



FY2022

Annual Report

JULY 2021 – JUNE 2022



Our Commissioners (As of June 30, 2022)

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

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 Lesmeister-Knott, Townships

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

School Boards

Eric Hartman, School Board*
 Stephen Schnieder, School Board

Lower Sioux Community

Elliot Christensen, Lower Sioux
 —Alternate: Tabia Goodthunder

Special Interest Groups

See Moua-Leske, Cultural Diversity
 Vacant, SWCIL
 Carrie Bendix, SW MN PIC
 Vacant, SW MN Higher Education
 Beth Wilms, Health & Human Services

* Indicates FY2022 Board Member

** Indicates FY 2022 Executive Committee Member

SRDC's purpose 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.

9
Counties

80
Cities

163
Townships

32
School Districts

1
Tribal Nation



2022 ANNUAL MEETING

This year marked our first in-person Annual Meeting with invited guests since the pandemic. SRDC RLF Committee Chair and City of Marshall Mayor Bob Byrnes welcomed guests to the Annual Meeting held at the Red Baron Arena and Expo in Marshall.

SRDC Chairman Myron Koets provided an overview of work done over the last year at the Commission, including this year's Board Retreat and Strategic Planning Committee meetings, both of which are helping to shape the future of the organization and our Commission meetings.

Executive Director Jay Trusty, celebrating his 20th year at SRDC, provided guests with an overview of SRDC's five core work areas: transportation, economic development, planning, community development, and finance administration.

Addressing Workforce Concerns

Workforce has been a priority concern for SRDC, with the region experiencing increased workforce shortage, low numbers of unemployment, and an outmigration over the last several years. We are working to address the workforce shortage in many ways, including SRDC's RLF program, which helps business resiliency and expansion; several tourism and workforce recruitment efforts such as SRDC's recent federal EDA award for a regional trails plan and recent partnership with Explore

Southwest Minnesota; and SRDC's participation in youth career development initiatives across the region.

In keeping with SRDC's initiatives to address workforce concerns in the region, this year's guest speaker, Erin Schutte Wadzinski, Immigration Attorney and Owner of Kivu Immigration Law in Worthington, presented on "Exploring Workforce Solutions by Navigating Through the Federal Immigration System." A Worthington native, Yale and UConn School of Law graduate, Schutte Wadzinski returned to Worthington in 2018 and started her career in immigration law. She launched Kivu Immigration Law, a social enterprise law firm that provides full representation on immigration-related legal matters for immigrants, their families, and their employers. In 2022, SRDC assisted Schutte Wadzinski with a COVID-19 Revolving Loan Fund (RLF) which helped her purchase an office building in downtown Worthington.

Schutte Wadzinski's presentation sparked discussion on different scenarios of how to legally obtain work authorization in the United States and how to work towards becoming a U.S. citizen. Schutte Wadzinski highlighted the work her team at Kivu Immigration Law is doing to help people living and working in Southwest Minnesota.

Honoring SRDC's Project of the Year

Each year SRDC awards one Project of the Year to honor a project or program that has made an impact in the region. This year the award went to SRDC's COVID-19 RLF loan client Kor's Korner Pub.

Kor's Korner Pub began as a vision for a 1908 building in the small town of Holland, in Pipestone County. Darbi Kor, owner of Kor's Korner Pub, turned a vision for the building into a thriving business.

With a population of less than 200 people, Holland holds a special place in Darbi's heart. Darbi grew up in Holland where for several years, there has been no restaurant. Now, with the help and support of family, friends, local businesses, and the community, she's able to provide a local gathering space the community has been missing. Kor's Korner Pub celebrated one year of business in June 2022. We're proud to have been a partner in their business development by providing gap financing.

Darbi was presented with the SRDC project of the year award at the Annual Meeting. Also presented with the award were partners instrumental to the project, including, First Bank & Trust, the Small Business Development Center (SBDC), and our RLF Committee.

SRDC BOARD RETREAT

SRDC board members and staff attended a board retreat on October 28-29, 2021. During the retreat, staff conducted strategic planning sessions to prioritize goals and provide guidance to the organization over the next few years. After identifying the organization's strengths, members brainstormed top priority goals and action steps in small groups. Building on the work done in the previous plan, they identified the following:

Goal 1: Promote Entrepreneurship. The region needs to respond to a wave of upcoming retirements and declining population. SRDC will help build the next generation of businesses and business owners.

