

The Last Five Years in Review: 2007 - 11



The Region Five Development Commission

December 15 th, 2011



A five year review of the Region Five Development Commission is mandated by statute. This review has incorporated surveys, interviews, and other documents to paint a picture of Region Five's performance.

Region Five is a growing organization that has substantially increased its capacity to serve its region in the last five years. This combined with many positive remarks and a budget indicating that Region Five uses the tax it levies to increase its budget two fold paints a positive picture. Region Five also serves to coordinate collaboration between local units of government, often helping them to achieve cost savings and at times greater environmental stewardship.

However well Region Five has performed in the last five years, there is always room for improvement. Despite this constructive criticism Region Five has done many positive things. It uses its funding well and affects change in regionally critical issues.

Abstract

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Welcome

The last five years have been exciting for the Region Five Development Commission, hereafter referred to as the Commission or Region Five. We would like to express our gratitude for the cooperation, partnership, and efforts of the other regional development commissions. Our constituents and their elected representatives: cities, townships, and counties are also owed a debt of gratitude; without them there would be no Region Five Development Commission. We would also like to thank development organizations in the region including local units of government, but also our non-profit and foundation funders and partners.

With the help of so many the Commission has been able to accomplish much including: facilitating regional transportation planning; providing local communities with needed land use planning, safe routes to school plans, and hazard mitigation planning; facilitating inter-governmental collaboration; providing septic and well water loans to citizens; and providing business development loans through their non-profit subsidiary, NCEDA. The Commission and its partners are proud of their many accomplishments in the past five years.

Purpose

Those accomplishments notwithstanding, the Commission continues to evolve. It is clear that the Commission is competent, capable, and poised for growth. The purpose of this document is to fill a statutory mandate to review the activities of the Commission in an in-depth manner every five years. It aims to help guide the Commission to better serve its customers and better fulfill its mission.

The resources used to perform this review include: interviews of staff, constituents, and cooperating agencies; survey responses from a short survey coordinated with this review and a more lengthy survey performed in 2008 assessing the priority of the Commission's activities; and internal and publically available documents produced by the Commission.

Region Five Development Commission

The Region Five Development Commission is a political subdivision devoted to assisting local governments, development organizations, and community leaders in Central Minnesota who are working to build and improve their communities.

The mission of Region Five Development Commission is to provide high quality professional planning and development services through collaboration, assistance, and coordination with local units of government, organizations, and citizens. Our principal objective is to enhance the vitality and quality of life in Cass, Crow Wing, Morrison, Todd and Wadena counties.

The Region Five Development Commission was established in 1973. Area governments came together to establish the Regional Development Commission through the Regional Development Act of 1969. Research found that issues of growth and development transcended local government boundaries and common solutions to local problems could be found by pooling resources through intergovernmental cooperation.

The work of the Commission is guided by a governing body that consists of 22 members representing a cross-section of constituents from around the region. Members of the Commission include representatives from county government, small and large cities, townships, school boards, the Council of Government Representatives, the Leech Lake Tribal Council, and Soil and Water Conservation Districts.

Funding Mechanisms

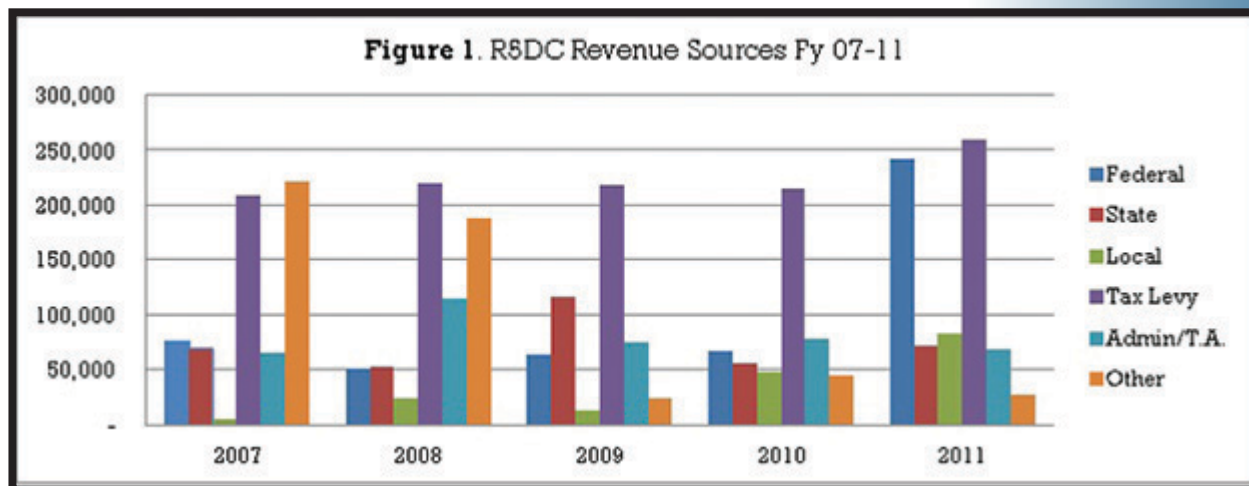
The Commission is funded from a variety of sources. The seed funding that sustains Region Five's activities year after year is a tax levy, which amounted to \$260,069 in 2011. This levy is about \$1.44 per person in the region. However, levy dollars comprise only about one third of the Commission's entire budget. Those levy dollars are used by the Commission to leverage the remaining two thirds of their budget. The remaining two-thirds of the budget come from state grants and contracts, federal grants, local government contracts, foundations, and fees for services. For example, in 2010 grant administration resulted in \$78,273 of revenue. Region Five's revenue sources for years 2007 through 2011 are show in **Figure 1**, right.

Region Five's Role

Region Five's role is to address regionally critical issues without duplicating the work of private, public, and non-profits already doing work in the region.

Region Five fulfills its role by adhering to its guiding principles; to work in a multi-disciplinary and multijurisdictional manner in response to regionally critical issues. Although the Commission currently focuses their work in the fields of Economic Development, Transportation, Housing, and Land Use, a single project may impact many of these disciplines and other disciplines at the same time.

To perform regional work effectively the Commission must be truly multi-jurisdictional. No single local government or local non-governmental organization has a jurisdiction, other than the Commission, that covers solely the entire region. This emphasizes the Commission's role to address "regionally critical issues." The issues that are prevalent throughout the region, such as an aging population and relatively high levels of poverty, are examples of these regionally critical issues. These issues bind together the local governments and organizations, hence the creation of Region Five nearly 40 years ago.



