



2019 Annual Performance Report

Comprehensive Economic Development Strategy

ACKNOWLEDGMENTS

Region Nine Development Commission (RNDC) would like to thank everyone who participated in this report by giving their insights and experiences.

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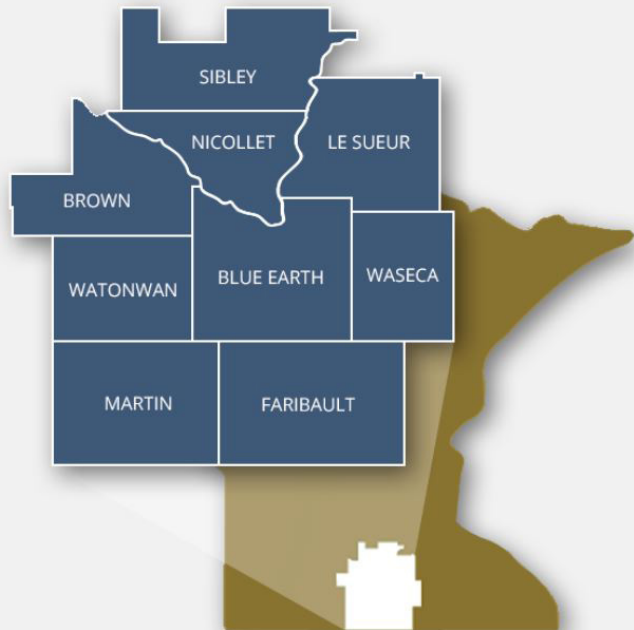
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ABOUT REGION NINE DEVELOPMENT COMMISSION

RNDC serves nine counties in South Central Minnesota: Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, and Watonwan. RNDC takes great pride in working with and on behalf of these counties, their cities, townships, and school districts. Since 1972, being a partner for progress has led to the development of programs in the areas of economic development, business development, healthy communities, transportation, community development and leveraging regional resources. RNDC is governed by 40 regional leaders. These leaders include elected officials representing nine counties, 72 cities, 147 townships, 33 school districts, the Minnesota Valley Council of Governments, and public interest groups including, Health and Human Welfare, Minority Populations, and Youth.

RNDC receives an annual planning grant from the Federal EDA to conduct economic development planning activities within the district. Activities range from developing and maintaining the CEDS, leading regional-based economic development goals and strategies, facilitating the regional Community and Economic Development Planning Committee, hosting regional grant opportunities forums, workforce forums, and assisting communities who are interested in seeking Federal EDA funding.



INTRODUCTION

This annual performance report analyzes Region Nine's current economic conditions and serves as an update on the region's progress outlined in the 2016-2021 Comprehensive Economic Development Strategy (CEDS). The CEDS and annual performance report is posted in accordance to EDA's regulations found in the Federal Register at 13 C.F.R. part 303.

RNDC works closely with a number of organizations and institutions to take a comprehensive inventory of economic and employment-related changes in South Central Minnesota throughout the year. This also includes working with RNDC's commissioners to monitor changes at county, city, and township levels of analyses, and particular challenges faced by communities that experience plant closures, lay-offs, and general economic distress.

The regional and county snapshots displayed on the following pages highlights the demographic and economic statistics of the region. As the data shows, the largest industry sectors are Manufacturing, Retail Trade, and Health Care and Social Assistance. The region has high concentrations of employment compared to the national average in Transportation and Warehousing, Food and Beverage Production, and Medical Device related industries.

Average earnings per job have stagnated somewhat over the past five years, with the 2018 regional figure at \$45,083. This was a 13% increase from 2010. The relatively slow increase corresponds with a slow down in manufacturing jobs and an increase in service jobs, particularly in retail trade. Total employment increased by 7,348 jobs regionally between 2010 and 2018. The largest gains were in services with 5,268 jobs, manufacturing with 1,378 jobs, and construction with 1,221. During the same period 800 farm jobs were lost in addition to 306 government jobs.

