



**DAKOTA  
RESOURCES**

**2**

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**THE FUTURE**  
**OF RURAL IS**  
*here*

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# A Note from the President: Looking Back on 2021 & Looking Ahead to 2022

## Dear Rural Shapers,

What a year it was - and what a remarkable 25 years it's been! From the whole crew, **thank you** for making it possible for DR to celebrate 25 years of impact as an organization.

Governor Noem kicked things off by proclaiming January 2nd as "Thriving Rural Day" across South Dakota. We also honored those 25 years by hosting social gatherings in three communities over three days, with mini celebrations in Rapid City, Aberdeen, and Sioux Falls. It was my first chance to show off my custom "DR 25" Nikes in our new brand colors! Those mini gatherings lead up to the big event—our 25th Anniversary Celebration in September at Buffalo Ridge Brewing in Hartford, SD. It was a community festival-style event, and we even collaborated with Buffalo Ridge to brew a celebratory hazy IPA called "Dakota Silver!" We rounded out the year of celebrating by being part of the annual Christmas Trees at the Capitol event in Pierre—there was at least one VERY colorful tree near the Supreme Court hall at the Capitol.

I'm very proud of the impact all the people involved with Dakota Resources have helped make happen over the years. Many rural communities in and outside South Dakota are thriving more because of the vision that a smart group of people set in action 25 years ago. And that work is stronger than ever right now, thanks to you. So where are we heading now? One of our big priorities for 2022 and beyond is giving life to a new strategic direction our Board of Directors adopted recently: communicate our impact collaboratively. Here's what







we mean by that. You've probably noticed some major changes in the look and feel of Dakota Resources' brand, and some changes to the way we track progress and impact. That's going well. This new focus is about working together with YOU to improve the way we communicate about our impact TOGETHER as both your local community or organization and Dakota Resources. We aim to make it easier for you to talk with whomever you need to about the way you are shaping your rural community for the better.

Another big focus for us in 2022 is building cultural agility across our mission and operations. That means training our team, our Board, and our community partners to make equity and inclusion front and center in everything we do. It's what our mission tells us to do, and we're committed to making it more true every day.

2022 will also be a year I think we'll look back on one day as a major evolutionary leap for our mission. We're launching Thriverr, our new web-based platform that our Learning Network Program will be built around for years to come. Thriverr will greatly improve the online experience for our current Learning Network subscribers, while also connecting South Dakota's rural shapers with a world of rural economic development leaders, all of whom will be learning and innovating together. Eventually, Thriverr will also use the power of "Web3" technology to create amazing learning and mentoring opportunities and more for our members. I'm so excited for what's possible for all of us now.

We also conducted the Climate of Community and Economic Development survey throughout the state of South Dakota this year. You can read more about our findings on our News & Notes.

As I close this letter to you, I want to again thank YOU for all of the work you've done and support you've provided as we've marked 25 years of Dakota Resources. We are so grateful for your continued enthusiasm and dedication to empowering a thriving rural. I welcome your questions and ideas any time.

Cheers,  
Joe Bartmann  
President, Dakota Resources  
[Joe@dakotaresources.org](mailto:Joe@dakotaresources.org)







We believe that access to capital and leadership capacity are key to creating a thriving rural. Our programs are aimed at supporting rural shapers and economic development organizations.

We don't have all the answers. That's why we need you. We're always looking for people to get involved in our mission, whether that's through our staff, Board of Directors, Advisory Council, as a program participant, or as an investor. Contact us at [info@dakotaresources.org](mailto:info@dakotaresources.org) to get involved.

Dakota Resources is a certified Community Development Financial Institution (CDFI). We're an equal opportunity employer and provider.

**“This year more than ever, our work was about you. During uncertain times, we continued to live out our mission, empower rural communities, and show that we are truly doing this work together.”**

*– Joe Bartmann, President of Dakota Resources*



**105**

**community organizations impacted**



**\$2.5**

**million raised for impact programs**

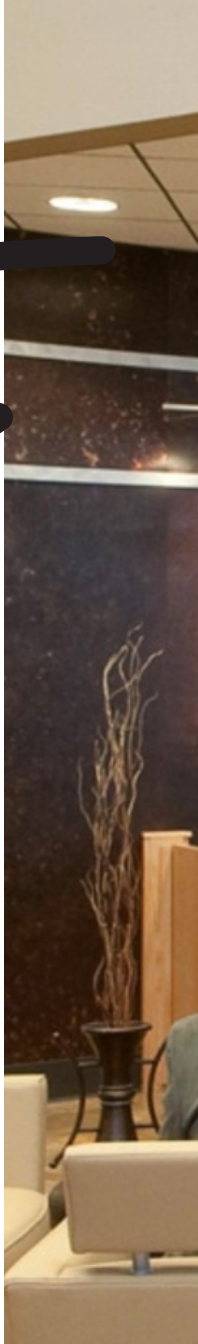


**\$1.8**

**million invested in lending programs**

# Community Development Loans

Economic development is a crucial part of a thriving rural. It's important to find the proper funding to support the people and projects that will make a difference. That's where Dakota Resources comes in. We make loans to rural economic development organizations, housing authorities, and other community development financial institutions. We connect capital from regional investors with communities ready to make an economic impact.





**2**

loans dispersed in 2021

**\$856K**

dollar amount of loans dispersed in 2021



**\$27.3M**

dollar amount of loan fund at the end of 2021

**22**

borrowers in 2021



# Far From the Chicken and the Egg: Communities Investing in Rural Housing

The classic “chicken and egg” debate has never quite found its solution, and across rural South Dakota, a similar deliberation exists: what must come first, investments in rural housing or investments in economic development?



