



SOUTH CENTRAL
MINNESOTA'S
REGIONAL
ECONOMIC PLAN

**Comprehensive
Economic
Development
Strategies
(CEDS 2012)**

*Prepared by Region Nine
Development Commission*

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Introduction

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

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

New in 2012

The planning process for the 2012 CEDS update included the updating of all statistical data, reporting on components of the strategic plan section, and a survey which went out to public and private stakeholders. The survey evaluated the existing strategies of the CEDS, solicited proposals for economic development projects, inquired which data sets are most useful for benchmarking the economic vitality of the region, and asked two open ended questions regarding the economy of the region. The first question asked, “What emerging economic opportunities do you see in South Central Minnesota?” The second question asked, “What changes do you see occurring in the foundations of South Central Minnesota’s economy?”

Organization and Management

Region Nine Development Commission is made up of 34 elected and appointed members. These members represent communities, industries, sectors, and various interests from throughout the region.

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

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

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

The CEDS Committee is made up of 19 members. This large committee is useful because it convenes a broad group for a comprehensive review. This ensures participation and engagement from multiple sectors throughout the Region. Areas represented on the committee include: Private Business, Post-Secondary Education, Labor, Education, Government, and Community Based Organizations.

CEDS Committee (The Workforce Council Board)

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

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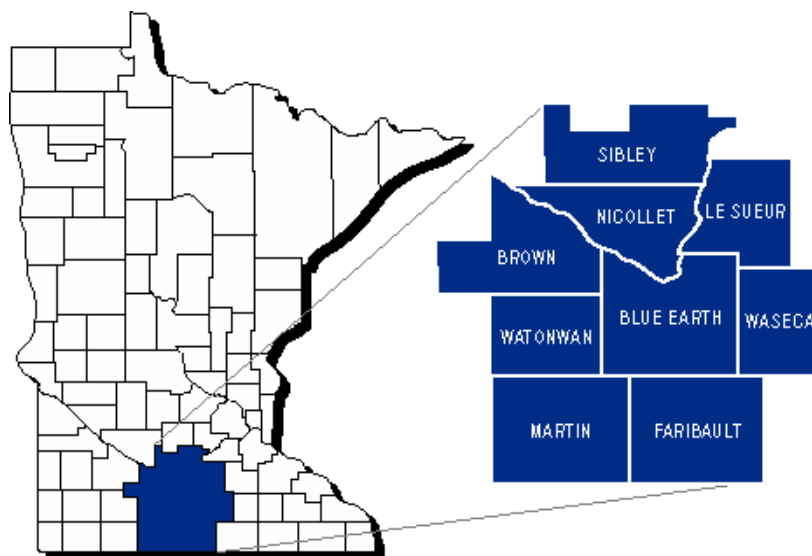
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South Central Minnesota at a Glance

Location

Region Nine Development Commission is comprised of a 9-county region; Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, and Watonwan, located in South Central Minnesota. These nine counties comprise over 5,064 square miles- approximately 6.32% of the state's total area. The counties vary in size from Blue Earth with 752 square miles to Waseca with 415 square miles.¹



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

Economic Development Significance of "Location": The region's location places it close to agricultural raw materials and Midwestern markets. An excellent highway system (discussed more in the Transportation section) provides connectivity to the adjacent Minneapolis/St Paul metropolitan area. These characteristics all influence aspects of the region's economy.

Population

Data from the U.S. Census Bureau's 2010 Decennial Census shows that the region's population increased by 3.8% between 2000 and 2010, from 222,790 to 231,302.²

According to the U.S. Census Bureau's 2010 Decennial Census, the six largest cities in the region are:

Mankato	39,309	(Blue Earth County)
New Ulm	13,522	(Brown County)
North Mankato	13,394	(Nicollet County)

¹

² U.S. Census Bureau: 2010 Decennial Census (SF-1)

Saint Peter	11,196	(Nicollet County)
Fairmont	10,666	(Martin County)
Waseca	9,410	(Waseca County)

The four smallest cities in the region are:

Cobden	36	(Brown County)
Walters	73	(Faribault County)
Evan	86	(Brown County)
La Salle	87	(Watonwan County) ³

Economic Development Significance of “Population”: Based upon the information above, the population of the region is growing. A growing population can lead to an expanded workforce. The largest communities house the largest concentrations of commercial and industrial activity based on their proximity to the workforce. The smallest cities in the region have unique characteristics tied to their proximity to resources (railroads, highways, agriculture).

Climate

The region has a continental climate characterized by periods of intense cold and heat, strong winds and varying precipitation. According to the National Climatic Data Center, (NCDC) the region is subject to frequent outbreaks of continental polar air throughout the year, with occasional Arctic outbreaks during the cold season. The average winter temperature is approximately 14 degrees Fahrenheit. During the summer, the NCDC states that warm air pushing north from the Gulf of Mexico brings occasional periods of prolonged heat and humidity. The average summer temperature is approximately 70 degrees Fahrenheit. Temperature extremes range from -60 to 114 degrees Fahrenheit. The average precipitation is 27 inches, with approximately 66% of total precipitation occurring during the region’s growing season (May to September).⁴

Economic Development Significance of “Climate”: The region’s climate is conducive to the rich agricultural heritage which has impacted not only the landscape but the economy as well. The region’s winter months are characterized by snow accumulation and cold weather. These characteristics impact many industries and local businesses.

Topography

South Central Minnesota exists in an area that received heavy glaciations during what is referred to as the Ice Age. Present day topography reflects this history. The area is largely flat to gently undulating with some areas of glacial moraine. The region’s valleys were cut into the otherwise flat topography by glacial melt rivers. The Minnesota River Valley, which flows northwest to southeast,



³ U.S. Census Bureau: 2010 Decennial Census (SF-1)

⁴ National Climatic Data Center. http://cdo.ncdc.noaa.gov/climate normals/clim60/states/Clim_MN_01.pdf

then southwest to northeast through the region, is the most dramatic. This valley, which ranges from one to two miles wide, is characterized by outwash areas, fertile, flood made soils, and bedrock out-croppings.

Economic Development Significance of “Topography”: The relatively flat terrain of the region lends itself to agricultural production. Additionally, the river valleys formed by the glacial melt are now highly sought after residential development locations. Current zoning regulations dictates what is developable, however significant residential development in outside of the cities is in close proximity to the scenic views adjacent to the river valleys.

Soils

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



An indication of the quality of the soils is the large percentage of land under cultivation. According to the most recent Agricultural Census (2007), approximately 93% of land in the region is cultivated, with Martin and Faribault counties exceeding 99%. Only Blue Earth and Le Sueur counties have less than 90% of their land under cultivation. The remaining seven percent of the region consists of pasture and open space, wetlands, lakes and streams, and urban development.⁵

Economic Development Significance of “Soils”: As previously mentioned, the soils within the region are very well suited to agricultural production. The agricultural production in the region has impacted how land is subdivided and how the transportation system is laid out. If the soils of the region were not as conducive to agricultural purposes, the many agricultural communities formed around a granary, railroad stop, or a mill would not exist.

Water Resources

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



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

⁵ USDA Census of Agriculture. 2007. Volume 1, Chapter 2: County Level Data.
http://www.agcensus.usda.gov/Publications/2007/Full_Report/Volume_1,_Chapter_2_County_Level/Minnesota/index.asp

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

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

Economic Development Significance of “Water Resources”: In the national context of economic development, water resources can be a limitation in terms of development. In our region, this is a much less of a concern. However, water quality and stewardship of our water resources is a part of any economic development project which would impact water bodies or drainage within South Central Minnesota.

Minerals

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

Economic Development Significance of “Minerals”: The “Kasota Stone” referenced above has been used in national and international construction projects as well as many projects within Minnesota (including the home of the Minnesota Twins: Target Field). This resource is a unique identifying characteristic to our region.

Environmentally Sensitive Areas

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

Economic Development Significance of “Environmentally Sensitive Areas”: Depending on the scope of a economic development construction project, the impact on environmentally sensitive areas will need to be evaluated. The organizations listed above can be utilized as resources in that evaluation process.

Transportation

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



Mn/DOT District 7 supports⁶:

- 1,330 miles of State Highway that includes 146 miles of interstate (90)
- 470 bridges
- 4,068 miles of County and 134 miles of City State-Aid System
- 492 miles of rail line
- 14 airports
- 7 county and 3 city transit systems
- Bicycle/pedestrian trails
- 10 rest areas for traveler safety (1 with a Travel Information Center)

Transportation is critical in supporting economic vitality and quality of life in Minnesota. For families and individuals, transportation puts goods on store shelves; transports us to work, health care, school and recreational activities; and takes us across the nation and around the world for business and leisure. In addition, transportation is essential for the thousands of manufacturing, retail, wholesale and agricultural businesses in Minnesota. It acts as a lifeline for moving raw materials to manufacturing facilities, farm produce to processing facilities and markets, and finished products to distributors or customers.

