

# EAST CENTRAL REGIONAL DEVELOPMENT COMMISSION 5-YEAR ASSESSMENT 2021



**EAST CENTRAL**

Regional Development Commission

ECRDC.org • (320) 679-4065

100 Park St S, Mora, MN 55051





*ECRDC Annual Meeting held at Eddy's resort on Lake Mille Lacs.*

*Front l-r : Robert Voss, Ben Montzka, Loren Davis, Jeannette Kester, Tom Lawlor, Genny Reynolds, Diane Larkin*

*Second l-r: Kevin Stenson, Dave Dillan, Linda Evans, Bob Bollenbeck, John Mikrot, Richard Hansen, and Robert Hoefert.*

*ECRDC Annual Meetings were held the fourth Monday in June each year at various locations throughout the region, if permitted, otherwise held via Zoom.*

## **INTRODUCTION**

During 2021, the East Central Regional Development Commission (ECRDC) conducted a performance assessment to determine how well it had performed during the preceding 5 years. This assessment was performed as required by Minnesota Statute 462.393 Subd. 2, which states "In 2001 and every five years thereafter the commission shall review its activities and issue a report assessing its performance in fulfilling the purposes of the Regional Development Act. The report shall address whether the existence of the commission is in the public welfare and interest."

This report will highlight accomplishments of the Commission's various program areas, setbacks, and financial information for the time period covering July 1, 2016 through June 30, 2021. At the conclusion of this report, we will discuss possible next steps as the ECRDC positions itself for the future.

### **Who is the East Central Regional Development Commission?**

The East Central Regional Development Commission (ECRDC) is a public agency serving a variety of constituents within Chisago, Isanti, Kanabec, Mille Lacs and Pine Counties. Other constituents include various state, federal, and local governmental bodies.

The board members are represented by officials appointed by county boards, townships, municipalities, school boards and citizens at large.

The ECRDC is funded through a local tax levy and planning/program grants and contracts from state agencies, federal agencies and foundations.

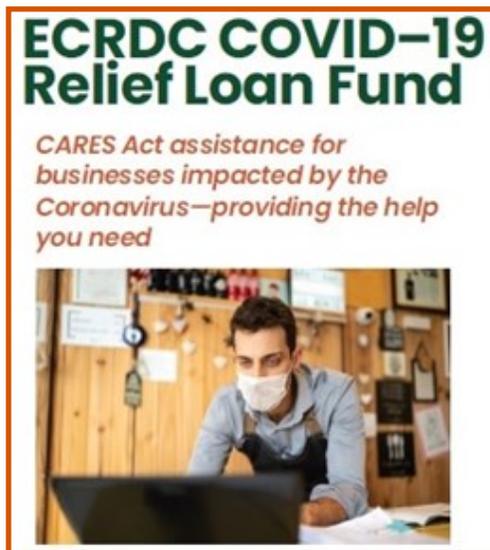
### **Mission**

The mission is to provide leadership and direction through creative problem solving. We do this by initiating projects and programs that lead to creative solutions to regional problems, providing technical assistance and identifying and developing available resources. We serve in a leadership role as an advocate for East Central Minnesota to bring about positive change.



## ECONOMIC DEVELOPMENT

The ECRDC represents Region 7E as a federally designated Economic Development District (EDD). The Economic Development Administration (EDA) of the U.S. Department of Commerce provides a Partnership Planning grant to the ECRDC to work with local units of government and other stakeholders to develop and implement a Comprehensive Economic Development Strategy (CEDs) that addresses economic distress. The ECRDC also functions as the portal for local governments to apply for other EDA funding opportunities such as the Public Works and Technical Assistance programs. The ECRDC consistently receives high marks for its administration of the EDD and the associated work program. Listed below are some of the activities that the ECRDC has engaged in during the past 5 years relating to economic development:

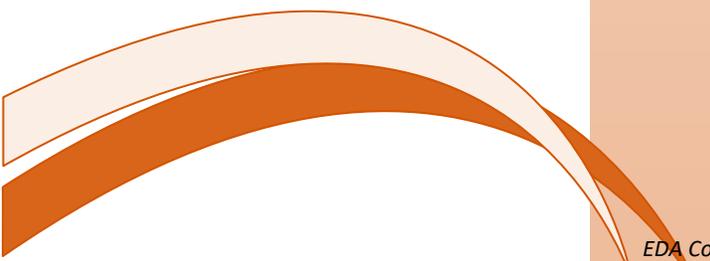


**CARES Act Economic Resiliency Program:** In 2020, federal EDA awarded the ECRDC a \$400,000 supplemental planning grant as part of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act to assist communities and businesses in preventing, preparing for, and responding to economic urgency resulting from COVID-19.

