



ANNUAL REPORT

FY 2021

JULY 2020 – JUNE 2021



9
Counties

80
Cities

163
Townships

32
School
Districts

1
Tribal
Nation

Our Commissioners (As of June 30, 2021)

Cottonwood County

Donna Gravley, Commissioner*
Jenny Quade, Municipalities
Terry Quiring, Townships

Lyon County

Rick Anderson, Commissioner*
Pam Cooreman, Municipalities
Lori Grant, Townships
Bob Byrnes, City of Marshall*

Pipestone County

Chris Hollingsworth, Commissioner
Myron Koets, Municipalities**
Vacant, Townships

School Boards

Eric Hartman, School Board*
Stephen Schnieder, School Board

Jackson County

Don Wachal, Commissioner
Carol Wagner, Municipalities
Richard Peterson, Townships**

Murray County

Dennis Welgraven, Commissioner**
Miron Carney, Municipalities*
Bill Crowley, Townships

Redwood County

Bob Van Hee, Commissioner*
Vacant, Municipalities
Tiffany Knott, Townships

Lower Sioux Community

Kevin O’Keefe, Lower Sioux
—Alternate: Nora Murphy

Lincoln County

Mic VanDeVere, Commissioner
Dennis Klingbile, Municipalities*
Jeff Moen, Townships

Nobles County

Bob Paplow, Commissioner
Vacant, Municipalities
Paul Langseth, Townships*
Mike Kuhle, City of Worthington**

Rock County

Sherri Thompson, Commissioner
Keith Elbers, Municipalities*
JoEllen Benson, Townships

Special Interest Groups

Vacant, Cultural Diversity
Shanda Walker, SWCIL
Eriann Faris, SW MN PIC
Tom Hoff, SW MN Higher Education
Beth Wilms, Health & Human
Services

** Indicates FY 2021 Executive
Committee Member

* Indicates FY2021 Board Member

SRDC

SRDC is a nine-county regional development organization made up of representatives from local units of government and public interest groups in Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, and Rock Counties.

The purpose of the SRDC is to work with and on behalf of local units of government to develop plans or implement programs to address economic, social, physical, and governmental concerns.





Newly elected Chairman Myron Koets (left) with outgoing Chairman Mike Kuhle (right) at the 2021 Annual Meeting.

2021 Annual Meeting

At this year's Annual Meeting, we welcomed our Commissioners back to the first in-person Commission meeting since March 2020. For seven of our Commissioners, the Annual Meeting was their first non-virtual meeting with SRDC. Although we didn't have our regular bus tour or invited guests, we spent the evening at Take 16 Brewing in Luverne looking back on our role in the region, taking a deep dive into recent projects, and looking forward toward our continued work with our Commissioners and partners to help Southwest Minnesota grow and thrive.

The Annual Meeting also brought a change in leadership as SRDC Chairman Mike Kuhle (Mayor of Worthington) ended his four-year term as Chairman. Kuhle's term has been highlighted by transitions, with the retirement of four longtime employees and the onboarding of new staff and Commissioners.

"It's been a busy four years," Kuhle noted at the Annual Meeting, "and I am leaving the Chairmanship with the knowledge that SRDC has continued to grow and thrive, that I was able to contribute to that success, and that I leave the Chairmanship in good hands..." Kuhle will continue his work with the Commission as the City of Worthington's representative.

Kuhle passes the Chairmanship to City of Pipestone Mayor Myron Koets, who has served as SRDC Vice-Chair since July 2018.

Congratulations to our newly elected Chairman, and a heartfelt thank you to Mike Kuhle for his dedication and leadership to the Commission!





PREPARING THE 2022-2027 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

One of the major projects SRDC has focused on this fiscal year is the development of a new Comprehensive Economic Development Strategy (CEDS) for Southwest Minnesota. The CEDS serves as a roadmap for regional partners to advance policies, programs, and projects that support economic opportunity and contribute to the well-being of our nine-county region.

Every five years a new CEDS is submitted to the Federal Economic Development Administration, with revisions updated annually. This regionally-driven planning process engages community leaders, leverages the involvement of the private sector, and establishes a strategic blueprint for regional collaboration to create an environment for economic resiliency and prosperity. The CEDS includes a summary of current demographic and economic conditions; an analysis of economic and community development strengths, weaknesses,

opportunities, and threats; and goals to implement that build upon the region’s unique advantages based on four cornerstones: Human Capital, Economic Competitiveness, Community Resources, and Foundational Assets.

The new CEDS will also build upon economic resiliency strategies from the 2020 CEDS revision that work toward helping the region respond to and recover from economic disturbances and maintain long-term sustainability.

In Spring 2021, regional engagement efforts began. These efforts have included two online regional workshops, a Regional Data Dive

Webinar, as well as a community survey on the region’s top concerns and opportunities for growth.

SRDC staff continue to conduct individualized meetings with community leaders, businesses, organizations, and community groups with the goal being to discuss one or more CEDS cornerstones in-depth, and identify service gaps, priority projects and partnerships.

The final copy of the 2022-2027 CEDS will be adopted by SRDC and sent to the Federal EDA in January 2022. Over the next five years, SRDC will work with regional partners on implementation of the strategies developed.

Survey results of the region’s top three concerns for each of the CEDS cornerstones.

SURVEY RESULTS: TOP THREE CONCERNS PER CEDS CORNERSTONE





DEVELOPING A REGIONAL ECONOMIC RESILIENCY PLAN

Last year SRDC began work on a Regional Economic Resiliency Plan with the purpose of identifying the region’s economic weaknesses and connecting its assets and opportunities for potential partnerships to aide in establishing economic resilience for the region. This work started in response to the COVID-19 pandemic and its impacts on Southwest Minnesota.

