



The EXPEDITION

Lewis & Clark Regional Development Council

Vol. 35, 2010 Annual Report

Economic Development

Lewis & Clark Certified Development Company Receives Certification as a 504 Lender

Lewis & Clark Certified Development Company (LCCDC) has received Certification through the Small Business Administration as a Certified Development Company (CDC). This designation allows LCCDC to provide financing through the Small Business Administration 504 Loan Program.

Lewis and Clark Regional Development Council, which supported the efforts to create the new CDC and obtain SBA certification, will provide all staffing to the new company. Information and assistance is available by contacting the Council's offices in Mandan. LCCDC, a 501(c)(3) nonprofit, can provide services statewide, but its primary focus will be in the same 10 counties served by the Council, as well as other areas in south-central, southwestern and western North Dakota.

The CDC, one of only four in the state, is led by a seven member board of directors elected by the 25-plus members of the organization. Board President is Jim Laducer, CEO and President of Laducer & Associates, Inc.; Vice President is Barbara Schmitt, Economic Development Director of United Tribes Technical College; and Secretary-Treasurer is John Jessen, President of Blackridge Bank. Other members of the board are Gerald Willer, President of Kirkwood Bank and Trust; Dean Reese, CEO of North Dakota Development Fund; Ward Sandstrom, Vice President of Security First Bank of North Dakota; and Ellen Huber, Business Development Director for the City of Mandan.

The SBA 504 loan program is a long-term financing tool for economic development. The 504 Program provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings. LCCDC will work with the SBA and private-sector lenders to provide financing to small businesses.

Creation and staffing of new organizations to better meet community needs in the region and state is not unusual for the Council. In the early 1990s it created and staffed the Lewis and Clark Solid Waste Management District, which developed and implemented a plan needed to meet new EPA standards, and then disbanded after meeting its mission. And in 1995 it helped create and initially staff the statewide, housing-focused CommunityWorks North Dakota, which still exists and is co-housed with the Council in Mandan.



2010 OPERATING FINANCIAL REPORT

Revenues

Grants	\$70,998
Services	\$140,600
Loan Program Interest	\$156,145
Bank Interest	\$7,698
Dues Income	\$83,651

Total Revenues \$459,092

Expenditures

Personnel	\$164,403
Travel	\$18,241
Dues, Seminars, Training	\$3,890
Supplies, Equipment	\$1,120
Debt Service, Loan Loss Reserve	\$120,200
Indirect/Support	\$80,872
Other	\$3,252

Total Expenditures \$391,978

2010 LCRDC PROJECTS FUNDED

Location	Business	Amount	Jobs
Burleigh Co.	American Machine & Engineering	\$ 40,000.00	3
Carson	Spring Cleaning, Inc.	\$ 100,000.00	3
Underwood	Bethel Enterprises, LLC	\$ 20,000.00	2
Wilton	Son Squared, LLC	\$ 120,000.00	
Garrison	North Country Marine	\$ 100,000.00	7
Garrison	Sakakawea RV	\$ 30,000.00	3
Mandan	Open Road Enterprises	\$ 79,000.00	12
Mandan	Radiator & A/C Warehouse	\$ 100,000.00	4
Mandan	Bowers Excavating, LLC	\$ 140,000.00	4
Mandan	Aire Master of North Dakota	\$ 20,000.00	6
Mandan	Grube Retina Clinic	\$ 120,000.00	8
Mandan	Toy Box LLP	\$ 36,000.00	3
Mandan	Mocha and More	\$ 40,000.00	2
McClusky	Confederate Bar and Grill	\$ 20,000.00	2
Statewide	North Dakota DOC Equine Study*	\$ 30,000.00	
Statewide	Dakota Cooperative Association*	\$ 12,000.00	
Statewide	Marketplace for Entrepreneurs*	\$ 15,000.00	
Statewide	Marketplace for Entrepreneurs*	\$ 50,000.00	

*Admin Projects

TOTAL \$ 1,072,000.00 44

**Lewis and Clark Regional
Development Council**
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Lewis & Clark RDC Officers
Chair - Steve Lee,
McLean County Commissioner
Vice Chair - Lyle Latimer,
Mercer County Commissioner
Secretary/Treasurer - Russ Staiger, BMDA

Lewis & Clark Staff Members
Executive Director - Paul Rechlin
Director, Commercial Lender - Brent Ekstrom
Community Development Coordinator - Lyle Hogue
Office Manager - Gayle Paul
Administrative Assistant - Kaylah Horton

Community Development

2010 CDBG FUNDED PROJECTS

Location	Project	CDBG Grant	Local Match
Steele	Rehab Housing	\$27,025	\$1,000
Stanton	Rehab Housing	\$14,866	\$3,000
McClusky	Rehab Housing	\$18,400	---
New Leipzig	Rehab Housing	\$57,500	---
Carson	Rehab Housing	\$31,798	---
Tuttle	Rehab Housing	\$84,591	\$10,000
Wilton	Rehab Housing	\$14,619	---
Elgin	Library ADA	\$9,500	\$500
Solen	Sewer Improvements	\$46,585	\$1,000
Pick City	Lagoon Improvement	\$47,250	\$10,745
Benedict	Lift Station	\$6,000	\$450
Zap	Lift Station	\$57,510	\$5,000
Almont	Fire Hall	\$37,840	\$10,000
TOTAL FUNDING		\$453,484	\$41,695

Housing Dominates 2010 CDBG Awards

Following years of 2-4 applications each year for CDBG assistance to rehabilitate low-income apartment buildings in the region's small towns, an astounding 11 requests were received in 2010.

That unexpected surge in "Housing Opportunity" proposals - whether due to sudden realization that CDBG could provide that sort of help, pent up need, or simply a fluke - had impact on the Council's CDBG program in both 2010 and 2011. First, the Council's CDBG review committee, chaired by Clayton Hoffman of Hazen, responded to apparent high level of need by funding seven - rather than the typical one or two - rehab proposals in 2010, totaling nearly \$250,000. That still left almost \$205,000 to fund six public facility projects in the region.

But once the low-income housing facilities - most of them USDA 515 properties - were more closely inspected, it was discovered by Council staff that substantially more repairs were needed to meet health,

safety, accessibility and critical weatherization issues than the local applicants had assumed. To address that, the Council's CDBG committee took several unusual steps; first setting aside from the expected 2011 allocation more than \$175,000 needed to complete the housing projects so as to no leave them half-done, and second, to have a one-year "moratorium" on future housing projects in 2011, and encourage only public facility proposals.

Assuming North Dakota receives the same allocation of CDBG funds as last year, the result is that all additional housing repairs will be affordable, a 2010 Pick City lagoon project will get an additional grant of about \$14,500 to cover unexpected costs that had delayed the project, and four of the six public facility projects proposed in 2011 would get assistance. The newly approved 2011 public facility projects are for lagoon repairs in Glen Ullin (\$94,000) and Butte (\$11,590), handicapped accessibility work at the Linton Senior Citizen Center (\$37,365), and storm sewer and drainage to address flooding problems in Tappen (\$104,451). At this writing, it is uncertain how many of those projects will actually receive grants. If funding stays level, all will get assistance. If it is reduced, some will not. A House version of the budget calls for a 62% cut in CDBG funding, which would mean none of the four newly approved public facility projects could receive any money, and there still would not be enough to complete the 2010 housing projects.