

04 - 0407

Northwest Regional Development Commission

Annual Report - Fiscal Year 2004



Working for Local Units of Government in Kittson, Marshall, Norman,
Pennington, Polk, Red Lake and Roseau Counties

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Warren, MN 56762 • 218-745-6733
Agency Web Site Address: www.nwrdc.org

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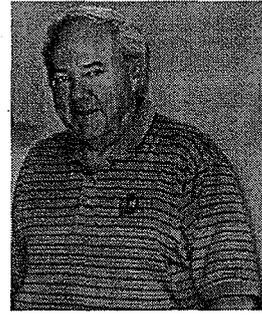
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Letter from the Chairman

Dr. Joe Bouvette



"A Look Back and a Vision Ahead"

As an original member of the Commission, I have seen our organization go through many changes and faces. As a business owner, mayor, county commissioner, and NWRDC Chair I have had the opportunity to participate in a wide range of approaches to economic and cultural development. I have seen some work, some never get going, some fade away, and some flourish beyond expectations.

When the Commission opened its doors agriculture was such a dominant force in the area we hardly noticed the steady growth of our manufacturing base or the rich variety of recreational opportunities just beyond the farm fields. We did see the gradual movement of retail trade away from our small towns, the steady population loss as farming went big, and the devastating effects of epic level flooding.

One thing that has not changed during this time is our ability to quietly assess the situation and then do something about it. We are used to having the odds stacked for the other guy and hearing about the demise of rural America. Some of this we take seriously; and some of it makes us shake our heads and wonder why anyone would think Northwest Minnesota is not the ideal place to live.

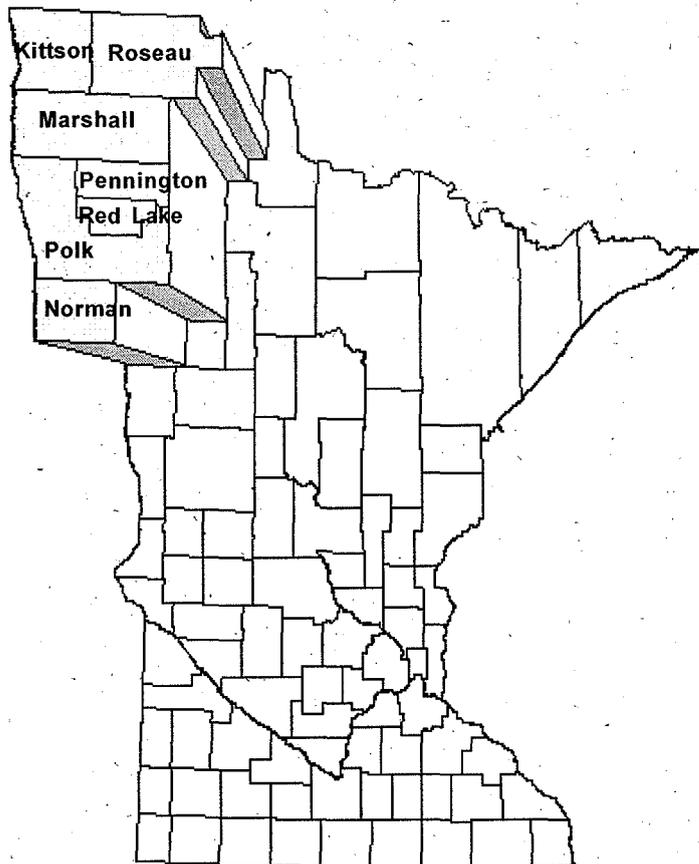
Well, much to our enjoyment and eventually to our economic benefit, there is a growing appreciation of what we have built and preserved. Employers know we can get the work done, visitors want to enjoy our picture perfect rural communities, families want to live here, and our business and farm leaders are flourishing in the new international economy. New ideas are everywhere and, strangely, the odds seem to be moving our way.

"Promoting Northwest Minnesota"

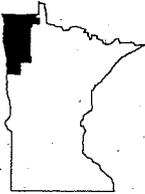
The cover of our annual report displays the new "Land of the Dancing Sky" logo. "Land of the Dancing Sky" and the associated logo, attempt to describe the positive feelings associated with living and visiting in Northwest Minnesota. The land brings us agriculture, recreation, and the freedom of open space. The dancing sky represents the unknown qualities that inspire us to create great art and world class businesses. Promoting the Land of the Dancing Sky allows us to celebrate our accomplishments, share the deep value of rural life and anticipate a bright future.

The term Dancing Sky has its origins in the Northern Lights. Did you know Northern lights are a result of our atmosphere shielding us against plasma clouds resulting from large solar explosions, and flares which would otherwise make our planet uninhabitable?

Check this out at
visitnwminnesota.com



NW Regional Development Commission



What The NWRDC is All About . . .

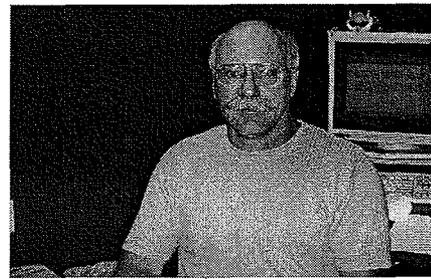
Regional Development Commissions were created by the State Legislature through the Regional Development Act of 1969. The intent of the Act was to create an option for rural units of government to supplement existing public services and coordinate specific activities of mutual concern. Although created by the State, Regional Development Commissions were left in the hands of local representatives to insure that the final design would reflect area needs and preferences.

The Northwest Regional Development Commission was created on February 2, 1973 by the joint actions of local units of government. Programs were set up to reflect priority work items of the time; and relationships were established with the state and federal agencies that could provide assistance with local projects. Programs and work priorities have changed in response to economic

and social trends; but the central mission of supporting efforts by cities, counties, townships, businesses and individuals to improve living, working and natural resource conditions in Northwest Minnesota has remained the same.

The Commission has worked to establish a manner of operation which reflects and compliments the independent, progressive style of Northwest Minnesota. Technical assistance, specialized program delivery, public participation, direct funding, access to information and formalized planning services are the basic materials which we can contribute to the construction of your project.

Please look over our Annual Report and stop by or call if you have any questions, comments or suggestions.



Above: Leon Heath, Executive Director

*Right: Carol Sorensen,
Financial Officer*



*Left: Brenda Solberg,
Front Office Manager/
Financial Assistant*



*Right: Betty Safranski,
Front Office
Assistant*



Staff Listing

NWRDC Staff

Darla Bergquist, Region 2 Aging Program Developer
Tracey Ebertowski, Senior LinkAge/RxConnect Specialist
Cameron Fanfulik, Agricultural Development Specialist
Kay Hegge, Econ. Development/Housing & Flood Recovery Planner
Leon Heath, Executive Director
Jennifer Olson, Flood Mitigation Planner
Lois Pagnac, Senior LinkAge/Outreach Specialist
Rose Reed, Senior LinkAge Specialist
Danica Robson, Aging Program Director
Betty Safranski, Front Office Assistant
Troy Schroeder, Transportation Planner
Brenda Solberg, Front Office Manager/Financial Asst.
Carol Sorensen, Financial Officer
Mara Wittman, Arts Council Director

Staff who worked at the NWRDC this past year, but no longer work at the RDC: Coralie Jones, Linda Nelson, and Jennifer Hill

Northwest Regional Development Commission



NWRDC Board of Directors

Left to Right - Delray Larson, Warren Olson, Velma Oakland, Warren Strandell and Orris Rasmussen. Not Pictured: Dr. Joe Bouvette, Kimberley Johnson and John Erickson.

Polk County

Eugene Dufault	Crookston	Townships
James Herdliska	Erskine	Municipalities
Martha Hurtado	Crookston	Minorities
Gerald Jacobson	Fertile	Labor
Bill Montague	Crookston	Financial Institute
Bernie Solberg	Gully	Women
*Warren Strandell	EGF	County
Kathleen Twite	EGF	Business
Katya Zepeda	Crookston	Minorities

Red Lake County

Allen Ducharme	RLF	Municipalities
Betty Halvorson	Plummer	School Board
Genevieve Knott	RLF	Townships
Robert Melby	Oklee	Low Income
*Velma Oakland	RLF	County
Vaughn Thorfinnson	RLF	Vocational Schools
Ronald Weiss	RLF	Watershed Dist.

Roseau County

Bruce Olson	Badger	Townships
*Orris Rasmussen	Roseau	County
Sylvia Rude	Roseau	Municipalities

*Board Members

**Chairperson

Members who served for part of FY'2004: Charles Walsh

COMMISSION MEMBERSHIP

Kittson County

**Dr. Joe Bouvette	Hallöck	County
*Kimberley Johnson	Kennedy	Townships
Charles Lindberg	Kennedy	Industry
Dale Nelson	Karlstad	Municipalities

Marshall County

Wayne Bergeron	Argyle	School Boards
Sandra Hapka	Warren	Agriculture
*Delray Larson	Gatzke	County
Ruth Magnusson	Argyle	Townships
Ole Soltvedt	Oslo	Municipalities

Norman County

Glen Brookshire	Halstad	Municipalities
Fred Jamison	Ada	Townships
*Warren Olson	Halstad	County

Pennington County

Elvera Cullen	TRF	Municipalities
*John Erickson	RLF	Townships
Daniel Johnson	Goodridge	SWCD
Roy Jorgenson	TRF	Seniors
Oliver Swanson	TRF	County



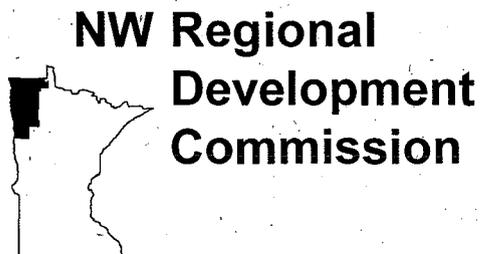
Above: Left to Right - Marshall County Commission members Delray Larson, Ruth Magnusson, Sandra Hapka and Ole Soltvedt caucusing at the Annual Commission meeting.

