

ANNUAL REPORT

FISCAL YEAR 2024

July 1, 2023 | June 30, 2024



Bridging Relationships & Resources

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Introduction

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

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



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

Executive Director Message



I sometimes think of R5DC & NCEDA as being a well-built roller coaster. The riders change, yet we all remain clear of the destination. There's a genuine thrill to be serving our five-county rural region on a ride that realizes progress in economic prosperity (individuals and industries), environmental stewardship and in ways that authentically embrace cultural difference.

Over the last 1 ½ years, R5DC staff assisted with writing and securing 33 climate related grants with an impressive, awarded success rate of **22 investments totaling \$30,598,735.00**, that will be implemented over the next 3-5 years (4 of the 33 applications were not awarded, and 7 of the 33 submitted are pending an announcement in FY2025). Some of the project/program deliverables of these investments are part of the R5DC staff workplans, while other grants are managed by regional partners and R5DC/NCEDA assume a supportive role. **These applications have been extremely competitive and take considerable expertise, time, and long-standing relationships.**

One of the larger awards received was a 5-year cooperative agreement with the USDA Agricultural Marketing Services to serve as the lead agency for the [North Central Regional Food Business Center](#). [Thirty-one partners](#) engaged in transforming the food value chain in MN, North Dakota and South Dakota are the BEST of the BEST and we are so inspired by their commitment to the agricultural economy.

The R5DC team also maintained important programs such as the Transportation planning in partnership with MnDot and the regional economic development planning & implementation supported by the US Department of Commerce, EDA.

In keeping with historical regional planning and implementation, R5DC is thrilled about a recent [workplan](#) initiative that utilizes shared coordination experience with partners at Sourcewell, the Initiative Foundation and a group of over 40 regional partners called the [Community Bridgemakers](#), all working to address; mental health, workforce development and social cohesion.

R5DC is not a “best kept secret”. Please see the R5DC’s Marketing Department’s newest [podcasts](#) and [published stories](#) that showcase how this agency fulfills its Mission.

Our 501c3 the [North Central Economic Development Association](#) (NCEDA), delivered business, well water and septic system loans through 7 lending pools. The finance department is managing a complete software upgrade flawlessly and has managed several audits simultaneously due to the large grants received. The spectacular R5DC/NCEDA finance department also serves as the fiscal administrators of the 501c3 [Sowing Room](#) who are continuing impactful regional equity work, led by our treasured former colleague, Dawn Espe.

This last year was an amazing ride, and we have our AMAZING team, Commissioners and genuine partners to thank for the shared success.

In service,
Cheryal Lee Hills
Executive Director

Board Chair Message

Friends and Neighbors,

We've had another amazing year of projects and programs impacting the residents of our region.

I'm most fond of R5DC's projects focusing on mental health and veterans including the Agricultural Mental Health Program, which offers no-fee mental health counseling to Minnesota farmers and related individuals, and the AgVet Program, providing veterans with opportunities to explore agricultural careers through apprenticeships and peer-to-peer learning. These initiatives aim to support mental health, career development, and the well-being of farmers and veterans in the region.

Another highlight was the ACRE Day Program, funded by the USDA and facilitated by the Region Five Development Commission, offering students in several Minnesota counties a full-day exploration of agricultural careers. The program included on-farm field trips to learn innovative farming techniques and a showcase at Central Lakes College. Students were also encouraged to apply for grants to implement agricultural projects inspired by their experiences.

It's exciting to see the positive effect of programs focused on agriculture and mental health, impacting our youth, farmers, and veterans. We look forward to serving our communities in the coming year!

Best wishes,
Doug Kern
Chairperson

An aerial photograph of a town street scene. In the foreground, there's a large parking lot filled with cars, mostly silver and white. Behind the parking lot, there's a large building with a blue and white facade, which appears to be a car dealership, with 'CHEVROLET' and 'BUICK' logos visible. To the left of the dealership, there's a gas station with a red and white sign. In the background, there's a church with a tall steeple and other buildings. A large blue circle is overlaid on the right side of the image, containing white text.

