



# HEADWATERS

Regional Development Commission  
*Leading the Way*

## ANNUAL REPORT 2010

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[Annual Report Home](#) | [Chair/ED Comments](#) | [The Future HRDC](#) | [Program Areas](#) | [Governing the HRDC](#)

## *Beltrami County HRA Activities*



*“The HRA has focused its efforts this past year on responding to the tremendous need of housing for homeless families. We’re proud to support both the Village of Hope and Conifer Estates housing developments.”*



***Rich Jaranson,  
Chairman  
Beltrami County HRA***

The Beltrami County HRA played a critical role in supporting development of Conifer Estates, a 20-unit supportive housing project that will be located just north of the Bi-CAP office. The HRA supported this supportive housing project both by providing a building site and agreeing to own the housing upon completion. Project partners plan to close on financing with the Minnesota Housing Finance Agency and Greater Minnesota Housing Fund and start construction this summer.

The HRA has also provided support for development of a new homeless shelter in Bemidji. Village of Hope is a new homeless shelter being developed by Ours to Serve House of Hospitality to replace an existing eight-bed shelter. The existing shelter is located in an old home that could be described as over capacity and difficult to keep up. By contrast the new shelter will be energy efficient, easier to maintain and staff, even though it is significantly larger.

Once completed, the Beltrami County HRA will own the Village of Hope. Ownership of the Village of Hope and Conifer Estates is a significant commitment by the HRA to homeless families in the region.

“The HRA has focused its efforts this past year on responding to the tremendous need of housing for homeless families. We’re proud to support both the Village of Hope and Conifer Estates housing developments,” said Rich Jaranson, Beltrami County HRA Chairman. The Headwaters RDC provides staff support to the Beltrami County HRA.

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## *Chairman's Letter - Joe Vene*



I have been fortunate as chair of the Headwaters Regional Development Commission over the last two years to see first-hand the dedication and commitment of both Board members and staff. With challenges come opportunities. I believe our future is exciting and bodes well. We know that our challenges come from the economic downturn as well as changes in state and federal policy. Yet the opportunities have presented themselves largely as a result of strong local leadership throughout our region, and that leadership wants nothing more than to improve the communities they care for and feel

so strongly about. In these interesting times we have a Commission that continues to commit and rededicate itself to working closely with those leaders to make a real difference in the lives of our citizens.

I like to think of our appetite for future progress, and I reflect on a few of our on-going efforts. We're working to increase occupancy and affordable housing. We're in the middle of a transition in building housing models to include purchase-rehab in our mix, allowing us to serve more areas of our region. Our development team's creating a Center for Community Stewardship is big: we want to be the leading source of stewardship development, knowledge and implementation in the state.

Maintenance of our revolving loan fund has been challenging this year, but we see ourselves positioned to have a good year to come. It is also reassuring to find that the new fiscal year's budget is in very good shape, and for that we thank our close relationships with partners and customers.

Our staff development is grounded in intentional efforts toward providing professional growth for a progressive, unified, highly motivated staff team.

The articles you find in this annual report document the Commission's success, and are a testament to the wonderful people you and I get to work with throughout the year. This Commission is one of the best governing bodies I have had the pleasure of working with, and our staff's commitment to our Region is second to none.

I look forward to another year helping our Region fulfill its destiny.

*“Yet the opportunities have presented themselves largely as a result of strong local leadership throughout our region, and that leadership wants nothing more than to improve the communities they care for and feel so strongly about.”*

## *From the Executive Director - Cliff Tweedale*



We're one year into the recession, and there are signs that we're coming out of it. During tough times there is real pressure on both individuals and organizations to focus on today's emergency, today's crisis. We see it happening at every level – private business, local governments, and state government. Much thought is being given to the issue of how to survive.

*“While short-term economic trends may require us to be a little more creative to accomplish our ambitions, these trends cannot be used as an excuse not to act.”*

Unfortunately, this focus often comes at the expense of those issues that are key to longer-term success. I can't tell you how many times people have told me, “We just don't have the resources to think about that right now,” or “We're not doing anything until things

improve.” The question I always ask myself is: *Do things improve if we do nothing?*

We're committed to challenging our Region to continue to think strategically about, and act on, our future. Yes, things are tough, but we also know that we're only likely to see long-term, sustained success if we create it. While short-term economic trends may require us to be a little more creative to accomplish our ambitions, these trends cannot be used as an excuse not to act.

The contents of this report should prove our commitment to action that helps create a better future for our Region, even when it might feel convenient to take a break. We feel privileged to be able to continue to call on our partners and customers to join us in our quest.

TOP 

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[Annual Report Home](#) / [Chair ED Comments](#) / [The Future HRDC](#) / [Livable Communities](#) / [Talent & Prosperity](#)  
[Community & Organizational Leadership](#) / [Commission & Committees](#) / [Staff](#) / [Finances](#) / [Back to HRDC Home Page](#) / [Top of page](#)

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## *The Future HRDC*

Stephen Covey, author of *The 7 Habits of Highly Effective People*, suggests that one of those habits is the ability to manage work so that our time is not consumed only by those things that appear urgent. These short term issues are often crises, but are not often those things that help a person position themselves to be effective long-term. The important, but not-so-urgent issues focus on strategic thinking, relationships and discovering and taking advantage of opportunities.

I think it is similar for organizations. Successful organizations take care of those urgent, important things, but they also find time to think longer-term, and proactively create their future. This section of our Annual Report has become important for us because it acts as a reminder, and an evaluation tool, that challenges us to *plan for and act on* our future, as opposed to just reacting to the future someone else hands us.

Let's look at our goals from last year. So how'd we do? I feel very good about our progress on each. Here is an overview:

- **Harvesting the fruits of our labors.** We are just about to close on construction financing for our major housing with supportive services, received two major fund sources for housing rehab, successfully started implementation of the Bemidji community's Shared Vision initiative, and are moving closer to defining Version 2.0 of our Community Stewardship efforts. While we've had our fair share of challenges over the last year, we were also able to accomplish the things we set as goals.
- **Staying the course on professional development.** While there is a beginning and middle to professional development efforts, there really is no end. Not only have we retained our staff over the last year, I think we have gotten to the next level in our pursuit of professional development for all staff. More on this later in this article.
- **Acting as one team.** Our internal structure has been radically changed to help us in this area. Our structure and culture has rewarded lone heroes in the past; it is now geared toward team success and teamwork.
- **Being disciplined, and intentional.** We've always been pretty disciplined; now we've improved the intentionality piece. We've targeted specific goals that pull us forward (see below).

While we're well-positioned, I want to make sure that we do not *"rest on our lead."* The following graphic shows our new internal structure, and also shows our goals.

*"Successful organizations take care of those urgent, important things, but they also find time to think longer-term, and proactively create their future."*

**GOALS**

**Livable Communities Team**

1. Within 3 years, we will have secured two contracts in active living and started active living initiatives in two others.
2. Within 3 years, we will have completed nine "quality of place/livability" projects for customers, with every county having at least one, and two involving Reservations.
3. Close on the sale of at least fourteen affordable single family homes on an annual basis.
4. Broaden our mix of development options well beyond single family home new construction.
5. Achieve full occupancy of a twenty unit supportive housing project.
6. Develop a local funding source for loan financing.

**Talent and Prosperity Team**

1. Within 3 years the HRFC will have financed 3 to 5 "green" projects for businesses in the Headwaters region.
2. Within the next three years the HRDC will have completed projects that have a focus on helping our community's position themselves for success in the 21<sup>st</sup> century economy. Priorities include "Growing and Attracting Talent," "Creating a Culture of Innovation," helping local entrepreneurs grow and develop new business, and defining common visions for the future. At least one project will be located in each County, two will be located on Reservations, and two will be Region-wide.
3. The HRDC will have an ongoing relationship with a leadership council in each of the County seats and Blackduck within three years.
4. Each will have a collective community action agenda within three years.

