



2024

ANNUAL REPORT



EAST CENTRAL

Regional Development Commission

ECRDC.org • (320) 679-4065

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FROM THE DIRECTOR

Greetings East Central Minnesota!

It's my pleasure to present the East Central Regional Development Commission's (ECRDC) annual report for fiscal year 2024. The annual report is prepared each year and highlights the ECRDC's accomplishments toward fulfilling our mission and the Regional Development Act. This report includes programs, projects, and related financial information for the period starting on July 1, 2023 and ending on June 30, 2024.

You'll see in the following pages that the Commission launched a number of new projects during the past year. First, we added a new revolving loan program that provides gap financing for new and expanding businesses through USDA's Rural Business Development Grant program. Our partnership with the Region 5 Development Commission and USDA helped establish the Rural Food Business Center to provide coordination, technical assistance, and capacity building for the region's farmers and food businesses to access new markets. New partnerships with the MN Department of Commerce and the McKnight Foundation made it possible to hire additional staff to help our communities pursue new federal funding for climate and energy friendly projects. Lastly, we teamed up with the Initiative Foundation to pursue a variety of new initiatives to address childcare needs in the region.

It's clear that partnerships are key to the success of the Commission's work. Of course, none of this would be possible without the support of our elected officials and the many local units of governments they represent. This along with the hard work and dedication of our small staff of eight certainly makes a winning combination!



Executive Director,
Robert Voss

***“The hard work of
our small staff,
makes this work
possible.”***

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.

ECRDC provides leadership and direction through creative problem solving by initiating projects and programs that lead to regional solutions. We advocate for projects that bring about positive change for East Central Minnesota.

COMMISSION MEMBERS

- Tom Anderson, Isanti Co. Townships
- Loren Davis, Isanti Co. Public Interest
- Dave Dillan, Mille Lacs Co. Municipalities
- Alan Duff, Isanti Co. Commissioner
- Jack Edmonds, Mille Lacs Co. Public Interest
- Bruce Fitzwater, Chisago Co. Townships
- Nate George, Isanti Co. Municipalities
- Robert Hoefert, Mille Lacs Co. Townships
- Jeannette Kester, Pine Co. Public Interest
- Tom Lawlor, Chisago Co. Public Interest
- Jeremy Miller, Kanabec Co. Municipalities
- Scott Moe, Northern School Boards
- Ben Montzka, Chisago Co. Commissioner
- Dave Patenaude, Kanabec Co. Townships
- Genny Reynolds, Mille Lacs Co. Commissioner
- Peter Ripka, Kanabec Co. Commissioner
- Kevin Schieber, 10,000+ Population
- Brent Switzer, Pine Co. Municipalities
- Sara Jayne Treiber, Kanabec Co. Public Interest
- JJ Waldhalm, Pine Co. Commissioner
- Dave Waldoch, Chisago Co. Municipalities
- Glen Williamson, Pine Co. Townships

COMMISSION MEMBERS



Front row l-r: Scott Moe, Sara Treiber, Alan Duff, Jeannette Kester, Genny Reynolds, Ben Montzka, and Kevin Schieber.

Back row l-r: Peter Ripka, Bob Hoefert, Tom Anderson, Nate George, Glen Williamson, Brent Switzer, Loren Davis, Dave Waldoch, Jack Edmonds, Robert Voss, and Dave Patenaude.

ECONOMIC DEVELOPMENT

\$1.4M FILLS GAPS IN FINANCING ACROSS FIVE-COUNTY REGION

Revolving Loan Fund

ECRDC provides gap financing to businesses and industry start-ups or expansions in the five-county region through four loan funds with a total asset base of nearly \$1.4 million. ECRDC’s Revolving Loan Fund (RLF) lent \$169,299 to seven businesses during this last year.

The ECRDC has leveraged financing to assist regional companies maintain, pivot, or grow their business and diversify the local and regional economy. This work has also helped to retain or create hundreds of jobs. In addition to providing funds, technical assistance and other valuable business resources are also offered as support.

New this year was disadvantaged borrower criteria interest guidelines that included a 0% interest rate to the struggling industries of child care, transportation and grocers which in turn aided necessary efforts to support the local economy and workforce.

