

ANNUAL REPORT

R5DC & NCEDA 2019



REGION FIVE
Development Commission

NCEDA
NORTH CENTRAL ECONOMIC DEVELOPMENT ASSOCIATION
a Program of Region Five Development Commission

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Introduction

THE PURPOSE of the Region Five Development Commission (R5DC) is to insure the orderly and harmonious coordination of state, federal, and local comprehensive planning and development programs for the solution of economic, social, physical and governmental problems of the state and its citizens.

The North Central Economic Development Association (NCEDA) is a local non-profit corporation established with federal and local dollars through the Region Five Development Commission. NCEDA's mission is to provide assistance to cultivate new skills and resources that unite communities and contribute to a prosperous economy. By providing financial assistance in the region, NCEDA provides technical assistance, entrepreneurship opportunities for small-business owners, increases manufacturing activity, and supports innovative products and processes.

R5DC addresses regional critical issues without duplicating private, public and non-profit entities. We want to know “what keeps you up at night” and address those issues. This results in partnering and collaborating with other organizations, businesses, nonprofits, and local units of government.

Executive Director Message



NEW BRANDING and a year of depth and breadth for Region Five Development Commission (R5DC) and our 501c3 affiliate organization - the North Central Economic Development Association (NCEDA). This publication shares tangible work that addresses our 5-county regional critical issues that fulfill the R5DC strategic plan and annual work plan. Through many partnerships, the R5DC team delivered planning and project management in the areas of 5 different lending programs associated with a high level of technical assistance, in addition to **Transportation** and **Community Development** initiatives.

To further address access to capital - we are proud that NCEDA is one of the state's leading lenders for the **Entrepreneur Lending Program** sponsored by MN Dept of Employment and Economic Development providing loans to businesses that are unable to access traditional sources of capital. This program compliments our **Microlending and Gap/participation lending**.

After 7 years of effort by many regional partners, we completed the **Solar Schools** project that also progress strategies within the region's comprehensive economic development strategy - **CREDS**.

Our planning and facilitation intensified our commitment to meet the needs of underserved residents and advancing Equitable Economic Ecosystems through the **Welcoming Communities** program supported by Sourcewell, the Blandin Foundation and Northwest Area Foundation (NWAf).

This year, we made gains in growing our region's local food economy while improving veteran services via the VetCSA, funded by the Minnesota Department of Veterans Affairs, and through the RxCSA, with partners at Sprout and Happy Dancing Turtle. These programs address important issues such as the opioid and mental health crisis. We successfully secured resources from the MN Department of Agriculture's Good Food Access Program that allow us to partner with several technical assistance experts to deliver training requested by the region's food cooperatives.

The placemaking work has been exhilarating and staff were contracted by our partners at Sprout to manage outreach and coordination of artists for the wonderful new **À la cARTe project**. We are pleased to have co-facilitated and completed an extensive comprehensive planning process with the City of Brainerd, alongside partners at Sourcewell. We were thrilled that the 30+ year mutually beneficial partnership with MnDOT progressed the **Regional Transportation Coordination Council** implementation.

There are WELL over a dozen other initiatives being led by R5DC & NCEDA not mentioned above, so stay tuned to our upcoming podcasts to learn more about our services, partnerships and regional impacts. We all know that change follows relational lines and we continue to build relationships that effect positive change for our region.

With respect and gratitude,

A handwritten signature in blue ink that reads "Cheryal Lee Hills".

Cheryal Lee Hills
Executive Director

Board Chair Message

Thank you for giving me the opportunity to serve as your Region Five Development Commission Chair.

First off, I would like to say thank you to all those who provide their gifts and talents to the Commission, especially the R5DC Board of Directors. Because of their support on future projects, we are moving in the right direction to maintain a positive influence for years to come.

Secondly, I would like to say thank you to the excellent staff for their commitment and professionalism. Our staff members truly have a passion for the great work they do!

Lastly, but most importantly, thank you to our Executive Director, Cheryal Lee Hills. Thank you for your continued support and leadership to R5DC. You have gone above and beyond to make sure things are running smoothly.