It is important to enhance the movement of people and freight between regional trade centers within Minnesota by providing efficient, multimodal transportation connections. Travel between regional trade centers is important for citizens and businesses throughout the state. Strong transportation connections link workers with jobs, raw materials with manufacturers, and recreational users with parks and natural resource areas.

Transportation is a key ingredient to community livability and local economic development. Local governments must carefully consider and address the transportation needs and implications of their land use and community development decisions.



⁶ <http://www.dot.state.mn.us/information/districts.html>

Transportation: Rural/Agricultural setting

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

The largely rural region has more than 20,000 farms and depends heavily on agriculture and manufacturing industries for its economic health. The region, however, is shifting from traditional industries in an effort to increase population and create jobs in new industries. The area has experienced moderate job growth largely due to its focus on renewable energy, in fact, two thirds of the state's ethanol plants, biodiesel plants, and wind power farms are located in this area. Although most farms (many of which are increasing in terms of acreage) are family or individually owned, it is becoming increasingly common that the operator no longer lives at the farm they are operating. Wages are comparatively low and so too are unemployment rates. With an aging population and a trend of younger age groups leaving the region, this area has benefited by the arrival of residents from other countries.

Transportation: Aging Population

Minnesota's population is expected to grow by 1.3 million during the next 25 years. While much of this growth will be concentrated in Rochester, the Twin Cities, and the St. Cloud metropolitan areas, it is important to note that the population is aging. By 2030, about 20 percent of the population will be over age 65 and 6 percent will be over age 80. Providing a safe driving environment and transit options will be critical in meeting the mobility needs of these citizens.

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

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

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

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

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

The baby boomer generation proves to be an important economic driver. First of all, keeping their funds in our local communities and region will strengthen our banking institutions, retail spending and overall tax base (by keeping them in their homes). However, it will also come at a cost since they are likely to put a greater strain on certain industries such as the health care sector.

Transportation: Regional Trade Centers

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

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

Transportation: Job Growth

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

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

Transportation: Transit Activities

Transportation is an important factor in the economic development of the region. There are a number of current efforts underway throughout the region to improve transit services.

1. 2011 Local Human Service Transit Coordination Plan:

Region Nine Development Commission has developed a public transit and human services transportation coordination plan in conjunction with the Minnesota Department of Transportation, local providers and stakeholders. Strategies that ranked high throughout the planning process include a Regional Transportation Linkage Line (central location for information); Centralized Mobility Manager

(dispatch center); Diversification of vehicle fleet; and Extension of evening and weekend service hours.

Providing transit, especially in less populated, rural areas, is not always cost-effective. Furthermore, as state and federal dollars become more difficult to access, it will become increasingly more challenging to provide services in Greater Minnesota.

2. Greater Mankato Transit Redesign Study

As greater Mankato grows and changes, the transit system must be able to respond. The Greater Mankato Transit Redesign study evaluates the existing transit system, reviews previous planning efforts and survey results and solicits community feedback. The study focuses on short- and long-term transit needs in greater Mankato and results in transit service recommendations and capital needs over the next five to seven years and beyond.

Three identified areas need to be examined to address these challenges and move the city of Mankato's long-range plan forward:

1. Redesign existing bus route system.
2. Phased implementation of a BRT (Bus Rapid Transit) system.
3. Possibility of a four-county (Blue Earth, Le Sueur, Nicollet and Waseca) system interconnected with the greater Mankato system

3. Veterans Transportation and Community Living Initiative

The purpose of the Veterans Transportation and Community Living initiative is to improve access to transportation resources for veterans, military families and other clients by connecting customers in one place to rides and transportation options available from a variety of transportation providers and programs in their area. The first phase of this project will include a 27-county area in south central and south western Minnesota. Phase I will augment technology links between transportation providers, veterans organizations, and the existing MinnesotaHelp™ Network. The grant will cover the purchase of hardware, such as computers and VOIP phones, and software that will ensure smooth and secure data transfer. Training for software operations is another component of Phase I.

Economic Development Significance of "Transportation": Developing and maintaining an effective transportation system is critical in supporting economic vitality and quality of life in Minnesota. This is summarized well in an article published by "Growth and Justice".

Minnesota's Transportation Infrastructure

The quick assessment: Public sector investment in transportation, done well, is a smart economic development strategy and one that the State of Minnesota should emphasize, perhaps even more than it does now. Some positives for this approach include:

- Transportation investment stands out as an area that Minnesota's government clearly shapes and influences, and appropriately so because transportation, in general, is a public good that yields benefits not fully captured by buyers and sellers in the marketplace.
- Transportation improvements can yield broad benefits for Minnesota businesses by upgrading the movement of goods and people and in this way enhancing productivity.
- Transportation and land use patterns affect the quality of life, which increasingly influences the economic vitality of communities and regions.
- While careful considerations of return on investment must be weighed before the government invests in transportation improvements, research has found a positive relationship between infrastructure investment and regional business growth, although it's not certain if the investments drive the growth or the growth drives the investments.

http://www.growthandjustice.org/sites/2d9abd3a-10a9-47bf-ba1a-fe315d55be04/uploads/Smart_Economic_Development.pdf

The important link between transportation and economic development can also be seen in a program that was recently adopted by the Minnesota Department of Transportation (Mn/DOT) and the Department of Employment and Economic Development (DEED).

The program, titled Transportation Economic Development (TED), is a competitive grant program available to communities for highway improvements and public infrastructure projects that create jobs and support economic development. In 2012 the program will allocate approximately \$20 million to \$30 million, depending on legislative action, for trunk highway interchanges and other improvements that lead to economic development.

Housing

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

Single family detached homes account for 74.8% of residential structures in the region. Multi-unit structures, such as apartments or townhomes, account for an additional 17.9% of residences. The remaining residences are single family attached homes (3.3%) and mobile homes (4%).⁷

Nearly one third (27.99%) of residential structures in the region were built prior to 1939. The 1950's and 1970's witnessed the largest increase in housing units by decade, with 12.5% and 15.7% respectively. Approximately 10.8% of the region's housing units were built in since 2000.⁸

The majority (57.3%) of housing units in the region use utility gas (natural gas) as their heating source. Propane (16.6%) and electricity (9.7%) are the two other major fuel sources for the region. Over 99% of residential units in the region have complete bathroom and kitchen facilities. Interestingly though, 2.8% of the region's residential units do not have telephone service available.⁹

Housing: Tenure

Three-quarters of housing units in the region are owner occupied; the remaining fourth is renter occupied. The average household size for an owner occupied home is 2.51. The average household size for a renter occupied home is 2.14.¹⁰

Housing: Cost and Value

The median home value in the region is \$134,433. Nearly half of all homes are valued between \$100,000 and \$200,000. Over one third of the region's renters pay between \$500 and \$749 gross rent per month. The median rent in the region is \$570. Thirty-six percent of renters spend 35% or more of their monthly household income on rent.¹¹

Economic Development Significance of "Housing": Monitoring of significant changes in housing statistics will facilitate meeting the needs of the region's workforce. Housing capacity needs to be evaluated in the event of a new major employer considering relocation into the region.

⁷ U.S. Census Bureau: 2010 American Community Survey 5-Year Estimates (DP-04)

⁸ U.S. Census Bureau: 2010 American Community Survey 5-Year Estimates (DP-04)

⁹ U.S. Census Bureau: 2010 American Community Survey 5-Year Estimates (DP-04)

¹⁰ U.S. Census Bureau: 2010 American Community Survey 5-Year Estimates (DP-04)

¹¹ U.S. Census Bureau: 2010 American Community Survey 5-Year Estimates (DP-04)

Education

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



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

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

Source: ACS 2005-2009

Economic Development Significance of "Education": Having an educated workforce is necessary to accommodate employers. In addition to general education, specialized training often times is necessary for employees. A solid education prepares them for being successful comprehending any special training.

Colleges and Universities

The region has one four-year public university: **Minnesota State University, Mankato (MSU)**. According to the Minnesota State Colleges and Universities System, MSU had approximately 14,400 students enrolled in 2011. MSU offers bachelors, masters, and specialized degrees in 140 undergrad programs and 80 masters programs and has four doctoral programs in collaboration with schools across the state. MSU also has online degree programs and extended learning campuses throughout the state.



South Central College (SCC) is a comprehensive community and technical college and a member of the Minnesota State Colleges and Universities system. The college provides an Associate in Arts degree in Liberal Arts and Sciences, in addition to over 50 career and professional majors. South Central College has campuses in two communities –Faribault and North Mankato. South Central College enjoys established partnerships with regional businesses and industries and delivers customized education through its Center for Business and Industry. SCC had approximately 3,100 students in 2011.

