



**FY 2024**

# **ANNUAL REPORT**

July 2023 - June 2024



[www.swrdc.org](http://www.swrdc.org)

# Table of Contents



Executive Director message	3
SRDC Vision	4
Commissioners	5
Bus Tour	6-7
Annual Meeting	8-9
Renew America's School	10
CERT's Seed Grant Projects	11
Food Bus. Center/Strengthening Food System	12
Strategic Plans	13
PACE loans	14-15
RLF loans	16-17
Trails / Transportation	18-19
Financials	20
Staff	21



## Promoting Growth & Opportunities for Southwest Minnesota

We work to connect units of government, businesses, and communities with the resources, planning, and services needed to promote growth. Together we can further opportunities in Southwest Minnesota by promoting a growing workforce and business base and ensuring population stability.





## From Executive Director Jay Trusty

### Program Highlights

The main programmatic areas for the SRDC all continued to have success in 2024.

At the intersection of our economic development and energy programs, 2024 saw an increase in the number of PACE loans in the region. With the increase in interest rates, potential clients saw the value of being able to put their loan payments on their property taxes and amortize the debt over the life of the improvement. The SRDC continues to seek increased funding for this program from the Department of Commerce. The SRDC's revolving loan fund programs also continue to enjoy success, with projects such as the AmericInn project in Windom being able to leverage the various funding sources to finance gaps in the overall funding picture.

Also combining our energy and economic development programs, along with funding from our new State Competitiveness Grant to pay for staff time, the SRDC completed and submitted a grant to the US Department of Commerce Economic Development Administration on behalf of the City of Adrian to help fund a new transformer for their Municipal Utility. The State Competitiveness Program was funded by the Minnesota State Legislature and is administered by the Minnesota Department of Commerce. The SRDC is able to use the funds to pay for staff time to assist communities in applying for federal grants in the areas of climate change, energy and resiliency. So far, the program has enabled staff to work on regional and local projects to help communities in these areas. In addition to the State Competitiveness Program, the SRDC has also received funding from the McKnight Foundation to provide technical assistance in grant writing for State and other funding sources. Together, the programs will allow the SRDC to pursue much needed funding for infrastructure needs within our communities.

One of the advantages of the SRDC is our ability to work regionally, not only within the boundaries of the Commission, but with other Commissions and units of government throughout the state of Minnesota and even be a part of larger Midwest projects as the local implementer. One such project that began in 2024 is the North Central Regional Food Business Center Grant. A three-state project being led by our counterpart, Region 5 Development Commission in Staples, this effort supports resilient farm and food practices, specifically focusing on the development of critical infrastructure for small and mid-size producers including livestock, fruits, and vegetables, as well as warehouse space and storage operations. In conjunction with this program, the SRDC was also a successful applicant to the Meat Processing Train and Retain Grant from the Minnesota Department of Agriculture. This program will assist local butchers and locker operations in training and keeping employees in a business area that is vital to the success of southwest Minnesota.

Finally, the SRDC was also the recent recipient of funding for the Energy Efficiency and Conservation Strategies for Small Town Government Grant. This funding is available as a direct grant from the SRDC to any community smaller than 15,000 in population. Grants may be from \$2000 to \$20,000 and may be used for a variety of energy planning and project development uses, including but not limited to; climate and resiliency planning grants, energy audits on government buildings, engineering and technical assistance services and other energy related studies for public buildings and community plans. Grant outcomes may include targeted outreach and engagement with Disadvantaged Communities (DACs), equitable distribution of funds with a prioritization of DACs and a measurable increase in energy efficiency or renewable energy from grantee small cities or towns.



PROVIDING  
PROFESSIONAL  
EXPERTISE &  
LEADERSHIP TO  
ENHANCE REGIONAL  
OPPORTUNITIES

**SERVING**

**9**

Counties

**80**

Cities

**162**

Townships

**32**

School Districts

**1**

Tribal Nation

*and over 117,000  
people  
in Southwest  
Minnesota*



Southwest Regional Development Commission (SRDC) is a nine-county Regional Development Organization that aims to connect units of government, businesses, and communities with the resources, planning, & services needed to promote and further opportunities in Southwest Minnesota.



Since 1973, SRDC has been a regionally-focused partner providing community development, economic development, and transportation planning initiatives across our region.

Our vision is to channel progressive collaboration between cities, counties, & townships so that knowledge & resources can be used to help the region prepare for a future where people and businesses thrive.



**\$20,418,174.09**

invested in our region  
as a result of SRDC's  
work in FY24

**\$228,789**

Contractual Services the SRDC  
provided to the region +

**\$20,189,385.09**

Funds brought to the region  
as a result of our work

# COMMISSIONERS

## Executive Committee

Paul Langseth, Chair  
 Dennis Welgraven, Vice-Chair  
 Richard Peterson, Treasurer  
 Keith Elbers, Secretary  
 Miron Carney, Immediate Past Chair

## Cottonwood County

Donna Gravley, Commissioner\*  
 Jenny Quade, Municipalities  
 Ron Kottke, Townships

## Jackson County

Scott McClure, Commissioner  
 Mark Haberman, Municipalities  
 Richard Peterson, Townships \*\*

## Lincoln County

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

## Lyon County

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

## Murray County

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

## Nobles County

Bob Paplow, Commissioner  
 Steve Kellen, Municipalities  
 Paul Langseth, Townships \*  
 Rick Von Holdt, City of Worthington \*



SRDC Commissions: front row, left to right; Gene Metz (Nobles County/RMEB), Mic VanDeVere, Paul Langseth, Dennis Welgraven, Craig Rubis, Miron Carney, Pam Cooreman. Second row; Bob VanHee, Dennis Klingbile, Rick VonHoldt, Mark Haberman, Leah Bittner, Lori Grant, Jenny Quade, Donna Gravley. Third row; Richard Peterson, Carrie Bendix, Jeff Moen, Keith Elbers, Rick Anderson, Kristie Blankenship, Sherri Thompson, JoEllen Benson. Not pictured: David Sturrock, Tiffany Knott-Lesmeister, Bob Byrnes, Dan Delaney, Eric Hartman, Chris Hollingsworth, Ron Kottke, Steve Kellen, Scott McClure, Bob Paplow, Steve Schneider, Justine Wettschreck and Beth Wilms. as of June 30, 2024

## Pipestone County

Chris Hollingsworth, Commissioner  
 Dan Delaney, Municipalities  
 Vacant, Townships \*

