Minutes of the
ND Economic Development Foundation Meeting
Doosan Acceleration Center
3901 Morrison Avenue, Bismarck ND
September 26, 2018

Members Present: Lyn James, Erik Diederich, Pam Schmidt, Jared Melville, Tom Kenville, Chuck Hoge, Mike Seminary, Eric Trueblood, Jon Simmers, Gene Veeder, Bruce Thom, Perry Miller, Tim Hennessy

New Members Present: Vicki Monsen, Bruce Gjovig, Kristin Hedger

Members Present Via Phone: Kari Ness, Kyle Blanchfield, Megan Laudenschlager, Paul Steffes

Guests Present: Jay Schuler, Sara Otte Coleman, Shawn Kessel, Bonnie Malo, John Schneider, Ellen Huber, Sherri Frieze

CALL TO ORDER
Meeting was called to order at 10:00 am by Lyn James, sitting in for Chairman Rob Hovland. Rob, as well as Danita Bye could not be present. Both have retired from their positions of Chair and Co-Chair as of October 1, 2018. They were recognized and thanked for their services.

WELCOME & INTRODUCTIONS
Dennis Agnew, Idea Acceleration Center Manger, welcomed guests and gave an introduction of the Acceleration Center.

APPROVAL OF MINUTES
Lyn James asked for a motion to approve the May 15th, 2018 Quarterly Foundation Meeting Minutes.

Motion: Pam Schmidt moved to approve, Tim Hennessy seconded the motion, with amendments made to page 3 and page 5. Minutes approved as corrected. Motion carried.

Page 3 benchmark 1-7 2025 target add M for million
Page 5 benchmark 3-4 amount is questioned. Revision will be added.

COMMITTEE REPORTS
Quarterly Financial Statements
Sherri Frieze reported financial statements for the Quarter of June 1 – September 1, 2018.

• Balance Sheet, Previous Year comparison for September 1, 2018 - reflected balance of $193,086.60 and 2017 reflected balance of $223,204.00.

• Foundation’s current balance as of September 1, 2018: Checkbook reflects balance of $193,086.60, minus balance of the Workforce Division’s Recruitment Network funds; $68,306.79; minus the balance of the Find the Good Life Funds; $24,900, brings the net balance of the Foundation checkbook to $99,879.81.

Lyn James asked for a motion to approve the financial statements as presented.
Motion: Bruce Thom 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 new Economic Development Foundation members; Bruce Gjovig, Maria Effertz Hanson, Kristin Hedger, Megan Laudenschlager, Vicki Monsen and Paul Steffes. Jay also recognized the reappointed members; Bruce Thom, Jared Melville, Kyle Blanchfield and Kari Ness. Jay discussed the reorganization that happened at the Department of Commerce at the end of May, that resulted in a reduction in force (RIF) of thirteen employees. Commerce has now rehired for niche areas in the areas of Tourism and EDF. Future rehiring in other departments/divisions will also take place.

OLD BUSINESS

ND Economic Development Strategic Plan Performance Measures & Strategic Plan updates – Sara Otte Coleman
Sara walked through the document and highlighted changes that were made and some updates that were added by the Commerce Department Senior Team members. Sara mentioned, more needed updates to the document, was needed, as some of the metrics reported did not have an effect from the work of Commerce. Metrics that have a direct impact were inserted, reflecting the work effected by the Commerce Department.

Walking through the document, changes were noted.
1st page – no verbiage changed.

GOAL 1 - WORKFORCE DEVELOPMENT; verbiage was updated and taken from the recent Governor’s Workforce Council Conference. The council is focusing on higher numbers, more defined on workforce numbers within the last year.
  o Benchmarks were increased to reflect.

GOAL 2 – BUSINESS DEVELOPMENT; no verbiage change.
  o Benchmarks were removed, and updated to startups, business expansions, NDTO, NDDF, and tax incentives.
  o 2025 Target numbers will be updated with the Minutes.

It was questioned why Gross Domestic Product (GDP) numbers were removed. Discussion entailed, to state that the numbers to not reflect what Commerce does and the legislature wants to see statistics on progress that Commerce has direct impacts to. This would be the reason behind the benchmark baseline numbers; giving justification to the legislators each legislative session.

With discussion, it was mentioned to add:
  ➢ Additions – NEW BUSINESSES and DIVERSIFICATION

GOAL 3 – BUSINESS DEVELOPMENT
  o Some benchmarks were removed, such as the Kaufmann Index

GOAL 4 – COMMUNITY DEVELOPMENT; no verbiage change
  o Benchmarks were removed and updated to State brand adoption, agencies downloading Commerce produced content pieces, national earned media placements tracked, and global media’s advertising equivalency.

