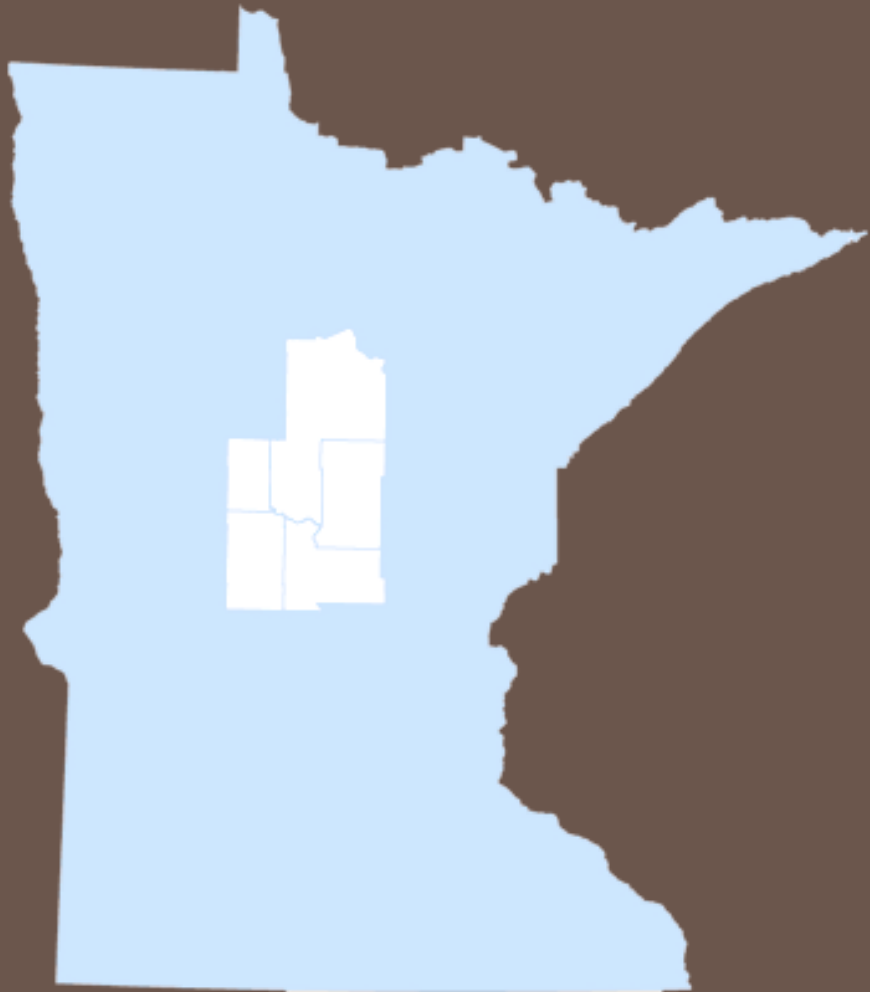


Region Five Development Commission

2012 Annual Report



*Mission: To enhance the vitality and quality of life in
Cass, Crow Wing, Morrison, Todd, and Wadena counties*

Five Counties. One Vision. One Source
Region Five Development Commission
200 1st Street NE, Suite 2. Staples, MN 56479
Office: 218.894.3233

*Vision**Strategy**Leadership**Annual Report Purpose*

To inform the Commission and the region of all staffs' success in meeting the goals summarized in the Commission approved FY2012 Work Plan. It's a way for the region to measure our value through the achievement of outlined objectives, benchmarks, and goals.

*R5DC Role*

To "fill the holes." We do not attempt to duplicate efforts of the private, public, or non-profit sectors. Our job is to help people, organizations and agencies meet their potential in our region and to facilitate any work that is not being done that will allow us to achieve our shared goals and missions.

Message From the Executive Director

How does Region Five make a difference, are we true to the vision/mission we are entrusted to uphold, and do we maintain the confidence of our partners? Valid questions that I consider frequently.

2012 was an extremely successful year on all fronts. New programs were launched in the areas of Microlending and Active Transportation and our annual audit depicts an improving fiscal position. This annual report highlights the R5DC's ability to fiercely execute the Commissions' 2012 work-plan and delivery of transportation, community/regional development and economic development projects, programs and plans.

Future attempts to introduce opportunities to the region in the areas of brownfield redevelopment, energy efficiency and renewable energy lending, and public art projects are on the horizon.

Through the Commission's leadership and the talented staff, *we are* making a difference. The hard working, amazing people of this region inspire us every day and they deserve no less than our very best.

The history of R5DC is worth examining as we celebrate the 40th Anniversary of Region Five in 2013. The Commission has experienced tribulations and triumph and by recalling our purpose, staying true to our mission/vision and living up to our commitments, Region Five has matured and flourished.

In 2013 we begin the task of collecting community asset profiles, basically telling the stories of each of our 65 communities, Leech Lake Band of Ojibwa and Camp Ripley. We feel it is important to share our quality of place and rural cultural elements. We will celebrate the assets of our communities in a way that ties to a sense of community ownership, inspires momentum and participation. The 67 community asset profiles will be housed on the *Resilient Region* www.resilientregion.org website.