The ECRDC also applied for and received \$99,900 from USDA Rural Development to capitalize a new small business Revolving Loan Fund (RLF) to assist our region’s businesses.

A total of seven businesses were supported in FY2024. ECRDC’s current RLF portfolio contains a total of 35 active loans. Included in this list, 20 are women and/or BIPOC-owned businesses, accounting for 57% of the total portfolio.

ECRDC remains committed to serving the businesses of our region with a variety of lending tools and partnerships.



Total receivables | **\$911,531**
Loans in portfolio | **35**
Available to lend | **\$447,057**

CREATING OPPORTUNITIES FOR GROWTH AND EXPANSION

Alternative Lender Forum

The ECRDC partnered with the Northspan Group to hold an Alternative Lender Forum on Wednesday, September 6th at the Braham Events Center. The event was well received and well attended, with approximately 55 guests. Our goal was to expose entrepreneurs, businesses, lenders, government leaders and others to financial and technical assistance providers and resources.



Photo: Attendees at the Alternative Lender Forum hosted by the Northspan Group and the ECRDC at the Braham Events Center on September 6, 2023.

East Central Development Partnership Business Summit



Photo: Attendees at the Business Summit hosted by the East Central Development Partnership & ECRDC Feb 2024.

ECRDC partnered with the East Central Development Partnership to hold a regional business summit to assist area employers and communities in addressing their ongoing growth needs.

The summit featured presentations from area partners who are valuable business resources like: Minnesota Department of Employment and Economic Development, Initiative Foundation, Small Business Development Center, Minnesota Business Finance Corporation, The Entrepreneur Fund and more who assist businesses with everything from lending to technical assistance. 45 business owners/managers, elected officials, community/economic professionals from across the region attended the event.

FAMILIARIZATION TOURS AND EVENTS



Photo: The ECRDC facilitated a familiarization tour for Darrin Fleener with the Federal EDA and Matt Hauck with the MN Dept. of Employment & Economic Development (DEED) on July 12, 2023. Photo L to R: Amanda Usher-Isanti County Administrator/Economic Development, Evan Vogel-Cambridge City Administrator, Darrin Fleener-Federal EDA, and Matt Hauck-DEED.

Familiarization Tours

The ECRDC facilitated familiarization tours to make business development influencers more familiar with our region. Our efforts are focused on encourage these development professionals in pointing entrepreneurs and businesses our way. We showcase land and buildings available for future business development, as well as our existing businesses to help create synergy.

Familiarization Events

ECRDC continuously works with the East Central Development Partnership to implement a series of "familiarization events". These events are designed to familiarize commercial real estate agents, site selectors and others within and outside our region in an effort to point new, expanding and relocating businesses to East Central Minnesota.



The ECDP familiarization Event in Pine City, Minnesota in April 2024.

LOCAL PLANNING PROJECTS

The East Central Regional Development Commission is in the process of assisting Mission Creek Township (Pine County) with updating their land use ordinances. We've also worked with several other local units of government to provide technical assistance on a variety of other planning and development projects.

The ECRDC is implementing the 2022 five-year Comprehensive Economic Development Strategy (CEDS). The CEDS tracks the region's demographic trends and economic conditions, identifies weaknesses and threats, and identifies strategies that have the potential to help mitigate roadblocks to the region's prosperity. A valuable planning process for regional economic development takes place in the development of a CEDS. An approved CEDS is required to maintain East Central Minnesota's designation as a federal Economic Development District. The current CEDS can be found on our website at www.ecrdc.org.

Federal EDA Economic Development Districts (EDDs) are eligible to apply for various funding opportunities available through U.S. Economic Development Administration (EDA). For example, the ECRDC accesses the Partnership Planning grant to develop and implement the regional CEDS. More importantly, our local units of government may include regionally significant projects in the CEDS. Eligible projects may apply for federal funding through EDA's Public Works grant program on a competitive basis. The Public Works program seeks to empower distressed communities to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment.

