

ANNUAL REPORT

July 2021 - June 2022



EXECUTIVE STATEMENT

Over the last year, Region Nine Development Commission (RNDC) and our partners have worked towards helping communities and small businesses across the region re-open and plan for the future.

Within this Fiscal Year 2022 Report, you will see examples of how our efforts have supported the region while increasing engagement and partnerships with an increasingly diverse group of stakeholders. The Revolving Loan Funds (RFL) have helped businesses rebuild and expand their infrastructure while adding jobs to the area. RNDC was also awarded the SolSmart designation for our role in promoting solar energy and reducing the barriers for developing a solar energy infrastructure.

RNDC was awarded a National Association of Development Organizations' (NADO) Impact Award for the teams work with the Minnesota Polytechnic Institute (MinnPoly). MinnPoly is the first and only, polytechnic institute in Minnesota and offers students the opportunity to learn by doing with a focus on local economic development.

This year RNDC celebrated 50 years of providing the region with resources to keep growing our strong economy. As we reflect on this milestone, we look forward to supporting the region for the next 50 years.

Sincerely,



Nicole Griensewic
Executive Director

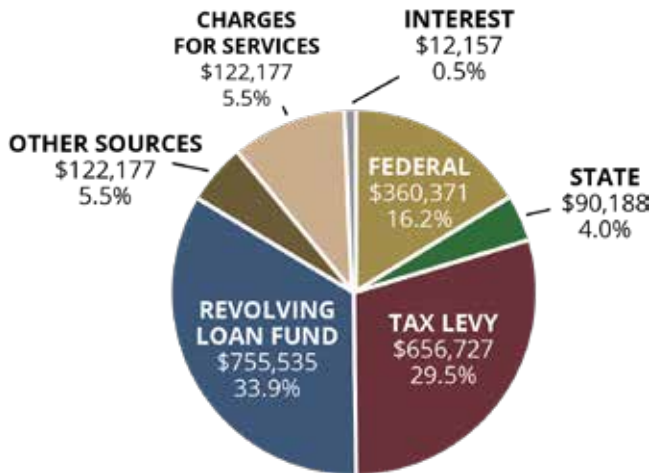
"It has been an honor serving as board chair for RNDC. I look forward to continuing to work with the commission to keep the region prosperous."

- Steve Rohlfling
Board Chair

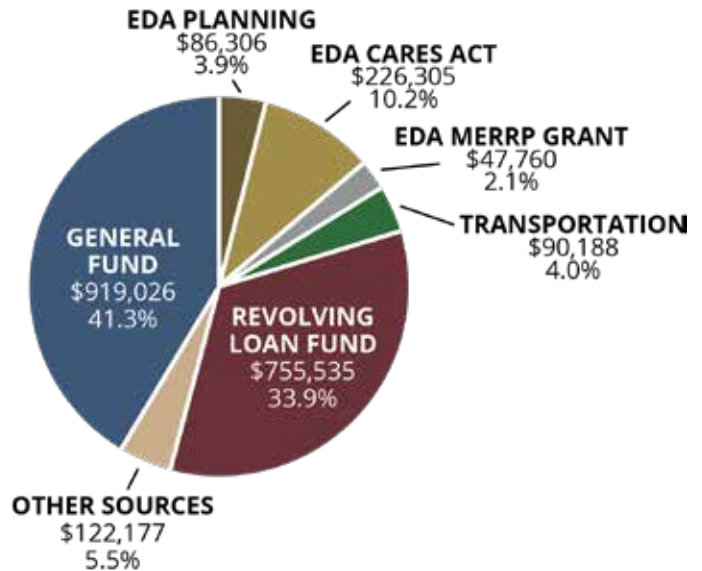


FINANCE REPORT

Total Revenues \$2,227,098



Total Revenues by Program \$2,227,098



FY22 EXPENDITURES

Total Expenditures = \$1,863,625

Revenues Over Expenditures = \$363,473

Expenditure Description	\$
Personnel	593,388
Fringe	181,430
Indirect Costs	92,664
Copying/Printing	6,837
Public Notice	360
Postage	395
Telephone/Internet	3,191
Travel - Staff	22,544
Registration	4,990
Supplies	7,749
Public/Subscription/Membership	11,814
Miscellaneous	13,999
Consultant	56,623
Insurance	2,557
Temp Employee	14,235
Maintenance & Utilities	1,084
Legal	693
Audit	130
Equipment/Depreciation	17,649
Service Contracts	40,362
Marketing	13,329
Commission Expense	24,374
Staff Development	35,209
Rent	16,512
RLF Disbursement	690,700
Prior Year Adjustment	11,195
Total FY22 Expenditures	1,863,625

