



REGION FIVE DEVELOPMENT COMMISSION 2014 Annual Report

Five Counties. One Vision. One Source.

MESSAGE FROM THE BOARD CHAIR



It is hard to believe we have reached the end of another year at Region Five and that it is time to share our 2014 successes.

This annual report will highlight a variety of programs & projects completed in 2014. The R5DC team managed an impressive lending portfolio and delivered planning and project management in the areas of Transportation, Economic Development and Community Development. With the leadership of the Resilient Region Champions (including all of the R5DC team members) the implementation of our highly acclaimed regional plan has been a vast success with over \$30 million dollars leveraged to achieve the region's stated goals. We have collectively addressed policy in the areas of active transportation and ordinance revisions that support small family farms. We have been extremely active in the areas of Broadband development, construction of a local food processing facility, planning for a Service Member housing development, solar power for schools and hunger prevention programs that tied directly to grower incomes through the Choose Health program to name just a few projects.

All of these accomplishments couldn't have been achieved without the hard work of our Region Five Team members and commissioners, as well as our Resilient Region champions, our committee members, partners and local government. Thank you for your dedication to our mission of enhancing the quality of life in our wonderful region.

Sincerely,

Brian Lehman, Board Chair

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MESSAGE FROM THE EXECUTIVE DIRECTOR



Greetings to our partners and regional collaborators.

In many of our presentations we share the quote:

*"No single organization or person
...however innovative or influential,
could accomplish our goals alone",*

as it is an understood part of our regional culture, thus, woven throughout the underlayment of the R5DC 2014 Annual Report.

In March 2014 the Commission made our final long term liability payment inherited in 2006. It took us longer than anticipated to pay back the nearly \$850,000.00 in debt, but we did it while providing relevant high quality services to the region and WITHOUT asking for an increase in our levy authority. The key words I'm using are "us" and "we", as this was a collective win achieved through partnerships and ability to strategically execute our vision. Today, Region Five is one of the regions "go-to" agencies and a trusted partner with state, federal and philanthropic organizations. WE deliver on our responsibility to enhance the vitality and quality of life within this region, and while it is important to celebrate deserved success.....what really gets us excited each morning are the opportunities before us.

I am extremely proud of our small team and want to take a moment to honor the contributions of retired Anne Hanson who delivered over a decade of service. I also share our exhilaration of newly joined team members; Sandy Voigt and Dawn Espe. We look forward to new challenges ahead, and opportunities to partner and achieve regional benefit.

Humblest regards,

Cheryl Lee Hills

Executive Director

*The Region Five Development Commission's mission is to enhance the vitality and quality of
life in Cass, Crow Wing, Morrison, Todd and Wadena counties.*

