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ANNUAL REPORT

R5DC & NCEDA 2020



REGION FIVE
Development Commission

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

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Bridging Relationships & Resources

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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.

Region Five Development Commission is a high-performing, regionally focused partner committed to enhancing the vitality and quality of life in Region 5 through a resilient, collaborative, and inclusive approach to regional community development, economic development, and transportation initiatives.

Executive Director Message



R5DC is compelled by a responsibility to nimbly address regional critical issues in ways that make our work and organization relevant to this rural 5-county central Minnesota region. The Aspen Institute rightly titled R5DC a “unicorn” in their [Rural Development Hubs report](#) and it definitely has felt like a mythical year of unprecedented rapid changing conditions - so perhaps being a unicorn has had its advantages. This annual report displays how this team feeds an inherent hunger to make a difference in the vitality and quality of life in our region and showcases a collection of authentic relationships, intentional practice and passion woven through the projects and programs that fulfill each of us, while benefiting the region. In addition to the work delivered in and with communities, we are also proud of the unparalleled branding and fiscal management.

R5DC is a planning organization that has empowered what planning can actually be... through strengthening [Equitable Economic Ecosystems](#) in ways that make a difference to our underserved populations. In this year of a pandemic and social unrest, I realize that planning sits at the intersection of complex systems that can oppress people, but if driven by empathy, purpose, and equity, it has the vast potential to help address physical spaces and social conditions.

Many of our communities recognize that progress moves at the speed of trust. Pre-COVID, we typically built trust when in proximity with each other. Today, we are finding new, creative ways to connect hearts-minds-systems-communities.

We leveraged millions of dollars last year through the many programs outlined in this report, but much more importantly, the efforts of this team supported by leadership and financial investments of several amazing partners.....improved livelihoods. The R5DC Commissioners and the NCEDA Full Corp members demonstrate courage to advance new programs that serve our region. Our future is bright with our newest addition to the planning portfolio; [Energy & Environment Planning](#) and [Pandemic Planning](#). We forge forward with several flagship programs such as the [Welcoming Communities](#), [Regional Transportation Coordination Councils](#), [Safe Routes for Schools](#), [SEVEN different lending programs](#), [Business Technical Assistance](#), [Comprehensive Planning](#), [Pandemic and Comprehensive Regional Economic Development](#) planning, [Arts/Culture projects](#), [Watershed planning](#), [Military connected projects and programs](#), [Broadband](#), [Local Foods](#) and more.

In these dynamic times, we carry courage and wisdom from friends and mentors and will continue to be innovative and strive to yield resources to our place and to the people of this region. We hope you enjoy the report and reach out with questions or ideas.

Be well,
Cheryal Lee Hills
Executive Director



Board Chair Message

Year 2020 CE. Almost all of us have memories of events whereas we knew exactly where we were and what we were doing when they occurred. For me: when President John F. Kennedy was assassinated in Dallas; When Neil Armstrong step foot upon the Moon; when the launch of Challenger exploded just after take off; when the airplanes were piloted into the Twin Towers and the Pentagon; and before these, The Cuban Missile Crisis - October 16–28, 1962 – as a Signals Analyst in the US Army Security Agency, I spent 10 days in 4 different Florida locations & on November 1, was on my way to an assignment in Turkey on the Black Sea coast. Welcome to the real world.

2020 has been an extremely tremulous year – butterfly effects on several fronts: the year long devastating Coronavirus pandemic; the worldwide response to Mr. George Floyd’s death in Minneapolis on 25 May; a very highly polarized and contentious Presidential election and it’s unprecedented reactions.

I bring all these events to light so as to contrast them with the unwavering, unselfish and continued excellent work of the Region Five Development Commission’s staff and the Executive Director, Cheryal Hills during these very trying times. Their dedication to R5DC mission and the counties they serve has most definitely been a high point of the year. Here is just a sampling of what they have accomplished during this year.