Indirect Rate of 13.38%

Fringe Rate of 31.68%

REVOLVING LOAN FUND

RNDC operates several Revolving Loan Funds (RLF) within the organization. RNDC is generally viewed as a gap financier in that the organization partners with other financial institutions to make up a portion of the approved lending difference. This allows for new or existing businesses to meet capital goals where they may not otherwise be able to. The primary goal of the RLF is to create jobs within the nine-county area.

RNDC worked to distribute the remaining funding received under the Economic Development Administration (EDA) Coronavirus Aid, Relief, and Economic Security (CARES) Act Program with the purpose of aiding businesses directly affected by the COVID-19 pandemic in expanding or starting up their businesses. This funding carries a zero percent interest rate over the first two years of the loan and then two percent thereafter with a maximum loan amount of \$100,000. Over the past two years, the organization has distributed nearly \$1,000,000 of this funding to businesses within Region Nine.

The following are some of the businesses RNDC partnered with in distributing these award dollars:



Pleasant Grove Pizza Farm:

Pleasant Grove Pizza Farm in Waseca (Waseca County) utilized funding to finance a wood-fired pizza trailer that will serve Waseca and the surrounding area. The trailer will be used to attend fairs, wineries, breweries, and private events. The menu will consist of a six-pizza menu. The food will be prepped in the current kitchen located on the farm. It will be staffed with up to five employees.

Bar Five Meat & Poultry:

Bar Five Meat & Poultry is a specialty meats producer based in Arlington (Sibley County) that sells beef, pork, and poultry products direct-to-consumer at various Twin Cities Farmers' Markets. They raise, process, and package everything on their farm. Bar Five partnered with RNDC to finance a sausage stuffer, HVAC improvements, refrigeration updates, and working capital. The sausage stuffer and infrastructure improvements will greatly improve their capacity and production efficiency.



Aquatic Gardens & Landscaping:

Aquatic Gardens & Landscaping in Mankato (Blue Earth County) used financing to purchase better equipment storage and will be acquiring a commercial building to expand into retail sales. The storage space will allow the company to keep its equipment protected during the winter months which will lower the maintenance costs and provides a space to store leftover materials that can be used in future projects. The expansion into retail sales will create the need for additional jobs and lower the labor costs per job.



Revival on Main:

Revival on Main in Montgomery (Le Sueur County) obtained financing to renovate and expand the Rustic Farmer retail space and added a bridal suite on site. This renovation and expansion included the adjacent building which was the largest storefront in Montgomery. The renovation of these historic buildings provided a rentable space for baby and bridal showers, birthday celebrations, class reunions, and small weddings.

These two historic buildings have their own historic significance to the community of Montgomery. For this reason, the new venture was named Revival on Main. These two buildings were named contributing assets to Montgomery's Historic District, appointed by the State Historic Preservation Office of Minnesota and the National Register of Historic Places.



ECONOMIC DEVELOPMENT

Le Sueur County

Under the federal funding relief bills, RNDC received an award of non-competitive EDA CARES Act funding to support economic resiliency in the region. A project RNDC supported during this period was an analysis for Le Sueur County as the area examined what it would look like to have a county-level position serving in a community and economic development capacity. The contract with RNDC was a continuation of a project led by the Southern Minnesota Initiative Foundation (SMIF) and funded by the Blandin Foundation to lead community members in a framing statement and several community workshops on economic development.

After conducting 30 interviews and attending meetings, RNDC was able to discern there was widespread support for Le Sueur County to become more actively involved in community and economic development activities. RNDC was able to provide the county with several options as they considered creating an employment position as well as seven recommended action items for the next 12 months.