The first half of the 24-month work program was quite rigorous and involved hiring a new staff person to help with its implementation. Activities included securing training resources to help the business community recover from the effects of the pandemic and become more resilient going forward. Trainings took place throughout the five county ECRDC region as well as online for convenience and health safety and were developed in partnership with the Small Business Development Center, the Women's Business Alliance, and Entrepreneur Fund. Topics covered included essential marketing, workforce strategies and understanding business finances. Participants were also invited to meet individually with a small business consultant after each session for business specific assistance.



*Photo right:-  
EDA Covid RLF Loan closing  
with the Braham Pizza Pub.,  
owner Sam Stigen.*



**Revolving Loan Fund (RLF):** The ECRDC continued to operate the original Revolving Loan Fund which was established in 1994 with federal and local match dollars. It offers gap financing for fixed assets and working capital for new and expanding businesses in Pine, Isanti, Chisago, Kanabec, and Mille Lacs Counties. As of June 30, 2021, this fund had loan balances of \$226,741 with \$192,784 remaining available for loans.

The purpose of the RLF program is to accommodate the riskier segments of business financing packages. Therefore, the RLF can experience higher-than-usual delinquency and default rates. The RLF has made 9 new loans since 2016 totaling \$280,958. Fortunately, payments on all loans are current and none have been written off due to default.

**Note:** The recently enacted federal Reinvigorating Lending for the Future Act authorized EDA to release its federal interest in Revolving Loan Fund that have operated satisfactorily for seven years beyond the final disbursement of grant funds. The ECRDC's RLF Loan program was established in 1994 and met this requirement. Accordingly, the ECRDC received notification that our original RLF fund was successfully "defederalized" in May of 2021. Defederalization eliminates federal reporting requirements and offers the ECRDC greater local control and more flexibility with regard to loan terms for our region's businesses, etc.

**CARES Act Revolving Loan Fund Program:** The ECRDC also received a \$550,000 investment from EDA through the CARES act to capitalize a \$500,000 Revolving Loan Fund to assist businesses affected by the economic impacts of COVID-19. The objective of this loan program is to help alleviate sudden and severe economic dislocation caused by the coronavirus (COVID-19) pandemic, provide permanent resources to support economic resiliency, and further the long-term economic adjustment objectives of the region. Affected businesses in Pine, Isanti, Chisago, Kanabec, and Mille Lacs Counties are eligible to apply for this funding. \$50,000 of the amount is to defray the cost of administering the RLF over a 24-month time frame.



Photo: Revolving Loan Fund closing with Cambridge Bar and Grill, owners are Sean and Jodi Okerlund.



Photo: COVID-19 Revolving Loan Fund closing for Siya Hotel, Inc. L to R: Hotel owners, Ankita Sanghani, Alpesh Sanghani and their daughter.

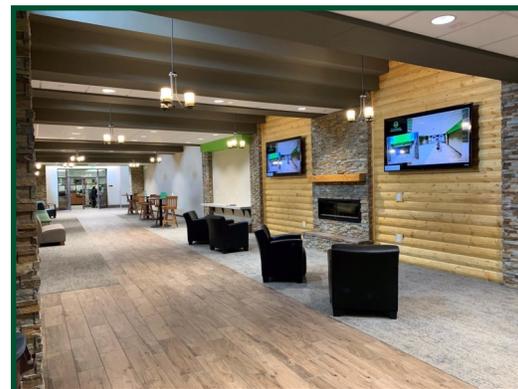


**EDA Public Works Grants:** The ECRDC’s designation as a federal Economic Development District positioned the region well to receive federal funding through U.S. Economic Development Administration’s Public Works program. The City of Sandstone was awarded a \$2.4 million to assist with constructing a new regional Medical Campus and 181 Business Park. The project included over \$24 million in private investment with the construction of a new state-of-the-art Essentia Hospital and Gateway Clinic. A ribbon cutting ceremony for the new hospital took place on May, 2017.

**Mille Lacs Lake Area Economic Relief Loan Program:** The ECRDC assisted Mille Lacs County by providing technical assistance with small business loan closings for the Mille Lacs Lake Area Economic Relief program during late 2016 and 2017. This program was funded by a grant from the State of Minnesota and was intended to help small businesses in Mille Lacs, Crow Wing, and Aitkin counties distressed by the economic downturn that resulted from low Walleye numbers in Lake Mille Lacs diversify and become more resilient.