Very respectfully,



Barb Becker
Board Chairperson

Our Commissioners

Cass County

Bob Kangas, County Commissioner
Kevin Egan, Municipalities
John Benson, Town Boards

Crow Wing County

Rosemary Franzen, County Commissioner
Tom Lillehei, Municipalities
Doug Kern, Town Boards
Jan Lambert, City of Brainerd

Morrison County

Greg Blaine, County Commissioner
Rollie Johnson, Municipalities
Chuck Parins, Town Boards

Todd County

Barb Becker, County Commissioner
Alex Weego, Municipalities
Julie Polak, Town Boards

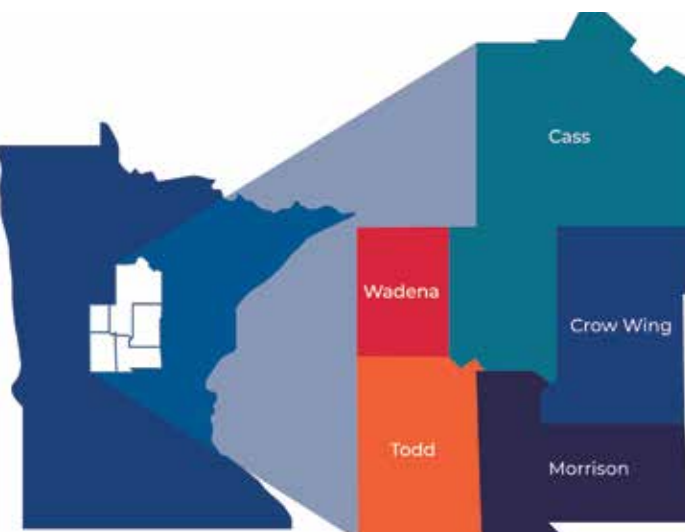
Wadena County

Sheldon Monson, County Commissioner
David A. Anderson, Municipalities
Murlyn Kreklau, Town Boards

Special Interest

Matthew Erickson, Camp Ripley
Randy Finn, Leech Lake Band of Ojibwe
Katie Gruber, Emerging Leaders
Andrea Haverinen, School Board Representative
Erich Heppner, Higher Education
Diane Jacobson, Soil Water Conservation District
Curt Johnson, School Board Representative
Craig Nathan, MN Workforce Development

**Current as of November 1, 2019.*



Our mission is to enhance the vitality & quality of life in Cass, Crow Wing, Morrison, Todd and Wadena counties.

Our Staff

R5DC.

7



Cheryal Lee Hills
Executive Director



Tad Erickson
Sr. Regional Development Planner



Dawn Espe
Sr. Regional Development Planner



Staci Headley
Sr. Regional Development Planner



Alex Lisson
Controller



Angela Anderson
Marketing Director



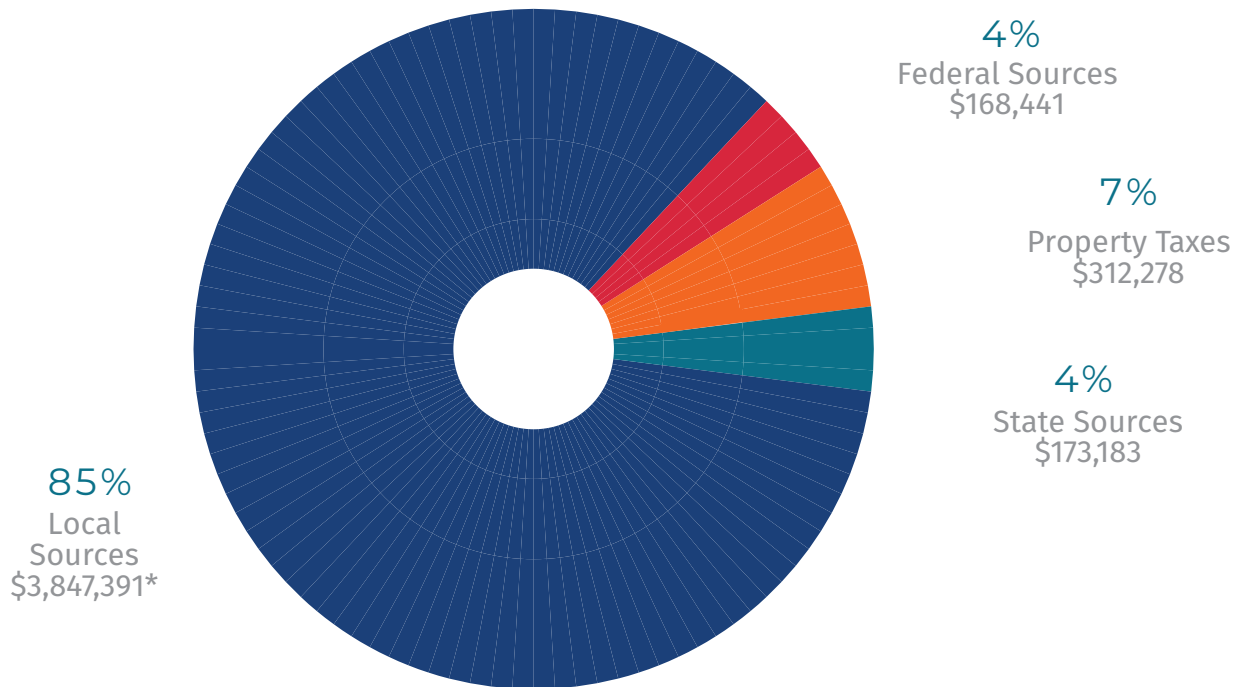
Matt Kallroos
Regional Development Planner



