

Red River Regional Council Annual Report 2007

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Introduction

The Red River Regional Council (RRRC) continues to assist local political subdivision and private businesses in the delivery of services. In 2007 the council provided economic development loans to three businesses, provided staff to both the Pembina & Nelson County Jobs Development Authorities and made services from the Small Business Development Center available.

The council was also able to continue to provide staff assistance to the Pembina & Walsh County Historical Preservation Commissions. Hazard Mitigation consisted of the home buy-outs in Pembina as well as Walsh County. The Community Development Block Grant program was again able to assist a few communities in 2007.

Phase III of the Red River Riparian program came to a successful end and a new five year application for the northern valley was approved by the State Health Department. The Resource Conservation & Development committee was able to provide assistance to numerous local projects throughout the year.

The overall goal of the council is to assist local governments and private businesses in making the area a more attractive place to live, work and play. We believe that we were able to provide valuable assistance to the communities, counties and businesses throughout the 2007 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 can be 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 2007 was \$269,526.

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.

2007 Allocations:	Economic Development	\$134,763
	Public Facilities	\$134,763

2007 CDBG Public Facilities Projects

City of Pembina	City Auditorium (ROAB)	\$55,000
City of Grafton	Unity Medical Center (ROAB)	\$79,763

Northwood Disaster Recovery

On August 26, 2007 the City of Northwood, ND was struck by a tornado. On August 31, 2007 a public hearing was held by Governor John T. Hoeven and the City of Northwood was awarded \$1,000,000 in Community Development Block Grant (CDBG) funds. Funds were awarded under "urgent need" to assist low and moderate income individuals and businesses in recovering from the tornado. A portion of the funding designated for housing will be used to assist in the rehabilitation of the east mobile home court infrastructure. At the request of the Department of Commerce, the Red River Regional Council is administering the grant.

Budget Summary

REVENUE	
EDA Planning Grant	\$ 51,000
Small Business Development Center Subcontract	175,429
County Memberships	48,153
Nelson/Pembina County Job Development Authorities (JDA's)	57,235
Historic Preservation	20,957
CDBG/Public Facilities/Ranking Contract	21,179
Disaster Mitigation	38,978
Environmental Programs	57,599
Housing	15,616
Revolving Loan Fund/CDLF/Progress Fund	42,711
Other	<u>21,448</u>
TOTAL REVENUE	\$ 550,305
EXPENSES	
Salaries	253,518
Fringe	101,827
Travel	18,455
Rent/Utilities	20,688
Supplies/Communication	27,191
Management/Consultants/Accounting	9,730
Contract Work/Audit/Computer Maintenance	25,911
Legal	638
Equipment/Equipment Rental	21,280
Miscellaneous	18,482
TOTAL EXPENSE	<u>497,200</u>
NET	\$ 53,105

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 2007			
Funded Projects	Owner(s)	Location	Amount
Sweet Pro Feeds	Robert Thornberg	Walhalla	\$50,000
Gjovik Repair	Kaare Gjovik	Lakota	\$25,000
Kringstad Ironworks	Bernie Kringstad Leigh Kringstad	Park River	\$100,000

Jobs Development Authority Activities

Pembina County Jobs Development Authority

The Pembina County Jobs Development Authority (PCJDA) was able to assist economic development activity in Pembina County. A project sponsored by the City of Walhalla to develop the Pembina River Trail received assistance.

Dakota Valley Growers of Bathgate is in the development phase of a dairy heifer feeding feedlot. This project makes use of locally grown hay, feed and straw as well as ag processing by-products. The JDA supported the project with a loan in 2007.

The JDA also supported the Region's IV Small Business Development Center with local funds to receive small business administration funding for the service. The Development Center provides business consulting to constituents within the county and region.

2007 Businesses Assisted in Pembina County	
City of Walhalla	Grant for Pembina River Trail
Dakota Valley Growers Russell Edgar	\$25,000 loan for preparation for site construction for a dairy heifer feedlot
Small Business Development	Local Match

Nelson County Jobs Development Authority

The Nelson County Jobs Development Authority continued to seek to diversify the economy of the area. Past projects such as Fargo Assembly, Dusty Willow Dairy, and other businesses have allowed the county's population level to decrease more slowly.

