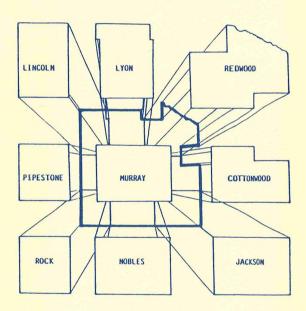
SOUTHWEST REGIONAL DEVELOPMENT COMMISSION



Fiscal Year 1996 ANNUAL REPORT



CHAIRMAN / EXECUTIVE DIRECTOR'S MESSAGE

A revolution is taking place in communities all over the country. Residents and community leaders are responding with creativity and growing confidence to the challenges of government retreat and corporate disinvestment. By combining grassroots economic development activities with innovative institutions governed through locally empowered people; commissions, community development corporations, certified development corporations, and housing partnerships are finding new approaches to solving old problems. Communities, counties, and townships are taking charge of their local issues and thus their potential economic futures. In rural areas they are doing so with the assistance of organizations like the Regional Development Commission and the others listed above who at one time were a part and parcel of the Commission and today are our partners. This year the Commission will see the completion of its new office complex. The Southwest Regional Development Center. Home to the Area Agency on Aging, the Southwest Minnesota Community Development Corporation, the Prairieland Economic Development Corporation, the Southwest Minnesota Housing Partnership, and the Regional Development Commission. This Center is the culmination of a vision of the Board of Directors of the Regional Development Commission to provide local units of government and local residents with a one stop shop that can meet all of their development needs. From capital availability to area business and industry to the housing of perspective employees, facility siting, waste disposal, labor market issues, transportation requirements, infrastructure extensions, to a host of other potential development questions that all can be answered by the individuals found in this soon to be completed center. This Center is one answer to the lingering question, "What can be done, and how can we move to more stable, resilient and sustainable local economies and quality of life?" The days of distressed communities in southwestern Minnesota being trapped in a cycle of disinvestment or lack of access to resources are becoming a thing of the past. All of the organizations to be housed in this Center represent the combination of over two decades of work. That work, creating a healthy and self-reliant local economy requires a comprehensive and coherent economic strategy. It is the Commission that provides that strategy. Our success is based on our ability to harness assets in a way that provides competitive advantages to southwestern Minnesota. This comprehensive strategy requires us to move beyond the competitive environment of yesterday to the cooperative air found amongst communities in southwestern Minnesota today. It is within that environment that these organizations have been fostered and have flourished. All of the areas found within this report that are part of the work program of the Development Commission have a direct impact on the economic environment in the region. Local units of government need adequate infrastructure and transportation systems. It is that infrastructure that provides us with the logistical system that can efficiently provide for business goods and products allowing us to capitalize from our development potential. This year the region is responsible for \$21 million worth of capital investment in infrastructure projects harnessing the assets necessary to allow the region to compete. These investment decisions require strategic planning and result in substantial dividends if carefully coordinated. Developing the region and harnessing its assets requires more than a short term strategy. It requires long term investment. It has been and will continue to be the decisions of the Commission through the units of government it serves that will provide for this competitive advantage. Regional organizations play a vital role in providing the necessary resources to empower local communities, counties, and townships to accomplish their objectives and to continue to do so will require the comprehensive strategies adopted by the Commission and exemplified best in the development of the Regional Development Center. We look forward to welcoming you to this new complex and to assisting you with meeting the challenges of tomorrow, today.

Mailowe & Helse

Marlowe Nelsen
Commission Chairman

Ry Joyenson

Randy Jorgenson

Commission Executive Director

EXECUTIVE COMMITTEE



Standing left to right is the SRDC Executive Committee: Bob Byrnes, Secretary; Lennen Nelson, Treasurer; Marlowe Nelsen, Chairman; and Craig Rubis, Vice-Chairman.