Goal 2: Provide Access to Succession Planning for Businesses and Local Units of Government. SRDC will help the next generation of leaders transition into organizations and reduce the loss of organizational memory.

Goal 3: Take a Multi-Pronged Approach to Workforce Development. Since workforce participation in the region is at a historical low, SRDC will work to help employers fill open positions.

Goal 4: Improve Communication. Effective communication is essential to the success of any organization. SRDC will work to implement the organization's new communications plan.

SRDC's strategic planning committee will meet regularly to ensure that team members are moving forward with the itemized action steps for each goal.



SIX PROJECTS RECEIVE \$5,000 SEED GRANTS

SRDC is one of the key partners that make up the Clean Energy Resource Teams (CERTS) in the state of Minnesota. Every two years CERTS awards Seed Grants in each of the regions to encourage community-driven clean energy projects that have the potential to inspire others to do similar projects. This year an additional \$10,000 from the Morgan Foundation was available to focus on underserved communities. The awarded projects were as follows:



City of Jackson | Jackson. This project will focus on adopting a "Bicycling Business Incentive Program" where Jackson area businesses will award those who bike to work or visit their business.

Lower Sioux Indian Housing Authority | Morton. This project will create a partnership among Akiing 8th Fire (White Earth) and the Lower Sioux Indian Community to train and install solar air furnaces to become more energy efficient.

Northcountry Cooperative Foundation | Southwest Minnesota. The grant will be used to assess the energy efficiency of manufactured homes in Northcountry Cooperative Foundation's client communities: Worthington in partnership with Slipstream. The assessment data will be used to develop a scalable energy efficiency rehab loan and grant program for manufactured/mobile homeowners.

Shetek Lutheran Ministries | Slayton. Shetek Lutheran Ministries will develop and provide clean energy educational courses, utilizing LED lighting as an example, to both course participants and their camp guests.

South Central Electric Association | Windom. Electric cooperatives in southwest Minnesota will host an EV education event. The objective is to educate southwest Minnesota residents on EVs and charging options. The electric cooperatives (South Central Electric, Nobles Electric, Federated, Brown County, and Redwood Electric) cover almost the entire southwest CERTs region.

Unidos MN Education Fund | Worthington. Unidos MN will conduct a series of train-the-trainer educational workshops on energy efficiency and electric bills with support from Minnesota's Citizen Utility Board. Unidos MN plans to establish a cohort of community experts who will engage with Latinx community members on energy efficiency resources and tools, as well as provide bill consultation.



SUPPORTING BROADBAND ACCESS

Access to broadband for all Minnesotans, especially in rural areas, remained a legislative priority for the Commission during FY2022. SRDC supported an additional \$170 million for the Border-to-Border Broadband Infrastructure Grant Program as proposed in the Governor’s 2022 budget. The funds would be in addition to the \$70 million from the Capital Projects Fund that lawmakers allocated last year in the biennial budget. Closing the digital divide is one of the most pressing issues of our time and this investment would help level the playing field for rural communities across the state.

The Legislature approved \$210 million for broadband expansion as part of the Drought Relief, Agriculture, and Broadband Omnibus Bill ([HF3420](#)). Members of the House and Senate appointed to the committee negotiated a compromise on a mix of state and federal funds, with most funding allocated to the state’s Border-to-Border Broadband Grant Program. The bill includes:

- \$50 million general fund for Border-to-Border (\$25 million in FY23 and \$25 million in FY24).
- \$60.7 million ARPA Capital Projects Fund (must be spent by 2026) which includes up to \$30 million for a low-density pilot program which increased state match to 75% and grant cap to \$10 million, up to \$15 million for state broadband mapping, and up to \$15 million for a line extension pilot program. Any unused funds revert to the Border-to-Border fund.
- \$50 million ARPA Capital Projects Fund left unallocated by the Legislature for Governor Walz to spend within the bounds of Treasury guidelines.

The bill also ensures all funds the state receives from the Infrastructure Investment and Jobs Act (\$100m+) will be deposited in the Border-to-Border Grant Program for future infrastructure grants.

ADDRESSING TRANSMISSION CONSTRAINTS

Southwest Minnesota is the state leader in large-scale renewable energy projects. These projects generate a significant amount of production tax revenue to the counties and townships in the region, but in recent years the transmission system has become congested. With the system near capacity, wind and solar projects are being curtailed at higher rates, leading to less generation, which, in turn, means less tax revenue to local units of government. In some counties the annual production was cut in half compared to past years.

