

ANNUAL REPORT

July 1, 1993 - June 30, 1994
MID-MINNESOTA DEVELOPMENT COMMISSION

CHAIRMAN'S MESSAGE



November's general election once again illustrated things change. Seldom, extremely seldom, do things remain the same.

And that's the way it is with the Mid-Minnesota Regional Development Commission.

Not only has the commission experienced quite a change in personnel but with changing funding sources comes new emphasis on work programs. While the ends do not necessarily dictate the means the amount of funds available does play a major role in what can be attempted and also in what can be accomplished.

H. Eugene Hippe and his staff deserve credit for the way the commission has continued to meet the needs of our region. At this time I'd like to toss plaudits not only to "our hired hands" but also to the dedicated member of the RDC's Board of Directors. They have displayed the courage to make tough decisions based on what is good for the region. They have been willing to speak out on controversial issues and the direction taken by the commission constantly reflects the consensus of the membership.

One thing which has been a constant since the RDC came into being is the presence of Earl Larson of the Willmar area. Earl was our group's second chair. His common sense, knowledge of government, and even-tempered approach to what are often "hard" problems have played a major role in the success of our commission. This is Earl's last year on the commission. He will be missed. Good luck in your future endeavors, Earl.

And I'd like to extend a personal "thank you" to Earl for all he has done.

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Earl Larson Warner

EXECUTIVE DIRECTOR'S MESSAGE



H. Eugene Hippe

than I was 20 years ago. An interested and caring Commission and very competent staff have made my responsibilities easier even though things do change a little each year.

This past fiscal year was a year of noticeable change for the Commission. On January 1, 1994 we closed down the Small Business Development Program because of lack of administrative and funding support from the sponsoring institution. Greg Bergman who operated the SBDC was reassigned to Economic Development and in April took a new job in Little Falls. Becky Clayton, our Flood Coordinator, was named to replace Greg. We loaned Becky's service part-time to help out the Southwest Minnesota Initiative Fund. The SWMIF liked her work so much they hired her. Nancy Anderson now heads up the Economic Development program, and Mary Minnick-Daniels is the Flood Coordinator. Both Lee Larson and Jerry Grinde are now working part-time so they have time to pursue other professional interests. Other new faces are Kristen Nelson, Secretary; Eric Helmke, Draftsman; and Jay Trusty, Special Projects Administrator. After going for years with very little staff turnover, I guess statistics caught up with us.

Changes occur with the Commission also. The biggest change was a decision to use \$50,000 of undesignated reserves to help match two revolving loan programs which will be used to encourage and support economic development activities. One of the program applications is still pending; the other has been capitalized at \$1,226,000. The decision to use its own funds in this manner put the Commission in a very proactive position of helping to make economic development happen.

Things that don't change (or have I?) is your Executive Director. May 16, 1994 marked my 20th year with the Commission. I may be the same person in name but I am a different administrator, manager, supervisor and program facilitator

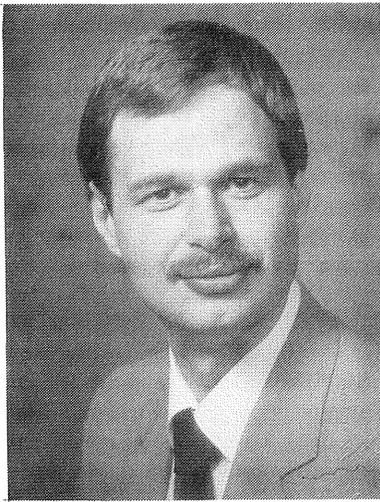
SCDP GRANT ADMINISTRATION



Bernard F. Schulte

The Mid-Minnesota Development Commission is administering four Small Cities Development Program (SCDP) grants in the cities of Raymond, Litchfield, Fairfax and Grove City. Funding for the program comes from the U.S. Department of Housing & Urban Development (HUD) and is administered at the state level by the Minnesota Department of Trade & Economic Development (DTED). SCDP grant funds are providing for rehabilitation of housing units for families with low and moderate incomes in all four cities, and for rehabilitation of commercial structures in Litchfield and Fairfax. SCDP funding in the amount of \$395,211 is providing rehabilitation of 30 single family units and 5 rental units in Raymond. Litchfield received \$411,586 to rehabilitate 23 single family units and 12 downtown businesses. Fairfax received \$496,726 to rehabilitate 24 housing units and 13 downtown businesses. Grove City received \$443,873 to rehabilitate 22 single family units and 5 rental units.

