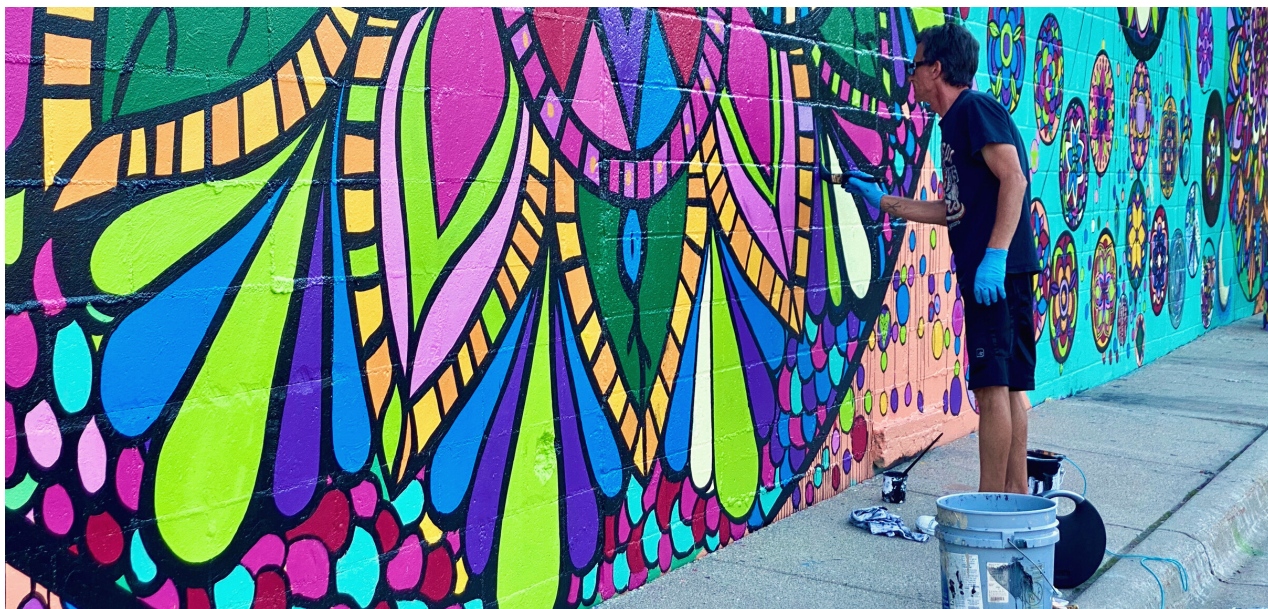


ANNUAL REPORT

JULY 2020 - June 2021





As we enter yet another uncertain year and adjust to this new "normal," Region Nine Development Commission (RNDC) remains committed to supporting and building more resilient, thriving communities. Within this Fiscal Year 2021 Report, you will find examples of our team's efforts to establish new partnerships with diverse stakeholders and projects that will create long-lasting progress across the region.

In response to pandemic needs, RNDC was awarded Revolving Loan Funds to establish a disaster and economic recovery plan for the region, a staff member was detailed to support the State Emergency Operation Center, a COVID-19 resources page was created, and more. Additionally, we worked to forge new partnerships like the Climate Smart Municipalities group and Minnesota State University, Mankato. Finally, we worked to take on new projects in the form of feasibility and industry studies and creating welcoming communities to pave the way for a more sustainable, resilient region.

Together, as organizations and partners, we are strongest when we share ideas, collaborate on best practices, and create innovating solutions that best meet our communities' needs. We pledge to continue these efforts on your behalf.

Sincerely,

Nicole Griensewic
Executive Director

"I am honored to serve another year as the board chair of an organization dedicated to serving and lifting up our nine county region."

