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 Red River Regional Council

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2014 ANNUAL REPORT



April 2015

Community and Economic Development Equally Important to Region's Quality of Life

Housing Rehab Programs Serve Citizens and Communities

Yolanda Balderas can't believe the difference a few new windows have made in the comfort level in her home.

"I can stand at my kitchen sink and not feel the wind come through the windows," Balderas says. "I'm am so happy I noticed the ad in the paper announcing the housing rehabilitation program."

The cities of Grafton and Cavalier are the most recent partners with the Red River Regional Council (RRRC) in a housing rehab program designed to assist low income residents with health and safety



Yolanda Balderas points to new windows installed on her home in Grafton.

issues in their homes.

Funding for the program comes from the individual cities, as well as Federal Home Loan Bank, USDA Rural Development and other

federal Community Development Block Grant funds.

Drew Olafson, Chairman of the Cavalier Housing Authority, is a strong advocate for housing rehab. "Housing rehab is critically important to any rural community for a variety of reasons, and Cavalier is no exception," Olafson says. "In my opinion, housing is the core of economic development; a strong housing market is an indicator of a strong community that will thrive into the future."

Housing, especially affordable and accessible housing, was identified by RRRC communities through its strategic planning process, as a high priority need in the region. Since 2005, the RRRC has supervised \$1.1 million in rehab dollars, with 81 homes updated.

"It's our goal to continue supporting communities interested in undertaking these projects and creating the necessary partnerships to makes them successful," says Keeley, RRRC Executive Director. "We are appreciative of our funding partners as it takes multiple sources of funding to support these projects."

Young Entrepreneurs Essential to Region's Economic Success

The eyes in the sky above the farm fields in northeast ND won't have a U.S. Department of Defense logo. If Mountain native Darren Olafson gets his way, drones will be an essential tool in every farmer's toolbox.

Olafson's company, Olafson Agrarian Enterprises, offers a wide range of seed, crop treatments and analyses to area producers, which includes the use of a unmanned aerial vehicle and WingScan™ software, which can provide real time information on field and plant status.



"The assistance I received from RRRC staff was impressive," Olafson says. "Their ability to sit down with me, gather information on my business, and pull it together in order to yield results was astounding."

Outdoor Recreation Poised for Success in Region

Outdoor recreation amenities were identified as opportunities for further development within the region. In response, the RRRC has actively engaged with partners, including the cities of Park River and Drayton and the Nelson County



Project rendering of the Park River Community Park.

Park Board, to apply for funds made available through the newly established ND Outdoor Heritage Fund (OHF).

In 2014, the RRRC helped its partners secure \$1,017,912 in OHF funds for area projects. Local and other match for each project bring the total investment for these projects to \$1,543,378.

2014 Red River Regional Council Annual Meeting — Our Valued Partners



Speakers included US Senator Heidi Heitkamp, State Senator Tom Campbell, and Dawn Keeley, Executive Director

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MESSAGE FROM THE EXECUTIVE DIRECTOR / FINANCIAL REPORT

Building businesses, transforming communities. Together, we move good ideas into action.

What does the future hold for our four-county region? What do we need to grow and develop here so that our businesses, communities, farms, schools, and residents can not only survive, but thrive?



Dawn Keeley,
Executive Director

Every day, we work with business leaders, community and governmental leaders, homeowners, and other agencies on the key needs of our region – everything it takes to live well – from safe roads, clean water, warm homes, successful businesses, good schools, emergency services, to child and elder care, and disaster prevention and recovery.

These needs and ideas often come to us as questions. In 2014, we decided to take these key questions to you, the leaders and residents of this region. We sat at tables with 200 community and business leaders to talk with each other about these questions. What do we want? What will it take? How do we get there?

The overwhelming response from these amazing sessions was this: **We do it together.** The number one development resource for this region is its people – those of us who farm here, have businesses here, live here, raise families here, tend to our elders here, play here. Whether our community is small or large, we are the ones who have the most at stake – and the most to invest. When we engage together, we create a culture of community leadership that taps into the strength that has gotten our communities and our region this far.