**Resource Team**

1. Develop and implement a succession plan for the HRDC.
2. Imbed working as a team as a core HRDC value.
3. Develop systems that assist in bringing a higher level of accountability to the HRDC operation.

*“Succession planning is our commitment to grow the skills and abilities of each and every staff to create an organization that is highly adaptable and very resilient as change occurs.”*

[Click here or on image to download a PDF](#)

As you can see, we’ve got some healthy ambitions. The goals reflect both external desires for our customers, and internal benchmarks for continued improvement. The internal goals reflect our understanding of what it will take to bring about long-term prosperity. They also reflect our commitment to make a difference throughout our entire region. These goals provide an answer to the question about what we intend to do.

The Resource Team goals are internal goals, and reflect our commitment to work on the “how” question – how we are going to improve our internal operation to more successfully accomplish external goals. These goals take a bit more explanation.

Succession planning is often thought about in a narrow sense – slotting people to

take over positions as staff leave or retire. Our view of succession is broader. Succession planning is our commitment to grow the skills and abilities of each and every staff to create an organization that is highly adaptable and very resilient as change occurs. Change comes in many forms – staffing, external organizational funding priorities, and economic conditions are all subject to change. Organizations that can position themselves to be adaptable can sustain great work.

Our strategy includes a variety of individual professional development activities and an emphasis on teamwork. Individual skill enhancement can broaden staff abilities; better teamwork allows the organization to take advantage of complementary, but different gifts.

I look forward to giving you my assessment of how we are doing in next year's annual report.

I am excited for FY 2011!

TOP 

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[Annual Report Home](#) / [Chair ED Comments](#) / [The Future HRDC](#) / [Livable Communities](#) / [Talent & Prosperity](#)  
[Community & Organizational Leadership](#) / [Commission & Committees](#) / [Staff](#) / [Finances](#) / [Back to HRDC Home Page](#) / [Top of page](#)

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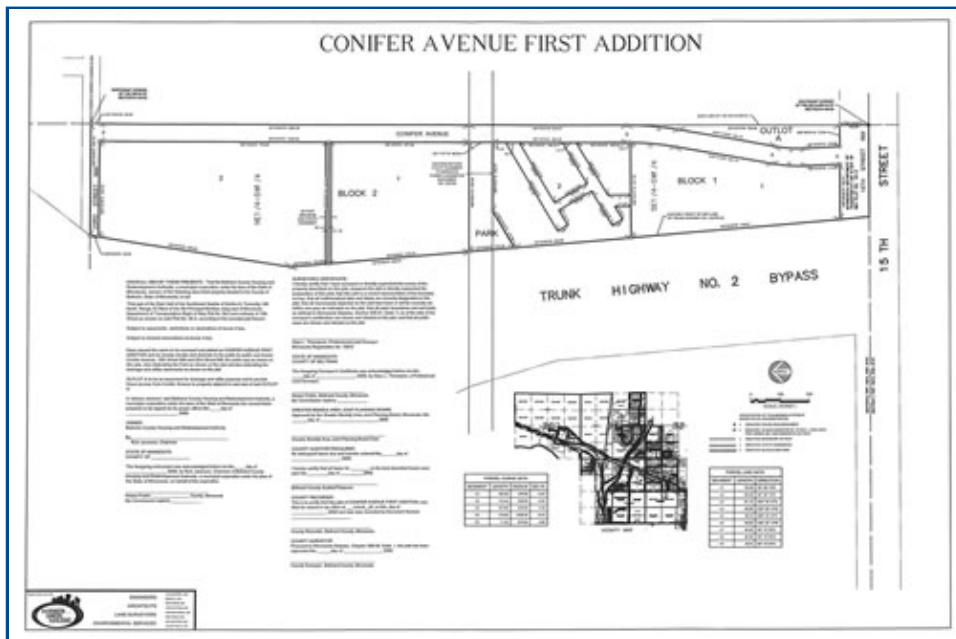
## *Livable Communities*

### **Supportive Housing for Homeless Families Moving Forward**

Construction of Conifer Estates, a twenty unit supportive and transitional housing project in Bemidji continues to move forward toward construction. Continuation of this project proves, in the words of baseball great Tommy Lasorda, "The difference between the impossible and the possible lies in a person's determination."

In this case, it was the collective determination of many partners who wouldn't quit until they hit a home run.

Initially, a variety of political issues and site problems presented obstacles. To move the project forward, the Beltrami County HRA provided an alternative building site at no cost, but the new site required more infrastructure than the original project budget allowed. The City of Bemidji agreed to finance a portion of the street construction, but additional funding was still necessary. Since last year, a complicated, but solid financing package has come together and bids were let for the infrastructure and the 20-unit building.



*Click image above for larger view*

In addition to the HHDC, Beltrami County HRA and the City of Bemidji, partners on this project include the Red Lake HRA, Leech Lake HRA, Bi-County CAP, and DW



Jones. Funding was originally provided by Minnesota Housing, Greater Minnesota Housing Fund and the Minnesota Department of Human Services. The enhanced funding package includes \$500,000 secured from the Federal Home Loan Bank of Des Moines by First National Bank of Bemidji and \$350,000 from the DEED Small Cities Development Program.

In less than a year, very low-income homeless families and individuals will be able to seek occupancy at a high quality facility that will include available services to help stabilize their housing.

TOP 

## Minnesota Cities Participation Program

The MCPP program makes affordable mortgage financing available for first time home buyers throughout the region.

In 2010, the MCPP allocated each county the HRDC serves the following amounts: Beltrami - \$665,606, Clearwater - \$125,151, Hubbard - \$285,646, Lake of the Woods - \$100,000 and Mahnomen \$100,000.

Last year the program was not available due to the difficulty of selling bonds to finance it. Again this year, Minnesota is not issuing mortgage revenue bonds, but has opted to use federal resources to support the program. It is expected the program will continue to be popular among the region's counties and that they will use more money than has been initially allocated. This becomes possible when some counties don't reserve their share of the initial MCPP allocation. When that happens, the money is pooled and becomes available to counties that are actively participating.

In the past, Counties in the Headwaters Region have made good use of the program, especially Beltrami and Hubbard.

TOP 

## Hubbard County HRA Activities

HRDC also provides assistance to the Hubbard County HRA, which is ramping up to increase the number of single family housing rehabilitation projects completed this year.

The Hubbard County HRA administers rehabilitation programs with resources provided by the Minnesota Housing Finance Agency (with some federal revenue involved) and Greater Minnesota Housing Fund. The HRA also has a local revolving fund that provides low-interest loans to qualified individuals and families primarily for emergency repairs such as upgraded wells, septic systems, furnaces and other health and safety deficiencies.

Beginning in 2010, the HRDC also will administer a rehabilitation program on behalf of Park Rapids, the City of Akeley, and Hubbard County. The City of Park Rapids was awarded a \$700,000 DEED Small Cities Development Program grant. The funding will go toward downtown commercial rehabilitation/storefront renovation, rehabilitation of eight downtown rental housing units, and rehabilitation of 18 owner-occupied homes in the county. The goal of owner-occupied home rehabilitation is to assist moderate income homeowners in making their homes safer, more energy

*“The HRDC brings the best of three worlds: leadership and new program development, administrative expertise, and accountability through sound financial management. And, the staff support is provided at less cost than through hiring additional staff to perform the same duties. I appreciate*

efficient and more livable.

The Hubbard County HRA continues to provide home ownership education and each year sells a home built by students at the Nevis School. An agreement is now in place to continue this partnership in 2010 and beyond.

Ray Melander, who has chaired the Hubbard County HRA board the past eight years, says that by contracting with the HRDC, the HRA has the ability to access a broad range of skills to help the organization become more effective. According to Melander "The HRDC brings the best of three worlds: leadership and new program development, administrative expertise, and accountability through sound financial management. The staff support is provided at less cost than through hiring additional staff to perform the same duties. I appreciate working with the HRDC and look forward to working together to effectively address the significant housing needs in Hubbard County."

