

# Red River Regional Council Annual Report 2006

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## Introduction

Communities throughout the state of North Dakota are by law responsible for the provision of numerous public services to their clients. Some of these services are the provision of potable water, street and road facilities, assessment of taxation, police and fire protection, solid waste, social services and other services that increase the quality of life for their residents.

The counties of Pembina, Nelson, Walsh, and Grand Forks joined funds and formed the Red River Regional Council. The primary purpose of the formation is to allow local entities to provide governmental services in a more effective and efficient manner. This happens by planning, coordinating, and sharing services in a regional manner. This partnership also allowed entities to make use of State and Federal programs designed to supplement the provision of capital expenditures and innovations.

2006 had been a good year for the Red River Regional Council and Region IV. The various governmental entities have been able to provide funding for projects that improve the quality of life for the residents. This annual report highlights the activities of the council throughout 2006. We are confident that 2007 will also be a good year.

## Community Development Block Grant

The purpose of the Community Development Block Grant (CDBG) is to assist individuals of low and moderate income (LMI). The program funds are distributed to three focus areas: economic development, public facilities and housing.

The Red River Regional Council serves the four northeastern counties (Pembina, Walsh, Nelson and Grand Forks) of North Dakota. Region IV's allocation for FY 2006 was \$243,365.

Public facility applications are accepted in January and economic development applications are received throughout the year. Public facilities and economic development areas are managed by Katherine Lunde and Dawn Keeley respectively.

2006 Allocations:	Economic Development	\$111,693
	Public Facilities	\$111,682
	Housing	\$20,000

### 2006 CDBG Public Facilities Projects

City of Pembina	City Auditorium (ROAB)	\$91,868
City of McVile	City Office (ROAB)	\$32,395

## Housing

The Red River Regional Council continued to work towards the goal of providing a suitable and safe living environment for the residents of the region. In 2006 the following work activities were undertaken:

- The Walsh County Housing Rehabilitation program was completed. 30 homes occupied by low income residents were rehabilitated.
- Continued to provide assistance to the Regional Community Housing Development Organization (CHDO).
- Submitted a Self Help Housing Rehabilitation application to USDA Rural Development. Julius Wangler, Janet Dvorak, and Lori Estad managed the housing program.

## Budget Summary

<b>REVENUE</b>	
EDA Planning Grant	\$ 51,000
Small Business Development Center Subcontract	125,900
County Memberships	50,245
Nelson/Pembina County Job Development Authorities (JDA's)	49,039
Historic Preservation	20,653
CDBG/Public Facilities/Ranking Contract	39,528
Disaster Mitigation	27,272
Environmental Programs	90,923
Housing	13,907
Revolving Loan Fund/CDLF/Progress Fund	66,212
Other	<u>40,322</u>
<b>TOTAL REVENUE</b>	<b>\$575,011</b>
<b>EXPENSES</b>	
Salaries	\$ 327,445
Fringe	123,735
Travel	23,311
Rent/Utilities	17,611
Supplies/Communication	23,465
Management/Consultants	5,459
Contract Work	24,025
Legal	1,554
Miscellaneous	42,306
<b>TOTAL EXPENSE</b>	<b>\$ <u>588,911</u></b>
<b>NET</b>	<b>\$ &lt;13,900&gt;</b>

## Economic Development Activities

### Economic Development Loan Programs

The Regional Council owns two loan programs, Red River Revolving Loan Fund and Progress Fund, and manages the Community Development Loan Fund. These loan programs provide gap financing to area businesses with a focus on primary sector and essential community service projects. The programs also provide an emphasis on quality job creation throughout the region. The investments listed below were made throughout the year and accessed each of the loan programs. The Regional Council also delivers the Small Business Development Center (SBDC) business consulting services as well as assistance to the Pembina and Nelson County Job Development Authorities.

Approved Investments 2006			
Funded Projects	Owner(s)	Location	Amount
Harvest Fuels	Robert Thornberg	Walhalla	\$50,000
Dakota Valley Growers	Russell Edgar Wayne Goedken	Bathgate	\$120,000
Tarnel, USA	Mike Peters Kevin Peters Robert Peters	Walhalla	\$150,000
Kringstad Ironworks	Bernie Kringstad Leigh Kringstad	Park River	\$200,000
Red River Drilling	Mark Maendel Steve Carriere	Grafton	\$30,000
Forestwood Inn	Eugene Solberg Joyce Solberg Chad Solberg Stephanie Solberg	Walhalla	\$70,000

### Client Spotlight: Kringstad Ironworks, Inc.: Park River gains over 30 new jobs

Two major contracts catapulted Kringstad Ironworks this past year from 11 full time employees in the spring to 41 by year's end.