Across the Region

1. Administrators City/County Clerks, & Economic Development Professionals Meetings: quarterly meetings to discuss key issues occurring in the Region 7E communities.
2. Barnstorming Visits: ECRDC takes quick visits to banks, credit unions and city halls in our region every spring and fall to market economic development programs/resources, as well as forge new relationships and strengthen existing ones.
3. Opportunity Zones: We continue to market Opportunity Zones. Our region is home to nine Opportunity Zones, with at least one in each of our five counties. Investment in qualified Opportunity Zone projects can provide a variety of tax benefits.
4. Surveys: ECRDC partners with the Federal Reserve Bank of Minneapolis to conduct surveys of businesses to help the Fed better understand our regional business economy, as well as Greater Minnesota as a whole.

TRANSPORTATION

HIGHWAYS, ROADWAYS, BYWAYS AND SAFE WAYS

Regional Advising and Statewide Planning

A group of invested stakeholders convenes regularly each year to support state and federal transportation initiatives. The ECRDC staff coordinate the work of this group of MnDOT staff, county and city engineers, state, regional, and local bike and pedestrian staff. Region 7E Regional Transportation Advisory Committee (TAC) provides the mechanism for the review and recommendation of several sources of funding. Additionally, the meetings act as a conduit for federal and state resources directly related to roadway improvements.

In 2024, the Region 7E TAC began the process to develop a regional long-range transportation plan. Utilizing MnDOT funds, a consultant firm was selected to guide the process and deliver the planning document in 2025.

Transportation Alternatives and Surface Grant Funding

Federal funding available through these two primary sources continue to be applied for by communities and/or counties in the East Central Regional Development Commission five county area and administered through three Minnesota Department of Transportation Districts (1, 3, and Metro). Work related to the solicitation, application, review, and selection processes were completed as an on-going work effort from the ECRDC.

In 2023-24 the ECRDC assisted in the facilitation of solicitation and selection of Transportation Alternatives funding for counties in MnDOT Districts 1 and 3, and for surface grant funding in MnDOT Districts 1 and Metro within Region 7E for future projects. Additionally, new sources of funds brought about to address the affects of climate change offered the ECRDC opportunities to provide technical assistance to 7E communities in their applications for these funds. Substantive community engagement work and statewide meetings as part of a key electric vehicle/vehicle charging workgroup included ECRDC staff during the year.

By way of our Scenic Byways

The ECRDC continues its role as administrative host for two State of Minnesota designated scenic byways, Veterans Evergreen Memorial Drive Scenic Byway in Pine County and Lake Mille Lacs Scenic Byway in Mille Lacs County.

In cooperation with MnDOT, the Lake Mille Lacs Scenic Byway Council (under the auspices of the ECRDC) undertook a significant planning effort attached to U.S. Highway 169 between Onamia and Garrison. Several MnDOT road projects in 2026 precipitated the work attached to that portion of the Lake Mille Lacs Scenic Byway. A comprehensive design guide is under construction, to be used within the project locations and ultimately available for the communities along the byway (Isle, Vineland, Wahkon, and unincorporated Malmo).



Photo: Mille Lacs Scenic Byway clean-up crew.

Uncommon in the Region - Mille Lacs Scenic Byway Council Launches Artificial Nesting Platform for the Common Loon



In April 2024, the Mille Lacs Scenic Byway Council launched a Common Loon artificial nesting platform (ANP) on Lake Mille Lacs. The ANP was placed approximately 75 yards off shore from the Isle scenic overlook. It was placed in about 4-6' of water with the entrance facing the shoreline and has a canopy to help protect from Bald Eagle. Yet to come is signage on the Common Loon from the DNR and a small trail with a bench overlooking the lake and the new platform.

Photo: New artificial nesting platform for the Common Loon.

Making Routes Safe

Safe Routes to School (SRTS) assists communities in tackling unique challenges and creating opportunities specific to individual school and neighborhood needs. Nationwide trends common to most communities include things such as: 1) declining rates of physical activity for school age children; 2) increasing rates of childhood and adolescent obesity and related health problems; 3) increased automobile traffic congestion around schools and on nearby roadways; and 4) continued land use patterns that focus development further away from already developed areas.

The City of Pine City applied for a planning grant from MnDOT which was awarded for the upcoming 2024-25 school year. ECRDC staff will complete the planning work set out in this contract. The ECRDC offers outreach and training related to the opportunity to apply for Safe Routes to School funding (planning, infrastructure, and non-infrastructure) projects.