I look forward to your review of R5DC's 2012 Annual Report and working with you in years to come.

Humble Regards,
Cheryl Lee Hills



Serving:

- 5 Counties
- 65 Communities
- 151 Townships
- 2 Tribes
- 1 Military Camp

Serving
Cass
Crow Wing
Morrison
Todd
Wadena
Counties



The amount of money invested in our region as a
result of Region Five's work in FY2012:

\$2,380,700

Quality People, Quality Places



Commission



Cass County

Bob Kangas, County Commissioner
John Benson, Town Boards
Gary Greenheck, County Municipalities

Wadena County

Lane Waldahl, County Commissioner
Bill Kern, Town Boards
Dave Anderson, County Municipalities

Crow Wing County

Rosemary Franzen, County Commissioner
Mark Platta, Town Boards
Brian Lehman County Municipalities

Sharon Ballou, Region Five School Boards
Chuck Parins, Area Council of Government
Katy Botz, Region Five School Boards
Bob Becker, SWCD

Morrison County

Tom Wenzel, County Commissioner
Paul Nieman, Jr., Town Boards
Andrea Lauer, County Municipalities

Lucy Nesheim, City of Brainerd
Craig Nathan, Workforce Representative
Adam Riedel, Camp Ripley

Todd County

Mark Blessing, County Commissioner
Alan Perish, County Town Boards
Joel Quance, County Municipalities

Rebecca Best, Higher Education
Randy Finn, Leech Lake Band of Ojibwe
Jeff Castillo, Mille Lacs Band of Ojibwe

Message from the Chair



Greetings to all,

As we look at the accomplishments of Region Five Development Commission in the past year, it's truly amazing how much staff has accomplished in 2012. During the year they were involved in working to create a "*Resilient Region Plan*" which includes 5 counties, 65 cities, 155 townships, 2 tribes with a regional population of 163,000. All 5 counties in the region are considered economically distressed and that makes it all the more important for Region Five to do what we have done with The Central Minnesota Sustainable Development Plan.

Over the course of the year, Region Five has provided approximately 20 low interest loans for well water and septic systems upgrades. In addition, staff has worked with businesses in the Region to create and retain jobs by lending out more than \$550,000 in 2012 for business expansion and start up. Creating and retaining jobs, economic growth and developing a healthier economy are also goals of the recently completed Comprehensive Economic Development Strategies (CEDS) document.

One of the major highlights in 2012 was receiving a \$200,000 RCDI grant from USDA. The funds will be used to profile 67 communities in the five county region and have dedicated a portion of the funding to move forward 10 projects that the region has determined to be of vital importance.

Another highlight this year was the Community Transformation Grant award from the Minnesota Department of Health. The goal of the Community Transformation Grant program is focusing on exploring active transportation and/or land use design standards that include walking and bicycling which provide opportunities for residents to incorporate physical activity into their daily routine.

I want to thank the staff: Cheryal Hills, Tad Erickson, Jake Huebsch, Anne Hanson, Nicky Larson, Joe Schulte, Melissa Radermacher, and Judy Jones for their hard work and dedication to the Region. I also want to thank the Commission members for the great job they have done this past year. I look forward to building upon this year's success to continue improving the quality of life in the Region.

Sincerely,

Bob Kangas



Staff

www.regionfive.org



Back: Jake Huebsch, Joe Schulte, Tad Erickson
Front: Anne Hanson, Mellissa Radermacher, Cheryal Hills, Judy Jones, Nicky Larson

Region Five's Core Values

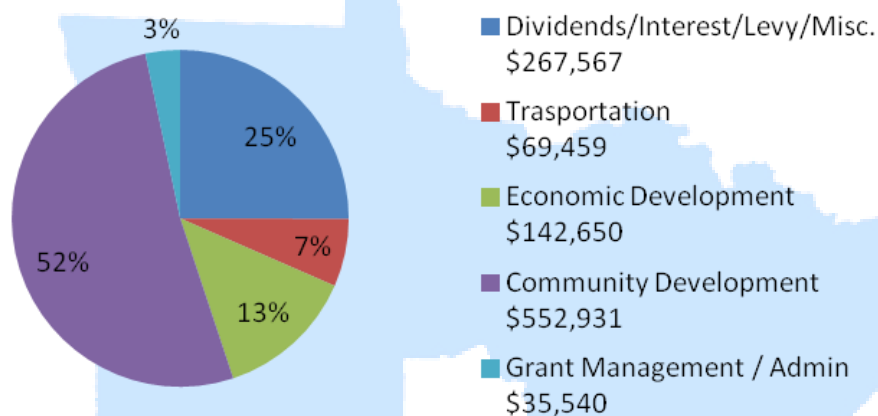
Integrity	Innovation	Have Fun
Transparency	Creativity	ROI - Tax Payer Dollars
Honesty	Collaboration	Excellence in Performance/Learning & Growth

Financial Report

Revenue and Expenditure Comparison Current FY 2012 and Approved FY 2013

Objective 4 of the 2012 Administration Work Plan: Maintain an effective accounting system for the proper management and reporting of the Commission's financial transactions.