COMMISSION BUDGET

<u>REVENUES</u>	<u>ACTUAL FY'2004</u>	<u>PROJECTED FY'2005</u>
FEDERAL		
ECONOMIC DEVELOPMENT ADMIN.	\$60,813	\$52,628
USDA	\$30,832	\$6,450
	\$91,645	\$59,078
STATE		
MN/DOT	\$50,000	\$50,000
STATE ARTS BOARD	\$88,375	\$85,723
MINNESOTA BOARD ON AGING	\$1,547,039	\$1,407,403
MINNESOTA DEPARTMENT OF PUBLIC SAFETY	\$91,706	\$86,598
MINNESOTA HOUSING FINANCE AGENCY	\$1,822,674	\$1,504,000
	\$3,599,794	\$3,133,724
PRIVATE FOUNDATIONS		
MCKNIGHT FOUNDATION - ARTS	\$24,500	\$24,000
NW MN FOUNDATION	\$37,846	\$10,159
	\$62,346	\$34,159
LOCAL GOVERNMENTAL		
LOCAL LEVY	\$181,117	\$188,533
LOCAL CONTRACTS	\$6,000	\$27,000
LOCAL CONTRACTS ICWC CREWS	\$258,032	\$215,533
	\$445,149	
MISCELLANEOUS		
NORTHWEST ENTERPRISE FUND	\$325,965	\$563,539
INTEREST	\$7,646	\$8,300
CONFERENCE REGIST./MISC.	\$10,932	\$8,500
IN-KIND	\$37,898	\$40,491
RESERVED		\$4,244
	\$382,441	\$625,074
TOTAL REVENUES	<u>\$4,581,375</u>	<u>\$4,067,568</u>

<u>EXPENDITURES</u>	<u>ACTUAL FY'04</u>	<u>PROJECTED FY'05</u>
SALARY/FRINGE	\$638,153	\$648,230
STAFF TRAVEL & REGISTRATIONS	\$41,364	\$45,741
COMMISSION/COMMITTEE TRAVEL/PER DIEM	\$40,886	\$42,190
PROFESSIONAL FEES	\$21,606	\$5,800
PRINTING & POSTAGE	\$26,879	\$37,195
RENT & MAINTENANCE	\$14,899	\$14,500
WORKSHOP/CONFERENCE COSTS	\$9,241	\$10,250
TELEPHONE & INTERNET COSTS	\$11,532	\$14,070
SUPPLIES	\$15,458	\$14,000
IN-KIND EXPENSE	\$38,524	\$40,491
OTHER OFFICE EXPENSES	\$52,290	\$36,098
TOTAL ADMINISTRATIVE	\$910,834	\$908,565
REGRANTED	\$1,287,675	\$1,157,003
BUSINESS LOANS	\$270,000	\$500,000
HOUSING PASS THROUGH FUNDS	\$2,079,623	\$1,502,000
TOURISM PROJECT	\$15,500	
FIXED ASSETS/RESTRICTED FUND	\$7,039	\$5,000
DEPRECIATION	(\$6,888)	(\$7,500)
	\$151	(\$2,500)
TOTAL EXPENDITURES	<u>\$4,563,783</u>	<u>\$4,065,068</u>
INCREASE (DECREASE) TO FUND BALANCE	<u>\$17,593</u>	<u>\$0</u>

Program Highlights



Program Highlights Fiscal Year 2004

Serving
*Kittson, Marshall, Norman, Pennington
Polk, Red Lake, Roseau*

Aging

AREA AGENCY ON AGING

Purpose: To build a proactive, comprehensive and coordinated system of advocacy and services that ensures the rights and benefits of all older people.

Program Funding Sources: Older Americans Act through the Minnesota Board on Aging - \$156,811; RDC Tax Levy - \$50,598; Miscellaneous - \$14,997.

Regrant Funding Sources: Older Americans Act - \$853,114; U.S. Department of Agriculture Nutrition Program - \$216,049; State Nutrition Program - \$163,582.

Service Priorities: Regrant priorities are: nutrition, congregate and home delivered meals, legal service, transportation, chore/home repair, housekeeping, visiting and medical forms assistance. Support priorities are advocacy, education, support of county committees on aging and senior centers, inter-agency linkages, and information/referral.

Aging Highlights

Designated as the AAA for Region 2 ...

In December 2003, we were designated as the Area Agency on Aging for Region 2, expanding our service area to include Beltrami, Clearwater, Hubbard, Lake of the Woods, and Mahnommen counties.

Staff Hired to work in Region 2 ...

Darla Bergquist was hired to work as the Aging Program Development Specialist serving Region 2. Officed in Park Rapids, Darla has provided valuable services to seniors and communities in Region 2.



Above: Darla Bergquist, Region 2 Aging Program Developer

Housing with Services Workshops ...

Coordinated two Housing with Services workshops that provided information about developing housing with services, or assisted living services to 50 individuals.



Above: (left to right) Danica Robson, Aging Program Director; Lois Pagnac, Senior LinkAge/Outreach Specialist; Rose Reed, Senior LinkAge Specialist; and Tracey Ebertowski, Senior LinkAge/RxConnect Specialist.

Medication Management Sessions...

Continued participation in this collaborative with seven other Area Agencies on Aging has resulted in the provision of 12 Medication Management Sessions for seniors in Regions 1 and 2. These sessions provide seniors with an opportunity to have a Pharmacist review all medications to avoid the potential for adverse reactions.

Health Fairs ...

Information was provided to 700 seniors, family members, and caregivers through participation in 20 Health Fairs in Region 1 and 2. These health fairs are sponsored by employers, schools, human service agencies, and senior centers.

Adult Foster Care Home Development ...

Technical assistance was provided to individuals interested in developing Adult Foster Care Homes as a residential alternative for seniors.

Parish Nurse Partnerships ...

Established partnerships with Parish Nurse Programs in Hubbard and Beltrami Counties. These partnerships have been formed to share information and facilitate referrals for services and assistance.

Housing with Services ...

Provided information and technical assistance to individuals and agencies interested in developing Housing with Services, or Assisted-Living in Regions 1 and 2.

Community Service/Service Development Grantees ...

Assisted eight agencies with the development of Community Service/Service Development grants. These grants are funded from the Department of Human Services and are focused on developing community based alternatives to nursing home care.

Aging Continued



Your connection to the services near you.
1-800-333-2433

Purpose: The State Health Insurance Assistance Program (SHIP) offers older adults, Medicare beneficiaries and their family members assistance in obtaining appropriate health care coverage, entitled Medicare/Medicaid insurance benefits.

Funding Sources: Minnesota Board on Aging - \$157,483; RDC Tax Levy - \$8,731; and Miscellaneous - \$3,176.

Service Priorities: Specially trained volunteer health insurance counselors are available to assist all seniors, free of charge, with information and assistance on a confidential one-to-one basis. The program also serves to educate the public about the health care reimbursement systems and increase awareness of the program to seniors and family members.

Senior LinkAge Line® | State Health Insurance Assistance Highlights

The Senior LinkAge Line® provides information, assistance and referrals to seniors and their family members on a variety of topics. The top issues people called to ask for assistance with from July 1, 2003 through June 30, 2004 were:

- Prescription Expense Assistance (Manufacturers Free Drug Programs)
- Chore Services
- Medicare Savings Programs
- Medicare Approved Drug Discount Cards
- Medicare Supplemental Insurance Enrollment/Comparison
- Medical Assistance
- MinnesotaCare
- Medicare Claims/Billing
- Legal/Consumer Rights
- Medicare Enrollment/Eligibility

Number of Calls Received by County on the Senior LinkAge Line®

Beltrami	315	Norman	207
Clearwater	182	Pennington	221
Hubbard	222	Polk	537
Kittson	98	Red Lake	107
Lake of the Woods	67	Roseau	159
Mahnomen	55		
Marshall	239	Outside-Region Calls	168

SHIP Presentations ...

Provided information to seniors, agencies, and family members during 15 community presentations about the SHIP program. Provided updates on changes to Medicare, prescription drug programs, and other options to 375 individuals who attended these sessions.

Medicare Savings Program Outreach ...

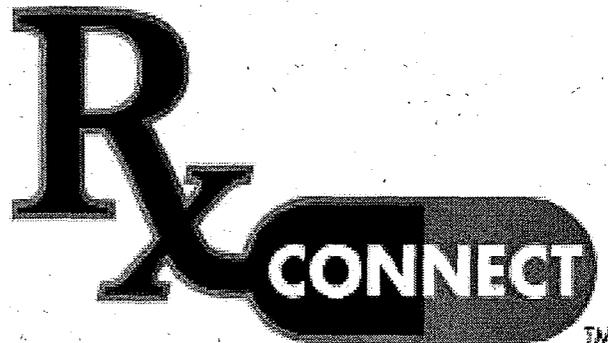
Through funding from the Department of Human Services and the Robert Wood Johnson Foundation, Area Agencies on Aging are conducting outreach campaigns to identify individuals who would be potentially eligible for the Medicare Savings Programs. Community presentations and individual assistance with completing applications are provided to seniors as part of this effort.

Clinic Site Assistance ...

Assistance with completing applications for Patient Assistance Programs and other health care programs was provided to 20 seniors in Lake of the Woods County and Baudette through the development of a pilot site at the clinic in Baudette.

Rx Connect™ ...