STAFF MEMBERS



Standing left to right are the following SRDC employees: Pam Hess, Barb Kirchner, Ann Peterson, Winnie Mettling, Robyn Van Heuvelen, Helen Brinks, Mark Lindquist, Janet Schaeffer, Doug Allmon, Lisa Voss, Dianne Crowley, Annette Bair, and Rhonda Wynia. Staff not available for photo were Randy Jorgenson, Steve Dusek, Maddy Forsberg, Brenda Pommier, and Kathy Schreiber.

PROGRAM REPORTS & ACTIVITY HIGHLIGHTS

SOUTHWEST AREA AGENCY ON AGING

Critical challenges face aging programs in Minnesota. Decreases in funding from traditional sources and proposed changes in public policy meant reacting to change in a framework to enable communities to formulate and design their future, thus directing change. To provide better service to the region, the Southwest Area Agency on Aging (SWAAA) became the first program in the state to fund Senior Linkage Insurance Counseling as a direct service program of the Area Agency on Aging.

The SWAAA became very involved in health reform issues, sponsoring workshops and becoming active in committees empowered to affect reform. The Minnesota Department of Health funded a Health Coverage Demonstration Program entitled "HEALTH INSURANCE COUNSELING PROGRAM" administered by the SCDC (Southwest Community Development Corporation which is the non-profit agency of the SRDC) to expand the health insurance counseling program to all ages in Regions 6E, 6W, 8 and 9 starting July 1, 1996.

Several grants were written to support communities: The Robert Wood Johnson Foundation's Faith in Action and the Paul and Alma Schwan Aging Trust Fund supported a intergenerational program entitled "GENERATIONS IN ACTION". This program is focused on using the informal support networks of families, friends, neighbors, church groups and members, and other organizations to volunteer caregiving to homebound individuals. This program is administered by the Aging program.

The advisory council representing all nine counties assists the Area Agency in making recommendations to the SRDC. The advisory council recommends funds for administering the Area Plan and awards for services to the elderly. In the SRDC Fiscal Year, the SWAAA awarded grants totaling \$567,118. Distribution of these funds are recommended by priority services which are determined by needs assessments. The nutrition program, Senior Dining and Home Delivered Meals are the major recipients of these awards, receiving a total of \$414,346 in Federal and State Funds. In 1997 these funds will not be awarded under a grant but under a contracted price per meal, and in 1998 these contracts will be competitively bid.

TOTAL FUNDING IN 1996 FOR SWAAA:	
Murray County Transportation	\$ 6,443
Pipestone County Transportation	12,896
Western Community Action Transportation	38,702
Murray County Coordinator	3,562
Southern Minnesota Legal Services	23,100
Redwood County Respite	10,000
Senior Linkage Advocacy and Insurance Assistance	45,323
Divine Providence Home Health Care	7,746
MN Senior Federation	5,000
Western Community Action Senior Nutrition (state and federal)	414,346
TOTAL	\$567,118

The Area Agency on Aging continues to plan, coordinate, and advocate for the development of a system of services in a changing environment that will meet the needs of older persons.

OTHER ACTIVITIES OF THE SWAAA INCLUDE:

- ♦ 16th Annual Regional Conference on Aging
- Regional Forum on Health Care
- Rural Health and Long Term Care Committee
- Fund Development
- Legislative Advocacy

DEVELOPMENT

During Fiscal Year 1996 the SRDC merged several of the standing committees into one large committee to address issues that surround the area of Development. The Land Management Committee, Local Government Committee and the Economic Development Committee joined forces for the purpose of overall coordination and total management. It is felt that one Committee working in these areas will develop a better overall understanding of the staffs work program. Often the elements that surround a local government issue parallel those of the private economic development. The following work activities and impacts will describe the Development Committee's work program.

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 U.S. Department of Commerce, 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 EDA with timely information on plant closures or prospective plant closings, as well
 as the number of employees affected by these actions.
- Staff the Economic Development Professionals of Southwest Minnesota.
- Operate and maintain the SRDC Revolving Loan fund.
- Serve the Region as the Census Data Center.
- Assisted on the development of many loan packages and financing structures. In conjunction numerous funding sources including, PEDC Intermediary Relending Program, PEDC 504, DTED Economic Recovery Loan, Tax Increment Financing, and local development dollars.

