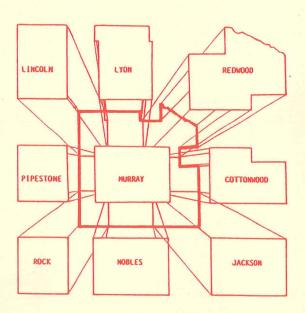




Fiscal Year 1995 ANNUAL REPORT



"Making Good Things Happen"



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1995

CHAIRMAN / EXECUTIVE DIRECTOR'S MESSAGE

Another year has passed and once again the Region has during the course of the year demonstrated its leadership on behalf of local government. In the Development area, we've seen the establishment of three different loan pools. The Intermediary Relending Program has been very active and as of today's date has committed over 50% of the over \$2 million originally lent to Prairieland by the Farmer's Home Administration to help create employment and increase the area's tax base through business expansion, retention, or attraction. A second application was submitted for funding this past year. The request was for \$1 million and has received favorable review by Farmer's Home. The IRP however, represents just one of our three loan pools. The Commission, through a Certified Development Corporation, Prairieland continues to work with the 504 program to provide the needed capital to fund primarily business expansion activities; our level of activity through Prairieland has never been higher. As many of you are well aware, we have another small loan pool, the majority of which has also been committed, that being our EDA Flood Recovery Loan pool which was capitalized at \$1 million. The Commission established a Flood Committee and staff began to immediately flood them with information on potential businesses that could be assisted through the use of these proceeds and on infrastructure improvement projects that could be undertaken in numerous communities. This effort required coordination with the Federal Emergency Management Agency, the Division of Emergency Management, the Department of Trade and Economic Development, the Minnesota Housing Finance Agency, Soil & Water Conservation Districts, the Economic Development Administration, and the Department of Housing & Urban Development. As a result, we are currently managing in this single program area, approximately \$20 million in infrastructure improvement projects that will alleviate some of the chronic flooding conditions in many of our small towns.

How do you measure an organization's success? Especially an organization like this Development Commission? Many people would probably ask, "what impact are you having". I think the areas I have just outlined represent impact. The creation of literally hundreds of jobs, the applications of tens of millions of dollars for priority projects found within our communities, the expansion of the area's tax base and the diversification of the area's economic base are impacts.

I have briefly described just two small functional departments within the Commission and I haven't spoken to our work on specific projects like Hussong Manufacturing in Lakefield or Nature's Fire in Ellsworth. Marshall residents may stop at the County Market and picked up some groceries or go by the Wooden Nickel and have some lunch, they may have purchased gas at the Holiday Store or if traveling here from some distance they may have arranged for accommodations in the Community's newest hotel all of which were partially funded through the work of this Development Commission. We can move across the upper tier of counties to a neighboring county and it's leading community, Redwood Falls. The Commission's work leveraged over \$4 million for the City of Redwood Falls, its sister city North Redwood, and a leading employer Central Bi-Products. Sanitary sewer, water, and other needed infrastructure The Commission's work improvements will be undertaken either in the near future or are occurring today within the Community that are the result of the work of the Commission's staff working with the leadership found within that community.

Leadership is the greatest asset that a Commission can have and to the Board and to all of you that serve this Commission you have our sincere thanks and appreciation for your work in helping us do ours. This year has seen your demonstration of your continued commitment to the employees at the Commission, who we should also pause to thank for making our lives easier. Your work and your consent and support of ours is what makes this a vibrant/vital organization.

Your support lends credence to the notion of an "employer/employee relationship".

When the general public thinks of the Commission, they think of another one of those economic development deals. They don't think of the Area Agency for the Aging administering and implementing programs for senior citizens throughout the region to include mealsites, home delivered meals, and senior centers. They don't think of the eleven county solid waste joint powers agreement which is evaluating alternatives to the current solid waste management practices of the participating counties. Nor are they aware that the Commission serves two area transportation partnerships and is the principal planning agent for the Department of Transportation. They don't think of our work with the Cottonwood County Seed Fund, the Jackson County Revolving Loan Fund, a new Windpower Project to help the counties affected the by the development of this alternative energy source, a telecommunications targeted marketing program, the volumes of housing market analysis work carried on at the Commission and/or its relationship with the Housing Partnership and the Community Action Agencies to address the area's housing needs, Prairie Expo or the Lewis and Clark Rural Water project. They don't think about their voice in Washington or their voice at the state legislature as the Commission, but nonetheless we are that voice and their issues are ours. They don't think of the tens of millions of dollars we administer each year, or that we serve as fiscal agent to numerous other organizations and/or groups administering their funds in compliance with generally acceptable accounting practices. We are, however, all of these things and more.

