



SOUTH CENTRAL
MINNESOTA'S
REGIONAL
ECONOMIC PLAN

**Comprehensive
Economic
Development
Strategies
(CEDS 2011)**

*Prepared by Region Nine
Development Commission*

Special Thanks to Brent Pearson of the Minnesota Department of Employment and Economic Development (DEED) for serving as a contributor.

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Introduction

The Region Nine Development Commission (RNDC), as a designated Economic Development District (EDD) for the nine county area of South Central Minnesota (Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, Watonwan Counties), has prepared the following Comprehensive Economic Development Strategies (CEDS) update report. The completion and approval of this document is a requirement of Region Nine Development Commission being designated an EDD. Additionally it serves as a resource for information, a regional project list for Federal Economic Development Administration funds, and a regional Strategic Plan for Economic Growth.

There are three main sections to this document. The first section entitled, "South Central Minnesota at a Glance," reviews defining characteristics of the region. The second section entitled, "Regional Trends," analyzes historic and forecasted economic development data. The data researched, analyzed, and presented within this document can provide a quantitative foundation for developing ideas focused on growth, sustainability, and innovation. The third section entitled, "Strategic Plan for Economic Growth," presents economically distressed counties, desired and quantified outcomes, a work plan/project list, regional strategies, and an accomplishment assessment.

New in 2011

The planning process for the 2011 CEDS update was expanded from the 2010 draft. This update expanded the list of contributors and reviewers in order to make it a comprehensive regional document. More references to other regional documents were included in order to present as many economic nuances as possible.

Community and economic development stakeholders convened for the purposes of providing input into the Strategic Plan for Economic Growth portion of the CEDS. The first joint meeting of RNDC's Community & Economic Development Committee and the Workforce Council's Workforce Development Subcommittee was conducted. This meeting provided the opportunity to brainstorm ideas for goals and strategies by facilitating discussion between the local elected officials of the RNDC committee and the workforce stakeholders of the Workforce Council's subcommittee. Feedback of these ideas was solicited from the Southern Minnesota Regional Competitiveness Project and the South Central Regional Economic Collaboration.

The regional survey for economic development projects of local jurisdictions was reformatted to be more user friendly. Last year's survey, which utilized Adobe software, was changed to be distributed by email. Issues with software compatibility arose and required the survey to be sent out multiple times in different formats.

This year, new regional plans and resources were incorporated into the development of the CEDS. In addition to the Workforce Council's Local Unified Plan (LUP) and the Public Facilities Authority's Public Priority List (PPL), the CEDS now includes contributions from the Minnesota Department of Transportation's (Mn/DOT), Western Minnesota Freight Plan, and a regional data focus from the Minnesota Department of Employment and Economic Development (DEED).

The Workforce Council's LUP is incorporated in order to reduce conflicting duplication of information. Excerpts from Mn/DOT's Western Minnesota Freight Plan adds information on commodities coming into and out of south central Minnesota. The data included in the CEDS was reorganized to have a more regional focus rather than county by county comparisons. This was done to focus planning efforts on collaboration.

Organization and Management

Region Nine Development Commission is made up of 43 elected and appointed members. These members represent communities, industries, sectors, and various interests from throughout the region.

The purpose of RNDC, as stated in the Regional Development Act of 1969 is to *“facilitate intergovernmental cooperation and to insure the orderly and harmonious coordination of state, federal and local comprehensive planning and development programs for the solution of economic, social, physical and governmental problems of the state and citizens”*.

On November 4, 1988, Economic Development Administration designated RNDC as an Economic Development District, as RNDC is the logical body to work with economic development issues and problems.

Region Nine Development Commission meets on the second Wednesday of each month. At that time, the Commission conducts its normal business, sets staff and Commission goals, and establishes the work program.

The CEDS Committee is made up of 23 members. This large committee is useful because it convenes a broad group for a comprehensive review. This ensures participation and engagement from multiple sectors throughout the Region. Areas represented on the committee include: Private Business, Post-Secondary Education, Labor, Education, Government, and Community Based Organizations. Figure 1 shows the make up of the CEDS Committee.

CEDS Committee (The Workforce Council Board)

The South Central Workforce Council Board serves in a review and advisory capacity for the CEDS document and meets statutory requirements for the CEDS committee

<p>Jim Abraham Human Resources Specialist Employment Related Services LeSueur, MN Employment Services</p>	<p>Geoff Davies Director of Human Resources AMPI New Ulm, MN Manufacturing/Food</p>
<p>Deb Barnes Administrator & Regional Director Elder Care of MN Winnebago, MN Long Term Health Care</p>	<p>Candace Fenske Administrator Madelia Community Hospital Madelia, MN Hospitals/Health Care</p>
<p>Reggie Edwards Executive Director Region 9 Development Commission Mankato, MN Economic Development Agency</p>	<p>Nancy Genelin Vice President of Academic Affairs South Central College North Mankato, MN Education Agency</p>
<p>William FitzSimmons Owner WTF Tax Service Waseca, MN Finance/Financial Services</p>	<p>Karen Wagner Area Manager MN DEED Job Service Mankato, MN Public Employment Services</p>
<p>Jane Goettl Human Resource/Safety Manager Volk Transfer, Inc. Mankato, MN Transportation/Trucking</p>	<p>Jeanne Witty Area Manager Rehabilitation Services St. Peter, MN Rehabilitation Services</p>
<p>Lee Hiller Area Business Representative Operating Engineers Local 49 Mankato, MN Organized Labor</p>	<p>Tammie Hudspith Director of Human Resources River's Edge Hospital & Clinic St. Peter, MN Hospitals/Health Care</p>
<p>Mary Jacobs Vice President Hickory Tech Mankato, MN Telecommunications</p>	<p>Warren Knudson Director Human Services Board for Faribault and Martin Counties Fairmont, MN Human Services</p>

<p>Paul Marquardt President, AFL_CIO Plumbers and Pipefitters Union Mankato, MN Organized Labor CEDS Committee (The Workforce Council Board)</p>	<p>Bev Mountain ABE Coordinator Mankato Area Adult Basic Education Mankato, MN Educational Agency</p>
<p>John Schons Operations Manager STEP, Inc. Fairmont, MN Non-profit Organization</p>	<p>Dennis Siemer CEO V-Tek, Inc. Mankato, MN Manufacturing/Electronics</p>
<p>Larry Treptow Human Resource Director Wells Concrete Wells, MN Manufacturing /Machining</p>	<p>John Woodwick Executive Director Minnesota Valley Action Council Mankato, MN Community Based Organization</p>
<p>Tim Wenzel President Winegar, Inc. Waseca, MN Manufacturing/Machining</p>	

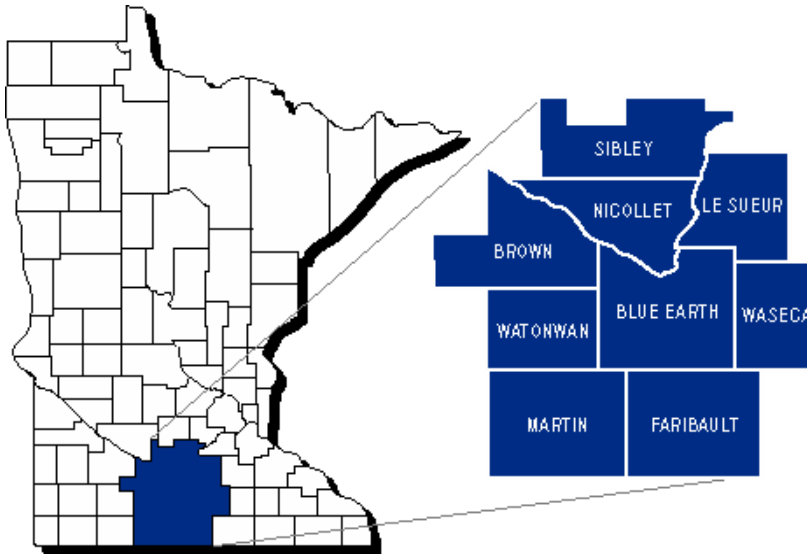
Region Nine Development Commission Staff

<u>Name</u>	<u>Position/Program</u>
Reginald Edwards	Executive Director
LuAnn Vanderwerf	Finance Director/RLF Coordinator
Ronda Allis	Community & Econ. Dev. Director
John Considine	Community & Econ. Dev. Coordinator
Jon Hammel	Economic Development Specialist
Mike Nolan	Small Business Development Director
Julie Nelson	Small Business Dev. Program Coordinator
Rhonda Hiller Fjeldberg	Area Agency on Aging Grants Mgr.
Elaine Spain	R.O.S.E/ Transit Coordinator
Linda Giersdorf	Area Agency on Aging Director
Robin Thompson	Aging Agency Outreach Coordinator
Gail Gilman Waldner	Aging Program Developer & Coordinator
Heather Lincoln	MN Help Network Community Living Specialist
Stephanie McCabe	Senior Outreach Specialist
Cheryl Weston	Administrative Assistant
Erica Gahlon	Administrative Assistant
Linda Wallace	Senior Financial Accountant/RLF Loan Assistant
Sarah Reichwald Beiswanger	Resource Development Coordinator

South Central Minnesota at a Glance

Location

Region Nine Development Commission is comprised of a 9-county region; Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, and Watonwan, located in South Central Minnesota. These nine counties comprise over 5,064 square miles- approximately 6.32% of the states total area. The counties vary in size from Blue Earth with 752 square miles to Waseca with 415 square miles.



Mankato, the Region’s largest city is located approximately 90 miles southwest of the Minneapolis/St. Paul metropolitan area.

Population

Data from the Minnesota Demographic Center shows that the region’s population increased by 2.0% between 2000 and 2009, from 222,790 to 227,182.

According to the Minnesota State Demographer’s 2009 population estimates, the six largest cities in the region are:

Mankato	37,028	(Blue Earth County)
New Ulm	13,396	(Brown County)
North Mankato	13,045	(Nicollet County)
Saint Peter	10,917	(Nicollet County)
Fairmont	10,619	(Martin County)
Waseca	9,328	(Waseca County)

The four smallest cities in the region are:

Cobden	45	(Brown County)
Walters	73	(Faribault County)
Evan	82	(Brown County)
La Salle	86	(Watonwan County)

Climate

The region has a continental climate characterized by periods of intense cold and heat, strong winds and varying precipitation. According to the National Climatic Data Center, (NCDC) the region is subject to frequent outbreaks of continental polar air throughout the year, with occasional Arctic outbreaks during the cold season. The average winter temperature is approximately 14 degrees Fahrenheit. During the summer, the NCDC states that warm air pushing north from the Gulf of Mexico brings occasional periods of prolonged heat and humidity. The average summer temperature is approximately 70 degrees Fahrenheit. Temperature extremes range from -60 to 114 degrees Fahrenheit. The average precipitation is 27 inches, with approximately 66% of total precipitation occurring during the region's growing season (May to September).

Topography

South Central Minnesota exists in an area that received heavy glaciations during what is referred to as the Ice Age. Present day topography reflects this history. The area is largely flat to gently undulating with some areas of moraine. The river valleys formed by large glacial melt rivers make deep gorges in the otherwise flat topography. The Minnesota River Valley, which flows northwest to southeast, then southwest to northeast through the region, is the most dramatic. This valley, which ranges from one to two miles wide, is characterized by outwash areas, fertile, flood made soils and bedrock out-croppings.



Soils

The predominate soils of the region are rich loams, silts and clays. These soils, along with the climate make South Central Minnesota one of the best agricultural areas in the world. The region's counties consistently rank among the nations leaders in the production of corn, soybeans, hogs and other agricultural commodities.



An indication of the quality of the soils is the large percentage of land under cultivation. According to the most recent Agricultural Census (2007), approximately 93% of land in the region is cultivated, with Martin and Faribault counties exceeding 99%. Only Blue Earth and Le Sueur counties have less than 90% of their land under cultivation. The remaining seven

percent of the region consists of pasture and open space, wetlands, lakes and streams, and urban development.

Water Resources

While not known as a water rich area by Minnesota standards, the region has an abundance of lakes, rivers and streams. The Minnesota River serves as the predominant drainage system for the area. Its tributaries include the Blue Earth, Watonwan, Le Sueur, Cottonwood, Little Cottonwood, Cobb, and Maple Rivers.

According to the Minnesota Department of Natural Resources, there are 362 lakes of 10 acres or more within the region. The vast majorities are located in the “lakes region” of eastern Blue Earth and the southern LeSueur counties. Many of the lakes are rated as poor for recreational uses due to low water levels and poor water based recreation.

Groundwater resources throughout the region are excellent. Most of the region is underlain with glacial sand, gravel and sedimentary bedrock aquifers. Only in the western portions of Sibley, Nicollet, Brown and Watonwan counties is groundwater spotty due to its cretaceous bedrock.

Ample groundwater is seen as a benefit to the region. There is adequate water for agriculture, industry and residential purposes. Cost of water is relatively low for these purposes.



Minerals

Few mineral deposits other than sand and gravel are found within the region. There are, however, a couple of notable exceptions. Buff colored limestone found along the Minnesota River between Mankato and St. Peter is used throughout the world as building stone. This “Kasota Stone” is noted for its architectural beauty and durability. Another potential mineral for exploitation is the Kaolin clay found in the Minnesota River Valley in the northwestern part of the region. Although not mined at this time the clay has great potential for use in papermaking, food processing and other uses.