PRAIRIE EXPO

The Prairie Expo project is 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. During the 1996 Fiscal Year, the Southwest Regional Development Commission's staff worked intensely on the project to prepare for entry into the bidding stage for project construction to begin in 1997.

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 10- or 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 \$7,230,000. An additional \$13,754,000 has been leveraged from private financial institutions and \$4,600,000 has been injected as equity capital by business and industry. A total of 652 jobs have been retained and/or created as a result of assistance by PEDC. Activity continued to increase; therefore as of July 1, 1996, PEDC has successfully hired their own Chief Executive Officer. The Corporation will continue to be co-located with the SRDC and will work closely with the SRDC development activities although operating an independent Corporation.

SOLID WASTE

The Southwest Regional Development Commission has been heavily involved in solid waste planning throughout the last decade. The efforts of the SRDC resulted in the formation of the Southwest Regional Solid Waste Commission in 1993. Since that time the Solid Waste Commission, a twelve county joint powers board, has been the lead entity in providing regional planning and coordination of solid waste management. SRDC staff continue to provide staff support to the Solid Waste Commission. In FY 1996 the SRDC has:

- Facilitated and supported on going functioning of the Southwest Regional Solid Waste
 Commission including the expansion to a 12 county body.
- Completed Regional Review of Solid Waste Alternatives for 12 County Region. This document is a technical, financial, and environmental analysis of landfilling, MSW composting, and waste-to-energy as principal method of waste management for southwest Minnesota. Based on the SRDC analysis, the Solid Waste Commission has determined landfilling is the most prudent and feasible means of waste management for the region.
- Secured funding to examine issues surrounding closed municipal dumps and initiated work on the project.

* * * * *

WIND POWER

The Buffalo Ridge located in southwest Minnesota is the windiest area in the State of Minnesota. This resources is very suitable for large scale development of wind energy facilities. Hundreds of millions of dollars are being invested in the development of this resource. The SRDC has been working closely with the Southwest Minnesota Ridge County Task Force to see that the resource can be developed in a manner benefiting local communities. The Task Force is comprised of two commissioners each from Lincoln, Pipestone, Murray, and Nobles Counties.

- The SRDC has secured grant funding from the McKnight Foundation to address wind power issues.
- SRDC staff completed analysis of wind power property taxes for 3 Buffalo Ridge counties.
- The SRDC collaborated in sponsoring a wind power conference in Pipestone, which was widely attended by regional residents and wind power industry officials.
- The SRDC has contracted with the Agricultural Utilization Research Institute for completion of wind power economic impact study to be completed in Fall 1996.
- The SRDC has initiated work on a wind power land use study, to provide local governments with the information to develop public policies for ensuring orderly development of the wind resource in the region.
- The SRDC has organized and facilitated Southwest Minnesota Ridge Counties Task Force.

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OTHER

- The SRDC has procured and supervised engineering firm to analyze feasibility of interconnecting Lewis and Clark members as an alternative to or augmentation of the Lewis and Clark project.
- Received grant from Minnesota Board of Government Innovation and Cooperation to do cooperative education and training of county planning and zoning officials pertaining to feedlot issues.
- SRDC staff participated with MNDOT in development of guidelines for the economic development portion of State Wide Transportation Plan.

TRANSPORTATION

There were nine voting members of the SRDC Transportation Committee representing County, City, and Township government during FY 1996. Ex-offico 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: November 16, 1995; February 7, 1996; April 2, 1996 and June 26, 1996. 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 1996-1998, and 1997-99; the SRDC Transportation Work Program for FY 1997; ISTEA; the State Transportation Plan; Functional Classification and ISTESA II revision requests; IMS - Freight Advisory Committee; Regional Significance Rating (of proposed projects); Identification of important transportation projects in the region; a public meeting and comment on the draft the TIP's; Long Range Transportation Planning to identify Regional Transportation Priorities; 5-year County Plans; Congestion pricing, toll roads & alfernative financing; and Regional Routes.