A Note From the Executive Director

It is my belief that if you know who you serve, and can identify their needs; if your agency is flexible, amicable to change, and can innovate products or programs to meet the identified needs; then one can claim one is relevant. Region Five Development Commission (R5DC) is a regional problem solver. This agency makes a difference in the lives of the people living, working, and playing in Central Minnesota, and relevancy is of paramount importance.

We coordinate government to government interactions daily. Our primary role is to fill the gaps of the private, public, and non-profit sectors to address regionally critical issues. We seek to be visionary and to be a “go-to” regional partner!

Our business model is different from that of other Minnesota local units of government (LGUs). We collect nearly one third of our annual operating budget from levy dollars to fulfill the mandate of the Minnesota State Statute, yet we satisfy the self-created obligation to exceed our annual levy support sums through contract and grant execution and administration. These are earnings we return to the region. We are public entrepreneurs and R5DC remains innovative to meet our mission and fiscal obligations.

As the economy of the region has changed over the last five years, so have the delivery of our programs and services, and the culture of R5DC. Our attitude has evolved and we are prepared to offer solutions to meet the diverse needs of the region. We are ready! A strong willingness to partner is our finest attribute. R5DC has created strong and meaningful relationships with our philanthropic friends, private sector businesses, LGUs, and several social advocacy agencies.

The status quo is not an option for LGUs, nor is it for R5DC. We must constantly be working to improve the services we offer to the community and LGUs. Great strides have taken place at R5DC over the past five years and I am pleased to share our turn around and successes with you. Five years ago when I was hired by the Commission, the organization was in decline. There were financial challenges, our partners were cautious of our abilities and employee morale was low. Changes were made, those weaknesses have been rectified, today we are financially strong and I am proud of the commitment and dedication of the R5DC employees and Commissioners, both past and present. The rebuilding process started out slowly by identifying what we do well; these became our core programs, and transparency and accountability became the key words to live by. I believe that we should be measured by where we should be - by the very highest imaginable bar - not by how far we have come. Yes, celebration of success is very important, but being excited by where we are going is intoxicating and drives us to greatness.

While we ask our partners to think beyond their borders to the larger good, so must

Region Five. I do so by honoring my sister and brother Regional Development Commissions (RDCs). Together we can provide consistent and high quality services to improve the quality of life statewide. Through honest self-assessments and accountability measures we develop the capacity to perform in a way that seeks remunerations. We will work over the next few years with our fellow RDCs to meet even greater aspirations.

The 22 elected officials and appointed members that lead Region Five have risked comfort and sought opportunities. We are thankful because this mindset and encouragement have led us to success in the following programs and services:

Economic Development

- Regional Comprehensive Economic Development Strategy (CEDS)
- U.S. Department of Agriculture microlending program with high levels of technical assistance
- Gap financing for business through the Economic Development Authority revolving loan fund
- U.S. Department of Agriculture well water loans
- Department of Agriculture septic system loans

Community Development

- HUD Sustainable Communities Regional Planning Grant
- Local foods initiatives
- Energy efficiency and renewable energy projects
- Coordinated delivery of government services
- Hazard mitigation for all five counties
- Comprehensive planning
- Broadband programs
- Creation of a regional Historical Society Coalition
- PC's for People

Transportation

- MNDOT partner projects
- Safe Routes for Schools planning
- Trails, Transit, and Rail planning

Areas of interest the Commission is in the process of pursuing (in partnership with numerous local and state agencies) consist of: brownfield redevelopment, getting technical assistance for municipalities with failing wastewater treatment facilities,

development of an energy lending program, public health impact assessments, and additional coordinated government services by exploring the creation a fire district.

Through continued perseverance and maintenance of our amazing relationships R5DC will continue to be of value and relevance to the region. “Partnerships” is an overused word, but it is the lifeblood of R5DC and no doubt, the Commission and Staff excel at building relationships and partnerships. While I can try, I am unable to adequately express our sincere gratitude to the people of this region and the thousands of supporters regionally, statewide, and nationally.

I have witnessed legislative support and guidance that has been invaluable. Our federal legislators have supported many initiatives that have improved our competitive advantage, and several legislators have spoken at regional events. Our connections to, and the work of our state elected legislators, makes us a stronger more vibrant region. Thank you all!

While literally hundreds of agencies and individuals have given in-kind support and contributions through valued partnerships, we are humbly grateful and pay special tribute to the following agencies that have financially supported the existence of R5DC over the past five years:

Federal Agencies

- Housing and Urban Development with the Environmental Protection Agency and Department of Transportation
- U.S. Department of Agriculture
- Economic Development Administration
- Federal Emergency Management Agency

State Agencies

- MN Department of Agriculture Rural Development (funding for many, many projects)
- MN Department of Corrections
- MN Housing Finance Agency

Regional and Local Organizations

- Greater MN Housing Partnership
- MN Power
- MN Department of Transportation
- Initiative Foundation (funding for many, many projects)
- Blandin Foundation

- Otto Bremer Foundation
- Browerville and Menahga (comprehensive planning)
- Happy Dancing Turtle
- Crow Wing, Cass, Morrison, Todd and Wadena Counties for contractual work
- Central Lakes College
- Clean Energy Resource Teams
- Central MN Regional Sustainable Partnerships
- Statewide Health Improvement Projects
- Farmers Union
- Volunteers in Service to America
- Brainerd Lakes Area Habitat for Humanity

Lastly, in the challenging years of Region Five it was questionable to many whether or not this agency would survive. Had it not been for the courage and talent of the Commissioners, staff and partners like the Initiative Foundation, Lakes area Habitat for Humanity, USDA Rural Development, the MN Regional Development Commissions and Lakewood Health Systems this story would be quite different. Thank you for your faith and trust; this is a commitment you will not regret!

The Review

The Commission does what it can, and by some standards, more than it can to serve its community and its constituents. Some of the ways the Commission serves the region have already been mentioned. A more complete discussion of the Commission's work is included in the next section of this document. In completing interviews associated with this review, interviewees and survey subjects were all able to identify projects in the region that the Commission has been crucial in executing. It is quite exciting to see that the Commission's work is so obvious to so many in the region.