(Ray also has served as president of the Headwaters Housing Development Corporation board of directors since the HHDC's inception in 1998.)

[TOP](#) 

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**Ray Melander,  
Chairman  
Hubbard County  
Housing &  
Redevelopment  
Authority**

## **Bemidji Downtown Revitalization - Phase II**

Bemidji has received DEED Small Cities Development Program funding to support commercial rehabilitation/storefront renovation of 14 units, following up on the completion of 17 units in Phase 1 completed at the end of 2009.

Roger Hellquist, Bemidji city councilman, commented, "The City of Bemidji has strongly supported improvements in the downtown. The second phase of the commercial rehabilitation/ storefront renovation program is one example of that support. We appreciate HRDC's assistance in obtaining resources to help make the improvements possible."

The DEED grant award also included funding to Bemidji for construction of a portion of a city street and related infrastructure needed to support construction of the supportive housing project (Conifer Estates).

[TOP](#) 

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**Roger Hellquist,  
Bemidji City**

## The Region *is really moving on Active Living*

The HRDC has made significant progress on active living over the past year. This effort started in the Bemidji Area with a robust planning process and is now in the first of four years of implementation. It has been exciting to see real change as people start to incorporate physical activity into their daily lives. There has been an ever-increasing “buzz” in the community around health, wellness and physical activity.

### **Successes!**

With the help of our dedicated Active Living Bemidji Partnership, many real things have been accomplished:

- Share the Road Signage
  - The City of Bemidji and Beltrami County partnered in the installation of “share the road” signage along key routes/streets in Bemidji to alert motorists of the presence of bicyclists.
- Active Living Bemidji Website
  - Launched the Active Living Bemidji website in partnership with Fit City and the City of Bemidji Parks and Recreation Department. [www.activelivingbemidji.com](http://www.activelivingbemidji.com).
- Social Media
  - Utilized social media such as blogging, Facebook, and Twitter in an effort to connect with more people and increase awareness of active living.
- Programs
  - Offered structured opportunities for physical activity through the Passport for Fitness Program. Participants could take 30+ classes at various health and fitness clubs in town for only \$20.00.
  - Created a pilot program called Simple Steps, a non-competitive walking program encouraging residents to get out and walk with a friend.
- New Partnerships!
  - Partnered with Bike Bemidji, a local volunteer-based organization to plan bicycle events highlighting the importance of rider safety and bicycle awareness.
  - Created new partnerships with the Indigenous Environmental Network, Indian Health Services and the City of Bemidji Parks and Recreation Department.



### **Rethinking Transportation**

Lessons learned from both successes and challenges throughout the first year of implementation have been invaluable.



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*Lessons learned from both successes and challenges throughout the first year of implementation have been invaluable. These new skills have helped the HRDC completely rethink the traditional approach to transportation planning.*



These new skills have helped the HRDC completely rethink the traditional approach to transportation planning. The result has been a truly region-wide approach to active living and transportation.



[Visit our website!](#)

The Statewide Health Improvement Program (SHIP) has been a catalyst to this new region-wide approach. The goal of SHIP is to improve the health and longevity of Minnesota residents through policy, systems, and environmental changes that support healthy behaviors. SHIP addresses risk factors for preventable death, decreased quality of life, and financial costs associated with chronic disease in four interventions: community, worksites, schools, and healthcare. HRDC staff is assisting the SHIP community leadership team with the development of a strategic vision and implementation for active living in four communities under the jurisdiction of the North County Health Board (Beltrami County, Hubbard County, Lake of the Woods County, and Clearwater County).

If you have any questions about active living in the Headwaters Region, please contact [Emily Brooks](#) or [Matthew Dyrdaahl](#).

TOP 

## **HHDC: Taking the Opportunity to Grow**

The past year has been one of changes for the HHDC. The transition from a work program that focused solely on new construction to one that includes purchase rehabilitation has presented great challenges and opportunities for the corporation. As funding priorities shifted with our primary partners Greater Minnesota Housing Fund and the Minnesota Housing Finance Agency, the HHDC was given the chance to grow as an organization and gain experience with rehabilitation development projects.

There are many benefits of housing rehabilitation for all parties involved. Housing rehabilitation can revitalize neighborhoods by fighting the spread of blight and stabilizing home values. We can reduce energy consumption through the “greening” of the homes which is good for the environment as well as the homeowner who pays the utility bills. The HHDC can also reach market sectors that we previously could not reach with new home construction. From a business standpoint increasing our development models to include rehabilitation will only make the corporation more stable in the long term. When markets improve for new construction and funding is once again available the HHDC will have the capacity to respond to the need for new construction, rehabilitation, or both. Moreover, the HHDC will have the ability to choose the model that is most viable in each community.

The HHDC has been working hard to get purchase rehabilitation efforts off the ground and running over the past year. Projects are currently underway in Bemidji, Baudette, and Blackduck, with additional projects planned throughout the Region.





*Completed purchase rehabilitation home in Blackduck*

### **HHDC: Building New Remains Important**

Despite the intense focus on developing the purchase rehabilitation model, the HHDC remained active in the development of new homes throughout the year. We feel that new construction is still an important component of the HHDC work program despite current challenges. The HHDC continues to serve markets for new affordable homes when viable.

The Bemidji High School carpentry students learned new skills in completing another home for the HHDC. The home is located in the Mayer Estates subdivision that is owned by the HHDC. The School District remains a great partner for the HHDC. The High School students will build one home during the 2010-2011 school year in our Sunset Meadows subdivision. The program also welcomed a new instructor this year, Jeff Olson. Jeff proved to be a perfect fit for the program. He is very skilled and passionate about what he and his students are doing.



*A home built in Bemidji by the High School*

The Minnesota Department of Corrections Institution Community Work Crew (ICWC) program built 4 homes in the Sunset Meadows subdivision during the past year and 27 units since its inception in Beltrami County. Unfortunately, due to a number of challenges, the program will no longer be administered by the HHDC after May of 2010.



*ICWC built home in Sunset Meadows*

The private contractor model proved viable in select markets for the HHDC. One home was built in Blackduck and one in Bemidji. Blackduck is a difficult market for new construction as the cost to build homes new is greater than the ultimate appraised value in the current market. For this reason the new home in Blackduck required many partners. Funds from the Department of Employment and Economic Development (DEED) were used to fill an affordability gap for the buyer and resources from MHFA bridged the gap in value for the HHDC. Finally, the family that purchased the home secured a subsidized first mortgage from USDA Rural Development to complete the package and make the home affordable.

The home built by a private contractor in Bemidji also required key partners. The home was a pre-sale, meaning the buyer was identified before the start of construction. The buyer in this case was pre-approved with USDA financing. Because construction financing was limited the HHDC approached the Headwaters Regional Finance Corporation (HRFC) for a short term 0% loan from their revolving loan fund. This model proved effective and the HHDC would like to pursue similar projects in the coming year.

### **HHDC: Partnerships are Paramount**

The HHDC relies on several key partnerships to further its mission. Continued support from GMHF and MHFA allowed the corporation to grow during the past year. New partners such as the HRFC proved critical to success as well.

The HHDC also strengthened its partnership with USDA Rural Development. The HHDC has had a long history of working with USDA on several projects both through their direct loan program and guaranteed loan program. This year however the need to work with USDA grew even larger as conventional lending markets all but shut down for many of the buyers in our target market. The direct loan program provides fixed rate loans with a subsidy component that reduces the interest rate for the borrower based upon their income and family size. USDA will also provide complete financing for the appraised value of the home and requires no down payment. In fact, some of the closing costs of the loan can be incorporated into the principal balance. The band of individuals who qualify for the direct loan program is fairly tight, but the program is highly effective when a buyer is eligible. Without this program, the HHDC would have suffered greatly in new home sales, particularly in Sunset Meadows.

[TOP](#) 

## **Breaking the Cycle of Disaster Damage, Reconstruction, and Repeated Damage**

The term “hazard mitigation” describes actions that can help reduce or eliminate long-term risks caused by natural hazards or disasters, such as floods, wildfires, tornadoes and winter storms.

