

HEADWATERS
Regional Development Commission
Leading the Way

ANNUAL REPORT 2011

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Annual Report Home

Active Living: Making Our Mark in Bemidji & Throughout The Region



While Bemidji's Active Living is the centerpiece of the Headwaters RDC's wellness efforts, a variety of related activities can be found throughout the Region. Click here to see what's going on outside of Bemidji.

The support for Active Living continues to grow and affect residents of the Bemidji Area in ways we had never thought possible.

Active Living Bemidji has been working behind the scenes over the past 3 years to help frame the issue of Active Living for the Bemidji community. Our office continues to work with our key partners to continue building a community that embraces health and wellness. The support for Active Living continues to grow and affect residents of the Bemidji Area in ways we had never thought possible. Community members, local businesses, units of government, and a variety of other organizations and advocates are recognizing the importance of health, wellness, and equity among all modes of transportation and have made these initiatives a priority in our community.

Active Living Bemidji can boast great success this year after tackling several big issues for the Bemidji Area including:

Policy Development

Intense focus was placed on policy development in support of Active Living for the City of Bemidji (the City) and the Greater Bemidji Area Joint Planning Board (JPB). The goal: to incorporate Active Living principles into plans and policies including the JPB's Land Use and Transportation documents. Over the winter months the City and Bemidji and Northern Townships were presented with updates to these documents which included Active Living concepts. Accompanying these edits, "Active Living Resolutions" were presented for consideration. These resolutions are not a restrictive

mandate, nor will they lead to immediate development of more trails, sidewalks, and bicycle lanes, but are an opportunity for these entities to be thoughtful and systematic about transportation funding decisions, particularly when considering non-motorized modes. The edits to these documents were approved by each of the bodies. These plans and resolutions will set policy direction that will ensure that the Bemidji Area will be designed and built in a manner that makes physical activity a safe and convenient option for all people.

Promotions

Top 30 Destinations for Bicycles

The “Top 30 Destination for Bicycles” in the Bemidji Area project is a new and exciting opportunity for the Active Living partnership. This project was created based on the premise that people are much more likely to be physically active if there are safe and convenient connections to destinations. Given the rising popularity of bicycling in the Bemidji Area, the Partnership also feels that providing secure bicycle parking is important. This project includes the following components:



- A community survey for individuals to vote on their top 5 destinations
- Development of a map that visually shows the location of each destination
- Work with partners to secure bicycle racks at each of the destinations

Strategic Marketing Campaign

Staff of the HRDC are very passionate about health and wellness at the HRDC. We are very proud of the work that has been completed by all of our partners. While we have made significant progress, we realize that the average person in the Bemidji Area might not even be aware of our work. Our whole goal is to inspire the average person to incorporate physical activity into their daily life. Based on this goal, the Partnership identified the need for an Active Living Bemidji messaging campaign focused on safety, education, and building awareness. The partnership has contracted with Design Angler, a local design agency to help us creatively think about our message and effective methods of distribution. Keep an eye out for the launch of our campaign this summer!

Programs

Thanks to a wonderful partnership with the City of Bemidji Parks and Recreation Department, we have been able to provide ample opportunities for local residents to be physically active through various programs for



all ages and abilities. Such programs as Sanford Steps, a non competitive walking program, 5K run/walks, organized bike rides, and Wii bowling for seniors are continuously seeing an increase in attendance and demand from the public. The City plans to continue these programs long after Active Living funding has ended.

Preparation

Way-Finding Signage

The City of Bemidji, Downtown Development Authority (DDA), and Active Living Bemidji have formed a partnership to explore the installation of a key way-finding sign at the Bemidji Waterfront near the Bemidji Chamber of Commerce. As identified in the City of Bemidji's recently completed Central City Plan, way-finding signage will provide safe, comfortable and continuous guidance to key destinations throughout the community. Construction of this sign has been approved and installation is currently under construction. The Active Living Partnership is planning to continue efforts to provide bicycle wayfinding, particularly on existing trails and routes in and around downtown Bemidji.

Sustainability

As our contract with Blue Cross Blue Shield approaches its 4th year, the Active Living Bemidji Partnership has decided to pursue the theme of sustainability. To help us think about sustainability the Partnership invited Risa Wilkerson from Active Living by Design to come to Bemidji and hold a two-day workshop to discuss sustaining efforts once funding has ended. These workshops were well attended and gave Active Living partners and community members a chance to dive into the issues of the Bemidji Area and brainstorm ideas for potential collaboration into the future.

For more information about Active Living – related efforts in other parts of the Region, click [here](#). Also, for more Bemidji Active Living information, please visit our website: <http://www.activelivingbemidji.com>



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Chair/ED Comments

Chairman's Letter - Joe Vene



Our political and other boundaries may identify us, but they do not necessarily define us. That is the reason I am so thankful to be part of the Headwaters RDC. The organization we work with, and for, is a five-county community. But we care about each other's challenges, and we share in each other's successes as one community. We firmly believe that those we know throughout our Region are friends and neighbors, not adversaries. We're one team, and one community, and we

have committed to act that way.

"We firmly believe that those we know throughout our Region are friends and neighbors, not adversaries. We're one team, and one community, and we have committed to act that way."

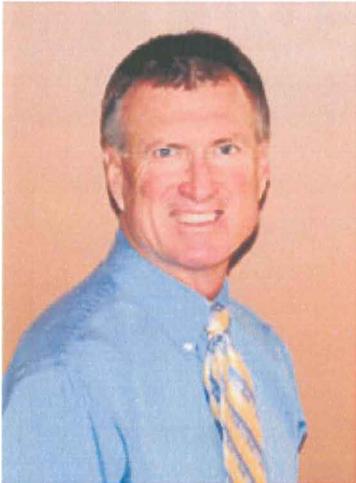
- Joe Vene

That is why, as Chair of this organization, I am so pleased to present to you our 2011 Annual Report. We believe the best way to predict our future is to create it. Within these web pages you will find examples of how we're creating that future that is ours in every corner of our five county area. We're building a major homeless housing complex with supportive services in Bemidji, we're making loans for business development in each County, and we're challenging our communities to undertake wellness initiatives that will lead to better long-term health outcomes. We have leadership initiatives in several communities, and we're also involved in numerous traditional community and economic development projects in the Region.

See for yourself how we're making a difference.

This work only happens because we have the best governing body in the state, and some of the most passionate and effective staff anywhere. This Annual Report is testament to their effort.

From the Executive Director - Cliff Tweedale



What makes for a great organization, one that can sustain its success over a period of years? That is a question I've been able to revisit over the last year, as several organizations have asked us to help them chart a path toward excellence.

It is easy to fall into thinking that it's all about strategy – the what of an organization. While strategy is important, it only describes half of the equation. The other half, and many would argue the most important

half, is organizational culture – the values, and resulting behaviors, that are embraced by the organization. In other words, it's how an organization goes about its business.

The results we point to with pride this year -- Active Living/SHIP projects throughout the region that are showing results, the construction of our housing with supportive services, and several pilot projects aimed at increasing the talent pool and workforce availability in the Region – are more a result of our culture playing itself out than it is about strategy. That culture includes our passion for our Region and our customers, a commitment to results, and our belief in the importance of leadership, and team.

The other parts of this report describe these projects and others. As you review our work, I hope you appreciate our staff and Commission as much as I do.

I look forward to another great year!



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The Future HRDC

The Future HRDC

Great organizations view their journeys as a marathon, not a sprint. I look back on my 36 years with this organization, and I see substantial growth and improvement. We were better this year than last, and certainly much improved over 10 years ago.

In an era where every person and organization is judged a success or failure in real time, it is hard to create a culture that values learning and growth as a part of who they are. While I am proud of what we've done over the last few years, I also expect us to be better in the future.

If an organization demands incremental improvement for itself, then there also needs to be an accountability that is brought to its work. We've done that over the last few years by setting goals for ourselves, and letting you and our Commission know how we're performing.

If you click here you can see our three year goals. I am pleased that we've been able to move the needle on all except three. Our changing market conditions have required us to modify our goal of constructing 14 single family homes per year, and two others – creating a local construction loan source, and starting 5 “green” businesses – will take a bit longer because of the economy. We're not home free yet, but we've been able to move in the right direction.