St. James and Sleepy Eye

RNDC extended the grant award for an additional fiscal year. Anticipated projects that will occur are a business financing assessment to support the RLF Program, work with the city of St. James on an economic strategic plan to complement plans for a comprehensive city plan, and continue to explore workforce education planning in the city of Sleepy Eye.

Comprehensive Economic Development Strategy

2022 brought the adoption of a new five-year Comprehensive Economic Development Strategy (CEDS) for RNDC. The plan aligns with the DevelopMN plan identifying four cornerstones: human capital, economic competitiveness, community resources, and foundational assets. Under the cornerstones are themes, goals, objectives, and strategies.

RNDC is working on sharing the plan throughout the region and further refining the priority of the themes with respect to project initiatives. The CEDS serves as a guidepost for the EDA planning funds RNDC receives annually. Upcoming work that will be reported on next year is a guide to doing business as it pertains to foreign direct investment, piloting Energy and Environment planning for communities, and continued work on entrepreneurship ecosystem building.



COMMUNITY DEVELOPMENT

Mapleton Comprehensive Plan

In 2021 and 2022, RNDC completed a comprehensive plan for the city of Mapleton. Mapleton has been experiencing development pressure along the stretch of Minnesota State Highway 22 running through town, and developers have repeatedly asked for driveway access to the highway. Because the existing driveway accesses are already too numerous and dense by state standards, Minnesota Department of Transportation (MnDOT) required the city to complete a visioning plan for the corridor in order to grant any additional access. Rather than doing a plan for this segment, Mapleton partnered with RNDC to do a citywide comprehensive plan.

The planning process included regular meetings of a task force made up of city staff along with members of the city council, EDA board, and planning commission. Outreach efforts included a resident survey, canvassing in the city, interviews with residents and business owners, focus groups, and meetings with other stakeholders. With the feedback from the community and guidance of the task force, RNDC created a plan with an inventory of existing conditions and a list of recommendations for land use, housing, transportation, and infrastructure, among others.

Local Human Services Transit Coordination Plan

In partnership with the MnDOT Office of Transit and Active Transportation and the Minnesota Council on Transportation Access, RNDC is currently updating its Local Human Services Transit Coordination Plan. This plan will create an inventory of available transit services (both public and private) in the nine-county area and identify gaps in services. It will also solicit feedback from transit riders and providers on the existing conditions and needs of the region. A steering committee will guide the prioritization of the needs and assemble a list of priorities and potential projects for the future.

To date, RNDC has formed the steering committee, a group of stakeholders from public and private transit services, public health organizations, the Minnesota River Area Agency on Aging, healthcare systems, and MnDOT. RNDC has also published a resident survey available in English, Spanish, and Somali, collected provider surveys, held a focus group of older immigrants who use transit services, and connected with other agencies and residents about the planning effort in the Greater Mankato United Way's Project Community Connect. Under MnDOT's direction, the plan was pushed to fall 2022.



SUSTAINABILITY

Grower's Network

Over the past 12 months, The South Central Minnesota Grower's Network has seen progress made on the United States Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS) grant which is a three-year grant aimed at increasing opportunities for emerging farmers. RNDC's official grant partners include Living Earth Center (LEC) and the Minnesota River Chapter of the Sustainable Farming Association (SFA). These partners, although closely connected, represent two sides of the grant which are supporting small farmers who already exist and creating opportunities for new farmers from historically underrepresented groups.

LEC is focused on creating opportunities for new farmers who have been historically underrepresented. With them, RNDC conducted outreach to community partners like Feeding Our Communities Partners (FOCP), Minnesota Council of Churches (MCC), Comunidades Organizando el Poder y Accion Latino (COPAL), and WellShare International. The goal of this outreach was to identify people interested in growing food for themselves and to sell in the community. Through community outreach, RNDC was able to integrate five community members into local growing spaces. The new farmers are split between the LEC Community Garden and the Blue Earth County Farm.

