2016 Report to the Joint Industry, Business & Labor Committee
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BUSINESS DEVELOPMENT – BY THE NUMBERS

30
New businesses or expansions completed since July 2015

1,768
Total employment (direct/indirect) projected through 2020

$750 million
Personal income projected through 2020

$3.049 billion
Economic output projected through 2020

54
New primary sector projects actively considering locating or expanding in North Dakota since July 2015

47
New primary sector companies visited North Dakota to consider locating their business since July 2015
North Dakota is responsible for growing more than 96 percent of North America’s pulse crops.

“We are the number one producer of dried peas and lentils,” says Eric Bartsch with AGT, a value-added pulse crop processor. “In 2000, we had less than 100,000 acres in North Dakota. Now we are close to 700-800,000 acres of dried peas, lentils and chickpeas.”

AGT is transforming the consumer options for pulses by incorporating them into pastas, flours, cereals and snacks. They are helping the United Nations reach its goal of sharing the benefits of pulses a reality by creating pulse products and alternatives for everyone.

Earlier this year, AGT announced a $30 million expansion in Minot that will add 25 jobs to the area and expand its exports to the world, continuing to help North Dakota diversify its economy through value-added agriculture.

The North Dakota Department of Commerce worked closely with AGT and the Minot Area Development Corporation to assist with finance and tax incentives available to the company.

In 2007, the company opened its processing facility in Williston, close to source fields. The pulse crops are processed, cleaned and color sorted, making them ready for the table. The company packages and ships the products to over 120 countries including India, North Africa and the Middle East.

Bartsch sees North Dakota as one of their key factors of success. “We have facilities located in six countries around the world. We have a pretty far reach. Of all the areas where we’ve expanded, North Dakota has really been one of the best places.”
TOURISM – BY THE NUMBERS

$5.1 billion
Contributed by Tourism to the state’s economy in 2013

$94
Returned in visitor spending for every $1 invested in advertising the state

24 million
Total number of visitors to North Dakota in 2013

1.6 billion
Impressions at launch of 2016 campaign featuring Josh Duhamel

12,047
Confirmed arrivals resulting from digital ad campaign (represents 30% of devices served)

$5 million
Estimated earned media value in international markets

Photo Credit: State Museum at the North Dakota Heritage Center – Bismarck
When Black Leg Ranch got its start five generations ago, the Doan family would never have thought agri-tourism and conservation education would be in their future. Now people from around the world visit their guest ranch for events and guided hunting, and often tell owner Jerry Doan they wish more people knew of the conservation work farmers and ranchers do.

Black Leg Ranch has drawn an international following with the guest ranch. Their group hosts international tourists and have had visitors from over 30 different countries.

“Most of us in agriculture are really working to offer a good, healthy, nutritious product for the benefit of the consumer, and we’re doing that in a way that is replenishing our natural resources and replenishing our wildlife,” Doan said. “We’ve got to spread the word.”

Last year, Black Leg Ranch received a Tourism Expansion Grant from the North Dakota Department of Commerce, Tourism Division for conversion of a historic barn on their property into an event center.

“Black Leg Ranch is a great example of how an investment in North Dakota’s tourism infrastructure will increase the legendary experiences we offer our visitors,” said Sara Otte Coleman, director of North Dakota Tourism. “The Doan family’s commitment to offering a unique experience for visitors to our state is truly legendary.”

Doan, his wife Renae, and their children, Jay and Jeremy, have long worked to incorporate conservation efforts into the 17,000-acre farm and ranch, including using no-till technologies for 15 years. Their work recently garnered them the inaugural North Dakota Leopold Conservation Award this year.

“The North Dakota Tourism Department has helped us grow with counsel and financial support,” Jay Doan said. “From the first tourism conference that my brother and I attended when we looked like a couple of party crashers, to now being recognized as successful entrepreneurs, they have always welcomed us with open arms.”