Stephanie Barney
Business Loan Developer

Financial Highlights

FY2019 Actual Revenue by Source



Region Five Development Commission's financial statements for fiscal year 2019 were audited by Schlenner Wenner & Co. An unmodified opinion was expressed.

*As the Commission completed this year, its General Fund reported a combined fund balance of \$2,933,762. This is an increase of \$2,093,951 from the prior year. This increase is primarily due to debt proceeds related to the Solar Schools Project.

The assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,684,177 (net position), of which \$1,567,910 (93.10 percent) is restricted in use.

The governmental activities closed the fiscal year with a net position of \$116,267, which was entirely unrestricted.

NCEDA: By the Numbers

Since NCEDA's inception in 1986:

\$2.7M

Micro

Micro Lending:

Leveraged \$2,740,245.93

(Total Loans \$613,578.00)

\$384K

ELP

Entrepreneur Loan Program (ELP):

Leveraged \$384,129.00

(Total Loans \$104,956.00)

\$94M

RLF

Revolving Loan Fund (RLF):

Leveraged \$94,146,664.17

(Total Loans \$9,123,335.20)

Total Leveraged Business Loans to FY19:

\$97,271,039.10

+\$97M↑
1986 | 2019



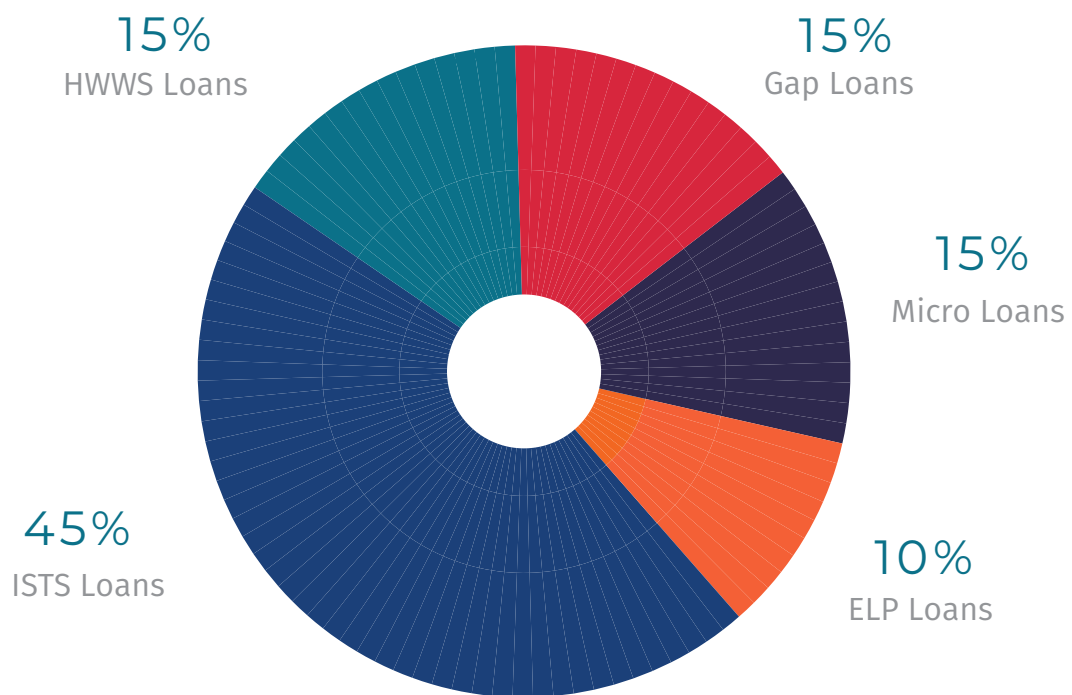
NCEDA Loans

20
New Loans

\$356,501
Lent to
Borrowers

49
Jobs*

*Number of jobs created or retained, based on 1 job for every \$10,000 loaned and jobs reported.



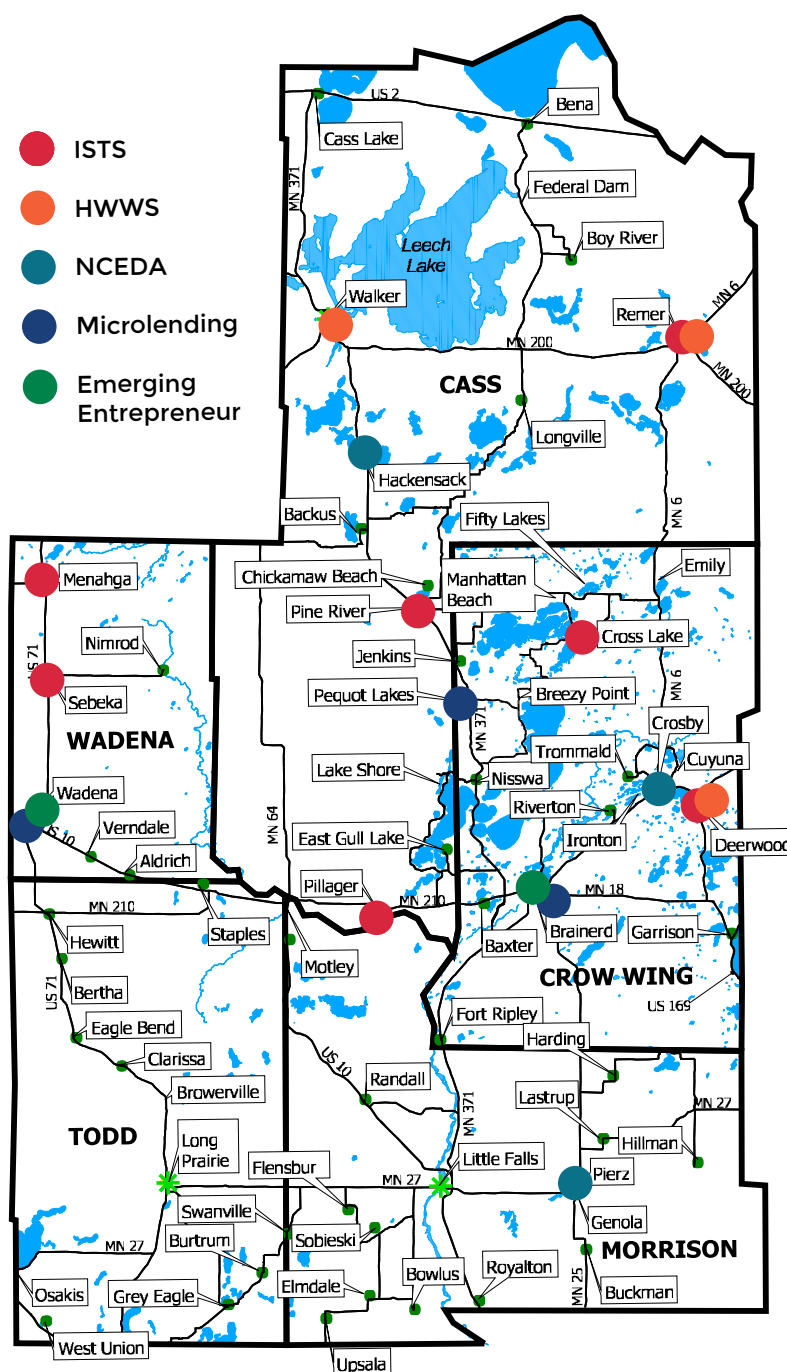
15%
3 Revolving Loan
Fund (Gap) Loans
Plan update FY2019