Cheryal, Stephanie and Staci facilitated approximately \$1.2 million in emergency funding to local businesses via the MN DEED Small Business Emergency Loan Program and other elements from the Spring Stimulus legislation. NCEDA was the primary element for Region Five with Stephanie continuing with her normal NCEDA programs and outreach. Staci also continued with the Veteran’s CSA and RxCSA programs and secured new funding to continue the program for 50+ vets and their families along with continuing the Yellow Ribbon efforts. Matt and Tad developed a Volunteer Drivers program for a Region Five transportation effort that was so complete that the MN Dept. of Transportation has shown interest in providing it state wide. They have also continued to provide comprehensive planning including comp plan five year upgrades. Dawn has continued to evolve the Welcoming Community Program to include two MN State Community Colleges and 8 communities and along with Staci are finalizing the EDA and CREDS reports. Alex continues to handle all financial responsibilities for the R5DC and NCEDA as well as the annual audit prep and extensive reports. This year the R5DC welcomed to our staff, Erica Bjelland, who will be developing environmental and energy (EE) planning for the R5DC communities as well as providing pandemic planning outreach. Angela has created outstanding web presences for both the R5DC and NCEDA with continuing updates as needed and has developed digital marketing on major social media websites along with “Deep Dive” podcasts and numerous informational elements in support of the many programs and development of all the R5DC efforts. Angela has also provided the staff and the body of commissioners with the expertise of ZOOM. Well done!

Holding all this together has been Cheryal Hills, our Executive Director. Her leadership, vision and decisions during this difficult and unprecedented year have been outstanding. She continues to expand the capabilities and outreach of the R5DC without sacrificing its effectiveness, commitment and successes to Region Five, it’s communities and citizens. It has been a pleasure watching you in action.

To the Board of Commissioners, I thank you for your patience, commitment and guidance through this year. Your continued presence and involvement in all efforts that the R5DC pursues and accomplishes is invaluable and you share in our legacy. It has been an honor to be apart of it all.

Alexander Weego
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

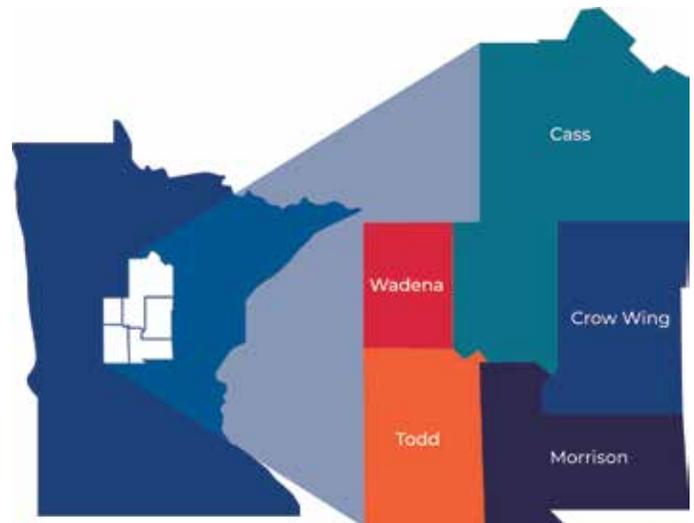
Sheldon Monson, County Commissioner
David A. Anderson, Municipalities
Murlyn Kreklau, Town Boards

Special Interest

Tami Klucas, Camp Ripley
Randy Finn, Leech Lake Band of Ojibwe
Katie Baier, Emerging Leaders
Andrea Haverinen, School Board Representative
Erich Heppner, Higher Education
Diane Jacobson, Soil Water Conservation District
Curt Johnson, School Board Representative
Chet Bodin, MN Workforce Development