The four cities have contracted with the MMDC to administer the grants. This arrangement provides the local units of government with experienced grant administrators and relieves the cities of a staggering amount of paperwork. The MMDC has a person trained in HUD Section 8 Rental Assistance guidelines, which are the rehabilitation standards used in the SCDP program. Other MMDC personnel are involved in the financial and project administration of the program.



Greg Bergman

SMALL BUSINESS DEVELOPMENT CENTER

The Small Business Development Center (SBDC) opened in 1991 and was closed on December 31, 1993. The MMDC was unable to negotiate an acceptable funding contract to continue the program.

During the three years of its existence, SBDC Counselor Greg Bergman served hundreds of clients in Kandiyohi, McLeod, Meeker, Renville and northeastern Swift Counties. Counseling services provided included recordkeeping techniques, marketing strategies, financial packaging and analysis, business planning and entrepreneurship.

Part of the functions performed by the SBDC have been assume by the MMDC staff. Clients needing services which are unavailable through the MMDC will be referred to other SBDC offices.

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ECONOMIC DEVELOPMENT

The Mid-Minnesota Development Commission's economic development program is designed to assist local units of government and businesses in the region with activities that create or support the creation of jobs and investment. Program activities are funded by a grant from the U.S. Department of Commerce, Economic Development Administration and the local tax levy. An advisory committee makes recommendations to the commission on the priorities and goals of economic development in the region. The committee is chaired by Richard Loftness of Hector and consists of 16 members representing the diverse economic interests in the region.

A major portion of staff time in economic development is devoted to technical assistance. Requests from businesses, individuals and governmental units can range from business assistance information to business finance analysis, infrastructure improvements, tax increment financing and grant and loan writing. The preparation of loan and grant applications to various public and private funding sources make up a large portion of the commission's economic development workload.

Highlights of the past year include the preparation of three successful Economic Recovery Fund grant applications. Grant funds awarded to the cities of Eden Valley and Fairfax and to Kandiyohi County will be loaned to manufacturers that are expanding and creating new jobs. Staff also participated in the preparation of the Minnesota Blueprint, which is the State's plan for economic development in the next generation. Tax increment finance plans were also prepared for the Cities of Plato and New London.



Lee Larson

The commission continues to serve as an information source for businesses. The commission office is a public access site for the Minnesota Project Outreach (MPO) program. MPO provides telephone/computer access to an information system that allows companies to access experts in science and technology, search for printed material, pursue licensable technologies available from the University of Minnesota and receive business planning assistance. The commission is also an affiliate member of the State Data Center and the Economic Business Information Network (EBIN). Through the Data Center and EBIN, the commission has access to all data generated by the U.S. Census and Department of Commerce.

REVENUE AND EXPENDITURE SUMMARY FISCAL YEAR 1994

REVENUES	
FEDERAL	\$ 969,452
Economic Development Administration	\$ 88,299
HHS - Area Agency on Aging	578,111
Small Cities Development Grant	<u>303,042</u>
STATE	\$ 219,598
Homestead Taxes/Credits	\$ 44,417
Department of Transportation	57,500
State Nutrition	86,896
Rural Rehabilitation Program	22,785
Small Business Development Center	<u>8,000</u>
LOCAL	\$ 182,214
Property Taxes	\$130,664
Interest Earnings	13,280
In-Kind Contributions	2,976
Miscellaneous	<u>35,294</u>
TOTAL REVENUES	<u>\$1,371,264</u>

EXPENDITURES	
PERSONAL SERVICES	\$ 377,147
SUPPLIES & PRINTING	15,768
OTHER SERVICES: Communication, Postage, Conference, Subscriptions	32,578
CONTRACTED SERVICES	871,561
OTHER CHARGES: Rent, Insurance, Professional Services	25,475
CAPITAL OUTLAY	6,685
TRAVEL: Staff and Advisory Committees	18,274
COMMISSIONERS: Travel and Per Diem	10,515
IN-KIND SERVICES	2,976
TOTAL EXPENDITURES	<u>\$1,360,979</u>