In order to better understand the current context of the region, SRDC began in summer 2020 with a comprehensive review of available planning documents and data packages, including: Local comprehensive plans, One Watershed One Plan Water Management Plans, All-Hazard Mitigation Plans, Census Bureau Data, and USDA Census of Agriculture Data. This review assisted in establishing a regional perspective and three overall priority issues impacting economic resiliency in

Southwest Minnesota.

During winter 2020, staff hosted regional economic workshops using these priority issues as guides for discussion. Workshops included representatives from family farming operations, business owners, local government officials, first responders, and economic development professionals. Through these workshops we found that in response to COVID-19 economic resilience depended on four main foundations.

During 2021, resiliency planning efforts shifted from technical analysis of available resources to establishing SRDC’s role in fostering economic resilience in the region. The first portion of this phase included a COVID-19 Business Response survey to better understand the needs of small business in Southwest Minnesota during times of economic downturns. SRDC heard from 56 businesses around the region about

the resources they were aware of, technical assistance needed, and how the pandemic has impacted their business.

Where We Are Now

The information and input collected in the first phase of the planning process has been used to establish draft goals and objectives to support economic resilience in Southwest Minnesota. The three goals aim to address the three priority issues, and the objectives are intended to support the foundations noted by workshop participants and survey respondents. Each set of objectives includes opportunities to build upon SRDC’s capacity to support each overall goal. SRDC is now asking for your input on activities and services we can provide to support the goals below. Let us know what you want to see from us over the next few years through the survey (see QR code/link above).

PRIORITY ISSUES IMPACTING ECONOMIC RESILIENCY

1. The deficit between employment projects and regional population growth.
2. The mismatch of desired skills and the skills of the available workforce.
3. The balance between land stewardship and agricultural productivity.

FOUNDATIONS OF ECONOMIC RESILIENCY

1. Community Resilience/Social Capital
2. Diversity of the Business Community
3. Access to an Adequate & Diverse Workforce
4. Importance of an Inviting Community for Young Professionals to Live

REGIONAL ECONOMIC RESILIENCY PLAN GOALS

1. Further economic development by advancing quality of life in the region.
2. Build the resilience of resources that are especially vulnerable to shocks or disturbances.
3. Promote best practices that support businesses and their communities by complementing the already-present characters.

STATEWIDE PLANNING

BUILDING ECONOMIC RESILIENCE THROUGH CLEAN ENERGY & EQUITY IN MINNESOTA (BERCEE)

Over the last year, SRDC participated in the BERCEE initiative, an effort co-convened by the Great Plains Institute and BlueGreen Alliance to find opportunity at the convergence of three complex and interrelated challenges facing Minnesota today: a global pandemic that has incurred economic devastation; long-standing racial disparities that can no longer be ignored; and the growing urgency to significantly reduce greenhouse gas emissions.

In the face of these challenges, BERCEE is an attempt to seize this moment to promote massive re-employment, investment in 21st century infrastructure, and innovation towards a decarbonized economy, all while ensuring equitable outcomes for all Minnesotans.

The initiative resulted in a finalized report that puts forth a diverse list of initial economic recovery recommendations for Minnesota that have been developed by

an equally diverse group of stakeholders, including state and local governments, tribal nations, economic development organizations, organized labor, clean energy and environmental advocates, consumer advocates, agriculture and forestry representatives, large and small business representatives, and academic institutions.

The report recommends that short- and long-term policies:

- Provide significant near-term economic and jobs benefits
- Drive emissions toward net zero by midcentury with rapid steps in the near term
- Promote equity and a responsible transition
- Create clear benefits in energy, transportation, built environment, industrial or agricultural systems.

The report includes a list of recommendations for federal investments that will provide the



greatest opportunity for broad employment in Minnesota and create an economy that is more equitable and increasingly decarbonized. The 32 recommendations cover a range of energy-related topics, including:

- Research and development
- Conservation
- Workforce training
- Transmission
- Clean energy manufacturing
- Water infrastructure
- Electric vehicles
- Equity and low-income impacts
- Agriculture and forestry
- Rural energy issues

View the completed report: <https://bit.ly/3jeqz4h>



FINDING THE INTERSECTION BETWEEN ECONOMIC DEVELOPMENT, COMMUNITY DEVELOPMENT, AND CULTURAL DIVERSITY

In January 2021, RDO staff from across the Minnesota Association of Development Organizations (MADO) began a four-part series to learn and hear from colleagues, industry experts, and community members on the economic benefits and improved quality of life that can result from creating welcoming communities for all.

The group used the Intercultural Development Inventory to assess where we are as individuals, as RDOs, and as a state-wide

organization. Next we addressed where we need to go on our intercultural development journey. The series ended with each RDO presenting an outline to advance diversity, equity, and inclusion (DEI) efforts in their prospective regions.

Statewide conversations continue with the formation of a new MADO DEI workgroup. The group's first project will be a statewide event and communications as part of Welcoming Week 2021.



SOUTHWEST MINNESOTA REPRESENTATION IN MNDOT PLANNING EFFORTS

This year SRDC served on several MnDOT workgroups and advisory committees on the behalf of Southwest Minnesota, including the workgroups for the updates to MnDOT's Statewide Multimodal Transportation Plan (SMTP) and its Statewide Highway Investment Plan (SHIP).

The SMTP establishes the policies and mechanisms to achieve the overall Minnesota GO 50-Year Vision: "Minnesota's multimodal transportation system maximizes the health of people, the environment, and our economy."