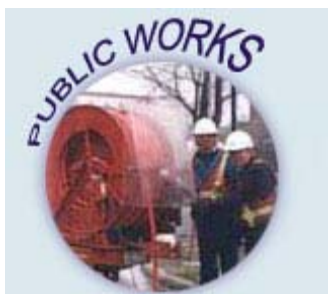
Bethany Lutheran College (BLC) in Mankato is a private liberal arts college founded in 1927, owned and operated by the Evangelical Lutheran Synod. BLC had approximately 600 students in 2011. BLC offers undergraduate degrees in 19 majors and courses in 27 areas of study.

Gustavus Adolphus College (GAC) in St. Peter is a private liberal arts college founded in 1862 and is affiliated with the Evangelical Lutheran Church in America. GAC had approximately 2,500 students enrolled in 2011. GAC has 24 academic departments and offers undergraduate degrees in 72 majors .

Martin Luther College (MLC) in New Ulm opened in 1995 and is owned and operated by the Wisconsin Evangelical Lutheran Synod. MLC had over 700 students in 2011. MLC offers undergraduate degrees in over a dozen majors, as well as a graduate degree in education.

Economic Development Significance of “College and Universities”: post secondary institutions assist in developing the region’s workforce by providing the knowledge and skills necessary in today’s competitive job market. Colleges and universities play an important role in supplying industries with research and development.

Infrastructure



The Minnesota Public Facilities Authority (PFA) is responsible for managing the Clean Water Revolving Fund (CWRF) and its assets. This fund was established by the Minnesota Legislature to receive federal capitalization grants and state matching funds. As a result, the PFA has developed a Project Priority List (PPL), which is prepared by the Minnesota Pollution Control Agency (MPCA). In preparing the PPL, the MPCA is responsible for reviewing wastewater projects to ensure they meet technical and environmental requirements. The 2012 Intended Use Plan (IUP) identifies projects and activities the PFA intends to fund from the Clean Water Revolving Fund in state fiscal year (FY) 2011 (July 1, 2012 to June 30, 2013). To fund these projects and activities, the PFA expects to use funds from federal capitalization grants, state matching funds and bond proceeds.

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

The priority system is designed to ensure that loan and grant funds are provided to those projects that best meet the State’s priorities to protect human health and aquatic life. The point system is based on (1) the

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

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

There are a total of 349 projects on the 2012 CWRP PPL with a total estimated cost of \$1,513,287,887. Regional communities included on the PPL are listed below by ranking.¹²



2012 CWRP PPL¹³

Rank	Project Name	Project Description	Potential GPR Project	TMDL Project	Project Number	Priority Points	Estimated Project Cost
1	Blue Earth - Phase 4	Rehab treatment facility		Yes	279439	105	\$550,000
56	Comfrey	Rehab collection system			279866	66	\$2,746,000
73	Easton	Rehab collection system			279652	61	\$529,888
24	Elmore	Rehab collection system and pond		Yes	279671	78	\$5,158,000
12	Faribault County - Guckeen	Unsewered, connect to Blue Earth		Yes	279316	86	\$1,065,000
326	Gaylord - Unsewered	Unsewered, extend collection system			272448	1	\$0
327	Gaylord - WWTP Improvements	Rehab/expand existing system			272447	1	\$0

¹² Minnesota Pollution Control Agency: Clean Water Revolving Loan Fund 2012 Intended Use Plan (IUP) and Project Priority List (PPL)

¹³ Minnesota Pollution Control Agency: Clean Water Revolving Loan Fund 2012 Intended Use Plan (IUP) and Project Priority List (PPL)

72	Lafayette	Rehab collection system			279607	61	\$3,045,000
275	Lake Washington Sanitary District	Unsewered tri-lakes area, connect to Mankato			279766	22	\$9,246,400
111	Le Center	Rehab collection system			279784	56	\$7,541,000
22	Lewiston	Rehab/expand existing system			279379	78	\$1,104,000
296	Madison Lake - Stormwater	SW Treatment			280050	15	\$0
112	New Richland	Rehab WWTF and lift station		Yes	279831	56	\$2,450,000
25	Northrop	Rehab collection system and pond	Yes	Yes	280047	78	\$2,695,300
264	South Bend Twp	Unsewered, connect to Mankato			279797	28	\$3,556,000
3	Trimont	Rehab collection and treatment systems		Yes	279800	93	\$6,142,100
153	Vernon Center	Rehab collection system			279640	49	\$1,300,000
68	Waldorf	Rehab collection system			279619	61	\$1,312,000
302	Waseca - Stormwater	Pipe and channel diversion to natural wetland			279703	11	\$500,000
159	Waterville	Rehab system, LS and sewer extension			279804	48	\$2,160,000
34	Welcome	Rehabilitation of existing plant		Yes	279806	73	\$809,389
			TOTAL \$51,910,077				

*Source: Minnesota Pollution Control Agency, 2012

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

For the DWRP there are 362 projects on the 2012 PPL with an estimated cost of \$431,553,604. Out of the 362 projects, 65 projects have been placed on the IUP for funding totaling \$87,246,582 in loans.¹⁴

Below is a table showing the communities within the region that made the priority list to receive funding in 2012 to improve, upgrade, or replace their drinking water systems.

System	Rank	Project	Project #	Priority Points	PHI	Estimated Project Cost	*Green Project Reserve
Courtland	321	Treatment - Add Fe/Mn Filter	1520001-3	7	No	\$1,415,000	\$35,000
Eagle Lake	312	Treatment - New Plant, Remove Fe/Mn	1070002-2	7	No	\$3,500,000	
Easton	155	Water Main - Backwash Water to Sewer	1220005-1	10	No	\$43,470	
Easton	156	Water Main - Repl Cedar, Elm & Date Sts.	1220005-2	10	No	\$344,258	
Easton	157	Treatment - Rehabilitate Plant	1220005-3	10	No	\$172,174	
Easton	66	Source - Backup Well #2	1220005-4	12	No	\$85,767	
Elmore	59	Treatment - Repl with Reverse Osmosis	1220004-1	12	No	\$1,442,500	
Elmore	103	Storage - Repl w/100,000 Gal Tower	1220004-2	11	No	\$632,500	
Fairmont	81	Treatment - Repl w/5.4 MGD Plant	1460003-1	12	No	\$34,402,811	\$4,155,398
Gaylord	329	Storage - Repl w/200,000 Gal Tower	1720002-3	6	No	\$1,227,250	
Gaylord	332	Conservation - Replace Meters	1720002-4	5	No	\$275,000	
Hanska	286	Source - Replace Well #1 with #4	1080002-1	10	No	\$255,000	
Hanska	304	Treatment - New Plant, Remove Fe/Mn	1080002-2	7	No	\$1,352,000	
Hanska	335	Storage - Repl w/100,000 Gal Tower	1080002-3	5	No	\$638,000	
Hanska	336	Water Main - Replace Transite Main	1080002-4	5	No	\$3,258,000	

¹⁴ Minnesota Department of Health: Drinking Water Revolving Loan Fund 2012 Intended Use Plan (IUP) and Project Priority List (PPL)

Hanska	305	Water Main - One Loop	1080002-5	7	No	\$107,000	
Kasota	303	Source - Backup Well #2	1400005-1	7	No	\$468,750	
Kasota	333	Water Main - Loop Depot Neighborhood	1400005-2	5	No	\$385,530	
LeCenter	281	Water Main - Replace Cast Iron Main	1400008-5	10	No	\$7,541,000	
LeSueur	309	Source - Repl Well #2 with One Well	1400010-3	7	No	\$1,150,000	
LeSueur	339	Water Main - Replace for 2nd Street	1400010-4	5	No	\$950,000	
Lewiston	33	Treatment - New to Remove Well 4 Radium	1850006-4	25	Yes	\$2,201,000	\$16,000
Lewiston	341	Conservation - Replace Meters	1850006-5	5	No	\$204,000	\$204,000
Madison Lake	330	Storage - Repl w/200,000 Gal Tower	1070007-3	6	No	\$849,226	
Madison Lake	346	Treatment - New Fe/Mn Plant for Well #3	1070007-5	5	No	\$500,000	
Madison Lake	311	Water Main - Repl 4th & 5th, Loop 227th	1070007-6	7	No	\$450,000	
Madison Lake	347	Conservation - Replace Meters	1070007-7	5	No	\$100,000	
Nicollet	310	Treatment - Replace Fe/Mn Plant	1520004-4	7	No	\$2,360,000	
Nicollet	340	Water Main - Replace Tower to 3rd St.	1520004-5	5	No	\$220,000	
North Mankato	349	Source - Additional Well 9 & Meter Bldg	1520005-1	5	No	\$1,209,796	
Northrop	43	Source - Replace Well #4	1460006-1	15	No	\$100,000	
Sleepy Eye	107	Storage - Repl w/500,000 Gal Tower	1080005-3	11	No	\$1,350,000	
South Bend Township	308	Source - Backup Well #2	1070026-3	7	No	\$792,194	
Trimont	158	Treatment - Add RO & Clearwell	1460009-2	10	No	\$1,950,000	
Trimont	159	Storage - Repl w/100,000 Gal Tower	1460009-3	10	No	\$638,000	
Trimont	160	Water Main - Replace 1950s Main	1460009-4	10	No	\$2,850,000	

Trimont	67	Water Main - 1st Ave & Apple St Loops	1460009-5	12	No	\$100,000	
Waterville	251	Water Main - Replace in Area A	1400015-7	10	No	\$1,205,000	
Waterville	252	Water Main - Replace in Area B	1400015-8	10	No	\$1,700,000	
Welcome	105	Storage - Repl w/150,000 Gal Tower	1460011-1	11	No	\$776,900	
*Source: Minnesota Department of Health, 2012							
TOTAL				\$79,202,126			

Economic Development Significance of “Infrastructure”: The infrastructure projects previously identified facilitate a continuation of an expected quality of life. Additionally many of them provide capacity for growth. These projects impact both residential development and commercial or industrial development.