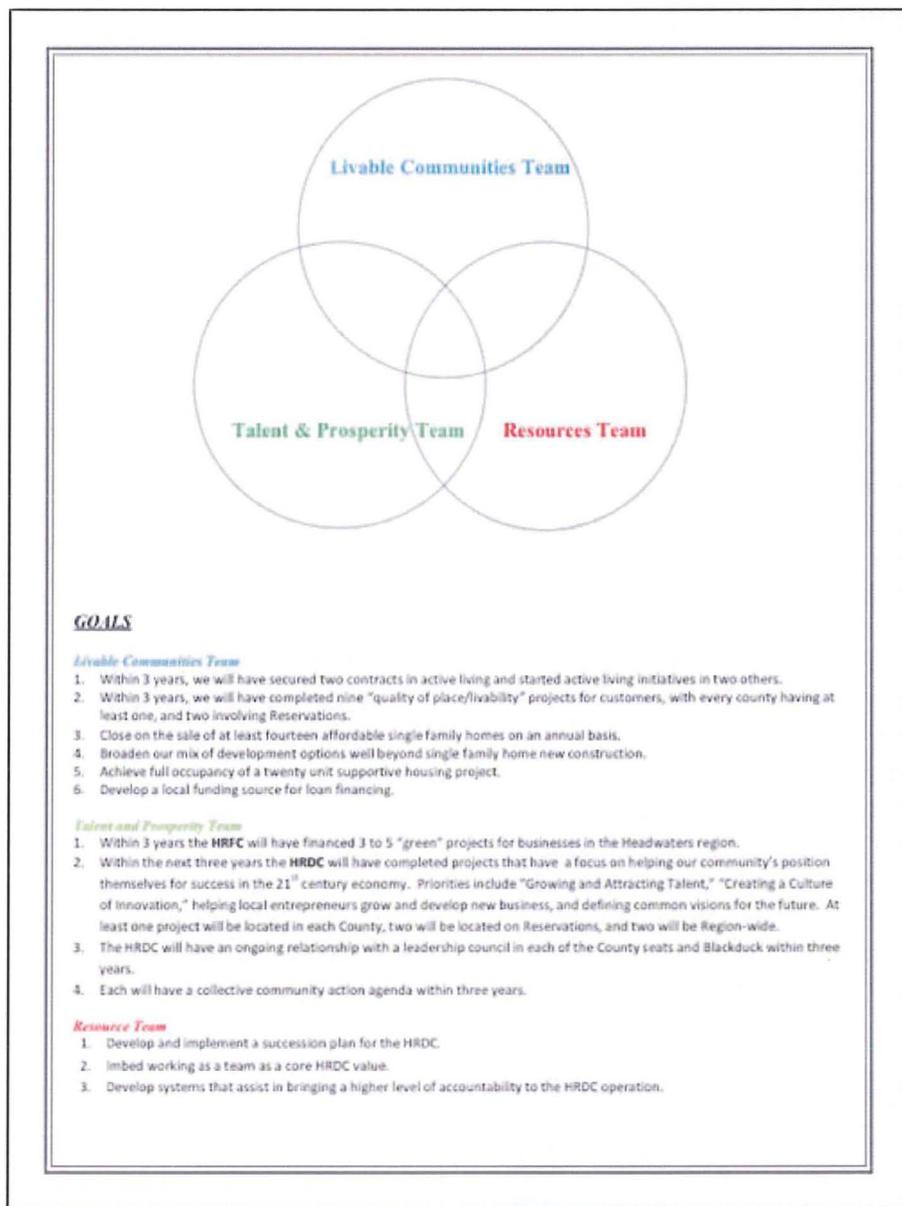
So, what's next? While we are going to hold steadfast on our previously set goals, here are some other goals we're going to add:

- ***Continue to emphasize internal learning and growth.*** It is our intent that our professional development efforts have a beginning, a middle... and no end. Constant learning and growth requires continuing emphasis on this effort.
- ***Re-examine, and reboot, if necessary, our approach to economic development.*** Dave Hengel keeps saying that we need to re-examine our strategy, with innovation a potential new key central operating principle. We'll see what that looks like a year from now.

“If an organization demands incremental improvement for itself, then there also needs to be an accountability that is brought to its work. We've done that over the last few years by setting goals for ourselves, and letting you and our Commission know how we're performing.”

- **Help our customers take advantage of the emerging area of wellness.** Our Active Living effort in Bemidji, and our SHIP (State Health Improvement Program) initiatives throughout our Region, have created a foundation on which to build. We're going to find ways to add value in several parts of our Region.

What is your role? Well, every person, and organization, needs someone to lean on if growth is going to occur. We invite you to be our training and accountability partner. Ask us how we're doing on our goals, and let us know how we do with your projects. If we're not better next year than we are now, then we're not good enough.





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Program Areas : Livable Communities

Livable Communities

HHDC Continues New Construction Activity

During the past year new construction activity for the HHDC continued in our rural Bemidji subdivision, Sunset Meadows. Two new homes were built, one utilizing the pre-sale private contractor model and the other with the Bemidji High School.

The pre-sale model continues to be a focus for the HHDC as it allows the corporation to manage cash flow more effectively and enter the new construction market when the timing is right. Utilizing private contractors also maximizes the use of staff time as many of the project management related tasks are completed by the general contractor. The HHDC would like to build three or more pre-sold homes in the 2011-2012 building season. Although there are many benefits to the pre-sale model, we would like to develop at least one spec home in Sunset Meadows as we are continually presented with buyers that cannot wait for a home to be built.

The Bemidji High School Carpentry Program produced another amazing home this year under the direction of Jeff Olson. The HHDC could not ask for a more qualified and dedicated partner than Jeff. His passion for building and teaching are on display everywhere you look in this year's home. This season the kids built a challenging home that provided the opportunity for creativity to flourish as seen in the many custom alterations that were made during construction. Enrollment continues to grow in the carpentry program and as a result the program will produce two homes for the 2011-2012 school year. The Bemidji School District also deserves credit for its continued support of the partnership.

“Without support from organizations such as yours, we would not have the high quality programs we currently enjoy.”

- Jordan Hickman, Director of Human Resources for Bemidji Area Schools



Instructor Jeff Olson cooking burgers for the High School year-end celebration.



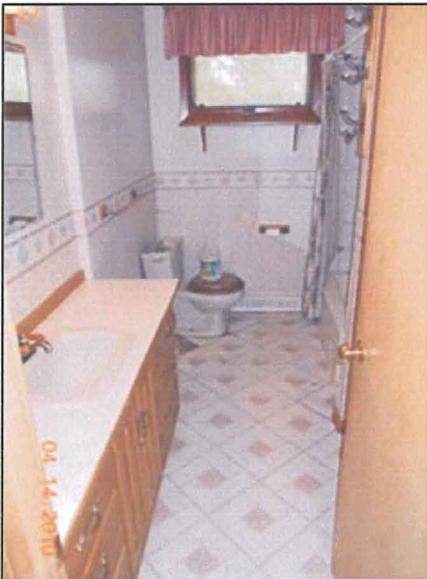
View of the Great Room at the High School House.

Growth and Learning in Purchase-Rehabilitation

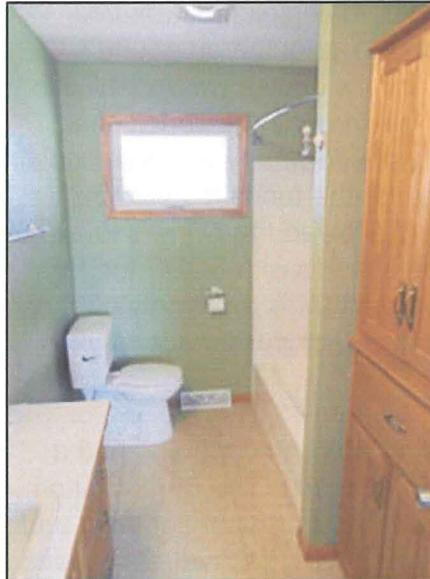
The HHDC continued to grow its purchase rehabilitation program over the past year. The first five homes completed under this initiative are now sold. We anticipate carrying an active inventory of five homes being rehabilitated at any given time.

Many lessons have been learned as we have developed our rehabilitation skills. There are several risks involved when rehabilitating existing homes that are not present when building new homes. As a general rule, the older the home the greater the challenge and risk level. Because of this we have focused on maintaining a portfolio of homes that includes more new homes than old to the greatest extent possible. The more challenging projects are very rewarding in terms of community impact and we will continue to take on such units when possible.

The HHDC is always looking for partners that will help us mitigate the risk involved in working with the older housing stock. The primary resource that can help us in this arena is value gap funding. Value gap funding allows the HHDC to take on projects where we anticipate the end value or sale price of the home to be less than the cost to acquire and rehabilitate the home. Such funds can come from a variety of sources like our traditional funding partners GMHF, MHFA and DEED. Resources from local partners such as cities and counties, can help fill funding gaps, and are often essential to leverage other resources.