2012 Revenue



Total Revenue: \$1,068,147

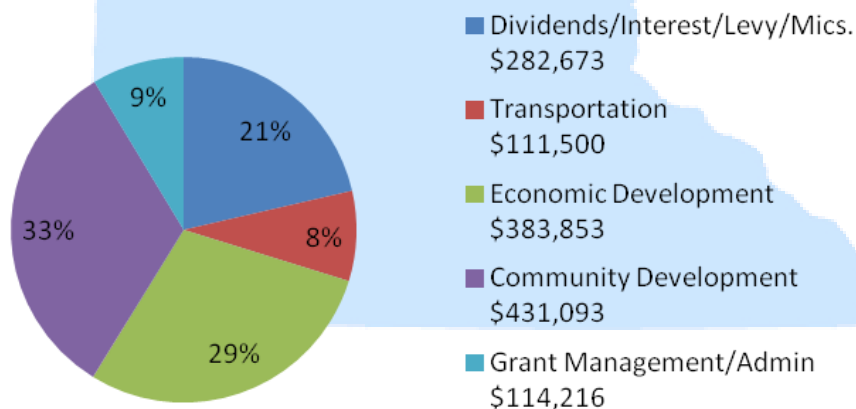
Total Expenditures for FY2012 \$993,107

Net Income \$75,040

Proposed Expenditures for FY2013 \$1,269,870

Net Income \$53,465

FY2013 Proposed Budget



Total Revenue: \$1,323,335

2012

*Objective 1 of 2012
Administration Work
Plan: Provide general
support services and
resources that
enable the Region
Five Development
Commission to
effectively fulfill its
responsibility as a
regional service
organization which
advocated for local
unities of
government and
residents of the
region as a
deliberate and policy
making body
pursuant to the
Regional
Development Act.*

Year in Review

The role of the Region Five Development Commission is to address critical issues without duplication of the private, public and non-profit sectors. It is the aim and intention of the Region Five to utilize all available resources to address the issues that are important to the citizens of our region. Over the course of the year Region Five has worked in many areas including: General administration, Transportation, Economic & Community Development, Grant/Loan/Contract Administration, with Energy and Local Food initiatives as well. Please review the highlights in this report and see how we have assisted the region throughout the last year. If you have any questions about the work in this report or how we can help with your current needs, please don't hesitate to contact us or visit our web-site at www.regionfive.org

Special Thank You!

We would like to extend thanks to our external partners, organizations and individuals. Their support helps contribute to the success of Region Five and that of the region.

Coming together is a beginning.
Keeping together is progress.
Working together is success

-Henry Ford

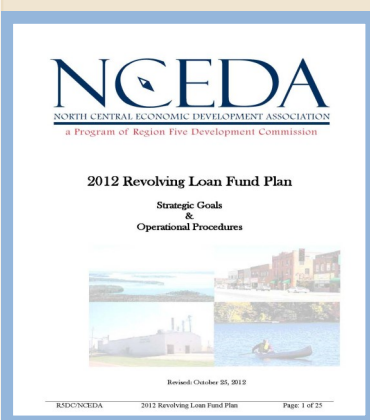


Region Five Lending



MICROLENDING

The NCEDA RMAP (Rural Microenterprise Assistant Program) Loan Committee since its inception in March of 2012 has approved over \$172,000 in loan dollars. Those approvals have provided fifty-four jobs directly...**WOW**. The pipeline of potential loan requests has increased from \$108,000 in March of 2012 to over \$548,000 currently in process. Stating there is a need would be understating the reality of small businesses in need of financial lending. The loans average typically between \$10,000 and \$35,000.



RLF

The NCEDA RLF loans approved are \$375,000. The jobs created were 24. The dollars lent to borrowers for gap financing tends to be higher averaging between \$50,000 and 100,000. The application process is longer and the criteria is more demanding on borrowers than with RMAP lending or Micro-Loans. The total project dollars currently in the pipeline is over \$250,000. However, if potential pipeline borrowers mature into qualified borrowers job produced will exceed **36 if not more!**

ISTS

The Commission has been working with the Minnesota Department of Agriculture for the past ten years to provide low interest funding (3%) to repair or replace existing non-compliant septic systems. This year over \$118,000 in septic applications were approved. Twenty loans were closed in 2012, making this the programs most successful year to date!

New this year is a cost sharing program initiated by Cass and Crow Wing counties using Clean Water Legacy funds to assist low-income landowners with upgrades to their system. This cooperative effort will combine a partial grant with a Region Five low interest loan to make the necessary septic improvements affordable.