Information Technology (IT)/ Telecommunications

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

IT/Telecommunications: Benefits to Rural Communities



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

Businesses in rural communities are no longer protected from competitors due to distance. Currently, businesses are connecting to customers and other

businesses around the world through e-commerce. In the broader sense of economic activity, technology has overall lessened the importance of location. E-commerce allows businesses, governments, educational institutions, healthcare facilities and citizens to work and communicate more efficiently and effectively through the Internet.

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

IT/Telecommunications: Economic Development

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

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

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

IT/Telecommunications: Communicating with customers and the populace

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

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

Government and health care providers are becoming increasingly interested in the idea of telemedicine. Although telemedicine is a wonderful tool for rural health care facilities there are two hurdles that must be overcome before the technology can be operational statewide. First, the cost of the networks and hardware must come down so they can be deployed in the exam rooms in clinics. Second, insurers must accept the use of telemedicine and be willing to reimburse for the care that is provided.

IT/Telecommunications: Education

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

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

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

IT/Telecommunications: Factors Affecting the Deployment and Use

The three main reasons rural communities may have a hard time obtaining adequate telecommunication services are: distance, low density, and the lack of a skilled workforce. Distance raises the price of delivering telecommunication services due to the greater amount of infrastructure required. The fact that there are fewer potential customers who will be available to help pay for this infrastructure also increases the overall cost of service provision. Lastly, the service providers require an educated, skilled workforce to build, operate and

maintain the service network. In many rural areas such a workforce is not readily available and therefore must be brought in from elsewhere, which further adding to the cost of service.

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

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

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

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

IT/Telecommunications: Local Initiative

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

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

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

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

Local government, community leaders, businesses, school officials, health care providers, and residents should work together to determine a community’s needs. By pooling everyone’s needs, the community as a whole will

have a greater chance of putting together an appropriate plan to obtain the necessary infrastructure. The community should also include any local telecommunication providers in the planning process from the beginning, as they are the ones who will be providing the infrastructure to the community.

Economic Development Significance of “Information Technology (IT)/Telecommunications”: Technology has a continuous evolution which impacts how businesses operate. Infrastructure upgrades may be necessary to recruit the businesses a community identifies as a priority.

Regional Trends

Population Projections by Age

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

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

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

Economic Development Significance of “Population Projections by Age”: As the population “ages”, the workforce dynamics will shift. Employers may cater benefits toward a specific demographics’ needs. The overall increase in population shows opportunity for economic development initiatives focused on capitalizing on the workforce strengths of the region. Due to the recent recession, workers are staying in the positions longer as their retirement benefits were impacted by changes in the investment markets.

Income

According to the Minnesota Department of Employment and Economic Development (DEED), the median hourly incomes for all industries within South Central Minnesota were \$14.65 per-hour in 2011. This places personal income well below the state (\$17.68) and the national (\$16.62) median hourly incomes. Below is a detailed table from DEED of median hourly income for industries/sectors in South Central Minnesota.¹⁵

Industry/Sector	South Central MN	MN	US
Total, All Occupations	\$14.65/hr	\$17.68/hr	\$16.62/hr
Management Occupations	\$37.32/hr	\$45.80/hr	\$44.86/hr
Business and Financial Operations Occupations	\$24.24/hr	\$28.20/hr	\$29.77/hr
Computer and Mathematical Occupations	\$27.04/hr	\$36.25/hr	\$36.19/hr
Architecture and Engineering Occupations	\$26.54/hr	\$32.32/hr	\$34.67/hr

¹⁵ Minnesota Department of Employment and Economic Development: “Occupation Employment Statistics (OES)” data from Second Quarter 2010 through Third Quarter 2011.

Life, Physical, and Social Science Occupations	\$25.46/hr	\$28.49/hr	\$28.74/hr
Community and Social Services Occupations	\$18.72/hr	\$18.86/hr	\$19.29/hr
Legal Occupations	\$27.88/hr	\$36.55/hr	\$36.62/hr
Education, Training, and Library Occupations	\$20.80/hr	\$21.03/hr	\$22.44/hr
Arts, Design, Entertainment, Sports, and Media Occupations	\$18.01/hr	\$21.13/hr	\$21.05/hr
Healthcare Practitioners and Technical Occupations	\$24.02/hr	\$31.08/hr	\$28.72/hr
Healthcare Support Occupations	\$11.34/hr	\$12.63/hr	\$12.10/hr
Protective Service Occupations	\$18.68/hr	\$18.38/hr	\$17.93/hr
Food Preparation and Serving Related Occupations	\$9.06/hr	\$9.31/hr	\$9.17/hr
Building and Grounds Cleaning and Maintenance Occupations	\$11.43/hr	\$11.77/hr	\$10.99/hr
Personal Care and Service Occupations	\$10.74/hr	\$11.02/hr	\$10.09/hr
Sales and Related Occupations	\$9.59/hr	\$12.35/hr	\$11.98/hr
Office and Administrative Support Occupations	\$14.15/hr	\$16.32/hr	\$15.14/hr
Farming, Fishing, and Forestry Occupations	\$11.93/hr	\$12.69/hr	\$9.61/hr
Construction and Extraction Occupations	\$21.29/hr	\$24.24/hr	\$19.14/hr
Installation, Maintenance, and Repair Occupations	\$18.99/hr	\$21.20/hr	\$19.79/hr
Production Occupations	\$15.71/hr	\$16.03/hr	\$14.85/hr
Transportation and Material Moving Occupations	\$13.06/hr	\$14.84/hr	\$13.96/hr

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

- Building and Grounds Cleaning Maintenance Occupations (lower than the state average, higher than the national average);
- Personal Care and Service Occupations (lower than the state average, higher than the national average);
- Production Occupations (lower than the state average, higher than the national average);
- Protective Service Occupations (higher than both the state and national average);
- Farming, Fishing, and Forestry Occupations (lower than the state average, higher than the national average); and
- Construction and Extraction Occupations (lower than the state average, higher than the national average).

County	Average Employed Per Year	Average Establishments Per Year	Total Wages Paid Per Year	Average Weekly Wage
Blue Earth County	36153	1944	\$1,240,538,355	\$659
Brown County	13447	790	\$431,657,369	\$617
Faribault County	5025	473	\$173,139,728	\$661
Le Sueur County	7210	695	\$232,289,559	\$618
Martin County	9161	682	\$332,257,808	\$697
Nicollet County	12974	669	\$452,527,926	\$670
Sibley County	4200	391	\$133,519,765	\$611
Waseca County	7576	513	\$247,727,853	\$628
Watonwan County	3922	325	\$112,753,568	\$552

¹⁶

Economic Development Significance of “Income”: After reviewing the data collected from DEED, it appears the region needs to pursue more high-paying jobs. Local employment trends have followed state and national percentages, median hourly wages are significantly below state and national averages, and six of the nine counties in South Central Minnesota have average weekly wages below the state averages and significantly less than national averages. Higher paying jobs will lead to an increased quality of life, and will

¹⁶ Minnesota Department of Employment and Economic Development. 2010 Quarterly Census of Employment and Wages. Total All Industries/Ownerships.

generate a greater tax base for the region. Local industries concentrate wealth within the region and create sustainability.

Workforce

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

The region had an average annual employment of 99,670 employees in 2010 according to the State of Minnesota's Quarterly Census of Employment and Wages (QCEW). This represents 3.9% of the state labor market. The data also presents the distribution of those employees into the following "Super Sectors":



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

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

In 2011, the largest concentrations of employees were in Education and Health Services (27,302); Trade, Transportation and Utilities (19,526); and Manufacturing (18,559). In the table below, our region's "Super Sector" concentrations are compared to the State of Minnesota and the United States percentages.