In 2018 the three industries with the largest earnings were manufacturing (\$1,371.1 million), health care and social assistance (\$983.3 million), and retail trade (\$408.6 million). Manufacturing continues to represent the highest wages by industry at an average annual wage (in 2018\$s) of \$52,904 per year, closely followed by construction at \$52,777. Service related jobs averaged \$36,837 per year, which is 12.9% below the regional average. This remains a concern with respect to the regional economic resiliency as these industries represent the fastest growing segments of the economy.

Population trends are trending upwards, yet only two counties are experiencing significant growth. Blue Earth County's population grew by 4.9% between 2010 and 2018, while the region as a whole only grew by 0.5%. The state growth was 4.7% during this time. Nicollet County grew by 3.7% and Le Sueur County grew by 0.3%. The other six counties experienced negative population growth during that time, ranging from -1.4% in Waseca County to -5.8% in Faribault County.

Region Nine is also slightly older than the state as a whole. The oldest population is in Faribault County with a median age of 46.8 years (2018), while the youngest is in Blue Earth County where the median is 30.6 years. The largest change regionally has taken place in the 65 and over demographic where the population grew by 3,758 individuals between 2010 and 2018. All other age groups declined, with the largest decrease taking place in the 35-44 age group (-1,275 individuals) followed by the under 18 age group (-934).

2019

REGIONAL OVERVIEW

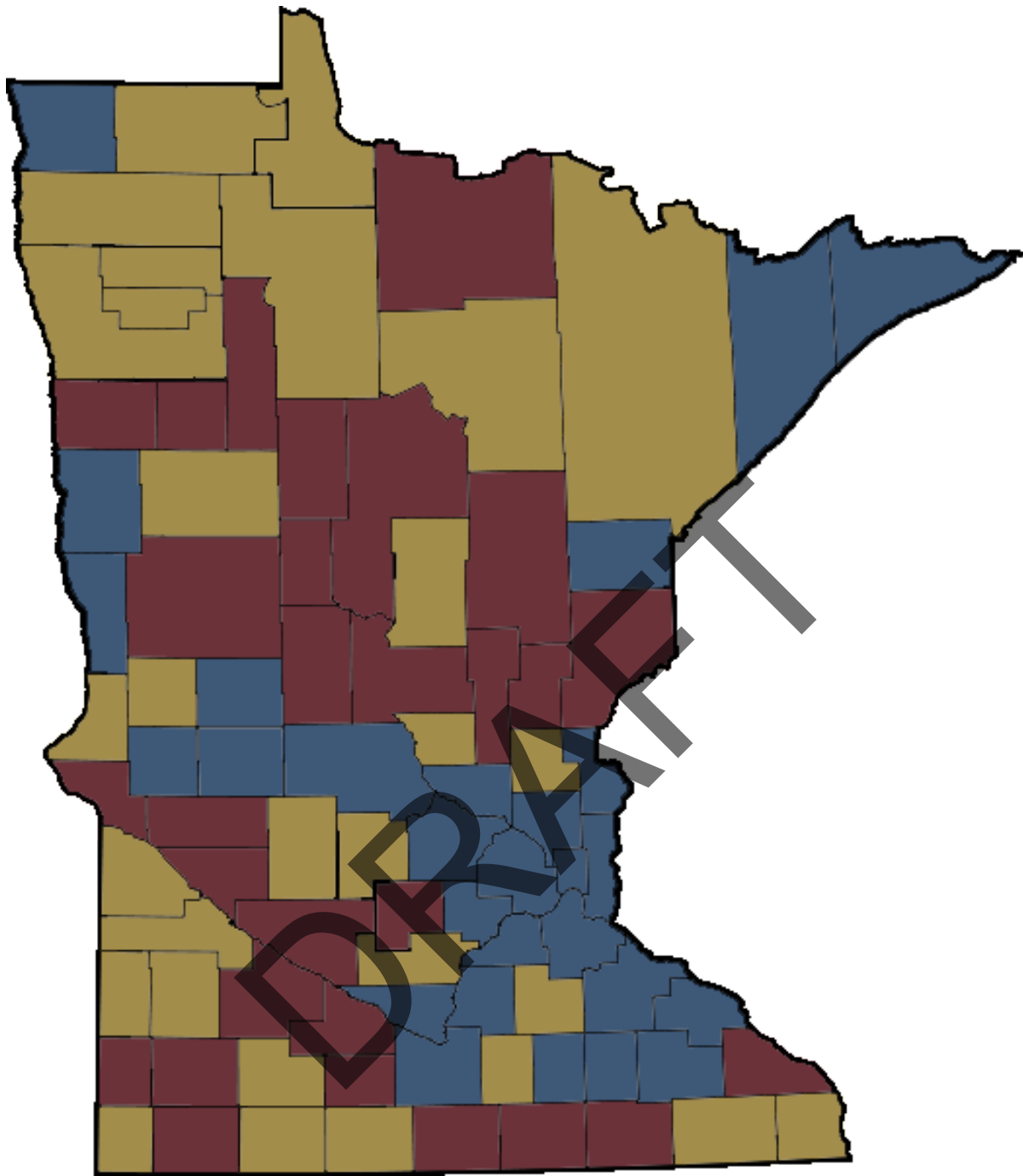
The Community Vitality Indicators (CVI) is a way of assessing how well counties in the state are doing on a core set of metrics. Taken together, these variables are intended to provide counties with a snapshot of how they stack up relative to other counties in the state. By tracking these measures over time, counties and other government entities can determine the degree to which they are achieving positive improvements on one or more of these key measures. The CVI was developed at Purdue University and constitutes the following variables:

- Population Estimates
- Public School Enrollment (*Percent of Population Under 18 Years*)
- Public High School Graduation Rate
- Percent Population with Associates Degree or Higher
- Gross Assessed Value Per Capita
- Per Capita Personal Income

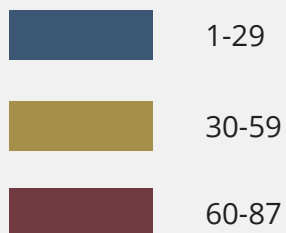
Counties are given a ranking on each variable. For example, a county with the best public high school graduation rate is assigned a rank of 1 while the one with the lowest high school graduation rate is given a rank of 87. The final overall ranking of a county is simply the summation of its ranking on all six measures, arranged in ascending order (with the lowest number representing the top ranking and the highest number representing the county with the poorest ranking). For purposes of this analysis, all six variables are given equal weights.



COMMUNITY VITALITY INDICATORS



RANKING, 2019



RANKING	COUNTY NAME
14	Nicollet
16	Blue Earth
28	Le Sueur
38	Martin
51	Sibley
54	Waseca
65	Brown
84	Watonwan
87	Faribault



COUNTY PROFILES

Blue Earth
Brown
Faribault
Le Sueur
Martin
Nicollet
Sibley
Waseca
Watonwan

BLUE EARTH COUNTY

CITIES

11

**LAND AREA /
SQUARE MILES**

747.84

TOWNSHIPS

23

POPULATION

66,973

**POPULATION
PERCENT CHANGE**

27.5

MEDIAN AGE

30.6

**PER CAPITA
INCOME**

\$44,448

**UNEMPLOYMENT
RATE, PERCENT**

2.5

BROWN COUNTY

CITIES

7

**LAND AREA /
SQUARE MILES**

611.09

TOWNSHIPS

16

POPULATION

25,194

**POPULATION
PERCENT CHANGE**

-13.2

MEDIAN AGE

42.5

**PER CAPITA
INCOME**

\$51,239

**UNEMPLOYMENT
RATE, PERCENT**

3.4

FARIBAULT COUNTY

CITIES

11

**LAND AREA /
SQUARE MILES**

712.48

TOWNSHIPS

20

POPULATION

13,784

**POPULATION
PERCENT CHANGE**

-34.1

MEDIAN AGE

46.8

**PER CAPITA
INCOME**

\$38,215

LE SUEUR COUNTY

CITIES

10

**LAND AREA /
SQUARE MILES**

448.76

TOWNSHIPS

14

POPULATION

28,111

**POPULATION
PERCENT CHANGE**

31.3

MEDIAN AGE

41.4

**PER CAPITA
INCOME**

\$48,179

**UNEMPLOYMENT
RATE, PERCENT**

4.1

MARTIN COUNTY

CITIES

9

**LAND AREA /
SQUARE MILES**

712.35

TOWNSHIPS

20

POPULATION

19,850

**POPULATION
PERCENT CHANGE**

-18.7

MEDIAN AGE

45.2

**PER CAPITA
INCOME**

\$50,191

**UNEMPLOYMENT
RATE, PERCENT**

3.1

NICOLLET COUNTY

CITIES

5

**LAND AREA /
SQUARE MILES**

448.49

TOWNSHIPS

13

POPULATION

33,966

**POPULATION
PERCENT CHANGE**

38.5

MEDIAN AGE

36.3

**PER CAPITA
INCOME**

\$48,588

**UNEMPLOYMENT
RATE, PERCENT**

2.2

SIBLEY COUNTY

CITIES
7

**LAND AREA /
SQUARE MILES**
