

ECONOMIC DEVELOPMENT FOUNDATION Q3 MEETING

**HELD ONSITE & VIA TEAMS MEETING
WSI BOARD ROOM 1600 EAST CENTURY AVENUE, BISMARCK ND
Wednesday, September 7, 2022
1:30 - 4:00 p.m.**

Economic Development Foundation members present: Kevin Black, Douglas Bolken, Tom Campbell, Ron Day, Bruce Gjovig, Lyn James, Megan Laudenschlager, Jon Nagel, Kevin Müller, Jamal Omar, Mike Seminary, Thomas Stromme, Lindsey Narum

Commerce staff present: Shawn Kessel, Joshua Teigen, Cortnee Jensen, Katie Ralston Howe, Maria Effertz, Sherri Frieze

WELCOME

Chairperson Lyn James called the meeting to order at 1:30 p.m. welcoming the Economic Development Foundation members and guests.

ADMINISTRATIVE MATTERS

Approval of Minutes

Motion: It was moved by Bruce Gjovig, seconded by Mike Seminary to approve the minutes of June 7, 2022. Motion carried.

Executive Committee Appointments

The nominating committee of Lyn James, Bruce Gjovig, and Mike Seminary will vote to approve two at large members from the Foundation to sit on the executive committee. The two names will be brought forward to the Foundation at the next quarterly meeting. It was mentioned that the two chosen members should have a strong relationship with the legislature.

The Foundation North Dakota Century Code (NDCC) will also need to be revised. This should be done in reviewed in the future with Lyn James, Shawn Kessel, and Joshua Teigen.

Financial Summary Report

Sherri Frieze

Motion: It was moved by Tom Campbell, seconded by Bruce Gjovig to approve the financial report for \$83,546.21 as of August 31st. No sponsored funds were reported this quarter. Motion carried.

JAPAN MISSION

Shawn Kessel & Cortnee Jensen

Governor Burgum will lead a delegation of North Dakota officials and business representatives on a weeklong trade and investment mission to Japan September 30 – October 8, 2022. The 45-member trade delegation includes state Agriculture Commissioner Doug Goehring, staff from the North Dakota Trade Office, North Dakota Department of Commerce, Governor's Office, Bank of North Dakota, North Dakota State University and the University of North Dakota, and representatives from about a dozen North Dakota companies involved in agriculture, energy, manufacturing, technology, and aerospace.

Motion: It was moved by Mike Seminary and seconded by Jamal Omar to sponsor Foundation funds up to \$10,000 for the Governor Trade and Investment Mission to Japan September 30 – October 8th, 2022. Motion carried.

COMMUNITY AND MAIN STREET INITIATIVE

Maria Effertz

Commerce has created a set-aside funding from the Momentum Fund for a Main Street Initiative Team (Community Developers) budget. This budget will work with communities to focus on planning.

The Main Street Initiative (MSI) Partners in Planning (PiP) Grant program supports non-profit organizations and/or local governments in completing a comprehensive plan or economic development/diversification strategic plan. This grant program is intended to empower communities to proactively plan their futures, seek smart, efficient infrastructure development, and offer a healthy, vibrant environment for residents and visitors.

The Housing Finance Agency (HFA) will soon take on the Emergency Solutions Grant program from the Commerce Department. The federal program is designed to provide financial assistance to facilities and programs within ND to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide necessary services to help those persons quickly regain stability in permanent housing. The program will be better housed with the HFA, as the Commerce Department does not precisely work one on one with those clients.

The State Energy Program (SEP), supported with federal funding, is currently being reworked to build a better energy plan within the Division of Community Service.

LEADERSHIP REPORTS

COMMERCE – Shawn Kessel

Commerce has submitted a budget for this legislative session to create a Global Engagement Office that will incorporate a Governor's trade mission at least once per biennium and three Commerce Commissioner led trade missions.

Shawn discussed the rural housing shortage and the Housing Task Force that was created and led by Dawn Mandt. Other partners included the Commerce Department, the private sector, Housing Finance Authority (HFA), and the Bank of ND. Two main policy endorsements were formed:

- **Housing Incentive Fund** – a flexible program run by HFA, for income supported new construction. The existing program came into existence during the oil boom.
 - A couple issues to award limited dollars
 1. Over prescribed, \$9M funding and being used, twice that amount.
 2. The formula for awarding funds, is not being received by rural entities, due to the return on investment (ROI) for construction companies.
- **Rural Renewal Workforce Housing Program.**

Qualifications:

 - City needs to have open, vacant, or blighted land.
 - Meant for new construction
 - Zoning ordinances may have changed, not allowing housing on that parcel of land.
 - The parcel can be used for some other public purpose.
 - Once the property is vacant, a builder needs to be identified and gifted to the developer, so no land cost in the construction of the building.