**Comprehensive Plans/Zoning Ordinances:** Provided technical assistance for the following: Comprehensive Land Use Plans for the townships of Mission Creek and Pine City and the cities of Quamba and Rock Creek; Economic Development Strategic Plans for the cities of Rush City and Hinckley; and Zoning Ordinance for Mission Creek Township.

**SCORE:** The ECRDC continued to host a satellite office of the Central MN chapter of SCORE(formerly the Service Core of Retired Executives). SCORE provides mentoring to entrepreneurs and would be entrepreneurs using volunteer counselors. These counselors are typically experienced former and current business leaders that share their years of experience and expertise to assist others.



*Photo above: Pine Technical & Community College (PTCC) was also awarded \$1.1 million from EDA to assist with upgrades to their campus in 2019. PTCC President Joe Mulford commented “Without your leadership and support for these efforts, wonderful things like this grant wouldn’t happen here. On behalf of present and future Pine Tech students and the region’s business community that will benefit from the skills of students trained at Pine Tech, we thank you for helping make this happen!”*



*Photo: City of Hinckley Strategic Planning process.*



*Photo right: City of Sandstone new regional Medical Campus ribbon cutting ceremony*



## **Special Events:**

***Business Retention & Expansion:*** The ECRDC assisted communities undertaking efforts to meet with businesses to find out more about their issues and needs, as well as connect them to resources to assist.

***Succession Planning:*** A regional event designed to connect business owners with resources and assistance on ways to transition out of their business while retaining the business and maintaining local ownership.

***Legislative Round Table:*** The ECRDC facilitated opportunities for local elected officials (townships, cities & counties) to connect with our region's state legislators and congressional delegation on issues that impact East Central MN.



Photo: above *Financial Resource Summit* held September 2019 at the Spring Brook Golf Course in Mora.



Photo left:  
*Legislative Round table.*

***Financial Resource Summit:*** The goal of this event was to connect businesses, lenders, elected officials, economic developers, accountants, and attorneys with resources available to assist businesses in the region.

***International Economic Development Conference:*** Staff attend trainings and work towards certification from the IEDC.

***Regional Tourism Business Resource Summit:*** With a high concentration of tourism related business in the region, the ECRDC facilitated an event for local tourism and hospitality businesses and marketing groups to learn about programs and resources available to assist them.

***Child Care Capacity Building Summit:*** Realizing childcare has become an economic development and workforce issue, the ECRDC facilitated an event bringing together existing childcare providers, those interested in the industry, resource providers and licensors to help foster expansion and new childcares.

***Inventors and Entrepreneur Club:*** Along with partners GPS::45::93 and East Central Energy, the ECRDC holds monthly meetings to bring together inventor, entrepreneurs and technical assistance providers for education, encouragement and networking.

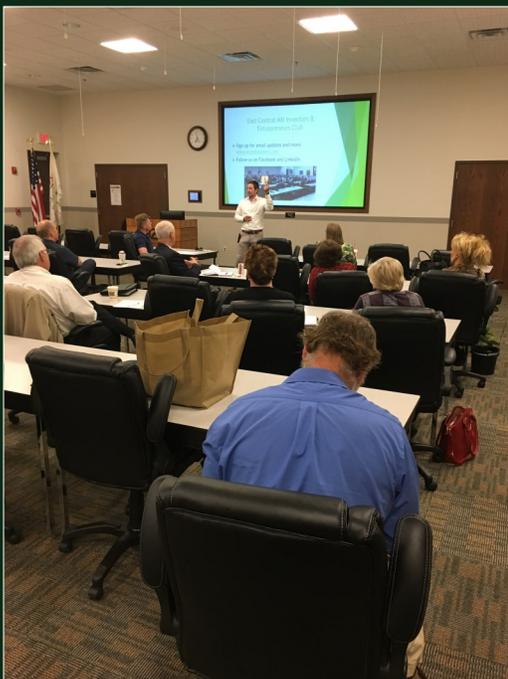


Photo: above *Inventors and Entrepreneur Club* held at East Central Energy.

## **Special Events:**

***Clerk/Administrator/Developers Meetings:*** Quarterly luncheon meetings of the region's local government officials are held which allows special guest speakers to present on regional topics and information is discussed on funding and loan opportunities.



*Photo above: City Administrators luncheon.*

***Revolving Loan Fund Barnstorming:*** The ECRDC staff and RLF board members regularly visit banks, credit unions, and city halls to market the RLF program, make new connections, reinforce established relationships, and learn more about current economic conditions in the region.

***East Central MN Familiarization Tours:*** The ECRDC collects information on available land and buildings, as well as properties for new development and uses it to market to entrepreneurs, developers, site selectors and influencers, then bring them to the region to tour these properties, trying to make connections and stimulate commercial, industrial, and housing development.