Unlike the debate that features our feathered friends, there is an answer when it comes to the growth and development of rural communities: it’s both.

“Economic development and housing go hand in hand; communities need that litmus test of rental housing to encourage additional commercial and economic development, and communities must also strike a balance between vacancy and investment in order to spur continued development,” said Chas Olson, Director of Rental Housing Development for the South Dakota Housing Development Authority (SDHDA).

Dakota Resources’ Learning Network Orchestrator and Community Coach Mike Knutson agrees.

“When it comes to rural housing, investments in ensuring the quality of the homes available help to build confidence in the direction the community’s headed, both for current residents and for potential residents, as well as for the business community,” Knutson said. “The SDHDA’s support and flexibility in offering funding helps to increase the capacity for these communities to invest and to grow





their housing options.”

Age-old discourse aside, investing in rural housing continues to propel communities forward, and three such communities are addressing the need for sound, quality housing that’s diversified in scope and in sequence in unique ways. At Dakota Resources, we’re excited to catch up with community leaders in Yankton, Lemmon, and Viborg to learn more about their varied approaches to rural housing development.



## **Yankton: A Critical Housing Need Realized**

Like many rural housing investment journeys, Yankton’s began with a housing study in 2013 that demonstrated a critical need for both workforce entry-level housing and mid-management-level housing. This spurred conversations with out-of-town developers to incentivize the construction of both multi-family and single-family homes across 32 acres in Yankton, both of which were completed in 2015 through a Tax Incremental Financing (TIF) process and funding from Dakota Resources.

“After the housing study reports were published, it was incumbent upon us to do something about housing,” said Brian Steward, Finance Director for Yankton Thrive, a combined entity that encompasses both Yankton Area Progressive Growth and the Yankton Area Chamber of Chamber of Commerce. “It’s been beneficial for the community.”

The approved TIF model, as well as the flexible terms

of Dakota Resources' Community Development Loan, allowed the city of Yankton to construct two, 72-unit rent-controlled apartment buildings, ranging from one- to three-bedroom layouts, six townhomes, and 73 single-family homes, all within three years' time. Steward attributes such a fervent demand for quality housing to a critical housing need that still exists in Yankton today. In fact, the city of Yankton plans to engage in another housing study after the 2020 Census data is available to spur future investment in the city's housing infrastructure.

As for working with Dakota Resources on these projects, Steward has only positive things to say.

"Dakota Resources was easy to work with, and their flexible financing terms made it easy for us," Steward said. "We were able to do the project successfully with their support."

### **Lemmon: A Proactive Approach Pays Off**

Cathy Evans' heart for rural housing development is what sets her, and the community of Lemmon, apart.

"It's hard to drive through neighborhoods in Lemmon and see a lonely house," Evans said. "I see so much potential for housing here."

As a city councilor and the Executive Director of the Lemmon Housing Authority, Evans has a close working relationship with the SDHDA and with Dakota

Resources, which has bolstered her proactive approach to investing in the rehabilitation and redevelopment of housing in Lemmon. In 2019, the Lemmon Housing Authority built a four-plex (with the support of SDHDA and Dakota Resources funding) that had the town abuzz, and all four units are full with a waiting list. Since then, Evans has worked in Lemmon to acquire long-standing vacant homes, as well as homes in disrepair and empty residential lots, to rehab and offer for rent or for sale, some even with down payment assistance or forgiveness.

Evans continues to weigh investments in housing as more opportunities arise to acquire and to sell dilapidated homes that have been redeveloped. Her partnerships with the SDHDA and with Dakota Resources, both as a Community Development Loan borrower and an active member of the Learning Network, have only furthered her desire to see the outlook for housing in Lemmon continue to change and grow in the years to come.

### **Viborg: Multiple Funding Partners Invest in Development**

Collaboration is often the name of the game when it comes to a thriving rural community, and that's definitely been the case for the community of Viborg, who has been engaged in planning for a new housing development for nearly five years. After a survey was conducted in 2015 and identified a critical need for investment in diversified housing options, passionate community volunteers at the Viborg Development Corporation acquired land in 2017,

both from a private citizen and from the hospital in town, and began to seek out assistance from city engineers and developers to plat a new housing development.

One such volunteer, Anne Christiansen, who works as the Chief Financial Officer for Pioneer Memorial Hospital in Viborg, pointed to the development's multiple funding partners, including Dakota Resources, Rural Electric Economic Development (REED), Grow South Dakota, Homes Are Possible (HAPi), and Merchants State Bank in Viborg, as well as the City of Viborg and Turner County Commissioners as crucial in making the Western Hills housing development a reality.

"When it comes to economic development, we've had an industrial park in town, but we haven't had housing to speak of until now," Christiansen said. "Our financial partners, including Dakota Resources, did a lot behind the scenes to reach out to other funding sources out there to help make this development possible, and once the street lights went up in Western Hills, there's been tremendous activity and foot-traffic from current residents walking

through the development, which has been exciting to see."

The Western Hills development also made history in Turner County as the first official TIF granted for housing in the county. According to Christiansen, the development's various financial stakeholders and the approved TIF model led to a "very creative" funding mechanism that paid off in the end: out of a total of 29 lots available, two single-family homes have already been constructed in Western Hills, with a third home under construction now.