To address this issue, the 18 member counties of the Rural Minnesota Energy Board (RMEB), staffed by SRDC, hosted a special meeting in April and followed up with a letter to the Midcontinent Independent System Operator (MISO) Board of Directors encouraging both short and long-term fixes to the issue. At the meeting were commissioners from the Public Utilities Commission (PUC), and representatives from MISO, regional utilities, and renewable energy producers.

PUC Commissioners Tuma and Sullivan explained the history of transmission in the state and detailed ways that the state and MISO could work with the neighboring Southwest Power Pool to alleviate congestion, while also supporting a slate of projects that could be approved in the next year.

Representatives from MISO talked about the organization’s history and a slate of prioritized “tranche 1” projects that could make significant progress in adding capacity to the transmission system. They are encouraged by the potential of Xcel running a new transmission line from the old Sherco Coal Plant to Lyon County that would enable another 2 gigawatts of renewable energy to be added to the system.

While the next few years will see some uncertainty and fluctuations in production from wind and solar, a slew of upcoming transmission projects should break the bottlenecks and add gigawatts of new capacity in 2025 and beyond.

COLLABORATING ON EQUITY INITIATIVES

Regional leaders Carrie Bendix from the Private Industry Council (SWPIC) and Diana Anderson from the Southwest Initiative Foundation (SWIF) have been leading efforts in the Southwest region to add resiliency to regional systems and include all members of our communities in the economic recovery from the COVID-19 pandemic.

Anderson began convening a group of leaders from throughout the region in July of 2021 as the Regional Coalition of Equity Advocates in Southwest Minnesota. Coalition members meet regularly to listen, learn, brainstorm, and co-create powerful messages, effective tools and resources, and create an intentional plan for moving forward as a region to achieve the goals of SWIF's Grow Our Own strategy, Strong and Healthy Families, High Quality Early Care and Education, K-12 Engagement, Vibrant and Welcoming Communities, and Career Pathways. SRDC's Executive Director is an active member of the Coalition.

SRDC is also a part of the Southwest Minnesota Collaborative's participation in the Federal Reserve Bank of Philadelphia's third annual Reinventing Our Communities Cohort Program. The program is focused on strengthening regional economies by addressing race-based economic inequities in rural and small urban regions across the country. The Collaborative is being led by Carrie Bendix from SWPIC, who put together the application, Diana Anderson

from SWIF, Terry B. Gaalswyk, Ph.D. from Minnesota West Community & Technical College, Debi Brandt from United Community Action Partnership, See Moua-Leske from Southwest Adult Basic Education, Jay Trusty from the SRDC, and Dawn Hegland from the Upper Minnesota Valley Regional Development Commission. This yearlong program is aimed at helping:

- Address the structural barriers that limit the full potential of workers and communities of color.
- Ensure that workforce development programs lead to jobs that pay living wages and upward economic mobility.
- Partner with local employers to support workforce development strategies.
- Learn best practices for attracting and retaining talent to foster inclusive economic growth in rural and small urban areas.

The Southwest Minnesota Collaborative will engage in workforce development webinars, coaching from national workforce leaders, peer learning, and racial equity training. The Collaborative will also develop a multi-year plan to expand economic opportunities for local workers and communities of color.

TRANSIT PLANNING FOR THE REGION

SRDC has been working with United Community Action Partnership (UCAP), and the Regional Transportation Coordination Council (RTCC) to update Southwest Minnesota's Local Human Services Transit Coordination Plan (LHSTCP). Funded and guided by MnDOT and MnDHS, the LHSTCP is a planning effort that identifies gaps between transit service and community member needs and prioritizes transit-related projects over the next five years. These plans are being undertaken by regions all over Greater Minnesota. Once completed, these plans will be rolled into one [Greater Minnesota Transit Investment Plan](#) that guides investment priorities and strategic direction for transit across Greater Minnesota.

The previous regional plan was completed in 2017 and led to the creation of the [Southwest Minnesota RTCC](#). This board contains representatives from private and public sectors, including employers, economic development professionals, transit providers, and community organizations that meet

quarterly to strategize ways to overcome obstacles that transit users and providers face. Additionally for Southwest Minnesota, this effort identified the increasing need to provide transit documents and assistance to non-English speakers. This led SRDC to the creation of the Languages that are Spoken, and Written in Southwest Minnesota document, a comprehensive guide of the language needs and interpreters and translators in the region.

