

# Growing North Dakota



ING ReliaStar plans to add 150 new jobs to the 550 employees currently working at its Minot office. That's economic development in action. Photo courtesy Stephen Geffre, Minot Daily News.

The Department of Economic Development and Finance provides strategic direction and quality products and services to stimulate and support local economic growth and diversity.

**- Current Mission Statement**

The Department of Commerce is the perfect solution to leverage our limited resources in financial and human capital so we focus our efforts and create greater wealth for North Dakota.

**- Proposed Direction**

## 2001-03 Funding Request

### Legislation

Senate Bill 2019 provides an appropriation for the Department of Economic Development & Finance. It also includes an appropriation for the Agricultural Products Utilization Commission (APUC).

### Purpose

Business Expansion, Recruitment  
Marketing  
APUC  
Development Fund  
Global Business  
Manufacturing Extension Partnership  
Research & Intelligence  
Workforce Development Council  
Discretionary Grants  
Admin. Support, Info. Technology

### Funds Requested

\$ 1,031,463  
1,248,049  
1,425,270  
3,000,159  
192,289  
558,544  
439,714  
101,291  
1,673,292  
1,280,371

**Total Request**

**\$10,950,442**

# We Will Focus Our Efforts To Create Greater Wealth

Gov. John Hoeven's State of the State Address opened and closed with economic development. He expects the Department of Economic Development and Finance (ED&F) to become more creative and effective. He expects ED&F to nurture business relationships that produce more, better-paying jobs throughout North Dakota.

We intend to deliver.

This Executive Summary presents a candid review of the current programs or services ED&F provides. Support materials are available from the contact person listed and responsible for each service area. [www.growingnd.com](http://www.growingnd.com) – the agency web site – is also a valuable source of information on ED&F activities.

## Business Development and Marketing

The Business Development staff is responsible for the expansion of existing business, supporting start-ups and recruiting or attracting business investment from outside the state. Business developers work closely with their clients, development organizations, communities and local developers to seek and secure successful business investment projects.

During fiscal year 1999-2000, ED&F's Business Development team kept in direct contact with more than 150 in-state, primary-sector businesses and over 80 out-of-state businesses. Their work with these clients impacted 65 North Dakota communities.

Contact: Lee Peterson, 328.5305

## Funding & Financial Services: APUC

APUC provides financial assistance to North Dakota farmers, ranchers and ag-related business owners so they can transform their unique, entrepreneurial ideas into successful ventures that add value to North Dakota's agricultural products. The Commission administers five grant programs that encompass basic and applied research, marketing and utilization, cooperative marketing, farm diversification and agricultural prototypes.

Between July 1, 1999, and June 30, 2000, APUC received 118 grant applications requesting \$4.7 million in total funding. The Commission approved 64 projects for a total of \$1.38 million in funding. APUC disbursed \$1.5 million for ethanol production incentives.

Contact: Lance Gaebe, 328.5350

## Funding & Financial Services: ND Development Fund

The North Dakota Development Fund provides flexible, gap financing to North Dakota businesses in an effort to secure the state's economic growth. The Development Fund also administers the Regional Rural Development Revolving Loan Fund (RRLF) which provides dollars specifically for qualifying rural projects.

The Development Fund invested \$4.9 million in 28 projects from July 1, 1999, to June 30, 2000. These dollars leveraged over \$28 million from other financing institutions and resulted in a 6.95 to 1 ratio — for every Development Fund dollar invested, \$6.95 was invested from other sources.

Since the inception of the Fund, it has invested nearly \$33.2 million in 197 companies with almost half (\$13 million) invested in rural communities. The investments made by the Fund have contributed to the creation of 6,492 primary-sector jobs.

Contact: Dean Reese, 328.5334

## Global Business

An ever-increasing number of North Dakota businesses seek to export their goods and services internationally. During the first half of the 1999-01 biennium, ED&F provided support for several international business projects. The agency contracted with an international business consultant to develop a global strategic plan that takes a more aggressive approach to marketing North Dakota, its businesses and its products to the world.

Contact: Lee Peterson, 328.5305

## Manufacturing Extension Partnership

The Manufacturing Extension Partnership (MEP) is a public/private partnership affiliated with the U.S. Department of Commerce's National Institute of Standards and Technology. At the heart of the system is a network of more than 400 regional manufacturing extension centers. These centers provide direct services to manufacturers, helping them to address their most critical needs.

ED&F conducted nearly 200 on-site interviews

with manufacturers across North Dakota as the basis for an MEP Center. Based on the interview results, five Lean Manufacturing workshops were offered with more than 120 participants from 40 manufacturers learning a systematic approach for identifying and eliminating waste through continuous improvement techniques.

Sixty-four percent of the manufacturers interviewed said they planned to expand their facilities in the next three years. This amounts to an estimated investment of more than \$124 million in local economies and the creation of more than 3,500 jobs.

Contact: Randy Schwartz, 328.5314

## Research & Intelligence

The Research & Intelligence division of ED&F evolved from the ongoing need to assess North Dakota's capacity, new wealth creators, growth opportunities and competitive position.

During fiscal year 1999-2000, Research & Intelligence staff managed 268 activities; 105 of these were specific company requests. Another 22 were research requests from ED&F clients, and the last 141 dealt with program or topic research.

Research & Intelligence was largely responsible for the development and completion of "Our Competitive Landscape: A report on the composition and performance of the North Dakota economy." The authoritative report was distributed to nearly 10,000 North Dakotans.

**T**here is a New Economy and North Dakota must be a part of it.

- Gov. John Hoeven

# We Will Focus Our Efforts To Create Greater Wealth

## Research & Intelligence (Continued)

During the past year, Research & Intelligence developed skills and used geographic information systems for industry analysis, North Dakota infrastructure and inclusion on ED&F's web site.  
Contact: Cory Finneman, 328.5328

## Small Business Development Centers

The Small Business Development Centers (SBDCs) are a partnership program with the U.S. Small Business Administration. ED&F is the primary source for state funding support. SBDCs deliver free, confidential business counseling, workshops, specialty training and links to valuable resources for business clients across the state.

SBDCs conducted 78 manufacturer interviews for the North Dakota MEP Center in 2000. During fiscal year 1999-2000, SBDCs counseled 703 clients for a total of 5,639 hours. Center staff also presented 32 training programs to 872 attendees.  
Contact: Wally Kearns, 777.3700

## State & Local Development

This division includes the North Dakota Rural Development Council. Funded by the USDA, the administration, information and support services are provided by ED&F. The Council is charged to

identify and establish collaborative and proactive partnerships which respond to pressing economic, community development issues.  
Contact: Cornelius Grant, 328.5313

## Women & Technology

The Women & Technology program is sponsored by the U.S. Small Business Administration, ED&F and the Bank of North Dakota. The program provides basic computer training in North Dakota communities. In the program's first year (1999-2000), more than 600 people attended community computer courses in 13 different communities in North and South Dakota.  
Contact: Tara Holt, 328.5897

## Workforce Development Council

The North Dakota Workforce Development Council is a 25-member, advisory body appointed by the governor. In the past year, the Council developed the state's first strategic, five-year workforce development plan with heavy emphasis on high-skill, high-wage and high-growth primary-sector industries.

The Council also developed an extensive One-Stop Delivery system through the Workforce Investment Act. Critical services include labor market information, career planning, provider information and access to many local partners who deliver workforce-related products or services.  
Contact: Lee Peterson, 328.5312  
(position currently vacant)



**GROWING**  
North Dakota

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