

ANNUAL REPORT  
2022

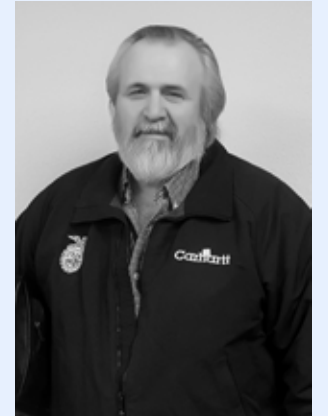


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# A LETTER FROM THE CHAIRMAN

**Cal Larson**



*The region benefits greatly from the leadership and dedication provided by the HRDC Board and staff.*

I am honored to serve as the Board Chair of the HRDC. It is a joy and profound personal satisfaction to work with leaders from our region and our committed staff who share a collective vision of creating successful communities.

In March, we hired Naomi Carlson as the new HRDC Executive Director. I'm pleased that Naomi stepped into this new role and excited to see her leadership move the organization forward. Naomi is very passionate about providing exceptional service to the entire Region. I'm confident that The HRDC will continue to make our region better with Naomi and our staff making significant positive differences in advancing our mission of creating successful communities.

The HRDC is a highly effective organization meeting a host of critical community and economic development needs within the region. This is done first by building strong partnerships and cultivating relationships, listening to what is not being shared. I consider it my great privilege to help align the voices and lead our commission to ultimate results in building healthy, successful and sustainable communities. We ARE the "GO TO" organization for our customers. Leading the way by enhancing our region's economic opportunities. HRDC is positioned to help offer leadership and commitment to our region.

We have continued to work hard on serving our communities in our region through economic development activities as well as business lending through the Headwaters Regional Finance Corporation. The HRDC serves our region in supportive multifamily development along with homeownership education and to increase the success of home buyers. In addition, we provide single family housing rehabilitation resources to increase the quality of existing housing. Our third phase: EAST CONIFER ESTATES are nearing completion, that provide affordable housing. This past year we facilitated bikeable and walkable community workshops that addressed barriers and ways to improve active living in our region. We are also focused on supporting and leading new creative transportation coordinating opportunities and initiatives and will continue to pursue this work for years into the future.

I would like to thank my colleagues who serve and offer their leadership on the Executive Committee: Ron Johnson, Vice President; Rick Rone, Secretary; and John Nelson; Treasurer. The Executive Committee continues to provide additional time and commitment to help guide the organization through another exceptionally challenging and unpredictable year. Thank you.

As we look to the future and the opportunity ahead, I am thankful that I am able to be a part of this commission. As we look to the future, we as a Commission will be adding 2 At Large positions to our Executive Board to gain more expertise and additional perspective. It is a privilege to serve and be a part of such a wonderful, dynamic, and energized organization.

# FROM THE EXECUTIVE DIRECTOR

**Naomi Carlson**

As I reflect on this past year, I am grateful and truly honored to be a part of an organization that seeks to foster authentic relationships within the region in order to create successful communities. The HRDC tagline is “Leading the Way,” which effectively communicates our brand to our Region. We, collectively, as the HRDC Team, desire to provide the leadership that our Region needs to be successful.

The key message that we carry into initiatives, projects, and new partnerships is that wherever we go and in whatever we do, people are most important. We base our work on valuing others and what their needs are. This is the HRDC way. We want others, our customers and partners, to be in the spotlight. If this is happening we as a staff and as a Commission are successful.

The HRDC seeks out opportunities to actively encourage participation of people whose voices have historically not been at the table as important issues are discussed. Our organization continues to step into work activities recognizing the importance of listening to a broad range of viewpoints and promoting equitable solutions to community issues. I am so proud of our staff team for pressing into these partnerships. This is not always the easiest way, however, often times it is the most rewarding.

What I want our partners to know about the HRDC is that we exist to serve our communities. The HRDC staff team and Commission are committed to finding creative solutions to community issues. We support and champion new opportunities and get behind those voices that are not being heard. We partner with customers in our region who try new approaches to issues that have been hard to find solutions for in the past. We connect with customers and provide leadership through facilitating conversations across multiple sectors and around many important issues. We want to build healthy, sustainable and equitable communities, which happens one healthy relationship at a time.

*The key message that we carry into initiatives, projects, and new partnerships is that wherever we go and in whatever we do, people are most important.*

The HRDC’s commitment to helping our communities in our Region as a whole be successful looks many different ways depending on our customers and partnerships. For transportation we have led and completed an update to the Local Human Service Coordination Transportation Plan which focuses on improving transportation for the most vulnerable. For our economic development work we have been able to provide staffing for the Mahnomon EDA. We have addressed our region’s affordable housing needs through both building new housing and managing rehabilitation of aging housing. We have also supported new and existing businesses through various loan funds. It is such a complete joy to be a part of a staff team that is committed to the local communities needs and challenges and also supporting the health and well-being of this entire Region.

The following pages provide a deeper dive in the wonderful programs and initiatives our HRDC staff team have been a part of over the past year.



**Naomi Carlson**



# COMMISSION MEMBERS

*The HRDC is governed by a 25 member Commission, with a large majority of the members consisting of local elected officials.*

- 6 | County Commissioners
- 5 | Mayors or Councilpersons from Small Cities
- 4 | Township Board Members
- 2 | School Board Members
- 1 | Mayor/Councilperson from Cities over 10,000
- 3 | American Indian Tribal Council Representatives (one each from Red Lake, White Earth, and Leech Lake Reservations)
- 4 | Citizens representing public interests (business, higher education, natural resources, and labor)

## **Executive Committee:**

- Cal Larson – Chair
- Ron Johnson – Vice Chair
- John Nelson – Treasurer
- Rick Rone – Secretary

## **The present membership is as follows:**

- Ed Arneson – Lake of the Woods County Townships
- Allen Bedford - Higher Education
- Peter Buessler – Natural Resources
- Randy Finn – Leech Lake Reservation
- Grant Frenzel – Business
- Craig Gaasvig – Beltrami County
- Theora Goodrich – Hubbard County Townships
- Mike Harrom – Labor
- Ron Johnson – City of Bemidji
- Cal Larson – Clearwater County Small Cities
- Deb McArthur – Mahnomen County Small Cities
- Brian Merschman- Beltrami County Townships
- Michael Meuers – Red Lake Reservation
- John A. Nelson – Clearwater County
- Buck Nordlof – Lake of the Woods County
- Larry Olson – Mahnomen County
- Jay Pike – School Districts
- Rick Rone – Lake of the Woods County Small Cities
- Nicholas Seitz - Beltrami County Small Cities
- Todd Turner – Mahnomen County Townships
- Ted Van Kempen – Hubbard County
- Bobbie Wosika – Hubbard County Small Cities
- Sarah Young – School Districts
- Vacant – Clearwater County Townships
- Vacant – White Earth Reservation



*Commission Members at the May 2022 meeting*

# TALENT & PROSPERITY

CARES EDA PLANNING

CARES ACT BUSINESS

CARES ACT RLF

HRFC LENDING ACTIVITIES

RLF ACTIVITY

HRFC BUSINESS SPOTLIGHT

ECONOMIC DEVELOPMENT ACTIVITIES

CEDS

MAHNOMEN EDA



# CARES EDA PLANNING

## COVID-19 Planning

The rapid spread of the novel coronavirus has caused major disruptions to businesses and communities across the world. COVID-19 has been devastating to the Headwaters region's economy. Exacerbating the situation is the region's dependence on tourism and service industries which were hit hardest during the pandemic as demand for products and services declined as consumers were encouraged to avoid travel and public spaces. The most immediate need at the time were the businesses.

In partnership with EDA's Chicago Regional Office, the Headwaters Regional Development Commission (HRDC) received a CARES Planning Grant to undertake short-term and long-term economic development planning and coordination to assist with the Economic Recovery and Resilience Plan for the region's economy. A few short-term projects led by staff include the Northwest Regional Broadband Gathering and CARES Act Business Assistance Programs. To date, HRDC staff have processed 271 applications and has awarded \$3.1 million total in grants funds to businesses. During this past year, staff have also been working closely with the Blandin Foundation and Northwest Regional Development Commission to address broadband access and led the Blandin Broadband Communities Program for the City of Mahanomen.

## Northwest Regional Broadband Gathering

The Blandin Foundation partnered with HRDC and Northwest Regional Development Commission partnered to host the Northwest Regional Broadband Gathering. Staff facilitated the conference to raise awareness among elected officials (city, township, county, and state) of the region's broadband needs and opportunities, and increase their commitment to support investments in both. The information gathered from this regional cohort was shared at a Statewide Conference in October 2021 to showcase and amplify successful work underway across Minnesota to advance broadband access, adoption, affordability, and use. It will also be used in the Region's Economic Recovery and Resiliency Plan to provide long-term strategies to becoming a globally accessible region. Attendees at the gathering learned and participate in the following:

- Broadband data and trends due COVID-19
- How our region is addressing broadband gaps in broadband, affordability, access, and adoption
- Finance tools for local governments to support broadband infrastructure
- An opportunity to share perspectives and voice their concerns on broadband challenges



## Regional Economic Recovery & Resiliency Planning

The U.S. Economic Development Administration has outline new investment priorities for their grant programs with Equity being top priority. These priorities ensure that their grant investment portfolio contributes to building, improving, and better leverage economic assets allow businesses to succeed and regional economies to prosper. With Equity being a top porosity, it will be woven throughout the Region's Economic Recovery & Resiliency Plan as it is an economic priority for the region. The strategies of this plan focus around six economic essentials to ensuring economic resiliency that include the following:

- Career Building and workforce and skills training
- Broadband Access and Development
- Childcare Access
- Building the Entrepreneurial Ecosystem
- Housing Access and Affordable Housing Options
- Connecting Community to Physical Assets
- Supporting Main Streets and Community Hubs

The tourism industry in the Headwaters Region is a critical part of the economy and creates much of the areas employment. The COVID-19 pandemic has highlighted a need to not only diversity our workforce but to develop long-term strategies to adapt and become more resilient. The plan will include economic resiliency indicators that play a role in the future of the Region's economic recovery and resiliency that include aging workforce and workforce shortage, supply chain disruptions, and industry diversification and advance technology. The final plan will be completed prior to the CARES Planning Grant period of July 31, 2023 and shared with regional partners and local government units.

