



2015 Annual Report



Arrowhead Regional Development Commission

Leading | Planning | Connecting

www.ardc.org

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Community visioning

About ARDC

....serving northeast Minnesota for more than 40 years

ARDC holds a notable place in Minnesota history. It was the first of 11 multi-county regional development organizations created in Minnesota following the Regional Development Act of 1969. This landmark legislation recognized that challenges related to growth and development transcend county lines. The legislation encouraged local governments to cooperate in finding solutions for everything from transportation and natural resource issues to economic development and delivery of human services.

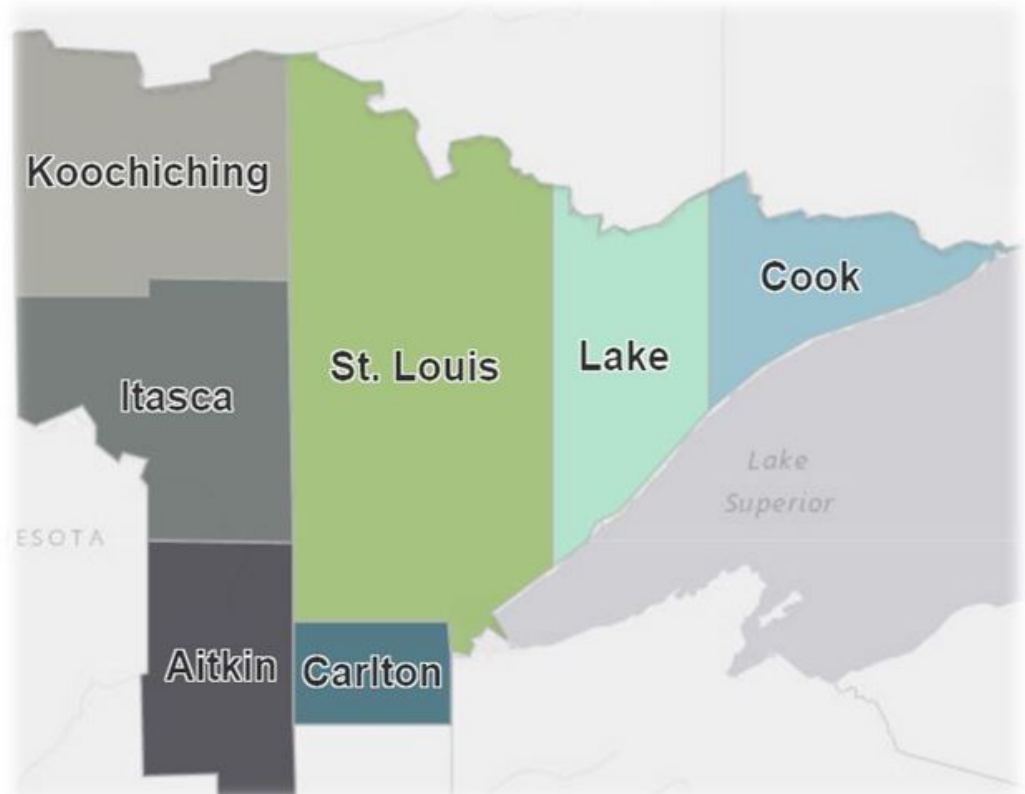
Connecting Public and Private Interests

Regional development commissions are complex relationships of interests from the public and private sectors. ARDC's membership includes both elected officials and citizen representatives from throughout the region. Programs are funded through the combinations of federal and state dollars, grants, and fees paid for services. This unique structure gives ARDC programming flexibility that other governmental agencies do not share.

The forty member Commission meets quarterly to discuss regional priorities and to set overall policy. The twelve member governing board meets monthly to monitor programs, revise budgets, approve contracts and expenditures, and to manage other policy issues as they arise.

As outlined in the Minnesota statute, ARDC Board and Commission membership ensures representation by a cross section of elected officials and regional interests:

- County commissioners from the seven county region
- Communities over 10,000 in population
- Communities under 10,000 in population
- Township officials
- Tribal councils
- School boards
- At-large positions
- Advisory committees



ARDC Divisions

Regional Planning Division

ARDC provides communities with professional planning and development services to meet long term housing, infrastructure, environmental, economic and human needs.

Duluth-Superior Metropolitan Interstate Council (MIC)

ARDC administers and staffs the Duluth-Superior Metropolitan Interstate Council (MIC) which is the federally designated Metropolitan Planning Organization (MPO) for the Twin Ports area. The MIC provides guidance and leadership on transportation and planning issues in the metropolitan area.

Area Agency on Aging (AAA)

As the designated Area Agency on Aging, ARDC promotes efforts and coordinates funding for programs that serve seniors and caregivers. The AAA is the regional agency for the MN Board on Aging.

Additional ARDC Provided Planning Services

- Geographic Information Systems (GIS)
- Federal Economic Development Administration funding and Comprehensive Economic Development Strategy (CEDS)
- Federally funded Revolving Loan Fund administered by ARDC and serviced by The Northspan Group
- Natural resource planning and management
- Livable community programs in the region
- Safe Routes to School programs
- Studies related to regional freight movements
- Wildfire mitigation programs
- Planning for alternative energy in the region

ARDC is the place local governments and community-based groups can turn to for programs, services, and staffing assistance. The professional planners and project coordinators help clients improve their communities by:

- Identifying and providing access to available resources
- Encouraging inter-governmental cooperation
- Providing a forum for issues that cross jurisdictions
- Gathering, analyzing, and disseminating data
- Formulating and implementing regional strategies
- Analyzing and developing regional systems
- Facilitating decision-making and strategic planning
- Identifying and instituting innovative practices
- Assuming a leadership role on regional matters
- Delivering technical assistance



Geographic Information Systems is an increasing component of the planning process.

The Region

The Arrowhead Region is among the most beautiful and diverse areas of Minnesota. Bordered on the east by Lake Superior and Wisconsin, and on the north by Ontario, Canada, the region is blessed with a wealth of scenic beauty and natural resources. The people of the Arrowhead have built a resource-based economy around the three Ts – timber, taconite, and tourism – while also developing high quality education, health care, and human service. A fourth T – technology – is generating exciting opportunities and erasing geographic barriers to growth. Northeast Minnesota is poised to enter a new era of growth.



...by the numbers



- 63 % of region's land is held in public ownership
- 1 National Wilderness area BWCAW
- 1 National Park – Voyageurs
- 1 National Monument
- 2 National Forests – Superior and Chippewa
- 19,946 sq. miles
- 23% of state's land area
- 26 State Forests
- 16 State Parks
- 23 County Parks



- 34 school districts
- 2 universities
- 1 private college
- 10 community /technical colleges
- 9 environmental learning centers



- Population (2010 Census): 326, 639
- 57 % of Minnesota's forest land
- 4,621 miles of shoreline
- 43% of Minnesota's peat land
- 25% of Minnesota's lake and river access
- 25% of Minnesota's resorts
- 5 commercial ports
- 13,650 miles of highway
- 2nd largest metro area in the state



- 7 counties
- 70 cities
- 180 townships
- 3 reservations

Executive Director Comments

Leading. Planning. Connecting.

These words are included on ARDC's letterhead, business cards, website and printed materials.

As a Regional Development Commission, it's how we serve the people of the Arrowhead Region.

The staff of ARDC's three divisions—the Arrowhead Area Agency on Aging, the Metropolitan Interstate Council and the Regional Planning division—all work with unique constituencies to identify and address needs in the region and fulfill the agency's mission. The work of each division during 2015 is highlighted in this report. Also included is an overview of

the Economic Development Administration Revolving Loan Fund activity for 2015 and a highlight of agency finances.



