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Testimony of Dawn Mandt in support of HB 1524

To the Senate Business and Industry Committee

Monday, March 17, 2025

Chairman Barta and Committee Members,

Hi, my name is Dawn Mandt, and I'm the Executive Director of the Red River Regional Council in Grafton. Our team serves four counties in the northeast corner of North Dakota. I have been a rural developer in North Dakota since I was a junior at Jamestown College in 1992 – this is my 33rd year.



Today, I'm here to provide information the collective impact of all regional councils as well as information on project development.

2019 – 2023 Statewide Impacts

The eight regional councils that comprise the Association of Regional Councils have developed the attached Impact Report to document that broad and significant impact we have in communities of all sizes across the state. This reporting period includes the abnormal era of the pandemic. In response to the pandemic, one of our federal partners, the US Department of Commerce Economic Development Administration, provided immediate supplemental disaster aid to all the regional planning districts. This came in two forms - \$200,000/year for two years to enable increased staff capacity and awards of approximately \$1.2 million to establish a business revolving loan fund to provide economic assistance to impacted, new or expanding businesses. In addition, there were significant additional federal resources provided to prevent of economic disaster and provide assistance which we helped draw into North Dakota.

Our expertise is both in project development as well as where to find the money. During this season, **the regional councils rallied and assisted with 1,410 funding applications leading to securing \$365 million for businesses, volunteer groups, communities, homeowners, and to establish new programs.** These funds leveraged another \$532 million for a total investment of nearly \$900 million. And, resulted in 5,122 new or retained jobs.

During this time, we also convened 5,900 people in our regions to discuss the future in 411 forums and resulting in 55 new development plans.

What does development work look like?

To put context to this work, I'd like to share a case study of recent work in our region.

When the ND Department of Commerce first announced the Regional Workforce Impact Grant Program in 2021, our region's development personnel swiftly initiated several study components to address childcare needs including conducting provider focus groups and parent surveys, and a grant opportunity through the Regional Workforce Impact Program. In Region 4, we dedicated \$1 million to increase childcare availability in the very first round of RWIP funding.

To address the "low childcare access" classification, Walsh County needs at least 137 new childcare slots in a county of approximately 10,000 people. The Walsh County JDA decided to move ahead with creating a turnkey, licensed childcare space and lease it to a private operator. This is a private/public business model we've advised on with several childcare and grocery stores in our region over the past 20 years. Public development enables access to grant funding and raising philanthropic gifts.

The Red River Regional Council provides contracted staff and development expertise to the Walsh County Job Development Authority which led this project.

Developing real estate is a new role for the JDA and every step was a learning process. This included:

- Evaluating and learning the spatial and building requirements for childcare centers
- Evaluating eight different buildings with one one deemed suitable for this purpose
- Soliciting childcare providers who would have interest in partnering on this project and expand their childcare slots
- Developing procurement policies
- Soliciting qualifications from architectural firms
- Designing the space
- Soliciting construction bids, which came in \$200,000 over budget
- Awarding bids and conducting weekly construction management meetings to assure progress and address any issues – over a 6–7-month period
- Seeking funds wherever possible, developing funding partnerships, preparing and submitting application materials. Upon award, we designed accounting systems to accurately track expenditures to comply with grant award requirements – so far, with 12 funding partners, there is significant compliance requirements to documenting and drawing funds
 - This included writing and securing two grants from RWIP, however, grant program design prohibited this project from reaching the permissible 75% grant threshold
- Learning philanthropic fundraising techniques, developing a prospect list, and meeting with potential donors numerous times to educate and seek their investment
- The JDA director, Stacie Sevigny and her predecessor, Angelle French, have invested approximately 1,000 staff hours into this project to date.
- Total project cost is \$1.4 million and despite securing funds from 12 funding sources, the project remains short of its goal