SDG Dashboard/MADO Dashboard

Over the last year, RNDC has created a dashboard designed to track key performance metrics, trends, and goals for South Central Minnesota. The dashboard was created using metrics from the United Nations Sustainable Development Goals (SDGs) and aligning them with Region Nine's Comprehensive Economic Development Strategies (CEDS) and Minnesota Association of Development Organizations' (MADO) statewide plan, DevelopMN.



This dashboard was developed after RNDC aided MADO in creating a dashboard that would measure a shared set of metrics identified in DevelopMN, a document created to identify needed alignment and record a broadly supported strategy for creating prosperity in Minnesota. During the creation of the MADO dashboard, three RDOs (RNDC, Region Five Development Commission, and West Central Initiative Foundation) found that creating a more region-specific dashboard could aid our work by providing information in a clear and easily read manner, document projects and compare results across geographies and time periods, increase buy-in from those most effected, and allow us to add features that can expand upon a specific issue or set of data.

Both dashboards are live and in their first iteration. RNDC encourages stakeholders to review and provide feedback on how they are using the dashboards, what is working well, and how it can be improved.

SolSmart Silver Designation

This year RNDC was awarded the SolSmart Silver designation for the organization's efforts to make solar energy more accessible for communities, residents, and businesses in the region. The SolSmart program is funded by the U.S. Department of Energy Solar Energy Technologies Office and recognizes organizations that have worked to promote solar energy by making it faster, easier, and more affordable for the community to adopt. To receive this designation, RNDC worked to reduce the barriers to developing a solar energy infrastructure. This included talking with utilities about their plans for future development, examining local zoning ordinances, talking with banks about financing opportunities, and hosting educational sessions for community members.



As an organization focused on community and economic development, RNDC works to ensure our communities understand and can access the resources available to them. Solar energy is just another example of an important resource that can benefit local communities and economies by providing affordable and clean energy. Through the partnership with SolSmart, RNDC learned how to develop solar resources in a manner that provides the maximum benefit for community resilience. The SolSmart program provides free technical and logistical expertise to communities interested in developing or expanding their solar energy capabilities. Through the program, RNDC worked with the Great Plains Institute to evaluate local permit, planning, and zoning procedures as well as recommendations to make solar energy more accessible in the region.

Communities and businesses in Region Nine are asking more about integrating renewable energy into planning and projects. RNDC's community development planners now feel more comfortable answering those questions and helping communities make the right energy choices for them. RNDC joins over 400 other communities and regional organizations that have received the SolSmart designation, and looks forward to helping others in the region do the same.



PARTNERSHIPS

Southern Minnesota Initiative Foundation (SMIF)

Inclusive Equitable Communities

Over the last year, RNDC has partnered with SMIF and SE MN Together to host three convenings for the awardees of SMIF's Inclusive Equitable Communities (IEC) Grant Program.



SOUTHERN MINNESOTA
INITIATIVE FOUNDATION

This year, ten awarded organizations were supported as they developed or expanded initiatives which increase equity and inclusion within communities or support entrepreneurs in communities of diverse backgrounds. In addition to support via funding, the grant program partners are dedicated to building a network and ecosystem that will support them in their initiatives now and in the future. Two of the ten awarded organizations, MCC, and the Hispanic Advocacy and Community Empowerment Through Research (HACER), launched their programs in Region Nine.

The MCC, in partnership with community and business leaders from the Minnesota Department of Employment and Economic Development (DEED), Greater Mankato Growth, Small Business Development Center (SBDC), and Minnesota State University, Mankato (MNSU-Mankato), developed and facilitated a new business-focused Tapestry series. The program gathered entrepreneur "Explorers" from the Mankato area immigrant and refugee communities and "Business Connectors" from Mankato area leaders with experience in business and entrepreneurship. The program allowed for participants to enhance professional networks, engage in two-way learning, and improve cultural understanding. In the final session, participants shared what they learned from participating. "Explorers" discussed the meaningful information they learned toward their business creation, and "Business Connectors" shared how engaging with aspiring immigrant and refugee entrepreneurs opened their eyes to perspectives they had not previously known.

