



SOUTHWEST REGIONAL DEVELOPMENT COMMISSION

FIVE-YEAR PERFORMANCE ASSESSMENT 2011-2016



INTRODUCTION

The Southwest Regional Development Commission (SRDC) is a nine county regional development commission made up of representatives from local units of government and public interest groups in Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood and Rock Counties. There are currently 80 cities, 163 townships and 32 school districts located within the region. The purpose of the SRDC, according to Regional Development Act 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”.

The Minnesota Regional Development Act (Minn. Stat.462.393) requires the SRDC every five years to “review its activities and issue a report assessing its performance in fulfilling the purposes of the Regional Development Act. The Report shall address whether the existence of the commission is in the public welfare and interest.”

In accordance with this requirement, the SRDC developed an assessment tool based on a tool used by the Upper Minnesota River Valley Regional Development Commission, located in Appleton, Minnesota.

The assessment tool was given to the Commission’s local elected officials, consisting of County Board members, City Council members, Township officials and staff. This report will begin with a review of the assessment results and conclude with a narrative discussion of the last five year’s accomplishments.

SRDC 2016 Self-Assessment

1. How Knowledgeable are you of the SRDC and its programs and services?

Very Knowledgeable	29%
Knowledgeable	53%
Somewhat Knowledgeable	18%

2. Have you or your organization had an opportunity to work with the SRDC staff over the past five years?

Yes	76%
No	24%

3. Which of the following best describes the sector you represent?

County Commissioner	29%
Mayor/Councilmember	24%
Local Government Staff	6%
Township Official	41%

4. In what areas have you interacted with the SRDC staff?

Zoning or other Ordinance Work	5%
Comprehensive Planning	9%
Trails and Parks	8%
Infrastructure Projects	2%
Energy Efficiency or Renewable Energy	9%
Broadband	5%
Revolving Loan Fund	11%
PACE Loan Fund	3%
Grants Management	0%
Technical or Planning Assistance	2%
Hazard Mitigation Planning	6%
Transportation	14%
Safe Routes to School	8%
Active Living	6%
Solid Waste	5%
Meeting Facilitation or Strategic Planning	6%
No Experiences with any of these areas	3%

5. How responsive was the SRDC to your questions, needs or calls?

Very responsive	65%
Responsive	35%
Unresponsive	0%
Very Unresponsive	0%

6. How do you judge the overall quality of service that the SRDC provides?

Excellent	56%
Good	38%
Fair	6%

7. How satisfied were you with the services you received?

Completely satisfied	71%
Somewhat satisfied	6%
Not satisfied	0%
Have not received service	24%

8. How would you describe the value for the service you were provided?

Too Expensive	0%
About Right	83%
Inexpensive	17%

9. How would you rate the effectiveness and professional capabilities of the SRDC staff?

Excellent	94%
Good	0%
Fair	6%
Poor	6%

10. From the below list, what are the top priority issues in your jurisdiction?

	Critical	Important	Unimportant	Not a Concern
Changing Demographics	15%	69%	0%	15%
Zoning or other Ordinance Work	18%	45%	9%	27%
Trails and Parks	9%	73%	0%	18%
Infrastructure Projects	29%	50%	7%	7%
Energy Efficiency or Renewable Energy	33%	56%	11%	0%
Broadband	36%	55%	9%	0%
Revolving Loan Fund	25%	58%	8%	8%
PACE Loan Fund	0%	80%	10%	10%
Grants Management	30%	50%	10%	10%
Technical or Planning Assistance	33%	50%	8%	8%
Hazard Mitigation Planning	25%	58%	17%	0%
Transportation	53%	40%	7%	0%
Safe Routes to School	8%	77%	8%	8%
Active Living	0%	91%	0%	9%
Solid Waste	0%	77%	15%	7%
Meeting Facilitation or Strategic Planning	0%	73%	9%	18%

SRDC PERFORMANCE HIGHLIGHTS, 2011-2016

Hazard Mitigation Plans:

- Lyon County (2016)
- Jackson County (2015-16)
- Rock County (2014)
- Murray County (2012)
- Redwood County (2012)
- Nobles County (2011)
- Cottonwood County (2011)
- Lincoln County (2011)
- Pipestone County (2010)

Natural and man-made disasters can strike any place and at any time. Flooding or tornados, terrorism or pandemic flu, local units of government must be ready to react. In the 21st century, it has become apparent that reaction is not enough. We have to plan ahead and take action before disaster strikes.