Today the Commission is different than it was just last year and we tend to think it's

better. It is better as a result of the work of the staff, you the people for which we are employed, and the communities, counties, and townships we serve who demonstrate through their continuing and increasing use of the Commission our joint commitment to southwestern Minnesota, the State and Nation.

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Marlowe Nelsen Commission Chairman **J**orgenson

Commission Executive Director

PROGRAM REPORTS & ACTIVITY HIGHLIGHTS

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ECONOMIC DEVELOPMENT PROGRAM

The SRDC serves as the State and Federally designated Economic Development District for the Southwest Region. As a result of this designation, the SRDC is charged with the duty of providing primary staff necessary to implement the Economic Development Administration's (EDA) Development District Work Program. During this fiscal year a grant of \$57,000 from EDA for economic development planning included the following work program elements:

- Work cooperatively with adjacent Development Districts to increase efficiency.
- Coordinate activities with State, Federal and local agencies.
- Provide technical assistance and advisory services to units of government, development agencies, and others. This includes efforts to plan and implement economic development projects to diversify the district's economy, to increase business activity, and to upgrade infrastructure within the district.
- Maintain economic, demographic and site databases and make them available to public and private users.
- Assist local agencies and regionwide programs in obtaining private foundation grants and assistance.
- Support a permanent economic development process capable of meeting the planning, coordinating and implementation requirements of the district.
- Sponsor or co-sponsor coordinating groups and forums on economic development issues.
- Supply the EDR with timely information on plant closures or prospective plant closings, as well
 as the number of employees affected by these actions.

REGION EIGHT STATE & FEDERAL LEGISLATORS

REPRESENTATIVES

| Rep. James Girard, Lynd | Dist. 21A | Rep. Elaine Harder, Jackson | Dist. 22B |
|-----------------------------------|-----------|------------------------------------|-----------|
| Rep. Richard Mulder, Ivanhoe | Dist. 21B | Rep. Barb Vickerman, Redwood Falls | Dist. 23A |
| Rep. Ted Winter, Falda | Dist. 22A | | |
| SENATORS | | FEDERAL | |
| Sen, Dennis Frederickson, New Ulm | Dist. 23 | Senator Rod Grams | |

BLUEPRINT/LABOR SURVEY

In an effort to provide guidance and direction to local policy makers and governing officials, the Minnesota Department of Trade and Economic Development released the Economic Blueprint for Minnesota in 1992. Since that time, the SRDC has formulated its own Southwest Minnesota Regional Blueprint and updated dated it accordingly on a yearly basis. This project is a joint cooperation between regions and includes the 6W and 6E Development Commissions.

In relation to this year's Blueprint revision, the SRDC has been contacted by the State of Minnesota to submit additional regional strategies and work programs in support of the original document. This year's focus concentrates on housing, one of the major areas of concern within the southwest region.

Therefore, to better understand the housing needs of the southwest, a housing market analysis is being conducted for all counties covered by the Southwest Minnesota Regional Blueprint. An adjoining labor survey has been mailed to area residents to generate the data necessary to focus future housing policy and programs in the right direction.

This action is necessary to identify strategies that improve housing access and affordability in the region. Specifically, these strategies will be intended to: 1) increase the amount of units numerically; (2) preserve and enhance the existing housing stock; and (3) strengthen local problem solving and delivery capacity for future housing.

Once this has all been accomplished, a review of the current Southwest Minnesota Blueprint will be undertaken. In areas where it is deemed appropriate, the Blueprint will then be updated for future use.

PROGRAM REPORTS & ACTIVITY HIGHLIGHTS

COMMUNITY DEVELOPMENT

The Community Development Program of the Southwest Regional Development Commission provides a variety of general technical assistance to local units of government and non-profit agencies. This covers many issues from grant development and writing, to community planning and other developmental concerns. Community Development staff provide extensive assistance to local units of government interested in obtaining funding through various federal, state and private programs for community development activities.

Staff provides assistance to communities in grant development within many areas, including Small Cities Development Grants (block grants), the Public Facilities Authority (PFA) Loan Program, Minnesota Pollution Control Agency Grant and Loan Programs, and Farmer's Home Administration Community Improvement Grants and Loans. In addition to this, the SRDC provides grant writing assistance for non-profits and private foundations. This focus, as well as actions of the Community Development Program, is designed to provide benefiting technical assistance by extending the Commission's ability to address community development issues at the lowest possible cost.