**-Steve Rohlfig
Board Chair**

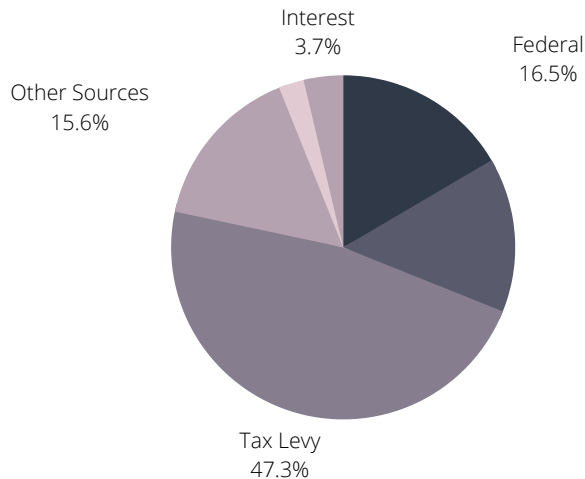


FINANCE REPORT

ACTUAL FY21 REVENUES

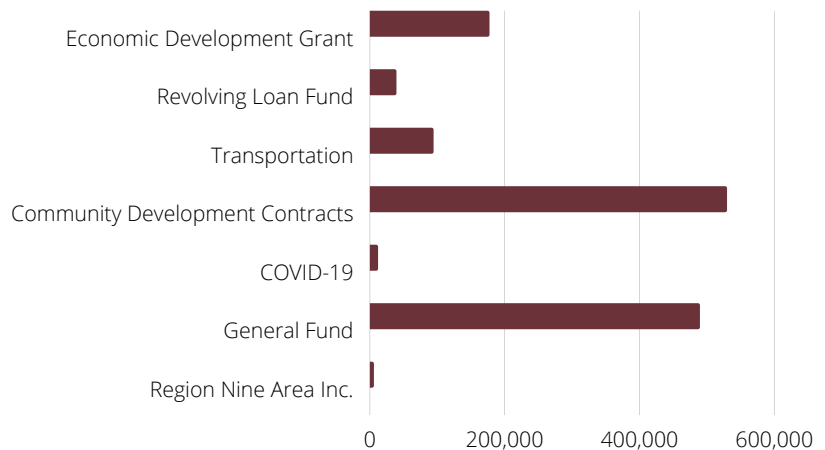
Total Revenues

\$1,342,289



Total Revenues by Program

\$1,342,289



ACTUAL FY21 EXPENDITURES

Total Expenditures

\$1,342,289

\$	Expenditures	
682,917	Personnel	
192,649	Fringe	
34,834	PR & IT Services	
1,223	Copying/Printing	
766	Public Notice	
573	Postage	
13,858	Telephone/Internet	
11,290	Travel - Staff	
390	Travel - Other	
9,779	Registration	
17,480	Supplies	
13,660	Public/Subscription/Membership	
420	Miscellaneous	
233,285	Consultant	
544	Insurance	
5,125	Errors & Omissions Insurance	
4,300	Maintenance	
8,702	Legal	
12,935	Audit	
0	Equipment/Depreciation	
2,604	Service Contracts	
6,856	Marketing	
15,000	Designated Funds	
9,112	Commission Expense	
1,035	Program & Staff Development	
8,049	Fund Balance	
3,808	Pass Thru	
37,338	Office Space	
5,000	Transfer RNAI	
8,757	Prior Year Adjustment	

Balance General Fund \$12,606

Change in Fixed Assets \$7,548

Balance to Reserves \$20,154

Pass Thru - RNAI \$5,000

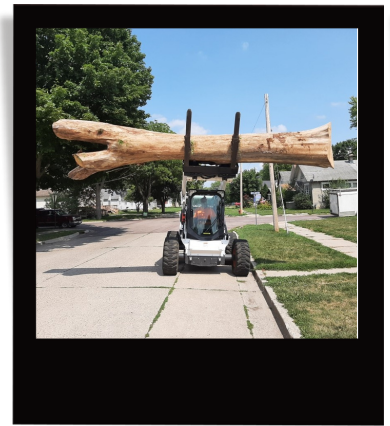
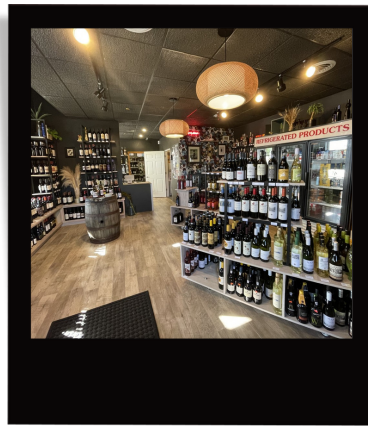
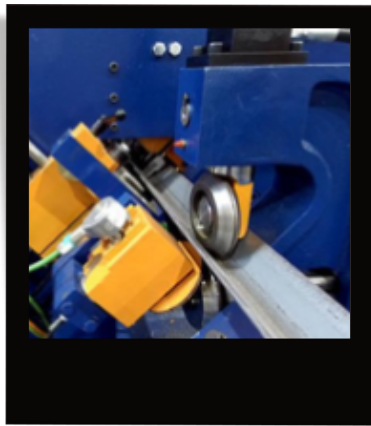
Indirect Rate for 2021 was 24.022%

Fringe Budget was 27.50%, Actual was 28.21%

REVOLVING LOAN FUND

Similarly to last year, RNDC continued its assistance to Revolving Loan Fund clients in FY21 as they continued to deal with the challenges of the pandemic and its effect on their businesses. The assistance came largely in the form of deferments, but in some cases a loan was provided through the CARES Act program. Clients granted deferments returned to full payments, as their individual circumstances allowed, with all clients back to full payments by January 2021.