After disasters, repairs and reconstruction are often completed in such a way as to simply restore damaged property to pre-disaster conditions.



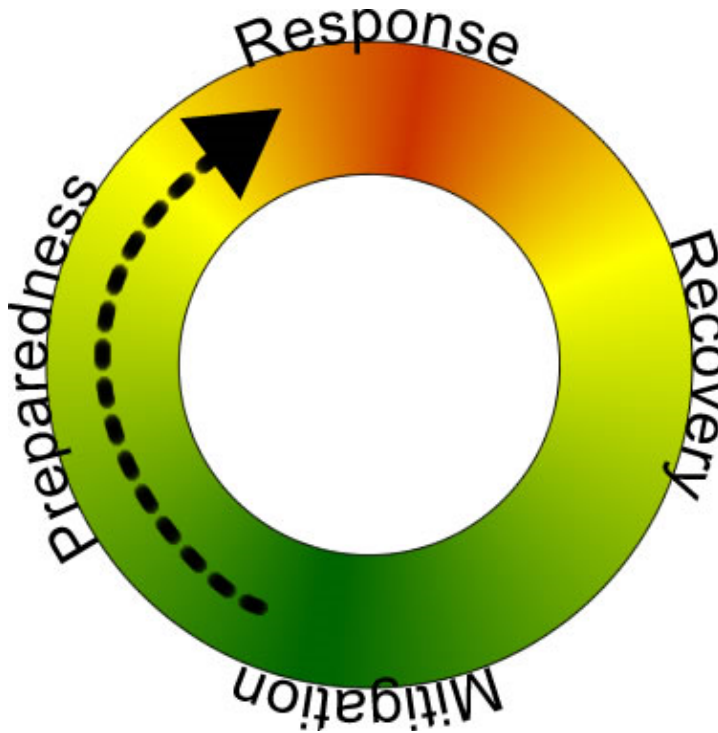
*“Hazard mitigation” describes actions that can help reduce or eliminate long-term risks caused by natural hazards or disasters, such as floods, wildfires, tornadoes and winter storms.*

These efforts may expedite a return to normalcy, but the replication of pre-disaster conditions often results in a repetitive cycle of damage, reconstruction and repeated damage.



Hazard mitigation is needed to break this repetitive cycle by producing less vulnerable conditions through post-disaster repairs and reconstruction.

*Hazard mitigation is needed to break this repetitive cycle by producing less vulnerable conditions through post-disaster repairs and reconstruction.*



Implementing hazard mitigation actions means building stronger, safer and smarter communities that are able to reduce future injuries and damage from natural hazards and some that are manmade.

Initial plans in the five counties HRDC serves were developed in 2005-2006. Most of these plans now need to be updated to meet Federal Emergency Management Agency (FEMA) requirements.

Hubbard County was one of the first to conduct a comprehensive review of its hazard mitigation plan. The plan is done and has been submitted for state and FEMA approval.

Participants in updating Hubbard County's plan included representatives and staff from cities and schools, the sheriff's office, DNR Forestry, North Memorial Ambulance and public health. Local business owners also were invited. During the process, the group explored ways to involve other people, too.

As Hubbard County participants looked at how to lessen hazards county wide, one concern that rose to the top was community wildfire protection and one solution will be expanding the DNR's Firewise program. Hubbard County also placed a priority on



the need to assess and upgrade civil warning systems. School districts also identified ways to be better prepared and safer.

Brian Halbasch, Hubbard County Emergency Services Manager, is already implementing some measures the process brought to his attention. He is new in the position and a happy HRDC customer. "I know for sure that I could not have done anything without Mareike Stoutenburgh's help!," he said. "She was more knowledgeable about most of the topics than I was. Granted, I had just walked into the EM spot and she was, and had been working on the project for a while. There is no way I would have or could have done half the work she did with the plan. At times I felt like I could not help her because she was more wrapped up in the topics than I was at the time. I just hope I can successfully fill the shoes she is leaving behind as the plan becomes active. There is no doubt in my mind with all the work she put in behind this that the State of Minnesota and FEMA will approve it and adopt it!"

White Earth is developing a brand new plan. Since the White Earth Reservation boundaries lie within three counties, it is unique. Beltrami, Clearwater, Lake of the Woods and Mahnom County are all waiting for approval of funding to update their hazard mitigation plans. It's expected that Beltrami and Clearwater will be next. The same collaborative effort made in Hubbard County will be used in preparing White Earth's plans and for updating plans for remaining counties in the region. The more the public is involved, the better the plans will be, but broad participation isn't easy. Most people don't think about disasters until they happen.

Once the state and FEMA approve local plans that meet new requirements, local governments will be eligible to apply for grants to implement ways to lessen the impact of possible hazards.

TOP 

## Blackduck Youth Center

Steve Cochems, manager of Anderson Fabrics, is heading up a committee to build a youth center in Blackduck. The youth center would be a key community asset for Blackduck to be seen as family friendly and respond to youth complaints that there is not enough to do in the area.

Original committee members visited other youth centers in northern Minnesota to learn what worked and what didn't. The group also received a grant from the [Blandin Foundation](#) to hire an architect who helped select a site, develop a design, and devise a cost estimate. During the planning, HRDC staff interviewed 15 students to find out what activities they would want the center to accommodate. Interestingly, Steve said, they wanted a 1950s-style cafe with a soda fountain. Based on the students' input, three other spaces are included in the plan: a "chill" room where they can hang out and relax, a study area and a game room. [Click here](#) to see some renderings developed by [Widseth Smith and Nolting](#) staff.

Recently, three students, the city administrator and school superintendent have joined the discussion. The next step is to develop a fundraising strategy to make it real.

"The HRDC has really helped us," Steve said. "With HRDC's guidance and involvement, we have laid the groundwork. Now we're ready to approach the community. We think our plan is what the community wants to see and feel the

*"The HRDC has really helped us," Steve said. "With HRDC's guidance and involvement, we have laid the groundwork. Now we're ready to approach the community. We think our plan is what the community wants to see and feel the community will support us."*

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[TOP](#) 

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[Annual Report Home](#) / [Chair ED Comments](#) / [The Future HRDC](#) / [Livable Communities](#) / [Talent & Prosperity](#)  
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## *Talent & Prosperity*

Just when you feel like you've got things figured out, everything changes.

We believe strongly that the rules of economic development have changed dramatically over the past five years. In the past, it was about creating jobs. Generating tax base. Business incentives. Cheap labor. Cheap land. Access to natural resources. Actually, pretty simple stuff. Today, economic development is far more complex.

### ***What Has Changed?***

Two trends that have shaken the foundation of the traditional economic development world: 1) changes in the workforce and 2) the technology revolution.

Demographic Changes. Despite recent increases in the number of unemployed, demographics clearly show that our region will have a substantial labor shortage in the next decade. Bottom line, there just aren't enough people. Minnesota created more jobs in the recent past than we did Minnesotans (births)! We can keep all our kids home, and put all our unemployed to work, and we still will not have solved the labor shortage issue. Listening to our companies also gives you a clear sense of the change. Nearly 70 percent of northwest Minnesota companies plan to grow sales in the next five years, and plan to do it with the same or *fewer* employees.

Technology. Technological advances over the past decade have changed everything -- including economic development. What has changed? Two key things:

- First, technology has changed businesses' locational decisions. In the past, companies were focused on four-lane highways, access to natural resources, and in a large market area. In many cases, companies simply couldn't locate in rural areas. Now, technology has opened doors for rural communities. Location decisions are now being focused on workforce, technology, and quality of life. This change is a tremendous opportunity for us.
- Second, technology has changed who our competition is. No longer are we competing with our neighbors (except during high school football games). Now our competitors are communities world-wide, and those who were our competition may now need to be our partner.

### ***The New Model for Economic Development***

At the HRDC, we have developed a new model for economic development that guides our efforts throughout the region. The following pyramid gives you a sense of that model.