Before photo of the bathroom in our Baudette purchase rehabilitation home



After photo of the bathroom in our Baudette purchase rehabilitation home

Hubbard County Benefits from Small Cities Development Program

Last year the City of Park Rapids was awarded \$700,000 in Small Cities Development Program funds from the Department of Employment and Economic Development to support downtown commercial rehabilitation/storefront renovation; rehabilitation of downtown rental housing, and owner occupied housing rehabilitation in Akeley, Park Rapids and rural Hubbard County. The City contracted with the HRDC to administer the program and this year we have begun the implementation phase of our rehabilitation activities. Several downtown commercial and owner occupied single family housing projects have been completed this year. The current program will end in September of 2012 with a projected total of 8 commercial, 18 owner occupied, and 3 downtown rental projects receiving funding. There is substantial interest within the community to explore the option of a second phase for this program.

Some of the major improvements made under this program can be enjoyed by everyone as they visit downtown Park Rapids. For example, substantial improvements were completed this year at the Park Theater. Additionally, there was also the creation of a new business, Smoky Hills Art: Natures Creations, which utilized SCDP funds to complete a major renovation needed in order to open their new store.

The transformations that took place at the theater are nothing short of amazing. Formerly a two screen venue, the theater has been re-designed into a modern three screen multiplex that features a main screen with 3D capabilities and state of the art sound. From the exterior the building maintains its downtown appeal with the largely original facade that has been recently re-conditioned. Although SCDP funds did not directly pay for many of the remodeling improvements (as they were not eligible) the funds did provide substantial leverage to the project and allowed the owners to expand their vision. Some of the improvements made with SCDP funds include a completely new heating system that is extremely energy efficient, and code improvements to the electrical service for the building.

The Smoky Hills project was equally notable in scope and had a profound impact on the downtown street scene. The rehabilitation project took a dilapidated eyesore that was worth condemning and turned it into what is essentially a brand new attractive retail space that will benefit the community for years to come. Highlights of the SCDP improvements include; the installation of a high efficiency heating system, and a completely re-designed storefront. Once again SCDP funds provided the necessary resources to expand the scope of the project and pull off something that would have been impossible without the Park Rapids grant.



Before photo of Smoky Hills Art: Natures Creations



After photo of Smoky Hills Art: Natures Creations

It is impressive to see the impact that these funds can have on a community and it is rewarding to help entrepreneurial business owners expand their dreams and invest in the future of downtown Park Rapids. Our commercial rehabilitation took place during a time when Main Street was undergoing major reconstruction. Both initiatives have complimented one another and the finished product is remarkable. Interest in the program is strong and the HRDC will be able to commit all commercial funds during the next year to projects already in the pipeline.

Substantial progress was also made in the implementation of owner occupied homeowner rehabilitation. Several projects across Hubbard County have been started and one home has been entirely completed. The program will pick up steam in the coming year with the majority of all projects being completed in the summer and fall of 2011. There are currently more applicants for this program than there are resources.

Owner occupied rehabilitation will have a profound impact for the families who are served. In many cases improvements to energy efficiency will make the homes more affordable to operate and relieve a portion of the stress that comes with winter heating bills. For others the program will make possible emergency repairs that would not take place otherwise. Finally, improvements made to correct health and safety deficiencies can impact the overall livability of the units. For example, we can reduce such things as health problems that can be linked to poor indoor air quality and remove any lead hazards that may exist in the home. These improvements clearly benefit households and improve the overall community.

White Earth Prepares All-Hazard Mitigation Plan



After successful completion of Hubbard County's Hazard Mitigation Plan in late fall of 2010, HRDC staff started working on developing a Hazard Mitigation Plan for the White Earth Reservation. Edward Snetsinger, White Earth's Emergency Manager, and members of the Tribal Emergency Response Committee (TERC) assembled a small planning team, which started meeting regularly to

discuss hazards that could affect the Tribe. Participants from Law Enforcement, Home Health, Food Distribution, Transportation, Tribal Housing, Zoning, and Tribal Forestry participated in discussions to identify strategies to help make White Earth more disaster resistant. The plan has prompted the Tribe to pursue enrollment in the National Flood Insurance program, which will enable each resident on the reservation to be able to purchase flood insurance at a discounted price. Furthermore, the tribe will be eligible to access FEMA Pre-Disaster Mitigation grant dollars to implement mitigation projects in the future. The Tribal College also played a vital role in developing some of their own mitigation actions as it relates to severe weather safety and preparedness. The plan is in its final stages and will be sent off to FEMA for review within the next few months.



Edward Snetsinger
– White Earth
Emergency Manager &
Mareike Stoutenburgh
– HRDC staff

White Earth Land Use Plan Focuses on Wise Stewardship of Natural Resources

Since mid 2010 the White Earth Tribal Nation has been working on developing a Land Use Plan. The wise stewardship of its resources has always been a high priority, and the Tribal Council determined that a better job of managing those resources could be achieved if careful thought was given to tribal conservation goals, and future development needs. While the tribe owns a total of 76,955 acres within reservation boundaries, with the rest privately held or in county, state, and federal ownership, it feels a deep responsibility and commitment for the wise stewardship of all of the lands throughout the reservation.

With funding provided by the Northwest Minnesota Foundation, a partnership was formed between the Headwaters Regional Development Commission and a small group of



Brand new Rice Lake housing development consisting of 10 single family homes.

committed individuals from various tribal departments to develop the plan. In a combined effort the land office staff Doug McArthur, and Lorena Voigt, Transportation Planner Dawn Sherk, Zoning Office staff Katherine Warren, and Environmental Service staff Monica Hedstrom took several steps to prioritize tribal land resources. Extensive amounts of data were collected and mapped to help to classify the land into three categories. The first category included all natural and cultural resources which need to be protected from development, the second included lands not suitable for development due to physical limitations, and the third category included land suitable for future residential and commercial development. The process also highlighted areas in which tribal land resources are limited and separate strategies were formulated to address land availability in those areas.

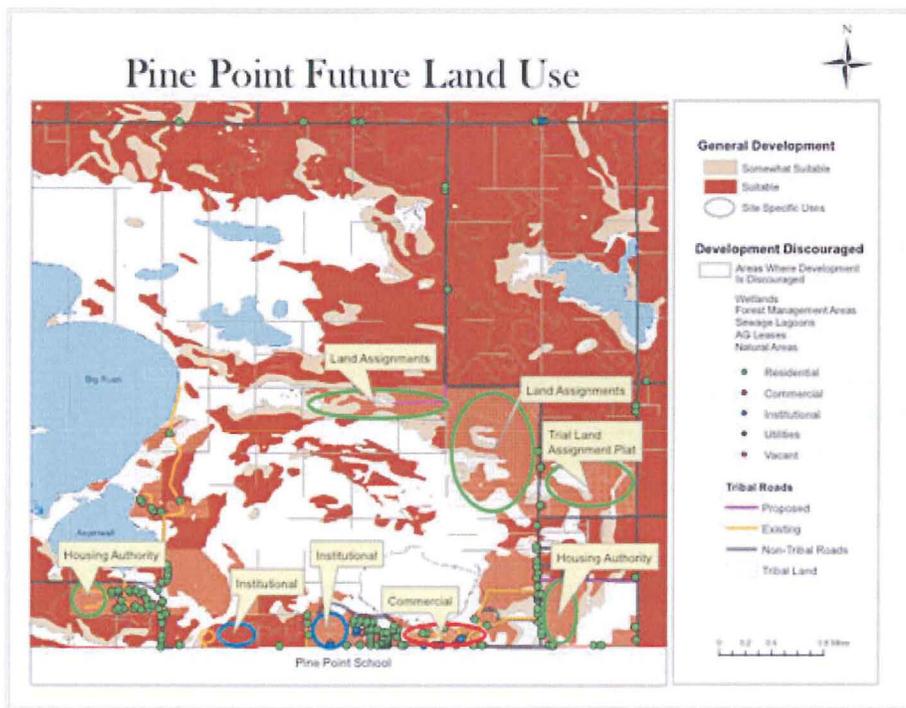
The groups desire to not only address the need for new housing development sites, but also to protect the natural and cultural resources tribal members value most, has lead to an excellent outcome of several strategies that will fundamentally change how the tribe will approach land development in the future. It is the goal of the planning team that each tribal department will internalize



***(Pictured left-right)
Edward Snetsinger -
Emergency Manager,
Monica Hedstrom
- Environmental
Manager, and Will
Bement - Water
Quality Manager***

the value of adopting a new land approval process that will ensure development patterns remain consistent with tribal conservation and preservation goals.

