

**ANNUAL COMPREHENSIVE ECONOMIC
DEVELOPMENT STRATEGY
PERFORMANCE REPORT**

MARCH 31st, 2015

**UNITED STATES DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT ADMINISTRATION**

AWARD # 06-83-05908

PREPARED BY:

MID-MINNESOTA DEVELOPMENT COMMISSION

Serving the Counties of Kandiyohi, McLeod, Meeker, and Renville

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WILLMAR MN 56201

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I. ADJUSTMENT TO THE STRATEGY

Presidential Disaster Declaration

On July 21st, 2014 the U.S. Department of Homeland Security's Federal Emergency Management Agency announced that federal disaster aid has been made available to the State of Minnesota to supplement state and local recovery efforts in the area affected by severe storms, straight-line winds, flooding, landslides, and mudslides during the period of June 11 to July 11, 2014.

The President's action makes federal funding available to state and eligible local governments and certain private nonprofit organizations on a cost-sharing basis for emergency work and the repair or replacement of facilities damaged by severe storms, straight-line winds, flooding, landslides, and mudslides.

The counties included in the declaration, from the Economic Development District, included Renville and McLeod Counties.



Map of Minnesota showing affected County's

Unemployment Rates

The Comprehensive Economic Development Strategy (CEDS) had a 5-year update in March of 2011. The following is a table that provides detail of the employment/unemployment picture of the United States, State of Minnesota, and the Counties in the District since the CEDS five year update.

UNEMPLOYMENT RATES

AREA	MARCH 2011	DECEMBER 2014	AMOUNT OF DECREASE
United States	9.2%	5.4%	3.8%
State of Minnesota	7.3%	3.7%	3.6%
Kandiyohi County	6.9%	3.8%	3.1%
McLeod County	9.2%	4.1%	5.1%
Meeker County	9.6%	4.8%	4.8%
Renville County	7.8%	4.3%	3.5%

Source: State of Minnesota; Department of Employment and Economic Development (not seasonally adjusted)

As can be deduced from the above table the unemployment rates have greatly reduced from the CEDS update in March, 2011. The national unemployment rate dropped by 3.8 percentage points, while McLeod and Meeker county unemployment rates dropped by 5.1% and 4.8% respectively.

Labor Force Analysis

As can be deduced from the graph below the district has a total labor force of 66,654.00 workers. The number of unemployed persons in the district is 2,760. Kandiyohi County has the largest labor force at 24,876.00 while Renville County has the smallest labor force at 9,316.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT BY THE NUMBERS

AREA	LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT
Kandiyohi County	24,876	23,922	954
McLeod County	19,688	18,887	801
Meeker County	12,744	12,138	606
Renville County	9,316	8,917	399

Largest Private Employer in Renville County



The Southern Minnesota Beet Sugar Cooperative (SMBSC) is a farmer-owned producer of beet sugar (100% shareholder/grower owned) located in Renville, Minnesota. Founded in 1974, the cooperative has over 500 shareholders that produce approximately three million tons of sugar beets every year.

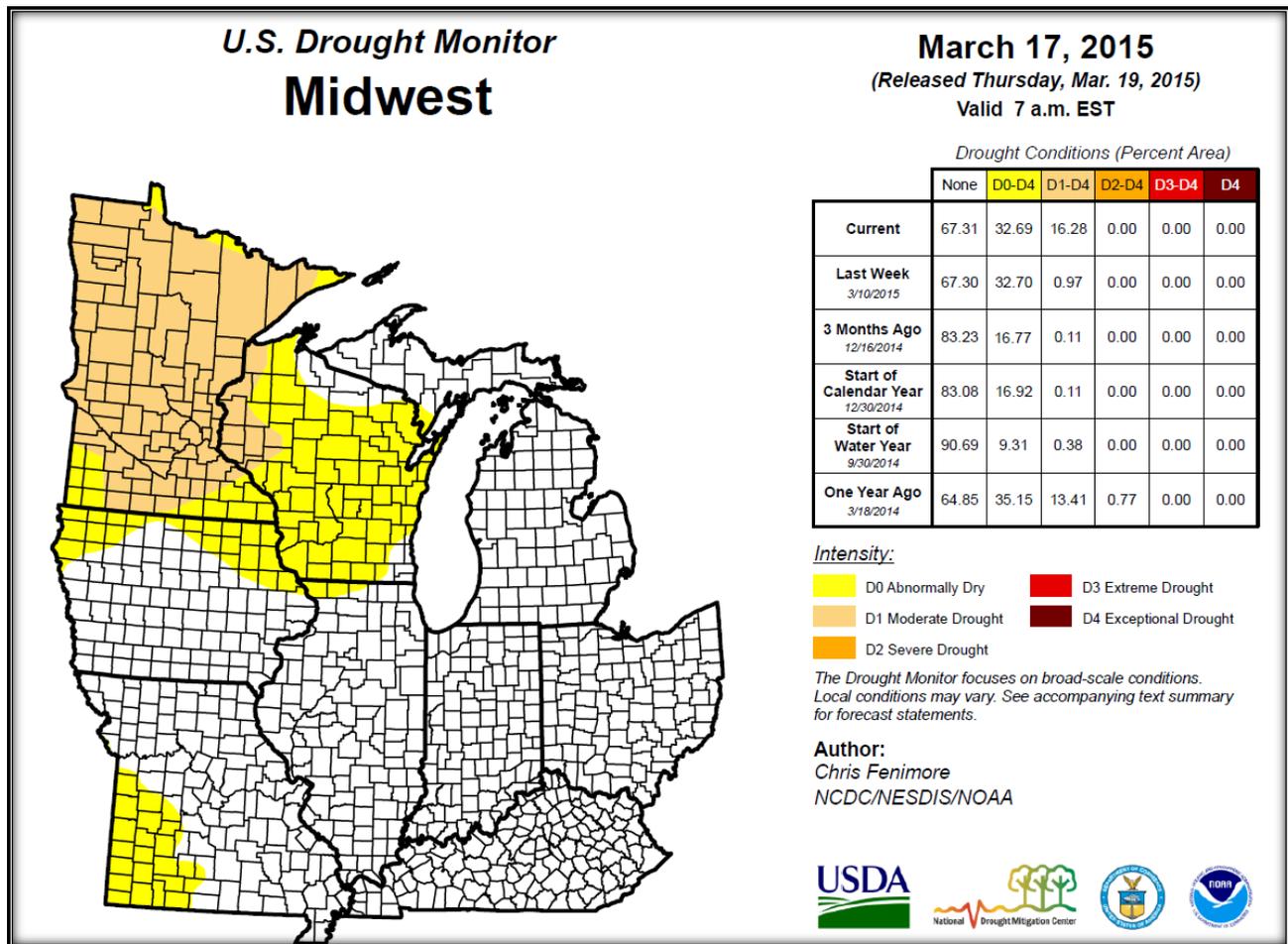
Southern Minnesota Beet Sugar Cooperative produces all-natural granulated sugar and liquid sugar from sugar beets. Customers purchase refined sugar in bulk, as well as in 50-pound bags and super-sacks weighing up to 2,000 pounds, and liquid sugar in bulk. The cooperative has attained Safe Quality Food (SQF) Level 2 Certification.