HWWS

In 2010 Region Five received a \$50,000 grant from the USDA to assist low income residents in the repair or replacement of an existing water well. Funding is offered to qualifying low income applicants that meet USDA guidelines, in the form of a low interest loan, terms are 1% for up to 20 years. In 2012 two loans were closed and five are currently being administered.

*Objective 1 of 2012
Economic Development
Work Plan: To
effectively administer
the approved EDA
Revolving Loan Fund
(RLF) program to
promote business and
industrial expansion
within the region to
create needed fulltime
jobs.*



Lending Map

Loans Closed in 2012 as of Nov 30th

ISTS loans

\$ 8,555 Cass - Remer
 \$ 18,595 Cass - Hackensack
 \$ 14,872 Cass - Sebek
 \$ 7,879 Cass - Hackensack
 \$ 5,000 Cass - Cass Lake
 \$ 1,525 Cass - Backus
 \$ 4,100 Cass - Backus
 \$ 3,200 Cass - Backus
 \$ 6,800 Crow Wing - Brainerd
 \$ 9,302 Crow Wing - Deerwood
 \$ 6,070 Crow Wing - Baxter
 \$ 8,825 Crow Wing - Brainerd
 \$ 9,680 Morrison - Little Falls
 \$ 6,500 Morrison - Little Falls
 \$ 14,310 Morrison - Pierz
 \$ 4,195 Wadena - Menahga
 \$ 4,850 Wadena-Staples
 \$ 134,258 Total

NCEDA

\$ 25,000 Cass - Longville
 \$ 7,500 Crow Wing-Crosslake
 \$ 20,818 Crow Wing - Brainerd
 \$ 22,345 Crow Wing - Pine River
 \$ 50,000 Crow Wing - Baxter
 \$ 40,500 Morrison - Little Falls
 \$ 166,163 Total

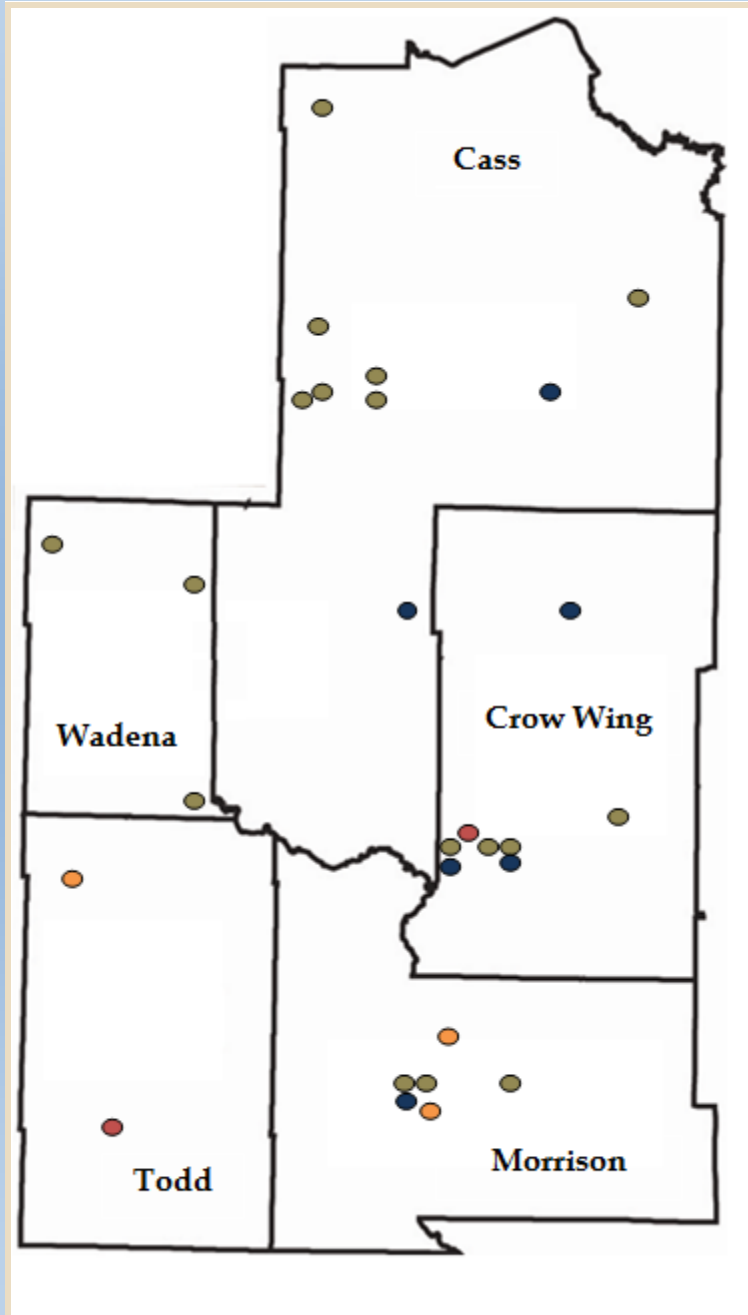
Water Wells

\$ 5,690 Crow Wing - Baxter
 \$ 10,364 Todd - Long Prairie
 \$ 16,054 Total

Micro

\$ 25,000 Crow Wing - Merrifield
 \$ 16,200 Mille Lacs - Onamia*
 \$ 25,000 Morrison - Little Falls
 \$ 17,500 Todd - Bertha
 \$ 83,700 Total