Tourism Expansion Grants support new or expanding tourism or recreation facilities or designated development areas by providing funding for infrastructure projects.
COMMUNITY DEVELOPMENT – BY THE NUMBERS

16,498
People impacted by Community Development and Community Services Block Grants

10,000
Individuals, families and youth served through Homeless Grants

44
Homes rehabilitated with Community Development Block Grants and HOME Program

118
New affordable housing and rental units with Community Development Block Grants and HOME Program

107
Proposed jobs from Community Development Block Grant projects
The adage “the light went on in my head” quite literally happened to GoodBulb Founder and President Tom Enright. He was working as a wholesale and retail lightbulb distributor when he had the idea that he could start - and substantially grow - his own business by selling product online through Amazon.com and other marketplaces. Enright developed a business plan and began evaluating both the financial requirements and funding opportunities to open and run his company, which he named GoodBulb.

Enright recognized immediately that he would need capital to hire staff, purchase inventory, and buy new software to help manage the inventory. GoodBulb received a “primary sector” designation during this planning phase which allowed Enright to apply for funding from the North Dakota Development Fund. The funds were used to hire additional personnel to handle e-commerce support, customer service, inside sales, warehouse management, order fulfillment and business management. Funds were also used for a new inventory management and ordering system, as well as for the creation of an e-commerce website.

Right now GoodBulb is focused on establishing and building its brand. The company is currently manufacturing its own LED lightbulbs and offers everything from standard household LED lights to specialty lighting systems. GoodBulb.com is under construction and certain products are already available on Amazon.com.

“The North Dakota Development Fund was pivotal in our success and has allowed me to take my business to the next level,” says Enright. “Without the funding, we wouldn't have had the opportunity to add key employees, purchase inventory and focus on branding to expand the business.”

There is another side – a very personal one – to the GoodBulb story, and it’s the reason that Enright wants to use his business to not only sell lighting products, but to promote general goodness in the world. When his infant son prevailed after a serious medical scare that could have meant a lifetime of complications, Enright made it his mission to use his business and its brand to change other’s lives for the better. For example, Enright wants to use a portion of GoodBulb profits to supply homes in third world countries with LED lanterns, thereby replacing dangerous and expensive kerosene lamps.
WORKFORCE DEVELOPMENT – BY THE NUMBERS

9,262
Out-of-state job seekers connected to the Experience ND Relocation Program

701
Families and individuals assisted in relocating to North Dakota since July 2008

119
Businesses participating in Operation Intern

553
Internships with funding assistance from Operation Intern

212,588
Views on Career Conversations podcast videos

Photo Credit: UND Unmanned Systems – Grand Forks
Botlink – Fargo

Fargo-based startup Botlink is a software and power electronics designer that builds applications to connect drones to businesses and give operators real-time access to the data they collect. The company’s founders - a group of Fargo entrepreneurs - identified a gap between existing unmanned aerial vehicle software and flight safety. They also discovered problems with capturing the data and passing it to applications. In response, they launched Botlink so that people in a range of industries could more easily and safely integrate drones into their workflows and use the valuable aerial imagery data more efficiently.

Since its start, the company has developed a cellular-connected device called the Botlink XRD which uses cloud-based processing to enable Botlink to deliver data from drones to industry-leading applications such as Procore construction management software or agX agriculture platform. In many cases, this information is distributed before the drone has even landed.

“Farmers and agronomists use Botlink to take pictures of their fields and monitor crop health for more precise application of fertilizers and pesticides, resulting in less waste, lower input costs, and reduced environmental impact,” says Botlink’s CEO Terri Zimmerman. “Construction project managers use Botlink to survey and monitor progress at their sites for improved reporting and project planning…Botlink expects to provide benefits to other industries as well, including insurance, real estate, mining and natural resources, utilities, pipelines, infrastructure monitoring and more.”