Tier I – 999 or less in population

1. No workforce housing study to be done
2. Work with up to 25 cities
3. Up to \$25 thousand for remediation per parcel

Tier II – 1000 – 2,500 in population

1. Work with up to 20 cities
2. Up to \$35 thousand for remediation per parcel.
3. 12 properties per city.

Tier III – 2,500 – 20,000 in population

1. Work with 6 communities
2. Up to \$55 thousand for remediation per parcel.
3. 20 properties per community

ECONOMIC DEVELOPMENT & FINANCE (ED&F) – Commissioner Teigen

- Ground breaking in August for state-of-the-art soybean processing plant near Casselton. This plant will shift away from exporting all ND's raw commodities out of the state for processing and shift toward adding value to those commodities in ND, reducing transport costs and improving the process paid to soybean growers.
- A memorandum of understanding (MOU) between the State of ND and Sumitomo Corporation, was recently signed in October. The created partnership will evaluate and develop businesses within energy transition markets with the intent to accelerate decarbonization in ND.
- The American Rescue Plan Act (ARPA) has reauthorized and funded the State Small Business Credit Initiative (SSBCI) program \$10 billion to states to empower small businesses to access capital needed to invest in job-creating opportunities. Commerce has hired O' Leary Venture Firm, to manage the \$58 million, that North Dakota will receive. ND will receive.
- Freedom Farming will be a legislative topic this session. Current corporate farming laws in the state do not allow for animal ag. to take place or value-added processing on crops. The Commerce Department is working with the Department of Agriculture to tie the two together.

STRATEGY & TRANSFORMATION – Cortnee Jensen

- The Commerce Department has hired a new employee in the Strategy and Transformation Division to start September 19.
- Foreign Direct Investment follow up from the Japan Mission will be ongoing after the trip has been conducted along with building international relationships. The next planned trade mission will be with Germany and building out of a position within Commerce will need to be formed to work directly as a liaison between Commerce and Germany.

TOURISM – Sara Otte Coleman

Quarter 2 statistics:

- Statewide cumulative lodging tax is up 60 percent
- Through the end of August, ND has led the nation for road trip growth to date
- Major attraction sites are up 28 percent
- Airport arrivals are up
- Canadian border crossings are up
- Legislative budget ask this year is significant from year's past, as the budget is normally very minimal
 - \$15 M for workforce marketing with inclusion of Find the Good Life funding.
 - \$5 M for Economic Development – major global publications
 - \$20 for tourism and state marketing
 - \$25 M for tourism development grants
 - \$2.5 M for presidential library marketing, for 2025 opening

WORKFORCE – Katie Ralston Howe

- Deputy Director was hired in August.
- \$20 million was received during special legislative session, developing 3 programs, with two launching and the third will launch this fall.

Regional Workforce Impact Program (RWIP) – received \$15M. Designed to help eight planning regions to address their most demanding workforce challenges.

- A portion of the funding is reserved for each of the eight planning regions, based on population of each region
- Applicants must provide a 25 percent match
- The grant may provide up to \$4 for every \$1
- Application closed last week

Technical Skills Training Grant – first developed in 2020 from the impacts of COVID-19. The program supported new and expanding accelerated skilled workforce training programs for displaced workers. The 67th Legislative Assembly Special Session appropriated the Commerce Department with \$3M in ARPA funding to sustain and evolve this program.

- 20 programs have been funded.
- 7 programs were recently awarded
- Round 2 application deadline is the end of September
- Round 3 application deadline is mid-December
- Round 4 application deadline is March 2023

Workforce Innovation Grant (WIG) – has not launched yet

- Focus on innovative solutions around talent attraction
- Industries hit the hardest during COVID-19 were hospitality, healthcare, childcare, transportation.
- Coming online this fall

Find The Good Life (FTGL 2.0)

- This 2.0 version now has the ability to track leads with the company Rolecall.
- Launched in June 2022
- 517 leads currently
- The leads are connected with a community champion to give an objective view of their community.
- Currently there are 43 states, and 20 countries represented in the pipeline
- The job position of Talent Attraction is open within Workforce
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Workforce Development Council (WDC) – advises the Governor and the public concerning the nature and extent of workforce development needs and how to meet those needs effectively while maximizing the efficient use of available resources. The council has put together 10 recommendations and 4 endorsements.

ADJOURNMENT

MOTION: Meeting was adjourned unanimously. Meeting adjourned at 4:00 p.m.