Early on in LHSTCP planning, it became clear that one of the biggest obstacles that transit providers are currently facing is a shortage of paid and voluntary drivers. Future efforts will include strategies to recruit and train drivers to maintain current services as well as expand hours and service areas in the future. Staff hosted focus groups with community organizations and transit users to gain insight from transit users' perspectives over the summer of 2022. The LHSTCP plan is expected to be complete by November 2022.



MARKETING EXPLORE SOUTHWEST MINNESOTA

Explore Southwest Minnesota is a regional tourism marketing effort promoting the nine counties of Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, Rock and their communities as a tourism destination. The organization is funded by the nine counties.

After several challenging years during the pandemic and recovery, the organization began contract services with SRDC in March 2022, working closely with Communications Specialist Jessica Welu to develop, coordinate, and administer a refreshed marketing plan as well as provide organizational guidance to the organization.

To help better market the region, Explore Southwest Minnesota members are working to develop a stronger and more cohesive and consistent marketing plan. The first efforts were to refresh and update the organization's logo and brand identity. SRDC launched a survey of members to begin the rebranding process and is working closely with the organization's brand committee to finalize a new logo, which will launch fall 2022.

Work is also in progress by SRDC to rebuild the Explore Southwest Minnesota website. Over the next coming months, Welu will work with the organization's members to develop content and build the website. Alongside rebranding efforts, SRDC is also assisting with the coordination and development of social media marketing to highlight tourism features in the nine counties. Within the first three months of SRDC assistance with social media marketing, Explore Southwest Minnesota's Facebook following had increased by over 10%.

Tourism is a key sector of Minnesota's economy, and SRDC is excited to take on new work in this area to assist in promoting and enhancing opportunities in Southwest Minnesota.

REGIONAL CAMPGROUND IMPACT STUDY



In May 2022, SRDC began working with the Greater Minnesota Regional Parks and Trails Commission (GMRPTC) to do an analysis of the economic impact that campgrounds have on neighboring communities. As a part of this analysis, staff have been conducting surveys on camper satisfaction, demographics and camper expenditures at seven regionally designated campgrounds in southern Minnesota. The seven campgrounds include Hole in the Mountain Park in Lincoln County, Twin Lakes Park and Garvin Park in Lyon County, Lake Washington Park in Le Sueur County, Plum Creek Park in Redwood County, Memorial Park in the City of Granite Falls, and Ramsey Park in the City of Redwood Falls.

Surveys began at each of the campgrounds prior to Memorial Weekend and will continue through September 11th. SRDC has been working closely with campground staff and GMRPTC to promote and collect surveys throughout the camping season.

This project is the first of its kind for both GMRPTC and SRDC. Once surveying wraps up in September, SRDC will use the data collected to develop a final economic impact report for each of the campgrounds. Our efforts will help guide how GMRPTC analyzes the economic impact that regionally designated campgrounds across Minnesota have on their neighboring communities. Find out more about GMRPTC's efforts at gmrptcommission.org.

SAFE ROUTES TO SCHOOL PLANNING AND IMPLEMENTATION



Our work with Safe Routes to School (SRTS) involves far more than the planning. Staff at the SRDC continue to work with the cities, school districts, and key partners to implement the priority goals contained in those plans. The last year has had several success stories.

SRDC worked in Adrian during the 2021-22 school year to develop a new SRTS plan. Before the ink was even dry on the new plan, the Adrian SRTS team began acting on implementation of the plan. On May 4, Adrian Public Schools held their first Walk/Bike to School Day to encourage students to walk or bike to and from school and provided 3rd graders with free bicycle helmets and bike safety training. Then on June 16th, the SRTS team worked with the Bicycle Alliance of Minnesota to train local educators in Walk! Bike! Fun! Curriculum -- a first step in the SRTS team's goal to bring bike rodeos and other fun and educational programs to Adrian. Finally, the City did the pre-engineering work for their top priority infrastructure projects and split the work into phases in order to be ready for funding opportunities when they become available.

Several communities in the region were also successful this year in applying for grant funding, with over \$1.1 million in SRTS infrastructure funding being awarded in our region. In 2022, staff will be working on a SRTS planning grant with stakeholders and community members in Tracy.