Like a person, this organization must sometimes stop and reflect. It must reflect on where it has been, where it is at, and where it is going. It is important to identify the challenges that have been overcome, and pat ourselves on the back for overcoming them, but also to identify the challenges and issues still affecting the Commission's work going forward. **Figure 2** (right), are the highlights of this review.

Overcoming Challenges

Many challenges to achieving success are internal challenges. The Commission has faced internal challenges relating to organizational development, programming, evaluation, and fiscal management. These issues are discussed below. Working towards a solution for these problems has led to a more sophisticated Commission.

Organizational Development - Many people applaud the Commission, but still point to areas where the organization can grow. A phrase heard from multiple survey respondents is that the Commission "continues to be capacity in search of a mission." This is not to say that the Commission is not working hard to serve its customers. The phrase "capacity in search of a mission" highlights what some believe, the Commission's work is too broad. The Commission should more selectively choose its work.

The same stakeholders applaud the Commission for a "substantial increase in capacity in the last five years." One stakeholder may have hit the nail on the head when they said, the Commission "is experiencing growing pains, maturation pains." Although the Commission is decades old it is an ever changing and developing organization. Some may describe the Commission as developmentally still young. They are strong, independent, with substantial capacity, willing to try new and innovative

**Figure 2. Top 10 Five Year Review Highlights –
The Region Five Development Commission, 2011**

1. The Commission is flexible enough to address regionally critical issues and disasters as they happen.
2. The Commission's programming is responsive to the changing capacity and programming of the public, private, and non-profit sectors. The Commission aims to fill gaps in programming and not duplicate available services in the region.
3. Civic engagement is a strong focus of the Commission. The Commission reaches out to cities, townships, counties, and their citizens to create community capacity for collaboration, decision making, and democracy.
4. The Commission aims to improve regional collaboration, planning, and coordination and has done so by bringing local governments and constituents to the table to work together.
5. Relationship building is important to the Commission and is important to affect change. Without strong working relationships with organizations in the community there would be little hope of addressing regionally critical issues.
6. The Commission is responsible for and does bring dollars into the community for small businesses, local governments, and regional planning.
7. None of the tax levy received by the Commission goes to waste. It is used completely and used well to leverage additional dollars for regionally critical issues.
8. The Region Five Development Commission is the most unique development organization in the region. The Commission provides a unique perspective and ability to affect change in the region because it works in the fields of Transportation, Community Development, Economic Development, Housing, and a myriad of other fields.
9. The Region Five Development Commission is recognized organizationally as a well-oiled machine at affecting change and is envied by private, non-profit, and public agencies.
10. The Commission staff is completely dedicated to the region and is second to none.

ideas, but still setting their direction.

The Commission staff is very aware of concerns about focusing their work, but is still confident they are serving their mission. One staff person, Anne Hanson says, the Commission is "transitioning to ensure that projects more closely align to the mission." To further define their mission and refine their scope of work, the Commission sent out a survey to regional stakeholders: the people, governments, and organizations that they serve. A little over 1,000 surveys were sent out and 183 people re-

sponded. Surveys were received back from federal government, state government, counties, cities, townships, tribal government, businesses, citizens at-large, non-profit organizations, and others.

Programing Priorities - Respondents were asked to identify from a list of Commission programs which ones they consider to be of "Highest Priority," "Priority," "Low Priority," or "Not a Priority." Almost all of the programming was considered to be priority by the majority of respondents. However, there were a few activities considered low priority by the majority of respondents and they include:

- parking lot and walkway studies,
- road functional classification,
- hazard mitigation planning,
- regional JOBZ administration,
- acting as a Small Business Development Center satellite office for Todd and Wadena Counties,
- publishing the quarterly regional township newsletter,
- assisting regional arts efforts,
- performing community surveys.

It is important to note that these responses should be taken with a grain of salt given they are simple tabulations of the majority responses, not statistical results. Respondents were shown a list of 44 different programs, yet only those eight listed above were identified as low priority by a very broad stakeholder group. No activities were selected by the majority as "not a priority." Surveys like this are important because it is important to know what the region believes the Commission should be doing. It is also important to evaluate how effective that work is.

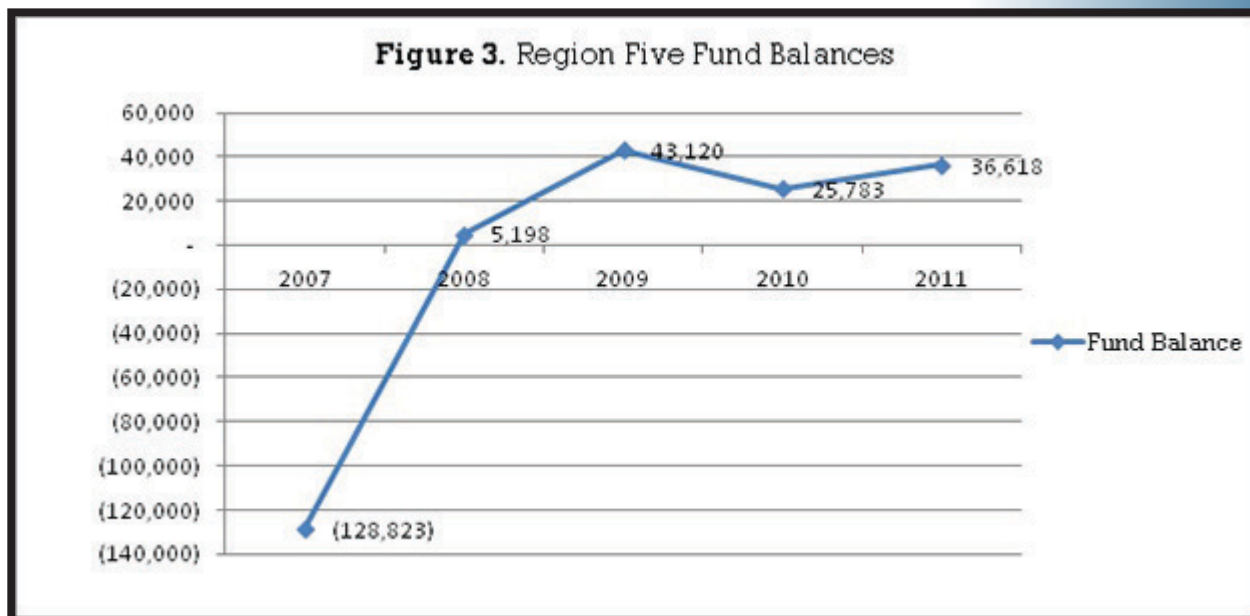
Evaluation - Evaluation is a constant challenge for organizations, the Commission is no exception. The Commission spends so much of its energy serving its community there is very little time left for evaluating the success of its actions. Very informally the Commission has solicited survey responses for this report and interviewed stakeholders when possible.