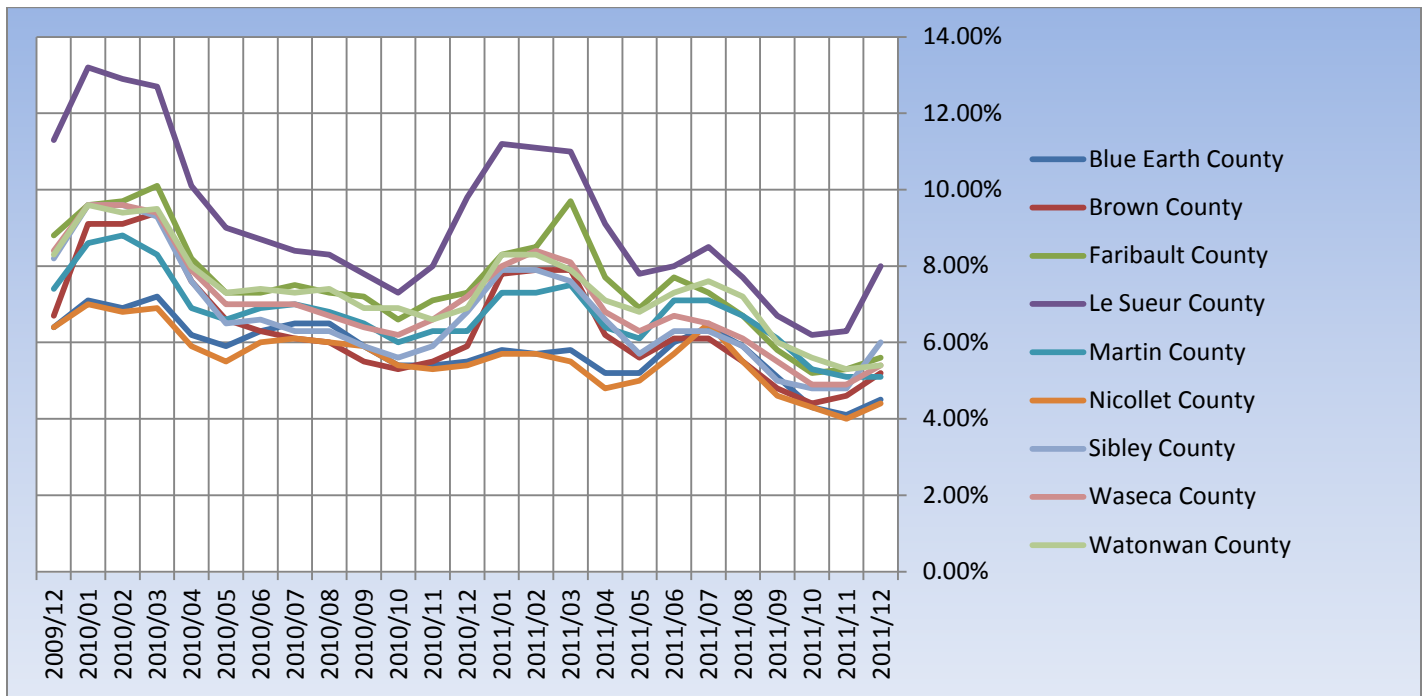
2011 QCEW¹⁷

Code	Sector	Area	Q1	Q2	Average
	Total, All Industries	U.S.	127,075,639		127,075,639
	Total, All Industries	Minnesota	2,525,692	2,616,488	2,571,090
1011	Natural Resources and Mining	Minnesota	21,188	25,998	23,593
1012	Construction	Minnesota	80,832	99,324	90,078
1013	Manufacturing	Minnesota	292,530	299,661	296,096
1021	Trade, Transportation and Utilities	Minnesota	499,389	513,009	506,199
1022	Information	Minnesota	56,931	57,167	57,049
1023	Financial Activities	Minnesota	170,260	171,643	170,952
1024	Professional and Business Services	Minnesota	317,788	328,623	323,206
1025	Education and Health Services	Minnesota	648,342	652,710	650,526
1026	Leisure and Hospitality	Minnesota	236,934	260,210	248,572
1027	Other Services	Minnesota	81,968	84,262	83,115
1028	Public Administration	Minnesota	118,977	122,991	120,984
1029	Unclassified	Minnesota	550	888	719
	Total, All Industries	South Central	98,289	101,417	99,853
1011	Natural Resources and Mining	South Central	2,567	2,690	2,629
1012	Construction	South Central	3,224	4,198	3,711
1013	Manufacturing	South Central	18,278	18,839	18,559
1021	Trade, Transportation and Utilities	South Central	19,188	19,863	19,526
1023	Financial Activities	South Central	3,780	3,741	3,761
1024	Professional and Business Services	South Central	5,841	5,961	5,901
1025	Education and Health Services	South Central	27,288	27,315	27,302
1026	Leisure and Hospitality	South Central	8,063	8,335	8,199
1027	Other Services	South Central	2,944	2,995	2,970
1028	Public Administration	South Central	4,988	5,306	5,147

In addition to looking at where people are employed, we must look at unemployment to get a comprehensive understanding of South Central Minnesota's workforce. The regional unemployment rate is 5.3% as of December, 2011 according to DEED's Local Area Unemployment Statistics (LAUS).

¹⁷ Minnesota Department of Employment and Economic Development 2011 Quarterly Census of Employment and Wages (QCEW). Third and fourth quarter data not yet available.

County Unemployment Levels (2009-2011)



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The Workforce Council and Region Nine Development Commission have the same political boundaries. The South Central Workforce Council’s Local Unified Plan (2011 LUP) includes a Labor Market Review of the workforce in the nine counties of South Central Minnesota. The graph above has information up until December 2011. In order to align regional planning documents below is an excerpt from the 2011 LUP which outlines the current conditions of the workforce in South Central Minnesota and analyzes the economic impact.

“South Central Minnesota’s unemployment rate in February 2011 reflects the diversity of the labor market across the 9-county region. On the high end, LeSueur County (11.2%), due primarily to a relatively high concentration of employment in construction (an industry that has been hit particularly hard by the recent recession), typically has the highest unemployment rate in south central Minnesota. The high unemployment rate has seasonal ebbs and flows (typically peaking in December or January and dropping in May). During this seasonal spike, unemployment rates are far in excess of regional, state, and even national rates. The rate typically drops near state and regional averages during the summer months. On the low end, unemployment in Blue Earth and Nicollet Counties (5.8%) is well below state and regional rates, fueled by lower than average unemployment in the Mankato-North Mankato Metropolitan Statistical Area (MSA) --the map below reflects non-seasonally adjusted unemployment rates by Workforce Service Area (WSA), and County for February 2011.”

The 2011 LUP also identifies “Demand Occupations” for South Central Minnesota. The LUP describes this list as being based on labor market information identifying current demand, projected growth, education requirements and wages. In addition, the list was reviewed by the Workforce Council and the Workforce Center partners. This aligns with this planning initiative because the Workforce Council serves as the committee which also reviews this CEDS document.

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

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

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

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

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

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

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

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

Retail: Customer Service Representatives, and Sales Representatives

Soc Code	Job Title	Current Demand Rank	Median Wage	Planning Area Growth Rate	Planning Area Total Openings	Education and Training Requirments
311011	Home Health Aides	1	\$22,628/yr	Well Above Average	1,811	Short-term on-the-job training
533032	Heavy and Tractor-Trailer Truck Drivers	2	\$35,480/yr	Above Average	1,187	Short-term on-the-job training
399021	Personal Care Aides	3	\$22,866/yr	Well Above Average	1,835	Short-term on-the-job training
412031	Retail Salespersons	4	\$18,446/yr	Average	1,550	Short-term on-the-job training
353021	Combined Food Preparation and Serving Workers	5	\$17,485/yr	Average	1,075	Short-term on-the-job training
311012	Nursing Aides, Orderlies, and Attendants*	6	\$23,328/yr	Above Average	753	
131199	Business Operations Specialists, All Other	7	\$43,876/yr	Above Average	913	Bachelor's degree
291111	Registered Nurses	8	\$62,945/yr	Well Above Average	1,070	
435081	Stock Clerks and Order Fillers	9	\$19,766/yr	Average	604	Short-term on-the-job training
372011	Janitors and Cleaners, Except Maids and Housekeeping	10	\$23,538/yr	Below Average	50	Short-term on-the-job training
292061	Licensed Practical and Licensed Vocational Nurses	11	\$37,421/yr	Above Average	931	Post secondary vocational training