At the Red River Regional Council, **we work hard to support small towns and regional partnerships with very limited resources.** Our local leaders are volunteers juggling multiple responsibilities to keep their communities running. **We develop long-term plans with their help, but without proper funding, we often struggle to move forward.**

We recently created a Destination Development Plan, with input from over 600 people, to attract visitors and new residents. We also launched a workforce initiative called Real. Good. to help fill job openings. We've been scrapping funds together to employ a Housing Developer for the past two years. **We piece funding together from any possible source – often funding long-term ideals with short-term grants which is not sustainable.**

We have created regional collaborations, we've engaged and worked to empower our people, and we have been creating regional momentum. **We'd welcome the state's partnership in many of these efforts.**

We have an opportunity to create real, lasting change for our small towns. That's why I'm asking you to support **HB 1524**—so we can invest in our communities, work together, and build a stronger future for all of North Dakota.

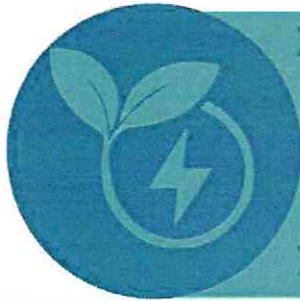
Dawn Mandt
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What's Real. Good. in
Northeast North Dakota?
Find out at www.realgoodnd.com.

REGIONAL COUNCILS Sparking development, strengthening community.

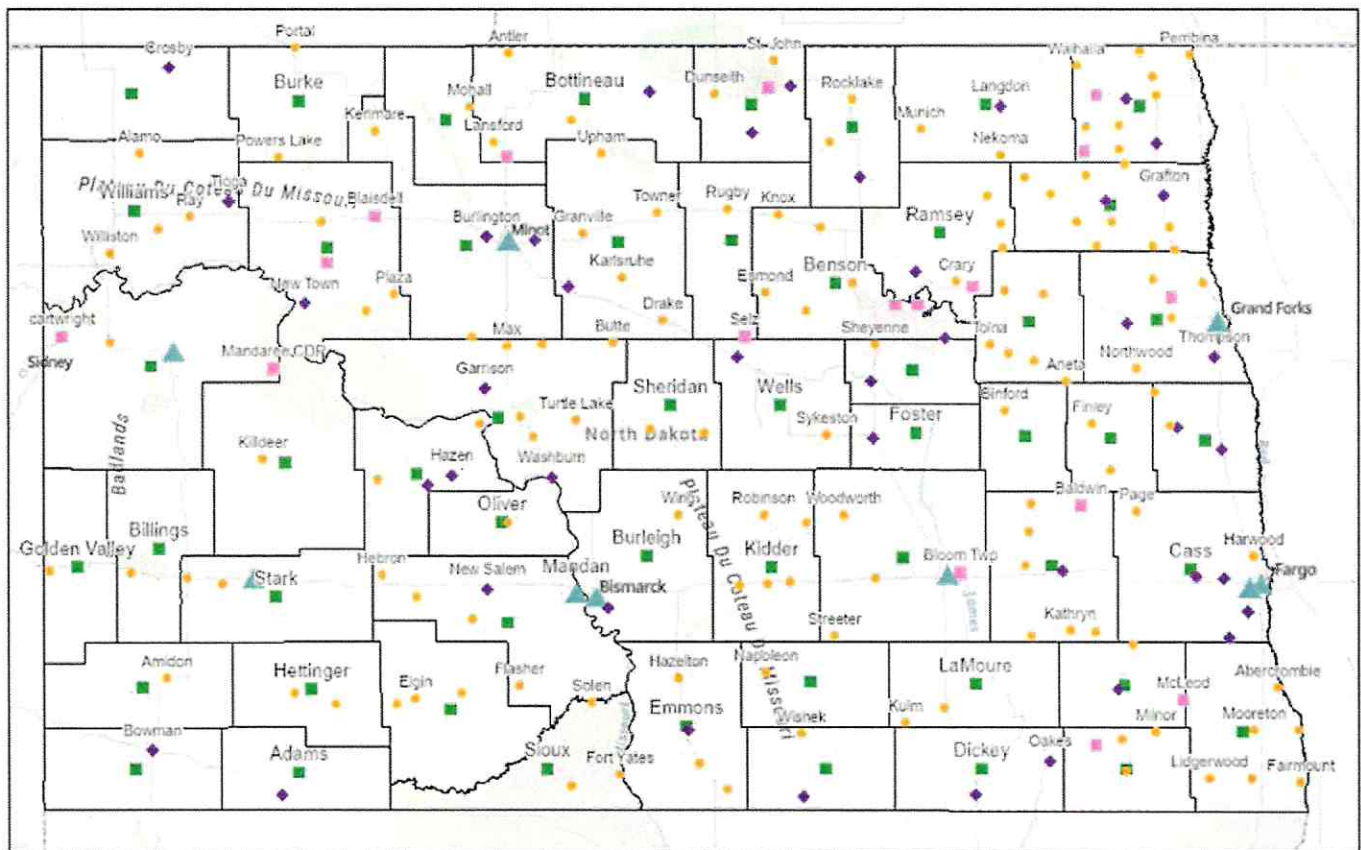
REGIONAL COUNCILS ARE A CORNERSTONE OF THE STATE'S ECONOMIC RENAISSANCE AND COMMUNITY REVITALIZATION. HERE'S A GLIMPSE INTO THE TRANSFORMATIVE IMPACT