BUILDING MOMENTUM FOR THE CASEY JONES STATE TRAIL

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 2019 trail expansion. Their priorities were to find funding to pave the final two miles of trail to Woodstock and to further their connection with trail advocates.

The Friends have been building momentum ever since, working closely with SRDC to develop outreach initiatives to build local and statewide support for the trail and to increase funding for the trail's expansion.

This year alone, the Friends visited with the House and Senate Capitol Investment Committees to request bonding to repair and expand several miles of trail. While the bonding bill did not pass, the Friends have been successful in securing \$840,000 in 2021 LCCMR funding to rehabilitate the

north segment of the Currie Loop and \$700,000 in Legacy funding to complete paving of the last two miles of trail into Woodstock. Additionally, 2022 LCCMR appropriations have been secured to rehabilitate another 2.5 miles of the Currie Loop. The Friends have also received an \$800 grant from the Parks and Trails Council of Minnesota for a fall seed collection project to help restore and preserve the native tall grass prairie that the Casey Jones State Trail weaves through.

The Friends have been busy this past year. They've developed four subcommittees (government relations, fundraising, public relations, and land acquisition) to accelerate their work and have been presenting to local organization. Membership has increased for the second year in a row, and letters of support have been regularly coming in from community members and organizations across the region.

PLANNING FOR A RESILIENT REGION

SRDC completed the Southwest Minnesota Regional Economic Resiliency Plan in 2022 after over a year of research and plan development. This work started in response to the COVID-19 pandemic and its impacts on Southwest Minnesota.

The plan outlines the region's economic weaknesses and how to connect its assets and opportunities for potential partnerships to aide in establishing economic resilience for the region. To better understand the current context of the region, the plan began with a comprehensive review of available planning documents and available 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:

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.

After the initial review, staff hosted regional economic workshops using these priority issues as guides for discussions. Workshops included representatives

from family farming operations, business owners, local government officials, first responders, and economic development professionals. Through these workshops, participants noted that in response to COVID-19 economic resilience depended on four main foundations, community resiliency/social capital, the diverse business community, access to adequate and diverse workforce, and the importance of providing an inviting community for young professionals to live.

SRDC has used all of the information and input collected in the first phases of the planning process to establish draft goals, objectives, and strategies 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. Strategies go on to highlight specific ways to achieve the noted goals and objectives and are followed by action steps that SRDC will incorporate in the 2023 work plan.

For more information on the resiliency plan, including a list of action steps for FY2023, reach out to SRDC.

In June, the Friends held their Annual Meeting at Plum Creek Park, two miles southwest of Walnut Grove. Plum Creek Park is already home to a Casey Jones State Trail sign, one of the first signs placed along the trail's corridor; however, the Friends are keenly aware that the trail is not yet there. Every year Walnut Grove welcomes over 15,000 visitors to the area for the Laura Ingalls Wilder Pageant. Many visitors bring their bikes looking for trail access. Connecting Walnut Grove and Plum Creek Park is listed on the Friends' priority list and they're building an enthusiastic group of supporters to help accelerate progress on that priority list.

With a vision for a trail that spans 100 miles with connections from Luverne to Redwood Falls, the Friends and the Casey Jones State Trail will take on another important partnership with SRDC in the coming year as SRDC begins work on a Regional Trails Plan. Find the Friends online at caseyjonestrail.org.



ENABLING BUSINESSES TO EXPAND OR SUSTAIN

SRDC's Traditional RLF Program

After 27 years, SRDC's Revolving Loan Fund (RLF) continues to strengthen and grow businesses in Southwest Minnesota. We appreciate our loan clients, dedicated lenders, and successful partnerships. The RLF originated as a Disaster RLF of \$1,226,000 to assist businesses whose operations were adversely affected by extreme flooding in 1993. Since its inception, SRDC has assisted 186 businesses in the region and leveraged over \$66.7 million in the region through private and public funds and client equity.

There are currently 37 RLF loans as of the end of the fiscal year. Seven new loans were approved in FY22 under the RLF. Financing was made available for businesses focusing on radio broadcasting, construction, auto repair, lodging, manufacturing, ethnic groceries, and mobile food sales, totaling \$395,000.