588.78

TOWNSHIPS
17

POPULATION
14,869

**POPULATION
PERCENT CHANGE**
-6.3

MEDIAN AGE
41.6

**PER CAPITA
INCOME**
\$46,559

**UNEMPLOYMENT
RATE, PERCENT**
3.2

WASECA COUNTY

CITIES

4

**LAND AREA /
SQUARE MILES**

423.36

TOWNSHIPS

12

POPULATION

18,787

**POPULATION
PERCENT CHANGE**

12.3

MEDIAN AGE

39.6

**PER CAPITA
INCOME**

\$42,818

**UNEMPLOYMENT
RATE, PERCENT**

4.1

WATONWAN COUNTY

CITIES

8

**LAND AREA /
SQUARE MILES**

434.95

TOWNSHIPS

12

POPULATION

10,840

**POPULATION
PERCENT CHANGE**

-18.6

MEDIAN AGE

39.9

**PER CAPITA
INCOME**

\$43,185

**UNEMPLOYMENT
RATE, PERCENT**

3.5

THE CORNERSTONES

The four Cornerstones identified in the CEDS represent broad categories of the region's goals, strategies, and action steps originally developed for the 2016-2021 CEDS.

Human Capital, in the context of the CEDS, refers to monitoring and aligning the needs of employers and the workforce in an effort to retain and attract talent to the region. It includes developing the overall labor force and meeting regional needs with respect to educational attainment.

Economic Competitiveness encompasses efforts to support innovation, economic growth, job creation, and improved living standards throughout the region. It includes entrepreneurial activity and innovation and small business growth.

Community Resources refers to the maintenance of rural values, the heritage, and assets that support them. In the context of economic development, this cornerstone includes tourism, social capital, arts and culture, natural resources, and water quality.

Foundational Assets encompass strategies that proactively and collaboratively address infrastructure needs in the region. Broadband access, transportation, active transportation, housing availability, and water and wastewater infrastructure are all critical components to a healthy and dynamic economy.



To respond effectively to the current and future needs of the region, RNDC assessed the strengths, weaknesses, opportunities and threats through a series of listening and discussion sessions held in Blue Earth, Mankato, Saint Peter, Sleepy Eye, and Truman. The themes identified throughout these sessions bridged all four cornerstones: Human Capital, Economic Competitiveness, Community Resources, and Foundational Assets. Strengths, weaknesses, opportunities, and threats in Region Nine, as identified by city officials, residents, business owners, etc., centered around the key themes listed below.