On the top of the pyramid we have very traditional economic development activities....incentives, infrastructure, workforce training, etc. It's important to note

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*So, being great at traditional economic development activities will get you in the game; excelling in knowledge and skills, innovation, technology and quality of place will set you apart; and having laser-like focus, leadership alignment and committed stewards will put you over the top.*

The HRDC has been focusing its economic development efforts on what we are calling "positioning activities" which are showing in the bottom of the pyramid. We need to become the best at:

- Talent. For most businesses, it's about the resources not natural resources. We have to figure out, in this Region, how to raise the education and skill level of our workforce. In Tupelo, Mississippi, the poster child for successful community economic development, they started by declaring "education = jobs."
- Technology. Technology has created huge opportunities for rural areas -- that is if they have access to it. Communities without access to advanced telecommunication services have a very long row to hoe.
- Quality of Place. People can chose to live virtually anywhere they want. Why here? Why the Headwaters Region?
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Be the best at these -- Knowledge and Skills, Technology, Quality of Place, and Innovation -- and you will set yourself apart.

The final element to effective community economic development is what we are calling "Leadership Alignment". From our experience, finding communities with strong leadership alignment is very rare. It's hard work, but it is the key to sustained community success.

What is leadership alignment? It's ensuring that your community's economic development efforts are based on a foundation of clear community vision and strong, committed leadership.



- Community Vision. Too many communities have no idea who they want to be when they grow up. They have what we like to call a "fuzzy identity." Ask ten people what their community aspires to be, and you will likely get ten different answers. Successful communities in the future will need a laser-like focus on who they want to be, and how they will get there.
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That's what the HRDC is striving for in our region. The annual report will help you see some of the key "positioning" work we are doing throughout the region.

TOP 

## **HRDC Focuses on Building the Region's Talent Pool**

The HRDC, through Bemidji Leads!, has focused a great deal of ambition over the past year to building this region's talent pool. One goal is to connect Bemidji State University with the Region, placing 100 students in internships each year. The Bemidji Area Chamber of Commerce is among partners in this endeavor.

An even bolder plan is on the drawing board. The plan envisions a Bemidji Student Leadership Center to develop and engage students in civic leadership. Here, students would receive leading edge leadership training and participate in ground-breaking, civic leadership initiatives (learning plus real life application).

A seed also has been planted to create a portal site that would become a "virtual Welcome Wagon." Visitors to the site would find some general information about the Bemidji community, links to other websites and opportunities for interaction. The website also could invite community involvement with a description of civic engagement opportunities and information on how to become engaged.

TOP 

## **Bemidji Leads! Investigates Possible Bemidji Institute**

The Bemidji Institute would identify the region's knowledge resources and bring them to bear on the challenges and opportunities for economic growth. The institute would respond to identified needs and pursue emerging opportunities. A feasibility study was funded this spring.

Dr. Jim Bensen, president emeritus of Bemidji State University and a member of Bemidji Leads!, said the Bemidji Institute is moving along and looking for traction. Before he retired as BSU president, Jim established the university's Center for Research & Innovation. The CRI now provides education and training and has become a custom college. While that is needed, he feels BSU needs another jump start on economic development and design. "With college funding so tight, there is some activity, but so much more is possible. We felt as a community we could go forward and leverage the work already being done at BSU... and develop new knowledge to make our industries better. It's always good to plow new ground."

The steps that need to be taken before the Bemidji Institute becomes reality are to: 1) create an action team of regional experts from within industry and higher education to guide the process and staff the team, 2) identify knowledge assets at Bemidji State University, 3) complete a sector-based needs and opportunities assessment for private industry in northern Minnesota and beyond, 4) review university and community-based innovation centers in other parts of the country that could serve as models, 5) identify and assess operational options (services, facility, staffing, etc.), 6) identify potential funding sources to develop and operate a center long-term, 7) select a model and funding options, and 8) develop a feasibility assessment and action plan.

[TOP](#) 

## **The Bemidji Students First Initiative Becomes a Reality**

The HRDC and Bemidji Leads! recognize education is the foundation to achieve long-term goals from economic growth and prosperity to community leadership and the community needs to share in the commitment to student success.

A Students First Initiative will help secondary students understand their potential and their options and receive support from adult mentors. Currently, a Students First staff team is collaborating with an advisory team to write an operations plan with agreed upon goals and objectives and a map for implementation.

Some objectives the teams are discussing are:

1. Increasing the number of students going on to post-secondary education
2. Increasing student connections to community life
3. Retaining talent in Bemidji
4. Increasing high school graduation rates
5. Increasing students' awareness of their individual strengths, goal-setting, career options, post-secondary planning and options
6. Connecting students with another caring adult.

Beginning with the Class of 2013, the goal is for every student to have access to a talent plan and community coach. By the spring of 2011, Bemidji Leads! staff hopes to implement a pilot project with a smaller number of students, possibly recruiting seventh grade participants and matching them with success coaches in eighth grade.

[TOP](#) 

## *At Work on New Models of Economic Development*

### **White Earth Economic Development Strategy**

Over the past year, the HRDC worked closely with White Earth Office of Economic Development ([WEEDO](#)) and the Tribal Council throughout the planning process. The approach that was chosen by the Tribal Council and [WEEDO](#) was characterized by the inclusion of leadership and the community, with an emphasis on long term results, and fostering the environment to sustain economic development projects.

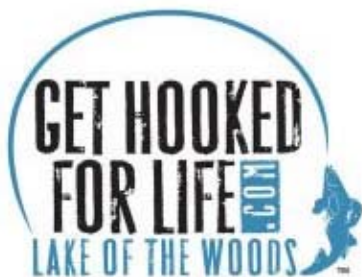
Thanks to leadership from the Tribal Council and WEEDO, White Earth's new Economic Development Strategy addresses long-term, systemic challenges that will better position the community for success. The White Earth Tribal Council adopted the plan last November and is now on the path of creating a brighter future. Furthermore, the plan has provided a vehicle for future economic development in White Earth by opening the doors to additional federal grants and funding.

TOP 

### **Lake of the Woods Marketing**

There are a lot of good reasons that people are getting hooked on Lake of the Woods County. "[Get Hooked for Life](#)," is the new marketing campaign recently kicked off by Lake of the Woods County.

Lake of the Woods County faces several challenges in creating economic prosperity, notably a shrinking labor pool, a traditional natural resource and recreation-based economy, and remoteness. One thing is for sure though, a number of people think there is no better place to live and work than Lake of the Woods. The question was how to reach them and develop a connection?



To answer this question the HRDC partnered with Anchor Marketing of Bemidji to develop a brand based on the unique assets that make up Lake of the Woods. The "[Get Hooked for Life](#)" brand was chosen and is creating a lot of excitement. The campaign is utilizing social media, a photo contest, e-mail blasts and other strategies to get the message out.

The brand is intended to maintain and create long-term relationships between individuals and the Lake of the Woods community. The outcome will be better relationships between the community and individuals, which will lead to new residents and returning alumni, bringing talent and ideas to the area and with them the prospect a brighter economic future.

TOP 

### **Renewable Energy**

The HRDC is laying the foundation for the region to become a center of production for

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renewable energy goods and services, as “green” becomes mainstream.

The Headwaters Renewable Energy Collaboration is a region-wide renewable energy project led by the HRDC. The goal of this initiative is for the Region to become a leading center of production for renewable energy goods and services.

Over the past year the HRDC has worked on a number of strategies for becoming a leader in the “green” economy. With the assistance of a committee consisting of individuals and organizations with a common interest in setting the Region up for success in the growing bio-energy industry, we are creating strategies to take advantage of our opportunities and to overcome challenges necessary to create growth this industry in our region. For more information on everything from energy efficiency, grant opportunities to commercial scale renewable energy projects check out <http://www.cleanenergyresourcetteams.org/>

TOP 

## *Emerging projects*

### **Northern MN Tribal Economic Development Commission**

As you are all aware a key challenge confronting Indian Country is creating sustainable economic development and building wealth for tribal members. The HRDC is excited to help address these issues by working with the Northern Minnesota Tribal Economic Development



Commission (NMTEDC). The NMTEDC is comprised of economic development leaders from the Leech Lake, Red Lake and White Earth Reservations, with the goal of developing cooperative economic development efforts and other mutually beneficial projects on behalf of the three Tribal Nations and regional partners.