The Southwest Regional Development Commission is working with counties and cities in our region to mitigate hazards—a process to reduce loss of life and property in the event of problems. The SRDC has been chosen by HSEM to be one of two Regional Development Commissions to participate in a pilot project to write a multi-county Hazard Mitigation Plan. The SRDC's would cover the counties of Pipestone, Lincoln, Cottonwood, Murray, Redwood, and Nobles. Application to the Federal Emergency Management Agency (FEMA) has been made by HSEM.

Comprehensive Planning

Comprehensive planning services provide our communities with an overall picture of current development while trying to look ahead based on historic patterns of development in the region and the community.

- Land Use Planning is the systematic assessment of land and water potential.
- The purpose is to select and put into practice those land uses that will best meet the needs of the people while safeguarding resources for the future.
- Land Use Plans are the legal basis for zoning.
- Get the public involved so there can be a discussion regarding the direction the community, city, region, state should take.

The last five years have been very active for the SRDC in conducting Land Use Plans for our constituents. Recent projects include:

- City of Slayton Land Use Plan (2016)
- Murray County Comprehensive Plan Update (2016)
- Lincoln County Comprehensive Plan Update (2015-16)

- City of Lakefield Land Use Plan (2013)
- I-90 Entryway Corridor Analysis, City of Jackson (2012)
- City of Worthington Airport Zoning Ordinance (2011)

Solid Waste Planning

Over the course of two years, the SRDC facilitated the development of a Regional Solid Waste Management Plan for the member counties of the Southwest Regional Solid Waste Commission, a 12 County Joint Powers Board. SRDC staff wrote the actual plan with guidance from the region’s Solid Waste Administrators. Final approval of the Regional Solid Waste Management Plan was given by the Minnesota Pollution Control Agency in the fall of 2014. This new regional planning endeavor was a coordinated effort between the counties and staff at MPCA, and charted new territory for regional solid waste management plans. Most solid waste plans cover one to two counties. As with any uncharted territory, and when many people are involved, the “rules of the game” also had to evolve. This new regional plan identified the need to develop an implementation schedule for both the solid waste administrators and the Solid Waste Commission to help them keep track of their goals and gauge the effectiveness of activities to reach the goals required in Minnesota Statute 115A over the next ten years. New activities that have already begun are development of a communication plan to include a website for outreach as well as the development of a short version of the implementation schedule activities to use as a reference and quick guide.

Safe Routes to School

Safe Routes to School Planning is an area where the SRDC, as well as the other RDCs, have excelled over the last five years. The goals of the program are to make bicycling and walking safer and more convenient and to encourage a healthy and active lifestyle from an early age. The SRDC assists communities by facilitating the planning, development, and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air pollution in the community.

Safe Routes to School Plans Completed:

- Jackson County Central, 2013
 - Lakefield
 - Jackson
- Windom Area Schools, 2014
- Worthington Public Schools, 2015
- Heron Lake-Okabena, 2016

Currently, the SRDC is in the process of developing six Safe Routes to School Plans for the schools of Hills/Beaver Creek, Pipestone Area, Ivanhoe, Murray County Central, Marshall, and St. John’s Lutheran in Redwood Falls.

Active Living

Active Living programs are closely related to Safe Routes to School planning and share similar goals, with an emphasis on providing safe and convenient opportunities for physical activity. The SRDC partners with the two SHIP projects in the region to integrate active living into our other planning processes in such areas as transportation policy, land use policy, site planning and community design. The SRDC provides planning services to either write a separate Active Living Plan, or to develop an Active Living Component for an existing Comprehensive Plan. Plans completed by the SRDC include;

- Jackson, 2015
- Mountain Lake, 2015
- Worthington, 2015
- Adrian, 2015
- Edgerton, 2016
- Slayton, 2016

The SRDC is currently developing Active Living Plans with the communities of Minneota and Tracy in Lyon County.

