

North Dakota's Diversifying Economy

North Dakota Department of Commerce



JOHN SCHNEIDER

Economic Development & Finance Division Director

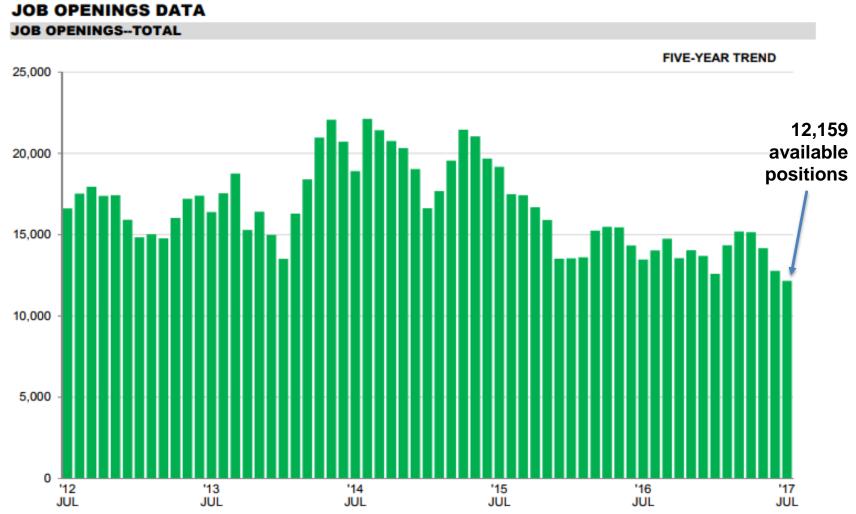
- Native of Rugby, ND
- Served as executive director for the Agricultural Products Utilization Commission over the last 16 years
- Served as the Interim State Director of the Small Business Development Centers
- Past Executive Director for Harvey Area Economic Development
- Bachelor of Science degree in economics and business administration from North Dakota State University





Current Job Openings

JULY 2017 ONLINE JOB OPENINGS REPORT





ATTRACT, RETAIN & EXPAND WEALTH

Charged With Growing Our State & Improving The Quality Of Life



ECONOMIC DEVELOPMENT



TOURISM



WORKFORCE DEVELOPMENT



COMMUNITY SERVICES



5 Essential Strategies

- 1. Maintain a positive business climate that supports private sector investment, growth and job creation.
- Continue investing in university-based research and development conducted with the private sector that engages North Dakota in emerging industries such as life sciences and advanced technology.
- 3. Embrace entrepreneurship and foster a culture of entrepreneurship where innovative, tech-savvy companies can thrive.
- 4. Continue investing in statewide talent strategies that address education, training recruitment and retention to provide a steady supply of skilled workers needed to fuel long-term business growth.
- Promote export trade by linking North Dakota businesses with foreign buyers and markets.



- Overall appropriation of \$99,478,338 to Commerce, of which \$31,342,680 is from the general fund.
 - Previous approved budget was \$131,373,174, of which \$56,203,701 was general fund.
- Authorizes 66.40 FTEs, a decrease of 3.0 FTEs.
- Removes previously funded "one-time" items, such as:
 - Research ND was \$4.5 million
 - Child Care Facility Grants was \$2.25 million
 - Workforce Enhancement Grants was \$1.0 million
 - Tourism Infrastructure Grants was \$750,000
- Removes designation for general funded grants (could still be funded from discretionary), including:
 - AHEC (\$200,000)
 - Continuum of Care (\$75,301)
 - Emergency Solutions (\$244,669)
 - Self Sufficiency (\$110,000)
- Removes general funds from APUC was \$1.2 million



- Base Budget includes \$30,342,680 of general funds and \$55,333,906 of other funds (mainly federal) for a total of \$85,676,586.
- Examples of Base Budget Funding Items includes:
 - ~\$13 million in Salaries & Wages
 - ~\$15 million in Operating Expenses, such as:
 - ~\$8.4 million for Tourism Marketing & Operating
 - \$950,000 for Operation Intern
 - ~\$1.94 million for Partner Programs
 - \$2.0 million for ND Trade Office
 - \$750,000 for Innovate ND