The cooperative employs approximately 360 people, of which 300 are full-time benefit rated, with an additional 400 seasonal employees during the harvest season. Employee skill sets include electrical, instrumentation, mechanical, technical, and process.

Drought Problems Plague Most of Minnesota and the Entire Region.

The entire four-county region is in a “*moderate drought condition.*” The Minnesota Department of Natural Resources has expressed concern about the high fire danger in most of Minnesota. The lack of snow has left the grass drier and more likely to burn. The drought may have an effect on the agricultural sector.

Officials are bracing for an early start to the fire season with the snow cover melted and very little precipitation. The U.S. Drought Monitor has estimated that a total population of 5,272,319 is affected by the drought conditions.



Economic Composition of Mid-Minnesota Region of Minnesota: key findings by University of Minnesota

To analyze the economic composition of the Mid-Minnesota region of Minnesota, University of Minnesota Extension conducted an analysis of industry outputs, employment and wages, and interdependencies. Following is a report of key findings. This report is presented in partnership with the EDA Center at the University of Minnesota, Crookston. The published date was January 2015.

Manufacturing is a significant driver of the economy in the Mid-Minnesota region (Kandiyohi, McLeod, Meeker, and Renville counties). Manufacturers in the region generate 41 percent of all output and employ 14 percent of all workers. Health care and social assistance is another major driver of the economy. The health care and social assistance industry employs 16 percent of all workers.

Regional Strengths:

- **Health care and social assistance.** The health care and social assistance industry was the fastest growing industry in the Mid-Minnesota region between 2003 and 2013, with the number of jobs in the industry increasing by 43 percent. The region added more jobs in the industry than would have been expected given national and industry trends. One concern for the industry is that wages decreased by an inflation-adjusted 9 percent between 2004 and 2013.
- **Manufacturing.** Despite the loss of over 1,100 jobs in the manufacturing industry between 2003 and 2013, the manufacturing industry in the Mid-Minnesota region is an economic strength. The industry fared better than expected, given national and industry trends. Wages are fairly strong — over \$250 a week above the average weekly wage in the region. Wages increased by an inflation-adjusted 8 percent between 2000 and 2013. Major job losses appear limited to one manufacturing sector.
- **Non-store retailers.** Despite a decline of 4 percent in the number of retail trade jobs in the Mid-Minnesota region, the number of jobs in the non-store retail sector increased by 383 percent (276 jobs) according to the EMSI database. This sector includes businesses such as vending machine operators, mail order houses, electronic shopping, and home heating oil dealers. The location quotient for the sector is almost 2, indicating a higher concentration of jobs in the region as compared to the nation. Most of the new jobs appear to be with home heating oil dealers.

Regional Weaknesses:

The analysis also revealed areas of potential concern for the region from an economic standpoint. These industries are not as competitive in the region and may warrant additional attention and exploration.

- **Construction.** The number of construction jobs in the Mid-Minnesota region declined by 648 between 2003 and 2013. Although the Great Recession of 2008-2009 hit the industry hard, nearly half those job losses are estimated to be as a result of local conditions.
- **Nursing and residential care facilities.** Nursing and residential care facilities employ 40 percent of health care and social assistance workers in the Mid-Minnesota region. While the number of jobs in the sector increased by over 30 percent between 2003 and 2013, the average weekly wage (after adjusting for inflation) decreased by 5 percent. The 2013 average weekly wage in the nursing and residential care facilities sector is well below the average weekly wage across all industries in the region and is \$75 below the average weekly wage in the sector in Minnesota.

II. REPORT ON ECONOMIC DEVELOPMENT ACTIVITIES

Highway 23 Gap Project – New London to Paynesville - Project Overview

TH 23 is an important interregional corridor that is a key artery for the economy in the region. It provides the primary north-south route between Willmar and St. Cloud. According to the recently completed Manufacturers Perspective on Transportation Study, it is also a critical connection to deliver goods to national and international markets.

The Minnesota Department of Transportation (MnDOT) envisions this section of TH 23 becoming a continuous four-lane rural highway. The segment between New London and Paynesville is a part of that vision and is one of two remaining sections of two-lane facilities.

MnDOT has begun the environmental review and layout development process for the 4-lane conversion of this seven-mile segment. Once the environmental review and layout is complete, right of way acquisition and detailed design could begin as funds are available.

The project will meet the Corridors of Commerce objectives of providing additional capacity, improving the movement of freight and increasing roadway safety.

A preliminary cost estimate of \$50M to \$70M has been calculated for the project. This includes right-of-way, design, and construction costs. Final environmental review will take place between July 15, 2015 and December 31, 2015.

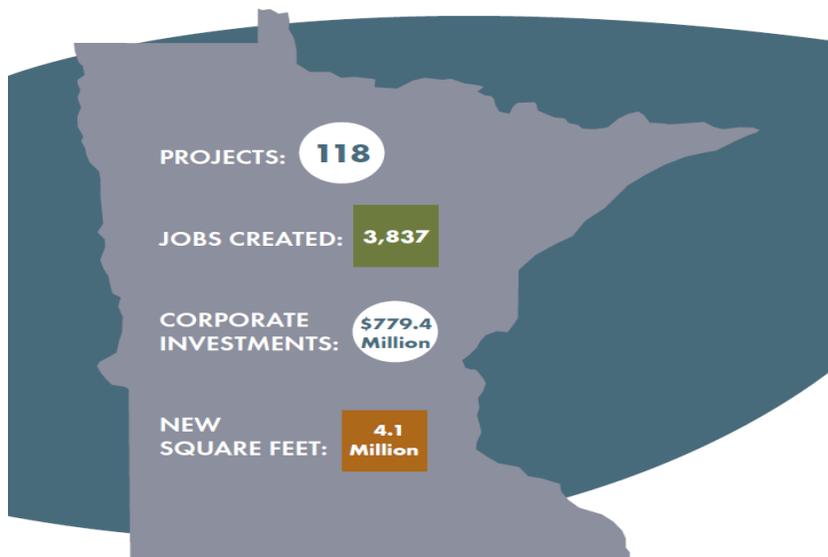


2014 Minnesota BUSINESS EXPANSION PROJECTS



Minnesota
Department of Employment and Economic Development

2014 Minnesota ANNOUNCED BUSINESS EXPANSION PROJECTS BY THE NUMBERS



Miller Manufacturing Expansion – City of Glencoe; McLeod County

Minnesota Featured Expansion

Miller Manufacturing Company is a market-leading manufacturer, distributor, and marketer of farm, ranch, and pet products which are sold under the brand names of Little Giant[®], Hot-Shot[®], Springer Magrath[®], Double-Tuf[®], Pet Lodge[™], and API[®]. At the core of Miller's values is our commitment to American manufacturing, with most of our products designed, manufactured, and distributed here in the United States.

