies for implementation, and potential partners. This section provides a starting point for communities as they look ahead at the challenges and opportunities that the manufacturing industry may face.

The plan will help local communities identify and mitigate potential risks and vulnerabilities within the manufacturing sector. This proactive approach allows businesses to assess and address factors such as supply chain disruptions, natural disasters, changes in market conditions, and technological advancements. Developing risk mitigation strategies can help communities protect local manufacturing jobs, maintain economic stability, and foster long-term growth.



COMMUNITY DEVELOPMENT



Local Human Services Transit Coordination Plan

RNDC staff completed the region's Local Human Services Transit Coordination Plan. This document is an assessment of existing transit services (public, private, nonprofit, and for-profit) in the nine-county region that identifies gaps in services, describes current and future needs in service, and creates strategies and priorities to address the gaps and needs identified. A steering committee made up of public and private transit service operators, MnDOT staff, and representatives of agencies that work with people that commonly utilize transit services helped guide development of the plan.

Outreach included a rider survey, a transit provider survey and focus group, and a rider focus group with elder immigrants in a literacy class at VINE Faith in Action in Mankato. The plan also incorporates findings from a Minnesota State University, Mankato student project that examined the intersection of transportation and food security. The resulting plan identifies ways that transportation services in the region can be improved for persons with disabilities, older adults, people with lower incomes, and other disadvantaged populations.

Safe Routes to School

In Spring 2022, the City of Madelia was awarded funding for Safe Routes to School (SRTS) planning assistance. Starting in July 2022, Madelia partnered with RNDC to create a new SRTS plan for both the public and private school within the city limits.

The planning process has included building a team comprised of stakeholders from the City of Madelia, Madelia Public Schools, St. Mary's Catholic School, city and county engineers, law enforcement, the local bus company, MnDOT, the Statewide Health Improvement Partnership (SHIP), and other bicycle and pedestrian advocates. This team assisted RNDC in conducting various outreach exercises and guided the priorities and recommendations for the plan. Ultimately, the plan will position Madelia to compete for grant dollars to improve the safety of its bicycle and pedestrian infrastructure in the city and will lead to a safer network that allows all residents to increase their activity by biking and walking more.



Prosperity Initiative (PI)

RNDC has a contractual relationship with the Southern Minnesota Initiative Foundation (SMIF) to serve on their Prosperity Initiative Advisory Committee and provide program oversight, application recruitment, and business assessment evaluation. Now entering its eighth year and with over 80 graduates, the Prosperity Initiative promotes inclusive entrepreneurship and business growth for entrepreneurs who identify as Black, Indigenous, and People of Color (BIPOC) and underserved individuals. The program offers multiple entry points for entrepreneurs depending on the stage of their business development. The purpose of this program is to intentionally connect entrepreneurs with the right resources, at the right time, based on their application content, business structure, and immediate needs.

SMIF has partnered with Collider in Rochester, Mn to support the CO.STARTERS cohort-based program to prepare entrepreneurs in their community to engage and connect with resources that will support their long-term goals. CO.STARTERS is an opportunity for entrepreneurs to connect with others who are learning to understand the importance of making good decisions to work through developing a successful business model.

Digital Equity Plan Community Input and Asset Inventory

RNDC was hired by the Waseca-Le Sueur Regional Library System after the library received funding from the Minnesota Office of Broadband Development. The grant's objective was to facilitate the development of a statewide digital equity plan aimed at reducing disparities in access, device ownership, and digital skills. As part of this program, the library contracted with RNDC to facilitate stakeholder engagement and create a digital asset inventory.

During this process, RNDC staff collected input and data by offering an online and print survey available to all residents in Waseca and Le Sueur counties, utilizing the digital skills toolkit project from the Office of Broadband Development. Paper surveys were made available in both English and Spanish at each of the nine libraries, where staff distributed printed surveys along with postcards. RNDC staff collaborated with community partners such as school districts, chambers of commerce, service groups, and faith organizations to promote the survey and engage them in one-on-one interviews and focus groups. Staff also distributed flyers and postcards at various locations throughout the two counties, including mobile home parks, churches, gas stations, and schools. RNDC staff hosted one-on-one interviews and two focus groups at the Waseca and Le Sueur local libraries. Overall, the engagement was positive, with over 174 responses received in the survey.

