

# ANNUAL REPORT

July 1, 1989 - June 30, 1990

MID-MINNESOTA DEVELOPMENT COMMISSION

## CHAIRMAN'S MESSAGE



**Pat Kubesh**  
Renville County Board

There was a time not very many years ago when there was very little communication between units of government and governmental agencies. Usually any prolonged communication was the result of a conflict. As an example, townships and cities often argued over share of payment for fire services and the amount of land being annexed to some of the faster growing

cities. Municipal utility companies and Rural Electric Coops have had differences of opinion regarding electric service areas and County Boards haven't always agreed with state and federal land acquisition proposals. Reaching back to the 1950's, some of us can remember the heated school consolidation issue which focused on the old country "one room school house."

We still have similar discussions, but now days many of them are proactive rather than reactive. More and more, rural Minnesota is coming to the conclusion that we must cooperate and build coalitions if we are to survive. Listening to the names of school closings or reading high school sports action makes us realize that many of our rural area schools have taken action to survive and provide better service. Kandiyohi County has formed a partnership with its 12 cities for economic development, while a coalition of the ten cities and Renville County have formed the Renville County Economic Development Commission for the same purpose. The four counties in Region Six East are also working together to control costs and cooperate on water management plans. Even farmers are cooperating as can be demonstrated with the cooperative efforts to form the Southern Minnesota Sugar Beet Cooperative and the Minnesota Corn Processors plant. And, let's not overlook the tremendous cooperation and support for the Southwest Minnesota Initiative Fund when it needed to raise funds to leverage an additional McKnight Foundation grant.

We have definitely come a long way in our acceptance of working together to improve education, the economy, the environment, and service in general. The very existence of the Mid-Minnesota Development Commission shows a willingness to work together and it's interesting to note that one of the commission's functions is to "promote intergovernmental cooperation." The decade of the 90's will undoubtedly be a time of many more changes.

## STATE OF THE REGION



**H. Eugene Hippe**

This past year has not witnessed any drastic changes in our region. By the very nature of how they are set up, the RDC's should be evolutionary and not revolutionary.

Our technical assistance program has gradually changed from a community emphasis to more of an emphasis on assisting manufacturing businesses. Assistance to townships has changed from studying road problems to helping townships take positive action in recording roads. Our transportation program has gradually changed from a reactive program where we responded to legislative or Mn/DOT proposals to a proactive program where we are now trying to show the effects of highway improvements as they relate to economic development. The aging program is gradually changing from a program of monitoring and evaluating to a program of identifying and addressing needs. These are mostly gradual changes and that's how our agency operates the best.

According to state statutes, the RDC's are charged with facilitating intergovernmental cooperation of state, federal and local comprehensive planning and development programs for the solution of economic, social, physical and governmental problems.

Another word for intergovernmental cooperation is survival. During the past 16 years this commission has been in existence, we have seen a lot of intergovernmental cooperation. Examples of intergovernmental cooperation are the school systems of Olivia, Bird Island and Lake Lillian -- Danube, Renville and Sacred Heart -- Grove City and Atwater. Many other schools have explored pairing and sharing options.

Cities and counties are also cooperating. Kandiyohi County and its cities have recently formed an economic development partnership, and cities in McLeod and Renville Counties are exploring economic development options. Back in 1974, the county boards met and decided to create a new community action agency and dissolve their existing CAA's. Three years ago, eight counties worked together on a solid waste study and now they are cooperating on multi-county arrangements for water management plans.

During the past year there was multi-regional cooperation for an Agricultural Utilization Research Institute located in Marshall, and a proposed advanced manufacturing institute for St. Cloud. Three regions worked together to gain funding for a Southwest Business Innovation Center funded by the Greater Minnesota Corporation, and the Minnesota Marketplace Program also covers three regions.

The evolutionary direction of the future seems to be pointing towards intergovernmental cooperation at all levels. I believe our local units of government will cooperate in a variety of ways with each other and will become even more effective in providing services to the people they serve.