Miller Manufacturing started as a family-owned business in 1941 and today is owned and operated by Frandsen Corporation of North Branch, MN. Miller Manufacturing's catalog features over 1,000 products which are sold through a large network of farm and animal health supply distributors in the United States and over 30 countries around the world.

Miller Manufacturing

GLENCOE

Farm, ranch and pet supplier Miller Manufacturing said it will add 20 jobs as part of a \$3 million expansion of its distribution center in Glencoe, located in southern Minnesota's McLeod County. The company sells more than 900 farm, ranch and pet products in the United States, Canada and more than 30 other countries. The business was named Glencoe's manufacturing firm of the year in 2012.



"The city of Glencoe is excited about the continued investment by Miller Manufacturing in our community. Miller Manufacturing is an important part of Glencoe's civic community and has been a great partner since arriving here in 2005."

— Randy Wilson
Mayor of Glencoe

Renville County Hospital and Medical Center

A ground breaking took place on April 22, 2014 for the new Renville County Hospital and Medical Center in Olivia, Minnesota. The \$24 million project was made possible through many partnerships including investments for AgStar Bank, United Farm Credit Services, and financing from the United States Department of Agriculture – Rural Development.

The 62,000 square-foot project includes a new clinic. The new clinic will have the following features:

- 15 exam rooms
- One procedure room
- 16 inpatient beds
- Lab Radiology and therapy
- Outpatient and specialty clinic
- Two operating rooms
- Education Center

The facility will have a staff of 140 and a payroll of \$7.4 million and will be the third largest business in Renville County.



GROUND BREAKING CEREMONY
Front row (l to r) Renville County Commissioners Paul Setzephandt and Bob Fox, Megan Lahr Outreach Director for U.S. Senator Amy Klobuchar, Congressman Collin Peterson, County Commissioner & Hospital Board Member LaMont Jacobson, County Commissioner & Hospital Board Chair John Stahl, County Commissioner Randy Kramer and County Administrator Sara Folsted

Job Fair Hutchinson, McLeod County

A job fair was held at the Hutchinson Event Center in Hutchinson, Minnesota. The job fair drew employers and perspective employees together for a day of information exchanging.



INVITATION TO EMPLOYERS

Our annual Fall Job/Career Fair is scheduled for Thursday, October 9, 2014, from 2:00 - 6:00 PM. We will be having the Job/Career Fair at the Hutchinson Event Center in the Plaza 15 Shopping Center, located at 1005 Highway 15 South, Hutchinson.

October is the time to start planning for your seasonal and holiday positions, either full-time or part-time. Our past job fairs have been very successful and we anticipate the same again this fall. We have space for approximately 40 vendors and would like to have you included as part of this event.



Business Plans Expansion in the City of Bird Island, Renville County

A business in Bird Island in Renville County is expanding with the assistance from the Greater Minnesota Job Expansion Program.

Rural Computer Consultants, which sells software, computer equipment, and services to fuel distributors around the world, will add three full-time workers at \$18 an hour. The business will receive a state sales tax refund of \$77,357 under the program.



Rural Computer Consultants, Inc. (RCC) is an established provider of software, computer equipment, and services to Fuel Distributors globally. RCC was established in 1979 in the rural community of Bird Island MN. RCC has grown from just Brian and Kevin Sheehan in a one-room office in 1979 to a 38-person team-oriented departmentalized staff, servicing customers internationally. RCC's staff collectively has several lifetimes of experience in the fuel industry as well as the computer software and hardware industry.

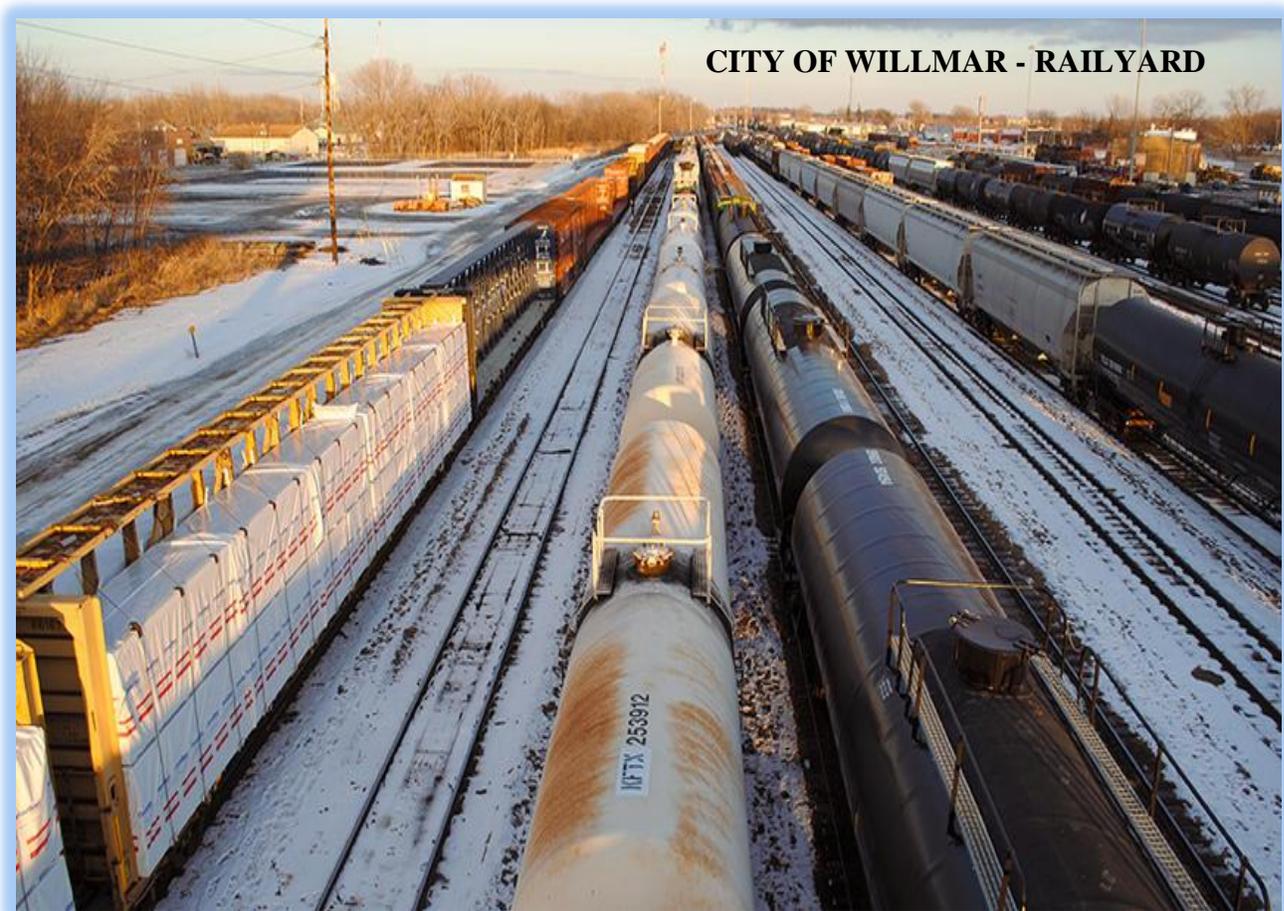
The principals have over 100 years in the computer field and today, RCC celebrated over 3 decades of stellar software and service to the fuel industry. Offering a very powerful and complete accounting system, comprehensive propane record keeping, offering online customer web inquiry and payments (EFT or Credit Card), e-commerce and dashboard as well as effective routing and scheduling, complete fuel functionality, and working with other technology products such as interfacing remote tank monitoring system, electronic truck system, mapping for the fuel industry to name a few, are some of the answers to the success of RCC (along with a great support staff). RCC is committed to staying on the forefront of the fuel software industry through research and optimizing of functionality as it evolved year after year.

