



East Central Regional Development Commission

100 Park Street South
Mora, MN 55051
Phone: 320-679-4065

2018 ANNUAL REPORT JULY 1, 2017—JUNE 30, 2018



Serving Chisago, Isanti, Kanabec, Mille Lacs and Pine Counties



The East Central Regional Development Commission was created under the authority of the State's Regional Development Act 45 years ago. In the legislative findings, that act speaks of how problems of growth and development in rural and urban regions often "...transcend the boundary line of local government units..." as justification for creating regional development commissions. While "problems" or needs may change over time, you will see in this annual report that the spirit of regionalism is still very much alive today and reflected in the work we do at the Commission.

The following pages offer highlights of the past year including our success in helping the Mille Lacs Lake area establish a Scenic Byway route; our pursuit to establish a Regional Transportation Coordinating Council (RTCC); a county-wide Safe Routes to School planning project; our partnership with the MN Dept. of Public Safety to coordinate highway safety initiatives; as well as the many activities coordinated through our economic development program.

The Commission completely revamped the ECRDC website this year to include an expanded use of social media. The new website showcases current projects in the region and provides valuable information along with links to several of our partner organizations. Be sure to visit

us at www.ecrdc.org or "Like" us on Facebook® for more information and to get important updates on our current programs and services.

On behalf of the Commission, I want to also take this moment to personally our outgoing board members and staff for their many years of service including Steve Odegard (Pine City Schools) and Barbara Welty (Mille Lacs Townships) as well as Transportation Planner Bob Boltenbeck who retired after 29 years of service with the ECRDC. The Commission also welcomed our newest member of the planning staff, Karen Amundson, who will be working primarily in the Community Development area of the Commission.

Finally, a big shout out to thank all of the ECRDC's various advisory committees and staff for a truly rewarding and highly productive year! The ECRDC's could not succeed without your ongoing support, hard work, and dedication.

Thank you once again for taking time to review the 2018 annual report!

Yours truly,

Robert L. Voss
Executive Director



The ECRDC partnered with the Blandin Foundation to host a Regional Legislative Roundtable on Broadband Internet in Region 7E. The Roundtable was held on February 5, 2018 at the Kanabec County Courthouse in Mora. Three of our region's State Legislators attended, as well as staff from all three of our region's congressional delegation.

WHO IS THE EAST CENTRAL REGIONAL DEVELOPMENT COMMISSION?

The East Central Regional Development Commission (ECRDC) is a public agency serving a variety of constituents within Chisago, Isanti, Kanabec, Mille Lacs and Pine Counties. Other constituents include various state, federal and local governmental bodies.

The board members are represented by officials appointed by county boards, townships, municipalities, school boards and citizens at large.

The ECRDC is funded through a local tax levy and planning/program grants and contracts from state agencies, federal agencies and foundations.

ECRDC Board Members

Chisago County

Ben Montzka, County Commissioner
Kevin Stenson, Municipalities
Diane Larkin, Townships

Isanti County

Greg Anderson, County Commissioner
Marlys Palmer, Municipalities
Loren Davis, Public Interest
Richard Hanson, Townships

Kanabec County

Kathi Ellis, County Commissioner
Gordon Gullixson, Municipalities
Dave Patenaude, Townships

Mille Lacs County

Genny Reynolds, County Commissioner
Thom Walker, Municipalities
Linda Evans, Public Interest
Robert Hoefert, Townships

MISSION OF THE EAST CENTRAL REGIONAL DEVELOPMENT COMMISSION

The mission is to provide leadership and direction through creative problem solving. We do this by initiating projects and programs that lead to creative solutions to regional problems, providing technical assistance and identifying and developing available resources. We serve in a leadership role as an advocate for East Central Minnesota to bring about positive change.

Local governments have reached a milestone in their ability to work with state and federal agencies. The formation of regional development commissions provides the means for strengthening local government.