Take Action: Are you interested in learning more about Dakota Resources' Community Development Loan program? Reach out to Terri LaBrie, Director of Community Lending and Finance Coach, at [terri@dakotaresources.org](mailto:terri@dakotaresources.org) for more information. |





# Connecting Ideas to Capital: Business Incubator Thrives

It's been said that "if you build it, they will come," but the Research Park at South Dakota State University in Brookings, South Dakota, has spun a new narrative due to the success of its business incubator program: "Because we can build it, they'll come, and they'll keep coming."

As a Community Investment Fund loan borrower from Dakota Resources' Community Development Loan program, the Research Park was able to utilize the flexible loan terms and affordable rates to equip and support businesses to grow and conduct game-changing research right here in South Dakota. In fact, the Research Park was

able to recruit one company from Minnesota to relocate to South Dakota because of the flexibility offered through the financing with Dakota Resources.

"I was familiar with Dakota Resources from about 15 years ago, when I was working in economic development in Madison, SD," said CEO and Executive Director of the Research Park, Dwaine Chapel. "I knew how the funding worked, how flexible it was and the wide variety of things that we could use the money for. We've used funding from Dakota Resources both for renovations, new tenant buildout, and for larger design projects, including a new



45,000-square-foot facility.”

Since their initial Community Development Loan, the Research Park also utilized approximately \$50,000 to build out custom lab spaces for two South Dakota-based companies, Raven Industries and POET. These two businesses have since created permanent jobs and student internships to support their respective research endeavors.

“One of the great successes of our use of the funding has been in recruiting Raven Industries and POET to the Research Park,” Chapel said. “Both of these companies now employ approximately 9 people, including seven students in either internships or part-time work capacities. They were able to have access to the talent on campus, which is great for the companies and great for the students.”

In addition, a supplemental \$100,000 in financing from Dakota Resources is being utilized as working capital in support of a larger project: developing a design for a new, 45,000-square-foot pilot plant that will employ both faculty and private industry researchers. Construction is set to begin this year.

“Without these funds as seed money to initiate the process, we would not have had success in securing that facility,” Chapel said. “Because the repayment plan is flexible and the interest rates are low, I encourage any non-profit like us to pursue funding through Dakota Resources. We’ve financed projects this way since 2013, and we anticipate asking for additional funds in the future, because going out to the commercial loan market as a non-profit is challenging. This funding model opens up cash flow and keeps our organization going.”

By providing built-to-suit workspaces and high-level assistance for some of the private sector’s most ambitious research initiatives and special products, the Research Park continues to make a name for itself, and, by extension, for the 45 different businesses within its physical and virtual space.



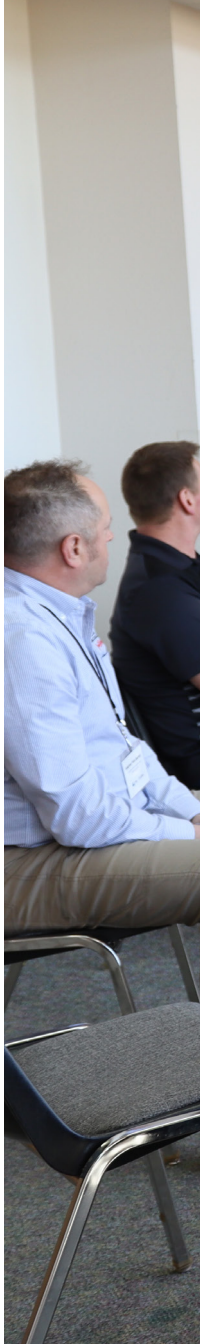
Take Action: Do you have a project in your community you have been wanting to start? Dakota Resources is here to connect capacity and capital to empower rural communities, and our Community Development loans are integral to fulfilling that mission. To inquire about our lending program, reach out to us via phone at (605) 978-2804 or contact us via email at [info@dakotaresources.org](mailto:info@dakotaresources.org).

More information: The Dakota Resources Capital Investment Fund is a \$25+ million loan fund that provides flexible loan terms and affordable rates to rural economic development organizations across the state, and even across the nation. Over the course of its 25-year history, the loan fund has deployed \$44.7 million into rural communities. Today, we have 21 active Community Investment Fund borrowers. |

# Learning Network

## A PEAK INTO WHAT OUR LEARNING NETWORK DID IN 2021.

Economic development professionals working in rural communities are often the only staff member in town. Working alone can be challenging, making you feel isolated from the rest of the world. But with the Dakota Resources Learning Network, you aren't alone anymore. You can connect with peers, discuss your concerns, find inspiration and even brainstorm any time, in real time.





# 90%

annual retention rate



# 42

subscribers in 2021



# 135

attendees at  
in-person gatherings

# Dakota Resources' Learning Network Honors Award Winners

At Dakota Resources' Learning Network Gathering Awards Banquet in Mitchell, SD, held on November 3, 2021, three honorees received distinguished awards in appreciation for their service to their communities. This annual tradition which takes place at the Entrepreneur Support System Learning Network gathering allows Dakota Resources to celebrate the innovative work that is happening in rural places across the state.

Like all past award winners, this year's recipients demonstrate the best of the work that rural shapers do, and the finest of what Dakota Resources seeks to recognize through these awards.

"Dakota Resources believes in a thriving rural, and innovation is a big part of what makes a place thrive," said Paula Jensen, Vice President of Program Development and Community Coach for Dakota Resources. "There is so much innovation happening in many of our rural communities, and we want to celebrate that work as well as show other rural communities what is possible. When we celebrate innovation in rural places, it can inspire and spur more innovation."

## Burke honored with Community Innovation Prize

This year's Community Innovation Prize was awarded to the city of Burke, South Dakota, for the community's housing initiative, The 775 Project. The award is open to communities who've partnered with Dakota Resources in the Learning Network or in the Community Coaching programs within the past year. And while housing is far from a unique problem that Burke faces, their innovative approach to addressing this critical need is gaining traction in the community.