The Greater Minnesota Job Expansion Program is aimed at businesses that expand outside the seven-county twin cities area. Once approved for the sales tax refunds, the companies have three years to meet the employment goals.

To qualify for the program, a business must have operated in Greater Minnesota for at least one year and must commit to expanding its workforce at a single facility. The business must increase full-time employment at the facility by two employees or 10 percent of current employment, whichever is greater.



Willmar Wye Remains on State Transportation Plan



Interested residents joined at the Minnesota Department of Transportation office in Willmar to discuss the 2015 Minnesota Rail Plan now being developed, representatives of the Burlington Northern Santa Fe Railway Company and Minnesota Department of Transportation met separately in another room to discuss the wye project on Monday.

At an estimated cost of \$45 million to \$50 million, the wye is among the “shovel ready” projects being included in the state’s 2015 rail plan.

The Willmar meeting was the last in a series of meetings conducted across the state to gather input on the state’s 2015 rail plan. Comments could be made on the plan online at the MnDOT website through March 10, 2015.

MnDOT wants to have a final version of the plan ready by early March, so that projects on the list can be submitted for possible federal Transportation Investment Generating Economic Recovery grants in the coming year, often referred to as TIGER grants.

State and federal funds are being sought to fund about one-half of the wye’s projected costs. The project calls for building a 2.5 mile bypass to connect the BNSF’s Morris subdivision track, which runs northwest to Fargo-Moorhead, and the Marshall subdivision track, which runs southwest to Sioux Falls, S.D.

The wye would run along the east side of Kandiyohi County Road 55 and include a spur into the Willmar Industrial Park.

Overpasses for motor vehicle traffic would be built at the intersections of state Highway 40 and County Road 55, and County Road 55 and U.S. Highway 12.

The wye is aimed at reducing rail and traffic congestion, but at least one participant at the Willmar meeting blamed the problems here on rail congestion between Sioux City, Iowa, and Omaha, Nebraska.

Rail safety, congestion, the impact of the Bakken oil boom on rail, interest in passenger rail service, and Amtrak reliability (or lack of) have been the major topics at the 10 open house meetings hosted across the state to date.

There is growing interest in rail passenger service in much of the state. An advanced plan is nearly complete for a Twin Cities-to-Duluth line. Planning is moving forward for a true high-speed line of over 200 miles per hour to connect Rochester with the Twin Cities. Communities from the Twin Cities to Northfield and southward to Des Moines, Iowa, are also campaigning for the development of a separate passenger rail line.

And, work continues on a proposal to develop a second Empire Builder with Amtrak for service connecting Minneapolis and Chicago. The rail station in the Twin Cities now handles 100,000 people a year, making it the busiest train station in the country, said Christianson.

These rail passenger projects are likely to be listed as Phase 1 proposals in the state plan; meaning the goal is to undertake them within the next 20 years.

In contrast, proposals for rail passenger service to Willmar remain as a Phase 2 proposal; or something not likely to happen within the next 20 years.



City of Litchfield, Meeker County Airport Overhaul

A \$3.14 million proposal to overhaul the runway and other paved surfaces at Litchfield Airport would ensure planes can land and take off from here for years to come.

Litchfield City Council voted unanimously at a council meeting to pursue an agreement with the Federal Aviation Administration and Minnesota Department of Transportation to secure grant funding to cover up to 95 percent of the project's cost. The city would be responsible for picking up only about 5 percent of the bill.



“I think the airport is a necessity for Litchfield,” Councilor Vern Loch Jr. said at the meeting in explaining his reasons for supporting the project. “I think it’s well used.”

A city engineer, Chuck DeWolf, stated that his office has been working with state and federal aviation officials for several months seeking support for the project. He told City Council that pavement at the airport is deteriorating, and it is no longer cost effective to continue sealing cracks, some as wide as three inches.

The overhaul would begin with grinding paved surfaces — including a 4,000-foot-long runway, taxiways, and apron. The ground-up pavement would then serve as a base for a 3-and-one-half-inch bituminous overlay.

City Administrator Dave Cziok, stated that federal and state aviation officials initially rejected the city’s funding request, but decided to back the project after visiting the airport in 2014. They “walked the runway and said, ‘OK, I get it,’” recognizing the need for an overhaul, Cziok said.

DeWolf stated the city could advertise for bids on project work as soon as summer of 2015. The project’s start date would depend on completing a grant agreement with state and federal agencies.