Collaborations are an essential aspect of our work, and we value the relationships we have developed and welcome opportunities to engage with new partners. Effective partnerships are a vital component in the planning and development work of the Regional Planning division and the Metropolitan Interstate Council. A strong network of partner agencies and volunteers enables the Area Agency on Aging to meet the needs of seniors and caregivers within the region. Partnerships with statewide agencies and other regional development commissions allow us to leverage funding and align our work with multi-regional or statewide initiatives.

ARDC is governed by a Board and Commission that includes both elected officials and citizen representatives from throughout the region. The commitment of ARDC's Board and Commission membership is much appreciated. We encourage people from across the region to consider serving on the Commission, as we welcome new voices and new perspectives to help us in leading, planning and connecting to support and strengthen our region.

It is rewarding to be a part of an organization with skilled and dedicated staff working to meet the planning and direct service needs of the jurisdictions and citizens in this large and diverse Arrowhead Region. We are pleased to offer highlights from this work in 2015.

Pat Henderson, Executive Director, ARDC

**After serving the region for eight years, Pat Henderson retired from her position at ARDC in April 2016.*

Regional Planning Division

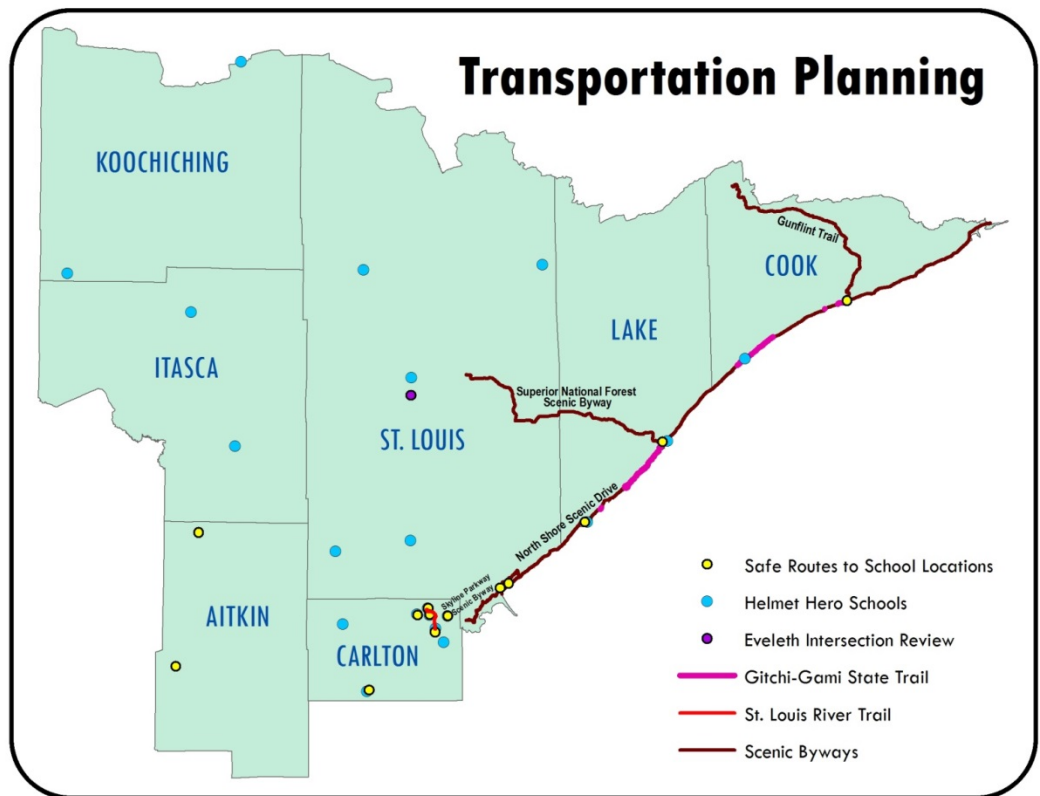


The Regional Planning Division at ARDC continued its role as the designated transportation planning agency for northeast Minnesota in 2015. A primary task was to continue its work with the Scenic Byways in the Region. ARDC staff assisted the North Shore Scenic Drive with ongoing support and meeting facilitation, an updated of its Corridor Management Plan, an extensive Wayside improvement program that addressed accessibility for travelers with disabilities, and major redesigns of four key sites – French River, Palisade Head, Tofte Town Park, and Hovland Dock. Funding is now being sought to implement those plans. ARDC helped the Gunflint Trail, Superior National Forest, and the Skyline Parkway Scenic Byways with their Corridor Management Plans as well.

Planners continued providing facilitation and planning assistance to MnDOT District 1 through the Regional Transportation Advisory Committee (RTAC) and the Area Transportation Partnership (ATP). Planning projects included an intersection review in Eveleth, trail planning in Carlton, Scanlon, and Cloquet, and planning efforts with the Gitchi-Gami Trail Association.

ARDC also continued its very popular Helmet Hero bicycle safety education program in 2015. Regional Planning’s certified bicycle safety instructor worked with 38 third grade classes in the Region, demonstrating safe practices and giving away helmets to each child.

Safe Routes to School Plans were facilitated by ARDC in Barnum, Duluth, Floodwood, Fond du Lac, and Grand Marais, and planners coordinated a mini-grant program that funded several small, but worthy efforts, including support of bicycle safety programs, teacher training, bike rodeo supplies, and bike racks.