Over the next year the HRDC will work closely with the NMTEDC and other partners to develop a sustainable organization with a strategic direction for creating prosperity. The NMTEDC will allow the Region’s three Reservations to create new economic opportunities and cumulatively improve the quality of life by finding ways to partner on shared economic development challenges and opportunities. By working together and finding or forming partnerships, the tribes have the potential for a home run.

TOP 

## **Local Foods**

Accelerated changes are taking place in the food habits of many Americans. There is a greater awareness of where food comes from and how it gets to the dinner table. The HRDC see this as not only an issue about health, or taste, but as a new economic development opportunity for rural communities.

Northern MN has the opportunity to be an emerging leader in the





innovative agricultural and rural economic development efforts that serve the goals of the local foods movement. This project is aimed at establishing a relationship between growers and consumers in northern Minnesota. We feel this strategy makes sense for health, social and economic reasons.



A diverse group of partner's is working to identify and analyze business opportunities based on meeting the growing demand for local food and local food products. We hope the results will be a substantial increase in economic transaction between local producers and consumers, the development of effective collection, distribution, and processing systems for local food, and the growth and development of local foods related businesses. For more local foods resources please visit <http://www.localfoods.umn.edu/hfsc>.

TOP 

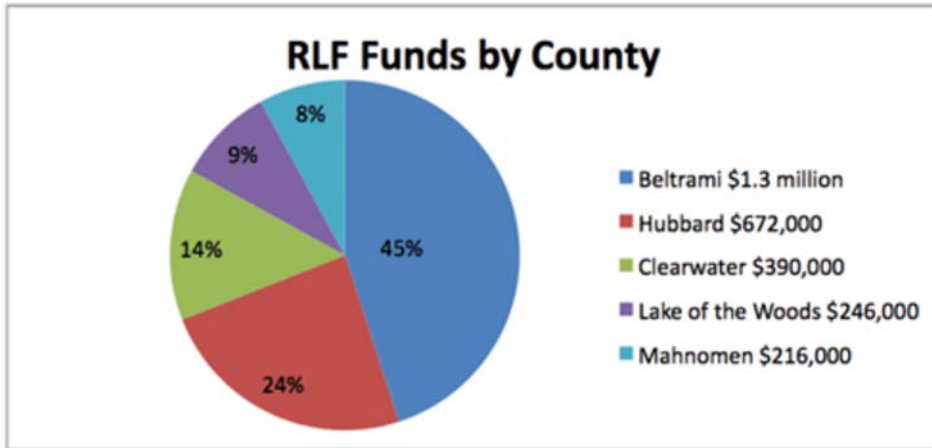
## **HRFC – Responsibly Managing Through the Economic Slump**

Headwaters Regional Finance Corporation sits with an asset base of \$3.8 million with current loans outstanding of \$2,340,794. Through its 30-year history the RLF has been a valuable tool in the region's economic tool chest to effect business growth and prosperity. In these challenging economic conditions the HRFC has experienced a significant decline in new loan volume, consistent with that of local lenders. The limited commercial activity in the region of the past year appears to have found their needs met by the temporarily enhanced SBA programs brought about through the stimulus packages. Similar to other lenders, much time was spent with a handful of existing borrowers to work through loan modifications to accommodate cash flow issues resulting from the economic environment.

This fiscal year saw seven new applications, of which three were funded and one is approved awaiting funding for a total of \$396,500. Currently, the portfolio has 23 active EDA loans and 3 flood loans. As a result of our funding 487 jobs have been created or saved among the current businesses in the portfolio and 3,533 have been created or saved throughout the loan fund's history. The geographic distribution of the active portfolio is considered a reasonable representation for our region with most of the loan volume in our more populated counties.

As we manage through these short-term challenges brought on by this recession, we see great value in working to position the RLF for further success upon the economic rebound. Some of these positioning activities include continued relationship-building with our valued partners throughout the region, attentiveness to our existing borrowers needs, responsible collection activities on problem loans, and assessment

of policies to competitively position the RLF while meeting the financing needs of small businesses in the region.



**New loans funded:**

Zachiea Properties IV, LLC - Mahnomen \$40,000 (Funding for infrastructure to the new Subway restaurant)

New Horizon Resort – Waubun \$6,500 (Renovations and fixtures for cabins)

EXB Solutions, Inc. – Bemidji \$50,000 (Working capital line of credit participated with NMF and JEDC)

**Pending:**

\$300,000 loan to a Mahnomen County large truck repair shop for expansion

[TOP](#)

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[Annual Report Home](#) / [Chair ED Comments](#) / [The Future HRDC](#) / [Livable Communities](#) / [Talent & Prosperity](#)  
[Community & Organizational Leadership](#) / [Commission & Committees](#) / [Staff](#) / [Finances](#) / [Back to HRDC Home Page](#) / [Top of page](#)

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## *Community & Organizational Leadership*

Just when you feel like you've got things figured out, everything changes.

We believe strongly that the rules of economic development have changed dramatically over the past five years. In the past, it was about creating jobs. Generating tax base. Business incentives. Cheap labor. Cheap land. Access to natural resources. Actually, pretty simple stuff. Today, economic development is far more complex.

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TOP 

## **Center for Community Stewardship Keeps Building a Movement, One Community at a Time!**

The Center for Community Stewardship continues to expand as more communities decide they already own the keys to success - they just need to unlock the doors and walk through them together to arrive at their own destinies.

Advantage Alexandria! reviewed progress on an initial 13 goals at a mini-retreat in May, and is considering fine tuning and adding more to the list. Up for discussion are adding affordable housing, community beautification, a Runestone Events Center, decreasing industrial land costs for business attraction and growth, ethnic/economic diversity, regional airport/road systems and youth development. For more go to [www.alexareastewards.com](http://www.alexareastewards.com).

Appleton stewards have come together to form Energize Appleton. This group is still finalizing community goals, but based on a community survey, some initial goals are to become a communication technology hub for western Minnesota and a family recreation destination for the state. Appleton also will embrace small town values with public safety, open space and customer service and will lead the way for western Minnesota in healthy lifestyle opportunities. See [www.appletonmn.com](http://www.appletonmn.com).

Bemidji Leads! now Bemidji Leads! 2.0 provided the model when it was established three years ago. Last year, Bemidji Leads! won the National Excellence Award from the U.S. Chamber of Commerce and Alliance for Regional Stewardship and also the Innovation Award from the National Association of Development Organizations. Bemidji Leads! 2.0 is the centralizing force on five key initiatives: growing and attracting talent, creating prosperity, promoting wellness, building a livable community



and encouraging civic engagement. For more, go to [www.bemidjileads.com](http://www.bemidjileads.com).

Forward Fergus Falls' number one goal is to create and support 100 new jobs each year for the next five years. More broadly, this stewards group hopes to create a team and a sense of common unity. For more, go to [www.forwardfergusfalls.org](http://www.forwardfergusfalls.org).

The Center for Community Stewardship is fostering a new stewards group in Marshall. Stay tuned!

Progress Park Rapids, along with Bemidji Leads!, is one of the "legacy" stewardship efforts in the Headwaters region. Recently, stewards have focused on an educational excellence initiative through school/community collaboration and creating local access to post-secondary education opportunities. Learn more at [www.progressparkrapids.com](http://www.progressparkrapids.com).

Sponsored by the Stevens County Board of Commissioners, Stevens FORWARD is working to create a brighter future for all residents of the county and communities of Alberta, Chokio, Donnelly, Hancock and Morris. As part of the stewards' commitment, a 2010 goal is adoption of a Statement of Interdependence to guide entities toward greater efficiencies among public institutions and services. See more at [www.stevensforward.org](http://www.stevensforward.org).