- Ongoing general fund base budget has a net decrease of \$6,294,565 including:
 - \$274,522 less in Salaries & Wages tied to 3.0 FTE reduction
 - \$1.5 million less for Pre-K Community Grants
 - \$1,222,983 less general funds for APUC
 - \$924,807 less for Tourism (partially offset by \$500,000 in one-time Research ND funds)
 - \$750,000 less for Innovate ND (partially offset by one-time Research ND funds)
 - \$613,400 less for the ND Trade Office
 - \$550,000 less for Operation Intern
 - \$282,199 less for Partner Program
 - \$629,970 less for general funded grants and \$271,918 more for Discretionary Funds
 - \$300,000 for Homeless Shelter Grants (previously one-time)



- One-time Funding Items including:
 - \$3.5 million appropriated out of the Research ND Fund:
 - \$500,000 for Tourism
 - \$1.5 million for Innovate ND, including:
 - \$900,000 to entrepreneurship centers
 - \$300,000 in biotechnology grants
 - Governor vetoed \$300,000 set aside for ND Safety Council
 - \$500,000 for a grant to the EERC
 - \$1.0 million for Commissioner Discretionary Funds
 - \$500,000 from the Student Loan Trust Fund for Tribal College Grants
 - \$4.6 million from Strategic Investment and Improvements Fund:
 - \$600,000 for Base Retention Grants
 - \$2 million for UAS Test Site
 - \$2 million for Enhanced Use Lease Grants (Grand Sky)
 - Plus \$1 million in general fund
 - \$5,201,752 in federal Flood Impact Grants/Loans



5 TARGET INDUSTRIES ... AND UAS

Targets to broaden the state's economic base, create new wealth and generate quality jobs for our people.



The New York Times



A Silicon Valley for Drones, in North Dakota

....A new, tech-savvy generation is grabbing a piece of the growing market for drone technology and officials want to help them do it here, where there is plenty of open space and — unlike in other sparsely populated states — lots of expertise already in place.





