Minutes of the
ND Economic Development Foundation Meeting
Bowman Lodge & Convention Center
207 Hwy 12 Bowman

May 15, 2018

Members Present: Lyn James, Erik Diederich, Pam Schmidt, Jared Melville, Tom Kenville, Rob Hovland, Jay Schuler, Chuck Hoge, Kyle Blanchfield, Kari Ness

Members Present Via Phone: Danita Bye, Kelly Rusch, Mike Seminary, Tim Hennessy, Mark Nisbet, Jim Traynor, Eric Trueblood, Jon Simmers

Members Absent: Craig Lambrecht, Gene Veeder, Perry Miller, Linda Butts, Bruce Thom

Guests Present: Sara Otte Coleman, Sandy McMerty, Shawn Kessel, Teran Doerr, Sherri Frieze

WELCOME AND CALL TO ORDER
Rob Hovland, Chairman, called the meeting to order at 10:00 a.m.

WELCOME & INTRODUCTIONS
Rob Hovland welcomed members and guests, with introductions made around the room and on the phone. Lyn James also gave a welcome to Bowman for hosting and mentioned a tour of the economic development office later in the day.

APPROVAL OF MINUTES
Rob Hovland asked for a motion to approve the February 21, 2018 Quarterly Foundation Meeting Minutes.
Motion: Pam Schmidt moved to approve, Eric Diederich seconded the motion. Motion carried.

COMMITTEE REPORTS
Quarterly Financial Statements
Sherri Frieze reported financial statements for:
- **Profit and Loss Statement**, Year comparison was done for 2017/2018; January–March reflects negative $39,869.90
- **Balance Sheet**, March 31, 2018 - balance of $192,787.93
- **Workforce Development Division’s Restricted Assets balance**, March 31 - $71,983.05
- **Statement of Cash Flows**, January 1 – March 31, 2018 - reflects a total of $192,787.93
- **Foundation’s current balance**, $192,650.43 with $29,419 remaining to spend on Find the Good Life $36,800 of FTGL funds are committed to the Houston DMA Media Strategy. Leaving $7,381.00 of uncommitted FTGL funds. The Foundation’s balance without FTGL funds is $91,248.38
Rob Hovland asked for a motion to approve the financial statements as presented.

**Motion:** Kyle Blanchfield moved to approve the financial statements as presented. Tom Kenville seconded the motion. Motion carried.

**DEPARTMENT OF COMMERCE UPDATE**

*Commerce Commissioner Report/Comments*

Jay Schuler welcomed Shawn Kessel, newly hired Deputy Director for the ND Department of Commerce. Shawn has served as Dickinson’s city administrator since January 2009. Prior to that he spent nine years as city administrator in Wahpeton. Shawn is past president of the Western Dakota Energy Association, ND League of Cities and ND Insurance Reserve Fund. Jay talked about the progress with the NDTO, the new executive director, the increase in exporter membership, and the broken intermodal system. Lastly, Jay mentioned that he and Pamela York, serial entrepreneur from the University of Minnesota, will be speaking to the Interim Higher Education committee on Intellectual Property regarding how focused research within the ND Universities needs to help entrepreneurs to start businesses.

**OLD BUSINESS**

**ND Economic Development Strategic Plan Performance Measures & Strategic Plan updates – Sandy McMerty**

Sandy gave two updates to the Performance Measures for Goal 6.

- Goal 6; 6-3 Expenditures by out-of-state visitors - 2015: $5.635 billion and 2016: $5.464 billion
- Goal 6; 6-7 International advertising equivalency for positive ND Stories - 2017: $3.9 million

Sandy and members updated the Strategic Plan for 2017-2030.

*Updates are in RED.*

**Strategic Plan 2017-2025**

**SUPPORTING STRATEGY - WORKFORCE DEVELOPMENT**

**GOAL 1**

Develop, attract, and retain the 21st century workforce needed to support the success and growth of North Dakota’s businesses and targeted industries.

**OBJECTIVES**

1. Support enhanced workforce programs that focus on needed skills, and encourage relationships between businesses and experiential learning for students.
   - Ensure workforce training programs are focused on skill-sets that help attract and support a 21st century workforce.

2. Invest in home-grown talent.
   - Connect students at an early age with technologies and industries that have growing workforce needs in North Dakota.
   - Attract expatriates to return and seek opportunity in North Dakota.