TRForward community stewards has identified a collective vision for the Thief River Falls area. These stewards have set goals and timelines for work in three primary areas: livable community, economic opportunity and social inclusion/working together. See [www.trforward.com](http://www.trforward.com).

TOP 

## Progress Park Rapids

This wonderful group of local leaders meet at 7 a.m. one Monday a month and 20 people or better show up at every meeting – this group must think they are doing something important! And, in fact, they are.

Over a year ago this group of community stewards held a retreat to develop a set of community goals we call a community agenda. These priorities are meant to drive

change in areas key to the community's success. These 2009-2010 goals are:

- *Increase local student achievement levels through school/community collaboration*
- *Create local access to post-secondary education opportunity*
- *Implement a major arts/culture initiative that makes Park Rapids the "arts capital" of rural Minnesota*
- *Develop a major community center*
- *Seek to become the best wired community in Minnesota*
- *Implement a downtown revitalization initiative*
- *Implement a parks plan.*

Terrific work has been underway with several initiatives over the last year:



*“This wonderful group of local leaders meet at 7 a.m. one Monday a month and 20 people or better show up at every meeting – this group must think they are doing something important! And, in fact, they are.”*

*“Progress Park*

- Local leaders are working together to create local access to post-secondary education with Minnesota State College, Detroit Lakes. Pilot classes are expected to be offered late this summer.
- A group of school and community leaders are finding ways to collectively improve 4 year on-time high school graduation rates. A pilot project should be operational in the next several months.
- Three years ago the community started creating a vision for downtown Park Rapids once the city proceeded with replacing aging infrastructure. Subsequently, detailed plans were developed, and construction will start August, 2010.

In fall 2009 a marketing and promotions committee also began developing ideas to minimize the impact on business when the work starts. Volunteers began fundraising to help with an awareness campaign and members of the Downtown Business Association pulled together on new promotions to generate interest and foot traffic before and during construction. The city has worked closely with both groups to minimize the impact on business.

When the project ends, the community looks forward to a renewed and vibrant downtown.

*Rapids is a sustainable leadership team that works with community groups for the greater good,” said Mayor Nancy Carroll. “Working together is the new model for economic growth, community health and wellness. We are working on goals that will benefit the Park Rapids area well into the future.”*

*Nancy Carroll,  
Park Rapids Mayor*

Progress also has been made on developing a private-owned civic center in a portion of the former armory building, creating more arts events and activities, and implementing plans for city parks.

“Progress Park Rapids is a sustainable leadership team that works with community groups for the greater good,” said Mayor Nancy Carroll. “Working together is the new model for economic growth, community health and wellness. We are working on goals that will benefit the Park Rapids area well into the future.”

The Park Rapids stewards truly believe the community’s best days are ahead. See more at [www.progressparkrapids.com](http://www.progressparkrapids.com).

TOP 

## Shared Vision

Shared Vision has achieved one enviable goal - visibility.

In less than a year, 108 businesses and agencies in the Bemidji community have signs in their stores, words on their doors and other displays of Ojibwe words and their English meanings. The campaign delivers a subtle message that the community cares.



Michael Meuers, a member of the cultural understanding subgroup of Shared Vision and a public relations person for the Red Lake Band of Chippewa, came up with the idea of Ojibwe/English signage in the community. “Some of the ideas the group was coming up with seemed rather daunting to me,” Michael said. “I was trying to think of something simple, but meaningful, and able to be put into action quickly to show that Shared Vision just might be different.”

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Cabin Coffeehouse & Café owner Noemi Aylesworth was the first to entertain the

idea, adding the Ojibwe greetings Aaniin and Bozhoo to the English Welcome on her door. Meuers gave Aylesworth a sheet on which several Ojibwe words were printed in case she wanted to add more signage. Aylesworth immediately had the idea to put the word sheets in “table tents” as a fun way to educate her customers a bit more about the area’s first residents.

A short time later, she shared some customer responses to the table tents. “A tourist from the state of Virginia asked what Ojibwe was so I explained. She thought that was really interesting. Today a family from Los Angeles was in to eat. The grandmother (originally from France) came to me and asked if she could please have a copy of the Ojibwe words. She wanted to share it with others back home. She was very grateful! That is so cool!”

More recently, state agencies, including MnDOT, the DNR headquarters, Bemidji and Itasca State Parks and Bemidji State University and Northwest Technical College in Bemidji, have come on board with the idea. “Their signs are permanent,” Michael said, explaining his hope is that the idea is sustainable city-wide.

Don Day, Tony Treuer and others are also giving Dispel the Myth presentations, subtitled, “Everything you wanted to know about Indians but were afraid to ask.” During the 2009-2010 academic year, Don gave 10 presentations himself or with others to groups including Russian nursing educators, Bemidji Sunrise Rotary Club, Red Lake and Robbinsdale high school teachers and at Northwest Technical College. In addition, presentations were given at the Log Cabin Coffee House, a MnSCU Diversity & Student Affairs Conference, the BSU American Indian Resource Center and two BSU human relations classes.

Don said most of the questions were basic: Do all Indians speak their language? Are all Indians rich because of casinos? Do Indians pay taxes? What are your experiences like in 2010 as an American Indian? Do Indians still experience racism? Do Indians believe in education? Are Indian elders well respected? About the only surprise question he was asked was why he doesn’t have a ponytail.

“I found the participants generally interested in knowing more about American Indians from a historical and contemporary sense,” Donald said.

Seventy people from the Bemidji area also are participating in Blandin Foundation training on Leadership in Ethnically Diverse Communities (LEDC). The program is four sessions spread over two months. The purpose of the program is “to develop the leadership capacity in ethnically diverse communities for the purpose of building intentional inclusion.” There is additional information along with the program brochure on the Blandin Foundation website: [ledc.blandinfoundation.org](http://ledc.blandinfoundation.org).

“We are seeing wonderful relationships and networks forming,” said Becky Adams, who is in charge of leadership programs and recruitment for the Blandin Foundation.

The sign program, Dispel the Myth presentations and leadership training are among specific initiatives in the Shared Vision community agenda for change. Other specific initiatives have been identified in four areas: 1) cultural understanding and respect, 2) educational attainment and skill development, 3) civic engagement and leadership and 4) economic opportunity.

For more information, go to [www.sharedvisionbemidji.com](http://www.sharedvisionbemidji.com).

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*The Bemidji area has finished their third session and will be completing the program June 17. “We are seeing wonderful relationships and networks forming,” said Becky Adams, who is in charge of leadership programs and recruitment for the Blandin Foundation.*

## **IMPACT 20/20: A Fancy Name for Regional Strategy Alignment and Leader Commitment**

There is growing awareness among regional leaders that future prosperity requires a regional alignment of strategy and collective leadership among a diverse group of leaders. Out of that awareness, Impact 20/20 was created. With leadership from the [Northwest Minnesota Foundation](#), private and public leaders came together to adopt three initiatives to address regional concerns. These initiatives address workforce availability and quality, access to broadband, and increasing the regional talent pool.

The HRDC has decided to claim ownership of the strategies needed to increase talent. The emphasis placed on this issue is understandable: our access to talent in the next 30 years is the limiting agent to economic growth. Although those of us fortunate to live here think it is the best place in the world, for many, northern Minnesota can be an acquired taste. We can't afford to export all the talent we'll need and it's unlikely Northwest Minnesota will import people from Tallahassee or San Diego to work here. Similarly, most entrepreneurs are home-grown, not people from other parts of the country.

IMPACT 20/20's initiative to address the talent issue will create four to five pilot projects throughout the region to increase on-time high school graduation rates and graduate more students from two- and four-year colleges. Candidate sites are Bemidji, Park Rapids, Thief River Falls and Win-E-Mac with an additional one to be chosen soon. Success will require community effort, not just school involvement.