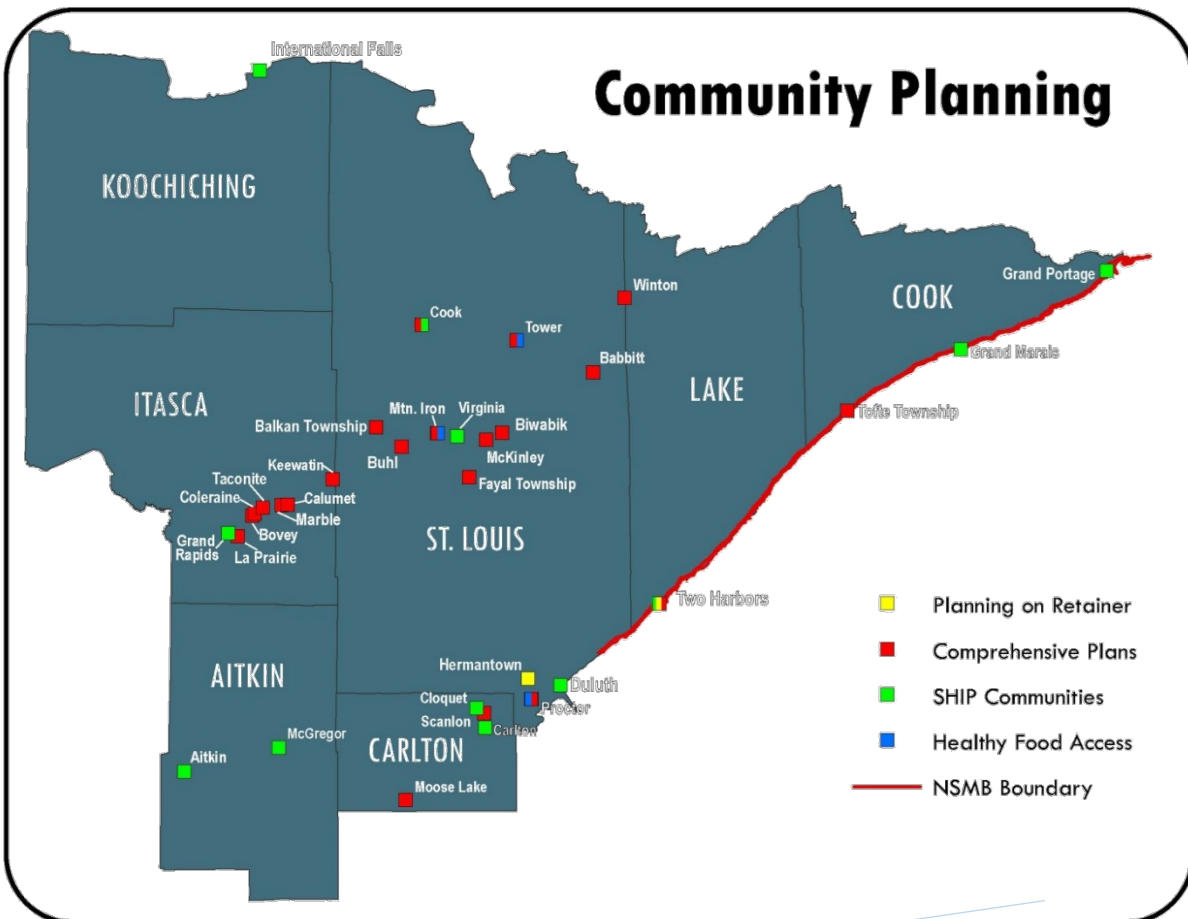
Regional Planning – cont'd

ARDC's Regional Planning Division provides Arrowhead Region communities with community development and planning services on both an ongoing and as-needed basis. ARDC planners serve as the City Planner for the City of Two Harbors, addressing zoning requests, staffing the planning commission, and facilitating the Trees and Trails Commission. In Hermantown, ARDC staffers have a more focused role on major developments and long range planning.

ARDC facilitated a remarkable 22 Comprehensive Plans in 2015. Cities and towns in the Region use those plans to set community visions and garner public input on future decisions. A unique component was added to three pilot communities to examine healthy food access as part of the comprehensive plans. ARDC worked with the University of Minnesota and Blue Cross/Blue Shield to survey residents and recommend ideas for improvement.

The State Health Improvement Program (SHIP) also worked with ARDC staff to promote Active Living in the northeast Minnesota. ARDC assisted communities and public health officials to promote walking, biking and being active as a part of an everyday routine.

The North Shore Management Board continues its work, with ARDC staff assistance, to address zoning standards and development on Minnesota's Lake Superior Coast. They kicked off a Management Plan update process in 2015 – watch for its completion in 2016.



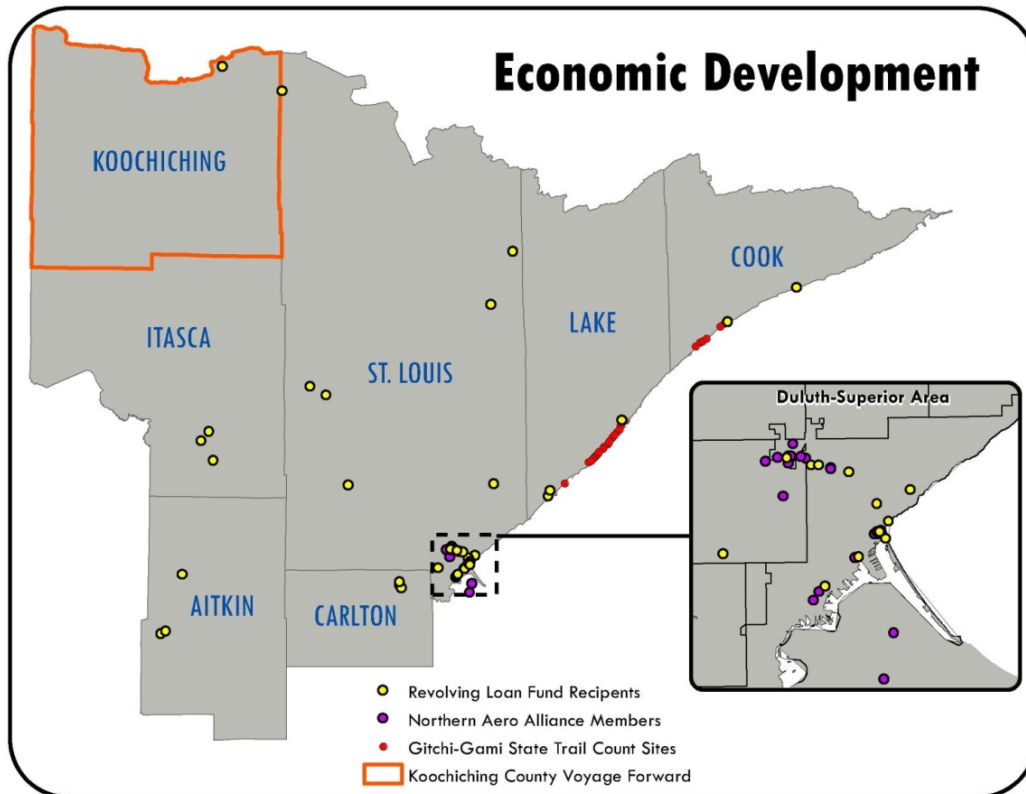
Regional Planning – cont'd

Voyage Forward was a major economic development initiative for ARDC in 2015. It was organized in response to the paper machine closure and permanent dislocation of approximately 265 quality manufacturing/trades jobs at Boise Paper, a division of Packaging Corporation of America, in International Falls and other economic events in Koochiching County. ARDC helped the City of International Falls and Koochiching County secure a \$400,000 grant from the United States Economic Development Administration to develop a response and long term economic development strategy. ARDC was the grant administrator and helped facilitate the volunteers and consultants that contributed to the creation of a long term economic development strategy.

DevelopMN is the result of a collaborative effort of the members that make up the Minnesota Association of Development Organizations (MADO) carried out in 2014 - 2015. It was developed in order to align strategic economic development efforts throughout Greater Minnesota, and leverage resources at all levels for a greater overall development impact. It creates a common framework for regional economic and community development, and identifies strategies to address the special challenges and opportunities of Greater Minnesota. This initiative will enhance and support economic development efforts on all levels and engages local, regional, state and federal partners.

ARDC continued to support the Northern Aero Alliance in 2015. This group of aviation related businesses and manufacturers seeks to increase the economic prominence of the area's aeronautics stakeholders. ARDC hosts its website, manages its Facebook page, and addressing tasks as needed.

The Regional Planning Division conducted a formal, technical trail usage study on the Gitchi-Gami State Trail in 2015. Infrared trail counters were strategically placed up and down the trail over the course of four months, and, using two control sites, the counts recorded were extrapolated using formulas to determine the total summer usage of the trail.



The information has been assembled into a map showing average use rates for all the count sites on the trail. ARDC plans to repeat the count in 2016 and, in 2017 and then use the count data, in conjunction with an extensive user survey, to determine the actual economic impact of the Gitchi-Gami State Trail.