Flexibilities made available by the Federal Economic Development Administration (EDA) continued through June 30, 2022, for the traditional RLF. Flexibilities helpful to businesses included modifications to minimum interest rates and requirements for other lender participation. There continues to be businesses negatively affected by the pandemic. The need for working capital to remain viable continues along with making modifications to adapt to new expected customer service models.

A big thank you to our five-member RLF committee. The committee met seven times in Fiscal Year 2022. Not only do they manage and consider loans for our traditional RLF, but they also took on extra responsibilities in 2020 with the new COVID-19 RLF.

Continued Assistance to Businesses Affected by COVID-19

SRDC's capacity to assist businesses grew by \$1.48 million in 2020 as part of the Federal EDA's CARES Act Recovery Assistance Grant. Since our first loan closing in August 2020, our COVID-19 RLF has assisted 26 businesses 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. These loan clients are scattered throughout the nine-county region.

By the end of the fiscal year, we had closed on 4 new COVID-19 RLF loans. Businesses assisted were involved in auto repair, retail, pet boarding, and immigration law.

With rising interest rates, the ability to provide financing at 75% of prime (2.44% and then later 3.5625%) attracted businesses in need of gap lending to SRDC.

Beyond providing loans to 26 businesses over the past two years, SRDC also provides gap lending assistance to county, city, or local development organizations upon request. Three additional loans totaling \$183,150 closed in FY22.

SRDC staff would like to thank those involved in making FY22 a success. We look forward to what FY23 will bring and are available to discuss project ideas that add or retain jobs in the region.



Learn more about the RLF: swrdc.org



RLF AT A GLANCE		
	Traditional RLF	COVID-19 RLF
Business Assisted	186	26
Total Loaned since inception	\$9,754,790	\$1,634,709
Total Leveraged	\$66,713,096	\$1,365,722



ENCOURAGING ENERGY EFFICIENCY IN BUSINESSES

In partnership with the Rural Minnesota Energy Board (RMEB), SRDC administers the Property Assessed Clean Energy (PACE) program in 18 counties in southwest/south central Minnesota.

PACE is a revolving loan fund with the interest rate currently at 3%. PACE allows property owners to make energy conservation improvements without upfront capital outlay. Energy improvements enhance both employee and customer experiences through comfortability and safety. Since its first loan in 2014, PACE has assisted 32 property owners of businesses and/or agriculture production and has loaned out \$1,222,192.06.

An energy audit is the first step to PACE financing.

An energy audit can lead to significant savings on utility bills. Often there is no cost for the energy audit. Projects implemented with PACE financing can improve heating, cooling, insulation, lighting, refrigeration, etc.

PACE loans are paid back via a special tax assessment on property taxes. The amortization schedule is created based on cost savings identified within the energy audit. Current PACE Projects are located in the following counties: Blue Earth, Cottonwood (5), Jackson, Lincoln (4), Lyon (4), Murray, Nobles (12), Pipestone, Redwood (2), and Renville.



Learn more about PACE on the [RMEB website](#).

STUDYING SOLAR FEASIBILITY WITH WORLD MART

SRDC assisted Nathalie Nkashama, owner of World Mart food truck in Worthington with writing a successful grant proposal to the University of Minnesota Extension Regional Sustainable Development Partnerships (RSDP). A current RLF client and previous SRDC Project of the Year recipient, Nathalie reached out to SRDC's Energy Planner Jason Walker about clean energy options for her food truck. Together, they developed an RSDP proposal.

The proposal was for a feasibility study about putting solar on her World Mart food truck. The objective is to study how to make the bus more efficient and sustainable in a cost-effective manner. The lessons learned could then be applied to mobile food vehicles in general. She wants to inspire others in her diverse community

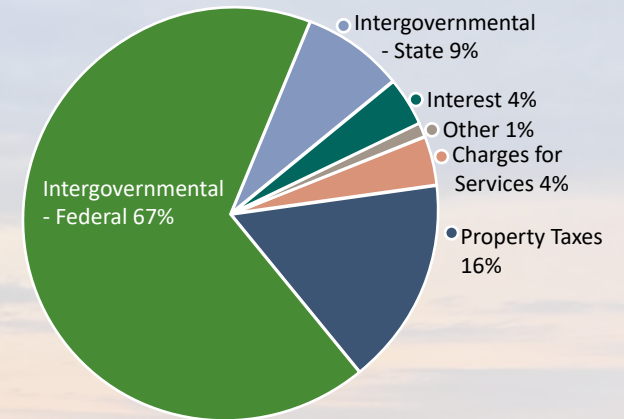


to also find ways to be more efficient and sustainable.