One of the programs that is continually sought is the Small Cities Development Grant Program funded by Department of Trade and Economic Development. This program is very competitive and the work involved in applying for funding is quite extensive. The Small Cities Development Program's (SCDP) main objective is to assist communities in financing public facilities construction, business and industrial development and housing rehabilitation.

The ability to tap any one of these funding sources is becoming more and more significant because of increasingly limited resources available to local units of government and non-profit agencies.

PRAIRIE EXPO STRIVES AHEAD

Who would have thought that the Prairie Expo project could come so far since 1986. The Prairie Expo project was designed to access 18,000 to 25,000 travelers who pass through the I-90 corridor and southwest Minnesota daily. The purpose in accessing these travelers is to promote the historical, commercial and agricultural attractions of the area, as well as showcase local communities and the quality of life found throughout all of Minnesota. To date this \$4.8 million project has secured over \$2 million. Over the course of the past year the Prairie Expo Board of Directors, with the assistance of the Southwest Regional Development Commission, has acquired land. It has applied for and successfully ranked for Intermodel Surface Transportation Enhancement Act funding. The project has entered itself for consideration on the preliminary bonding request for the 1996 Legislative Session, and has began some of the interior design for the Prairie Expo facility itself. Heading into the 1996 Fiscal Year, the Southwest Regional Development Commission's staff will be working intensely on the project to prepare for entry into the bidding stage for the 1996 Legislative Session. During that session we will make an attempt to secure the remainder of the funding necessary, which is approximately \$2.5 to \$3 million. The cooperative spirit that surrounds this project will bring it to fruition.

TELECOMMUNICATIONS PROGRAM

The Southwestern Minnesota Regional Telecommunications Inventory and Targeted Marketing Program was developed with a \$10,000 grant from the US West Foundation. The program is intended to take advantage of the opportunities presented by the information economy and will create the potential to establish new and vibrant economic activity in the region. The marketing tool created can be used by communities in the region to promote the development and attraction of information intensive industries. This marketing tool will be designed to accomplish three things. It will specifically identify target industries and activities that are attractive to southwest Minnesota. Each community's ability to support such enterprises will be assessed and investment that is needed will be identified to make communities more attractive to such entities. The marketing tool will also be used to promote the communities to information enterprises. By accomplishing all of these things, this program will serve to better all of southwest Minnesota.

REGIONAL REVIEW OF SOLID WASTE MANAGEMENT ALTERNATIVES

On December 1, 1994 the Southwest Regional Development Commission initiated work on the development of The Regional Review of Solid Waste Management Alternatives. This project is being completed on behalf of the Southwest Regional Solid Waste Commission, a joint powers board comprised of the counties located in Region 8 plus Lac Qui Parle and Yellow Medicine Counties. Funding from the Farmer's Home Administration's Rural Economic and Community Development Administration provided a grant of \$73,500 for the completion of this work. SRDC staff are authoring a document which will meet state mandated solid waste planning requirements for the Solid Waste Commission's member counties, and which will establish the direction for waste management in southwest Minnesota for the next one to two decades. The document will primarily examine the feasibility of resource recovery as an alternative to landfilling as the region's primary waste management method. Resource recovery includes composting of municipal solid waste (MSW) and waste-to-energy facilities.

The State of Minnesota has established a hierarchy of preferred waste management methods. The preferred hierarchy calls for waste to be managed by 1) waste reduction, 2) recycling, 3) composting of food and yard waste, 4) resource recovery, 5) landfilling. Landfilling is considered least preferred because of its long term potential to leak and contaminate ground water. The Solid Waste Commission has incorporated this hierarchy of preferences into its organizing documents. The Regional Review of Solid Waste Alternatives will also serve as the basis for the implementation of an integrated waste management system, where separate portions of the waste stream will be managed as high on the hierarchy as is practical and feasible.

The final work is expected to be an eight chapter document. Separate chapters will address the current waste management system, waste abatement—current practices and future opportunities, MSW composting, waste-to-energy—including refuse derived fuel processing and incineration. The chapters evaluating MSW composting and waste-to-energy will include a technical, financial, and environmental analysis of each option. Also to be addressed are alternative management scenarios, barriers to the implementation of a new regional system, and implementation strategies.

The grant period reached its midway point during FY 1995. Project completion has been generally in line with the time frames set forth in the grant. The project is scheduled to be completed by November 30, 1995

HUMAN DEVELOPMENT

The Human Development Committee developed a plan to address issues of cultural diversity in the region and to research impact of the loss of Federal dollars to the region.