Regional Transit Plan

In 2011, the Region developed a public transit and human services transportation coordination plan, in conjunction with the Minnesota Department of Transportation, local providers and stakeholders. The purpose of human services public transit coordination is to improve transportation services for persons with disabilities, older adults, and individuals with low incomes by ensuring that communities maximize use of transportation resources funded through public and private sources. This planning process fulfills federal requirements by engaging transportation providers, social services agencies, and members of the public in identifying strategies for regional transportation coordination.

Beyond fulfilling federal requirements, this planning process encouraged representatives of diverse organizations to join together in articulating specific projects that could advance coordination strategies in the Region. Through public outreach activities, stakeholders brainstormed project ideas and refined these ideas in a collaborative setting. The final project list reflects input of a broad range of regional stakeholders and provides a 5-year blueprint for future coordination efforts in the Region. Providing transit, especially in less populated, rural areas, is not always cost-effective. Furthermore, as state and federal dollars become more difficult to access, it will become increasingly more challenging to provide services in Greater Minnesota. Change is also difficult. Providers become comfortable with their service provision. Routes are established. Drivers are hired. To change the way things are being done (or have been done) is a challenge. In order to be successful with transit coordination, there has to be “buy-in” by the providers. Finally, some of the current policies and regulations have made transit coordination difficult. Finding ways to work around insurance

challenges, crossing county boundaries, and hefty driver requirements (certification, drug and alcohol testing, training, etc.) have placed an undue burden on transit coordination.

Transportation Alternatives Program Developed

The Transportation Alternatives Program or TAP is the combination of the former Transportation Enhancements, Scenic Byways, and Safe Routes to School funding categories. In Minnesota, the TAP program is the responsibility of the Area Transportation Partnerships (ATPs). The ATP is a collaboration between the RDCs, MN/DOT and local units of government in the region. The SRDC provides staff support to the ATPs in MN/DOT Districts 7 and 8. Unlike past years, the ATP's have a target TAP funding amount each year that must be managed within the ATP. If the funds are not spent or a project drops out with no replacement project, the ATP's TAP funds go to the state to be distributed for TAP projects in other ATP's.

To help ensure project proposers are ready to submit and deliver projects if they are selected, a new process has been implemented statewide – the Letter of Intent and Review. SRDC Staff assisted with development of the Letter of Intent (LOI) and how ATP 7 and ATP 8 conduct the review. This process has been found to be valuable by both the ATP and the local project proposers. It has allowed the local projects to understand the process and the need for project readiness as well as mitigating any “red flags such as environmental issues” that have delayed past projects. Six initial LOI reviews were conducted, with one project deciding they had further work to complete before submitting and five submitting applications. Four of the projects were funded through TAP or the State Safe Routes to School solicitation. The SRDC and MN/DOT received an Excellence in Transportation Planning Award from the National Association of Development Organizations, (NADO) through their RPO America transportation planning arm for their joint development of the LOI process.

Marshall Green Step City Health Impact Assessment

The SRDC conducted the first Health Impact Assessment (HIA) performed by a regional development organization in Minnesota during 2015. The HIA will guide the City of Marshall and the GreenStep Committee in prioritizing its involvement in the Minnesota GreenStep Cities Program to advance best practices that leverage improving community health. The main goal is to outline the benefits and costs, so the decision makers can allocate their scarce resources to the highest valued best practice.

The HIA focuses on eleven best practices related to land use, transportation, economic and community development, active living, and healthy eating. The health impact of land use decisions is often overlooked. Recognizing that health extends beyond indicators such as death, diseases and disability, this project will address factors such as mental and social well-being, quality of life, isolation, and other factors.

The HIA will help illustrate the positive impact of compact efficient developments. These types of developments encourage walkability, which in turn will help reduce obesity and the chronic diseases related to obesity. These positive changes to the built environment will help to facilitate growth in Marshall by improving quality of life and making it a desirable place to live and work. The HIA will guide the City of Marshall and the GreenStep Committee in prioritizing its involvement in the Minnesota GreenStep Cities Program to advance best practices that leverage improving community health. The main goal is to outline the benefits and costs, so the decision makers can allocate their scarce resources to the highest valued best practice.