The airport, which operates without anyone staffing it, would close for about one month during the project, DeWolf said.



CITY OF LITCHFIELD/MEEKER COUNTY - AIRPORT

III. EVALUATION OF PROGRESS ON IMPLEMENTATION PLAN AND GOALS

Job Fair, City of Willmar, Kandiyohi County

There was a job fair on March 24, 2015 at the Willmar Conference Center. The job fair allowed employers and job seekers a chance to meet and exchange resumes and business information.



The image shows a promotional poster for a job fair and a list of sponsors. The poster features a photograph of four smiling people in professional attire. Text on the poster includes: "Resource booth for entrepreneurs or business start-ups!", "West Central Minnesota Area Business Expo", "JOB FAIR", "Tuesday, March 24, 2015 • 2pm – 6pm", and "Willmar Conference Center • 240 23rd ST SE, Willmar". To the right, under the heading "SPONSORED BY:", are logos for K95.3 HOT COUNTRY, KDJS 1590 AM GOLD COUNTRY, The RIVER Lite Rock Favorites 97.3, EDC (Kandiyohi County & City of Willmar ECONOMIC DEVELOPMENT COMMISSION), RIDGEWATER COLLEGE, and MINNESOTA WORKFORCE CENTER.

The Job Fair is free to all persons looking for information, employment opportunities and information on all businesses.

Glencoe Business Expo



The Panther Field House was a busy hub of activity on a sub-zero day as people filed in to attend the annual Glencoe Business Expo. Over 60 businesses and organizations had informational booths at the fair.

Escaping the cold and experiencing the 2015 Glencoe Business Expo were many individuals. This free event was held Sunday, February 22, from 10:00 a.m. to 5:00 p.m. at the Panther Field House. The attendees enjoyed the entertainment, music, clowns, and magicians. Attendees were able to talk casually with area businesses about products, services, and possible employment opportunities. Attendees enjoyed breakfast with the Rotary, lunch from the concession stand, and were able to register for door prizes.

Lake Lillian “Town Talks” on issues facing small towns

Spurred by the closing of the town’s only grocery store the city will host a community talking session the week of February 16, 2015. The goal is to look at the total local business scene.

Through small-group discussion City Leaders hope to gain a sense of what types of businesses are needed in town and perhaps more important, whether residents are willing and able to shop locally.

Although a grocery store outlet may be one of the most pressing needs, the larger issue is how Lake Lillian, population 238, can maintain its main Street.



Minnesota Department of Transportation Authorizes Speed Increases

Speed Limits will be raised from 55 to 60 miles per hour on the rural, two lane sections of State Highway 23 north of New London in Kandiyohi County.



Motorists on U. S. Highway 212 will be able to travel at 60 mph on an 80-mile stretch from Granite Falls to Glencoe. Productivity will be increased on the roadways for both commercial and private vehicles.

The changes are the result of a legislative mandate. MnDOT is conducting a five-year study of all the two-lane highways that have a speed limit of 55 mph. The first study is completed and identified the highway 23 and 212 sections in the Willmar District 8 area as meeting the standards of the speed increase.

This year's upcoming study will examine U.S. Highway 12 in the District's area.



Minnesota Department of Transportation worker installing new speed limit sign

Kandiyohi County Business Retention and Expansion Business Survey

A presentation of the Kandiyohi County BRE Visitation Program Data on **Wednesday, March 18, 2015**.

EDC & Grow Minnesota! Kandiyohi County BRE Visitation Program

During the months of November and December 2014, the Kandiyohi County and City of Willmar Economic Development Commission and the Willmar Lakes Area Chamber of Commerce Grow Minnesota! Team partnered to implement the Kandiyohi County Business Retention and Expansion (BRE) Visitation Program. Utilizing 60 volunteer business and community leaders, surveys were conducted at 82 different Willmar lakes area businesses.

The major objectives of the program were to: show gratitude and demonstrate continued support of our area businesses, help solve immediate business concerns, increase the ability of local businesses to compete in the global economy, establish and implement strategic plans for economic development, and build community capacity to sustain growth and development.

Some of the items that were surveyed include:

- the companies' greatest accomplishment over the past few years
- business plans for expansion
- changes in local, state, or federal law that will affect the businesses
- the community's strengths and weaknesses as a business location
- workforce issues and recruitment problems

The EDC and Willmar Lakes Area Chamber of Commerce Grow Minnesota! Team invite you to attend a public presentation of the data, along with a statewide comparison by Minnesota Chamber of Commerce Interim President, Bill Blazar.

WHERE & WHEN

Willmar Conference Center

240 23rd Street SE

Willmar, MN 56201

Wednesday, March 18, 2015

7:30 AM-9:00 AM

IV. SCHEDULE OF GOALS FOR NEXT YEAR

GOAL # 1

Provide connections between employers and workers in the district, especially Occupations in Demand, to improve the unemployment rate, increase productivity, and increase the incomes of workers in the district.

Job and Career Fair



The poster features silhouettes of five business professionals (three women and two men) standing in front of a large, glowing globe. The text is centered and uses a mix of bold, serif, and sans-serif fonts. The event details are clearly listed in the middle section. At the bottom, logos for the presenting organizations are displayed.

2015 SPRING

Job & Career Fair

DATE: Thursday, April 9, 2015
TIME: 12:00 – 4:00 PM
LOCATION: Hutchinson Event Center
1005 Hwy 15 S, Hutchinson, MN

Presented by

KDUZ
1260 AM kduz.com
Your Information Station

KARP
106.9 FM
karpradio.com
Hit-106

CLASSIC 1310 KGLB
HIT COUNTRY
kglb1310.com

RC RIDGEWATER COLLEGE

MINNESOTA WORKFORCE CENTER
A Workforce Systems Partner

Occupations in Demand (OID) in Region 6E

This is a ranking the top ten of occupations currently in demand in the selected region. Measures of long-term demand (Growth Rate and Total Openings) are included in the table to provide a broader picture of demand. Long-term and current demand may not always coincide due to the fast pace at which market conditions can change.