The Land Use Plan will not only be a tool to guide wise development on tribally owned lands but it will also be the fundamental tool to help influence land use decisions at the County level whenever important natural resources are affected. A “meet and greet” session between the Becker County Planning Commission and the White Earth Land Office has been arranged. The meeting intended to be the beginning of a relationship between the two entities that will help foster alignment of future land use policies and goals.



Pine Point Future Land Use Map: The map highlights areas with suitable conditions for housing developments, land assignments and commercial/institutional structures.

Revisiting Regional Transit Coordination

TransitMn/DOT’s Office of Transit and the Minnesota Department of Human Services are working with Regional Development Commissions across the state to update the 2006 Local Human Service Transit Coordination Plan. The goal is to identify the transportation needs of individuals



Regional Committee discussing transit needs and solutions.

with disabilities, older adults, and people with low income, and set transportation services funding priorities in the Headwaters Region. These plans are required by the Federal Transit Administration (FTA) and are necessary before any organization within the region can apply to receive funding from the New Freedom Initiative, Job Access and Reverse Commute (JARC), and Elderly and Disabled Transportation (5310).

Coordination planning acknowledges that resources are limited. We are in an environment of decreased funding for public transit and human service, and finding ways to increase the efficiency of resources and services in our region is important to having a successful and thriving transportation network.

One of the plans' major elements is identifying passengers' needs through a needs assessment. This needs assessment includes:

- Mapping transit dependent populations, key destinations, and transit coverage in the region.

- Conducting an inventory of all transportation providers in the region, including public, private, and non-profit.

- Review of strategies and projects in the 2006 plans and assessing coordination outcomes since that time.

In 2006, the planning process emphasized strategies. This year we will continue to identify strategies for transit coordination, but will spend more time identifying specific projects to improve coordination in our region.

These plans are guided through a public process, with a breadth of stakeholders involved in the planning process. A steering committee representing public, private, and non-profit providers and agencies was developed and has since met to evaluate the 2006 strategies and review the requirements for the 2011 plans. Further public involvement has been reached through a day long workshop. The workshop was organized to provide individuals with a background on coordination transit planning, review needs and existing services in our region discuss strengths and weakness of transit coordination in our region and brainstorm project ideas for 2011. A variety of representatives from Area Agencies on Aging, human service organizations and public transportation providers attended the workshop and were excited to represent their organizations and begin brainstorming potential coordination solutions together. Project ideas developed at this workshop will be brought back to the steering committee for final review and approval for the 2011 plan.

The Headwaters RDC will ultimately adopt this plan in fall, 2011.

Financial Coaching & Education in the Headwaters Region

This year the Headwaters RDC continued to offer Home buyer education throughout the Headwaters Region. Home buyer education (Home Stretch) is offered in a class room setting over a period of eight hours. This year, we offered monthly classes in Bemidji, six classes in Park Rapids, and a class through Community Education in Mahanomen. We are also trying to offer Home Stretch in Clearwater and Lake of the Woods Counties through Community Education.

This year 53 households completed Home Stretch. While this is well below our annual goal of 100 households, we have put a great deal of effort into revamping the program and branding ourselves throughout the Region. We expect to see the results of this work pay off over the next several months.

One of the new services that the HRDC began to offer this year is financial coaching. This service is offered primarily to people looking to purchase a home. In a financial coaching session an advisor meets with a household and reviews their income and expenses, their credit history, their mortgage affordability and their mortgage readiness. At that point the household has a much clearer picture for what their next steps should be in order to purchase a home.

One of the new services that the HRDC began to offer this year is financial coaching.

Financial coaching is offered as a free service to households. Households can choose to access a tri-merged credit report with their credit scores during their session. This year 28 households completed pre-purchase coaching. In addition, 8 households completed post-purchase coaching.

We are working diligently to make sure that the entire Headwaters Region is aware of the financial and home buyer services that are available. We have recently developed new marketing materials and will be reaching out to potential partners throughout our Region. We are committed to creating successful homeowners throughout the Headwaters Region and believe that our financial coaching and Home Stretch programs are perfect tools to do just that!

Region-Wide Active Living Efforts

The incorporation of "Active Living" as a core area of the Headwaters Regional Development Commission has been a gift that keeps on giving for our communities. Last year we shared individual successes and introduced a new project that was billed as an experiment at "Regional Active Living planning." This experiment has proven successful. We have felt a tremendous amount of

support across the whole region. There is an eagerness to continue to explore new opportunities to improve the health and wellness of the Region.

The buzz of Active Living can be heard around the region as all of our counties are pursuing Active Living projects! Each of our County Seats (Bagley, Baudette, Bemidji, Mahnomen, and Park Rapids) and each of our County Boards (with the exception of Mahnomen County at this point) have unanimously adopted Active Living Resolutions. Similar to Bemidji, these resolutions are not intended to be a restrictive mandate, but are intended to provide these communities with the opportunity to partner and creatively think about non-motorized transportation as opportunities present themselves.

The Resolutions are not silver bullets for Active Living. Rather, they are intended to provide a foundation to be intentional about taking advantage of opportunities as they arise. The following is a quick look at how each of our Counties have started to tinker with the concept of building communities that are bikable, walkable, and accessible for all people, regardless of age or ability.

Clearwater County

Clearwater County has a long term vision for creating connections between the different cities and nearby recreation and open space. In the short term, the local Active Living team is working on making downtown Bagley and the surrounding area more bikable and walkable. This includes purchasing bicycle racks, developing a plan to stripe and sign bicycle routes, and working with Mn/DOT to consider safe crossings of Highways 2 and 92.

Hubbard County

Hubbard County has been successful at improving the physical environment. When 6th Street was re-constructed last year, the Park Rapids City Council made sure the project included sidewalks and paved parking at Lindquist Park. A sidewalk was also constructed in Lindquist Park to provide access to residents of Heritage Living Center that need the assistance of wheelchairs.

One of the things that we noticed in Hubbard County over the past year is that there is an incredible amount of energy around all things related to health and wellness. Staff will be working with partners to generate a project called "Active Hubbard County," which will be an aggressive and comprehensive Active Living project that will focus on implementing the Headwaters Active Living Toolkit.

Lake of the Woods County

A partnership between the City of Baudette and Lake of the Woods County has been established to pursue an extensive community-wide strategic trails plan for the Baudette Area. The plan will identify key destinations and routes throughout the community and identify

The buzz of Active Living can be heard around the region as all of our counties are pursuing Active Living projects!

a range of improvements that can make physical activity and non-motorized transportation the safe, easy, and convenient option. A steering committee composed of various community leaders has been developed and have met to evaluate the current conditions, identify key destinations and routes in the community and discuss potential improvements to increase the accessibility and convenience of walking and biking in the community.

Mahnomen County

A Comprehensive Plan for the City of Mahnomen was completed by the HRDC in April, 2009. One of the priorities identified in that plan was the need to identify a strategic direction for parks and trails. As a result, the HRDC is working with the City of Mahnomen to develop a Strategic Park and Trails Plan.

Conifer Estates Breaks Ground!

After a complicated process of assembling several financing sources and meeting myriad due diligence requirements, construction of Conifer Estates, a twenty unit supportive and transitional housing project in Bemidji, will begin in 2011. Closing on financing took place on May 31, and on-site construction began on June 6. The HHDC is developing the affordable housing project which will be owned by the Beltrami County Housing and Redevelopment Authority (HRA).



The City of Bemidji provided grant and loan funds to support construction of Conifer Avenue, a street that was required in order to provide access to the building site. The City also received grant funds from the Minnesota Department of Employment and Economic Development (DEED) to help make the infrastructure development financially feasible. Construction of the municipal infrastructure in the right-of-way began last fall and will continue along with the construction of the housing facility.

In addition to the HHDC, Beltrami County HRA and the City of Bemidji, partners on this project include the Red Lake HRA, Leech



Warren Hanson, Greater Minnesota Housing Fund President addresses attendees at the Northwest Minnesota Regional Housing Dialogue, stressing the importance of partnerships in meeting local housing needs. The HHDC's Conifer Estates Project received a Northwest Minnesota Community Impact Award from GMHF, MHFA and USDA Rural Development for forging a strong collaboration to meet the needs of homeless families.