## ECONOMIC DEVELOPMENT



**Lee Larson**

Businesses, residents and governing bodies in over 75 percent of the communities in Region Six East have requested and received economic development related

assistance in the past year. Requests have ranged from business assistance information to business finance analysis, infrastructure improvements, tax increment districts and grant writing. Staff conferred with the four county boards in the region regarding the county role in stimulating economic development.

Loan applications to the Southwest Minnesota Initiative Fund (SMIF) continue to occupy a portion of the commission's workload. The staff directed approximately 20 businesses to the SMIF and assisted in some manner with seven applications; two of which received funding.

The commission staff was involved in promoting and explaining the State of Minnesota's new Single Application Process. The Small Cities Economic Development Grant Program is one of many programs that uses the application as the starting point for funding requests. Staff has visited with nearly two-thirds of the cities to discuss the application on a one-to-one basis.

During Fiscal Year 1990 the commission continued to assist the Greater Minnesota Corporation. The Southwest Business Innovation Center (BIC), with commission assistance, is now operational. The commission staff assisted the Advanced Manufacturing Technology Center by coordinating meetings with local manufacturers to obtain input for the St. Cloud center.

The rural electric cooperative project ended on a negative note. An effort to pool \$250,000 of REC resources to set up a loan program for small manufacturers, in conjunction with the Southwest Minnesota Initiative Fund, failed when only three REC's committed to the project.

The commission staff worked with Kandiyohi County and area legislators for special state legislation allowing the county to establish an Economic Development Authority. The staff also assisted Renville County in its efforts to establish a formal economic development organization.

Star Cities assistance was provided to four units of government. Litchfield was aided with their current recertification process, while Kandiyohi County and the Cities of Dassel and New London were provided assistance in the designation process.

*Continued on page 3*

## STAFF

Executive Director .....	H. Eugene Hippe
Secretary/Receptionist Office Manager .....	Pam Wiegmann
Account Clerk .....	Kay Ruhl
Parttime Secretary .....	Diane Schroeder
Aging Program Director .....	Lorraine Patton
Minnesota Marketplace Broker .....	Bernard Schulte
Community/Economic Development Specialists .....	Greg Bergman Gerald Grinde Lee Larson Donn Winckler
Student Draftsperson .....	Racquel Dahlke (July-May)

## Development continued

Tax increment financing assistance was provided to the Cities of Litchfield, Plato, Renville, Watkins and Kandiyohi County.

Staff continued to perform a variety of general economic development activities. Staff facilitated the meetings and activities of the Kandiyohi County Public Coordination Commission. This group is examining various ways the governmental units, health facilities and schools can coordinate their activities, particularly their capital improvement projects. Eden Valley was provided assistance with their industrial park and the Litchfield downtown business group is developing business and shoppers surveys with commission assistance. Five resorts in the region were assisted with the state's new Resort Loan Program. A group in the Atwater-Grove City area was aided with a tourism map.

The commission continues to assist the University Center at St. Cloud State University as they develop and disperse economic data.

## COMMISSION MEMBERS

### KANDIYOHI COUNTY

Townships .....	Howard Larson
Municipalities .....	Robert Powers (July-February) Lorraine Browne (March-June)
County .....	Earl Larson
City of Willmar .....	Stephen Enockson (July-May) Steven Ahmann (June)

### MCLEOD COUNTY

Townships .....	Harold Sanken
Municipalities .....	Ray Wilkins
County .....	Grant Knutson
City of Hutchinson .....	Paul Ackland (August-June)
Public Interest .....	Charles Warner

### MEEKER COUNTY

Townships .....	Wilfred Hendrickson
Municipalities .....	Marlin Lietzau
County .....	George Rice
School Districts .....	Keith Ackman
Public Interest .....	Andrew Walters

### RENVILLE COUNTY

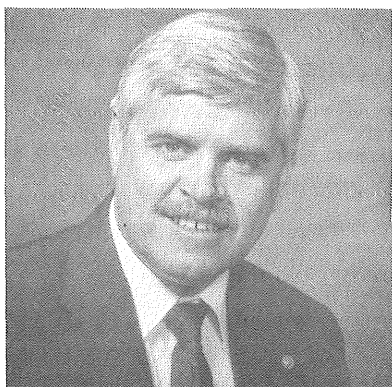
Townships .....	Wesley Kuske
Municipalities .....	Carlyle Harried
County .....	Pat Kubesh
School Districts .....	Kathryn Kelly
Public Interest .....	Dick Loftness
Public Interest .....	James Schafer