Burke's efforts through The 775 Project is working to create a culture of housing development that changes the perception of the need for housing as a community problem that needs community solutions. Thus far, The 775 Project has accomplished much, as seven non-specially trained volunteers engaged in the strategic doing process and identified a lot in town on which to focus their efforts.

First, the core volunteer group worked to gain permissions



to tear down a dilapidated property on the lot, and then, various partnerships and agreements were made to begin redeveloping the lot, major milestones that both the City of Burke and the Gregory County Development Corporation continue to support.

In order to finance the building of a new home on the recently vacated lot, community leaders in Burke are applying for funding through the Housing Opportunity Fund program with South Dakota Housing Development Authority. The volunteers are also seeking funding through other small grants and industry partnerships, including one such agreement with a local lumberyard.

“We want people and groups to start seeing themselves as housing developers making a bet on Burke being a place people want to live, rather than waiting for someone else to come up with a solution to our housing shortage,” said Kelsea Kenzy Sutton, an attorney for First Fidelity Bank in Burke and one of Burke’s dedicated volunteers who accepted the award on the community’s behalf. “To us, the award shows people both inside and outside our community that we are making award-winning progress in solving our chronic affordable housing issue. And in working with Dakota Resources for a number of years, it is more clear than ever before that Dakota Resources is wholeheartedly leading this cause for all the right reasons, and their contributions to our project are immeasurable. We are grateful for their work and friendship.”

In recognition of their contributions, the winning community of Burke was awarded \$5,000 in Dakota Resources Community Coaching credit to be used in 2022 to empower their community, however the organization chooses.

## Learning Network Mentor Award celebrates Judy Larson



Next, the Learning Network Mentor Award for 2021 was given this year to Judy Larson, self-described Communityist, in recognition for her contributions as an experienced and trusted advisor to those inside and outside of her community, Lemmon, SD. While the Learning Network exists to empower communities to build connections, gain confidence, support each other, and develop professional skills, there are members within the network that go above and beyond to mentor others.

Jasmin Fosheim, Executive Director of Adams County Development Corporation in Hettinger, ND nominated Larson for the award. As stated in the nomination, “Judy Larson is a connector, an encourager, and a friend. The love she shares with others resonates in all that she does, from providing advice to fellow economic developers, encouraging community members to step into leadership, nurturing her fabulous children, or supporting initiatives she thinks are important. She teaches those around her to lead with love and think critically about how innovation and civic engagement grounded in radical inclusivity can improve rural communities and lives.”

In accepting the award, Larson described the value of mentorship in pushing ahead the initiative to cultivate a thriving rural.

“Mentorship is the way to have continuous growth and revitalization in communities,” Larson said. “If those of us

who have been around a while are welcoming and willing to mentor younger/new community members, they will be more apt to stay and to contribute to community life, and that means a win for everyone. Inside the Learning Network, we really act as mentors to each other, offering up our experiences and support via Basecamp and Coffee Breaks, as well as the in-person gatherings. It's exciting for me to see that the emerging generation is ready and willing to do what it takes to make where they live into a place they can love."

### **Centerville Mayor granted Learning Network Elected Official Award**

Finally, the 2021 recipient of the Learning Network Elected Official Award honored Centerville, SD Mayor Kent Austin. Elected officials make decisions every day that impact the future of the communities they serve, and this award honors an elected official for their ongoing support and leadership.

In his nomination of Mayor Austin, Jared Hybertson, Executive Director of Centerville Development Corporation, described the value of Austin's ability to manage both his full-time day job as the County Highway Superintendent with the often stressful, demanding duties of serving as mayor, as well as his connectivity with the Centerville Development Corporation and with Dakota Resources.

"From an economic development director's perspective,

I think it is always so much more effective and beneficial when you have a mayor that takes an active role in partnering to help make community and economic development a priority. Mayor Austin has always been willing to assist us in our economic development efforts and keeps an open mind for partnerships between the city and development corporation in order to get things done," Hybertson said.

Hybertson used one of Mayor Austin's own frequent phrases to describe his approach to leadership: to quote Kent, "It only makes sense to work together. We are all on the same team and trying to accomplish the same goals for our community." |



Learning Network  
2021 Elected Official Award  
Kent Austin  
Mayor of Centerville  
THE FUTURE OF RUAL IS here



Learning Network  
2021 Community Innovation Prize  
Burke - The 775 Project  
THE FUTURE OF RUAL IS here



Learning Network  
2021 Mentor Award  
Judy Larson  
THE FUTURE OF RUAL IS here



# One Year After COVID-19: Virtual Coffee Breaks Strengthen Rural Ties

Coffee is known to many as the lifeblood of the working class, but when the world meaningfully changed in March 2020 in response to the COVID-19 pandemic, the importance of a morning cup of coffee took on a new significance for those connected with Dakota Resources' Learning Network.

On March 20, 2020, Dakota Resources' Learning Network Team began offering Virtual Coffee Break sessions, designed to function as a way to help connect economic development professionals and other rural shapers together to troubleshoot and to share the day-to-day questions and solutions that marked the early days of the COVID-19 pandemic. The first sessions developed organically as a way for people to connect on a daily basis and bring forward the overwhelming questions from their communities.

They were faced with questions like, "How should I respond to a business owner who says, 'I'm afraid the pandemic will force me out of business?'" And "How do I continue to do my job and meet everyone's expectations when I can't meet with people in person?" New questions

emerged each session.