HACER expanded their program, Creando Ando to create Creando Ando 2.0 which aimed to identify barriers to starting a business, create entrepreneurial mindsets, give information to participants on running a business for beginners, and learning about technology programs available. Creando Ando 2.0 consisted of four workshops, given entirely in Spanish, that focused on Latino entrepreneurs located in Region Nine. The program consisted of 15 participants, all who identified as women, with 67 percent living in Watonwan County. One participant shared, "I have learned how to do a business plan, which is what you need to start a business. To put our dreams on paper and from there branching it out with what is needed to start a business. From the money that is needed as well as to where to find the money, what resources are available and the organizations that were there to help us."

RNDC will continue to partner with SMIF on their IEC Grant Program in the new year.

Prosperity Initiative (SMIF)

Now entering its seventh year and with over 80 graduates, the Prosperity Initiative (PI) is a program that promotes inclusive entrepreneurship and business growth for those who identify as Black, Indigenous, and People of Color (BIPOC), women, veterans, low-income persons and/or persons with disabilities. PI provides business owners with regular education, coaching, and business resources.

Last March, JJ's Beauty Supply was accepted into the 2022 cohort of the Prosperity Initiative. JJ's Beauty Supply is a beauty supply store located in Mankato, which sells hair, beauty, and skincare products for people with textured hair. It also offers in-store braiding, contact lenses, and other items. JJ's Beauty Supply sells items to local beauty salons and barbershops, granting them access to a wide range of products for clients with different hair and skin needs.

In June, JJ's Beauty Supply secured funding through RNDC's EDA CARES Act Recovery Assistance Loan Fund (RLF). In 2020, JJ's Beauty Supply experienced a store closure due to Covid-19, and the business is currently working on getting sales back to the pre-pandemic levels. Due to this, JJ's Beauty Supply was able to secure funding through the RLF program that allowed them to expand their current inventory and relocate to a bigger site.

Launch MN Southwest

Launch MN is a statewide collaborative effort to accelerate the growth of startups and amplify Minnesota as a national leader in innovation. MNSU-Mankato serves as the Southwest Regional Hub for the Launch MN Network.



RNDC remains an active partner in Launch MN Southwest (launchmnsw.org) and works to support new and existing entrepreneurs and innovators through research and assembling data, establishing new partnerships, connecting regional partners, and promoting resources available.

Climate Smart Municipalities

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UNIVERSITY OF MINNESOTA
Driven to DiscoverSM

Climate Smart Municipalities (CSM) is a member only, regional collaboration between Minnesota and the German state of North Rhine-Westphalia (NRW). CSM connects diverse international stakeholders and leaders in local and state government, politics, business, nonprofits, academia, and the public to learn for each other and to accelerate the transition to a more efficient and climate-friendly energy future at the local level.

RNDC remains a regional partner for the group and has multiple staff actively involve. In September, Executive Director Griensewic joined the CSM delegation, including representatives from the cities of Duluth, Morris, Rochester, Warren, and White Bear Lake; counties, state government, business, education, and nonprofit sectors, to Germany's NRW. The delegation served as a learning exchange for participants to share best practices, successes and challenges, and goals for the future. Sustainability, climate protection and adaptation, renewable energy, and energy efficiency are all 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.

ACE Unit

RNDC have been actively participating in the America's Competitiveness Exchange (ACE) on Innovation and Entrepreneurship that is organized by the Inter-American Competitiveness Network. There was a talent attraction component that led to the hiring of an additional Community Development Planner and a consultant to the RNDC team. This new team created the ACE Unit, a group dedicated to strategic planning for the region from an international perspective. The unit's main objective is to promote RNDC through the ACE network as a land of investment, commerce, collaboration, and trade. To do so, this unit will work to develop a guide on doing business, create a feasibility study for Foreign Trade Zones, participate in ACE events to promote regional opportunities, and develop partnerships that will attract and retain talent in the area.



Hub & Spokes

In December, RNDC and partners were awarded a two-year grant from the Small Business Administration (SBA) which pairs its services with five other entities in Southern Minnesota to focus on providing outreach, education, and technical assistance to underserved small businesses and entrepreneurs in the food and agriculture sector. Priority is placed on businesses owned by women, veterans, and individuals who are socially and economically disadvantaged. MNSU-Mankato is the lead hub in this endeavor. Joining RNDC as spokes are Agricultural Utilization Research Institute (AURI), GreenSeam, Mogwai Collaborative, and Southern Agriculture Center of Excellence (SACE) at South Central College.