From these town hall meetings and together with area county job development authorities and other agencies, we cultivated the key themes, needs, and ideas from these amazing conversations to focus our work, our ideas, and our actions. We are dedicated to being an energetic and determined partner in order to move the ideas into actions that build businesses, transform communities, and create a better future for everyone in our region. As your key partner in developing and financing projects that support the fabric of this region, we want to do more. While we have access to extensive resources for our region, we also would like you to consider us to be among your first, best investments.

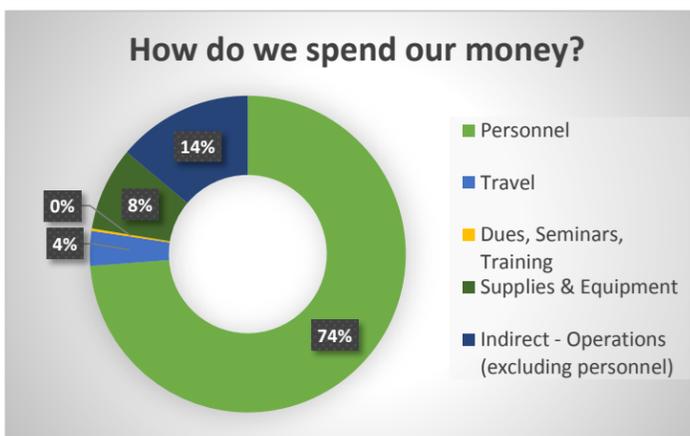
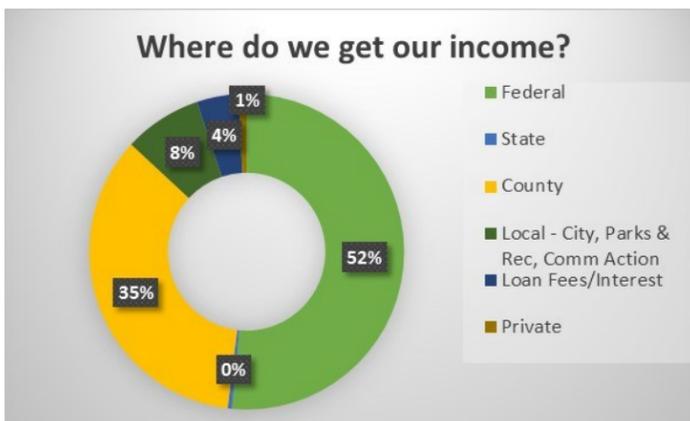
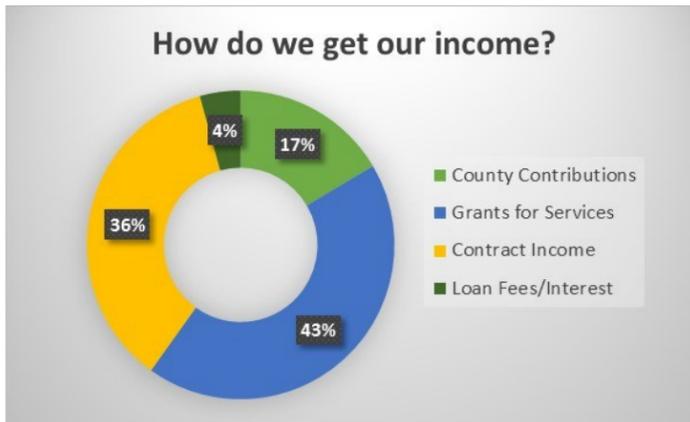
Rural development and the well-being of this region is our business. We are passionate and believe that when people and businesses are trying to help themselves - particularly for the greater good - it's our job to do all we can to help them.

Together, we will build businesses, transform communities, and move your ideas into actions that create a better future for the region.

2014 Financial Report

The RRRRC is a non-taxing political subdivision generating income through a variety of sources. In 2014, County contributions totaled \$71,462 which amounted to 17% of the total revenue budget. The balance of the budget was derived from grants, contracts for services, and loan fees and interest. The primary expense is personnel which was 74% of the total expense budget. (Notes: cash basis — does not include accounts receivable; federal funds include state-managed federal funds).