The 2003 State Legislature appropriated funding to implement the Rx Connect™ program, a service of the Senior LinkAge Line®. This program assists people of all ages with accessing the Patient Assistance Programs through the Pharmaceutical Companies. Tracey Ebertowski was hired to work as the Rx Connect Specialist, serving seniors in Regions 1 and 2. From September, 2003 through June, 2004, the Rx Connect™ program assisted 1,149 people with applying for free or reduced cost medications.



helping you get the prescription drugs you need

2003 Aging Grantees - Region 1

Kittson County Senior Medical Travel - Provided 248 one-way trips to 43 clients in 2003.

Roseau County Senior Medical Travel - Provided 443 one-way trips to 72 clients in 2003.

Senior Legal Services Project - Provided 10 educational sessions to 631 persons and 761 hours of legal assistance to 190 clients in 2003.

LSS Respite and Caregiver Support III-E Grant - Provided 1,388 hours of respite services to 14 clients in 2003.

Valley Housekeeping Program - Provided 9,357 hours of housekeeping services to 245 clients in 2003.

NW Sentencing to Service Chore Program - Provided 4,793 hours of chore services to 239 clients in 2003.

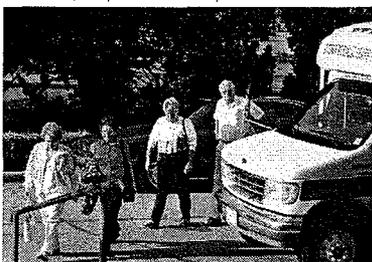
Tri-County Sentencing to Service Chore Program - Provided 3,793 hours of chore service to 175 clients in 2003.

Roseau County Sentencing to Service Chore Program - Provided 1,707 hours of chore service to 18 clients in 2003.

LSS Senior Nutrition Program - Provided 260,497 congregate and home delivered meals to 6,947 clients in 2003.

LSS Health and Wellness Fairs - Provided information to 1,186 persons at 37 regional health fairs in 2003.

Senior LinkAge Line®/RX Connect/State Health Insurance Assistance Program - Provided information and assistance through Senior LinkAge Line® calls, one-on-one assistance and educational programs to 4,728 seniors and others in 2003.



Left: Seniors ready to attend the Region 1 Conference on Aging in Crookston, MN.

Right: About 300 seniors registered for this year's Conference on Aging in Crookston, MN.



2003 Aging Grantees - Region 2

Bi-CAP Home Modification Program - Provided 164.5 hours of home modification services to 36 clients in 2003.

Clearwater County Transportation - Provided 312 one-way trips to 39 clients in 2003.

Legal Services Project - Provided 591 hours of legal assistance to 105 clients and 6 education sessions to 156 clients in 2003.

Hubbard County Housekeeping Project - Provided 1,642 hours of housekeeping services to 21 clients in 2003.

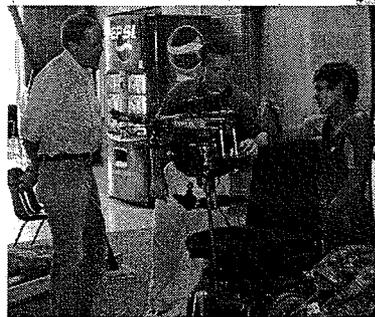
Lakewood Nursing Service - Provided 652.5 hours of home health aide services to 15 clients in 2003.

Red Lake Comprehensive Health Services - Provided 377 hours of homemaker services to 12 clients in 2003.

Lutheran Social Services Nutrition Program - Provided 158,739 congregate and home-delivered meals to 4,600 clients in 2003.

LSS Respite and Caregiver Support Program - Provided 3,414 hours of respite services to 18 clients in 2003.

Right: Senator Carrie Ruud serves coffee with a smile at the Region 2 Conference on Aging in Bemidji.



Above: Left to Right: Representatives Doug Lindgren and Doug Fuller see a demonstration by David Espinoza, Options, of an Electric Modified Wheelchair for recreational hunting. Below: Everyone enjoys the noon lunch at the Region 2 Conference on Aging.



Arts

NORTHWEST REGIONAL ARTS COUNCIL

Purpose: To promote, develop and encourage artistic growth and excellence of arts organizations and individual artists in northwestern Minnesota by awarding funds and conducting programs and services.

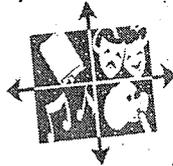
Program Funding Sources: MN State Arts Board - \$47,270 and Interest - \$239; McKnight Foundation - \$10,675; RDC Tax Levy - \$1,752; Miscellaneous - \$2,044.

Re-Grant Funding Sources: MN State Arts Board - \$41,105; McKnight Foundation - \$13,825.

Re-Grant Programs: *State Funds:* Production Assistance/Sponsorship; Artist in the Schools. *McKnight Funds:* Individual and Student Artist Grants; Small Capital.

Service Priorities: Direction setting, grants to organizations, grants to individual and student artists, Northwest Minnesota Art Exhibit, information including website, newsletter, training/workshops.

Arts Highlights



Grant Program Summaries

Production Assistance/Sponsorship •••

In fiscal year 2004, we re-granted \$25,260 to 8 different productions and 12 sponsorship projects throughout the region. Six of the projects were specifically aimed at children. An estimated 14,900 adults attended and over 6,335 youth participated.

Artists in the Schools Grant Program •••

In the fifth year of this program \$10,240 was regranted to area schools. Thirteen projects were awarded serving 3,470 students.

Public Art Projects •••

One installation and opening occurred in Roseau for a mural by Marv Espe. Three partial installations occurred in Warren, Florian, and Thief River Falls with openings to follow in FY 2005.

Small Capital Grants •••

\$5,575 was granted to arts organizations to purchase various items like wigs, gallery tables, travel cases, and light equipment. Four organizations received awards.

FY 2004 McKnight Artist Grants •••

Eight adult artists and six student artists received awards this year. In the Individual Artist category \$5,525 was granted. In the Student Artist category \$2,725 was granted. Most awards were for technical training.



Left: Mara Wittman,
Arts Council Director

Services and Technical Assistance

Web Site Development-Arts •••

Updated web pages for the arts to include on-line application forms, as well as downloadable pdf forms. Also added more information on arts organizations and artists. www.nwrdc.org/arts.htm

Land of the Dancing Sky Gathering in Fosston •••

A one-day trade show/training was held at the Fosston Library Art Center on April 14, 2004. The day included artists showing their products and learning about how to market their art. Chris Osgood, of Springboard for the Arts and Robert Booker, Exec. Director of the Minnesota State Arts Board were the main artistic presenters. The *Land of the Dancing Sky* trademark was promoted as a way of artists identifying that their work is produced in our area. (more on page 21)

Mission to Motivation Workshop •••

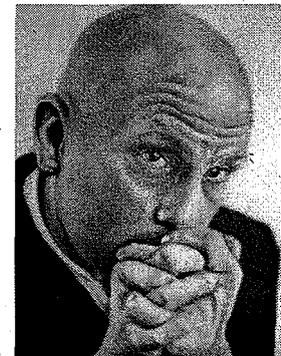
Coordinated a workshop on October 10, 2003 at the Library in East Grand Forks where arts groups learned how to increase participation in the arts. Sharon Rodning Bash facilitated the session attended by 12 people.

Newsletter •••

Northwest Arts continued to provide a list of our grants, as well as opportunities for artists, schools and arts organizations. Three newsletters were printed and distributed to 850 arts constituents.

Northwest Minnesota Art Exhibition •••

Coordinated 2004 exhibit in Warren at the Warren/Alvarado/Oslo High School from May 4-11, 2004. This included the jury process, registration, hanging, and artist reception. 122 pieces were on display for almost a week. \$1,550.00 of awards were given to artists based on the recommendations of juror Dr. Art Jones of Grand Forks.



Above: Adam Pape, East Grand Forks, received a student merit award for this airbrush painting at this year's exhibit.

Arts Grants

Production Assistance/Sponsorship Grants:

- ** **Impressions Dance Company, Crookston**, \$2,000.00 for the production of "Cinderella" on November 22-23, 2003.
- ** **Fosston Library Arts Association**, \$700.00 for the sponsorship of Acappella Xpress on April 3, 2004; and \$2,000.00 for the production of "Romeo and Juliet" on June 25-27, 2004.
- ** **Two Rivers Area Theater, Red Lake Falls**, \$1,990.00 for the production of "Love Thy Neighbor" on March 4-7, 2004.
- ** **Summer Arts STAGES, East Grand Forks**, \$2,000.00 for the production of "Goldilocks and the 3 Pigs" on June 20-21, 2004; and \$1,000.00 for the sponsorship of Safari Start-up Clinic in June 2004.
- ** **Stephen Arts Council**, \$900.00 for the production of "Ole and Lena's Wedding" on March 26-28, 2004.
- ** **Thief River Falls Community Arts Council**, \$1,500.00 for the production of "Bye, Bye Birdie" on July 27-Aug 1, 2004; and \$1,500.00 for the production of "Gypsy" on June 8-13, 2004.
- ** **Association of the French of the North, Red Lake Falls**, \$2,000.00 for the sponsorship of Cajun Hot Soles performance on August 28, 2004.
- ** **Roseau Friends of the Library**, \$1,590.00 for the production of the 2004 Regional Ramblings in October 2004.
- ** **Kittson County Fair, Hallock**, \$2,000.00 for the sponsorship of local musicians to perform as part of Kick'n Kountry Music Fest on September 4-5, 2004.
- ** **Hallock Senior Center**, \$600.00 for the sponsorship of local artists to create a mural.
- ** **Ada Summer Children's Theater**, \$1,500.00 for the sponsorship of Missoula Children's Theater Production of "Beauty Lou and the Country Beast".
- ** **Northern Lites 4-H Camp, Lake Bronson**, \$250.00 for the sponsorship of a photography workshop by Loren Younggren in June 2004.
- ** **Fertile Area Arts Council**, \$510.00 for the sponsorship of a children's theater Safari workshop and production of "Goldilocks and the Three Pigs" on July 30, 2004.
- ** **Crookston Community Theater**, \$1,460.00 for the production of "Brighton Beach Memoirs" from June 10-13, 2004.
- ** **City of Plummer**, \$735.00 for the sponsorship of artists for their 100 year celebration from July 2-4, 2004.
- ** **North Country Fiddle and Dance, East Grand Forks**, \$675.00 for the sponsorship of Girl Germs on May 14, 2004.
- ** **Red River State Recreation Area, East Grand Forks**, \$350.00 for the sponsorship of artist Myke Knutson to paint a mural in May 2004.