WHY NORTH DAKOTA IS TAKING THE LEAD

Expertise

A decade of UAS history

Experience

50 years of manned experience and training

R&D

Leading edge research and development

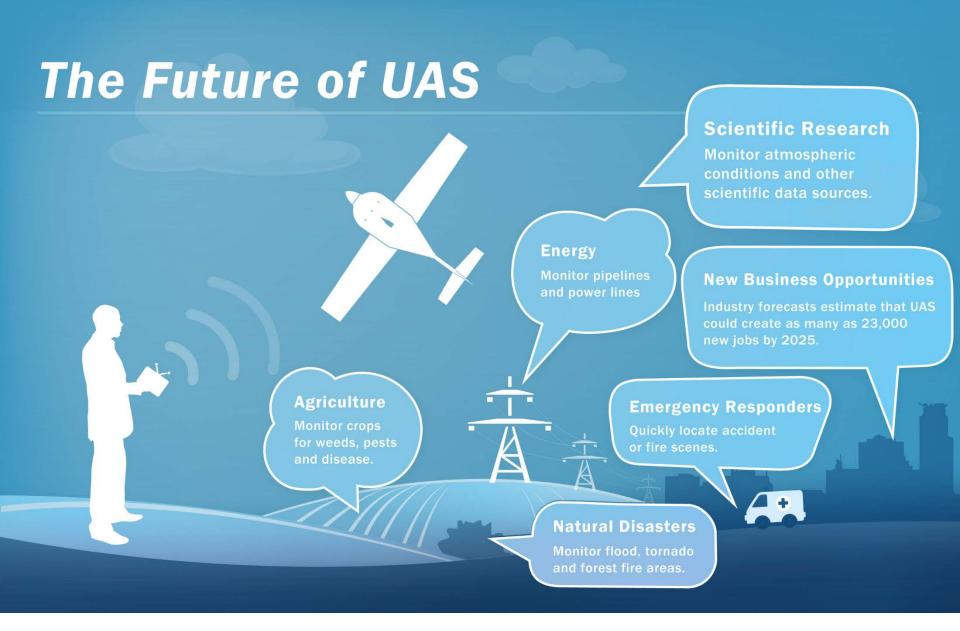
Opportunity

Growing entrepreneurs and first UAS business park

State Support

\$43 million invested to advance UAS collaboration







MAIN STREET INITIATIVE

- What is Main Street?
- Steps to Success
- How You Help
- Measuring the Effort







3 PILLARS OF MAIN STREET

Healthy, Vibrant Communities

- Education
- Public Safety
- Quality of Life

Smart, Efficient Infrastructure

- People-Focused Development
- Good Fiscal Decisions

21st Century Workforce

- Talent Recruitment/Attraction
- Fostering Entrepreneurship



MAIN STREET TASK FORCES

HEALTHY, VIBRANT COMMUNITIES

- Commerce Division of Community Services and Tourism Division
- Department of Health
- Bank of North Dakota
- Parks and Recreation Department
- ND Council on the Arts
- NDSU Extension
- Vision West ND
- Local Economic Developers
 FDND
- Local Chambers of Commerce

SMART, EFFICIENT INFRASTRUCTURE

- Department of Transportation
- League of Cities
- Association of Counties
- Commerce Division of Community Services
- Bank of North Dakota
- North Dakota Public Finance Authority
- State Water Commission
- ITCND
- North Dakota Planning Association
- Regional Planning Councils
- Information Technology Department
- Securities Department
- Workforce Safety & Insurance

21ST CENTURY WORKFORCE

- North Dakota Workforce Development Council
- Commerce Workforce Development Division
- Bank of North Dakota
- Job Service North Dakota
- ND University System
- Department of Public Instruction
- Center for Distance Education
- Department of Health
- Department of Corrections & Rehabilitation
- Career & Technical Education
- North Dakota STEM Network
- Indian Affairs Commission
- Information Technology Department
- Workforce Safety & Insurance



MAIN STREET SUCCESS

- Business Startups
- Business Expansions
- Building Permits
- Renaissance Zone
- Payment in Lieu of Taxes (PILOT)
- Gigabit Internet
- Main Street Traffic Speed
- Debt/Citizen
- Community Gathering Spaces
- Access to Health Services
- Quality of Life Attractions
- Light Poles
- Diagonal Parking









NORTH DAKOTA BY THE NUMBERS

#1 Best-Run State – Wall Street 24/7 (4th consecutive year)

#1 Housing growth per capita - U.S. Census (4th consecutive year)

