

PARTNERSHIP FOR REGIONAL COMPETITIVENESS
Southern Minnesota
 Creating economic development strategies for regional strength.

Ag & Food | BioScience | Health Care | High Technology | Manufacturing | Renewable Energy

Partner Update

Fall 2010

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Success, and Access, in Lac qui Parle County

Have you ever wondered to yourself, "Yeah, but what can you *really* do with 9.6 million dollars?" Well, happily, the people in Lac qui Parle County have an answer: *Provide Fiber optic internet access to nearly all residents and businesses in the county!* On August 4, 2010, the U.S. Department of Agriculture (USDA) announced its approval of a public/private partnership in the county under the Recovery Act Broadband Infrastructure Program.

The partnership between Lac qui Parle County and Farmers Mutual Telephone Cooperative received approval for the \$9.6 million loan/grant (50 percent loan, 50 percent grant) to begin a collaborative effort to install fiber optic broadband service throughout the county. The residents and businesses will receive fiber-to-the-premises (FTTP) technology which will provide high-speed internet access to its recipients. More than 3,700 people will benefit from the installation, along with about 165 businesses and 12 community institutions.



At present, the collaborative is preparing contracts and agreements while seeking approval from the USDA's Rural Utilities Service (RUS). According to Lac qui Parle Economic Development Authority Executive Director, Pam Lehmann, the plan is to begin trenching in the spring of 2011, with an overall timeline for implementation of 18-24 months.



Pam Lehmann

An estimated 110 new jobs will be created by Farmers Mutual Telephone in order to deploy the fiber optics. In addition, due to the increase in service and expansion of the territory, permanent jobs will arise from the project as well. "Everyone's really excited about it," Lehmann states, "I've heard nothing but positive things about the program."

Lehmann goes on to explain how it would have taken decades for local internet service providers to be able to establish enough cash flow to take on the project independently. Lehmann explains, "The stimulus money allows the county to keep up with technology, instead of hitting a ceiling."

An additional program taking root in Lac qui Parle County is the LqP Computer Commuter program. The purpose of the program is to travel throughout the county, providing free computer usage, free internet access and free training to anyone interested. The program kicked-off August 25, 2010 with an Open House and Ribbon Cutting ceremony at Veterans Memorial Park in Dawson, MN with special guest, Congressman Collin Peterson in attendance.





Success Story: *YES! Indeed, and In Deed*

Kids these days. If they're not playing sports or doing school work, just what are they up to? Get ready to be amazed.

Since 2007, Youth Energy Summit, or YES!, has organized youth in grades 8 through 12 to partner with local organizations and businesses in their areas. The students are guided by local, adult coaches and YES! staff members to address energy opportunities and issues. Last year, throughout southwest and west-central Minnesota, 275 youth, organized into 21 teams, were involved in hands-on, experiential learning and energy action projects, working with 125 businesses and organizations. As a result, the teams saved energy, produced renewable energy, and provided outreach and education to over 42,000 community members!

The program was the brainchild of Prairie Woods Environmental Learning Center (PWELC). They partnered with the Southwest Initiative Foundation (SWIF) and the program grew successfully for two years. Beginning in 2009, support from the Minnesota Renewable Energy Marketplace (MnREM) helped the program double in size and Prairie Ecology Bus Center (PEBC) and the Southern Minnesota Initiative Foundation (SMIF) came on board.

Grand Prize winning teams in the 2009-2010 school year were Atwater-Cosmos-Grove City High School and Springfield High School. Here is a link to a complete list of teams and their projects, awards, and partners:

www.youthenergysummit.org/wp-content/uploads/2008/09/YES2009-2010ProjectSummary.pdf