## Regional Mobile Market Data Analysis

During the summer of 2021, HRDC staff partnered with UMN Extension to utilize mobile consumer tracking data to better understand the markets that the three retail corridors of the Bemidji community serves, regionally. By obtaining points of origin data and trip data within Bemidji about its regional market, it will help businesses within the corridors better understand who they are serving and develop more targeted marketing and customer service plans based on this information. The scope of this project will follow a customized mobile data analysis research protocol to include: collection data and do initial analysis, peer review of analysis, preliminary results review, write full report, send report out for peer review, revise report based on peer review, facilitated discussion. The final report will also provide strategies Region's Economic Recovery and Resiliency Plan.



# CARES ACT BUSINESS

## HRFC & HRDC Supporting Businesses through Pandemic

In partnership with EDA's Chicago Regional Office under the CARES Act Disaster Recovery and Resiliency Grant, the Headwaters Regional Development Commission has been tasked to undertake short-term and long-term economic development planning and coordination focused on pandemic recovery and resiliency. To assist with planning efforts, HRDC hired Antonio Franklin, Economic Development Planner, to act as the COVID-19 recovery coordinator. He has been tasked with providing technical assistance to communities and non-profits in the region and implementing economic resiliency projects throughout the region in response to the pandemic.

A highlight of our assistance to in providing emergency financial assistance to small businesses experiencing financial hardship due to COVID-19 related restrictions. This work involved developing policy, processing grant applications for qualified businesses, direct marketing, and managing reporting for local governments. In addition, we provided grant recommendations based on a scoring method and a financial assessment of each applicant. To date, HRDC staff has processed 271 applications and has awarded \$3.1 million total in grants funds to businesses in the Headwaters Region. The following local governments have been assisted by the HRDC to coordinate their CARES Act Business Assistance Program: City of Bagley, City of Blackduck, Clearwater County, Hubbard County, Lake of the Woods County, and Mahnommen County.

## The Northwest Angle Loan Program

HRFC has been administering a new Business Grant program which was created specifically for Angle Inlet in Lake of the Woods County. HRDC staff compiled gross revenues from prior COVID grantees in Angle Inlet to make a recommendation of funding allocation to our State Representatives. Due to the border closures between U.S. and Canada, these businesses experience significant economic impact. The Northwest Angle loan program was open to any "remote recreational business" in the area that lost more than 30 percent of its revenue between March of 2020 and 2021 and was impacted by the border closure. The strong growth across the Headwaters Region in recent years has contributed to a demand for financing options like our RLFs. The financial support provided to businesses was critical to keep the business community thriving through this challenging time.

# HEADWATERS REGIONAL FINANCE CORPORATION

## Wrapping up over \$3 million in COVID Relief funding to businesses in the region

Headwaters Regional Finance Corporation (HRFC) is a subsidiary of HRDC charged with providing business financing to start-ups and existing businesses to meet their capital needs from real estate purchases to equipment to working capital. HRFC houses five loan funds within the organization with a total asset base of nearly \$7 million. In addition, our staff provides administrative support and loan analysis to nine city, county, or utility company revolving loan funds in our 5-county region. HRFC staff works closely with local banks and other lending partners to structure loan packages which will provide comprehensive financing terms to start-ups and businesses looking to grow.

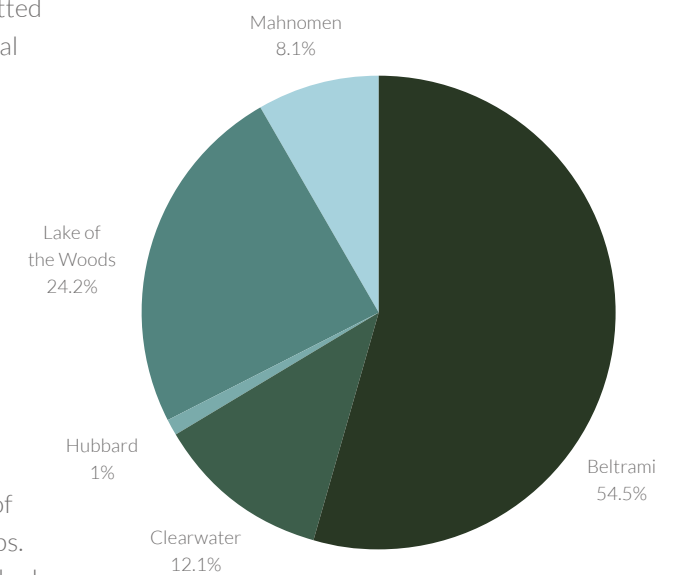
Our main loan fund, designated as our General Fund, originated from the federal Economic Development Administration and has been in existence for over 40 years and has grown to an asset base of \$3.2 million. This fund was recently de-federalized, providing more flexible lending options for future financing requests. Our newest fund originated during the pandemic as the HRFC received a grant in the amount of \$3,140,000 from the EDA for COVID relief efforts. Staff has worked extremely hard to get these dollars out to businesses and we can happily report the full balance has been loaned out or committed. Discounted rates as low as 0% provided an incentive in this challenging economic environment for a business to access needed working capital, facilitate a purchase of a business, or to help fund its expansion plans. To date, this fund has assisted in creating /retaining 358 jobs in less than two years.

The HRFC also received funds from Minnesota Department of Employment and Economic Development's (MN DEED) Emerging Entrepreneur Fund. This fund is targeted for loans to businesses owned by women, BIPOC, veterans, disabled, and low-income persons. We have committed our first \$75,000 allocation and were awarded an additional \$100,000 to lend. Finally, the HRFC successfully completed its first award from MN DEED, originating ten years ago, which was a pre-cursor to the Emerging Entrepreneur Fund. With this fund the HRFC provided \$177,000 in loans to five majority women-owned businesses during this period.

*To date, HRDC staff has processed 271 applications and has awarded \$3.1 million total in grants funds to businesses in the Headwaters Region.*

The HRFC team remains committed to serving the businesses of our region with a variety of lending tools and deep partnerships. We strive to be valued advisors for our borrowers and look to maintain trusted relationships with lenders, partners, and businesses throughout the region. For more information check out our website at [www.hrhc.org/business-finance](http://www.hrhc.org/business-finance).

## Loans by County



## RLF ACTIVITY

of the HRFC revolving loan funds

\*Includes CARES Act RLF Data



**\$20,359,851**

Funds Disbursed



**225**

Total Loans



**3037**

Jobs Created



**3366**

Jobs Saved

## CARES ACT RLF ACTIVITY

Since origination of the fund in mid-2020



**Loans used for** Working Capital, Fixed Assets, and 3 Start-Ups



Loaned out **\$3,140,000\***



**25 Loans\***



**358 Jobs** Saved & Created

\*Includes two loans committed, but not yet funded.

## BUSINESS SPOTLIGHT

### Four Pines Bookstore

Great things happen when people follow their passion. A lover of books herself, Gina Grinde wanted to offer an extraordinary reading experience to her customers. She received a loan from HRDC in April 2021 to open Four Pines Bookstore, the only independent bookstore in Bemidji. Gina used her loan to



purchase inventory, furniture, and shelving. The loan has zero interest for 2 years and she has used the savings to purchase a wider, uniquely curated variety of books. Being able to offer our borrowers loan funds at an initial zero percent rate has really been an accelerant to small business in our region during the pandemic. June 11th marks the 1-year anniversary for Four Pines Bookstore. Congratulations to Gina on her first year of business!



### Hatchet House

Hatchet House is the newest venue for family entertainment in the Bemidji area. It opened Spring of 2022 in downtown Bemidji. Owner, Melissa Olson, wanted to bring a new type of venue to Bemidji, researched the growing trend of axe throwing, and decided it would be perfect for this northwoods community. She secured a loan from a local bank to complete renovations on the building, and HRFC provided \$63,000 in gap funding for the purchase of inventory, equipment and working capital from the CARES Act RLF Fund. The venue boasts not only axe throwing, but foosball, giant Jenga and other games, a variety of food and beverage options, and has the ability to host private parties.



# ECONOMIC DEVELOPMENT ACTIVITIES

The Headwaters Regional Development Commission (HRDC) was designated as the Economic Development District for the region in 1974. The HRDC receives annual Partnership Planning assistance from the United States Department of Commerce Economic Development Administration (EDA) to administer the economic development programs for Beltrami, Clearwater, Hubbard, Lake of the Woods, and Mahnomen Counties located in north central Minnesota. It is a 3-year program that must follow the Standard Scope of Work outlined by the EDA. A new EDA Partnership Planning Grant was submitted for FY2022 - 2025. The planning grant scope of work includes the following:



1. Prepare and maintain the Comprehensive Economic Development Strategy
  - Collect data relevant to the regional economy
  - Identify opportunities/issues and define vision/goals for the region
  - Create strategies to accomplish goals
  - Coordinate activities to implement these strategies
  - Create prioritized list of TA and Public Works projects
2. Aid local economic development related activities and act as a liaison between appropriate state and federal interests.
3. Promote growth, development and retention of businesses and industry within the region.
4. Provide economic development support to counties within the region, filling in gaps and providing services for which they lack the capacity or resources to fill.
5. Provide technical assistance for grant writing and administration and access to region wide demographic and statistical data
  - Provide monthly updates on grant resources and regional statistics to regional partners
  - Maintain resource databases of grant sources
6. Work closely with the Economic Development Representative and EDA staff to develop future potential economic development projects

HRDC staff completed the following activities to reach the goals and objectives of the approved Partnership Planning Grant scope of work. The following list of activities is not an exhaustive list of the activities HRDC has completed to meet the scope of work, but gives an overview of major initiatives undertaken this past year.



## Bemidji Area Makerspace

HRDC staff provided technical assistance to Greater Bemidji, a local economic development organization in Bemidji, Minnesota. We worked closely with our local partner to develop a makerspace model for the Bemidji area called the STEAM Factory.



To add to the strong entrepreneurial ecosystem, this project will function as an entrepreneurial incubator and workforce training and educational resource. It will serve and benefit the community by allowing members

to gather and pursue their passions while catering to the development of their future through the sharing of knowledge, hand-on skills and resources.

The mission seeks to bridge the divide between traditional education paths and real-world industry. Partnering directly with local community and industry leaders, we are developing educational training and certification opportunities that directly align and evolve with industry demands. Solidified by the foundation of supporting the independent passions and the entrepreneurial aspirations of our members.