Environmental Sensitive Areas

As with any area of the country, South Central Minnesota contains some environmentally sensitive areas. Steep bluffs along the rivers, wetlands and marshes and flood plains are all areas that require special care. The state of Minnesota and the local jurisdictions have enacted legislation to protect these areas. In addition, strong regulations are in effect to protect air, soil, and water from human activities, such as waste disposal, manufacturing, construction and agriculture. The Minnesota Historical Society and Department of Natural Resources keep detailed lists of areas that are significant for their historical/archeological features or their extreme biological importance. These lists are consulted before approval is given to any major development project. Adverse effects must be eliminated or minimized before the project can be continued.

Transportation

Region Nine Development Commission is part of Mn/DOT District 7, which includes a total of 13 counties in south central and southwestern Minnesota. This area is strong in agriculture (crops and hog production) and is a growth area for alternative fuels (ethanol plants and other bio-science industries). The main office is located in Mankato and a second office is stationed in Windom for efficient highway construction and maintenance, and improved access to Mn/DOT's customers. Twenty truck stations staffed with experienced maintenance crews are strategically located throughout the District. In addition to serving the nine counties of the region (Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, and Watonwan), Mn/DOT District 7 also serves the Counties of Cottonwood, Jackson, Nobles, and Rock.



Mn/DOT District 7 supports:

- 1,317 miles of State Highway that includes 146 miles of interstate (90)
- 476 bridges
- 4,192 miles of County and City State-Aid System
- 561 miles of rail line
- 14 airports
- 9 county and 3 city transit systems
- Bicycle/pedestrian trails
- 10 rest areas for traveler safety (1 with a Travel Information Center)



Rural communities bring unique challenges to the world of transportation.

Two of the biggest issues facing South Central Minnesota are the rural nature of the region (high dependence on agriculture) and also the increasing aging population.

Transportation: Rural/Agricultural setting

US Highway 169 is the major transportation corridor for funneling freight into the Minneapolis/St. Paul metro region from Mn/DOT District 7 and south central and southwestern Minnesota. This area produces almost half of Minnesota's corn, soybeans and ethanol, which makes Minnesota third in the nation for production among all states. Other major commodities moving along this corridor include aggregates, clay and sand, hogs, manufactured goods and food products.

Transportation: Aging Population

Aging is a very dominant trend in Minnesota, and across the nation. In 2006, the “Baby Boom” generation (those individuals born between 1946 and 1964) started turning 60. By the year 2020, there will be more individuals over the age of 65 than school age children combined (in Minnesota). This increase in the aging population will have a significant effect on the kinds of transportation services that residents will require.

Baby boomers drive change. Baby Boomers will greatly affect programs such as Social Security and Medicare, but less well-known is the impact that they will have on the transportation system. Older residents will require additional services in areas such as:

Transit - Boomers want to remain active. They have a desire to get around however, national studies have shown that the elderly drive less. Therefore, if they want to get around, they will need other options.

Easy to read signage - With an increasing share of the population over age 60, considerations might need to be given to increasing the size of road signs, making them more visible.

Sidewalks - Increasing risk of injury will create the need for fall prevention services, such as properly maintained sidewalks.

Additional parking - It is important to consider the proximity of parking to destinations as an aging population is less likely to walk long distances.

Transportation: Regional Trade Centers

Regional Trade Centers (RTC) serve as economic and service centers for the surrounding areas. These designations are used in transportation planning to ensure citizens have transportation connections to these key areas when transportation officials are making project decisions. The City of Mankato may be considered the top trade center for the region. Mankato offers shopping areas, educational institutions and a world-class health center within the Mayo Health System. New Ulm, Fairmont, Waseca, and St. Peter are also classified by the Mn/DOT as Regional Trade Centers within South Central Minnesota.

As population continues to centralize in RTCs, connections between these trade centers, and from surrounding rural areas to the trade centers, will become increasingly important. These important connections will serve many purposes including access to jobs, social programs, and other activities. Public transit providers will enhance connections and, in some situations, social agencies may provide transit.

Population forecasts confirm that areas in Greater Minnesota showing the greatest growth are the counties that border the Twin Cities Metropolitan Area. Le Sueur County, on the northern edge of the region, borders the metro area and has experienced some growth over the past few years. Many of the communities in the southern portion of Region Nine have been experiencing declining populations. It is

especially important for those areas that are experiencing growth to have an adequate transportation system available to provide access to jobs.

Transportation: Job Growth

Access to jobs is an important role of transit. Transit systems will need to provide service within the trade centers where jobs are being created. Connecting the population of Greater Minnesota to employment opportunities, particularly in trade centers that project significant job growth, is another emerging role for public transportation.

Part of the employment trend that will affect all transportation services in the state is the centralization of economic activity in the Twin Cities. The Twin Cities are home to a number of Fortune 500 companies. These companies create job opportunities throughout the state and need to be made accessible to residents of the region.

Transportation: Transit Activities

Transportation is an important factor in the economic development of the region. There are some current efforts to improve transit services in the area. In 2006, a transit coordination plan (available at www.rndc.org) was completed. The plan analyzed existing transit services, inventoried transit providers, identified gaps in service, and proposed strategies for improving the coordination of transit services.

More recent initiatives include:

1. Mankato Area Transportation and Planning Study (MATAPS) – MATAPS is a local, multi-modal, transportation planning project. Project partners include the cities of Mankato and North Mankato; the counties of Blue Earth, Le Sueur, and Nicollet; Minnesota State University, Mankato; Minnesota Department of Transportation; and Region Nine Development Commission. The vision for the MATAPS project reads: *“Through regional cooperation, MATAPS will result in a regional transportation system that is increasingly efficient, integrated and multi-modal. This system will support economic development, encourage sustainable growth, and improve mobility and access for area residents and businesses.”* This multi-modal approach will place a greater focus on transit and non-motorized transportation than previous planning efforts.
2. Q-TIP (Quad-County Transit Inter-regional Project - the purpose of Q-TIP is:
 - To ensure access to a continuum of services through adequate and reliable transportation.
 - To expand transit services in the Region (address the unmet need).
 - To address the growing need to collaborate, connect across jurisdictional boundaries, and share resources.

Q-TIP focuses on the four counties in the region that currently do not have county-wide transit service (Blue Earth, Le Sueur, Nicollet, and Waseca). Regional transit planning continues to be a focus of RNDC.

3. Statewide Freight and Rail Plan – the State of Minnesota recently completed a statewide plan for freight and rail. One of the surprise findings from this study shows Mankato as one of the top locations throughout the state for ridership potential on a passenger rail system. RNDC will continue to support further research into the possibility of passenger rail into/through the Region.

Housing

Understanding housing and its relationship to regional economic development can be challenging. However, an analysis of housing trends enables economic developers to more accurately plan for shifts in the demand for housing stock, schools, and other facilities. Changes in such trends often cause both direct and indirect development opportunities within the region. Also, the availability, cost, and quality of housing can impact a region's standard of living and affect the region's appeal to its current and future workforce.

Single family detached homes account for 74.3% of residential structures in the region. Multi-unit structures, such as apartments or townhomes, account for an additional 18.2% of residences. The remaining residences are single family attached homes (3%) and mobile homes (4%).

Nearly one third (28.72%) of residential structures in the region were built prior to 1939. The 1950's and 1970's witnessed the largest increase in housing units by decade, with 12.5% and 15.9% respectively. Approximately 9.6% of the region's housing units were built in since 2000.

The majority (62.1%) of housing units in the region use utility gas (natural gas) as their heating source. Propane (18.4%) and electricity (10.7%) are the two other major fuel sources for the region. Over 99% of residential units in the region have complete bathroom and kitchen facilities. Interestingly though, 3.4% of the region's residential units do not have telephone service available.

Housing: Tenure

Three-quarters of housing units in the region are owner occupied; the remaining fourth is renter occupied. The average household size for an owner occupied home is 2.48. The average household size for a renter occupied home is 2.06.

Housing: Cost and Value

The median home value in the region is \$123,244. Nearly half of all homes are valued between \$100,000 and \$200,000. Over one third of the region's renters pay between \$500 and \$749 gross rent per month. The median rent in the region is \$550. Thirty-seven percent of renters spend 35% or more of their monthly household income on rent.

Education

Education is crucial to a community’s economic performance and overall standard of living. According to the 2005-2009 American Community Survey, the region had a total of 62,369 students enrolled in school, or approximately 27.6% of the region’s total population. Of the total students throughout the region, 60.4% were enrolled in K-12. Approximately 33.9% were enrolled in a college or university; 7.1% greater than the Minnesota average.



The region has a population of 142,348 persons who are 25 years of age or older. Of this population, 88.9% has the equivalent to a high school diploma and 31.5% has a college degree. These regional percentages are, respectively, 2.2% and 9.2% below the state averages. This is indicative that while the region is educating a large number of college students many of these students do not ultimately stay within the region.

Educational Attainment in Population 25 Years and Over	Region	Minnesota
Less than 9th grade	5.0%	3.6%
9th to 12th grade, no diploma	6.1%	5.2%
High school graduate (includes equivalency)	35.0%	28.1%
Some college, no degree	22.4%	22.3%
Associate's degree	9.3%	9.5%
Bachelor's degree	15.6%	21.2%
Graduate or professional degree	6.6%	10.0%

Source: ACS 2005-2009

Colleges and Universities

The region has one four-year public university: **Minnesota State University, Mankato (MSU)**. According to the Minnesota State Colleges and Universities System, MSU had approximately 14,000 students enrolled in 2010. MSU offers bachelors, masters, and specialized degrees in 127 undergrad programs and 66 masters programs and has four doctoral programs in collaboration with schools across the state. MSU also has online degree programs and extended learning campuses throughout the state.



South Central College (SCC) has two campuses – one in North Mankato and one in Faribault (which is outside of the region). SCC had approximately 3,000 students in 2010. SCC offers over 50 technical career majors, with a variety of degrees, diplomas and certificates.

Bethany Lutheran College (BLC) in Mankato is a private, residential, Christian, coeducational, liberal arts college founded in 1927, owned and operated by the Evangelical Lutheran Synod. BLC had 575 students in 2010. BLC offers undergraduate degrees in 35 majors.

Gustavus Adolphus College (GAC) in St. Peter is a private, liberal arts, coeducational, residential, church-affiliated institution. GAC had approximately 2,500 students enrolled in 2010. GAC offers undergraduate degrees in 71 majors.

Martin Luther College (MLC) in New Ulm opened in 1995 and is owned and operated by the Wisconsin Evangelical Lutheran Synod. MLC had 717 students in 2010. MLC offers undergraduate degrees in over a dozen majors, as well as a graduate degree in education.

Infrastructure



The Minnesota Public Facilities Authority (PFA) is responsible for managing the Clean Water Revolving Fund (CWRF) and its assets. This fund was established by the Minnesota Legislature to receive federal capitalization grants and state matching funds. As a result, the PFA has developed a Project Priority List (PPL), which is prepared by the Minnesota Pollution Control Agency (MPCA). In preparing the PPL, the MPCA is responsible for reviewing wastewater projects to ensure they meet technical and environmental requirements. The 2011 Intended Use Plan (IUP) identifies projects and activities the PFA intends to fund from the Clean Water Revolving Fund in state fiscal year (FY) 2011 (July 1, 2011 to June 30, 2012). To fund these projects and activities, the PFA expects to use funds from federal capitalization grants, state matching funds and bond proceeds.

The PPL prepared by the MPCA identifies wastewater projects that are potentially eligible to receive a loan. Projects are listed in priority order based on a priority point system established by the MPCA according to Minnesota Rules parts 7077.0115 to 7077.0197.

The priority system is designed to ensure that loan and grant funds are provided to those projects that best meet the State's priorities to protect human health and aquatic life. The point system is based on (1) the environmental impact a treatment system will have on the quality of the receiving water, (2) the use classification of the receiving water, and (3) the condition of the receiving water (a higher point factor is given to projects that will improve waters currently identified as waters with significant ambient water-quality violations). Scores for these three categories are multiplied together. In addition, projects may receive extra points if they meet other criteria designed as extra incentives to protect health or aquatic life.

The Intended Use Plan (IUP) identifies those projects on the PPL that are eligible to receive CWRF loans. For a project to be placed on the IUP, the PFA must receive a written request signed by an official of the municipality (city, township, county, or sanitary district) that will be the borrower for the loan. The request must include a schedule indicating that the applicant expects the project to receive all necessary approvals and proceed to the point of receiving a CWRF loan within approximately one year from the approval of the IUP. The applicant must have already secured any other funding necessary for the project to proceed within that time frame. In addition, applicants seeking construction loans must have received preliminary approval of their facilities plans by the MPCA.

There are a total of 389 projects on the 2011 CWRP PPL with a total estimated cost of \$2,053,669,553. Regional communities included on the PPL are listed below by ranking.