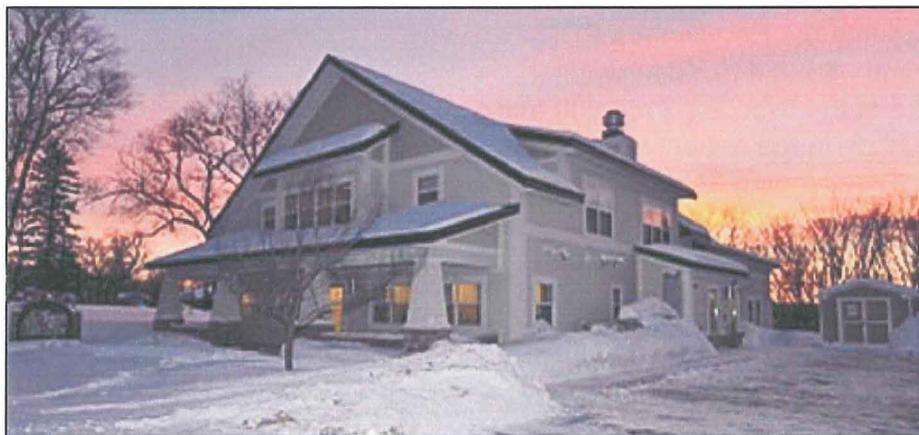
Lake HRA, Bi-County CAP, and DW Jones. Funding was originally provided by Minnesota Housing, Greater Minnesota Housing Fund and the Minnesota Department of Human Services. The enhanced funding package includes \$500,000 secured from the Federal Home Loan Bank of Des Moines by First National Bank of Bemidji and \$350,000 from the DEED Small Cities Development Program. Architectural and Engineering services are being provided by Widseth Smith Nolting, and Kraus Anderson is the general contractor.

By the spring of 2012, very low-income homeless families and individuals will be able to seek occupancy at a high quality facility, and take advantage of services designed to help stabilize their housing.

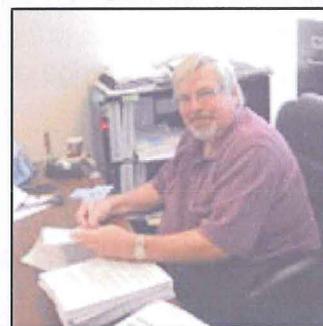
Beltrami County HRA Activities

The Beltrami County HRA has continued to play a critical role in supporting development of Conifer Estates, a 20-unit supportive housing project that will be located adjacent to Conifer Avenue, a new street the organization is helping to finance in order to support housing for homeless families. Through a challenging underwriting process the HRA has remained steadfast in its support for this important community project.

The HRA also supported Ours to Serve House of Hospitality develop a new 8-bed homeless shelter in Bemidji by agreeing to be the public owner, one of the requirement of the bond financing obtained for the project.



Ownership of the Village of Hope and Conifer Estates represent a significant commitment by the HRA to homeless families in the region.



“We’ve focused our efforts over the past few years on emergency, transitional and permanent housing for homeless families. Looking forward we intend to continue those efforts while also pursuing additional opportunities to provide housing for a broad range of households in Beltrami County.”

***- Rich Jaranson, Chairman,
Beltrami County HRA***

A new down payment assistance program was launched by the HRA this past year. The program will provide assistance to households throughout Beltrami County. A specific set-aside of funds have been allocated to the northeast part of the County in order to ensure opportunity to households interested in purchasing homes in the Blackduck- Kelliher- Waskish area.

The HRA has also taken some steps looking forward to future affordable housing development activities. The HRA sold an option on five acres directly north of the Conifer Estates project to a private developer interested in building a thirty unit affordable rental housing development financed in part with an allocation of federal low income housing tax credits. If tax credits are awarded construction could begin as early as 2012. The HRA also purchased additional property in order to support construction of more affordable housing units. A nearly forty acre parcel just east of the Conifer Estates development site was purchased with an eye on affordable housing development opportunities over the next several years. According to Rich Jaranson, HRA Board Chairman, "We've focused our efforts over the past few years on emergency, transitional and permanent housing for homeless families. Looking forward we intend to continue those efforts while also pursuing additional opportunities to provide housing for a broad range of households in Beltrami County."

Minnesota Cities Participation Program

The MCPP program makes affordable mortgage financing available for first time home buyers throughout the region. HRDC staff has helped local governments access this financing tool for the past twenty years.

In 2011, the MCPP allocated each county the Headwaters RDC serves the following amounts: Beltrami - \$698,419, Clearwater - \$130,156, Hubbard - \$296,503, Lake of the Woods - \$100,000 and Mahnomon \$100,000. In general, usage in the region was lower last year than usual, likely due to the challenging economic climate. Current usage of the MCPP resources can be found [here](#).

Last year, and again this year, Minnesota is not issuing mortgage revenue bonds, but has opted to use federal resources to support the program. It is expected the program will continue to be popular among the region's counties and that usage will be greater than last year.

Due to a strong network of local lenders, counties in the Headwaters Region have made good use of the program over the years.

Hubbard County HRA activities

Hubbard County HRA continues to meet the housing needs of low and moderate income households in the County. The HRA focuses on housing rehabilitation, offering several programs to help households finance improvements to their homes. The HRA also provides affordable rental housing by renting supportive and transitional housing to very low income individuals and families. In addition, the HRA promotes affordable home ownership opportunities through building new housing, administering down payment assistance, and providing home ownership education. HRDC has provided staff assistance to the Hubbard County HRA since April, 2009.

Bemidji Downtown Revitalization - Phase II

HRDC helped the City of Bemidji access Small Cities Development Program funding from the Department of Employment and Economic Development (DEED) to support commercial rehabilitation/storefront renovation of 14 buildings downtown. With seventeen buildings improved in the first phase of the program, more than thirty commercial buildings will be renovated through this effort.

In May of this year the City requested approval from DEED to expand the target area for the use of funds, and that request was approved. The following map shows the expanded target area for the commercial rehabilitation activity.



The 2010 DEED grant award also included funding to Bemidji for construction of a portion of a city street and related infrastructure needed to support construction of the supportive housing project (Conifer Estates).



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Program Areas : Talent & Prosperity

Talent & Prosperity

Impact 2020 Acts as Catalyst for School/Community Education Pilot Projects

Impact 2020 is a 12 county regional leadership initiative championed by the Northwest Minnesota Foundation (NMF). Its purpose is to challenge local leaders to align resources behind a unified strategy to help bring about long-term prosperity in Northwest Minnesota.

As a result of this effort three major strategic goals were identified. One of these addressed the need to increase the amount of talent in the area. The goal included increasing the 4 year on time high school graduation rate, and increasing the number of post-secondary education graduates.

The Headwaters RDC, working with NMF, has generated pilot efforts in the school/communities of Bemidji, Park Rapids, Win-E-Mac, Thief River Falls and Naytahwaush/Mahnomen. While in various stages of development, each effort is crafted to address the unique circumstances and take advantage of the special strengths in each community. The article written below provides more detail for the first pilot project in Bemidji. For more information, contact Dave Hengel, Headwaters RDC.

Bemidji Leads' Students First Initiative becomes a Reality

Under the HRDC's leadership, Bemidji Leads! has focused its efforts on in three key areas...growing, attracting and retaining talent, supporting entrepreneurs and innovators, and growing leaders. The signature program within the talent focus, the Students First Initiative, is about to kick off.

A Students First Initiative is a two-fold commitment by the Bemidji community to its students:

1. Every student will have the opportunity to discover its strengths and lay out a personal success plan; and
2. Every student will have an opportunity to have a caring, adult success coach in their life.

Bemidji Leads! turned to the Beltrami Area Service Collaborative to lead the research and design of the program. An operations plan has been developed, and strong financial commitments have been made by the Blandin Foundation, Neilson Foundation, Bemidji schools, Beltrami County and the Northwest Minnesota Foundation. It is the expectation of both BASC and Bemidji Leads! that the initiative will begin this school year.

Why is this project important to Bemidji Leads! and the Bemidji community? The ability of communities to grow talent and retain them will be a key driver for future economic development success. The hope is that the Student First Initiative will...

1. Increase the number of students going on to post-secondary education
2. Increase student connections to community life
3. Retaining talent in Bemidji
4. Increase high school graduation rates
5. Increase students' awareness of their individual strengths, goal-setting, career options, post-secondary planning and options

Bemidji Leads! was the first of the HRDC's stewardship communities, and provided a model from which the Center for Community Stewardship was based. Bemidji Leads! has won the National Excellence Award from the U.S. Chamber of Commerce and Alliance for Regional Stewardship and also the Innovation Award from the National Association of Development Organizations. Bemidji Leads! For more information, go to www.bemidjileads.com.

HRFC – The commercial lending market is showing signs of optimism

Headwaters Regional Finance Corporation houses an EDA-funded business revolving loan fund with assets of \$3.7 million. The portfolio is currently made up of 23 EDA loans and 2 remaining Flood loans which combine total \$2.1 million in outstanding principal balances. The HRFC continues to provide essential gap financing in partnership with local banks, municipal RLFs, and other gap lenders. Leveraging the resources in the region, the HRFC has successfully aided in creating and retaining 664 jobs among the

existing businesses in the portfolio and 3760 jobs through the fund's 31 year history.