Later, these Coffee Breaks transitioned to a twice-weekly regular occurrence and still continues now. Over the course of the past year, almost 150 Coffee Breaks have been hosted, with over 2,000 individuals popping into the virtual room. There aren't many pandemic-related questions in recent weeks, but it's still a place where people can get answers and good advice to real-world, everyday challenges.

"The Learning Network wanted to provide a place where Economic Development Professionals would have access to relevant, accurate information, a chance to build relationships among their peers and continue growing and developing professionally," said Mike Knutson, Learning Network Orchestrator and Community Coach for Dakota Resources. "In rural communities, it is common for there to be one person per community working on economic development. Therefore, when problems or questions arise, they often do not have anywhere to turn for counsel. These virtual Coffee Breaks helped people overcome the emotional side of being more isolated than ever before,



and it helped solve the real-world challenges created by the pandemic.”

Due to its early success and fervent following, a survey was conducted in early July 2020 to better gauge what practical tips participants were gleaning from these virtual working sessions. One respondent to the survey, and a frequent participant in the Coffee Break sessions, was Key Account and Community Relations Executive for Sioux Valley Energy, Jay Buchholz.

“One of the best - and only - ways to network during the pandemic was through Dakota Resources’ Coffee Breaks,” Buchholz said. “Since Sioux Valley Energy is part of Dakota Resources’ Learning Network, it was important to me to stay connected to the economic and community development side of things. The Coffee Breaks facilitators brought forth a bunch of different topics that I wouldn’t have thought of, such as bringing in legislators from Pierre or inviting other non-profits doing the community development work to speak. Sometimes there was no guiding topic, which allowed for a freeform discussion dedicated to surviving the pandemic. It was a great way to stay connected.”

Some of the most valuable topics discussed in the initial months of the COVID-19 pandemic were, unsurprisingly, related to tactics that businesses could utilize to better weather the effects of quarantine and lockdown. This meant bringing in experts to discuss timely subjects like the Paycheck Protection Program (PPP) loan opportunities and financial support through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Apart from the pandemic-related information, various

other themes emerged from the discussion, including conversations about housing support, learning about federal and state resources, funding challenges, and community trends



Vinegar consultant and rural shaper Lawrence Diggs appreciated the opportunity to connect and collaborate with others in a solution-focused manner.

“The Coffee Breaks are a learning moment and a teaching moment,” said Diggs. “It’s an opportunity to learn things, but occasionally, I had an opportunity to bring a perspective to the group that they would not otherwise be privy to. I’ve encouraged other people to show up and to be an active part of the group. I often tell them that sharing their problem may be the biggest contribution made at that meeting, and that other people may have that problem, too.”

Dakota Resources has played a more behind-the-scenes role with these Coffee Breaks, and it is the people that choose to show up that makes them so special. Attendees come with the understanding that nobody has all the answers, but we can all solve problems by collectively leaning into the knowledge and wisdom of everyone in the group.

The Coffee Breaks even drew a national audience. During her appearance with her husband, James, at Dakota Resources’ RuralX conference on June 16, 2021, Deborah Fallows, linguist and co-author of the book *Our Towns*, expressed her appreciation for Dakota Resources’ Coffee Breaks.

“Every week, I said, ‘I have to stop what I’m doing; it’s time for the Coffee Break in South Dakota,’” Fallows said. “You all were my lifeline through COVID; every week, I could come and listen to and be part of your conversation with my two dozen new best friends in South Dakota. Watching this group develop a sense of trust in each other and listen to each other’s ideas as they were connecting - the synergy from one town to the next, and watching you all learn and getting to be part of that as a listener - I wouldn’t have

made it through the last year without you.”

Another aspect of the Coffee Break sessions that the survey aimed to assess is the overall usefulness of the information shared and its applicability to each rural shaper’s specific community and sphere of influence. The survey results indicate that respondents are receiving information that is accurate, easily available, and unique when they attend the virtual Coffee Break sessions. In

## other ways coffee breaks have impacted communities:

The information we get is new and accurate and enables me to address certain issues with the confidence that I am providing accurate information.

**Andrea Powers, Executive Director**

**Southern Hills Economic  
Development Corporation  
(SHEDCO)**

I always appreciate the wisdom from the economic development professionals; as well as the guests. I ALWAYS learn something!! Thanks for taking the lead during a time when we all needed to hear/learn in a positive and productive way!

**Julie Stevenson, Strategic  
Communications Director**

**South Dakota Department of  
Transportation**

If I had to narrow it down, I'd say being able to learn more about free Google marketing tools from Lisa Grevelber, a VP of Marketing at Google. As I share information like this with my community, it's empowering to be able to let them know that my learning has come from firsthand, interactive Zoom experiences with professionals.

**Carol Eisenbeis, Development &  
Marketing Coordinator**

**Freeman Community Development  
Corporation**

I enjoy the opportunity to share with my peers and learn from others in different communities. I think this is extremely valuable for those of us who work alone.

**Lindsey Kimber, Executive Director**

**Glacial Lakes Area Development  
(GLAD)**



**LEARNING  
NETWORK**



**DAKOTA  
RESOURCES**

addition, attendees have shared that they also are then taking that information and sharing it or taking action on a topic within their own communities.

“Respondents have shared that they feel more confident in sharing new ideas learned through the virtual Coffee Break sessions because they have been vetted by working professionals and because along with the ideas, they’ve learned about the challenges and the rewards of doing such work from others in similar organizations or communities,” said Paula Jensen, Vice President of Program Development and Community Coach for Dakota Resources. “We’re grateful that the virtual Coffee Breaks are effective in meeting the need for both social connection and pandemic-related problem-solving for our Learning Network members.”