Bernie Kringstad started out 10 years ago as a welding shop south of Hoople doing farm repairs. The first manufacturing job they tackled was building safety hitches used to pull beet trucks through muddy fields. Then came a partnership with the University of North Dakota engineering department to build a prototype for a drone launcher. "That opened doors for bigger projects," said Kringstad.

When the opportunity came, they bid on American Crystal's contract for building massive sugar beet pilers. At about the same time they hosted a Danish representative from LM Glasfiber, the world class builder of wind turbine blades. They were looking for someone to build glass carts -- fully automated steel carts that handle one ton rolls of fiberglass -- for their plant expansion at Grand Forks and Quebec.

When both contracts were solidified, Kringstad Ironworks turned to Dawn Keeley at the Red River Regional Council/Small Business Development



Bernie Kringstad  
President

Center for help with managing the growth. They needed additional employees, more space, new equipment and operating capital.

"Dawn knew the organizations to go to for the different parts of the funding," said Kringstad. The process took three months of fairly intense work. "We sat down for many hours and set up the spreadsheets and different formulas to build the business plan," he said. "Plus every organization wants it done a little differently."

The financial package included First

United Bank, Red River Regional Council, the City of Park River, Small Business Administration, N.D. Development Fund, Bank of North Dakota, Polar Communications and the Walsh County Job Development Authority.

The City of Park River leased a former mushroom plant to Kringstad, with a credit allowance for each employee hired. "Once we hit 18 employees we got the place rent free," said Kringstad. The Park River plant boosted the company's floor space five-fold. The farm shop has 7200 square feet and the Park River plant 40,000 square feet. Part of the new financing went towards renovating the building and buying the equipment needed to build large machinery.

"To get these kind of jobs in Park River, at the north end of the valley, has everyone excited," he said. "Fargo and West Fargo plants usually get these kind of orders."

## Economic Development Activities Cont.

### Small Business Development Center

The 2006 program year was very productive for the SBDC in northeastern North Dakota and we are proud and excited to present the year's outcomes. The statistics included herein were services delivered throughout the ten county district in northeastern North Dakota.

Our team includes Kellen Utecht, Grand Forks; Barbara Britsch, Devils Lake; and Dawn Keeley in Grafton. We also have the luxury of being well-connected with the other eight SBDC offices across the state and the ability to tap the vast expertise in each to serve our clients to the best of our ability.

Regional activity highlights for the year:

- 220 clients
- 1,638 direct consulting hours
- \$12.7 million secured for business development
- 235 jobs created or retained by those companies
- \$18.8 million is the projected first year of sales for those companies
- \$1.1 million is the amount these companies will pay year one in state income taxes
- 12 training events with 328 attendees

This was the completion of our fourth year delivering these services. As we took on the program, our priorities were and remain to have the program become a vital partner to local economic development; be positive outcome focused; and maintain service coverage throughout our entire ten county region.

It's been an educational run and most importantly we have grown to appreciate that each and every business contributes to the overall success of a local economy. Many of our clients play a vital role in the region either through extensive job creation or providing an essential service.

In September 2006 we welcomed a new State Director, Bon Wikenheiser. Bon was the former Director of Corporate Programming at the University of Mary's Harold Schafer Leadership Center. The Lead Center remains at the ND Department of Commerce.

—Dawn Keeley, Regional Director, SBDC Program

*The SBDC program is a consulting program that assists new and existing entrepreneurs with starting or expanding their business ventures. Typical services provided include: business plan development, financial analysis, financial projections, financial packaging, marketing enhancement. Our clientele spans from mom-and-pop retailers to large manufacturers. The cost of the SBDC services are underwritten by the Small Business Administration; ND Department of Commerce, Dakota CDC and a host of local donors throughout the entire region.*



### Small Business Development Center: Certified eBay Education Specialists

Both Dawn Keeley and Kellen Utecht have become certified "Education Specialists" by eBay. Through the SBDC program, they provide training to interested individuals and businesses. In 2006, these two provided training to 275 people on both "The Basics of Selling on eBay" and "Beyond the Basics: Techniques for the Serious Seller."

Keeley has been promoting the use of eBay to rural retailers that have limited marketing opportunities to due their remote locations. "This is an excellent selling tool for the



business community to consider as a supplement to their existing bricks and mortar stores," said Keeley.