Operational Revenue: \$433,643 | Operational Expense: \$479,572



PRESERVING OUR ENVIRONMENT

The Red River Riparian Program (RRRP) assists landowners in drafting grazing and forestry plans, works to stabilize riverbanks, and advocates for the responsible management of riparian areas to support improved water quality.

The RRRRC receives funding through the ND Health Department's 319 Program, which is funded by the Environmental Protection Agency (EPA). The main goal of this program is to provide technical and financial assistance for riparian restoration to landowners, communities, water resource districts and soil conservation districts within targeted high priority watersheds in the Lower Red River Basin in North Dakota.

Phase IV Completed — 51 Miles Restored

The RRRRC completed Phase IV of this program on September 30, 2014. During Phase IV of the program, a total of \$1,158,872 was spent on riparian projects. Of that total, \$772,581 were non-federal dollars. Projects completed during Phase IV include:

- Fifty one miles of riparian restoration were completed within the Park River, Pembina River, Little South Pembina River, Tongue River, Forest River, Middle Sheyenne River, and Red River watersheds.
- Watershed Committees were formed for each watershed to provide technical guidance as well as local project planning and cost share.

- North Dakota State University and the University of North Dakota provided technical assistance on special projects and expanded the knowledgebase for the RRRRC project managers and landowners.

Funds Secured for Phase V

In mid 2014, the North Dakota Department of Health awarded \$390,000 to support Phase V of the Red River Riparian Program which will be completed September 30, 2016. Phase V matching funds of \$230,000 were secured from the North Dakota Outdoor Heritage Fund. Phase V Riparian Projects will be focused in the Park River, Forest River and Sheyenne River watersheds. Its anticipated results include long-term measurable improvements of water quality, increased riparian function and river system health.

New Program Manager

Brent Wilde joined the team at the RRRRC, serving as the Environmental Program Manager. Recently, Wilde has been certified by the Environmental Protection Agency in watershed management. Just prior to joining the RRRRC, Wilde worked as the assistant county forester for Clearwater County, MN.

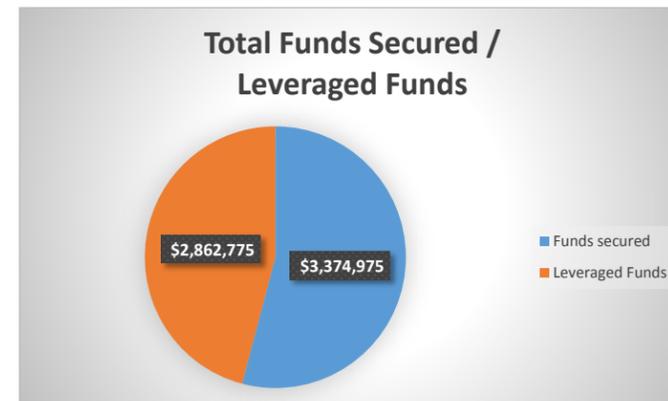


Brent Wilde, Riparian
Program Manager



2014 ECONOMIC IMPACT

At the RRRRC, we work daily to help all of our partners "move ideas to actions". In 2014, many hours were invested in convening and completing strategic planning in each of the four counties and for the region. We assisted our clients in securing nearly \$3.4 million in county, regional, state, and federal funds which were matched with nearly \$2.9 million of private and local funds.