*Former Governor
Wendell R. Anderson*

Pine County

John Mikrot, County Commissioner
Tim Franklin, Municipalities
Jeannette Kester, Public Interest
Glen Williamson, Townships

School Boards

Tom Lawlor, Southern School Board

Tribal Representative

Carla Dunkley, Mille Lacs Band of Ojibwe

Municipality Over 10,000+ Population

Jim Swenson, City of North Branch



*Annual meeting held at the Snake River Fur Post on June 25, 2018.
Front row l-r: Jeannette Kester, Marlys Palmer, Linda Evans, Genny Reynolds
Second row l-r: Bob Voss, John Mikrot, Richard Hanson, Gordon Gullixson, Loren Davis, Tom Lawlor, Greg Anderson
Back row l-r: Ben Montzka, Kevin Stenson, Glen Williamson, and Dave Patenaude.*



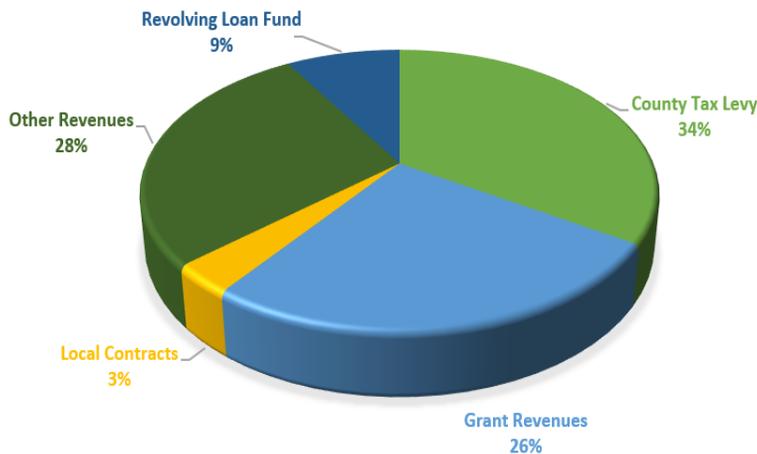
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	FY 2018 ADOPTED BUDGET	FY2018 ACTUAL UNAUDITED	FY 2019 ADOPTED BUDGET
AGENCYWIDE REVENUES (by source)			
County Tax Levy	309,533	311,358	318,819
Grant Revenues	93,500	238,527	220,000
Local Contract Revenues	52,878	31,163	23,220
Various Other Sources	23,040	255,484	25,390
Revolving Loan Fund	56,000	78,315	60,098
Total Revenues	534,951	914,846	647,527

AGENCYWIDE EXPENDITURES (by program)			
General Fund	106,564	359,643	147,765
Economic Development	132,322	175,394	140,000
Transportation / Safety	220,416	259,269	265,888
Revolving Loan Fund:			
Administration	12,139	10,478	12,352
Loans Disbursed	35,000	75,000	45,000
Total Expenditures	506,441	879,783	611,005

Fiscal Year ended June 30, 2018 (Unaudited)	General Fund Increase	42,226
Fiscal Year ended June 30, 2019 (Projected)	General Fund Increase	33,776

FY 18 ACTUAL UNAUDITED REVENUES



Fiscal Year 2017 Audit

FY17 audit was conducted by CliftonLarsonAllen LLP, Brainerd, MN. The auditor's report expressed an unqualified opinion on the General Purpose Financial Statements of the East Central Regional Dev. Commission.



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Amundson, newest member of ECRDC planning staff.

The East Central Regional Development Commission welcomes Karen Amundson as the newest member of our planning staff. Karen joins the ECRDC staff after serving for more than 12 years as the Executive Director of the Mora Area Chamber of Commerce. Her first major responsibility will be to conduct a year-long planning project, funded by MnDOT, to establish a

Regional Transportation Coordinating Council for our five-county region in East Central Minnesota. Karen can be reached by phone at (320) 679-4065 x 32 or by email at karen.amundson@ecrdc.org.