REGION FIVE COMMISSION MEMBERS

Cass County

John Benson, *Township Board*

Bob Kangas, *County Commissioner*

John Poston, *County Municipalities*

Crow Wing County

Rosemary Franzen, *County Commissioner*

Brian Lehman, *County Municipalities*

Mark Platta, *Township Board*

Morrison County

Duane Johnson, *County Commissioner*

Andrea Lauer, *County Municipalities*

Paul Nieman, Jr., *Township Board*

Todd County

Alan Perish, *Township Board*

Joel Quance, *County Municipalities*

Barb Becker, *Todd County Commissioner*

Wadena County

David Anderson, *County Municipalities*

Bill Kern, *Township Board*

Ron Noon, *County Commissioner*

Schools

Chris Hadfield, *Higher Education*

Sharon Ballou, *School Board Rep.*

Katy Botz, *School District Rep.*

Additional Units of Government

Kim Nagle, *Leech Lake Band of Ojibwe*

Chuck Parins, *Area Council of Government*

Diane Jacobson, *SWCD*

Dave Pritschet, *City of Brainerd*

Allied Interests

Steven Hall, *Camp Ripley*

Craig Nathan, *Workforce Development*



REGION FIVE STAFF



Cheryal Lee Hills

Executive Director

218.894.3233 x1



Sandy Voigt

Regional Business Specialist

218.894.3233 x2



Dawn Espe

General Office Clerk

218.894.3233 x3



Tad Erickson

Regional Development Planner

218.894.3233 x5



Nicky Larson

Finance Director

218.894.3233 x6



Melissa Radermacher

Regional Development Planner

218.894.3233 x7

Region Five Core Values

Integrity

Innovation

Have Fun

Transparency

Creativity

ROI-Tax Payer Dollars

Honesty

Collaboration

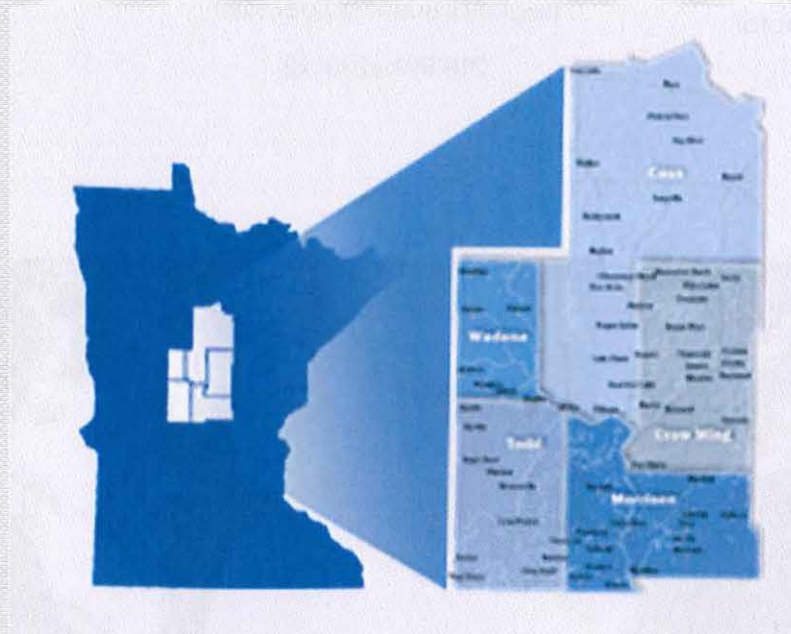
Excellence in Performance/Learning & Growth

SERVING CASS, CROW WING, MORRISON, TODD AND WADENA COUNTIES

5 counties, 65 communities, 151 townships, 1 tribe and 1 military camp

R5DC Role

To "fill the holes" without duplication of efforts by the private, public or non-profit sectors. Our intent is to identify work that addresses regional critical issues and that will allow for collective shared outcomes.



FIND US ON THE WEB



Like us on
Facebook

www.regionfive.org

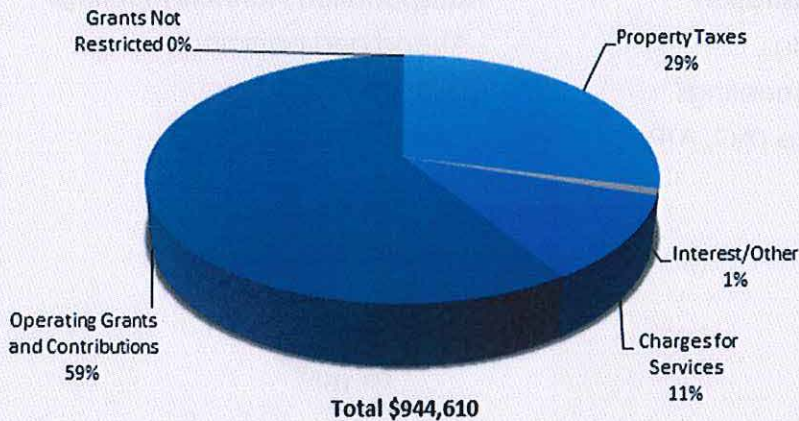
www.resilientregion.org

Annual Report Purpose

To inform the Commission and the region of all staff's success in meeting the goals summarized in the Commission approved FY2014 Work Plan. It's a way for the region to measure our value through the achievement of outlined objectives, benchmarks, and goals.