LAND MANAGEMENT PROGRAM

The Land Management Program was developed to assist local units of government in land management planning issues, including solid waste, water, land use, zoning, ordinances, Capital Improvement Plans, and other physical resource development planning areas. Accordingly, a Land Management Committee was formed to address these issues. The Committee met on three occasions during the Fiscal Year (October 1994, December 1995, and May 1995). Issues discussed included: legislative issues, Solid Waste Commission Activities, RW 22 status, feedlots, and individual sewage treatment system rules.

The Land Management Program provides technical assistance to local units of government in the area of Land Management. Contracts during Fiscal Year 1995 include the following: staff to the Southwest Regional Solid Waste Commission; completion of the Magnolia Zoning Ordinance and Land Use Plan; and development of language in the Milroy Zoning Ordinance and administration forms. In addition, staff time has been committed as in-kind match for the Middle Des Moines Watershed Clean Water Partnership grant, and the Lake Shetek Clean Water Partnership grant.

Solid Waste continues to be a strong issue in the Southwest Region. Staff continued to assist the District 8 Solid Waste Administrators with meetings and activities. The Region also submitted a preliminary grant request to the Rural Development Administration to assist with Regional Solid Waste Activities.

PROGRAM REPORTS & ACTIVITY HIGHLIGHTS (continued)

SMALL CITIES DEVELOPMENT GRANT PROGRAM

The Small Cities Development Program (SCDP) is a competitive Grant Program that issues funding to assist communities in the finance of housing rehabilitation, public facility (infrastructure such as water improvements, sewer improvements, streets, curb and gutter, etc.) construction, and business and industrial development. According to federal law, the goal of the SCDP is "the development of viable urban communities by providing decent housing and suitable living environment and expanding economic development opportunities, principally for persons of low- to moderate-income."

Eligible applicants include cities, counties and townships located in a non-entitlement area or electing exclusion from an urban county.

Applications can be submitted by eligible applicants on a year-round basis through the Community Development Application process. To be eligible for funding consideration during the competitive review and ranking period (October 1 - February 28), complete applications must be postmarked no later than October 1, or be delivered no later than October 1 to the Community Development Division.

Eligible Activities:

- acquisition and/or demolition and clearance of dilapidated residential or commercial property
- new construction or upgrading of public facilities including wells, water treatment plants, distribution systems, wastewater treatment plants, collection systems, streets, or sidewalks
- relocation of occupants of residential or commercial property acquired with SCDP funds
- · rehabilitation of residential, commercial, industrial, and historic buildings
- special economic development activities such as new construction or expansions for businesses and industry
- general administrative costs associated with administering the grant and activity; or administration costs associated with housing or commercial rehabilitation, acquisition and relocation

SRDC Responsibility

The Community Development Staff of the Regional Development Commission work on grant development applications for Cities, Counties or Townships. Grant Development includes but is not limited to community development surveying, public meetings, public hearings, narrative development, financial planning, and general community information. The grant development of a project begins in April of each year and the final product is submitted to Department of Trade and Economic Development by October 1 of each year. Project awards are made the following March.

Grant Implementation is also contracted with the Community Development Staff of the Regional Development Commission. Grant Implementation or Grant Administration includes but again is not limited to the following activities: general administration, financial management, labor standards, environmental review records, civil/human rights, fund disbursements and progress reporting.

If a community would like more detail on any the above information please call <u>Barb Kirchner</u>, <u>Community Development Technician</u>, P.O. Box 265, Slayton, MN 56172, 507/386-8547

WHITE HOUSE CONFERENCE ON AGING

During July and August of 1994, the Aging Program hosted four gatherings to obtain citizen input on issues to be brought forth at State and National forums later on. These will impact policy direction at the Federal level for years to come. The meetings focussed on issues of health care, economics, future of aging programs and older persons as community resources. Many representatives of service providers and seniors gave input during the process, and 20 delegates were subsequently chosen to attend the state WHCOA. A grant was received from the Southwest Minnesota Initiative Fund's Aging Trust Fund to assist in the delegates cost to the State conference. A position paper was also developed to share with legislators and senior groups.

FLOOD COORDINATION PROGRAM

Two years ago, the SRDC Flood Coordination Program began. The work that has been done in the southwest extends into every county of the region. The Presidential Disaster Declaration brought with it aid to Minnesota and ultimately the region. The first funding distributed was through the Federal Emergency Management Agency through Individual Assistance and Public Assistance Programs. Supplemental Programs were established through the State Offices; Division of Emergency Management, Department of Trade and Economic Development, the Minnesota Housing Finance Agency and others. Additional Federal Assistance was brought primarily through the Soil Water Conservation Agency, the Economic Development Administration and the Department of Housing and Urban Development.