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 Route Map; 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.

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 for Off-System (local) bridges 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. Cosponsored 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 Guidance. 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.

- ♦ <u>ATP 7 (Mankato)</u>: Attended twelve Area Transportation Partnership and task force meetings in the Mankato District. Served on the Enhancement Review subcommittee to evaluate the Transportation Enhancement Applications. Assisted with the revision of the Enhancement Application. Served on the Transit Capital review subcommittee. Applied Regional Significance factors to projects in the 1996 to 1999 ATIP in the Mankato District, and to all projects submitted to the ATP within Region 8.
- ATP 8 (Willmar): Attended nineteen Southwest Area Transportation Partnership and technical committee 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 and to research issues for the ATP. Applied Regional Significance to all projects that were submitted to ATP-8 within Region 8.

COMMUNITY DEVELOPMENT / LOCAL GOVERNMENT

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

- Provide extensive assistance in grant development within many areas, including Small Cities Development Grants, Public Facilities Authority Loans, Minnesota Pollution Control Agency Grant and Loan Program, and Rural Development Community Improvements Grants and Loans.
- Provide grant writing assistance to for non-profits and private foundations.
- Provide grant management which includes general administration, financial management, labor standards, environmental review records, civil/human rights, fund disbursements and progress reporting.

Grant Management:

- Jasper Comprehensive Project -- Total Project Cost \$2,284,700 (\$1,230,800 SCDP funds, \$942,300 Public Facilities Authority Loan funds, \$5,000 City funds & \$106,600 other funds)
- Wilmont Comprehensive Project -- Total Project Cost \$ \$367,400 (\$260,400 SCDP funds & \$107,000 City funds)
- Alpha Water and Sewer Improvements Project -- Total Project Cost \$884,885 (\$598,000 SCDP funds \$209,380 MPCA funds, \$3,500 County funds, & \$74,005 City funds)
- Beaver Creek Wastewater Treatment Improvements Project Total Project Cost \$359,500
 (\$319,500 SCDP funds & \$40,000 City funds)
- Adrian Water System Improvements -- Total Project Cost \$601,000 (\$431,000 SCDP funds & \$170,000 City funds)

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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."

STAFF & COMMISSION MEMBERS

FY96 SRDC STAFF MEMBERS

Winnie Mettling	Senior Employment Worker
Lisa Voss	Planning Intern
Kathy Schreiber	Secretary
Brenda Pommier	Secretary / Receptionist
Janet Schaeffer	Secretary II / Finance Assistant
Robyn Van Heuvelen	Admin. / Portfolio Mgr. Assistant
Pam Hess	Nutrition Manager / Senior Ldrshp. Coord.
Helen Brinks	
Rhonda Wynia	Office Manager
Dianne Crowley	
Vicki Stewart	Administrative / Portfolio Manager
Doug Allmon	Planning Generalist
Mark Lindquist	
Barb Kirchner	Community Development Technician
Annette Bair	Physical Development Director
Barb Carroll	
Maddy Forsberg	Aging Program Director
Ann Peterson	
Steve Dusek	Deputy Director
Randy Jorgenson	Executive Director

FY96 COMMISSION MEMBERS

Bud Ackerman, Beaver Creek * Ron Bourassa, Worthington * Abner Brandt, Lakefield Bob Byrnes, Marshall ** James Derickson, Lamberton * Wendell Erickson, Hills Bob Fenske, Marshall * Werner Fischer, Wabasso Richard Freking, Heron Lake Tim Fruin, Cottonwood Claire Gerber, Worthington * Alvin Gruis, Rushmore * Mary Lou Harthun, Marshall Harry Hansen, Pipestone Carl Hauschild, Minneota * Eloise Hauschild, Minneota Judy Herman, Luverne Gary Holden, Fulda Darrell Holmberg, Lamberton