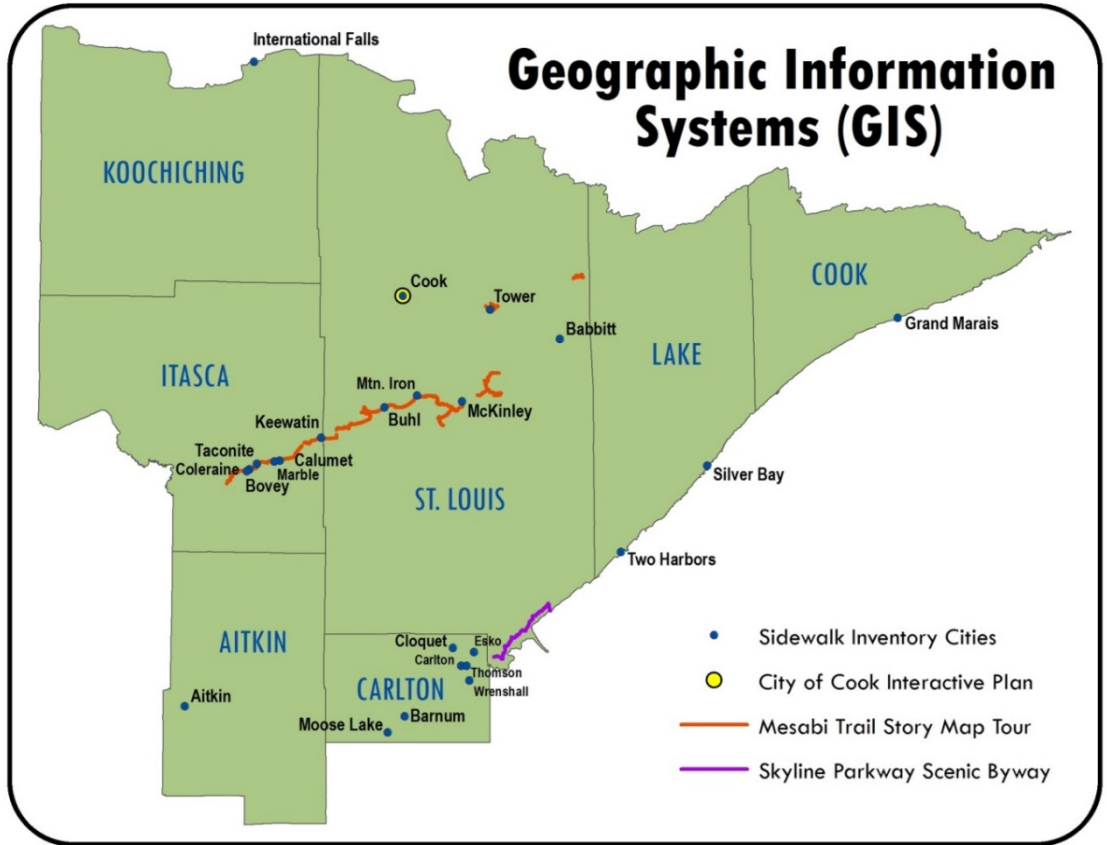
Regional Planning- cont'd

Geographic Information Systems (GIS) grew significantly in the Regional Planning Division in 2015. ARDC has become a state – even a national – leader in the innovative use of ESRI Story Maps and other interactive internet bases mapping systems. ARDC

developed interactive maps for the Region’s sidewalks and their conditions, the scenic viewsheds of Skyline Parkway Scenic Byway, and the City of Cook Comprehensive Plan. The largest and most dynamic map created by ARDC to this point, however, is the Mesabi Trail Virtual Tour. ARDC staff created videos and photo collages that allow web users to “bike” the Mesabi Trail from their PC or mobile devices.

ARDC helped a collaborative effort to map and plan improvements for all the recreational trails and affiliated facilities within Cook County. The Cook County Comprehensive Trails Plan recommends key trail expansions and connections, improved parking areas with information kiosks, and policy and management changes.

Working with the Minnesota Department of Natural Resources and the Gitchi-Gami Trail Association, ARDC GIS staff completed a complete review of the unconstructed portions of the Gitchi-Gami State Trail and adjusted segment lengths and priorities to better reflect the trail funding environment in Minnesota. This “scoping document” will be used to better understand trail needs and to promote priority sections for funding.



Want to Learn More About the Mesabi Trail?
Check out the Mesabi Trail Interactive Story Map Tour!

Available for Desktop & Mobile devices!

Mesabi Trail Interactive Map Tour

In partnership with the Club Mesabi, the Iron Range Resources and Rehabilitation Board, St. Louis & Lake County's Regional Railroad Authority, and the Northeast Minnesota Regional Sustainable Development Partnership, Arrowhead Regional Development Commission, has developed an ArcGIS Online StoryMap Tour of the Mesabi Trail.

This interactive map allows users to swipe or click along the trail to view photos, information and videos of the beautiful Mesabi Trail. Start exploring TODAY!

To access the App scan the QR code with your smartphone or visit:
bit.ly/mesabitrail

Andy Hubley, Director, Regional Planning Division
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Arrowhead Area Agency on Aging

The Arrowhead Regional Development Commission (ARDC) is designated by the Minnesota Board on Aging as the Area Agency on Aging (AAA) for the Planning and Service Area of the Arrowhead Region under authority of Title III of the Older Americans Act. Area Agencies on Aging (AAAs) were established under the Older Americans Act in 1973 to respond to the needs of Americans age 60 and over in every local community. By supporting a range of options that allow older adults to choose the home and community-based services and living arrangements that suit them best, the Arrowhead AAA helps make it possible for older adults to “age in place” in their homes and communities.



Arrowhead Area Agency on Aging

Funding Awards 2015

The Arrowhead Area Agency provided grants and contracts to community partners totaling over \$1.9 million in Title III Federal Older Americans Act and other federal and state funds for services to assist older adults living independently at home and to support their family caregivers. The following lists the funding amount, the persons served by service and provider partners.

Assisted Transportation Services

| FUNDING AMOUNT: \$93,614 | PERSONS SERVED: 437 |
|--|--|
| Rides for medical appointments, grocery shopping, social and recreational activities and other appointments. | Aitkin County CARE Community Partners ElderCircle North Shore Health Care Foundation Northwoods Partners Volunteer Services of Carlton County |

Chore Services

| FUNDING AMOUNT: \$31,438 | PERSONS SERVED: 164 |
|--|---|
| Services provided by volunteers include yard work, sidewalk maintenance or heavy housework for a senior. | Age Well Arrowhead Aitkin County CARE Floodwood Services and Training Volunteer Services of Carlton County |

Consultation Services

| FUNDING AMOUNT: \$26,167 | PERSONS SERVED: 177 |
|--|--|
| Assistance provided to an individual who is seeking support services to enable them to live independently in their own home. | Age Well Arrowhead Aitkin County CARE Volunteer Services of Carlton County |

Arrowhead Area Agency on Aging – cont’d

Evidence-Based Health Promotion Programs

| FUNDING AMOUNT: \$32,282 | PERSONS SERVED: 195 |
|--|--|
| Matter of Balance and Chronic Disease Self-Management Program are evidence-based health promotion programs proven to produce positive outcomes through rigorous research and extensive real-world testing. | Aitkin County CARE Arrowhead Area Agency on Aging ElderCircle Northwoods Partners |

Homemaker/Grocery Delivery Services

| FUNDING AMOUNT: \$19,760 | PERSONS SERVED: 63 |
|--|---|
| Volunteers provide grocery delivery services to homebound and frail seniors. | Age Well Arrowhead Arrowhead Economic Opportunity Agency |

Information and Assistance/Senior LinkAge Line®

| FUNDING AMOUNT: \$100,000 | PERSONS SERVED: 11,813 |
|--|--------------------------------|
| The Senior LinkAge Line®: <i>A One Stop Shop for Minnesota Seniors</i> is a free statewide service of the Minnesota Board on Aging and Minnesota’s Area Agencies on Aging. The Senior LinkAge Line® helps connect callers to local services and help with any Medicare question, prescription drug help, future planning including long-term care options and much more. | Arrowhead Area Agency on Aging |

Legal Assistance Services

| FUNDING AMOUNT: \$49,000 | PERSONS SERVED: 578 |
|--|--|
| Legal representation, advice, information and referral on a variety of legal issues: housing, health and income benefits, citizenship and consumer credit. | Legal Aid Service of Northeast Minnesota |



**Arrowhead Area
Agency on Aging**

Arrowhead Area Agency on Aging – cont'd

Legal Education Services

| FUNDING AMOUNT: \$1,000 | PERSONS SERVED: 2,416 |
|--|--|
| Community presentation to inform older person of their rights/benefits and how to access the legal system. | Legal Aid Service of Northeast Minnesota |

