

2005 Annual Narrative Report

Executive Summary: Much of the focus of 2005 was on attaining re-designation. A lot of time and energy was spent formulating a concise message summarizing and telling the story of *Center of North America Coalition for Rural Development* or CONAC's impact on rural ND. Support for CONAC's re-designation was broad based and came from all levels. The benefit of going through the process to be re-designated had the added benefit of really solidifying CONAC's place as a valuable participant in rural economic development.

Twenty-eight projects were endorsed and/or funded within the CONAC REAP Zone in 2005. Unique programs like the Internship and Youth Entrepreneurship Program are reaching and assisting the state's new business leaders of tomorrow.

CONAC's segmented funding creates a complex environment to learn. Being a volunteer board member requires a high level of commitment and a unique tolerance for risk, as it is often the "seed" investor. Reliance on Federal funding to continue the work of CONAC is not likely to be the way of the future. Unique funding solutions and working with new and existing partners will be key to CONAC's continued success.

Most Significant Accomplishments: CONAC was up for re-designation in 2005. With the very real threat of not being re-designated, a huge effort was put forth by the REAP Zone to gather support and "tell-the-story" of its positive economic impact on rural ND. Part of the public education process was creating a booklet called "Harvest of Success". In March, the REAP Zone participated in Rural Economic Development Day at the State capital. When it was thought that CONAC would not receive re-designation, a showing of support for reconsideration came from a broad group of people including: Federal Representatives and Senator, State Legislators, Governor's Office, Dept of Commerce officials, USDA State Office representatives, Association of Counties and League of Cities, and many members and recipients. All of this support spoke to the strength of CONAC to reach and impact economic activity in our rural areas. The result of which was a reconsideration and re-designation of the REAP Zones for 2 more years.

Implementation of the Strategic Plan:

Goal 1: Identify and Encourage Leadership in our Communities

Through the establishment of a Young Entrepreneurship Program, Nathan Little received \$1,000 to start a Lawn Care & Landscape business.

Goal 2: Create Networks with Partnering Organizations

Objective 1: Coordinate and make more accessible the resources available inside and outside the CONAC Region

- Partnered with SW REAP on such projects as TechLink, Inc., Minndak Data, LLC and PTAC
- Support the Small Business Development Centers in Devils Lake and Belcourt
- Support of the Regional Planning Councils by contracting with them for administration
- Support the Rural Leadership ND program through scholarships

Goal 3: Assist CONAC communities in their efforts to enhance quality of life

Objective 1: Endorse community efforts to address housing needs

- Endorsed and funded Home Preservation Project on the Turtle Mountain Reservation
- Endorsed and funded Mountain View Homes, Inc. and Rugby Courtyard Apartments rehab projects providing affordable low income housing to Bottineau and Pierce County residents

Objective 2: Implement priority actions addressed in the 2002 Information Technology plan

- Endorsed and funded Rugby Center for Technology and Business resulting in rural and urban opportunities to learn computer and internet technology

Objective 3: Identify and implement young people retention and attraction strategies

- Endorsed and funded the International Arts Center Multi-purpose Facility at the International Music Camp located at the Peace Gardens

Objective 4: Explore the possibilities for more health care collaboration inside and outside the CONAC region

- Endorsed and funded Woford Youth & Adult Fitness and Wellness Program
- Endorsed and funded Rolette County Public Health District's furnishing of a conference/class room for educational outreach

Objective 5: Assist communities in developing water systems and other infrastructure projects to attract new residents/businesses and improve the quality of life

- Endorsed Towner County Medical Center's Capital Improvement Project for replacement of failing heating system in the main complex
- Endorsed the new fire hall for Anamoose Fire Protection District

Objective 6: Encourage and endorse workforce and life long learning opportunities throughout the CONAC region

- Endorsed and funded Headstart in St. John
- Endorsed Ft Totten's Cankdeska Cikana Community College project to bring a 1950's building into structural compliance
- Endorsed and funded Entrepreneur/Elderly Resource Center on the Spirit Lake Reservation where people can access the information and technical assistance they need to start or grow a business within their own community

Objective 7: Champion homesteading strategies.

Goal 4: Increase the Diversity & Quality of Economic Opportunities in the Region.