PROPOSED BUDGET SUMMARY FISCAL YEAR 1995

REVENUES	
FEDERAL	\$1,230,147
Economic Development Administration	\$109,850
HHS - Area Agency on Aging	566,100
Small Cities Development Grant	<u>554,197</u>
STATE	\$ 169,217
Homestead Taxes/Credits	\$ 48,091
Department of Transportation	37,000
State Nutrition	84,126
LOCAL	\$ 186,954
Property Taxes	\$131,359
Interest Earnings	10,000
In-Kind Contributions	4,000
Miscellaneous	37,926
Reserve from Prior Years	<u>3,669</u>
TOTAL REVENUES	<u>\$1,586,318</u>

EXPENDITURES	
PERSONAL SERVICES	\$ 387,528
SUPPLIES & PRINTING	18,753
OTHER SERVICES: Communication, Postage, Conference, Subscriptions	39,671
CONTRACTED SERVICES	1,062,726
OTHER CHARGES: Rent, Insurance, Professional Services	26,770
CAPITAL OUTLAY	7,000
TRAVEL: Staff and Advisory Committees	24,335
COMMISSIONERS: Travel and Per Diem	10,725
OTHER USES	4,810
IN-KIND SERVICES	4,000
TOTAL EXPENDITURES	<u>\$1,586,318</u>

AREA AGENCY ON AGING



Lorraine Patton

The Mid-Minnesota Area Agency on Aging (AAA) is dedicated to helping older people in Kandiyohi, McLeod, Meeker and Renville Counties lead comfortable, independent lives. The goals of the AAA are to enhance service offerings and to ensure that the needs of the senior population are met. Each year the AAA is accountable for a budget of approximately \$700,000, which provides for program development as well as financial assistance to service providers and senior centers. During Fiscal Year 1994, over 10,000 seniors utilized one or more service categories. This represents 46 percent of the 60+ population in Region Six East.

Highlights of Fiscal Year 1994 include the Senior LinkAge television series, a 13-week live program with guest speakers and audience participation funded by the Southwest Minnesota Initiative Fund and originating at Pioneer Public Television in Appleton. Another activity was participation on the Elder Rights Task Force, whose focus was on health care advance directives.

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. The following list of priority areas and projects were funded during 1994:

Transportation: Meeker County, Spicer, Atwater, Glencoe Area Health Center and Heartland Community Action Agency
 Legal Services/Education: Western Minnesota Legal Services
 Respite Care: Counties of Kandiyohi, McLeod, Meeker and Renville
 Congregate Dining and Home Delivered Meals: Heartland Community Action Agency
 Senior Center: Renville
 Information and Referral: Mid-Minnesota AAA
 Depression Screening: West Central Community Services

FLOOD COORDINATION



Mary Minnick-Daniels

The record rainfall, floods and crop damage of 1993 combined to produce a disastrous year for the region's farmers and homeowners, as well as for agricultural and related industries. The Mid-Minnesota Development Commission responded to the disaster by working with individuals, businesses, concerned groups, local units of government and the Minnesota Long-Term Recovery Grants Coordination Group (MN LTRGCG), which is a consortium of state and federal agencies formed to provide special disaster funds in a timely and coordinated manner.

Funding at the regional level to facilitate this coordination is being provided by the U.S. Economic Development Administration (EDA). Part of the coordination involved the appointment of the Flood Recovery Coordinator at the MMDC. This person is the point of contact in Region Six East for EDA's flood recovery program. Mary Minnick-Daniels is the Flood Coordinator in Region Six East.

During the fall of 1993, units of government and businesses were contacted to determine the extent of economic and physical damage to communities and businesses in the region. Part of the thrust of the MMDC-EDA flood recovery program has been to coordinate efforts with local, state and federal authorities to minimize conflict and duplication of effort.

Over the past year, the Flood Coordinator has worked on flood damage assessment, referral and flood relief coordination activities, the development of a long-term recovery strategy, the EDA Disaster Revolving Loan Fund application, application and coordination activities for the improvement of Renville County Ditch #66, and a storm sewer project for the City of Fairfax. The \$600,000 Fairfax project has already been funded.

TECHNICAL ASSISTANCE



Jerry Grinde

Providing services to local units of government has always been a major part of the commission's work. In its formative years, the commission was able to direct considerable staff resources into this activity. In recent years funding flexibility has become limited and consequently the commission has less resources to commit to this popular component of its work program. A considerable amount of staff time this past year has been devoted to assisting cities explore and prepare grant applications for Small Cities Development Program grants. Time constraints and the complexity of the applications limit staff to being able to work with only 5-6 cities per year. Recent recipients of grant application assistance are Atwater, Brownton, Franklin, Hutchinson, New London and Watkins. Several other cities received exploratory type assistance.