Artists in the Schools Grants:

- ** **Tri-County School District, Karlstad**, \$1,240.00; for the sponsorship of Prairie Fire production of "Robin Hood" on July 26-30, 2003.
- ** **Roseau School District**, \$1,000.00; for the sponsorship of a writing residency by Stephen Peters from May 10-14, 2003; and \$1,000.00 for the sponsorship of a glass blower residency with John Offut from April 27-29, 2003.
- ** **Fertile/Beltrami School District**, \$2,000.00; for the sponsorship of a residency and performance by Northwind Crossing on October 7, 2003.
- ** **Crookston School District**, \$1,500.00; for the sponsorship of a ceramic residency by Marjorie Schafer and Ann Piersol in March and April of 2004.
- ** **Heartland Academy, Alvarado**, \$755.00; for the sponsorship of a painting residency with Alice Beaudry from October 2003 - May 2004.
- ** **Stephen/Argyle School District**, \$1,860.00 for the sponsorship of a residency with cartoon artist Gary Harbo from March 1-4, 2004.
- ** **Warren/Alvarado/Oslo School District**, \$1,100.00 for the sponsorship of a Prairie Fire Children's Theater workshop and production of "Jack and the Beanstalk" from August 2-6, 2004; and \$900.00 for the sponsorship of a theater residency with Lee Barnum from April 19-23, 2004.
- ** **Thief River Falls School District**, \$1,000.00 for the sponsorship of a African American music residency with Dr. Boyer from April 26-28, 2004; and \$2,000.00 for the sponsorship of a African American visual art quilt mural residency with Ta-Coumba Aiken from March 22-27, and May 20-24, 2004.
- ** **Greenbush/Middle River School District**, \$1,875.00 for the sponsorship of a storytelling residency with the Silly Sisters on April 26-27, 2004.

Arts Grants

Small Capital Grants:

- ** Crookston Community Theatre, \$400.00 for the purchase of theatrical wigs.
- ** Two Rivers Area Theatre, Red Lake Falls, \$1,440.00 for the purchase of travel cases and dimmer packs.
- ** Fosston Community Arts Association, \$2,000.00 for the artist commission of 4 original tables.
- ** Thief River Falls Community Arts Council, \$1,735.00 for the purchase of additional lighting supplies.

Individual Artist Grants:

- ** Judy Szklarski of Stephen, \$725.00; to purchase pastels and other visual art supplies to prepare for an exhibit.
- ** Shirley Borud of Fosston, \$750.00; to attend three writing workshops at The Loft in Minneapolis from October - December 2003.
- ** Laurel Johnson of Thief River Falls, \$750.00; to mentor with Maria Williams in voice to prepare for a recital.
- ** Kimberly Miller of Red Lake Falls, \$300.00; to pursue training in creating more artistic art pieces.
- ** Allison Page of Thief River Falls, \$750.00; to tour a theater production to surrounding communities.
- ** Deb Aune of Gatzke, \$750.00; to attend a painting workshop at Split Rock in July 2004.
- ** John Leopold of Thief River Falls, \$750.00; to complete a pin-hole camera photo exhibit in Scotland.
- ** Ken MacDonald of Fertile, \$750.00; to purchase photo supplies in order to create new work for exhibit.

Student Individual Artist Grants:

- ** Katie Craig of Warren, \$500.00; to study voice with mentor Maria Williams resulting in a recital in the Spring of 2004.
- ** Bryce Henrickson of Argyle, \$500.00; to attend Summer Performing Arts in Grand Forks for dance in July 2004.
- ** Jake Thompson of Oklee, \$255.00; to complete a training mentorship in guitar with Cody Hempel of Thief River Falls.
- ** Beth Radeke of Argyle, \$500.00; to attend Summer Performing Arts in Grand Forks for dance in July 2004.
- ** Nick Hagen of East Grand Forks, \$500.00; to attend Boston Universities Tanglewood Institute in Lenox, MA to study orchestral trombone in July 2004.
- ** David Stapleton of Fosston, \$470.00; to study visual art with mentor Ric Sorenson of Fosston.

Northwest Minnesota Art Exhibition Awards:

Adult Award Winners

- 1st Prize: \$500.00 Asra Halvorson, Warroad: "Flight" Printmaking
2nd Prize: \$250.00 John Leopold, Thief River Falls: "Doma Cathedral in Winter" Painting
3rd Prize: \$100.00 Deb Aune, Gatzke: "My Girls" Drawing
Merit - Drawing: \$50.00 Jessica Pribula, East Grand Forks: "Fruit Still Life"
Merit - Photography: \$50.00 Bruce Flaig, Fertile: "Fall Teasel"
Merit - Photography: \$50.00 Carl Dahlen, Fisher: "Minnesota Winter"
Merit - Sculpture: \$50.00 Marjorie Schafer, Red Lake Falls: "St. Therese of Lisieux"
Merit - Pottery: \$50.00 Robin Foster, Red Lake Falls: "Dragonfly Platter"
Arts Council's Choice: \$25.00 Ivy Bailie, Fosston: "Galardia Garden" Painting

High School Student Awards

- 1st Prize: \$150.00 Jessica Mullins, Crookston: "Layers of Reality" 2-D Mixed Media
2nd Prize: \$75.00 Kirk Hanson, Warren: "Silo" Photograph
3rd Prize: \$50.00 Holly Schmidt, Crookston: "Consumed" 3-D Mixed Media
Merit - Drawing: \$25.00 Brittany Johnston, Angus: "Old Shed"
Merit - Painting: \$25.00 Adam Pape, East Grand Forks: "John"
Merit - Sculpture: \$25.00 Sandy Zepada Hurtado, Crookston: "Fighting Temptations"
Merit - Photography: \$25.00 Megan Maruska, Warren: "Slidin"
Merit - Digital: \$25.00 Adam Sorum, Oslo: "Star Flower"
Arts Council's Choice: \$25.00 Corey Saunders, Warren: "Bell Peppers" Painting



Above: Kirk Hanson, Warren, received the second place student award at this year's exhibit.

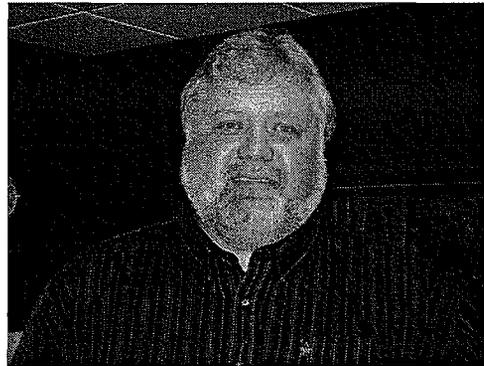
Agricultural Development

"CAPTURE THE VALUE"

Purpose: To provide a range of services which will assist in the development of projects that add value to local commodity production and resources.

Program Funding Sources: USDA-Rural Business Opportunity Grant (RBOG) - \$30,832; Northwest Minnesota Foundation - \$24,665; NWRDC Local Match \$10,560.

Service Priorities: Pooling resources and partners for agri-business project initiatives, and providing information, technical assistance, and staff support for ag value-added entrepreneurs.



Above: Cam Fanfulik, Agricultural Development Specialist

Agricultural Development Highlights

Assisting ethanol steering committee in Crookston, MN with grantwriting, technical assistance and staff support. The steering committee is moving forward with a drive for seed capital investors that will fund a feasibility study, business plan, permitting and other planning issues.

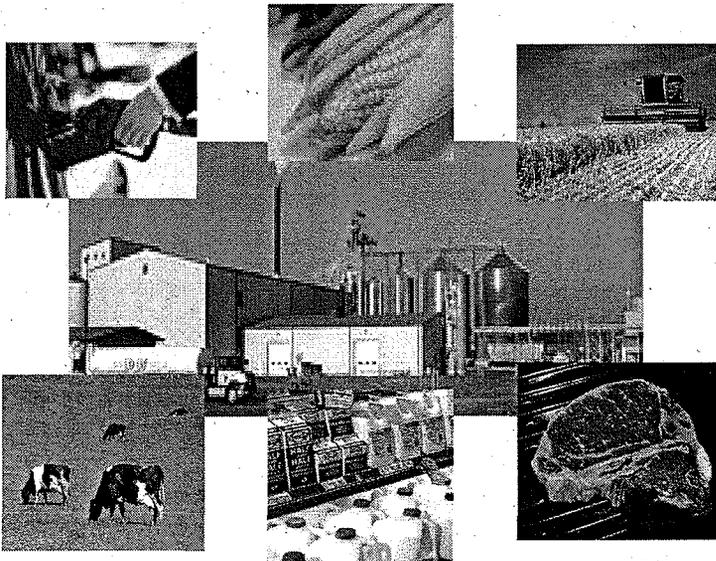
Obtained a \$4,000 grant from the MN Soybean Council through the Agricultural Utilization and Research Institute which provides matching funds for the biodiesel feasibility study in Hallock, MN.

