

#### Testimony of Dawn Mandt in support of HB 1018 - with an amendment

To Senate Appropriations Committee

March 2, 2023

Chairman Bekkedahl and members of the Committee:

I am Dawn Mandt, Executive Director of the Red River Regional Council and Chairwoman of the ND Association of Regional Councils. I have been a rural development practitioner in North Dakota for the past 30 years.

On behalf of the ND Association of Regional Councils, **I'm seeking your consideration of an amendment to support \$8 million (\$1 million per biennia per region) funding for the eight regional councils which serve communities, businesses, nonprofit organizations, and more statewide.** 

Created by NDCC 54-40.1 in 1973, the regional councils were to serve the purpose of establishing statewide policy for planning, economic development programs, operation, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions.

Yet, these organizations have not had a consistent long-term funding mechanism to meet this purpose.

The organizations have subsisted with county contributions, contracts for services (development, grant writing, grant management, small business counseling), loan program revenues, and other special purpose initiatives. The regional councils have an average of only three staff serving multi-county regions of up to

During COVID, each of the Regional Councils was provided supplemental funding through the US Department of Commerce Economic Development Administration (EDA) to increase capacity to address economic resiliency and develop resiliency strategic plans. Additionally, each Regional Council was awarded loan programs to support business resiliency across the state.

With temporarily enhanced capacity in staffing, we made collective strides forward and witnessed the higher impact we could have collectively to meet the founding purpose of the regional councils.

In 2021 and 2022, the regional councils secured more than \$52 million to invest in communities, business, and development projects statewide.

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With specialized expertise in project and funding development from private, and public (local, regional, state, and federal resources), we can provide the needed expertise to further develop the state.

Over the past decade, 70% of the population growth in North Dakota was concentrated in three counties – Cass, Burleigh, and Williams. In rural counties, we have witnessed the continuation of long-term population loss.

North Dakota has been ranked last in the country for rural development counties.



Rural areas are at a deficit for capacity, resources, and investment

Figure 1: The 30 orange shaded counties lost population between 2010 and 2020

comparatively to larger communities that have the population density and tax revenues to support larger and stronger economic development organizations, convention and visitors' bureaus, housing authorities active in the development, community development staff, and more. At the same time, building regional collaborations and initiatives in rural areas span many miles over many communities with dispersed populations making the work complex and difficult on shoestring budgets.

Therefore, rural areas have struggled with decades of disinvestment.

With increased funding, each of the regional councils across North Dakota has plans to expand professional capacity to create systemic and regional support to address complex regional issues around workforce, childcare, community infrastructure, housing, tourism, philanthropy, and more. It would be our collective goal to strengthen the rural development ecosystem statewide.

Please find attached a matrix with a vision for the future roles of each of the eight regional councils that would be executed with this additional state investment in people power and planning.

Thank you for your consideration.

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## 8 Regional Councils supporting ND communities

### **Invest in rural North Dakota**

**Support HB 1018:** Commerce Dept. Appropriations Bill Amendment

# NDCC 54-40.1

Created by the state in 1973 to establish consistent statewide policy for planning, economic development program, operations, coordination and related cooperative activities of state/local governments to resolve issues and problems transcending individual jurisdictions - but did not include a funding mechanism.

### The State's economic prosperity is focused where there has been population growth.



**30 counties** (in **orange**) have continued an 80-year trend of population loss between 2010 and 2020. The loss trend has begun to stabilize.

These counties have **50% of the state's** land mass.

**70%** of rural residents live in small towns of **less than 1,000 people**.

**70%** of the state's population growth in the past decade was concentrated in three counties:

- Cass (Fargo)
- Burleigh (Bismarck)
- Williams (Williston)

### Seeking the state's investment in rural development capacity

#### CURRENT SYSTEMS DO NOT SUPPORT SOLVING COMPLEX RURAL ISSUES

Small towns require ongoing technical support to develop and implement development strategies, plans and projects related to **community infrastructure**, **entrepreneurship**, **housing**, **childcare**, **workforce development/attraction**, **housing**, **tourism**, **philanthropy**, **and more**.