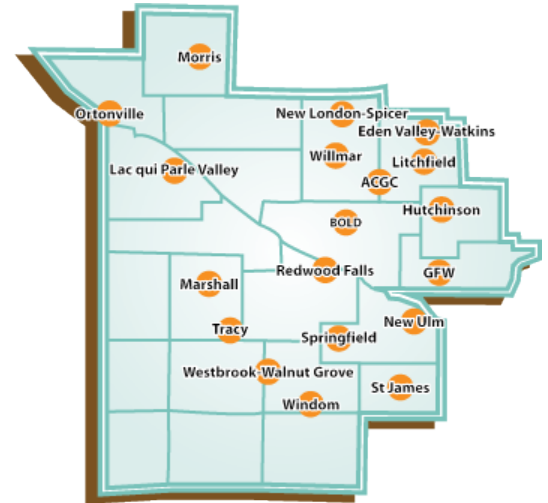
The teams' projects help them build an entrepreneurial culture. As an example of the innovation employed, the Willmar High School team began with an empty greenhouse and ended up selling community-supported agriculture (CSA) shares. For \$25 per month, local residents received a bag of produce.



Cheryl Glaeser

Cheryl Glaeser, Program Officer at SWIF, has administered oversight of the program since its inception, managing grants and coordinating with PWELC personnel. "We received funding from the McKnight Foundation this year for evaluation and strategic planning. We plan to expand the program farther into southeast Minnesota beginning in 2011," reports Glaeser. The intent is to replicate the existing model.

Glaeser explains, "We need a local community 'champion,' typically a teacher, though the person can be from any local organization." Next, funding is garnered to get the program up and running. Businesses or organizations can support the program by contacting Cheryl Glaeser at 1-800-594-9480. Much more information is available at the YES! website: www.youthenergysummit.org.



Save the Date

Partner Meeting & Check the 'Net!

The next Partner Meeting of the Partnership for Regional Competitiveness – Southern Minnesota will be held Tuesday, October 26. It will take place at Minnesota State University, Mankato, in the South Ballroom on the second floor of the Centennial Student Union, from 11:00 a.m. to 1:00 p.m. For more information, please contact Melissa Langer at 507-455-3215, ext. 130.

Future news about Partner Meetings and many other events throughout southern Minnesota can soon be found at a new internet website. The Partnership has secured a domain and is in the process of updating the site with information from all across the region. Keep checking for further updates at:

www.southernminnesota.org

Success Story: SAGE Electrochromics at home in Minnesota



Chuck Hayes

Vice President,
SAGE Electrochromics

“Investment in our people and the work environment spills out into the community.”



If you’ve ever thought, “It’s so hot in this building, I wish we could block the sun somehow,” SAGE Electrochromics, Inc. in Faribault, Minnesota should be your next phone call. The company produces windows used in corporate settings that, through lithium technology, reduce visible light by 97% and reduce solar heat by 92%, while still allowing enough light through for viewing.

The company’s success led them to the decision to expand and create an additional high-volume production site. After exploring several possible locations in other states, they decided to build in their own back yard in Faribault. The following interview with Vice President, Chuck Hayes, explores the decision and its effects in the region.

What made you decide to expand SAGE here in Minnesota?

The quality of the workforce and the infrastructure, along with what the state and the community offered were keys to our decision.

How have you seen the region impacted as a result of collaborative work?

Quality of life is heavily impacted by investment in job- and economic-growth in the area. That creates opportunity and attracts people and further investment. From my experience, I’ve had the privilege of hiring over 70 people into our company. Now, we will create another 160 jobs in our new facility which will also generate probably in excess of 400 other jobs in the economic community, plus around 300 temporary jobs in factory construction.

How can partnerships in the region help SAGE continue to be successful?

The educational infrastructure in the state, including South Central College here in Faribault, has allowed us to put together Six Sigma black-belt and green-belt training programs by using resources in the larger educational community. Some of these program components are

packaged up outside of our immediate area, but can be delivered to us in this interconnected world.

How can SAGE help to partner with the region in the future?

A corporation is not a faceless entity—it’s made up of people, and investment in our people and the work environment spills out into the community. The economic development, job creation and tax revenue generated because SAGE exists is significant, and that helps fund improvements to the community. High-technology business like ours attracts further investment that can renew the region.