In order to archive this vision, work on the SMTP is completed in six focus areas: 1. Aging Infrastructure, 2. Climate Change, 3. Economy and Employment 4. Equity 5. Safety, and 6. Transportation Options. This year SRDC has also worked alongside other state agencies on

the Equity workgroup and Economy and Employment workgroup. So far these workgroups have provided 450 draft strategies that are being refined through trend analysis, effort/impact analysis, equity review, and public input. Once refined, these strategies will go into the SMTP Work Plan, forecasted to be adopted by MnDOT in Spring 2022.

MnSHIP directs capital investments for the state's highway system by identifying investment priorities given current forecasted funding in order to fulfill the Minnesota GO 50-Year Vision. The Equity workgroup has been drafting the definition of transportation equity for Minnesota, working on an equity review for strategies submitted to the SMTP, and working on equity accountability in MnDOT's work. The MnSHIP has a similar timeline as the SMTP.



Visit MnDOT's "Let's Talk Transportation!" website



Explore Self-Paced Stories, Test your knowledge through trivia, and share your transportation story.

<https://minnesotago.org/stories/#10253948679>

MINNESOTA RURAL BROADBAND COALITION

This year's Legislature allocated \$70 million across two years for the Border to Border Broadband Program out of the federal dollars that the State of Minnesota is scheduled to receive for COVID-19 recovery efforts. This is the largest allocation yet and still will fall short of the amount needed to meet the state's goals.

The Governor's Task Force on Broadband 2020 Report recommended \$120 million per biennium in ongoing funding. This level of funding would provide minimum broadband internet speeds of 25 Mbps/3 Mbps to the households and businesses that currently lack such service—and

would help Minnesota achieve its statutory broadband speed goal of connecting all Minnesotans with broadband internet speeds of 100 Mbps/20 Mbps by 2026. Broadband and internet speeds are improving across Minnesota. What we've achieved is a patchwork of highly successful areas, leaving behind many rural areas that are underserved and will have a difficult time reaching the goal without state assistance grants. Many states across the country look to Minnesota as a national leader on rural broadband development. Despite all the good work that we've done, there is still much more to be done to ensure everyone has access.



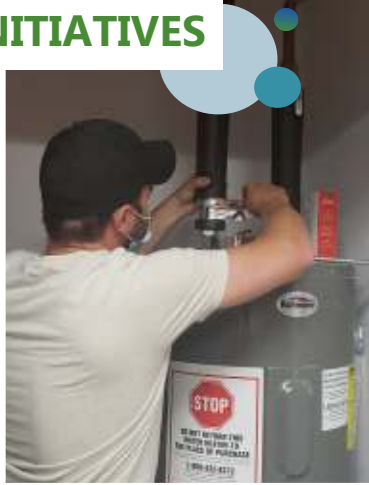
"Everyone in Minnesota will be able to use convenient, affordable world-class broadband networks that enable us to survive & thrive in our communities & across the globe."

– Minnesota Rural Broadband Coalition's Vision

CLEAN ENERGY INITIATIVES



UCAP



Marshall-Lyon County Library



Balaton EDA



New Ulm Turnverein Inc.



SEED GRANTS FUND LOCAL ENERGY PROJECTS

Every two years, the Clean Energy Resource Teams (CERTs) seeks seed grant applications. Seed grants go to clean energy projects that educate the community and inspire additional projects. Below is the list of projects completed in the Southwest CERTs region in 2021.

The United Community Action Partnership

UCAP leveraged a \$5,000 seed grant to work with clients in Cottonwood, Jackson, Lincoln, Lyon, and Redwood counties to conduct in-home education sessions on energy upgrades and provide weatherization services and/or appliance replacement for eligible applicants. The energy savings in these cases provided significant financial benefits to clients. The funds provided by the CERTs Seed Grant helped cover the staff labor required for effective outreach and implementation of this project.

Marshall-Lyon County Library: Get Wired at Marshall-Lyon County Library, Marshall, MN

The library used their \$2,500 award to install LED lights in all the public areas of the library and are projected to use almost 11,000 kW hours less energy per year. They also did outreach to library patrons about energy efficiency projects that they could do in their own homes. Check out their clean energy story: <https://bit.ly/38dV448>

Balaton EDA: Balaton Business Energy Efficiency CERT Partnership, Balaton, MN

The City of Balaton Economic Development Authority (EDA) used their \$3,750 CERTs funding to facilitate energy efficient improvements to selected businesses in the community. In a small town like Balaton, businesses are vital to the strength of the local tax base, and improving energy efficiency for the facilities that house these enterprises will improve their bottom line and reduce energy consumption in ways that boost the vitality of the local economy and encourage entrepreneurship.

The New Ulm Turnverein, Inc.: Gym Electrical Upgrades, New Ulm, MN

Turner Hall Gymnastics is the oldest continuing program in the state of Minnesota. Their low-cost gymnastics programming provides instruction to youth 18 months to 18 years of age, and has managed to keep enrollment levels sustainable for over a century. They used their \$5,000 award to replace an outdated breaker and install LED lights that are both safer and more energy efficient. Check out their clean energy story: <https://bit.ly/3zoo19r>

CERTs is a public-private partnership staffed by four organizations in Minnesota: U of M Extension Regional Sustainable Development Partnerships, Great Plains Institute, SRDC, and the Minnesota Department of Commerce.