RNDC is proud of the support that the loan committee extended to the clients in helping them navigate their challenges, as well as the clients that had to fight hard to keep their businesses open.



The federal Economic Development Administration (EDA) invited RNDC to apply for CARES Act funds to use for lending to businesses that were adversely affected by the pandemic. One of the goals to be considered in administering the funds was to help the businesses implement ideas that would help them be prepared to handle a similar situation going forward. Three loan applicants did just that. Applicants were forced to think creatively to either keep businesses viable and retain current employees. Mandatory state lockdowns of the bars and restaurants forced the Wine Café of Mankato to close for months. During the winter of 2021 the owners decided to expand patio seating to accommodate outdoor customers as well as add an off-sale wine shop that could have purchases delivered curbside.

Hunt's Construction of Fairmont lost a portion of its business income when the pandemic caused customers to either postpone or cancel remodel/repair jobs in their homes due to fear of catching Covid-19. Owner Allan Hunt decided to expand into snow removal, lawn, and tree services. The added outdoor services offered will help the company stay strong should another pandemic situation arise.

Kato Manufacturing of Mankato offers high-quality metal fabrication, building high-end residential, commercial, and industrial railings, staircases, mezzanines, industrial duct work, and more. The company saw a decrease in certain areas of the business due to Covid-19. Owner Tyler Wenner applied for a loan to purchase equipment that would allow Kato Manufacturing to expand its services in areas not currently offered. This will allow the business to maintain strong product offerings going forward.

COVID-19 RECOVERY



Economic Recovery Plan

The federal EDA awarded \$74,552 in January 2021 to RNDC in order to establish a disaster and economic recovery plan for the region. This plan will build the foundation for regional economic resiliency by identifying resources that can be utilized when economic disruptions happen.

RNDC will be working closely with industry and community partners in the development of a COVID-19 recovery plan for the regional manufacturing clusters that have already been impacted by flooding in 2019 and trade uncertainties in 2019 and 2020. During the planning process, there will be opportunities for community members, academic institutions, industry partners, and public entities to provide input. This plan will act as a tool to support the relationship between the manufacturing sector in the economy and the rural and urban communities throughout South Central Minnesota.



Aiding Our Communities

The Blue Cross and Blue Shield (BCBS) Foundation of Minnesota awarded \$20,000

in response to COVID-19. An additional \$2,500 was donated by SJP Consulting, to make a total of \$22,500. The funds were given to local food shelves in the communities where the Rural Equity Learning Community (RELC) and Welcoming Communities Project (WCP) programs have been held. RNDC also created a COVID-19 Resources page on the RNDC website in order to help collate local, state, and federal resources to those in need.

Supporting State Testing Sites

Starting in late June 2020 and ending May 2021, RNDC began supporting the State Emergency Operations Center (SEOC) in mass testing sites, assessing site functionality, and reporting back to remote planners who identify site capacity. County Public Health and Emergency Management, who note spikes in hospitalizations, requested the SEOC support to their county for mass testing with rapid response.

Testing sites consisted of two designs: drive-up (individual does not leave their vehicle) and park and walk (touchless manner of testing in a building such as a gym). Tests were analyzed for COVID-19 by Mayo Clinic. For those who tested positive for COVID, a public health nurse contacted the individual personally by phone to assess their current conditions, quarantine measures, and follow-up care.

PARTNERSHIPS

SOUTHERN MINNESOTA INITIATIVE FOUNDATION

The Prosperity Initiative

Since 2016, the Prosperity Initiative (PI) program has supported the growth of nearly 70 BIPOC (Black, Indigenous and People of Color) owned businesses through free coaching, training and networking opportunities.

PI is a collaborative program by the Southern Minnesota Initiative Foundation (SMIF), Community Economic Development Associates (CEDA), Faribault Area Chamber of Commerce, Hourglass Consulting, RNDC, and Rochester Diversity Council that promotes inclusive entrepreneurship and minority-owned business growth in southern Minnesota. PI provides resources, professional development, and consulting assistance to help businesses grow and succeed.

