

**ECONOMIC DEVELOPMENT FOUNDATION
TEAMS MEETING
Tuesday, January 31, 2023
3:00 - 5:00 p.m.**

Economic Development Foundation members present: Kevin Black, Tom Campbell, Ron Day, Erik Diederich, Bruce Gjovig, Lyn James, Megan Langley, Vicki Monson, John Nagel, Kevin Müller, Jamal Omar, Mike Seminary, Paul Steffes, Thomas Stromme.

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

Guest present: Nathan Schneider

WELCOME and ADMINISTRATIVE MATTERS

Chairperson Lyn James called the meeting to order at 3:00 p.m. welcoming the Economic Development Foundation members and guests. Roll call was conducted.

APPROVAL OF MINUTES

Motion: It was moved by Mike Seminary, seconded by Thomas Stromme to approve the minutes of September 7, 2022. Motion carried.

QUARTERLY MEETING DATES

2023 dates have been emailed to the foundation members and locations will be chosen as meeting dates approach.

Q2 – April 25th - Workforce Safety Insurance Board Room, Bismarck.

Q3 – July 25th - Workforce Safety Insurance Board Room, Bismarck.

Q4 – October 24th - This date was discussed that it lands during the timeframe of the Main Street Summit. It will be moved to October 25th. Location suggestion was to hold the Q4 meeting at the Rough Rider Center in Watford City, ND.

NOMINATING COMMITTEE

Foundation member recommendations

The nominating committee of Lyn James, Bruce Gjovig, Mike Seminary have sent names for recommendation to the Office of the Governor, with emphasis on two names. At this time, no suggestions for new foundation members have been received from the Governor's office.

Executive Committee

Joshua, Shawn, Lyn, and Sherri will need to rework the Foundation bylaws/policies before recommendations can be made to create a new executive committee. After legislative session, a meeting will be put together to start the process.

FINANCIALS REPORT

Motion: It was moved by John Nagel, seconded by Kevin Black to approve the financial report as of December 31, 2022 for \$77,856.96. and year end 2022 expenses for \$6,987.00. Motion carried.

NEW ROLES WITHIN COMMERCE GLOBAL ENGAGEMENT OFFICE

Shawn Kessel – Deputy Commissioner

Shawn talked about the new Global Engagement office within the Commerce Department. The office is an advocate and liaison between foreign investors, federal, state, and local governments in North Dakota. The office offers customized services to help international companies that are looking to locate, expand, invest, and/or acquire businesses in ND to grow and diversify the state's economy.

Until last legislative session, the ND Trade Office was a partner in the Commerce Department. The legislature bifurcated trade from the Commerce Department leaving Foreign Direct Investment (FDI). Former Commerce employee Cortnee Jensen led the FDI office and attended the successful Japan Trade & Investment Mission in October 2022. From this mission, many Japanese companies will be investing in North Dakota. Shawn has currently taken over that position that Cortnee held. February 17, 2023, Shawn will travel to Chicago and will meet with the Brazilian consulate, Israeli consulate, and the Emperor of Japan.

Goals within the Global Engagement Office

- Hold a Governor led investment mission once every two years.
- Hold a commissioner led mission annually that encompasses:
 - Economic Development
 - Workforce
 - Tourism
- Engage at least five countries annually that in the Consulates/Embassies.

ND ENERGY and ECONOMIC COORDINATION OFFICE (EECO) Within the ND DEPARTMENT OF COMMERCE

Rich Garman – Director, ED&F

The EECO will be led by Tom Oakland within the Commerce Department.

Five Pillars of Focus within the EECO

- I. **Strategic Development** – Ensure an all of the above view of the energy world in ND.
- II. **Public Education** – Provide education opportunities on new and existing energy projects without misinformation.
- III. **Innovative Policy** – Creation and implementation of strong policies and ensure innovation over regulation.
- IV. **Workforce Identification** – Training and attracting workforce to ensure long term workforce to continue in ND's energy leadership.
- V. **Environmental Stewardship** – Provide a clean, healthy environment for North Dakotans while balancing the energy resources of the state. Carbon neutrality must be kept in the forefront of all discussions.

JAPAN TRADE & INVESTMENT MISSION

Deputy Commissioner Kessel

The Governor led trade and investment mission to Japan was conducted the first week in October, emphasizing agriculture, energy, technology, and investment. The 35 – member delegation included ND Agriculture Commissioner Doug Goehring, leadership and staff from the North Dakota Trade Office (NDTO), ND Department of Commerce, ND Governor's Office, Bank of North Dakota, North Dakota State University, and representatives from several ND companies. The mission achieved a host of new partnerships between ND business professionals, the private sector, and government entities. Solidifying these relationships will bring about positive change for both ND and Japan.

The group met with 150 companies and through the mission, Governor Burgum highlighted the technology and innovation blossoming in ND for a variety of industries. Eight export-focused companies met one-on-one with interested buyers and associations to build relations and showcase ND products. Each company represented the state well in its key export industry. The delegation was welcomed warmly throughout, and it was a privilege to have such gracious hosts during the week-long mission.

COMMERCE BUDGET - HB 1018

Commissioner Teigen

Commissioner Teigen talked about optional funding requests for the Commerce HB 1018 bill. These funding requests are listed on what is also known as “the green sheets.”