RNDC will be doing a feasibility study for businesses as part of the requirement for funding to support the expansion and growth. The South Central Minnesota Agriculture Resiliency Plan will also be revised as a possible blueprint of services for entry into the food and agriculture sector. Much of the work will be executed in the following fiscal year.



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BUS TOUR

On June 15, the RNDC Annual Bus Tour hit the road after a two-year hiatus. Staff and commissioners were joined by stakeholders representing higher education, government, business, and community engagement to see the area and learn about RNDC's work and partnerships.

The first stop was Clear Lake Farms outside of New Ulm. Owner/Operator Andrea Lynn showed the attendees the property and discussed how the farm uses chemical-free methods. Lynn focuses on fresh produce and eggs and offers learning opportunities for anyone interested in sustainable, home-grown food production.

Lynn said about the tour, "Clear Lake Farms and Shirley's Park were honored to host such a wonderful and inquisitive group. We hope to share our growth with those in Region Nine in the future and inspire other emerging businesses to seek opportunities in their rural communities. Thank you again for making us a stop!"

Next, the tour made a stop at Black Frost Distilling in New Ulm for lunch and a presentation on the RLF program. Black Frost is an RLF recipient and will be officially opening its doors later this summer. Owners Jace Marti and Nathan Gieseke are making their bourbon, rye, and whiskies using northern-grown ingredients, many grown on Gieseke's farm. Sweet Haven Tonics was also at Black Frost to provide mocktails for lunch.

The last stop was the Springfield Area Community Center to hear about the Rural Entrepreneurial Venture (REV) program. The REV program is operated by RNDC partner, SMIF. Pam Bishop, Vice President of Economic Development at SMIF, and Joe Stremcha, Springfield's City Manager and Director of Economic Development spoke on how REV has worked with Springfield to support local businesses and entrepreneurs.

"RNDC's bus tour was a fantastic way to meet new people and gain greater insight to the economic opportunities occurring in our communities. It affirmed to me the tapestry of economic assets we have available in Southern Minnesota," said Bishop.

Stremcha added, "The City of Springfield was grateful for the opportunity to showcase our Kickstart Springfield's effort to engage with entrepreneurs and help foster a stronger business ecosystem in Springfield. We couldn't have done these efforts without the support of RNDC through the REV program!"



RNDC COMMISSIONERS

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*as of June 30, 2022

9

COUNTIES

72

CITIES

147

TOWNSHIPS

33

SCHOOL
DISTRICTS

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Executive Assistant



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Specialist

Finance



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Community & Economic Development



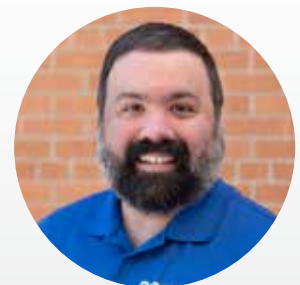
Kristian Braekkan
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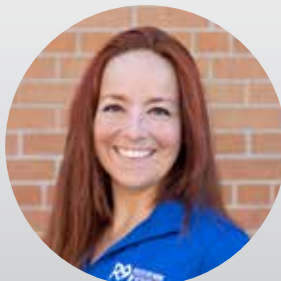
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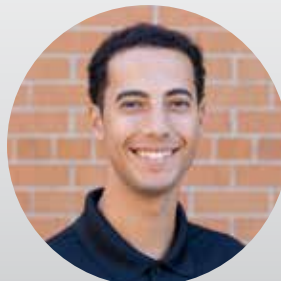
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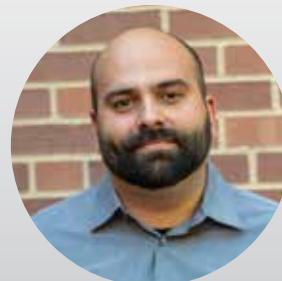
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