#1 Growth Performer States Since 2000 - U.S. Chamber

#1 Best States for Young Adults — Moneyrates.com

#1 Best States for Entrepreneurship -Univ. of Nebraska

#1 Best States for Millennials - Moneyrates.com

#2 Oil Producing State - ND Mineral Resource Division

#3 Economic Competitiveness – American Legislative Council

#2 In State Competitiveness - Beacon Hill Institute

#8 Best States for Business - Forbes Magazine

#6 Pro-Business State - Pollina Corporate RE

519% increase in exports since 2000 - U.S. Dept. Commerce



Energy Energy USG Midstream County Line -Kinder Morgan

Liberty Midstream Bakken FORTUNA ROLLA Solutions LLC Energy Hess Border Winds Lindahl Wind CROSBY Agriculture Oneok Partners LP Manufacturing Manufacturing Bektrom Foods Pioneer Station Dan's Tank Air Liquide Energy Company Inc. CANDO Manufacturing 1804 Ltd. Flowcore Systems Manufacturing BERTHOLD Thread Masters TIOGA Summers Manufacturing Precision Machining MINOT SPRINGBROOK DEVILS LAKE WILLISTON KEENE 6 Kinder Morgan Agriculture Lonesome Creek Station WATFORD Heskett Station AGT Foods USA Oasis Midstream Services Tesoro ALEXANDER (CITY 🧀 Agriculture Oneok Partners LP Technology Cummings Ag Manufacturing Targa Resources **EID Passport** Energy Bobcat Caliber Manufacturing Midstream Degelman Technology Manufacturing Oneok Partners LP Energy Industries USA CoSchedule Dakota Gasification Oliver Dakota Carrier Company Wind III Energy KILLDEER Network Arrow Field Services Davmarck Courtenay Wind Farm Sunflower BEULAH Wind NISC CENTER **COURTENAY** HEBRON Whiting Oil & Gas Bison Wind SPIRITWOOD DICKINSON RICHARDTON Manufacturing Midwest Manufacturing BELFIELD C NEW BISMARCK/ SALEM MANDAN MENOKEN JAMESTOWN 6 STARK Brady Wind I Agriculture COUNTY Agriculture Agriculture Baker Boy Stone Mill LLC Fluffy Fields Vineyard NEW Cavendish Farms Todd's Honey Manufacturing Farm Dakota Spirit AgEnergy ENGLAND John Deere Seeding Energy Tesoro Manufacturing

Brady Wind II

Energy

HETTINGER

Thunder Spirit Wind

Doing Business Better

Attracted to North Dakota's strong business climate, new companies

and facilities are opening in the state while existing companies are expanding operations. This map reflects the state's new and recently expanded businesses in targeted industries.

WALHALLA

Manufacturing

Agriculture

American Bean

PETERSBURG

Manufacturing

Agriculture

VALLEY CITY

Abbiamo Pasta

Manufacturing

Manufacturing

Dakota Munitions Inc.

OAKES COG WELL

Northern Plains Finishing

CASSELTO

Hope Foods

Harvest Fuel

Agriculture J.R. Simplot

ND Mill & Elevator

Energy

Minnkota Power Cooperative

Manufacturing

LM Wind Power Blades Robot Aviation Steffes

NECHE

Manufacturing

Midway Seed LLC

GRAFTON (

FINLEY

Agriculture

Remington Seeds

GRAND FORKS

Agriculture

O'Brien Seed

MAYVILLE

HILLSBOR

FARGO/

WEST FAR

HARWOOD

WAHPET

COLFAX

Technology

Amazon EdgeData General Atomics Ideal Aerosmith Northrop Grumman Sharper Shape SkySkopes

Agriculture

Anchor Ingredients Cargill Dakota Specialty Milling Peterson Farms Seed

Manufacturing

Bobcat CAT REMAN dogIDs Elinor Specialty Coatings Epic Welding & Manufacturing Horsch Anderson John Deere Electronic Solutions Prairie Supply Inc. Mackow Industries International

Tufte Enterprises Technology Aldevron

Appareo Systems

Titan Machinery

NuTek Food Science

Blueprint IT Solutions Botlink **Buzz 360** Eldermark Software Evolution1 Intelligent InSites

Loyalty Builders Microsoft Myriad Devices

Pedigree Technologies Project Pros Spectrum Aeromed

Technology

Buffalo City Wood Products

Agriculture

North Dakota

Soybean Processors

RTS Shearing LLC

Eagle Creek Software

Manufacturing Harris Machine

Agriculture Heimbuch Potatoes

Manufacturing

Farmers Union Oil of Southern Valley

Agriculture Manufacturing Giant Snacks Agoo-Amity JV

Minn-Dak Farmers Cooperative

Altavian C2Renew ComDel Innovation WCCO Belting

AYUGA

NDBusiness.com

Agriculture

Pulse Oils LLC

BOWMAN

June 2017

Manufacturing

Killdeer Mountain

Manufacturing

Steffes