***Childcare Pilot Program:*** ECRDC is collaborating with First Children's Finance on a pilot project in Pine County to address the lack of childcare. The program is robust in nature and includes 1) research and study of available child care slots including a survey to determine current and future child care needs; 2) an exhaustive inventory assessment of available facilities/properties/land throughout Pine County currently in use and those available for potential renovation projects; 3) and an extensive training schedule for potential and current child care business owners.

***Micro-entrepreneur Assistance Program Microloan Program:*** The ECRDC partnered with the Region 5 Development Commission in Staples, MN in creating a micro-lending program to serve the 10 counties in Regions 5 and 7E. The program was created with funding from USDA Rural Development's Rural Microentrepreneur Assistance Program (RMAP).



*Photo above: Regional barnstorming event.*



*Photo above: East Central MN Familiarization*



Photo above—Tony Pike (roads and solid waste manager, Mille Lacs Band Public Works), leads a demonstration of the new HAWK crosswalk installed near Grand Casino and Grand Market.



Photos above—West Street and Highway MN 18 sidewalk in from of school looking west.

Photo —below of John W. Osborn Finlayson Elementary School.



## TRANSPORTATION

The ECRDC contracts with the Minnesota Department of Transportation (MnDOT) to provide transportation and programming services within Region 7E. This involves several activities including the solicitation and prioritization of local candidate projects for federal funds, transit planning and programming, coordination of Transportation Advisory Committee (TAC) activities, and providing regional transportation planning services.

Region 7E is located within three MnDOT Districts. Kanabec, Isanti, and Mille Lacs Counties are in District 3 (Brainerd); Pine County is located in District 1 (Duluth); and Chisago County is located in MnDOT’s Metropolitan District. Consequently, the ECRDC is responsible for participating in three different Area Transportation Partnership (ATP) processes for prioritizing projects eligible for federal funds. Below is a table illustrating the amount of federal funds received on projects in Region 7E between the years 2017 and 2021:

	Total Project	Federal Funds	Other
Highway Safety	\$12,228,641	\$10,089,031	\$2,139,610
Rail	\$1,840,000	\$706,000	\$1,134,000
Surface Transportation	\$40,602,642	\$26,338,150	\$14,264,492
State Funds	\$2,609,384	-0-	\$2,609,384
Other	\$60,846,657	\$19,915,277	\$40,931,380
Totals	\$118,127,324	\$57,048,458	\$61,078,866

**Safe Routes to Schools:** The SRTS programs improve safety, reduce traffic, and improve air quality near schools through a multi-disciplinary approach that is structured around the 6 E’s (Engagement, Equity, Engineering, Encouragement, Education, and Evaluation). The ECRDC assisted the communities of Taylors Falls, Rush City, Cambridge-Isanti/Braham, Hinckley/Finlayson in receiving state funding and developing SRTS plans. These planning projects are important for communities seeking state and federal funds for infrastructure projects focusing on safety.



**Transit Coordination Study:** The ECRDC completed a third update to the Regional Local Human Service Transit Coordination Study in 2017. These plans identify the transportation needs of individuals with disabilities, older adults, and people with low incomes, provide strategies for meeting these needs, and prioritize transportation services for funding and implementation. The establishment of the East Central Regional Transportation Coordinating Council (ECRTCC) emerged as a result of the 2017 planning effort.



Photo above: Public meeting held in Milaca. Public meetings were held throughout the region to receive input on the newly formed ECRTCC.

Photo below: Public meeting held in Sandstone.



Photo above: Mock crash re-enactment held at several schools in Mille Lacs County.

**East Central Regional Transportation Coordination Council:**



The Minnesota Departments of Transportation (MnDOT) and Human Services, in collaboration with other state agencies, worked with the Metropolitan Council and other local governments and organizations to create 8-10 regional transportation coordination councils (RTCCs) throughout Minnesota. The goal of the RTCCs is to improve coordination between transportation providers and service agencies to fill transportation gaps, provide more service with same or fewer resources, streamline access to transportation and provide customers more options of when and where to travel. Of particular importance is improving mobility for the transportation disadvantaged such as older adults, individuals with disabilities, lower income individuals and/or military veterans. In May 2018, the ECRDC was notified by MnDOT that funding was approved to conduct planning to establish an organizational structure for an RTCC to represent the five counties in east-central Minnesota. The planning project began in July 2018 and is currently in its third year of implementation. Currently the RTCC is focused on providing guidance & consultation through marketing, vehicle sharing, improving volunteer driving opportunities, engaging non-profit/for-profit providers, and training.