FINANCIAL REPORT

FY 2014 Revenue



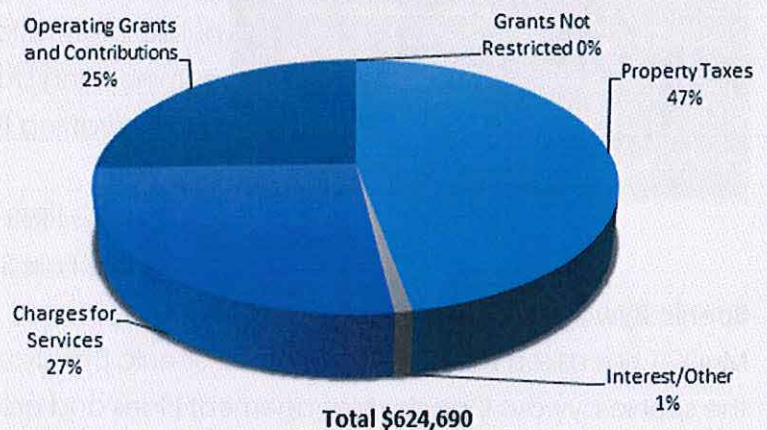
Total Expenditures for FY 2014 - \$865,682

Net Income - \$78,928

Budgeted Expenditures for FY 2015 - \$573,149

Budgeted Net Income - \$51,541

FY 2015 Budgeted Revenue



Region Five Development Commission's financial statements for fiscal year 2014 were audited by Conway, Deuth & Schmiesing, PLLP. An unqualified opinion was expressed.

Financial Highlights:

*The assets of the Commission exceeded its liabilities at the close of the fiscal year by \$1,671,626 (net position) of which 85% was restricted in use.

*The Commission's capital assets (net of accumulated depreciation) at the close of the fiscal year were \$8,003.

*As of the close of the fiscal year, the General Fund reported an ending fund balance of \$424,969, an increase of \$84,104 in comparison with the prior year. Of this balance \$9,688 is nonspendable, \$23,085 is assigned, and \$392,196 is available for spending at the Commission's discretion (unassigned fund balance).

TRANSPORTATION

Fiscal Year 2015 MnDOT contract and work-plan fully executed

ATP coordination and Involvement

- 2018 STIP project list was approved
- 2019 STIP preparation
- 2018 TAP project list was approved
- 2019 TAP preparation

TAC Administration

- Set agendas
- Facilitate meetings
- Coordinate TAC, ATP, STP, TAP

Transportation Planners Meetings

- Attend and participate at all meetings
- Committee reports



Statewide Planning



SRTS

R5DC assists local units of governments or schools in all aspects of Safe Routes to School planning, including developing teams, facilitating public informational meetings, facilitating team work sessions, administering student and parent surveys, conducting local walk-audits, drafting the planning document and assisting in the adoption process.

- Staples SRTS Plan (Adopted)
- Crosby SRTS Plan (Adopted)
- Little Falls SRTS Plan
- Cass Lake-Bena SRTS Plan

Scenic Byway Planning

MnDOT has asked the RDCs to assist the Scenic Byways throughout the state to update the scenic byways Corridor Management Plans and create a Potential Project Addendum. Region Five staff is working with two Scenic Byways: Great River Road and Paul Bunyan. Staff has met with both groups and is in the process of gathering project information for inclusion in the Potential Project Addendum, as well as reviewing existing management plans.



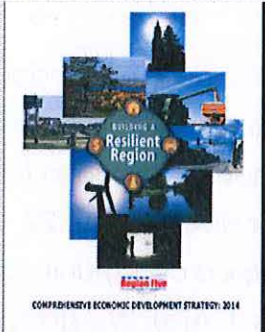
Functional Classification

Staff submitted feedback from each of the five R5DC counties regarding the proposed functional classification changes developed by MnDOT. MnDOT had asked RDCs to act as a liaison between MnDOT, counties and state aid cities within the RDC's respective jurisdictions to facilitate the process of updating the functional classifications of all roadways. Staff has met with county engineers and representatives from the three state aid cities within Region Five (Baxter, Brainerd, and Little Falls) to identify potential changes to the proposal. There were about 20 proposed changes per county/state aid city.