RNDC reviews and recommends applications as part of serving as an advisory member for PI. This summer, seven businesses were accepted to be part of the 2021 PI cohort. Applications are still being accepted on a rolling basis.



Rural Entrepreneurial Venture

SMIF's Rural Entrepreneurial Venture (REV) is all about finding and igniting existing entrepreneurs in communities. SMIF partners with RNDC and University of Minnesota Extension for coaching support. By adopting a "grow your own" approach to entrepreneur development, the REV model helps communities grow from within.

SMIF accepted six communities to its REV program, which launched in January 2018 and concluded in December 2020. The six communities participating in the program were Blue Earth, Le Sueur, Spring Valley, Lanesboro, Lake City, and Spring Grove. RNDC staff member, Linda Wallace, served as the coach for Le Sueur, where she assisted in a variety of exercises and provided tools, including a mapping exercise to document the impacts of the program over time and a database for conducting an inventory of the existing entrepreneurs in the community. Each community continues to use the REV program.

Another 3-year REV program was started in January 2021 with four selected communities: Montgomery, Springfield, Wells, and Mapleton, in collaboration with the additional Maple River School District communities of Amboy, Good Thunder, and Minnesota Lake. Wallace serves as the coach for Wells.

CLIMATE SMART MUNICIPALITIES

INSTITUTE ON THE ENVIRONMENT

UNIVERSITY OF MINNESOTA
Driven to DiscoverSM

Climate-Smart Municipalities (CSM) is a multipartner intergenerational collaboration between Minnesota and German state of North Rhine-Westphalia, with twelve cities at its core. RNDC joined as a regional partner this past year and has multiple staff actively involved with the group.

CSM connects diverse international stakeholders and leaders in local and state government, politics, business, the nonprofit sector, academia, and the public to learn from each other and to accelerate the transition to a more efficient and climate-friendly energy future at the local level. Sustainability, climate protection, climate adaptation, renewable energy, and energy efficiency are central topics for this international exchange.

The CSM project is a part of the International Energy Partnerships Project at the University of Minnesota's Institute on the Environment. CSM is supported with funding from Germany's Federal Ministry of Economic Affairs and Energy (BMWi) through the European Recovery Program's (ERP) Transatlantik-Programm der Bundesrepublik Deutschland.

LAUNCH MN SOUTHWEST



LaunchMN Southwest

We connect southwestern entrepreneurs and innovators with our partners.

Launch Minnesota is a statewide collaborative effort to accelerate the growth of startups and amplify Minnesota as a national leader in innovation. Minnesota State University, Mankato (MSU-Mankato) serves as the Southwest Regional Hub for the Launch Minnesota Network.

RNDC joined Launch MN Southwest this year and actively works to support the goals of the group. Launch MN Southwest works to support new and existing entrepreneurs and innovators through:

- Researching and assembling data on regional high-tech entrepreneurial clusters
- Establishing new partnerships with high tech clusters within Southern Minnesota
- Connecting regional partners to exchange resources
- Conducting seminars targeting high-tech entrepreneurs
- Designing workshops to educate and invite interest to form a regional angel investment network
- Creating a high-tech division of the Big Ideas Challenge and expanding eligibility to include regional applicants
- Actively promoting the resources and network of Launch MN

Additionally, the group has launched a Launch MN Southwest website (launchmnsw.org) that connects southwestern entrepreneurs and innovators with Launch MN Southwest partners, as well as showcase local entrepreneur stories.

MINNESOTA STATE UNIVERSITY, MANKATO

Minnesota State Polytechnic Institute

MSU-Mankato responds to the changing needs of industry by building an institute within an institute

The U.S. is in the midst of its Fourth Industrial Revolution, also known as Industry 4.0. Throughout history, education has responded to each industrial revolution by changing areas of focus and teaching methodologies to support the changing industrial and economic demands. "Polytechnic Institutes", or "Polytechnic Universities" have a long history in the U.S. dating back to the 1800s, and established to meet industrial, educational, and societal needs. Polytechnic Institutes today must serve the modern, digital economy with its focus on Industry 4.0 skills like smart, connected devices, and sustainable technologies.