### OFFICERS

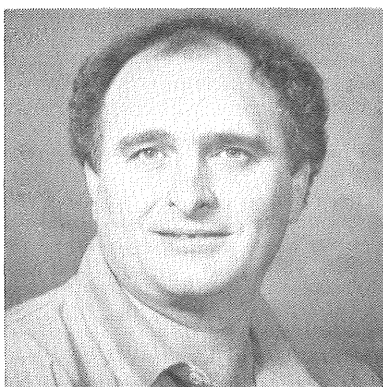
Chairman .....	Stephen Enockson (July-May) Pat Kubesh (June)
Vice Chairman .....	Charles Warner
Secretary/Treasurer .....	Marlin Lietzau

### EXECUTIVE COMMITTEE

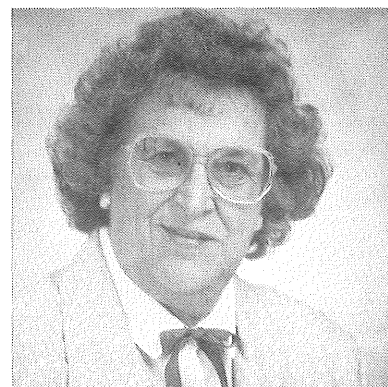
Stephen Enockson, Chairman (July-May)
Pat Kubesh, Chairman (June)
Charles Warner
Marlin Lietzau
Wesley Kuske