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



**Current as of June 30, 2020.*

Our Staff



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



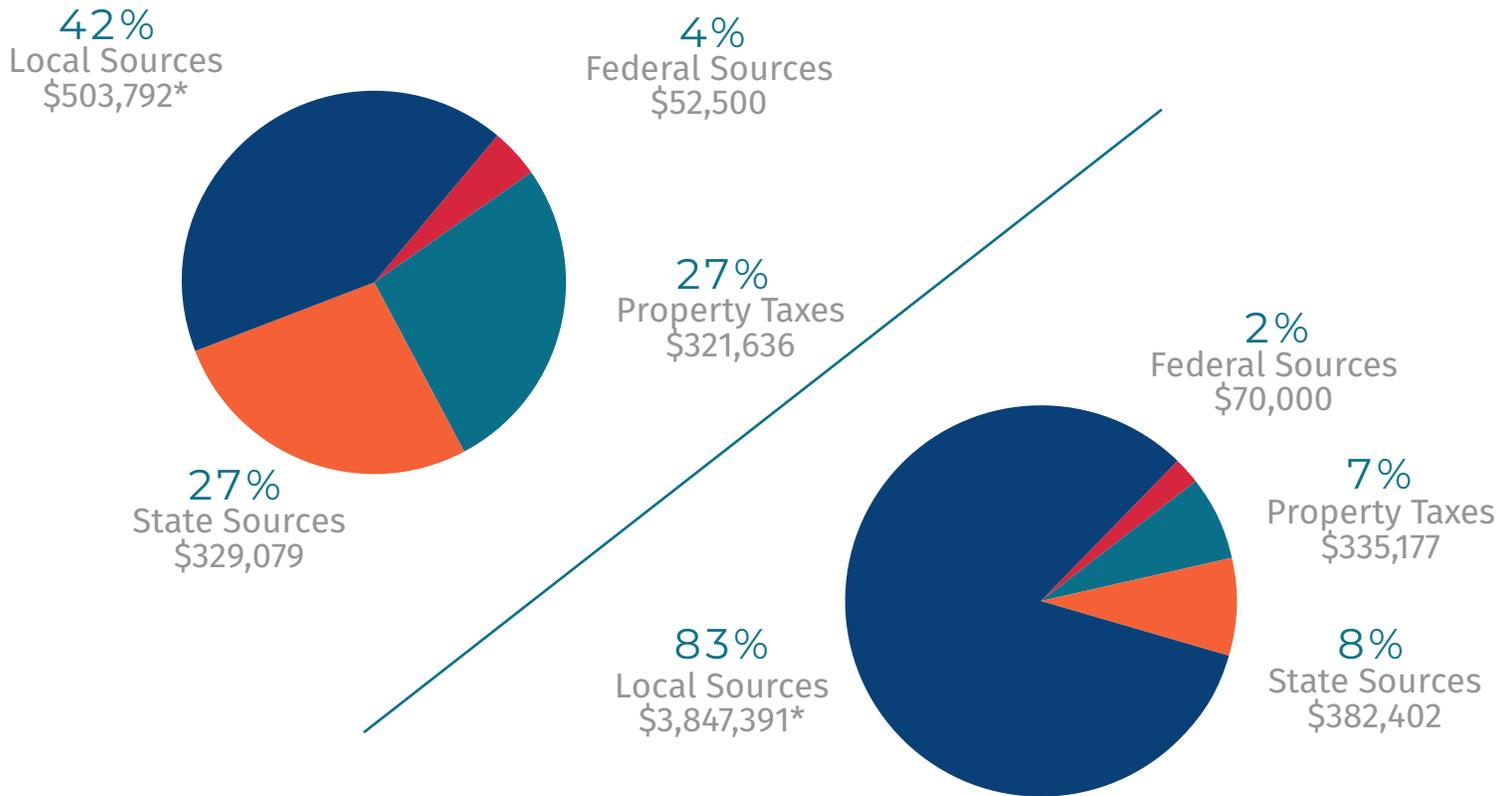
Stephanie Barney
Business Loan Developer



Erica Bjelland
Regional Development Planner

Financial Highlights

FY2020 Actual Revenue by Source



FY2020 Budgeted Revenue by Source

Region Five Development Commission’s financial statements for fiscal year 2020 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 \$899,074. This is a decrease of \$2,034,688 from the prior year. This decrease is primarily due to the payoff of debt 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 \$1,958,039 (net position), of which \$1,813,087 (92.60 percent) is restricted in use.

