

ANNUAL REPORT

July 1, 1987 - June 30, 1988

MID-MINNESOTA DEVELOPMENT COMMISSION

— Pursuant to MS 462.393 sd 1 —



Chairman's Message

The Mid-Minnesota Development Commission (MMDC) has been in existence for fifteen years. During that time, much has been accomplished. This year I want to take the opportunity to use the Chairman's Message to talk about the future rather than reflect upon the past. It is next year and the next fifteen years which concern me.

Recently, the regional development commissions in the state were informed that the Regional Development Act of 1969 is now twenty years old and that it is time to take a new look at it. This may mean that by the end of the next legislative session we will have a new act referred to as the Regional Development Act of 1989. One wonders what this act will mean to the commission. The current law allows a great deal of flexibility regarding areas in which the commission can be involved. Will the new law be more specific or will it continue to be flexible? The current law allows local elected officials to define the geographical

areas to be served by a development commission. This resulted in twelve commission areas being formed throughout the state. Will the new law mandate that only six regions be formed—one in each of the Initiative Fund regions? The current law provides for a commission composed mostly of local elected officials. Will a new law change that requirement? At this point, we have no idea what kind of changes might be made in the Regional Development Act. However, we do know that we must be flexible if we are to continue to serve local needs.

Over the years, the commission has enjoyed growing support for the activities in which it is involved. This support is appreciated and we hope it will continue as we close out the 1980's and begin the decade of 1990's. Our rural economy and society have changed dramatically in the last twenty years. Changes are still occurring. With your help and support, this commission will continue to help meet your changing needs.



Stephen Enockson
Willmar City Council Representative

COMMISSION STAFF

Executive Director H. Eugene Hippe
Secretary/Receptionist Pam Wiegmann
Secretary/Bookkeeper Kay Ruhl
Financial Officer Lorraine Patton
Aging Program Director Robert Otto
Community/Economic Development Specialists Lee Larson
Gerald Grinde
Donn Winckler
Craig Molstad (July-April)
Greg Bergman (June)
Supporting Staff Anthony Horning, Student Draftsperson
(July-Sept.)
Ryan Hovey, Student Draftsperson (November-May)
Amy LaPatka, Parttime Student Draftsperson (June)
Belinda Dokken, Aging Program Intern (December-Feb.)
Lynn Tewes, Marketing Intern (July-August)
Matt Schroeder, Marketing Intern (June)

COMMISSION MEMBERS

Kandiyohi County

Townships	Howard Larson
Municipalities	Swen Rime (July-August) Phyllis Feist (September - June)
County	Earl Larson
City of Willmar	Stephen Enockson

McLeod County

Townships	Harold Sanken
Municipalities	Joe Miller
County	Grant Knutson
School Districts	Randall Thalmann (July - March)
Public Interest	Chuck Warner

Meeker County

Townships Orville Wog (July - August)
Wilfred Hendrickson (Sept.-June)

Municipalities Marlin Lietzau

County George Rice

School Districts Keith Ackman (May - June)

Public Interest..... Andrew Walters

Renville County

Townships	Wesley Kuske
Municipalities	Carlyle Harried
County	Pat Kubesh
School Districts	Virginia Draheim
Public Interest	Dick Loftness
	James Schafer

Officers

Chairman Orville Wog (July - August)
Stephen Enockson (Sept. - June)

Vice Chairman Stephen Enockson (July - August)
Joe Miller (Sept. - June)

Secretary/Treasurer Virginia Draheim (July - May)
Marlin Lietzau (June)

Executive Committee

Orville Wog, Chairman (July - August)
Stephen Enockson, Chairmar. (September - June)
Joe Miller (September - June)
Virginia Draheim (July - May)
Marlin Lietzau (June)
Wesley Kuske

EXECUTIVE DIRECTOR'S MESSAGE



H. Eugene Hippe

Fifteen years ago, local elected officials in the four-county area of Kandiyohi, McLeod, Meeker and Renville made a deliberate decision to form a regional development commission. Fifteen years later the commission has more support than ever and is doing the job for which it was intended.

What are some of the jobs for which it was intended? Perhaps the most important task is to provide local units of government assistance with community development and economic development projects. This assistance ranges from helping develop land use plans and ordinances to writing park and open space grants or working with a community and a manufacturing firm to maintain or increase employment.