433031	Bookkeeping, Accounting, and Auditing Clerks	12	\$30,155/yr	Average	465	Moderate-term on-the-job training (1-12 months)
519199	Production Workers, All Other	13	NA	Below Average	50	Moderate-term on-the-job training (1-12 months)
211093	Social and Human Service Assistants	14	\$35,333/yr	Above Average	569	Moderate-term on-the-job training (1-12 months)
499041	Industrial Machinery Mechanics	15	\$44,180/yr	Above Average	248	Long-term on-the-job training (> 12 months)
436011	Executive Secretaries and Executive Administrative	16	\$39,695/yr	Above Average	269	Work experience (in related occupation)
113031	Financial Managers	17	\$90,107/yr	Below Average	9	Work experience, plus bachelor's or higher degree
319091	Dental Assistants	18	\$41,227/yr	Well Above Average	171	Moderate-term on-the-job training (1-12 months)
172112	Industrial Engineers	19	\$67,333/yr	Average	92	Bachelor's degree
537062	Laborers and Freight, Stock, and Material Movers,	20	\$23,885/yr	Well Below Average	62	Short-term on-the-job training
291062	Family and General Practitioners	21	\$164,944/yr	Well Above Average	98	Not Available
291063	Internists, General	23	NA	Well Above Average	24	Not Available
514011	Computer-Controlled Machine Tool Operators, Metal	24	\$36,320/yr	Above Average	98	Moderate-term on-the-job training (1-12 months)
151150	Computer Support Specialists	25	\$43,527/yr	NA	NA	
291123	Physical Therapists	26	\$71,986/yr	Well Above Average	57	Master's degree
292041	Emergency Medical Technicians and Paramedics	27	\$29,702/yr	Average	175	Post secondary vocational training
439061	Office Clerks, General	29	\$26,607/yr	Average	973	Short-term on-the-job training
414012	Sales Representatives, Wholesale and Manufacturing	30	\$52,844/yr	Below Average	33	Work experience (in related occupation)
292034	Radiologic Technologists	31	NA	Well Above Average	78	Associate degree
333012	Correctional Officers and Jailers	32	\$44,197/yr	Average	76	Moderate-term on-the-job training (1-12 months)
436014	Secretaries and Administrative Assistants, Except	33	\$32,092/yr	Well Below Average	10	Moderate-term on-the-job training (1-12 months)
251072	Nursing Instructors and Teachers, Postsecondary	34	\$66,327/yr	Above Average	32	Not Available
131023	Purchasing Agents, Except Wholesale, Retail, and F	35	\$49,572/yr	Average	100	Long-term on-the-job training (> 12 months)
319099	Healthcare Support Workers, All Other	36	NA	Above Average	46	Short-term on-the-job training
312011	Occupational Therapy Assistants	37	\$22,922/yr	Well Above Average	22	Associate degree
413099	Sales Representatives, Services, All Other	38	\$52,312/yr	Above Average	121	Work experience (in related occupation)
514121	Welders, Cutters, Solderers, and Brazers	39	\$33,408/yr	Well Below Average	34	Post secondary vocational training
412011	Cashiers	40	\$18,133/yr	Below Average	2,023	Short-term on-the-job training
132011	Accountants and Auditors	41	\$56,813/yr	Above Average	332	Bachelor's degree
291067	Surgeons	43	NA	Well Above Average	21	Not Available
112022	Sales Managers	45	\$70,574/yr	Average	82	Work experience, plus bachelor's or higher degree
333051	Police and Sheriff's Patrol Officers	46	\$49,066/yr	Average	195	Long-term on-the-job training (> 12 months)

151179	Info Security Analysts, Web Dev, & Comp Net Arch	47	\$64,273/yr	NA	NA	
291069	Physicians and Surgeons, All Other	48	NA	Well Above Average	92	Not Available
119111	Medical and Health Services Managers	49	\$70,022/yr	Above Average	120	Work experience, plus bachelor's or higher degree
132099	Financial Specialists, All Other	50	\$54,173/yr	Below Average	2	Bachelor's degree
514041	Machinists	51	\$38,009/yr	Well Below Average	5	Long-term on-the-job training (> 12 months)
291065	Pediatricians, General	52	NA	Well Above Average	5	Not Available
113121	Human Resources Managers	53	\$77,206/yr	NA	NA	
499021	Heating, Air Conditioning, and Refrigeration	54	\$63,055/yr	Above Average	50	Post secondary vocational training
172141	Mechanical Engineers	55	\$61,627/yr	Average	65	Bachelor's degree
435071	Shipping, Receiving, and Traffic Clerks	56	\$29,821/yr	Well Below Average	21	Short-term on-the-job training
537063	Machine Feeders and Offbearers	57	\$28,324/yr	Well Below Average	1	Short-term on-the-job training
251194	Vocational Education Teachers, Postsecondary	58	\$62,276/yr	Well Above Average	43	Not Available
493031	Bus and Truck Mechanics and Diesel Engine	59	\$37,126/yr	Below Average	142	Post secondary vocational training
292099	Health Technologists and Technicians, All Other	60	NA	Average	14	Post secondary vocational training
436013	Medical Secretaries	61	\$30,875/yr	Well Above Average	75	Moderate-term on-the-job training (1-12 months)
292012	Medical and Clinical Laboratory Technicians	62	\$43,243/yr	Average	65	Associate degree
519023	Mixing and Blending Machine Setters, Operators, and	64	\$32,937/yr	Well Above Average	122	Moderate-term on-the-job training (1-12 months)
299011	Occupational Health and Safety Specialists	69	\$61,368/yr	Below Average	2	Bachelor's degree
173022	Civil Engineering Technicians	70	\$52,295/yr	Average	34	Associate degree
434051	Customer Service Representatives	71	\$31,918/yr	Well Above Average	1,020	Moderate-term on-the-job training (1-12 months)
131041	Compliance Officers	72	\$54,870/yr	Well Above Average	27	Long-term on-the-job training (> 12 months)
291064	Obstetricians and Gynecologists	73	NA	Well Above Average	5	Not Available
292052	Pharmacy Technicians	74	\$30,107/yr	Well Above Average	198	Moderate-term on-the-job training (1-12 months)
414011	Sales Representatives, Wholesale and Manufacturing	77	\$62,274/yr	Average	66	Work experience (in related occupation)
533031	Driver/Sales Workers	78	\$18,790/yr	Average	142	Short-term on-the-job training
292011	Medical and Clinical Laboratory Technologists	79	\$53,923/yr	Below Average	21	Bachelor's degree
131081	Logisticians	80	\$60,512/yr	Above Average	16	Bachelor's degree
291021	Dentists, General	81	NA	Average	63	First professional degree
194011	Agricultural and Food Science Technicians	83	\$40,340/yr	Average	31	Associate degree
499099	Installation, Maintenance, and Repair Workers, All	84	NA	Average	74	Moderate-term on-the-job training (1-12 months)

434111	Interviewers, Except Eligibility and Loan	85	\$28,699/yr	Well Above Average	37	Short-term on-the-job training
291071	Physician Assistants	86	\$88,407/yr	Well Above Average	35	Master's degree
132081	Tax Examiners and Collectors, and Revenue Agents	87	\$54,725/yr	Below Average	1	Bachelor's degree
211099	Community and Social Service Specialists, All Other	88	NA	Above Average	149	Bachelor's degree
435032	Dispatchers, Except Police, Fire, and Ambulance	89	\$32,708/yr	Well Below Average	3	Moderate-term on-the-job training (1-12 months)
132061	Financial Examiners	90	\$64,640/yr	Well Above Average	24	Bachelor's degree
113011	Administrative Services Managers	91	\$78,810/yr	Average	34	Work experience, plus bachelor's or higher degree
413031	Securities, Commodities, and Financial Services Sa	92	\$65,637/yr	Below Average	80	Bachelor's degree
491011	First-Line Supervisors of Mechanics, Installers, a	93	\$53,276/yr	Below Average	20	Work experience (in related occupation)
172041	Chemical Engineers	94	\$77,182/yr	Average	NA	Bachelor's degree
518021	Stationary Engineers and Boiler Operators	95	\$49,102/yr	Average	26	Long-term on-the-job training (> 12 months)
518031	Water and Wastewater Treatment Plant and System Op	96	\$44,685/yr	Above Average	146	Long-term on-the-job training (> 12 months)
292056	Veterinary Technologists and Technicians	97	\$32,689/yr	Above Average	32	Associate degree
211014	Mental Health Counselors	98	\$24,814/yr	Well Above Average	59	Master's degree
132072	Loan Officers	99	\$54,772/yr	Below Average	85	Moderate-term on-the-job training (1-12 months)
433071	Tellers	100	\$23,729/yr	Below Average	501	Short-term on-the-job training

Economic Development Significance of “Workforce”: Workforce is the fuel for economic development. It is a foundation that must be present in the correct circumstances for different projects to occur.