In 2007, the authority encouraged the cities within the county to form development groups who's purpose is job creation.

In 2007 the City of Tolna was able to encourage the Schultz Goose company of Sisseton, SD make use of the former turkey barns near Tolna. Also in 2007 a 5,000 head sow furrowing farm was developed near Mapes.

Economic Development Activities Cont.

Small Business Development Center

Art Up North Dakota

Art Up North Dakota has been a special initiative of the ND Small Business Development Center and is spearheaded by the Grafton SBDC Center. Throughout 2007, the SBDC staff researched the business of art and created an initiative that would spur growth for art-based businesses in North Dakota.



The initiative included training on sales, marketing, salesmanship, merchandising, pricing and other relevant topics. The initiative was topped with a competitive selection of ten arts-based businesses to participate in the preparation and introduction to the work of wholesale

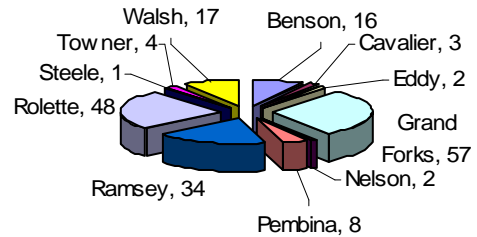
marketing as an avenue to expand their business sales and profitability. This includes a sales mission at the Buyers Market of American Craft in mid-February 2008. The Buyers Market boasts more than 1,500 professional exhibiting artists in 12 categories and the show is entering its 26th year.

The ten artists are: Elizabeth Schwankl, Artrends Gallery, Fargo; Susanne Williams, Willi Nilli, Fargo; Alfred Jason Lindell, Sundog Glass Design, Park River; Jon Offutt, House of Mulciber, Fargo; Amy Uthus, Grand Forks; Ellen Diederich, Givinity Press, Fargo; Paul Ide, 945 Clayworks, Fargo; Dyan Rey, Grand Forks; Janet Jacobson & Diane Schill, ND Wooly Girls, Wales; and Tara Argall & Karman Rheault, Blurred Visions, Fargo.

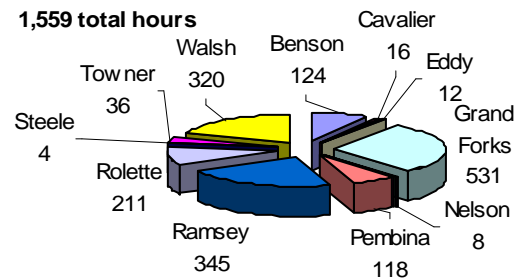
Support of the Art Up initiative has been graciously provided by ND Small Business Development Center, North Valley Arts Council, ND Department of Commerce, ND Council on the Arts, ND Department of Agriculture—Pride of Dakota, and Marketplace of Ideas.

2007 SBDC Results

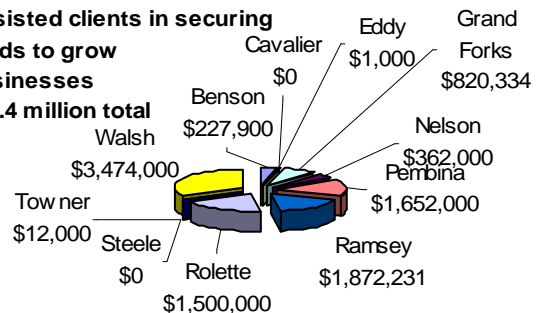
Clients by County
192 total clients



Hours per County
1,559 total hours



Assisted clients in securing funds to grow businesses
\$10.4 million total



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 Northeast Center is staffed by Dawn Keeley, Regional Director; Joshua Klug, Business Consultant, Grand Forks; and Barbara Britsch, Business Consultant, Devils Lake (North Central Planning Council). 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.

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-aside of grant funds that originate from the NPS and are managed by the State Historic Preservation Office (SHPO).

In 2007 the Pembina County Historic Preservation Commission (PCHPC) and the Walsh County Historic Preservation Commission (WCHPC) selected to do nominations to the National Register of Historic Places. The historical preservation commissions believe that nomination work is important in the overall development of rural tourism; which also has an impact on economic development. Nomination work is conducted according to the Secretary of Interior's Standards for Nominations and in compliance with the requirements of the North Dakota State Historic Preservation Office (SHPO).