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

Our Commissioners

Cass County

Bob Kangas, County Commissioner
Jerecho Worth, Municipalities
Susan Falk, Town Boards

Crow Wing County

Rosemary Franzen, County Commissioner
Angel Zierden, Municipalities
Doug Kern, Town Boards
Tiffany Stenglein, City of Brainerd

Morrison County

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

Todd County

Barb Becker, County Commissioner
Debra Nelson, Municipalities
Julie Polak, Town Boards

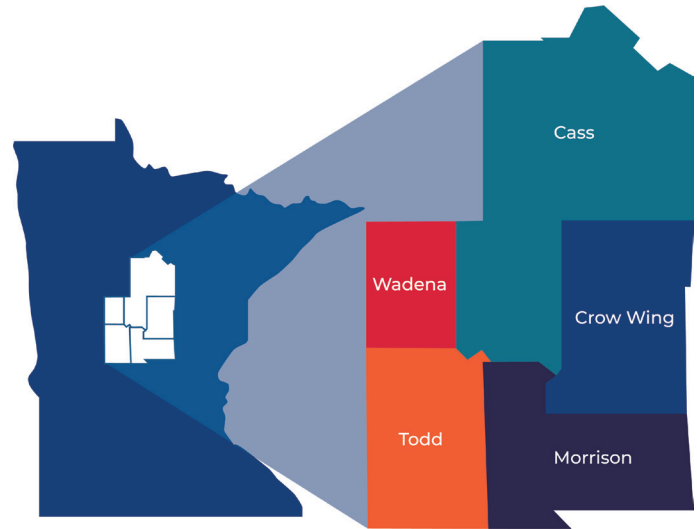
Wadena County

Ron Noon, County Commissioner
David A. Anderson, Municipalities
Erich Heppner, Town Boards

Special Interest

Rian Hofstad, Camp Ripley
Sally Fineday, Leech Lake Band of Ojibwe
Taran Skwira, Emerging Leaders
Andrea Haverinen, School Board Representative
Dr. Carrie Brimhall, Higher Education
Diane Jacobson, Soil Water Conservation District
Amy Sjoblad, School Board Representative
Christine Kirschbaum, MN Workforce Development

Commissioners and Staff current as of June 30, 2024.



We are honored to serve the counties of Cass, Crow Wing, Morrison, Todd and Wadena.

Our mission is to enhance the vitality & quality of life for all people in Cass, Crow Wing, Morrison, Todd and Wadena counties by bridging relationships & resources.



Our Staff

R5DC.

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Cheryal Lee Hills
Executive Director



Tad Erickson
Sr. Regional Development Planner



Staci Headley
Business Loan Developer



Alex Lisson
Controller



Angela Anderson
Marketing Director



Stephanie Barney
Grant Compliance Officer



BJ Allen
Deputy Director



Hannah Smith
JEDI Fellow



Savannah Winkler
Regional Development Planner



Candice Zimmermann
Regional Development Planner



Katie Baier
Community Bridgemakers
Program Manager



Jeff Phillips
RTCC Mobility Manager

Economic Development

The North Central Economic Development Association (NCEDA) is a nonprofit organization affiliated with the Region Five Development Commission. It provides resources and technical assistance to support economic growth and community development in the North Central region. NCEDA offers a range of services, including business lending programs and support for homeowners, with a focus on fostering prosperity and success within the community.

For more detailed information, visit northcentraleda.org

NCEDA Loans by the numbers

- (1) Gap Business Loan - \$100,000
- (1) Entrepreneur Lending Program - \$10,000
- (9) Individual Septic Treatment Systems Loans - \$103,486
(Cass, Crow Wing, Morrison & Wadena)
- (1) Household Well Water Program - \$7,499

\$114M+
leveraged
since 1986



Revitalizing Rural Minnesota

Revitalizing Rural Minnesota

In Full Bloom: Simply Rustic Floral and the Power of Community Support

Revitalizing Rural Minnesota

A Mobile Meat Processing Solution for Economic Growth

Revitalizing Rural Minnesota

**Echoes by the Water:
Preserving a Family Legacy
Through R5DC & NCEDA Funding**

Revitalizing Rural Minnesota

**Northern Living Improved:
A Victual Story**

We cultivate stories of success, growth, and innovation in our communities.
Read more at: <https://www.regionfive.org/blog/categories/stories>

Community Development

ACRE Program

The ACRE Day Program, funded by the United States Department of Agriculture and facilitated by the Region Five Development Commission, in collaboration with Central Lakes College and Sprout, offered students from several Minnesota counties a full-day exploration of agricultural careers. The program includes on-farm field trips to learn innovative farming techniques and a showcase at Central Lakes College. Students were encouraged to apply for grants to implement agricultural projects inspired by their experiences.