More cross-functional roles are being created in which employees need technical, social, and analytical skills. The polytechnic's foundational approach of project-based/applied learning and strong partnerships requires learning hard and soft skills through partnerships with industries, as they offer robust and authentic learning opportunities for students as well as engage in deeper technical knowledge.

This past year, Kristian Braekkan, Senior Regional Planner, and the RNDC team worked with MSU-Mankato to better understand the labor market and the changing industry clusters throughout the state of Minnesota. This allowed MSU-Mankato to see changes and areas of needs throughout different communities and create pathways for current employees and adult learners to gain the skills and education necessary to continue advancing and innovating Minnesota's economy.

With support from Minnesota State Colleges & Universities system office, a network of 30 colleges and 7 universities, MSU-Mankato will launch a Polytechnic Consortium to serve the needs of students, industries, and communities across Minnesota. The Polytechnic Institute will be able to respond nimbly to the needs of the community to create partnerships, deliberate results, and advance Minnesota's economy. MSU-Mankato's Polytechnic will be rooted in the following:

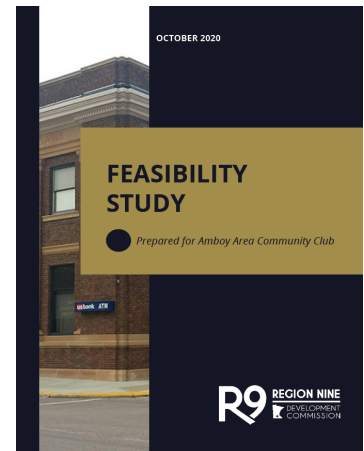
1. Career-Focused programs – including emerging fields
2. Supported by strong professional and liberal arts skills
3. Strong partnerships designed to react nimbly to industry needs
4. Known for STEM focus with project-based learning (authentic, real-world projects)
5. Dedicated to increasing access and diversifying the STEM disciplines

Next steps for the Polytechnic Institute include establishing an Industry Advisory Board which MSU-Mankato's, Director of Polytech Operations, Molly Schaefer is working to create. Overall, the foundation of the polytechnic will be to develop partnerships to provide accessibility and career-readiness for students through applied learning while tackling economic and workforce needs to catapult Minnesota into a competitive, nimble, and sustainable economy.

ECONOMIC DEVELOPMENT

AMBOY

In the summer and fall of 2020, RNDC worked with the Amboy Area Community Club (AACC) on a feasibility study to examine options for redevelopment of the former US Bank building in downtown Amboy. RNDC utilized demographic and socioeconomic data, risk assessments, a survey of local residents and stakeholders, a SWOT analysis, and interviews with area realtors to give several recommendations on potential redevelopment plans. AACC is examining the study's recommendations, exploring different implementation paths, and planning next steps for the redevelopment of the property.



AURI

The Food and Beverage Manufacturing (F&BM) Statewide Assessment was commissioned by AURI and MDA in response to a lack of capacity or access to affordable, right sized manufacturing options in Minnesota. In partnership with several stakeholders including the Minnesota Department of Employment and Economic Development (DEED) and other knowledgeable individuals/agencies, AURI and MDA intended to identify strategies to encourage development of manufacturing infrastructure to support and scale food and beverage businesses.

The identified gaps, overlaps, opportunities, and strategies that support ready-to-scale food and beverage businesses were analyzed with data prior to March 2020 and in some cases years prior. Therefore, the recent experiences from the effects of the COVID-19 pandemic, economic shocks, and supply chain disruption in the 2nd quarter 2020 and beyond are not included in the report. The report reviews the apparent flight and/or consolidation of industries, bottlenecks to identifying available manufacturing capacity, lack of co-manufacturing capacity in the industry, opportunities for economic growth through agricultural value-added products, and how Minnesota is in a unique position to recover from the losses in innovation and wage growth when compared to other large F&BM states.

The F&BM Statewide Assessment can be found at auri.org.

WASECA



RNDC was fortunate to work closely with the City of Waseca on a variety of projects over the past year. Funding from the federal EDA allowed the organization to assess opportunities to support the local and regional manufacturing clusters through feasibility studies and needs assessments. This resulted in a blueprint for a potential Waseca Manufacturing Resource Center. Exploratory work continues in partnership with area colleges and universities, Minnesota State Engineering Center of Excellence, the City of

Waseca, County of Waseca, and Waseca Public Schools. Additionally, RNDC prepared a Strategic Economic Development Plan for the city with support from the Waseca Chamber of Commerce and an updated housing study with assistance from Minnesota State University, Mankato.