Regional Transit Coordinating Council (RTCC)

The Minnesota Departments of Transportation (MnDOT) and Human Services, in collaboration with other state agencies, are working with the Metropolitan Council and other local governments and organizations to create 8-10 regional transportation coordination councils (RTCCs) throughout Minnesota. The goal of the RTCCs is to improve coordination between transportation providers and service agencies to fill transportation gaps, provide more service with same or fewer resources, streamline access to transportation and provide customers more options of when and where to travel. Of particular importance is improving mobility for the transportation disadvantaged such as older adults, individuals with disabilities, lower income individuals and/or military veterans.

In May, the ECRDC was notified by MnDOT that their application was approved for funding to conduct planning to establish an organizational structure for an RTCC to represent our 5 counties in east-central Minnesota. The planning project will begin on July 1, 2018 and continue through June 30, 2019 and will be followed by an implementation phase.



ECRDC STAFF

JULY 1, 2017 - JUNE 30, 2018

Robert L. Voss
Executive Director

Trish Rydlund
Office Manager

Penny Simonsen
Transportation Planner
Safe Roads Coordinator

Tammie Denholm
Finance Officer

Jordan Zeller
Economic Development Director

ECRDC Staff



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Minnesota has significant economic opportunities all across the state. Regions throughout Greater Minnesota share many qualities and challenges, but lack the intentional alignment needed to take advantage of shared priorities and maximize the use of resources. The lack of alignment has led to a limited voice in crafting effective development policy based on regional priorities. DevelopMN will help identify needed alignment and document a broadly supported strategy for creating shared prosperity.

DevelopMN has identified four cornerstones for strong regions and communities:

Human Capital

It is clear that prosperity in the 21st century will be driven by a combination of Human Capital and Innovation. In a world that is constantly shrinking, people with knowledge and skills are becoming ever more mobile and have multiple choices of where to live, work and play. Growing, retaining and attracting talent, and then maximizing its potential, are critical for Greater Minnesota.



Economic Competitiveness

Making Greater Minnesota an attractive environment for growth is critical to creating jobs, raising living standards and financing necessary public services. Economic prosperity requires that communities link all assets of the community to generate new knowledge, new businesses, and transform existing businesses into thriving 21st century companies.

Community Resources

Greater Minnesota communities seek to maintain our rural heritage while creating amenities that in return offer sustainable populations and become defining pillars of our culture.

Foundational Assets

Greater Minnesota communities require proactive and collaborative approaches/strategies to address infrastructure needs in a cost effective manner. Managing the access to, maintenance, replacement, and growth of these assets is key to preserving and maintaining communities as well as providing for growth opportunities. Foundational Assets include above-ground and below-ground infrastructure including transportation, utilities, and water.

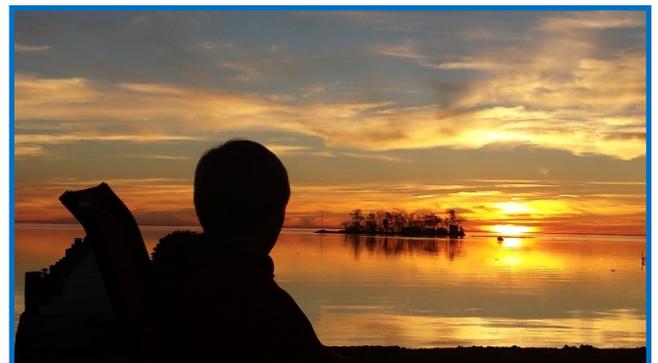
Economic Development

Mille Lacs Lake Area Economic Relief Loan Program

A special appropriations grant was awarded to the area during the 2016 legislative session in the amount of \$3.6 million. The funds were available to businesses that met the criteria, including at least a 10 percent loss of revenue over the past few years. The program was a directive from Gov. Dayton after the lake was closed to walleye fishing in the fall of 2015. In June 2016 the legislature passed the economic relief program, issuing \$3.6 million in funding to Mille Lacs Area businesses that qualified

The program was available to eligible businesses. The businesses could apply for a loan for up to \$100,000 at zero percent interest, deferred payments for five years and forgivable after the criteria is met. The program also offered tourism grants for up to \$5,000 for businesses to use in ways that would generate more business and draw tourists to the area.