The first step in evaluation is to establish overarching goals, objectives to reach those goals, and measureable benchmarks that indicate success. One might consider the overarching goals to be Region Five's mission and their stated role and annual work plan to be their objectives. The missing link in this first step is the measurable benchmarks. Without these benchmarks how do we know if the Commission is effective?

Evaluating benchmarks is difficult when staff is working at maximum capacity. Evaluation is also difficult because in certain fields of the Commission's work there is generally an inconsistency of what and how indicators should be evaluated. Complicating this further is a lacking availability of data in the region and other rural areas generally.

Financial Recovery - Five years ago the Commission was burdened by long-term financial obligation. Hard work and deliberate action has brought Region Five back into the black. Over the past five years, Region Five has seen substantial financial change. The purchase of more sophisticated software and improved management has aided in this change. It has allowed for more accurate tracking of funds, greater compartmentalizing, and more accurate budgeting.

More accurate budgeting was key to pay off debt and improve the Commission's situation. The Commission now has a clear and accurate view of its financial records and standing. As demonstrated by **Figure 3** (below), the financial standing of Region Five is, at first blush, much improved.



The Commission's Work

The Commission's success is a product of their commitment to multi-jurisdictional and multi-disciplinary engagement and collaboration. This approach is necessary to tackle regionally critical issues. The Commission has accomplished a lot of work and is most proud of the work it does to impact the lives of people in the region. Some of the Commission's work is highlighted in the next section of this review. Further evaluation of the Commission is discussed later.

Economic Development

The Commission is active in encouraging socially equitable and environmentally responsible economic development. This is commonly referred to as the “triple bottom line”, which consists of economic vitality, environmental responsibility, and social equity. The Commission aims to make a real impact in these areas by improving the bottom line of businesses and households in the region.

Local Foods and Energy

In 2007 the Commission partnered with the University of Minnesota Central Regional Development Partnership with the goal of creating a sustainable regional local foods program to improve earnings to local producers and keep wealth in the region. This partnership allowed Region Five to employ an Americorps VISTA worker until September of 2011. During this time research was funded to study and develop a regional local foods distribution system.

Another study, in partnership with the region’s Economic Development Professionals and funded by AgStar Financial, was contracted out to identify the alternative energy sources within the region. In the area of alternative energy, the Commission is also working with the University of Minnesota. The University of Minnesota, Regional Development Partnership, and the Commission fund a regional Clean Energy Resource Team. This team works to promote innovation in energy production. This innovation, at its best could create a regional economic industry cluster and bring jobs to the region. At its worst, innovation could improve businesses’ and homeowners’ bottom lines. Additionally it supports a more environmentally sustainable means of energy production and use.

On behalf of a group of regional collaborators from Aitkin, Benton, Cass, Crow Wing, Mille Lacs, Morrison, Todd, and Wadena Counties, Region Five received a \$50,000 DEED First grant. DEED First Representatives from over 300 businesses and organizations attended six sessions designed to educate communities on existing alternative energies, help develop alternative energy communities in the region, improve

workforce development for alternative energy jobs, and identify other renewable energy opportunities.

The list of Region Five's economic development activities that enhance and capture the benefits of environmental responsibility is too long to list. In addition to those listed above is a host of work done by Angela Headlee, the Clean Energy Resource Team and Central Minnesota Alternative Energy Regional Collaborative Work Plan Organizer. Her work includes encouraging workforce development for energy related jobs -partnering with Central Lakes College, the promotion of GreenStep Cities program, neighborhood energy workshops, and Sister Accountable for Sustainability (SASSY) workshops.

Feature: Larson boats

The North Central Economic Development Association (NCEDA) partnered with the Minnesota Department of Employment and Economic Development (DEED), the Initiative Foundation, the City of Little Falls, and Community Development of Morrison County to extend a financing package that helped to fill in the final gaps of a complex 7.4 million dollar deal that kept the Larson Boat Company's manufacturing facility open in Little Falls. The financing package helped to retain 170 full-time jobs in Little Falls, which pay an average of \$15 per hour, with benefits. Larson hopes to add another 150-175 more jobs over the next two years.



NCEDA Loan Board

The Commission serves as the fiscal agent for the North Central Economic Development Association (NCEDA). NCEDA manages a revolving loan fund that provides gap financing to businesses. Joe Schulte works closely with NCEDA as the Commission's Business and Loan Developer, providing businesses with technical business development assistance and working with them when they apply for NCEDA funds.

NCEDA has been able to help businesses by providing gap financing of up to 100,000 dollars through its revolving loan fund. However, Mr. Schulte sites a problem with finding local funding partners to lend to the region's businesses. Lending has become more restricted since the recession of 2008. Despite this there have been a number of success stories. Recently, NCEDA granted loan financing to keep a long-time Little Falls manufacturer, Larson Boats, in Little Falls.

In addition to the problems associated with businesses and entrepreneurs finding local funding partners, Mr. Schulte is the first full time Business and Loan Developer employed by R5DC. Going forward, Mr. Schulte has developed an on-line application process for all loan programs providing borrowers with a consistent, simple, and electronic lending application process.

Mr. Schulte thanks the NCEDA loan board, "they're great to work with, provide great input, and have a clear vision of NCEDA's and the Region's goals."

Serving Businesses and Industries

The Commission has enhanced the presence of economic development in the region. Region Five hosts bimonthly meetings of economic development practitioners where they discuss issues, solutions, and bright new ideas. These meetings are called Net5 meetings.

Economic development in the region is furthered by the Commission's administration of JOBZ, serving as an affiliate office of the Central Lakes College Brainerd campus Small Business Center, helping Wadena with an area wage study, studying the feasibility of an economic developer position in Wadena County, and many other partnerships and programs.