## Redwood County

Bob Van Hee, Commissioner \*  
 Leah Bittner, Municipalities  
 Tiffany Lesmeister-Knott, Townships

## Rock County

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

## School Board

Eric Hartman, School Board \*  
 Stephen Schnieder, School Board

## Lower Sioux Community

Elliot Christensen, Lower Sioux

## Special Interest Groups

See Moua-Leske, Cultural Diversity  
 Carrie Bendix, SW MN PIC  
 David Sturrock,  
 SW MN Higher Education  
 Beth Wilms, Health & Human Services  
 Kristie Blankenship,  
 SW MN Housing Partnership  
 Justine Wettschreck,  
 Economic Development

\* indicates FY2024 Board Member

\*\* indicates FY 2024 Executive Committee Member





### AmericInn Boosts Windom’s Hospitality Scene:

*A Testament to Local Collaboration and Growth*

The hospitality landscape in Windom, Minnesota, received significant enhancement with the inauguration of AmericInn, a 47-room hotel strategically situated along Hwy. 60. This development not only added a valuable asset to the city but also symbolized a vote of confidence in the local economic potential.

The journey towards bringing this hotel to fruition began earnestly in 2014 with a comprehensive exploration of the feasibility of a hotel along the highway corridor. David Harchanko, founder of Apollo Development, played a pivotal role in this endeavor. Collaborating closely with the City EDA and AmericInn, Harchanko spearheaded efforts to identify the most



suitable solution for the community.

This project was made possible thanks to financial support from local sources. Both SRDC RLF and Heron Lake RLF, both administered by SRDC, played a significant role in providing financing for Furniture, Fixtures, and Equipment (FF&E). This project marked the first time that Heron Lake RLF approved the defederalization of a portion of their Community Development Block Grant (CDBG) funds, allowing for greater flexibility in financing economic development projects in the surrounding area. The defederalization occurred through the transfer of the project to Falcon Development Corporation, a local development organization (LDO).

One exceptional aspect of this project was the utilization of Tax Increment Financing (TIF) as a collateral source. The use of TIF provided reassurance to the local revolving loan fund committee members when the usual collateral sources were unavailable.

Construction commenced in mid-December of 2017, with the foundation laid atop an existing parking lot. Over the subsequent eight months, the site transformed, culminating in the grand opening of AmericInn in August 2018.

## Crafting Success: The Story of Pohlman Pallets and the Sustainable Business Behind It



In the bustling world of logistics and transportation, where goods journey across continents and oceans, one often-overlooked essential silently supports this movement – pallets. These unassuming wooden platforms play a pivotal role in the efficient storage and transportation of goods, yet their signifi-

cance frequently goes unnoticed.

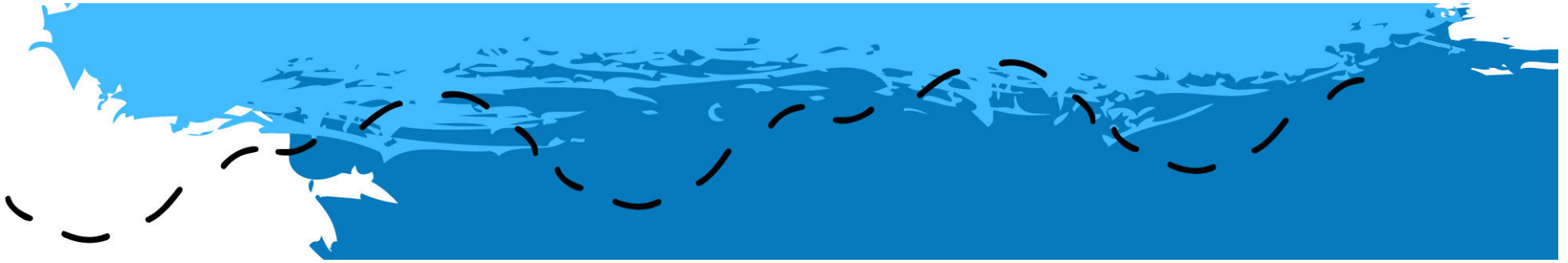
Pohlman Pallets emerged from humble beginnings, rooted in the heart of a family farm for 20 years outside Heron Lake. Carolyn Pohlman, the driving force behind the business, navigated through challenges and adversity after the loss of her husband. From operating out of three double garages to finally finding a permanent home in Windom, Carolyn’s journey is one of resilience and determination.

Despite the initial hurdles, Carolyn’s vision persisted, leading her to secure the current location with the assistance of the Economic Development Authority in Windom along with financial assistance from the SRDC’s PACE (Property-Assessed Clean Energy) loan, to insulate the shop and purchase the pallet stove which is the main heat source for the buildings. Later using SRDC’s Revolving Loan Fund to purchase 2 used forklifts and to help fund operations.

The transition from farm to facility was not without its challenges. It required meticulous planning, including logistical considerations like moving equipment and lumber while still filling

weekly orders. However, Carolyn’s perseverance paid off, culminating in the official move in June 2022. In the beginning there was no water or sewer to the property, that would come 11/2 years later.





### John Regier Farms: Harnessing Solar Power to Transform Hog Farming

#### *Innovative Approach in SW MN Leads to Sustainable and Cost-Effective Solutions*

In the picturesque expanse of Southwestern Minnesota, nestled amidst the plains, lies John Regier Farms, a beacon of innovation in the agricultural landscape. Departing from conventional methods, Regier Farms has embarked on a pioneering journey, embracing the inexhaustible potential of solar energy to revolutionize hog farming.

At the core of their progressive approach is a vast array of solar panels, gleaming under the sun's radiance, meticulously positioned to harness maximum solar energy. Unlike traditional hog operations, which rely heavily on conventional power sources, Regier Farms is powered by renewable solar energy, marking a significant shift towards sustainability.

The decision to integrate solar power into his operations was not made lightly. Recognizing the long-term benefits, John embarked on a thorough research endeavor, engaging with multiple solar companies from Minnesota and Iowa before finalizing the project and choosing his contractor. The investment, though substantial, was just that... an investment in his farm's future.

With over 20,000 hogs annually, Regier Farms boasts a comprehensive operation, encompassing multiple barns on its properties. The installation of solar panels at various sites, including his residence, his son's farm, and another in Jackson County, underscores the Regier Farms' commitment to sustainability.