The variety of assistance to local units of government is limited only by the types of requests for assistance. Requests have been made to conduct business surveys, prepare business plans, assist with gap financing, draft and update maps, help administer grants, prepare and update compre-

hensive plans, and assist with writing a wide variety of grant and loan applications. The commission also provides assistance to a multitude of projects utilizing funds from the Older Americans Act which the commission administers.

The commission's staff often serves as special staff to local governmental units. They typically are requested to work on short term or "one-of-a-kind" projects which are not part of the day-to-day operations of local government. Staff assistance is offered free of additional charge at this time and is usually provided on a first-come, first-served basis.

COMMISSION PURPOSE

The legislation which authorized the creation of regional development commissions was passed in 1969. The purpose of the commission is to facilitate intergovernmental cooperation and ensure orderly and harmonious coordination of state, federal and local comprehensive planning and development programs for the solution of economic, social, physical and governmental problems.

The purpose of the commission is broad which allows the commission to provide the following services: conduct special analytical studies, promote economic development, research funding sources, write and administer grants, support job creation projects, prepare economic development plans, draft special maps, prepare tax increment finance district plans, codify and write ordinances and administer multi-county programs.

HIGHWAY 12 CORRIDOR ECONOMIC STUDY

In Fiscal Year 1988, the commission completed a major transportation study of Highway 12. The study looked closely at how the highway, with its limited width of two lanes, limited ability to pass and unlimited access, has adversely affected the economic development potential of the area it serves. The study's hypothesis is that economic development is greatly affected by roadway development.

The study produced more than 200 statistical maps consisting of various data elements and time periods, and over two million pieces of information were examined. The study compared the Highway 12 Corridor with Highway Corridors 169 North and 169 South, before and after these two corridors were made four-lane, limited access highways. These two corridors were found to have the greatest similarities to the Highway 12 Corridor when looking at such relevant criteria as metro linking, non-interstate, etc.

The major finding of the study was that increased employment in the manufacturing sector is highly influenced by upgrading highways from two to four lanes. After the upgrade to four lanes, both of the Highway 169 Corridors had a significantly large manufacturing employment numerical increase. While the average county manufacturing employment percentage change was only 24.5 percent between 1972 and 1985 for Highway 12, Highway 169 South increased by 123.6 percent, and Highway 169 North by 184.5 percent for the average county on its corridor. These findings and many other findings are discussed in detail within the study.

ECONOMIC DEVELOPMENT

Each year for the past eight years the Mid-Minnesota Development Commission has received a \$50,000 grant from the U.S. Department of Commerce, Economic Development Administration. This money is for the purpose of preparing and keeping updated an overall economic development plan and providing staff assistance on local economic development projects. This past year businesses, residents and governing bodies in over 80 percent of the communities in the region received economic development related assistance.

Business plans were developed for five firms and financial packages were prepared for four businesses. Two of the financial packages to the Southwest Minnesota Initiative Fund were funded. One of these loans from the initiative fund was the direct result of a marketing analysis that is a separate article in this report. This expansion resulting from the marketing analysis created eight new jobs.

Staff assisted Eden Valley in its efforts to secure a \$490,000 grant and a \$135,000 loan from the Farmers Home Administration for rehabilitation of part of the city's sanitary sewer, restoration of a wastewater treatment pond and purchase of an additional 74.65 acres of land to provide adequate area for spray irrigation system.

Other economic development related projects include a loan procedure guide for the cities of Lake Lillian, Prinsburg and Atwater. The guide will assist re-loan proceeds from revolving loan funds established by these cities. The commission assisted KWCM-TV in Appleton with a 90-minute special on economic development. The Eden Valley Industrial Park and Shakopee Farms, a meat processor near New London, were featured in the special program.

During a given year there are 1) proposals in process, 2) proposals that, after considerable time and effort have been expended, are found not to be economically feasible, 3) proposals that are successful, and 4) proposals that are successful in obtaining financial support and are economically feasible but aren't implemented. This past year, two projects fell into this last category. One was for a loan from the initiative fund which was approved but was not accepted by the business. The other disappointment was that eight cities raised \$221,500 to match a \$443,000 revolving loan fund grant from the Economic Development Administration (EDA) which was approved by EDA but turned down by the cities because of too many restrictions on use of the funds.

COMMUNITY

TECHNICAL ASSISTANCE

The commission's technical assistance encompasses two major areas: economic development and community development. Many projects include both areas but for purposes of this synopsis, only those areas that include community improvement activities shall be listed. Economic development activities are listed elsewhere in this report.