Assisting Hallock Biodiesel Steering Committee with grantwriting, data and production information and staff support. The Biodiesel Feasibility Study done by Harris Group, Inc. will be completed by the end of July, 2004. Results of that study will determine whether the project moves forward with business planning, investment drive and eventual start-up.

Obtained a \$25,000 grant from the Northwest Minnesota Foundation that provides matching funds for the biodiesel feasibility study.

Obtained a \$250,000 loan from USDA for the construction of a wastewater pre-treatment facility for the city of Fosston and Wild Rice Electric Utility. The facility provides state-of-the-art technology and extra capacity for Fosston's waste treatment system. It has been constructed, is currently undergoing leak testing and will be in operation by September, 2004.

Assisting local meat processor and beef producers with options and strategies for future development of animal ag industry in the region.



Left: A "closed-loop" system of agriculture: crop production is used to make ethanol, which in turn provides feed by-products for animal ag industry, waste products for fertilizer, food for people, and energy for fuel usage.

Economic Development

Purpose: To assist in the creation of new jobs by providing general planning guidance, technical assistance for specific industrial projects and services to local units of government.

Program Funding Sources: United States Economic Development Administration (EDA) - \$60,813; RDC Tax Levy - \$23,733.

Service Priorities: Regional Economic Analysis and Planning, Local Planning, Technical Assistance to Local Development Groups, Grant Writing, Business Counseling and Referral, Information on other Development Programs and Resources, Data and Statistics, and Tourism.



Above: Kay Hegge,
Economic Development/Housing &
Flood Recovery Planner.

Economic Development Highlights

Land of the Dancing Sky Highlights

Marketing Plan ••• A draft marketing plan for promotion of our region and its products has been completed by staff. Individualized marketing assistance was provided to over 30 people.

Promotional Items ••• "Land of the Dancing Sky" was coupled with "VisitNWMinnesota.com" in promotional items, such as T-Shirts, caps, shirts, and magnets. These can be ordered by contacting Kay.

"Selling Local Products"



Historic King of Trails ••• The Highway 75 planning group received additional assistance from the NWRDC which helped it achieve its Scenic Byway designation.

Technical Assistance

Business Assistance ••• Assistance was provided to twenty three businesses on a variety of issues ranging from filling out loan fund applications to finding qualified workers. There has been an increasing interest in doing more value added processing of local agricultural products and in providing parts or services to the maturing manufacturing sector in our area.

Small Business Development Center ••• Staff assisted in the effort to maintain the Small Business Development Center which covers our area. This involved helping raise local match and setting up sub-offices in a number of local communities. The effort was successful and the Center will be in operation the next three years. 15

Kittson County Cities ••• A special effort was made to provide assistance to communities in their efforts to gear up job creation. This effort is part of the focus on helping areas experiencing population loss.

Grant Funding ••• Grants "Columns" were e-mailed to city officials and community leaders. A list of funding sources has been compiled to aid in turning historic properties into affordable housing.

CEDS ••• The 2004 update of the Comprehensive Economic Development Strategy (CEDS) has been completed. This plan concentrates on economic development efforts which can help offset trends which are creating population loss.

Technical Assistance ••• Each county received over 20 hours of technical assistance each. Housing information was the most popular request from individuals.

Flood Recovery Highlights

Individual Assistance ••• The recovery included an effort to assist the hard to house families remaining in FEMA trailer homes in Roseau. Red Cross came back with additional assistance, and using a wrap around family approach, 19 families were relocated in December of 2003. In addition, 35 families were assisted with their housing needs in the Fall of 2003.

Hazard Mitigation ••• On-going Hazard Mitigation projects are well underway in Roseau. Due to the unsuccessful Minnesota Legislative session, bonding projects related to the flood control projects in Roseau have been put on hold for an indeterminate amount of time.

Right: The streets of Roseau were tore up for a new storm sewer project funded by the Economic Development Administration.



Economic Development Continued

Erosion Cases ••• There have been several landslides into local rivers due to the high water table and years of flooding. Crookston had a major landslide affecting 3 homes and a commercial site, and the hills in Red Lake Falls have been sliding affecting over 40 homeowners. In addition, four homeowners along the Middle River/ Snake in Marshall county have had landslides. There is no state money for ring dikes, so the only option is a FEMA buyout. These folks are farmers and will not be able to live on their land anymore due to the easement required in a FEMA buyout.

Right: Several rural homes along the Middle and Snake Rivers have experienced landslides, as well as Crookston and Red Lake Falls.



Land of the Dancing Sky JOBZ

Job Opportunity Building Zone (JOBZ) Administration •••



Job Opportunity Building Zones (JOBZ) is a new and exciting state initiative designed to stimulate business activity in rural, economically distressed areas of Minnesota. Eligible businesses in a JOBZone operate in an environment

nearly free of local and state taxes for a maximum duration of 12 years. The tax incentives will help new and expanding companies lower their overall costs and facilitate their growth. (A map of the region showing the JOBZ sites is on page 17.)

The NWRDC submitted a successful multi-jurisdictional application to the State that encompasses 20 communities and 6 townships in the seven county region, totaling over 2,700 acres. The NWRDC serves as the Zone Administrator for the Land of the Dancing Sky JOBZ.

The distinctive "Land of the Dancing Sky" logo refers to the region's unique identity as a land of natural wonder, resources and production. The logo is a quality emblem that advertises and promotes the region's strengths in manufacturing, production/processing and local product outlets.



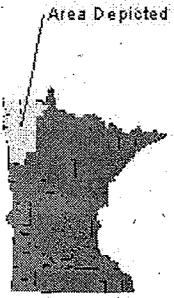
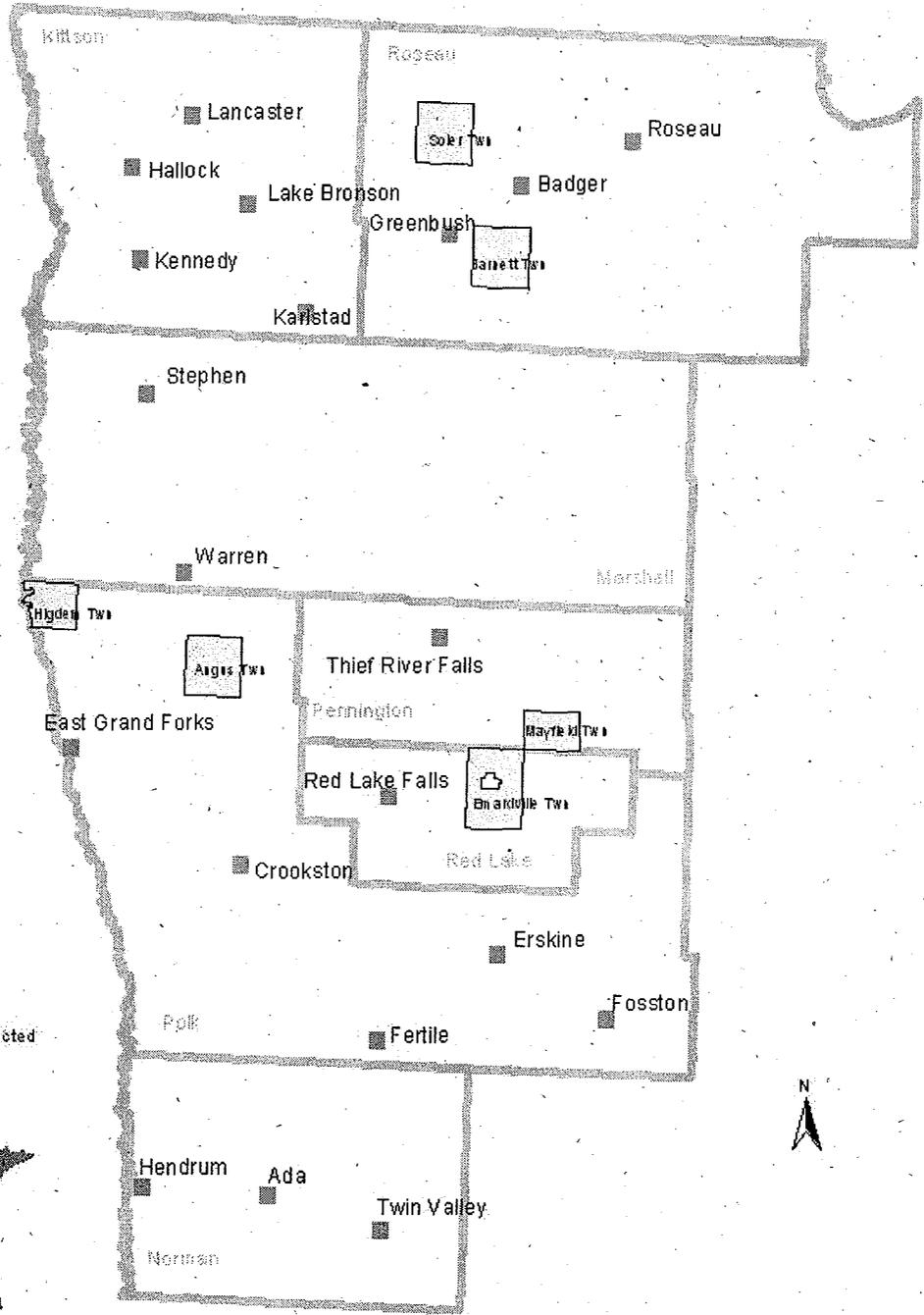
Land of the Dancing Sky JOBZ Communities

Ada, Angus Township, Badger, Barnett Township, Crookston, East Grand Forks, Emardville Township, Erskine, Fertile, Fosston, Greenbush, Hallock, Hendrum, Higdem Township, Karlstad, Kennedy, Lake Bronson, Lancaster, Mayfield Township, Red Lake Falls, Roseau, Soler Township, Stephen, Thief River Falls, Twin Valley, and Warren. Zone modifications will add JOBZ acres to Argyle, Deer Township, and Warroad.