Among the businesses and organizations that have invested time and resources in the initiative are Paul Bunyan Telephone Cooperative, Alerus Financial, Border State Bank, Sjoberg Cable, the White Earth Reservation Tribal Council, the University of Minnesota Crookston, Bemidji State University, Northland Community and Technical College, Northwest Service Cooperative, Pine-to-Prairie Cooperative, Red Lake Public Schools, the Northwest Private Industry Council, Rural Minnesota CEP, the Department of Employment and Economic Development, the Northwest and Headwaters Regional Development Commissions and the Northwest Minnesota Foundation.

TOP 

## **Beltrami County Balanced Scorecard**

This effort, also known as strategy aligned management, is a bold local effort to move the County from a service-oriented culture to an outcome-oriented one. Anyone familiar with local government operations knows how daunting that transition can be. With help from HRDC staff, the initiative was completed this past year.

What does that shift look like in real terms? Well, it could mean that an environmental services office is focused on improving water quality, not on just administering regulations. For human services staff, the shift might suggest that the goal is not to provide clients with public assistance, but to help families live *independent* of government assistance.

With new approaches and strategies developed, the county's next challenge will be to integrate the budgeting process into this new framework.

The county's leadership is transforming the nature of county government, not just in Beltrami, but in numerous other counties. We appreciate the county's leadership and we're grateful to be part of its effort.

[TOP](#) 

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[Annual Report Home](#) / [Chair ED Comments](#) / [The Future HRDC](#) / [Livable Communities](#) / [Talent & Prosperity](#)  
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## *Commission & Committees*

### **HRDC Stewards : Board**

Nancy Carroll – Hubbard County Small Cities  
Wallace Eid – Mahnomen County  
Joann Frederickson – Higher Education  
Gary Gauldin – School Districts  
Kathy Grell – Business  
Tom Hanson – Lake of the Woods County  
Dave Jaeger – Mahnomen County Small Cities  
Cal Johannsen – Hubbard County  
Dean Johnson - White Earth Reservation  
Ron Johnson – City of Bemidji  
Cal Larson Sr. – Clearwater County Small Cities  
Daryl Lundberg – Beltrami County Small Cities

Michael Meuers - Red Lake Reservation  
Kenneth Moorman – Lake of the Woods County  
Greg Nelson – Natural Resources  
Jean Nelson – Mahnomen County Townships  
John Nelson – Clearwater County  
Steve Newby - Labor  
Rick Rone – Lake of the Woods County Small Cities  
Duane Splittstoesser – Hubbard County Townships  
Wally Storbakken – Leech Lake Reservation  
Joe Vene – Beltrami County  
Dennis Zeto – Beltrami County Townships

### **Transportation Advisory Committee**

Craig Collison  
Kent Ehrenstrom  
Craig Gray

Bruce Hasbargen  
Jim Heltzer  
Jonathan Large  
Greg Larson

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John Peterick

Dan Suave  
Shiloh Wahl  
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### **Headwaters Housing Development Corporation**

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Ray Melander, President  
John Nelson

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### **Headwaters Regional Finance Corporation**

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[Annual Report Home](#) / [Chair ED Comments](#) / [The Future HRDC](#) / [Livable Communities](#) / [Talent & Prosperity](#)  
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[Return to HRDC Home Page](#)

*Leading the Way*

## ANNUAL REPORT 2010

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[Chair/ED Comments](#)

[The Future HRDC](#)

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## *Our Staff Team*

The HRDC staff team consists of fourteen professionals with extensive experience in a wide variety of planning and development areas, including economic development, community development, housing, transportation, land use planning, recreation, natural resources, environmental protection, and business financing. Staff work on dozens of projects each year to help communities, cities, counties, school districts, townships, businesses and other customers address their most critical issues. Present staff of the HRDC include:



**Emily Brooks**  
Development Specialist  
[ebrooks@hrdc.org](mailto:ebrooks@hrdc.org)

Emily joined the HRDC as an intern in 2009 and moved to a temporary, full-time position in January 2010. Emily provides a variety of development assistance, focusing mainly on transportation planning and active living.



**Aaron Chirpich**  
Development Specialist  
[achirpich@hrdc.org](mailto:achirpich@hrdc.org)

Aaron joined the HRDC staff in March 2007. Aaron provides a variety of development assistance, focusing mainly on housing. Aaron manages the Headwaters Housing Development Corporation (HHDC) and its activities.



**Nikki Clancy**  
**Administrative Support Specialist**  
[nclancy@hrdc.org](mailto:nclancy@hrdc.org)

Nikki joined the HRDC in May 2010 as a full-time permanent position. Nikki conducts bookkeeping services for the organization. She also provides receptionist and secretarial work.



**Matthew Dyr Dahl**  
**Development Specialist**  
[mdyrdahl@hrdc.org](mailto:mdyrdahl@hrdc.org)

Matthew joined the HRDC staff in May 2007. Matthew provides various developmental assistance, focusing most of his attention on local planning, community development and transportation planning.



**Tiffany Fettig**  
**Business Loan Consultant**  
[tfettig@hrdc.org](mailto:tfettig@hrdc.org)

Tiffany joined the HRDC as a consultant in early 2006. Tiffany manages the Headwaters Regional Finance Corporation (HRFC) and its Revolving Loan Fund.



**Tim Flathers**  
**Community Development Director**  
[tflathers@hrdc.org](mailto:tflathers@hrdc.org)

Tim has been with the HRDC since 1983. Tim provides local planning and housing assistance, grant writing, grant administration and other community development assistance.



**David Hengel**  
**Director of Community Stewardship Development**  
[dhengel@hrdc.org](mailto:dhengel@hrdc.org)

Dave has been with the HRDC since 1988. Dave focuses on economic development activities and is the Director of the HRDC's Center for Community Stewardship.



**Tony Mayer**  
**Technical Planner**  
[tmayer@hrdc.org](mailto:tmayer@hrdc.org)

Tony has been with the HRDC since 1996. Tony is responsible for developing and maintaining the HRDC's geographic information system (GIS) and is involved in a broad range of development activities.



**Jackie Meixner**  
**Administrative Support Specialist**  
[jmeixner@hrdc.org](mailto:jmeixner@hrdc.org)

Jackie has been with the HRDC since early 2006. Jackie packages loan financing for our home sales as well as markets and processes a number of additional loan pools we have available. Jackie also manages our external contracts and provides financial counseling to individuals throughout our Region.



**Mareike Stoutenburgh**  
**Development Specialist**  
[mstoutenburgh@hrdc.org](mailto:mstoutenburgh@hrdc.org)

Mareike joined the HRDC in 2009. She spends her time marketing the HHDC homes as well as maintaining the geographic information system (GIS). She is also involved in a broad range of community development activities.





**Mary Thompson**  
**Accounting & Administrative Director**  
[mthompson@hrdc.org](mailto:mthompson@hrdc.org)

Mary has been with the HRDC since 1992. Mary is responsible for the administrative management of the HRDC, the Headwaters Housing Development Corporation (HHDC) and the Headwaters Regional Finance Corporation (HRFC) as well as the accounting, financial and grants management for all three entities. Mary also assists in housing development and homebuyer education and counseling.



**Cliff Tweedale**  
**Executive Director**  
[ctweedale@hrdc.org](mailto:ctweedale@hrdc.org)

Cliff has been with the HRDC since 1975. Prior to becoming Executive Director in 2000, Cliff served as planning director for 25 years. In addition to organizational management and leadership responsibilities, Cliff is an active participant in the Commission's community stewardship activities.



**April Wedin**  
**Administrative Support Specialist**  
[awedin@hrdc.org](mailto:awedin@hrdc.org)

April joined the HRDC in 2009. April focuses her time on receptionist and secretarial work while also managing the Home Stretch registration process and doing data entry.



**Ryan Zemek**  
**Development Specialist**  
[rzemek@hrdc.org](mailto:rzemek@hrdc.org)

Ryan started working for the HRDC as an intern during the summer of 2008. Ryan began full-time status in September 2008. Ryan provides a range of development assistance, focusing most heavily on economic development.

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