SOC Code	Job Title	Current Demand Rank	Current Demand Indicator	25th Percentile Wage	Median Wage	Planning Area Projected Growth Rate	Planning Area Projected Openings	Education Requirements	On-the-job Training Requirements
311014	<u>Nursing Assistants</u>	1	★★★★★	\$21,249/yr	\$22,856/yr	NA	NA	Postsecondary non-degree award	None
533032	<u>Heavy and Tractor-Trailer Truck Drivers</u>	2	★★★★★	\$31,997/yr	\$39,950/yr	Well Above Average	2,460	Postsecondary non-degree award	Short term on the job training
434051	<u>Customer Service Representatives</u>	3	★★★★★	\$26,368/yr	\$32,625/yr	Average	1,070	High school diploma or equivalent	Short term on the job training
514121	<u>Welders, Cutters, Solderers, and Brazers</u>	4	★★★★★	\$32,586/yr	\$38,042/yr	Well Above Average	710	High school diploma or equivalent	Moderate term on the job training
513023	<u>Slaughterers and Meat Packers</u>	5	★★★★★	\$24,019/yr (MN)	\$27,109/yr (MN)	Well Below Average	400	Less than high school	Short term on the job training
399021	<u>Personal Care Aides</u>	6	★★★★★	\$20,283/yr	\$21,629/yr	Well Above Average	4,360	Less than high school	Short term on the job training
353021	<u>Combined Food Preparation and Serving Workers, Inc</u>	7	★★★★★	\$16,759/yr	\$17,946/yr	Above Average	3,520	Less than high school	Short term on the job training
472031	<u>Carpenters</u>	8	★★★★★	\$36,687/yr	\$43,698/yr	Well Above Average	1,090	High school diploma or equivalent	Apprenticeship
435081	<u>Stock Clerks and Order Fillers</u>	9	★★★★★	\$17,769/yr	\$19,957/yr	Well Below Average	1,130	Less than high school	Short term on the job training
493031	<u>Bus and Truck Mechanics and Diesel Engine Speciali</u>	10	★★★★★	\$28,772/yr	\$35,508/yr	Above Average	390	High school diploma or equivalent	Long term on the job training

SOURCE: State of Minnesota, Department of Employment and Economic Development: Last Updated: Dec 2014

GOAL #2

Prepare a new or revised Comprehensive Economic Development Strategy for the District in 2016.

A new and revised Comprehensive Economic Development Strategy (CEDS) will be prepared, in accordance with C.F.R. 303.6 and 303.7 in 2016. The submitted CEDS will include a resolution of the governing board adopting, documentation detailing the opportunity the public had to comment during the 30-day comment period on the CEDS, and a copy of all public comments received along with an explanation from the recipient indicating how comments were incorporated into the document. This CEDS will be placed on the recipient's website.

The Comprehensive Economic Development Strategy (CEDS) contributes to effective economic development in America's communities and regions through a locally based, regionally driven economic development planning process. Economic development planning – as implemented through the CEDS – is not only a cornerstone of the U.S. Economic Development Administration's (EDA) programs, but successfully serves as a means to engage community leaders, leverage the involvement of the private sector, and establish a strategic blueprint for regional collaboration. The CEDS provides the capacity-building foundation by which the public sector, working in conjunction with other economic actors (individuals, firms, industries), creates the environment for regional economic prosperity.

Simply put, a CEDS is a strategy-driven plan for regional economic development. A CEDS is the result of a regionally owned planning process designed to build capacity and guide the economic prosperity and resiliency of an area or region. It is a key component in establishing and maintaining a robust economic ecosystem by helping to build regional capacity (through hard and soft infrastructure) that contributes to individual, firm, and community success. The CEDS provides a vehicle for individuals, organizations, local governments, institutes of learning, and private industry to engage in a meaningful conversation and debate about what capacity building efforts would best serve economic development in the region. The CEDS should take into account and, where appropriate, integrate or leverage other regional planning efforts, including the use of other available federal funds, private sector resources, and state support which can advance a region's CEDS goals and objectives.

The new CEDS will be prepared in conjunction with the DevelopMN plan discussed in the next section.

GOAL # 3

Prepare an Economic Development Plan for all of rural Minnesota, authored by all the Minnesota Association of Development Organizations, entitled “*DevelopMN*”.

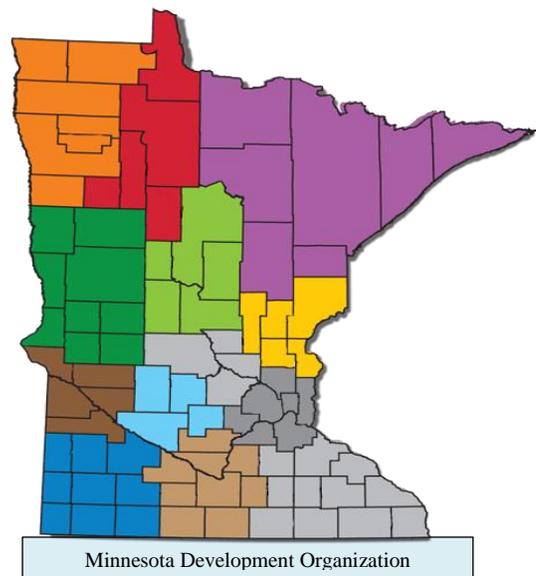
Greater Minnesota Development Strategy Project

DevelopMN

Minnesota Association of Development Organizations (MADO) is an association of the ten federally designated **Economic Development Districts** (EDDs) in Minnesota, which are also referred to as RDOs, or Regional Development Organizations. Nine of the organizations are Regional Development Commissions (RDCs) and one is a foundation, West Central Initiative. Between the ten organizations, all but two federal planning areas in Minnesota are served by an RDO.

What will be accomplished? Minnesota RDO’s will work collectively to accomplish the following:

- Create a common framework for regional economic plans, including a template for data collection, assessment, strategies, and measures of success;
- Develop regional strategies that address the special challenges and opportunities of each part of the state;
- Create a framework for state action that will enhance and support economic development efforts at the local and regional level;
- Develop and implement an approach that effectively engages state partners; and
- Raise the bar on what constitutes effective rural economic development in Minnesota.



The project is being formulated with a completion date of mid-2016.