DevelopMN\Comprehensive Economic Development Strategy (CEDS)

In 2012, the SRDC, in conjunction with the other regional development organizations (RDOs) in Minnesota, began the work that would ultimately culminate in the development of DevelopMN, a Greater Minnesota Development Strategy. The RDOs have long worked together on a per project basis and coordinated efforts on planning issues of concern to all of them, but had never purposefully pursued a strategy for working together to achieve improvements throughout greater Minnesota. The process was facilitated by our national organization, NADO, who brought experience with best practices across the country to our efforts, as well as a feel for the data requirements of such an undertaking. The Economic Development Directors from each RDO conducted individual regional SWOT analyses, and then met to consolidate the SWOT into an analysis of issues statewide that were of concern to all of us. From there, strategies and goals were developed that we could all share.

The purpose of DevelopMN is not to have one more plan that will sit on a shelf looking nice, but to be an evolving document that will serve as a guide to producing results that can have a measurable impact, both in our regions and throughout Greater Minnesota. As part of the DevelopMN process, the RDOs successfully sought permission from the Chicago Regional Office of the Economic Development Administration, (EDA) to have all of our CEDS' due at the same time to coordinate work defined by DevelopMN.

As an Economic Development District designated by the U.S. Department of Commerce, Economic Development Administration, (EDA) the SRDC is required to prepare a regional Comprehensive Economic Development Strategy or CEDS. The CEDS for the next five years is currently being written, and is due to EDA Chicago by the end of 2016.

The SRDC will continue to work with its regional partners throughout the coming years to address the needs and areas of opportunities identified in the CEDS. Such partners as the SW Economic Development Professionals, Agricultural Utilization Research Institute, the Rural Minnesota Energy Board and others, bring a wealth of knowledge and expertise to the area and will be vital to the success of both the CEDS and DevelopMN. <http://www.mnado.org/developmn/>

Development Projects

The SRDC assisted Rock County, Lismore Telephone and New Vision Co-op in the Magnolia Feed Mill Project. SRDC staff prepared grant applications for USDA and DEED that resulted in \$1.4 million in funding towards the total project cost of around \$16.5 million. The SRDC was first approached by Rock County to participate in a meeting with New Vision management and other possible funders, including the State of Minnesota to discuss what programs might be available to assist the business in doing the infrastructure work necessary to make the project feasible. As is typical of this type of project, it took a variety of different players to make it work. The New Vision feed mill in Magnolia brought over eleven jobs to rural Rock County and leveraged \$15 million in private capital.

EDA Revolving Loan Fund

As part of its economic development efforts in the region, the SRDC administers an Economic Development Administration (EDA) Revolving Loan Fund (RLF). The purpose of the RLF is to directly loan funds to assist start-up or existing retail, service, manufacturing and distribution businesses with fixed asset, working capital and real estate financing. Loans may range in size from \$5,000 to \$100,000. Since its inception in 1994 the RLF has disbursed over \$7.9 million, revolving almost 8 times.

In the last five years the SRDC RLF has written 26 loans totaling \$1,593,511. The total dollars leveraged for these developments is \$16,444,777 for a leverage ratio of 88%. These 26 loans created or retained 177 jobs in the region. The SRDC RLF has clearly demonstrated that access to capital will spur entrepreneurs to start or purchase existing businesses and create jobs. These businesses will also then generate enough revenue to repay the RLF thus allowing the money to revolve and be available for reinvestment.

Property Assessed Clean Energy (PACE)

In 2014, the SRDC began a pilot project in conjunction with the Rural Minnesota Energy Board (RMEB) to provide funding for building energy retrofits by using a Property Assessed Clean Energy or PACE program. PACE is a financing tool used to assist commercial and industrial businesses (including agri-business) with improvements that substantially increase energy efficiency. PACE allows businesses to make these fixture improvements without the up-front capital outlay. Costs for the improvements are paid back through a special assessment on their taxes. The increase in property taxes is offset by the decrease in energy costs so that the business either sees no change or a positive change in their bottom line.