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES

In February, staff began the planning and execution of the 2022-2026 Comprehensive Economic Development Strategy (CEDS) for the region. CEDS is the locally-based, regionally driven economic development plan aimed at identifying the challenges and opportunities that lay ahead for the region and serve as a guide toward an inclusive and resilient region.

The CEDS is structured around four cornerstones, human capital, economic competitiveness, community resources, and foundational assets, developed by the Minnesota Association of Development Organizations (MADO) and the requirements of the federal EDA.

COVID-19 and public health concerns played a factor in the engagement process. Staff transitioned from traditional in-person meetings and conducted them using virtual tools such as Zoom and Mentimeter. A regional community survey was also conducted from April to June. RNDC acknowledges the limitation of broadband connectivity and access, as well as socio-economic factors that most likely hindered participation. Going forward, stakeholder engagement will be a focus to expand and improve upon.

The year-long project will conclude in January 2022 with the adoption of the CEDS by the governing board and commission. Upon adoption, the CEDS will be submitted to the federal EDA.

MINNESOTA ASSOCIATION OF DEVELOPMENT ORGANIZATIONS

In January 2021, staff from across MADO took part in a four-part educational series to learn and hear from colleagues, industry experts, and community members on the economic benefits and improved quality of life that can result from creating welcoming communities.

The Intercultural Development Inventory was used, both individually, by each Regional Development Organization (RDO), to better understand the current status and future needs in each organization's intercultural development journey. Each RDO presented an outline for their organization that will be used to advance diversity, equity, and inclusion (DEI).

After the completion of the educational series, a group of MADO staff interested in learning more about DEI formed a MADO DEI workgroup. This workgroup holds monthly meetings with rotating topics surrounding challenges and successes that are faced while working in areas surrounding DEI as well as peer networking and relationship building. The group also completed their first project by hosting a statewide event as part of Welcoming America's Welcoming Week 2021.





COMMUNITY DEVELOPMENT

2020 RURAL EQUITY SUMMIT

The COVID-19 pandemic and ongoing racial justice movement created a challenge and a need for the Rural Equity Summit to continue. A virtual summit was held on November 16-17, 2020. The move to a virtual format allowed 321 attendees to participate in the event from 76 communities across the entire state of Minnesota. The summit planning team was expanded to include a staff member from St. Peter Community & Family Education. The Rural Equity Summit was made possible due to the University of Minnesota Extension and Greater Mankato Diversity Council and funded by the Bush Foundation, Blandin Foundation, Blue Cross and Blue Shield of Minnesota Foundation, Mankato Area Foundation, Dan Bastain, Bolton & Menk, Pioneer Bank, and Lloyd Management, Inc.

Ripple Effects Mapping (REM) was used to evaluate and document the impacts and themes of the Rural Equity Summits held in 2019 and 2020.

WELCOMING COMMUNITIES PROJECT

As the WCP comes to an end and participants graduated from the two-year program, it is important to recognize the milestones achieved. After the rapid online transition caused by the pandemic, participants showed a sense of resilience and an ability to adapt to changes, and the project was able to move forward.

WCP participants engaged in equity and inclusion learning while developing community relationships to create and sustain inclusive community practices. Monthly cohort meetings included hands-on activities with stakeholders, subject experts, and community members. RELC alumni joined WCP participants during a monthly cohort session in which the RELC alumni shared history, challenges, and accomplishments. Likewise, WCP participants joined the 2020 Rural Equity Summit which highlighted the racial equity, diversity, and inclusion work taking place in rural Minnesota. In addition, WCP participants had the opportunity to join a panel discussion led by the writer, producer, and a cast member of the film, "American Son". This panel discussion sparked an initiative in one of the participating communities to strengthen police-community relationships.

WCP participants have made great progress since the program's conception. To illustrate, the community of Springfield has implemented a Welcoming Communities Board, approved by the Springfield City Council, that will work as a Human Rights and Welcoming Commission. Through WCP, participants have acquired the required tools to become drivers of community development and have developed a deep commitment to promoting diversity, equity, and inclusion in their respective communities. This could not have been possible without strong partnerships with the Greater Mankato Diversity Council and the University of Minnesota Extension: Center for Community Vitality.