Working Toward Zero Deaths on our Region's Roads



Zero is the goal. ECRDC received a grant to work with Kanabec and Mille Lacs Counties on a two Toward Zero Death Coalitions. This program is the state's cornerstone traffic safety program, employing an interdisciplinary approach to reducing traffic crashes, injuries, and deaths on Minnesota roads.

Over the last year, ECRDC and each coalition has worked to develop a culture of traffic safety through social media, local events, and education. These efforts are driven by data, best practices, and research through the lens of 4 E's - education, engineering, enforcement, and emergency medical and trauma services based on a Safe System approach.

Managing Mobility in East Central Minnesota – East Central Regional Transportation Coordinating Council

Mobility as a Service

East Central Regional Transportation Coordinating Council (ECRTCC) recognizes the need to deliver transportation efficiently and without complications and understands this means technology is critical. Mobility as a Service (MaaS) technology was developed as a MnDOT pilot program for public transit and is testing in southern and western Minnesota.

One of our region's providers, Tri-CAP Public Transit, is utilizing some of the properties of the program. MaaS will allow for scheduling by phone, real-time route information, and access to easy payment. Once the pilot program is concluded, more advancements will be made to enlarge the MaaS area. ECRTCC eagerly awaits these developments.



Mobility as a Service allows transportation users schedule various types of rides as well as pay through the app.

Minnesota SafeCab



Serving Isanti and Chisago Counties, SafeCab was designed as an 'after hours' transportation program working to reduce the number of impaired drivers on our roads and provide a safer way home for drinking drivers. From needless death & injury to an overloaded criminal justice system, alcohol-related crashes and DWI arrests take an emotional and economic toll on our communities. Program success is due to commitment from local cab companies, partnership with local

bars/restaurants, collaboration with law enforcement, and donations from organizations. Rides given in 2023 totaled 1,101 and kept 1,582 of our residents safe.

Volunteer Drivers Just Want to Drive

ECRTCC's outreach coordination is in part driven by the need to assist in recruiting volunteer drivers. A vehicle sharing concept may help alleviate some of the problems in finding volunteers whereby the use of their own vehicles wouldn't be necessary. Most would prefer not to drive their own vehicles due to the fact that quite often this results in costly gas, maintenance and repairs to the volunteer driver.

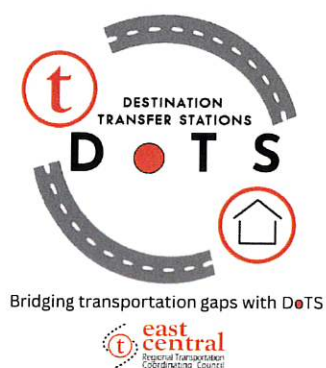
ECRTCC staff participates on the Minnesota Council on Transportation Access (MCOTA) Volunteer Driver Work Team. The work team developed webinars with panelists and presentations by professionals producing one-hour presentations over the lunch hour.

Legislative adjustments have resulted from strong ECRTCC participation with MCOTA (MN Council on Transportation Access) through meetings and work teams.

RTCCs throughout the state and transportation organizations throughout the country stand with the Volunteer Driver Coalition (VDC) as the group is currently focused on increasing the Volunteer Driver reimbursement rate. The VDC is actively recruiting legislators throughout the country to stand with Minnesota in changing this archaic federal law. Representative Stauber has created a bill called the 'Volunteer Driver Tax Appreciation Act of 2023' in order to move his endorsement forward. Many states in the union have signed onto supporting this bill.



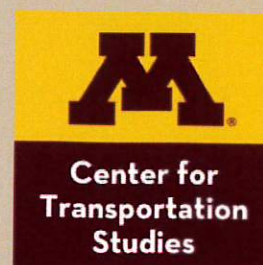
Getting Where You Need to Go with DoTS



East Central Minnesota's public transportation system is clouded with invisible barriers that stifle transportation movement across the region. Gaps exist where public transit systems do not connect, thereby isolating riders, and causing a quandary when further transportation is needed. Those citizens who are transportation disadvantaged need to rely on other transit resources for their transportation needs. These resources are often more costly, more cumbersome, and inconvenient for friends, family, and neighbors.