Title III-B Self-Directed Services

| FUNDING AMOUNT: \$15,000 | PERSONS SERVED: 10 |
|---|---------------------------|
| Services and supports directly chosen and purchased by an individual to meet their identified supportive service needs. | Consumer Directions, Inc. |

Senior Nutrition Services

| FUNDING AMOUNT: \$1,422,731 | PERSONS SERVED: 6,402 |
|--|---------------------------------------|
| Healthy nutritious meals provided to older adults in groups settings and in their homes. | Arrowhead Economic Opportunity Agency |

Caregiver Support Services

| FUNDING AMOUNT: \$180,000 | PERSONS SERVED: 444 |
|--|---|
| Services and resources focused on life-balance support of caregivers who care for a family member, friend, or neighbor, including coaching/consultation, respite, education, and support groups. | Aitkin County CARE Community Partners Consumer Directions, Inc. ElderCircle Floodwood Services and Training Koochiching Aging Options Lutheran Social Services North Shore Health Care Foundation Range Respite Volunteer Services of Carlton County |

Medication Management Services

| FUNDING AMOUNT: \$15,000 | PERSONS SERVED: 271 |
|--|-----------------------------|
| Services to prevent incorrect medication and adverse drug reactions. | Community Memorial Hospital |

Arrowhead Area Agency on Aging – cont'd

The Senior LinkAge Line®: A One Stop Shop for Minnesota Seniors is a statewide service of the Minnesota Board on Aging and delivered locally through Minnesota's Area Agencies on Aging, including the Arrowhead AAA. By calling 1-800-333-2433 – consumers across Minnesota are able to find information and answers on a variety of topics, from Medicare to transportation to comprehensive long term care options counseling.

In 2015, the Arrowhead Senior LinkAge Line® (SLL) provided services to 11,813 callers and answered 20,424 calls. 83 educational presentations were made on such topics as Long Term Care, Medicare Fraud and Abuse, Medicare/Health Care Coverage and Home and Community-based Services. 46 trained and certified volunteers provided 1,800 volunteer hours meeting with people 1:1, staffing exhibit booths, and providing educational presentations.



A Duluth based walking-group spreads the word about Older Americans Month

Catherine Sampson, Director, Arrowhead Area Agency on Aging
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Duluth-Superior Metropolitan Interstate Council (MIC)

As the designated Metropolitan Planning Organization (MPO) for the Duluth-Superior area, the MIC provides leadership for a cooperative transportation planning process that represents all local units of government.

The MIC works closely with elected officials, planners, engineers, residents and businesses to determine local priorities and to help lay the groundwork for projects that meet our transportation needs, now and into the future. Here are some of our planning successes from the past year:



Lincoln Park Multi-modal Transportation Study

Assessing transportation issues and opportunities within Duluth's Lincoln Park neighborhood

The aim of this study was to identify ways in which the public transportation assets within the Lincoln Park neighborhood can be improved for its residents, businesses, and visitors. It was undertaken in conjunction with the small area plan (SAP) led by the Planning Department for the City of Duluth. The findings of this study are intended to inform the policies and actions called for by the SAP, and is part of the MIC's ongoing multimodal transportation planning throughout the Duluth-Superior metropolitan area.

The plan focuses on the approximately 2.2 square-mile neighborhood at the base of MN Highway 53, southwest of the downtown. The area is home to more than 6,300 residents and includes a middle school as well as industrial operations near the St. Louis River waterfront, and an emerging 'craft district' of locally owned retailers that make their products on site.

The Planning Context

The study was conducted from the combined vantage of three planning perspectives: multimodal integration, optimizing public investment, and identifying future opportunities.

A "multimodal" perspective

The study addresses multiple modes of transportation, including personal automobiles, commercial trucking, public transit, walking, and biking, and also considers the subject of multi-modalism to include not just the availability of these modes, but also the connectivity, integration, mobility, and safety of such options.



The Lincoln Park neighborhood in Duluth, MN

The Lincoln Park Multi-modal Transportation Study considers issues of accessibility and connectivity between the neighborhood's residential areas and nearby centers of commercial, employment, and recreational activities.

Duluth-Superior Metropolitan Interstate Council (MIC) – cont’d

A “public investment” perspective

The City of Duluth has 28 different neighborhoods that span over an 87 square mile area. It likewise manages a large network of public transportation utilities and maintains over 400 miles of city streets and roadways, more than 400 miles of sidewalks, and 2 miles (and growing) of paved, off-street trails. In addition, it helps finance a transit service that serves a network of more than 150 miles of transit routes, all while facing increasing maintenance costs alongside a revenue stream that has remained virtually flat year after year. This reality remained a principal consideration while performing work on this study, and it influenced how the information and final recommendations of the study are being presented in this document.

A “future opportunities” perspective

Lastly, the study was carried out in the interest of identifying potential opportunities to strengthen multimodal connections and enhance multimodal options within the neighborhood in the coming years. This includes opportunities to create new connections and to expand existing networks in ways that could accomplish multiple community objectives. While it is understood that not all such opportunities can be pursued, it is hoped that the findings of this study will call the attention of city staff and community stakeholders to the “menu” of possible actions which they can further investigate, prioritize, and pursue in future planning efforts.

You can view the study on the MIC’s website at www.dsmic.org/lpmms

4th Annual Bike & Pedestrian Counts

Contributing data to the study of emerging methodologies for non-motorized traffic monitoring

2015 was the fourth year that the MIC, in coordination with local partners Healthy Duluth Area Coalition and the City of Duluth, undertook annual bike and pedestrian counts. This initiative utilizes the guidance of the National Bike and Pedestrian Documentation Project and is part of a significant state- and nation-wide initiative to develop reliable methodologies and technologies to measure the numbers and locations of bicyclists and pedestrians.

Why Count Bicyclists and Pedestrians?

A fair and equitable transportation system provides access and mobility for all users and all modes. A significant portion (more than 25%) of transportation



Cyclists and pedestrians were counted, with the assistance of many community volunteers, at locations throughout Duluth in July and September, 2015. The counts provide baseline data to support the need for non-motorized improvements such as bicycle lanes and pedestrian crossings.

Duluth-Superior Metropolitan Interstate Council (MIC) – *cont'd*

users do not drive due to age, physical ability, financial means or personal choice. Locally, community members and groups have begun to advocate for the inclusion of bicycle and pedestrian facilities to support walking and bicycling as transportation choices. In addition, many recent public health initiatives are emphasizing the need to provide active transportation choices as an important element in improving personal and community health.

If It's Not Counted, It Doesn't Count

One of the biggest barriers to being able to justify the cost of expanding and maintaining bike and pedestrian infrastructure is that we just do not know how many people are using – and potentially would use – bike and pedestrian facilities such as off-street trails and protected bike lanes. Therefore, transportation infrastructure investment decisions are being made based on traffic data that excludes non-motorized (or “active”) transportation modes, which in turn impacts the physical, social and economic health of our communities.

Emerging Technologies and Methodologies

Most people are familiar with the tube counters that periodically show up on our roadways to measure the ADTs (Average Daily Traffic) volumes for cars and trucks. However, when it comes to counting the numbers of bicyclists and pedestrians on area roadways, both the technology and a standardized counting methodology are works in progress.

To address this issue, in 2011 the University of Minnesota's Humphrey Institute, in collaboration with MnDOT, undertook an extensive study of bicycle and pedestrian counting technologies and methodologies both state- and nation-wide. The MIC was invited to participate on the steering committee for this project, which included conducting pilot bike and pedestrian field counts at key locations in Duluth. The data from the MIC's first count in 2012, as well as feedback about the process, was incorporated into the study *Minnesota Bicycle and Pedestrian Counting Initiative: Methodologies for Non-Motorized Traffic Monitoring* (Humphrey School of Public Affairs, October 2013).