Flood assistance activities that the SRDC has been involved with includes: public infrastructure repair, replacement, and improvements; housing rehabilitation, small business assistance, information and referral. The Commission has overcame big and small obstacles in some communities, and still struggles to initiate the programs for others. Overall, our region can be proud of the cooperative spirit that it has shown through this crisis. Perseverance is needed as we wait to hear the outcome of pending grants.

In October of 1994, the SRDC received \$1,226,000 to establish a Disaster Revolving Loan Fund. To date that money in its entirety has been committed to small businesses in southwest Minnesota. These were considered financially healthy prior to the 1993 flood and can document their economic effect of flooding on their business. The DRLF loans are funded through grant money from the Economic Development Administration and a local match from the MN Department of Trade and Economic Development, the Southwest MN Initiative Fund, the SRDC, and every one of the nine counties in Region 8.

| 1993 / 1994 FLOOD RELIEF PROJECTS | | | | |
|-----------------------------------|--|--------------|--|--|
| CITY | PROJECT | TOTAL COST | | |
| Adrian | Housing / Community Rehabilitation, Berm | \$ 710,000 | | |
| Adrian | Acquisition | 80,000 | | |
| Alpha | On-site Sewer | 460,900 | | |
| Fulda | Storm Sewer | 90,000 | | |
| Ghent | Storm Sanitary Sewer | 180,000 | | |
| ihlen | On-site Sewer | 500,000 | | |
| Ivanhoe | Storm Sewer | 80,000 | | |
| Jackson | Sanitary Sewer | 1,284,000 | | |
| Lake Benton | Sanitary Sewer | 50,000 | | |
| Lake Wilson | Streets / Sewer / Water | 190,000 | | |
| Redwood Falls & | Wastewater Treatment / Discharge | 3,400,000 | | |
| North Redwood | & Discharge Study | 22,000 | | |
| Redwood Falls | Sanitary / Storm Sewers | 3,775,000 | | |
| Steen | Wastewater Treatment Repair | 4,400 | | |
| Tyler | Lift Station Repairs | 34,000 | | |
| Westbrook | Sanitary Sewer / Tile Slough | 885,000 | | |
| Windom | Sewer / Water Annexation | 887,000 | | |
| Lyon County | CSAH 5 Retention | 169,000 | | |
| Marshall | County Ditch 62 | 3,025,000 | | |
| Marshall | Tiger Lake, Sewer, Manholes | 600,000 | | |
| Vesta | County Ditch 35 | 710,000 | | |
| TOTAL | | \$17,136,300 | | |

NOTE: The above projects are communities in which the SRDC has been involved with during the course of Flood Coordination activities. Not every community above has received funding from State and Federal Flood Disaster Assistance. There are also many communities not listed that are working on Flood related activities but are receiving technical assistance.

PROGRAM REPORTS & ACTIVITY HIGHLIGHTS (continued)

AREA TRANSPORTATION PARTNERSHIPS (ATP)

The Southwest Regional Development Commission has membership in two Area Transportation Partnerships (Mn/DOT Districts 7 and 8). The Region, in continuing its strong commitment to serving local units of government and working along side the Minnesota Department of Transportation, has been active in the following ATP activities.

General: Refined Regional Significance Criteria to be used in the Transportation Solicitation and Ranking Process used by Regions 6E, 6W, 8, and 9 for the Willmar and Mankato Area Transportation Partnerships. Initial Identification of Regional Routes. Co-sponsored a Transportation Committee / Public Information meeting with the Willmar and Mankato Area Transportation Partnerships regarding the Draft Transportation Improvement Programs. Attended a statewide ATP meeting in St. Cloud on STIP Guideance. Minutes of the Transportation Committee / Public Information meeting are part of the ATP's documentation of public input to the draft Transportation Improvement Plans. The SRDC provided technical assistance to the ATP's as requested. Requests and comments from governmental units in the Region were brought to the attention of the two ATP's.

ATP - 7 (Mankato): Attended nineteen Area Transportation Partnership and task force meetings in the Mankato District. Served on the Enhancement Review subcommittee to evaluate the Transportation Enhancement Applications. Recommended the revision of the Enhancement Application. Served on the Transit capital review subcommittee. Applied Regional Significance factors to projects in the 1995 to 1998 ATIP in the Mankato District, and to all projects submitted to the ATP within Region 8.