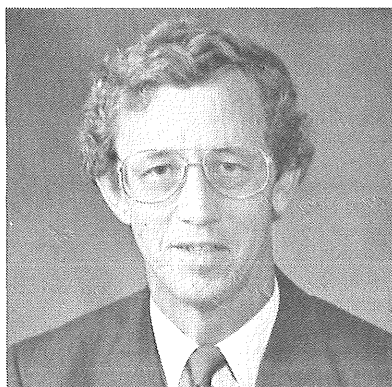
**PAUL ACKLAND**  
Hutchinson



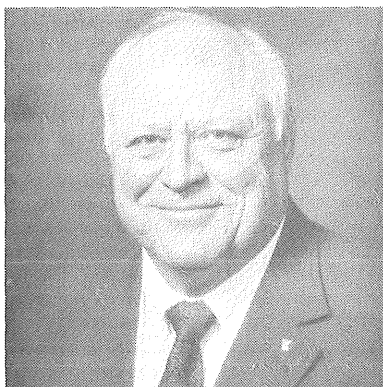
**KEITH ACKMAN**  
Cosmos



**LORRAINE BROWNE**  
Atwater



**STEPHEN ENOCKSON**  
Willmar



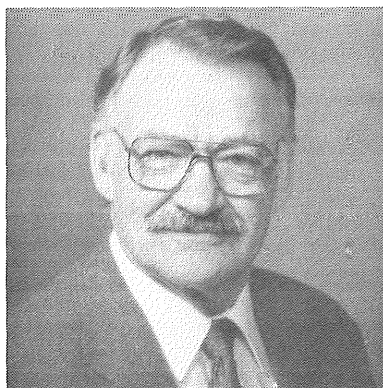
**CARLYLE HARRIED**  
Sacred Heart



**WILFRED HENDRICKSON**  
Eden Valley



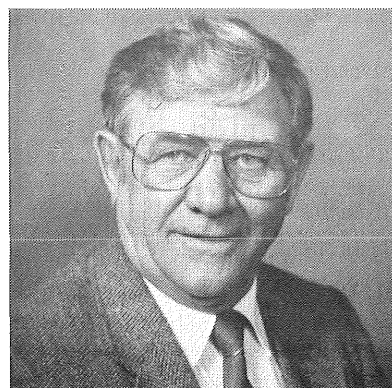
**KATHRYN KELLY**  
Olivia



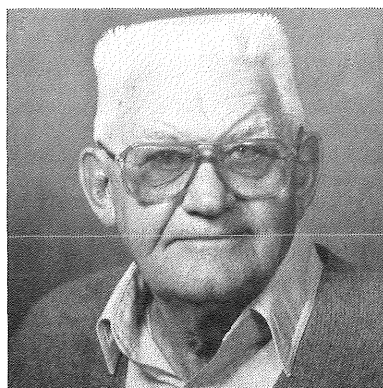
**GRANT KNUTSON**  
Hutchinson



**WESLEY KUSKE**  
Olivia



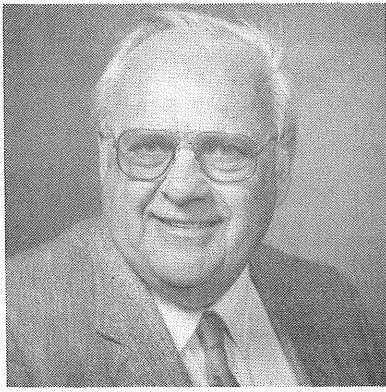
**EARL LARSON**  
Willmar



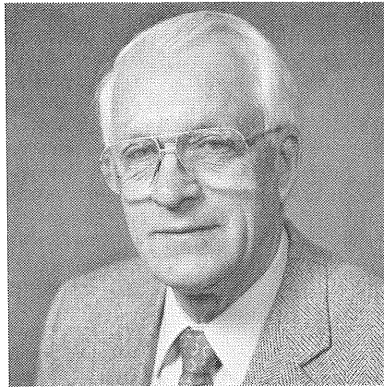
**HOWARD LARSON**  
Willmar



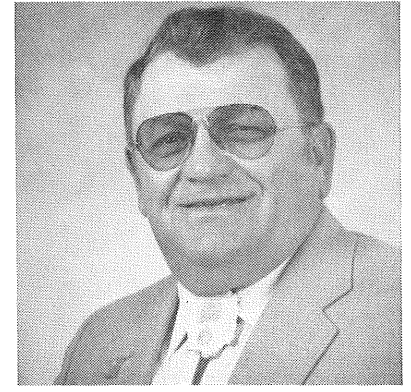
**MARLIN LIETZAU**  
Cosmos



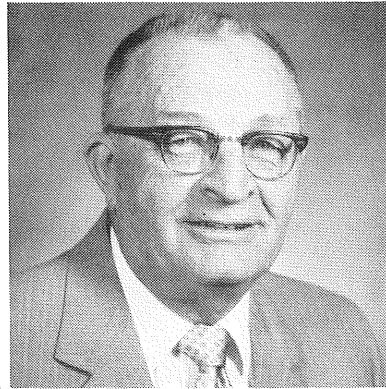
**DICK LOFTNESS**  
Hector



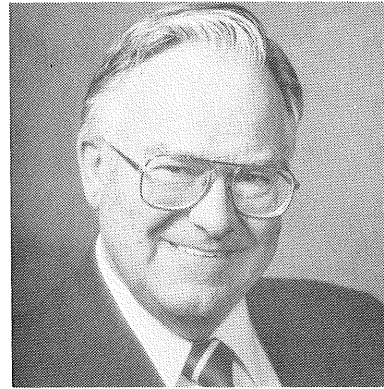
**HAROLD SANKEN**  
Brownton



**JAMES SCHAFER**  
Buffalo Lake



**ANDREW WALTERS**  
Watkins



**CHARLES WARNER**  
Brownton



**RAY WILKINS**  
Glencoe

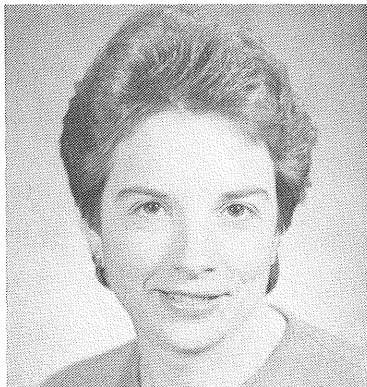
*NOT PICTURED*  
**STEVEN AHMANN**  
Willmar