During this past year, HRDC staff put together 5 makerspace case study models from both Minnesota and South Dakota. These studies help the Advisory Committee form the comprehensive business model and to identify revenue streams and opportunities for growth. Staff also helped organized and facilitated weekly planning meetings with the Makerspace Advisory Committee between October 2021 - January 2022. Staff and partners met with stakeholders to solicit in-kind equipment and fiscal donations to the project. \$80k of in-kind donations was received from the community. Lastly, we presented the Makerspace concept to stakeholders at the Greater Bemidji Board meeting. The next benchmarks included identifying additional funding sources and grants and a new site location.

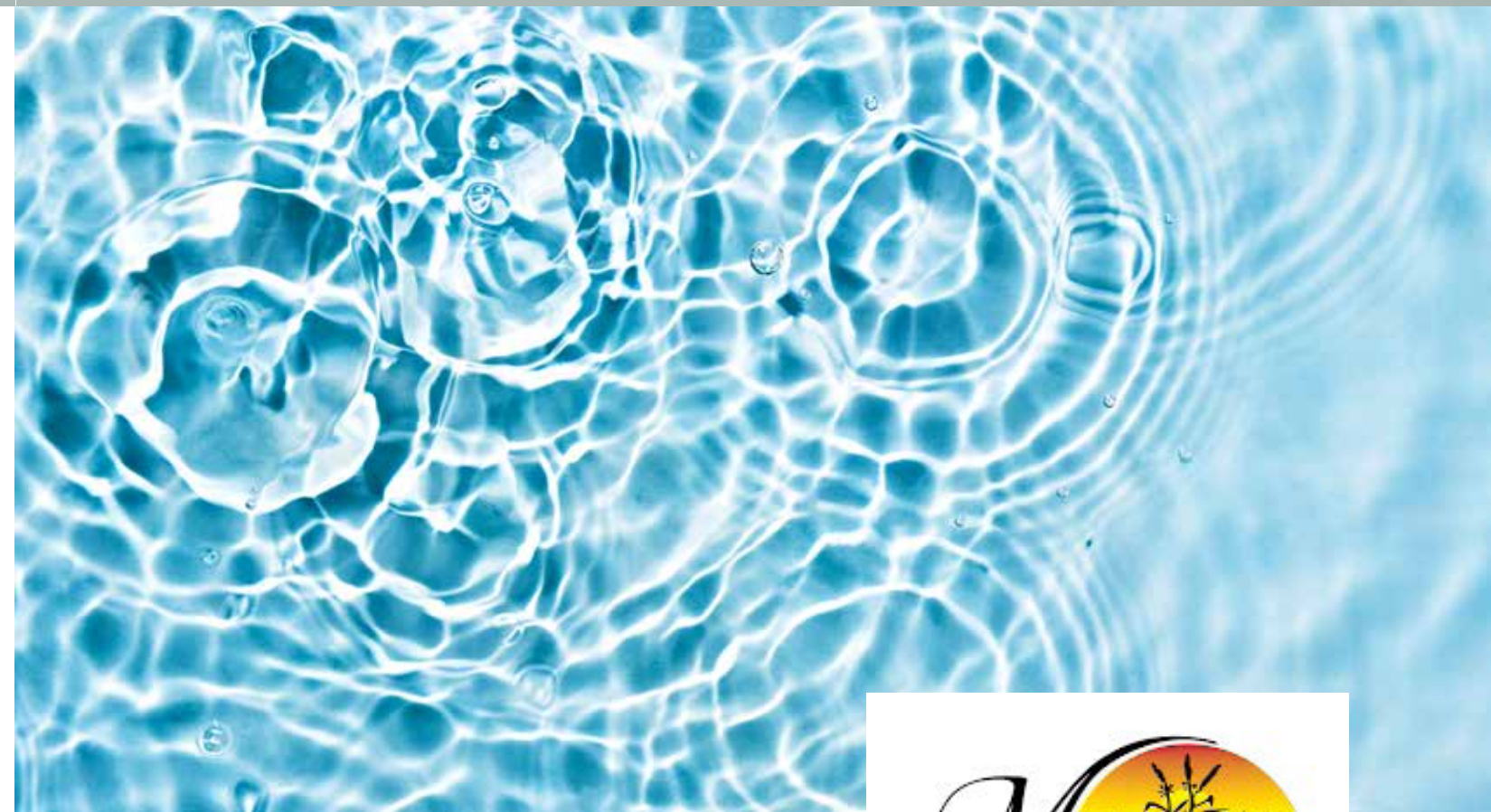
*Partnering directly with local community and industry leaders, we are developing educational training and certification opportunities that directly align and evolve with industry demands*

## ECONOMIC DEVELOPMENT ACTIVITIES *(Continued)*

### White Earth Nation Integrated Resource Management Plan (IRMP)

As part of the EDA Partnership Planning Grant, it provides capacity for HRDC Staff to provide technical assistance to communities throughout the Region. The White Earth Nation Natural Resource Department Integrated Resource Management Plan is a great example of the technical assistance provided. Staff have been working on the IRMP this past year to create a culturally grounded 10-year comprehensive plan.

Last year, White Earth Nation Natural Resource Department hired HRDC to create a culturally grounded comprehensive natural resource plan that includes more community input. Staff facilitated community input and visioning meetings with Tribal Community Council throughout White Earth Nation and with the Natural Resource Department Staff. Information from these meetings was incorporated into the Community Concerns & Issues Survey. Staff also created GIS maps to reflect natural resource assets. The final IRMP plan will be completed this summer and an interactive digital GIS and story mapping platform will be available online.



### City of Mahnomen Water Infrastructure Resiliency Project

HRDC Staff are providing grant administration to the Economic Development Administration's Economic Adjustment Assistance Grant for Water Treatment Infrastructure Resiliency Project in the City of Mahnomen. The services include direct administrative services to the City of Mahnomen to implement the grant, submit reporting, and post-award closeout and Reporting. The city received the grant in to make improvements to the Water Treatments Plant. The project would improve community resiliency with the new equipment and technology upgrades. The infrastructure improvements are expected to be completed by Spring of 2023.

*The project would improve community resiliency with the new equipment and technology upgrades.*



# COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

## A New Vision for the Region

The Headwaters Region will be a region that is inclusive, adaptive, innovative, and globally accessible. Our region will have:

- Inclusive wealth building initiatives
- Resources to support innovation, entrepreneurs, and start-up companies
- Sustainable and equitable economic growth
- Cultural and natural resource capacity growth
- A Robust workforce of the future
- Global accessibility for remote working
- A healthy and resilient natural environment



As the Federal Economic Development Administration's (EDA) designated Development District for the Region, the HRDC develops a Comprehensive Economic Development Strategy (CEDS) every five years. The CEDS provides an economic roadmap to strengthen the regional economy. The CEDS analyzes the strengths and weaknesses of the Region, establishes a vision for the economy of the Region, creates goals, objectives, and offers useful benchmarks for evaluating progress. The primary goal of this development strategy is to create strategies for a new dynamic innovative economy that links the assets of the Region to generate new knowledge, start new businesses, and transform existing businesses into thriving 21st century companies.

The CEDS uses the Minnesota Association of Development Organizations' DevelopMN Plan as its organizing framework. DevelopMN provides a common outline for regional economic development, and identifies approaches to address the special challenges and opportunities of Greater Minnesota. DevelopMN identified the following cornerstones as key components of strong regions and communities. When approached in a coordinated way, these cornerstones will help create prosperity in Greater Minnesota through these four focus areas:



**Human Capital:** Tracking the characteristics of the labor market and needs of employers will enable us to create strategies for alignment. Long-term, this will mean that our rural communities continue to be desirable places to live, work, and play.



**Community Resources:** Assets that improve the quality of community life



**Foundational Assets:** Above-ground and below-ground infrastructure such as transportation, utilities, and waters



**Economic Competitiveness:** Growth, income levels and income growth, innovation, exports, and GDP

## Community Stakeholder Survey Highlights

Over the course of the last year, HRDC reached out to community members and representatives from the region's top industries for input on what our stakeholders think about the local economy, workforce, quality of life, and other data. HRDC completed a survey of community stakeholders in March 2021 and qualitative interviews of leaders from top industries in January 2022. While there was limited response overall, what data we were able to collect was largely consistent and provides valuable insight into community views and attitudes.

In the survey we were able to get 56 respondents from the around the region with each county representing at least 12% of the responses, and Beltrami and Lake of the Woods Counties having the largest proportions at 33% and 27% respectively. Most respondents were employed (59%) and the industries they were employed in varied significantly, with Government/Public Service being the largest single category at 26%; most of the region's top industries (Accommodations/Food Services, Construction, Education, Public Admin, Healthcare, Retail) were represented with at least 1 response.

There was strong evidence in the survey that respondents recommend the region as a good place to visit (91%), live (96%), and start a business (85%), although this is tempered by views that opportunities are not equally accessible to all. On Diversity and Inclusiveness, 76% of respondents gave the region a grade of "B" or lower and 67% of respondents disagreed or were neutral when asked if "all residents have equal access to economic opportunity." Regarding education and careers, 52% of respondents either disagreed or were neutral about a question asking if "education and job training are available to residents who really need it" and 70% of respondents either disagreed or were neutral when asked if they agreed with the statement "I can advance in my chosen career." In the other comments option, one respondent summed it up with the statement "I feel like the rate of success is directly related to who you are."

In the preliminary planning stage, HRDC staff selected the CEDS Strategy Committee members. The CEDS Strategy Committee is comprised of a broad ranges of community leaders that included both the public and private-sector. They represent following industries: local government, tribal government, education/higher Ed, workforce development, manufacturing, private business, tourism, healthcare, banking/financial services, and arts/culture. Also, diversity, equality, and inclusion were considered during the selection process of the committee. In total, twenty-six individuals serve on the committee. The CEDS planning process and evaluation framework will be overseen and assisted by Strategy Committee Members.

To ensure public outreach and engagement in CEDS process, a community stakeholder survey and stakeholder interviews were conducted. The survey contains questions formed around the Strengths, Weaknesses, Opportunities, and Threats Analysis (SWOT). The survey will be used in the development of a new CEDS document. HRDC sent the survey to clients, businesses, local government officials, and agency partners. New data software from Chmura Economics was used in the inventory analysis to generate more details reports and more informed decisions about our region's economy.

Last steps to adopt the CEDS include a 30-day public notice will be required for public comments. The CEDS will also be presented to the Region's 5-County Boards for approval and resolutions to adopt the plan and followed by the HRDC Commission. The final CEDS document will be completed by July 31, 2022.