During the previous two fiscal years the RLF's new loan volume was directly impacted by the economic recession as commercial activity came to a virtual standstill. Fortunately, we began to witness signs of recovery as loan requests started coming in by fall of 2010. Thus far, in fiscal year 2011 the HRFC has funded 5 new loans totaling \$596,400. Four loans were for business relocations/expansions, and one was a new start-up. Much of the loan activity is coming from the Bemidji area as it leads the way out of the economic slump.

As we enter this new fiscal year, the HRFC will continue its work to assist small businesses with their financing needs in light of the regional focus on entrepreneurship and innovation. We look forward to identifying ways to improve or enhance the HRFC's leverage tools.

New Borrowers:

- Larson Parts & Repair, Inc.
Bejou, Mahnomen County \$300,000

- Occupational Development Center, Inc.
Bemidji, Beltrami County 100,000

- Brian & Tina Larson dba Amity Graphics
Bemidji, Beltrami County 34,000

- Harmony Cooperative Grocery, Inc.
Bemidji, Beltrami County 97,500

- J&J Properties, LLC (LaValley Industries)
Bemidji, Beltrami County 64,900

Leveraging the resources in the region, the HRFC has successfully aided in creating and retaining 664 jobs among the existing businesses in the portfolio and 3760 jobs through the fund's 31 year history.



Highlighted Borrower - Harmony Cooperative Grocery, Inc.

Since 1977 Harmony Foods has had a presence in downtown Bemidji providing the community with healthful, organic, and locally-grown foods and personal products. Having a pulse on the national trends toward healthier foods, their board of directors commissioned a feasibility study to determine the market for a full-scale natural foods grocery in the Bemidji area. The research supported this intent. The members of the cooperative gave their blessing through generous financial support. They saw value in maintaining presence downtown and purchased the old TruStar Credit Union building tripling their square footage of retail space. In addition, this building provides for ample storage, an enhanced deli with outdoor seating, a synergy with leasee KAXE radio station, and a possibility of a kitchen incubator for local growers. Harmony is working closely with the local growers associations to form partnerships that will expand the local foods network. This expansion will also provide residents of the area a downtown full-service grocery, which has been lacking for many years. This expansion project of nearly \$2 million was financed with the assistance of Security Bank USA, the HRF's RLF and the City of Bemidji's RLF.



Greg Gasman, General Manager of Harmony Foods Coop

Bemidji's Village at South Shore a Developer's Dream

In October, 2011 the Sanford Center opened its doors, and took the Bemidji area to a new level as a regional center. A \$50 million investment by the community, the center will draw 150,000 people annually to conferences, concerts, sporting events, and other activities, and will serve as an anchor to an already impressive quality of life in the community. In addition, the center will provide new and exciting opportunities to drive the regional economy. The Village at South Shore on Lake Bemidji is one of those opportunities.

The City of Bemidji has purchased and prepared the 141 acre site of the Sanford Center for development. The goal for the site, called the Village at South Shore, is to be a premier northern Minnesota destination that features a socially and economically vibrant district within a park-like setting. The Village will be a rich and exciting district with activities for community members, regional neighbors and visitors. It is where people can live, build a future, enjoy nature's beauty and experience Bemidji's community.

Opportunity

The Village at South Shore is a once-in-a-generation opportunity. Rarely will you find on one site, the unique characteristics of the south shore:

- Over 5,000 front feet of public lakeshore on northern Minnesota's finest urban lake
- Within walking distance to downtown Bemidji, shopping, dining, community parks, and community events
- A walking/biking trail that connects the site to downtown, Lake Bemidji State Park and Bemidji State University
- A new public park with a swimming beach, boat docking, and other park amenities
- Shovel-ready sites, with all public infrastructure in place
- An anchor facility, the Sanford Center, that draws over 150,000 visitors a year

The community knows the Village at South Shore will drive our region's future, and is eager to work in public-private partnerships to realize our vision. The city has aggressively prepared the site for new developers. Specifically, the city has:

Streamlined Project Approval Process - The City of Bemidji has obtained approval of its masterplanning documents, including Planned Unit Development mixed-use, Development Response Action Plan, and stormwater management and wetland replacement plans. Types and standards for the development have been defined along with a design review committee.

Maximized Value and Flexibility- The City of Bemidji obtained variances to extend the maximum building height to 80 feet in many areas. Utilizing the entire site, the City offset impervious and open space requirements to provide lots for commercial development with up to 85 percent impervious and residential lots at 50 percent impervious surface allowances.

Provided Infrastructure-Ready Sites- Completed infrastructure includes streets and parking lots, domestic water, sanitary sewer, and stormwater systems.

The Village at South Shore truly is a once-in-a-generation opportunity to shape the character of the Bemidji area, and the HRDC is thankful to the City of Bemidji for allowing us to be a part of this exciting effort.

For more information on the Village at South Shore, contact:

***Headwaters Regional
Development
Commission
David Hengel
Director of Leadership
and Development
dhengel@hrdc.org
(218) 333-6533
www.hrdc.org***

***North Central
Russ McGinty
Broker
North Central
Commercial Real Estate
LLC
(612) 619-9611***

HRDC's Role

The City of Bemidji has asked the help of the HRDC in marketing the property. Specifically, the HRDC has:

- Established a partnership with North Central Real Estate, a commercial broker out of the Twin Cities
- Helped the city align their economic development resources to encourage development on the site
- Work with the city to simplify the development process
- Developed a new, information-rich web site (www.southshorebemidji.com)
- Started marketing at the Sanford Center
- Sent out development packages to over 75 developers in the upper midwest
- Hosted key developers in late February during Gopher/Beaver series

The Village at South Shore truly is a once-in-a-generation opportunity to shape the character of the Bemidji area, and the HRDC is thankful to the City of Bemidji for allowing us to be a part of this exciting effort.

For more information on the Village at South Shore, contact

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A New Model for Creating Prosperity in Indian Country

This past year, the HRDC has had the opportunity to work with the Northern Minnesota Tribal Economic Development Commission (NMTEDC) developing a strategic focus and organizational plan. As you may remember, the NMTEDC is comprised of economic development leaders from the Leech Lake, Red Lake and White Earth Reservations with the goal of developing cooperative economic development efforts and other mutually beneficial projects on behalf of the three Tribal Nations.



The planning process focused on identifying opportunities for partnership, reflecting on the mission, vision, core operating values and the organization's approach to its work. The result of the project is a clear action plan to guide the economic development work of the NMTEDC and the partnering reservations.

Part of the funding for this effort was provided by the Northwest Minnesota Foundation.

With a plan in place and solid leadership, the HRDC is excited about the potential of the NMTEDC to help Northern Minnesota's reservations create new economic opportunities.

"The project will help set priorities and coordinate programs and activities to maximize the Reservation's resources."

- Sam Strong, Director of Planning

Red Lake Nation CEDS: Creating strategies to meet economic needs while protecting values

This year, the Headwaters RDC has been actively working with the Red Lake Nation Staff to develop a comprehensive economic development strategy. Under the leadership of these organizations, an Economic Development Taskforce was created by selecting diverse individuals and organizations to help guide the project. The goal of this project is to create a development strategy that will guide the actions of Red Lake's revamped economic development department.



The Red Lake CEDS' has focused on coordinating the efforts of individuals, organizations, tribal government, and private industry concerned with economic development. By providing a forum to identify problems and opportunities within Red Lake Nation's economy, the project will help set priorities and coordinate programs and activities to maximize their resources. The project is intended to

help create jobs, foster more stable and diversified economies, and improve living conditions for the Red Lake Nation.

Part of the funding for this effort was provided by the Northwest Minnesota Foundation.

Park Rapids Community Collaborates with the School to Help Students Unlock Their Full Potential

Individuals with a limited education, increasingly find themselves locked into the low-wage end of the labor market. This creates considerable challenge in our region, as on average we fall behind the rest of the state in educational attainment levels. In selected subpopulations, less than half of students in the region will graduate on time and of those students graduating, about half are going on to enroll in college.

Over the last year, the HRDC and a group of community and school leaders from Park Rapids have worked to develop strategies addressing two goals: increasing the 4 year on time high school graduation rate; and sending more students on to post-secondary education opportunities. The group agreed on two pilot projects that will start next fall. The first initiative will focus on offering Life Skills training to students, while the other will enhance the career exploration activities available for students. The outcome of these pilots will be students who are more likely to graduate on time and more likely to obtain college degrees and other valuable credentials.