Walsh County Historic Preservation Commission (WCHPC)

selected the Hoff School District No. 70, the first school in Norton Township (rural Walsh County); formed March 11, 1884. The Hoff School is in excellent condition and is one of the few remaining one-room school houses in Walsh County. The final nomination was presented to the ND State Review Board on January 25, 2008 and is presently being reviewed by the National Park Service in Washington DC for designation.



Pembina County Historic Preservation Commission (PCHPC)

selected the Gunlogson Homestead. Eggert and Rannveig Gunlogson were Icelandic immigrants who in 1876 immigrated to Gimli, Canada. In 1880 they traveled south to the Dakota Territory and homesteaded 160 acres of land. The present structure (house) was completed in 1890. The land and structure were donated to the State of North Dakota in 1964 by G. B. Gunlogson and his sister Loa Gunlogson. The property is now part of Icelandic State Park, located 5 1/2 miles west of Cavalier, ND on Highway #5.



Hazard Mitigation

Hazard Mitigation Grant Program (HMGP)

The HMGP acquisition projects from 2005 floods have been closed out or are in the closeout process. The projects took place in the Cities of Grafton and Minto, and Pembina County. Costs totaled \$499,084.

Projects resulting from the 2006 flood were awarded in fall 2007. This was welcome news to the families living in these homes due to loss of living space and health problems aggravated by the excess moisture. Participants include two homes in Walsh County and two in Pembina County.

Pre-Disaster Mitigation

The Pembina County PDM grant is still in progress, with development of an Emergency Operations Plans completed for Renwick Dam near Cavalier. Plans will be developed in the near future for both Senator Young and Olson Dams in Pembina County.

Assistance to Firefighters Grants

The Assistance to Firefighters Grant (AFG) was again in place in 2007. This is a nation-wide program that has become more competitive each year, with a focus in

2007 on "high risk" and critical infrastructure. Four fire departments and one ambulance service in the region received grant development assistance for six AFG applications in 2007. To date, \$43,292 has been awarded to the Tolna Fire Department, for much needed turnout gear. Three applications for vehicles were denied, and the remaining two equipment applications are under review.

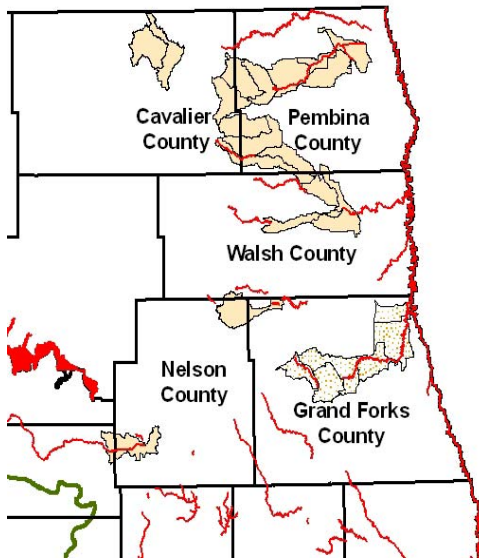
Regional Council staff also assisted the Lakota Fire Department with a USDA pre-application for a building addition. The Department has decided not to proceed with a full application at this time.

Environmental Quality Activities

Red River Riparian Project

2007 was a very busy year for the Riparian Project with completing and closing out all Phase III projects and developing a Proposal to continue this riparian restoration effort.

The RC&D Committee took on a leadership role in making sure these tasks were completed by selecting a new Riparian Project Manager (Craig Brumbaugh) in April and working with the Regional Council to develop an agreement with the North Dakota Forest Service for the Manager's services.



2007 Riparian Projects

Practice	#Projects	Funds
Forest Stand Improvement	3	\$15,534
Riparian Forest Buffer Plantings	15	\$14,103
Riparian Filter Strip & Critical Area Seedings	4	\$3,666
Range Improvements	2	\$1,317
Streambank Stabilization & Engineering Oversight	5	\$7,645
Total	29	\$42,265

The Committee and Council also facilitated a series of local stakeholder's to decide the scope and the new Riparian Project. Soil Conservation District, Water Resource District's, County Commissioner's and conservation organizations and agencies targeted watersheds with the most riparian impairments and landowner interest for the new project including Mt. Carmel Reservoir, Tongue River, Cart Creek, South Branch of the Park River, Middle Sheyenne, Fordville Reservoir and riparian technical assistance for the Turtle River. They also chose to put additional emphasis on riparian forest buffer and filter strip plantings, forest and range improvements in the restoration effort as well as engage local boards to guide the project by forming Watershed Committees. This Riparian Project Proposal was approved on December 11 by the NPS Task Force with a funding recommendation of \$1.4 million over the next 5 years. It is hoped the Regional Council will receive an award letter from the ND Health Dept. by April, 2008.