Staff was involved in working with five cities on the Star Cities Program. Two cities were recertifications and the other three were new to the program. Assistance was given in writing grant applications for five open space/recreation proposals. One city received assistance on a lake improvement project, one on a housing needs

analysis and another on codifying ordinances. Five cities and one county utilized staff to help prepare or update comprehensive plans and related land use ordinances. Three communities utilized the commission to prepare tax increment finance districts and three more had staff assist with energy grant applications. In addition, staff worked on such varied requests as a UDAG application, comprehensive small city grant applications, funding requests for county water management plans, the Blandin Foundation Leadership Program, hazardous waste programs, formation of local development corporations and providing census data, labor statistics and business statistics.

1988 - 1989 FISCAL SUMMARY

Revenue and Expenditure Summary Fiscal Year 1988

REVENUES

FEDERAL		\$612,031
Economic Development Administration	\$ 61,166	
HHS-Area Agency on Aging	550,865	
STATE		192,515
Legislative Appropriation	41,288	
Homestead Taxes	26,166	
Department of Transportation	39,713	
Governor's Rural Development Council	5,427	
Agricultural Land Preservation	3,139	
State Nutrition	76,782	
LOCAL		128,324
Property Taxes	89,431	
Interest Earnings	32,005	
In-Kind Contributions	4,726	
Miscellaneous	2,162	
TOTAL REVENUES		<u>\$932,870</u>

EXPENDITURES

PERSONAL SERVICES	\$266,898
SUPPLIES AND PRINTING	8,805
OTHER SERVICES: Communications, Postage, Conference, Subscriptions	26,167
CONTRACTED SERVICES	561,115
OTHER SERVICES: Rent, Insurance, Professional Services	20,912
CAPITAL OUTLAY	585
DEBT SERVICE: Xerox Copy Machine	2,109
TRAVEL: Staff and Advisory Councils	14,495
COMMISSIONERS: Travel and Per Diem	11,013
IN-KIND SERVICES	4,726
TOTAL EXPENDITURES	<u>\$916,825</u>

Proposed Budget Summary Fiscal Year 1989

REVENUES

FEDERAL		\$613,766
Economic Development Administration	\$ 50,000	
HHS-Area Agency on Aging	563,766	
STATE		173,596
Legislative Appropriation	41,314	
Homestead Taxes	24,000	
Department of Transportation	25,000	
Southwest Minnesota Initiative Fund	6,500	
State Nutrition	76,782	
LOCAL		178,253
Property Taxes	76,613	
Interest Earnings	20,000	
In-Kind Contributions	2,000	
Miscellaneous	1,000	
Reserve from Prior Years	78,640	
TOTAL REVENUES		<u>\$965,615</u>

EXPENDITURES

PERSONAL SERVICES	\$277,528
SUPPLIES AND PRINTING	10,612
OTHER SERVICES: Communications, Postage, Conference, Subscriptions	30,150
CONTRACTED SERVICES	590,032
OTHER CHARGES: Rent, Insurance, Professional Services	19,988
CAPITAL OUTLAY	5,000
DEBT SERVICE: Xerox Copy Machine	2,109
TRAVEL: Staff and Advisory Councils	15,525
COMMISSIONERS: Travel and Per Diem	12,671
IN-KIND SERVICES	2,000
TOTAL EXPENDITURES	<u>\$965,615</u>

AREA AGENCY ON AGING

The primary funding source for the Aging Program is Title III of the Older Americans Act. Other sources of funding include state nutrition funds and USDA reimbursement for nutrition services. The commission provides a match for administrative funds and all service providers are required to match the project funds awarded.

A 12-member advisory council assists the commission's operation of the Aging Program. The advisory council is charged with development of the plan for the Area Agency on Aging and making recommendations to the commission regarding the expenditure of funds for administration of the area plan and the award of funds to service providers. Members of the Aging Advisory Council for 1988 were as follows:

Andrew Walters, Chairman-Watkins	June Hagglund - Dassel
Ann Bosch - Willmar	Ray Johnson - Sacred Heart
Paula Brandt - Willmar	Stemple Johnson - Stewart
Agnes Draheim - Olivia	Clarence Klein - Watkins
Lucille Ehmke - Willmar	Ancher Nelsen - Hutchinson
Carola Frank - Fairfax	Brandon Pietsch - Litchfield

Transportation

The Area Agency on Aging funded five transportation projects. Three of the projects provided county-wide service and two projects provided local area service.

Legal Services

Two legal services were funded. One project served one county and the other project served three counties in the service area. Both projects offered a Medicare Lay Advocate Program utilizing volunteer advocates to assist seniors with medicare-related issues.