# MAHNOMEN COUNTY EDA

## Working Towards Capacity Building

Mahnomen County consistently experiences higher unemployment rates than the rest of Minnesota. Coinciding with high unemployment rates are high poverty rates and low incomes. Adding to the complexity of the issues, Mahnomen is the only county in Minnesota located entirely within the boundaries of an Indian Reservation. We can look at these economic distresses as a challenge or an opportunity. Because of these socioeconomic barriers, it allows an opportunity to quality for more resources to improve the community.

The City of Mahnomen, Mahnomen County, and the White Earth Reservation all have a stake in the future of the area and share the same challenges, yet there is no entity working on behalf of all three stakeholders.

The three governments approached the HRDC for help in creating an economic development entity to serve the "greater Mahnomen County" area. They all saw a need for a local entity that could undertake multijurisdictional projects that encourage job creation and business development in the area. The HRDC led a group of County, City, and Tribal stakeholders through a planning process focused on identifying opportunities for partnership, reflecting on their mission, and outlining the organization's approach to its work. Stakeholders agreed that there was a need to establish a county economic development authority, which could work at these issues at a county level.



## Blandin Broadband Communities Program (BBC) - Mahnomen

HRDC staff wrote a grant for Mahnomen County EDA to receive \$75,000 from the Blandin Broadband Communities Program. The purpose of the grant is to implement a variety of technology-based projects that are equitable and resilient in designed to increase capacity to support training, improve public access to broadband, and education. Staff served as the Project Organizer to lead locally developed projects that address community-identified needs and opportunities around broadband. Staff formed an inclusive steering committee representing a broad range of individuals, facilitated community visioning meetings, and managed the project. The grant will support 8 broadband technology-based projects in Mahnomen County.

### Broadband projects include:

- Mahnomen County Co-working Services Launch
- Youth Summer Asset Map GIS Project
- White Earth Tribal Community College Digital Marketing Geofencing Campaign
- Mahnomen County EDA Website, logo & Laptops
- City Hall Conference Room Audio/Video Technology
- Computers & Inventory Software Helping Hands Food shelf
- Digital Education for City of Mahnomen Library
- White Earth Tribal Community College Digital Bookstore

### Other projects staff provided support on include:

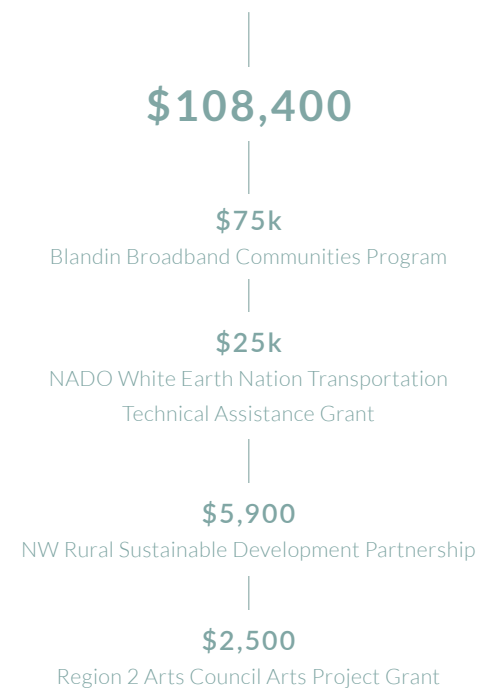
- Financing Your Business Panel
- Manoomin Arts initiative
- NADO White Earth Nation Transportation Workforce Technical Assistance
- MMCDC Housing Development
- HHDC Single-Family Housing
- Region 2 Arts Council Arts Project Grant for Wild Rice Day
- Wild Rice Day Arts & Cultural Festival Coordinator

## Building Staffing Capacity

With the significant increase in economic development activities in Mahnomen County this past year, the Mahnomen County EDA Board of Directors have a high-priority in building capacity for the organization. The ultimate goal of MCEDA is to hire a full-time Director. To support short-term capacity gaps, HRDC staff helped increase staff to support tourism marketing and broadband access and development. These efforts collective will help move the community forward to becoming more resilient and sustainable.

- Lead for America Host - Digital Equity Resiliency Coordinator
- UofMN RSDP Grant for Marketing & Social Media Coordinator

### FY 22 Total Grant Funds Received



The service launch in Waubun will include free access for 2-years to the co-working space for White Earth Nation tribal members and the Mahnomen County EDA for entrepreneurs.



# LIVABLE COMMUNITIES

HHDC

AKELEY PROJECT

BELTRAMI HRA

CDBG - COVID GRANT

SUPPORTIVE HOUSING

HOUSING REHABILITATION

MAHNOMEN SCDP ADMIN

BEMIDJI SCDP ADMIN

DOWN PAYMENT ASSISTANCE

HOME OWNER EDUCATION

100 CUPS OF COFFEE

NWRECB



# HEADWATERS HOUSING DEVELOPMENT CORPORATION (HHDC)

HHDC is HRDC's nonprofit housing corporation. It is governed by a Board consisting of one member from each of the five counties; the majority must be HRDC commission members and this year all five are. Rick Rone represents Lake of the Woods county, Larry Olson represents Mahnomen, John Nelson represents Clearwater, Brian Mershman represents Beltrami, and Jay Pike represents Hubbard county. The mission of the group is to ensure quality and affordable housing options to moderate- and low-income households either independently or through strategic partnerships.



HHDC can act as Developer / Owner, construct Single-Family housing, apply for grants (such as those through Minnesota Housing Finance Agency), finance development through construction loans, provide consulting services, and Acquire / Rehab / Resale or rent out houses on the market. One of HHDC's most rewarding projects is the partnership with the Bemidji High School Construction Class which builds one or two homes each year under the guidance of licensed instructors and professionals. This initiative is successful due to the hard work of the construction teacher championing the project. The Board believes that supporting student's interest in pursuing the trades as a career path is important to the success of quality and affordable housing in the region. An addition to the project this year is that the student's custom built all the cabinets throughout the house.



HHDC High School Build

The HHDC also developed two new Single-Family homes in Park Rapids. These are set to sell by the beginning of FY23. These homes were built on a tax forfeiture lot thereby putting the land back into productive use. These homes were built on a slab with in-floor heat, 3 bedrooms, 2 bathrooms, and an attached double stall garage.



HHDC Park Rapids House

Looking forward, the HHDC was awarded funding to build 2 more Single-Family homes in the region. The Board has acquired one lot in Blackduck and is actively seeking a potential location in Mahnomen county.

*This initiative is successful due to the hard work of the construction teacher championing the project.*



## AKELEY VACANT HOUSE PROJECT

HRDC staff began working with the Akeley HRA back in 2019. This collaboration began with a candid consulting meeting which provided the group with preliminary information and resources. The group was highly motivated to pursue housing projects, but did not have the financial resources to pay for a staffing contract. Eventually a grant opportunity through the Rural Community Development Initiative (RCDI) arose which HRDC applied for and was awarded. This allowed staff to meet with Akeley HRA on an ongoing basis to discover their needs, interests, and concerns. Through these discussions, staff and board identified a vacant home which

needed to be put back into productive use. The tenant had unfortunately passed away and the house started to go into tax forfeiture. There were multiple households interested in acquiring the house, but there were multiple liens resulting in a title nightmare and significant frustrations in the community. Staff worked with multiple agencies to negotiate and pay off the liens and clear up the title issues.

### Below is a list of agencies staff worked with in order to accomplish this task.

1. Greater Minnesota Housing Fund - Owner
2. Hubbard County - County Taxes
3. Akeley city - City assessments for Water / Lawncare
4. Minnesota Housing Finance Agency (MHFA) - Rehab loan through Amerinat
5. Lake-N-Woods Realty - Sale of home
6. Lakes & Leisure Realty - Brokers Price Opinion for MHFA
7. Bonded lock and Key - Change out the locks
8. Utility companies - Heating/Electrical vendors
9. Leer title - Sale of house
10. Northwest Minnesota Foundation - Capacity building grant to work with AHRA
11. RCDI - Initial hours to work with AHRA
12. HHDC - Paid off rehab loan which was then repaid at closing

Once the house was listed for sale staff received more than 20 notifications of interest in the house and ultimately received six offers with three above asking price. Upon sale, the Akeley HRA was able to pay back HHDC and retain a little less than \$13,000 in profit to be used as seed funding for the first time in years. They plan to use these dollars to reinvest in their community and build internal capacity.

# BELTRAMI COUNTY HRA

*Beltrami Housing & Redevelopment Authority*

The Beltrami County HRA (BHRA) contracts with HRDC to provide services to meet their mission of providing quality and affordable housing options to low and moderate-income households. The staffing package includes meeting administration, organizational development, financial management, construction oversight, property management, and down payment assistance.



## Board Members

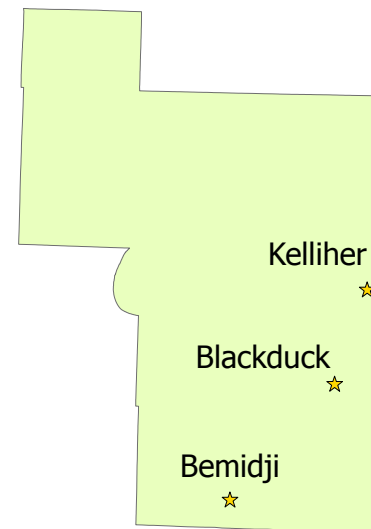
The HRA is led by five Board Members. The current membership consists of Travis Barnes, Orlando Alamano, Max Cloose, Jacky Richter, and Jaime Niswander.

## Down Payment Assistance

As funds are available staff leads an entry cost assistance program for home buyers in Beltrami County. These funds can be used for down payment assistance or closing costs and are repaid by the borrower. Funds are recycled to keep the program going and allows eligible households to get into homeownership that may not have otherwise been possible.

## Affordable Housing

The BHRA owns several rental homes in Beltrami County, including in Bemidji, Kelliher, and Blackduck. Some of these homes are managed as Transitional Housing by Bi-CAP and some are managed as rentals by HRDC staff. Additionally, the BHRA serves as the public owner for the Village of Hope (a family homeless shelter) and Conifer Estates (a multi-family Supportive Housing Development).