Read more: <https://www.agcentric.org/a-c-r-e-days-gives-students-on-farm-learning-experience/>

800 students

16 school districts

9 partner organizations



Agricultural Mental Health

The Agricultural Mental Health Program provides free mental health support to Minnesota's farming community. It addresses key stressors such as financial pressures, unpredictable weather, family conflicts, and succession planning challenges, all of which significantly impact farmers' mental well-being. In fiscal year 2024, the program offered over 1,000 sessions, helping individuals and families cope with rising anxiety, stress, and depression. The flexibility of the services, tailored to the unique needs of farm operators, has been instrumental in its success. The mental health practitioners for this program, Monica McConkey and Ted Mathews, have received numerous accolades and recognition for their work.

To learn more, visit: regionfive.org/local-foods

Military Connections - AgVet Program

R5DC currently supports our active duty military personnel, veterans and their families through the AgVet Program. The AgVet program is a product of collaboration, with input from over 40 regional growers, ranchers, Veterans, and various federal, state, and veteran-serving agencies. Sprout, in partnership with R5DC, offers Veterans in the region opportunities to explore agricultural careers with hands-on learning opportunities through apprenticeships, fellowships, and cohort peer-to-peer learning. Together, we're building bridges to serve the workforce needs of our Veterans.

This past year, our AgVet program has been a journey of growth, marked by collaboration and hands-on learning. Participants engaged in diverse workshops on topics like butchery, hydroponics, and grant writing, and attended the National Farmer Veteran Coalition Conference in Washington, DC. Monthly sessions covered essential skills such as starting a business, social media marketing, and farm taxes. The program has empowered veteran farmers with the knowledge and tools needed to succeed in the farming business. Visit regionfive.org/local-foods to learn more.

AgVet Workshop held June 2024



North Central Regional Food Business Center

This year was the first full year of implementation for the North Central Regional Food Business Center program in collaboration with USDA-AMS and partners throughout Minnesota, North Dakota, and South Dakota. The focus of the NC-RFBC is to strengthen regional food supply systems and economically stimulate small and mid-sized food businesses throughout the tri-state region. We have been successful in creating and promoting connections between 35 technical assistance providers that use their individual and organizational skillsets to work alongside food business owners. This technical assistance has shown significant impact as they continue to provide one-on-one business planning, grant capacity, workshops and classes, farm succession planning, land access, and so much more. In addition to coordinating these technical assistance partners, we worked alongside them to develop individual, statewide, and regional plans meant to guide them over the course of the 5-year agreement. These plans are strategic and challenge each organization to look beyond their standard menu of services and into possibilities that will be transformative for the food ecosystems within their communities.

Going a step further, NC-RFBC took this first year to implement the first round of competitive Business Builder Subawards in which **\$607,100 in capacity funding was awarded to food businesses and nonprofits to launch their products and services to new markets.** Awardees are located in or serving high priority areas of Minnesota, North Dakota and South Dakota. Round 2 of the Business Builder Sub-Awards will launch in March 2025. Learn more at northcentralrfbc.org

Congratulations to our 2024 Business Builder Grant Recipients!

- Butterfield Hardware LLC
- Evergreen Specialty Foods LLC
- Fruit of the Coop, LLC
- Hadrick Ranch LLC
- Hazelton Development Corporation
- In-Cider Orchard, LLC
- Kitzan Family Farms, LLC
- Kramlich Deede Meats
- Madison Mercantile
- Native Wise LLC
- Red River Harvest Cooperative
- Sioux Falls Thrive
- Square One, LLC
- The Pasture North Dakota LLC
- Women's Environmental Institute at Amador Hill Farm and Orchard



Comprehensive Planning

R5DC's delivery of comprehensive planning maintains an intentional focus on including all types of residents, especially those underrepresented in municipal planning processes, by creating a planning team that is diverse and well-rounded. Through this approach, R5DC ensures that planning efforts reflect all residents' needs, values, and perspectives, from traditionally marginalized groups to those with longstanding community ties. While each community and jurisdiction has unique opportunities, challenges, and culture, they all share a common goal: to develop a robust and forward-thinking path for innovation and growth for their communities. Staff are deeply engaged in local efforts, working closely with community leaders, stakeholders, and residents to create tailored, actionable, comprehensive plan that reflects the desires and aspirations of the people they serve.