*NOT PICTURED*  
**ROBERT POWERS**  
Atwater

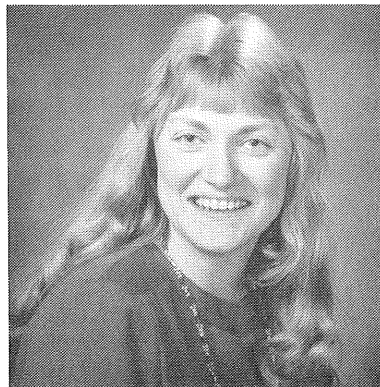
*NOT PICTURED*  
**GEORGE RICE**  
Watkins

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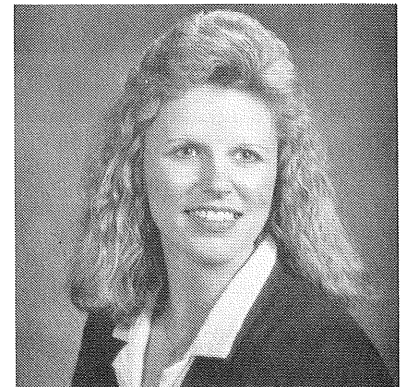
## **IN OUR OFFICE**



**KAY RUHL**  
Account Clerk



**DIANE SCHROEDER**  
Parttime Secretary



**PAM WIEGMANN**  
Secretary/Receptionist  
Office Manager

## REVENUE AND EXPENDITURE SUMMARY FISCAL YEAR 1990

### REVENUES

FEDERAL		\$ 622,858
Economic Development Admin.	\$ 51,514	
HHS - Area Agency on Aging	<u>571,344</u>	
STATE		191,562
Legislative Appropriation	\$ 41,314	
Homestead Taxes/Credits	42,901	
Department of Transportation	27,000	
State Nutrition	<u>80,347</u>	
PRIVATE FOUNDATIONS		
Southwest Minnesota Initiative Fund		85,821
LOCAL		165,942
Property Taxes	\$ 87,767	
Interest Earnings	33,922	
In-Kind Contributions	40,902	
Miscellaneous	<u>3,351</u>	
TOTAL REVENUES		<u>\$1,066,183</u>

### EXPENDITURES

PERSONAL SERVICES	\$ 302,748
SUPPLIES AND PRINTING	11,772
OTHER SERVICES: Communication, Postage, Conference, Subscriptions	28,840
CONTRACTED SERVICES	589,684
OTHER CHARGES: Rent, Insurance, Professional Services	41,498
CAPITAL OUTLAY	11,789
DEBT SERVICE: Xerox Copy Machine	1,406
TRAVEL: Staff and Advisory Committees	20,282
COMMISSIONERS: Travel and Per Diem	12,582
IN-KIND SERVICES	<u>40,902</u>
TOTAL EXPENDITURES	<u>1,061,503</u>

## PROPOSED BUDGET SUMMARY FISCAL YEAR 1991

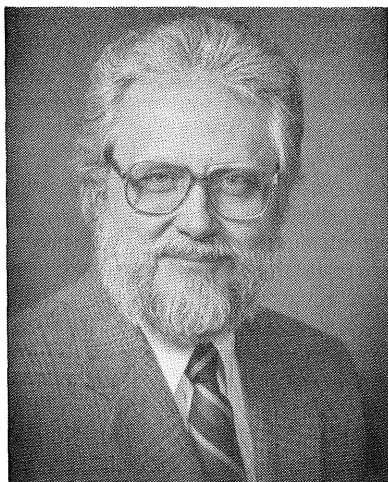
### REVENUES

FEDERAL		\$ 641,457
Economic Development Admin.	\$ 50,000	
HHS - Area Agency on Aging	<u>591,457</u>	
STATE		199,903
Legislative Appropriation	\$ 41,340	
Homestead Taxes/Credits	46,284	
Department of Transportation	27,000	
State Nutrition	<u>85,279</u>	
PRIVATE FOUNDATIONS		
Southwest Minnesota Initiative Fund		90,676
LOCAL		150,600
Property Taxes	\$ 76,216	
Interest Earnings	24,000	
In-Kind Contributions	13,000	
Miscellaneous	900	
Reserve From Prior Years	<u>36,484</u>	
TOTAL REVENUES		<u>\$1,082,636</u>