Nathalie sells healthy foods that are familiar to African cultures, and she educates her clients about healthy recipes. She provides her services in areas that are considered a food desert.

FINANCIAL HIGHLIGHTS

AUDITED GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022



Revenues

Program Revenues	
Charges for Services & Other	\$110,141
Operating Grants	1,854,068
General Revenues	
Property Taxes – General	406,463
Other Revenues	20,376
Interest Revenues	298,201
Total Revenues	\$2,489,249

Expenses

Governmental Activities	861,598
Total Expenses	861,598
Change in Net Position	\$1,627,651

FY2022 Project Reviews

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 FY2022, please contact the SRDC office.



FINANCIAL HIGHLIGHTS

FY2022 FINANCIALS & FY2023 BUDGET

*(Un-Audited)

Revenues	FY2022 Year End*	FY2022 Budget	FY2023 Budget
Tax Levy	\$405,648	405,650	417,820
Current Contracts	89,530	119,076	156,696
MN Department of Transportation	75,000	75,000	75,000
MnDOT-Safe Routes to School	15,992	15,992	17,550
Economic Development Administration	70,000	70,000	70,000
Economic Development Administration COVID 19	200,000	200,000	86,000
EDA Trails Planning Grant			140,000
RLF COVID 19	74,000	74,000	60,000
CERTS Funds	41,250	20,000	57,250
McKnight Foundation Funds			7,500
PACE Loan Orig/Int/Misc	32,445	29,426	19,184
Interest Earned & Miscellaneous	2,834	6,800	6,800
Total Revenues	\$1,006,699	\$1,015,944	\$1,113,800

Expenditures	FY2022 Year End*	FY2022 Budget	FY2023 Budget
Committee Expense	\$24,944	34,200	23,000
Salaries & Fringe	635,106	720,836	802,417
Staff Travel	23,334	39,739	30,000
Office Space	28,673	34,936	40,176
Postage	4,873	4,019	4,421
Communications	5,694	5,635	6,199
Print/Publication	10,132	11,160	12,276
Insurance	4,236	4,900	5,145
Supplies-Mtg/Wkshp Expenses	12,987	13,543	12,250
Computer	25,193	24,601	25,800
Audits	7,600	7,675	7,800
Consultants/Contracted Services/Legal	2,518	2,500	2,500
Dues/Memberships & Other	4,000	5,030	5,200
Financing Fees & Other	8,601	5,500	5,500
Seed Grants	0	5,750	10,000
Equipment/Building Updates	0	2,000	2,000
PACE loan Interest	235	508	508
Debt Service-Principal & Interest	11,645	11,639	11,633
Building Lease Principal Payment	19,638	19,637	20,753
Total Expenditures	829,409	953,808	1,027,578
Overall Balance	\$177,290	\$62,136	\$86,222

2021 Audit

The FY2021 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 Statements of the Southwest Regional Development Commission.



A LOOK AHEAD AT FISCAL YEAR 2023

2023 will mark a milestone year in the history of Southwest Regional Development Commission. SRDC was formally designated by Governor Wendell Anderson on June 12, 1973, making 2023 our 50th anniversary. Look for stories of our 50 years throughout 2023. While we look to our past throughout the year, we will also be rolling out new initiatives and projects alongside our current efforts, and as always, you'll also see a concentration on our core programming.

Coming out of one of our busiest years to date, we're moving into fiscal year 2023 with another milestone year of projects and initiatives.

Here are just some of the things to watch for from SRDC is the coming year:

Hosting an AmeriCorps Volunteer. As a Clean Energy Resource Teams (CERTs) Partner, SRDC has been approved to host an AmeriCorps Volunteer to serve as a CERTs Sustainability Project Coordinator in Southwest Minnesota. Currently in the recruitment phase, CERTs hopes to have a Sustainability Project Coordinator in each of its regions by fall of 2022. This is an exciting opportunity to further support and encourage community-driven energy efficiency and sustainability projects throughout Southwest Minnesota.