Diggs echoes this in pointing to the lasting impact of the Coffee Breaks.

“The Coffee Breaks were better than any conference I’ve ever been to, especially because the sessions were held on a weekly basis,” said Diggs. “This is a valuable service, and I don’t know if there’s any other place where you could find this.”

With the numbers and survey data aside, the most valuable takeaway from these Coffee Breaks was the endless support from everyone who decided to show up and be present, truly helping each other when there was no one else in their communities helping them. The topics may change session to session, but the amount of support remains constant. Trust and relationships are being formed between community leaders across the state, which only makes the future of rural that much brighter.

Take Action: The value of the virtual Coffee Break sessions stems largely from who participates in these work sessions. If you’re interested in taking part in the next Coffee Break, we invite you to join us each Wednesday from 10:30 - 11:30 AM CT. Reach out to [info@dakotaresources.org](mailto:info@dakotaresources.org) to get registered. |



# Rural X

If you're passionate about your rural community, RuralX is for you. This high-energy opportunity features inspirational speakers, time to network and be social with like-minded people, and bold breakout sessions for people to discuss what matters now. It's a space for people like you to explore ideas and discuss the topics that are relevant in your community.







**180**

number of attendees



**16**

number of states  
represented

**59%**

first time attendees



# RuralX Watch Parties Cultivate Local Collaboration

Attending a virtual conference may seem like experiencing the best of both worlds - all the learning without the travel - but in order to foster learning and cultivate true connection amongst attendees, a little intention goes a long way.

That's why this year's virtual RuralX conference, hosted by Dakota Resources on June 16, 2021, piloted Watch Parties to encourage conversation and collaboration amongst the changemakers living and working in rural communities. Eleven RuralX Remote Watch Parties were held in rural communities across the nation.

To help illustrate the lively discussion and collaborative environment of these Watch Parties, Dakota Resources surveyed Watch Party organizers after the 2021 RuralX conference.

"The stories shared in the survey responses further reinforce the importance of rural communities engaging in real-time interaction and discussion while attending RuralX," said Ellie Naasz, Director of Community Impact for Dakota Resources. "Hearing about how each

community uniquely embraced the format of RuralX and adapted their conversations to the topics that the speakers brought forward to their own community's needs was impactful. It also helps us understand how we can continue to make changes to our program to better speak to our mission."

The Watch Party that gathered in Custer, South Dakota, used its OpenX time to localize their discussion to the





most pressing needs in their community.

“During the OpenX, we focused on issues facing Custer, like community communication, housing and a fall gathering, and created a plan to handle them,” said Colleen Hennessy of Custer Area Economic Development Corporation. “Throughout the day, the Watch Party environment gave us a chance to get to know each other and share ideas.”

The communities of Lemmon, SD and Hettinger, ND joined together for a Watch Party this year for RuralX, and both Judy Larson with the Placemakers Co-op in Lemmon, SD, and Jasmin Fosheim, Executive Director for the Adams County Development Corporation, shared the benefits of sharing The Rural Collective space in Hettinger, ND with other rural shapers in their area.

“When I think about how respectful, collaborative and participatory our Watch Party group was, it makes me very

hopeful,” Larson said. “It was a cross-section of ages, leaning toward younger folks, and many were from different sectors of the community--business, education, healthcare, media, NDSU Extension, and agriculture. The time that we had together, especially during OpenX, was such a great community and collaborative possibility builder!”



Fosheim agrees. “I think our OpenX was great because it provided the local connection that everyone wanted,” said Fosheim. “In the future, I would encourage Watch Parties to host their own in-person OpenX segment.”

Take Action: Did you love attending the virtual RuralX conference this year? Are you interested in hosting your own RuralX Watch Party next year?

Subscribe to our newsletter to be in the know for when we will be hosting RuralX 2022, and watch for more information on how to host a Watch Party in your community next year!

Want to hear a little more about our keynote speakers' experience in South Dakota? Check out James Fallow's blog post on their website. |



# Community Coaching

Community Coaching starts with learning new ways of working together by practicing it. We help you involve more people in making shared decisions. It's customized for you: to host one community event, a strategy retreat, or dive in to practice this process for 24 months. You'll help people form teams and take on projects to make good things happen. We guide the process at first, but you discover the answers together.





**4**

**Empower process communities**



**33**

**Organizations accessing on demand coaching**

# Celebrating the Fruits of Gregory County's Empower Process

It's been said that we're living in the age of empowerment, and at Dakota Resources, that's never been more true. And while empowering South Dakota rural communities isn't necessarily a new movement for us, it remains a chief focus of our Community Coaches and the constituents whom they serve.

"The goal of the Empower Process for Dakota Resources is to work side-by-side with communities to teach and offer how-tos along the way so that when we leave a community, they can continue to move forward," said Connector and Community Coach Kristi Wagner. "For us, it's not about coming into a community and telling them what needs to be done; instead, residents have to discover it and own it for themselves. They have to ask the right questions and say it out loud."

One such community, Gregory County - namely the cities of Gregory, Burke, Bonesteel and Fairfax - embarked upon their own Empower Process early in 2019. Despite weathering (literally) a tornado that struck Burke, South Dakota, in August 2019, and then enduring a global pandemic that momentarily sidelined their work, the fruits

of Gregory County's Empower Process are still sweet.

"Dakota Resources provides data, access to resources, and access to professionals; they're really thought leaders in South Dakota rural economic development," said Kelsea Kenzy Sutton, who works as an attorney for First Fidelity







Bank in her hometown of Burke, South Dakota. “A few of us knew how cool Dakota Resources was, but to have community members feel that and watch the process snowball from there was valuable.”