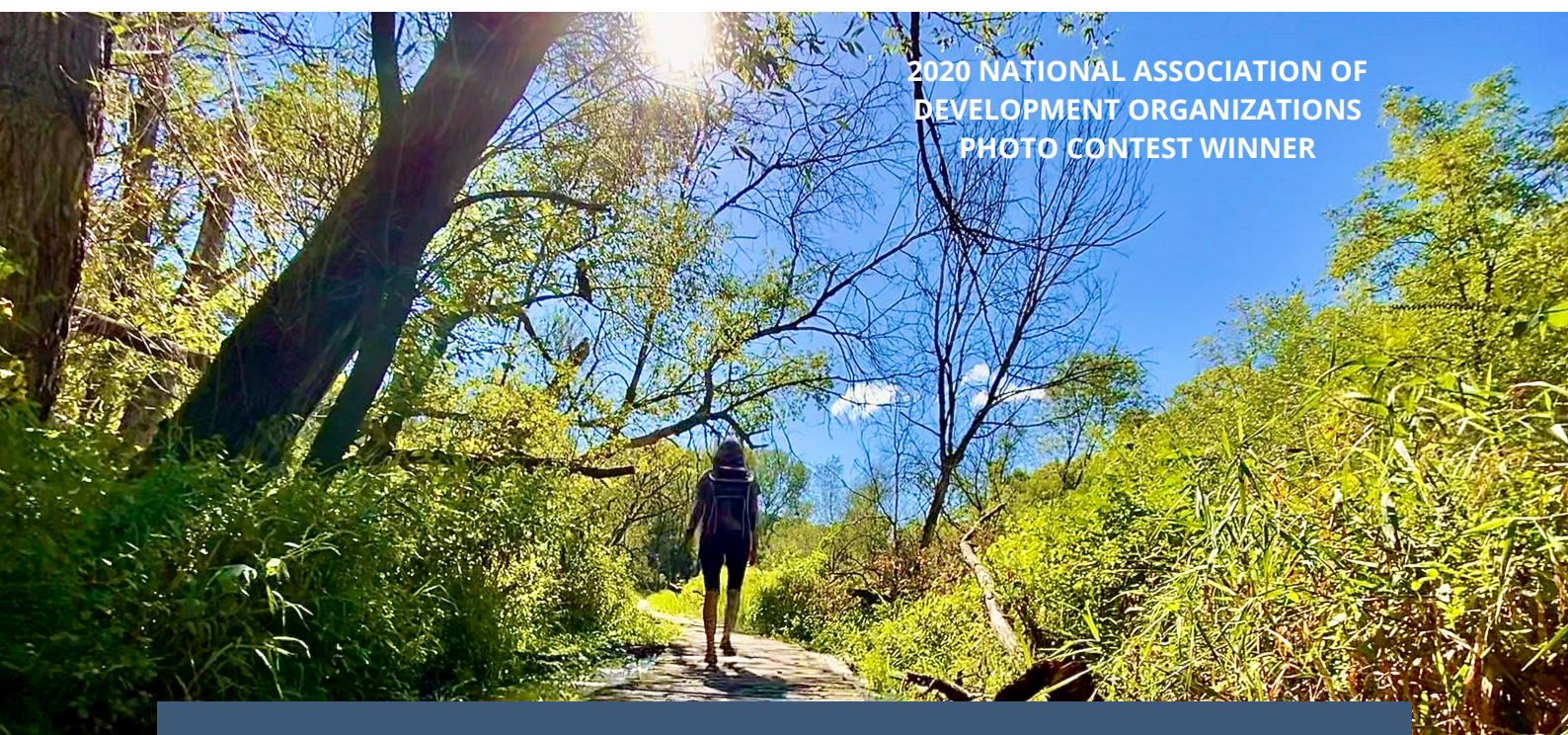
SUSTAINABILITY

SOLSMART

RNDC is pursuing SolSmart designation from the Solar Foundation and International City/County Management Association. SolSmart is a program funded by the U.S. Department of Energy that helps cities, counties, and regions eliminate unnecessary paperwork, red tape, and other cost-increasing requirements that inhibit solar developments. In essence, certification will show that Region Nine is “open for business” to solar energy development at all scales, from environmentally conscious homeowners looking to reduce their greenhouse gas emissions to medium-scale developments with business owners and farmers looking to simply reduce energy costs, and even larger-scale developments from utilities looking to diversify their energy supply and phase out heavy polluting forms of energy.

SolSmart uses certain criteria to evaluate its designees and awards municipalities and regional organizations with three possible designations: bronze, silver, or gold. All designees must complete foundational prerequisites that include a solar statement, planning and zoning guidance, an inspection checklist, a training on permitting and the SolSmart process, and community engagement. Beyond this, municipalities and regions can accrue points toward their designation by satisfying additional criteria in planning, solar rights, utility and community engagement, market development and finance, and innovative actions taken to advance solar energy.