The governmental activities closed the fiscal year with a net position of \$144,952, which was entirely unrestricted.

Economic Development

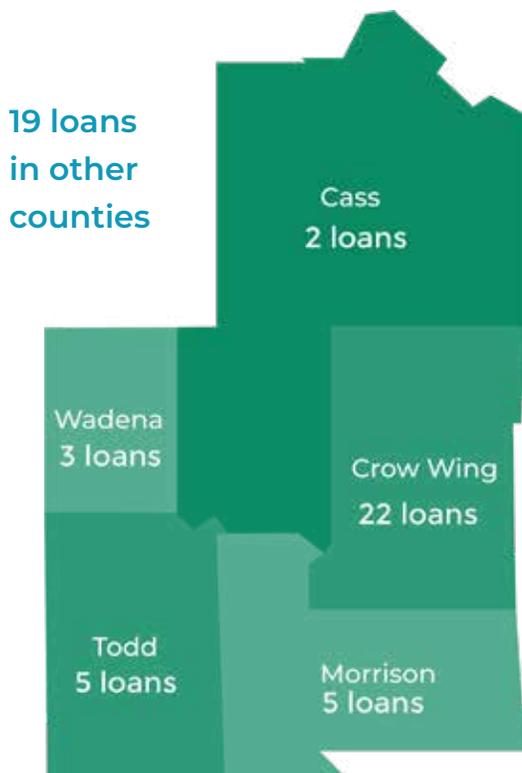
Fiscal Year Overview

Created **158**
direct, indirect
& induced jobs



\$1,814,952 lent to borrowers
56 Businesses Assisted in
13 counties in MN
\$2,604,149 leveraged
(private sector or grants)

Communities Reached



Business Categories



1 manufacturing
3 retail
4 entertainment
12 professional services
36 food & beverage