2011 CWRP PPL

Project Name	Rank	Project Description	TMDL Project	Project Number	Priority Points	Estimated Project Cost
Arlington	41	Expansion and increased P treatment	Yes	279583	72	\$5,531,250
Blue Earth - Phase 3	1	Sewer rehab, phase 3	Yes	279439	105	\$1,987,000
Butterfield	17	Rehab/expand existing system	Yes	272479	83	\$2,603,398
Comfrey	70	Rehab collection system		279866	66	\$2,623,000
Easton	91	Rehab collection system		279652	61	\$529,888
Elmore	27	Rehab existing collection system, pond improvements	Yes	279671	78	\$5,158,000
Essig	96	Unsewered, connect to Sleepy Eye	Yes	272622	60	\$973,000
Faribault County -- Guckeen	12	Unsewered, connect to Blue Earth	Yes	279316	86	\$1,065,000
Gaylord -- unsewered	363	Unsewered, extend collection system		272448	1	\$ -
Gaylord -- WWTP Improvements	364	Rehab/expand existing system		272447	1	\$ -
Lafayette	90	Rehab collection system		279607	61	\$2,730,000
Lake Washington Sanitary District	356	Unsewered, connect to Mankato		279766	3	\$ 8,157,861
Le Center	128	Rehab collection system		279784	56	\$7,541,000

Mankato - Sewer Lining	95	Gravity sanitary sewer lining project		279732	60	\$5,520,000
New Richland	129	Rehab WWTF and lift station	Yes	279831	56	\$1,850,000
Odin	9	Unsewered, collection and treatment w/ Ormsby	Yes	279605	90	\$3,140,000
Ormsby	14	Unsewered, collection and treatment w/ Odin	Yes	272501	85	\$2,674,000
Sherburn	130	Rehab collection system		279691	56	\$1,422,500
South Bend Twp	301	Unsewered, connect to Mankato		279797	28	\$3,556,000
Trimont	26	Rehab collection and trmt systems	Yes	279800	78	\$6,142,100
Truman – Phase 2	88	Rehab collection system		279621	61	\$450,000
Vernon Center	179	Rehab collection system		279640	49	\$1,300,000
Waldorf	84	Rehab collection system		279619	61	\$1,312,000
Waseca -- Stormwater	340	Diversion to wetland		279703	11	\$500,000
Waterville	185	Rehab existing system, lift station and sewer extension		279804	48	\$2,160,000
Welcome	37	Replace mech plant, construct ponds	Yes	279806	73	\$3,714,600
Willmar – Eagle Lake	85	Rehab Lakeland Drive Inceptor, LS		279810	61	\$3,125,380
Winnebago	74	Rehab existing facility	Yes	279840	64	\$2,335,000
TOTAL						\$78,100,977

*Source: Minnesota Department of Health, 2011

The PFA not only administers the IUP for the Clean Water Revolving Fund (CWRF) but also administers the Drinking Water Revolving Fund (DWRF). The Department of Health maintains the PPL for the Drinking Water Revolving Fund (DWRF). Communities are placed on a priority list using the same methods that are used for the wastewater projects.

For the DWRP there are 401 projects on the 2011 PPL with an estimated cost of \$485,774,813. Out of the 401 projects, 233 projects have been placed on the IUP for funding totaling \$314,114,200 in loans.

Below is a table showing the communities within the region that made the priority list to receive funding in 2011 to improve, upgrade, or replace their drinking water systems.

Rank	System	Project	Project #	Priority Points	PHI	Estimated Project Cost
57	Northrop	Source – Replace Well #4	1460006-1	15	No	\$100,000
82	Trimont	Water Main – 1 st Ave & Apple St. Loops	1460009-5	12	No	\$100,000
76	Elmore	Treatment -- Repl with Reverse Osmosis	1220004-1	12	No	\$1,442,500
81	Easton	Source -- Backup Well #2	1220005-4	12	No	\$85,767
86	LaSalle	Source -- Backup Well #2	1830009-1	12	No	\$60,000
90	Comfrey	Water Main -- Looping	1080001-6	12	No	\$349,000
98	Fairmont	Treatment -- Repl w/5.4 MGD Plant	1460003-1	12	No	\$31,812,000
100	Mankato	Water Main -- Repl Norton, Adams Loop	1070009-5	12	No	\$133,600
120	Cleveland	Water Main – Repl 2 nd St/Loop Wash Alley	1400001-2	12	No	\$751,016
126	Elmore	Storage -- Repl w/100,000 Gal Tower	1220004-2	11	No	\$632,500
129	Welcome	Storage -- Repl w/150,000 Gal Tower	1460011-1	11	No	\$776,900
132	Madelia	Storage -- 0.5M Gal Ground Storage	1830004-3	11	No	\$1,260,000
133	Sleepy Eye	Storage -- Repl with 500,000 Gal Tower	1080005-3	11	No	\$1,350,000

181	Easton	Water Main -- Backwash Water to Sewer	1220005-1	10	No	\$43,470
182	Easton	Water Main -- Repl Cedar, Elm & Date Sts	1220005-2	10	No	\$344,258
183	Easton	Treatment -- Rehabilitate Plant	1220005-3	10	No	\$172,174
184	Trimont	Treatment -- Add RO & Clearwell	1460009-2	10	No	\$1,950,000
185	Trimont	Storage -- Repl w/100,000 Gal tower	1460009-3	10	No	\$638,000
186	Trimont	Water Main -- Replace 1950s Main	1460009-4	10	No	\$2,850,000
220	Comfrey	Treatment -- Replace Filter Media + improvements	1080001-3	10	No	\$195,000
221	Comfrey	Storage -- Repl w/60,000 Gal tower	1080001-4	10	No	\$575,000
222	Comfrey	Water Main -- Replace Cast Iron Main	1080001-5	10	No	\$1,600,000
223	Comfrey	Conservation -- Replace Meters	1080001-7	10	No	\$110,000
282	Waterville	Water Main -- Replace in Area A	1400015-7	10	No	\$1,205,000
283	Waterville	Water Main -- Replace in Area B	1400015-8	10	No	\$1,700,000
316	Le Center	Water Main -- Replace Cast Iron Main	1400008-5	10	No	\$7,541,000
324	Hanska	Source -- Well #1 with #4	1080002-1	10	No	\$255,000
338	Kasota	Source -- Backup Well #2	1400005-1	7	No	\$468,750
339	Hanska	Treatment -- New Plant, Remove Fe/Mn	1080002-2	7	No	\$1,352,000
340	Hanska	Water Main -- One Loop	1080002-5	7	No	\$107,000

344	South Bend Township	Source -- Backup Well #2	1070026-3	7	No	\$300,000
345	LeSueur	Source -- Repl Well #2 with One Well	1400010-3	7	No	\$1,150,000
346	Nicollet	Treatment -- Replace Fe/Mn Plant	1520004-4	7	No	\$2,142,000
348	Madison Lake	Water main -- Repl 4 th & 5 th , Loop 227th	1070007-6	7	No	\$450,000
349	Eagle Lake	Treatment -- New Plant, Remove Fe/Mn	1070002-2	7	No	\$3,500,000
357	Courtland	Treatment -- Add Fe/Mn Filter	1520001-3	7	No	\$1,100,000
365	Gaylord	Storage -- Repl w/200,000 Gal Tower	1720002-3	6	No	\$1,227,250
366	Madison Lake	Storage -- Repl w/200,000 Gal Tower	1070007-3	6	No	\$881,900
369	Gaylord	Conservation -- Replace Meters	1720002-4	5	No	\$275,000
370	Kasota	Water Main -- Loop Depot Neighborhood	1400005-2	5	No	\$385,530
372	Waseca	Storage -- Recondition 94 Tower	1810004-1	5	No	\$606,237
374	Hanska	Storage -- Repl w/100,000 Gal Tower	1080002-3	5	No	\$638,000
375	Hanska	Water Main -- Replace Transite Main	1080002-4	5	No	\$3,258,000
378	LeSueur	Water Main -- Replace for 2nd Street	1400010-4	5	No	\$950,000
379	Nicollet	Water Main -- Replace Tower to 3rd St.	1520004-5	5	No	\$200,000
380	Nicollet	Conservation -- Replace Meters	1520004-6	5	No	\$174,859
384	Madison Lake	Treatment -- New Fe/Mn Plant for Well #3	1070007-5	5	No	\$500,000

385	Madison Lake	Conservation – Replace meters	1070007-7	5	No	\$100,000
386	Eagle Lake	Water Main -- Repl for 2nd, 3rd & Parkway	1070002-1	5	No	\$576,256
388	North Mankato	Source -- Additional Well 9 & Meter Bldg	1520005-1	5	No	\$1,209,796
393	Courtland	Storage -- Replace w/100,000 Gal tower	1520001-1	5	No	\$520,000
Total			\$80,104,763			

*Source: Minnesota Department of Health, 2011

Information Technology (IT)/ Telecommunications

In the past two decades, information technology and telecommunications have become an increasingly critical element of economic development. This is especially true in rural areas and smaller, non-metropolitan cities. One of the biggest issues currently facing policy makers, business people, educators, individual citizens and every other sector of society today is how to best harness the enormous potential of telecommunications and information services. Telecommunications and information technology is much more than just “the Internet” or “the Web”, it includes hardware, software and applications that are changing the way we think about using and sharing information. In order for everyone to take full advantage of these new technologies, communities must have access to a reliable infrastructure with sufficient speed and capacity to handle all their telecommunication needs. Clearly, economic development professionals will need to acquire a greater knowledge and understanding of the surmounting issues concerning the need for local businesses and citizens to have access to state-of-the-art technology.

IT/Telecommunications: Benefits to Rural Communities

There is a growing concern over the decline of the economy and the loss of population in many of Minnesota’s rural counties. One way to help limit these losses is for communities to have access to telecommunications technology. As young people with new college degrees, skills, and families look for better job opportunities and amenities they tend to leave the rural area and go to the metropolitan area. By improving rural communities telecommunications technology, communities may be able to keep some of their population base and potentially bring in new business and/or citizens.



Businesses in rural communities are no longer protected from competitors due to distance. Currently, businesses are connecting to customers and other businesses around the world through e-commerce. In the broader sense of economic activity, technology has overall lessened the importance of location. E-commerce allows businesses, governments, educational institutions, healthcare facilities and citizens to work and communicate more efficiently and effectively through the Internet.

In the future, the key to operating a successful business will rely less on location, and more on technological adaptability and innovation. As such, economic developers will be constantly pressed to seek out ways of making their communities attractive to non-local businesses and investors, while at the same time encouraging local entrepreneurs.

IT/Telecommunications: Economic Development

Telecommunication accessibility is an increasingly important factor for businesses as they decide where to locate. Having this capability goes far beyond just having Internet as businesses are able to communicate with customers and other businesses in new ways. Some examples are:

- Managing inventory from remote locations to send data to a central collection point and product information;
- Providing technical assistance online all day and all night;
- Creating fully automated, online systems for ordering products and services from vendors and suppliers;
or
- Allowing consumers and businesses to order and receive products and services safely and securely online.

Another potential use for telecommunications is telecommuting. Some employers have found that telecommuting allows them to attract qualified employees during a labor shortage. Telecommuting in rural areas gives employers the ability to obtain skilled workers from hundreds or even thousands of miles away. In rural communities it is common for young people to leave home for college and never return. Through telecommuting, workers could have the opportunity to stay in a small town while putting their skills to use and earning a comparable paycheck. The benefits for rural communities are great because if the employee is able to telecommute and live in the community they will be more likely to purchase homes, support the schools, and shop in the stores. Communities should work together and with the State to encourage creative ways to publicly and privately share in the cost obtaining infrastructure and services that could be used more efficiently.

IT/Telecommunications: Communicating with customers and the populace

The ability to easily and instantly communicate with large segments of the population is a clear benefit of the information age. Perhaps what is less apparent is the ability of both businesses and governments to reduce their budgets by going paperless, or nearly-paperless. Announcements, minutes, public records and other pieces of information can be made accessible via the internet – through an official website, file sharing software, e-mail, or social networking sites. This reduces paper, copying, and postal expenses and allows people to access the information instantly, yet at their leisure. Another important tool that can further reduce administrative expenses is online billing and payment systems. Lastly, webinars and videoconferencing can decrease travel costs and still provide employees with a means of staying current with developments in their field or industry.

Through high-speed telecommunications, telemedicine is emerging and bringing forth great advances in the health care field. Telemedicine makes it possible for rural clinics and hospitals that lack specialists to transfer information and images and consult with doctors elsewhere, avoiding expensive and time-consuming travel. Additionally, telemedicine allows hospitals and clinics to pool resources in places where they may have a difficult time maintaining staff and/high-tech equipment.

Government and health care providers are becoming increasingly interested in the idea of telemedicine. Although telemedicine is a wonderful tool for rural health care facilities there are two hurdles that must be

overcome before the technology can be operational statewide. First, the cost of the networks and hardware must come down so they can be deployed in the exam rooms in clinics. Second, insurers must accept the use of telemedicine and be willing to reimburse for the care that is provided.

IT/Telecommunications: Education

In rural communities, telecommunications allows schools to pool their resources and draw on people with talents or experience who would not be available locally.

Some ways in which telecommunications are used in Minnesota's schools include:

- Traditional Internet access: For student and staff research and staff communications.
- School administration: Most rural schools conduct some or all of their payroll, finance, investment, attendance, enrollment, scheduling, discipline, state and federally required reporting and other administrative tasks remotely. These lines are expensive and must be secure.
- Accessing remote information services: Many schools use their telecommunications to give students access to remote information services. Many of the regional service cooperatives that are available to help schools disperse needed services and reduce local school district costs are one, two or three hours away.
- Interactive television: ITV provides specialized classes for thousands of learners across Minnesota. The students view the class on a full-screen, real-time, total interaction television.
- Linking to other institutions: Telecommunications allow schools to link with libraries and collegiate services for the purpose of sharing resources.
- Communicating with the family: Allows for communication with parents and learners for a broad range of services, from daily announcements and attendance violations to away-game bus return timing and school lunch menus.
- Exchanging ideas and data: Learners use telecommunications to exchange data for projects.