Objective 1: Increase jobs available in CONAC communities

- Endorsed and funded Renewal Community Project on the Turtle Mountain Reservation
- Endorsed and funded Rivas Technologies International, Inc. in product development and commercialization of existing technologies –developed by NASA- relating to energy management systems for use in the cell phone market

Objective 2: Recognize tourism as the second leading industry in North Dakota

- Endorsed and funded the tourism project “See all the Pretty Horses”
- Endorsed International Peace Garden’s RBEG Funding Application
- Endorsed and funded Towner County/Cando’s website redesign

Objective 3: Encourage retention, expansion and start-up of entrepreneurial businesses

- Endorsed and funded renovation of the Memorial Hall, a health dept. approved facility, to house the Granville Café
- Endorsed and funded Golden Spoke, LLC a company offering themed family oriented cookbooks
- Endorsed and funded Bead Unique a customized jewelry startup business
- Endorsed Rugby’s Renaissance Zone Plan
- Endorsed and funded North Central Planning Council’s – Small Business Development Council Program
- Endorsed REAP Zone Tech Assistance Project
- Endorsed Anamoose Café purchase
- Endorsed and funded Black Butte Adventures hiking and biking trail
- Endorsed and funded Jackalope Conversions’ fire suppression prototype
- Endorsed and funded upgrading existing facility in an effort to solicit a Vet to the Turtle Mountain Reservation
- Endorsed and funded Jan’s Stall Mall & RV Park

Objective 4: Attract international investment to local businesses

Community Participation: CONAC covers six north central counties in North Dakota, including two Indian reservations. All of these entities are represented on the CONAC REAP Zone board with two seats each for a total of sixteen members plus one at-large member. These counties and reservations all have input in the development of the Zone’s Strategic Plan.

A formal brochure was designed to enhance CONAC’s marketing efforts. In addition, CONAC continues to publish photos of check presentations. This helps notify the public of CONAC’s existence, purpose and available funding.

A second printed piece, a booklet called “Harvest of Success”, was also developed for use in education. Specifically, this piece summarizes the projects the REAP Zone has participated in since its inception and showcases the economic impact of their work. This piece was widely distributed to all lawmakers, county commissioners and state agency officials in an effort to educate the public and increase awareness of the positive impact CONAC has had on rural ND.

Partnership and Alliances: CONAC continues to move forward under the direction of an active board and strong partnerships. Partners of CONAC include: REAP Investment Board, Champion/REAP Alliance, Souris Basin Planning Council, North Central Planning Council, Rural Development, many local Economic Development Corporations and Job Authorities, ND State agencies, local legislative representatives, private companies and individuals.

Problems/Obstacles: Although we believe ourselves to be good stewards of the monies received, a continual inflow of money is necessary. Under the current environment of reduced Federal spending, the potential for funding to decrease or disappear is always a concern. The CONAC REAP Zone has a reputation of being a good place to request money, as it understands the risk associated with new concepts or startup businesses. This being the case, once Federal funds cease to come in, projects of the nature funded by CONAC will have one less source of potential seed capital unless a new funding source can be found.

New members bring with them the opportunity to spread the word about CONAC's purpose, rural economic impact and funding availability. However, it takes significant time and effort to learn the programs, funding guidelines and benchmark procedures. While the development and implementation of new board member packets has been helpful, a large learning curve associated with being a new board member or advisor remains a problem. The fear is that leaving the responsibility of such tasks as updating benchmarks on projects, especially ones unfamiliar to new members, can leave them feeling frustrated and contribute to non-compliance.

Solutions: As sustainability is still the long-term goal of CONAC, the best permanent solution for future funding will be to invest in for profit companies. Until these ventures produce the kind of profits necessary to support and grow the REAP Zone investments, foundation and Federal grant funds will be sought.

While retention of senior board members promotes consistency and uniformity, it is not practical to think there will never be board turnover. Senior members of the board have begun to take it upon themselves to "mentor" new board members and guide them through the process.

Best Practices: In recognition of the uncertainty of Federal funding, a pilot project to purchase a company (TechLink, Inc.) whose profits could be used as a future funding source was initiated. The early results of this pilot project have been successful enough to encourage the creation of a second company, Minndak Data, LLC.

PTAC (Procurement Technical Assistance Center) was a pilot project of the SW REAP Zone. It was expanded to the CONAC REAP Zone in 2005 and currently has 3 active clients and 6 pending clients.

Plans/Prospects for the Future: In 2005 CONAC partnered with the Devils Lake Regional Partnership Internship Program for the first time. Out of the ten college age students that participated, three were placed in Towner County, 1 in Benson County and 1 in Rolette County. CONAC paid \$1,750 or 50% of the intern's wage match which ever was less. After the program, we heard quote, "The interns loved the experience and participating businesses were pleasantly surprised at the value they (the interns) brought their workforce". As a result, CONAC intends to offer its support for this program again in 2006.

Based on the success of 2005, CONAC also plans to continue the sponsorship and funding of the Young Entrepreneurship Program. This funding pool is designed to encourage the very entry-level entrepreneur (someone age 14-35 who has not yet started their second year of college) to actively pursue starting his or her own business.

As the strategic plan hasn't been updated since 2004, it would be a goal of this next year to update the strategic plan and incorporate goals and directional focus from the 2006 REAP Investment Board's strategic plan.

Building on the need to ease the transition for new board members to CONAC, updating the board member informational packet should be done again.

Audited Financial Report: June 30, 2004 – Roosevelt Regional Council is moving its fiscal year end date.