

**ECONOMIC DEVELOPMENT FOUNDATION
TEAMS MEETING
Tuesday, April 25, 2023
2:00 - 4:00 p.m.**

Economic Development Foundation members present: Tom Campbell, Bruce Gjovig, Vicki Monson, John Nagel, Kevin Müller, Lindsey Narum, Douglas Bolken, Mike Seminary, Thomas Stromme.

Commerce staff present: Shawn Kessel, Joshua Teigen, Rich Garman, Sara Otte Coleman, Katie Ralston Howe, Alison Widmer, Sherri Frieze

Guest present: Melissa Beach

WELCOME and ADMINISTRATIVE MATTERS

In the absence of Chairperson Lyn James, Vice Chairperson Mike Seminary called the meeting to order at 2:05 p.m. welcoming the Economic Development Foundation members and guests. Roll call was conducted.

APPROVAL OF MINUTES

Motion: It was moved by Kevin Müller, seconded by Vicki Monson to approve the minutes of January 31, 2023. Motion carried.

QUARTERLY MEETING DATES

The fourth quarter meeting invitation to all members has been updated to October 25th, to be held in conjunction with the Main Street Summit in Watford City, ND at the Rough Rider Center.

BOARD VACANCIES AND TERM LIMITS

Members discussed the need for member recruitment geographically, and by industry. Four members have terms that will expire by August and have decided to not return. The nominating committee supplied names to the Governor's office, but the candidates were not given the ND Boards and Commission website for application to the Economic Development Foundation.

It was recommended to provide the ND Boards and Commissions website to any prospective applicant for inclusion to the Foundation application process.

FINANCIALS REPORT

Motion: It was moved by Tom Campbell, seconded by John Nagel to approve the financial report as of April 1, 2023, for \$75,984.78. Motion carried.

COMMERCE BUDGET - HB 1018

Commissioner Teigen

Conference Committee is happening currently with the Commerce HB 1018 and until complete the details of passed bills is still ongoing.

GLOBAL ENGAGEMENT OFFICE

Shawn Kessel – Deputy Commissioner

Shawn revisited the bifurcation of the North Dakota Trade Office, and the creation of the Foreign Direct Investment mission (FDI) was created under the Global Engagement Office. Former Commerce employee Cortnee Jensen led the FDI office and attended the successful Japan Trade & Investment Mission in October 2022. With the departure of Cortnee, Shawn has taken over the position. Shawn has met with many Consulate Generals in the cities of Chicago, Minneapolis, and Fargo. Recently a presentation was shown to the Governor regarding countries that would be a benefit to North Dakota. Shawn discussed the list of topics discussed with Consulate Generals.

I. Mission Types to Recognize

- Investment
- Capital
- R&D
- Workforce

II. Industry Prioritization

- Energy
- CCUS
- Tech
- Manufacturing
- Value Ad Ag
- Vantis/UAS
- Biotech
- AgTech

III. Market Research – alignment

- Existing businesses in ND from country

IV. Political Stability/Friendly nation

V. Foreign country GDP

VI. 5-year FDI trend

Success Metrics

Shawn asked the members for their comments on “determination factors for success” within the Global Engagement Office and what do the members consider to be compelling information for ND Legislators to focus on.

DIVISION OF COMMUNITY SERVICES

Maria Effertz, Director

Legislative Updates:

COMMUNITY DEVELOPMENT

- \$400 thousand in state funding will be used for rural grants for communities; Partners in Planning (PiP), and Vibrancy.
- \$1M federal Placemaking grant from Economic Development Administration (EDA)
- \$1M state funding for rural grocery store help in communities that do not have a store.
- \$2M Blighted and Slum workforce housing plan – will help rural communities that currently have a plan on how to clean up the community. The funding will help with closing the gaps on lack of funding in those communities.
- \$4M in state funding to the eight Regional Councils.
- Renaissance Zone Revisions – many Senators supported a comprehensive package to give communities the option to receive their Renaissance Zone reinstated after it was lost, including Bismarck and Watford City.

STATE ENERGY PROGRAM (SEP)

- \$120M for the next 3 – 5 years in federal funding to SEP and weatherization under the Infrastructure Investment Jobs Act (IIJA) and the Inflation Act significantly increased the funding help to do energy efficiency and energy programs across the state. The weatherization program within DCS, and the SEP program, sends out energy rebates, and provides grants for energy efficiency in public old building.
- The need for 3 FTEs will be needed to help support and manage the federal program.

CDBG AND HUD

- Staff is busy working on the program finding, finalizing contracts/projects.

UPCOMING DATES

- May 5 – Rural Development Council Strategic Planning Session in Bismarck
- June – Community visit to Linton and possibly others
- July – Community visit to Harvey
- October 24 & 25 – Main Street Summit in Watford City at the Rough Rider Center.

ND ENERGY and ECONOMIC COORDINATION OFFICE (EECO)
Within the ND DEPARTMENT OF COMMERCE
Rich Garman – Director

An extra level of effort is needed to handle the massive energy projects coming to ND.

- The **Energy and Economic Coordination Office (EECO)** efforts are coordinated by Commerce Department employee, Tom Oakland, to ensure Commerce achieves solid economic growth. A \$10B+ profile currently exists.
- Creation of the **Autonomy and Economic Coordination Office (AECO)** in the next six to nine months will coordinate efforts across the state to ensure we achieve solid economic growth. This office will need 1 FTE with a standing budget and will be similar to EECO.