* (County in East Central RDC)



Economic Development

RCDI

United States Department of Agriculture (USDA) granted the Region Five Development Commission a \$200,000 RCDI grant. The funds will be used to profile 67 communities in the five county region. These include all 65 cities, 1 tribe and 1 military camp. Storytellers will interview each community and help them tell their story and determine what makes each community special. The Commission will also use a portion of the funding to move forward 10 projects that the Region has determined to be of vital importance.

REPoCC

R5DC and Minnesota DEED submitted their request for an EDA planning grant bolstered by several commitments from collaborating agencies. Federal funds and matching public and private resources total \$300,000, and includes the \$150,000 grant award from EDA. This project does not attempt to create another entity, but seeks instead to better coordinate and rationalize existing economic development efforts for applied research, and significantly broadened commercialization. Overall, this mission will build a state-wide renewable energy business cluster that competes effectively for federal and other funding resources in the future, and more importantly, strives for extensive global reach.

Brainerd Airport

There is a common misperception that Minnesota has a poor solar resource, but in fact this is not the case; Minnesota's solar resource is equal to Houston, Texas! Like most airports, the Brainerd Regional Airport has numerous buildings with high operating costs. The airport elected to install a supplemental solar thermal space heating system on a structure used primarily for snow removal equipment and related vehicles. The new system will provide clean, renewable heat for the Airport for 3-4 decades. The building was previously heated with propane, and this solar thermal installation offers a cost competitive heating alternative. .

CEDS

Through a planning grant provided by the U.S. Department of Commerce, the Economic Development Administration develops and maintains the Comprehensive Economic Development Strategy (CEDS) for the region. A group of local leaders from all sectors of the population guides the process.

Below: Ribbon Cutting for Solar Project at Brainerd Regional Airport.



Objective 3 of the 2012 Economic Development Work Plan: Continue to provide technical planning and grantsmanship services in the area of economic development to units of government and businesses in Region Five.



**Region Five
COMPREHENSIVE DEVELOPMENT STRATEGY: 2012**



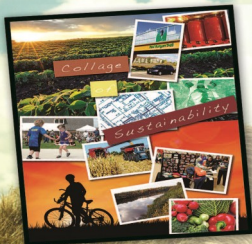
The two year effort to complete the sustainable communities regional plan has ended and the process and product exceeded all of our expectations! The *Resilient Region Plan* lives and breathes. The amazingly committed core team of consultants made our Resilient Region plan one of the most recognized and esteemed efforts in the nation. This project consumed the small staff of 7 at R5DC, yet it developed outstanding strengths and provided abundant new opportunities to the region. The region has already leveraged over five million dollars toward implementation of the plan strategies. We engaged over 600 regional residents, policy recommendations are being taken seriously as they are reviewed by counties and cities all over the region and we now have 33 Champions who are committed to realization of the plan.

Objective 3 of the
2012 Administration
Work Plan: Carry out
activities which
further the
Commission's ability
to provide quality
services in the Region
through State
affiliations.

Resilient Region Implementation-

Coordination toward implementation is flourishing in; affordable housing, changing populations, connectivity, education and workforce, energy, health care, natural resources, efficiency and effectiveness, transportation and economic stimulation. All in a way that helps us understand the interdependency of housing, transportation, land-use and economic development and in a way that does not jeopardized our commitment to the BALANCE of economic development, environmental stewardship and quality of life.

HELP DESIGN OUR FUTURE A Sustainable & Resilient Region



COLLAGE OF SUSTAINABILITY

Thursday, October 13, 2011 > 9:30am - 3:00pm
HUG Campus, Pine River MN

Join us for a full day of sessions and conversations about growth and future design in our region. Engage with experts in five key areas: Land Use, Housing, Energy & Local Foods, Economic Development, and Transportation.

TO REGISTER CONTACT:

Ann Hanson @ Region 5 Development Commission
at 218.894.3223 or email ahanson@regionfive.org

Unable to attend?

Conference materials will be online after event.

The **Collage of Sustainability** was a full day of sessions and conversations about growth and future design in our region. Engaged with experts in five key areas: Land Use, Housing, Energy & Local Foods, Economic Development, and Transportation.



Happy Dancing Turtle > www.happydancingturtle.org > 218-587-2303

www.ResilientRegion.org

The Resilient Region website is an excellent source of information pertaining to economic vitality, environmental stewardship and quality of life factors gathered for Private (individuals & businesses) Public (local municipalities & communities) and Non-Profit agencies (social advocates & philanthropic agencies) who choose to explore the sustainability efforts that have been vested in the Central Minnesota five county region. This site extensively covers the areas of Housing, Land Use, Transportation and Economic Development and provides resources such as InCommons, (a place to engage in hosted relevant conversations) maps and access to webinars. This site is a result of the , HUD Sustainable Communities Regional planning initiative, contributions come from many regional, state and federal sources.