# CDBG NEW DAY CENTER RETROFIT

The City of Bemidji has historically had very limited services for homeless community members. In 2016, the Nameless Coalition for the Homeless (NCH) opened the Wolfe Shelter as a seasonal overnight shelter for single adults needing a warm, safe place to sleep who are either in chronic homeless situations or for those facing crisis situations who need shelter. The need for an additional day shelter continued to be discussed by the community and the need became even more pronounced after COVID-19 began sweeping through the community.

NCH formed a building subcommittee in May of 2020 with hopes for a day shelter. After months of searching for a suitable building, Sanford Health of Bemidji offered to donate an unused building, and NCH was able to open the New Day Center in December of 2021. At 8,000 square feet, there is ample room to allow people to safely spread out to prevent the spread of the virus. The building also has over twenty small offices, which are being offered to partner agencies as “satellite offices” to help them reach clients where they are, thereby eliminating a cumbersome hurdle of inadequate public transportation. Along with provided office space for services, these rooms are available to quarantine guests showing any symptoms of COVID-19. The breadth of services offered at the New Day Center include a safe and warm space to be during the day, laundry, space to clean up, wi-fi, and connections to mental health resources, health related services, community resources, housing support, life skills, and employment opportunities.

Unfortunately, the Day Center building has some deficiencies. It is split-level and a chair lift will need to be installed for universal access to either floor. ADA compliant showers and toilets will be needed. The roof is old, leaky and flat and will need to be replaced.



The building needs to be sprinkled. The carpeting is from the seventies and in need of replacement. There are also likely asbestos tiles that need mitigation.

Once the retrofit of this building is complete, the outdated and non-conforming building will be modernized and ready to contribute another thirty years of activity in Bemidji. The Day Center will not only help prevent COVID-19 spread, staff will also be available to help someone who does contract the virus to keep them and others safe. The Day Center will also serve as a safe haven for people as they search for the services to help them find stability and happiness. The new space will also give area service providers one more tool in their toolkit as they provide housing, healthcare, therapy and other services for their clients.

To complete the retrofit, NCH partnered with HRDC and the City of Bemidji to apply for a competitive COVID-Related Community Development Block Grant through the Department of Education and Economic Development. There was a very short timeframe for the application, and HRDC worked closely and quickly with Bemidji and NCH to write and submit the grant. \$570,000 was awarded in 2021 to support the repairs. Since then, HRDC completed an environmental review and the project was approved for work to begin. Widseth was selected as the architect/engineering firm and has completed design work, and contract bids are set to be awarded in June 2022 so that construction work can be complete by the end of the year. HRDC will be with the project through completion to provide administrative services for the grant and project.



# SUPPORTIVE HOUSING

Homelessness and housing instability are ongoing challenges for many households in our Region. Availability of affordable housing continues to be a critical issue with at least 25% of households paying more for housing than is considered affordable. Nearly one-third of homeless adults are employed and a majority of the homeless population has a chronic mental or physical health condition. Supportive housing links affordable housing units with services that are tailored to meet the needs of the population being served. Services are designed to foster housing stability and improve health and quality of life for the residents.



## Conifer Estates

Recognizing the need to address rising local homelessness and the shortage of supportive housing, multiple organizations have collaborated to develop and operate the Conifer Campus in Bemidji. The Beltrami County Housing and Redevelopment Authority, as owner, and Headwaters Housing Development Corporation, as developer, built Conifer Estates, a 20-unit complex which opened in 2012 and has been operating since. Red Lake Housing Authority and Leech Lake Housing Authority each master lease five units and provide support services, with the other rental assistance and support services provided by Bi-CAP and Section 8 Housing Choice Vouchers through the Bemidji Housing & Redevelopment Authority.

*Availability of affordable housing continues to be a critical issue with at least 25% of households paying more for housing than is considered affordable.*



## Conifer Villas

The second phase of the campus, Conifer Villas, is owned by Conifer Villas LP and developed by Conifer Villas GP LLC, which is governed by the Headwaters Housing Development Corporation (HHDC) and HRDC staff manage it. Construction was completed in May of 2021 and was fully occupied shortly after. This project consists of 4 buildings, each containing 8 townhome style units, including one-, two- and three-bedroom units. There is a community building located on-site which is used by staff to provide the supportive services that are needed by the residents to ensure successful outcomes for the entire household. Services at Conifer Villas are provided by Housing Matters and Red Lake Housing Authority. Rental assistance comes from Housing Supports through Beltrami County Social Services, Section 8 Housing Choice Vouchers through the Bemidji Housing & Redevelopment Authority, and rental commitments from Red Lake Tribal Housing. This 32-unit project was financed mostly by Low Income Housing Tax Credits. A ribbon cutting ceremony upon completion was attended by Senator Tina Smith and Housing Commissioner Jennifer Ho.



## East Conifer Estates

The third phase of the Supportive Housing campus is East Conifer Estates. Construction began on East Conifer in August 2021 with occupancy expected in August 2022. This project will provide an additional 24 supportive housing units. Construction financing is being provided by Minnesota Housing's Infrastructure Bonds and Federal Home Loan Bank's Affordable Housing Program grant. Services will be provided by Housing Matters with rental assistance being provided by Housing Supports, Red Lake Housing Authority, and Section 8 Housing Choice Vouchers through the Bemidji Housing & Redevelopment Authority.





## REHABILITATION IN PARTNERSHIP WITH MINNESOTA HOUSING

Headwaters Regional Development Commission works with and is an administrator for Minnesota Housing's Rehabilitation Loan Program (RLP). This program reaches extremely low-income households who cannot access traditional forms of financing. This financing is made available to make necessary improvements that directly affect the safety, livability, or energy efficiency of owner-occupied homes and is a lifeline to home-owners. The funding is in the form of either a 10-year or 15-year forgivable loan. Minnesota Housing announced in Fall of 2021 they were increasing the funding available per household from \$27,000 to \$37,500. This has made a direct impact on what we are able to accomplish on individual projects. This continues to be a very popular program in our region.

HRDC also offers an Emergency / Accessibility Loan under the rehab loan umbrella. This program provides deferred financing to homeowners needing emergency assistance or crucial accessibility improvements to their homes. Minnesota Housing also announced that they have increased the total funding available for the program from \$15,000 to \$27,000. This is also exciting to extend the reach we are able to do on area projects.

Due to the tight housing market and low inventory of homes, both programs are essential to help preserve existing owner-occupied housing stock and are a vital tool to help households who may have little or no other options to keep their homes safe and habitable. HRDC continues to see demand for both the Rehabilitation and Emergency Loan programs for households in our region.

## MAHNOMEN & BEMIDJI SCDP ADMIN

*Small Cities Development Funding serves regional rehabilitation projects*



Housing programs that HRDC is involved in can vary from year to year, although the ongoing goal is to help preserve and maintain current housing stock. HRDC is currently working on two housing projects in partnership with the Minnesota Department of Education and Economic Development (DEED).

The Small Cities Development Program helps cities and counties with funding for housing, public infrastructure, and commercial rehabilitation

projects. HRDC has administered the small cities program for a number of years and currently has two active programs.

In 2020 the City of Bemidji was awarded a grant of \$388,125 from DEED for the rehabilitation of single-family residences in the NW 12th St. area neighborhood of Bemidji. The award is to help 15 low- to moderate-income households make necessary repairs to their homes. The assistance is provided as a 10-year forgivable loan. If the household lives in the home for a period of 10 years the amount borrowed is forgiven. HRDC administers the program for the city and projects are in all stages of the process at this time.

HRDC also has an active small cities rental rehabilitation project in process for the City of Mahnomen. The City of Mahnomen was awarded \$354,775 for the rehabilitation of 12 Single-Family rental homes, 1 Duplex rental unit, and 1 Multi-Family unit. Due to the Covid-19 pandemic, the grant was extended through summer of 2022 and HRDC continues to administer the program to Mahnomen area residents.



New Tin Roof



New Flooring

# HOME OWNER EDUCATION

## *HRDC offers Homestretch homebuyer classes*

In 2021-2022 HRDC continues to offer a homebuyer education workshop to area households. The current version of the class is an eight-hour interactive virtual experience. The class is administered via Zoom and covers the home buying process from start to finish. Areas covered and detailed in the program include but are not limited to:

- Advantages and disadvantages of home buying
- Real estate
- Developing a budget
- Mortgage loans
- Understanding credit
- The closing process

Students are able to listen to area realtors, bankers, insurance agents and other professionals to gain real world knowledge of the homeowner's market in today's real-world environment. The class continues to get great reviews and the most common response after taking the class is "I wish I would have taken it sooner"!

The current virtual version of the class does extend the geographic reach to customers and we hope to continue to grow the program to the further stretches of our region. Classes are offered monthly and registration information can be found on [hrdc.org/homestretch](http://hrdc.org/homestretch).



*Students are able to listen to area realtors, bankers, insurance agents and other professionals to gain real world knowledge of the homeowner's market in today's real-world environment.*



# DOWN PAYMENT ASSISTANCE

## *HRDC offers entry cost assistance to potential homebuyers*

In 2021-2022 HRDC worked in conjunction with the Beltrami HRA and the HHDC to offer down payment and/or closing cost assistance to area households. The funding helps close the gap between the cost to purchase the home and the funding a household has to put forward toward a purchase. The program is available for Beltrami, Hubbard, Mahnomen, Clearwater and Lake of the Woods counties. The assistance is in the form of a repayable loan, and in many cases the financing is deferred for 5 years, giving new homeowners time to establish themselves. The entry cost assistance program continues to be popular and has been a valuable resource to help potential homebuyers in our current housing market become homeowners.

*The program is available for Beltrami, Hubbard, Mahnomen, Clearwater and Lake of the Woods counties.*

# 100 CUPS OF COFFEE

The 100 Cups of Coffee project was launched in 2019 to expand the opportunity for new community voices to be brought forward and provide input and ideas for improving the well-being of residents and the resiliency of the community. This effort involved the creation of the Beltrami Area Resiliency Team (BART), which is coordinated by the Beltrami Area Service Collaborative (BASC). The 100 Cups project is a new model of connection and relationship-building in which interviewers have one-on-one conversations (often over coffee) with 100 community members. Initial conversations centered around community values, strengths, challenges, and hopes. Interviews were conducted in 2020 and findings were released in 2021. Key findings from the report indicated that Beltrami County is seen as a family-focused place with lots of resources, but that division (along racial, political, cultural, and economic lines) is the most commonly expressed challenge in our community, followed by substance use, isolation/disconnection, and high needs for more mental health services, child care, education, and housing.