Additionally, RNDC identified assets within the communities and created an asset inventory accordingly. Staff also utilized a GIS mapping system to plot internet providers, map the percentages of households with and without broadband, and determine the availability of high-speed internet by zip code. A final report was sent to the Office of Broadband on June 30th.



SOUTHERN MINNESOTA
INITIATIVE FOUNDATION



SUSTAINABILITY



Grower's Network/Local Foods Week

Local Foods Week took place July 18-24. This year, four restaurants and farms participated in the event which was developed to increase awareness and investment around local foods in south-central Minnesota.

The farmers are members of the South Central Minnesota Growers' Network which is a group of local, sustainable farmers and food producers who learn and share together to grow their businesses. Members largely sell their products through Community Supported Agriculture shares (CSAs), at Farmer's Markets, and through their websites. Local Foods Week provides an opportunity to increase the public's awareness to the growers and the availability of locally-sourced products.

"The goal of the event was to create meaningful connections between local farms and restaurants and educate community members on all the amazing food that is grown in our region so they can support local businesses," said RNDC Environment and Sustainability Planner, Sabri Fair.

This event is created through a partnership with the Minnesota State University-Mankato Strategic Partnership Center and Mogwai Collaborative.





Region Nine Learning Exchange in North Rhine Westphalia, Germany

A delegation from Region Nine participated in a week-long learning exchange in North Rhine-Westphalia (NRW), Germany. The exchange provided an opportunity for the two groups to share ideas on creating inclusive communities and climate initiatives as both regions work towards a welcoming, clean energy economy. The 19-person delegation traveled to Düsseldorf, Münster, Saerbeck, and Senden, and was made up of Region Nine Development Commission (RNDC) staff, clean energy industry leaders, as well as city, county, and state stakeholders.

NRW calls itself a “diversity state” due to its rural, industrial, and multi-culture population, and has multiple communities involved in international exchanges with communities from Minnesota. NRW’s population shares many similarities with Southern Minnesota and has overcome many of the challenges that clean energy advocates from Region Nine now face. This allowed the delegation to learn real-world solutions and best practices in moving towards a sustainable energy economy.

The delegation also had the opportunity to visit the Bioenergy Park in Saerbeck which began as a weapons and ammunition depot. The city turned the area into a wind, solar, and biomass facility that now generates enough power for over 18,000 households and businesses.

A group from St. James shared their United Cultures program which was built to create a thriving community for their diverse population. This was an increasing concern for many German cities as they prepared for an influx of refugees arriving from Ukraine. The St. James representatives explained how the United Cultures program has worked to create a culture of inclusion by providing spaces to grow through sharing, learning, collaboration, and removing barriers to equal opportunities.

This exchange grew out of connections created by the Climate-Smart Municipalities (CSM) program and was funded by the Bush Foundation.



BUS TOUR



June 23rd, RNDC hosted its 9th Annual Bus Tour. The day started at the historic Kato Ballroom in Mankato for breakfast before everyone boarded the bus and hit the road. This year's attendees included staff, commissioners, and stakeholders from business, government, and academia.

The first stop on the tour was Eagle Lake City Hall to learn about the city's Strategic Economic Development Plan created by RNDC. City Administrator Jennifer Bromeland spoke about working with the Commission and the city's next steps. Bromeland said "We're dealing with rapid growth pressures, being reactive, and not having good planning documents. We can't do everything at once, we don't have the staff. We decided to start with this strategic plan and get that checked off and go from there. It has been a really good start."