In 2024, R5DC actively provided comprehensive regional plan updates, including partnering with local leaders to assess current conditions, forecast future needs, and create strategic action steps. The following cities and townships are among those involved in these planning efforts for 2024:

- Cass Lake
- Long Prairie
- Ideal Township

These Comprehensive Plans not only lay the groundwork for future development but also prioritize sustainability, equity, and community well-being. The comprehensive planning process is designed to be inclusive, transparent, and adaptable, ensuring that as communities evolve, their planning frameworks remain relevant and responsive to the changing needs of all residents.



Energy & Environment

This year built upon previous years' Energy & Environment Plans, successfully continuing to leverage resources to support community projects identified during the planning process. **Over the last two years, our team secured over \$30m in support of regional energy and environment projects, and wrote over 32 grants.**

The engineering firm hired for the Cass-Lake Bena Schools ~\$9.5M energy efficiency project, the majority of which is funded through the Department of Energy, began their work in spring 2024. Construction is expected to begin in spring 2025. Training and paid internships will be offered to recent graduates through a collaboration with the Initiative Foundation and funding from the MN Department of Employment and Economic Development.

A grant awarded from the MN Department of Commerce - Energy Efficiency and Community Block Grant Program (EECBG), will help fund climate and resiliency planning, energy audits on government buildings, engineering and technical assistance, and other energy-related studies for public buildings.

Tri-County Community Action, the City of Brainerd, and Brainerd Public Utilities, and the National Renewable Energy Laboratory are some of the many partners engaged in a Local Energy Action Planning project which aims to reduce energy consumption and increase renewable energy generation in Brainerd, including power generation from the biogas already produced at the anaerobic digester.

The MN Department of Commerce, the Energy Foundation, the McKnight Foundation, and the Rural Climate Partnership have all provided critical support in building R5DC's Technical Assistance program. In support of regional projects, R5DC received needed technical assistance from both the National Renewable Energy Laboratory and the Pacific Northwest National Laboratory. And the NCEDA loan board went through an energy lending training session led by our amazing partners at Southwest Regional Development Commission.

\$30M+
grant funding

32+
grants written

New Nonprofit Established

With partners and community members, we have built a solid foundation of justice, equity, diversity, and inclusion initiatives. We are excited to announce that the Sowing Room has transitioned from a program created by R5DC to its very own 501(c)3 non-profit organization. The Sowing Room as its own, standalone entity will be able to amplify these initiatives and continue to make progress in this space. Please visit the sowingroom.org to learn more.



Community Bridgemakers

Community Bridgemakers is a new program founded in December of 2023, and is a collaboration with the Initiative Foundation, Region Five Development Commission, and Sourcewell. The goal is to bring together diverse community leaders and offer a structured environment and support, with collective power and increased capacity to build bridges in the areas of mental health, social cohesion, and workforce development. Learn more at regionfive.org/bridgemakers

Since January 2024...

160+ community stakeholder engagement

100+ resources shared

50+ 1:1 orientation meetings

140+ collaborative meetings/presentations

3 Action Plans funded (one in each work group)



Economic Recovery Corps Fellow



Region Five Development Commission is the host for Economic Recovery Corps fellow Diona Richards. She is working on a tribal workforce housing value-chain project that aims to revolutionize the housing market in Indian Country, specifically within the Leech Lake Band of Ojibwe reservation. The project addresses the acute issue of disinvestment in one of the nation's poorest tribal communities by introducing 3D-printed and panelized construction training programs at Leech Lake Tribal College. The STEM construction workforce training would be the first of its kind in U.S. Indian Country. This initiative is crucial to enhance housing affordability and quality and to empower the tribal community through entrepreneurship in housing-related businesses, resulting in more Indian-owned companies and access

to capital. The ERC Fellow's role focuses on securing a \$20 million investment to support the construction industry workforce training, foster Native-owned housing businesses, and increase affordable homeownership. The outcome is a groundbreaking shift in how housing is approached in Indian Country, leading to increased homeownership, more housing units, and entrepreneurial opportunities.