Empowered by three low-interest PACE loans, Regier Farms stands as a testament to the transformative potential of renewable energy in agriculture.

### “Resilience Illuminated: The Inspiring Story of the Comfrey Municipal Building”

The story of the Comfrey Municipal Building in Comfrey, Minnesota, is one of resilience and community spirit. In 1998, a devastating tornado wiped out the town's community services structures, leaving the community in dire need. However, amidst the destruction, an opportunity emerged for renewal and innovation.

In response to the urgent need for restoration, the town center became the site for a groundbreaking multi-use building project. Today, the Comfrey Municipal Building stands proudly, serving as the hub for various essential services including city hall, post office, community center, fire hall, and first responders. Its architecture, characterized by a traditional brick facade, pays homage to the town's heritage while symbolizing its resilience in the face of adversity. Moreover, the development of a mini town square at the corner of Brown and Court Streets marks a symbolic reclaiming of the town's heart.

The project received a significant boost from a CERTs (Clean Energy Resource Teams) grant, underscoring its commitment to sustainability and community empowerment. These grants, aimed at supporting historically underserved communities, provided crucial financial support, aligning with the Minnesota Department of Commerce Energy Conservation and Optimization program and the U.S. Department of Energy State Energy Program.



One notable aspect of the project was the upgrade of lighting fixtures within the Comfrey Municipal Building. This essential improvement, funded by the grant, saw the replacement of fluorescent lights with energy-efficient LED bulbs. Beyond the immediate benefits of reduced energy consumption and cost savings, this upgrade reflects Comfrey's proactive stance in addressing climate change and fostering a more sustainable future. Moreover, it positions the municipal building as a beacon of leadership and education within the community, inspiring others to embrace energy efficiency measures.







Richard Peterson, right, was recognized for his 23 years of service as a commissioner.



Paul Langseth (left), SRDC chair, presents 'Project of the Year' the award to City of Hills, represented by Keith Elbers, for their childcare project.



Paul Langseth (left), chair, presents Jason Walker, Community Development Director, with a plaque recognizing his 5th year of employment with the SRDC.

# Annual Meeting

## “SRDC Honors City of Hills for ‘Project of the Year’ at Annual Meeting”

The annual meeting of the Southwest Regional Development Commission (SRDC) took place recently at the Windom Community Center, where significant developments and recognitions were highlighted.

A standout moment was the awarding of the ‘Project of the Year’ to the City of Hills for their innovative daycare project, ep-

resented to Mayor Keith Elbers. Facing a critical shortage of daycare providers, Hills transformed a property into a facility supporting family child care businesses. With substantial backing from federal funds and grants, the facility underwent extensive remodeling and was unveiled in early 2024. Featuring independent units, a communal gathering space, and plans for an

outdoor playground, this initiative mirrors statewide efforts to enhance childcare accessibility and quality. The success of this project underscores the power of collaborative efforts between local government, regional commissions, and state agencies, illustrating how strategic investments can yield concrete benefits for all stakeholders.

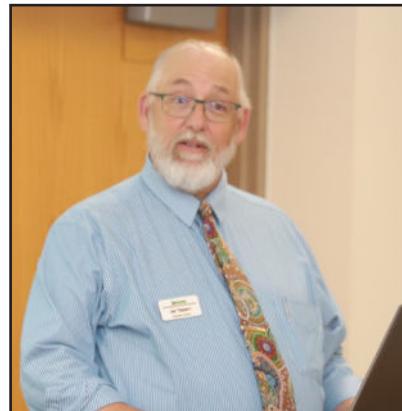
SRDC Executive Director Jay Trusty addressed commissioners and guests, emphasizing the commission’s role in providing professional expertise and leadership to bolster regional opportunities. He highlighted the SRDC’s commitment to working alongside local governments to devise and implement plans addressing economic, social, and governmental challenges. Trusty stressed the relevance of SRDC’s various programs in assisting communities and disseminating crucial information to those in need.

Guest speaker Susan Brehm, Regional Director of the EDA’s Chicago Regional Office, shared insights into fostering economic development across the Upper Midwest. Emphasizing the importance of leveraging local assets, Brehm underscored community-driven economic growth and resilience. She discussed the EDA’s investment strategies aimed at sustainable job creation, innovation, and regional collaboration, highlighting their role in supporting communities during crises and promoting economic stability.

During the meeting, SRDC also recognized longstanding contributions, honoring Richard Peterson for 23 years of service as a commissioner and welcoming Craig Rubis as his successor. Jason Walker, SRDC’s Community Development Director, received recognition for his five years of dedicated service.



Guest Speaker- Susan Brahm



SRDC Executive Director, Jay Trusty





# PROJECT OF THE YEAR

## Southwest Regional Development Commission Assists with Hills Daycare Project



complete with bath and shower facilities. Each unit features its own exterior entrance, facilitating privacy for both providers and families. Additionally, a shared gathering space at the west end of the building encourages community interaction, complemented by a forthcoming fenced outdoor playground scheduled for completion in the spring.

The significance of this initiative extends beyond Hills, as it aligns with broader state efforts to enhance childcare accessibility and quality across Minnesota. Governor Tim Walz underscored this commitment during a recent press release announcing grants totaling \$2.5 million to 17 communities, including Hills, aimed at bolstering regional economic development through expanded childcare services. The grant received by Hills exemplifies a concerted effort to leverage governmental support in revitalizing community infrastructure for the benefit of families and local businesses alike.

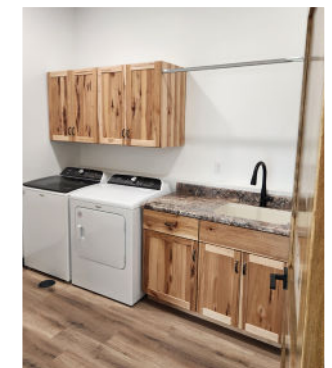
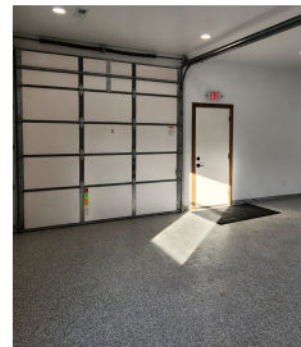
The City of Hills, nestled in the heart of Minnesota, has taken a proactive step towards addressing the critical shortage of daycare services in its community. Recently, the city celebrated the culmination of its Daycare Project with an open house, showcasing a new facility designed to support family child care providers.