With discussion, it was mentioned to add:
  ➢ Additions: SBDC stats of new small businesses in smaller communities and statistics on Renaissance Zones in the state.
  ➢ Deletions: State brand adoption and number of state agencies downloading Commerce produced content pieces.
It was asked to create a one-page document for future reference, listing sources of bigger metrics, that Commerce does not have influence on. It was then discussed to have a conference call next week, to finalize the revisions implemented by staff. Sherri will conduct a Doodle Poll for the best date and time.

DEPARTMENT OF COMMERCE DIVISION UPDATES

Operations - Shawn Kessel
Shawn, who heads the Finance and Operations talked about the new organizational flowchart for Commerce. By century code, Commerce has four divisions; Economic Development & Finance (EDF), Workforce, Tourism and Division of Community Services (DCS). The Commerce Commissioner has the authority to create offices within the divisions. Two newly created offices were put in place, that of Strategy & Commercialization, with the hiring of James Leiman, and Marketing and Innovation, with the hiring of Holly Holt. Holly has also taken over the Workforce Division, as interim Director, for Wayde Sick, who is now employed by Career & Technical Education. Shawn heads the operation and finance area. Shawn mentioned that Holly leads the Marketing Department with inclusion of the Main Street Initiative (MSI) and the Innovation program. The newly hired Emily Brown; Community Engagement Manager, works to engage communities to become viable community within the Main Street Initiative.

Economic Development & Finance (ED&F) - John Schneider
John talked about the basics of ED&F and the impact it has on recruitment, retention and attraction of companies, from beginning entrepreneurs, to commercialization of a primary sector business. John highlighted the five targeted industries at Commerce: Advanced Manufacturing, Energy, Value added Agriculture, Technology, and Aerospace.

John mentioned that with ND being one of seven Federal Aviation Administration test sites, more focus will be put on the future of the Aerospace industry. An Aerospace business developer position is in the process of being created.
John also mentioned that Paul Lucy, past Economic Development & Finance Director has been reemployed by Commerce in the role of Advanced Manufacturing Business Developer.

Division of Community Services (DCS) – Bonnie Malo
Bonnie gave an overview of the use of federal funds that are disbursed into many programs within the DCS division, benefiting many low to moderate income families in the state. Bonnie mentioned that 95% of funding received is federal and 5% is of state general funds. A newly appropriated $300 K line item is set aside for budgeting to the homeless and will continue as a separate line item.

Commerce provides the people of North Dakota with effective, efficient and customer-oriented administration of federal and state programs for Community Development, Energy Efficiency, Housing, and Self Sufficiency. Programs within DCS include, HOME, ESGP, CDBG, CSBG, SEP, DOE Weatherization, LIHEAP and AmeriCorps; a Workforce Division program, using federal funds that will soon be moved over to DCS.

WORKING LUNCH

Overview of Doosan Acceleration Center – Dennis Agnew
Dennis, Idea Acceleration Center Manager, gave an overview of the Doosan Acceleration Center.
Doosan, a parent company of Bobcat Company, was bought in 2006 from Ingersoll Rand. A global company, with locations all over the world and local locations in Bismarck, Gwinner and West Fargo, with production facilities in Bismarck and Gwinner. Doosan’s culture is a no. 1 piece and collaborations are done in a comfortable way at the Acceleration Center, with an open office scene; no assigned seating, no closed-door offices; creating a culture and mind shift. Innovation is then brought together on “chance encounters”, as Dennis labels it. Twelve different functions reside in the facility, creating innovative ideas, no production, only an R & D facility comprised of 200 Full Time employees and 18 interns.
DIVISION UPDATES - continued

Tourism – Sara
Sara discussed the marketing pieces for the Tourism Brand Promise, Mission, Vision; the Tourism Impacts on ND economy and the Q2 Update. She gave updates to the 2017-2019 Tourism Strategic Plan and the metrics involved. She highlighted visitor spending from the year 2000-2016 and various updates to the Tourism Q2 report.