East Central Regional Development Commission agreed to assist Mille Lacs County, acting on behalf of themselves, along with Crow Wing and Aitkin Counties, with providing technical assistance with small business loan closings through the Mille Lacs Lake Area Economic Relief Loan Program,



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GPS 45:93 Collaboration: The ECRDC continues its economic development partnership with the GPS 45:93 in attracting high technology firms to Region 7E. GPS 45:93 is a regional economic development consortium strategically located along Interstate 35 between Minneapolis/St. Paul and Duluth. This makes it an ideal location for those companies serving the Twin Cities and Duluth area.

The mission of GPS 45:93 is to better position the region to attract high wage, technology based jobs, collaborate on business retention and expansion and encourage entrepreneurial activity. GPS 45:93 is working with Chamber of Commerce, banks and other local partners to support businesses in the region.

Administrators City/County Clerks, & Economic Development Professionals Meetings:

The ECRDC organizes City / County Clerks / Administrator & Community / Economic Developers meetings quarterly to discuss mutual key issues occurring in the Region 7E communities. Past topics include financing opportunities for local units of government and businesses, customized training and workforce needs, business recruitment and expansion initiatives, entrepreneurship, and regional marketing initiatives. These meetings have evolved into a best practices approach to city economic development. Issues and speakers are selected that provide insight that will assist local governments and communities

GPS 45:93 is dedicated to growing and attracting businesses with high-paying jobs to the 5-county region of East Central Minnesota. It takes its name from the point of latitude and longitude at which the four original counties in the partnership meet.

The Mission Statement of GPS 45:93 is:

Collaborate to strengthen the regional economy by

- Providing a regional approach to workforce development, business attraction, retention and expansion
- Acting as a conduit for members and the region to access resources and educational opportunities



DEED's Hillary Friend presents on the Small Cities Development Program grant opportunities.



The ECRDC held our quarterly City / County Clerks / Administrators & Community / Economic Developers Meeting on Friday, April 6th at Cambridge City Hall. Presenters included Liz Templin with UofM Extension on retail programs and Cathy Capone Benn-



Economic Development



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Comprehensive Economic Development Strategy (CEDS):

The ECRDC recently completed their 2017-2022 CEDS, and begin its implementation. The CEDS tracks the region's demographic trends and economic conditions, identifies weaknesses and threats, and identifies strategies that have the potential to help mitigate roadblocks to the region's prosperity. A valuable planning process for regional economic development takes place in the development of a CEDS. An approved CEDS is required to maintain East Central Minnesota's designation as a federal Economic Development District. The current CEDS can be found on our website at www.ecrdc.org.

Economic Development Districts (EDDs) are eligible to apply for various funding opportunities available

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

Regional Financial Resource Summit

The ECRDC facilitated a Regional Financial Resource Summit on Wednesday, Sept 27th at Spring Brook Golf Club in Mora. The goal of the event was to connect businesses, lenders, elected officials, economic developers, accountants and attorneys with resources available to assist businesses in our region. Speakers included Luke Greiner with DEED (Labor Market Analyst), Greg Bergman with the Small Business Development Center, Bob Isaacson with DEED Business Finance, Tom Osborne with the SBA, David Wittwer with USDA Rural Development, Denis Griffin with the Export / Import Bank of the US, Sandy Voigt with NCEDA presenting on Gap Lenders and Rebecca Perrotti with CMJTS presenting on Technical Assistance Providers. The keynote speaker was Ron Wirtz with the Federal Reserve Bank of Minneapolis. Approximately 60 people attended this event.