JOBZ - Region Five serves as the JOBZ "Zone Administrator" for Cass, Crow Wing, Morrison, Todd, and Wadena Counties, as well as the City of St. Cloud. JOBZ stands for Job Opportunity Building Zone. JOBZ zones are aimed at motivating employers to open, expand, or relocate in targeted areas in exchange for tax relief. There are JOBZ zones in a number of communities in the region including:

- Pequot Lakes,
- Pine River,
- Walker,
- Baxter,
- Brainerd,
- Crosby,
- Crosslake,
- Little Falls,
- Motley,
- Swanville,
- Browerville,
- Eagle Bend,
- Long Prairie,
- Staples,
- Clarissa,
- Wadena,
- and Sartell.

While serving business in over 17 communities the JOBZ program is helping to keep jobs in the region. The Commission also administers sites in St. Cloud, helping to maintain healthy employment in greater Central Minnesota.

Transportation

Transportation planning is one of Region Five's primary activities and appears to be one of the Commission's most valued activities. When asked in an interview "what activities would you have the Commission start, stop, or continue," the majority of County Administrators stressed the importance of transportation planning.

Region Five has been very active in transportation planning. One of their primary activities is to fulfill grant and program obligations from the Minnesota Department of Transportation (Mn/DOT). Among these obligations is to stay alert to Federal, State, and local transportation planning and activities relevant to the region. They also facilitate a regional Transportation Advisory Council (TAC). The TAC is charged with addressing transportation issues of local and regional significance; reviewing and guiding the development of various transportation plans and studies affecting the region; providing input to the Minnesota Department of Transportation in planning, policy, and project development; and recommending a prioritized list of transportation projects seeking federal aid through the Central Minnesota Area Transportation Partnership.

The TAC's prioritized list is based upon approximately 3.2 million Federal dollars through SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users). Of these funds, 10 percent is set aside for Transportation Enhancement Funds (TEF). TEF funds have been allocated for projects like the Staples train depot renovation, Pierz main street lighting project, and Shingobee Connection Trail.

In addition to the annual Minnesota Department of Transportation planning grant, Region Five contracts with the Minnesota Department of Transportation on other planning efforts. Recent examples of these efforts include the Transit Investment Plan and Local Human Service Coordination plan. The Transit Investment plan was developed to determine the level of funding required to meet at least 80 percent of total transit service needs in greater Minnesota by July 1, 2015, and at least 90 percent of total transit service needs in greater Minnesota by July 1, 2025. The plan sets priorities for transit investments in scenarios of both expanded and contracted future funding. The goal of the Local Human Service Coordination plan is to enhance transportation access by minimizing duplication of services and facilitating the most appropriate and cost-effective transportation possible with available resources. The

purpose of human services public transit coordination is to improve transportation services for persons with disabilities, older adults, and individuals with low incomes by ensuring that communities maximize use of transportation resources funded through public and private sources.

Region Five has also participated in many multi-modal transportation planning efforts. Examples of planning efforts include: Regional Trails Inventory and Plan, Central Minnesota Freight Plan, Central Minnesota Commuter Study, and Region Five Rail Safety Crossing Initiative.

In recent years trail planning and development has increased in the Region. One of the best examples of this is the proposed Camp Ripley Veterans State Trail. A state trail was legislatively authorized in 2009 to connect the Paul Bunyan Trail and Crow Wing State Park, near the Camp Ripley perimeter, to the Soo Line Trail south of Little Falls. A local group of citizens organized themselves and raised funds to pay for a trail corridor study. Region Five staff worked as the project administrator to develop a request for proposals (RFP), to select and contract with a firm, serve as the fiscal administrator, and serve on the project steering committee. Once completed in the spring of 2012 the plan will act as a blueprint for long-term management and trail development.

Feature: Pierz Safe Routes to School

The region employs a full-time Transportation Planner, Jake Huebsch. Mr. Huebsch started in July of 2010. In addition to transportation planning and facilitating the TAC, the Transportation Planner position provides assistance, information, and technical support to local units of government on transportation issues affecting the region. The Transportation Planner provided technical support for the City of Pierz by writing a Safe Routes to School plan. This plan, promotes walking and biking to school to increase the physical activity of students, reduce traffic around schools, and improve bicycle and pedestrian access. The Safe Routes to School plan was presented to the Pierz City Council on November 22, 2010. Pierz's Safe Routes to School plan has leveraged 430,000 dollars for sidewalk and other pedestrian improvements in the City of Pierz.

Community Development

The same principles of the triple bottom line that are so important in economic development are also important in land use and community planning. Not only do land use plans and community development programs need to be economically and financially viable, they also need to be socially and environmentally equitable. These are tenants that prevail through all of Region Five's work.

Staff at Region Five completed comprehensive and hazard mitigation plans for several communities during the last five years. Although these services, specifically comprehensive planning, could be contracted through private firms, many communities cannot afford it. Recently, the commission finished a comprehensive plan for the City of Browerville. Other cities have expressed interest in getting help with their plans.

The Commission is responsible for hazard mitigation planning for the five counties. Because Hazard Mitigation Plans must be updated every five years, the Commission is typically working on two mitigation plans at any given time. Most recently the Crow Wing Hazard Mitigation Plan was completed.

Region Five's role in projects is not always as the lead organization, but sometimes Region Five serves in strictly a cooperative role. One such circumstance is Region Five's role in the Micropolitan Planning Project, also referred to as the Gull Lake Watershed Project. As early as 2005 the Brainerd Lakes Area Chamber of Commerce and the Regional Business Council recognized the need for cooperative regional planning in Cass and Crow Wing Counties.

The need for environmental protection was clear given that the Brainerd/Baxter area was, in 2005, the 28th of 100 fastest growing non-metropolitan areas. Region Five was brought into the process to help these efforts. In the summer of 2007 the Commission, along with the Chamber, agreed to financially support the implementation of the planning processes. The Commission's role was largely as a fiscal agent, managing the project's funding. The Gull Lake Micropolitan Project established several goals surrounding four taskforces. Taskforces included parks, trails and recreation; planning and development; stormwater; and wastewater. For example, the outcomes

of the wastewater taskforce were:

- counties are to adopt the same Subsurface Sewage Treatment Systems(SSTS) code,
- counties are to form a cooperative SSTS inspection program consolidating human resources,
- technical consultations are to be sought for more complex systems,
- lake-wide compliance inspections are to be implemented,
- joint realtor, contractor, and property owner training is to be available,
- current systems are to be evaluated and changes recommended.