Jan Jackson, Marshall Jack Keers, Pipestone * Coralee Krueger, Windom * Dave Leversedge, Balaton Verne Long, Pipestone Darwin Madtson, Jasper * Joe McCarvel, Brewster Sedric McClure, Marshall Marlowe Nelsen, Westbrook ** Lennen Nelson, Balaton ** Warren Peters, Tyler Steve Prairie, Balaton Leland Priebe, Hadley Craig Rubis, Lakefield ** Sara Triplett, Redwood Falls William Vangsness, Okabena Jim Veenhuis, Sr., Slayton Brian Williamson, Tyler Bob Zwach, Milroy *

SOUTHWEST REGIONAL DEVELOPMENT COMMISSION

2524 BROADWAY AVENUE
P.O. BOX 265
SLAYTON, MINNESOTA 56172

For more information:

PHONE 1-507-836-8547 FAX 1-507-836-8866

^{*} SRDC Board of Directors

^{**} SRDC Executive Committee

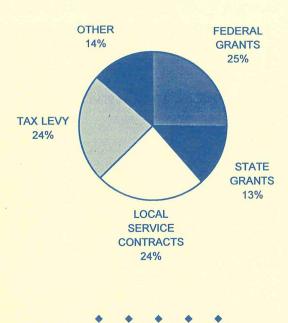
OPERATIONAL BUDGET

The audit for Fiscal Year 1995 of the SRDC's finance and contract compliance was completed by certified public accountants in November of 1995. Copies of that audit and all prior audits are available for review at the SRDC office. No negative findings were produced by the audit.

	FY96	FY97
	ACTUAL	BUDGET
REVENUES		
Tax Levy	\$206,702	\$201,000
MN Board on Aging	88,978	85,894
Senior Linkage/Insurance Counsel - MBA	27,776	23,110
Generations in Action	0	31,310
Dept. of Health - Insurance Counsel	0	35,420
Economic Development Administration	57,000	51,000
EDA Revolving Loan Fund - DTED	2,908	
MN Historical Society - Expo	42,609	38,400
Minnesota Department of Transportation	37,000	37,000
MN Dept. of Transportation - Section 5310	2,583	2,712
McKnight - Windpower	31,451	20,570
Rural Development Administration	78,367	56,500
Telecommunications	3,204	
Interest and Miscellaneous	22,223	8,301
Contracts	224,636	183,572
PEDC Corporation	0	50,423
Reserves for Capital Equipment	9,400	5,000
Minnesota Blueprint	5,233	
TOTAL REVENUES	\$840,070	\$830,212
EXPENDITURES		
Committee Expenses	\$ 42,337	\$ 51,000
Salaries & Fringe	487,937	522,260
Staff Travel	57,324	50,260
Office Space	15,680	25,963
Postage	11,441	14,000
Communications	16,021	21,500
Printing / Publication	17,449	20,145
Supplies	7,263	11,000
Insurance	4,684	5,000
Depreciation (Non-Building)	11,590	20,105
Audits	5,351	5,500
Computer	4,520	14,300
Equipment	37,287	5,000
Housing	,8,000	8,000
Other	44,139	20,075
Consultant/Contract Payments	36,902	53,000
Lease Payment Difference	0	5,624
TOTAL EXPENDITURES	\$807,925	\$852,732
Reserve Change	\$ <u>32,145</u>	\$ <u>(22,520)</u>

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

WHERE OUR OPERATING REVENUES COME FROM:



PROJECT REVIEWS

During Fiscal Year 1996 the Southwest Regional Development Commission reviewed 57 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 FY96, please contact the SRDC Office.

* * * * *

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
Ren	Ted Winter Fulda	Dist 22A	

<u>SENATORS</u> <u>FEDERAL</u>

١	Sen. Dennis Frederickson, New Ulm Dist. 23	Senator Rod Grams
	Sen. Jim Vickerman, Tracy Dist. 22	
	Sen. Arlene Lesweski, Marshall Dist. 21	Congressman Dave Minge

Southwest Regional Development Commission

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