Initiated in 2022, the project was born out of necessity as the city faced a dwindling number of daycare providers, dropping to just four due to economic challenges and reluctance among providers to operate from their homes. In response, Hills devised a strategic plan to repurpose a tax-forfeited property into a hub accommodating three to four individual family child care businesses. This transformation was made possible through a combination of resources, including \$100,000 in federal pandemic funds from Rock County allocated for remodeling, and an additional \$120,000 from a specialized childcare development grant facilitated by the Minnesota Department of Economic Development.

Remodeling employment and efforts commenced in early 2023 and concluded in January 2024, culminating in the unveiling of the revamped facility just ahead of the open house event. Throughout the process, the Southwest Regional Development Commission played a pivotal role, providing essential support in grant writing, financial management, and overall project coordination.

Mayor Elbers emphasized the economic viability of creating individual childcare spaces tailored to the needs of Hills, a community of just 698 residents. The newly refurbished facility boasts independent units equipped with kitchenettes, televisions, and private two-stall bathrooms

Looking ahead, the Hills Daycare Project stands as a testament to effective collaboration between local government, regional commissions like the Southwest Regional Development Commission, and state agencies dedicated to fostering sustainable growth and resilience in rural communities. As other municipalities grapple with similar challenges, Hills serves as a beacon of innovation, demonstrating how strategic investments and community-driven initiatives can yield tangible benefits for all stakeholders involved.





# 2024 Renew America's Schools Prize

In late Spring SRDC staff worked over several months to gather interest for a coalition of schools and educational agencies, to apply for the Renew America's Schools Prize. The Renew America's Schools Program was launched by the U.S. Department of Energy (DOE) to promote the implementation of clean energy improvements at K-12 public schools across the country. This investment aims to help school communities make energy upgrades that will decrease energy use and costs, improve indoor air quality, and foster healthier learning environments. The 2024 Renew America's Schools Prize implements a prize-to-cooperative-agreement funding model, requiring a coalition of 10+ schools to apply for the prize money together. This three-phase opportunity will help districts build capacity, perform energy audits, and plan/implement energy improvement projects across a portfolio of school facilities. Staff submitted the application on June 12th, with a total of 16 schools in the coalition, from all over the state. Four of the schools are public schools in our Southwest region – Worthington Senior High, Adrian Secondary, Westbrook-Walnut Grove Secondary, and Fulda Secondary. Applicants should hear back from the DOE on the status of their applications by mid-August. SRDC staff were able to work on this grant application as a result of the funding received through the State Competitiveness Fund.

**SCEP** 2024 Renew America's Schools Prize: Funding by Portfolio Size

	PHASE 1 Prize PORTFOLIO + TEAM	PHASE 2 Cooperative Agreement STRATEGIC PLAN + ENERGY AUDITS	PHASE 3 Cooperative Agreement IMPLEMENTATION
10-14 Schools & School Facilities*	\$300K	\$500K	\$7M
15-19 Schools & School Facilities	\$300K	\$750K	\$10.5M
20+ Schools & School Facilities	\$300K	\$1M	\$14M

\*Facilities must have 50 or more square school facilities

## PLANNING SERVICES

### Comprehensive



Comprehensive Planning lays out a shared vision for a community's/county's future, bringing together the voices of policy makers and community members. SRDC has experience in helping your community develop a plan that will guide development and future decision-making for 20 years or more.

### Strategic



Strategic Planning is planning for an issue, crisis, or project that require timely action. SRDC offers services as impartial support and mediation for communities navigating options or potential approaches to address a community's needs. SRDC can help your community or community group define a vision for the future and identify goals and objectives.

### Communications



Communications Planning establishes a blueprint for delivering coordinated and consistent messaging to achieve goals with key audiences and stakeholders. SRDC offers a wide range of services to address communication needs, from the development of a communications plan for a project or organization, marketing, and outreach assistance, crisis communication planning, communications auditing, and more.

### Land Use



Land Use Planning lays out the future location and usage of a development activity within a project area. These plans are written to avoid conflicting land uses or development within a jurisdiction in order to balance development practices and the health of a community.





## Seven Projects Receive Seed Grants

SRDC is one of the key partners that make up the statewide Clean Energy Resource Teams (CERTS). Every two years CERTS awards \$5,000-\$10,000 Seed Grants in each MN region to encourage community-driven clean energy projects that help people learn about clean energy, build community through engagement of community partners, and remove barriers to make clean energy accessible to everyone. The funding for Seed Grants is provided by the Minnesota Department of Commerce's Division of Energy Resources and the Morgan Family Foundation, with extra funding provided this year for projects in underserved communities. The following were the awarded projects:

SRDC is a founding partner of the Clean Energy Resource Teams (CERTs), a statewide public-private partnership staffed by four organizations in Minnesota whose mission is to connect individuals and communities to the resources they need to identify and implement community-based clean energy projects. CERTs has impacted over 660,000 people through grants, events, and programs since 2009, and awarded over \$1.3 million in Seed Grants to energy projects since 2006. SRDC provides assistance to local units of government in relation to energy issues that affect the region, including electrical transmission lines and energy inputs that affect economic viability (wind-power/bio-fuels) and provides staff and analytical support to the Rural Minnesota Energy Board and the Southwest Clean Energy Resource Team, and is a partner in Minnesota GreenStep Cities a voluntary challenge, assistance and recognition program to help cities achieve their sustainability goals through implementation of 29 best practices.

### **City of Comfrey - Comfrey**

#### *LED Lighting Upgrade in Municipal Building*

This project will upgrade the lights in the Comfrey Municipal Building from Fluorescents to LEDs, and help the small, rural community save money on electricity costs.

### **City of Slayton – Slayton**

#### *City Library/Senior Center LED Retrofit*

This project will retrofit all of the interior and exterior lighting at the Library and Senior Center from compact fluorescent bulbs to LED fixtures that have a longer life and result in energy cost savings for the city.

### **Murray County Extension – Slayton**

#### *LED Lighting Upgrade for Murray County 4-H Building*

This project will update the current fluorescent lighting in the County 4-H building to LEDs, to make the space more user friendly by eliminating noise and more energy efficient with energy use savings for the County.

### **Slipstream Group, Inc. – Multi-region**

#### *Manufactured Home Building Basics Training*

This project was funded in 5 MN CERTs regions. Slipstream will develop a Manufactured Home Building Basics Training curriculum to provide contractors and weatherization staff with a foundation of knowledge on manufactured home structures, heating systems, ductwork, and building science principles. The major outcome of the project is having a training curriculum developed, online, and available as manufactured home training needs arise.