HRDC staff have been able to take part in this project and the Resiliency Team through financial support for staff time from the Northwest Minnesota Foundation. Staff are also taking part in follow-up projects related to the original findings. One such project includes HRDC staff participating in interviews as part of the Resiliency Team's collaboration with Sanford Health to conduct a 50 Cups of Coffee project to learn more about the community's needs for a Wellness Center. Other staff involvement includes participating in a new project on emerging leadership/mentorship and seeking opportunities to expand this model around the Headwaters region.

More information can be found at: <https://www.beltramiarearesiliencyteam.org/>



# RACIAL EQUITY ACCOUNTABILITY PROJECT

The Racial Equity Accountability Project (REAP) is a two-year initiative with a mission to “advance racial equity and reduce racial disparities in Minnesota’s homeless response system.” The initiative is hosted by the Minnesota Engagement on Shelter and Housing (MESH) and is being coordinated regionally by the Northwest Minnesota Foundation through the Northwest Continuum of Care. HRDC is supporting staff time to participate in this project.

The REAP initiative recognizes that structural and systemic barriers have created and continue to maintain racial disparities in the homeless response system and housing outcomes throughout our state and in our region. Through technical support, education, and group accountability the project participants will identify systemic changes that can be implemented to reduce racial disparities and will act to implement those changes and plan for ongoing measurement of improvements in the system.

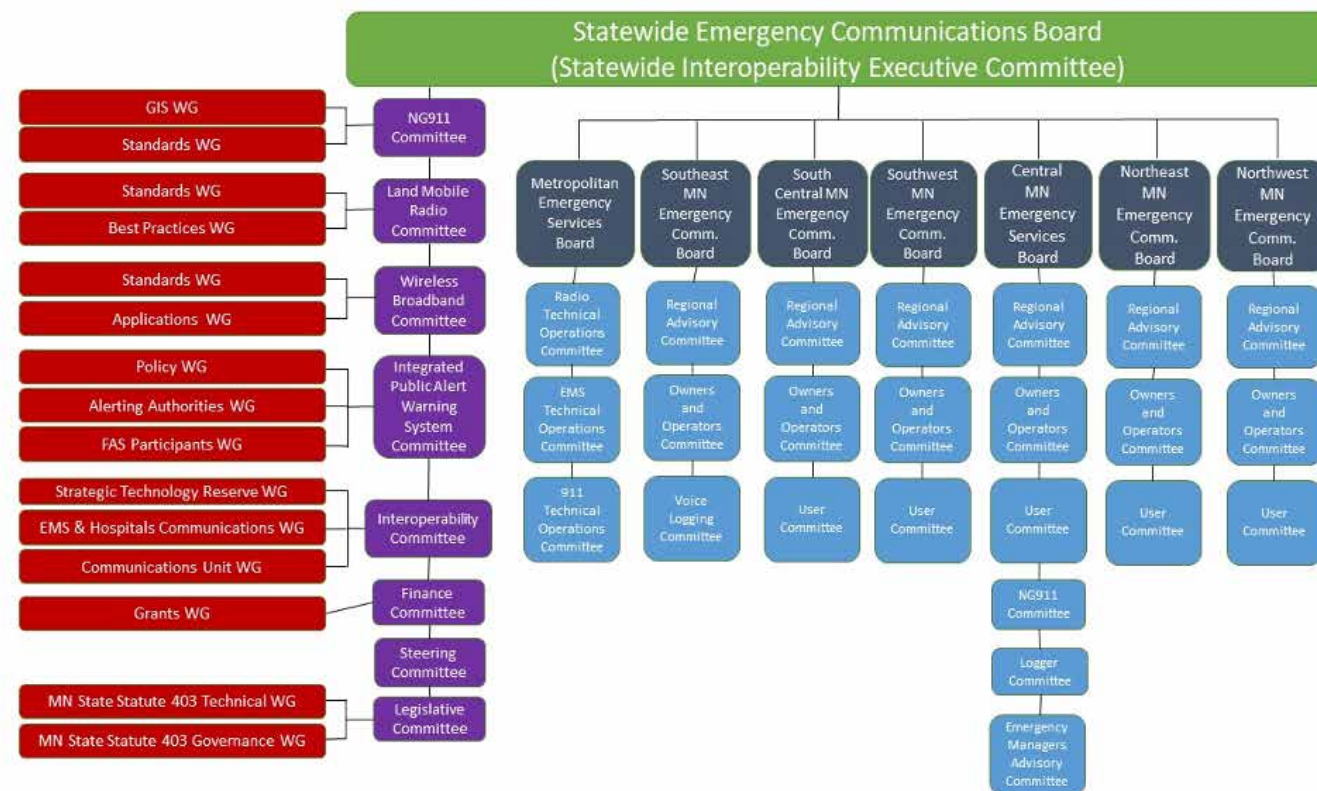


# NWRECB

The Headwaters Regional Development Commission (HRDC) has been providing staffing services to the NWRECB since 2012. The primary duties of this contract are to be the fiscal agent, meeting administrator, and grants coordinator for the group. Staff has provided support for strategic planning, organizational development, and supports forward momentum by attending statewide committee meetings and seeking legal counsel on policy and procedures.

The NW ECB is one of seven regions in Minnesota. The state is divided into regions in order for each area to retain autonomy and ensure local issues can be solved with local lead solutions. The seven regions report to the Statewide Emergency Communications Board (SECB). The mission is to:

- Ensure advances in technology will be implemented to enhance the ability for all residents to call for help.
- Provide confidence that responders in every corner of the state have the ability to communicate with each other during an emergency.
- Enable all counties to effectively alert and warn residents and visitors of impending danger.



## Northwest Regional Emergency Communications Board



The NW ECB has a Joint Powers Agreement that involves 14 counties, 2 tribes, and 1 city as members in Northwestern Minnesota. The Board consists of elected officials who govern policy and financial decisions, and are given recommendations from boots on the ground and technical personnel that make up the Advisory Committee. The Advisory committee meets monthly to have in-depth conversations on technical details and the Board meets every other month jointly with their Advisory Committee. This year a new workgroup has formed which is instrumental in pushing forward initiatives in the region. The PSAP managers workgroup meets every other month to discuss new technology advancements such as Rapid Deploy, agency specific training needs such as Cross Border Training, and hot topics like Telecommunicator Reclassification for attracting and retaining dispatching staff. HRDC staff has enjoyed working with the group and providing support that make steps towards fulfilling the goals of their mission.

# TRANSPORTATION & HEALTH

MNDOT ACTIVITIES

CRP GROUP AND MN197 PROJECT

LAKE COUNTRY SCENIC BYWAYS

LOCAL HUMAN SERVICE/RTCC

SHIP



HRDC continues to build and maintain a strong relationship with MnDOT providing support to the agency and representation to the region. Minnesota Department of Transportation (MnDOT) contracts with the HRDC each year which supports transportation related activities and targeted projects to be implemented with a focus on improving overall health and wellbeing of individuals in the communities HRDC serves. HRDC staff supports MnDOT Districts 2 and 4, providing technical assistance for active living projects such as Bikeable Community Workshops, Walkable Community Workshops, Active Transportation Grant Solicitations, Safe Routes to School Planning, Statewide Health Improvement Partnership, Local Human Service Transportation Plans, and Community Outreach.

HRDC works with MnDOT annually on conducting solicitations for Transportation Alternative Projects (TAP). TAP Funds are available for construction projects in the communities we serve. This year, the City of Bemidji submitted for and was awarded TA Funding. The proposed project is for construction of a nearly 1 mile long, 10-foot-wide multi-use paved trail, which will connect the Downtown Bemidji area to the roundabout at Jefferson Avenue & 5th Street NW in Bemidji, MN, which is scheduled for 2026 construction season.

**Safe Routes to School**

Headwaters Regional Development Commission has become a leader in Safe Route to School (SRTS) Planning for the five-county region. Safe Routes to School encourages increased student physical activity through safe active transport to and from school. SRTS promote walking, biking, and other forms of active transportation for students and their families to build lifelong healthy habits.

In 2021, HRDC facilitated a Bike Rodeo in Mahanomen as continued support for the SRTS Planning done in Mahanomen in 2019. In 2022, HRDC was awarded a SRTS planning grant for Lake of the Woods Schools. This project will start in July, however with the excitement shown by the Lake of the Woods SRTS planning committee a kick-off meeting was scheduled for May.

**Bikeable Community Workshop**

Working towards a more walkable and bicycle friendly community can create economic benefits in addition to improving health and transportation options. The pandemic has changed how communities view and value transportation. As HRDC works to provide support to our communities and rebuild systems, making it convenient for people to continue to bike and walk is crucial for re-establishing healthy and resilient communities. This is one opportunity HRDC has in partnership with MnDOT to develop safe, healthy, and more resilient communities.



HRDC applied for and was selected to be a host site for Bikeable Community Workshops in two of our communities, Mahanomen and Park Rapids. Bike Minnesota (BikeMN) came alongside and helped facilitate onsite bike community workshops in partnership with community stakeholders and community members. (see photos) These workshops offered alignment for more conversations about

active living and how to build healthy and active communities. Both of our community workshops had great turnouts for the two different sessions focused on planning, education and listening to community input. These workshops focused on raising awareness about bike safety and route safety for the population who utilize bike transportation as their primary mode of transportation. We are grateful for wonderful local partners who offered support for funding a lunch for these events. Our local SHIP (State Health Improvement Partnership) program supported the funding for a lunch following the bike audit at a local café in Park Rapids, while White Earth Public Safety sponsored the lunch in Mahanomen. HRDC always values the team approach for getting things done and joining together to make something better together.



The City of Park Rapids workshop was attended by Senator Paul Utke, who joined the second session of the workshop. HRDC and partners were able to help pull together a good mix of people including MnDOT, City of Park Rapids, Multiple Bike Clubs, BikeMN, MN Department of Health, and HRDC. After a one-hour classroom session focused on safety, bike maintenance, and bike law, we were off on a five-mile bike ride through the community. We utilized both city streets and the Heartland Trail during our ride. After the Ride we had a great lunch from The Good Life Café that our SHIP partners sponsored, which was then followed by an action planning session. During our time with this community, we discussed Updating Safe Routes to School Plans, adding additional bike parking downtown, updating

the city bike plan, starting a Bike Rodeo for kids, and extending the Heartland Trail across Highway 71 to access the west side of town. This event was also covered by Lakeland TV; a reporter was present for the classroom session, a video was taken from the ride and they conducted interviews with some of the participants.