STRATEGIC SOLAR SITING IN MURRAY COUNTY

INSTITUTE ON THE
ENVIRONMENT
UNIVERSITY OF MINNESOTA



Southwest Regional Sustainable
Development Partnership
UNIVERSITY OF MINNESOTA
EXTENSION



The Murray County Solar Project was the result of a collaborative effort of the SRDC, the University of Minnesota Sustainable Development Partnerships, the University of Minnesota's Institute on the Environment, Clean Energy Resource Teams, the Great Plains Institute, and Murray County.

The purpose of the project was to see if it was feasible to develop a mapping tool that would allow small (1-10 mw) solar developers to determine where the best site location for a project might be that would "stack" a number of benefits, including benefits to local economic development, wildlife and pollinator habitat, and water quality. Locating such projects outside of prime agricultural land would also be a benefit by not taking valuable agricultural land out of production.

Prior to development of a mapping tool, it was important for the group to gather information from the public through a series of public engagement efforts conducted from December 2020 through March 2021 that included three community engagement meetings as well as a Murray County Solar Opinion Survey

Primary Siting Scenario



that asked questions such as, "In what ways can you see solar as being beneficial or burdensome in Murray County?"

Students at the University of Minnesota developed a GIS methodology based on available public data sources that layered Water Features and Buffers, Prime Farmland, Crop Productivity, Roadways and Buffers, and other pertinent information in a mapping tool that could be used by small scale solar developers and County zoning staff to identify the best places to locate their projects within the county.

Access the story map:
<https://bit.ly/3mCkpgs>

Access the mapping tool:
<https://bit.ly/3gzauEw>



NEW ULM JOINS GREENSTEP CITIES PROGRAM

We are excited to welcome New Ulm as the latest city in the Southwest CERTs region to join the GreenStep Cities program. Development & Energy Planner, Jason Walker, serves as the SW CERTS Coordinator, and, in that role, he presented to the Energy Awareness Commission of New Ulm in March about becoming a GreenStep City. In early April the New Ulm City Council passed a resolution to join the program.

Since then, Derek Nelson, the Energy Services Representative from New Ulm Public Utilities and GreenStep Cities champion, has been working hard to enter all their data about best practices they have already implemented and all of the utility information for their city buildings. All of this information will enable them to track their energy and water usage over time and inform their decision-making for a more sustainable city for years to come.

Our region now has five GreenStep Cities: Marshall (Step 3), Sherburn (Step 2), St. James, Vesta, and New Ulm (all Step 1).

For more information about the program, visit MnGreenStep.org.



BUILDING RESILIENT COMMUNITIES

SAFE ROUTES TO SCHOOL

SRDC completed three Safe Routes to School (SRTS) plans this year for the City of Tyler and the Russell-Tyler-Ruthton (RTR) School District, and for the Cities of Jackson and Lakefield for the Jackson County Central (JCC) School District.

In Tyler, a new school is being built that will consolidate all grades in the district into one school on the west side of town. Beginning in the fall 2021 school year, all students from Ruthton, Russell, and Tyler will attend the new school built on former farmland across from County HWY 8. The plan addresses where to build critical infrastructure to make walking and biking safe for students, as well as ways to encourage more students to walk and bike to the school and in the community.

JCC is also building a new school, replacing the current middle school with a new grades 6-8 addition onto Pleasantview Elementary in Lakefield. The change in school location, scheduled for fall of 2022, will bring new challenges and opportunities to creating and maintaining safe routes to school for bikers and walkers. The

highest priority project the Lakefield SRTS Team identified was getting a path/trail built from the south side of town to the schools, which would dramatically decrease the distance students who live on the south side of town need to travel to get to school.

Jackson celebrated the goals they achieved from their first SRTS plan and set a host of new goals to inspire them over the next five years. The Jackson SRTS Team wants to work to get bicycle maintenance embedded in the school curriculum and grow their encouragement and education activities. They also want to ensure that a trail connector project on South HWY 71 happens in a timely manner to get pedestrians and bicyclists off the highway and onto the trail.

Safe Routes to School planning efforts are based around the 6Es: Encouragement, Education, Engineering, Equity, Enforcement, and Evaluation. Some common projects that build on these “Es” include incorporating a “Walk to School Day,” building new sidewalks, hiring and training crossing guards,

hosting bike rodeos, and evaluating whether those changes led to more students walking or biking to school.

By promoting a more active lifestyle, there are a number of positive effects, including improved academic performance, reduced traffic congestion near schools and in the community, better air quality around schools and in the community, and an overall healthier community.

In the coming year, SRDC will be working with the City of Adrian on a SRTS Plan, as well as assisting Tyler, Jackson, and Lakefield with the implementation of strategies identified in their plans.



View the completed SRTS Plans on our [website](#).

Interested in Safe Routes to School planning for your community? Visit www.dot.state.mn.us/saferoutes



CASEY JONES STATE TRAIL & THE 100 MILE VISION

When SRDC began working with the Friends of the Casey Jones State Trail Association in early 2020 the group was eager to build momentum following a trail expansion in 2019 that connected the cities of Pipestone and Woodstock. Their priorities were to find funding to pave the final two miles of trail to Woodstock and to further their connection with trail advocates. Over the last year, the Friends have been hard at work doing just that and more.

Created in 1967, the Casey Jones State Trail was the state's first designated paved trail. Today, over 50 years later, there are over 600 miles of paved state trail in Minnesota; however, fewer than 15 miles are located in Southwest Minnesota—the Casey Jones State Trail includes 8 miles of paved trail from Pipestone east and a 6 mile loop at Lake Shetek State Park. The Friends' goal is for equitable access to a state trail system in Southwest Minnesota, with a vision for a trail that spans approximately 100 miles with connections from Luverne to Redwood Falls, including communities in Rock, Pipestone, Murray, and Redwood Counties.