### **Southwest Minnesota Housing Partnerships (SWMHP) – Southwest MN and West Central MN**

#### *Air Source Heat Pump (ASHP) Feasibility Assessments*

SWMHP will use this grant to collaborate with a mechanical engineering firm to conduct feasibility assessments and estimated costs associated with the conversion of heating and water heating systems

to heat pumps in two of 66 multifamily residential properties. The objective is to gain insight into this energy efficient technology as a possible way to offer energy savings to their low-income tenants. This project was funded in both the Southwest and West Central regions.

### **United Community Action Partnerships (UCAP) – Southwest MN and West Central MN**

#### *Home Education and Energy Saving Program*

For the duration of this project, staff will provide energy-saving ideas, install low-cost energy saving products (LED bulbs, pipe wrap, etc.), update appliances with energy-efficient ones available through local utility providers, as well as perform energy audits. UCAP will work with households that are low or moderate income qualified in the two regions. This project was funded in both the Southwest and West Central Regions.

### **West Central Initiative – Southwest MN and Northwest MN**

#### *What Fuels You? Ways That Make 'Cents'*

The video series will educate and inspire viewers by featuring Minnesotans using clean energy resources within their homes, businesses, and communities. The series will be a blend of short stories, testimonials, demonstrations, and informational videos around clean energy, energy efficiency, conservation, weatherization, new technologies, workforce opportunities and community programs. This project was funded by both the Southwest and Northwest regions.





## United States Department of Agriculture (USDA) Regional Food Business Center (RFBC)

In May 2023, the USDA Regional Food Business Center (RFBC) was established nationwide to promote economic opportunities and build a more diverse and resilient food system. As part of the RFBC initiative, the North Central Food Business Center (NCFBC) was formed to serve Minnesota, North Dakota, and South Dakota, receiving a grant of \$15 million over five years. The Southwest Regional Development Commission (SRDC) offers technical support across our nine-county region. Over the past year, the SRDC connected numerous grocery stores and/or meat processing facilities to grant opportunities including the RFBC Business Builder Subaward Grant. As a direct result of our efforts, one grocery store was able to enhance their heating and cooling system, and install night shades over their open refrigeration units, and one meat locker was able to make roof insulation improvements to meet minimum licensing standards. The SRDC is dedicated to nurturing relationships and fostering food systems growth and development in Southwest Minnesota.

## Strengthening the Food System in SW Minnesota

The Southwest Regional Development Commission, in collaboration with Regions 6W and 6E, was recently awarded the Minnesota Department of Ag (MDA) Meat Processing Train and Retain Grant for \$250,000.

The SW MN Meat Processor Workforce Development Initiative will kick off in July 2024 and aims to assist small to medium-sized meat and poultry processors by providing training, supportive services, and tailored career navigation.

The initiative will invest in 30 individuals, addressing training gaps and offering retention strategies to support careers in the meat or poultry industry.

**USDA Agricultural Marketing Service**  
U.S. DEPARTMENT OF AGRICULTURE

### Local Meat Capacity Grant Program

USDA's Local Meat Capacity Grant program is building resilience in the meat and poultry supply chain by increasing processing capacity and promoting more competition in the sector. This provides small and mid-sized producers with more local processing options and strengthens their market potential. The program is part of the Biden-Harris Administration's \$1 billion investment to improve meat and poultry processing capacity.

**2 PROJECT TYPES**

- Processing Expansion:** funds projects to upgrade facilities or purchase equipment to increase processing and rendering capacity.
- Simplified Equipment Only:** funds equipment purchases for meat and poultry processors.

**GOALS**

- Increase and diversify meat and poultry processing capacity
- Promote competition
- Build resilience in the supply chain

**EXPECTED OUTCOMES**

- Improved worker safety
- Increased producer income
- More jobs created in rural areas
- More choices for consumers

SO FAR, USDA HAS AWARDED OVER

### \$36 MILLION

IN MEAT & POULTRY PROCESSING GRANTS

\$23,041,848 for Processing Expansion projects | \$13,346,813 for Simplified Equipment-Only projects

### Anticipated Increase in Processing

(annual estimates based on applicant pre-award projections)

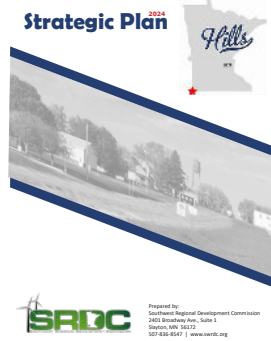
Bison	Goats	Sheep	Swine	Poultry	Beef
90	681	12,932	60,489	67,440	94,764

- 412 new jobs** are expected to be created
- 5,213 new producers** are expected to benefit from these projects
- 524 new local food products** will be sold, creating new markets for producers



# Hills Strategic Plan

From January 2024 through May 2024, the City of Hills engaged in a strategic planning process that the SRDC facilitated. Staff conducted a survey that received 122 responses – a large number for a city with a population of 675 -- to gather community input. They also hosted a Community Engagement Night at the Hills Legion Hall and consulted the city council. The plan consists of three strategic priorities: 1) Housing, 2) City Amenities and Infrastructure, and 3) Community Vision and Goals. Associated with each priority is a set of desired outcomes and how they could be achieved.



The next step is for the City of Hills to work with SRDC to use this plan as



the foundation for new zoning ordinances. The SRDC will conduct a comprehensive review and update of the existing zoning regulations to align with the city's vision for sustainable growth and development.

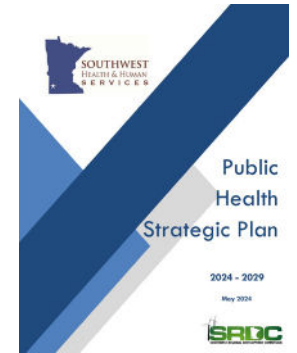


# Southwest Health and Human Services

In late 2023 Public Health supervisors at SWHHS approached the Southwest Regional Development Commission (SRDC) to help them scope out a strategic plan process. Public Health was experiencing a significant staff shortage while also anticipating new funding to expand services and build capacity as an organization.

the brainstorming sessions with the large groups.

Board members, supervisors, and staff engaged in two large-group strategic planning sessions that resulted in two large goal areas with top-priority objectives under each area. Then each of those objectives has a detailed action plan for implementation.