Regional Planning

- Brainerd Walk-ability Audit
- CTG/Active Transportation Policy Report

ECONOMIC DEVELOPMENT

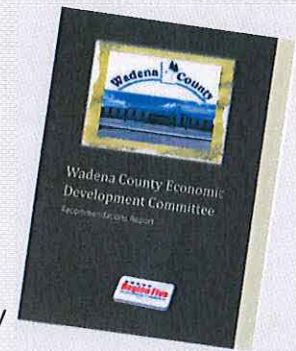


Comprehensive Economic Development Strategy (CEDS)

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.

Wadena County Economic Development Committee

Wadena County is exploring options of retaining a Wadena County Economic Development Coordinator. In an effort to implement the goal of retaining a county-wide Economic Development Coordinator, They created a 13 member committee to analyze scenarios and to develop a report on their findings including specific recommendations for the consideration of the county board. Region Five contracted with the county to facilitate the committee meetings and give guidance throughout the process.



Greater MN Development Strategy (GMDS)

CEDS documents exist for each region in MN and are created by Regional Development Commissions and two of the MN Initiative Foundations. As result of this regional economic development planning activity, Region Five is participating in an effort with the Minnesota Association of Development Organizations (MADO) to craft a "Greater Minnesota Development Strategy" which is essentially the alignment of all the regional CEDS.

RCDI USDA Rural Development Grant

Region Five was awarded a USDA for a Rural Community Development Initiative (RCDI) grant in the amount of \$154K to help move forward the identified vital projects of the region. This will allow us to give technical assistance to all 2012 and 2013 vital projects. The kick off meeting will be held in early December 2014.

Morrison County Tourism Project	City of Royalton
Mount Nebo Trail Project	City of Hewitt
Five County Public/Private Health Partnership	NCEDA
Crow Wing Township Safe Room	Crow Wing Township
Virtual Highway Project	Resilient Region Connectivity Champions
Bridges Workforce Connection	Brainerd Chamber
Little Falls Processing Facility	SPROUT
Vegetable Garden-to-Cafeteria	Little Falls Schools ISD 482
Ensuring Affordable Housing; Service Member Housing	RREAL
Rent-A-Board	BLAEDC

Assisted in writing of several other grants that were not submitted by R5DC:

- MDA planning grants
- NJPA & MDA SPROUT Marketplace application, State broadband application
- Hunger Free MN grants from Lakewood
- Service Member Housing applications
- EDA Center economic analysis for food hub, Farm-2-School application not submitted by Dist. 181
- DEED application for \$2.mill broadband grant application with CTC, WCTA and the rest of Resilient Region Virtual Highway taskforce
- Submitted an RDF Solar Schools grant application
- Numerous grant applications that were not funded - not listed in this report but available upon request

Community Asset Profiles



Region Five was awarded a grant from BUSH Foundation in the amount of \$50K to fund a deeper dive into the 22 completed community asset profiles (CAPs). We started the CAPs workshops in 2012 and

decided after completing the first 22 that we needed to think a little deeper on what each of these communities need to be successful. We are reviewing all completed profiles and **co-creating** with the communities individual work plans to help them move to the next stage of implementation. The ultimate goal is to build the capacity of community members in all 67 communities to become leaders of their respective towns. Profiles and photos of the 22 completed communities can be found on the Resilient Region website, www.resilientregion.org/quality-of-place/.

Hazard Mitigation

Throughout 2014 Region Five Staff has been working with Emergency Managers from both Wadena and Morrison Counties to update their Hazard Mitigation plans. Hazard Mitigation plans are the basis for communities eligibility for FEMA Mitigation funding for projects such as safe-rooms, acquisition of properties in flood planes, power line burial, generators, and wild fire sprinkler systems. Two such examples of projects being moved forward that are eligible because of these plans are safe room applications for mobile home communities in both Crow-Wing Township and Randall.



Comprehensive Planning

Region Five completed four comprehensive plans in 2014 for Motley, Sebeka, St. Mathias Township and Cass Lake. We have also submitted two additional proposals that are pending as of the publication of this report. Consistent with its policy of not competing directly with the private sector, Region Five directs communities to seek proposals from private sector firms first.