Commodities

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

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

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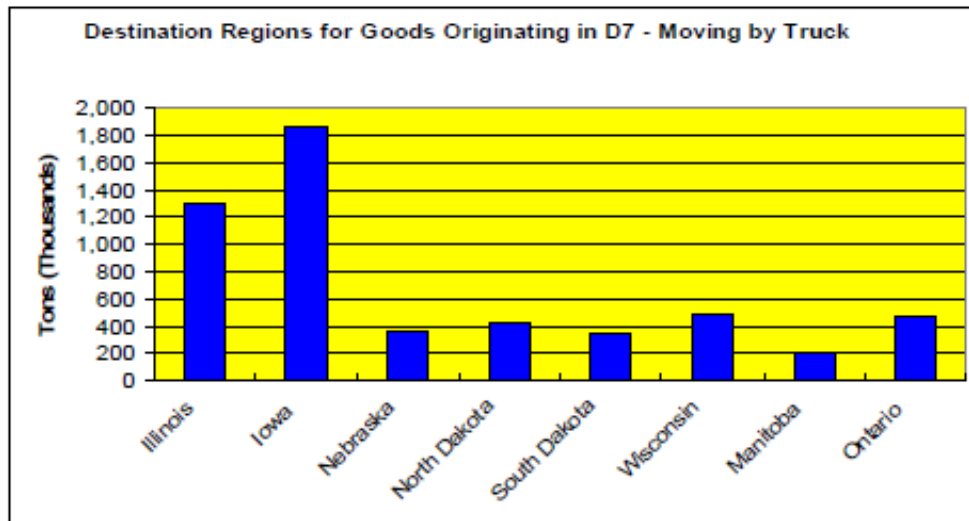
Farm Products	14,446,158	Secondary Traffic	\$15,536,711,796
Non-metallic Minerals	5,666,323	Farm Products	\$2,443,512,088
Secondary Traffic	2,955,870	Food or Kindred Prod.	\$12,276,050,216
Food or Kindred Products	1,497,484	Petroleum or Coal Prod.	\$320,614,981
Clay, Concrete, Glass or Stone	822,684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

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

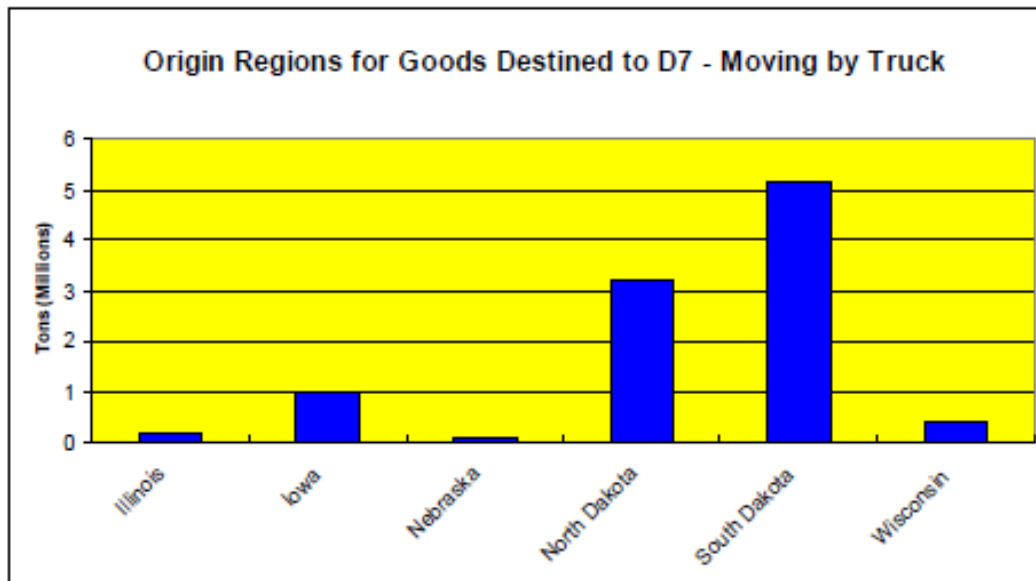
The second largest commodity export group from District 7 is Farm Products, totaling 10.5 million tons representing five percent of the total export value. The most valuable commodity exported from District 7 is Secondary Traffic with over \$20 billion annually.

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

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



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



Economic Development Significance of “Commodities”: Evaluation of what is coming in to our region and what we are exporting is important in the context of supply chain analysis. This leads to an analytical approach to business recruitment and retention.

Strategic Plan for Economic Growth

Outcomes

Quantifying outcomes was incorporated into the 2011 edition of the CEDS. Outcomes now have numerical value based upon the goals and strategies brainstormed during a joint committee meeting, data from DEED, and the existing outcomes listed in the CEDS. These quantified outcomes are intended to be used as benchmarks for regional economic development planning.

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

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

In this year's update of the CEDS (2012), we will be providing 1 year benchmark updates to whether the outcomes were met.

ID	Area of Focus Group Number	Outcome	Quantified
A	1	Improve housing opportunities for low and moderate income households	1 project completed per year
B	1	Evaluate and develop regional transportation projects	1 project per year
C	1	Facilitate broadband internet coverage expansion	1 project per year
D	2	Increase the median regional income	Raise the median regional income above \$14.63 per hour
E	2	Continue to develop industries of competitive advantage	Provide resource assistance to private sector businesses quarterly
F	3	Increase the level of education of the workforce	Raise the 2010 level of employees with a professional degree
G	3	Increase the number of people receiving training for technical skill attainment	Raise the 2010 level of employees with certification and credentials
H	3	Create New Jobs	Develop one project with regional job significance per year.
I	4	Address unfunded government mandates	Work with legislators to address one mandate
J	4	Promote joint investment	1 project which utilized public and private funding

K	4	Increase the tax base	1 project which results in the increased tax capacity of land
L	4	Increase cooperation between communities to recruit businesses	Inventory regional business capacity

ID	Outcome	Accomplished	Details
A	Improve housing opportunities for low and moderate income households	Yes	Successful Grant application over \$400k
B	Evaluate and develop regional transportation projects	Yes	MATAPS Update
C	Facilitate broadband internet coverage expansion	Yes	Sibley County Fiber project
D	Increase the median regional income	Yes	\$14.69 for 4 th quarter of 2011
E	Continue to develop industries of competitive advantage	Yes	Provided rehabilitation funds
F	Increase the level of education of the workforce	TBD	NA
G	Increase the number of people receiving training for technical skill attainment	Yes	See Workforce Council LUP
H	Create New Jobs	Yes	Multiple
I	Address unfunded government mandates	TBD	NA
J	Promote joint investment	Partial	Brown County Initiative
K	Increase the tax base	Yes	Multiple
L	Increase cooperation between communities to recruit businesses	Yes	DEED Prospector

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

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

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

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

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

Work Plan/Project List

In 2012, while driving the identified key strategies, Region Nine Development Commission will continue to have a work plan that focuses on comprehensive nature of Economic Development. Our economic development services will be driven by this plan's strategies and strive to fulfill the outcomes outlined at the beginning of this chapter. Our services will be categorized as:

- Local Government Development Assistance – contractual economic development work with local governments.
- General Business Development & Revolving Loan Fund - Activities include working with clusters of businesses to develop and promote their industries. Also includes public/private partnerships initiatives.
- Environmentally Sustainable Development – projects that enhance environmental quality and develop/implement green products, processes, places and buildings. Ex: a bulk buy wind turbine initiative, evaluation of strategic energy investments, exploring local resources for new industry development.
- Community Resource Development- research and assisting organizations to obtain grants, loans, and relevant data.
- Regional Planning- planning processes with communities on a local and regional basis to generate ideas, strategies and opportunities for economic development policy generation.

These functions and activities of the scope of work are to be comprehensive in nature to address all aspects of the CEDS.

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

The 2012 survey identified the following projects:

Submitting jurisdiction	Project 1	Project 2	Project 3
City of Montgomery	New high school - already going	Recent businesses moving to town - help remodel	Business wishing to expand - building
Southern MN Initiative Foundation	Bio-business	Micro-lending for startups	local foods

City of Mapleton	We are contributing significant dollars to our local town that we use to give Greater Mankato Growth		
City of Sleepy Eye	Development of infrastructure and lots for business and industry on recently purchased snow property on East side of Sleepy Eye	Work with BCEDP, Region 9, EES, Del Monte, and others in developing a renewable energy (ethanol) production facility.	Development of a renewable energy field (solar) to tie in to snow property for electrical production for Sleepy Eye and businesses
New Ulm Economic Development Corp	Renewable Energy task force	marketing former caterpillar building	expansion of industrial park
Faribault Development Corp	housing development		
City of Blue Earth	Purchase an EDA owned warehouse. A firm has added 2 production lines in the last year and needs to creatively expand operations		
Gaylord	Michael Foods expansion	Control Assemblies expansion	
Janesville	Industrial Park	Downtown revitalization	Signage off HWY 14 advertising Janesville's Strengths
Milford Township, Brown County	Sanitary sewer for the village of Essig		

City of Mankato	Potential expansion of local power generating plant to double capacity.	Supply Chain Development - Renewable energy supply chain group (30+ participating companies) - Continue helping growth of a number of companies that add supply chain capacity to the regional marketplace	Continue working with company that will construct large distribution center. Potential employment of 400-600 FTE's
City of North Mankato	NM industrial park		
City of Sherburn	Addition to the city owned senior campus in Sherburn - construction and care providing jobs		
City of Le Center	We have a 10,000 SQ Ft manufacturing building for sale. LTP recycling just vacated the building		
City of St James	Working on application with SMHP for housing rehab	MNDOT 2016 HWY 14 reconstruction through St James - Infrastructure needed to be paid by city for 2-3 million dollar cost	We have old hospital building needs to be razed - cost 250-300k minimum. Could have end use for residential lots for housing, etc. located next to industrial park
Step, Inc. Fairmont	Plastic Recycling	CARF Accreditation	
South Central College	SCC - Southern MN Center for Ag Food Ed	Identify gaps in employee readiness and needs for education in workforce development in the following sectors: manufacturing, renewable energy, healthcare, ag, biotechnology.	Industry Career/Education pathway