STRENGTHS

- Active community members are willing to work and learn together and find compromise with a growing sense of regionalization
- Immigration of professionals willing to take on economic challenges with a commitment to public service
- Growing diversity in communities
- Strong resources for business development
- Strong entrepreneurs and small business owners willing to innovate and create diversity in business sectors and the tourism industry
- High quality of life with active lifestyles that utilize natural resources such as parks and community spaces for celebrations, tourism, and the ability to attract and retain creative talent
- Strong educational systems at all levels creating new industry clusters in the medical and agriculture sectors
- Maintaining the strength of the transportation systems
- Innovation

WEAKNESSES

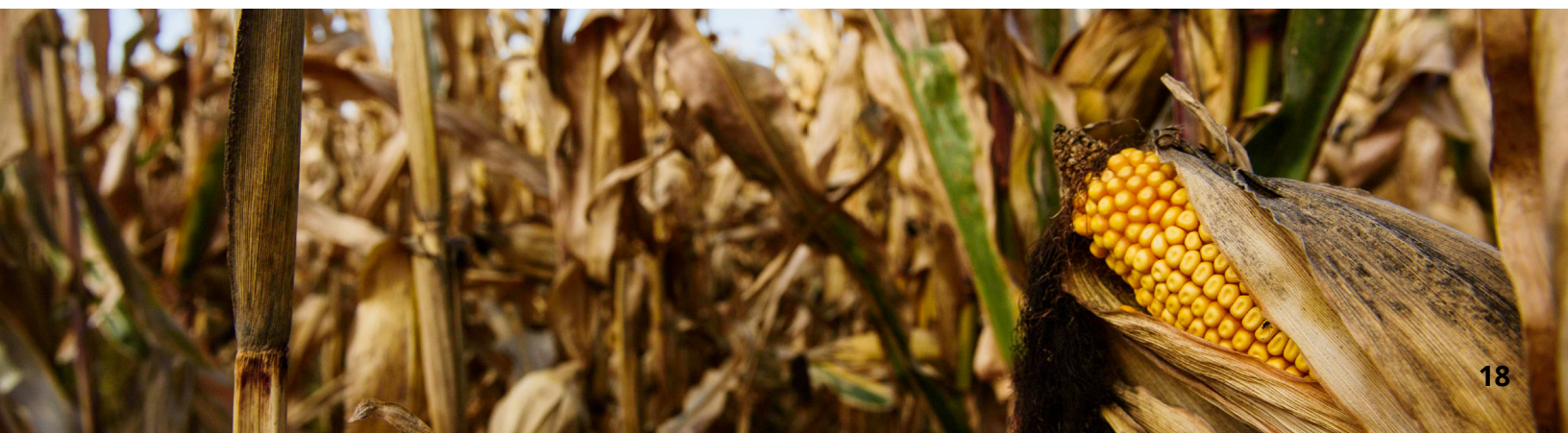
- Talent shortage in all sectors
- Federal uncertainty in policy decisions for agriculture sectors and reducing the ability to react quickly to economic challenges
- Deteriorating and unbalanced housing stocks
- Reduction in workforce
- Loss of long-standing businesses
- Limited access for both childcare and adult care
- Lack of coordinated transit services throughout the region
- Poor leadership and citizen participation
- Broadband inequity

OPPORTUNITIES

- Continue to build communities that welcome new and diverse populations to bring in new residents, visitors, and workers
- Creating a strong volunteerism will help build a greater sense of community and higher quality of life for residents
- Access to high quality educational opportunities and facilities contribute to low unemployment by providing a skilled workforce
- Recognize natural disasters as an opportunity to improve housing, utilities, and transportation.
- Protect natural resources where there is potential for recreational tourism and active community spaces for celebrations, etc.
- Viewing transportation regionally could lead to greater opportunities for moving commodities to markets
- Identifying the limiting factors in scaling manufacturing and processing could lead to greater diversity in agricultural commodity lines providing potential resiliency for both economic shocks and natural disasters
- Identifying limiting factors in multi-family housing units and housing that is affordable space could lead to a migration from higher cost of living areas for residents and businesses
- Climate change and its environmental impacts are being recognized. Regional strategies and plans that are well constructed and communicated are critical

THREATS

- The aging population and decrease in the workforce are causing communities to recognize the importance of, or lack thereof, leadership
- Communities need to become more welcoming and inclusive to new and diverse populations in order to not only thrive but survive
- Tariff and trade wars, unstable federal policy, and low commodity prices are compounding the stress on the agriculture sectors and consumers
- Regionalization of health care and lack of mental health services create a disadvantage for rural communities
- Inequitable broadband effects rural communities on a variety of levels including access to services, business expansion, etc.