Research ND/Strategy – James Leiman
James highlighted the Unmanned Aerial System (UAS), Beyond Visual Line of Sight (BVLOS) Strategy that he is pursuing with the Federal Department of Defense, Homeland Security, Higher Ed, and private sector partners. He also spoke of increasing ND’s UAS footprint in the industry of manufacturing and in the data supply chain. James commented that the Department of Defense is pursuing a study to identify supply chain gaps. James then spoke of the need for an intermodal system and is working diligently with four rail line companies within the state. An intermodal system would give the state a competitive advantage on transportation costs that are transferred to the buyer.

James highlighted the Research North Dakota and the Centers of Excellence programs and the need for two foundation members to join Research ND Commission. Research ND is overseen by a commission comprised of members from the North Dakota Economic Development Foundation and the State Board of Higher Education. The Centers of Excellence Commission manages the application process, makes funding determinations for projects, and oversees the monitoring of the Centers and Research North Dakota grant recipients. Kristin Hedger and Erik Diederich will sit on Research ND with Mike Seminary acting as alternate.

Workforce – Holly Holt
Holly talked about the survey that was conducted in partnership with the Labor Commission, ND Job Service and the Greater ND Chamber. The survey was sent to employers across the state to receive input for recommendations to the legislature regarding workforce shortage. Employers noted areas of shortage to be in the areas of nursing, occupational licensing, trades that require a two-year degree and cyber security technology. Holly also talked about recruitment and retaining of future generations and how to leverage, with the broad marketing of ND and Main Street Initiative discussions.

Holly discussed some key points for Mainstree ND.com. She mentioned that 58 communities have signed up to be a Main Street Community, which represents more than 70% of the state. The dashboard on the Main Street ND website has 23 data sources, that allow communities to update their own data.

EDND – Ellen Huber
Ellen talked about the EDND Legislative priorities that were broken down to a TOP 5, but in draft form. These will be looked at again at the upcoming Fall Conference in Minot, at the end of October. The priorities were shared with the interim taxation committee earlier this year, discussing bill drafts for college scholarships/tuition reimbursement to help leverage the shortage in the areas of workforce. The group worked with the legislative council on two bill drafts, that may need possible sponsors.

Commerce Department Priorities
Shawn talked about Commerce legislative priorities and ending the conversation with the foundation members choosing their top 3 priorities, that landed on workforce, UAS and Intermodal.

Petroleum Council Priorities
Shawn mentioned the top priorities for the Petroleum Council were road restrictions, Department of Environmental Quality, natural gas capture, workforce, and tribal and state oil agreements.
NEW BUSINESS

Cooperative EDND & Economic Development Foundation legislative social - Sara
UAV Tradeshow/Team UAS foundation expenditure request - John

Sara Otte Coleman asked the foundation if they would be interested in partnering with EDND for the legislative social this year, March 12th or 13th. In the past partnering was also done with Bank of ND, but this year, the Bank of ND would be conducting a social on their own.

**Motion:** Mike Seminary moved to approve the foundation expensing $2,500.00 to be used for the legislative social. Chuck Hoge seconded the motion. Motion carried.

John Schneider asked the foundation for their approval to use funds for a social at the Commercial UAV Tradeshow in Las Vegas, October 2nd. Commerce would partner with Grand Sky, the Test Site and other partners around the state; consisting of TEAM UAS.

**Motion:** Bruce Thom moved to approve the foundation expensing $500.00 to be used for the TEAM UAS social. Tom Kenville seconded the motion. Motion carried.

Nominating Committee, it was discussed to put a nominating committee together for Chair and Co-Chair, as Rob Hovland and Danita Bye have stepped down from the foundation. Joining Pam Schmidt will be Bruce Gjovig, Mike Seminary and Kristin Hedger. There was no motion made for approval.

Research ND, Centers of Excellence, it was discussed to add three more foundation members to the Research ND program, overseen by the Centers of Excellence Commission. Joining Tom Kenville will be Kristin Hedger, Erik Diederich, and Mike Seminary acting as alternate.

**Motion:** Chuck Hoge moved to approve the members of Kristin Hedger, Erik Diederich, and Mike Seminary to be added to the Research ND/Centers of Excellence Commission. Jared Melville seconded the motion. Motion carried.

Future Meeting

- Sherri Frieze will DOODLE POLL members by email, regarding a follow up conference call on revisions made to the Strategic Plan, no later than October 10th and a pre-legislative session meeting, for December 3rd or 5th.

ADJOURNMENT:

A motion was made by Bruce Thom and seconded by Chuck Hoge to adjourn the meeting. Meeting adjourned at 4:00 pm.

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Lyn James                      Date
Foundation Secretary, Acting Chair

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Sherri Frieze                  Date
Recording Secretary