ATP - 8 (Willmar): Attended fourteen Southwest Area Transportation Partnership, technical committees, and District Market Research meetings. Participated in the ATP 8 Enhancement Ranking Committee. Member of a ATP - 8 technical committee to develop a preliminary listing of submitted transportation projects for the ATP's consideration. Applied Regional Significance to all projects that were submitted to ATP-8 within Region 8.

PROJECT REVIEWS

During Fiscal Year 1995 the Southwest Regional Development Commission reviewed 55 projects from within the Region to avoid duplication and insure wise use of public funds. If you are interested in receiving a complete listing of the project reviews for FY95, please contact the SRDC Office.

AGING PROGRAM (Serving our Region's Elderly)

The role of the Southwest Area Agency on Aging is to plan, coordinate, and advocate for the development of a system of services that will meet the needs of older persons. The Area Agency is available to communities and organizations to explore and assess the needs of the older person and to evaluate and assist in expanding or developing programs.

The Minnesota Board on Aging has designated the Southwest Regional Development Commission as the administrative agency and governing body for the Area Agency on Aging in southwest Minnesota.

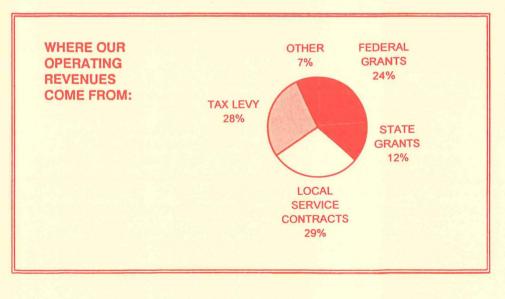
An advisory council representing all nine counties assists the Area Agency in making recommendations to the SRDC. The advisory committee is charged with the development of the Area Plan, recommending expenditure of funds for administration of the Area Plan and awarding funds for services to the elderly. In the SRDC Fiscal Year, the Southwest Area Agency on Aging awarded grants totaling \$815,061 for services to the elderly. Grants were awarded under five categories: Title IIIB, supportive services grants, IIIC Congregate Nutrition IIIC2 Home Delivered Meals, Disease Prevention and Health Promotion Services, and IIID Frail Elderly services. Distribution of these funds are recommended by priority services, which are determined by needs assessments.

OPERATIONAL BUDGET

The audit for Fiscal Year 1994 of the SRDC's finance and contract compliance was completed by certified public accountants in November of 1994. Copies of that audit and all prior audits are available for review at the SRDC office. No negative findings were produced by the audit.

| | FY95 | FY96 |
|--|--|------------------|
| | ACTUAL | BUDGET |
| REVENUES | 4005.000 | 0400.000 |
| Tax Levy | \$205,208 | \$199,000 |
| MN Board on Aging | 76,126 | 84,000 |
| Senior Linkage - MBA Economic Development Administration | 5,265 57,000 | 6,500 |
| | | 57,000 |
| EDA-Flood Recovery EDA-Revolving Loan Fund | 83,700 10,000 | 0 |
| | 19,829 | 5,000 |
| PEDC Intermediary Relending Program MN Historical Society - Expo | 13,869 | 32,000 43,500 |
| Minnesota Department of Transportation | 37,000 | 37,000 |
| MN Dept. of Transportation - Transit | 8.000 | 37,000 |
| MN Dept. of Transportation - Section 5310 | 6.000 | 3,500 |
| Rural Development Administration | 27.021 | 20,000 |
| Lewis and Clark | 13,713 | 20,000 |
| Telecommunications | 6,363 | 2,500 |
| Interest and Miscellaneous | 9.946 | 9,000 |
| Contracts | 153,880 | 171,845 |
| Reserves for Capital Equipment | 10,364 | 15,000 |
| Minnesota Blueprint | 0 | 4,500 |
| TOTAL REVENUES | \$743,284 | \$690,345 |
| | | |
| EXPENDITURES | | |
| Committee Expenses | \$ 53,698 | \$ 50,000 |
| Salaries & Fringe | 449,124 | 491,224 |
| Staff Travel | 61,024 | 50,000 |
| Rent | 12,240 | 12,240 |
| Postage | 14,231 | 13,500 |
| Telephone | 11,319 | 10,500 |
| Printing / Publication | 17,582 | 12,600 |
| Supplies | 7,734 | 7,200 |
| Insurance | 4,447 | 5,500 |
| Depreciation (Non-Car) | 10,864 | 11,000 |
| Audits | 4,525 | 4,200 |
| Computer | 7,787 | 8,000 |
| Equipment | 14,803 | 15,000 |
| Expo / Resource Sharing Contractual | 9,512 | 0 |
| Housing | 8,000 | 8,000 |
| Other | 14,781 | 14,996 |
| TOTAL EXPENDITURES | \$ <u>701,671</u> | \$713,960 |
| | | |
| Reserve Change | \$ 41,613 | \$ (23,615) |
| | THE REAL PROPERTY AND ADDRESS OF THE PERSON NAMED IN COLUMN TWO PERSONS AND ADDRESS OF THE PERSON NAMED IN COLUMN TWO PERSONS AND ADDRESS OF THE PERSON NAMED IN COLUMN TWO PERSON NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TWO PERSON NAMED | - |