(DEED will collect the following highlighted information and data)

Human Capital

- Knowledge and Skills (DEED)
 - a. Educational Attainment (Census)
- People (DEED)
 - a. Population Pyramid (Census)
 - b. Population Migration (Census)
- Labor Force (DEED)
 - a. Labor Force (LMI)
 - b. Unemployment Rate (LMI)
 - c. STEM Occupations Employment (DEED)
 - d. Occupations in demand (DEED)
- Commuter Trends (DEED) (Census)

Economic Competitiveness

- Creating Jobs (DEED)
 - a. Total Employment by Industry (LMI)
 - b. Industry Wages (QCEW)
- Economic Output
 - a. GDP (Moody's)
 - b. Per Capita Income (DEED) (Census)
 - c. Sales Tax (DEED)
- Entrepreneurial Activity
 - a. Firm Births and Deaths (DEED) (QCEW)
 - b. Non-Employer Data (DEED)
 - c. Patents (Patten Office)
- Business Climate
 - a. Trade/Exports (MN Trade Office) – DEED will look into.
 - b. Building Permits Value and total #
- Capital
 - a. DEED Program Investments (MIF, WF)
 - b. EDD RLFs: Total Capital, NAICS, Private \$ leveraged, and Jobs for active loans
SBA Loans
 - c. Initiative Foundation RLF's
 - d. SBA Loan Data

Community Resources

- Civic Engagement and Leadership
- Public Safety
 - a. Crime Statistics
 - b. Traffic Injuries and Death
- Healthy Communities
 - a. MDH health outcomes
- Arts and Culture
 - a. Creative industries employment and wages (DEED – Could potentially customize)
 - b. Explore MN re: strengths and weaknesses
 - c. McKnight – Artists and Arts economic impact report

Foundational Assets

- Transportation
 - a. MADO transportation planners
- Infrastructure
 - a. PCA, Rural Water, AMC – engage them and ask similar questions as transportation planners
- Housing
 - a. Age (DEED)
 - b. Affordability (DEED)
 - c. Rent-Own (DEED)
 - d. Uninhabited (DEED)
 - e. Anticipated Housing stock (Age of ownership)
- Broadband (DEED Broadband Office)
 - a. Upload/ Download Speeds
 - b. Availability
- ADD Fiscal Health
 - a. % of budget by category
 - b. Check with LMC and AMC

DevelopMN
TIMELINE
2015-2016

	April 2015	May 2015	June 2015	July 2015	Aug. 2015	Sep. 2015	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	March 2016	April 2016	May 2016	June 2016
Data Collection															
Transportation/RLF Planners															
SWOT/ Mini Marketing Piece															
Partner Engagement															
Feedback Due															
Smart Goals / Strategies															
Document Development															
Marketing Plan /Portal															
ED Planner Meetings															
Joint XD/ED Meetings															
Implementation															

GOAL # 4

Continue to manage and administer the District's Revolving Loan Fund Program

Revolving Loan Fund Program

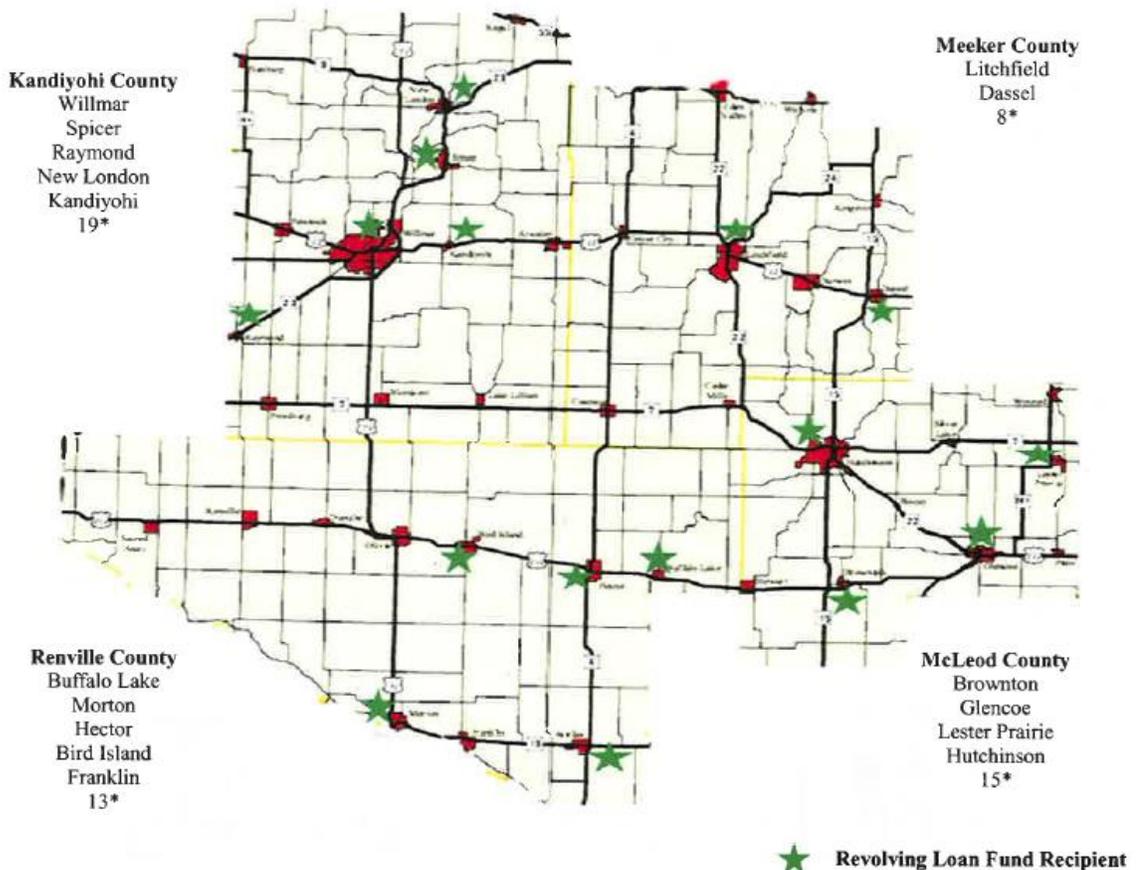
In 1995, a grant was received, in the amount of \$1,000,000 from the Federal Economic Development Administration to initially capitalize a Revolving Loan Fund Program. The award was partially matched by the Commission, local units of government, and the Southwest Initiative Foundation. Program goals include, assisting businesses with gap financing and creating employment opportunities within Region Six-East's four-county service area.

After due diligence, loans are funded for working capital, real estate purchases, and equipment purchases. The Revolving Loan Fund Committee provides lending expertise and makes recommendations of loan funding to the governing board.

The purpose of the RLF program is to strengthen and diversify the economy. This is reached by providing a source of low interest financing to businesses, when credit is not otherwise available from other sources, and to ensure the successful completion of a project or activity. Job creation and retention is a priority of the fund, as well.

The RLF program was funded in 1996 from a variety of sources: Federal Economic Development Administration; State of Minnesota; Southwest Initiative Foundation; Counties of Kandiyohi, McLeod, Meeker, and Renville; and the Mid-Minnesota Development Commission. The total number of loans made, per recipient county, since the inception of the Revolving Loan Fund is: Kandiyohi - 19*; McLeod - 15*; Meeker - 8*; Renville - 13*.