Improving Postsecondary Access in Park Rapids

To many it may seem that there are an abundance of post-secondary options available in our region. There are community colleges, technical colleges, and four-year Universities and for a large part of the population these institutions provide a place to gain knowledge and skill. Unfortunately, for many people real or perceived barriers prevent the individuals from the community from accessing these institutions.

Whether its costs, childcare issues, a demanding work schedule, uncertainty about being away from home, etc, many people feel like they don't have access to higher education. Thanks to a committed effort by community leaders, in fall of 2011 Minnesota State Community and Technical College (M-State) will begin offering college courses in Park Rapids. During the past year the Headwaters RDC worked with this group to better understand the areas workforce needs, developing policies and programs, and understanding student barriers.

The Park Rapids community is excited for classes to begin this fall and believes that the M-State's Park Rapids Campus will play a significant role in helping address the ever-increasing need for skilled, educated workers in area.



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Program Areas : Community & Organizational Leadership

Community & Organizational Leadership

Northwest Minnesota Foundation, Headwaters RDC help Communities with Community Funds

We firmly believe that community success is dependent on strong local leadership that can sustain effort behind a unified community strategic agenda. To help further this effort, the Headwaters RDC is working with the Northwest Minnesota Foundation (NMF) to help communities develop that type of local effort.

Phase 1 involves 5 communities outside the Headwaters Region – Crookston, Stephen/Argyle, Fisher, Fertile and Warren. Phase 2 will involve several communities in the Headwaters Region.

The catalyst for this activity was the awarding of a major grant to NMF by the Bremer Foundation to jumpstart community funds in each of these communities. As a local leverage tool for change, NMF wisely decided to help communities “begin with the end in mind” – that is, help them think about the purpose for which these funds are being created.

For more information, contact Dawn Ganje.

“Twenty-five years ago, NMF was established by the McKnight Foundation to empower regional leaders to determine how philanthropic resources are invested in Northwest Minnesota,” says Nancy Vyskocil, NMF President. “Our partnership with HRDC has taken this philosophy a step further by empowering community leaders to guide the investment decisions of local community funds. Together with the RDC, we are giving communities the tools needed to design and achieve their futures.”

Park Rapids Government Focuses on Outcomes

What does a local government do when tight resources become a fact of life? Answer: focus on results that really matter to citizen customers.

The Park Rapids Council, with help from Headwaters RDC staff, is in the middle of a process often referred to as Strategy Aligned Management (SAM). This is an effort focused on defining outcomes desired from a citizen perspective, creating measures that help guide implementation and, and strategies that align resources. While SAM does not eliminated tough resource allocation decisions, it does help

to highlight choices and use available funding and staff resources effectively.

For more information on the Park Rapids effort, contact Bill Smith, City Administrator.

Lake of the Woods County and Red Lake Tribal Council Meet to Resolve Road Issue

The Northwest Angle is an interesting part of the Headwaters Region. It is separated from the rest of the Region by Lake of the Woods, and has a checkerboard ownership pattern that includes private, state, federal and Tribal land. The Angle is bisected by a County State Aid road.

Lake of the Woods County and the Red Lake Nation have asked the Headwaters RDC to help facilitate a process that would result in conveyance of state land to Tribal ownership and a formalized easement for road and infrastructure use. The catalyst for this effort was the need to resolve a road and utility trespass that has existed for years. The State and Federal Government have also indicated a willingness to be partners in a solution. It is anticipated that the successful resolution of this issue could lead to joint work on other issues facing the State, County, and Tribe.

Progress Park Rapids Helps Community Get Traction on Priorities

This group of local leaders continually remind us that *“the best way to predict the future is to create it.”* Over the last 2 years they identified, and affirmed, 7 major goals to help create a better future for the community. Following are these goals, and the impressive progress made to date:

- **Increase local student achievement levels through school/ community collaboration.** The school and community have put together an impressive pilot project to help students that are struggling to stay on track to graduate on time. For more information on this, contact Superintendent Glenn Chiodo.
- **Create local access to post-secondary education opportunity.** Minnesota State Community and Technical College will be offering classes in Park Rapids as of Fall, 2011. A major community effort is underway to increase demand for

This group of local leaders continually remind us that “the best way to predict the future is to create it.”

class offerings. For more information, contact David Collins, local Economic Development Director.

- **Implement a major arts/culture initiative that makes Park Rapids the “arts capital” of rural Minnesota.** Park Rapids has a vibrant arts community, and an active arts council. For information on all that is happening, contact Paul Dove, local arts leader.
- **Develop a major community center.** The City of Park Rapids is working with a local developer to rehabilitate the old Armory. This ambitious effort will be completed in several phases, and will require an ongoing public-private partnership. For more information, contact Bill Smith, City Administrator.
- **Seek to become the best wired community in Minnesota.** Local strategy is now being developed. Contact David Collins for more information.
- **Implement a downtown revitalization initiative.** Phase 2 is scheduled for summer, 2011. A broad coalition of supporters made this project possible. For more information, contact Ellis Jones.
- **Implement a parks plan.** Improvements are scheduled for 2 parks over the next 12 months.

Clearly, the Park Rapids’ community is convinced its best days are ahead of it.

Center for Community Stewardship Keeps Building a Movement, One Community at a Time

Three years ago, the HRDC started the Center for Community Stewardship with the dream of creating a new leadership movement in our communities... one which grows, empowers and engages leaders to act as stewards of our communities. The dream is alive today, and is taking life throughout the state, one community at a time.

Want to know more about our stewardship communities?

The latest communities to join the stewardship movement are Marshall, MN and Hermantown, MN.



My Marshall—

In 2009, a group of leaders from the Marshall community attended Leadership Training offered by the Blandin Foundation. The training offered an opportunity for community members to learn about themselves and their leadership skills. In addition, as a group the Marshall attendees developed a strong team, committed to making a difference in their home community.

The greatest challenge facing the Blandin Leadership alumni and the Marshall community was getting traction on key projects and opportunities. As a community, they needed to agree on one strategic direction, and develop a means to work together.

The Blandin leaders were uniquely positioned to help the community create alignment. The alumni are a diverse cross-section of the community, and have the networks necessary to effectively garner the involvement of key leaders and the broader community.

For the past year, the Marshall leaders, under the leadership of the CCS, issued a call to action to the community to create collective, sustained, strategic civic effort. They challenged community leaders to come together as stewards of the community. The ultimate goal was to challenge the community to align behind one destiny, and define a series of destiny drivers to help the community move forward.

What is Marshall's desired future? After a year of work, the community has agreed that "with its abundant economic opportunities, unmatched quality of life, vibrant ethnic and cultural diversity and passionate civic leadership and engagement, the Marshall area is the biggest small town in the upper Midwest." To get there, the community will be focusing on efforts to create a prosperous economy, build a livable community and encourage social inclusion.

At the CCS, we believe when you combine GREAT LEADERS with COMMUNITY STRATEGIC ALIGNMENT you get remarkable results. Keep an eye on Marshall in the coming years....they have leadership in abundance.

Advance Hermantown—

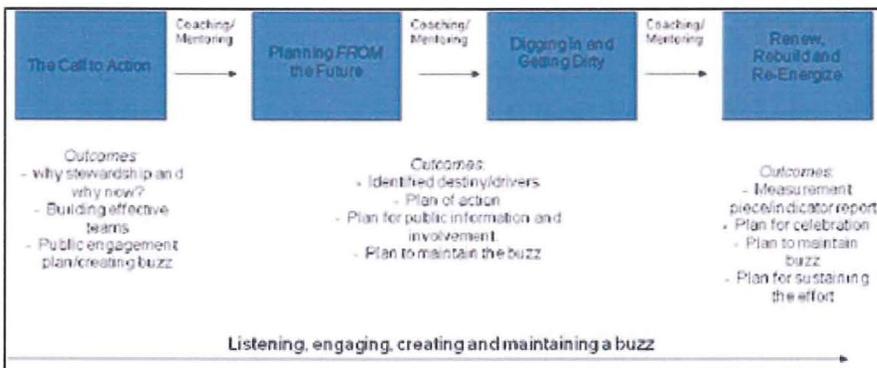
As was the case with Marshall, MN, the community of Hermantown had a group of community leaders go through the Blandin Community Leadership Training. Inspired to make a difference in their community, the Blandin alumni and other key leaders in the community issued an invitation to all community members to help make Hermantown the "community of choice" in the region. That invitation was the beginning of Advance Hermantown.

Advance Hermantown is just beginning, kicking off in May, 2011. Over the next year, with the help of the Center for Community Stewardship, stewards will work to define a common future, and agreed upon strategies that will guide the Hermantown community over the next decade. Specifically, Advance Hermantown will be:

Over the next year, with the help of the Center for Community Stewardship, stewards will work to define a common future, and agreed upon strategies that will guide the Hermantown community over the next decade.