<https://economicrecoverycorps.org/fellow-information/diona-richards/>

Transportation Planning

In 2024, R5DC focused on enhancing transportation access and safety through collaboration with community partners, including the Minnesota Department of Transportation (MnDOT). Key initiatives included addressing local transportation needs via community surveys, continuing to support regional and statewide transportation initiatives, and promoting clean energy with the installation of two EV fast chargers. R5DC is working with MnDOT, and fellow Regional Development Organization East Central Regional Development Commission, in developing Long-Range Transportation Plans to establish regional visions and prioritize federal-aid projects. Additional efforts included participation in statewide transportation workgroups, scenic byway initiatives, and the Towards Zero Deaths (TZD) program aimed at reducing traffic fatalities. These initiatives contributed to \$3.39 million in funding, \$505,000 in leveraged resources, and the enhancement of 23 miles of transportation infrastructure.

Regional Transportation Coordinating Council

In 2024, RTCC continued to increase collaboration with community partners to expand access to transportation options across Region 5. A key project was working with a small community who initiated a survey targeting the transportation needs of its residents. The Mobility Manager, in partnership with other agencies, assisted the community in interpreting the data and providing both short- and long-term solutions to gaps in transportation. The RTCC is also undergoing a revamping of its webpage with the intent of making the interface more user friendly. The intent is to allow residents to pinpoint the transportation providers available to them based on location and other factors. If the result is effective, the goal is to expand to other technologies such as mobile devices. Finally, the Mobility Manager, in partnership with other Region 5 staff members and community leaders, spearheaded a program to deliver two EV fast chargers to the region; encouraging clean transportation options. Visit r5rtcc.org to learn more.



Infrastructure

by the numbers

\$1.6M Brought in

\$306K Leveraged

20.3 Miles Enhanced

44+

Years of Partnership
with MnDOT



College Dr



R5DC Board Participation

100 Rural Women
 Accounting & Financial Women's Alliance
 Balsam Moon Preserve
 Brainerd Planning Commission
 Central Lakes College Advisory Council
 Central MN Partnership
 Christian Labor Union Local 8 Board
 Clean Energy Resource Teams (CERTs)
 Friends in the Field
 Lakes Area Human Resources Association
 LEAP, Inc.
 MN Association of Development Organizations
 Reimagining Rural Assistance Network (RRAN)
 The Sowing Room
 University of MN Regional Sustainable Development Advisory Board
 Women's Business Alliance Advisory Council

Regional Group Facilitation

Economic Development Organization Professionals
 Economic Development District
 North Central Economic Development Association - Full Corporation & Loan Board
 Regional Clean Energy Technical Assistance Providers
 Regional Transportation Coordinating Council
 Crow Wing River Watershed Collaborative

167
 Volunteer Hours

The R5DC team spent **167 hours** **volunteering** in our communities to causes that are close to our hearts as individuals. Since 2019, we have been meeting as a group to take care of our section of highway near Aldrich, MN.



Plans & Publications

Plans and Reports

Agricultural Mental Health Annual Report 2024

EDA Planning Grant - Progress Reports (March & October)

FY24 Work Plan for R5DC & NCEDA

Minnesota Statewide Plan for Regional Food Business Center

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

Outreach and Publications

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

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

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

Transportation Newsletter: Quarterly news updating subscribers on transportation initiatives, and our work with Minnesota Department of Transportation, Regional Transportation Coordinating Council, Transportation Advisory Council, and Area Transportation Partnership.

North Central Regional Food Business Center Partner Newsletter: Designed to share updates with our 31+ partners in this tri-state endeavor in Minnesota, North Dakota, and South Dakota.

Legislative Visits



Senator Klobuchar Visit, November 2023. Pictured Left to Right: Cheryal Hills, R5DC; Arlene Jones, Sprout; Jolene and Karl Ludeman, AgVet Fellow/Participants; Senator Amy Klobuchar; Dave Endicott, Minnesota Farmers Union; Staci Headley and Candice Zimmermann, R5DC.