3. Recognize and support educations role in growing North Dakota’s future workforce. - addition
**BENCHMARKS**

1-1. **Net Job Growth**
   2010: 376,000  
   2016: 434,800  
   2025 Target: 500,000

   *Source: North Dakota Data – Job Service North Dakota, Labor Market Information Center, CES Unit; U.S. Data – Bureau of Labor Statistics*

1-2. **Average Annual Wage**
   2010: $38,127  
   2016: $48,890  
   2025 Target: $60,000

   Rank Among States 2016: 21st

   *Source: North Dakota Data – Job Service North Dakota, Labor Market Information Center, QCEW Unit; U.S. Data – Bureau of Labor Statistics*

1-3. **Per Capita Personal Income**
   2010: $38,127  
   2017: $54,643  
   2025 Target: $65,000

   Rank Among States 2017: 11th

   *Source: Bureau of Economic Analysis*

1-4. **Population**
   2010: 674,526  
   2017: 755,393  
   2025 Target: 800,000

   *Source: U.S. Census Bureau, U.S. Department of Commerce*

1-5. **Number of students taking skilled trade and technical education programs.**
   2010: 30,753  
   2016: 31,712  
   2025 Target: 37,000

   *Source: SLDS*

1-6. **Retention of post-secondary program completers.**
   2010: 67.7%  
   2016: 58.2%  
   2025 Target: 65% - number was kept at 65%

   *Source: SLDS*

1-7. **Influenced visitor spending due to tourism advertising.**
   2012: $231.6M  
   2014: $236.4M  
   2016*: $382.2M (visitor expenditure in the state)  
   2025 Target: $400M

   *Source: North Dakota Department of Commerce, Tourism Division – NDSU Study*

   *NOTE: Shift in research methodology resulted in increase.*

   **Additional Tourism Metrics:** - to be updated with numbers from Sara.
   - Earned National Media Placements – 2016: 325 stories  
     2017: 260 stories
   - New visitors to websites (consumer facing only) –
   - Total Impressions from paid Advertising –
   - Video completions –
GOAL 2
Position North Dakota as a global business leader and the home of vibrant businesses.

OBJECTIVES
1. Establish North Dakota’s business climate as one of the best in the nation.
   - Create an environment that supports new business opportunities, expansion of communities, revitalization of main streets and attraction of workforce.
   - Foster growth of both targeted industries and small business to support North Dakota’s economy.
   - Recruit and support growth of businesses that bring new wealth to the state, especially in the area of targeted industries.

2. Develop and recruit industries that complement supply chains for target industries and encourage entrepreneurial growth.
   - Continue to support business start-up, expansion and attraction.

3. Support and grow a successful public/private international trade model.
   - Support export trade growth to expand North Dakota’s global competitiveness.

BENCHMARKS

2-1. Gross Domestic Product
   2010: $36.202 billion     2016: $52.089 billion     2025 Target: $65 billion (number was not adjusted)

   Source: Bureau of Economic Analysis

2-2. Merchandise Export Value
   2010: $2.53 billion     2017: $5.323 billion     2025 Target: $6.5 billion (number was not adjusted)

   Source: Foreign Trade Division, U.S. Census Bureau

2-3. Small Business & Entrepreneurship Council’s US. Business Policy Index
   2010: #18     2017: #22     2025 Target: Top 10 Ranking

   Source: Small business & Entrepreneurship Council, Small Business Policy Index

GOAL 3
Establish North Dakota as an accelerator for entrepreneurship and innovation.

OBJECTIVES
1. Build a state-wide entrepreneurial ecosystem.
   - Continue to support efforts that foster innovative ideas and creative businesses that start and stay in North Dakota. Be an accelerator of innovation.
   - Support and encourage privately funded seed state and early venture capital funds.
BENCHMARKS

3-1. **Number of Private Sector Businesses**
2010: 25,741  
2016: 32,413  
2025 Target: 38,000

*Source: Bureau of Labor Statistics*

3-2. **Number of business activates as a result of Innovate ND.**
2010: 100  
2012: 135  
2025 Target: 200 (number was not adjusted)

*Source: North Dakota Department of Commerce, Innovate ND Program*

3-3. **Total North Dakota Development Fund Investment Activity – Since Inception**
2016: 576 companies  
*2025 Target: 750 companies

*Companies are only counted once even if they come back for multiple investments.*

*Source: North Dakota Department of Commerce, North Dakota Development Fund*

3-4. **Academic Research and Development Expenditures**
2010: $204 million  
2015: $218 million  
2016: $226,572 (number to be updated)

*Source: National Science Foundation*

3-5. **Industry Research and Development Expenditures**
2013: $215 million  
2010: $236 million

*Source: National Science Foundation*

3-6. **Kauffman Index Startup Activity Ranking**
Suggested – 2030 Target: #1

2017: #7  
2016: #6

Rate of New Entrepreneurs: .31%; Opportunity Share of New Entrepreneurs: 87.3%; Start-up Density: 84.7

Figures will be updated in May 2018.