- Cultivating the economy
- Implementing workforce attraction & retention systems
- Enhancing quality of life through enhanced community experiences
- Providing predictive expertise, skilled project planning, and funding solutions

REGIONAL COUNCILS' NETWORK OF DEVELOPMENT EXPERTS DRIVE IMPACTFUL RESULTS ACROSS EVERY COUNTY (SEE PAGE 2 FOR DATA)

ND Association of Regional Councils Impacts 2019-2023



2/3/2025

- Unincorporated Places
- Cities under 1,000 pop
- Cities 1,000 to 8,500
- Cities 8,500 to 150,000
- Counties engaged with Regional Councils



ASSOCIATION
OF REGIONAL COUNCILS

North Dakota Association of Regional Councils Statewide Impact | 2019-2023

Effectiveness of the Regional Councils and contractual partner organizations

FUNDING APPLICATIONS ASSISTED	1,410
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TOTAL FUNDING SECURED WITH REGIONAL COUNCIL ASSISTANCE	\$364,751,823
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ADDITIONAL FUNDS LEVERAGED	\$531,557,176
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TOTAL INVESTMENT IN NORTH DAKOTA	\$896,308,998
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JOBS CREATED OR RETAINED	5,122
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COMMUNITY & ECONOMIC DEVELOPMENT PLANS CREATED	55
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PUBLIC FORUMS, MEETINGS & PLANNING SESSIONS	411
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TOTAL ATTENDEES ENGAGED	5,900
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LOCAL LEADER BOARD MEMBERS	202
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Long-term Stability and Accountability