**Virtual Walkable Community Workshop**

This past April, HRDC partnered with the Minnesota Department of Health (MDH), Alta Design Team, State Health Improvement Partnership (SHIP), Bemidji Joint Powers Board, and Bemidji State University students to host a Virtual Bemidji Walkable Community Workshop. HRDC, the Joint Powers Board and Alta Design worked together with the BSU students to reach out to local businesses and community leaders. This workshop was a huge success and offered encouragement and support to the communities' efforts to make walking a practical, safe, comfortable, and enjoyable mode of transportation in South Bemidji.

Prior to the Virtual Walkable Community Workshop, we encouraged everyone to watch a short virtual training on walkability and go on a walk audit exploring South Bemidji (there was an option to choose a virtual experience or an independent in-person experience). The training, walk audit (see photo of walking route), and virtual meeting information was available on HRDC's website.

## COMMUNITY REVIEW PANEL (CRP)

One of HRDC's transportation projects this past year was working in partnership with MnDOT to form a Community Review Panel (CRP) in Bemidji to receive helpful feedback for MnDOT on how to improve Hwy 197. Bemidji is one of the most at-risk communities when addressing transportation infrastructure and equity. Within the project area, poverty ranges from 27 percent to 65 percent and minority populations range from 14 percent to 33 percent with a large American Indian population. It is important to have pedestrian, bicycle, and public transportation options for these at-risk groups to allow residents to get safely to their places of employment, school, and businesses since they may not have access to a private vehicle. (see map of study area)



HRDC staff facilitated and helped pull together a diverse team of community stakeholders, representatives, and businesses along the Hwy 197 corridor. The CRP shared how businesses and the community viewed the existing corridor. Through the study planning process, the panel prioritized business access, safety, and multimodal improvements to the corridor. Over 12 meetings between

community and project stakeholders, alternatives were created to address the unsafe corridor cross section and intersection improvements that fit these values. These alternatives were evaluated, prioritized, received public feedback, and eventually lead to a CRP-recommended corridor alternative.

Two alternatives were created with CRP input to consider intersection control differences along the Hwy 197 corridor. Alternative 1 included 3 Roundabouts while Alternative 2 included 1 Roundabout. Both alternatives included a number of multimodal and safety improvements throughout the project area that maximized business access. The main advantages of Alternative 1, which was selected and voted to move forward on, include:



- Total Crash Cost reduction of 30% (\$660,000 / year)
- Reduction in Delay of 5% corridor wide
- Over 40% reduction at Menards Access and Hannah Avenue
- Improves Pedestrian Movements and Crossings of Hwy 197
- Minimizes queuing on Middle School Drive and Hannah Avenue south of Hwy 197 during the PM Peak.

HRDC is committed and dedicated to supporting meaningful public engagement over the next phases of this project.



## LAKE COUNTRY SCENIC BYWAYS

The Headwaters Regional Development Commission (HRDC) took on an additional role this year, helping the Lake Country Scenic Byway (LCSB) update their Corridor Management Plan (CMP) and update the corridor management map. The CMP Update for the Lake Country Scenic Byway provides the future vision for the Byway and serves as a guide for management, future development, and enhancement of the Byway's intrinsic qualities. The CMP Update will specifically address safety, signage and visual management, identifies current and updated intrinsic resources and viewsheds, and lists projects for future improvements.

The Lake Country Scenic Byway Association is composed of members of the Park Rapids, Detroit Lakes, and Walker Chambers of Commerce, as well as individuals committed to preservation of the natural qualities of the byway. With this committee, bi-weekly and weekly meetings took place in order to complete the steps that were needed in finishing the CMP. The ultimate goal for the Lake Country Scenic Byway is to be designated as a National Scenic Byway.

**To learn more about the Lake Country Scenic Byway and to view the corridor map visit [www.lakecountryscenicbyway.com](http://www.lakecountryscenicbyway.com).**



# LOCAL HUMAN SERVICE TRANSPORTATION COORDINATION PLAN

Over the last year HRDC has partnered with MnDOT on updating the 2017 Local Human Service Plan. Working with a team of community stakeholders, this five-year plan sets forth the direction the community stakeholders want to move, with the goal of improving transportation services to the community members who rely on the region's transportation network. HRDC facilitated conversations to create goals, strategies and initiatives that can be put into actionable activities to help improve the transportation resources in the region. The message of "Changing the Narrative" became the slogan as HRDC worked to create additional programs and enhancements to the existing transportation framework.

HRDC has been able to sit on panels, lead focus groups and workshops, and offer support on transportation initiatives throughout our region through this planning process. One initiative to highlight comes from one of our Steering Committee organizations who recently piloted a transportation program called Wheels to Work: Fueling Opportunities to Thrive, which helps those who already own a vehicle with maintenance and needed safety repairs. This program is one small solution to a much larger problem, as it only helps those who already have a vehicle. The Women's United project for 2022 has been to assess the possibility of helping Village of Hope, a local family homeless shelter, with the creation of a new transportation program that will provide Village of Hope residents and other homeless individuals in the Bemidji area with a safe ride to get groceries and attend court hearings and medical appointments. Programs like this are incredibly necessary, especially in the winter months in rural Minnesota. HRDC is excited to see how coming alongside organizations like the United Way in our region can help bring transportation access to those who are in need.

*"HRDC spearheading the transportation collaboration will make a big difference in the lives of the clients we work with at Village of Hope."*

- SANDY HENNUM



**North Country Health Alliance**



*Building Healthier Communities Together*

## SHIP ANNUAL REPORT

HRDC continues to have a strong partnership with the North Country Health Alliance (NCHA) who contracts with us to lead the school strategy for the Statewide Health Improvement Partnership (SHIP) for schools in our region.

In October, HRDC partnered with SHIP, Norman-Mahnomen Public Health, Mahnomen Public Schools, MnDOT, White Earth Public

Health and White Earth Public Safety to put on another successful Bike Rodeo in Mahnomen with 28 students in attendance. This event was open to all children living in the Mahnomen community, grades K-5th grade. We also encouraged student's parents, guardians, & community members to participate in the Bike Parade after the rodeo led by the White Earth Public Safety, who also purchased the bike helmets for the event. The majority of the students who participated came from Mahnomen Elementary and St. Michaels School. HRDC enjoys being a part of events like this one which bring the entire community together. Bike rodeos become a way to connect with our communities and schools. Next year, our hope is to have this Bike Rodeo and parade be part of the school day so more students will be able to attend. The photos show a few action shots of the different activities throughout the Bike Rodeo.

Some other highlights from this year include partnering with The American Lung Association to offer Vaping 101: E-Cig Training to schools in our region. This training offers education and space for teachers and administration to discuss youth vaping and solutions, new vaping curriculum options, and free programs available for students who are caught with electronic nicotine products. SHIP also was able to offer a free MoveMindfully Class to schools in March through May 2022. This class was a 30-minute session twice a week which provided simple BREATHE-MOVE-REST practices for school staffs own physical, emotional and mental well-being. This class was focused on exploring ways to take care of ones wellbeing throughout the learning day. Working to reduce stress during the work day was one of the key requests from our schools administration.

Over this past year, schools continued to request us to come and serve as a member of their wellness committees and assist them in working on initiatives such as Healthy Eating, Active Living, and Well-Being. One example was working with Laporte School on a Walk! Bike! Fun! Training to support their PE curriculum and more involvement with their Bike Fleet. Through the SHIP school's strategy, we can also work on SRTS (Safe Routes to School), which aligns well with MNDOT's work. HRDC's unique ability to work with MNDOT, SHIP, and local public health entities, allows for a wide variety of

perspectives to be heard. This results in a much higher level of alignment, increases the effectiveness of each organization, and creates healthier communities in our region.

HRDC staff is always looking for new creative ways to work within our schools and partner with their Wellness Committees on active living and healthy eating initiatives for our students and school staff. We will continue to offer resources for our schools in our region that support and enhance individual schools wellness initiatives and goals. For example, SHIP uses a short online assessment tool (School Health Index (SHI)) that schools can complete to establish a focus area for their wellness committees. We also have resources to promote healthy eating and active living initiatives. Our goal is to support our school's wellness committee so that you can set your own goals for staying mentally and physically healthy throughout the school year.



One final story to highlight from this year is that SHIP, HRDC and Bemidji State University (BSU) started conversations around how we can partner together in our programs and projects with college course work and offering real world experience with college students. Collectively, we decided to work on the Walkable Community Workshop in Bemidji which was held in April 2022. (for more information on this see Virtual Walkable Community Workshop). We enjoyed working with Bemidji State University's Human Performance Sport and Health Department in on this project and getting 17 of their students involved. This was an exciting win for SHIP and we look forward to future years working with BSU and their students.