IT/Telecommunications: Factors Affecting the Deployment and Use

The three main reasons rural communities may have a hard time obtaining adequate telecommunication services are: distance, low density, and the lack of a skilled workforce. Distance raises the price of delivering telecommunication services due to the greater amount of infrastructure required. The fact that there are fewer potential customers who will be available to help pay for this infrastructure also increases the overall cost of service provision. Lastly, the service providers require an educated, skilled workforce to build, operate and maintain the service network. In many rural areas such a workforce is not readily available and therefore must be brought in from elsewhere, which further adding to the cost of service.

All Minnesotans should have access to affordable, "always-on," advanced information infrastructure for use with broadband applications. Right now, access to data and information services like the Internet, e-mail and the World Wide Web are inconsistent around the state and the price for better access may be out of reach. The changing economy is making it necessary, even crucial, for businesses of all sizes to have access to high-speed, high-capacity telecommunications infrastructure and services.

Broadband is critical infrastructure for Minnesota's 21st Century advancement in education, health, public safety, research and innovation, economic diversification, and public services. Broadband service offerings should be fast enough to support all available applications that enable sufficient access to information, communication, business, education, healthcare, social interaction, and entertainment. To that end, the Minnesota Broadband Task Force recommends that Minnesota establish both a minimum threshold of service and aspirational speed goals for all of Minnesota by 2015. The Task Force recommends that any goal for a base-level standard of broadband service in Minnesota be predicated upon basic level of functionality available to every person in the state. They recommend the following minimum speeds:

- 10-20 Mbps (download)
- 5-10 Mbps (upload)

The goal for broadband is to have ubiquitous (100% of homes and businesses in the state) coverage as soon as possible and no later than 2015. As with roads, electricity, and telephone, broadband has become an economic and social necessity for all citizens of the state no matter where they are located.

IT/Telecommunications: Local Initiative

Region Nine Development Commission has been partnering with the Blandin Foundation on a Statewide Broadband Initiative. The Blandin Foundation believes that encouraging the use of broadband is a critical component for increasing the technological vitality of Minnesota's rural communities.

The Broadband Initiative funds innovative programs and works in partnership with others to:

- Increase awareness about the value of broadband
- Increase business and residential use of broadband in rural communities
- Increase public and private investment in rural broadband capacity.

Broadband is revolutionizing business, government, education, work and society. By opening markets, it creates new jobs and gives new focus and hope to communities in transition. By making possible the export of services and skills, broadband puts workers into wage and skill competition with people around the globe. Without adequate broadband access and technologically literate populations, rural communities will be unable to take advantage of the extraordinary benefits that ultra high-speed, next generation broadband can provide.

Local government, community leaders, businesses, school officials, health care providers, and residents should work together to determine a community's needs. By pooling everyone's needs, the community as a whole will have a greater chance of putting together an appropriate plan to obtain the necessary infrastructure. The community should also include any local telecommunication providers in the planning process from the beginning, as they are the ones who will be providing the infrastructure to the community.

Regional Trends

Population Projections by Age

The population projections prepared by the State Demographer’s Office indicates that the region will see a mix of population growth and loss with significant increases overall in the Region’s 65+ age group.

Age Group	2005	2010	2015	2020	2025	2030	2005 - 2030 % Change
0-4	13,500	14,100	14,500	14,500	14,000	13,700	1.5
5-9	13,900	14,000	14,600	14,900	14,800	14,400	3.6
10-14	15,000	14,300	14,400	14,900	15,100	15,100	0.7
15-19	18,900	17,600	16,600	16,600	17,000	17,500	-7.4
20-24	21,700	21,200	20,200	19,000	18,800	19,400	-10.6
25-29	14,000	15,900	15,400	14,800	13,800	13,700	-2.1
30-34	12,700	13,800	15,400	15,100	14,500	13,700	7.9
35-39	12,900	12,500	13,400	14,800	14,500	14,000	8.5
40-44	15,800	13,000	12,500	13,200	14,600	14,400	-8.9
45-49	16,700	15,500	12,700	12,200	12,900	14,100	-15.6
50-54	15,700	16,700	15,600	12,900	12,200	12,900	-17.8
55-59	12,900	15,500	16,500	15,400	12,800	12,200	-5.4
60-64	9,900	12,600	15,100	16,200	15,200	12,700	28.3
65-69	8,100	9,400	12,000	14,400	15,500	14,700	81.5

70-74	7,200	7,300	8,600	11,000	13,300	14,500	101.4
75-79	6,800	6,300	6,500	7,600	9,900	11,900	75.0
80-84	5,400	5,400	5,100	5,300	6,300	8,200	51.9
85+	5,700	6,000	6,200	6,200	6,600	7,500	31.6
Total	226,800	231,100	235,300	239,000	241,800	244,600	7.8

Income

According to the Minnesota Department of Employment and Economic Development (DEED), the median hourly incomes for all industries within South Central Minnesota were \$14.63 per-hour in 2010. This places personal income well below the state (\$17.42) and the national (\$16.21) median hourly incomes. Below is a detailed table from DEED of median hourly income for industries/sectors in South Central Minnesota.

Industry/Sector	South Central MN	MN	US
Total, All Occupations	\$14.63/hr	\$17.42/hr	\$16.21/hr
White collar occupational group	\$17.71/hr	\$21.35/hr	
Management Occupations	\$36.37/hr	\$45.41/hr	\$43.85/hr
Business and Financial Operations Occupations	\$23.14/hr	\$27.09/hr	\$28.91/hr
Computer and Mathematical Occupations	\$25.29/hr	\$35.80/hr	\$35.49/hr
Architecture and Engineering Occupations	\$26.61/hr	\$31.27/hr	\$33.48/hr
Life, Physical, and Social Science Occupations	\$24.50/hr	\$29.67/hr	\$28.38/hr
Blue collar occupational group	\$15.56/hr	\$17.21/hr	
Community and Social Services Occupations	\$17.60/hr	\$18.28/hr	\$18.97/hr

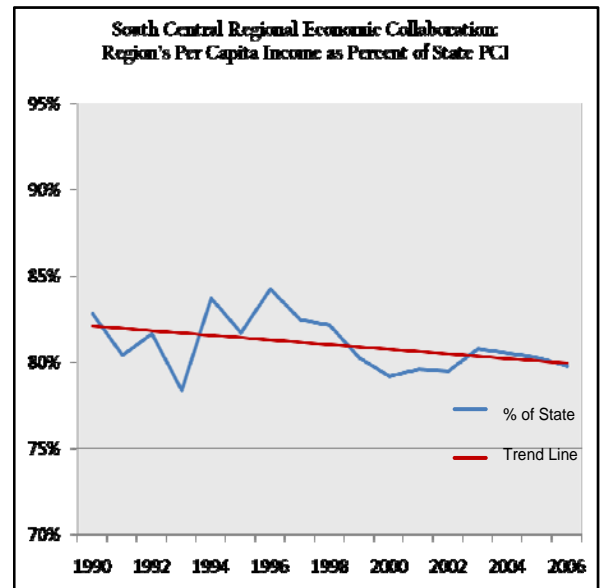
Legal Occupations	\$24.44/hr	\$36.97/hr	\$36.04/hr
Education, Training, and Library Occupations	\$21.02/hr	\$20.61/hr	\$22.01/hr
Arts, Design, Entertainment, Sports, and Media Occupations	\$16.09/hr	\$20.85/hr	\$20.67/hr
Healthcare Practitioners and Technical Occupations	\$24.98/hr	\$30.63/hr	\$28.09/hr
Service occupational group	\$10.65/hr	\$11.15/hr	
Healthcare Support Occupations	\$11.43/hr	\$12.64/hr	\$12.05/hr
Protective Service Occupations	\$16.79/hr	\$17.95/hr	\$17.62/hr
Food Preparation and Serving Related Occupations	\$9.04/hr	\$9.28/hr	\$9.01/hr
Building and Grounds Cleaning and Maintenance Occupations	\$11.54/hr	\$11.86/hr	\$10.90/hr
Personal Care and Service Occupations	\$11.21/hr	\$11.14/hr	\$10.12/hr
Sales and Related Occupations	\$10.51/hr	\$12.36/hr	\$11.87/hr
Office and Administrative Support Occupations	\$13.76/hr	\$15.84/hr	\$14.82/hr
Farming, Fishing, and Forestry Occupations	\$12.11/hr	\$12.26/hr	\$9.57/hr
Construction and Extraction Occupations	\$20.49/hr	\$24.03/hr	\$18.91/hr
Installation, Maintenance, and Repair Occupations	\$18.75/hr	\$20.66/hr	\$19.37/hr
Production Occupations	\$14.38/hr	\$15.83/hr	\$14.61/hr
Transportation and Material Moving Occupations	\$12.94/hr	\$14.52/hr	\$13.66/hr

While median wages across all industries were lower in the region than the state and national averages, several industries saw higher paying jobs per industry than both state and national averages. In the table above, the wages where the region had a higher wage than the state but lower than the national average are denoted in red. The wages where the region had a higher wage than both the state and national average are denoted in blue. The wages where the region had a higher wage than the national average but lower than the state are denoted in green. Among those were:

- Education, Training, and Library Occupations (higher than the state average, lower than the national average);
- Food preparation and serving occupations (lower than the state average, higher than the national average);
- Building and Grounds Cleaning Maintenance Occupations (lower than the state average, higher than the national average);
- Personal Care and Service Occupations (higher than both the state and national average);
- Farming, Fishing, and Forestry Occupations (lower than the state average, higher than the national average); and
- Construction and Extraction Occupations (lower than the state average, higher than the national average).

While the hourly wages varies from county to county, South Central Minnesota (\$643) as a whole had a weekly wage below the state average (\$871) as well. Representing the lowest paying jobs in the region (\$187 average weekly wage), the Leisure and Hospitality Industry accounted for approximately 8.4% of all jobs in the region according to DEED. Manufacturing has the highest average weekly wage (\$762) and represents 18.8% of the jobs in the region.

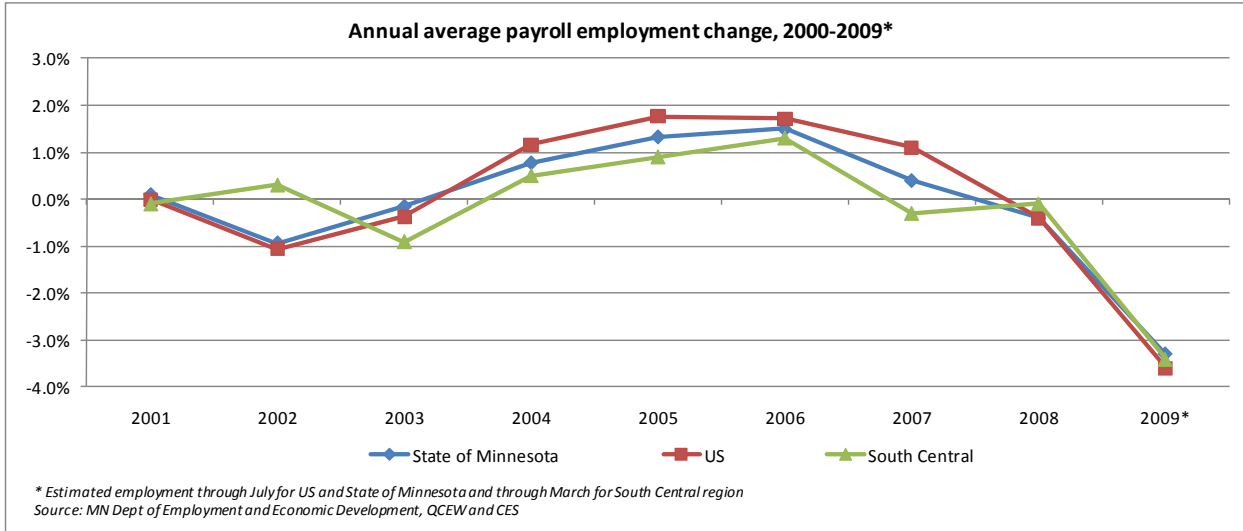
According to the Rural Policy Research Institute (RUPRI), between 1990 and 2007, the region’s per capita income fell from 83 percent of the State of Minnesota’s per capita income to 79 percent. Incomes in the region are lower than statewide wages, and the region has lower than average concentrations of jobs in some higher-pay occupational groups like management occupations. It, however, also has higher than average concentration in education occupations.



Source: Rural Policy Research Institute (RUPRI): 2009

After reviewing the data collected from DEED, it appears the region needs to pursue more high-paying jobs. Local employment trends have followed state and national percentages, median hourly wages are significantly below state and national averages, and six of the nine counties in South Central Minnesota have average weekly

wages below the state averages and significantly less than national averages. However, a bright spot in South Central Minnesota, in terms of income, is Faribault County which ranks 3rd in the state with an average weekly wage of \$975 (2010). Higher paying jobs will lead to an increased quality of life, and will generate a greater tax base for the region. Local industries concentrate wealth within the region and create sustainability.