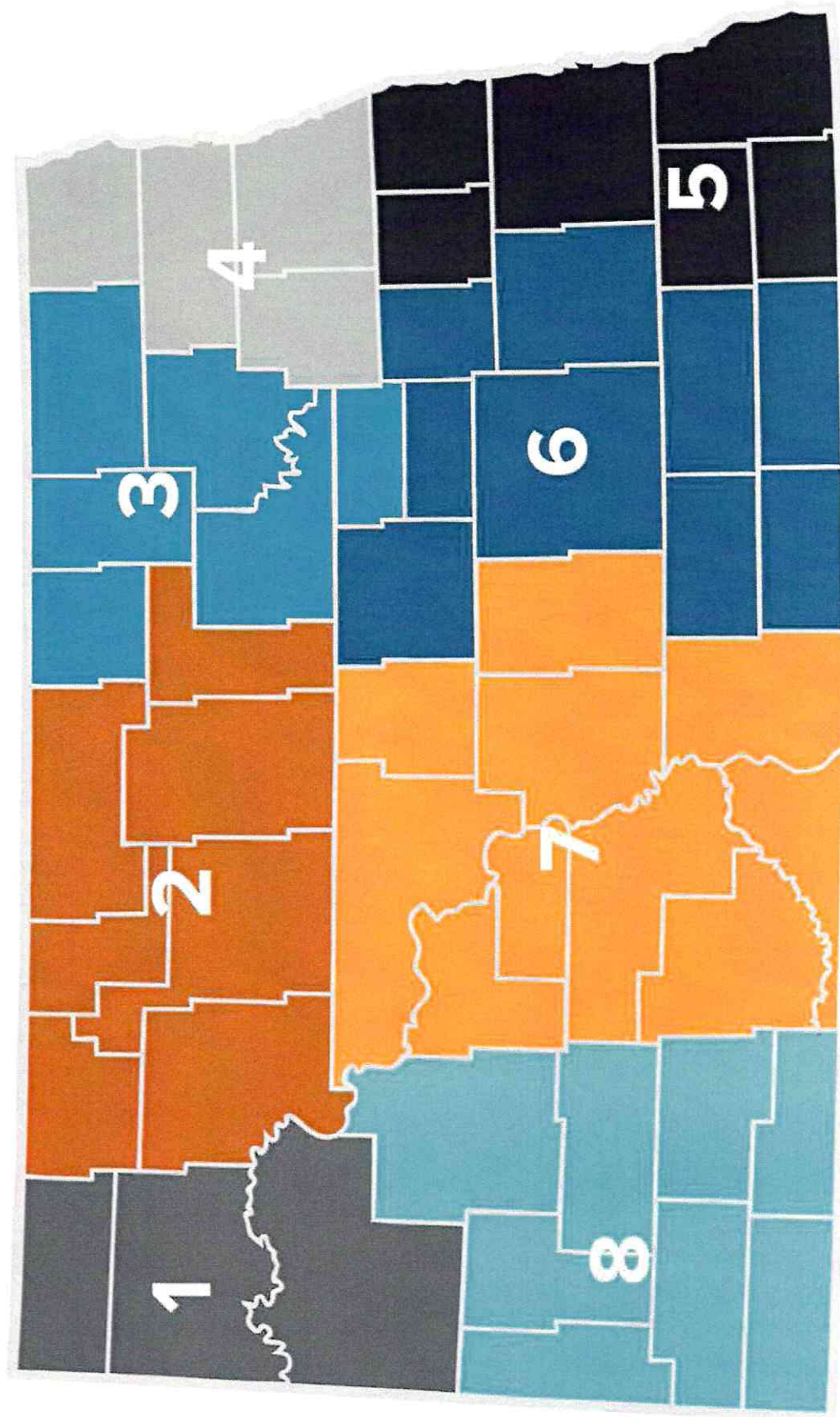
Permanent funding for Regional Councils is essential for several reasons:

- Ensures **long-term stability** beyond a single biennium
- Local funds create **high levels of accountability**
- Regional Councils serve as **exemplary models for public-private partnerships**

REGIONAL COUNCILS REVOLUTIONIZING RURAL COMMUNITIES SMART DEVELOPMENT | FUTURE-READY INFRASTRUCTURE COMMUNITY RESILIENCE & GROWTH

- Business development
- Zoning and land use planning
- Grant writing and technical assistance
- Housing development
- Child care support
- Workforce development
- Infrastructure planning
- Tourism and placemaking initiatives
- Disaster recovery planning
- Community leadership development

By permanently funding Regional Councils, North Dakota can maintain its commitment to fostering economic growth and community vitality across the state, particularly in rural areas that may otherwise struggle to access necessary resources and expertise.



