WELCOME AND CALL TO ORDER:

The meeting was called to order at 10:03 a.m. by Rob Hovland, Chairperson.

Members Present: Perry Miller, Kelly Rusch, Linda Butts, Lyn James, Mark Nisbet, Danita Bye, Jim Traynor, Rob Hovland, Jay Schuler, Eric Trueblood, Kari Ness, Barry Batcheller, Jared Melville, Erik Diederich, Tommy Kenville

Members Present Via Phone: Bruce Thom, Pamela Schmidt, Mike Seminary, Craig Lambrecht, Jon Simmers

Members Absent: Kyle Blanchfield, Chuck Hoge, Tim Hennessy, Gene Veeder

Guests Present: Sandy McMerty, Rachael Flagstad, Todd Feland, Jakee Stoltz, Keith Lund, Wes Shover, Johnny Ryan, Tom Erickson, Brian Kalk, Jen Knudson

Guests Present Via Phone: Wayde Sick, Sara Otte Coleman

WELCOME & INTRODUCTIONS:

Rob Hovland provided a welcome to members and guests. Introductions were made around the room and on the phone.

APPROVAL OF AGENDA:

Rob Hovland asked for a motion to approve the December 1, 2017 agenda.
Motion: Jim Traynor moved to approve the December 1, 2017 agenda. Eric Trueblood seconded the motion. Motion carried.

EERC UPDATE:

Tom Erickson provided background information and an update regarding EERC. The EERC was formerly a Federal facility, work began in the late 1940's. In 1983 EERC was transferred to the University of North Dakota. It is recognized for its work with lignite coal, oil and gas, carbon, and other activities. There are 210 employees at EERC. It has worked on and developed mercury control technology for power plants. EERC developed and maintains a health monitoring system that is used by doctors in Montana. In addition, the first 100% renewable jet fuel for the U.S. military was developed at EERC. Tom Erickson also presented The PCOR Partnership Atlas 5th Edition to the Foundation members. This Partnership has been focused on how carbon is captured from coal fired power plants and either sequester it in the ground or use it for enhanced oil recovery. EERC is also looking at ways to produce rare earth elements.

The Foundation toured EERC from 10:30-11:15am.

RECOGNITION:

Rob Hovland recognized Mark Nisbet for his term on the COE Commission. Mark Nisbet served as the chairman of the Commission since its creation in 2005. His term ended June 30, 2017.

APPROVAL OF MINUTES:

Rob Hovland asked for a motion to approve the September 6, 2017 Quarterly Foundation Meeting; August 29, 2017 Nominating Committee Meeting; September 1, 2017 Finance Committee Meeting; and October 17, 2017 Executive Committee Meeting minutes.

Motion: Kari Ness moved to approve the September 6, 2017; August 29, 2017; September 1, 2017; and October 17, 2017 meeting minutes. Lyn James seconded the motion. Motion carried.

COMMITTEE REPORTS:

Finance Committee

Quarterly Financial Statements

Rachael Flagstad reported the Profit and Loss Statement for July 1 through September 30, 2017 reflects a net income of negative $4,797.81. The Balance Sheet as of September 30, 2017 shows a balance of $222,273.69. The Workforce Development Division’s Restricted Assets balance as of September 30, 2017 is $60,639.77. The current Workforce Development Restricted Assets balance continues to be $60,639.77. The Statement of Cash Flows from July 1 – September 30, 2017 reflects a total of $222,273.69. The Foundation’s current balance is $161,076.98 with $70,548 remaining to spend on the Find the Good Life initiative. However, $36,800 of the FTGL funds are committed to the Houston DMA Media Strategy. Leaving $33,748 of uncommitted FTGL funds. The Foundation’s balance without FTGL funds is $90,528.98.
Rob Hovland asked for a motion to approve the financial statements as presented.

**Motion:** Kelly Rusch moved to approve the financial statements as presented. Mark Nisbet seconded the motion. Motion carried.