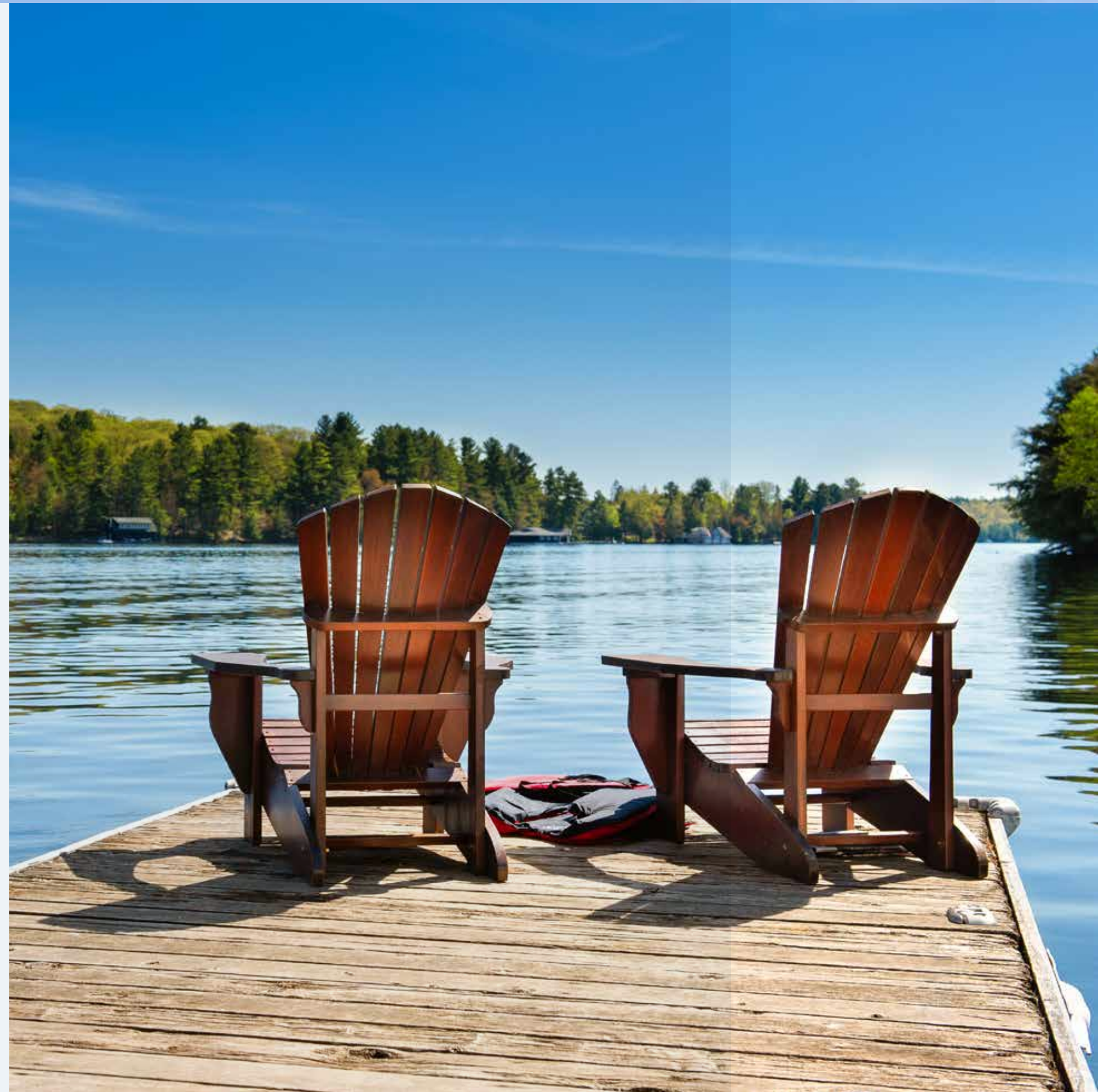
# HRDC

## 2022

WELCOME **INTERN**

WELCOME **NEW SPECIALISTS**

**STAFF**



## WELCOME CLAYTON BECK

*Bemidji State University Intern*



Clayton Beck started with HRDC in October 2021 as an intern with Bemidji State University. He worked on the White Earth Integrated Resource Management Plan (White Earth IRMP), creating maps for both their water resources and vegetative land cover map. He also assisted Levi Haar with a housing development site with creating maps that included: distance from the airport, surrounding wetlands, traffic/railroad noise, non-applicable farmland, and proximity to toxic waste. Clayton started as a temporary full-time employee with HRDC on January 1, 2022 as an Economic Development Support Specialist. He worked alongside Antonio Franklin with Economic Development projects and Naomi Carlson with Transportation projects. He continuously worked with Geographic Information Systems (GIS) to work on projects for both clients and through HRDC.

### Projects he was involved in include:

- White Earth IRMP
- Lake Country Scenic Byway Corridor Management Plan
- Northern MN Entrepreneurial Academy Planning
- Makerspace
- CEDS
- HRDC monthly activity maps
- Housing site maps
- Attended meetings for Mahnomen County EDA

Clayton grew up in a small town called Appleton, Minnesota. He loves hunting, fishing, and anything related to the outdoors. He attended Bemidji State University in the Fall of 2018 and graduated in the Fall of 2021. He majored in Aquatic Biology with a fisheries management emphasis and minored in Geographic Information Systems (GIS).

*“My time at HRDC gave me the opportunity to explore and expand my growth in economic development, a field I did not know I would end up enjoying. It also strengthened my ability with GIS, where I was able to create my first ever published maps. The environment and people around me really helped me never feel like I was never alone on a project.”*

- CLAYTON BECK

## WELCOME KRISTINA TURNER

*New Business and Lending Specialist*



Kristina Turner joined the HRDC on March 28th of 2022 as a Business and Lending Specialist. Kristina has a diverse professional background, having worked in the public sector with a large public library system doing business outreach, and in

the private sector working in enterprise software sales, talent management, and residential mortgage lending. She graduated from the University of Missouri, Kansas City with a Bachelor's in Business Administration, emphasizing in Entrepreneurship and Small Business Development. Originally a Minnesota native, she moved to the Headwaters region in December 2021 to pursue her dream of homesteading and enjoys being close to her family. She believes that strong communities build strong economies. She is passionate about entrepreneurship and looks forward to making sure our business community within the region has the right foundations, resources, and sustainability to continue to grow.

### Some of the projects Kristina has started during her short time with HRDC include:

- Working with our RLFs
- Training in Commercial Loan Underwriting
- Collecting and analyzing borrowers' yearly financial documents
- Lending and housing software conversion
- Employee Policy Committee
- Branding Committee
- Staff gardening committee
- Overall morale booster
- Native Youth Entrepreneurship Grant submission

## WELCOME TONY KLAERS

*New Transportation Development Specialist at HRDC*

Tony Klaers joined the HRDC team in April of 2022 as a Development Specialist with a focus on transportation. In his short time with the organization, Tony has spearheaded the MnDOT contract as well as all of our transportation initiatives. Having a background in sales, he is focused on building community relationships, strengthening partnerships, and adding a well-rounded approach to our transportation division. He believes that strong community relationships are key to successful projects, and brings that energy into the office every day.

### Some of the projects Tony has worked on in his time at HRDC:

- Bikeable Community Workshop- Mahnomen
- Walkable Community Workshop- Bemidji
- Local Human Service Coordination Plan
- Bikeable Community Workshop- Park Rapids
- Active Transportation Grant- Mahnomen
- NADO Technical Assistance for Rural Transportation



# HRDC STAFF



**Naomi Carlson**  
Executive Director  
[ncarlson@hrdc.org](mailto:ncarlson@hrdc.org)  
218-333-6539

Naomi has previously worked with the HRDC, returning in February 2021. Her focus is on transportation and active living projects in the region. As of March 28th, 2022, she has been selected to be the Executive Director. She is passionate about the Region and how the HRDC can support our communities in creative and new ways.



**Antonio Franklin**  
Economic Development  
Planner  
[afranklin@hrdc.org](mailto:afranklin@hrdc.org)  
218-333-6548

Antonio joined the HRDC staff in September 2020. He primarily focuses on regional economic recovery and resiliency projects, while providing technical assistance to businesses and entrepreneurs adversely affected by the pandemic. He also provides support on economic development projects for communities and non-profits in the region.



**Levi Haar**  
Lending and Accounting  
Specialist  
[lhaar@hrdc.org](mailto:lhaar@hrdc.org)  
218-333-6530

Levi joined the HRDC in March 2017. He primarily focuses his time on administering a variety of owner-occupied rehabilitation loan programs as well as assisting with the day-to-day accounting activities.



**Vicky Hetteen**  
Business Loan Specialist  
[vhetteen@hrdc.org](mailto:vhetteen@hrdc.org)  
218-333-6538

Vicky joined the HRDC in August of 2020. She manages lending activities of the Headwaters Regional Finance Corporation (HRFC) and its Revolving Loan Funds portfolios.



**Missy Malone**  
Financial Officer  
[mmalone@hrdc.org](mailto:mmalone@hrdc.org)  
218-333-6543

Missy joined the staff team in December 2018. Her role is to support the various accounting and administrative activities of the HRDC.



**Jackie Pierson**  
Administrative Support  
Specialist  
[jpierson@hrdc.org](mailto:jpierson@hrdc.org)  
218-444-4732

Jackie joined the staff team in July 2020. Her role is to support the various administrative activities of the HRDC.



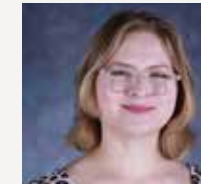
**Sarah Wilcox**  
Development Specialist  
[swilcox@hrdc.org](mailto:swilcox@hrdc.org)  
218-333-6533

Sarah joined the HRDC in August 2018. She primarily focuses on Community and Housing Development. Sarah also provides the lead staff services for the Northwest Regional Emergency Communications Board.



**Nicole Ramsey**  
Finance Director  
[nmckinnon@hrdc.org](mailto:nmckinnon@hrdc.org)  
218-333-6544

Nicole joined the HRDC in December 2017. Her primary responsibility is to manage fiscal functions of the Headwaters Regional Development Commission, its subsidiaries and partner organizations.



**Helen Mlady**  
Marketing Intern  
[hmlady@hrdc.org](mailto:hmlady@hrdc.org)  
218-444-4732

Helen is the HRDC's marketing intern for the summer of 2022. She is attending Bemidji State University for Business Administration with an emphasis in Marketing. She's planning to graduate in Spring of 2023.



**Nikki Miller**  
Community Development  
Specialist  
[nmiller@hrdc.org](mailto:nmiller@hrdc.org)  
218-333-6542

Nikki joined HRDC in 2021 as a Community Development Specialist. She supports the community through housing development, increasing equity and climate resiliency in the region, and identifying and addressing other community needs.



**Vicki Ilstrup**  
Administrative Support  
Specialist  
[vilstrup@hrdc.org](mailto:vilstrup@hrdc.org)  
218-444-4732

Vicki started work as a temporary worker through the CEP program in spring of 2021. She helps out primarily the Admin Team, taking on the time-consuming tasks, such as file scanning and organizing. She became an HRDC part-time employee in June of 2022.



**Clayton Beck**  
Economic Development  
Support Specialist  
[cbeck@hrdc.org](mailto:cbeck@hrdc.org)  
218-444-4732

Clayton started as an intern in 2021 and is currently working as a temporary full-time employee. He assists with multiple projects, focusing on Economic Development and Transportation support.



**Kristina Turner**  
Business Loan Specialist  
[ktturner@hrdc.org](mailto:ktturner@hrdc.org)  
218-333-6536

Kristina joined HRDC in March 2022. She focuses on managing the loan portfolio for the Headwaters Regional Finance Corporation and aligning our lending capabilities with other economic development initiatives.



**Tony Klaers**  
Development Specialist  
[tklaers@hrdc.org](mailto:tklaers@hrdc.org)  
218-333-6541

Tony joined the HRDC in April 2022, his primary focus is transportation and active transportation initiatives in the Headwaters Region.