SRDC facilitators met with public health supervisors on October 10th and November 14th in 2023 to assist with determining the process and deliverables for strategic planning while also helping them brainstorm initial goals and action steps to address the immediate need for more public health nurses. After determining the scope, Public Health supervisors decided the SRDC would conduct the planning process.

The strategic plan includes these elements:

- Mission and Values Statements from the SWHHS Strategic Plan

Since not all staff would be available to attend large planning sessions, the first step in the strategic planning process was to interview 16 frontline workers in Public Health. SRDC facilitators conducted interviews in Pipestone on February 26, 2024, Redwood Falls on February 29, 2024, and Marshall on March 5, 2024. Interview responses were included in

- Situation assessment (Interviews and SOAR analysis)
- Detailed goals with action plans for each
- Appendix with public health staff interview responses



To read the full plan visit [swrdc.org](http://swrdc.org) about us publications



## Property Assessed Clean Energy (PACE)

**PACE loans are a new way to finance energy efficiency and renewable energy upgrades to buildings of commercial property owners, industrial and agri-business**

### LOAN SIZE

- Minimum PACE Loan: \$5,000
- Maximum PACE Loan will be lesser of:
  - The actual cost of improvements, or
  - Greater of 20% of the assessed property value or 30% of the appraised value.
- Maximum PACE loan of \$100,000
- Interest rate - 3% under prime



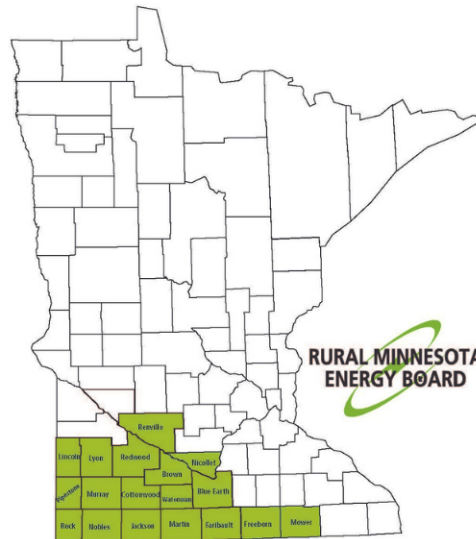
PACE is a financing tool used to assist commercial and agri-businesses with improvements to existing facilities that substantially increases energy efficiency.

Costs for the improvements are paid back through a special assessment on property taxes.

The increase in property taxes is offset by the decrease in energy costs so that the business sees no change in the bottom line.

Solar and wind are eligible purposes of PACE financing.

*Energy saving measures are repaid through a property tax assessment which eliminates burden of upfront costs*



Serving the counties of :

Blue Earth Brown Cottonwood Faribault Freeborn Jackson  
Lincoln Lyon Martin Mower Murray Nicollet Nobles  
Pipestone Redwood Renville Rock Watonwan

## Contact Info

**Robin Weis**

*PACE Program Administrator*

*2401 Broadway Avenue, Suite 1*

*Slayton, MN 56172*

*Phone: 507-836-1638*

*Email: robin@swrdc.org*

**Jason Walker**

*RMEB Staff*

*2401 Broadway Avenue, Suite 1*

*Slayton, MN 56172*

*Phone: 507-836-1642*

*Email: jason@swrdc.org*

This program is administered by the SRDC on behalf of the Rural Minnesota Energy Board



**RURAL MINNESOTA ENERGY BOARD**



The SRDC helped the Worthington Speedway secure new lighting for their track via the PACE (Property-Assessed Clean Energy) loan program. Pictured is Darin Veen, Vice President of the Worthington Speedway, along with Ronnie (Ron) J. McCarvel, President of the Worthington Speedway



## Worthington Speedway

## Broadway Beauty Salon

Maddy Robinson, owner of Broadway Beauty Salon in Slayton, completed a radiant floor heating project using PACE financing. Maddy used PACE financing to address her high heating expenses due to high ceilings in the building. Radiant floor heating is more efficient than traditional heating, using less energy and resulting in savings on energy bills. The PACE loan program offers low-cost, long-term financing for energy-efficient upgrades to commercial properties.



## Bolt's Grocery

The SRDC helped Bill & Kelly Bolt of Bolt's Grocery, Lake Benton, purchase a new HVAC system for their store

## Tally Ho Koffie

Rodney Van Essen owns a building at 845 Main Street in Edgerton, where his wife runs Tally Ho Koffie. They recently used a PACE loan to switch to a propane boiler, saving \$2,738.59 annually on heating. PACE loans help businesses finance energy-efficient upgrades on their buildings. The turnaround time was quick, and the loan is repaid based on property tax assessment.



## Sojourn Counseling

The SRDC helped Sojourn Counseling obtain a HVAC system and insulation for their Redwood Falls location with the proceeds of a PACE loan

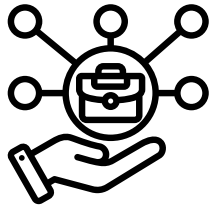
## Egan's Market

The SRDC was recently able to provide a PACE (Property-Assessed Clean Energy) loan to Egan's Market in Adrian for roof insulation. Pictured are Michele Bulau and Bruce Vorthems.



## SRDC'S REVOLVING LOAN FUND- A GAP FINANCING TOOL FOR BUSINESSES

Since the first loan that closed on 2/21/95, SRDC's Revolving Loan Fund (RLF) continues to strengthen and grow businesses in southwest Minnesota. The SRDC RLF originated as a Disaster RLF with \$1,226,000 because of extreme flooding and was later expanded with \$1,480,000 COVID-19 disaster funds. Since its inception, SRDC has assisted 224 businesses in the region through the RLF, loaned out over \$12 million, and leveraged over \$85 million in the region through private and public funds and client equity.



Fifty-eight SRDC RLF loans are current at the end of the fiscal year which added or retained **420 jobs**.

Five new loans were approved in FY 24 under the SRDC RLF. Financing was made available for businesses focusing on custom packaging, gas and convenience items, auto parts sales, funeral service expansion, and general construction, totaling \$471,500 of financing and \$14,460,441.30 leveraged.