Larger technical assistance projects this past year have included a complete land management system for Silver Lake, codification of ordinances for Winsted, a cable TV survey for Hutchinson, a house numbering system for Darwin and an extensive sanitary sewer mapping project for Lester Prairie.

Other types of technical assistance include preparation of statistics from the computerized census data base or from other data sources. Requests range from information for hospitals and nursing homes to data on housing, minorities, elderly and businesses. The commission publishes a newsletter to keep local units of government and others informed regarding relevant grant and loan programs and recent legislative changes.

A Statistical Profile of Region Six East

	<u>Kandiyohi</u>	<u>McLeod</u>	<u>Meeker</u>	<u>Renville</u>
Total Population 1990	38,761	32,030	20,846	17,673
% Change from 1980	5.4	8.0	1.2	-13.4
1993 Population Estimate	40,044	32,824	21,056	17,535
Total Minority Population 1990	924	339	263	251
# Persons Below Poverty Level	5,164	2,375	2,199	2,233
Population Below 18 Years	11,037	9,282	6,127	4,922
Population 18 Years and Over	27,724	22,748	14,719	12,751
Population 65 Years and Over	5,811	4,742	3,583	3,590
Median Age	33.0	32.9	34.9	36.7
Number Housing Units	16,669	12,391	9,139	7,442
Housing Units Built 1939 or Earlier	3,717	3,522	2,796	3,075
Median Housing Value	\$56,800	\$62,100	\$49,100	\$31,600
Median Contract Rent	\$269	\$283	\$234	\$183
Number of Households	14,298	11,815	7,651	6,790
Number of Families	10,145	8,611	5,628	4,848
1989 Median Household Income	\$25,368	\$29,549	\$24,516	\$23,278
Average Travel Time to Work (Minutes)	14.7	15.8	19.2	14.3

Source: U.S. Census, 1990

TRANSPORTATION



Donn Winckler

The largest transportation activity during the past year has been conducting Transit Need Studies for each of the Region's four counties. MMDC received Office of Transit Need funds to partially offset the cost of undertaking these studies. A 1,500 household random survey was conducted as part of each County's need study. Another major component of the studies was interviewing transportation providers and key users to better understand what is currently being offered for transit and to determine if there are any service gaps. The studies also include a number of other informational sections to help guide the process, Transit Task Force Committees were formed in each county. These studies are the first major steps in the development of proposals for county-wide public transportation systems.

Another major transportation work element during the past fiscal year has been assisting with the Intermodal Surface Transportation Efficiency Act of 1991 Area Transportation Partnership (ATP) process that recommends the three year Regional Transportation Improvement Program (RTIP). Harold Sanken, Chairman of the MMDC Transportation Advisory Committee (TAC), represents the MMDC on the Southwest Minnesota ATP.

The MMDC's TAC gave a "Regional Significance" rating to all the funding candidates for the RTIP within Region Six East. MMDC staff were part of the ATP's sub-committees that made recommendations on Enhancement Applications and on Transit capital requests. Staff gave some assistance to two different groups that applied for enhancement funding.

There was a special TAC meeting held in May which provided the opportunity for the public to learn about the ATP and the draft RTIP, and make comments and ask questions. The comments received at this meeting were shared with the ATP members.

MMDC staff has continued to be active with assisting the Office of Transit with Section 16 project monitoring and application review. Section 16 project monitoring was completed in the early part of the fiscal year. Staff also gave assistance to three organizations which applied for Section 16 vehicle funding.

MMDC's TAC made recommendations to Mn/DOT on updating the Functional Classification of Trunk Highways. Staff gave assistance to the four counties and the cities of Willmar, Hutchinson and Litchfield on their functional classification updates. The TAC also gave it's yearly recommendations to District 8 Mn/DOT on long range transportation project planning.

MMDC staff is a member of Mn/DOT's "Customer Team" Committee and a member of the State Transportation Plan, representing RDC's. Staff also attends T.H. 12 Task Force meetings and is a member of Glencoe's Transportation Committee, which met a number of times during the course of the year.

MID-MINNESOTA DEVELOPMENT COMMISSION
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