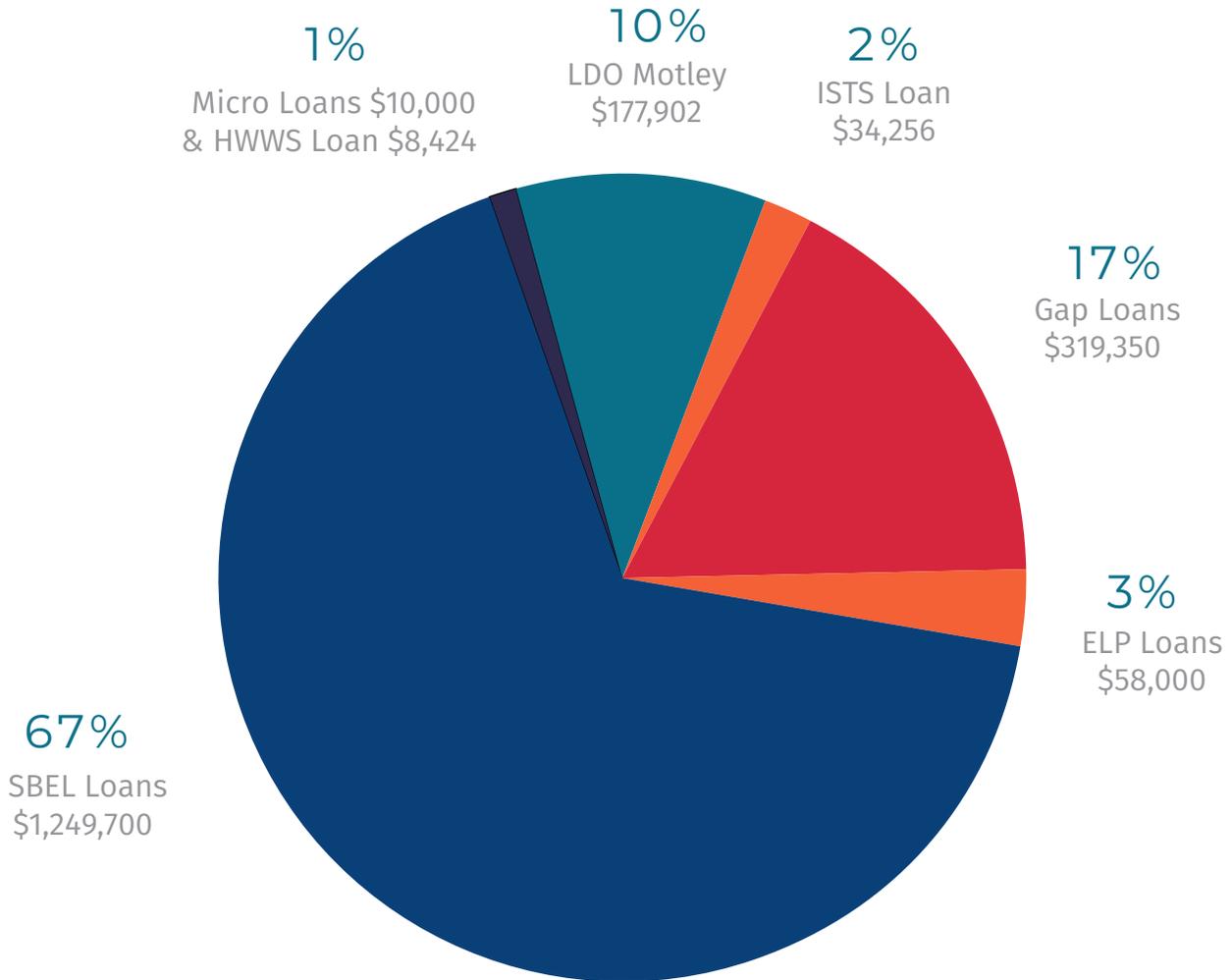
Regional Impact

\$98.5M+
1986 | 2020



7 homeowners
6 septic
1 well-water

NCEDA Loans



67%
45 Small Business
Emergency Loans

17%
5 Revolving Loan
Fund (Gap) Loans

10%
1 Loan Development
Organization Funds -
Motley

.5%
1 Micro-Lending
Loans (USDA) for
startup/expansion

3%
4 Emerging
Entrepreneur Lending
Program (ELP) Loans

.5%
1 Household Well Wa-
ter (HWWS) Program
Loan

2%
6 Individual Sewage
Treatment System
(ISTS) Loans

Priority Projects



The R5DC CREDS Strategy Committee selected five projects to include as Priority Projects in the [Comprehensive Regional Economic Development Strategy \(CREDS\)](#). These projects align with R5DC's mission to improve the vitality and quality of life for all people in our region. The 2020 Priority Projects are:

Go North Multi Generational Welcome Center

Go North members will work with students, encouraging a multigenerational perspective, to renovate the old Emily Post Office into a Welcome Center for the community. Adults will teach the students construction skills, as these are life skills that can be useful for an individual or may spark a career idea. Youth and adults interacting, sharing stories and helping to bridge understanding between generations in meaningful ways.

Regional Transportation Coordinating Council

The Minnesota Department of Transportation (MnDot) and the MN Department of Human Services, in collaboration with other state agencies through the MN Council on Transportation Access (MCOTA) are working with regional governments, such as Region Five Development Commission to create Regional Transportation Coordinating Councils (RTCCs). See page 16 for more details.

Environment and Energy Planning in Region Five

The Environment and Energy (EE) Planning effort is facilitating actionable energy efficiency, renewables, resiliency, and environmental action steps into the comprehensive planning process. This pilot EE Planning initiative is starting with support from the Minnesota Pollution Control Agency (MPCA) in Hackensack and Staples, which includes \$10,000 to each community to start implementing one of their identified EE Plan action steps. Results of these pilot programs will inform R5DC's future EE Plans and will be shared across the state with other regional development commissions.

Leech Lake Food Cooperative

Leech Lake Band of Ojibwe would like to start with a food cooperative and build out a sustainable ecosystem within their reservation borders. The purpose is to provide access to healthy food in their own community and keep investments within the community. Bemidji draws many of our people and money leaves the reservation. The food cooperative has support from many leaders and we can expand into each of our districts enabling our community to access these goods without having to travel a great distance to shop.