15%
3 Micro-Lending
Loans (USDA) for
startup/expansion

10%
2 Emerging
Entrepreneur Lending
Program (ELP) Loans

45%
9 Individual Sewage
Treatment System
(ISTS) Program Loans

15%
3 Household Well
Water System (HWWS)
Program Loans



Community Development



Arts & Culture

Artplace and Sprout By the Numbers

- **7** Educational Offerings for Growers, Makers and Small Business Owners
- **10+** artists were commissioned to contribute pieces to the Sprout Marketplace
- **6** Winter Markets, featuring **40+** local vendors, performances & cooking demonstrations
- **1** Summer Harvest Dinner
- **1** Minced Cooking Competition
- **4000+** residents and visitors engaged through Artplace funded events and activities

For more details, visit: <https://www.regionfive.org/local-foods>

Bush Foundation Creative Community Cohort

R5DC is one of 40 organizations from North Dakota, South Dakota, Minnesota and the 23 Native nations that share the geography selected by the Bush Foundation for its commitment to making art and culture central to problem solving. “We are thrilled to be a part of the Foundation’s second Community Creativity Cohort. We believe this experience will be invaluable in helping address the issues that are of most concern to our region.”, stated R5DC Executive Director Cheryal Hills.

Each member of the cohort will receive a general operating support grant of \$100,000 over a three-year period and access to other funds to help them improve their work and strengthen their organizations.



Welcoming Communities

R5DC's [Welcoming Communities](http://www.regionfive.org/welcoming-communities) program is focused on workforce attraction and expanding cultural agility for individuals, organizations, and communities. Thanks to funding from the Blandin Foundation, Northwest Area Foundation, and Sourcewell, R5DC has conducted Intercultural Development Inventory (IDI) assessments and training to help advance the regional goals of workforce attraction. Additional funding from Sourcewell also allowed R5DC to pilot a Welcoming Communities Advocacy Group (WCAG) with GoNorth - an organization made up of the cities of Fifty Lakes, Emily and three townships. The WCAG is made up of elected officials, public sector, private business, non-profits and students. This 18 month project is designed to help communities increase intercultural agility and ability to bridge differences while building on the community's assets. For more information, visit www.regionfive.org/welcoming-communities.

Initial IDI Participant Organizations

Brainerd Community Foundation
 City of Brainerd
 City of Breezy Point
 Five Wings Art Council
 Happy Dancing Turtle
 Ideal Green Market
 North Central Economic Development Association
 Pequot Lakes Economic Development Commission
 Purple Carrot Market
 Rural MN CEP
 Sourcewell
 Sprout MN
 U of MN Regional Sustainable Development Partnership

25 groups, made up of **258** people completed IDI assessments
60 individuals held 1-on-1 session for personal profile review



Community Development

R5DC Regional Board Participation

Accounting & Financial Women's Alliance LEAP Program
 Brainerd Lakes Regional Airport Commission
 Brainerd Lakes Pride
 Brainerd Planning Commission
 Central Lakes College Advisory Council
 Christian Labor Association
 Five Wings Art Council
 Friends in the Field
 MN Rural Broadband Coalition
 MN Association of Development Organizations
 Pillager Education Foundation
 RED Group - Process Design Team
 R.Y.DE. (Recreational Youth Development & Encouragement)
 Trinity Children's Center Ministry Team

Facilitation of Regional Groups

Economic Development Professionals
 North Central Economic Development Association
 - Full Corporation & Loan Board
 Region 5 Food Cooperative Coalition
 Regional Yellow Ribbon Coalition
 Regional Military & Veteran Exchange
 Regional Transportation Coordinating Council

One Watershed-One Plan

The Wadena County Soil and Water Conservation District (SWCD) is undertaking the development of the Redeye River Watershed-based plan - consistent with the One Watershed; One Plan vision and program grant requirements adopted by the Board of Water and Soil Resources (BWSR). R5DC facilitates the Redeye River Watershed Advisory Committee as they progress through the planning process. The committee has analyzed baseline watershed related data, identified a comprehensive list of issues facing the watershed, created a prioritized list of watershed related issues, developed issue statements describing the issues that exist, and developed a vision statement for the watershed.

The committee is currently identifying long term goals and objectives based on the analysis and issues already identified. Next steps include presenting the draft plan to the Policy Committee, receiving public comments, and submitting the final plan to the state for adoption process.