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**Toward Zero Deaths – Safe Roads:** This program created a culture for which traffic fatalities and serious injuries are no longer acceptable through the integrated application of the 4E’s (education, engineering, enforcement, and emergency medical and trauma services). These efforts were driven by data, best practices, and research. The ECRDC assisted Isanti, Kanabec, and Mille Lacs Counties in applying for funding and implementing Toward Zero Deaths/Safe Roads programs.

Efforts in all three counties have led to reductions in fatal and serious injury crashes resulting from impaired driving, speeding, or the non-use of seatbelts



**Safe Cab:** Leaders and stakeholders from bars, liquor stores, distributors, courts, law enforcement and public safety to came together to discuss Safe Cab. The goal was to reduce the number of bar-related DWIs, to reduce the blood-alcohol readings, to educate the public about drinking, and to work with liquor stores and bar owners.

## Scenic Byway Planning:

**Lake Mille Lacs Scenic Byway:** On July 16, 2018 the Minnesota Scenic Byways Commission designated Lake Mille Lacs as the state's newest scenic byway, culminating a multi-year planning process. This designation opens opportunities for increased tourism and promotes the region's unique character. The commission, made up of the Minnesota departments of transportation and natural resources, the Minnesota Historical Society and Explore Minnesota Tourism offers the structure and guidance for the 22 Scenic Byways throughout the state. The state's byways comprise 2,948 miles of regionally outstanding scenic, natural, recreational, cultural, historic or archaeological significant corridors.

The ECRDC also assisted the Lake Mille Lacs Scenic Byway (LMLSB) Commission in completing a Corridor Management Plan (CMP) which offers a comprehensive evaluation of the byway's intrinsic qualities – scenic, historic, natural, cultural, recreational, and archaeological resources. These intrinsic qualities define the byway's character and serve as an enduring guide for the protection, enhancement, and management of those qualities.

This CMP also identifies and prioritizes strategies and projects related to comprehensive wayshowing, interpretation, strategic marketing, and economic development with the LMLSB corridor into the future. Developed from a locally-driven process where significant collaboration amongst LMLSB committee members, local citizens, and public agencies offered insight for the future of the byway. This CMP focuses on strategies to enhance the route and preserve its unique resources.

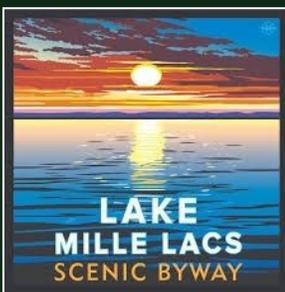
**Veteran's Evergreen Memorial Highway Technical Assistance:** Continue to provide administrative support for Lake Mille Lacs and Veteran's Evergreen Memorial Scenic Byways.



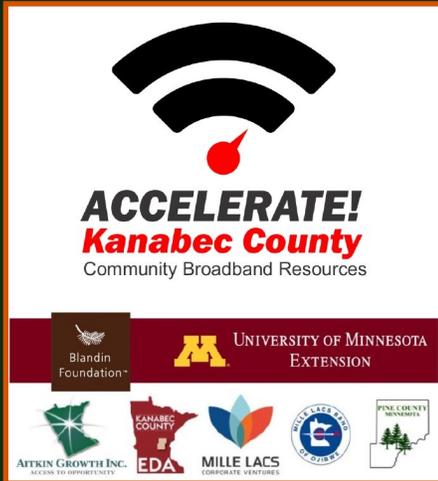
*Photo above: Lake Mille Lacs Scenic Byways ribbon cutting ceremony*



*Photo above: Scenic Byway training held at the Audubon Center of the Northwoods.*



## COMMUNITY DEVELOPMENT



**Broadband:** We have worked to help strengthen internet penetration within the region, including promoting Rural Broadband Day at the State Capitol and other initiatives. The ECRDC has worked with the Blandin Foundation to help support initiatives with community leaders so they can take broadband efforts to the next level. Communities impacted included Wilma, Arna, New Dosey and Chengwatana Township.

In its pursuit to find the best possible broadband solution for the East Central Minnesota regional community, as of this writing this cooperative team (Accelerate!), has completed a survey of regional residents and businesses; talked with cooperatives and learned of their regional approaches; made presentations to township boards, City Councils, school districts, organizations; acquired resolutions of support; interviewed multiple local and national internet service providers; and began the process of examining potential funding solutions.