August 14th Celebration

The Resilient Region Plan was presented to the Community at our celebration event on August 14th, 2012. It Included our Livability Principals, Regional Guiding Principals, Mission, Values and Values, Issues, Goals, Recommendation and Action Steps organized across 11 themes.

Honored Guests Included:

United States Senator: Al Franken

Office of Sustainable Housing and Communities Director: Shelley R. Poticha,

USDA Rural Development State Director: Colleen Landkamer

Dept. of Agriculture: Commissioner David Frederickson

Dept. of Employment & Economic Development: Commissioner Mark Phillips

Minnesota Housing Finance Agency: Commissioner Mary Tingerthal

Minnesota Pollution Control Agency: Deputy Commissioner Michelle Beeman

University of MN: Dean of Extension Bev Durgan

MN Dept. of Commerce: Deputy Commissioner Janet Streff

Additional honored guests who visited the region throughout this project included:

Maria Zimmerman, Deputy Director, Office of Sustainable Housing and Communities

Stephen Cerny, Senior Policy Advisor U.S. Dept. of HUD, Office of SH&C

Matthew Dalbey, Director - Federal & State Division

US EPA's Office of Sustainable Communities

United States

Senator Al

Franken

Speaking at

the August

14th

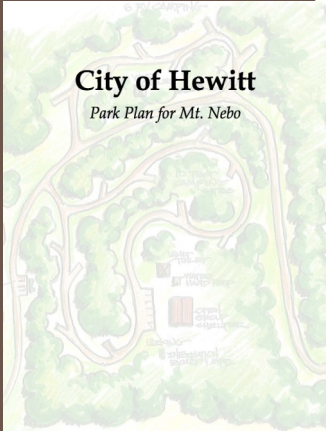
Celebration.



Community & Economic Development

City of Hewitt

Park Plan for Mt. Nebo



Todd County

Hazard Mitigation Plan



Region Five
DEVELOPMENT COMMISSION

**Objective 3 of the
2012 Community
Development Work
Plan: Develop
Hazard Mitigation
Plans for counties
within/around the
Region.**

Broadband Initiatives

The Region Five Development Commission along with the other RDO's throughout the state were asked to be partners of the C.K. Blandin Foundation in the Minnesota Intelligent Rural Communities Sustainable Broadband Adoption Grant.

Brownfield Assessment and Redevelopment

The Region Five Development Commission (R5DC) is the lead applicant for a \$600,000 Coalition Assessment Grant. This Coalition will concentrate on assessment, remedial action planning and community outreach activities primarily in regional cities heavily impacted by brownfields, high unemployment, and low income.

Local Foods Initiative Local Food Hub Feasibility Study

In the spring and summer of 2012, Region Five hosted a CURA CAP intern to conduct a feasibility study regarding the creation of a food hub in North Central Minnesota. The findings of this study can be found on the Region Five Website.

Fire Districts Lightspeed Grant

The Light Speed Grant Program, offered by the C.K. Blandin Foundation, provides matching funds to rural Minnesota communities to support project implementation of new broadband applications from institutions (schools, health care facilities, etc.) to the home or between institutions with a priority on applications that reach home users.



PCs for People

In 2009 the Blandin Foundation was awarded a federal grant to champion Broadband adoption and promotion in rural Minnesota. Between CTC, PC's for People, Blandin Foundation, Region 5, ISD 181 and Karl Samp, the first pilot and trial was launched. The pilot program successfully refurbished and placed 10 computers into homes of families with elementary school aged children that were defined as low income and had a need for a PC within their home.

Currently, around 20 computers have been donated back into the community to low income families/individuals with children. The program currently has nearly 20 computers that have been refurbished and are ready to be donated. There are roughly 75 computers that still need to be refurbished.

This program has been a success to our Region and will continue for years to come!

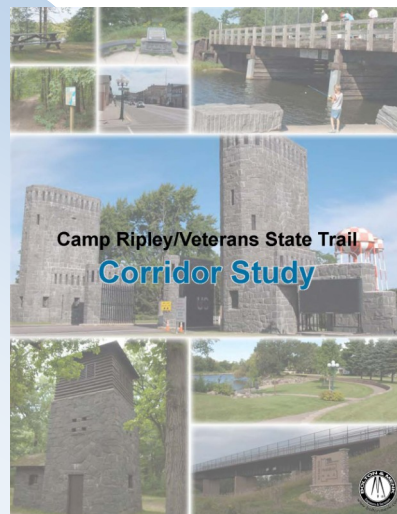
Transportation

Transportation Planning

Staff continues to provide local transportation planning assistance to the region through a grant contract with the Minnesota Department of Transportation. Staff worked closely with Region Five's Transportation Advisory Committee (TAC) to solicit projects for Federal Funds along with addressing Regional Transportation issues. Staff also worked with Mn/DOT on many planning efforts including: MNGO, Central Minnesota Commuter Study, MAP21 policy and programming advisory committee, MNSHIP, and CIMS project.