## **Facilitating Community-Wide Conversations and Identifying Priorities**

The most crucial phase of the Empower Process occurs as soon as Community Coaches have boots on the ground in the communities they’re serving. Together with community leaders in each of the major towns, Kristi Wagner, a Community Coach who worked with Gregory County through the Empower Process, simply began by pulling up a chair at the local coffee shop and asking questions about the quality of life in the community.

“Throughout our time in Gregory County, we worked to empower each community to grow residents’ involvement

or engagement in what we were doing,” Wagner said.



From there, Wagner, Jamie Horter, another Dakota Resources Community Coach, and Gregory County community leaders, began to prepare for a county-wide community gathering, which was held in February 2020 in Bonesteel, to learn what aspects of the quality of life in Gregory County needed to be addressed. The key? Hearing directly from those living, working, and playing in Gregory County, and facilitating conversations amongst the communities to draw attention to the community priorities that rose to the top. Approximately 60 people attended the gathering to lend their voices to the discussion, and for Gregory County, the need for quality and diversified housing options in each major community was identified as a shared priority.

Prior to engaging with Dakota Resources, Gregory County completed a housing study in 2017, and the results of this study, combined with the fruits of the listening sessions, all contributed to the call for each community to move forward in conceptualizing housing initiatives.

And while each community addressed this need in unique ways, the Empower Process was a crucial launchpad to gain momentum.

“Housing is a cross-county issue, and we tried to bring together a large cross-section of stakeholders and voices at the community gathering to help shape the housing initiatives that each community brought forward,” Kenzy Sutton said.

## Growing Rural Housing in Gregory County

In light of the tornado that damaged property in Burke in 2019, as well as the continued uncertainty surrounding the global pandemic throughout 2020, each community in Gregory County took more of a city-based approach to the Empower Process, and specifically to the Strategic Doing aspect of the project, as they worked to address the identified need for housing.

For instance, in Gregory, the Gregory Business and Industrial Development Group, with the help of Dakota Resources, engaged a commercial contractor out of Brookings, South Dakota, to make plans to build multi-family apartments and townhomes across 66 acres of land in Gregory. The land, what Gregory is calling the Grandview Addition, also allows for industrial and residential development.

“We as a county learned that we’re way more alike than not, and we had the opportunity to approach the housing issue from a different angle and come together with the same goal: to address the shortage and the quality of housing in the county,” said Doug Pochop, President of Rosebud Title Company in Gregory, South Dakota. “Dakota Resources is such a good entity to have in our back pocket to be competitive.”

In Burke, community leaders embarked on the 775 Project, which set its sights on tearing down a dilapidated home in town and building a new-construction home on the empty

lot. To accomplish this, the community engaged a local contractor and sought matching funds for the new build from the South Dakota Housing Development Authority (SDHDA). Finally, in order to keep the momentum moving forward, Burke’s 775 Project also aims to develop an ongoing fund dedicated to rehab and redevelop homes that had fallen into disrepair in the community.

“Housing is a community problem that needs community solutions, and we know that we’ve moved the needle by partnering with Dakota Resources,” Kenzy Sutton said. “I’m confident that we’ll look back on this time and be proud and glad that we did this.”

Finally, in Bonesteel, community leaders helped facilitate the advertising and selling of one city lot and two privately owned lots with a goal to make these affordable lots for sale. Two of the three lots sold in just a few months, by June 2021. The lot that remains is a smaller, more narrow lot, and community leaders like Kelly Wollman, the newspaper editor and business owner who lives in Bonesteel, are considering more unique home builds like a governor’s house model for this lot.

“It’s not a new idea to be part of a group in a small town, but seeing everything we could accomplish had everything to do with Dakota Resources being our partner in this,” Wollman said. “I’m a big cheerleader of small communities, and I’m excited that Dakota Resources can help make large things like this happen in a small town. People who have moved away from town are even



cheering us on from afar, which is a really cool part of this process.”

## Looking Ahead: The Value of the Learning Network

As the Empower Process comes to a close this fall in Gregory County, the work in each of these communities is only beginning, as is Dakota Resources’ ongoing relationship with the communities in Gregory County. Each of these communities will continue working with Dakota Resources by joining the Learning Network, an online and in-person membership program that allows community leaders to connect with peers in other communities, discuss concerns, find inspiration and even brainstorm, all in real time. Gregory County officials unanimously committed funding support to offset each community’s membership, which further demonstrates the momentum that’s continuing to build county-wide.

“The value of the Learning Network comes in the relationships that are formed and the solutions that are shared,” says Community Coach Kristi Wagner.

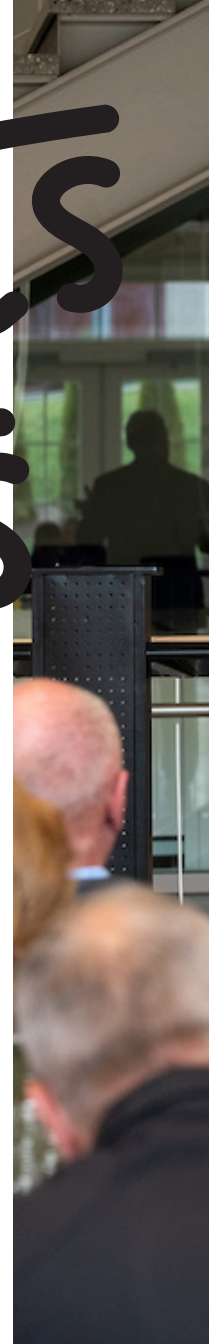
“Here at Dakota Resources, we look at the Learning Network like doing maintenance in our communities who have gone through the Empower Process,” she said. “We’re always reaching out and checking in, and we want our communities to know: once a Dakota Resources community, always a Dakota Resources community.”