### EXPENDITURES

PERSONAL SERVICES	\$ 332,516
SUPPLIES AND PRINTING	16,632
OTHER SERVICES: Communication, Postage, Conference, Subscriptions	35,105
CONTRACTED SERVICES	609,528
OTHER CHARGES: Rent, Insurance, Professional Services	23,030
CAPITAL OUTLAY	9,000
TRAVEL: Staff and Advisory Committees	27,535
COMMISSIONERS: Travel and Per Diem	12,790
OTHER USES	3,500
IN-KIND SERVICES	<u>13,000</u>
TOTAL EXPENDITURES	<u>1,082,636</u>

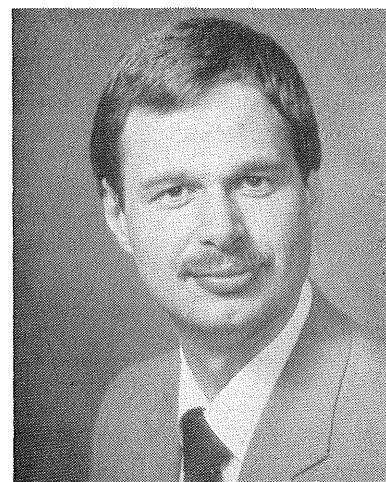
## TECHNICAL ASSISTANCE



**Jerry Grinde**

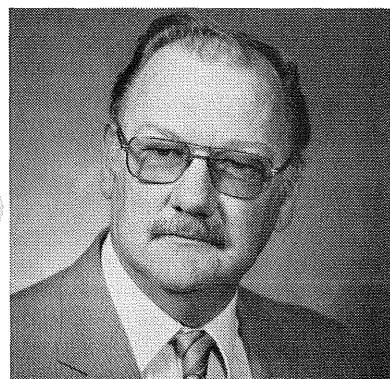
All of the commission's programs are involved with technical assistance because the commission's purpose is directly associated with being of service. However, this particular program area is not tied to any state or federally funded program and in fact is made possible because of the commission's authority to raise a limited amount of taxes. Consequently, the commission can establish its own priorities and objectives.

Each year the staff works with local units of government to develop or update comprehensive land use plans, zoning ordinances and subdivision regulations. Other areas where technical assistance is provided are the preparation of tax increment finance districts, community development block grant applications and open space/recreation grant applications. Other projects include helping record township roads, updating maps, responding to requests for census data, assisting with preparation of Star City and Star County applications, and researching both public and private funding sources. This past year, considerable assistance was given to counties as they became involved with water management planning.



**Greg Bergman**

## MINNESOTA MARKETPLACE



**Bernard "Butch"  
Schulte**

For approximately one year, the statewide Minnesota Marketplace program has been operational. Six brokers cover the greater Minnesota area. Their objective is to substitute Minnesota manufactured products for products currently being purchased out of state. In west central/southwestern Minnesota, the broker for the program is Butch Schulte. Butch services manufacturing businesses in an 18 county area, which includes the four counties of Region Six East.

The client focus of the program is to work closely with manufacturing businesses. Initially a list of over 1,000 manufacturing firms was compiled for the 18 county area. This was not a realistic working list for the program because of the definition used for manufacturing. A new list of approximately 365 manufacturing firms has been developed. It lists only those businesses that produce a product and have more than a local market area.

The program has experienced considerable success during its first 11 months of operation. It can take credit for some specific "matches" between purchasers and producers, and also it has served as a catalyst to help firms develop working relationships with each other.

## AREA AGENCY ON AGING

The Mid-Minnesota Area Agency on Aging (AAA) assists older Americans by providing financial assistance to service providers and senior centers. Each year the AAA is accountable for a budget of approximately \$650,000 and is responsible for monitoring and evaluating a variety of projects in an effort to insure maximum program benefits for the dollars allocated. In addition, the AAA coordinates training and workshops and is the primary advocate for senior citizens in the region.