Housing Rehabilitation

Number of community-wide projects	2
Funds secured	\$ 273,008
Local funds	\$ 11,500

Hazard Mitigation

Number of projects	4
Funds secured	\$ 458,311
Local funds	\$ 81,062

Outdoor Recreation/Conservation

Number of projects	3
Funds secured	\$ 1,017,912
Other funds	\$ 525,466

Riparian

Funds secured	\$ 568,394
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Economic Development

# new/expanding businesses	8
# projects sponsored	6
# special projects	5
# business consulting clients	20
# consulting hours	140
Funds secured	\$ 1,057,350
Private funds leveraged	\$ 2,256,247
Strategic plans completed	5



Nelson County JDA Projects in 2014

- Approved Wagon Wheel Bar and Grill loan, \$1,140
- Sponsored Economic Development Strategic Plan development, \$10,000
- Approved Lakota Daycare Center, \$30,000 grant/loan
- Sponsored Economic Development Association of ND Fall Meeting, \$500
- Secured \$472,912 for Stump Lake Bank Stabilization Project from ND Outdoor Heritage Fund
- Completed economic development strategic plan
- Stump Lake Park Playground – secured ND Parks and Recreation funding of \$25,000

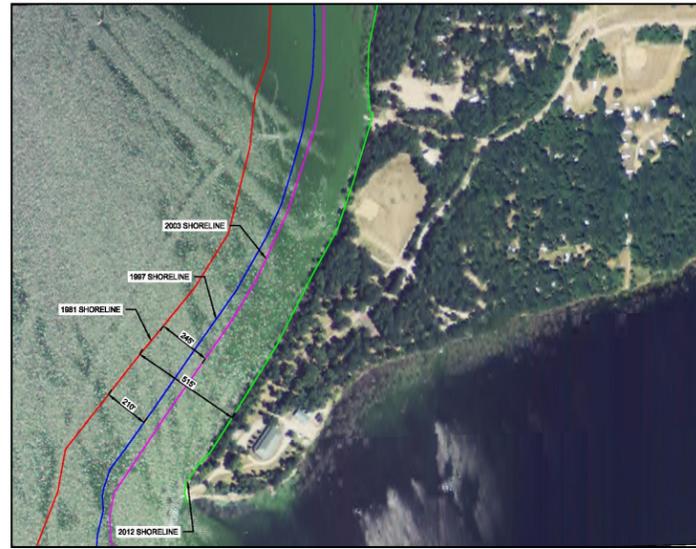
Stump Lake Park—Nelson County’s Golden Egg

Occupying a total of 166 acres, Stump Lake has become one of the premier destinations for those loving to fish and enjoy the outdoors. The park includes the following amenities: five campgrounds with 130 camping spots, a playground, miniature golf, tennis/basketball court, horseshoe pits, hiking trails, two baseball diamonds, volleyball, a new café, large historic pavilion, Pioneer Village historic displays, docking and fish cleaning facilities, bait shop and boat ramp.

This aerial photo shows the timeline of the 515’ encroachment of Stump Lake water, with the green line indicating the 2012 shoreline.

Loan Portfolio Summary

Program	Active Loans	Receivables and Commitments
Nelson County JDA	6	\$77,616.00



HELPING BUSINESSES THRIVE

Business Development Projects

RRRC 2014 Direct Loans Awarded

- On Prairie Software, Walhalla, \$55,000
- Wagon Wheel Bar and Grill, Michigan, \$30,000
- Halcrow’s, Drayton, \$35,000

Loan Portfolio Summary

Program	Active Loans	Receivables and Commitments	Jobs Created / Retained
Progress Fund	13	\$770,553.00	277
Red River Revolving Loan Fund	5	\$151,005.00	324
Community Development Loan Fund	20	\$1,253,366.00	121
TOTALS	38	\$2,174,924.00	722

Leadership in Business Development

- 140 hours business consulting services in partnership with ND Small Business Development Center Co-Chair Leadership Advisory Team for Marketplace for Kids held May 1 in Grafton with 650+ attendees
- Member of Valley Prosperity Partnership Workforce Committee

- Member of Sen. Heitkamp’s Strong and Safe Communities Task Force
- Ex Officio Board Member for Grafton Community Center
- Member of planning committee for Walsh and Pembina County Job Fairs held in November
- Attended summer and fall Economic Development Association of ND meetings, planning committee for fall meeting
- Board of Directors ND Community Foundation – attended two Board meetings and distributed grants within Region IV
- Walsh/Pembina County Livestock Project support and grant administration
- Sponsored and secured grants of \$35,450 and initiated power plant study at ND Life Skills and Transition Center in Grafton
- Provided testimony to two ND interim legislative committees and testimony before the U.S. Senate Subcommittee on Jobs, Rural Economic Growth and Energy Innovation on the importance of regional strategies in rural economic development.