Source: Department of Employment and Economic Development (Data Center): 2010

Workforce

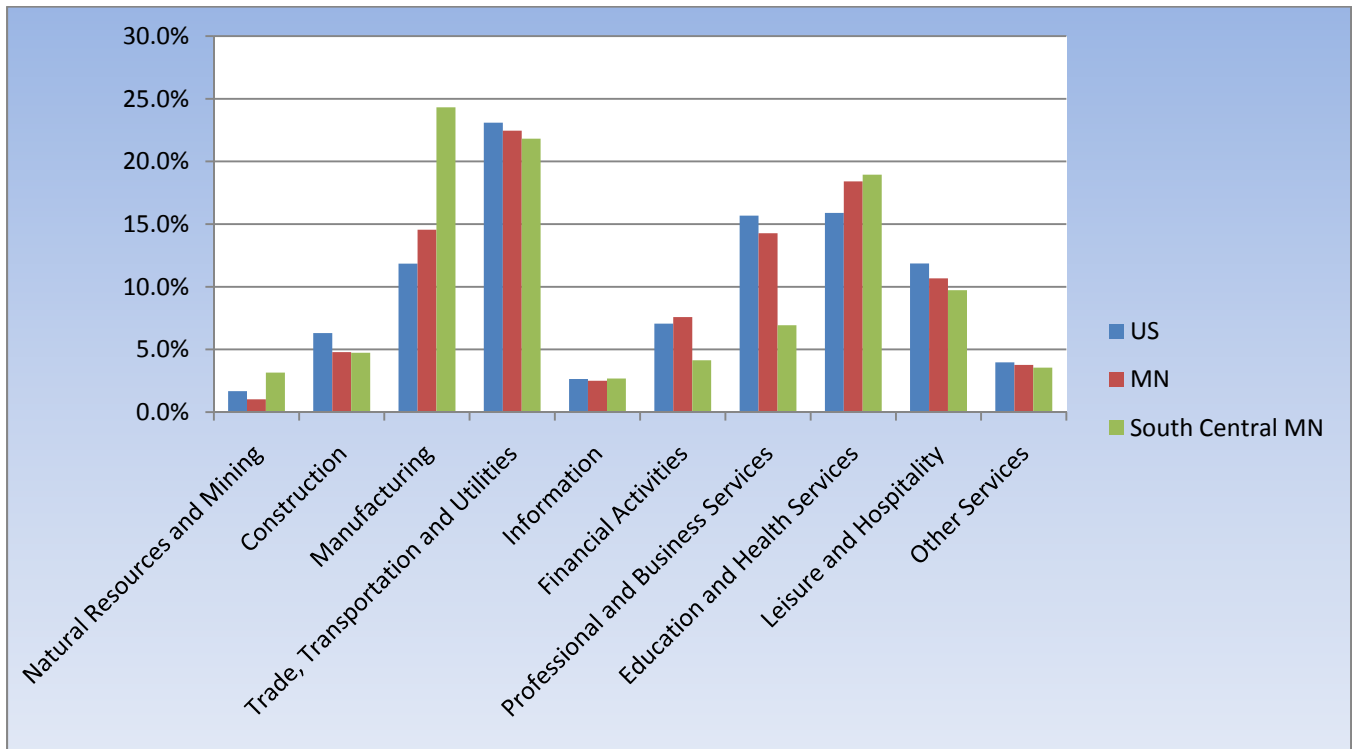
Participation in the workforce includes people who are in the armed forces and also people who are unemployed but looking for work, so the number of people in the labor force at any given time will be higher than the number of people actually employed.

The region had an average annual employment of 100,311 employees in 2009 according to the State of Minnesota’s Quarterly Census of Employment and Wages (QCEW). This represents 3.9% of the state labor market. The data also presents the distribution of those employees into the following “Super Sectors”:

- Natural Resources and Mining
- Construction
- Manufacturing
- Trade, Transportation and Utilities
- Information
- Financial Activities
- Professional and Business Services
- Education and Health Services
- Leisure and Hospitality
- Other Services

In 2009, the largest concentration of employees were in Education and Health Services (26,735); Trade, Transportation and Utilities (19,527); and Manufacturing (18,877). In the graph below, our region’s “Super Sector” concentrations are compared to the State of Minnesota and the United States percentages.

Comparing the Region: Employee Concentration by Sector (2008)

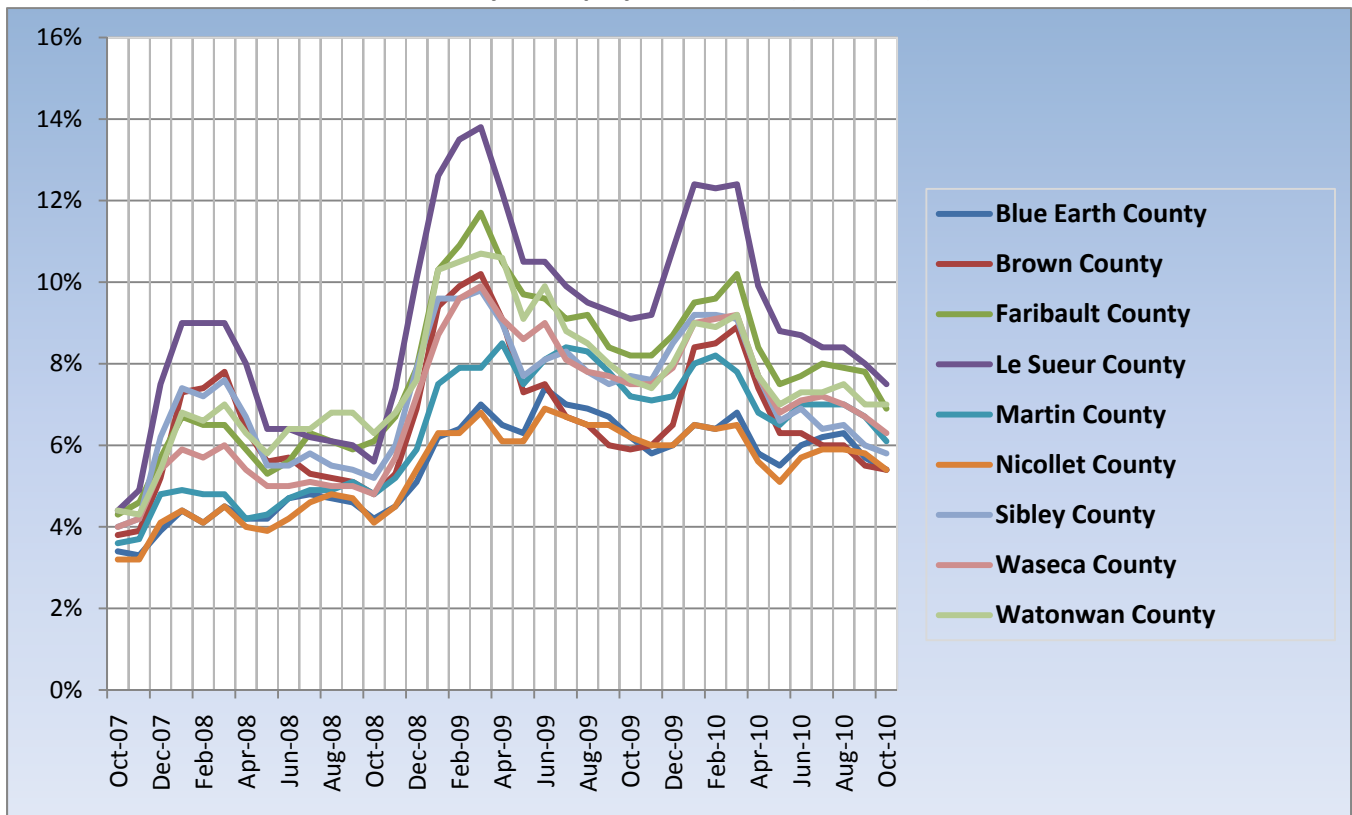


Source: MN DEED, QCEW 2008

The previous graph has information from 2008, as national data is not yet available. Additionally, the graph only shows private sector jobs due to the availability of national data. The graph is an excellent demonstration of how South Central Minnesota compares to the state and the nation in terms of concentration of jobs.

In addition to looking at where people are employed, we must look at unemployment to get a comprehensive understanding of South Central Minnesota’s workforce. The regional unemployment rate is 6.6% as of December, 2010 according to DEED’s Local Area Unemployment Statistics (LAUS). Historically, Le Sueur County has had the highest unemployment rate in the 9-counties of South Central Minnesota. This unemployment rate peaked at 13.8 percent (not seasonally adjusted) in March of 2009 (after already peaking the previous month at 13.5 percent) – far in excess of the region (9.0 percent), State of Minnesota (8.9 percent), and national (9.0 percent) rates. While the unemployment rate in Le Sueur County has come down significantly since (8.3 percent in November, 2010 – placing it below the national seasonally adjusted rate of 9.8 percent), it is still higher than the state rate of 7.1 percent and the 6.2 percent rate in the region.

County Unemployment Levels (2007-2010)



Source: MN DEED

Additionally, Le Sueur County still has the highest unemployment rate in the 9-county region. The high unemployment rate has seasonal ebbs and flows (typically peaking in December or January and dropping in May). During this seasonal spike, unemployment rates are far in excess of regional, state, and even national rates. The rate typically drops near state and regional averages during the summer months. Massive layoffs in

telecommunications in 2002, and heavy manufacturing in 2009, along with some seasonal layoffs in food manufacturing may have lingering effects. Additionally, data regarding unemployment claims in the region indicate a disproportionately high number of claims and continuous claims in the construction industry during the construction off season. This matches with the spike in the unemployment rate.



The Workforce Council and Region Nine Development Commission have the same political boundaries. The South Central Workforce Council’s Local Unified Plan (2010 LUP) includes a Labor Market Review of the workforce in the nine counties of South Central Minnesota. In order to align regional planning documents below is an excerpt from the 2010 LUP which outlines the current conditions of the workforce in South Central Minnesota and analyzes the economic impact.

“The impact of the recession is realized through labor market information. Employment losses between the third quarter 2007 and the third quarter 2009 totaled 6,200 jobs (all industries/all ownerships). Significant employment losses were experienced in manufacturing (3,606) and construction(1,017). Almost every industry with the exception of health care and social assistance experienced some employment losses over the period.”

The 2010 LUP also identifies “Demand Occupations” for South Central Minnesota. The LUP describes this list as being based on labor market information identifying current demand, projected growth, education requirements and wages. In addition, the list was reviewed by the Workforce Council and the Workforce Center partners. This aligns with this planning initiative because the Workforce Council serves as the committee which also reviews this CEDS document.

On the following pages you will find examples of projected employment opportunities by industry including:

Health Care: Registered Nurses, Home Health Aides, Nursing Aides/Orderlies, LPNs, Personal Care Aides, Medical and Health Services Managers, EMTs, Dental and Medical Assistants, Pharmacy Technicians, Medical and Clinical Lab Technologists, Radiological Technicians, Dental Hygienists, and Physical Therapy Assistants.

Business/Finance: Office Clerks, Accounting Clerks, Tellers, Loan Officers, Administrative Assistants, Financial Managers, Financial Services Sales aGents, Legal Secretaries, and Personal Financial Advisors

Manufacturing: Industrial Machinery Mechanics, Industrial Engineers, Industrial Engineering Technicians, Computer-Controlled Machine Tool Operators, Stationary Engineers and Boiler Operators, Cost Estimators, Food Batchmakers, Mechanical Engineers, Machinists, and Millwrights, Chemical Engineers, and Chemical Plant Operators, and Welders.

Technology/Telecommunications: Network Systems and Data Analysts, Computer Programmers, Telecommunications Equipment Installers/Repairers, Computer Software Engineers, Computer Support Specialists, and Computer Systems Analysts.

Social Assistance/Education: Mental Health Counselors, Teachers Assistants, Social Workers, Social Service Assistants, Correctional Officers, Police/Patrol Officers, Vocational Education Teachers, Training and Development Specialists.

Agriculture: Farm workers/Farm Animals, Farm/Agricultural Managers, Ag & Food Science Technicians.

Transportation: Truck Drivers, Storage and Distribution Managers, and Truck Drivers Light or Delivery Services.