The AAA has an advisory council composed of 13 members chaired by Andrew Walters of Watkins. The advisory council meets once a month and has a primary responsibility of establishing priorities and reviewing and recommending projects for funding. Although priorities and projects change, the following list of priority areas and projects funded last year is representative of a typical year.

Transportation: Meeker County, Spicer, Atwater, Glencoe Area Health Center and Heartland Community Action Agency

Legal Services/Education: Western Minnesota Legal Services and Southern Minnesota Regional Legal Services

Respite Care: Counties of Kandiyohi, Meeker, McLeod and Renville

Adult Day Care: West Central Community Services Center in Renville County

Multipurpose Senior Centers: Renville City, Atwater, Franklin, Lake Lillian, and Sunburg

Frail Elderly: Heartland Community Action Agency and Lutheran Social Services

Congregate Dining and Home Delivered Meals: Heartland Community Action Agency

A special \$12,000 grant from the Southwest Minnesota Initiative Fund made it possible to assist senior center projects in Morton, Sunburg, Renville City, Hector, Atwater and the Kandiyohi County Senior Citizens Club located in Willmar.



**Lorraine Patton**

# TRANSPORTATION



**Donn Winckler**

Over the course of the past fiscal year, the Mid-Minnesota Development Commission has been active with a number of transportation projects and events. The following is a brief overview of the major transportation activities that have taken place during the 1990 work program fiscal year.

The commission was requested to make a presentation on its study titled "The Effects of Highway Upgrading on Economic Development Activity" to the Transportation Study Board -- a board created by the State Legislature. Staff prepared and made a presentation to the board.

Staff supplied information to a couple of nonprofit organizations on the 16(b) (2) application process. Development Specialist Donn Winckler sat on the 16(b) (2) application review panel for the state again this year. Fifty-seven applications were reviewed and scored.

The commission has continued working with townships that have decided to record their roads. Three townships in the region were assisted this past year with the process of officially recording roads through the process of using maps based on aerial photographs. The process was discussed with several other townships who have not taken action at this time.

A staff person was appointed to a T.H. 12 Advisory Committee that is the "public input" group for Mn/Dot's investigation of what should be done to Highway 12 through the City of Litchfield. An in-progress study is investigating if a bypass is needed and, if so, where it should be routed.

Staff participated in meetings of the T.H. 12 Task Force and kept abreast of activities of the T.H. 212 Southwest Corridor Transportation Coalition. Both organizations are working to improve the highways within their corridors and, in particular, to relieve the traffic bottleneck of their highways within the Twin Cities metro area. Staff also participated in several meetings of a group of cities located on western T.H. 212 on starting up bus service for the communities again. Jack Rabbit Bus Lines did start a trial service for a short time due to the efforts of this group, but lack of ridership caused them to discontinue the service after a couple of months in operation.

Commission staff played a lead role in assisting the T.H. 212 Wildflower Route Task Force that worked to put together activities for the August 18, 1990 dedication day for the route.

The Mid-Minnesota Transportation Advisory Committee (TAC) met in August, 1989, February, 1990 and June, 1990. Each year one of the main responsibilities for the TAC is to make recommendations to Mn/DOT District 8 on their construction program.

Within the commission's aging program activities, transportation for senior citizens was, as always, a major activity. The Area Agency on Aging, which is administered by the commission, funded five transportation projects and gave technical assistance to senior citizen transportation organizations. Additional funding was also given for transportation for medical treatment for McLeod County senior citizens. Volunteer dispatchers have been placed at nutrition sites throughout Kandiyohi and Renville Counties to coordinate rides.

Some other activities in transportation during the past fiscal year have been:

- Preliminary work has been done on updating the region's transportation plan.
- Work has been done on looking at the state's guide for signing laws.
- The commission has provided McLeod County base maps that have been used in designing a new 911 address and road name system.

**M**id-Minnesota Development Commission  
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