Mn/DOT ATP 3

Staff also participated in ATP 3 meetings to review and rank projects for the 2016 federal funds for road, bridges, trails public transit, and railroad crossing.



Objective 1 one of the 2012

Transportation Work Plan: To implement a regional transportation planning program that establishes general goals and policies for the region and address the transportation needs of Region Five.

Trail Planning

Region Five worked on trail planning efforts with CRVST trail group and City of Staples.

Safe Routes to School

Staff completed 1 Safe Routes to School plan for Pillager School District and received another SRTS planning contract with the City of Staples.

General Planning

The Transportation Department worked on many planning efforts with the Community Development Department including, The City of Hewitt Park Plan, Wadena County Comprehensive Plan Demographic Update and City of Menahga Comprehensive Plan update.

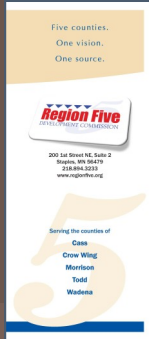
Active Transportation

In July of 2012, Region Five received a \$200,000 Community Transformation Grant in partnership with the Minnesota Department of Health with the goal to combat obesity in communities with high health inequities, by increasing opportunities for regular physical activity using non-motorized transportation modes through community design and encouragement. Judy Jones has been coordinating with government, local community groups, and other partners to create a safe Active Transportation environment building upon existing interest and projects. Outreach will continue through the mini grant offered by Region Five, education programs, and a variety of public awareness plans. In addition, Region Five will be offering implementation grants for communities and organization to apply for.

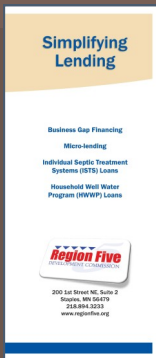
**Pillager
Safe Routes to School**



Outreach



New Program & Lending Brochure



Objective 2 of the 2012 Administration Work Plan: Carry out a program of public information, which markets and keeps residents of the Region and elected officials informed about Commission programs and Services.

In the year 2012, Region Five has gone through a major face lift! We have a new website, updated brochures and a new office. We are very excited about our new look!

City Visits-

Region Five in cooperation with the Initiative Foundation, University of MN Extension Services and the Bush Foundation convened a series of meetings designed to facilitate discussion between cities. The primary goal of this project was to initiate conversations between local units of governments that will continue beyond this one day meeting.

County Administrators Meetings-

Region Five hosts the County Administrators meetings at the Region Five offices. These meetings give the County Administrators' the opportunity to discuss current happenings and opportunities for collaboration.

Township Meetings-

We attended the annual township meetings for each of the five counties to present updated information to the townships on new projects and programs that they may be able to take advantage of.

MADO meetings- (Minnesota Association of Development Organizations)

These meetings offer all the Economic Development Districts (EDD) peer-to-peer learning opportunities, as well as to collaborate on projects. This group has been working on an application to develop a greater MN Comprehensive Economic Development Strategy!

Workshops



In partnership with Midwest Assistance Program (MAP) we invited townships and municipalities to attend a 1/2 day workshop on wastewater treatment. The purpose of this meeting was to identify 2-3 groups that would benefit from technical assistance from MAP.

We also held a workshop at the Arboretum in conjunction with Minnesota Brownfields. This event had 40 attendees with presentations from EPA, DEED, MPCA, Kansas State University, USDA and National Brownfields.



Outreach

Advertising-

A portion of funding received from the BUSH Foundation subsidized promotion of the Resilient Region Website. We used the majority of these funds to sponsor local events. These events include the Brainerd Arboretum picnic, The Celtic Festival at The Farm on St. Mathias, Pine River "Buy a Brick Campaign" and The Lakes Bluegrass Festival in Pine River. With each of these sponsorships we were able to have the Resilient Region Logo printed in the marketing materials as well as on the large banners used through out the event.

Along with sponsorships, we advertised in the IQ Magazine that is published quarterly by the Initiative Foundation, the Staples/Motley Community Education resource guide and many more!



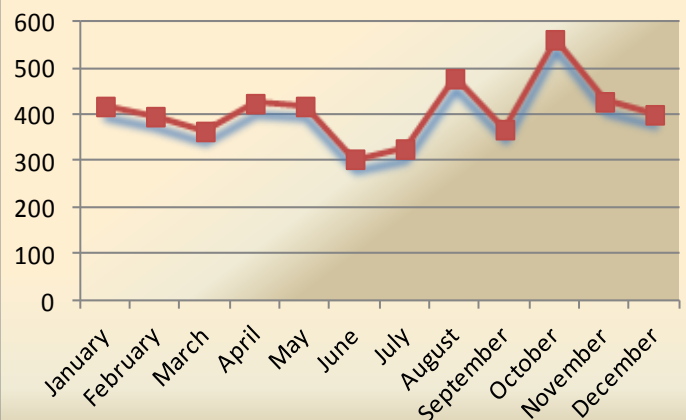
Advisory Boards

Staff from Region Five participates on many Advisory Boards including:

UofM MN Center for Transportation Studies (representing ALL rural EDDs) Regional Housing, National Association of Development Organizations (NADO), National Triple Bottom Line, Network 5 and Economic Development Professionals (EDO Pro's), Rural Economic Development Group (RED), Friends of the Field, Central Lakes College and the Region Five History Coalition.