USDA Undersecretary Jenny Lester-Moffitt Visit, August 2023. Pictured Left to Right: Sprout, Colleen Rademacher, USDA-Rural Development, USDA Deputy Undersecretary Katie Zenk, USDA Undersecretary Moffitt; Thom Petersen, Minnesota Department of Agriculture; Greg Blaine, Morrison County Commissioner and R5DC Commissioner; Jon, USDA-AMS, Tom Smude, Smude Enterprises; Carol Anderson, Morrison County Development; Cheryal Hills, R5DC; Arlene Jones, Sprout.

National Highlights



Our Executive Director Cheryal Hills was a panelist at IEDC PHOENIX 2024 Leadership Summit, alongside Wendy Quarles Bridges, AZED Pro, and Erik Pedersen. They explored investing in rural communities for sustainable outcomes.

Aspen Institute Community Strategies Group | Rural Partnership Program Webinar, June 2024.

Featuring: Shonterria Charleston, Director of Training and Technical Assistance, The Housing Assistance Council; Cheryal Lee-Hills, Executive Director, Region Five Development Commission; Tony Pipa, Senior Fellow, Brookings Institution; Chris Estes, Co-Executive Director, The Aspen Institute Community Strategies Group.

Watch the webinar:
<https://youtu.be/1nihy8frn3o>

EVENT

HOW THE PROPOSED RURAL PARTNERSHIP PROGRAM MEETS CAPACITY NEEDS IN RURAL AMERICA

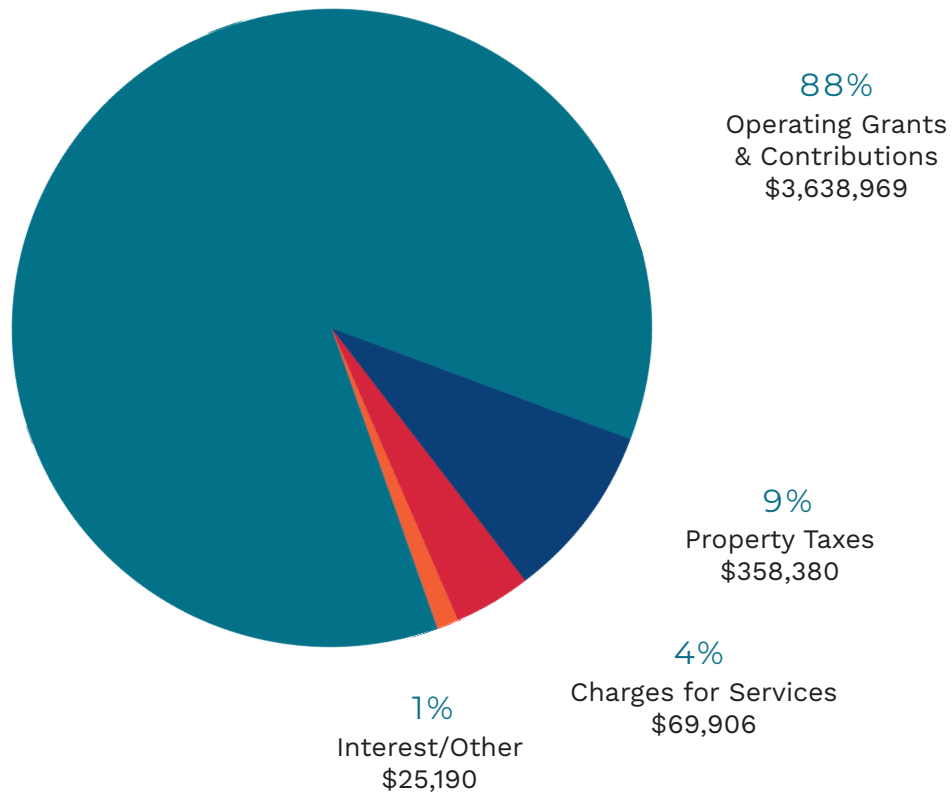
June 24, 2024 @ 3:00 PM | Virtual

Webinar: Rural Partnership Program

			
Shonterria Charleston, Housing Assistance Council	Tony Pipa, Brookings Institution	Chris Estes, Aspen CSG	Cheryal Lee-Hills, Region Five Development Commission