Lori Estad, Office and Fiscal Manager, oversees the daily operations and fiscal management of the RRRC.



Pembina County JDA Projects in 2014

- Approved Enduraplas loans, Neche, \$21,622 and \$49,580
- Approved Food First/Harvest Fuels loan, Walhalla, \$11,355
- Approved Bio Sunn loan, Walhalla, \$30,000
- Approved On Prairie Software loan, \$36,000
- Approved Eyford Ridge Seed Company loan, Mountain, \$31,000
- Approved Rimco loan, Neche, \$27,600
- Approved Pembina County Memorial Hospital loan, \$14,195
- Approved City of Cavalier marketing grant, \$1,375
- Approved Rendezvous Region map grant, \$1,800
- Sponsored Marketplace for Kids, \$2,000
- TrainND sponsorship, up to \$5,000 in 2014, which resulted in classes with 129 attendees, in partnership with the Walsh County JDA
- Sponsored Pembina County Job Fair, \$845
- Economic Development Association of ND Fall Meeting Sponsorship, \$500

Loan Portfolio Summary

Program	Active Loans	Receivables and Commitments
Pembina County JDA	21	\$449,219.00



More than 600 attendees at Marketplace for Kids held May 1 and sponsored by the Pembina and Walsh County JDAs.



DEVELOPING OUR COMMUNITIES

Community Development Projects

Projects completed or underway in 2014:

- Grafton Housing Rehabilitation Project – when completed estimated 30 homes with total project cost of \$500,000
- Cavalier Housing Rehabilitation Project Initiation – secured \$312,326 from USDA Rural Development, Federal Home Loan Bank, and CDBG. First seven homes were awarded in 2014.
- Cavalier Street Improvement Project – provided \$66,000 in CDBG funds for payment of special assessments
- Niagara Lagoon Improvement Project - completed project and managed \$271,902 in CDBG funds
- Drayton Campground – secured \$125,000 and \$180,000 from ND Outdoor Heritage Fund
- Park River Community Park – secured \$240,000 from ND Outdoor Heritage Fund and participated with Planning Committee
- Funding development for Prairieview Apartments in Grafton on the Life Skills and Transition Center campus
- Solicited second application round for 2014 Community Development Block Grant Program

Leadership in Community Development

Staff of the RRRC routinely collaborate and facilitate planning discussions in regard to community development. In 2014, the staff engaged in the following:

- Emerado Community Connect – planning and facilitation
- Emerado Community Coalition – planning and participation
- Participated in Pembina Gorge Master Plan development
- Managed CDBG Program Region IV allocation
- Initiated a municipal survey on infrastructure and other community needs of all cities in the region
- Managed Pembina and Walsh County Historic Preservation Commissions
- Secured Edinburg General Store and Vikur Lutheran Church National Register Nomination Plaques



Stacie Sevigny, Developer, manages community development projects.

Strategic Planning at County Level Sets Stage for Five Year Regional Comprehensive Economic Development Plan

Participation and Enthusiasm Strong in Communities Participating in Strategic Planning Conversation

In mid-2014, the RRRC began to develop four five-year economic development strategic plans to be utilized for both the municipalities and county governments within Grand Forks, Nelson, Pembina and Walsh Counties and to be incorporated into the RRRC's regional Comprehensive Economic Development Strategy (CEDS).

Given the recent period of rapid economic growth throughout North Dakota, this was an opportune time to define and adopt development strategies to position the region for ongoing success.

This strategic planning partnership is part of a five-step planning process which included:

- Economic and Demographic Statistical Analysis. The analysis was completed and presented at a public meeting in March 2014 by David Flynn, PhD, Bureau of Business and Economic Research and Department of Economics, College of Business and Public Administration, University of North Dakota.



This Building Communities' strategy wheel represents all of the economic development strategies discussed by each strategy committee. Each committee selected some, but not all of these strategies for their focus in the next five years.