**DEPARTMENT OF COMMERCE UPDATE:**

**Commerce Commissioner Report/Comments**

Jay Schuler provided an update regarding the Department of Commerce. Commissioner Schuler and the Dept. of Commerce are working on the IP from the State’s Universities. Jay Schuler, Barry Batcheller, and Kevin Melicher visited the University of Minnesota to learn what they are doing in this area. Commissioner Schuler has discussed this with the Presidents of North Dakota State University and University of North Dakota.

Also, the Department of Commerce has hired an Energy Consultant to work with developers at Commerce.

Jay Schuler also gave an update regarding the intermodal port in Minot, this is important for value-added agriculture in the state. The current route is inefficient and costs are high. The legislature increased the load limit this year, two containers can be on the highways. There is also a bill in Congress to increase the load limit on interstates. If this passes, containers can be taken two at a time to Winnipeg from the Eastern part of the state. BNSF will then need to adjust, helping the port in Minot.

Lastly, Commerce is working with the Trade Office to streamline that office.

Sandy McMerty provided an update regarding the Main Street Initiative. Listening sessions have taken place in Hettinger, Bowman, Jamestown, Valley City, Garrison, New Rockford, and Langdon. At these sessions, information has been gather, i.e. what’s working in communities in relation to their economic development, what challenges are they facing. From that information, what resources are available that could assist, what resources could be developed, or are there policy changes that could be adjusted are being researched. The Main Street Summit will take place February 12-13 in Bismarck. Also, the Main Street website has launched, it’s MainStreetND.com.

**OLD BUSINESS:**

**Follow-up Items from September 6, 2017 Meeting**

Sandy McMerty provided information regarding follow-up items from the last quarterly meeting. The purpose and roll of the Foundation is included in the Policies of the Foundation. Essentially, the Foundation’s roll is to help drive economic development strategic planning. Another follow-up question from the last meeting regards the Workforce Development Division’s Restricted Assets funds that are included in the Foundation’s funds. In December 2004, Jim Hirsch, the Workforce Development Director at the time, requested the funds be part of the Foundation. If the Foundation would like to look at this more at this time, the Foundation would need to contact Brady Martz. Also at the last meeting, Foundation members’ travel expenses to be used as a donation was discussed. The Attorney General’s office recommends members check with their private accountants. Lastly, there are a few options in regard to setting-up meetings via webinar. GoToMeeting could
be used for less than $350. Members would still call-in for audio. The logistics of the screen and audio need to be worked out. There are IVAN capabilities in some communities in the state.

**Meeting Dates and Locations for 2018 Quarterly Meetings**

Rob Hovland presented suggested dates for the 2018 quarterly meetings: February 21, May 17, September 13, November 7. An email with a Doodle poll will be sent to all members in order to finalize the dates. Rob Hovland led the discussion of meeting in Bismarck for three meetings per year, and traveling to a different community for one meeting per year. Lyn James suggested rotating the traveling meeting location around the state, NW, NE, SE, SW. Rob Hovland suggested traveling the second or third quarter due to weather. Lyn James suggested for 2018, the second quarter meeting could be held in the SW with a visit to a ranch during branding season. The first, third, and fourth quarter meetings will be in Bismarck.

**Find the Good Life in North Dakota Update**

Sara Otte Coleman provided an update to the Foundation. Another wave of the campaign kicked-off in November. Healthcare and energy were targeted in the Houston DMA via a social media campaign. This campaign is off to a good start. There have been 57,760 impressions in the healthcare area, the click through rate was 2.62%. On the energy side, there have been 49,602 impressions, with a click through rate of 2.11%. In January, the Rock Fuel display campaign will begin. This was approved by the Executive Committee meeting during their October 17, 2017 meeting. This will target the Houston DMA with people specifically searching for jobs and careers in healthcare and energy. There will be another wave of the social media campaign also in January, followed by native advertising in February, with retargeting from July-August 2018. As part of this campaign, viewers are continuing to be directed to the Find the Good Life website. The Department of Commerce has suggestions of updates for the website, which will increase the efficiency of the website. In order to accomplish the updates, a proposal from Odney Advertising has been received. Odney developed the site and maintains and hosts it. The cost proposed is $10,000.