Regional Trails Planning. A large portion of the planning work for FY 2023 will revolve around the Regional Trails Planning Grant recently awarded to the SRDC by the federal Economic Development Administration. Look for SRDC to be in your counties holding public input sessions and conducting trail counts over the next 18 months. A regional trails plan has not been developed in the region for over 20 years. We are excited to be able to work closely with our communities to reinvigorate trails planning

on a regional level. The project will begin with the development of a Regional Trails Workgroup. We're currently in the process of gathering workgroup members. If interested in being part of these efforts, please reach out us.

MADO Retreat. In the fall, we will be joining the rest of Minnesota's Regional Development Organizations at the third Minnesota Association of Development Organizations (MADO) all-staff retreat in Mankato. An idea originally from Nebraska, the all-staff retreat gives us an opportunity to educate and inform each other about what is happening in the MADO network. As with many organizations, our staff can sometimes get so focused on what is in front of them that they aren't aware of similar or complimentary things occurring at other RDOs.

Safe Routes to School Planning Continues. Since fall 2020, our staff have been taking a team approach to SRTS planning, with three staff working directly on the SRTS. This fall, our staff will begin SRTS planning work in the City of Tracy. We're looking forward to working with their SRTS team and the community to help make walking, biking, and rolling to school a safe and fun activity.

Beginning Implementation of the Resiliency Plan. The first time a Resiliency Plan has been developed for the region, it was developed to align and complement SRDC existing Communications Plan and CEDS. We're excited to begin working on action steps for our resiliency goals in FY2023. SRDC plans to implement 24 action steps during the first year.

Relaunching Explore Southwest Minnesota. A large portion of communications work in FY2023 will revolve around the redevelopment of branding for Explore Southwest Minnesota with the launch of a refreshed logo and the launch of a rebuilt website. Watch for the relaunch this winter by following SRDC or Explore Southwest Minnesota on Facebook.

Refreshing our Website. One of the priority projects for our Communications Plan was to look closely at our website. Our Board of Directors spent time this fall at our Board Retreat to discuss priorities and make recommendations. This fall, our website will be relaunched with a new look and new organization to help us better communicate who we are and what we do and to help us better promote our region.

Welcoming New Commissioners. November will bring elections that will change the makeup of the elected officials in the region. With the pending retirements of several SRDC Commissioners who have served in leadership roles, we are once again looking forward to our new member/newly elected official orientation. Historically conducted in January, SRDC's Strategic Planning Committee has opted to aim for a later date (hopefully in better weather) to give our newly elected officials a chance to get comfortable in their new positions before we ask them to take in more information.

As we enter our 50th year serving Southwest Minnesota, we're proud to have Commissioners and staff with a strong commitment to the region. Our Commissioners serve on many different committees and boards throughout the region and state. While they must wear many hats, each carries with them a shared vision: to help our region prepare for a future where people and businesses thrive.

We look forward to another year of collaboration to build a more vibrant and resilient region.



REMEMBERING OUR COLLEAGUE ROSE OAKLAND

With heavy hearts, this year SRDC said goodbye to our team member and friend Rose Oakland who passed away after a short illness on March 3, 2022.

Rose had been a valued member of our regional development team for many years. Prior to joining SRDC as our Accounting Specialist in 2014, Rose worked at Southwest Minnesota Housing Partnership and Prairieland Economic Development Corporation, both founded from SRDC programs.

Rose was an important and vibrant member of our team, and her presence has been missed not only in our office but in the region. As a life-long resident of Southwest Minnesota, Rose is remembered fondly by her family, friends, and community.



SRDC WELCOMES TWO NEW STAFF TO THE TEAM



This spring, SRDC welcomed two new team members: Melissa Manson and Justin Schroyer.

Melissa joined the team at the beginning of May as our Accounting Specialist. Melissa has lived in the Slayton area for 23 years and joins the team with several years of experience in accounting for businesses and organizations in the region. Melissa's fiancé, Shawn Nelson, works as a Project Manager for the Southwest Minnesota Housing Partnership and they have a combined family of 4 children and 1 grandchild.

Justin joined the team mid May as our Planning Assistant. A Pipestone native, Justin brings over two decades of public service experience to the team. Justin graduated from SMSU with a bachelor's degree in History and Indigenous Studies. Justin serves on the Pipestone City Council, and in his free time, enjoys raising his 12-year-old son. An avid outdoorsman, Justin has been working closely with our planning staff on campground surveys, trails, and outdoor recreation projects.

OUR STAFF

Our 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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