**Hazard Mitigation:** Hazard mitigation is any sustainable action that reduces or eliminates long-term risk to people and property from future disasters. Mitigation planning breaks the cycle of disaster damage, reconstruction, and repeated damage. Hazard mitigation includes long-term solutions that reduce the impact of disasters in the future. The ECRDC partnered with the Minnesota Department of Homeland Security and Emergency Management (DHSEM) to assist Kanabec and Mille Lacs Counties in applying for federal FEMA funding and developing hazard mitigation plans in 2016 and 2017.

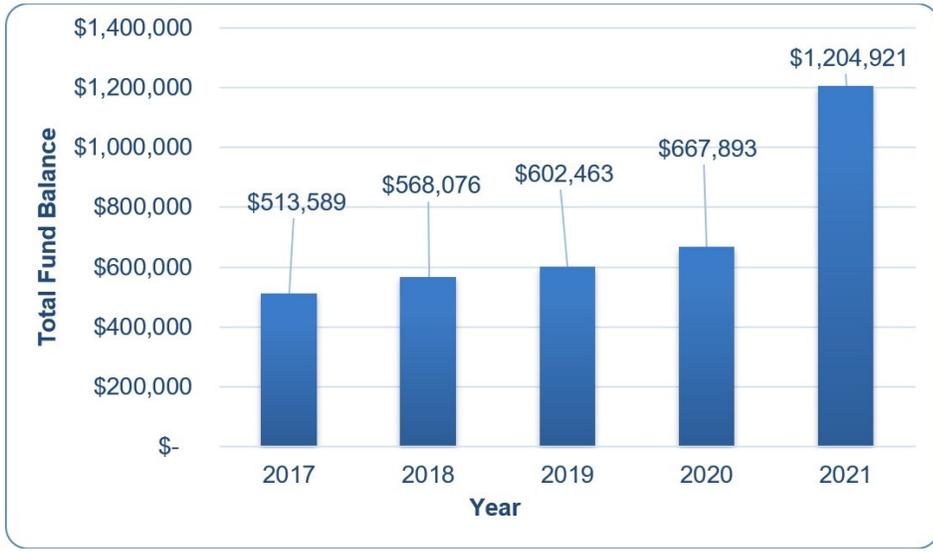


Photo above: Ojibwe woman at Lake Mille Lacs shore wearing a blue jingle dress

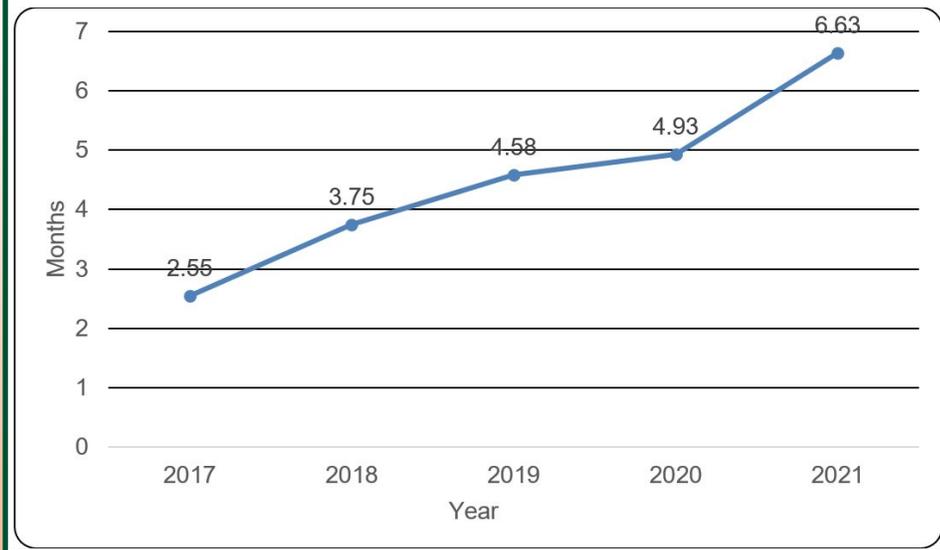
**Lake Mille Lacs Corridor Management Plan:** The Lake Mille Lacs Scenic Byway (LMLSB) Corridor Management Plan (CMP) identifies and prioritizes strategies and projects related to comprehensive wayshowing, interpretation, strategic marketing, and economic development with the LMLSB corridor into the future. Developed from a locally-driven process where significant collaboration amongst LMLSB committee members, local citizens, and public agencies offered insight for the future of the byway. This CMP focuses on strategies to enhance the route and preserve its unique resources.