Case Management

One county agency was provided funding for case management services for hospice clients. The service assisted new hospice programs started through two hospitals.

Congregate Dining and Home Delivered Meals Programs

One agency was funded for provision of both congregate dining and home delivered meals. The project serves a total of 20 congregate dining sites and delivered meal service is available in 20 communities.

Telephone Reassurance

Grant funds were utilized to implement a project in Litchfield and the surrounding area. Volunteers from a senior citizens housing facility were utilized to receive and make reassurance calls for the project clients.

Ombudsman

The Area Agency on Aging funded, as part of a two-region consortium, the Southwest Area Ombudsman Program. The ombudsman staff mediates problems in nursing homes and board and care facilities. Training of staff and residents was also provided, as well as assistance in development of resident and family councils.

Respite Care

Public health nursing service agencies in all four counties were assisted in providing respite care services to clients and family care-givers. These projects provided assistance to several persons diagnosed as having Alzheimer's Disease.

Hospice

Grant funds were utilized for expansion of an existing hospice program. The project provided direct services to clients and families while also providing case management and coordination for other essential services.

Multipurpose Senior Centers

The Area Agency on Aging provided funding for four senior center projects. Grants were used for capital improvements and renovation of facilities.

Reports from projects on the number of persons served indicate that over 8,000 people age 60 and over received benefit from the availability of Title III funded programs.

PROJECT NOTIFICATION AND REVIEW

From July 1, 1987 to June 30, 1988, the commission processed and reviewed 35 applications requesting state and federal funding assistance. Three of the applications were for funding aging-related projects and nine were for transportation projects. Two requests were for open space/recreation proposals and ten others were also related to community development. The remaining proposals were: economic development - two and miscellaneous - nine. None of the proposals received a negative comment. The commission reviewed but did not comment on 14 applications that were determined to be of local significance and had no major effect on other agencies or governmental jurisdictions.

TRANSPORTATION PLANNING

The commission has an annual contract with the Minnesota Department of Transportation (Mn/DOT) to assist them with local aspects of transportation planning. During the past fiscal year, the commission and the Transportation Advisory Committee (TAC) have completed two major studies--the Highway Jurisdictional Study and the Highway 12 Corridor Economic Study.

The commission assisted in the establishment of the Highway 212 Task Force which is calling its highway's communities a "Strip City". The commission and this committee organized and successfully pushed for changes on Mn/DOT's market artery proposal. The commission set up and gave testimony at a state hearing in Olivia on the market artery proposal. This hearing was the largest market artery hearing in the state with over 100 people in attendance. The commission also actively supported the state's Transportation Funding Bill that was signed into law this year.

A major activity for the commission this past fiscal year has been to inform the region's townships that a new legislative bill was passed that allows town boards to record roads by creating maps based on aerial photographs. This new method of road recording is much less expensive for the towns to undertake than the old process of surveying the roads before they could be recorded. Thus far, three townships have recorded their roads using the new recording method.

The TAC members for Fiscal Year 1988 were:

Harold Sanken, Chairman - Brownton
Bernard Alsum - Raymond
Eugene Anderson - Hutchinson
John Baumgartner - Olivia
Gary Danielson - Willmar
Gene Dillon - Olivia
Richard Kjonaas - Glencoe
Wesley Kuske - Olivia
Howard Larson - Willmar
Bruce Peterson - Willmar
Gordon Regenscheid - Litchfield
Dennis Stoeckman - Olivia
Christ Weigel - Danube

MARKETING RURAL MANUFACTURING

This project started out with a small grant from the Governor's Rural Development Council and was completed with the commission's own funds earmarked for technical assistance. The commission utilized the services of two student interns who were pursuing degrees in marketing--Lynn Tewes was a student of St. Cloud State University, and Matt Schroeder will receive his degree from Moorhead State University. The interns were supervised by Lee Larson and worked with a total of 21 manufacturing firms. The objective of the project was to help develop marketing proposals for small manufacturing firms so they could maintain or increase their share of their respective market. It was believed this would help maintain or increase local jobs. The major products of the businesses given assistance include:

Finished Wood Products	Team Sports
Farm Related Metal Equipment	Plastic Products and Equipment
Engine Components	Fishing and Tools
Trucking Equipment	Poultry Bi-Products
Specialty Foods	Recreation Utility Devices
Wood Products	Computer Software
Ag Chemicals	Medical Equipment Components
Metal Plating	Paint
Recreation-Related	Ag Equipment Components
Plastic Products	