The intent is ultimately to create a systems change that will establish a reliable protocol and recommend tools and technologies that can be utilized by all counties and cities throughout Minnesota. Local jurisdictions would collect and submit non-motorized traffic count data in a standardized format, similar to motor vehicle counts, which would be integrated into the statewide traffic count database for forecast analysis. Ideally this area will see the deployment of an entire network of permanent, automated, continuous monitoring sites, by adding devices to existing bike and pedestrian facilities and by incorporating counting devices into future infrastructure projects.

Long-Term Goals of the Bike-Ped Counting Program

Closer to home, the goal of the MIC's bike and pedestrian count initiative is to fully understand the area's transportation system by getting a complete picture of all



Several years of bike counts are helping us to determine the areas of highest bicycle usage across the city.

Duluth-Superior Metropolitan Interstate Council (MIC) – *cont'd*

modes of transportation – motorized and non-motorized. The MIC will continue to develop and refine a long-term, sustainable counting program to gather statistically meaningful data in partnership with stakeholder jurisdictions. The data gathered will inform decisions about the types of bike and pedestrian facilities to be installed at specific locations, and to assess what works and what does not.

Collaborative Harbor Planning

“Imagine – a committee that actually gets stuff done.”

The quote, above, is high praise from a former director of the Duluth Seaway Port Authority in reference to the MIC’s Harbor Technical Advisory Committee or HTAC. One of three advisory committees to the MIC Policy Board, the HTAC is made up of 30 port and harbor stakeholders representing state, federal, county, city, environmental and industry interests. Its mission is to provide a forum for the discussion of harbor-related issues and concerns, to promote the harbor’s economic and environmental importance to the community, and to provide sound planning and management recommendations to the MIC. It meets four times a year: in March, June, September and December.



Coordinated planning for the Duluth-Superior harbor involves a wide range of stakeholders on the HTAC representing industry, environmental, and economic development interests as well as multiple agencies and authorities at the federal, state and local levels.

Most of the HTAC’s actual work, however, takes place year-round and is conducted by issue-oriented technical subcommittees that are organized and facilitated by MIC staff. In 2015, in response to member-driven initiatives, the HTAC formed two new subcommittee working groups.



Most of the HTAC’s work is conducted by issue-oriented technical subcommittees organized and facilitated by MIC staff

Duluth-Superior Metropolitan Interstate Council (MIC) – *cont'd*

Navigation Subcommittee

The Navigation Subcommittee was a request of the U.S. Coast Guard and the HTAC structure was a good fit to facilitate this working group. The area Coast Guard Commander serves as chair and its work in 2015 addressed potential impacts to navigation such as spring ice on Lake Superior, scheduled waterfront events, dredging activities and emergency response issues.

Open Water Mitigation Subcommittee

The Open Water Mitigation (OWM) working group was formed to clarify the multi-agency permitting processes for construction projects, such as dock expansion, that require filling open water areas in the harbor. The DNR developed a flow chart/decision tree to describe and better visualize the permitting process and made it available to businesses and consultants for review and comment. Ongoing work items for the group include exploring the idea of establishing an open water mitigation “bank” similar to that used for wetlands as well as developing an inventory of possible open water mitigation sites within the harbor, along with a GIS-based tool for use during the permitting process.

Safer Streets and Improved Movement of Goods

Working with elected officials to take heavy logging trucks off Superior Street in downtown Duluth

It literally took an act of Congress to make this important change to the safety of Superior Street in downtown Duluth.

Logging trucks weighing in excess of 80,000 pounds were prohibited by federal law from using I-35 and were therefore forced to take city streets and county roads on the way to the paper mill in Cloquet.

MIC staff worked closely with staff from Congressman Nolan’s office in Duluth and Senator Franken’s staff in Washington D.C. to provide background information on the impact to local roads and to the logging company’s time lost via this route. The urgency of the issue was highlighted by an accident at 26th Avenue East and London Road where a logging truck tipped over and spilled its logs in an urban setting (fortunately with no injuries to people or damage to other vehicles on the road).



The MIC worked with Rep. Nolan’s office to take heavy logging trucks off Superior Street in downtown Duluth.

Duluth-Superior Metropolitan Interstate Council (MIC) – *cont'd*

An amendment to the 5-year surface transportation bill was authored by Rep. Nolan that enabled heavy logging trucks (with a gross vehicle weight of no more than 99,000 pounds and no less than six-axles) to bypass local streets by permitting them to use a 24-mile stretch of Highway I-35 from north of Duluth to south of Scanlon. It was eventually approved as part of the final federal transportation bill (termed FAST ACT) and signed into law.



A recent logging truck accident that spilled logs at 26th Ave E. and London Road highlighted the need to divert them off city streets.



Duluth-Superior Metropolitan Interstate Council

Guiding the future of transportation for the Twin Ports area

Ron Chicka, Director, Metropolitan Interstate Council

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Economic Development Administration Revolving Loan Fund

In 2015, ARDC's Economic Development Administration's Revolving Loan Fund approved and/or disbursed on 9 new loans totaling \$959,266 to businesses in the seven county region of Northeast Minnesota.

Disbursements were made to previously approved loans to a Cook County ski facility, a Duluth area assisted living and a Grand Marais craft brewery. New loan approvals included loans to a Hibbing environmental remediation contractor, a Duluth craft distillery, a Duluth pet services and boarding company, a Duluth tinting and graphics company, a Silver Bay organic foods distributor and an Aitkin manufacturer.

Purpose

The purpose of the ARDC/RLF is to support business activities for which credit is not otherwise available, creation of private sector jobs, and stimulate private investment in the seven county region of Northeast Minnesota. Loans will generally be subordinated to the interests of private sector lenders in order to encourage their involvement.

Eligible Businesses

Priority economic sectors that are eligible for assistance through this program include:

- Aviation/Aerospace
- Renewable Resources
- Energy
- Manufacturing
- Technology
- Other

Leveraging Requirements

Jobs

Applicants must demonstrate that they will create or retain a minimum of one job per \$10,000 in ARDC/RLF assistance.

Private Sector Investment

Applicants must demonstrate that they will leverage a minimum ratio of two private sector dollars to one ARDC/RLF dollar (2 to 1) and must also demonstrate the minimum leveraging ratio, exclusive of owner's equity investment is one private sector dollar to one ARDC/RLF dollar (1 to 1).

Financing Policies

Allowable Use of Proceeds

Minimum loan size - \$10,000 Maximum loan size - \$250,000

Fixed assets, including land and building purchases, building construction, leasehold improvements, and renovations (twenty year term max); and/or Acquisition, renovation or moving machinery and equipment (ten year term max); and/or working capital (term loans only, five year max)

Interest Rate

Interest rates will be determined on a case by case basis.