Harmony Park Welcoming Community Project

Harmony Park is located in the center of Long Prairie, across from the elementary school. It is home to a soccer field, a walking path that connects to the community garden and local beach, and a community art project from several years back. While this is a spot for youth playing soccer and people taking quick walks along the path, it isn't conducive for community connections. This project aims to create space at this park that encourages connection, interaction, cross cultural exchanges, a place where all community members feeling a sense of welcoming and belonging.

Community Development



R5DC Staff Participated in Learning Journey

R5DC team members traveled to Vermont and New Hampshire in September 2019 to participate in the Northeast Kingdom Learning Journey. This learning journey was centered on creative economy, energy & human powered recreation. Traveling to other parts of the country to see what is working in these specific areas, and what isn't working, helps R5DC learn from other partners and organizations to enhance how we offer and implement our programs here in Minnesota. This Learning Journey was funded by external grant investments.



Welcoming Communities

Welcoming Communities work is one of our flagship programs that expands cultural competency by acknowledging and bridging difference. Our regional language is changing, curiosity is peaked, and our hope is that this work influences systems that are affecting equitable economic prosperity for the long haul.

We utilize the WealthWorks framework designed for organizations like ours to see the full continuum and make connections to tools like the Intercultural Development Inventory Assessments that help us build cultural capital to benefit all people.

Visit www.regionfive.org/welcoming-communities to learn more.

Welcoming Communities Advocacy Groups

Brainerd

Pine River

Little Falls

Long Prairie

Staples

Mid-MN Women's Center



29 groups, made up of **312** people completed IDI assessments
96 individuals held 1-on-1 session for personal profile review



Community Development

Facilitation of Regional Groups

Economic Development Organization 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

Transportation Advisory Council

R5DC team spent **87 hours volunteering** in our communities and we officially adopted a highway near Aldrich MN!

R5DC Regional/Statewide Board Participation

100 Rural Women

Accounting & Financial Women's Alliance

Brainerd Lakes Pride

Brainerd Planning Commission

Central Lakes College Advisory Council

Christian Labor Association

Clean Energy Resource Teams (CERTs)

Five Wings Art Council

Friends in the Field

LEAP, Inc.

MN Association of Development Organizations

MN Military & Veterans Exchange Steering Committee

MN Rural Broadband Coalition

Pillager Education Foundation

RED Group - Process Design Team

R.Y.DE. (Recreational Youth Development & Encouragement)

Trinity Children's Center Ministry Team



87
Volunteer Hours

Good Food Access Program Technical Assistance

R5DC received a grant from the MN Department of Agriculture to provide technical assistance to small food retailers in Central MN. Workshops offered include topics such as business succession planning, human resources, technology, WealthWorks evaluation and grant writing. We also shifted to add a session on the intersection of food justice and racial justice. Visit regionfive.org/gfap to learn more and view the sessions.



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

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.

Broadband

In 2020, R5DC received \$105,000.00 of investment from Sourcewell to continue regional broadband expansion. Investment decisions made are based on highest need and highest impact. To date, \$730,000 over the last 7 years has leveraged over \$17.7 million in State and Federal 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.

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. Check out page 18 for VetCSA details or visit regionfive.org/military-connections to learn more.



Transportation Planning

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.

The main tasks the Region Five RTCC will look to implement in Phase 3 include: A provider directory, creating a regionwide GIS map, implementing a volunteer driver training program, and tackle policy issues regionwide. To learn more, visit regionfive.org/RTCC.

TAC

Continuing its more than 40-year relationship, assisting the Minnesota Department of Transportation (MNDOT), the Region Five Transportation Advisory Council (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.

SRTS

R5DC worked alongside the Walker-Hackensack-Akeley (WHA) school district, to craft a SRTS planning document that seeks to increase safety, health and well-being of students by improving the walking and biking opportunities and by addressing any potential risks, issues and barriers that may exist.

After assessing issues and barriers, the planning team guided by Region Five developed 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.