*Source: The Kauffman Index – State Rankings*

3-7. **Kauffman Index of Growth Entrepreneurship Ranking**
Suggested – 2030 Target: #1

2016: #4  
2015: #11

Rate of Start-up Growth: 69.15%; Share of Scale-ups: 1.79%; High Growth Company Density: 39.9

Figures will be updated in September 2018 (NOT YET UPDATED)

*Source: The Kauffman Index – State Rankings*
3-8. Kauffman Index Main Street Entrepreneurship Ranking
Suggested – 2030 Target: #1

2016: #4  2015: #2

Survival Rate: 58.15%; Rate of Business Owners: 9.06%; Established Small Business Density: 612.1

Figures will be updated in November 2018

Source: The Kauffman Index – State Rankings

SUPPORTING STRATEGY – COMMUNITY DEVELOPMENT

GOAL 4
Position North Dakota’s image as a key attractor.

OBJECTIVES
1. Recognize perceptions of North Dakota’s image impact our attractiveness for visitors, businesses and residents.
   - Continue to support national marketing and media relations efforts to support North Dakota’s image.
   - Work with partners to continue to grow awareness of North Dakota’s tourism and business opportunities.

2. Position North Dakota as the home of vibrant business, communities and people.

3. Support activities to help our communities build healthy, financially sustainable, vibrant spaces that attract business, workforce and travelers.

BENCHMARKS
4-1. Number of trips as a result of paid advertising (budget dependent).
   2016: 354,000 trips  2025 Target: 400,000 trips
   Source: North Dakota Department of Commerce, Tourism Division Research – next anticipated student 2020, budget dependent.

4-2. Expenditures by non-resident visitors (NDSU).
   2015: $5.635 billion  2016: $5.464 billion  2025 Target: $6 billion
   Source: North Dakota State University

   2025 Target: #1 overall, Top 10 in individual categories  Overall - 2017: #4
   Healthcare: #14; Education: #10; Crime & Corrections: #24; Infrastructure #2; Opportunity: #17; Economy: #19; Fiscal Stability: #2; Quality of Life: #1
   Source: U.S. News & World Report, Best States Ranking

4-4. Gallup-Healthways U.S. States Well-Being (Happiest) Index Ranking
   2025 Target: #1 overall, Top 10 in individual categories
   Overall - 2017: #5
Motion: Jon Simmers moved to approve the Strategic Plan updates. Kari Ness seconded the motion. Motion

WORKING LUNCH

*Overview of Bowman County Economic Development Corporation (EDC)*

Teran Doerr, Executive Director, gave an overview of Bowman County Development Corporation. The corporation is composed of SBDC, Tourism, Small Business Development, Chamber of Commerce and other supported partners. Teran talked about the FUSION Conference that took place last year; 146 attendees, 18 speakers. The event was a success and will be hosted again by the EDC in October. Teran talked about marketing videos that will be produced soon, highlighting workforce, tourism and EDC Bowman County and tourism in the area. The four short videos will showcase the quality of life.

NEW BUSINESS

*2018 Houston Recruitment Digital Marketing Summary*

Sara talked about the campaign that ran from January 1 – February 25, 2018 in Houston, TX. Ads were targeted to job seekers from 25-49 years old interested in energy and healthcare careers. Sara mentioned that Houston had the highest click-through rates in any of the tourism markets. She felt this campaign was a success but to be measured on how many employers seek Houston employees might not be able to be measured.

Other

*EDND letter*

Chairman Hovland read a letter from Jennifer Greuel, EDND Executive Director, asking for recruitment of economic development stakeholders to form an awards nomination and selection committee. They are inviting anyone from the foundation to be part of this committee. The committee would meet twice a year in June and August.

Future Meeting

- Sherri Frieze will DOODLE POLL members by email, for the next meeting date to be held in September.
- Sherri Frieze will send out the EDND email request to the foundation.

ADJOURNMENT:

A motion was made by Pam Schmidt and seconded by Erik Diederich to adjourn the meeting. Rob Hovland adjourned the meeting at 2:30 pm.