SC Workforce Council	Proposal for grant to serve youth from communities of color - work experience and work readiness	MFIP Grant to target services to teen parents	
City of St Peter	Regional transit planning - get people to where the jobs are located		
South Central Workforce Council	Industry Career Pathways in healthcare and manufacturing (partnership of workforce, ABE, and college)	Partners in career exploration - working with secondary schools to provide high school students career counseling and demand occupation information	
Greater Mankato Growth	Talent supply and demand report and summit		

Projects identified from past evaluations:

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

Street and Utility Improvement	Courtland	Nicollet	Infrastructure installation- road improvements, water & sewer lines extended to developable property	1,850,000	Shovel Ready
Watermain Improvement Mary Lane / Riverview Dr	Courtland	Nicollet	Water main improvements	310,188	Shovel Ready
Highway 14 Development	Janesville	Waseca	Infrastructure installation- road improvements, water & sewer lines extended for development along highway	TBD	Shovel Ready
Butterfield Infrastructure Enhancements	Butterfield	Watsonwan	Infrastructure enhancements	TBD	Shovel Ready
Commercial and Medical Development Area	New Prague	Le Sueur	Infrastructure installation- road improvements, water & sewer lines extended for regional medical system	To be determined	1-2 years
Northwest Industrial Development	New Prague	Le Sueur	Study, Analysis and Infrastructure installation- road improvements, water & sewer lines extended for potential users	To be determined	3-5 years
Industrial Park Expansion	Sleepy Eye	Brown	Infrastructure installation- road improvements, water & sewer lines extended for potential users	To be determined	To be determined

Broadband expansion	Regional	Regional	Generating expansion of broad band services to unserved and underserved areas	To be determined	To be determined
Corridor Development	Janesville	Waseca	The development of land adjacent to HWY 14 and along community gateway corridor	To be determined	To be determined
Planning Software	Regional (MNSU,M)	Regional	Development of planning software	To be determined	To be determined
Comprehensive Planning	Le Center	Le Sueur	Comprehensive Planning	To be determined	To be determined
Redevelopment of an industrial property	Regional	Faribault	Infrastructure for a new industrial use	To be determined	To be determined
Redevelop a multijurisdictional transit facility	Mankato	Blue Earth	Retrofitting a facility for regional transit needs	To be determined	To be determined
Development of Renewable Energy Valley	Regional	Regional	Evaluation of economic impact of renewable energy	To be determined	To be determined

Strategies

The 2012 CEDS survey evaluated the value of the strategies currently identified in the CEDS document. Participants were asked to provide a value as to how effective they perceive the economic development strategies to be (on a scale of 1-10, with ten being of high value). All strategies had a higher than average ranking and perceived value. Below are the results for each strategy and its average ranking on a scale of 1 - 10.

Growing your own business	Creating an entrepreneurial/ innovative atmosphere	Approach market and economic development regionally	Diversify business industries
8.02	7.85	7.22	6.52

Attract anchor industries	Utilize and leverage existing assets for business development	Niche and cluster market development	Developing collaborative and system approaches to developing businesses
6.59	7.54	6.91	6.96

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

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

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

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

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

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

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

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

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

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

2. Create Innovative and Entrepreneurial Business Environment – The Region's development of business will be led by its leadership. Leadership must strive to create an environment that says to existing businesses, external businesses, entrepreneurs, and the general public that our region is the best place to do business. Such leadership includes marketing to prospective businesses, investing in the infrastructure, leverage its natural and developed resources, and challenging its industries and systems to align themselves strategically, thereby created a "ready for success" business atmosphere.

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

Networking and Collaborations – No one organization, entity, or sector can provide all that is needed to help businesses succeed. Working together across sectors, entities, as well as, sharing resources can realize knowledge and know-how

success. In addition, such an approach helps developing businesses navigate various systems needed in order to do business.

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

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

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

Clustering – Where there are clusters of businesses or labor sheds geographically that serve as an economic engine may benefit surrounding communities. Also, surrounding communities may provide the skills, raw materials, and labor needed in order for the hub area to be successful. They are both critical parts of one system or region. Bedroom communities may develop within an hour radius of the economic center. Diverse housing stock, transportation and transit, regional branding with individual community identity, water and sewer systems, and other infrastructure are critical to such an approach. In the process of working regionally, preserving community identity, values, and traditions will be the greatest challenges. Striking a balance of regional and local identities and influence is possible when leadership from all areas work together. Clustering is not applicable to all situations, but in viewing the broader economic picture it is appropriate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Regional Activities

The 2012 CEDS survey asked two open ended questions to stakeholders within the region. The first question asked, “What emerging economic opportunities do you see in South Central Minnesota?” The second question asked, “What changes do you see occurring in the foundations of South Central Minnesota’s economy?”

Emerging Economic Opportunities	Changes to Foundations of the Economy
Delivery systems for internet orders, farmers markets, Juco's teaching CNC and manufacturing	Up and down the next two years followed by a crash and depression in late 2013 - this comes from 7 years of talking to seniors and researching the past.
Bio-business	Aging workforce/retention of younger families
Renewable energy resource development: Wind, solar, water	An increase in manufacturing industry career opportunities. Corresponding needs to this is the development of hands-on pre-manufacturing and manufacturing skills training for high school and post-secondary technical development.

Expansion of engineering and tourism - vineyards, etc, amphitheatre projects	Agricultural changes, low paying jobs and high cost of housing - continual decline in median household income, hopefully continual expansion of higher ed...Bethany expanding, MSU enrollment increasing etc
Renewable energy development, ties for recreational development (trails/parks) within whole regions of southern MN.	Shift in state funding of LGA
Renewable energy	They are becoming more focused on what is seen as potential growth areas and less capital money for current business to grow
Stability in our industries and that we need to build local niche businesses to serve them	Harder to function since less funds coming in
Food production, transportation, renewable energy	Loss of family farms and increase in corporate farming operations, improved communication (tv and internet service), investigating the cost effectiveness of consolidating police/fire services to a regional approach, Open enrollment education option will force many school districts to further consolidate
Better transit, light rail from Mankato to MSP and St Cloud, ethanol production from grass, sugar beets in place of corn	Population getting older - needs more health care issues, farms getting larger with less jobs
Ag related businesses, healthcare and assisted living	Mankato's role as a regional hub continues to grow. Distribution will grow with the HWY 14 to HWY 35 lane expansion (4 lane). Regional healthcare, agriculture, education, distribution, manufacturing hub. Greater collaboration between our communities resulting in leveraging the collective assets rather than competing. Consolidation into regional centers and satellite communities
energy, communications, and healthcare	All sectors of the non-farm economy remain relatively flat. Changing Demographics (declining population numbers, the increase in the average age of the population and the decline in the average number of children) coupled with out-migration should be a major concern for much of out-state Minnesota.
Expansion of mining and energy production industries, more engineering centric businesses, educational derivative employment, AND health care, distribution facilities, manufacturing, and agri-industry.	We will keep losing youth if we don't provide more opportunity for them

The farm sector continues to be the largest driver in the economy in Waseca County. Strong crop yields and sustained commodity prices continue to provide an excellent standard of living and impact other sectors as well. Working on value added agriculture and bio-business ventures would appear to provide the best opportunity for growth in the near and long term. The Bio-Business initiative underway in Waseca with the help of the Southern Minnesota Initiative Foundation and Region 9 should yield positive results in the future.	Too much emphasis placed on larger populated areas of jurisdictions, such as R9, which place emphasis on economic development at the cost of diminishing entrepreneur opportunities for rural areas.
Alternative energy businesses	More regional areas - operations
Energy, expansion of agricultural product processing, medical services	Growing Retail and increasing diversity of population
Sustainable green energy production - attracting industry from the SW US -- "soft" industries. Opportunity to attract "warehousing" industries OUTSIDE of large population based areas	Demographics - increase in minority and refugee population. As baby boomers retire, engaging workers from diverse populations
The Bio and Green Industries	Less educated workforce - need for remedial education.....baby boomers leaving workforce
Available workforce - available buildings in various communities	Population changes and MSA designation
Support of the Health Care Industry	
Growing /return of manufacturing jobs, agriculture, Food, and natural resources (biotechnology)	
Retention of recent Minnesota State University and Gustavus Adolphus College graduates...marketing/recruitment of targeted cluster industries.....available labor pool with well enveloped work ethic	
Regional collaboration	
More attention spent on future talent pool	