To connect people with their further destinations entails the development of transportation transfer hubs. This has been a top priority since it surfaced as an important focus of the 2022 Region 7E Local Human Services Transit Coordination Plan. MnDOT has been supportive of this gap in service and in the fall of 2023, ECRTCC was invited to participate in Moving Greater MN Forward (MGMF), a new grant initiative through MnDOT. ECRTCC was awarded Phase One of this grant. Included was training through ILT Academy during which the ECRTCC focused on thoughtful details of hub development or Destination or Transfer Stations (DoTS).

Empowering Small MN Communities (ESMC) Tactical Action Support through the Center for Transportation Studies, University of Minnesota



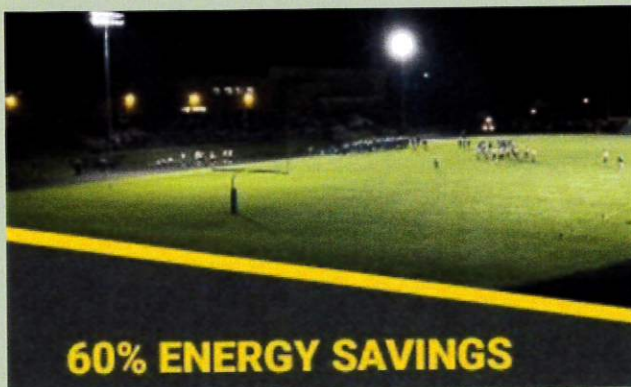
To gain support from East Central Minnesota's public transit providers as well as financial support from key partners, ECRTCC realized the necessity of gathering hard data to substantiate the need for transfer hubs or DoTS. Upon the completion of Moving Greater MN Forward Phase One and the need to move this project further, ECRTCC applied for and was awarded a grant from the University of MN Center for Transportation Studies (CTS) to take part in their Empowering Small MN Communities (ESMC) program. This support allows faculty and graduate students from the UofMN to work with the ECRTCC to demonstrate the need for transfer hubs that connect services for further travel. ECRTCC applied for and was awarded the opportunity to work with CTS and is currently deployed in outreach events, customer discovery, interviews, and networking to prepare for upcoming Focus Groups and data gathering. With information acquired from this project, ECRTCC plans to move on to apply for Phase Two of the Moving Greater MN Forward grant for development of a DoTS pilot program that will allow for greater movement in, out and around the east central region of Minnesota and beyond.

COMMUNITY DEVELOPMENT

HELPING COMMUNITIES THRIVE

Supporting Local Climate and Energy Projects

In March of 2024, East Central Regional Development Commission's first Regional Development and Grant Specialist, Nicole Klosner started with the Commission. The position is funded in part by the Department of Commerce's State Competitiveness Fund with the purpose of increasing the success of Minnesota applicants in the pursuit of federal funds for energy projects. These programs are available through the Infrastructure Investment and Jobs Act and the Inflation Reduction Act.



Over the first 6 months of this program, outreach has been made to local businesses, landlords, and homeowners in the region. Initial projects in planning have been water conservation efforts for a high school football field, energy upgrades for efficient lighting at high school sports stadiums, solar panel addition to one of our government buildings, technical assistance for various communities writing Small Cities Development Program

grants, upgrading restaurant HVAC systems, and potential solar/wind powered equipment on a mini golf course.

Supporting Small Cities and Towns

ECRDC applied for the Energy Efficiency Community Block Grant Program and was approved to receive funding in July. Under this award, ECRDC will administer sub-grants to local governments in small cities or towns (population under 15,000). Awards to local governments can be between \$2,000 - \$20,000.

Local governments may use the funds for a variety of energy planning and project development uses, such as:

1. Climate and resiliency planning grants
2. Energy audits on government buildings
3. Engineering and technical assistance services
4. Other energy related studies for public buildings and community plans

North Central Regional Food Business Center

The USDA has provided funding to establish 12 Regional Food Business Centers (RFBC's) throughout the country. The East Central Regional Development Commission (ECRDC) is a part of the North Central RFBC, along with other entities in Minnesota, North Dakota, and South Dakota. What this means is that the USDA has provided us with funding for the next 5 years that will allow us to help small- and mid-sized food producers with the tools and support they need to sell their products.