### What would the funding do?

- Implement existing and recent comprehensive economic development strategies developed every five years by regional leaders by increasing staff capacity to an estimated 4+ new staff and/or contracted capacity per region.
- Create regional partnerships to address shared issues
- Provide technical assistance to develop plans, projects, secure funding, and implement
- Seek professional development to enhance skills and capacity to create innovative solutions.
- Create rural/urban alliances.
- Maximize the state's prosperous times to rise all areas of the state.

Often rural strategies stretch multiple counties, many miles, and with limited budgets. The local governments are already heavily invested in local development - investing both time and resources. Seeking the state to partner in the creation of rural development hubs as part of the rural ecosystem.

Invest in proven, long-standing organizations led by local leaders to support community growth statewide

### \$52M

Funds secured for communities, businesses and development in 2021 & 2022 alone.

### 32 Staff

Staff levels vary from 1.8 to 7 people (most have 3) per region. Regions range in size from 3 to 12 counties.

### \$8M in people power

EIGHT REGIONAL COUNCILS POSITIONED TO ASSIST



Regional Councils are led by professional staff, mayors, county commissioners, Job Service, hub city representatives, and more.

There is an existing network of long-term, trusted relationships with local and regional leadership to be leveraged for statewide growth.

### \$148M in Loan Programs

Regional Councils have established loan programs to support business growth.

### ND Association of Regional Councils

2023 Current officers: Dawn Mandt, Chairwoman Brent Ekstrom, Vice Chairman Sandy Shively, Sec/Treasurer

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Region 5	- Lake Agassiz Regional Council	
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Region 6	- South Central Dakota Regional Council	
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Region 7	- Lewis & Clark Development Group	
Region 7 - Contact Name:	Brent Ekstrom	
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Contact Name: Physical Address: Mailing Address:	Brent Ekstrom     200 1st Ave NW     Mandan, ND 58554-3162     200 1st Ave NW     Mandan, ND 58554-3162     (701) 667-7600	
Contact Name: Physical Address: Mailing Address: Phone:	Brent Ekstrom     200 1st Ave NW     Mandan, ND 58554-3162     200 1st Ave NW     Mandan, ND 58554-3162     (701) 667-7600     (701) 255-7228	
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# ND Region 2 Souris Basin Planning Council

Serving a collective of 99,279 people Supporting communities, leaders, and entrepreneurs to advance economic progress





# ND Region 3 North Central Planning Council

Serving a rural collective of 37,800 people Providing expertise and leadership to facilitate economic and community development



# ND Region 4 RED RIVER DEVELOPMENT GROUP

NORTH DAKOTA

Serving a rural collective of 35,000 people

Providing expertise, leadership, technical assistance, resources, funding development, and grant writing to address community and regional issues/opportunities

OUR			Ŝ	
VISION	REGIONAL COUNCIL	DEVELOPMENT FOUNDATION	DESTINATION DEVELOPMENT	
LEGAL STRUCTURE	Political subdivision and designated economic development district	501(c)(3)	501(c)(6)	
FOCUS	Community infrastructure, entrepreneurship, workforce, economic development, business lending, JDAs, strategic planning, grant writing/funding development	Housing and real estate development; philanthropy	Visitor attraction, marketing, product development, implementation of Destination Red River Action Plan	
BOARDS OF DIRECTORS COMPOSITION	NDCC - elected officials, Job Service, EDCs, private sector, UND, Advisory Committee(s)	Lenders, NDHFA, developers, lumber stores, Grand Forks Housing Authority	State Parks, hospitality businesses, Chambers, GFCVB, ND Tourism	
\$ FUNDING	EDA, Counties, State, JDAs, project administration, USDA RD, Bush Foundation, other	\$200,000 seed funding secured, project development fees, HUD, USDA RD, Bremer	Memberships, state funding for pilot project, JDAs, long term funding strategy to be developed	
STAFF	Shared CEO Shared Director of Operations Director of Nelson County Director of Pembina County Director of Workforce Director of Community Services	Shared CEO Shared Director of Operations Director of Development	Shared CEO Shared Director of Operations Director of Marketing Director of Product Development	