SRDC has been working with the Friends on outreach efforts to increase local awareness and

support, legislative support, and increase funding.

Over the last year, SRDC has worked with the group on the development of outreach materials that help to tell the trail's story and showcase the need for equitable access. Included in these materials have been legislative handouts, local support handouts, updated branding, and a reinvigorated social media presence.

In June, the Friends celebrated the dedication of their new mural, located at the Lake Wilson trailhead. Their first in-person meeting since the pandemic, they had their largest turnout for an annual meeting in years. The group has met monthly in person since, and has increased meeting attendance and membership. The Friends have also been building support from local communities, businesses, and groups, and are working closely with DNR on trail expansion ideas. We're excited to continue working with this group in the coming year to promote and advance trail access in the region.



TRANSPORTATION ALTERNATIVES FUNDING

Transportation Alternatives is a competitive federal grant opportunity offered to local communities and regional agencies to assist in funding projects such as pedestrian and bicycle facilities, historic preservation, Safe Routes to School and more.

Eligible Activities Include:

- Construction, planning, and design of on-road and off-road trail facilities for all non-motorized forms of transportation.
- Construction, planning, and design of infrastructure-related projects and systems that will provide safe routes for non-drivers.
- Conversion and use of abandoned railroad corridors for trails for pedestrians, bicyclists, or other non-motorized transportation users.
- Construction of turnouts, overlooks, and viewing areas.

During Transportation Alternative solicitation, applicants will notice that their district applications are different compared to the application on the MnDOT website. This is because funds are distributed from Central Office with their specific requirements and individual Area Transportation Partnerships (ATPs) have some say in how the funds are distributed in their MnDOT Districts.

If selected for a Transportation Alternatives award, the community's project is added to the next programmable year of the MnDOT Statewide Transportation Improvement Plan (typically 4-5 years after the project is selected). Funds are then distributed as a reimbursement of the eligible expenses.



TRACY COMPREHENSIVE PLAN

During spring of 2021, SRDC began working with the City of Tracy on a new Comprehensive Plan. Prior to contracting with SRDC the city's latest version of their Land Use Plan was over twenty years old. Since then, the city has lost a major employer, the nation has undergone two separate recessions, and values held by community members have drastically changed.

To assist SRDC staff and the City in their planning efforts, a Comprehensive Plan Steering Committee was established. Planning efforts kicked off in March when SRDC staff met with the steering committee to present their initial findings and solicit feedback in creating a community survey. The steering committee decided to have the survey available not only to Tracy residents, but also community members that learn, work, and play in Tracy.

About a month later, SRDC again met with City staff and the steering committee to discuss initial survey responses. Staff compared survey response demographics to that of the entire city and used that as a guide to further target outreach to get survey feedback from a representative sample of the community. During this meeting, it was noted that survey responses were not adequately reflecting those older than 65 years

old, younger than 18 years old, and the Hispanic and Asian population. The committee provided avenues and ideas to reach out to these underrepresented populations. From there, the City had the survey printed and mailed to all residents, translated in Spanish, and did targeted outreach to the Hmong community. These additional outreach efforts resulted in over 320 survey responses when the survey closed.

While developing the community survey, SRDC reached out to Tracy Area Schools to solicit feedback on roadways and non-vehicular infrastructure. Using streetmix.net students were asked to build roadways based on the kind of streets they would like to see in the city. Streetmix.net provides an opportunity for users to change the visual features of a generic street. Students were asked to name their street after 3rd Street, South Street, or MN 14 and were given street widths based off their choice. Around 25 students provided their images for these roadways. Most of these images featured bike lanes, trees, and turning lanes. These images were presented to the steering committee who also noted that they agreed with the students' general vision.

Tracy residents will soon see an invitation to participate in



Student's vision of Tracy roadway using streetmix.net's street programming.

comprehensive plan focus groups. Using the open-ended responses from the survey, focus groups will be held on the following topics:

- Economic/Population Growth
- Transportation (Roads, sidewalks and trails)
- Parks and open spaces
- City Facilities, amenities and services
- Business Corridors: Downtown and MN-14/Craig Avenue

During these focus groups participants will provide input on how they see Tracy developing in each focus area and the City's role in steering development in that direction. This portion of the planning phase will not only assist SRDC in drafting recommendations and goals for the community, but will also assist in potential project/program scoping.



A STRATEGIC PLAN FOR THE CITY OF SLAYTON TO INCREASE HOUSING & SERVICES FOR OLDER ADULTS

SRDC staff honed their strategic planning and marketing skills in 2020. When the nursing home in Slayton closed in May 2019 it left a gap in housing and services for older adults. The SRDC received the opportunity to assist the City and a new non-profit, Operation Prairie Venture, with creating a strategic plan and an outreach campaign to help them fill the gap. By the end of the year, staff completed the [Strategic Plan](#) to Increase Housing and Services for Older Adults: Slayton, MN 2020 – 2025.

Before the ink was dry on the plan, the City of Slayton had four offers on the old nursing home property for redevelopment. The winning proposal went to Pallansch Premier Properties with operational support from MN Signature Care to develop an assisted living facility with 24 units with 10 units dedicated to memory care. They purchased 1.8 of the 2.8 acres (about the area of a city block), leaving the city an

opportunity to pursue additional proposals for the remaining acre in the future.

The city then applied for and received a state redevelopment grant that paid for 50% of the demolition costs to deliver a bare site to the new landowners. The city completed the demolition work in June 2021 and MN Signature Care is hoping to have the new facility completed and operational in early 2022.