North Dakota is widely considered a hub for the unmanned aerial vehicle industry and the state sees itself as a progressive leader in this rapidly growing market. Botlink used the North Dakota Development Fund for capital to allow them to bolster their business model. “The North Dakota Development Fund has provided funding to enable us to expand our product into other vertical markets beyond agriculture and to add new jobs,” says Zimmerman. “Botlink has added 18 new jobs to North Dakota…the funding has supported our global product launch.”

“In addition to software integrations with Procore and agX®, Botlink has established strategic relationships with OEM AgEagle and precision agriculture distributor Raven to push the Botlink product into the agriculture market in the U.S. and internationally,” Zimmerman further explains. “NASA selected Botlink as a test partner for its UAS Traffic Management (UTM) system, and was the initial customer for the Botlink XRD. Botlink is also in negotiation with U.S. Department of Defense for drone-enabled site surveys in Africa.”
BUSINESS & INDUSTRY DEVELOPMENT

APUC — The Agricultural Products Utilization Commission (APUC) administers grants for the development of new and expanded uses for North Dakota agricultural products.

- Total sponsored projects from July 2015 – December 2016: 43
- Total funding provided: $2.6 million
- Supported startups, expansions and new construction: 17

CENTERS OF EXCELLENCE & RESEARCH EXCELLENCE — These hubs of research and development at North Dakota colleges and universities partner with private companies to commercialize new products and services. Detail reflects total impacts through June 30, 2016.

- Total state dollars invested: $59.1 million
- Total private dollars spent: $125.4 million
- 269.71 new direct jobs
- $2.1 raised for every $1 awarded

DEVELOPMENT FUND — Providing important gap financing for companies starting or expanding in North Dakota, the Development Fund coordinates efforts between all financial sources, business and community.

- Invested $10.9 million through 38 investments in 17 cities since July 2015
- Total jobs at time of funding: 523
- 24 month projected job creation: 834
- Total dollars leveraged for each $1 funded: $16
- Total childcare loans accessed since July 2009: 42
- Total childcare dollars loaned since July 2009: $2.5 million

EMPOWER NORTH DAKOTA — The EmPower Commission’s 2015 Policy Updates and Recommendations report was recently completed in preparation for the 2017 Legislative Session. Details at EmPowerND.com.

ENERGY EFFICIENCY & RENEWABLE ENERGY — Commerce is involved in many activities to promote energy efficiency in the public and private sectors and to facilitate the development and use of renewable energy sources within the state.

- Total energy grants: 13
- Total funding provided: $491,399
- Total energy conservation grants: 30
- Number of housing units weatherized: 722

INNOVATE ND — Innovate ND provides education and support to help people turn business ideas into reality in North Dakota. Over 600 entrepreneurs have enrolled since inception.

NORTH DAKOTA CENSUS OFFICE — This office serves as the state’s liaison to the U.S. Census Bureau and is the state repository of census information.

RENAISSANCE ZONES — By providing incentives to investors to find new uses for existing buildings, Renaissance Zones are helping to attract new businesses and housing to downtown areas across the state. Detail reflects activity from July 2015 through December 2016.

- Total cities participating: 58
- Total approved/completed projects: 79/45

RESEARCH ND — Stimulating partnerships between North Dakota’s research universities and private sector businesses. Details reflect total impacts July 2015 through December 2016.

- 12 Research ND awards totaling $3,327,650
- Two Research ND BIO awards totaling $2 million
- 19 Venture Grant awards totaling $1.9 million
- One Fast Track award totaling $15,000
- Total dollars leveraged for each $1 funded: $16
- Total childcare loans accessed since July 2009: 42
- Total childcare dollars loaned since July 2009: $2.5 million
SMALL BUSINESS DEVELOPMENT CENTER (SBDC) — The Small Business Development Center provides business assistance in the form of counseling, training and research that results in job creation/retention and economic wealth. Detail reflects activity from July 2015 through December 2016.

- Businesses served: 2,653
- Hours of consultation: 10,722
- Businesses started: 159
- Jobs created: 726.5
- Jobs retained: 179
- Total capital infused into small businesses: $136 million

TOURISM — The efforts of our statewide hospitality industry, business partners and the Tourism Division make tourism the third-largest industry in North Dakota.