APPENDIX

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APPENDIX I

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APPENDIX II

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APPENDIX III

Region Nine Opportunity Zones

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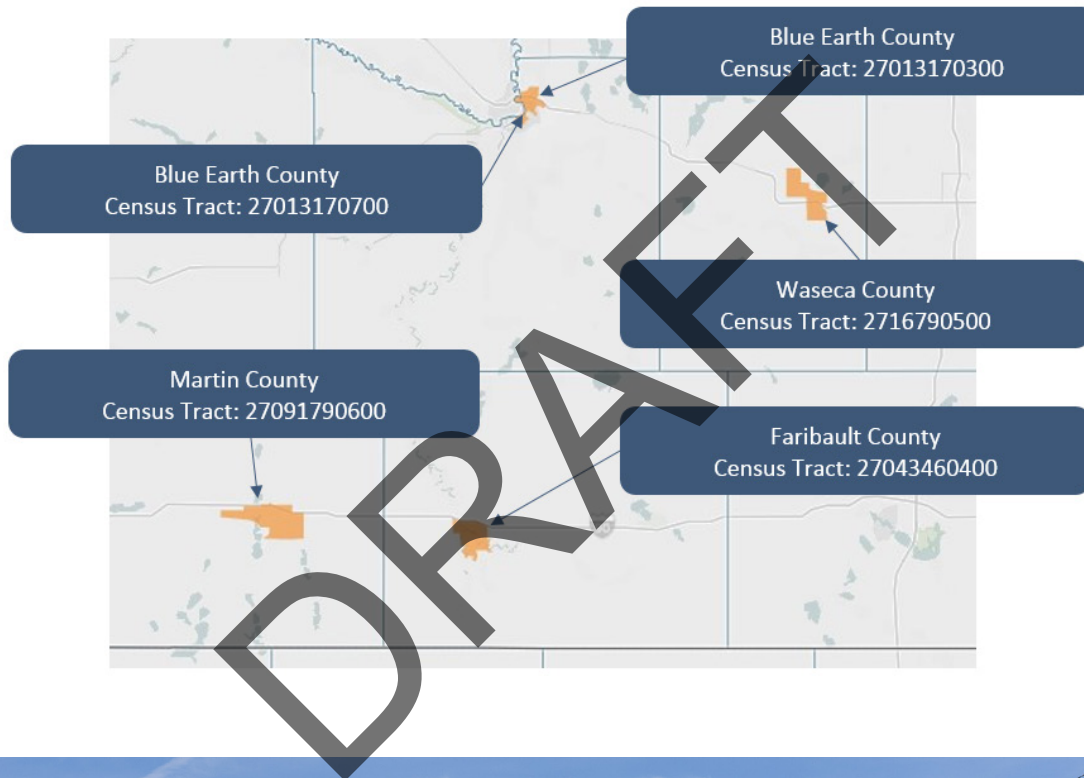


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OPPORTUNITY ZONES

Five census tracts in Region Nine have been designated as Opportunity Zones. Each of these have been designated for various reasons, but they all share opportunities for investments that aim to benefit the communities they encompass. Although presented as investment opportunities based on tax deferments, these designations provide opportunities for the local communities in the counties of Blue Earth, Faribault, Martin, and Waseca to leverage existing resources with new investments. This, however, presupposes that various stakeholders pull together in an effort to enhance regional economic development in a consortium with its residents and neighborhood partners. The map below indicates the census tracts that have been designated as opportunity zones in Region Nine.





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