Take Action: Are you interested in learning more about the Empower Process and what a partnership with Dakota Resources can make happen in your community? Reach out to [info@dakotaresources.org](mailto:info@dakotaresources.org) for more information. |



# New Markets Tax Credits

Our New Markets Tax Credit work attracts investment across underserved rural communities and Native Nations. That includes building equal opportunities in health care, education, vital community services, manufacturing and processing. As the manager and controlling entity of Dakotas America, LLC we provide New Markets Tax Credit allocation for equity investments in innovative businesses that are shaping their community's future.





# \$400MM

**all-time allocation amount  
awarded**

# Statements of Financial Position

AS OF DECEMBER 31, 2021

<b>CURRENT ASSETS</b>	<b>2021</b>	<b>2020</b>
Unrestricted Cash	314,166	892,823
Current Maturities of Loans Receivable	352,589	934,990
Distribution Receivable from Dakotas America, LLC	132,690	388,500
Current Portion of Receivable	173,266	464,077
Other Receivables	57,998	43,167
Prepaid Expenses	6,725	15,106
<b>TOTAL CURRENT ASSETS</b>	<b>1,037,434</b>	<b>2,738,663</b>



<b>OTHER ASSETS</b>	<b>2021</b>	<b>2020</b>
Grants Receivable	876,265	175,000
RBEG Loans Receivable, Net	1,138	33,580
Capital Investment Fund Loans Receivable, Net	20,718,519	21,042,281
Opportunity Fund	95,000	95,000
Investments Available for Capital Investment Fund Lending	4,344,614	2,131,959
Investments Available for RBEG Lending	137,489	61,503
Investments Reserved for Community Facilities Re-lending Operations	54,732	92,268
Other Investments and Operating Reserve	1,892,082	279,639
Investment in Dakotas America	742,787	941,347
Interest in Assets held at South Dakota Community Foundation	19,732	18,407
Other Assets	500	500
<b>TOTAL INVESTMENTS &amp; OTHER ASSETS</b>	<b>28,882,858</b>	<b>24,871,484</b>

Property and Equipment, Net	266,044	116,259
<b>TOTAL ASSETS</b>	<b>30,186,336</b>	<b>27,726,406</b>

<b>CURRENT LIABILITIES</b>	<b>2021</b>	<b>2020</b>
Current Maturities of Notes Payable	1,551,550	10,000
Capital Lease Obligations, Current	19,721	3,159
Accounts Payable	52,372	86,474
Sales Tax Payable	2,603	2,064
PPP Loan Payable	-	196,700
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,626,246</b>	<b>298,397</b>

<b>LONG-TERM LIABILITIES</b>	<b>2021</b>	<b>2020</b>
Notes Payable, Net of Current Maturities	2,075,000	3,126,550
Equity Equivalent Notes Payable	12,335,000	11,985,000
Capital Lease Obligation, Net of Current Portion	-	19,721

<b>TOTAL LONG-TERM LIABILITIES</b>	<b>14,410,000</b>	<b>15,131,271</b>
<b>TOTAL LIABILITIES</b>	<b>16,036,246</b>	<b>15,429,668</b>

<b>NET ASSETS</b>	<b>2021</b>	<b>2020</b>
Board Designated	5,708,290	3,182,012
Undesignated	6,058,452	7,963,088
With Donor Restrictions	2,383,348	1,151,638
<b>TOTAL NET ASSETS</b>	<b>14,150,090</b>	<b>12,296,738</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>30,186,336</b>	<b>27,726,406</b>

*The financial information presented herein is unaudited, presented in summary form, and represents the standalone results of Dakota Resources. For audited financial information, refer to the consolidated financial statements of Dakota Resources and Subsidiary, the accompanying notes to the consolidated financial statements, and the auditor's report thereon, available upon request. The organization's most recently filed Form 990 is available on the Dakota Resources website or can be provided upon request.*

# Statements of Activities

AS OF DECEMBER 31, 2021

<b>REVENUE AND OTHER SUPPORT</b>	<b>2021</b>	<b>2020</b>
Grants, Pledges, and Sponsorships	2,301,378	1,873,304
Interest Income on Loans Receivable	853,244	883,245
Dakotas America, LLC Income	403,297	832,249
Net Investment Return	8,240	60,811
Management Fee Income	331,546	505,725
Registration and Miscellaneous Income	74,701	74,646
Forgiveness of Debt	196,700	30,000
Other Income	2,422	(2,784)



<b>TOTAL LONG-TERM REVENUES</b>	<b>4,171,528</b>	<b>4,257,196</b>
<b>EXPENSES</b>	<b>2021</b>	<b>2020</b>
General and Administrative	515,299	355,364
Program Service Expenses	1,802,877	1,916,590
<b>TOTAL EXPENSES</b>	<b>2,318,176</b>	<b>2,271,954</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,853,352</b>	<b>1,985,242</b>

*The financial information presented herein is unaudited, presented in summary form, and represents the standalone results of Dakota Resources. For audited financial information, refer to the consolidated financial statements of Dakota Resources and Subsidiary, the accompanying notes to the consolidated financial statements, and the auditor's report thereon, available upon request. The organization's most recently filed Form 990 is available on the Dakota Resources website or can be provided upon request.*



**DAKOTA  
RESOURCES**

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