Region Five supports this kind of work, saving local government time and money. These LGUs were able to save money and better protect the health of Gull Lake by consolidating their SSTS inspectors and by providing uniform inspection codes throughout the counties.

The Commission is also committed to improving the health of the region by enforcing social equity. The Commission partners with SHIP, the Statewide Health Improvement Plan. Staff completed a Recreational Inventory of Crow Wing County, at the request of the Crow Wing County SHIP Coordinator. This is aimed at improving the knowledge of recreational activities and increasing physical activity for area residents.

Feature: PC's for People

Computer technology and access to the internet have become increasingly important tools in education. It would be unimaginable for a High School student to turn in a handwritten essay and many instructors use email as a means of communicating with parents. Additionally, a child's educational opportunities are increased dramatically with access to the internet.

The Region Five Development Commission, the Blandin Foundation, and PC's for People of St. Paul are working to enhance educational opportunities for children of low income and disadvantaged families by creating an affiliate PC's for People serving the five county Region Five area. This affiliate will collect and refurbish computers for low income and disadvantaged families with school age children. This will allow them to access online education opportunities, complete homework on the computer, and develop increasingly important computer literacy. In 2009 the Blandin Foundation was awarded a federal grant to champion Broadband adoption and promotion in rural Minnesota. They selected six statewide partners, including the Region Five Development Commission and PC's for People.

Continued on next page.

Housing & Households

The last five years began with a restructuring of the Commission's housing activities. Priority one was to pay off a sizeable amount of debt acquired from previous housing activities. In August of 2006 the Commission cancelled a contract with the Department of Corrections, sold five homes and an additional five lots. This allowed the Commission to pay off outstanding debt to Minnesota Housing Finance Association, Department of Corrections, and Greater Minnesota Housing Fund.

PC's for People continued from previous page.

One of the pilot program's recipients was a family facing the harsh reality of a Minnesota winter without a home of their own. Fortunately, a family friend was able to provide them with a place to live for the winter. About this same time they learned of the PC's for People affiliate program and applied for a laptop computer. What a difference a day makes! In a matter of days, this family went from living unsheltered with young children, to the warmth and security of a comfortable home and a computer to access online educational opportunities, communicate, and complete home-work.

Another family, with an elementary aged daughter was also in need of a computer. The computer will help her remain competitive with her classmates and open new doors of opportunity as she progresses through her education (pictured right).



Still, a need for affordable housing exists across the region as poverty is a pervasive issue. In light of this need the Commission now applies for funding from Federal and State programs and acts as fiscal agent collaborating with partners and qualified affordable housing organizations. The Commission has partnered with Ottertail-Wadena Community Action to build two homes in Wadena. The Commission staff stays abreast of opportunities to make an impact in the field of housing by attending meetings of the Regional Housing Advisory Group and meetings of the Central Minnesota Housing Partnership.

The Commission directly helps homeowners' bottom line and improves natural resource protection by providing Individual Sewage Treatment System (ISTS) loans and water well loans. ISTS loans provide funding to landowners in all five counties represented by Region Five to repair or replace existing septic treatment systems. The Commission has been working with the Minnesota Department of Agriculture for the last ten years to provide three percent, 60 month loans for the:

- relocation of a septic system from an environmentally sensitive area,
- repair or replacement of a failing septic system,
- mandatory hook-up to city sewer.

In the last five years the Commission has granted 46 ISTS loans at a total value of over \$200,000. See **Figures 4 and 5** below. Recently the Commission was awarded a USDA grant to provide loans to repair or replace residential water wells. The Commission will use the \$50,000 grant to lend to landowners in the region. Four loans have closed as of October 2011, totaling about \$19,000 in funding.

Figure 4. Number of ISTS Loans, by County

County	FY2006	FY2007	FY2008	FY2009	FY2010	Total
Wadena	3	8	0	0	6	17
Crow Wing	1	4	3	2	1	11
Cass	2	4	5	5	2	18
Total	6	16	8	7	9	46

Figure 5. ISTS Loan Funds Distributed, by County

County	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total
Wadena	14,427	31,873	0	0	33,368	79,668
Crow Wing	7,430	19,052	5,425	4,612	6,980	43,499
Cass	9,884	17,048	27,666	37,870	6,800	99,268
Total	31,741	67,973	33,091	42,482	47,148	222,435

Meeting Other Needs

Many of the Commission's activities don't fit neatly into the traditional silos of economic development, transportation, community development, and housing. From facilitating regional conversations to administering grant funded planning processes, the Commission seeks out ways to fulfill their mission. To these ends, the Commission is currently working on a regional plan entitled *Creating a Resilient Community: The Central Minnesota Sustainable Development Plan*, funded by the HUD, DOT, and EPA. This is only one example of regional discussion facilitated by Region Five.

The Commission has facilitated regional discussion around issues central to many local governments. One of these regional discussions is a monthly meeting of the five county administrators. Facilitating regional discussion has led to collaboration of service delivery in many areas, such as human services.

The Commission also hosted "city conversations" with cities from all five counties. Four meetings with 29 cities, 45 percent of the cities in the region, represented by elected officials and staff yielded meaningful discussion about the current economic circumstances. The feasibility of collaborating on service delivery to achieve economies of scale was one of the high points of discussion. Although the Commission hosted these meetings, they were facilitated by the Initiative Foundation and by University of Minnesota Extension Services. The Commission collaborated with its partners to provide an opportunity for cost-saving collaboration by its constituents.

Informing, connecting, and meeting the needs of townships is also important. The Commission has been publishing a quarterly newsletter for townships, helping to inform and keep them connected. Hearing needs from townships and other local governments the Commission has provided a number of workshops, listed below.

Other Workshops

- Financial Workshops for Townships and Small Cities
- The Impact of Fiscal Hardships on Local Units of Government
Local governments were given presentations from the Association of MN

Counties and from the Association of MN Townships on the status of the local units of governments served by their organizations as well as an overview of bonding issues from David Drown Associates. A lively discussion on how LGUs could share resources or training opportunities was documented and posted on the Region Five website.