Recent events, such as the COVID pandemic and the war in Ukraine, has made it clear the current global food system is not resilient. The purpose of creating the RFBC's is to strengthen the regional supply chain and provide economic opportunity for local small- to mid-sized food producers, including:

- 1.farmers and growers
- 2.food processors and distributors
- 3.food outlets (grocery stores and farmers markets)
- 4.food chain partners (senior nutrition sites, schools, and healthcare facilities)



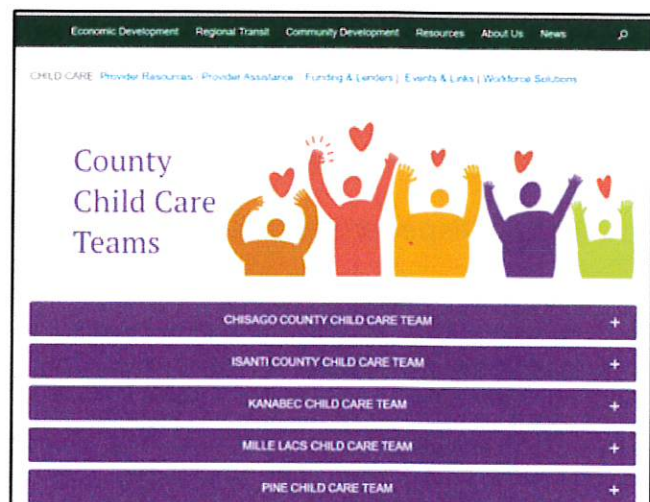
Regenerative Agriculture Conference April 2024 at the Braham Event Center. Regenerative agriculture strives to reverse degradation and build up the soil to make it healthier than its current state.

Collaborating to Support Regional Child Care Initiatives

ECRDC is working with a Child Care Coalition in each of our 5 counties to uncover solutions to community barriers that will work best for their residents, workforce and local businesses.

Key Components in 2024:

- A website has been developed for each county to use for outreach as well as a coalition member portal to access documents: EastCentralChildCare.com
- A Child Care Business Assistance Directory has been developed and is available to family and center providers for help with resources and funding.
- A Child Care Business Loan Program is available for assistance with start-up or expansion needs.



Child Care website landing page.

A YEAR IN REVIEW

Agencywide

Revenues (by source)	FY24 Adopted Budget	FY24 Unaudited Prelim	FY25 Adopted Budget
County Tax Levy	\$348,029	\$347,493	\$355,610
Grant Revenues	\$455,207	\$452,950	\$567,874
Local Contract Revenues	\$ 41,241	\$ 34,355	\$ 78,241
Other Sources	\$ 9,440	\$ 9,506	\$ 16,540
Total Revenues	\$ 853,917	\$844,304	\$1,018,265
Expenditures (by program)			
General Fund	\$153,900	\$227,170	\$159,067
Economic Development	\$ 171,097	\$187,661	\$193,150
Transportation/Safety	\$373,425	\$396,376	\$345,281
Other Grants	\$153,630	\$ 149,017	\$294,00
Total Expenditures	\$852,052	\$960,224	\$991,591

Revolving Loan Fund

Revenues	FY24 Adopted Budget	FY24 Unaudited Prelim	FY25 Adopted Budget
Principal Repaid	\$148,493	\$137,791	\$145,006
Interest/Other Revenue	\$ 30,853	\$ 22,630	\$ 34,056
Total Revenues	\$179,346	\$ 160,421	\$179,062
Expenditures			
Administration Expense	\$ 11,101	\$11,649	\$ 9,244
Loans Dispersed by County			
Isanti County	\$60,000		
Mille Lacs County	\$40,000		
Pine County	\$49,200		
Chisago County	\$20,000		

ECRDC STAFF

Welcome Nicole



The Commission welcomed Nicole Klosner as the new Regional Development & Grant Specialist in March of 2024. In this role, she works to connect communities in Region 7E with the financial resources and expertise needed to support energy, environmental, and other important community projects. Nicole's background includes nearly a decade of service as a project director working with federal funding to support housing and public facility projects. Nicole holds a bachelor's degree in communications from the University of Minnesota Duluth.

ECRDC Staff

Robert Voss

Executive Director

Nicole Klosner

Climate & Energy Grant Specialist/Economic Dev

Karen Onan

Regional Transportation Coordinating Council

Trish Rydlund

Office Manager

Darcy Rylander

Finance and USDA MnKota

Penny Simonsen

Transportation

Michelle Thomas

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