RNDC collaborated with Clean Energy Resource Teams (CERTs), SolSmart, and the Great Plains Institute to host a regional training on solar permitting. Bill Brooks, a nationally recognized specialist with over 32 years of experience designing, installing, and evaluating grid-connected photovoltaic systems, gave a presentation explaining best practices in solar permitting to a group of officials and stakeholders from Region Nine and beyond. Brooks’ training taught local officials and permitting/inspection staff about simplified solar permitting processes for residential systems and proper procedures for understanding and reviewing permit applications.



2020 NATIONAL ASSOCIATION OF
DEVELOPMENT ORGANIZATIONS
PHOTO CONTEST WINNER

SOUTH CENTRAL MN GROWERS NETWORK

RNDC is the host of the Growers Network, a small group of farmers in the region that meet regularly to exchange ideas, help one another with solutions to issues, and develop a solid core of business relationships that help the professional growth of the members. Each meeting has various discussion topics like general business best practices, tax and insurance concerns, COVID relief, equipment needs, and status reports. Meetings also frequently feature guest speakers. Speaker topics have included the RNDC and AURI food and beverage manufacturing study, local foods being served in school district cafeterias, opportunities for assistance from USDA's Natural Resources Conservation Service (NRCS), and more.

NRCS announced a funding opportunity geared toward local foods, the Growers Network and RNDC saw a lot of opportunity to expand the Growers Network and do a lot to promote local foods in the region. The Growers Network met and discussed priorities for a potential NRCS proposal. These included: education of consumers on local foods, connecting consumers and producers, expanding the Growers Network and bringing in new and historically underserved farmers as members, providing training to emerging farmers, and financial assistance for conference attendance.

RNDC staff and Growers Network facilitator, Anne Ganey, collaborated on a proposal to NRCS that sets out to accomplish the Growers Network priorities and more. Objectives include integrating historically underserved producers into the Growers Network, identifying cultural and program barriers that limit NRCS assistance, connecting historically underserved farmers to funders and banks, education and training about sustainable farming and starter farming plots, promoting and increasing awareness of local foods, and increasing the purchase and use of lesser known produce and culturally specific foods grown in the region with video cooking demonstrations. NRCS approved the proposal and will provide funding support over three years to assist in accomplishing the aforementioned goals over a three-year period. The project is anticipated to begin in October 2021.



RNDC COMMISSIONERS

BLUE EARTH COUNTY

Tim Auringer
Mike Laven
Lyle Femrite
Colleen Landkamer

NICOLLET COUNTY

Marie Dranttel, Treasurer
Pam Rodewald
Jim Whitlock
Chuck Zieman

BROWN COUNTY

Scott Windschitl
Gary Richter
Robert Goblirsch
Andrea Boettger
Chris Dalton

SIBLEY COUNTY

Dawn Kratzke
Christian Lilienthal
John Pioske

FARIBAULT COUNTY

Tom Loveall
Steve Holmseth
Calvin Howard

WASECA COUNTY

Roy Srp
Blair Nelson
Laurel Remund

LE SUEUR COUNTY

Richard Peterson
Steve Rohlfig, Chair
Scott Schlueter

WATONWAN COUNTY

Jim Branstad
Gary Sturm, Secretary
Steven Cooling

MARTIN COUNTY

Elliot Belgard
Britney Kaweck
Phil Schafer, Vice Chair

PUBLIC INTEREST GROUPS

Chera Sevcik
Ayan Omar
Keira Oeltjenbruns
Connor LaPointe
Mike Pfeil
Brigid Tuck



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Executive Director



Heather Bartelt
Executive Assistant



Corree Johnson
Communications Specialist

FINANCE



Lu Vanderwerf
Finance Director
Revolving Loan Fund Coordinator



Linda Wallace
Senior Financial Accountant
Revolving Loan Fund Assistant

ECONOMIC & COMMUNITY DEVELOPMENT



Kristian Braekkan
Senior Regional Planner



Leah Petricka
Community Development Director



Joel Hanif
Community Development Planner



Alejandra Bejarano
Lead for MN Fellow

**As of June 30, 2021 | Full-time staff*



REGION NINE

DEVELOPMENT
COMMISSION

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@RegionNineDC 

@RegionNineDevelopmentCommission 