Financial Overview

Actual Revenue by Source for FY24



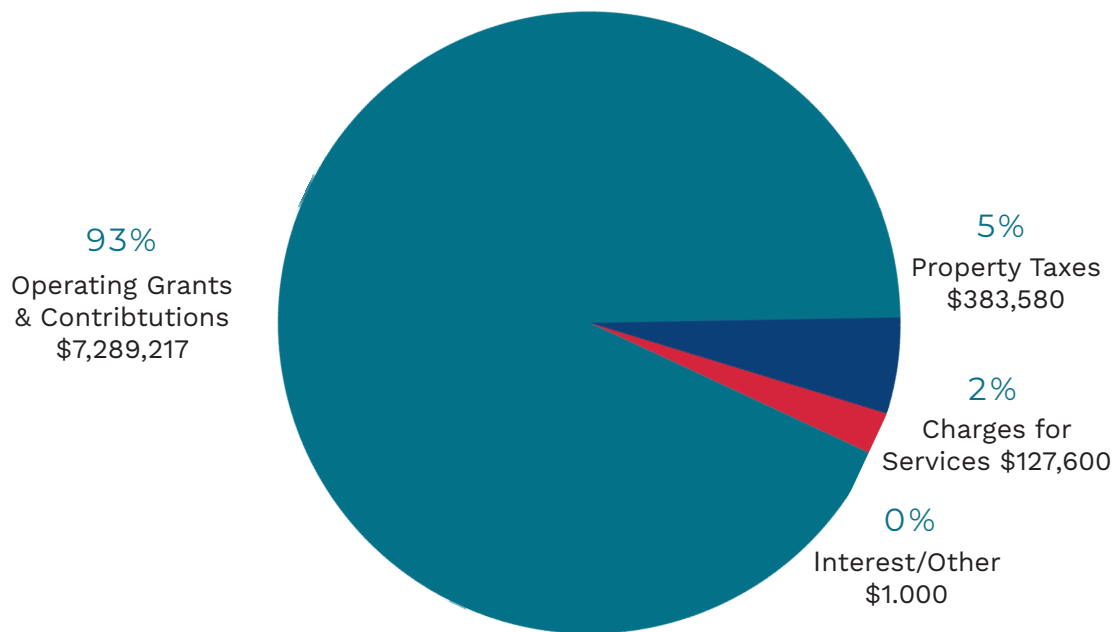
Total Revenues

Operating Grants & Contributions: \$3,638,969 (88%)
Property Taxes: \$358,380 (9%)
Charges for Services: \$69,906 (2%)
Interest/Other: \$25,190 (1%)
Total Revenue: \$4,092,445
Total Expenditures: \$4,084,378
FY 2024 Net Income: \$8,067

Total Expenditures

Management and Administration: \$614,389 (15%)
Community and Economic Development: \$3,224,008 (79%)
Transportation: \$170,106 (4%)
Debt Service: \$75,875 (2%)
Total: \$4,084,378

Budgeted Revenue by Source for FY25



Operating Grants & Contributions: \$7,289,217 (93%)

Property Taxes: \$383,580 (5%)

Charges for Services: \$127,600 (2%)

Interest/Other: \$1,000 (0%)

Budgeted Expenditures: \$7,735,506

Budgeted FY25 Net Income: \$65,890

Region Five Development Commission's financial statements for fiscal year 2024 were audited by Schlenner Wenner & Co. An unqualified opinion was expressed.

FINANCIAL HIGHLIGHTS:

The assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,675,850 (net position), of which \$1,810,834 (49.3 percent) is restricted in use."

"The General Fund reported an ending fund balance of \$2,613,104, an increase of \$92,024 in comparison with the prior year. Of this balance, \$1,553,373 is nonspendable, \$55,300 is assigned and \$1,004,431 is available for spending at Commission's discretion (unassigned balance).

Congratulations

to our 2024 Award Winners:

Allegra Marketing-Print-Mail
Exceptional Service Provider

Minnesota Pollution Control Agency
Exceptional Regional Partner

Bell Tech CNC Machining
Outstanding Business Partner

Simply Rustic Floral
Outstanding Business Partner

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

R5DC & NCEDA