Retail: Customer Service Representatives, and Sales Representatives

Meets Education Criteria1	Meets Wage Criteria2	Meets Current Demand Criteria3	Meets Future Demand Criteria4	Job Title	Current Demand Rank	Current Demand Indicator	Median Wage	Planning Area Growth Rate	Planning Area Total Openings	Education and Training Requirements
☺	☺	☺	☺	Retail Salespersons	1	Five Star	\$18,773/yr	Above Average	1,939	Short-term on-the-job training
☺	☺	☺	☺	Home Health Aides	2	Five Star	\$22,731/yr	Well Above	793	Short-term on-the-job training
☺	☺	☺	☺	Registered Nurses	3	Five Star	\$62,652/yr	Well Above	1,116	Associate degree
☺	☺	☺	☺	Preparation and Servicing Workers, Inc	4	Five Star	\$16,698/yr	Above Average	1,419	Short-term on-the-job training
☺	☺	☺	☺	Janitors and Cleaners, Except Maids and Nursing Aides, Orderlies, and Attendants	5	Five Star	\$23,421/yr	Above Average	900	Short-term on-the-job training
☺	☺	☺	☺	Licensed Practical and Licensed Vocational Nurses	6	Five Star	\$23,604/yr	Above Average	558	Post secondary vocational training
☺	☺	☺	☺	Bookkeeping, Accounting, and Auditing Clerks	7	Five Star	\$36,967/yr	Average	668	Post secondary vocational training
☺	☺	☺	☺	Truck Drivers, Heavy and Tractor-Trailer	8	Five Star	\$31,038/yr	Average	744	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	Office Clerks, General	9	Five Star	\$36,366/yr	Below Average	763	Short-term on-the-job training
☺	☺	☺	☺	Dental Assistants	10	Five Star	\$25,451/yr	Above Average	1,402	Short-term on-the-job training
☺	☺	☺	☺	Cooks, Restaurant	11	Five Star	\$40,310/yr	Well Above	151	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	Stock Clerks and Order Fillers	12	Five Star	\$22,119/yr	Average	334	Long-term on-the-job training (> 12)
☺	☺	☺	☺	Social and Human Service Assistants	13	Five Star	\$19,670/yr	Well Below	538	Short-term on-the-job training
☺	☺	☺	☺	Tellers	14	Five Star	\$34,492/yr	Well Above	659	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	Cashiers	15	Five Star	\$22,553/yr	Above Average	561	Short-term on-the-job training
☺	☺	☺	☺	Clinical, Counseling, and School Psychologists	16	Five Star	\$16,945/yr	Well Below	2,187	Short-term on-the-job training
☺	☺	☺	☺	Waiters and Waitresses	17	Five Star	\$59,327/yr	Above Average	48	Doctor's degree
☺	☺	☺	☺	Loan Officers	18	Five Star	\$22,539/yr	Below Average	1,796	Short-term on-the-job training
☺	☺	☺	☺	Family and General Practitioners	19	Five Star	\$54,641/yr	Above Average	152	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	Bartenders	20	Five Star	\$165,274/yr	Average	61	First professional degree
☺	☺	☺	☺	Industrial Machinery Mechanics	21	Five Star	\$17,595/yr	Average	550	Short-term on-the-job training
☺	☺	☺	☺	Farmworkers, Farm and Ranch Animals	22	Five Star	\$41,575/yr	Above Average	259	Long-term on-the-job training (> 12)
☺	☺	☺	☺	Correctional Officers and Jailers	23	Five Star	\$21,559/yr	Well Above	92	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	Executive Secretaries & Administrative Assistants	24	Five Star	\$46,366/yr	Above Average	150	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	Cleaners of Vehicles and Equipment	25	Five Star	\$38,057/yr	Above Average	308	Work experience (in related occupation)
☺	☺	☺	☺	Medical and Health Services Managers	26	Five Star	\$18,907/yr	Below Average	208	Short-term on-the-job training
☺	☺	☺	☺	Shipping, Receiving, and Traffic Clerks	27	Five Star	\$72,550/yr	Well Above	99	Work experience, plus bachelor's or higher
☺	☺	☺	☺	Emergency Medical Technicians and Paramedics	28	Five Star	\$27,972/yr	Below Average	209	Short-term on-the-job training
☺	☺	☺	☺	Child, Family, and School Social Workers	29	Five Star	\$30,297/yr	Above Average	122	Post secondary vocational training
☺	☺	☺	☺	Lawyers	30	Five Star	\$47,251/yr	Average	122	Bachelor's degree
☺	☺	☺	☺	Financial Managers	31	Five Star	\$76,667/yr	Above Average	212	First professional degree
☺	☺	☺	☺	Bus Drivers, School	32	Five Star	\$92,485/yr	Average	88	Work experience, plus bachelor's or higher
☺	☺	☺	☺	Mental Health Counselors	33	Five Star	\$24,276/yr	Well Below	83	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	Welders, Cutters, Solderers, and Brazers	34	Five Star	\$23,583/yr	Well Above	53	Master's degree
☺	☺	☺	☺	Mixing and Blending Machine Setters, Operators, Industrial Engineers	35	Five Star	\$32,418/yr	Below Average	249	Post secondary vocational training
☺	☺	☺	☺	Food Preparation Workers	36	Five Star	\$29,796/yr	Average	40	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	Personal and Home Care Aides	37	Five Star	\$68,807/yr	Above Average	102	Bachelor's degree
☺	☺	☺	☺	Agricultural and Food Science Technicians	38	Five Star	\$17,755/yr	Average	394	Short-term on-the-job training
☺	☺	☺	☺		39	Five Star	\$24,364/yr	Well Above	1,929	Short-term on-the-job training
☺	☺	☺	☺		40	Five Star	\$32,713/yr	Above Average	31	Associate degree

☺	☺	☺	☺	☺	Sales Engineers	241	Two Star	\$50,520/yr	Below Average	8	Bachelor's degree
☺	☺	☺	☺	☺	Cargo and Freight Agents	242	Two Star	\$42,000/yr	Well Below	9	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	☺	Electromechanical Equipment Assemblers	243	Two Star	\$24,967/yr	Well Below	4	Short-term on-the-job training
☺	☺	☺	☺	☺	Tool Grinders, Filers, and Sharpeners	244	Two Star	\$31,189/yr	Well Below	NA	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	☺	Food and Tobacco Roasting, Baking, and Drying	245	Two Star	\$27,646/yr	Well Above	43	Short-term on-the-job training
☺	☺	☺	☺	☺	Excavating & Loading Machine & Dragline	246	Two Star	\$37,896/yr	Above Average	35	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	☺	Sales Representatives, Wholesale &	247	Two Star	\$58,070/yr	Well Above	60	Work experience (in related occupation)
☺	☺	☺	☺	☺	Vocational Education Teachers, Postsecondary	248	Two Star	\$59,888/yr	Well Above	130	Master's degree
☺	☺	☺	☺	☺	Parts Salespersons	249	Two Star	\$36,675/yr	Well Below	49	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	☺	Grinding and Polishing Workers, Hand	250	Two Star	\$33,385/yr	Well Below	7	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	☺	Foundry Mold and Coremakers	251	Two Star	\$34,713/yr	Below Average	1	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	☺	Library Technicians	252	Two Star	\$33,008/yr	Below Average	128	Post secondary vocational training
☺	☺	☺	☺	☺	Butchers and Meat Cutters	253	Two Star	\$28,310/yr	Below Average	85	Long-term on-the-job training (> 12)
☺	☺	☺	☺	*	Art, Drama, and Music Teachers, Postsecondary	254	Two Star	\$64,438/yr	Well Above	49	Master's degree
☺	☺	☺	☺	☺	First-Line Supervisors/Managers of Transportation	255	Two Star	\$48,249/yr	Average	100	Work experience (in related occupation)
☺	☺	☺	☺	☺	Refuse and Recyclable Material Collectors	256	Two Star	\$26,100/yr	Well Above	97	Short-term on-the-job training
☺	☺	☺	☺	☺	Special Education Teachers, Middle School	257	Two Star	\$46,666/yr	Below Average	20	Bachelor's degree
☺	☺	☺	☺	☺	Coil Winders, Tapers, and Finishers	258	Two Star	\$33,895/yr	Well Below	8	Short-term on-the-job training
☺	☺	☺	☺	☺	Receptionists and Information Clerks	259	Two Star	\$25,874/yr	Above Average	618	Short-term on-the-job training
☺	☺	☺	☺	☺	Computer Support Specialists	260	Two Star	\$39,587/yr	Below Average	121	Associate degree
☺	☺	☺	☺	☺	Adult Literacy, Remedial Education, and GED	261	Two Star	\$42,025/yr	Well Below	9	Bachelor's degree
☺	☺	☺	☺	☺	First-Line Supervisors/Managers of Helpers,	262	Two Star	\$37,711/yr	Above Average	82	Work experience (in related occupation)
☺	☺	☺	☺	☺	Data Entry Keyers	263	Two Star	\$25,541/yr	Below Average	104	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	☺	Purchasing Managers	264	Two Star	\$77,528/yr	Below Average	24	Work experience, plus bachelor's or higher
☺	☺	☺	☺	☺	Athletic Trainers	265	Two Star	\$41,011/yr	Well Above	NA	Bachelor's degree
☺	☺	☺	☺	☺	Couriers and Messengers	266	Two Star	\$21,456/yr	Below Average	59	Short-term on-the-job training
☺	☺	☺	☺	*	Mathematical Science Teachers, Postsecondary	267	Two Star	\$61,354/yr	Above Average	15	Master's degree
☺	☺	☺	☺	☺	Middle School Teachers, Except Special and	268	Two Star	\$45,475/yr	Below Average	140	Bachelor's degree
☺	☺	☺	☺	☺	English Language & Literature Teachers, Postsec.	269	Two Star	\$61,189/yr	Well Above	25	Master's degree
☺	☺	☺	☺	☺	Kindergarten Teachers, Except-Special Education	270	Two Star	\$47,769/yr	Below Average	26	Bachelor's degree
☺	☺	☺	☺	☺	Graphic Designers	271	Two Star	\$35,394/yr	Well Above	121	Bachelor's degree
☺	☺	☺	☺	☺	Special Education Teachers, Preschool,	272	Two Star	\$46,974/yr	Below Average	89	Bachelor's degree
☺	☺	☺	☺	☺	Structural Metal Fabricators and Fitters	273	Two Star	\$34,022/yr	Well Below	22	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	☺	Instructional Coordinators	274	Two Star	\$45,626/yr	Above Average	21	Master's degree
☺	☺	☺	☺	☺	Automotive Service Technicians and Mechanics	275	One Star	\$30,089/yr	Below Average	244	Post secondary vocational training
☺	☺	☺	☺	☺	Cutters and Trimmers, Hand	276	One Star	\$29,646/yr	Above Average	NA	Short-term on-the-job training
☺	☺	☺	☺	☺	Job Printers	277	One Star	\$38,211/yr	Average	43	Long-term on-the-job training (> 12)
☺	☺	☺	☺	☺	Library Assistants, Clerical	278	One Star	\$18,544/yr	Above Average	76	Short-term on-the-job training
☺	☺	☺	☺	☺	Pipelayers	279	One Star	\$37,775/yr	Above Average	22	Short-term on-the-job training
☺	☺	☺	☺	☺	Paving, Surfacing, & Tamping Equipment	280	One Star	\$31,310/yr	Above Average	11	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	☺	Glaziers	281	One Star	\$47,643/yr	Average	5	Long-term on-the-job training (> 12)
☺	☺	☺	☺	☺	Drilling and Boring Machine Tool Setters, Operator	282	One Star	\$34,375/yr	Well Below	9	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	☺	Sales Representatives, Wholesale and	283	One Star	\$22,220/yr	Below Average	309	Work experience (in related occupation)
☺	☺	☺	☺	☺	Graders and Sorters, Agricultural Products	284	One Star	\$25,563/yr	Below Average	15	Work experience (in related occupation)
☺	☺	☺	☺	☺	Cement Masons and Concrete Finishers	285	One Star	\$36,448/yr	Average	70	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	☺	Fire Fighters	286	One Star	\$25,620/yr	Average	284	Long-term on-the-job training (> 12)
☺	☺	☺	☺	*	Foreign Language & Literature Teachers, Postsec.	287	One Star	\$63,397/yr	Above Average	11	Master's degree
☺	☺	☺	☺	☺	Farmworkers & Laborers, Crop, Nursery &	288	One Star	\$22,768/yr	Average	884	Long-term on-the-job training (> 12)
☺	☺	☺	☺	☺	Printing Machine Operators	289	One Star	\$27,249/yr	Well Above	360	Moderate-term on-the-job training (1-12)
☺	☺	☺	☺	☺	Extruding and Drawing Machine Setters,	290	One Star	\$32,008/yr	Below Average	25	Moderate-term on-the-job training (1-12)

Commodities

The Western Minnesota Freight Plan (WMFP) drafted by the Minnesota Department of Transportation (Mn/DOT) discusses the needs and issues of western Minnesota. Included in the study is Mn/DOT District 7, which includes the counties of Blue Earth, Brown, Faribault, LeSueur, Martin, Nicollet, Sibley, Waseca and Watonwan counties within Region Nine.

The WMFP table below shows key import commodity groups in District 7. The largest commodity group imported into the District is Farm Products at 14.4 million tons, comprising 53 percent of the total inbound tonnage and 11 percent of its total value. Non-metallic minerals are the next largest import to District 7 totaling 5.6 million tons. Secondary traffic is the highest valued import commodity group moving into District 7 totaling \$15.5 billion, comprising nearly 72 percent of the total inbound value. Secondary Traffic is a growing commodity group in today's multi-modal economy that includes truck movements to and from warehouse and distribution centers, intermodal terminals, and air cargo facilities. Several commodities or mixed shipments can be included in this category, including many mixed shipments of retail goods.