In addition to getting new assisted living and memory care units – the top priority identified in the plan – four new townhomes are going to be built in Slayton's Prairie Estates Addition with construction starting in the fall of 2021 (Creative Three announced on June 23, 2021).

Exciting things are happening in Slayton, and we cannot wait to see what else they are able to achieve with a solid plan, vision, and goals in place!



SRDC SERVICES PROVIDED FOR THE SLAYTON STRATEGIC PLAN

- ✓ Strategic Planning
- ✓ Technical Assistance (Non-Profit Development)
- ✓ Communications Audit
- ✓ Website & Social Media Design
- ✓ Outreach & Campaign Assistance
- ✓ Survey Development & Distribution
- ✓ Document Design





Pictured: SRDC Chairman & Worthington Mayor Mike Kuhle and Deputy Director Robin Weis

COLLABORATING EFFORTS HIGHLIGHT POTENTIAL PROJECTS ALONG SOUTHWEST MINNESOTA RAIL LINE

During May 2017, Ellis & Eastern Railway purchased the lease for a rail road line in Rock and Nobles Counties. Almost immediately, the Rail to Transload team began work on building the trust of the Buffalo Ridge Regional Rail Authority (BRRRA), made up of local stakeholders and local communities served by the railroad. At the time, Dan Kippley from Ellis & Eastern was tasked with finding funds to rebuild the newly purchased line. After encouragement from a Rock County Commissioner, Ellis and Eastern staff contacted SRDC to discuss potential funding. This lead, in October 2019, to Ellis & Eastern applying for a Consolidated Rail Infrastructure and Safety Improvements Federal Grant. The application was a success and the awarded funds were announced the following March. These funds will allow Ellis & Eastern to rebuild bridges to increase weight capacity, replace ties and rails, and add amenities as needed to better serve rail customers in Rock and Nobles Counties.

In order to take advantage of the newly funded rail improvements, discussions began revolving around potential rail-related projects along the line. Some of these talks included a freezer facility, while others included a box-car storage facility. At this time, Ellis & Eastern staff again turned to SRDC to assist with idea development. Future meetings led to the development of a rail-line feasibility study.

One of the things that makes this study unique to the region is the number of agencies and stakeholders consulted during this effort. This included local governments, Economic Development professionals, Deed and MnDOT.

Through contract with ISG, in 2020, Ellis & Eastern and Rock County began the rail feasibility study of the rail line and its adjacent parcels to identify potential rail-related economic development opportunities based off of land quality, slope, access to utilities, and more. ISG presented their findings

to the Rock County Board in August 2021. Included in the study were three potential sites that could be best for development, including preliminary design and potential cost comparisons for construction.

The rail feasibility study has also been used by the MnDOT District 7 Freight Plan consulting team in their Freight Planning efforts.

Ensuring as many stakeholders as possible were involved in the planning process was a priority from the very beginning for Ellis & Eastern. These perspectives contributed to overall site recommendations and plans that are less likely to fall through due to technical, environmental, or even land owner issues. This feasibility study put Ellis and Eastern in a much more competitive position for EDA and other Economic Development related funding opportunities.



Left & top right: CPC Cohort, including SRDC's Jessica Welu at Training in Fort Worth in July 2019.
Bottom Right: Finalized Communication Plan overview presented to Commissioners in March 2021.



DEVELOPING A COMPREHENSIVE COMMUNICATIONS PLAN

Over the past two years, SRDC has been developing an organizational Comprehensive Communications Plan. Led by SRDC's Communications Specialist, Jessica Welu, the communications plan is a three-year plan that addresses the organization's challenges and opportunities, and provides strategic direction for communication efforts over the next three years.

The plan has been developed to function alongside SRDC's family of plans, including the Strategic Plan, CEDS Cornerstones, and Regional Economic Resiliency Plan currently in development. With SRDC's mission and vision at the core, the plan also incorporates survey results, findings from an internal communications audit, and two years of purposeful listening and planning.

During the research phase of the plan, staff completed an audit of current and past communication that is sent to partners, stakeholders, and the public.

The audit, research and staff and Commissioner input generated a list of potential communication needs and tactics.

This research and input also identified six priority challenges that impact our communication efforts. These challenges were used as criteria for prioritizing communication strategies. From these opportunities, three goals rose to priority.

- Increase awareness and knowledge of the SRDC.
- Increase engagement and collaboration.
- Establish SRDC as a resource for communication and outreach support.

The plan also outlines the need to better establish our role in responding to crises in the region. As SRDC develops the Regional Economic Resiliency Plan, staff will also use these planning efforts as an opportunity to better define how SRDC can best assist in responding to and deescalating crises within the region.

The communications plan was finalized and adopted by the SRDC Board and Full Commission in March, with implementation of some priority tactics beginning prior to plan finalization.

The communications plan is the first of its kind for SRDC and was developed in coordination with the Certified Public Communicator (CPC) Program at the Texas Christian University in Fort Worth, TX. The CPC Program is a year-long residency that provides leadership training for public information managers and communication professionals working for cities, counties, school districts, and other public organizations. Communications Specialist Jessica Welu graduated from the program in Spring 2021, making Welu one of only five Certified Public Communicators in the state of Minnesota.

SRDC COMMUNICATION ASSISTANCE AVAILABLE

We know that creating and maintaining a positive impression is essential to your long-term success. We also know that staying connected is just as important as creating new connections. Whether you need help building a business brand, navigating your day-to-day marketing activities, telling your story, or creating a communication plan for your organization, we're here to assist you.