ASSOCIATION
OF REGIONAL COUNCILS

WALSH COUNTY CHILDCARE CENTER

January 2025

Contact:

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Walsh County JDA Director

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OBJECTIVE

To address a critical shortage of childcare services in Walsh County and eliminate the cost prohibitive capital investment burden/risk, the Walsh County Job Development Authority has been developing a turn-key childcare center that will create 25 to 35 new childcare slots. This will become only the second childcare center in Walsh County (population 10,305).



UNIQUE PRIVATE/PUBLIC MODEL

The project is a public-private-nonprofit partnership. To address the high cost of facility investment for a private childcare center, the Walsh County JDA proposed buying and renovating a building to lease to a private childcare business. After completion and meeting certain criteria, the building will be donated to the Red River Community Housing Development Organization (CHDO) for long-term ownership. If the lease ends, the facility will be available for a new childcare provider. This public ownership model has proven successful in similar projects in northeast North Dakota.

Partners

- Walsh County JDA – developer
- Rocking Horse Childcare – childcare provider
- Red River Community Housing Development Organization – eventual building owner

Timeline

2022 to February 2025. Fundraising continues.

JDA staff and board time and money commitments stretched

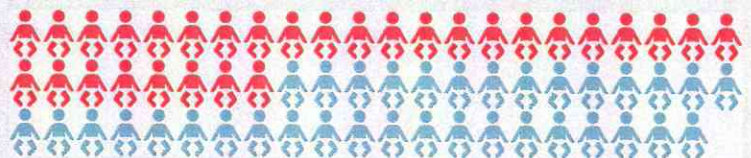
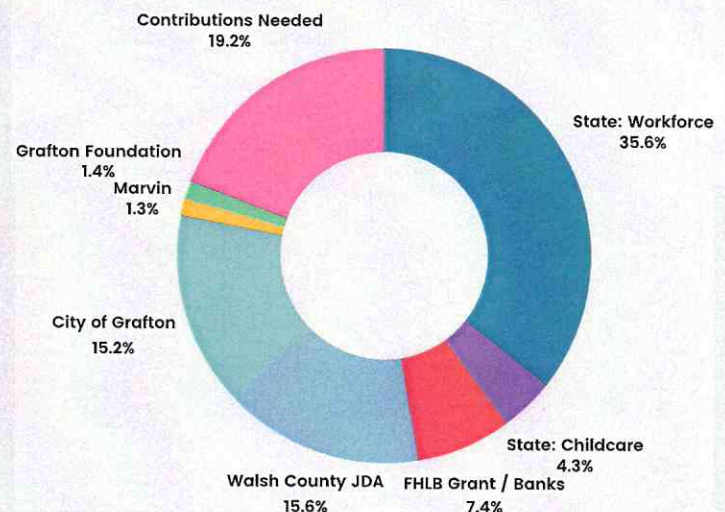
- The Walsh County JDA director, the sole full-time JDA employee, has **invested approximately 1,000 staff hours into this project to date.**
- The JDA has committed significant funding project budget to this single project.
- Real estate development is an entirely new role for the JDA and required learning: facility requirements, childcare regulations, procurement, philanthropy, construction management, and more.

Expanded Capacity: 55-65 childcare slots

Cost

\$1.4 million; \$21,500 per childcare slot

12 Funders and still short \$370,000



Project development

- Evaluated 8 buildings to find an appropriate, existing space
- Sought input on space evaluation from Childcare provider, Fire Marshall, and provider
- Solicited provider willing to expand and meet proposed timeline
- Secured first RWIP grant and sought match

- Developed procurement policies and procured architect
- Solicited bids, received 9 bids from 8 contractors - total exceeded the project budget by \$200,000
- Construction began in June 2024
- Held weekly construction management meetings and troubleshoot any issues as they arose
- Provider moved into the building in Feb 2025
- Completed grant management tasks and reporting