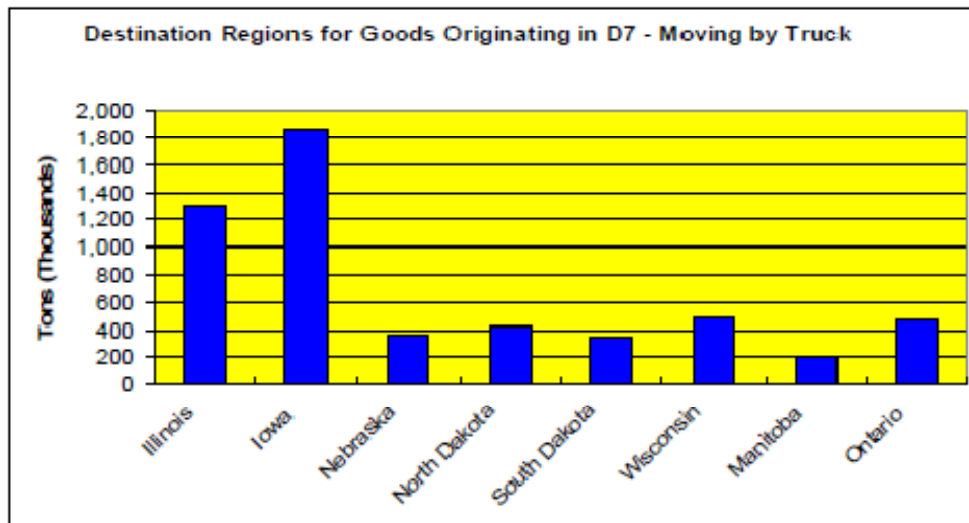
Commodity Tonnage Rank	Total Tons	Commodity Value Rank	Total Value
Farm Products	14,446,158	Secondary Traffic	\$15,536,711,796
Non-metallic Minerals	5,666,323	Farm Products	\$2,443,512,088
Secondary Traffic	2,955,870	Food or Kindred Prod.	\$12,276,050,216
Food or Kindred Products	1,497,484	Petroleum or Coal Prod.	\$320,614,981
Clay, Concrete, Glass or Stone	822,684	Printed Matter	\$307,224,115

Looking at the WMFP's analysis of commodities being exported, non-metallic minerals was District 7's largest export in 2001. Comprising 63 percent of the District's commodity exports of nearly 39 million tons. Non-Metallic Minerals include aggregate (sand, gravel and crushed stone), peat, clay, dimension stone, and silica sand. It is likely that the Non-Metallic Mineral group exported from District 7 includes products associated with Kaolin clay, which is mined in the Minnesota River Valley. Kaolin clay is used in making cement, bricks and tiles. Kaolin clay is also a key additive in the rubber, plastic and paper industries. Paper mills use Kaolin to brighten high-end paper products and enhance paper receptivity to ink. Major producers in this commodity group include Och's Brick and Tile Company, Superior Concrete Block Company, and Wells Concrete Products Company.

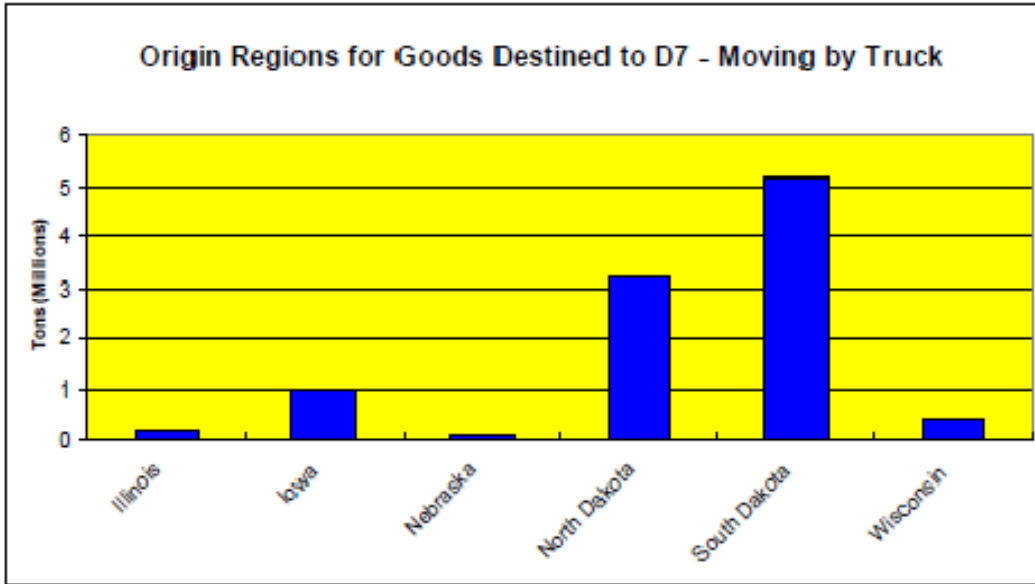
The second largest commodity export group from District 7 is Farm Products, totaling 10.5 million tons representing five percent of the total export value. The most valuable commodity exported from District 7 is Secondary Traffic with over \$20 billion annually.

Commodity Tonnage Rank	Total Tons	Commodity Value Rank	Total Value
Non-metallic Minerals	38,778,280	Secondary Traffic	\$20,742,427,722
Farm Products	10,586,763	Farm Products	\$5,349,097,756
Food or Kindred Products	6,277,330	Food or Kindred Prod.	\$1,790,710,261
Secondary Traffic	3,946,261	Petroleum or Coal Prod.	\$1,013,005,798
Clay, Concrete, Glass or Stone	1,001,223	Printed Matter	\$833,944,903

The WMFP graph below presents information about key export markets for District 7 beyond Minnesota’s borders for goods moving on the highway system. Two modes are present for freight transportation out of District 8. Truck is the predominant mode of transportation out of the District. By tonnage, it accounts for 67 percent of all outbound movements. Rail is the second most important transportation mode out of District 8. It accounts for 33 percent of the total outbound tonnage. Freight leaving Minnesota from District 7 by truck goes primarily to neighboring states of the Midwest. Iowa and Illinois receive over 3 million tons of freight traveling on highways from District 7.



The WMFP identified that similar to the outbound movements, only two modes are present for inbound movements into the District with trucks as the predominant mode of transportation. By tonnage, trucks account for more than 93 percent of all inbound movements. Rail is the second most important transportation mode into the District. It accounts for 6 percent of the total inbound tonnage. District 7 also receives significant quantities of commodities moving by truck from other Midwest jurisdictions. The graph below, from the WMFP, shows origin regions beyond Minnesota for commodities moving on the highway system into District 7. More than 8 million tons of freight, mostly farm products and food or kindred products moved into District 7 from its Western neighbors in the Dakotas. The District also imported nearly 1 million tons of mostly agricultural related products from Iowa.



Strategic Plan for Economic Growth

Economically Distressed Counties

As of January 2011, Region Nine Development Commission has three counties meeting the Federal EDA requirements to be deemed “Economically Distressed.” Those counties are: Faribault, Le Sueur, and Waseca. To be designated as “economically distress”, a county must have below 80% of the national per capita income and/or an unemployment rate one percentage point higher than the national average.

Outcomes

Quantifying outcomes, which was brought up during last year’s update, has been incorporated into this year’s edition. Outcomes now have numerical value based upon the goals and strategies brainstormed during the joint committee meeting, data from DEED, and the existing outcomes listed in the CEDS. These quantified outcomes are intended to be used as benchmarks for regional economic development planning.

The joint committee meeting produced the following areas of focus after the brainstormed goals and strategies were formed into groups:

1. Infrastructure/Supportive Aspects to Economic Development
2. Business Growth/Wages
3. Workforce
4. Good Policy/Government Issues

The regional data analyst for DEED serving the counties of South Central Minnesota reviewed the areas of focus and the goals and strategies included in each group. Their feedback provided RNDC staff with resources to quantify outcomes where possible.

Area of Focus Group Number	Outcome	Quantified
1	Improve housing opportunities for low and moderate income households	1 project completed per year
1	Evaluate and develop regional transportation projects	1 project per year
1	Facilitate broadband internet coverage expansion	1 project per year
2	Increase the median regional income	Raise the median regional income above \$14.63 per hour
2	Continue to develop industries of competitive advantage	Provide resource assistance to private sector businesses quarterly
3	Increase the level of education of the workforce	Raise the 2010 level of employees with a professional degree
3	Increase the number of people receiving training for technical skill attainment	Raise the 2010 level of employees with certification and credentials

3	Create New Jobs	Develop one project with regional job significance per year.
4	Address unfunded government mandates	Work with legislators to address one mandate
4	Promote joint investment	1 project which utilized public and private funding
4	Increase the tax base	1 project which results in the increased tax capacity of land
4	Increase cooperation between communities to recruit businesses	Inventory regional business capacity

These outcomes were the basis for the strategies and key focus areas discussed later. Regional economic development work conducted by Region Nine Development Commission and its partners have worked towards these outcomes by utilizing strategies and key focus areas of this plan.

Status of regional economic development work is covered later in the Accomplishment Assessment. This work has includes the Economic Growth Collaborative of South Central Minnesota. The Project Leadership Group of this initiative consists of the following partners. The Project Leadership Group is non-exclusive and continues to look for new partners in multiple sectors.

Region Nine Development Commission
MN State University, Mankato
Greater Mankato Growth
South Central College
South Central WorkForce Council
Southern Minnesota Initiative Foundation
Diversity Council
South Central Service Cooperative
Minnesota Department of Employment & Economic Development
V-Tek, Inc.
Winegar, Inc.

The initiative’s mission statement is “Develop and implement market-driven strategies that align resources and increase the economic competitiveness of the region.” The project outcomes of this initiative (actually more outputs than outcomes) relate to outcomes of this plan. According to the 2009 Final Report, the outcomes are as follows:

Build strong regional collaboration
Create a shared vision/regional brand
Complete SWOT analysis, inventory & asset-based mapping
Identify regional drivers & related supporting industries
Develop/integrate economic impact strategies
Evaluation and sustainability strategies

Work Plan/Project List

In 2011, while driving the identified key strategies, Region Nine Development Commission will continue to have a work plan that focuses on comprehensive nature of Economic Development. Our economic development services will be driven by this plan’s strategies and strive to fulfill the outcomes outlined at the beginning of this chapter. Our services will be categorized as:

- Main Street (Local Technical Assistance)
- General Business Development / Revolving Loan Fund
- Community Grant Opportunities
- Regional Planning

These functions and activities of the scope of work are to be comprehensive in nature to address all aspects of the CEDS. Main Street can be summarized as local technical assistance. It is the activity/function which comprises our specific contracted work with communities to perform economic development services for enhancing, developing or redeveloping a community's downtown. General Business Development and Revolving Loan Fund covers our work with private business owners and facilitating economic development initiatives between the public and private sectors. Community Grant Opportunities cover our contracted work with local jurisdictions to pursue and obtain funding opportunities vital to the implementation of economic development initiatives of the region. Regional Planning covers our work on revising and updating the CEDS and coordinating economic development planning processes within the Southern Minnesota Region.

Below is a list of projects identified by communities that will fuel economic development. Specific measures of the implication of these projects will be collected as more analysis of the projects is completed.

Project Name	City	County	Short Project Description	Total Project Cost \$	Construction Start Date
Tower Street Reconstruction	Gaylord	Sibley	Infrastructure installation- road improvements, water & sewer lines extended	299,000 - 1,184,000	1-2 years
Pedestrian Trail	Mankato/North Mankato to St Peter	Nicollet	Study on Trail Connection	To be determined	1-2 years

Project Name	City	County	Short Project Description	Total Project Cost \$	Construction Start Date
Downtown Streetscaping	Truman	Watonwan	Downtown Investments	To be determined	1-2 years
Street and Utility Improvement	Courtland	Nicollet	Infrastructure installation- road improvements, water & sewer lines extended to developable property	1,850,000	Shovel Ready
Watermain Improvement Mary Lane / Riverview Dr	Courtland	Nicollet	Water main improvements	310,188	Shovel Ready
Highway 14 Development	Janesville	Waseca	Infrastructure installation- road improvements, water & sewer lines extended for development along highway	TBD	Shovel Ready
Butterfield Infrastructure Enhancements	Butterfield	Watonwan	Infrastructure enhancements	TBD	Shovel Ready
Commercial and Medical Development Area	New Prague	Le Sueur	Infrastructure installation- road improvements, water & sewer lines extended for regional medical system	To be determined	1-2 years

Project Name	City	County	Short Project Description	Total Project Cost \$	Construction Start Date
Northwest Industrial Development	New Prague	Le Sueur	Study, Analysis and Infrastructure installation- road improvements, water & sewer lines extended for potential users	To be determined	3-5 years
Industrial Park Expansion	Sleepy Eye	Brown	Infrastructure installation- road improvements, water & sewer lines extended for potential users	To be determined	To be determined
Broadband expansion	Regional	Regional	Generating expansion of broad band services to unserved and underserved areas	To be determined	To be determined
Corridor Development	Janesville	Waseca	The development of land adjacent to HWY 14 and along community gateway corridor	To be determined	To be determined
Planning Software	Regional (MNSU,M)	Regional	Development of planning software	To be determined	To be determined
Comprehensive Planning	Le Center	Le Sueur	Comprehensive Planning	To be determined	To be determined
Redevelopment of an industrial property	Regional	Faribault	Infrastructure for a new industrial use	To be determined	To be determined

Redevelop a multijurisdictional transit facility	Mankato	Blue Earth	Retrofitting a facility for regional transit needs	To be determined	To be determined
Development of Renewable Energy Valley	Regional	Regional	Evaluation of economic impact of renewable energy	To be determined	To be determined

Strategies

Upon review, the strategies remain the same for the 2011 update of the Strategic Plan for Economic Growth. The strategies address the outcomes of the Strategic Plan for Economic Growth and have key focus areas for implementation. There are underlying principles that exist within all strategies such as the need to invest in human capital and working collaboratively throughout the region. Investment in people creates the synergy for full development of all strategies. Both investment in people and working collaboratively are inextricable from the success of the strategies.

The list of strategies is extensive and includes measurable items founded in the basics of economic development. The regional economic development work done by Region Nine Development Commission and its partners have utilized these strategies in a variety of formats.

- Growing your own businesses
- Creating an entrepreneurial/innovative atmosphere
- Approach market and economic development regionally
- Diversify business industries
- Attract anchor industries
- Utilize and leverage existing assets for business development
- Niche and cluster market development
- Developing collaborative and system approaches to developing businesses

1. Growing Your Own Businesses – Communities in the region recognize that strategies for developing businesses must be diverse. The limitation of luring an international automobile or tractor manufacturing plant becomes more competitive each year. To counter the single industry strategy of hooking the “big one” communities are looking to grow their own businesses. Growing their own includes expanding existing businesses, cultivating feeder businesses as part of a cluster, and nurturing new entrepreneurs.