REGION 6E



GOAL # 5

Assist with workforce housing issues in rural Minnesota

KLN Family Brands in Perham has more than 100 job openings, but the western Minnesota community has no homes for people the company hires. **Similar stories came from far-flung parts of Minnesota, such as Willmar, Roseau, Cook County and Red Wing, before a state Senate committee Monday approved a series of bills designed to help pave the way for homes to be built, as well as for would-be workers to receive adequate training.** **“In rural Minnesota, we have an absolute crisis in terms of our workforce,” said Steve Renquist of the Kandiyohi County and City of Willmar Economic Development Commission.** The Senate Jobs, Agriculture and Rural Development Committee passed five bills aimed at rural Minnesota worker issues. Similar bills are advancing in the House as lawmakers work to improve greater Minnesota’s economy. All the bills must make several committee stops. Three bills dealt with worker housing, mostly providing cities methods to raise funds for apartment construction.

KLN, makers of Barrel O’ Fun snacks, Tuffy’s pet food, and other products, employs 1,200 people in Perham, a community of fewer than 3,000 people. Fred Sailor of the company told the Senate committee that KLN jobs are good. The firm offers profit sharing, pays a high percentage of workers’ health insurance premiums, and jobs may start at up to \$23 an hour. KLN also gives employees with the company at least three years of experience \$10,000 forgivable loans for home down payments. “We have people driving 45 miles, as far as 90 miles from Brainerd,” Sailor said. Finding workers is important, in part because it cost KLN \$330,000 when the company had to shut down some of its production lines for six months because of an employee shortage, he added. City Council member Lisa Bayley of Red Wing gave a similar message. Much of the economy “is going gangbusters” in her southeastern Minnesota community, she said, but “the problem is they don’t know where to live.”

Renquist said it is difficult to build housing in rural Minnesota. Todd Peterson of Roseau Community Development testified that is because property is appraised lower in rural Minnesota, sometimes less than it costs to build. Banks only will loan less than the appraised value. He told of an apartment complex being built in his northwestern Minnesota city. The project costs \$3.2 million, he said, but because it was appraised at just \$2.1 million, the bank only financed about half. The developer was forced to mortgage an unrelated property. Land for the project was donated and the city and state contributed, Peterson said. Even the \$850-per-month rent expected to be charged for an apartment (\$300 higher than current rents around town) could not bring in enough money to fund the project, Peterson added. Nothing short of government involvement will help the appraisal issue, Jim Boyd of the Cook County Chamber of Commerce said. “This is a market failure; it is something the market will never fix.” He urged Senators to consider allowing counties to take advantage of the housing programs, although current legislation only gives cities that ability. “We are growing older and older and older and losing our young people,” Boyd said. Two bills of Sen. David Tomassoni, D-Chisholm, passed. One would provide grants, the other tax credits for employers that need to have trained workers. “It addresses a need for skilled labor,” the Senator said, and his bills are “open to all employers in greater Minnesota.” Former state Rep. Dan Dorman of the Greater Minnesota Partnership said more jobs are remaining open. Incentives to get training could help change that, supporters testified.

GOAL # 6

Apply for and secure a Small Cities Development Program grant for the City of Hutchinson, McLeod County.

The City of Hutchinson will be applying to the State of Minnesota Department of Employment and Economic Development for a Small Cities Development Grant. The grant application asked for \$364,000 and the entire project, with a local match, would be \$771,500. The grant will be focused on the downtown area and would hopefully make it more vibrant. Many of the housing rental units targeted are above downtown stores and offices.

A survey of the downtown area, included a stretch along Main Street as far south as Oakland Avenue, found more than 30 properties with about 90 rental units could be eligible.

If the grant is successful the program would be able to help rehabilitate three single family homes, eight units within duplexes, and 24 units within facilities with three or more units for a total of 35 rental units.

At least 51 percent of the units will have to be occupied by families that qualify for rents at or below the fair market rent rate for McLeod County. The city will learn if the grant application was approved in May, 2016.

DOWNTOWN - HUTCHINSON, MINNESOTA



V. HAZARD MITIGATION ANALYSIS

The Disaster Mitigation Act of 2000 (DMA), commonly known as the 2000 Stafford Act amendments, was approved by Congress on October 10, 2000. On October 30, 2000, the President signed the bill into law, creating Public Law 106-390. The purposes of the DMA are to amend the Stafford Act, establish a national program for pre-disaster mitigation planning, and streamline administration of disaster relief.

Section 322 of the act specifically addresses state and local mitigation planning. It establishes pre-disaster hazard mitigation funding and new requirements for the national post disaster Hazard Mitigation Program Grant (HMPG). It identifies new requirements that allow HMPG funds to be used for planning activities, and increases the amount of HMPG funds available to states that have developed a comprehensive, enhanced mitigation plan prior to a disaster. States and communities must have an approved mitigation plan in place prior to receiving HMPG funds. Local mitigation plans must demonstrate that their proposed mitigation measures are based on a sound planning process that accounts for the risk to, and the capabilities of, the individual communities.

The act encourages cooperation between state and local authorities, prompting them to work together. It rewards local and state pre-disaster planning and promotes disaster resistance as a key component of sustainable development. The intended result is better articulation of local and state government mitigation needs, resulting in faster allocation of funding, and more effective risk reduction projects.

All Hazard Mitigation Plan Content

The plan is divided into the following Chapters:

- Chapter One: County Profile – This Chapter contains information on the County’s history, demographics, physical features, infrastructure, and emergency response.
- Chapter Two: Hazards Profile – This Chapter identifies and profiles the various hazards addressed in the plan
- Chapter Three: Risk Assessment – This Chapter provides a community profile and risk assessment for each local government unit covered in the plan, including all cities and townships.
- Chapter Four: Goals, Objectives, and Mitigation Strategies – This Chapter identifies the specific mitigation steps the County has committed to achieve the goals of the plan.
- Chapter Five: Plan Administration – This Chapter outlines how the plan will be administered, including implementation tables for Chapter Four.

Hazard Mitigation Planning Process

The Process included:

- Public input
- Assembling task force committee
- Holding public meetings
- Obtaining resolutions for all local government units
- Establishing goals, objectives and policies

The plan was coordinated with other existing County and Regional Plans including:

- A County's Emergency Operations Plan
- Comprehensive Land Use Plan
- Comprehensive Water Plan
- County Health Plan
- Comprehensive Economic Development Strategy (CEDs)

Hazard Mitigation Plan Duration

The Hazard Mitigation Plans for all four counties will be formally reviewed and updated once every five years. Since each of the county plans were adopted in 2008 the plans are being updated as of this narrative.