Above: Bob Isaacson, Director of the Department of Business Finance at the MN Department of Employment & Economic Development (DEED) presented on a variety of business programs available through his office.

Federal Reserve Bank of Minneapolis Meeting

Prior to the Regional Financial Resource Summit, keynote presenter Ron Wirtz with the Federal Reserve Bank of Minneapolis met with approximately 10 business leaders from across our region to take the temperature of the business economy in our region. Mr. Wirtz's boss, Neel Kashkari, President of the Federal Reserve Bank of Minneapolis, sits of the Fed's Federal Open Market Committee, which sets benchmark interest rates in the United States.



Right: The Federal Reserve Bank of Minneapolis' Ron Wirtz meets with business leaders from across our region.

Economic Development



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Revolving Loan Fund (RLF):

The ECRDC RLF provides gap financing for businesses looking to open, expand or relocate to Mille Lacs, Pine, Isanti, Chisago & Kanabec Counties. The ECRDC employs the RLF as a tool in recruiting new businesses, maintaining and expanding existing ones, creating and retaining good paying jobs and strengthening the economic base of East Central Minnesota.

Currently there are 11 active loans to small businesses in the region and approximately \$110,000 is still available to lend. Loan amounts typically range from \$10,000 to \$60,000 with terms up to 7 years. Informational brochures were recently updated and signs promoting the RLF program are often placed at benefiting businesses. Applications for the RLF are available on the ECRDC website at www.ecrdc.org



Right: Heather and Robert Ladd – new owners of Bear Creek Bar & Grill in Cloverdale.



CEDS Strategy Committee Members: Loren Davis, Carla Dunkley, Susie Brooks, John Schlagel, Robert Voss, Frank Christopherson, and Jordan Zeller & Not Pictured: Joe Mulford, Rebecca Perrotti and Thom Walker.



RLF Board Members L to R: Nancy Hoffman, Bruce Montgomery, Daniel Blake – RLF Attorney, Clyde Bloyer, Rachele Nelson, Glen Williamson, Robert Musgrove, Bradley Larson, Frank Christopherson – Board Chair, Frank Westling and Wayne Bekius. Not pictured: Doyle Casavant.

The RLF Board recently approved a \$35,000 loan to EZ Box Electrical System, located in the business incubator (funded in part by a \$2.4 million EDA grant through the ECRDC) at the Pine Innovation Center at Pine Technical & Community College in Pine City. The business was not able to secure traditional bank financing as they are a startup, so ECRDC Staff pulled together a group of gap / economic development lenders to try to assemble a financing package. Financing is also being provided by the Entrepreneur Fund, Initiative Foundation, City of Pine City, and Pine County. The RLF will buy a \$35,000 participation in a SBA guaranteed (85%) loan originated by the Entrepreneur Fund.



Above: Glenn Liubakka, Founder of EZ Box, demonstrates his products to RLF Board Members and members of the Pine County and Pine City Loan Committees



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Economic Development



There has been much time and effort put forth into the designation for the Lake Mille Lacs Scenic Byway this past year. We are happy to announce that the Scenic Byways Commission designated Lake Mille Lacs as the state's newest scenic byway. The designation will open up opportunities for increased tourism and promote the region's unique character.

The commission is made up of the Minnesota departments of transportation and natural resources, the Minnesota Historical Society and Explore Minnesota.

"The Scenic Byways Commission has been tremendously successful in preserving and highlighting some of the very best destinations in Minnesota," said Governor Dayton. "Designating Lake Mille Lacs as Minnesota's newest scenic byway corridor will encourage Minnesotans to enjoy a unique part of our state and support the Mille Lacs Area's economic growth and vitality. I encourage all Minnesotans, and visitors beyond our borders, to plan a trip to Mille Lacs and enjoy all that our newest scenic byway has to offer."

The Lake Mille Lacs 68-mile Scenic Byway is the state's 22nd byway. The state's byways comprise 2,948 miles of regionally outstanding scenic, natural, recreational, cultural, historic or archaeological significant corridors.