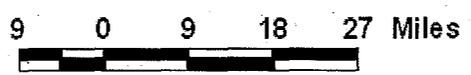
Zone Modifications and business creation/expansions in Crookston, Deer Township, East Grand Forks, Lancaster, and Argyle have already resulted in agreements that will provide approximately 90 new jobs within the coming year.

Northwest Minnesota Job Zone Sites

North Dakota



Minnesota



Enterprise Loan Fund

Purpose: To strengthen and diversify the economy by providing a source of low interest financing to businesses, when credit is not otherwise available from other sources, to ensure the successful completion of activities to be financed.

Program Funding Sources: Loan Interest and Loan Fees - \$53,340.

Loan Funding Sources: Loan Repayments and Loan Interest - \$272,625.

Service Priorities: Financing for-profit businesses which create or retain jobs, especially for the long term underemployed or unemployed.



Above: Linda Nelson, Loan Fund Manager

We wish Linda the best in her new career pursuit and welcome Cam Fanfulik as the new staff to the Enterprise Fund.

Disaster Loans

The Loan Fund has been very active in providing loans and technical assistance to businesses affected by floods and agricultural disasters. This program started in the late 1980's and continued through the 2002 floods and into 2004. Hopefully, 2004 was the last year of disaster loans.

New Loan Activity

The following Loans were closed in FY 2004:

Wilson's Landscaping and Greenhouse, Hallock	\$ 30,000
Hardware Hank, Karlstad	\$ 50,000
Advanced Tire & Auto Repair, Crookston	\$ 40,000
Farmers Union Oil, Roseau (Disaster)	\$ 150,000
TOTAL LOANS	\$ 270,000

Historical Loan Activity

The following is a brief summary of total Loan Fund activity:

Total Number of Loans	127
Active Loans	55
Total Amount of Loans	\$7,785,323
Other Financing Leveraged	\$45,463,369
Jobs Created	1,302

Enterprise Fund Committee

The Enterprise Fund Committee worked very hard during the year to address a number of emerging issues. One of the key issues involved determining how much risk is appropriate for the Fund. The Committee concluded that stretching out to support a more aggressive economic development approach quickly resulted in disproportional increases in business failure rates.

The Committee also began the process of reorganizing to help support efforts by communities to promote all the positive aspects of our area in attracting outside business development, tourism and new residents.



Hazard Mitigation

Purpose: To get people, property, jobs, natural resources, and crops out of harm's way.

Program Funding Sources: MN Dept. of Public Safety - \$91,706; Inkind - \$28,080.

Service Priorities: Compose complete hazard mitigation plans for eight counties in the area. Assist counties, townships and cities in any way possible.



Above: Jennifer Olson, Hazard Mitigation Planner

Hazard Mitigation Highlights

The Northwest Regional Development Commission has made great progress on comprehensive hazard mitigation plans for eight counties in Minnesota: Becker, Kittson, Marshall, Norman, Polk, Pennington, Red Lake and Roseau.

A general process that each plan is going through includes:

- a profile of the county.
- a description of any hazards that have previously occurred or might occur in the future.
- a vulnerability analysis of the hazards that are identified as a risk.
- a list of responses that county residents presently are taking, or wish to take in the future, to combat either the occurrence of hazards or the damage caused.

Hazards that are currently being discussed are listed below. Some dangers not noted in this list are considered to be caused by another hazard and are listed as such. Other hazards such as: tsunamis and hurricanes are omitted due to lack of a threat.

- | | |
|----------------------|-------------------------|
| Blizzard | Drought |
| Ice Storm | Fire |
| Sleet Storm | Subsidence |
| Heavy Snow | Infectious Diseases |
| Extreme Heat or Cold | Hazardous Material |
| Thunderstorm | Flood Control Structure |
| Lightning | Failure |
| Tornado | Water Supply |
| Hail | Contamination |
| Wind | Terrorism |
| Flood | |



Above: Subsidence Concerns in Crookston, MN
(Photo by Jeffrey Bell)

During this past year, progress can be seen in various forms:

- The advancing production of all-hazard mitigation plans.
- The formation of a county task force for information and guidance.
- Meetings with various parties concerning either a particular hazard or the mitigation of it.
- Using GPS to more accurately map critical infrastructure.
- The creation of intricate maps showing various aspects of the eight county region with examples including topography, elevation and flood plain locations.
- An increasing awareness of mitigation problems in the Red River Valley that generates creative thinking and produces innovative solutions.

Housing

HOUSING PROGRAM

Purpose: To increase the housing stock in the region.

Program Funding Sources: NW MN Foundation - \$3,681; RDC Tax Levy - \$1,813.

Service Priorities: Assisting communities, lenders, consumers, and agencies to access available programs that repair, rehabilitate and build affordable homes.

Housing Highlights

Reorganization . . .

The local housing groups went through some reorganization to be more effective in both Regions I and II. Jim Steenerson serves as liaison to the Minnesota Housing Partnership representing both Regions. This group works to promote affordable housing goals, discuss policies and exchange information. This group, the Regional Housing Advisory Group, plans four open meetings per year. In addition to this group, the former Institution Community Work Crew Advisory Committee became simply, the Housing Advisory Committee. This committee, made up of one county commissioner per county, dealt with affordable housing issues & policies and meet six times per year. ROHDA, the Region One Housing Development Alliance, that deals with grant writing and administration of programs, kept the Housing Advisory Committee updated by having two joint meetings.

Technical Assistance . . .

We provided housing technical assistance both to individuals and to communities. We encouraged the use of a variety of housing programs to make projects work. A new housing directory will be available in 2005.

New Programs . . .

ROHDA members applied for "ECHO" down payment assistance dollars which are available up to \$7,000 to first time homebuyers. New \$115,000 homes are available with 0 down payment, 0 interest and contract for deed for at risk homebuyers in Roseau. This was a result of a Minnesota Housing Finance Agency rule change to include new construction in its highly effective Minnesota Urban and Rural Homesteading Program (MURL). We established a new construction financing loan pool available to non-profit developers in Regions I and II. This new fund will be administered by the Northwest Minnesota Foundation, and is capitalized at one million dollars at this time. The interest rate is at 3.75%. Our Region One loan pool for new construction

has the ability to revolve five more times (translate five new houses), and is at 2% so coordination of funds will be important. The new fund is available at all times giving providers more flexibility.

New Homes . . .

The ICWC work crews built homes in Thief River Falls, Red Lake Falls, and St. Hilaire. NW MN Multi County HRA built homes in Fosston and Red Lake Falls. Tri-Valley Opportunity Council is building two new homes in East Grand Forks with the 2% funds administered by the NWRDC. Combined with 12 MURL rehabilitations, we have produced 27 new units in Northwestern Minnesota.



Left: Skip Swanson, Pennington County Commissioner, talks to Tina Gramer, Multi-County HRA, at the ICWC built home Open House in Thief River Falls.

Workforce Housing Task Force . . .

Local housing providers worked together to have an Affordable Housing Opportunities booth at the Thief River Falls, Home, Sport and Hobby Show. Plans are moving forward with the Homark/ICWC affordable housing model.

Z Place . . .

With the assistance of the NWRDC, a local contractor met with staff from Minnesota Housing Partnership to put together a proposal to create a housing adaptive reuse of the former retail space in Crookston. The project died because it needed time to secure substantial grant funds, in addition to historic preservation grant funds, to create a positive cash flow for the contractor/developer.

Self Help Housing Pre-Application . . .

With the encouragement of Fema trailer residents and other residents of Roseau, an application was written and sent in to USDA to set up a program where the homeowner builds his own house. The project did not go forward due to the MHFA rule change on MURL funds.

Local Issues

NORTHWEST REGIONAL DEVELOPMENT COMMISSION AND BOARD OF DIRECTORS

Purpose: Discuss and develop solutions to rural issues and problems which are held common in Northwest Minnesota.

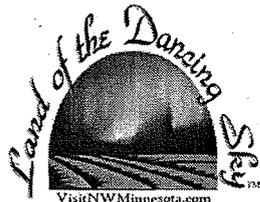
Funding Source: Local Tax Levy - \$73,480; and interest \$7,408; Misc. - \$1,534.

Service Priorities: Consensus building, planning, research, information, new program development, legislative advocacy.

Local Issues Highlights

Land of the Dancing Sky Trademark . . .

The Ag Value Added, Arts, Community Development, Economic Development, and Transportation Programs continued to work on the joint effort to promote the increased sale of local products. The Land of the Dancing Sky trademark was registered.



Web Site Promotion of NW Minnesota . . .

A revised home page enhances our website and provides easier access to all of its diverse sections. This year we actively promoted the Visit Northwest Minnesota website VisitNWMinnesota.com with magnets, press releases and t-shirts. The seven county section continues to be updated annually with correct address information, census data and maps.

Tourism Directory . . .

Updated the 2004 version of the Northwest Minnesota Visitor and Recreation Guide. Published the guide to our visitnwminnesota.com web site. Printed 900 copies of the 48 page guide for distribution.

MN Historic Northwest . . .

Nine county historical groups worked together to complete joint projects. The NWRDC helps coordinate their meetings and format their newsletter.

Planning and Zoning . . .

Staff finished work on comprehensive plans and zoning ordinances in Badger and Fertile, and started work in Polk Centre Township, Pennington County. Wyandotte Township, in Pennington County, completed a survey of township residents to determine the degree of interest in or objection to zoning.

Roseau Flood Mitigation Task Force . . .

Provided staff support to the Task Force during the development and coordination of efforts to define and fund 100 year flood protection for the Community.

NW Regional Development Commission . . .