- Funding for five FTEs spread across Workforce, the Global Engagement Office, Main Street, and the creation of the Automation office are listed. – cut to four FTEs.
- Talent attraction initiative, FTGL - dollars have been decreased.
- RWIP – dollars have been decreased.
- Tourism Destination Fund – dollars have been decreased.
- NDDF funding is being questioned.

DEPARTMENTAL LEGISLATIVE UPDATES

Deputy Commissioner Kessel

HB 1496 Rural Workforce Housing Program – \$5 million in the Commerce budget for the program. Legislator drafted bill would:

- Increase funding from \$5 million to \$20 million.
- Increase population from 5,000 to 10,000.
- Add the communities of Devils Lake, Valley City, and Wahpeton to the population cap of 10,000.
- Community will identify blighted and/or dangerous property and identify a contractor for construction of housing.
- A study to be conducted to research workforce needs and housing desired in the community.
- Commerce will provide funds to conduct the study and Commerce will provide a per parcel basis of grant dollars to eliminate hazards that exist on that property.

Commerce will work with 12 different communities and help identify 5 parcels within each of those 12 communities. Other population caps include 1,000 – 2,500 and 2,500 to 5,000, with ROI included in on each of these.

Renaissance Zone – Commerce bill to let communities retain their Renaissance Zone once it is lost. Current law does not allow a community to retain. The bill has passed the House and is waiting for crossover.

➤ Enhancements to the Ren. Zone bill:

1. Improve a building to 50 percent of value, another level to be added in.
2. Extension upon renewal of 15 year. Currently at 5-year extension. Commerce is requesting extensions be increased to 10-year extensions.
3. Designation of blocks for Ren. Zone and a 2nd island block.
4. Elimination of Renaissance Fund Organization (RFO)

Community Services - Tracey Miller for Maria Effertz

Legislative proposals include:

- The programs of ESG and NDHG to be transferred to the North Dakota Housing Finance Authority. With the moving of the HOME program from Commerce, these two programs would be a better fit in their agency.
- Additional funding for weatherization and State Energy Program; \$19M and \$4M under Infrastructure Investment Jobs Act (IIJA).

Community Development

- Stand at 803 main street communities.
- Legislative proposal – increased funding for Partners in Planning & Vibrancy Grant Program, has been decreased.

Economic Development & Finance – Rich Garman

Rich talked about the goals for the next biennium.

1. Diversify projects for ND
2. Policies over innovation over regulation
3. Energy abundance
4. Geology
5. Autonomy
6. Federal funding
7. Achieving primacy for ND

Rich talked about the economic diversity of ND, carbon sequestration, carbon dioxide, hydrogen hub, technology hub, value added energy, value added agriculture, and autonomous economy.

Tourism & Marketing – Sara Otte Coleman

Sara talked about the next biennium goals and plans.

- Marketing to address – Lack of awareness for North Dakota
- \$5M (one time funding) addition to Tourism/Marketing
- \$12M - \$15M for FTGL marketing
- Break through creative – when not marketing the state, negative perception about ND is received.

Marketing Tourism

- 2021 – 2023 \$16.3M (\$7M was Covid funding)
- 2021 – Record marketing spent
- 2022 – lower results due to smaller budget
- 2023- 2025 - \$14.7M proposed funding

FTGL

- \$438,000 resulted in 14M impressions, 70,000 visitors and 5,150 conversions

Opportunities

- \$12M to push awareness and leads to pipeline
- Synergies between tourism, talent attraction and economic development

Tourism Development Grant

- \$50M for Destinations Development Grant program – Governor Burgum oriented program
 - 45 entities that have signed on to this program.
 - The proposal would create a Destination Development Council.
 - Supports high impact projects in rural and urban.

Other agency budgets

- \$20M in matching funds for a state military museum to be added to the ND Heritage Center and Museum.
- \$51M for state parks and recreation/historical sites, including \$9.2 million to build cabins at state parks and campgrounds in Pembina Gorge
- \$6M in grants for local parks and recreation
- \$8.3M for projects at the State Historical Society

Other bills

- HB 1209 Ellendale Opera House
HB 1287 Whitestone Hill
HB 1538 Fishing Tournaments
SB 2298 Recreation lands liability
HB1249 and 1489 – Transgender bill
and 23 gaming bills that impact hospitality and funding for CVBs.

Ralston – Director – Workforce

- Talked about the recommendations put in place by the Workforce Development Council and the Governor’s ND Works Plan.
- Find The Good Life (FTGL) – currently has 1,200 leads in the pipeline of January 30th.
 - Those looking to move to ND, give the FTGL team their name, timeline, industry for work, location to live for the quality of life, and family that would possibly join.
- Seventy community volunteer champions are currently registered with FTGL, to showcase what ND has to offer and help bring in workforce to their community.
- Ten individuals have moved to the state, and more are expected within 4-5 weeks.
- Rural Workforce Innovation Grant program (RWIG) is near completion and along with the award process. Over 60 projects statewide are being funded through the program. Projects funded include career exploration, affordable housing, skilled workforce training, childcare and others.

NEXT STEPS

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

ADJOURNMENT

The meeting was unanimously adjourned at 4:50 p.m.