New Region Five Web-Site

Number of Visitors per Month on the Region Five Web-Site.



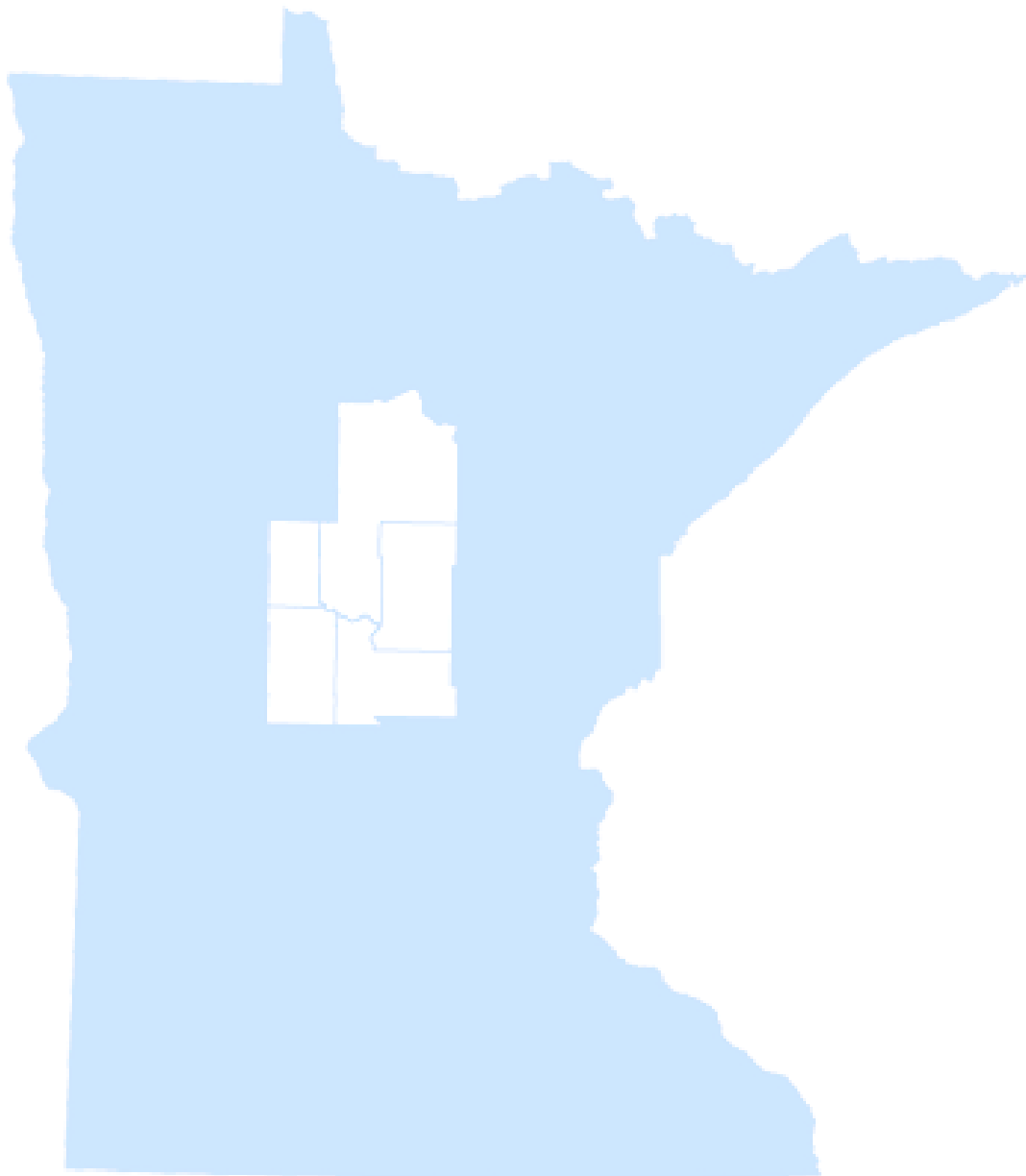
Total Visitors 4,886

Monthly Average 407

Five Counties. One Vision. One Source

Region Five Development Commission
200 1st Street NE, Suite 2, Staples, MN 56479
Office: 218.894.3233

www.regionfive.org



*R5DC Mission; To enhance the vitality and quality of life in
Cass, Crow Wing, Cass, Morrison, Todd, and Wadena counties*