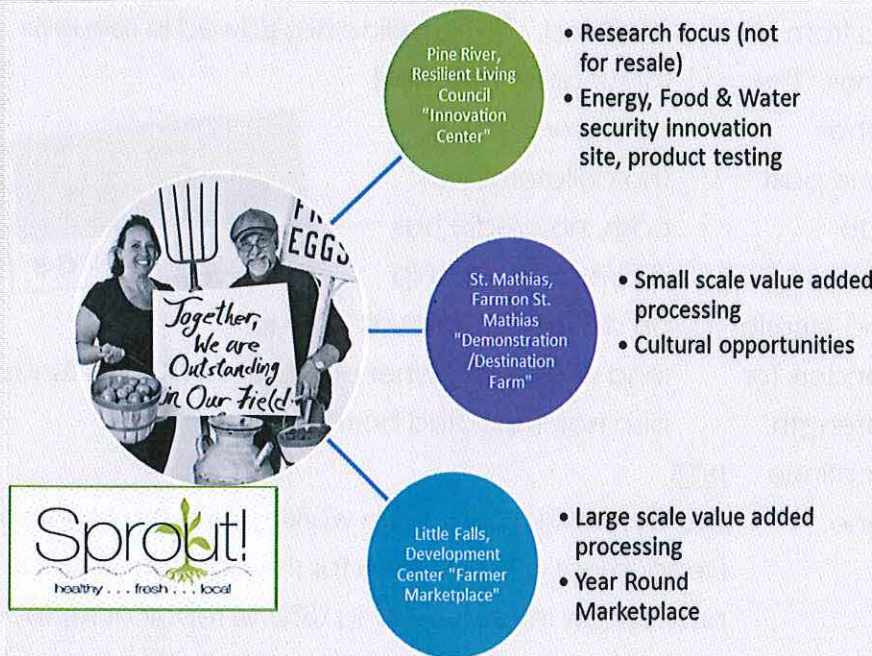
Local Foods

Choose Health

We received a 2014 Innovation Award from the National Association of Development Organizations (NADO) Research Foundation for the Choose Health project.



The Choose Health project expands access to locally grown foods in ways that address food insecurity through an innovative partnership. Funded by **Hunger Free Minnesota**, physicians from **Lakewood Health System** refer 50 families for a Community Supported Agriculture (CSA) membership. Families receive locally grown/raised commodities bi-monthly from "SPROUT MN" our regions local food hub.



The SPROUT Marketplace – Processing Facility

The food processing facility allows for growers to transform their fresh commodities to a processed (frozen, dried, canned, baked) product that expands the seasonal markets. The Marketplace allows growers to sell directly to consumers during the non-growing season.

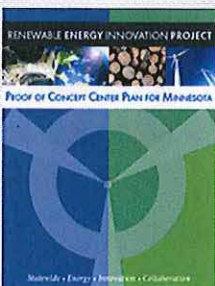
As of December 2014 we have secured a grant from USDA/ LFPP for working capital, and a grant from National Joint Powers Alliance to start the construction.

Broadband

NJPA awarded \$100K for broadband coordination and engineering.

Tele-Health Study funded by Blandin Foundation

Selected to be 1 of 10 Blandin Broadband Communities



Energy

Closed 'Proof of Concepts

Center' (PoCC) planning grant with EDA

Assisted in additional grant applications within the region to move forward with this work



Blandin Foundation™
STRENGTHENING RURAL MINNESOTA



10 rural Minnesota communities gather to accept the invitation to become a Blandin Broadband Community

BUSINESS LOANS

REVOLVING LOAN FUND

The application process for an RLF loan is longer and the criteria is more demanding on borrowers than with RMAP lending or Micro-Loans. RLF loans made in 2014 (\$288,000) by dollar amounts in order are Wadena, Crow



Wing, Morrison, and Todd. A total of 38 jobs were provided from these loans. The pipeline has slowed the past

few months but efforts are underway to revitalize the applicant pool. Potential borrowers who didn't meet the lending criteria are either directed back to primary lenders for funding because of strong financial strength, provided funding source options or continue to be currently active in the RLF pipeline.