Rural retailers have seldom had the opportunity to dream about the possibility of DOUBLING their sales through this unique online sales tool that provides services to millions of buyers and sellers throughout the

world. This tool has provided an easy to use and affordable sales channel.

Polar Communications teamed up with the SBDC program in the fall of 2006 to provide eBay classes in both Park River and Mayville. Polar Communications provided a scholarship of half the class fee to their customers and we provided the training to 75 people. Based on this success, plans are in the works to do more training in 2007.

## Jobs Development Authority Activities

### Pembina County Jobs Development Authority

The Pembina County Jobs Development Authority was formed by the Pembina County Commissioners approximately 12 years ago. The state enabling legislature authorized the Authority to be the official group responsible to assist with the development and expansion of the economy within the county.

The Authority contracts with the Red River Regional Council for administrative services.

In September 2006 the Authority, County Commissioners, financial institutions and community leaders toured selected primary sector businesses that the Authority has provided assistance to in the past. The tour was extremely educational. These companies provide the much needed jobs for their residents.

#### 2006 Businesses Assisted in Pembina County

City of Walhalla	Grant for a Community Kitchen
Zelda Hartje	Grant for a feasibility study for a Select Inn Motel
City of Pembina	Grant to make the Community Center handicap accessible
Endruaplas—Neché	\$58,144.84 Loan—interest buydown with the Bank of North Dakota
T&M Restaurant (Chuckwagon), Cavalier	\$7,900 loan for the purchase of equipment
HBD of ND, Neche	\$78,846.71 loan—interest buydown with the Bank of North Dakota
Marciniak Enterprises, Drayton	\$30,000 loan for the purchase of a building

### Nelson County Jobs Development Authority

The Nelson County Jobs Development Authority is responsible for the Economic Diversity of the county. In 2006 the Authority supported the development of the pork production industry within the county. Unrelated to the authority, efforts, a 5,000 furrowing operation is being developed near Mapes. It is hoped that additional pork production related businesses will be generated.

The Aneta school conversion project resubmitted its application to Rural Development for funding. A pre-application to the Federal Economic Development Administration was also submitted.

Efforts are still undergoing to re-open a grocery store in Aneta and to find a reuse for the vacant school and former Q&R Processing building in Tolna.

## Hazard Mitigation

### Hazard Mitigation Grant Program (HMGP)

Three counties in our region received Presidential Disaster Declarations this year due to spring flooding. HMGP applications were submitted for acquisition projects in Grand Forks, Pembina and Walsh Counties.

In ongoing acquisition projects, the 2005 City of Minto project has been completed with two homes purchased and demolished; one site in Pembina County has also been completed, and the City of Grafton project is in progress with completion anticipated for summer 2007. Three acquisition projects from 2004 are in the closeout process. Project costs to date and anticipated are:

\$ 165,793	2004 City of Grafton (4 sites)	\$ 257,362	2004 City of Minto (4 sites)
\$ 303,000	2004 Pembina County (7 sites)	\$ 217,600	2005 City of Grafton (4 sites)
\$ 176,200	2005 Pembina County (2 sites)	\$ 100,710	2005 City of Minto (2 sites)

### Assistance to Firefighters Grants

Technical assistance was again provided to fire departments in 2006 to develop and submit grants to the U.S. Department of Homeland Security. The Neche Fire District was awarded \$8,300 for pagers to replace existing obsolete pagers and increase the supply to accommodate the entire firefighter force.

## Hazard Mitigation Cont.

### Pre-Disaster Mitigation

A Pre-Disaster Mitigation Grant was awarded to the Pembina County Water Resource District for the development of a Pembina County Emergency Operations Plan for three dams within the county. The Regional Council and the Water Resource Board have contracted with former Council employee Sandra Simonson to facilitate the planning process and complete the final plan.

## Historic Preservation

### Certified Local Governments (CLG)

The National Historic Preservation Act of 1966, in part, established a nationwide program of financial and technical assistance to preserve historic properties. Local government can participate directly in this program when approved (certified) by the National Park Service (NPS) and the North Dakota State Historical Society.

The CLG Program is designed to establish a working partnership among local, state and federal government to encourage historic preservation at the local level. As a CLG, the Historic Preservation Commission is eligible to compete for a special set-side of grant funds that originate from the NPS and are managed by the State Historical Preservation Office (SHPO).