# FINANCIALS

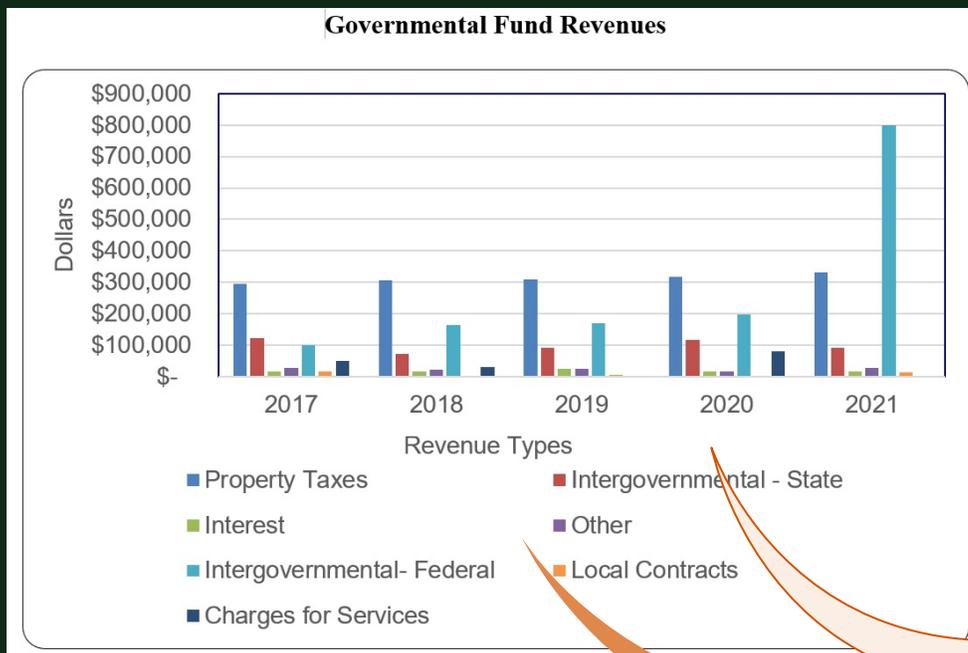
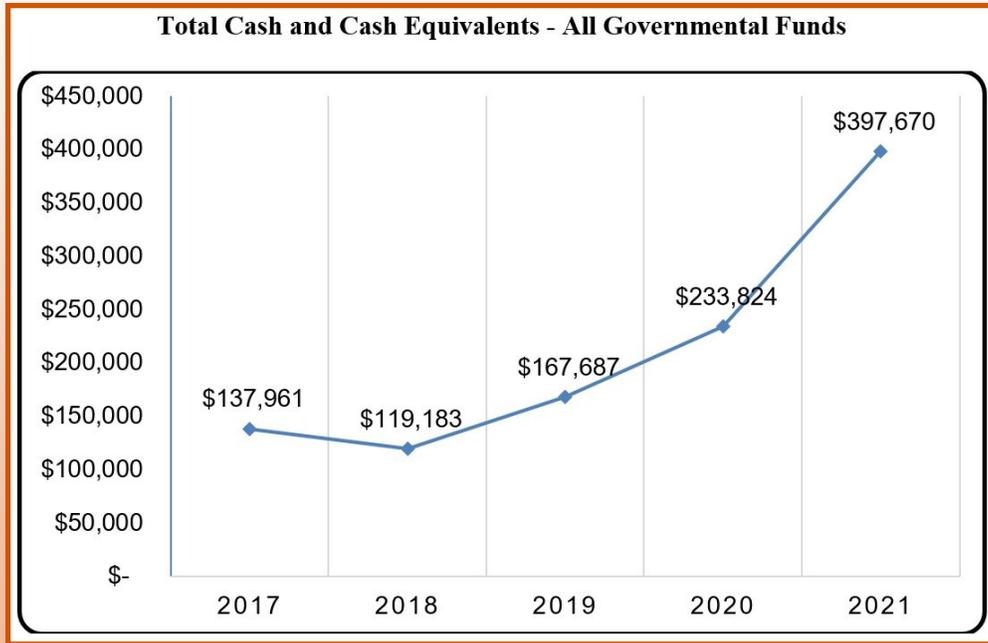
### Change in Fund Balance- All Governmental Funds



### Months of Expenditures in Fund Balance – Governmental Funds



# FINANCIALS



## NEXT STEP

This assessment report highlights several programs and activities where the ECRDC made a positive difference in east-central Minnesota during the past 5 years. It also acknowledges the valuable partnerships that made this success possible. Building on these successes and strengthening our partnerships will be critical to influencing positive change in the region going forward.