SRDC staff would like to thank those involved in making FY24 a success! A big thank you to our five-member RLF committee. The committee met four times in Fiscal Year 2024 and manages both our Traditional RLF and COVID-19 RLF. We appreciate our loan clients, dedicated lenders, and successful partnerships. We look forward to what FY25 will bring and are available to discuss project ideas that add or retain jobs in the region. SRDC RLF application for business financing can be found at [www.swrdc.org](http://www.swrdc.org)

## Loans

TRADITIONAL RLF  
**189** Businesses assisted since its inception  
**\$9,979,790.47** Loaned out

COVID RLF  
**35** Businesses assisted since its inception  
**\$2,199,209.37** Loaned out

**\$85  
Million**

leveraged in the region  
between the two  
programs since  
inception





**LaCanne Funeral Home  
Windom, Jackson**

Shannon and Joel LaCanne are pictured with Robin Weis, SRDC, upon closing their RLF loan for purchasing the Osterberg Funeral Home, Inc.



Joel and Shannon LaCanne are pictured with Jeremy Janssen, Falcon Development, upon closing their loan for purchasing the Osterberg Funeral Home, Inc. of Lakefield



**S & S, Inc.  
Ruthton, MN**

The SRDC is pleased to have partnered with S & S Inc. In the picture, from left to right, you can see Robin Weis (SRDC EDA), Robin and Shreesha Joshi (representing S & S Inc), and Trent Hess (Senior Vice President of First Independent Bank).



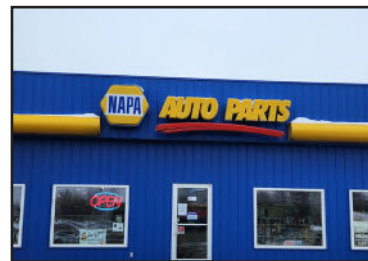
**KB Manufacturing, Inc.  
Windom, MN**

The Southwest Regional Development Commission partnered with KB Manufacturing, Inc. in a pallet business acquisition helping to provide 130 jobs



**C&J Construction, LLC  
Slayton, MN**

SRDC assisted Carter VanDyke and Jeff Paradis with their new business providing earth work and excavation services.



**DCL Auto Parts  
(NAPA- Worthington)**

SRDC assisted Daniel and Connie Triggs helping to finance business assets

***SRDC is here to  
strengthen this region***

- Serving the counties of
- Cottonwood • Jackson •Lincoln
  - Lyon •Murray •Nobles •Pipestone
  - Redwood •Rock.

**CONTACT Robin Weis**  
SRDC Deputy Director  
**507-836-1638**

# Transportation

Our important work with Safe Routes to School (SRTS) and Active Transportation carries on in the region. Staff at the SRDC continue to work with the cities, counties, school districts, SHIP, and other local stakeholders to implement the priority goals contained in local and regional plans. The last year has had several success stories. SRDC coordinated with many different communities to complete infrastructure grant applications during the 2023-2024 school year.



During the Fall of 2023 SRDC Staff worked with the SRTS Committee at Lambertton/Red Rock Central Schools to complete a Walk Audit. This effort allowed local stakeholders to gather input and set priorities for their next steps with a new school building. This effort paid off when Lambertton/RRC was awarded a SRTS Planning Assistance Grant,



which will build off previous efforts to further implement SRTS Goals in their community.

The City of Tracy was awarded the MnDOT SRTS Design Assistance Grant. Design assistance is a new form of engineering studies. Design assistance reports will verify existing methods and identify new engineering strategies to improve walking and bicycling routes to and from schools. The resulting document will include project summary sheets with concept-level drawings and a list of potential infrastructure projects prioritized by effectiveness in addressing safety risks, possible usage, and cost.

Over \$2.86 million dollars in state SRTS and AT grants was awarded for infrastructure improvements in our region. These projects represent a large investment in new trails and trail rehabilitation throughout our region.

## **Federal Transportation Alternative Grants were also awarded in our region.**

Rock County was awarded \$573,902 in TAP Federal Grant Funds to complete rehab of the Blue Mounds County Trail that connects the City of Luverne's Trail Loop to the Blue Mounds State Park.

The rehab project also includes 3.2 miles of trail inside of the Blue Mounds State Park. The county will coordinate with the DNR to complete this project in 2025.



## **SW MN REGIONAL TRAILS PLAN**

The SRDC is close to completing the SW MN Regional Trails Plan. A multi-year project that has included forming a region-wide stakeholder group, completing over 50 in person trail intercept surveys, collecting over 235 tourism surveys as well as facilitating 25 focus groups/interviews with local groups from throughout the region. We are collecting all this data and compiling it into our report as a way to show stakeholders and decision makers in the region that trails can be a driving factor in driving regional tourism in the future. In order to reach that goal, our region must work together to acquire funding to create and maintain a regional trail network. Funding partners include Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, and Rock Counties, and the Cities of Wabasso, Lambertton, Walnut Grove, and Revere.



### TA Grants Continued

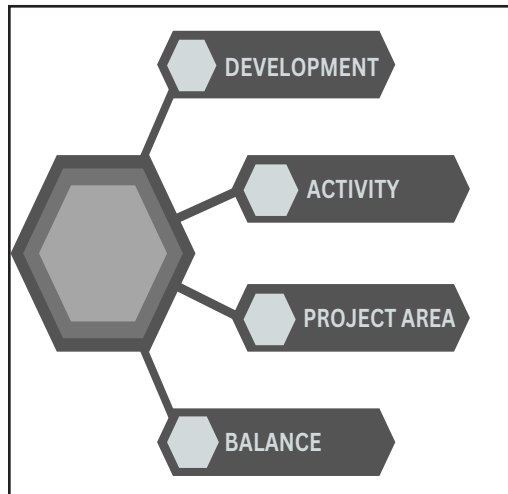
The City of Marshall was awarded \$325,680 in TAP Federal Grant Funds to complete rehab of 3 city blocks of trail that runs adjacent to County Club Drive. The project will also improve drainage in the area. This project is scheduled for completion in 2028.

The City of Marshall was awarded \$361,039 in TAP Federal Grant Funds to complete a bridge replacement and rehab of 4 city blocks of trail that runs in Justice Park. This project will replace the oldest pedestrian bridge in town and improve ADA accessibility for all city trail users traversing over the Redwood River to enter Justice Park and the Camden Regional Trail that runs next to the park. This project is scheduled for completion in 2028.

## Land Use, Planning & Zoning

**City of Hills, Strategic Plan:** Planner Webb presented the final draft of the City of Hills Strategic Plan to their City Council in June. He is now working on the update for the city's zoning ordinance.