PERSONAL LOANS

HWWS

Region Five received funds 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 2014 four new loans were disbursed with several others being administered with successful repayment schedules.



MICROLENDING

The Rural Microenterprise Assistant Program (RMAP) Loan Committee provides business loans averaging between \$1000 and \$35,000. Over \$179,000 in loans were approved for 2014. Crow Wing County topped the charts this year followed by Mille Lacs County (an out-of-region partner in the Microenterprise lending service area). Fourteen jobs were provided. The pipeline has slowed in requests for funds by potential borrowers. The 3C's (no collateral, no cash, no credit) has a direct relationship on dollars NCEDA was able to lend while 25% owner equity (non NCEDA funds) also has impacted borrower numbers.



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 \$111,000 in septic applications were approved. Twenty-one loans were closed in 2014 making this the program's most successful year to date!

The BOWSER Grant program in Cass, Crow Wing and Wadena counties assists low-income landowners and has been extremely successful. This cooperative effort combines a partial grant with a Region Five low interest loan to make the necessary septic improvements affordable. The remaining counties of Beltrami, Morrison and Todd also partner with Region Five's low interest loan to complete the needed upgrades.

Loans Closed in 2014**ISTS**

\$5581	Wadena-Sebeka
\$4700	Cass-Backus
\$7160	Morrison-Randall
\$2100	Crow Wing-Pequot Lakes
\$6152	Todd-Eagle Bend
\$8875	Beltrami-Bemidji
\$3000	Morrison-Pierz
\$4800	Crow Wing-Brainerd
\$11,875	Crow Wing-Brainerd
\$1875	Wadena-Annandale
\$5500	Morrison-Cushing
\$4000	Crow Wing-Brainerd
\$9320	Morrison-Little Falls
\$4664	Wadena-Sebeka
\$1862	Wadena-Sebeka
\$7200	Morrison-Pierz
\$7160	Cass-Remer
\$4387	Crow Wing-Brainerd
\$111,390	(\$76,597 LY total)