- **How to Write a Work-plan for Historical Societies**
This workshop was conducted to assist the region's rural Historical Societies to write a work plan that will be competitive in grant application processes.
- **Township Weed Inspection Training**
As a result of recent cutbacks for training that was previously provided by the state, the townships within Region Five requested the Commission to coordinate a Weed Inspection Workshop for the counties of Crow Wing and Cass. Over sixty township officials attended this training.
- **Multi-City Adoption of MN Building Code and Shared Enforcement Options**
The Commission convened cities to discuss shared state building code inspection and other potentially shared services.
- **Best Value Procurement: Risk Management Workshops for Local Units of Governments**
A workshop was hosted by the Commission and Northway Construction in efforts to allow LGUs to set their own performance criteria for evaluating and accepting construction bids.
- **Know Your Region Training**
The Commission was selected as one of two pilot sites in Minnesota for EDA approved training titled "Know Your Region." The University of Minnesota Extension Services conducted the training as a kickoff event for the Comprehensive Economic Development Strategies (CEDS) process. The training has not been formerly launched yet, but will become mandatory nationwide for CEDS Committee members in one to two years. The purpose of the training is to help economic development practitioners, elected officials, business and community leaders, and others establish a common framework and language for regional economic development planning. Staff is hopeful this training will result in an improved CEDS document.
- **Business Retention and Expansion**
University of Minnesota Extension Services and Region Five held a Business retention and expansion workshop. The U of M facilitator stated this was the largest turnout ever for this event in the four years they have been conducting the workshop.
- **Retro-reflectivity Workshops**
These workshops informed local units of government about required signage updates.
- **Manufacturing Appreciation**
The Commission brought together 32 of the region's manufactures to celebrate successes and share ideas of how to survive the recession.

- **Neighborhood Energy Workshops**
These workshops taught homeowners how conservation can save them money and how to assess if an alternative energy technology may be appropriate for their structure. This was the first time in the history of Minnesota that all utility providers in a region collaborated on a project that transcended their service territory geographic lines.
- **Sister Accountable for Sustainability (SASSY) Workshops**
The Commission hosted an in-person social network for citizens to learn about clean energy technologies in a non-threatening environment.
- **Low Impact Development & Conservation Design Alternative Workshops**
Workshops were conducted to encourage low impact development activity. A model project in the region was used for an example. Low impact development practices in two later developments can be attributed to these workshops.
- **Lender Meetings**
Region Five has partnered with other local economic development professionals and continue the practice of holding informational sessions in each of the five counties to acquaint financial officers with funding guidelines and available lending opportunities.

Creating Success

One might look to the ample projects the Commission has been part of, the numerous collaboration meetings the Commission has facilitated, the vital planning services the Commission provides, or the dollars the Commission has leveraged given the small tax it levies as a means to evaluate. We look to all of those, but we also look to words of endorsement from partners and customers in the region. The Commission's work in the last five years will be subjectively measured as a success.

Five Year Review Survey - A brief survey was sent out in conjunction with this review. The purpose of this survey was to seek input from targeted partner agencies to evaluate the programs and services of Region Five Development Commission within the last five years.

Questions were geared towards evaluating the successes and areas where Region Five Development Commission can make improvements. Both the nature of programs and services that Region Five offers and the manner in which they are provided are important to the Commission. The survey was sent to local organizations, transportation committee members, NCEDA Loan Board members, and governments that work with the Commission. More input was sought by interviewing the five County Administrators and partners at the Initiative Foundation.

The survey first asked respondents to list three to five projects that Region Five has been involved with during the last five years. Over 70 percent of respondents listed at least three projects while one third of respondents listed five. It is not surprising that some of Region Five's most recent work was the subject of these responses. The most commonly listed project was the HUD Sustainable Communities project, but lots of other work was also listed: the Gull Lake project, Transportation planning, ISTS loans, the veterans trail, and others.

People see the work of Region Five and see the change in the region it is invoking. Eighty-eight percent of respondents believe Region Five's work is making a change in the region. Like any performance review there were a couple of negative comments about Region Five and this survey was an appropriate venue to express those concerns, but the vast majority of responses were positive. The largest proportion of

responses highlighted Region Five’s work to increase collaboration between governments as the key to creating change. Others highlighted Region Five’s multi-disciplinary approach, and a couple cited the Commissions involvement in creating and preserving jobs in the region.

One survey response that embodies how respondents believe the Commission has created change highlights collaboration and partnership. The respondent says, ***“I have seen LGUs collaborate and partner through the coalition building of R5DC. This is leading to more efficiency and effectiveness within the government sector. I have seen R5DC promote the businesses and nonprofits of the region at a state-wide and national level. I have seen funding coming to the area because of these efforts and that now Federal and State funders are approaching R5DC as a key connector for innovative, quality projects.”***

A few questions were targeted at how the Commission is doing its work. The questions and results are below in **Figure 6**.

Figure 6. Five Year Review Survey Results

People were asked, how well Region Five's projects and partnerships have served areas listed below? (Results indicate percent of respondents)

	Not at all	Could have done better	Satisfactory	Above and beyond expectations
1) Collaborate and coordinate with multiple jurisdictions and agencies	0	0	36.8	63.2
2) Impact many disciplines (ie transportation, housing, local foods)	0	0	52.6	47.4
3) Enhance quality and vitality of life in Region Five	0	5.3	52.6	42.1
4) Serve populations traditionally underserved	0	31.6	42.1	26.3
5) Fill a needed gap without duplicating services available through other agencies or the private sector	0	11.1	50	38.9

Not surprisingly the greatest agreement of all responses was to describe the Region's efforts to collaborate and coordinate with multiple jurisdictions and agencies as "above and beyond expectations" at 63.2 percent. Several interviewees remarked that they believed collaboration and coordination efforts of the Commission to be some of the most valuable of their work. One interviewee remarked they should "facilitate more collaboration; they are leaders in that field" while another recommends that Region five "continue to own the topic of improving government efficiencies through collaboration."

The majority of responses in all other fields indicated that Region Five is doing a satisfactory job in most areas. One field, "serving populations traditionally underserved" had some particularly interesting results. The survey indicates that Region Five is doing a satisfactory job at this, but interviews suggest that this issue is not thought of very much in the region at all. One interviewee says "we all struggle with that" another says it is impossible to judge Region Five's performance in that field because they do not have a targeted audience.

Serving minorities may be an area where Region Five can improve. The Region boasts a very small minority population with a white population of over 95 percent. The largest of the minority populations is Native Americans at 2.5 percent, but anecdotally there are others. One County Administrator talked of efforts to involve and reach out to people of Spanish decent with little success. Still there are other traditionally underserved populations, such as women business owners. An educational disparity between men and women in the region might indicate that women are a population that needs to be targeted by all governments, not just the Commission

Finally, respondents were asked which activities they would like the Commission to start, stop, or continue. This echoes the 2008 Program Priority survey which listed all of Region Five's programs and had respondents prioritize them.