**Murray County, 5-Year Comprehensive Plan Update:** SRDC staff have been working with members to develop an updated Murray County Comprehensive Plan.



**Lyon County, Comprehensive Plan:** The Lyon County Comp Plan held its Kick Off Meeting on June 11 in Marshall. Planners Webb and Walker will meet with the Steering Committee monthly, and a community survey and community engagement meetings will take place in the fall of 2024.

**Cottonwood-Middle Minnesota One Watershed, One Plan:** Planner Webb is representing the SRDC on the Advisory Committee for the Cottonwood-Middle MN One Watershed Plan. The final draft of the One Watershed Plan was reviewed this summer by the Advisory Committee.

# Congratulations!

**Over \$2.86 million  
Safe Routes to School and  
Active Transportation  
funding awarded in SW MN**

## SRTS Infrastructure Grant Awards

**City of Redwood Falls - \$685,900**

- Multi-Use Trail Improvements near St. John Lutheran School

**City of Pipestone - \$806,920**

- Sidewalk Improvements along 4th St. NW & 8th Ave NW

**City of Lambertson**

- Safe Routes to School Planning assistance with the SRDC

## Active Transportation Infrastructure Grant Awards

**Jackson County - \$655,494**

- Multi-Use Trail Improvements along CSAH 38

**City of Marshall - \$211,997**

- C Street to Southview Multi-Use Trail Improvements

**City of Redwood Falls - \$508,410**

- Community Trail Improvements

# FINANCIALS

## Revenues

### Program Revenues

Charges for Services & Other	\$ 110,141	4%
Operating Grants	\$ 1,854,068	74%

### General Revenue

Property Taxes - General	\$ 406,463	16%
Other Revenues	\$ 20,376	1%
Interest Revenues	\$ 98,201	4%

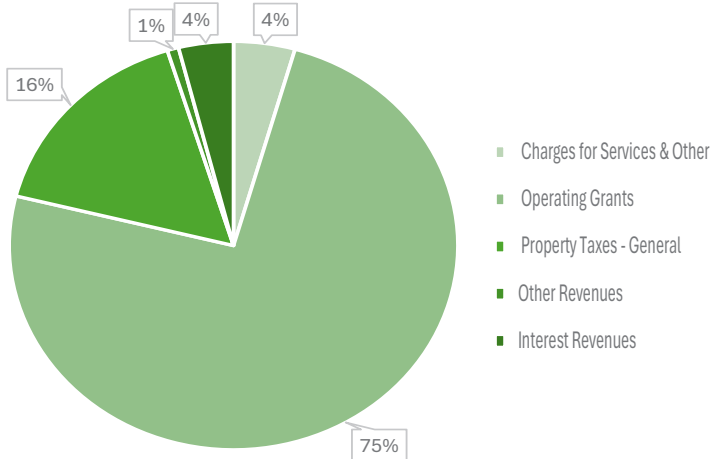
**Total Revenues** \$ 2,489,249

### Expenses

Governmental Activities \$ 861,598

**Total Expenses** \$ 861,598

Change in Net Position \$ 1,627,651 4%



### 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.

Revenues	FY2024 Year End*	FY2024 BUDGET
Tax Levy	442,653	443,445
Current Contracts (includes Commerce-SCF)	228,789	252,935
MN Department of Transportation	75,000	75,000
Economic Development Administration	52,554	70,000
EDA Trails grant	58,882	150,000
RLF- both Covid and Regular	72,123	60,000
CERTS Funds	73,404	70,910
PACE loan orig/int/misc	23,406	6,800
Regional Food Business Center Grant	60,000	60,000
Interest Earned & Miscellaneous	20,904	19,184
Building Reserves Used	-	-
<b>Total Revenues</b>		
	1,107,715	1,208,274
Expenditures	FY2024 Year End*	FY2024 BUDGET
Committee Expense	33,150	30,300
Salaries & Fringe	915,874	984,339
Staff Travel	51,414	55,000
Office Space	9,331	44,194
Postage	3,220	4,863
Communications	4,908	6,819
Print/Publication	19,065	20,504
Insurance	2,663	5,917
Supplies-Mtg/Wkshp Expenses	7,631	17,000
Computer	30,095	37,750
Audits	-	40,000
Consultant/Contracted Services/Legal	4,061	2,750
Dues/Memberships & Other	5,125	7,200
Financing Fees & Other	2,810	5,500
Seed grants	-	-
Equipment/Building updates	9,561	31,207
PACE loan interest	502	508
Debt Service-Principal & Interest	8,081	11,633
Building Lease Principal Payment	21,934	23,085
<b>Total Expenditures</b>	1,129,426	1,328,569
<b>Overall Balance</b>	(21,712)	(120,295)



# MEET THE TEAM



**JAY TRUSTY**  
EXECUTIVE DIRECTOR



**ROBIN WEIS**  
DEPUTY DIRECTOR



**JASON WALKER**  
COMMUNITY DEVELOPMENT  
DIRECTOR



**MELISSA NELSON**  
FINANCE DIRECTOR



**KATHY SCHREIBER**  
ADMINISTRATIVE  
SPECIALIST



**JODI KLEIN**  
ACCOUNTING  
SPECIALIST



**KIM MURPHY**  
DEVELOPMENT  
PLANNER



**NADYA BUCKLIN**  
DEVELOPMENT  
PLANNER



**CHRIS WEBB**  
TRANSPORTATION  
PLANNER



**SHEILA CROWLEY**  
COMMUNICATIONS  
SPECIALIST

2401 Broadway Ave. Slayton, MN 56172  
507-836-8547

[WWW.SWRDC.ORG](http://WWW.SWRDC.ORG)

# Our Work

SRDC strives to promote thoughtful and resilient development, leadership, collaboration, businesses, and communities throughout Southwest Minnesota. This means we partner with our communities, local leaders, and organizations to ensure projects help the region thrive. Our work can include helping communities gain input on an idea or concern, creating plans for future development, working to help sustain and grow our business and entrepreneurial communities, helping to promote and drive initiatives, addressing underlying issues that may be inhibiting the growth or sustainability of a community, and much more. We pride ourselves on providing tailored assistance to fit the needs of our communities and partners, and we value the history and potential of Southwest Minnesota. Our work is developed from our communities and for our communities.







**SRDC**  
SOUTHWEST REGIONAL DEVELOPMENT COMMISSION



[www.swrdc.org](http://www.swrdc.org)