1. Creating a leadership/stewardship team will be formed to help the community effectively address the opportunities and challenges it faces in the coming years, as well as engage and support a broad cross-section of community leaders;
2. Help the community will collectively identify a desired future (destiny);
3. Define strategies (destiny drivers) will be identified that will serve as a road map or community agenda for reaching our destiny; and
4. Create alignment behind the destiny drivers with key leaders and organizations, and begin acting on the priority drivers.

The following process has been developed by the CCS and will serve as a guide for the work of the steward's team:



A key to the effectiveness of the process will be the ability of the team to seek and receive broad-based community support and involvement. The stewards are genuinely open to community input and will utilize traditional and non-traditional ways of listening to the community.

More details will be emerging as Hermantown sets its course for the coming years. Hermantown has the ingredients to be successful.... it's the CCS's role to help the community create the recipe.



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Governing the HRDC : Commission & Committees

Commission & Committees

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 Wallace Eid – Mahnommen County
 Joann Frederickson – Higher Education
 Gary Gauldin – School Districts
 Dan Godin – Clearwater County Small Cities
 Kathy Grell – Business
 Tom Hanson – Lake of the Woods County
 Dave Jaeger – Mahnommen County Small Cities
 Cal Johannsen – Hubbard County
 Dean Johnson - White Earth Reservation
 Ron Johnson – City of Bemidji
 Daryl Lundberg – Beltrami County Small Cities

Michael Meuers - Red Lake Reservation
 Kenneth Moorman – Lake of the Woods County
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 John Nelson – Clearwater County
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Governing the HRDC : Staff

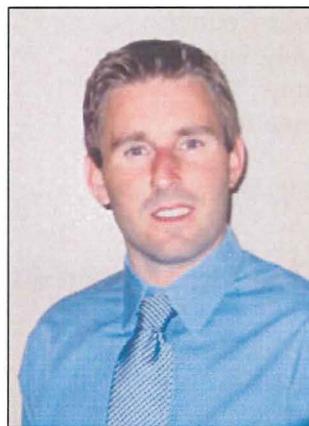
Our Staff Team

The HRDC staff team consists of fourteen professionals with extensive experience in a wide variety of planning and development areas, including economic development, community development, housing, transportation, land use planning, recreation, natural resources, environmental protection, and business financing. Staff work on dozens of projects each year to help communities, cities, counties, school districts, townships, businesses and other customers address their most critical issues. Present staff of the HRDC include:



Emily Brooks
Development Specialist
ebrooks@hrdc.org

Emily joined the HRDC as an intern in 2009 and moved to a temporary, full-time position in January 2010. Emily provides a variety of development assistance, focusing mainly on transportation planning and active living.



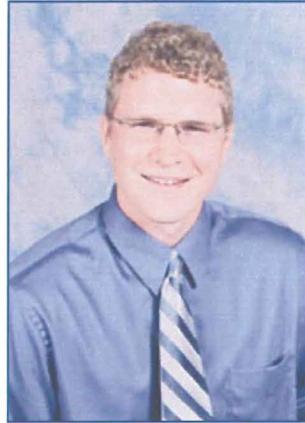
Aaron Chirpich
Development Specialist
achirpich@hrdc.org

Aaron joined the HRDC staff in March 2007. Aaron provides a variety of development assistance, focusing mainly on housing. Aaron manages the Headwaters Housing Development Corporation (HHDC) and its activities.



Nikki Clancy
Administrative Support Specialist
nclancy@hrdc.org

Nikki joined the HRDC in May 2010 as a full-time permanent position. Nikki conducts bookkeeping services for the organization. She also provides receptionist and secretarial work.



Matthew Dyr Dahl
Development Specialist
mdyr Dahl@hrdc.org

Matthew joined the HRDC staff in May 2007. Matthew provides various developmental assistance, focusing most of his attention on local planning, community development and transportation planning.



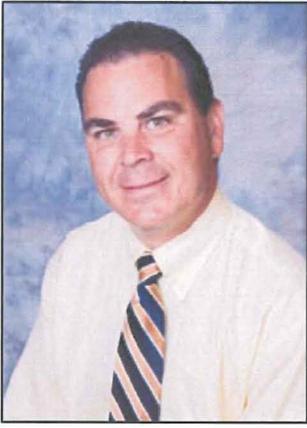
Tiffany Fettig
Business Loan Consultant
tfettig@hrdc.org

Tiffany joined the HRDC as a consultant in early 2006. Tiffany manages the Headwaters Regional Finance Corporation (HRFC) and its Revolving Loan Fund.



Tim Flathers
Community Development Director
tflathers@hrdc.org

Tim has been with the HRDC since 1983. Tim provides local planning and housing assistance, grant writing, grant administration and other community development assistance.



David Hengel
**Director of Community Stewardship
Development**
dhengel@hrdc.org

Dave has been with the HRDC since 1988. Dave focuses on economic development activities and is the Director of the HRDC's Center for Community Stewardship.



Patrick Lekatz
Intern
plekatz@hrdc.org

Pat began working for the HRDC as an intern in May. Pat has provided assistance with the Village at the South Shore, Red Lake Nation CEDS, and Beltrami and White Earth Hazard Mitigation. Pat is also a member of the Talent and Prosperity Team, where he researches strategies to drive innovation and entrepreneurship in our region.



Jackie Meixner
Administrative Support Specialist
jmeixner@hrdc.org

Jackie has been with the HRDC since early 2006. Jackie packages loan financing for our home sales as well as markets and processes a number of additional loan pools we have available. Jackie also manages our external contracts and provides financial counseling to individuals throughout our Region.



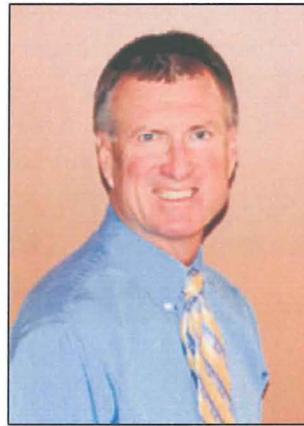
Mareike Stoutenburgh
Development Specialist
mstoutenburgh@hrdc.org

Mareike joined the HRDC in 2009. She spends her time marketing the HHDC homes as well as maintaining the geographic information system (GIS). She is also involved in a broad range of community development activities.



Mary Thompson
Accounting & Administrative Director
mthompson@hrdc.org

Mary has been with the HRDC since 1992. Mary is responsible for the administrative management of the HRDC, the Headwaters Housing Development Corporation (HHDC) and the Headwaters Regional Finance Corporation (HRFC) as well as the accounting, financial and grants management for all three entities. Mary also assists in housing development and homebuyer education and counseling.



Cliff Tweedale
Executive Director
ctweedale@hrdc.org

Cliff has been with the HRDC since 1975. Prior to becoming Executive Director in 2000, Cliff served as planning director for 25 years. In addition to organizational management and leadership responsibilities, Cliff is an active participant in the Commission's community stewardship activities.



April Wedin
Administrative Support Specialist
awedin@hrdc.org

April joined the HRDC in 2009. April focuses her time on receptionist and secretarial work while also managing the Home Stretch registration process and doing data entry.



Ryan Zemek
Development Specialist
rzemek@hrdc.org

Ryan started working for the HRDC as an intern during the summer of 2008. Ryan began full-time status in September 2008. Ryan provides a range of development assistance, focusing most heavily on economic development.



Governing the HRDC : Finances

Finances

Operational Budget

Revenues	2011 Actual	2012 Budget	Expenditures	2011 Actual	2012 Budget
Tax Levy	\$ - - -	\$ 260,488	Personal/Staffing Capacity	\$ - - -	\$1,082,537
Long Term Contracts	- - -	114,628	Operating Expenditures	- - -	171,748
Short Term Contracts	- - -	411,825	Investment Expenditures	- - -	64,500
Beltrami HRA Services	- - -	22,500	Successful Communities Challenge Fund	- - -	10,000
Hubbard HRA Services	- - -	50,000	Fund Balance Revenues	- - -	- - -
HHDC	- - -	125,000	Total Expenditures	\$ - - -	\$1,328,785
HRFC	- - -	55,000	<i>The latest audit, covering Fiscal Year 2010 finances, was performed by Miller, McDonald, Inc., Certified Public Accountants, and dated February 4, 2011. An unqualified report was issued.</i>		
Center for Com. Stew.	- - -	193,500			
Other Sources	- - -	12,000			
Other Contracts	- - -	83,844			
Total Revenues	\$ - - -	\$1,328,785			