NOTE: Estimates are included for payable and receivable amounts on revenues and expenditures.



PROGRAM REPORTS & ACTIVITY HIGHLIGHTS (continued)

TRANSPORTATION

There were 9 to 11 voting members of the SRDC Transportation Committee representing County, City, and Township government as well as School Boards during FY 1995. Ex-office or advisory members to the Committee are the County Engineers in the Region, City Engineers from Marshall and Worthington, a Lower Sioux Community Representative, and staff from MnDOT Districts 7 & 8.

The Committee met on the following dates: October 12, 1994; December 19, 1994; February 16, 1995; April 6, 1995; and June 21, 1995. Major topics of discussion during the year included: Legislative Priorities; ISTEA Objectives and Implementation; Section 5310; Section 5311; Transportation Enhancements; Area Transportation Partnerships in Willmar and Mankato State-Aid Districts; District Transportation Improvement Plans; State Transportation Investment Program 1995-1997, and 1996-98; the SRDC Transportation Work Program for FY 1996; ISTEA Work Management Teams; the State Transportation Plan; Regional Transit Needs Assessment; Functional Classification; SRDC Transportation Legislative Agenda; IMS - Freight Movement; Regional Significance (of proposed projects); Identification of important transportation projects in the region; a public meeting on the draft TIP's; and Long Range Transportation Planning to identify Regional Transportation Priorities.

Some of the SRDC Transportation Activities included: coordination with the Area Agency on Aging on Transit related issues; technical assistance to local units of government and organizations as it relates to transportation activities; assistance to the Area transportation Partnerships in MnDOT Districts 7 and 8; monitoring Section 5310 Transit vehicle recipients; completing the Regional Transit Assessment Study; Assistance with Regional Transit Coordinators meetings; and monitoring legislation in relation to transportation. The SRDC annually submits a report to the Minnesota Department of Transportation on the transportation activities the Southwest Regional Development Commission has conducted throughout the Fiscal Year. If you would like a copy of this report, please contact Annette Bair at 507/836-8547.

INTERMEDIARY RELENDING PROGRAM

Prairieland Economic Development Corporation established a \$2,000,000 loan fund in August, 1994 for business development in the 9 counties served by the Southwest Regional Development Commission. As of June 30, 1995, \$1,059,000 in loans to small businesses had been approved by the PEDC Board of Directors. The businesses assisted with these loans will create 110 jobs and retain 122 jobs in the next two years. Two thirds of the jobs created or retained are manufacturing jobs. PEDC's IRP loan funds approved to date will leverage an additional investment in these businesses of \$6,663,601 in private funds. PEDC's \$2,000,000 program is funded under Farmers Home Administration's Intermediary Relending Program. The funds are loaned to PEDC which, in turn, makes loans of up to \$150,000 or 50% of project costs to eligible small businesses.

Prairieland's IRP is designed to provide job opportunities for rural families, displaced farm families, and low or moderate income persons. Eligible IRP uses include business acquisition, construction or renovation, purchase of equipment, leasehold improvements, and working capital. The maximum term is fifteen years and the interest rate is 7.5%. The project costs must be documented and adequate collateral is required. The application consists of two pages and a checklist of additional items such as financial statements and a business plan. Applicants are charged an origination fee which helps offset administrative costs of the program.

The demand for IRP loans has been strong and Prairieland is anticipating that the \$2,000,000 in IRP funds will be exhausted by the end of the year. Once fully loaned out, the IRP is expected to create 200 jobs in Southwest Minnesota and retain another 200 jobs. The businesses assisted will help diversify the economy and stabilize the tax base of the Region.

A second IRP application to FmHA for an additional \$1,000,000 was also approved and is now in progress. Because the competition for IRP funds is intense, the second IRP application will need to be strengthened by an equity contribution from PEDC. Organizations and foundations which serve the Region will be asked to participate in providing the \$160,000 equity required for the second IRP. The RDC, which provides staff services to Prairieland has expressed an interest in assisting with this capitalization request; we hope others follow our lead.