"Scenic byways offer the best of Minnesota, by vehicle, foot or bicycle," said Minnesota Department of Transportation Commissioner Charlie Zelle. "Designating scenic byways increases economic benefits through improved traveler and

community services, promotion of tourism and a broadened appreciation of the state's historic and natural resources. We are pleased that Lake Mille Lacs now joins the list of scenic byways."

Work on the designation began about two years ago when the East Central Regional Development Commission and the Arrowhead Regional Development Commission led a grassroots effort to gain support. The two commissions studied the route possibilities, inventoried the prominent features and held public meetings in communities, including tribal communities, to gather input.

"Partnerships were key to getting this historic and popular recreational lake designated as a scenic byway," Zelle said. "The good work of the two development commissions and the support of the Lake Mille Lacs communities made this happen to ensure this northern Minnesota gem will be enhanced and preserved."

All roadways, except one, on the scenic byway are MnDOT-maintained roads. The byway loops around Lake Mille Lacs and includes highways 169, 27, 18 and 47. Shakopee Lake Road, which is a county-owned road, is also part of the loop.

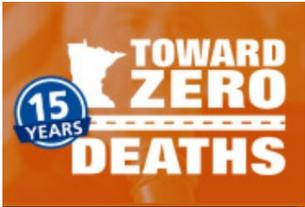


Transportation



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Traffic Safety



The ECRDC implemented Toward Zero Deaths/Safe Roads programs this past fiscal year Mille Lacs County in Region 7E. The Coalitions, made up of community members, utilize the four E's in addressing safety issues. The E's represent Education, Enforcement, Engineering, and Emergency Services. Examples of projects implemented this past year include awareness campaigns for law enforcement mobilizations, and a mock crash. Some of these activities were funded through grants from the Minne-

sota Department of Public Safety, Office of Traffic Safety, and others. They operate under the Transportation Program of the ECRDC. The traffic safety issues facing counties include distracted driving, speed, seat



Minnesota's SRTS program, administered by the Minnesota Department of Transportation provides funding for planning, infrastructure and non-infrastructure projects.

Isanti County, Minnesota chose to undertake this planning initiative in hopes that infrastructure and non-infrastructure funded projects as a natural progression will follow.



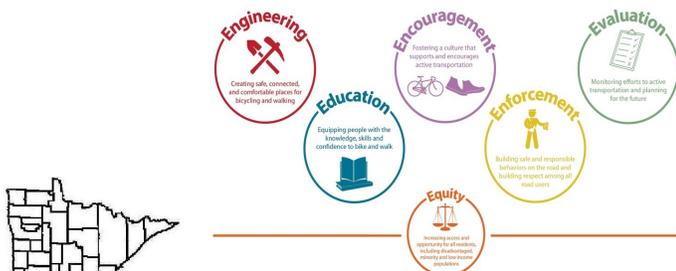
ECRDC received funding for Isanti County's two school districts. The planning effort will result in a county-wide Safe Routes to School Plan for specifically the communities of Braham, Cambridge, and Isanti.

Since its inception, SRTS assists communities in tackling unique challenges and taking full advantage of opportunities specific to individual schools and neighborhoods. Nationwide trends common to most communities include things such as: 1) declining rates of physical activity for school age children; 2) increasing rates of childhood and adolescent obesity and related health problems; 3) increased automobile traffic congestion around schools and on nearby roadways; and 4) continued land use patterns that focus development further away from already developed areas. The plan will explore each of these.

Flourishing Safe Routes to School projects see remarkable changes in the way students and parents choose to travel to and from school. These projects succeed by including each of the "Six E's" of Safe Routes to School to ensure that their project is a well-rounded, multi-prong and time-tested approach to getting students safely walking and bicycling. The Six E's of Safe Routes to School are:

- Engineering
- Education
- Encouragement
- Enforcement
- Evaluation
- Equity

Transportation



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