There are several areas where the Commission can build upon going forward. For example, the recently established ECRTCC can expand its role as a central clearing house for coordinating transportation resources in the region. There are several partners such as the Northern Lights Express Rail Alliance, public transit systems, private cab companies, and ride sharing companies such as Uber® or Lyft® that could mutually benefit by participating. State and/or federal funding could assist with such things as vehicle purchases and the construction of transportation hubs. The 2021 update to the Local Human Services Transportation Coordination study will likely call out further measures to improve access to transportation in the region.

The ECRDC's planning assistance for Scenic Byways should help bring increased awareness to travel and tourism opportunities in the region. Many of the businesses in these areas have suffered significant economic hardship during the COVID-19 pandemic. Scenic Byway planning transcends economic, community, transportation planning disciplines. Therefore, the ECRDC's role should be to forge constructive partnerships between local units of government, businesses, Explore Minnesota Tourism, MnDOT, and the federal EDA to improve the tourism economy along our three Scenic Byway routes.

The ECRDC is in the second year of its current Comprehensive Economic Development Strategy (CEDS). The scope of work contained in the CEDS focuses on a number of key areas. Among them are increasing the availability and quality of child day care; tourism opportunities; additional financing opportunities for small businesses; succession planning; and workforce housing. The CEDS also emphasizes the importance of technology and having a dependable internet connection for employees and students needing to work and learn remotely. The SCORE program should also be marketed more extensively so that more businesses can take advantage of mentoring services. Finally, the ECRDC will continue its work providing technical assistance and coordination to cities seeking EDA Public Works funding to construct or expand industrial parks, etc.



*Photo above: Small Business Development Center partnership.*



*Photo above: Broadband Day at the Capital*

The financial strength of the Commission improved significantly since the previous five-year assessment in 2016. The unrestricted fund balance had been relatively flat for several years and began to increase gradually with fiscal year 2016 ending with \$103,871 which represented about two and half months of operating revenue at the time. During the past five years, the unrestricted fund balance has grown to slightly over \$420,000 which, by current spending levels, represents about six and half months of operating revenue. This offers the Commission greater flexibility to explore new programs and projects in the future – particularly those funded by federal or state grants requiring financial match. The Commission has maintained a \$100,000 line-of-credit at the designated bank for several years. Fortunately, given the Commission’s strong financial position, the line-of-credit was never used during this five-year period.

Much of the improvements to the financial condition were attributed to new grant funded projects and programs taken on by the Commission. While expenses increased because of added staff expenses, most of the new programming (ex. EDA CARES Act, MnDOT Scenic Byways, and MnDOT RTCC), fortunately, required little or no financial match. This had the added benefit of keeping indirect cost rates lower and reducing the Commission’s general fund contribution.

## **CONCLUSION**

As required by Minnesota Statute 462.393, the East Central Regional Development Commission has conducted this performance assessment by a review of programs by ECRDC and a discussion of possible future directions. During the last five years, the ECRDC worked to fulfill the purposes of the Regional Development Act by developing plans to address economic development, social, physical, and governmental concerns of the East Central region, and assisting with developing and implementing plans and programs for individual local units of government.



EAST CENTRAL REGIONAL DEVELOPMENT COMMISSION  
RESOLUTION NO. 2021-4  
INDICATING FULLFILLMENT OF THE PURPOSE OF THE REGIONAL  
DEVELOPMENT ACT

WHEREAS, Minnesota Statute 462.393 Subd. 2, states “In 2001 and every five years thereafter the commission shall review its activities and issue a report assessing its performance in fulfilling the purposes of the Regional Development Act; and

WHEREAS, the East Central Regional Development Commission conducted a thorough assessment of its programs, activities, financial condition, accomplishments, and setbacks for the years 2017-2021 and issued a report on its findings; and

WHEREAS, said assessment report discussed next steps that could be taken to improve and/or expand the ECRDC’s services and financial condition in the years ahead; and

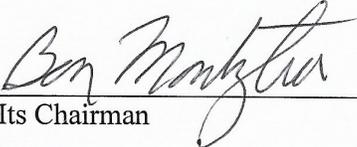
WHEREAS, the ECRDC is satisfied with the it’s accomplishments spanning the previous five years along with it’s current programs and work objectives;

NOW THEREFORE BE IT RESOLVED, the East Central Development Commission finds that the Commission is fulfilling the purpose of the Regional Development Act;

BE IT FURTHER RESOLVED, that the “existence of the commission is in the public welfare and interest,” as required by the Regional Development Act.

Passed the 25th day of October, 2021

EAST CENTRAL REGIONAL DEVELOPMENT COMMISSION

  
\_\_\_\_\_  
Its Chairman

ATTEST:

  
\_\_\_\_\_  
Its Executive Director





Progress through leadership and advocacy