- For every $1 invested in advertising, $94 returned in visitor spending
- $3.6 million spent by 24 million visitors
- $307 million paid in state and local taxes, saving each ND household $1,011
- Growth in all counties with 16.4% average spending increase
- 66% of spending from non-residents
- $5.1 billion contributed to state’s economy in 2013
- $195,475 granted to 13 expansion projects, including new lodges, recreation facilities, campgrounds, festival sites and event center

COMMUNITY DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG) — CDBG provides financial assistance to local governments through grants and loans for public facilities, housing rehabilitation and economic development projects benefiting low to very low income individuals.

- Total housing units rehabilitated: 142
- Total new affordable housing units: 96
- Total proposed jobs from projects: 46
- Total dollars expended in match funds: $2.1 million
- Number of residents impacted: 1,625

COMMUNITY SERVICES BLOCK GRANTS (CSBG) — CSBG is an anti-poverty grant addressing low income challenges such as employment, education, income management, housing, emergency services, nutrition, self sufficiency and health.

- $6.5 million in CSBG funds distributed to communities
- 35,833 residents in 20,426 families impacted

EMERGENCY GRANTS — Through federal funding, Commerce delivers financial assistance to facilities and programs within North Dakota which provide temporary shelter to homeless individuals.

- More than $528,000 awarded in 2015-2016 to 29 homeless and domestic violence providers
- Over $300,000 from the Shelter Plus Care Program provided for housing assistance grants to more than 75 families with disabilities

HOMELESS GRANTS — Through state funding, Commerce delivers financial assistance to facilities and programs within North Dakota which provide temporary shelter, rental assistance, case management and other assistance to homeless individuals.

- $750,000 awarded to 29 homeless and domestic violence providers
- 10,000 individuals, families and youth served
HOME PROGRAM — The North Dakota HOME program has two primary activities: home owner assistance and rental unit production and assistance.

- Multi-family homes rehabilitated: 1
- Affordable rental units produced: 55
- Tenant based rental assistance: 894
- Homebuyers assisted: 47

Community Services initiatives also include:

- Backpacks for Kids
- Childcare Grants

- Single family homes rehabilitated: 39
- Total funding provided for HOME rental, acquisition, rehabilitation and construction: $6 million

WORKFORCE DEVELOPMENT

CAREER CONVERSATIONS — Career Conversations connects students, parents and educators to professionals with perspectives on life in high-demand careers. Occupations are profiled in 125 short videos, with over 200,000 views to date.

EXPERIENCE NORTH DAKOTA — Experience North Dakota provides one-on-one assistance, connecting out-of-state job seekers with career opportunities, training and relocation information such as housing, community resources and recreation. Over 9,262 out-of-state job seekers are in the Relocation Program database, with over 700 families and individuals in the database notifying us of their move to North Dakota.

FIND THE GOOD LIFE IN NORTH DAKOTA — This campaign promotes North Dakota as a great place to live, work and play to prospective relocators.

- 20 private sector partners
- Attended 11 military hiring events and 19 university hiring events

- Digital reach to 4.3 million with 105.4 million total impressions

OPERATION INTERN — The Operation Intern grant program expands internship opportunities available with North Dakota employers. Details reflect activity from July 2015 to December 2016.

- Businesses participating: 110
- Number of internships funded: 524

- Number of interns who notified us they were hired for full-time jobs from May 2015 to October 2016: 53

YOUTH FORWARD — Youth Forward connects people ages 12-24 to a future in North Dakota by promoting jobs, entertainment, education and opportunities in our state.

Workforce Development initiatives also include:

- AmeriCorps
- Educators in Industry
- Governor’s Workforce & HR Conference
- Recruiters Network

- Rural Healthcare Workforce Initiative
- Tribal College Grant Program
- Workforce Enhancement Grants