PACE was initially funded at \$1.1 million through a combination of funding sources, including the Minnesota Department of Commerce, the REED Fund, and the USDA Rural Development RDLEG program through Lyon-Lincoln Electric Co-op. To date, the program has funded ten projects in the eighteen county RMEB foot print.

Clean Energy Resource Teams (CERTs)

Southwest CERT is staffed by the Southwest Regional Development Commission, and many who participate in the SW CERT do so through the Rural Minnesota Energy Board, (RMEB). The RMEB is an 18 county joint powers organization staffed by the SRDC that was formed to address issues surrounding the development of wind and other renewable energy development in Rural Minnesota.

Southwest CERT serves these counties:

- Brown
- Cottonwood
- Jackson
- Lincoln
- Lyon
- Martin
- Murray
- Nobles
- Pipestone
- Redwood
- Rock
- Watonwan

The Southwest Region's overall goal is to export more renewable energy than energy it imports and consumes—this includes conservation measures to reduce consumption as well as use of renewable energy generated and used locally. The result will be less dependence on foreign sources of energy, a potential for adding value to base resources available in the SW CERT region, and implementing more environmentally friendly energy technologies. This will be accomplished through focus on three objectives:

- Encouraging energy conservation measures, beginning with energy audits.
- Increasing use of biofuels.
- Encouraging the development of renewable energy projects.

Minnesota River Area Agency on Aging, Inc. (MNRAAA)

As of January 1, 2016, the SRDC no longer provides services to MNRAAA. The Minnesota Department of Human Services (DHS) in its wisdom decided to end the partnership with the RDCs and bring everyone under the big umbrella of MNRAAA as a stand-alone agency. During the majority of the past five years, the SRDC provided aging services under contract to the Minnesota River Area Agency on Aging, Inc. MNRAAA is an outgrowth of the decision by the Minnesota Board on Aging to consolidate regional Area Agencies on Aging. The SRDC provided call center services

throughout the 27 county southwest planning and service area through the Senior Linkage Line® an 800 number designed to provide information and referral to seniors in Minnesota. In the past five years, the SRDC call center provided assistance to 76,091 unduplicated persons.

SRDC RETURN ON INVESTMENT

During the last five years the SRDC operations have brought in approximately \$16.27 for every \$1.00 of local tax money assessed through the General Purpose Tax. If the RLF is included in the calculation, the return on investment for the region is nearly \$28. Having local taxing authority allows the SRDC to use these funds to leverage other dollars for the continued betterment of the region. Undoubtedly there are many other monetary benefits brought to the region by the SRDC, but we only included those local revenues that could be specifically monetized either through a funded grant or backed up by the SRDC's audited financial statements.

Not included in the financial benefit to the region are the pass through grant dollars for Aging Services such as Senior Nutrition and Legal Services which were administered on a 27 county basis by MNRAAA but which brought much benefit to the region. Also not included is the impact of the SRDC on the creation of other entities in the region that bring in funds, such as Prairieland Economic Development Corporation which was founded by the SRDC and the Southwest Minnesota Housing Partnership of which the SRDC was one of the original investors and partners. The impact of these organizations on the region would greatly increase the value brought to the region by the SRDC.

CONCLUSION

As can be clearly seen, it is our belief that the performance of the Southwest Regional Development Commission during the last five years has more than fulfilled the purposes of the Regional Development Act and that "the existence of the commission is in the public welfare and interest." In a time when government resources are scarce and getting scarcer, the SRDC provides an invaluable service to the region while bringing in other public investment as well as spurring private investment within the region. The structure of the Commission makes it different from most other governmental entities in that the base funding of local taxes amounts to roughly 20% of the operating budget of the agency with the remaining 80% being funds that are earned through services provided. This makes the SRDC unique in the public sector in that it is entrepreneurial in nature, yet still provides services based on sound public policy established by local elected officials. This meeting of professional services and public policy is the true strength of the Southwest Regional Development Commission and will continue to be into the future.