### Walsh County Historic Preservation Commission (WCHPC)

In 2006 St. Catherine’s Catholic Church, and the Odalen Luthern Church were placed on the National Register of Historic Places by the Department of Interior.

Also placed on the National Register of Historic Places was the Ridge Trail Historic District. The Ridge Trail was one of several oxcart trails used for trade between Selkirk, Manitoba and St. Paul, MN during the 19th century. Another project of the WCHPC is creation of a data base for historic sites and properties within Walsh County.

### Pembina County Historic Preservation Commission (PCHPC)

The PCHPC was established in September of 2003 and therefore is a relatively new commission. Recently funds were received to assist Pembina County with the design phase of the recently installed elevator at the Pembina County Courthouse and to develop and print a brochure. The brochure entitled “Historic Pembina County” provides narrative on National Register of Historic Places within Pembina County. The PCHPC is currently in the process of creating a data base for historic properties and sites.

## Environmental Quality Activities

### Red River Environmental Project

2006 was another successful year for the Red River Riparian Program. In early 2007 the RC&D Committee will allocate the balance of Phase III funding to ensure that all activities will be complete in October. Phase III of the project will be ending in October 2007.

The RC&D Committee intends to submit a new application for the State Health Department for funding by July. Dave Rush, Riparian Coordinator, has left the Regional Council for a position in Alexandria, MN.

### Riparian Projects

Project	Funds
Wosick Site	\$840
Lizakowski Site	\$8,550
Halvarson Site	\$1,434
Bergeron Site	\$992
Kensington Site	\$106,461
Silver Lake Stabilization (additional)	\$9,663
Kotchman Site	\$2,053
Pantzke Site	\$399
Weinlaeder Project	\$13,600

## Red River Resource Conservation & Development (RC&D)

The Red River Resource Conservation & Development (RC&D) Committee helps people in rural areas plan and carry out activities that increase conservation of natural resources, support economic development, and enhance the environment and standard of living in local communities.

The United States Department of Agriculture (USDA) provides technical and financial assistance and sponsors obtain additional funding and services from a variety of other sources. The premise of the RC&D Committee Program is that local people know what is best for their communities.

Throughout the year 2006 the RC&D Committee continued to assist residents of the region to enhance the environment and standard of living in local communities. The efforts of the RC&D Committee have encouraged many local projects.

### 2006 RC&D Projects

Project	Sponsor
Farmers Market on the Red	City of Drayton
5th Annual Nature & Rural Tourism Conference	ND Rural Tourism Association
2006 ND Environthon	Coalition for Conservation & Environmental Education and many others
Stump Lake Park Boat Ramp	Nelson County Park Board
ND Farmers Market Annual Conference	ND Farmers Market & Growers Association
Heritage Village Exhibit Building	Heritage Village Board - Grafton
Pembina County SCD Grass Drill	Pembina County Soil Conservation District (SCD)
Walsh County Soils & Geology Tour	Walsh County Soil Conservation District (SCD)
ND Invasive Species Partnership	ND RC&D Association
Nelson County Arts Council Volunteer Recognition	Nelson County Arts Council
Farm Rescue Project	Farm Rescue
Great Plain Trail—Marketplace Speaker	Northern Plains
NE ND Livestock Expansion	ND Department of Agriculture
Cavalier Summer Event	Cavalier Chamber of Commerce
Red River Riparian Project	ND Forest Service; ND Dept. of Health; UND-EERC; Nelson, Walsh, Pembina and Grand Forks SCD's and Water Boards
City of Cavalier—Riparian Project	City of Cavalier
2006 Red River Riparian Tour	Red River Riparian Project
Icelandic Heritage Festival Marketing	Icelandic Communities Association

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- Muriel Stadstad, Eastern Grand Forks County Soil Conservation District
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Clayton Linstad, Nelson County Soil Conservation District

Vern Russum, Walsh County Soil Conservation District

Allen Orwick, *Mayor*, City of Michigan

Andy Adamson, Local Development Corporation

Arvin Kvasager, Grand Forks County Commissioner

Gary Gonitzke, Eastern Grand Forks County Soil Conservation District

- **Executive Committee Members**

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Floyd Anderson, Larimore Sunflower Inc.

Kurt Eickhof, Construction Engineers Ltd.

Kent Keys, Red River Valley Community Action Agency

Tim Schroeder, UND Recreation & Leisure

Helen Cozzetto, Grand Forks

Rosemarie Myrdal, NE North Dakota Heritage Association

Jon McMillian, WC Historic Preservation Commission