Progress Report

John Monson, Vice President of AgStar Rural Capital Network, has continued work on the Debt/Equity Pool for the Partnership for Regional Competitiveness – Southern Minnesota, and has provided the following update.

The capital pool for Southern Minnesota continues to move forward. Equity Capital continues to be a difficult challenge. There are several approaches to recruiting equity to the region:

1. Find venture capital investors interested in industries of opportunity in the region.
2. Access various grants for business start-ups.
3. Enhance knowledge and pipeline of promising business start-ups with current angel funds.
4. Pilot USDA Rural Business Investment Corporation.
5. Develop farmer coop to support equity investment for key rural projects.

All of these strategies are being pursued.

On the debt capital side, the bank network has remained consistent. The goal is to get community banks to work together to invest outside of their local communities and invest more regionally. Several banks did meet with AgStar and showed great interest in regional collaborative investments. This is where the real power of capital and collaboration can create new jobs and economic opportunity.

How can the Partnership improve the region?

The Partnership can continue to recognize and raise awareness about our rural strengths and synergies, and allow us to capitalize on opportunities to promote them to the marketplace.

What role can the legislature serve in advancing the Partnership?

Once the legislature understands that we're working together to compete globally, it can set policies to help attain our goals. The legislature, along with experts such as those at the Center for Rural Policy and Development, can learn about new industries in which we can invest.

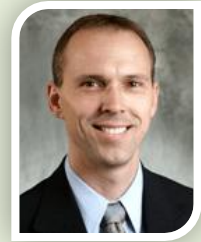
For example, hog production and health care can go hand-in-hand: we use hogs to feed the world in a very responsible way, but we can also explore harvesting pig heart valves in local, bio-secure facilities. We need to have the experts in pork production work with the experts in the health care industry without jeopardizing either one.

Governments have borders; businesses don't. Businesses are looking for infrastructure, educated labor, and markets. The legislature must provide the infrastructure to accommodate growth and expansion. We want to continue bringing value-added initiatives to rural Minnesota farmers without it happening at the expense of other agriculture sectors.

Our kids are graduating high school, going to bigger cities for college, and staying there, looking for opportunities. As legislators, we can develop policies to reverse that trend, to make us competitive, to attract businesses that can provide well-paying jobs, and build wealth in rural Minnesota, to keep our next generations right here.

How do you see the Partnership's future unfolding?

In a word: positively. The individuals involved—legislators, local elected officials, job providers and business owners—all have a common goal in mind: improving the quality of life in rural areas. All the stakeholders have a positive agenda. We have very bright and talented people with honest intentions working on this who genuinely care about rural Minnesota. There's no other way this can go, but in a positive direction!



Representative Rod Hamilton

**Assistant Minority Leader
Minnesota Senate District 22B**

"Governments have borders; businesses don't."



Save the Date

Planning for the Future...

The Seventh Annual Regional Biosciences Conference will be coming up next spring in Worthington, MN. It will be held Thursday and Friday, April 7-8, 2011 at Minnesota West Community & Technical College. The conference is sponsored by the Worthington Regional Economic Development Corporation.

Three speakers are scheduled for the event.

Jack Schultz, founder & CEO
Agracel, Inc.

- Wrote the book, *Boomtown USA: The 7 ½ Keys to Big Success in Small Towns*
- Named the 2005 Ernst and Young's Illinois Entrepreneur of the Year
- Received the Beta Gamma Sigma Medallion for Entrepreneurship

G. Steven Burrill, founder
Burrill & Company

- His lengthy resume includes serving as an advisor to the University of Minnesota's College of Biological Sciences
- Currently works as an adjunct professor at the University of California, San Francisco

V. Celeste Carter,
representing the National
Science Foundation (NSF)

- An independent federal agency
- A major funding source in fields such as mathematics, computer science, and the social sciences

For more information, check the Conference's website at:

www.wgtn.net/biosciences/conference/index.htm