Grand Forks Air Force Base Riparian Contract

A comprehensive riparian management plan was submitted to GFAFB in the beginning of 2007. Additional services to the Air Force Base included riparian restoration plans and specifications to implement this management plan.

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 2007 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.

2007 RC&D Projects

Project	Sponsor
Farmers Market on the Red	City of Drayton
Red River Tourism Inventory	UND Recreation & Leisure
2007 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
Stump Lake Pioneer Village Round Barn	Nelson County Historical Society
Pembina County SCD Grass Drill	Pembina County Soil Conservation District (SCD)
2007 Walsh County Soils & Geology Tour—Saline Soils	Walsh County Soil Conservation District (SCD)
ND Invasive Species Partnership	ND RC&D Association
Walsh County Noxious Weed Tour	Walsh County Weed Board
Farm Rescue Project—2007	Farm Rescue
Walhalla Arts & Heritage Festival	Walhalla Chamber of Commerce
Music in the Park	Cavalier Area Chamber of Commerce
Red River Riparian Project—Phase III	ND Forest Service; ND Dept. of Health; UND-EERC; Nelson, Walsh, Pembina and Grand Forks SCD's and Water Boards
Pembina River Canoe Trail	Walhalla Chamber of Commerce
2007 Red River Riparian Tour—Drain 39	Red River Riparian Project
Red River Riparian Project—Priority Watershed in NE ND	Regions Water Resource Board & Soil Conservation Boards, ND Forest Service, NDSU, ND Dept. of Health
Cavalier High School Art Gallery Initiative	Cavalier Arts & Crafts Society
Edinburg Sod House & Oxcart Interpretive Signs	Edinburg Business Club
Michigan City Veterans Memorial Park	City of Michigan
ND Farmers Market & Growers Association Annual Conference	ND Farmers Market & Growers Association
Park River American Legion	Paul Farup American Legion Post #147

**RED RIVER REGIONAL
COUNCIL**

Ph: 701-352-3550
Fax: 701-352-3015

STAFF

Julius M. Wangler,
Executive Director
rrrc@nd.gov

Katherine A. Lunde,
*Community Development
Director*
klunde@nd.gov

Dawn M. Keeley,
Business Development Director
dkeeley@nd.gov

Joshua Klug
Business Consultant
jklug@nd.gov

Janet Dvorak,
Administrative Secretary
jedvorak@nd.gov

Lori A. Estad,
Secretary
lestad@nd.gov

CONTRACT STAFF

Craig Brumbaugh
Riparian Program Manager
Craig.Brumbaugh@ndsu.edu

RC&D STAFF

Ph: 701-352-0127
Fax: 701-352-3015

Paul Wellmen,
RC&D Coordinator
paul.wellman@nd.usda.gov

Sue Currie,
RC&D Secretary
susan.currie@nd.usda.gov

**Red River Regional Council
Chase Building
516 Cooper Avenue
Grafton, ND 58237**

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- Mary Houdek, *Treasurer*, Job Service North Dakota
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- Dr. MC Diop, *Minority Representative*
- Allen Ruzicka, *Walsh County Commissioner*
- Michael Kotchman, *Pembina County Soil Conservation District*
- Charles Durrenberger, *Grand Forks Planning Department*
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- Ronald Dahlen, *Nelson County Commissioner*
- 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*
- Muriel Stadstad, *Eastern Grand Forks County Soil Conservation District*
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Advisory Committee Members

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Bob Sobolik, *Member at Large*
Ray Withers, *Citizens Community Credit Union*
Floyd Anderson, *Larimore Sunflower Inc.*
Kurt Eickhof, *Construction Engineers Ltd.*
Kent Keys, *Red River Valley Community Action Agency*
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