BUSINESS LOAN PROGRAMS

The Southwest Regional Development Commission is designated by the State and Federal government as the Economic Development District for Region 8. Part of the work of the Development Commission involves efforts to strengthen and diversify the regional economy. The SRDC provides the staff necessary to carry out the work program in economic development for the region by providing professional staff to administer the SRDC's Disaster Revolving Loan Fund and staffing Prairieland Economic Development Corporation.

The Southwest Regional Development Commission's Disaster Revolving Loan Fund provides loans to businesses whose operations were adversely affected by flooding in 1993. Funding was approved in October of 1994. The first loan was approved in December and to date the program has spent the entire allocation which proves the need and the success of the program. Businesses that were financially healthy prior to 1993 and can document the economic affect of the flooding on their business are eligible. The DRLF loans are funded with a grant from the Economic Development Administration and local match from the Minnesota Department of Trade and Economic Development, the Southwest Minnesota Initiative Fund, the nine counties of Region 8, and the SRDC.

Prairieland Economic Development Corporation is a private non-profit corporation which provides financial assistance to businesses under two loan programs, the SBA 504 loan and the Intermediary Relending Program.

Prairieland Economic Development Corporation is a Certified Development Company for the Small Business Administration 504 loan program. As a CDC, Prairieland is authorized to approve SBA 504 loans in the 14 county area of southwest Minnesota which makes up Region 8 and Region 6W. SBA 504 loans are for fixed assets only. To date, PEDC has approved loans which will help create over 400 jobs in Region 8 and Region 6W.

PEDC also provides business loans from its Intermediary Relending Program. IRP loans are available to eligible businesses in Region 8 for financing fixed assets and working capital. IRP loans approved to date will assist businesses which will create or retain 232 jobs in Region 8.

The DRLF, the SBA 504, and the IRP loans leverage other funds and provide attractive terms to borrowers so that expanding and startup businesses can create jobs. This allows for the stabilization of the local tax base and diversification of the regional economy.

PRAIRIELAND ECONOMIC DEVELOPMENT CORPORATION

The primary purpose of the Prairieland Economic Development Corporation (PEDC) is to serve as a Certified Development Company (CDC) pursuant to Section 503 of Title V of the Small Business Investment Act of 1958, as amended. A CDC is a private non-profit corporation whose purpose is to contribute to the economic development of its area of operation. The CDC is a conduit which allows private funds, guaranteed by SBA, to flow into community business.

The SBA's Certified Development Company program provides eligible small businesses with 10or 20-year financing for the acquisition of land and building; machinery and equipment; construction; and modernization, renovation or restoration of existing facilities and sites.

To date PEDC has assisted with several projects and has an outstanding loan portfolio balance of \$5,687,000. An additional \$11,511,652 has been leveraged from private financial institutions and \$4,118,161 has been injected as equity capital by business and industry. A total of 447 jobs have been retained and/or created as a result of assistance by PEDC.

While the activity continues at an increasing pace, the development that has occurred has resulted in a tremendous impact on the communities where these businesses are located and the entire region.

STAFF & COMMISSION MEMBERS

SRDC STAFF MEMBERS

Robyn Rehborg, Intern Lisa Voss, Intern Kathy Schreiber, Secretary Brenda Pommier, Secretary Janet Schaeffer, Secretary II/Finance Assistant Pam Hess, Nutrition Manager/Senior Ldrshp. Coord. Helen Brinks, Grants Manager Dianne Crowley, Financial Officer Rhonda Wynia, Office Manager Doug Allmon, Planning Generalist Mark Lindquist, Solid Waste Management Coordinator Barb Kirchner, Community Development Technician Annette Bair, Physical Development Director Barb Carroll, Loan Officer Maddy Forsberg, Aging Program Director Ann Peterson, Principal Planner Steve Dusek, Deputy Director Randy Jorgenson, Executive Director

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Southwest Regional
Development Commission
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"It is the mission of the Southwest Regional Development Commission to address the economic, social, physical, and governmental needs and opportunities of Southwestern Minnesota; while transcending traditional jurisdictional configurations. Further, to apply a regional perspective to problems, allowing for a coordinated effort by local units of government to address the needs of the region's citizenry and the activities of area agencies resulting in the sharing of a regional private and public resources while increasing the efficiency of government in general.

In addition, the Commission shall serve as the mechanism for initiating change in local, regional, State, and Federal policy, programs and regulations translating the region's concerns into a blueprint of action."

FY95 COMMISSION MEMBERS

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