

2000 Annual Report Executive Summary

Griggs-Steele County, North Dakota Empowerment Zone

The Griggs-Steele Empowerment Zone began the year 2000 by approving three loans totaling more than \$700,000. By the end of December 2000, the (revolving loan fund) RLF has approved a total of \$ 1,330,593.00, creating 17 new jobs and retaining a total of 380 jobs within the Zone.

In early March a series of three community meetings was held to review our original strategic plan and make necessary revisions. The community meetings were well attended with over 130 individuals from the two counties in attendance. The result of these meetings confirmed the original priorities in the strategic plan, in addition to several new initiatives. Results were compiled into a document that was distributed Zone-wide.

Using the results from the community meetings, the EZ Board held a two-day retreat in April and with the assistance of a third-party facilitator, developed a policy document providing a framework for the staff. The document focused on critical strategies and priorities for the year 2000 and included the Board's initial decision to operate under the Carver model of management. This model provided freedom for the staff to administer the program while the Board maintained the role of developing policy. FY 1999 and 2000 funds were allocated by the Board in the following categories: 50% revolving loan fund and 30% grants to public and non-profit community organizations. 10% administration; 10% equity investment.

The ensuing months provided many opportunities for the Board and staff to share the goals and direction of the Zone. In an effort not to control the function of the already existing Economic Development Councils within the larger communities (Cooperstown, Hannaford, Binford, Hope and Finley) the staff took the role of supporting and assisting in the coordination of resources to those entities, when requested. In our move toward a more regional approach to economic development, the organization will remain flexible and willing to change its role based on community assessment and input.

During the late spring and summer months, the staff was asked to assist with several of the original benchmarks in the strategic plan. The Finley Industrial Park, Hope Industrial Park and Strawboard Plant were among those projects that were most in need of our immediate assistance. Industrial park infrastructure for two very large expansion projects in Finley and Hope was at the top of the priority list. The City of Hope used a combination of CDBG funding and EZ loan and grant funds to provide water, sewer and roads to the new Hope Electric building, creating 10 new jobs and providing a \$450,000 investment into this small community. Hope Electric took advantage of USDA Rural Development's Business and Industry Loan Guarantee program, while leveraging \$200,000 in EZ Revolving Loan Funds for their expansion. The City of Finley used CDBG funding and EZ loan and grant funds to provide water, sewer and roads to the new Top Taste Bakery facility to be constructed in the spring of 2001. Top Taste Bakery is the largest employer in Steele County, with over 40 employees. The expansion of the bakery will provide 20 additional jobs over the next three years.

The strawboard plant, the cornerstone project in our strategic plan, while challenged with maintaining cash flow through product and market development, has made enormous strides in developing strategic alliances with Home Depot and Pergo Flooring. The Zone has injected \$500,000 in pre-development funds, using the revolving loan fund and equity investment programs. The strategic alliances formed with Home Depot and Pergo continue to strengthen the market possibilities for this project. Overcoming profitability issues within the industry and obtaining the \$185 million in construction funding will be challenges in early 2001. When these obstacles are overcome, this project promises to employ 200

individuals, resulting in an enormous economic impact within the region.

In June the Board of Directors approved policies for the EZ grant program and approved the appointment of seven volunteers to the EZ Grant Committee. These volunteers represent each of the communities within the boundaries of the Zone, including the two developable sites. A standardized grant application format was developed and distributed throughout the Zone. The \$1.2 million set aside for grants was broken into four quarterly funding cycles with funds of \$300,000 available in each cycle. An invitation to the public was distributed in June notifying all that applications would be accepted on a quarterly basis. In the first funding cycle, the grant committee received applications totaling \$381,233. The committee awarded the following grants in October 2000.

- City of Finley Industrial Park \$100,000
- Griggs County Hospital Interest Buy-Down \$38,833
- Cooperstown Fire Department Communications Equipment \$ 20,400
- City of Hope Industrial Park \$22,000
- Finley Fire Department Building Purchase \$70,000
- Cooperstown/Griggs EDC Housing Pre-Development \$30,000

The Department of Education's 21st Century Learning Center grant was awarded to the Zone's Education Consortium, providing \$ 2 million in leveraged funds over a three year period. The 21st Century Learning Center provides after-school activities to youth and adults in all three school districts in the Zone.

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