Respondents expressed that Region Five start working on:

- a Region Five transportation plan,
- a microlending program,
- a PACE pilot project,
- focusing on key goals,
- working more in job creation,
- continuing the work of the Sustainable Communities planning process and implementation.

At the time of writing this document many of these activities are already underway, attesting to the responsiveness of the Commission and its staff.

In regards to what the Commission should stop many respondents and interviewees want had the same response. They want the Commission staff to stop spreading itself so thin. They believe the Commission is taking on too many projects and while some respondents and interviewees have said that the Commission is very good at chasing opportunities, others believe the Commission is chasing too many opportunities and need to focus their attention more.

Some specific programs have come up as ones that the Commission should discontinue; not because they are bad programs, but because the Commission's energy would be better spent on other activities. Interviewees suggested that some lower level work might be dismissed by the Commission to save resources. The Commission should consider not providing comprehensive planning and getting out of low-level local foods work.

The Commission staff is very sensitive to the reality that they are stretched far too thin, but attribute that to their growing maturity as an organization. Cheryal L Hills, the Commission's Executive Director would like to see the Commission get out of activities such as Local Foods and Energy. These activities require a dedicated organization and it was fine for the Commission to incubate the Local Foods and Energy related activities in the region, but it is time for someone else to pick up the baton and carry them further. These efforts deserve more attention than the Commission can provide.

Many of the Commission's activities are important to the region and responses indicated that. There was a strong show of support for continuing the HUD Sustainable Communities planning process, lending to businesses, and seeking public input in planning. Interviewees were particularly supportive of the Commission's transportation planning activities and their involvement with projects like the Gull Lake metropolitan planning initiative.

Some very insightful comments were made in these surveys and during interviews. The Commission greatly appreciates everyone's input because it aims to serve the region to the best of its ability. Some of the very insightful comments were discussed earlier; the Commission is still a maturing organization with a lot of capacity, but is perhaps in need of a more defined mission. A significant amount of input indicates that the Staff is stretched too thin. On the flip side there have been so many nice things said about the Commission's work and their staff. A couple of these remarks are included below and are a real testament to the hard working and impactful people at the Commission.

“Region Five has come a long way in the last five years. Many good projects have been started and completed and many are in the works.”

“The staff at R5DC is top notch!”

The Staff



Cheryal L. Hills
Executive Director



Tad Erickson
Community Economic
Development Planner



Jake Huebsch
Transportation
Planner



Anne Hanson
Commission Coordinator



Joe Schulte
Business and Loan
Developer



Nicky Larson
Finance Director



Melissa Radermacher
Finance Assistant



Angela Headlee
Regional Coordinator
CERT/CMAERC

Looking Forward

Ongoing Challenges

The Commission has overcome a number of challenges in the last five years, which is very important to recognize. Some of the challenges discussed, however, are ongoing. The importance of staff retention is not lost on the Commission and efforts to improve this are being implemented. One such effort is to encourage staff development, building a positive relationship between the commission and its staff. The finance department is working closely to continue improving financial record keeping, reporting, and accountability. Because of the finance department's efforts the costs of annual audits have been cut in half.

The importance of evaluation goes to the heart of the matter. Evaluation is a necessary responsibility of a public agency funded by tax dollars. Evaluating the Commission's success will be an ongoing challenge because of resource constraints and data availability. Closely tied to evaluation is refining and focusing the Commission's work, which will also be an ongoing challenge as it is in all organizations.

What We're Working on Next

The Commission is deeply involved in a regional planning initiative funded by the HUD/DOT/EPA through a Sustainable Communities grant, which the Commission applied for and received. The region is one of only 11 non-metropolitan Sustainable Community grantees. Minnesota is one of only a few states to have two grantees, the Metropolitan Council, in Minneapolis, also received a grant.

The Sustainable Communities grant dollars are being used to plan for a region that is sustainable long-term; one that is environmentally sustainable, socially sustainable, and economically sustainable. This planning process will result in a well prescribed direction for the Commission and other agencies to strive. The planning process in-

volves practitioners in the fields, students, retirees, citizens at large, business professionals, and others. It aims to be an inclusive process. The inclusiveness has forever changed the way that the Commission and the region as a whole will encourage and incorporate public participation.

Recently the Sustainable Communities project, called Creating a Resilient Region, went through a process guided by the Commission to identify projects it would like to endorse as a result of the planning process. These projects are in-line with the regions goals, objectives, and values. The Commission has incorporated these projects into their working plan for the future by identifying them in their Comprehensive Economic Development Strategies document for the Economic Development Administration. The Commission is listening to the region and acting accordingly.

Concluding Statement

With hard work and deliberate action the Region Five Development Commission serves its region well. The work of working partners, funding partners, and constituents was crucial to this success. The Commission has grown substantially in capacity and stability in the last five years. Much work has taken place in the fields of economic development, community development, transportation planning, housing, and others. However, there is always room for improvement. One such improvement is in empirical evaluation of the Commission's impact on regionally critical issues.

One way the Commission identifies regionally critical issues is by working through the Creating a Resilient Region planning process. It has also identified those issues by encouraging regional discussions and asking its clients, the regional local governments, what they see as regionally critical issues.

The Region Five Development Commission is accountable to the public and thankful for their continued support. The Commission only hopes that its work has improved the quality of life, vitality, and economic prosperity of the region. This report suggests that it has.

The Board



Back Row (from right to left): Chuck Parrins, Gary Greenheck, Dale Benson, Craig Nathan, Robert Kangas, Paul Neiman, Bob Becker

Second Row: Mark Blessing, Mazine Norman, Sharron Ballou, Alan Perish, Bill Kern, Tom Wenzel

Front row: Andrea Lauer, Lucy Nesheim, Rosemary Franzen

Not pictured: Brian Lehman, Joel Quance, Lane Waldahl, Katy Botz, Mark Platta, Rebecca Best, Randy Finn





The mission of Region Five Development Commission is to provide high quality professional planning and development services through collaboration, assistance, and coordination with local units of government, organizations, and citizens. Our principal objective is to enhance the vitality and quality of life in Cass, Crow Wing, Morrison, Todd and Wadena counties.

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