Provided staff support to the Commission for normal operations and examining a variety of development issues. Key concerns during the year focused on reduced state funding to rural areas, changes in services to seniors and maintaining population levels.

GIS Activities . . .

The RDC participated in several geographic information system (GIS) and global positioning system (GPS) projects throughout the year. Projects included: mapping city parcels for JOBZ communities, creating maps for the Marshall County Posse and Polk County Posse to aid in the search for Dru Sjodin.

Developed a regional corridor map that promotes NW Minnesota and features regional food and favorite attractions.

Assisting counties in collection of critical infrastructure using GPS technology for hazard mitigation planning and creating several maps for each county. The FEMA flood-plain maps and 2003 aerial photos have assisted several communities with local land-use planning and zoning ordinances.

Assisted the NW emergency response team with demonstration maps of E911 resident locates, and the new rural county addressing. Providing maps for incorporation into the NWRDC webpage.

Land of the Dancing Sky Shopping Routes . . .

Shopping and eating experiences along major routes became a focus this past year. Targeted local product items include meats, sweets, crafts, antiques and art. Visitors and local residents will be encouraged to tour our communities, see the local attractions and buy our food and treasures. Information is on our website at www.visitnwminnesota.com under shopping. Routes highlighted include Waters of the Dancing Sky Scenic Byway; Prairie Passage; Hwy 2; Pine to Prairie Birding Trail; and King of Trails.

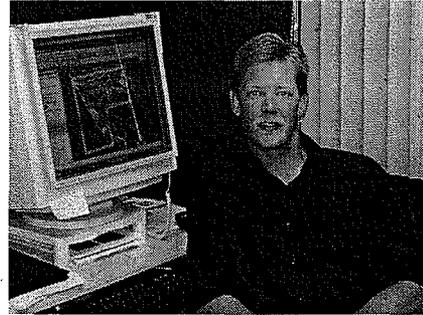
Meats and Sweets
Ethnic Food Stops
The Dining Experience
Finer Things Arts and Crafts
TREASURE HUNT ANTIQUES
Worth a Stop Shop

Transportation

Purpose: To insure safe efficient movement of people and commodities in the region. Provide an ongoing forum for important transportation issues in the region. Assist MN/DOT and provide input with it's planning efforts and programs.

Funding Sources: MN Department of Transportation \$50,000; RDC Tax Levy - \$10,450.

Service Priorities: Direction setting, comprehensive regional planning, legislative advocacy, MN/DOT project coordination.



Above: Troy Schroeder, Transportation Planner

Transportation Highlights

The Grygla to Gully 10-ton corridor, that the Transportation Advisory Committee prioritized as a major concern for Northwest Minnesota, will receive special transportation funding in the new federal transportation bill. Congressman Collin Peterson (DFL 7th District) has designated \$5.6 million dollars to three Northwest Minnesota Counties.

Congressman Peterson recognizes the importance that infrastructure has on the expansion of agriculture and manufacturing for Northwestern Minnesota, and understands that the counties would need federal assistance to complete an interregional project of this magnitude.

The funding will help the counties reconstruct the County State Aid Highway (CSAH) system to 10-ton. This project completes a vital north-south route linking USTH 2 in Bagley to MNTH 11 in Roseau.

The Grygla to Gully 10-ton corridor links the existing north-south 10-ton roadway of MNTH 89 to a more efficient route that transverses through three counties. The reconstruction of Marshall CSAH 54, Pennington CSAH 28 and 27, and Polk CSAH 2 is expected for completion in 2006. The construction corridor spans 36-miles connecting Minnesota State Highways 89 in Grygla to MNTH 92 in Gully. (See Map to the Right)

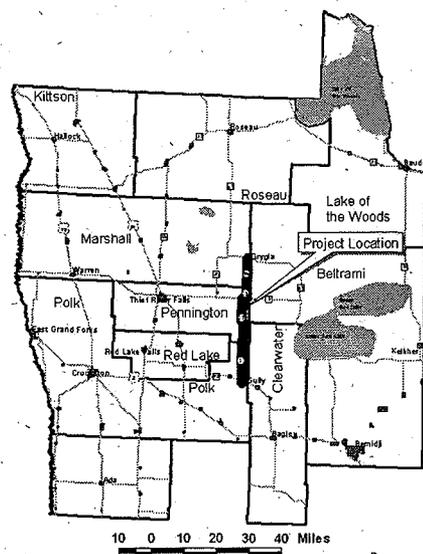


Above: Members of the Transportation Advisory Committee discuss the Grygla-Gully 10-ton shipping corridor with Congressman Collin Peterson and Senator Leroy Stumpf.

Right of way acquisition and preliminary design will begin in 2005 with the majority of the project being constructed in 2006. The 2006 completion date of this project is dependant on receiving another \$1.4 million through the Senate transportation bill. Northwest Minnesota appreciates Congressman Peterson's efforts to see the completion of this corridor. The corridor will strengthen the rural economy of Minnesota and save industries millions of dollars in fuel costs annually.

The counties will match the federal contribution at 20% plus the cost of engineering, design, utility relocates and right of way acquisition. Total project cost is \$11.2 million. More information is available by contacting Troy Schroeder at the NWRDC 218-745-6733.

Grygla-Gully 10-Ton Corridor



The Grygla-Gully Corridor extends 36 miles through Polk, Pennington, and Marshall Counties. Purpose is to provide a North-South shipping corridor for heavy commercial traffic. Map created by the NWRDC March 2001 (1:50)



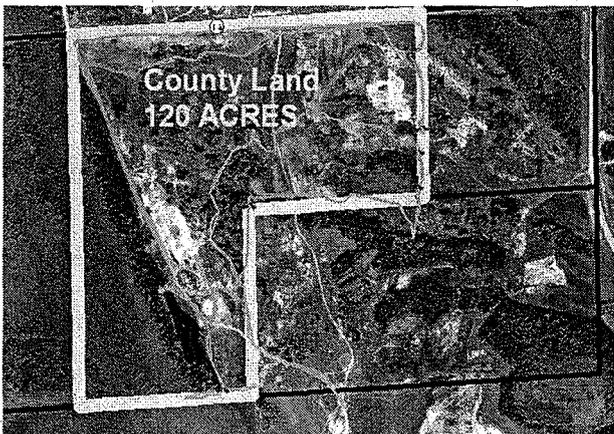
Transportation Continued

Assisted Mn/DOT with county board meetings to discuss the 23-year Mn/DOT transportation plan. Excellent comments and concerns on the transportation system were heard from each of the county public hearings. A big concern is for the lack of funding allocated to this region, maintenance needs are not being met at the present time. The integrity of the current highway system is at risk without an increase in transportation funding in the future. These comments, along with the district two profile compiled by the RDC's, will be incorporated into the state 23-year planning document.

Created a regional map illustrating the existing 10-ton county state aid highways (CSAH) system with the state 10-ton trunk highway system. The county engineers solicited a map to the RDC with a proposed 10-ton CSAH system that will serve the needs of their county constituents. The RDC will design that map into one that promotes continuity of a 10-ton system from county line to county line. This information will then be provided to Mn/DOT personnel in the Mn/DOT office of investment management.

Assisted in the application proposal to designate USTH 75 as a scenic byway. The byway transverses from the Canadian border to the Iowa border. The application process involved four RDC's and three Mn/DOT districts. This byway invites travelers to explore the diverse communities and vast scenic stretches that traverse Western Minnesota. Agriculture will be the primary focus of this byway, with informative kiosks and places to visit spread throughout the corridor.

Assisted Greenbush, Fertile, Badger, Fisher, Goodridge, Red Lake Falls, Crookston, Roseau and Thief River Falls with aerial photo city maps for planning purposes within each community. The 20 cities involved in the JOBZ program also used the 2003 FSA aerial photographs to display the JOBZ locations within each community.



A new bridge is scheduled for construction in 2006 on MNTH 171 in Kittson County. This highway frequently floods during the spring snow-melt and the resulting rise in the Red River. Plans are also being studied for the rebuild of the MNTH 11 bridge at Robin. The Perley and Shelly bridges in Norman County are structurally deficient and will be replaced. The Red River bridges are vital to the east-west movement of commodities into and out of Region One.



Above: This 2001 photo shows water flowing over the North Dakota side of the Shelly Bridge in Norman County. The bridge constructed in 1939 will be replaced, after recent inspections indicated that maintenance to this structure will be too costly. The county will use bridge bonding to pay for a new structure planned in 2006.

Organized and facilitated an ATV trail workshop with regional trail clubs, county commissioners, engineers and the Minnesota DNR. The workshop was geared towards creating grant in aid ATV trails in Northwestern Minnesota. The grant in aid trails are funded at 65% by the state, local clubs are responsible for coming up with the remainder. These state funds are encumbered by gas taxes and registration fees paid by the users. The ATV trail future will link existing trails or parks to forest areas, private lands and cities. The RDC will continue to assist local clubs in the development and application processes to complete trails in Northwestern Minnesota.

Picture to the Left

The 120 acres of county land is an abandoned gravel pit being considered as an ATV Park by Marshall County. Staff are assisting ATV groups to develop a system of trails and ATV parks to increase riding opportunities and local tourism in Northwest Minnesota.

Special Projects

A variety of sources provided funding for special projects which supplemented services in our regular programs. We wish to thank each of these organizations for the opportunity to do more for Northwest Minnesota over the past year. The following is a summary of each project:

MHFA FLOOD RECOVERY

Funding Source: Minnesota Housing Finance Agency (\$1,111,222), In-Kind Staffing by NWRDC Financial Staff

The NWRDC served as the fiscal agent for a variety of 2003 flood, housing repair funds. Wynne Consulting served as the program delivery agent with support from a large number of local and regional service providers. Funding was used to assist low/moderate income homeowners in making repairs they could not cover with insurance, other programs or personal funds.