Areas being pursued in North Dakota:

Natural Gas to Liquids (GTL)

Fertilizer Production

West to East Pipelines

Biodegradable Plastics

Value Added Agriculture

Soy Processing Facilities

Renewable Diesel

Sustainable Aviation Fuel (SAF)

Grand Farm – a network of growers, technologists, corporations, startups, educators, policy makers, and investors working together to solve problems in agriculture with applied technology.

Hydrogen Economy – NG derived Hydrogen, Hydrogen created by electrolysis, Hydrogen Hub.

Carbon Capture, Sequestration, and use; involving primacy, geology, and federal support with pipelines.

Mineral/Ore processing – Value Added involving critical minerals – technology hasn't been in place, until now and is becoming more profitable and practical to extract.

Produced Salt Water Extraction – Lithium – global demand for and technology is better. To be used for battery production

Ore Processing – 2 projects being worked in ND currently.

Transmission of electric, gas, water, and additional value-added infrastructure.

Tech – UAS, Data Centers – Company Bitzero has purchased the Nekoma Missile Pyramid to convert into the Data Center.

Upcoming:

May 1-5, Rich, and Shawn will attend and have a tradeshow booth at SelectUSA in Washington, DC.

ADMINISTRATIVE SERVICES

Alison Widmer, Director

- HB 1018 – the fiscal area will be spreading the budget across divisions for the upcoming biennium.
- Fiscal staff is preparing for the end of the biennium; June 30, 2023.
- Commerce information technology staff is working on migrating fiscal data to Microsoft D365 online, to be a one stop shop for all fiscal and grant information.

TOURISM

Sara Otte Coleman, Director

Q1 TOURISM AND MARKETING EFFORTS

- Hotel occupancy rate surpassed 2019, in an eight year high
- Canadian border crossings are up 151% but remain at 75% of the normal.
- National Park visits in January was 32% higher than the 10-year average, but the weather impacted visits in February – April.
- Website inquiries up 70% YTD
- NDTourism.com visits are down 1.6%
- Earned media – 1,690 national placements and 91 in-state reaching 5 billion.
- Social media – 6.63 impressions and 125 thousand video views. FTGL views 650 thousand.

FTGL

- 18 million impressions, 92 thousand clicks, 65 thousand help desk page views, 3.3 million video completions, 212 thousand emails opened. Most results are coming from Illinois, Minnesota, and Colorado.

COOPERATIVE ADS

- Examples of cooperative ads for tourism partners to advertise
- Digital coops, services provided at a much more affordable rate.

DESTINATION TOURISM DEVELOPMENT

- Tourism has a dedicated FTE in this arena that is defining primary sector, recruiting, and expanding new businesses and offerings, along with adding value added experiences. Looking at in demand experiences with gaps and developing legacy attractions.

MARKETING NORTH DAKOTA

New campaign for 2023 – HELLO NORTH DAKOTA

- Was unveiled with Governor in January at Tourism Day at the Legislature.
- Warm welcome
- Genuine hospitality
- Energetic vibe

PRINT PIECES

- Demographic ads on the Tourism website and TV ads.

TRAVEL INDUSTRY CONFERENCE

- Has been postponed to May 15-17th in Bismarck at the Radisson Hotel.

WORKFORCE

Katie Ralston Howe, Director

REGIONAL WORKFORCE IMPACT PROGRAM (RWIP)

American Rescue Plan Act (ARPA), federal dollars from the impact of COVID, were used to fund the current projects.

- Have awarded 59 projects across all 8 regions within the state of ND, with 4 pending.
 - Skilled workforce training, career exploration, expansion of career and technical education offerings (mobile labs), affordable housing, talent attraction, and child care.
- Impact to Date
 - Varies, based on project focus and stage
 - Direct and indirect impacts to workforce, employers
 - Child care – 33 facilities, 1590 more spots
 - School Districts – 64 through Career and Technology Centers (CTE) to expand programs and add adult training opportunities with mobile labs to go out to the school districts.

FIND THE GOOD LIFE (FTGL)

- Currently has 1,702 leads, with 46 new leads this week.
- 77% leads are new to ND
- 503 leads are connected to Community Champions.
- 463 resumes have been received.
- Stats fluctuate from week to week
- 29% want to move right now
- 66% wish to move within the next 6 months.
- Top states represented – Florida, California, Texas, New York, Georgia, Minnesota, Arizona, and 27 countries.

LEGISLATIVE UPDATES

- **HB 1018** – the Workforce Development Council (WDC) had provided 10 comprehensive recommendations to the Governor's office and legislators. Eight required legislative action, and seven were included in the Governor's Executive Budget. All seven are still remaining, with some being funded and some yet to be passed.
 - Regional Funding - \$20M + 1 FTE = \$15M from House/\$12.5M from Senate + 1 FTE
 - Talent Attraction - \$25M + 1 FTE = \$8M from House/\$14M from Senate + 1 FTE
 - Technical Skills Training Grant - \$2M from House and Senate
 - Automation Workforce Grant - \$5M = \$5M from House/ \$0 from Senate
 - New American Workforce Training and Internship Grant - \$2M added from the House.
 - ARPA Carryover Authority
- **HB 1398** authorizes the Department of Public Instruction to provide grants for adult computer operations and cybersecurity courses.
- **SB 2142** creates an Office of Immigration within the Commerce Department.

NEXT STEPS

Next Foundation meeting is set for July 25th at the WSI Century Center in Bismarck.

ADJOURNMENT

The meeting was unanimously adjourned at 4:05 p.m.