"He who says he can and
 he who say he can't
 are both usually right"

- Confucious

Broadband

In 2019, R5DC received \$125,000.00 of investment from Sourcewell to continue regional broadband expansion. Investment decisions made are based on highest need and highest impact. To date, \$500,000 over the last 5 years has leveraged over \$16 million in State funding to expand broadband, led by Consolidated Telecommunications Company, the West Central Telephone Association and local municipalities to offer broadband to the last miles of Crow Wing, Cass, Morrison, Todd and Wadena counties.

Solar Schools Project

R5DC partnered with New Energy Equity and Rural Renewable Energy Alliance to develop six solar array systems, totaling 1.5 MW, for four schools in central Minnesota. This project extends across five counties, allows schools to save money on their energy bill and creates STEAM curriculum to enhance student learning. Project funding provided by customers of Xcel Energy through a grant from the Renewable Development Fund (RDF).



The Solar Schools project generated an estimated **\$7.8 million** of economic activity in the region. Of this, **\$3.2 million** was labor income paid to area residents. The project also supported an estimated **88** jobs.



Sites include Pine River-Backus School District, Pequot Lakes High School, Central Lakes College (CLC) Staples Main Campus, CLC Staples Ag Center, CLC Staples West Campus and CLC Brainerd Campus.



Learn more: regionfive.org/solar-schools



Solar Schools



Priority Projects

The R5DC CREDS Strategy Committee selected five projects to include as Priority Projects in the Comprehensive Regional Economic Development Strategy (CREDS). The 2019 Priority Projects are:

Welcoming Communities Advocacy Groups – R5DC: In an effort to gain cultural competency, and to be more welcoming to people living within and moving into our communities, Welcoming Communities Advocacy Groups are (WCAG) are being formed in seven communities. Groups are working side by side for 18 months to look at systems, practices and policies that might be changed to improve equity and inclusion for all and then implementing a project or program in each community to help work towards that goal.

VetCSA: This program serves 50 veterans residing in the counties of Cass, Crow Wing, Morrison, Todd or Wadena. Participating veterans will receive a Community Supported Agriculture (CSA) food package twice per month, for one year at no cost. Cooking demonstrations and classes will be offered monthly by local food experts, chefs and nutrition educators.

Children’s Museum: The children’s museum brings together the region’s children and families in shared experiences that are grounded locally and open onto the wider world. Dynamic, material-rich environments, exhibits, events, and programs engage children in the joy of play and the wonder of learning. Region 5 children’s museum and its partners envision a more vibrant and connected region because all children enjoy the supportive relationships, expanding opportunities, and well-being they need to thrive.

Regional Transportation Coordinating Council (RTCC) Implementation: Through the RTCC, there will be formalized increased coordination between providers and service agencies which will result in an efficient system of transportation options, providing customers easier access to services that meet their transportation needs with a focus on those who need it most.

Good Food Access Program: Technical assistance is being offered to employees and operators of small food retailers through a grant from the Minnesota Department of Agriculture’s Good Food Access Program. Session topics include Market Expansion, WealthWorks evaluation, HR Retention Strategies, Grant Writing, Board Development, Business and Succession Planning, Health - Education and Policy, Technology, and Financing. Visit regionfive.org/gfap for more details.

Military Connections

R5DC supports our active duty military personnel, veterans and their families through the Regional Yellow Ribbon Program, Regional Military & Veteran Exchange (RMVE) and the VetCSA (Community Supported Agriculture) for our veterans residing in Region 5. Visit regionfive.org/military-connections to learn more.

Congressman Pete Stauber visits with Arlene Jones, Natalie Keane from Sprout MN & Staci Headley from R5DC | May 2019