MHFA HOUSING DEVELOPMENT

Funding Source: Minnesota Housing Finance Agency (\$710,368), In-Kind Staffing by NWRDC Financial Staff

The NWRDC served as the fiscal agent for regional housing development funds provided by MHFA. Programs included new housing construction, rehabilitation and acquisition. Inter County Community Council, Northwest Multi-County HRA, Northwest Community Action Agency and Tri-Valley Opportunity Council delivered the programs.

NORTHWEST VISITORS STUDY

Funding Source: Northwest Minnesota Foundation (\$9,500) and local match (\$6,000). In-Kind Staffing by NWRDC Financial Staff

The NWRDC served as fiscal agent and part coordinator for the completion of the Northwest Visitors Studies. The two surveys were completed by the University of Minnesota Tourism Center in January 2004. Presentations of the data results were shared at two group meetings in Crookston and Warroad. Communities participating included Baudette, Warroad, and Roseau; and East Grand Forks, Thief River Falls, and Crookston. The surveys identified the characteristics and needs of visitors to Northwest Minnesota. The information will be used to help local communities in marketing and developing services or new attractions. <http://www.tourism.umn.edu/research/NWvisitor.html>

INSTITUTIONAL COMMUNITY WORK CREW

Funding Source: Inter County Community Council (\$258,032)

The NWRDC continued to partner with Inter County Community Council on the construction of new housing using work crews from the Pennington County Corrections Center and the Minnesota Department of Corrections. New homes were built in Middle River, St. Hilaire and Thief River Falls.

BIO-DIESEL FEASIBILITY STUDY

Funding Source: Northwest Minnesota Foundation (\$25,000), US Department of Agriculture (\$25,000)

A feasibility study was completed by the Hallock Elevator Cooperative and Johnson Oil of Hallock to examine the business potential of bio-diesel fuel production in Northwest Minnesota. NWRDC staff provided support in securing funding, making industry contacts, reviewing proposals, and examining crop production potentials. Following an in-depth evaluation of the study results, they will determine if the development of a business and financing plan should be undertaken.



Above: A photo of a 65 Gallon Biodiesel Processor.

Plans, Studies and Publications

Prepared by NWRDC

Plans

Area Plan on Aging - The Area Plan on Aging examines senior input and demographic data to establish priorities for the use of Title III Older Americans Act funds. Includes budget information, an Executive Summary and work activities.

FY 2004 Work Program - Details the goals and objectives of the Commission in each of the program and planning areas.

2004 Comprehensive Economic Development Strategy (CEDS) - This document examines economic, social, and physical information about the seven counties in Northwest Minnesota and makes recommendations on activities to enhance and improve the economy. The recommendations concentrate on job creation, agriculture, housing, and infrastructure activities which can help address population loss.

Regional Arts Plans - Goals, strategies and work activities for State Arts Funds and McKnight Arts Funds are included in these plans.

Revolving Loan Fund Plan - Describes the program elements and guidelines for the loan fund. Updated in 2000.

Badger Comprehensive Plan and Zoning Ordinance - NWRDC staff completed a plan and related zoning ordinances under the guidance of the City Council and the Planning Task Force. The Plan and ordinances focus on attracting new residents to the community and preventing possible conflicts as the pace of change and growth increases.

RDC Transportation Plan - The RDC regional plan focuses on issues that have the largest impact on the stakeholders of Northwestern Minnesota to provide a smooth integrated transportation system. Information and documents from the plan will be used to assist Mn/DOT in the development of the district 20 year plan.

Studies

Red River Bridge Study - The Transportation Advisory Committee has formed a subcommittee to study the economic impacts and importance the Red River bridge crossings have on the region. Results of the study will be presented to MnDOT for future planning.

Publications

Directory of Artists and Arts Organizations - The directory contains listings of regional artists, arts organizations, school district offices and public libraries. Published online at www.nwrdc.org/arts.htm.

Directory of Government Units of Service Agencies - The directory contains listings of service agencies and governmental offices from the township level through the legislative level.

FY 2003 Annual Report - Information on the funding and work activities of the Commission over the past year. Published and distributed to local officials and legislators.

Northwest Arts - Newsletter developed for the artists, arts organizations and schools in northwest Minnesota.

Senior News - Newsletter developed for the Senior Citizens and service providers of Region One and Two.

Senior Service Directory - Resources for Region 1 & 2 seniors, consumers and professionals in the field of aging. It provides a brief description of programs, resources and agencies.

www.nwrdc.org - Published updates of program information changes to our agency website.

www.visitnwminnesota.com - Web site devoted to the services, resources and recreational opportunities of our seven counties. Includes a on-line version of the Northwest Minnesota Visitor & Recreation Guide, Shopping, Land of the Dancing Sky Info. and JOB'Z Info.

Northwest Minnesota Visitor and Recreation Guide - A comprehensive listing of attractions and facilities which offer opportunities and services to local and outside visitors to area communities.

Resources for Economic Development - Descriptions of agencies and both technical assistance and financial programs for economic development. Includes special sections on labor force and housing resources. Lists community revolving loan funds and economic development contacts.

Committee Membership List

Region 1 Aging Advisory Committee

Terence Blacklance	Thief River Falls
Sharon Bring	Strandquist
Bob Carlson	Thief River Falls
* Richard Dahlin	Ada
Allan Ducharme	Red Lake Falls
Matthew Edman	Alvarado
Jamie Hennen	Ada
Beverely Hewitt	Lancaster
Gerald Jacobson	Fertile
Roy Jorgenson	Thief River Falls
Charles Lindberg	Kennedy
Warren Olson	Halstad
Julie Pahlen	Roseau
Orris Rasmussen	Roseau
Ronald Weiss	Red Lake Falls

Region 2 Aging Advisory Committee

Karen Ahmann	Mahnomen
Ann Daley	Bemidji
* Dick Devine	Park Rapids
Vicki Haugen	Bemidji
Raymer Hoyum	Kelliher
W. Patrick Johnson	Clearbrook
Kathy Judkins	Bemidji
Ruby LaVoy	Mahnomen
Lucille Muller	Laporte
John Nelson	Clearbrook
Gerald Protector	Park Rapids
Jean Radtke	Mahnomen
George Swentik	Baudette
Nancy Wendler	Baudette

Regional Arts Council

Jane Anderson	Thief River Falls
* Karen Bang	Erskine
Colleen Bergeron	Argyle
Dawn Bly	Fosston
Larry Braford	East Grand Forks
Paulette Christianson	Badger
Amy Filpula	Middle River
Mary Follett	Thief River Falls
Anne Granitz	Roseau
Ruth Halverson	Karlstad
Betty Halvorson	Plummer
Alice Hofstad	Plummer
Kimberley Johnson	Kennedy
Gen Knott	Red Lake Falls
Kristi Kramlich	Ada
Honey Olson	Ada
Joyce Wikstrom	Karlstad

Transportation Advisory Committee

Milton Alm	Norman County
John Anderson	Kittson County
Kelly Bengtson	Kittson County
Sharon Bring	Marshall County
Mike Flaagan	Pennington County
* Donald Jensen	Pennington County
Brian Ketring	Roseau County
Courtney Kieven	Red Lake County
Jeff Langan	Marshall County
Bob Marvin	Roseau County
Ed Miller	Norman County
Lee Nielson	Red Lake County
Rich Sanders	Polk County
Warren Strandell	Polk County

Bridge Subcommittee

Milton Alm	Norman County
Kelly Bengtson	Kittson County
Sharon Bring	Marshall County
Curtis Carlson	Marshall County
Jeff Langan	Marshall County
Warren Strandell	Polk County

Enterprise Fund Loan Committee/

Economic Development Planning Committee

Randall Aarestad	Halstad
Allen Bertilrud	Red Lake Falls
Stuart McFarlane	Roseau
Gary Rice	Hallock
Ray Safranski	Thief River Falls
Kari Thompson	Crookston
* Ed Turn	Roseau

Enterprise Fund Members

Randall Aarestad	Halstad
Betty Arvidson	Crookston
Allen Bertilrud	Red Lake Falls
Eugene Dufault	Crookston
John Erickson	Thief River Falls
Lee Ann Konkin	Ada
Stuart McFarlane	Roseau
William Montague	Crookston
Velma Oakland	Red Lake Falls
Arnold Paradis	Brooks
Terry Potucek	Warren
Gary Rice	Lancaster
Jim Richter	East Grand Forks
Doug Safar	Warren
Ray Safranski	Thief River Falls
James Snyder	Thief River Falls
Kari Thompson	Crookston
* Ed Turn	Roseau
Dean Vikan	Fosston
George Wikstrom	Karlstad

*Chair

Drees, Risky & Vallager, Ltd.

Certified Public Accountants

117 South Broadway
Crookston, Minnesota 56716
Telephone (218) 281-3789
FAX (218) 281-5245

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Northwest Regional Development Commission
Warren, Minnesota 56762

We have audited the accompanying general purpose financial statements of Northwest Regional Development Commission as of June 30, 2003, and for the year then ended, as listed in the Table of Contents. These general purpose financial statements are the responsibility of Northwest Regional Development Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Northwest Regional Development Commission, as of June 30, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 5, 2003 on our consideration of the Northwest Regional Development Commission's internal control over financial reporting and our test of compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as whole. The individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Northwest Regional Development Commission. The accompanying Schedule of Expenditures of Federal

Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements of Northwest Regional Development Commission. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

DREES, RISKEY & VALLAGER, LTD.

Drees, Risky + Vallager, Ltd.

Certified Public Accountants

September 5, 2003
Crookston, Minnesota

Members of National Associated CPA Firms
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Members of American Institute of Certified Public Accountants

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