HWWS

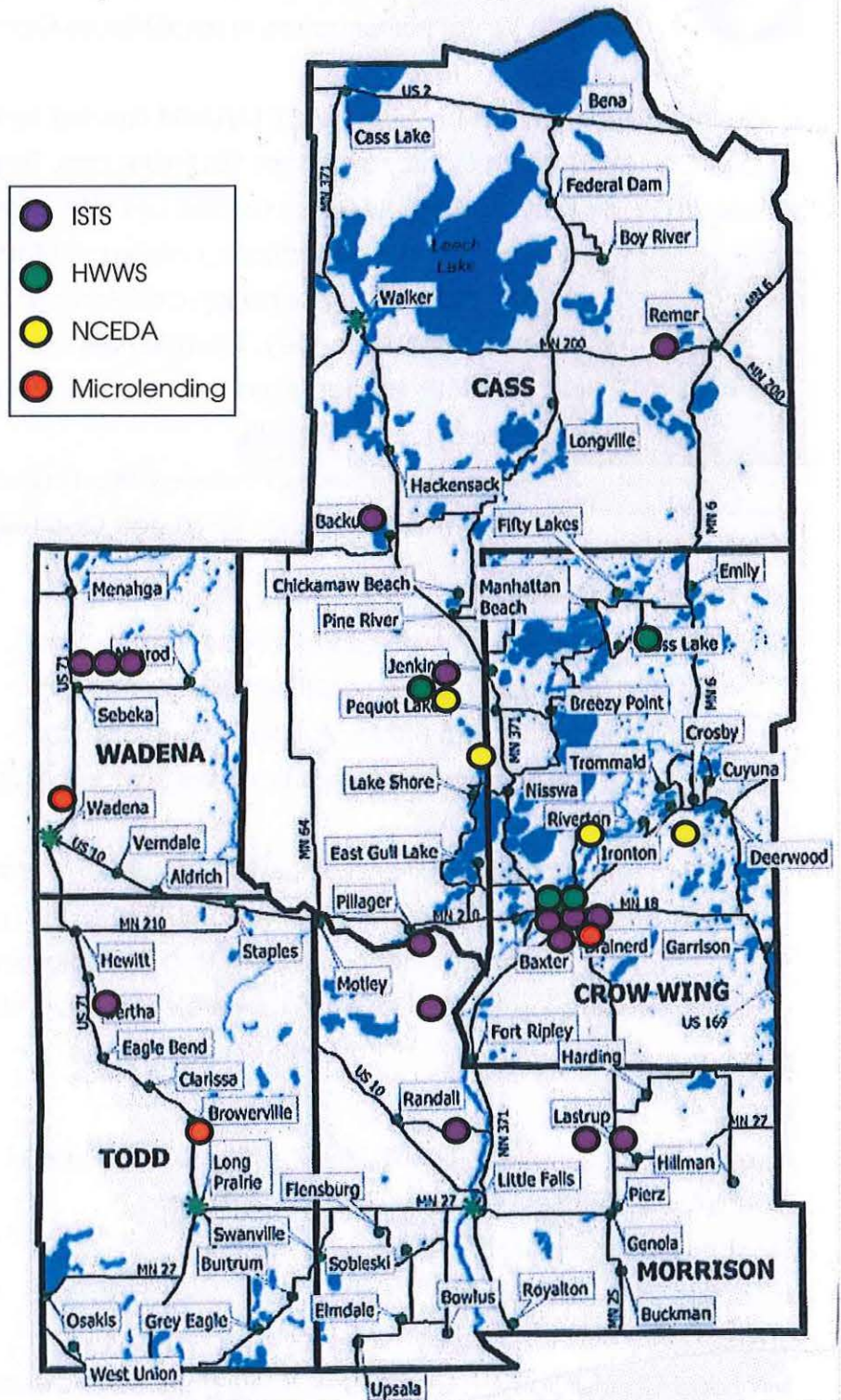
\$6068	Crow Wing-Ironton
\$9162	Crow Wing-Pequot Lakes
\$5614	Crow Wing-Nisswa
\$6707	Crow Wing-Deerwood
\$34,153	(\$0 LY total)

NCEDA

\$98,500	Crow Wing-Brainerd
\$22,500	Todd-Long Prairie
\$17,000	Wadena-Wadena
\$100,000	Wadena-Eden Prairie
\$188,000	Morrison-Shakopee
\$288,000	(\$304,700 LY Total)

Microlending

\$50,000	Crow Wing-Brainerd
\$20,000	Crow Wing-Pequot Lakes
\$29,000	Crow Wing-Cross Lake
\$50,000	Crow Wing-Brainerd
\$20,000	Mille Lacs-Princeton
\$179,000	(\$127,100 LY total)



Staff Training

- ♦ Community Capitals Framework Nov 2014/Nebraska Funded by BUSH Staff: *Melissa*
- ♦ HUD/EPA Water Infrastructure in Small Places Oct 2014/Kansas Funded by NADO Staff: *Melissa*
- ♦ Business Retention & Expansion Jan 2014/UofM Funded by Initiative Foundation Staff: *Melissa*
- ♦ EDA Chicago Region Conference Sept 2014/Chicago. Funded by EDA Staff: *Melissa*
- ♦ Wealth Works May 2014/Philadelphia funded by NADO. Funded by NADO Staff: *Cheryl*
- ♦ MN Transportation Conference March 2014/Minneapolis Staff: *Tad*
- ♦ NADO Transportation Conference Dec 2014/Ohio Staff: *Tad*
- ♦ NADO Eco. Dev. Finance Peer Dec 2014/Ohio Staff: *Sandy*
- ♦ NJPA Leadership Oct 2014/Staples Funded by NJPA Staff: *Melissa, Nicky, Sandy*
- ♦ Governmental Finance Officers Assoc. Sept 2014/Sacramento Staff: *Nicky*
- ♦ MADO meetings for all staff Quarterly