Knowledge – The new economy relies on problem solvers, knowledge, and information. While the region has a good base of knowledge among its workers, it will be challenged in shifting from a blue-collar skill base to technical skills needed in fields such as technology and health care.

Traditional and Non-Traditional Financial Tools – Increasing and combining the use of revolving loans, use of tax-benefit land, and business counseling are a few of the tools used in collaboration from all levels of government for developing businesses. Many new businesses have needs beyond the traditional land and building needs to more equity needs for developing software or other technical products. Such non-traditional businesses require equity in various amounts depending upon the business size.

Entrepreneurs – Entrepreneurs have historically been catalyst for business development. An environment or the resources have not always been as plentiful for nurturing and encouraging for entrepreneurs in rural areas. Communities have recognized that the spirit and opportunity for entrepreneurs to do what they do best, which is starting businesses is an underdeveloped as economic development strategy.

Encourage and Nurture Growing in Place – While critical components of a comprehensive economic development strategy is recruiting new businesses, it can also be an expensive and risky venture. This is particularly challenging for smaller rural communities. Several of the major employers in the region are businesses that have started on smaller scales and grew to larger scales. This approach allows a community to maximize the impact of a homegrown business.

Non-Traditional Workforce – Over the past ten years, the growing population has dramatically changed to new Americans or immigrant workers traveling from other countries and southern states. While these populations have traditionally provided work in meat processing, vegetable canning, and packing plants it will be critical to further develop their skills to fill jobs in developing technical markets. Several new populations have entered into the secondary education system or bring secondary degree credentials with them. Their high level skills will be needed to lead in the development of new enterprises or white-collar jobs. Beyond new populations a changing labor force is the growing aging population. The Region's largest populations are those between the ages 45 to 64. Over the next 10 years keeping people age 50 plus participating in the labor force will be essential.

Workforce Development – Growing the Region's labor force will require investment in new skills. The region can take advantage of its educated and skilled workforce by adding additional skills for new markets. In order to fill the existing job openings in the region 31% of the jobs require education beyond high school. On the horizon is the issue of the workforce size. The region grew by a very modest 3% over the past 10 years. Greater increases in workers will be warranted to expand existing markets and develop new ones. Issues such as affordable housing and equity to start businesses will be important.

2. Create Innovative and Entrepreneurial Business Environment – The Region's development of business will be led by its leadership. Leadership must strive to create an environment that says to existing businesses, external businesses, entrepreneurs, and the general public that our region is the best place to do business. Such leadership includes marketing to prospective businesses, investing in the infrastructure, leverage its natural and

developed resources, and challenging its industries and systems to align themselves strategically, thereby created a “ready for success” business atmosphere.

Marketing – Letting prospective businesses, entrepreneurs, and investors know that South Central Minnesota is a great place to do business. Promoting the tools and resources readily available to businesses is critical to sending a message to the state and country that our region is serious about growing businesses.

Networking and Collaborations – No one organization, entity, or sector can provide all that is needed to help businesses succeed. Working together across sectors, entities, as well as, sharing resources can realize knowledge and know-how success. In addition, such an approach helps developing businesses navigate various systems needed in order to do business.

Information Sharing – As markets shifts, trends develop and single events occur in the market sharing of information better equips businesses and leaders to adjust. The ability to adjust can save businesses from failure. Knowing who does what and when can help align needed products or labor skills for businesses operating in the region.

3. Developing Regional Competitiveness – Working regionally permits individual communities to leverage resources, counter long-term trends (i.e. out-migration and aging workforce), pursue niche markets, establish industry clusters, and offsetting industry downturns.

Leverage Resources – Combining revolving loan funds, business planning, tax benefit zones, capital venture investments, technical skills, technology infrastructure, transportation, marketing, workforce training, and research all contribute to successful businesses. By combining such resources the region will be better positioned to assist developing businesses, encourage venture capital investments, and greater cooperation among diverse entities. With a relatively flattening in growth, aging, youth flight, diversifying population, and declining state and federal resources it is necessary to leverage the regions’ resources in order to grow the economy. No one level of government, sector or entity has all the resources needed to create and sustain a viable economy in the region alone.

Clustering – Where there are clusters of businesses or labor sheds geographically that serve as an economic engine may benefit surrounding communities. Also, surrounding communities may provide the skills, raw materials, and labor needed in order for the hub area to be successful. They are both critical parts of one system or region. Bedroom communities may develop within an hour radius of the economic center. Diverse housing stock, transportation and transit, regional branding with individual community identity, water and sewer systems, and other infrastructure are critical to such an approach. In the process of working regionally, preserving community identity, values, and traditions will be the greatest challenges. Striking a balance of

regional and local identities and influence is possible when leadership from all areas work together. Clustering is not applicable to all situations, but in viewing the broader economic picture it is appropriate.

Technology – The region has good broadband infrastructure. However, system or community use of technology is yet to be developed. Communities will move from use by the few knowledgeable businesses and individuals to the broader community networking. Broader community use and networking raises the skill level of the overall workforce and increases the innovativeness of technology use in communities. Technology will allow communities in the region to operate more cost efficient and effective while opening up new markets to its businesses. To counter the out-migration of technical professionals (i.e. dentist, pharmacist, and radiologist) technology can help keep these services in communities. Such amenities are critical to keep families or labor in communities, as well as, luring businesses into rural communities.

4. Diversify Business Industries – Creating new and sustainable markets allows the region to with stand industry changes and downturns.

Value-Added Agriculture and New Culture – Retaining and adding value to raw materials rather than exporting them benefits the region’s local economy. As agricultural crops become more specialized there will be additional opportunities to capitalize on value-added processing. Products ranging from counter tops to energy create greater market expansion opportunities for the region.

Alternative Energy – Development of alternative energy serves as a new economic piston, impacts a long-term state and national problem, and positively impacts the environment that makes communities more desirable places to live. Energy sources ranging from ethanol to wind energy hold promise for the region’s economy.

5. Attract Anchor Industries – Another component of building a diverse industry is luring businesses to the region. Anchor industries can have immediate impact on the number of jobs, and private sector investments in the local economy. Anchor businesses are businesses that lend themselves to stability, feeder business development that serves the anchor business or creates spin-off products from the anchor business, and tend to have a larger impact on the local/regional economy.

Industrial Parks – Are key desires of most communities. Development can be challenging due to costs of infrastructure, availability of land, and prospect potential. Working regionally with resources to identify strategic developments, creating site readiness and infrastructure development are keys to luring potential businesses. Opportunities for communities to work together on industrial park development have been enhanced due to development of tools, such as tax benefit zones.

Infrastructure – Continued development of the region’s infrastructure is critical. Widening of truck barring roads, lengthening airport landing strips, and reinforcement of bridges are critical to moving products through the region. Getting water and sewer services out to industrial parks are challenging due to high cost, but remains critical to lure businesses. The new frontier of infrastructure is technology. Broadband access to all businesses and to the workforce is critical. Development of such an infrastructure must cater to multiple industries and uses in order to be a cost effective infrastructure. Maintenance and upkeep for all forms of infrastructure continue to be economic challenges, but by working together to leverage resources advances can be made.

Land Readiness - Several communities have vacant buildings available for a developing business. In some cases communities may not have adequate land secured or prepped with infrastructure in order for development to occur expediently. Proper zoning and land set-aside are also important to preparing for industry. The combination of land and building site readiness are keys to luring anchor businesses.

6. Utilize and Leverage Existing Assets for Business Development – Pre-existing resources in communities lends themselves to strengthening strategy sustainability. Utilizing existing resources may off-set some of the initial investment due to use of existing resources. Such a strategy creates greater cost efficiency and stretches the use of resources.

Transportation System – Development along highway corridors are natural development opportunities because of the ease of moving products. Beyond the highways are rail lines that have historically moved agriculture and fuel products through the region. Such a network of rails can serve old and new markets.

Agriculture – Agriculture serves as a cornerstone of industry in the region. The agriculture related industries combine to makeup a significant portion of the region’s economy. Much of the natural by-products serve as possibilities for other end products (i.e., fuel, oils, and hard materials).

Workforce – Minnesota is known nationally for its great work ethic. The workforce take great pride in working hard to overcome obstacles, which is also taught as community norms. Beyond the work ethic are skills developed from agriculture, printing, and manufacturing industries that are leverage points. While not all skills are transferable to new markets such as technology, healthcare or specialized fields the capacity for workers to be retrained are high.

Higher Education – The region has access to five higher education institutions and an additional four within 50 miles of the region. There are communities progressively pursuing new higher education institutions to develop special skills such as health care. Health care accounts for 15% of the regions jobs and is among the top growth industries.

(NEW in 2010) Housing – Having a housing stock that will accommodate workforce expansion is important for business expansion and recruitment. Marketing this potential existing asset should be a part of a community's recruitment/retention package.

7. Niche and Cluster Market Development – There are industries that can be more easily explored or developed in the region due to the natural resources, workforce skills, and innovation in the region. Developing unique markets creates opportunities to capture larger shares of markets, develop additional related businesses, and establish a reputation for such markets.

Niche Markets – Focusing business development on areas that are aligned with the abilities and resources of the region increases the notion that South Central Minnesota is the best place for those businesses to operate. There are a few areas that could be developed as niches such as spin-off businesses of value-added agriculture products, telecommunications, printing, alternative energy, transportation equipment, manufacturing, and health care manufacturing.

Clusters – There are groups of businesses that have been developed within the region including telecommunications and printing. These two industries can create opportunities to develop other related industries. Processing of paper, printing presses or parts, fiber optic lines, tower parts, or manufacturing software systems are all possible areas of cluster development. Other potential clusters include medical and agriculture by-products.

8. Developing Collaborative and System Approaches to Developing Businesses – By working systematically across institutions, businesses, universities, government, and non-profit industries can create comprehensive approaches, innovative and efficient industry development.

E-communication – Sharing information of trends, policy changes, industry tips, innovation, events of opportunity, documents, administrative forms, and the like could improve communication across sectors and improve overall innovation.

E-government - Engaging citizens via telecommunication creates opportunities for government to operate efficiently, encourages citizens to become more technology savvy, and improves the overall technical capacity of the community. Allowing businesses to conduct business via computer (i.e. billing and permits) would expedite business operations.

GIS Mapping - Mapping out available natural and developed resources permits leadership to see where resources abundant and where gaps may exist.

ACCOMPLISHMENT ASSESSMENT

The Economic Growth Collaborative of South Central Minnesota has entered into a new phase of implementation. In accordance with the mission statement to “develop and implement market-driven strategies that align resources and increases the economic competitiveness of the region,” the SCREC has established goals to be completed by the end of 2010. Those goals are:

- Develop web-based communication system and regional resource & referral repository;
- Complete scenarios to identify how partners will align resources that will lead to an MOU between partners;
- Create and market a regional brand/identity; and
- Conduct “industry” days; and facilitate industry exposure to innovation.

Partners have met and completed scenarios on how to align resources of multiple sectors in response to mass layoffs and temporary unemployment, implementation of industry-based career academy for high school students, and responding to workforce needs for new/expanding industries. In addition, two committees have been developed to implement strategies: Marketing Committee and Industry Cluster Committee.

Region Nine Development Commission (RNDC) consulted on a project funded through SCREC. RNDC Staff provided an analysis of feasibility for renewable energy investment for Brown County.

In addition to the project in Brown County, RNDC Staff has provided several popular opportunities for economic development training, education and resource procurement. The first year of quarterly Professional Economic Development Forums was well attended. Speakers at the forum included the State Demographer Tom Gillaspay, Commissioner of the Department of Employment and Economic Development Dan McElroy, Congressman Tim Walz, and Geographic Information System (GIS) Application Developer Jessica Fendos.

Grant Opportunity Forums (GOF) are held two times per year – fall and spring. Attendees have included elected officials, local units of government, nonprofits, community members, small business owners and educational institutions. Speakers have included representatives from FEMA, USDA, SMIF, Minnesota Twins, Blandin Foundation, Office of Energy Security, grants.gov, the Census and more. GOF is free of charge thanks to local support for meeting space.

Two Fiscal Hardship forums were hosted by RNDC. This forum convened local elected and appointed officials from South Central Minnesota. While much of the conversation and concern at the local level revolves around the State’s cutting of Local Government Aid (LGA), it is pretty clear that over the coming years local aid from the State will not be funded as it is even at today’s lowered amount. Reduction, and possible elimination, of local aid from the State will have significant impacts on local units of government. Conversations on strategies to mitigate the impact of changes to LGA will need to continue.

The first forum, held in January 2009, focused on identifying ways to deal with the growing economic woes that are plaguing local communities. The second forum, held in May 2010, provided a more indepth look at local finances. Fiscal Hardship II was an effort to get the region to do three things:

1. Help the region collectively see the challenges/opportunities before us
2. Provide a simulated experience of the impact of such challenges
3. Enact real action starts

Local projects which Region Nine Development Commission has completed in 2010 include:

- A successful grant application to the Small Cities Development Program for Le Sueur County.
- Providing technical assistance and studies to the City of Gaylord, MN
- Providing technical assistance and studies to the City of Janesville, MN
- Development review and resource procurement for the City of Trimont, MN
- Hazard Mitigation Planning for counties in south central Minnesota
- Inventorying of renewable energy potential, energy consumption, and energy costs for south central MN