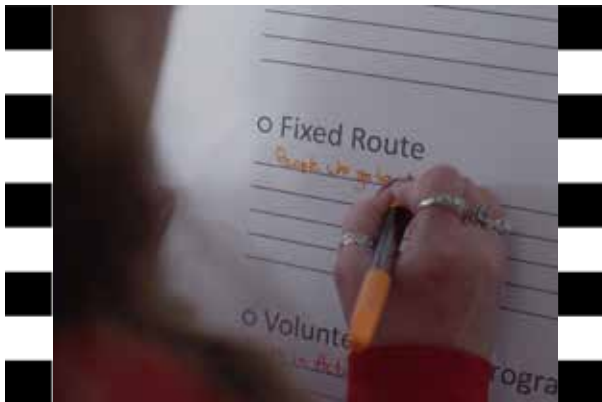


Transportation

RTCC

R5DC continues to serve as the coordinator of the five-county Regional Transportation Coordinating Council (RTCC) for the counties of Cass, Crow Wing, Morrison, Todd and Wadena. The goal of this council is to fill transportation gaps, streamline access to transportation and provide individuals with more options of where and when to travel. This improves mobility for the “transportation disadvantaged”—older adults, individuals with disabilities, individuals with low income and/or military veterans.

June of 2019 marked the end of the initial planning phase (Phase 1) for RTCC and we are now in Phase 2 of the RTCC which is also referred to as the implementation phase. The timeline for RTCC Phase 2 will be from July 1st, 2019 – June 30th, 2020. In Phase 2, the main focus is to use information gathered from Phase 1, such as public input, goals, objectives and to implement those into the region in hopes of creating a seamless transportation system. Phase 2 also includes the formation of the RTCC Board which will be comprised of 21 members from around the region, ranging from County Commissioners to County Veteran Service Officers and Public Transit Providers.



TAC

R5DC staff continues to meet quarterly with the Region Five Transportation Advisory Council (TAC). The TAC is a committee of the Region Five Development Commission serving Wadena, Crow Wing, Todd, Morrison and Cass Counties.

The TAC is charged with addressing issues of local and regional significance; reviewing and guiding the development of various transportation plans and studies effecting the region; providing input to the Minnesota Department of Transportation in planning, policy, and project development; and recommending a prioritized lists of transportation projects seeking federal aid through the Central Minnesota Area Transportation Partnership (ATP).

SRTS

In cooperation with the Walker-Hackensack-Akeley (WHA) school district, R5DC is in the process of developing the WHA SRTS plan. Staff is working with local partners to develop the local planning team, administer, collect and analyze information received through a parent survey, an in-class student tally, a walking audit and an analysis of issues and barriers. After assessing issues and barriers, the planning team guided by Region Five will develop several goals and recommendations to be considered by the school board. Each goal will be based on the 6 “E” framework, which include Engineering, Education, Encouragement, Enforcement, Equity, and Evaluation.



Visit regionfive.org/RTCC for video clips.

Celebrating Innovation

Since 2010, Region Five Development Commission has received an Innovation Award from the National Association of Development Organizations (NADO) in 2011, 2014, 2017, 2018 and 2019. The winning project in 2019 selected by NADO was for R5DC's Solar Schools project. For more information about this endeavor, visit www.regionfive.org/solar-schools. R5DC Marketing Director Angela Anderson accepted the award on behalf of Region Five Development Commission from NADO President, Scott Koons in Reno, Nevada in October 2019.



2011

2014

2017

2018

2019



Plans & Publications

PLANS

Comprehensive Regional Economic Development Strategy (CREDS)

2019 Planning Report

Visit regionfive.org/CREDS to learn more.

EDA Planning Grant

Progress Reports (March & October)

Comprehensive Plan

City of Brainerd*

(*in partnership Sourcewell)

Regional Transportation

Coordinating Council (RTCC)

Operational Implementation Plan

English & Spanish Version



1 Army Camp
1 Tribal Nation
5 Counties
24 School Districts
65 Cities
151 Townships
163,000 People



check out our animation to learn more about our Welcoming Communities Program and watch for R5DC podcasts coming in January 2020!

regionfive.org/welcoming-communities

PUBLICATIONS

Take 5 with Region 5

R5DC's Quarterly Newsletter sharing details on our work in the region.

NCEDA

This newsletter is shared monthly to highlight local success stories, share economic news, grants, resources and webinars.

NCEDA INSIDER

This monthly publication is used to communicate information for the full NCEDA corporation to keep them informed of internal news.



Congratulations to our 2019 Award Winners:

Dying to Film

Exceptional Service Provider

MN Department of Agriculture

Outstanding Regional Partner

Midwest Processors

NCEDA Business Partner

Absolutely Sunshine

Micro-Business Partner

Thank you to all of our amazing partners!
We look forward to another year of serving all people
in the communities of our region.

R5DC & NCEDA