Social Media	Website	Writing & Design	Accessibility
Resource Types: Existing Product Development			

STRENGTHENING & GROWING BUSINESSES

SRDC'S REVOLVING LOAN FUND

Last year we celebrated 25 years of strengthening businesses through our Revolving Loan Fund (RLF). We couldn't do it without our loan clients, lenders, and successful partnerships. The SRDC RLF originated as a Disaster RLF of \$1,226,000 to assist businesses whose operations were adversely affected by extreme flooding in 1993. Through the years, SRDC has assisted 179 businesses in the region through the RLF and leveraged over \$66 million in the region through private and public funds and client equity.

In Fiscal Year 2021, four loans were approved under the SRDC RLF for two restaurants, a home care business and an insurance business, totaling \$308,075. Thirty-three SRDC RLF loans are current as of the end of the fiscal year.

HELPING BUSINESSES AFFECTED BY COVID-19

The majority of our loan activity this fiscal year was within our newly established COVID-19 Revolving Loan Fund, created to help Southwest Minnesota respond to and recover from the coronavirus pandemic.

The COVID-19 RLF was created through a \$1,480,000 award as part of the Federal EDA's CARES Act Recovery Assistance Grant. The COVID-19 RLF is designed to assist in alleviating sudden and severe economic dislocation caused by the pandemic, to provide permanent resources to support economic resiliency, and to further the long-term economic growth of Southwest Minnesota.

Our first COVID-19 RLF loan closed August 11, 2020. By the end of the fiscal year, we had closed on 22 COVID-19 RLF loans. These loan clients are scattered throughout the nine county region and are classified into 15 main categories of service with restaurants, home care, and freight trucking among the top 3.

Flexibilities made available by the EDA through May 6, 2021 have played a role in the COVID-19 RLF success, which in turn, has benefited businesses who have been negatively affected by the pandemic. Although most projects were to retain services, we did see a handful of businesses who expanded to meet the needs of clients and to diversify their income at a time when business was slow in other areas. We commend the businesses in this region who took COVID implications and modified the way they provide service to better serve their clients.

Not surprising were the number of businesses requesting working capital to sustain operations. With so many unknowns due to the pandemic, a few projects also requested funds for replacing needed equipment.

Beyond providing loans to 22 businesses, SRDC assisted numerous additional businesses and entrepreneurs with information, referrals, and technical assistance.

A big thank you to our five-member RLF committee. Not only do they manage and consider loans for our traditional RLF, but they also took on extra responsibilities with the new COVID-19 RLF. The committee met a record-breaking eleven times in Fiscal Year 2021.



When the pandemic hit, we thought we would be ok, as our trucks were still running. Next thing you know, facilities start shutting down, states start shutting down, loads are being cancelled because warehouses won't release any products and the need for a 2 week quarantine if you deliver into a hotspot...nevertheless, while we are still out there running with rates as bad as they are, the trucks still break down and tires still need to be replaced. Shop rates have doubled due to high demand, parts prices have gone through the roof...Before you know it, you are behind with your vendors and struggling to keep your doors open.

Our company, our family, cannot express our gratitude enough for this opportunity...

Smith Hauling Services

RLF AT A GLANCE



179
business assisted



\$9Million+
total loaned since inception



\$66Million+
total leveraged

** Does not include COVID-19 RLF*



WORLD MART: SRDC'S PROJECT OF THE YEAR

From the array of exotic spices hitting your nose, to tasting flavors unfamiliar to the area, shopping and eating at the World Mart truck promises a delicious experience with authentic African flavors. Owner Nathalie Nkashama drives to the Twin Cities every two weeks to pick up shipments of spices and coffee beans imported directly from Ethiopia. World Mart has been a successful business for Nkashama and the City of Worthington.

Last year Nkashama decided to transform her business from a brick and mortar location into a food truck. Through the help of the SRDC's COVID-19 RLF, Nkashama's new mobile and socially distanced business proved to be fruitful during the pandemic. Nkashama found herself making more deliveries and building a new customer base due to the amount of people staying home and avoiding indoor-dining.

Born in Congo and having lived in several West African countries, Nkashama has a passion for sharing a taste of her culture with others. This passion earned Nkashama the SRDC 2020 Project of the Year award, which she received in September. With SRDC by Nkashama's side, she has been able to expand her products and hire more employees. World Mart added online ordering due to the increased popularity of the food truck and began selling at the Worthington Farmers Market.

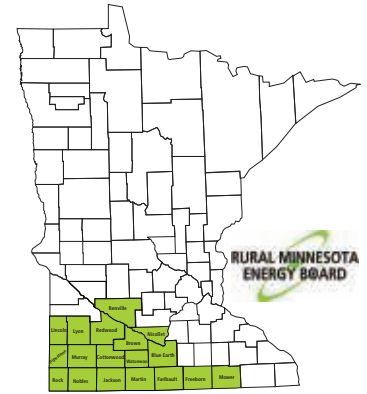
"Small businesses need to be ready to make quick changes," Nkashama noted about her decision to transition her business. "Without programs like SRDC's, small businesses wouldn't be able to." Nkashama looks forward to continuing to share authentic African flavors with the Worthington community as she continues to expand her business.

ENCOURAGING ENERGY AUDITS

SRDC partners with the Rural MN Energy Board (RMEB) to offer Property Assessed Clean Energy (PACE) financing in southwest and south central Minnesota. PACE is a revolving loan fund for energy conservation projects that allows property owners to make improvements without up-front capital outlay. PACE has assisted 31 property owners of businesses and/or agriculture production since its inception in 2014 and has loaned out \$1,142,192, including four new projects in Fiscal Year 2021.