# ND Region 5 Lake Agassiz Development Group

Coordinating and facilitating the provision of economic and social opportunities to residents in North Dakota

OUR VISION			
	REGIONAL COUNCIL	DEVELOPMENT CORPORATION	CERTIFIED DEVELOPMENT COMPANY
LEGAL STRUCTURE	501(c)(4)	501(c)(3)	501(c)(4)
C FOCUS	Community infrastructure, business lending, JDAs, strategic planning, grant writing, workforce, tourism, destination development, housing development	Business lending, Senior Housing, shared service office space, entrepreneurship	SBA 504 Lending
BOARDS OF DIRECTORS	Elected officials, Job Service, private sector	Private sector including lender, business owner, and developer	Lenders, business owners, attorney
\$ FUNDING	EDA, Counties, JDAs, project administration	SBA, USDA, Otto Bremer Foundation, Bush Foundation, fees	SBA Program and servicing fees
STAFF	Shared Executive Director Planner Additional staff provided by RDC Regional Workforce Coordinator Project Development Director Engagement and Communications Director	Shared Executive Director CFO Administrative Assistant Commercial Lenders (3) Loan Servicing	Staff provided by RDC

# ND Region 6 South Central Dakota Regional Council

Serving a rural collective of 55,850 people

Providing planning and development services, technical assistance, information coordination, grant writing, and program administration to facilitate the needs of local units of government in the areas of community development, economic development and public infrastructure



# ND Region 7 Lewis & Clark Development Group

A collaboration of three separate non profit organizations, joined to provide programs and loans to support businesses, local governments, and individuals in expanding affordable housing opportunities and advancing economic and community development across North Dakota

OUR			\$\$		
	ISION	REGIONAL COUNCIL	CommunityWorks North Dakota	Lewis & Clark CDC	
<b></b>	EGAL STRUCTURE	Political subdivision and designated economic development district 501(c)(4)	501(c)(3)	501(c)(3)	
LQ F	OCUS	Economic and community development, business lending, community infrastructure	Affordable housing and development opportunities; part of the national NeighborWorks America Network	Administer and facilitate SBA 504 program for small business lending	
	BOARDS OF DIRECTORS	Elected officials, EDCs, RECs, private sector, Tribal representatives, UTTC	Lenders, Local and State Housing Agency Representatives, Service Agency Representatives, Realtors, and business owners	Financial institutions, Community Development Organizations, business owners, government officials	
Ş FI	UNDING	EDA, Counties, and USDA RD	NeighborWorks America, NDHFA, Wells Fargo Foundation, Dacotah Bank, USDA RD, Rural Development Finance Corporation	Small Business Administration	
5	JTAFF	Senior Commercial Lending Director Commercial Lending Director Lender (2) Commercial Closing Officer Commercial Loan Processor Shared Directorof Operations Shared CEO Compliance Officer (2) Loan Servicing Officer	Housing Director Multifamily Housing Director Multifamily Development Director Compliance Director Compliance Processor Property Managers (2) Site Managers (2) Maintenance Managers (3) Shared Director of Operations Shared CEO	Staff provided by RDC	

Lewis &

DEVELOPMENT GROUP

# ND Region 8 Roosevelt Custer Regional Council

Serving a rural collective of 46,000 people Providing technical assistance, leadership, business funding and resources, and more traditional regional council services in southwest North Dakota



**Roosevelt Custer** 

**REGIONAL COUNCIL**