Economic Recovery Planner, Alejandra Bejarano was the lead on the project and spoke on how she approached the plan which included gathering data and talking with as many residents as possible. She added that it was the combined effort of the RNDC, Eagle Lake staff, and the dedicated residents that were willing to provide their input.

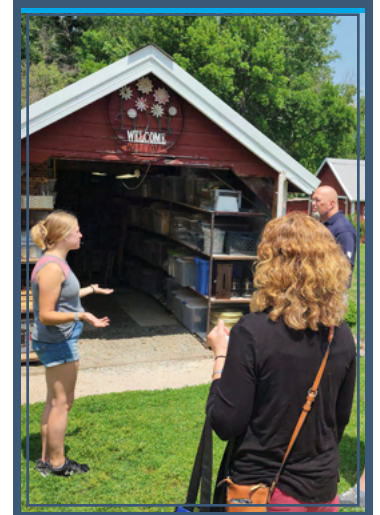
The next stop was Revolving Loan Fund (RLF) client, JR's Barn. JR's Barn is a wedding venue in Waldorf that provides a beautiful, rustic setting to hold special events. This stop provided a great setting for the attendees to network, and enjoy lunch.

During lunch, Finance Director Ky Battern talked about the goals of the RLF program and the ways it can help businesses add jobs to Region Nine. JR's Barn co-owner, Renae Groskreutz added how the program helped them expand their business into a premiere destination for couples looking for a unique space for their wedding.

The last stop was RLF client Pleasant Grove Pizza Farm. Co-owner Emily Knudsen lead a tour of the property which has become famous for its delicious pizzas. She told the story of how she fell in love with pizza farms and convinced her husband Bill to turn the property into what it is today.

Environment and Sustainability Planner, Sabri Fair then talked about Local Foods Week and the South Central Minnesota Growers Network. Local Foods Week aims to connect local restaurants with local producers to highlight the stories behind the food we eat. The Growers Network is a group of agricultural entrepreneurs dedicated to providing resources, training, and mentoring to emerging farmers.

The Annual RNDC Bus Tour is an opportunity for the staff to highlight the organization's projects and partnerships. It is also a chance to spotlight success stories from RLF clients.



RNDC CELEBRATES 50 YEARS



This year RNDC celebrated its 50th anniversary. The celebration took place at the historic Kato Ballroom after the January commission meeting.

The night started with a welcome from former board chair Brad Ahrenstorff. He spoke on the history of regional development organizations and the importance of regional government for the state. This included recalling some of the commission's work during his time with RNDC.

One of these projects was the recovery efforts in Madelia after the 2016 fire. He shared a story about when he contacted RNDC Executive Director Nicole Griensewic about how they could help the recovery efforts only to find that Nicole had already been making calls to find ways to get the city aid.

After Brad, there were video interviews with Colette Stone and Denny Warta. Colette is the widow of former long-time RNDC Executive Director Terry Stone. She shared what led Terry to become involved with regional government and RNDC. Denny was one of the first RNDC Commissioners and shared the importance of regional government in bringing together rural areas as they face similar issues.



The next speaker, Southern Minnesota Initiative Foundation (SMIF) President Tim Penny echoed the importance of combining efforts and resources. Tim highlighted how the partnership between RNDC and SMIF has helped both organizations serve the citizens of Southern Minnesota.

He gave examples of the outcomes that have grown from the partnership including Boom Chicka Pop, Black Frost Distillery, and JR's Barn. Tim said, "like the Southern Minnesota Initiative Foundation, Region Nine's motto is collaborate for regional vitality."

Next, Nicole and RNDC Board Chair, Mike Laven spoke about some project highlights from the last year and the commission's plans for the future. This included a recap of the learning exchange with Germany and how the ideas the delegation brought back can benefit the region both economically and environmentally.

Nicole said "regionalism will continue to be the most effective way to help us share talent, resources, tools and impact."

The theme of the evening was the importance of partnerships joining together to increase the voice of the region. This was reflected by all the speakers as was the optimism for the future of Region Nine.

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*as of June 30, 2023



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