In response to Barry Batcheller, Sara Otte Coleman explained the Main Street Initiative website is more focused on partners and in-state collaboration. The Tourism website’s City Pages have been updated to focus on the Main Street and amenities that visitors and future residence look for. In addition, with this proposed change, the Dept. of Commerce will be able to manage the Find the Good Life website in house, allowing staff to be able to change photos, implement new things.

**Motion:** Pamela Schmidt moved to approve the $10,000 cost proposal from Odney Advertising for the Find the Good Life website refresh. Danita Bye seconded the motion. Motion carried.

**LUNCH and GUEST PRESENTATION:**

Todd Feland, City Administrator, City of Grand Forks, presented regarding the City’s downtown area. Grand Forks has added green space, bike paths, and redeveloped the downtown area since the 1997 flood. The City is building a new water treatment plant on the west side. Another pending project is the Housing 1st/LaGrave Park area. The Mayor’s Vibrancy Initiative has created a Downtown Committee Report. Grand Forks is working to focus on creating a Healthy, Vibrant Community, including parks and open space, and arts, culture, and events. The City is engaged with President Kelly and University of North Dakota regarding the healthy, vibrant community. Campus can be an alternative main street. The City is partnering with the University for the Coulee to Columbia Initiative, redevelopment projects. In addition, the City is looking at diverse
downtown housing options, including market rate apartments and condos, downtown fringe single-family infill, and low incoming housing tax credit and housing incentive funds. The City is also focusing on being a healthy, walkable community. The Grand Forks Park District is involved with this. Grand Forks is also focused on the 21st Century Workforce. A “Grand Forks – Way Cooler Than You Think!” website was created. The city also has an entrepreneurial focus; a Start-Up Grand Forks loan program was created in partnership with BND. Leading industries in Grand Forks are the Agri Business, Unmanned Systems/UAS, Energy/Environment, Manufacturing, and Engineering and Architecture. Regarding Smart, Efficient Infrastructure, Grand Forks has a regional approach to services and also local partnerships with East Grand Forks and Minnesota.

Keith Lund, President and CEO of Grand Forks Region EDC, provided an EDC and EDND update. The EDC is the economic development organization of the region. Their primary role is to support the creation of new wealth, which is done primarily through primary sector industries. The “Grand Forks – Way Cooler Than You Think” campaign has been utilized by companies in Grand Forks to assist employers to recruit employees. Regarding EDND, the association represents economic development organizations throughout the state. The Association supports business development and economic diversification, business financing and incentives, workforce ability and development, infrastructure development, community development, and pro-business climate. The Association also offers networking and career growth opportunities for economic developers across the state. Advocacy and education is an emphasis of EDND. The EDND also has an idea to create a “Futures Committee,” which would discuss the future and planning of the state, not current issues.

Wes Shover, UAS Sector Development Manager, Grand Forks Region EDC, presented regarding the UAS industry in Grand Forks. His position at the EDC creates a UAS development and recruitment strategy. At the EDC, he is currently working on a North Dakota supply Chain Analysis, a UAS Integration Pilot Program, Industry Round Tables, Drone Biz Luncheons, and Research Grant Projects. Grand Forks has had many firsts in the UAS industry, such as – UAS pilot undergraduate program, UAS maintenance training program, dedicated UAS business and aviation park (Grand Sky), UAS integration test flight in the U.S., and large commercial UAS flight. Some UAS industry opportunities include: UAS operations enable completion of otherwise hazardous jobs, beyond visual line of sight (BVLOS) see and avoid systems, big data management (collect, compute, distribute), emergency response & recovery operations.