An energy audit is the first step to PACE financing. An energy audit is a comprehensive analysis of a facility or property, indicating how and where energy consumption could be reduced. Whether or not PACE financing is requested following the audit, SRDC encourages businesses and agricultural producers to request an energy audit as the information learned can lead to significant savings on utility bills. Often there is no cost for the energy audit.

Projects implemented with PACE financing have substantially increased energy efficiency by improving heating, cooling, insulation, lighting,



refrigeration, etc. Projects work well on a variety of properties, including gas stations, dance studios, auto shops, multi-family housing, restaurants, grocery stores, lodging, and floral shops, and most businesses in our region looking to reduce energy costs and improve comfortability and safety.

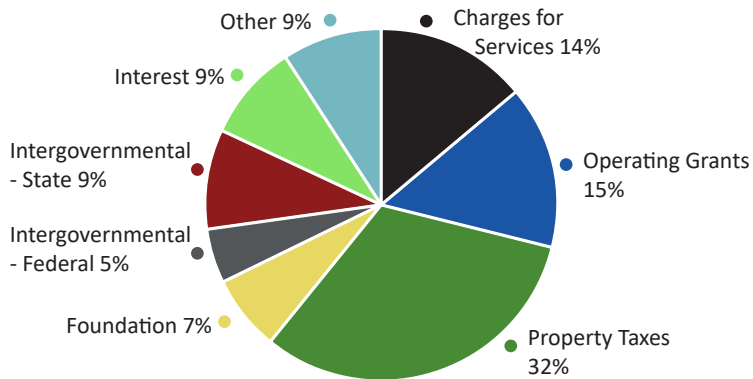
PACE loans are paid back via a special tax assessment with property taxes. The primary benefit to the program is that the increase in property taxes is offset by the decrease in energy costs so that the business sees no change in the bottom line.

Current PACE Projects are located in the following counties: Blue Earth, Cottonwood (4), Jackson, Lincoln (4), Lyon (4), Murray, Nobles (12), Pipestone, Redwood (2), and Renville.

The latest PACE information and application can be found on the Rural MN Energy Board website at www.rmeb.org/pace.htm.

Financial Highlights

AUDITED GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020



Revenues

Program Revenues	
Charges for Services & Other	\$121,233
Operating Grants	516,278
General Revenues	
Property Taxes – General	396,623
Other Revenues	108,577
Interest Revenues	110,891
Total Revenues	1,253,602

Expenses

Governmental Activities	819,069
Total Expenses	819,069
Change in Net Position	\$434,533

2020 Audit

The FY2020 Audit was conducted by Danielle L. Berg, LTD, Certified Public Accountant, Slayton, Minnesota.

The auditor's report expresses an unqualified opinion on the General Purpose Financial Statements of the Southwest Regional Development Commission.

2021 Project Reviews

During FY2021 the SRDC received thirteen projects from within the region to avoid duplication and ensure wise use of public funds. If interested in receiving a complete listing of the project reviews for FY2021, please contact the SRDC office.

FY2021 FINANCIALS & FY2022 BUDGET

Revenues

	FY2021 Year End (Un-Audited)	FY2022 Budget
Tax Levy	393,835	405,650
Economic Development Administration	149,273	119,076
MN Department of Transportation	75,000	75,000
MnDOT-Safe Routes to School	49,823	15,992
Economic Development Administration	70,000	70,000
Economic Development Administration Covid 19	200,000	200,000
RLF- Covid 19	74,000	74,000
CERTS Funds	75,660	20,000
McKnight Foundation Funds	2,010	0
PACE Loan Orig/Int/Misc	33,126	29,426
Interest Earned & Miscellaneous	7,685	6,800
Total Revenues	\$1,130,412	\$1,015,944

Expenditures

	FY2021 Year End (Un-Audited)	FY2022 Budget
Committee Expense	11,559	34,200
Salaries & Fringe	773,800	720,836
Staff Travel	6,236	39,739
Office Space	34,849	34,936
Postage	2,336	3,654
Communications	5,919	5,367
Print/Publication	9,821	10,145
Insurance	4,286	4,500
Supplies-Mtg/Wkshp Expenses	16,517	13,543
Computer	18,200	17,928
Audits	7,475	7,675
Consultants/Contracted Services/Legal	1,900	2,000
Dues/Memberships & Other	4,830	5,030
Financing Fees & Other	4,450	5,500
Seed Grants	15,000	5,750
Equipment/Building Updates	12,000	2,000
PACE loan Interest	510	508
Debt Service-Principal & Interest	11,645	11,639
Building Lease Principal Payment	18,583	19,637
Total Expenditures	959,916	944,587
Overall Balance	\$170,496	\$71,357



The SRDC team is here to serve the region and can be contacted anytime via phone or email. Stay connected by visiting our website or following us on Facebook for the latest news, project updates, funding opportunities and more!

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OUR STAFF

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FAREWELL TO LONG-TERM STAFF


This past year has continued as another year of transition for our organization, with SRDC bidding farewell and best wishes to two long-term staff.

In December, Administrative Assistant **Doreen Veenhuis** left SRDC after 15 years of service. We send our thanks to Doreen for her meritorious work to the SRDC team.

2021 marked the 48th year of the SRDC and began with a look back at our history as we bid farewell to the longest serving staff, Finance Director **Dianne Crowley**, who retired at the end of February after 42 years and 9 months of service. Over the years, Dianne has guided our finances and helped expand not only the role of finance in our organization, but also the organization's capacity to serve the region. While Dianne's experience is irreplaceable, we wish her the best as she embarks on this new chapter.

Doreen
Veenhuis

Dianne
Crowley

A decorative graphic consisting of several circles of varying sizes and colors (light blue, dark blue, green) arranged in a cluster around the central text area.

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