Sandy Voigt (R5DC), Randy Larson (Upper MN Valley RDC), and LuAnn Vanderwerf (Region Nine)



Workshops/Webinars

GESP workshop June 12 with CERT Staff: *Melissa*

Facilitated MDH training events-SHIP grantees Staff: *Tad*

Manufacturing Tour with BBAM May 2014 Staff: *Cheryl*

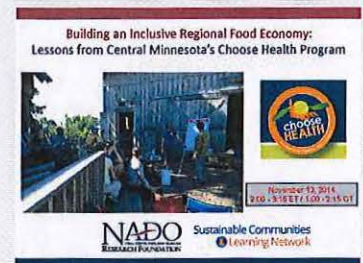
DEED's Regional Economic Competitiveness Baxter/July 2014 Staff: *Cheryl*

DEED meeting and Broadband office Baxter/July 2014 Staff: *Cheryl*

NADO Research Foundation webinar on Resilient Region publications - August 2014

HUD Summer Smarts webinar on Resilient Region implementation - September 2014

NADO webinar on the CHOOSE HEALTH project - November 2014



R5DC Representation

LOCAL:

Happy Dancing Turtle, SPROUT MN, Central Lakes College Advisory Council, CLC Facilities Committee Staff: *Cheryl*

Staples LEAP group Staff: *Melissa*

Friends in Field Staff: *Sandy*

STATE:

MN Food Charter Launch Committee, Governors NGA Clean Energy & Eco. Development Policy Academy, UofM Center for Transportation Studies, UofM EDA Center Advisory Board Staff: *Cheryl*



NATIONAL:



RUPRI State Policy Panel, national panel on rural issues Staff: *Cheryl*

Great Lakes Region Advisory Board, EDA region for EDA Centers Staff: *Cheryl*

Speaking Engagements

- ◇ DEED conference Jan 2014 Topic: Regional Relationships *Staff: Cheryal*
- ◇ Symposium for Small Towns, June 2014/Morris MN Topic: Resilient Region *Staff: Cheryal*
- ◇ NADO Conference August 2014/Denver Topic: Resilient Region *Staff: Cheryal*
- ◇ USDA—MCDE State Directors mtg. Sept 2014/ Ohio Topic: Resilient Region Funded by USDA *Staff: Cheryal*
- ◇ MN Food Charter Oct 2014/Duluth Topic: Choose Health project *Staff: Cheryal*
- ◇ HUD Eco. Resilience Convening Oct 2014/Chicago Topic: Resilient Region Funded by NADO. *Staff: Cheryal*
- ◇ USDA Mentoring Topic: Excellence In RDO's Nov 2014/Kansas Funded by USDA & KRDO *Staff: Cheryal*



REGION FIVE SERVICE AND PARTNERSHIP AWARDS

Region Five believes it is important to honor our service providers and regional partners who have gone above and beyond their compensation in ways that have notably assisted in managing our operations and who has significantly made a difference in our ability to meet our mission. The Commission also feels it is important to honor companies who are improving our regions vital economy.

2014 is R5DC's second annual awards ceremony, with recognition of:

Outstanding Service Provider—Michael Krause and Jim Robins

Outstanding Regional Partner—MN USDA Rural Development

NCEDA Borrower— National Precision Manufacturing & Engineering

Microbusiness Borrower—Wurdeman Cabinet Company

Video's :

Broadband video – sponsored by NJPA for \$2.mill broadband grant application with CTC, WCTA and rest of Resilient Region Virtual Highway taskforce. Target audience: DEED. Featuring residents from our region making our case of need and capacity.

Choose Health video – sponsored by Hunger Free Minnesota for Choose Health program with Lakewood Health, SPROUT, Todd County Public Health, UofM Extension, EnSearch & R5DC. Target audience: anyone interested in replication. Featuring partners and participants of this program sharing process and value.

NADO video– sponsored by National Association of Development Organizations. Explain the importance and value of regional planning. Featuring Cheryal Hills speaking about success of Resilient Region initiative.



200 1st Street NE, Ste. 2

Staples, MN 56479

POSTAGE

5 Counties, One Vision, One Source!