40+

Years of Partnership
with MNDot

799

Students Impacted



Transportation Coordination

R5DC assists MNDOT and the region through the facilitation of multi-jurisdictional transportation discussions. At times, and for a multitude of reasons, the transportation planning needs of state, county and local jurisdictions can be like trying to fit a square peg into a round hole. These situations require innovative solutions, in order to bring about outcomes that meet the needs of all jurisdictions involved.

Multi-jurisdictional Trail development

This year, R5DC staff facilitated a discussion between several jurisdictions including, the City of Baxter, the City of East Gull Lake, the City of Pillager, as well as Fairview, May and Sylvan Townships regarding the development of two potential trail segments. Based on the need, and discussion of the group, R5DC was able to develop a request for proposal (RFP) that the communities could use to solicit proposals to conduct a corridor study. Next steps include reviewing the proposals and determining sources of funds for both the engineering and constructions such as the Transportation Alternatives (TA) Program.

Coordinated Road Project

Additionally, R5DC assisted a group of communities in North Eastern Crow Wing County by facilitating discussions regarding a coordinated road project. Communities included: The City of Breezy Point, The City of Pequot Lakes, as well as Ideal and Jenkins Townships.

R5DC has successfully been able to organize the communities to discuss the issues associated with this network of roadways and from this discussion a multi-jurisdictional approach emerged that the communities are beginning to consider.



\$3.4M Brought in

\$2.4 Leveraged

22 Miles Enhanced

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, 2019 and 2020. The winning project in 2020 selected by NADO was for R5DC's VetCSA/RxCSA Programs. For more information about this endeavor, visit www.regionfive.org/local-foods.

VetCSA One Year Snapshot

2011

Dollars leveraged: **\$57,200**Number of acres: **3,750 acres**Pounds of food: **30,650 pounds**

2014

Meals provided: **25,542 meals**Contributing growers: **51**

2017

Veterans served: **50+**

2018

2019

2020



Plans & Publications

PLANS & REPORTS

Comprehensive Regional Economic Development Strategy (CREDS)

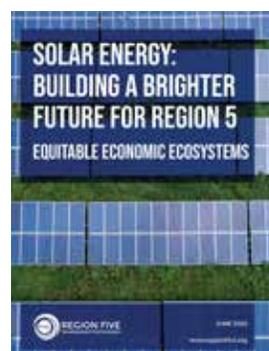
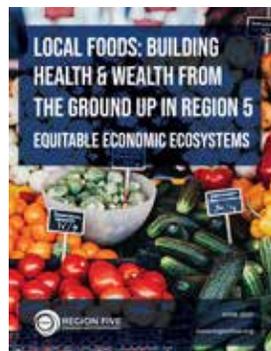
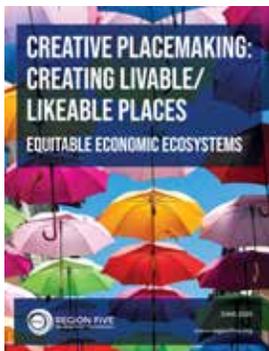
2020 Planning Report - Visit regionfive.org/CREDS to learn more.

EDA Planning Grant - Progress Reports (March & October)

Regional Transportation Coordinating Council (RTCC) Phase 2

Equitable Economic Ecosystems

VetCSA Report



To view our plans and publications, visit www.regionfive.org/resources

OUTREACH & PUBLICATIONS

Take 5 with Region 5: R5DC's quarterly newsletter provides updates on our work in the region.

Deep Dive Podcast: We share program details with partners, funders, program participants, team members and our R5DC Commissioners as guests.

NCEDA: Monthly newsletter shares success stories, economic news, grants, resources and webinars.

NCEDA INSIDER: Communicates internal news to NCEDA members, R5DC's non-profit lending arm.

Yes, it's true! We've got a podcast!

Listen & subscribe: regionfive.org/podcast





Thank you to all of our amazing
community members and partners!

We look forward to another year of serving all people
in the communities of our region.

R5DC & NCEDA

www.regionfive.org