"As a regional center, the economic prosperity of the city of Grand Forks is closely tied to the fortunes of its neighbors. The Grand Forks County Strategic Planning Session offered a key opportunity for shared discussion to assure that we all grow and prosper together."

- Bret Weber, Grand Forks City Council Member

- In partnership with county Job Development Authorities (JDA), County Strategy Committees, comprised of county business and community leaders, led the strategic planning in each County. Each Strategy Committee took part in a 1.5 day planning process designed by Building Communities. The Strategy Committee finalized and recommended the plan's adoption to the respective JDA. In addition to the Strategic Plan, the Strategy Committee developed an Implementation Workbook defining specific action steps and tasks to be undertaken for each development strategy.
- Region IV CEDS. Based upon the county Strategic Plans completed in Grand Forks, Nelson, Pembina, and Walsh Counties, the RRRC is developing the Region IV CEDS to guide the RRRC's economic development initiatives.
- A Regional Strategy Committee was established with members from each of the county Strategy Committees, the RRRC's Economic Development Committee, and staff from the region's economic development organizations.

- A municipal survey was conducted to identify infrastructure needs throughout the counties. Adequate, strategic infrastructure improvements to support community growth, housing, and business development have become a leading economic development concern throughout North Dakota.

Funding partners for these four planning efforts include: the Walsh, Pembina and Nelson County JDA's, Grand Forks County, Grand Forks Region Economic Development Corporation, City of Grand Forks, RRRC, ND Department of Commerce Division of Community Services, US Department of Commerce Economic Development Administration (EDA), US Department of Agriculture Rural Development and US Department of Housing and Urban Development.

Throughout the planning process in all four counties in the Red River region there was a common desire for increased communication and collaboration. Each county's strategy committee expressed appreciation for the opportunity to come together to discuss, debate and dream about how they would like to improve the economic opportunities and quality of life in their communities.

It will be a priority of the RRRC to continue the dialogue and collaboration with the strategy committees, county communities, and development agency partners to advance the implementation of each County's strategic plan.

CEDS Document Outlines Five Year Plan

The RRRC designed a CEDS process to gain very high levels of engagement by a cross-section of community and business leaders, as well as the public at large.

The foundation of the CEDS was the development of four County Strategy Committees and the completion of four individual economic development strategic plans. Each of the planning sessions, or "Express Plan Weeks", included 13 hours of planning activities which included a public town hall meeting.

The County Strategy Committees each had 20 to 25 members and nearly 100 people attended the town hall meetings. Therefore, more than 200 people have been engaged in this planning process.

The aggregated results of the County Express Plan Weeks were used to develop the

regional CEDS. The Regional Strategy Committee includes members of the RRRC Board of Directors and Advisory members, members from each of the County Strategy Committees, and additional leaders from throughout the region.



Cheryl Osowski facilitated the strategic planning process in all four counties and region and is a special projects coordinator.

The CEDS process has also been very helpful in identifying the regional needs and priorities for the new leadership and staff of the RRRC, which will be striving to "Move Ideas to Actions" guided by the CEDS.

The RRRC Board of Directors adopted the CEDS on September 18, 2014 and submitted to EDA as required for continued annual funding for economic development.

CEDS Objectives 2015 to 2020

Objective 1: Further Diversify the Regional Economic Base

Entrepreneur Culture Development
Support Business Development Activities
Develop Value Added-Agriculture
Financing Support for Primary Sector

Objective 2: Improve Infrastructure Throughout the Region

Infrastructure for Business and Industry—Support and Funding
Community Infrastructure Improvements—Support and Funding
Telecommunication

Objective 3: Improve the Development and Marketing of the Region's Tourism and Family Friendly Amenities

Objective 4: Stabilize the Regional Population

Education
Housing Development and Rehabilitation
Elimination of Slum and Blight
Address Rural Transportation Needs
Champion Rural Communities

Objective 5: Mitigate Impacts of Disasters on the Region's Economy

Plan Development and Maintenance — Encouragement and Assistance