Fees and Charges

Origination Fee

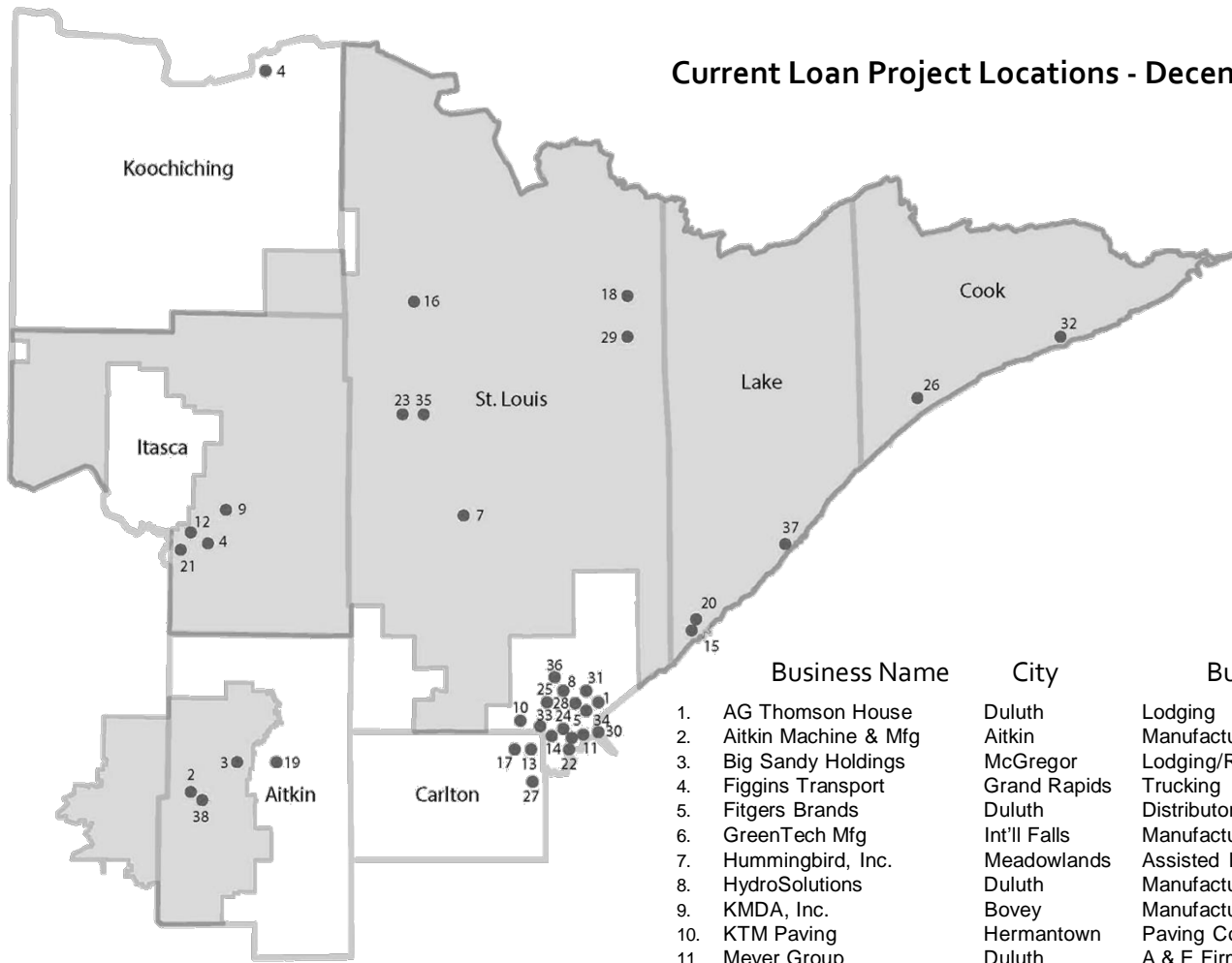
A 1½ percent loan origination fee will be charged to all borrowers participating in the ARDC/RLF.

Loan Servicing Fee

1% percent per year, based on outstanding principle balance.

Economic Development Administration Revolving Loan Fund – cont'd

Current Loan Project Locations - December 2015



Loan Distribution by County 1987 to 2016

| | | |
|-----------------|----|-----------|
| Aitkin..... | \$ | 975,000 |
| Carlton..... | \$ | 616,675 |
| Cook | \$ | 1,171,173 |
| Itasca..... | \$ | 1,163,500 |
| Koochiching.... | \$ | 143,500 |
| Lake..... | \$ | 1,282,300 |
| St. Louis..... | \$ | 4,165,365 |

| | Business Name | City | Business Type |
|-----|---------------------------|--------------|--------------------------|
| 1. | AG Thomson House | Duluth | Lodging |
| 2. | Aitkin Machine & Mfg | Aitkin | Manufacturer/Fabricator |
| 3. | Big Sandy Holdings | McGregor | Lodging/Resort |
| 4. | Figgins Transport | Grand Rapids | Trucking |
| 5. | Fitgers Brands | Duluth | Distributor |
| 6. | GreenTech Mfg | Int'l Falls | Manufacturer |
| 7. | Hummingbird, Inc. | Meadowlands | Assisted Living |
| 8. | HydroSolutions | Duluth | Manufacturer/Fabricator |
| 9. | KMDA, Inc. | Bovey | Manufacturer |
| 10. | KTM Paving | Hermantown | Paving Contractor |
| 11. | Meyer Group | Duluth | A & E Firm |
| 12. | MNSTAR Tech. | Grand Rapids | Manufacturer/Distributor |
| 13. | Morningstar Woodworks | Cloquet | Wood Products |
| 14. | Northstar Aerospace | Duluth | Manufacturer/Fabricator |
| 15. | North Shore Mfg | Two Harbors | Manufacturer/Fabricator |
| 16. | Oveson's Orr Hotel | Orr | Lodging |
| 17. | SMR Cloquet | Cloquet | Service |
| 18. | Studio North | Ely | Health Club |
| 19. | Superior Thermowood | Palisades | Wood Products |
| 20. | SureFab | Two Harbors | Manufacturer/Fabricator |
| 21. | Wide Open Company | Grand Rapids | Manufacturer |
| 22. | Windows Properties | Duluth | Manufacturer/Distributor |
| 23. | WR Whiteside Equip. | Hibbing | Equipment Rental |
| 24. | Involta | Duluth | Data Center |
| 25. | Bent Paddle Brewing | Duluth | Micro Brewery |
| 26. | Lutsen Mountain Corp | Lutsen | Recreational |
| 27. | Amundsen Farms | Wrenshall | Agricultural Production |
| 28. | K & L Buck Properties | Duluth | Commercial Cleaning |
| 29. | Junction Properties | Babbitt | Lodging |
| 30. | Vikre Distillery | Duluth | Distillery |
| 31. | TAJ Properties | Duluth | HVAC Contractor |
| 32. | Three Families Brewing | Grand Marais | Micro Brewery |
| 33. | Northern Healthcare Prop. | Duluth | Assisted Living |
| 34. | Vikre Distillery | Duluth | Distillery |

Economic Development Administration Revolving Loan Fund – *cont'd*

Loans Approved and/or Disbursed in 2015:

| Business | City | Approved | Disbursed |
|---------------------------------|---|------------------|------------------|
| Lutsen Mountain Corp | Lutsen | *\$250,000 | \$201,766 |
| Northern Healthcare | Duluth | *\$172,500 | \$172,500 |
| Three Families Brewing | Grand Marais | *\$100,000 | \$100,000 |
| Northern Environmental Services | Hibbing | \$100,000 | \$100,000 |
| Vikre Distillery | Duluth | \$100,000 | \$100,000 |
| Canal Bark | Duluth | \$60,000 | \$60,000 |
| P. Birdseye | Duluth | \$80,000 | - |
| Wilderness Products | Silver Bay | \$75,000 | \$75,000 |
| TeeMark Mfg. | Aitkin | \$150,000 | \$150,000 |
| Total | (Net of previously approved loans) | \$565,000 | \$959,266 |

*Previously approved.