Jakee Stoltz, Operations Director, Northern Plains UAS Test Site, provided an update of the Test Site. The Test Site is housed at UND and is a Dept. of Commerce entity. The Test Site’s mission is to “Collaborate with FAA and industry partners to develop equipment, systems, rules, and procedures to safely integrate unmanned aircraft into the NAS without negatively impacting existing general or commercial aviation.” The Test Site is looking to take a statewide approach to UAS. They are working on a UAS Integrated Wide Area Network Concept, which focuses on the network connectivity that is needed for many operations. Other current projects of the Test Site include NASA UTM TCL3, Urban Air Mobility, and the exploring the use of BVLOS UAS to augment or replace existing processes for assessment of infrastructure in the energy sector. Cumulative flight statistics for the Test Site show 2,376 flights, 452 hours.

NEW BUSINESS:

Strategic Plan Update

Sandy McMerty presented background information for the new members at the table regarding the Strategic Plan. A meeting was held in June 2017 to have strategic discussions and outlined the end point of the
Strategic Plan; a rough draft of the plan was created. At the last Foundation quarterly meeting in September, it was realized that some of the things the plan was directing to do, are not things that Commerce can influence. The Foundation then directed to merge the original plan from 2010 and the draft plan. The item the Foundation has not yet discussed is the metrics piece. The metrics included in the current draft were added by Sandy McMerty. The Foundation needs to decide if the metrics in the document are the correct ones, and does the Foundation agree with the targets.

Jay Schuler added that McKinsey has reported that one-third of U.S. workers could be jobless by 2030 due to automation. He suggests adding an IP aspect to the plan.

Rob Hovland stated that when the last strategic plan was created, it focused on what the state was lacking that it needed to prosper. He suggested having a separate committee work through the plan and come back to the full board with recommendations.

Danita Bye asked if the Foundation should reevaluate the five targeted industries.

Linda Butts provided some background for the Strategic Plan that was created in 2001. She encouraged the Foundation members to not be anchored to what was included in the past, but to look at what the opportunities are now. The legislature also needs to believe in the plan.

Rob Hovland added the ND Economic Development Strategic Plan Performance Measures is used by legislators and they appreciate seeing the data. He suggested moving forward in two ways: scheduling one meeting to focus only on the Strategic Plan, or create a committee to work on the Strategic Plan.

Danita Bye asked what the output of a committee would be if it were set-up. Rob Hovland suggested the committee would define or redefine the plan. Sandy McMerty also added a facilitated planning session is an option. Rob Hovland suggested this to be plan B.

Rob Hovland felt the Foundation ran out of time at the June meeting, which is how a Strategic Planning session could be different this time.

Perry Miller suggested the February meeting could be a two-day meeting or an extra meeting in January could be an option.

Barry Batcheller added a good outcome of a Strategic Plan meeting will require preparation and information as to the state of the state today, and it should be a workshop-type meeting.

Rob Hovland stated it seems that the entire group wants to be part of the Strategic Planning process. Linda Butts suggested including legislative leaders into the process. Sandy McMerty added some legislative leaders were surveyed prior to the June Strategic Planning meeting. Rachael Flagstad will send that information to the new members. Rob Hovland added if members are looking for specific information, they need to ask Commerce for the information prior to the next meeting. Sandy McMerty added there may be data Commerce can pull together as a resource.

Linda Butts suggested a futurist could be helpful in providing a larger picture. She also added that if the Foundation is not traveling as often, people from other communities could be invited to the meeting.
ADJOURNMENT:

There being no further business, Rob Hovland adjourned the meeting.

The meeting adjourned at 3:09 p.m.

_____________________________________________________________
Rob Hovland  Date
Chairperson

_____________________________________________________________
Rachael Flagstad  Date
Recorder

FUTURE ACTION ITEMS:

- Rachael Flagstad will email members a Doodle poll with the 2018 meeting date options.
- Rachael Flagstad will email past Strategic Planning information to new members.
- Dept. of Commerce will plan the first quarter of 2018 meeting.
- Sandy McMerty will pull together additional information regarding the Strategic Plan.