Bob Palmquist, ARDC Revolving Loan Fund Agent
 218-529-7562 • bpalmquist@northspan.org • www.ardc.org

Summary of Revenue, Expenditures, and Changes in Fund Balance

Summary of Revenue, Expenditures & Changes in Fund Balance - Unaudited

Year End December 31, 2015

| | General Fund | Revolving Loan Fund | Grants & Contracts | Total |
|--|---------------------|------------------------|-----------------------|---------------------|
| Tax Levy | \$ 570,079 | \$ - | \$ - | \$ 570,079 |
| Grants and Contracts | - | 551,257 | 4,496,165 | 5,047,422 |
| Program Income | - | 854,258 | 386,944 | 1,241,202 |
| Interest Earned | 120 | 142,675 | - | 142,795 |
| Miscellaneous | 2,220 | - | 28,407 | 30,627 |
| Total Revenue | 572,419 | 1,548,190 | 4,911,516 | 7,032,125 |
| Expenditures | 274,884 | 1,481,406 | 5,102,925 | 6,859,215 |
| Revenue Expenditures Over (Under) | 297,535 | 66,784 | (191,409) | 172,910 |
| Other Financing Sources (Uses) Local Match | (251,411) | 60,002 | 191,409 | - |
| Revenue and Other Sources (Uses) Local Match | 46,124 | 126,786 | - | 172,910 |
| Fund Balance 1/1/2015 | 1,016,935 | 416,222 | (10,037) | 1,423,120 |
| Fund Balance 12/31/2015 | \$ 1,063,059 | \$ 543,008 | \$ (10,037) | \$ 1,596,030 |

Sister Mary Matthew, ARDC Finance Director

218-491-1841 • mmatthew@ardc.org • www.ardc.org

ARDC Board and Commission Membership

Officers 2015

| | |
|------------------|------------|
| Wade Pavleck | Chair |
| Dick Brenner | Vice Chair |
| Allen Rasmussen | Treasurer |
| Margaret Sherman | Secretary |

County Commissioners

| | |
|----------------|--------------------|
| Don Niemi* | Aitkin County |
| Dick Brenner* | Carlton County |
| Ginny Storlie* | Cook County |
| Terry Snyder* | Itasca County |
| Wade Pavleck* | Koochiching County |
| Jeremy Hurd* | Lake County |
| Frank Jewell* | St. Louis County |
| Patrick Boyle | St. Louis County |

Communities Over 10,000

| | |
|------------------|--------------|
| Roger Maki | Cloquet |
| Jennifer Julsrud | Duluth |
| Dale Adams | Grand Rapids |
| Darby Sater | Hibbing |

Communities Under 10,000

| | |
|------------------|--------------------|
| Pam Nordstrom | Aitkin County |
| Ted Shaw | Carlton County |
| Bill Lenz | Cook County |
| Edward Bolf | Itasca County |
| Brian Briggs | Koochiching County |
| Carlene Perfetto | Lake County |
| Charles Baribeau | St. Louis County |

ARDC Board and Commission Membership – *cont'd*

Township Officials

| | |
|------------------|--------------------|
| Bill Pratt | Aitkin County |
| Clayton Kauppila | Carlton County |
| Andrew Beavers | Cook County |
| Tarry Edington | Itasca County |
| Kevin Adee | Koochiching County |
| Michael Hoops | Lake County |
| Earl Grano | St. Louis County |

Native American Tribal Council(NATC)

| | |
|------------------|-------------------------|
| Jason Hollinday* | Fond Du Lac Reservation |
| Sidra Starkovich | Bois Forte Reservation |

School Boards

| | |
|----------------|----------|
| Pat Medure | ISD #318 |
| Julie Peterson | ISD #97 |

At Large Members

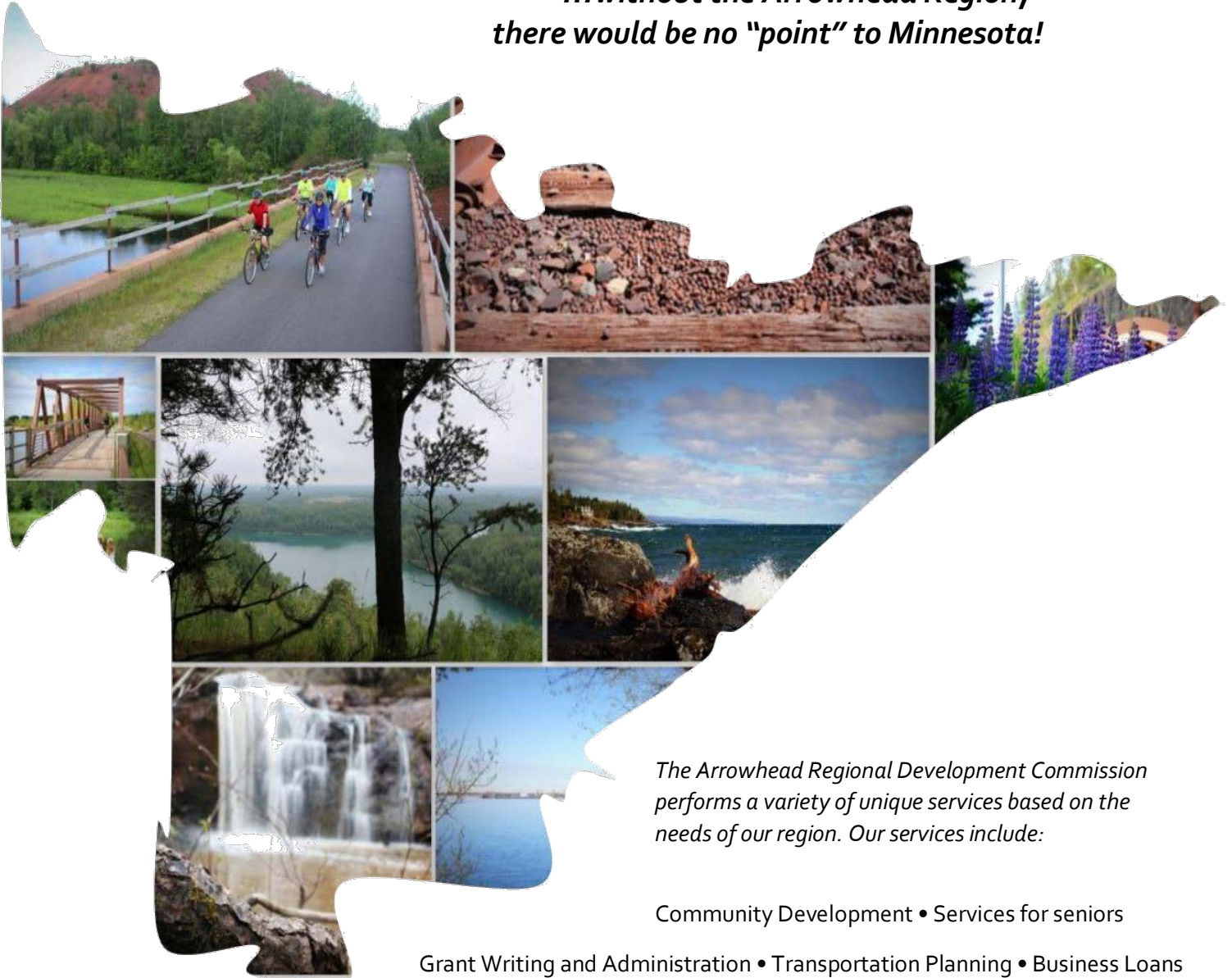
| | |
|-------------------|---------------------|
| Allen Rasmussen* | International Falls |
| Amy Wyant | Aitkin |
| Susan Zmyslony | Moose Lake |
| Margaret Sherman* | Palisade |
| Paul Nevanen* | International Falls |
| Heather Rand | Duluth |
| Lars Kuehnow* | Duluth |

Advisory Committees

| | |
|-------------|-----|
| Earl Eide* | MIC |
| David Leaf* | AAA |

*denotes ARDC Board Members

*...without the Arrowhead Region,
there would be no "point" to Minnesota!*



The Arrowhead Regional Development Commission performs a variety of unique services based on the needs of our region. Our services include:

- Community Development • Services for seniors
- Grant Writing and Administration • Transportation Planning • Business Loans
- Economic Development Technical Services • Comprehensive Planning
- Environmental Services • Entrepreneurial Training Programs • Housing Services
- Tourism Planning • Geographic Information Systems (GIS)



Arrowhead Regional Development Commission

221 West First Street

Duluth, Minnesota 55802

www.ardc.org